



OMV Group Report January – March 2016

including interim consolidated financial statements as of March 31, 2016

- ▶ **Q1/16: Clean CCS net income attributable to stockholders at EUR 174 mn, down by 27% vs. Q1/15, clean CCS EBIT at EUR 167 mn, down by 50% vs. Q1/15**
- ▶ **Strong cash flow from operating activities at EUR 579 mn, up by 43% vs. Q1/15**
- ▶ **Planned activity reductions led to lower CAPEX (down by 34%) and lower exploration expenditure (down by 24%) vs. Q1/15**
- ▶ **Improved cost position supported the Group performance**
- ▶ **Takeover of the minority stake of 35.75% in EconGas by OMV cleared by the competition authority**
- ▶ **Strategic cooperations with Gazprom and ADNOC strengthened**

Rainer Seele, CEO of OMV:

“The year 2016 started with a further sharp decrease in oil prices, with average Brent price dropping 37% to USD 34/bbl in Q1/16 vs. Q1/15, and exceptionally low gas prices. In this environment, as outlined in our strategy, we are focusing primarily on cash and costs. Group CAPEX was 34% lower, exploration expenditures were down by 24% and Upstream OPEX in USD/boe decreased by 13% compared to Q1/15. The Downstream business achieved a solid result, supported by a strong petrochemical performance, continuing to show the benefits of our integrated business model. We also improved our cash flow from operating activities, driven by the cash generation in Downstream but also supported by increased production in Norway. In the past months, we have made further progress in implementing our strategy: We have agreed with Gazprom that a share in an OMV North Sea subsidiary will be discussed for the asset swap and we have signed a technical evaluation agreement with ADNOC. In restructuring our Downstream Gas business, we are currently preparing to fully integrate EconGas within OMV to enable us to develop a strong gas sales business in Northwest Europe.”

| Q4/15 | Q1/16 | Q1/15 | Δ% in EUR mn | 2015 | 2014 | Δ% |
|---------|-------|-------|---|---------|-------|------|
| (1,729) | 48 | 228 | (79) EBIT | (2,006) | 969 | n.m. |
| 187 | 167 | 333 | (50) Clean CCS EBIT | 1,390 | 2,238 | (38) |
| (1,017) | 95 | 163 | (42) Net income attributable to stockholders ¹ | (1,100) | 278 | n.m. |
| 180 | 174 | 237 | (27) Clean CCS net income attributable to stockholders ¹ | 1,148 | 1,132 | 1 |
| (3.11) | 0.29 | 0.50 | (42) Earnings Per Share (EPS) in EUR | (3.37) | 0.85 | n.m. |
| 0.55 | 0.53 | 0.73 | (27) Clean CCS EPS in EUR | 3.52 | 3.47 | 1 |
| 434 | 579 | 406 | 43 Cash flow from operating activities | 2,834 | 3,666 | (23) |
| – | – | – | n.a. Dividend Per Share (DPS) in EUR ² | 1.00 | 1.25 | (20) |

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

² 2015: As proposed by the Executive Board and confirmed by the Supervisory Board. Subject to confirmation by the Annual General Meeting 2016

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Disclaimer regarding forward looking statements

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

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

Directors' report

Financial highlights

| Q4/15 | Q1/16 | Q1/15 | Δ% | in EUR mn | 2015 | 2014 | Δ% |
|----------------|---------------|---------------|-------------|---|----------------|---------------|-------------|
| 5,043 | 3,991 | 5,826 | (31) | Sales ¹ | 22,527 | 35,913 | (37) |
| (1,526) | (103) | 29 | n.m. | EBIT Upstream | (2,371) | 1,466 | n.m. |
| (197) | 137 | 217 | (37) | EBIT Downstream | 334 | (538) | n.m. |
| (40) | (4) | (17) | (74) | EBIT Corporate and Other | (48) | (63) | (23) |
| 33 | 18 | (1) | n.m. | Consolidation: Elimination of inter-segmental profits | 79 | 104 | (24) |
| (1,729) | 48 | 228 | (79) | EBIT Group | (2,006) | 969 | n.m. |
| (411) | 77 | 111 | (30) | thereof EBIT OMV Petrom group | (114) | 719 | n.m. |
| (1,761) | (15) | 4 | n.m. | Special items ² | (3,028) | (908) | n.m. |
| (2) | (7) | (4) | 69 | thereof: Personnel and restructuring | (34) | (46) | (25) |
| (1,493) | 0 | (1) | (96) | Unscheduled depreciation | (2,771) | (833) | n.m. |
| (5) | 0 | 0 | n.m. | Asset disposal | (5) | (20) | (74) |
| (261) | (8) | 9 | n.m. | Other | (217) | (9) | n.m. |
| (155) | (104) | (109) | (4) | CCS effects: Inventory holding gains/(losses) | (368) | (361) | 2 |
| (62) | (97) | 33 | n.m. | Clean EBIT Upstream ³ | 139 | 1,669 | (92) |
| 247 | 225 | 260 | (13) | Clean CCS EBIT Downstream ³ | 1,178 | 604 | 95 |
| (39) | (4) | (16) | (73) | Clean EBIT Corporate and Other ³ | (43) | (48) | (12) |
| 41 | 44 | 57 | (23) | Consolidation: Elimination of inter-segmental profits | 116 | 13 | n.m. |
| 187 | 167 | 333 | (50) | Clean CCS EBIT ³ | 1,390 | 2,238 | (38) |
| 51 | 92 | 133 | (31) | thereof clean CCS EBIT OMV Petrom group ³ | 572 | 1,160 | (51) |
| 18 | 41 | (23) | n.m. | Net financial result | 97 | (177) | n.m. |
| (1,711) | 88 | 206 | (57) | Profit before tax | (1,909) | 792 | n.m. |
| (1,308) | 136 | 221 | (39) | Net income | (1,255) | 527 | n.m. |
| (1,017) | 95 | 163 | (42) | Net income attributable to stockholders ⁴ | (1,100) | 278 | n.m. |
| 180 | 174 | 237 | (27) | Clean CCS net income attributable to stockholders ^{3,4} | 1,148 | 1,132 | 1 |
| (3.11) | 0.29 | 0.50 | (42) | Earnings Per Share (EPS) in EUR | (3.37) | 0.85 | n.m. |
| 0.55 | 0.53 | 0.73 | (27) | Clean CCS EPS in EUR ³ | 3.52 | 3.47 | 1 |
| 434 | 579 | 406 | 43 | Cash flow from operating activities | 2,834 | 3,666 | (23) |
| 1.33 | 1.78 | 1.24 | 43 | Cash flow per share in EUR | 8.68 | 11.24 | (23) |
| 4,038 | 4,181 | 5,459 | (23) | Net debt | 4,038 | 4,902 | (18) |
| 28 | 29 | 35 | (17) | Gearing ratio in % | 28 | 34 | (16) |
| 772 | 467 | 707 | (34) | Capital expenditure | 2,769 | 3,832 | (28) |
| - | - | - | n.a. | Dividend Per Share (DPS) in EUR ⁵ | 1.00 | 1.25 | (20) |
| - | (10) | 2 | n.m. | ROFA in % | (9) | 5 | n.m. |
| - | (6) | 2 | n.m. | ROACE in % | (6) | 3 | n.m. |
| - | 7 | 8 | (3) | Clean CCS ROACE in % ³ | 8 | 9 | (11) |
| - | (9) | 2 | n.m. | ROE in % | (9) | 4 | n.m. |
| 24 | (54) | (8) | n.m. | Group tax rate in % | 34 | 33 | 2 |
| 24,124 | 23,687 | 25,287 | (6) | Employees | 24,124 | 25,501 | (5) |

