OMV Petrom Group: results[1] for Q2 and January – June 2015

including interim condensed consolidated financial statements as of and for the period ended June 30, 2015

Q2/15 vs. Q2/14

- **Romanian hydrocarbon production of 172 kboe/d, stable yoy**
- **Upstream: capital and cost reduction programs have further progressed; OPEX in USD/boe declined 30% on favorable FX effects and cost reduction measures, CAPEX down 23% yoy**
- **Strong Downstream Oil performance: improved refining margins and increased fuel products demand**
- **Net income attributable to stockholders at RON 693 mn, while the lower Q2/14 result reflected impairments in Kazakhstan**
- **Neptun Deep: exploration activity continued**

Mariana Gheorghe, CEO of OMV Petrom S.A.:

"In the first six months, we have focused on ensuring a sustainable and profitable business in a potentially persistent low crude price environment. We have implemented measures to reduce operating costs and increase the efficiency of our operations, while maintaining safety as a top priority. In order to preserve cash flow and maintain a strong balance sheet our investments were prioritized based on long term value generation and therefore the Group achieved a capital spending drop of approx. 30%, in line with expectations. In Upstream our previous investments continued to show benefits and, as a result, our Group hydrocarbon production slightly increased, driven by higher contribution from well workovers and field (re)developments. In the Black Sea, so far this year we finalized drilling at four deepwater wells in partnership with ExxonMobil and the exploration program is continuing. The lower Upstream results were partially counterbalanced by the strong Downstream Oil performance, supported by growing refining margins and lower cost for crude, thus capitalizing on our integrated business model. In addition, we increased marketing sales volumes benefitting from higher oil products demand. In Downstream Gas, our gas sales volumes increased by 10%, despite the weak market environment.
For the second half of the year, the Romanian authorities have announced public consultations on the fiscal and regulatory environment. As outlined before, we aim for a stable, predictable and investment-friendly framework, which are key requirements for future investments."

Q1/15	Q2/15	Q2/14	Δ%	Key performance indicators (in RON mn)	6m/15	6m/14	Δ%
494	786	626	26	EBIT	1,280	2,098	(39)
594	657	1,147	(43)	Clean CCS EBIT [2]	1,251	2,624	(52)
349	693	311	123	Net income attributable to stockholders [3]	1,041	1,387	(25)
433	481	827	(42)	Clean CCS net income attributable to stockholders [2, 3]	914	1,907	(52)
0.0062	0.0122	0.0055	123	EPS (RON)	0.0184	0.0245	(25)
0.0076	0.0085	0.0146	(42)	Clean CCS EPS (RON) [2]	0.0161	0.0337	(52)
791	1,660	1,318	26	Cash flow from operating activities	2,450	3,390	(28)

Starting with April 1, 2015 the business segments were renamed as follows: Exploration and Production to Upstream, Refining and Marketing to Downstream Oil, Gas and Power to Downstream Gas.

[1] The financials are unaudited and represent OMV Petrom Group's (herein after also referred to as "the Group") consolidated results prepared according to IFRS; all the figures refer to OMV Petrom Group, unless otherwise stated; financials are expressed in RON mn and rounded to closest integer value, so minor differences may result upon reconciliation; OMV Petrom uses the National Bank of Romania exchange rates for its consolidation process

[2] Adjusted for exceptional, non-recurring items; Clean CCS figures exclude special items and inventory holding effects (CCS effects) resulting from Downstream Oil

[3] After deducting net income attributable to non-controlling interests

Financial highlights

Q1/15	Q2/15	Q2/14	Δ%	in RON mn	6m/15	6m/14	Δ%
4,271	4,540	5,423	(16)	Sales [1]	8,811	10,719	(18)
164	531	836	(36)	EBIT Upstream [2]	695	2,208	(69)
345	422	47	n.m.	EBIT Downstream	766	155	393
(26)	(10)	(59)	(82)	EBIT Co&O	(36)	(69)	(48)
11	(156)	(199)	(22)	Consolidation	(145)	(197)	(26)
494	**786**	**626**	**26**	**EBIT Group**	**1,280**	**2,098**	**(39)**
(8)	**82**	**(535)**	**n.m.**	**Special items [3]**	**74**	**(535)**	**n.m.**
(8)	(15)	(1)	n.m.	thereof: Personnel and restructuring	(23)	(3)	n.m.
(3)	(5)	(491)	(99)	Unscheduled depreciation	(8)	(491)	(98)
3	102	(43)	n.m.	Other	105	(41)	n.m.
(92)	47	14	231	CCS effects: Inventory holding gains/(losses)	(44)	9	n.m.
175	551	1,330	(59)	Clean EBIT Upstream [2, 4]	726	2,702	(73)
177	220	32	n.m.	Clean CCS EBIT Downstream [4]	397	146	172
(26)	(10)	(16)	(35)	Clean EBIT Co&O [4]	(36)	(26)	37
268	(104)	(199)	(48)	Consolidation	164	(197)	n.m.
594	**657**	**1,147**	**(43)**	**Clean CCS EBIT [4]**	**1,251**	**2,624**	**(52)**
472	829	571	45	Profit from ordinary activities	1,301	1,911	(32)
345	691	312	122	Net income	1,036	1,387	(25)
349	693	311	123	Net income attributable to stockholders [5]	1,041	1,387	(25)
433	**481**	**827**	**(42)**	**Clean CCS net income attributable to stockholders [4, 5]**	**914**	**1,907**	**(52)**
0.0062	0.0122	0.0055	123	EPS (RON)	0.0184	0.0245	(25)
0.0076	0.0085	0.0146	(42)	Clean CCS EPS (RON) [4]	0.0161	0.0337	(52)
791	1,660	1,318	26	Cash flow from operating activities	2,450	3,390	(28)
0.0140	0.0293	0.0233	26	CFPS (RON)	0.0433	0.0598	(28)
1,528	1,990	1,084	84	Net debt	1,990	1,084	84
6	7	4	76	Gearing (%) [6]	7	4	76
1,062	1,007	1,657	(39)	Capital expenditure	2,069	2,906	(29)
7.1	-	-	n.a.	ROFA (%)	7.5	16.3	(54)
4.8	-	-	n.a.	ROACE (%)	6.1	14.7	(59)
11.0	-	-	n.a.	Clean CCS ROACE (%) [4]	9.7	16.7	(42)
5.1	-	-	n.a.	ROE (%)	6.5	14.5	(55)
27	17	45	(63)	Group tax rate (%)	20	27	(26)
16,726	16,450	19,428	(15)	OMV Petrom Group employees at the end of the period	16,450	19,428	(15)

Figures in this and the following tables may not add up due to rounding differences.
[1] Sales excluding petroleum excise tax;
[2] Excluding intersegmental profit elimination shown in the line "Consolidation";
[3] Special items are added back or deducted from EBIT; for more details please refer to each specific segment;
[4] Adjusted for exceptional, non-recurring items; Clean CCS (current cost of supply) figures exclude special items and inventory holding effects (CCS effects) resulting from Downstream Oil;
[5] After deducting net income attributable to non-controlling interests;
[6] Net debt divided by equity.

