

Q1

Quarterly Report 2019



OMV Petrom S.A.

Content

Directors' report (condensed, unaudited)	4
Financial highlights	4
Group performance	5
Outlook 2019	7
Business segments	8
Upstream	8
Downstream	10
Group interim condensed consolidated financial statements (unaudited)	12
Declaration of the management	23
Further information	24

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OMV Petrom Group results ¹ for January – March 2019

including unaudited interim condensed consolidated financial statements as of and for the period ended March 31, 2019

Highlights Q1/19 ²

Group

- ▶ Clean CCS Operating Result at RON 1.2 bn, 28% higher
- ▶ Clean CCS net income attributable to stockholders at RON 1.1 bn, up 40%; Clean CCS EPS at RON 0.0186
- ▶ Cash flow from operating activities at RON 1.5 bn, 16% lower
- ▶ CAPEX at RON 0.8 bn, down 2%
- ▶ Free cash flow after dividends at RON 0.7 bn, 9% lower
- ▶ Clean CCS ROACE at 15.2%

Upstream

- ▶ Clean Operating Result increased by 28%, to RON 825 mn, positively influenced by FX and gas price
- ▶ Daily production decreased by 5.5%, mainly due to natural decline in Romania and lower production in Kazakhstan
- ▶ OPEX of USD 11.66/boe, 2% lower, reflects favorable FX effects and continuous cost management

Downstream Oil

- ▶ Clean CCS Operating Result at RON 221 mn, 9% lower, with strong operational performance, partly offsetting the weaker refining margins
- ▶ OMV Petrom indicator refining margin at USD 3.62/bbl, down 45%
- ▶ Refinery utilization rate at 96%; retail volumes up 6%

Downstream Gas

- ▶ Clean Operating Result doubled, at RON 157 mn, mainly on improved power market conditions
- ▶ Net electrical output up 21% to 1.08 TWh
- ▶ Gas sales volume decreased by 14% to 12.23 TWh

Key events

- ▶ **Portfolio optimization:** the transfer of nine marginal fields to Mazarine Energy Romania became effective on March 1, 2019, as part of the second divestment round, a step forward in simplifying our footprint
- ▶ **Polyfuel:** the new unit in Petrobrazi refinery started production in March. The plant, an investment of approximately EUR 65 mn, represents the first of its kind for the OMV Group and employs state-of-the-art and environmentally friendly technology.

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 the closest integer value, so minor differences may result upon reconciliation; OMV Petrom uses the National Bank of Romania exchange rates for its consolidation process. Unless specified differently, amounts related to Downstream represent totals of Downstream Oil and Downstream Gas.

² All comparisons described relate to the same quarter in the previous year except where mentioned otherwise.

Directors' report (condensed, unaudited) Financial highlights

Q1/19	Q4/18	Q1/18	Δ% ¹	in RON mn	2018
5,420	6,413	4,875	11	Sales ²	22,523
1,227	1,426	958	28	Clean CCS Operating Result ³	4,804
825	794	645	28	Clean Operating Result Upstream ^{3,4}	3,224
378	514	321	18	Clean CCS Operating Result Downstream ³	1,695
(16)	(29)	(22)	28	Clean Operating Result Co&O ³	(87)
40	147	14	176	Consolidation	(28)
15	17	16	(4)	Clean Group effective tax rate (%)	17
1,056	1,131	752	40	Clean CCS net income ^{3,7}	3,728
1,056	1,131	752	40	Clean CCS net income attributable to stockholders ^{3,6,7}	3,728
0.0186	0.0200	0.0133	40	Clean CCS EPS (RON) ^{3,6,7}	0.0658
1,227	1,426	958	28	Clean CCS Operating Result ³	4,804
23	406	71	(67)	Special items ⁵	223
38	(81)	50	(24)	CCS effects: Inventory holding gains/(losses)	186
1,288	1,751	1,080	19	Operating Result Group	5,213
875	1,134	632	38	Operating Result Upstream ⁴	3,531
567	360	447	27	Operating Result Downstream	1,672
(64)	(37)	(22)	(195)	Operating Result Co&O	(106)
(89)	294	23	n.m.	Consolidation	116
24	(71)	(63)	n.m.	Net financial result	(299)
1,313	1,680	1,017	29	Profit before tax	4,914
12	16	16	(23)	Group effective tax rate (%)	17
1,151	1,411	854	35	Net income	4,078
1,151	1,411	854	35	Net income attributable to stockholders ⁶	4,078
0.0203	0.0249	0.0151	35	EPS (RON) ⁶	0.0720
-	-	-		Dividend/share (RON)	0.027
1,505	1,824	1,796	(16)	Cash flow from operating activities	7,385
666	692	729	(9)	Free cash flow after dividends	2,002
(5,237)	(4,891)	(3,626)	(44)	Net debt/(cash)	(4,891)
826	1,189	843	(2)	Capital expenditure	4,289
15.2	14.3	10.5	44	Clean CCS ROACE (%) ^{3,7}	14.3
16.5	15.6	10.8	52	ROACE (%)	15.6
12,853	13,201	13,606	(6)	OMV Petrom Group employees at end of period	13,201

¹ Q1/19 vs. Q1/18

² Sales excluding petroleum excise tax;

³ Adjusted for special items; Clean CCS (current cost of supply) figures exclude special items and inventory holding effects (CCS effects) resulting from Downstream Oil; special items include temporary effects from commodity hedging (in order to mitigate Income Statement volatility);

⁴ Excluding intersegmental profit elimination shown in the line "Consolidation";

⁵ Special items, representing exceptional, non-recurring items, are added back or deducted from the Operating Result; for more details please refer to each specific segment;

⁶ After deducting net result attributable to non-controlling interests;

⁷ Excludes additional special income related to field divestments reflected in the financial result.

Group performance

First quarter 2019 (Q1/19) vs. first quarter 2018 (Q1/18)

Consolidated **sales** increased by 11% compared to Q1/18, supported by higher commodity prices in RON terms and higher sales volumes of electricity and petroleum products, partially offset by lower sales volumes of natural gas. Downstream Oil represented 70% of total consolidated sales, while Downstream Gas accounted for 28% and Upstream for 2% (sales in Upstream being largely intra-group sales rather than third-party sales).

Clean CCS Operating Result increased in Q1/19 by 28% to RON 1,227 mn, supported by positive evolution, both in Upstream, triggered by higher prices, and in Downstream, as a result of higher sales volumes of fuels and electricity. The **Clean CCS net income attributable to stockholders** was RON 1,056 mn (Q1/18: RON 752 mn).

Special items comprise net income of RON 23 mn, while **inventory holding gains** amounted to RON 38 mn in Q1/19. In Q1/18 **special items** comprised a net income of RON 71 mn, while **inventory holding gains** amounted to RON 50 mn.

Reported Operating Result for Q1/19 increased to RON 1,288 mn, compared to RON 1,080 mn in Q1/18, driven mainly by higher commodity prices.

Net financial result improved from a loss of RON (63) mn in Q1/18 to a gain of RON 24 mn in Q1/19, reflecting higher interest income mainly in relation to clarification of a tax related topic and favorable FX effects.

