



Report January – June and Q2 2014

including interim financial statements as of June 30, 2014

- ▶ Production increased to 304 kboe/d in 6m/14
- ▶ Q2/14 result burdened by production shut-ins in Libya
- ▶ Hanssen oil discovery reconfirmed Wisting area potential in the Barents Sea
- ▶ Domino-2 well spudded in the Black Sea
- ▶ Refinery portfolio optimization completed: sale of Bayernoil stake closed
- ▶ Modernization of the Petrobrazil refinery finalized

Gerhard Roiss, CEO of OMV:

“In the first half of 2014, our results were adversely impacted by lower refining margins, a weaker US dollar and political instability in Libya and Yemen. Despite this instability, our production level increased compared to the same period of last year, following the contribution of acquired assets in Norway. We continued to pursue our focused strategy throughout all our business segments. In E&P, the oil discovery at the Hanssen appraisal well reconfirmed the potential of the Wisting area in Norway. Additionally, the Domino-2 well in the Black Sea is currently drilling with the target to confirm our significant gas discovery. With the closing of the Bayernoil refinery sale, we have completed the biggest step in our R&M divestment program. Further, the modernization of the Petrobrazil refinery is now complete which will further enhance our competitiveness. In G&P, we are reviewing our asset portfolio in order to increase profitability. Our participation in the South Stream project will play an important role in the future to safeguard the security of gas supplies for Europe and, particularly, for Austria. I am looking forward to the second half of the year where major E&P projects like Gudrun and Maari Growth will ramp up production to deliver our targets.”

Q1/14	Q2/14	Q2/13	Δ% in EUR mn ¹	6m/14	6m/13	Δ%
675	232	668	(65) EBIT	908	1,928	(53)
668	369	734	(50) Clean CCS EBIT	1,037	1,583	(34)
301	132	226	(42) Net income attributable to stockholders ²	433	1,011	(57)
302	202	321	(37) Clean CCS net income attributable to stockholders ²	504	671	(25)
0.92	0.40	0.69	(42) EPS in EUR	1.33	3.10	(57)
0.93	0.62	0.99	(37) Clean CCS EPS in EUR	1.54	2.06	(25)
907	680	1,206	(44) Cash flow from operating activities	1,587	2,611	(39)

¹ As of Q1/14, figures for 2013 were adjusted due to the implementation of IFRS 11 “Joint Arrangements”. Further details are described in the section “Group interim financial statements and notes”

² After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

Content

- | | | |
|--|-------------------------|---|
| 2 Directors’ report
(unaudited) | 2 Financial highlights | 11 Group interim financial statements and notes (unaudited) |
| | 3 Business segments | 24 Declaration of the management |
| | 9 Outlook | 25 Further information |

Directors' report (condensed, unaudited)

Financial highlights

Q1/14	Q2/14	Q2/13	Δ% in EUR mn ¹	6m/14	6m/13	Δ%
9,825	9,307	10,568	(12) Sales ²	19,132	21,344	(10)
601	211	597	(65) EBIT E&P ³	812	1,251	(35)
56	22	(25)	n.m. EBIT G&P	78	62	25
39	60	91	(34) EBIT R&M	99	625	(84)
(11)	(22)	(8)	189 EBIT Corporate and Other	(33)	(17)	96
(10)	(38)	14	n.m. Consolidation	(48)	6	n.m.
675	232	668	(65) EBIT Group	908	1,928	(53)
327	143	316	(55) thereof EBIT OMV Petrom group	470	667	(30)
26	(153)	1	n.m. Special items ⁴	(127)	428	n.m.
(4)	(8)	(1)	n.m. thereof: Personnel and restructuring	(12)	(2)	n.m.
(1)	(132)	0	n.m. Unscheduled depreciation	(133)	(21)	n.m.
10	(27)	(3)	n.m. Asset disposal	(17)	441	n.m.
22	13	5	170 Other	35	11	n.m.
(19)	16	(67)	n.m. CCS effects: Inventory holding gains/(losses)	(2)	(84)	(97)
603	349	597	(42) Clean EBIT E&P ^{3,5}	952	1,251	(24)
36	10	(30)	n.m. Clean EBIT G&P ⁵	46	72	(36)
49	62	161	(62) Clean CCS EBIT R&M ⁵	111	272	(59)
(11)	(13)	(8)	66 Clean EBIT Corporate and Other ⁵	(23)	(17)	39
(10)	(38)	14	n.m. Consolidation	(48)	6	n.m.
668	369	734	(50) Clean CCS EBIT ⁵	1,037	1,583	(34)
328	259	327	(21) thereof clean CCS EBIT OMV Petrom group ⁵	588	687	(14)
613	219	559	(61) Income from ordinary activities	831	1,762	(53)
438	175	343	(49) Net income	613	1,294	(53)
301	132	226	(42) Net income attributable to stockholders ⁶	433	1,011	(57)
302	202	321	(37) Clean CCS net income attributable to stockholders ^{5,6}	504	671	(25)
0.92	0.40	0.69	(42) EPS in EUR	1.33	3.10	(57)
0.93	0.62	0.99	(37) Clean CCS EPS in EUR ⁵	1.54	2.06	(25)
907	680	1,206	(44) Cash flow from operating activities	1,587	2,611	(39)
2.78	2.08	3.70	(44) Cash flow per share in EUR	4.86	8.01	(39)
4,356	4,935	2,183	126 Net debt	4,935	2,183	126
29	33	15	130 Gearing in %	33	15	130
748	1,058	555	91 Capital expenditure	1,805	1,125	61
11	–	–	n.a. ROFA in %	8	20	(59)
8	–	–	n.a. ROACE in %	7	13	(46)
10	–	–	n.a. Clean CCS ROACE in % ⁵	9	12	(23)
8	–	–	n.a. ROE in %	7	14	(51)
29	20	39	(48) Group tax rate in %	26	27	(1)
26,815	26,773	27,170	(1) Employees	26,773	27,170	(1)

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

¹ As of Q1/14, figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements". Further details are described in the section "Group interim financial statements and notes"

² Sales excluding petroleum excise tax

³ Before intersegmental profit elimination shown in the line "Consolidation"

⁴ Special items are exceptional, non-recurring items which are added back or deducted from EBIT. For more details please refer to business segments

⁵ Adjusted for special items. Clean CCS figures exclude inventory holding gains/losses (CCS effects) resulting from the fuels refineries and Petrol Ofisi

⁶ After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

Business segments

Exploration and Production (E&P)

Q1/14	Q2/14	Q2/13	Δ%	in EUR mn	6m/14	6m/13	Δ%
601	211	597	(65)	EBIT	812	1,251	(35)
(3)	(138)	(1)	n.m.	Special items	(140)	0	n.m.
603	349	597	(42)	Clean EBIT	952	1,251	(24)
311	297	297	0	Total hydrocarbon production in kboe/d	304	299	1
182	180	184	(2)	thereof OMV Petrom group	181	183	(1)
14.6	13.2	14.4	(9)	Crude oil and NGL production in mn bbl	27.8	29.1	(5)
75.3	77.7	70.4	10	Natural gas production in bcf	152.9	140.2	9
108.21	109.67	102.43	7	Average Brent price in USD/bbl	108.93	107.50	1
101.69	101.48	96.38	5	Average realized crude price in USD/bbl	101.60	100.66	1
1.370	1.371	1.306	5	Average EUR-USD FX-rate	1.370	1.313	4
93	186	137	35	Exploration expenditure in EUR mn	279	259	8
16.11	17.96	12.64	42	OPEX in USD/boe	17.02	12.68	34

Second quarter 2014 (Q2/14) vs. second quarter 2013 (Q2/13)

- ▶ Production flat compared to Q2/13, as contribution from Norway offset the shut-ins in Libya
- ▶ Production costs increased due to change in the country mix and higher costs in Romania

In Q2/14, the average **Brent** price in USD was 7% higher than in Q2/13. The Group's **average realized crude price** increased by 5% while the **average realized gas price** in EUR was 17% higher compared to Q2/13.

Clean EBIT decreased by 42% to EUR 349 mn, mainly due to higher depreciation in Norway, as it was not included in Q2/13, and in Tunisia. Additionally, higher production costs in Norway (production included since Q4/13) and in Romania, negatively impacted the result. The weaker USD against the EUR had an additional negative effect on the result.

