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Capital social subscris şi vărsat 28 569 842,40 lei

CONPET

PRELIMINARY Financial Statements at the Date and for the Financial Year Ended December 31, 2015

Prepared as per the
International Financing Reporting Standards
Adopted by the European Union and Approved by the
Order of the Ministry of Public Finance no.1286/2012, subsequent Amendments

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Preliminary Financial Statements at 31.12.2015

(All the amounts are expressed in RON, if not otherwise specified)

STATEMENT OF THE FINANCIAL POSITION AT DECEMBER 31, 2015
- PRELIMINARY DATA -

	31.12.2015	31.12.2014	[%]
Assets			
Non-current assets			
Tangible assets	400,326,005	415,493,461	96.3%
Intangible assets	3,867,257	3,162,304	122.3%
Financial investments	305,861	527,515	58.0%
Total non-current assets	404,499,123	419,183,280	96.5%
Current assets			
Inventories	8,183,924	7,709,304	106.2%
Trade receivables and other receivables	41,297,894	34,812,158	118.6%
Short-term investments	256,149,012	7,669,483	3.339.8%
Cash and cash equivalents	124,120,815	335,367,828	37.0%
Prepaid expenditure	231,234	213,560	108.3%
TOTAL Current assets	429,982,879	385,772,333	111.5%
TOTAL ASSETS	834,482,002	804,955,613	103.7%
Shareholder's Equity and Liabilities			
Shareholder's equity			
Share capital, out of which:	28,569,842	28,569,842	100.0%
Subscribed and paid-up share capital:	28,569,842	28,569,842	100.0%
			%
Revaluation reserves	93,602,664	107,646,176	87.0%
Legal reserves	5,713,968	5,713,968	100.0%
Other reserves	503,818,243	472,512,205	106.6%
Retained earnings	73,484,195	59,440,683	123.6%
Year's result	54,295,726	51,434,194	105.6%
Other shareholders' equity elements	(1,891,974)	(1,891,974)	100.0%
Total shareholders' equity	757,592,664	723,425,094	104.7%
Long-term liabilities			
Deferred profit tax liabilities	1,891,974	1,891,974	100.0%
Provision for employees benefits	3,639,247	3,772,056	96.5%
Total long-term debts	5,531,221	5,664,030	97.7%

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(All the amounts are expressed in RON, if not otherwise specified)

Trade liabilities	21,260,970	30,032,321	70.8%
Other lliabilities	25,825,072	24,001,008	107.6%
Short-term provisions	22,972,786	20,853,022	110.2%
Total current liabilities	**70,058,828**	**74,886,351**	**93.6%**
Total liabilities	**75,590,049**	**80,550,381**	**93.8%**
Deferred income			
Investment subsidies	1,281,055	958,088	133.7%
Deferred income	18,234	22,050	82.7%
Total deferred income	**1,299,289**	**980,138**	**132.6%**
Total shareholder's equity and liabilities	834,482,002	804,955,613	103.7%

The preliminary financial statements at 31.12.2015 are not audited.

Chairman of the Board of Administration,
Dan Weiler, S.s. Illegible, Stamp

General Director,
Eng. Liviu Ilasi, S.s. Illegible

Economic Director,
Econ. Sanda Toader , S.s. Illegible

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(All the amounts are expressed in RON, if not otherwise specified)

STATEMENT OF THE PROFIT OR LOSS AND OTHER ELEMENTS OF THE GLOBAL RESULT FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015
- PRELIMINARY DATA -

	31.12.2015	31.12.2014	[%]
Revenues			
Sales revenues	381,353,130	375,032,873	101.7%
Other revenues	30,430,051	28,052,889	108.5%
Total operating revenues	**411,783,181**	**403,085,762**	**102.2%**
Expenses			
Raw materials and consumables expenses	17,307,082	18,389,316	94.1%
Personnel expenses	105,563,942	98,021,972	107.7%
Value adjustments on tangible and intangible assets	51,414,507	46,430,435	110.7%
Value adjustments on current assets	(559,554)	356,688	-
Outside services related expenses	107,958,240	118,606,435	91.0%
Other expenses	65,868,556	64,535,608	102.1%
Provision adjustments	1,986,955	1,911,799	103.9%
Total operating expenses	**349,539,728**	**348,252,252**	**100.4%**
Operating profit	**62,243,453**	**54,833,511**	**113.5%**
Financial revenues	5,793,177	9,947,716	58.2%
Financial expenses	36,222	313,749	11.5%
Financial profit	**5,756,955**	**9,633,967**	**59.8%**
Pre-tax profit	**68,000,408**	**64,467,478**	**105.5%**
Income tax expenses	13,704,682	13,033,284	105.2%
Profit for the year	**54,295,726**	**51,434,194**	**105.6%**

The Preliminary financial statements at 31.12.2015 are not audited.