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

¹ Sales excluding petroleum excise tax

² Special items are exceptional, non-recurring items and include unrealized gains/losses on commodity derivatives (starting with Q2/15), which are added back or deducted from EBIT. For more details please refer to Business Segments

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

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

⁵ 2015: As proposed by the Executive Board and confirmed by the Supervisory Board. Subject to confirmation by the Annual General Meeting 2016

Group performance

First quarter 2016 (Q1/16) vs. first quarter 2015 (Q1/15)

Consolidated sales decreased by 31% vs. Q1/15, mainly due to lower Downstream sales. **Clean CCS EBIT** decreased from EUR 333 mn in Q1/15 to EUR 167 mn, driven by a lower Upstream result due to declined oil and gas prices. **OMV Petrom group's Clean CCS EBIT** was at EUR 92 mn, below Q1/15 (EUR 133 mn), as Q1/16 was burdened by lower oil prices. **Net special items** of EUR (15) mn were recorded in Q1/16, mainly related to a further provision charged against the Gate LNG obligation and associated transportation commitments due to changes in discount rates and forward market prices. This was partly offset by the reduction in the fine imposed to OMV Petrom by the Romanian Competition Council in 2011, following the final court decision. Negative **CCS effects** of EUR (104) mn were recognized in Q1/16 due to the decrease of oil prices during the quarter. The **Group's reported EBIT** was at EUR 48 mn, below Q1/15 (EUR 228 mn), driven by a lower Upstream result due to the decline in oil and gas prices. **OMV Petrom's contribution to the Group's reported EBIT** was EUR 77 mn, 30% lower vs. Q1/15. The **net financial result** of EUR 41 mn in Q1/16 improved significantly compared to the EUR (23) mn reported in Q1/15, mainly due to a higher income from at equity-accounted investments and an improved net interest result.

Current taxes on Group income of EUR (11) mn and deferred taxes of EUR 59 mn were recognized in Q1/16. The **effective tax rate** in Q1/16 was (54)% (Q1/15: (8)%) and was mainly driven by the strong performance of at-equity consolidated companies, the negative contribution of Norway as well as tax incentives in Norway and the United Kingdom.

Net income attributable to stockholders was EUR 95 mn vs. EUR 163 mn in Q1/15. Minority and hybrid interests were EUR 41 mn (Q1/15: EUR 58 mn). **Clean CCS net income attributable to stockholders** was EUR 174 mn (Q1/15: EUR 237 mn). **EPS** for the quarter was at EUR 0.29 and **clean CCS EPS** was at EUR 0.53 (Q1/15: EUR 0.50 and EUR 0.73 respectively).

First quarter 2016 (Q1/16) vs. fourth quarter 2015 (Q4/15)

Consolidated sales in Q1/16 decreased by 21% vs. the previous quarter mainly due to lower product prices and seasonality in the Downstream Oil business. The **Group's Clean CCS EBIT** was at EUR 167 mn, lower compared with Q4/15 (EUR 187 mn) as a result of decreased oil prices and refining margins. The **Group's reported EBIT** increased from EUR (1,729) mn in Q4/15 to EUR 48 mn, as the Q4/15 result was burdened by impairments, mainly in the Upstream business. The net financial result was above last quarter, mainly driven by an improved net interest result.

The **effective tax rate** in Q1/16 was (54)% compared to 24% in Q4/15. The positive effective tax rate in Q4/15 was influenced by impairments. The negative effective tax rate in Q1/16 was mainly the result of the strong performance of at-equity consolidated companies, the negative contribution of Norway as well as tax incentives in Norway and the United Kingdom.

Net income attributable to stockholders was EUR 95 mn (Q4/15: EUR (1,017) mn). **Clean CCS net income attributable to stockholders** decreased to EUR 174 mn vs. EUR 180 mn in Q4/15.

Statement of financial position and capital expenditure

| Summarized statement of financial position in EUR mn | Mar. 31, 2016 | % | Dec. 31, 2015 | % |
|--|---------------|------------|---------------|------------|
| Assets | | | | |
| Non-current assets | 23,830 | 76 | 24,054 | 74 |
| Intangible assets and property, plant and equipment | 19,572 | 63 | 19,715 | 60 |
| Equity-accounted investments | 2,452 | 8 | 2,562 | 8 |
| Other non-current assets | 942 | 3 | 927 | 3 |
| Deferred tax assets | 864 | 3 | 850 | 3 |
| Current assets | 7,343 | 23 | 8,516 | 26 |
| Inventories | 1,582 | 5 | 1,873 | 6 |
| Trade receivables | 2,425 | 8 | 2,567 | 8 |
| Other current assets | 3,336 | 11 | 4,076 | 12 |
| Assets held for sale | 85 | 0 | 94 | 0 |
| Equity and liabilities | | | | |
| Equity | 14,371 | 46 | 14,298 | 44 |
| Non-current liabilities | 10,196 | 33 | 10,314 | 32 |
| Provisions for pensions and similar obligations | 1,043 | 3 | 1,045 | 3 |
| Bonds and other interest-bearing debts | 4,589 | 15 | 4,592 | 14 |
| Provisions for decommissioning and restoration obligations | 3,327 | 11 | 3,342 | 10 |
| Other provisions and liabilities | 1,051 | 3 | 1,105 | 3 |
| Deferred tax liabilities | 187 | 1 | 229 | 1 |
| Current liabilities | 6,661 | 21 | 8,021 | 25 |
| Trade payables | 2,722 | 9 | 3,380 | 10 |
| Bonds and other interest-bearing debts | 468 | 1 | 494 | 2 |
| Other provisions and liabilities | 3,472 | 11 | 4,147 | 13 |
| Liabilities associated with assets held for sale | 30 | 0 | 32 | 0 |
| Total assets/equity and liabilities | 31,258 | 100 | 32,664 | 100 |

Capital expenditure decreased to EUR 467 mn (Q1/15: EUR 707 mn).

Upstream invested EUR 373 mn (Q1/15: EUR 609 mn) mainly in field redevelopments, drilling and workover activities in Romania and field developments and redevelopments in Norway. CAPEX in **Downstream** amounted to EUR 92 mn (Q1/15: EUR 91 mn), thereof EUR 89 mn in Downstream Oil (Q1/15: EUR 88 mn) and EUR 2 mn in Downstream Gas (Q1/15: EUR 3 mn). CAPEX in the **Co&O** segment was EUR 2 mn (Q1/15: EUR 7 mn).

