



**ROMPETROL RAFINARE – 2005 SECOND QUARTER AND 6 MONTHS  
IFRS CONSOLIDATED RESULTS**

**CONTINUING OBTAINING EXCELLENT RESULTS**

Romp petrol Rafinare (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX) has released today its 2005 second quarter and first half financial and operational results. This document includes unaudited consolidated financial statements for these periods prepared by the company in accordance with International Financial Reporting Standards („IFRS”). The IFRS financial results differ in some respects with the Romanian Standards of Accounting.

Consolidated financial statements of Rompetrol Rafinare include the results of the parent company Rompetrol Rafinare and its subsidiaries Rompetrol Petrochemicals, Rom Oil, Rompetrol Downstream and Rompetrol Logistics (with its subsidiary Eurojet).

The document is posted on our website: [www.rompetrol.com](http://www.rompetrol.com)

**HIGHLIGHTS - CONSOLIDATED**

		<b>Q2 2005</b>	<b>Q2 2004</b>	<b>%</b>	<b>H1 2005</b>	<b>H1 2004</b>	<b>%</b>
<b>Financial</b>							
Gross revenues	USD	518,681,285	284,800,062	82%	989,430,850	599,326,860	65%
Net Revenues	USD	396,925,823	196,425,686	102%	766,798,823	438,320,722	75%
EBITDA	USD	45,328,244	7,779,030	483%	97,356,244	23,571,276	313%
EBITDA margin	%	11.4%	4.0%		12.7%	5.4%	
EBIT	USD	37,605,249	(4,264,964)	N/A	77,695,249	(912,859)	N/A
Net profit / (loss)	USD	30,395,911	(17,914,932)	N/A	70,741,911	(19,689,125)	N/A
Net Profit / (loss) margin	%	7.7%	-9.1%		9.2%	-4.5%	

*Note: For comparison purposes consolidated results for 2004 comparable periods include Rompetrol Downstream results.*

Romp petrol Rafinare Group’s EBITDA for Q2 was USD 45.3 million (5.8 times bigger than Q2 2004). H1 2005 total EBITDA was USD 97.4 million which exceeds the USD 93 million EBITDA realized for the whole year 2004.

Gross revenues are close to USD 1 billion supported by good prices for oil products, increase of quantities sold and increase of sales taxes levels.

Net profit for Q2 of USD 30.4 million (H1 2005 – USD 71 million) is based mainly on the operating profit but also on the favorable forex difference (USD 15 million) on EURO denominated debt.



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**ENVIRONMENT**

		Q2 2005	Q2 2004	%	H1 2005	H1 2004	%
Brent Dated	USD/bbl	51.60	35.32	46%	49.66	33.69	47%
Ural Med	USD/bbl	48.48	32.50	49%	45.90	30.76	49%
Brent-Ural Differential	USD/bbl	3.12	2.83	11%	3.76	2.92	29%
PVM Ural Cracking Margin	USD/bbl	6.27	6.17	2%	5.47	5.10	7%
Premium Unleaded 50 ppm FOB Med	USD/t	497	399	25%	463	364	27%
Diesel ULSD 50 ppm FOB Med	USD/t	523	327	60%	500	304	65%
ROL/USD Average exchange rate		28,748	33,747	15%	28,507	33,099	14%
ROL/USD Closing exchange rate		29,891	33,473	11%	29,891	33,473	11%
ROL/EURO Average exchange rate		36,205	40,671	11%	36,642	40,610	10%
ROL/EURO Closing exchange rate		36,050	40,615	11%	36,050	40,615	11%
USD/EURO Closing rate		1.21	1.21	-1%	1.21	1.21	-1%
Inflation in Romania		2.41%	1.70%	42%	4.16%	3.75%	11%

Crude oil continued its ascending trend (Ural Med: +49% in Q2 and H1 2005). Virtually all of the analysts appreciate the main reasons for this evolution is the increased demand from China and the United States.

Meanwhile in Q2 2005, we have experienced a decrease of average Brent-Ural differential to 3.12 USD/bbl from a record 4.4 USD/bbl in Q1.

In Q2 2005, Mediterranean market continued to have very healthy refining margins. These margins are mainly supported by an unprecedented demand in Europe/United States for middle distillates (diesel, jet, etc.) for which the prices increased by more than 65% in H1 2005 compared with the same period of 2004 (crude oil prices increased by 46%-49% during the same period). At the same time, output can hardly be increased due to refineries capacity constraints. We believe this situation is very unlikely to change in the near future as consumption remains strong in all parts of the world. Equally important, during this period the gasoline quotations increased slower than the crude prices.

Euro and USD exchange rates against the ROL continued to be more than 10% less the comparable period of the last year. However, in the Q2 we have not experienced the appreciation of ROL against the two currencies as in Q1, but rather a stable forex market.

