

Quarterly Report 2017

Q3



OMV Aktiengesellschaft

November 9, 2017

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Disclaimer regarding forward-looking statements

This report contains forward-looking statements. Forward-looking statements 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.

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OMV Group Report January – September and Q3 2017 including condensed consolidated financial statements as of September 30, 2017

Key Performance Indicators ¹

Group

- ▶ Clean CCS Operating Result increased by 52% to EUR 804 mn
- ▶ Clean CCS net income attributable to stockholders amounted to EUR 472 mn, clean CCS Earnings Per Share were EUR 1.45
- ▶ Strong free cash flow after dividend payments at EUR 478 mn
- ▶ High cash flow from operating activities of EUR 792 mn
- ▶ Clean CCS ROACE at 12%

Upstream

- ▶ High level of production at 341 kboe/d, up by 40 kboe/d
- ▶ Production cost decreased by 13% to USD 8.8/boe

Downstream

- ▶ OMV indicator refining margin nearly doubled to USD 7.0/bbl
- ▶ Natural gas sales increased to 24 TWh
- ▶ Power business had a significantly improved performance

Key events

- ▶ On August 2, 2017, OMV closed the sale of its 50% stake in the Ashtart oil field, in the Gulf of Gabes, Tunisia, as well as its 50% stake in the operating company SEREPT to Perenco. OMV's average net production from Ashtart was 3,000 boe/d in 2016.
- ▶ On August 30, 2017, the Kurdistan Regional Government of Iraq and Dana Gas PJCS, Crescent Petroleum and Pearl Petroleum Company Limited ("Pearl," OMV share 10%) reached a settlement over a dispute concerning certain matters under the Heads of Agreement on the Khor Mor and Chemchemal fields. OMV's Upstream clean Operating Result was positively impacted by about EUR 90 mn in Q3/17. As a result of the settlement, OMV received EUR 50 mn in the form of a dividend from Pearl, while the remainder was put into a dedicated account for future investments in Khor Mor.

¹ Figures reflect the Q3/17 period; all comparisons described relate to the same quarter in the previous year except where mentioned otherwise

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Directors' Report (condensed, unaudited)

Group performance

Financial highlights

in EUR mn (unless otherwise stated)

Q3/17	Q2/17	Q3/16	Δ% ¹		9m/17	9m/16	Δ%
4,646	5,152	5,249	(11)	Sales ²	15,316	13,853	11
804	662	529	52	Clean CCS Operating Result ³	2,270	1,123	102
300	259	41	n.m.	Clean Operating Result Upstream ³	880	(52)	n.m.
510	411	488	4	Clean CCS Operating Result Downstream ³	1,414	1,171	21
(4)	(13)	(7)	41	Clean Operating Result Corporate and Other ³	(30)	(23)	(29)
(3)	5	7	n.m.	Clean Consolidation: Elimination of inter-segmental profits	6	26	(77)
19	35	(10)	n.m.	Clean Group tax rate in %	24	(6)	n.m.
592	393	523	13	Clean CCS net income ³	1,587	1,027	55
472	282	447	6	Clean CCS net income attributable to stockholders ^{3, 4}	1,257	842	49
1.45	0.86	1.37	6	Clean CCS EPS in EUR ³	3.85	2.58	49
804	662	529	52	Clean CCS Operating Result ³	2,270	1,123	102
(55)	(1,322)	(350)	84	Special items ⁵	(1,166)	(973)	(20)
9	(34)	(3)	n.m.	CCS effects: Inventory holding gains/(losses)	(3)	(13)	74
758	(694)	177	n.m.	Operating Result Group	1,101	137	n.m.
247	169	(316)	n.m.	Operating Result Upstream	924	(1,017)	n.m.
517	(857)	489	6	Operating Result Downstream	199	1,196	(83)
(5)	(14)	(8)	34	Operating Result Corporate and Other	(35)	(27)	(31)
0	8	11	n.m.	Consolidation: Elimination of inter-segmental profits	13	(15)	n.m.
(66)	(62)	(39)	(69)	Net financial result	(177)	(139)	(28)
692	(756)	138	n.m.	Profit before tax	924	(2)	n.m.
21	(23)	6	n.m.	Group tax rate in %	53	7,307	(99)
544	(928)	129	n.m.	Net income	432	148	192
439	(1,028)	48	n.m.	Net income attributable to stockholders ⁴	124	(26)	n.m.
1.35	(3.15)	0.15	n.m.	Earnings Per Share (EPS) in EUR	0.38	(0.08)	n.m.
792	991	652	21	Cash flow from operating activities	2,706	2,267	19
478	1,329	239	100	Free cash flow before dividends	3,127	645	n.m.
478	747	239	100	Free cash flow after dividends	2,545	266	n.m.
450	943	3,743	(88)	Net debt	450	3,743	(88)
3	7	27	(88)	Gearing ratio in %	3	27	(88)
388	397	403	(4)	Capital expenditure	1,086	1,359	(20)
12	11	7	67	Clean CCS ROACE in % ³	12	7	68
1	(1)	(6)	n.m.	ROACE in %	1	(6)	n.m.
20,747	21,140	22,838	(9)	Employees	20,747	22,838	(9)

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

¹ Q3/17 compared to Q3/16

² Sales excluding petroleum excise tax

³ Adjusted for special items; clean CCS figures exclude fuels' inventory holding gains/losses (CCS effects) resulting from the fuels refineries and OMV Petrol Ofisi

⁴ After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

⁵ Special items are exceptional, non-recurring items; starting with Q1/17, the special items also include temporary effects from commodity hedging for material Downstream and Upstream hedging transactions (in order to mitigate possible income statement volatility)

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Third quarter 2017 (Q3/17) compared to third quarter 2016 (Q3/16)

Consolidated sales decreased by 11% to EUR 4,646 mn compared to Q3/16, predominantly due to the divestment of OMV Petrol Ofisi. **Clean CCS Operating Result** was up from EUR 529 mn to EUR 804 mn, mainly driven by a significantly higher Upstream result. The improved Upstream performance was largely supported by a higher contribution from Norway, the restart of production in Libya starting in Q4/16 as well as by higher realized oil and gas prices. OMV Petrom's clean CCS Operating Result amounted to EUR 228 mn (Q3/16: EUR 137 mn). The **clean Group tax rate** was 19% compared to (10)% in Q3/16 as a result of higher revenues from Libya and Norway. The **clean CCS net income** reached EUR 592 mn. **Clean CCS net income attributable to stockholders** amounted to EUR 472 mn (Q3/16: EUR 447 mn). Clean CCS Earnings Per Share rose to EUR 1.45 (Q3/16: EUR 1.37).