Exploration expenses increased from EUR 98 mn in Q2/13 to EUR 182 mn (thereof EUR 22 mn from Tunisia treated as a special charge), mainly including the write-off of unsuccessful high impact wells in Gabon, namely Padouck Deep, Affanga Deep and Okala, in the Faroe Islands, namely Bruggdan, and in Norway, namely Byrkje and Apollo. Net special items of EUR (138) mn led to a **reported EBIT** of EUR 211 mn, 65% below the level of Q2/13 (EUR 597 mn). The special items are mainly related to the impairment of the TOC asset in Kazakhstan (EUR (110) mn) as a consequence of the unsuccessful field redevelopment results and deteriorated fiscal conditions over the recent years. Furthermore, the special items include the write-off of an exploration license in Tunisia (EUR (22) mn).

Production costs excluding royalties (OPEX) in USD/boe were 42% higher than in Q2/13, mainly due to the change in the country mix, with contribution from Norway, lower production volumes in Libya, as well as higher costs in Romania. OPEX in USD/boe at OMV Petrom increased by 30%, mainly due to the new construction tax and higher personnel costs. OMV Group's total **exploration expenditure** increased by 35% compared to Q2/13 to EUR 186 mn, reflecting higher activity levels in Romania, due to the Ocean Endeavor deep offshore drilling rig mobilization for Domino-2 well and the successful Marina-1 well in the Black Sea, and in Norway.

Total OMV daily production of oil, NGL and gas was 297 kboe/d. This was at the same level as in Q2/13, mainly reflecting the lower Libyan contribution, as production volumes were affected by security issues, which was offset by the contribution from Norway. OMV Petrom's total daily oil and gas production decreased by 2% compared to Q2/13, mainly due to Kazakhstan, where production levels were impacted by pipeline issues. **Total OMV daily oil and NGL production** decreased by 9%, mainly reflecting lower volumes from Libya. Production volumes from Norway and Pakistan mitigated this development. **Total OMV daily gas production** increased by 10% vs. Q2/13, mainly due to the contribution from Norway and higher production in Pakistan, which were partly offset by lower volumes from Kazakhstan. **Total sales quantity** increased by 2%, mainly related to sales volumes from Norway partially offset by lower sales volumes in Libya.

Second quarter 2014 (Q2/14) vs. first quarter 2014 (Q1/14)

Clean EBIT decreased by 42%, mainly burdened by considerably lower oil sales volumes and higher exploration expenses. Exploration expenses increased significantly to EUR 182 mn, compared to EUR 76 mn in Q1/14, mainly reflecting the write-off of unsuccessful high impact wells in Gabon, the Faroe Islands and Norway. Additionally, exploration expenses in Q2/14 also reflect the write-off of an exploration license in Tunisia of EUR 22 mn, treated as a special charge. Net special items of EUR (138) mn led to a reported EBIT of EUR 211 mn, 65% lower than in Q1/14. Total daily production decreased by 5%. Daily oil and NGL production decreased by 11% mainly reflecting lower production in Libya, New Zealand (drilling operations for Maari Growth) and Kazakhstan (pipeline issues), partially compensated by higher volumes in Norway. Daily gas production increased by 2%, mainly due to higher contribution from Norway, as Gudrun started up, and higher volumes from Austria and Romania. Overall sales volumes decreased by 7% compared to Q1/14, as a result of lower liftings in Norway, as the previous quarter included sold volumes from Q4/13 production, and lower sales volumes in Libya. These developments were partially compensated by higher sales volumes in Austria, Yemen and Romania.

January to June 2014 (6m/14) vs. January to June 2013 (6m/13)

The **Brent** price in USD increased by 1% compared to 6m/13. The Group's **average realized crude price** in USD/bbl increased by 1% to USD 101.60/bbl. The Group's **average realized gas price** in EUR increased by 16%.

Clean EBIT came in 24% below 6m/13, being negatively impacted by higher depreciation and production costs mainly due to the change in country mix, with Norway production included since Q4/13 and Libyan contribution being affected throughout the year by security issues. Additionally, higher production costs in Romania impacted the result. These effects were partially offset by higher sales volumes. **Reported EBIT** in 6m/14 was 35% lower compared to 6m/13. Net special items of EUR (140) mn were mainly related to the impairment of the TOC asset in Kazakhstan.

Production costs excluding royalties in USD/boe (OPEX) increased by 34% compared to 6m/13, mainly due to the change in the country mix, with contribution from Norway, and lower production volumes in Libya as well as higher costs in Romania. At OMV Petrom, OPEX increased by 22% mainly reflecting the new construction tax. **Exploration expenditure** increased by 8% compared to 6m/13, mainly driven by increased activity levels in Romania, in the Black Sea, and in Norway. **Total OMV daily production of oil, NGL and gas** was 1% higher compared to the level of 6m/13, since the production contribution from the acquired assets in Norway more than offset the lower production levels in Libya, which was affected by security issues. **Total OMV daily oil and NGL production** decreased by 5% compared to 6m/13, primarily due to lower volumes from Libya, which were only partly compensated by production contribution from Norway and higher volumes from Pakistan. **Total OMV daily gas production** increased by 9% vs. 6m/13, due to gas production contribution from Norway and higher volumes coming from Pakistan. Higher sales volumes, mostly from Norway and Pakistan, led to a **total sales quantity** increase of 6% compared to 6m/13.

Gas and Power (G&P)

Q1/14	Q2/14	Q2/13	Δ%	in EUR mn	6m/14	6m/13	Δ%
56	22	(25)	n.m.	EBIT	78	62	25
20	12	5	142	Special items	32	(9)	n.m.
36	10	(30)	n.m.	Clean EBIT	46	72	(36)
131.82	89.15	85.02	5	Gas sales and trading volumes in TWh	220.97	220.80	0
413	417	430	(3)	Gas transportation volumes sold entry/exit in TWh	830	819	1
11.46	10.60	13.51	(22)	Average storage capacities sold in GWh/h	11.03	12.87	(14)
1.78	0.83	0.23	n.m.	Net electrical output in TWh	2.61	1.05	148

Second quarter 2014 (Q2/14) vs. second quarter 2013 (Q2/13)

- ▶ Improved gas margins due to better gas supply
- ▶ Gas logistics business impacted by lower storage tariffs
- ▶ Power result burdened by negative spark spread in Romania

The G&P market environment remained challenging. **Clean EBIT** in Q2/14 increased to EUR 10 mn due to the largely eliminated losses in the supply, marketing and trading business, mainly as a result of better gas supply. Net special items of EUR 12 mn, mainly coming from a reduction of a provision for onerous contracts booked in Q4/12 related to contracted long-term LNG and transport capacity bookings of EconGas, led to a **reported EBIT** of EUR 22 mn.

The result contribution of the **supply, marketing and trading** business improved significantly vs. Q2/13 due to better gas supply, mainly as a result of the renegotiated gas supply contracts with Gazprom and Statoil, and portfolio optimization but remained slightly negative. Although total gas sales and trading volumes increased vs. Q2/13, this was solely due to higher trading volumes which accounted for 68% of the total volumes. In EconGas, gas sales and trading volumes decreased mainly due to lower trading volumes. OMV's gas sales and trading volumes increased also due to the marketing of equity gas from Norway. Gas sales volumes in Romania decreased slightly by 2% to 11.24 TWh. The average estimated import price was RON 116.3/MWh (EUR 25.8/MWh), the regulated domestic gas price increased for non-household consumers to RON 89.4/MWh (EUR 20.2/MWh) and for households to RON 51.8/MWh (EUR 11.7/MWh), following the implementation of the gas price liberalization roadmap. In Turkey, gas sales volumes increased to 3.59 TWh. The natural gas margin in Turkey was negative due to higher supply costs resulting from the unfavorable USD-TRY FX rate.

Profit contribution of the **gas logistics** business decreased, mainly due to the amended pricing in the Austrian gas storage business. In order to react to current market conditions and to support long-term customer relations, a tariff and capacity reduction for running gas storage contracts has been in place for customers in Austria since July 2013. Gas transportation volumes sold entry/exit in TWh decreased by 3% vs. Q2/13, mainly due to fewer short-term capacity bookings. This development, and an increase in operation and maintenance costs, led to a lower profit contribution of the gas transportation business.

