

Romp petrol Rafinare Group has reduced its losses by 25% in the first 9 months of 2013

Romp petrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its Third Quarter 2013 and 9 months 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 Romp petrol Rafinare include the results of the parent company Romp petrol Rafinare S.A and its subsidiaries Romp petrol Petrochemicals S.R.L, Romp petrol Quality Control S.R.L, Rom Oil SA, Romp petrol Downstream S.R.L, Romp petrol Logistics S.R.L and Romp petrol Gas S.R.L.

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

HIGHLIGHTS – CONSOLIDATED

		Q3 2013	Q3 2012	%	9M 2013	9M 2012	%
Financial							
Gross Revenues	USD	1,444,610,052	1,155,960,110	25%	3,411,298,316	3,425,213,853	0%
Net Revenues	USD	1,122,985,888	947,824,595	18%	2,708,790,739	2,857,964,847	-5%
EBITDA	USD	23,320,027	50,868,292	N/A	15,109,653	21,783,204	N/A
EBITDA margin	%	2.1%	5.4%		0.6%	0.8%	
EBIT	USD	6,357,401	30,885,337	N/A	(39,391,076)	(76,095,360)	N/A
Net profit / (loss)	USD	(7,687,634)	16,846,637	N/A	(86,118,635)	(114,991,009)	N/A
Net Profit / (loss) margin	%	-0.7%	1.8%		-3.2%	-4.0%	

Romp petrol Rafinare Constanta (RRC) gross revenues reached USD 1.44 billion in the third quarter of 2013 higher by 25% against Q3 2012, while the first 9 months of 2013 gross revenues reached USD 3.41 billion following the decreasing international quotations for petroleum products and lower volume of petroleum products sold following the planned shutdown of Petromidia Refinery during March 2013.

ROMPETROL RAFINARE
Q3 and 9M of 2013 IFRS CONSOLIDATED UNAUDITED RESULTS
ENVIRONMENT

		Q3 2013	Q3 2012	%	9M 2013	9M 2012	%
Brent Dated	USD/bbl	110	110	1%	108	112	-3%
Ural Med	USD/bbl	111	109	1%	108	111	-3%
Brent-Ural Differential	USD/bbl	(0.33)	0.24	N/A	0.37	0.96	-61%
Premium Unleaded 10 ppm FOB Med	USD/t	994	1,043	-5%	995	1,039	-4%
Diesel ULSD 10 ppm FOB Med	USD/t	943	970	-3%	929	972	-4%
RON/USD Average exchange rate		3.35	3.62	-7%	3.35	3.46	-3%
RON/USD Closing exchange rate		3.31	3.50	-6%	3.42	3.50	-3%
RON/EURO Average exchange rate		4.44	4.52	-2%	4.41	4.43	-1%
RON/EURO Closing exchange rate		4.46	4.53	-2%	4.46	4.53	-2%
USD/EURO Closing rate		1.35	1.29	4%	1.31	1.29	1%
Inflation in Romania*		-1.11%	2.30%	N/A	0.95%	3.99%	-76%

Source: Platts, * INSSE

Over the third quarter of 2013 crude supply became extremely tight due to several supply shortfalls, including temporary stop of almost all Libyan crude production in early September, planned field maintenance in the North Sea area as well as disappointing developments in Iraq. This situation resulted in constant increase of Brent Dtd quotation from around 103\$/bbl in early July to over 117\$/bbl at the beginning of September. As Q3 came to a close, market sentiment eased in line with return of Libyan production and relief as diplomatic progress has been made and Syria military intervention no longer seems imminent. Looking at the performance of Urals crude oil, it surpassed that of Brent Dtd throughout the entire quarter as refiners in need to replace unavailable sweet crude oils, increased demand on Urals as cheaper alternative. Only towards the end of September when supply stabilized, differential between Brent Dtd and Urals once again turned in favor of Brent.

