

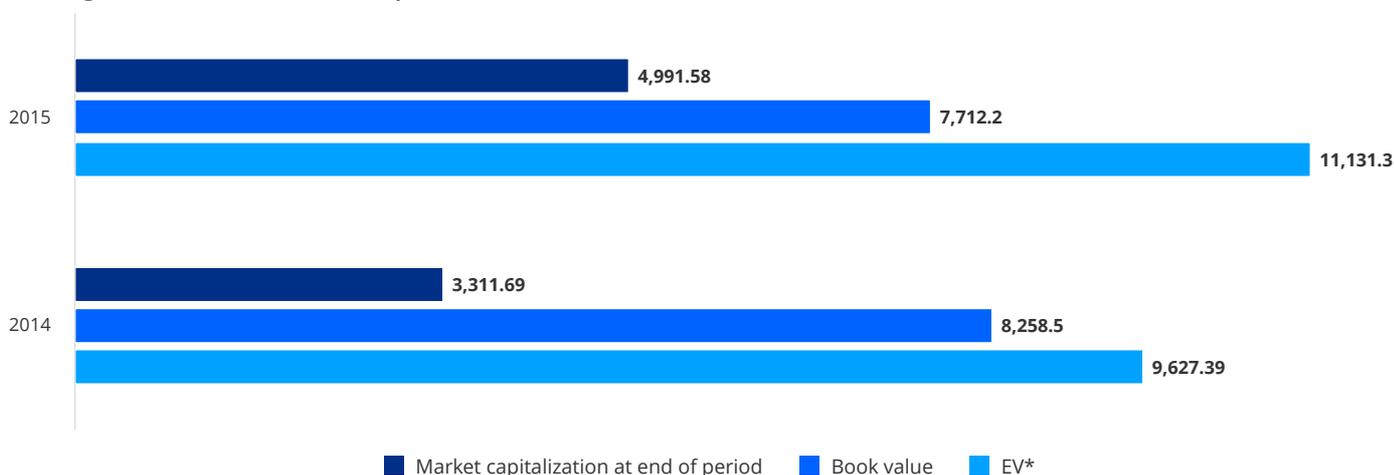
Value growth of the LOTOS Group in 2015

2015 was a landmark year in the nearly 40-year history of the LOTOS Group. We were able to achieve the key strategic goals for the years 2011–2015 in our entire value chain. We are stronger while entering a new stage of growth, and we aim to achieve significant growth of the company value, further enhance Poland's security in the field of energy and help with the industrialization of the national economy. Our work towards implementation of these plans will be based on innovation, further development, improved efficiency and activities which support our business environment.

Effects of strategy implementation in 2015

maximized integrated margin → increased production capacities and better operational efficiency → good operating results

Value growth of the LOTOS Group (PLNm)



* EV (Enterprise Value) – market capitalization plus debt, non-controlling interests, and preferred shares, minus cash and cash equivalents

Grupa LOTOS - basic data*

FINANCIAL DETAILS	Unit	For year finished 31 December 2015	For year finished 31 December 2014
Revenue	thousand PLN	20,482,298	26,243,106
Operating loss	thousand PLN	183,757	(1,294,183)
Loss before tax	thousand PLN	-20,713	(1,545,869)
Net loss	thousand PLN	-37,102	(1,285,910)
Total income/(loss)	thousand PLN	-325,41	(1,726,097)
Net cash flows from operating activities	thousand PLN	653,963	561,327
Net cash flows from investment activities	thousand PLN	-689,725	-137,277
Net cash flows from financial activities	thousand PLN	192,758	-329,823
Total net cash flows	thousand PLN	156,996	31,227

Net basic profit per one share	PLN	-0.2	-8.87
Donations for social purposes	thousand PLN	1,066	705
Eco-friendly investments	thousand PLN	72,211	16,040

FINANCIAL DETAILS	Unit	As at 31 December 2015	As at 31 December 2014
Total shares	thousand PLN	13,909,915	14,339,743
Equity	thousand PLN	6,020,050	6,346,776

OTHER DETAILS	Unit	For year finished 31 December 2015	For year finished 31 December 2014 (comparative data)
Employees ^{1/}		1,351	1,343
Employee turnover ^{2/}	%	11.10	9.55
LTIF incidence rate (per 1 million hours worked) ^{3/}	-	6.0	0.9
Total water intake	m ³	3,707,329	3,610,693
CO ₂ emission	Thousand tonnes/year	1,903	1,820

