



LOTOS Group Full Year 2015 and 4Q 2015 consolidated financial results

Mariusz Machajewski, Vice President of the Management Board
Maciej Szozda, Vice President of the Management Board
Zbigniew Paszkowicz, Vice President of the Management Board

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Key highlights



Key highlights 4Q 2015

PLN m	EBITDA reported	Clean ⁽¹⁾ EBITDA LIFO	y/y % change Clean EBITDA LIFO
Consolidated	-145	486	+32%
upstream	-66	71	-40%
downstream	-75	420	+71%

Operating cash flow

402 m PLN

Crude oil throughput

2 555 k tons

Upstream production capacity, as per 31 Dec 2015⁽²⁾

30 326 boe/day

Note : Values for the segments above do not sum up due to balancing effect of other segment and consolidation items

(1) Excluding one-off items

(2) Barrels of oil equivalent. Calculated per effective days of production in 4Q 2015 for Poland, Lithuania and Heimdal. For Sleipner - the average volume of 2 last days of December 2015.

Key highlights 2015

PLN m	EBITDA reported	Clean ⁽¹⁾ EBITDA LIFO	y/y % change Clean EBITDA LIFO
Consolidated	1 138	2 156	+55%
upstream	186	339	-33%
downstream	875	1 779	+103%

Operating cash flow

1 488 m PLN

Crude oil throughput

10 210 k tons

Upstream average daily production⁽²⁾

11 814 boe/day

Note : Values for the segments above do not sum up due to balancing effect of other segment and consolidation items

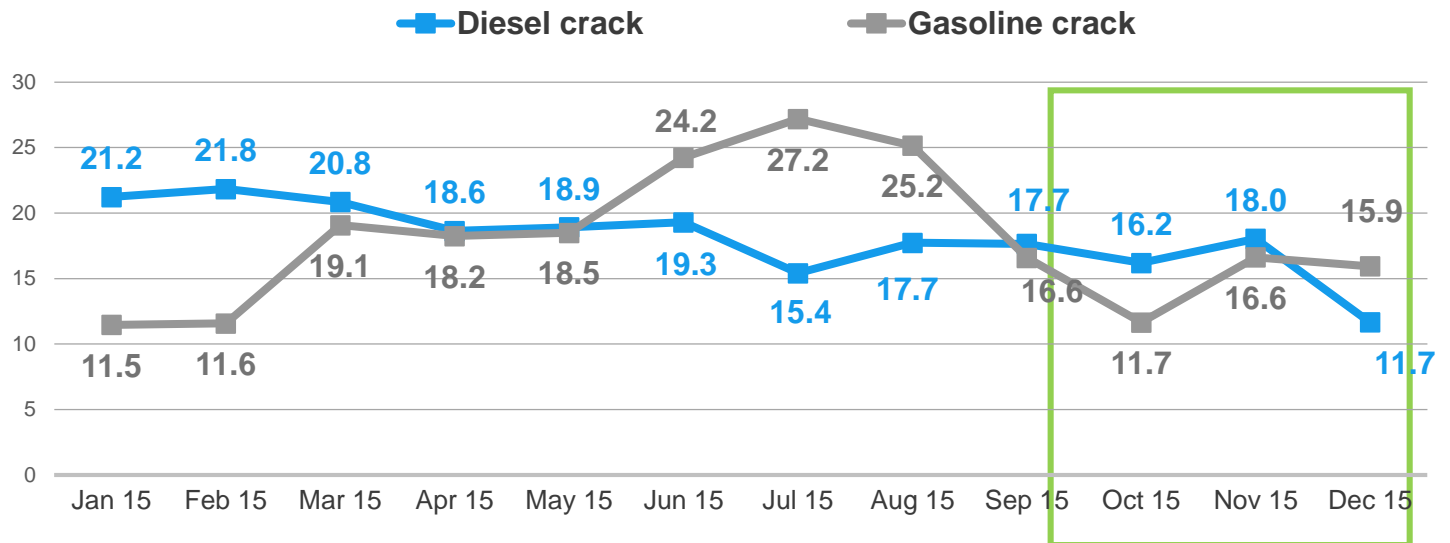
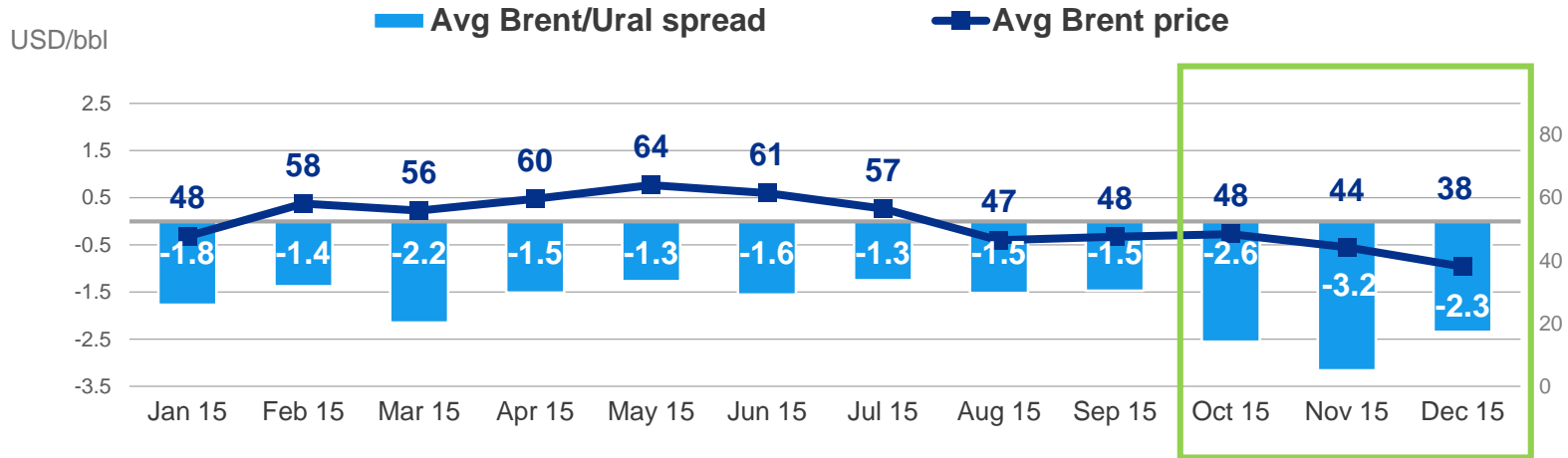
(1) Excluding one-off items

(2) Barrels of oil equivalent. Calculated per effective days of production.