Chairman of the Board of Administration,
Dan Weiler, S.s. Illegible, Stamp

General Director,
Eng. Liviu Ilasi, S.s. Illegible

Economic Director,
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(All the amounts are expressed in RON, if not otherwise specified)

PRELIMINARY FINANCIAL STATEMENTS
December 31, 2015

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2015

	Share capital	Other elements of Shareholders' equity	Legal Reserves	Other Reserves	Revaluation Reserves	Retained Earnings	Profit or loss for the year	Total shareholders' equity
Balance at January 1, 2015	**28,569,842**	**(1,891,974)**	**5,713,968**	**472,512,205**	**107,646,176**	**59,440,683**	**51,434,194**	**723,425,094**
Net profit of the year						51,434,194		51,434,194
Increase of modernization quota fund				59,969,621				59,969,621
Diminution of the modernization quota fund				(28,663,583)				(28,663,583)
Reversal of surplus out of revaluation					(14,043,512)	14,043,512		-
Year's Result							54,295,726	54,295,726
Allocation of profit as dividends related to the previous year						(51,434,194)		(51,434,194)
Allocation of profit as reserves related to the previous year							(51,434,194)	(51,434,194)
Balance at December 31, 2015	**28,569,842**	**(1,891,974)**	**5,713,968**	**503,818,243**	**93,602,664**	**73,484,195**	**54,295,726**	**757,592,664**

Chairman of the Board of Administration, | **General Director,** | **Economic Director,**

Dan Weiler, S.s. Illegible,Stamp | **Eng. Liviu Ilasi, S.s. Illegible** | **Econ. Sanda Toader, S.s. Illegible**

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(All the amounts are expressed in RON, if not otherwise specified)

CASH FLOW STATEMENT AT 31.12.2015
- PRELIMINARY DATA -

(Direct Method)

	Name of the Element	31.12.2015	31.12.2014
	Cash flows from operating activities:		
+	Cash collections from customers	408,062,352	415,918,467
+	Other collections	7,068,155	7,389,568
-	Payments to goods and services suppliers	141,208,897	138,802,797
-	Payments to and on behalf of the employees	105,763,074	99,139,348
-	VAT payments	61,559,672	58,716,346
-	Income tax related payments	13,279,739	12,317,009
-	Other payments for operating activities	42,360,392	36,141,766
A	***Net cash from operating activities***	***50,958,733***	***78,190,769***
	Cash flows from investment activities:		
+	Proceeds from sale of tangible assets	561,247	61,964
+	Proceeds from modernization quota	59,969,621	58,036,141
-	Payments for purchase of tangible assets	35,418,035	30,284,627
-	Payments for interest, financing fees, differences in the exchange rate	0	0
-	Reimbursements of certain loans	0	0
B	***Net cash from investment activities***	***25,112,833***	***27,813,478***
	Cash flows from financing activities		
+	Proceeds from short-term financial investments	7,400,800	0
+	Proceeds from interests related to bank investments	3,940,911	9,454,926
+	Proceeds from other financial revenues	6,254	544,060
-	Payments for short-term financial investments	259,979,356	0
-	Dividends paid	46,287,188	29,600,079
C	***Net cash from financing activities***	***-294,918,579***	***-19,601,093***
	Net increase of the cash and cash equivalents=A+B+C=D2-D1	**-218,847,013**	**86,403,154**
D1	***Cash and cash equivalents***	***342,967,828***	***256,564,674***
	at the beginning of the period		
D2	***Cash and cash equivalents at the end of the period***	***124,120,815***	***342,967,828***
	To which is being added:		
	Government securities in the form of government bonds and treasury bills	253,338,556	0
	Total cash at the end of the period	***377,459,371***	***342,967,828***

The Preliminary financial statements at 31.12.2015 are not audited.

Chiarman of the Board of Administration,
Dan Weiler, S.s. Illegible, Stamp

General Director,
Eng. Liviu Ilasi, S.s. Illegible

Economic Director,
Econ. Sanda Toader, S.s. Illegible

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(All the amounts are expressed in RON, if not otherwise indicated)

1. Tangible Assets

The net value of the tangible assets decreased by the amount of 15,167,456 RON as compared to late 2014.
The tangible assets (except for the operating oil product) are presented at revaluated cost, less accumulated amortization and impairment losses, in compliance with the alternative treatment accepted by the statutory legislation.
At the end of 2015, the company did not reevaluate the tangible and intangible assets due to the fact that the assets' fair value did not vary significantly from the book value. The operating oil product is valued in the balance sheet at the cost determined from the revaluation made as per GD no. 26/January 22,1992, here-included the effects of the restatements registered during the previous years as per the application of IAS 29 "Financial Reporting in the Hyperinflationary Economies". The current status can be noticed in the table below:

	31.12.2015	31.12.2014
Balance of the operating oil product	42,865,714	42,865,714

The operating oil product does not have a useful life as it physically renews with every pumping, consequently it does not bear any qualitative or moral depreciation and by way of this, it is not amortized.