Compared to year-end 2015, **total assets** decreased by EUR 1,406 mn to EUR 31,258 mn, which is mainly related to a lower derivatives position as well as lower inventories as of March 31, 2016.

Equity increased by 1% in comparison to the previous year. The Group's equity ratio increased to 46% as of March 31, 2016, compared with the end of 2015 (44%).

The cash position decreased to EUR 1,169 mn (December 31, 2015: EUR 1,348 mn).

Net debt increased to EUR 4,181 mn compared to EUR 4,038 mn at the end of 2015. On March 31, 2016, the **gearing ratio** stood at 29.1% (December 31, 2015: 28.2%).

Cash flow

| Summarized statement of cash flows in EUR mn | Q1/16 | Q1/15 | Δ% |
|--|--------------|--------------|-------------|
| Sources of funds | 653 | 680 | (4) |
| Cash flow from operating activities | 579 | 406 | 43 |
| Cash flow from investing activities | (724) | (923) | (22) |
| Free cash flow | (145) | (517) | (72) |
| Cash flow from financing activities | (32) | 434 | n.m. |
| Effect of exchange rate changes on cash and cash equivalents | (2) | 11 | n.m. |
| Net (decrease)/increase in cash and cash equivalents | (179) | (73) | 147 |
| Cash and cash equivalents at beginning of period | 1,348 | 649 | 108 |
| Cash and cash equivalents at end of period | 1,169 | 576 | 103 |

In Q1/16, 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 653 mn (Q1/15: EUR 680 mn). **Net working capital components** in the cash flow statement generated a cash outflow of EUR 73 mn (Q1/15: EUR 274 mn). **Cash flow from operating activities** increased by EUR 173 mn, compared to Q1/15, reaching EUR 579 mn.

In Q1/16, net **cash from investing activities** resulted in an outflow of EUR 724 mn (Q1/15: EUR 923 mn), mainly related to investments in Romania and Norway.

Free cash flow (defined as net cash from operating activities less net cash used in investing activities) showed an outflow of funds of EUR 145 mn (Q1/15: EUR 517 mn). **Free cash flow less dividend payments** resulted in a cash outflow of EUR 145 mn (Q1/15: EUR 517 mn).

Cash flow from financing activities reflected a net outflow of funds amounting to EUR 32 mn (Q1/15: Net inflow of EUR 434 mn), mainly related to repayments of long-term debt partially compensated by new drawings of long-term debt and short-term borrowings.

Risk management

As an international oil and gas company with operations extending from hydrocarbon exploration and production through trading and marketing of mineral products and gas, OMV is exposed to a variety of risks including market and financial risks, operational and strategic risks. A detailed description of risks and risk management activities can be found in the Annual Report 2015 (pages 31-33).

For 2016 the main uncertainties which can influence OMV Group's performance remain the commodity price risk, FX risk, operational risks and also political as well as regulatory risks. The commodity price risk is being monitored constantly and when appropriate protective measures for the cash flow are taken. The inherent exposure to safety and environmental risks is monitored through HSSE (Health, Safety, Security and Environment) and risk management programs, having the clear commitment to maintain OMV's risks in line with industry standards.

See also Outlook section of Director's report below for more information on the current risks.

Outlook

Market environment

For the year 2016, OMV expects the **Brent** oil price to average around USD 40/bbl. The Brent-Urals spread is anticipated to be wider than in recent years. The **gas market environment** is expected to remain challenging in 2016. **Refining margins** are expected to be below 2015 levels due to persisting overcapacity in European markets. In the **petrochemical business**, margins are also expected to decline from 2015. Due to the decreased oil price, lower product prices are expected to support the demand for mineral oil products.

Group

- ▶ CAPEX (incl. capitalized E&A) for 2016 is expected to be around EUR 2.4 bn
- ▶ OMV is currently implementing a cost reduction and efficiency improvement program which targets savings of at least EUR 100 mn in 2017 vs. 2015 on a comparable basis

Upstream

- ▶ Production in Libya and Yemen is expected to be affected throughout the year due to the extended critical security situation. Excluding these two countries, OMV expects total production for 2016 to average approximately 300 kboe/d
- ▶ The combined production of Romania and Austria is expected to average in the range of 190-200 kboe/d. In Austria, a turnaround is planned at a gas facility in Q2/16 while in Romania works at onshore facilities, including shut-ins at key wells, are planned in H2/16
- ▶ In Norway, the average production for 2016 is expected to increase to above 60 kboe/d due to additional volumes mainly from the ramp up of Edvard Grieg. The total production level will be affected by planned turnarounds in Q3/16
- ▶ Upstream capital expenditure for 2016 is expected to be roughly 70% of total Group CAPEX and includes, among others, drilling and workover activities in Romania and Austria and the following major investment projects: Gullfaks, Aasta Hansteen and Edvard Grieg in Norway, Nawara in Tunisia, Schiehallion in the UK and field redevelopment projects in Romania
- ▶ In the Neptun Deep block (Romanian Black Sea), the second exploration drilling campaign was completed in January 2016 with seven wells finalized, the majority of them encountering gas. Further interpretation and analysis of the data gathered is required to enhance the assessment and determine the full block potential. The results of the drilling campaign are sufficiently encouraging to progress more detailed work to determine if a development is commercially viable
- ▶ Exploration and appraisal expenditure is expected to be around EUR 450 mn in 2016

Downstream

- ▶ Capacity utilization adjusted for turnaround periods is expected to remain high due to the strong performance in all sales channels and will support the stable profit and cash contribution from the Downstream Oil business
- ▶ Following the successful completion of the major shutdown in the Schwechat refinery, a further major shutdown is planned in the Petrobrazi refinery for approx. one month, starting at the end of May 2016
- ▶ OMV has initiated a process to sell up to 100% of its wholly owned subsidiary OMV Petrol Ofisi and has selected its advisors to support the potential transaction and the structuring of the envisaged process
- ▶ 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
- ▶ The divestment of a stake of up to 49% in Gas Connect Austria has been initiated and the transaction is expected to be signed in 2016
- ▶ The takeover of the minority stake of 35.75% in EconGas by OMV was cleared by the competition authority. Consequently, EconGas will be fully integrated into OMV Group, representing a further step in restructuring and increasing the efficiency of the gas business
- ▶ Final investment decision for the Nord Stream 2 pipeline project is planned to be taken in the course of 2016

