



## **NIS ANNOUNCES CONSOLIDATED BUSINESS RESULTS FOR THE FIRST QUARTER OF 2015**

In the first quarter of 2015 NIS operated in very difficult macroeconomic conditions. The first three months were marked by a very low price of crude oil on the world market and the strengthening of the dollar, and the foreign exchange net loss was almost 10 times higher than in the same period last year. Despite the difficult economic situation, NIS has managed to increase its total turnover of petroleum products by six percent compared to the first quarter of 2014, while the share in the retail market in Serbia increased by two percent. It is also significant that the volume of premium sales was increased by 12% and the sales volume in foreign assets was increased by 17% compared with the same period in 2014.

Volume of direct and indirect tax liabilities of NIS group was 14 percent higher than a year ago and it amounted to 29.5 billion dinars. The total effect of the measures to increase operational efficiency and reduce the basic costs in the first quarter amounted to 800 million dinars. Investments of NIS in the first three months of 2015 amounted to slightly more than seven billion dinars, and it was mostly invested in exploration and production of oil and gas, modernization of processing capacity, as well as in the development of the retail network.

The contract has been signed with the company CB&I in order to create the basic and extended basic project for deep processing, and in January the repair of Bitumen facility has been finished at Oil Refinery Pancevo. In „Sales and Distribution“ block in the area of bunkering a record sales of euro diesel has been achieved. In „Energy“ block the activities on establishing of the project company for the realization of TETO Pancevo have been continued, and a small power plant on oil and gas field Velebit was put into operation. In the area of exploration and production of oil and gas in the first quarter work on an amine plant in Elemir were finalized.

However, as a result of unfavorable macroeconomic trends the EBITDA in the first quarter of 2015 amounted to 7.2 billion dinars, which is 53 percent less than the same period last year, while there was a net loss of 4.7 billion dinars, taking into consideration the factor of foreign exchange rate net loss, as well as significant impact of using expensive oil stocks, which were purchased at higher prices.

Commenting on the operating results in the first quarter of 2015, NIS CEO Kirill Kravchenko said:

"The crisis of the last year has also been transferred in the first months of 2015, and these results were expected. Our main task is to increase operational efficiency and to implement a program of savings in all areas. But regardless of these measures, we will continue to invest primarily in increasing oil and gas reserves and we will be safe supplier for our customers. Despite the difficult situation, the volume of investment in



projects of social responsibility will continue to remain in the focus of NIS, because we care about our employees and about the communities in which we operate. "

Head of  
Corporate Affairs Department

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Mirjana Stanojevic