Petrom Investor News

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Petrom Group: results[1] for January – March 2014
including interim financial statements as of March 31, 2014

Q1/14 vs Q1/13

- **Clean CCS EBIT decreased by 6%, mainly burdened by the new construction tax in Romania, with lower oil prices and deteriorated refining margins also impacting the result**
- **E&P: Hydrocarbon production was broadly stable, with slightly higher volumes in Romania; exploration acreage enlarged with Midia Deep block**
- **G&P: Depressed market demand induced lower gas and electricity sales volumes**
- **R&M: Improved result due to contained costs and higher refinery utilization rate, in spite of lower marketing volumes**
- **CAPEX increased 25%, dedicated mainly to E&P projects**

Mariana Gheorghe, CEO of OMV Petrom S.A.: "In Q1/14, our financial performance reflected the higher fiscal burden and weaker market environment. Depressed demand in the gas, power and fuels markets combined with lower refining margins were only partially compensated by the operational excellence and cost management initiatives across all divisions.
On the operating side, we slightly increased production in Romania, further delivering on our strategy. In the Black Sea, our E&P exploration portfolio was enlarged by securing participation in the Midia Deep block. Together with ExxonMobil, we are preparing to conduct follow-up drilling in the Neptun Deep block starting mid-year, while Ocean Endeavour rig is currently being prepared for Black Sea operations and 3D seismic data interpretation is ongoing. On April 29, our shareholders approved a RON 1,745 mn dividend distribution, 10% higher compared to the previous year. Going further, we will continue to deliver on our strategy, supported by a significant investment program of more than RON 6 bn this year, subject to an investment-friendly environment and solid market fundamentals".

Q4/13	Q1/14	Q1/13	Δ%	Key performance indicators (in RON mn)	2013	2012	Δ%
1,402	1,472	1,582	(7)	EBIT	5,958	5,662	5
1,378	1,477	1,579	(6)	Clean CCS EBIT [2]	6,015	5,855	3
1,158	1,075	1,330	(19)	Net income attributable to stockholders [3]	4,821	3,953	22
1,138	1,080	1,328	(19)	Clean CCS net income attributable to stockholders [2,3]	4,869	4,307	13
0.0204	0.0190	0.0235	(19)	EPS (RON)	0.0851	0.0698	22
0.0201	0.0191	0.0234	(19)	Clean CCS EPS (RON) [2]	0.0860	0.0760	13
1,841	2,072	1,845	12	Cash flow from operating activities	8,048	7,185	12
-	-	-	n.a.	Dividend/share (RON)	0.0308	0.0280	10

[1] The financials are unaudited and represent Petrom Group's (herein after also referred to as "the Group") consolidated results prepared according to IFRS; all the figures refer to Petrom Group, unless otherwise stated; financials are expressed in RON mn and rounded to closest integer value, so minor differences may result upon reconciliation; Petrom uses the National Bank of Romania exchange rates for its consolidation process
[2] Adjusted for exceptional, non-recurring items; Clean CCS figures exclude special items and inventory holding effects (CCS effects) resulting from R&M
[3] After deducting net income attributable to non-controlling interests

Financial highlights

Q4/13	Q1/14	Q1/13	∆%	in RON mn	2013	2012	∆%
6,035	5,296	5,789	(9)	Sales [1]	24,185	26,258	(8)
1,265	1,372	1,417	(3)	EBIT E&P [2]	5,529	5,467	1
10	37	113	(68)	EBIT G&P	112	360	(69)
107	71	96	(26)	EBIT R&M	386	138	180
(38)	(10)	(15)	(32)	EBIT Co&O	(97)	(117)	(17)
59	2	(29)	n.m.	Consolidation	29	(185)	n.m.
1,402	**1,472**	**1,582**	**(7)**	**EBIT Group**	**5,958**	**5,662**	**5**
37	**(0)**	**(42)**	**n.a.**	**Special items**[3]	**(33)**	**(362)**	**(91)**
(17)	(2)	-	n.a.	thereof: Personnel and restructuring	(21)	(80)	(74)
0	-	(42)	n.a.	Unscheduled depreciation	(66)	(39)	69
54	2	-	n.a.	Other	54	(242)	n.m.
(14)	(5)	44	n.m.	CCS effects: Inventory holding gains/(losses)	(24)	169	n.m.
1,274	1,372	1,417	(3)	Clean EBIT E&P [2, 4]	5,542	5,754	(4)
23	39	155	(75)	Clean EBIT G&P [4]	167	359	(53)
60	75	52	45	Clean CCS EBIT R&M [4]	374	31	n.m.
(37)	(10)	(15)	(32)	Clean EBIT Co&O [4]	(96)	(104)	(7)
59	2	(29)	n.m.	Consolidation	29	(185)	n.m.
1,378	**1,477**	**1,579**	**(6)**	**Clean CCS EBIT** [4]	**6,015**	**5,855**	**3**
1,303	1,340	1,584	(15)	Income from ordinary activities	5,699	4,826	18
1,158	1,075	1,332	(19)	Net income	4,824	3,946	22
1,158	1,075	1,330	(19)	Net income attributable to stockholders[5]	4,821	3,953	22
1,138	**1,080**	**1,328**	**(19)**	**Clean CCS net income attributable to stockholders** [4, 5]	**4,869**	4,307	**13**
0.0204	0.0190	0.0235	(19)	EPS (RON)	0.0851	0.0698	22
0.0201	0.0191	0.0234	(19)	Clean CCS EPS (RON) [4]	0.0860	0.0760	13
1,841	2,072	1,845	12	Cash flow from operating activities	8,048	7,185	12
0.0325	0.0366	0.0326	12	CFPS (RON)	0.1421	0.1269	12
332	(356)	1,079	n.m.	Net debt	332	1,711	(81)
1	(1)	4	n.m.	Gearing (%) [6]	1	7	(83)
1,817	1,249	1,001	25	Capital expenditure	5,303	4,930	8
-	-	-	n.a.	Dividend/share (RON)	0.0308	0.028	10
-	19.0	18.8	1	ROFA (%)	19.7	19.8	(0)
-	17.9	15.7	14	ROACE (%)	19.0	16.5	15
-	18.1	17.6	3	Clean CCS ROACE (%) [4]	19.2	18.0	7
-	17.8	17.2	4	ROE (%)	19.4	17.9	8
11	20	16	24	Group tax rate (%)	15	18	(16)
19,619	19,509	20,790	(6)	Petrom Group employees at the end of the period	19,619	21,650	(9)

Figures in this and the following tables may not add up due to rounding differences.
[1] Sales excluding petroleum excise tax; [2] Excluding intersegmental profit elimination shown in the line "Consolidation";
[3] Special items are added back or deducted from EBIT; for more details please refer to each specific segment; [4] Adjusted for exceptional, non-recurring items; Clean CCS (current cost of supply) figures exclude special items and inventory holding effects (CCS effects) resulting from R&M; [5] After deducting net income attributable to non-controlling interests; [6] Net debt divided by equity.