Net **special items** of EUR (55) mn were recorded in Q3/17 (Q3/16: EUR (350) mn). In Upstream, net special items amounted to EUR (53) mn and were mostly related to unrealized hedging losses in the amount of EUR (33) mn and reassessments of receivables and provisions. Positive **CCS effects** of EUR 9 mn were recognized in Q3/17. OMV Group's reported **Operating Result** came in at EUR 758 mn, significantly higher than in Q3/16 (EUR 177 mn). OMV Petrom's contribution to the Group's reported Operating Result was EUR 191 mn (Q3/16: EUR 131 mn).

The **net financial result** was EUR (66) mn (Q3/16: EUR (39) mn). This was mainly due to lower dividend and interest income. With a **Group tax rate** of 21% (Q3/16: 6%), **net income** amounted to EUR 544 mn. **Net income attributable to stockholders** rose substantially to EUR 439 mn (Q3/16: EUR 48 mn). **Earnings Per Share** for the quarter increased significantly to EUR 1.35 (Q3/16: EUR 0.15).

Cash flow from operating activities grew to EUR 792 mn from EUR 652 mn in Q3/16. This was predominantly supported by an improved market environment and dividend payments received from Pearl. **Free cash flow after dividends** doubled from EUR 239 mn in Q3/16 to EUR 478 mn as a result of a higher cash flow from operating activities and lower investments in intangible assets and property, plant and equipment.

Net debt decreased to EUR 450 mn compared to EUR 3,743 mn as of September 30, 2016, mainly because of a considerably higher cash position. On September 30, 2017, the **gearing ratio** stood at 3% (September 30, 2016: 27%).

Capital expenditures totaled EUR 388 mn (Q3/16: EUR 403 mn) with the majority dedicated to Upstream.

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Cash flow**Summarized cash flow statement**

EUR mn							
Q3/17	Q2/17	Q3/16	Δ% ¹		9m/17	9m/16	Δ%
989	766	806	23	Sources of funds	2,946	2,149	37
792	991	652	21	Cash flow from operating activities	2,706	2,267	19
(314)	338	(413)	24	Cash flow from investing activities	421	(1,621)	n.m.
478	1,329	239	100	Free cash flow	3,127	645	n.m.
(28)	(608)	187	n.m.	Cash flow from financing activities	(763)	(237)	n.m.
(10)	(10)	(3)	n.m.	Effect of exchange rate changes on cash and cash equivalents	(35)	(8)	n.m.
440	710	423	4	Net (decrease)/increase in cash and cash equivalents	2,329	400	n.m.
4,203	3,493	1,325	n.m.	Cash and cash equivalents at beginning of period	2,314	1,348	72
4,643	4,203	1,748	166	Cash and cash equivalents at end of period	4,643	1,748	166
4,643	4,203	1,748	166	Cash and cash equivalents presented in the consolidated statement of financial position	4,643	1,748	166
478	747	239	100	Free cash flow after dividends	2,545	266	n.m.
478	747	239	100	Free cash flow after dividends incl. non-controlling interest changes	2,545	302	n.m.

¹ Q3/17 compared to Q3/16**Third quarter 2017 (Q3/17) compared to third quarter 2016 (Q3/16)**

In Q3/17, **sources of funds** rose to EUR 989 mn (Q3/16: EUR 806 mn), driven by an improved market environment and dividend payments received from Pearl. Net working capital effects generated a cash outflow of EUR (197) mn (Q3/16: EUR (154) mn). **Cash flow from operating activities** increased to EUR 792 mn.

Cash flow from investing activities showed an outflow of EUR (314) mn, which was lower than in Q3/16 (EUR (413) mn), mainly as a result of reduced investments in intangible assets and property, plant and equipment.

Cash flow from financing activities recorded an outflow of EUR (28) mn compared to an inflow of EUR 187 mn in Q3/16, as in the previous year's quarter there was an increase in short-term financing.

Free cash flow (defined as net cash from operating activities +/- net cash from investing activities) rose to EUR 478 mn (Q3/16: EUR 239 mn). **Free cash flow after dividends** increased to EUR 478 mn (Q3/16: EUR 239 mn).

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 2016 Annual Report (pages 84–85).

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 consolidated financial statements for disclosures on significant transactions with related parties.

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Outlook

Market environment

For the year 2017, OMV expects the average Brent oil price to be at USD 52/bbl. The gas market environment in Europe continues to be characterized by structural oversupply. However, average gas prices in European spot markets are anticipated to be higher in 2017 compared to 2016, due to weather conditions.

Group

- ▶ 2017 CAPEX (including capitalized E&A and excluding acquisitions) is projected to come in around EUR 1.7 bn (previous forecast: EUR 1.8 bn)
- ▶ OMV targets a cost reduction of more than EUR 250 mn in 2017 compared to 2015

Upstream

- ▶ OMV expects total production of above 330 kboe/d in 2017
- ▶ In the second half of 2017, production in Libya is forecasted to be above 20 kboe/d
- ▶ CAPEX for Upstream (including capitalized E&A and excluding acquisitions) is anticipated to come in around EUR 1.1 bn in 2017 (previous forecast: EUR 1.2 bn)
- ▶ Exploration and appraisal expenditure is expected to be less than EUR 300 mn

Downstream

Oil

- ▶ Refining margins are projected to be significantly higher than in 2016
- ▶ Petrochemical margins are forecasted to be higher compared to the levels in 2016; following strong performance in 6m/17, petrochemical margins are expected to trend downward for the rest of the year
- ▶ In OMV's markets, excluding Turkey, retail margins are forecasted to be higher, while commercial margins are estimated to be on a level similar to 2016
- ▶ The refineries utilization rate is expected to be above 90% in 2017, despite the planned full-site turnaround at the Schwechat refinery completed in Q2/17

