



rompetrol

KazMunayGas
Group
Member

ROMPETROL RAFINARE S.A.
Bulevardul Navodari, nr. 215,
Pavilion Administrativ,
Navodari, Judetul Constanta,
ROMANIA

phone: + (40) 241 50 60 00
+ (40) 241 50 61 50
fax: + (40) 241 50 69 30
office.rafinare@rompetrol.com
www.rompetrol-rafinare.ro
www.kmginternational.com

ROMPETROL RAFINARE Q1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS

Good operational results in an unfavorable environment

Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its first quarter 2019 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”).

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

The document is posted on our website in the Investor Relations section:

www.rompetrol-rafinare.ro

HIGHLIGHTS – CONSOLIDATED

		Q1 2019	Q1 2018	%
Financial				
Gross Revenues	USD	1,138,254,803	1,206,215,530	-6%
Net Revenues	USD	856,832,574	943,448,698	-9%
EBITDA	USD	17,163,532	34,600,820	-50%
EBITDA margin	%	2.0%	3.7%	
EBIT	USD	(3,408,992)	5,425,497	N/A
Net profit / (loss)	USD	(14,045,506)	(3,779,055)	272%
Net Profit / (loss) margin	%	-1.6%	-0.4%	

Rompetrol Rafinare consolidated gross revenues reached USD over 1.1 billion in Q1 2019 lower by 6% as against Q1 2018, being negatively affected by lower market quotation vs. similar period last year and by the lower level sales reached within Q1 2019.

The company's consolidated results in terms of EBITDA and Net result were affected by the high volatility of oil and gas market environment in the period, mainly triggering significant pressure in the gross refinery margins in Q1 2019, decreasing substantially from the comparison benchmark of 2018 similar period (i.e. 35.1\$/t vs 44.5\$/t in Q1 2018).



rompetrol

KazMunayGas
Group
Member

ROMPETROL RAFINARE S.A.

Bulevardul Navodari, nr. 215,
Pavilion Administrativ,
Navodari, Judetul Constanta,
ROMANIA

phone: + (40) 241 50 60 00
+ (40) 241 50 61 50
fax: + (40) 241 50 69 30
office.rafinare@rompetrol.com
www.rompetrol-rafinare.ro
www.kmginternational.com

ROMPETROL RAFINARE Q1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS

ECONOMIC ENVIRONMENT

		Q1 2019	Q1 2018	%
Brent Dated	USD/bbl	63.1	66.8	-6%
Ural Med	USD/bbl	63.4	65.2	-3%
Brent-Ural Differential	USD/bbl	-0.3	1.6	N/A
Premium Unleaded 10 ppm FOB Med	USD/tonne	549	631	-13%
Diesel ULSD 10 ppm FOB Med	USD/tonne	584	589	-1%
RON/USD Average exchange rate		4.17	3.79	10%
RON/USD Closing exchange rate		4.23	3.78	12%
RON/EURO Average exchange rate		4.74	4.66	2%
RON/EURO Closing exchange rate		4.76	4.66	2%
USD/EURO Closing rate		1.12	1.23	-9%
Inflation in Romania*		2.12%	1.38%	54%

Source: Platts, * INSSE

Dated Brent decreased by -3.7\$/bbl. (-6%) in Q1 2019 against Q1 2018 and settled to an average of 63.1\$/bbl.

Despite the average crude prices drop versus Q1 2018, the high volatility of the market showed within the first quarter of the year increase in prices from lowest 50.2\$/bbl. to highest 68.2\$/bbl., mainly as result of the following key factors:

- OPEC oil supply decreased to a four-year low in March. The OPEC pumped 30.40 million barrels per day (bpd) in March, down 280,000 bpd from February and the lowest OPEC total since 2015;
- Russian oil output decreased at 11.34 million barrels per day (bpd) in February, down some 75,000 barrels per day from the October 2018 level, the baseline for a global deal between OPEC and Russia to reduce the crude supply;
- U.S. sanctions against Iran and Venezuela persist also in Q1 2019 and continue to keep the market shortage with about 800,000 bbl./day and respectively 600,000 bbl./day;
- Additional support came after U.S. and China appeared to edge closer to a trade deal, dampening fears over the outlook for global economic growth;

European margins decreased by -12.7\$/MT (-31%) in Q1 2019 vs. Q1 2018, as result of the following main factors which added significant pressure on the margins:

- The positive Urals – Dated Brent differential as most of Mediterranean refineries are processing a heavy crude (Urals) which proved within first quarter of the year more expensive than a light crude (Dated Brent);
 - i.e. average level of the Urals – Dated Brent differential between Jan 2013 – Nov 2018 was -1\$/bbl. This is the usual level of the differential as the Urals is a cheaper crude because contains a higher percentage of sulphur (heavy crude) than the Dated Brent which is lighter;
 - the Urals – Dated Brent differential continued to raise since Dec 2018 from -0.2\$/bbl. to +0.8\$/bbl;



rompetrol

KazMunayGas
Group
Member

ROMPETROL RAFINARE S.A.

