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ROMPETROL RAFINARE Q4 AND 2012 IFRS CONSOLIDATED UNAUDITED RESULTS

Positive operational results in 2012, much better than in 2011

Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its Fourth Quarter 2012 and yearly financial and operational unaudited results. The figures include unaudited consolidated financial statements for this period prepared by the company in accordance with International Financial Reporting Standards („IFRS”). The IFRS financial results differ in some respects from the Romanian Standards of Accounting.

Consolidated financial statements of Rompetrol Rafinare include the results of the parent company Rompetrol Rafinare S.A and its subsidiaries Rompetrol Petrochemicals S.R.L, Rompetrol Quality Control S.R.L, Rom Oil SA, Rompetrol Downstream S.R.L, Rompetrol Logistics S.R.L and Rompetrol Gas S.R.L.

The document is posted on our website in the Investor Relations section: www.rompetrol.com

HIGHLIGHTS – CONSOLIDATED

		Q4 2012	Q4 2011	%	2012	2011	%
Financial							
Gross Revenues	USD	1,194,335,458	1,016,896,191	17%	4,619,549,311	4,812,587,305	-4%
Net Revenues	USD	985,517,026	815,705,761	21%	3,843,481,873	3,922,906,083	-2%
EBITDA	USD	55,050,930	(36,719,050)	N/A	76,834,134	5,866,927	N/A
EBITDA margin	%	5.6%	-4.5%		2.0%	0.1%	
EBIT	USD	(37,284,099)	(129,170,047)	N/A	(113,379,459)	(183,207,529)	N/A
Net profit / (loss)	USD	(41,889,888)	(144,859,790)	N/A	(156,880,897)	(258,175,945)	N/A
Net Profit / (loss) margin	%	-4.3%	-17.8%		-4.1%	-6.6%	

The consolidated gross revenues reached USD 4.6 billion in 2012.

The consolidated operational results achieved in 2012 were much better compared to last year, EBITDA increased to over USD 76.8 million, positively impacted by margins increase for fuels against the same period last year, especially in the second half of 2012.



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ENVIRONMENT

		Q4 2012	Q4 2011	%	2012	2011	%
Brent Dated	USD/bbl	110.08	109.35	1%	111.67	111.26	0%
Ural Med	USD/bbl	109.17	109.12	0%	110.72	109.60	1%
Brent-Ural Differential	USD/bbl	0.90	0.23	285%	0.95	1.65	-43%
Premium Unleaded 10 ppm FOB Med	USD/t	973	927	5%	1,023	978	5%
Diesel ULSD 10 ppm FOB Med	USD/t	961	964	0%	969	957	1%
RON/USD Average exchange rate		3.49	3.21	9%	3.47	3.05	14%
RON/USD Closing exchange rate		3.36	3.34	1%	3.36	3.34	1%
RON/EURO Average exchange rate		4.53	4.34	4%	4.46	4.24	5%
RON/EURO Closing exchange rate		4.43	4.32	3%	4.43	4.32	3%
USD/EURO Closing rate		1.32	1.29	2%	1.32	1.29	2%
Inflation in Romania*		0.93%	0.23%		4.96%	3.13%	

Source: Platts, * INSSE

The global economy grew at 2.3% year over year in 2012, compared to a 3% year over year growth the previous year. The European Union had entered into a recession at the end of 2011, which continued in 2012. Its Gross Domestic Product (GDP) shrank 0.6% last year. However, the European Central Bank took a decidedly more interventionist approach to stabilize bond markets in 2012. The activation of the European Stability Mechanism, an agreement on a banking supervision and more time given to Greece to work through its economic and fiscal crisis also somewhat settled the pessimism over the future of the Union. The United States economy remained stable, despite several headwinds caused by political instability in face of the presidential elections and the so-called fiscal cliff at the end of the year. In the emerging world, China posted the slowest Gross Domestic Product (GDP) growth since 1999 at 7.6%, substantially lower than the 9.3% year over year growth registered in 2011. Brazil, India and Russia also grew at a slower pace than the previous year.

