OMV Petrom

2014 Full Year Results

General Meeting of Shareholders
April 28th, 2015

Andreas Matje
Chief Financial Officer
Market Capitalization

- Largest Romanian company listed on the Bucharest Stock Exchange by stock market capitalization
- Market capitalization end of 2014: RON 23.1 bn
- EPS of OMV Petrom Group 2014: RON 0.0371

OMV Petrom S.A. shareholding structure

- Romanian State: 20.64%
- Fondul Proprietatea: 18.99%
- Free float: 9.36%
- OMV: 51.01%
YEAR 2014

Separate financial statements of
OMV Petrom S.A.
(IFRS)
OMV Petrom S.A. – Key Indicators

Key indicators (RON mn) | 2014 | 2013 | %
---|---|---|---
Sales revenues | 16,537 | 18,088 | (9)
Earnings before interest and taxes (EBIT) | 3,541 | 5,332 | (34)
Net financial result | (998) | 335 | n.m.
Net income | 1,837 | 4,839 | (62)

- **Sales revenues** decreased by 9% to RON 16,537 mn, largely due to lower crude and petroleum products sales, that more than offset higher sales revenues of natural gas in 2014.

- **EBIT** decreased by 34% mainly due to: (a) the impact of lower selling prices for petroleum products following the decrease of international quotations, (b) the impairment of the Brazi power plant in G&P and (c) the introduction of the construction tax.

- Decrease in **net financial result** was driven mainly by additional provisions in relation to the parent company guarantees issued by OMV Petrom S.A. for loans granted by OMV Petrom Marketing S.R.L. and OMV Petrom Gas S.R.L. to Tasbulat Oil Corporation LLP and Kom Munai LLP and also by alleged late payment interest charges following a tax review of the years 2009 and 2010 in OMV Petrom S.A.

- **Net income** decreased by 62% in 2014 compared to 2013, to RON 1,837 mn due to the negative impact of both the operational and financial results.
**OMV Petrom S.A. – Financial Position**

<table>
<thead>
<tr>
<th>Key indicators (RON mn)</th>
<th>Dec 31, 2014</th>
<th>Dec 31, 2013</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-current assets</td>
<td>37,494</td>
<td>34,460</td>
<td>9</td>
</tr>
<tr>
<td>Current assets</td>
<td>5,680</td>
<td>4,434</td>
<td>28</td>
</tr>
<tr>
<td>Equity</td>
<td>26,316</td>
<td>26,165</td>
<td>1</td>
</tr>
<tr>
<td>Liabilities</td>
<td>16,859</td>
<td>12,730</td>
<td>32</td>
</tr>
</tbody>
</table>

- **Non-current assets** increased by 9% as a result of significant investments in oil and gas assets in E&P segment, partially offset by the impairment recorded for Brazi gas-fired power plant in G&P.

- Increase in **current assets** by 28% was due to the combined effect of higher receivables outstanding in connection with gas sales (during the last quarter), higher level of gas in storage and higher stock of petroleum products (following the decline in sales and increased levels of compulsory stock).

- **Equity** position increased by 1% driven by the net profit generated in the current year, almost fully offset by the dividends distributed for financial year 2013.

- **Liabilities** increased by 32%, largely influenced by higher decommissioning provisions following change in discount rates, increased liabilities in connection with investment activities (mainly in Black Sea) and the set-up of provisions following a tax review in OMV Petrom S.A.
OMV Petrom S.A. – IFRS 2014
Actual figures vs. Budget

- Lower **sales revenues** mainly due to lower oil price environment in the second half of the year, increased fuels taxation and intensified competition

- **EBIT** was below budgeted level mainly due to drop in oil price, lower sales volume and impairment of power assets due to revised long-term market perspective

- **Investments** are 9% below budgeted level, mainly due to lower Black Sea investments (late arrival of the drilling rig, works shifted to 2015)

<table>
<thead>
<tr>
<th>Key indicators (RON mn)</th>
<th>2014 Actual</th>
<th>2014 Budgeted</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues</td>
<td>16,537</td>
<td>17,410</td>
<td>-5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>3,541</td>
<td>4,405</td>
<td>-20%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>7,243</td>
<td>7,374</td>
<td>-2%</td>
</tr>
<tr>
<td>Net income</td>
<td>1,837</td>
<td>3,936</td>
<td>-53%</td>
</tr>
<tr>
<td>Total investments*</td>
<td>6,055</td>
<td>6,632</td>
<td>-9%</td>
</tr>
</tbody>
</table>

