



CONPET S.A., Romania

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Subscribed and paid-up share capital 28 569 842.40 RON



Preliminary Report

CONPET S.A.

January– December 2018



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1. COMPANY PRESENTATION

Report and issuer identification data

Preliminary Report Prepared in compliance with:	Law no. 24/2017 and ASF Regulation no. 5/2018 regarding the issuers of financial instruments and market operations;
Date of the report	28.02.2019
Company's name	CONPET S.A.
Registered Offices	No. 1-3, Anul 1848 Street, Ploiesti Prahova County, Zip Code 100559,
Telephone/facsimile Number	0244 401360 / 0244 516451
E-mail / Internet	conpet@conpet.ro / www.conpet.ro
Trade Identification Number at the Trade Register Office	1350020
Trade Registry Number	J29/6/22.01.1991
The regulated market trading the issued securities	Bucharest Stock Exchange, Premium category
Subscribed and entirely paid-up share capital	28,569,842.40 RON
Main features of the issued securities	8,657,528 shares with a nominal value of 3.3 RON/share
Total market value	672,689,926 RON (77.70 RON/share at 31.12.2018)
Applied accounting standard	The International Financial Reporting Standards
Auditing	The preliminary Financial Statements concluded at 31.12.2018 have not been audited

1.2 Main activities

CONPET is a strategic company, part of the architecture of the national energy system, being the operator of the crude oil national transport system via pipelines. CONPET is a State-held company, listed at the Bucharest Stock Exchange, under COTE symbol.

CONPET was established 1990, based on the Government Decree no. 1213/1990 regarding the set-up of joint-stock companies in the industry, by taking-over the entire assets and liabilities of I.T.T.C. Ploiești, being the first company established in the oil industry in Romania. Following the take-over of all assets and liabilities of I.T.T.C. Ploiești, CONPET became the operator of the crude oil, rich gas, condensate and ethane National Transport System.

Since 2002, CONPET is the concessionnaire of the operation of the crude oil, rich gas, condensate and ethane National Transport System, base on the oil Concession Agreement concluded with the National Agency for Mineral Resources, approved pursuant of GD no. 793/25.07.2002.

The Crude Oil, Rich Gas, condensate and Ethane Pipeline Transport System (NTS) is being defined and regulated by Law no. 238/7.06.2004 - Petroleum Law and the Methodological Norms for the enforcement of the Petroleum Law approved under GD no. 2075/2004 and is part of the state's public property, being of strategic importance.

1.3 The company's mission, vision and values

CONPET mission is the operation of the National Transport System via Pipelines under safe and secure conditions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis as well as accessing the related markets corresponding to the segments of the value chain of the oil industry

CONPET vision targets the maintenance of its position of strategic player in the Romanian oil industry, acting as crude oil, ethane and rich gas carrier via pipelines and by rail.

Company's Values: Professionalism, effectiveness and performance, social awareness and respect for the environment, ongoing training, adaptability and qualitative increase.

1.4 Shareholding

The shareholding's synthetic structure, at reference date 31.12.2018, is as follows:

- 58.7162% - the Romanian State by the Ministry of Energy;
- 41.2838% - Free float

Shareholder's Name	Number of shares	Percentage%
The Romanian State by the Ministry of Energy	5,083,372	58.7162%
Legal persons	2,481,740	28.6657%
Natural Persons	1,092,416	12.6181%
Total	8,657,528	100.0000%

Table 1 - CONPET S.A. Shareholding Structure at 31.12.2018

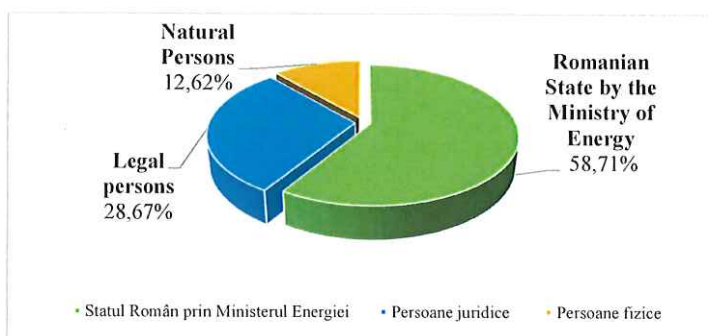


Chart 1 - CONPET S.A. Shareholding Structure at December 31, 2018

The number of CONPET Shareholders registered at Depozitarul Central S.A. at the end of 2018 is of 12,749 RON, this increased by 2.5% as compared to the end of 2017 (12,437 shareholders).

The share capital of CONPET at December 31, 2018 is of 28,569,842.40 RON and is divided into 8,657,528 nominative shares, each share with a nominal value of 3.3 RON/share.

CONPET did not perform transactions having as scope its own shares; consequently, at the end of 2018, the company did not hold own shares.

2. CONPET - EXECUTIVE SUMMARY - PRELIMINARY DATA

2.1 Company's Stock Market Indicators

The market capitalization amounted to 672.69 million RON (77.70 RON/share) at 31.12.2018 and respectively 860.56 million RON (99.40 RON/share) at 31.12.2017.

The evolution of COTE share and market capitalization during 2014 - 2018 is as follows:

Indicators	MU	31.12.2014	31.12.2015	31.12.2016	31.12.2017	31.12.2018
COTE closing price	RON/share	55.05	77.00	78.80	99.40	77.70
Market capitalization	mRON	476.60	666.63	682.21	860.56	672.69
	mEURO	106.30	147.21	150.23	184.68	144.23

Table 2 - Evolution of COTE share and stock capitalization during 2014-2018

Currently, the company CONPET S.A. is included in 7 out of the total of 9 stock indices, respectively in **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG and BET Plus indices**. This company achievement indicates performance, economic-financial stability, transparency, visibility and enhanced investor interest from the capital markets in Romania, but also from overseas.

At 20.06.2018, the company FTSE Russell decided to include the company CONPET S.A. in the index FTSE Frontier Markets. The *FTSE Frontier Markets Index* watches the evolution of the frontier markets and is made of approx. 400 companies.

2.2. Financial Result Key Indicators

The key indicators of the preliminary financial results registered in 2018, as compared to the budget and the previous year results, are the followings:

Indicators	January- December 2018			Achieved January-December 2017	Variation% Achieved 2018/ Achieved 2017
	Achieved	Budget	Variation% Achieved/Budget		
Turnover (thousand RON)	385,140	381,080	▲ 1.1%	376,685	▲ 2.2%
Operating Revenues (thousand RON)	418,435	412,763	▲ 1.4%	411,179	▲ 1.8%
Operating Expenses (thousand RON)	353,601	359,947	▼ 1.8%	328,124	▲ 7.8%
Operating Profit (EBIT) (thousand RON)	64,834	52,816	▲ 22.8%	83,055	▼ 21.9%
Operating profit margin (% Operating Revenues)	15.49%	12.80%	+2.7 p.p.	20.20%	-4.7 p.p.
EBITDA (thousand RON)	109,336	97,124	▲ 12.6%	127,529	▼ 14.3%
Operating Expenses (%Turnover)	91.81%	94.45%	-2.6 p.p.	87.11%	+4.7 p.p.
Total Revenues (thousand RON)	423,897	414,321	▲ 2.3%	414,792	▲ 2.2%
Total Expenses (thousand RON)	353,612	360,047	▼ 1.8%	328,169	▲ 7.8%
Gross profit (thousand RON)	70,285	54,274	▲ 29.5%	86,623	▼ 18.9%
Net profit (thousand RON)	59,466	45,811	▲ 29.8%	74,388	▼ 20.1%
Average number of employees	1,635	1,646	▼ 0.7%	1,666	▼ 1.9%
Productivity (thousand RON/employee)	256	251	▲ 2.0%	247	▲ 3.6%

Table 3 - 2018 economic-financial results vs. BUDGET 2018 and year 2017

In 2018, turnover recorded an increase by 2.2% as compared to 2017 and by 1.1% as compared to Budget.

The operating profit (EBIT) increased by 22.8% as compared to Budget (12,018 thousand RON), favorably influencing the EBITDA indicator as well, which reached the level of 109,336 thousand RON. As compared to 2017, EBITDA is down by 14.3 %, from 127,529 thousand RON in 2017 to 109,336 thousand RON in 2018. The decrease was due to increased personnel costs due to implementation of the new collective labor agreement concluded in September 2017.

2.3 Operating Activity Indicators

The evolution of the product volumes (crude oil, condensate and rich gas), transported via the National Transport System (NTS), in 2018, as compared to the budget and year 2017, on transport subsystems, is presented below:

Indicators	M.U.	January- December 2018			Achieved January-December 2017	Variation% Achieved 2018/2017
		Achieved	Budget	Variation% Achieved/Budget		
Quantities transported on the domestic subsystem	Thousand tons	3,493	3,464	▲ 0.8%	3,551	▼ 1.6%

Quantities transported on the import subsystem	Thousand tons	3,362	3,210	▲ 4.7%	3,269	▲ 2.8%
TOTAL TRANSPORTED QUANTITIES	Thousand tons	6,855	6,674	▲ 2.7%	6,820	▲ 0.5%
Revenues on the domestic transport subsystem	Million RON	290.16	290.33	▼ 0.1%	284.89	▲ 1.9%
Revenues on the import transport subsystem	Million RON	90.42	86.77	▲ 4.2%	87.47	▲ 3.4%
Total operating revenues	Million RON	380.58	377.10	▲ 0,9%	372.36	▲ 2.2%

Table 4 - Evolution of the transported quantities and revenues achieved from transport in 2018 vs. BUDGET 2018 and year 2017

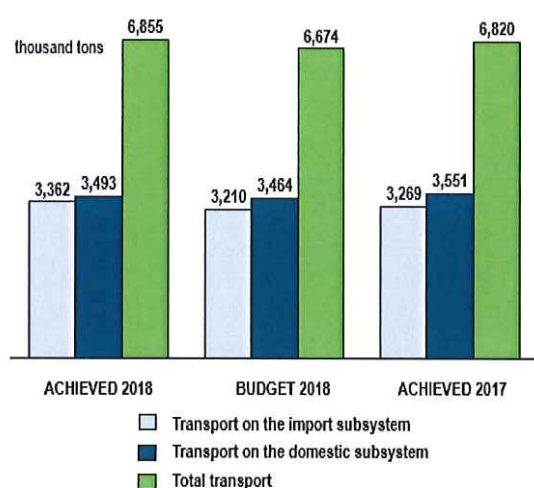


Chart 2 - Evolution of transported quantities on the domestic and import subsystems in 2018 vs. Budget 2018 and year 2017 (thousand tons)

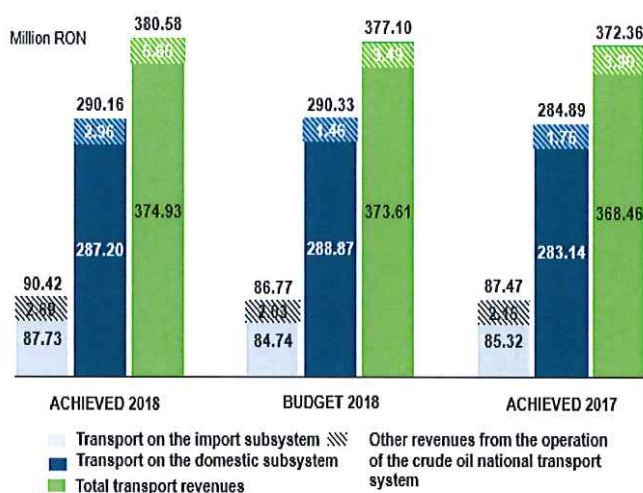


Chart 3- Evolution of the transport revenues per subsystems, 2018 vs BUDGET 2018 and year 2017 (mRON)

The decrease of the domestic transport subsystem was due to disruption of production at Petrobrazzi refinery during April 13th, 2018 - May 26th, 2018, for the scheduled technological overhaul.

