



## ***Announcement of Operating Results for the Year 2010***

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## 1. Management's Operating Statement for the Period between 1 January and 31 December 2010

Zagreb, 15 February 2011 – The significant slowing down of infrastructure projects and new investment cycles in Croatia as well as the extension of deadlines for negotiating new business projects on foreign markets have had a negative effect on INGRA's operating results in the year 2010.

According to the preliminary Consolidated Financial Statements for the Year 2010, total revenue of HRK 305.95 million has been realized, whereas total expenses amount HRK 396.49 million. Operating revenues amount HRK 252.31 million, and financial revenues HRK 53.64 million. For the fiscal year in question, a loss in the amount of HRK 90.56 million has been stated, which will be fully covered from the Company's reserves. According to the preliminary Financial Statement of Net Income, the operating result of the INGRA Group amounts HRK - 55.65 million.

A decrease of realization on markets is accompanied by a decrease of operating expenses, especially fixed costs, while investment in foreign activities has been increased. In addition to the decrease of expenses on all levels, a part of the Company's liabilities have been successfully converted into the Company's share capital in December 2010, by which operational activity has been stabilized and the financial status improved.

Pursuant to the provisions and requirements of IFRS (International Financial Reporting Standards) INGRA has carried out one-time value adjustments of certain assets, which has had a negative impact on the financial result. These adjustments pertained to various items of long term assets, current financial assets, material assets and outstanding receivables. The total amount of all one-time adjustments is HRK 49 million.

During the previous financial year INGRA was especially committed to the continuation of the operational and financial restructuring begun in 2009, finalization of the ongoing construction of infrastructure and other projects, as well as a more active approach to the strengthening of the Company's presence and position on both traditional and new foreign markets.

In spite of the deterioration of business conditions, INGRA's activity on the domestic market in this period has been marked by the successful realization of own construction project Dvori Lapad, a residential-business complex in Dubrovnik worth EUR 55 million, for which an operating permit has been obtained, and the selling of apartments as well as renting of business premises is in process.

On the project of Hydroelectric Power Plant "Lešće" all construction work is finished and the final transfer is expected by June 2011. On this project as well as projects of the construction

of motorways across Croatia INGRA is participating as a member the Croatian Constructors' Consortium (Konzorcij hrvatskih graditelja).

In spite of evident problems throughout the year 2010, progress has been made in the relations with the contractual parties on the project of Arena Zagreb, and the stabilization of the collection of receivables is expected on the part of the public partners.

In addition, during the financial year of 2010 INGRA has managed to reduce the liabilities toward suppliers for the amount of HRK 109 million, and an important step in the stabilization of operational activity has been taken through a successful recapitalization in terms of a debt for equity swap in the amount of HRK 120.9 million, which also enabled a one-time reduction of financial expenses for the current period in the amount of HRK 10 million. The enlisting of new shares on the Official Market of the Zagreb Stock Exchange is planned once the auditing of annual financial statements is finalized and the Listing Prospectus approved by the regulator.

In order to strengthen its presence on foreign markets INGRA has, in spite of the 2010 economic crisis, continued with the systematic analysis and defining of priorities on those foreign markets where the Company already has significant references. In the first priority group are the markets of North Africa, Middle East, Russian Federation and Southeast Europe, currently with twelve active offers with reasonable prospects of negotiating new projects.

In the following year INGRA will be dedicated to the redefinition of its business strategy and the finalization of the financial restructuring, as well as the improvement of internal processes and further personnel recruitment. To that purpose, near the end of year 2010 the Company's Management Board was strengthened by the bringing Željko Perić as a new Board member. In this manner INGRA will have made the necessary preparations for the successful realization of new projects and implementation of the assigned strategic goals.

**INGRA Inc.**  
**Management**

## 2. Responsibility for the Financial Statements

The Management presents the financial statements for the company INGRA Inc. ('the Company') and its subsidiaries ('the Group') for the period ended 31 December 2010.

Pursuant to the Croatian Accounting Law (Official Gazette 109/07), the Board is responsible for ensuring that financial statements are prepared in accordance with the International Financial Reporting Standards which are published by the Croatian Committee for the Standards of Financial Reporting and designed to provide a true and objective view of the Group's financial position and operating results for the given period.

To the best of the Management's knowledge,

- the Issuer's financial statements, prepared by applying adequate standards of financial reporting, provide a true and complete review of the assets and liabilities, profit and loss, financial position and operating activity of the Issuer and the subsidiaries included in the consolidation as a whole
- the management's report contains a true review of the development, operating results and position of the Issuer and subsidiaries included in the consolidation, along with a description of the most significant risks and uncertainties to which the Issuer and the Group are exposed as a whole

The Board has reasonable expectations that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Board continues to adopt the going concern basis in preparing financial statements.

In preparing the financial statements, the responsibilities of the Board include ensuring that:

- appropriate accounting policies are selected and then consistently applied;
- judgments and estimates are reasonable and prudent;
- applicable accounting standards are followed, and any significant departures disclosed and explained in the financial statements; and that
- financial statements are prepared according to the going concern basis unless it is inappropriate to assume that the Group will continue in business.