Business Segments

Upstream

| Q4/15 | Q1/16 | Q1/15 | Δ% | in EUR mn | 2015 | 2014 | Δ% |
|---------|-------|-------|------|--|---------|-------|------|
| (1,526) | (103) | 29 | n.m. | EBIT | (2,371) | 1,466 | n.m. |
| (1,464) | (6) | (4) | 66 | Special items | (2,509) | (203) | n.m. |
| (62) | (97) | 33 | n.m. | Clean EBIT | 139 | 1,669 | (92) |
| 433 | 271 | 387 | (30) | Clean EBITD | 1,835 | 3,323 | (45) |
| 438 | 373 | 609 | (39) | Capital expenditure | 2,140 | 2,951 | (28) |
| 309 | 312 | 303 | 3 | Total hydrocarbon production in kboe/d | 303 | 309 | (2) |
| 176 | 175 | 184 | (5) | thereof OMV Petrom group | 179 | 180 | (1) |
| 14.2 | 14.6 | 13.5 | 8 | Crude oil and NGL production in mn bbl | 55.4 | 57.8 | (4) |
| 80.4 | 77.6 | 77.0 | 1 | Natural gas production in bcf | 309.5 | 309.7 | 0 |
| 43.76 | 33.94 | 53.94 | (37) | Average Brent price in USD/bbl | 52.39 | 98.95 | (47) |
| 40.61 | 30.93 | 47.87 | (35) | Average realized crude price in USD/bbl | 48.93 | 91.34 | (46) |
| 5.32 | 4.80 | 5.38 | (11) | Average realized gas price in USD/1,000 cf | 5.48 | 6.92 | (21) |
| 1.095 | 1.102 | 1.126 | (2) | Average EUR-USD FX-rate | 1.110 | 1.329 | (16) |
| 131 | 115 | 151 | (24) | Exploration expenditure in EUR mn | 607 | 693 | (12) |
| 185 | 36 | 61 | (40) | Exploration expenses in EUR mn | 707 | 460 | 54 |
| 12.28 | 12.15 | 13.96 | (13) | OPEX in USD/boe | 13.24 | 16.60 | (20) |

First quarter 2016 (Q1/16) vs. first quarter 2015 (Q1/15)

- ▶ Lower oil and gas prices negatively impacted the result in Q1/16
- ▶ Strict cost management and planned spending reductions led to lower OPEX and exploration costs
- ▶ Production was 3% higher than in Q1/15, driven by higher production in Norway

In Q1/16, the **average Brent price** in USD was 37% lower than in Q1/15. The Group's **average realized crude price** decreased by 35% and the **average realized gas price** in USD/1,000 cf decreased by 11% compared to Q1/15.

Clean EBIT turned negative to EUR (97) mn vs. EUR 33 mn in Q1/15, largely driven by lower oil and gas prices. Lower production costs and exploration expenses only partially offset this effect. **Exploration expenses** decreased to EUR 36 mn from EUR 61 mn in Q1/15, mainly driven by a lower activity level and the absence of write-offs of wells in Q1/16. Net special items recorded in the quarter amounted to EUR (6) mn, mainly relating to restructuring costs. These net special items led to a **reported EBIT** of EUR (103) mn (Q1/15: EUR 29 mn).

Production costs excluding royalties (OPEX) in USD/boe were 13% lower than in Q1/15, mainly due to lower service as well as personnel costs, driven by strict cost management, the favorable EUR-USD FX-rate and higher production. These effects were partly offset by higher costs in Norway due to the Edvard Grieg field coming on stream. OPEX in USD/boe at OMV Petrom decreased by 14%, driven mainly by lower service and personnel costs and supported by the RON-USD FX-rate development. OMV Group's **exploration expenditure** decreased to EUR 115 mn, down by 24% compared to Q1/15, reflecting lower activities in line with the revised exploration strategy. Thus, exploration expenditures were lower in Romania, the United Arab Emirates and Austria, partly offset by increased expenditures in Norway.

Total OMV daily production of oil, NGL and gas was 312 kboe/d. This was 3% higher than in Q1/15, driven by the higher contribution from Norway, partly offset by lower production in Romania and the shut-in in Yemen. OMV Petrom's total daily oil and gas production decreased by 5% compared to Q1/15, mainly due to natural decline reflecting the reduced investment level. **Total OMV daily oil and NGL production** increased by 7%, reflecting the strong contribution from Norway, driven by the contribution from the Edvard Grieg field which started production at the end of 2015. This was partly offset by the shut-in in Yemen. **Total OMV daily gas production** was 1% lower than in Q1/15, mainly due to declines in Romania and Austria, partly offset by increased production in Norway. **Total sales volumes** increased by 7%, predominantly related to higher volumes from Norway.

First quarter 2016 (Q1/16) vs. fourth quarter 2015 (Q4/15)

Clean EBIT decreased to EUR (97) mn in Q1/16 vs. EUR (62) mn in Q4/15, mainly driven by the further decline in oil and gas prices. This was partly offset by significantly lower exploration expenses and lower depreciation due to a lower asset base following the impairments recorded in Q4/15. In Q1/16, exploration expenses stood at EUR 36 mn, substantially below the EUR 185 mn in Q4/15 which, however, included significant impairments of exploration assets treated as special items (clean exploration expenses were EUR 130 mn in Q4/15). This was due to lower exploration activities and the absence of write-offs of wells in Q1/16. Total daily production increased by 1% compared to Q4/15. The increase was mainly driven by

higher production contribution from Norway, as the Edvard Grieg field was on stream for the whole quarter, while only for one month in Q4/15. Daily oil and NGL production increased by 4% due to higher production in Norway. Daily gas production was 2% lower compared to the previous quarter, mainly driven by lower volumes from Austria and Romania. Sales volumes were 5% lower compared to the previous quarter primarily as a result of lower gas sales in Austria due to lower customer nominations, lower sales volumes in Romania, and in Norway due to lifting schedules.

Downstream

| Q4/15 | Q1/16 | Q1/15 | Δ% | in EUR mn | 2015 | 2014 | Δ% |
|----------------------------|-------|-------|------|--|--------|--------|------|
| (197) | 137 | 217 | (37) | EBIT | 334 | (538) | n.m. |
| (296) | (9) | 9 | n.m. | Special items | (512) | (691) | (26) |
| (147) | (78) | (51) | 53 | CCS effects: Inventory holding gains/(losses) ¹ | (332) | (452) | (27) |
| 247 | 225 | 260 | (13) | Clean CCS EBIT ¹ | 1,178 | 604 | 95 |
| 288 | 204 | 205 | 0 | thereof Downstream Oil | 1,209 | 503 | 140 |
| (40) | 21 | 55 | (62) | thereof Downstream Gas | (30) | 101 | n.m. |
| 411 | 380 | 420 | (10) | Clean CCS EBITD ¹ | 1,823 | 1,240 | 47 |
| 326 | 92 | 91 | 0 | Capital expenditure | 608 | 850 | (28) |
| Downstream Oil KPIs | | | | | | | |
| 5.90 | 5.08 | 7.45 | (32) | OMV indicator refining margin in USD/bbl | 7.24 | 3.28 | 121 |
| 357 | 374 | 355 | 5 | Ethylene/propylene net margin in EUR/t ² | 419 | 397 | 6 |
| 94 | 90 | 92 | (2) | Utilization rate refineries in % | 93 | 89 | 4 |
| 7.64 | 6.82 | 6.58 | 4 | Total refined product sales in mn t | 29.98 | 31.10 | (4) |
| 2.60 | 2.22 | 2.23 | 0 | thereof retail sales volumes in mn t | 10.34 | 9.67 | 7 |
| 0.60 | 0.60 | 0.56 | 6 | thereof petrochemicals in mn t | 2.30 | 1.99 | 16 |
| Downstream Gas KPIs | | | | | | | |
| 28.71 | 32.49 | 38.00 | (14) | Natural gas sales volumes in TWh | 110.12 | 114.35 | (4) |
| 1.92 | 0.78 | 1.02 | (23) | Net electrical output in TWh | 5.41 | 5.81 | (7) |