As a result, the **profit before tax** for Q1/19 was of RON 1,313 mn, higher compared to RON 1,017 mn in Q1/18.

Income tax amounted to RON (161) mn, while the effective tax rate was 12% in Q1/19 (Q1/18: 16%).

Net income attributable to stockholders was RON 1,151 mn (Q1/18: RON 854 mn).

Cash flow from operating activities amounted to RON 1,505 mn, 16% lower yoy, driven mainly by increased income tax payments and an increase in net working capital driven by higher inventories. **Free cash flow after dividends** resulted in a cash inflow of RON 666 mn (Q1/18: RON 729 mn).

Capital expenditure amounted to RON 826 mn in Q1/19 and was lower by 2% than in Q1/18. This consisted mainly in Upstream investments of RON 650 mn in Q1/19, compared to RON 653 mn in Q1/18. Downstream investments amounted to RON 168 mn (Q1/18: RON 190 mn), of which RON 158 mn were in Downstream Oil (Q1/18: RON 189 mn).

OMV Petrom Group reported a **net cash** position of RON 5,237 mn at the end of Q1/19, up from RON 4,891 mn at the end of Q4/18.

Special items and CCS effect

Q1/19	Q4/18	Q1/18	Δ% ¹	Special items and CCS effect (in RON mn)	2018
1,227	1,426	958	28	Clean CCS Operating Result	4,804
23	406	71	(67)	Special items	223
(2)	(24)	(16)	86	thereof personnel and restructuring	(71)
-	423	-	n.m.	thereof unscheduled depreciation	423
26	6	87	(71)	thereof other	(130)
38	(81)	50	(24)	CCS effect: Inventory holding gains/(losses)	186
1,288	1,751	1,080	19	Operating Result Group	5,213

¹ Q1/19 vs. Q1/18

The disclosure of **Special items** is considered appropriate in order to facilitate the analysis of the ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. They are being disclosed separately. These items can be divided into three categories: personnel and restructuring, unscheduled depreciation and other.

Furthermore, to enable effective performance management in an environment of volatile prices and comparability with peers, the **Current Cost of Supply (CCS)** effect is eliminated from the accounting result. The CCS effect, also called inventory holding gains or losses, represents the difference between the cost of sales calculated using the current cost of supply and the cost of sales calculated using the weighted average method after adjusting for any changes in valuation allowances, in case the net realizable value of the inventory is lower than its cost. In volatile energy markets, measurement of the costs of petroleum products sold based on historical values (e.g.

weighted average cost) can have a distorting effect on the reported results. This performance measurement enhances the transparency of the results and is commonly used in the oil industry. OMV Petrom, therefore, published this measurement in addition to the Operating Result determined according to IFRS.

Cash flow

Q1/19	Q4/18	Q1/18	Δ% ¹	Summarized cash-flow statement (in RON mn)	2018
1,693	1,871	1,775	(5)	Sources of funds	7,353
1,505	1,824	1,796	(16)	Cash flow from operating activities	7,385
(839)	(1,131)	(1,067)	21	Cash flow from investing activities	(4,261)
666	693	729	(9)	Free cash flow	3,125
(198)	(35)	(37)	(430)	Cash flow from financing activities	(1,495)
1	0	(1)	n.m.	Effect of exchange rates on cash and cash equivalents	1
469	659	691	(32)	Net increase in cash and cash equivalents	1,630
5,609	4,951	3,979	41	Cash and cash equivalents beginning of period	3,979
6,079	5,609	4,670	30	Cash and cash equivalents end of period	5,609
666	692	729	(9)	Free cash flow after dividends	2,002

¹ Q1/19 vs. Q1/18

First quarter 2019 (Q1/19) vs. first quarter 2018 (Q1/18)

In Q1/19, the inflow of funds from profit before tax, adjusted for non-cash items such as depreciation and impairments, net change of provisions and other non-cash adjustments, as well as net interest received and income tax paid, was RON 1,693 mn (Q1/18: RON 1,775 mn). Changes in **net working capital** generated a cash outflow of RON 188 mn (Q1/18: inflow of RON 22 mn). **Cash flow from operating activities** decreased by RON 291 mn compared to Q1/18, reaching RON 1,505 mn.

In Q1/19, **cash flow from investing activities** resulted in an outflow of RON 839 mn (Q1/18: RON 1,067 mn) mainly related to investments in intangible assets and property, plant and equipment, in the Upstream segment.

Cash flow from financing activities implied an outflow of funds amounting to RON 198 mn (Q1/18: RON 37 mn), mainly due to repayment of loans.

Free cash flow (defined as cash flow from operating activities less cash flow from investing activities) showed an inflow of funds of RON 666 mn (Q1/18: RON 729 mn). **Free cash flow less dividend payments** resulted in a cash inflow of RON 666 mn (Q1/18: RON 729 mn).

Risk management

The scope of OMV Petrom's business activity, both existing and planned, and the markets in which the company operates in naturally expose the company to significant commodity price, foreign exchange, operational and other risks. A detailed description of risks and risk management activities can be found in the 2018 Annual Report (pages 42-44).

According to the last OMV Petrom Group risk assessment exercise in February 2019, the main uncertainties which could impact the company's performance remain the commodity price risk, operational risks as well as political and regulatory risk.

Through the nature of its business of extracting, processing, transporting and selling hydrocarbons, OMV Petrom is inherently exposed to safety and environmental risks. Through its HSSE and risk management programs, OMV Petrom remains committed to be in line with industry standards.

In terms of regulatory risk, the company is in dialogue with the Romanian authorities on topics of relevance for the industry. In the latest months, we have seen a number of fiscal and regulatory initiatives put in discussion and/or implemented. This increases legislative volatility with influence on the overall business environment.

Also refer to the Outlook section of the Directors' report for more information on current risks.

Outlook for the full year 2019

Market environment

- ▶ For the full year 2019, OMV Petrom expects the **average Brent oil price** to be at USD 65/bbl (2018: USD 71.3/bbl);
- ▶ **Refining margins** are expected to be below USD 6/bbl (2018: USD 6.28/bbl);
- ▶ **Demand for oil products** is expected to be above the 2018 level; **demand for gas and power** is expected to be broadly similar to 2018.

Taxation and regulatory environment

A stable, predictable and investment-friendly fiscal and regulatory framework is a key requirement for our future investments, both onshore and offshore.

- ▶ At the end of March 2019, the Government approved the Emergency Ordinance no. 19 to amend the Emergency Ordinance 114/2018 following consultation with market players. We consider Emergency Ordinance no. 19 a much-needed development towards the return to a liberalized gas market. According to our preliminary assessment, the net impact of these measures on OMV Petrom Group's 2019 Operating Result is around EUR (40) mn.

OMV Petrom Group

- ▶ We expect to generate a **positive free cash flow after dividends**;
- ▶ **CAPEX** (including capitalized exploration and appraisal) is currently anticipated to be around RON 3.7 bn, of which about 75% in Upstream;
- ▶ **Neptun Deep**: the current legislative environment does not provide the necessary prerequisites for a multi-billion investment decision. We remain keen to see the Black Sea developed and we will continue the dialogue with the authorities to understand the way forward;
- ▶ **Partnership with Auchan**: following the encouraging results of the pilot phase of 15 MyAuchan convenience stores in Petrom-branded filling stations, a Memorandum of Understanding was signed and contractual negotiations are in progress;
- ▶ A **sustainable cost base** supported by ongoing efficiency programs is even more crucial in the context of the current volatile regulatory environment.

