

ATTACHMENT 1.

Reporting period

1.1.2010

do

31.12.2010

Quarterly financial statements -TFI-PODTax number (MB): **03586243**Registration number (MBS): **080000604**Personal identification
number (OIB): **27759560625**Issuer: **INA - Industrija nafte, d.d. (Matica)**Postal code and location: **10000****ZAGREB**Street and number: **Avenija Većeslava Holjevca 10**E-mail: www.ina.hr

Internet address:

Code and city / municipality: **133 ZAGREB**Code and county: **21 GRAD ZAGREB**Number of employees: **9,061**
(at the end of trimester)Consolidated Report: **NO**Business activity code: **1920**

Entities in consolidation (according to IFRS)

Registered seat:

Tax number (MB):

Entities in consolidation (according to IFRS)	Registered seat:	Tax number (MB):

Book-keeping office: **INA d.d.****INA Industrija nafte d.d.**Contact person: **Ratko Marković dipl.oec.**

(name and surname of the contact person)

Telephone: **01 4592-553**Fax: **01 4592-553**E-mail: ratko.markovic@ina.hrName and surname: **Bojan Milković dipl.ing.**

(authorized representatives)

Documents to be published:

1. Financial Statements (Balance Sheet, Profit and Loss Account, Cash Flow Statement, Change in Capital Statement and Notes to Financial Statements)
2. Statement of persons in charge of making Financial Statements
3. Management Board's Report

(seal)

(signature of authorized representative)

BALANCE SHEET

as of

31.12.2010

Naziv pozicije	AOP oznaka	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED AND UNPAID EQUITY	001		
B) NON-CURRENT ASSETS	002	22,007,000,000	23,042,000,000
I. INTANGIBLE ASSETS	003	739,000,000	864,000,000
II. TANGIBLE ASSETS	004	18,325,000,000	19,572,000,000
III. LONG-TERM FINANCIAL ASSETS	005	2,246,000,000	2,129,000,000
IV. TRADE RECEIVABLES	006	268,000,000	254,000,000
V. DIFERRED TAX	007	429,000,000	223,000,000
C) CURRENT ASSETS	008	6,021,000,000	7,075,000,000
I. INVENTORIES	009	2,314,000,000	2,219,000,000
II. TRADE RECEIVABLES	010	3,453,000,000	4,331,000,000
III. SHORT-TERM FINANCIAL ASSETS	011	186,000,000	265,000,000
IV. CASH IN BANK AND ON HAND	012	68,000,000	260,000,000
D) PREPAID EXPENSES AND ACCRUED INCOME	013	36,000,000	121,000,000
E) LOSS IN EXCESS OF VALUE AND CAPITAL	014		
F) TOTAL ASSETS	015	28,064,000,000	30,238,000,000
G) OFF BALANCE SHEET ITEMS	016		
LIABILITIES			
A) CAPITAL AND RESERVES	017	10,751,000,000	12,535,000,000
I. SHARE (SUBSCRIBED) CAPITAL	018	9,000,000,000	9,000,000,000
II. CAPITAL RESERVES	019		
III. RESERVES FROM PROFIT	020	1,952,000,000	1,952,000,000
IV. REVALUATION RESERVES	021	10,000,000	27,000,000
V. RETAINED PROFIT	022	420,000,000	
VI. LOSS CARRIED FORWARD	023		211,000,000
VII. PROFIT FOR THE YEAR	024		1,767,000,000
VIII. LOSS FOR THE YEAR	025	631,000,000	
IX. MINORITY INTEREST	026		
B) PROVISIONS	027	2,827,000,000	2,857,000,000
C) NON-CURRENT LIABILITIES	028	5,771,000,000	7,286,000,000
D) CURRENT LIABILITIES	029	8,661,000,000	7,502,000,000
E) ACCRUALS AND DIFERRED INCOME	030	54,000,000	58,000,000
F) TOTAL – LIABILITES	031	28,064,000,000	30,238,000,000
G) OFF BALANCE SHEET ITEMS	032		
BALANCE SHEET SUPPLEMENT (to be completed by entities that prepare consolidated financial statement)			
CAPITAL AND RESERVES			
1. Credited to parent company capital owners	033		
2. Credited to minority interest	034		

