

**ENCLOSURE 1**

Reporting period:

1 January 2015

to

31 March 2015

**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: **7.953**  
(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.; Member of INA Group**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 of 31 March 2015

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>	16.539.000.000	17.407.000.000
I. INTANGIBLE ASSETS (004 do 009)	<b>003</b>	505.000.000	613.000.000
1. Assets development	<b>004</b>		
2. Concessions, patents, licence fees, merchandise and service brands, software and other rights	<b>005</b>	130.000.000	138.000.000
3. Goodwill	<b>006</b>		
4. Advances for purchase of intangible assets	<b>007</b>	50.000.000	116.000.000
5. Intangible assets in preparation	<b>008</b>	325.000.000	359.000.000
6. Other intangible assets	<b>009</b>		
II. TANGIBLE ASSETS (011 do 019)	<b>010</b>	12.587.000.000	12.758.000.000
1. Land	<b>011</b>	1.000.000.000	1.000.000.000
2. Buildings	<b>012</b>	5.043.000.000	5.093.000.000
3. Plant and equipment	<b>013</b>	3.019.000.000	3.183.000.000
4. Instruments, plant inventories and transportation assets	<b>014</b>	301.000.000	288.000.000
5. Biological asset	<b>015</b>		
6. Advances for tangible assets	<b>016</b>	23.000.000	33.000.000
7. Tangible assets in preparation	<b>017</b>	3.193.000.000	3.153.000.000
8. Other material assets	<b>018</b>	3.000.000	3.000.000
9. Investment in property	<b>019</b>	5.000.000	5.000.000
III. LONG-TERM FINANCIAL ASSETS (021 do 028)	<b>020</b>	1.641.000.000	2.254.000.000
1. Investments in subsidiaries	<b>021</b>	1.133.000.000	1.133.000.000
2. Loans given to related parties	<b>022</b>	0	589.000.000
3. Participating interests (shares)	<b>023</b>	28.000.000	27.000.000
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>	18.000.000	7.000.000
7. Other long-term financial assets	<b>027</b>	462.000.000	498.000.000
8. Investment accounted by equity method	<b>028</b>		
IV. RECEIVABLES (030 do 032)	<b>029</b>	104.000.000	101.000.000
1. Receivables from subsidiaries	<b>030</b>	11000000	11.000.000
2. Receivables based on trade loans	<b>031</b>	93.000.000	90.000.000
3. Other receivables	<b>032</b>		
V. DEFERRED TAX ASSETS	<b>033</b>	1.702.000.000	1.681.000.000
<b>C) SHORT-TERM ASSETS (035+043+050+058)</b>	<b>034</b>	4.505.000.000	4.587.000.000
I. INVENTORIES (036 do 042)	<b>035</b>	1.659.000.000	2.184.000.000
1. Raw materials & consumables	<b>036</b>	359.000.000	653.000.000
2. Work in progress	<b>037</b>	776.000.000	773.000.000
3. Finished goods	<b>038</b>	347.000.000	632.000.000
4. Merchandise	<b>039</b>	177.000.000	126.000.000
5. Advances for inventories	<b>040</b>		
6. Long-term assets held for sale	<b>041</b>		
7. Biological asset	<b>042</b>		
II. RECEIVABLES (044 do 049)	<b>043</b>	1.730.000.000	1.957.000.000
1. Receivables from subsidiaries	<b>044</b>	117.000.000	132.000.000
2. Trade receivables	<b>045</b>	1.399.000.000	1.512.000.000
3. Receivables from participating entities	<b>046</b>		