Upstream

- ▶ **Production**: is expected to decline by around 5% yoy, excluding portfolio optimization, mainly due to natural decline;
- ▶ **Portfolio optimization**: continue to focus on the most profitable barrels; transfer of nine marginal fields to Mazarine Energy Romania became effective on March 1, 2019; divestment process for further fields ongoing;
- ▶ **Investments**: we plan to drill around 100 new wells and sidetracks and to maintain a constant level of workovers yoy;
- ▶ **Exploration**: exploration expenditures are estimated to be around RON 0.4 bn.

Downstream

- ▶ **The refinery utilization** rate around 95%;
- ▶ **Arad terminal** operational start in Q2/19, thus finalizing the modernization of the storage network;
- ▶ OMV Petrom Group must supply the regulated market with 12.5 TWh of **gas** for the period May – December 2019 at a maximum price of RON 68/MWh; we estimate total gas sales volumes to be higher vs. 2018;
- ▶ The Brazi power plant must supply the regulated market with 1.14 TWh of **power** for the period March – December 2019 at the price of RON 259.58/MWh; we estimate total net electrical output to be lower vs. 2018;
- ▶ **Brazi power plant planned shutdown** in Q2/19: two weeks for full capacity and two weeks for half capacity.

Business segments

Upstream

Q1/19	Q4/18	Q1/18	Δ% ¹	in RON mn	2018
1,375	1,464	1,259	9	Clean Operating Result before depreciation and amortization, impairments and write ups ²	5,730
825	794	645	28	Clean Operating Result ²	3,224
50	340	(13)	n.m.	Special items	306
875	1,134	632	38	Operating Result ²	3,531
650	913	653	(1)	Capital expenditure	3,150
93	153	65	42	Exploration expenditures	466
19	81	32	(41)	Exploration expenses	174
11.66	10.73	11.89	(2)	OPEX (USD/boe)	11.18

Q1/19	Q4/18	Q1/18	Δ% ¹	Key performance indicators	2018
13.79	14.39	14.59	(6)	Total hydrocarbon production (mn boe)	58.30
153	156	162	(6)	Total hydrocarbon production (kboe/d)	160
6.41	6.66	6.60	(3)	Crude oil and NGL production (mn bbl)	26.78
1.13	1.18	1.22	(8)	Natural gas production (bcm)	4.83
39.88	41.81	43.20	(8)	Natural gas production (bcf)	170.39
12.8	13.3	13.5	(5)	Total hydrocarbon sales volume (mn boe)	54.3
63.42	68.33	65.17	(3)	Average Urals price (USD/bbl)	70.12
55.66	59.71	57.36	(3)	Average Group realized crude price (USD/bbl)	62.06

¹ Q1/19 vs. Q1/18

² Excluding intersegmental profit elimination.

First quarter 2019 (Q1/19) vs. first quarter 2018 (Q1/18)

- ▶ **Clean Operating Result was positively influenced by FX and gas price**
- ▶ **Daily production decreased by 5.5%, mainly due to natural decline in Romania and lower production in Kazakhstan**
- ▶ **OPEX of USD 11.66/boe reflects favorable FX effects and continuous cost management**

Clean Operating Result improved to RON 825 mn, mainly driven by higher gas prices and favorable FX, lower depreciation and exploration expenses, which compensated for the lower oil and gas volumes, lower crude quotations and higher royalties.

In Q1/19 **Reported Operating Result** was impacted by special items, mainly with regard to fields divested (closing of the deal with Mazarine Energy Romania for the nine marginal fields achieved on March 1, 2019), while both quarters include personnel restructuring.

Group **production cost** (OPEX) in USD/boe was 2% lower than in Q1/18, mainly due to favorable FX, partially offset by lower production available for sale and higher electricity cost. Our continuous cost management initiatives partly offset the increases in wages and inflation. In Romania, production cost in USD/boe decreased by 2% to USD 11.67/boe, while in RON terms, it increased to RON 48.66/boe, 8% above the Q1/18 level due to lower production available for sale.

Group hydrocarbon production decreased by 5.5% due to natural decline in Romania and a pause in well interventions and workover activities in Kazakhstan in 2018.

In **Romania**, daily hydrocarbon production was 147.9 kboe/d, down 5% yoy. Total production stood at 13.3 mn boe. Crude oil and NGL production in Romania was 6.0 mn bbl, broadly in line with Q1/18, mainly reflecting natural decline, which was almost compensated by the contribution of new wells. Gas production in Romania was 7.3 mn boe, 8% lower than Q1/18, being influenced by natural decline, surface maintenance works and unplanned workovers.

In **Kazakhstan**, total production amounted to 5.3 kboe/day or 0.48 mn boe, 19% lower compared to the same period of 2018 following a pause in well interventions and workover activities in 2018.

In Q1/19, we finalized the drilling of 21 new wells and sidetracks.

Group hydrocarbon **sales volumes** decreased by 5% compared to Q1/18, due to lower sales both in Romania and Kazakhstan.

Exploration expenses decreased to RON 19 mn as Q1/18 figure was impacted by write-offs of unsuccessful exploration wells.

Investments in Upstream activities were RON 650 mn and included sustained development and exploration drilling as well as workover activities.

Exploration expenditures increased to RON 93 mn as a result of the increased drilling activities.

Downstream

Q1/19	Q4/18	Q1/18	Δ% ¹	in RON mn	2018
572	715	514	11	Clean CCS Operating Result before depreciation and amortization, impairments and write ups ²	2,462
378	514	321	18	Clean CCS Operating Result ²	1,695
221	354	243	(9)	thereof Downstream Oil	1,335
157	160	78	100	thereof Downstream Gas	360
22	73	84	(74)	Special items	(65)
167	(227)	42	302	CCS effect: Inventory holding gains/(losses) ²	42
567	360	447	27	Operating Result	1,672
168	276	190	(11)	Capital expenditure	1,138

Q1/19	Q4/18	Q1/18	Δ% ¹	Key performance indicators Downstream Oil	2018
3.62	5.27	6.56	(45)	Indicator refining margin (USD/bbl) ³	6.28
1.15	1.19	1.11	3	Refining input (mn t) ⁴	4.08
96	99	94	1	Refinery utilization rate (%)	85
1.18	1.35	1.12	5	Total refined product sales (mn t)	4.99
0.62	0.70	0.58	6	thereof retail sales volumes (mn t) ⁵	2.74
Key performance indicators Downstream Gas					
12.23	12.88	14.20	(14)	Gas sales volumes (TWh)	47.32
9.79	9.74	12.13	(19)	thereof to third parties (TWh)	38.92
1.08	1.48	0.89	21	Net electrical output (TWh)	3.82
255	290	163	56	OPCOM spot average electricity base load price (RON/MWh)	216

¹ Q1/19 vs. Q1/18;

² Current cost of supply (CCS): the Clean CCS Operating Result eliminates special items and inventory holding gains/losses (CCS effects) resulting from Downstream Oil;

³ The actual refining margins realized by OMV Petrom may vary from the indicator refining margin due to different crude slate, product yield and operating conditions;

⁴ Figures include crude and semi-finished products, in line with the OMV Group reporting standard;

⁵ Retail sales volumes refer to sales via the OMV Petrom Group's filling stations in Romania, Bulgaria, Serbia and Moldova.