Over 2012, Dated Brent prices improved slightly on an annual average basis, up to 41 cents on the 2011 figure up to 111.67 USD/ barrel. The year proved to be more exciting than the yearly average would indicate, with sizeable swings seen occurring to both the up-as well as the downside. The initial move to the topside saw prices overcome the 120 USD/barrel marker as the wider Iran issue prompted traders to start worrying about the effects of a potential closure of the Strait of Hormuz. As it became increasingly clear that the market was able to deal with the ever growing absence of Iranian barrels and the economic clouds above the European continent darkened, bringing with it a global slowdown in economic activity, oil prices took a dive and fell by around 40 USD/barrel to levels below 90 USD/barrel. However, concerted efforts by central banks and governments around the world were able to contain the situation and the subsequent recovery took oil prices back to the 110 USD/barrel level. Dated Brent prices remained near those levels for the rest of the year, as oil market



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fundamentals and a still elevated geopolitical risk premium prevented the market from breaking out in either direction.

The Urals market was strongly driven by developments in the MENA region over 2012. Additional longer-term support also came from a shift of Ural loadings to the new outlet at Ust-Luga. Overall, Urals traded at an average discount of around 90 cents per barrel to Dated Brent, demonstratively stronger than the 2011 figure of 1.7 USD/barrel. The EU's import ban on Iranian crude made the Russian grade the most obvious replacement and it was thus much sought after, helping Urals Med to climb to occasional premiums against Dated Brent, especially during periods of peak feedstock demand in the region. However, the steep fall in crude prices also weighed on the Urals differential, taking the Med differential down to a maximum discount of 3 USD/barrel against Dated Brent. The subsequent recovery was fuelled by improvements across the entire oil market as well as the final implementation of the Iranian import ban, which lifted Urals values back above the parity with Brent. The second half of the year was less eventful, with increasing availability of Middle Eastern barrels, and Iraqi crude in particular, giving some respite to the market and Urals trading around 75 cents below Dated Brent.

Standard cracking margins in the Mediterranean based on Urals crude had a good year, particularly when compared to 2011. They averaged 4 USD/barrel over the year, up twice as high as the 2011 reading of 2.1 USD/barrel. On the product side the biggest contributor to the positive development was clearly gasoline, particularly during the period from February to the beginning of May as well as in August and September. The strong margin environment witnessed over June and July was mostly driven by the strong fall in crude prices. Towards the end of the year, when margins were the weakest, refiner profits suffered mostly on the back of a fall in gasoline and later on in December from a fall in diesel cracks.

Year 2012 was an extraordinary year for gasoline, particularly in the Atlantic Basin. Cracks were uncharacteristically strong throughout the year, posting a particularly surprising spike over Q3. Compared to 2011, gasoline cracks based on Urals in the Med were higher by 33 USD/barrel and average 216 USD/mt. Support stemmed from a combination of fundamental as well as non-fundamental factors. Amongst those, the more prominent ones were an octane shortage, stronger speculative flows as well as tightening specs in non-OECD countries. Middle distillates on the other hand gave a rather lackluster performance over 2012, with the ULSD crack in the Med having remained virtually unchanged at around 160 USD/mt. Against expectations that gas oil/diesel would drive refining margins, cracks took a back seat to gasoline as large parts of the global refining system are increasingly geared towards middle distillates production, thereby limiting the upside potential to the crack.

The average refinery utilization rate in Europe climbed to 82.3% in 2012, an improvement of 2.7 pp from the previous year (Euroilstock). An improving margin environment, particularly in the third quarter of last year helped to boost throughput at European refineries, with run rates reaching 85.8% in this period. Countries such as Spain and France experienced notable improvements over 2012 with run rates rising to 79.7% (+7.0 pp year over year) and 81.2% (+5.4 pp year over year) respectively. Additionally, further consolidation in the Western European refining sector helped to support utilization. Over the course of 2012, almost 600,000 b/d of refining capacity was shutdown in Italy, France and the UK. Following the collapse of Petroplus in 2012, the 170,000 b/d Coryton refinery in the UK was shutdown when it failed to find a buyer. Petroplus's also shut its 155,000 b/d Petit Couronne refinery in France but this was partially revived in the second half of last year due to short-term production agreement with Shell. The final decision about fully closing the refinery is expected from a French court in the coming weeks. The closures seen in the market last year are 250,000 b/d increase from 2011 when refineries shutdowns also occurred in the French and Italian markets.



