

Zagreb, 13 July 2011

INA INDUSTRIJA NAFTE, d.d.
Av. V. Holjevcica 10
10 000 Zagreb, Croatia
Ordinary shares INA-R-A ISIN HRINA0RA0007
Listed on the Zagreb Stock Exchange official market
Announcement in line with Capital Markets Act

Subject: Proplin

INA-INDUSTRIJA NAFTE - The Management Board of PROplin, d.o.o. passed a decision on the start of launching legally prescribed procedure with an objective to design a Workforce Redundancy Program.

The program comprises 75 employees of total 345 employees in PROplin, d.o.o. and it will be created respecting a social dialogue with the unions. Cooperation and social dialogue with the unions will continue during the whole period of program execution.

Proplin is going through major restructuring of its business operations that has made the launch of this program inevitable in order to preserve INA Group's stability in autogas, cylinder and small container LPG sales segments in the continuously challenging business environment.

The decision on the business restructuring was prompted by the changes in market circumstances seen in the last years and by the growing need to respond appropriately to new challenges in order to ensure the stable and profitable operations of this important part of the INA Group business was made by INA Management Board in March 2011.

According to the terms of the Collective Agreement the employees will be paid on average larger severances than that proscribed by Labour Law.

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