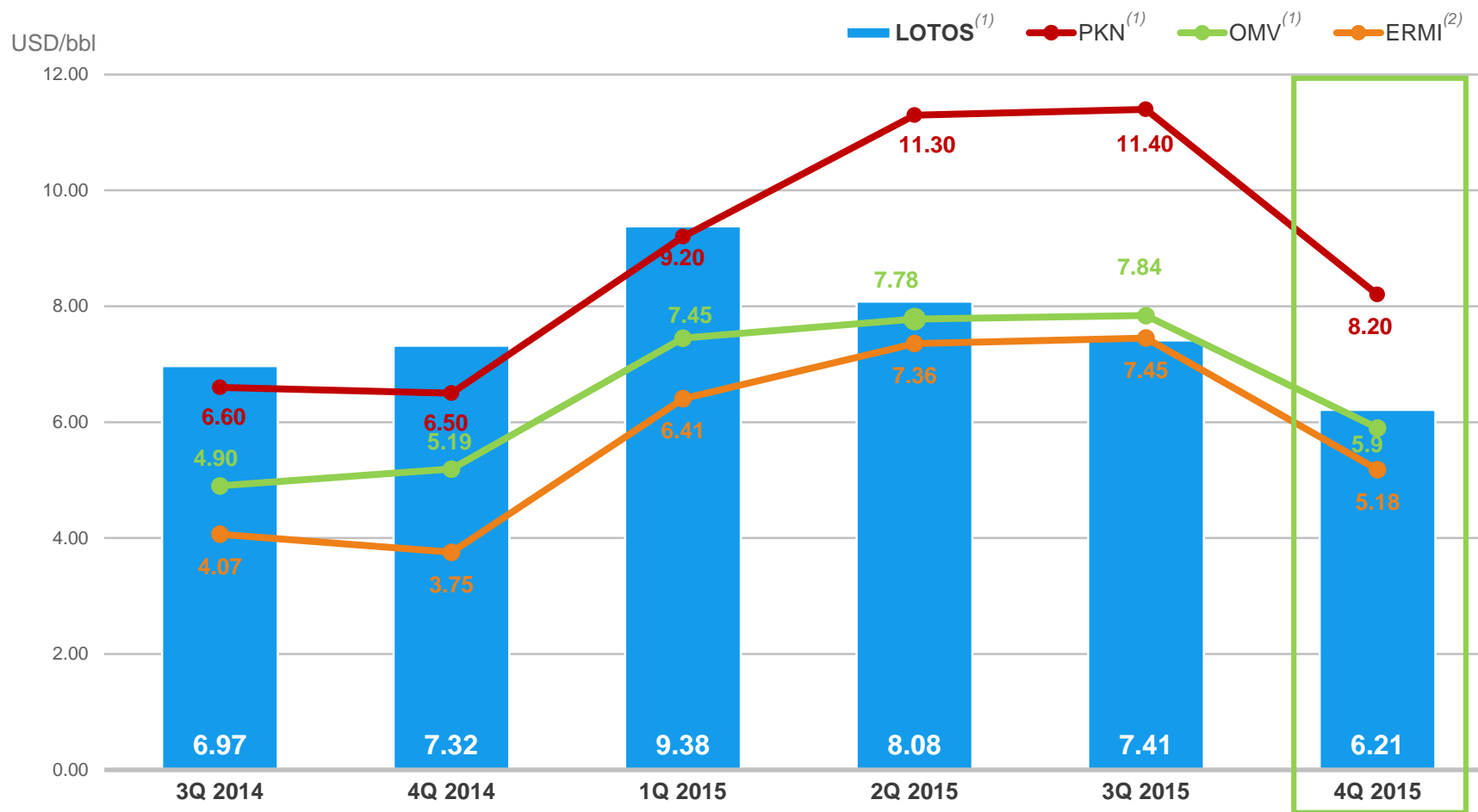
External environment



External environment - crude oil prices & product cracks



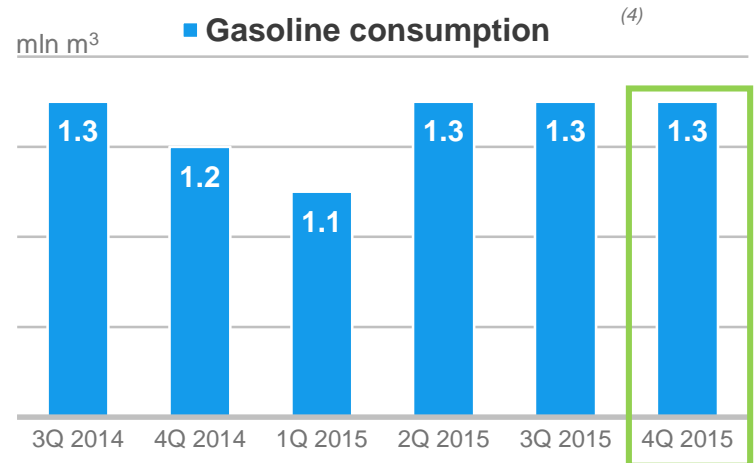
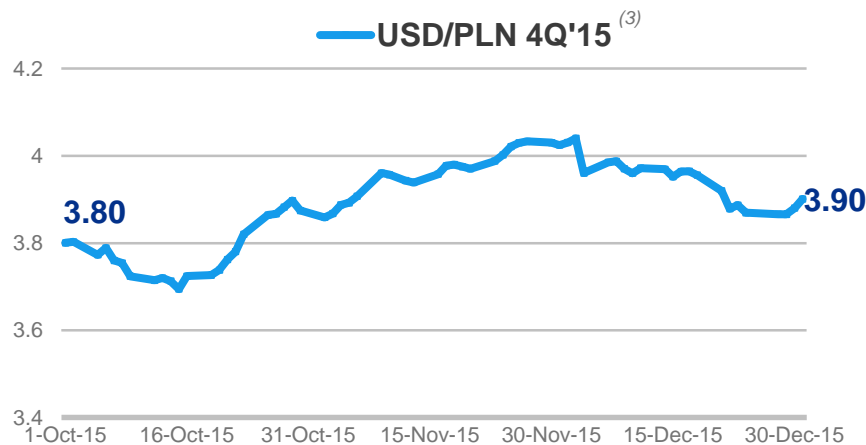
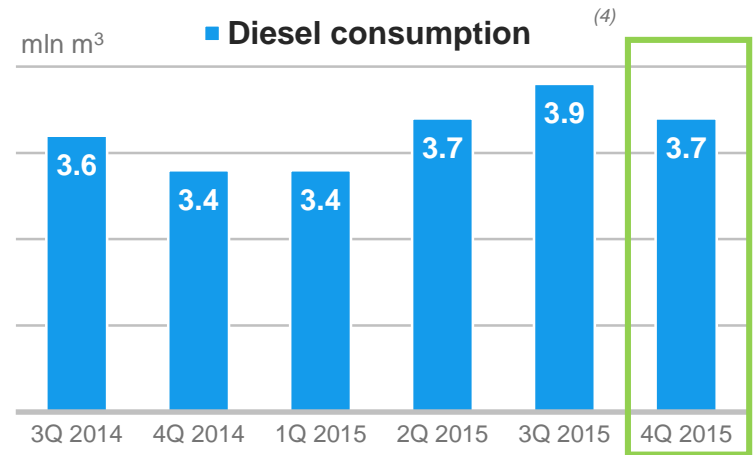
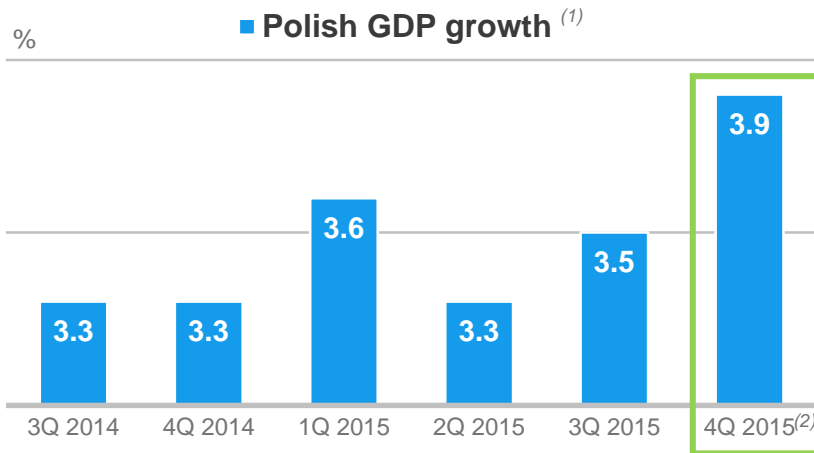
Model refining margin vs. peers



(1) Source: Company data; based on websites of the companies

(2) Source: Total; European Refining Margin Indicator (ERMI) is an indicator intended to represent the margin after variable costs for a hypothetical complex refinery located around Rotterdam in Northern Europe that processes a mix of crude oil and other inputs commonly supplied to this region to produce and market the main refined products at prevailing prices in this region.

External environment – GDP growth, FX development & domestic fuel consumption



(1) National Statistics Bureau (GUS)

