



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE
OF OIL AND OIL DERIVATIVES

JUGOPETROL AD KOTOR

2013 ANNUAL BUSINESS REPORT

May 2013



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

CONTENTS

1.	BUSINESS ENVIRONMENT	3
1.1	ECONOMIC AND POLITICAL ENVIRONMENT IN MONTENEGRO	4
1.2	STRUCTURE OF THE COMPANY'S TOP MANAGEMENT	5
1.3	STRUCTURE OF CAPITAL, PURCHASE OF PETROL PRODUCTS.....	6
1.4	STAFF STRUCTURE	7
2.	BUSINESS ANALYSIS	8
2.1	SALES ANALYSIS OF PETROL PRODUCTS	9
2.2	OPERATING EXPENSES	11
2.3	INVESTMENT PROGRAM	12
2.4	EXPLORATION ACTIVITIES	12
2.5	FOCUSING ON THE ENVIRONMENT	13
2.6	FUEL QUALITY CONTROL	13
2.7	BUSINESS ACHIEVEMENTS IN THE 2013.....	15
3.	FINANCIAL RESULTS	16
3.1.	Consolidated Profit & Loss Statement.....	16
3.2.	Consolidated Balance Sheet.....	17
3.3.	Consolidated Cash flow Statement	18
3.4.	JPK Profit & Loss Statement	19
3.5.	JPK Balance Sheet	20
3.6.	JPK Cash flow statement.....	21
3.7	Key performance indicators	22



JUGOPETROL AD KOTOR

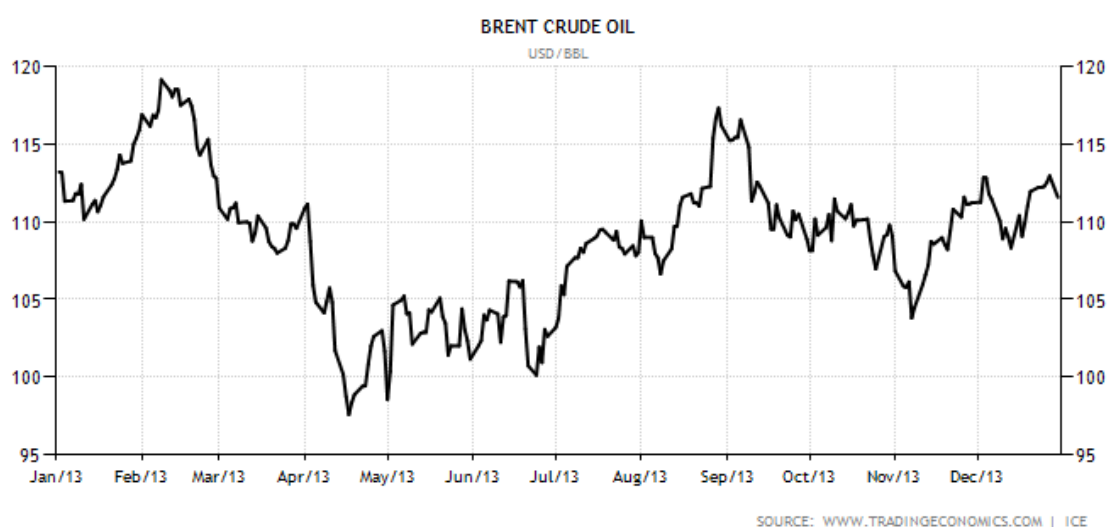
SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

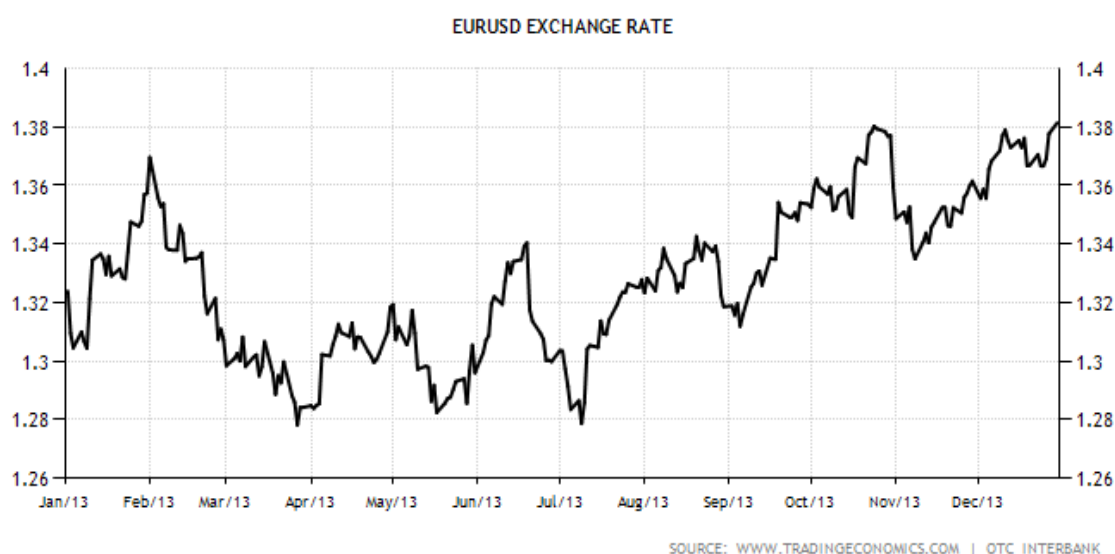
1. BUSINESS ENVIRONMENT

- **Key macroeconomic indicators in petrol products business:**

a. Daily fluctuation of Brent crude oil price in 2013:



b. Daily fluctuation of EUR/USD exchange rate in 2013:





JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

1.1 ECONOMIC AND POLITICAL ENVIRONMENT IN MONTENEGRO

The main political and economic developments in Montenegro in 2013 were the following:

- Montenegro has been an European Union (EU) candidate since December 2010. After the EU General Affairs Council had welcomed the start of accession negotiations with Montenegro in June 2012, a first negotiating chapter (on science and research) was opened and provisionally closed on 18th of December 2012. During 2013 six new chapters were opened out of which chapter on Education & Culture was closed.
- On the 4th of December 2012, the Montenegrin Assembly voted into office the new government headed by Milo Djukanovic, after his centre-left coalition won the general elections on 14th of October 2012.
- Moody's credit rating agency had confirmed Montenegro's Ba3 grade and stable long-term outlook. , Standard & Poor's affirmed Montenegro's long- and short-term BB-/B sovereign credit ratings, albeit downgraded the outlook from stable to negative due to persistent external vulnerabilities.
- After two consecutive quarters of contraction, the economy came out of recession in 2013, expanding by 2,4% year-on-year in the first half . Growth is mainly driven by tourism and exports of goods & services. Economy is exposed to significant financing requirements to cover, current-account gap and growing external debt. Additional risks still loom over the future of the aluminium factory's substantial debt guaranteed by the state, or the still very high level of non-performing domestic banks loans. Personal Income tax and VAT increased in 2013 and further corporate tax increases are imminent.
- The strong economic performance in the third quarter of 2013 had a mildly positive impact on labour market dynamics. The Labour force survey (LFS) presented an unemployment rate of 17.8% in the third quarter, its lowest level in the past three years, down from 19.2% in Q2 and 18.8% a year ago. However, long-term unemployment remains very high, reaching 83.7% in Q3, up from 82.2% a year before. Two years after their amendment, the Labour Law provisions prescribing employers to conclude a permanent job contract with all workers employed for over two years or terminate their employment came into effect in December 2013.

After stagnating in the third quarter of 2013, the gross average wage increased by nominal 2% year-on-year to EUR 727 in November, after edging up 0.6% a month before.

Key macroeconomic data in the Montenegro for the year 2013:

- a) 2013 GDP (constant prices) of €2,56m, a growth of +3,35%. (IMF)
- b) GDP per capita (constant prices) of € 4,100 up from €3,975 in 2012 (IMF)
- c) Population: 0,62m
- d) Inflation, average consumer prices (%): 2,19% (IMF)
- e) Unemployment rate: 17,8% (CCEQ)
- f) General Government Gross Debt as % GDP: 56,84% (IMF)

Sources:

IMF World Economic Outlook Database, April 2014

European Commission CCEQ



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

1.2 STRUCTURE OF THE COMPANY'S TOP MANAGEMENT

The Board of Directors structure during the year 2013 and as of December 31st 2013 was:

1. Petros Karalis, Chairman
2. Dragan Radusinovic, Member
3. Vuk Rajkovic, Member
4. Stamatia Psyllaki, Member
5. Konstantinos Karachalios, Member
6. Victor Papakonstantinou, Member
7. Matthaïos Matthaïou, Member

COMPANY'S DIRECTORS:

	Last Name & Name	Job position	Since	Until	% shareholding as of Dec 31, 2012
1	Geroulanos Ioannis	Executive Director	01/02/2011	onwards	/
2	Triantopoulos Andreas	Finance & Administration Co-ordinating Director	14/12/2011	onwards	/
3	Raičević Radovan	Legal & General Service Division Director	20/06/2002	onwards	0.0189%
4	Dimitrijević Radmilo	Development, Safety & Technical Division Director	01/10/2010	30/06/2013	/
5	Pavičević Ljubica	HR Division Director	24/07/2008	31/05/2013	0.0024%
6	Đelević Vladimir	HR Division Director	01/06/2013	onwards	/
7	Gačević Veselin	Installations & Logistics Division Director	01/11/2006	onwards	0.0115%
8	Čučković Špiro	Director of the Technical Division Technical Director	20/06/2002 28/09/2010	27/09/2010 onwards	/
9	Dinić-Tošev Nadežda	IT Division Director	01/01/2003	onwards	/
10	Dulanović Dejan	Retail Sales and Marketing Division Director	06/04/2009	31/12/2013	/
11	Županović Ivo	Retail Network Controlling Division Director	05/10/2011	onwards	0.0024%
12	Nikolić Dragan	Wholesale Division Director	05/10/2011	onwards	/
13	Radović Vuk	Commercial Director	01/12/2011	15/01/2013	/
14	Radulović Pavle	Commercial Director	15/02/2013	onwards	/
15	Samardžić Vlado	Director of Jugopetrol d.o.o. Trebinje Director of Internal Control Division	26/06/2009 01/06/2013	onwards onwards	/



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

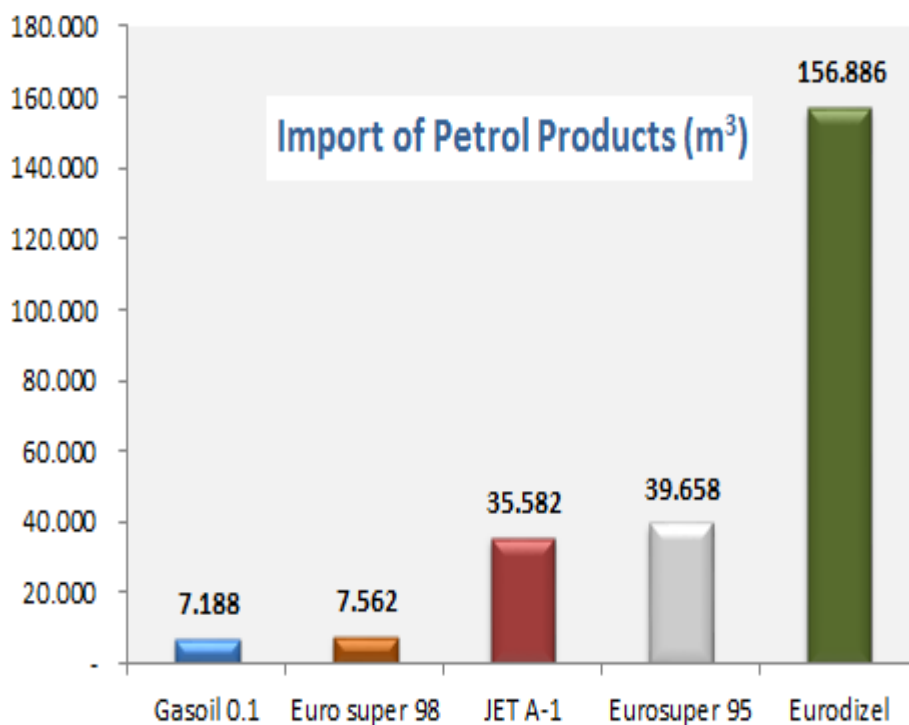
1.3 STRUCTURE OF CAPITAL, PURCHASE OF PETROL PRODUCTS AND STAFF

