Investor News

August 12, 2015, 6:30 am (GMT), 7:30 am (CEST)

OMV Aktiengesellschaft

Report January – June and Q2 2015

including interim financial statements as of June 30, 2015

- **Q2/15: Clean CCS EBIT at EUR 375 mn up by 2% vs. Q2/14, clean CCS net income attributable to stockholders at EUR 364 mn, up by 80% vs. Q2/14**
- **Strong result contribution from Downstream and higher contribution from Borealis**
- **Production increased to 307 kboe/d in Q2/15 despite production in Libya and Yemen being shut-in**
- **Capital expenditure at EUR 1,396 mn in 6m/15, down by 23% vs. 6m/14**
- **Positive free cash flow before dividends at EUR 97 mn in Q2/15**
- **OMV intends to issue hybrid notes of at least benchmark volume**

Rainer Seele, CEO of OMV:

"In Q2/15, the oil price showed some improvement versus the beginning of the year, the operating environment for OMV, however, remains challenging. Clean CCS EBIT in Q2/15 improved by 13% vs. Q1/15 since we benefited from the higher oil price, increased sales volumes and managed to capture the strong margin environment in Downstream Oil. A comparison with results from Q2/14 illustrates the natural hedge from our integrated business model. While the Upstream result decreased, the Downstream Business Segment managed to offset nearly all of this decline in Q2/15. Additionally, the implemented cost reduction measures are supporting the result. The Clean CCS Earnings per Share reached EUR 1.11 in Q2/15, which is an improvement versus the compared quarters. This is mainly the consequence of a good operating performance and a strong contribution of Borealis. Our priority remains the focus on cash flow. In Q2/15, we achieved a positive free cash flow before dividends, which shows a considerable improvement in the operating cash cycle after a difficult first quarter. Together with my team, I have started to thoroughly review the Group's strategy. We will continue to rely on the successful integrated business model and focus on Upstream growth, however, we will evaluate all strategic options to improve cash generation and profitability of the Company."

Q1/15	Q2/15	Q2/14	Δ%	in EUR mn	6m/15	6m/14	Δ%
228	222	232	(4)	EBIT	451	908	(50)
333	375	369	2	Clean CCS EBIT	708	1,037	(32)
163	209	132	59	Net income attributable to stockholders [1]	372	433	(14)
237	364	202	80	Clean CCS net income attributable to stockholders [1]	600	504	19
0.50	0.64	0.40	58	EPS in EUR	1.14	1.33	(14)
0.73	1.11	0.62	80	Clean CCS EPS in EUR	1.84	1.54	19
406	858	680	26	Cash flow from operating activities	1,264	1,587	(20)

[1] After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

Content

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Directors' report (condensed, unaudited)

Financial highlights

Q1/15	Q2/15	Q2/14	Δ%	in EUR mn	6m/15	6m/14	Δ%
5,826	5,726	9,307	(38)	Sales [1]	11,552	19,132	(40)
29	106	211	(50)	EBIT Upstream [2]	135	812	(83)
217	140	82	70	EBIT Downstream	357	177	102
(17)	8	(22)	n.m.	EBIT Corporate and Other	(9)	(33)	(74)
(1)	(31)	(38)	(20)	Consolidation	(32)	(48)	(34)
228	**222**	**232**	**(4)**	**EBIT Group**	**451**	**908**	**(50)**
111	177	143	24	thereof EBIT OMV Petrom group	288	470	(39)
4	(198)	(153)	29	Special items [3]	(194)	(127)	52
(4)	(12)	(8)	64	thereof: Personnel and restructuring	(17)	(12)	43
(1)	(206)	(132)	56	Unscheduled depreciation	(207)	(133)	55
0	0	(27)	(99)	Asset disposal	0	(17)	(100)
9	21	13	55	Other	30	35	(14)
(109)	45	16	172	CCS effects: Inventory holding gains/(losses)	(64)	(2)	n.m.
33	116	349	(67)	Clean EBIT Upstream [2, 4]	149	952	(84)
260	269	71	n.m.	Clean CCS EBIT Downstream [4]	529	156	n.m.
(16)	9	(13)	n.m.	Clean EBIT Corporate and Other [4]	(7)	(23)	(69)
57	(19)	(38)	(50)	Consolidation	38	(48)	n.m.
333	**375**	**369**	**2**	**Clean CCS EBIT [4]**	**708**	**1,037**	**(32)**
133	148	259	(43)	thereof clean CCS EBIT OMV Petrom group [4]	281	588	(52)
206	314	219	44	Profit from ordinary activities	520	831	(37)
221	292	175	67	Net income	513	613	(16)
163	209	132	59	Net income attributable to stockholders [5]	372	433	(14)
237	**364**	**202**	**80**	**Clean CCS net income attributable to stockholders [4, 5]**	**600**	**504**	**19**
0.50	0.64	0.40	58	EPS in EUR	1.14	1.33	(14)
0.73	1.11	0.62	80	Clean CCS EPS in EUR [4]	1.84	1.54	19
406	858	680	26	Cash flow from operating activities	1,264	1,587	(20)
1.24	2.63	2.08	26	Cash flow per share in EUR	3.88	4.86	(20)
5,459	5,901	4,935	20	Net debt	5,901	4,935	20
35	40	33	19	Gearing in %	40	33	19
707	689	1,058	(35)	Capital expenditure	1,396	1,805	(23)
3	–	–	n.a.	ROFA in %	3	8	(66)
2	–	–	n.a.	ROACE in %	3	7	(58)
8	–	–	n.a.	Clean CCS ROACE in % [4]	8	9	(10)
3	–	–	n.a.	ROE in %	3	7	(52)
(8)	7	20	(64)	Group tax rate in %	1	26	(95)
25,287	24,960	26,773	(7)	Employees	24,960	26,773	(7)

Figures in this and the following tables may not add up due to rounding differences.
From January 1, 2015, a combined Business Segment Downstream was created, merging Gas and Power with Refining and Marketing. Additionally, the Business Segment Exploration and Production was renamed Upstream.

[1] Sales excluding petroleum excise tax
[2] Before intersegmental profit elimination shown in the line "Consolidation"
[3] Special items are exceptional, non-recurring items and include unrealized gain/losses on commodity derivatives (starting with Q2/15), which are added back or deducted from EBIT. For more details please refer to Business Segments
[4] Adjusted for special items. Clean CCS figures exclude inventory holding gains/losses (CCS effects) resulting from the fuels refineries and OMV Petrol Ofisi
[5] After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

Business Segments

Upstream

Q1/15	Q2/15	Q2/14	Δ%	in EUR mn	6m/15	6m/14	Δ%
29	106	211	(50)	EBIT	135	812	(83)
(4)	(11)	(138)	(92)	Special items	(14)	(140)	(90)
33	116	349	(67)	Clean EBIT	149	952	(84)
387	569	741	(23)	Clean EBITD	956	1,724	(45)
609	593	713	(17)	Capital expenditure	1,202	1,337	(10)
303	307	297	3	Total hydrocarbon production in kboe/d	305	304	0
184	181	180	1	thereof OMV Petrom group	182	181	1
13.5	14.0	13.2	6	Crude oil and NGL production in mn bbl	27.6	27.8	(1)
77.0	78.0	77.7	0	Natural gas production in bcf	154.9	152.9	1
53.94	61.88	109.67	(44)	Average Brent price in USD/bbl	57.84	108.93	(47)
47.87	56.60	101.48	(44)	Average realized crude price in USD/bbl	52.66	101.60	(48)
5.38	5.68	7.26	(22)	Average realized gas price in USD/1,000 cf	5.53	6.93	(20)
1.126	1.105	1.371	(19)	Average EUR-USD FX-rate	1.116	1.370	(19)
151	183	186	(2)	Exploration expenditure in EUR mn	334	279	20
61	108	182	(41)	Exploration expenses in EUR mn	168	258	(35)
13.95	13.59	17.96	(24)	OPEX in USD/boe	13.78	17.02	(19)

From January 1, 2015, the Business Segment Exploration and Production was renamed Upstream.

