

# Oil Refineries Ltd.

## First Quarter 2008 Results



**ORL**

**Oil Refineries Ltd.**

November 2007

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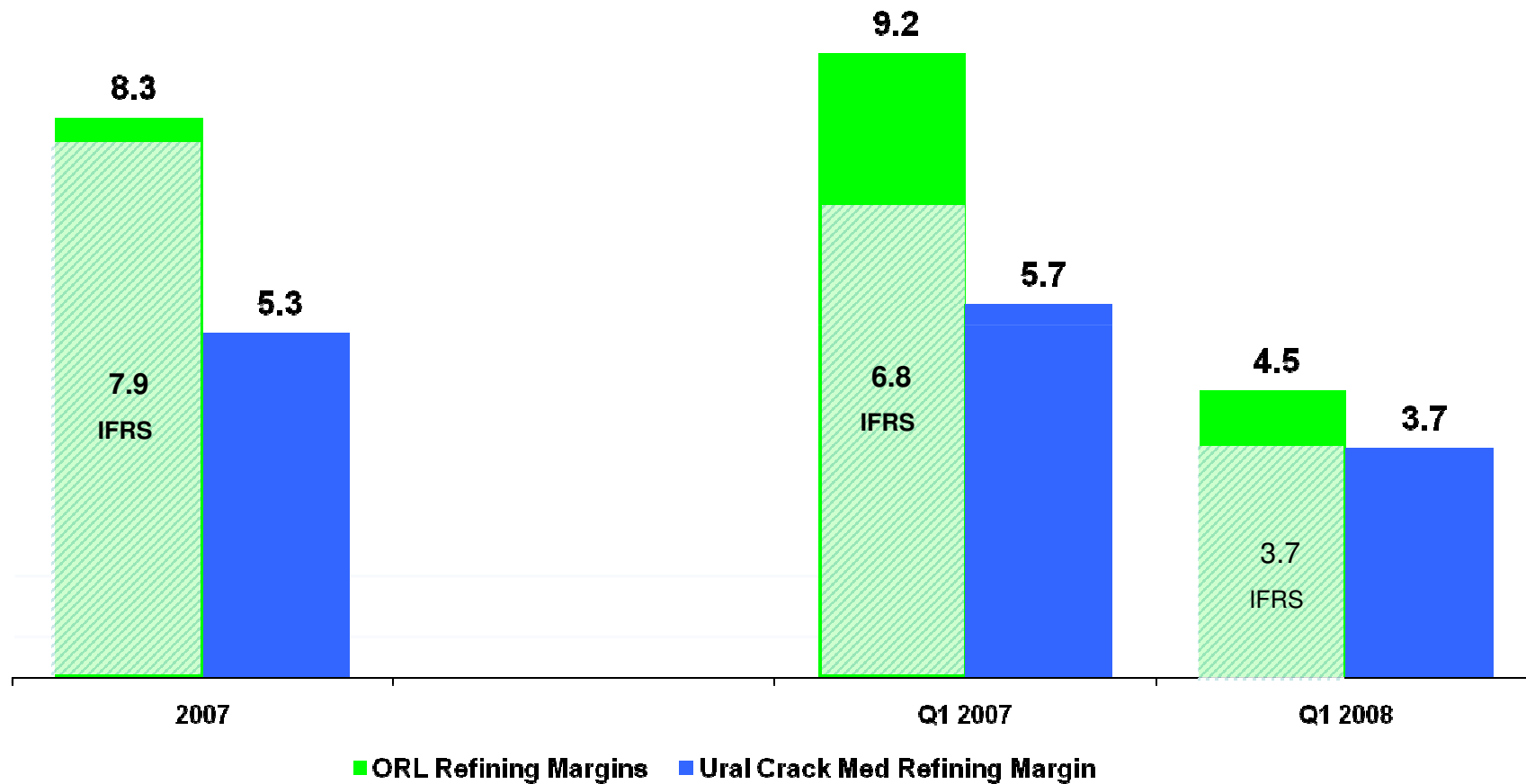
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# Brent Crude Oil Prices

Jan 2007 - May 2008



# Refining Margins USD/bbl



Source: Reuters – European Urals Cracking Refineries in Med. and ORL.