Gas

- ▶ Natural gas sales volumes are projected to be slightly higher in 2017 compared to 2016
- ▶ Natural gas sales margins are forecasted to be lower in 2017 than in 2016 due to oversupply in the European gas market
- ▶ Due to a change in tariff regulations, the contribution from the gas transportation business in Austria (Gas Connect Austria) is expected to be significantly lower in 2017 compared to 2016

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Business Segments

Upstream

in EUR mn (unless otherwise stated)								
Q3/17	Q2/17	Q3/16	Δ% ¹		9m/17	9m/16	Δ%	
659	615	416	59	Clean Operating Result before Depreciation and amortization, impairments and write-ups	1,930	1,065	81	
300	259	41	n.m.	Clean Operating Result	880	(52)	n.m.	
(53)	(90)	(357)	85	Special items	43	(966)	n.m.	
247	169	(316)	n.m.	Operating Result	924	(1,017)	n.m.	
272	227	308	(12)	Capital expenditure	707	997	(29)	
53	40	68	(23)	Exploration expenditure in EUR mn	146	233	(37)	
35	58	57	(37)	Exploration expenses in EUR mn	126	746	(83)	
8.77	8.69	10.12	(13)	Production cost in USD/boe ²	8.79	10.65	(17)	
Key Performance Indicators								
341	339	301	13	Total hydrocarbon production in kboe/d	338	310	9	
166	169	174	(4)	thereof OMV Petrom	169	175	(4)	
16.6	16.5	14.0	18	Crude oil and NGL production in mn bbl	49.0	43.3	13	
83.4	80.8	76.7	9	Natural gas production in bcf	244.5	233.7	5	
28.4	28.5	27.4	4	Total hydrocarbon sales volumes in mn boe	85.4	80.1	7	
52.08	49.64	45.86	14	Average Brent price in USD/bbl	51.84	41.88	24	
47.26	46.02	43.33	9	Average realized crude price in USD/bbl	47.87	37.80	27	
5.21	5.09	4.46	17	Average realized gas price in USD/1,000 cf	5.10	4.62	10	
14.44	15.10	13.06	11	Average realized gas price in EUR/MWh ³	14.98	13.53	11	
1,175	1,102	1,117	5	Average EUR-USD FX rate	1,114	1,116	0	

Note: The net result from the at equity-accounted investment in Pearl Petroleum Company is reflected in the Operating Result in all presented periods. Starting with Q1/17, the impact from Pearl Petroleum Company is included in OMV's key performance indicators "Total hydrocarbon production in kboe/d" and "Production cost in USD/boe."

¹ Q3/17 compared to Q3/16

² OMV aligned the production cost definition with its industry peers; since Q1/17, administrative expenses and selling and distribution costs are excluded; for comparison only, 2016 figures presented in the table were re-calculated

³ The average realized gas price is converted to MWh using a standardized calorific value across the portfolio

Third quarter 2017 (Q3/17) compared to third quarter 2016 (Q3/16)

- ▶ Strong increase of clean Operating Result mainly due to a higher contribution from Norway and Libya as well as higher realized oil and gas prices
- ▶ Significantly higher production at 341 kboe/d

The **clean Operating Result** substantially improved from EUR 41 mn in Q3/16 to EUR 300 mn. Compared to Q3/16, lower costs and higher sales volumes contributed EUR 102 mn to the result. This was largely attributable to lower costs, primarily in Norway, and increased sales volumes from the restart of production in Libya in Q4/16. In addition, OMV benefited from net market effects of EUR 32 mn. Stronger realized oil and gas prices were partially offset by the depreciation of the US dollar against the euro and by a lower realized hedging gain of EUR 10 mn in Q3/17. The Upstream clean Operating Result also included EUR 90 mn due to a settlement by Pearl. On August 30, 2017, the Kurdistan Regional Government of Iraq and Dana Gas PJCS, Crescent Petroleum and Pearl (OMV share 10%) reached a settlement over a dispute concerning certain matters under the Heads of Agreement on the Khor Mor and Chemchemical fields. As a result of this settlement, OMV received EUR 50 mn in the form of a dividend from Pearl, while the remainder was put into a dedicated account for future investments in Khor Mor. OMV Petrom contributed EUR 93 mn to the clean Operating Result compared to EUR 45 mn in Q3/16.

Net **special items** amounted to EUR (53) mn. These were mainly related to unrealized hedging losses totaling EUR (33) mn and due to reassessments of receivables and provisions. The **Operating Result** grew substantially to EUR 247 mn (Q3/16: EUR (316) mn).

At USD 8.77/boe, **production cost** excluding royalties declined by 13% as a result of a higher production coupled with the successful implementation of the cost reduction program. Production costs of OMV Petrom fell by 8% to USD 10.23/boe. The abolishment of infrastructure tax and strict cost management more than offset lower production volumes.

Total hydrocarbon production increased by 13% to 341 kboe/d, primarily due to Libya's contribution of 28 kboe/d and higher Norwegian production of 82 kboe/d. In Q3/16, the Libyan oil fields were shut-in and production from Norway was negatively impacted by planned maintenance. Starting in 2017, total hydrocarbon production includes the contribution from Pearl. OMV Petrom's total oil and gas production was down to 166 kboe/d, mostly because of natural decline. **Total sales volumes** were up by 4% and were mainly attributable to liftings from Libya.

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In Q3/17, the **average Brent price** in US dollar rose by 14%, predominately due to a continued strong compliance with the production cut by the OPEC countries and increased demand. The Group's **average realized crude price** increased by 9%, somewhat less than Brent owing to heavier crudes in the OMV portfolio and the timing of liftings. The **average realized gas price** in USD/1,000 cf improved by 17%. The realized price went up less than the benchmark quotation given that the majority of OMV's gas production is subject to different pricing mechanisms. OMV recorded a positive realized gas hedging result of EUR 12 mn in Q3/17.

Capital expenditures including capitalized E&A were EUR 272 mn compared to EUR 308 mn in Q3/16. OMV primarily invested in Romania and Norway. **Exploration expenditures** fell by 23% to EUR 53 mn and were mainly related to activities in Norway, Romania and Bulgaria.

