

# Q1

Quarterly Report 2019



OMV Group



May 3, 2019

## Table of Contents

Directors' Report (condensed, unaudited)	4
Group performance	4
Outlook	8
Business segments	9
Upstream	9
Downstream	10
Group Interim Financial Statements (condensed, unaudited)	12
Declaration of the Management	25
Further Information	26

## Disclaimer regarding forward-looking statements

This report contains forward-looking statements. Forward-looking statements usually may be identified by the use of terms such as “outlook,” “expect,” “anticipate,” “target,” “estimate,” “goal,” “plan,” “intend,” “may,” “objective,” “will” and similar terms or by their context. These forward-looking statements are based on beliefs and assumptions currently held by and information currently available to OMV. By their nature, forward-looking statements are subject to risks and uncertainties, both known and unknown, because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of OMV. Consequently, the actual results may differ materially from those expressed or implied by the forward-looking statements. Therefore, recipients of this report are cautioned not to place undue reliance on these forward-looking statements.

Neither OMV nor any other person assumes responsibility for the accuracy and completeness of any of the forward-looking statements contained in this report. OMV disclaims any obligation to update these forward-looking statements to reflect actual results, revised assumptions and expectations and future developments and events. This report does not contain any recommendation or invitation to buy or sell securities in OMV.

May 3, 2019

# OMV Group Report January–March 2019 including condensed consolidated interim financial statements as of March 31, 2019

## Key Performance Indicators <sup>1</sup>

### Group

- ▶ Clean CCS Operating Result decreased by 7% to EUR 759 mn, in particular due to a lower contribution from Upstream mainly following force majeure in Libya
- ▶ Clean CCS net income attributable to stockholders amounted to EUR 346 mn, clean CCS Earnings Per Share were EUR 1.06
- ▶ High cash flow from operating activities of EUR 866 mn
- ▶ Organic free cash flow before dividends of EUR 418 mn
- ▶ Clean CCS ROACE at 12%

### Upstream

- ▶ Production rose by 37 kboe/d to 474 kboe/d
- ▶ Production cost decreased by 8% to USD 6.8/boe

### Downstream

- ▶ OMV indicator refining margin stood at USD 4.0/bbl
- ▶ Natural gas sales increased by 15% to 38.1 TWh

## Key events

- ▶ On January 31, 2019, OMV and Sapura Energy Berhad closed the agreement to form a strategic partnership. OMV paid USD 540 mn for its 50% interest in the new company SapuraOMV Upstream Sdn. Bhd. In addition, the parties agreed to an additional consideration of up to USD 85 mn. The new entity, SapuraOMV Upstream Sdn. Bhd., and its subsidiaries are fully consolidated in OMV's Group financial statements.
- ▶ On January 27, 2019, OMV signed agreements for the purchase of a 15% share in ADNOC Refining. The estimated purchase price for OMV amounts to approximately USD 2.5 bn based on 2018 year-end net debt. The final purchase price is dependent on the net debt as of closing and certain working capital adjustments. Closing is expected in Q3/19.

---

<sup>1</sup> Figures reflect the Q1/19 period; all comparisons described relate to the same quarter in the previous year except where otherwise mentioned

May 3, 2019

# Directors' Report (condensed, unaudited)

## Group performance

### Financial highlights

In EUR mn (unless otherwise stated)

Q1/19	Q4/18	Q1/18	Δ% <sup>1</sup>		2018
5,403	6,640	4,977	9	Sales <sup>2</sup>	22,930
<b>759</b>	<b>1,053</b>	<b>818</b>	<b>(7)</b>	<b>Clean CCS Operating Result <sup>3</sup></b>	<b>3,646</b>
393	578	438	(10)	Clean Operating Result Upstream <sup>3</sup>	2,027
374	445	376	(1)	Clean CCS Operating Result Downstream <sup>3</sup>	1,643
(12)	(7)	0	n.m.	Clean Operating Result Corporate and Other <sup>3</sup>	(21)
4	37	4	14	Consolidation: elimination of intersegmental profits	(3)
34	36	35	(2)	Clean Group tax rate in %	39
482	643	491	(2)	Clean CCS net income <sup>3</sup>	2,108
<b>346</b>	<b>490</b>	<b>377</b>	<b>(8)</b>	<b>Clean CCS net income attributable to stockholders <sup>3, 4</sup></b>	<b>1,594</b>
1.06	1.50	1.15	(8)	Clean CCS EPS in EUR <sup>3</sup>	4.88
<b>759</b>	<b>1,053</b>	<b>818</b>	<b>(7)</b>	<b>Clean CCS Operating Result <sup>3</sup></b>	<b>3,646</b>
<b>12</b>	<b>273</b>	<b>64</b>	<b>(81)</b>	<b>Special items <sup>5</sup></b>	<b>(149)</b>
(5)	(67)	17	n.m.	CCS effects: inventory holding gains/(losses)	27
<b>766</b>	<b>1,259</b>	<b>899</b>	<b>(15)</b>	<b>Operating Result Group</b>	<b>3,524</b>
406	812	478	(15)	Operating Result Upstream	2,122
407	400	417	(3)	Operating Result Downstream	1,420
(24)	(22)	(1)	n.m.	Operating Result Corporate and Other	(47)
(23)	68	6	n.m.	Consolidation: elimination of intersegmental profits	28
(28)	(50)	(90)	69	Net financial result	(226)
738	1,209	809	(9)	Profit before tax	3,298
33	34	34	(5)	Group tax rate in %	40
496	793	531	(7)	Net income	1,993
354	608	406	(13)	Net income attributable to stockholders <sup>4</sup>	1,438
1.08	1.86	1.24	(13)	Earnings Per Share (EPS) in EUR	4.40
866	1,117	1,076	(20)	Cash flow from operating activities	4,396
(124)	368	538	n.m.	Free cash flow before dividends	1,043
(124)	281	538	n.m.	Free cash flow after dividends	263
418	576	645	(35)	Organic free cash flow before dividends <sup>6</sup>	2,495
3,186	2,014	2,292	39	Net debt	2,014
20	13	16	20	Gearing ratio in %	13
881	1,120	339	160	Capital expenditure <sup>7</sup>	3,676
404	589	339	19	Organic capital expenditure <sup>8</sup>	1,893
12	13	13	(7)	Clean CCS ROACE in % <sup>3</sup>	13
12	12	5	143	ROACE in %	12
20,225	20,231	20,595	(2)	Employees	20,231

Figures in this and the following tables may not add up due to rounding differences.

<sup>1</sup> Q1/19 compared to Q1/18<sup>2</sup> Sales excluding petroleum excise tax<sup>3</sup> Adjusted for special items; clean CCS figures exclude fuels' inventory holding gains/losses (CCS effects) resulting from the fuels refineries<sup>4</sup> After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests<sup>5</sup> Disclosure of special items is considered appropriate in order to facilitate analysis of the ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. Special items from equity-accounted companies and temporary effects from commodity hedging for material transactions are included.<sup>6</sup> Organic free cash flow before dividends is cash flow from operating activities less cash flow from investing activities, excluding disposals and material inorganic cash flow components (e.g. acquisitions).<sup>7</sup> Capital expenditure including acquisitions<sup>8</sup> Organic capital expenditure is defined as capital expenditure including capitalized Exploration and Appraisal expenditure and excluding acquisitions and contingent considerations.

May 3, 2019

**First quarter 2019 (Q1/19) compared to first quarter 2018 (Q1/18)**

**Consolidated sales** increased by 9% to EUR 5,403 mn, primarily as a result of higher realized oil and gas prices. The **clean CCS Operating Result** decreased by 7% from EUR 818 mn to EUR 759 mn, mainly due to a lower Upstream result of EUR 393 mn (Q1/18: EUR 438 mn). Positive net market effects to the amount of EUR 98 mn as a result of higher realized oil and gas prices and positive FX effects were more than offset by a negative operational performance and higher depreciation. The negative operational performance to the amount of EUR (56) mn was mainly caused by the missing sales contribution from Libya in Q1/19 that had a negative effect of EUR (144) mn compared to Q1/18. This effect was partially offset by higher sales in the United Arab Emirates and Yemen. The higher depreciation of EUR (87) mn was mainly related to the acquisitions in New Zealand in Q4/18 and the United Arab Emirates in Q2/18 as well as OMV's participation in the new company SapuraOMV Upstream Sdn. Bhd. ("SapuraOMV"). In Q1/19, the Downstream clean CCS Operating Result remained almost stable at EUR 374 mn (Q1/18: EUR 376 mn). The Downstream Gas result declined, due to a lower realization of arbitrage opportunities in the markets and a lower gas storage business result. This was offset by an increased Downstream Oil contribution following a strong performance from the commercial and retail businesses. The consolidation line amounted to EUR 4 mn in Q1/19 (Q1/18: EUR 4 mn). OMV Petrom's clean CCS Operating Result amounted to EUR 262 mn (Q1/18: EUR 206 mn).