The Board is responsible for keeping proper accounting records which will at any time reflect the Group's financial position with reasonable accuracy, as well as for the compliance of the

financial statements with the Croatian Accounting Law (Official Gazette 109/07). The Board is also responsible for safeguarding the Group's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INGRA Inc.**  
**Management**

**ATTACHMENT 1**

Reporting period:

1.1.2010

to

31.12.2010

**Annual financial statement of the entrepreneur-GFI-POD**

Tax number (MB): **3277267**

Company registration number (MBS): **080020443**

Personal identification number (OIB): **14049708426**

Issuing company: **INGRA d.d.**

Postal code and place: **10000**

**Zagreb**

Street and house number: **Alexandera von Humboldta 4b**

E-mail address: **ingra@ingra.hr**

Internet address: **www.ingra.hr**

Municipality/city code and name: **133 Zagreb**

County code and name: **21 Grad Zagreb**

Number of employees: **109**

(year end)

Consolidated report: **NO**

NKD code: **74200**

Companies of the consolidation subject (according to IFRS)

Seat

MB

Companies of the consolidation subject (according to IFRS)	Seat	MB

Bookkeeping service:

Contact person: **Asić Ivan**  
(only surname and name)

Telephone: **01/6102-548**

Facsimile: **01/6156-394**

E-mail address:

Family name and name: **Oppenheim Igor**

(person authorized to represent the company)

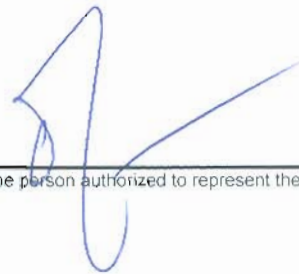
Documentation for publishing:

1. Audited annual financial statements
2. Statement of persons responsible for the drawing-up of financial statements
3. Report of the Management Board on the Company Status

L.S.

(signature of the person authorized to represent the company)

  
**INGRA**  
 DIONIČKO DRUŠTVO ZA IZGRADNJU INVESTICIJSKIH  
 OBJEKATA, UVOZ, IZVOZ I ZASTUPSTVA  
 5 ZAGREB



## BALANCE SHEET

as at 31.12.2010

Position 1	AOP 2	Previous period 3	Current period 4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL</b>	<b>001</b>		
<b>B) NON-CURRENT ASSETS (003+010+020+028+032)</b>	<b>002</b>	704.639.342	797.841.515
<b>I. INTANGIBLE ASSETS (004 do 009)</b>	<b>003</b>	24.199.742	0
1. Expenditure for development	<b>004</b>	0	0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	<b>005</b>	0	0
3. Goodwill	<b>006</b>	24.199.742	0
4. Advances for purchase of intangible assets	<b>007</b>	0	0
5. Intangible assets in progress	<b>008</b>	0	0
6. Other intangible assets	<b>009</b>	0	0
<b>II. TANGIBLE ASSETS(011 do 019)</b>	<b>010</b>	153.705.418	201.454.691
1. Land	<b>011</b>	12.060.274	12.060.274
2. Buildings	<b>012</b>	80.200.215	77.639.484
3. Plant and equipment	<b>013</b>	1.133.496	272.057
4. Tools, plant inventory and transportation assets	<b>014</b>	1.421.623	456.269
5. Biological assets	<b>015</b>	0	0
6. Advances for purchase of tangible assets	<b>016</b>	0	0
7. Tangible assets in progress	<b>017</b>	0	0
8. Other tangible assets	<b>018</b>	34.796	34.796
9. Investment in real-estate	<b>019</b>	58.855.014	110.991.811
<b>III. NON-CURRENT FINANCIAL ASSETS (021 do 027)</b>	<b>020</b>	165.029.126	173.377.846
1. Share in related parties	<b>021</b>	119.677.819	112.874.549
2. Loans to related parties	<b>022</b>	13.133.692	11.299.315
3. Participating interests (shares)	<b>023</b>	25.736.939	45.645.939
4. Investments in securities	<b>024</b>	5.166.158	2.530.702
5. Loans, deposits, etc.	<b>025</b>	1.314.518	1.027.341
6. Company's own stocks and shares	<b>026</b>	0	0
7. Other non-current financial assets	<b>027</b>	0	0
<b>IV. RECEIVABLES (029 do 031)</b>	<b>028</b>	361.705.056	423.008.978
1. Receivables from related parties	<b>029</b>	357.536.928	418.840.850
2. Receivables arising from sales on credit	<b>030</b>	0	0
3. Other receivables	<b>031</b>	4.168.128	4.168.128
<b>V. DEFERRED TAX ASSET</b>	<b>032</b>	0	0
<b>C) CURRENT ASSETS (034+042+049+057)</b>	<b>033</b>	567.975.545	444.952.389
<b>I. INVENTORIES (035 do 041)</b>	<b>034</b>	331.600.278	302.268.754
1. Raw materials and supplies	<b>035</b>	12.593	5.302
2. Production in progress	<b>036</b>	289.206.264	26.424.643
3. Unfinished and semifinished products	<b>037</b>	0	0
4. Finished products	<b>038</b>	25.352.062	275.838.809
5. Merchandise	<b>039</b>	0	0
6. Advances for inventories	<b>040</b>	17.029.359	0
7. Other assets held for sale	<b>041</b>	0	0
<b>II. RECEIVABLES (043 do 048)</b>	<b>042</b>	188.814.841	105.360.214
1. Receivables from related parties	<b>043</b>	2.195.131	16.095.166
2. Receivables from customers	<b>044</b>	152.790.308	70.459.329
3. Receivables from participating parties	<b>045</b>	0	0
4. Receivables from employees and members of the company	<b>046</b>	721.995	1.058.966
5. Receivables from government and other institutions	<b>047</b>	25.454.794	7.814.714
6. Other receivables	<b>048</b>	5.652.613	9.932.039
<b>III. CURRENT FINANCIAL ASSETS (050 do 056)</b>	<b>049</b>	24.934.115	25.957.580
1. Share in related parties	<b>050</b>	0	0
2. Loans to related parties	<b>051</b>	4.142.778	3.951.258
3. Participating interests (shares)	<b>052</b>	0	0
4. Investments in securities	<b>053</b>	19.643.050	14.909.142
5. Loans, deposits, etc.	<b>054</b>	1.148.287	7.097.180
6. Company's own stocks and shares	<b>055</b>	0	0
7. Other current financial assets	<b>056</b>	0	0
<b>IV. CASH AND CASH EQUIVALENTS</b>	<b>057</b>	24.626.311	11.365.841
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>058</b>	120.029.723	56.679.525
<b>E) LOSS ABOVE SUBSCRIBED CAPITAL</b>	<b>059</b>	0	0
<b>F) TOTAL ASSETS (001+002+033+058+059)</b>	<b>060</b>	1.392.644.610	1.299.373.429
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>061</b>	193.062.578	191.479.107