Business segments

Exploration and Production (E&P)

Q4/13	Q1/14	Q1/13	∆%	in RON mn	2013	2012	∆%
1,265	1,372	1,417	(3)	EBIT [1]	5,529	5,467	1
(9)	-	-	-	Special items	(13)	(287)	(95)
1,274	1,372	1,417	(3)	Clean EBIT [1]	5,542	5,754	(4)

Q4/13	Q1/14	Q1/13	∆%	Key performance indicators	2013	2012	∆%
16.66	16.36	16.46	(1)	Total hydrocarbon production (mn boe)	66.64	66.87	0
181	182	183	(1)	Total hydrocarbon production (kboe/d)[2]	183	183	0
8.02	7.83	7.99	(2)	Crude oil and NGL production (mn bbl)	32.10	32.49	(1)
1.32	1.31	1.30	1	Natural gas production (bcm)	5.29	5.27	0
46.76	46.15	45.85	1	Natural gas production (bcf)	186.91	186.04	0
108.90	107.42	111.37	(4)	Average Urals price (USD/bbl)	108.30	110.76	(2)
97.79	95.54	99.37	(4)	Average Group realized crude price (USD/bbl) [3]	96.85	94.00	3
88	99	187	(47)	Exploration expenditures (RON mn)	453	530	(14)
70	44	190	(77)	Exploration expenses (RON mn)	423	328	29
17.52	17.00	14.92	14	OPEX (USD/boe)	15.45	15.37	0

[1] Excluding intersegmental profit elimination; [2] Production figures in kboe/d are rounded; [3] Realized price includes hedging result (for 2012)

First quarter 2014 (Q1/14) vs. first quarter 2013 (Q1/13)

- **Clean EBIT decreased by 3% mainly due to lower oil sales, higher depreciation and increased operating expenses**
- **Group hydrocarbon production was broadly stable, as the slightly higher volumes in Romania were offset by the lower contribution from Kazakhstan**
- **OPEX in USD/boe increased by 14% mainly triggered by the new construction tax in Romania**

In Q1/14, the crude price environment continued to be supportive, as the average Urals crude price stood at USD 107.42/bbl, still 4% down compared to Q1/13. The average realized crude price also decreased by 4% to USD 95.54/bbl.

Clean EBIT decreased by 3% to RON 1,372 mn, mainly due to lower oil sales, higher depreciation and increased operating costs, which were only partially compensated by the higher gas sales and lower exploration expenses. The latter came in 77% below the same quarter of the previous year, as Q1/13 reflected the large 3D seismic acquisitions in the Black Sea and the write-off of two unsuccessful onshore exploration wells. Reported EBIT stood at the same level as Clean EBIT, with no special items reflected in Q1/14.

Group production costs (OPEX) in USD/boe went up 14%, mainly due to higher costs in Romania, unfavorable FX effects (USD weaker against RON) and lower production available for sale. In Romania, production costs increased by 16% in USD/boe, while in RON terms they were 14% above the Q1/13 level mostly reflecting the new construction tax.

Exploration expenditures decreased by 47%, as the lower seismic expenses were only partially offset by the higher capitalized drilling costs.

In Q1/14, the drilling program comprised 18 new wells in Romania, compared to 44 new wells achieved in Q1/13.

Group daily hydrocarbon production was 181.8 kboe/d (of which 171.6 kboe/d in Romania) and total production stood at 16.4 mn boe, slightly below Q1/13, reflecting the lower production in Kazakhstan. In Romania, total oil and gas production stood at 15.44 mn boe, 1% above the Q1/13 level (15.35 mn boe). Domestic crude oil production was 7.01 mn bbl, broadly in line with Q1/13 (7.03 mn bbl) while domestic gas production advanced 1.4% to 8.4 mn boe, mostly supported by the new wells put on stream in the Totea and Mamu fields. In Kazakhstan, oil and gas production amounted to 0.92 mn boe, which is 17% lower compared to the same period of 2013, reflecting the natural decline of key fields as well as some technical constraints (associated gas limitations and water production). Sales volumes decreased by 1% compared to Q1/13, largely due to lower oil sales in Romania and Kazakhstan.

First quarter 2014 (Q1/14) vs. fourth quarter 2013 (Q4/13)

Clean EBIT increased by 8% compared with the Q4/13 level, mostly due to lower operating and exploration costs and a higher gas price, partially offset by lower oil and NGL sales. Reported EBIT was at the same level as Clean EBIT, with no special items in Q1/14. Group production costs in USD/boe decreased by 3%, largely driven by one-off costs in Q4/13. In Romania, production costs decreased by 1%, when expressed in USD/boe and also in RON/boe terms (RON 55.13/boe). The non-recurrent costs in Q4/13 have been partially counterbalanced by a new construction tax introduced in Q1/14.

Exploration expenditures reached RON 99 mn, 13% higher compared to Q4/13 (RON 88 mn).

Group daily production stood at 181.8 kboe/d, slightly above Q4/13 (181.1 kboe/d), triggered by an increase of 2% in gas production in Romania and also in oil production in Kazakhstan. Group sales volumes decreased by 2% compared to Q4/13 level, largely due to lower oil and NGL sales in Romania.

Gas and Power (G&P)

Q4/13	Q1/14	Q1/13	∆%	in RON mn	2013	2012	∆%
10	37	113	(68)	EBIT	112	360	(69)
(13)	(2)	(42)	(95)	Special items	(55)	1	n.m.
23	39	155	(75)	Clean EBIT	167	359	(53)

Q4/13	Q1/14	Q1/13	∆%	Key performance indicators	2013	2012	∆%
1,260	1,249	1,527	(18)	Gas sales volumes (mn cbm) [1]	4,893	4,841	1
13.56	13.47	16.39	(18)	Gas sales volumes (TWh) [1]	52.70	52.16	1
49.8	50.6	45.7	11	Average regulated domestic gas price for households (RON/MWh) [2]	47.4	45.7	4
68.3	72.0	47.9	50	Average regulated domestic gas price for non-households (RON/MWh) [2]	58.7	45.7	28
131	129	130	(1)	Average import gas price (RON/MWh) [3]	131	143	(8)
1.03	0.58	0.82	(29)	Net electrical output (TWh)	2.86	1.68	70
172	145	155	(7)	OPCOM spot average electricity base load price (RON/MWh) [4]	156	217	(28)
215	193	200	(3)	OPCOM average electricity peak load price (RON/MWh) [4]	197	275	(29)

[1] *Including internal transfers within OMV Petrom S.A. (e.g. Brazi power plant)*
[2] *According to gas price liberalization roadmap enforced by the Government starting February 1, 2013. ANRE recommended prices for prior periods*
[3] *Q1/13, Q4/13, 2013 and Q1/14 data represent ANRE assumptions*
[4] *Q1/14 data are preliminary*

First quarter 2014 (Q1/14) vs. first quarter 2013 (Q1/13)

- **Clean EBIT impacted by lower contribution of both gas and power businesses**
- **Gas sales volumes went down by 18% mainly due to weak demand from the industrial sector and milder winter**
- **Brazi power plant net electrical output of 0.55 TWh, with a high contribution on ancillary services and balancing markets**

Clean EBIT declined by 75% compared to Q1/13, reflecting lower gas sales volumes and margins, as well as the negative contribution of the power business triggered by adverse market conditions.

