

# Q2

Quarterly Report 2019



OMV Group



July 31, 2019

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## Disclaimer regarding forward-looking statements

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

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# OMV Group Report January–June and Q2 2019 including condensed consolidated interim financial statements as of June 30, 2019

## Key Performance Indicators <sup>1</sup>

### Group

- ▶ Clean CCS Operating Result increased significantly by 44% to EUR 1,047 mn
- ▶ Clean CCS net income attributable to stockholders amounted to EUR 510 mn, clean CCS Earnings Per Share were EUR 1.56
- ▶ High cash flow from operating activities of EUR 1,135 mn
- ▶ Organic free cash flow before dividends of EUR 728 mn
- ▶ Clean CCS ROACE at 14%

### Upstream

- ▶ Production rose by 70 kboe/d to 490 kboe/d
- ▶ Production cost decreased by 9% to USD 6.9/boe

### Downstream

- ▶ OMV indicator refining margin stood at USD 3.2/bbl
- ▶ Natural gas sales increased by 8% to 26.8 TWh

## Key events

- ▶ On June 7, 2019, OMV and Gazprom signed an „Amendment Agreement“ to the „Basic Sale Agreement“. The „Amendment Agreement“ foresees, in particular, a purchase price of EUR 905 mn for the potential acquisition of a 24.98% interest in the Achimov 4A/5A phase development in the Urengoy natural gas and condensate field by OMV.

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<sup>1</sup> Figures reflect the Q2/19 period; all comparisons described relate to the same quarter in the previous year except where otherwise mentioned

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# Directors' Report (condensed, unaudited)

## Group performance

### Financial highlights

In EUR mn (unless otherwise stated)

Q2/19	Q1/19	Q2/18	Δ% <sup>1</sup>		6m/19	6m/18	Δ%
6,035	5,403	5,706	6	Sales <sup>2</sup>	11,438	10,683	7
<b>1,047</b>	<b>759</b>	<b>726</b>	<b>44</b>	<b>Clean CCS Operating Result<sup>3</sup></b>	<b>1,806</b>	<b>1,544</b>	<b>17</b>
650	393	457	42	Clean Operating Result Upstream <sup>3</sup>	1,043	895	16
428	374	338	26	Clean CCS Operating Result Downstream <sup>3</sup>	801	714	12
(13)	(12)	(6)	(113)	Clean Operating Result Corporate and Other <sup>3</sup>	(25)	(6)	n.m.
(17)	4	(64)	73	Consolidation: elimination of intersegmental profits	(13)	(60)	78
39	34	49	(21)	Clean Group tax rate in %	37	41	(11)
627	482	346	81	Clean CCS net income <sup>3</sup>	1,109	837	32
<b>510</b>	<b>346</b>	<b>272</b>	<b>88</b>	<b>Clean CCS net income attributable to stockholders<sup>3,4</sup></b>	<b>857</b>	<b>649</b>	<b>32</b>
1.56	1.06	0.83	88	Clean CCS EPS in EUR <sup>3</sup>	2.62	1.99	32
<b>1,047</b>	<b>759</b>	<b>726</b>	<b>44</b>	<b>Clean CCS Operating Result<sup>3</sup></b>	<b>1,806</b>	<b>1,544</b>	<b>17</b>
<b>25</b>	<b>12</b>	<b>(168)</b>	<b>n.m.</b>	<b>Special items<sup>5</sup></b>	<b>38</b>	<b>(103)</b>	<b>n.m.</b>
14	(5)	44	(68)	CCS effects: inventory holding gains/(losses)	9	61	(85)
<b>1,087</b>	<b>766</b>	<b>602</b>	<b>80</b>	<b>Operating Result Group</b>	<b>1,853</b>	<b>1,502</b>	<b>23</b>
644	406	363	77	Operating Result Upstream	1,050	840	25
474	407	318	49	Operating Result Downstream	880	736	20
(14)	(24)	(13)	(10)	Operating Result Corporate and Other	(38)	(14)	(173)
(16)	(23)	(66)	75	Consolidation: elimination of intersegmental profits	(39)	(61)	36
(25)	(28)	(47)	47	Net financial result	(53)	(137)	62
1,062	738	555	91	Profit before tax	1,800	1,364	32
38	33	50	(24)	Group tax rate in %	36	41	(12)
658	496	276	139	Net income	1,154	807	43
543	354	203	167	Net income attributable to stockholders <sup>4</sup>	897	610	47
1.66	1.08	0.62	167	Earnings Per Share (EPS) in EUR	2.75	1.87	47
1,135	866	1,233	(8)	Cash flow from operating activities	2,001	2,309	(13)
719	(124)	(386)	n.m.	Free cash flow before dividends	595	152	n.m.
(52)	(124)	(1,078)	95	Free cash flow after dividends	(176)	(541)	67
728	418	781	(7)	Organic free cash flow before dividends <sup>6</sup>	1,146	1,426	(20)
3,292	3,186	2,848	16	Net debt	3,292	2,848	16
21	20	20	3	Gearing ratio in %	21	20	3
493	881	1,747	(72)	Capital expenditure <sup>7</sup>	1,374	2,086	(34)
493	404	506	(3)	Organic capital expenditure <sup>8</sup>	897	845	6
14	12	13	7	Clean CCS ROACE in % <sup>3</sup>	14	13	7
13	12	12	10	ROACE in %	13	12	10
20,192	20,225	20,086	1	Employees	20,192	20,086	1

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

<sup>1</sup> Q2/19 compared to Q2/18

<sup>2</sup> Sales excluding petroleum excise tax

<sup>3</sup> Adjusted for special items; clean CCS figures exclude fuels' inventory holding gains/losses (CCS effects) resulting from the fuels refineries

<sup>4</sup> After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

<sup>5</sup> Disclosure of special items is considered appropriate in order to facilitate analysis of the ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. Special items from equity-accounted companies and temporary effects from commodity hedging for material transactions are included.

<sup>6</sup> Organic free cash flow before dividends is cash flow from operating activities less cash flow from investing activities, excluding disposals and material inorganic cash flow components (e.g. acquisitions).

<sup>7</sup> Capital expenditure including acquisitions

<sup>8</sup> Organic capital expenditure is defined as capital expenditure including capitalized Exploration and Appraisal expenditure and excluding acquisitions and contingent considerations.

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**Second quarter 2019 (Q2/19) compared to second quarter 2018 (Q2/18)**

**Consolidated sales** increased by 6% to EUR 6,035 mn, primarily as a result of higher sales volumes and realized oil prices in Upstream. The **clean CCS Operating Result** strongly increased by 44% from EUR 726 mn to EUR 1,047 mn. The contribution of Upstream was EUR 650 mn (Q2/18: EUR 457 mn). The operational performance amounted to EUR 239 mn and was mainly caused by the sales contribution from Libya due to the lifting schedule and OMV's acquisitions in Abu Dhabi (Q2/18), New Zealand (Q4/18), and Malaysia (Q1/19). These effects were partially offset by lower production in Romania and Austria, as well as in Pakistan as a result of the divestment of OMV's Upstream companies in Q2/18. Positive net market effects were EUR 71 mn mainly due to higher average realized oil prices and positive FX effects. This was partially offset by lower average realized gas prices. The higher depreciation of EUR (118) mn was mainly related to OMV's acquisitions in New Zealand, Abu Dhabi, and Malaysia. In Q2/19, the Downstream clean CCS Operating Result grew considerably to EUR 428 mn (Q2/18: EUR 338 mn). The Downstream Gas result decreased due to lower results in the gas storage and power businesses. This was more than offset by an increased Downstream Oil contribution, following a strong performance from the commercial and retail businesses, as well as the petrochemicals business. The consolidation line was EUR (17) mn in Q2/19 (Q2/18: EUR (64) mn). OMV Petrom's clean CCS Operating Result amounted to EUR 215 mn (Q2/18: EUR 159 mn).

The **clean Group tax rate** was 39% compared to 49% in Q2/18, due to a proportionally lower Upstream contribution from high tax rate fiscal regimes and a comparatively higher Downstream result contribution in Romania, as a result of the planned turnaround at the Petrobrazi refinery in Q2/18. **Clean CCS net income** improved substantially to EUR 627 mn (Q2/18: EUR 346 mn). **Clean CCS net income attributable to stockholders** increased significantly to EUR 510 mn (Q2/18: EUR 272 mn). **Clean CCS Earnings Per Share** rose significantly to EUR 1.56 (Q2/18: EUR 0.83).

**Net special items** of EUR 25 mn were recorded in Q2/19 (Q2/18: EUR (168) mn), mainly related to unrealized commodity derivatives. **CCS effects** of EUR 14 mn were recognized in Q2/19. OMV Group's reported **Operating Result** increased by 80% to EUR 1,087 mn (Q2/18: EUR 602 mn). OMV Petrom's contribution to the Group's reported Operating Result rose by 34% to EUR 210 mn (Q2/18: EUR 156 mn).

The **net financial result** improved to EUR (25) mn (Q2/18: EUR (47) mn). The improvement was mainly related to higher interest income. With a **Group tax rate** of 38% (Q2/18: 50%), **net income** more than doubled to EUR 658 mn (Q2/18: EUR 276 mn). **Net income attributable to stockholders** increased strongly to EUR 543 mn (Q2/18: EUR 203 mn). **Earnings Per Share** for the quarter more than doubled to EUR 1.66 (Q2/18: EUR 0.62).

As of June 30, 2019, **net debt** amounted to EUR 3,292 mn compared to EUR 2,848 mn as of June 30, 2018. The **gearing ratio** slightly increased to 21% (June 30, 2018: 20%), impacted by the implementation of IFRS 16 from January 1, 2019. The gearing ratio in Q2/18 was impacted by the acquisition of a 20% stake in an offshore concession in Abu Dhabi. For further details see Note Financial Liabilities in the Group Interim Financial Statements.

Total **capital expenditure** amounted to EUR 493 mn (Q2/18: EUR 1,747 mn), whereby EUR 341 mn was invested in Upstream. In Q2/18, total capital expenditure reflected the acquisition of a 20% stake in two offshore oil fields in Abu Dhabi from ADNOC to the amount of USD 1.5 bn. **Organic capital expenditure** declined by 3% to EUR 493 mn (Q2/18: EUR 506 mn). In Upstream, organic capital expenditure was primarily undertaken in Romania, Norway, and the United Arab Emirates. In Downstream, organic capital expenditure was predominantly related to investments in refining in Austria and Germany, as well as to retail investments.

