

The slide features a central image of a modern glass skyscraper with a curved facade, reflected in a dark surface below. The INA logo is overlaid on the left side of the image. The title 'Group 1 Q 2007 Results' is prominently displayed in white text across the middle of the image.

**INA** Group 1 Q 2007 Results

Zagreb, May 2007



## STABLE PERFORMANCE

- **INA GROUP highlights**
  - Sales revenues reached HRK 4,992 M (USD 888 M)
  - The net income of the Group reached HRK 186 M (USD 33 M)
  - Operating cash flow was HRK (292) M , i.e. USD (52) M
  - Total Capital expenditure amounted to HRK 442 M (USD 79 M)
  
- **Exploration and production**
  - Increased crude oil and natural gas production
  - Lower crude oil prices
  - Regulated gas market
  
- **Refining and marketing**
  - Average crack spreads increase
  - Higher throughput
  
- **Retail**
  - Average throughput per site increased by 6.7%
  - Significant income increase
  
- **Corporate and other**
  - Efficiency improvement programs
  - SAP "go live" started



# OVERVIEW OF THE ENVIROMENT

## Global overview

- In 2007 World GDP growth expected to reach 4.7%
- Crude oil prices in the range from 50 USD/bbl to over 65 USD/bbl
- The average FOB MED quoted price of BRENT decreased by 7 % in USD term compared to 1 Q , 2006
- Quoted crack spreads for some products improved

## Croatia overview

- GDP growth for 2007 forecast to 4.2%
- CPI inflation – decreased
- There is continuing growth in refined product demand
- USD / HRK performance
- Supply demand balance (increase in diesel demand)
- Warm winter caused low natural gas demand and heating oil
- The crack spread in 2007 over the 2006 figures



## PARTNERSHIP WITH MOL IN EXPANDING THE RETAIL NETWORK



### ENERGOPETROL

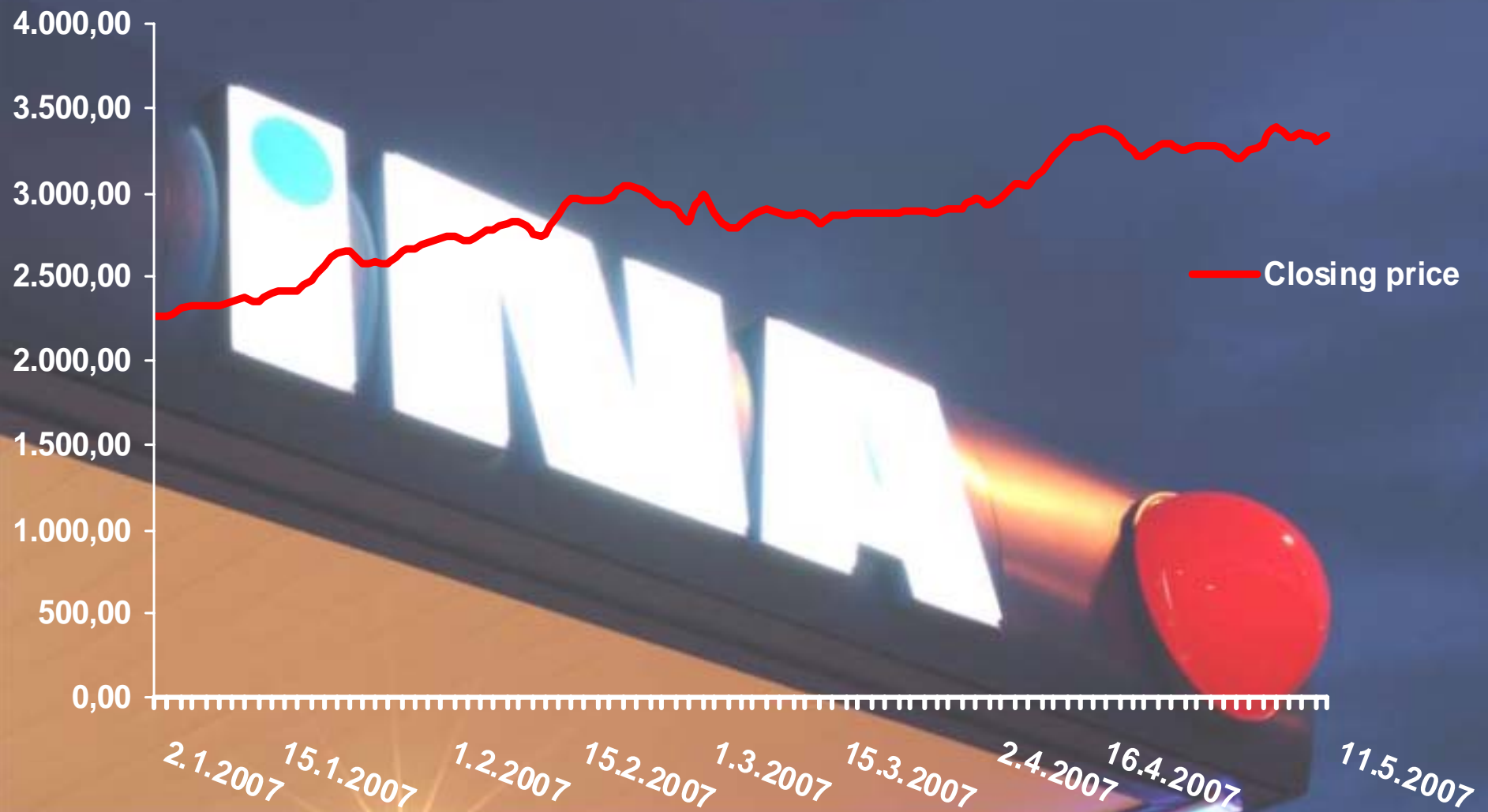
March 29, 2007 - the completion date of the acquisition process