(2) In-house calculation based on market data

(3) National Bank of Poland

(4) POPIhN – Organisation for Oil Trade and Industry

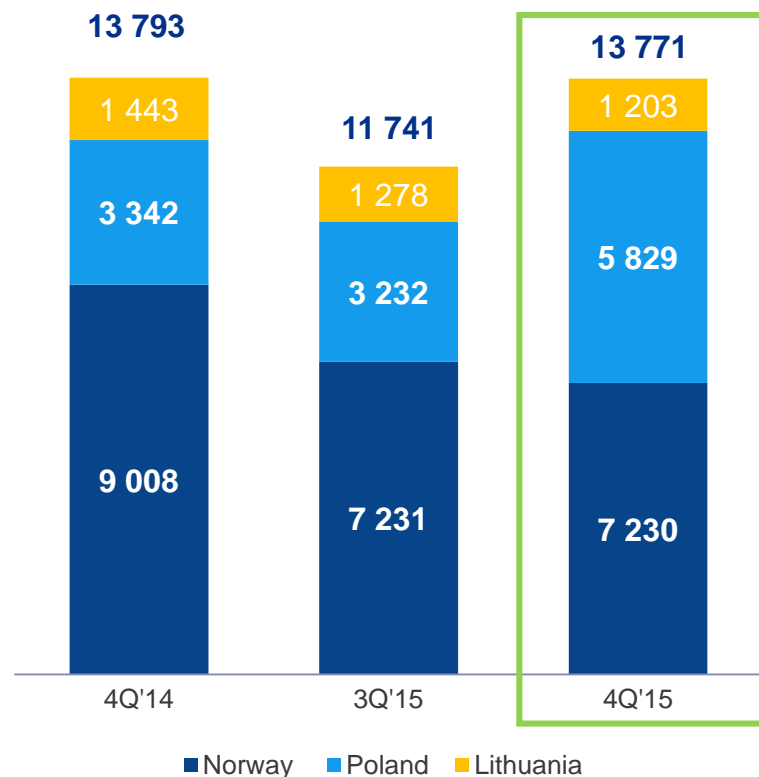


Upstream

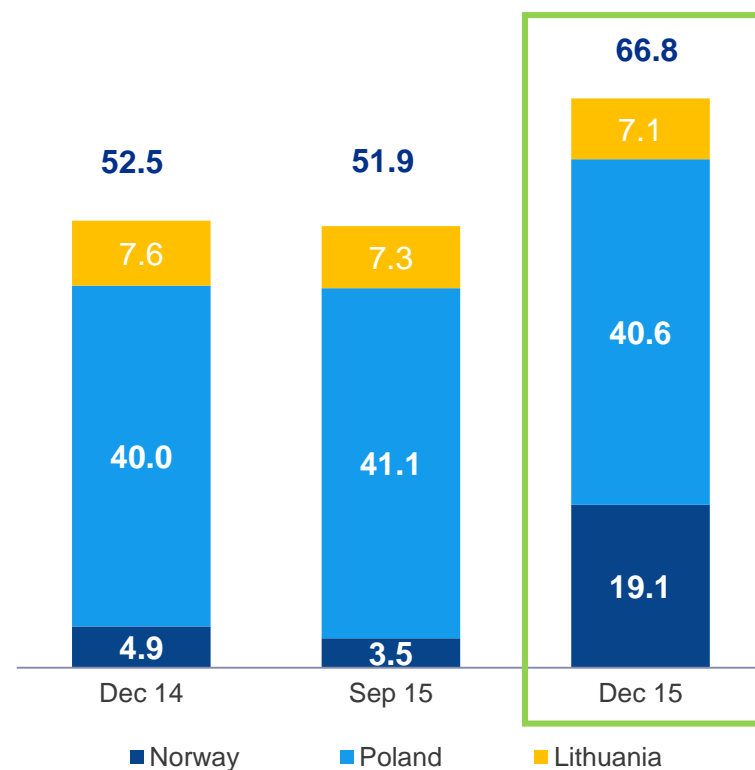


Hydrocarbons reserves and production figures

Average daily oil&gas production (boe/d)⁽¹⁾



2P⁽²⁾ oil&gas reserves (m boe)



(1) Calculated on effective production days

(2) 2P reserves (proved and probable)

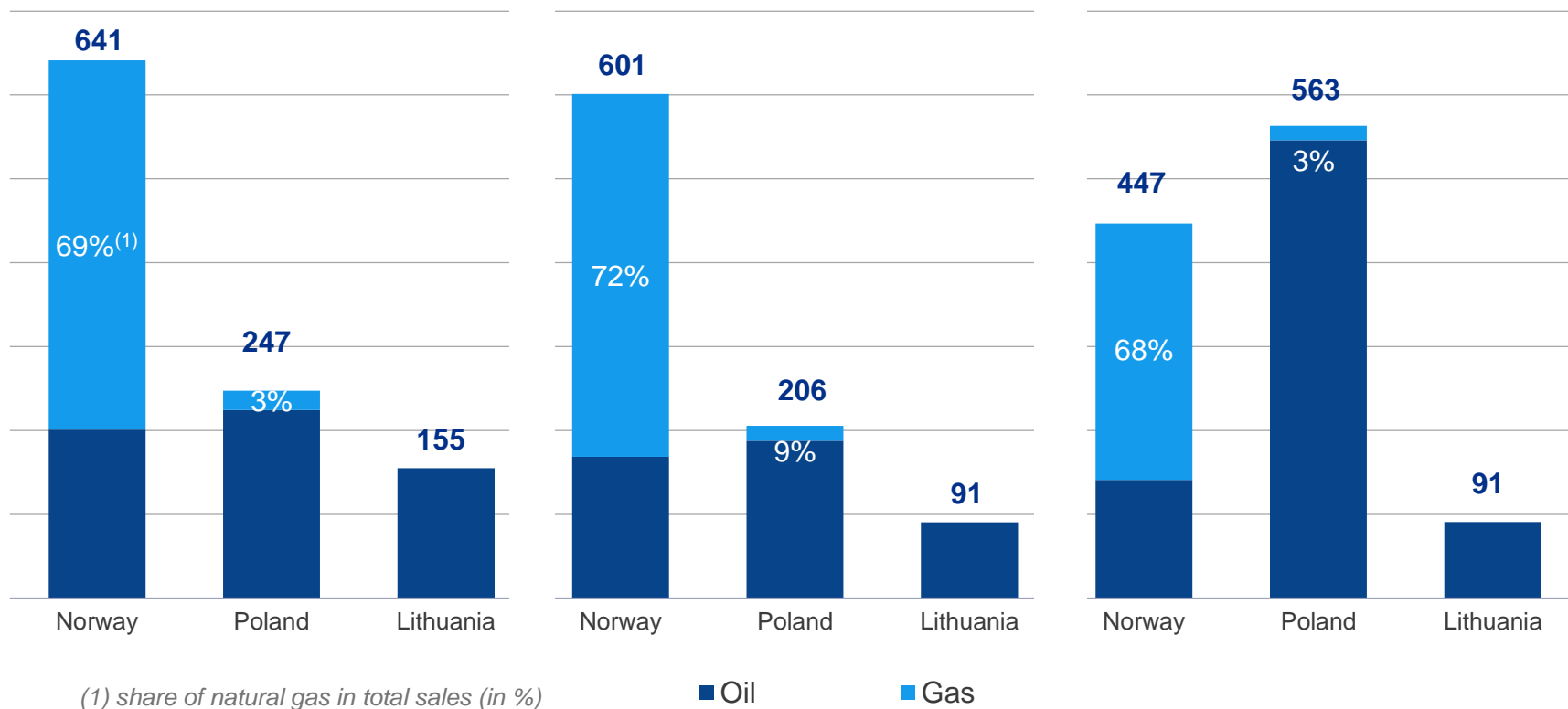
Quarterly sales split by products and countries