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REFINING

		Q4 2012	Q4 2011	%	2012	2011	%
Financial							
Gross Revenues	USD	1,100,944,321	779,592,971	41%	4,270,625,763	4,118,169,894	4%
Net Revenues	USD	904,516,531	634,348,691	43%	3,554,601,432	3,362,589,233	6%
EBITDA	USD	47,074,520	(37,824,846)	N/A	58,345,084	(36,730,131)	N/A
EBITDA margin	%	5.2%	-6.0%	N/A	1.6%	-1.1%	N/A
EBIT	USD	(24,208,539)	(69,003,319)	N/A	(70,612,215)	(114,105,510)	N/A
Net profit / (loss)	USD	(30,134,575)	(87,035,246)	N/A	(118,699,338)	(171,575,478)	N/A
Net profit / (loss) margin	%	-3.3%	-13.7%	N/A	-3.3%	-5.1%	N/A
Gross cash refinery margin/tonne (PEM)	USD/t	34.75	(3.21)	N/A	32.56	30.35	7%
Gross cash refinery margin/bbl (PEM)	USD/b	4.78	(0.44)	N/A	4.48	4.18	7%
Net cash refinery margin/tonne (PEM)	USD/t	46.25	(46.04)	N/A	12.71	(4.40)	N/A
Net cash refinery margin/bbl (PEM)	USD/b	6.37	(6.34)	N/A	1.75	(0.61)	N/A
Operational							
Feedstock processed	Kt	1,017	756	34%	4,012	3,882	3%
Gasoline produced	Kt	321	264	22%	1,287	1,284	0%
Diesel & jet fuel produced	Kt	465	296	57%	1,713	1,563	10%
Motor fuels sales - domestic	Kt	418	292	43%	1,536	1,441	7%
Motor fuels sales - export	Kt	340	218	56%	1,307	1,225	7%
Export	%	45%	43%		46%	46%	
Domestic	%	55%	57%		54%	54%	

Note: Refining segment comprises only the results of the refinery (parent company of Rompetrol Rafinare), including the operations of Vega. Rompetrol Rafinare computes Gross cash refinery margin as follows – (Oil Product Sales – Cost of Feedstock) / Quantity of Feedstock. Net Cash Refinery margin is the EBITDA of the refinery divided by quantity of feedstock.

Rompetrol Rafinare gross revenues reached USD 4.2 billion in 2012 higher by 4% compared with the same period last year, mainly as a result of higher international quotations for petroleum products and higher volume sold.



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In Q4 2012, the total throughput for Petromidia refinery was 1.028 million tons by 35% higher compared with the same period last year due to the rescheduling of the planned shutdown from September 2012 to spring 2013. As a result, the total throughput of the refinery for 2012 was 4.047 million tons higher by 4% than in 2011. In Q4 2012 the refining capacity utilization rate was 79.83% higher by 6.53% than in Q4 2011, positively influenced by higher throughput.

In Q4 2012 operational results were positively affected by the improved petroleum products margins against the same period last year.

Rompetrol Rafinare recorded in 2012 much better results compared to last year, EBITDA reaching USD 58.3 million, positively impacted by good margins for fuels, the cracks for gasoline increased by 40 USD/t up to 197 USD/t, while diesel cracks increased by 10 USD/t up to 183 USD/t against the same period last year.

Regarding Vega refinery, in Q4 2012 the throughput reached 68,917 tons by 13.48% lower compared with the same period last year when the throughput was 78,210 tons. In 2012 the throughput reached 305,171 tons by 9.3% lower than in 2011 due to a decrease in demand for naphtha gasoline, white spirit and bitumen. In Q4 2012, the production of n-hexane increased by 33% compared with Q4 2011, while the production of white spirit and bitumen decreased by 0.7 kt, respectively 2.2 kt due to low market demand. In 2012, the production of n-hexane increased by 35.2% due to a higher recovery level of n-hexane, while the production of white spirit and bitumen decreased by 2.1 kt, respectively 8.2 kt compared with the same period last year.

Although the total feedstock processed by Vega Refinery during 2012 was lower compared with 2011, the same financial results in terms of EBITDA were obtained due to continuous improvement of the refinery units operation and due to maximization of valuable products: 2012 Hexane yield of 43% was the highest achieved in refinery history, with highest yield of Bitumen of 74%, while technological loss reached the lowest level in the past 5 years of 1.67%.

In 2012, the financial results of Rompetrol Rafinare have been negatively impacted by a series of one off transactions determined by provisions for environmental obligations for Vega Refinery (USD 51 million), provisions for tax litigations (USD 39 million) which were partially offset by the reversal of past accrued tax liabilities (USD 52 million) and also by the decrease of depreciation (USD 30 million) as result of assets valuation.