4. Receivables from employees and shareholders	<b>047</b>	4.000.000	4.000.000
5. Receivables from government and other institutions	<b>048</b>	103.000.000	212.000.000
6. Other receivables	<b>049</b>	107.000.000	97.000.000
III. SHORT-TERM FINANCIAL ASSETS (051 do 057)	<b>050</b>	789.000.000	367.000.000
1. Investments in subsidiaries	<b>051</b>		
2. Loans given to related parties	<b>052</b>	517.000.000	60.000.000
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>	192.000.000	204.000.000
7. Other financial assets	<b>057</b>	80.000.000	103.000.000
IV. CASH AT BANK AND IN CASH REGISTER	<b>058</b>	327.000.000	79.000.000
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>059</b>	149.000.000	144.000.000
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	21.193.000.000	22.138.000.000
<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>	11.476.000.000	11.928.000.000
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>	2.529.000.000	2.917.000.000
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>	2.529.000.000	2.917.000.000
IV. REVALUATION RESERVES	<b>071</b>	121.000.000	149.000.000
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	<b>072</b>	-805.000.000	-174.000.000
1. Retained earnings	<b>073</b>		
2. Accumulated loss	<b>074</b>	805.000.000	174.000.000
VI. PROFIT/LOSS FOR THE FINANCIAL YEAR (076-077)	<b>075</b>	631.000.000	36.000.000
1. Profit for the financial year	<b>076</b>	631.000.000	36.000.000
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>	3.408.000.000	3.428.000.000
1. Provisions for redundancy costs, severance pays and similar liabilities	<b>080</b>	136.000.000	141.000.000
2. Provisions for tax obligations	<b>081</b>		
3. Other provisions	<b>082</b>	3.272.000.000	3.287.000.000
<b>C) NON-CURRENT LIABILITIES (084 do 092)</b>	<b>083</b>	682.000.000	1.606.000.000
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>	619.000.000	1.550.000.000
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>	63.000.000	56.000.000
9. Deferred tax liability	<b>092</b>		
<b>D) CURRENT LIABILITIES (094 do 105)</b>	<b>093</b>	5.539.000.000	5.151.000.000
1. Liabilities to subsidiaries	<b>094</b>	443.000.000	259.000.000
2. Liabilities for loans, deposits and other	<b>095</b>		
3. Liabilities to banks and other financial institutions	<b>096</b>	2.578.000.000	2.657.000.000
4. Liabilities for received advances	<b>097</b>	22.000.000	45.000.000
5. Trade payables	<b>098</b>	1.256.000.000	1.367.000.000
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>	81.000.000	63.000.000
9. Liabilities for taxes, contributions and similar fees	<b>102</b>	970.000.000	603.000.000
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>	189.000.000	157.000.000
<b>E) ACCRUAL AND DEFERRED INCOME</b>	<b>106</b>	88.000.000	25.000.000
<b>F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	21.193.000.000	22.138.000.000
<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 2015 to 31 March 2015

