# S E C T I O N 7

## ASSUMPTIONS FOR FINANCIAL MODEL

# CONTENTS

**7.1. DISCLAIMER**

This Financial Model has been prepared by Comico Overseas NV (Comico) for potential investors in relation to the development, funding, construction and operation of an oil refinery to be erected near the town of Smederevo (Central Serbia) and is to be used for the purpose of evaluating any potential investor interest in the project.

This Financial Model may contain certain historical information and estimates from sources believed to be reliable and other publicly available information. Comico has not sought to establish the reliability of those sources or verified the information so provided, nor has the Financial Model been audited by Comico. No representation or warranty is made as to the accuracy of any information, estimate and projection or report thereon derived from such and other third party sources and no representation or warranty, express or implied, is or will be made in relation to, and no responsibility or liability (whether for negligence, under statute or otherwise) is or will be accepted by Comico or any of its authorized representatives as to or in relation to the accuracy or completeness of the information and opinions contained in the Financial Model or of any other written or oral information or opinions provided now or in the future to any interested party or its advisors.

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- - we accept no duty of care whatsoever to parties other than Comico.

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### 7.2. SCOPE AND STRUCTURE OF THE MODEL

### 7.2.1. SCOPE

The Financial Model is provided as a tool to assess the viability of the investment proposal. The Financial Model takes into account factors such as:

- The revenues and costs associated with the project;
- The proposed funding structure of the project;
- The purchase of crude oil and sale of refined products;
- The risk profile and allocation of the initiative;

In order to assess the risk of the financial output from the refinery operations three scenarios are being developed in order to show the sustainability of the investment. The model scope covers the time period of 84 months (3+4 years) total running as follows:

- 36 months Construction Stage
- 48 months Operations Stage

The targeted intent being to show to the investor the potential recovery of the project in less than 48 months of operations of the constructed refinery.

### 7.2.2. STRUCTURE

The general aim of Comico is to build a modern, fully integrated petroleum refinery and to offer to investors the best financial outcome from the operations of the facility in a minimum time for recuperation of the investment.

The Financial Model is divided into the following Sections:

|  | SECTION | NOTES |
|---|---|---|
| 1. | INPUT PARAMETERS | The assumed input parameters coming from local macro & micro economic environment as well as investigated levels and values of import duties, margins and proposed investor parameters like equity share, interest rate etc. |
| 2. | PROJECT COST | Calculated cost during Construction Stage including basic company operating cost during this stage and the labor cost over the last 6 months of the stage for initiating the operations of the facility. |
| 3. | OPCOST LABOR COST | The labor cost requirement during part of the construction stage (6 months) and during Operating Stage. |
| 4. | OPCOST MANAGEMENT | The cost necessary to govern the company during Operations Stage. |
| 5. | OPCOST ENERGY | The cost accumulated for the use of external energy (natural gas, electricity) during Operating Stage. |
| 6. | OPCOST OTHERS | Any other cost like consumables, communications etc. required to run the company operations during Operating Stage. |
| 7. | OPCOST TOTAL | Summary of the cost from Section 2 to Section 6. |
| 8. | DEPRICIATION | The maximum allowed by law period for cost and assets depreciation |
| 9. | OPERATIONS YEAR 1 | Financial result for the first year of operations. |
| 10. | OPERATIONS YEAR 2 | Financial result for the second year of operations. |
| 11. | OPERATIONS YEAR 3 | Financial result for the third year of operations. |
| 12. | OPERATIONS YEAR 4 | Financial result for the fourth year of operations. |
| 13. | SUMMARY | Financial summary and 3 scenarios of operations |

### 7.3. ASSUMPTIONS FOR THE BASE CASE

### 7.3.1. Key Financial Model Assumptions

The following details the key assumptions contained within the Base Case of the Financial Model, based upon funding split of 95% loan and 5% equity overall project funding requirements.

**Inflation assumptions**

| Year | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|
| Consumer Price Index (A) [1] | 3.7% | 2.0% | 1.9% | 2.0% | 2.0% | 2.0% | 2.0% |
| Cost of life increase (B) [1] | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Comulative inflation (A+B) [1] | 3.7% | 2.0% | 1.9% | 2.0% | 2.0% | 2.0% | 2.0% |
| Cost inflation (Comico) [2] | 3.7% | 2.0% | 1.9% | 2.0% | 2.0% | 2.0% | 2.0% |
| Refined Products price inflation [3] | 0.0% | 1.0% | 3.5% | 4.5% | 4.5% | 4.5% | 4.5% |

[1] Source: „Serbian National Statistics Institute";
[2] Source: „Serbian National Statistics Institute", cost projection made and on the assumption for the exchange rate DIN/EUR over the 7 years of the project;
[3] Refined products prices inflation assumptions are by their very nature speculative. The assumptions used in the model attempt to draw a prudent line between competing projections.

Based on the above projections and the direct link established in the Marketing Study (see Section 3 of the Information Memorandum) between refined products pricing and the crude oil prices, inflation of prices will be taken into account through the assumption of the exchange rate between USD and Serbian Dinnar. No other assumptions will be made further.

**Contingency:**

| | |
|---|---|
| (% of revenue) [1] | **2.0%** |

[1] Taken as a standard value for projects of this type.

