



Naftna industrija Srbije A.D.

**Interim Condensed Consolidated Financial
Statements (Unaudited)**

31 March 2015

Naftna industrija Srbije A.D.
Interim Condensed Consolidated Financial
Statements (Unaudited)

31 March 2015

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NIS Group
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts are in 000 RSD, unless otherwise stated)

Assets	Note	31 March 2015 <i>(unaudited)</i>	31 December 2014
Current assets			
Cash and cash equivalents	6	8,980,963	8,326,704
Short-term financial assets		3,684	6,413
Trade and other receivables	7	49,216,317	51,690,689
Inventories	8	28,766,175	39,130,966
Current income tax prepayments		3,596,807	2,656,695
Other current assets	9	5,760,703	7,841,611
Total current assets		96,324,649	109,653,078
Non-current assets			
Property, plant and equipment	10	234,399,383	232,389,851
Investment property		1,356,387	1,381,832
Goodwill and other intangible assets		7,398,214	7,494,340
Investments in joint venture		1,008,221	1,008,221
Trade and other non-current receivables		75,119	72,680
Long-term financial assets		236,823	240,698
Deferred tax assets		7,834,202	7,834,202
Other non-current assets	11	5,350,578	4,572,897
Total non-current assets		257,658,927	254,994,721
Total assets		353,983,576	364,647,799
Liabilities and shareholder's equity			
Current liabilities			
Short-term debt and current portion of long-term debt	12	25,775,616	14,832,341
Trade and other payables	13	27,947,264	43,751,998
Other current liabilities	14	4,746,855	5,322,163
Other taxes payable	15	9,462,857	9,031,015
Provisions for liabilities and charges		2,374,344	2,508,552
Total current liabilities		70,306,936	75,446,069
Non-current liabilities			
Long-term debt	16	92,803,678	93,588,043
Deferred tax liabilities		2,921,224	2,980,602
Provisions for liabilities and charges		9,136,866	9,012,584
Total non-current liabilities		104,861,768	105,581,229
Equity			
Share capital	17	81,530,200	81,530,200
Reserves		(558,151)	(452,813)
Retained earnings		98,002,627	102,696,156
Equity attributable to the Company's owners		178,974,676	183,773,543
Non-controlling interest		(159,804)	(153,042)
Total equity		178,814,872	183,620,501
Total liabilities and shareholder's equity		353,983,576	364,647,799

Kirill Kravchenko
CEO

27 April 2015

Anton Fyodorov
CEO Deputy, Head of Function for Finance,
Economics, Planning and Accounting

The accompanying notes are an integral part of these Interim Condensed Consolidated Financial Statements.

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NIS Group
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME

(All amounts are in 000 RSD, unless otherwise stated)

	Note	Three month period ended	
		31 March	
		2015	2014
		(unaudited)	(unaudited)
Sales of petroleum products and oil and gas sales		44,373,257	55,111,004
Other revenues		2,073,629	1,488,949
Total revenue from sales	5	46,446,886	56,599,953
Purchases of oil, gas and petroleum products	18	(27,691,296)	(29,830,871)
Production and manufacturing expenses	19	(4,547,706)	(4,551,374)
Selling, general and administrative expenses	20	(5,526,945)	(5,082,759)
Transportation expenses		(178,001)	(228,104)
Depreciation, depletion and amortization		(3,310,921)	(3,027,643)
Taxes other than income tax		(1,289,405)	(1,459,571)
Exploration expenses		(6,972)	(32,084)
Total operating expenses		(42,551,246)	(44,212,406)
Other expenses, net		(163,455)	(88,402)
Operating profit		3,732,185	12,299,145
Net foreign exchange loss		(7,463,146)	(765,671)
Finance income		62,022	67,180
Finance expenses		(899,086)	(857,490)
Total other expense		(8,300,210)	(1,555,981)
(Loss)/Profit before income tax		(4,568,025)	10,743,164
Current income tax expense		(191,986)	(1,460,578)
Deferred tax (expense) income		58,866	(674,215)
Total income tax expense		(133,120)	(2,134,793)
(Loss)/Profit for the period		(4,701,145)	8,608,371
Other comprehensive loss:			
Items that may be subsequently reclassified to profit or loss			
Change in value of available-for-sale financial assets		312	(797)
Currency translation differences		(104,546)	(38,672)
		(104,234)	(39,469)
Other comprehensive loss for the period		(104,234)	(39,469)
Total comprehensive (loss)/income for the period		(4,805,379)	8,568,902

(continued)

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NIS Group
CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER
COMPREHENSIVE INCOME (continued)

(All amounts are in 000 RSD, unless otherwise stated)

	Three month period ended	
	31 March	
	2015	2014
	<i>(unaudited)</i>	<i>(unaudited)</i>
Profit attributable to:		
- Shareholders of Naftna Industrija Srbije	(4,693,529)	8,616,377
- Non-controlling interest	(7,616)	(8,006)
Profit for the period	(4,701,145)	8,608,371
Total comprehensive income (loss) attributable to:		
- Shareholders of Naftna Industrija Srbije	(4,798,867)	8,577,252
- Non-controlling interest	(6,512)	(8,350)
Total comprehensive income (loss) for the period	(4,805,379)	8,568,902
Earnings per share attributable to shareholders of Naftna Industrija Srbije		
- Basic earnings (RSD per share)	(28.78)	52.84
Weighted average number of ordinary shares in issue (in millions)	163	163

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NIS Group
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three month period ended 31 March 2015 and 2014

(All amounts are in 000 RSD, unless otherwise stated)

	Note	Equity attributable to the Company's owners			Non-controlling interest	Total equity	
		Share capital	Reserves	Retained earnings			Total
<i>(unaudited)</i>							
Balance as at 1 January 2014		81,530,200	(98,174)	87,564,495	168,996,521	(43,419)	168,953,102
Profit / (loss) for the period		-	-	8,616,377	8,616,377	(8,006)	8,608,371
Other comprehensive loss							
Change in value of available-for-sale financial assets		-	(797)	-	(797)	-	(797)
Currency translation differences		-	(38,328)	-	(38,328)	(344)	(38,672)
Total comprehensive income (loss) for the period		-	(39,125)	8,616,377	8,577,252	(8,350)	8,568,902
Other		-	(65)	80	15	(39)	(24)
Balance as at 31 March 2014		81,530,200	(137,364)	96,180,952	177,573,788	(51,808)	177,521,980
Balance as at 1 January 2015		81,530,200	(452,813)	102,696,156	183,773,543	(153,042)	183,620,501
Loss for the period		-	-	(4,693,529)	(4,693,529)	(7,616)	(4,701,145)
Other comprehensive income / (loss)							
Change in value of available-for-sale financial assets		-	312	-	312	-	312
Currency translation differences		-	(105,650)	-	(105,650)	1,104	(104,546)
Total comprehensive loss for the period		-	(105,338)	(4,693,529)	(4,798,867)	(6,512)	(4,805,379)
Other		-	-	-	-	(250)	(250)
Balance as at 31 March 2015		81,530,200	(558,151)	98,002,627	178,974,676	(159,804)	178,814,872