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>	4.787.000.000	4.787.000.000	3.319.000.000	3.319.000.000
1. Sales revenue	112	4.673.000.000	4.673.000.000	3.193.000.000	3.193.000.000
2. Other operating income	113	114.000.000	114.000.000	126.000.000	126.000.000
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	4.847.000.000	4.847.000.000	3.084.000.000	3.084.000.000
1. Changes in inventories of finished products and work in progress	115	197.000.000	197.000.000	-286.000.000	-286.000.000
2. Material costs (117 do 119)	116	3.322.000.000	3.322.000.000	2.484.000.000	2.484.000.000
a) Cost of raw materials & consumables	117	2.441.000.000	2.441.000.000	1.164.000.000	1.164.000.000
b) Cost of goods sold	118	507.000.000	507.000.000	901.000.000	901.000.000
c) Other costs	119	374.000.000	374.000.000	419.000.000	419.000.000
3. Staff costs (121 do 123)	120	311.000.000	311.000.000	332.000.000	332.000.000
a) Net salaries and wages	121	184.000.000	184.000.000	193.000.000	193.000.000
b) Costs for taxes and contributions from salaries	122	86.000.000	86.000.000	90.000.000	90.000.000
c) Contributions on gross salaries	123	41.000.000	41.000.000	49.000.000	49.000.000
4. Depreciation and amortisation	124	419.000.000	419.000.000	380.000.000	380.000.000
5. Other costs	125	232.000.000	232.000.000	189.000.000	189.000.000
6. Impairment charges (127+128)	126	419.000.000	419.000.000	11.000.000	11.000.000
a) impairment of long-term assets (excluding financial assets)	127	8.000.000	8.000.000	4.000.000	4.000.000
b) impairment of short-term assets (excluding financial assets)	128	411.000.000	411.000.000	7.000.000	7.000.000
7. Provisions	129	-53.000.000	-53.000.000	-26.000.000	-26.000.000
8. Other operating expenses	130				
<b>III. FINANCIAL INCOME (132 do 136)</b>	<b>131</b>	73.000.000	73.000.000	392.000.000	392.000.000
1. Interest income, foreign exchange gains, dividends and other financial income from subsidiaries	132	25.000.000	25.000.000	80.000.000	80.000.000
2. Interest income, foreign exchange gains, dividends and other financial income from third parties	133	13.000.000	13.000.000	32.000.000	32.000.000
3. Part of income from associates and participating interests	134				
4. Unrealized gains (income) from the financial assets	135				
5. Other financial income	136	35.000.000	35.000.000	280.000.000	280.000.000
<b>IV. FINANCIAL COSTS (138 do 141)</b>	<b>137</b>	256.000.000	256.000.000	577.000.000	577.000.000
1. Interest, foreign exchange losses and other expenses from subsidiaries	138	113.000.000	113.000.000	3.000.000	3.000.000
2. Interest, foreign exchange losses and other expenses from third parties	139	63.000.000	63.000.000	257.000.000	257.000.000
3. Unrealized loss (expenses) on financial assets	140				
4. Other financial expenses	141	80.000.000	80.000.000	317.000.000	317.000.000
<b>V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTITIES</b>	<b>142</b>				
<b>VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED 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>	4.860.000.000	4.860.000.000	3.711.000.000	3.711.000.000
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	5.103.000.000	5.103.000.000	3.661.000.000	3.661.000.000
<b>XI. PROFIT OR LOSS BEFORE TAX (146-147)</b>	<b>148</b>	-243.000.000	-243.000.000	50.000.000	50.000.000
1. Profit before tax (146-147)	149	0	0	50.000.000	50.000.000
2. Loss before tax (147-146)	150	243.000.000	243.000.000	0	0
<b>XII. CORPORATE INCOME TAX EXPENSE</b>	<b>151</b>	53.000.000	53.000.000	14.000.000	14.000.000
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	-296.000.000	-296.000.000	36.000.000	36.000.000
1. Profit for the period (149-151)	153	0	0	36.000.000	36.000.000
2. Loss for the period (151-148)	154	296.000.000	296.000.000	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 equity holders of the parent company	155				
2. Attributable to non-controlling interests	156	0	0	0	0
<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>	-296.000.000	-296.000.000	36.000.000	36.000.000
<b>II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 do 165)</b>	<b>158</b>	66.000.000	66.000.000	416.000.000	416.000.000
1. Exchange differences on translation of foreign operations	159	27.000.000	27.000.000	390.000.000	390.000.000
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	39.000.000	39.000.000	28.000.000	28.000.000
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. Actuarial gain / losses on defined benefit plans	165	0	0	-2.000.000	-2.000.000
<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>	66.000.000	66.000.000	416.000.000	416.000.000
<b>V. TOTAL COMPREHENSIVE INCOME/LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	-230.000.000	-230.000.000	452.000.000	452.000.000
<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 equity holders of the parent company	169				
2. Attributable to non-controlling interests	170	0	0	0	0