The **power** business recorded a negative result contribution driven by weak spark spreads in both, Romania and Turkey. Total net electrical output was 0.83 TWh vs. 0.23 TWh in Q2/13, mainly coming from the gas-fired power plant Samsun in Turkey (start-up end of June 2013). The average base load electricity price in Turkey was EUR 53.9/MWh in Q2/14, down by 7% vs. Q2/13. In Romania, the average base load electricity price increased by 15% to EUR 32.4/MWh in Q2/14 but the average spark spread was negative, mainly due to the higher gas price. This development triggered a drop in net electrical output of the power plant Brazi in Romania.

Second quarter 2014 (Q2/14) vs. first quarter 2014 (Q1/14)

Clean EBIT decreased by 74% in Q2/14 vs. Q1/14 mainly due to lower contributions from the power and the gas logistics business. Total gas sales and trading volumes followed the typical seasonal development and decreased by 32%. Gas margins remained under pressure. The gas logistics business saw increased costs in the transportation business and additional costs in the storage business due to the first fill of the new caverns at the storage Etzel. Total net electrical output decreased vs. Q1/14 mainly driven by unfavorable market conditions for gas-fired power plants in Romania and planned maintenance in Turkey, which led to a lower result contribution of the power business.

January to June 2014 (6m/14) vs. January to June 2013 (6m/13)

At EUR 46 mn, **clean EBIT** in 6m/14 was down by 36% compared to 6m/13, driven by the negative performance of the power business and a lower contribution of the gas logistics business. These developments were only partly offset by an improved performance of the supply, marketing and trading business. Net special items of EUR 32 mn, mainly coming from the aforementioned reduction of a provision for onerous contracts booked in Q4/12, led to a **reported EBIT** of EUR 78 mn.

Although the result of the business unit **supply, marketing and trading** improved vs. 6m/13 due to better gas supply, the market environment remained very challenging. The business unit reported total gas sales and trading volumes of 220.97 TWh at the level of 6m/13. In EconGas, gas sales and trading volumes decreased due to lower trading volumes as well as sales volumes, which was driven by the mild winter and reduced demand from power plants. In OMV, gas sales and trading volumes increased significantly due to trading activities, which started in April 2013, and the marketing of equity gas from Norway. Gas sales volumes in Romania were 11% below the level of 6m/13, driven by weak gas demand and increased competition, which also led to lower gas margins. In Turkey, OMV increased gas sales volumes to 7.57 TWh, however, the result was impacted by higher supply costs resulting from the unfavorable USD-TRY FX rate.

The **gas logistics** business showed a lower result in 6m/14 compared to 6m/13. The changed pricing in the Austrian gas storage business had a negative impact on the result. The profit contribution from the gas transportation business came in at a lower level especially due to fewer short-term capacity bookings.

The **power** business recorded a significantly lower result compared to the first six months of last year mainly due to adverse market conditions. Total net electrical output increased to 2.61 TWh vs. 1.05 TWh in 6m/13, driven by the contribution of the power plant Samsun in Turkey. The average base load electricity price in Romania stood at EUR 32.2/MWh in 6m/14 vs. EUR 31.8/MWh in 6m/13. The average spark spread in Romania was negative, mainly due to the higher gas price, which led to a lower net electrical output of the power plant Brazi.

Refining and Marketing (R&M)

Q1/14	Q2/14	Q2/13	Δ%	in EUR mn ¹	6m/14	6m/13	Δ%
39	60	91	(34)	EBIT	99	625	(84)
9	(18)	(3)	n.m.	Special items	(9)	437	n.m.
(19)	16	(67)	n.m.	CCS effects: Inventory holding gains/(losses) ²	(2)	(84)	(97)
49	62	161	(62)	Clean CCS EBIT ²	111	272	(59)
1.63	1.92	2.48	(23)	OMV indicator refining margin in USD/bbl	1.77	2.75	(35)
384	355	382	(7)	Ethylene/propylene net margin in EUR/t ³	370	372	0
89	84	94	(11)	Utilization rate refineries in %	87	91	(4)
7.17	8.19	8.22	0	Total refined product sales in mn t	15.36	15.02	2
4.64	5.47	5.56	(1)	thereof marketing sales volumes in mn t	10.11	10.04	1
0.55	0.55	0.55	0	thereof petrochemicals in mn t	1.09	1.11	(2)

¹ As of Q1/14, figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements". Further details are described in the section "Group interim financial statements and notes"

² Current cost of supply (CCS): Clean CCS figures exclude special items and inventory holding gains/losses (CCS effects) resulting from the fuels refineries and Petrol Ofisi

³ Calculated based on West European Contract Prices (WECP)

Second quarter 2014 (Q2/14) vs. second quarter 2013 (Q2/13)

- ▶ **Low refining result driven by poor refining margin environment**
- ▶ **Strong contribution from Borealis supported by the start-up of the Borouge 3 expansion project**
- ▶ **Solid marketing performance but challenges in Turkey**

At EUR 62 mn, Q2/14 **clean CCS EBIT** strongly decreased vs. EUR 161 mn in Q2/13, driven by a significantly lower OMV indicator refining margin. Net special items were recognized in Q2/14 at the amount of EUR (18) mn, mainly related to the divestment of R&M assets. Increased crude prices over the quarter contributed to CCS effects of EUR 16 mn, which led to a **reported EBIT** of EUR 60 mn.

The clean CCS EBIT in **refining** was substantially below the level of Q2/13, mainly as a consequence of the significantly decreased OMV indicator refining margin, the planned shutdowns in Petrobrazi and Schwechat as well as the turnaround in Bayernoil (the Bayernoil disposal was closed on June 30, 2014). The OMV indicator refining margin decreased significantly from USD 2.48/bbl in Q2/13 to USD 1.92/bbl, mainly as a result of lower middle distillates spreads (OMV indicator refining margin West from USD 3.45/bbl in Q2/13 to USD 2.82/bbl in Q2/14; OMV indicator refining margin East from USD (1.62)/bbl in Q2/13 to USD (1.88)/bbl in Q2/14). In addition, the lower domestic market price levels had a negative impact on the financial performance. At EUR 40 mn, the clean **petrochemicals** EBIT was slightly lower compared to Q2/13, despite stable volumes mainly influenced by decreased margins for ethylene.

Overall, the **refinery utilization rate** decreased to 84%. In refining West, the utilization rate was 90% vs. 95% in Q2/13, due to the above mentioned shutdowns. The utilization rate of the refinery Petrobrazi decreased to 59% in Q2/14 compared to 92% in the same period of last year, reflecting the planned shutdown in order to complete the investment program.

The contribution from **Borealis** (which is accounted for at-equity and therefore shown in the financial result of OMV Group) strongly increased by EUR 22 mn to EUR 51 mn in Q2/14, driven by better margins as well as an increased contribution from Borouge based on the initial cracker start-up related to the Borouge 3 expansion project. This expansion project will increase the annual production capacity of the integrated olefins/polyolefins site in Abu Dhabi from 2 mn t to 4.5 mn t.

The clean **marketing** EBIT was below the level of Q2/13, mainly driven by the negative effects of the margin ceiling in Turkey. Overall, marketing **sales volumes** were down by 1% compared to Q2/13. As of June 30, 2014, the total number of **filling stations** in the Group stood at 4,167 compared to 4,244 at the end of June 2013, due to ongoing network optimization mainly in Turkey and Austria.

Second quarter 2014 (Q2/14) vs. first quarter 2014 (Q1/14)

At EUR 62 mn, clean CCS EBIT was higher in Q2/14 than the EUR 49 mn in Q1/14, despite a lower refining performance, driven by seasonally increased marketing results across all countries except Turkey. Higher crude prices over the quarter led to positive CCS effects. The OMV indicator refining margin increased slightly vs. Q1/14, mainly driven by improved gasoline spreads. The improvement, however, was more than offset by a lower refinery utilization rate (84% vs. 89% in Q1/14) due to the planned shutdowns in Petrobrazil and Schwechat as well as a turnaround in Bayernoil. The petrochemicals result was slightly lower than in the previous quarter at EUR 40 mn, driven by decreased ethylene spreads. The marketing business was solid and contributed significantly to the overall R&M result, driven by a seasonal increase in sales volumes and cost discipline. The performance of Petrol Ofisi was negatively impacted by regulatory intervention in Turkey.

