



## **NIS BOARD OF DIRECTORS ADOPTS THE 2017 BUSINESS PLAN FOR THE COMPANY**

The NIS Board of Directors adopted the 2017 Business Plan for the Company. In line with the document adopted, the following will remain the priorities of NIS: investments in key developmental projects, operational effectiveness improvement, as well as maintaining business profitability despite complex macroeconomic conditions and market circumstances.

The Board of Directors endorsed the 2017 investment programme of NIS in the amount of RSD 28.6 billion, i.e. 6 per cent more than in 2016. In the area of exploration and production, the Business Plan provides for an increase in the resource base and implementation of the drilling programme and geological and technical activities as part of profitable investment projects, with the use of data obtained by regional modeling of the Pannonian Basin. The priorities in the segment of services will include efficiency increase, use of new technologies, as well as rendering services to third parties, primarily by increasing the presence of the Company in the oilfield services market of the European Union.

In the area of oil refining, NIS will proceed with implementing the second stage in the modernization of refining facilities and projects aimed at improving operational effectiveness and energy efficiency. The year 2017 will see the continuation of activities in the Bottom-of-the-Barrel project aimed at expanding the portfolio and maximizing the output of highly profitable petroleum products. In terms of sales and distribution, the Company plans for a further development of premium branded fuels, modernization of retail network in Serbia and the Balkan countries, as well as the development of additional services in retail outlets of NIS.

NIS is also going to continue diversifying its business operations in 2017, primarily when it comes to projects in the area of energy and generation and sales of electricity. Next year's Business Plan provides for the activities of constructing the Combined Heat and Power Plant in Pančevo of 140 MW, as well as the activities of constructing the Plandište Wind Farm. In addition, the focus will be on developing projects in the area of compressed natural gas, in the first place - construction of the Ostrovo CNG Plant and further development of retail in this segment.

Moreover, NIS is going to remain committed to the implementation of operational effectiveness improvement measures as a key response to adverse market trends. It has been identified that the potential for operational effectiveness improvement at NIS is RSD 9.9 billion in the period from 2017 to 2019.

Vadim Yakovlev, Chairman of the NIS Board of Directors and First Deputy of the Chief Executive Officer of Gazprom Neft, stated,

“The implementation of the adopted Business Plan will make it possible for NIS to maintain its profitability next year and continue implementing key investment projects, which are of considerable importance to the economy of Serbia and the Balkans as a whole. We take pride in the fact that NIS has had a good performance, showing resilience to the influence of the unstable macro environment. In 2017, NIS is going to continue implementing the business strategy whose main objective is – to become the regional energy leader.”

Head of  
Corporate Affairs Department

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Mirjana Stanojević