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Downstream

in EUR mn (unless otherwise stated)							
Q3/17	Q2/17	Q3/16	Δ% ¹		9m/17	9m/16	Δ%
628	528	652		(4) Clean CCS Operating Result before Depreciation and amortization, impairments and write-ups ²	1,767	1,650	7
510	411	488		4 Clean CCS Operating Result ²	1,414	1,171	21
450	382	422		7 thereof Downstream Oil	1,242	1,007	23
60	29	66		(9) thereof Downstream Gas	172	164	5
0	(1,231)	8	n.m.	Special items	(1,204)	(3)	n.m.
7	(37)	(8)	n.m.	CCS effects: Inventory holding gains/(losses) ²	(11)	28	n.m.
517	(857)	489		6 Operating Result	199	1,196	(83)
114	168	94		22 Capital expenditure	374	357	5
Downstream Oil KPIs							
7.04	6.03	3.69		91 OMV indicator refining margin in USD/bbl ³	6.17	4.47	38
428	494	405		6 Ethylene/propylene net margin in EUR/t ⁴	436	378	16
96	77	97		(1) Utilization rate refineries in %	90	86	4
5.39	6.94	8.40		(36) Total refined product sales in mn t	18.87	22.87	(17)
1.72	2.52	2.89		(40) thereof retail sales volumes in mn t	6.58	7.73	(15)
0.61	0.41	0.59		4 thereof petrochemicals in mn t	1.61	1.74	(8)
Downstream Gas KPIs							
24.00	25.97	22.19		8 Natural gas sales volumes in TWh	82.27	79.11	4
2.40	1.04	1.91		26 Net electrical output in TWh	5.19	3.40	52

¹ Q3/17 compared to Q3/16² Current Cost of Supply (CCS): Clean CCS figures exclude special items and inventory holding gains/losses (CCS effects) resulting from the fuels refineries and OMV Petrol Ofisi³ Actual refining margins realized by OMV may vary from the OMV indicator refining margin as well as from the market margins due to factors including a different crude slate, product yield and operating conditions⁴ Calculated based on West European Contract Prices (WECP)

Third quarter 2017 (Q3/17) compared to third quarter 2016 (Q3/16)

- Strong Downstream result due to substantially higher refining and increased petrochemical margins
- Significantly improved power business

The **clean CCS Operating Result** increased from EUR 488 mn in Q3/16 to EUR 510 mn, driven by a higher contribution from Downstream Oil.

Downstream Oil clean CCS Operating Result rose from EUR 422 mn in Q3/16 to EUR 450 mn. Substantially higher refining margins and improved petrochemical margins positively contributed to the result. This was partially offset by the impact of the divestment of OMV Petrol Ofisi in June 2017 as well as by unrealized hedging losses. In Q3/16, OMV Petrol Ofisi contributed EUR 36 mn to the clean CCS Operating Result. The **OMV indicator refining margin** nearly doubled from USD 3.69/bbl in Q3/16 to USD 7.04/bbl. This was predominantly attributable to stronger middle and light distillate margins, which were partially offset by higher feedstock cost due to the increased crude prices. The **utilization rate of the refineries** was 96% in Q3/17, a level similar to that in Q3/16. At 5.39 mn t, **total refined product sales** decreased by 36%, mainly due to the divestment of OMV Petrol Ofisi, which contributed 2.9 mn t in Q3/16. Excluding the contribution from OMV Petrol Ofisi, retail sales volumes grew in Q3/17, whereas retail margins slightly declined. Commercial sales volumes and margins, excluding OMV Petrol Ofisi, came down compared to Q3/16. OMV Petrom contributed EUR 118 mn to the clean CCS Operating Result. The clean CCS Operating Result of the petrochemicals business increased to EUR 84 mn, due to improved petrochemical margins. The contribution from Borealis declined from EUR 110 mn to EUR 98 mn in Q3/17, as a result of lower polyolefin margins.

Downstream Gas clean CCS Operating Result was EUR 60 mn compared to EUR 66 mn in Q3/16. The previous year quarter included a one-off effect of EUR 22 mn related to clearance of a gas contract. The contribution of Gas Connect Austria decreased to EUR 24 mn, mainly because of the change in regulated tariffs. **Natural gas sales volumes** rose from 22.19 TWh in Q3/16 to 24.00 TWh primarily due to increased sales volumes in Germany and Turkey. The power business recorded a higher output and benefited from significantly improved spark spreads.

The **Operating Result** of Downstream amounted to EUR 517 mn compared with EUR 489 mn in Q3/16. **CCS effects** of EUR 7 mn were booked due to rising crude prices during Q3/17.

Capital expenditures in Downstream remained stable at EUR 114 mn, with EUR 83 mn thereof in Downstream Oil.

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Group Interim Financial Statements (condensed, unaudited)

Income statement (unaudited)

in EUR mn (unless otherwise stated)

Q3/17	Q2/17	Q3/16		9m/17	9m/16
4,646	5,152	5,249	Sales revenues	15,316	13,853
72	72	208	Other operating income	360	404
195	101	114	Net income from equity-accounted investments	416	327
98	94	110	thereof Borealis	305	313
4,913	5,324	5,571	Total revenues and other income	16,092	14,584
(2,735)	(3,276)	(3,399)	Purchases (net of inventory variation)	(9,387)	(8,753)
(401)	(422)	(401)	Production and operating expenses	(1,224)	(1,234)
(70)	(79)	(75)	Production and similar taxes	(234)	(218)
(480)	(462)	(995)	Depreciation, amortization and impairment charges	(1,396)	(2,065)
(357)	(385)	(413)	Selling, distribution and administrative expenses	(1,147)	(1,248)
(35)	(58)	(56)	Exploration expenses	(125)	(737)
(77)	(1,338)	(54)	Other operating expenses	(1,479)	(194)
758	(694)	177	Operating Result	1,101	137
0	5	15	Dividend income	5	39
22	13	28	Interest income	48	59
(72)	(62)	(67)	Interest expenses	(195)	(197)
(17)	(17)	(16)	Other financial income and expenses	(35)	(39)
(66)	(62)	(39)	Net financial result	(177)	(139)
692	(756)	138	Profit before tax	924	(2)
(148)	(172)	(8)	Taxes on income	(492)	150
544	(928)	129	Net income for the period	432	148
439	(1,028)	48	thereof attributable to stockholders of the parent	124	(26)
26	26	26	thereof attributable to hybrid capital owners	77	77
78	75	56	thereof attributable to non-controlling interests	231	97
1.35	(3.15)	0.15	Basic Earnings Per Share in EUR	0.38	(0.08)
1.35	(3.15)	0.15	Diluted Earnings Per Share in EUR	0.38	(0.08)