**January to June 2019 (6m/19) compared to January to June 2018 (6m/18)**

**Consolidated sales** increased by 7% to EUR 11,438 mn. This increase was driven by higher sales volumes and realized oil prices in Upstream, as well as higher sales volumes in Downstream. The **clean CCS Operating Result** rose from EUR 1,544 mn in 6m/18 to EUR 1,806 mn. The Upstream result improved to EUR 1,043 mn (6m/18: EUR 895 mn). Net market effects had a positive impact of EUR 193 mn mainly as a result of higher average realized oil prices and positive FX effects. This was partially offset by lower average realized gas prices. The operational performance amounted to EUR 160 mn and was mainly caused by OMV's acquisitions in Abu Dhabi (Q2/18), New Zealand (Q4/18), and Malaysia (Q1/19). Yemen also had a positive impact as a result of the production resumption. These effects were partially offset by Libya following force majeure at the El Sharara field in Q1/19 and lower production in Romania and Austria, as well as in Pakistan as a result of the divestment of OMV's Upstream companies in Q2/18. The higher depreciation of EUR (205) mn was mainly related to OMV's acquisitions in New Zealand, Abu Dhabi, and Malaysia. The Downstream clean CCS Operating Result rose to EUR 801 mn in 6m/19 (6m/18: EUR 714 mn). The Downstream Oil result increased mainly following a strong result contribution from the commercial and retail businesses, as well as the petrochemicals business. The Downstream Gas result declined following a significantly weaker gas storage result. OMV Petrom's clean CCS Operating Result increased substantially to EUR 478 mn (6m/18: EUR 365 mn).

The **clean Group tax rate** in 6m/19 was 37% (6m/18: 41%), due to a proportionally lower Upstream contribution from high tax rate fiscal regimes and a comparatively higher Downstream result contribution in Romania, as a result of the planned turnaround at the Petrobrazi refinery in Q2/18. **Clean CCS net income** improved substantially to EUR 1,109 mn (6m/18: EUR 837 mn). **Clean CCS net income attributable to stockholders** significantly increased to EUR 857 mn (6m/18: EUR 649 mn). **Clean CCS Earnings Per Share** rose considerably to EUR 2.62 (6m/18: EUR 1.99).

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Net **special items** of EUR 38 mn were recorded in 6m/19 (6m/18: EUR (103) mn) and were mainly related to unrealized commodity derivatives. **CCS effects** of EUR 9 mn were recognized in 6m/19. OMV Group's reported **Operating Result** rose to EUR 1,853 mn (6m/18: EUR 1,502 mn). The contribution of OMV Petrom to the Group reported Operating Result increased to EUR 478 mn (6m/18: EUR 388 mn).

The **net financial result** improved to EUR (53) mn (6m/18: EUR (137) mn) mainly due to higher interest income and lower other financing costs. With a **Group tax rate** of 36% (6m/18: 41%) the **net income** amounted to EUR 1,154 mn (6m/18: EUR 807 mn). **Net income attributable to stockholders** was EUR 897 mn compared to EUR 610 mn for 6m/18. **Earnings Per Share** increased to EUR 2.75 compared to EUR 1.87 for 6m/18.

As of June 30, 2019, **net debt** amounted to EUR 3,292 mn compared to EUR 2,848 mn on June 30, 2018. As of June 30, 2019, the **gearing ratio** stood at 21% (June 30, 2018: 20%), impacted by the implementation of IFRS 16 from January 1, 2019. The gearing ratio in 6m/18 was impacted by the acquisition of a 20% stake in an offshore concession in Abu Dhabi. For further details see Note Financial Liabilities in the Group Interim Financial Statements.

Total **capital expenditure** amounted to EUR 1,374 mn (6m/18: EUR 2,086 mn). This included in particular the payment to the amount of USD 540 mn for the participation of the 50% interest in the new company SapuraOMV in Q1/19. In 6m/18, total capital expenditure mainly reflected the acquisition of a 20% stake in two offshore oil fields in Abu Dhabi from ADNOC to the amount of USD 1.5 bn in Q2/18. **Organic capital expenditure** rose by 6% to EUR 897 mn (6m/18: EUR 845 mn). In Upstream, organic capital expenditure was undertaken primarily in Romania, Norway, and the United Arab Emirates. In Downstream, organic capital expenditure predominantly related to investments in refining in Romania and Austria, as well as to retail investments.

### Special items and CCS effect

In EUR mn

Q2/19	Q1/19	Q2/18	Δ% <sup>1</sup>		6m/19	6m/18	Δ%
1,047	759	726	44	Clean CCS Operating Result <sup>2</sup>	1,806	1,544	17
25	12	(168)	n.m.	Special items	38	(103)	n.m.
(6)	(9)	(11)	48	thereof personnel and restructuring	(15)	(18)	18
0	(1)	(40)	n.m.	thereof unscheduled depreciation	(1)	(40)	98
0	12	(1)	98	thereof asset disposal	12	6	103
31	10	(116)	n.m.	thereof other	41	(51)	n.m.
14	(5)	44	(68)	CCS effects: inventory holding gains/(losses)	9	61	(85)
1,087	766	602	80	Operating Result Group	1,853	1,502	23

<sup>1</sup> Q2/19 compared to Q2/18<sup>2</sup> Adjusted for special items; clean CCS figures exclude fuels' inventory holding gains/losses (CCS effects) resulting from the fuels refineries

The disclosure of **special items** is considered appropriate in order to facilitate analysis of ordinary business performance. To reflect comparable figures, certain items affecting the result are added back or deducted. These items can be divided into four subcategories: personnel restructuring, unscheduled depreciation and write-ups, asset disposals, and other. In Q2/19, the "other" category chiefly comprises temporary hedging effects from commodity derivatives.

Furthermore, to enable effective performance management in an environment of volatile prices and comparability with peers, the **Current Cost of Supply (CCS)** effect is eliminated from the accounting result. The **CCS effect**, also called inventory holding gains and losses, is the difference between the cost of sales calculated using the current cost of supply and the cost of sales calculated using the weighted average method after adjusting for any changes in valuation allowances. In volatile energy markets, measurement of the costs of petroleum products sold based on historical values (e.g. weighted average cost) can have distorting effects on reported results. This performance measurement enhances the transparency of results and is commonly used in the oil industry. OMV, therefore, publishes this measurement in addition to the Operating Result determined according to IFRS.

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**Cash flow****Summarized cash flow statement**

In EUR mn							
Q2/19	Q1/19	Q2/18	Δ% <sup>1</sup>		1–6/19	1–6/18	Δ%
1,038	1,196	834	24	Sources of funds	2,235	2,007	11
1,135	866	1,233	(8)	Cash flow from operating activities	2,001	2,309	(13)
(415)	(990)	(1,619)	74	Cash flow from investing activities	(1,405)	(2,157)	35
719	(124)	(386)	n.m.	Free cash flow	595	152	n.m.
(697)	(230)	(972)	28	Cash flow from financing activities	(926)	(1,183)	22
5	(9)	(5)	n.m.	Effect of exchange rate changes on cash and cash equivalents	(4)	(12)	62
27	(363)	(1,362)	n.m.	Net (decrease)/increase in cash and cash equivalents	(335)	(1,043)	68
3,664	4,026	4,300	(15)	Cash and cash equivalents at beginning of period	4,026	3,981	1
<b>3,691</b>	<b>3,664</b>	<b>2,938</b>	<b>26</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,691</b>	<b>2,938</b>	<b>26</b>
-	-	11	n.a.	thereof cash disclosed within Assets held for sale	-	11	n.a.
<b>3,691</b>	<b>3,664</b>	<b>2,927</b>	<b>26</b>	<b>Cash and cash equivalents presented in the consolidated statement of financial position</b>	<b>3,691</b>	<b>2,927</b>	<b>26</b>
(52)	(124)	(1,078)	95	Free cash flow after dividends	(176)	(541)	67
<b>728</b>	<b>418</b>	<b>781</b>	<b>(7)</b>	<b>Organic free cash flow before dividends</b>	<b>1,146</b>	<b>1,426</b>	<b>(20)</b>

<sup>1</sup> Q2/19 compared to Q2/18<sup>2</sup> Organic free cash flow before dividends is cash flow from operating activities less cash flow from investing activities, excluding disposals and material inorganic cash flow components (e.g. acquisitions).**Second quarter 2019 (Q2/19) compared to second quarter 2018 (Q2/18)**

In Q2/19, **sources of funds** grew to EUR 1,038 mn (Q2/18: EUR 834 mn), significantly impacted by OMV's acquisitions in Abu Dhabi, Malaysia, and New Zealand. Net working capital effects generated a cash inflow of EUR 96 mn (Q2/18: EUR 399 mn). This was mainly driven by positive effects in Downstream Oil which were partly offset by negative effects in Downstream Gas. As a result **cash flow from operating activities** decreased to EUR 1,135 mn in Q2/19 (Q2/18: EUR 1,233 mn).

**Cash flow from investing activities** showed an outflow of EUR (415) mn compared to EUR (1,619) mn in Q2/18. The deviation is mainly attributable to the acquisition of a 20% stake in an offshore concession in Abu Dhabi to the amount of USD 1.5 bn in Q2/18. Cash flow from investing activities in Q2/19 included a cash outflow of EUR (44) mn related to the financing agreements for the Nord Stream 2 pipeline project.

**Free cash flow** (defined as net cash from operating activities +/- net cash from investing activities) increased to EUR 719 mn (Q2/18: EUR (386) mn).

**Cash flow from financing activities** recorded an outflow of EUR (697) mn compared to EUR (972) mn in Q2/18, containing dividend payments of EUR (771) mn. The issuance of a EUR 300 mn bond was partly offset by repayments of short-term financing. Despite lower dividend payments, Q2/18 was negatively impacted by the repayment of a EUR 750 mn hybrid bond, only partly offset by the issuance of a EUR 500 mn hybrid bond.

