

OMV Petrom

2016 Full Year Results

General Meeting of Shareholders
April 25th, 2017

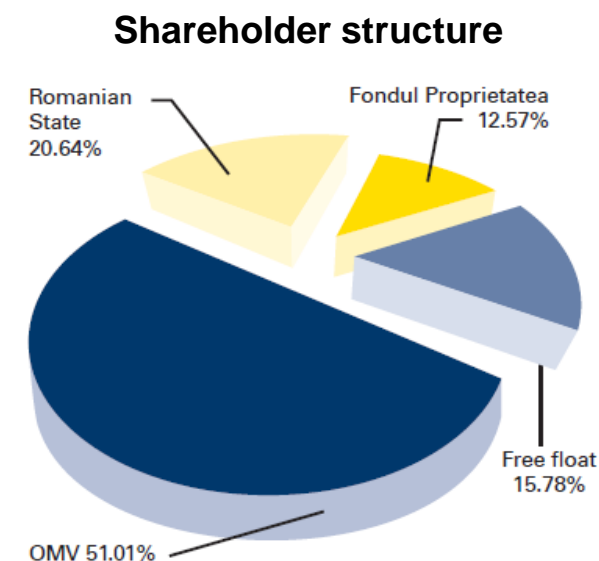
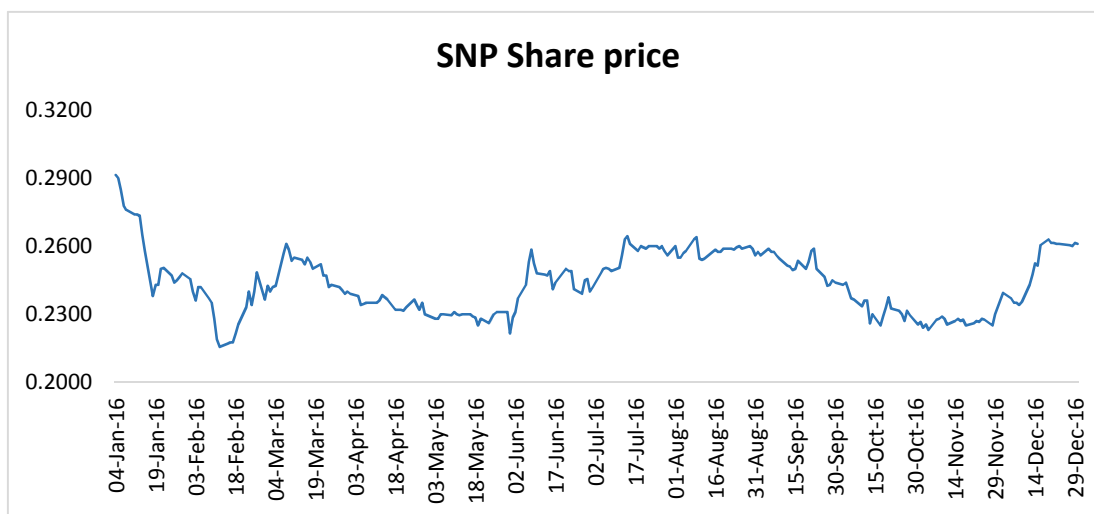
Andreas Matje,
Chief Financial Officer



OMV Petrom

Market Capitalization

- ▶ **Largest Romanian company listed on the Bucharest Stock Exchange by market capitalization**
- ▶ **Market capitalization** end of 2016: RON 14.78 bn
- ▶ **Secondary Public Offering incl. GDRs in October 2016**
 - ▶ Fondul Proprietatea sold a 6.4% stake in OMV Petrom mainly to Romanian (35.3%) and regional (43.4%) investors



YEAR 2016

**Separate financial statements of
OMV Petrom S.A.
(IFRS)**



OMV Petrom S.A. – Key Indicators

Key indicators (RON mn)	2016	2015	%
Sales revenues	12,594	13,952	(10)
Earnings before interest and taxes (EBIT)	890	(595)	n.m.
Net financial result	162	(102)	n.m.
Net income/(loss)	908	(631)	n.m.

- ▶ **Sales revenues** decreased by 10% to RON 12,594 mn, largely due to lower petroleum products sales, following a further decline in oil prices and slightly lower quantities sold, as well as reduced gas sales. These negative effects were partially offset by higher sales of electricity.
- ▶ **EBIT** for the year 2016 was of RON 890 mn compared to a loss of RON (595) mn in 2015, when impairments of producing assets in Upstream were recorded, following reduced oil price assumptions.
- ▶ Improvement in the **net financial result** was mainly the consequence of lower impairments and provisions related to investments and inter-company loans (Kazakhstan and wind park).
- ▶ **Net income** was of RON 908 mn compared to a net loss of RON (631) mn in 2015, due to the improved operational and financial results.



OMV Petrom S.A. – Financial Position

Key indicators (RON mn)	Dec 31, 2016	Dec 31, 2015	%
Non-current assets	35,612	36,500	(2)
Current assets	5,751	4,394	31
Equity	26,001	25,091	4
Liabilities	15,362	15,803	(3)

- ▶ **Non-current assets** decreased by 2%, driven mainly by the net decrease in property, plant and equipment, as depreciation and impairments, as well as reclassifying 19 fields as assets held for sale, exceeded investments (including capitalized exploration).
- ▶ The increase in **current assets** by 31% was driven mainly by higher cash and cash equivalents position.
- ▶ **Equity** position increased by 4% driven by the net profit recorded for the 2016 year.
- ▶ **Liabilities** decreased by 3%, largely influenced by the reduction in other financial liabilities, reflecting the completion of the exploration drilling campaign in the Black Sea.