**Funding:**

| Source | Drawdown split | Split of overall surplus | Minimum interest cover | Maximum loan to value | Annual interest rate | Total funding |
|---|---|---|---|---|---|---|
| Project promoter funding [1] | 0.0% | 10.0% | | 0.0% | 0.0% | **0 $** |
| Loan funding [2] | 90.0% | | 1.00 | 100.00% | 10.0% | **585,000,000 $** |
| Equity funding [3] | 10.0% | 90.0% | | 0.00% | 0.0% | **65,000,000 $** |
| **Total** | **100.0%** | **100.0%** | | | | **650,000,000 $** |

[1] The accumulated costs funded by the promoter of the project in the amount of 2,000,000.00$ during the initial stage of the project are not included in the financial model;
[2] The maximum amount of loan the project can sustain without stress on any scenario;
[3] The generic/regular equity sought by the project holders is minimum 30% of the cost. In order to promote the financial viability of the project a minimum rate of 5% will be used in the Financial Model;

**Corporate Tax:**

| Year | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|
| Serbian Corporate tax rate [1] | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% | 10.0% |
| Comico Corporate tax rate [2] | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

[1] Standard Serbian Corporate tax rate for local resident companies;

[2] Comico assumes to fulfill the requirements of the „Law on Foreign Investments", granting it an effective tax holiday. The requirements are: employment of 100 staff and investment in the company assets exceeding the equivalent of 10.0 mln USD in Serbian Dinnars. Both requirements are easily achivable;

**Crude Oil Price:**

| Year | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|
| Crude Oil Price Assumption [1] | 100.0$ | 100.0$ | 100.0$ | 100.0$ | 100.0$ | 100.0$ | 100.0$ |

[1] Assumption for a stable projection of the crude oil pricing;

As the Marketing Srudy (Section 3 of the IM) has indicated, the trend for increase of the crude oil prices will continue through 2020. The increase in crude oil price will push the retail pricing higher does generating more revenues for Comico. With the increased revenues the project financial sustainability will increase dramatically. Such a scenario is deemed optimistic therefore will not be part of this Financial Model.

**Refined Products Margins [1]:**

| $/bbl | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|
| LPG [2] | 1.111 | 1.111 | 1.111 | 1.111 | 1.111 | 1.111 | 1.111 |
| JetFuel [2] | 5.242 | 5.242 | 5.242 | 5.242 | 5.242 | 5.242 | 5.242 |
| BMB 95 [2] | 7.378 | 7.378 | 7.378 | 7.378 | 7.378 | 7.378 | 7.378 |
| Euro Diesel [2] | 23.271 | 23.271 | 23.271 | 23.271 | 23.271 | 23.271 | 23.271 |
| Fuel Oil [2] | 1.766 | 1.766 | 1.766 | 1.766 | 1.766 | 1.766 | 1.766 |
| Gas Oil [2] | 5.225 | 5.225 | 5.225 | 5.225 | 5.225 | 5.225 | 5.225 |
| Asphalt [2] | 3.595 | 3.595 | 3.595 | 3.595 | 3.595 | 3.595 | 3.595 |
| Losses [2] | (8.552) | (8.552) | (8.552) | (8.552) | (8.552) | (8.552) | (8.552) |

[1] Assumption for a stable projection of the refined products margins;
[2] As defined in the Serbian market price analysis September 2012 (see appendixes);

As in the case of the crude oil pricing and according to the Marketing Study (Section 3 of the IM), any increase in the crude oil price will bring increase in the refined products margins. Such a scenario is deemed optimistic therefore will not be part of this Financial Model as direct correlation between crude oil pricing and refined products margins.

**Regulatory Cracking Cost & Import Duties and Fees** [1]:

| $/bbl | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|
| Regulatory Cracking Cost [2] | 5.3352 | 5.3352 | 5.3352 | 5.3352 | 5.3352 | 5.3352 | 5.3352 |
| Import Duties & Fees [2] | 2.3500 | 2.3500 | 2.3500 | 2.3500 | 2.3500 | 2.3500 | 2.3500 |

[1] Assumption for no changes in the regulation for the whole period;
[2] Regulated by the "**DECREE ON THE PRICE OF PETROLEUM PRODUCTS**" ("Official Gazette of RS", No 42/2005, 111/2005, 77/2006, 5/2009, 84/2009 and 24/2010);

Although the Regulatory Cracking Cost is not directly affecting the Financial Model, it is used in the input parameters page for refference purposes only. In order for the project to be successful the cracking cost should be well below the prescribed value. Only in this way Comico can assure vaible financial result for the investors.

**Company Operating Costs** [1]:
The following assumptions are embedded into the Financial Model in relation to the costs to operate the facility and the company:

- Utility & Energy [1] costs based on the current rates in Serbia. The rates taken are of the highest possible. Although considerable discounts could be achieved based on the volume of consumption the model incorporates the highest rates to make a cushion for the price increase (inflation) of the utility and energy prices.
- Detailed labor costs by position including the additional expenses like consumables, fuels etc. Although at the current level and with the ongoing global economic crysis a lower levels can be achieved the model assumes the cost will not change over the project timeline. That also makes one of the targets for managing the operations to keep these costs under constant rate.

[1] Assumption for no changes for the whole period;
[2] As published by government regulatory institutions;

**Daily Operating Capacity** [1]:

| bbl / day | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|---|---|
| OPTIMISTIC CASE [2] | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 | 80,000 |
| BASE CASE | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| PESSIMISTIC CASE [2] | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |

[1] Assumption for constant output for the whole period;

**7.4. SENSITIVITIES & DEFINITIONS**

For the purpose of simplifying the results of the Financial Model and to give more clear assessment of the end result, Comico has chosen **„Static Input Sheet" - sensitivity method**, to assess the different scenarios. Major advantage of the proposed method is the focus on couple of key factors rather than evaluating a lot of speculative assumptions. Most of the input parameters of the Financial Model are interdependent making the static method choice even more viable.

**7.4.1. KEY FACTORS IDENTIFICATION**

In order to define the variable parameter of the model Comico sets the following goal, which should also be prerogative for any future investor in the project:

"**RECUPERATION OF THE INVESTMENT IN THE SHORTEST POSSIBLE TIME AND GENERATION OF PROFITS FOR PROJECT HOLDERS**"

With the interdependency of the input parameters in mind, Comico assesses that this goal can only be achieved through the following methods:

"**GENERATION OF HIGHER LEVEL REVENUES**"

The revenues from the refinery operations will be the multiple of the refinery throughput with the sum of crude oil price and refinery margins. So the revenues of the future refinery will be calculated by the following formula:

$$R_o = T_{(h)} * [C_{(co)} + M_{(o)}]$$

where:

$R_o$     – Operational Revenues;
$T_{(h)}$     – Refinery Throughput;
$C_{(co)}$     – Crude Oil price;
$M_{(o)}$     – Refinery margin;

In chapter 7.3 we have established the assumption of interdependency between crude oil pricing and refinery (refined products) margins which mean higher prices lead to higher margins and vice versa. That leads to the conclusion that the viable input parameter for establishing different scenarios is:

$T_{(h)}$ **[bbl/day] - Refinery Throughput**

Effectively this shows that the financial result of the refinery operations will directly depend on the quantity of cracked oil per day (bbl/day) during the period of operations.