The **clean Group tax rate** was 34% compared to 35% in Q1/18, due to a lower Upstream contribution from the high tax rate fiscal regime in Libya. The **clean CCS net income** reached EUR 482 mn (Q1/18: EUR 491 mn). **Clean CCS net income attributable to stockholders** decreased to EUR 346 mn (Q1/18: EUR 377 mn). **Clean CCS Earnings Per Share** came in at EUR 1.06 (Q1/18: EUR 1.15).

**Net special items** of EUR 12 mn were recorded in Q1/19 (Q1/18: EUR 64 mn), mainly related to temporary hedging effects and unrealized commodity derivatives. **CCS effects** of EUR (5) mn were recognized in Q1/19. OMV Group's reported **Operating Result** decreased to EUR 766 mn (Q1/18: EUR 899 mn). OMV Petrom's contribution to the Group's reported Operating Result increased to EUR 268 mn (Q1/18: EUR 231 mn).

The **net financial result** amounted to EUR (28) mn (Q1/18: EUR (90) mn). The improvement was mainly related to foreign exchange gains and other lower financing costs. With a **Group tax rate** of 33% (Q1/18: 34%), **net income** amounted to EUR 496 mn (Q1/18: EUR 531 mn). **Net income attributable to stockholders** was at EUR 354 mn (Q1/18: EUR 406 mn). **Earnings Per Share** for the quarter decreased to EUR 1.08 (Q1/18: EUR 1.24).

As at March 31, 2019, **net debt** amounted to EUR 3,186 mn compared to EUR 2,292 mn as at March 31, 2018. The **gearing ratio** increased to 20% (March 31, 2018: 16%), mainly related to the implementation of IFRS 16 starting with January 1, 2019. For further details see Note Financial Liabilities in the Group Interim Financial Statements.

Total **capital expenditure** amounted to EUR 881 mn (Q1/18: EUR 339 mn) and accounted in particular for the participation in the company SapuraOMV to the amount of USD 540 mn. As a result of the first-time application of IFRS 16, right-of-use assets and corresponding lease liabilities for contracts previously treated as operating leases were accounted for on the balance sheet as of January 1, 2019. The total effect of IFRS 16 on **capital expenditure** arising from right-of-use assets in Q1/19 amounted to EUR 17 mn, the majority of which was attributable to the Downstream segment. **Organic capital expenditure** rose by 19% to EUR 404 mn (Q1/18: EUR 339 mn) and was undertaken primarily in Upstream, especially in Romania, Norway and the United Arab Emirates. In Downstream, organic capital expenditure was EUR 83 mn in Q1/19 and was mainly attributable to investments in the refineries in Romania and Austria as well as in the retail business.

**Special items and CCS effects**

In EUR mn					
Q1/19	Q4/18	Q1/18	Δ% <sup>1</sup>		2018
759	1,053	818	(7)	Clean CCS Operating Result <sup>2</sup>	3,646
12	273	64	(81)	Special items	(149)
(9)	(17)	(7)	(30)	thereof personnel and restructuring	(40)
(1)	101	0	n.m.	thereof unscheduled depreciation	51
(10)	(2)	7	n.m.	thereof asset disposal	3
32	191	65	(50)	thereof other	(164)
(5)	(67)	17	n.m.	CCS effects: inventory holding gains/(losses)	27
766	1,259	899	(15)	Operating Result Group	3,524

<sup>1</sup> Q1/19 compared to Q1/18

<sup>2</sup> Adjusted for special items; clean CCS figures exclude fuels' inventory holding gains/losses (CCS effects) resulting from the fuels refineries

The disclosure of **special items** is considered appropriate in order to facilitate analysis of ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. These items can be divided into four subcategories: personnel restructuring, unscheduled depreciation and write-ups, asset disposals and other. In Q1/19, the "other" category chiefly comprises temporary hedging effects from commodity derivatives and a charitable donation.

May 3, 2019

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 and losses, is 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 volatile energy markets, measurement of the costs of petroleum products sold based on historical values (e.g. weighted average cost) can have distorting effects on reported results. This performance measurement enhances the transparency of results and is commonly used in the oil industry. OMV, therefore, publishes this measurement in addition to the Operating Result determined according to IFRS.

## Cash flow

### Summarized cash flow statement

In EUR mn

Q1/19	Q4/18	Q1/18	Δ% <sup>1</sup>		2018
1,196	1,027	1,173	2	Sources of funds	4,223
866	1,117	1,076	(20)	Cash flow from operating activities	4,396
(990)	(749)	(538)	(84)	Cash flow from investing activities	(3,353)
(124)	368	538	n.m.	Free cash flow	1,043
(230)	244	(212)	(8)	Cash flow from financing activities	(975)
(9)	1	(7)	(32)	Effect of exchange rate changes on cash and cash equivalents	(22)
(363)	612	319	n.m.	Net (decrease)/increase in cash and cash equivalents	45
4,026	3,414	3,981	1	Cash and cash equivalents at beginning of period	3,981
<b>3,664</b>	<b>4,026</b>	<b>4,300</b>	<b>(15)</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,026</b>
-	-	3	n.a.	thereof cash disclosed within Assets held for sale	-
<b>3,664</b>	<b>4,026</b>	<b>4,297</b>	<b>(15)</b>	<b>Cash and cash equivalents presented in the consolidated statement of financial position</b>	<b>4,026</b>
<b>(124)</b>	<b>281</b>	<b>538</b>	<b>n.m.</b>	<b>Free cash flow after dividends</b>	<b>263</b>
<b>418</b>	<b>576</b>	<b>645</b>	<b>(35)</b>	<b>Organic free cash flow before dividends <sup>2</sup></b>	<b>2,495</b>

<sup>1</sup> Q1/19 compared to Q1/18<sup>2</sup> Organic free cash flow before dividends is cash flow from operating activities less cash flow from investing activities, excluding disposals and material inorganic cash flow components (e.g. acquisitions).

### First quarter 2019 (Q1/19) compared to first quarter 2018 (Q1/18)

In Q1/19, **sources of funds** grew to EUR 1,196 mn (Q1/18: EUR 1,173 mn). Net working capital effects generated a cash outflow of EUR (330) mn (Q1/18: EUR (96) mn), significantly impacted by increased inventories in Downstream Oil. As a result **cash flow from operating activities** decreased to EUR 866 mn in Q1/19 (Q1/18: EUR 1,076 mn).

**Cash flow from investing activities** showed an outflow of EUR (990) mn compared to EUR (538) mn in Q1/18, containing a net cash outflow of EUR (460) mn related to the acquisition of a 50% interest in the new company SapuraOMV. Cash flow from investing activities in Q1/19 included a cash outflow of EUR (44) mn (Q1/18: EUR (81) mn) related to the financing agreements for the Nord Stream 2 pipeline project.

**Free cash flow** (defined as net cash from operating activities +/- net cash from investing activities) decreased to EUR (124) mn (Q1/18: EUR 538 mn).

**Cash flow from financing activities** recorded an outflow of EUR (230) mn compared to EUR (212) mn in Q1/18, including a cash outflow of USD (350) mn related to the re-financing of SapuraOMV, partly offset by increased short-term financing.

**Organic free cash flow before dividends** decreased to EUR 418 mn (Q1/18: EUR 645 mn), mainly related to higher cash outflows from net working capital components.