First quarter 2019 (Q1/19) vs. first quarter 2018 (Q1/18)

- ▶ **Downstream Oil: Clean CCS Operating Result at RON 221 mn, 9% lower, with strong operational performance, partly offsetting the weaker refining margins**
- ▶ **Downstream Gas: higher result, built on better power market conditions**

The **Clean CCS Operating Result** increased to RON 378 mn in Q1/19 (Q1/18: RON 321 mn), due to the higher results of the Downstream Gas segment, compensating for the marginally lower Downstream Oil result. The **Reported Operating Result** of RON 567 mn was higher yoy and reflected **positive CCS effects** of RON 167 mn, due to higher crude quotations towards the end of the quarter, and a **special income** of RON 22 mn (mainly from the reversal of a provision).

In Q1/19, **Downstream Oil Clean CCS Operating Result** decreased to RON 221 mn, mainly reflecting the unfavorable refining margin development, partly counterbalanced by improved operational performance.

OMV Petrom indicator refining margin decreased yoy by USD 2.94/bbl to USD 3.62/bbl in Q1/19, mainly due to significantly lower gasoline spread. The **refinery utilization rate** was 96% (Q1/18: 94%), reflecting the increased domestic demand and seized market opportunities.

Total refined product sales were 5% higher compared to Q1/18. Group retail sales volumes, which accounted for 52% of total refined product sales, increased by 6% yoy as a result of higher demand. The Retail result was also supported by the increased non-oil business contribution. Q1/19 non-retail sales volumes increased by 5% yoy as a result of market opportunities being seized.

Downstream Gas Clean Operating Result increased to RON 157 mn in Q1/19, from RON 78 mn in Q1/18, due to improved performance in the power and gas business, enabled by better market conditions.

As per OMV Petrom's estimates, national **gas** demand decreased by around 4% yoy due to warmer weather. On the Romanian centralized markets, where liquidity was lower due to regulatory uncertainty at the beginning of the

year, the weighted average price of natural gas for transactions closed in Q1/19 (0.2 TWh³), with delivery until Q2/19, was RON 122.5/MWh^{3,4}.

OMV Petrom's gas sales volume decreased by 14% in Q1/19 yoy, due to decreasing equity gas production and lower gas volumes available in storage at the beginning of Q1/19 vs. Q1/18. At the end of Q1/19, OMV Petrom had 0.3 TWh of gas in storage, similar to Q1/18.

As per currently available information from the grid operator, national **electricity** demand decreased by 3%, while national production was lower by 11% yoy; as such, Romania was a net power importer in Q1/19.

OMV Petrom's net electrical output was 1.08 TWh in Q1/19, 21% higher vs. Q1/18, as the Brazi power plant was functional at full capacity and benefited from higher spark spreads driven by supportive baseload power prices.

Total Downstream investments amounted to RON 168 mn (Q1/18: RON 190 mn) and were directed mainly to Downstream Oil, primarily for compliance projects in Petrobrazi refinery. In addition, the new Polyfuel unit in Petrobrazi refinery started production in March.

³ OMV Petrom estimates based on available public information.

⁴ The gas price for transactions on the Romanian centralized markets refers to various products in terms of storage costs, flexibility and timing.

Group interim condensed consolidated financial statements as of and for the period ended March 31, 2019 (unaudited)

Interim consolidated income statement (unaudited)

Q1/19	Q4/18	Q1/18	in RON mn	2018
5,420.07	6,412.63	4,874.79	Sales revenues	22,523.24
167.76	515.60	29.37	Other operating income	672.10
0.46	0.38	2.80	Net income from equity-accounted investments	9.51
5,588.29	6,928.61	4,906.96	Total revenues and other income	23,204.85
(1,878.47)	(2,516.89)	(1,473.00)	Purchases (net of inventory variation)	(8,040.24)
(794.27)	(769.18)	(778.51)	Production and operating expenses	(3,139.79)
(320.92)	(358.98)	(278.15)	Production and similar taxes	(1,240.55)
(757.76)	(824.71)	(779.66)	Depreciation, amortization and impairment charges	(3,180.13)
(519.67)	(526.50)	(454.26)	Selling, distribution and administrative expenses	(1,977.47)
(18.84)	(80.64)	(31.94)	Exploration expenses	(174.27)
(9.90)	(100.77)	(31.42)	Other operating expenses	(239.41)
1,288.46	1,750.94	1,080.02	Operating Result	5,212.99
96.42	44.60	29.11	Interest income	162.24
(71.92)	(99.21)	(72.26)	Interest expenses	(435.60)
(0.43)	(16.52)	(19.52)	Other financial income and expenses	(26.06)
24.07	(71.13)	(62.67)	Net financial result	(299.42)
1,312.53	1,679.81	1,017.35	Profit before tax	4,913.57
(161.35)	(269.17)	(163.27)	Taxes on income	(835.78)
1,151.18	1,410.64	854.08	Net income for the period	4,077.79
1,151.17	1,410.63	854.23	thereof attributable to stockholders of the parent	4,078.10
0.01	0.01	(0.15)	thereof attributable to non-controlling interests	(0.31)
0.0203	0.0249	0.0151	Basic earnings per share (RON)	0.0720

Interim consolidated statement of comprehensive income (unaudited)

Q1/19	Q4/18	Q1/18	in RON mn	2018
1,151.18	1,410.64	854.08	Net income for the period	4,077.79
21.77	13.69	0.95	Exchange differences from translation of foreign operations	15.84
(2.52)	5.02	-	Unrealized gains/ (losses) on hedges	5.02
19.25	18.71	0.95	Total of items that may be reclassified ("recycled") subsequently to the income statement	20.86
-	9.03	-	Re-measurement gains on defined benefit plans	9.03
-	9.03	-	Total of items that will not be reclassified ("recycled") subsequently to the income statement	9.03
(0.19)	(5.55)	5.97	Income tax relating to items that may be reclassified ("recycled") subsequently to the income statement	(12.50)
-	(1.46)	-	Income tax relating to items that will not be reclassified ("recycled") subsequently to the income statement	(1.46)
(0.19)	(7.01)	5.97	Total income taxes relating to components of other comprehensive income	(13.96)
19.06	20.73	6.92	Other comprehensive income for the period, net of tax	15.93
1,170.24	1,431.37	861.00	Total comprehensive income/ (loss) for the period	4,093.72
1,170.22	1,431.36	859.42	thereof attributable to stockholders of the parent	4,095.75
0.02	0.01	1.58	thereof attributable to non-controlling interests	(2.03)

