Investor News
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OMV Aktiengesellschaft

# Report January – June and Q2 2013

## including interim financial statements as of June 30, 2013

- **Clean CCS EBIT at EUR 733 mn; clean CCS net income attributable to stockholders at EUR 321 mn**
- **Cash flow from operating activities for the quarter at EUR 1,202 mn, up by 138% vs. Q2/12**
- **Strong balance sheet with gearing ratio at 15%**
- **Successful appraisal of the Zola gas discovery offshore Australia**
- **Exploration footprint enlarged via additional licenses in Norway and an exploration agreement with Abu Dhabi National Oil Company (ADNOC)**
- **In June, OMV divested its lubricants business**
- **Excellent free cash flow after dividends at EUR 1.6 bn in 6m/13 strongly supported by working capital reductions and disposals**

### Gerhard Roiss, CEO of OMV:

"In the first half year of 2013, our good operational performance as well as improvement measures under the performance program "energize OMV" contributed to a very strong free cash flow generation fueling our upstream growth. I am especially proud that we managed to achieve the highest year-on-year production growth in Romania since the acquisition of Petrom. We further enlarged our exploration portfolio in Norway where we now have a total of 23 offshore licenses in one of our most important areas of growth, as well as in Abu Dhabi where we signed a further upstream agreement with our partner ADNOC. In the promising Black Sea region, we advanced our exploration activities in Romania by completing the 3D seismic campaign in the Neptun block, and in Bulgaria by starting a significant 3D seismic acquisition. The sale of our lubricants business, together with the country exits in Bosnia-Herzegovina and Croatia, progresses the execution of our focused strategy: Grow upstream, optimize downstream."

| Q1/13 | Q2/13 | Q2/12 | Δ% | in EUR mn | 6m/13 | 6m/12 | Δ% |
|---|---|---|---|---|---|---|---|
| 1,261 | 667 | 621 | 7 | EBIT | 1,928 | 1,533 | 26 |
| 851 | 733 | 865 | (15) | Clean CCS EBIT | 1,584 | 1,665 | (5) |
| 786 | 226 | 283 | (20) | Net income attributable to stockholders [1] | 1,011 | 735 | 38 |
| 349 | 321 | 455 | (29) | Clean CCS net income attributable to stockholders [1] | 671 | 834 | (20) |
| 2.41 | 0.69 | 0.87 | (20) | EPS in EUR | 3.10 | 2.25 | 38 |
| 1.07 | 0.99 | 1.39 | (29) | Clean CCS EPS in EUR | 2.06 | 2.56 | (20) |
| 1,405 | 1,202 | 504 | 138 | Cash flow from operating activities | 2,607 | 1,795 | 45 |

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

### Content



**Moving more. Moving the future.**

# Directors' report (condensed, unaudited)

## Financial highlights

| Q1/13 | Q2/13 | Q2/12 | Δ% | in EUR mn | 6m/13 | 6m/12 | Δ% |
|---|---|---|---|---|---|---|---|
| 10,777 | 10,568 | 9,988 | 6 | Sales [1] | 21,345 | 20,356 | 5 |
| 654 | 597 | 621 | (4) | EBIT E&P [2] | 1,251 | 1,386 | (10) |
| 87 | (25) | 6 | n.m. | EBIT G&P | 62 | 105 | (41) |
| 536 | 90 | 23 | n.m. | EBIT R&M | 626 | 108 | n.m. |
| (9) | (8) | (18) | (57) | EBIT Corporate and Other | (17) | (30) | (44) |
| (8) | 14 | (11) | n.m. | Consolidation | 6 | (36) | n.m. |
| **1,261** | **667** | **621** | **7** | **EBIT Group** | **1,928** | **1,533** | **26** |
| 351 | 316 | 204 | 55 | thereof EBIT Petrom group | 667 | 616 | 8 |
| 427 | 1 | (139) | n.m. | Special items [3] | 428 | (139) | n.m. |
| (2) | (1) | (23) | (98) | thereof: Personnel and restructuring | (2) | (24) | (91) |
| (21) | 0 | (101) | n.m. | Unscheduled depreciation | (21) | (101) | (79) |
| 444 | (3) | 0 | n.m. | Asset disposal | 441 | 0 | n.m. |
| 6 | 5 | (15) | n.m. | Other | 11 | (13) | n.m. |
| (17) | (67) | (104) | (36) | CCS effects: Inventory holding gains/(losses) | (84) | 7 | n.m. |
| 653 | 597 | 743 | (20) | Clean EBIT E&P [2, 4] | 1,251 | 1,510 | (17) |
| 102 | (30) | 19 | n.m. | Clean EBIT G&P [4] | 72 | 118 | (39) |
| 112 | 160 | 129 | 24 | Clean CCS EBIT R&M [4] | 272 | 99 | 174 |
| (9) | (8) | (16) | (50) | Clean EBIT Corporate and Other [4] | (17) | (27) | (38) |
| (8) | 14 | (11) | n.m. | Consolidation | 6 | (36) | n.m. |
| **851** | **733** | **865** | **(15)** | **Clean CCS EBIT [4]** | **1,584** | **1,665** | **(5)** |
| 360 | 327 | 238 | 37 | thereof clean CCS EBIT Petrom group [4] | 687 | 617 | 11 |
| 1,203 | 559 | 595 | (6) | Income from ordinary activities | 1,762 | 1,497 | 18 |
| 951 | 343 | 360 | (5) | Net income | 1,294 | 986 | 31 |
| 786 | 226 | 283 | (20) | Net income attributable to stockholders [5] | 1,011 | 735 | 38 |
| **349** | **321** | **455** | **(29)** | **Clean CCS net income attributable to stockholders [4, 5]** | **671** | **834** | **(20)** |
| 2.41 | 0.69 | 0.87 | (20) | EPS in EUR | 3.10 | 2.25 | 38 |
| 1.07 | 0.99 | 1.39 | (29) | Clean CCS EPS in EUR [4] | 2.06 | 2.56 | (20) |
| 1,405 | 1,202 | 504 | 138 | Cash flow from operating activities | 2,607 | 1,795 | 45 |
| 4.31 | 3.69 | 1.55 | 138 | Cash flow per share in EUR | 7.99 | 5.50 | 45 |
| 2,415 | 2,183 | 4,403 | (50) | Net debt | 2,183 | 4,403 | (50) |
| 15 | 15 | 31 | (54) | Gearing in % | 15 | 31 | (54) |
| 568 | 552 | 536 | 3 | Capital expenditure | 1,120 | 889 | 26 |
| – | – | – | n.a. | ROFA in % [6] | 20 | 15 | 28 |
| – | – | – | n.a. | ROACE in % [6, 7] | 13 | 11 | 21 |
| – | – | – | n.a. | Clean CCS ROACE in % [4] | 12 | 12 | (3) |
| – | – | – | n.a. | ROE in % [6] | 14 | 13 | 11 |
| 21 | 39 | 40 | (3) | Group tax rate in % | 27 | 34 | (22) |
| 27,777 | 27,170 | 29,160 | (7) | Employees | 27,170 | 29,160 | (7) |

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

[1] Sales excluding petroleum excise tax.

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

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

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

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

[6] As of Q4/12, calculated on a rolling basis based on the previous four consecutive quarters. Historic figures were adjusted accordingly.

[7] As of Q4/12, the definitions for NOPAT and average capital employed were adjusted. Please see section "abbreviations and definitions" for details. Historic figures were adapted accordingly.