<b>EQUITY AND LIABILITIES</b>			
<b>A) EQUITY AND RESERVES (063+064+065+071+072-073+074-075+076)</b>	<b>062</b>	441.788.819	490.225.797
I. SUBSCRIBED SHARE CAPITAL	<b>063</b>	300.000.000	270.904.000
II. CAPITAL RESERVES	<b>064</b>	123.000.000	250.572.308
III. RESERVES FROM PROFIT (066+067-068+069+070)	<b>065</b>	54.862.432	16.765.458
1. Legal reserves	<b>066</b>	8.250.000	8.250.000
2. Reserves for own shares	<b>067</b>	9.000.000	9.000.000
3. Company's own stocks and shares (deductible items)	<b>068</b>	6.457.000	0
4. Statutory reserves	<b>069</b>	0	0
5. Other reserves	<b>070</b>	44.069.432	-484.542
IV. REVALUATION RESERVES	<b>071</b>	7.012.359	41.921.987
V. RETAINED EARNINGS	<b>072</b>	39.633.974	0
VI. LOSS CARRIED FORWARD	<b>073</b>	0	0
VII. NET PROFIT FOR THE PERIOD	<b>074</b>	0	0
VIII. LOSS FOR THE PERIOD	<b>075</b>	82.719.946	89.937.958
IX. MINORITY INTEREST	<b>076</b>	0	0
<b>B) PROVISIONS (078 do 080)</b>	<b>077</b>	6.822.092	12.772.156
1. Provisions for pensions, severance pay and similar liabilities	<b>078</b>	6.822.092	4.287.732
2. Provisions for tax liabilities	<b>079</b>	0	0
3. Other provisions	<b>080</b>	0	8.484.424
<b>C) NON-CURRENT LIABILITIES (082 do 089)</b>	<b>081</b>	234.654.314	210.117.579
1. Liabilities to related parties	<b>082</b>	0	0
2. Liabilities for loans, deposits, etc.	<b>083</b>	0	0
3. Liabilities to banks and other financial institutions	<b>084</b>	32.808.540	37.527.087
4. Liabilities for advances	<b>085</b>	0	0
5. Trade payables	<b>086</b>	0	0
6. Liabilities for marketable securities	<b>087</b>	191.129.491	162.109.995
7. Other non-current liabilities	<b>088</b>	0	0
8. Deferred tax liabilities	<b>089</b>	10.716.283	10.480.497
<b>D) CURRENT LIABILITIES (091 do 101)</b>	<b>090</b>	705.893.076	568.257.622
1. Liabilities to related parties	<b>091</b>	27.557.744	5.315.221
2. Liabilities for loans, deposits, etc.	<b>092</b>	0	56.000
3. Liabilities to banks and other financial institutions	<b>093</b>	311.058.470	363.354.717
4. Liabilities for advances	<b>094</b>	41.834.052	28.736.253
5. Trade payables	<b>095</b>	208.594.668	108.796.099
6. Liabilities for marketable securities	<b>096</b>	102.013.929	46.313.238
7. Liabilities to employees	<b>097</b>	157.041	99.740
8. Taxes, contributions and similar liabilities	<b>098</b>	2.584.658	3.167.085
9. Liabilities arising from share in the result	<b>099</b>	2.460.768	2.484.213
10. Liabilities arising from non-current assets held for sale	<b>100</b>	0	0
11. Other current liabilities	<b>101</b>	9.631.748	9.935.056
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>102</b>	3.486.309	18.000.275
<b>F) TOTAL EQUITY AND LIABILITIES (062+077+081+090+102)</b>	<b>103</b>	1.392.644.610	1.299.373.429
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>104</b>	193.062.578	191.479.107
<b>ADDITION TO BALANCE SHEET (only for consolidated financial statements)</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
1. Attributable to majority owners	<b>105</b>		
2. Attributable to minority interest	<b>106</b>		