Interim consolidated statement of financial position (unaudited)

in RON mn	March 31, 2019	December 31, 2018
Assets		
Intangible assets	3,128.43	3,058.95
Property, plant and equipment	27,071.26	26,749.09
Investments in associated companies	20.51	58.29
Other financial assets	2,165.18	2,165.22
Other assets	200.32	84.11
Deferred tax assets	1,450.63	1,433.00
Non-current assets	34,036.33	33,548.66
Inventories	2,361.13	2,151.54
Trade receivables	1,724.34	1,674.23
Other financial assets	144.30	195.19
Other assets	539.86	476.14
Cash and cash equivalents	6,078.83	5,609.43
Current assets	10,848.46	10,106.53
Assets held for sale	1.05	128.95
Total assets	44,885.84	43,784.14
Equity and liabilities		
Share capital	5,664.41	5,664.41
Reserves	26,873.43	25,703.21
Stockholders' equity	32,537.84	31,367.62
Non-controlling interests	0.50	0.48
Total equity	32,538.34	31,368.10
Provisions for pensions and similar obligations	210.89	211.38
Interest-bearing debts	622.37	281.87
Provisions for decommissioning and restoration obligations	5,979.19	5,992.95
Other provisions	189.99	190.27
Other financial liabilities	25.76	155.63
Other liabilities	14.61	14.84
Deferred tax liabilities	19.33	20.49
Non-current liabilities	7,062.14	6,867.43
Trade payables	2,928.72	3,049.66
Interest-bearing debts	219.56	267.43
Income tax liabilities	211.07	228.47
Other provisions and decommissioning	736.00	690.29
Other financial liabilities	341.71	388.34
Other liabilities	848.30	821.36
Current liabilities	5,285.36	5,445.55
Liabilities associated with assets held for sale	-	103.06
Total equity and liabilities	44,885.84	43,784.14

Interim condensed consolidated 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, 2019	5,664.41	25,653.10	50.13	(0.02)	31,367.62	0.48	31,368.10
Net income for the period	-	1,151.17	-	-	1,151.17	0.01	1,151.18
Other comprehensive income for the period	-	-	19.05	-	19.05	0.01	19.06
Total comprehensive income for the period	-	1,151.17	19.05	-	1,170.22	0.02	1,170.24
Dividend distribution	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
March 31, 2019	5,664.41	26,804.27	69.18	(0.02)	32,537.84	0.50	32,538.34

in RON mn	Share capital	Revenue reserves	Other reserves ¹	Treasury shares	Stockholders' equity	Non-controlling interests	Total Equity
January 1, 2018	5,664.41	22,765.94	49.34	(0.02)	28,479.67	(58.64)	28,421.03
Net income/(loss) for the period	-	854.23	-	-	854.23	(0.15)	854.08
Other comprehensive income for the period	-	-	5.19	-	5.19	1.73	6.92
Total comprehensive income for the period	-	854.23	5.19	-	859.42	1.58	861.00
Dividend distribution	-	-	-	-	-	-	-
Other	-	(4.93)	-	-	(4.93)	-	(4.93)
March 31, 2018	5,664.41	23,615.24	54.53	(0.02)	29,334.16	(57.06)	29,277.10

¹ Other reserves contain mainly exchange rate differences from the translation of foreign operations, reserves from business combinations in stages, unrealized gains and losses from hedges, exchange differences on loans considered net investment in a foreign operation and land for which ownership was obtained but was not included in share capital.

Interim condensed consolidated statement of cash flows (unaudited)

Q1/19	Q4/18	Q1/18	Summarized statement of cash flows (in RON mn)	2018
1,312.53	1,679.81	1,017.35	Profit before tax	4,913.57
(7.96)	2.17	41.12	Net change in provisions	(1.69)
(54.85)	5.36	0.18	Losses/(Gains) on the disposal of non-current assets	(6.82)
753.44	453.08	813.47	Depreciation, amortization and impairments including write-ups	2,872.32
25.62	31.96	0.63	Net interest received	16.40
(203.14)	(233.29)	(43.76)	Tax on profit paid	(535.78)
(133.09)	(68.59)	(54.45)	Other non-monetary adjustments	94.63
1,692.55	1,870.50	1,774.54	Sources of funds ¹	7,352.63
(228.51)	27.30	(56.13)	(Increase)/Decrease in inventories	(88.00)
(17.67)	(60.16)	(5.65)	Increase in receivables	(217.78)
58.66	(13.76)	83.65	Increase/(Decrease) in liabilities	338.23
1,505.03	1,823.88	1,796.41	Cash flow from operating activities	7,385.08
(960.71)	(1,148.14)	(1,080.83)	Intangible assets and property, plant and equipment	(4,327.44)
38.24	-	-	Investments, loans and other financial assets	-
5.03	17.08	0.45	Proceeds in relation to non-current assets	53.73
78.58	-	13.21	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	13.21
(838.86)	(1,131.06)	(1,067.17)	Cash flow from investing activities	(4,260.50)
(197.88)	(33.79)	(37.28)	Decrease in borrowings	(371.45)
(0.12)	(0.74)	(0.08)	Dividends paid	(1,122.80)
-	-	-	Decrease in non-controlling interest	(1.01)
(198.00)	(34.53)	(37.36)	Cash flow from financing activities	(1,495.26)
1.23	0.37	(0.65)	Effect of exchange rate changes on cash and cash equivalents	1.06
469.40	658.66	691.23	Net increase in cash and cash equivalents	1,630.38
5,609.43	4,950.77	3,979.05	Cash and cash equivalents beginning of period	3,979.05
6,078.83	5,609.43	4,670.28	Cash and cash equivalents end of period	5,609.43
666.17	692.82	729.24	Free cash flow	3,124.58
666.05	692.08	729.16	Free cash flow after dividends	2,001.78

¹ Representing cash generated from operating activities before working capital movements

Selected notes to the interim condensed consolidated financial statements as of and for the period ended March 31, 2019 (unaudited)

Legal principles

The interim condensed unaudited consolidated financial statements as of and for the three-month period ended 31 March 2019 ("Q1/19") have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as of December 31, 2018.

The interim condensed consolidated financial statements for Q1/19 included in this report are unaudited and an external limited review by an auditor was not performed.

The interim condensed consolidated financial statements for Q1/19 have been prepared in million RON (RON mn, RON 1,000,000). Accordingly there may be rounding differences. In addition to the interim condensed consolidated financial statements, further information on main items affecting the interim financial statements as of March 31, 2019 is given as part of the description of Business Segments in the Directors' Report.

General accounting policies

The accounting policies and valuation methods adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2018, except for the adoption of new standards effective as of January 1, 2019. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group has initially adopted IFRS 16 Leases from January 1, 2019.

A number of other amendments and interpretations have been effective since January 1, 2019, but they do not have a material effect on the Group's interim condensed consolidated financial statements.

IFRS 16 Leases

This standard replaces IAS 17 and sets out new rules for lease accounting. For the lessee's accounting, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as was required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize right-of-use assets and liabilities for leases in the scope of IFRS 16 and depreciation of the right-of-use assets separately from interest on lease liabilities in the income statement. The right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Interest expense is charged to profit or loss over the lease period on the remaining balance of the lease liability for each period. For lessors, there are minor changes compared to IAS 17.