Throughout the report, where not specified differently, amounts related to Downstream represent totals of Downstream Oil and Downstream Gas.

Business segments

Upstream

Q1/15	Q2/15	Q2/14	∆%	in RON mn	6m/15	6m/14	∆%
164	531	836	(36)	EBIT [1]	695	2,208	(69)
(11)	(20)	(493)	(96)	Special items	(31)	(493)	(94)
175	551	1,330	(59)	Clean EBIT [1]	726	2,702	(73)
862	1,329	1,986	(33)	Clean EBITD	2,190	3,974	(45)
1,018	929	1,203	(23)	CAPEX	1,947	2,287	(15)

Q1/15	Q2/15	Q2/14	∆%	Key performance indicators	6m/15	6m/14	∆%
16.52	16.48	16.36	1	Total hydrocarbon production (mn boe)	33.00	32.72	1
184	181	180	1	Total hydrocarbon production (kboe/d)[2]	182	181	1
7.67	7.74	7.69	1	Crude oil and NGL production (mn bbl)	15.41	15.51	(1)
1.36	1.34	1.33	1	Natural gas production (bcm)	2.69	2.63	2
47.85	47.23	46.89	1	Natural gas production (bcf)	95.08	93.03	2
52.89	61.42	108.20	(43)	Average Urals price (USD/bbl)	57.09	107.80	(47)
45.37	53.50	96.95	(45)	Average Group realized crude price (USD/bbl)	49.51	96.24	(49)
365	401	329	22	Exploration expenditures (RON mn)	767	428	79
66	133	90	49	Exploration expenses (RON mn)	200	133	50
14.23	13.16	18.70	(30)	OPEX (USD/boe)	13.70	17.86	(23)

[1] Excluding intersegmental profit elimination; [2] Production figures in kboe/d are rounded

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

- **Group production at 181.1 kboe/d, up 1% yoy, with stable contribution from Romania**
- **OPEX in USD/boe down 30% reflecting favorable FX effects and cost reduction measures**
- **Clean EBIT decreased mainly due to lower oil price realization**

In Q2/15, the average Urals crude price dropped to USD 61.42/bbl, 43% lower compared to Q2/14. The average realized crude price decreased by 45% to USD 53.50/bbl.

Clean EBIT declined by 59% to RON 551 mn in Q2/15, mainly due to lower oil, gas and NGL prices, higher exploration costs and depreciation, only partially offset by favorable FX effects (USD 24% stronger against RON) and lower production costs. Exploration expenses amounted to RON 133 mn, mostly in relation to the write-off of one offshore well.

Reported EBIT in Q2/15 decreased by 36% to RON 531 mn, reflecting special charges of RON (20) mn, mainly related to personnel restructuring (Q2/14: RON (493) mn mainly due to an impairment in Kazakhstan triggered by the unsuccessful field redevelopment results in the TOC fields).

Group production costs (OPEX) in USD/boe were 30% lower than in Q2/14, mainly due to favorable FX effects as well as the lower materials and personnel costs. In Romania, production costs in USD/boe decreased by 31% to USD 12.65/boe, while in RON terms, they stood at RON 50.87/boe, 14% below the Q2/14 level, also due to lower construction tax and cost reduction measures.

Exploration expenditures increased to RON 401 mn (Q2/14: RON 329 mn), reflecting the ongoing drilling activity in the Neptun Deep block, together with the operator ExxonMobil.

Group daily hydrocarbon production was 181.1 kboe/d (Romania: 171.7 kboe/d) and total production stood at 16.48 mn boe (Romania: 15.63 mn boe), supported by stable production in Romania and higher volumes in Kazakhstan. Domestic crude oil production was 6.96 mn bbl, 1% lower than in Q2/14, mainly reflecting planned workovers at key wells. Domestic gas production stood at 8.67 mn boe (Q2/14: 8.63 mn boe), mostly supported by new wells put on stream in the Bustuchin field, as well as bean-up on Totea field.

In Kazakhstan, production amounted to 0.86 mn boe, 20% higher compared to the same period of 2014, when production volumes were affected by pipeline integrity issues in the Tasbulat field. Hydrocarbon sales volumes have increased by 1% compared to Q2/14, with higher sales in Kazakhstan and higher NGL sales volumes in Romania.

In Q2/15, we finalized drilling of 20 new wells and sidetracks, compared to 25 new wells in the same quarter last year.

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

In Q2/15, the average Urals crude price increased to USD 61.42/bbl, 16% higher compared to Q1/15. The average realized crude price increased by 18% to USD 53.50/bbl.

Both clean and reported EBIT significantly improved compared to Q1/15 level, mostly due to higher oil and NGL sales, lower production costs and favorable FX effects.

Group production costs in USD/boe decreased by 8% vs. Q1/15, mainly resulting from favorable FX effects and cost reduction measures. Production costs in Romania decreased by 9% when expressed in USD/boe, and by 7% in RON/boe terms (RON 50.87/boe), reflecting lower materials and personnel costs.

Group daily production decreased by 1% to 181.1 kboe/d mostly influenced by the planned workovers in Romania while total production amounted to 16.48 mn boe (Q1/15: 16.52 mn boe). Group sales volumes increased by 1% compared to the Q1/15 level, largely due to higher oil and NGL sales in Romania and higher sales in Kazakhstan.

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

In 6m/15, the average Urals crude price decreased to USD 57.09/bbl, 47% lower compared to 6m/14, with an average realized crude price of USD 49.51/bbl (6m/14: USD 96.24/bbl).

Clean EBIT decreased by 73% compared to 6m/14, mainly due to lower oil, gas and NGL prices, higher depreciation and exploration expenses, only partially offset by lower production costs and favorable FX effects (USD stronger against RON by 22%). Exploration expenses amounted to RON 200 mn (6m/14: RON 133 mn), which reflected the write-off of two wells. Reported EBIT dropped to RON 695 mn in 6m/15, also reflecting special charges mainly in relation with personnel restructuring.

Group production costs in USD/boe were 23% lower than in 6m/14, mainly due to positive FX development, lower materials and personnel costs and the construction tax reduction. Production costs in Romania expressed in USD terms decreased by 25% to USD 13.25/boe, while in RON terms they dropped by 8% to RON 52.80/boe.

