

Estimates of selected Q4 2012 and 2012 operating and financial data

Grupa LOTOS S.A.

(GPW: LST, Thomson Reuters: LTS.WA, Bloomberg: LTS PW)

The figures contained herein are estimates and may differ from the actual results to be published on March 21st 2013 in the 2012 consolidated financial statements.

Estimates of Q4 2012 operating and financial data

Macroeconomic environment

Brent/Ural prices and Grupa LOTOS' model margin

(USD/bbl)	4Q 2012	3Q 2012	4Q 2011	4Q12/3Q12	4Q12/4Q11
DATED Brent FOB prices	110,08	109,50	109,35	0,5%	0,7%
Ural CIF Rotterdam prices	108,64	108,67	108,63	0,0%	0,0%
Brent/Ural differential *	1,09	0,68	0,29	60,3%	275,9%
Model refining margin **	5,41	6,95	3,88	-22,2%	39,5%

* Brent vs Ural spread

** Model margin for an output structure in an averaged scenario of typical annual operation of Grupa LOTOS S.A.'s refinery, assuming maximization of output of middle distillates. An annual throughput has been assumed that corresponds to the maximum distillation capacity if Urals crude was the only input (the value of Urals crude is determined as the difference between DTD Brent and the Urals Rtd vs. forward Dtd Brent spread).

Foreign exchange rate

(USD/PLN)	4Q 2012	3Q 2012	4Q 2011	4Q12/3Q12	4Q12/4Q11
PLN/USD exchange rate at end of period	3,10	3,18	3,42	-2,5%	-9,4%
Average quarterly PLN/USD exchange rate	3,17	3,31	3,28	-4,2%	-3,4%

- Grupa LOTOS' model refining margin of 5.41 USD/bbl in Q4 2012.
- Average quarterly Brent Dtd price of 110.08 USD/bbl.
- Increase in Brent/Ural differential from 0.68 USD/bbl in Q3 to 1.09 USD/bbl.

Crude oil production and sales

Production (bbl/d)	4Q 2012	3Q 2012	4Q 2011	4Q12/3Q12	4Q12/4Q11
Poland	3 148	3 233	3 556	-2,6%	-11,5%
Lithuania *	1 519	1 579	1 738	-3,8%	-12,6%
total	4 667	4 812	5 294	-3,0%	-11,8%
Own production sales (bbl)	4Q 2012	3Q 2012	4Q 2011	4Q12/3Q12	4Q12/4Q11
Poland	196 396	216 236	221 936	-9,2%	-11,5%
Lithuania *	152 101	120 084	151 681	26,7%	0,3%
total	348 497	336 320	373 617	3,6%	-6,7%

* based on the ownership interests of the AB LOTOS Geonafta Group

Natural gas production and sales

Production (mcm)	4Q 2012	3Q 2012	4Q 2011	4Q12/3Q12	4Q12/4Q11
Poland	4,10	4,20	4,60	-2,4%	-10,9%
Sales (mcm)	4Q 2012	3Q 2012	4Q 2011	4Q12/3Q12	4Q12/4Q11
Poland	2,60	2,50	2,80	4,0%	-7,1%

Estimated operating results of the upstream segment

(PLNm)	4Q 2012	3Q 2012	4Q 2011	4Q12/3Q12	4Q12/4Q11
Sales revenue	131,6	125,4	139,3	4,9%	-5,5%
EBIT	14,5	46,4	-245,0	-68,8%	-
Depreciation and amortisation	43,4	30,7	32,8	41,4%	32,3%
EBITDA	57,9	77,1	-212,2	-24,9%	-

- Revenue of PLN 131.6m in Q4 2012.
- Q4 2012 operating profit of PLN 14.5m includes:
 - PLN -74.5m impairment loss on LOTOS Norge's exploration licences (PL 497 and PL 498),
 - PLN +58.9m effect from accounting for the step acquisition of UAB Manifoldas.
- Q4 2011 operating loss of PLN -245m includes impairment losses of PLN -286.6m.
- Impairment testing of YME field related assets was not complete as at January 31st 2013 as the required data had not yet been provided.