2. Intangible Assets

The net value of the intangible assets at 31.12.2015 amounts to 3,867,257 RON, 704,953 RON higher than the end of 2014.
The life span used at the calculation of the amortization of the intangible assets is 3-5 years on average. The amortization method used is the straight line amortization. The balance contains IT programs, software licenses, the books entry being made at the historical cost. The research and development expenses and the formation expenses are not capitalized.

3. Capital Assets

At 31.12.2015, the company holds stakes in the share capital of the Independent Monitor Registry.
Until November 2015, when, during the General Meeting of Shareholders, was decided the liquidation, CONPET held equity securities in PEOP - Project Development Company PLC, a company aiming at developing a project concerning the construction of an oil pipeline between Constanta and Trieste.
Following the liquidation thereof, according to the percentage held, the company CONPET was allocated the amount - collected - in value of 19,500 GBP.
The expense registered once with the derecognition of these equity securities amounted to 48,473 RON, and the company recognized as income the adjustment for impairment of capital assets previously constituted, in amount of 50,826 RON.
At Fixed Liabilities, the company records various guarantees submitted by third-parties.

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(All the amounts are expressed in RON, if not otherwise indicated)

4. Inventories

The comparative status of the inventories for the reporting period is as follows:

	31.12.2015	31.12.2014
Raw materiales and consumables	9,554,209	9,394,715
Write-downs for depreciation: depreciated and slow moving inventories	(1,370,285)	(1,685,411)
TOTAL	**8,183,924**	**7,709,304**

The inventories are made up of raw materials, materials, spare parts and other consumables that are to be used when performing the company's core business, as well as of security and intervention inventories destined to the potential technical break-downs provoked by or occured as a result of natural disasters, as well as recovered pipe, resulting from modernization works, in the administration of Inotesti and available for sale by auction at a value amounting to 2 million RON.

5. Trade Receivables and Other Receivables

The comparative statement of the receivables for the reporting period, according to age and type of receivables looks as follows:

	31.12.2015	31.12.2014
Clients	37,286,416	31,387,166
Write-downs on depreciation of receivables	(660,295)	(647,884)
Other trade receivables	161,152	1,404
Subtotal Trade Receivables (net value)	**36,787,273**	**30,740,686**
Other receivables	7,543,986	7,361,661
Write-downs for the depreciation of other receivables	(3,033,397)	(3,290,237)
Subtotal other receivables (net value)	**4,510,589**	**4,071,423**
Paid advances	**32**	**49**
Total short-term receivables	**41,297,894**	**34,812,158**
Other long-term receivables	**300,861**	**400,942**

The clients structure per activities, looks as follows:

	31.12.2015	31.12.2014
Clients - transport activity	36,220,062	30,276,781
Other clients - auxiliary activities	1,066,354	1,110,385
Total	**37,286,416**	**31,387,166**

The main clients holding a significant share (99%) in the turnover at 31.12.2015 are: S.C. OMV PETROM S.A., S.C. Petrotel Lukoil S.A., S.C. Rompetrol Rafinare S.A.. The main client of the company, OMV PETROM S.A., holds over 79% of the overall short-term receivables at December 31, 2015.

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(All the amounts are expressed in RON, if not otherwise indicated)

Other receivables amounting to 7,543,986 RON mainly include amounts to be recovered from different natural and legal persons in litigation pending before the law courts (2,910,116 RON, respectively 38.6% of the total), dividends passed on to the Central Depository as per the legal provisions and payable to CONPET shareholders (2,044,803 RON, namely 27.11%), non-exigible VAT for unarrived invoices (880,661 RON, namely 11.7%), as well as holiday contributions and indemnities receivable from the national insurance fund (723,382 RON, respectively 9.6%).

Write-downs for doubtful receivables and other doubtful receivables

At the end of 2015**,** the level of *write-downs settled for the depreciation of the trade receivables slightly changed YoY, amounting to* 660,295 RON, due to the fact that there were two clients who still met the registration conditions, by the amount of 12,411 RON. For the receivables related to doubtful clients mentioned above, CONPET brings an action in the proceedings pending before the Law Courts.