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NIS Group
CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts are in 000 RSD, unless otherwise stated)

	Three month period ended 31 March		
	Note	2015	2014
		(unaudited)	(unaudited)
Cash flows from operating activities			
(Loss)/Profit before income tax		(4,568,025)	10,743,164
Adjustments for:			
Finance costs		899,086	857,490
Finance income		(62,022)	(67,180)
Depreciation, depletion and amortization		3,310,921	3,027,643
Adjustments for other provisions		97,032	126,658
Allowance for doubtful accounts		787,189	724,351
Net unrealised foreign exchange losses		5,620,093	703,272
Other non-cash items		100,267	106,107
		10,752,566	5,478,341
<i>Changes in working capital:</i>			
Trade and other receivables		2,466,445	4,611,283
Inventories		10,364,791	(7,668,136)
Other current assets		1,156,003	1,522,191
Trade payables and other current liabilities		(14,394,937)	(11,255,753)
Other taxes payable		438,090	386,556
		30,392	(12,403,859)
Income taxes paid		(1,138,004)	(1,179,808)
Interest paid		(782,915)	(632,309)
Interest received		135,540	178,336
		(1,785,379)	(1,633,781)
Net cash generated by operating activities		4,429,554	2,183,865
Cash flows from investing activities			
Capital expenditures		(8,237,517)	(11,072,978)
Proceeds from sale of property, plant and equipment		46,833	93,230
Other (outflow) inflow		374	(472)
Net cash used in investing activities		(8,190,310)	(10,980,220)
Cash flows from financing activities			
Proceeds from borrowings		15,918,666	9,313,922
Repayment of borrowings		(11,646,491)	(1,732,927)
Net cash generated by financing activities		4,272,175	7,580,995
Net increase (decrease) in cash and cash equivalents		511,419	(1,215,360)
Effect of foreign exchange on cash and cash equivalents		142,840	(62,123)
Cash and cash equivalents as of the beginning of the period		8,326,704	8,707,775
Cash and cash equivalents as of the end of the period		8,980,963	7,430,292

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NIS Group

Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015

(All amounts are in 000 RSD, unless otherwise stated)

1. GENERAL INFORMATION

Open Joint Stock Company Naftna Industrija Srbije (the "Company") and its subsidiaries (together refer to as the "Group") is a vertically integrated oil company operating predominantly in Serbia. The Group's principal activities include:

- Exploration, production and development of crude oil and gas,
- Production of refined petroleum products,
- Petroleum products and gas trading.

The Company was established in accordance with the Decision of Government of Republic of Serbia on 7 July 2005. On 2 February 2009 OAO Gazprom Neft ("Gazprom Neft") acquired a 51% of the share capital of Naftna Industrija Srbije which became a subsidiary of Gazprom Neft. In March 2011, under the Company's Share Sale and Purchase Agreement, Gazprom Neft acquired an additional 5.15% of shares, thereby increasing its percentage of ownership to 56.15%.

The Company is an open joint stock company, listed on the prime market on the Belgrade Stock Exchange.

These Interim Condensed Consolidated Financial Statements have been approved and authorized for issue by CEO and will be presented to Board of Directors for approval.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

2.1. Basis of preparation

The Group maintains its books and records in accordance with accounting and taxation principles and practices mandated by legislation in the countries in which it operates (primarily Serbian). The accompanying Interim Condensed Consolidated Financial Statements were primarily derived from the Group's statutory books and records with adjustments and reclassifications made to present them in accordance with International Financial Reporting Standards (IFRS).

The Interim Condensed Consolidated Financial Statements have been prepared in accordance with International Accounting Standard IAS 34 Interim Financial Reporting. IAS 34 for interim financial reporting does not require all disclosures that would be necessarily required by IFRS.

The Group does not disclose information which would substantially duplicate the disclosures contained in its audited Consolidated Financial Statements for 2014, such as significant accounting policies, significant estimates and judgements, financial risk disclosures or disclosures of financial line items, which have not changed significantly in amount or composition. Management of the Group believes that the disclosures in these Interim Condensed Consolidated Financial Statements are adequate to make the information presented not misleading if these Interim Condensed Consolidated Financial Statements are read in conjunction with the Group's Consolidated Financial Statements for 2014.

The results for the three month period ended 31 March 2015 are not necessarily indicative of the results expected for the full year.

NIS Group

Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015

(All amounts are in 000 RSD, unless otherwise stated)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

2.2. Changes in significant accounting policies

Significant accounting policies, judgements and estimates applied while preparing these Interim Condensed Consolidated Financial Statements are consistent with those applied during the preparation of Consolidated Financial Statements as of and for the year ended 31 December 2014, except for those described in Application of new IFRS paragraph.

2.3. Application of new IFRS

The amendments to IAS 19 – Employee Benefits on contributions from employees or third parties to defined benefit plans became effective for the annual periods beginning on or after July 1, 2014. The amendment has no significant impact on Group's Interim Condensed Consolidated Financial Statements.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

3.1. Economic Environment in the Russian Federation

The Group continues to assess the impact of the sanctions imposed in July-September 2014, but currently does not believe they have a significant impact on the Interim Condensed Consolidated Financial Statements.

3.2. Impact of recent crude oil volatility

In the line with recent changes in the crude oil price on the world market, management of the company continues to monitor the crude oil price fluctuation and its influence on business performance in order to adequately take measure to mitigate impact if the negative trends on the market continue.

Based on the currently available information and crude oil price forecast, management believe that at reporting date there are no indicators of asset impairment.

4. NEW ACCOUNTING STANDARDS

Certain new standards and interpretations have been issued that are mandatory for the annual periods beginning on or after January 1, 2015 or later, and that the Group has not early adopted. The full list of such Standards and interpretations was disclosed in the Consolidated Financial Statements as of and for the year ended December 31, 2014. No new documents were issued during the three months period ended March 31, 2015.

