



## **NIS PUBLISHES INFORMATION FROM AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR 2013 AS PER IRFS**

NIS has published information from the audited financial statements of the Company's activity in 2013 prepared in full compliance with international accounting standards.

Net profit of the Company in 2013 amounted to 48.4 billion RSD. EBITDA (earnings before interest, tax, depreciation and amortization) equals 68.8 billion RSD, which is 5% higher than in 2012.

Financial results of the Company in 2013 were negatively impacted by the factors of decreasing prices for crude hydrocarbons (oil and natural gas), increasing tax burden, as well as reducing volumes of national petroleum market. Therefore for the purposes of retention of its profitability, the Company has continued to build up efficiency of its business processes, as well as to increment oil refining volumes and petroleum products sales.

As of the end of 2013, the volume of NIS tax contributions to Serbian budget amounted to 120.6 billion RSD, which is 30% higher than last year and which constitutes approximately 14% of the budget of Republic of Serbia.

Despite negative macroeconomic factors, the stability of major financial and economic indicators enabled the Company to implement a record-breaking investment program in 2013 with the total volume of 57 billion RSD, which is 6% higher than capital investments in 2012. The main directions of 2013 investment activity included increasing hydrocarbon production efficiency due to implementation of new technological solutions, development of projects aimed at sustainable use of gas resources and energetic efficiency, continuation of modernization of a refining complex and sales network.

In 2013 the volume of hydrocarbon production amounted to 1.697 tons of oil equivalent, which is 2% higher than similar indicator last year. As of the end of 2013, the pace of resource base increment was higher than production volume increment. The volume of refined oil (inclusive of crude products) amounted to 3.066 million tons, which is 36% higher than in 2012.

The volume of petroleum products sales (with export sales) in 2013 was 3.079 million tons, which is 29% higher than this indicator in 2012. Retail sales grew by 13%, wholesale – by 19%. The main drivers of increased sales volumes were improvement of quality of produced petroleum products, as well as introduction of new fuel types into a product line of the Company. In 2013 NIS paid special attention to development of client-oriented marketing programs and enhancement of customers' loyalty.

“2013 was an exceptionally complicated year for the Company. We are satisfied that even despite unstable macroeconomic situation and increasing tax burden we were able to retain profitability of the Company and implement our investment program to the full extent.



Throughout the year we were focused on accumulation of own efficiency, as well on implementation of new technologies. Owing to completion of the Pancevo Refinery modernization our refining volumes grew by over two times. 2014 is going to be even more complicated. Execution of new projects is facing us, which is going to be complicated bearing in mind crisis trends of regional economy and financial insolvency of major customers”, says Kirill Kravchenko, Chief Executive Officer of NIS.

**Head of  
Corporate Affairs Department**

**Mirjana Stanojević**

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