Investor News

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OMV Petrom S.A.

OMV Petrom Group: results[1] for Q4 and January – December 2014

Q4/14 vs Q4/13

- **Clean CCS EBIT down 26%, mainly due to lower crude prices**
- **Group hydrocarbon production maintained stable**
- **Gas sales volumes up 5%; Petrobrazi refinery is delivering a good performance post modernization**
- **Strong financial position as at end-2014**
- **2015: investments reduced by 20 - 35% vs 2014, including portfolio optimization and further cost efficiency initiatives, to cope with current market challenges**

Mariana Gheorghe, CEO of OMV Petrom S.A.:
"In 2014, we continued our stabilization effort, with the second year in a row of marginal hydrocarbon production increase yoy in Romania. In exploration, we have made the largest onshore and offshore investment since privatization. The success rate of our traditional exploration (excluding deep offshore) stood at 60%. We have resumed our drilling activity in the Neptun block with two new wells spudded, Domino-2 and Pelican South-1; in 2015, we will continue our exploration program as planned. In G&P, business challenges persisted due to lower gas market demand and negative spark spreads which led to a deteriorated result of the Brazi power plant. In R&M, we have successfully completed the Petrobrazi refinery modernization, which delivered the planned increase of USD 5/bbl in the indicator refining margin, contributing to a good end-year result, and strengthened the integration value of the company.
In light of the volatile and potentially prolonged weaker market fundamentals, we are scaling back our investment plans for 2015 and have intensified cost optimization programs whilst maintaining our potential growth projects in the Black Sea. In 2015, we expect public consultations on the fiscal and regulatory environment to continue, as announced by the authorities, and we aim for a stable, predictable and investment-friendly framework, which is a key precondition for future investments."

Q3/14	Q4/14	Q4/13	Δ%	Key performance indicators (in RON mn)	2014	2013	Δ%
1,352	(111)	1,402	n.m.	EBIT	3,338	5,958	(44)
1,552	1,026	1,378	(26)	Clean CCS EBIT [2]	5,202	6,015	(14)
1,020	(304)	1,158	n.m.	Net income attributable to stockholders [3]	2,103	4,821	(56)
1,189	668	1,138	(41)	Clean CCS net income attributable to stockholders [2, 3]	3,764	4,869	(23)
0.0180	(0.0054)	0.0204	n.m.	EPS (RON)	0.0371	0.0851	(56)
0.0210	0.0118	0.0201	(41)	Clean CCS EPS (RON) [2]	0.0665	0.0860	(23)
1,589	1,851	1,841	1	Cash flow from operating activities	6,830	8,048	(15)
-	-	-	n.a.	Dividend/share (RON)	n.a.[4]	0.0308	n.a.

[1] *The financials are unaudited and represent OMV Petrom Group's (herein after also referred to as "the Group") consolidated results prepared according to IFRS; all the figures refer to OMV Petrom Group, unless otherwise stated; financials are expressed in RON mn and rounded to closest integer value, so minor differences may result upon reconciliation; OMV 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*
[4] *Proposal to the Supervisory Board and the General Meeting of Shareholders currently under consideration*

OMV Petrom

Financial highlights

Q3/14	Q4/14	Q4/13	Δ%	in RON mn	2014	2013	Δ%
5,475	5,347	6,035	(11)	Sales [1]	21,541	24,185	(11)
1,355	369	1,265	(71)	EBIT E&P [2]	3,932	5,529	(29)
(106)	(736)	10	n.m.	EBIT G&P	(818)	112	n.m.
179	(390)	107	n.m.	EBIT R&M	(79)	386	n.m.
(41)	(40)	(38)	6	EBIT Co&O	(151)	(97)	55
(36)	687	59	n.m.	Consolidation	454	29	n.m.
1,352	**(111)**	**1,402**	**n.m.**	**EBIT Group**	**3,338**	**5,958**	**(44)**
(75)	**(981)**	**37**	**n.m.**	**Special items [3]**	**(1,592)**	**(33)**	**n.m.**
(75)	(27)	(17)	60	thereof: Personnel and restructuring	(104)	(21)	404
(4)	(917)	0	n.a.	Unscheduled depreciation	(1,412)	(66)	n.m.
3	(38)	54	n.m.	Other	(76)	54	n.m.
(125)	(156)	(14)	n.m.	CCS effects: Inventory holding gains/(losses)	(272)	(24)	n.m.
1,433	532	1,274	(58)	Clean EBIT E&P [2, 4]	4,667	5,542	(16)
(107)	18	23	(20)	Clean EBIT G&P [4]	(63)	167	n.m.
303	230	60	284	Clean CCS EBIT R&M [4]	654	374	75
(41)	(40)	(37)	9	Clean EBIT Co&O [4]	(108)	(96)	12
(36)	285	59	387	Consolidation	52	29	81
1,552	**1,026**	**1,378**	**(26)**	**Clean CCS EBIT [4]**	**5,202**	**6,015**	**(14)**
1,276	(277)	1,303	n.m.	Income from ordinary activities	2,909	5,699	(49)
1,020	(307)	1,158	n.m.	Net income	2,100	4,824	(56)
1,020	(304)	1,158	n.m.	Net income attributable to stockholders [5]	2,103	4,821	(56)
1,189	**668**	**1,138**	**(41)**	**Clean CCS net income attributable to stockholders [4, 5]**	**3,764**	**4,869**	**(23)**
0.0180	(0.0054)	0.0204	n.m.	EPS (RON)	0.0371	0.0851	(56)
0.0210	0.0118	0.0201	(41)	Clean CCS EPS (RON) [4]	0.0665	0.0860	(23)
1,589	1,851	1,841	1	Cash flow from operating activities	6,830	8,048	(15)
0.0280	0.0327	0.0325	1	CFPS (RON)	0.1206	0.1421	(15)
1,062	890	332	168	Net debt	890	332	168
4	3	1	164	Gearing (%) [6]	3	1	164
1,575	1,758	1,817	(3)	Capital expenditure	6,239	5,303	18
	-	-	n.a.	Dividend/share (RON)	n.a.[7]	0.0308	n.a.
-	-	-	n.a.	ROFA (%)	10.3	19.7	(48)
-	-	-	n.a.	ROACE (%)	7.6	19.0	(60)
-	-	-	n.a.	Clean CCS ROACE (%) [4]	13.6	19.2	(29)
-	-	-	n.a.	ROE (%)	7.8	19.4	(60)
20	(11)	11	n.m.	Group tax rate (%)	28	15	81
18,210	16,948	19,619	(14)	OMV Petrom Group employees at the end of the period	16,948	19,619	(14)

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
[7] Proposal to the Supervisory Board and General Meeting of Shareholders currently under consideration.