May 3, 2019

### **Risk management**

As an international oil and gas company with operations extending from hydrocarbon exploration and production through to trading and marketing of mineral products and gas, OMV is exposed to a variety of risks, including market and financial risks, as well as operational and strategic risks. A detailed description of risks and risk management activities can be found in the 2018 Annual Report (pages 77–79).

The main uncertainties that can influence the OMV Group's performance are the commodity price risk, FX risk, operational risks and also political as well as regulatory risks. The commodity price risk is being monitored constantly and appropriate protective measures with respect to cash flow are taken, if required. The inherent exposure to safety and environmental risks is monitored through HSSE (Health, Safety, Security and Environment) and risk management programs, which have the clear commitment to keep OMV's risks in line with industry standards.

More information on current risks can be found in the "Outlook" section of the Directors' Report.

### **Transactions with related parties**

Please refer to the selected explanatory notes of the interim consolidated financial statements for disclosures on significant transactions with related parties.

May 3, 2019

## Outlook

### Market environment

For the year 2019, OMV expects the average Brent oil price to be at USD 65/bbl (2018: USD 71/bbl). In 2019, average European gas spot prices are anticipated to be lower compared to 2018.

### Group

- ▶ In 2019, organic CAPEX (including capitalized E&A and excluding acquisitions) is projected to come in at EUR 2.3 bn (2018: EUR 1.9 bn).

### Upstream

- ▶ OMV expects total production to be around 500 kboe/d in 2019 (2018: 427 kboe/d), depending on the security situation in Libya. Production at El Sharara in Libya resumed in March, 2019. Starting with Q2/19, Libya is expected to produce above 35 kboe/d (2018: 30 kboe/d) until year-end.
- ▶ Organic CAPEX for Upstream (including capitalized E&A and excluding acquisitions) is anticipated to come in at EUR 1.5 bn in 2019 (2018: EUR 1.3 bn).
- ▶ In 2019, Exploration and Appraisal expenditure is expected to be at EUR 350 mn (2018: EUR 300 mn).

### Downstream

#### Oil

- ▶ Refining indicator margin is expected to be below USD 5/bbl (previous forecast: around 5 USD/bbl; 2018: USD 5.2/bbl).
- ▶ Petrochemical margins are anticipated to be slightly lower than those in 2018 (2018: EUR 448/t).
- ▶ Total refined product sales in 2019 are forecasted to be at a similar level compared to those in 2018 (2018: 20.3 mn t). In OMV's markets, retail and commercial margins are predicted to be similar compared to those in 2018.
- ▶ There is no planned turnaround of the refineries in 2019. Therefore, the utilization rate of the refineries is expected to be higher than in 2018 (2018: 92%).

#### Gas

- ▶ Natural gas sales volumes in 2019 are projected to be above those in 2018 (2018: 114 TWh).
- ▶ Natural gas sales margins are forecasted to be lower in 2019 compared to 2018.
- ▶ Due to the divestment of the Samsun power plant in Turkey in Q3/18, the net electrical output in 2019 will be lower than in 2018 (2018: 5.1 TWh). Net electrical output of the Brazi power plant in Romania is expected to be lower than in 2018 (previous forecast: above the level in 2018).
- ▶ OMV will continue to finance the Nord Stream 2 pipeline.



May 3, 2019

## Business segments

### Upstream

In EUR mn (unless otherwise stated)

Q1/19	Q4/18	Q1/18	Δ% <sup>1</sup>		2018
812	945	766	6	Clean Operating Result before depreciation and amortization, impairments and write-ups	3,370
393	578	438	(10)	Clean Operating Result	2,027
13	234	40	(67)	Special items	95
406	812	478	(15)	Operating Result	2,122
792	903	255	n.m.	Capital expenditure <sup>2</sup>	3,075
69	93	61	12	Exploration expenditure	300
46	60	37	25	Exploration expenses	175
6.81	6.27	7.42	(8)	Production cost in USD/boe	7.01

### Key Performance Indicators

474	447	437	9	Total hydrocarbon production in kboe/d	427
153	156	162	(6)	thereof OMV Petrom	160
17.5	18.3	16.0	10	Crude oil and NGL production in mn bbl	66.5
146.7	132.6	135.5	8	Natural gas production in bcf	518.2
38.4	39.4	38.5	0	Total hydrocarbon sales volumes in mn boe	148.7
63.13	68.81	66.82	(6)	Average Brent price in USD/bbl	71.31
60.01	62.28	58.02	3	Average realized crude price in USD/bbl <sup>3</sup>	62.13
4.72	4.80	4.86	(3)	Average realized gas price in USD/1,000 cf <sup>3</sup>	4.72
13.58	13.72	12.92	5	Average realized gas price in EUR/MWh <sup>3, 4</sup>	13.06
1.136	1.141	1.229	(8)	Average EUR-USD FX rate	1.181

Notes: The net result from the equity-accounted investments in Pearl and Severnftgazprom ("SNGP," operator of Yuzhno Russkoye) are reflected in the Operating Result.

<sup>1</sup> Q1/19 compared to Q1/18

<sup>2</sup> Capital expenditure including acquisitions, notably the acquisition of a 20% stake in two offshore oil fields in Abu Dhabi from ADNOC to the amount of USD 1.5 bn in Q2/18 as well as for the participation of the 50% interest in the company SapuraOMV in Q1/19 to the amount of USD 540 mn.

<sup>3</sup> Average realized prices include hedging effects.

<sup>4</sup> The average realized gas price is converted to MWh using a standardized calorific value across the portfolio.

### First quarter 2019 (Q1/19) compared to first quarter 2018 (Q1/18)

- Production increased to 474 kboe/d, up by 37 kboe/d
- Production cost decreased by 8% to USD 6.8/boe

The **clean Operating Result** decreased from EUR 438 mn in Q1/18 to EUR 393 mn. Positive net market effects to the amount of EUR 98 mn as a result of higher realized oil and gas prices and positive FX effects were more than offset by a negative operational performance and higher depreciation. The negative operational performance to the amount of EUR (56) mn was mainly caused by the missing sales contribution from Libya in Q1/19 that had a negative effect of EUR (144) mn compared to Q1/18. This effect was partially offset by higher sales in the United Arab Emirates and Yemen. The higher depreciation of EUR (87) mn was mainly related to the acquisitions in New Zealand in Q4/18 and the United Arab Emirates in Q2/18 as well as OMV's participation in the new company SapuraOMV. In Q1/19, OMV Petrom contributed EUR 174 mn to the clean Operating Result compared to EUR 139 mn in Q1/18.

Net **special items** amounted to EUR 13 mn in Q1/19 (Q1/18: EUR 40 mn) mainly associated with temporary hedging effects of EUR 14 mn. The **Operating Result** decreased to EUR 406 mn (Q1/18: EUR 478 mn).

At USD 6.8/boe, **production cost** excluding royalties declined by 8% as a result of the positive FX development and higher quantities. Production cost of OMV Petrom decreased by 2% to USD 11.7/boe mainly due to a positive FX environment.

**Total hydrocarbon production** rose by 9% to 474 kboe/d, primarily due to the acquisitions in Abu Dhabi in Q2/18 and New Zealand in Q4/18 as well as the production contribution from Aasta Hansteen. This was partially offset by lower production from Libya following force majeure at the El Sharara field, and Romania as well as Pakistan as a result of the divestment of OMV's Upstream companies in Q2/18. OMV Petrom's total production was down by 6% to 153 kboe/d mostly because of natural decline. **Total hydrocarbon sales volumes** were flat with 38.4 mn boe. Increased sales volumes from the Asia-Pacific region following the acquisition of Shell's assets and the participation in SapuraOMV were offset by the missing contribution from Libya and lower production in the Central Eastern Europe region.

Since year-end 2018, Brent prices have recovered and increased by around 35% at the end of the quarter. This was mainly attributable to US oil sanctions on Venezuela, lower OPEC+ production, the market expectation that OPEC+ supply cuts will be continued

May 3, 2019

until June and a more positive outlook for demand. Quarter versus quarter, the **average Brent price** decreased by 6% to around USD 63/bbl. The Group's **average realized** crude price increased by 3%. The **average realized gas price** in USD/1,000 cf decreased by 3% mainly caused by warmer than expected temperatures and above average storage levels all across Europe. Realized gas prices were impacted by a hedging loss of EUR (18) mn in Q1/19.

