



NIS announced consolidated business results for the first quarter of 2016

NIS Group announced consolidated business results for the first quarter of 2016, prepared in accordance with International Financial Reporting Standards.

In the first three months of 2016 the company had a net profit of 261 million dinars, which is significantly better result than in the same period last year when it recorded a loss of 4.7 billion dinars. Results were achieved mainly due to an extensive program of operational efficiency increase, which is consistently implemented in all business segments. Only in the first three months of this year the effect of implemented measures of operational efficiency was 1.3 billion dinars, which greatly contributed to maintaining the profitability of NIS group.

Despite the difficult macroeconomic situation, NIS continued to invest and in the first three months of this year had a total investment of 4.6 billion dinars, mostly in the field of exploration and production of oil and gas. Also the volume of tax liabilities and other public revenues of NIS group was increased. In the first quarter of 2016 it amounted to 32.8 billion, which is an increase of 11 percent compared to the same period last year. Unfavorable macroeconomic conditions have, however, affected the EBITDA, which amounted to 3.8 billion dinars, or 48 percent less than in the first three months of 2015.

In terms of operational performance indicators, NIS has managed to increase its total turnover of petroleum products to 701,000 tonnes, which is 4 percent more compared to the first quarter 2015. At the same time there was a growth in the retail market participation of Serbia by 2 percent. Excellent results were also achieved in the area of foreign assets, where the sale of petroleum products increased by 36 percent. The total volume of oil processing and semi-finished products increased by 13 percent compared to the first quarter of last year and amounted to 776,000 tons. Oil and gas production reached 377,000 conditional tons and was above the planned level.

On the occasion of the publication of the results of operations in the first quarter of 2016, Kiril Kravchenko, CEO of NIS, stated:

"Despite expectations that our results will be weaker than last year, due to unfavorable trends on the world market, it did not happen. Not only did we maintain the profitability of the company, but we also improved performance in many business segments. In this we succeeded because we stayed true to the continued implementation of the program of operational efficiency increase, but also because we have not given up on investing in the development of the Company. This will continue the coming period as the crisis in the oil and gas sector is not yet over and the first quarter confirms that 2016 will be a year of major business challenges."

Director of
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Branko Mitrovic