

INA Group

2012 Q1-Q3 results

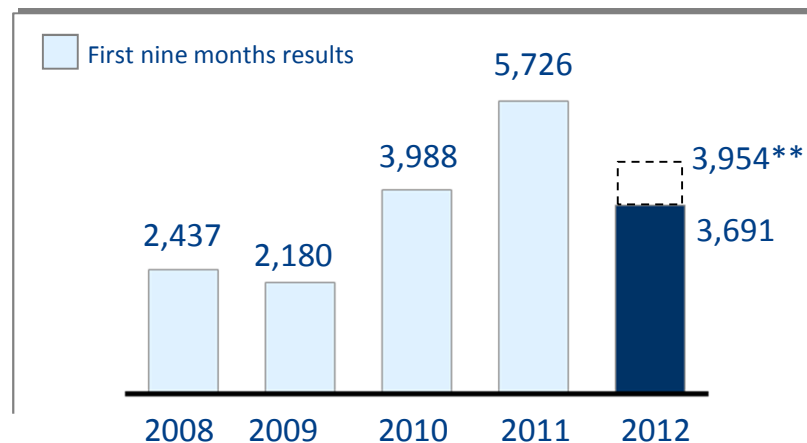


Market challenges pushing INA to higher standards to secure leading regional position

INA Group generated healthy profits despite missing HRK ~300 mn monthly revenues from Syria

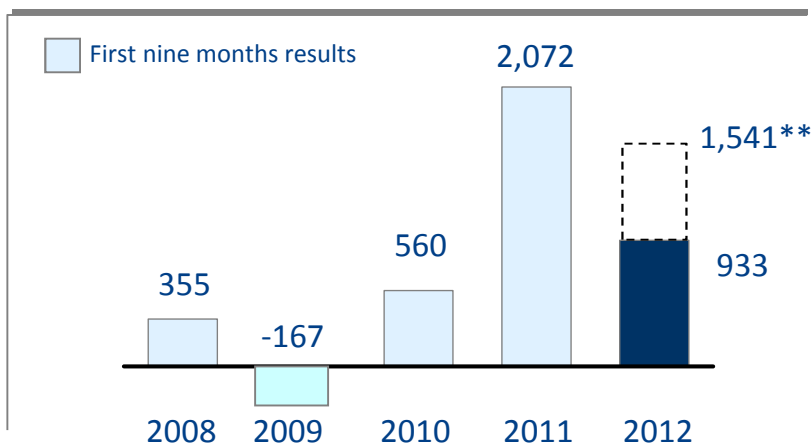
Total EBITDA of INA Group*

HRK millions



Total net income of INA Group*

HRK millions



Challenges: hard crisis impacting badly regional demand, intensifying competition in all businesses, mixed external environment

Exploration & Production

- Lower production due to maturing fields
- Loss of Syrian production and revenues
- Somewhat lower crude oil prices

Refining & Marketing

- >10% drop in regional market demand
- Contraction continuing in 4th year in a row
- Refinery production adjusted to lower demand
- Utilization lowered to avoid higher losses

Retail

- Volumes down by 8% due to weaker demand
- INA performed better than the market
- High operating costs (manpower)

* EBITDA/net income including special items ** EBITDA/net income excluding special items

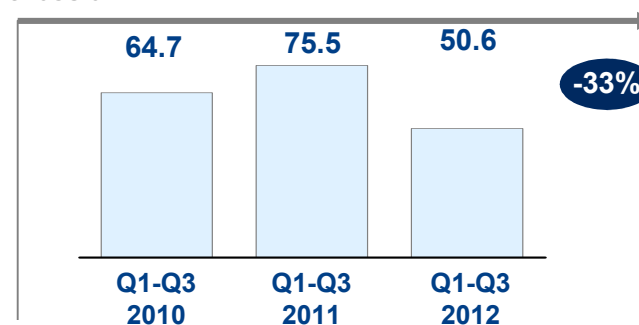
Results at a glance

| HRK mn | Q1-Q3 2011 | Q1-Q3 2012 | % |
|---|------------|------------|--------|
| Net sales revenues | 22,727 | 22,620 | (0) |
| EBITDA reported | 5,261 | 3,691 | (30) |
| EBITDA excl. special items | 5,420 | 3,954 | (27) |
| Operating profit reported | 2,892 | 1,522 | (47) |
| Operating profit excl. special items | 3,286 | 2,273 | (31) |
| Net profit/loss for the period | 2,057 | 933 | (55) |
| Net profit for the period excl. special items | 2,371 | 1,541 | (35) |
| Operating cash flow | 2,270 | 3,434 | 51 |
| Net gearing | 39.27 | 29.41 | (9.86) |