# Business segments

## Exploration and Production (E&P)

| Q1/13 | Q2/13 | Q2/12 | Δ% | in EUR mn | 6m/13 | 6m/12 | Δ% |
|---|---|---|---|---|---|---|---|
| 654 | 597 | 621 | (4) | EBIT | 1,251 | 1,386 | (10) |
| 1 | (1) | (123) | (100) | Special items | 0 | (124) | n.m. |
| 653 | 597 | 743 | (20) | Clean EBIT | 1,251 | 1,510 | (17) |
| 302 | 297 | 305 | (3) | Total hydrocarbon production in kboe/d | 299 | 302 | (1) |
| 183 | 184 | 182 | 1 | thereof Petrom group | 183 | 183 | 0 |
| 14.7 | 14.4 | 14.9 | (3) | Crude oil and NGL production in mn bbl | 29.1 | 29.2 | 0 |
| 69.8 | 70.4 | 72.0 | (2) | Natural gas production in bcf | 140.2 | 144.5 | (3) |
| 112.57 | 102.43 | 108.29 | (5) | Average Brent price in USD/bbl | 107.50 | 113.61 | (5) |
| 104.72 | 96.38 | 98.16 | (2) | Average realized crude price in USD/bbl | 100.66 | 101.49 | (1) |
| 1.321 | 1.306 | 1.281 | 2 | Average EUR-USD FX-rate | 1.313 | 1.297 | 1 |
| 121 | 137 | 68 | 101 | Exploration expenditure in EUR mn | 259 | 211 | 23 |
| 12.73 | 12.64 | 12.59 | 0 | OPEX in USD/boe | 12.68 | 12.79 | (1) |

### Second quarter 2013 (Q2/13) vs. second quarter 2012 (Q2/12)

- **Q2/13 results burdened by lower sales volumes**
- **Production decreased mainly due to missing volumes from the UK**
- **OPEX in USD/boe broadly flat thanks to ongoing cost saving measures and despite lower production**

The **Brent** price in USD was 5% below the Q2/12 level, while the Group's **average realized crude price** was only 2% down compared to Q2/12. This reflects a negative hedging result of EUR (32) mn in Q2/12, while no strategic oil price hedges have been entered into for the year 2013. The OMV Group's **average realized gas price** in EUR was 8% above the level of Q2/12.

**Clean EBIT** decreased by 20% to EUR 597 mn, mainly due to lower sales volumes in Libya, the UK and New Zealand as well as lower crude prices and a weaker USD against EUR. **Exploration expenses** came in 72% above Q2/12 (EUR 98 mn vs. EUR 57 mn in Q2/12) driven by write-offs in Tunisia (exploration license Jenein N), the UK (dry exploration wells Cambo-5 and Thunderer) and increased seismic activities in Norway. Net special charges of EUR (1) mn led to a reported **EBIT** of EUR 597 mn, 4% below the level of Q2/12 (EUR 621 mn).

**Production costs** excluding royalties (OPEX) in USD/boe were at the same level as in Q2/12 despite lower production volumes. At Petrom, OPEX in USD/boe decreased by 10% as a result of strict cost management and higher production volumes. OMV Group's total **exploration expenditure** doubled compared to Q2/12 to EUR 137 mn mainly as a consequence of higher activity levels in the UK, Norway, the Kurdistan Region of Iraq (Bina Bawi) and Romania (seismic activities).

**Total OMV daily production of oil, NGL and gas** was 3% below Q2/12 at 297 kboe. Petrom's total daily production was 1% above the level in Q2/12. **Total OMV daily oil and NGL production** decreased by 3%, mainly reflecting lower contributions from the UK due to the sold North Sea assets and the redevelopment of Schiehallion field, from Libya as a consequence of a temporary production shut-in due to security problems and strikes and from Kazakhstan due to equipment failure in the Komsomolskoe production facilities. **Total OMV daily gas production** was down 2% vs. Q2/12 as lower contributions from the UK due to the sold North Sea assets, Pakistan (natural decline in Sawan) and Austria (reservoir technical issues) more than offset higher gas volumes in Romania as a result of successful offshore workover campaigns. **Total sales quantity** decreased by 7% mainly due to lower sales volumes in Libya, the UK and New Zealand (lifting schedules).

### Second quarter 2013 (Q2/13) vs. first quarter 2013 (Q1/13)

Clean EBIT decreased by 9%, mainly due to lower crude prices. Exploration expenses were 15% lower compared to Q1/13, as Q1 was burdened by the write-off of an unsuccessful exploration well in Norway, and due to lower seismic costs in Romania, where the 3D seismic acquisition program in the Black Sea was completed during Q2/13. Reported EBIT came in 9% below the Q1/13 level at EUR 597 mn as no major special items were recorded. Total daily production was down by 2%. Daily oil and NGL production was down by 3%, mainly due to equipment failure in the Komsomolskoe production facilities in Kazakhstan, security problems and strikes in Libya as well as technical issues and floods in Austria. Daily gas production was stable, reflecting mainly higher gas production in Romania due to successful workovers offsetting the lower gas production in Austria. Overall sales volumes were slightly above the level of Q1/13, as a result of higher liftings in Tunisia and higher gas sales in Austria, mostly offset by lower volumes in Kazakhstan and Libya as well as in New Zealand due to lifting schedules.

### January to June 2013 (6m/13) vs. January to June 2012 (6m/12)

The **Brent** price in USD decreased by 5% compared to 6m/12. The Group's **average realized crude price** in USD/bbl decreased by 1% to USD 100.66/bbl. This reflects a negative hedging result of EUR (97) mn in 6m/12, while no strategic oil price hedges have been entered into for the year 2013. The Group's **average realized gas price** in EUR increased by 3%.

**Clean EBIT** came in 17% below 6m/12, mainly due to lower sales volumes, the lower oil price and a weaker USD against EUR. Reported **EBIT** in 6m/13 was only 10% lower as in 6m/12 net special charges of EUR (124) mn mainly related to the impairment of the gas field Strasshof (Austria) and personnel restructurings in Romania and Austria were recorded.

**Production costs** excluding royalties in USD/boe (OPEX) decreased by 1% compared to 6m/12, mainly driven by the improvement of production costs in Romania. At Petrom, OPEX was down by 6% mainly due to strict cost management. **Exploration expenditure** increased by 23% compared to 6m/12, chiefly driven by increased activities in the Kurdistan Region of Iraq (Bina Bawi), Tunisia, Pakistan, Norway, Australia (Bianchi) and New Zealand. **Total OMV daily production of oil, NGL and gas** was below the level of 6m/12, since higher production in Yemen (production was missing in 6m/12), Libya and Romania was more than offset by lower production in other areas, mainly from the UK (North Sea assets sale and Schiehallion redevelopment), Pakistan and Austria. **Total OMV daily oil and NGL production** was at the same level as in 6m/12, primarily due to higher volumes from Yemen and Libya, which compensated for lower volumes mainly from the UK. **Total OMV daily gas production** was down by 2% vs. 6m/12, as the gas production increase primarily in Romania was more than offset by production decreases mainly in Pakistan and the UK. Lower **sales volumes** mostly in Libya, the UK and Austria led to a total sales quantity decrease of 8% compared to 6m/12.