This capacity on other hand depends on number of factors, which directly influence the result (capacity) and should be taken into account while reviewing the output of the Financial Model. These factors are:

| INTERNAL | | |
|---|---|---|
| 1. | TECHNICAL DEPENDANCY | Ability of the company to maintain uninterruptable operations on technical level [1]. |

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| 2. | COMPANY DEPENDANCY | Ability of the company to keep cost under the foreseen levels [2]. |
|----|----|----|

| EXTERNAL | | |
|----|----|----|
| 3. | MARKET DEPENDANCY | Ability of the company to quickly adapt its policies to the changing market environment. |
| 4. | POLITICAL DEPENDANCY [4] | Ability of the company to change its policies depending on the changing political environment (local & regional). |

[1] Including production failures from breakdowns, environmental disasters etc.;
[2] Including flexibility to personnel change, lack of experience etc.;

Both internal and external factors require the company to manage very closely its cost of operations. As we have established in chapter 7.3.1 the costs will be targeted as fixed during the whole timeline of the project. The given levels in the cost estimate are targeted as not to exceed levels. With yet another fixed parameter it will be easy to establish the relationship between the quantities of cracked oil per day with the fixed costs total amount spread over this quantity:

$$C_{(p)} = C_{(t)} / T_{(h)}$$

Where:
$C_{(p)}$ – Cost per Barrel Cracked Oil;
$C_{(t)}$ – Amount of the Total Operating Cost;
$T_{(h)}$ – Refinery Throughput;

As we will further view this parameter is direct indicator of the performance of the company and its financial sustainability.

**$C_{(p)}$ [ \$/bbl ] – Cost per Barrel Cracked Oil**

As established in Section 3 (Marketing Study) of the Information Memorandum this parameter is regulated by the "**DECREE ON THE PRICE OF PETROLEUM PRODUCTS**" ("Official Gazette of RS", No 42/2005, 111/2005, 77/2006, 5/2009, 84/2009 and 24/2010). The regulation is put in place to protect the local refiner from going bankrupted and effectively develops a cushion for any other refiner operating in the same environment. In order to protect the sustainability of the project this parameter should not in any case exceed the regulated (allowed) level at any given moment:

**$C_{(p)} < 5.3352$ \$/bbl [1]**
([1] as of September 2012)

### 7.4.2. SCENARIO METHODOLOGY [OAT]
In sensitivity analysis a common approach is that of changing one-factor-at-a-time (OFAT or OAT), to see what effect this produces on the output. OAT customarily involves:

- Moving one factor at a time (in Comico case $T_{(h)}$) and
- Going back to the central/baseline point after each movement.

This appears to be a logical approach in Comico case, as any change observed in the output will unambiguously be due to the single factor changed. Furthermore by changing $T_{(h)}$ factor at a time one can keep all other factors fixed to their central or baseline value. This increases the comparability of the results (all 'effects' are computed with reference to the same central point in space) and minimizes the

chances of computer program mistakes, more likely when several input factors are changed simultaneously.

OAT is frequently preferred by modelers because of practical reasons. In case of model failure under OAT analysis the modeler immediately knows, which is the input factor responsible for the failure. Despite its simplicity, this approach is non-explorative of the space of the factors and does not take into account their simultaneous variation. This means, that the OAT approach cannot detect the presence of interactions between input factors.

### 7.4.3. KEY PARAMETER LEVELS

After we have established the key parameter $[T_{(h)}]$ which has direct effect on the financial outcome of the model and we have set the lower limits $[C_{(p)}]$ we can find the boundaries which meet this conditions by making changes to the input in the financial model.

a)  *UPPER LIMIT* – Obviously the upper limit of the $T_{(h)}$ parameter is the maximum operating capacity of the facility by design. As established in Section 4 and Section 5 of the Information Memorandum, the refinery is designed to operate at a nameplate capacity of 100'000 bbl/day. Rarely however this capacity is achieved in reality. Due to product shortages, repair halts and different other reasons the facility will operate with lower capacity. From technical point of view it will be safe to assume, that a maximum of 80% of operating capacity will be reached at any given time of operations. Thus for the upper limit we can set:

$$T_{(h)} \text{ max} = 100'000 * 80\% = 80'000 \text{ bbl/day}$$

b)  *LOWER LIMIT* – In order to find the lower operating limit beyond which the sustainability of the project is questionable we must find at which operating capacity the refinery $C_{(p)}$ parameter equals the established level by regulation:

$C_{(p)} = \{$   - Cost per barrle cracked oil
          - 3 189 911.90 $; as estimated in the Financial Model

$C_{(g)} = \{$   - Government regulated maximum cracking cost
          - 5.3352 $ [September 2012]