Second quarter 2015 (Q2/15) vs. second quarter 2014 (Q2/14)

- **Sharp decline in oil prices negatively impacted the result in Q2/15**
- **Production costs decreased by 24% supported by favorable FX-rates and strict cost management**
- **Production increased by 3% despite the shut-in in Yemen**

In Q2/15, the average **Brent** price in USD was 44% lower than in Q2/14. The Group's **average realized crude price** decreased by 44% while the **average realized gas price** in USD/1,000 cf of decreased by 22% compared to Q2/14.

Clean EBIT strongly decreased to EUR 116 mn, largely driven by lower oil prices and higher depreciation, mainly coming from Norway. These effects were offset only to a certain extent by a favorable EUR-USD FX-rate development. **Exploration expenses** decreased to EUR 108 mn from EUR 182 mn in Q2/14, as the same quarter in the previous year included the write-off of unsuccessful wells in Gabon, the Faroe Islands and Norway. Net special items of EUR (11) mn led to a **reported EBIT** of EUR 106 mn, 50% lower than the level of Q2/14 (EUR 211 mn).

Production costs excluding royalties (OPEX) in USD/boe were 24% lower than in Q2/14, mainly due to the favorable EUR-USD FX-rate and lower personnel, material and service costs driven by strict cost management . OPEX in USD/boe at OMV Petrom decreased by 30%, driven mainly by the advantageous RON-USD FX-rate development, lower personnel and material costs in Romania as well as the reduction of the construction tax in Romania from 1.5% to 1.0%. OMV Group's total **exploration expenditure** decreased by 2% compared to Q2/14, to EUR 183 mn, mainly reflecting lower activity levels in Norway.

Total OMV daily production of oil, NGL and gas was 307 kboe/d. This was 3% higher than Q2/14, driven by the increased production levels in Norway due to the contribution from the Gudrun field and higher volumes from New Zealand, reflecting the wells coming on stream at the Maari field. The production contribution from Norway and New Zealand more than offset the production shut-in in Yemen due to security issues since the beginning of April 2015. OMV Petrom's total daily oil and gas production increased by 1% compared to the level in Q2/14, supported by stable production levels in Romania and slightly increased production volumes in Kazakhstan. **Total OMV daily oil and NGL production** increased by 6%, particularly reflecting the higher production levels in Norway and New Zealand. **Total OMV daily gas production was** at the same level as in Q2/14, with a higher contribution from Norway being offset by lower production volumes in Austria, Pakistan and New Zealand. **Total sales quantity** increased by 5%, predominantly related to higher sales volumes from Norway and New Zealand.

Second quarter 2015 (Q2/15) vs. first quarter 2015 (Q1/15)

Clean EBIT increased to EUR 116 mn in Q2/15 vs. EUR 33 mn in Q1/15, mainly driven by the increase in oil prices and higher sales volumes. Exploration expenses increased to EUR 108 mn, compared to EUR 61 mn in Q1/15, driven by the write-offs of wells in Romania, Norway and Austria. Total daily production increased by 1%, despite Yemen production being shut-in since early April and Libya remaining shut-in due to security issues. The increase was due to higher Norwegian production volumes as a result of the Gudrun field ramping up, following the technical issues in Q1/15. Daily oil and NGL production increased by 3%, due to higher levels from Norway and New Zealand. Daily gas production was stable compared to the previous quarter, with higher volumes coming from Norway being offset by lower production volumes from Romania and Pakistan. Overall sales volumes increased by 10% compared to Q1/15, as a result of the higher liftings in Norway, Tunisia and New Zealand.

January to June 2015 (6m/15) vs. January to June 2014 (6m/14)

The **Brent** price in USD decreased by 47% compared to 6m/14. The Group's **average realized crude price** in USD/bbl decreased by 48% to USD 52.66/bbl while the **average realized gas price** in USD/1,000 cf decreased by 20% compared to 6m/14.

Clean EBIT came in 84% below 6m/14, being negatively impacted by significantly lower oil prices, which was offset only to a certain extent by a favorable EUR-USD FX-rate, lower exploration expenses and lower production costs. **Exploration expenses** decreased to EUR 168 mn from EUR 258 mn in 6m/14, as the first half of 2014 included the write-off of unsuccessful wells in Gabon, New Zealand, the Faroe Islands and Norway. Net special items of EUR (14) mn led to a **reported EBIT** of EUR 135 mn, 83% lower than the level of 6m/14 (EUR 812 mn).

Production costs excluding royalties in USD/boe (OPEX) decreased by 19% compared to 6m/14, mainly due to the favorable EUR-USD FX-rate and lower material, service and personnel costs driven by strict cost management . At OMV Petrom, OPEX decreased by 23% driven mainly by the advantageous RON-USD FX-rate development, lower personnel and material costs in Romania and the reduction of the construction tax in Romania from 1.5% to 1.0%. **Exploration expenditure** increased by 20% compared to 6m/14, to EUR 334 mn, mainly driven by increased activity levels in the Romanian Black Sea. **Total OMV daily production of oil, NGL and gas** was at the same level as 6m/14, with the higher contribution from Norway and Romania largely being offset by lower production volumes in Libya and Yemen, which were affected by security issues. **Total OMV daily oil and NGL production** decreased by 1% compared to 6m/14, since the higher production contribution from Norway and New Zealand was more than offset mainly by the lower production levels in Libya and Yemen. **Total OMV daily gas production** increased by 1% vs. 6m/14, due to higher production contribution from Norway and higher volumes in Romania. Lower sales volumes**,** mostly from Libya, led to a **total sales quantity** decrease of 3% compared to 6m/14.

Downstream

Q1/15	Q2/15	Q2/14	Δ%	in EUR mn	6m/15	6m/14	Δ%
217	140	82	70	EBIT	357	177	102
9	(186)	(6)	n.m.	Special items	(178)	23	n.m.
(51)	57	16	n.m.	CCS effects: Inventory holding gains/(losses) [1]	5	(2)	n.m.
260	269	71	n.m.	Clean CCS EBIT [1]	529	156	n.m.
205	286	62	n.m.	thereof Downstream Oil	491	111	n.m.
55	(17)	10	n.m.	thereof Downstream Gas	38	46	(16)
420	434	239	81	Clean CCS EBITD [1]	854	476	79
91	93	334	(72)	Capital expenditure	184	452	(59)
				Downstream Oil KPIs			
7.45	7.78	1.92	n.m.	OMV indicator refining margin in USD/bbl [2]	7.61	1.77	n.m.
355	438	355	23	Ethylene/propylene net margin in EUR/t [3]	398	370	8
92	92	84	9	Utilization rate refineries in % [4]	92	87	6
6.58	7.56	8.19	(8)	Total refined product sales in mn t	14.13	15.36	(8)
4.51	5.29	5.47	(3)	thereof marketing sales volumes in mn t	9.80	10.11	(3)
0.56	0.56	0.55	3	thereof petrochemicals in mn t	1.13	1.09	3
				Downstream Gas KPIs			
38.00	23.05	26.85	(14)	Natural gas sales volumes in TWh [5]	61.05	61.84	(1)
1.02	0.33	0.83	(60)	Net electrical output in TWh	1.34	2.61	(48)

From January 1, 2015, a combined Business Segment Downstream was created, merging Gas and Power with Refining and Marketing. Additionally, the businesses were renamed as follows: Gas and Power to Downstream Gas, Refining and Marketing to Downstream Oil.