Shareholders Structure as of December 31, 2013 (nominal value/share €14.6083)

	Number Of shares	Percentage shareholding	31.12.2013
Hellenic Petroleum Int'l S.A.	2.529.489	54,35%	36.951.534
Privatizacioni fond "MIG"	428.714	9,21%	6.262.783
Fond zajednickog ulaganja "TREND"	277.711	5,97%	4.056.886
HB Zbimi kastodi racun 3	242.696	5,21%	3.545.376
CK - Zbimi kastodi racun 1	137.626	2,95%	2.010.482
Fond zajednickog ulaganja "ATLAS MONT"	52.424	1,12%	765.826
Otvoreni investicioni fond Moneta	44.458	0,95%	649.456
Republika Crna Gora	1	0,00%	15
Other legal entities	181.138	3,92%	2.646.118
Individuals	759.714	16,32%	11.098.130
Total	4,653,971	100.00%	67,986,605

PURCHASE OF PETROL PRODUCTS

During the 2013 Jugopetrol AD Kotor imported 246.876 m³ of petrol products:





JUGOPETROL AD KOTOR

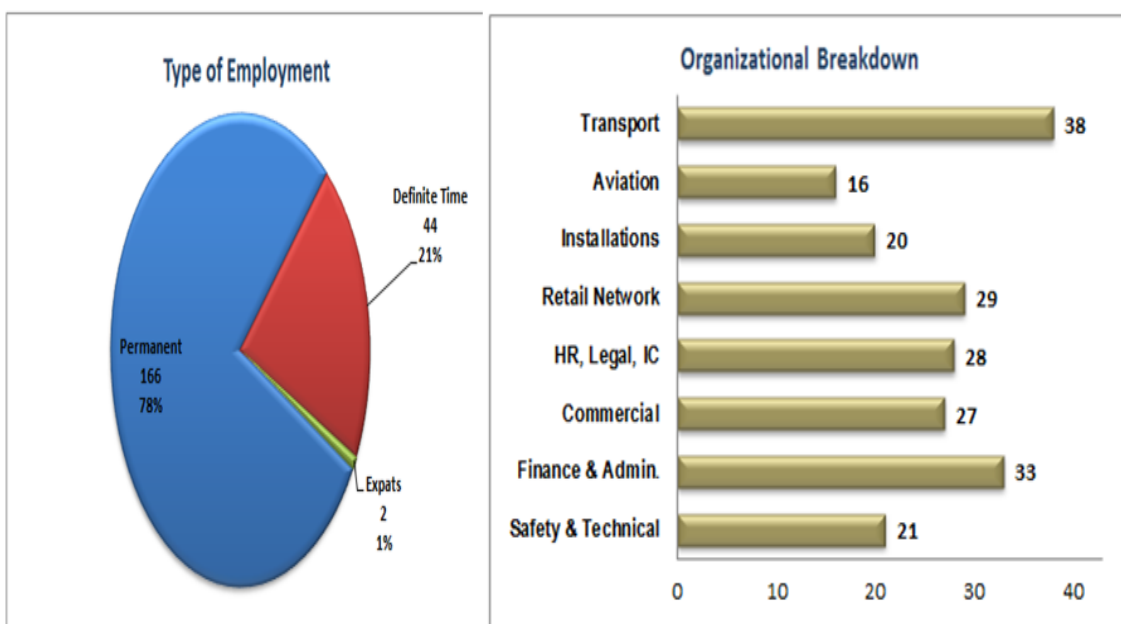
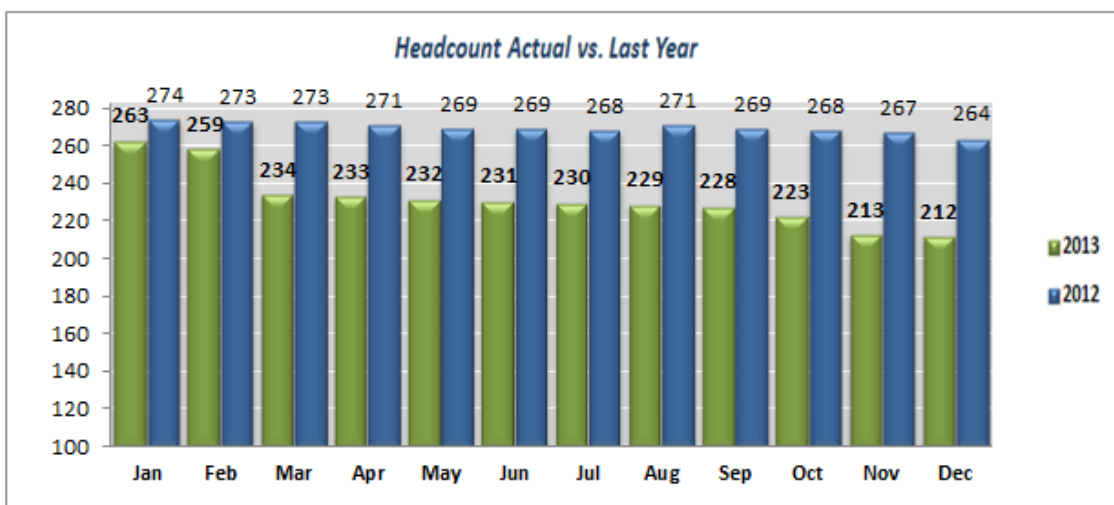
SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

1.4 STAFF STRUCTURE

As of 31.12.2013, the number of permanently employed personnel was 166. 24 months limit prescribed by the Labour Law for contracted employees expired on December 24th. Labour contract for 6 contracted employees in JPK was not extended, and 41 employees were hired on permanent basis starting from January 1st 2014.