January to June 2014 (6m/14) vs. January to June 2013 (6m/13)

At EUR 111 mn, **clean CCS EBIT** in 6m/14 came in substantially lower than the EUR 272 mn in 6m/13, mainly driven by a significantly decreased OMV indicator refining margin and due to the planned shutdowns in Petrobrazil and Schwechat as well as the turnaround in Bayernoil. Net special items of EUR (9) mn and negative CCS effects of (2) mn led to a **reported EBIT** of EUR 99 mn. The reported EBIT in 6m/13 was significantly higher due to special income from the completed sale of LMG Lagermanagement GmbH in Q1/13.

The OMV indicator refining margin decreased significantly from USD 2.75/bbl in 6m/13 to USD 1.77/bbl in 6m/14 mainly due to lower middle distillates spreads (OMV indicator refining margin West from USD 3.69/bbl in 6m/13 to USD 2.70/bbl in 6m/14; OMV indicator refining margin East from USD (1.25)/bbl in 6m/13 to USD (2.15)/bbl in 6m/14). In addition, the lower domestic market price levels had a negative impact on the financial performance. Overall, the **refining utilization rate** stood at 87% (vs. 91% in 6m/13). The clean **petrochemicals** EBIT was at EUR 82 mn, slightly lower than the EUR 88 mn in 6m/13, due to lower ethylene and benzene margins which were only partly compensated by higher margins for propylene.

The clean **marketing** result came in below the level of 6m/13, driven by a weaker performance in Petrol Ofisi, which was negatively influenced by regulatory intervention. The marketing performance excluding Turkey slightly increased, supported by solid margins and strict cost management in both the retail and the commercial businesses.

Outlook

Mid-term guidance

The current upstream portfolio, including the completion of projects under development, should enable OMV to reach a production level of approximately 400 kboe/d and a three-year average reserve replacement rate of 100% by 2016. Average Group CAPEX for the period 2014-2016 is expected to be EUR ~3.9 bn p.a. with roughly 80% being directed to E&P. Assuming market conditions similar to those currently prevailing, the Group's operating cash flow and planned divestments are expected to be adequate to fund this investment program as well as the dividends to shareholders with the gearing ratio remaining in line with the long-term target of $\leq 30\%$. ROACE performance in the mid-term will be adversely affected by capital invested in project developments, though it will return towards target levels as these developments come on stream. The dividend is expected to increase in line with net income attributable to stockholders (payout ratio 30%).

Market environment

For 2014, OMV expects the average **Brent** oil price to remain above USD 100/bbl, whilst the Brent-Urals spread is anticipated to stay relatively tight. In Romania, scheduled domestic gas price increases due in January and April have been implemented. The regulated domestic gas price for non-household consumers was set at RON 89.4/MWh for Q3/14 (same level as in Q2/14), while for Q4/14 it will be reassessed at a later stage. The **G&P market environment** is expected to remain highly challenging. **Refining margins** are forecast to remain under pressure in 2014 due to sluggish economic recovery and persisting overcapacity on European markets. In the **petrochemical business**, margins are expected to remain at similar levels to 2013. **Marketing** sales volumes are anticipated to remain under pressure as ongoing demand weakness caused by a still weak economic environment continues to affect OMV's core markets. Marketing margins are expected to remain at or slightly below 2013 levels, except in Turkey which is negatively affected by regulatory intervention.

Group

- ▶ OMV aims to achieve world class HSSE performance with safe workplaces as well as processes and to further improve the Lost-Time Injury Rate (LTIR)
- ▶ CAPEX for 2014 is expected to be around EUR 3.9 bn
- ▶ The group-wide performance improvement program "energize OMV", which targets a 2% points ROACE contribution, is on track to achieve its target by the end of 2014

Exploration and Production

- ▶ The security situation in Libya and Yemen remains very difficult to predict. Whilst production in Yemen has been interrupted for about one month in 2014, Libyan production has been shut in for large parts of the year. Assuming no further production from Libya, the production level in 2014 is expected to be around 310 kboe/d. In Romania and Austria, production is expected to remain within the targeted production range of 200-210 kboe/d.
- ▶ In Norway, the combined production from Gudrun (started in April 2014) and Gullfaks is expected to rise to about 40 kboe/d by end of 2014. A planned turnaround is scheduled for Gudrun in August/September 2014
- ▶ Production in New Zealand is expected to be higher on a yearly basis following the successful completion of the refurbishment program in Maari in 2013 and additional production coming from the Maari Growth project in 2014
- ▶ E&P capital expenditure for 2014 will be around EUR 3 bn, including the following major investment projects: Gullfaks, Aasta Hansteen, Edvard Grieg and Gudrun in Norway, Schiehallion in the UK, Habban Phase 2 in Yemen, Nawara in Tunisia and field redevelopments in Romania and Austria
- ▶ In Romania, drilling started at the Domino-2 well in Neptun Block, Black Sea, and is expected to be completed by the end of 2014, with results available in 2015
- ▶ Exploration and appraisal expenditure will be around EUR 0.7 bn in 2014 with up to 4 high impact exploration wells still expected to be drilled this year in Romania (Black Sea), the Faroe Islands (West of Shetland) and Austria

Gas and Power

- ▶ In EconGas, further renegotiations of the long-term gas supply contract with Gazprom will continue with the aim of achieving full market-based pricing. Focus on improving the Gate LNG position will continue. The gas sales margins are expected to remain under pressure
- ▶ Gas demand in Romania is expected to further decrease which will lead to increased competition and margin pressure in 2014
- ▶ Given the strong devaluation of the Turkish lira, the gas business in Turkey is expected to be significantly burdened by gas prices set by the dominant local gas supplier

- ▶ In the gas storage business, the second tranche of caverns in Etzel has been handed over to OMV for operation in Q2/14. The first fill phase is expected to be concluded by the beginning of Q4/14. Despite improved summer/winter spreads in Q2/14, the overall profitability of the gas storage business is expected to remain under pressure
- ▶ Lower contribution from the Austrian gas transportation business is expected as restructuring measures following the changes in the Austrian Gas Act will be implemented
- ▶ Due to continued pressure on spark spreads, especially in Romania, an overall negative power result is expected in 2014

Refining and Marketing

- ▶ The finalized modernization program of the Petrobrazi refinery is expected to lead to an increase of the Romanian indicator refining margin of approx. USD 5/bbl versus the pre-modernization period
- ▶ In Q4/14, a 40 day general shutdown is planned at the Burghausen refinery for the regular TÜV inspection
- ▶ Following the closure of the Bayernoil disposal, the divestment program is largely completed and expected to deliver the target of up to EUR 1 bn by the end of 2014
- ▶ The ongoing regulatory intervention (margin ceiling) together with the volatile economic development in Turkey will further negatively influence Petrol Ofisi's profitability

Group interim financial statements and notes (condensed, unaudited)

Legal principles and general accounting policies

The interim condensed consolidated financial statements for the six months ended June 30, 2014 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, 2013.

The condensed interim consolidated financial statements for Q2/14 are unaudited and an external review by an auditor was not performed.

The accounting policies and valuation methods adopted in the 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, 2013 except as described herein.

The following new and amended standards and interpretations have been implemented since January 1, 2014. With the exception of IFRS 11 Joint Arrangements, none has had a material impact for the condensed interim financial statements.

- ▶ IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements
- ▶ IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures
- ▶ IFRS 12 Disclosures of Interests in Other Entities
- ▶ Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
- ▶ Amendments to IFRS 10, 11 and 12 – Transition Guidance
- ▶ Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities
- ▶ Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
- ▶ Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting
- ▶ IFRIC 21 Levies

The application of IFRS 11 led to a retrospective change in the accounting for the investment in BAYERNOIL Raffineriegesellschaft mbH. This arrangement is primarily designed for the provision of output to the parties sharing joint control indicating that the parties have rights to substantially all the economic benefits of the assets.

Until the reclassification to non-current assets held for sale as of December 31, 2013, this jointly controlled entity was accounted for using the equity method. In line with IFRS 11, the investment was classified as a joint operation. Accordingly, OMV's share of the assets and liabilities as well as income and expenses were recognized retrospectively as of January 1, 2013 in the Group financial statements. Therefore, only 2013 figures were adjusted for comparison purpose. Whilst the new requirements have no impact on the group's reported net income and equity, the change impacts certain lines of the income statement, balance sheet and cash flow statement.

The following tables summarize the impact of the adoption of IFRS 11 on certain selected and aggregated line items previously reported. Fully adjusted quarterly figures for 2013 are published in the data supplement of OMV, publicly available as an excel download on OMV's website www.omv.com at Investor Relations > Financial Calendar and Events > Quarterly Results.

