



**ROMPETROL RAFINARE**  
**Q3 and 9M 2017 IFRS CONSOLIDATED UNAUDITED RESULTS**

**Positive and increasing results in the first 9 months of 2017**

Rompetrol Rafinare S.A. (symbols, Bucharest Stock Exchange: RRC, Reuters: ROMP.BX, Bloomberg: RRC RO) has released today its third quarter and 9 months 2017 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](http://www.rompetrol-rafinare.ro)

**HIGHLIGHTS – CONSOLIDATED**

		Q3 2017	Q3 2016	%	9M 2017	9M 2016	%
<b>Financial</b>							
Gross Revenues	USD	1,157,260,127	867,963,071	33%	2,875,674,702	2,570,588,065	12%
Net Revenues	USD	844,634,091	563,046,766	50%	2,119,057,535	1,716,190,884	23%
EBITDA	USD	95,361,710	30,932,891	208%	152,900,573	121,131,016	26%
EBITDA margin	%	11.3%	5.5%		7.2%	7.1%	
EBIT	USD	74,926,214	7,008,234	969%	82,360,901	49,460,295	67%
Net profit / (loss)	USD	63,144,381	(1,155,873)	N/A	56,114,245	20,875,440	169%
Net Profit / (loss) margin	%	7.5%	-0.2%		2.6%	1.2%	

Rompetrol Rafinare Constanta (RRC) gross revenues reached USD 1.2 billion in Q3 2017 and over USD 2.9 billion for the first 9 months of 2017. The increase of this indicator by 33% respectively by 12% as against the same periods in 2016 was influenced by the volatility of international quotations for petroleum products.



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**ECONOMIC ENVIRONMENT**

		Q3 2017	Q3 2016	%	9M 2017	9M 2016	%
Brent Dated	USD/bbl	52	46	14%	52	42	24%
Ural Med	USD/bbl	51	44	16%	51	40	26%
Brent-Ural Differential	USD/bbl	0.72	1.76	-59%	1.11	1.70	-35%
Premium Unleaded 10 ppm FOB Med	USD/t	545	461	18%	536	448	19%
Diesel ULSD 10 ppm FOB Med	USD/t	485	408	19%	471	377	25%
RON/USD Average exchange rate		3.90	4.00	-2%	4.09	4.02	2%
RON/USD Closing exchange rate		3.90	3.98	-2%	3.90	3.98	-2%
RON/EURO Average exchange rate		4.58	4.46	3%	4.55	4.48	2%
RON/EURO Closing exchange rate		4.60	4.45	3%	4.60	4.45	3%
USD/EURO Closing rate		1.18	1.12	6%	1.18	1.12	6%
Inflation in Romania*		0.62%	-0.28%	N/A	1.02%	-1.27%	N/A

Source: Platts, \* INSSSE

Crude prices reached a high of over \$59 per barrel for Brent Dtd in September based on the significant demand increase during this quarter. Another reason behind this ascending trend is also the crude oil production adjustment in OPEC/non-OPEC countries, the only notable rebound coming from Libya and Nigeria. Urals followed Brent Dtd movement with the crack situated between \$0.5 - \$1 per barrel.

Global gasoline cracks saw a particularly volatile end of Q3 thanks to disruptions following hurricane Harvey. Levels in North America and Europe were trending up through July and August on the back of stronger than expected year-on-year demand growth, bringing cracks higher than year-ago levels but still below the 5-year average (average over \$150/mt). Global cracking margins have continued to be largely driven by gasoline cracks, but a stronger middle distillate complex may see some yields shifts towards diesel in the next quarter.

Europe has been one of the epicenters of the global recovery in middle distillate cracks. While refinery utilization has remained relatively high, strong European demand has contributed to a global boom for distillates. Gas oil/diesel demand growth in Russia has also contributed to year-on-year declines in Russian exports throughout most of the summer (excepting August, when outflows were substantial).

Global middle distillate cracks had an outstanding quarter with the benchmark ULSD/Dtd Brent spread in NWE gaining some 50% quarter-on-quarter. Even prior to Harvey the entire middle distillate complex was rallying on a combination of very strong global demand growth for both jet and gas oil/diesel, as well as a widespread lack of spare refining capacity. Hurricane Harvey has helped to tighten up the global market even further, bringing September cracks essentially back to 5-year average levels and in some case above those for gasoline.