Gasoline has shown fairly good results during Q3 in important geographical regions worldwide, taking into account that global demand continues its downward movement. It is important to look at developments so far in the US, where refiners have continued to keep utilization rates at high levels in September (6% over 5 year average) taking advantage of the fact that hurricane season has had little impact on refining activity on the Gulf Coast. This will turn US into a net exporter for the up-coming winter season, and at the same time add pressure to gasoline crack performance in Europe. During past 3 months gasoline crack levels reached notable levels (over 183\$/mt in July and over 174\$/mt in August, decreasing to 117\$/mt in September), taking into account that neither market fundamentals, nor demand increase offered significant support. Gasoline production surplus consisted and will remain biggest challenge for refiners as demand decrease frees up volumes of product that need to find new markets. So far this year, African market provided this new outlet for gasoline.

Global middle distillate cracks witnessed a relatively stable level during Q3, particularly if compared to gasoline performance. In Europe variations were minimal (averaging between 107\$/mt and 110\$/mt). In the near future, market analysts expect middle distillate performance to gain support from maintenance season in various refineries and seasonal demand increase for domestic use.

Refining margins declined in all main regions during Q3. Main pressuring factor was a weakening gasoline crack. European refining margins declined steadily over last 3 months as decreasing gasoline and fuel oil cracks outweighed improving naphtha cracks or steady middle distillate cracks.



ROMPETROL RAFINARE Q3 and 9M of 2013 IFRS CONSOLIDATED UNAUDITED RESULTS

REFINING

		Q3 2013	Q3 2012	%	9M 2013	9M 2012	%
Financial							
Gross Revenues	USD	1,308,366,871	1,082,072,081	21%	3,026,112,054	3,169,681,442	-5%
Net Revenues	USD	1,027,375,856	889,221,194	16%	2,419,047,619	2,650,084,901	-9%
EBITDA	USD	2,188,943	45,739,195	N/A	(22,300,342)	11,270,564	N/A
EBITDA margin	%	0.2%	5.1%	N/A	-0.9%	0.4%	N/A
EBIT	USD	(4,661,934)	36,174,243	N/A	(50,693,282)	(46,403,676)	N/A
Net profit / (loss)	USD	(7,108,892)	24,394,469	N/A	(78,313,497)	(88,564,763)	N/A
Net profit / (loss) margin	%	-0.7%	2.7%	N/A	-3.2%	-3.3%	N/A
Gross cash refinery margin/tone (PEM)	USD/t	25.97	72.01	-64%	22.74	34.59	-34%
Gross cash refinery margin/bbl (PEM)	USD/b	3.58	9.92	-64%	3.13	4.76	-34%
Net cash refinery margin/tone (PEM)	USD/t	0.1	44.0	N/A	(8.9)	1.7	N/A
Net cash refinery margin/bbl (PEM)	USD/b	0.0	6.1	N/A	(1.2)	0.2	N/A
Operational							
Feedstock processed	Kt	1,176	1,029	14%	2,834	2,995	-5%
Gasoline produced	Kt	334	323	3%	826	966	-14%
Diesel & jet fuel produced	Kt	582	452	29%	1,353	1,248	8%
Motor fuels sales - domestic	Kt	535	437	22%	1,152	1,118	3%
Motor fuels sales - export	Kt	352	283	24%	936	967	-3%
Export	%	40%	39%		45%	46%	
Domestic	%	60%	61%		55%	54%	

Note: Refining segment comprises the results of the company Rompetrol Rafinare (which operates Petromidia and Vega refineries). Rompetrol Rafinare computes Gross refinery margin as follows – (Oil Product Sales – Cost of Feedstock) / Quantity of sales. Net Refinery margin is the EBITDA of the refinery divided by quantity of sales.

The gross revenues of the refining segment reached USD 3.026 billion in the first 9 months of 2013 lower by 5% compared with the same period of 2012, influenced by lower international quotations for petroleum products and lower volume sold as a result of the planned shutdown during March - April 2013.

In the third quarter of 2013, the total throughput for Petromidia refinery was 1.186 million tons by 13.46% higher compared with the same period last year when the total throughput was 1.045 million tons. In Q3 2013 the refining capacity utilization was 92.09% higher by 13.46% compared with Q3 2012.



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For the first 9 months of 2013 the total throughput was 2.863 million tons lower by 5.16% against 2012, following the planned shutdown during March - April 2013. The designed capacity utilization (14,000 tons/day) was 80.84% higher by 2.7% compared with the same period of 2012.