The transport services contracted and completed in 2018, by beneficiaries, are as follows:

Customer name	Scope of the contract	Durati on Month	Contracted quantity (tons)	Quantity Achieved (tons)
OMV - PETROM S.A.	Domestic crude oil transport, condensate and rich gas and import crude oil	12	3,714,235	4,132,981
Rompetrol Rafinare S.A. - Rafinăria Petromidia	Import crude oil transport	12	76,000	40,569
Petrotel-Lukoil S.A.	Import crude oil transport	12	2,670,000	2,642,384
Petrotel-Lukoil S.A.	Domestic crude oil transport by rail	2	38,200	39,015

Table 5 - Transport services contracted and achieved in 2018

The transport activity by products: crude oil, rich gas and condensate, programmed and achieved in 2018 as compared to 2017, is as follows:

Transport Subsystems	Indicators and products	2018	2017	Variation % 2018/2017
DOMESTIC	Domestic crude oil, condensate and light condensate			
	- programmed quantities (thousand tons)	3,443	3,503	▼ 1.7%
	- achieved quantities (thousand tons)	3,472	3,531	▼ 1.7%
	- degree of achievement	100.8%	100.8%	-
	- degree of use of the transport throughput	56.7%	57.7%	-1.0 p.p.
	Rich gas			
	- programmed quantities (thousand tons)	21	16	▲ 31.3%
	- achieved quantities (thousand tons)	20	19	▲ 5.3%
	- degree of achievement	95.2%	118.8%	-23.6 p.p.
	- degree of use of the transport throughput	17.4%	9.8%	+7.6 p.p.
	Total domestic subsystem			
	- programmed quantities (thousand tons)	3,464	3,519	▼ 1.6%
	- achieved quantities (thousand tons)	3,493	3,551	▼ 1.6%
	- degree of achievement	100.8%	100.9%	-0.1 p.p.
	- degree of use of the transport throughput	56.0%	56.2%	-0.2 p.p.
IMPORT	Crude oil			
	- programmed quantities (thousand tons)	3,210	2,945	▲ 9.0%
	- achieved quantities (thousand tons)	3,362	3,269	▲ 2.8%
	- degree of achievement	104.7%	111.0%	-6.3 p.p.
	- degree of use of the transport throughput	28.5%	27.7%	+0.8 p.p.
TOTAL	- programmed quantities (thousand tons)	6,674	6,464	▲ 3.3%
	- achieved quantities (thousand tons)	6,855	6,820	▲ 0.5%
	- degree of achievement	102.7%	105.5%	-2.8 p.p.
	- degree of use of the transport throughput	38.0%	37.6%	+0.4 p.p.

Table 6 - Transported quantities by types of products 2017-2018

Between January - December 2018, from the total amount of crude oil, rich gas and condensate from the indigenous production transported and delivered, that of 3,493 thousand tons, 1,148 thousand tons were transported by rail, (32.9 % of the total quantity), out of which:

- directly to the refineries - 1,019 thousand tons, (88.8% of the transported quantity by rail);
- from Barbatesti ramp- 129 thousand tons, (11.2% of the transported quantity by rail).

The technological consumptions recorded fell within the admitted limits, provided in the transport contracts.

The evolution of the technological consumption by products, standardized vs. achieve, in 2018 as compared to 2017, is as follows:

Products	2018			2017		
	Standardized	Achieved	Variation	Standardized	Achieved	Variation
Import crude oil	0.256%	0.120%	-0.14 p.p.	0.248%	0.112%	-0.14 p.p.
Domestic crude oil, condensate and light condensate	0.371%	0.327%	-0.04 p.p.	0.372%	0.284%	-0.09 p.p.
Rich gas	7.383%	3.455%	-3.93 p.p.	7.383%	3.451%	-3.93 p.p.

Table 7 - The evolution of technological standardized consumption as compared to achieved 2017-2018

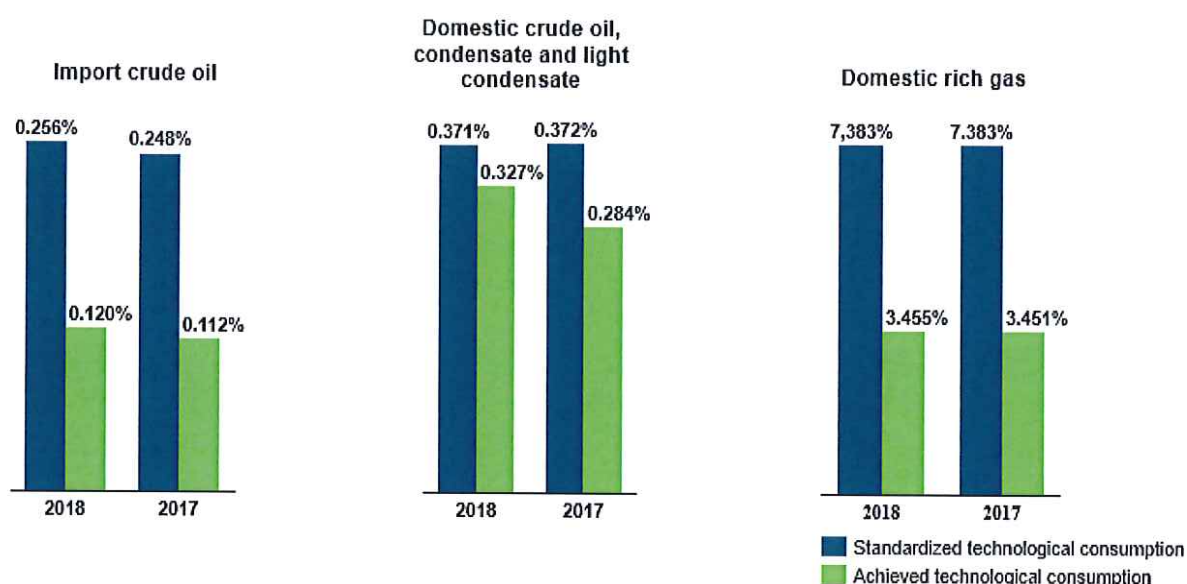


Chart 4 - Evolution of technological consumption by products 2017-2018

The tariffs for the supply of crude oil, rich gas, condensate and ethane are regulated by the NAMR and are distinguished per transport subsystems, as follows:

- the tariff of 79.75 RON/ton for the supply of the transport on the domestic subsystem was established by NAMR Order no. 32/2016, used until June 18th, 2018;
- the tariff of 84.37 RON/ton for the supply of the transport on the domestic subsystem was established by NAMR Order no. 117/2018, applied as of June 19th, 2018;
- the tariffs for the supply of the transport services on the import transport subsystem approved by NAMR Order no. 32/2016 were applied until June 18th, 2018;
- the tariffs for the supply of the transport services on the import transport subsystem approved by NAMR Order no. 117/2018 were applied until June 19th, 2018.

The tariffs used for the import transport subsystem varies depending on the transported quantity batches, practicing the bracketing tariff model and refinery-delivery point. The tariffs applied during 2018 were as follows:

Period	Batches	Arpechim Refinery	Ploiesti Basin (Petrobraz and Petrotel Lukoil refineries)	Petromidia Refinery
	Thousand tons/month	RON/ton	RON/ton	RON/ton
January 1, 2018 June 18, 2018	< 100	38.85	38.00	8.00
	>100	16.60	16.00	7.33
Starting June 19, 2018	< 120	38.85	38.00	27.00
	>120	16.60	16.00	24.74

Table 8 - Import transport tariffs by batches and per refineries

The transport tariffs include a modernization quota meant exclusively for the financing of the investments related to the National Transport System.

The revenues achieved in 2018 from the supply of transport services are of 380.58 million RON, and are presented per beneficiaries, as follows:

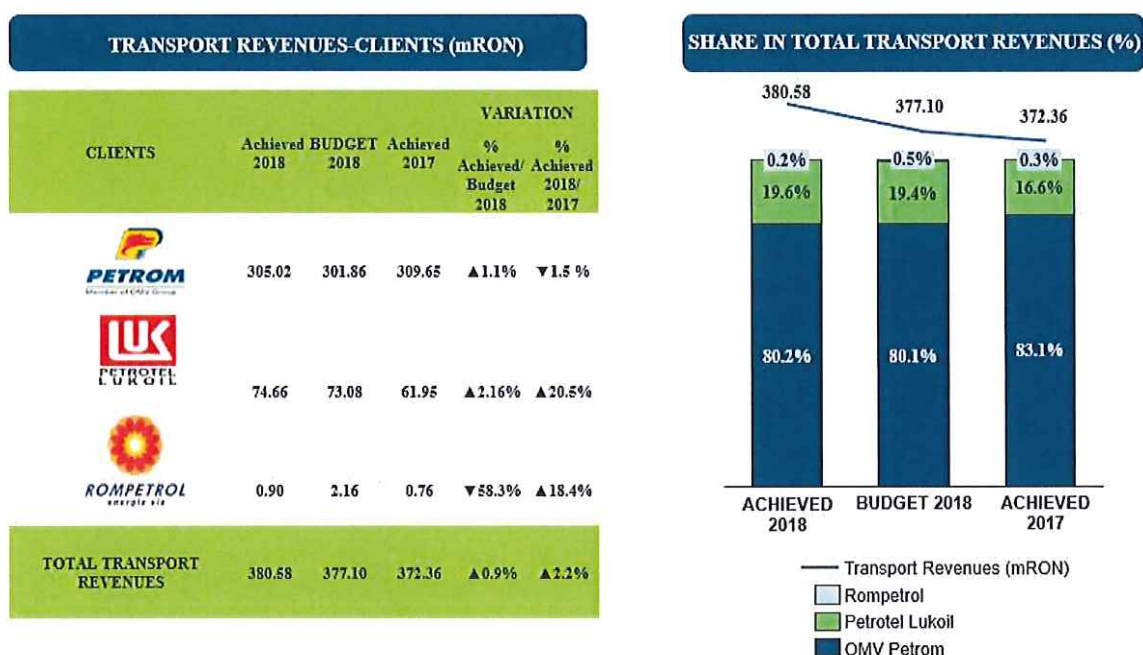


Chart 5 - Share of transport revenues per refineries in total transport revenues

The company holds a monopoly position on the market of crude oil transport via pipelines, having no competitors in its business area.