## PROFIT AND LOSS ACCOUNT

for the period from 1.1.2010 to 31.12.2010

Position	AOP	Previous period	Current period
1	2	3	4
<b>I. OPERATING INCOME (108 do 110)</b>	107	567.853.281	247.105.538
1. Rendering of services	108	485.170.441	225.079.912
2. Income from usage of own products, merchandise and services	109	0	0
3. Other operating income	110	82.682.840	22.025.626
<b>II. OPERATING COSTS (112-113+114+118+122+123+124+127+128)</b>	111	538.334.142	285.625.761
1. Decrease in inventories of work in progress and finished goods	112	57.820.096	0
2. Increase in inventories of work in progress and finished goods	113	0	17.974.774
3. Material expenses (115 do 117)	114	382.948.017	218.123.772
a) Costs of raw materials	115	2.535.762	814.445
b) Cost of goods sold	116	0	
c) Other material expenses	117	380.412.255	217.309.327
4. Employee benefits expenses (119 do 121)	118	47.441.574	31.138.837
a) Net salaries	119	26.683.506	18.761.336
b) Expenses for tax and contributions from salary	120	13.973.102	8.525.602
c) Expenses for contributions on salary	121	6.784.966	3.851.899
5. Depreciation and amortisation	122	5.689.925	4.586.522
6. Other expenses	123	23.804.628	31.067.819
7. Write down of assets (125+126)	124	20.629.902	12.619.805
a) non-current assets (except financial assets)	125	0	0
b) current assets (except financial assets)	126	20.629.902	12.619.805
8. Provisions	127	0	6.063.780
9. Other operating costs	128	0	0
<b>III. FINANCIAL INCOME (130 do 134)</b>	129	7.542.528	38.980.330
1. Interest, foreign exchange differences, dividends and similar income from related parties	130	0	10.507.232
2. Interest, foreign exchange differences, dividends and similar income from third parties	131	7.139.242	4.544.224
3. Income from investments in associates and joint ventures	132	0	0
4. Unrealised gains (income)	133	403.286	49.095
5. Other financial income	134	0	23.879.779
<b>IV. FINANCIAL EXPENSES (136 do 139)</b>	135	119.781.612	90.398.063
1. Interest, foreign exchange differences, dividends and similar income from related parties	136	0	161.184
2. Interest, foreign exchange differences, dividends and similar income from third parties	137	112.705.357	41.599.443
3. Unrealised losses (expenses) from financial assets	138	7.076.255	41.176.402
4. Other financial expenses	139	0	7.461.034
<b>V. EXTRAORDINARY - OTHER INCOME</b>	140	0	0
<b>VI. EXTRAORDINARY - OTHER EXPENSES</b>	141	0	0
<b>VII. TOTAL INCOME (107+129+140)</b>	142	575.395.809	286.085.868
<b>VIII. TOTAL EXPENSES (111+135+141)</b>	143	658.115.754	376.023.824
<b>IX. PROFIT BEFORE TAXES (142-143)</b>	144	0	0
<b>X. LOSS BEFORE TAXES(143-142)</b>	145	82.719.945	89.937.956
<b>XI. TAXATION</b>	146	0	
<b>XII. NET PROFIT FOR THE PERIOD (144-146)</b>	147	0	0
<b>XIII. LOSS FOR THE PERIOD (145+146) or (146-144)</b>	148	82.719.945	89.937.956
<b>ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)</b>			
<b>XIV.* NET PROFIT ATTRIBUTABLE TO MAJORITY OWNERS</b>	149		
<b>XV.* NET PROFIT ATTRIBUTABLE TO MINORITY INTEREST</b>	150		
<b>XVI.* LOSS ATTRIBUTABLE TO MAJORITY OWNERS</b>	151		
<b>XVII.* LOSS ATTRIBUTABLE TO MINORITY INTEREST</b>	152		

## CASH FLOW STATEMENT - Indirect method

in the period from 1.1.2009 to 31.12.2009

Position	AOP	Previous period	Current period
1	2	3	4
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	-82.719.946	-89.937.956
2. Depreciation and amortisation	002	5.689.925	4.586.522
3. Increase of current liabilities	003	0	0
4. Decrease of current receivables	004	10.290.246	81.454.629
5. Decrease of inventories	005	54.894.441	29.331.524
6. Other cash flow increases	006	4.420.021	47.751.356
<b>I. Total increase of cash flow from operating activities</b>	<b>007</b>	<b>-7.425.313</b>	<b>73.186.075</b>
1. Decrease of current liabilities	008	292.862.978	134.231.012
2. Increase of current receivables	009	0	0
3. Increase of inventories	010	0	0
4. Other cash flow decreases	011	295.188	0
<b>II. Total decrease of cash flow from operating activities</b>	<b>012</b>	<b>293.158.166</b>	<b>134.231.012</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>013</b>	<b>0</b>	<b>0</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>014</b>	<b>300.583.479</b>	<b>61.044.937</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of non-current tangible and intangible assets	015	47.265.687	3.500
2. Proceeds from sale of non-current financial assets	016	163.014.570	0
3. Interest received	017	0	0
4. Dividend received	018	0	0
5. Other proceeds from investing activities	019	0	7.246.407
<b>III. Total cash inflows from investing activities</b>	<b>020</b>	<b>210.280.257</b>	<b>7.249.907</b>
1. Purchase of non-current tangible and intangible assets	021	0	0
2. Purchase of non-current financial assets	022	0	0
3. Other cash outflows from investing activities	023	0	4.412.000
<b>IV. Total cash outflows from investing activities</b>	<b>024</b>	<b>0</b>	<b>4.412.000</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>025</b>	<b>210.280.257</b>	<b>2.837.907</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>026</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Proceeds from issue of equity securities and debt securities	027	0	0
2. Proceeds from loans and borrowings	028	78.883.402	73.207.852
3. Other proceeds from financing activities	029	0	0
<b>V. Total cash inflows from financing activities</b>	<b>030</b>	<b>78.883.402</b>	<b>73.207.852</b>
1. Repayment of loans and bonds	031	0	28.261.292
2. Dividends paid	032	3.750.000	0
3. Repayment of finance lease	033	0	0
4. Purchase of Company's own shares	034	0	0
5. Other cash outflows from financing activities	035	0	0
<b>VI. Total cash outflows from financing activities</b>	<b>036</b>	<b>3.750.000</b>	<b>28.261.292</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>037</b>	<b>75.133.402</b>	<b>44.946.560</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>038</b>	<b>0</b>	<b>0</b>
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	15.169.820	13.260.470
Cash and cash equivalents at the beginning of period	041	39.796.131	24.626.311
Increase of cash and cash equivalents	042	285.413.659	47.784.467
Decrease of cash and cash equivalents	043	300.583.479	61.044.937
Cash and cash equivalents at the end of period	044	24.626.311	11.365.841

