

NIS publishes non-consolidated business performance results for I half of 2013

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Date : July 30, 2013

Based on the business results of the first half of 2013, net profit amounts to 19.1 billion RSD which is by 13% less year-over-year. The drop in net profit is the result of hydrocarbons – crude oil and natural gas prices decrease as of the beginning of the year as well as of increase of tax liabilities. The settled tax liabilities, including excise tax, profit tax and other tax proceeds exceed the last year's indicator by 37% and amount to 52.2 billion RSD.

The trend of consumption decrease at domestic fuel market continues in the first half of 2013, which has also negatively affected the Company's financial results.

The operating income before the payment of interest rates, profit tax and depreciation (EBITDA) amounts to 27.9 billion RSD which is by 24% less compared to the last year. In the first half of 2013 NIS has continued to implement the measures for increasing the efficiency of operating cash flow (OCF) management process – the results for the relevant reporting period are better than the last year's results by 11%. NIS OCF in the first 6 months of 2013 amounted to 21.9 billion RSD.

Notwithstanding negative macroeconomic conditions, the Company has retained the rate of investment program growth – during the first six months of 2013, the scope of NIS investments in the development of new technological projects, production infrastructure, implementation of environmental initiatives amounted to 24 billion RSD.

The Company has continued to increase key production indicators. Irrespective of the decrease in consumption at key markets of the Balkans, owing to the consistent policy for retail network development and long-term relationships with corporate clients, NIS has increased petroleum products sales volume by 26% compared to the results of the first-half year of 2012. During the first half of 2013, the Company sold 1.350 million tons of petroleum products. The sales volume of white products with high margin was increased by 41%. The refining volume was increased by 21% and amounts to 1.404 million tons. The production of crude oil and gas in the Company's reservoirs is by 4% higher than last year. During the first half of 2013 NIS produced 817.8 thousand toe.

NIS liabilities on grounds of bank loans amount to 423 million of USD dollars based on the results of the first half of 2013.

The Chief Executive Officer of the Company, Mr. Kirill Kravchenko commented on NIS performance results for the first half of 2013:

“The results of business performance in the first six months of 2013 confirm our rather conservative forecasts regarding macroeconomic situation and consumption trends in key markets of the Balkans. However, owing to the stable business model and efficient management processes we manage to maintain the development rate and extent of capital

investments as well as to settle our tax liabilities on regular basis, which is extremely important for the stability of the national economy and social affairs in negative economic circumstances“.

Source; Nis