INA MOL Consortium paid EUR 36 million to complete the transaction



JOINT ACQUISITION OF 67% STAKE IN ENERGOPETROL WITH ADDITIONAL 65 PETROL STATIONS IN BOSNIA

## Zagreb Stock Exchange Closing price 01 January to 11 May 2007





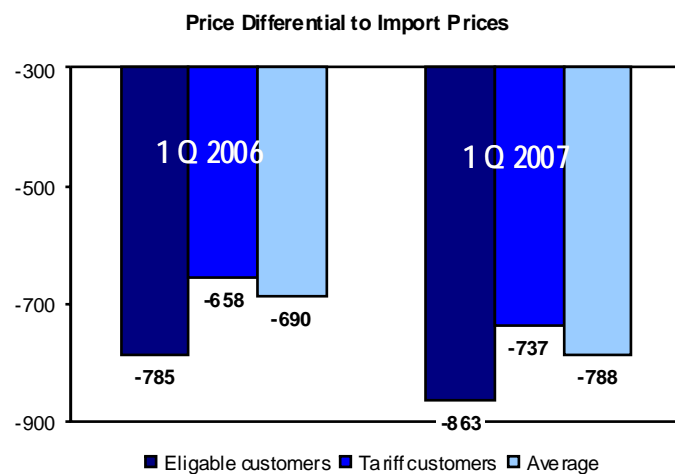
# UPSTREAM – INCREASED PRODUCTION



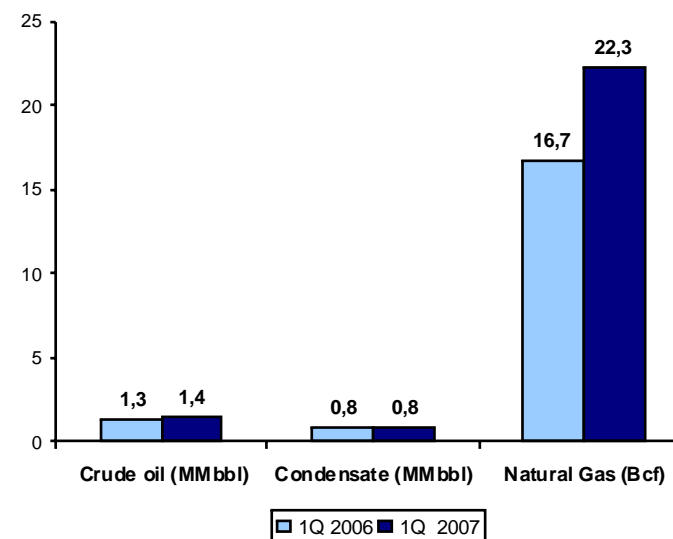


## UPSTREAM - INCREASED PRODUCTION

E&P results	1 Q 2006	1 Q 2007	Change
	HRK M	HRK M	%
Revenues	2.022	1.588	(21,5)
Operating profit	593	490	(17,4)
CAPEX	244	206	(15,6)