**STATEMENT OF CHANGES IN EQUITY**  
for period from **1.1.2010** to **31.12.2010**

Position	AOP	Previous period	Current period
1	2	3	4
1. Subscribed share capital	001	300 000 000	270 904 000
2. Capital reserves	002	123 000 000	250 572 308
3. Net income reserves	003	54 862 432	16 765 458
4. Retained earnings or loss carried forward	004	39 633 974	0
5. Net profit (loss) for the period	005	-82 719 946	-89 937 956
6. Revaluation of non-current tangible assets	006	42 866 134	41 921 987
7. Revaluation of intangible assets	007	0	0
8. Revaluation of available for sale financial assets	008	-35 853 775	0
9. Other revaluation	009	0	0
<b>10. Total equity and reserves (AOP 001 do 009)</b>	<b>010</b>	<b>441 788 819</b>	<b>490 225 797</b>
11. Foreign exchange differences from investments abroad	011		
12. Current and deferred taxes (part)	012		
13. Hedging	013		
14. Change of accounting policies	014		
15. Change of prior period errors	015		
16. Other changes in equity	016		
<b>17. Total increase or decrease of equity (AOP 011 do 016)</b>	<b>017</b>	<b>0</b>	<b>0</b>
<b>17 a. Attributable to majority owners</b>	<b>018</b>		
<b>17 b. Attributable to minority interest</b>	<b>019</b>		

Positions which are decreasing equity are entered with negative sign.

Positions under AOP numbers 001 to 009 are entered as a state on balance sheet date.

## Notes to financial statements

(1) Notes to the financial statements contain additional and complementary information that is not presented in the balance sheet, income statement, statement of cash flows and statement of changes in equity in accordance with the provisions of the relevant financial reporting standards. (2) Notes to the annual financial report shall be published in full in accordance with the contents of the relevant provisions of Financial Reporting Standards.

**ATTACHMENT 1**

Reporting period:

1.1.2010

to

31.12.2010

**Annual financial statement of the entrepreneur-GFI-POD**

Tax number (MB): 3277267

Company registration number (MRS): 080020443

Personal identification number (OIB): 14049708426

Issuing company: INGRA d.d.

Postal code and place: 10000 Zagreb

Street and house number: Alexandera von Humboldta 4b

E-mail address: ingra@ingra.hr

Internet address: www.ingra.hr

Municipality/city code and name: 133 Zagreb

County code and name: 21 Grad Zagreb

Number of employees: 128

(year end)

Consolidated report: YES

NKD code: 74200

Companies of the consolidation subject (according to IFRS):

Seat:

MB:

LANIŠTE d.o.o.	A. von Humboldta 4b, Zagreb	080421718
INGRA GRADNJA d.o.o.	A. von Humboldta 4b, Zagreb	1853872
INGRA M.E. d.o.o.	A. von Humboldta 4b, Zagreb	015686612
DOMOVI DALMATINSKE RIVIJERE d.o.o.	Čire Carića 3, Dubrovnik	017571148
INGRA MAR d.o.o.	A. von Humboldta 4b, Zagreb	015388870
POSEDARJE RIVIJERA d.o.o.	Trg Martina Posedarskog 1, Posedarje	02096307

Bookkeeping service:

Contact person: Asić Ivan

(only surname and name)

Telephone: 01/6102-548

Facsimile: 01/6156-394

E-mail address: ingra@ingra.hr

Family name and name: Oppenheim Igor

(person authorized to represent the company)

Documentation for publishing:

1. Audited annual financial statements
2. Statement of persons responsible for the drawing-up of financial statements
3. Report of the Management Board on the Company Status

L S

(signature of the person authorized to represent the company)