Statement of comprehensive income (condensed, unaudited)

in EUR mn

Q3/17	Q2/17	Q3/16		9m/17	9m/16
544	(928)	129	Net income for the period	432	148
(98)	963	69	Exchange differences from translation of foreign operations	573	69
0	0	(1)	Gains/(losses) on available-for-sale financial assets	0	0
(11)	9	1	Gains/(losses) on hedges	22	(72)
(25)	(73)	(15)	Share of other comprehensive income of equity-accounted investments	(134)	(25)
(134)	899	54	Total of items that may be reclassified ("recycled") subsequently to the income statement	461	(28)
0	0	0	Remeasurement gains/(losses) on defined benefit plans	0	(55)
0	0	0	Share of other comprehensive income of equity-accounted investments	0	(18)
0	0	0	Total of items that will not be reclassified ("recycled") subsequently to the income statement	0	(73)
2	3	1	Income taxes relating to items that may be reclassified ("recycled") subsequently to the income statement	6	20
0	0	0	Income taxes relating to items that will not be reclassified ("recycled") subsequently to the income statement	0	2
2	3	1	Total income taxes relating to components of other comprehensive income	6	22
(132)	902	55	Other comprehensive income for the period, net of tax	466	(79)
412	(26)	184	Total comprehensive income for the period	898	69
336	(131)	58	thereof attributable to stockholders of the parent	621	(149)
26	26	26	thereof attributable to hybrid capital owners	77	77
50	80	101	thereof attributable to non-controlling interests	200	141

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Statement of financial position (unaudited)

in EUR mn

	Sep. 30, 2017	Dec. 31, 2016
Assets		
Intangible assets	1,651	1,713
Property, plant and equipment	13,777	14,613
Equity-accounted investments	2,748	2,860
Other financial assets	1,202	947
Other assets	66	70
Deferred taxes	721	839
Non-current assets	20,165	21,042
Inventories	1,541	1,663
Trade receivables	2,019	2,459
Other financial assets	1,088	1,245
Income tax receivables	20	32
Other assets	240	198
Cash and cash equivalents	4,643	2,069
Current assets	9,551	7,666
Assets held for sale	47	3,405
Total assets	29,763	32,112
Equity and liabilities		
Capital stock	327	327
Hybrid capital	2,231	2,231
Reserves	8,620	8,357
OMV equity of the parent	11,179	10,915
Non-controlling interests	3,069	3,010
Equity	14,247	13,925
Provisions for pensions and similar obligations	1,033	1,057
Bonds	3,728	3,725
Interest-bearing debts	848	1,012
Provisions for decommissioning and restoration obligations	3,136	3,320
Other provisions	478	553
Other financial liabilities	387	409
Other liabilities	147	155
Deferred taxes	144	122
Non-current liabilities	9,901	10,354
Trade payables	2,913	3,731
Bonds	46	38
Interest-bearing debts	199	222
Provisions for income taxes	202	212
Provisions for decommissioning and restoration obligations	76	92
Other provisions	382	435
Other financial liabilities	940	1,169
Other liabilities	854	828
Current liabilities	5,612	6,727
Liabilities associated with assets held for sale	3	1,107
Total equity and liabilities	29,763	32,112

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Condensed statement of changes in equity (condensed, unaudited)

in EUR mn

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Other reserves ¹	Treasury shares	OMV equity of the parent	Non-controlling interests	Total equity
January 1, 2017	327	1,507	2,231	7,990	(1,131)	(9)	10,915	3,010	13,925
Net income for the period				201			201	231	432
Other comprehensive income for the period				0	498		497	(31)	466
Total comprehensive income for the period				200	498		698	200	898
Dividend distribution and hybrid coupon				(442)			(442)	(141)	(584)
Disposal of treasury shares		1				1	2		2
Share-based payments		6					6		6
September 30, 2017	327	1,514	2,231	7,748	(633)	(8)	11,179	3,069	14,247

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Other reserves ¹	Treasury shares	OMV equity of the parent	Non-controlling interests	Total equity
January 1, 2016	327	1,500	2,231	8,613	(989)	(10)	11,672	2,626	14,298
Net income for the period				51			51	97	148
Other comprehensive income for the period				(53)	(71)		(124)	44	(79)
Total comprehensive income for the period				(1)	(71)		(72)	141	69
Dividend distribution and hybrid coupon				(377)			(377)	(2)	(379)
Disposal of treasury shares		1				1	2		2
Share-based payments		1		1			2		2
Increase/(decrease) in non-controlling interests				(108)			(108)	144	36
September 30, 2016	327	1,502	2,231	8,128	(1,060)	(9)	11,119	2,909	14,029

¹ Other reserves contain exchange differences from the translation of foreign operations, unrealized gains and losses from hedges and available-for-sale financial assets as well as the share of other comprehensive income of equity-accounted investments

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Summarized statement of cash flows (condensed, unaudited)

in EUR mn

Q3/17	Q2/17	Q3/16		9m/17	9m/16
544	(928)	129	Net income for the period	432	148
489	521	899	Depreciation, amortization and impairments including write-ups	1,456	2,592
26	37	18	Deferred taxes	126	(187)
(9)	(2)	(4)	Losses/(gains) on the disposal of non-current assets	(10)	(19)
(28)	(5)	(27)	Net change in long-term provisions	(30)	(52)
(33)	1,143	(210)	Other adjustments	973	(332)
989	766	806	Sources of funds	2,946	2,149
(228)	109	(45)	(Increase)/decrease in inventories	39	89
(76)	532	(145)	(Increase)/decrease in receivables	398	(240)
120	(378)	24	(Decrease)/increase in liabilities	(601)	265
(14)	(38)	12	(Decrease)/increase in short-term provisions	(76)	4
792	991	652	Cash flow from operating activities	2,706	2,267
			Investments		
(318)	(333)	(432)	Intangible assets and property, plant and equipment	(1,077)	(1,621)
(71)	(221)	(37)	Investments, loans and other financial assets	(296)	(65)
0	0	0	Acquisitions of subsidiaries and businesses net of cash acquired	0	(54)
			Disposals		
20	12	49	Proceeds from sale of non-current assets	50	111
55	879	7	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	1,744	7
(314)	338	(413)	Cash flow from investing activities	421	(1,621)
(25)	(17)	6	(Decrease)/increase in long-term borrowings	(79)	(301)
0	0	0	Decrease in non-controlling interest	0	36
(3)	(10)	181	(Decrease)/increase in short-term borrowings	(102)	407
0	(582)	0	Dividends paid	(582)	(379)
(28)	(608)	187	Cash flow from financing activities	(763)	(237)
(10)	(10)	(3)	Effect of exchange rate changes on cash and cash equivalents	(35)	(8)
440	710	423	Net (decrease)/increase in cash and cash equivalents	2,329	400
4,203	3,493	1,325	Cash and cash equivalents at beginning of period	2,314	1,348
4,643	4,203	1,748	Cash and cash equivalents at end of period	4,643	1,748
			Cash and cash equivalents presented in the consolidated statement of financial position		
4,643	4,203	1,748		4,643	1,748
478	1,329	239	Free cash flow	3,127	645
478	747	239	Free cash flow after dividends	2,545	266
478	747	239	Free cash flow after dividends incl. non-controlling interest changes	2,545	302