Exploration expenditures stood at RON 767 mn, 79% higher yoy mainly due to ongoing drilling activity in the Neptun deep block, together with the operator ExxonMobil.

Group oil and gas production amounted to 33.0 mn boe, while in Romania total oil and gas production stood at 31.3 mn boe (6m/14: 31.1 mn boe). Domestic crude oil production was 13.9 mn bbl, 1% lower, mainly due to natural decline in the Suplacu field. Domestic gas production advanced by 2% to 17.4 mn boe, supported by the successful offshore workover and sidetrack campaigns and increased contribution from key wells in the Totea field. Oil and gas production in Kazakhstan advanced by 4% to 1.69 mn boe. Sales volumes increased by 1% compared to 6m/14 due to higher gas and NGL sales in Romania.

Downstream

Q1/15	Q2/15	Q2/14	Δ%	in RON mn	6m/15	6m/14	Δ%
345	422	47	n.m.	EBIT	766	155	393
3	102	1	n.m.	Special items	105	1	n.m.
165	99	14	n.m.	CCS effect: Inventory holding gains/(losses) [1]	264	9	n.m.
177	220	32	n.m.	Clean CCS EBIT [1]	397	146	172
174	304	46	n.m.	thereof Downstream Oil	478	121	295
3	(84)	(14)	n.m.	thereof Downstream Gas	(81)	25	n.m.
354	406	199	104	Clean CCS EBITD	760	491	55
44	77	380	(80)	CAPEX	121	535	(77)

Q1/15	Q2/15	Q2/14	Δ%	Downstream Oil KPIs	6m/15	6m/14	Δ%
8.24	8.95	(1.88)	n.m.	Indicator refining margin (USD/bbl) [2]	8.59	(2.15)	n.m.
1.00	0.96	0.68	41	Refining input (mn t) [3]	1.96	1.69	16
86	81	59	37	Refinery utilization rate (%)[4]	84	76	11
1.10	1.22	1.11	10	Total refined product sales (mn t) [5]	2.32	2.23	4
0.75	0.88	0.83	7	thereof Marketing sales volumes (mn t) [6]	1.64	1.55	6
				Downstream Gas KPIs			
16.69	10.57	11.24	(6)	Gas sales volumes (TWh)	27.26	24.71	10
15.95	10.15	10.86	(7)	thereof to third parties (TWh)	26.10	22.86	14
53.3	53.3	51.8	3	Average regulated domestic gas price for households (RON/MWh)	53.3	51.2	4
144	144	116	24	Average import gas price (RON/MWh) [7]	144	123	18
0.29	0.11	0.11	(3)	Net electrical output (TWh)	0.40	0.69	(42)
162	129	143	(10)	OPCOM spot average electricity base load price (RON/MWh)	145	144	1

[1] Current cost of supply (CCS): Clean CCS EBIT eliminates special items and inventory holding gains/losses (CCS effects) resulting from Downstream Oil
[2] As of Q3/14, the standard yield for the calculation of the indicator refining margin has been updated following the finalization of the Petrobrazi modernization program; previously reported figures were not adjusted; the actual refining margins realized by OMV Petrom may vary from the indicator refining margin due to different crude slate, product yield and operating conditions
[3] Figure includes crude and semi-finished products, in line with OMV Group reporting standard
[4] After the finalization of the Petrobrazi refinery modernization, the opportunity was taken to demonstrate the maximum throughput based on a timeframe of the best 30 consecutive days. As a result, the annual refining capacity has been updated from 4.2 mn t to 4.5 mn t as of Q1/15; previously reported figures were not adjusted accordingly
[5] Includes all products sold by OMV Petrom Group
[6] Excludes export sales which are included in total refined product sales
[7] Represents ANRE assumptions; Q2/15 price is extrapolated from Q1/15 as ANRE did not publish any price assumption for Q2/15.

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

- **Downstream Oil: strong contribution from both refining and marketing businesses**
- **Higher indicator refining margin mainly due to updated standard yield and lower cost for crude; marketing sales volumes up by 7%**
- **Downstream Gas result affected mainly by provisions for outstanding receivables**
- **Gas sales volumes decreased by 6%**

The Clean CCS EBIT significantly improved to RON 220 mn in Q2/15 (Q2/14: RON 32 mn), driven by the strong performance of the Downstream Oil segment. The reported EBIT advanced to RON 422 mn (Q2/14: RON 47 mn), also reflecting positive CCS effects of RON 99 mn and special items of RON 102 mn.

In Q2/15, the **Downstream Oil** Clean CCS EBIT increased significantly to RON 304 mn compared to RON 46 mn in Q2/14, supported by strong refining margins, better operational performance after the refinery modernization and improved contribution from marketing. Reported EBIT increased significantly to RON

506 mn supported by the following positive effects: the reassessment of the stock valuation adjustment of RON 52 mn, inventory holding gains of RON 47 mn and special items related to a legal dispute at the amount of RON 102 mn.

The indicator refining margin increased significantly from USD (1.88)/bbl in Q2/14 to USD 8.95/bbl in Q2/15 as a result of the updated standard yield, higher product spreads and lower cost for crude.

The refinery utilization rate was 81% (59% in Q2/14 due to the one month planned refinery shutdown), reflecting the capacity adjustment to 4.5 mn t/y as of Q1/15 (previously 4.2 mn t/y) and maintenance works.

Total refined product sales increased by 10% reflecting the positive development of domestic demand and higher exports.

Total group marketing sales volumes in Q2/15 were 7% above the Q2/14 level. Group retail sales, which accounted for 70% of total group marketing sales, increased by 8% compared to Q2/14 due to higher demand driven mainly by lower product quotations. Commercial sales increased by 5% reflecting higher sales of diesel and aviation fuel due to improved demand.

At the end of Q2/15, the total number of retail filling stations operated within OMV Petrom Group decreased by 5 units compared to Q2/14 to 777, as a result of network optimization in Bulgaria and Moldova.

The **Downstream Gas** Clean EBIT was RON (84) mn in Q2/15 vs. RON (14) mn in Q2/14, mainly impacted by RON ~(40) mn provisions for outstanding receivables booked in the gas business and lower gas volumes sold. The company has initiated legal action to recover the amounts due.

National gas consumption dropped by an estimated 13% compared to Q2/14, mostly driven by reduced demand from the chemical and the heat and power sectors. The drop in national demand also reflected in OMV Petrom's gas sales which declined by 6% vs. Q2/14.

OMV Petrom's storage level at the end of Q2/15 stood at 1.8 TWh (165 mn cbm), compared to 2.1 TWh (200 mn cbm) at the end of Q2/14.