# Oil Refineries - Consolidated Results

**EBITDA (m.US\$)**



**EBIT (m.US\$)**



# Consolidated P&L Highlights

(m. US\$)

	<u>1-3/08</u>	<u>1-3/07</u>
Revenues	1,886	1,081
Gross Profit	41	78
Operating Profit	16	51
Finance Expenses	(17)	(7)
Privatization Grant	-	(28)
Tax	8	(7)
Profit after tax	7	9
Equity	(5)	2
Net Income	2	11
EPS	0.001	0.006
EBITDA	33	72

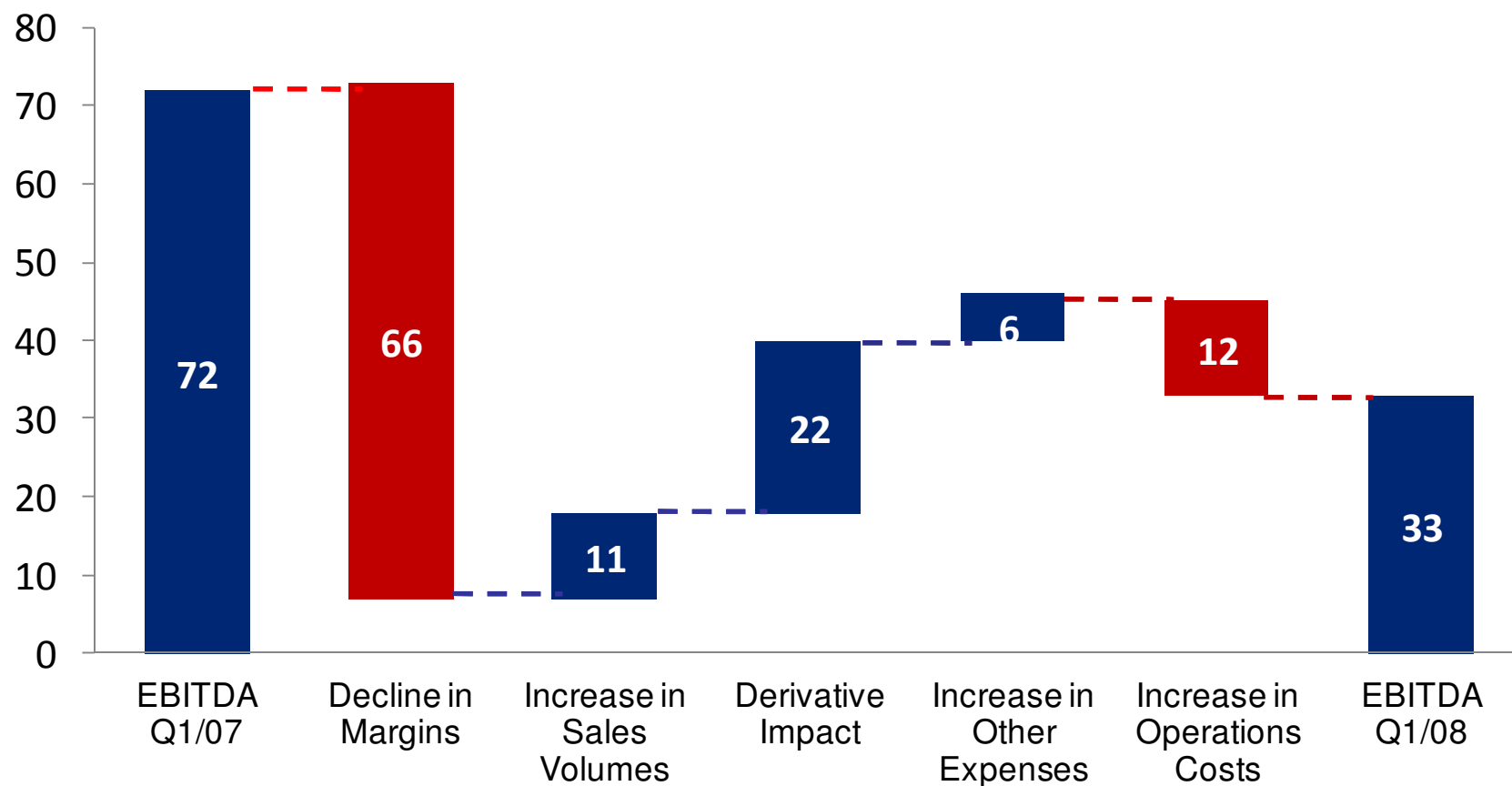
# Consolidated P&L by Segments

(m. US\$)

	Refining Segment	Trade Segment	Petrochemical Polymers	Segment Aromatics	Consolidated
<b>Revenues</b>	<b>1,562</b>	<b>79</b>	<b>108</b>	<b>137</b>	<b>1,886</b>
COGS	<u>1,543</u>	<u>77</u>	<u>104</u>	<u>121</u>	<u>1,845</u>
<b>Gross Profit</b>	<b>19</b>	<b>2</b>	<b>4</b>	<b>16</b>	<b>41</b>
SG&A	(14)	-	(5)	(6)	(25)
<b>Operating Profit</b>	<b>5</b>	<b>2</b>	<b>(1)</b>	<b>10</b>	<b>16</b>
Finance Expenses					(17)
<b>Pre-tax Income</b>					<b>(1)</b>
Tax Income					8
Equity					(5)
<b>Net Income</b>					<b>2</b>
<b>EBITDA</b>	<b>15</b>	<b>2</b>	<b>5</b>	<b>11</b>	<b>33</b>