**CASH FLOW STATEMENT - Indirect method**  
in the period 1 January 2015 to 31 March 2015

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	-243.000.000	50.000.000
2. Depreciation and amortisation	002	419.000.000	380.000.000
3. Increase in short-term liabilities	003		
4. Decrease in short-term receivables	004	164.000.000	
5. Decrease in inventories	005	206.000.000	
6. Other cash flow increases	006	2.070.000.000	255.000.000
<b>I. Total increase of cash flow from operating activities (001 do 006)</b>	<b>007</b>	<b>2.616.000.000</b>	<b>685.000.000</b>
1. Decrease in short-term liabilities	008	1.129.000.000	589.000.000
2. Increase in short-term receivables	009		214.000.000
3. Increase in inventories	010		542.000.000
4. Other cash flow decreases	011	1.562.000.000	89.000.000
<b>II. Total decrease of cash flow from operating activities (008 do 011)</b>	<b>012</b>	<b>2.691.000.000</b>	<b>1.434.000.000</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	<b>0</b>	<b>0</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>75.000.000</b>	<b>749.000.000</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>			
1. Cash inflows from sale of long-term tangible and intangible assets	015	2.000.000	
2. Cash inflows from sale of equity and debt instruments	016	0	
3. Interest receipts	017	23.000.000	14.000.000
4. Dividends receipts	018		
5. Other cash inflows from investment activities	019	514.000.000	
<b>III. Total cash inflows from investment activities (015 do 019)</b>	<b>020</b>	<b>539.000.000</b>	<b>14.000.000</b>
1. Cash outflows for purchase of long-term tangible and intangible assets	021	343.000.000	282.000.000
2. Cash outflows for purchase of equity and debt financial instruments	022		
3. Other cash outflows from investment activities	023		59.000.000
<b>IV. Total cash outflows from investment activities (021 do 023)</b>	<b>024</b>	<b>343.000.000</b>	<b>341.000.000</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>025</b>	<b>196.000.000</b>	<b>0</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTMENT ACTIVITIES</b>	<b>026</b>	<b>0</b>	<b>327.000.000</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Cash receipts from issuance from equity and debt financial instruments	027		
2. Cash inflows from loans, debentures, credits and other borrowings	028	5.062.000.000	4.405.000.000
3. Other cash inflows from financial activities	029		
<b>V. Total cash inflows from financial activities (027 do 029)</b>	<b>030</b>	<b>5.062.000.000</b>	<b>4.405.000.000</b>
1. Cash outflows for repayment of loans and bonds	031	5.223.000.000	3.537.000.000
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	44.000.000	40.000.000
<b>VI. Total cash outflows from financial activities (031 do 035)</b>	<b>036</b>	<b>5.267.000.000</b>	<b>3.577.000.000</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>037</b>	<b>0</b>	<b>828.000.000</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>038</b>	<b>205.000.000</b>	<b>0</b>
Total increase of cash flow (013 – 014 + 025 – 026 + 037 – 038)	<b>039</b>	<b>0</b>	<b>0</b>
Total decrease of cash flow (014 – 013 + 026 – 025 + 038 – 037)	<b>040</b>	<b>84.000.000</b>	<b>248.000.000</b>
Cash and cash equivalents at the beginning of the period	<b>041</b>	<b>252.000.000</b>	<b>327.000.000</b>
Increase of cash and cash equivalents	<b>042</b>		<b>828.000.000</b>
Decrease of cash and cash equivalents	<b>043</b>	<b>84.000.000</b>	<b>1.076.000.000</b>
Cash and cash equivalents at the end of the period	<b>044</b>	<b>168.000.000</b>	<b>79.000.000</b>

## STATEMENT OF CHANGES IN EQUITY

for the period 1.1.2015 to 31.3.2015

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	1.961.000.000	2.917.000.000
4. Retained earnings or accumulated loss	004	2.389.000.000	-174.000.000
5. Profit / loss for the current year	005	-296.000.000	36.000.000
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	149.000.000
9. Other revaluation	009		
<b>10. Total capital and reserves (AOP 001 do 009)</b>	<b>010</b>	13.099.000.000	11.928.000.000
11. Currency gains and losses arising from net investments in foreign operations	011	27.000.000	390.000.000
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	-257.000.000	62.000.000
<b>17. Total increase or decrease in capital (AOP 011 do 016)</b>	<b>017</b>	-230.000.000	452.000.000
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, statement of profit and loss, cash flow statement and statement of changes in equity in accordance with the regulations of the relevant international financial reporting standards.

