

THE PRELIMINARY REPORT
regarding Societatea OIL TERMINAL S.A. Constanta
on 31st December 2016

Preliminary report, issued according to:	Law n. 297/2004 regarding the capital market and CNVM Regulation no.1/2006 regarding the issuers and securities operations
Report date	15. 02. 2017
Commercial company name	OIL TERMINAL S.A.
Social headquarter	No. 2, Caraiman str.,CONSTANTA, ROMANIA
Phone/fax number	0040 241 702600 / 0040 241 694833
E-mail / Internet	Office@oil-terminal.com / www.oil-terminal.com
Unic registering code at the Coomerce Registrar Office	RO2410163
Order number at the Commerce Registrar	J/13/512/1991
The subscribed and paid social capital	58,243,025 Lei
The regulated market on which the issued securities are traded	Bucharest Stock Exchange Standard category
The main characteristics of the securities issued:	582,430,253 shares with a nominal value of 0.10 lei/share, nominative, indivisible, with equal voting rights, freely tradable at Bucharest Stock Exchange with symbol OIL
Audit	Preliminary simplified financial audited situations issued on 31.12.2016 are not audited
Reporting currency:	Romanian leu (RON) – all the presented amounts are in RON, if otherwise mentioned.

1. The economic financial situation:

The main indicators' preliminary evolution for the company, in 2016,comparing to the budget of revenues and expenditures of the previous year is as follows:

Indicators	Budget of revenues and expenditures Year 2016	Preliminary Year 2016	▲ ▼ Preliminary / Budget of revenues and expenditures Year 2016	Achieved Year 2015	▲ ▼ Preliminary Year 2016 Achieved Year 2015
0	1	2	3=2/1	4	5=2/4
PERFORMANCE INDICATORS					
EBITDA (million lei)	12.01	32.02	▲ 166.6%	29.05	▲ 10.2%
Total achieved quantities (tons)	5,104,185	5,935,113	▲ 16.3%	5,430,387	▲ 9.3%
Total operation revenues (million lei)	132.99	161.40	▲ 21.4%	139.02	▲ 16.1%
Operation expenses (million lei)	128.46	140.95	▲ 9.7%	128.96	▲ 9.3%

Operation expenses (%turnover)	97.05%	87.78%	- 9.27 p.p.	93.27%	- 5.49 p.p.
Gross profit limit (%turnover)	3.25%	12.14%	+ 8.89 p.p.	7.35%	+ 4.79 p.p.
Productivity of value (lei/employee)	138,104	171,888	▲ 24.5%	144,963	▲ 18.6%
Employees average number	963	939	▼ 2.5%	959	▼ 2.1%
Investments – public domain (million lei)	3.18	3.13	▼ 1.6%	3.99	▼ 21.5%
Investments - company (million lei)	7.14	9.97	▲ 39.6%	8.71	▲ 14.5%

a) Preliminary financial position situation on 31st December 2016

	31st December 2016 (non audited)	31st DecembER 2015 (audited)	▲ ▼ %
Assets			
Tangible assets			
Intangible assets	3,609,380	3,842,195	▼ 6.1%
Tangible assets	458,409,851	452,535,812	▲ 1.3%
Tangible assets in execution	2,310,795	8,053,492	▼ 71.3%
Financial assets	809,075	809,075	-
Total tangible assets	465,139,101	465,240,574	▼ 0.02%
Current assets			
Stocks	1,055,313	659,463	▲ 60.0%
Assimilated clients and accounts	16,475,092	14,118,800	▲ 16.7%
Other receivables	1,888,716	2,845,905	▼ 33.6%
Taxation and taxes to be recovered	3,044	165,243	▼ 98.2%
Cash and cash equivalents	26,001,897	21,022,923	▲ 23.7%
Total current assets	45,424,062	38,812,334	▲ 17.0%
TOTAL Assets	510,563,163	504,052,908	▲ 1.3%
Own capitals			
Social capital	58,243,025	58,243,025	-
Other elements of own capitals	221,566	221,566	-
Reserves from reevaluation	210,424,944	211,016,140	▼ 0.3%
Legal reserves	3,692,585	3,153,540	▲ 17.1%
Other reserves	174,254,031	171,733,191	▲ 1.5%
Surplus achieved from reserves from reevaluation	4,680,760	4,089,562	▲ 14.5%
Reported result without IAS 29	396,930	396,930	-
Reported result arisen from the accountant errors correction	(25,839,366)	(25,839,366)	-

