

Group 1st Half 2007 Results

Zagreb, August 2007

STABLE PERFORMANCE

- **INA GROUP highlights**
 - Sales revenues reached HRK 11,197 M (USD 2,022 M)
 - Net income of the Group reached HRK 296 M (USD 53 M)
 - Operating cash flow was HRK 144 M (USD 26 M)
 - Total capital expenditure amounted to HRK 1,115 M (USD 201 M)
- **Exploration and Production**
 - Increased crude oil and natural gas production
 - Lower crude oil prices
 - Regulated gas market
- **Refining and Marketing**
 - Increase in throughput
 - Average crack spreads increase
 - Increase in production of European quality (Euro IV) products
- **Retail**
 - Operating profit increase
 - Average throughput per site increased by 4.6%
 - Increase in sales of European quality products
- **Corporate and Other**
 - Efficiency improvement programs are on track

OVERVIEW OF THE ENVIROMENT

Global overview

- In 2007 world GDP growth expected to reach 5.2%
- Crude oil prices in the range from 50 USD/bbl to over 70 USD/bbl
- The average FOB MED quoted price of BRENT decreased by 3.7 % in USD terms compared to H1, 2006
- Quoted crack spreads for some products improved

Croatia overview

- H1 GDP growth stands at 7%
- CPI inflation – below 2006 level
- A continuing growth in refined product demand
- USD / HRK performance
- Supply/demand balance (increase in diesel demand)
- Warm winter caused low natural gas and heating oil demand
- The crack spread in 2007 above the 2006 figures

PARTNERSHIP WITH MOL



Podravska Slatina-Zalata:

An exploratory well successfully drilled in the vicinity of the Croatian-Hungarian border



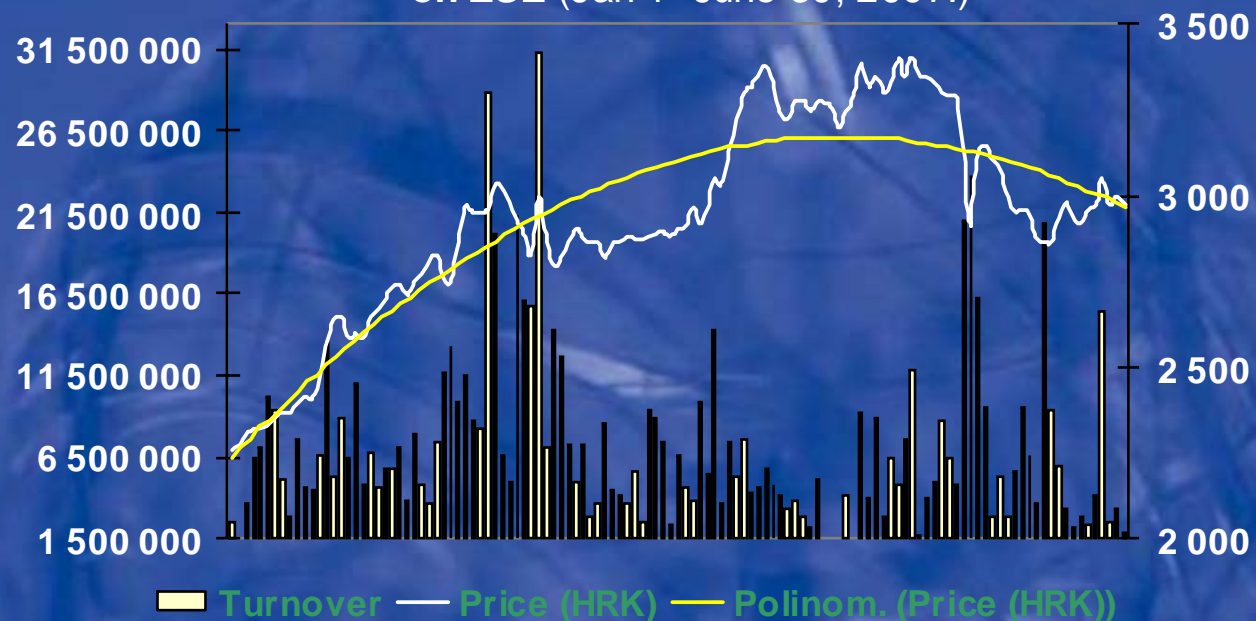
Energopetrol:

INA – MOL representatives
in the management



MOL to purchase
Tifon, retail network in
Croatia – value for
MOL and INA

INA d.d. Share price(HRK/share) and turnover (HRK) on ZSE (Jan 1- June 30, 2007.)