The transport services are being contracted based on a frame contract approved by the National Agency for Mineral Resources, the practiced transport tariffs being regulated and approved by the same authority.

The transport services supplied by CONPET SA address to a reduced number of potential beneficiaries; consequently, the volume thereof is closely related to the trade policy applied by the beneficiaries of the supplied services. A situation of significant dependency is being recorded in relation to OMV Petrom, which is the main client when referring to the domestic crude oil transport and the only client for the transport of rich gas and condensate.

3. ANALYSIS OF THE FINANCIAL STATEMENT

The financial information presented in this report are taken from preliminary financial statements for the period ended December 31, 2018, prepared in accordance with OMPF Order no. 2844/2016 and unaudited (Annexes 1 and 2).

3.1 Statement of the Financial Standing at December 31, 2018

In summary, the statement of the Financial Standing at December 31, 2018 is as follows:

Name of the element (thousand RON)	December 31, 2018 (unaudited)	December 31, 2017 (audited)	Variation% 2018/2017
Non-current assets	437,400	410,682	▲6,5%
Current assets	313,120	338,091	▼7,4%
Total Assets	750,520	748,773	▲0.2%
Equities	660,208	658,400	▲0,3%
Deferred income	1,188	1,326	▼10,4%
Total liabilities	89,124	89,047	▲0.1%
Total equity and liabilities	750,520	748,773	▲0.2%

Table 9 - Synthesis of the company's financial standing at 31.12.2018 as compared to 31.12.2017

Statement of financial position at December 31, 2018, in extended version is presented in Annex no.1.

The total assets of the company increased by 0.2% (1,747 thousand RON) as compared to the level recorded at December 31, 2017 following the decrease of the non-current assets.

The non-current assets have registered an increase of 6.5 % as compared to December 31, 2017. The increase occurred as a result of the investment achievements in an amount higher than the depreciation recorded in 2018.

The current assets lowered by 7.4% (24,971 thousand RON), from 338,091 thousand RON at 31.12.2017 to 313,120 thousand RON at 31.12.2018. The decrease was mainly driven by lower cash due to increased cash outflows for payments of fixed assets - investments, higher than in 2017 and the dividends paid from the profit of 2017 (approx. 69 mRON).

At 31.12.2018, the availabilities in the modernization quota existing in bank accounts amounted to 183,452 thousand RON, lower by 28,400 thousand RON as compared to 31.12.2017 (211,852 thousand RON). The cash representing the modernization quota has a special regime of use, provided by GD no. 168/1998, this being destined exclusively to the financing of the modernization works and development works related to the goods belonging to the public domain.

The equity registered a slight increase of 0.3% (1,808 thousand RON) as compared to December 31, 2017 reaching 660.208 thousand RON. In structure, the following capital elements showed

changes:

- other reserves recorded an increase by 16,158 thousand RON following the augmentation by 12,999 thousand RON of the reserve representing modernization quota, from 445,943 thousand RON at December 31, 2017 to 458,942 thousand RON at December 31, 2018 and 3,159 thousand RON increase of the reserve representing own financing sources distributed out of 2017 profit;
- the retained earnings and the year's result record a decrease in amount of 9,010 thousand RON, mainly generated by the net profit achieved in 2018 below the level of the net profit achieved in 2017;
- the revaluation reserves lowered by the amount of 5,340 thousand RON representing surplus achieved from these reserves acknowledged in the retained earnings.

The long-term liabilities records an increase of 3,728 thousand RON as compared to December 31, 2017, following the augmentation of the long-term provisions.

The current debts, in amount of 72,578 thousand RON are dropping by 3,651 thousand RON as compared to 31.12.2017.

3.2 Profit & Loss Account for the period January - December 2018

The financial results in 2018, as compared to the budget and the achievements of the previous year is as follows:

Indicators (thousand RON)	January- December 2018			Achieved January-December 2017	Variation% Achieved 2018/ 2017
	Achieved	Budget	Variation% Achieved/Budget		
Turnover	385,140	381,080	▲ 1.1%	376,685	▲ 2.3%
Operating Revenues	418,435	412,763	▲ 1.4%	411,179	▲ 1.8%
Operating Expenses	353,601	359,947	▼ 1.8%	328,124	▲ 7.8%
Operating Profit (EBIT)	64,834	52,816	▲ 22.8%	83,055	▼ 21.9%
Financial revenues	5,462	1,558	▲ 250.6%	3,613	▲ 51.2%
Total revenues	423,897	414,321	▲ 2.3%	414,792	▲ 2.2%
Financial expenses	11	100	▼ 89%	45	▼ 75.6%
Total expenses	353,612	360,047	▼ 1.8%	328,169	▲ 7.8%
Gross Profit	70,285	54,274	▲ 29.5%	86,623	▼ 18.9%
Net Profit	59,466	45,811	▲ 29.8%	74,388	▼ 20.1%

Table 10 - The main economic Indicators achieved in 2018 vs Budget 2018 and year 2017

The statement of the profit and loss account for the period January- December 2018, is presented in detail in Annex no. 2.

Operating Revenues

As compared to the approved budget and preceding period, the total revenues of the operating activity in 2018, is as follows:

Achieved 2018	2018 Budget	Variation % Achieved / Budget 2018	Indicators	Achieved 2018	Achieved 2017	Variation % Achieved 2018/2017
			<i>Revenues from transport services Domestic Subsystem</i>			
3,493	3,464	▲ 0.8%	Thousand tons	3,493	3,551	▼ 1.6%
290,159	290,328	▼ 0.1%	Thousand RON	290,159	284,890	▲ 1.9%
			<i>Revenues from transport services Import Subsystem</i>			
3,362	3,210	▲ 4.7%	Thousand tons	3,362	3,269	▲ 2.9%
90,420	86,770	▲ 4.2%	Thousand RON	90,420	87,466	▲ 3.4%
			Total revenues from transport services			
6,855	6,674	▲ 2.7%	Thousand tons	6,855	6,820	▲ 0.5%
380,579	377,098	▲ 0.9%	Thousand RON	380,579	372,356	▲ 2.2%
1,483	1,402	▲ 5.8%	Revenues from rents	1,483	1,399	▲ 6.0%
3,078	2,580	▲ 19.3%	Other revenues	3,078	2,930	▲ 5.1%
385,140	381,080	▲ 1.1%	Turnover	385,140	376,685	▲ 2.3%
28,826	29,277	▼ 1.5%	<i>Write-back of reserve constituted based on the expenses with the modernization quota</i>	28,826	29,813	▼ 3.3%
64	53	▲ 20.8%	<i>Earnings from disposal of assets</i>	64	945	▼ 93.2%
4,405	2,353	▲ 87.2%	<i>Other revenues</i>	4,405	3,736	▲ 17.9%
33,295	31,683	▲ 5.1%	Other operating revenues	33,295	34,494	▼ 3.5%
418,435	412,763	▲ 1.4%	Total operating revenues	418,435	411,179	▲ 1.8%

Table 11 – Statement of the operating revenues year 2018 compared to the Budget and the period 2017-2018

The transport revenues hold 98.82% in turnover, the difference of 1.18% (4,561 thousand RON) representing revenues from various activities such as: leases of lands and telecommunication equipments, rail shunting, sale of pipe material, etc.

The company recognizes monthly, in the operating revenues, reserves from the modernization quota at the level of the amortization of the tangible assets financed therefrom. In 2018, the value of these revenues is of 28,826 thousand RON.

Operating Expenses

Operating expenses made in 2018 as compared to 2017 and the budgeted provisions are as follows:

Achieved 2018	2018 Budget	Variation % Achieved/ Budget 2018	Indicators	Achieved 2018	Achieved 2017	Variation % Achieved 2018/2017
7,012	7,591	▼7.6%	Material expenses, out of which:	7,012	7,079	▼1.0%
3,620	3,858	▼6.2%	-expenses with consumables	3,620	3,393	▲6.7%
1,930	2,045	▼5.6%	- fuel expenses	1,930	1,737	▲11.1%
11,163	11,547	▼3.3%	Other outside Expenses (with energy and water)	11,163	9,535	▲17.1%
140,290	141,019	▼0.5%	Personnel expenses, out of which:	140,290	112,053	▲25.2%
44,502	44,308	▲0.4%	Expenses with the amortization of tangible and intangible assets	44,502	44,474	▲0.1%
99,047	103,430	▼4.2%	Expenses with external services, out of which:	99,047	99,196	▼0.2%
1,921	3,663	▼47.6%	-Maintenance (maintenance, current and capital repairs)	1,921	1,456	▲31.9%
54,440	53,770	▲1.3%	- expenses with the crude oil transport by rail	54,440	56,389	▼3.5%
434	1,699	▼74.5%	- expenses with decontamination works	434	410	▲5.9%
29,560	29,384	▲0.6%	- oil royalty	29,560	28,637	▲3.2%
12,692	14,914	▼14.9%	-other services performed by third parties	12,692	12,304	▲3.2%
1,693	(19)	-	Value adjustments on the current assets	1,693	(1,234)	-
4,962	7,576	▼34.5%	Provision adjustments	4,962	1,517	▲227.1%
44,932	44,495	▲1.0%	Other operating expenses, out of which:	44,932	55,504	▼19.0%
41,825	40,596	▲3.0%	- modernization quota expenses	41,825	52,191	▼19.9%
353,601	359,947	▼1.8%	Total operating expenses	353,601	328,124	▲7.8%

Table 12 - Operating expenses 2018 vs. BUDGET 2018 and 2017

Operating expenses made in 2018, amounting to 353,601 thousand RON, record an increase of 7.8% over those recorded in 2017, mainly due to increased personnel costs and expenses with the provisions for employee benefits (leave of rest and employees share of profit).

