

According to the unaudited consolidated financial statements, GazpromNeft NIS net profit amounted to 8.6 billion RSD (74MEUR) following the results of the first quarter 2014. The Company's EBIDTA amounted to 15.5 billion RSD (134MEUR). NIS Oil company is majority owned by Russia GazpromNeft and Serbian state is minority shareholder.

Against the complicated economic situation the main drivers for maintaining the business' profitability were the development of sales directions and logistics as well as gradual decrease of production costs and administration expenses. The Company's EBIDTA amounted to 15.5 billion RSD.

In the same time, the volume of the NIS Group taxes payable to the budget amounted to 24.15 billion RSD following the results of the first quarter 2014; this indicator is 20% higher compared to the last

year. The Company has invested 9.62 billion RSD for investment programme financing. The focus of the NIS investment programme for the reporting period are the projects related to the unconventional hydrocarbon resources, increase of gas resources usage as well as production processes automation. The volume of capital investments aimed at environmental projects implementation amounted to 173 million RSD, which is 60% higher compared to the previously planned volumes.

Despite the complicated macroeconomic conditions and stagnating regional fuel market the Company has managed to significantly increase sales volumes. Petroleum products sales achieved 643 thousand tons. NIS paid special attention to the expansion of the product range, improvement of the petrol station networks performance quality, as well as to the development of the specialised programmes for various client categories both in the retail sales and wholesale sales. The refining volume at the NIS Refinery amounted to 724 thousand tons. The Company maintained the stable hydrocarbon production volume at the level of 406 thousand tons of oil equivalent following the reporting period results.

When making a comment with regard to the Company's performance results the NIS CEO Kirill Kravchenko has noted the following: "The result of the first quarter 2014 was hard to achieve. We were ready for the situation when complicated macroeconomic conditions existing in the region as well as stabilisation of hydrocarbons production volumes would have restraining influence on the financial result. I believe that we have reasonably made a bid for the development of the sales system and improvement of the production processes efficiency. Tight control of costs and introduction of new technologies enhancing the business' profitability were set as priorities for this year. I hope the path that we have chosen and will continue to travel would allow us to even the negative external factors and to keep the pace of the Company development".

Source; Serbia Energy