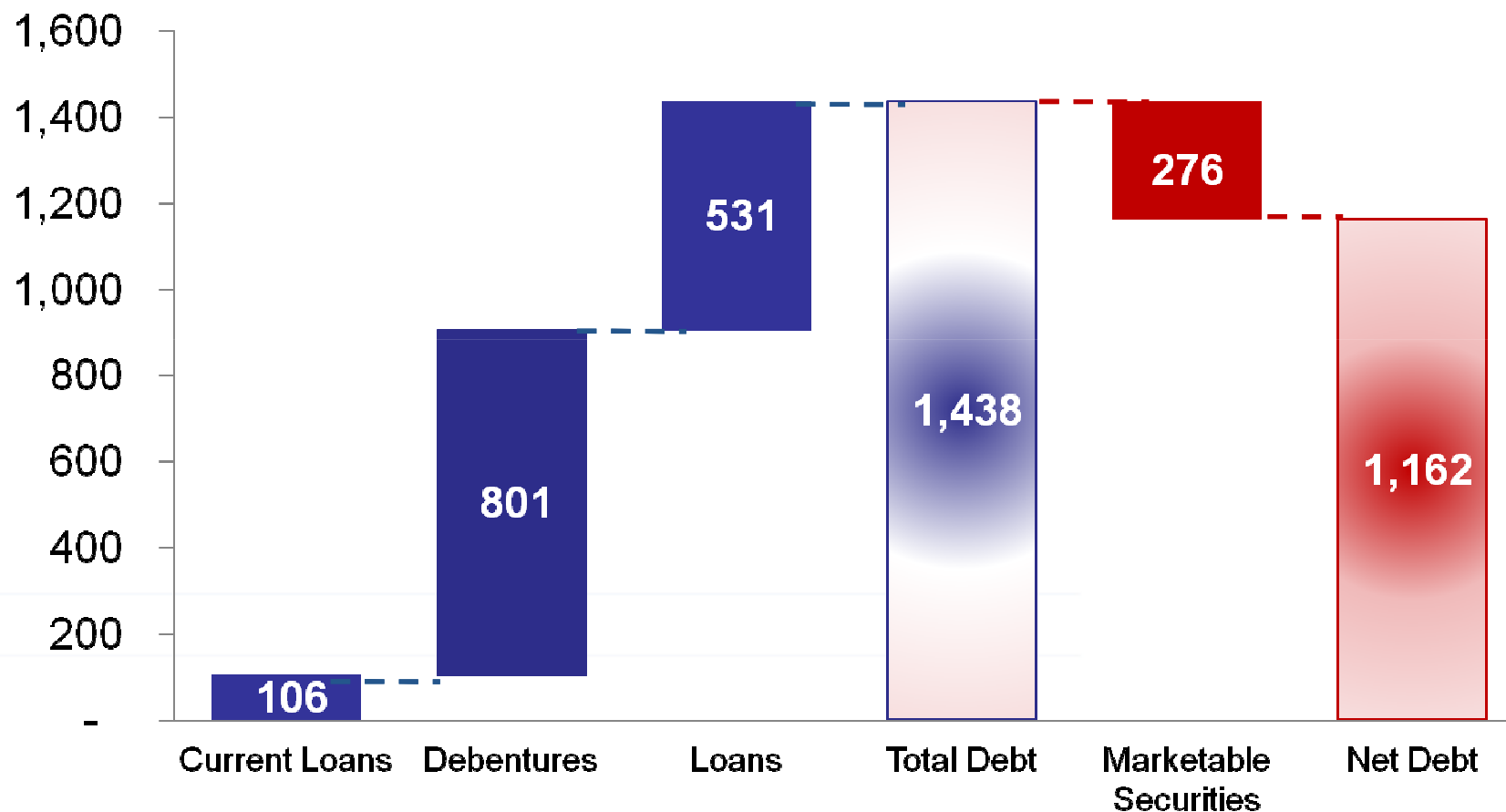
# Consolidated EBITDA Bridge

Q1 2008 (m. US\$)



# Consolidated Net Debt Bridge

Q1 2008 (m. US\$)