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 Calculated based on West European Contract Prices (WECP)

First quarter 2016 (Q1/16) vs. first quarter 2015 (Q1/15)

- ▶ **Increased petrochemicals and Borealis contribution**
- ▶ **Downstream Oil result broadly stable despite decreased refining margins**
- ▶ **Downstream Gas burdened by weak market environment**

The **clean CCS EBIT** decreased to EUR 225 mn vs. EUR 260 mn in Q1/15, driven mainly by a lower contribution of the Downstream Gas business. Net special items of EUR (9) mn were recognized in Q1/16, mainly related to a further provision charged against the Gate LNG obligation and associated transportation commitments due to changes in discount rates and forward market prices. This was partly offset by the reduction in the fine imposed to OMV Petrom by the Romanian Competition Council in 2011, following the final court decision. Decreased crude prices over the quarter contributed to negative CCS effects of EUR (78) mn, which led to a **reported EBIT** of EUR 137 mn.

The **Downstream Oil** clean CCS EBIT decreased slightly to EUR 204 mn vs. EUR 205 mn in Q1/15, reflecting the lower refining margin which was partially compensated by a strong petrochemicals result and an improved OMV Petrol Ofisi contribution. The OMV indicator refining margin decreased from USD 7.45/bbl in Q1/15 to USD 5.08/bbl in Q1/16, mainly due to lower middle distillate spreads (OMV indicator refining margin West from USD 7.19/bbl in Q1/15 to USD 4.09/bbl in Q1/16; OMV indicator refining margin East from USD 8.24/bbl in Q1/15 to USD 8.06/bbl in Q1/16). Overall, the refinery utilization rate in Q1/16 was strong at 90% (92% in Q1/15), however affected by an external power supply failure in the Schwechat refinery. Total refined product sales were 4% above the level of Q1/15. In Q1/16, total retail sales volumes were stable compared to Q1/15. At EUR 53 mn, the clean petrochemicals EBIT was above the EUR 32 mn registered in Q1/15, driven by higher volumes and margins.

The contribution from **Borealis** (which is accounted for at-equity and therefore shown in the financial result of OMV Group) increased to EUR 92 mn in Q1/16 vs. EUR 50 mn in Q1/15, mainly driven by strong polyolefin margins and an improved contribution from the base chemicals business. The contribution from Borouge was however lower than in Q1/15, due to limited feedstock availability.

The **Downstream Gas** clean EBIT decreased to EUR 21 mn in Q1/16 vs. EUR 55 mn in Q1/15, as a result of a weak gas market environment resulting in lower gas sales volumes and low natural gas margins and a lower storage result. Additionally, the Q1/15 result reflected positive one-off effects. Natural gas sales volumes decreased by 14% to 32.49 TWh, mostly due to lower sales volumes in Romania and Austria. Overall, the natural gas sales margin was lower compared to the level of Q1/15. The contribution of the gas transportation business in Austria was broadly stable compared to Q1/15. Net electrical output decreased to 0.78 TWh in Q1/16 compared to 1.02 TWh in Q1/15. This resulted from a lower net electrical output in Turkey.

First quarter 2016 (Q1/16) vs. fourth quarter 2015 (Q4/15)

Clean CCS EBIT decreased to EUR 225 mn vs. EUR 247 mn, driven by a lower Downstream Oil result partly compensated by a significantly improved Downstream Gas result. The Downstream Oil clean CCS EBIT in Q1/16 was EUR 204 mn, lower than EUR 288 mn in Q4/15, mainly driven by the lower refining margins and lower sales volumes. The OMV indicator refining margin decreased vs. Q4/15, mainly due to lower middle distillates spreads partly compensated by lower crude prices (reducing the cost for own energy costs). The petrochemicals result remained on a comparable level to the previous quarter, amounting to EUR 53 mn in Q1/16 vs. EUR 52 mn in Q4/15. The retail business saw decreased sales volumes due to seasonality and network optimization activities at OMV Petrol Ofisi. The Downstream Gas clean EBIT increased significantly to EUR 21 mn in Q1/16 from EUR (40) mn in Q4/15, as the previous quarter was burdened by higher losses from valuation of forward contracts. Natural gas sales volumes increased in Q1/16, in the context of seasonally higher gas demand, to 32.49 TWh. The gas transportation business in Austria recorded a similar result compared to Q4/15. Net electrical output decreased from 1.92 TWh in Q4/15 to 0.78 TWh in Q1/16, due to the decrease in the net electrical output in Romania and Turkey.

Group interim financial statements (condensed, unaudited)

Income statement (unaudited)

| Q4/15 | Q1/16 | Q1/15 | Consolidated income statement in EUR mn | 2015 | 2014 |
|----------------|-------------|-------------|---|----------------|--------------|
| 5,043 | 3,991 | 5,826 | Sales revenues | 22,527 | 35,913 |
| (79) | (83) | (81) | Direct selling expenses | (327) | (342) |
| (6,188) | (3,497) | (5,076) | Production costs of sales | (22,174) | (32,613) |
| (1,225) | 411 | 668 | Gross profit | 26 | 2,958 |
| 100 | 107 | 86 | Other operating income | 392 | 337 |
| (244) | (251) | (224) | Selling expenses | (906) | (950) |
| (96) | (82) | (97) | Administrative expenses | (371) | (416) |
| (185) | (36) | (61) | Exploration expenses | (707) | (460) |
| (12) | (6) | (4) | Research and development expenses | (28) | (25) |
| (68) | (94) | (141) | Other operating expenses | (413) | (476) |
| (1,729) | 48 | 228 | Earnings Before Interest and Taxes (EBIT) | (2,006) | 969 |
| 76 | 95 | 44 | Income from equity-accounted investments | 345 | 180 |
| 87 | 92 | 50 | thereof Borealis | 356 | 205 |
| 8 | 8 | 0 | Dividend income | 37 | 16 |
| 13 | 22 | 11 | Interest income | 89 | 33 |
| (77) | (66) | (69) | Interest expenses | (304) | (362) |
| (2) | (19) | (9) | Other financial income and expenses | (70) | (44) |
| 18 | 41 | (23) | Net financial result | 97 | (177) |
| (1,711) | 88 | 206 | Profit before tax | (1,909) | 792 |
| 403 | 47 | 16 | Taxes on income | 654 | (265) |
| (1,308) | 136 | 221 | Net income for the period | (1,255) | 527 |
| (1,017) | 95 | 163 | thereof attributable to stockholders of the parent | (1,100) | 278 |
| 14 | 26 | 9 | thereof attributable to hybrid capital owners | 42 | 38 |
| (305) | 16 | 49 | thereof attributable to non-controlling interests | (197) | 211 |
| (3.11) | 0.29 | 0.50 | Basic Earnings Per Share in EUR | (3.37) | 0.85 |
| (3.11) | 0.29 | 0.50 | Diluted Earnings Per Share in EUR | (3.37) | 0.85 |
| - | - | - | Dividend Per Share (DPS) in EUR ¹ | 1.00 | 1.25 |