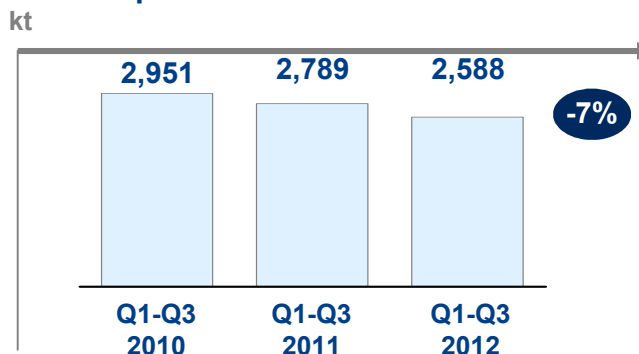
Operating and net profit down 31 and 35% compared to same period last year

- Mixed external environment: healthier crack spreads
- Improved operational efficiency
- HRK 740 million of CAPEX mainly focusing on Croatian projects
- Major projects: EOR, retail modernization, exploration
- E&P remains major contributor, but results are affected by decreased production on the back of depletion and missing revenues from Syria
- In R&M, dropping regional demand resulted with lower wholesale and retail sales, with market shares maintained or improved

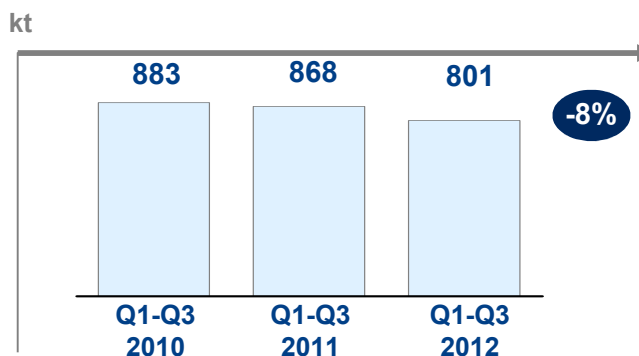
Average daily hydrocarbon production thboe/d



Refined product sales kt

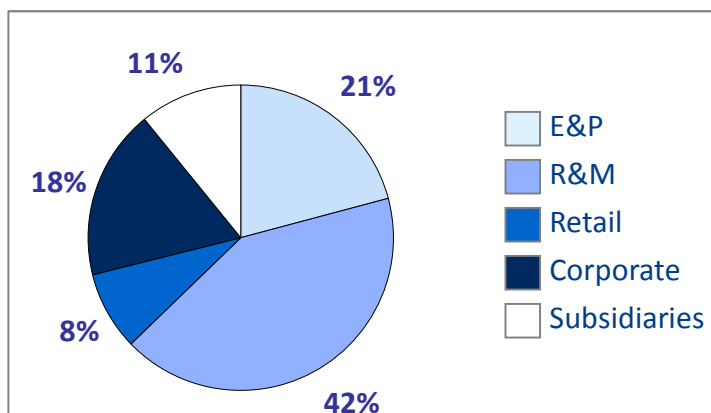


Retail fuel sales kt

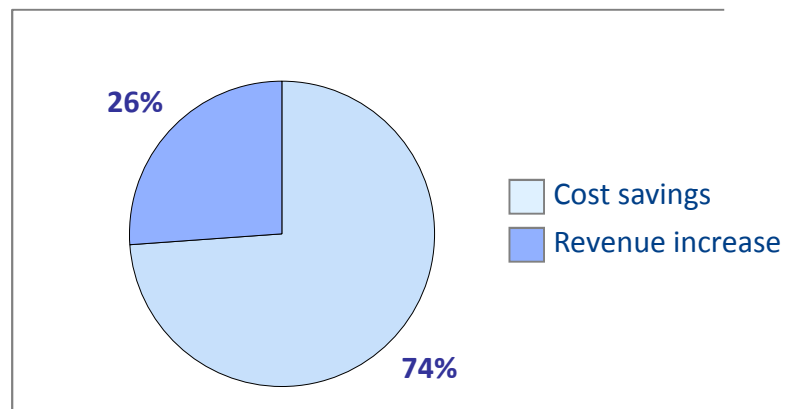


Efficiency programs initiated in 2010 support operations across all businesses and functions

