

8. Business segments

The following exchange rates were used in the valuation of items of the statement of financial position:

PLN '000	Upstream segment	Downstream segment	Other ⁽¹⁾	Consolidation adjustments	Consolidated
	year ended Dec 31 2014				
Revenue:	906,279	28,157,947	25,535	(587,874)	28,501,887
<i>Intersegment sales</i>	523,278	47,559	17,037	(587,874)	-
<i>External sales</i>	383,001	28,110,388	8,498	-	28,501,887
Operating profit/(loss) (EBIT)	(624,120) ⁽²⁾	(774,492) ⁽³⁾	6,914	(1,310)	(1,393,008)
Amortisation	344,141	459,449	7,137	(1,786)	808,941
Operating profit/(loss) before amortisation and depreciation (EBITDA)	(279,979)	(315,043)	14,051	(3,096)	(584,067)

PLN '000	Upstream segment	Downstream segment	Other ⁽¹⁾	Consolidation adjustments	Consolidated
	Dec 31 2014				
Total assets	3,944,812	16,028,893	112,330	(1,138,878)	18,947,157
including:					
- assets related to exploration for and evaluation of crude oil and natural gas resources	241,445	-	-	-	241,445
- assets related to development and production of crude oil and natural gas resources	1,331,027	-	-	-	1,331,027

PLN '000	Upstream segment	Downstream segment	Other ⁽¹⁾	Consolidation adjustments	Consolidated
	year ended Dec 31 2013 (restated)				
Revenue:	585,759	28,587,306	24,474	(638,374)	28,559,165
<i>Intersegment sales</i>	578,369	43,093	16,912	(638,374)	-
<i>External sales</i>	7,390	28,544,213	7,562	-	28,559,165
Operating profit/(loss) (EBIT)	174,036	13,902	13,937	(35,275)	166,600
Amortisation	133,607	500,804	9,860	(1,791)	642,480
Operating profit/(loss) before amortisation and depreciation (EBITDA)	307,643	514,706	23,797	(37,066)	809,080

PLN '000	Upstream segment	Downstream segment	Other ⁽¹⁾	Consolidation adjustments	Consolidated
	Dec 31 2013 (restated)				
Total assets	4,101,632	17,059,568	120,425	(996,871)	20,284,754
including:					
- assets related to exploration for and evaluation of crude oil and natural gas resources	368,357	-	-	-	368,357
- assets related to development and production of crude oil and natural gas resources	1,894,133	-	-	-	1,894,133

⁽¹⁾ Includes LOTOS Park Technologiczny Sp. z o.o., LOTOS Gaz S.A. w likwidacji (in liquidation) and Energobaltic Sp. z o.o.

⁽²⁾ Including an impairment loss on YME field assets, of PLN 578,448 thousand (see Note 13 <<http://raportroczny.lotos.pl/en/financial-information/consolidated->

(3) Including an inventory write-down of PLN 450,891 thousand (see Note 19.1).

Geographical structure of sales

PLN '000	Upstream segment	Downstream segment	Other (1)	Consolidated
	year ended Dec 31 2014			
Domestic sales:	3,921	19,019,321	8,498	19,031,740
<i>products and services</i>	3,719	18,315,224	8,498	18,327,441
<i>merchandise and materials</i>	202	704,097	-	704,299
Export sales:	379,080	9,091,067	-	9,470,147
<i>products and services</i>	378,404	8,673,940	-	9,052,344
<i>merchandise and materials</i>	676	417,127	-	417,803
Total	383,001	28,110,388	8,498	28,501,887

PLN '000	Upstream segment	Downstream segment	Other (1)	Consolidated
	year ended Dec 31 2013 (restated)			
Domestic sales:	6,491	20,370,299	7,562	20,384,352
<i>products and services</i>	6,257	18,804,309	7,562	18,818,128
<i>merchandise and materials</i>	234	1,565,990	-	1,566,224
Export sales:	899	8,173,914	-	8,174,813
<i>products and services</i>	606	7,835,360	-	7,835,966
<i>merchandise and materials</i>	293	338,554	-	338,847
Total	7,390	28,544,213	7,562	28,559,165

(1) Includes LOTOS Park Technologiczny Sp. z o.o., LOTOS Gaz S.A. w likwidacji (in liquidation) and Energobaltic Sp. z o.o.

The year-on-year increase in the upstream segment's sales in 2014 was attributable to the launch of sales of oil and gas produced from the Heimdal area fields, acquired in December 2013.

The year-on-year decline in revenue from sales of merchandise in 2014 was due to the fact that continuity of supplies to the Group's trading partners was maintained during the refinery's overhaul shutdown in Q1 2013.

Sales by products, merchandise and services

PLN '000	Upstream segment	Downstream segment	Other (1)	Consolidated
	year ended Dec 31 2014			
Gasolines	-	4,660,642	-	4,660,642
Naphtha	-	750,974	-	750,974
Diesel oils	-	13,608,087	-	13,608,087

Bunker fuel	-	108,467	-	108,467
Light fuel oil	-	757,506	-	757,506
Heavy fuel oil	-	2,349,680	-	2,349,680
Aviation fuel	-	2,044,246	-	2,044,246
Lubricants	-	345,702	-	345,702
Base oils	-	580,307	-	580,307
Bitumens	-	1,055,843	-	1,055,843
LPG	-	629,750	-	629,750
Crude oil	156,103	-	-	156,103
Natural gas	218,843	-	-	218,843
Reformate	-	28,689	-	28,689
Other refinery products, merchandise and materials	-	553,505	-	553,505
Other products, merchandise and materials	881	320,948	8,457	330,286
Services	7,174	324,034	41	331,249
<i>Effect of cash flow hedge accounting</i>	-	(7,992)	-	(7,992)
Total	383,001	28,110,388	8,498	28,501,887

PLN '000	Upstream segment	Downstream segment	Other (1)	Consolidated
	year ended Dec 31 2013 (restated)			
Gasolines	-	5,010,064	-	5,010,064
Naphtha	-	824,241	-	824,241
Diesel oils	-	14,365,265	-	14,365,265
Bunker fuel	-	124,661	-	124,661
Light fuel oil	-	942,434	-	942,434
Heavy fuel oil	-	2,037,899	-	2,037,899
Aviation fuel	-	1,474,528	-	1,474,528
Lubricants	-	380,218	-	380,218
Base oils	-	485,887	-	485,887
Bitumens	-	1,246,061	-	1,246,061
LPG	-	564,540	-	564,540
Other refinery products, merchandise and materials	-	517,155	-	517,155
Other products, merchandise and materials	530	292,630	7,523	300,683
Services	6,860	291,082	39	297,981
<i>Effect of cash flow hedge accounting</i>	-	(12,452)	-	(12,452)
Total	7,390	28,544,213	7,562	28,559,165

(1) Includes LOTOS Park Technologiczny Sp. z o.o., LOTOS Gaz S.A. w likwidacji (in liquidation) and Energobaltic Sp. z o.o.

In 2014 and 2013, there were no customers whose share in the LOTOS Group's total revenue would significantly exceed 10%.

The Notes to the consolidated financial statements are an integral part of the statements.
(This is a translation of a document originally issued in Polish)