The write-downs for the depreciation of other receivables (several debts related to the legal files pending before the law court, tax liabilities and fines paid and facing challenge procedure) are, at 31.12.2015 in amount of 3,033,397 RON**,** registering an insignificant reduction YoY (3,290,237 RON), respectively of 256,840 RON, due to the partial collection of the debit due by Mondorama company and registration on costs of several challenged environmental fines lied on CONPET by the courts of jurisdiction.

The Company's policy is to register write-downs related to loss of value of 100% for the clients facing litigation, insolvency, bankruptcy and for other debts related to the constituted legal files or fines facing challenge procedure.

6. Short-Term Investments

The short-term financial investments are assets held by the company in view of reaching profit in less than one year. They comprise government securities as treasury bills and government bonds.

	31.12.2015	31.12.2014
Government securities (treasury bills and government bonds)	256,149,012	-
Bank deposits with maturity term > 3 month	-	7,669,483
Total	**256,149,012**	**7,669,483**

The short-term investments at December 31, 2015 comprise also the interest receivable related to the government bonds held.

7. Cash and Cash Equivalents

At December 31, 2015 and December 31, 2014, cash and cash equivalents look as follows:

	31.12.2015	31.12.2014
Current bank accounts	1,136,373	7,385,575
≤ 3 months maturity bank deposits	122,968,259	327,928,312
Petty cash	16,183	16,252
Other cash equivalents	0	37,689
Total	**124,120,815**	**335,367,828**

(All the amounts are expressed in RON, if not otherwise indicated)

The company manages an expenses quota related to modernization and rehabilitation meant for the financial support of the rehabilitation and modernization of the Crude Oil Pipeline National Transport System, which it collects in distinct cash accounts and uses for the payment of the modernization works to the assets belonging to public domain, in view of creating new assets that are to be transferred to the public domain after the entire depreciation thereof.

Thus, at 31.12.2015 the cash related to the modernization quota amount to 167,315,518 RON.

8. Equities

Share Capital

Along the reporting period, the company's share capital rested unamended, remaining at the value of 28.569.842 RON, being divided into 8.657.528 ordinary shares with a nominal value of 3,3 RON/share and corresponds to the one registered at the Trade Register Office.
At December 31, 2015, the structure of CONPET S.A. share capital and shareholding is as follows:

	31.12.2015		
Shareholders	**No. of shares**	**Amount (RON)**	**(%)**
The Romanian State by the Ministry of Economy	5,083,372	16,775,128	58.7162%
Legal persons	2,900,261	9,570,867	33.4999%
Natural persons	673,895	2,223,847	7.7839%
Total	**8,657,528**	**28,569,842**	**100%**

Other Reserves

- At December 31, 2015, *Other Reserves* are in amount of 503,818,243 RON, out of which, 400,050,323 RON represent the development quota, calculated and collected as per the provisions of GD no.168/1998 on the settlement of the quotas related to the expenses necessary for the development and modernization of the crude oil and natural gas production, refineries, crude oil transport and distribution, for the financing of the investment works on the assets belonging to State public domain; 19,060,265 RON represents the reserve related to lands for which are obtained Land Ownership Certificates and the share capital was not augmented.

Revaluation reserves

At December 31, 2015, the revaluation reserve amounts to 93,602,664 RON, respectively 107,646,176 RON at December 31, 2014. The decrease in amount of 14,043,512 RON represents achieved surplus, which has been transfered to the retained earnings.

Retained Earnings

At December 31, 2015, the retained earnings, in amount of 73,484,195 RON, is constituted from:

- 59,210,626 RON Retained Earnings representing surplus achieved from revaluation reserves;

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(All the amounts are expressed in RON, if not otherwise indicated)

- 10,273,024 RON, Retained Earnings resulting from the correction of the accounting errors;
- 4,000,545 RON, retained Earnings resulting from the application of IFRS, less IAS 29

Profit for the year

At 31.12.2015, the net profit amounts to 54,295,726 RON, up by 5.56 % as compared to 51,434,194 RON, the amount achieved at 31.12.2014.

9. Trade liabilities and other Liabilities

At 31.12.2015 and 31.12.2014, the Trade liabilities and other liabilities stand as follows:

Liabilities	31.12.2014	31.12.2015	Balance Maturity Date at December 31,2015		
			<1 year	1-5 years	> 5 years
1.Amounts due to credit institutions	-	-	-	-	-
2.Prepayments collected for the orders	-	-	-	-	-
3.Trade liabilities-third-party suppliers	30,032,321	21,260,970	21,260,970	-	-
4.Total trade liabilities (1+2+3)	**30,032,321**	**21,260,970**	**21,260,970**	-	-
5.Other liabilites, here-included fiscal debts and social securities	25,892,982	27,717,046	25,825,072	1,891,974	-
Total	**55,925,303**	**48,978,016**	**47,086,042**	**1,891,974**	-

The Company's suppliers related to the operation activity are being mainly represented by: SNTFM CFR Marfa, S.C. OMV Petrom S.A, Edenred Romania S.R.L., Electrica Furnizare, FDEE Electrica Ploiesti, GDF Suez Energy, Premier Energy S.R.L., Envirotech. In 2015, the share thereof in total operating suppliers approximated 84%.