## Q1 2015 – REPORT INA, D.D. NON-CONSOLIDATED

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

Q4 2014	2014	HRK mln.	Q1 2014*	Q1 2015	%
4,315	21,079	Net sales revenues	4,673	3,193	(32)
36	2,160	EBITDA <sup>(1)</sup>	725	600	(17)
<b>155</b>	<b>2,279</b>	<b>EBITDA excl. special items <sup>(2)</sup></b>	<b>725</b>	<b>600</b>	<b>(17)</b>
(305)	108	Operating profit/(loss)	(60)	235	n.a.
<b>1,883</b>	<b>2,296</b>	<b>Operating profit/(loss) excl. special items <sup>(2)</sup></b>	<b>(60)</b>	<b>235</b>	<b>n.a.</b>
442	42	Net financial expenses	(183)	(185)	1
682	631	Net profit/loss attributable to equity holder	(296)	36	n.a.
<b>2,876</b>	<b>2,825</b>	<b>Net profit/(loss) excl. special items <sup>(2)</sup></b>	<b>(296)</b>	<b>36</b>	<b>n.a.</b>
2,191	3,634	Operating cash flow	(73)	(749)	926
<b>Earnings per share</b>					
68.20	63.10	Basic and diluted earnings/(loss) per share (kunas per share)	(29.60)	3.60	
2,870	2,870	Net debt	4,522	4,128	(9)
20.01	20.01	Net gearing	25.66	25.71	
<b>538</b>	<b>1,619</b>	<b>CAPEX</b>	<b>282</b>	<b>190</b>	<b>(33)</b>
Q4 2014	2014	USD mln <sup>(3)</sup>	Q1 2014	Q1 2015	%
704	3,666	Net sales revenues	837	468	(44)
6	376	EBITDA <sup>(1)</sup>	130	88	(32)
<b>25</b>	<b>396</b>	<b>EBITDA excl. special items <sup>(2)</sup></b>	<b>130</b>	<b>88</b>	<b>(32)</b>
(50)	19	Operating profit/(loss)	(11)	34	n.a.
<b>307</b>	<b>399</b>	<b>Operating profit/(loss) excl. special items <sup>(2)</sup></b>	<b>(11)</b>	<b>34</b>	<b>n.a.</b>
72	7	Net financial expenses	(33)	(27)	(17)
111	110	Net profit/loss attributable to equity holder	(53)	5	n.a.
<b>469</b>	<b>491</b>	<b>Net profit/(loss) excl. special items <sup>(2)</sup></b>	<b>(53)</b>	<b>5</b>	<b>n.a.</b>
357	632	Operating cash flow	(13)	(110)	740
<b>Earnings per share</b>					
11.1	11.0	Basic and diluted earnings/(loss) per share (USD per share)	(5.3)	0.5	n.a.
499	499	Net debt	810	606	(25)
<b>88</b>	<b>282</b>	<b>CAPEX</b>	<b>51</b>	<b>28</b>	<b>(45)</b>

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

<sup>(2)</sup> No special items were recognized in Q1 2015.

<sup>(3)</sup> 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

\*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 before 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“.

## Q1 2015 RESULTS

In Q1 2015, INA d.d. achieved EBITDA excluding special items in the amount of HRK 600 million and operating profit excluding special items of HRK 235 million. Decrease of EBITDA in the amount of HRK 125 million, compared to Q1 2014 came from the following reasons: (1) negative impact of external environment, lower Brent, which had significant effect on Exploration and Production segment profitability and lower average Refining and Marketing prices; (2) negative effect of regulatory changes that take effect from Q2 2014, increase of royalty rate from 5% to 10 and decrease of regulated gas sales price from 2.2 to 1.7 kn/m<sup>3</sup>; (3) lower costs, which partially offset negative effects of external environment, but not in such scale to completely annul those impacts.



### **Income statement**

**Total sales revenues in Q1 2015** amounted HRK 3,193 million, 32% lower compared to Q1 2014 level, primarily triggered by lower Exploration and Production sales revenue due to lower Brent, lower average Refining and Marketing prices of oil derivatives and lower sea spot sales.