In Q2/15, the regulated domestic gas price for household consumers increased by 3% vs. Q2/14, from RON 51.8/MWh to RON 53.3/MWh. On the Romanian Commodities Exchange, characterized by very low liquidity, the price of natural gas from domestic production varied between RON 79.3/MWh and RON 81.0/MWh[2] for gas deliveries in Q2/15.

Since January 2015, the import quota for the non-household sector is no longer mandatory, whereas in Q2/14 the average import quota set by ANRE for the non-household sector was 7%.

National estimated gross electricity production decreased by 1% vs. the same quarter of last year, while national electricity demand increased by 1% and net electricity exports dropped by 15%, due to increased imports as a result of market coupling and limited exporting capacity.

According to preliminary data published by OPCOM, the base load electricity price averaged RON 129/MWh (Q2/14: RON 143/MWh), while the peak load electricity price averaged RON 137/MWh (Q2/14: RON 169/MWh). Average spark spreads remained negative and relatively stable compared to Q2/14. The Brazi power plant generated a net electrical output of 0.09 TWh, almost the same level as in Q2/14.

In Q2/15, the Dorobantu wind park delivered a net electrical output of almost 0.02 TWh, around the same level as in Q2/14. For the electricity produced and delivered to suppliers, OMV Petrom Wind Power S.R.L. received approximately 31,500 green certificates, half of them to become eligible for sale after January 1, 2018 (Q2/14: roughly 29,700 green certificates, half of them eligible for sale).

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

The Clean CCS EBIT increased by 24% compared to Q1/15, mainly due to higher refining margins and seasonally higher contribution of the marketing business. The reported EBIT advanced by 22% to RON 422 mn, vs. RON 345 mn in Q1/15.

[2] The gas price for transactions on the Romanian Commodities Exchange includes storage related tariffs in connection with the gas volumes sold/extracted from storage.

The **Downstream Oil** Clean CCS EBIT increased by 75% in Q2/15 compared to Q1/15, supported by seasonally higher marketing sales and better refining margins.

The refinery utilization rate decreased to 81% (86% in Q1/15) due to maintenance works. The indicator refining margin increased to USD 8.95/bbl in Q2/15 from USD 8.24/bbl in Q1/15, mainly as a result of improved gasoline spreads despite of higher cost for crude.

The **Downstream Gas** Clean EBIT decreased to RON (84) mn in Q2/15, from RON 3 mn in Q1/15, mainly due to seasonally lower gas sales volumes and an increase in provisions for outstanding receivables booked in the gas business.

The estimated national gas demand seasonally decreased by 55% compared to Q1/15, also resulting in a 37% drop in the volumes sold by OMV Petrom.

The net electrical output of the Brazi power plant decreased by 66% compared to Q1/15 due to deteriorated negative average spark spreads as a result of lower electricity prices. Net electrical output of the wind park Dorobantu seasonally decreased by 29% compared to Q1/15.

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

Downstream recorded a strong Clean CCS EBIT of RON 397 mn (6m/14: RON 146 mn), on the back of a significant contribution from the Downstream Oil business. Net special items totaled RON 105 mn, while CCS effect stood at RON 264 mn, leading to a reported EBIT of RON 766 mn (6m/14: RON 155 mn).

The **Downstream Oil** Clean CCS EBIT increased to RON 478 mn in 6m/15 driven by strong refining margins, better operational performance of the Petrobrazi refinery and improved contribution from marketing.

The indicator refining margin significantly improved from USD (2.15)/bbl in 6m/14 to 8.59 USD/bbl in 6m/15 due to the updated standard yield, better product spreads and lower cost for crude.

The utilization rate of the Petrobrazi refinery increased to 84% (76% in 6m/14 due to the one month planned refinery shutdown), also reflecting the capacity adjustment to 4.5 mn t/y as of Q1/15 (previously 4.2 mn t/y).

Total marketing sales volumes increased by 6% compared to 6m/14, reflecting higher demand supported by lower product quotations. In the retail business, total sales were up by 6% driven by better demand despite increased fuel taxation and higher competition. Commercial sales increased by 5% on the back of increased demand for diesel and aviation fuel.

The **Downstream Gas** Clean EBIT decreased to RON (81) mn in 6m/15 from RON 25 mn in 6m/14, mainly due to the provisions for outstanding receivables booked in the gas business.

Romania’s estimated gas demand recorded a 7% decrease compared to the same period of last year, mainly driven by reduced demand from the chemical and the heat and power sectors. OMV Petrom’s gas sales increased by 10% as compared to 6m/14, due to higher sales to the regulated district heating sector and new clients.

In 6m/15, national estimated electricity consumption slightly increased by 2%, while the country’s estimated electricity output was up by 3% compared to 6m/14, with the highest increase coming from renewable and hydro generation sources. An 11% increase in net export balance was recorded as a result of market coupling. OMV Petrom’s net electrical output was significantly lower, reflecting Brazi’s reduced production of 0.35 TWh (6m/14: 0.64 TWh) in the context of negative average spark spreads. Net plant availability stood at 86%, reflecting the three-week planned outage in April – May.
With 97% availability, the Dorobantu wind park net electrical output was 0.05 TWh (6m/14: 0.04 TWh), for which OMV Petrom Wind Power S.R.L. received around 77,400 green certificates, half of them to become eligible for sale after January 1, 2018 (6m/14: roughly 70,200 green certificates, half of them eligible for sale).

Outlook 2015

Market, regulatory and fiscal environment

We expect the **Brent** oil price to average between USD 50-60/bbl. The Brent-Urals spread is anticipated to stay relatively tight.
In the second half of 2015, **refining** margins are expected to decline from 6m/15 levels, due to persisting overcapacity in European markets.

Due to the decreased oil price, lower product prices are expected to support the demand in the **marketing** business, nevertheless with increased competition.

The **gas and power markets and corresponding regulatory framework** will remain volatile, which may adversely impact the company's financial and operating results.

Gas demand in Romania is not expected to recover in the second part of the year, which will lead to increased competition and therefore further pressure on prices and margins. The Government has approved a new gas price liberalization calendar for household consumers (including thermal power producers, for the gas quantities used to produce heat destined to household consumption), which envisages six equal annual increases of RON 6/MWh starting July 2015 until full liberalization in 2021 (with the last three increases to be further reevaluated by end-March 2018).
In the **power** market, demand is anticipated to be relatively stable and prices to remain under pressure, although showing potential for short-term increase due to weather conditions. For 2015, average spark spreads are expected to be weak.