In case of fixed assets suppliers, the share is being held by the following suppliers: Talpac SRL, Inspet, Gazpet Instal, Maguay Computers, IPM Partners Romania SRL, Abb z.o.o., Syscom 18, Addvalue Global Consulting, Philro Industrial, Prodrep MG, Renault Commercial, Rosen Europe Olanda, Swisso Electric. This accounts for approx. 71% in the overall fixed assets suppliers in 2015.

At December 31, 2015 and December 31, 2014, the Other liabilities, here-included fiscal debts and social securities, are as follows:

Liabilities	31.12.2014	31.12.2015	Balance Maturity Date at December 31,2015		
			<1 year	1-5 years	> 5 years
Salaries and assimilated liabilities	3,481,478	3,561,325	3,561,298	-	-
Contributions related to salaries	3,341,934	3,219,003	3,219,003	-	-
Income tax	4,665,944	5,090,887	3,198,913	1,891,974	-
Oil royalty	7,123,636	7,302,017	7,302,017	-	-
VAT payable	4,212,128	3,552,044	3,552,044	-	

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(All the amounts are expressed in RON, if not otherwise indicated)

Other taxes and liabilities to the State Budget	1,024,266	1,143,587	1,143,587	-	-
Dividends payable	1,647,712	3,644,221	3,644,221	-	-
Other liabilities	395,884	203,962	203,962	-	-
Total	**25,892,982**	**27,717,046**	**25,825,072**	**1,891,974**	-

10. Provisions

	31.12.2015	31.12.2014
Provisions for litigations	9,406,306	8,937,366
Provisions for employees benefits, o/w	12,690,528	11,298,203
- Retirement provisions	*4,731,028*	*3,917,056*
- Provisions for share of profit	*4,526,403*	*4,343,167*
- Provision for contributions related to the employees' share of profit	*1,033,514*	*992,000*
- Provision for not-taken annual leave	*1,423,738*	*1,122,500*
-Provision variable indemnification executive and non-executive administrators	*925,845*	*923,480*
Other provisions, o/w:	4,515,198	4,389,508
- Environment provisions	*2,591,594*	*2,409,317*
- Provisions for stopped investments	*1,904,874*	*1,980,191*
TOTAL	**26,612,032**	**24,625,077**

Provisions for litigations

The company is involved into various litigations with the owners of lands crossed/undercrossed by the pipelines belonging to the Crude Oil National Transport System, public property of the State. Following the restitution of their property rights, the land owners are bringing proceedings in Court against the Company, claiming compensations/damages for the lack of land use, but also for the imposibility to perform civil or commercial constructions. The trials are pending before various courts of competent jurisdiction. In 2015, have been additionally recorded provisions for litigations amounting to 1,103,381 RON. Moreover, the value thereof decreased by 634,441 RON due to the settlement of various litigations the Company was involved into.

11. Operating Revenues

	31.12.2015	BVC 2015	31.12.2014
Sales revenues, out of which :	**381,353,130**	**380,965,619**	**375,032,873**
Transport revenues	378,958,685	378,656,579	372,945,993
Domestic transport subsystem related revenues	309,279,278	318,586,720	314,399,632
Import transport subsystem related revenues	69,679,407	60,069,859	58,546,361
Rental revenues	1,521,406	1,372,040	1,348,073
Revenues from other services supply	873,039	937,000	738,807
Other revenues, o/w:	**30,430,051**	**29,465,000**	**28,052,889**
Revenues from modernization quota consumption	28,663,584	27,490,600	25,466,067

(All the amounts are expressed in RON, if not otherwise indicated)

Revenues from enforcement of guarantees	144,451	-	23,946
Revenues from assets sale	561,247	1,251,000	1,105,101
Other revenues	1,060,769	723,400	1,457,775
Total operating revenues	**411,783,181**	**410,430,619**	**403,085,762**

Transport Revenues

The revenues are obtained from the services supplied to clients for the transport of the crude oil, rich gas and condensate quantities at the tariffs approved pursuant to the Order of the President of the National Agency for Mineral Resources.

