

INA - Oil Industry announced the financial results of the INA Group for the first nine months of 2013. During this period, INA Group has achieved positive results in operating and net income, which amounted 804 million and 488 million.

INA Group has achieved a good EBITDA result, excluding special items at the level of 3 billion kunas, despite the economic slowdown in major markets in which the company operates. The slow recovery in the European Union and the decline in the domestic market continues to adversely affect the business, with a lack of Syrian income and influence of the external environment.

Capital expenditures for the first nine months of 2013 were significantly increased by 38% compared to the first nine months of 2012, to a level of 1,019 million kunas primarily as a result of a campaign of intensive exploration and development activities in Croatia, a number of projects aimed at the replacement or modernization of key production units in refineries in Rijeka and Sisak, and a higher level of activity in Egypt. Of the total investment even 781 million kunas related to Croatia, which is 17% higher than the same period last year. Regarding the project of modernization of our retail network, the so-called Blue concept, INA renewed since the program began 145 service stations, with a further 14 in the phase of construction and competition. As a result of the implementation of these important investments, INA manages by far the largest modern retail network in Croatia. Continued efforts in order to maintain a stable financial position of the Group stabilized debt and capital ratio or the share of debt (bank loans, etc.) in the capital at around 27.8 percent, with a net indebtedness in the amount of 5,709 million kunas representing a decrease of 14 percent compared to net debt at the end of 2012. We recall, back in 2010 the ratio of debt and equity was at dangerous levels by as much as 44 percent.

Commenting on the financial results, CEO of INA Zoltán Áldott reminded that the investments actually rose significantly, by almost 40 percent, which is mainly a reflection of intense domestic exploration and development activities, as well as a number of refinery projects, together with a higher level of activity in Egypt.

Business operations of segment of Exploration and production is still faced with the natural fall of production, however internal efficiency improvements, optimizing the maintenance and reducing operating costs, helped retain strong performance of segment. By continuously monitoring the situation in Syria, the company has adapted the method of calculating the depreciation of Syrian assets. Depreciation in Syria burdened the operating profit in the amount of 137 million kunas per each quarter in 2013.

The refining business recorded a significant deterioration in refinery margin together with reduction of sales in retail, but strong commercial efforts in the wholesale business were partially neutralizing these negative effects. Increasing of export is evident from the even fivefold increasing exports to Slovenia. In addition, continued efforts to improve the efficiency of operations, including, among others, optimization and varied selection of raw

materials, affect the steady growth of flexibility in production and income increase”. -
Concluded Áldott.

Source; Serbia Energy See desk