Total number of employees who left the company in 2013 was 29.



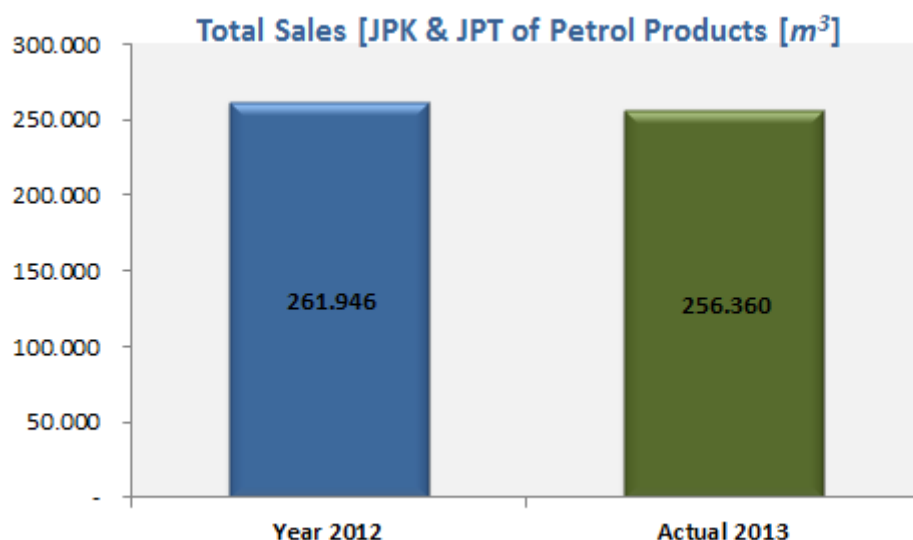


JUGOPETROL AD KOTOR

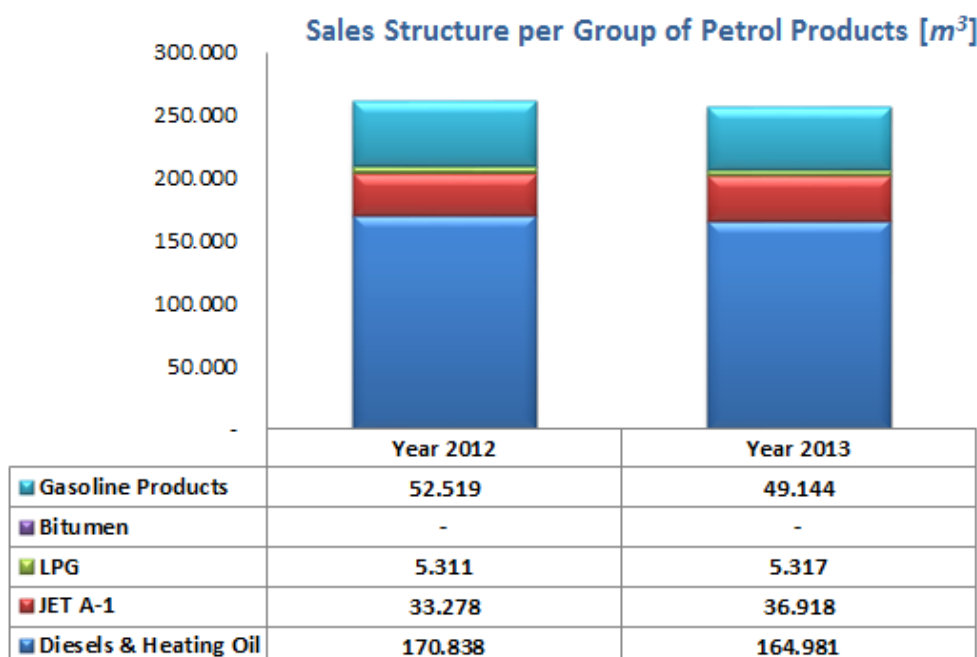
SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE
OF OIL AND OIL DERIVATIVES

2. BUSINESS ANALYSIS

Total consolidated sales volumes of petrol products, for the 2013, were 256.360 m³.



We sold fuel through the following distribution channels: Retail, Private Petrol Stations, Commercial & Industry, Aviation, Marine Bunkering and Exports.





JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

2.1 SALES ANALYSIS OF PETROL PRODUCTS

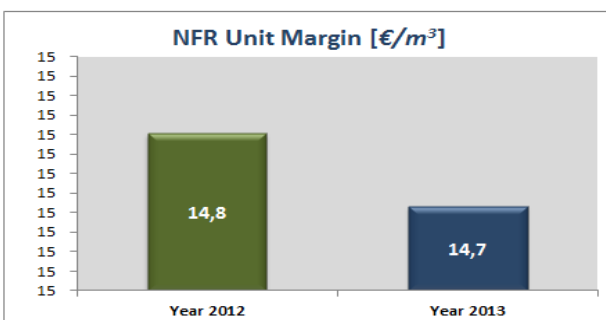
Overall fuel sales (JPK & JPT) for the FY 2013 were 256.360m³, which is 2% lower than the previous year. This reduction in sales volumes is net result of lost volumes in C&I (7.305 m³), Export (7.223 m³), Bunkering (2.677 m³) and Retail (2.221 m³) and increased volumes in PPS (9.962 m³) and Aviation (3.878 m³).

a. RETAIL DISTRIBUTION CHANNEL (JPK+JPT)