Current profit	15,441,104	5,913,710	▲ 161.1%
Total own capitals	441,515,579	428,928,298	▲ 2.9%
Debts on long term			
Loans on long term	7,331,250	9,011,593	▼ 18.6%
Debts regarding taxation on postponed profit	28,723,015	28,723,015	-
Total debts on long term	36,054,265	37,734,608	▼ 4.5%
Current debts			
Debts on long term – current part			
	1,815,458	2,896,375	▼ 37.3%
Commercial debts			
	11,407,881	15,694,022	▼ 27.3%
Debts regarding taxation and taxes	5,731,147	5,112,884	▲ 12.1%
Other current debts	2,277,732	1,767,684	▲ 28.8%
Total current debts	21,232,218	25,470,965	▼ 16.6%
Total debts	57,286,483	63,205,573	▼ 9.4%
Provisions	11,698,647	11,826,513	▼ 1.1%
Subventions	62,454	92,524	▼ 32.5%
TOTAL own capitals and debts	510,563,163	504,052,908	▲ 1.3%

Tangible assets

Inn the tangible assets structure, there are the effected investments for the company' own capital, and the investments effected for the public domain., according to the Lease oil agreement of the crude oil and petroleum products' handling activity.

On 31.12.2016 the tangible and intangible assets recorded a decrease of 101,473 lei (0.02%) comparing to 31.12.2015, in the structure recording an increase of tangible assets by 1.3% (5,874,039 lei) and a decrease of intangible assets by 6.1% (232,815 lei) and of tangible assets in execution by 71.3% (5,742,697 lei).

Current assets

On 31.12.2016, the total current assets recorded an increase by 17% comparing to 31.12.2015, mainly, due to the increase by 24% of cash flow and cash equivalents.

Debts on long term

Debts on long term in an amount of 36,054,265 lei recorded a decrease of 1,680,343 lei, namely 4.5% comparing to 31.12.2015, further the reimbursements of the 2 investments credits contracted in 2011, namely 2013.

Debts on short term

On 31st December 2016 the debts on short term recorded a decrease of 16.6% comparing to 31.12.2015, mainly determined by the commercial debts to suppliers.

On 31.12.2016 the company does not record debts to the state budget (ANRM included), social insurances budget, local budget, investments suppliers, services supplies and goods deliveries.

Own capitals

Own capitals recorded an increase of 2.9% comparing to 31.12.2015, further the net profit increase by 9.5 thousand lei in this period.

OIL shares evolution

The main shareholder is the Romanian State represented by the Ministry of Energy, owing 59.62% of the social capital.

The fully subscribed and paid capital is 58,243,025 lei distributed in 582,430,253 ordinary shares with a nominal value of 0.10 lei/share.

The shares issued by the company are traded at sight, on the regulated market, Bucharest Stock Exchange, in department Capital titles, Standard Class, under symbol OIL, since 09.02.1998.

On 30.12.2016, the shares were traded at the value of 0.0942 lei/share (closing price)

Information about issue

Total shares number	582,430,253
Nominal value	0.1000
Social capital	58,243,025.30
Stock indicators on 30.06.2016 according Bucharest Stock Exchange	
Capitalization	54,864,929.83
PER	9.28
P/BV	0.13
EPS	0.01
DIVY	5.20
Gross dividend (2015)	0.004899

b) Preliminary financial position situation on 31st December 2016

	31st December 2016 (non audited)	31st December 2015 (audited)
Revenues from services supplies	159.561.475	137.361.440
Revenues from the residual products' sale	1.205.638	851.283
Other revenues from operation	1.443.599	(7.310.194)
Material expenses	8.942.594	7.186.274
Expenses of energy and water	3.743.018	4.260.497
Expenses of employees	64.527.219	59.990.006
Expenses of services nonexecuted by third parties	12.461.140	12.279.951
Expenses of amortization	12.375.301	10.874.605
Other operation expenses	39.708.613	26.252.469
Result from operation	20.452.827	10.058.727
Financial revenues and expenses (net values)	(963.712)	104.457
Year gross result	19.489.115	10.163.184
Expenses regarding the taxation on profit	4.048.011	4.249.474
Year net result	15.441.104	5.913.710
Other elements of overall result		
Elements not being reclassified in profit and loss, from which:		
	591.197	12.591.241
	591.197	880.460

Surplus from assets' re evaluation	0	14.490.547
Debt regarding the postponed taxation related to reserve from re evaluation	0	2.779.768
Total overall result	16.032.301	18.504.951
Result per share (lei/share)	0.027526	0,031772
Diluted result per share (lei/share)	0,027526	0,031772