Bulevardul Navodari, nr. 215,
Pavilion Administrativ,
Navodari, Judetul Constanta,
ROMANIA

phone: + (40) 241 50 60 00
+ (40) 241 50 61 50
fax: + (40) 241 50 69 30
office.rafinare@rompetrol.com
www.rompetrol-rafinare.ro
www.kmginternational.com

ROMPETROL RAFINARE

Q1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS

- the differential was positive in more than 85 days from the last 100 working days, supported by long delays for Russian cargoes during the winter due to bad weather conditions and helped by a recent strong demand for medium-sour barrels in Europe;
- Additional support persists from shortage of sour grades due to a lack of Iranian crude caused by U.S. sanctions which have removed 800,000 bpd of heavy crude from the global market;
- European gasoline cracks fell during the beginning of the year into a negative level of up to -1.4\$/bbl. Pressure was coming from the high level of gasoline stock in Europe and in U.S. Profit margins for distilling crude oil into gasoline in Europe have held near a six-year low since late October 2018 after global demand for the road fuel disappointed during the peak summer driving season;
- European diesel cracks started to decrease due to lower demand (based on higher temperatures in Europe) and because refineries are coming back from maintenance, especially in the Eastern Mediterranean area, which was more affected in this period;

**The information is based on analysis provided by JBC Energy GmbH*

Trade Registry No: J 13/534/1991
Fiscal Identification No: RO1860712

IBAN: RO22BACX0000000030500310
UniCredit Bank S.A. - Constanta

**rompetrol**KazMunayGas
Group
Member

ROMPETROL RAFINARE S.A.

Bulevardul Navodari, nr. 215,
Pavilion Administrativ,
Navodari, Judetul Constanta,
ROMANIAphone + (40) 241 50 60 00
+ (40) 241 50 61 50
fax + (40) 241 50 69 30
office.rafinare@rompetrol.com
www.rompetrol-rafinare.ro
www.kmginternational.com**ROMPETROL RAFINARE**
Q1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS**REFINING SEGMENT**

		Q1 2019	Q1 2018	%
Financial				
Gross Revenues	USD	996,399,424	1,048,312,071	-5%
Net Revenues	USD	755,909,959	818,877,079	-8%
EBITDA	USD	9,066,953	29,536,422	-69%
EBITDA margin	%	1.2%	3.6%	
EBIT	USD	778,336	9,614,663	-92%
Net profit / (loss)	USD	(2,857,124)	(2,461,081)	16%
Net profit / (loss) margin	%	-0.4%	-0.3%	
Gross cash refinery margin/tonne (Petromidia)	USD/tonne	35.1	44.5	-21%
Gross cash refinery margin/bbl (Petromidia)	USD/bbl	4.8	6.1	-21%
Net cash refinery margin/tonne (Petromidia)	USD/tonne	4.3	18.8	-77%
Net cash refinery margin/bbl (Petromidia)	USD/bbl	0.6	2.6	-77%
Operational				
Feedstock processed in Petromidia refinery	thousand tonnes	1,516	1,527	-1%
Feedstock processed in Vega refinery	thousand tonnes	79	77	3%
Gasoline produced	thousand tonnes	397	446	-11%
Diesel & jet fuel produced	thousand tonnes	780	754	3%
Motor fuels sales - domestic	thousand tonnes	540	455	19%
Motor fuels sales - export	thousand tonnes	573	708	-19%
Export	%	52%	61%	
Domestic	%	48%	39%	

Refining segment comprises the results of the company Rompetrol Rafinare related to 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 divided by quantity of sales.

Gross revenues of refining segment reached over USD 0.9 billion in Q1 2019 showing a 5% decrease on quarter level. Quarter on quarter variance was mainly influenced by the decrease of international oil & gas market quotation evolution of petroleum products, alongside by a slight decrease in the volume of products sold.