In H1 2005, USD has strengthened against Euro from 1.36 at year-end 2004 to 1.21 at the end of the period.



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**REFINING**

**Key Segment Data**

		Q2 2005	Q2 2004	%	H1 2005	H1 2004	%
<b>Financial</b>							
Gross Revenues	USD	484,574,826	269,036,000	80%	932,694,120	560,566,000	66%
Net Revenues	USD	362,819,364	180,667,000	101%	710,062,093	399,566,000	78%
EBITDA	USD	33,412,004	5,162,000	547%	80,535,298	18,812,000	328%
EBITDA margin	%	9.2%	2.9%		11.3%	4.7%	
EBIT	USD	28,846,196	(5,227,000)	N/A	66,791,371	(2,323,000)	N/A
Net profit	USD	19,910,635	(16,092,000)	N/A	61,277,561	(19,907,000)	N/A
Net profit / (loss) margin	%	5.5%	-8.9%		8.6%	-5.0%	
Gross cash refinery margin/tonne	USD/t	75.51	36.58	106%	80.86	40.53	100%
Gross cash refinery margin/bbl	USD/bbl	10.34	5.01	106%	11.08	5.55	100%
Net cash refinery margin/tonne	USD/t	39.38	7.91	398%	46.88	12.99	261%
Net cash refinery margin/bbl	USD/bbl	5.39	1.08	398%	6.42	1.78	261%
Taxes paid to State Budget	USD	177,515,209	125,381,796	42%	342,395,829	241,995,177	41%
<b>Operational</b>							
Feedstock processed	Kt	938	692	36%	1,810	1,501	21%
Gasoline produced	Kt	272	206	32%	531	477	11%
Diesel & jet produced	Kt	405	266	52%	738	588	26%
Motor fuels sales - domestic	Kt	300	278	8%	572	485	18%
Motor fuels sales - export	Kt	297	171	74%	638	535	19%
Export	%	50%	38%		53%	52%	
Domestic	%	50%	62%		47%	48%	

*Note 1: Refining segment comprises only the results of the refinery (parent company of Rompetrol Rafinare).*

*Note 2: Rompetrol Rafinare computes Gross cash refinery margin as follows – (Oil Product Sales – Cost of Feedstock) / Quantity of Feedstock related to the sales. Net Cash Refinery margin is the EBITDA of the refinery divided by quantity of feedstock related to sales.*



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In Q2 2005, the refining segment continued to be the main driver of Rompetrol Rafinare, accounting for more than 73% from the consolidated EBITDA (83% for H1 2005).

In the second quarter, net turnover of the refinery doubled compared with the similar period of 2004 due to increase of feedstock processed and prices for oil products. The refinery processed approximately 937 kt. in Q2 and 1,809 kt. in H1 2005 (increase of the feedstock processed was +36% for Q2 and +21% for H1). In Q2 2004, the refinery had a planned shutdown of 10 days.

In Q2 2005, EBITDA level for the refinery was USD 33.4 million (6.5 times higher than Q2 2004). Total EBITDA for H1 2005 was USD 80.5 million (4.3 times higher than H1 2004). Main reasons for the EBITDA increase in 2005:

- Higher quantities sold – especially for the export market (+73% for export and 8% for Romanian market) – see above.
- Increasing of the Brent-Ural discount compared to 2004 similar period was also an important reason (average discount in H1 was 3.76 USD/bbl compared with 2.92 USD/bbl in H1 2004 - +29%).
- Favorable environment: refining margins continued to stay high (PVM cracking margin followed by us was 6.27 USD/bbl). Rompetrol realized refining margin was higher than the margin followed as benchmark due to better market conditions in Romania and Bulgaria and due to the fact that Petromidia, our main refinery, has the highest white product yield in the region.
- Our investment program of the past two years allowed us to adapt our production and increase the percentage of middle distillates (diesel, jet) produced (middle distillates production increased by 26% in H1 2005 compared with a feedstock increase of 21%) in order to benefit from increasing market demand (domestic and European) for these products.

During Q2 2005, EBITDA margin continued to be more than 9% (compared with 2.9% for the comparable period of 2004). We appreciate EBITDA margin for H1 2005 of 11.3% as the best in our history.

The good Q2 2005 results have been partially affected by the weakening of the ROL against US Dollar.

Based on the good operational results, but also based on USD appreciation against Euro (hybrid instrument being denominated in Euro) net profit of the segment continued to remain solid – USD 20 million (year to date net result USD 61 million).

In H1 2005 we have continued to be an important contributor to Romania's fiscal budget with USD 342 million paid in indirect taxes (+41% compared with 2004) accounting for more than 6% of the projected state budget revenues.