Preliminary economic financial indicators year 2016 comparing to the approved Budget of Revenues and Expenditures 2016

Indicators	Preliminary year 2016 (thousand lei)	Budget of revenues and expenses Year 2016 (thousand lei)	Preliminary Budget of revenues and expenses (%)
Net turnover	160,579	132,365	121.3
Operation revenues	161,403	132,995	121.4
Operation expenses	140,950	128,461	109.7
Operational profit	20,453	4,534	451.1
EBITDA	32,020	12,007	266.7
Financial revenues	856	1,620	52.8
Financial expenses	1,820	1,854	98.2
Financial result	(964)	(234)	412.0
Total revenues	162,259	134,615	120.5
Total expenses	142,770	130,315	109.6
Gross profit	19,489	4,300	453.2
Net profit	15,441	1,433	1,077.5

In 2016, the services supplies physical program achieved (5,935 thousand tons) recorded an increase of 16.3% comparing to the planned level (5,104 thousand tons).

The exceeding of the services supplies physical program led to a turnover achievement of 160.6 mil. lei, increasing by 21.3%, more than the planned level.

The preliminary indicators achieved on 31.12.2016 comparing to the approved level by Budget of Revenues and Expenses shows a positive evolution:

- Turnover increased by 21.3% due to the increase by 22.7% of the revenues from the supplied services
- Operation expenses are higher than 9.7%
- Operational profit increased by 4.5 times (+15,919 thousand lei), due to the handled products quantities increase
- Gross profit increased by 4.5 times (+15,189 thousand lei) due to operational profit increase
- Operation gross result (EBITDA) increased 2.7 times

Preliminary economic, financial indicators on 31.12.2016 comparing to the previous year

Indicators	Preliminary year 2016 (thousand lei)	Budget of revenues and expenses Year 2016 (thousand lei)	Preliminary Budget of revenues and expenses (%)
Net turnover	160,579	138,266	116.1
Operation revenues	161,403	139,020	116.1
Operation expenses	140,950	128,961	109.3

Operational profit	20,453	10,059	203.3
EBITDA	32,020	29,051	110.2
Financial revenues	856	1,691	50.6
Financial expenses	1,820	1,587	114.7
Financial result	(964)	104	-
Total revenues	162,259	140,711	115.3
Total expenses	142,770	130,548	109.4
Gross profit	19,489	10,163	191.8
Net profit	15,441	5,914	261.1

In 2016, the services supplies physical program achieved (5,935 thousand tons) recorded an increase of 9.3% comparing to the level achieved on 31.12.2015 (5,430 thousand tons).

The exceeding of the services supplies physical program led to a turnover achievement of 160.6 mil. lei, increasing by 16.1%, comparing to 31.12.2015.

OPERATIONAL RESULTS

Operational revenues

Preliminary operational revenues achieved on 31.12.2016 comparing to the approved Budget of Revenues and Expenses 2016

Indicators	Preliminary Year 2016	Budget of revenues and expenses Year 2016	Preliminary/ Budget of revenues and expenses (%)
0	1	2	3 = 1/2
Handled quantities (thousand tons), from which:	5,935	5,104	116.3
Crude oil	3,038	2,810	108.1
Other petroleum and petrochemical products	2,897	2,294	126.3
Revenues from supplied services (thousand lei), from which:	158,671	129,355	122.7
Crude oil	52,566	44,057	119.3
Other products and services	106,105	85,298	124.4
Revenues from hires (thousand lei)	455	410	111.0
Other revenues related to turnover (thousand lei)	1,453	2,600	55.9
Other revenues from operation (thousand lei), from which:	824	630	130.8
Revenues from assets' sale	130	-	-
Other revenues	694	630	110.2
Total revenues from operation (thousand lei)	161,403	132,995	121.4

Revenues from the supplied services increased by 22.7% comparing to approved Budget of Revenues and Expenses, due to the handled quantities' exceeding by 16.3%, namely by 831 thousand tons.