Note: Loans & debentures include current maturities

# Refining Segment



**EBITDA (m.US\$)**



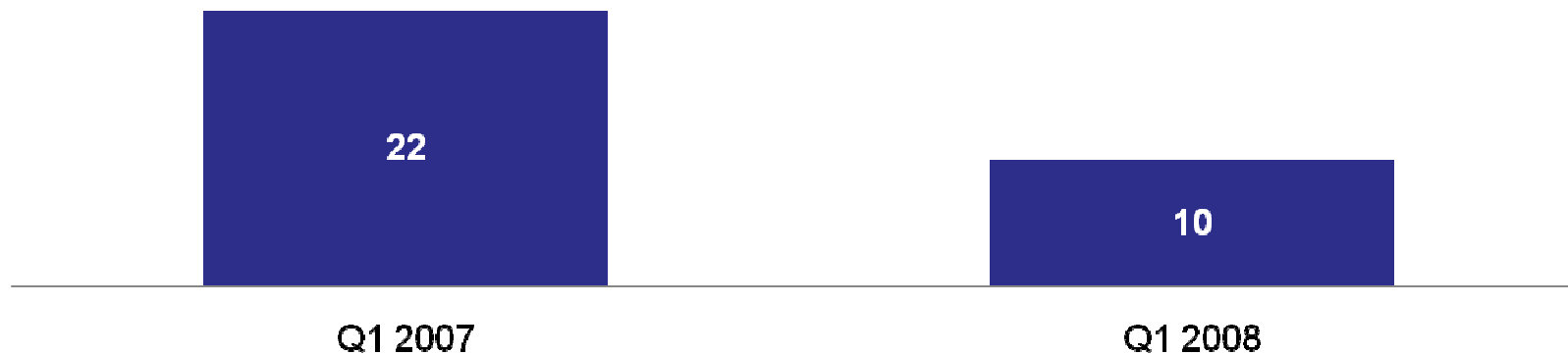
**EBIT (m.US\$)**



# Polymers Segment

*Carmel Olefins - Results of 100% of Activity (50% Held by ORL)*