Structure of crude oil processed by the Gdańsk refinery

(thousand tonnes)	4Q 2012	3Q 2012	4Q 2011	4Q12/3Q12	4Q12/4Q11
	2 535,3	2 450,3	2 362,1	3,5%	7,3%
including:					
Urals crude	2 324,6	2 144,4	2 300,9	8,4%	1,0%
Rozewie crude	24,3	46,6	28,5	-47,9%	-14,7%
Other types of crude	186,4	259,3	32,7	-28,1%	470,0%

Utilisation ratio *

(%)	4Q 2012	3Q 2012	4Q 2011
	95,8	98,7	89,2

* based on refinery operating days

Sales structure of the downstream segment

(thousand tonnes)	4Q 2012	3Q 2012	4Q 2011	4Q12/3Q12	4Q12/4Q11
	2 637,6	2 599,2	2 578,9	1,5%	2,3%
Gasolines	417,7	398,4	365,8	4,8%	14,2%
Naphta	104,6	69,4	51,7	50,7%	102,3%
Diesel oils	1 151,0	1 223,9	1 267,1	-6,0%	-9,2%
Light fuel oils	108,3	62,2	133,6	74,1%	-18,9%
Jet fuel	137,4	137,3	102,9	0,1%	33,5%
Heavy fuel oil	299,3	252,8	162,2	18,4%	84,5%
Bitumen components	193,0	258,7	289,2	-25,4%	-33,3%
Other petroleum products	226,3	196,5	206,4	15,2%	9,6%

Estimated operating results of the downstream segment

(PLNm)	4Q 2012	3Q 2012	4Q 2011	4Q12/3Q12	4Q12/4Q11
Sales revenue	8 271,1	8 530,3	8 313,4	-3,0%	-0,5%
EBIT	158,6	524,2	351,0	-69,7%	-54,8%
Depreciation and amortisation	131,9	131,5	134,1	0,3%	-1,6%
EBITDA	290,5	655,7	485,1	-55,7%	-40,1%

- Year-on-year decline in revenue from PLN 8,313.4m in Q4 2011 to PLN 8,271.1m in Q4 2012.
- Q4 2012 operating profit of PLN 158.6m includes a PLN -22.8m impairment loss on property, plant and equipment. The Q4 2011 operating profit of PLN 351.0m included a PLN -28.0m impairment loss on property, plant and equipment.
- Decline in EBITDA from PLN 485.1m in Q4 2011 to PLN 290.5m in Q4 2012.

Estimates of Q4 2012 consolidated financial data of the LOTOS Group

Estimated Q4 2012 consolidated operating results of the LOTOS Group

(PLNm)	4kw 2012	3kw 2012	4kw 2011	4kw12/3kw12	4kw12/4kw11
Sales revenue	8 322,8	8 568,8	8 365,5	-2,9%	-0,5%
EBIT	172,7	603,8	143,1	-71,4%	20,7%
Depreciation and amortisation	177,4	164,5	168,8	7,8%	5,1%
EBITDA	350,1	768,3	311,9	-54,4%	12,2%
Pre-tax profit/(loss)	192,2	749,0	-79,4	-74,3%	-
Net profit/(loss)	241,8	626,1	74,0	-61,4%	226,8%

Effect of inventory valuation on the estimated Q4 2012 consolidated operating result of the LOTOS Group

(PLNm)	4kw 2012	3kw 2012	4kw 2011
Operating profit/(loss)	172,7	603,8	143,1
LIFO effect	60,8	22,2	-348,5
LIFO operating profit/(loss)	233,5	626,0	-205,4

- Q4 2012 consolidated net profit of PLN 241.8m includes:
 - PLN -16.4m impairment loss on LOTOS Norge's exploration licences (PL 497 and PL 498),
 - PLN -18.5m impairment loss on property, plant and equipment in the downstream segment,
 - PLN +58.9m effect from accounting for the step acquisition of UAB Manifoldas.
- Q4 2011 consolidated net profit of PLN 74m includes impairment losses of PLN -114.3m.
- Q4 2012 LIFO operating profit of PLN 233.5m is up by PLN 438.9m year on year.