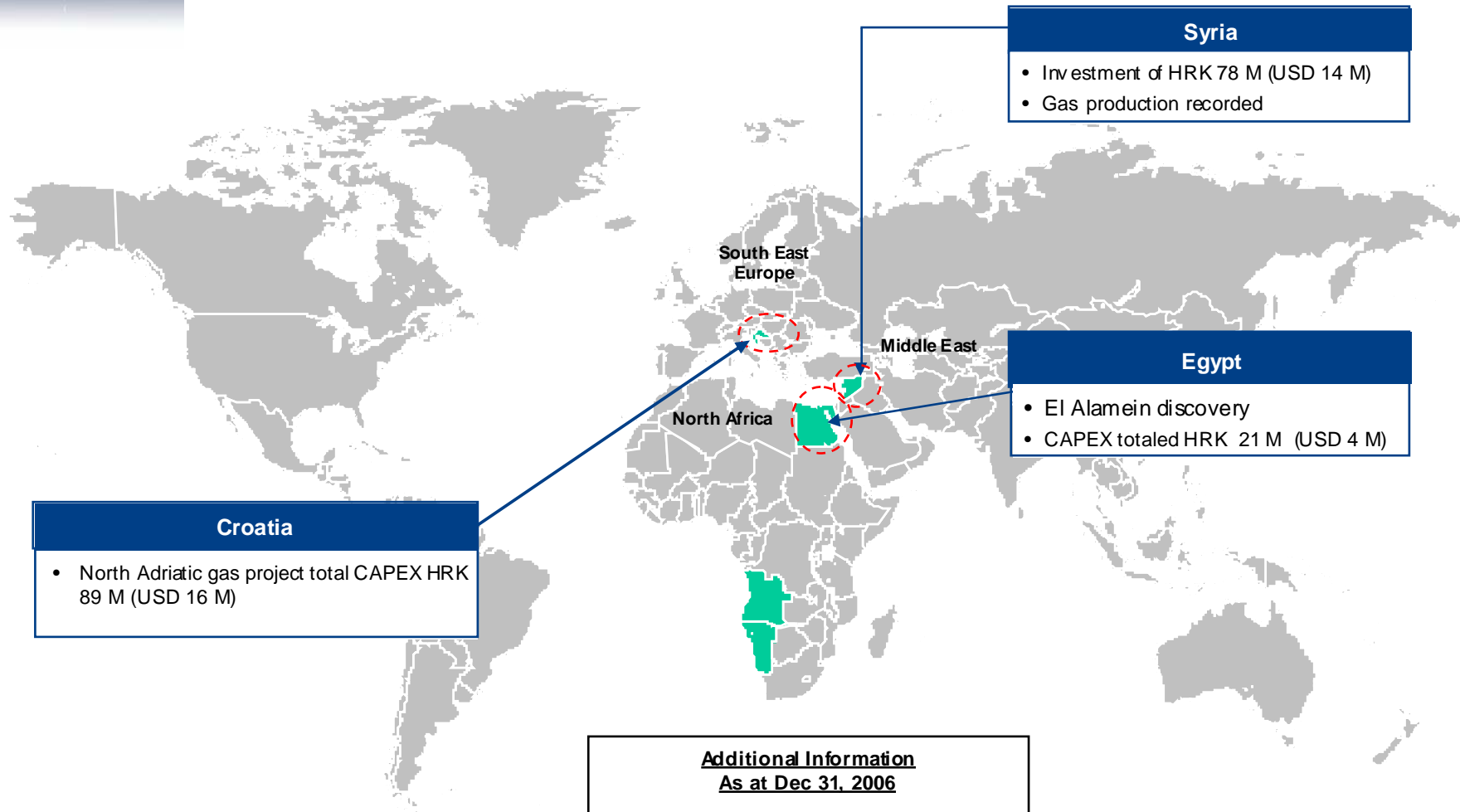


Hydrocarbons production





## FOCUSED UPSTREAM ACTIVITIES



### Additional Information As at Dec 31, 2006

Proved reserves **261.1** MMboe  
Proved and probable reserves **381.2** MMboe  
Reserves replacement ratio **174.8** % proved