In 2015, the quantities transported on subsystems, as compared to REB and the preceding year, are as follows:

	31.12.2015	BVC 2015	31.12.2014
Total quantities (tons), o/w:	**6,990,392**	**6,359,673**	**6,627,153**
Domestic Subsystem	3,905,446	4,029,095	3,958,759
Import Subsystem	3,084,946	2,330,578	2,668,395

The total quantity of transported products grew by 5.5% in 2015, as compared to 2014 following the increase, by 15.6%, of the quantity transported on the import transport subsystem.
In 2015, on the Domestic transport subsystem, has been registered a decrease of the transported quantities by 53,313 tons as opposed to 2014 and by 123,649 tons as compared to REB.

The tarriffs for the transport services supplied in 2015, approved by the National Agency for Mineral Resources, are as follows:

- The average tariff for the transport on the Domestic Sub-system is of 78.64 RON/ton, approved as per the Order no. 199/2013.
- The tariffs for the transport service on the Import Sub-system has modified starting February 2015, as per the ANMR Order no. 12/2015. The tariffs are being charged per refineries, per transported quantities interval, being applied the tariff bracket system.

Other Operating Revenues

The revenues from the consumption of the modernization quota account for 94% of the achieved other operating revenues. In 2015, the revenues from the consumption of the modernization quota registered 12.6% increase as opposed to 2014.

12. Operating Expenses

In the table below are detailed other operating expenses, according to the nature thereof:

	31.12.2015	BVC 2015	31.12.2014
Expenses with raw materials and consumables	17,307,082	21,322,327	18,389,316
Personnel Expenses	105,563,942	106,180,729	98,021,971
Outside expenses	107,958,240	112,732,346	118,606,434
Other expenses	65,868,556	67,725,100	64,535,607

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(All the amounts are expressed in RON, if not otherwise indicated)

a) Expenses with Raw Materials and Consumables

	31.12.2015	REB 2015	31.12.2014
Expenses with raw materials and consumables	**17,307,082**	**21,322,327**	**18,389,317**
Consumables expenses	5,425,182	7,391,964	6,624,501
Other material expenses	1,875,914	2,463,363	1,209,332
Other expenses with energy and water	10,040,461	11,465,000	10,904,132
Merchandise expenses	6,878	15,000	0
Trade discounts	(41,353)	(13,000)	(348,648)

b) Personnel Expenses

	31.12.2015	BVC 2015	31.12.2014
Personnel expenses	**105,563,942**	**106,180,729**	**98,021,971**
Wage expenses	75,137,931	75,535,910	69,646,194
Lunch vouchers granted and other bonuses expenses	3,522,207	3,590,781	3,474,268
Share of profit related expenses	4,339,680	4,343,167	2,716,986
Social protection expenses as per Collective Labor Agreement	1,401,089	1,403,125	1,338,101
Social Insurance Expenses	21,163,035	21,307,746	20,846,422

c) Outside expenses:

	31.12.2015	BVC 2015	31.12.2014
Outside Expenses	**107,958,240**	**112,732,346**	**118,606,434**
Repairs and maintenance expenses	2,378,499	3,540,014	2,775,043
Royalties, commercial leasing and rental expenses	30,546,732	30,855,665	29,888,180
Insurance premiums expenses	374,489	431,767	400,145
Expenses related to commissions and fees	284,567	750,000	317,794
Ceremonial, advertising and publicity expenses	468,029	500,000	378,201
Expenses related to goods transport and personnel	660,340	700,000	483,329
Travel expenses	935,662	1,009,000	671,657
Postal expenses and telecommunication charges	415,020	504,300	430,094

(All the amounts are expressed in RON, if not otherwise indicated)

Bank services expenses and assimilated	42,733	40,000	33,180
Other expenses with third-parties services performance	71,852,169	74,401,600	83,228,811

The Royalties, commercial leasing and rental expenses include the oil royalty, calculated in compliance with the provisions of the EGO 101/October 14, 2007, which accounts for 10% of the gross revenues achieved out of the operations of oil transport and transit through the Crude Oil National Transport System.

Other expenses with third-parties services performance include the expenses incurred by the Company for pumping the crude oil through pipelines, for the use of the rail system related to transport services and for several environmental protection and decontamination activities.

d) *Other expenses include*:

	31.12.2015	BVC 2015	31.12.2014
Other expenses, out of which:	**65.868.556**	**67.725.100**	**64.535.607**
Other duties, taxes and similar levies	3,253,882	3,279,500	3,506,177
Compensations, fines and penalties expenses	162,241	221,000	53,681
Gifts granted (sponsorship)	484,854	600,000	589,373
Disposed assets and other capital transactions	1,563,471	3,830,100	232,014
Environmental protection expenses	70,541	120,000	265,986
Expenses related to revaluation of tangible assets	0	0	1,640,634
Expenses related to settlement of the modernization quota	59,969,621	59,300,000	58,036,141
Other operating expenses	363,946	374,500	211,601

Other duties, taxes and similar levies include, in broad terms, the local tax related expenses.