In 2018 there were recorded expenditures below the budgeted level, at the outside services expenses (4,383 thousand RON), materials (579 thousand RON) and energy and water costs (384 thousand RON).

The operating profit achieved in 2018, of 64,834 thousand RON, decreased by 18,221 thousand RON (21.9%) as compared to the same period of 2017, mainly due to the increase of the personnel expenses. As compared to the budget provisions, the operating revenues increased by 22.8%.

The company ended 2018 with a **net profit amounting to 59,466 thousand RON, 13,655 thousand RON higher than budgeted.**

3.3. Cash-flow

The cash flow statement at 31.12.2018 is as follows:

(DIRECT METHOD)

	Name of the element (thousand RON)	January– December 2018	January– December 2017
A	Net cash from operating activity	84,043	78,760
B	Net cash from investment activities	25,985	104,577
C	Net cash from financing activities	(60,193)	(218,088)
	Net increase of the cash and cash equivalents=A+B+C=D2-D1	49,835	(34,751)
D1	Cash and cash equivalents at the beginning of the period	209,847	244,598
D2	Cash and cash equivalents at the end of the period	259,682	209,847
	To which is being added:		
	Government securities as government bonds and treasury bills	-	70,310
	Total availabilities at the end of the period	259,682	280,157

Table 13 - Summary Cash-flow statement 2018 vs. 2017

Cash money available in bank accounts and cashier are down about 20 mil. RON compared to 2017, due to cash outflows for payment of purchases of higher assets, triggered by a better degree of achievement of the investment program related to 2018.

The detailed cash-flow statement is presented in detail in Annex no. 3.

4. INVESTMENTS

The 2018 Investments Program considered the continuation of the works for the rehabilitation of the major pipelines for the transport of crude oil and rich gas, as well as investment works on the installation, machinery and equipment related to the Crude Oil National Transport System;

The investment projects within CONPET targets, mainly, enhancing efficiency of the transport activity as well as operation, under safe conditions, of the National Transport System.

Annual investment program was carried out 91%, 20 million RON higher than in 2017. The value of the investment objectives achieved in 2018, on types of assets, as compared to the program and the level achieved in 2017, is as follows:

Investments (Thousand RON)	2018			2017		
	Estimated achivedbudget	Program	Degree of achievement %	Achieved	Program	Degree of achievement %
Total investments, out of which:	69,470	76,625	91%	49,198	64,269	77%
Public domain	63,213	68,030	93%	38,939	51,645	75%
Operating domain	6,257	8,595	73%	10,259	12,624	81%

Table 14 - Investments 2017-2018



Graphic-6 - Evolution of the total investments achieved as compared to program 2017 and 2018 (mRON)



Chart-7 - Evolution of the investments in the public domain achieved as compared to program 2017 and 2018 (mRON)



Chart-8 - Evolution of the investments in the operating area achieved as compared to program 2017 and 2018 (mRON)

Investments achieved in 2018, in amount of 69,470 thousand RON, were financed from modernization quota 63,065 thousand RON and other own sources 6,405 thousand RON.

In 2018 there were performed commissioning amounting to 44,277 thousand RON, out of which: 36,384 thousand RON out of the modernization quota and 7,893 thousand RON out of other own sources.

Among the investments put into service, the most important completed in 2018 were the following:

- Upgrade of the heat station and heating network Marghita;
- Microwave radio relay transport capacity increase on Baraganu-Constanta section and displacement of Constanta Nord location + microwave radio relay system software upgrade;
- Modernization of exterior lightening by the use of LED technology sources from West and Import Divisions - locations Constanta, Pecica, Orlești, Biled, Videle and Poiana Lacului;
- Modernization of exterior lightening by the use of LED technology sources from East and South Divisions - locations Urlați, Moreni, Cireșu and Berca;
- Safe disposal works of the crude oil pipeline Ø 10¾" F1 Bărbătești-Orlești in Orlești locality, Orlești commune, Valcea county;
- Replacement of crude oil transport pipeline 14" Baraganu - Calareti resulted following the smart pigging in length of 7.5 km (by sections);
- Upgrade of the system for monitoring the vibrations and temperatures of the pumping machineries in the automated stations Calareti and Constanta Sud.
- Replacement of the crude oil pipeline Ø 14" Constanta - Baraganu, Castelu - Cuza Vodă - Mircea Voda area, Constanta County, on a length of approximately 12,580 m;
- Replacement of the crude oil transport pipeline 14" Baraganu - Calareti resulted following the smart pigging in length of 7.5 km (by sections);
- Tank R6 Barbatești;

- Safety disposal of Ø 6 5/8" Urlați-Ploiesti pipelines and Ø 4" optical fiber support at Teleajen river undercrossing– stage 2.

5. OTHER ASPECTS

5.1 The Board of Administration

The Company is administered by a Board of Administration made of 7 non-executive members.

Starting with 28.11.2017, the General Meeting of Shareholders appointed provisional Board of Administration members with a limited mandate for a duration of 4 months, respectively until 28.03.2018 or until the completion of the selection procedure provided by the EGO no. 109/2011 approved with subsequent amendments and completions by Law no. 111/2016, if this takes place prior to 4 months as of the appointment of the provisional administrators.

On 05.03.2018, the General Meeting of Shareholders approved the extension of the mandates of the administrators in capacity for a period of 2 months, respectively until the date of 28.05.2018.

On 17.05.2018, the General Meeting of Shareholders revoked the Board of Administration members and appointed, by the application of the cumulative voting method, the new Board of Administration formed of 7 members, for a duration of 4 months, respectively until 17.09.2018, or until the completion of the selection procedure provided by the EGO no. 109/2011 approved with subsequent amendments and completions by Law no. 111/2016, if this takes place prior to the expiry date of the administrators' mandate.

Following the selection procedure provided by the EGO no.109/2011, approved with amendments and completions by Law no. 111/2016, respectively on 22.08.2018, the General Meeting of Shareholders approved the constituent members of the Board of Administration by the application of the cumulative voting method, as follows:

- Gheorghe Cristian – Florin, Romanian citizen;
- Iacob Constantin - Ciprian, Romanian citizen;
- Popa Claudiu - Aurelian, Romanian citizen;
- Gavrilă Florin - Daniel, Romanian citizen;
- Albulescu Mihai – Adrian, Romanian citizen;
- Meșca Darius – Dumitru, Romanian citizen;
- Pavăl Karina, Romanian citizen;

The mandate duration of the elected administrators is of 4 years, respectively starting with 22.08.2018 until 21.08.2022 (inclusive of).

In the meeting dated 28.08.2018. The Board of Administration of CONPET S.A. decided to appoint Mr. Gheorghe Cristian-Florin as Chairman of the Board of Administration.

In the same meeting, the BOA members approved the structure and constituency of the consultative committees at the level of the Board of Administration of CONPET S.A., as follows:

- The Nomination and Remuneration Committee: Mr. Albulescu Mihai-Adrian - President; Members: Mr. Iacob Constantin – Ciprian, Mr. Gavrilă Florin – Daniel, Ms. Pavăl Karina Mr. Meșca Darius-Dumitru;
- The Audit Committee: Mr. Gavrilă Florin – Daniel - Chairman;

Members: Mr. Iacob Constantin – Ciprian, Mr. Meșca Darius-Dumitru;

- The Committee for Development and Relation with the Authorities: Popa Claudiu – Aurelian - president;

Members: Mr. Meșca Darius-Dumitru; Mr. Albulescu Mihai - Adrian.

5.2 The Executive Management

Between 01.01.2018 -31.12.2018, the executive management had the following composition:

The organizational structure valid from 01.01.2018 until 31.01.2018

BACIU Dan-Silviu	Director General
TOADER Sanda	Director, Economic Direction
DUMITRACHE Mihaela - Anamaria	Director, Trade and Regulated Activities Direction

The organizational structure valid from 01.02.2018 until 06.11.2018

BACIU Dan-Silviu	Director General
DUMITRACHE Mihaela - Anamaria	Deputy Director General 1
VOICU Ioan – as of 03.04.2018	Deputy Director General 2
TOADER Sanda	Director, Economic Direction
STOICA Narcis - Florin	Director, Transport Operations Direction
BUZATU Dan	Director, Maintenance Development Direction

The organizational structure valid from 07.11.2018 until 01.12.2018

CHIS Timur - Vasile	Director General (contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of)
TOADER Sanda	Director, Economic Direction (contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of)
DUMITRACHE Mihaela - Anamaria	Deputy Director General 1
VOICU Ioan	Deputy Director General 2
STOICA Narcis - Florin	Director, Transport Operations Direction
BUZATU Dan	Director, Maintenance Development Direction

The organizational structure valid from 01.12.2018 until 31.12.2018

CHIS Timur - Vasile	Director General (contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of)
TOADER Sanda	Economic Director (contract of mandate of 4 years, period 07.11.2018 - 06.11.2022, inclusive of)
DUMITRACHE Mihaela - Anamaria	Deputy Director General

5.3. RELEVANT CORPORATE EVENTS IN 2018

March 5, 2018

The General Meeting of Shareholders approved:

- The Revenues and Expenditure Budget and the Investments Program related to 2018;

- Initiation of the procedure for the selection of the administrators of the company CONPET S.A. and granting mandate to the Board of Administration to initiate and perform the Company's administrators selection procedure;
- The extension, based on the provisions of Art. 64¹ para (5) of the EGO 109/2011, of the Mandate of the administrators in capacity at 28.03.2018 by a period of 2 months, respectively until 28.05.2018;

April 17, 2018

The company DEDEMAN SRL reports 7.413% shares held in the share capital of the company CONPET SA .

April 26, 2018

The Ordinary General Meeting of Shareholders approved the annual financial statements for the financial year 2017 and the net profit distribution related to financial year 2017.

May 17, 2018

The Ordinary General Meeting of Shareholders called by the Board of Administration of CONPET SA having included in the Agenda the approval of the Board of Administration and candidate profile;

On 23.04.2018, the shareholder Societatea de Investiții Financiare Banat – Crisana SA requested the supplementation of the Agenda by 6 new Items, wherefrom we mention:

- Revocation of the Board of Administration members and
- Election of a new Board of Administration formed of 7 members, by the application of the cumulative voting method and settlement of the mandate duration of the newly elected administrators to 4 months or until the completion of the selection procedure provided by the EGO no. 109/2011, if this takes place before the expiry date of the administrators' mandates.