## UPSTREAM – INCREASED PRODUCTION

### Hydrocarbon production

Mboe/day	1Q 2006	1Q 2007	Change %
Crude oil	14,5	15,2	4,8
Natural gas condensate	9,5	8,9	(6,3)
Natural gas	32,6	43,6	33,7
<b>Total</b>	<b>56,7</b>	<b>67,7</b>	<b>19,4</b>

### Hydrocarbon production cost

USD / Boe	1Q 2006	1Q 2007	Change %
Croatia - onshore	7,2	9,9	38,3
Croatia - offshore	10,3	7,3	(29,1)
Angola	-	-	0,0
Egypt	14,3	9,6	(33,0)
Syria	15,0	19,1	27,7



AVERAGE DAILY HYDROCARBON PRODUCTION GREW BY 19.4 %



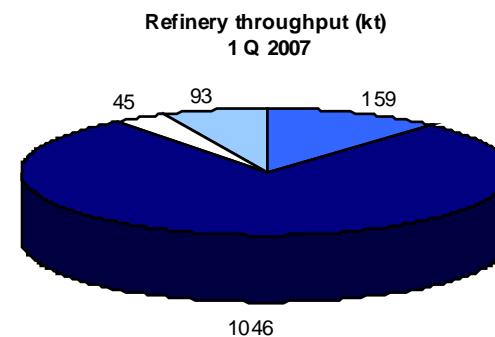
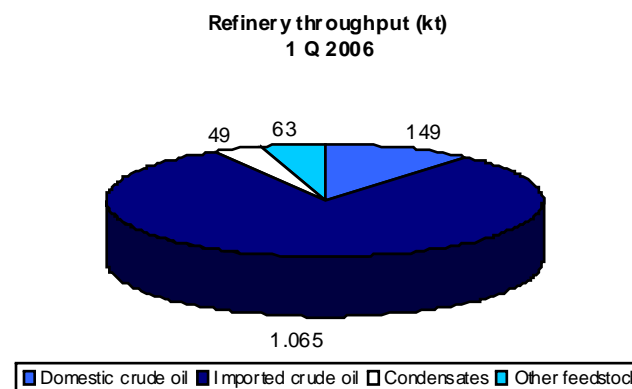
## REFINING AND MARKETING – RESULTS FROM THE MODERNISATION AHEAD





## REFINING AND MARKETING – RESULTS FROM THE MODERNISATION AHEAD

R&M results	1Q 2006 HRK M	1Q 2007 HRK M	Change %
Revenues	3.937	3.428	(12,9)
Operating profit	(104)	33	131,7
CAPEX	83	156	88,0



OPERATING PROFIT INCREASE



## REFINING AND MARKETING – RESULTS FROM THE MODERNISATION AHEAD

### Refinery production (Kt)

	1 Q 2006	1 Q 2007	Ch %
Motor gasolines	287	308	7,5
Gas oil	401	427	6,4
Heating oil	269	249	(7,3)
Virgin Naphtha	45	48	6,7
Other products	170	149	(12,2)
<b>TOTAL PRODUCT</b>	<b>1.170</b>	<b>1.180</b>	<b>0,9</b>
Refinery loss and own consumption	156	162	3,8
<b>TOTAL PRODUCT</b>	<b>1.326</b>	<b>1.342</b>	<b>1,2</b>



Crack spreads



	1 Q 2006	1 Q 2007	Ch %
Prem. gasoline 50 ppm (BMB 95)	86,8	107,9	24,4
Naphtha	38,7	87,2	125,4
Gasoil EN 590 (Eurodiesel) 50 ppm	97,6	93,1	(4,6)
Gasoil 0,2 (Diesel)	73,8	77,9	5,6
1% (Fuel oil 1%)	(143,0)	(183,9)	28,6
3,5% (Fuel oil 3,5%)	(189,4)	(187,3)	(1,1)
JET (Av. Fuel)	122,4	130,8	6,9
LPG (mix)	93,1	78,8	(15,3)
<b>Brent dtd - USD/bbl</b>	<b>61,8</b>	<b>57,8</b>	<b>(6,5)</b>
<b>Average crack – USD/mt</b>	<b>24,0</b>	<b>38,9</b>	<b>62,2</b>

AVERAGE CRACK SPREAD INCREASED IN 1 Q 2007.