Preliminary operational revenues achieved on 31.12.2016 comparing to the previous year

Indicators	Preliminary Year 2016	Budget of revenues and expenses	Preliminary/ Budget of revenues and
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	Year 2016		expenses (%)
0	1	2	3 = 1/2
Handled quantities (thousand tons), from which:	5,935	5,430	109.3
Crude oil	3,038	2,918	104.1
Other petroleum and petrochemical products	2,897	2,512	115.3
Revenues from supplied services (thousand lei), from which:	158,671	136,248	116.5
Crude oil	52,566	50,089	104.9
Other products and services	106,105	86,159	123.2
Revenues from hires (thousand lei)	455	407	111.8
Other revenues related to turnover (thousand lei)	1,453	1,611	90.2
Other revenues from operation (thousand lei), from which:	824	754	109.3
Revenues from assets' sale	130	16	812.5
Other revenues	694	738	94.0
Total revenues from operation (thousand lei)	161,403	139,020	116.1

In 2016 comparing to 2015, the revenues from the supplied services increased by 16.5%, namely, 22,423 thousand lei, due to the handled quantities exceeding by 9.3%, namely by 505 thousand tons.

The tariffs for the crude oil and petroleum products' handling through the oil terminal are regulated tariffs, namely tariffs settled by the National Agency for Mineral Resources (ANRM), and approved by ANRM' President order, according to Oil agreement concluded between Societate and Agency, according to Government Decision no.886/2002.

In 2016, regulated tariffs were used, according to the following ANRM' orders:

- ANRM' order no.288/09.12.2014 for the period 01.01.2016 – 06.11.2016
- ANRM' order no.251/01.11.2016 for the period 07.11.2016 – 31.12.2016

Operational expenses

Preliminary operational expenses achieved on 31.12.2016 comparing to the approved Budget of Revenues and Expenses 2016

Indicators	Preliminary year 2016 (thousand lei)	Budget of revenues and expenses Year 2016 (thousand lei)	Preliminary/ Budget of revenues and expenses (%)
0	1	2	3 = 1/2
Material expenses, from which:	8,943	5,980	149.5
- consumables expenses, from which:	7,392	5,100	144.9
- fuel expenses	1,264	1,800	70.2
Other external expenses (energy and water)	3,743	4,300	87.0
Employees expenses, from which:	64,787	64,653	100.2
- salaries expenses	52,847	52,647	100.4
- social protection expenses	11,408	11,267	101.3
- other employees expenses	532	739	72.0
Tangible and intangible assets amortization expenses	12,375	12,682	97.6
External supplies expenses, from which:	46,613	33,654	138.5
- maintenance (maintenance and repairs)	22,915	11,000	208.3
- oil royalty	6,828	5,126	133.2

- other services supplied by third parties	16,870	17,528	96.2
Regulations and depreciations for value loss and provisions, from which:	- 793	- 5,209	15.2
-expenses regarding regulations and provisions	2,521	10,768	23.4
- revenues from provisions and regulations for depreciation or value loss	3,314	15,977	20.7
Other operation expenses	5,282	12,401	42.6
Total operation expenses	140,950	128,461	109.7

Although in 2016, the operation total expenses exceed by 9.7% the level provided in budget, that exceed complies with the provisions of art.10 paragraph (1), letter b) of GD no.26/2013 being in correlation with the total revenues achievement degree, complying with the approved efficiency indicators.

Preliminary operational expenses achieved on 31.12.2016 comparing to the previous year

Indicators	Preliminary year 2016 (thousand lei)	Budget of revenues and expenses Year 2016 (thousand lei)	Preliminary/ Budget of revenues and expenses (%)
0	1	2	3 = 1/2
Material expenses, from which:	8,943	7,186	124.4
- consumables expenses, from which:	7,392	6,197	119.3
- fuel expenses	1,264	1,444	87.5
Other external expenses (energy and water)	3,743	4,260	87.9
Employees expenses, from which:	64,787	60,248	107.5
- salaries expenses	52,847	47,836	110.5
- social protection expenses	11,408	10,546	108.2
- other employees expenses	532	1,866	28.5
Tangible and intangible assets amortization expenses	12,375	10,875	113.8
External supplies expenses, from which:	46,613	32,132	145.1
- maintenance (maintenance and repairs)	22,915	11,185	204.9
- oil royalty	6,828	5,312	128.5
- other services supplied by third parties	16,870	15,635	107.9
Regulations and depreciations for value loss and provisions, from which:	- 793	9,989	-
-expenses regarding regulations and provisions	2,521	15,680	16.1
- revenues from provisions and regulations for depreciation or value loss	3,314	5,691	58.2
Other operation expenses	5,282	4,271	123.7
Total operation expenses	140,950	128,961	109.3

On 31.12.2016, the preliminary operation expenses increased by 9.3% comparing to the previous year' same period, mainly due to the maintenance (maintenance and repairs) expenses' increase.

c) Capital expenses (investments)

For 2016, the investments expenses were planned in an amount of 10,319 thousand lei. On 31.12.2016 the achieved value level of investments objectives was 13,107 thousand lei, increasing by 27%.