[1] 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 Ofisi

[2] As of Q3/14, the standard yield for the calculation of the OMV indicator refining margin has been updated following the finalization of the Petrobrazi modernization program. Previously reported figures were not adjusted accordingly

[3] Calculated based on West European Contract Prices (WECP)

[4] After the finalization of the Petrobrazi refinery modernization, the opportunity was taken to demonstrate the maximum throughput of the refineries based on a timeframe of the best 30 consecutive days. As a result, OMV's total annual refining capacity has been updated from 17.4 mn t to 17.8 mn t as of Q1/15. Previously reported figures were not adjusted accordingly

[5] As of Q1/15, this KPI reflects only third-party volumes and excludes trading volumes. Historical figures were adjusted accordingly

Second quarter 2015 (Q2/15) vs. second quarter 2014 (Q2/14)

- **Significantly increased refining result driven by strong refining margins and utilization rate**
- **Strong petrochemicals business due to higher margins and volumes**
- **Improved marketing performance supported by increased product demand**

The **clean CCS EBIT** increased significantly to EUR 269 mn vs. EUR 71 mn in Q2/14 driven by a very strong Downstream Oil business. Net special items of EUR (186) mn were recognized in Q2/15, mainly driven by an impairment of the Samsun power plant (EUR 205 mn). Turkish spark spreads have been negative for much of 2015, which has led to a review of the current carrying value of the power plant. Increased crude prices over the quarter contributed to positive CCS effects of EUR 57 mn, which led to a **reported EBIT** of EUR 140 mn.

The **Downstream Oil** clean CCS EBIT strongly increased to EUR 286 mn reflecting the significantly higher refining result and a strong marketing result. The OMV indicator refining margin increased from USD 1.92/bbl in Q2/14 to USD 7.78/bbl, mainly due to lower costs for own crude consumption, better product spreads and the adaption of the standard yield in Petrobrazi as of Q3/14 (OMV indicator refining margin West from USD 2.82/bbl in Q2/14 to USD 7.39/bbl in Q2/15; OMV indicator refining margin East from USD (1.88)/bbl in Q2/14 to USD 8.95/bbl in Q2/15). Total refined product sales were lower compared to the same period of last year, mainly due to the completed sale of the 45% stake in the Bayernoil refinery network in June 2014. Overall, the refinery utilization rate increased to a strong 92% in Q2/15 (84% in Q2/14). At EUR 68 mn, the clean petrochemicals EBIT was above the EUR 40 mn in Q2/14 due to higher margins and a 3% increase in sales volumes.

The contribution from **Borealis** (which is accounted for at-equity and therefore shown in the financial result of OMV Group) increased to EUR 127 mn in Q2/15 vs. EUR 51 mn in Q2/14, mainly driven by improved polyolefin and olefin margins as well as a stronger contribution from Borouge, which benefited from higher volumes (Borouge 3 plant start-up vs. Q2/14).

The clean marketing EBIT was above the level of Q2/14, due to positive effects from the better market environment, influenced mainly by the decrease in oil prices. Overall marketing sales volumes decreased slightly by 3% vs. Q2/14. The above-mentioned sale of the 45% stake in Bayernoil was almost completely compensated by the increase in the sales volumes in all markets.

The **Downstream Gas** clean EBIT decreased to EUR (17) mn in Q2/15 vs. EUR 10 mn in Q2/14, mainly as a result of provisions for outstanding receivables. Natural gas sales volumes declined by 14% to 23.05 TWh, mostly due to lower volumes in Austria and Turkey. Overall, the natural gas sales margin was around the level of Q2/14. Average spark spreads were negative in Q2/15 which led to a 60% decrease in net electrical output to 0.33 TWh in Q2/15 vs. 0.83 TWh in Q2/14. The contribution of the gas transportation business in Austria decreased vs. Q2/14 due to the spin-off of the TAG pipeline operations in Q4/14.

Second quarter 2015 (Q2/15) vs. first quarter 2015 (Q1/15)

Clean CCS EBIT increased slightly to EUR 269 mn, mainly due to higher contributions from the marketing and petrochemicals business which more than offset the lower result of the Downstream Gas business.

The Downstream Oil clean CCS EBIT in Q2/15 was EUR 81 mn higher than in Q1/15, mainly driven by the seasonally stronger marketing business and an improved result in the petrochemicals business. The OMV indicator refining margin increased slightly vs. Q1/15, mainly as a result of improved gasoline spreads, which were partially offset by lower diesel spreads and higher crude prices negatively impacting the cost of own crude consumption. The petrochemicals result improved to EUR 68 mn, driven by significantly increased margins while volumes were stable. The marketing business saw the expected seasonal increase in sales volumes, with margins remaining similar to Q1/15 levels.

The Downstream Gas clean EBIT decreased to EUR (17) mn in Q2/15 vs. EUR 55 mn in Q1/15, mainly due to seasonality, a continued weak gas market environment and an increase in provisions for outstanding receivables. Natural gas sales volumes followed the expected pattern of seasonal decline, while the margin level was below Q1/15. Net electrical output decreased by 68% from 1.02 TWh in Q1/15 to 0.33 TWh in Q2/15 triggered by negative average spark spreads in Turkey and Romania. The gas transportation business in Austria recorded a slightly lower result.

January to June 2015 (6m/15) vs. January to June 2014 (6m/14)

Downstream recorded a very strong **clean CCS EBIT** in 6m/15 with EUR 529 mn vs. EUR 156 mn in 6m/14 due to a significantly increased contribution by the Downstream Oil business. Net special items of EUR (178) mn were recognized in 6m/15, mainly driven by an impairment of the Samsun power plant. The Turkish spark spreads have been negative for much of 2015, which has led to a review of the current carrying value of the power plant. Increased crude prices over the first half of the year contributed to positive CCS effects of EUR 5 mn, which led to a **reported EBIT** of EUR 357 mn.

At EUR 491 mn, the **Downstream Oil** clean CCS EBIT in 6m/15 came in substantially above the EUR 111 mn achieved in 6m/14, mainly driven by a significantly increased refining business result. The OMV indicator refining margin increased from USD 1.77/bbl in 6m/14 to USD 7.61/bbl in 6m/15, mainly due to lower costs for own crude consumption, better product spreads and the adaption of the standard yield in Petrobrazi as of Q3/14 (OMV indicator refining margin West from USD 2.70/bbl in 6m/14 to USD 7.29/bbl in 6m/15; OMV indicator refining margin East from USD (2.15)/bbl in 6m/14 to USD 8.59/bbl in 6m/15). Overall, the refining utilization rate was strong at 92% (vs. 87% in 6m/14). The clean petrochemicals EBIT was with EUR 100 mn 22% better than in 6m/14, due to an increased ethylene/propylene net margin and higher volumes. The clean marketing result was above the level of 6m/14, driven by positive effects from the better market environment, influenced mainly by the decrease in oil prices. This was only partly offset by a weaker performance of OMV Petrol Ofisi, which was negatively influenced by regulatory intervention.