4Q 2014

3Q 2015

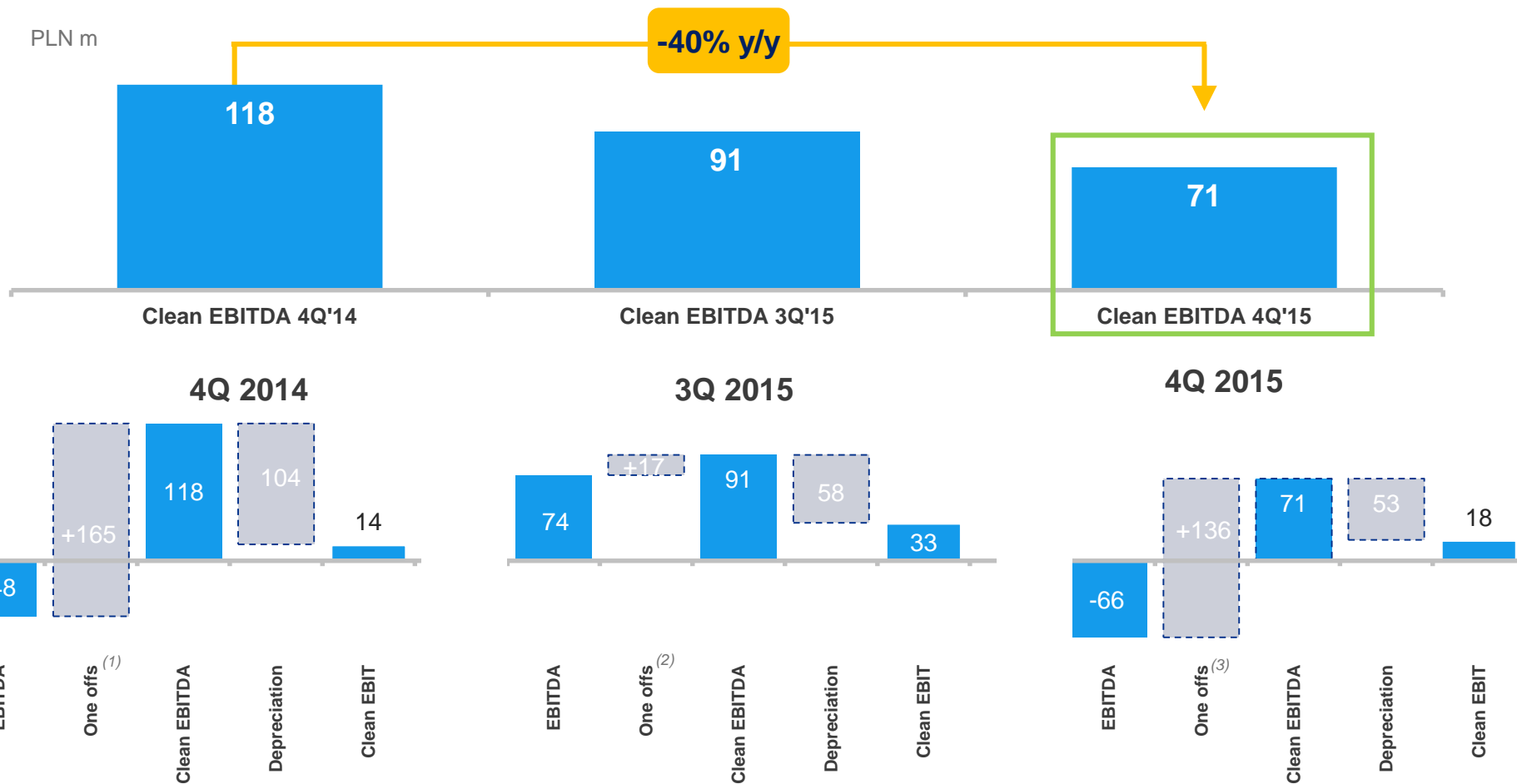
4Q 2015

ths boe



Upstream quarterly clean EBITDA development

PLN m

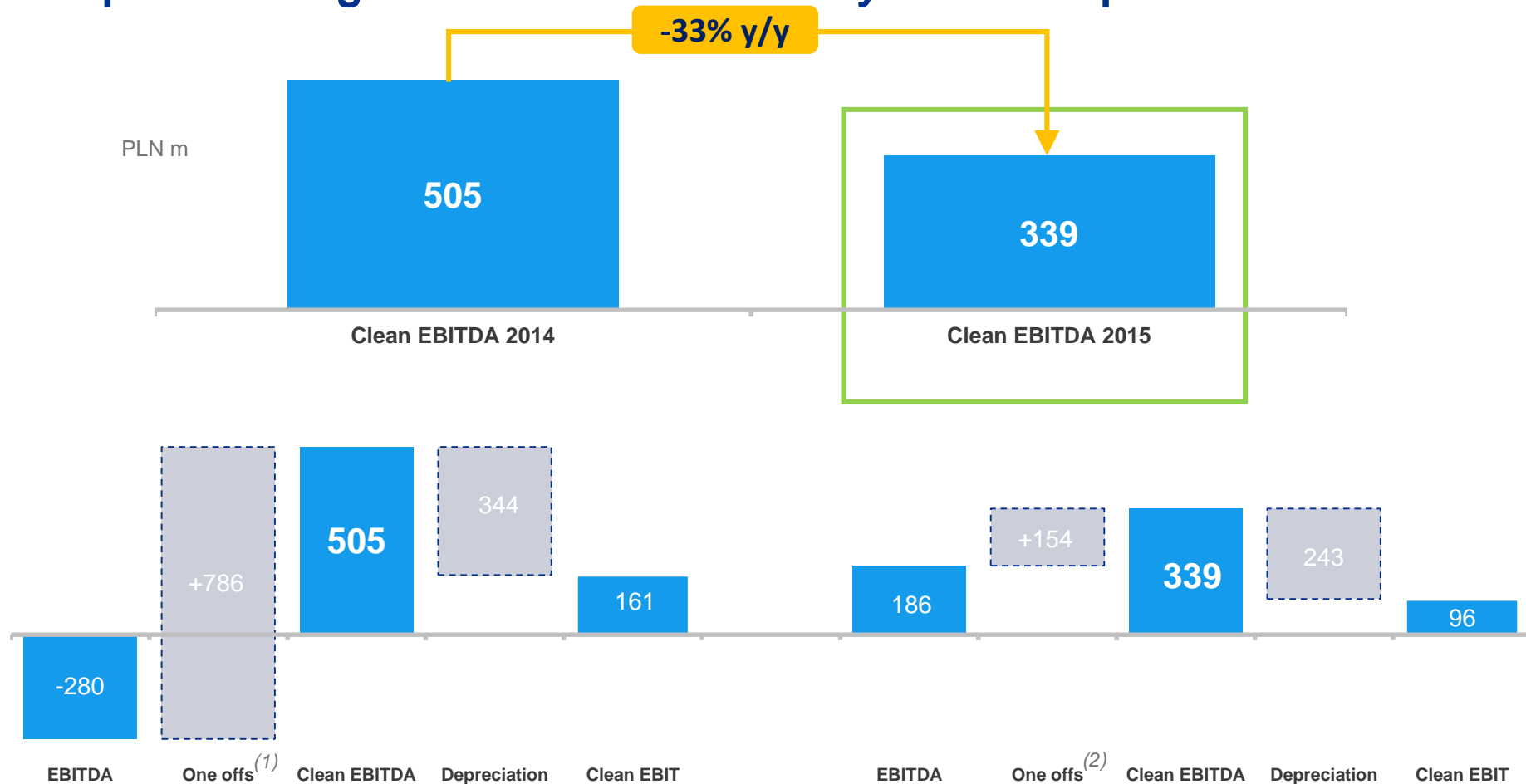


(1) 4Q 2014: assets impairments (103 m PLN Lithuania, 55 m PLN Norway, 7 m PLN Poland)

(2) 3Q 2015: assets impairments (5 m PLN Norway, 12 m PLN Poland)

(3) 4Q 2015: assets impairments (69 m PLN Lithuania, 20 m PLN Norway, 47 m PLN Poland)

Upstream segment clean EBITDA full year development

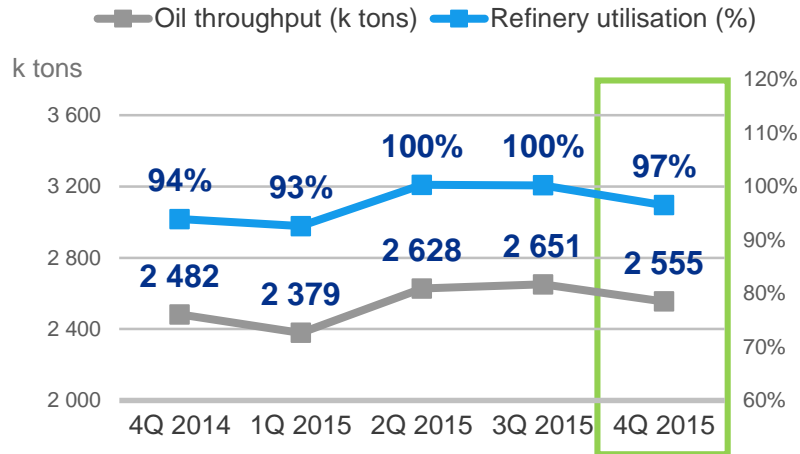


(1) 2014: assets impairments, including 578 m PLN write offs related to the YME field

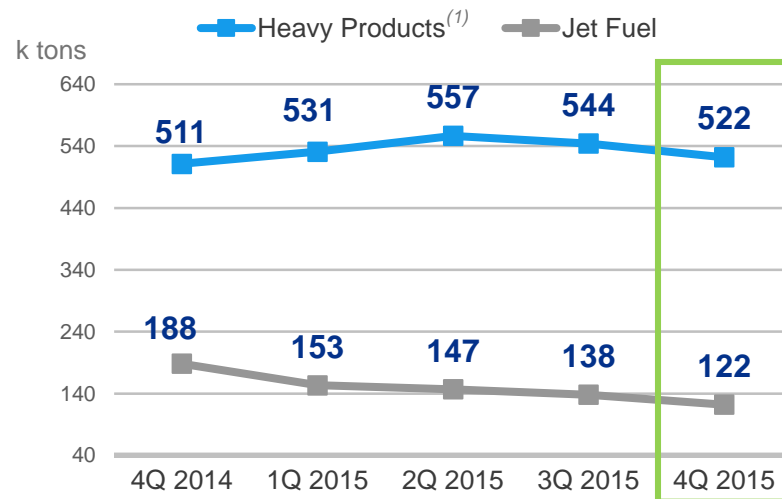
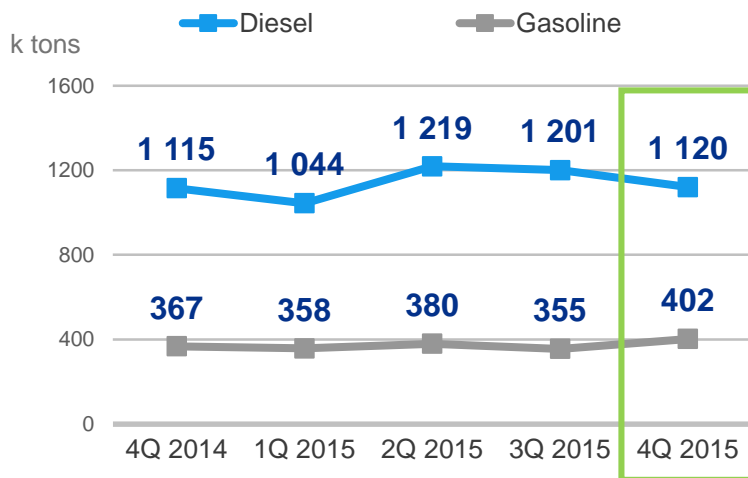
(2) 2015: assets impairments (69 m PLN Lithuania, 25 m PLN Norway, 60 m PLN Poland)