Estimated natural **gas** consumption in Romania decreased by 9% compared to Q1/13 due to weak demand from the industrial sector and milder winter weather. Petrom's sales dropped by 18%, also reflecting the reduced withdrawals from storage, as the company sold additional quantities during the injection cycle in Q2 – Q3/13, instead of storing them for the winter period.

At the end of Q1/14, the total volume of natural gas stored by Petrom amounted to 74 mn cbm compared to 28 mn cbm at the end of Q1/13.

In Q1/14, the regulated domestic gas price was RON 72.0/MWh for the non-household sector and RON 50.6/MWh for households, while the estimated average import gas price based on ANRE assumptions was USD 420/1,000 cbm (or the equivalent of RON 129/MWh).

The average import quota set by ANRE for the non-household sector was 23% in Q1/14, lower compared to an average of 31% in Q1/13.

Estimated Romanian gross **electricity** production increased by almost 4% versus Q1/13, while the estimated national electricity demand contracted by approximately 3%, thus the country's power exports exceeded its imports. Lower domestic demand combined with a steep expansion of power production from renewable sources led to a decrease in power prices on the Romanian market.

According to preliminary data published by OPCOM, Romanian day-ahead market prices averaged RON 145/MWh for base load and RON 193/MWh for peak load, slightly lower compared to the same quarter of last year.

With a net availability of 98% and a net electrical output of 0.55 TWh (29% lower compared to Q1/13), the Brazi power plant covered more than 3% of Romania's estimated electricity production, with a high contribution on ancillary services and balancing markets (second largest balancing contribution in Romania).

In Q1/14, the Dorobantu wind park, with a net availability of 99%, delivered a net electrical output of 0.02 TWh, 32% lower than in Q1/13 due to the milder winter. For the electricity produced and delivered to suppliers, OMV Petrom Wind Power S.R.L. was allocated 40,470 green certificates. Pursuant to the legislation in force, half of these green certificates will become eligible for sale after January 1, 2018.

First quarter 2014 (Q1/14) vs. fourth quarter 2013 (Q4/13)

Compared to Q4/13, Clean EBIT improved, especially driven by the higher contribution of the gas business, helped by strict management of receivables.

Estimated Romanian **gas** consumption increased by 15% versus Q4/13, while Petrom gas sales volumes slightly decreased by 1% reflecting the lower consumption of the Brazi power plant.

The net **electrical** output of the Brazi power plant decreased by 45% compared to Q4/13 due to adverse market conditions, while the net electrical output of the Dorobantu wind park seasonally increased by 4%.

Refining and Marketing (R&M)

Q4/13	Q1/14	Q1/13	Δ%	in RON mn	2013	2012	Δ%
107	71	96	(26)	EBIT	386	138	180
61	2	-	n.m.	Special items	36	(63)	n.m.
(14)	(5)	44	n.m.	CCS effect: Inventory holding gains/(losses) [1]	(24)	169	n.m.
60	75	52	45	Clean CCS EBIT [1]	374	31	n.m.

Q4/13	Q1/14	Q1/13	Δ%	Key performance indicators	2013	2012	Δ%
(4.39)	(2.41)	(0.88)	174	Indicator refining margin (USD/bbl) [2]	(2.83)	(1.39)	104
1.01	1.00	0.94	6	Refining input (mn t) [3]	4.01	3.34	20
90	92	86	7	Refinery utilization rate (%) [4]	90	73	23
1.31	1.11	1.11	0	Total refined product sales (mn t) [5]	5.22	5.00	4
0.93	0.72	0.73	(2)	thereof Marketing sales volumes (mn t) [6]	3.62	3.83	(6)
785	784	796	(2)	Marketing retail stations	785	798	(2)

[1] Current cost of supply (CCS): Clean CCS EBIT eliminates special items and inventory holding gains/losses (CCS effects) resulting from R&M
[2] The indicator refining margin is based on the international quotations for products [Augusta] and Urals crude and a standard yield set typically for Petrobrazi refinery as of Q1/11 (indicator expected to be adapted after completion of Petrobrazi modernization program); actual refining margins realized by Petrom may vary from the indicator refining margin as well as from the market margins due to factors including a different crude slate, product yield and operating conditions
[3] Figure includes crude and semi-finished products, in line with OMV Group reporting standard
[4] Reflects Petrobrazi refinery nameplate capacity adjustment to 4.2 mn t/y starting Q3/12 (previously 4.5 mn t/y)
[5] Includes all products sold by Petrom Group
[6] Excludes export sales which are included in total refined product sales

First quarter 2014 (Q1/14) vs. first quarter 2013 (Q1/13)

- **Clean CCS EBIT improved as a result of lower energy consumption in refining, continued customer incentive programs and strict cost control in marketing, in spite of adverse market conditions**
- **Refinery utilization rate improved to 92%**
- **Marketing sales volumes down 2%, mainly due to lower commercial sales**

Clean CCS EBIT increased to RON 75 mn due to improved energy efficiency in refining and a good contribution from marketing, despite a challenging market environment. Decreasing crude oil and product quotations led to negative CCS effects of RON (5) mn, while net special items stood at RON 2 mn.

The indicator **refining** margin was USD (2.41)/bbl, below the Q1/13 level, due to lower oil product spreads, especially gasoline and middle distillates.

The refinery utilization rate improved to 92%, optimized to capitalize on market demand and operational performance.

Total group **marketing** sales volumes in Q1/14 were 2% below the Q1/13 level. Group retail sales, which amounted to 71% of total group marketing sales, were broadly flat compared to Q1/13, in spite of higher volumes in Romania triggered by the increase in fuels taxation starting April 1. The commercial sales volumes dropped 8% compared to the same quarter last year, mostly affected by lower sales of fuel oil in Romania and Bulgaria, due to the mild winter.