The adjustments led to a re-allocation of the impairment loss recognized in Q4/13 following the classification to held for sale. As a result, EUR 113 mn were allocated to OMV's share of intangible and tangible assets of BAYERNOIL Raffineriegesellschaft mbH and consequently shown in EBIT.

Summary of the impact of IFRS 11 adoption on the previously 2013 reported figures (unaudited)

Income statement (condensed)

Consolidated income statement in EUR mn	Adjusted figures	Previously reported	Δ	Adjusted figures	Previously reported	Δ	Adjusted figures	Previously reported	Δ
	6m/13	6m/13	in EUR mn	Q1/13	Q1/13	in EUR mn	Q2/13	Q2/13	in EUR mn
Sales revenues	21,344.47	21,344.84	(0.38)	10,776.77	10,776.90	(0.13)	10,567.70	10,567.94	(0.24)
Gross profit	2,436.43	2,424.29	12.15	1,311.88	1,307.50	4.37	1,124.56	1,116.78	7.77
Earnings before interest and taxes (EBIT)	1,927.57	1,927.97	(0.40)	1,259.31	1,260.80	(1.49)	668.25	667.17	1.08
Net financial result	(165.50)	(166.43)	0.92	(56.28)	(57.84)	1.56	(109.22)	(108.59)	(0.64)
Profit from ordinary activities	1,762.06	1,761.54	0.52	1,203.03	1,202.96	0.07	559.03	558.58	0.45
Net income for the period	1,293.84	1,293.84	0.00	950.83	950.83	0.00	343.01	343.01	0.00

Cash flows (condensed)

Summarized statement of cash flows in EUR mn	Adjusted figures	Previously reported	Δ	Adjusted figures	Previously reported	Δ	Adjusted figures	Previously reported	Δ
	6m/13	6m/13	in EUR mn	Q1/13	Q1/13	in EUR mn	Q2/13	Q2/13	in EUR mn
Net income for the period	1,293.84	1,293.84	0.00	950.83	950.83	0.00	343.01	343.01	0.00
Sources of funds	1,775.34	1,756.06	19.28	1,024.12	1,014.65	9.47	751.22	741.41	9.81
Net cash from operating activities	2,611.48	2,607.49	3.99	1,405.63	1,405.29	0.34	1,205.85	1,202.20	3.65
Net cash from investing activities	(396.21)	(391.86)	(4.35)	7.10	8.79	(1.69)	(403.31)	(400.65)	(2.66)
Net cash from financing activities	(986.25)	(986.61)	0.36	41.31	39.96	1.35	(1,027.56)	(1,026.57)	(0.99)
Net (decrease)/increase in cash and cash equivalents	1,224.69	1,224.68	0.00	1,457.24	1,457.23	0.01	(232.55)	(232.55)	0.00
Cash and cash equivalents at end of period	2,451.98	2,451.98	0.00	2,684.54	2,684.53	0.01	2,451.98	2,451.98	0.00

Financial highlights

Financial highlights in EUR mn	Adjusted figures	Previously reported	Δ	Adjusted figures	Previously reported	Δ	Adjusted figures	Previously reported	Δ
	6m/13	6m/13	in EUR mn	Q1/13	Q1/13	in EUR mn	Q2/13	Q2/13	in EUR mn
Special items ¹	428	428	0	427	427	0	1	1	0
Clean CCS EBIT ²	1,583	1,584	0	849	851	(1)	734	733	1
EBIT R&M	625	626	0	535	536	(1)	91	90	1
Clean CCS EBIT R&M ²	272	272	0	111	112	(1)	161	160	1
Capital expenditure	1,125	1,120	5	570	568	2	555	552	3
ROFA in %	20	20	0	20	20	0	-	-	-

¹ Special items are exceptional, non-recurring items which are added back or deducted from EBIT. For more details please refer to business segments

² Adjusted for special items. Clean CCS figures exclude inventory holding gains/losses (CCS effects) resulting from the fuels refineries and Petrol Ofisi

Balance sheet (condensed)

Consolidated balance sheet in EUR mn	Adjusted figures Dec. 31, 2013	Previously reported Dec. 31, 2013	Δ in EUR mn	Adjusted figures Jun. 30, 2013	Previously reported Jun. 30, 2013	Δ in EUR mn
Assets						
Property, plant and equipment	17,050.76	17,050.76	0.00	14,755.17	14,480.79	274.39
Equity-accounted investments	1,853.14	1,853.14	0.00	1,805.39	1,841.23	(35.84)
Other financial assets	634.60	634.60	0.00	786.91	990.22	(203.31)
Non-current assets	23,641.01	23,641.01	0.00	21,146.54	21,108.10	38.44
Current assets	7,563.51	7,563.65	(0.15)	9,542.32	9,524.37	17.95
Assets held for sale	643.43	581.59	61.84	38.96	38.96	0.00
Total assets	31,847.94	31,786.25	61.70	30,727.83	30,671.44	56.39
Equity and liabilities						
Provisions for pensions and similar obligations	1,021.98	1,021.98	0.00	978.11	932.85	45.26
Non-current liabilities	8,894.18	8,894.18	0.00	7,815.56	7,767.12	48.44
Trade payables	4,913.91	4,913.91	0.00	4,387.62	4,561.32	(173.70)
Other liabilities	1,189.07	1,189.07	0.00	1,446.07	1,266.07	180.00
Current liabilities	8,257.40	8,257.40	0.00	7,935.74	7,927.79	7.95
Liabilities associated with assets held for sale	151.02	89.33	61.70	2.02	2.02	0.00
Total equity and liabilities	31,847.94	31,786.25	61.70	30,727.83	30,671.44	56.39

Changes in the consolidated Group

Compared with the consolidated financial statements as of December 31, 2013, the consolidated Group changed as follows:

In **E&P**, OMV Oystercatcher Exploration GmbH, OMV East Abu Dhabi Exploration GmbH and OMV (Namibia) Exploration GmbH, all based in Vienna, were included starting from January 1, 2014.

OMV (AFRICA) Exploration & Production GmbH, based in Vienna, was included starting with January 16, 2014.

OMV (Mandabe) Exploration GmbH and OMV (Berenty) Exploration GmbH, both based in Vienna, were included starting from January 20, 2014.

OMV (Mbeli) Exploration GmbH and OMV (Ntsina) Exploration GmbH, both based in Vienna, were included starting from January 30, 2014.

OMV (Manga) Exploration GmbH and OMV (Gnondo) Exploration GmbH, both based in Vienna, were included starting from February 2, 2014.

OMV (WEST AFRICA) Exploration & Production GmbH, based in Vienna, was included starting with April 1, 2014.

In **R&M**, BAYERNOIL Raffineriegesellschaft mbH, based in Vohburg, was included starting with January 1, 2013 further to the implementation of IFRS 11 "Joint Arrangements" until it was sold on June 30, 2014.

The partial sale of Marmara Depoluk Hizmetleri ve Ticaret Anonim Sirketi, based in Istanbul, on June 16, 2014, led to the classification as a joint operation and a change in the consolidation method, only OMV's share of the assets and liabilities as well as income and expense being now recognized in the Group financial statement.

In **Co&O**, OMV Petrom Global Solutions, based in Bucharest, was included starting with January 15, 2014.

Seasonality and cyclicity

Seasonality is of significance, especially in G&P and R&M. For details please refer to the section "Business segments".

In addition to the interim financial statements and notes, further information on main items affecting the interim financial statements as of June 30, 2014, is given as part of the description of OMV's business segments.