As publicly announced by the authorities, the Romanian **general taxation framework** is subject to changes which may enter into force at the beginning of next year. In addition, further developments with respect to upstream oil and gas taxation are expected, with the new measures envisaged to be applicable starting with 2016.

As previously stated, our aim remains to achieve a long term, stable and investment-friendly taxation and regulatory framework, a key precondition for future investments.

OMV Petrom Group

- CAPEX for 2015 is expected to be approx. EUR 1 bn, of which approx. 85% will be dedicated to Upstream;
- Intensified cost optimization programs across all business segments to continue to be implemented for a potentially prolonged low oil price environment;
- To partly protect the Group's cash flow from the potential negative impact of lower oil prices for the period of July 2015 through June 2016, OMV Petrom entered into oil price hedges for a volume of 15,000 bbl/d of the Upstream oil production (approx. 20% of group annual oil production). Via a zero premium collar program, OMV Petrom has secured a Brent price floor of USD 55/bbl by giving away the upside above USD ~69/bbl throughout July to December 2015, above USD ~73/bbl through January to March 2016, and above USD ~82/bbl through April to June 2016.

Upstream

- Group production above 182 kboe/d in H1/15 influenced by higher production in Romania and Kazakhstan; the full year average for the Group is expected to drop by up to 2% compared with 2014, given planned workovers at key wells in Totea, and revamp of offshore gas compressors (Lebada NAG) in the second half of the year, as well as the impact of reduced investment levels;
- A potentially prolonged low oil price environment is expected to reduce annual Upstream CAPEX by approx. 25-35% during 2015-2017 vs. 2014. Consequently, on mid-term, hydrocarbon production in Romania could decrease by up to 4% p.a. on average;
- Operational activities will focus on delivering around 1,000 workovers and approx. 70 new wells, dependent on the market and fiscal environment;
- We will continue our operational excellence initiatives focusing on efficiency, also taking into account the operating market environment; Value-based prioritization of the FRD projects in progress: 12 projects under development/execution will be continued this year; out of 17 projects in appraisal as of end 2014, 4 will be further pursued;

- Joint venture with Repsol: one well (4000 Piscuri) reached target depth and will be tested, good hydrocarbon showing in multiple reservoirs and another well (6500 Baicoi) was suspended due to technical reasons; another two leads expected to progress;
- Joint-venture with ExxonMobil for Neptun Deep block: drilling at 4 wells finalized so far this year: Dolphin-1, Pelican South 1, Flamingo-1 and Califar-1 exploration wells. Additional exploration targets are considered for 2015. The results of drilling so far, together with the data from the forthcoming exploration activities will be used for the evaluation of the consolidated block potential;
- Further optimize Upstream portfolio by selling selected marginal fields;
- In Kazakhstan – further pursue water injection schemes in both the TOC and Komsomolskoe fields in order to secure reservoir pressure and slow down the natural decline of production.

Downstream

- We will further capitalize on the successful completion of the Petrobrazi refinery modernization along the whole value chain; moreover, the refinery will continue economic efficiency improvements;
- The fuel terminal network optimization program will continue with the reconstruction works at the Cluj terminal expected to be finalized by the end of 2015;
- In these challenging market conditions, we expect to maintain our position as a key supplier for large industrial gas consumers, while pursuing opportunities in all gas sales channels, including centralized markets;
- We seek to increase the role of the Brazi power plant within our gas value chain, a significant part of the power production capacity being sold forward for Q3-Q4 2015.

Group interim condensed consolidated financial statements and notes as of and for the period ended June 30, 2015 (unaudited)

Legal principles and general accounting policies

The interim condensed consolidated financial statements for the six months ended June 30, 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting.

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 consolidated financial statements as of December 31, 2014.

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 consolidated financial statements for the year ended December 31, 2014, except for the adoption of new standards and interpretations effective as of January 1, 2015 or early adopted by the Group.

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

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

The detailed structure of the consolidated companies in OMV Petrom Group at June 30, 2015 is presented in the Appendix 1 to the current report.

The interim condensed consolidated financial statements as of and for the period ended June 30, 2015 included in this report are unaudited.

Seasonality and cyclicality

Seasonality is of particular significance in downstream; for details please refer to the relevant section in the business segments.

In addition to the interim condensed consolidated financial statements and notes, further information on main factors affecting the interim condensed consolidated financial statements as of and for the six month period ended June 30, 2015 is given as part of the description of OMV Petrom Group's business segments performance.

Exchange rates

OMV Petrom uses the National Bank of Romania (NBR) exchange rates in its consolidation process. Income statements of subsidiaries are translated to RON using average of daily exchange rates published by the National Bank of Romania, detailed below.

Statements of the financial position of foreign subsidiaries are translated to RON using the closing rate method based on exchange rates published by the National Bank of Romania, detailed below.

Q1/15	Q2/15	Q2/14	Δ%	NBR FX rates	6m/15	6m/14	Δ%
4.450	4.444	4.429	0	Average EUR/RON FX rate	4.447	4.466	(0)
3.959	4.018	3.228	24	Average USD/RON FX rate	3.989	3.258	22
4.410	4.474	4.389	2	Closing EUR/RON FX rate	4.474	4.389	2
4.112	3.997	3.224	24	Closing USD/RON FX rate	3.997	3.224	24

Interim condensed consolidated income statement

Q1/15	Q2/15	Q2/14	Interim condensed consolidated income statement (in RON mn)	6m/15	6m/14
4,270.74	4,540.24	5,423.33	Sales revenues	8,810.98	10,719.26
(108.54)	(102.65)	(117.04)	Direct selling expenses	(211.19)	(249.41)
(3,143.08)	(3,255.75)	(4,174.59)	Production costs of sales	(6,398.83)	(7,444.49)
1,019.12	**1,181.84**	**1,131.70**	**Gross profit**	**2,200.96**	**3,025.36**
53.68	232.93	52.91	Other operating income	286.61	122.87
(231.82)	(233.75)	(237.58)	Selling expenses	(465.57)	(474.46)
(53.39)	(45.40)	(48.26)	Administrative expenses	(98.79)	(91.74)
(66.28)	(133.27)	(89.65)	Exploration expenses	(199.55)	(133.38)
(227.16)	(216.23)	(183.20)	Other operating expenses	(443.39)	(351.08)
494.15	**786.12**	**625.92**	**Earnings before interest and taxes (EBIT)**	**1,280.27**	**2,097.57**
1.67	2.07	10.04	Income / (loss) from associated companies	3.74	3.23
9.14	139.96	17.16	Interest income	149.10	35.17
(79.20)	(72.98)	(74.23)	Interest expenses	(152.18)	(198.64)
46.51	(26.09)	(7.48)	Other financial income and expenses	20.42	(26.32)
(21.88)	**42.96**	**(54.51)**	**Net financial result**	**21.08**	**(186.56)**
472.27	**829.08**	**571.41**	**Profit from ordinary activities**	**1,301.35**	**1,911.01**
(127.01)	(138.00)	(259.46)	Taxes on income	(265.01)	(524.05)
345.26	**691.08**	**311.95**	**Net income for the period**	**1,036.34**	**1,386.96**
348.82	**692.54**	**311.10**	**thereof attributable to stockholders of the parent**	**1,041.36**	**1,386.54**
(3.56)	(1.46)	0.85	thereof attributable to non-controlling interests	(5.02)	0.42
0.0062	**0.0122**	**0.0055**	**Basic earnings per share (RON)**	**0.0184**	**0.0245**

