

Belgrade Stock Exchange a.d.  
Belgrade

Omladinskih brigada 1

Novi Beograd



Function for Legal and Corporate Affairs

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## BUSINES NEWS OF THE ISSUER OF NIS A.D. NOVI SAD

### NIS A.D. Novi Sad earned profit in 2010

According to the financial report net earnings of Naftna industrija Srbije in 2010 are RSD 16.5 billion, i.e. RSD 11 billion excluding book profit of RSD 5 billion related to profit presentation for the purpose of generation of deferred tax assets.

In addition to a slight increase in sales (for 2%) main sources of profit generation are the increased production of oil and gas, increased internal efficiency and stabilisation of dinar exchange rate in comparison to dollar and euro in the second half of the last year.

Operating cash flow was RSD 17.8 billion, having reached the same level as in the previous year.

Dinar exchange rate negatively affected the business operation of the company in 2010: dinar exchange rate to USD decreased by 18.8%, and to euro by 10%. Such exchange rate led to negative net currency differentials (RSD 11.8 billion), being almost three times higher in comparison to 2009.

Total debt towards banks in 2010 decreased for USD 382 million in comparison to 2009 (USD 182 million – reduction of total credit debt to banks, plus USD 200 million debt reduction based on letters of credit) and amounts to USD 611 million.

The amount of paid taxes and fiscal duties in 2010 is RSD 83.8 billion, which is for 13% higher than in 2009.

In terms of oil and gas production the year 2010 was the most successful year in the last decade. Owing to a successful application of measures for the increase of production efficiency, the volume of domestic crude production was increased by 33% in 2010 and it amounts to 1.2 million conditional tons.

Production volume in 2010 amounted to around 2.9 million tons, i.e. it was at the level of the previous year.

Total sale of petroleum products was 2.6 million tons.

The previous year was a crucial one in the development of Naftna industrija Srbije. In addition to maintaining our position at the market and increase of internal efficiency,





the active phase of investment project realization, concerning the construction of hydrocracking unit in Pancevo Refinery started, but also in the area of production and retail. Also, the production of Euro premium BMB 95 gasoline which meets European quality standards was launched, and reorganization of the company was completed.

Naftna industrija Srbije will submit and publish regular annual financial statements for period as of 01 January until 31 December 2010, immediately after the approval of the Board of Directors.

**Deputy CEO –  
Director of Function for Legal and Corporate Affairs**

**Sergey Fominykh**

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