At the end of Q1/14, the total number of filling stations operated within Petrom Group stood at 784, which is 12 units lower compared to Q1/13.

First quarter 2014 (Q1/14) vs. fourth quarter 2013 (Q4/13)

Clean CCS EBIT increased compared to Q4/13, mostly influenced by improved operational performance in refining, despite seasonally lower sales volumes. The refining margin improved mainly due to better gasoline spreads which recovered from the low levels seen in Q4/13. The marketing business result decreased compared to Q4/13, as a result of seasonally lower retail and commercial volumes.

Outlook 2014

Market, regulatory and fiscal environment

We expect the average **Brent oil price** to remain above USD 100/bbl and the Brent-Urals spread to stay relatively tight.

In Romania, **gas and power** market demand is anticipated to remain under pressure. Gas price increases for domestic production scheduled for January and April have been duly implemented. Whilst two further increases are stipulated in the gas price liberalization calendar for July and October 2014, the authorities are currently considering potential earlier deregulation of the non-household sector as well as mandatory quotas to be sold on trading platforms.

In the **power** market, prices are expected to be under pressure due to supply dynamics, with additional capacity on stream from renewables, as well as low electricity demand, which reflects, in part, prospective energy efficiency measures.

Refining margins and **marketing** volumes are expected to be further challenged by high price levels for international crude and oil products and marginal economic recovery in our operating region. The fuels excise increases implemented in January and April 2014 imply additional pressure on marketing volumes in Romania.

Concerning the **regulatory and fiscal environment**, we anticipate discussions with respect to the implementation of the gas deregulation calendars and the supplementary taxation measures introduced at the beginning of 2013 to be applied until the end of 2014, which will have an impact on our financial results. Moreover, we continue our discussions with the Romanian authorities to achieve a long term, stable and investment-friendly taxation and regulatory framework.

Given the long term cycle of investments in the oil and gas sector, the recent changes in the fiscal regime have a direct impact on the company's business. These affect both market supply and demand and impact the company's financials and the operating performance. The tax of 1.5% applied to the gross value of constructions introduced starting January 1, 2014, has a direct negative impact on the operating costs in all segments (mostly in E&P) as well as on the business case of some of our investments.

Petrom Group

- Petrom plans to invest over EUR 1.3 bn, of which approximately 85% will be dedicated to E&P (drilling development wells, field redevelopment projects, workover activities / subsurface operations and the Neptun Deep project);
- Strive for high HSSE standards and continue reducing the lost-time injury rate.

Exploration and Production

- In order to stabilize production in Romania, we will further progress field redevelopment, drilling and workovers as well as operational excellence initiatives;
- Continue our intensive operational activities: perform more than 1,600 workovers; drill more than 140 wells, of which more than half are dedicated to field redevelopment projects; bring four redevelopment projects into the execution phase by year-end;
- In Kazakhstan – further implement the water injection scheme in Komsomolskoe field and carry out TOC (Tasbulat, Aktas, Turkmenoi) field redevelopment plan to sustain production levels;
- Joint-ventures with ExxonMobil: Neptun Deep – resume drilling campaign mid-2014; Midia - seismic data interpretation;
- Optimize E&P portfolio through partnerships: pursue exploration drilling under onshore partnerships with Hunt Oil and Repsol.

Gas and Power

- Gas demand in Romania is expected to further decrease which will lead to increased competition and margin pressure;
- Gas value chain will be optimized to address challenges in the market and maximize value creation;

- Further deterioration of spark spreads is expected, leading to a negative result of the power business in 2014; we aim to mitigate this by consolidating Brazi power plant's position in the balancing and ancillary services markets, capitalizing on the plant's flexibility.

Refining and Marketing

- In the Petrobrazi refinery, a 30-day planned shutdown and turnaround is scheduled starting end of May in order to upgrade the Diesel Hydrotreater and Fluid Catalytic Cracking conversion units. This will improve product yields (higher share of middle distillates) and energy efficiency;
- Continue energy efficiency improvements and reduce CO_2 emissions;
- Fuel terminal network optimization program: operations started at the revamped Bacau terminal in Q1/14; the Cluj terminal reconstruction will commence in Q2/14;
- Further pursue stringent cost discipline and optimization of the downstream business.

Group interim financial statements and notes

(condensed, unaudited)

Legal principles and general accounting policies

The interim condensed consolidated financial statements for the three months ended March 31, 2014 have been prepared in accordance with IAS 34 Interim Financial Statements.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as of December 31, 2013.

The accounting policies and valuation methods adopted in preparation of the interim condensed consolidated financial statements are consistent with those followed in preparation of the Group's annual financial statements for the year ended December 31, 2013.

The detailed structure of the consolidated companies in Petrom Group at March 31, 2014 is presented in the Appendix 1 to the current report.

The interim condensed consolidated financial statements for Q1/14 are unaudited and an external review by an auditor was not performed.

Changes in the consolidated Group

During Q1/14, there was no change in the consolidated Group structure.

Seasonality and cyclicality

Seasonality is of particular significance in G&P and R&M; for details please refer to the relevant section in the business segments.

In addition to the interim financial statements and notes, further information on main factors affecting the interim financial statements as of March 31, 2014, is given as part of the description of Petrom Group's business segments performance.

Exchange rates

Petrom uses the National Bank of Romania (NBR) exchange rates in its consolidation process. Income statements of subsidiaries are translated to RON using average exchange rates published by the National Bank of Romania, detailed below.

Statements of the financial position of foreign subsidiaries are translated to RON using the closing rate method based on exchange rates published by the National Bank of Romania, detailed below.

Q4/13	Q1/14	Q1/13	∆%	NBR FX rates	2013	2012	∆%
4.451	4.503	4.385	3	Average EUR/RON FX rate	4.419	4.457	(1)
3.271	3.287	3.322	(1)	Average USD/RON FX rate	3.328	3.470	(4)
4.485	4.451	4.415	1	Closing EUR/RON FX rate	4.485	4.429	1
3.255	3.242	3.446	(6)	Closing USD/RON FX rate	3.255	3.358	(3)

Income statement (unaudited)