OMV Petrom S.A. – IFRS 2016

Actual figures vs. Budget

Key indicators (RON mn)	2016 Actual	2016 Budget	%
Sales revenues	12,594	10,764	17%
EBIT	890	62	n.m.
EBITDA	4,138	3,050	36%
Net income	908	199	n.m.
Total investments*	2,490	3,979	-37%

** Include amounts for fixed assets acquisitions, financial investments, advance payments on fixed assets, land deeds, financial leasing and excludes increases from reassessment of provisions*

Key drivers Actual vs. Budget 2016

- ▶ **Sales revenues** exceeded budget by 17% mainly due to higher demand of oil products and higher sales for gas and power products;
- ▶ **EBIT** was above budgeted level driven by stronger performance and strict cost discipline across all business segments;
- ▶ **Investments** were reduced by 37%, due to the challenging market environment, triggering the prioritization of investment projects. Also, capitalized exploration was lower than budgeted and share capital increases in subsidiaries, envisaged for 2016, did not materialize.



YEAR 2016

**Consolidated financial statements of
OMV Petrom Group
(IFRS)**



OMV Petrom Group – Key Indicators

Key indicators (RON mn)	2016	2015	%
Sales revenues	16,247	18,145	(10)
Earnings before interest and taxes (EBIT)	1,469	(530)	n.m.
Net financial result	(204)	(196)	4
Net income/(loss)	1,038	(690)	n.m.

- ▶ **Sales revenues** decreased by 10% to RON 16,247 mn, largely due to lower petroleum products sales, following a further decline in oil prices and slightly lower quantities sold, as well as reduced gas sales. These negative effects were partially offset by higher sales of electricity.
- ▶ **EBIT** for the year 2016 was a profit of RON 1,469 mn, compared to the loss of RON (530) mn in 2015, when impairments of producing assets in the Upstream segment were recorded, following reduced oil price assumptions.
- ▶ The **net financial result** was broadly in line with the prior year, amounting to a loss of RON (204) mn in 2016 (loss of RON (196) mn in 2015).
- ▶ **Net income** was of RON 1,038 mn compared to a net loss of RON (690) mn in 2015, due to the improved operational results.



OMV Petrom Group – Consolidated Financial Position

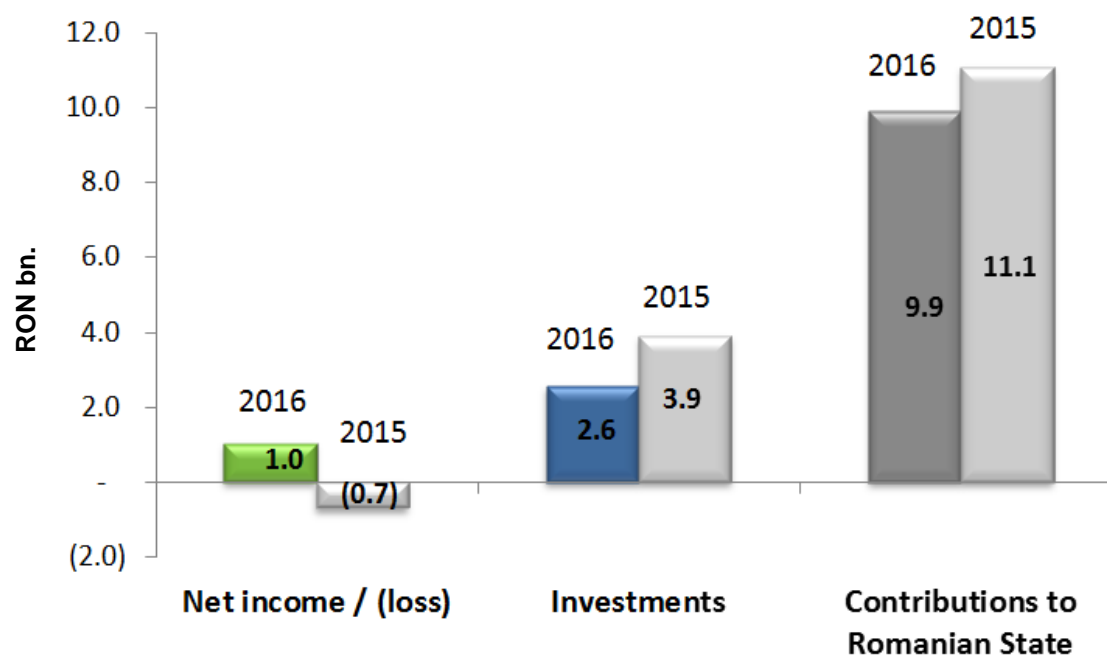
Key indicators (RON mn)	Dec 31, 2016	Dec 31, 2015	%
Non-current assets	35,129	36,020	(2)
Current assets	6,285	5,099	23
Equity	26,706	25,688	4
Liabilities	14,708	15,430	(5)

- ▶ **Non-current assets** decreased by 2%, driven mainly by the net decrease in property, plant and equipment, as depreciation and impairments, as well as reclassifying 19 fields as assets held for sale, exceeded investments (including capitalized exploration).
- ▶ The increase in **current assets** by 23% was mostly driven by higher cash and cash equivalents position.
- ▶ **Equity** position increased by 4% as a consequence of the net profit generated for the year 2016.
- ▶ **Liabilities** decreased by 5%, largely influenced by the reduction in other financial liabilities, reflecting the completion of the exploration drilling campaign in the Black Sea.



OMV Petrom Group – Contribution from Romanian companies to the state budget

Contributions to Romanian State vs. Net income and Investments



- Decrease of indirect taxes due to lower volumes sold and VAT decrease
- Special taxes equivalent to more than double the royalties