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Selected notes to the interim consolidated financial statements

Legal principles

The interim condensed consolidated financial statements for the nine months ended September 30, 2017, 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, 2016.

The interim condensed consolidated financial statements for 9m/17 are unaudited, and an external review by an auditor was not performed.

The interim condensed consolidated financial statements for 9m/17 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 September 30, 2017, is given as part of the description of OMV's Business Segments in the Directors' Report.

General accounting policies

The following amended standards have been effective since January 1, 2017. At the time of preparation of these condensed interim financial statements, the EU endorsement was still pending. None of these changes are expected to have a material impact on the condensed interim financial statements.

- ▶ Amendments to IAS 12 Recognition of Deferred Tax Assets for Unrealized Losses
- ▶ Amendments to IAS 7 Disclosure Initiative
- ▶ Annual Improvements to IFRS Standards 2014–2016 Cycle

New income statement structure

The Group income statement has been restructured in line with industry best practice to comprehensively reflect the operations of the Group and to enhance transparency for investors.

The main changes to the income statement are as follows:

1. "Net income from equity-accounted investments" is now part of "Total revenues and other income"

- ▶ Previously, net income from equity-accounted investments was included within the net financial result.
- ▶ Starting from Q1/17, the net income from equity-accounted investments is included in "Total revenues and other income" and contributes to the "Operating Result." The "Operating Result" includes the former indicator "Earnings Before Interest and Taxes" and the net result from equity-accounted investments. Thus, the "Operating Result" reflects the operational result of OMV including contributions from associates and joint ventures.

2. The line items "purchases (net of inventory variation)," "production and operating expenses" and "production and similar taxes" are now shown separately

- ▶ These items were previously disclosed mainly within the line "production cost of sales."
- ▶ Purchases (net of inventory variation): This line item includes the cost of goods and materials that are used for conversion into finished or intermediary products as well as goods purchased for reselling. This position also includes inventory changes and write-offs.
- ▶ Production and operating expenses: This line item contains all costs incurred when manufacturing a good or providing a service.
- ▶ Production and similar taxes: This line item contains production taxes, royalties and other taxes related to hydrocarbon production.

3. "Selling, distribution and administrative expenses" are now combined and reported in one line item

- ▶ These costs were previously disclosed as part of selling expenses and administrative expenses.
- ▶ The new "selling, distribution and administrative expenses" line item includes all costs directly related to marketing and selling of products and administrative costs.

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4. “Depreciation, amortization and impairment charges” are now disclosed as a separate line item

- ▶ Previously, “depreciation, amortization and impairment charges” were included in “production cost of sales,” “selling expenses,” “administrative expenses,” “exploration expenses” and “other operating expenses.”
- ▶ Impairments related to exploration assets remain part of “exploration expenses.”

For comparison purposes only, figures from previous periods are presented in the same structure.

Changes in the consolidated Group

Compared with the consolidated financial statements as of December 31, 2016, the consolidated Group changed as follows:

In Upstream, OMV Russia Upstream GmbH, based in Vienna, was included starting March 15, 2017.

OMV Tunisia Upstream GmbH, based in Vienna, was included starting from August 23, 2017.

OMV (U.K.) Limited has been deconsolidated as of January 13, 2017, following the successful closing of the sales transaction.

In Downstream, FE-Trading Deutschland GmbH, based in Berchtesgaden, was included starting April 6, 2017.

OMV Trading GmbH was merged with OMV Gas Marketing & Trading GmbH as of June 1, 2017.

Haramidere Depoculuk A.Ş., based in Istanbul, was included from June 2, 2017.

OMV Petrol Ofisi A.Ş., Petrol Ofisi Havacilik Operasyonlari A.Ş., OMV Petrol Ofisi Holding Anonim Şirketi, Marmara Depoculuk Hizmetleri Sanayi ve Ticaret Anonim Şirketi and Erk Petrol Yatırımları A.Ş., all based in Istanbul, have been deconsolidated as of June 13, 2017, following the successful closing of the sales transaction.

OMV Gaz ve Enerji Holding Anonim Şirketi was merged with OMV Enerji Ticaret Anonim Şirketi as of September 7, 2017.

OMV Refining & Marketing Middle East & Asia GmbH, based in Vienna, was included starting from September 19, 2017.

All entities included for the first time in 2017 were newly formed or existing wholly owned subsidiaries.

Changes in the ownership of subsidiaries with a change in control

On January 13, 2017, the sale of 100% of the shares in the wholly owned subsidiary OMV (U.K.) Limited to Siccar Point Energy Limited, Aberdeen, was closed. The gain on the disposal of the subsidiary amounted to EUR 137 mn and was recognized in the line “Other operating income.” The gain is mainly attributable to the reclassification (“recycling”) of FX gains from other comprehensive income to the income statement. As a result of the disposal, a receivable for the contingent consideration has been recognized, which represents the fair value of the expected consideration (Level 3). The amount of the contingent consideration and the related encashment timeline are dependent on the date when the Rosebank project coventurers approve the final investment decision.