The company establishes modernization quota reserves by way of other operating expenses in compliance with the provisions of G.D. no. 168/1998, further amendments and CFC Decision no. 4/ 2004.

13. Net Financial Result

	31.12.2015	BVC 2015	31.12.2014
Interest Revenues	2,967,704	3,211,500	9,774,219
Revenues related to exchange rate differences	6,911	5,500	149,492
Other financial revenues	2,818,562	2,308,000	24,005
Total financial revenues	**5,793,177**	**5,525,000**	**9,947,716**
Expenses on interests	0	0	0
Expenses on exchange rate differences	(38,550)	(40,000)	(239,793)
Other financial expenses	2,328	(16,000)	(73,956)

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(All the amounts are expressed in RON, if not otherwise indicated)

Total financial expenses	**(36,222)**	**(56,000)**	**(313,749)**
Net Financial result	**5,756,955**	**5,469,000**	**9,633,967**

The financial revenues and financial expenses decreased by 42%, respectively 88% in 2015 as compared to 2014. The net financial result lowered in 2015 as compared to 2014, mainly due to the reduction of the interests on term deposits.

14. Transactions with State-Owned Companies

The Company performs trades related to its core business, as well as its auxiliary activities and with companies where State holds majority or integral stake.

The value of the transactions comprises:

	2015	2014
Sales	114,602	131,857
Procurement	87,847,002	84,215,152

The balance sheets of the companies where State holds majority or integral stake, at the end of the reviewed periods, are as follows:

	2015	2014
Trade Receivables	10,006	23,133
Trade Liabilities	7,522,418	14,337,315

In transactions with State-owned companies, the 89% share in the value of the procurement and trade liabilities, during 01.01-31.12.2015 is held SNTFM - CFR MARFA S.A..

Chairman of the Board of Administration
Conpet S.A.
Dan Weiler
S.s. Illegible, Stamp

General Director
Eng. Liviu Ilasi
S.s. Illegible

Economic Director
Econ. Sanda Toader
S.s. Illegible

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Aut. nr. 15138/2005

CONPET S.A. Ploiesti

STATEMENT OF THE SERVICES PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 100000 EURO, CONCLUDED WITHIN 01.01.2015 - 31.12.2015

Name of the Contractor	Scope of Contract	Title of Contract	Applied Procurement Procedure	Name of the Beneficiary (if different from the contracting authority)	Number of Notice/ Participation Notice	Contract Initial Value (in RON)	The contract value after the potential addenda (in RON)	Contract Commencement Date	Initially established contract duration (in months)	Final duration of the Contract (in months)
ABB SP Z.O.O. VARSOVIA	Design, supply, configuration, testing and installation of a SCADA System hardware and Software upgrade	S-CA 53/24.02. 2015	**Tender-** participation notice published on CONPET website (Art. 22 of the Internal Procurement Procedural Norms of CONPET S.A.)		URG 1892 from 10.11.2014	2,900,000	2,900,000	24.02.2015	9	9
The NATIONAL COMPANY OF RAIL FREIGHT TRANSPORT "CFR MARFA" S.A. Bucuresti	Services of crude oil and rich gas rail transport, from the loading ramps to the destinations set out by CONPET.	S-CA 102/30.03. 2015	**negotiation**		11662 from 27.03.2015	255,128,496	255,128,496	01.04.2015	48	48

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THE COMPANY CAMELEON SECURITY SYSTEMS S.R.L., Bucuresti	Guard, protection and intervention services in relation to CONPET S.A. objectives, goods and values located at:Central Dispatch, Administrative headquarters II, Vointa Sports Base, Strejnic Sports Base and Inotesti material warehouse	S-CA 211/05.06.2015	direct procurement - tender invitation published on CONPET website		11312/25.03.2015	1,024,955.52	1,024,955.52	08.06.2015	24	24
BRILIANT TECHNOLOGIES SRL	Integrated System for GPS Sattelite Supervision and Monitoring	S-CA 212/08.06.2015	Tender-participation notice published on CONPET site (Art. 22 of the Internal Procurement Procedural Norms of CONPET S.A.)		46198/04.12.2014	602,640.00	649,296.00	01.10.2015	36	36

