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In Two Years Petrohemija Will From a Loss Maker Turn Into a Profitable Company

Regarding the Agreement on Strategic Cooperation between NIS and Government of RoS in the area of increasing the efficiency of production and financial stability of HIP «Petrohemija», a press conference was held at the company premises in Pančevo. Agreement on Strategic Cooperation, signed on 21st November was presented by NIS CEO Kirill Kravchenko, Minister of Economy and Regional Development Nebojša Ćirić, as well as by the CEO of HIP Petrohemija Saša Pavlov.

Actually, the agreement foresees three phases of recovery of HIP Petrohemija: financial restructuring, implementation of investment program and the change of the company management. After restructuring of the debt of HIP Petrohemija to the Government of RoS, Srbijagas, EPS, NIS and other creditors, alongside investment realization, the biggest shareholderes of Petrohemija will be NIS (33.6 percent), the state, and state-owned companies.

On that occassion Kirill Kravchenko pointed out:

- We believe that in the same manner in which we managed to turn NIS into a highly successful company, we can be successful with Petrohemija as well. Personnel improvements in Board of Directors and Management Board Petrohemija by international experts, the efficiency of the company will be significantly improved. By mid next year NIS will finish the construction of the mild hydrocracking and hydrotreatment complex which will reach its maximum capacity in two years. Simultaneously, Petrohemija is one of the biggest purchasers of the straight-run naphtha produced in RNP and one of the biggest exporters in Serbia. After the capacity has been raised, Petrohemija will be able to double its exports. Therefore, we are certain that this joint project will be highly successful, said Kravchenko.

**Deputy CEO –
Director of Function for Legal and Corporate Affairs**

Sergey Fominykh