Income statement (unaudited)

Q1/14	Q2/14	Q2/13	Consolidated income statement in EUR mn ¹	6m/14	6m/13
9,825.02	9,306.60	10,567.70	Sales revenues	19,131.62	21,344.47
(85.14)	(78.08)	(74.48)	Direct selling expenses	(163.22)	(164.73)
(8,639.26)	(8,447.20)	(9,368.66)	Production costs of sales	(17,086.46)	(18,743.30)
1,100.61	781.33	1,124.56	Gross profit	1,881.94	2,436.43
77.24	68.21	54.17	Other operating income	145.45	553.39
(218.49)	(219.57)	(238.71)	Selling expenses	(438.06)	(474.17)
(105.97)	(111.72)	(108.32)	Administrative expenses	(217.69)	(216.21)
(76.06)	(181.61)	(98.00)	Exploration expenses	(257.67)	(212.63)
(3.50)	(2.96)	(3.77)	Research and development expenses	(6.45)	(6.87)
(98.65)	(101.27)	(61.68)	Other operating expenses	(199.92)	(152.37)
675.18	232.41	668.25	Earnings before interest and taxes (EBIT)	907.59	1,927.57
36.64	55.36	33.41	Income from equity-accounted investments	92.00	66.64
36.62	51.28	29.64	thereof Borealis	87.90	51.56
0.04	15.79	5.90	Dividend income	15.84	6.02
8.31	6.93	10.10	Interest income	15.24	31.08
(95.34)	(78.06)	(72.94)	Interest expenses	(173.41)	(149.01)
(12.17)	(13.69)	(85.70)	Other financial income and expenses	(25.87)	(120.23)
(62.52)	(13.68)	(109.22)	Net financial result	(76.20)	(165.50)
612.65	218.74	559.03	Profit from ordinary activities	831.39	1,762.06
(174.95)	(43.89)	(216.02)	Taxes on income	(218.84)	(468.22)
437.71	174.84	343.01	Net income for the period	612.55	1,293.84
300.65	131.90	225.52	thereof attributable to stockholders of the parent	432.54	1,011.30
9.36	9.47	9.47	thereof attributable to hybrid capital owners	18.83	18.83
127.70	33.48	108.03	thereof attributable to non-controlling interests	161.18	263.71
0.92	0.40	0.69	Basic earnings per share in EUR	1.33	3.10
0.92	0.40	0.69	Diluted earnings per share in EUR	1.32	3.09

¹ As of Q1/14, figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements". Further details are described in the subsection "Legal principles and general accounting policies"

Statement of comprehensive income (condensed, unaudited)

Q1/14	Q2/14	Q2/13	in EUR mn	6m/14	6m/13
437.71	174.84	343.01	Net income for the period	612.55	1,293.84
52.92	172.56	(364.82)	Exchange differences from translation of foreign operations	225.48	(206.03)
(0.01)	(0.22)	(1.04)	Gains/(losses) on available-for-sale financial assets	(0.23)	(1.39)
14.88	0.13	(23.21)	Gains/(losses) on hedges	15.01	(24.71)
(4.64)	(3.01)	(22.62)	Share of other comprehensive income of equity-accounted investments	(7.65)	(5.16)
63.15	169.46	(411.70)	Total of items that may be reclassified ("recycled") subsequently to the income statement	232.61	(237.29)
0.00	0.00	0.00	Total of items that will not be reclassified ("recycled") subsequently to the income statement	0.00	0.00
(4.58)	(0.85)	5.84	Income taxes relating to items that may be reclassified ("recycled") subsequently to the income statement	(5.43)	7.11
0.00	0.00	0.00	Income taxes relating to items that will not be reclassified ("recycled") subsequently to the income statement	0.00	0.10
(4.58)	(0.85)	5.84	Total income taxes relating to components of other comprehensive income	(5.43)	7.21
58.57	168.61	(405.85)	Other comprehensive income for the period, net of tax	227.18	(230.09)
496.28	343.45	(62.84)	Total comprehensive income for the period	839.73	1,063.76
345.62	249.19	(152.14)	thereof attributable to stockholders of the parent	594.81	791.60
9.36	9.47	9.47	thereof attributable to hybrid capital owners	18.83	18.83
141.30	84.79	79.84	thereof attributable to non-controlling interests	226.09	253.32

Notes to the income statement

Second quarter 2014 (Q2/14) vs. second quarter 2013 (Q2/13)

Consolidated sales decreased by 12% vs. Q2/13, mainly due to lower G&P sales. The **Group's reported EBIT** was at EUR 232 mn, significantly below Q2/13 at EUR 668 mn, driven by a lower E&P result, mainly due to higher depreciation and higher exploration expenses, as well as a lower marketing result. This was partly offset by positive contribution from G&P due to better gas supply and portfolio optimization. **OMV Petrom group's reported EBIT** was at EUR 143 mn, below Q2/13 (EUR 316 mn), mainly due to the impairment of the TOC asset in Kazakhstan in Q2/14 and the shutdown of Petrobrazil refinery which led to higher levels of stored own crude. **Net special items** of EUR (153) mn were recorded in Q2/14, mainly related to the impairment of the TOC asset in Kazakhstan (EUR (110) mn), as a consequence of the unsuccessful field redevelopment results and deteriorated fiscal conditions over recent years. Furthermore, the special items include the write-off of an exploration license in Tunisia (EUR (22) mn). **CCS effects** of EUR 16 mn were recognized in Q2/14 due to the increase of crude prices. **Clean CCS EBIT** decreased from EUR 734 mn in Q2/13 to EUR 369 mn. OMV Petrom's contribution to the Group's clean CCS EBIT was EUR 259 mn, 21% lower vs. Q2/13. The **net financial result** of EUR (14) mn in Q2/14 was significantly higher compared to EUR (109) mn in Q2/13, mainly due to an improved FX result as well as higher income from equity-accounted investments, while last year's quarter was burdened by the write-off of assets in relation to the Nabucco West project.

Current **taxes** on Group income of EUR (119) mn and deferred taxes of EUR 75 mn were recognized in Q2/14. The **effective tax rate** in Q2/14 was 20% (Q2/13: 39%). The lower effective tax rate in Q2/14 reflects mainly the production shut-ins in Libya and the strong at-equity contribution from Borealis.

Net income attributable to stockholders was EUR 132 mn vs. EUR 226 mn in Q2/13. Minority and hybrid interests were EUR 43 mn (Q2/13: EUR 117 mn). **Clean CCS net income attributable to stockholders** was EUR 202 mn (Q2/13: EUR 321 mn). **EPS** for the quarter was at EUR 0.40 and **clean CCS EPS** was at EUR 0.62 (Q2/13: EUR 0.69 and EUR 0.99 respectively).

Second quarter 2014 (Q2/14) vs. first quarter 2014 (Q1/14)

Consolidated sales decreased by 5%, mainly due to seasonally lower G&P sales. The Group's reported EBIT was at EUR 232 mn, significantly lower than in Q1/14 (EUR 675 mn), mainly driven by lower sales volumes and higher exploration expenses in E&P and the impairment of the TOC assets in Kazakhstan. Clean CCS EBIT decreased by 45%, from EUR 668 mn in Q1/14 to EUR 369 mn.

The net financial result was above last quarter, mainly driven by higher income from equity-accounted investments and dividends as well as less interest expenses due to repayment of a bond issued in 2009, in early April 2014.

The effective tax rate in Q2/14 was 20% (Q1/14: 29%). The lower tax rate in Q2/14 was mainly due to production shut-ins in Libya, a strong at-equity contribution from Borealis and higher exploration expenses in high-tax countries like Norway.

Net income attributable to stockholders was EUR 132 mn (Q1/14: EUR 301 mn). Clean CCS net income attributable to stockholders decreased to EUR 202 mn vs. EUR 302 mn in Q1/14.

January to June 2014 (6m/14) vs. January to June 2013 (6m/13)

A decrease of 10% in **consolidated sales** vs. 6m/13 was mainly driven by lower G&P sales. The **Group's reported EBIT** was at EUR 908 mn, 53% below 6m/13 at EUR 1,928 mn, as Q1/13 had a one-time positive EBIT effect of EUR 440 mn from the completed sale of LMG Lagermangement GmbH. Additionally, the 6m/14 result was impacted by lower sales volumes in Libya, partly compensated by sales volumes in Norway. **OMV Petrom's contribution to reported EBIT** decreased to EUR 470 mn vs. EUR 667 mn in 6m/13, mainly due to the impairment of the TOC asset in Kazakhstan. **Net special items** of EUR (127) mn resulted from the impairment of the TOC asset in Kazakhstan and the write-off of an exploration license in Tunisia. Negative **CCS effects** of EUR (2) mn were recognized (6m/13: EUR 84 mn). **Clean CCS EBIT** decreased by 34% to EUR 1,037 mn. OMV Petrom's contribution was EUR 588 mn, 14% below 6m/13.

In 6m/14, the **net financial result** of EUR (76) mn was better compared to EUR (166) mn in 6m/13. This effect was mainly caused by the write-off of assets in relation to the Nabucco West project, which was booked as a special item in the financial result in Q2/13, an improved FX result as well as a higher income from equity-accounted investments.

Current **taxes** on Group income of EUR (291) mn and deferred taxes of EUR 72 mn were recognized in 6m/14. The **effective tax rate** was 26% in 6m/14 (6m/13: 27%).