- “ZSE - 2006 Golden share award”
- Second most traded share on ZSE
- 370 HRK M turnover in Q 2
- 5.9% of total turnover

<i>Index</i>	<i>Weight</i>	<i>Market</i>
CROBEX	19.3 %	Zagreb stock exchange
CROEMI	15.0 %	Reiffeissen Bank Zagreb
SETX	5.50 %	Wiener borse
CROX	22.86 %	Wiener borse

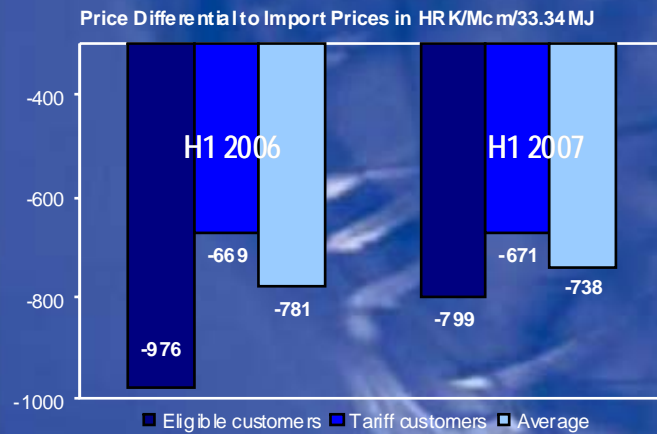
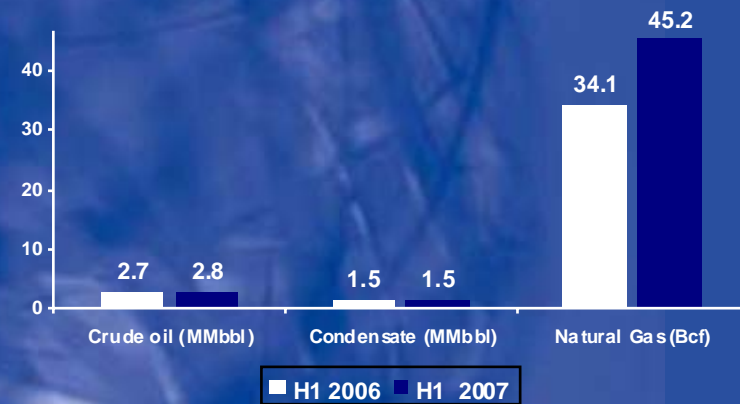
UPSTREAM – INCREASED PRODUCTION



UPSTREAM - INCREASED PRODUCTION

E&P results	H1 2006 HRK M	H1 2007 HRK M	Change %
Revenues	3.691	3.572	(3.2)
Operating profit	968	866	(10.5)
CAPEX	771	513	(33.5)

Hydrocarbons production



FOCUSED UPSTREAM ACTIVITIES



Croatia

- North Adriatic gas project total CAPEX HRK 107 M (USD 19 M)
- Podravska Slatina-Zalata – first positive results for gas;

Syria

- Commercial discovery at Hayan – expected daily rate 500 m³/day
- Jazal field development
- Investment of HRK 211 M (USD 38 M)
- Gas production recorded

Egypt

- El Alamein discovery
- CAPEX totalled HRK 48 M (USD 9 M)

Additional Information As at 31 Dec 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	H1 2006	H1 2007	Change %
Crude oil	15.1	15.4	2.0
Natural gas condensate	8.3	8.6	3.6
Natural gas	33.1	43.9	32.6
o/w North Adriatic	10	20.7	107
Total	56.5	67.9	20.2

Hydrocarbon production cost

USD / Boe	H1 2006	H1 2007	Change %
Croatia - onshore	8.0	8.59	7.4
Croatia - offshore	9.6	6.47	(32.6)
Angola	0	0	0.0
Egypt	17.8	10.55	(40.7)
Sirya	16.1	12.95	(19.6)
Average	8.92	8.78	1.6