The **Downstream Gas** clean EBIT was with EUR 38 mn in 6m/15 below the 6m/14 level, as the slightly improved performance of the natural gas sales business was more than offset by provisions for outstanding receivables. Natural gas sales volumes declined slightly to 61.05 TWh. Overall, the natural gas sales margin was above the level of 6m/14. Average spark spreads in Turkey and Romania were negative in 6m/15, which led to a 48% decrease in net electrical output to 1.34 TWh in 6m/15 vs. 2.61 TWh in 6m/14. The contribution of the gas transportation business in Austria decreased vs. 6m/14 due to the spin-off of the TAG pipeline operations in Q4/14.

Outlook

Mid-term guidance

In order to reflect the significant decline of the oil price together with the unpredictability of our Libyan production, we have scaled back our investment program. The guidance for the average Group CAPEX for the period 2015-2017 is at approximately EUR 2.5 to 3.0 bn p.a. with roughly 80% being directed to Upstream, as we continue to develop the major projects in execution. Our target is to achieve a broadly neutral free cash flow after dividends over the same period. The revisions to the investment program support us in this objective. ROACE performance in the mid-term will be adversely affected by capital invested in field development projects which are not yet producing, as well as by the low oil price. We remain committed to our long-term gearing ratio target of ≤30% and to our dividend policy (long-term payout ratio target of 30%).

Market environment

For the year 2015, OMV expects the **Brent** oil price to average between USD 50 to 60/bbl. The Brent-Urals spread is anticipated to stay relatively tight. The **gas market environment** is expected to remain highly challenging. In the second half of 2015, **refining margins** are expected to decline from 6m/15 levels, due to persisting overcapacity in European markets. In the **petrochemical business**, margins are anticipated to remain at similar levels to 6m/15. Due to the decreased oil price, lower product prices are expected to support the demand in the **marketing business**.

Group

- CAPEX for 2015 is expected to be around EUR 2.7 bn
- OMV has started a program to ensure the company's fitness for a potentially prolonged low oil price environment by implementing cost cutting measures and capital expenditure reductions
- To further strengthen the Group's financial flexibility, OMV intends, depending on the consent of the Supervisory Board and given market conditions, to issue hybrid notes of at least benchmark volume
- To partly protect the Group's cash flow from the potential negative impact of lower oil prices for the period of July 2015 through June 2016, OMV entered into oil price hedges for a volume of 50,000 bbl/d of the Upstream oil production. The Group secured via a zero premium collar program a Brent price floor of USD 55/bbl by giving away the upside above USD ~68/bbl throughout July to December 2015, above USD ~73/bbl through January to March 2016, and above USD ~82/bbl through April to June 2016

Upstream

- Production in Libya and Yemen is expected to be affected for the rest of the year due to the critical security situation. Excluding these two countries, we expect total production for 2015 to average approximately 300 kboe/d
- The combined production of Romania and Austria is expected to come in at the lower end of the target range of 200-210 kboe/d. Production in Romania was at the level of 172 kboe/d in Q2/15; the full year average is expected to be lower, given planned workovers at key wells in the second half of the year, as well as the impact of reduced investment levels
- In Norway, a turnaround at Gullfaks and a minor turnaround at Gudrun are planned in Q3/15, while additional wells at both fields are expected to come on stream in the second half of the year
- Following "first oil" at the Maari Growth project in Q4/14, the drilling campaign was completed with last well starting-up in July
- Upstream capital expenditure for 2015 is expected to be roughly 80% of total Group CAPEX and includes the following major investment projects: Gullfaks, Aasta Hansteen, Edvard Grieg and Gudrun in Norway, field redevelopments in Romania, Nawara in Tunisia and Schiehallion in the UK
- In the Neptun block (Romanian Black Sea) drilling continues, with Pelican South-1, Dolphin-1, Flamingo-1 and Califar-1 exploration wells completed so far. The results of drilling so far, together with data from the forthcoming exploration activities, will be used for the evaluation of the total block potential
- Exploration and appraisal expenditure is now expected to be around EUR 0.6 bn in 2015. High impact wells planned for 2015 are still expected to be drilled in Romania (Black Sea) and Norway (Norwegian Sea)

Downstream

- The optimized asset structure after the modernization of the Petrobrazi refinery together with superior capacity utilization of the refineries enhance the stable profit and cash contribution from the refining business, which will be reflected in the 2015 performance
- No major refinery shutdowns are planned during the rest of the year
- The ongoing regulatory uncertainty in Turkey is expected to negatively affect OMV Petrol Ofisi's profitability
- Natural gas sales margins are expected to remain at low levels, due to the continued weak gas market environment
- Spark spreads in Romania and Turkey are expected to remain weak
- Due to the restructured setup in the gas transportation business implemented in 2014, result contribution in 2015 is expected to stabilize at a lower level

Group interim financial statements (condensed, unaudited)

Legal principles and general accounting policies

The interim condensed consolidated financial statements for the six months ended June 30, 2015, 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 financial statements, and should be read in conjunction with the Group's annual financial statements as of December 31, 2014.

The condensed interim consolidated financial statements for 6m/15 are unaudited and an external review by an auditor was not performed.

The accounting policies and valuation methods adopted in preparation of the interim condensed consolidated financial statements are consistent with those followed in preparation of the Group's annual financial statements for the year ended December 31, 2014, except as described herein.

The following new and amended standards and interpretations have been implemented since January 1, 2015. None has had a material impact on the condensed interim financial statements.

- Amendments to IAS 19 Defined Benefit plans: Employee Contribution
- Annual Improvements to IFRSs 2010-2012 Cycle
- Annual Improvements to IFRSs 2011-2013 Cycle

Starting with January 1, 2015, the internal organizational structure was changed following a Supervisory Board decision. The Business Segment Gas and Power was merged with the Business Segment Refining and Marketing, thereby creating a combined Business Segment Downstream.

The internal reporting and the relevant information provided to the "chief operating decision maker" in order to assess performance and allocate resources has been updated to reflect the current organization structure.

Segment reporting information of earlier periods has been adjusted consequently.

Changes in the consolidated Group

Compared with the consolidated financial statements as of December 31, 2014, there were no changes in the consolidated Group.

Seasonality and cyclicality

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

In addition to the interim financial statements, further information on main items affecting the interim financial statements as of June 30, 2015, is given as part of the description of OMV's Business Segments.

Income statement (unaudited)