Downstream

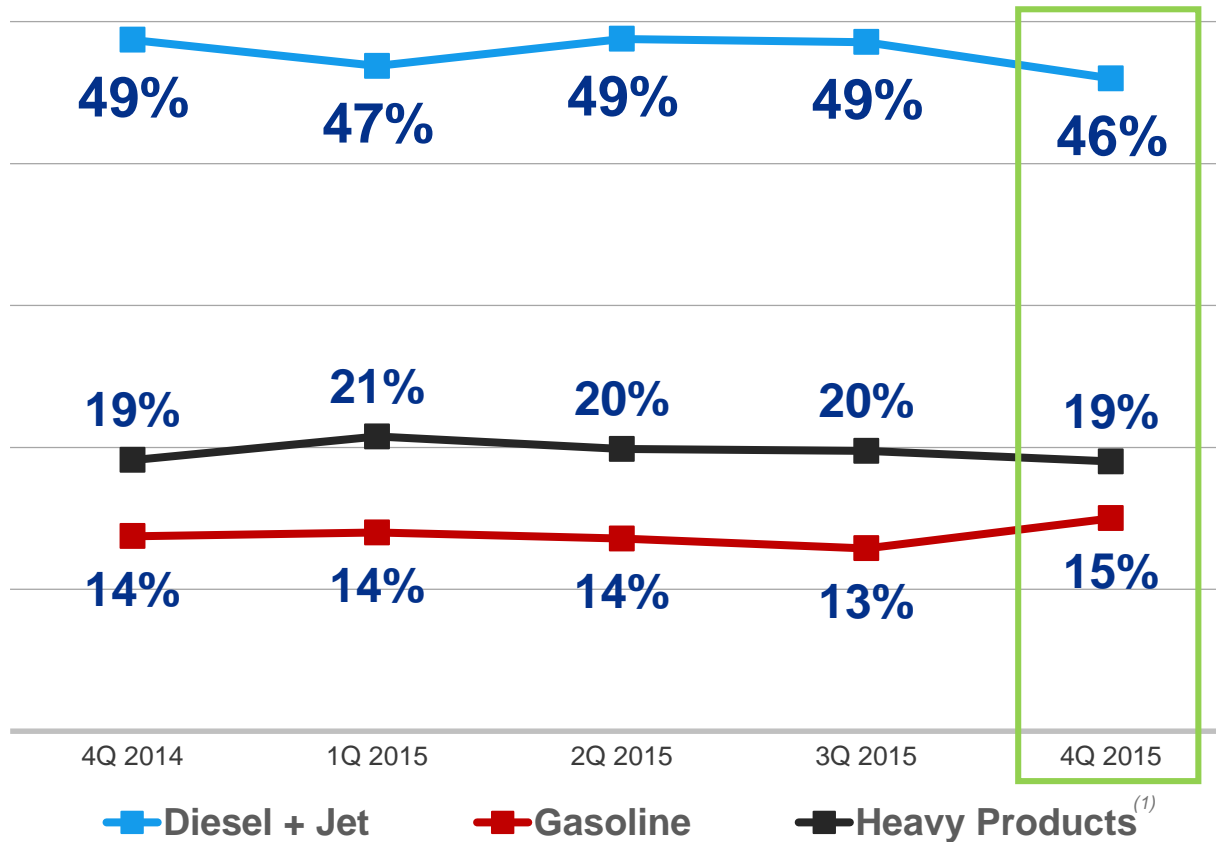
Refinery production - volumes of key products, crude oil throughput & utilisation rate