  
**INGRA**  
 DIONIČKO DRUŠTVO ZA IZGRADNJU INVESTICIJSKIH  
 OBJEKATA, UVOZ, IZVOZ I ZASTUPSTVA  
 5 ZAGREB

## BALANCE SHEET

as at 31.12.2010

Position 1	AOP 2	Previous period 3	Current period 4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL</b>	<b>001</b>		
<b>B) NON-CURRENT ASSETS (003+010+020+028+032)</b>	<b>002</b>	1.161.207.832	1.166.485.247
<b>I. INTANGIBLE ASSETS (004 do 009)</b>	<b>003</b>	29.279.442	5.079.699
1. Expenditure for development	004	0	0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	0	0
3. Goodwill	006	29.279.442	5.079.699
4. Advances for purchase of intangible assets	007	0	0
5. Intangible assets in progress	008	0	0
6. Other intangible assets	009	0	0
<b>II. TANGIBLE ASSETS(011 do 019)</b>	<b>010</b>	173.223.822	220.624.279
1. Land	011	12.060.274	12.060.274
2. Buildings	012	81.246.270	78.653.955
3. Plant and equipment	013	1.306.645	506.109
4. Tools, plant inventory and transportation assets	014	2.433.989	909.315
5. Biological assets	015	0	0
6. Advances for purchase of tangible assets	016	0	0
7. Tangible assets in progress	017	0	0
8. Other tangible assets	018	49.796	49.796
9. Investment in real-estate	019	76.126.868	128.444.830
<b>III. NON-CURRENT FINANCIAL ASSETS (021 do 027)</b>	<b>020</b>	53.257.800	70.164.760
1. Share in related parties	021	9.697.170	9.652.169
2. Loans to related parties	022	0	11.299.315
3. Participating interests (shares)	023	25.693.939	45.645.938
4. Investments in securities	024	5.166.158	2.530.702
5. Loans, deposits, etc.	025	12.700.533	1.036.636
6. Company's own stocks and shares	026	0	0
7. Other non-current financial assets	027	0	0
<b>IV. RECEIVABLES (029 do 031)</b>	<b>028</b>	905.446.768	870.616.509
1. Receivables from related parties	029	0	0
2. Receivables arising from sales on credit	030	905.446.768	870.616.509
3. Other receivables	031	0	0
<b>V. DEFERRED TAX ASSET</b>	<b>032</b>	0	0
<b>C) CURRENT ASSETS (034+042+049+057)</b>	<b>033</b>	626.652.630	485.856.636
<b>I. INVENTORIES (035 do 041)</b>	<b>034</b>	334.502.281	302.268.753
1. Raw materials and supplies	035	12.593	5.301
2. Production in progress	036	292.792.838	26.424.643
3. Unfinished and semifinished products	037	0	0
4. Finished products	038	25.352.063	275.838.809
5. Merchandise	039	0	0
6. Advances for inventories	040	16.344.787	0
7. Other assets held for sale	041	0	0
<b>II. RECEIVABLES (043 do 048)</b>	<b>042</b>	197.569.825	101.849.684
1. Receivables from related parties	043	0	4.034.765
2. Receivables from customers	044	156.946.719	73.527.325
3. Receivables from participating parties	045	0	0
4. Receivables from employees and members of the company	046	0	1.127.537
5. Receivables from government and other institutions	047	29.094.766	8.178.862
6. Other receivables	048	11.528.340	14.981.195
<b>III. CURRENT FINANCIAL ASSETS (050 do 056)</b>	<b>049</b>	68.562.561	69.777.548
1. Share in related parties	050	0	0
2. Loans to related parties	051	0	0
3. Participating interests (shares)	052	0	0
4. Investments in securities	053	19.643.050	14.909.143
5. Loans, deposits, etc.	054	48.919.511	54.868.405
6. Company's own stocks and shares	055	0	0
7. Other current financial assets	056	0	0
<b>IV. CASH AND CASH EQUIVALENTS</b>	<b>057</b>	26.017.963	11.960.651
<b>D) PREPAYMENTS AND ACCRUED INCOME</b>	<b>058</b>	54.978.202	56.980.673
<b>E) LOSS ABOVE SUBSCRIBED CAPITAL</b>	<b>059</b>	0	0
<b>F) TOTAL ASSETS (001+002+033+058+059)</b>	<b>060</b>	1.842.838.664	1.709.322.556
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>061</b>	194.429.480	191.479.107