No	Investment type name	Proposed value year 2016 (thousand lei)	Achieved value on 31.12.2016 (thousand lei)	Achievement degree on 31.12.2016 (%)
0	1	2	3	4 = 3/2
1	Investments objectives for the company' own patrimony	7,139	9,973	139.7
22	Investments public domain (upgrading)	3,180	3,134	98.6
33	Total investments expenses	10,319	13,107	127.0

**General Director,
Viorel Sorin CIUTUREANU**

**Economic Director
Adriana FRANGU**

**Chief of Tariffs, Economic Analysis Dept.,
Carmen Radu**

	2016, December 31th (non audited)	2015, December, 31th (audited)
ASSETS		
FIXED ASSETS		
Intangible assets	3.609.380	3.842.195
Tangible assets	458.409.851	452.535.812
Tangible assets in execution	2.310.795	8.053.492
Financial assets	809.075	809.075
Total fixed assets	465.139.101	465.240.574
CURRENT ASSETS		
Stoks	1.055.313	659.463
Clients and assimilated accounts	16.475.092	14.118.800
Other receivables	1.888.716	2.845.905
Fees and taxes to be recovered	3.044	165.243
Cash and cash equivalents	26.001.897	21.022.923
Total current assets	45.424.062	38.812.334
Total assets	510.563.163	504.052.908
OWN CAPITALS		
Social capital	58.243.025	58.243.025
Other elements of own capitals	221.566	221.566
Reserves from reevaluation	210.424.944	211.016.140
Legal reserves	3.692.585	3.153.540
Other reserves	174.254.031	171.733.191
Surplus achived from reevaluation reserves	4.680.760	4.089.562
Rezultat reported without IAS 29	396.930	396.930
Rezultat reportat arisen from accountant errors correction	(25.839.366)	(25.839.366)
Curent profit	15.441.104	5.913.710
Total own capitals	441.515.579	428.928.298
DEBTS ON LONG TERM		
Loans on long term	7.331.250	9.011.593
Debts regarding tax on postponed profit	28.723.015	28.723.015
Total debts on long term	36.054.265	37.734.608
CURRENT DEBTS		
Loans on long term-current partcurenta	1.815.458	2.896.375
Commercial debts	11.407.881	15.694.022
Debts recarding taxations and taxes	5.731.147	5.112.884
Other current debts	2.277.732	1.767.684
Total current debts	21.232.218	25.470.965
Total debts	57.286.483	63.205.573
Provisions	11.698.647	11.826.513
Subventions	62.454	92.524
Total own capitals and debts	510.563.163	504.052.908

OIL TERMINAL – The preliminary situation of overall result on 2016, December 31th (all amounts are expressed in lei (RON) if not mentioned otherwise)

	Year completed On 2016, December 31th (non audited)	Year completed on 2015, December 31th (audited)
Revenues from services supplies	159.561.475	137.361.440
Revenues from residual products sale	1.205.638	851.283
Other revenues from operating	1.443.599	(7.310.194)
Material expenses	(8.942.594)	(7.186.274)
Energy and water expenses	(3.743.018)	(4.260.497)
Employees expenses	(64.527.219)	(59.990.006)
Services supplied by third parties expenses	(12.461.140)	(12.279.951)
Amortization expenses	(12.375.301)	(10.874.605)
Other operating expenses	(39.708.613)	(26.252.469)
Result from operating	20.452.827	10.058.727
Revenues and financial expenses (net values)	(963.712)	104.457
Year gross result	19.489.115	10.163.184
Taxation on balance expenses	4.048.011	4.249.474
Year net result	15.441.104	5.913.710
Overall result other other elements:		
Elements not being reclassified for profit and loss, from wich:	591.197	12.591.241
Earnings from the re evaluation of transferred/ scrapped real estates	591.197	880.460
Surplus from the assets imobilization	0	14.490.547
Debts regarding the postponed taxation related to reserve from reevaluation	0	2.779.766
Total overall result	16.032.301	18.504.951
Result per share (lei/share)	0,027526	0,031772
Result per diluted share (lei/ashare)	0,027526	0,031772

Board of Directors' Chairman,
Toma Bogdan COSTREIE

General Director ,
Viorel-Sorin CIUTUREANU

Economic Director,
Adriana FRANGU

Chief of Accountant Dept.,
Cecilia POPOVICI