**Free cash flow after dividends** improved to EUR (52) mn in Q2/19 (Q2/18: EUR (1,078) mn).

**Organic free cash flow before dividends** amounted to EUR 728 mn (Q2/18: EUR 781 mn).

**January to June 2019 (6m/19) compared to January to June 2018 (6m/18)**

In 6m/19, **sources of funds** rose to EUR 2,235 mn (6m/18: EUR 2,007 mn), significantly impacted by OMV's acquisitions in Abu Dhabi, New Zealand, and Malaysia. Net working capital components generated a cash outflow of EUR (234) mn (6m/18: inflow of EUR 302 mn). This was mainly driven by negative effects in Downstream Oil which were partly offset by positive effects in Downstream Gas. **Cash flow from operating activities** amounted to EUR 2,001 mn, down by EUR (309) mn compared to 6m/18.

**Cash flow from investing activities** showed an outflow of EUR (1,405) mn in 6m/19 compared to EUR (2,157) mn in 6m/18, containing a cash outflow of EUR (460) mn related to the acquisition of a 50% interest in the new company SapuraOMV, while 6m/18 included an outflow of USD (1.5) bn related to the acquisition of a 20% stake in an offshore concession in Abu Dhabi. Cash flow from investing activities in 6m/19 included a cash outflow of EUR (88) mn related to the financing agreements for the Nord Stream 2 pipeline project.

**Free cash flow** (defined as net cash from operating activities +/- net cash from investing activities) almost quadrupled to EUR 595 mn (6m/18: EUR 152 mn).

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**Cash flow from financing activities** showed an outflow of EUR (926) mn compared to EUR (1,183) mn in 6m/18. Despite lower dividend payments, 6m/18 was negatively impacted by the repayment of a EUR 750 mn hybrid bond, only partly offset by the issuance of a EUR 500 mn hybrid bond. 6m/19 included a cash outflow of USD (350) mn related to the refinancing of SapuraOMV, partly offset by the issuance of a EUR 300 mn bond.

**Free cash flow after dividends** improved to EUR (176) mn in 6m/19 (6m/18: EUR (541) mn).

**Organic free cash flow before dividends** amounted to EUR 1,146 mn (6m/18: EUR 1,426 mn).

### **Risk management**

As an international oil and gas company with operations extending from hydrocarbon exploration and production through to trading and marketing of mineral products and gas, OMV is exposed to a variety of risks, including market and financial risks, as well as operational, and strategic risks. A detailed description of risks and risk management activities can be found in the 2018 Annual Report (pages 77–79).

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

More information on current risks can be found in the "Outlook" section of the Directors' Report.

### **Transactions with related parties**

Please refer to the selected explanatory notes of the interim consolidated financial statements for disclosures on significant transactions with related parties.



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## Outlook

### Market environment

For the year 2019, OMV expects the average Brent oil price to be at USD 65/bbl (2018: USD 71/bbl). In 2019, average European gas spot prices are anticipated to be lower compared to 2018.

### Group

- ▶ In 2019, organic CAPEX (including capitalized E&A and excluding acquisitions) is projected to come in at EUR 2.3 bn (2018: EUR 1.9 bn).

### Upstream

- ▶ OMV expects total production to be slightly below 500 kboe/d in 2019 (previous forecast: around 500 kboe/d; 2018: 427 kboe/d), depending on the security situation in Libya. From April, Libya is expected to produce above 35 kboe/d (2018: 30 kboe/d) until the year-end.
- ▶ Organic CAPEX for Upstream (including capitalized E&A and excluding acquisitions) is anticipated to come in at EUR 1.5 bn in 2019 (2018: EUR 1.3 bn).
- ▶ In 2019, Exploration and Appraisal expenditure is expected to be at EUR 350 mn (2018: EUR 300 mn).

### Downstream

#### Oil

- ▶ Refining indicator margin is expected to be below USD 5/bbl (2018: USD 5.2/bbl).
- ▶ Petrochemical margins are anticipated to be similar to those in 2018 (previous forecast: slightly lower than in 2018; 2018: EUR 448/t).
- ▶ Total refined product sales in 2019 are forecasted to be at a similar level compared to those in 2018 (2018: 20.3 mn t). In OMV's markets, retail and commercial margins are predicted to be similar compared to those in 2018.
- ▶ There is no planned turnaround of the refineries in 2019. Therefore, the utilization rate of the refineries is expected to be higher than in 2018 (2018: 92%).

#### Gas

- ▶ Natural gas sales volumes in 2019 are projected to be above those in 2018 (2018: 114 TWh).
- ▶ Natural gas sales margins are forecasted to be lower in 2019 compared to 2018.
- ▶ Due to the divestment of the Samsun power plant in Turkey in Q3/18, the net electrical output in 2019 will be lower than in 2018 (2018: 5.1 TWh). Net electrical output of the Brazi power plant in Romania is expected to be lower than in 2018.
- ▶ OMV will continue to finance the Nord Stream 2 pipeline.

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## Business segments

### Upstream

In EUR mn (unless otherwise stated)

Q2/19	Q1/19	Q2/18	Δ% <sup>1</sup>		6m/19	6m/18	Δ%
1,121	812	779	44	Clean Operating Result before depreciation and amortization, impairments and write-ups	1,933	1,545	25
650	393	457	42	Clean Operating Result	1,043	895	16
(6)	13	(94)	93	Special items	7	(55)	n.m.
644	406	363	77	Operating Result	1,050	840	25
341	792	1,584	(78)	Capital expenditure <sup>2</sup>	1,133	1,839	(38)
93	69	75	24	Exploration expenditure	162	137	19
71	46	53	35	Exploration expenses	118	90	31
6.93	6.81	7.60	(9)	Production cost in USD/boe <sup>3</sup>	6.87	7.51	(9)

### Key Performance Indicators

490	474	419	17	Total hydrocarbon production in kboe/d <sup>3</sup>	482	428	13
151	153	160	(6)	thereof OMV Petrom	152	161	(6)
19.5	17.5	16.0	22	Crude oil and NGL production in mn bbl	37.0	32.0	16
146.1	146.7	128.3	14	Natural gas production in bcf <sup>3</sup>	292.8	263.8	11
44.1	38.4	35.7	24	Total hydrocarbon sales volumes in mn boe <sup>3</sup>	82.5	74.2	11
68.86	63.13	74.39	(7)	Average Brent price in USD/bbl	65.95	70.58	(7)
65.91	60.01	60.61	9	Average realized crude price in USD/bbl	63.47	59.27	7
4.16	4.72	4.63	(10)	Average realized gas price in USD/1,000 cf <sup>3</sup>	4.44	4.74	(6)
12.13	13.58	12.71	(5)	Average realized gas price in EUR/MWh <sup>3, 4</sup>	12.85	12.82	0
1.124	1.136	1.192	(6)	Average EUR-USD FX rate	1.130	1.210	(7)

Notes: The net result from the equity-accounted investments in Pearl and Severnftgazprom ("SNGP," operator of Yuzhno Russkoye) are reflected in the Operating Result.

<sup>1</sup> Q2/19 compared to Q2/18

<sup>2</sup> Capital expenditure including acquisitions, notably the acquisition of a 20% stake in two offshore oil fields in Abu Dhabi from ADNOC to the amount of USD 1.5 bn in Q2/18 as well as for the participation of the 50% interest in the company SapuraOMV in Q1/19 to the amount of USD 540 mn.

<sup>3</sup> Average realized prices include hedging effects.

<sup>4</sup> The average realized gas price is converted to MWh using a standardized calorific value across the portfolio.

### Second quarter 2019 (Q2/19) compared to second quarter 2018 (Q2/18)

- ▶ Production strongly increased to 490 kboe/d, up by 70 kboe/d
- ▶ Production cost decreased by 9% to USD 6.9/boe

The **clean Operating Result** substantially increased from EUR 457 mn in Q2/18 to EUR 650 mn. The operational performance amounted to EUR 239 mn and was mainly caused by the sales contribution from Libya due to the lifting schedule and OMV's acquisitions in Abu Dhabi (Q2/18), New Zealand (Q4/18), and Malaysia (Q1/19). These effects were partially offset by lower production in Romania and Austria, as well as in Pakistan as a result of the divestment of OMV's Upstream companies in Q2/18. Positive net market effects were EUR 71 mn mainly due to higher average realized oil prices and positive FX effects. This was partially offset by lower average realized gas prices. The higher depreciation of EUR (118) mn was mainly related to OMV's acquisitions in New Zealand, Abu Dhabi, and Malaysia. In Q2/19, OMV Petrom contributed EUR 163 mn to the clean Operating Result compared to EUR 177 mn in Q2/18.

**Net special items** amounted to EUR (6) mn in Q2/19 (Q2/18: EUR (94) mn). The **Operating Result** substantially increased to EUR 644 mn (Q2/18: EUR 363 mn).

At USD 6.9/boe, the **production cost** excluding royalties declined by 9% as a result of higher quantities and the positive FX development. The production cost of OMV Petrom decreased by 4% to USD 11.2/boe mainly due to a positive FX environment and optimization initiatives.

**Total hydrocarbon production** rose by 17% to 490 kboe/d, primarily due to the acquisitions in New Zealand, Abu Dhabi, and Malaysia, as well as the production contribution from Aasta Hansteen in Norway. This was partially offset by lower production from Romania as well as Pakistan as a result of the divestment of OMV's Upstream companies in Q2/18. OMV Petrom's total production was down 6% to 151 kboe/d mostly because of natural decline. **Total hydrocarbon sales volumes** increased to 44.1 mn boe (Q2/18: 35.7 mn boe) following the acquisitions in New Zealand, Abu Dhabi, and Malaysia. The contribution from Libya also increased due to the lifting schedule. These effects were partially offset by lower volumes from Romania and Tunisia, as well as Pakistan following the divestment of OMV's Upstream companies.

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Brent prices traded in the range of USD 70/bbl to USD 75/bbl until mid-May driven by an overcompliant implementation of the OPEC+ production cut and concerns of supply tightness, before falling to the range of USD 60/bbl to USD 65/bbl as the market focus shifted to global oil demand growth fears triggered by the escalation of the US/China trade conflict and a more pessimistic global macro outlook. By the end of June, prices increased to levels of around USD 65/bbl after the escalation of the US/Iran conflict. Quarter versus quarter, the **average Brent price** decreased by 7% to around USD 69/bbl. The Group's **average realized crude price** increased by 9%, since in Q2/18 the average realized crude price was impacted negatively by hedging effects. The **average realized gas price** in USD/1,000 cf decreased by 10% mainly caused by warmer than expected winter temperatures, above average storage levels all across Europe, and a doubling of LNG imports to Europe. Realized gas prices were impacted by a hedging loss of EUR (8) mn in Q2/19.