Q1/15	Q2/15	Q2/14	Consolidated income statement in EUR mn	6m/15	6m/14
5,825.89	5,726.01	9,306.60	Sales revenues	11,551.89	19,131.62
(81.24)	(82.31)	(78.08)	Direct selling expenses	(163.55)	(163.22)
(5,076.31)	(4,986.73)	(8,447.20)	Production costs of sales	(10,063.05)	(17,086.46)
668.34	**656.96**	**781.33**	**Gross profit**	**1,325.30**	**1,881.94**
86.01	93.99	68.21	Other operating income	180.00	145.45
(224.19)	(222.99)	(219.57)	Selling expenses	(447.17)	(438.06)
(96.62)	(97.92)	(111.72)	Administrative expenses	(194.54)	(217.69)
(60.53)	(107.78)	(181.61)	Exploration expenses	(168.31)	(257.67)
(3.94)	(6.97)	(2.96)	Research and development expenses	(10.90)	(6.45)
(140.64)	(92.91)	(101.27)	Other operating expenses	(233.55)	(199.92)
228.44	**222.39**	**232.41**	**Earnings before interest and taxes (EBIT)**	**450.83**	**907.59**
44.17	126.43	55.36	Income from equity-accounted investments	170.60	92.00
49.55	126.69	51.28	thereof Borealis	176.24	87.90
0.09	12.48	15.79	Dividend income	12.57	15.84
11.05	40.68	6.93	Interest income	51.73	15.24
(68.85)	(71.37)	(78.06)	Interest expenses	(140.23)	(173.41)
(9.33)	(16.24)	(13.69)	Other financial income and expenses	(25.57)	(25.87)
(22.88)	**91.98**	**(13.68)**	**Net financial result**	**69.10**	**(76.20)**
205.56	**314.37**	**218.74**	**Profit from ordinary activities**	**519.93**	**831.39**
15.55	(22.59)	(43.89)	Taxes on income	(7.05)	(218.84)
221.11	**291.77**	**174.84**	**Net income for the period**	**512.88**	**612.55**
163.23	**209.09**	**131.90**	**thereof attributable to stockholders of the parent**	**372.33**	**432.54**
9.36	9.47	9.47	thereof attributable to hybrid capital owners	18.83	18.83
48.51	73.21	33.48	thereof attributable to non-controlling interests	121.73	161.18
0.50	**0.64**	**0.40**	**Basic earnings per share in EUR**	**1.14**	**1.33**
0.50	0.64	0.40	Diluted earnings per share in EUR	1.14	1.32

Statement of comprehensive income (condensed, unaudited)

Q1/15	Q2/15	Q2/14	in EUR mn	6m/15	6m/14
221.11	**291.77**	**174.84**	**Net income for the period**	**512.88**	**612.55**
638.92	(451.01)	172.56	Exchange differences from translation of foreign operations	187.91	225.48
9.62	(10.27)	(0.22)	Gains/(losses) on available-for-sale financial assets	(0.65)	(0.23)
37.21	6.80	0.13	Gains/(losses) on hedges	44.01	15.01
104.53	(26.49)	(3.01)	Share of other comprehensive income of equity-accounted investments	78.04	(7.65)
790.27	**(480.96)**	**169.46**	**Total of items that may be reclassified ("recycled") subsequently to the income statement**	**309.30**	**232.61**
0.00	**0.00**	**0.00**	**Total of items that will not be reclassified ("recycled") subsequently to the income statement**	**0.00**	**0.00**
(21.15)	3.44	(0.85)	Income taxes relating to items that may be reclassified ("recycled") subsequently to the income statement	(17.71)	(5.43)
(0.17)	(0.35)	0.00	Income taxes relating to items that will not be reclassified ("recycled") subsequently to the income statement	(0.52)	0.00
(21.31)	**3.09**	**(0.85)**	**Total income taxes relating to components of other comprehensive income**	**(18.23)**	**(5.43)**
768.96	**(477.88)**	**168.61**	**Other comprehensive income for the period, net of tax**	**291.08**	**227.18**
990.06	**(186.10)**	**343.45**	**Total comprehensive income for the period**	**803.96**	**839.73**
886.60	(227.20)	249.19	thereof attributable to stockholders of the parent	659.40	594.81
9.36	9.47	9.47	thereof attributable to hybrid capital owners	18.83	18.83
94.10	31.63	84.79	thereof attributable to non-controlling interests	125.73	226.09

Notes to the income statement

Second quarter 2015 (Q2/15) vs. second quarter 2014 (Q2/14)

Consolidated sales decreased by 38% vs. Q2/14, mainly due to lower Downstream sales. The **Group's reported EBIT** was at EUR 222 mn, slightly below Q2/14 (EUR 232 mn), driven by a lower Upstream result due to the significant decline in oil prices, only partly offset by the favorable EUR-USD FX-rate and the higher Downstream result. The latter was driven by a substantially increased refining contribution, which was partly offset by the impact of an impairment of the Samsun power plant. **OMV Petrom group's reported EBIT** was EUR 177 mn, slightly above Q2/14 (EUR 143 mn), as Q2/14 was burdened by the impairment of the TOC asset in Kazakhstan and the planned shutdown of the Petrobrazi refinery, partly compensated by lower oil prices in Q2/15. **Net special items** of EUR (198) mn were recorded in Q2/15, mainly driven by an impairment of the Samsun power plant. Positive **CCS effects** of EUR 45 mn were recognized in Q2/15 due to the increase of oil prices during the quarter. **Clean CCS EBIT** increased from EUR 369 mn in Q2/14 to EUR 375 mn. OMV Petrom's contribution to the Group's clean CCS EBIT was EUR 148 mn, 43% lower vs. Q2/14. The **net financial result** of EUR 92 mn in Q2/15 improved significantly compared to the EUR (14) mn reported in Q2/14, mainly due to higher income from at equity-accounted investments and an improved net interest result.

Current taxes on Group income of EUR (48) mn and deferred taxes of EUR 25 mn were recognized in Q2/15. The effective tax rate in Q2/15 was 7% (Q2/14: 20%). The low effective tax rate in Q2/15 was driven by the strong contribution from at-equity consolidated companies and the production shut-in in Libya.

Net income attributable to stockholders was EUR 209 mn vs. EUR 132 mn in Q2/14. Minority and hybrid interests were EUR 83 mn (Q2/14: EUR 43 mn). **Clean CCS net income attributable to stockholders** was EUR 364 mn (Q2/14: EUR 202 mn). **EPS** for the quarter was at EUR 0.64 and **clean CCS EPS** was at EUR 1.11 (Q2/14: EUR 0.40 and EUR 0.62 respectively).

Second quarter 2015 (Q2/15) vs. first quarter 2015 (Q1/15)

Consolidated sales slightly decreased by 2%, due to lower sales volumes in Downstream. The Group's reported EBIT was at EUR 222 mn, lower by 3% compared with Q1/15 (EUR 228 mn), as the increased Upstream contribution due to higher oil prices was offset by a lower Downstream result following an impairment of the Samsun power plant, only partly counterbalanced by the better refining margins. Clean CCS EBIT increased by 13%, from EUR 333 mn in Q1/15 to EUR 375 mn. The net financial result improved compared to the last quarter, mainly driven by higher income from at equity-accounted investments.

The effective tax rate in Q2/15 was 7% compared to (8)% in Q1/15. The low effective tax rate in Q2/15 was driven by the strong contribution from at-equity consolidated companies and the production shut-in in Libya. Net income attributable to stockholders was EUR 209 mn (Q1/15: EUR 163 mn). Clean CCS net income attributable to stockholders increased to EUR 364 mn vs. EUR 237 mn in Q1/15.

January to June 2015 (6m/15) vs. January to June 2014 (6m/14)

A decrease of 40% in **consolidated sales** vs. 6m/14 was mainly driven by lower Downstream sales. The **Group's reported EBIT** was EUR 451 mn, 50% below 6m/14 at EUR 908 mn, driven by a lower Upstream result due to the significant decline in oil prices, only partly offset by the a favorable EUR-USD FX-rate and the higher Downstream result where the substantially increased refining contribution offsets the impact of an impairment of the Samsun power plant. **OMV Petrom's contribution to reported EBIT** decreased to EUR 288 mn vs. EUR 470 mn in 6m/14, mainly due to the decline in oil prices. **Net special items** of EUR (194) mn were recorded, mainly driven by an impairment of the Samsun power plant. Negative **CCS effects** of EUR (64) mn were recognized (6m/14: EUR (2) mn). **Clean CCS EBIT** decreased by 32% to EUR 708 mn. OMV Petrom's contribution to the Group's clean CCS EBIT was EUR 281 mn, 52% below 6m/14.