The new standards and interpretations are not expected to have significant impact or affect significantly the Group's Consolidated Financial Statements.

NIS Group

Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015

(All amounts are in 000 RSD, unless otherwise stated)

5. SEGMENT INFORMATION

Presented below is information about the Group's operating segments for the three month periods ended 31 March 2015 and 2014. Operating segments are components that engaged in business activities that may earn revenues or incur expenses, whose operating results are regularly reviewed by the chief operating decision maker (CODM), and for which discrete financial information is available.

The Group manages its operations in 2 operating segments: Upstream and Downstream.

Upstream segment (exploration and production) includes the following Group operations: exploration, development and production of crude oil and natural gas and oil field services. Downstream segment (refining and marketing) processes crude oil into refined products and purchases, sells and transports crude and refined petroleum products (refining and marketing). Corporate centre expenses are presented within the Downstream segment.

Eliminations and other adjustments section encompasses elimination of inter-segment sales and related unrealized profits, mainly from the sale of crude oil and products, and other adjustments. Intersegment revenues are based upon estimated market prices.

EBITDA represents the Group's EBITDA. Management believes that EBITDA represents useful means of assessing the performance of the Group's on-going operating activities, as it reflects the Group's earnings trends without showing the impact of certain charges. EBITDA is defined as earnings before interest, income tax expense, depreciation, depletion and amortization, finance income (expenses) net and other non-operating income (expenses). EBITDA is a supplemental non-IFRS financial measure used by management to evaluate operations.

Reportable segment results for the three month period ended 31 March 2015 are shown in the table below:

	<u>Upstream</u>	<u>Downstream</u>	<u>Eliminations</u>	<u>Total</u>
Segment revenue	13,874,183	45,847,495	(13,274,792)	46,446,886
Intersegment	12,869,978	404,814	(13,274,792)	-
External	1,004,205	45,442,681	-	46,446,886
EBITDA (Segment results)	10,177,591	(2,958,148)	-	7,219,443
Depreciation, depletion and amortization	(1,054,199)	(2,256,722)	-	(3,310,921)
Impairment losses (note 30)	-	(48,425)	-	(48,425)
Net foreign exchange gain (loss)	84,577	(7,547,723)	-	(7,463,146)
Finance expenses, net	(33,541)	(803,523)	-	(837,064)
Income tax	(61,437)	(71,683)	-	(133,120)
Segment profit (loss)	8,605,026	(13,306,171)	-	(4,701,145)

Reportable segment results for the three month period ended 31 March 2014 are shown in the table below:

	<u>Upstream</u>	<u>Downstream</u>	<u>Eliminations</u>	<u>Total</u>
Segment revenue	21,486,201	55,467,626	(20,353,874)	56,599,953
Intersegment	20,167,658	186,216	(20,353,874)	-
External	1,318,543	55,281,410	-	56,599,953
EBITDA (Segment results)	17,802,712	(2,297,313)	-	15,505,399
Depreciation, depletion and amortization	(926,315)	(2,101,328)	-	(3,027,643)
Impairment losses	(1,989)	(127,250)	-	(129,239)
Net foreign exchange loss	(40,691)	(724,980)	-	(765,671)
Finance expenses, net	(69,868)	(720,442)	-	(790,310)
Income tax	(176,560)	(1,958,233)	-	(2,134,793)
Segment profit (loss)	16,487,013	(7,878,642)	-	8,608,371

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NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015***(All amounts are in 000 RSD, unless otherwise stated)***5. SEGMENT INFORMATION (continued)**

EBITDA for the three month period ended 31 March 2015 and 2014 is reconciled below:

	Three month period ended	
	31 March	
	2015	2014
(Loss)/Profit for the period	(4,701,145)	8,608,371
Income tax expenses	133,120	2,134,793
Finance expenses	899,086	857,490
Finance income	(62,022)	(67,180)
Depreciation, depletion and amortization	3,310,921	3,027,643
Net foreign exchange loss	7,463,146	765,671
Other expense, net	163,455	88,402
Other non-operating expense, net*	12,882	90,209
EBITDA	7,219,443	15,505,399

*Other non-operating (income) expense, net mainly relate to fines, penalties and other.

Oil, gas and petroleum products sales comprise the following (based on the country of customer incorporation):

	Three month period ended 31 March 2015		
	Domestic market	Export and international sales	Total
Sale of crude oil	-	829,435	829,435
Sale of gas	3,159,200	-	3,159,200
<i>Through a retail network</i>	-	-	-
<i>Wholesale activities</i>	3,159,200	-	3,159,200
Sale of petroleum products	32,250,497	8,134,125	40,384,622
<i>Through a retail network</i>	10,711,869	-	10,711,869
<i>Wholesale activities</i>	21,538,628	8,134,125	29,672,753
Other sales	985,235	1,088,394	2,073,629
Total sales	36,394,932	10,051,954	46,446,886
	Three month period ended 31 March 2014		
	Domestic market	Export and international sales	Total
Sale of crude oil	-	1,248,245	1,248,245
Sale of gas	1,674,941	-	1,674,941
<i>Through a retail network</i>	-	-	-
<i>Wholesale activities</i>	1,674,941	-	1,674,941
Sale of petroleum products	42,255,853	9,931,965	52,187,818
<i>Through a retail network</i>	12,186,227	-	12,186,227
<i>Wholesale activities</i>	30,069,626	9,931,965	40,001,591
Other sales	1,090,220	398,729	1,488,949
Total sales	45,021,014	11,578,939	56,599,953

Out of the amount of 29,672,753 RSD (2014: 40,001,591 RSD) revenue from sale of petroleum products (wholesale), the amount of 4,095,230 RSD (2014: 8,024,380 RSD) are derived from a single domestic customer, HIP Petrohemija. These revenue are attributable to wholesale activities within Downstream segment.

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NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015***(All amounts are in 000 RSD, unless otherwise stated)***5. SEGMENT INFORMATION (continued)**

Other sales mainly relate to sales of non-fuel products at petrol stations in the amount of 1,342,601 RSD (2014: 1,140,213 RSD).