**Capital expenditure** including capitalized E&A amounted to EUR 341 mn in Q2/19 (Q2/18: EUR 1,584 mn). In Q2/18, capital expenditure including capitalized E&A was mainly related to the acquisition of a 20% stake in two offshore oil fields in Abu Dhabi from ADNOC to the amount of USD 1.5 bn. Organic capital expenditure was undertaken primarily in Romania, Norway, and the United Arab Emirates. **Exploration expenditure** rose by 24% to EUR 93 mn in Q2/19 and was mainly related to activities in Norway, Romania, and New Zealand.

#### January to June 2019 (6m/19) compared to January to June 2018 (6m/18)

The **clean Operating Result** strongly increased from EUR 895 mn in 6m/18 to EUR 1,043 mn in 6m/19. Net market effects had a positive impact of EUR 193 mn mainly as a result of higher average realized oil prices and positive FX effects. This was partially offset by lower average realized gas prices. The operational performance amounted to EUR 160 mn and was mainly caused by OMV's acquisitions in Abu Dhabi (Q2/18), New Zealand (Q4/18), and Malaysia (Q1/19). Yemen also had a positive impact as a result of the production resumption. These effects were partially offset by Libya following force majeure at the El Sharara field in Q1/19 and lower production in Romania and Austria as well as in Pakistan as a result of the divestment of OMV's Upstream companies in Q2/18. The higher depreciation of EUR (205) mn was mainly related to OMV's acquisitions in New Zealand, Abu Dhabi, and Malaysia. OMV Petrom contributed EUR 337 mn in 6m/19 to the clean Operating Result compared to EUR 315 mn in 6m/18.

Net **special items** in 6m/19 amounted to EUR 7 mn (6m/18: EUR (55) mn). The **Operating Result** improved substantially to EUR 1,050 mn (6m/18: EUR 840 mn).

At USD 6.9/boe, **production cost** excluding royalties was down 9% as a result of higher production coupled with a positive FX development. At OMV Petrom, production cost decreased by 3% to USD 11.4/boe, mainly due to a positive FX environment.

**Total hydrocarbon production** rose by 13% to 482 kboe/d, primarily due to the acquisitions in New Zealand, Abu Dhabi, and Malaysia as well as the production contribution from Aasta Hansteen in Norway. This was partially offset by lower production from Romania as well as Pakistan as a result of the divestment of OMV's Upstream companies in Q2/18. The contribution from Libya was also lower following force majeure at the El Sharara field in Q1/19. OMV Petrom's total production went down by 6% to 152 kboe/d, mainly due to natural decline. **Total sales volumes** improved by 11% to 82.5 mn boe (6m/18: 74.2 mn boe), mainly as a result of the acquisitions in New Zealand, Abu Dhabi, and Malaysia. These contributions were partially offset by lower sales in Romania and Pakistan.

In 6m/19, the **average Brent price** reached USD 66/bbl, a decrease of 7%. The Group's **average realized crude price** rose by 7%. The **average realized gas price** in USD/1,000 cf went down by 6% caused by warmer than expected winter temperatures and above average storage levels all across Europe and a doubling of LNG imports to Europe. Realized gas prices in 6m/19 were impacted by a realized hedging loss of EUR (26) mn.

**Capital expenditure** including capitalized E&A was in 6m/19 EUR 1,133 mn (6m/18: EUR 1,839 mn). This included in particular the payment to the amount of USD 540 mn for the participation of the 50% interest in the new company SapuraOMV in Q1/19. In 6m/18, capital expenditure including capitalized E&A was mainly related to the acquisition of a 20% stake in two offshore oil fields in Abu Dhabi from ADNOC in the amount of USD 1.5 bn. Organic capital expenditure was undertaken primarily in Romania, Norway, and the United Arab Emirates. **Exploration expenditure** increased by 19% to EUR 162 mn and was mainly related to activities in Norway, Romania, and Austria.

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## Downstream

In EUR mn (unless otherwise stated)

Q2/19	Q1/19	Q2/18	Δ% <sup>1</sup>		6m/19	6m/18	Δ%
563	506	454	24	Clean CCS Operating Result before depreciation and amortization, impairments and write-ups <sup>2</sup>	1,069	947	13
428	374	338	26	Clean CCS Operating Result <sup>2</sup>	801	714	12
427	299	318	34	thereof Downstream Oil	727	600	21
0	75	20	(98)	thereof Downstream Gas	75	114	(35)
33	11	(66)	n.m.	Special items	44	(40)	n.m.
13	22	47	(72)	CCS effects: inventory holding gains/(losses) <sup>2</sup>	35	62	(43)
474	407	318	49	Operating Result	880	736	20
140	83	159	(12)	Capital expenditure <sup>3</sup>	222	242	(8)
<b>Downstream Oil KPIs</b>							
3.18	4.04	5.23	(39)	OMV indicator refining margin in USD/bbl <sup>4</sup>	3.62	5.01	(28)
475	452	408	16	Ethylene/propylene net margin in EUR/t <sup>4, 5</sup>	463	429	8
96	98	77	25	Utilization rate refineries in %	97	85	14
5.38	4.79	4.98	8	Total refined product sales in mn t	10.17	9.52	7
1.63	1.45	1.60	2	thereof retail sales volumes in mn t	3.09	3.01	3
0.57	0.63	0.61	(6)	thereof petrochemicals in mn t	1.19	1.22	(2)
<b>Downstream Gas KPIs</b>							
26.76	38.06	24.79	8	Natural gas sales volumes in TWh	64.82	57.76	12
0.05	1.08	0.65	(93)	Net electrical output in TWh	1.13	2.17	(48)

<sup>1</sup> Q2/19 compared to Q2/18<sup>2</sup> Current Cost of Supply (CCS): Clean CCS figures exclude special items and inventory holding gains/losses (CCS effects) resulting from the fuels refineries.<sup>3</sup> Capital expenditure including acquisitions<sup>4</sup> Actual refining and petrochemical margins realized by OMV may vary from the OMV indicator refining margin, the ethylene/propylene net margin, and from the market margins due to factors including a different crude slate, product yield, operating conditions, and a different feedstock.<sup>5</sup> Calculated based on West European Contract Prices (WECP) with naphtha as feedstock

### Second quarter 2019 (Q2/19) compared to second quarter 2018 (Q2/18)

- ▶ Increased Downstream Oil result driven by a strong commercial and retail performance
- ▶ High refinery utilization rate of 96% and increased total refined product sales

The **clean CCS Operating Result** grew considerably to EUR 428 mn in Q2/19 (Q2/18: EUR 338 mn). A strong Downstream Oil result was partially compensated by the decline in Downstream Gas.

The **Downstream Oil clean CCS Operating Result** grew by 34% from EUR 318 mn in Q2/18 to EUR 427 mn, following a strong result contribution from the commercial and retail businesses and an increased result of the petrochemicals business. The **OMV indicator refining margin** dropped by 39% to USD 3.2/bbl (Q2/18: USD 5.2/bbl). The strong decline in naphtha and the lower middle distillate margins could not be offset by increased heavy fuel oil margins and lower feedstock costs as a result of decreased crude prices. The **utilization rate of the refineries** reached a high level of 96% in Q2/19. In Q2/18, the utilization rate was 77% mainly following the planned six-week turnaround at the Petrobrazzi refinery. At 5.4 mn t, **total refined product sales** rose by 8%. The retail business had an improved contribution following higher margins and slightly increased sales volumes. In the commercial business, sales volumes and margins went up compared to Q2/18. The commercial business benefited in Q2/19 from a tight supply situation following a refinery outage and the Druzhba pipeline contamination. OMV Petrom contributed with EUR 73 mn (Q2/18: EUR 42 mn) to the clean CCS Operating Result of Downstream Oil.

The clean CCS Operating Result of the petrochemicals business rose by 43% to EUR 78 mn in Q2/19 (Q2/18: EUR 55 mn) supported by a considerably higher **ethylene/propylene net margin**. The butadiene and benzene net margins decreased compared to Q2/18. The share from Borealis to the clean Operating Result increased to EUR 118 mn in Q2/19 (Q2/18: EUR 106 mn), mainly following a positive impact stemming from a settlement agreement regarding the pending tax cases in Finland. The integrated polyolefin margins were at a healthy level and the performance of the fertilizer business improved due to lower gas prices.

The **Downstream Gas clean CCS Operating Result** decreased from EUR 20 mn in Q2/18 to EUR 0 mn due to a lower gas storage and power business result. The contribution from Gas Connect Austria increased from EUR 20 mn to EUR 27 mn mainly following higher transportation revenues. **Natural gas sales volumes** increased from 24.8 TWh to 26.8 TWh, primarily following a successful market offensive in Germany and the Netherlands, partially offset by lower sales volumes in Turkey and Romania. **Net electrical output** went down to 0.0 TWh in Q2/19 (Q2/18: 0.7 TWh) following an unfavorable market environment in Romania and the divestment of the Samsun power plant in Q3/18. OMV Petrom's clean CCS Operating Result of Downstream Gas amounted to EUR (4) mn in Q2/19 (Q2/18: EUR 6 mn).



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Net **special items** were EUR 33 mn (Q2/18: EUR (66) mn), which are mainly related to unrealized commodity derivatives. **CCS effects** of EUR 13 mn were booked as a result of rising crude prices during Q2/19. The **Operating Result** of Downstream increased sharply to EUR 474 mn compared to EUR 318 mn in Q2/18.

**Capital expenditure** in Downstream amounted to EUR 140 mn (Q2/18: EUR 159 mn) and included capital expenditure to the amount of EUR 22 mn related to IFRS 16. Downstream Oil capital expenditure was EUR 108 mn (Q2/18: EUR 139 mn). In Q2/19, organic capital expenditure predominantly related to investments in refining in Austria and Germany, as well as to retail investments.

#### January to June 2019 (6m/19) compared to January to June 2018 (6m/18)

The **clean CCS Operating Result** rose from EUR 714 mn to EUR 801 mn in 6m/19 mainly following a higher result in Downstream Oil, partially offset by a lower Downstream Gas result.