Rompetrol Rafinare continued to be an important contributor to Romania's fiscal budget with over USD 1.2 billion in 2012.

In 2012 Rompetrol Rafinare completed the last phase of its capacity increase program for the Petromidia Refinery, named "Package 2010", from 3.8 million tons/year, to over 5 million tons/year of processed raw materials. The refinery's capacity increase investment program allows the consolidation and development of Rompetrol's presence in Central and Western Europe, in Romania, Bulgaria, Republic of Moldova, Ukraine and Georgia, where we have Rompetrol gas-stations, as well as in countries such as Turkey, Serbia or Greece. Initiated in 2006, the package aimed at carrying out nine major projects, such as the construction of five new plants (the mild hydro-cracking installation, the hydrogen production plant, the sulphur recovery unit, the nitrogen production plant and a new flare system), as well as the modernization/extension of other four such plants that were already in place (the gas desulphurization plant, the transformation of the vacuum distillate hydrotreating plant into a diesel hydrotreating plant, the catalytic cracking plant, sulphur recovery plant).

As the result of the Upgrade program implementation white products basket yields achieved during December 2012 was 92.5%, leading to the best yearly average yield from the history of the refinery at 85.4%.

In parallel with the program for increasing the production capacity, the Rompetrol Group also developed other projects needed in order to sustain this program: building the terminal for crude oil procurement located offshore in the Black Sea, the tripling of oil products transit capacities through Berth 9 in Midia Port, the rehabilitation of crude oil park and finished products tanks, the construction of the liquefied petroleum gas import-export terminal.



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MARKETING

		Q4 2012	Q4 2011	%	2012	2011	%
Financial							
Gross Revenues	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%
EBIT	USD	(9,237,168)	(19,472,317)	-53%	(17,102,650)	(21,676,174)	-21%
Net profit / (loss)	USD	(11,448,859)	(24,655,143)	N/A	(37,873,551)	(51,506,773)	-26%
Operational							
Quantities sold in retail	Kt	172	182	-6%	680	709	-4%
Quantities sold in wholesale	Kt	218	180	21%	746	778	-4%
Retail Gross Margin	USD/t	121	105	15%	99	123	-20%
Wholesale Gross Margin	USD/t	46	47	-2%	35	50	-30%

Note: Marketing segment includes the results of Rompetrol Downstream, Rom Oil, Rompetrol Quality Control Rompetrol Logistics and Rompetrol Gas

Despite prolonged negative effect of the financial crisis, the marketing segment managed to keep volumes at 2011 level, slightly below, reaching a total of 1.4 million tons of products sold.

Even with aggressive cost cutting program in retail activity of approximately USD 30 million compared with 2011 the achieved EBITDA was lower than 2011, due to market margin shrinkage, having a negative effect of approximately 24 USD/t for retail and 15 USD/t for wholesale.

As of the end of December 2012, the distribution network of Rompetrol Downstream operates a number of 741 stations (own stations, partner stations, mobile stations: express, cuves and internal bases).



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PETROCHEMICALS

		Q4 2012	Q4 2011	%	2012	2011	%
Financial							
Revenues	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
EBIT	USD	(3,184,112)	(40,083,615)	N/A	(20,239,957)	(47,426,554)	N/A
Net profit / (loss)	USD	(5,301,101)	(39,037,047)	N/A	(21,494,955)	(41,572,845)	N/A
Operational							
Propylene processed	kt	29	24	19%	119	119	0%
Ethylene processed	kt	21	15	35%	58	103	-44%
Sold from own production	kt	46	45	2%	167	217	-23%
Sold from trading	kt	2	2	-11%	11	12	-11%
Total sold		47	47	2%	177	229	-23%
Export	%	58%	60%		55%	60%	
Domestic	%	42%	40%		45%	40%	

Rompétrol Petrochemicals is the sole polypropylene producer in Romania; starting with 2010 the company was also the sole producer of polyethylene, given the economic circumstances on the market, thus constantly increasing its market share. Its dynamic development strategy has secured the company a competitive position on the domestic and regional markets – in the Balkans Region. One of the advantages of the company is determined by its proximity to its customers, providing the products required Just - In - Time, as well as offering technical consulting and monitoring of their production cycle.

