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## **Rompertrol Refining, increase results in 2012**

### *Main financial indicators*

		<b>Q4 2012</b>	<b>Q4 2011</b>	<b>%</b>	<b>2012</b>	<b>2011</b>	<b>%</b>
Gross turnover	USD	1,194,335,458	1,016,896,191	17%	4,619,549,311	4,812,587,305	- 4%
EBITDA	USD	55,050,930	(36,719,050)	N/A	76,834,134	5,866,927	N/A
Net result	USD	(41,889,888)	(144,859,790)	N/A	(156,880,897)	(258,175,945)	N/A

Rompertrol Refining, a member of the Rompetrol Group, had a consolidated gross turnover\* of USD 4.6 billion and EBITDA of USD 76.8 million in 2012 as compared to USD 4.8 billion and USD 5.8 million in 2011. Whereas the increase in the fuel production and also the market conditions, the company managed to have significantly better financial indicators in the last quarter of last year as compared to those in 2011.

The financial results of Rompetrol Refining were seriously affected by a series of factors independent from its business such as the significant decrease on the exchange rate (+14% for RON/USD, +5% for RON/EUR), the working capital costs but also the international trends of finished goods (+5% for EURO 5 gasoline and +1% for EURO 5 gas-oil). The impact thereof was lower due to the international oil quotations that remained around those recorded in 2011, but also due to the increase of the net refining margin\*\* by virtue of the investments made (USD 12.71 /ton in 2012, USD -4,4 /ton in 2011).

On an international level, the temporary or final shutdown of some processing facilities (approx. 600,000 barrels/day) in Europe (Italy, France and Great Britain) have caused a 2.7% increase of the average refinery operation rate (82.3%) as compared to 2011 (which was 85.8% in the last quarter of the year). The production facilities shut down in 2012 have exceeded those decommissioned in 2011 by 250,000 barrels/day, mainly in Italy and France.

The year 2012 saw the successful completion by the Company of the processing capacity increase programme at the Petromidia Refinery up to 5 million tons, the total value of the direct investments made in 2007-2012 by the Rompetrol Group now amounting to 1.3 billion USD, plus the availability of the working capital, the coverage on the negative results on the background of the international crisis or of the legal and financial obligations. The completion of the programme will support the Group's new strategy to extend its operations to the Black Sea region, an area populated by over 160 million inhabitants in total.

The total value of the Rompetrol Refinery's exports (Rompertrol Refinery – Petromidia and Vega Refineries, Rompetrol Petrochemicals and Rompetrol Gas) in 2012 amounted to USD 1.7 billion.

The company continued to be an important payer to the state budget of Romania in 2012, the total value of its contribution amounting to more than USD 1.2 billion, a similar level as in 2011.



<b>Refining segment</b>		<b>Q4 2012</b>	<b>Q4 2011</b>	<b>%</b>	<b>2012</b>	<b>2011</b>	<b>%</b>
<b>Financial</b>							
Gross turnover	USD	1,100,944,321	779,592,971	41%	4,270,625,763	4,118,169,894	4%
EBITDA	USD	47,074,520	(37,824,846)	N/A	58,345,084	(36,730,131)	N/A
Net result	USD	(30,134,575)	(87,035,246)	N/A	(118,699,338)	(171,575,478)	N/A
<b>Operational</b>							
Processed raw material	Kt	1,017	756	34%	4,012	3,882	3%
Fuels – domestic sales	Kt	418	292	43%	1,536	1,441	7%
Fuels – export sales	Kt	340	218	56%	1,307	1,225	7%

The refining segment consisting of Rompetrol Refining – Petromidia Refinery and Vega Ploiești, earned a gross turnover in 2012 of approximately USD 4.27 billion, 4% higher than in 2011, and also improved their operating income (EBITDA), from the negative level of USD 36.7 million to an approximate positive one of USD 58.3 million.

The total quantity of raw material processed in the Petromidia Refinery in 2012 was 4.05 million tons, 4% higher than in 2011. The quantity processed by Rompetrol Refining in the last quarter of the year was 1.03 million tons, 35% lower than in the same period of last year, due to the unfavourable market conditions.

The company's fuel sales in 2012 were approximately 2.8 million tons, 7% higher than in 2011. Approximately 46% of such quantity was exported to both other companies in the Rompetrol Group (Rompetrol Moldova, Rompetrol Bulgaria, Rompetrol Ukraine, Rompetrol Georgia) and to other traditional partners in the Central and Eastern Europe (Turkey, Serbia or Greece).