The **Downstream Oil clean CCS Operating Result** increased in 6m/19 by EUR 127 mn to EUR 727 mn. The increase was due to a strong result contribution from the commercial and retail businesses and an increased result of the petrochemical business. The **OMV indicator refining margin** decreased by 28% from USD 5.0/bbl to USD 3.6/bbl. Lower naphtha and gasoline margins could not be offset by higher heavy fuel oil and middle distillate margins. Lower feedstock costs as a result of decreased crude prices positively impacted the refining margin. The **utilization rate of the refineries** came in at a very high rate of 97% in 6m/19. The utilization rate in 6m/18 was at 85% and reflected the planned six-week turnaround at the Petrobrazzi refinery. At 10.2 mn t, **total refined product sales** increased by 7%. The retail business had an improved contribution following higher margins and slightly increased sales volumes. In the commercial business, sales volumes and margins went up compared to 6m/18. The commercial business benefited in 6m/19 from a tight supply situation following a refinery outage and the Druzhba pipeline contamination. OMV Petrom contributed EUR 123 mn (6m/18: EUR 94 mn) to the clean CCS Operating Result of Downstream Oil.

The clean CCS Operating Result of the petrochemicals business increased by 20% to EUR 148 mn (6m/18: EUR 123 mn) mainly due to an improved **ethylene/propylene net margin**. The Butadiene net margin rose, while the benzene net margin went down considerably following a sharp decline in Q1/19 due to an oversupplied market. Borealis' contribution to the clean Operating Result declined slightly by EUR 2 mn to EUR 190 mn (6m/18: EUR 192 mn). A positive impact stemming from a settlement agreement regarding the pending tax cases in Finland was more than offset by lower inventory valuation effects. The integrated polyolefin margins were at a healthy level and the performance of the fertilizer business improved due to lower gas prices.

**Downstream Gas clean CCS Operating Result** declined from EUR 114 mn to EUR 75 mn in 6m/19, mainly following a significantly weaker gas storage result. The performance of Gas Connect Austria increased from EUR 47 mn in 6m/18 to EUR 52 mn. This was mainly attributable to higher transportation revenues. **Natural gas sales volumes** grew by 12% to 64.8 TWh (6m/18: 57.8 TWh). Higher sales volumes in Germany and the Netherlands were partially offset by significantly lower sales in Turkey and lower sales in Romania. **Net electrical output** dropped from 2.2 TWh to 1.1 TWh in 6m/19, following an unfavorable market environment in Romania. In addition the divestment of the Samsun power plant in Q3/18 negatively impacted the net electrical output. OMV Petrom contributed EUR 30 mn (6m/18: EUR 22 mn) to the clean CCS Operating Result of Downstream Gas.

The 6m/19 result reflects net **special items** of EUR 44 mn (6m/18: EUR (40) mn), mainly related to unrealized commodity derivatives. **CCS effects** of EUR 35 mn were booked due to rising crude prices in 6m/19. The Downstream **Operating Result** increased significantly from EUR 736 mn to EUR 880 mn in 6m/19.

**Capital expenditure** in Downstream amounted to EUR 222 mn (6m/18: EUR 242 mn) and included capital expenditure to the amount of EUR 35 mn related to IFRS 16. Capital expenditure in Downstream Oil was EUR 182 mn (6m/18: EUR 207 mn). In 6m/19 organic capital expenditure predominantly related to investments in refining in Romania and Austria, as well as to retail investments.

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# Group Interim Financial Statements (condensed, unaudited)

## Income statement (unaudited)

In EUR mn (unless otherwise stated)

Q2/19	Q1/19	Q2/18		6m/19	6m/18
6,035	5,403	5,706	Sales revenues	11,438	10,683
102	109	127	Other operating income	211	194
142	87	122	Net income from equity-accounted investments	229	229
118	72	106	thereof Borealis	190	192
<b>6,279</b>	<b>5,600</b>	<b>5,955</b>	<b>Total revenues and other income</b>	<b>11,879</b>	<b>11,106</b>
(3,437)	(3,211)	(3,814)	Purchases (net of inventory variation)	(6,648)	(6,637)
(420)	(386)	(432)	Production and operating expenses	(806)	(824)
(125)	(124)	(91)	Production and similar taxes	(248)	(178)
(576)	(549)	(470)	Depreciation, amortization and impairment charges	(1,125)	(913)
(474)	(459)	(432)	Selling, distribution and administrative expenses	(933)	(848)
(71)	(46)	(53)	Exploration expenses	(118)	(90)
(89)	(59)	(61)	Other operating expenses	(147)	(115)
<b>1,087</b>	<b>766</b>	<b>602</b>	<b>Operating Result</b>	<b>1,853</b>	<b>1,502</b>
4	0	6	Dividend income	4	7
51	41	23	Interest income	92	47
(77)	(75)	(86)	Interest expenses	(152)	(150)
(3)	6	10	Other financial income and expenses	4	(41)
<b>(25)</b>	<b>(28)</b>	<b>(47)</b>	<b>Net financial result</b>	<b>(53)</b>	<b>(137)</b>
<b>1,062</b>	<b>738</b>	<b>555</b>	<b>Profit before tax</b>	<b>1,800</b>	<b>1,364</b>
(404)	(242)	(279)	Taxes on income	(646)	(557)
<b>658</b>	<b>496</b>	<b>276</b>	<b>Net income for the period</b>	<b>1,154</b>	<b>807</b>
<b>543</b>	<b>354</b>	<b>203</b>	<b>thereof attributable to stockholders of the parent</b>	<b>897</b>	<b>610</b>
19	19	16	thereof attributable to hybrid capital owners	37	40
96	123	56	thereof attributable to non-controlling interests	219	157
<b>1.66</b>	<b>1.08</b>	<b>0.62</b>	<b>Basic Earnings Per Share in EUR</b>	<b>2.75</b>	<b>1.87</b>
1.66	1.08	0.62	Diluted Earnings Per Share in EUR	2.75	1.86

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**Statement of comprehensive income (condensed, unaudited)**

In EUR mn

<b>Q2/19</b>	<b>Q1/19</b>	<b>Q2/18</b>		<b>6m/19</b>	<b>6m/18</b>
658	496	276	Net income for the period	1,154	807
(24)	90	71	Exchange differences from translation of foreign operations	66	23
0	(59)	1	Gains/(losses) on hedges	(59)	55
(11)	1	78	Share of other comprehensive income of equity-accounted investments	(11)	30
<b>(36)</b>	<b>32</b>	<b>149</b>	<b>Total of items that may be reclassified (“recycled”) subsequently to the income statement</b>	<b>(4)</b>	<b>108</b>
(4)	(78)	21	Remeasurement gains/(losses) on defined benefit plans	(82)	21
—	—	5	Gains/(losses) on investments	—	5
2	65	95	Gains/(losses) on hedges that are subsequently transferred to the carrying amount of the hedged item	67	107
(16)	9	1	Share of other comprehensive income of equity-accounted investments	(7)	1
<b>(18)</b>	<b>(4)</b>	<b>122</b>	<b>Total of items that will not be reclassified (“recycled”) subsequently to the income statement</b>	<b>(22)</b>	<b>134</b>
0	15	1	Income taxes relating to items that may be reclassified (“recycled”) subsequently to the income statement	15	(15)
12	(16)	(27)	Income taxes relating to items that will not be reclassified (“recycled”) subsequently to the income statement	(5)	(30)
<b>12</b>	<b>(2)</b>	<b>(26)</b>	<b>Total income taxes relating to components of other comprehensive income</b>	<b>10</b>	<b>(46)</b>
<b>(42)</b>	<b>26</b>	<b>245</b>	<b>Other comprehensive income for the period, net of tax</b>	<b>(16)</b>	<b>196</b>
<b>615</b>	<b>523</b>	<b>520</b>	<b>Total comprehensive income for the period</b>	<b>1,138</b>	<b>1,003</b>
487	441	453	thereof attributable to stockholders of the parent	928	809
19	19	16	thereof attributable to hybrid capital owners	37	40
109	63	51	thereof attributable to non-controlling interests	173	154

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**Statement of financial position (unaudited)**

In EUR mn

	Jun. 30, 2019	Dec. 31, 2018
<b>Assets</b>		
<b>Intangible assets</b>	<b>4,117</b>	<b>3,317</b>
Property, plant and equipment	16,465	15,115
Equity-accounted investments	3,051	3,011
Other financial assets	2,531	2,659
Other assets	66	36
Deferred taxes	690	759
<b>Non-current assets</b>	<b>26,920</b>	<b>24,896</b>
Inventories	1,623	1,571
Trade receivables	3,031	3,420
Other financial assets	2,920	2,727
Income tax receivables	17	9
Other assets	251	264
Cash and cash equivalents	3,691	4,026
<b>Current assets</b>	<b>11,532</b>	<b>12,017</b>
Assets held for sale	14	47
<b>Total assets</b>	<b>38,466</b>	<b>36,961</b>
<b>Equity and liabilities</b>		
Share capital	327	327
Hybrid capital	1,987	1,987
Reserves	9,965	9,591
<b>Equity of stockholders of the parent</b>	<b>12,278</b>	<b>11,905</b>
Non-controlling interests	3,729	3,436
<b>Equity</b>	<b>16,008</b>	<b>15,342</b>
Provisions for pensions and similar obligations	1,121	1,096
Bonds	4,272	4,468
Other interest-bearing debts	1,296	441
Provisions for decommissioning and restoration obligations	3,974	3,673
Other provisions	481	446
Other financial liabilities	432	924
Other liabilities	146	138
Deferred taxes	1,082	731
<b>Non-current liabilities</b>	<b>12,804</b>	<b>11,917</b>
Trade payables	3,548	4,401
Bonds	1,077	539
Other interest-bearing debts	338	304
Income tax liabilities	435	349
Provisions for decommissioning and restoration obligations	76	63
Other provisions	255	355
Other financial liabilities	2,918	2,806
Other liabilities	1,008	863
<b>Current liabilities</b>	<b>9,654</b>	<b>9,680</b>
Liabilities associated with assets held for sale	0	22
<b>Total equity and liabilities</b>	<b>38,466</b>	<b>36,961</b>



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**Statement of changes in equity (condensed, unaudited)**

In EUR mn

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Other reserves <sup>1</sup>	Treasury shares	Equity of stock-holders of the parent	Non-controlling interests	Total equity
<b>January 1, 2019</b>	<b>327</b>	<b>1,511</b>	<b>1,987</b>	<b>8,830</b>	<b>(744)</b>	<b>(6)</b>	<b>11,905</b>	<b>3,436</b>	<b>15,342</b>
Net income for the period	-	-	-	935	-	-	935	219	1,154
Other comprehensive income for the period	-	-	-	(73)	104	-	30	(46)	(16)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>862</b>	<b>104</b>	<b>-</b>	<b>965</b>	<b>173</b>	<b>1,138</b>
Dividend distribution and hybrid coupon	-	-	-	(586)	-	-	(586)	(188)	(775)
Disposal of treasury shares	-	3	-	-	-	2	5	-	5
Share-based payments	-	(11)	-	-	-	-	(11)	-	(11)
Increase/(decrease) in non-controlling interests	-	-	-	-	-	-	-	309	309
Reclassification of cash flow hedges to balance sheet <sup>2</sup>	-	-	-	-	1	-	1	(0)	1
<b>June 30, 2019</b>	<b>327</b>	<b>1,503</b>	<b>1,987</b>	<b>9,105</b>	<b>(639)</b>	<b>(4)</b>	<b>12,278</b>	<b>3,729</b>	<b>16,008</b>

<sup>1</sup> "Other reserves" contain exchange differences from the translation of foreign operations, unrealized gains and losses from hedges as well as the share of other comprehensive income of equity-accounted investments.