The Group is domiciled in the Republic of Serbia. The result of its revenue from external customers in the Republic of Serbia is 36,394,932 RSD (2014: 45,021,014 RSD), and the total of revenue from external customer from other countries is 10,051,954 RSD (2014: 11,578,939 RSD). The breakdown of the major component of the total revenue from external customers from other countries is disclosed below:

	Three month period ended 31 March	
	2015	2014
Sale of crude oil	829,435	1,248,245
Sale of petroleum products (retail and wholesale)		
Bulgaria	1,744,808	2,066,363
Bosnia and Herzegovina	1,534,783	2,092,350
Romania	1,030,269	1,065,471
All other markets	3,824,265	4,707,781
	<u>8,134,125</u>	<u>9,931,965</u>
Other sales	1,088,394	398,729
	<u>10,051,954</u>	<u>11,578,939</u>

Revenues from the individual countries included in all other markets are not material.

Non-current assets, other than financial instruments and deferred income tax assets (there are no employment benefit assets and rights arising under insurance contracts), by country:

	31 March 2015	31 December 2014
Serbia	220,139,020	218,176,386
Bulgaria	8,170,950	8,524,519
Bosnia and Herzegovina	8,408,177	8,296,363
Romania	6,435,813	6,268,690
Hungary	24	65
	<u>243,153,984</u>	<u>241,266,023</u>

6. CASH AND CASH EQUIVALENTS

	31 March 2015	31 December 2014
Cash in bank and in hand	6,856,644	5,117,100
Deposits with original maturity of less than three months	243,992	1,317,248
Cash held on escrow account	1,626,810	1,636,805
Cash equivalents	253,517	255,551
	<u>8,980,963</u>	<u>8,326,704</u>

Cash held on escrow accounts as of 31 March 2015 amounting to 1,626,810 RSD (31 December 2014: 1,636,805 RSD) relates to deposited funds in accordance with share purchase agreement with Energowind doo (through which the operation of future wind farm 'Plandiste' will be managed).

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NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015***(All amounts are in 000 RSD, unless otherwise stated)***7. TRADE AND OTHER RECEIVABLES**

	31 March 2015	31 December 2014
Trade receivables:		
- related parties	37,252	36,398
- third parties	68,382,417	70,830,997
	68,419,669	70,867,395
Accrued assets	40,243	16,268
Other receivables	10,338,901	10,391,642
	78,798,813	81,275,305
Less impairment provision	(29,582,496)	(29,584,616)
Total trade and other receivables	49,216,317	51,690,689

The ageing of trade and other receivables is as follows:

	31 March 2015	31 December 2014
Neither impaired nor past due	23,648,612	24,050,369
Past due but not impaired:		
within 30 days:	4,538,606	4,122,003
1 to 3 months	3,363,086	2,027,385
3 months to 1 year	7,367,279	10,417,402
over 1 year	10,298,734	11,073,530
Total	49,216,317	51,690,689

Due to unfavourable macroeconomic conditions in the recent years, the Group was faced with slowdown in collection from state owned companies. However, the Company management is working closely with major debtors on recovery of these debts and believes that net receivables included in the aging table above are fully recoverable.

The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

	31 March 2015	31 December 2014
RSD	66,334,840	68,417,996
EUR	10,534,235	10,733,307
USD	1,119,956	1,351,117
Other	809,782	772,885
	78,798,813	81,275,305

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Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015

(All amounts are in 000 RSD, unless otherwise stated)

7. TRADE AND OTHER RECEIVABLES (continued)

Movements on the Group's provision for impairment of trade and other receivables are as follows:

	Trade receivables		Other receivables	Total
	Individually impaired	Collectively impaired	Individually impaired	
As at 1 January 2014	17,481,016	4,374,251	7,827,614	29,682,881
Provision for receivables impairment	59,840	88,768	-	148,608
Unused amounts reversed	(154,709)	(180,952)	-	(335,661)
Receivables written off during the year as uncollectible	-	(22,520)	-	(22,520)
Other	(550,687)	531,470	50,690	31,473
As at 31 March 2014	16,835,460	4,791,017	7,878,304	29,504,781
As at 1 January 2015	17,387,912	4,044,312	8,152,392	29,584,616
Provision for receivables impairment	25,968	129,564	-	155,532
Unused amounts reversed	(32,799)	(60,531)	-	(93,330)
Receivables written off during the year as uncollectible	-	(12,564)	-	(12,564)
Other	4,985	(6,666)	(50,077)	(51,758)
As at 31 March 2015	17,386,066	4,094,115	8,102,315	29,582,496

Expenses that have been provided for or written off are included in selling, general and administrative expenses within the Profit and Loss. Amounts charged to the allowance account are generally written off where there is no expectation of recovering additional cash.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The other classes within trade and other receivables do not contain impaired assets.

8. INVENTORIES

	31 March 2015	31 December 2014
Crude oil	14,232,004	21,306,426
Gas	-	161,206
Petroleum products	12,623,791	14,487,028
Materials and supplies	7,331,352	8,529,435
Other	713,118	802,531
Less impairment provision	(6,134,090)	(6,155,660)
	28,766,175	39,130,966

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NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015***(All amounts are in 000 RSD, unless otherwise stated)***9. OTHER CURRENT ASSETS**

	31 March 2015	31 December 2014
Advances paid	1,325,095	668,211
VAT receivables	144,232	163,230
Deferred VAT	1,670,569	2,241,351
Prepaid expenses	94,869	137,615
Prepaid custom duties	51,094	52,281
Prepaid excise	2,106,422	4,323,747
Other current assets	22,059,050	21,258,939
Less impairment provision	<u>(21,690,628)</u>	<u>(21,003,763)</u>
	<u>5,760,703</u>	<u>7,841,611</u>

Deferred VAT as at 31 March 2015 amounting to 1,670,569 RSD (31 December 2014: 2,241,351 RSD) represents VAT inputs claimed on invoices received and accounted for in the current period, while the inputs will be allowed in the following accounting period.

Prepaid excise as at 31 March 2015 amounting to 2,106,422 RSD (31 December 2014: 4,323,747 RSD) relates to the excise paid for finished products stored in non-excise warehouse and excise paid for imported products used in further production process which will be refunded in the near future.

Other current assets mainly relate to accrued interests and claims in dispute which are impaired.