Petrol Products [m ³]	Year 2012	Year 2013	Δ%
Gasoline Products	36.257	33.103	-9%
Diesel Fuels	81.462	82.389	1%
LPG	5.311	5.317	0%
Total »	123.029	120.809	-2%

Retail volumes are 2% down as compared to previous year but given that we no longer operate in Bosnia and no longer operate YS Bar, like-for-like we managed to maintain Retail volume sales. During 2013 we completed installation of Avio diesel filters and we run several back-to-back aggressive marketing campaigns, mostly during the summer months. Trend of decreasing retail volume sales of gasoline products and increasing sales of Euro diesel and LPG will more than likely persist, as price sensitive consumers in Montenegro and from afar (during tourist season) keep seeking cheaper alternatives. As an increasing number of customers opt for diesel vehicles and there is an increasing trend of dieselization in Europe and beyond, we are inclined to see diesel as our main product in the retail sector in years to come. Regional breakdown of retail sector shows drop in coastal area as Feragent made no purchases in 2013 and Herceg Novi market was down due to a never-ending construction in the vicinity of one of our PS and as a result of ever tighter competition in this township. On the positive note, transit petrol stations performed far better than last year and sold much more (chiefly Euro diesel), since there is no unregulated competition in the area.

Non-Fuel Related (NFR) sales were down by 3% (€226K) compared to last year. NFR gross margin was €1.772K, which is down by 3% (€46K) versus 2012. This drop is combined result of a lower turnover and lower than anticipated GM on café, lubricants and cigarettes. Unit margin in 2013 was 14,7 €/m³, as compared to 14,8 €/m³ in 2012.





JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

b. WHOLESALE DISTRIBUTION CHANNEL (commercial sales, other legal entities and private petrol stations)

Petrol Products [m^3]	Year 2012	Year 2013	$\Delta\%$
Gasoline Products	16.262	16.042	-1%
Diesels & Heating Oil	89.376	82.592	-8%
Jet A-1	33.278	36.918	11%
Bitumen	-	-	
Total »	138.916	135.552	-2%

Wholesale volumes were down by 2% (3.364 m^3) as compared to 2012. This is a net result of lost volumes in C&I and increased sales in PPS sector.

C&I volumes continued the free-fall across the board. We keep losing customers due to a bleak economic environment and tough price competition in this segment coupled with more stringent credit policies (less flexible than our competitors). KAP discontinued buying fuel from June and has purchased 73% (4.717 m^3) less than last year. Montenegro Bonus (a government body in charge of the factory) purchased 357 m^3 less for the year. Our chances of recouping the lost volumes in this segment are ever so slim for the time being.

PPS volumes are up vs previous year primarily as a result of 8 new customers we gained during 2013. These new customers purchased a total of 12.517 m^3 for the year. This was a significant boost to our Diesel sales, which represents the majority of the total volume sales to our new PPS customers.

c. INTERNATIONAL SALES DISTRIBUTION CHANNEL (aviation and bunkering sales)

Aviation: Annual sales volumes were up by 12% (3.878 m^3). One important reason is that Croatia toughened its visa policies on the heels of joining the EU. This prompted visitors from the former USSR to visit Montenegro instead, which in turn resulted in increased number of flights and destinations. On the hand we saw slight decline for the last two months of 2013 as a result of lower volume sales to Montenegro Airlines, as they had a decrease in the number of flights and destinations.

Bunkering: Annual sales volumes were down by 23% (2.677 m^3). Declining trend in Bunkering volume sales is bound to persist predominantly as the result of increased competition from Porto Montenegro. Recovery in this segment is unlikely in the foreseeable future.

Exports: There is a significant drop of 26% in this sector as compared to 2012. The reason is a one-off sale we had in 2012 to a single customer in Serbia – Knez Petrol (purchased 86% or 6.665 m^3 of total exports), as we successfully capitalized on favourable excise laws at the time. The entire volume sold to Knez Petrol was Heating Diesel. When Serbia implemented the new Excise Law, it effectively rendered our sales price uncompetitive. Export volumes are expected to remain weak in the foreseeable future.



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

2.2 OPERATING EXPENSES

The breakdown of operating expenses is presented in the following table:

JUGOPETROL	Operating expenses*		
	(in €000)		
Expense categories	Year 2013	Year 2012	Index % 2013 / 2012
Gross salaries and other personal expenses	5.744	5.811	-1%
COMO fees	2.771	2.847	-3%
Materials and maintenance expenses	2.196	2.116	4%
Third party's services	695	985	-29%
Indirect taxes and contributions	546	550	-1%
Banking fees	329	346	-5%
Marketing expenses	269	263	2%
Licences	218	206	6%
Telecommunication and postal expenses	199	231	-14%
Donations and sponsorships	25	175	-86%
Other opex	858	1.043	-18%
TOTAL	13.850	14.573	-5%

* Operating expenses include Opex of Jugopetrol d.o.o Trebinje (JPT)

During 2013, the Company recorded a decrease in operating expenses by 5%, mainly due to:

- Decreased amount spent on Third party's services (consulting and lawyers' fees) by €290K ,
- Reduced Donations and sponsorships costs by €150K as compared to 2012
- Reduced COMO fees by €76K
- Reduced cost of Gross salaries and other personnel expenses by €67K
- Reduced Bank fees and Postal expenses by €49K



JUGOPETROL AD KOTOR

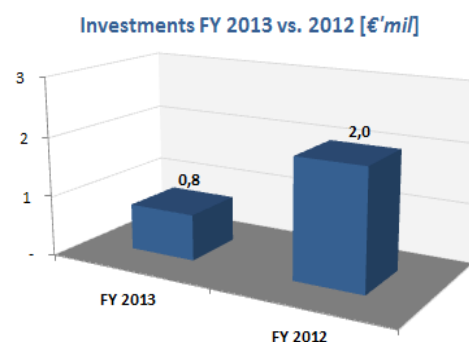
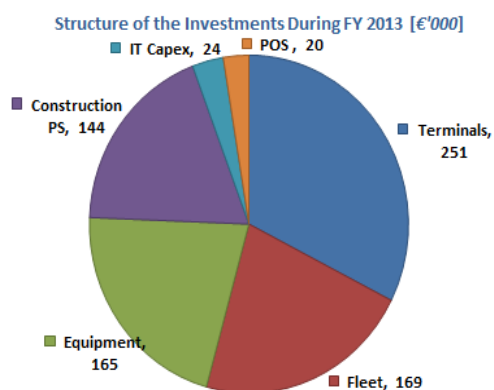
SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