**Capital expenditure** including capitalized E&A increased to EUR 792 mn in Q1/19 (Q1/18: EUR 255 mn). This included in particular the payment to the amount of USD 540 mn for the participation of the 50% interest in the new company SapuraOMV. Capital expenditure related to IFRS 16 was not material. In Q1/19 organic capital expenditure was undertaken primarily in Romania, Norway, and the United Arab Emirates. **Exploration expenditure** rose by 12% to EUR 69 mn in Q1/19 and was mainly related to activities in Norway, Austria and Romania.

## Downstream

In EUR mn (unless otherwise stated)

Q1/19	Q4/18	Q1/18	Δ% <sup>1</sup>		2018
506	566	493	3	Clean CCS Operating Result before depreciation and amortization, impairments and write-ups <sup>2</sup>	2,111
374	445	376	(1)	Clean CCS Operating Result <sup>2</sup>	1,643
299	381	282	6	thereof Downstream Oil	1,439
75	64	94	(21)	thereof Downstream Gas	204
11	54	26	(58)	Special items	(219)
22	(99)	15	45	CCS effects: inventory holding gains/(losses) <sup>2</sup>	(4)
407	400	417	(3)	Operating Result	1,420
83	204	82	0	Capital expenditure <sup>3</sup>	576
<b>Downstream Oil KPIs</b>					
4.04	5.24	4.79	(16)	OMV indicator refining margin in USD/bbl <sup>4</sup>	5.24
452	504	447	1	Ethylene/propylene net margin in EUR/t <sup>4, 5</sup>	448
98	98	93	5	Utilization rate refineries in %	92
4.79	5.25	4.53	6	Total refined product sales in mn t	20.26
1.45	1.58	1.41	3	thereof retail sales volumes in mn t	6.33
0.63	0.59	0.61	2	thereof petrochemicals in mn t	2.41
<b>Downstream Gas KPIs</b>					
38.06	32.73	32.98	15	Natural gas sales volumes in TWh	113.76
1.08	1.48	1.52	(29)	Net electrical output in TWh	5.06

<sup>1</sup> Q1/19 compared to Q1/18<sup>2</sup> Current Cost of Supply (CCS): Clean CCS figures exclude special items and inventory holding gains/losses (CCS effects) resulting from the fuels refineries.<sup>3</sup> Capital expenditure including acquisitions<sup>4</sup> Actual refining and petrochemical margins realized by OMV may vary from the OMV indicator refining margin, ethylene/propylene net margin as well as from the market margins due to factors including a different crude slate, product yield, operating conditions and a different feedstock.<sup>5</sup> Calculated based on West European Contract Prices (WECOP) with naphtha as feedstock

## First quarter 2019 (Q1/19) compared to first quarter 2018 (Q1/18)

- Increased Downstream Oil result driven by a strong commercial and retail performance
- High refinery utilization rate of 98% and increased total refined product sales

The **clean CCS Operating Result** was flat at EUR 374 mn in Q1/19 (Q1/18: EUR 376 mn). The declined Downstream Gas result was offset by an increased contribution from Downstream Oil.

The **Downstream Oil clean CCS Operating Result** grew by 6% from EUR 282 mn in Q1/18 to EUR 299 mn, following a strong result contribution from the commercial and retail businesses. The **OMV indicator refining margin** dropped by 16% to USD 4.0/bbl (Q1/18: USD 4.8/bbl). The sharp decline in naphtha and gasoline margins could not be offset by increased middle distillate margins and lower feedstock costs as a result of decreased crude prices. The **utilization rate of the refineries** reached a very high level of 98% in Q1/19, compared to 93% in Q1/18. At 4.8 mn t, **total refined product sales** rose by 6%. The retail business had an improved contribution following slightly higher margins and sales volumes. In the commercial business, sales volumes and margins went up compared to Q1/18. The commercial business in Germany and Austria benefitted in Q1/19 from the supply situation in southern Germany impacted by a refinery outage. OMV Petrom contributed with EUR 50 mn (Q1/18: EUR 52 mn) to the clean CCS Operating Result of Downstream Oil.

The clean CCS Operating Result of the petrochemicals business marginally rose to EUR 70 mn in Q1/19 (Q1/18: EUR 68 mn) supported by slightly higher sales volumes. The ethylene/propylene net margin slightly increased and the butadiene margin rose

May 3, 2019

strongly compared to Q1/18. The benzene margin fell sharply following an oversupplied market. The share from Borealis to the clean Operating Result decreased to EUR 72 mn in Q1/19 (Q1/18: EUR 86 mn) following lower integrated polyolefin margins, negative inventory valuation effects and a planned turnaround at Borouge 3. The performance of the fertilizer business improved due to lower gas prices.

**Downstream Gas clean CCS Operating Result** decreased from EUR 94 mn in Q1/18 to EUR 75 mn. The previous year's quarter was positively impacted by the successful realization of arbitrage opportunities in the markets. In Q1/19 the gas storage business experienced a lower result. The contribution from Gas Connect Austria slightly weakened from EUR 27 mn to EUR 25 mn. **Natural gas sales volumes** increased from 33.0 TWh to 38.1 TWh, primarily following a successful market offensive in Germany and the Netherlands, partially offset by lower sales volumes in Turkey and Romania. **Net electrical output** went down to 1.1 TWh in Q1/19 (Q1/18: 1.5 TWh) following the divestment of the Samsun power plant in Q3/18. The Brazi power plant delivered a stronger result contribution supported by considerably higher spark spreads and net electrical output. OMV Petrom contributed with EUR 34 mn in Q1/19 (Q1/18: EUR 17 mn) to the clean CCS Operating Result of Downstream Gas.

Net **special items** were EUR 11 mn (Q1/18: EUR 26 mn), which are mainly related to unrealized commodity derivatives. **CCS effects** of EUR 22 mn were booked as a result of rising crude prices during Q1/19. The **Operating Result** of Downstream slightly decreased to EUR 407 mn compared to EUR 417 mn in Q1/18.

**Capital expenditure** in Downstream amounted to EUR 83 mn (Q1/18: EUR 82 mn) and included capital expenditure to the amount of EUR 13 mn related to IFRS 16. Downstream Oil capital expenditure was EUR 74 mn (Q1/18: EUR 69 mn). In Q1/19 organic capital expenditure predominantly related to investments in refining in Romania and Austria, as well as to retail investments.



May 3, 2019

## Group Interim Financial Statements (condensed, unaudited)

### Income statement (unaudited)

In EUR mn (unless otherwise stated)

Q1/19	Q4/18	Q1/18		2018
5,403	6,640	4,977	Sales revenues	22,930
109	271	67	Other operating income	517
87	54	107	Net income from equity-accounted investments	391
72	34	86	thereof Borealis	327
<b>5,600</b>	<b>6,965</b>	<b>5,151</b>	<b>Total revenues and other income</b>	<b>23,839</b>
(3,211)	(4,013)	(2,823)	Purchases (net of inventory variation)	(14,094)
(386)	(386)	(392)	Production and operating expenses	(1,594)
(124)	(123)	(88)	Production and similar taxes	(392)
(549)	(467)	(443)	Depreciation, amortization and impairment charges	(1,827)
(459)	(481)	(416)	Selling, distribution and administrative expenses	(1,749)
(46)	(60)	(37)	Exploration expenses	(175)
(59)	(177)	(54)	Other operating expenses	(485)
<b>766</b>	<b>1,259</b>	<b>899</b>	<b>Operating Result</b>	<b>3,524</b>
0	13	0	Dividend income	20
41	33	24	Interest income	117
(75)	(70)	(64)	Interest expenses	(290)
6	(25)	(51)	Other financial income and expenses	(72)
<b>(28)</b>	<b>(50)</b>	<b>(90)</b>	<b>Net financial result</b>	<b>(226)</b>
<b>738</b>	<b>1,209</b>	<b>809</b>	<b>Profit before tax</b>	<b>3,298</b>
(242)	(416)	(278)	Taxes on income	(1,305)
<b>496</b>	<b>793</b>	<b>531</b>	<b>Net income for the period</b>	<b>1,993</b>
<b>354</b>	<b>608</b>	<b>406</b>	<b>thereof attributable to stockholders of the parent</b>	<b>1,438</b>
19	19	24	thereof attributable to hybrid capital owners	78
123	166	101	thereof attributable to non-controlling interests	477
<b>1.08</b>	<b>1.86</b>	<b>1.24</b>	<b>Basic Earnings Per Share in EUR</b>	<b>4.40</b>
1.08	1.86	1.24	Diluted Earnings Per Share in EUR	4.40