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**MARKETING**

**Key Segment Data**

		Q2 2005	Q2 2004	%	H1 2005	H1 2004	%
<b>Financial</b>							
Gross Revenues	USD	262,756,831	159,734,636	64%	468,498,874	276,648,747	69%
EBITDA	USD	9,271,455	2,020,728	359%	14,245,844	2,544,347	460%
EBIT	USD	8,384,874	503,707	1565%	12,482,566	(314,626)	N/A
Net profit / (loss)	USD	9,645,746	(2,074,981)	N/A	9,705,008	(970,962)	N/A
<b>Operational</b>							
Quantities sold in retail	Kt	50	36	39%	91	60	52%
Quantities sold in wholesale	Kt	182	181	1%	338	310	9%
Retail Gross Margin	USD/t	157	92	70%	146	94	56%
Wholesale Gross Margin	USD/t	31	14	114%	28	13	120%

*Note: Marketing segment include the results of Rom Oil, Rompetrol Downstream and Rompetrol Logistics subsidiaries.*

The Q2 of 2005 was the best quarter ever for the marketing segment. In this quarter EBITDA was USD 9.3 million representing a significant increase (+359%) compared with USD 2.02 million in Q2 2004. The main reasons for these positive evolutions are:

- Important increase of the gross margin for both retail (+70%) and wholesale (+114%) due to liberalization of Romanian market
- Important increase of volumes sold in retail (+39% in total and +18% for the volume per gas station) as a result of 2002-2003 strategy for the retail segment (based on introduction of the Fleet Management System - Fill & Go System)
- Small increase of volumes sold in wholesale compared with Q2 2004, despite lower volumes directed to OMV, one of the main clients in the past

We appreciate also as positive factors the increase of the number of new cars sold in H1 (according to the Romanian Car Import and Manufacturing Companies' Association H1 2005 sales of new cars increased by 72% compared with the same period of 2004).



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On the negative side, we mention the unusual rainy and cold weather in Romania that has affected negatively the sales of the segment.

Due to good operational results the segment also obtained a healthy USD 9.7 million net profit in Q2 2005 compared with a loss of USD 2.02 million in the similar period of last year.

In March 2005, Rompetrol Downstream launched a franchise program with the purpose of providing its fleet customers nationwide coverage and consistent quality, and improve its retail market share. The franchisees are independent retailers that are willing to establish a long-term partnership with Rompetrol. As of June 30, 2005 there were 45 operating franchise stations, of a total of more than 100 contracts signed. The target is to have approximately 160 operational stations by the end of 2005, with a total of 200 franchise stations to be reached in 2006. Based on the results of the first months of operations, we are confident that the program will be successful.



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**PETROCHEMICALS**

**Key Segment Data**

		Q2 2005	Q2 2004	%	H1 2005	H1 2004	%
<b>Financial</b>							
Revenues	USD	27,757,635	20,178,000	38%	54,870,210	47,829,000	15%
EBITDA	USD	86,515	418,000	-79%	1,705,416	2,060,000	-17%
EBIT	USD	(521,178)	97,000	N/A	590,687	1,405,000	-58%
Net profit / (loss)	USD	(220,032)	(3,000)	N/A	351,709	974,000	-64%
<b>Operational</b>							
Propylene processed	kt	10	15	-33%	35	37	-5%
Sold from owned production	kt	16	19	-16%	33	38	-13%
Sold from trading	kt	12	3	300%	20	17	18%
Export	%	29%	63%		31%	77%	
Domestic	%	71%	37%		69%	23%	

*Note: Petrochemicals segment include the results of Rompetrol Petrochemicals subsidiary.*

Even if the turnover increased by 38%, we appreciate Q2 results of petrochemicals segment as modest. EBITDA of the segment only reached 87 kUSD compared with 418 kUSD in Q2 2004 (-79%).

The main reason for these results is the complete shutdown of the polypropylene plant in May for an extensive overhaul and other necessary investments. We also appreciate that the negative and unpredictable trend in the of polymer prices as an important reason for this evolution.

Compared with 2004 the segment increased significantly its presence on the Romanian market (70% of the total market share) which is growing at faster pace than the other regional markets.

Despite the overhaul, in H1 we have managed to obtain comparable quantities sold – 53kt compared with 55 kt in H1 2004 based on the increase of the trading business.

Currently, the subsidiary is carrying an important restructuring program in order to restart its low density polyethylene plant and have it fully operational at the beginning of 2006.