Interim condensed consolidated statement of other comprehensive income

Q1/15	Q2/15	Q2/14	Interim condensed consolidated statement of other comprehensive income (in RON mn)	6m/15	6m/14
345.26	**691.08**	**311.95**	**Net income for the period**	**1,036.34**	**1,386.96**
(12.95)	12.43	(5.73)	Exchange differences from translation of foreign operations	(0.52)	(13.00)
3.65	(13.79)	-	Unrealized gains/(losses) on hedges	(10.14)	-
(9.30)	**(1.36)**	**(5.73)**	**Total of items that may be reclassified ("recycled") subsequently to the income statement**	**(10.66)**	**(13.00)**
-	-	-	Remeasurement gains/ (losses) on defined benefit plans	-	-
-	**-**	**-**	**Total of items that will not be reclassified ("recycled") subsequently to the income statement**	**-**	**-**
(25.37)	8.88	0.48	Income tax relating to items that may be reclassified ("recycled") subsequently to the income statement	(16.49)	0.83
-	-	-	Income tax relating to items that will not be reclassified ("recycled") subsequently to the income statement	-	-
(25.37)	**8.88**	**0.48**	**Total income taxes relating to components of other comprehensive income**	**(16.49)**	**0.83**
(34.67)	**7.52**	**(5.25)**	**Other comprehensive income/(loss)for the period, net of tax**	**(27.15)**	**(12.17)**
310.59	**698.60**	**306.70**	**Total comprehensive income for the period**	**1,009.19**	**1,374.79**
318.53	**698.78**	**305.70**	**thereof attributable to stockholders of the parent**	**1,017.31**	**1,374.10**
(7.94)	(0.18)	1.00	thereof attributable to non-controlling interests	(8.12)	0.69

Notes to the interim condensed consolidated income statement

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

Consolidated sales in Q2/15 amounted to RON 4,540 mn and were 16% below Q2/14 value, mainly due to the decrease of petroleum products sales revenues, following the steep decline in oil prices, which more than offset the increase in quantities sold, and due to lower sales of natural gas. Downstream Oil represented 79% of total consolidated sales, Downstream Gas accounted for 17% and Upstream for 4% (sales in Upstream being largely intra-group sales rather than third-party sales).

The Group's EBIT amounted to RON 786 mn, higher than the result recorded in Q2/14 of RON 626 mn, which was affected by the impairment of assets in the TOC subsidiary, as a result of the unsuccessful redevelopment of the field. Nevertheless, the Q2/15 result was negatively impacted by lower selling prices for petroleum products, following the decrease of international quotations, and by higher exploration costs.

Clean CCS EBIT of RON 657 mn is below the value recorded in Q2/14 of RON 1,147 mn. The clean CCS EBIT for Q2/15 is stated after eliminating net special income of RON 82 mn (mainly from a legal dispute) and inventory holding gains of RON 47 mn, while Q2/14 is stated after eliminating net special charges of RON 535 mn (mainly impact from impairment of assets in the TOC subsidiary) and inventory holding gains of RON 14 mn.

The net financial result increased in Q2/15 to RON 43 mn compared with a loss of RON (55) mn in Q2/14, positively influenced by a special income from a legal dispute.

The result from ordinary activities amounted to RON 829 mn and corporate income tax was RON 138 mn in Q2/15. Current tax expenses on the Group's income were RON 190 mn and deferred tax revenues amounted to RON 52 mn. The effective tax rate in Q2/15 was 17%.

The net result attributable to stockholders (i.e. net income attributable to stockholders of the parent) was RON 693 mn. EPS was RON 0.0122 in Q2/15, vs. RON 0.0055 in Q2/14.

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

Compared to Q1/15, sales increased by 6%, mainly due to seasonally higher sales volumes of petroleum products and a slightly recovering oil price environment, partially reduced by the decrease in natural gas and electricity volumes sold. The Group's EBIT increased to RON 786 mn (Q1/15: RON 494 mn), mainly due to the favorable market environment for petroleum products. Clean CCS increased from RON 594 mn to RON 657 mn.

The net financial result improved to RON 43 mn (Q1/15: RON (22) mn), mainly due to late payment interest income from litigation settlement, partially compensated by foreign exchange rate losses on EUR denominated bank loans following the appreciation of EUR against RON in Q2/15 and by foreign exchange rate losses on loans granted to Kazakh subsidiaries following the USD depreciation against RON in the current quarter.

The net result attributable to stockholders in Q2/15 amounted to RON 693 mn, compared to RON 349 mn in Q1/15.

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

Consolidated sales for 6m/15 decreased by 18% compared to 6m/14, to RON 8,811 mn, mainly as a result of lower selling prices of petroleum products, partially offset by the higher quantity of natural gas sold. Downstream Oil represented 73% of total consolidated sales, Downstream Gas accounted for 23% and Upstream for 4% (sales in Upstream being largely intra-group sales rather than third party sales).

The Group's EBIT amounted to RON 1,280 mn (6m/14: RON 2,098 mn), significantly impacted by the unfavorable crude price environment that more than offset the effect of one-off charges in Q2/14 related to the impairment of one of the assets in Kazakhstan. Higher operating income from a legal dispute was counterbalanced by higher exploration costs and increased bad debt provisions.

Clean CCS EBIT decreased to RON 1,251 mn in 6m/15. The clean CCS EBIT is stated after eliminating net special income of RON 74 mn and inventory holding losses of RON (44) mn.

Improvement in the financial result to RON 21 mn is mainly related to the positive outcome of a litigation dispute and to the fact that 6m/14 was affected by provisions for fiscal review in OMV Petrom's Kazakh branch.

The current tax charge in 6m/15 was RON 304 mn and deferred tax revenues amounted to RON 39 mn; the effective tax rate for 6m/15 was 20%, mainly in relation to activities in Kazakhstan and the fiscal review finalization in Romania.

