



NIS PUBLISHES AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR 2015

NIS published audited consolidated financial statements for 2015 prepared in accordance with International Financial Reporting Standards.

The company ended 2015 with profit. Net profit of NIS amounted to 14.6 billion dinars, and it was largely influenced by the drop in oil prices on the world market of almost 50% and the negative impact of changes in the exchange rate that in 2015 amounted to 8.1 billion dinars. EBITDA amounted to 46.5 billion dinars. Although financial indicators are lower than in 2014, they are significantly higher than planned for 2015, taking into account the decline in crude oil prices.

Maintaining profitability under a very complex business conditions was largely contributed by the continued implementation of operational efficiency programs. The achieved economic effect (on EBITDA and cash flow) of measures for increasing the efficiency of business operations in 2015 amounted to 13.3 billion dinars.

As a result, NIS was able to maintain the planned level of investment, and in 2015 has invested 30.3 billion dinars in the development of the company. It is about twice the amount of the annual net profit of the company, which has kept NIS among the largest investors in Serbia.

The total amount of tax liabilities and other public revenues in 2015 amounted to 151.9 billion dinars, which is a 12 percent increase compared to the previous year. Also, for the third consecutive year NIS has in 2015 paid a dividend to shareholders totaling 7.6 billion dinars, which is 25 percent of the net profit of the company in 2014.

Regarding operational performance indicators, NIS has in the field of exploration and production increased hydrocarbon reserves by 8 percent compared to previous year. The volume of oil refining and processing of semi-finished products has been increased by 6 percent compared to the same period in 2014 and NIS also continued with the modernization of processing capacities, primarily through the activities within the project "deep processing".

In the field of energy, the company TETO Pancevo was established aimed at building a thermal power plant with capacity of 140 MW in Pancevo, the construction of small power plants Velebit Sirakovo 3 and 2 has been completed, and the company currently has 13 small power plants on oil and gas fields in Serbia, with a total capacity of 11.6 MW. Also, we started the retail of compressed natural gas.

The success was also recorded in sales, where the total turnover of petroleum products increased by 5 percent compared to 2014 and NIS increased its share in the retail market of petroleum products in Serbia by 1 percent. The company continued with the modernization of the retail network and the introduction of new products and services to consumers, such as 100-octane gasoline G-Drive 100.



On the occasion of publication of NIS results for 2015, CEO Kirill Kravchenko said: "The past year was difficult not only for NIS, but for the entire oil and gas sector in the world and I am proud that we managed to maintain profitability. Our response to the crisis were teamwork, cost reduction and operational efficiency in all business segments, which gave the expected results and therefore remain our main focus. Also, NIS employees, through their own innovation, contributed to increasing the efficiency of the program "I have an idea". However, we are aware that business conditions in 2016 will be much more complex than in the previous year, primarily because of the low prices of crude oil on the world market and currency fluctuations. We are facing hard times due to which we have to stay focused and put a lot of effort to remain profitable."

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Mirjana Stanojević