**Crude oil throughput at 2 555 k tons,
with capacity utilisation rate at c. 97%**



Share of key products in the overall refinery output

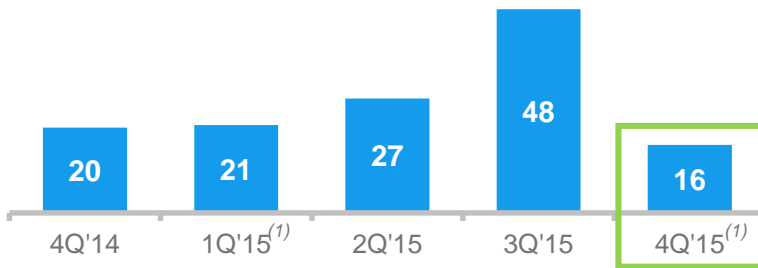


(1) Heavy Sulfur Fuel Oil and bitumens

Retail performance and market share evolution

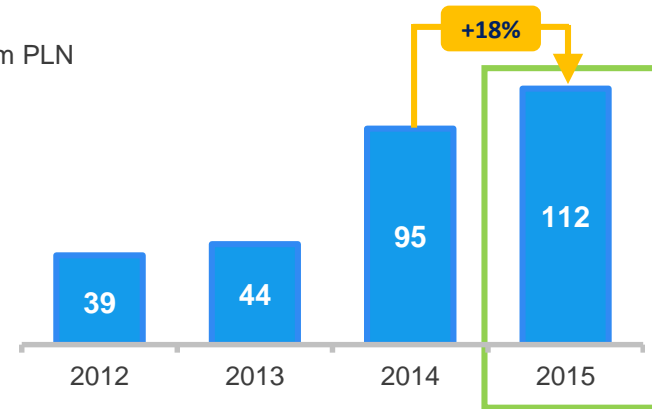
Quarterly retail EBITDA

m PLN

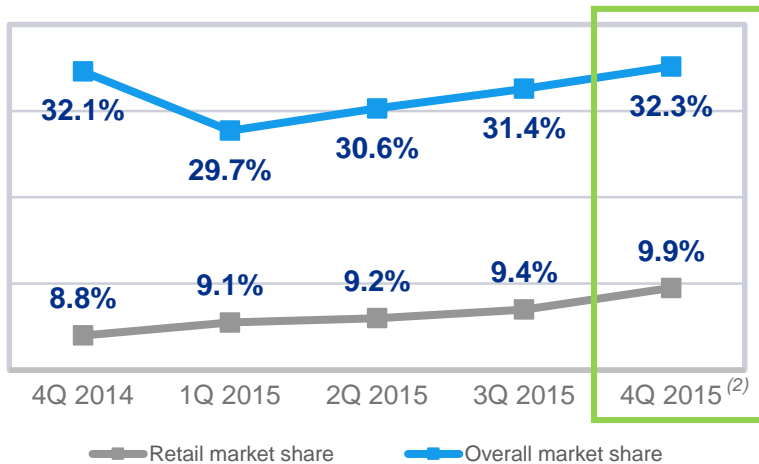


Annual Retail EBITDA (excl. Asset impairments)⁽¹⁾

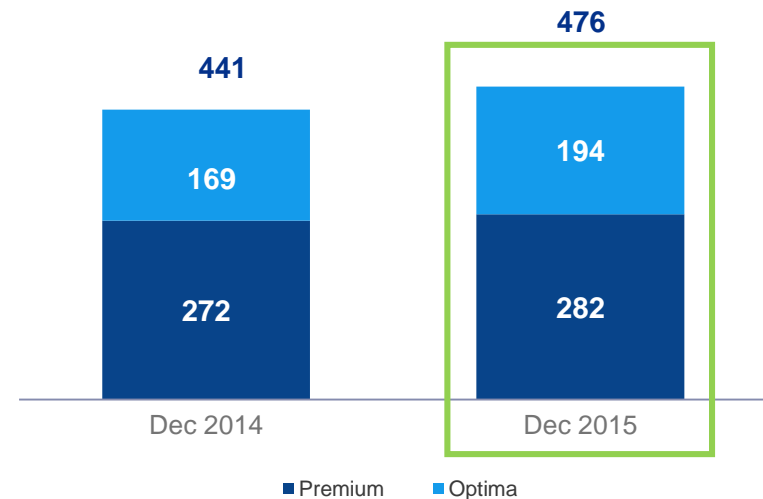
m PLN



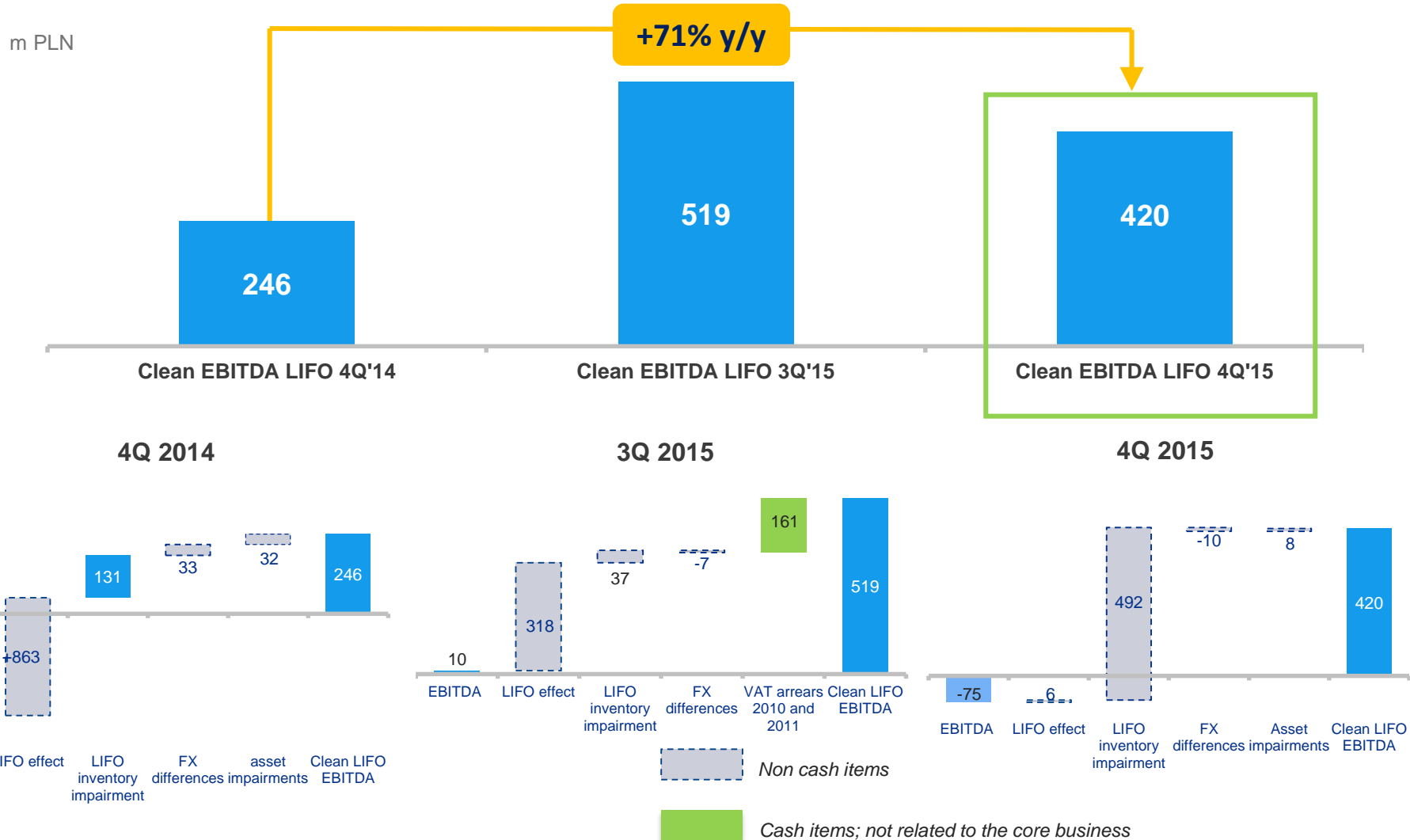
Market share by sales volume



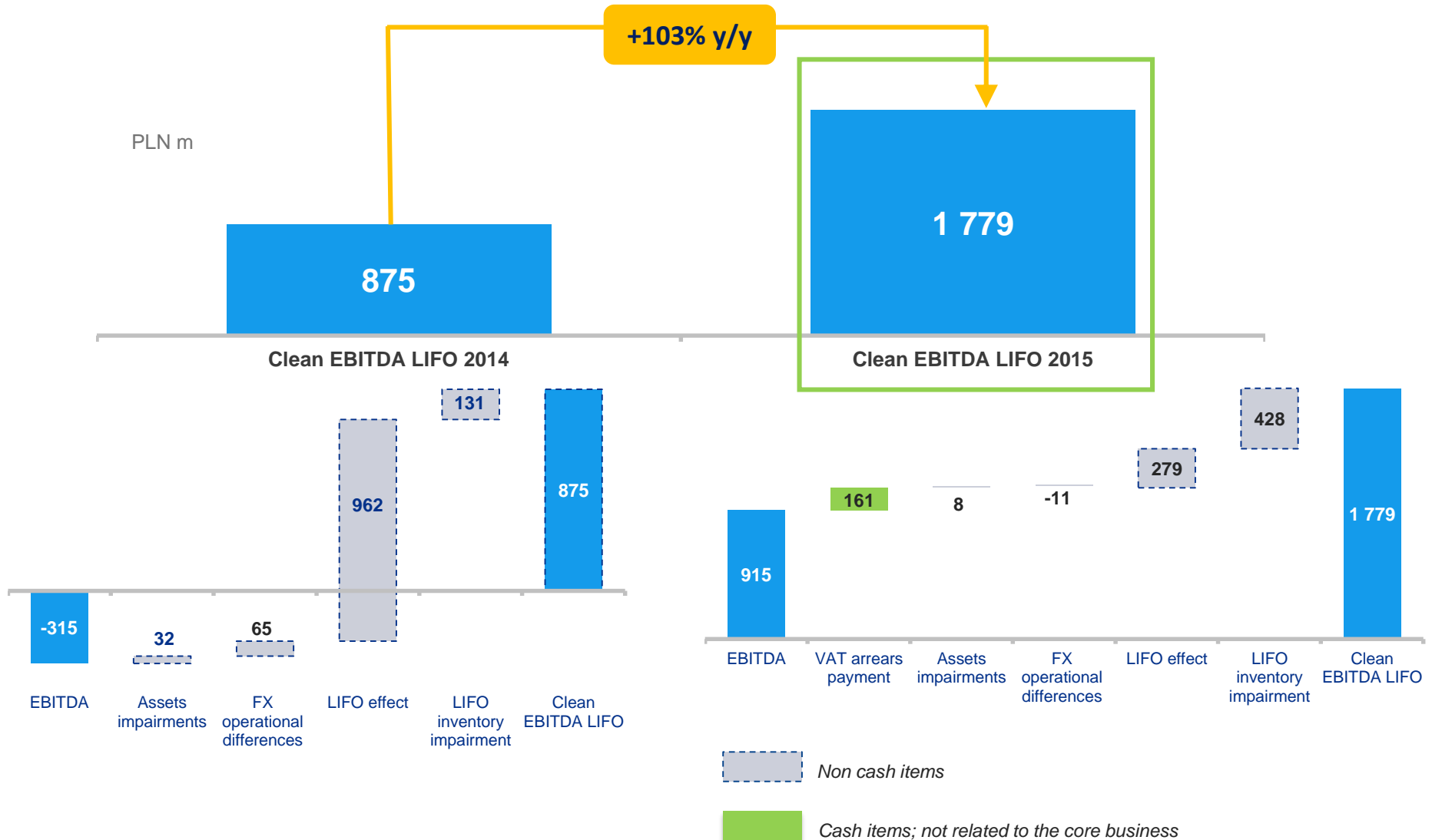
Petrol station network (no. of units)