INCOME STATEMENT

za razdoblje

1.1.2010

do

31.12.2010

Naziv pozicije	AOP oznaka	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I. OPERATING REVENUE	035	19,530,000,000	5,208,000,000	23,980,000,000	6,097,000,000
1. Sales revenue	036	18,654,000,000	4,910,000,000	22,546,000,000	5,954,000,000
2. Income from own consumption of products, goods and services	037	16,000,000	5,000,000	6,000,000	1,000,000
3. Other operating revenue	038	860,000,000	293,000,000	1,428,000,000	142,000,000
II. OPERATING EXPENSES	039	20,106,000,000	5,327,000,000	21,248,000,000	5,632,000,000
1. Decrease of inventories in work in progress and finished products	040	32,000,000	193,000,000		353,000,000
2. Increase of inventories in work in progress and finished products	041			67,000,000	
3. Cost of material	042	11,785,000,000	2,105,000,000	13,536,000,000	1,794,000,000
4. Staff costs	043	1,697,000,000	431,000,000	1,978,000,000	696,000,000
5. Depreciation and amortisation	044	1,221,000,000	289,000,000	1,483,000,000	354,000,000
6. Other expenses	045	4,030,000,000	1,756,000,000	3,232,000,000	2,255,000,000
7. Impairment and charges	046	1,115,000,000	511,000,000	689,000,000	411,000,000
8. Provisions	047	226,000,000	42,000,000	397,000,000	-231,000,000
9. Other operating expenses	048			0	0
III. FINANCE REVENUE	049	205,000,000	-80,000,000	322,000,000	-29,000,000
1. Interest, exchange rate fluctuations, dividend and similar from associated companies	050	34,000,000	15,000,000	290,000,000	264,000,000
2. Interest, exchange rate fluctuations, dividend and similar from non-associated companies	051	168,000,000	-88,000,000	29,000,000	-16,000,000
3. Part of revenue from associated companies and participating interest	052		0		0
4. Unrealised gains (revenues)	053		0		0
5. Other financial revenue	054	3,000,000	-7,000,000	3,000,000	-277,000,000
IV. FINANCE COSTS	055	399,000,000	64,000,000	875,000,000	354,000,000
1. Interest, exchange rate fluctuations and other costs with associated companies	056	6,000,000	-5,000,000	3,000,000	1,000,000
2. Interest, exchange rate fluctuations and other costs with non-associated companies	057	105,000,000	0	534,000,000	192,000,000
3. Unrealised losses (costs) from finance assets	058		0		0
4. Other finance costs	059	288,000,000	69,000,000	338,000,000	161,000,000
V. EXTRAORDINARY - OTHER REVENUE	060				
VI. EXTRAORDINARY - OTHER COSTS	061				
VII. TOTAL REVENUES	062	19,735,000,000	5,128,000,000	24,302,000,000	6,068,000,000
VIII. TOTAL EXPENSES	063	20,505,000,000	5,391,000,000	22,123,000,000	5,986,000,000
IX. PROFIT BEFORE TAX	064			2,179,000,000	82,000,000
X. LOSS BEFORE TAX	065	770,000,000	263,000,000		
XI. PROFIT TAX	066	-139,000,000	-49,000,000	412,000,000	39,000,000
XII. PROFIT FOR THE PERIOD / from continued operations	067			1,767,000,000	43,000,000
XIII. LOSS FOR THE PERIOD / from discontinued operations	068	631,000,000	214,000,000		
SUPPLEMENT TO INCOME STATEMENT (to be completed by companies that prepare consolidated financial statements)					
XIV.* PROFIT CREDITED TO PARENT COMPANY CAPITAL OWNERS	069				
XV.* PROFIT CREDITED TO MINORITY INTEREST	070				
XVI.* LOSS CHARGED TO PARENT COMPANY CAPITAL OWNERS	071				
XVII.* LOSS CHARGED TO MINORITY INTEREST	072				

CASH FLOW STATEMENT - Indirect method

u razdoblju

1.1.2010

do

31.12.2010

Naziv pozicije	AOP oznaka	Previous period	Current period
1	2	3	4
CASH FLOW FROM OPERATING ACTIVITIES			
1. Profit before tax	073	-770,000,000	2,179,000,000
2. Depreciation and amortisation	074	1,221,000,000	1,483,000,000
3. Increase in short-term liabilities	075	333,000,000	
4. Decrease in short-term receivables	076		
5. Decrease in inventories	077		107,000,000
6. Other increase of cash flow	078	1,623,000,000	1,826,000,000
I. Total increase of cash flow from operating activities	079	2,407,000,000	5,595,000,000
1. Decrease in short-term liabilities	080		2,390,000,000
2. Increase in short-term payables	081	166,000,000	1,862,000,000
3. Increase in inventories	082	126,000,000	0
4. Other decrease in cash flow	083	361,000,000	737,000,000
II. Total decrease in cash flow from operating activities	084	653,000,000	4,989,000,000
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	085	1,754,000,000	606,000,000
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES	086		
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash proceeds from sale of non-current tangible and intangible assets	087	9,000,000	8,000,000
2. Cash proceeds from sale of equity and debt security instruments	088		
3. Cash proceeds from interest payment	089		
4. Cash proceeds of dividend payment	090	3,000,000	4,000,000
5. Other cash proceeds from investing activities	091	10,000,000	380,000,000
III. Total cash inflow from investing activities	092	22,000,000	392,000,000
1. Cash outflow for acquisition of non-current tangible and intangible assets	093	4,222,000,000	2,677,000,000
2. Cash outflow for acquisition of equity and debt security instruments	094		
3. Other cash outflows from investing activities	095	35,000,000	1,000,000
IV. Total cash outflow from investing activities	096	4,257,000,000	2,678,000,000
B1) NET CASH FLOW FROM INVESTING ACTIVITIES	097		
B2) NET CASH OUTFLOW FROM INVESTING ACTIVITIES	098	4,235,000,000	2,286,000,000
CASH FLOW FROM FINANCE ACTIVITIES			
1. Cash inflow from issuing equity and debt financial instruments	099		
2. Cash inflow from loan principals, debentures, credits and other borrowings	100	2,579,000,000	5,133,000,000
3. Other cash inflows from finance activities	101		
V. Total cash inflow from finance activities	102	2,579,000,000	5,133,000,000
1. Cash outflow for repayment of loan principal and bonds	103	338,000,000	3,257,000,000
2. Cash outflow for dividend payment	104		
3. Cash outflow for finance lease	105		
4. Cash outflow for buyback of own shares	106		
5. Other cash outflow from finance activities	107	10,000,000	9,000,000
VI. Total cash outflow for finance activities	108	348,000,000	3,266,000,000
C1) NET CASH FLOW INCREASE FROM FINANCE ACTIVITIES	109	2,231,000,000	1,867,000,000
C2) NET CASH FLOW DECREASE FROM FINANCE ACTIVITIES	110	0	0
Total increase of cash flow	111	0	187,000,000
Total decrease of cash flow	112	250,000,000	0
Cash and cash equivalents at the beginning of the period	113	318,000,000	68,000,000
Increase of cash and cash equivalents	114	0	192,000,000
Decrease of cash and cash equivalents	115	250,000,000	
Cash and cash equivalents at the end of the period	116	68,000,000	260,000,000