REFINING AND MARKETING – INCREASE IN PRODUCTION

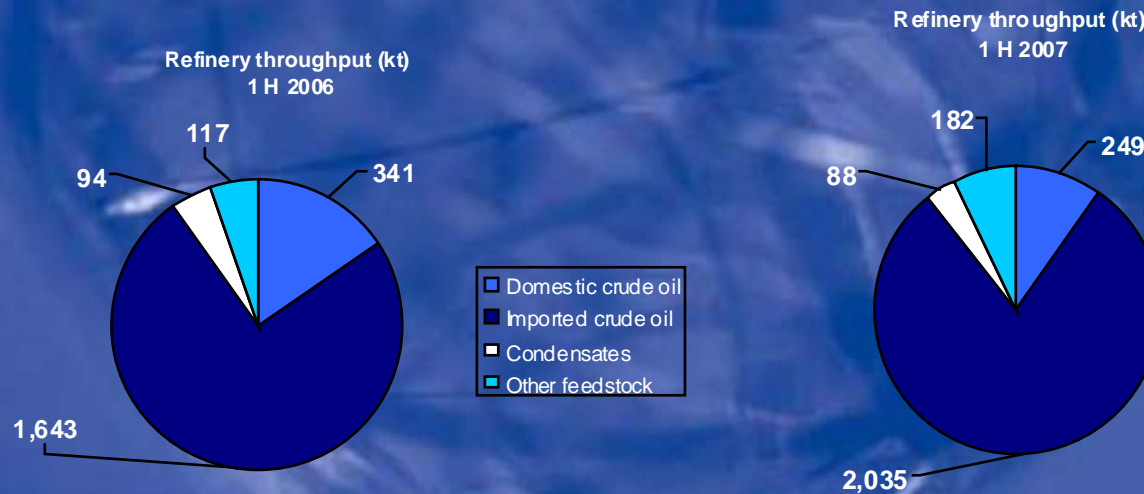


REFINING AND MARKETING – INCREASE IN PRODUCTION

R&M results	H1 2006 HRK M	H1 2007 HRK M	Change %
Revenues	7,833	7,884	0.7
Operating profit	28	55	96.4
CAPEX	395	384	(2.8)

CAPEX reached HRK 384 M

Sisak refinery modernisation Capex increase of HRK 74 M



REFINING AND MARKETING – INCREASE IN PRODUCTION

Kt	H1 2006	H1 2007	Ch %
Motor gasolines	452	557	23.4
Gas oil	696	776	11.4
Heating oil	390	457	17.1
Virgin naphtha	78	94	20.6
Other products	326	376	15.4
TOTAL PRODUCTION	1,952	2,260	15.8
Refinery loss and own consumption	252	295	17.1
TOTAL PRODUCTION	2,195	2,555	16.4

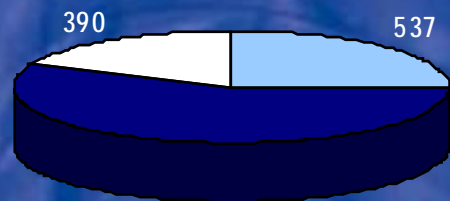


Crack spreads

USD/t	1 H 2006	1 H 2007	Ch %
Prem. gasoline 50 ppm (BMB 95)	127.5	156.4	22.7
Naphtha	44.9	101.2	125.3
Gasoil EN 590 (Eurodiesel) 50 ppm	106.2	96.9	(8.7)
Gasoil 0,2 (Diesel)	82.15	79.5	(3.2)
1% (Fuel oil 1%)	(175.6)	(186.8)	6.4
3,5% (Fuel oil 3,5%)	(206.3)	(197.2)	(4.4)
JET (Av. Fuel)	133.6	(128.4)	(3.9)
LPG (mix)	28.5	64.9	127.9
Brent dtd - USD/bbl	65.7	63.22	(3.7)
Average crack – USD/mt	38.7	51.8	34.0

REFINING AND MARKETING – INCREASE IN PRODUCTION

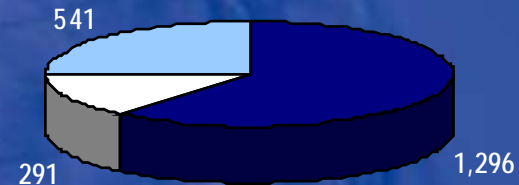
Refined products sales (kt) H1 2006
by product



1,201

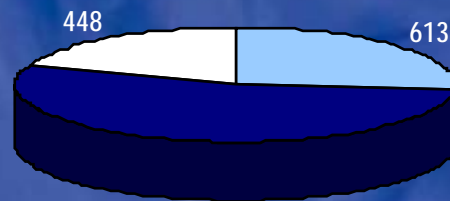
Motor gasoline Gas and heating oils Other products