<sup>2</sup> The amount was mainly related to inventories that were already consumed as of June 30, 2019 and consequently recognized in the income statement.

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Other reserves <sup>1</sup>	Treasury shares	Equity of stock-holders of the parent	Non-controlling interests	Total equity
<b>January 1, 2018</b>	<b>327</b>	<b>1,517</b>	<b>2,231</b>	<b>8,006</b>	<b>(857)</b>	<b>(8)</b>	<b>11,216</b>	<b>3,118</b>	<b>14,334</b>
<b>Adjustments on initial application of IFRS 9 and IFRS 15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39</b>	<b>3</b>	<b>-</b>	<b>42</b>	<b>-</b>	<b>42</b>
<b>Adjusted balance January 1, 2018</b>	<b>327</b>	<b>1,517</b>	<b>2,231</b>	<b>8,045</b>	<b>(854)</b>	<b>(8)</b>	<b>11,259</b>	<b>3,118</b>	<b>14,377</b>
Net income for the period	-	-	-	650	-	-	650	157	807
Other comprehensive income for the period	-	-	-	22	177	-	199	(3)	196
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>672</b>	<b>177</b>	<b>-</b>	<b>849</b>	<b>154</b>	<b>1,003</b>
Capital increase	-	-	496	-	-	-	496	-	496
Dividend distribution and hybrid coupon	-	-	-	(490)	-	-	(490)	(161)	(651)
Change in hybrid capital	-	-	(741)	(60)	-	-	(800)	-	(800)
Disposal of treasury shares	-	4	-	-	-	3	7	-	7
Share-based payments	-	(14)	-	0	-	-	(14)	-	(14)
Increase/(decrease) in non-controlling interests	-	-	-	(8)	(0)	-	(9)	7	(2)
Reclassification of cash flow hedges to balance sheet <sup>2</sup>	-	-	-	-	(96)	-	(96)	-	(96)
<b>June 30, 2018</b>	<b>327</b>	<b>1,508</b>	<b>1,987</b>	<b>8,159</b>	<b>(773)</b>	<b>(6)</b>	<b>11,202</b>	<b>3,118</b>	<b>14,320</b>

<sup>1</sup> "Other reserves" contain exchange differences from the translation of foreign operations, unrealized gains and losses from hedges as well as the share of other comprehensive income of equity-accounted investments.

<sup>2</sup> The amount was mainly related to inventories that were already consumed as of June 30, 2018 and consequently recognized in the income statement.

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**Summarized statement of cash flows (condensed, unaudited)**

In EUR mn

<b>Q2/19</b>	<b>Q1/19</b>	<b>Q2/18</b>		<b>6m/19</b>	<b>6m/18</b>
<b>658</b>	<b>496</b>	<b>276</b>	<b>Net income for the period</b>	<b>1,154</b>	<b>807</b>
616	562	482	Depreciation, amortization and impairments including write-ups	1,177	932
37	20	79	Deferred taxes	57	146
(1)	(13)	1	Losses/(gains) on the disposal of non-current assets	(14)	(5)
(91)	35	(22)	Net change in provisions	(57)	(21)
(180)	97	19	Other adjustments	(83)	148
<b>1,038</b>	<b>1,196</b>	<b>834</b>	<b>Sources of funds</b>	<b>2,235</b>	<b>2,007</b>
107	(172)	(143)	(Increase)/decrease in inventories	(65)	(1)
555	(180)	455	(Increase)/decrease in receivables	376	(268)
(566)	22	87	(Decrease)/increase in liabilities	(544)	571
<b>1,135</b>	<b>866</b>	<b>1,233</b>	<b>Cash flow from operating activities</b>	<b>2,001</b>	<b>2,309</b>
			<b>Investments</b>		
(492)	(518)	(1,700)	Intangible assets and property, plant and equipment	(1,010)	(2,131)
(26)	(77)	(60)	Investments, loans and other financial assets	(102)	(141)
0	(460)	(3)	Acquisitions of subsidiaries and businesses net of cash acquired	(460)	(51)
			<b>Disposals</b>		
83	48	8	Proceeds in relation to non-current assets	131	11
19	17	136	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	36	154
<b>(415)</b>	<b>(990)</b>	<b>(1,619)</b>	<b>Cash flow from investing activities</b>	<b>(1,405)</b>	<b>(2,157)</b>
276	(366)	(801)	(Decrease)/increase in long-term borrowings	(90)	(1,003)
(202)	137	26	(Decrease)/increase in short-term borrowings	(65)	16
(771)	0	(693)	Dividends paid	(772)	(693)
–	–	496	Hybrid bond	–	496
<b>(697)</b>	<b>(230)</b>	<b>(972)</b>	<b>Cash flow from financing activities</b>	<b>(926)</b>	<b>(1,183)</b>
5	(9)	(5)	Effect of exchange rate changes on cash and cash equivalents	(4)	(12)
<b>27</b>	<b>(363)</b>	<b>(1,362)</b>	<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(335)</b>	<b>(1,043)</b>
3,664	4,026	4,300	Cash and cash equivalents at beginning of period	4,026	3,981
<b>3,691</b>	<b>3,664</b>	<b>2,938</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,691</b>	<b>2,938</b>
–	–	11	thereof cash disclosed within Assets held for sale	–	11
<b>3,691</b>	<b>3,664</b>	<b>2,927</b>	<b>Cash and cash equivalents presented in the consolidated statement of financial position</b>	<b>3,691</b>	<b>2,927</b>
<b>719</b>	<b>(124)</b>	<b>(386)</b>	<b>Free cash flow</b>	<b>595</b>	<b>152</b>
<b>(52)</b>	<b>(124)</b>	<b>(1,078)</b>	<b>Free cash flow after dividends</b>	<b>(176)</b>	<b>(541)</b>

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## Selected notes to the interim consolidated financial statements

### Legal principles

The interim condensed consolidated financial statements for the six months ended June 30, 2019, have been prepared in accordance with IAS 34 Interim Financial Statements.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual statements and should be read in conjunction with the Group's annual financial statements as of December 31, 2018.

The interim condensed consolidated financial statements for Q2/19 are unaudited and an external review by an auditor was not performed.

The interim condensed consolidated financial statements for Q2/19 have been prepared in million EUR (EUR mn, EUR 1,000,000). Accordingly, there may be rounding differences.

In addition to the interim financial statements, further information on main items affecting the interim financial statements as of June 30, 2019, is given as part of the description of OMV's Business Segments in the Directors' Report.

### Significant changes in accounting policies

The Group has initially adopted IFRS 16 Leases from January 1, 2019.

A number of other amendments and interpretations have been effective since January 1, 2019. They do not have a material effect on the Group's financial statements.

### IFRS 16 Leases

This standard replaces IAS 17 and sets out new rules for lease accounting. For the lessee's accounting, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as was required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize right-of-use assets and liabilities for leases in the scope of IFRS 16 and depreciation of the right-of-use assets separately from interest on lease liabilities in the income statement. The right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. Interest expense is charged to profit or loss over the lease period on the remaining balance of the lease liability for each period. For lessors, there are minor changes compared to IAS 17.

On transition to IFRS 16, OMV applied the practical expedient to grandfather the assessment of which transactions are leases. This means it applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under the previous standard were not reassessed for whether they are leases. Additionally, OMV did not recognize any right-of-use assets and lease liabilities for contracts that expire in 2019 because they are treated as short-term leases.

Leases to explore for and use oil and natural gas, which comprise mainly land leases used for such activities, are not in the scope of IAS 17 and IFRS 16. In addition, some commitments are covered by the exceptions for short-term and low value leases. Consequently, right-of-use assets and lease liabilities were not recognized for these contracts. Moreover, non-lease components are separated from the lease components for measurement of right-of-use assets and lease liabilities.

OMV initially applied IFRS 16 on January 1, 2019, using the modified retrospective approach for transition, thus not restating comparative amounts for the comparative period presented. The right-of-use assets for previous operating leases were measured at the date of initial application at the amount of the lease liability, adjusted by prepaid or accrued lease payments as well as existing onerous contract provisions for operating leases. The lease liabilities were measured at the present value of the lease payments over the remaining lease term, discounted using the incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to these lease liabilities on January 1, 2019, was 0.94%. The first-time application of IFRS 16 resulted in recognizing EUR 688 mn as right-of-use assets and EUR 706 mn as lease liabilities for previous operating leases. For leases previously classified as finance leases the Group recognized the carrying amount of the lease asset and lease liability before transition as the carrying amount of the right-of-use asset and lease liability at the date of initial application. In the statement of financial position, the right-of-use assets are presented within property, plant and equipment and lease liabilities within other interest-bearing debts.