STATEMENT ON CHANGES IN EQUITY

od 1.1.2010 do 31.12.2010

Naziv pozicije	AOP oznaka	Previous period	Increase	Decrease	Current period
1	2	31.12. previous year		3	4
1. Subscribed capital	117	9,000,000,000			9,000,000,000
2. Capital reserves	118				
3. Reserves from profit	119	1,952,000,000			1,952,000,000
4. Retained profit or loss carried forward	120	420,000,000		-631,000,000	-211,000,000
5. Profit or loss for the year	121	-631,000,000	2,398,000,000		1,767,000,000
6. Revaluation of non-current tangible assets	122				
7. Revaluation of intangible assets	123				
8. Revaluation of financial assets available for sale	124	10,000,000	17,000,000		27,000,000
9. Other revaluation	125				
10. Exchange differences on translation of financial statements of foreign operations	126				
11. Current and deferred taxes (part)	127				
12. Protection of cash flow	128				
13. Changes in accounting policies	129				
14. Adjustment of significant errors from previous periods	130				
15. Other changes in capital	131				
16. Total increase or decrease of capital	132	10,751,000,000	2,415,000,000	-631,000,000	12,535,000,000
16a. Creditet to parent company capital owners	133				
16b. Credited to minority interest	134				

Notes to financial statements

In attachment

Q4 AND Q1-Q4 2010 – REPORT INA, D.D. NON-CONSOLIDATED

INA financial results (IFRS)

HRK mln.	Q4 2009 Restated	Q4 2010	%	2009 Restated	2010	%
Net sales revenues	4,910	5,954	21.3	18,654	22,546	20.9
EBITDA ⁽¹⁾	724	999	38.1	1,986	5,301	167.0
Operating profit	(142)	465	n.a.	(576)	2,732	n.a.
Operating profit excl. special items ⁽²⁾	241	474	96.8	358	3,158	782.1
Net financial gain (expenses)	(144)	(383)	166.0	(194)	(553)	185.1
Net profit/loss ⁽³⁾	(238)	44	n.a.	(631)	1,767	n.a.
Net profit/loss excl. special items ⁽²⁾	68	134	96.4	116	2,190	1,784.9
Operating cash flow	n.a.	n.a.	n.a.	1,754	606	(65.4)

USD mln ⁽⁴⁾	Q4 2009 Restated	Q4 2010	%	2009 Restated	2010	%
0						
Net sales revenues	998	1,098	10.0	3,533	4,099	16.0
EBITDA ⁽¹⁾	147	184	25.2	376	964	156.3
Operating profit	(29)	86	n.a.	(109)	497	n.a.
Operating profit excl. special items ⁽²⁾	49	87	78.5	68	574	746.9
Net financial gain (expenses)	(29)	(71)	141.2	(37)	(101)	173.7
Net profit/loss ⁽³⁾	(48)	8	n.a.	(120)	321	n.a.
Net profit/loss excl. special items ⁽²⁾	14	25	78.1	22	398	1,709.6
Operating cash flow	n.a.	n.a.	n.a.	332	110	(66.8)

⁽¹⁾ EBITDA = EBIT + Depreciation + Impairment + Provisions

⁽²⁾ Excludes special items related to asset impairment, stock evaluation, deferred taxes and special income from the disposal of Podzemno skladište plina d.o.o. (Gas Storage Company) in Q2 2009.

⁽³⁾ INA Group net income attributable to equity holder.

⁽⁴⁾ In converting HRK figures into US Dollars, the following average CNB (HNB) rates were used: for 2009: 5.2804 HRK/USD, 2010: 5.5000 HRK/USD, for Q4 2009: 4.9194, for Q4 2010: 5.4243 HRK/USD.