May 3, 2019

## Statement of comprehensive income (condensed, unaudited)

In EUR mn

Q1/19	Q4/18	Q1/18		2018
496	793	531	Net income for the period	1,993
90	(70)	(48)	Exchange differences from translation of foreign operations	28
(59)	105	54	Gains/(losses) on hedges	195
1	34	(48)	Share of other comprehensive income of equity-accounted investments	59
<b>32</b>	<b>68</b>	<b>(41)</b>	<b>Total of items that may be reclassified ("recycled") subsequently to the income statement</b>	<b>282</b>
(78)	(134)	0	Remeasurement gains/(losses) on defined benefit plans	(114)
-	21	0	Gains/(losses) on investments	26
65	(94)	12	Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	9
9	(6)	0	Share of other comprehensive income of equity-accounted investments	(3)
<b>(4)</b>	<b>(213)</b>	<b>12</b>	<b>Total of items that will not be reclassified ("recycled") subsequently to the income statement</b>	<b>(82)</b>
15	(27)	(16)	Income taxes relating to items that may be reclassified ("recycled") subsequently to the income statement	(52)
(16)	26	(3)	Income taxes relating to items that will not be reclassified ("recycled") subsequently to the income statement	(3)
<b>(2)</b>	<b>(1)</b>	<b>(19)</b>	<b>Total income taxes relating to components of other comprehensive income</b>	<b>(55)</b>
<b>26</b>	<b>(146)</b>	<b>(48)</b>	<b>Other comprehensive income for the period, net of tax</b>	<b>144</b>
<b>523</b>	<b>647</b>	<b>483</b>	<b>Total comprehensive income for the period</b>	<b>2,137</b>
441	462	356	thereof attributable to stockholders of the parent	1,587
19	19	24	thereof attributable to hybrid capital owners	78
63	166	103	thereof attributable to non-controlling interests	472

May 3, 2019

**Statement of financial position (unaudited)**

In EUR mn

	<b>Mar. 31, 2019</b>	<b>Dec. 31, 2018</b>
<b>Assets</b>		
Intangible assets	4,220	3,317
Property, plant and equipment	16,399	15,115
Equity-accounted investments	2,980	3,011
Other financial assets	2,499	2,659
Other assets	58	36
Deferred taxes	729	759
<b>Non-current assets</b>	<b>26,885</b>	<b>24,896</b>
Inventories	1,735	1,571
Trade receivables	3,627	3,420
Other financial assets	2,490	2,727
Income tax receivables	16	9
Other assets	276	264
Cash and cash equivalents	3,664	4,026
<b>Current assets</b>	<b>11,808</b>	<b>12,017</b>
Assets held for sale	14	47
<b>Total assets</b>	<b>38,707</b>	<b>36,961</b>
<b>Equity and liabilities</b>		
Share capital	327	327
Hybrid capital	1,987	1,987
Reserves	10,058	9,591
<b>Equity of stockholders of the parent</b>	<b>12,372</b>	<b>11,905</b>
Non-controlling interests	3,808	3,436
<b>Equity</b>	<b>16,180</b>	<b>15,342</b>
Provisions for pensions and similar obligations	1,121	1,096
Bonds	3,970	4,468
Other interest-bearing debts	1,264	441
Provisions for decommissioning and restoration obligations	3,791	3,673
Other provisions	434	446
Other financial liabilities	383	924
Other liabilities	135	138
Deferred taxes	1,104	731
<b>Non-current liabilities</b>	<b>12,202</b>	<b>11,917</b>
Trade payables	4,345	4,401
Bonds	1,047	539
Other interest-bearing debts	570	304
Income tax liabilities	429	349
Provisions for decommissioning and restoration obligations	70	63
Other provisions	342	355
Other financial liabilities	2,595	2,806
Other liabilities	928	863
<b>Current liabilities</b>	<b>10,325</b>	<b>9,680</b>
Liabilities associated with assets held for sale	0	22
<b>Total equity and liabilities</b>	<b>38,707</b>	<b>36,961</b>



May 3, 2019

**Statement of changes in equity (condensed, unaudited)**

In EUR mn

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Other reserves <sup>1</sup>	Treasury shares	Equity of stock-holders of the parent	Non-controlling interests	Total equity
<b>January 1, 2019</b>	<b>327</b>	<b>1,511</b>	<b>1,987</b>	<b>8,830</b>	<b>(744)</b>	<b>(6)</b>	<b>11,905</b>	<b>3,436</b>	<b>15,342</b>
<b>Adjustments on initial application of IFRS 16</b>	-	-	-	(1)	-	-	(1)	-	(1)
<b>Adjusted balance January 1, 2019</b>	<b>327</b>	<b>1,511</b>	<b>1,987</b>	<b>8,829</b>	<b>(744)</b>	<b>(6)</b>	<b>11,904</b>	<b>3,436</b>	<b>15,340</b>
Net income for the period	-	-	-	373	-	-	373	123	496
Other comprehensive income for the period	-	-	-	(78)	164	-	87	(60)	26
<b>Total comprehensive income for the period</b>	-	-	-	<b>295</b>	<b>164</b>	-	<b>459</b>	<b>63</b>	<b>523</b>
Share-based payments	-	1	-	-	-	-	1	-	1
Increase/(decrease) in non-controlling interests	-	-	-	-	-	-	-	309	309
Reclassification of cash flow hedges to balance sheet <sup>2</sup>	-	-	-	-	7	-	7	-	7
<b>March 31, 2019</b>	<b>327</b>	<b>1,513</b>	<b>1,987</b>	<b>9,124</b>	<b>(573)</b>	<b>(6)</b>	<b>12,372</b>	<b>3,808</b>	<b>16,180</b>

<sup>1</sup> "Other reserves" contain exchange differences from the translation of foreign operations, unrealized gains and losses from hedges as well as the share of other comprehensive income of equity-accounted investments.

<sup>2</sup> The amount was mainly related to inventories that were already consumed as of March 31, 2019 and consequently recognized in the income statement.

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Other reserves <sup>1</sup>	Treasury shares	Equity of stock-holders of the parent	Non-controlling interests	Total equity
<b>January 1, 2018</b>	<b>327</b>	<b>1,517</b>	<b>2,231</b>	<b>8,006</b>	<b>(857)</b>	<b>(8)</b>	<b>11,216</b>	<b>3,118</b>	<b>14,334</b>
<b>Adjustments on initial application of IFRS 9 and IFRS 15</b>	-	-	-	39	3	-	42	-	42
<b>Adjusted balance January 1, 2018</b>	<b>327</b>	<b>1,517</b>	<b>2,231</b>	<b>8,045</b>	<b>(854)</b>	<b>(8)</b>	<b>11,259</b>	<b>3,118</b>	<b>14,377</b>
Net income for the period	-	-	-	430	-	-	430	101	531
Other comprehensive income for the period	-	-	-	-	(50)	-	(50)	2	(48)
<b>Total comprehensive income for the period</b>	-	-	-	<b>430</b>	<b>(50)</b>	-	<b>380</b>	<b>103</b>	<b>483</b>
Change in hybrid capital	-	-	(741)	(60)	-	-	(800)	-	(800)
Share-based payments	-	2	-	-	-	-	2	-	2
Reclassification of cash flow hedges to balance sheet <sup>2</sup>	-	-	-	-	(62)	-	(62)	-	(62)
<b>March 31, 2018</b>	<b>327</b>	<b>1,519</b>	<b>1,490</b>	<b>8,415</b>	<b>(965)</b>	<b>(8)</b>	<b>10,778</b>	<b>3,221</b>	<b>13,999</b>

<sup>1</sup> "Other reserves" contain exchange differences from the translation of foreign operations, unrealized gains and losses from hedges as well as the share of other comprehensive income of equity-accounted investments.