Q4/13	Q1/14	Q1/13	Consolidated income statement (in RON mn)	2013	2012
6,034.91	5,295.93	5,788.93	Sales revenues	24,185.22	26,258.13
(173.42)	(132.37)	(162.60)	Direct selling expenses	(646.20)	(696.04)
(3,975.84)	(3,269.90)	(3,382.06)	Production costs of sales	(15,484.69)	(17,305.65)
1,885.65	**1,893.66**	**2,244.27**	**Gross profit**	**8,054.33**	**8,256.44**
137.77	69.96	55.78	Other operating income	298.26	186.58
(240.15)	(236.88)	(299.40)	Selling expenses	(1,090.38)	(1,172.77)
(54.26)	(43.48)	(45.28)	Administrative expenses	(193.56)	(242.12)
(69.74)	(43.73)	(189.95)	Exploration expenses	(423.45)	(327.72)
(257.20)	(167.88)	(183.76)	Other operating expenses	(687.34)	(1,038.41)
1,402.07	**1,471.65**	**1,581.66**	**Earnings before interest and taxes (EBIT)**	**5,957.86**	**5,662.00**
(1.40)	(6.81)	1.56	Income / (loss) from associated companies	4.40	2.18
23.21	18.01	65.86	Interest income	205.90	59.86
(74.56)	(124.41)	(97.50)	Interest expenses	(360.20)	(825.59)
(46.55)	(18.84)	32.08	Other financial income and expenses	(109.36)	(72.19)
(99.30)	**(132.05)**	**2.00**	**Net financial result**	**(259.26)**	**(835.74)**
1,302.77	**1,339.60**	**1,583.66**	**Profit from ordinary activities**	**5,698.60**	**4,826.26**
(144.46)	(264.59)	(252.15)	Taxes on income	(874.56)	(880.16)
1,158.31	**1,075.01**	**1,331.51**	**Net income for the period**	**4,824.04**	**3,946.10**
1,157.69	**1,075.44**	**1,330.06**	**thereof attributable to stockholders of the parent**	**4,820.85**	**3,953.31**
0.62	(0.43)	1.45	thereof attributable to non-controlling interests	3.19	(7.21)
0.0204	**0.0190**	**0.0235**	**Basic earnings per share (RON)**	**0.0851**	**0.0698**
-	-	-	**Dividend per share (RON)**	**0.0308**	**0.028**

Statement of comprehensive income (condensed, unaudited)

Q4/13	Q1/14	Q1/13	Consolidated statement of comprehensive income (in RON mn)	2013	2012
1,158.31	**1,075.01**	**1,331.51**	**Net income for the period**	**4,824.04**	**3,946.10**
(0.87)	(7.27)	0.94	Exchange differences from translation of foreign operations	(4.36)	3.79
-	-	-	Gains/(losses) on hedges	-	151.89
(0.87)	**(7.27)**	**0.94**	**Total of items that may be reclassified ("recycled") subsequently to the income statement**	**(4.36)**	**155.68**
1.34	0.35	(2.34)	Income tax relating to components of other comprehensive income	2.73	(25.61)
0.47	**(6.92)**	**(1.40)**	**Other comprehensive income for the period, net of tax**	**(1.63)**	**130.07**
1,158.78	**1,068.09**	**1,330.11**	**Total comprehensive income for the period**	**4,822.41**	**4,076.17**
1,157.71	**1,068.40**	**1,329.49**	**thereof attributable to stockholders of the parent**	**4,818.27**	**4,083.30**
1.07	(0.31)	0.62	thereof attributable to non-controlling interests	4.14	(7.13)

Notes to the income statement

First quarter 2014 (Q1/14) vs. first quarter 2013 (Q1/13)

Consolidated sales in Q1/14 amounted to RON 5,296 mn and were 9% below Q1/13 value, mainly due to lower sales volumes of crude oil, gas and electricity and a lower crude price environment, although the gas price increased versus Q1/13. R&M represented 75% of total consolidated sales, G&P accounted for 20% and E&P for 5% (sales in E&P being largely intra-group sales rather than third-party sales).

The Group's EBIT amounted to RON 1,472 mn, 7% lower compared to the result recorded in Q1/13 (RON 1,582 mn), mostly due to lower realized crude price, the introduction of the new tax on construction and lower refining margins. On the other hand, Q1/14 was positively impacted by lower exploration expenses, as Q1/13 reflected the intensive seismic acquisition campaign in the Black Sea and also included impairment of non-core assets in the G&P segment.
Clean CCS EBIT of RON 1,477 mn is also below the value of RON 1,579 mn recorded in Q1/13. Clean CCS EBIT is stated after eliminating inventory holding losses of RON (5) mn.

The net financial result of RON (132) mn decreased compared to RON 2 mn in Q1/13, as it was burdened by the result of a fiscal review in Petrom's Kazakh branch, while Q1/13 was positively influenced by FX gains on USD loans given to Kazakh subsidiaries following the appreciation of USD against RON in Q1/13.

The profit from ordinary activities amounted to RON 1,340 mn and corporate income tax was RON 265 mn in Q1/14. Current tax expenses on the Group's income were RON 234 mn and deferred tax expenses amounted to RON 31 mn. The effective tax rate in Q1/14 was 20%, negatively influenced mainly by the fiscal review results in Petrom's branch in Kazakhstan.

Net income attributable to stockholders (i.e. net income attributable to stockholders of the parent) was RON 1,075 mn, 19% lower than RON 1,330 mn in Q1/13. Clean CCS net income attributable to stockholders was RON 1,080 mn. EPS was RON 0.0190 in Q1/14, versus RON 0.0235 in Q1/13, while Clean CCS EPS was RON 0.0191 compared to RON 0.0234 in Q1/13.

First quarter 2014 (Q1/14) vs. fourth quarter 2013 (Q4/13)

Compared to Q4/13, sales decreased by 12%, mainly due to seasonally lower volumes sold in R&M and also due to lower electricity volumes sold. Despite lower sales, EBIT in Q1/14 increased by 5% (Q4/13: RON 1,402 mn), as Q4/13 was impacted by higher retirement and restructuring provisions. Clean CCS EBIT increased by 7% compared to Q4/13 (Q4/13: RON 1,378 mn).

The net financial result decreased to RON (132) mn in Q1/14 compared to RON (99) mn in Q4/13, mainly due to charges recorded following the fiscal review in the Kazakh branch.

Corporate income tax amounted to RON 265 mn (Q4/13: RON 144 mn) and the effective tax rate in Q1/14 was 20%, higher than 11% in Q4/13, mainly in relation to activities in Kazakhstan. Net income attributable to stockholders was 7% lower than in Q4/13, while Clean CCS net income attributable to stockholders decreased by 5% from RON 1,138 mn in Q4/13 to RON 1,080 mn in Q1/14.