In 2010, INA d.d. has significantly improved its overall results compared to the last year, achieving HRK 5,301 million EBITDA and HRK 2,732 million operating profit, mainly resulting from increased hydrocarbon production from North Adriatic and Syria proving efforts put into major investment programs during the crisis, while results also benefited from improving economic environment through increasing crude oil prices and higher realized refinery margins. In addition management's focus on efficiency improvement resulted in significant cost saving through reduction of operating expenses. These positive trends were partially offset by forex losses on credit facilities, majority of which was unrealized, and declined sales of refined products as a result of a lower market demand.

INA d.d. CAPEX in 2010 reached HRK 2,816 million (against HRK 4,378 million in 2009) as a result of fitting the investment budget to current market environment, financial position and cash generating capabilities. Exploration and Production accounted for majority of CAPEX spent with HRK 1,404 million, primarily allocated on development operations in Syria and North Adriatic, while Refining and Marketing spent HRK 1,328 million, with majority spent on refinery modernisation.

Overall operations

INA d.d. Exploration and Production

Exploration and Production operating profit (excluding special items) in 2010, amounted to HRK 4,735 million, up by HRK 2,700 million compared to 2009 mainly due to higher hydrocarbon production resulting from Annamaria start-up, Jihar oil and gas station start-up in Syria which was off-set by the natural decline of crude production in Croatia onshore fields and Egypt. These trends were backed by increase in average realised crude oil prices and realized efficiency improvement measures. Reported 2010 operating profit amounted to HRK 4,912 million and was positively influenced by HRK 177 million special items including redefinition of cash generating units resulted in HRK 334 million positive effects, while HRK 86 million provisions and HRK 71 million redundancy payments negatively influenced 2010 result.

INA d.d. Refining and Marketing

During 2010, Refining and Marketing generated an operating loss (excluding special items) of HRK 476 million, a decrease of HRK 417 million on 2009 loss. Optimised crude oil procurement process, better product slate due to processing of Azeri light crude and more favourable margins meanwhile closer control of operating expenses had a positive impact, while unfavourable trends in domestic and regional market demand had an adverse effect on the results. Reported 2010 operating loss amounted to HRK 807 million, including HRK 331 million negative effect of special items, of which HRK 115 million related to negative special effect of changes in value of inventories in Q2 2010, HRK 142 million negative effects of provisions for ecology purpose and HRK 74 million severance payments for Redundancy Program.

INA d.d. Retail segment

Retail segment recorded an operating profit (excluding special items) of HRK 42 million in 2010, HRK 18 million higher than in 2009. Better result was mainly coming from reduced operating costs and improved efficiency, as well as introduction of EURO V quality throughout the entire domestic network ensuring a significant improvement in quality perception of INA, which was partially offset by the decline in sales volumes. The reported operating loss (including special items) for the 2010 amounted to HRK 127 million.

INA d.d. Corporate Functions

In 2010, Corporate Functions of INA d.d. generated an operating loss (excluding special items) of HRK 1,143 million which was HRK 335 million higher than 2009 loss. Higher loss is a result of higher financial expenses related to operations which were slightly offset by lower other operating costs as a result of cost-cutting measures. The 2010 performance was negatively influenced by HRK 103 million special items provisions in 2010 and reported operating loss amounted to HRK 1,246 million.

Overall operations

In 2010, INA d.d. generated HRK 22.5 billion of net sales revenues or 21% higher compared to the last year, mainly due to higher sales prices and volumes of natural gas and international crude oil (because of higher production). Additional positive effect came from introduction of new EURO V products.

During 2010 costs of raw materials and consumables rose by 21% over 2009, mainly because of 21% higher cost of imported crude as its average price rose by 36% (the average price of Brent FOB Med was up by 29% on the world market) while the volume of refined crude was 11% lower. The value of finished goods and WIP inventories rose by HRK 67 million compared to the opening balance, while as at 31 December 2009 it was lower by HRK 32 million. Other material costs and costs of services were lower as a result of cost-cutting measures. Other material costs in the amount of HRK 1,477 million decreased by HRK 312 million because of lower rental fees and transportation costs. The costs of services increased by HRK 56 million to HRK 1,357 million as a result of higher financial costs related to operations while additionally approved discounts, intellectual services and insurance premium costs which were lower. Depreciation rose by 21% to HRK 1,483 million because of assets put in use upon completion of projects. Adjustments and provisions of HRK 1,086 million were HRK 255 million lower because of lower asset impairments and lower provisions for litigation which was partially offset by higher provisions for environment.

Total staff costs increased by 17% compared to 2009, primarily due to severance payments in accordance with the Workforce Restructuring Programme.

Financial activities in 2010 recorded a loss of HRK 553 million, a HRK 359 million increase on the 2009 loss. The profit tax for 2010 was HRK 412 million compared to HRK 139 million tax profit in 2009.

Balance sheet

As at 31 December 2010, total assets amounted to HRK 30.2 billion increased by 8% compared to 31 December 2009. Capital investments in the development of gas fields in the North Adriatic, Syria, refinery modernisation as well as redefinition of cash generating units resulted with 8% increased non-current tangible and intangible assets. Now the contract areas are cash generating units and not production fields or countries as in prior periods.