Refined products sales (kt) H1 2006
by market



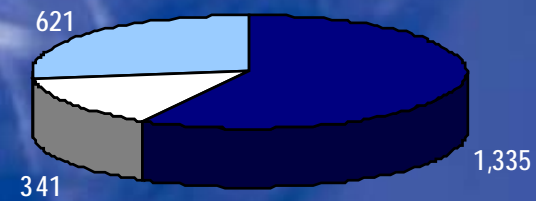
Croatia B&H Other markets

Refined products sales (kt) H1 2007 by product



1,236

Refined products sales (kt) H1 2007
by market



341

1,335

Sales of EURO IV quality motor gasoline and diesel from own production doubled

EXPANSION IN RETAIL SEGMENT



EXPANSION IN RETAIL SEGMENT

Retail results	H1 2006 HRK M	H1 2007 HRK M	Change %
Revenues	2,558	2,532	(1.0)
Operating profit	(8)	17	312.5
CAPEX	13	139	969.2

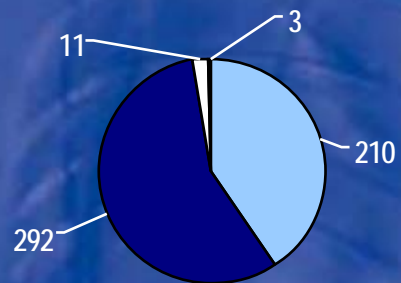
- Shop sales increased by 6.5%
- Throughput per site increased 4.6%

- 2 new petrol stations built in H1 2007
- 5 petrol stations reconstructed



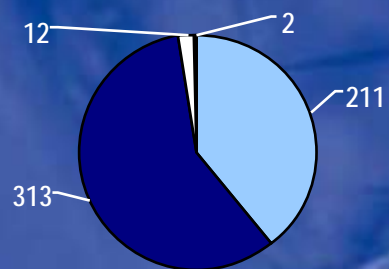
EXPANSION IN RETAIL SEGMENT

Oil products sales (kt) H1 2006



■ Motor gasoline ■ Gas and heating oils ■ LPG ■ Other products

Oil products sales (kt) H1 2007



On the domestic market, INA's Retail segment operated 413 petrol stations with additional 18 operated by INA's subsidiaries.

Outside Croatia INA Group operated 41 stations in B&H and 6 in Slovenia.

SUCCESSFUL IMPLEMENTATION OF EFFICIENCY IMPROVEMENT PROGRAMMES

OptINA

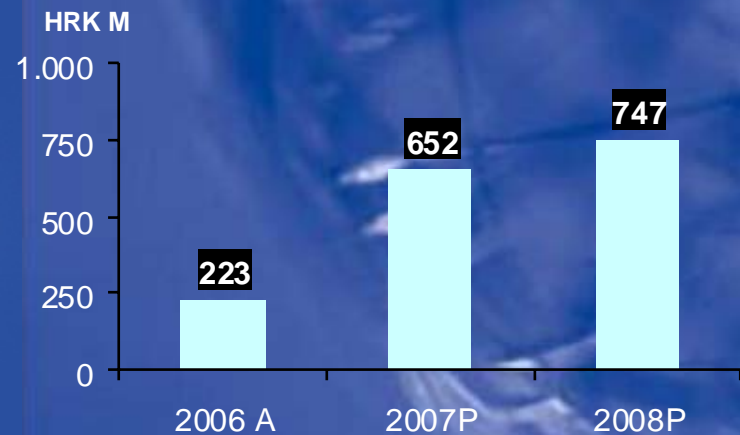
- Total H1 improvements reached HRK 80 M

SAP

- Went live in 2 packages, project officially closed

- Key OptINA efficiency projects include:
 - **Procurement:** optimize purchasing of energy, travel, telecom, office supplies etc.
 - **Maintenance optimization:** reduced sub-contractor spending, improved 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



