

## **GazpromNeft Serbia subsidiary NIS influenced by crisis, decline of profit and shares value in 1Q/2013**

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GazpromNeft company in Serbia, Oil Industry of Serbia( NIS) profit for the first three months of this year was on the last year's level, but it is said in this company that they are estimating results very abstained.

As they say, negative external factors had a serious influence on results.

This means that not even biggest domestic company hasn't remained immune to crisis, consumption fall and fall of citizens' standard- experts explain.

Net income of NIS for the first three months of this year amounted 8,3 billion dinars same as this time last year.

This oil company stated that procession of crude oil has increased for 27% to 523.000 tons, production of domestic oil and gas is higher for 5% and it amounted 411.000 tons while the sale of oil derivates in the first quarter was 566.000 tons or 12% more than last year.

Investments have drastically increased by 60% to 12,2 billion dinars and NIS promises that it won't decrease planned scope of investments with more than half a million EUR by the end of this year despite the fall of operational profit decrease (EBITDA) by 22% in the first

quarter.

Mihailo Vesovic, Deputy President of Serbian Chamber of Commerce stated for Blic daily that he is not shocked with NIS results which are lower in the first three months this year than they were at the end of last year when the company marked its record profit in the history.

“NIS’s profit could be absolutely expected not to grow from quarter to quarter when business is done in surroundings that marks fall. Consumers, not only in Serbia, but from the whole region have less and less money. Incomes’ fall of 7% with reference to the last year was marked only in our country. Mild recovery of industrial production and export is also visible but it is still not enough for serious growth of economy and profit of domestic companies”, Vesovic said.

According to this words, the industrial and export growth can be expected at the end of this and in the beginning of next year.

The value of NIS’s shares of 960 dinars is at the level it was in the beginning of April and it is almost two times higher than when NIS occurred at stock market in the summer 2010. Broker Nenad Gujanic estimates that published results are little lower than expected but rising trend of NIS shares’ value can be expected in long-terms.

“If this company continues to invest and improve business, there is no doubt that the value of shares will grow in the next three to four years” Gujanic concludes.

Source; Serbia Energy