On transition to IFRS 16, OMV Petrom applied the practical expedient to grandfather the assessment of which transactions are leases. This means it applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under the previous standard were not reassessed for whether they are leases. Additionally, OMV Petrom did not recognize any right-of-use assets and lease liabilities for contracts which expire in 2019.

Leases to explore for and use oil and natural gas, which comprise mainly land leases used for such activities, are not in the scope of IAS 17 and IFRS 16. Furthermore, OMV Petrom considers subsurface rights of way which give OMV Petrom the right to place underground pipelines where the landowner retains the right to use the surface area to not fulfill the definition of a lease under the previous and new standard. In addition, some commitments are covered by the exceptions for short-term and low-value leases. Consequently, right-of-use assets and lease liabilities were not recognized for these contracts. Moreover, non-lease components are separated from the lease components for measurement of right-of-use assets and lease liabilities.

OMV Petrom initially applied IFRS 16 on January 1, 2019 using the modified retrospective approach for transition, thus not restating comparative amounts for the comparative period presented. The right-of-use assets for previous operating leases were measured at the date of initial application at the amount of the lease liability, adjusted by prepaid or accrued lease payments. The lease liabilities were measured at the present value of the lease payments over the remaining lease term, discounted using the incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to these lease liabilities on January 1, 2019

was 1.34%. The first-time application of IFRS 16 resulted in recognizing RON 300 mn as right-of-use assets and RON 285 mn as lease liabilities for previous operating leases. For leases previously classified as finance leases the Group recognized the carrying amount of the lease asset and lease liability before transition as the carrying amount of the right-of-use asset and lease liability at the date of initial application.

Reconciliation of future operating lease commitments as at December 31, 2018 to lease liability as at January 1, 2019

In RON mn	January 1, 2019
Future minimum lease payments under non-cancellable operating leases as at December 31, 2018	197
less minimum lease payments for short-term leases	(27)
less minimum lease payments for low value leases	-
plus minimum lease payments under reasonably certain prolongation or termination options	156
Gross lease liability for previously unrecognized operating lease commitments as at January 1, 2019	326
less discounting effect as at January 1, 2019	(41)
Lease liability for previously unrecognized operating lease commitments as at January 1, 2019	285
Finance lease liability recognized as at 31 December, 2018	169
Lease liability recognized as at January 1, 2019	454

Leasing overview

In RON mn	March 31, 2019
Right of use assets	
Right of use assets - land and buildings	213
Right of use assets - plant and machinery	119
Right of use assets - other fixtures, fittings and equipment	110
Total right of use assets	442
In RON mn	Q1/19
Depreciation of right-of-use assets	23
Lease liabilities	March 31, 2019
Non-current lease liabilities	364
Current lease liabilities	102
Total lease liabilities	466

Changes in the consolidated Group

Compared with the annual consolidated financial statements as of December 31, 2018, there were no changes in the consolidated Group.

The detailed structure of the consolidated companies in OMV Petrom Group at March 31, 2019 is presented in Appendix 1 to the current report.

Seasonality and cyclical

Seasonality is of particular significance in Downstream.

Consumption of natural gas, electricity, heat and certain oil products is seasonal and is significantly affected by climatic conditions. Natural gas consumption is higher during the cold winter months. Electricity consumption is also generally higher during winter as a supplementary measure to produce heat and due to fewer daylight hours and the need for more artificial lighting. In addition, during very hot summer periods, the increased usage of air cooling systems can also significantly increase electricity consumption. Natural gas sales and electricity generation may also be significantly affected by climatic conditions, such as unusually hot or cold temperatures. Consequently, the results reflect the seasonal character of the demand for natural gas and electricity, and may be influenced by variations in climatic conditions.

Accordingly, the results of operations of the Downstream Gas business segment and, to a lesser extent, the Downstream Oil business segment, as well as the comparability of results over different periods, may be affected by changes in weather conditions.

In addition to the interim condensed consolidated financial statements and notes, further information on main factors affecting the interim condensed consolidated financial statements as of and for the three-month period ended March 31, 2019 is given as part of the description of OMV Petrom Group's Business Segments in the Directors' Report.

Exchange rates

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

Q1/19	Q4/18	Q1/18	Δ% ¹	NBR FX rates	2018
4.735	4.660	4.655	2	Average EUR/RON FX rate	4.654
4.169	4.083	3.786	10	Average USD/RON FX rate	3.943
4.763	4.664	4.658	2	Closing EUR/RON FX rate	4.664
4.243	4.074	3.778	12	Closing USD/RON FX rate	4.074

¹ Q1/19 vs. Q1/18

Notes to the income statement

Revenues

in RON mn	Q1/19	Q1/18
Revenues from contracts with customers	5,401.54	4,770.82
Revenues from other sources	18.53	103.97
Total sales revenues	5,420.07	4,874.79

Revenues from other sources include mainly the impact from commodity sales/purchases transactions that are within the scope of IFRS 9 Financial Instruments, as well as rental and lease revenues.

Revenues from contracts with customers

in RON mn						Q1/19
	Upstream	Downstream	thereof Downstream Oil	thereof Downstream Gas	Corporate & Other	Total
Crude oil and NGL	71.10	24.88	24.88	-	-	95.98
Natural gas, LNG and power	2.09	1,517.95	3.26	1,514.69	-	1,520.04
Fuels and heating oil	-	2,933.10	2,933.10	-	-	2,933.10
Other goods and services	12.26	836.91	836.52	0.39	3.25	852.42
Total	85.45	5,312.84	3,797.76	1,515.08	3.25	5,401.54

in RON mn						Q1/18
	Upstream	Downstream	thereof Downstream Oil	thereof Downstream Gas	Corporate & Other	Total
Crude oil and NGL	101.39	-	-	-	-	101.39
Natural gas, LNG and power	1.63	1,279.01	2.50	1,276.51	-	1,280.64
Fuels and heating oil	-	2,542.15	2,542.15	-	-	2,542.15
Other goods and services	12.59	828.34	827.25	1.09	5.71	846.64
Total	115.61	4,649.50	3,371.90	1,277.60	5.71	4,770.82

Income tax

Q1/19	Q4/18	Q1/18	In RON mn	2018
161.35	269.17	163.27	Taxes on income	835.78
179.56	193.75	168.31	Current taxes	705.37
(18.21)	75.42	(5.04)	Deferred taxes – expense / (revenue)	130.41
12%	16%	16%	Group effective tax rate	17%

Notes to the statement of financial position

Commitments

As at March 31, 2019 OMV Petrom Group's commitments for investments amounted to RON 1,008 mn (December 31, 2018: RON 1,001 mn), mainly relating to exploration and production activities in Upstream.

Inventories

During the three months ended March 31, 2019, there were no material write-downs of inventories.

Equity

At the Annual General Meeting of Shareholders held on April 19, 2019, the shareholders of OMV Petrom S.A. approved the distribution of dividends for the financial year 2018 for the gross amount of RON 1,529 mn (gross dividend per share of RON 0.027).

The total number of own shares held by the Company as of March 31, 2019 amounted to 204,776 (December 31, 2018: 204,776).