Business segments

Exploration and Production (E&P)

Q3/14	Q4/14	Q4/13	Δ%	in RON mn	2014	2013	Δ%
1,355	369	1,265	(71)	EBIT [1]	3,932	5,529	(29)
(77)	(164)	(9)	n.m.	Special items	(735)	(13)	n.m.
1,433	532	1,274	(58)	Clean EBIT [1]	4,667	5,542	(16)

Q3/14	Q4/14	Q4/13	Δ%	Key performance indicators	2014	2013	Δ%
16.39	16.71	16.66	0	Total hydrocarbon production (mn boe)	65.82	66.64	(1)
178	182	181	0	Total hydrocarbon production (kboe/d)[2]	180	183	(1)
7.68	7.74	8.02	(3)	Crude oil and NGL production (mn bbl)	30.94	32.10	(4)
1.33	1.37	1.32	4	Natural gas production (bcm)	5.34	5.29	1
47.04	48.47	46.76	4	Natural gas production (bcf)	188.54	186.91	1
100.93	75.85	108.90	(30)	Average Urals price (USD/bbl)	97.95	108.30	(10)
89.77	64.25	97.79	(34)	Average Group realized crude price (USD/bbl)	86.67	96.85	(11)
370	426	88	382	Exploration expenditures (RON mn)	1,224	453	170
28	(5)	70	n.m.	Exploration expenses (RON mn)	156	423	(63)
16.37	17.02	17.52	(3)	OPEX (USD/boe)	17.27	15.45	12

[1] Excluding intersegmental profit elimination; [2] Production figures in kboe/d are rounded

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

- **Clean EBIT impacted by lower oil prices**
- **Group hydrocarbon production was stable, while Romanian production was slightly higher**
- **Neptun Deep: Pelican South-1 drilling started in October, Domino-2 drilling finalized, data interpretation continued**

In Q4/14, the average Urals crude price decreased to USD 75.85/bbl, 30% lower compared to Q4/13. The average realized crude price also decreased by 34% to USD 64.25/bbl.

Clean EBIT decreased by 58% to RON 532 mn in Q4/14, mainly due to lower oil sales in spite of favorable FX rates (USD 8% stronger against RON) and lower exploration expenses. When accounting for special items, mostly in relation to the impairment in Kazakhstan triggered by unsuccessful field redevelopment results in the TOC fields and the restructuring provision in Romania, reported EBIT stood at RON 369 mn, 71% below the level of Q4/13.

Group production costs (OPEX) in USD/boe decreased by 3%, mainly resulting from by favourable FX rates and slightly higher production in Romania. In Romania, production costs decreased by 4% in USD/boe, while, in RON terms, they were 4% above the Q4/13 level, predominantly due to new construction tax introduced in 2014.

Exploration expenditures increased to RON 426 mn, mainly in relation to the drilling of Domino-2 and Pelican South-1 in the deep offshore Black Sea. Exploration expenses amounted to RON (5) mn, in Q4/14, mostly due to a reclassification of project costs.

Group daily hydrocarbon production was 181.6 kboe/d (of which 172.2 kboe/d in Romania) and total production stood at 16.7 mn boe, mainly reflecting slightly higher production in Romania and lower production in Kazakhstan. In Romania, total oil and gas production stood at 15.85 mn boe, 1% above the Q4/13 level (15.68 mn boe). Domestic crude oil production was 6.96 mn bbl, 3% below the Q4/13 level (7.20 mn bbl) due to planned workovers and weather conditions. Domestic gas production was higher at 8.89 mn boe, mostly supported by the new wells put on stream in the Totea and Mamu fields. In Kazakhstan, production amounted to 0.86 mn boe, 12% lower compared to the same period of 2013, mainly reflecting steep natural decline of key fields. Hydrocarbon sales volumes have slightly increased compared to Q4/13, mainly triggered by the higher gas sales volumes in Romania and oil sales in Kazakhstan.

In Q4/14, we finalized the drilling of 41 new wells and sidetracks, compared to 38 new wells performed in the same quarter last year.

Fourth quarter 2014 (Q4/14) vs. third quarter 2014 (Q3/14)

Clean EBIT decreased by 63% in Q4/14 mostly due to lower oil prices, which offset the favorable effect from FX rates (USD 7% stronger against RON). Reported EBIT dropped 73% below Q3/14, also reflecting higher special items.

Group production costs in USD/boe increased by 4% compared to Q3/14 level. Production costs in Romania increased by 4% when expressed in USD/boe, and by 10% in RON/boe terms (RON 58.05/boe), as Q4/14 was mainly influenced by costs related to increased services and maintenance activity.

Exploration expenditures increased by 15% to RON 426 mn mainly due to intensified drilling activity in the Black Sea.

Group daily production stood at 181.6 kboe/d while total production was 16.71 mn boe (Q3/14: 16.39 mn boe), with increased production in Romania and in Kazakhstan. Group sales volumes increased by 2% compared to the Q3/14 level, largely due to higher sales in Kazakhstan and higher gas sales in Romania.

January – December 2014 vs. January – December 2013

Average Urals crude prices decreased by 10% compared to 2013 to USD 97.95/bbl. The average Group realized crude price was USD 86.67/bbl, 11% lower than in 2013.

Clean EBIT went down by 16% to RON 4,667 mn, mainly driven by lower oil and NGL sales and higher production costs. Reported EBIT reached RON 3,932 mn, 29% lower than 2013, due to higher special charges which were mostly related to impairments in Kazakhstan triggered by unsuccessful field redevelopment results in the TOC fields.

Group production costs in USD/boe of USD 17.27/boe, were 12% higher, compared to the 2013 level, reflecting the higher production costs in Romania and lower production for sale in Kazakhstan, in spite of favorable FX rates. Production costs in Romania expressed in USD/boe were USD 16.84/boe, 13% higher than the 2013 level, while in RON terms they increased by 13% to RON 56.32/boe, mostly due to the new construction tax introduced in 2014 and higher personnel costs.

Exploration expenditures reached RON 1,224 mn, which mainly include the capitalized expenditures in relation with the drilling activities in the Black Sea associated with Domino-2 and Pelican South-1. Exploration expenses amounted to RON 156 mn in 2014 and were down by 63% mostly due to less seismic works in 2014 and lower drilling write-off, while 2013 was influenced by the largest ever 3D seismic campaign in the Romanian sector of the Black Sea.

Group oil, gas and NGL production in 2014 totaled 65.82 mn boe, 1% lower than the 2013 level as a result of decreased production in Kazakhstan. In Romania, total oil, gas and NGL production increased to 62.57 mn boe, slightly higher compared to the previous year. Domestic crude oil production was 27.98 mn bbl, 2% lower than 2013 due to planned workovers and weather conditions. Domestic gas production reached 34.58 mn boe, 2% higher compared to 2013. Oil and gas production in Kazakhstan decreased by 21% to 3.25 mn boe, as an effect of technical constraints. Group sales volumes were slightly lower compared to the 2013, supported by the higher gas sales in Romania.