# EXPANSION IN RETAIL SEGMENT





## EXPANSION IN RETAIL SEGMENT

### Key indicators

	1 Q 2006	1 Q 2007	Change
	HRK M	HRK M	%
Revenues	1.124	1.073	(4,5)
Operating profit	5	31	520,0
CAPEX	10	60	500,0

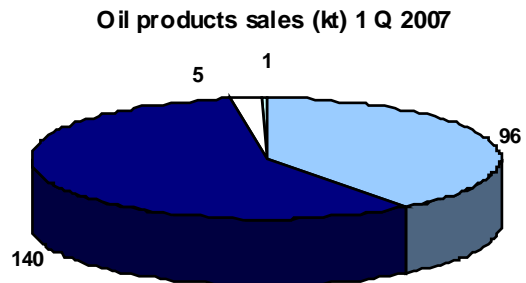
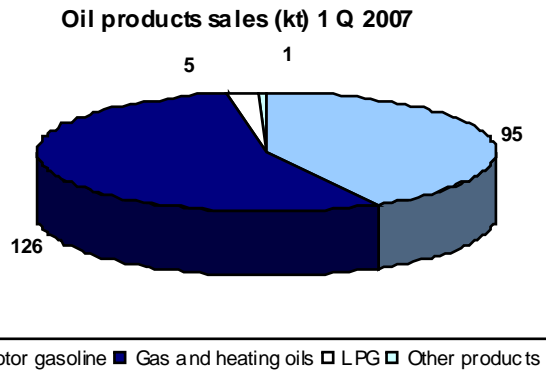
**Shop sales** revenues increased by **5.4%** in 2007.



INCREASE IN OPERATING PROFIT



## EXPANSION IN RETAIL SEGMENT



On the domestic market INA Retail segment operated **407** petrol stations with additional 18 in subsidiaries.

Abroad INA Group operated **47** stations in B&H and **6** in Slovenia.

1Q 2007 TOTAL VOLUMES INCREASED 6.6 % REACHING 242 Kt



## SUCCESSFUL IMPLEMENTATION OF EFFICIENCY IMPROVEMENT PROGRAMS

### OptINA

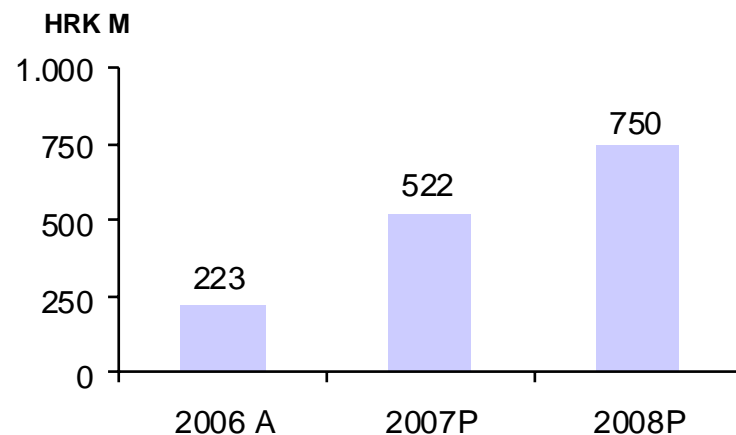
- Total 1Q 2007 improvements reached HRK 48 M

### SAP

- Second phase went live as of 1 January 2007 (after successful First phase Nov 2006)

- Key OptINA efficiency projects include:
  - **Procurement:** optimize purchasing of energy, travel, telecom, office supplies etc.
  - **Maintenance optimization:** reducing sub-contractor spending, improving work scheduling and monthly budgeting
  - Reduce Rijeka refinery bottleneck
  - Maziva Strategic option
  - Reduce refining losses and own consumption
  - Reduce upstream production costs
  - Working capital management