In the fourth quarter of 2012, the refining capacity put to use was 79.83%, which is 6.53% higher than in the fourth quarter of 2011, with a positive influence from the raw material surplus increase.

<b>Distribution segment</b>		<b>Q4 2012</b>	<b>Q4 2011</b>	<b>%</b>	<b>2012</b>	<b>2011</b>	<b>%</b>
<b>Financial</b>							
Gross turnover	USD	718,309,627	671,309,558	7%	2,673,035,916	2,857,631,805	-6%
EBITDA	USD	7,486,155	5,884,272	27%	28,640,604	38,481,433	-26%
Net result	USD	(11,448,859)	(24,655,143)	-54%	(37,873,551)	(51,506,773)	-26%
<b>Operational</b>							
Retail sold quantities	Kt	172	182	-6%	680	709	-4%
Wholesale sold quantities	Kt	218	180	21%	746	778	-4%

*The distribution segment also includes the results of the Rom Oil, Rompetrol Downstream, Rompetrol Quality Control, Rompetrol Logistics and Rompetrol Gas subsidiaries.*

The Group's distribution segment in 2012 registered a 6% drop in the gross turnover (USD 2.67 billion) and a 26% drop in the operating income (USD 28.6 million) as compared to 2011, whereas the 4% decrease in the oil products sales. In the same time, the net result was 26% higher, however still negative (USD 37.8 million).

The total fuel sales volume in 2012 was over 1.4 million tons, 4% lower than in 2011. In Q4, the fuel quantity rose by approximately 8% (390,000 tons), 56% of which were delivered to the wholesale segment and partners.

Among the measures taken by the company in 2012 is to continue the optimisation of the distribution and general administrative expenditure with positive (USD 30 million), but not strong enough results to countervail the negative effect of margin decrease. The financial results were



affected by the dropdown in the commercial margins by USD 24/ton in the retail segment and USD 15/ton in the wholesale segment.

The Group currently operates 741 fuel distribution stations nationwide (own filling stations, Partner filling stations, Rompetrol Express stations, 9 and 20 cubic meter internal bases), 220 filling stations GPL auto, 5,000 gas bottle distribution stations and 3 GPL filling stations in Constanța, Arad and Bacău.

<b>Petrochemicals segment</b>		<b>Q4 2012</b>	<b>Q4 2011</b>	<b>%</b>	<b>2012</b>	<b>2011</b>	<b>%</b>
<b>Financial</b>							
Gross turnover	USD	68,248,228	62,820,932	9%	247,294,513	355,088,274	-30%
EBITDA	USD	286,375	(4,740,810)	N/A	(8,159,557)	967,306	N/A
Net result	USD	(5,301,101)	(39,037,047)	N/A	(21,494,955)	(41,572,845)	N/A
<b>Operational</b>							
Processed propylene	Kt	29	24	19%	119	119	0%
Processed ethylene	Kt	21	15	35%	58	103	-44%
Total sales	Kt	47	47	2%	177	229	-23%

The petrochemicals segment represented by Rompetrol Petrochemicals – the sole low and high density polypropylene and polyethylene producer in Romania – earned a gross turnover in 2012 of USD 247 million, 30% lower than in 2011.

At the same time, the company's EBITDA was a negative of USD 8.1 million as compared to the positive result of 2011 – USD 0.9 million; also the net loss decreased by approximately USD 20 million down to a negative level of USD 21.5 million.

The financial results were negatively affected by the increasing volatility of the relevant market in June and July when the international quotations for the petrochemical products saw a dramatic drop of 17% (approximately USD 290/ton) in June as compared to May and 20% in July (approximately USD 330/tons). Starting August, the petrochemicals quotations saw an ongoing increase.

Due to the international trends, the company only continued to operate the low density polypropylene and polyethylene facilities in 2012, and completed the modernisation of the HDPE installation, with a view to extend the product range by adding highly capitalisable assortments (large containers up to 200 l, very thin foil and PE 100 pipe).

\* The consolidated financial statements of Rompetrol Refinery include the results of Rompetrol Rafinare S.A. and of the subsidiaries Rompetrol Petrochemicals S.R.L., Rom Oil S.A., Rompetrol Downstream S.R.L., Rompetrol Quality Control S.R.L. and Rompetrol Logistics S.R.L. (together Rompetrol Gas S.R.L.).

\*\* The net refining margin of Rompetrol Refining is determined by dividing the operational (EBITDA) by the quantity of raw material refined.

\*\*\* The results presented are consolidated and not audited, and the reporting is compliant with the International Financial Reporting Standards (IFRS).

## **Corporate Communication and Public Relations Department The Rompetrol Group**