Statement of financial position, capital expenditure and gearing (unaudited)

Consolidated statement of financial position (in RON mn)	Mar 31, 2014	Dec 31, 2013
Assets		
Intangible assets	902.94	814.73
Property, plant and equipment	30,959.63	30,659.38
Investments in associated companies	35.90	42.71
Other financial assets	2,133.99	2,143.45
Other assets	18.98	22.34
Deferred tax assets	846.18	877.28
Non-current assets	**34,897.62**	**34,559.89**
Inventories	2,026.25	1,996.29
Trade receivables	1,570.57	1,429.24
Other financial assets	227.61	302.67
Other assets	561.13	314.67
Cash and cash equivalents	2,058.04	1,408.24
Current assets	**6,443.60**	**5,451.11**
Assets held for sale	33.14	35.87
Total assets	**41,374.36**	**40,046.87**
Equity and liabilities		
Capital stock	5,664.41	5,664.41
Reserves	22,074.50	21,006.10
Stockholders' equity	**27,738.91**	**26,670.51**
Non-controlling interests	(29.14)	(28.83)
Equity	**27,709.77**	**26,641.68**
Provisions for pensions and similar obligations	303.08	303.95
Interest-bearing debts	1,217.17	1,253.73
Provisions for decommissioning and restoration obligations	5,698.82	5,778.13
Other provisions	605.48	601.80
Other financial liabilities	283.78	289.28
Deferred tax liabilities	11.19	11.05
Non-current liabilities	**8,119.52**	**8,237.94**
Trade payables	2,740.84	2,958.26
Interest-bearing debts	192.00	189.04
Current income tax payable	270.19	258.76
Other provisions and decommissioning	763.31	651.84
Other financial liabilities	355.68	318.87
Other liabilities	1,223.05	790.37
Current liabilities	**5,545.07**	**5,167.14**
Liabilities associated with assets held for sale	-	0.11
Total equity and liabilities	**41,374.36**	**40,046.87**

Notes to the statement of financial position as of March 31, 2014

Capital expenditure increased to RON 1,249 mn (Q1/13: RON 1,001 mn) influenced by substantially higher CAPEX in E&P, slightly compensated by lower investments in G&P.

Investments in E&P activities (RON 1,084 mn) represented 87% of total CAPEX for the first three months of 2014, being 24% above the Q1/13 level and were focused on activities related to drilling development wells, integrated field redevelopment initiatives, workover activities and sub-surface operations, surface facilities, as well as investments related to the Totea Deep project.

R&M investments (RON 155 mn) accounted for 12% of total investments in the first three months of 2014 and were mainly related to the Petrobrazi modernization program (including Vacuum Gas Oil conversion project). In addition, investment funds were also directed to efficiency projects, as well as to legal and environmental compliance projects.

CAPEX for the Corporate & Other (Co&O) segment was RON 9 mn, or 1% of total investment, largely referring to investments directed to IT projects.

Compared to the year-end 2013, total assets increased by RON 1,327 mn, to RON 41,374 mn. The change was mostly driven by the increase in cash and cash equivalents by RON 650 mn and also by the net increase of property, plant and equipment and intangible assets of RON 388 mn, as the investments exceeded depreciation and impairments.

Equity amounted to RON 27,710 mn as of March 31, 2014, as a result of the net profit generated in the current period. The Group's equity ratio[1] stood at 67% at the end of March 2014, similar to the level of December 2013.

Total interest bearing debt decreased from RON 1,443 mn as of December 31, 2013 to RON 1,409 mn as of March 31, 2014, mainly as a result of the reimbursements made during Q1/14 to the European Investment Bank and also as a result of EUR depreciation against RON at the end of Q1/14 compared to end of Q4/13.

The Group's liabilities other than interest bearing debt increased by RON 293 mn, mostly due to higher tax liabilities following the introduction of a new tax for construction in 2014 in Romania, partially compensated by the reduction in trade payables.

Petrom Group's net debt[2] shows a significant decrease reaching a surplus of RON 356 mn, compared to the net debt of RON 332 mn at the end of 2013, as the cash flows generated by operations more than exceeded the cash outflows for investments and financing activities. Consequently, the gearing ratio[3] as of March 31, 2014 decreased to a negative value of (1.29)%, from the positive level of 1.25% as of December 2013.

[1] Equity ratio is calculated as Equity/(Total Assets) x 100
[2] Net debt is calculated as interest bearing debt including financial lease liability less cash and cash equivalents
[3] Gearing ratio is calculated as Net debt/(Equity) x 100

Cash flows (condensed, unaudited)

Q4/13	Q1/14	Q1/13	Summarized statement of cash flows (in RON mn)	2013	2012
1,302.77	**1,339.60**	**1,583.66**	**Profit before taxation**	**5,698.60**	4,826.26
83.18	36.84	7.04	Net change in provisions	(60.31)	(227.36)
0.27	(3.49)	7.24	Losses/(gains) on the disposal of non-current assets	(1.50)	74.38
917.12	812.43	779.34	Depreciation, amortization including write-ups	3,354.72	2,852.22
(25.23)	(4.75)	(6.40)	Net interest paid	(64.18)	(67.79)
(241.43)	(229.09)	(232.19)	Tax on profit paid	(904.74)	(985.70)
90.94	78.57	(45.32)	Other adjustments	102.25	706.31
2,127.62	**2,030.12**	**2,093.37**	**Sources of funds**	**8,124.84**	**7,178.32**
(24.54)	(72.08)	270.02	(Increase)/decrease in inventories	145.53	(25.46)
(32.47)	(30.64)	(33.41)	(Increase)/decrease in receivables	339.72	(161.54)
(229.26)	144.48	(484.75)	(Decrease)/increase in liabilities	(562.10)	194.12
1,841.35	**2,071.88**	**1,845.23**	**Net cash from operating activities**	**8,047.99**	**7,185.44**
(1,434.46)	(1,408.77)	(1,264.46)	Intangible assets and property, plant and equipment	(4,995.37)	(5,129.65)
-	(0.28)	(0.10)	Investments, loans and other financial assets	(0.10)	-
11.60	7.48	8.10	Proceeds from sale of non-current assets	47.14	64.42
(0.02)	15.99	53.76	Proceeds from sale of subsidiaries, net of cash disposed	53.74	9.92
(1,422.88)	**(1,385.58)**	**(1,202.70)**	**Net cash used in investing activities**	**(4,894.59)**	**(5,055.31)**
(547.30)	(32.99)	(29.16)	Decrease in borrowings	(837.34)	(478.15)
(9.35)	(0.36)	(0.78)	Dividends paid	(1,574.31)	(1,741.39)
(556.65)	**(33.35)**	**(29.94)**	**Net cash from financing activities**	**(2,411.65)**	**(2,219.54)**
(0.09)	(3.15)	0.28	Effect of exchange rate changes on cash and cash equivalents	(0.16)	2.22
(138.27)	**649.80**	**612.87**	**Net (decrease)/increase in cash and cash equivalents**	**741.59**	**(87.19)**
1,546.51	1,408.24	666.65	Cash and cash equivalents at beginning of period	666.65	753.84
1,408.24	**2,058.04**	**1,279.52**	**Cash and cash equivalents at end of period**	**1,408.24**	**666.65**

Notes to the cash flows

In Q1/14, free cash flow (defined as net cash from operating activities less net cash used in investing activities) showed an inflow of funds of RON 686 mn (Q1/13: RON 643 mn). Free cash flow less dividend payments resulted in a cash inflow of RON 686 mn (Q1/13: RON 642 mn).