As of December 31, 2014 the total proved oil and gas reserves in OMV Petrom Group's portfolio amounted to 690 mn boe (of which Romania had 671 mn boe), while the proved and probable oil and gas reserves amounted to 977 mn boe (of which Romania had 930 mn boe). The Group's three-year average reserve replacement rate decreased to 39% in 2014 (2013: 48%), in Romania it also decreased to 39% (2013: 48%). For the single year 2014, the Group's rate was 42% (2013: 31%), while the reserve replacement rate in Romania was 42% (2013: 32%), mainly as a result of exploration and appraisal wells, reservoir studies performed and better performance of new drilled wells.

Gas and Power (G&P)

Q3/14	Q4/14	Q4/13	∆%	in RON mn	2014	2013	∆%
(106)	(736)	10	n.m.	EBIT	(818)	112	n.m.
1	(755)	(13)	n.m	Special items	(755)	(55)	n.m.
(107)	18	23	(20)	Clean EBIT	(63)	167	n.m.

Q3/14	Q4/14	Q4/13	∆%	Key performance indicators	2014	2013	∆%
798	1,340	1,260	5	Gas sales volumes (mn cbm) [1]	4,419	4,893	(9)
8.68	14.31	13.56	5	Gas sales volumes (TWh) [1]	47.70	52.70	(9)
53.3	53.3	49.8	7	Average regulated domestic gas price for households (RON/MWh)	52.3	47.4	10
89.4	89.4	68.3	31	Average regulated domestic gas price for non-households (RON/MWh)	85.1	58.7	45
104	130	131	(1)	Average import gas price (RON/MWh) [2]	120	131	(9)
0.08	0.55	1.03	(47)	Net electrical output (TWh)	1.32	2.86	(54)
139	189	172	10	OPCOM spot average electricity base load price (RON/MWh) [3]	154	156	(1)
161	227	215	6	OPCOM average electricity peak load price (RON/MWh) [3]	187	197	(5)

[1] *Including internal transfers within OMV Petrom S.A. (e.g. Brazi power plant)*
[2] *Represents ANRE assumptions*
[3] *Q4/14 and 2014 data are preliminary*

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

- **Clean EBIT decreased due to the negative contribution of the power business, partly mitigated by the improved result of the gas business**
- **Gas sales volumes above Q4/13 level, mainly due to increased sales to the fertilizer industry**
- **Weaker spark spreads led to lower net electrical output of the Brazi power plant**

Clean EBIT decreased by 20% to RON 18 mn, reflecting the deteriorated negative contribution of the power business, partly mitigated by the improved result of the gas business. The latter was supported by the reversal of a RON 30 mn provision for outstanding receivables in Q4/14. Reported EBIT significantly decreased to RON (736) mn, mainly reflecting the impairment of the Brazi power plant due to the revised long-term market perspective.

National estimated gas consumption remained almost unchanged, while OMV Petrom's gas sales volumes increased by 5% compared to Q4/13, triggered by higher sales to the fertilizer industry, which more than compensated the reduced Brazi power plant utilization.

At the end of Q4/14, the total volume of natural gas stored by OMV Petrom amounted to 405 mn cbm compared to 160 mn cbm at the end of Q4/13 due to lower market demand in the injection period.

In Q4/14, the regulated domestic gas prices remained unchanged versus Q3/14 (RON 89.4/MWh for the non-household sector and RON 53.3/MWh for household consumers), but increased versus the Q4/13 levels. On the Romanian Commodities Exchange, the price of natural gas from domestic production varied between RON 84.9/MWh and RON 88/MWh for contracts signed and gas delivered in Q4/14. The average import gas price based on ANRE estimate was USD 400/1,000 cbm (or the equivalent of RON 129.6/MWh).

The average import quota set by ANRE for the non-household sector was 5% in Q4/14, significantly lower compared to an average of 18% in Q4/13.

National estimated gross electricity production increased by almost 5% versus the same quarter of last year, while the estimated national electricity demand remained relatively stable, Romania thus maintaining its position as net exporter of electricity (estimated export – import net balance of 2.2 TWh) in Q4/14.

According to preliminary data published by OPCOM, the base load electricity price averaged RON 189/MWh, while the peak load electricity price averaged RON 227/MWh. The net electrical output generated by the Brazi power plant was 0.52 TWh in Q4/14 (Q4/13: 1.00 TWh), due to weakened spark spreads following the significant increase in the gas price.

In Q4/14, the Dorobantu wind park had a net availability of 99% and delivered a net electrical output of almost 0.03 TWh, 14% higher than in Q4/13. For the electricity produced and delivered to suppliers, OMV Petrom Wind Power S.R.L. received ~41,300 green certificates, half of which are expected to become eligible for sale after January 1, 2018 (Q4/13: ~39,100 green certificates, half of them eligible for sale).

Fourth quarter 2014 (Q4/14) vs. third quarter 2014 (Q3/14)

Compared to Q3/14, Clean EBIT significantly improved in Q4/14, due to the positive contribution of the gas business, which was supported by the reversal of the RON 30 mn provision for outstanding receivables booked in Q3/14.

Estimated national gas consumption seasonally increased by 136% versus Q3/14, while OMV Petrom's gas sales volumes increased by only 67%, due to a portfolio mainly consisting of industrial consumers, which are less sensitive to seasonality.

The net electrical output of the Brazi power plant increased by 0.45 TWh compared to Q3/14 driven by favorable spark spread development, which allowed the Brazi power plant to be utilized for gas value chain optimization, in line with our strategic direction. Net electrical output of the wind park Dorobantu seasonally increased significantly.

January – December 2014 vs. January - December 2013

Clean EBIT declined significantly to RON (63) mn in 2014 compared to RON 167 mn in 2013, largely due to the negative power business contribution as a result of average negative spark spreads triggered by higher gas prices and slightly lower average electricity price. In addition, the contribution of the gas business was lower versus 2013 mainly due to lower gas sales volumes and increased storage costs (new transportation tariff and higher volumes). Reported EBIT of RON (818) mn reflected special items of RON (755) mn mainly related to the Q4/14 impairment of the Brazi power plant.

Total estimated gas consumption in Romania decreased by around 4% versus 2013 mainly due to lower demand from the chemical industry and mild winter. OMV Petrom's consolidated gas sales declined by 9%, which reflects the reduced off-take by heat and power plants compared to 2013.

Estimated national gross electricity production increased by almost 9% in 2014 versus 2013, while the estimated consumption remained relatively stable. The preliminary export – import net balance reached the record level of 7.2 TWh, also supported by regional market coupling starting November 2014. According to preliminary data published by OPCOM, electricity prices on the Romanian day-ahead market averaged RON 154/MWh for base load and RON 187/MWh for peak load in 2014.

In 2014, the total net electrical output of the Brazi power plant was 1.22 TWh (2013: 2.74 TWh), covering ~2% of Romania's electricity production over the full year and ~6% of the balancing market (2013: ~5% of Romania's electricity production and ~9% of the balancing market) according to estimated available information.