June 19, 2018

The National Agency for Mineral Resources issued the Order no.117/15.06.2018 regarding the approval of the transport tariffs via the Crude oil, rich gas, condensate and ethane National Transport System, published in the Official Gazette of Romania no. 500 dated 19.06.2018.

August 22, 2018

The General Meeting of Shareholders approved the constituent members of the Board of Administration for a period of 4 years, respectively starting with 22.08.2018 until 21.08.2018 (inclusive of).

September 14, 2018

The General Meeting of Shareholders approved the rectified Revenues and Expenditure Budget for 2018.

November 6, 2018

Following the performance of the procedure for recruitment and selection of the Director General and Economic Director in compliance with the provisions of the EGO no. 109/2011 regarding the corporate governance of the public enterprises, the Board of Administration approved:

- The appointment of Mr. CHIS Timur - Vasile in the capacity of Director General of CONPET S.A., starting with 07.11.2018, for a 4 years' mandate, respectively until 06.11.2022.

- The appointment of Mrs. TOADER Sanda in the capacity of Economic Director of CONPET S.A., starting with 07.11.2018, for a 4 years' mandate, respectively until 06.11.2022.

Annexes:

Annex no. 1 Statement of the Financial Standing at December 31, 2018 - preliminary data

Annex no. 2 Statement of profit or loss and other elements of the global result for the year ended on December 31, 2018 - preliminary data

Annex no. 3 Cash-flow Statement at December 31, 2018 (unaudited)

Annex no. 4 Statement of services procurement contracts with values higher than 100.000 Euro, concluded during 01.01.2018-31.12.2018;

Annex no. 5 Statement of works and products procurement contracts with values higher than 500.000 Euro, concluded during 01.01.2018-31.12.2018;

CHAIRMAN OF THE BOARD OF ADMINISTRATION
Gheorghe Cristian - Florin

Director General
PhD. Eng. CHIS Timur - Vasile

Economic Director
Econ. TOADER Sanda

Annex no. 1

**STATEMENT OF THE FINANCIAL STANDING AT DECEMBER 31, 2018
- PRELIMINARY DATA -**

	December 31 2018	December 31 2017
ASSETS		
Non-current assets		
Tangible assets	430,633,702	407,275,686
Intangible assets	2,843,604	1,462,672
Financial Assets	860,582	973,782
Receivables related to the deferred corporate tax	3,061,818	970,394
Total non-current assets	437,399,706	410,682,534
Current assets		
Inventories	8,521,639	9,024,205
Trade receivables and other receivables	43,118,372	46,753,071
Short-term investments	0	70,623,518
Cash and cash equivalents	259,682,354	209,847,265
Prepaid expenses	1,797,959	1,842,877
Total current assets	313,120,324	338,090,936
TOTAL ASSETS	750,520,030	748,773,470
Shareholders' equity and liabilities		
Equities		
Subscribed and paid-up share capital	28,569,842	28,569,842
Legal reserves	5,713,968	5,713,968
Revaluation reserves	25,676,280	31,016,763
Other reserves	494,658,560	478,500,458
Retained Earnings	46,123,185	40,211,069
Result of the period	59,465,909	74,387,774
Total shareholders' equities	660,207,744	658,399,874
Deferred income		
Investment Subsidies	1,178,489	1,314,536
Deferred income	9,849	12,010
Total deferred revenues	1,188,338	1,326,546
Long-term liabilities		
Long-term provisions	14,760,148	12,817,661
Long-term liabilities	1,785,825	-
Total long-term liabilities	16,545,973	12,817,661
Current liabilities		
Trade liabilities	18,275,125	30,653,848
Current income tax	3,740,046	3,761,986
Other liabilities	36,778,552	32,281,986
Short-term provisions	13,784,252	9,531,569
Total current liabilities	72,577,975	76,229,389
Total liabilities	89,123,948	89,047,050
TOTAL SHAREHOLDERS' EQUITIES AND LIABILITIES	750,520,030	748,773,470

Annex no. 2

**STATEMENT OF PROFIT OR LOSS AND OTHER ELEMENTS OF THE GLOBAL RESULT FOR
THE YEAR ENDED ON DECEMBER 31 2018 - PRELIMINARY DATA
- PRELIMINARY DATA -**

	December 31, 2018	December 31, 2017
Operating Revenues		
Turnover revenues	385,140,170	376,685,362
Other revenues	33,231,175	33,548,266
Earnings from disposal of assets	63,539	945,006
Total operating revenues	418,434,884	411,178,634
Operating Expenses		
Inventory related expenses	7,012,090	7,078,618
Expenses with energy and water	11,162,933	9,535,459
Personnel expenses	140,290,260	112,053,103
Value adjustments on current, non-current assets	44,501,655	44,474,285
Value adjustments on the current assets	1,692,927	(1,233,660)
Expenses related to external services	99,047,085	99,195,977
Other expenses	44,931,769	55,503,446
Provision adjustments	4,962,318	1,516,799
Total operating expenses	353,601,037	328,124,027
Operating profit	64,833,847	83,054,607
Financial revenues	5,462,355	3,613,694
Financial expenses	10,790	45,163
Financial profit	5,451,565	3,568,531
Profit before income tax	70,285,412	86,623,138
Expenses with the current income tax	12,713,671	14,235,742
Expenses with (revenues coming from) deferred income tax	(1,894,168)	(2,000,378)
Profit of the period	59,465,909	74,387,774
Actuarial loss from discounted benefits granted upon retirement	(1,035,596)	(4,928,491)
Gain/(Loss) from reevaluation	-	1,375,497
Total other global result elements	(1,035,596)	(3,552,994)
TOTAL GLOBAL RESULT	58,430,313	70,834,780
Earnings per share	6.87	8.59

Annex no. 3

STATEMENT OF CASH FLOWS AT DECEMBER 31, 2018 (UNAUDITED)

(DIRECT METHOD)

	Name of the Element	12 months 2018	12 months 2017
	Cash flows from operating activities:		
+	Proceeds from services supply	415,156,770	397,530,457
+	Proceeds from interests related to banking investments	4,331,871	2,584,700
+	Other proceeds	4,618,053	7,457,828
-	Payments to the suppliers of goods and services	(111,031,473)	(107,779,634)
-	Payments to and on behalf of the employees	(134,419,650)	(110,190,309)
-	VAT Payments	(44,487,623)	(49,602,453)
-	Corporate tax payments	(12,717,750)	(16,186,371)
-	Other payments regarding the operating activities	(37,407,201)	(45,053,822)
A	Net cash from operating activity	84,042,997	78,760,396
	Cash flows from investment activities:		
+	Proceeds from sale of tangible assets	449,704	4,000,145
+	Proceeds from modernization quota	41,825,050	52,190,868
+	Proceeds from short-term financial investments	70,309,618	165,665,967
+	Proceeds from interests related to government securities	917,582	1,797,793
-	Payments for purchase of tangible assets	(87,517,315)	(44,991,439)
-	Payments for short-term financial investments	-	(74,086,818)
B	Net cash from investment activities	25,984,639	104,576,516
	Cash flows from financing activities:		
+	Proceeds dividends transferred to Depozitarul Central	9,479,683	2,709,838
-	Paid dividends	69,672,230	(220,797,771)
C	Net cash from financing activities	(60,192,547)	(218,087,933)
	Net increase of the cash and cash equivalents=A+B+C=D2-D1	49,835,089	(34,751,021)
D1	Cash and cash equivalents at the beginning of the period	209,847,265	244,598,286
D2	Cash and cash equivalents at the end of the period	259,682,354	209,847,265

To which is being added:

Government securities as government bonds and treasury bills

- 70,309,618

Total availabilities at the end of the period **259,682,354** **280,156,883**

Annex no. 4

CONPET S.A. Ploiești

STATEMENT OF SERVICES PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 100.000 EURO, CONCLUDED DURING 01.01.2018 - 31.12.2018

Crt. no.	Name of Contractor	Scope of Contract	Title of contract	Applied procurement procedure	Name of Beneficiary (if different from the contracting authority)	Contract notice number	Initial contract value (RON)	Contract value after potential addenda (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration
QUARTER I - 2 CONTRACTS VALUE QUARTER I = 1,911,380.00 RON											
1	REVA SA SIMERIA THE TRADE COMPANY FOR ROLLING STOCK REPAIR	Repairs and scheduled revisions RP-CIR (with intervention to container + CIR revision) of 38 60 cubic meters rail tanks for crude oil transport, RP-FIR (with intervention to container) of 3 rich gas tank cars, ISCIR revision to 2 tank cars for crude oil transport and 1 tank car for rich gas transport and replacement of 88 used axles at the 41 tank-cars	S-CA 29 / 31.01.2018	TENDER	-	46623/16.11.2017	1,432,500.00	1,432,500.00	31.01.2018	12	12
2	SERVICE IMPLEMENTARE PRODUCTIE SA	Certification/re-certification services for the preparation of the documentation for recurrent reexamination from Ex point of view	S-CA 91 / 07.03.2018	TENDER	-	1870/15.01.2018	479,380.00	479,380.00	3/7/2018	12	12
QUARTER II - 0 CONTRACTS VALUE QUARTER II = 0.00 RON											
QUARTER III - 0 CONTRACTS VALUE QUARTER III = 0.00 RON											
QUARTER IV - 2 CONTRACTS VALUE QUARTER IV = 2,462,745.59 RON											
3	ALLIANZ TIRIAC ASIGURARI S.A.	Voluntary health insurance services for CONPET S.A. employees	S-CA 709 / 19.12.2018	TENDER		45299 / 21.11.2018	1,542,745.59	1,542,745.59	29.12.2018	12	12
4	LIN SCAN ADVANCED PIPELINES & TANKS SERVICES	Inline inspection services - expertise of the crude oil transport pipeline 28 Constanța-Bărăganu and preparation of report related to the inspection	S-CA 718 / 31.12.2018	TENDER		39062 / 08.10.2018	920,000.00	920,000.00	23.01.2019	4	4
CUMULATED TOTAL - 4 CONTRACTS CUMULATED VALUE = 4,374,125.59 RON											

DIRECTOR GENERAL
Ph.D. Eng. Timur-Vasile Chis

Annex no. 5

CONPET SA
PLOIEȘTI

STATEMENT OF WORKS AND PRODUCTS PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 500.000 EURO, CONCLUDED BETWEEN 01.01.2018-3.1.12.2018