The inflow of funds from profit before taxation, adjusted for non-cash items such as depreciation, net change of provisions and other non-cash adjustments, as well as net interest and income tax paid was RON 2,030 mn (Q1/13: RON 2,093 mn).

Net working capital generated a cash inflow of RON 42 mn (Q1/13: outflow of RON 248 mn), since Q1/13 was impacted by the payments made following the receipt of the results of the fiscal review for the years 2009 and 2010 in Petrom.

Net cash flow used in investing activities (outflow of RON 1,386 mn; Q1/13: RON 1,203 mn) mainly includes payments for investments in intangible assets and property, plant and equipment.

Net cash flow related to financing activities shows an outflow of funds amounting to RON 33 mn (Q1/13: RON 30 mn), mainly coming from repayment of the tranche from loan received from the European Investment Bank that became due.

Condensed statement of changes in equity (unaudited)

in RON mn	Share capital	Revenue reserves	Other reserves[1]	Treasury shares	Stockholders' equity	Non-controlling interests	Total Equity
January 1, 2014	**5,664.41**	**21,000.68**	**5.44**	**(0.02)**	**26,670.51**	**(28.83)**	**26,641.68**
Net income for the period	-	1,075.44	-	-	1,075.44	(0.43)	1,075.01
Other comprehensive income for the period	-	-	(7.04)	-	(7.04)	0.12	(6.92)
Total comprehensive income for the period	**-**	**1,075.44**	**(7.04)**	**-**	**1,068.40**	**(0.31)**	**1,068.09**
Dividend distribution	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-
Distribution of own shares	-	-	-	-	-	-	-
Change in interests	-	-	-	-	-	-	-
March 31, 2014	**5,664.41**	**22,076.12**	**(1.60)**	**(0.02)**	**27,738.91**	**(29.14)**	**27,709.77**

in RON mn	Share capital	Revenue reserves	Other reserves[1]	Treasury shares	Stockholders' equity	Non-controlling interests	Total equity
January 1, 2013	**18,983.37**	**4,396.08**	**58.84**	**(0.02)**	**23,438.27**	**(32.93)**	**23,405.34**
Net income for the period	-	1,330.06	-	-	1,330.06	1.45	1,331.51
Other comprehensive income for the period	-	-	(0.57)	-	(0.57)	(0.83)	(1.40)
Total comprehensive income for the period	**-**	**1,330.06**	**(0.57)**	**-**	**1,329.49**	**0.62**	**1,330.11**
Dividend distribution	-	-	-	-	-	-	-
Purchase of own shares	-	-	-	-	-	-	-
Distribution of own shares	-	-	-	-	-	-	-
Change in interests	-	50.83	(50.83)	-	-	0.01	0.01
March 31, 2013	**18,983.37**	**5,776.97**	**7.44**	**(0.02)**	**24,767.76**	**(32.30)**	**24,735.46**

[1] *Other reserves contain mainly exchange differences from the translation of foreign operations and reserves from business combinations in stages.*

Dividends

At the Annual General Meeting of Shareholders held on April 29, 2014, the shareholders of OMV Petrom S.A. approved the distribution of dividends for the financial year 2013 for the gross amount of RON 1,745 mn. Payment of the dividends will start on June 5, 2014.

Segment reporting

Intersegmental sales

Q4/13	Q1/14	Q1/13	∆%	in RON mn	2013	2012	∆%
3,115.23	3,045.41	2,978.04	2	Exploration and Production	12,112.56	12,071.98	0
101.46	106.77	140.22	(24)	Gas and Power	435.56	446.63	(2)
49.98	37.37	45.37	(18)	Refining and Marketing	180.65	162.36	11
140.18	139.70	133.78	4	Corporate and Other	553.25	561.49	(1)
3,406.85	**3,329.25**	**3,297.41**	**1**	**Total**	**13,282.02**	**13,242.46**	**0**

Sales to external customers

Q4/13	Q1/14	Q1/13	∆%	in RON mn	2013	2012	∆%
254.82	264.06	313.23	(16)	Exploration and Production	1,107.85	919.94	20
1,077.08	1,044.91	1,136.58	(8)	Gas and Power	3,879.91	3,696.19	5
4,684.98	3,961.71	4,322.41	(8)	Refining and Marketing	19,127.63	21,587.19	(11)
18.03	25.25	16.71	51	Corporate and Other	69.83	54.81	27
6,034.91	**5,295.93**	**5,788.93**	**(9)**	**Total**	**24,185.22**	**26,258.13**	**(8)**

Total sales (not consolidated)

Q4/13	Q1/14	Q1/13	∆%	in RON mn	2013	2012	∆%
3,370.05	3,309.47	3,291.27	1	Exploration and Production	13,220.41	12,991.92	2
1,178.54	1,151.68	1,276.80	(10)	Gas and Power	4,315.47	4,142.82	4
4,734.96	3,999.08	4,367.78	(8)	Refining and Marketing	19,308.28	21,749.55	(11)
158.21	164.95	150.49	10	Corporate and Other	623.08	616.30	1
9,441.76	**8,625.18**	**9,086.34**	**(5)**	**Total**	**37,467.24**	**39,500.59**	**(5)**

Segment and Group profit

Q4/13	Q1/14	Q1/13	∆%	in RON mn	2013	2012	∆%
1,265.21	1,372.08	1,416.81	(3)	EBIT Exploration and Production	5,528.61	5,466.57	1
9.56	36.63	113.02	(68)	EBIT Gas and Power	112.43	359.80	(69)
106.92	71.47	96.03	(26)	EBIT Refining and Marketing	385.53	137.52	180
(38.22)	(10.34)	(15.27)	(32)	EBIT Corporate and Other	(97.25)	(116.52)	(17)
1,343.47	**1,469.84**	**1,610.59**	**(9)**	**EBIT segment total**	**5,929.32**	**5,847.37**	**1**
58.60	1.81	(28.93)	n.m.	Consolidation: Elimination of intersegmental profits	28.54	(185.37)	n.m.
1,402.07	**1,471.65**	**1,581.66**	**(7)**	**Petrom Group EBIT**	**5,957.86**	**5,662.00**	**5**
(99.30)	**(132.05)**	**2.00**	**n.m.**	**Net financial result**	**(259.26)**	**(835.74)**	**(69)**
1,302.77	**1,339.60**	**1,583.66**	**(15)**	**Petrom Group profit from ordinary activities**	**5,698.60**	**4,826.26**	**18**

Assets[1]

in RON mn	March 31, 2014	Dec 31, 2013
Exploration and Production	22,729.71	22,296.95
Gas and Power	2,910.32	2,948.54
Refining and Marketing	5,498.73	5,491.25
Corporate and Other	723.81	737.37
Total	**31,862.57**	**31,474.11**

[1] *Segment assets consist of intangible assets and property, plant and equipment*

Other notes

Significant transactions with related parties

Business transactions in the form of supplies of goods and services take place on a constant and regular basis with companies from OMV Group such as OMV Supply & Trading AG and OMV Refining & Marketing GmbH.