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**Reconciliation of future operating lease commitments as at December 31, 2018 to lease liability as at January 1, 2019**

In EUR mn

	<b>Jan. 1, 2019</b>
<b>Future minimum lease payments under non-cancellable operating leases as at December 31, 2018</b>	<b>480</b>
less minimum lease payments for short-term leases	(27)
less minimum lease payments for low value leases	(2)
plus minimum lease payments under reasonably certain prolongation or termination options	314
<b>Gross lease liability for previously unrecognized operating lease commitments as at January 1, 2019</b>	<b>765</b>
less discounting effect as at January 1, 2019	(60)
<b>Lease liability for previously unrecognized operating lease commitments as at January 1, 2019</b>	<b>706</b>
<b>Finance lease liability recognized as at 31 December, 2018</b>	<b>288</b>
<b>Lease liability recognized as at January 1, 2019</b>	<b>994</b>

**Leasing overview**

In EUR mn

	<b>Jun. 30, 2019</b>
<b>Right-of-use assets</b>	
Right-of-use assets – land and buildings	656
Right-of-use assets – plant and machinery	31
Right-of-use assets – other fixtures, fittings, and equipment	71
<b>Total right-of-use assets – carrying amount</b>	<b>758</b>
	<b>6m/19</b>
<b>Depreciation of right-of-use assets</b>	<b>49</b>
<b>Lease liabilities</b>	<b>Jun. 30, 2019</b>
Non-current lease liabilities	883
Current lease liabilities	100
<b>Total lease liabilities</b>	<b>984</b>

**Changes in the consolidated Group**

Compared with the consolidated financial statements as of December 31, 2018, the consolidated Group changed as follows:

**Changes in consolidated Group**

<b>Name of company</b>	<b>Registered office</b>	<b>Type of change <sup>1</sup></b>	<b>Effective date</b>
<b>Upstream</b>			
SapuraOMV Upstream (Americas) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Australia) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
SEP Block 30, S. de R.L. de C.V.	Mexico City	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Mexico) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Malaysia) Inc.	Nassau	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (NZ) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Oceania) Sdn. Bhd.	Seri Kembangan	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (PM) Inc.	Nassau	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Southeast Asia) Inc.	Nassau	First consolidation (A)	January 31, 2019
SapuraOMV Upstream (Sarawak) Inc.	Nassau	First consolidation (A)	January 31, 2019
Sapura Upstream Sdn Bhd	Kuala Lumpur	First consolidation (A)	January 31, 2019
Sapura Exploration and Production (Western Australia) Sdn Bhd	Perth	First consolidation (A)	January 31, 2019
SapuraOMV Upstream Sdn Bhd	Seri Kembangan	First consolidation (A)	January 31, 2019

<sup>1</sup>“First consolidation (A)” indicates the acquisition of a company.



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**Upstream**

On January 31, 2019, OMV bought a 50% stake of the issued share capital in SapuraOMV Upstream Sdn. Bhd. for an amount of USD 540 mn (subject to customary closing adjustments). As OMV has the decision power over the relevant activities of SapuraOMV Upstream Sdn. Bhd., the new entity and its subsidiaries are fully consolidated in OMV's Group financial statements.

In addition, the parties agreed to an additional consideration of up to USD 85 mn based on certain conditions, mainly linked to the resource volume in Block 30, Mexico, at the time the final investment decision is taken. No liability was recognized at the time of acquisition. Both parties have also agreed to refinance the intercompany debt of USD 350 mn existing at the time of acquisition (shown in the line "(Decrease)/increase in long-term borrowings" in the cash flow statement).

The acquisition was an additional important step in establishing Asia-Pacific as the fifth OMV core region. Alongside future growth in daily production in Malaysian offshore gas fields, this transaction will also give OMV access to exploration blocks in New Zealand, Australia, and Mexico.

**Acquired net assets and goodwill calculation**

The non-controlling interest in SapuraOMV Upstream Sdn. Bhd. is measured at its proportionate share of the acquiree's identifiable net assets. The goodwill is mostly related to the deferred tax liability recognized for the differences in book and tax values of the assets acquired. The goodwill is not deductible for income tax purposes. The initial accounting for the business combination is not yet complete and is based on the preliminary unaudited financials of SapuraOMV Upstream Sdn. Bhd. The preliminary fair value of the net assets acquired, as well as the preliminary goodwill calculation, are detailed in the following tables.

**Fair values acquired (preliminary)**

In EUR mn

	<b>SapuraOMV</b>
Intangible assets	661
Property, plant and equipment	655
Other financial and non-financial assets	3
<b>Non-current assets</b>	<b>1,318</b>
Inventories	6
Trade receivables	17
Other financial and non-financial assets	50
Cash and cash equivalents	12
<b>Current assets</b>	<b>85</b>
<b>Total assets</b>	<b>1,403</b>
Other interest-bearing debts	305
Decommissioning and restoration obligations	68
Other financial liabilities	6
Deferred taxes	339
<b>Non-current liabilities</b>	<b>718</b>
Trade payables	49
Income tax liabilities	4
Other financial and non-financial liabilities	14
<b>Current liabilities</b>	<b>67</b>
<b>Total liabilities</b>	<b>785</b>
<b>Net assets</b>	<b>618</b>
Non-controlling interests	(309)
<b>Net assets acquired</b>	<b>309</b>

**Measurement of goodwill (preliminary)**

In EUR mn

	<b>SapuraOMV</b>
Consideration given (cash)	470
FX hedge effect	2
Net assets acquired	309
<b>Goodwill</b>	<b>164</b>

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**Cash flow impact****Net cash outflows related to the acquisition of SapuraOMV**

in EUR mn

<b>Consideration paid</b>	<b>472</b>
less cash acquired	(12)
<b>Net cash outflows from subsidiaries and businesses acquired</b>	<b>460</b>

**Other significant transactions**

On January 27, 2019, OMV signed agreements for the purchase of a 15% share in ADNOC Refining. The estimated purchase price for OMV amounts to approximately USD 2.5 bn based on 2018 year-end net debt. The final purchase price is dependent on the net debt as of closing and certain working capital adjustments. Closing is expected in Q3/19.

**Seasonality and cyclicity**

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

**Notes to the income statement****Sales revenues**

In EUR mn

	<b>6m/19</b>	<b>6m/18</b>
Revenues from contracts with customers	11,240	10,631
Revenues from other sources	198	52
<b>Total sales revenues</b>	<b>11,438</b>	<b>10,683</b>

Other revenues mainly include revenues from commodity sales/purchases transactions that are within the scope of IFRS 9 Financial instruments, the adjustment of revenues from considering the national oil company’s profit share as income tax in certain production sharing agreements in the Upstream segment, the hedging result, and rental and lease revenues.

**Revenues from contracts with customers**

In EUR mn

	Upstream	Downstream		Corporate & Other	<b>6m/19</b>
		Oil	Gas		<b>Total</b>
Crude oil, NGL, condensates	595	472	—	—	<b>1,067</b>
Natural gas and LNG	458	2	2,598	—	<b>3,058</b>
Fuel, heating oil and other refining products	—	5,406	—	—	<b>5,406</b>
Petrochemicals	—	928	—	—	<b>928</b>
Gas storage, transmission, distribution and transportation	9	—	113	—	<b>122</b>
Other goods and services	13	427	218	1	<b>659</b>
<b>Total</b>	<b>1,075</b>	<b>7,235</b>	<b>2,929</b>	<b>1</b>	<b>11,240</b>

**Revenues from contracts with customers**

In EUR mn

	Upstream	Downstream		Corporate & Other	<b>6m/18</b>
		Oil	Gas		<b>Total</b>
Crude oil, NGL, condensates	574	421	—	—	<b>995</b>
Natural gas and LNG	385	2	2,653	—	<b>3,039</b>
Fuel, heating oil and other refining products	—	4,921	—	—	<b>4,921</b>
Petrochemicals	—	963	—	—	<b>963</b>
Gas storage, transmission, distribution and transportation	5	—	105	—	<b>110</b>
Other goods and services	21	379	201	1	<b>602</b>
<b>Total</b>	<b>985</b>	<b>6,686</b>	<b>2,959</b>	<b>1</b>	<b>10,631</b>

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**Income tax**

In EUR mn (unless otherwise stated)

Q2/19	Q1/19	Q2/18		6m/19	6m/18
(367)	(222)	(200)	Current taxes	(589)	(411)
(37)	(20)	(79)	Deferred taxes	(57)	(146)
<b>(404)</b>	<b>(242)</b>	<b>(279)</b>	<b>Taxes on income and profit</b>	<b>(646)</b>	<b>(557)</b>
38	33	50	Effective tax rate in %	36	41

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

As of June 30, 2019, OMV had contractual obligations for the acquisition of intangible assets and property, plant and equipment of EUR 1,288 mn (December 31, 2018: EUR 1,003 mn), mainly relating to exploration and production activities in Upstream.

**Contingent liabilities**

Potential contingent payments to be made by OMV in relation to the agreement to acquire a 10% share in Pearl Petroleum Company Limited (Pearl), operator of Khor Mor and Chemchemical gas fields in the Kurdistan Region of Iraq, are described in detail in Note 27 – Contingent liabilities in the OMV Consolidated Financial Statements 2018.

In this connection, in May 2019, OMV received an invoice from Crescent Petroleum Company International Limited (“Crescent”) and Dana Gas PJSC (“Dana”) amounting to approximately USD 241 mn. In view of pending proceedings before the International Chamber of Commerce (ICC) and arbitrations before the London Court of International Arbitration (LCIA) regarding inter alia revisions of the Field Development Plan (FDP) of the Chemchemical gas field and a revision of the FDP for Khor Mor, which were not approved at joint venture level, and the deviating views between Crescent/Dana and OMV inter alia about the size of an oil discovery in Khor Mor, OMV has rejected the invoice and is currently assessing its commercial and legal options. Depending on further progress of the proceedings and on the not yet commenced reserves determinations, a contingent payment could potentially arise; however, such event is not deemed probable at this stage. Therefore, no provision has been recognized in OMV Group’s interim financial statements. Furthermore, at the date of these interim financial statements, a reliable estimate of the potential additional payment, if any, cannot be made.

**Equity**

On May 14, 2019, the Annual General Meeting approved the payment of a dividend of EUR 1.75 per share, resulting in a total dividend payment of EUR 572 mn to OMV Aktiengesellschaft stockholders. Dividend distributions to minorities amounted to EUR 188 mn in 6m/19.

An interest payment to hybrid capital owners amounting to EUR 14 mn was also made in 6m/19.

The total number of own shares held by the Company as of June 30, 2019, amounted to 372,613 (December 31, 2018: 542,151).