$T_{(h)} = \{$   - Operating Throughput
          from 0 to 80'000 bbl/day

| $T_{(h)}$ | 10000 | 20000 | 30000 | 40000 | 50000 | 60000 | 70000 | 80000 |
|---|---|---|---|---|---|---|---|---|
| $C_{(g)}$ | 5.3352 $ | 5.3352 $ | 5.3352 $ | 5.3352 $ | 5.3352 $ | 5.3352 $ | 5.3352 $ | 5.3352 $ |
| $C_{(p)}$ | 10.6330 $ | 5.3165 $ | 3.5443 $ | 2.6583 $ | 2.1266 $ | 1.7722 $ | 1.5190 $ | 1.3291 $ |
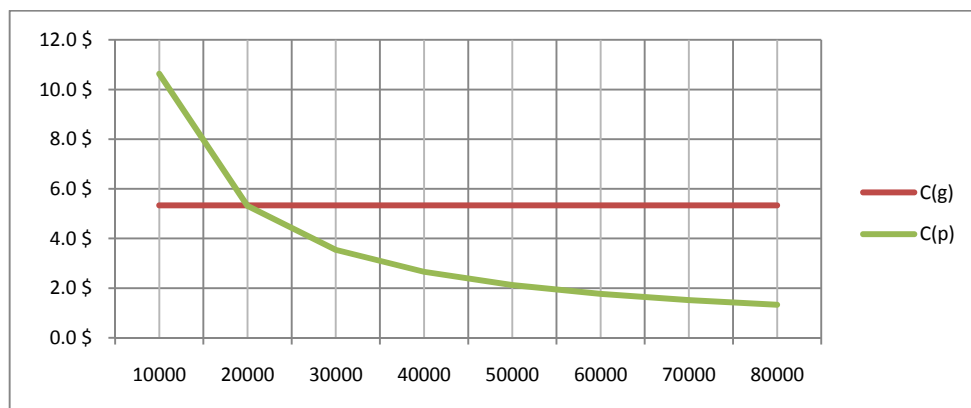
As we can clearly see the two parameters $C_{(p)}$ and $C_{(g)}$ intersect at a value of $T_{(h)}$ = 20'000 bbl/day. This confirms the findings of Section 3, chapter 9.e of the Information Memorandum that the facility can operate with very low threshold.

This minimum threshold however should be considered as a boundary condition upon which the refinery should be shutdown and execution of an exit strategy should be affected. For the safe assumption of the financial result and a more valid evaluation Comico has chosen a higher level of $T_{(h)}$ that will take into consideration the timely manner of a decision making and technical shutdown of the facility. For the purposes of developing the scenarios in the Financial Model we can choose:

$$T_{(h)} \text{ min} = 30'000 \text{ bbl/day}$$

So finally for the three scenarios developed in the Financial Model we can choose the following $T_{(h)}$:

| $T_{(h)}$ max | = 30'000 bbl/day | Optimistic Case |
|---|---|---|
| $T_{(h)}$ base | = 30'000 bbl/day | Base Case |
| $T_{(h)}$ min | = 30'000 bbl/day | Pessimistic Case |

**7.5. APPENDIXES**

## APPENDIX 1 - COMICO PRICING MODEL [rev SEPTEMBER 2012]

| COMICO Overseas n.v. | | | | | | **Version 1.20** |
| --- | --- | --- | --- | --- | --- | --- |
| **Model Inputs** | | | | | | **01-SEPT-12** |
| | | | | | | |
| | | | | | | |
| Crude Oil Costs (Brent) | | | 102.6000 $ | | Crude oil (barrels -› ton) | 7.333 |
| Maximum Allowed Refining Costs | | | 5.3350 $ | | Dinar/US$ | 63.8000 |
| Estimated transport costs per barrel | | | 10.0000 $ | | Liters/barrel | 157.0000 |
| Import Duties & Fees | | | 2.3500 $ | | | |
| Regulated Maximum Retail Margin | | 5.00 Din. | 0.0784 $ | | | |
| VAT | | | 18.00% | | | |

| | PRODUCTION COST per 1 barrel | | | | | | | Refinery NET |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| *Estimated Product Yield* | *crude cost* | *transport* | *duty* | *crack* | **TOTAL Cost** | **NET result** | | **margin** |
| **LPG** | 3.71% | 3.81 $ | 0.37 $ | 0.09 $ | 0.20 $ | **4.46 $** | 1.111 $ | **5.5737 $** |
| **Jet Fuel** | 7.72% | 7.92 $ | 0.77 $ | 0.18 $ | 0.41 $ | **9.29 $** | 5.242 $ | **14.5283 $** |
| **BMB 95** | 13.20% | 13.54 $ | 1.32 $ | 0.31 $ | 0.70 $ | **15.88 $** | 7.378 $ | **23.2555 $** |
| **Euro Diesel** | 35.20% | 36.12 $ | 3.52 $ | 0.83 $ | 1.88 $ | **42.34 $** | 23.271 $ | **65.6115 $** |
| **Fuel Oil** | 20.65% | 21.19 $ | 2.07 $ | 0.49 $ | 1.10 $ | **24.84 $** | 1.766 $ | **26.6051 $** |
| **Gas Oil** | 5.76% | 5.91 $ | 0.58 $ | 0.14 $ | 0.31 $ | **6.93 $** | 4.024 $ | **10.9526 $** |
| **Asphalt** | 6.65% | 6.82 $ | 0.67 $ | 0.16 $ | 0.35 $ | **8.00 $** | 3.595 $ | **11.5938 $** |
| **Losses** | 7.11% | 7.29 $ | 0.71 $ | 0.17 $ | 0.38 $ | **8.55 $** | -8.552 $ | **0** |
| | 100.00% | 102.60 | 10.00 $ | 2.3500 $ | 5.3350 $ | **120.29 $** | 37.835 $ | **158.1204 $** |

| | SALES PRICES & MARGINS regulated per 1 litter fuel | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| | *Refinery NET margin* | *NET WholeSale* | *-Retail margin* | *-Excise tax* | *Excise tax* | *-VAT* | *Retail* |
| **LPG** | **0.9569 $** | 61.05 Din. | 5.00 Din. | 66.05 Din. | 12.00 Din. | 78.05 Din. | 92.10 Din. |
| **Jet Fuel** | **1.1987 $** | 76.47 Din. | 5.00 Din. | 81.47 Din. | 12.00 Din. | 93.47 Din. | 110.30 Din. |
| **BMB 95** | **1.1222 $** | 71.59 Din. | 5.00 Din. | 76.59 Din. | 34.00 Din. | 110.59 Din. | 130.50 Din. |
| **Euro Diesel** | **1.1872 $** | 75.75 Din. | 5.00 Din. | 80.75 Din. | 34.00 Din. | 114.75 Din. | 135.40 Din. |
| **Fuel Oil** | **0.8206 $** | 52.36 Din. | 5.00 Din. | 57.36 Din. | 24.00 Din. | 81.36 Din. | 96.00 Din. |
| **Gas Oil** | **1.2111 $** | 77.27 Din. | 5.00 Din. | 82.27 Din. | 24.00 Din. | 106.27 Din. | 125.40 Din. |
| **Asphalt** | **1.1105 $** | 70.85 Din. | 5.00 Din. | 75.85 Din. | 24.00 Din. | 99.85 Din. | 117.82 Din. |