Estimates of 2012 operating and financial data

Macroeconomic environment

Brent/Ural prices and Grupa LOTOS' model margin

(USD/bbl)	2012	2011	2012/2011
DATED Brent FOB prices	111,67	111,26	0,4%
Ural CIF Rotterdam prices	110,18	109,07	1,0%
Brent/Ural differential *	1,27	1,68	-24,4%
Model refining margin **	5,53	3,41	62,0%

* Brent vs Ural spread

** Model margin for an output structure in an averaged scenario of typical annual operation of Grupa LOTOS S.A.'s refinery, assuming maximization of output of middle distillates. An annual throughput has been assumed that corresponds to the maximum distillation capacity if Urals crude was the only input (the value of Urals crude is determined as the difference between DTD Brent and the Urals Rtd vs. forward Dtd Brent spread).

Foreign exchange rate

(USD/PLN)	2012	2011	2012/2011
PLN/USD exchange rate at end of period	3,10	3,42	-9,4%
Average annual PLN/USD exchange rate	3,26	2,96	10,1%

- Grupa LOTOS' model refining margin of 5.53 USD/bbl in 2012.
- Average annual Brent Dtd price of 111.67 USD/bbl.
- Decrease in Brent/Ural differential from 1.68 USD/bbl in 2011 to 1.27 USD/bbl.

Upstream

Crude oil production and sales

Production (bbl/d)	2012	2011	2012/2011
Poland	3 978	3 169	25,5%
Lithuania *	1 588	1 665	-4,6%
total	5 565	4 834	15,1%
Own production sales (bbl)	2012	2011	2012/2011
Poland	1 390 392	1 103 327	26,0%
Lithuania *	591 103	612 995	-3,6%
total	1 981 495	1 716 322	15,5%

* based on the ownership interests of the AB LOTOS Geonafra Group

Estimated operating results of the upstream segment

(PLNm)	2012	2011	2012/2011
Sales revenue	758,6	582,3	30,3%
EBIT	-640,4	21,7	-
Depreciation and amortisation	136,9	120,0	14,1%
EBITDA	-503,5	141,7	-

- Revenue of PLN 758.6m in 2012.
 - 2012 operating loss of PLN -640.4m includes:
 - PLN -935.0m impairment loss on YME project assets,
 - PLN -74.5m impairment loss on LOTOS Norge's exploration licences (PL 497 and PL 498),
 - PLN +58.9m effect from accounting for the step acquisition of UAB Manifoldas.
- 2011 operating profit of PLN 21.7m included a PLN -160.2m effect of non-recurring events.

Downstream

Structure of crude oil processed by the Gdańsk refinery

(thousand tonnes)	2012	2011	2012/2011
	9 673,6	9 164,7	5,6%
including:			
Urals crude	8 722,4	8 362,5	4,3%
Rozewie crude	178,8	141,9	26,0%
Other types of crude	772,4	660,3	17,0%

Sales structure of the downstream segment

(thousand tonnes)	2012	2011	2012/2011
	10 157,6	10 021,0	1,4%
Gasolines	1 508,3	1 445,9	4,3%
Naphta	355,5	174,5	103,7%
Diesel oils	4 592,2	4 745,1	-3,2%
Light fuel oils	337,8	403,2	-16,2%
Jet fuel	542,9	456,6	18,9%
Heavy fuel oil	1 075,2	909,9	18,2%
Bitumen components	753,1	991,2	-24,0%
Other petroleum products	992,6	894,6	11,0%

Estimated operating results of the downstream segment

(PLNm)	2012	2011	2012/2011
Sales revenue	32 898,1	29 062,3	13,2%
EBIT	970,7	1 061,3	-8,5%
Depreciation and amortisation	526,4	480,3	9,6%
EBITDA	1 497,1	1 541,6	-2,9%

➤ Year-on-year increase in revenue from PLN 29,062m in 2011 to PLN 32,898m in 2012.

➤ 2012 operating profit of PLN 970.7m includes:

- PLN -22.8m impairment loss on property, plant and equipment,
- PLN +21.0m gain on loss of control over a subsidiary (sale of LOTOS Parafiny).