Crt. no.	Name of Contractor	Scope of Contract	Title of contract	Applied procurement procedure	Name of Beneficiary (if different from the contracting authority)	Contract notice number	Initial contract value (RON)	Contract value after potential addenda (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (months)
							(RON)	(RON)		(months)	
QUARTER I - 2 CONTRACTS											
VALUE QUARTER I = 6,373,021.06 RON											
1	CONSTRUCTII FERROVIARE DRUMURI SI PODURI	Execution of hydro technical works in order to safely dispose the aerial crossing of Prahova river by the crude oil transport pipelines belonging to CONPET SA – extremely urgent works for the safe disposal of the metal piles supporting the aerial crossing of Prahova river, in Stejaru area, Brazi commune, of the crude oil major pipelines 12 3/4" and 14 3/4"	L-CA 171/27.03.2018	NEGOCIATION WITHOUT PRIOR PUBLIC NOTICE	-	-	2,447,421.06	2,447,421.06	30.03.2018	6	6
2	OMV PETROM MARKETING	Fuel supply by Card system	P-CA 176 / 30.03.2018	TENDER	-	5066/08.02.2018	3,925,600.00	3,925,600.00	30.03.2018	36	36
QUARTER II - 1 CONTRACT											
VALUE QUARTER I = 4,540,209.92 RON											
3	TINMAR ENERGY S.A.	Electricity Supply Batch 1	P-CA 337 / 30.03.2018	TENDER	-	16041/08.02.2018	4,601,641.26	4,540,209.92	7/1/2018	12	12
QUARTER II - 2 CONTRACTS											
VALUE QUARTER III = 6,019,543.30 RON											
4	CONSTRUCTII FERROVIARE DRUMURI SI PODURI	Safe disposal of the Argeş river aerial crossing Răteşti area, Arges County	L-CA 399/27.03.2018	TENDER	-	27007/09.07.2018	3,517,448.78	3,517,448.78	03.09.2018	10	10

**CONPET SA
PLOIEȘTI**
STATEMENT OF WORKS AND PRODUCTS PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 500,000 EURO, CONCLUDED BETWEEN 01.01.2018-3.1.12.2018

Crt. no.	Name of Contractor	Scope of Contract	Title of contract	Applied procurement procedure	Name of Beneficiary (if different from the contracting authority)	Contract notice number	Initial contract value (RON)		Contract value after potential addenda (RON)		Start of the contract	Initially set contract duration (in months)		Final contract duration (months)
							(RON)	(RON)	(RON)	(RON)		(months)	(months)	
5	CONSTRUCTII FEROVIARE DRUMURI SI PODURI	Hydrotechnical works for safe disposal of Prahova river aerial crossing by CONPET S.A. pipeline - Intervention works- in progress- for the safe disposal of the metal piles supporting Prahova river aerial crossing, Stejaru area, Brazi commune, of the crude oil major transport pipelines 12 3/4" and 14 3/4" -	L-CA 400/27.03.2018	TENDER	-	27012/09.07.2018	2,502,094.52		2,502,094.52		03.09.2018	8		8
QUARTER IV - 5 CONTRACTS														
VALUE QUARTER IV= 25,580,894.61 RON														
6	ELCAS PRODIMPX SRL	Execution works for lot 16 SPC's (cathodic protection stations) in the modernization project and monitoring cathodic protection system at central and sector level, related to the imported and domestic crude oil transport system	L-CA 463/05.10.2018	NEGOCIATION WITHOUT PRIOR PUBLIC NOTICE	-	-	2,458,900.39		2,458,900.39		16.11.2018	8		8
7	TALPAC SRL	Replacement of the Ø 14 C2 - C2-C3 crude oil pipeline, on 8 sections in Balta Ialomitei area, Ialomita County, on a length of approximately 4037 m	L-CA 482/15.10.2018	TENDER	-	35367/11.09.2018	5,007,363.73		5,007,363.73		22.10.2018	7		7
8	PRODREP STAR SRL	Replacement of the 10 3/4, L1+L2 crude oil pipeline Siliste -Ploiesti, Ilfov-Padure Iuda area, Racovita valley, Habeni-Comisani, Mija - proposed work areas: communes Nucet, Bucsani,	L-CA 666/27.11.2018	TENDER	-	39852/12.10.2018	4,695,467.79		4,695,467.79		10.01.2019	12		12

**CONPET SA
PLOIEȘTI**

STATEMENT OF WORKS AND PRODUCTS PROCUREMENT CONTRACTS WITH VALUES HIGHER THAN 500.000 EURO, CONCLUDED BETWEEN 01.01.2018-3.1.12.2018

Crt. no.	Name of Contractor	Scope of Contract	Title of contract	Applied procurement procedure	Name of Beneficiary (if different from the contracting authority)	Contract notice number	Initial contract value (RON)	Contract value after potential addenda (RON)	Start of the contract	Initially set contract duration (in months)	Final contract duration (months)
							(RON)	(RON)		(months)	(months)
		Comisani, Caragiale Dambovită County									
9	QUALITY BUSINESS SOLUTIONS SRL	Design, supply, configuration and deployment of security Ethernet services provided by the ECI NPT multiplexer network	P-CA 682 / 11.02.2018	TENDER	-	38953/08.10.2018	8,961,240.00	8,961,240.00	11.12.2018	12	12
10	BALTUR SIB SRL SIBIU	Thermal power station for technological steam generation, used in the automated crude oil station and in the automated unloading ramp Barbătești	L-CA 691/13.12.2018	TENDER	-	43331/08.11.2018	4,457,922.70	4,457,922.70	22.01.2019	9	9
CUMULATIVE TOTAL - 10 CONTRACTS											
CUMULATIVE VALUE = 42,513,668.89 RON											

DIRECTOR GENERAL
PhD. Eng. Timur-Vasile Chis



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Capital social subscris și vărsat 28 569 842,40 lei



PRELIMINARY UNAUDITED FINANCIAL STATEMENTS
at the date and for the financial year ended at
December 31st, 2018

Prepared in accordance with the accounting regulations in accordance with
The International Financial Reporting Standards
approved by the Ministry of Finance Order no. 2844/2016



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The Company CONPET S.A.

Statement of the Financial Standing at December 31st, 2018 - preliminary data
(All the amounts are expressed in RON, unless otherwise specified)

**Statement of the Financial Standing at December 31, 2018
- PRELIMINARY DATA -**

	Note:	December 31st, 2018	December 31st, 2017
ASSETS			
Non-current assets			
Tangible assets		430,633,702	407,275,686
Intangible assets		2,843,604	1,462,672
Financial Assets		860,582	973,782
Receivables related to the deferred corporate tax		3,061,818	970,394
Total non-current assets	4	437,399,706	410,682,534
Current assets			
Inventories		8,521,639	9,024,205
Trade receivables and other receivables		43,118,372	46,753,071
Short-term investments		0	70,623,518
Cash and cash equivalents		259,682,354	209,847,265
Prepaid expenses		1,797,959	1,842,877
Total current assets	5	313,120,324	338,090,936
TOTAL ASSETS		750,520,030	748,773,470
Shareholders' equity and liabilities			
Shareholders' Equities			
Subscribed and paid-up share capital		28,569,842	28,569,842
Legal reserves		5,713,968	5,713,968
Revaluation reserves		25,676,280	31,016,763
Other reserves		494,658,560	478,500,458
Retained Earnings		46,123,185	40,211,069
Result of the period		59,465,909	74,387,774
Total shareholders' equities	6	660,207,744	658,399,874
Deferred income			
Investment Subsidies		1,178,489	1,314,536
Deferred income		9,849	12,010
Total deferred revenues		1,188,338	1,326,546
Long-term liabilities			
Long-term provisions		14,760,148	12,817,661
Long-term liabilities		1,785,825	-
Total long-term liabilities	7	16,545,973	12,817,661

The Company CONPET S.A.

Statement of the Financial Standing at December 31st, 2018 - preliminary data

(All the amounts are expressed in RON, unless otherwise specified)

Current liabilities			
Trade liabilities		18,275,125	30,653,848
Current income tax		3,740,046	3,761,986
Other liabilities		36,778,552	32,281,986
Short-term provisions		13,784,252	9,531,569
Total current liabilities	7	72,577,975	76,229,389
Total liabilities		89,123,948	89,047,050
TOTAL SHAREHOLDERS'			
EQUITIES		750,520,030	748,773,470
AND LIABILITIES			

These preliminary financial statements and the related notes, from page 3 to page 14 have been authorized for issue and signed by the company management at February 27th, 2019.

Director General
PhD. Eng Timur-Vasile Chis

Economic Director,

Ec. Sanda Toader

The Company CONPET S.A.

Statement of profit or loss and other elements of the global result for the year ended on december 31st, 2018 - preliminary data

(All the amounts are expressed in RON, unless otherwise specified)

**Statement of profit or loss and other elements of the global result for the year ended on
December 31st, 2018
- PRELIMINARY DATA -**

	Note	December 31st, 2018	December 31st 2017
Operating Revenues			
Turnover revenues		385,140,170	376,685,362
Other revenues		33,231,175	33,548,266
Earnings from disposal of assets		63,539	945,006
Total operating revenues	8	418,434,884	411,178,634
Operating Expenses			
Inventory related expenses		7,012,090	7,078,618
Expenses with energy and water		11,162,933	9,535,459
Personnel expenses		140,290,260	112,053,103
Value adjustments on current, non-current assets		44,501,655	44,474,285
Value adjustments on the current assets		1,692,927	(1,233,660)
Expenses related to external services		99,047,085	99,195,977
Other expenses		44,931,769	55,503,446
Provision adjustments		4,962,318	1,516,799
Total operating expenses	9	353,601,037	328,124,027
Operating profit		64,833,847	83,054,607
Financial revenues		5,462,355	3,613,694
Financial expenses		10,790	45,163
Financial profit		5,451,565	3,568,531
Profit before income tax		70,285,412	86,623,138
Expenses with the current income tax		12,713,671	14,235,742
Expenses with (revenues coming from) deferred income tax		(1,894,168)	(2,000,378)
Profit of the period		59,465,909	74,387,774
Actuarial loss from discounted benefits granted upon retirement		(1,035,596)	(4,928,491)
Gain/(Loss) from reevaluation		-	1,375,497
Other global result elements		(1,035,596)	(3,552,994)
TOTAL GLOBAL RESULT		58,430,313	70,834,780
Earnings per share		6.87	8.59

These preliminary financial statements and the related notes, from page 3 to page 14 have been authorized for issue and signed by the company management at February 27th, 2019.