**Costs of raw materials and consumables** were 52% lower and amounted to HRK 1,164 million, resulting from lower prices and lower processing of other raw material volumes.

**Costs of goods sold** recorded increase of 78%, and amounted HRK 901 million, resulting from higher volumes of purchased oil derivatives sold in Q1 2015.

Within the **other operating costs** realized in Q1 2015:

- Other material costs were higher by 12% and amounted to HRK 419 million mostly related to higher royalty costs due to increase in royalty rate from 5% in Q1 2014 to 10% in Q1 2015. Decrease of other costs partially offset this increase.
- Service costs in the amount of HRK 141 million recorded an decrease of 30% 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 was 9% lower and amounted to HRK 380 million mainly due to lower Syrian depreciation.
- Adjustments and provisions had a positive effect of HRK 381 million compared to Q1 2014 due to lower impairment of receivables, which is related to PP merger into INA d.d. in Q4 2014, which was largest debtor to INA d.d. in Q1 2014.

**Staff costs** in the amount HRK 380 million were 11% higher than Q1 2014.

**Net financial expense** in the amount of HRK 185 million were recorded in Q1 2015, compared to the HRK 183 million net financial expenses in Q1 2014.

### **Balance sheet**

**Total assets** of INA, d.d., as at 31 March 2015 amounted to HRK 22,138 million and were 4% higher compared to 31 December 2014.

**Property, plant and equipment** amounted to HRK 12,726 million and were higher 1% than at as 31 December 2014.

**Trade receivables** outside INA-Group amounted to HRK 1,512 million and were 8% higher compared to 31 December 2014.

**Total liabilities** amounted to HRK 10,210 million and were 5% higher compared to 31 December 2014.

**Net indebtedness** of INA, d.d., amounted to HRK 4,128 million as at 31 March 2015 what is 44% higher compared to 31 December 2014. **Gearing ratio**<sup>1</sup> increased from 20.0% as at 31 December 2014 to 25.7% as at 31 March 2015.

As at 31 March 2015 **trade payables** amounted HRK 1,367 million, which is an increase of 9% compared to the 31 December 2014 level.

### **Cash flow**

**The operating cash-flow before changes in working capital** amounted to HRK 603 million in Q1 2015, decrease of 12% 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 1,345 million, primarily due to:

- Increase value of inventories by HRK 542 million
- Increase in receivables by HRK 214 million,
- Payables decreased by HRK 589 million.

Taxes paid influenced the operating cash flow in the amount of HRK 7 million. All the above factors resulted in HRK 749 million net outflows from operating activities generated by INA d.d. in Q1 2015.

<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 2014 and 2015**  
**(HRK millions)**

Q4 2014	2014		Q1 2014	Q1 2015	%
		Sales revenue			
3,078	13,394	a) domestic	3,098	2,354	(24)
1,237	7,685	b) exports	1,575	839	(47)
<b>4,315</b>	<b>21,079</b>	<b>Total sales revenue</b>	<b>4,673</b>	<b>3,193</b>	<b>(32)</b>
1	4	Capitalised value of own performance	1	1	0
63	361	Other operating income	113	125	11
<b>4,379</b>	<b>21,444</b>	<b>Total operating income</b>	<b>4,787</b>	<b>3,319</b>	<b>(31)</b>
(395)	(705)	Changes in inventories of finished products and work in progress	(197)	286	n.a.
(1,836)	(11,624)	Cost of raw materials and consumables	(2,441)	(1,164)	(52)
(744)	(1,980)	Depreciation and amortization	(419)	(380)	(9)
(558)	(1,960)	Other material costs	(374)	(419)	12
(316)	(803)	Service costs	(201)	(141)	(30)
(392)	(1,488)	Staff costs	(342)	(380)	11
(846)	(2,704)	Cost of other goods sold	(507)	(901)	78
574	7	Impairment and charges (net)	(419)	(11)	(97)
(171)	(79)	Provisions for charges and risks (net)	53	26	(51)
<b>(4,684)</b>	<b>(21,336)</b>	<b>Operating expenses</b>	<b>(4,847)</b>	<b>(3,084)</b>	<b>(36)</b>
<b>(305)</b>	<b>108</b>	<b>Profit/(loss) from operations</b>	<b>(60)</b>	<b>235</b>	<b>n.a.</b>
		Share in the profit of associated companies			
630	807	Finance income	73	392	437
(188)	(765)	Finance costs	(256)	(577)	125
<b>442</b>	<b>42</b>	<b>Net loss from financial activities</b>	<b>(183)</b>	<b>(185)</b>	<b>1</b>
<b>137</b>	<b>150</b>	<b>Profit/(loss) before tax</b>	<b>(243)</b>	<b>50</b>	<b>n.a.</b>
545	481	Income tax expense	(53)	(14)	(74)
<b>682</b>	<b>631</b>	<b>Profit/(loss) for the year</b>	<b>(296)</b>	<b>36</b>	<b>n.a.</b>
		Attributable to			
682	631	Owners of the Company	(296)	36	n.a.
-	-	Non-controlling interests	-	-	n.a.
<b>682</b>	<b>631</b>		<b>(296)</b>	<b>36</b>	<b>n.a.</b>
		<b>Earnings per share</b>			
68.2	63.1	Basic and diluted earnings per share (kunas per share)	(29.6)	3.6	n.a.