In terms of financial performance of the Refining segment, 9.07 million USD EBITDA result was reached within first quarter of the year, significantly dropping versus the level of 2018 similar period mainly as result of the low level market margin of the segment alongside the market tariff pressure on the natural gas & electricity, significantly increasing from the levels of 2018; Net Result accounted a level of -2.86 million USD in the first quarter, just slightly dropping from Q1 2018.



rompetrol

KazMunayGas
Group
Member

ROMPETROL RAFINARE S.A.
Bulevardul Navodari, nr. 215,
Pavilion Administrativ,
Navodari, Judetul Constanta,
ROMANIA

phone: + (40) 241 50 60 00
+ (40) 241 50 61 50
fax: + (40) 241 50 69 30
office rafinare@rompetrol.com
www.rompetrol-rafinare.ro
www.kmginternational.com

ROMPETROL RAFINARE Q1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS

In Q1 2019, the total throughput for Petromidia refinery was 1.51 million tonnes by 0.72% lower compared with the same period last year when the total throughput was 1.52 million tonnes, as result of lower alternative-to-crude feedstock processed considering the market economics and availability given the winter conditions at the beginning of the year; however, Q1 2019 Crude Unit total throughput was at a level of 1.35 million tons, which was +14 ktons above previous year according with improved crude diet, implementation of the Advanced Process Control project, allowing to keep the refinery run-rate at high level during winter.

In Q1 2019 the refining capacity utilization in Petromidia refinery was 96.95% lower by 1.57% compared with the same period last year, considering the above-mentioned lower alternative-to-crude feedstock processed.

Petromidia refinery managed to achieve in Q1 2019 a very good operational performance, for its main technological and operational parameters such as:

- ✓ White finished products yield of 86.5%wt;
- ✓ Mechanical Availability of 97.5%;
- ✓ Technological loss of 0.86%wt;
- ✓ Energy Intensity Index of 98%.

In respect of Vega refinery (the oldest processing unit operating in Romania (since 1905) and the only domestic producer of bitumen and hexane), the total throughput was 79,009 tonnes in Q1 2019, higher by 3%, compared with the same period last year when the total throughput was 76,676 tonnes.

In Q1 2019 the refining capacity utilization for Vega refinery was 95.77%, higher by 2.83% compared with the same period last year, as result of the increased bitumen market demand and triggered by better weather conditions, Bitumen unit restarted earlier than initial schedule.

Vega refinery also managed to achieve in Q1 2019 very good performance results, of which the following are emphasized:

- ✓ Technological loss of 0.74%;
- ✓ Energy consumption of 2.81GJ/t;
- ✓ Mechanical Availability of 99%.

The refining segment's financial results in Q1 2019, were negatively affected by unfavorable market conditions, Petromidia's gross refinery margin was lower in Q1 2019 compared with the same period last year, 35.1 USD/to as against 44.5 USD/to in Q1 2018.

Petromidia refinery continued its production process optimization programs (i.e. increase of processing capacity alongside increased production performance of valuable products yields; reduce technological loss, crude diet optimization; constant supply of the crude, alternative and other feedstock; downstream Units operation optimization; mitigation of slowdown/shutdown/ unplanned events) and operating costs optimization (energy efficiency and processing cost reduction), programs that started in 2014 and successfully continued until present days.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 319 million in Q1 2019.



rompetrol

KazMunayGas
Group
Member

ROMPETROL RAFINARE S.A.

Bulevardul Navodari, nr. 215,
Pavilion Administrativ,
Navodari, Judetul Constanta,
ROMANIA

phone + (40) 241 50 60 00
+ (40) 241 50 61 50
fax + (40) 241 50 69 30
office rafinare@rompetrol.com
www.rompetrol-rafinare.ro
www.kmginternational.com

ROMPETROL RAFINARE Q1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS

PETROCHEMICALS SEGMENT

		Q1 2019	Q1 2018	%
Financial				
Revenues	USD	53,098,419	61,192,912	-13%
EBITDA	USD	(6,565,676)	(3,729,147)	76%
EBIT	USD	(10,572,968)	(7,661,992)	38%
Net profit / (loss)	USD	(13,464,522)	(5,391,781)	150%
Operational				
Propylene processed	thousand tonnes	39	40	-3%
Ethylene processed	thousand tonnes	8	19	-61%
Total polymers production	thousand tonnes	29	43	-32%
Sold from own production	thousand tonnes	55	56	-2%
Sold from trading	thousand tonnes	1	2	-68%
Total sold		55	58	-4%
Export	%	42%	55%	
Domestic	%	58%	45%	

Petrochemicals segment comprises the petrochemicals activity from Rompetrol Rafinare and the activity of Rompetrol Petrochemicals SRL

Starting 1st of January 2014, the petrochemicals activity was transferred from Rompetrol Petrochemicals to Rompetrol Rafinare S.A., being fully integrated in the propylene, utilities and logistics flow.