2.3 INVESTMENT PROGRAM

General notes

During 2013 the total capital expenditure was €773K. Out of that amount we spent €166K on purchase of three trucks for fuel transportation. Through the year we invested €208K in additivition project and operability improvement of Bar Terminal and €43K in Tivat pipelines. We invested a total of €309K in remodelling and equipment of petrol stations. We also capitalized a total of €24K spent on IT equipment and additional €20K was spent on POS.



2.4 EXPLORATION ACTIVITIES

Jugopetrol AD Kotor, as a concessionaire (licensee) in the offshore of Montenegro, Blocks 1 and 2 (Prevlaka), has not realized its planned work program in 2011. In this area, Jugopetrol has a Joint Venture Contract with Medusa Montenegro Limited and Hellenic Petroleum International. Government of Montenegro states that *"the permission for conducting exploration on the subject blocks expired on 31 March 2007"*.

JPK and all of his partners resist this statement and reserve their rights on this issue.

It is noted that Jugopetrol had submitted to the Government a revised exploration proposal before March 31 2007, without receiving any reply.

The Government by a decision published in July 2012 has designated areas which are included in the upcoming oil and gas exploration licensing round . Those areas include the area of the Block 3 (Ulcinj) but also include areas that belong to Prevlaka blocks.

JPK filed injunction claim against this decision which has been dismissed and a case at the Constitutional Court which is pending to date, and depending on decision of the latter JPK will reconsider its position and actions.



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

With regard to the exploration of oil and gas in the Area of the Block 3 (Ulcinj), as it is known, the Government has terminated the Contract about Concession with Jugopetrol in this area in 2006.

The Ministry of Economy, Government of Montenegro, has published on 7th of August, 2013 the First Round for the Production Concession Contract, under the Law on Exploration and Production of Hydrocarbons, at the Official Gazette of Montenegro, no. 39/2013. Deadline for submission of applications/bids expires on 15th of May 2014 at 15:00 (UTC+01). The First Round includes 13 blocks in the Adriatic Sea covering area of 3.191 square km.

2.5 FOCUSING ON THE ENVIRONMENT

Jugopetrol AD Kotor as the member of the Hellenic Petroleum Group fully applies the proclaimed Group Policy for all kind of protection, safety and accidents prevention.

Our Company has assured all prerequisites and has adjusted its work processes in order to achieve the overall safety and protection at every level, as well as the Environmental protection and quality of life of all citizens.

Jugopetrol AD Kotor not only fully complies with the legislation and standards applied in Montenegro, but follows the processes of designing and adjusting the national regulations with the European standards by using international knowledge and experience applied in Hellenic Petroleum Group, by implementing new technologies and by applying the newest technical solutions.

Organizational and functional structure of the company is adjusted to the needs of preventing, monitoring and eliminating possible causes for the occurrence of any kind of accidents in every business segment.

The continuous and permanent training of the employees has been done according to the specified plan that complies with the Legal regulations. We maintain periodical training and adjustments of our procedures so as to mitigate the unlikely event of personal injury and property damage.

2.6 FUEL QUALITY CONTROL

Jugopetrol AD Kotor is mainly supplied from the refineries of Hellenic Petroleum and the fuels are transported by environment friendly double-bottom and panel vessels where the possibility of ecological accidents is minimal. In order to assure that the same high quality fuels are delivered to Jugopetrol installations and to consumers, every received fuel quantity is labelled with the unique batch number providing better fuel control.

The distribution and trade of fuel can start only after quality analysis in the laboratory is finished. Based on the fuel analysis the Quality Certificate is issued, which states that our fuel conforms to the national and international standards.

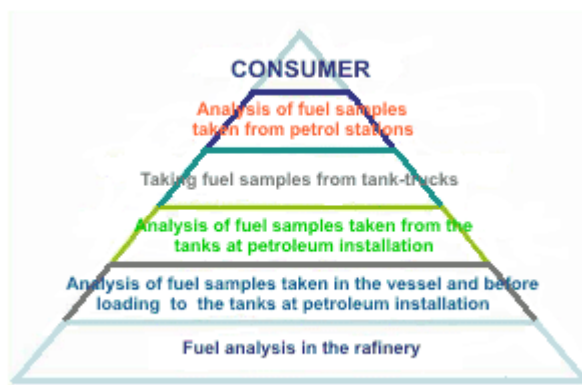


JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

Fuel quality monitoring continues with the fuel sampling in tank trucks before being unloaded to the tanks at petrol stations or delivered to the industry. Regular periodical analyses of the samples from petrol stations are made. In this way the overall fuel quality control is done in all distribution phases.



The following fuel features are determined in the laboratory:

- Density,
- Sulphur,
- Possible presence of water,
- Ignition point,
- Filtering point,
- Atmospheric distillation.

During the year, we introduced the new product (Aviodiesel) by implementing yet another layer of purifying our diesel fuel, which was well received by the market.