¹ 2015: As proposed by the Executive Board and confirmed by the Supervisory Board. Subject to confirmation by the Annual General Meeting 2016

Statement of comprehensive income (condensed, unaudited)

| Q4/15 | Q1/16 | Q1/15 | in EUR mn | 2015 | 2014 |
|----------------|-------------|-------------|--|----------------|--------------|
| (1,308) | 136 | 221 | Net income for the period | (1,255) | 527 |
| 74 | (31) | 638 | Exchange differences from translation of foreign operations | (109) | 309 |
| 0 | 0 | 10 | Gains/(losses) on available-for-sale financial assets | (1) | 0 |
| 24 | (5) | 37 | Gains/(losses) on hedges | 119 | (42) |
| 22 | (29) | 105 | Share of other comprehensive income of equity-accounted investments | 95 | 67 |
| 120 | (65) | 790 | Total of items that may be reclassified ("recycled") subsequently to the income statement | 103 | 335 |
| 19 | 0 | - | - Remeasurement gains/(losses) on defined benefit plans | 19 | (145) |
| 9 | - | - | Share of other comprehensive income of equity-accounted - investments | 9 | (22) |
| 28 | 0 | | Total of items that will not be reclassified ("recycled") - subsequently to the income statement | 28 | (167) |
| (9) | 4 | (21) | Income taxes relating to items that may be reclassified ("recycled") subsequently to the income statement | (36) | 3 |
| (5) | 0 | 0 | Income taxes relating to items that will not be reclassified ("recycled") subsequently to the income statement | (5) | (56) |
| (14) | 4 | (21) | Total income taxes relating to components of other comprehensive income | (41) | (52) |
| 134 | (61) | 768 | Other comprehensive income for the period, net of tax | 90 | 116 |
| (1,174) | 75 | 989 | Total comprehensive income for the period | (1,166) | 643 |
| (814) | 0 | 886 | thereof attributable to stockholders of the parent | (987) | 406 |
| 14 | 26 | 9 | thereof attributable to hybrid capital owners | 42 | 38 |
| (374) | 49 | 94 | thereof attributable to non-controlling interests | (221) | 199 |

Statement of financial position (unaudited)

| Statement of financial position in EUR mn | Mar. 31, 2016 | Dec. 31, 2015 |
|--|---------------|---------------|
| Assets | | |
| Intangible assets | 3,304 | 3,275 |
| Property, plant and equipment | 16,268 | 16,440 |
| Equity-accounted investments | 2,452 | 2,562 |
| Other financial assets | 847 | 846 |
| Other assets | 95 | 81 |
| Deferred taxes | 864 | 850 |
| Non-current assets | 23,830 | 24,054 |
| Inventories | 1,582 | 1,873 |
| Trade receivables | 2,425 | 2,567 |
| Other financial assets | 1,618 | 2,245 |
| Income tax receivables | 109 | 108 |
| Other assets | 439 | 374 |
| Cash and cash equivalents | 1,169 | 1,348 |
| Current assets | 7,343 | 8,516 |
| Assets held for sale | 85 | 94 |
| Total assets | 31,258 | 32,664 |
| Equity and liabilities | | |
| Capital stock | 327 | 327 |
| Hybrid capital | 2,231 | 2,231 |
| Reserves | 9,137 | 9,114 |
| OMV equity of the parent | 11,696 | 11,672 |
| Non-controlling interests | 2,675 | 2,626 |
| Equity | 14,371 | 14,298 |
| Provisions for pensions and similar obligations | 1,043 | 1,045 |
| Bonds | 3,722 | 3,721 |
| Interest-bearing debts | 867 | 871 |
| Provisions for decommissioning and restoration obligations | 3,327 | 3,342 |
| Other provisions | 544 | 535 |
| Other financial liabilities | 344 | 410 |
| Other liabilities | 162 | 160 |
| Deferred taxes | 187 | 229 |
| Non-current liabilities | 10,196 | 10,314 |
| Trade payables | 2,722 | 3,380 |
| Bonds | 301 | 295 |
| Interest-bearing debts | 166 | 200 |
| Provisions for income taxes | 201 | 215 |
| Provisions for decommissioning and restoration obligations | 108 | 100 |
| Other provisions | 374 | 418 |
| Other financial liabilities | 1,686 | 2,341 |
| Other liabilities | 1,102 | 1,074 |
| Current liabilities | 6,661 | 8,021 |
| Liabilities associated with assets held for sale | 30 | 32 |
| Total equity and liabilities | 31,258 | 32,664 |

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, 2016 | 327 | 1,500 | 2,231 | 8,613 | (989) | (10) | 11,672 | 2,626 | 14,298 |
| Net income for the period | | | | 120 | | | 120 | 16 | 136 |
| Other comprehensive income for the period | | | | 0 | (94) | | (94) | 34 | (61) |
| Total comprehensive income for the period | | | | 120 | (94) | | 26 | 49 | 75 |
| Dividend distribution and hybrid coupon | | | | | | | | 0 | 0 |
| Share-based payments | | (4) | | 1 | | | (2) | | (2) |
| March 31, 2016 | 327 | 1,496 | 2,231 | 8,734 | (1,083) | (10) | 11,696 | 2,675 | 14,371 |

| 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 | 1,503 | 741 | 10,117 | (1,086) | (11) | 11,591 | 2,924 | 14,514 |
| Net income for the period | | | | 173 | | | 173 | 49 | 221 |
| Other comprehensive income for the period | | | | 0 | 723 | | 723 | 45 | 768 |
| Total comprehensive income for the period | | | | 172 | 723 | | 895 | 94 | 989 |
| Share-based payments | | (6) | | 3 | | | (3) | | (3) |
| Increase/(decrease) in non-controlling interests | | | | (5) | | | (5) | (3) | (7) |
| March 31, 2015 | 327 | 1,496 | 741 | 10,288 | (362) | (11) | 12,478 | 3,015 | 15,493 |