The natural result of a tight global refining market is high margins and that is exactly what was seen over Q3 (peaking around \$9/bbl for Urals Med in September). The fact that European and US crude intake was hiked by around 1 million b/d over the summer relative to the 3-year average, without incurring a collapse in margins, is indicative of just how tight the market was even before Hurricane Harvey made landfall. Global margins should



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continue to profit from the ongoing fallout of the US hurricane season as the need for US refiners to rebuild domestic inventories would keep US export-oriented refiners busy for some time.

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

**ROMPETROL RAFINARE**  
**Q3 and 9M 2017 IFRS CONSOLIDATED UNAUDITED RESULTS**
**REFINING SEGMENT**

		Q3 2017	Q3 2016	%	9M 2017	9M 2016	%
<b>Financial</b>							
Gross Revenues	USD	941,538,983	649,044,595	45%	2,355,470,391	2,041,303,683	15%
Net Revenues	USD	689,023,754	419,372,730	64%	1,735,949,398	1,356,511,722	28%
EBITDA	USD	68,974,986	11,161,784	518%	111,221,191	69,204,250	61%
EBITDA margin	%	10.0%	2.7%		6.4%	5.1%	
EBIT	USD	56,822,824	(5,054,133)	N/A	65,216,433	23,664,045	176%
Net profit / (loss)	USD	42,034,454	(15,378,314)	N/A	24,824,208	(5,885,812)	N/A
Net profit / (loss) margin	%	6.1%	-3.7%		1.4%	-0.4%	
Gross cash refinery margin/tonne (PEM)	USD/t	63.9	31	107%	49.1	39.1	26%
Gross cash refinery margin/bbl (PEM)	USD/b	8.8	4.3	107%	6.8	5.4	26%
Net cash refinery margin/tonne (PEM)	USD/t	43.5	7	525%	27	16.2	67%
Net cash refinery margin/bbl (PEM)	USD/b	6	1	525%	3.7	2.2	67%
<b>Operational</b>							
Feedstock processed in Petromidia refinery	Kt	1,560	1,106	41%	3,982	3,899	2%
Feedstock processed in Vega refinery	Kt	112	85	32%	264	256	3%
Gasoline produced	Kt	394	269	47%	1,020	1,024	0%
Diesel & jet fuel produced	Kt	817	580	41%	2,105	1,985	6%
Motor fuels sales - domestic	Kt	611	472	30%	1,561	1,378	13%
Motor fuels sales - export	Kt	537	351	53%	1,396	1,495	-7%
Export	%	47%	43%		47%	52%	
Domestic	%	53%	57%		53%	48%	

Refining segment comprises the results of the company Rompetrol Rafinare with strict reference to the activities of the 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.

Refining segment gross revenues reached USD 941 million in Q3 2017 and USD 2.4 billion in the first 9 months of 2017 increase by 45% by 15% as against the same periods last year, influenced by the increase of international quotations for petroleum products.

In the first 9 months of 2017 and in Q3 2017, the total throughput for Petromidia refinery was 3.98 million tons, respectively 1.6 million tons, higher by 2.1%, respectively 41% compared with the same periods last year when the total throughput was 3.9 million tons for the first 9 months of 2016 and 1.1 million tons for Q3 2016.



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## **ROMPETROL RAFINARE Q3 and 9M 2017 IFRS CONSOLIDATED UNAUDITED RESULTS**

The refining capacity utilization was 80.2% in the first 9 months of 2017, respectively 99.3% in Q3, lower by 4.2%, respectively higher by 31 % compared with the same periods last year.

In August 2017, Petromidia refinery reached historical thresholds in terms of raw material processed, reaching 540 thousand tons (equivalent of 17.4 thousand tons/day of operation).

Also, during three consecutive months (June – August 2017), the DAV plant has reached its design capacity of 15.2 thousand tons/day of processed crude oil.

In respect of Vega refinery, the total throughput was 263.6 thousand tons in the first 9 months of 2017, respectively 111.6 thousand tons in Q3, higher by 2.9%, respectively 31.9% compared with the same periods last year when the total throughput was 256.2 thousand tons for the first 9 months of 2016 and 84.6 thousand tons for Q3 2016.

The refining capacity utilization was 106.5% in the first 9 months of 2017 respectively 135.3% in Q3, higher by 3% respectively 32.7% compared with the same periods last year.

In July 2017, Vega refinery reached a historic maximum of processed raw material in amount of ~ 39.6 thousand tons.

The gross refinery margin improved in Q3 2017 compared with the same period last year by 107% reaching a level of 63.9 \$/t as against 31 \$/t in Q3 2016. The company's financial results were positively influenced by favorable market conditions and by production and energy process optimization programs (increase of white products yields) and operating costs optimization, programs that started in the year 2014 and successfully continued in 2015 and 2016.