LOTOS Group – basic consolidated data**

FINANCIAL DETAILS	Unit	For year finished 31 December 2015	For year finished 31 December 2014
Revenue	Thousand PLN	22,709,442	28,501,887
Operating profit/(loss)	Thousand PLN	423,398	(1,393,008)
Loss before tax	Thousand PLN	-195,274	(2,123,715)
Net profit/(loss)	Thousand PLN	-263,3	(1,466,372)
Net profit/(loss) allocated to the shareholders of the Parent Company	Thousand PLN	-263,263	(1,466,326)
Net profit/(loss) allocated to non-controlling interest	Thousand PLN	-37	-46
Total income/(loss)	Thousand PLN	-544,925	(1,902,137)
Total income/(loss) allocated to the shareholders of the Parent company	Thousand PLN	-544,888	(1,902,096)
Total income allocated to non-controlling interest	Thousand PLN	-37	-41
Net cash flows on operating activities	Thousand PLN	1,488,069	1,380,488
Net cash flows on investment activities	Thousand PLN	(1,161,975)	-958,338
Net cash flows on financial activities	Thousand PLN	114,719	-597,271
Net total cash flows	Thousand PLN	440,813	-175,121
Net basic profit/(loss) per one share	PLN	-1.42	-10.11
Donations for social purposes	Thousand PLN	1,866	1,169

FINANCIAL DETAILS	Unit	As at 31 December 2015	As at 31 December 2014
Total shares	Thousand PLN	19,169,332	18,947,157
Equity allocated to shareholders of the Parent Company	Thousand PLN	7,712,060	8,258,288

Non-controlling interest	Thousand PLN	138	175
Total equity	Thousand PLN	7,712,198	8,258,463

OTHER DETAILS	Unit of measure	For year finished 31 December 2015	For year finished 31 December 2014
Employees ^{1/}		4,965	5,024
LTIF Incidence rate (per 1 million hours worked) ^{3/}	-	3.4	2.3
Share in fuel market	%	31.2	33.1
Crude oil production ^{4/}	Thousand tonnes	542,2	305.2
Gas production ^{4/}	Million m ³	999,6	239.2

* For information on Grupa LOTOS' financial performance, please see our financial statements. ([See more](#))

** For information on the LOTOS Group's financial performance, please see the LOTOS Group's financial statements. ([See more](#))

^{1/} Average annual headcount.

^{2/} The ratio of the sum of the number of employees and workers made redundant in the year to the average employment in persons.

^{3/} LTIF – number of occurrences resulting in inability to work x 106 / number of hours worked, for the average annual headcount.

^{4/} Including annual production of Sleipner assets.

Key projects of the LOTOS Group

Acquisition of Sleipner assets in Norway

- Project cost: PLN 583.4m
- 2.5-times increase in hydrocarbons production per day
- Daily production volumes at the end of 2015: 16 thousand boe

Development of the B8 field on the Baltic Sea

- The largest crude oil resources in the Polish zone of the Baltic Sea: 3.5 million tonnes of crude oil, i.e. 28 million bbl (2P reserves)
- Estimated test production in 2016: 3 thousand bbl per day
- Estimated full-scale production as of autumn 2017: 5 to 6 thousand bbl per day
- Market position: the third largest oil production facility in Poland

Development of the B4/B6 fields on the Baltic Sea, a joint project with CalEnergy

- Proved reserves: 4.3 bcm of natural gas (2C resources)
- Estimated production: 350 mcm per year (ca. 6 thousand boe per day)
- Scheduled launch of production: 2019

EFRA project- Delayed Coking Unit (DCU)

- Estimated capex: PLN 2.3bn
 - Increase in refining margin of USD 2 per barrel* thanks to higher share of middle distillates in product mix
 - Production: 900,000 tonnes more of incremental volumes of high-margin products per year (primarily diesel oil and aviation fuel)
 - Scheduled completion date: 2018
 - Market position: the Gdańsk plant is going to be one of the most advanced refineries in the world.
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Expansion of the LOTOS service station chain

- 10.5% share in Poland's retail market (in terms of sales volume) at the end of 2015
 - Number of service stations at the end of 2015: 476
 - By the end of 2016, the number of LOTOS service stations is planned to exceed 500
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