The current petrochemicals activity is carried out through PP and LDPE units.

In terms of low density polyethylene unit (LDPE), the petrochemicals segment works 100% with ethylene from import, and for PP (polypropylene) unit is ensured through raw material produced and distributed entirely by Petromidia refinery.

In Q1 2019, the total polymers production for Petrochemicals area was 29 thousand tons lower by 32% compared with the same period of last year when the total polymers production was 43 thousand tons, mainly due to discontinuous operation of polyethylene units in 2019, align with the period's ethylene supply availability and economics.

Petrochemicals division results continued to be affected by the market margin pressure, having reached in Q1 2019 the lowest level in the last decade - i.e. Q1 2019 PolyPropylene crack = 447\$/t; PolyEthylenes crack = 280\$/ton low density grades, 322\$/ton high density grades; also, as historical key highest references reached in the last decade, was within 2010: PP crack level was 614 \$/t and LDPE crack level was 401\$/t. As such, immediate decision triggered for the Polyethylene Units was to run at most economic run-rate, thus lowering the production within first quarter of the year (i.e. LDPE Unit operational only one month, HDPE non-operational throughout entire quarter); sales for Q1 2019 however kept almost in line with similar period last year, keeping the market share by releasing from within existing stocks.

The petrochemicals segment is the sole polypropylene and polyethylene producer in Romania and has constantly succeeded to increase its market share on secondary categories of products. Its dynamic development strategy has secured the company a competitive position on the domestic market and on the regional one – the Black Sea and Mediterranean region and the Eastern and Central Europe.



rompetrol

KazMunayGas
Group
Member

ROMPETROL RAFINARE S.A.
Bulevardul Navodari, nr. 215,
Pavilion Administrativ,
Navodari, Judetul Constanta,
ROMANIA

phone: + (40) 241 50 60 00
+ (40) 241 50 61 50
fax: + (40) 241 50 69 30
office.rafinare@rompetrol.com
www.rompetrol-rafinare.ro
www.kmginternational.com

ROMPETROL RAFINARE Q1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS

MARKETING SEGMENT

			Q1 2019	Q1 2018	%
Financial					
Gross Revenues	USD		654,761,208	602,163,912	9%
EBITDA	USD		15,412,891	10,335,430	49%
EBIT	USD		9,386,501	3,413,237	175%
Net profit / (loss)	USD		5,277,901	3,955,236	33%
Operational					
Fuels quantities sold in retail	thousand tonnes		163	150	9%
Fuels quantities sold in wholesale	thousand tonnes		275	230	19%
LPG quantities sold	thousand tonnes		110	107	2%

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

In Q1 2019 the marketing segment had a turnover of over USD 654 million, higher by 9%, compared with the same period of 2018, , mainly as result of the increased sales performance (i.e +9% fuels in retail, +19% fuels in wholesale and +2% LPG).

In Q1 2019 compared to Q1 2018, the Platt's quotations (FOB Med Italy-mean), expressed in the currency of reference, USD were on average by 13% lower for gasoline and lower by 1% for diesel.

The USD exchange rate had a depreciation of the RON against the US dollar of 10% (Q1 2019 vs. Q1 2018 on average) .The excise level, which represents an important share of the final price of fuel, increase in Q1 2019 with 3,2% for gasoline and for diesel. Excise duties on fuel increased starting with January 1, 2019 by 6.2 bani/liter for gasoline and by 5.8 bani/liter for diesel.

As of March 2019, the Rompetrol Downstream's distribution segment contained 926 points of sale, including the network of owned stations, partner stations and mobile stations: expres, cuves and internal bases.



rompetrol

KazMunayGas
Group
Member

ROMPETROL RAFINARE S.A.