In 6m/15, the **net financial result** of EUR 69 mn was significantly better compared to EUR (76) mn in 6m/14. This effect was mainly related to a higher income from at equity-accounted investments and to an improved interest result, whereas 6m/14 was burdened by a higher interest cost following a fiscal review in OMV Petrom's Kazakhstan branch.

Current taxes on Group income of EUR (92) mn and deferred taxes of EUR 85 mn were recognized in 6m/15. The effective tax rate was 1% in 6m/15 (6m/14: 26%).

Net income attributable to stockholders was EUR 372 mn, below 6m/14 (EUR 433 mn). Minority and hybrid interests were EUR 141 mn (6m/14: EUR 180 mn). **Clean CCS net income attributable to stockholders** was EUR 600 mn (6m/14: EUR 504 mn). **EPS** was at EUR 1.14, **clean CCS EPS** was at EUR 1.84 (6m/14: EUR 1.33 and EUR 1.54 respectively).

Balance sheet, capital expenditure and gearing (unaudited)

Consolidated balance sheet in EUR mn	Jun. 30, 2015	Dec. 31, 2014
Assets		
Intangible assets	3,704.71	3,527.81
Property, plant and equipment	18,714.86	18,499.90
Equity-accounted investments	2,353.52	2,131.09
Other financial assets	746.40	815.94
Other assets	155.24	116.88
Deferred taxes	462.38	455.90
Non-current assets	**26,137.10**	**25,547.53**
Inventories	2,274.04	2,230.78
Trade receivables	2,885.11	3,041.68
Other financial assets	1,121.68	1,782.22
Income tax receivables	67.94	81.13
Other assets	491.53	513.57
Cash and cash equivalents	557.79	648.70
Current assets	**7,398.08**	**8,298.08**
Assets held for sale	82.66	92.79
Total assets	**33,617.83**	**33,938.40**
Equity and liabilities		
Capital stock	327.27	327.27
Hybrid capital	740.79	740.79
Reserves	10,814.39	10,602.17
OMV equity of the parent	11,882.45	11,670.23
Non-controlling interests	2,980.71	2,931.54
Equity	**14,863.17**	**14,601.77**
Provisions for pensions and similar obligations	1,100.29	1,115.49
Bonds	3,719.17	3,967.27
Interest-bearing debts	877.43	674.36
Provisions for decommissioning and restoration obligations	3,231.75	3,148.43
Other provisions	325.62	329.45
Other financial liabilities	365.39	466.47
Other liabilities	166.50	175.87
Deferred taxes	521.51	567.72
Non-current liabilities	**10,307.67**	**10,445.05**
Trade payables	3,771.01	4,330.28
Bonds	316.88	159.26
Interest-bearing debts	1,231.07	438.97
Provisions for income taxes	253.47	285.66
Provisions for decommissioning and restoration obligations	85.28	77.90
Other provisions	401.25	474.42
Other financial liabilities	1,044.27	1,610.06
Other liabilities	1,313.56	1,486.49
Current liabilities	**8,416.79**	**8,863.06**
Liabilities associated with assets held for sale	30.21	28.52
Total equity and liabilities	**33,617.83**	**33,938.40**

Notes to the balance sheet as of June 30, 2015

Capital expenditure decreased to EUR 1,396 mn (6m/14: EUR 1,805 mn).

Upstream invested EUR 1,202 mn (6m/14: EUR 1,337 mn) mainly in field developments in Norway and field redevelopments, drilling and workover activities in Romania. CAPEX in **Downstream** amounted to EUR 184 mn (6m/14: EUR 452 mn), thereof EUR 164 mn in Downstream Oil (6m/14: EUR 288 mn) and EUR 20 mn in Downstream Gas (6m/14: EUR 164 mn). CAPEX in the **Co&O** segment was EUR 10 mn (6m/14: EUR 16 mn).

Compared to year-end 2014, **total assets** decreased by EUR 321 mn to EUR 33,618 mn. Decreasing effects came mainly from the seasonal reduction of trade receivables within Downstream Gas and lower other financial assets, being partly offset by the rise in property, plant and equipment following the investments made.

Equity increased by 2%. The Group's equity ratio increased to 44% as of June 30, 2015, compared with the end of 2014 (43%).

The **total number of own shares** held by the Company as of June 30, 2015, amounted to 914,576 (December 31, 2014: 1,015,102).

As of June 30, 2015, short- and long-term borrowings, bonds and finance leases amounted to EUR 6,459 mn (December 31, 2014: EUR 5,551 mn), thereof EUR 298 mn liabilities for finance leases (December 31, 2014: EUR 300 mn).

The cash position decreased to EUR 558 mn (December 31, 2014: EUR 649 mn).

Net debt increased to EUR 5,901 mn compared to EUR 4,902 mn at the end of 2014. On June 30, 2015, the **gearing ratio** stood at 39.7% (December 31, 2014: 33.6%).

Cash flows (condensed, unaudited)

Q1/15	Q2/15	Q2/14	Summarized statement of cash flows in EUR mn	6m/15	6m/14
221.11	**291.77**	**174.84**	**Net income for the period**	**512.88**	**612.55**
525.96	834.19	702.79	Depreciation, amortization and impairments including write-ups	1,360.15	1,245.38
(59.60)	(25.10)	(75.29)	Deferred taxes	(84.71)	(71.93)
(0.21)	(9.28)	6.18	Losses/(gains) on the disposal of non-current assets	(9.49)	0.96
18.49	(11.07)	(11.17)	Net change in long-term provisions	7.42	(0.08)
(25.42)	(85.21)	(118.10)	Other adjustments	(110.63)	(92.31)
680.33	**995.31**	**679.27**	**Sources of funds**	**1,675.63**	**1,694.57**
102.34	(165.37)	(510.78)	(Increase)/decrease in inventories	(63.03)	(215.30)
(290.41)	274.83	179.36	(Increase)/decrease in receivables	(15.58)	(162.97)
(5.20)	(224.93)	277.84	(Decrease)/increase in liabilities	(230.12)	275.04
(81.00)	(21.40)	53.98	(Decrease)/increase in short-term provisions	(102.40)	(4.52)
406.06	**858.44**	**679.66**	**Net cash from operating activities**	**1,264.50**	**1,586.82**
			Investments		
(904.43)	(790.32)	(796.08)	Intangible assets and property, plant and equipment	(1,694.75)	(1,757.71)
(30.83)	(25.31)	(26.22)	Investments, loans and other financial assets including changes in short-term financial assets	(56.14)	(29.33)
			Disposals		
11.89	53.84	22.13	Proceeds from sale of non-current assets	65.73	88.84
0.00	0.00	286.34	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	0.00	303.64
(923.37)	**(761.79)**	**(513.83)**	**Net cash from investing activities**	**(1,685.16)**	**(1,394.55)**
(19.13)	160.25	(719.26)	(Decrease)/increase in long-term borrowings	141.12	(818.69)
(7.22)	(4.58)	0.00	Change in non-controlling interest	(11.81)	0.00
460.11	277.83	775.66	(Decrease)/increase in short-term borrowings	737.94	992.41
(0.13)	(529.42)	(632.62)	Dividends paid	(529.55)	(632.70)
433.63	**(95.93)**	**(576.22)**	**Net cash from financing activities**	**337.71**	**(458.98)**
11.13	(19.08)	1.27	Effect of exchange rate changes on cash and cash equivalents	(7.95)	4.50
(72.55)	**(18.36)**	**(409.12)**	**Net (decrease)/increase in cash and cash equivalents**	**(90.91)**	**(262.21)**
648.70	576.15	851.83	Cash and cash equivalents at beginning of period	648.70	704.92
576.15	**557.79**	**442.71**	**Cash and cash equivalents at end of period**	**557.79**	**442.71**

Notes to the cash flows

In 6m/15, the **inflow of funds** from net income, adjusted for non-cash items such as depreciation, net change in long-term provisions, non-cash income from investments and other positions was EUR 1,676 mn (6m/14: EUR 1,695 mn). **Net working capital** components in the cash flow statement generated a cash outflow of EUR 411 mn (6m/14: EUR 108 mn), which led to a EUR 322 mn decrease **in cash flow from operating activities** as compared to 6m/14, reaching EUR 1,265 mn.