Regarding Vega refinery, in Q3 2013 the throughput was 71,935 tons lower by 11% compared with the same period in 2012 when the throughput was 80,835 tons.

In the first 9 months of 2013 the throughput was 163.039 tons lower by 31% compared with the same period in 2012 when the throughput was 236,253 tons. The decrease is due to lower market demand for the niche products and lower quantities of raw materials received at the beginning of 2013.

The financial results of the company were significantly influenced by the gross refinery margin which decreased significantly in both the third quarter and the first 9 months of 2013 compared with the same period last year, being influenced by the unfavorable market conditions following the decrease of international quotations for petroleum products.

Starting with 2007, when The Rompetrol Group was purchased by KazMunayGaz, the processing capacity of Petromidia and Vega refineries increased from 3.8 million tons to 5 million tons and also the technological processes were optimized. Therefore, in May, June and September 2013, Petromidia refinery reached a maximum throughput of 14 thousand tons per day.

Through the investment program completed last year by The Rompetrol Group, Petromidia refinery became the largest and the most efficient refinery in the country. Petromidia refinery is concentrating more than 40% of Romania's total refining capacity and the total investment completed by KazMunayGaz – oil and gas company from Kazakhtan, amounted to 700 million EURO.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 997 million in the first 9 months of 2013.

**MARKETING**

		Q3 2013	Q3 2012	%	9M 2013	9M 2012	%
Financial							
Gross Revenues	USD	941,302,853	725,637,326	30%	2,112,283,335	1,954,726,289	8%
EBITDA	USD	17,388,850	14,454,691	20%	32,879,158	21,154,449	55%
EBIT	USD	11,446,104	4,797,703	N/A	19,592,132	(7,865,482)	N/A
Net profit / (loss)	USD	2,275,682	(3,529,359)	N/A	2,599,818	(26,424,692)	N/A
Operational							
Quantities sold in retail	Kt	181	194	-7%	482	508	-5%
Quantities sold in wholesale	Kt	329	201	63%	651	528	23%

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

In Q3 2013, marketing segment gross revenues reached USD 941 million, higher by 30% compared with Q3 2012, positively influenced by an increase of 63% of the wholesale quantities sold against the same period last year. In the first 9 months of 2013, gross revenues reached USD 2.11 billion, higher by 8% compared with the first 9 months of 2012

In both Q3 and 9 months of 2013 compared with the same period last year, the Platt's quotations (FOB Med Italy-mean), decreased by 5%, respectively 4% for gasoline and by 3%, respectively 4% for diesel in the context of a USD/RON exchange rate that also decreased by 7%, respectively 3%.

The financial results of the distribution segment were positively influenced mainly by sales channel optimisation and the cost cutting program.

As of September 2013, the Rompetrol Downstream's distribution segment contained 754 points of sale, including the network of owned stations, partner stations and mobile stations: express cuves and internal bases.

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Q3 and 9M of 2013 IFRS CONSOLIDATED UNAUDITED RESULTS
PETROCHEMICALS

		Q3 2013	Q3 2012	%	9M 2013	9M 2012	%
Financial							
Revenues	USD	68,296,325	47,027,175	45%	171,458,088	179,046,285	-4%
EBITDA	USD	4,332,832	(3,670,152)	N/A	3,723,315	(8,445,932)	N/A
EBIT	USD	1,021,989	(3,573,007)	N/A	(6,522,968)	(17,055,845)	N/A
Net profit / (loss)	USD	(1,405,666)	(4,704,160)	N/A	(8,571,687)	(16,193,854)	N/A
Operational							
Propylene processed	kt	29	32	-10%	75	91	-17%
Ethylene processed	kt	22	4	472%	40	37	9%
Sold from own production	kt	42	35	21%	109	121	-10%
Sold from trading	kt	3	3	-11%	7	9	-25%
Total sold		45	38	18%	115	130	-11%
Export	%	58%	52%		57%	54%	
Domestic	%	42%	48%		43%	46%	

Romp petrol Petrochemicals gross revenues reached USD 171 million in the first 9 months of 2013 lower by 4% compared with the same period last year. The decrease in gross revenues is mainly the result of lower quantities sold as a result of the planned shutdown during March 2013.