**EBITDA (m. US\$)**



**EBIT (m. US\$)**

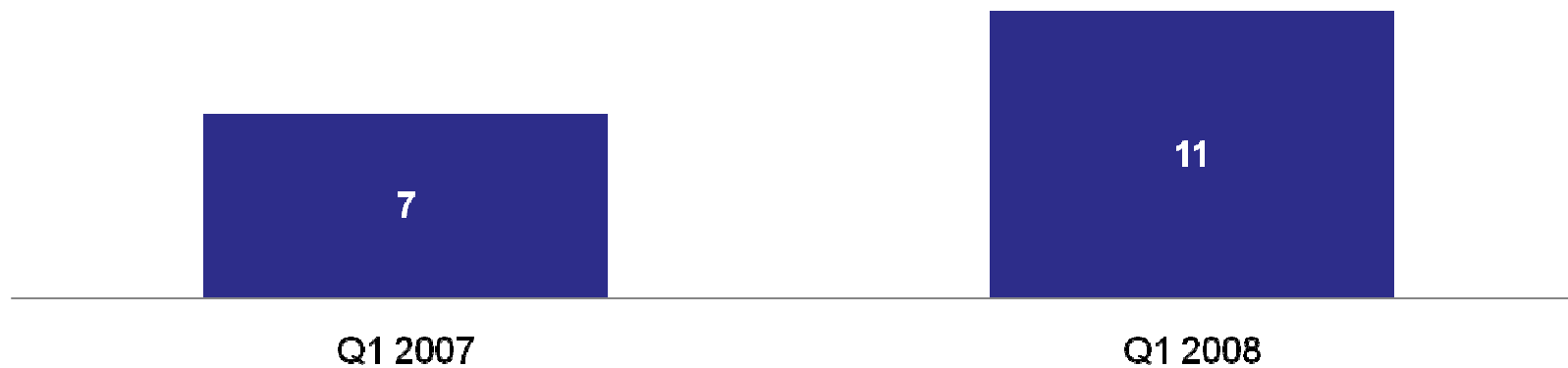


# Aromatics Segment

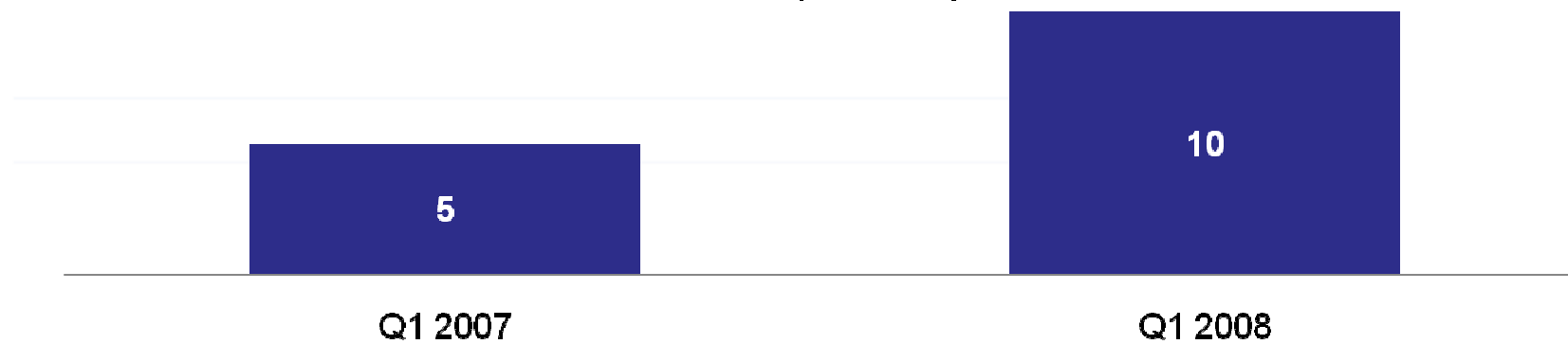
*Gadiv Petrochemicals* (100% Held by ORL)