The Dorobantu wind park generated a net electrical output of 0.08 TWh versus 0.10 TWh in 2013. For the electricity produced and delivered to suppliers, OMV Petrom Wind Power S.R.L. received ~133,000 green certificates, half of which are expected to become eligible for sale after January 1, 2018 (2013: ~178,000 green certificates, thereof ~32,000 eligible for sale after January 1, 2018).

Refining and Marketing (R&M)

Q3/14	Q4/14	Q4/13	Δ%	in RON mn	2014	2013	Δ%
179	(390)	107	n.m.	EBIT	(79)	386	n.m.
1	(63)	61	n.m.	Special items	(60)	36	n.m.
(125)	(558)	(14)	n.m.	CCS effect: Inventory holding gains/(losses) [1]	(674)	(24)	n.m.
303	230	60	284	Clean CCS EBIT [1]	654	374	75

Q3/14	Q4/14	Q4/13	Δ%	Key performance indicators	2014	2013	Δ%
5.11	5.90	(4.39)	n.m.	Indicator refining margin (USD/bbl) [2]	1.89	(2.83)	n.m.
1.19	1.14	1.01	12	Refining input (mn t) [3]	4.01	4.01	0
103	101	90	11	Refinery utilization rate (%)	89	90	(1)
1.28	1.30	1.31	(1)	Total refined product sales (mn t) [4]	4.81	5.22	(8)
0.94	0.89	0.93	(4)	thereof Marketing sales volumes (mn t) [5]	3.38	3.62	(7)
779	780	785	(1)	Marketing retail stations	780	785	(1)

[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 Q3/14, the standard yield for the calculation of the indicator refining margin has been updated following the finalization of the Petrobrazi modernization program; previously reported figures were not adjusted; the actual refining margins realized by OMV 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] Includes all products sold by OMV Petrom Group
[5] Excludes export sales which are included in total refined product sales

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

- **Clean CCS EBIT significantly improved, mainly from the positive contribution from refining**
- **Higher indicator refining margin due to updated standard yields and higher product cracks**
- **Marketing sales volumes down by 4% mainly reflecting increased competition and lower demand**

In Q4/14, clean CCS EBIT increased to RON 230 mn, supported by strong refining margins, better operational performance after the refinery modernization and an improved marketing result. Net special items at the amount of RON (63) mn were recognized in Q4/14 related to the impairment of marketing assets in the Republic of Serbia. Decreased crude oil prices and lower product quotations led to a negative CCS effect of RON (558) mn, resulting in a reported EBIT of RON (390) mn.

The updated standard yield combined with lower cost for crude, resulted in the indicator refining margin at USD 5.90/bbl level in Q4/14 versus USD (4.39)/bbl in Q4/13.

The refinery utilization rate increased to 101% (90% in Q4/13), reflecting a temporarily higher throughput run given a high level of crude stock after mid-year planned shutdown. Consequently, the total quantity of refining input increased in Q4/14 by 12% compared to the level recorded in Q4/13.

Total refined product sales slightly decreased reflecting lower market demand. In addition, OMV Petrom had to build and maintain increased levels of compulsory stocks of oil products, above our previous optimum inventory levels.

Total group marketing sales volumes in Q4/14 were 4% below the Q4/13 level. Group retail sales, which accounted for 69% of total group marketing sales, decreased by 2% compared to Q4/13, mainly impacted by increased fuels taxation in Romania and higher competition. Commercial sales dropped by 7% reflecting lower sales of diesel due to competition, with challenging bitumen and fuel oil market in the region.

At the end of Q4/14, the total number of filling stations operated within OMV Petrom Group decreased by 5 units to 780 compared to Q4/13, mainly as a result of retail network optimization in Bulgaria initiated in mid- 2014.

Fourth quarter 2014 (Q4/14) vs. third quarter 2014 (Q3/14)

Clean CCS EBIT decreased in Q4/14 compared to Q3/14, driven by a seasonally lower marketing sales and oil product mix.

The refinery utilization rate stood at 101% while the indicator refining margin increased to USD 5.90/bbl in Q4/14 from USD 5.11/bbl in Q3/14, mainly as a result of lower cost for crude.

January – December 2014 vs. January – December 2013

Clean CCS EBIT significantly improved to RON 654 mn compared to RON 374 mn in 2013, supported by increased refining margins, improved operational performance after the refinery modernization and good marketing result. In 2014, we registered the first year with positive results in both business segments, reflecting the company's commitment to improve operational performance, to further pursue cost discipline and optimization of the downstream business.

The indicator **refining** margin increased to USD 1.89/bbl, from USD (2.83)/bbl in 2013, reflecting the updated standard yield following the completion of the Petrobrazi refinery modernization program and lower cost for crude .

In 2014, the refinery utilization rate stood at 89% reflecting the one month planned refinery shutdown in Q2/14.

Total **marketing** sales volumes decreased by 7% compared to 2013, affected by the increased taxation in Romania and higher competition in our operating region. In retail, Group sales volumes dropped by 4%, while commercial sales volumes fell by 11%, the negative trend being reflected in all products except gasoline and jet.

Outlook 2015

Market, regulatory and fiscal environment

We expect the **Brent** oil price to average between USD 50-60/bbl. The Brent-Urals spread is anticipated to stay relatively tight.

The **gas and power markets and regulatory framework** are undergoing continuous changes that may adversely impact the company's financial and operating results.
In 2015, **gas** demand in Romania is not expected to recover, which will lead to increased competition and further margin pressure.

Regulated gas prices and import obligation for non-household consumers have been abolished starting January 2015, while the price for domestic production to be paid by regulated households during H1/15 was set at RON 53.3/MWh (EUR 12.0/MWh), unchanged since July 1, 2014. The same price applies for the domestic gas volumes which Romanian gas producers are obliged to supply to the district heating sector (only for the quantities used to produce heat for household consumption). In addition, gas producers and suppliers must sell via Romanian centralized trading platforms up to approximately one third of their domestic gas quantities for the free market, which has proven to be a challenge in 2014.

In the **power** market, demand is anticipated to be relatively stable and prices to remain under pressure.

In 2015, **refining** margins are expected to come down from the recent highs, due to persisting overcapacity in local and European markets.
Due to the decreased oil price, lower product prices are expected to support the demand in the **marketing** business, nevertheless with increased competition.
The package of fiscal measures introduced starting February 2013 imposing a supplementary taxation for oil and gas producers was extended for 2015. In addition, the constructions tax was reduced to 1.0% from 1.5% in 2014.

This year, we expect public consultations with respect to upstream oil and gas taxation envisaged to be applicable starting 2016, as publicly announced by the authorities. Our aim remains to achieve a long term, stable and investment-friendly taxation and regulatory framework, a key precondition for future investments.

OMV Petrom Group in 2015

- CAPEX for 2015 is currently expected to be in the range of EUR 0.8 – 1.1 bn, of which approx. 85% will be dedicated to E&P;
- Intensified cost optimization programs across all business segments to be prepared for a potentially prolonged low oil price environment;
- Management intends to propose allocation of dividends for the 2014 financial year, subject to further approval by the Supervisory Board and the Annual General Meeting of Shareholders.