<b>EQUITY AND LIABILITIES</b>			
<b>A) EQUITY AND RESERVES (063+064+065+071+072-073+074-075+076)</b>	<b>062</b>	448.966.040	498.061.281
I. SUBSCRIBED SHARE CAPITAL	<b>063</b>	300.000.000	270.904.000
II. CAPITAL RESERVES	<b>064</b>	123.000.000	250.572.308
III. RESERVES FROM PROFIT (066+067-068+069+070)	<b>065</b>	59.682.226	29.043.107
1. Legal reserves	<b>066</b>	8.271.510	8.271.510
2. Reserves for own shares	<b>067</b>	9.000.000	9.000.000
3. Company's own stocks and shares (deductible items)	<b>068</b>	6.457.000	0
4. Statutory reserves	<b>069</b>	0	0
5. Other reserves	<b>070</b>	48.867.716	11.771.597
IV. REVALUATION RESERVES	<b>071</b>	7.012.358	41.921.987
V. RETAINED EARNINGS	<b>072</b>	34.337.422	0
VI. LOSS CARRIED FORWARD	<b>073</b>	0	0
VII. NET PROFIT FOR THE PERIOD	<b>074</b>	0	0
VIII. LOSS FOR THE PERIOD	<b>075</b>	71.432.397	90.562.759
IX. MINORITY INTEREST	<b>076</b>	-3.693.569	-3.817.362
<b>B) PROVISIONS (078 do 080)</b>	<b>077</b>	6.985.897	13.562.412
1. Provisions for pensions, severance pay and similar liabilities	<b>078</b>	6.985.897	5.077.988
2. Provisions for tax liabilities	<b>079</b>	0	0
3. Other provisions	<b>080</b>	0	8.484.424
<b>C) NON-CURRENT LIABILITIES (082 do 089)</b>	<b>081</b>	569.224.773	466.083.900
1. Liabilities to related parties	<b>082</b>	0	0
2. Liabilities for loans, deposits, etc.	<b>083</b>	0	0
3. Liabilities to banks and other financial institutions	<b>084</b>	317.336.099	291.191.358
4. Liabilities for advances	<b>085</b>	47.740.849	0
5. Trade payables	<b>086</b>	0	0
6. Liabilities for marketable securities	<b>087</b>	191.129.491	162.109.995
7. Other non-current liabilities	<b>088</b>	0	0
8. Deferred tax liabilities	<b>089</b>	13.018.334	12.782.547
<b>D) CURRENT LIABILITIES (091 do 101)</b>	<b>090</b>	814.033.114	712.871.044
1. Liabilities to related parties	<b>091</b>	0	6.674.189
2. Liabilities for loans, deposits, etc.	<b>092</b>	0	0
3. Liabilities to banks and other financial institutions	<b>093</b>	390.566.648	454.088.215
4. Liabilities for advances	<b>094</b>	65.141.323	28.736.253
5. Trade payables	<b>095</b>	229.058.414	111.903.933
6. Liabilities for marketable securities	<b>096</b>	102.014.563	46.313.238
7. Liabilities to employees	<b>097</b>	0	32.147
8. Taxes, contributions and similar liabilities	<b>098</b>	8.901.117	4.749.919
9. Liabilities arising from share in the result	<b>099</b>	2.460.765	2.484.213
10. Liabilities arising from non-current assets held for sale	<b>100</b>	0	0
11. Other current liabilities	<b>101</b>	15.890.284	57.888.937
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>102</b>	3.628.840	18.743.919
<b>F) TOTAL EQUITY AND LIABILITIES (062+077+081+090+102)</b>	<b>103</b>	1.842.838.664	1.709.322.556
<b>G) OFF BALANCE SHEET ITEMS</b>	<b>104</b>	194.429.480	191.479.107
<b>ADDITION TO BALANCE SHEET (only for consolidated financial statements)</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
1. Attributable to majority owners	<b>105</b>	452.809.441	501.878.642
2. Attributable to minority interest	<b>106</b>	-3.843.401	-3.817.362

## PROFIT AND LOSS ACCOUNT

for the period from 1.1.2010 to

31.12.2010

Position	AOP	Previous period	Current period
1	2	3	4
<b>I. OPERATING INCOME (108 do 110)</b>	<b>107</b>	585.011.834	252.312.316
1. Rendering of services	108	502.714.151	230.125.262
2. Income from usage of own products, merchandise and services	109	0	0
3. Other operating income	110	82.297.683	22.187.054
<b>II. OPERATING COSTS (112-113+114+118+122+123+124+127+128)</b>	<b>111</b>	546.345.834	297.368.317
1. Decrease in inventories of work in progress and finished goods	112	57.744.096	0
2. Increase in inventories of work in progress and finished goods	113	0	17.974.774
3. Material expenses (115 do 117)	114	392.691.588	222.586.260
a) Costs of raw materials	115	392.691.588	1.060.331
b) Cost of goods sold	116		0
c) Other material expenses	117		221.525.929
4. Employee benefits expenses (119 do 121)	118	54.833.945	34.514.803
a) Net salaries	119	31.083.439	20.658.158
b) Expenses for tax and contributions from salary	120	23.750.506	8.962.969
c) Expenses for contributions on salary	121	0	4.893.676
5. Depreciation and amortisation	122	6.364.464	4.928.707
6. Other expenses	123	34.711.741	34.003.285
7. Write down of assets (125+126)	124	0	12.619.805
a) non-current assets (except financial assets)	125		0
b) current assets (except financial assets)	126		12.619.805
8. Provisions	127		6.690.231
9. Other operating costs	128	0	0
<b>III. FINANCIAL INCOME (130 do 134)</b>	<b>129</b>	23.056.292	53.634.766
1. Interest, foreign exchange differences, dividends and similar income from related parties	130		1.451.090
2. Interest, foreign exchange differences, dividends and similar income from third parties	131	21.790.450	27.849.761
3. Income from investments in associates and joint ventures	132	0	0
4. Unrealised gains (income)	133	0	49.096
5. Other financial income	134	1.265.842	24.284.819
<b>IV. FINANCIAL EXPENSES (136 do 139)</b>	<b>135</b>	132.526.362	99.123.824
1. Interest, foreign exchange differences, dividends and similar income from related	136		0
2. Interest, foreign exchange differences, dividends and similar income from third parties	137	43.813.269	57.362.659
3. Unrealised losses (expenses) from financial assets	138	0	34.300.131
4. Other financial expenses	139	88.713.093	7.461.034
<b>V. EXTRAORDINARY - OTHER INCOME</b>	<b>140</b>	0	0
<b>VI. EXTRAORDINARY - OTHER EXPENSES</b>	<b>141</b>	0	0
<b>VII. TOTAL INCOME (107+129+140)</b>	<b>142</b>	608.068.126	305.947.082
<b>VIII. TOTAL EXPENSES (111+135+141)</b>	<b>143</b>	678.872.196	396.492.141
<b>IX. PROFIT BEFORE TAXES (142-143)</b>	<b>144</b>	0	0
<b>X. LOSS BEFORE TAXES(143-142)</b>	<b>145</b>	70.804.070	90.545.059
<b>XI. TAXATION</b>	<b>146</b>	628.327	17.700
<b>XII. NET PROFIT FOR THE PERIOD (144-146)</b>	<b>147</b>	0	0
<b>XIII. LOSS FOR THE PERIOD (145+146) or (146-144)</b>	<b>148</b>	71.432.397	90.562.759
<b>ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)</b>			
<b>XIV.* NET PROFIT ATTRIBUTABLE TO MAJORITY OWNERS</b>	<b>149</b>		
<b>XV.* NET PROFIT ATTRIBUTABLE TO MINORITY INTEREST</b>	<b>150</b>		
<b>XVI.* LOSS ATTRIBUTABLE TO MAJORITY OWNERS</b>	<b>151</b>	71.282.565	90.473.101
<b>XVII.* LOSS ATTRIBUTABLE TO MINORITY INTEREST</b>	<b>152</b>	149.832	89.658