Bulevardul Navodari, nr. 215,
Pavilion Administrativ,
Navodari, Judetul Constanta,
ROMANIA

phone: + (40) 241 50 60 00
+ (40) 241 50 61 50
fax: + (40) 241 50 69 30
office.rafinare@rompetrol.com
www.rompetrol-rafinare.ro
www.kmginternational.com

**ROMPETROL RAFINARE
Q1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS**

APPENDIX 1 – CONSOLIDATED INCOME STATEMENT Q1 2019, UNAUDITED

Amounts in USD

	Q1 2019	Q1 2018	%
Gross Revenues	1,138,254,803	1,206,215,530	-6%
Sales taxes and discounts	(281,422,229)	(262,766,832)	7%
Net revenues	856,832,574	943,448,698	-9%
Cost of sales	(816,832,724)	(888,868,895)	-8%
Gross margin	39,999,850	54,579,803	-27%
Selling, general and administration	(51,200,642)	(44,813,749)	14%
Other expenses, net	7,791,800	(4,340,557)	N/A
EBIT	(3,408,992)	5,425,497	N/A
Finance, net	(9,761,150)	(10,530,737)	-7%
Net foreign exchange gains / (losses)	378,104	1,572,951	-76%
EBT	(12,792,038)	(3,532,289)	262%
Income tax	(1,253,468)	(246,766)	408%
Net result	(14,045,506)	(3,779,055)	272%
EBITDA	17,163,532	34,600,820	-50%



rompetrol

KazMunayGas
Group
Member

ROMPETROL RAFINARE S.A.
Bulevardul Navodari, nr. 215,
Pavilion Administrativ,
Navodari, Judetul Constanta,
ROMANIA

phone: + (40) 241 50 60 00
+ (40) 241 50 61 50
fax: + (40) 241 50 69 30
office.rafinare@rompetrol.com
www.rompetrol-rafinare.ro
www.kmginternational.com

ROMPETROL RAFINARE
Q1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS

APPENDIX 2 – CONSOLIDATED BALANCE SHEET MARCH 31, 2019, UNAUDITED

Amounts in USD

	March 31, 2019	December 31, 2018	%
Assets			
Non-current assets			
Intangible assets	7,017,774	7,606,675	-8%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	1,217,929,024	1,235,103,661	-1%
Right of use assets	33,491,924	-	
Financial assets and other	41,027,638	40,930,859	0%
Total Non Current Assets	1,382,338,066	1,366,512,901	1%
Current assets			
Inventories	288,411,656	292,898,693	-2%
Trade and other receivables	458,794,079	409,254,839	12%
Derivative financial Instruments	279,058	2,608,512	N/A
Cash and cash equivalents	16,995,791	11,477,183	48%
Total current assets	764,480,584	716,239,227	7%
Total assets	2,146,818,650	2,082,752,128	3%
Equity and liabilities			
Total Equity	656,652,739	675,364,584	-3%
Non-current liabilities			
Long-term debt	231,324,893	224,103,204	N/A
Hybrid instrument - long-term portion	17,009,920	17,009,920	0%
Provisions	85,664,505	85,664,505	0%
Other	39,798,373	4,345,265	816%
Total non-current liabilities	373,797,691	331,122,894	13%
Current Liabilities			
Trade and other payables	985,672,256	916,434,940	8%
Contract liabilities	24,405,165	25,947,213	-6%
Derivative financial instruments	357,892	76,580	367%
Short-term debt	105,932,907	133,805,917	-21%
Total current liabilities	1,116,368,220	1,076,264,650	4%
Total equity and liabilities	2,146,818,650	2,082,752,128	3%



rompetrol

KazMunayGas
Group
Member

ROMPETROL RAFINARE S.A.

Bulevardul Navodari, nr. 215,
Pavilion Administrativ,
Navodari, Judetul Constanta,
ROMANIA

phone: + (40) 241 50 60 00
+ (40) 241 50 61 50
fax: + (40) 241 50 69 30
office.rafinare@rompetrol.com
www.rompetrol-rafinare.ro
www.kmginternational.com

**ROMPETROL RAFINARE
Q1 2019 IFRS CONSOLIDATED UNAUDITED RESULTS**

The consolidated financial statements of Rompetrol Rafinare SA, prepared on 31 March 2019, are not audited.

**Chairman of the Board of Directors
of ROMPETROL RAFINARE S.A.**

Saduokhas Meraliyev

General Manager

Yedil Utekov



Financial Manager

Mircea Stefan Stanescu

Prepared by,

**Cristina Ana Dica
Financial Reporting Manager**