Downstream segment quarterly clean EBITDA LIFO



Downstream segment full year clean EBITDA LIFO



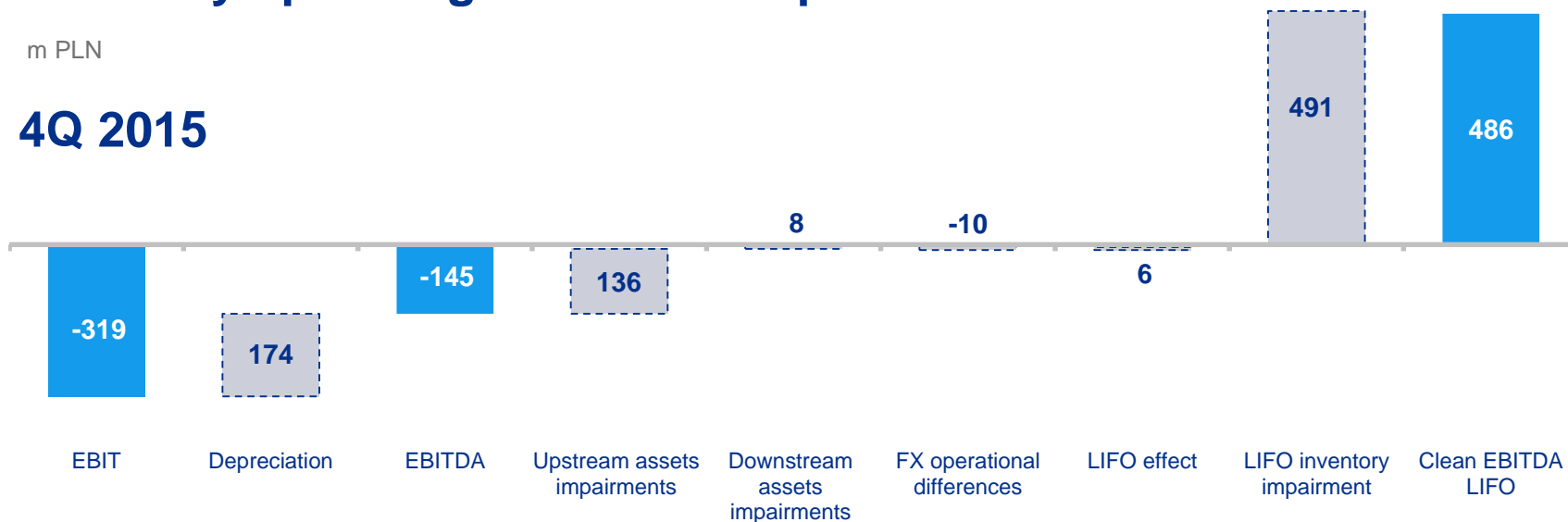
Consolidated financial results



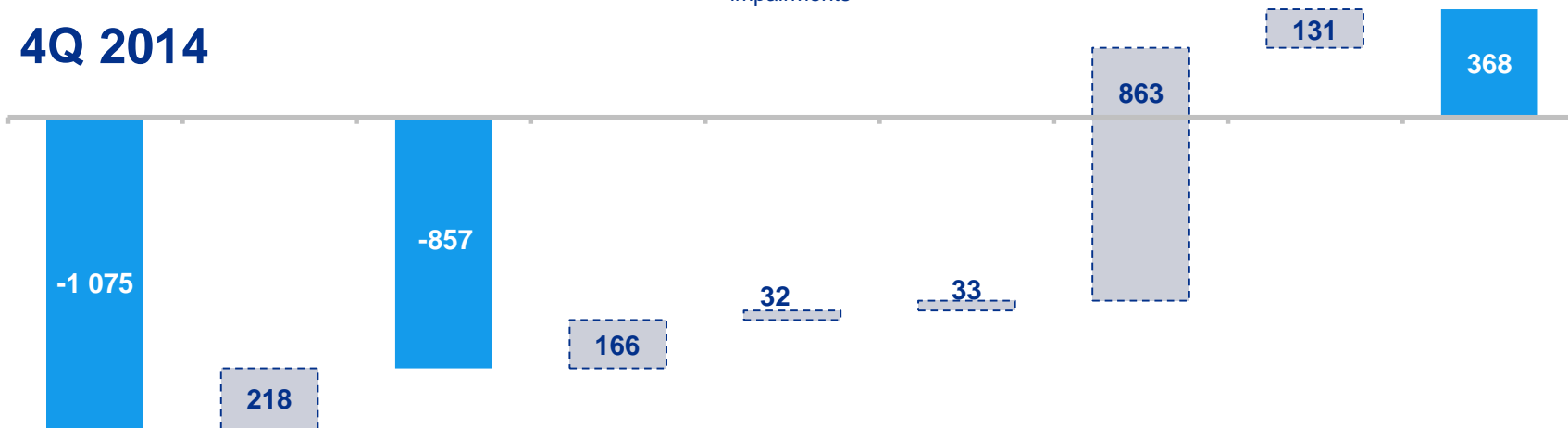
Quarterly operating result decomposition

m PLN

4Q 2015



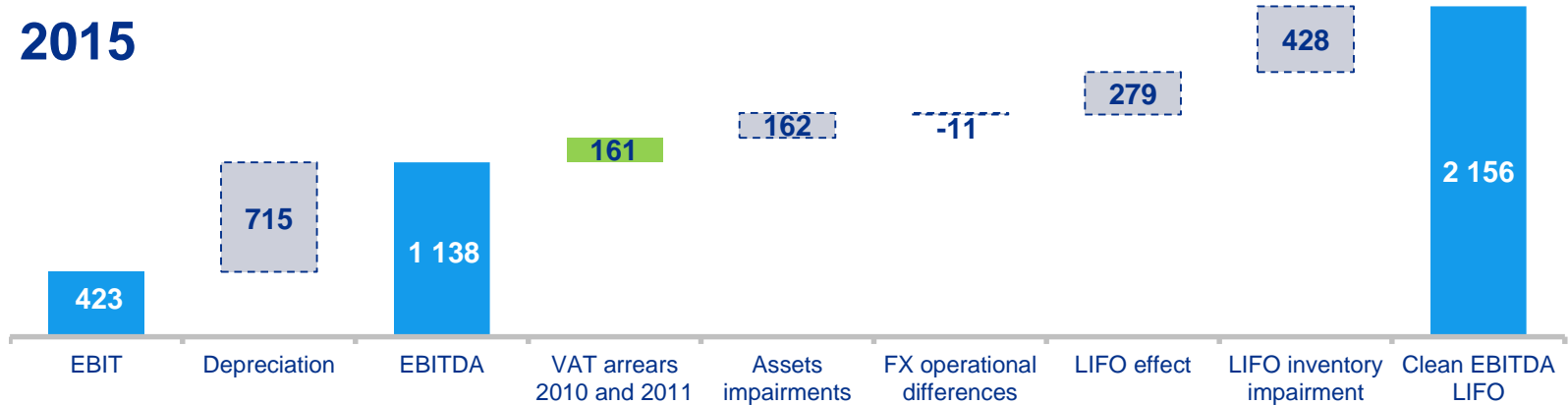
4Q 2014



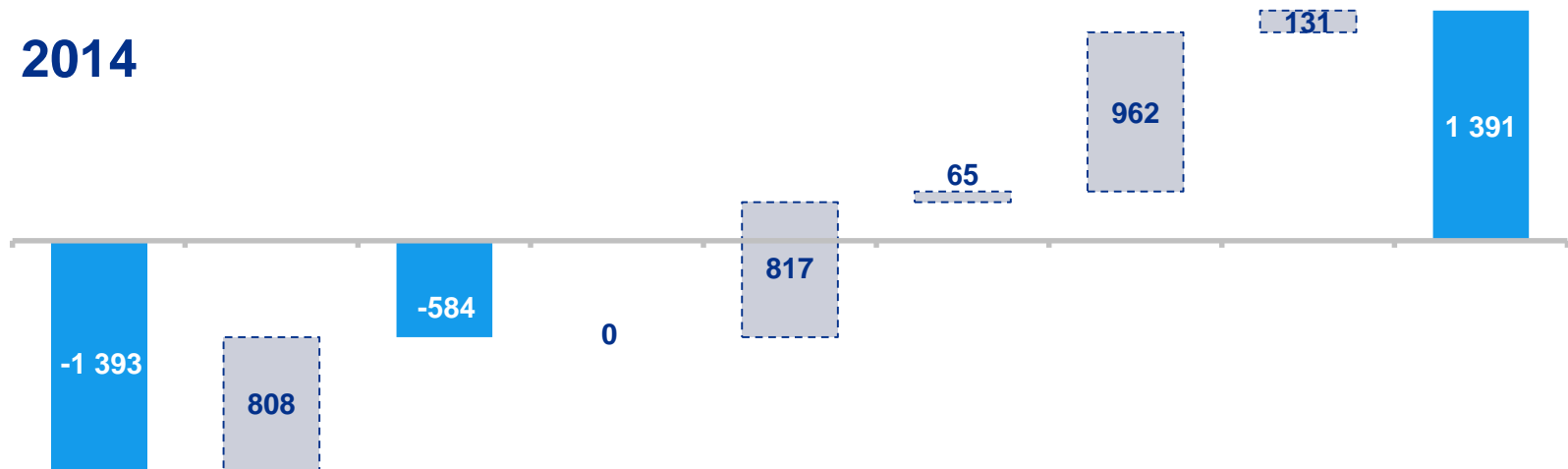
Full year operating result decomposition