In 2012 only the Polypropylene (PP) and Low density polyethylene (LDPE) plants were in operation, while HDPE plant remained shutdown, thus leading to lower feedstock processed, as well as lower production and sales. The company finalized in 2012 the modernization of the high density polyethylene installation, in view of expanding its product range, by adding high-margin grades to its portfolio (large containers – up to 200 l, thin film and pipe grade PE 100).

The financial results of the company were negatively influenced, mainly in June and July, due to the increased market volatility, the polyethylene ICIS quotations plunged by 17% (by approx 290 USD/to) in June versus May and by 20% in July (by approx. 330 USD/to). Starting with the month of August, the quotations followed an upward trend, increasing by 20% versus the previous month. Although EBITDA for the whole year amounted to USD -8.2 million, the company recorded improved results, especially in the last quarter of 2012.

In 2012 Rompétrol Petrochemicals maintained the quality of its products, thus the weight of high quality rated polymers products remained 98%.



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APPENDIX 1 – CONSOLIDATED INCOME STATEMENT 2012, UNAUDITED

Amounts in USD

	Q4 2012	Q4 2011	%	2012	2011	%
Gross Revenues	1,194,335,458	1,016,896,191	17%	4,619,549,311	4,812,587,305	-4%
Sales taxes and discounts	(208,818,432)	(201,190,430)	4%	(776,067,438)	(889,681,222)	-13%
Net revenues	985,517,026	815,705,761	21%	3,843,481,873	3,922,906,083	-2%
Cost of sales	(920,279,672)	(803,370,399)	15%	(3,673,618,376)	(3,755,535,121)	-2%
Gross margin	65,237,354	12,335,362	429%	169,863,497	167,370,962	1%
Selling, general and administration	(53,928,169)	(74,210,035)	-27%	(219,201,508)	(274,335,906)	-20%
Other expenses, net	(48,593,284)	(67,295,374)	-28%	(64,041,448)	(76,242,585)	-16%
EBIT	(37,284,099)	(129,170,047)	N/A	(113,379,459)	(183,207,529)	N/A
Finance, net	(6,812,944)	(16,342,701)	-58%	(55,988,793)	(80,755,088)	-31%
Net foreign exchange gains / (losses)	1,479,697	1,280,233	N/A	11,955,758	6,475,655	85%
EBT	(42,617,346)	(144,232,515)	N/A	(157,412,494)	(257,486,962)	N/A
Income tax	727,458	(627,275)	N/A	531,597	(688,983)	N/A
Net result	(41,889,888)	(144,859,790)	N/A	(156,880,897)	(258,175,945)	N/A
EBITDA	55,050,930	(36,719,050)	N/A	76,834,134	5,866,927	N/A



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APPENDIX 2 – CONSOLIDATED BALANCE SHEET DECEMBER 31, 2012, UNAUDITED Amounts in USD

	December 31, 2012	December 31, 2011	%
Assets			
Non-current assets			
Intangible assets	11,715,765	15,869,666	-26%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	1,150,819,800	1,079,404,528	7%
Financial assets and other	7,578,108	5,084,463	49%
Total Non Current Assets	1,252,985,379	1,183,230,363	6%
Current assets			
Inventories	448,917,388	341,849,388	31%
Trade and other receivables	284,630,405	308,347,816	-8%
Derivative financial Instruments	-	5,832,080	N/A
Cash and cash equivalents	159,264,897	53,058,268	200%
Total current assets	890,812,688	709,087,552	26%
Total assets	2,143,798,067	1,892,317,915	13%
Equity and liabilities			
Total Equity	367,987,477	(274,950,767)	N/A
Non-current liabilities			
Provisions	68,797,216	21,137,146	N/A
Other	869,785	1,767,661	-51%
Total non-current liabilities	69,667,001	22,904,807	204%
Current Liabilities			
Trade and other payables	911,053,951	866,114,149	5%
Derivative financial instruments	2,520,211	-	N/A
Provisions - current portion	11,501,341	3,279,571	251%
Short-term debt	781,068,086	1,274,970,155	-39%
Total current liabilities	1,706,143,589	2,144,363,875	-20%
Total equity and liabilities	2,143,798,067	1,892,317,915	13%

The financial figures are extracted from Company's unaudited IFRS financial reports

Board of Directors

President
Azamat Zhangulov

Chief Executive Officer
Sorin Graure

Chief Financial Officer
Vasile-Gabriel Manole

Prepared by
Cristina Ana Dica