On June 13, 2017, the sale of all shares in OMV Petrol Ofisi A.Ş., Petrol Ofisi Havacilik Operasyonlari A.Ş., OMV Petrol Ofisi Holding Anonim Şirketi, Marmara Depoculuk Hizmetleri Sanayi ve Ticaret Anonim Şirketi and Erk Petrol Yatırımları A.Ş. to VIP Turkey Enerji A.Ş., a subsidiary of Vitol Investment Partnership Ltd., was closed. The loss on the disposal of the subsidiaries and joint operation was recognized in the line “Other operating expenses” and amounted to EUR 1,212 mn. The loss is mainly related to the reclassification (“recycling”) of FX losses from other comprehensive income to the income statement. As a result of the disposal, a deferred, unconditional consideration of EUR 20 mn has been recognized in other long-term financial assets.

The cash considerations from the disposals of OMV (U.K.) Limited and OMV Petrol Ofisi disposal group are summarized in the following table:

Net cash inflows from disposal of OMV (U.K.) Limited in Q1/17 and OMV Petrol Ofisi in Q2/17

in EUR mn

	OMV (U.K.) Limited	OMV Petrol Ofisi
Consideration received	819	1,320
less cash disposed of	(9)	(441)
Net cash inflow	810	879¹

¹ Excluding cash inflows generated from related divestments, asset transfers and net working capital effects since the economic effective date of the transaction, June 30, 2016

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Other significant transactions

In 9m/17, the first drawdowns under the financing agreements for the Nord Stream 2 pipeline project took place and resulted in a cash outflow of EUR 279 mn, reflected in the line “Investments, loans and other financial assets” in the cash flow from investing activities and are recognized as other non-current financial assets in the balance sheet.

OMV recognized receivables related to the contingent considerations from the divestment of the 30% stake in Rosebank and from the divestment of OMV (U.K.) Limited, which are dependent on the date when the Rosebank project coventurers will approve the final investment decision. A change of assumptions about the date when the Rosebank project coventurers will approve the final investment decision led to a revaluation of the contingent considerations in Q2/17 (Level 3). This triggered a negative fair value adjustment in the amount of EUR 36 mn recognized in other operating expenses.

On August 30, 2017, the Kurdistan Regional Government of Iraq and Dana Gas PJCS, Crescent Petroleum and Pearl (OMV share 10%) reached a settlement over a dispute concerning certain matters under the Heads of Agreement at the Khor Mor and Chem-chal fields; this positively impacted the line “Net income from equity-accounted investments” with an amount of EUR 90 mn in Q3/17.

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**Material impairments and write-ups**

In 9m/17, there were no material impairments or write-ups.

Income tax**Income tax**

in EUR mn

Q3/17	Q2/17	Q3/16		9m/17	9m/16
(148)	(172)	(8)	Taxes on income and profit	(492)	150
(122)	(135)	10	Current taxes	(366)	(37)
(26)	(37)	(18)	Deferred taxes	(126)	187
21%	(23)%	6%	Effective tax rate	53%	7,307%

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

As of September 30, 2017, OMV had contractual obligations for the acquisition of intangible assets and property, plant and equipment of EUR 1,011 mn (December 31, 2016: EUR 1,541 mn), mainly relating to exploration and production activities in Upstream. The decrease is mainly related to the disposal of OMV Petrol Ofisi and OMV (U.K.) Limited.

Inventories

During 2017, there were no material write-downs of inventories.

Equity

On May 24, 2017, the Annual General Meeting approved the payment of a dividend of EUR 1.20 per share, resulting in a total dividend payment of EUR 392 mn to OMV Aktiengesellschaft stockholders. Dividend distributions to minorities amounted to EUR 141 mn in 9m/17. An interest payment to hybrid capital owners amounting to EUR 51 mn was also made in 9m/17. The total number of own shares held by the Company as of September 30, 2017, amounted to 772,287 (December 31, 2016: 824,369).

Financial liabilities

As of September 30, 2017, short- and long-term borrowings, bonds and finance leases amounted to EUR 5,092 mn (December 31, 2016: EUR 5,283 mn). Finance lease liabilities totaled EUR 270 mn (December 31, 2016: EUR 278 mn).

Material changes of contingent liabilities

As part of the disposal of the subsidiary OMV (U.K.) Limited, the contingent liability of EUR 27 mn related to the deferred consideration from the acquisition of an increased share in the West of Shetland area (United Kingdom) in 2014 has ceased to exist for OMV.

In relation to the Bulgarian Commission for Protection of Competition (CPC) investigation initiated in 2016, on March 30, 2017, the CPC terminated the proceedings against OMV Bulgaria OOD and the other companies without a finding of

violation on the condition that they comply with specific commitments. OMV Bulgaria OOD is committed to designing and implementing internal regulations to achieve compliance with such commitments, which were presented to the CPC on April 28, 2017.

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During Q2/17, the tax audit of OMV Petrom SA, having the oil and gas royalties for the period 2011 to 2015 as its scope, was closed without any findings.

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

in EUR mn

Financial instruments on asset side	Sep. 30, 2017			Dec. 31, 2016		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Investment funds	7		7	7		7
Bonds	5	86	91	20	76	96
Derivatives designated and effective as hedging instruments	0	33	33	0	39	39
Other derivatives	383	206	588	192	585	777
Total	395	324	719	219	699	919

Financial instruments on liability side	Sep. 30, 2017			Dec. 31, 2016		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Liabilities on derivatives designated and effective as hedging instruments		42	42		70	70
Liabilities on other derivatives	395	226	621	208	632	840
Total	395	269	663	208	703	911

There were no transfers between levels of the fair value hierarchy.

With the exception of investments in other companies valued at cost, for which no reliable estimates of their fair values can be made, the carrying amounts of financial assets are the fair values.

Bonds and other interest-bearing debts amounting to EUR 4,822 mn (December 31, 2016: EUR 4,997 mn) are valued at amortized cost. The estimated fair value of these liabilities was EUR 5,316 mn (December 31, 2016: EUR 5,515 mn). The carrying amount of other financial liabilities is effectively the same as their fair value, as they are predominantly short term.