## Gas and Power (G&P)

| Q1/13 | Q2/13 | Q2/12 | Δ% | in EUR mn | 6m/13 | 6m/12 | Δ% |
|---|---|---|---|---|---|---|---|
| 87 | (25) | 6 | n.m. | EBIT | 62 | 105 | (41) |
| (14) | 5 | (13) | n.m. | Special items | (9) | (13) | (25) |
| 102 | (30) | 19 | n.m. | Clean EBIT | 72 | 118 | (39) |
| 135.78 | 85.02 | 89.45 | (5) | Gas sales volumes in TWh | 220.80 | 208.13 | 6 |
| 1,090,492 | 1,204,570 | 855,573 | 41 | Average storage capacities sold in cbm/h | 1,147,535 | 847,091 | 35 |
| 389 | 430 | – | n.a. | Gas transportation volumes sold entry/exit in TWh | 819 | – | n.a. |
| 0.82 | 0.23 | 0.08 | 193 | Net electrical output in TWh | 1.05 | 0.11 | n.m. |

### Second quarter 2013 (Q2/13) vs. second quarter 2012 (Q2/12)

- **EconGas severely burdened by oil-linked gas supply and depressed market environment**
- **Stable performance of the gas logistics business**
- **Power result impacted by planned shutdown of Brazi and low electricity prices**

**Clean EBIT** dropped to EUR (30) mn mainly due to the significant negative contribution of the business unit supply, marketing and trading. Reported **EBIT** stood at EUR (25) mn as a consequence of net special items of EUR 5 mn, mainly related to the partial reversal of the provisions for onerous contracts booked in Q4/12.

Total gas sales volumes in the business unit **supply, marketing and trading** decreased by 5% vs. Q2/12 from 89.45 TWh to 85.02 TWh predominantly due to lower wholesale volumes in EconGas and less trading activity. Trading volumes accounted for 66% of total reported gas sales volumes in Q2/13. **EconGas** recorded lower sales volumes to heating and power plant customers in Austria and lower trading volumes. The EconGas margin worsened vs. Q2/12 and was significantly negative as a consequence of mainly hub-priced sales contracts, with renegotiation of the long-term gas supply contracts not yet finalized. The very low utilization of the contracted capacity in Gate LNG due to continued high offtake prices in Asia contributed negatively to the result of EconGas. The result contribution of the gas business at **Petrom** was below the level of Q2/12, mainly due to lower margins as the previous year's margins reflected better commercial terms for domestic gas sales. Gas sales volumes in Romania increased by 3% to 11.50 TWh in Q2/13 vs. 11.16 TWh in Q2/12, driven by higher demand for domestic gas, supported by higher gas production, while the estimated natural gas consumption in Romania decreased by 16%. The average estimated import price was USD 420/1,000 cbm (EUR 31.0/MWh) and the regulated domestic gas price for non-households increased to RON 55.3/MWh (EUR 12.6/MWh) following the implementation of the gas price liberalization roadmap. In **Turkey**, OMV sold 2.90 TWh of natural gas and LNG.

In the business unit **gas logistics**, the storage business saw an increase in average storage capacities sold solely due to the contribution of the storage Etzel in Germany. However, a slightly negative result contribution of the storage Etzel was recorded due to a very challenging market environment. In the gas transportation business, the new gas market model with an entry/exit tariff system was introduced in Austria, which required the transformation of the existing point-to-point contracts. Therefore, the key performance indicator was changed to "gas transportation volumes sold entry/exit in TWh", which is reported from 2013 onwards. Lower margins on the secondary market as a consequence of adapted contracts led to a lower profit contribution of the gas transportation business.

The business unit **power** reported a total net electrical output of 0.23 TWh in Q2/13, mainly from the gas-fired power plant in Brazi (Romania). The average base load electricity price in Romania stood at EUR 28.2/MWh in Q2/13, down by 32% vs. Q2/12. Operations at the gas-fired power plant in Samsun (Turkey) had started by end of June 2013. Overall, the power business result was impacted by low electricity prices in Romania and the planned one-month shutdown of the power plant Brazi, which both resulted in a very low net electrical output.

### Second quarter 2013 (Q2/13) vs. first quarter 2013 (Q1/13)

Clean EBIT decreased significantly, mainly due to the negative contribution of the business unit supply, marketing and trading which was additionally impacted by the seasonally lower gas demand. Reported EBIT showed a similar trend. Total gas sales volumes in the supply, marketing and trading business were down by 37% due to seasonality and reduced trading activity. The performance of EconGas was burdened by lower gas demand, oil-linked gas supply contracts, hub-priced sales contracts, high logistics costs and the LNG business. Petrom's gas sales volumes decreased by 30%, compared to the 57% decrease in estimated Romanian gas consumption. In Turkey, gas sales volumes decreased slightly by 2%. The contribution of the storage business increased slightly whereas the transportation business recorded a lower result due to the aforementioned adapted contracts and despite an 11% increase in gas transportation volumes sold. Total net electrical output decreased significantly by 72%, mainly as a consequence of the planned one-month shutdown of the power plant

Brazi and a 21% decrease of the average base load electricity price in Romania. These factors led to a lower result of the power business.

## January to June 2013 (6m/13) vs. January to June 2012 (6m/12)

At EUR 72 mn, **clean EBIT** was down by 39% compared to 6m/12, driven by the negative performance of the business unit supply, marketing and trading which was not offset by the increased performance of the gas logistics business and the power business. Reported **EBIT** stood at EUR 62 mn (down by 41% vs. 6m/12) as a consequence of net special charges of EUR (9) mn, mainly related to the impairment of the heat recovery power plant in Weitendorf (Austria) in Q1/13.

The business unit **supply, marketing and trading** saw a 6% increase in gas sales volumes compared to 6m/12 driven by increased trading activities. However**, EconGas** was significantly burdened by the negative gas margins due to oil-linked gas supply and hub-priced sales as well as by a very competitive market environment. Gas sales of **Petrom** were 2% below the level of 6m/12, while the estimated Romanian gas consumption decreased by 8%. The result of Petrom's gas business was below the level of 6m/12 as 2012 reflected better commercial terms for domestic gas sales. In **Turkey**, OMV slightly increased sales of natural gas and LNG to 5.87 TWh in 6m/13.

Overall, the **gas logistics** business showed an increased performance in 6m/13 vs. last year's first six months. The increase in average storage capacity sold resulted from the contribution of the storage Etzel in Germany. The transportation business increased the result due to the start-up of the expansion of the West-Austria-Gas pipeline in January 2013.

In 6m/13, the **power** business recorded an improved result due to the contribution of the power plants in operation. The construction of the power plant Samsun in Turkey was completed and operations started by the end of June. In total, the net electrical output increased to 1.05 TWh vs. 0.11 TWh in 6m/12 as the gas-fired power plant in Brazi (Romania) started operations in August 2012. The average base load electricity price in Romania stood at EUR 31.8/MWh in 6m/13 vs. EUR 49.6/MWh in 6m/12.

## Refining and Marketing (R&M)

| Q1/13 | Q2/13 | Q2/12 | Δ% | in EUR mn | 6m/13 | 6m/12 | Δ% |
|---|---|---|---|---|---|---|---|
| 536 | 90 | 23 | n.m. | EBIT | 626 | 108 | n.m. |
| 441 | (3) | (2) | 94 | Special items | 437 | 1 | n.m. |
| (17) | (67) | (104) | (36) | CCS effects: Inventory holding gains/(losses) [1] | (84) | 7 | n.m. |
| 112 | 160 | 129 | 24 | Clean CCS EBIT [1] | 272 | 99 | 174 |
| 3.01 | 2.48 | 4.15 | (40) | OMV indicator refining margin in USD/bbl | 2.75 | 2.96 | (7) |
| 363 | 382 | 436 | (12) | Ethylene/propylene net margin in EUR/t [2] | 372 | 339 | 10 |
| 87 | 94 | 80 | 18 | Utilization rate refineries in % | 91 | 84 | 8 |
| 6.79 | 8.22 | 7.59 | 8 | Total refined product sales in mn t | 15.02 | 14.42 | 4 |
| 4.49 | 5.56 | 5.47 | 2 | thereof marketing sales volumes in mn t | 10.04 | 10.15 | (1) |
| 0.57 | 0.55 | 0.54 | 1 | thereof petrochemicals in mn t | 1.11 | 1.10 | 1 |

[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 Petrol Ofisi.
[2] Calculated based on West European Contract Prices (WECP).

