

At the presentation of the results Serbian oil industry announced that the total company's investment in 2015<sup>th</sup> would be less than in the previous year due to several reasons. The Director General Kirill Kravchenko explained that the main reasons were external circumstances, such as a drastic fall in oil prices on the world market, the decline in the dinar value compared to the euro and the dollar, sanctions against Gazprom Neft, which is the majority NIS owner, debts of state companies to NIS, as well as the general deterioration of economic conditions in the country and the world. Kravchenko said that the allocation of NIS in Serbia's budget was increased in the past year and that it now exceeds 15 percent of the revenues of the national budget. Kravchenko today announced revised consolidated financial statements, made by international standards, according to which NIS had a decline in net profit by 42 percent in 2014<sup>th</sup>. According to the company data, only the impact of foreign exchange losses on financial results amounted to 110 MEUR. "In fact today we go through a crisis we have survived in 2008<sup>th</sup>. However, the current situation is more complex primarily due to record low oil prices, competition and growing technological needs", according to his statement. According to Kravchenko, decline in gas prices would be an additional burden on business this year. NIS will continue the modernization of Refinery Pancevo, in what will be invested 300 million dollars, announced Kravchenko. Work has already started, the partner company was selected at the tender a week ago, it will be introduced coking technology, and the entire job should be completed in early 2019<sup>th</sup>, said Kravchenko, at the press conference where he presented NIS business results in 2014<sup>th</sup>. He also announced in this year the continuation of the project of the cogeneration plant Pancevo in cooperation with a Russian partner, in which will be invested 150 MEUR and in wind farm Plandiste in cooperation with partners from China, in which will be invested around 150 MEUR. Debts of state-owned enterprises to NIS amount to 487 MEUR, he said, adding that he expected the largest old debts of Petrohemija and Srbijagas would be returned in 2.5 years, because NIS concluded a Memorandum with the State on restoring these debts, while half of "Air Serbia" debt of 30 MEUR has been already returned to NIS, and the other half will be until the end of March. NIS also announced that more than 200 people would be lay off in the next few months, due to difficult business conditions.