**Financial liabilities****Gearing ratio**

In EUR mn (unless otherwise stated)

	Q2/19	Q4/18	Δ %
Bonds	5,349	5,007	7
Lease liabilities <sup>1</sup>	984	288	n.m.
Other interest-bearing debts	651	745	(13)
<b>Debt</b>	<b>6,983</b>	<b>6,040</b>	<b>16</b>
Cash and cash equivalents	3,691	4,026	(8)
<b>Net Debt</b>	<b>3,292</b>	<b>2,014</b>	<b>63</b>
<b>Equity</b>	<b>16,008</b>	<b>15,342</b>	<b>4</b>
<b>Gearing ratio in %</b>	<b>21</b>	<b>13</b>	<b>n.m.</b>

<sup>1</sup> Starting with January 1, 2019, included in the line “Other interest-bearing debt” in the Statement of financial position due to the implementation of IFRS 16.

On June 11, 2019, OMV issued a EUR 300 mn Eurobond with a maturity date of June 11, 2021.

**Fair value measurement**

Financial instruments recognized at fair value are disclosed according to the fair value measurement hierarchy as stated in Note 2 of the OMV Consolidated Financial Statements 2018.

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**Financial instruments**

In EUR mn

Financial instruments on asset side	Jun. 30, 2019				Dec. 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Equity investments	—	—	21	21	—	—	21	21
Investment funds	—	—	—	—	6	—	—	6
Derivatives designated and effective as hedging instruments	—	112	—	112	—	392	—	392
Other derivatives	511	1,996	—	2,507	1,206	1,178	—	2,384
Other financial assets at fair value <sup>1</sup>	—	—	749	749	—	—	725	725
<b>Total</b>	<b>511</b>	<b>2,108</b>	<b>771</b>	<b>3,390</b>	<b>1,212</b>	<b>1,570</b>	<b>747</b>	<b>3,529</b>

Financial instruments on liability side	Jun. 30, 2019				Dec. 31, 2018			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Liabilities on derivatives designated and effective as hedging instruments	—	82	—	82	—	348	—	348
Liabilities on other derivatives	501	2,006	—	2,507	1,192	1,260	—	2,452
<b>Total</b>	<b>501</b>	<b>2,088</b>	<b>—</b>	<b>2,589</b>	<b>1,192</b>	<b>1,608</b>	<b>—</b>	<b>2,800</b>

<sup>1</sup> Includes an asset from reserves redetermination rights related to the acquisition of interests in the field Yuzhno Russkoye and contingent considerations from the divestments of the 30% stake in the field Rosebank and of OMV (U.K.) Limited

With the exception of bonds valued at amortized cost (EUR 78 mn), the carrying amounts of other financial assets are the fair values. The fair value of bonds was EUR 77 mn.

Bonds and other interest-bearing debts (excluding lease liabilities) amounting to EUR 5,999 mn (December 31, 2018: EUR 5,752 mn) are valued at amortized cost. The estimated fair value of these liabilities was EUR 6,527 mn (December 31, 2018: EUR 6,082 mn). The carrying amount of other financial liabilities is effectively the same as their fair value, as they are predominantly short-term.

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## Segment reporting

## Intersegmental sales

In EUR mn					6m/19	6m/18	Δ%
Q2/19	Q1/19	Q2/18	Δ% <sup>1</sup>				
1,011	863	818	24	Upstream	1,874	1,575	19
20	23	16	20	Downstream	42	34	24
10	12	10	(5)	thereof Downstream Oil	22	21	8
50	42	36	38	thereof Downstream Gas	92	73	26
(41)	(32)	(30)	(34)	thereof intrasegmental elimination Downstream	(72)	(60)	(21)
84	85	86	(2)	Corporate and Other	169	166	2
<b>1,114</b>	<b>971</b>	<b>920</b>	<b>21</b>	<b>Total</b>	<b>2,085</b>	<b>1,774</b>	<b>18</b>

## Sales to third parties

In EUR mn					6m/19	6m/18	Δ%
Q2/19	Q1/19	Q2/18	Δ% <sup>1</sup>				
751	517	375	100	Upstream	1,268	963	32
5,283	4,886	5,330	(1)	Downstream	10,169	9,718	5
4,020	3,281	3,763	7	thereof Downstream Oil	7,301	6,619	10
1,263	1,605	1,567	(19)	thereof Downstream Gas	2,868	3,099	(7)
1	1	1	(21)	Corporate and Other	2	2	(27)
<b>6,035</b>	<b>5,403</b>	<b>5,706</b>	<b>6</b>	<b>Total</b>	<b>11,438</b>	<b>10,683</b>	<b>7</b>

## Total sales (not consolidated)

In EUR mn					6m/19	6m/18	Δ%
Q2/19	Q1/19	Q2/18	Δ% <sup>1</sup>				
1,762	1,380	1,193	48	Upstream	3,142	2,538	24
5,303	4,908	5,347	(1)	Downstream	10,211	9,752	5
4,030	3,293	3,773	7	thereof Downstream Oil	7,323	6,640	10
1,313	1,647	1,604	(18)	thereof Downstream Gas	2,961	3,172	(7)
(41)	(32)	(30)	(34)	thereof intrasegmental elimination Downstream	(72)	(60)	(21)
85	86	87	(2)	Corporate and Other	171	168	2
<b>7,149</b>	<b>6,374</b>	<b>6,626</b>	<b>8</b>	<b>Total</b>	<b>13,524</b>	<b>12,458</b>	<b>9</b>

## Segment and Group profit

In EUR mn					6m/19	6m/18	Δ%
Q2/19	Q1/19	Q2/18	Δ% <sup>1</sup>				
644	406	363	77	Operating Result Upstream	1,050	840	25
474	407	318	49	Operating Result Downstream	880	736	20
436	331	361	21	thereof Operating Result Downstream Oil	767	660	16
38	76	(43)	n.m.	thereof Operating Result Downstream Gas	113	76	50
(14)	(24)	(13)	(10)	Operating Result Corporate and Other	(38)	(14)	(173)
1,103	789	669	65	Operating Result segment total	1,892	1,562	21
(16)	(23)	(66)	75	Consolidation: Elimination of intersegmental profits	(39)	(61)	(36)
1,087	766	602	80	OMV Group Operating Result	1,853	1,502	23
(25)	(28)	(47)	47	Net financial result	(53)	(137)	62
<b>1,062</b>	<b>738</b>	<b>555</b>	<b>91</b>	<b>OMV Group profit before tax</b>	<b>1,800</b>	<b>1,364</b>	<b>32</b>

<sup>1</sup> Q2/19 compared to Q2/18Assets<sup>1</sup>

In EUR mn	Jun. 30, 2019	Dec. 31, 2018
Upstream	15,103	13,536
Downstream	5,235	4,755
thereof Downstream Oil	4,264	3,798
thereof Downstream Gas	971	957
Corporate and Other	244	141
<b>Total</b>	<b>20,582</b>	<b>18,432</b>

<sup>1</sup> Segment assets consist of intangible assets and property, plant and equipment. Since January 1, 2019, right-of-use assets based on the IFRS 16 implementation are also included. Not including assets reclassified to held for sale.



July 31, 2019

**Other notes****Transactions with related parties**

In 6m/19, there were arm's length supplies of goods and services between the Group and equity-accounted companies, except for transactions with OJSC Severneftegazprom, which are not based on market prices but on cost plus defined margin.

**Material transactions with equity-accounted investments**

In EUR mn

	6m/19		6m/18	
	Sales and other income	Purchases and services received	Sales and other income	Purchases and services received
Borealis	663	22	691	23
GENOL Gesellschaft m.b.H. & Co KG	91	1	92	1
Erdöl-Lagergesellschaft m.b.H.	50	27	19	27
Enerco Enerji Sanayi ve Ticaret A.Ş.	0	9	2	87
Deutsche Transalpine Oelleitung GmbH	0	15	0	12
OJSC Severneftegazprom	—	90	—	76
Trans Austria Gasleitung GmbH	4	10	5	11

**Balances with equity-accounted investments**

In EUR mn

	Jun. 30, 2019	Dec. 31, 2018
Advance payments	0	10
Trade receivables	172	72
Other receivables	12	6
Trade payables	73	67
Other payables	2	3
Contract liabilities	154	140

**Dividend income from equity-accounted investments**

In EUR mn

	6m/19	6m/18
Borealis AG	144	252
Enerco Enerji Sanayi Ve Ticaret A.Ş.	—	1
GENOL Gesellschaft m.b.H. & Co KG	1	1
OJSC Severneftegazprom	6	10
Pearl Petroleum Company Limited	12	10
PEGAS CEGH Gas Exchange Services GmbH	1	0
Trans Austria Gasleitung GmbH	9	15
<b>Total Group</b>	<b>173</b>	<b>290</b>

Information on the government-related entities can be found in OMV Consolidated Financial Statements 2018 (Note 35 – Related Parties). There have been no changes to the publication of condensed interim financial statements for 6m/19.

Borealis had two tax cases in Finland related to Borealis Technology Oy and Borealis Polymers Oy, which are described in detail in the OMV Consolidated Financial Statements 2018 (Note 16 – Equity-accounted investments). On June 7, 2019, the Finnish and Austrian Tax Authorities reached an agreement on two cases regarding the taxation of Borealis Technology Oy and Borealis Polymers Oy. The dispute was resolved through a Mutual Agreement Procedure (MAP) between Finland and Austria. Borealis welcomes that an agreement has been reached which finally eliminates double taxation.

**Subsequent events**

On July 3, 2019, OMV issued a EUR 500 mn Eurobond with a coupon of 1.000% and a maturity date of July 3, 2034, and a EUR 500 mn Eurobond with a coupon of 0.00% and a maturity date of July 3, 2025.

July 31, 2019

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

Vienna, July 31, 2019

The Executive Board

Rainer Seele m.p.  
Chairman of the Executive Board,  
Chief Executive Officer and  
Chief Marketing Officer

Reinhard Florey m.p.  
Chief Financial Officer

Johann Pleininger m.p.  
Deputy Chairman of the Executive Board  
and Chief Upstream Operations Officer

Thomas Gangl m.p.  
Chief Downstream Operations Officer

July 31, 2019

## Further Information

### Next events

- ▶ OMV Trading Update Q3 2019: October 9, 2019
- ▶ OMV Group Report January–September and Q3 2019: October 30, 2019

The entire OMV financial calendar and additional information can be found at [www.omv.com](http://www.omv.com).

### OMV contacts

Florian Greger, Vice President and Head of Investor Relations  
Tel.: +43 1 40440-21600; e-mail: [investor.relations@omv.com](mailto:investor.relations@omv.com)

Andreas Rinofner, Public Relations  
Tel.: +43 1 40440-21472; e-mail: [public.relations@omv.com](mailto:public.relations@omv.com)