Although management made effort to collect overdue receivables net trade debtors, as at 31 December 2010, amounting to HRK 1.8 billion were up by 36% compared to 31 December 2009 as a result of the increasing price environment.

Total INA Group liabilities as at 31 December 2010 amounted to HRK 17.7 billion and they were 2% higher than on 31 December 2009, mainly due to higher indebtedness which had grown to HRK 9.2 billion compared to HRK 6.8 billion as at 31 December 2009. Credit facilities were used to sustain significant level of investments and repay overdue liabilities towards the state, MOL and suppliers. Liabilities for taxes and contributions decreased by HRK 935 million to HRK 650 million due to the full settlement of overdue liabilities towards the state. Trade creditors decreased by HRK 1,093 million and amounted to HRK 1,611 million.

INA Group total net debt amounted to HRK 9.0 billion compared to HRK 6.7 billion as at 31 December 2009 while the net gearing¹ rose from 38.5% to 41.7% as at 31 December 2010. The company gearing grew but stayed at manageable level.

Cash flow

The operating cash-flow before working capital changes amounted to HRK 4,751 million and increased significantly in comparison with 2009 mostly because of increased EBITDA. In 2010, the changes in working capital decreased the operating cash flow by HRK 4,145 million, primarily as a result of HRK 1,862 million higher trade debtors (primarily from Prirodni plin) and lower trade creditors by HRK 2,390 million, while lower value of inventories increased cash by HRK 107 million.

¹ Net debt / net debt plus equity incl. minority interests

INA, d.d. Summary Segmental Results of Operations

Q3 2010	Q4 2010	Q4 2009 Restated	%	(HRK mln)	2009 Restated	2010	%
Sales							
2,002	1,910	1,450	32	Exploration & Production	6,134	7,867	28
4,619	4,114	3,472	18	Refining & Marketing	12,422	14,928	20
1,808	1,412	1,236	14	Retail	5,103	5,810	14
5	7	4	75	Corporate and Other	15	22	47
(1,865)	(1,489)	(1,252)	19	Inter-segment revenue	(5,020)	(6,081)	21
6,569	5,954	4,910	21	Sales	18,654	22,546	21
Operating expenses, net other income from operating activities							
(907)	(980)	(910)	8	Exploration & Production	(4,718)	(2,955)	(37)
(5,056)	(4,162)	(3,962)	5	Refining & Marketing	(13,428)	(15,735)	17
(1,923)	(1,441)	(1,307)	10	Retail	(5,228)	(5,937)	14
(2)	(395)	(125)	216	Corporate and Other	(876)	(1,268)	45
1,865	1,489	1,252	19	Inter-segment eliminations	5,020	6,081	21
(6,023)	(5,489)	(5,052)	9	Expenses	(19,230)	(19,814)	3
Profit from operations							
1,095	930	540	72	Exploration & Production	1,416	4,912	247
(437)	(48)	(490)	(90)	Refining & Marketing	(1,006)	(807)	(20)
(115)	(29)	(71)	(60)	Retail	(125)	(127)	2
3	(388)	(121)	221	Corporate and Other	(861)	(1,246)	45
0	0	0	n.a.	Inter-segment eliminations	0	0	n.a.
546	465	(142)	n.a.	Profit/(loss) from operations	(576)	2,732	n.a.
Share in the profit of associate companies							
553	(383)	(144)	166	Net profit/(loss) from financial activities	(194)	(553)	185
1,099	82	(286)	n.a.	Profit/(loss) before taxation	(770)	2,179	n.a.
(227)	(38)	48	n.a.	Income tax	139	(412)	n.a.
872	44	(238)	n.a.	Profit/(loss) for the period	(631)	1,767	n.a.

Q3 2010	Q4 2010	Q4 2009 Restated	%	Operating Profit Excluding Special Items (HRK mln)	2009 Restated	2010	%
1,239	943	863	9	Exploration & Production	2,035	4,735	133
(239)	(30)	(435)	(93)	Refining & Marketing	(893)	(476)	(47)
50	(25)	(52)	(53)	Retail	24	42	75
132	(414)	(135)	207	Corporate and Other	(808)	(1,143)	41
0	0	0	n.a.	Inter-segment eliminations	0	0	n.a.
1,182	474	241	97	Total	358	3,158	n.a.
Q3 2010	Q4 2010	Q4 2009 Restated	%	Depreciation (HRK mln)	2009 Restated	2010	%
271	225	160	41	Exploration & Production	738	1,008	37
76	82	75	9	Refining & Marketing	278	292	5
19	19	23	(17)	Retail	88	75	(15)
26	27	31	(13)	Corporate and Other	117	107	(9)
392	353	289	22	Total	1,221	1,482	21
Q3 2010	Q4 2010	Q4 2009 Restated	%	EBITDA* (HRK mln)	2009 Restated	2010	%
1,483	1,473	1,058	39	Exploration & Production	3,011	6,503	116
(66)	8	(332)	n.a.	Refining & Marketing	(529)	(206)	(61)
29	(31)	(12)	155	Retail	137	76	(45)
161	(451)	9	n.a.	Corporate and Other	(634)	(1,072)	69
0	0	0	n.a.	Inter-segment eliminations	0	0	n.a.
1,607	999	723	38	Total	1,986	5,301	167
Q3 2010	Q4 2010	Q4 2009 Restated	%	EBITDA Excluding Special Items* (HRK mln)	2009 Restated	2010	%
1,483	1,648	1,058	56	Exploration & Production	3,011	6,240	107
(66)	82	(332)	n.a.	Refining & Marketing	(529)	(17)	(97)
76	(35)	(12)	188	Retail	137	119	(13)
161	(352)	9	n.a.	Corporate and Other	(634)	(973)	53
0	0	0	n.a.	Inter-segment eliminations	0	0	n.a.
1,654	1,343	723	86	Total	1,985	5,369	170