Movements on the Group's provision for impairment of other current assets are as follows:

	Advances paid	Other current assets	Total
As at 1 January 2014	253,069	17,706,623	17,959,692
Provision for receivables impairment	13	967,009	967,022
Unused amounts reversed	(8,888)	(46,730)	(55,618)
Other	37	(61,181)	(61,144)
As at 31 March 2014	<u>244,231</u>	<u>18,565,721</u>	<u>18,809,952</u>
As at 1 January 2015	244,828	20,758,935	21,003,763
Provision for receivables impairment	377	733,515	733,892
Unused amounts reversed	(1,986)	(6,919)	(8,905)
Other	(859)	(37,263)	(38,122)
As at 31 March 2015	<u>242,360</u>	<u>21,448,268</u>	<u>21,690,628</u>

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Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015

(All amounts are in 000 RSD, unless otherwise stated)

10. PROPERTY, PLANT AND EQUIPMENT

	Oil and gas properties	Refining assets	Marketing and distribution assets	Other assets	Assets under construction	Total
As at 1 January 2014						
Cost	58,161,373	108,204,314	44,958,981	19,127,652	45,176,238	275,628,558
Depreciation and impairment	(17,442,672)	(28,192,781)	(13,015,775)	(7,989,794)	(4,055,015)	(70,696,037)
Net book value	40,718,701	80,011,533	31,943,206	11,137,858	41,121,223	204,932,521
Period ended 31 March 2014						
Additions	3,779,341	193,193	1,722,840	97,176	4,262,474	10,055,024
Acquisitions through business combinations	-	-	-	-	99,878	99,878
Impairment	-	-	(29,907)	-	(2,431)	(32,338)
Depreciation	(857,081)	(1,295,074)	(478,687)	(175,623)	(809)	(2,807,274)
Transfer (to) from intangible assets	45	-	5,653	-	(101,100)	(95,402)
Transfer (to) from investment property	35,121	1,316	36,481	7,399	-	80,317
Disposals and write-off	(10,149)	8,044	(48,974)	(21,469)	(120,642)	(193,190)
Other transfers	(44,373)	(244,383)	(13,643)	301,905	456	(38)
Translation differences	30	-	118,644	-	20,097	138,771
	43,621,635	78,674,629	33,255,613	11,347,246	45,279,146	212,178,269
As at 31 March 2014						
Cost	61,842,042	108,077,913	46,678,567	19,538,445	49,332,006	285,468,973
Depreciation and impairment	(18,220,407)	(29,403,284)	(13,422,954)	(8,191,199)	(4,052,860)	(73,290,704)
Net book value	43,621,635	78,674,629	33,255,613	11,347,246	45,279,146	212,178,269
As at 1 January 2015						
Cost	82,284,653	114,595,854	49,338,344	20,285,937	46,177,226	312,682,014
Depreciation and impairment	(21,058,518)	(32,895,538)	(14,910,568)	(8,614,025)	(2,813,514)	(80,292,163)
Net book value	61,226,135	81,700,316	34,427,776	11,671,912	43,363,712	232,389,851
Period ended 31 March 2015						
Additions	3,601,944	1,797,959	832,229	64,562	(949,945)	5,346,749
Impairment	-	-	-	-	(20,561)	(20,561)
Depreciation	(969,342)	(1,415,503)	(529,403)	(158,653)	-	(3,072,901)
Transfer to intangible assets	(21,781)	-	-	-	(40,379)	(62,160)
Transfer to investment property	-	-	(2,877)	-	-	(2,877)
Disposals and write-off	(24,902)	(4,329)	(7,680)	(53,005)	(49,461)	(139,377)
Other transfers	(888)	(1,621)	911	991	-	(607)
Translation differences	2	-	(37,679)	-	(1,057)	(38,734)
	63,811,168	82,076,822	34,683,277	11,525,807	42,302,309	234,399,383
As at 31 March 2015						
Cost	85,838,150	116,369,948	50,101,459	20,299,075	45,077,798	317,686,430
Depreciation and impairment	(22,026,982)	(34,293,126)	(15,418,182)	(8,773,268)	(2,775,489)	(83,287,047)
Net book value	63,811,168	82,076,822	34,683,277	11,525,807	42,302,309	234,399,383

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Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015
(All amounts are in 000 RSD, unless otherwise stated)
10. PROPERTY, PLANT AND EQUIPMENT (continued)
Oil and gas production assets

	Capitalised exploration and evaluation expenditure	Capitalised development expenditure	Total - asset under construction (exploration and development expenditure)	Production assets	Other business and corporate assets	Total
As at 1 January 2014						
Cost	13,222,087	13,397,107	26,619,194	58,161,373	33,510	84,814,077
Depreciation and impairment	(10,867)	(238,059)	(248,926)	(17,442,672)	(20,267)	(17,711,865)
Net book amount	13,211,220	13,159,048	26,370,268	40,718,701	13,243	67,102,212
Period ended 31 March 2014						
Additions	2,203,160	5,274,246	7,477,406	-	-	7,477,406
Transfer from asset under construction	(24,837)	(3,747,254)	(3,772,091)	3,818,388	-	46,297
Other transfers	-	(14,100)	(14,100)	(48,254)	(81)	(62,435)
Impairment	-	(1,989)	(1,989)	-	-	(1,989)
Depreciation and depletion	(809)	-	(809)	(857,081)	-	(857,890)
Disposals and write-off	(24,066)	(162,385)	(186,451)	(10,149)	-	(196,600)
Translation differences	18,913	-	18,913	30	-	18,943
	15,383,581	14,507,566	29,891,147	43,621,635	13,162	73,525,944
As at 31 March 2014						
Cost	15,395,202	14,747,614	30,142,816	61,842,042	33,429	92,018,287
Depreciation and impairment	(11,621)	(240,048)	(251,669)	(18,220,407)	(20,267)	(18,492,343)
Net book amount	15,383,581	14,507,566	29,891,147	43,621,635	13,162	73,525,944
As at 1 January 2015						
Cost	18,087,173	13,477,995	31,565,168	82,284,653	33,457	113,883,278
Depreciation and impairment	(17,291)	(253,585)	(270,876)	(21,058,518)	(20,359)	(21,349,753)
Net book amount	18,069,882	13,224,410	31,294,292	61,226,135	13,098	92,533,525
Period ended 31 March 2015						
Additions	1,055,254	3,632,892	4,688,146	-	-	4,688,146
Transfer from asset under construction	3,252	(3,605,196)	(3,601,944)	3,601,944	-	-
Other transfers	-	(2,840)	(2,840)	(22,669)	(30)	(25,539)
Depreciation and depletion	(1,263)	-	(1,263)	(969,342)	-	(970,605)
Disposals and write-off	1,206	(37,797)	(36,591)	(24,902)	-	(61,493)
Translation differences	(385)	-	(385)	2	-	(383)
	19,127,946	13,211,469	32,339,415	63,811,168	13,068	96,163,651
As at 31 March 2015						
Cost	19,146,670	13,449,908	32,596,578	85,838,150	33,427	118,468,155
Depreciation and impairment	(18,724)	(238,439)	(257,163)	(22,026,982)	(20,359)	(22,304,504)
Net book amount	19,127,946	13,211,469	32,339,415	63,811,168	13,068	96,163,651