Financial liabilities

As of March 31, 2019, short and long-term interest bearing debts amounted to RON 842 mn, thereof RON 466 mn lease liabilities. Starting with January 1, 2019 lease liabilities are included in the line "Interest-bearing debts" in the Interim consolidated statement of financial position due to implementation of IFRS 16.

As of December 31, 2018, short and long-term interest bearing debts and finance leases amounted to RON 719 mn, thereof RON 169 mn liabilities for finance leases.

Fair value measurement

Financial instruments recognized at fair value are disclosed according to the following fair value measurement hierarchy:

Level 1: Using quoted prices in active markets for identical assets or liabilities.

Level 2: Using inputs for the asset or liability, other than quoted prices, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Using inputs for the asset or liability that are not based on observable market data such as prices, but on internal models or other valuation methods.

Financial instruments on asset side (in RON mn)	March 31, 2019				December 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Derivatives designated and effective as hedging instruments	-	3.44	-	3.44	-	5.78	-	5.78
Other derivatives	-	35.69	-	35.69	-	45.01	-	45.01
Total	-	39.13	-	39.13	-	50.79	-	50.79

Financial instruments on liability side (in RON mn)	March 31, 2019				December 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Liabilities on derivatives designated and effective as hedging instruments	-	(0.56)	-	(0.56)	-	(0.75)	-	(0.75)
Liabilities on other derivatives	-	(149.93)	-	(149.93)	(162.78)	-	-	(162.78)
Other financial liabilities	-	-	(11.41)	(11.41)	-	-	(11.41)	(11.41)
Total	-	(150.49)	(11.41)	(161.90)	(163.53)	(11.41)	(11.41)	(174.94)

There were no transfers between levels of the fair value hierarchy. There were no changes in the fair value measurement techniques for assets and liabilities that are measured at fair value.

Interest-bearing debts other than lease liabilities amount to RON 376 mn (December 31, 2018: RON 549 mn). The estimated fair value of these liabilities was RON 381 mn (December 31, 2018: RON 554 mn). The carrying amount of all other financial assets and financial liabilities approximates their fair value.

Segment reporting

Intersegmental sales

Q1/19	Q4/18	Q1/18	Δ% ¹	in RON mn	2018
2,274.84	2,334.00	2,114.20	8	Upstream	9,214.71
64.02	62.50	54.68	17	Downstream ²	234.86
29.42	34.83	25.71	14	thereof Downstream Oil	132.44
72.35	55.24	54.83	32	thereof Downstream Gas	195.67
(37.75)	(27.57)	(25.86)	(46)	thereof intersegmental elimination Downstream Oil and Downstream Gas	(93.25)
49.11	52.33	40.19	22	Corporate and Other	185.00
2,387.97	2,448.83	2,209.07	8	Total	9,634.57

¹ Q1/19 vs. Q1/18;

² Sales Downstream = Sales Downstream Oil + Sales Downstream Gas – intersegmental elimination Downstream Oil and Downstream Gas

Sales to external customers

Q1/19	Q4/18	Q1/18	Δ% ¹	in RON mn	2018
87.04	141.90	117.24	(26)	Upstream	527.74
5,325.50	6,261.64	4,747.28	12	Downstream	21,958.85
3,793.04	4,587.73	3,390.69	12	thereof Downstream Oil	17,075.07
1,532.46	1,673.91	1,356.59	13	thereof Downstream Gas	4,883.78
7.53	9.09	10.27	(27)	Corporate and Other	36.65
5,420.07	6,412.63	4,874.79	11	Total	22,523.24

¹ Q1/19 vs. Q1/18

Total sales (not consolidated)

Q1/19	Q4/18	Q1/18	Δ% ¹	in RON mn	2018
2,361.88	2,475.90	2,231.44	6	Upstream	9,742.45
5,389.52	6,324.14	4,801.96	12	Downstream ²	22,193.71
3,822.46	4,622.56	3,416.40	12	thereof Downstream Oil	17,207.51
1,604.81	1,729.15	1,411.42	14	thereof Downstream Gas	5,079.45
(37.75)	(27.57)	(25.86)	(46)	thereof intersegmental elimination Downstream Oil and Downstream Gas	(93.25)
56.64	61.42	50.46	12	Corporate and Other	221.65
7,808.04	8,861.46	7,083.86	10	Total	32,157.81

¹ Q1/19 vs. Q1/18;

² Sales Downstream = Sales Downstream Oil + Sales Downstream Gas – intersegmental elimination Downstream Oil and Downstream Gas

Segment and Group profit

Q1/19	Q4/18	Q1/18	Δ% ¹	in RON mn	2018
874.63	1,134.21	631.89	38	Operating Result Upstream	3,530.52
567.07	359.68	446.76	27	Operating Result Downstream	1,671.74
408.84	139.46	290.83	41	thereof Operating Result Downstream Oil	1,385.40
158.23	220.22	155.93	1	thereof Operating Result Downstream Gas	286.34
(64.41)	(36.97)	(21.81)	(195)	Operating Result Corporate and Other	(105.63)
1,377.29	1,456.92	1,056.84	30	Operating Result segment total	5,096.63
(88.83)	294.02	23.18	n.m.	Consolidation: Elimination of intersegmental profits	116.36
1,288.46	1,750.94	1,080.02	19	OMV Petrom Group Operating Result	5,212.99
24.07	(71.13)	(62.67)	n.m.	Net financial result	(299.42)
1,312.53	1,679.81	1,017.35	29	OMV Petrom Group profit before tax	4,913.57

¹ Q1/19 vs. Q1/18

Assets¹

in RON mn	March 31, 2019	December 31, 2018
Upstream	23,023.33	22,866.45
Downstream	6,720.42	6,521.73
thereof Downstream Oil	5,648.98	5,440.16
thereof Downstream Gas	1,071.44	1,081.57
Corporate and Other	455.94	419.86
Total	30,199.69	29,808.04

¹ Segment assets consist of intangible assets and property, plant and equipment

Other notes

Significant transactions with related parties

Significant transactions in form of supplies of goods and services take place on a constant and regular basis with companies from OMV Group. The most significant are disclosed in the Appendix 2.

Financial Ratios (presented in accordance with the requirements of the Financial Supervisory Authority's Regulation no. 5/2018 on issuers of financial instruments and market operations)

Financial ratio	Formula	Value
Current ratio	Current Assets / Current Liabilities ¹	2.05
Indebtness Ratio (%)	Interest-bearing debts (long term) / Equity*100	1.91
	Interest-bearing debts (long term) / (Interest-bearing debts (long term)+Equity)*100	1.88
Days in receivables	Receivables average balance / Turnover*90	28.22
Fixed assets turnover ²	Turnover / Fixed assets	0.72

¹ Current Assets include Assets held for sale and Current Liabilities include Liabilities associated with assets held for sale;

² Fixed assets turnover is calculated based on turnover for Q1/19*(360/90) days.

Subsequent events

On **April 19**, the **Ordinary General Meeting of Shareholders** (OGMS) approved the 2019 Income and Expenditure Budget of OMV Petrom S.A. with investments estimated at RON 4.17 bn (which also include OMV Petrom S.A. contribution to share participation in OMV Petrom Group's subsidiaries, which are eliminated at Group level).