* EBITDA = EBIT + Depreciation + Impairment + Provisions

Income Statement

Q3 2010	Q4 2010	Q4 2009 Restated	%	(HRK mln)	2009 Restated	2010	%
				Sales revenue			
3,914	3,421	3,112	10	a) Domestic	12,822	13,985	9
2,655	2,533	1,798	41	b) Exports	5,832	8,561	47
6,569	5,954	4,910	21	Total sales revenue	18,654	22,546	21
				Income from own consumption of products and services	16	6	(63)
1	1	5	(80)	Other operating income	860	1,428	66
175	142	293	(52)	Total operating income	19,530	23,980	23
6,745	6,097	5,208	17	Changes in inventories of finished products and work in progress	(32)	67	n.a.
(55)	(353)	(193)	83	Cost of raw materials and consumables	(9,996)	(12,059)	21
(3,901)	(2,725)	(2,660)	2	Depreciation and amortization	(1,221)	(1,483)	21
(392)	(354)	(289)	22	Other material costs	(1,789)	(1,477)	(17)
(357)	(451)	(449)	0	Service costs	(1,301)	(1,357)	4
(50)	(380)	(366)	4	Staff costs	(1,697)	(1,978)	17
(405)	(696)	(431)	61	Cost of other goods sold	(2,729)	(1,875)	(31)
(370)	(493)	(385)	28	Impairment and charges	(1,115)	(689)	(38)
(73)	(411)	(515)	(20)	Provisions for charges and risks (net)	(226)	(397)	76
(596)	231	(62)	n.a.	Operating expenses	(20,106)	(21,248)	6
(6,199)	(5,632)	(5,350)	5	Profit/loss from operations	(576)	2,732	n.a.
546	465	(142)	n.a.	Share in the profit of associated companies			
				Finance revenue	205	322	57
15	(28)	(80)	(65)	Finance costs	(399)	(875)	119
537	(355)	(64)	455	Net (loss) / profit from financial activities	(194)	(553)	185
552	(383)	(144)	166	Profit before tax	(770)	2,179	n.a.
1,098	82	(286)	n.a.	Income tax	139	(412)	n.a.
(227)	(38)	48	242	Profit / (Loss) for the year	(631)	1,767	n.a.
871	44	(238)	n.a.	Attributable to			
				Equity holder	(631)	1,767	n.a.
871	44	(238)	n.a.	Minority interest	0	0	n.a.
0	0	0	n.a.	Earning per share (in HRK)			
871	44	(238)	n.a.	Basic and diluted earnings/(loss) per share (kunas per share) from all operations	(63.1)	176.7	n.a.

INA, d.d. Condensed Non-consolidated Statement of comprehensive Income

Q3 2010	Q4 2010	Q4 2009 Restated	%	(HRK mln)	2009 Restated	2010	%
871	44	(238)	n.a.	Profit/(loss) for the year	(631)	1,767	
				Other comprehensive income:			
				Exchange differences arising from foreign operations			
13	29	30	(3)	Gains on available-for-sale investments, net	145	17	
13	29	30	(3)	Other comprehensive income/(loss), net	145	17	
884	73	(208)	n.a.	Total comprehensive income/(loss) for the year	(486)	1,784	