Exploration and Production

- We will continue our operational excellence initiatives focusing on efficiency, also taking into account the market operating environment;
- Operational activities will focus on delivering around 1,200 workovers and up to 70 new wells, dependent on market and fiscal environment;
- Value based prioritization of the FRD projects; projects under development/execution will be slowed-down, while those under appraisal phase will be re-engineered or reduced;
- Joint venture with Repsol: exploration drilling for two exploration wells is on-going; other two leads expected to progress;
- Joint venture with Hunt Oil: Padina Nord discovery to further advance; development options are under consideration;
- Joint-venture with ExxonMobil for Neptun Deep: Pelican South-1 well exploration operations on-going, expected to be completed in Q1/15; Domino-2 drilling completed; further exploration and appraisal drilling is expected in 2015. Domino-2 and Pelican South-1 results together with data from additional exploration wells will be used for the evaluation of the consolidated block potential;
- Further optimize E&P portfolio by selling selected marginal fields;

- In Kazakhstan – further pursue water injection schemes in both the TOC and Komsomolskoe fields in order to secure reservoir pressure support and slow down the natural decline of production, planned to be finalized in H1/2015.

Gas and Power

- The gas value chain will be optimized in an integrated manner so as to dynamically address challenges in the market and maximize value creation;
- Continued pressure on spark spreads is anticipated, which may lead to a negative result of the power business in 2015; in this context, the focus will be on strict cost management, portfolio optimization and capturing available market opportunities by capitalizing on the Brazi power plant operational flexibility;
- An outage of approximately three weeks is planned for the Brazi power plant in April.

Refining and Marketing

- We will further capitalize on the successful completion of the Petrobrazi refinery modernization along the whole value chain; moreover, the refinery will continue economic energy efficiency improvements;
- The fuel terminal network optimization program will continue with the reconstruction works at the Cluj terminal expected to be finalized by the end of 2015;
- Further pursue cost discipline and optimization of the downstream business.

Group interim financial statements and notes (condensed, unaudited)

Legal principles and general accounting policies

The condensed consolidated financial statements for 2014 have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

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

Changes in the consolidated Group

In 2014, the associated company OMV Petrom Global Solutions S.R.L. was consolidated in the Group by equity method of accounting.

On July 31, OMV Petrom sold its 28.59% interest in the non-core gas distribution and supply company Congaz SA to GDF SUEZ Energy Romania SA.

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.

Exchange rates

OMV Petrom uses the National Bank of Romania (NBR) exchange rates in its consolidation process. Income statements of subsidiaries are translated to RON using average of daily 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.

Q3/14	Q4/14	Q4/13	Δ%	NBR FX rates	2014	2013	Δ%
4.414	4.433	4.451	0	Average EUR/RON FX rate	4.444	4.419	1
3.326	3.547	3.271	8	Average USD/RON FX rate	3.349	3.328	1
4.415	4.482	4.485	0	Closing EUR/RON FX rate	4.482	4.485	0
3.483	3.687	3.255	13	Closing USD/RON FX rate	3.687	3.255	13

Income statement (unaudited)

Q3/14	Q4/14	Q4/13	Consolidated income statement (in RON mn)	2014	2013
5,475.30	5,346.70	6,034.91	Sales revenues	21,541.26	24,185.22
(106.08)	(124.21)	(173.42)	Direct selling expenses	(479.70)	(646.20)
(3,541.62)	(4,829.00)	(3,975.84)	Production costs of sales	(15,815.11)	(15,484.69)
1,827.60	**393.49**	**1,885.65**	**Gross profit**	**5,246.45**	**8,054.33**
125.68	67.18	137.77	Other operating income	315.73	298.26
(285.94)	(317.28)	(240.15)	Selling expenses	(1,077.68)	(1,090.38)
(49.85)	(47.62)	(54.26)	Administrative expenses	(189.21)	(193.56)
(27.56)	4.77	(69.74)	Exploration expenses	(156.17)	(423.45)
(238.38)	(211.36)	(257.20)	Other operating expenses	(800.82)	(687.34)
1,351.55	**(110.82)**	**1,402.07**	**Earnings before interest and taxes (EBIT)**	**3,338.30**	**5,957.86**
5.98	1.46	(1.40)	Income / (loss) from associated companies	10.67	4.40
28.80	8.36	23.21	Interest income	72.33	205.90
(164.85)	(185.66)	(74.56)	Interest expenses	(549.15)	(360.20)
54.17	9.18	(46.55)	Other financial income and expenses	37.03	(109.36)
(75.90)	**(166.66)**	**(99.30)**	**Net financial result**	**(429.12)**	**(259.26)**
1,275.65	**(277.48)**	**1,302.77**	**Profit from ordinary activities**	**2,909.18**	**5,698.60**
(255.93)	(29.53)	(144.46)	Taxes on income	(809.51)	(874.56)
1,019.72	(307.01)	**1,158.31**	**Net income for the period**	2,099.67	**4,824.04**
1,020.14	**(304.01)**	**1,157.69**	**thereof attributable to stockholders of the parent**	**2,102.67**	**4,820.85**
(0.42)	(3.00)	0.62	thereof attributable to non-controlling interests	(3.00)	3.19
0.0180	**(0.0054)**	**0.0204**	**Basic earnings per share (RON)**	**0.0371**	**0.0851**

Statement of comprehensive income (condensed, unaudited)

Q3/14	Q4/14	Q4/13	Consolidated statement of comprehensive income (in RON mn)	2014	2013
1,019.72	**(307.01)**	**1,158.31**	**Net income for the period**	**2,099.67**	**4,824.04**
(18.04)	1.31	(0.87)	Exchange differences from translation of foreign operations	(29.73)	(4.36)
(18.04)	**1.31**	**(0.87)**	**Total of items that may be reclassified ("recycled") subsequently to the income statement**	**(29.73)**	**(4.36)**
-	(21.01)	-	Remeasurement gains/ (losses) on defined benefit plans	(21.01)	-
-	**(21.01)**	**-**	**Total of items that will not be reclassified ("recycled") subsequently to the income statement**	**(21.01)**	**-**
(11.21)	(8.83)	1.34	Income tax relating to items that may be reclassified ("recycled") subsequently to the income statement	(19.21)	2.73
-	3.36	-	Income tax relating to items that will not be reclassified ("recycled") subsequently to the income statement	3.36	-
(11.21)	**(5.47)**	**1.34**	**Total income taxes relating to components of other comprehensive income**	**(15.85)**	**2.73**
(29.25)	**(25.17)**	**0.47**	**Other comprehensive income for the period, net of tax**	**(66.59)**	**(1.63)**
990.47	**(332.18)**	**1,158.78**	**Total comprehensive income for the period**	**2,033.08**	**4,822.41**
993.56	**(327.16)**	**1,157.71**	**thereof attributable to stockholders of the parent**	**2,040.50**	**4,818.27**
(3.09)	(5.02)	1.07	thereof attributable to non-controlling interests	(7.42)	4.14

Notes to the income statement

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

Consolidated sales in Q4/14 amounted to RON 5,347 mn and were 11% below Q4/13 value, mainly due to a lower price and sales volumes of petroleum products and due to lower sales volumes of electricity. These effects were partially offset by the combined effect of higher quantity and the higher selling price of natural gas sold. R&M represented 73% of total consolidated sales, G&P accounted for 23% and E&P for 4% (sales in E&P being largely intra-group sales rather than third-party sales).