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Segment reporting

Intersegmental sales

in EUR mn

Q3/17	Q2/17	Q3/16	Δ% ¹		9m/17	9m/16	Δ%
638	698	554	15	Upstream	2,054	1,620	27
19	18	16	20	Downstream	58	53	10
8	7	5	60	thereof Downstream Oil	25	19	31
41	29	32	29	thereof Downstream Gas	113	101	12
(30)	(18)	(21)	(43)	thereof intrasegmental elimination Downstream	(79)	(67)	(19)
83	88	86	(3)	Corporate and Other	259	261	(1)
740	804	656	13	OMV Group	2,371	1,935	23

Sales to external customers

in EUR mn

Q3/17	Q2/17	Q3/16	Δ%		9m/17	9m/16	Δ%
277	310	323	(14)	Upstream	1,005	735	37
4,368	4,841	4,926	(11)	Downstream	14,306	13,118	9
3,219	3,812	4,021	(20)	thereof Downstream Oil	10,935	10,492	4
1,149	1,029	905	27	thereof Downstream Gas	3,371	2,627	28
1	1	0	n.m.	Corporate and Other	5	0	n.m.
4,646	5,152	5,249	(11)	OMV Group	15,316	13,853	11

Total sales (not consolidated)

in EUR mn

Q3/17	Q2/17	Q3/16	Δ%		9m/17	9m/16	Δ%
916	1,007	878	4	Upstream	3,059	2,356	30
4,387	4,859	4,941	(11)	Downstream	14,365	13,171	9
3,227	3,820	4,026	(20)	thereof Downstream Oil	10,960	10,510	4
1,190	1,058	937	27	thereof Downstream Gas	3,484	2,727	28
(30)	(18)	(21)	(43)	thereof intrasegmental elimination Downstream	(79)	(67)	(19)
84	89	86	(2)	Corporate and Other	264	261	1
5,386	5,956	5,904	(9)	OMV Group	17,688	15,788	12

Segment and Group profit

in EUR mn

Q3/17	Q2/17	Q3/16	Δ%		9m/17	9m/16	Δ%
247	169	(316)	n.m.	Operating Result Upstream	924	(1,017)	n.m.
517	(857)	489	6	Operating Result Downstream	199	1,196	(83)
459	(892)	418	10	thereof Operating Result Downstream Oil	20	1,060	(98)
57	35	71	(19)	thereof Operating Result Downstream Gas	179	136	32
(5)	(14)	(8)	34	Operating Result Corporate and Other	(35)	(27)	(31)
758	(702)	166	n.m.	Operating Result segment total	1,088	152	n.m.
0	8	11	n.m.	Consolidation: Elimination of intersegmental profits	13	(15)	n.m.
758	(694)	177	n.m.	OMV Group Operating Result	1,101	137	n.m.
(66)	(62)	(39)	(69)	Net financial result	(177)	(139)	(28)
692	(756)	138	n.m.	OMV Group profit before tax	924	(2)	n.m.

¹ Q3/17 compared to Q3/16

Assets ¹

in EUR mn

	Sep. 30, 2017	Dec. 31, 2016
Upstream	10,483	11,250
Downstream	4,800	4,915
thereof Downstream Oil	3,652	3,710
thereof Downstream Gas	1,148	1,205
Corporate and Other	145	161
Total	15,428	16,326

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

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Other notes

Transactions with related parties

In 9m/17, there were arm's-length supplies of goods and services between the Group and equity-accounted companies.

Significant transactions with related parties

in EUR mn

	9m/17		9m/16	
	Sales and other income	Purchases	Sales and other income	Purchases
Borealis	813	33	731	25
GENOL Gesellschaft m.b.H. & Co	119	2	93	2
Erdöl-Lagergesellschaft m.b.H.	28	39	34	46
Enerco Enerji Sanayi ve Ticaret A.Ş.	3	149	1	114
Trans Austria Gasleitung GmbH	26	16	15	6

Related Party Balances

in EUR mn

	Sep. 30, 2017	Dec. 31, 2016
Loans receivable	0	2
Trade receivables	61	39
Trade payables	23	37
Prepayments received	149	157

In 9m/17, OMV received dividend income of EUR 270 mn (9m/16: EUR 153 mn) from Borealis AG, EUR 11 mn (9m/16: EUR 9 mn) from Trans Austria Gasleitung GmbH, EUR 67 mn (9m/16: EUR nil) from Pearl Petroleum Company Limited and EUR 3 mn (9m/16: EUR 14 mn) from Enerco Enerji Sanayi ve Ticaret A.Ş.

In January 2017, Borealis received two decisions from the Finnish Board of Adjustment with regard to Borealis Technology Oy. The Board of Adjustment has confirmed the Finnish tax authority's view that the license arrangements, entered into between Borealis Technology Oy and Borealis AG in 2008 and 2010, should be considered as a sale of businesses. The Board of Adjustment is requesting that Borealis pays an additional EUR 297 mn, comprising taxes, late payment interest and penalties. Borealis believes that this decision fails to properly apply Finnish and international tax law and does not adequately consider the relevant facts of the case. Borealis appealed this decision to the Helsinki Administrative Court on March 6, 2017, and has obtained a suspension of payment until the final decision.

At the end of December 2015, Borealis received a reassessment decision from the Finnish tax authority for its Finnish subsidiary Borealis Polymers Oy with regard to the year 2009. The authority requested that Borealis pays an additional EUR 153 mn, an amount comprising taxes, late payment interest and penalties. Borealis believes that this decision fails to properly apply Finnish and international tax law and does not adequately consider the relevant facts of the case. Borealis appealed the reassessment decision to the Finnish tax authority's Board of Adjustment in February 2016. A suspension of payment has been obtained pending the decision.

Borealis received a revised decision from the Board of Adjustment on October 11, 2017, which partially confirms the view of Borealis. The company is currently studying its content and implications before it decides on further steps.

Subsequent events

There were no material subsequent events until the publication of the Group interim financial statements for 9m/17.

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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 important events that have occurred during the first nine months of the financial year and their impact on the condensed interim financial statements, the principal risks and uncertainties for the remaining three months of the financial year and the major related-party transactions to be disclosed.

Vienna, November 9, 2017

The Executive Board



Rainer Seele
Chairman of the Executive Board
and Chief Executive Officer



Reinhard Florey
Chief Financial Officer



Johann Pleininger
Deputy Chairman of the Executive Board
and Executive Board
Upstream



Manfred Leitner
Member of the Executive Board
Downstream

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Further Information

Next events

- ▶ OMV Q4/17 report: February 21, 2018
- ▶ OMV Capital Markets Day: March 13, 2018

The entire OMV financial calendar and additional information can be found at www.omv.com.

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