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

Cash flows (condensed, unaudited)

| Q4/15 | Q1/16 | Q1/15 | Summarized statement of cash flows in EUR mn | 2015 | 2014 |
|--------------|--------------|--------------|---|----------------|----------------|
| (1,308) | 136 | 221 | Net income for the period | (1,255) | 527 |
| 2,162 | 536 | 526 | Depreciation, amortization and impairments including write-ups | 5,153 | 3,165 |
| (401) | (59) | (60) | Deferred taxes | (787) | (250) |
| 0 | 0 | 0 | Losses/(gains) on the disposal of non-current assets | (19) | 6 |
| 236 | 10 | 18 | Net change in long-term provisions | 233 | (14) |
| (34) | 29 | (25) | Other adjustments | (91) | (173) |
| 655 | 653 | 680 | Sources of funds | 3,234 | 3,262 |
| 101 | 258 | 102 | (Increase)/decrease in inventories | 207 | 271 |
| 676 | (35) | (290) | (Increase)/decrease in receivables | 512 | 184 |
| (996) | (259) | (5) | (Decrease)/increase in liabilities | (1,004) | (135) |
| (2) | (37) | (81) | (Decrease)/increase in short-term provisions | (114) | 85 |
| 434 | 579 | 406 | Cash flow from operating activities | 2,834 | 3,666 |
| | | | Investments | | |
| (595) | (717) | (904) | Intangible assets and property, plant and equipment | (2,978) | (3,834) |
| (33) | (29) | (31) | Investments, loans and other financial assets | (88) | (76) |
| | | | Disposals | | |
| 51 | 21 | 12 | Proceeds from sale of non-current assets | 193 | 175 |
| - | - | - | Proceeds from the sale of subsidiaries and businesses, net of cash disposed | - | 341 |
| (577) | (724) | (923) | Cash flow from investing activities | (2,874) | (3,394) |
| 15 | (66) | (19) | (Decrease)/increase in long-term borrowings | 137 | 39 |
| - | - | (7) | Change in non-controlling interest | (12) | (24) |
| (643) | 34 | 460 | (Decrease)/increase in short-term borrowings | (327) | 292 |
| 0 | 0 | 0 | Dividends paid | (530) | (650) |
| 1,490 | - | - | Capital increase and hybrid bond | 1,490 | - |
| 862 | (32) | 434 | Cash flow from financing activities | 758 | (342) |
| 17 | (2) | 11 | Effect of exchange rate changes on cash and cash equivalents | (19) | 14 |
| 736 | (179) | (73) | Net (decrease)/increase in cash and cash equivalents | 700 | (56) |
| 612 | 1,348 | 649 | Cash and cash equivalents at beginning of period | 649 | 705 |
| 1,348 | 1,169 | 576 | Cash and cash equivalents at end of period | 1,348 | 649 |

Selected notes to the interim consolidated financial statements

Legal principles

The interim condensed consolidated financial statements for the three months ended March 31, 2016, 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, 2015.

The condensed interim consolidated financial statements for Q1/16 are unaudited and an external review by an auditor was not performed.

The interim condensed consolidated financial statements for Q1/16 have been prepared in million EUR (EUR mn, EUR 1,000,000). Accordingly there may be rounding differences.

General accounting policies

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, 2015, except as described herein.

The following new and amended standards and interpretations have been implemented since January 1, 2016. None has had a material impact on the condensed interim financial statements.

- ▶ Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations
- ▶ Amendments to IAS 1 Disclosure Initiative
- ▶ Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization
- ▶ Amendments to IAS 27 Equity Method in Separate Financial Statements
- ▶ Annual Improvements to IFRSs 2012-2014 Cycle
- ▶ Amendments to IFRS 10, IFRS 12 and IAS 28 Investments Entities: Applying the Consolidation Exception

Changes in the consolidated Group

Compared with the consolidated financial statements as of December 31, 2015, there were no changes in the consolidated Group.

Seasonality and cyclicity

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 March 31, 2016, is given as part of the description of OMV's Business Segments in the Director's Report.

Notes to the income statement

Impairments

No impairments have been recognized in the first quarter of 2016.

Income tax

| Q4/15 | Q1/16 | Q1/15 | in EUR mn | 2015 | 2014 |
|-------|-------|-------|----------------------------|-------|-------|
| 403 | 47 | 16 | Taxes on income and profit | 654 | (265) |
| 2 | (11) | (44) | Current taxes | (133) | (515) |
| 401 | 59 | 60 | Deferred taxes | 787 | 250 |
| 24% | (54)% | (8)% | Effective tax rate | 34% | 33% |

Notes to the statement of financial position

Commitments

As at March 31, 2016, OMV had contractual obligations for the acquisition of intangible assets and property, plant and equipment of EUR 2,005 mn (December 31, 2015: EUR 1,909 mn) mainly relating to exploration and production activities in Upstream.

Inventories

During the three months ended March 31, 2016, there were no material write downs of inventories.

Equity

No dividends and interests on hybrid capital were distributed to OMV Aktiengesellschaft shareholders in Q1/16.

For the year 2015, a dividend payment of EUR 1.00 per share will be proposed to the Annual General Meeting, which will be held on May 18, 2016.

Dividend distributions to minorities amounted to EUR 0.2 mn in Q1/16.

The **total number of own shares** held by the Company as of March 31, 2016, amounted to 912,824 (December 31, 2015: 912,824).

Financial liabilities

As of March 31, 2016, short- and long-term borrowings, bonds and finance leases amounted to EUR 5,350 mn (December 31, 2015: EUR 5,386 mn), thereof EUR 286 mn liabilities for finance leases (December 31, 2015: EUR 290 mn).

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 | Mar. 31, 2016 | | | Dec. 31, 2015 | | |
|---|---------------|------------|--------------|---------------|--------------|--------------|
| | Level 1 | Level 2 | Total | Level 1 | Level 2 | Total |
| Financial instruments on asset side | | | | | | |
| Investment funds | 7 | - | 7 | 7 | - | 7 |
| Bonds | 113 | - | 113 | 97 | - | 97 |
| Derivatives designated and effective as hedging instruments | - | 124 | 124 | - | 165 | 165 |
| Other derivatives | 336 | 625 | 961 | 732 | 894 | 1,626 |
| Total | 456 | 749 | 1,204 | 836 | 1,059 | 1,895 |

| in EUR mn | Mar. 31, 2016 | | | Dec. 31, 2015 | | |
|--|---------------|------------|--------------|---------------|--------------|--------------|
| | Level 1 | Level 2 | Total | Level 1 | Level 2 | Total |
| Financial instruments on liability side | | | | | | |
| Liabilities on derivatives designated and effective as hedging instruments | - | 61 | 61 | - | 91 | 91 |
| Liabilities on other derivatives | 387 | 556 | 943 | 779 | 917 | 1,696 |
| Total | 387 | 617 | 1,004 | 779 | 1,008 | 1,787 |

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 5,056 mn (December 31, 2015: EUR 5,087 mn) are valued at amortized cost. The estimated fair value of these liabilities was EUR 5,557 mn (December 31, 2015: EUR 5,449 mn). The carrying amount of other financial liabilities is effectively the same as their fair value, as they are predominantly short-term.

