



## **BUSINESS NEWS OF THE ISSUER NIS A.D. NOVI SAD**

### **Cooperation of NIS and the Slovak company GGE on the Project of modernization of Power Plant in Novi Sad**

On 24 April 2012 in Novi Sad NIS CEO, Kirill Kravchenko and Roland Toth, CEO of Slovak company GGE, signed the Memorandum of Understanding, thus confirming the intention to establish joint ventures for modernization of the Power Plant in Novi Sad, together with other members of the consortium, EPS and the City Novi Sad.

The first stage of the modernization project of Power Plant in Novi Sad involves the construction of the 240 MW cogeneration unit, which will provide generation of power for the supply of the entire capital of Vojvodina. Cogeneration represents the simultaneous production of heating power and electricity, which is environmentally and economically attractive and profitable.

To this end, the City of Novi Sad EPS founded a joint company "Energy Novi Sad" (ENS) and found a strategic partner (Consortium) which will provide additional financial resources and experience necessary for the purpose of the project implementation. Accordingly, NIS will also become one of the members of the Consortium, with 34 share. Decision to start negotiations with the Consortium was made based on the results of the tender. The modernization project of Power Plant Novi Sad shall be implemented in two phases, the first of which will be completed by end of 2014. The total investment shall amount to 240 million EUR.

NIS investment into the modernization of Power Plant Novi Sad is in line with the energy strategy of the company and is a part of a new business that is developed by the company Block "Energy", thus setting the foundation for the conversion of NIS into a regional energy corporation.



GGE is a Slovak company which, being a part of a large energy group, is investing into different areas of energy generation and produces electricity and heating power by highly efficient cogeneration.

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

**Sergey Fominykh**

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