Unconsolidated Statement of Financial Position

(mil. kn)	31 Dec 2009	31 Dec 2010	%
Assets			
Non-current assets			
Intangible assets	716	827	16
Property, plant and equipment	18,120	19,522	8
Goodwill	0	0	n.a.
Investments in subsidiaries	1,257	1,224	(3)
Investments in associates and joint ventures	189	51	(73)
Other investments	403	437	9
Long-term receivables	496	341	(31)
Derivative financial instruments	0	0	n.a.
Deferred tax	429	223	(48)
Available for sale assets	397	417	5
Total non-current assets	22,007	23,042	5
Current assets			
Inventories	2,314	2,218	(4)
Trade receivables net	1,332	1,816	36
Intercompany receivables	1,544	2,229	44
Other receivables	577	287	(50)
Derivative financial instruments	27	0	n.a.
Other current assets	159	253	59
Prepaid expenses and accrued income	36	121	238
Cash and cash equivalents	68	260	281
Current assets	6,057	7,184	19
Assets classified as held for sale	0	12	n.a.
Current assets	6,057	7,196	19
Total assets	28,064	30,238	8
Equity and liabilities			
Capital and reserves			
Share capital	9,000	9,000	0
Revaluation reserve	10	27	160
Other reserves	1,952	1,952	0
Retained earnings / (Deficit)	420	(211)	n.a.
Profit/loss for the year	(631)	1,767	n.a.
Equity attributable to equity holder of the parent	10,751	12,535	17
Non-controlling interests	0	0	n.a.
Total equity	10,751	12,535	17
Non-current liabilities			
Long-term loans	5,646	7,170	27
Other non-current liabilities	125	116	(7)
Employee benefits obligation	84	84	(0)
Provisions	2,541	2,564	1
Total non-current liabilities	8,396	9,934	18
Current liabilities			
Bank loans and overdrafts	581	838	44
Current portion of long-term debt	575	1,233	114
Intercompany payables	2,878	3,056	6
Trade payables	2,704	1,611	(40)
Taxes and contributions	1,585	650	(59)
Other current liabilities	338	114	(66)
Accruals and deferred income	54	58	7
Employee benefits obligation	12	8	(33)
Provisions	190	201	6
Current liabilities	8,917	7,769	(13)
Liabilities directly associated with assets classified held for sale	0	0	n.a.
Total current liabilities	8,917	7,769	(13)
Total liabilities	17,313	17,703	2
Total equity and liabilities	28,064	30,238	8

Capital Expenditure

Q3 2010	Q4 2010	Q4 2009	%	Capital Expenditures (HRK mln)	2009	2010	%
290	342	431	(21)	Exploration & Production	2,980	1,404	(53)
232	380	545	(30)	Refining & Marketing	1,345	1,328	(1)
14	26	24	10	Retail	33	48	46
2	30	7	329	Corporate & other	20	36	80
538	778	1,007	(23)	Total	4,378	2,816	(36)

Q3 2010	Q4 2010	Q4 2009	%	Capital Expenditures - Tangible Assets (HRK mln)	31 Dec 2009	31 Dec 2010	%
260	267	448	(40)	Exploration & Production	2,845	1,224	(57)
232	380	545	(30)	Refining & Marketing	1,344	1,328	(1)
14	26	24	8	Retail	33	48	45
2	9	1	n.a.	Corporate & other	6	12	100
508	682	1,018	(33)	Total	4,228	2,612	(38)

INA—INDUSTRIJA NAFTE d.d. ZAGREB
INAd.d. CONSOLIDATED STATEMENT OF CASH FLOW
Period ended 31 December 2009 and 2010
(All amounts in HRK millions)

(HRK mln)	2009 Restated	2010	%
Profit/(loss) for the year	(631)	1,767	n.a.
Adjustments for:			
Depreciation and amortisation	1,221	1,483	21
Income tax (benefit)/expenses recognized in (loss)/profit	(139)	412	n.a.
Impairment charges (net) and reversal impairment	1,115	687	(38)
Reversal of impairment	(260)	(667)	157
Gain on sale of property, plant and equipment	(9)	(6)	(33)
Foreign exchange loss/(gain)	(91)	582	n.a.
Interest expense (net)	158	74	(53)
Other financial expense recognised in profit	151	(64)	n.a.
Decommissioning interests	0	0	n.a.
Increase in provisions	72	339	371
Reversal of impairment	0	0	n.a.
Decommissioning interests	126	144	14
Change in provision for charges and risks and other non-cash items	0	0	n.a.
Operating cash flow before working capital changes	1,713	4,751	177
Movements in working capital			
(Increase)/decrease in inventories	(126)	107	n.a.
(Increase)/decrease in receivables and prepayments	(166)	(1,862)	1,022
Decrease/(increase) in trade and other payables	333	(2,390)	n.a.
Decrease/(increase) in provisions	0	0	n.a.
Cash generated from operations	1,754	606	(65)
Taxes paid	0	0	n.a.
Net cash inflow from operating activities	1,754	606	(65)
Cash flows used in investing activities			
Payments for property, plant and equipment	(4,064)	(2,459)	(39)
Payment for intangible assets	(158)	(218)	38
Proceeds from sale of non-current assets	9	8	(11)
Proceeds from sale of investments	0	0	n.a.
Acquisition of investments in associates and joint ventures and other companies	0	(1)	n.a.
Dividends received from companies classified under available for sale and other companies	3	4	33
Proceeds from profit of companies	10	254	n.a.
Interest received	0	0	n.a.
Investments and loans to third parties, net	(35)	126	n.a.
Net cash (outflow) used for investing activities	(4,235)	(2,286)	(46)
Cash flows from financing activities			
Additional long-term borrowings	2,041	2,730	34
Repayment of long-term borrowings	(45)	(1,005)	2,133
Additional short-term borrowings	538	2,403	347
Repayment of short term borrowings	(202)	(2,148)	963
Interest paid on long-term loans	(66)	(22)	(67)
Other long-term liabilities, net	(9)	(9)	0
Dividends paid	0	0	n.a.
Interest paid on short term loans and other financing charges	(25)	(82)	228
Net cash from financing activities	2,232	1,867	(16)
Net (decrease)/increase in cash and cash equivalents	(249)	187	n.a.
At 1 January	318	68	(79)
Effect of foreign exchange rate changes	(1)	5	n.a.
At the end of period	68	260	283