### Second quarter 2013 (Q2/13) vs. second quarter 2012 (Q2/12)

- **Strong marketing results across all regions**
- **Increased refinery utilization rate at 94 %**
- **Improved results from refining East due to lower costs and higher volumes**

At EUR 160 mn, **clean CCS EBIT** increased vs. EUR 129 mn in Q2/12, despite a lower OMV indicator refining margin, driven by a strong performance in the marketing business and an increased contribution from refining. No significant special charges were recognized in Q2/13. Decreasing crude prices over the quarter contributed to negative CCS effects of EUR (67) mn, which led to a reported **EBIT** of EUR 90 mn (vs. EUR 23 mn in Q2/12).

The clean CCS EBIT in **refining** was above the level of Q2/12, mainly reflecting a better performance in refining East. The OMV indicator refining margin decreased significantly from USD 4.15/bbl in Q2/12 to USD 2.48/bbl, mainly as a result of decreased spreads for gasoline and middle distillates. **Refining West** was burdened by the decrease of the OMV indicator refining margin West from USD 4.90/bbl in Q2/12 to USD 3.45/bbl in Q2/13. At **Petrom**, the **refining** result improved considerably compared to Q2/12 (affected by the six-week planned shutdown of the Petrobrazi refinery), due to higher sales volumes and lower costs, in spite of the OMV indicator refining margin East being negative at USD (1.62)/bbl vs. USD 1.16/bbl in Q2/12. At EUR 47 mn, the clean **petrochemicals** EBIT was below the EUR 66 mn recorded in Q2/12, driven by lower ethylene/propylene margins.

Overall the **refinery utilization rate** stood at 94%, 18 % higher vs. Q2/12, which was burdened by the six-week shutdown in Petrobrazi. In refining West, the utilization rate was at a level of 95% vs. 89% in Q2/12, mainly driven by increased sales in Austria and Germany. The utilization rate of the refinery Petrobrazi reached 92% in Q2/13 compared to 43% in the same period of last year, reflecting the above mentioned shutdown.

The contribution from **Borealis** (which is accounted for at equity and therefore shown in the financial result of OMV Group) decreased by EUR 10 mn to EUR 30 mn in Q2/13 as a result of subdued market conditions for the European polyolefins business and a slightly lower contribution from Borouge while the base chemicals business showed a stable performance. The Borouge 3 expansion project is on track and will increase the annual production capacity of the integrated olefins/polyolefins site in Abu Dhabi from 2 mn t to 4.5 mn t by mid-2014.

The clean **marketing** EBIT was well above the level of Q2/12, driven by higher volumes, a better cost position and higher margins in retail. Overall, marketing **sales volumes** were up by 2% compared to Q2/12. As of June 30, 2013, the total number of **filling stations** in OMV Group stood at 4,244 compared to 4,474 at the end of June 2012, due to the sales of the marketing subsidiaries in Croatia and Bosnia-Herzegovina as well as network optimization mainly in Austria and Turkey.

### Second quarter 2013 (Q2/13) vs. first quarter 2013 (Q1/13)

At EUR 160 mn, clean CCS EBIT of the business segment R&M was higher than the EUR 112 mn in Q1/13, despite a lower OMV indicator refining margin, driven by a strong marketing performance across all regions and a solid contribution from refining. Decreased crude prices over the quarter led to negative CCS effects of EUR (67) mn. The reported EBIT came in at EUR 90 mn, significantly lower due to the net special income from the completed sale of LMG Lagermanagement GmbH (LMG) in Q1/13. The OMV indicator refining margin decreased, mainly influenced by weaker middle distillates and naphtha spreads as well as a narrower Urals differential. These effects were almost fully compensated by a higher refinery utilization rate after the scheduled partial turnaround in Bayernoil in Q1/13. The petrochemicals result was at EUR 47 mn, above the level of Q1/13, mainly due to lower naphtha prices and despite lower sales volumes. The marketing business contributed significantly to the overall R&M result, driven by a seasonal increase in volumes, improved margins and cost discipline.

### January to June 2013 (6m/13) vs. January to June 2012 (6m/12)

At EUR 272 mn, **clean CCS EBIT** came in significantly higher than the EUR 99 mn in 6m/12, coming from an improved performance in both refining and marketing. Net special gains in 6m/13 of EUR 437 mn, mainly related to the completed sale of LMG, and negative CCS effects of EUR (84) mn (vs. EUR 7 mn in 6m/12) led to a reported **EBIT** significantly above last year's level (EUR 626 mn vs. EUR 108 mn in 6m/12).

The **refining** result strongly increased compared to 6m/12, despite a small decline in the OMV indicator refining margin, mainly due to higher petrochemical margins and lower costs in refining East as well as higher volumes. The OMV indicator refining margin East stood at USD (1.25)/bbl in 6m/13, slightly up compared to USD (1.28) in 6m/12.

Overall the **refinery utilization rate** increased to 91% (vs. 84% in 6m/12) due to a scheduled six-week shutdown in Petrobrazi in Q2/12.

The clean **petrochemicals** EBIT was up from EUR 73 mn to EUR 88 mn, mainly due to higher ethylene and propylene margins, partly offset by lower butadiene margins.

The clean **marketing** result came in above the level of 6m/12, mainly driven by higher margins and lower costs and despite lower volumes.

# Outlook 2013

## Market environment

For 2013, 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 the European **gas market**, hub prices increasingly determine the market prices rather than the oil-linked gas contracts. In Romania, the published roadmap towards gas price liberalization foresees one further domestic gas price increase in 2013 (in October). All planned price increases have so far been executed. **Refining margins**, which experienced a high in 2012, are expected to remain at lower levels in 2013 due to subdued demand and persisting overcapacity. In the **petrochemical business**, margins are expected to remain on average at the 2012 level. **Marketing** volumes are expected to remain under pressure due to subdued demand caused by the weak economic environment in OMV's core markets.

## Group

- CAPEX before acquisitions for 2013 is expected to increase to around EUR 2.8 bn following the acquisitions in Norway
- OMV aims to achieve world class HSSE standards with zero fatalities and the reduction of the lost-time injury rate (LTIR) from 0.69 in 2012
- The group-wide performance improvement program "energize OMV", which targets a 2% points ROACE increase by 2014, is on track and will be further progressed

## Exploration and Production

- In 2013, production is expected to be broadly similar to 2012
- Capital expenditure will increase in 2013, representing approx. 70% of overall Group CAPEX before acquisitions, with a large part expected for the acquired projects Edvard Grieg and Aasta Hansteen in Norway and for field redevelopments in Petrom
- In Romania, a large 3D seismic survey of the Neptun block was completed. Following data interpretation, a new drilling campaign is anticipated to start late 2013 / beginning of 2014
- In Libya, production interruptions have occurred during the first half of the year. Production levels have since largely normalized
- In Yemen, production in Q2 remained stable vs. Q1 although the security situation remains uncertain. The Habban development restarted at a low pace in April and is ongoing
- In Pakistan, the Latif field development is expected to come on stream in Q3/13 and the Mehar project is expected to come on stream in Q4/13
- In Tunisia, the final investment decision for the Nawara gas field development is currently planned for Q4/13
- In the UK, the final investment decision for Rosebank is expected in Q1/14
- In the Kurdistan Region of Iraq, the field development plan for Bina Bawi (BB) is progressing. The testing programs for the wells BB-4 and BB-5 were finished and reveal limited oil volumes but significant gas potential, albeit sour gas
- E&P will further increase its exploration and appraisal expenditure vs. 2012. In H2/13, four high impact exploration wells are planned to spud: Three in the Norwegian Barents Sea (Bonna, Wisting Central and Wisting Main) and one in the Taranaki basin offshore New Zealand (Matuku)

## Gas and Power

- EconGas will focus on finalizing the renegotiations of the long-term gas supply contracts with Gazprom and Statoil to adjust pricing to current market circumstances. The contract with Gazprom allows for the possibility of a price adjustment from April 2013 respectively the contract with Statoil from October 2013
- The storage market is expected to be challenging due to the overall gas oversupply situation at all European trading spots, as well as low summer/winter spreads
- The gas-fired power plant Samsun (Turkey) has started operations. Spark spreads in Turkey as well as in Romania are expected to remain depressed

## Refining and Marketing

- Further steps of the Petrobrazi refinery modernization program are ongoing, with finalization due in 2014
- No major refinery shutdowns are planned for the rest of 2013
- The divestment program with the aim of generating up to EUR 1 bn by 2014 will be progressed further

# 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, 2013, 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, 2012.