In the first 9 months of 2013 versus the same period last year the quantity of raw materials processed decreased by 10% due to the planned shutdown during March - April 2013 in order to perform the scheduled technological works.

For the first 9 months of 2013 versus the same period last year, the company's financial results were positively influenced by the good margins, for petrochemicals products, incurred especially in January, June and also in the third quarter of 2013, when EBITDA reached a positive level of USD 1.5 million, USD 0.9 million and respectively USD 4.33 million.

In the first 9 months of 2013 the weight of high quality rated polymers products reached 97.64%.

Romp petrol 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.

ROMPETROL RAFINARE
Q3 and 9M of 2013 IFRS CONSOLIDATED UNAUDITED RESULTS
APPENDIX 1 – CONSOLIDATED INCOME STATEMENT 2013, UNAUDITED
Amounts in USD

	Q3 2013	Q3 2012	%	9M 2013	9M 2012	%
Gross Revenues	1,444,610,052	1,155,960,110	25%	3,411,298,316	3,425,213,853	0%
Sales taxes and discounts	(321,624,164)	(208,135,515)	55%	(702,507,577)	(567,249,006)	24%
Net revenues	1,122,985,888	947,824,595	18%	2,708,790,739	2,857,964,847	-5%
Cost of sales	(1,066,209,684)	(873,396,885)	22%	(2,595,526,939)	(2,753,338,704)	-6%
Gross margin	56,776,204	74,427,710	-24%	113,263,800	104,626,143	8%
Selling, general and administration	(54,494,822)	(50,848,661)	7%	(160,811,718)	(165,273,339)	-3%
Other expenses, net	4,076,019	7,306,288	N/A	8,156,842	(15,448,164)	N/A
EBIT	6,357,401	30,885,337	-79%	(39,391,076)	(76,095,360)	-48%
Finance, net	(15,659,728)	(16,061,290)	-3%	(43,924,586)	(49,175,849)	-11%
Net foreign exchange gains / (losses)	1,760,352	2,462,011	-28%	(2,669,251)	10,476,061	N/A
EBT	(7,541,975)	17,286,058	N/A	(85,984,913)	(114,795,148)	N/A
Income tax	(145,659)	(439,421)	-67%	(133,722)	(195,861)	-32%
Net result	(7,687,634)	16,846,637	N/A	(86,118,635)	(114,991,009)	N/A
EBITDA	23,320,027	50,868,292	N/A	15,109,653	21,783,204	N/A

APPENDIX 2 – CONSOLIDATED BALANCE SHEET JUNE 30, 2013, UNAUDITED
Amounts in USD

	September 30, 2013	December 31, 2012	%
Assets			
Non-current assets			
Intangible assets	8,946,754	11,715,765	-24%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	1,150,781,729	1,150,819,800	0%
Financial assets and other	1,790,897	7,594,750	-76%
Total Non Current Assets	1,244,391,086	1,253,002,021	-1%
Current assets			
Inventories	434,121,150	446,917,386	-3%
Trade and other receivables	257,024,274	284,613,763	-10%
Cash and cash equivalents	131,976,439	159,264,897	-17%
Total current assets	823,121,863	890,796,046	-8%
Total assets	2,067,512,949	2,143,798,067	-4%
Equity and liabilities			
Total Equity	474,304,614	361,897,872	31%
Non-current liabilities			
Provisions	72,694,322	68,797,216	6%
Other	4,835,141	869,785	456%
Total non-current liabilities	77,529,463	69,667,001	11%
Current Liabilities			
Trade and other payables	973,224,154	917,143,556	6%
Derivative financial instruments	-	2,520,211	-100%
Provisions - current portion	615,661	11,501,341	-95%
Short-term debt	541,839,057	781,068,086	-31%
Total current liabilities	1,515,678,872	1,712,233,194	-11%
Total equity and liabilities	2,067,512,949	2,143,798,067	-4%

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
 Kacic Giani-Julian