Director General
PhD. Eng Timur-Vasile Chis

Economic Director,

Ec. Sanda Toader

The Company CONPET S.A.
Statement of changes in equity at December 31st, 2018 - preliminary data
(All the amounts are expressed in RON, unless otherwise specified)

STATEMENT OF CHANGES IN SHAREHOLDERS'S EQUITY AT DECEMBER 31st, 2018 (unaudited) - PRELIMINARY DATA

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained Earnings	Result of the period	Total shareholders' equities
Balance at January 1st, 2018	28,569,842	5,713,968	31,016,763	478,500,458	40,211,069	74,387,774	658,399,874
Net result of the period	-	-	-	-	-	59,465,909	59,465,909
Actuarial Gain/(loss) of the period					(1,035,596)		(1,035,596)
Total global result					(1,035,596)	59,465,909	58,430,313
Augmentation of the reserve representing modernization quota fund	-	-	-	12,998,654	-	-	12,998,654
Reversal of surplus from revaluation	-	-	(5,340,483)	-	5,340,483	-	-
Dividends due to shareholders	-	-	-	-	-	(69,621,097)	(69,621,097)
Allocation from profit provided by law - exemption from the reinvested income tax	-	-	-	-	1,352,092	(1,352,092)	-
Other allocations from the preceding year's result	-	-	-	3,159,448	255,137	(3,414,585)	-
Balance at December 31st, 2018	28,569,842	5,713,968	25,676,280	494,658,560	46,123,185	59,465,909	660,207,744

Note: "Other reserves" include also the reserve representing modernization quota. The cash representing the modernization quota has a special regime, provided in GD no. 168/1998, this being destined exclusively to the financing of the modernization works and development works related to the goods belonging to the public domain.

STATEMENT OF THE CHANGES IN SHAREHOLDERS' EQUITIES AT DECEMBER 31st, 2017 (audited)

	Share capital	Legal reserves	Revaluation reserves	Other reserves	Retained Earnings	Result of the period	Total shareholders' equities
Balance at January 1st, 2017	28,569,842	5,713,968	32,957,666	536,238,701	120,685,850	71,546,604	795,712,631
Profit of the period						74,387,774	74,387,774
Revaluation gain			1,375,497				1,375,497
Actuarial Gain/(loss) of the period					(4,928,491)		(4,928,491)
Total global result			1,375,497		(4,928,491)	74,387,774	70,834,780
Augmentation of the reserve representing modernization quota fund				22,378,044			22,378,044
Resumption of revaluation surplus			(6,463,121)		6,463,121		-
Reunification reserve from revaluation of the land plots not included in share capital			2,605,000		(2,605,000)		-
Allocation from profit provided by law - exemption from the reinvested income tax				1,352,092	357,908	(1,710,000)	-
Ordinary and Deferred Corporate Tax			541,721		(2,505,028)		(1,963,307)
Dividends due to shareholders				(81,468,379)	(77,257,291)	(69,836,604)	(228,562,274)
Balance at December 31st, 2017	28,569,842	5,713,968	31,016,763	478,500,458	40,211,069	74,387,774	658,399,874

Director General
PhD. Eng. Timur-Vasile Chis

Economic Director,

Ec. Sanda Toader

STATEMENT OF CASH FLOWS AT DECEMBER 31st, 2018 (UNAUDITED)
- PRELIMINARY DATA -

(DIRECT METHOD)

	Name of the Element	12 months 2018	12 months 2017
	Cash flows from operating activities:		
+	Proceeds from services supply	415,156,770	397,530,457
+	Proceeds from interests related to banking investments	4,331,871	2,584,700
+	Other proceeds	4,618,053	7,457,828
-	Payments to the suppliers of goods and services	(111,031,473)	(107,779,634)
-	Payments to and on behalf of the employees	(134,419,650)	(110,190,309)
-	VAT Payments	(44,487,623)	(49,602,453)
-	Corporate tax payments	(12,717,750)	(16,186,371)
-	Other payments regarding the operating activities	(37,407,201)	(45,053,822)
A	Net cash from operating activity	84,042,997	78,760,396
	Cash flows from investment activities:		
+	Proceeds from sale of tangible assets	449,704	4,000,145
+	Proceeds from modernization quota	41,825,050	52,190,868
+	Proceeds from short-term financial investments	70,309,618	165,665,967
+	Proceeds from interests related to government securities	917,582	1,797,793
-	Payments for purchase of tangible assets	(87,517,315)	(44,991,439)
-	Payments for short-term financial investments	-	(74,086,818)
B	Net cash from investment activities	25,984,639	104,576,516
	Cash flows from financing activities:		
+	Proceeds dividends transferred to Depozitarul Central	9,479,683	2,709,838
-	Paid dividends	(69,672,230)	(220,797,771)
C	Net cash from financing activities	(60,192,547)	(218,087,933)
	Net increase of the cash and cash equivalents=A+B+C=D2-D1	49,835,089	(34,751,021)
D1	Cash and cash equivalents at the beginning of the period	209,847,265	244,598,286
D2	Cash and cash equivalents at the end of the period	259,682,354	209,847,265
	<i>to which is being added:</i>		
	<i>Government securities as government bonds and treasury bills</i>	-	70,309,618
	Total availabilities at the end of the period	259,682,354	280,156,883

Director General
PhD Eng. Timur-Vasile Chis

Economic Director,

Ec. Sanda Toader

1. Business Description and General Information

The company "CONPET" S.A. ("The Company") is a joint-stock company, with a unitary system administration, as per Law no. 31/1990 on the companies, republished, subsequent amendments, is registered at the Prahova Trade Registry under no. J29/6/1991, and the Financial Supervisory Authority by the registration certificate no. 7227/1997.

Address of the registered offices is Ploiesti Municipality, No. 1-3, Anul 1848 Street, Prahova County.

"CONPET" S.A. is the concessionaire of the crude oil, rich gas, condensate and ethane National Transport System, capacity acquired, in 2002, following the conclusion with the National Agency of Mineral Resources (NAMR), the competent authority representing the State's interests in the oil resources sector, of an Oil Concession Agreement, approved by GD no.793/25.07.2002.

The company's shares are being traded at the Bucharest Stock Exchange (BSE) as of September 5, 2013, under the "COTE" symbol.

Currently, the company "CONPET" S.A. is included in 7 out of the total of 9 stock indices, respectively in **BET, BET-TR, BET-XT, BET-XT-TR, BET-BK, BET-NG and BET Plus indices**. This company achievement translates into performance, economic-financial stability, transparency, enhanced visibility and increased interest of the investors.

At 31.12.2018, "CONPET" S.A. had a market capitalization of 672.7 million RON (144.2 million euro), ranking 19 in "Top 25 issuers according to capitalization".

Company Set-up

CONPET is set up based on GD 1213/20.11.1990 regarding the set-up of the joint stock commercial companies in the industry, pursuant to Law no.15/1990 regarding the reorganization of the public economic units as autonomous administrations and joint stock companies, by taking over all assets and liabilities of the former Crude Oil Pipeline Transport Enterprise (Rom.I.T.T.C.).

At 31.12.2018, the company's shareholders are:

- The Romanian State by the Ministry of Energy, holding 5,083,372 shares representing 58.72% of the share capital,
- legal persons, with 2,481,740 shares representing 28.66 % and
- natural persons, with 1,092,416 shares representing 12.62 %.

Company's Mission

CONPET mission is the operation of the National Transport System via Pipelines under safe and secure conditions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

Other Information on the Company's Business

As per the Articles of Incorporation, the company's core business is the transport of crude oil, rich gas, ethane and condensate via pipelines and by railway tanks, from the loading ramps to the beneficiaries, for the oil sites that are not connected to the major transport lines, aiming at supplying the refineries with crude oil and derivatives out of domestic production, as well as with imported crude oil (NACE code 4950-"transports via pipelines").

CONPET supplies transport services for its clients both via the National Transport System concessioned based on the oil concession agreement of the National Transport System of crude oil, rich gas, condensate and ethane, as well as by railway tanks, from the loading ramps to the refineries, for the oil areas not connected to the transport major pipelines.

The crude oil National Transport System represents the ensemble of the major interconnected pipelines ensuring the collection of the oil extracted from the exploitation areas or of the imported crude and the transport thereof from the delivery sites to the processing units.

CONPET, acting as the concessionaire of the crude oil National Transport System entitles as common carrier and has the obligation to provide, as per the legal provisions, free access to the system's available capacity to all the inquirers, authorized legal persons, under equal conditions, on a non-discriminatory and transparent basis.

The crude oil National Transport System belongs to the Romanian State public domain and is being administered by NAMR. (as per the Oil Law provisions). This comprises a pipeline system of approx. 3,800 km and a transport throughput of 18.5 million tons/year.

The Legal Environment

The activity in the oil sector is being regulated by the Oil Law no. 238/2004. The National Agency for Mineral Resources (NAMR) represents the state's interests in oil resources and is the competent authority empowered to apply the provisions of Law no. 238/2001.

According to this normative act, the National Agency for Mineral Resources has the quality of Grantor of public property, concessioned to the operators in the oil industry.

NAMR's main responsibilities are:

- negotiates and concludes oil agreements on behalf of the state;
- grants mining concession licenses and exploitation permits;
- issues regulation acts, rules, instructions, orders and regulations;
- monitors compliance by the holders of petroleum agreements, of concession licences conditions and exploitation permits;
- manages the National Transport System via pipelines of the crude oil and natural gas and regulates its operating activities through concession agreements concluded;
- cancels the concession/administration deeds;

The tariff for the supply of the transport service via the National Transport System of crude oil, rich gas, condensate and ethane

The transport tariff stands for the exchange value of the transport service supplied by the holder of the oil concession agreement, as common carrier, for the transport, via the crude oil National Transport System, of one ton of oil along the oil take-over sites from domestic producers or from import to the delivery sites at the refineries.

The transportation rates are established in accordance with Order no.53/2008 for the approval of the guidelines regarding the criteria, methodology and settlement procedure of the regulated tariffs for the transport via the National Transport System and are being approved by NAMR, acting as competent authority, based on the attributions and competences granted by Law no.238/2004, subsequent amendments and completions.

The transport tariffs are differentiated on the two subsystems belonging to the National Transport System, namely the sub-system for the transport of the crude oil, rich gas, condensate and ethane from the domestic production and the subsystem for the transport of the imported crude oil. The tariffs for the transport on the import subsystem are applied per refineries, according to the batches of transported quantities, being used the bracket tariff model.

The transport tariffs are determined by the allocation of the transport service value to crude oil quantities transported to the beneficiaries, on the appropriate distances, using a methodology based on the determination of the cost of service, defined as all revenues required to cover the transport operations through the system, including:

- the operating cost, including: material expenses, personnel expenses, pipeline maintenance expenses, expenses with energy, costs related to the amortization of the fixed assets, the royalty and other taxes applicable to the carrier, expenses related to the provision of pipeline guard, sums owed to the land owners, other expenses etc;
- modernization and development quota;
- reasonable profit margin.