*Include amounts for fixed assets acquisitions, financial investments, land deeds, financial leasing and excludes increases from reassessment of provisions*
Consolidated financial statements of OMV Petrom Group (IFRS)
OMV Petrom Group – Key Indicators

<table>
<thead>
<tr>
<th>Key indicators (RON mn)</th>
<th>2014</th>
<th>2013</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues</td>
<td>21,541</td>
<td>24,185</td>
<td>(11)</td>
</tr>
<tr>
<td>Earnings before interest and taxes (EBIT)</td>
<td>3,338</td>
<td>5,958</td>
<td>(44)</td>
</tr>
<tr>
<td>Net financial result</td>
<td>(429)</td>
<td>(259)</td>
<td>66</td>
</tr>
<tr>
<td>Net income</td>
<td>2,100</td>
<td>4,824</td>
<td>(56)</td>
</tr>
</tbody>
</table>

- **Sales revenues** decreased by 11% to RON 21,541 mn, largely due to lower crude and petroleum products sales, that more than offset higher sales revenues of natural gas in 2014.

- **EBIT** decreased by 44% mainly due to the impact of lower selling prices for petroleum products following the decrease of international quotations, and due to impairment of assets. The introduction of the construction tax starting 2014 further negatively affected the EBIT of the year.

- **Net financial result** decreased to RON (429) mn in 2014 compared to RON (259) mn in 2013, mainly triggered by alleged late payment interest charges following a tax review in OMV Petrom S.A., partially offset by FX gains following USD appreciation versus RON.

- **Net income** decreased by 56% in 2014 compared to 2013, to RON 2,100 mn due to the negative impact of both the operational and financial results.
OMV Petrom Group – Consolidated Financial Position

Key indicators (RON mn) | Dec 31, 2014 | Dec 31, 2013 | %
---|---|---|---
Non-current assets | 37,243 | 34,560 | 8
Current assets | 5,882 | 5,487 | 7
Equity | 27,005 | 26,642 | 1
Liabilities | 16,119 | 13,405 | 20

- **Non-current assets** increased by 8% as a result of significant investments in oil and gas assets, mostly in E&P, partially offset by impairment of assets (mainly in relation with one of Kazakhstan assets in E&P, Brazi gas fired power plant and Dorobantu wind park in G&P and Serbia retail assets in R&M).

- Increase in **current assets** by 7% was related mostly to higher level of gas in storage and higher stock of petroleum products, following the decline in sales and increased levels of compulsory stock.

- **Equity** position increased by 1% driven by the net profit generated in the current year, almost fully offset by the dividends distributed for financial year 2013.

- **Liabilities** increased by 20%, largely influenced by higher decommissioning provisions, increased liabilities in connection with investment activities (mainly in Black Sea), drawings from a new loan agreement concluded by Kom Munai LLP subsidiary with EBRD, and the set-up of provisions following a tax review in OMV Petrom S.A.
Contributions to State budget of Romanian companies from OMV Petrom Group amounted to RON 10.9 bn in 2014, 8% higher than in 2013 (RON 10.2 bn):

- **Excise tax**: 14% increase compared with 2013, up to RON 5,083 mn;
- **Royalties**: 7% increase compared to 2013, reaching RON 848 mn;
- **Employer and employees social contributions**: 5% higher than in 2013, to RON 878 mn;
- **Profit tax** slightly increased by 1% in 2014 compared to prior year, from RON 857 mn to RON 866 mn;
- **Exploitation of natural resources tax and natural gas additional revenues tax** increased by 129% from RON 204 mn in 2013 to RON 464 mn in 2014 (these taxes were introduced in 2013);
- **New construction tax** introduced in 2014 amounted to RON 325 mn;
- **Dividends**: RON 360 mn paid in 2014 for 2013 profits;
- **VAT** decreased from RON 2,577 mn in 2013 to RON 2,017 mn in 2014;
- **Other taxes** decreased from RON 97 mn in 2013 to RON 81 mn in 2014.
Thank you!