Financial Ratios (presented in accordance with National Securities Commission Instruction No. 1/2006 requirements)

Financial Ratio	Formula	Value
Current ratio	Current Assets / Current Liabilities	1.16
Gearing Ratio (%)	Net debt / Equity*100	(1.29)
Days in receivables	Receivables average balance / Turnover*90	25.49
Fixed assets turnover [1]	Turnover / Fixed assets	0.68

[1] *Fixed assets turnover is calculated based on turnover for Q1/14*(360/90) days.*

Subsequent events

On April 2, Petrom announced having completed the modernization of the fuels terminal in Bacău. The EUR 18 mn investment is part of the storage infrastructure modernization program to build three new terminals and modernize another three terminals. The fuels terminal in Bacău will ensure supply for the north-eastern part of Romania.

On April 29, the Ordinary General Meeting of Shareholders (OGMS) approved OMV Petrom S.A.'s Revenues and Expenditures Budget for the financial year 2014, with investments estimated at RON 6.6 bn. The OGMS also approved a gross dividend of RON 0.0308/share for the financial year 2013, for a total amount of RON 1,745 mn, corresponding to a 36% payout ratio. The OGMS reappointed Ernst & Young Assurance Service S.R.L. as the company's financial auditor for 2014 and appointed Johann Pleininger as the new member of the Supervisory Board for the remaining term of Jacobus Gerardus Huijskes's mandate, respectively until 28 April 2017.

Declaration of the management

We confirm to the best of our knowledge that the interim condensed consolidated financial statements for the period ended March 31, 2014, prepared in accordance with the International Financial Reporting Standards, offer a true and fair view of Petrom Group's assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the statements of operations and the information presented in this report give a true and fair view of important events that have occurred during the first three months of the financial year and their impact on the interim condensed consolidated financial statements.

Bucharest, May 13, 2014

The Executive Board

Mariana Gheorghe
Chief Executive Officer
President of the Executive Board

Andreas Matje
Chief Financial Officer
Member of the Executive Board

Gabriel Selischi
Member of the Executive Board
Exploration and Production

Cristian Secosan
Member of the Executive Board
Gas and Power

Neil Anthony Morgan
Member of the Executive Board
Refining and Marketing

Abbreviations and definitions

ANRE	Romanian Energy Regulatory Authority
bbl	barrel(s), i.e. 159 liters
bcf	billion cubic feet; 1 bcm= 35.3147 bcf for Romania or 34.7793 bcf for Kazakhstan
boe; kboe; kboe/d	barrels of oil equivalent; thousand barrels of oil equivalent; kboe per day
bn	billion
bcm	billion cubic meters
capital employed	equity including minorities plus net debt
cbm	cubic meters
CEO	Chief Executive Officer
Co&O	Corporate and Other
CAPEX	Capital expenditure
CCS	Current cost of supply
CFPS	Cash Flow Per Share
CO_2	carbon dioxide
EBIT	Earnings before interest and tax
E&P	Exploration and Production
EPS	Earnings per share
EUR	euro
ExxonMobil	ExxonMobil Exploration and Production Romania Limited ("ExxonMobil")
FX	Foreign Exchange
G&P	Gas and Power
HSSE	Health, Safety, Security and Environment
IFRSs; IASs	International Financial Reporting Standards; International Accounting Standards
mn	million
MWh	megawatt hour
NBR	National Bank of Romania
NGL	Natural Gas Liquids
n.a.	not applicable/not available (after case)
n.m.	not meaningful i.e. deviation exceeds (+/-)500% or comparison is made between positive and negative values
NOPAT	Net Operating Profit After Tax. Profit on ordinary activities after taxes plus net interest on net borrowings, +/– result from discontinued operations, +/– tax effect of adjustments
OPCOM	The administrator of the Romanian electricity market
OPEX	Operating Expenditures
Q	quarter
ROACE	Return On Average Capital Employed = NOPAT/Average Capital Employed (%)
ROE	Return On Equity = Net Profit/Average Equity (%)
ROFA	Return On Fixed Assets = EBIT/Average Fixed Assets (%)
RON	Romanian leu
R&M	Refining and Marketing
S.A.; S.R.L.	Societate pe Actiuni (Joint-stock company); Societate cu Raspundere Limitata (Limited liability company)
TOC	Tasbulat Oil Corporation
t/y	tons/year
TWh	terawatt hour
USD	United States dollar

Appendix 1

Consolidated companies in Petrom Group at March 31, 2014

Parent company
OMV Petrom S.A.

Subsidiaries

EXPLORATION & PRODUCTION		**REFINING & MARKETING**	
Tasbulat Oil Corporation LLP (Kazakhstan)[1]	100.00%	OMV Petrom Marketing S.R.L. (Romania)	100.00%
OMV Petrom Ukraine E&P GmbH	100.00%	Petrom Aviation S.A. (Romania)	99.99%
OMV Petrom Ukraine Finance Services GmbH	100.00%	ICS Petrom-Moldova S.A. (Republic of Moldova)	100.00%
Kom Munai LLP (Kazakhstan)	95.00%	OMV Bulgaria OOD (Bulgaria)	99.90%
Petrom Exploration & Production Ltd.	50.00%	OMV Srbija DOO (Serbia)	99.96%

GAS & POWER		**CORPORATE & OTHER**	
OMV Petrom Gas S.R.L.	99.99%	Petromed Solutions S.R.L.	99.99%
OMV Petrom Wind Power S.R.L.	99.99%		

[1] *Owned through Tasbulat Oil Corporation BVI as holding company*

Associated company, accounted for at equity	
Congaz S.A. (Romania)	28.59%

Contact

Sorana Baciu
Strategy and Investor Relations
Tel: +40 372 088406; Fax: +40 21 30 68518
E-mail address: investor.relations.petrom@petrom.com

Next release:

The next results announcement for January – June and Q2 2014 will be released on August 12, 2014, presenting Petrom Group consolidated results prepared according to IFRS.