2. Preparation Grounds

(a) Declaration of Conformity

The preliminary financial statements have been prepared pursuant to the Order of the Minister of Public Finances no.2844/2016, for the approval of the accounting regulations compliant with the International Financial Reporting Standards ("IFRS") ("OMPF 2844/2016").

These preliminary financial statements do not include all the necessary information in order to provide a complete set of financial statements in compliance with the International Financial Reporting Standards and must be read together with the annual financial statements of the Company, prepared at December 31, 2017. Nevertheless, certain selected explanatory notes have been included in order to explain the events and transactions significant for the understanding of the changes occurred in the financial standing and company performance since the last annual financial statements at the date and for the financial year ended December 31, 2017.

The preliminary financial statements are not being audited and have not been revised by an independent auditor.

These preliminary financial statements have been authorized for issue and signed by the company management at February 27th, 2019.

(b) Use of estimates and professional judgments

The preparation of these preliminary financial statements implies the use, by the Company management, of estimates, professional reasoning and hypotheses affecting the reported value related to assets, liabilities, revenues and expenses. Estimates and assumptions are continuously evaluated and are based on historical experience and other factors, including predictions of future events that are believed to be reasonable under certain circumstances. The results of these estimates set the grounds for the professional reasonings regarding the accounting value of the assets and liabilities that cannot be obtained from other information sources. The actual results may be different from the estimates values.

The significant reasoning used by the management for the application of the Company's accounting policies and the main sources of uncertainty regarding the estimates have been the same with those applied to the financial statements related to 2017.

3. Accounting Policies

The accounting policies applied in these preliminary financial statements are the same with those applied in the financial statements of the Company at the date and for the financial period ended at December 31, 2017.

The following new standards and amendments of the existing standards issued by the International Accounting Standards Committee (IASB) and adopted by the European Union (EU) have entered into force along the annual financial reporting period ended December 31, 2018 but they don't bear significant impact on the financial statements, hence have not been presented in detail:

- IFRS, 15 "Revenues from the contracts with the clients" and Amendments;
- IFRS 9 "Financial Instruments" - classification and evaluation;
- Amendments to IFRS 4 "Insurance Contracts" - Application IFRS 9, Financial Instruments with IFRS, 4, Insurance Contracts;
- The amendments to IFRS 2 "Payment based on shares";
- The amendments to various standards "Improvements to IFRS (cycle 2014-2016) resulting from the annual improvement project of IFRS, (IFRS 1, "Adoption for the first time of the International Financial Reporting Standards" and IAS 28, "Investments in associated entities and joint ventures");

Certain new standards and amendments will come into force ulterior to the date of January 1, 2019. The company opted for not adopting the application thereof in the preliminary financial statements.

4. Non-current assets

Fixed assets have increased by 6.5% at the end of December 2018 compared to December 31st, 2017 (437.4 million RON to 410.7 million RON), mainly due to achieving a higher investment volume recorded depreciation.

Within fixed assets it is recognised the oil operating product amounted to 42.1 mil. RON. The oil product is determined at the cost of re-evaluation performed according to the GD no.26 from January 22nd, 1992, restated by applying IAS 29, "Financial reporting in hyperinflationary economies".

5. Current assets

Current assets decreased by 8% from December 31st, 2018 compared to the value recorded at December 31st, 2017 (313.1 million RON to 338.1 million RON), mainly due to decrease in cash and cash equivalents and other receivables on short term.

Trade receivables and other receivables

At December 31st, 2018 and December 31st, 2017, the trade receivables and other receivables are as follows:

	December 31st, 2018	December 31st, 2017
Trade receivables	37,421,633	35,326,363
Other receivables	5,696,739	11,426,708
Total receivables	43,118,372	46,753,071

Over 74% of total short-term debt outstanding at December 31st, 2018 represents the equivalent value of the services to be received from the Company's main customer, OMV PETROM SA, in the amount of 32,003,643 RON.

Position *Other receivables*, amounting to 5,696,739 RON, including the dividends from payment agent CEC Bank, unclaimed by CONPET shareholders (2,786,778 RON or 49%) and amounts recovered from various natural and legal persons most to the dispute before the courts (2,195,107 RON or 38.5%).

Cash and cash equivalents

On December 31st, 2018 cash and cash equivalents increased by 23.7% compared to December 31st, 2017 (259.7 million RON to 209.8 million RON), due to the executive management of the company to no longer place excess liquidity in government securities, whichever term deposits up to three months due to better yields obtained.

Cash includes the available quota for the modernization, amounting to 183,451,615 RON

The cash representing the modernization quota has a special use regime, provided by GD no. 168/1998, thus being destined exclusively to the financing of the modernization works and development works related to the goods belonging to the public domain.

Short-term investments

At the end of year 2018 the company no longer records investments in treasury bonds.

Reduction of cash in current accounts at banks and cash, short-term deposits and short-term investments (bonds) on December 31st, 2018 is mainly due to the payment of dividends from the net profit for the financial year 2017 (69.6 million RON) in 2018.

6. Shareholders' Equities

Shareholders' Equities increased slightly from 0.3% at December 31st, 2018 compared to December 31st, 2017 (660.2 million RON to 658.4 million RON), the structure revealing the increase of other reserves and reduction of the result of the exercise.

Share capital

During the reporting period, the share capital of the company did not change, 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.

Retained Earnings

At december 31st, 2018, a major share in the Retained earnings is held by the retained earnings derived from the first adoption of IAS 29 relating to fixed assets representing oil operating product, recognized in tangible assets: 41.8 thousand RON (90.7%).

Profit of the period

The profit for the year has decreased by 20% compared to profit for the year 2017 (59.5 million RON to 74.4 million RON), under the terms of an increase in operating expenses in an amount greater than operating income growth.

7. Liabilities

Long-term liabilities

Long-term liabilities have increased by 29% in 2018 compared to 2017 (16.5 mil RON to 12.8 mil RON), driven by both higher provisions and recording of long-term commercial debt.

Short-term liabilities

Short-term liabilities decreased by 4.7% at the end of December 2018 compared to December 31st, 2017 (72.6 mil RON to 76.2 mil. RON)

8. Revenues

Company revenues are achieved, mainly, out of crude oil transport services via the National Transport System and by rail.

Operating Revenues

Operating revenues registers a slight increase of 1.8% in 2018 compared to 2017 (418.4 to 411.2 mil RON), due to the increase by 0.5% of the total transported quantity (6.85 mil tons to 6.82 million tons), and also following the application of new tariffs approved, starting June 2018.

9. Expenditures

Operating expenses have accounted for 97% of the total expenses and increased by 7.8% compared to 2017 (353.6 million RON to 328.1 million RON). The increase in the operating expenses during 2018 is mainly due to 25.2% increase in personnel costs (140.3 million RON to 112.1 million RON), according to the new provisions of the Collective Labor Agreement in force from January 1st, 2018.

10. Subsequent Events

On 18.02.2019 was convened General Meeting of Shareholders (GMS) for the date of 26.03.2019 (27.03.2019 in the second call), having as item of the Agenda the approval of initiation of augmentation of the share capital of CONPET SA by the value of lands held under 48 of land ownership certificates.

These preliminary financial statements and the related notes, from page 3 to page 14 have been authorized for issue and signed by the company management at February 27th, 2019.

Director General
PhD Eng. Timur-Vasile Chis
S.s. Illegible, Stamp

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

CONPET S.A.
No. 1-3, Anul 1848 Street, Ploiesti, Prahova, Romania
Tax Identification Number 1350020
NACE Code 4950
Registered at Prahova Trade Registry under number J29/6/22.01.1991
Subscribed and paid-up share capital 28,569,842.40 RON

Preliminary financial results for the period January - December 2018

CONPET SA registered, in 2018, a turnover of 385.14 mRON, higher by 2.2% as compared to 2017 and 1.1% higher than the budget provisions.

The net profit achieved during January - December 2018 amounts to 59.47 mRON is higher by 13.66 mRON (29.8%) as compared to the budget provisions and 14.92 million RON (20.1%) lower than in 2017.

At 31.12.2018, the operating revenues knew an increase by 1.8% as compared to 2017 (418.44 mRON 2018, from 411.18 mRON in 2017), following the increase of the transport revenues by 2.2% (380.58 mRON 2018 from 372.36 mRON 2017). As compared to the budget provisions, the operating revenues increased by 1.4%;

The operating expenses achieved in 2018 recorded an increase by 7.8% as compared to the one achieved in 2017 and a decrease by 1.8% as compared to the budget provisions. The increase in the operating expenses was mainly due to the application, starting 01.01.2018 of the salary increases stipulated in the Collective Labor Agreement ended at 2017Q3.

The operating profit achieved in 2018, in amount of 64.83 mRON, recorded an increase of 22.8% as compared to the budget provisions and a decrease by 21.9% as compared to 2017.

Financial Results

Indicators (thousand RON)	YEAR 2018	Revenues and Expenditure Budget 2018	Year 2017	Variation % 2018/ Budget	Variation % 2018/ 2017	2018Q4	2017Q4	Variation % QIV 2018/2017
Net Turnover	385,140	381,080	376,685	▲ 1.1%	▲ 2.2%	101,448	94,175	▲ 7.7%
Operating Revenues	418,435	412,763	411,179	▲ 1.4%	▲ 1.8%	109,816	103,041	▲ 6.6%
Operating Expenses	353,601	359,947	328,124	▼ 1.8 %	▲ 7.8%	93,029	87,247	▲ 6.6%
EBITDA	109,336	97,124	127,529	▲ 12.6%	▼ 14.3%	27,993	26,845	▲ 4.3%
Operating Profit (EBIT)	64,834	52,816	83,055	▲ 22.8%	▼ 21.9%	16,787	15,794	▲ 6.3%
Total revenues	423,897	414,321	414,792	▲ 2.3%	▲ 2.2%	111,514	103,989	▲ 7.2%
Total expenses	353,612	360,047	328,169	▼ 1.8%	▲ 7.8%	93,034	87,258	▲ 6.6%
Gross Profit (EBT)	70,285	54,274	86,623	▲ 29.5%	▼ 18.9%	18,480	16,731	▲ 10.5%
Net Profit	59,466	45,811	74,388	▲ 29.8%	▼ 20.1%	15,748	15,515	▲ 1.5%

The preliminary Financial Statements prepared at 31.12.2018 have not been audited.

Director General

Eng. Chiş Timur - Vasile

Economic Director

Econ. Sanda Toader