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, 2012, except as described herein.

The condensed interim consolidated financial statements for Q2/13 are unaudited and an external review by an auditor was not performed.

The standard IFRS 13 "Fair Value Measurement", the amendments to IFRS 7 "Financial Instruments: Disclosures", the amendments to IAS 1 "Presentation of Financial Statements", and the Improvements to IFRSs (2009 – 2011) have been implemented since January 1, 2013, without material impact for the condensed interim financial statements.

## Changes in the consolidated Group

Compared with the consolidated financial statements as of December 31, 2012, the consolidated Group changed as follows:

In E&P, OMV Tellal Hydrocarbons GmbH, Vienna, was included starting January 1, 2013.

The sale of Petrol Ofisi Arama Üretim Sanayi ve Ticaret Anonim Şirketi, Ankara, was closed on March 14, 2013.

OMV (EGYPT) Exploration GmbH, OMV (IRELAND) Exploration GmbH and OMV (SLOVAKIA) Exploration GmbH, all based in Vienna, were deconsolidated as of January 1, 2013.

In R&M, LMG Lagermanagement GmbH, Wiener Neustadt, into which a major part of R&M's Austrian compulsory emergency stocks was transferred, was included starting from January 1, 2013, until it was sold on March 20, 2013.

The sale of PETROM LPG SA, Otopeni, was closed on January 7, 2013.

The sale of OMV BH d.o.o., Sarajevo, was closed on February 28, 2013.

The sale of OMV Hrvatska d.o.o., Zagreb, was closed on May 31, 2013.

## Seasonality and cyclicality

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, 2013, is given as part of the description of OMV's business segments.

## Income statement (unaudited)

| Q1/13 | Q2/13 | Q2/12 | Consolidated income statement in EUR mn | 6m/13 | 6m/12 |
|---|---|---|---|---|---|
| 10,776.90 | 10,567.94 | 9,988.18 | Sales revenues | 21,344.84 | 20,356.49 |
| (90.25) | (74.48) | (90.36) | Direct selling expenses | (164.73) | (176.90) |
| (9,379.15) | (9,376.68) | (8,810.79) | Production costs of sales | (18,755.82) | (17,676.70) |
| **1,307.50** | **1,116.78** | **1,087.04** | **Gross profit** | **2,424.29** | **2,502.89** |
| 497.94 | 54.20 | 35.74 | Other operating income | 552.13 | 91.16 |
| (230.91) | (234.44) | (233.24) | Selling expenses | (465.35) | (470.31) |
| (105.30) | (105.92) | (106.75) | Administrative expenses | (211.22) | (220.39) |
| (114.63) | (98.00) | (57.12) | Exploration expenses | (212.63) | (187.23) |
| (3.10) | (3.77) | (3.73) | Research and development expenses | (6.87) | (7.63) |
| (90.70) | (61.68) | (100.78) | Other operating expenses | (152.37) | (175.23) |
| **1,260.80** | **667.17** | **621.16** | **Earnings before interest and taxes (EBIT)** | **1,927.97** | **1,533.26** |
| 31.67 | 31.81 | 45.16 | Income from associated companies | 63.48 | 114.04 |
| 21.93 | 29.64 | 40.08 | thereof Borealis | 51.56 | 90.26 |
| 0.12 | 5.90 | 10.98 | Dividend income | 6.02 | 11.17 |
| 20.98 | 10.10 | 8.22 | Interest income | 31.08 | 16.67 |
| (76.07) | (70.70) | (100.53) | Interest expenses | (146.77) | (177.85) |
| (34.54) | (85.70) | 10.32 | Other financial income and expenses | (120.23) | 0.05 |
| **(57.84)** | **(108.59)** | **(25.85)** | **Net financial result** | **(166.43)** | **(35.92)** |
| **1,202.96** | **558.58** | **595.32** | **Profit from ordinary activities** | **1,761.54** | **1,497.34** |
| (252.13) | (215.57) | (235.71) | Taxes on income | (467.70) | (511.29) |
| **950.83** | **343.01** | **359.61** | **Net income for the period** | **1,293.84** | **986.04** |
| | | | | | |
| **785.78** | **225.52** | **283.45** | **thereof attributable to stockholders of the parent** | **1,011.30** | **735.23** |
| 9.36 | 9.47 | 9.46 | thereof attributable to hybrid capital owners | 18.83 | 18.90 |
| 155.68 | 108.03 | 66.70 | thereof attributable to non-controlling interests | 263.71 | 231.92 |
| **2.41** | **0.69** | **0.87** | **Basic earnings per share in EUR** | **3.10** | **2.25** |
| 2.40 | 0.69 | 0.86 | Diluted earnings per share in EUR | 3.09 | 2.24 |

## Statement of comprehensive income (condensed, unaudited)

| Q1/13 | Q2/13 | Q2/12 | in EUR mn | 6m/13 | 6m/12 |
|---|---|---|---|---|---|
| **950.83** | **343.01** | **359.61** | **Net income for the period** | **1,293.84** | **986.04** |
| 158.79 | (364.82) | 186.22 | Exchange differences from translation of foreign operations | (206.03) | 153.49 |
| (0.35) | (1.04) | 0.09 | Gains/(losses) on available-for-sale financial assets | (1.39) | 1.85 |
| (1.51) | (23.21) | 234.67 | Gains/(losses) on hedges | (24.71) | 91.16 |
| 17.47 | (22.62) | 27.76 | Share of other comprehensive income of associated companies | (5.16) | 23.65 |
| **174.40** | **(411.70)** | **448.74** | **Total of items that may be reclassified ("recycled") subsequently to the income statement** | **(237.29)** | **270.15** |
| 1.36 | 5.84 | (45.41) | Income tax relating to components of other comprehensive income | 7.21 | (17.65) |
| **175.76** | **(405.85)** | **403.33** | **Other comprehensive income for the period, net of tax** | **(230.09)** | **252.50** |
| **1,126.60** | **(62.84)** | **762.94** | **Total comprehensive income for the period** | **1,063.76** | **1,238.55** |
| 943.75 | (152.14) | 657.65 | thereof attributable to stockholders of the parent | 791.60 | 1,029.53 |
| 9.36 | 9.47 | 9.46 | thereof attributable to hybrid capital owners | 18.83 | 18.90 |
| 173.49 | 79.84 | 95.83 | thereof attributable to non-controlling interests | 253.32 | 190.12 |

## Notes to the income statement

### Second quarter 2013 (Q2/13) vs. second quarter 2012 (Q2/12)

**Consolidated sales** increased by 6% vs. Q2/12, mainly driven by higher marketing sales volumes. The **Group's reported EBIT** was at EUR 667 mn, 7% above Q2/12, supported by better retail margins and lower costs in marketing as well as in refining East, partly offset by lower oil prices, the negative performance of EconGas and lower petrochemical and OMV refining indicator margins. **Petrom group's reported EBIT** was at EUR 316 mn, better vs. Q2/12 (EUR 204 mn), mainly due to a better performance in refining since Q2/12 was affected by the six-week planned shutdown of the Petrobrazi refinery. In Q2/13, no significant **net special charges** were recorded. Negative **CCS effects** of EUR (67) mn were recognized in Q2/13 due to the decrease of crude prices over the quarter. **Clean CCS EBIT** decreased from EUR 865 mn in Q2/12 to EUR 733 mn. Petrom's contribution to the Group's clean CCS EBIT was EUR 327 mn, 37% higher vs. Q2/12.