Net income attributable to stockholders (i.e. net income attributable to stockholders of the parent) was RON 1,041 mn, 25% lower compared to 6m/14 (RON 1,387 mn). EPS was RON 0.0184 in 6m/15 (6m/14: RON 0.0245).

Interim condensed consolidated statement of financial position, capital expenditure and gearing

Interim condensed consolidated statement of financial position (in RON mn)	June 30, 2015	Dec 31, 2014
Assets		
Intangible assets	2,202.85	1,656.88
Property, plant and equipment	32,027.69	32,289.64
Investments in associated companies	37.41	35.30
Other financial assets	2,227.54	2,191.79
Other assets	42.50	21.34
Deferred tax assets	1,090.98	1,047.78
Non-current assets	**37,628.97**	**37,242.73**
Inventories	2,174.56	2,250.05
Trade receivables	1,396.51	1,424.37
Other financial assets	398.09	388.87
Other assets	708.28	537.06
Cash and cash equivalents	372.06	1,267.98
Current assets	**5,049.50**	**5,868.33**
Assets held for sale	13.80	13.71
Total assets	**42,692.27**	**43,124.77**
Equity and liabilities		
Capital stock	5,664.41	5,664.41
Reserves	21,760.06	21,377.16
Stockholders' equity	**27,424.47**	**27,041.57**
Non-controlling interests	(44.49)	(36.29)
Equity	**27,379.98**	**27,005.28**
Provisions for pensions and similar obligations	283.57	283.01
Interest-bearing debts	1,542.34	1,588.96
Provisions for decommissioning and restoration obligations	7,229.49	7,254.92
Other provisions	564.50	553.85
Other financial liabilities	273.56	279.10
Non-current liabilities	**9,893.46**	**9,959.84**
Trade payables	2,227.16	2,899.24
Interest-bearing debts	521.69	273.67
Current income tax payable	230.78	329.09
Other provisions and decommissioning	909.78	1,108.93
Other financial liabilities	500.45	664.46
Other liabilities	1,028.97	884.26
Current liabilities	**5,418.83**	**6,159.65**
Total equity and liabilities	**42,692.27**	**43,124.77**

Notes to the interim condensed consolidated statement of financial position as of June 30, 2015

Capital expenditure decreased to RON 2,069 mn (6m/14: RON 2,906 mn) influenced by substantially lower CAPEX in Downstream Oil and Upstream.

Investments in Upstream activities (RON 1,947 mn) represented 94% of total CAPEX for the first six months, being 15% below the 6m/14 level, the swift reaction to the oil price decrease leading to the prioritization of investments. Upstream investments were focused on activities related to field redevelopment executions, workover activities, drilling development wells, as well as investments related to the Neptun Deep project.

Downstream Oil investments (RON 118 mn) were significantly lower than in 6m/14 (RON 534 mn), as the Petrobrazi refinery modernization program was finalized. The investments were mainly related to the fuel terminal network optimization program (reconstruction works at the Cluj terminal). Investment funds were also directed to efficiency projects, as well as to legal and environmental projects.

Compared to December 31, 2014, total assets decreased by 1%, to RON 42,692 mn. The change was mostly driven by lower cash and cash equivalents, following payments made in relation with the fiscal review finalization in OMV Petrom and with dividend distribution. This reduction of current assets was partially offset by the investments made during the period, reflecting the continuous focus on the exploratory offshore wells drilling campaign.

Equity increased to RON 27,380 mn as of June 30, 2015 compared to December 31 2014, as a result of the net profit generated in the current period, partially offset by dividends distributed for the 2014 financial year. The Group's equity ratio[1] stood at 64% at the end of June 2015 (December 31, 2014: 63%).

Total interest bearing debt slightly increased from RON 1,863 mn as of December 31, 2014 to RON 2,064 mn as of June 30, 2015.

The Group's liabilities other than interest bearing debt decreased by RON 1,009 mn, being influenced by payments in relation with the fiscal review finalization in OMV Petrom and by the reduction in trade payables.

OMV Petrom Group's net debt[2] shows an increase from RON 890 mn as of December 31, 2014 to RON 1,990 mn as of June 30, 2015. Consequently, the gearing ratio[3] increased to 7.3%, from 3.3% as of December 31, 2014.

[1] Equity ratio is calculated as Equity/(Total Assets) x 100
[2] Net debt is calculated as interest bearing debt including financial lease liability less cash and cash equivalents
[3] Gearing ratio is calculated as Net debt/(Equity) x 100

Interim condensed consolidated statement of cash flows

Q1/15	Q2/15	Q2/14	Summarized interim condensed consolidated statement of cash flows (in RON mn)	6m/15	6m/14
472.27	**829.08**	**571.41**	**Profit before taxation**	**1,301.35**	**1,911.01**
(252.30)	25.87	(36.00)	Net change in provisions	(226.43)	0.84
(1.55)	(3.03)	32.67	Losses/(gains) on the disposal of non-current assets	(4.58)	29.18
873.27	974.16	1,335.05	Depreciation, amortization including write-ups	1,847.43	2,147.52
(17.17)	141.96	(20.15)	Net interest received/(paid)	124.79	(24.90)
(273.52)	(146.51)	(233.97)	Tax on profit paid	(420.03)	(463.06)
(26.12)	(86.66)	16.10	Other non-monetary adjustments	(112.78)	94.63
774.88	**1,734.87**	**1,665.10**	**Sources of funds ***	**2,509.75**	**3,695.22**
164.93	(108.69)	(176.83)	(Increase)/decrease in inventories	56.24	(248.91)
(94.88)	(8.24)	(329.30)	Increase in receivables	(103.12)	(359.94)
(54.25)	41.73	159.20	(Decrease)/increase in liabilities	(12.52)	303.68
790.68	**1,659.67**	**1,318.18**	**Net cash from operating activities**	**2,450.35**	**3,390.05**
(1,394.91)	(1,503.43)	(1,101.34)	Intangible assets and property, plant and equipment	(2,898.34)	(2,510.11)
-	-	(45.00)	Investments, loans and other financial assets	-	(45.28)
13.17	11.46	25.62	Proceeds from sale of non-current assets	24.63	33.10
-	-	-	Proceeds from sale of subsidiaries, net of cash disposed	-	15.99
(1,381.74)	**(1,491.97)**	**(1,120.72)**	**Net cash from investing activities**	**(2,873.71)**	**(2,506.30)**
(29.15)	178.72	122.78	Increase / (decrease) in borrowings	149.57	89.79
(0.56)	(627.79)	(1,656.36)	Dividends paid	(628.35)	(1,656.72)
(29.71)	**(449.07)**	**(1,533.58)**	**Net cash from financing activities**	**(478.78)**	**(1,566.93)**
8.09	(1.87)	(5.57)	Effect of exchange rate changes on cash and cash equivalents	6.22	(8.72)
(612.68)	**(283.24)**	**(1,341.70)**	**Net decrease in cash and cash equivalents**	**(895.92)**	**(691.90)**
1,267.98	655.30	2,058.04	Cash and cash equivalents at beginning of period	1,267.98	1,408.24
655.30	**372.06**	**716.34**	**Cash and cash equivalents at end of period**	**372.06**	**716.34**

* representing cash generated from operating activities before working capital movements

Notes to the interim condensed consolidated statement of cash flows January to June 2015 (6m/15) vs. January to June 2014 (6m/14)

In 6m/15, free cash flow (defined as net cash from operating activities less net cash from investing activities) showed an outflow of funds of RON 423 mn (6m/14: inflow of RON 884 mn). Free cash flow less dividend payments resulted in a cash outflow of RON 1,052 mn (6m/14: RON 773 mn).