### Annual Improvements







## FINANCIAL HIGHLIGHTS

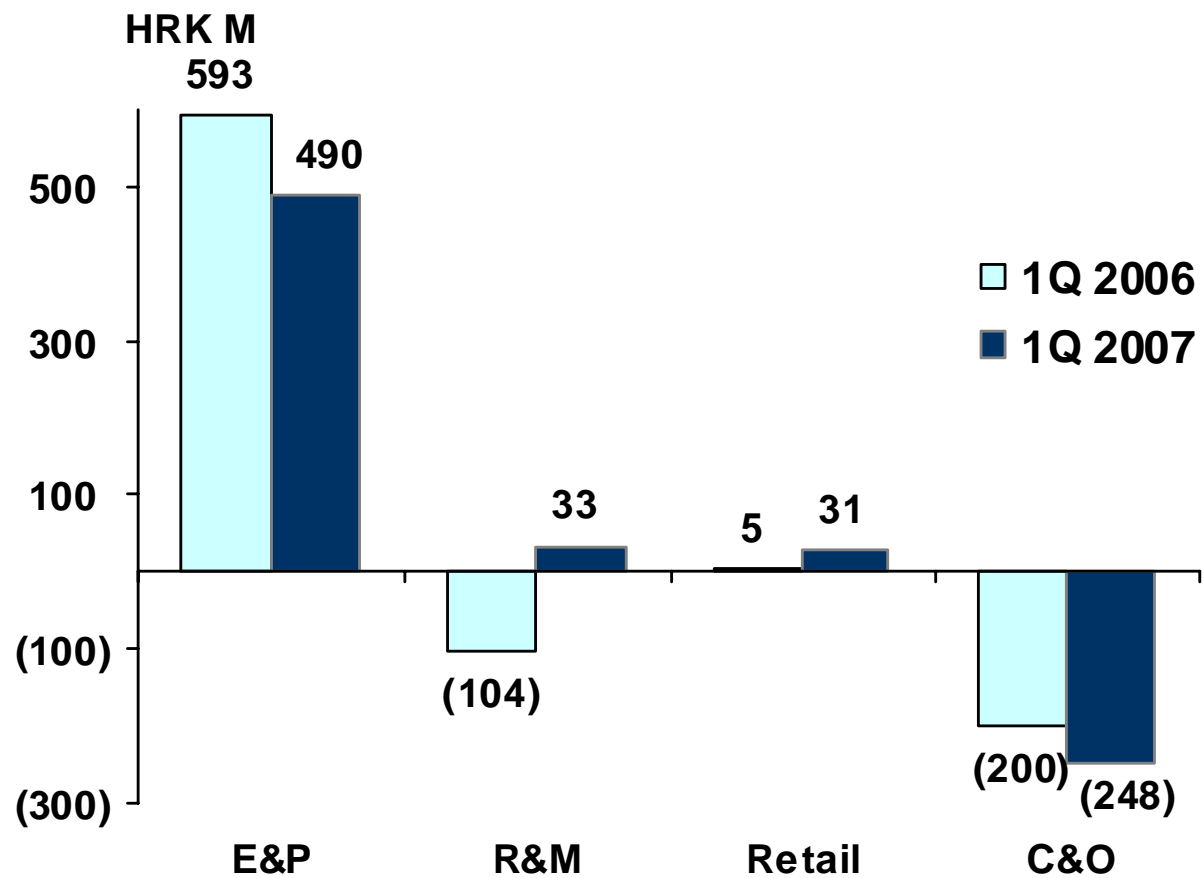
<b>INA Group financial results (IFRS)</b>	<b>1Q 2006 M HRK</b>	<b>1Q 2007 M HRK</b>	<b>Change % HRK</b>
Net sales revenues	5.568	4.992	(10)
EBITDA	725	649	(10)
<b>Operating profit</b>	293	306	4
Net financial gain (expenses)	31	(56)	(281)
<b>Net income</b>	256	186	(27)
<b>Operating cash flow</b>	(373)	(292)	(22)

### INA GROUP Highlights:

- Sales revenues reached the level of HRK 4,992 M
- The net income of the Group reached HRK 186 M
- Operating cash flow was HRK (292) M
- Total capital expenditure amounted to HRK 442 M



## INCREASED OPERATING PROFIT IN R&M SEGMENT





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