## CASH FLOW STATEMENT - Indirect method

in the period from 1.1.2010 to 31.12.2010

Position	AOP	Previous period	Current period
1	2	3	4
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	-71.432.397	-90.562.759
2. Depreciation and amortisation	002	6.364.464	4.928.707
3. Increase of current liabilities	003	0	0
4. Decrease of current receivables	004	71.020.973	95.720.141
5. Decrease of inventories	005	63.974.719	32.233.528
6. Other cash flow increases	006	48.133.848	25.404.002
<b>I. Total increase of cash flow from operating activities</b>	<b>007</b>	<b>118.061.607</b>	<b>67.723.619</b>
1. Decrease of current liabilities	008	374.273.257	108.982.312
2. Increase of current receivables	009	0	0
3. Increase of inventories	010	0	0
4. Other cash flow decreases	011	11.222.099	0
<b>II. Total decrease of cash flow from operating activities</b>	<b>012</b>	<b>385.495.356</b>	<b>108.982.312</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>013</b>	<b>0</b>	<b>0</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>014</b>	<b>267.433.749</b>	<b>41.258.693</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Proceeds from sale of non-current tangible and intangible assets	015	103.157.272	3.500
2. Proceeds from sale of non-current financial assets	016	31.063.639	
3. Interest received	017		
4. Dividend received	018		
5. Other proceeds from investing activities	019		2.834.407
<b>III. Total cash inflows from investing activities</b>	<b>020</b>	<b>134.220.911</b>	<b>2.837.907</b>
1. Purchase of non-current tangible and intangible assets	021		
2. Purchase of financial assets	022		
3. Other cash outflows from investing activities	023	0	0
<b>IV. Total cash outflows from investing activities</b>	<b>024</b>	<b>0</b>	<b>0</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>025</b>	<b>134.220.911</b>	<b>2.837.907</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>026</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Proceeds from issue of equity securities and debt securities	027	0	0
2. Proceeds from loans and borrowings	028	89.280.801	73.207.852
3. Other proceeds from financing activities	029	0	0
<b>V. Total cash inflows from financing activities</b>	<b>030</b>	<b>89.280.801</b>	<b>73.207.852</b>
1. Repayment of loans and bonds	031		48.844.378
2. Dividends paid	032	3.750.000	0
3. Repayment of finance lease	033		
4. Purchase of Company's own shares	034	0	0
5. Other cash outflows from financing activities	035	0	0
<b>VI. Total cash outflows from financing activities</b>	<b>036</b>	<b>3.750.000</b>	<b>48.844.378</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>037</b>	<b>85.530.801</b>	<b>24.363.474</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>038</b>	<b>0</b>	<b>0</b>
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	47.682.037	14.057.312
Cash and cash equivalents at the beginning of period	041	73.700.000	26.017.963
Increase of cash and cash equivalents	042	219.751.712	27.201.381
Decrease of cash and cash equivalents	043	267.433.749	41.258.693
Cash and cash equivalents at the end of period	044	26.017.963	11.960.651

## STATEMENT OF CHANGES IN EQUITY

for period from 1.1.2010 to 31.12.2010

Position	1	2	3	4
Position	1	AOP	Previous period	Current period
1. Subscribed share capital		001	300 000.000	270.904.000
2. Capital reserves		002	123 000.000	250 572.308
3. Net income reserves		003	55.988.657	25.225.745
4. Retained earnings or loss carried forward		004	34 397.422	0
5. Net profit (loss) for the period		005	-71.432.397	-90.562.759
6. Revaluation of non-current tangible assets		006	42.866.134	41.921.987
7. Revaluation of intangible assets		007	0	0
8. Revaluation of available for sale financial assets		008	-35.853.776	0
9. Other revaluation		009		
<b>10. Total equity and reserves (AOP 001 do 009)</b>		010	448.966.040	498.061.281
11. Foreign exchange differences from investments abroad		011		
12. Current and deferred taxes (part)		012		
13. Hedging		013		
14. Change of accounting policies		014		
15. Change of prior period errors		015		
16. Other changes in equity		016		
<b>17. Total increase or decrease of equity (AOP 011 do 016)</b>		017	0	0
<b>17 a. Attributable to majority owners</b>		018	452.809.441	501.878.642
<b>17 b. Attributable to minority interest</b>		019	-3.843.401	-3.817.362

Positions which are decreasing equity are entered with negative sign.

Positions under AOP numbers 001 to 009 are entered as a state on balance sheet date.

## Notes to financial statements

(1) Notes to the financial statements contain additional and complementary information that is not presented in the balance sheet, income statement, statement of cash flows and statement of changes in equity in accordance with the provisions of the relevant financial reporting standards. (2) Notes to the annual financial report shall be published in full in accordance with the contents of the relevant provisions of Financial Reporting Standards.