The Group's EBIT amounted to RON (111) mn, significantly lower than the result recorded in Q4/13 (Q4/13: RON 1,402 mn), driven mainly by the impairment of the Brazi power plant in G&P due to the revised long-term market perspective. Also, the introduction of the new tax on construction in Romania, combined with a lower result from the sale of petroleum products due to the decrease of international quotations and increased excise in Romania, affected the result and offset the positive impact from lower exploration expenses.

Clean CCS EBIT of RON 1,026 mn is also below the value recorded in Q4/13 of RON 1,378 mn, due to the unfavorable crude price environment and the introduction of the construction tax. Clean CCS EBIT is stated after eliminating net special charges of RON (981) mn and inventory holding losses of RON (156) mn.

The net financial result decreased in Q4/14 to RON (167) mn compared with RON (99) mn in Q4/13. The negative result from Q4/14 was driven mainly by interest on taxes due following the fiscal review in OMV Petrom, partially offset by positive FX results.

The result from ordinary activities amounted to RON (277) mn and corporate income tax was RON 30 mn in Q4/14. Current tax expenses on the Group's income were RON 211 mn and deferred tax revenues amounted to RON 181 mn. The tax rate in Q4/14 was affected by one-off non-deductible late payment interest charges following a fiscal review.

Net result attributable to stockholders (i.e. net income attributable to stockholders of the parent) was RON (304) mn, while clean CCS net income attributable to stockholders was RON 668 mn. EPS was RON (0.0054) in Q4/14, versus RON 0.0204 in Q4/13, while Clean CCS EPS was RON 0.0118 compared to RON 0.0201 in Q4/13.

Fourth quarter 2014 (Q4/14) vs. third quarter 2014 (Q3/14)

Compared to Q3/14, sales slightly decreased by 2%, mainly due to the decrease of petroleum products sales, following the steep decline in oil prices, that fully off-set the positive result of a higher quantity of electricity sold and the seasonal increase in sales volumes of natural gas. EBIT significantly decreased to RON (111) mn (Q3/14: RON 1,352 mn), as the Q4/14 result was impacted by one-off charges representing mainly the impairment in the G&P segment. Q3/14 was positively influenced by the result from the transfer of non-current assets to the newly set-up associated company OMV Petrom Global Solutions.

Clean CCS EBIT decreased by 34% compared to Q3/14, to RON 1,026 mn, reflecting challenging developments of international oil markets in the last quarter.

The net financial result decreased to RON (167) mn (Q3/14: RON (76) mn), mainly due to late payment interest following the fiscal review in OMV Petrom, partially compensated by FX gains resulting from USD appreciation against RON.

Net result attributable to stockholders was RON (304) mn, significantly below Q3/14 result of RON 1,020 mn, while Clean CCS net income attributable to stockholders decreased by 44% to RON 668 mn.

January – December 2014 vs. January - December 2013

Consolidated sales for 2014 decreased by 11% compared to 2013, to RON 21,541 mn, largely due to lower crude and petroleum products sales, that more than offset higher sales of natural gas. R&M represented 77% of total consolidated sales, G&P accounted for 19% and E&P for approximately 4%.

The Group's EBIT amounted to RON 3,338 mn and is 44% lower than the 2013 result of RON 5,958 mn, mainly due to the impact of lower selling prices for petroleum products following the decrease of international quotations and due to the impairment in the G&P segment and in the E&P segment (Kazakhstan). The introduction of the construction tax and higher additional tax on natural gas sales in Romania further negatively affected the EBIT of the year. Clean CCS EBIT decreased by 14 % to RON 5,202 mn. Clean CCS EBIT is stated after eliminating net special charges of RON (1,592) mn and inventory holding losses of RON (272) mn.

The net financial result decreased to RON (429) mn in 2014 compared to RON (259) mn in 2013, mainly as a result of late payment interest for taxes, partially off-set by FX gains following USD appreciation versus RON.

Profits from ordinary activities decreased to RON 2,909 mn in 2014. The corporate tax charge amounted to RON 810 mn, 7% lower than 2013. Consequently, the effective corporate tax rate increased to 28%, compared to 15% in 2013, being negatively impacted by non-deductible expenses related to the impairment of fixed assets in Kazakhstan and by late payment interest in relation to fiscal reviews. Net income attributable to stockholders (i.e. net income attributable to stockholders of the parent) was RON 2,103 mn, 56% lower compared to 2013 (RON 4,821 mn). Clean CCS net income attributable to stockholders was RON 3,764 mn, 23% lower compared to 2013 (RON 4,869 mn). EPS was RON 0.0371 in 2014 (2013: RON 0.0851) and clean CCS EPS was RON 0.0665 (2013: RON 0.0860).

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

Consolidated statement of financial position (in RON mn)	Dec 31, 2014	Dec 31, 2013
Assets		
Intangible assets	1,656.88	814.73
Property, plant and equipment	32,289.64	30,659.38
Investments in associated companies	35.30	42.71
Other financial assets	2,191.79	2,143.45
Other assets	21.34	22.34
Deferred tax assets	1,047.78	877.28
Non-current assets	**37,242.73**	**34,559.89**
Inventories	2,250.05	1,996.29
Trade receivables	1,424.37	1,429.24
Other financial assets	388.87	302.67
Other assets	537.06	314.67
Cash and cash equivalents	1,267.98	1,408.24
Current assets	**5,868.33**	**5,451.11**
Assets held for sale	13.71	35.87
Total assets	**43,124.77**	**40,046.87**
Equity and liabilities		
Capital stock	5,664.41	5,664.41
Reserves	21,377.16	21,006.10
Stockholders' equity	**27,041.57**	**26,670.51**
Non-controlling interests	(36.29)	(28.83)
Equity	**27,005.28**	**26,641.68**
Provisions for pensions and similar obligations	283.01	303.95
Interest-bearing debts	1,588.96	1,253.73
Provisions for decommissioning and restoration obligations	7,254.92	5,778.13
Other provisions	553.85	601.80
Other financial liabilities	279.10	289.28
Deferred tax liabilities	0.00	11.05
Non-current liabilities	**9,959.84**	**8,237.94**
Trade payables	2,899.24	2,958.26
Interest-bearing debts	273.67	189.04
Current income tax payable	329.09	258.76
Other provisions and decommissioning	1,108.93	651.84
Other financial liabilities	664.46	318.87
Other liabilities	884.26	790.37
Current liabilities	**6,159.65**	**5,167.14**
Liabilities associated with assets held for sale	0.00	0.11
Total equity and liabilities	**43,124.77**	**40,046.87**

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

Capital expenditure increased to RON 6,239 mn (2013: RON 5,303 mn) influenced by substantially higher CAPEX in E&P.