The OGMS approved the distribution of dividends for the financial year 2018 for the gross amount of RON 1,529 mn (gross dividend per share of RON 0.027).

The OGMS reappointed Ernst & Young Assurance Service S.R.L. as the Company's financial auditor for 2019.

Starting **April 17, 2019**, Alina-Gabriela Popa assumed the position of CFO and Executive Board Member of OMV Petrom.

Declaration of the management

We confirm to the best of our knowledge that the unaudited interim condensed consolidated financial statements for the three month period ended March 31, 2019 give a true and fair view of OMV Petrom Group's assets, liabilities, financial position and profit or loss, as required by the applicable accounting standards, and that the Directors' Report gives a true and fair view of important events that have occurred during the first three months of the financial year 2019 and their impact on the interim condensed consolidated financial statements, as well as a description of the principal risks and uncertainties.

Bucharest, May 3, 2019

The Executive Board

Christina Verchere
Chief Executive Officer
President of the Executive Board



Alina Popa
Chief Financial Officer
Member of the Executive Board



Peter Zeilinger
Member of the Executive Board
Upstream



Franck Neel
Member of the Executive Board
Downstream Gas



Radu Caprau
Member of the Executive Board
Downstream Oil



Further information

Abbreviation and definitions

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/(cash)
CEO	Chief Executive Officer
Co&O	Corporate and Other
CAPEX	Capital expenditure
Clean CCS Operating Result	Operating Result adjusted for special items and CCS effects. Group clean CCS Operating Result is calculated by adding the clean CCS Operating Result of Downstream Oil, the clean Operating Result of the other segments and the reported consolidation effect adjusted for changes in valuation allowances, in case the net realizable value of the inventory is lower than its cost.
Clean CCS net income attributable to stockholders	Net income attributable to stockholders, adjusted for the after tax effect of special items and CCS
Clean CCS EPS	Clean CCS Earnings per share = Clean CCS net income attributable to stockholders divided by weighted number of shares
Clean CCS ROACE	Clean CCS Return On Average Capital Employed = NOPAT (as a sum of current and last three quarters) adjusted for the after tax effect of special items and CCS, divided by average Capital Employed (on a rolling basis, as an average of last four quarters) (%)
Clean effective tax rate	Taxes on income adjusted for the tax effect of special items and CCS, divided by Clean CCS Profit before tax (%)
EPS	Earnings per share = Net income attributable to stockholders divided by weighted number of shares
Effective tax rate	Taxes on income divided by Profit before tax (%)
EUR	euro
E&A	Exploration and appraisal
FX	Foreign Exchange
HSSE	Health, Safety, Security and Environment
IFRSs; IASs	International Financial Reporting Standards; International Accounting Standards
LNG	Liquefied natural gas
mn	million
MWh	megawatt hour
NBR	National Bank of Romania
Net debt/(cash)	Interest bearing debts plus finance lease liabilities less cash and cash equivalents
NGL	Natural Gas Liquids
n.a.	not applicable/not available (as the case may be)
n.m.	not meaningful i.e. deviation exceeds (+/-) 500% or comparison is made between positive and negative values
NOPAT	Net Operating Profit After Tax = Net income attributable to stockholders of the parent, adjusted for net interest on net borrowings, +/- result from discontinued operations, +/- tax effect of adjustments
OPCOM	The administrator of the Romanian electricity market

Operating Result	The "Operating result" includes the former indicator EBIT ("Earnings Before Interest and Taxes") and the net result from equity-accounted investments.
Clean Operating Result before depreciation and amortization, impairments and write-ups	Former EBITD adjusted for special items and CCS effects = Operating Result Before Interest, Taxes, Depreciation and amortization, impairments and write-ups of fixed assets, including reversals adjusted for special items and CCS effects
OPEX	Operating Expenses
Q	quarter
ROACE	Return On Average Capital Employed = NOPAT (as a sum of current and last three quarters) divided by average Capital Employed (on a rolling basis, as an average of last four quarters) (%)
RON	Romanian leu
S.A.; S.R.L.	Societate pe Actiuni (Joint-stock company); Societate cu Raspundere Limitata (Limited liability company)
t	metric tonne(s)
TWh	terawatt hour
USD	United States dollar
yoy	year-on-year

Appendix 1

Consolidated companies in OMV Petrom Group at March 31, 2019

Parent company

OMV Petrom S.A.

Subsidiaries

Upstream		Downstream Oil	
Tasbulat Oil Corporation LLP (Kazakhstan)	100.00%	OMV Petrom Marketing S.R.L.	100.00%
Kom Munai LLP (Kazakhstan)	100.00%	OMV Petrom Aviation S.A. ¹	100.00%
Petrom Exploration & Production Ltd.	99.99%	Petrom Moldova S.R.L. (Moldova)	100.00%
		OMV Bulgaria OOD (Bulgaria)	99.90%
		OMV Srbija DOO (Serbia)	99.96%
Downstream Gas		Corporate & Other	
OMV Petrom Gas S.R.L.	99.99%	Petromed Solutions S.R.L.	99.99%

¹ (one) share owned through OMV Petrom Marketing S.R.L.

Associated company, accounted for at equity

OMV Petrom Global Solutions S.R.L.	25.00%
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Appendices 1 and 2 form part of the interim unaudited condensed consolidated financial statements

Appendix 2

Significant transactions with related parties

During the first three months of the financial year 2019, OMV Petrom Group had the following significant transactions with related parties (including significant balances as of March 31, 2019):

Related party (in RON mn)	Purchases Q1/19	Balances payable March 31, 2019
OMV Supply & Trading Limited	471.79	201.36
OMV Petrom Global Solutions S.R.L.	126.28	111.81
OMV Refining & Marketing GmbH	31.30	58.52
OMV Exploration & Production GmbH	14.51	24.69

Related party (in RON mn)	Revenues Q1/19	Balances receivable March 31, 2019
OMV Deutschland GmbH	74.78	23.43
OMV Gas Marketing & Trading GmbH	45.18	15.55
OMV Refining & Marketing GmbH	5.44	4.09
OMV International Services GmbH	-	21.99

During the first three months of the financial year 2018, OMV Petrom Group had the following significant transactions with related parties (including significant balances as of December 31, 2018):

Related party (in RON mn)	Purchases Q1/18	Balances payable December 31, 2018
OMV Supply & Trading Limited	147.55	141.37
OMV Petrom Global Solutions S.R.L.	110.48	116.05
OMV Refining & Marketing GmbH	38.87	50.57
OMV Exploration & Production GmbH	17.77	26.48

Related party (in RON mn)	Revenues Q1/18	Balances receivable December 31, 2018
OMV Deutschland GmbH	114.69	63.95
OMV Refining & Marketing GmbH	43.76	1.94
OMV Gas Marketing & Trading GmbH	20.10	6.37
OMV International Services GmbH	0.15	12.53

Appendices 1 and 2 form part of the interim unaudited condensed consolidated financial statements

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Next release:

- ▶ OMV Petrom Group report for January-June and Q2 2019: July 31, 2019.