Segment reporting

Intersegmental sales

| Q4/15 | Q1/16 | Q1/15 | Δ% | in EUR mn | 2015 | 2014 | Δ% |
|------------|------------|------------|-------------|---|--------------|--------------|-------------|
| 628 | 493 | 742 | (34) | Upstream | 2,883 | 4,284 | (33) |
| 21 | 20 | 23 | (14) | Downstream | 83 | 99 | (16) |
| 10 | 8 | 8 | (4) | thereof Downstream Oil | 32 | 43 | (24) |
| 54 | 36 | 44 | (18) | thereof Downstream Gas | 167 | 167 | 0 |
| (43) | (24) | (29) | (17) | thereof intrasegmental elimination Downstream | (116) | (111) | 5 |
| 96 | 91 | 100 | (9) | Corporate and Other | 393 | 416 | (6) |
| 745 | 604 | 866 | (30) | OMV Group | 3,359 | 4,799 | (30) |

Sales to external customers

| Q4/15 | Q1/16 | Q1/15 | Δ% | in EUR mn | 2015 | 2014 | Δ% |
|--------------|--------------|--------------|-------------|------------------------|---------------|---------------|-------------|
| 293 | 213 | 157 | 36 | Upstream | 1,017 | 1,489 | (32) |
| 4,749 | 3,777 | 5,668 | (33) | Downstream | 21,506 | 34,419 | (38) |
| 3,788 | 2,808 | 4,053 | (31) | thereof Downstream Oil | 17,290 | 27,787 | (38) |
| 961 | 969 | 1,614 | (40) | thereof Downstream Gas | 4,215 | 6,632 | (36) |
| 1 | 0 | 1 | (89) | Corporate and Other | 4 | 4 | 4 |
| 5,043 | 3,991 | 5,826 | (31) | OMV Group | 22,527 | 35,913 | (37) |

Total sales (not consolidated)

| Q4/15 | Q1/16 | Q1/15 | Δ% | in EUR mn | 2015 | 2014 | Δ% |
|--------------|--------------|--------------|-------------|---|---------------|---------------|-------------|
| 921 | 707 | 900 | (21) | Upstream | 3,900 | 5,773 | (32) |
| 4,770 | 3,797 | 5,691 | (33) | Downstream | 21,589 | 34,518 | (37) |
| 3,798 | 2,816 | 4,061 | (31) | thereof Downstream Oil | 17,323 | 27,830 | (38) |
| 1,015 | 1,006 | 1,658 | (39) | thereof Downstream Gas | 4,382 | 6,799 | (36) |
| (43) | (24) | (29) | (17) | thereof intrasegmental elimination Downstream | (116) | (111) | 5 |
| 97 | 91 | 101 | (10) | Corporate and Other | 397 | 420 | (6) |
| 5,788 | 4,595 | 6,692 | (31) | OMV Group | 25,886 | 40,711 | (36) |

Segment and Group profit

| Q4/15 | Q1/16 | Q1/15 | Δ% | in EUR mn | 2015 | 2014 | Δ% |
|----------------|-----------|------------|-------------|--|----------------|------------|-------------|
| (1,526) | (103) | 29 | n.m. | EBIT Upstream | (2,371) | 1,466 | n.m. |
| (197) | 137 | 217 | (37) | EBIT Downstream | 334 | (538) | n.m. |
| 138 | 150 | 153 | (3) | thereof EBIT Downstream Oil | 890 | (338) | n.m. |
| (334) | (12) | 64 | n.m. | thereof EBIT Downstream Gas | (555) | (200) | 178 |
| (40) | (4) | (17) | (74) | EBIT Corporate and Other | (48) | (63) | (23) |
| (1,762) | 30 | 230 | (87) | EBIT segment total | (2,085) | 865 | n.m. |
| 33 | 18 | (1) | n.m. | Consolidation: Elimination of intersegmental profits | 79 | 104 | (24) |
| (1,729) | 48 | 228 | (79) | OMV Group EBIT | (2,006) | 969 | n.m. |
| 18 | 41 | (23) | n.m. | Net financial result | 97 | (177) | n.m. |
| (1,711) | 88 | 206 | (57) | OMV Group profit before tax | (1,909) | 792 | n.m. |

Assets ¹

| in EUR mn | Mar. 31, 2016 | Dec. 31, 2015 |
|------------------------|---------------|---------------|
| Upstream | 12,971 | 13,036 |
| Downstream | 6,418 | 6,492 |
| thereof Downstream Oil | 4,932 | 4,985 |
| thereof Downstream Gas | 1,486 | 1,507 |
| Corporate and Other | 182 | 188 |
| Total | 19,572 | 19,715 |

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

Other notes

Transactions with related parties

In Q1/16, 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 | Q1/16 | | Q1/15 | |
|---|------------------------|-----------|------------------------|-----------|
| | Sales and other income | Purchases | Sales and other income | Purchases |
| Borealis | 227 | 7 | 308 | 4 |
| GENOL Gesellschaft m.b.H. & Co | 41 | 1 | 58 | 1 |
| Erdöl-Lagergesellschaft m.b.H. | 6 | 12 | 22 | 13 |
| Enerco Enerji Sanayi ve Ticaret A.Ş. | 0 | 45 | - | 78 |

| Balance sheet positions in EUR mn | Mar. 31, 2016 | Dec. 31, 2015 |
|-----------------------------------|---------------|---------------|
| Loans receivable | 16 | 19 |
| Trade receivables | 20 | 26 |
| Trade payables | 21 | 28 |
| Prepayments received | 165 | 168 |

In Q1/16, OMV received dividend income of EUR 153 mn (Q1/15: EUR 36 mn) from Borealis AG and EUR 7 mn (Q1/15: EUR nil) from Enerco Enerji Sanayi ve Ticaret A.Ş.

In June 2015, Borealis received a reassessment decision from the Finnish tax authority for its Finnish subsidiary Borealis Technology Oy with regard to the year 2010. The authority requested Borealis to pay an additional amount of EUR 125 mn, comprising taxes, late payment interest and penalties. This reassessment decision follows the reassessment decision received by Borealis at the end of 2014 for Borealis Technology Oy with regard to the year 2008 requesting Borealis to pay an additional EUR 282 mn. Borealis believes that both reassessment decisions are unjustified and has appealed by filing claims for adjustment with the Finnish tax authority's Board of Adjustment.

At the end of December 2015, Borealis received a reassessment decision from the Finnish tax authority for its Finnish subsidiary Borealis Polymers Oy with regard to the year 2009. The authority is requesting Borealis to pay an additional EUR 153 mn, an amount comprising taxes, late payment interest and penalties. Borealis believes also this reassessment decision is unjustified and has appealed against it by filing a claim for adjustment with the Finnish tax authority's Board of Adjustment.

Subsequent events

On April 29, 2016, OMV finalized the acquisition of 100% of the shares in FE-Trading GmbH, based in Anif (Austria) and FE-Trading trgovina d.o.o., based in Ljubljana (Slovenia). The companies operate a chain of unmanned filling stations in Austria and Slovenia.

Due to the limited information and time available after the transaction was closed, the initial accounting for the business combination is incomplete at the date of the interim financial statements approval. The effects on the Group's assets and liabilities and the consolidated statement of cash flows are not expected to be material.

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

Vienna, May 11, 2016

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



Johann Pleininger
Member of the Executive Board
Upstream



Manfred Leitner
Member of the Executive Board
Downstream

Further information

Abbreviations and definitions

bbbl: 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; **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 (ROFA, ROACE and ROE indicators are calculated on a rolling basis based on the previous four consecutive quarters); **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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