**EBITDA (m. US\$)**



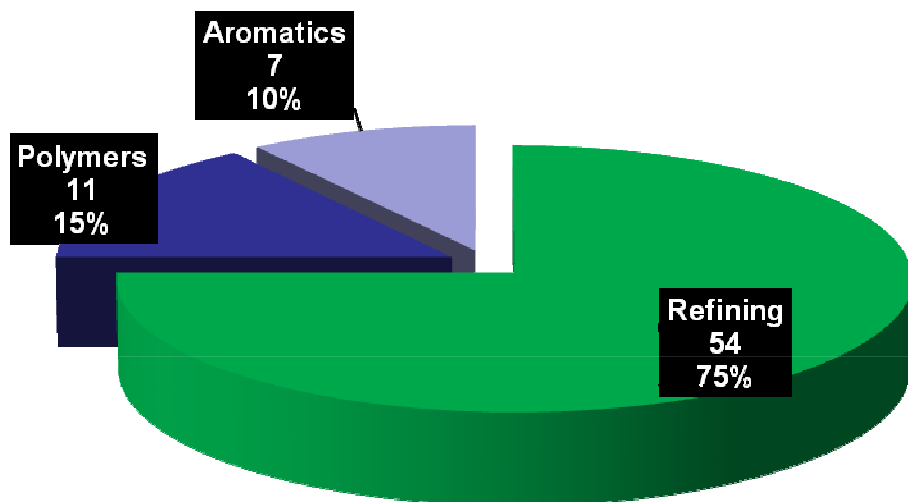
**EBIT (m. US\$)**



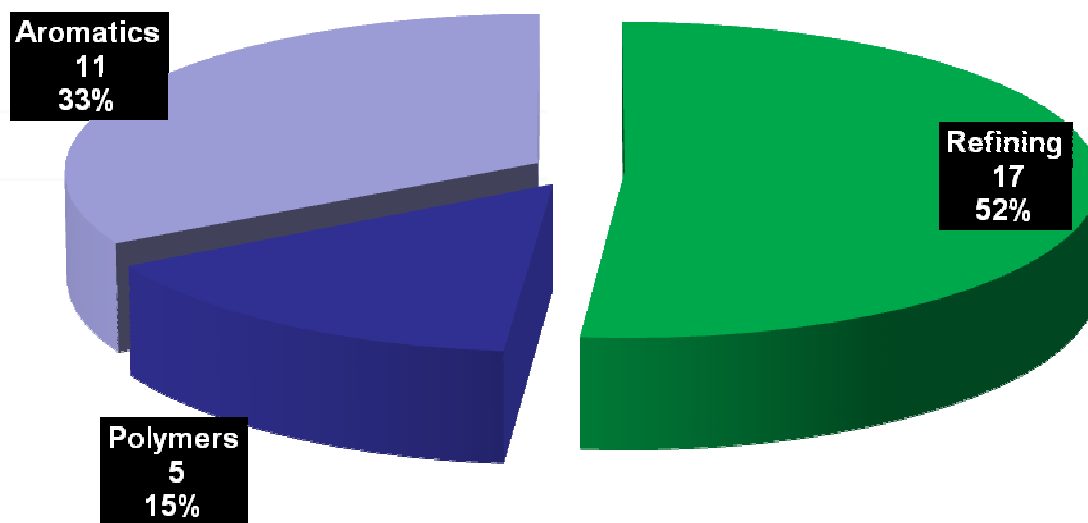
# EBITDA Breakdown

million US\$

**EBITDA Q1/07 – 72**



**EBITDA Q1/08 – 33**

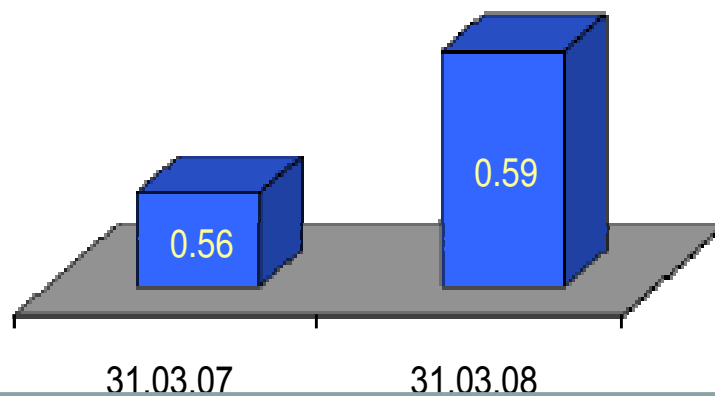


# Consolidated Balance Sheet Highlights (m. US\$)

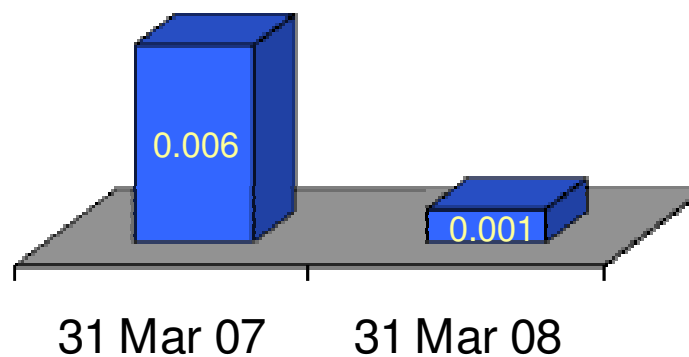
	Mar. 31, 2008	Dec. 31, 2007		Mar. 31, 2008	Dec. 31, 2007
CASH AND CASH EQUIVALENTS	52	48	FINANCIAL CURRENT LIABILITIES	282	330
MARKETABLE SECURITIES	275	102	OTHER CURRENT LIABILITIES	850	445
OTHER CURRENT ASSETS	618	536		1,132	775
INVENTORY	1,161	673			
	2,106	1,359	LONG TERM FINANCIAL LIABILITIES	1,209	767
			OTHER LONG TERM LIABILITIES	197	199
LONG TERM INVESTMENTS	208	137		1,406	966
FIXED ASSETS	1,005	967			
OTHER ASSETS	22	12	SHAREHOLDERS' EQUITY	803	734
	3,341	2,475		3,341	2,475

# Key Ratios

## Net Debt/(Net Debt + Equity)



## Earnings Per Share (US\$)



# Strategic Plan Implementation

## Refining Segment

- Completed organization and manning of segment

## Trade Segment

- Established advanced and modern trade center; initiated implementation of an information system to manage trade in fuel products

## Petrochemical Segment

- Increased manufacturing of Paraxylene and Benzene; the projects were approved and initiated implementation
- Increased manufacturing of Phthalic Anhydride - under implementation
- Initiated M&A in the area of manufacturing and logistics – purchased a share of Domo, a Netherland-based Polypropylene manufacturer. Advanced stages of review in additional European regions, the Mediterranean basin and the Far East

# Strategic Plan Implementation

## Main Projects Underway

- Increasing flexibility of crude unit 4 – underway
- Converting HVGO Hydro-treater into mild Hydrocracker – underway
- Building a Hydrocracker – Reactors ordered, planning process underway. Will be brought before the BOD for final approval in Sept. 08
- Various environmental protection projects (approx. \$70m) - approved and underway
- Erecting an electricity co-generation plant – configuration review stage completed, will be brought before BOD for approval soon

## Corporate

- Raised \$474m in debentures at the end of 2007 to finance projects
- Company reviewing opportunities to take advantage of business opportunities overseas
- Completed establishing and manning of Business Development and Capital Markets team
- Adopted and implemented internal anti-trust and securities' law enforcement plans

# Oil Refineries Ltd.



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**Thank You**