In 6m/15, **net cash from investing activities** resulted in an outflow of EUR 1,685 mn (6m/14: EUR 1,395 mn), mainly related to investments in Romania and Norway. The lower net cash outflow in 6m/14 is mainly driven by the closure of the sale of the stake in Bayernoil and other divestments which led to a significant net cash inflow.

Free cash flow (defined as net cash from operating activities less net cash used in investing activities) showed an outflow of funds of EUR 421 mn (6m/14: inflow of EUR 192 mn). **Free cash flow less dividend payments** resulted in a cash outflow of EUR 950 mn (6m/14: EUR 440 mn).

Cash flow from financing activities reflected a net inflow of funds amounting to EUR 338 mn (6m/14: net outflow of EUR 459 mn), mainly related to new drawing of long-term loans and to the utilization of short-term money market lines. These effects were partially compensated by repayments of the US private placement bond, other long-term debt and finance leases and to the dividends paid during the period. This position also includes the purchase of remaining shares from the minority shareholders of OMV Petrol Ofisi A.S.

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, 2015	**327.27**	**1,502.58**	**740.79**	**10,194.92**	**(1,084.19)**	**(11.15)**	**11,670.23**	**2,931.54**	**14,601.77**
Net income for the period				391.15			391.15	121.73	512.88
Other comprehensive income for the period				(0.52)	287.59		287.07	4.01	291.08
Total comprehensive income for the period				**390.63**	**287.59**		**678.23**	**125.73**	**803.96**
Dividend distribution and hybrid coupon				(458.57)			(458.57)	(72.35)	(530.93)
Disposal of treasury shares		1.47				1.10	2.57		2.57
Share-based payments		(5.71)		3.31			(2.41)		(2.41)
Increase/(decrease) in non-controlling interests				(1.39)	(6.21)		(7.60)	(4.21)	(11.81)
June 30, 2015	**327.27**	**1,498.34**	**740.79**	**10,128.90**	**(802.80)**	**(10.05)**	**11,882.45**	**2,980.71**	**14,863.17**

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, 2014	**327.27**	**1,498.22**	**740.79**	**10,471.22**	**(1,412.20)**	**(11.40)**	**11,613.91**	**2,931.43**	**14,545.34**
Net income for the period				451.37			451.37	161.18	612.55
Other comprehensive income for the period					162.27		162.27	64.91	227.18
Total comprehensive income for the period				**451.37**	**162.27**		**613.64**	**226.09**	**839.73**
Dividend distribution and hybrid coupon				(458.45)			(458.45)	(193.96)	(652.41)
Tax effects on transactions with owners				6.28			6.28		6.28
Disposal of treasury shares		0.51				0.26	0.77		0.77
Share-based payments		1.83					1.83		1.83
Increase/(decrease) in non-controlling interests								(2.23)	(2.23)
June 30, 2014	**327.27**	**1,500.57**	**740.79**	**10,470.42**	**(1,249.93)**	**(11.15)**	**11,777.98**	**2,961.33**	**14,739.31**

[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

Dividends and interest on hybrid capital

On May 19, 2015, the Annual General Meeting approved the payment of a dividend of EUR 1.25 per share, resulting in a total dividend payment of EUR 408 mn to OMV Aktiengesellschaft shareholders. Dividend distributions to minorities amounted to EUR 72 mn in 6m/15. The interest payment to hybrid capital owners amounting to EUR 51 mn was also made in 6m/15.

Segment reporting *

Intersegmental sales

Q1/15	Q2/15	Q2/14	Δ%	in EUR mn	6m/15	6m/14	Δ%
742.49	839.21	1,142.63	(27)	Upstream	1,581.71	2,191.39	(28)
23.11	20.43	25.05	(18)	Downstream	43.54	49.76	(13)
7.86	7.89	10.66	(26)	thereof Downstream Oil	15.75	22.02	(28)
44.15	36.92	35.70	3	thereof Downstream Gas	81.07	79.12	2
(28.89)	(24.39)	(21.31)	14	thereof intrasegmental elimination Downstream	(53.28)	(51.38)	4
100.18	96.84	101.79	(5)	Corporate and Other	197.02	204.92	(4)
865.77	**956.48**	**1,269.47**	**(25)**	**OMV Group**	**1,822.26**	**2,446.06**	**(26)**

Sales to external customers

Q1/15	Q2/15	Q2/14	Δ%	in EUR mn	6m/15	6m/14	Δ%
157.15	284.81	269.57	6	Upstream	441.96	751.87	(41)
5,667.77	5,440.04	9,035.74	(40)	Downstream	11,107.81	18,377.55	(40)
4,053.49	4,775.35	7,615.12	(37)	thereof Downstream Oil	8,828.84	14,259.45	(38)
1,614.29	664.68	1,420.63	(53)	thereof Downstream Gas	2,278.97	4,118.10	(45)
0.96	1.16	1.29	(10)	Corporate and Other	2.12	2.19	(3)
5,825.89	**5,726.00**	**9,306.60**	**(38)**	**OMV Group**	**11,551.89**	**19,131.61**	**(40)**

Total sales (not consolidated)

Q1/15	Q2/15	Q2/14	Δ%	in EUR mn	6m/15	6m/14	Δ%
899.65	1,124.02	1,412.20	(20)	Upstream	2,023.67	2,943.26	(31)
5,690.88	5,460.47	9,060.79	(40)	Downstream	11,151.34	18,427.31	(39)
4,061.34	4,783.25	7,625.78	(37)	thereof Downstream Oil	8,844.59	14,281.47	(38)
1,658.43	701.61	1,456.32	(52)	thereof Downstream Gas	2,360.04	4,197.22	(44)
(28.89)	(24.39)	(21.31)	14	thereof intrasegmental elimination Downstream	(53.28)	(51.38)	4
101.14	98.00	103.08	(5)	Corporate and Other	199.14	207.11	(4)
6,691.66	**6,682.49**	**10,576.07**	**(37)**	**OMV Group**	**13,374.15**	**21,577.68**	**(38)**

Segment and Group profit

Q1/15	Q2/15	Q2/14	Δ%	in EUR mn	6m/15	6m/14	Δ%
29.16	105.61	211.06	(50)	EBIT Upstream [1]	134.77	811.64	(83)
217.15	139.54	81.87	70	EBIT Downstream	356.69	177.00	102
153.76	360.41	60.15	n.m.	thereof EBIT Downstream Oil	514.17	98.85	n.m.
63.39	(220.87)	21.72	n.m.	thereof EBIT Downstream Gas	(157.48)	78.14	n.m.
(16.74)	8.01	(22.29)	n.m.	EBIT Corporate and Other	(8.73)	(33.02)	(74)
229.57	253.16	270.65	(6)	EBIT segment total	482.73	955.62	(49)
(1.13)	(30.78)	(38.24)	(20)	Consolidation: Elimination of intersegmental profits	(31.91)	(48.03)	(34)
228.44	222.39	232.41	(4)	OMV Group EBIT	450.83	907.59	(50)
(22.88)	91.98	(13.68)	n.m.	Net financial result	69.10	(76.20)	n.m.
205.56	**314.37**	**218.73**	**44**	**OMV Group profit from ordinary activities**	**519.93**	**831.39**	**(37)**