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GDO MOV IMPEX SRL	LFI verification and maintenance	S-CA 272/07.08.2015	Tender-participation notice published on CONPET site (Art. 22 of the Internal Procurement Procedural Norms of CONPET S.A.)		24418/06.07.2015	593,196.67	593,196.67	28.11.2015	24	24
ROSEN EUROPE BV OLDENZAAL, HOLLAND	In-line inspection of the 12 3/4" crude oil transport pipelines on the undercrossing of Danube and Borcea and 14" Poarta –Alba Calareti –Pitesti and drafting of the inspection reports	S-CA 287/21.08.2015	Tender-participation notice published on CONPET site (Art. 22 of the Internal Procurement Procedural Norms of CONPET S.A.)		21938/18.06.2015	1,050,951.00	1,050,951.00	06.10.2015	8	8

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ENVIROTECH S.R.L.	Subsequent contract I – servicing the rehabilitation of the polluted geological environment and water courses following breakdowns along the routes of the crude oil, rich gas and ethane and takeover of the contaminated soil in what concerns CONPET S.A. objectives throughout the country	S-CA 306/10.09.2015	Tender-participation notice published on CONPET site (Art. 22 of the Internal Procurement Procedural Norms of CONPET S.A.)		28062/04.08.2015	2,365,008.70	2,365,008.70	12.09.2015	12	12
General Director - Eng. Liviu Ilasi, S.s. Illegible, Stamp										
Economic Director - Econ. Sanda Toader, S.s. Illegible										
Director of the Investments and Procurement Management Department, S.s. Illegible										

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STATEMENT OF WORKS AND PRODUCTS PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 500000 EURO, CONCLUDED WITHIN 01.01.2015 - 31.12.2015

Name of the Contractor	Scope of Contract	Name of Contract	Applied Procurement Procedure	Name of the Beneficiary (if different from the contracting authority)	Number of Notice/ Participation Notice	Contract Initial Value (in RON)	The contract value after the potential addenda (in RON)	Contract Commencement Date	Initially established contract duration (in months)	Final Contract Duration (in months).
S.C. GDF SUEZ ENERGY ROMANIA S.A. Bucuresti	Natural gas supply for 27 consumption sites belonging to CONPET S.A. Ploiesti"	P-CA 69/09.03.2015	**tender** - participation notice published on CONPET site (Art. 22 of the Internal Procurement Procedural Norms of CONPET SA)		48691 from 30.12.2014	3,311,756.13	3,311,756.13	01.04.2015	12	12
S.C. INSPET SA Ploiesti	Execution of replacement works crude oil import pipeline 28" Constanta-Baraganu on 17 sections, in total length of 10145 m, between Constanta and C1	L-CA 92/25.03.2015	**tender** - participation notice published on CONPET site (Art. 22 of the Internal Procurement Procedural Norms of CONPET SA)		47861 from 16.12.2014	13,909,663	13,909,663	15.04.2015 (location delivery)	24	24

S.C. CONPET S.A. STOICA MONICA TRADUCATOR Autoriz. 15138/2005 PLOIESTI

OMV PETROM MARKETING SRL Bucuresti	Fuel supply, based on Petrom credit cards in the supplier's stations in Romania	P-CA 101/30.03.2015	**tender** - participation notice published on CONPET site (Art. 22 of the Internal Procurement Procedural Norms of CONPET S.A.)		2029 from 16.01.2015	4,394,250	4,394,250	01.04.2015	36	36
ADDVALUE GLOBAL CONSULTING SRL	Modernization and monitoring execution works on the cathodic protection system, at central and sectoral level, of Ţicleni – Ploieşti, Line 1, Line 2 crude transport pipelines	L-CA 247/16.07.2015	**tender** - participation notice published on CONPET site (Art. 22 of the Internal Procurement Procedural Norms of CONPET S.A.)		URG 2057/06.05.2015	10,780,004.00	10,780,004.00	27.08.2015 (location delivery)	12	12
INSPET S.A.	Replacement of 24" Bărăganu – Călăreti crude oil import pipeline, on 13 sections in total length of 16179 meters, between Bărăganu and Călăreţi pumping stations, on sections	L-CA 293/02.09.2015	Tender - participation notice published on CONPET site (Art. 22 of the Internal Procurement Procedural Norms of CONPET S.A.)		21164/11.06.2015	13,718,876.00	13,718,876.00	17.09.2015 (Location delivery)	24	24

S.C. CONPET S.A. STOICA MONICA TRADUCATOR Autor. 15138/2005 PLOIESTI

RCS & RDS SA	Supply of electric energy - Batch 1	L-CA 92/25.03.2015	**tender** - participation notice published on CONPET site (Art. 22 of the Internal Procurement Procedural Norms of CONPET S.A.)		33897 from 23.09.2015	2,891,519.26	2,891,519.26	01.01.2016	12	12

General Director,

Eng. Liviu Ilasi

S.s. Illegible

Stamp

Economic Director

Econ. Sanda Toader

S.s. Illegible

Director of Procurement and Investment Management Department

Eng. Radu Albu

S.s. Illegible

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