m PLN

2015

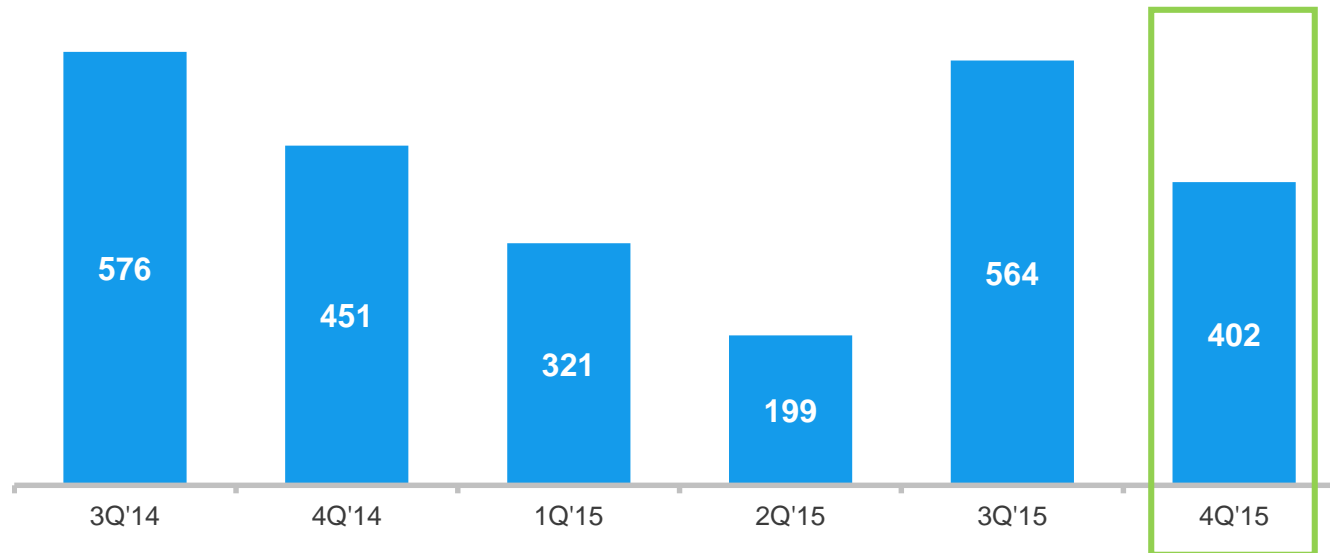


2014



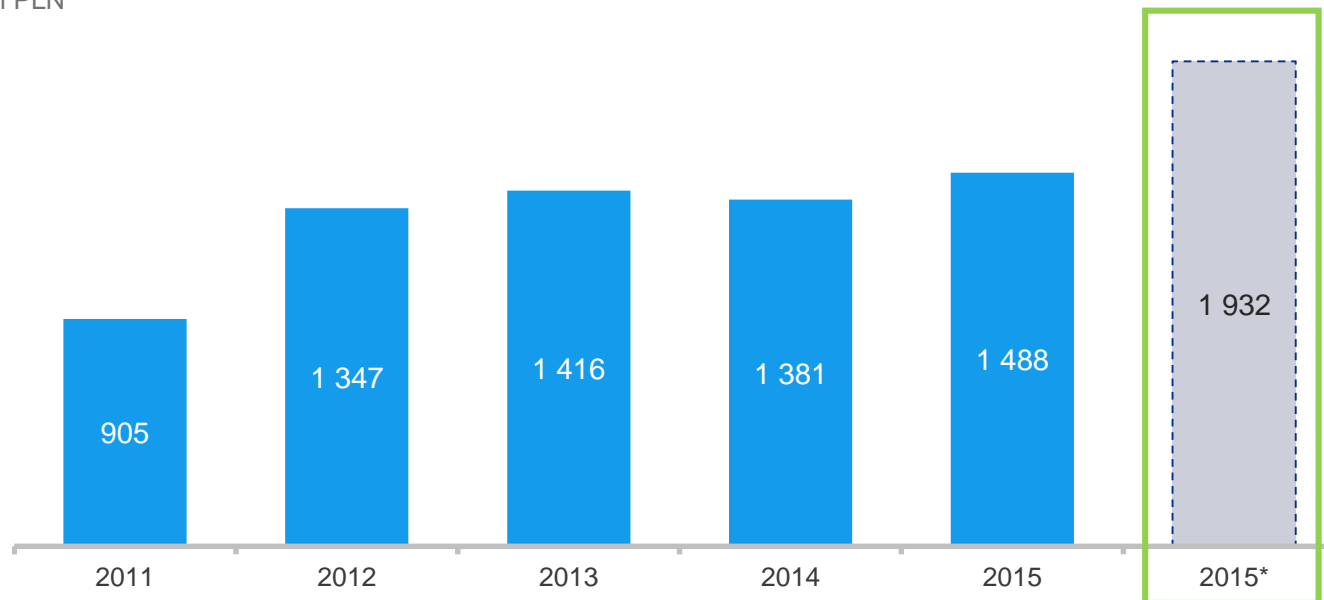
Quarterly operating cash flow

m PLN



Annual operating cash flow

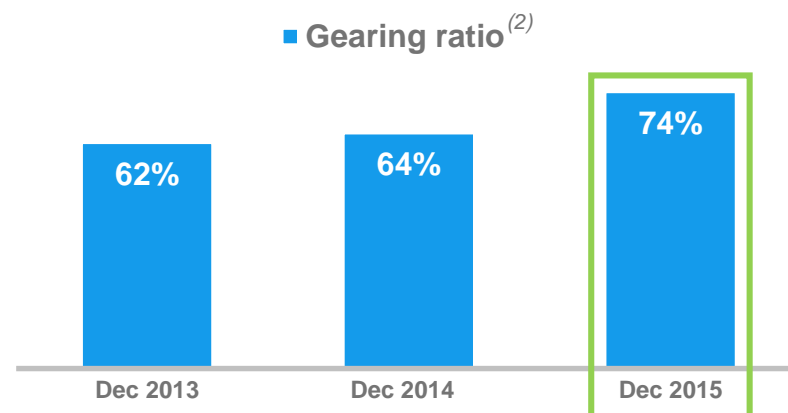
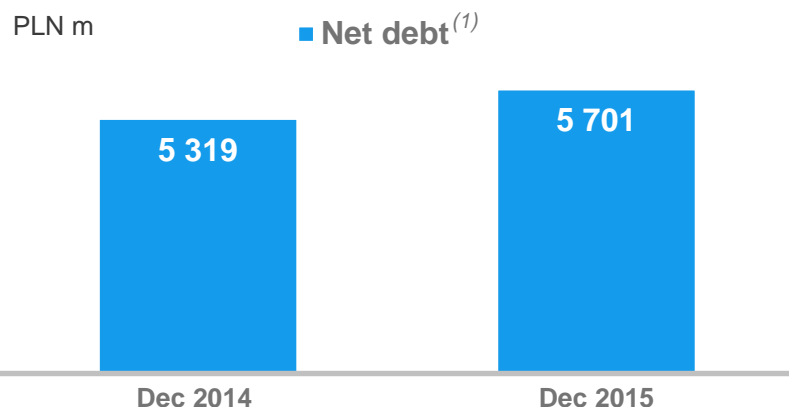
m PLN



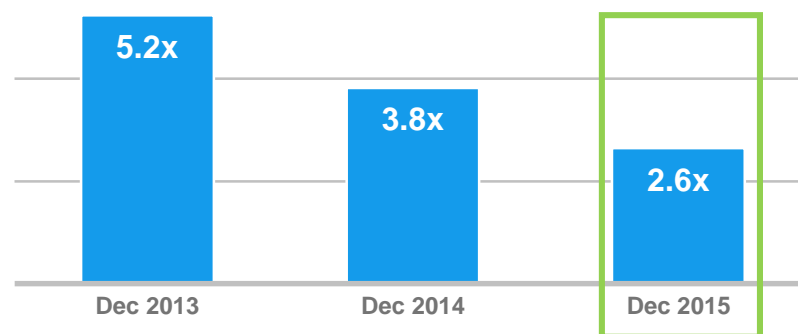
***Operating cash flow for 2015 excluding the effects of :**

- 1) -370m PLN the increase of inventories caused by the investment in the crude oil reserves, acquired to benefit from the favorable situation on the commodity derivative market
- 2) +158m PLN the increase of payables due to the extension of VAT payment period (different approach to VAT settlement after receiving AEO Certificate – Authorized Economic Operator)
- 3) -239m PLN of VAT arrears from 2010 and 2011

Indebtedness



■ Net debt/LTM clean EBITDA LIFO⁽³⁾



- Net debt figures include: interest bearing loans and borrowings, finance lease and bonds
- The current gearing ratio at a level of 74% due to weakening of PLN vs USD (11%) and consolidated net loss lowering equity

(1) Net debt includes proceeds from the capital increase completed in January 2015

(2) Gearing ratio = net debt / total shareholders equity

(3) Estimated EBITDA for the last 12 months, according to the LIFO valuation, net of one off items.



Grupa LOTOS S.A.
Investor Relations

tel. +48 58 308 73 93

fax +48 58 346 22 35

e-mail ir@grupalotos.pl

Twitter : @GrupaLOTOS