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

2.7 BUSINESS ACHIEVEMENTS IN THE 2013.

- ✓ Launched Economy 95, strengthened AvioDiesel and continued to support our brand with promotions.
- ✓ Increased market share in the face of increasing competition
- ✓ Increased PPS sales by 18% and Aviation by 12% to compensate collapsing C&I market.
- ✓ Completed urgent safety improvements on installations
- ✓ Extended improvements in fuel stock management to secondary transportation.
Reduced losses further.
- ✓ Improved Credit Control and reduced Receivables and Overdues
- ✓ Resolved long-lasting FO handling fees dispute with Montenegro Bonus
- ✓ Sold two idle assets (properties) realizing a profit of €1.2m



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

3. FINANCIAL RESULTS

3.1. Consolidated Profit & Loss Statement

Consolidated Profit & Loss Statement	YEAR 2013	YEAR 2012
REVENUES	183,426,726	201,061,297
Revenue	183,056,431	200,465,096
Other operating income	370,295	596,201
EXPENSES	-179,080,960	-194,971,113
Cost of goods sold	-162,076,440	-177,168,729
Cost of materials	-1,363,119	-1,520,389
Staff cost	-5,743,516	-5,810,569
Depreciation and amortization	-3,154,866	-3,229,819
Other operating expenses	-6,743,019	-7,241,607
OPERATING PROFIT	4,345,766	6,090,184
Finance income	441,193	532,444
Finance expenses	-470,923	-160,535
FINANCE INCOME ,NET	-29,730	371,909
Other income	2,513,590	1,029,084
Other expenses	-1,638,633	-2,993,351
OTHER INCOME,NET	874,957	-1,964,267
PROFIT BEFORE TAXATION	5,190,993	4,497,826
OTHER COMPREHENSIVE INCOME	-107,930	-67,214
Fair value of AFS financial assets	-164,099	-67,214
Revaluation reserves from actuarial gains (losses)	56,169	
INCOME TAX EXPENSE	-458,568	-258,410
Current income tax	-337,435	-260,400
Deferred income tax	-121,133	1,990
PROFIT FOR THE YEAR	4,624,495	4,172,201
EARNINGS PER SHARE		
Basic earning per share	1.02	0.90



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

3.2. Consolidated Balance Sheet

Consolidated Balance Sheet	YEAR 2013	YEAR 2012
NON CURRENT ASSETS	47,617,027	50,939,606
INTANGIBLE ASSETS	5,509,491	5,351,092
PROPERTY, PLANT & EQUIPMENT	39,349,676	42,419,647
Property, Plant & Equipment	39,266,091	42,299,799
Investment properties	83,585	119,848
LONG TERM FINANCIAL ASSETS	2,757,860	3,168,866
Investments in equity	982,594	1,162,921
Other long term financial assets	1,775,266	2,005,945
DEFERRED TAX ASSETS		59,085
CURRENT ASSETS	53,838,568	52,022,601
INVENTORIES	34,168,175	25,143,968
RECEIVABLES, SHORT TERM DEPOSITS AND CASH	19,670,393	26,878,633
Receivables	11,936,464	14,583,343
Short term deposits	2,234,462	2,765,147
Cash and cash equivalents	4,002,972	9,112,384
Value added tax and accruals	1,496,495	417,759
TOTAL ASSETS	101,455,595	103,021,292
EQUITY	91,052,897	92,262,311
Share capital	67,986,605	67,986,605
Reserves	7,767,365	7,549,534
Revaluation reserves	65,442	173,373
Retained earnings	15,233,485	16,552,799
PROVISIONS AND LONG TERM LIABILITIES	697,727	963,550
PROVISIONS	697,726	963,549
LONG TERM LIABILITIES	1	1
Other long term liabilities	1	1
DEFERRED TAX LIABILITIES	79,525	17,147
SHORT TERM PROVISIONS AND LIABILITIES	9,625,446	9,778,285
SHORT TERM LIABILITIES	9,625,446	9,778,285
Trade payables	3,953,000	3,871,562
Other short term liabilities and accruals	131,052	92,064
Value added tax and other tax payables	5,203,959	5,554,258
Income tax payables	337,435	260,400
TOTAL EQUITY AND LIABILITIES	101,455,595	103,021,292



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

3.3. Consolidated Cash flow Statement

Consolidated Cash Flow Statement	YEAR 2013	YEAR 2012
Cash flows from operating activities		
Net income before income taxes	5,190,993	4,497,826
Depreciation and amortization	3,154,866	3,229,819
(Increase)/decrease in inventories	-9,024,207	-1,343,806
Decrease/(increase) in trade and other receivables	2,646,879	5,449,403
Change in payables to suppliers	81,438	-147,274
Change in accruals	-24,140	-1,105,289
Interest paid		
Income tax paid	-260,400	-774,252
Changes in deferred tax and other non listed items	-2,746,045	134,846
Net cash generated from operating activities	-980,616	9,941,273
Cash flows from investing activities		
Inflows from investing activities	2,551,729	287,568
Sale of shares/stakes (net inflow)		18,190
Proceeds from disposal of PP&E and materials	1,817,150	171,948
Other financial investments (net inflow)	500,000	
Interest received	234,579	97,430
Outflows from investing activities	887,629	4,783,904
Purchase of property, plant and equipment	887,629	2,283,904
Other financial investments (net outflow)		2,500,000
Net cash used in investing activities	1,664,100	-4,496,336
Cash flows from financing activities		
Proceeds from financing activities	230,680	253,545
Proceeds from long term and short term loans	230,680	253,545
Cash outflows from financing activities	6,001,208	3,289,215
Long term ,short term and other liabilities		289,215
Dividends paid	6,001,208	3,000,000
Net cash used in financing activities	-5,770,528	-3,035,670
Net increase in cash and cash equivalents	-5,087,044	2,409,267
Cash and cash equivalents at 1 January	9,112,384	6,703,117
Foreign exchange gains/(losses)	-22,368	
Cash and cash equivalents at 31 December	4,002,972	9,112,384