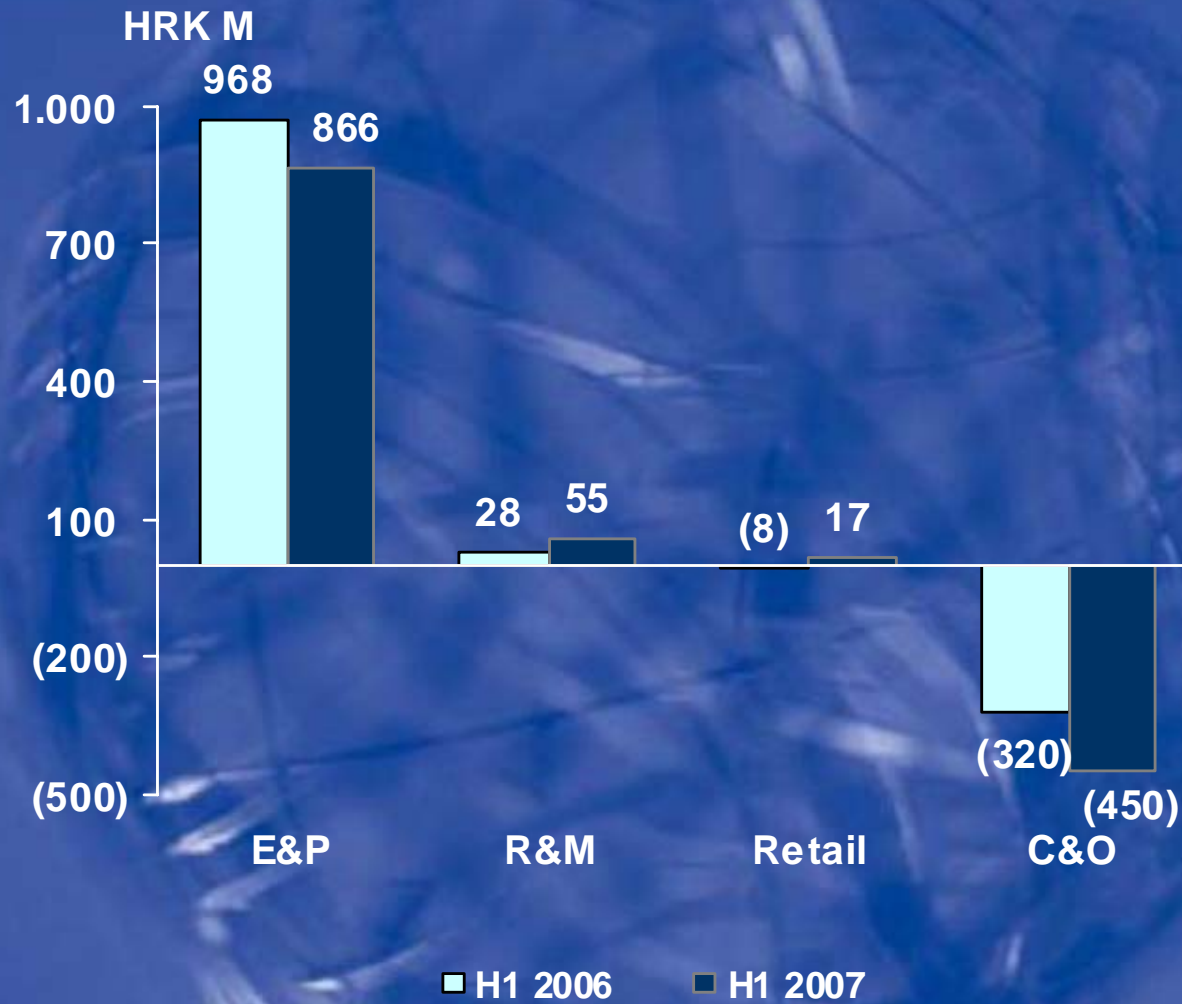
FINANCIAL HIGHLIGHTS

(IFRS)	M HRK	M HRK	HRK
Net sales revenues	10,782	11,197	4
EBITDA	1,455	1,304	(10)
Operating profit	668	488	(27)
Net financial gain (expenses)	109	(88)	
Net income	630	296	(53)
Operating cash flow	769	144	(81)

INA GROUP Highlights:

- Sales revenues reached HRK 11,197 M
- Net income of the Group reached HRK 296 M
- Operating cash flow was HRK 144 M
- Total capital expenditure amounted to HRK 1,115 M

SEGMENTS OPERATIONS



DISCLAIMER

- Some of the information in this presentation may contain projections and other forward-looking statements regarding future performance of the Company. These statements represent plans, targets or predictions and actual results may differ materially as they are subject to risks, uncertainties and other factors such as general economic conditions, the competitive environment, exchange rates, oil and gas prices, margins, market changes, regulatory developments, etc. You are therefore cautioned not to place undue reliance on any forward-looking statements contained in this presentation.
- The Company does not undertake any obligation to release any revisions of these forward-looking statements.

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