**INA-INDUSTRIJA NAFTE, d.d.**  
**INA, d.d. Unconsolidated Statement of Financial Position**  
**At 31 March 2015**  
**(HRK millions)**

	31 Dec 2014	31 March 2015	%
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	455	497	9
Property, plant and equipment	12,564	12,726	1
Investments in subsidiaries	1,133	1,133	0
Investments in associates and joint ventures	22	22	0
Other investments	23	600	2,509
Long-term receivables	178	250	40
Deferred tax	1,702	1,681	(1)
Available for sale assets	462	498	8
<b>Total non-current assets</b>	<b>16,539</b>	<b>17,407</b>	<b>5</b>
<b>Current assets</b>			
Inventories	1,659	2,184	32
Trade receivables net	1,399	1,512	8
Intercompany receivables	117	132	13
Other receivables	122	214	75
Corporative Income tax receivables	92	99	8
Other current assets	789	367	(53)
Prepaid expenses and accrued income	149	144	(3)
Cash and cash equivalents	327	79	(76)
<b>Total current assets</b>	<b>4,654</b>	<b>4,731</b>	<b>2</b>
<b>Total assets</b>	<b>21,193</b>	<b>22,138</b>	<b>4</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Share capital	9,000	9,000	0
Revaluation reserve	121	149	23
Other reserves	2,529	2,917	15
Retained earnings / (Deficit)	(174)	(138)	(21)
<b>Total equity</b>	<b>11,476</b>	<b>11,928</b>	<b>4</b>
Non-controlling interests	-	-	n.a.
<b>Total equity</b>	<b>11,476</b>	<b>11,928</b>	<b>4</b>
<b>Non-current liabilities</b>			
Long-term loans	619	1,550	150
Other non-current liabilities	63	56	(11)
Employee benefits obligation	128	135	5
Provisions	2,849	2,883	1
<b>Total non-current liabilities</b>	<b>3,659</b>	<b>4,624</b>	<b>26</b>
<b>Current liabilities</b>			
Bank loans and overdrafts	2,391	2,520	5
Current portion of long-term loans	187	137	(27)
Intercompany payables	443	259	(42)
Trade payables	1,256	1,367	9
Taxes and contributions	970	603	(38)
Other current liabilities	293	265	(10)
Accruals and deferred income	88	25	(72)
Employee benefits obligation	8	6	(25)
Provisions	422	404	(4)
<b>Total current liabilities</b>	<b>6,058</b>	<b>5,586</b>	<b>(8)</b>
<b>Total liabilities</b>	<b>9,717</b>	<b>10,210</b>	<b>5</b>
<b>Total equity and liabilities</b>	<b>21,193</b>	<b>22,138</b>	<b>4</b>