[1] Before intersegmental profit elimination shown in the line "Consolidation"

Assets [1]

in EUR mn	Jun. 30, 2015	Dec. 31, 2014
Upstream	15,484.56	14,618.90
Downstream	6,735.67	7,199.62
thereof Downstream Oil	5,058.09	5,263.06
thereof Downstream Gas	1,677.58	1,936.57
Corporate and Other	199.34	209.19
Total	**22,419.57**	**22,027.71**

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

* From January 1, 2015, a combined Business Segment Downstream was created, merging Gas and Power with Refining and Marketing. Additionally, the businesses were renamed as follows: Gas and Power to Downstream Gas, Refining and Marketing to Downstream Oil. The Business Segment Exploration and Production was renamed Upstream. Due to these organizational changes, the historical total intersegmental sales figures have been adjusted consequently.

Other notes

Transactions with related parties

In 2015, there were arm's-length supplies of goods and services between the Group and at-equity accounted companies.

Significant transactions with related parties in EUR mn	6m/15		6m/14	
	Sales and other income	Purchases	Sales and other income	Purchases
Borealis	654	21	880	27
GENOL Gesellschaft m.b.H. & Co	140	1	93	1
Erdöl-Lagergesellschaft m.b.H.	29	25	137	105
Enerco Enerji Sanayi ve Ticaret A.Ş.	-	114	-	124

Balance sheet positions in EUR mn	Jun. 30, 2015	Dec. 31, 2014	Δ%
Loans receivable	56	55	2%
Trade receivables	34	18	47%
Trade payables	26	41	(58)%
Prepayments received	173	178	(3)%

The outstanding trade receivables from GENOL Gesellschaft m.b.H. & Co amounted to EUR 27 mn (December 31, 2014: EUR 13 mn).
At June 30, 2015 trade payables to ENERCO Enerji Sanayi ve Ticaret A.Ş. amounted to EUR 15 mn (December 31, 2014: EUR 31 mn).

As of June 30, 2015 Borealis had a contingent liability related to tax audits of Borealis Technology Oy (”TOY”) in Finland, claiming an increase of the taxable income by EUR 1,040 mn leading to an additional tax payment of EUR 406 mn comprising of taxes, late payment interests and penalties. The payment obligation has been suspended pending TOY’s appeal. Borealis Management is confident that it is very likely that the decision of the Finnish Tax Authority (FTA) with respect to TOY will be reversed in the next phases of the proceedings.

On July 3, 2015, Borealis has also received the final tax audit report for Borealis Polyolefins Oy (“BPOY”). The Audit Report proposes to increase BPOY’s taxable base by EUR 364 mn. The Finnish tax authority has not yet issued any decision following the Audit Report. BPOY will present to the FTA detailed judicial and factual argumentation concluding that the taxation proposal included in the Audit Report is unjustified.

On June 30, 2015, Gerhard Roiss resigned from his position as Chairman of the Executive Board and CEO. A liability amounting to EUR 3.4 mn was recognized during 6m/15 for the outstanding remuneration incl. bonuses (excluding Long Term Incentive Plan and Strategic Incentive Plan).

Impairments

A decrease in spark spreads in Turkey had an adverse effect on the Samsun power plant and led to an impairment amounting to EUR 205 mn in Q2/15. The recoverable amount was computed based on the value in use, using a pre-tax discount rate of 7.11%.

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.

in EUR mn		Jun. 30, 2015			Dec. 31, 2014	
Financial instruments on asset side	**Level 1**	**Level 2**	**Total**	**Level 1**	**Level 2**	**Total**
Investment funds	7.13	-	**7.13**	7.24	-	**7.24**
Bonds	105.50	-	**105.50**	79.26	-	**79.26**
Derivatives designated and effective as hedging instruments	-	105.62	**105.62**	-	184.39	**184.39**
Other derivatives	132.39	179.32	**311.71**	588.30	425.12	**1,013.42**
Total	**245.01**	**284.94**	**529.96**	**674.81**	**609.51**	**1,284.32**

in EUR mn		Jun. 30, 2015			Dec. 31, 2014	
Financial instruments on liability side	**Level 1**	**Level 2**	**Total**	**Level 1**	**Level 2**	**Total**
Liabilities on derivatives designated and effective as hedging instruments	-	109.14	**109.14**	-	232.17	**232.17**
Liabilities on other derivatives	146.18	185.79	**331.98**	580.14	425.29	**1,005.43**
Total	**146.18**	**294.93**	**441.12**	**580.14**	**657.46**	**1,237.61**

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 6,145 mn (December 31, 2014: EUR 5,240 mn) are valued at amortized cost. The estimated fair value of these liabilities was EUR 6,592 mn (December 31, 2014: EUR 5,798 mn). The carrying amount of other financial liabilities is effectively the same as their fair value, as they are predominantly short-term.

Subsequent events

Please refer to the explanations given within the section Outlook of the Directors' report.

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 six months of the financial year and their impact on the condensed interim financial statements, of the principal risks and uncertainties for the remaining six months of the financial year and of the major related party transactions to be disclosed.

Vienna, August 12, 2015

The Executive Board

Rainer Seele
Chairman of the Executive Board
and Chief Executive Officer

David C. Davies
Deputy Chairman of the Executive Board
and Chief Financial Officer

Jaap Huijskes
Member of the Executive Board
Upstream

Manfred Leitner
Member of the Executive Board
Downstream

Further information

Abbreviations and definitions

bbl: barrel(s), i.e. approximately 159 liters; **bcf**: billion standard cubic feet; **bn**: billion; **boe**: barrel(s) of oil equivalent; **boe/d**: boe per day; **capital employed**: equity including non-controlling interests plus net debt; **CCS**: Current Cost of Supply; **Co&O**: Corporate and Other; **EBITD**: Earnings Before Interest, Taxes, Depreciation and amortization, impairments and write-ups of fixed assets; **EPS**: Earnings Per Share; **EUR**: Euro; **FX**: Foreign Exchange; **gearing ratio**: Net debt divided by equity expressed as a percentage; **GWh:** Gigawatt hour(s); **kbbl, kbbl/d**: Thousand barrels, kbbl per day; **kboe, kboe/d**: Thousand barrel oil equivalent, kboe per day; **LNG**: Liquefied Natural Gas; **mn**: million; **MWh**: Megawatt hour(s); **n.a.**: not available; **n.m.**: not meaningful; **NGL**: Natural Gas Liquids; **NOPAT**: Net Operating Profit After Tax. Profit on ordinary activities after taxes plus net interest on net borrowings, +/– result from discontinued operations, +/– tax effect of adjustments; **ROFA**: Return On Fixed Assets. EBIT divided by average intangible and tangible assets expressed as a percentage; **ROACE**: Return On Average Capital Employed. NOPAT divided by average capital employed expressed as a percentage; **ROE**: Return On Equity. Net income for the year divided by average equity expressed as a percentage; **RON**: new Romanian leu; **t**: metric tonne(s); **TRY**: Turkish lira; **TWh**: Terawatt hour(s); **USD**: US dollar

For a full list of abbreviations and definitions please see the OMV Annual Report.

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