Net income attributable to stockholders was EUR 433 mn, below 6m/13 (EUR 1,011 mn). Minority and hybrid interests were EUR 180 mn (6m/13: EUR 283 mn). **Clean CCS net income attributable to stockholders** was EUR 504 mn (6m/13: EUR 671 mn). **EPS** was at EUR 1.33, **clean CCS EPS** was at EUR 1.54 (6m/13: EUR 3.10 and EUR 2.06 respectively).

Balance sheet, capital expenditure and gearing (unaudited)

Consolidated balance sheet in EUR mn ¹	Jun. 30, 2014	Dec. 31, 2013
Assets		
Intangible assets	3,538.13	3,596.92
Property, plant and equipment	17,846.20	17,050.76
Equity-accounted investments	1,912.13	1,853.14
Other financial assets	792.41	634.60
Other assets	108.49	113.26
Deferred taxes	404.86	392.34
Non-current assets	24,602.22	23,641.01
Inventories	2,668.62	2,455.51
Trade receivables	3,392.59	3,270.32
Other financial assets	1,003.19	751.70
Income tax receivables	75.82	81.67
Other assets	385.85	299.39
Cash and cash equivalents	442.71	704.92
Current assets	7,968.79	7,563.51
Assets held for sale	129.57	643.43
Total assets	32,700.58	31,847.94
Equity and liabilities		
Capital stock	327.27	327.27
Hybrid capital	740.79	740.79
Reserves	10,709.91	10,545.84
OMV equity of the parent	11,777.98	11,613.91
Non-controlling interests	2,961.33	2,931.43
Equity	14,739.31	14,545.34
Provisions for pensions and similar obligations	999.41	1,021.98
Bonds	3,216.85	3,317.82
Interest-bearing debts	555.32	581.29
Provisions for decommissioning and restoration obligations	2,755.05	2,764.54
Other provisions	273.83	305.80
Other financial liabilities	336.62	223.57
Other liabilities	9.22	6.34
Deferred taxes	623.83	672.84
Non-current liabilities	8,770.14	8,894.18
Trade payables	4,897.87	4,913.91
Bonds	166.82	778.21
Interest-bearing debts	1,136.13	217.42
Provisions for income taxes	314.21	275.89
Provisions for decommissioning and restoration obligations	114.11	84.02
Other provisions	410.15	415.41
Other financial liabilities	680.61	383.48
Other liabilities	1,452.26	1,189.07
Current liabilities	9,172.17	8,257.40
Liabilities associated with assets held for sale	18.95	151.02
Total equity and liabilities	32,700.58	31,847.94

¹ As of Q1/14, figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements". Further details are described in the subsection "Legal principles and general accounting policies"

Notes to the balance sheet as of June 30, 2014

Capital expenditure increased to EUR 1,805 mn (6m/13: EUR 1,125 mn), mainly driven by E&P investments in Romania and field developments in Norway.

E&P invested EUR 1,337 mn (6m/13: EUR 842 mn) mainly in drilling, workover activities and field redevelopments in Romania and field developments in Norway. CAPEX in the **G&P** business segment amounted to EUR 164 mn (6m/13: EUR 138 mn). CAPEX in the **R&M** business segment amounted to EUR 288 mn (6m/13: EUR 135 mn), mainly comprising investments in the modernization of the Petrobrazi refinery in Romania, Petrol Ofisi, the construction of the butadiene plant in Burghausen and the revamp of the butadiene plant in Schwechat. CAPEX in the **Co&O** segment was EUR 16 mn (6m/13: EUR 9 mn).

Compared to year-end 2013, **total assets** increased by EUR 853 mn to EUR 32,701 mn. Increasing effects came primarily from the rise in property, plant and equipment, trade receivables and the seasonal increase in inventories.

Equity increased by approximately 1%. The Group's equity ratio decreased slightly to 45% as of June 30, 2014, compared with 46% at the end of 2013.

The **total number of own shares** held by the Company as of June 30, 2014, amounted to 1,015,102 (December 31, 2013: 1,038,404).

Short- and long-term borrowings, bonds and finance leases stood at EUR 5,378 mn (December 31, 2013: EUR 5,076 mn), thereof EUR 303 mn liabilities for finance leases (December 31, 2013: EUR 182 mn).

The cash position decreased to EUR 443 mn (December 31, 2013: EUR 705 mn).

Net debt increased to EUR 4,935 mn compared to EUR 4,371 mn at the end of 2013 which is mainly attributable to the decrease of the cash position and the increase of short-term financing. On June 30, 2014, the **gearing ratio** stood at 33.5% (December 31, 2013: 30.1%).

Cash flows (condensed, unaudited)

Q1/14	Q2/14	Q2/13	Summarized statement of cash flows in EUR mn ¹	6m/14	6m/13
437.71	174.84	343.01	Net income for the period	612.55	1,293.84
542.59	702.79	530.44	Depreciation and amortization including write-ups	1,245.38	1,017.31
3.35	(75.29)	2.69	Deferred taxes	(71.93)	(14.73)
(5.22)	6.18	(10.30)	Losses/(gains) on the disposal of non-current assets	0.96	(9.16)
11.09	(11.17)	(71.61)	Net change in long-term provisions	(0.08)	(69.12)
25.79	(118.10)	(43.01)	Other adjustments	(92.31)	(442.81)
1,015.31	679.27	751.22	Sources of funds	1,694.57	1,775.34
295.48	(510.78)	(146.65)	(Increase)/decrease in inventories	(215.30)	537.43
(342.33)	179.36	319.71	(Increase)/decrease in receivables	(162.97)	(47.64)
(2.80)	277.84	264.54	(Decrease)/increase in liabilities	275.04	416.50
(58.50)	53.98	17.04	(Decrease)/increase in short-term provisions	(4.52)	(70.16)
907.16	679.66	1,205.85	Net cash from operating activities	1,586.82	2,611.48
			Investments		
(961.62)	(796.08)	(525.75)	Intangible assets and property, plant and equipment	(1,757.71)	(1,140.26)
(3.10)	(26.22)	(2.07)	Investments, loans and other financial assets including changes in short-term financial assets	(29.33)	(39.10)
			Disposals		
66.71	22.13	18.48	Proceeds from sale of non-current assets	88.84	41.07
17.30	286.34	106.03	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	303.64	742.08
(880.72)	(513.83)	(403.31)	Net cash from investing activities	(1,394.55)	(396.21)
(99.43)	(719.26)	(180.32)	(Decrease)/increase in long-term borrowings	(818.69)	(283.54)
0.00	0.00	0.00	Change in non-controlling interest	0.00	(34.28)
216.75	775.66	(231.25)	(Decrease)/increase in short-term borrowings	992.41	(52.27)
(0.08)	(632.62)	(615.99)	Dividends paid	(632.70)	(616.16)
117.24	(576.22)	(1,027.56)	Net cash from financing activities	(458.98)	(986.25)
			Effect of exchange rate changes on cash and cash equivalents		
3.23	1.27	(7.53)		4.50	(4.33)
146.91	(409.12)	(232.55)	Net (decrease)/increase in cash and cash equivalents	(262.21)	1,224.69
704.92	851.83	2,684.54	Cash and cash equivalents at beginning of period	704.92	1,227.30
851.83	442.71	2,451.98	Cash and cash equivalents at end of period	442.71	2,451.98

¹ As of Q1/14, figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements". Further details are described in the subsection "Legal principles and general accounting policies"

Notes to the cash flows

In 6m/14, 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 1,695 mn (6m/13: EUR 1,775 mn). In 6m/13, the non-cash position included the gain from the sale of LMG Lagermanagement GmbH, a company which holds and manages a major part of R&M's Austrian compulsory emergency stocks. **Net working capital** generated a cash outflow of EUR 108 mn (6m/13: inflow of EUR 836 mn), which led to a EUR 1,025 mn decrease in **cash flow from operating activities** as compared to 6m/13, reaching EUR 1,587 mn. The inflow in 6m/13 from net working capital was mainly a result of the successfully implemented working capital improvement measures such as securitization and factoring.