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NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015***(All amounts are in 000 RSD, unless otherwise stated)***11. OTHER NON-CURRENT ASSETS**

	31 March 2015	31 December 2014
Advances paid for PPE	3,280,916	2,468,780
Prepaid expenses	951,793	977,478
Other assets	1,147,126	1,155,896
Less impairment provision	(29,257)	(29,257)
	5,350,578	4,572,897

12. SHORT-TERM DEBT AND CURRENT PORTION OF LONG-TERM DEBT

	31 March 2015	31 December 2014
Short-term loans	12,291,860	8,600,112
Interest liabilities	139,879	130,902
Current portion of long-term loans (note 16)	13,343,197	6,100,504
Current portion of finance lease liabilities (note 16)	680	823
	25,775,616	14,832,341

13. TRADE AND OTHER PAYABLES

	31 March 2015	31 December 2014
Trade payables		
- related parties	12,320,141	20,253,500
- third parties	11,779,244	19,650,382
Dividends payable	3,772,308	3,772,308
Other accounts payable	75,571	75,808
	27,947,264	43,751,998

As at 31 March 2015 payables to related parties amounting to 12,230,141 RSD (31 December 2014: 20,253,500 RSD) mainly relate to payables to the supplier Gazprom Neft, St Petersburg in the amount of 12,293,283 RSD (31 December 2014: 20,122,243 RSD), mostly for the purchase of crude oil.

14. OTHER CURRENT LIABILITIES

	31 March 2015	31 December 2014
Advances received	879,235	1,589,530
Payables to employees	3,807,636	3,639,272
Accruals and deferred income	22,064	40,179
Other current non-financial liabilities	37,920	53,182
	4,746,855	5,322,163

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NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015***(All amounts are in 000 RSD, unless otherwise stated)***15. OTHER TAXES PAYABLE**

	31 March 2015	31 December 2014
Mineral extraction tax	386,552	407,990
VAT	1,801,104	354,270
Excise tax	4,123,322	4,909,246
Contribution for buffer stocks	268,160	583,400
Custom duties	553,033	414,925
Other taxes	2,330,686	2,361,184
	9,462,857	9,031,015

16. LONG-TERM DEBT

	31 March 2015	31 December 2014
Long-term loan - Gazprom Neft	46,129,127	47,820,723
Bank loans	59,745,458	51,604,833
Finance lease liabilities	202,782	199,738
Other long-term borrowings	70,188	64,076
Less Current portion	(13,343,877)	(6,101,327)
	92,803,678	93,588,043

(a) Long-term loan - Gazprom Neft

As at 31 March 2015 long-term loan - Gazprom Neft amounting to 46,129,127 RSD (383,720,935 EUR) (2014: 47,820,723 RSD), with current portion of 5,591,409 RSD (2014: 5,625,967 RSD), relate to loan from Gazprom Neft granted based on the Agreement for Sale and Purchase of shares signed on 24 December 2008. The stated liabilities shall be settled in quarterly instalments starting from December 2012 until 15 May 2023.

(b) Bank loans

	31 March 2015	31 December 2014
Domestic	7,310,396	7,175,319
Foreign	52,435,062	44,429,514
	59,745,458	51,604,833
Current portion of long-term loans	(7,751,788)	(474,537)
	51,993,670	51,130,296

The maturity of bank loans was as follows:

	31 March 2015	31 December 2014
Between 1 and 2 years	8,901,314	6,969,316
Between 2 and 5 years	37,475,820	38,525,058
Over 5 years	5,616,536	5,635,922
	51,993,670	51,130,296

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NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015***(All amounts are in 000 RSD, unless otherwise stated)***16. LONG-TERM DEBT (continued)***(b) Bank loans (continued)*

The carrying amounts of bank loans are denominated in the following currencies:

	31 March 2015	31 December 2014
USD	53,565,103	45,401,219
EUR	5,786,048	5,840,104
RSD	1,427	1,520
JPY	392,880	361,990
	59,745,458	51,604,833

The Group repays loans in accordance with agreed dynamics, i.e. determined annuity plans. The Group has both fixed and floating interest rates with the creditors. Floating interest rates are connected with Euribor and Libor.

Management expects that the Group will be able to fulfil its obligations within agreed timeframe.

The carrying amounts of the Group's bank loans as at 31 March 2015 and 31 December 2014 are presented in the table below:

Creditor	Currency	31 March 2015	31 December 2014
<i>Domestic long-term loans</i>			
Erste bank, Novi Sad	USD	347,963	319,049
Erste bank, Novi Sad	EUR	442,830	457,835
Bank Postanska stedionica, Belgrade	EUR	217,566	224,938
Bank Postanska stedionica, Belgrade	USD	1,884,139	1,728,210
Government of Republic of Serbia, Agency for deposit assurance (IBRD)	EUR	4,416,471	4,443,767
Other loans	RSD	1,427	1,520
		7,310,396	7,175,319
<i>Foreign long-term loans</i>			
NLB Nova Ljubljanska bank d.d., Slovenia	USD	635,081	584,396
NLB Nova Ljubljanska bank d.d., Slovenia	JPY	392,880	361,990
Erste bank, Holland	USD	7,242,560	6,465,167
VUB (Bank Intesa), Slovakia	USD	16,713,600	14,919,615
NBG bank, Great Britain	USD	8,356,800	4,973,205
Sberbank Europe AG, Beč, Austrija	USD	18,384,960	16,411,577
NeftgazInKor, Russian Federation	EUR	401,039	403,517
Neftegazovaja Inovacionnaja Korporacija, Russian Federation	EUR	308,142	310,047
		52,435,062	44,429,514
Less current portion of long-term loans		(7,751,788)	(474,537)
		51,993,670	51,130,296

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Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015

(All amounts are in 000 RSD, unless otherwise stated)

16. LONG-TERM DEBT (continued)

(b) Bank loans (continued)

