

Zagreb, 16 August 2007

INA Group Increased Revenues

Compared to 1st Half 2006, revenues increased by 4% reaching HRK 11.2 billion,

Revolving syndicated loan facility of USD 1,000,000,000,

Lower operating profit,

New discoveries in Syria and Egypt,

Increased quantities of refined crude oil and production of crude oil products,

Increased retail sales of refined products

INA - leading Croatian oil and gas company with a significant role in the region in the area of oil & gas exploration & production, oil refining and oil, gas & oil products distribution continues its stable business performance. In H1 2007, total sales revenues increased by 4 % in comparison with H1 2006 reaching HRK 11.2 billion.

INA Group – financial results (IFRS)	H1 2006		H1 2007		% of change	
	HRK M	USD M	HRK M	USD M	HRK	USD
Net sales revenues	10,782	1,811	11,197	2,022	4	12
EBITDA	1,455	244	1,304	235	(10)	(4)
Operating profit	668	112	488	88	(27)	(21)
Net financial gain (loss)	109	18	(88)	(16)		
Net income	630	106	296	53	(53)	(49)
Operating cash flow	769	129	144	26	(81)	(80)

In April 2007, INA signed an agreement for a USD 1 billion credit facility which will be used for financing its capital expenditures and for long term debt repayment.

Exploration & Production

In H1 2007, total daily hydrocarbon production amounted to 67.9 Mboe, which is a 20% increase compared to the same period last year. The same increase was recorded in Q2 2007. The positive impact of increased production on the operating profit which at HRK 866 M was HRK 102 M below the H1 2006 figure, was partially offset by a lower crude oil price and a weaker USD against the HRK.

Segment's IFRS results in million	H1 2006		H1 2007		% of change	
	HRK	USD	HRK	USD	HRK	USD
Sales revenues	3,691	620	3,572	645	(3.2)	4.0
Operating profit	968	163	866	156	(10.5)	(3.8)

The best results were achieved in North Adriatic natural gas production, with doubled production compared to H1 2006. Good results were also recorded on the Podravska Slatina – Zalata concession, where exploratory drilling proved the reserves of natural gas. The concessions in Syria and Egypt recorded commercial discoveries.

Refining & Marketing

The Refining & Marketing segment improved their operating profit by HRK 27 M in H1 2007 due to an 8% increase in sales volumes and an 34% increase in the average crack spread. INA maintained its dominant 80% share on the domestic wholesale market. The sales of Euro IV quality gasoline and diesel from INA's own production increased by 100%, while their total sales increased by 24%.

Segment's IFRS results in million	H1 2006		H1 2007		% of change	
	HRK	USD	HRK	USD	HRK	USD
Sales revenues	7,833	1,316	7,884	1,424	0.7	8.2
Operating profit	28	5	55	10	96.4	111.1

Retail

The Retail segment recorded an increased operating profit of HRK 17 M in spite of the negative impact of the changes in the Rulebook on Refined Product Pricing. In H1, the average sale of oil products per station increased by 4.6%. INA continued with improvements of its retail network and the services provided. In the same period, 2 new petrol stations were built and 5 petrol stations were reconstructed. Diesel sales recorded the highest increase, of 9%.

Segment's IFRS results in million	H1 2006		H1 2007		% of change	
	HRK	USD	HRK	USD	HRK	USD
Sales revenues	2.558	430	2.532	457	(1.0)	6.4
Operating profit	(8)	(1)	17	3		