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**APPENDIX 1 - COMICO PRICING MODEL [rev SEPTEMBER 2012]**
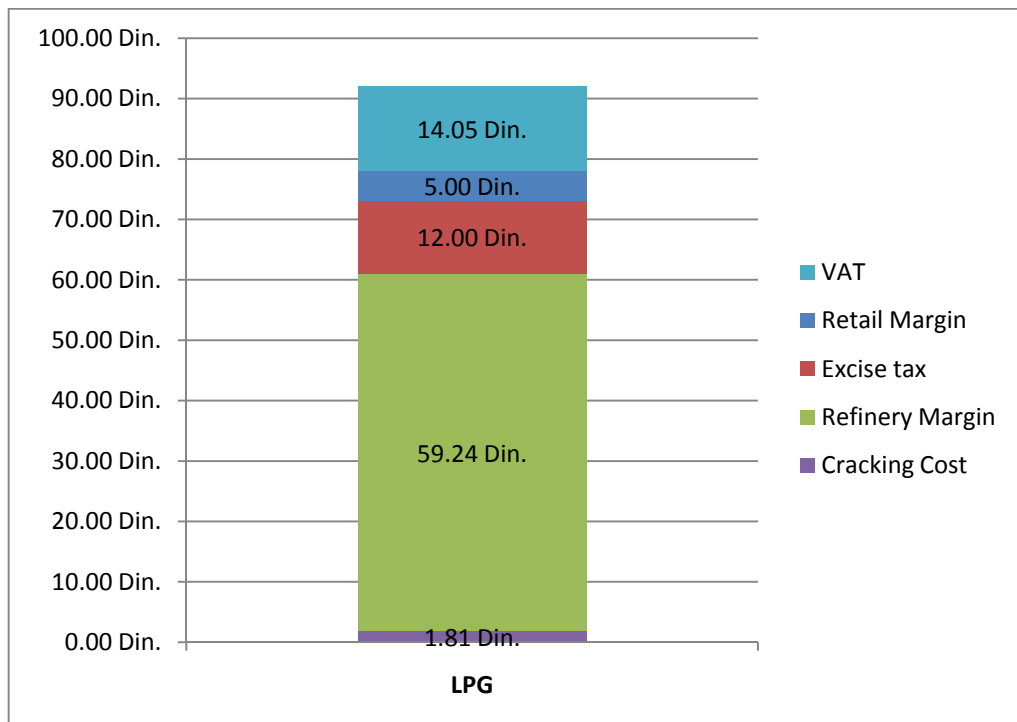
**PRODUCT MARGINS**

|  | LPG | Jet Fuel | BMB 95 | Euro Diesel | Fuel Oil | Gas Oil | Asphalt |
|---|---|---|---|---|---|---|---|
| **VAT** | 14.05 Din. | 16.83 Din. | 19.91 Din. | 20.65 Din. | 14.64 Din. | 19.13 Din. | 17.97 Din. |
| **Retail Margin** | 5.00 Din. | 5.00 Din. | 5.00 Din. | 5.00 Din. | 5.00 Din. | 5.00 Din. | 5.00 Din. |
| **Excise tax** | 12.00 Din. | 12.00 Din. | 34.00 Din. | 34.00 Din. | 24.00 Din. | 24.00 Din. | 24.00 Din. |
| **Refinery Margin** | 59.24 Din. | 72.70 Din. | 65.14 Din. | 58.54 Din. | 42.26 Din. | 74.46 Din. | 67.60 Din. |
| **Cracking Cost** | 1.81 Din. | 3.77 Din. | 6.45 Din. | 17.21 Din. | 10.09 Din. | 2.82 Din. | 3.25 Din. |
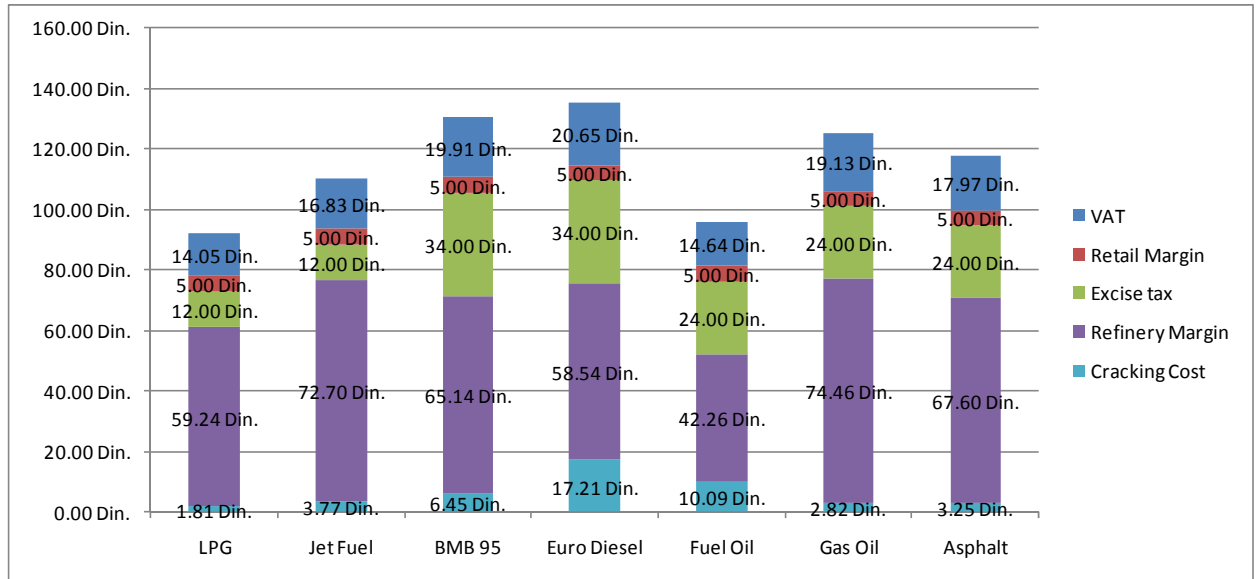
**APPENDIX 1 - COMICO PRICING MODEL [rev SEPTEMBER 2012]**
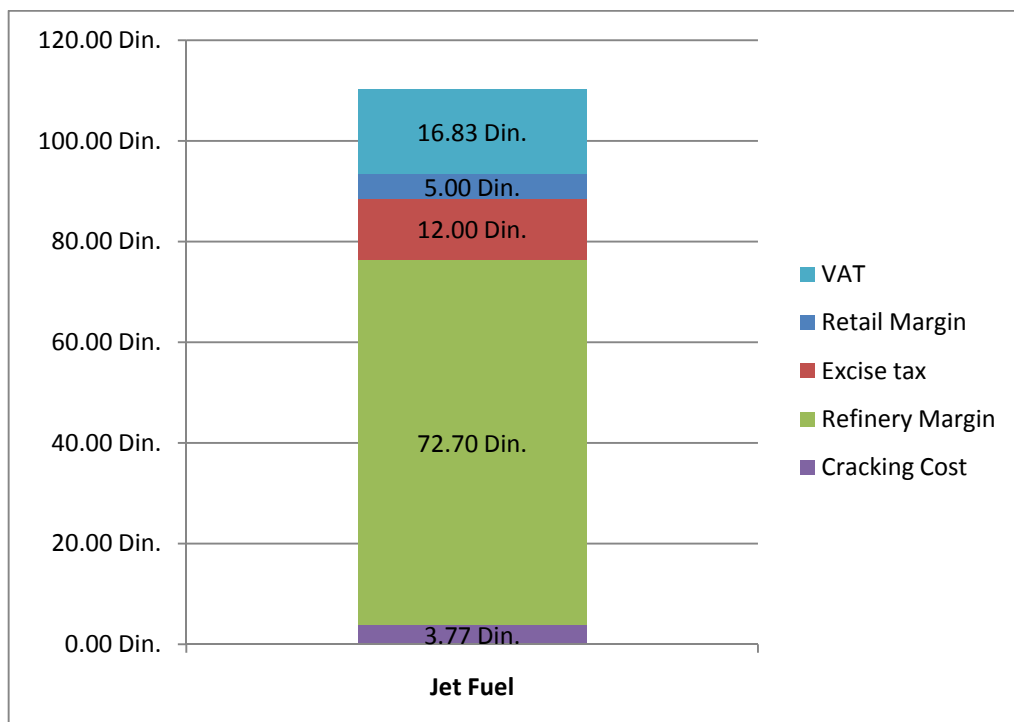
**PRODUCT MARGINS**