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**APPENDIX 1 – CONSOLIDATED INCOME STATEMENT**

	Q2 2005	Q2 2004	%	H1 2005	H1 2004	%
Gross Revenues	518,681,285	284,800,062	82%	989,430,850	599,326,860	65%
Sales taxes	(121,755,462)	(88,374,376)	38%	(222,632,027)	(161,006,138)	38%
<b>Net revenues</b>	<b>396,925,823</b>	<b>196,425,686</b>	<b>102%</b>	<b>766,798,823</b>	<b>438,320,722</b>	<b>75%</b>
Cost of sales	(332,531,589)	(179,988,842)	85%	(639,374,589)	(401,612,357)	59%
<b>Gross margin</b>	<b>64,394,234</b>	<b>16,436,844</b>	<b>292%</b>	<b>127,424,234</b>	<b>36,708,365</b>	<b>247%</b>
Selling, general and administration	(23,555,493)	(17,496,075)	35%	(46,428,493)	(33,301,867)	39%
Other expenses / income	(3,233,492)	(3,205,733)	1%	(3,300,492)	(4,319,357)	-24%
<b>EBIT</b>	<b>37,605,249</b>	<b>(4,264,964)</b>	<b>N/A</b>	<b>77,695,249</b>	<b>(912,859)</b>	<b>N/A</b>
Financial	(11,518,020)	(12,944,027)	-11%	(20,659,349)	(20,052,007)	3%
Forex	5,275,000	(569,953)	N/A	14,936,329	1,899,175	686%
<b>EBT</b>	<b>31,362,229</b>	<b>(17,778,944)</b>	<b>N/A</b>	<b>71,972,229</b>	<b>(19,065,691)</b>	<b>N/A</b>
Income tax	(346,350)	(30,440)	1038%	(610,350)	(467,477)	31%
<b>Net result after tax</b>	<b>31,015,879</b>	<b>(17,809,384)</b>	<b>N/A</b>	<b>71,361,879</b>	<b>(19,533,168)</b>	<b>N/A</b>
Minority interest	(389,090)	(105,548)	269%	(619,968)	(155,957)	298%
<b>Net result</b>	<b>30,626,789</b>	<b>(17,914,932)</b>	<b>N/A</b>	<b>70,741,911</b>	<b>(19,689,125)</b>	<b>N/A</b>
<b>EBITDA</b>	<b>45,328,244</b>	<b>7,779,030</b>	<b>483%</b>	<b>97,356,244</b>	<b>23,571,276</b>	<b>313%</b>





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**APPENDIX 2 – CONSOLIDATED BALANCE SHEET**

	June 30, 2005	December 31, 2004	%
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	4,786,589	4,987,512	-4%
Goodwill	140,960,180	140,960,180	0%
Property, plant and equipment	512,383,750	502,003,703	2%
Financial investments	1,588,421	1,567,193	1%
<b>Total Non Current Assets</b>	<b>659,718,940</b>	<b>649,518,588</b>	<b>2%</b>
<b>Current assets</b>			
Inventories	179,424,502	184,729,844	-3%
Trade and other receivables	440,498,781	396,487,040	11%
Cash and cash equivalents	18,107,105	20,376,500	-11%
<b>Total current assets</b>	<b>638,030,388</b>	<b>601,593,384</b>	<b>6%</b>
<b>Total assets</b>	<b>1,297,749,328</b>	<b>1,251,111,972</b>	<b>4%</b>
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>			
Share capital	735,554,456	735,554,456	0%
Reserves	(70,607,160)	(72,803,726)	-3%
Net result of the period	70,741,912	2,437,621	2802%
<b>Total Shareholders' Equity</b>	<b>735,689,208</b>	<b>665,188,351</b>	<b>11%</b>
<b>Minority interest</b>	<b>5,500,956</b>	<b>4,901,110</b>	<b>12%</b>
<b>Non-current liabilities</b>			
Hybrid instrument - long-term portion	96,193,711	108,834,655	-12%
Long-term debt	30,463,548	26,829,188	14%
Other	1,691,090	1,553,707	9%
<b>Total non-current liabilities</b>	<b>128,348,349</b>	<b>137,217,550</b>	<b>-6%</b>
<b>Current Liabilities</b>			
Trade and other payables	284,333,024	311,604,856	-9%
Hybrid instrument - current portion	23,040,117	19,074,454	21%
Short-term debt	120,837,674	113,125,651	7%
<b>Total curent liabilities</b>	<b>428,210,815</b>	<b>443,804,961</b>	<b>-4%</b>
<b>Total shareholders' equity and liabilities</b>	<b>1,297,749,328</b>	<b>1,251,111,972</b>	<b>4%</b>



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In the interest of providing Rompetrol Rafinare and its subsidiaries (the “Company”) potential investors with information regarding the Company, including management’s assessment of the Company’s future plans and operations, certain statements throughout this presentation are “forward-looking statements” and represent the Company’s internal projections, expectations or beliefs concerning, among other things, future operating results and various components thereof or the Company’s future economic performance.

The projections, estimates and beliefs contained in such forward looking statements necessarily involve known and unknown risks and uncertainties which may cause the Company’s actual performance and financial results in future periods to differ materially from any estimates or projections.

The financial figures are extracted from Company’s IFRS financial reports. The main difference between IAS and Romanian Accounting Standards (“RAS”) is related to the hybrid instrument treatment.