

Croatian Prime Minister Andrej Plenkovic said that the Government has decided to put on hold its attempt to buy back the shares in oil company INA held by Hungarian MOL. PM Plenkovic explained that the decision was made in the light of the new legal context created by the Croatian Supreme Court's final verdict that former Prime Minister Ivo Sanader is guilty of taking bribes from MOL CEO Zsolt Hernadi during the privatization of INA. In these changed circumstances the Government consider it appropriate to put on hold the process of potential buyback of the shares that MOL is holding in INA until the new legal situation gets resolved.

Therefore, the Government decided to seek a review of the December 2016 ruling in favour of MOL by the Arbitral Tribunal of the United Nations Commission on International Trade Law (UNCITRAL) in a case that Croatia had brought against the Hungarian oil and gas company. The Government would seek an annulment of amendments to the agreement on relations between the shareholders in INA and a master agreement on the gas business, both signed in 2009, which Croatia argues were obtained through bribery.

In late 2016, Prime Minister Andrej Plenkovic announced the Government's intentions to buy back the stake of Hungarian oil company MOL in Croatian oil company INA, adding that the best model for financing the buyout would be the initial public offering (IPO) of 25 % minus one share of state-owned power utility HEP, since Croatia will keep, with 75 % plus one share, all management rights in HEP without selling national resources. However, the HEP option seems to be scrapped in the meantime.

MOL is the single largest shareholder in INA with 49.1 % of shares, while the Croatian Government holds 44.8 %. The remaining 6.1 % is held by private and institutional shareholders.