|  |  | per 1lit |  | per 1bbl |
|---|---|---|---|---|
| **LPG** | **Retail price** | **92.10 Din.** | **1.444 $** | **226.64 $** |
| VAT | 18.00% | 14.05 Din. | 0.220 $ | 34.57 $ |
| Retail Margin | 5.43% | 5.00 Din. | 0.078 $ | 12.30 $ |
| Excise tax | 13.03% | 12.00 Din. | 0.188 $ | 29.53 $ |
| Refinery Margin | 64.32% | 59.24 Din. | 0.928 $ | 145.77 $ |
| Cracking Cost | 1.97% | 1.81 Din. | 0.028 $ | 4.46 $ |

**APPENDIX 1 - COMICO PRICING MODEL [rev SEPTEMBER 2012]**

**PRODUCT MARGINS**

| | | per 1lit | | per 1bbl |
|---|---|---|---|---|
| **Jet Fuel** | **Retail price** | **110.30 Din.** | **1.729 $** | **271.43 $** |
| VAT | 18.00% | 16.83 Din. | 0.264 $ | 41.40 $ |
| Retail Margin | 4.53% | 5.00 Din. | 0.078 $ | 12.30 $ |
| Excise tax | 10.88% | 12.00 Din. | 0.188 $ | 29.53 $ |
| Refinery Margin | 65.91% | 72.70 Din. | 1.140 $ | 178.90 $ |
| Cracking Cost | 3.42% | 3.77 Din. | 0.059 $ | 9.29 $ |

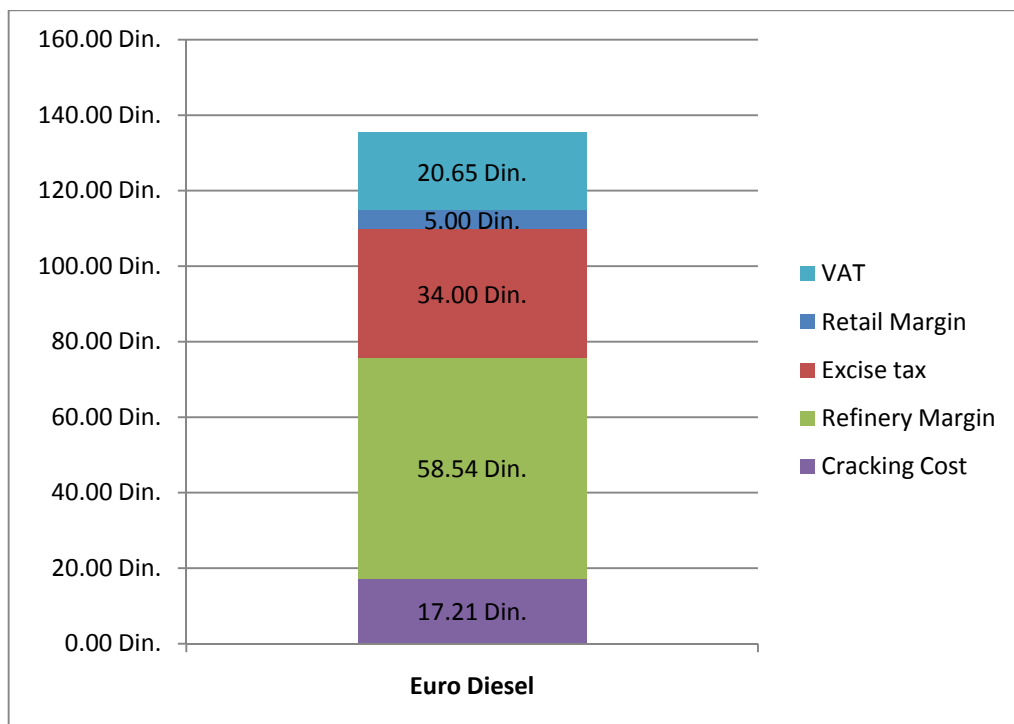**APPENDIX 1 - COMICO PRICING MODEL [rev SEPTEMBER 2012]**

