

Zagreb, 28 October 2014

INA INDUSTRIJA NAFTE, d.d.
Av. V. Holjevca 10
10 000 Zagreb, Croatia
Ordinary shares INA-R-A ISIN HRINA0RA0007
Listed on the Zagreb Stock Exchange official market
Announcement in line with Capital Markets Act

Subject: INA-Industrija nafte, d.d. – Supervision by the Ministry of Finance Report

INA, d.d. has received the Report on the tax supervision by the Ministry of Finance, determining additional, retrospective VAT and corporate income tax obligation for 2010 and 2011 in the amount of HRK 319 million including the penalty interest up to the date of Report issue, based on the difference in calculating own consumption and losses and evidencing oil derivatives in refinery production. INA will appeal to this report within the given deadline. Payment of the mentioned amount will be required only if the final second instance tax resolution confirms the findings of the Report.

Similar decision was made in 2013 referring to 2008 and 2009 operations, against which INA filed a lawsuit to the Administrative Court. Namely, INA did calculate its tax obligation in line with the best business practice and relevant regulations, applying the International Accounting Standards, therefore INA considers that the Ministry's methodology for estimation is unfounded.

Furthermore INA would like to emphasize that such decisions represent a burden for Croatia's refining industry, and if continued in the future, can have detrimental impact on the operations level of INA's refineries and future investments.

INA-INDUSTRIJA NAFTE, d.d.
OIB:27759560625
Tel. + 385 1 645 0000
Fax. + 385 1 645 2444
e-mail: investitori@ina.hr