The **net financial result** of EUR (109) mn for Q2/13 was lower compared to EUR (26) mn in Q2/12. This was mainly attributable to the write-off of assets in relation to the Nabucco West project, which was booked as a special item in the financial result, the lower income from associated companies and fees relating to securitization of trade receivables.

Current **taxes** on Group income of EUR 213 mn and deferred taxes of EUR 3 mn were recognized in Q2/13. The **effective tax rate** in Q2/13 was 39% (Q2/12: 40%). The decrease in effective tax rate is mainly a result of lower profit contribution from Libya.

**Net income attributable to stockholders** was EUR 226 mn vs. EUR 283 mn in Q2/12. Minority and hybrid interests were EUR 117 mn (Q2/12: EUR 76 mn). **Clean CCS net income attributable to stockholders** was EUR 321 mn (Q2/12: EUR 455 mn). **EPS** for the quarter was at EUR 0.69 and **clean CCS EPS** was at EUR 0.99 (Q2/12: EUR 0.87 and EUR 1.39 respectively).

### Second quarter 2013 (Q2/13) vs. first quarter 2013 (Q1/13)

Sales decreased by 2%, mainly due to lower gas sales volumes. The reported EBIT was at EUR 667 mn lower than in Q1/13 (EUR 1,261 mn), mainly driven by a one-time positive EBIT effect of EUR 440 mn from the completed sale of LMG Lagermanagement GmbH (LMG) in Q1/13 and the negative contribution of the G&P business segment in Q2/13, partly compensated by an improved marketing result. Clean CCS EBIT decreased by 14%. The net financial result was below last quarter, driven mainly by the write-off of assets in relation to the Nabucco West project. The Group's effective tax rate in Q2/13 was 39% (Q1/13: 21%). The low tax rate in Q1/13 was mainly based on the sale of LMG. Net income attributable to stockholders was EUR 226 mn (Q1/13: EUR 786 mn). Clean CCS net income attributable to stockholders decreased to EUR 321 mn vs. EUR 349 mn in Q1/13.

### January to June 2013 (6m/13) vs. January to June 2012 (6m/12)

An increase of 5% in **consolidated sales** vs. 6m/12 was mainly driven by increased gas sales and trading volumes. The **Group's reported EBIT** was at EUR 1,928 mn, 26% above 6m/12 at EUR 1,533 mn. The main driver was the one-time positive EBIT effect of EUR 440 mn from the completed sale of LMG in Q1/13, offsetting mainly lower oil prices and sales volumes in E&P as well as a lower G&P business result mainly due to the negative EconGas performance. **Petrom's contribution to reported EBIT** increased to EUR 667 mn vs. EUR 616 mn in 6m/12, due to a better result in R&M, which benefited mainly from a stronger retail contribution and lower costs mainly in refining since 6m/12 was affected by a planned turnaround of the Petrobrazi refinery. **Net special income** of EUR 428 mn was mainly due to the completed sale of LMG. Negative **CCS effects** of EUR (84) mn were recognized (6m/12: EUR 7 mn). **Clean CCS EBIT** decreased by 5% to EUR 1,584. Petrom's contribution was EUR 687 mn, 11% above 6m/12.

In 6m/13, the **net financial result** of EUR (166) mn was lower compared to EUR (36) mn in 6m/12. This effect was mainly caused by the lower income from associated companies and 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.

Current **taxes** on Group income of EUR 482 mn and income from deferred taxes of EUR 15 mn were recognized in 6m/13. The **effective tax rate** in 6m/13 was 27% (6m/12: 34%). The decrease in effective tax rate was predominantly a result of the completed sale of LMG as well as a lower profit contribution from Libya.

**Net income attributable to stockholders** was EUR 1,011 mn, above 6m/12 (EUR 735 mn). Minority and hybrid interests were EUR 283 mn (6m/12: EUR 251 mn). **Clean CCS net income attributable to stockholders** was EUR 671 mn (6m/12: EUR 834 mn). **EPS** was at EUR 3.10, **clean CCS EPS** was at EUR 2.06 (6m/12: EUR 2.25 and EUR 2.56 respectively).

## Balance sheet, capital expenditure and gearing (unaudited)

| Consolidated balance sheet in EUR mn | Jun. 30, 2013 | Dec. 31, 2012 |
|---|---|---|
| **Assets** | | |
| Intangible assets | 3,324.51 | 3,479.57 |
| Property, plant and equipment | 14,480.79 | 14,347.11 |
| Investments in associated companies | 1,841.23 | 1,811.00 |
| Other financial assets | 990.22 | 1,016.24 |
| Other assets | 142.96 | 119.27 |
| Deferred taxes | 328.40 | 299.92 |
| **Non-current assets** | **21,108.10** | **21,073.11** |
| | | |
| Inventories | 2,441.98 | 3,202.24 |
| Trade receivables | 3,526.74 | 3,821.75 |
| Other financial assets | 669.75 | 477.17 |
| Income tax receivables | 107.89 | 152.12 |
| Other assets | 326.02 | 310.14 |
| Cash and cash equivalents | 2,451.98 | 1,227.30 |
| **Current assets** | **9,524.37** | **9,190.71** |
| Assets held for sale | 38.96 | 255.34 |
| | | |
| **Total assets** | **30,671.44** | **30,519.17** |
| | | |
| **Equity and liabilities** | | |
| Capital stock | 327.27 | 327.27 |
| Hybrid capital | 740.79 | 740.79 |
| Reserves | 11,215.79 | 10,834.40 |
| OMV equity of the parent | 12,283.86 | 11,902.46 |
| Non-controlling interests | 2,690.65 | 2,627.51 |
| **Equity** | **14,974.51** | **14,529.97** |
| | | |
| Provisions for pensions and similar obligations | 932.85 | 978.03 |
| Bonds | 2,826.38 | 3,527.15 |
| Interest-bearing debts | 742.56 | 886.08 |
| Provisions for decommissioning and restoration obligations | 1,989.01 | 1,995.12 |
| Other provisions | 277.45 | 298.30 |
| Other financial liabilities | 212.59 | 243.01 |
| Other liabilities | 6.41 | 6.78 |
| Deferred taxes | 779.87 | 778.39 |
| **Non-current liabilities** | **7,767.12** | **8,712.86** |
| | | |
| Trade payables | 4,561.32 | 4,290.44 |
| Bonds | 771.13 | 213.62 |
| Interest-bearing debts | 141.54 | 162.13 |
| Provisions for income taxes | 230.08 | 193.73 |
| Provisions for decommissioning and restoration obligations | 107.06 | 81.44 |
| Other provisions | 508.98 | 568.90 |
| Other financial liabilities | 341.60 | 408.72 |
| Other liabilities | 1,266.07 | 1,261.26 |
| **Current liabilities** | **7,927.79** | **7,180.23** |
| Liabilities associated with assets held for sale | 2.02 | 96.10 |
| | | |
| **Total equity and liabilities** | **30,671.44** | **30,519.17** |

## Notes to the balance sheet as of June 30, 2013

**Capital expenditure** increased to EUR 1,120 mn (6m/12: EUR 889 mn), mainly driven by E&P investments in Petrom and field developments in Norway, which were acquired last year.