Investments in E&P activities (RON 5,349 mn) represented 86% of total CAPEX for 2014, 22% above the 2013 level and were focused on activities related to drilling development wells, field redevelopment initiatives, workover activities and sub-surface operations, surface facilities, as well as investments related to the Black Sea projects.

R&M investments (RON 794 mn) were mainly related to the planned Petrobrazi refinery shutdown for performing the works associated with the final milestones of the modernization program (Vacuum Gas Oil conversion project). In addition, investment was also directed to efficiency projects, as well as to legal and environmental compliance.

CAPEX for the Corporate & Other (Co&O) segment was RON 92 mn, mainly relating to investments in IT projects and the financial investment in the newly created OMV Petrom Global Solutions SRL, a service center which provides multiple support services exclusively to OMV Group companies.

Compared to the year-end 2013, total assets increased by RON 3,078 mn, to RON 43,125 mn. The change was driven by the net increase of RON 2,472 mn in property, plant and equipment and intangible assets, as the investments exceeded depreciation and impairments. The significant increase of intangible and tangible assets is mainly related to the extension of operations in the Black Sea, by resuming the drilling in Neptun Deep perimeter and by the acquisition of exploration licenses for Midia perimeter. The increase was partially offset by the impairment of one of the assets in Kazakhstan. Additionally, revised long-term market perspective triggered impairments in the G&P segment, mainly in relation to the Brazi gas fired power plant.

The main increase in current assets is related to higher levels of gas in storage and a higher stock of petroleum products, following the decline in sales and increased levels of compulsory stock. Increase in other assets, as a result of prepayments for carbon emission certificates, as per legal requirements, were offset by the reduction in cash and cash equivalents.

Equity increased to RON 27,005 mn as of December 31, 2014, as a result of the net profit generated in the current year, which was partially offset by the dividends distributed for the 2013 financial year (RON 1,745 mn). The Group's equity ratio[1] stood at 63% at the end of December 2014, slightly lower than the level of December 2013 (67%).

Total interest bearing debt increased from RON 1,443 mn as of December 31, 2013 to RON 1,863 mn as of December 31, 2014, mainly due to a new loan agreement concluded by Kom Munai LLP subsidiary with EBRD in September 2014 for a total amount of USD 200 mn (out of which USD 142 mn were drawn as of December 31, 2014), for refinancing of intra-group loans and future capital expenditure purposes.

The Group's liabilities other than interest bearing debt increased by RON 2,294 mn, mostly due to higher decommissioning provisions by approx. RON 1,398 mn, increased liabilities in connection with investment activities (mainly in Black Sea) and the set-up of provisions following fiscal controls performed in Romania and Kazakhstan.

OMV Petrom Group's net debt[2] shows an increase from RON 332 mn as of December 2013 to RON 890 mn as of December 2014. Consequently, the gearing ratio[3] increased to 3.3%, from 1.25% in 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)

Q3/14	Q4/14	Q4/13	Summarized statement of cash flows (in RON mn)	2014	2013
1,275.65	(277.48)	**1,302.77**	**Profit before taxation**	2,909.18	**5,698.60**
15.23	240.40	83.18	Net change in provisions	256.47	(60.31)
(45.50)	(3.83)	0.27	Losses/(gains) on the disposal of non-current assets	(20.15)	(1.50)
797.86	1,860.88	917.12	Depreciation, amortization including write-ups	4,806.30	3,354.72
(10.33)	(25.74)	(25.23)	Net interest paid	(60.97)	(64.18)
(189.52)	(274.00)	(241.43)	Tax on profit paid	(926.57)	(904.74)
11.95	78.71	90.94	Other adjustments	185.25	102.25
1,855.34	**1,598.93**	**2,127.62**	**Sources of funds**	**7,149.51**	**8,124.84**
(71.33)	5.68	(24.54)	(Increase)/decrease in inventories	(314.57)	145.53
(51.65)	259.57	(32.47)	(Increase)/decrease in receivables	(152.02)	339.72
(143.55)	(13.21)	(229.26)	(Decrease)/increase in liabilities	146.92	(562.10)
1,588.82	**1,850.97**	**1,841.35**	**Net cash from operating activities**	**6,829.84**	**8,047.99**
(1,729.29)	(1,670.13)	(1,434.46)	Intangible assets and property, plant and equipment	(5,909.53)	(4,995.37)
-	-	-	Investments, loans and other financial assets	(45.28)	(0.10)
227.99	19.64	11.60	Proceeds from sale of non-current assets	280.73	47.14
-	-	(0.02)	Proceeds from sale of subsidiaries, net of cash disposed	15.99	53.74
(1,501.30)	**(1,650.49)**	**(1,422.88)**	**Net cash from investing activities**	**(5,658.09)**	**(4,894.59)**
(188.12)	495.82	(547.30)	Increase / (decrease) in borrowings	397.49	(837.34)
(59.19)	(15.13)	(9.35)	Dividends paid	(1,731.04)	(1,574.31)
(247.31)	**480.69**	**(556.65)**	**Net cash from financing activities**	**(1,333.55)**	**(2,411.65)**
15.00	15.26	(0.09)	Effect of exchange rate changes on cash and cash equivalents	21.54	(0.16)
(144.79)	**696.43**	**(138.27)**	**Net (decrease)/increase in cash and cash equivalents**	**(140.26)**	**741.59**
716.34	571.55	1,546.51	Cash and cash equivalents at beginning of period	1,408.24	666.65
571.55	**1,267.98**	**1,408.24**	**Cash and cash equivalents at end of period**	**1,267.98**	**1,408.24**

Notes to the cash flows

In 2014, free cash flow (defined as net cash from operating activities less net cash from investing activities) showed an inflow of funds of RON 1,172 mn (2013: RON 3,153 mn). Free cash flow less dividend payments resulted in a cash outflow of RON 559 mn (2013: inflow of RON 1,579 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 7,150 mn (2013: RON 8,125 mn).

Net working capital generated a cash outflow of RON 320 mn (2013: RON 77 mn), influenced mainly by the increase in inventories due to a decline in sales and higher compulsory stock, and also by the increase in receivables related to gas sales.

Net cash flow from investing activities (outflow of RON 5,658 mn; 2013: RON 4,895 mn) mainly includes payments for investments in intangible assets and property, plant and equipment.

Net cash flow from financing activities shows an outflow of funds amounting to RON 1,334 mn (2013: RON 2,412 mn), mainly coming from payment of dividends in the amount of RON 1,731 mn.