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

3.4. JPK Profit & Loss Statement

Standalone Profit & Loss Statement	YEAR 2013	YEAR 2012
REVENUES	182.978.011	197.945.086
Revenue	182.617.894	197.364.110
Other operating income	360.117	580.976
EXPENSES	-178.552.014	-191.538.075
Cost of goods sold	-161.678.180	-174.360.427
Cost of materials	-1.306.476	-1.495.743
Staff cost	-5.727.401	-5.595.456
Depreciation and amortization	-3.137.016	-2.924.755
Other operating expenses	-6.702.941	-7.161.694
OPERATING PROFIT	4.425.997	6.407.011
Finance income	441.193	518.210
Finance expenses	-468.532	-160.452
FINANCE INCOME, NET	-27.339	357.758
Other income	2.281.444	979.858
Other expenses	-1.627.890	-5.240.693
OTHER INCOME, NET	653.554	-4.260.835
PROFIT BEFORE TAXATION	5.052.212	2.503.933
OTHER COMPREHENSIVE INCOME	-107.930	-67.214
Fair value of AFS financial assets	-164.099	-67.214
Revaluation reserves from actuarial gains (loss)	56.169	
INCOME TAX EXPENSE	-458.568	-258.410
Current income tax	-337.435	-260.400
Deferred income tax	-121.133	1.990
PROFIT FOR THE YEAR	4.485.714	2.178.309
EARNINGS PER SHARE		
Basic earning per share	0,99	0,47



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

3.5. JPK Balance Sheet

Standalone Balance Sheet	YEAR 2013	YEAR 2012
NON CURRENT ASSETS	47.586.333	50.670.334
INTANGIBLE ASSETS	5.509.491	5.351.092
PROPERTY, PLANT & EQUIPMENT	39.318.982	42.100.374
Property, Plant & Equipment	39.235.397	41.980.526
Investment properties	83.585	119.848
LONG TERM FINANCIAL ASSETS	2.757.860	3.218.868
Investments in equity	982.594	1.162.922
Other long term financial assets	1.775.266	2.055.946
DEFERRED TAX ASSETS		59.085
CURRENT ASSETS	53.898.694	52.371.853
INVENTORIES	34.167.580	25.015.139
RECEIVABLES, SHORT TERM DEPOSITS AND CASH	19.731.114	27.356.714
Receivables	12.009.135	15.123.426
Short term deposits	2.234.462	2.765.147
Cash and cash equivalents	3.991.235	9.055.015
Value added tax and accruals	1.496.282	413.126
TOTAL ASSETS	101.485.027	103.101.272
EQUITY	91.083.090	92.431.286
Share capital	67.986.605	67.986.605
Reserves	7.767.365	7.549.534
Revaluation reserves	65.442	173.373
Retained earnings	15.263.678	16.721.774
PROVISIONS AND LONG TERM LIABILITIES	697.727	963.550
PROVISIONS	697.726	963.549
LONG TERM LIABILITIES	1	1
Other long term liabilities	1	1
DEFERRED TAX LIABILITIES	79.525	17.147
SHORT TERM PROVISIONS AND LIABILITIES	9.624.685	9.689.289
SHORT TERM LIABILITIES	9.624.685	9.689.289
Trade payables	3.952.757	3.813.500
Other short term liabilities and accruals	130.529	68.714
Value added tax and other tax payables	5.203.964	5.546.675
Income tax payables	337.435	260.400
TOTAL EQUITY AND LIABILITIES	101.485.027	103.101.272



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

3.6. JPK Cash flow statement

Standalone Cash Flow Statement	YEAR 2013	YEAR 2012
Cash flows from operating activities		
Net income before income taxes	5.052.212	2.503.934
Depreciation and amortization	3.137.016	2.924.755
(Increase)/decrease in inventories	-9.152.441	-1.407.210
Decrease/(increase) in trade and other	3.114.291	5.638.845
Change in payables to suppliers	139.257	-66.264
Change in accruals	-24.140	-1.105.289
Interest paid		
Income tax paid	-260.401	-774.252
Changes in deferred tax and other non listed items	-2.490.780	2.228.343
Net cash generated from operating activities	-484.986	9.942.861
Cash flows from investing activities		
Inflows from investing activities	2.051.729	287.568
Sale of shares/stakes (net inflow)		18.190
Proceeds from disposal of PP&E and materials	1.317.150	171.948
Other financial investments (net inflow)	500.000	
Interest received	234.579	97.430
Outflows from investing activities	887.629	4.783.142
Purchase of property, plant and equipment	887.629	2.283.142
Other financial investments (net outflow)		2.500.000
Net cash used in investing activities	1.164.100	-4.495.574
Cash flows from financing activities		
Proceeds from financing activities	280.680	253.545
Proceeds from long term and short term loans	280.680	253.545
Cash outflows from financing activities	6.001.208	3.289.215
Long term, short term and other liabilities		289.215
Dividends paid	6.001.208	3.000.000
Net cash used in financing activities	-5.720.528	-3.035.670
Net increase in cash and cash equivalents	-5.041.414	2.411.617
Cash and cash equivalents at 1 January	9.055.015	6.643.398
Foreign exchange gains/(losses)	-22.367	
Cash and cash equivalents at 31 December	3.991.234	9.055.015



JUGOPETROL AD KOTOR

SHAREHOLDING COMPANY FOR EXPLORATION, EXPLOITATION AND TRADE

OF OIL AND OIL DERIVATIVES

3.7. Key Performance indicators

Consolidated KPIs	YEAR 2013	YEAR 2012
ROACE	6.13%	4.93%
EVA	-3,917,025	-4,452,307
EBITDA Margin %	4.57%	3.66%
Net Profit Margin %	2.52%	2.08%
Gross Profit Margin %	11.64%	11.88%
Debt / Equity %	0.00%	0.00%
Net Debt	-4,002,972	-9,112,384

Standalone KPIs	YEAR 2013	YEAR 2012
ROACE	5.96%	2.53%
EVA	-4,049,684	-6,276,506
EBITDA Margin %	4.49%	2.56%
Net Profit Margin %	2.45%	1.10%
Gross Profit Margin %	11.64%	11.91%
Debt / Equity %	0.00%	0.00%
Net Debt	-3,991,235	-9,055,015

**Director for financial
coordination & administration**

Andreas Triantopoulos

Executive director

Ioannis Geroulanos