Attributable to equity holders of the parent

	Share capital	Other reserves	Revaluation reserves	Retained profits / (Accumulated deficit)	Total
Balance as at 1 January 2009	9,000	1,952	(135)	420	11,237
Profit / loss for the year	0	0	0	(631)	(631)
Other comprehensive income, net	0	0	145	0	145
Total comprehensive income for the year	0	0	145	(631)	(486)
Dividends payable	0	0	0	0	0
Balance as at 31 December 2009	9,000	1,952	10	(211)	10,751
Balance as at 1 January 2010	9,000	1,952	10	(211)	10,751
Profit / loss for the year	0	0	0	1,767	1,767
Other comprehensive income, net	0	0	17	0	17
Total comprehensive income for the year	0	0	17	1,767	1,784
Dividends payable	0	0	0	0	0
Balance as at 31 December 2010	9,000	1,952	27	1,556	12,535

INA, d.d. Shareholders structure by number of shares

	31 Dec 06	31 Dec 07	31 Dec 08	31 Dec 09	31 March 10	30 June 10	30 Sept 10	31 Dec 10
MOL Plc.	2,500,001	2,500,001	4,715,538	4,715,538	4,715,538	4,715,538	4,715,538	4,715,538
Government of the Republic of Croatia	5,180,367	4,484,918	4,483,552	4,483,552	4,483,552	4,483,552	4,483,552	4,483,552
Private and institutional investors	2,319,632	3,015,081	800,910	800,910	800,910	800,910	800,910	800,910
Total	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000

Changes in organisation, Management Board or Supervisory Board

Supervisory Board

At the Extraordinary General meeting of INA-INDUSTRIJA NAFTE d.d. held on January 17, 2011 Ivan Šuker, Tomislav Ivić and Božidar Pankrećić were recalled and Davor Štern, Gordana Sekulić and Damir Vandelić were appointed supervisory board members with the term of office until 13 June 2013. At the meeting held on January 17, 2011 the Supervisory Board of INA-INDUSTRIJA NAFTE d.d. Zagreb appointed Mr Davor Štern a new Chairman of the Supervisory Board. At the previous Extraordinary General meeting on 19 April 2010 Mr Jozsef Molnar was appointed supervisory board member with the term of office until 13 June 2013.

Management Board

At the meeting held on 31 March 2010 INA-INDUSTRIJA NAFTE d.d. the Supervisory Board acknowledged the resignation of Mr. László Geszti from his duty as President of the Management Board of INA, d.d. and unanimously elected Mr Zoltán Áldott as new President of the Management Board of the company commencing as of April 1st 2010 with a five year term of office (at the same time acknowledging his resignation from his membership in the Supervisory Board of INA).

During the circular voting procedure INA Supervisory Board appointed three new members of INA Management Board. The new members of INA Management Board are Niko Dalić, Ivan Krešić and Davor Mayer, all three appointed with the mandate starting from 11th February 2011 until 1st April 2015. At the same session Tomislav Dragičević, Josip Petrović and Dubravko Tkalčić were recalled from the duty of the members of INA Management Board as of 10th February 2011. Besides, the term of office of Mr. Attila Holoda and Mr. Lajos Alács as members of INA Management Board is extended for the period until April 1st, 2015.

Executive Board

At the meeting held on October 13, 2010, the Management Board of INA, d.d. made decisions on changes within the company related to positions and the number of Executive Directors which is to be decreased from seven to six. As of October 31, 2010 Mr. László Bartha left his position of the Executive Director for Retail. Mr. Darko Markotić has been appointed Executive Director for Retail as of November 1, 2010 and at the same time relieved of duty of the Executive Director for Corporate Services as of October 31, 2010. Corporate Services was cancelled while Corporate Center changed its name into Corporate Services. Mr. Berislav Gašo has been appointed Executive Director of the Corporate Services as of November 1, 2010 and at the same time relieved of duty of the Executive Director of Corporate Centre as of October 31, 2010. Executive Director for Corporate Processes Mr. Tomislav Thür, Executive Director for Finance Mr. András Huszár and Executive Director for Refining and Marketing Mr. Peter Chmurčiak remained on the same positions while Mr. Bojan Milković remained the Executive Director for Upstream as well as the Chief Executive Officer of INA d.d.

Management representation

INA Group's consolidated financial statements for Q4 and 2010 have been prepared in accordance with the International Financial Reporting Standards (IFRS). i.e. they present fairly, in all material aspects, the financial position of the company, results of its operations and cash flows of INA Group.

Management Board:

Zoltán Áldott	President of INA, d.d. Board
Lajos Alács	Member
Niko Dalić	Member
Attila István Holoda	Member
Ivan Krešić	Member
Davor Mayer	Member