



NIS ANNOUNCES ITS CONSOLIDATED BUSINESS RESULTS FOR THE NINE MONTHS IN 2013

The amount of payments filling the Budget of the Republic of Serbia regarding direct and indirect taxes of the NIS company groups, including excises, income taxes and other tax contributions, exceeded last year's indicator by 37% and amounts to 86,6 billion RSD.

The realization volume of the Company investment program amounted to 37,86 billion RSD which is better than last year's same indicator by 25%. Most of the capital investments, 15,7 billion RSD, were directed to the field of exploration and production of hydro-carbon. The priorities of the investment program in that direction are: renewal of the geological exploratory operations with the objective of increasing reserves above the production level, foreign concessions, introduction of new technological solutions, automation of the production process and infrastructure development.

The Company invested 8,9 billion RSD in the development of refining pursuant to the results from the nine months in 2013. The key projects in this field were the realization of the program to enhance operational efficiency in the Pančevo Refinery, development of the project to construct a center for the production of base oils in the Novi Sad Refinery, increasing environmental safety of the refining complex and service facilities.

The Company has allocated 11,1 billion RSD for the project of modernization and expansion of the traffic network in Serbia and the market of Bosnia and Herzegovina, Romania and Bulgaria.

The net profit of the NIS Company groups (NIS j.s.c., daughter companies and subsidiaries) for nine months in 2013 amounts to 31,7 billion RSD, which corresponds to last year's indicator. The preservation of the company financial results, in spite of the deteriorating macro-economic conditions and increased taxpaying obligations, is the result of increased efficiency of the production processes, primarily in the refining segment due to commissioning of the hydro-cracking/hydro-processing complex at the Pančevo Refinery, increased oil product sales with high margins, including the development of client programs in the field of retail and wholesales, along with the enhanced quality of goods and services at the Company filling stations.

The operational income, before interest payments, income tax and depreciation (EBITDA) amounted to 47,7 billion RSD, which is also at last year's indicators. Thanks to improved discipline and collections of receivables, according to the nine months in 2013, the Company operational currency increased by 78% compared to the same indicator last year and it reached 49,6 billion RSD.

NIS continued with strengthening the key production indicators. The volume of oil product sales on the Serbian and Regional market amounted to 2,183 million tons, which is better than last year's indicator by 28%. The key initiators of the sales volume growth were increased retail and wholesales of white oil products, increased export deliveries as well as the development of marketing instruments for sales management. Together with its partners, NIS continued the development of the complex loyalty program «Supercard», which, after nine months in 2013 has one million users. The wholesale volume of NIS's oil products



increased by 15% in comparison with last year's indicator. Due to the development of the sales system, the Company managed to increase the volume of refined oil and semi-products to 2,204 million tons, which is 45% more in comparison to the nine months in 2012.

The oil and gas production at NIS, according to the nine-month results of the current year, amounts to 1,227 million tons of oil equivalents, which is better than last year's indicators by 3%. The production volume growth was provided due to commissioning of new oil wells at the Company fields and the realization of additional geological-technical measures. The total volume of NIS's bank loan liabilities as of 30/09/2013 amounts to 471 million Dollars.

Besides the stated, the Company continued with the realization of the development program for personnel potential and the engagement of young experts in 2013. As a result, after the nine-month period in 2013, around 200 young higher and secondary education graduates were hired within the program «NIS CHANCE».

Commenting on NIS's business results after the nine-month period in 2013, Kirill Kravchenko, CEO, stated: «In spite of the negative macro-economic conditions, according to the nine-month results in 2013, NIS sustained its contribution to the support of directions important for the Serbia's stable development, such as the realizations of projects in the field of environment, support to the social sphere, and development of the personnel potential. Our contribution to the domestic economy is also growing. For example, the amount of our tax payments for the three quarters in 2013 is almost twice as much as the same indicator in 2009. With regards to business development, the renewal of the technological base and introduction of innovations remains a key priority. This policy is already showing results because we are increasing our production indicators by creating a stable resource base for the future. We are apprehensively assessing the macro-economic perspectives by the end of the year. Yet, we hope to realize our tasks laid out to NIS by its shareholders. As a company operating primarily for our consumers, we are grateful for the trust invested by our clients and we hope for their support in the future».

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