<sup>2</sup> The amount was mainly related to inventories that were already consumed as of March 31, 2018 and consequently recognized in the income statement.

May 3, 2019

**Summarized statement of cash flows (condensed, unaudited)**

In EUR mn

<b>Q1/19</b>	<b>Q4/18</b>	<b>Q1/18</b>		<b>2018</b>
<b>496</b>	<b>793</b>	<b>531</b>	<b>Net income for the period</b>	<b>1,993</b>
562	392	450	Depreciation, amortization and impairments including write-ups	1,780
20	80	67	Deferred taxes	298
(13)	5	(6)	Losses/(gains) on the disposal of non-current assets	(2)
35	24	1	Net change in provisions	(61)
97	(267)	129	Other adjustments	216
<b>1,196</b>	<b>1,027</b>	<b>1,173</b>	<b>Sources of funds</b>	<b>4,223</b>
(172)	93	143	(Increase)/decrease in inventories	(73)
(180)	(403)	(722)	(Increase)/decrease in receivables	(1,041)
22	399	483	(Decrease)/increase in liabilities	1,287
<b>866</b>	<b>1,117</b>	<b>1,076</b>	<b>Cash flow from operating activities</b>	<b>4,396</b>
			<b>Investments</b>	
(518)	(568)	(431)	Intangible assets and property, plant and equipment	(3,193)
(77)	(68)	(81)	Investments, loans and other financial assets	(305)
(460)	(311)	(47)	Acquisitions of subsidiaries and businesses net of cash acquired	(357)
			<b>Disposals</b>	
48	14	3	Proceeds in relation to non-current assets	60
17	184	19	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	442
<b>(990)</b>	<b>(749)</b>	<b>(538)</b>	<b>Cash flow from investing activities</b>	<b>(3,353)</b>
(366)	234	(202)	(Decrease)/increase in long-term borrowings	(793)
137	96	(9)	(Decrease)/increase in short-term borrowings	102
0	(86)	0	Dividends paid	(779)
-	-	-	Hybrid bond	496
<b>(230)</b>	<b>244</b>	<b>(212)</b>	<b>Cash flow from financing activities</b>	<b>(975)</b>
(9)	1	(7)	Effect of exchange rate changes on cash and cash equivalents	(22)
<b>(363)</b>	<b>612</b>	<b>319</b>	<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>45</b>
4,026	3,414	3,981	Cash and cash equivalents at beginning of period	3,981
<b>3,664</b>	<b>4,026</b>	<b>4,300</b>	<b>Cash and cash equivalents at end of period</b>	<b>4,026</b>
-	-	3	thereof cash disclosed within Assets held for sale	-
<b>3,664</b>	<b>4,026</b>	<b>4,297</b>	<b>Cash and cash equivalents presented in the consolidated statement of financial position</b>	<b>4,026</b>
<b>(124)</b>	<b>368</b>	<b>538</b>	<b>Free cash flow</b>	<b>1,043</b>
<b>(124)</b>	<b>281</b>	<b>538</b>	<b>Free cash flow after dividends</b>	<b>263</b>

May 3, 2019

## Selected notes to the interim consolidated financial statements

### Legal principles

The interim condensed consolidated financial statements for the three months ended March 31, 2019, have been prepared in accordance with IAS 34 Interim Financial Statements.

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

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

The interim condensed consolidated financial statements for Q1/19 have been prepared in million EUR (EUR mn, EUR 1,000,000). Accordingly, there may be rounding differences.

In addition to the interim 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 OMV's Business Segments in the Directors' Report.

### Significant changes in accounting policies

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. They do not have a material effect on the Group's 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 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 did not recognize any right-of-use assets and lease liabilities for contracts that expire in 2019 because they are treated as short-term leases.

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 considers subsurface rights of way that give OMV 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 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 as well as existing onerous contract provisions for operating leases. 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 0.94%. The first-time application of IFRS 16 resulted in recognizing EUR 688 mn as right-of-use assets and EUR 706 mn as lease liabilities for previous operating leases. Additionally, due to differences in the valuation of newly recognized sublease receivables and lease liabilities from the head lease, there is an adjustment of revenue reserves as at January 1, 2019 in the amount of EUR (1) mn after tax. 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.



May 3, 2019

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

In EUR mn

Jan. 1, 2019

<b>Future minimum lease payments under non-cancellable operating leases as at December 31, 2018</b>	<b>480</b>
less minimum lease payments for short-term leases	(27)
less minimum lease payments for low value leases	(2)
plus minimum lease payments under reasonably certain prolongation or termination options	314
<b>Gross lease liability for previously unrecognized operating lease commitments as at January 1, 2019</b>	<b>765</b>
less discounting effect as at January 1, 2019	(60)
<b>Lease liability for previously unrecognized operating lease commitments as at January 1, 2019</b>	<b>706</b>
<b>Finance lease liability recognized as at 31 December, 2018</b>	<b>288</b>
<b>Lease liability recognized as at January 1, 2019</b>	<b>994</b>

**Leasing overview**

In EUR mn

<b>Right-of-use assets</b>	<b>Mar. 31, 2019</b>
Right-of-use assets – land and buildings	662
Right-of-use assets – plant and machinery	32
Right-of-use assets – other fixtures, fittings and equipment	65
<b>Total right-of-use assets</b>	<b>759</b>
	<b>3m/19</b>
<b>Depreciation of right-of-use assets</b>	<b>24</b>

<b>Lease liabilities</b>	<b>Mar. 31, 2019</b>
Non-current lease liabilities	847
Current lease liabilities	135
<b>Total lease liabilities</b>	<b>982</b>

**Changes in the consolidated Group**

Compared with the consolidated financial statements as of December 31, 2018, the consolidated Group changed as follows:

**Changes in consolidated Group**

<b>Name of company</b>	<b>Registered office</b>	<b>Type of change <sup>1</sup></b>	<b>Effective date</b>
<b>Upstream</b>			
Sapura Exploration and Production (Americas) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
Sapura Exploration and Production (Australia) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
SEP Block 30, S. de R.L. de C.V.	Mexico City	First consolidation (A)	January 31, 2019
Sapura Exploration and Production (Mexico) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Malaysia) Inc.	Nassau	First consolidation (A)	January 31, 2019
Sapura Exploration and Production (NZ) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
Sapura Exploration and Production (Oceania) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (PM) Inc.	Nassau	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Southeast Asia) Inc.	Nassau	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Sarawak) Inc.	Nassau	First consolidation (A)	January 31, 2019
Sapura Upstream Sdn. Bhd.	Kuala Lumpur	First consolidation (A)	January 31, 2019
Sapura Exploration and Production (Western Australia) Sdn. Bhd.	Perth	First consolidation (A)	January 31, 2019
SapuraOMV Upstream Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019

<sup>1</sup> "First consolidation (A)" indicates the acquisition of a company

May 3, 2019

### Upstream

On January 31, 2019, OMV bought a 50% stake of the issued share capital in SapuraOMV Upstream Sdn. Bhd. for an amount of USD 540 mn (subject to customary closing adjustments). As OMV has the decision power over the relevant activities of SapuraOMV Upstream Sdn. Bhd., the new entity and its subsidiaries are fully consolidated in OMV's Group financial statements.

In addition, the parties agreed to an additional consideration of up to USD 85 mn based on certain conditions, mainly linked to the resource volume in Block 30, Mexico, at the time the final investment decision is taken. No liability was recognized at the time of acquisition. Both parties have also agreed to refinance the intercompany debt of USD 350 mn existing at the time of acquisition (shown in the line "(Decrease)/increase in long-term borrowings" in the cashflow statement).

The acquisition was an additional important step in establishing Asia-Pacific as the fifth OMV core region. Alongside future growth in daily production in Malaysian offshore gas fields, this transaction will also give OMV access to exploration blocks in New Zealand, Australia and Mexico.