Rompetrol Rafinare S.A. continued to be an important contributor to Romania's fiscal budget with over USD 358 million in Q3 2017 and over USD 878 million in the first 9 months of 2017.

## **PETROCHEMICALS SEGMENT**



**ROMPETROL RAFINARE**  
**Q3 and 9M 2017 IFRS CONSOLIDATED UNAUDITED RESULTS**

		Q3 2017	Q3 2016	%	9M 2017	9M 2016	%
<b>Financial</b>							
Revenues	USD	54,213,091	40,409,645	34%	134,197,285	131,479,056	2%
EBITDA	USD	(281,055)	(2,120,714)	-87%	(3,770,350)	4,924,742	N/A
EBIT	USD	(4,048,672)	(5,694,054)	-29%	(14,882,196)	(6,444,809)	131%
Net profit / (loss)	USD	(2,112,039)	(4,193,708)	-50%	(7,614,875)	(3,201,220)	138%
<b>Operational</b>							
Propylene processed	kt	35	22	56%	95	87	9%
Ethylene processed	kt	16	17	-5%	44	48	-10%
Total polymers production	kt	38	33	15%	103	108	-5%
Sold from own production	kt	52	39	32%	134	136	-1%
Sold from trading	kt	1	0	273%	1	1	-37%
Total sold		53	40	33%	135	137	-1%
Export	%	48%	55%		48%	56%	
Domestic	%	52%	45%		52%	44%	

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

Starting 1<sup>st</sup> 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.

In terms of low density polyethylene unit (LDPE), the petrochemicals segment works 100% with ethylene from import. The polypropylene unit (PP) works with 100% raw material from the Petromidia refinery.

The petrochemicals segment is the sole polypropylene 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.

In Q3 2017, the total polymers production for Petrochemicals area was 37.8 thousand tons by 14.8 % higher compared with the same period last year when the total polymers production was 32.9 thousand tons, the difference being caused by the running time of the PP plant.

In the first 9 months of 2017, the total polymers production for Petrochemicals area was 102.5 thousand tons by 5.5 % lower compared with the same period last year when the total polymers production was 108.5 thousand tons, mainly caused by planned shutdown (PP unit) and unplanned shutdown (LDPE unit).

**MARKETING SEGMENT**

**ROMPETROL RAFINARE**  
**Q3 and 9M 2017 IFRS CONSOLIDATED UNAUDITED RESULTS**

		Q3 2017	Q3 2016	%	9M 2017	9M 2016	%
<b>Financial</b>							
Gross Revenues	USD	722,296,073	604,367,884	20%	1,774,311,849	1,638,122,732	8%
EBITDA	USD	28,093,854	20,265,230	39%	47,268,474	46,786,728	1%
EBIT	USD	23,413,912	15,653,863	50%	33,252,849	33,383,088	0%
Net profit / (loss)	USD	25,056,154	16,313,591	54%	40,704,405	31,846,583	28%
<b>Operational</b>							
Quantities sold in retail	Kt	202	181	12%	520	475	10%
Quantities sold in wholesale	Kt	364	295	24%	903	851	6%
LPG quantities sold	Kt	93	52	80%	264	197	34%

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

The marketing segment had a turnover of 1.8 billion USD in the first 9 months of 2017, respectively 722 million USD for Q3 2017, an increase by 8%, respectively by 20% as against the same periods last year.

In Q3 2017 compared to Q3 2016, the Platt's quotations (FOB Med Italy-mean), expressed in the currency of reference, USD were on average by 18% higher for gasoline and by 19% higher for diesel. The appreciation of RON against USD by 2.5% led to an effective increase of 15% for gasoline and diesel quotation.

A major influence in changing prices had a reduction in VAT starting with 1<sup>st</sup> of January 2017, from 20% to 19%, and excise duties on fuels were reduced by 7 eurocents / liter. Subsequently, fuel excises increased by 32 bani / liter in two stages of 16 bani / liter, the first stage being on September 15, 2017.

As of September 2017, the Rompetrol Downstream's distribution segment contained 793 points of sale, including the network of owned stations, partner stations and mobile stations: expres, cuves and internal bases.