	Currency	Current portion		Long-term	
		31 March 2015	31 December 2014	31 March 2015	31 December 2014
Domestic long - term loans					
Erste bank, Novi Sad	USD	21,359	17,872	326,604	301,177
Erste bank, Novi Sad	EUR	26,946	25,376	415,884	432,459
Bank Postanska stedionica, Belgrade	EUR	13,239	12,468	204,327	212,470
Bank Postanska stedionica, Belgrade	USD	114,650	95,789	1,769,489	1,632,421
Government of Republic of Serbia, Agency for deposit assurance (IBRD)	EUR	260,337	261,946	4,156,134	4,181,821
Other loans	RSD	323	345	1,104	1,175
		436,854	413,796	6,873,542	6,761,523
Foreign long-term loans					
NLB Nova Ljubljanska bank d.d., Slovenia	USD	48,467	40,677	586,614	543,719
NLB Nova Ljubljanska bank d.d., Slovenia	JPY	23,907	20,064	368,973	341,926
Erste bank, Holland	USD	7,242,560	-	-	6,465,167
VUB (Bank Intesa), Slovakia	USD	-	-	16,713,600	14,919,615
NBG bank, Great Britain	USD	-	-	8,356,800	4,973,205
Sberbank Europe AG, Beč, Austrija	USD	-	-	18,384,960	16,411,577
NeftgazInKor, Russian Federation	EUR	-	-	401,039	403,517
Neftegazovaja Inovacionnaja Korporacija, Russian Federation	EUR	-	-	308,142	310,047
		7,314,934	60,741	45,120,128	44,368,773
		7,751,788	474,537	51,993,670	51,130,296

The loan agreements contain financial covenants that require the Group's ratio of Consolidated Indebtedness to Consolidated EBITDA. Management believes the Group is in compliance with these covenants as of 31 March 2015 and 31 December 2014, respectively.

17. SHARE CAPITAL

Share capital represents share capital of the Company, which is listed on Belgrade Stock Exchange. Par value per share is 500 RSD.

Share capital as of 31 March 2015 and 31 December 2014 comprise of 163,060,400 shares.

NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015**

(All amounts are in 000 RSD, unless otherwise stated)

18. PURCHASES OF OIL, GAS AND PETROLEUM PRODUCTS

	Three month period ended 31 March	
	2015	2014
Crude oil	19,577,759	24,726,416
Petroleum products	8,113,537	5,067,575
Other	-	36,880
	27,691,296	29,830,871

19. PRODUCTION AND MANUFACTURING EXPENSES

	Three month period ended 31 March	
	2015	2014
Employee costs	1,678,404	1,731,008
Materials and supplies (other than purchased oil, petroleum products and gas)	699,604	369,532
Repair and maintenance services	705,834	622,674
Electricity and utilities	937,236	703,165
Transportation services for production	338,568	351,847
Other	188,060	773,148
	4,547,706	4,551,374

20. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	Three month period ended 31 March	
	2015	2014
Employee costs	2,530,059	2,605,142
Legal, audit, and consulting services	341,609	251,787
Rent expense	91,914	94,760
Business trips expense	67,129	64,731
Safety and security expense	146,583	102,402
Insurance expense	60,188	59,585
Transportation and storage	134,822	103,196
Allowance for doubtful accounts	787,189	724,351
Other	1,367,452	1,076,805
	5,526,945	5,082,759

21. FAIR VALUE MEASUREMENT

The following assets are measured at fair value in the Interim Condensed Consolidated Financial Statements: investment properties and financial investments classified as available for sale. The valuation techniques and inputs used in fair value measurements are on the same basis as disclosed in the Consolidated Financial Statements as of 31 December 2014. There were no transfers between the levels of the fair value hierarchy during the interim period.

As of 31 March, 2015 carrying value of financial assets approximate their fair value.

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Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015

(All amounts are in 000 RSD, unless otherwise stated)

22. CONTINGENCIES AND COMMITMENTS

Transfer of property ownership

As at 31 March 2015, the Company had ownership and the right to use and possess of 7,917 properties, which represent 97% of the total Company properties (buildings and land). The remaining 3% of properties titles should be transferred by Republic of Serbia in accordance with the Agreement for the Sale and Purchase of Shares of Naftna Industrija Srbije a.d., signed in 2007.

Finance Guarantees

As at 31 March 2015 the total amount of outstanding finance guarantees provided by the Group amounted to 5,384,077 RSD, mostly related to guaranties for customs duties in the amount of 2,226,835 RSD (31 December 2014: 3,454,563 RSD).

Environmental protection

Based on an internal assessment of compliance with the Republic of Serbia environmental legislation as at the reporting date, the Group's management recognised an environmental provision in the amount of 565,248 RSD (31 December 2014: 570,358 RSD).

The Group's Management believes that cash outflows related to provision will not be significantly higher than the ones already provided for. However, it is possible that these costs will increase significantly in the future, should the legislation become more restrictive.

Other contingent liabilities

As at 31 March 2015, the Group did not make a provision for a potential loss that may arise based on the Angolan Ministry of Finance tax assessment according to which the Group has to pay the difference in tax calculation of USD 81 million related to the additional profit oil for the period from 2002 to 2009. The Group's Management believes that, based on the concession agreements signed with Angola and the opinion of Angolan legal consultants, such claim is not in accordance with the current applicable legal framework in Angola due to the fact that the calculation of profit oil is not performed correctly by the authorities and that profit oil is an obligation of a contractual nature that should be fulfilled towards the National Concessionaire, as opposed to the opinion of the Ministry of Finance. The Group's Management will lodge a complaint against any tax enforcement action from the Angolan Ministry of Finance and will take all necessary steps which will enable it to suspend tax enforcement until Angolan courts make a final decision on this issue. Based on the experience of other concessionaries, the Angolan Court has not made any ruling yet regarding their complaints against the same decision of the Ministry of Finance that was served upon them, although complaints were filed. Taking all of the above into consideration, the Group's Management is of the view that as at 31 March 2015 outflow of resources embodying economic benefits is not probable due to high level of uncertainty relating to the timing of the resolution of the request from the Angolan Ministry of Finance and the amount payable for additional tax on profit oil.

Tax risks

Tax laws are subject to different interpretations and frequent amendments. Tax authorities' interpretation of Tax laws may differ to those made by the Group's management. As result, some transactions may be disputed by tax authorities and the Group may have to pay additional taxes, penalties and interests. Tax liability due date is five years. Tax authorities have rights to determine unpaid liabilities within five years since the transaction date. Management has assessed that the Group has paid all tax liabilities as of 31 March 2015.