**PRODUCT MARGINS**

| | | per 1lit | | per 1bbl |
|---|---|---|---|---|
| **BMB 95** | **Retail price** | **130.50 Din.** | **2.045 $** | **321.14 $** |
| VAT | 18.00% | 19.91 Din. | 0.312 $ | 48.99 $ |
| Retail Margin | 3.83% | 5.00 Din. | 0.078 $ | 12.30 $ |
| Excise tax | 26.05% | 34.00 Din. | 0.533 $ | 83.67 $ |
| Refinery Margin | 49.92% | 65.14 Din. | 1.021 $ | 160.30 $ |
| Cracking Cost | 4.94% | 6.45 Din. | 0.101 $ | 15.88 $ |



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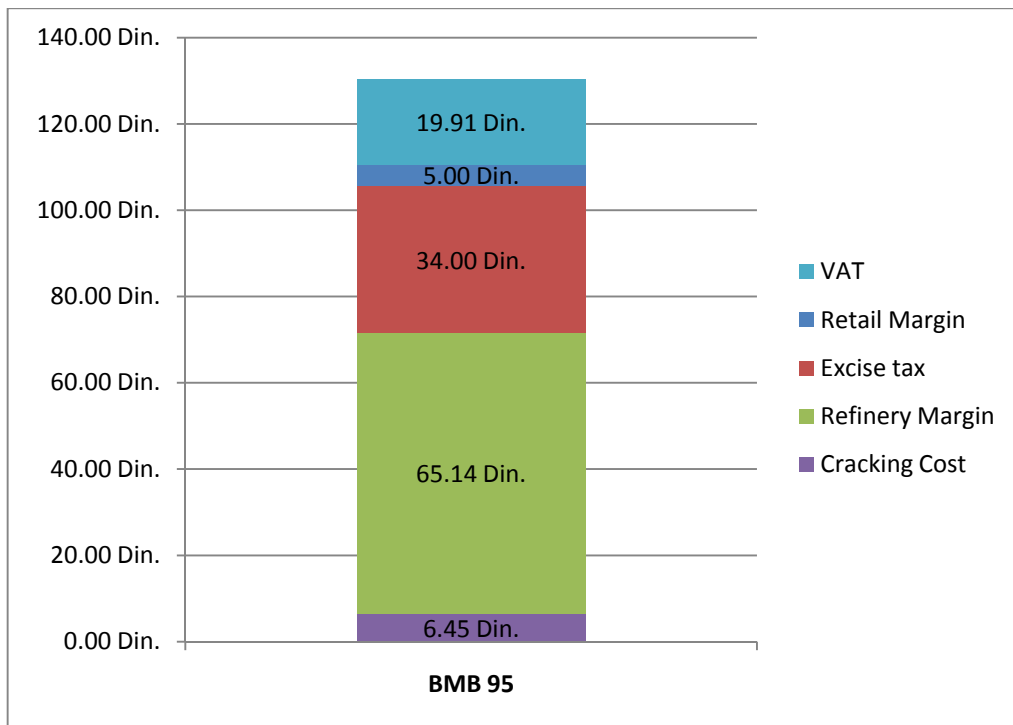
**APPENDIX 1 - COMICO PRICING MODEL [rev SEPTEMBER 2012]**

**PRODUCT MARGINS**

| | | per 1lit | | per 1bbl |
|---|---|---|---|---|
| **Euro Diesel** | **Retail price** | **135.40 Din.** | **2.122 $** | **333.19 $** |
| VAT | 18.00% | 20.65 Din. | 0.324 $ | 50.83 $ |
| Retail Margin | 3.69% | 5.00 Din. | 0.078 $ | 12.30 $ |
| Excise tax | 25.11% | 34.00 Din. | 0.533 $ | 83.67 $ |
| Refinery Margin | 43.23% | 58.54 Din. | 0.918 $ | 144.06 $ |
| Cracking Cost | 12.71% | 17.21 Din. | 0.270 $ | 42.34 $ |