**INA—INDUSTRIJA NAFTE d.d. ZAGREB**  
**INA, d.d. Unconsolidated Statement of Cash Flow**  
**For the period ended 31 March 2014 and 2015**  
**(HRK millions)**

Q4 2014	2014		Q1 2014	Q1 2015	%
<b>682</b>	<b>631</b>	<b>Profit/(loss) for the year</b>	<b>(296)</b>	<b>36</b>	<b>n.a.</b>
		Adjustments for:			
744	1,980	Depreciation and amortisation	419	380	(9)
(545)	(481)	Income tax (benefit)/expenses recognized in (loss)/profit	53	14	(74)
(126)	2,370	Impairment charges (net)	420	11	(97)
(450)	(2,377)	Reversal of impairment	-	-	n.a.
7	-	Gain on sale of property, plant and equipment	(2)	-	n.a.
53	192	Foreign exchange loss/(gain)	16	158	888
(1)	(105)	Interest income, net	(50)	(1)	(98)
(50)	162	Other financial expense recognised in profit	136	(19)	n.a.
328	252	(Decrease)/increase in provisions	(47)	3	n.a.
23	87	Decommissioning interests	21	17	(19)
51	63	Other non-cash items	14	4	(71)
<b>716</b>	<b>2,774</b>	<b>Operating cash flow before working capital changes</b>	<b>684</b>	<b>603</b>	<b>(12)</b>
		<b>Movements in working capital</b>			
956	766	(Increase)/decrease in inventories	206	(542)	n.a.
625	1,090	(Increase)/decrease in receivables and prepayments	164	(214)	n.a.
(98)	(910)	(Decrease)/increase in trade and other payables	(1,067)	(589)	(45)
<b>2,199</b>	<b>3,720</b>	<b>Cash generated from operations</b>	<b>(13)</b>	<b>(742)</b>	<b>5,608</b>
(8)	(86)	Taxes paid	(60)	(7)	(88)
<b>2,191</b>	<b>3,634</b>	<b>Net cash inflow from operating activities</b>	<b>(73)</b>	<b>(749)</b>	<b>926</b>
		<b>Cash flows used in investing activities</b>			
(504)	(1,542)	Payments for property, plant and equipment	(297)	(193)	(35)
(29)	(28)	Payment for intangible assets	(46)	(89)	93
(7)	-	Proceeds from sale of non-current assets	2	-	n.a.
-	7	Dividends received from companies classified under available for sale and other companies	-	-	n.a.
-	4	Proceeds from profit of companies	-	-	n.a.
15	82	Interest received and other financial income	23	14	(39)
(458)	54	Investments and loans to third parties	514	(59)	n.a.
<b>(983)</b>	<b>(1,423)</b>	<b>Net cash (outflow) used for investing activities</b>	<b>196</b>	<b>(327)</b>	<b>n.a.</b>
		<b>Cash flows from financing activities</b>			
-	2,202	Additional long-term borrowings	1,243	1,366	10
(41)	(3,564)	Repayment of long-term borrowings	(2,310)	(551)	(76)
2,066	14,767	Additional short-term borrowings	3,819	3,039	(20)
(2,929)	(15,368)	Repayment of short term borrowings	(2,913)	(2,986)	3
-	-	Payment dividends	-	-	n.a.
(9)	(41)	Interest paid on long-term loans	(15)	(5)	(67)
3	(2)	Other long-term liabilities	(1)	(7)	600
(91)	(131)	Interest paid on short term loans and other financing charges	(28)	(35)	25
<b>(1,001)</b>	<b>(2,137)</b>	<b>Net cash from financing activities</b>	<b>(205)</b>	<b>821</b>	<b>n.a.</b>
207	74	Net (decrease)/increase in cash and cash equivalents	(82)	(255)	211
117	252	At 1 January	252	327	30
3	1	Effect of foreign exchange rate changes	(2)	7	n.a.
327	327	At the end of period	168	79	(53)

## Announcements in Q1 2015

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

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 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