**E&P** invested EUR 842 mn (6m/12: EUR 478 mn) mainly in field developments in Romania, Norway, UK and Austria. CAPEX in the **G&P** business segment of EUR 138 mn (6m/12: EUR 187 mn) was mainly related to the exercise of put options held by Oberösterreichische Ferngas Aktiengesellschaft leading to an increase of OMV's indirect stake in EconGas GmbH, to the acquisition of RWE's stake in NABUCCO Gas Pipeline International GmbH, and to investments in the power plant project Samsun (Turkey). CAPEX in the **R&M** business segment amounted to EUR 130 mn (6m/12: EUR 211 mn), mainly comprising investments in the modernization of the Petrobrazi refinery in Romania and in Petrol Ofisi. CAPEX in the **Co&O** segment was EUR 9 mn (6m/12: EUR 13 mn).

Compared to year-end 2012, **total assets** increased by EUR 152 mn to EUR 30,671 mn. The increase came primarily from the rise in cash and cash equivalents, compensated by the reduction in inventories and trade receivables mainly resulting from seasonality and the implemented working capital measures.

**Equity** increased by approximately 3%. The Group's equity ratio also increased slightly to 49% as of June 30, 2013, compared with 48% at the end of 2012.

The **total number of own shares** held by the Company as of June 30, 2013 amounted to 1,038,404 (December 31, 2012: 1,078,780).

Short- and long-term borrowings, bonds and finance leases stood at EUR 4,635 mn (December 31, 2012: EUR 4,974 mn), thereof EUR 153 mn liabilities for finance leases (December 31, 2012: EUR 185 mn).

The cash position increased to EUR 2,452 mn (December 31, 2012: EUR 1,227mn) reflecting the completed sale of LMG Lagermanagement GmbH. OMV reduced its **net debt** position to EUR 2,183 mn compared to EUR 3,747 mn at the end of 2012.

On June 30, 2013, the **gearing ratio** stood at 14.6% (December 31, 2012: 25.8%).

## Cash flows (condensed, unaudited)

| Q1/13 | Q2/13 | Q2/12 | Summarized statement of cash flows in EUR mn | 6m/13 | 6m/12 |
|---|---|---|---|---|---|
| **950.83** | **343.01** | **359.61** | **Net income for the period** | **1,293.84** | **986.04** |
| 476.41 | 519.67 | 529.45 | Depreciation and amortization including write-ups | 996.08 | 1,002.62 |
| (17.42) | 2.69 | (39.07) | Deferred taxes | (14.73) | (94.71) |
| 1.15 | (10.30) | (0.49) | Losses/(gains) on the disposal of non-current assets | (9.16) | (17.54) |
| 1.92 | (72.24) | (20.70) | Net change in long-term provisions | (70.32) | (20.70) |
| (398.24) | (41.42) | (153.00) | Other adjustments | (439.66) | (190.64) |
| **1,014.65** | **741.41** | **675.80** | **Sources of funds** | **1,756.06** | **1,665.07** |
| 683.98 | (146.26) | 50.59 | (Increase)/decrease in inventories | 537.72 | 154.52 |
| (369.11) | 321.50 | 424.61 | (Increase)/decrease in receivables | (47.61) | (540.74) |
| 162.75 | 268.81 | (561.15) | (Decrease)/increase in liabilities | 431.57 | 612.79 |
| (86.99) | 16.74 | (85.39) | (Decrease)/increase in short-term provisions | (70.25) | (96.92) |
| **1,405.29** | **1,202.20** | **504.47** | **Net cash from operating activities** | **2,607.49** | **1,794.73** |
| | | | Investments | | |
| (612.82) | (523.09) | (476.96) | Intangible assets and property, plant and equipment | (1,135.91) | (1,023.74) |
| (37.03) | (2.07) | (4.32) | Investments, loans and other financial assets including changes in short-term financial assets | (39.10) | (7.86) |
| | | | Disposals | | |
| 22.59 | 18.48 | 7.48 | Proceeds from sale of non-current assets | 41.07 | 44.90 |
| 636.05 | 106.03 | 0.00 | Proceeds from the sale of subsidiaries and businesses, net of cash disposed | 742.08 | 0.00 |
| **8.79** | **(400.65)** | **(473.79)** | **Net cash from investing activities** | **(391.86)** | **(986.70)** |
| (103.21) | (180.32) | (40.29) | (Decrease)/increase in long-term borrowings | (283.54) | (54.22) |
| (34.28) | 0.00 | 0.00 | Change in non-controlling interest | (34.28) | 0.00 |
| 177.63 | (230.26) | 45.64 | (Decrease)/increase in short-term borrowings | (52.63) | (139.40) |
| (0.18) | (615.99) | (613.46) | Dividends paid | (616.16) | (613.56) |
| **39.96** | **(1,026.57)** | **(608.11)** | **Net cash from financing activities** | **(986.61)** | **(807.19)** |
| 3.20 | (7.53) | 6.54 | Effect of exchange rate changes on cash and cash equivalents | (4.33) | 1.26 |
| **1,457.23** | **(232.55)** | **(570.89)** | **Net (decrease)/increase in cash and cash equivalents** | **1,224.68** | **2.10** |
| 1,227.30 | 2,684.53 | 931.82 | Cash and cash equivalents at beginning of period | 1,227.30 | 358.83 |
| **2,684.53** | **2,451.98** | **360.93** | **Cash and cash equivalents at end of period** | **2,451.98** | **360.93** |

### Notes to the cash flows

In 6m/13, 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 which include the gain from the sale of LMG Lagermanagement GmbH (LMG), was EUR 1,756 mn (6m/12: EUR 1,665 mn). **Net working capital** generated a cash inflow of EUR 851 mn (6m/12: EUR 130 mn) mainly as a result of the implemented working capital improvement measures such as securitization and factoring, which led to a EUR 813 mn increase in **cash flow from operating activities** as compared to 6m/12, reaching EUR 2,607 mn.

In 6m/13, **net cash used in investing activities** amounted to EUR 392 mn (6m/12: EUR 987 mn). Apart from the payments for investments in intangible assets and property, plant and equipment (EUR 1,136 mn), there was a net cash inflow from the completed sale of LMG and other divestments in R&M and E&P.

**Free cash flow** (defined as net cash from operating activities less net cash used in investing activities) showed an inflow of funds of EUR 2,216 mn (6m/12: EUR 808 mn). **Free cash flow less dividend payments** resulted in a cash inflow of EUR 1,599 mn (6m/12: EUR 194 mn).

**Cash flow from financing activities** reflected a net outflow of funds amounting to EUR 987 mn (6m/12: EUR 807 mn), mainly related to the dividends paid during the period and to repayments of long-term debt and finance leases. The position also includes EUR 34 mn net cash outflow from the exercise of put options held by Oberösterreichische Ferngas Aktiengesellschaft leading to an increase of OMV's indirect stake in EconGas GmbH, partly compensated by the decrease in the stake held in Austrian Gas Grid Management AG.