**APPENDIX 1 – CONSOLIDATED INCOME STATEMENT 2017, UNAUDITED**



**ROMPETROL RAFINARE**  
**Q3 and 9M 2017 IFRS CONSOLIDATED UNAUDITED RESULTS**

*Amounts in USD*

	<b>Q3 2017</b>	<b>Q3 2016</b>	<b>%</b>	<b>9M 2017</b>	<b>9M 2016</b>	<b>%</b>
Gross Revenues	1,157,260,127	867,963,071	33%	2,875,674,702	2,570,588,065	12%
Sales taxes and discounts	(312,626,036)	(304,916,305)	3%	(756,617,167)	(854,397,181)	-11%
<b>Net revenues</b>	<b>844,634,091</b>	<b>563,046,766</b>	<b>50%</b>	<b>2,119,057,535</b>	<b>1,716,190,884</b>	<b>23%</b>
Cost of sales	(726,741,488)	(510,144,546)	42%	(1,902,664,397)	(1,543,551,639)	23%
<b>Gross margin</b>	<b>117,892,603</b>	<b>52,902,220</b>	<b>123%</b>	<b>216,393,138</b>	<b>172,639,245</b>	<b>25%</b>
Selling, general and administration	(45,755,052)	(45,789,793)	0%	(133,920,498)	(124,392,092)	8%
Other expenses, net	2,788,663	(104,193)	N/A	(111,739)	1,213,142	N/A
<b>EBIT</b>	<b>74,926,214</b>	<b>7,008,234</b>	<b>969%</b>	<b>82,360,901</b>	<b>49,460,295</b>	<b>67%</b>
Finance, net	(8,919,966)	(7,878,300)	13%	(22,589,194)	(24,018,297)	-6%
Net foreign exchange gains / (losses)	(1,049,550)	(41,104)	2453%	(1,430,075)	(3,849,873)	-63%
<b>EBT</b>	<b>64,956,698</b>	<b>(911,170)</b>	<b>N/A</b>	<b>58,341,632</b>	<b>21,592,125</b>	<b>170%</b>
Income tax	(1,812,317)	(244,703)	641%	(2,227,387)	(716,685)	211%
<b>Net result</b>	<b>63,144,381</b>	<b>(1,155,873)</b>	<b>N/A</b>	<b>56,114,245</b>	<b>20,875,440</b>	<b>169%</b>
<b>EBITDA</b>	<b>95,361,710</b>	<b>30,932,891</b>	<b>208%</b>	<b>152,900,573</b>	<b>121,131,016</b>	<b>26%</b>

**APPENDIX 2 – CONSOLIDATED BALANCE SHEET SEPTEMBER 30, 2017, UNAUDITED**

*Amounts in USD*





**ROMPETROL RAFINARE**  
**Q3 and 9M 2017 IFRS CONSOLIDATED UNAUDITED RESULTS**

	September 30, 2017	December 31, 2016	%
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	7,630,444	7,265,762	5%
Goodwill	82,871,706	82,871,706	0%
Property, plant and equipment	1,113,214,101	1,138,146,913	-2%
Financial assets and other	63,576,137	64,968,050	-2%
<b>Total Non Current Assets</b>	<b>1,267,292,388</b>	<b>1,293,252,431</b>	<b>-2%</b>
<b>Current assets</b>			
Inventories	300,906,022	230,091,565	31%
Trade and other receivables	367,484,860	287,577,488	28%
Derivative financial Instruments	553,918	5,340	N/A
Cash and cash equivalents	17,515,998	15,810,298	11%
<b>Total current assets</b>	<b>686,460,798</b>	<b>533,484,691</b>	<b>29%</b>
<b>Total assets</b>	<b>1,953,753,186</b>	<b>1,826,737,122</b>	<b>7%</b>
<b>Equity and liabilities</b>			
<b>Total Equity</b>	<b>534,668,230</b>	<b>478,624,262</b>	<b>12%</b>
<b>Non-current liabilities</b>			
Long-term debt	-	193,162,805	-100%
Provisions	74,200,419	76,429,343	-3%
Other	502,575	483,680	4%
<b>Total non-current liabilities</b>	<b>74,702,994</b>	<b>270,075,828</b>	<b>-72%</b>
<b>Current Liabilities</b>			
Trade and other payables	929,856,164	788,571,675	18%
Derivative financial instruments	946,598	323,130	193%
Short-term debt	413,579,200	289,142,227	43%
<b>Total current liabilities</b>	<b>1,344,381,962</b>	<b>1,078,037,032</b>	<b>25%</b>
<b>Total equity and liabilities</b>	<b>1,953,753,186</b>	<b>1,826,737,122</b>	<b>7%</b>

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

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

**Catalin Dumitru**

**Chief Executive Officer**

**Yedil Utekov**

**Chief Financial Officer**

**Vasile-Gabriel Manole**