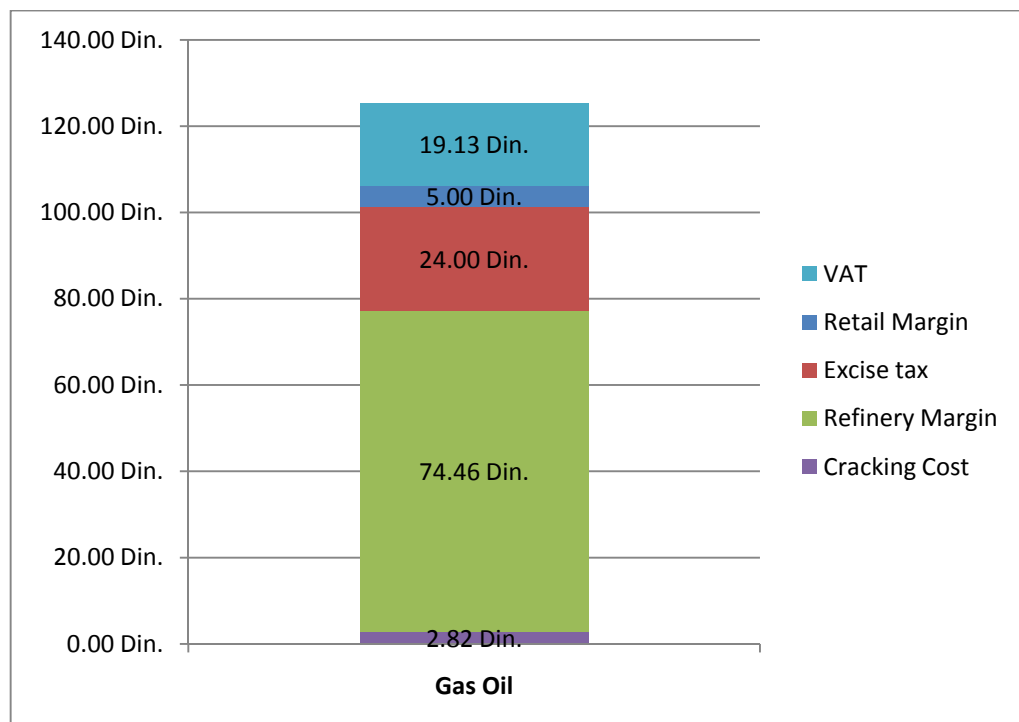**APPENDIX 1 - COMICO PRICING MODEL [rev SEPTEMBER 2012]**

**PRODUCT MARGINS**

| | | per 1lit | | per 1bbl |
|---|---|---|---|---|
| **Fuel Oil** | **Retail price** | **96.00 Din.** | **1.505 $** | **236.24 $** |
| VAT | 18.00% | 14.64 Din. | 0.230 $ | 36.04 $ |
| Retail Margin | 5.21% | 5.00 Din. | 0.078 $ | 12.30 $ |
| Excise tax | 25.00% | 24.00 Din. | 0.376 $ | 59.06 $ |
| Refinery Margin | 44.02% | 42.26 Din. | 0.662 $ | 104.00 $ |
| Cracking Cost | 10.51% | 10.09 Din. | 0.158 $ | 24.84 $ |
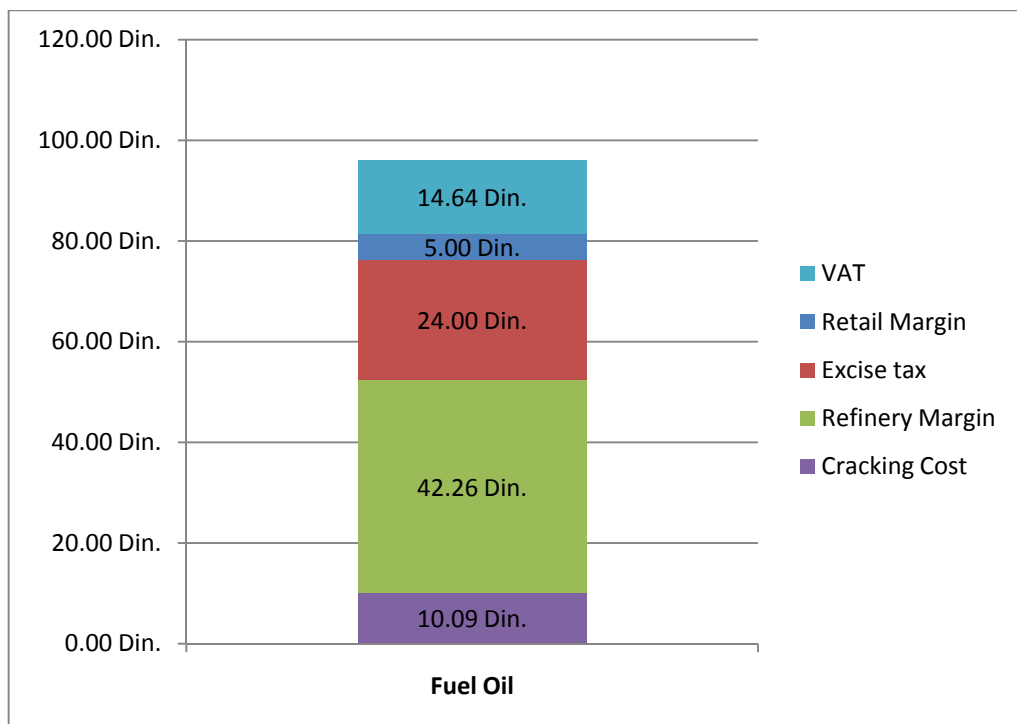
**APPENDIX 1 - COMICO PRICING MODEL [rev SEPTEMBER 2012]**

**PRODUCT MARGINS**

| | | per 1lit | | per 1bbl |
|---|---|---|---|---|
| **Gas Oil** | **Retail price** | **125.40 Din.** | **1.966 $** | **308.59 $** |
| VAT | 18.00% | 19.13 Din. | 0.300 $ | 47.07 $ |
| Retail Margin | 3.99% | 5.00 Din. | 0.078 $ | 12.30 $ |
| Excise tax | 19.14% | 24.00 Din. | 0.376 $ | 59.06 $ |
| Refinery Margin | 59.37% | 74.46 Din. | 1.167 $ | 183.22 $ |
| Cracking Cost | 2.25% | 2.82 Din. | 0.044 $ | 6.93 $ |

**APPENDIX 1 - COMICO PRICING MODEL [rev SEPTEMBER 2012]**

**PRODUCT MARGINS**

| | | per 1lit | | per 1bbl |
|---|---|---|---|---|
| **Asphalt** | **Retail price** | **117.82 Din.** | **1.847 $** | **289.93 $** |
| VAT | 18.00% | 17.97 Din. | 0.282 $ | 44.23 $ |
| Retail Margin | 4.24% | 5.00 Din. | 0.078 $ | 12.30 $ |
| Excise tax | 20.37% | 24.00 Din. | 0.376 $ | 59.06 $ |
| Refinery Margin | 57.37% | 67.60 Din. | 1.060 $ | 166.34 $ |
| Cracking Cost | 2.76% | 3.25 Din. | 0.051 $ | 8.00 $ |