### Acquired net assets and goodwill calculation

The non-controlling interest in SapuraOMV Upstream Sdn. Bhd. is measured at its proportionate share of the acquiree's identifiable net assets. The goodwill is mostly related to the deferred tax liability recognized for the differences in book and tax values of the assets acquired. The goodwill is not deductible for income tax purposes. The initial accounting for the business combination is not yet complete and is based on the preliminary unaudited financials of SapuraOMV Upstream Sdn. Bhd. The preliminary fair value of the net assets acquired as well as preliminary goodwill calculation are detailed in the following tables.

#### Fair values acquired (preliminary)

In EUR mn

	SapuraOMV
Intangible assets	661
Property, plant and equipment	655
Other financial and non-financial assets	3
<b>Non-current assets</b>	<b>1,318</b>
Inventories	6
Trade receivables	17
Other financial and non-financial assets	50
Cash and cash equivalents	12
<b>Current assets</b>	<b>85</b>
<b>Total assets</b>	<b>1,403</b>
Other interest-bearing debts	305
Decommissioning and restoration obligations	68
Other financial liabilities	6
Deferred taxes	339
<b>Non-current liabilities</b>	<b>718</b>
Trade payables	49
Income tax liabilities	4
Other financial and non-financial liabilities	14
<b>Current liabilities</b>	<b>67</b>
<b>Total liabilities</b>	<b>785</b>
<b>Net assets</b>	<b>618</b>
Non-controlling interests	(309)
<b>Net assets acquired</b>	<b>309</b>

#### Measurement of goodwill (preliminary)

In EUR mn

	SapuraOMV
Consideration given (cash)	470
FX hedge effect	2
Net assets acquired	309
<b>Goodwill</b>	<b>164</b>

May 3, 2019

**Cash flow impact****Net cash outflows related to the acquisition of SapuraOMV**

in EUR mn

<b>Consideration paid</b>	<b>472</b>
less cash acquired	(12)
<b>Net cash outflows from subsidiaries and businesses acquired</b>	<b>460</b>

**Other significant transactions**

On January 27, 2019, OMV signed agreements for the purchase of a 15% share in ADNOC Refining. The estimated purchase price for OMV amounts to approximately USD 2.5 bn based on 2018 year-end net debt. The final purchase price is dependent on the net debt as of closing and certain working capital adjustments. Closing is expected in Q3/19.

**Seasonality and cyclicity**

Seasonality is of significance, especially in the Downstream Business Segment. For details, please refer to the section “Business Segments.”

**Notes to the income statement****Sales revenues**

In EUR mn

	<b>3m/19</b>	<b>3m/18</b>
Revenues from contracts with customers	5,358	4,870
Revenues from other sources	45	108
<b>Total sales revenues</b>	<b>5,403</b>	<b>4,977</b>

Other revenues mainly include revenues from commodity sales/purchases transactions that are within the scope of IFRS 9 Financial instruments, the adjustment of revenues from considering the national oil company's profit share as income tax in certain production sharing agreements in the Upstream segment, hedging result and rental and lease revenues.

**Revenues from contracts with customers**

In EUR mn

	Upstream	Downstream Oil	Gas	Corporate &Other	<b>3m/19 Total</b>
Crude oil, NGL, condensates	272	179	-	-	<b>451</b>
Natural gas and LNG	235	1	1,385	-	<b>1,621</b>
Fuel, heating oil and other refining products	-	2,407	-	-	<b>2,407</b>
Petrochemicals	-	468	-	-	<b>468</b>
Gas storage, transmission, distribution and transportation	6	-	52	-	<b>58</b>
Other goods and services	7	199	146	1	<b>353</b>
<b>Total</b>	<b>520</b>	<b>3,254</b>	<b>1,584</b>	<b>1</b>	<b>5,358</b>

**Revenues from contracts with customers**

In EUR mn

	Upstream	Downstream Oil	Gas	Corporate &Other	<b>3m/18 Total</b>
Crude oil, NGL, condensates	305	87	-	-	<b>392</b>
Natural gas and LNG	202	1	1,273	-	<b>1,476</b>
Fuel, heating oil and other refining products	-	2,165	-	-	<b>2,165</b>
Petrochemicals	-	475	-	-	<b>475</b>
Gas storage, transmission, distribution and transportation	2	-	55	-	<b>57</b>
Other goods and services	10	176	117	1	<b>304</b>
<b>Total</b>	<b>519</b>	<b>2,905</b>	<b>1,445</b>	<b>1</b>	<b>4,870</b>

May 3, 2019

**Income tax**

In EUR mn (unless otherwise stated)

<b>Q1/19</b>	<b>Q4/18</b>	<b>Q1/18</b>		<b>2018</b>
(222)	(336)	(211)	Current taxes	(1,007)
(20)	(80)	(67)	Deferred taxes	(298)
<b>(242)</b>	<b>(416)</b>	<b>(278)</b>	<b>Taxes on income and profit</b>	<b>(1,305)</b>
33	34	34	Effective tax rate in %	40

**Notes to the statement of financial position****Commitments**

As of March 31, 2019, OMV had contractual obligations for the acquisition of intangible assets and property, plant and equipment of EUR 1,257 mn (December 31, 2018: EUR 1,003 mn), mainly relating to exploration and production activities in Upstream.

**Equity**

No dividend was distributed and no interest payments were made on hybrid capital to OMV Aktiengesellschaft shareholders in 3m/19. For the year 2018, a dividend payment of EUR 1.75 per share will be proposed to the Annual General Meeting, which will be held on May 14, 2019.

There were no dividend distributions to minority shareholders in 3m/19.

The total number of own shares held by the Company as of March 31, 2019 amounted to 542,151 (December 31, 2018: 542,151).

**Financial liabilities****Gearing ratio**

In EUR mn (unless otherwise stated)

	<b>Q1/19</b>	<b>Q4/18</b>	<b>Δ%</b>
Bonds	5,016	5,007	0
Lease liabilities <sup>1</sup>	982	288	n.m.
Other interest-bearing debts	852	745	14
<b>Debt</b>	<b>6,850</b>	<b>6,040</b>	<b>13</b>
Cash and cash equivalents	3,664	4,026	(9)
<b>Net Debt</b>	<b>3,186</b>	<b>2,014</b>	<b>58</b>
<b>Equity</b>	<b>16,180</b>	<b>15,342</b>	<b>5</b>
<b>Gearing ratio in %</b>	<b>20</b>	<b>13</b>	<b>n.m.</b>

<sup>1</sup> Starting with January 1, 2019 included in the line "Other interest-bearing debt" in the Statement of financial position due to the implementation of IFRS 16

**Fair value measurement**

Financial instruments recognized at fair value are disclosed according to the fair value measurement hierarchy as stated in Note 2 of the OMV Consolidated Financial Statements 2018.

May 3, 2019

**Financial instruments**

In EUR mn

	Mar. 31, 2019				Dec. 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial instruments on asset side</b>								
Equity investments	-	-	21	21	-	-	21	21
Investment funds	-	-	-	-	6	-	-	6
Derivatives designated and effective as hedging instruments	-	100	-	100	-	392	-	392
Other derivatives	522	1,673	-	2,195	1,206	1,178	-	2,384
Other financial assets at fair value <sup>1</sup>	-	-	735	735	-	-	725	725
<b>Total</b>	<b>522</b>	<b>1,773</b>	<b>757</b>	<b>3,052</b>	<b>1,212</b>	<b>1,570</b>	<b>747</b>	<b>3,529</b>
	Mar. 31, 2019				Dec. 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
<b>Financial instruments on liability side</b>								
Liabilities on derivatives designated and effective as hedging instruments	-	43	-	43	-	348	-	348
Liabilities on other derivatives	528	1,709	-	2,236	1,192	1,260	-	2,452
Other financial liabilities at fair value	-	-	-	-	-	-	2	2
<b>Total</b>	<b>528</b>	<b>1,752</b>	<b>-</b>	<b>2,280</b>	<b>1,192</b>	<b>1,608</b>	<b>2</b>	<b>2,803</b>

<sup>1</sup> Includes an asset from reserves redetermination rights related to the acquisition of interests in the field Yuzhno Russkoye and contingent considerations from the divestments of the 30% stake in the field Rosebank and of OMV (U.K.) Limited

With the exception of bonds valued at amortized cost (EUR 78 mn), the carrying amounts of other financial assets are the fair values. The fair value of bonds was EUR 77 mn.