Efficiency improvement by area of operation



Efficiency improvement by type



Cost reduction initiatives delivered based on

- Upstream: significant internal consumption, maintenance savings
- Downstream: improved maintenance, road transportation
- Retail: optimized operations, renegotiated maintenance contracts
- Corporate functions: FTE optimization, contract renegotiations
- Subsidiaries: general cost reductions, subcontractor's price reduction

Procurement contract renegotiations delivering further savings by the end of 2012

Consolidated financial standing

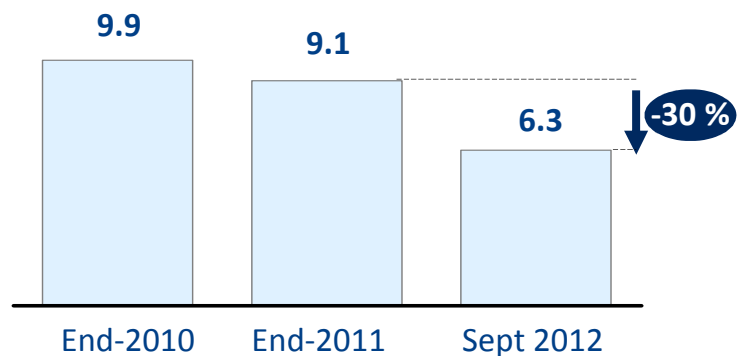
Strong improvement of INA Group's financial positions over the past two-three years set the base for putting the Group on a long-term sustainable development path

Financial stabilization

- No overdue liabilities towards tax office, MOL or any suppliers
- Improved liquidity, allowing for stronger negotiating position
- Improved debt collection
- INA was able again to raise sizeable external funds from 2011
- Certain bank facilities renegotiated or repaid improving financing costs

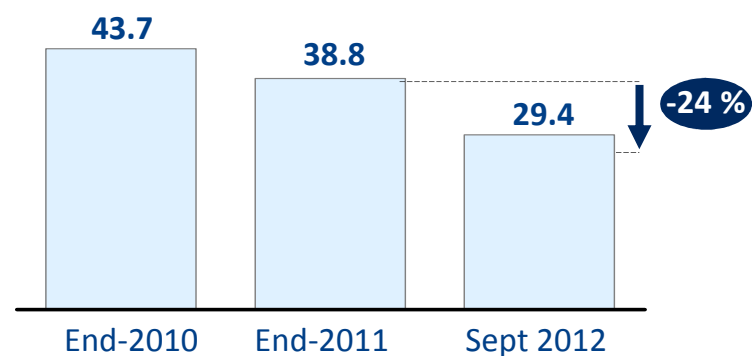
Net debt of INA Group

HRK billions



Gearing of INA Group

Percentage



Major investments initiated supporting further development of INA: value creating investments in all business segments, also in the benefit of Croatian stakeholders and economy

Investment programs in 2012 strongly focusing on development of the Croatian economy

| Exploration & Production | Refining & Marketing | Retail |
|--|---|---|
| <ul style="list-style-type: none"> Middle/South Adriatic 2D/3D seismic – HRK 53 mn in 2012 | <ul style="list-style-type: none"> Implementation of value creating refinery development concept | <ul style="list-style-type: none"> Intensive retail development program - HRK 260 mn in 2012 |
| <ul style="list-style-type: none"> 4 exploratory wells in Croatia – HRK 100 mn in 2012 | <ul style="list-style-type: none"> Environmental compliance projects in Rijeka, Sisak, logistics | <ul style="list-style-type: none"> By the end of 2012, INA will have the largest number of modern filling stations in Croatia - far more than any competitor |
| <ul style="list-style-type: none"> Ivanic-Zutica EOR project - HRK 500 mn in 3 years | <ul style="list-style-type: none"> Increasing capacity of Bakar port to eliminate transport bottleneck | |
| <ul style="list-style-type: none"> Medimurje gas field dev. Project - HRK 210 mn in 3 years | <ul style="list-style-type: none"> Preparing the project for deep conversion facility in Rijeka plant | |
| <ul style="list-style-type: none"> Further development of North Adriatic | <ul style="list-style-type: none"> Oil derivatives pipeline between Rijeka/Sisak refineries (in co-operation with JANAF) | |

Further benefits for Croatian stakeholders

| Exploration & Production | Refining & Marketing | Retail |
|---|---|---|
| <ul style="list-style-type: none"> Stable royalty income of municipalities and the state Securing energy supply Utilisation of strong geologist and oil engineering pool | <ul style="list-style-type: none"> Reduction of emissions Improvement of local communities' life conditions | <ul style="list-style-type: none"> Improved services provided to customers |

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