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Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015

(All amounts are in 000 RSD, unless otherwise stated)

22. CONTINGENCIES AND COMMITMENTS (continued)

Farm-out agreement with East West Petroleum Corporation, Canada

In October 2011, the Group entered into a Farm-out agreement with East West Petroleum Corporation, Canada for exploration and production of hydrocarbons in the Timisoara region in Romania. Under the Contract, the Group shall finance 85% of total exploration costs on four blocks in the region. Depending on the success of exploration, the Group will be entitled to 85% of the total production volume of hydrocarbons. Moreover, under the Joint Operation Agreement signed with East West Petroleum Corporation, Canada, Group will act as the Operator and will be in charge of and shall conduct all Joint Operations. Exploration activities are underway. On 31 March 2015 drilling and exploration works for Block 2, 3, 7 and 8 were estimated to 48.7 USD million.

There were no other material commitments of the Group.

23. GROUP ENTITIES

The financial statements of below listed subsidiaries are consolidated as at 31 March 2015 and 31 December 2014:

Subsidiary	Country of incorporation	Nature of business	Share %	
			31 March 2015	31 December 2014
NIS Petrol d.o.o., Banja Luka	Bosnia and Herzegovina	Trade	100	100
NIS Petrol e.o.o.d., Sofija	Bulgaria	Trade	100	100
NIS Petrol SRL, Bucharest	Romania	Trade	100	100
Pannon naftagas Kft, Budapest	Hungary	O&G activity	100	100
NIS Oversiz, St Petersburg	Russia	Other	100	100
Naftagas-naftni servisi d.o.o., Novi Sad	Serbia	O&G activity	100	100
NTC NIS-Naftagas d.o.o., Novi Sad	Serbia	O&G activity	100	100
Naftagas-tehnicki servisi d.o.o., Zrenjanin	Serbia	O&G activity	100	100
Naftagas-Transport d.o.o., Novi Sad	Serbia	Transport	100	100
O Zone a.d., Belgrade	Serbia	Other	100	100
G Petrol d.o.o. Sarajevo	Bosnia and Herzegovina	Trade	100	100
Jadran - Naftagas d.o.o., Banja Luka	Bosnia and Herzegovina	O&G activity	66	66
Jubos, Bor	Serbia	Other	51	51
Svetlost, Bujanovac, Serbia	Serbia	Trade	51	51

The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

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Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015

(All amounts are in 000 RSD, unless otherwise stated)

24. RELATED PARTY TRANSACTIONS

For the purpose of these Interim Condensed Consolidated Financial Statements parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial and operational decision as defined by IAS 24 Related Party disclosure.

The majority owner of the Group is Gazprom Neft, St Petersburg, Russian Federation, with 56.15% shares of the Company. The second largest shareholder with 29.87% interest is Republic of Serbia, while remaining 13.98% of interest owned by various minority shareholders are traded on the Belgrade Stock Exchange and are owned by various shareholders. Gazprom, Russian Federation is the ultimate owner of the Group.

In the three month period ended 31 March 2015 and in the same period in 2014, the Group entered into business transactions with its related parties. The most significant transactions with related parties in the mentioned periods related to supply/delivery of crude oil, petroleum products and energy.

As at 31 March 2015 and 31 December 2014 the outstanding balances with related parties were as follows:

	Parent company	Entities under common control	Joint venture	Total
As at 31 March 2015				
Trade and other receivables	420	37,252	117,784	155,456
Investments in joint venture	-	-	1,008,221	1,008,221
Trade and other payables	(12,293,283)	(26,858)	-	(12,320,141)
Other current liabilities	-	(5,017)	-	(5,017)
Short-term debt and current portion of long-term debt	(5,591,409)	-	-	(5,591,409)
Long-term debt	(40,537,718)	-	-	(40,537,718)
	(58,421,990)	5,377	1,126,005	(57,290,608)
As at 31 December 2014				
Trade and other receivables	-	36,398	117,858	154,256
Investments in joint venture	-	-	1,008,221	1,008,221
Trade and other payables	(20,122,243)	(131,257)	-	(20,253,500)
Other current liabilities	-	(12,831)	-	(12,831)
Short-term debt and current portion of long-term debt	(5,625,967)	-	-	(5,625,967)
Long-term debt	(42,194,756)	-	-	(42,194,756)
	(67,942,966)	(107,690)	1,126,079	(66,924,577)

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NIS Group**Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015***(All amounts are in 000 RSD, unless otherwise stated)***24. RELATED PARTY TRANSACTIONS (continued)**

For the three month period ended 31 March 2015 and 2014 the following transaction occurred with related parties:

	Parent	Entities under common control	Joint venture	Total
Three month period ended 31 March 2015				
Petroleum products and oil and gas sales	-	(2,642)	-	(2,642)
Other Revenues	-	(26,303)	-	(26,303)
Purchases of oil, gas and petroleum products	(12,368,803)	(1,952,154)	-	(14,320,957)
Production and manufacturing expenses	(3,137)	-	-	(3,137)
Other expenses, net	(11,057)	111,407	-	100,350
Finance expense	(255,701)	-	-	(255,701)
	(12,638,698)	(1,869,692)	-	(14,508,390)
Three month period ended 31 March 2014				
Petroleum products and oil and gas sales	-	718,136	-	718,136
Purchases of oil, gas and petroleum products	-	(25,682,902)	-	(25,682,902)
Production and manufacturing expenses	(1,849)	(4,907)	-	(6,756)
Selling, general and administrative expenses	(7,229)	-	-	(7,229)
Other expenses, net	(4,556)	3,909	-	(647)
Finance expense	(299,073)	-	-	(299,073)
	(312,707)	(24,965,764)	-	(25,278,471)

Key management compensation

Management compensation paid or payable in three month period ended 31 March 2015 and 2014 is shown in the table below::

	Three month period ended 31 March	
	2015	2014
Salaries and other short-term employee benefits	128,955	73,824
	128,955	73,824

25. EVENTS AFTER THE REPORTING DATE

No significant events, which required disclosure in these Interim Condensed Consolidated Financial Statements, occurred after the reporting date.

Subsequent events occurring after 31 March 2015 were evaluated through 27 April 2015, the date these Interim Condensed Consolidated Financial Statements were authorised for issue.

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Notes to the Interim Condensed Consolidated Financial Statements for the three month period ended 31 March 2015

(All amounts are in 000 RSD, unless otherwise stated)

NIS Group

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