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	-	2,102.67	-	-	2,102.67	(3.00)	2,099.67
Other comprehensive income for the period	-	(17.65)	(44.52)	-	(62.17)	(4.42)	(66.59)
Total comprehensive income for the period	**-**	**2,085.02**	**(44.52)**	**-**	**2,040.50**	**(7.42)**	**2,033.08**
Dividend distribution	-	(1,744.63)	-	-	(1,744.63)	(0.04)	(1,744.67)
Adjustments to share capital and revenue reserves [2]	-	-	-	-	-	-	-
Other increase	-	-	75.19	-	75.19	-	75.19
December 31, 2014	**5,664.41**	**21,341.07**	**36.11**	**(0.02)**	**27,041.57**	**(36.29)**	**27,005.28**

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	-	4,820.85	-	-	4,820.85	3.19	4,824.04
Other comprehensive income for the period	-	-	(2.58)	-	(2.58)	0.95	(1.63)
Total comprehensive income for the period	**-**	**4,820.85**	**(2.58)**	**-**	**4,818.27**	**4.14**	**4,822.41**
Dividend distribution	-	(1,586.03)	-	-	(1,586.03)	(0.03)	(1,586.06)
Adjustments to share capital and revenue reserves [2]	(13,318.96)	13,318.96	-	-	-	-	-
Change in interests	-	50.82	(50.82)	-	-	(0.01)	(0.01)
December 31, 2013	**5,664.41**	**21,000.68**	**5.44**	**(0.02)**	**26,670.51**	**(28.83)**	**26,641.68**

[1] Other reserves contain mainly exchange rate differences from the translation of foreign operations and reserves from business combinations in stages and land for which ownership was obtained but was not included in share capital.
[2] Usage of the restatement of share capital arising from the first time adoption of IAS 29 "Reporting in hyperinflationary economics" to cover the accumulated loss resulted from IAS 29 implementation. This was approved at the Annual General Meeting of Shareholders held on April 22, 2013.

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 started on June 5, 2014.

Segment reporting

Intersegmental sales

Q3/14	Q4/14	Q4/13	Δ%	in RON mn	2014	2013	Δ%
3,130.45	2,627.89	3,115.23	(16)	Exploration and Production	12,028.28	12,112.56	(1)
79.32	88.42	101.46	(13)	Gas and Power	361.30	435.56	(17)
39.45	33.01	49.98	(34)	Refining and Marketing	152.54	180.65	(16)
41.06	61.01	140.18	(56)	Corporate and Other	393.07	553.25	(29)
3,290.28	**2,810.33**	**3,406.85**	**(18)**	**Total**	**12,935.19**	**13,282.02**	**(3)**

Sales to external customers

Q3/14	Q4/14	Q4/13	Δ%	in RON mn	2014	2013	Δ%
180.08	194.32	254.82	(24)	Exploration and Production	860.77	1,107.85	(22)
752.11	1,255.37	1,077.08	17	Gas and Power	4,013.91	3,879.91	3
4,537.40	3,891.11	4,684.98	(17)	Refining and Marketing	16,601.99	19,127.63	(13)
5.71	5.90	18.03	(67)	Corporate and Other	64.59	69.83	(8)
5,475.30	**5,346.70**	**6,034.91**	**(11)**	**Total**	**21,541.26**	**24,185.22**	**(11)**

Total sales (not consolidated)

Q3/14	Q4/14	Q4/13	Δ%	in RON mn	2014	2013	Δ%
3,310.53	2,822.21	3,370.05	(16)	Exploration and Production	12,889.05	13,220.41	(3)
831.43	1,343.79	1,178.54	14	Gas and Power	4,375.21	4,315.47	1
4,576.85	3,924.12	4,734.96	(17)	Refining and Marketing	16,754.53	19,308.28	(13)
46.77	66.91	158.21	(58)	Corporate and Other	457.66	623.08	(27)
8,765.58	**8,157.03**	**9,441.76**	**(14)**	**Total**	**34,476.45**	**37,467.24**	**(8)**

Segment and Group profit

Q3/14	Q4/14	Q4/13	Δ%	in RON mn	2014	2013	Δ%
1,355.31	368.67	1,265.21	(71)	EBIT Exploration and Production	3,932.33	5,528.61	(29)
(105.61)	(736.45)	9.56	n.m.	EBIT Gas and Power	(818.07)	112.43	n.m.
179.38	(390.14)	106.92	n.m.	EBIT Refining and Marketing	(79.37)	385.53	n.m.
(41.18)	(40.36)	(38.22)	6	EBIT Corporate and Other	(150.50)	(97.25)	55
1,387.90	**(798.28)**	**1,343.47**	**n.m.**	**EBIT segment total**	**2,884.39**	**5,929.32**	**(51)**
(36.35)	687.46	58.60	n.m.	Consolidation: Elimination of intersegmental profits	453.91	28.54	n.m.
1,351.55	**(110.82)**	**1,402.07**	**n.m.**	**OMV Petrom Group EBIT**	**3,338.30**	**5,957.86**	**(44)**
(75.90)	**(166.66)**	**(99.30)**	**68**	**Net financial result**	**(429.12)**	**(259.26)**	**66**
1,275.65	**(277.48)**	**1,302.77**	**n.m.**	**OMV Petrom Group profit from ordinary activities**	**2,909.18**	**5,698.60**	**(49)**

Assets[1]

in RON mn	Dec 31, 2014	Dec 31, 2013
Exploration and Production	25,703.71	22,296.95
Gas and Power	2,088.41	2,948.54
Refining and Marketing	5,629.47	5,491.25
Corporate and Other	524.93	737.37
Total	**33,946.52**	**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.

Subsequent events

On January 12, OMV Petrom announced the appointment of Christoph Trentini as interim member of the Supervisory Board, following Hans – Peter Floren's waiver of the mandate as member of the Supervisory Board.
Christoph Trentini was appointed as interim member of the Supervisory Board starting January 9, 2015 until the next General Meeting of Shareholders.

Declaration of the management

We confirm to the best of our knowledge that the preliminary and unaudited consolidated financial statements for the period ended December 31, 2014, prepared in accordance with the International Financial Reporting Standards, offer a true and fair view of OMV 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 financial year 2014 and their impact on the condensed financial statements.

Bucharest, February 19, 2015

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
EBIT	Earnings before interest and tax
E&P	Exploration and Production
EPS	Earnings per share
EUR	euro
ExxonMobil	ExxonMobil Exploration and Production Romania Limited
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	metric tonne(s)
TWh	terawatt hour
USD	United States dollar
yoy	year-on-year

Appendix 1

Consolidated companies in OMV Petrom Group at December 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%	OMV 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	
OMV Petrom Global Solutions S.R.L. (Romania)	25.00%

Contact

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Next release:

The next results announcement for January – March 2015 will be released on May 18, 2015, presenting OMV Petrom consolidated results prepared according to IFRS.