## 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, 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** |

| 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, 2012** | **327.27** | **1,489.13** | **740.79** | **8,901.40** | **(551.09)** | **(13.16)** | **10,894.34** | **2,509.56** | **13,403.90** |
| Net income for the period | | | | 754.13 | | | 754.13 | 231.92 | 986.04 |
| Other comprehensive income for the period | | | | (0.06) | 294.36 | | 294.30 | (41.79) | 252.50 |
| **Total comprehensive income for the period** | | | | **754.07** | **294.36** | | **1,048.42** | **190.12** | **1,238.55** |
| Dividend distribution and hybrid coupon | | | | (404.13) | | | (404.13) | (225.42) | (629.55) |
| Tax effects on transactions with owners | | | | 6.30 | | | 6.30 | | 6.30 |
| Disposal of treasury shares | | | | 1.09 | | 0.76 | 1.85 | | 1.85 |
| Increase/(decrease) in non-controlling interests | | | | (0.69) | | | (0.69) | 0.69 | 0.00 |
| **June 30, 2012** | **327.27** | **1,489.13** | **740.79** | **9,258.04** | **(256.74)** | **(12.40)** | **11,546.10** | **2,474.95** | **14,021.05** |

[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 associates' other comprehensive income.

### Dividends and interest on hybrid capital

On May 15, 2013, the Annual General Meeting approved the payment of an increased dividend of EUR 1.20 per share, resulting in a total dividend payment of EUR 391 mn to OMV Aktiengesellschaft shareholders. Dividend payments to minorities amounted to EUR 187 mn in 6m/13. The interest payment to hybrid capital owners amounting to EUR 51 mn was also made in 6m/13.

## Segment reporting

### Intersegmental sales

| Q1/13 | Q2/13 | Q2/12 | Δ% | in EUR mn | 6m/13 | 6m/12 | Δ% |
|---|---|---|---|---|---|---|---|
| 1,110.57 | 1,064.10 | 1,169.36 | (9) | Exploration and Production | 2,174.67 | 2,351.70 | (8) |
| 57.94 | 48.26 | 32.70 | 48 | Gas and Power | 106.19 | 72.33 | 47 |
| 14.29 | 14.22 | 13.23 | 7 | Refining and Marketing | 28.51 | 27.55 | 3 |
| 91.22 | 102.74 | 98.94 | 4 | Corporate and Other | 193.95 | 191.00 | 2 |
| **1,274.02** | **1,229.31** | **1,314.23** | **(6)** | **OMV Group** | **2,503.33** | **2,642.58** | **(5)** |

### Sales to external customers

| Q1/13 | Q2/13 | Q2/12 | Δ% | in EUR mn | 6m/13 | 6m/12 | Δ% |
|---|---|---|---|---|---|---|---|
| 316.50 | 272.09 | 334.02 | (19) | Exploration and Production | 588.60 | 719.95 | (18) |
| 3,819.86 | 2,411.16 | 2,169.83 | 11 | Gas and Power | 6,231.02 | 5,439.03 | 15 |
| 6,639.25 | 7,883.34 | 7,483.11 | 5 | Refining and Marketing | 14,522.59 | 14,195.07 | 2 |
| 1.29 | 1.35 | 1.22 | 10 | Corporate and Other | 2.64 | 2.43 | 9 |
| **10,776.90** | **10,567.94** | **9,988.18** | **6** | **OMV Group** | **21,344.84** | **20,356.48** | **5** |

### Total sales

| Q1/13 | Q2/13 | Q2/12 | Δ% | in EUR mn | 6m/13 | 6m/12 | Δ% |
|---|---|---|---|---|---|---|---|
| 1,427.07 | 1,336.19 | 1,503.38 | (11) | Exploration and Production | 2,763.27 | 3,071.65 | (10) |
| 3,877.79 | 2,459.42 | 2,202.54 | 12 | Gas and Power | 6,337.21 | 5,511.36 | 15 |
| 6,653.54 | 7,897.56 | 7,496.34 | 5 | Refining and Marketing | 14,551.10 | 14,222.63 | 2 |
| 92.51 | 104.08 | 100.16 | 4 | Corporate and Other | 196.59 | 193.43 | 2 |
| **12,050.92** | **11,797.25** | **11,302.41** | **4** | **OMV Group** | **23,848.17** | **22,999.06** | **4** |

### Segment and Group profit

| Q1/13 | Q2/13 | Q2/12 | Δ% | in EUR mn | 6m/13 | 6m/12 | Δ% |
|---|---|---|---|---|---|---|---|
| 654.06 | 596.67 | 620.50 | (4) | EBIT Exploration and Production [1] | 1,250.73 | 1,386.49 | (10) |
| 87.45 | (24.98) | 6.30 | n.m. | EBIT Gas and Power | 62.47 | 105.45 | (41) |
| 536.11 | 89.62 | 23.34 | n.m. | EBIT Refining and Marketing | 625.73 | 107.53 | n.m. |
| (9.15) | (7.70) | (17.80) | (57) | EBIT Corporate and Other | (16.85) | (30.33) | (44) |
| 1,268.47 | 653.61 | 632.34 | 3 | EBIT segment total | 1,922.08 | 1,569.15 | 22 |
| (7.67) | 13.56 | (11.18) | n.m. | Consolidation: Elimination of intersegmental profits | 5.89 | (35.89) | n.m. |
| **1,260.80** | **667.17** | **621.16** | **7** | **OMV Group EBIT** | **1,927.97** | **1,533.26** | **26** |
| (57.84) | (108.59) | (25.85) | n.m. | Net financial result | (166.43) | (35.92) | n.m. |
| **1,202.96** | **558.58** | **595.32** | **(6)** | **OMV Group profit from ordinary activities** | **1,761.54** | **1,497.34** | **18** |

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

### Assets [1]

| in EUR mn | Jun. 30, 2013 | Dec. 31, 2012 |
|---|---|---|
| Exploration and Production | 9,489.85 | 9,188.36 |
| Gas and Power | 2,330.95 | 2,348.81 |
| Refining and Marketing | 5,760.20 | 6,053.77 |
| Corporate and Other | 224.30 | 235.74 |
| **Total** | **17,805.30** | **17,826.68** |

[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 companies Borealis AG and Bayernoil Raffineriegesellschaft mbH.

## 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, 2013 | | | Dec. 31, 2012 |
|---|---|---|---|---|---|---|
| **Financial instruments on asset side** | **Level 1** | **Level 2** | **Total** | **Level 1** | **Level 2** | **Total** |
| Investment funds | 6.80 | – | **6.80** | 6.86 | – | **6.86** |
| Bonds | 129.06 | – | **129.06** | 129.90 | – | **129.90** |
| Derivatives designated and effective as hedging instruments | – | 24.02 | **24.02** | – | 38.76 | **38.76** |
| Other derivatives | 13.18 | 100.84 | **114.02** | 10.94 | 89.52 | **100.47** |
| **Total** | **149.04** | **124.86** | **273.90** | **147.70** | **128.28** | **275.98** |

| in EUR mn | | | Jun. 30, 2013 | | | Dec. 31, 2012 |
|---|---|---|---|---|---|---|
| **Financial instruments on liability side** | **Level 1** | **Level 2** | **Total** | **Level 1** | **Level 2** | **Total** |
| Liabilities on derivatives designated and effective as hedging instruments | – | 35.18 | **35.18** | – | 24.42 | **24.42** |
| Liabilities on other derivatives | 10.52 | 71.20 | **81.72** | 2.72 | 97.32 | **100.04** |
| **Total** | **10.52** | **106.38** | **116.90** | **2.72** | **121.74** | **124.46** |

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 4,482 mn (December 31, 2012: EUR 4,789 mn) are valued at amortized cost. The estimated fair value of these liabilities was EUR 4,778 mn (December 31, 2012: EUR 5,170 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 13, 2013

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

## Abbreviations and definitions

**bbl**: barrel(s), i.e. 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; **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 hours; **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**: Romanian leu; **t**: metric tonnes; **TWh**: Terawatt hours; **USD**: US dollar

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

## OMV contacts

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## Disclaimer regarding forward looking statements

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