In 6m/14, **net cash used in investing activities** amounted to EUR 1,395 mn (6m/13: EUR 396 mn), mainly related to the investments in Norway and Romania. Apart from the payments for investments in intangible assets and property, plant and equipment (EUR 1,758 mn), the closure of the sale of the stake in Bayernoil together with other divestments 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 inflow of funds of EUR 192 mn (6m/13: EUR 2,215 mn). **Free cash flow less dividend payments** resulted in a cash outflow of EUR 440 mn (6m/13: inflow of EUR 1,599 mn).

Cash flow from financing activities reflected a net outflow of funds amounting to EUR 459 mn (6m/13: EUR 986 mn), mainly related to repayments of long-term debt and to the dividends paid during the period and, partially compensated by new short-term drawings.

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, 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

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, 2013	327.27	1,495.80	740.79	9,853.10	(502.66)	(11.85)	11,902.46	2,627.51	14,529.97
Net income for the period				1,030.13			1,030.13	263.71	1,293.84
Other comprehensive income for the period				0.10	(219.79)		(219.70)	(10.39)	(230.09)
Total comprehensive income for the period				1,030.23	(219.79)		810.43	253.32	1,063.76
Dividend distribution and hybrid coupon				(442.11)			(442.11)	(186.85)	(628.95)
Tax effects on transactions with owners				6.28			6.28		6.28
Disposal of treasury shares		0.90				0.44	1.34		1.34
Share-based payments		(0.23)					(0.23)		(0.23)
Increase/(decrease) in non-controlling interests				5.68			5.68	(3.34)	2.34
June 30, 2013	327.27	1,496.47	740.79	10,453.18	(722.45)	(11.40)	12,283.86	2,690.65	14,974.51

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 14, 2014, the Annual General Meeting approved the payment of an increased 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 194 mn in 6m/14. The interest payment to hybrid capital owners amounting to EUR 51 mn was also made in 6m/14.

Segment reporting

Intersegmental sales

Q1/14	Q2/14	Q2/13	Δ%	in EUR mn	6m/14	6m/13	Δ%
1,048.76	1,142.63	1,064.10	7	Exploration and Production	2,191.39	2,174.67	1
43.42	35.70	48.26	(26)	Gas and Power	79.12	106.19	(25)
11.36	10.66	14.22	(25)	Refining and Marketing	22.02	28.51	(23)
103.13	101.79	102.86	(1)	Corporate and Other	204.92	194.19	6
1,206.67	1,290.78	1,229.43	5	OMV Group	2,497.45	2,503.57	0

Sales to external customers

Q1/14	Q2/14	Q2/13	Δ%	in EUR mn ¹	6m/14	6m/13	Δ%
482.30	269.57	272.09	(1)	Exploration and Production	751.87	588.60	28
2,697.47	1,420.63	2,411.16	(41)	Gas and Power	4,118.10	6,231.02	(34)
6,644.34	7,615.12	7,883.21	(3)	Refining and Marketing	14,259.45	14,522.45	(2)
0.90	1.29	1.23	5	Corporate and Other	2.19	2.40	(9)
9,825.02	9,306.60	10,567.70	(12)	OMV Group	19,131.61	21,344.47	(10)

¹ As of Q1/14, figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements". Further details are described in the subsection "Legal principles and general accounting policies"

Total sales (not consolidated)

Q1/14	Q2/14	Q2/13	Δ%	in EUR mn ¹	6m/14	6m/13	Δ%
1,531.06	1,412.20	1,336.19	6	Exploration and Production	2,943.26	2,763.27	7
2,740.90	1,456.32	2,459.42	(41)	Gas and Power	4,197.22	6,337.21	(34)
6,655.69	7,625.78	7,897.43	(3)	Refining and Marketing	14,281.47	14,550.96	(2)
104.03	103.08	104.08	(1)	Corporate and Other	207.11	196.59	5
11,031.68	10,597.38	11,797.13	(10)	OMV Group	21,629.06	23,848.03	(9)

¹ As of Q1/14, figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements". Further details are described in the subsection "Legal principles and general accounting policies"

Segment and Group profit

Q1/14	Q2/14	Q2/13	Δ%	in EUR mn ¹	6m/14	6m/13	Δ%
600.57	211.06	596.67	(65)	EBIT Exploration and Production ²	811.64	1,250.73	(35)
56.42	21.72	(24.98)	n.m.	EBIT Gas and Power	78.14	62.47	25
38.70	60.15	90.70	(34)	EBIT Refining and Marketing	98.85	625.33	(84)
(10.73)	(22.29)	(7.70)	189	EBIT Corporate and Other	(33.02)	(16.85)	96
684.97	270.65	654.69	(59)	EBIT segment total	955.62	1,921.68	(50)
(9.79)	(38.24)	13.56	n.m.	Consolidation: Elimination of intersegmental profits	(48.03)	5.89	n.m.
675.18	232.41	668.25	(65)	OMV Group EBIT	907.59	1,927.57	(53)
(62.52)	(13.68)	(109.22)	(87)	Net financial result	(76.20)	(165.50)	(54)
612.65	218.73	559.03	(61)	OMV Group profit from ordinary activities	831.39	1,762.06	(53)

¹ As of Q1/14, figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements". Further details are described in the subsection "Legal principles and general accounting policies"

² Before intersegmental profit elimination shown in the line "Consolidation"

Assets ¹

in EUR mn	Jun. 30, 2014	Dec. 31, 2013
Exploration and Production	13,395.12	12,831.03
Gas and Power	2,211.52	2,089.76
Refining and Marketing	5,548.26	5,486.21
Corporate and Other	229.43	240.67
Total	21,384.33	20,647.67

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

Other notes

Significant transactions with related parties

Business transactions in the form of supplies of goods and services take place on a constant and regular basis with the associated company Borealis AG.

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, 2014			Dec. 31, 2013		
Financial instruments on asset side	Level 1	Level 2	Total	Level 1	Level 2	Total
Investment funds	7.05	–	7.05	6.65	–	6.65
Bonds	118.22	–	118.22	118.56	–	118.56
Derivatives designated and effective as hedging instruments	–	25.15	25.15	–	37.36	37.36
Other derivatives	2.46	363.84	366.29	2.55	68.59	71.14
Total	127.72	388.98	516.71	127.76	105.95	233.70

in EUR mn	Jun. 30, 2014			Dec. 31, 2013		
Financial instruments on liability side	Level 1	Level 2	Total	Level 1	Level 2	Total
Liabilities on derivatives designated and effective as hedging instruments	–	15.99	15.99	–	41.63	41.63
Liabilities on other derivatives	9.31	332.03	341.34	0.13	62.76	62.89
Total	9.31	348.02	357.33	0.13	104.39	104.52

There are no Level 3 financial instruments used in OMV Group. 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 5,075 mn (December 31, 2013: EUR 4,895 mn) are valued at amortized cost. The estimated fair value of these liabilities was EUR 5,507 mn (December 31, 2013: EUR 5,135 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, 2014

The Executive Board



Gerhard Roiss
Chairman of the Executive Board
and Chief Executive Officer



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



Hans-Peter Floren
Member of the Executive Board
Gas and Power



Jaap Huijskes
Member of the Executive Board
Exploration and Production



Manfred Leitner
Member of the Executive Board
Refining and Marketing including
petrochemicals

Further information

Strategic Incentive Plan

Starting with Q3/14, a new Strategic Incentive Plan (SIP) has commenced in order to support OMV's growth strategy. The SIP is a long-term compensation vehicle for Executive Board members, executive management levels and selected E&P experts, which promotes a stronger focus on the achievement of the major objectives in the context of OMV's strategy "Profitable Growth". The plan is set up to reward outstanding performance in terms of production growth and ROACE and any payout is linked to OMV's share price performance. For detailed information please see the OMV webpage at www.omv.com > About OMV > Corporate Governance & Organization > Executive Board > Remuneration.

Abbreviations and definitions

bbbl: barrel(s), i.e. approximately 159 liters; **bcf**: billion cubic feet; **bcm**: billion cubic meters; **bn**: billion; **boe**: barrel(s) of oil equivalent; **boe/d**: boe per day; **capital employed**: equity including non-controlling interests plus net debt; **cbm**: cubic meter; **CCS**: Current Cost of Supply; **Co&O**: Corporate and Other; **E&P**: Exploration and Production; **EPS**: Earnings Per Share; **EUR**: euro; **FX**: Foreign Exchange; **G&P**: Gas and Power; **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; **LTIR**: Lost-Time Injury Rate per million hours worked; **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; **R&M**: Refining and Marketing including petrochemicals; **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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Disclaimer regarding forward looking statements

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