Bonds and other interest-bearing debts (excluding lease liabilities) amounting to EUR 5,868 mn (December 31, 2018: EUR 5,752 mn) are valued at amortized cost. The estimated fair value of these liabilities was EUR 6,318 mn (December 31, 2018: EUR 6,082 mn). The carrying amount of other financial liabilities is effectively the same as their fair value, as they are predominantly short-term.



May 3, 2019

## Segment reporting

## Intersegmental sales

In EUR mn

Q1/19	Q4/18	Q1/18	Δ% <sup>1</sup>		2018
863	958	757	14	Upstream	3,386
23	20	18	28	Downstream	74
12	11	10	20	thereof Downstream Oil	48
42	51	37	14	thereof Downstream Gas	166
(32)	(42)	(29)	(8)	thereof intrasegmental elimination Downstream	(139)
85	92	80	7	Corporate and Other	335
<b>971</b>	<b>1,070</b>	<b>854</b>	<b>14</b>	<b>Total</b>	<b>3,795</b>

## Sales to third parties

In EUR mn

Q1/19	Q4/18	Q1/18	Δ% <sup>1</sup>		2018
517	751	588	(12)	Upstream	2,170
4,886	5,888	4,388	11	Downstream	20,756
3,281	3,947	2,856	15	thereof Downstream Oil	14,707
1,605	1,941	1,532	5	thereof Downstream Gas	6,049
1	1	1	(31)	Corporate and Other	4
<b>5,403</b>	<b>6,640</b>	<b>4,977</b>	<b>9</b>	<b>Total</b>	<b>22,930</b>

## Total sales (not consolidated)

In EUR mn

Q1/19	Q4/18	Q1/18	Δ% <sup>1</sup>		2018
1,380	1,709	1,345	3	Upstream	5,556
4,908	5,908	4,406	11	Downstream	20,830
3,293	3,958	2,866	15	thereof Downstream Oil	14,755
1,647	1,992	1,569	5	thereof Downstream Gas	6,215
(32)	(42)	(29)	(8)	thereof intrasegmental elimination Downstream	(139)
86	92	81	6	Corporate and Other	339
<b>6,374</b>	<b>7,710</b>	<b>5,832</b>	<b>9</b>	<b>Total</b>	<b>26,725</b>

## Segment and Group profit

In EUR mn

Q1/19	Q4/18	Q1/18	Δ% <sup>1</sup>		2018
406	812	478	(15)	Operating Result Upstream	2,122
407	400	417	(3)	Operating Result Downstream	1,420
331	253	299	11	thereof Operating Result Downstream Oil	1,402
76	147	118	(36)	thereof Operating Result Downstream Gas	18
(24)	(22)	(1)	n.m.	Operating Result Corporate and Other	(47)
789	1,190	894	(12)	Operating Result segment total	3,495
(23)	68	6	n.m.	Consolidation: Elimination of intersegmental profits	28
766	1,259	899	(15)	OMV Group Operating Result	3,524
(28)	(50)	(90)	69	Net financial result	(226)
<b>738</b>	<b>1,209</b>	<b>809</b>	<b>(9)</b>	<b>OMV Group profit before tax</b>	<b>3,298</b>

<sup>1</sup> Q1/19 compared to Q1/18Assets <sup>1</sup>

In EUR mn

	Mar. 31, 2019	Dec. 31, 2018
Upstream	15,150	13,536
Downstream	5,228	4,755
thereof Downstream Oil	4,274	3,798
thereof Downstream Gas	954	957
Corporate and Other	241	141
<b>Total</b>	<b>20,620</b>	<b>18,432</b>

<sup>1</sup> Segment assets consist of intangible assets and property, plant and equipment. Since January 1, 2019 also right-of-use assets based on the IFRS 16 implementation are also included.  
Not including assets reclassified to held for sale.

May 3, 2019

**Other notes****Transactions with related parties**

In 3m/19, there were arm's length supplies of goods and services between the Group and equity-accounted companies, except for transactions with OJSC Severneftegazprom, which are not based on market prices but on cost plus defined margin.

**Material transactions with equity-accounted investments**

In EUR mn

	<b>3m/19</b>		<b>3m/18</b>	
	Sales and other income	Purchases and services received	Sales and other income	Purchases and services received
Borealis	339	12	351	11
GENOL Gesellschaft m.b.H. & Co KG	44	1	41	1
Erdöl-Lagergesellschaft m.b.H.	37	13	9	13
Enerco Enerji Sanayi ve Ticaret A.Ş.	0	6	2	55
Deutsche Transalpine Oelleitung GmbH	0	6	0	7
OJSC Severneftegazprom	-	46	-	41
Trans Austria Gasleitung GmbH	3	5	3	6

**Balances with equity-accounted investments**

In EUR mn

	<b>Mar. 31, 2019</b>	<b>Dec. 31, 2018</b>
Advances paid	4	10
Trade receivables	161	72
Other receivables	6	6
Trade payables	75	67
Other payables	2	3
Contract liabilities	137	140

**Dividend income from equity-accounted investments**

In EUR mn

	<b>3m/19</b>	<b>3m/18</b>
Borealis AG	144	252
Pearl Petroleum Company Limited	5	3
Trans Austria Gasleitung GmbH	-	15
<b>Total Group</b>	<b>149</b>	<b>270</b>

Information on the government-related entities can be found in OMV Consolidated Financial Statements 2018 (Note 35 – Related Parties). There have been no changes to the publication of condensed interim financial statements for 3m/19.

Borealis has two pending tax cases in Finland related to Borealis Technology Oy and Borealis Polymers Oy, which are described in detail in the OMV Consolidated Financial Statements 2018 (Note 16 – Equity-accounted investments). The developments up to the publication of the condensed interim financial statements for 3m/19 are summarized below.

On March 19, 2019, the Helsinki Administrative Court issued its decision regarding the case of Borealis Technology Oy, dismissing the appeal of Borealis, but reduced the tax base amounts to be re-assessed to EUR 481 mn (from EUR 1,040 mn previously). The Finnish tax authority will issue new tax re-assessment notes based on the Court's judgement in the near future. Borealis is reviewing the Court's decisions and is considering whether to file an appeal to the Finnish Supreme Administrative Court. Also, on March 19, 2019, the Helsinki Administrative Court issued its decision regarding the case of Borealis Polymers Oy. The Court unanimously accepted the appeal of Borealis by confirming that only a license should be considered, returning the case to the Finnish tax authority to re-assess the amount of arm's length royalties.

**Subsequent events**

There were no material subsequent events leading up to the publication of the Group Interim Financial Statements for 3m/19.

May 3, 2019

## Declaration of the Management

We confirm to the best of our knowledge that the condensed interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group Directors' Report gives a true and fair view of the important events that have occurred during the first three months of the financial year and their impact on the condensed interim financial statements, the principal risks and uncertainties for the remaining nine months of the financial year and the major related-party transactions to be disclosed.

Vienna, May 3, 2019

The Executive Board

Rainer Seele m.p.  
Chairman of the Executive Board  
and Chief Executive Officer

Reinhard Florey m.p.  
Chief Financial Officer

Johann Pleininger m.p.  
Deputy Chairman of the Executive Board  
and Executive Board  
Upstream

Manfred Leitner m.p.  
Member of the Executive Board  
Downstream

May 3, 2019

## Further Information

### Next events

- ▶ OMV Ordinary Annual General Meeting: May 14, 2019
- ▶ OMV Trading Update Q2 2019: July 9, 2019
- ▶ OMV Group Report January–June and Q2 2019: July 31, 2019

The entire OMV financial calendar and additional information can be found at [www.omv.com](http://www.omv.com).

### OMV contacts

Florian Greger, Vice President and Head of Investor Relations  
Tel.: +43 1 40440-21600; e-mail: [investor.relations@omv.com](mailto:investor.relations@omv.com)

Andreas Rinofner, Public Relations  
Tel.: +43 1 40440-21472; e-mail: [public.relations@omv.com](mailto:public.relations@omv.com)