The 2011 operating profit of PLN 1,061.3m included a PLN -28.0m impairment loss on property, plant and equipment.

Estimates of 2012 consolidated financial data of the LOTOS Group

Estimated 2012 consolidated operating results of the LOTOS Group

(PLNm)	2012	2011	2012/2011
Sales revenue	33 108,0	29 259,6	13,2%
EBIT	334,1	1 085,5	-69,2%
Depreciation and amortisation	671,8	608,6	10,4%
EBITDA	1 005,9	1 694,1	-40,6%
Pre-tax profit/(loss)	390,5	551,4	-29,2%
Net profit/(loss)	936,0	649,3	44,2%

Effect of inventory valuation on the estimated 2012 consolidated operating result of the LOTOS Group

(PLNm)	2012	2011
Operating profit/(loss)	334,1	1085,5
LIFO effect	54,9	-991,2
LIFO operating profit/(loss)	389,0	94,3

➤ 2012 consolidated net profit of PLN 936.0m includes:

- PLN -285.0m impairment loss on YME project assets,
- PLN -16.4m impairment loss on LOTOS Norge's exploration licences (PL 497 and PL 498),
- PLN -18.5m impairment loss on property, plant and equipment in the downstream segment,
- PLN +58.9m effect from accounting for the step acquisition of UAB Manifoldas,
- PLN +21.0m gain from loss of control over a subsidiary (sale of LOTOS Parafiny).

The 2011 consolidated net profit of PLN 649.3m included a PLN +12.1m effect of non-recurring events.

➤ The 2012 LIFO consolidated operating profit of PLN 389.0m is up by PLN 294.7m year on year.

Consolidated statement of financial position of the LOTOS Group

Consolidated statement of financial position of the LOTOS Group				
	31.12.2012	31.12.2011	change	%
Assets (PLNm)	20 052,6	20 423,2	-370,6	-1,8%
Non-current assets, including:	11 504,3	11 582,2	-77,9	-0,7%
Property, plant and equipment	8 657,6	8 965,5	-307,9	-3,4%
Tangible assets under construction	1 025,5	1 558,1	-532,6	-34,2%
Deferred tax assets	1 109,4	400,1	709,3	177,3%
Current assets, including:	8 545,9	8 731,9	-186,0	-2,1%
Inventories	5 965,4	5 855,8	109,6	1,9%
Trade and other receivables	1 872,9	2 190,0	-317,1	-14,5%
Current financial assets	273,7	129,1	144,6	112,0%
Cash and cash equivalents	267,8	383,7	-115,9	-30,2%
Assets available for sale	2,4	109,1	-106,7	-97,8%
Equity and liabilities (PLNm)	20 052,6	20 423,2	-370,6	-1,8%
Equity	9 068,5	7 782,4	1286,1	16,5%
Non-current liabilities, including:	5 415,6	5 847,5	-431,9	-7,4%
Interest-bearing borrowings and other debt instruments	4 318,0	4 983,9	-665,9	-13,4%
Current liabilities, including:	5 568,5	6 752,9	-1184,4	-17,5%
Interest-bearing borrowings and other debt instruments	2 072,6	2 407,7	-335,1	-13,9%
Liabilities associated with assets available for sale	0,0	40,4	-40,4	-100,0%

- Total non-current assets decreased in the analysed period by PLN 77.9m.
 - deferred tax assets totalled PLN 1,109.4m.
- Total current assets as at December 31st 2012 totalled PLN 8,545.9m, down by PLN 186.0m on December 31st 2011.
 - total inventories as at December 31st 2012 totalled PLN 5,965.4m.
- Equity as at December 31st 2012 totalled PLN 9,068.5m, up by PLN 1,286.1m year on year.
- Consolidated gross financial debt as at December 31st 2012 stood at PLN 6,390.6m, down by PLN 1,001.0m year on year.
- Free-cash-adjusted financial debt to equity ratio was 67.5%, down by 22.5pp on December 31st 2011.

The legal basis for publishing this current report is Par. 5.1.25 and Par. 31 the Minister of Finance's Regulation on current and periodic reports to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009, and Art. 56.1.1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, dated July 29th 2005.