The inflow of funds from profit before taxation, adjusted for non-cash items such as depreciation, net change of provisions and other non-cash adjustments, as well as net interest and income tax paid was RON 2,510 mn (6m/14: RON 3,695 mn), while net working capital generated a cash outflow of RON 59 mn (6m/14: RON 305 mn).

Net cash flow from investing activities (outflow of RON 2,874 mn; 6m/14: RON 2,506 mn) mainly includes payments for investments in intangible assets and property, plant and equipment.

Net cash flow from financing activities shows an outflow of funds amounting to RON 479 mn (6m/14: RON 1,567 mn), mainly arising from payment of dividends of RON 628 mn.

Interim condensed consolidated statement of changes in equity

in RON mn	Share capital	Revenue reserves	Other reserves[1]	Treasury shares	Stockholders' equity	Non-controlling interests	Total Equity
January 1, 2015	**5,664.41**	**21,341.07**	**36.11**	**(0.02)**	**27,041.57**	**(36.29)**	**27,005.28**
Net income for the period	-	1,041.36	-	-	1,041.36	(5.02)	1,036.34
Other comprehensive income/(loss) for the period	-	-	(24.05)	-	(24.05)	(3.10)	(27.15)
Total comprehensive income/(loss) for the period	**-**	**1,041.36**	**(24.05)**	**-**	**1,017.31**	**(8.12)**	**1,009.19**
Dividend distribution	-	(634.41)	-	-	(634.41)	(0.09)	(634.50)
Change in interests	-	-	-	-	-	0.01	0.01
June 30, 2015	**5,664.41**	**21,748.02**	**12.06**	**(0.02)**	**27,424.47**	**(44.49)**	**27,379.98**

in RON mn	Share capital	Revenue reserves	Other reserves[1]	Treasury shares	Stockholders' equity	Non-controlling interests	Total Equity
January 1, 2014	**5,664.41**	**21,000.68**	**5.44**	**(0.02)**	**26,670.51**	**(28.83)**	**26,641.68**
Net income for the period	-	1,386.54	-	-	1,386.54	0.42	1,386.96
Other comprehensive income/(loss) for the period	-	-	(12.44)	-	(12.44)	0.27	(12.17)
Total comprehensive income/(loss) for the period	**-**	**1,386.54**	**(12.44)**	**-**	**1,374.10**	**0.69**	**1,374.79**
Dividend distribution	-	(1,744.63)	-	-	(1,744.63)	(0.04)	(1,744.67)
June 30, 2014	**5,664.41**	**20,642.59**	**(7.00)**	**(0.02)**	**26,299.98**	**(28.18)**	**26,271.80**

[1] Other reserves contain mainly exchange rate differences from the translation of foreign operations, reserves from business combinations in stages and exchange differences on loans considered net investment in a foreign operation.

Dividends

At the Annual General Meeting of Shareholders held on April 28, 2015, the shareholders of OMV Petrom S.A. approved the distribution of dividends for the financial year 2014 for the gross amount of RON 634 mn (RON 0.0112 per share). Payment of the dividends started on June 12, 2015.

Segment reporting

Intersegmental sales

Q1/15	Q2/15	Q2/14	Δ%	in RON mn	6m/15	6m/14	Δ%
2,053.07	2,400.79	3,224.53	(26)	Upstream	4,453.86	6,269.94	(29)
86.81	79.03	99.27	(20)	Downstream *	165.85	201.58	(18)
27.31	25.63	42.71	(40)	thereof Downstream Oil	52.94	80.08	(34)
95.52	84.78	86.79	(2)	thereof Downstream Gas	180.31	193.56	(7)
(36.02)	(31.38)	(30.23)	4	thereof intersegmental elimination Downstream Oil and Downstream Gas	(67.40)	(72.06)	(6)
47.41	50.51	151.30	(67)	Corporate and Other	97.92	291.00	(66)
2,187.29	**2,530.33**	**3,475.10**	**(27)**	**Total**	**4,717.63**	**6,762.52**	**(30)**

Sales to external customers

Q1/15	Q2/15	Q2/14	Δ%	in RON mn	6m/15	6m/14	Δ%
141.05	169.61	222.31	(24)	Upstream	310.66	486.37	(36)
4,124.31	4,364.46	5,173.29	(16)	Downstream	8,488.77	10,179.91	(17)
2,821.88	3,598.97	4,211.77	(15)	thereof Downstream Oil	6,420.85	8,173.48	(21)
1,302.43	765.49	961.52	(20)	thereof Downstream Gas	2,067.92	2,006.43	3
5.38	6.17	27.73	(78)	Corporate and Other	11.55	52.98	(78)
4,270.74	**4,540.24**	**5,423.33**	**(16)**	**Total**	**8,810.98**	**10,719.26**	**(18)**

Total sales (not consolidated)

Q1/15	Q2/15	Q2/14	Δ%	in RON mn	6m/15	6m/14	Δ%
2,194.12	2,570.40	3,446.84	(25)	Upstream	4,764.52	6,756.31	(29)
4,211.12	4,443.49	5,272.56	(16)	Downstream*	8,654.62	10,381.49	(17)
2,849.19	3,624.60	4,254.48	(15)	thereof Downstream Oil	6,473.79	8,253.56	(22)
1,397.95	850.27	1,048.31	(19)	thereof Downstream Gas	2,248.23	2,199.99	2
(36.02)	(31.38)	(30.23)	4	thereof intersegmental elimination Downstream Oil and Downstream Gas	(67.40)	(72.06)	(6)
52.79	56.68	179.03	(68)	Corporate and Other	109.47	343.98	(68)
6,458.03	**7,070.57**	**8,898.43**	**(21)**	**Total**	**13,528.61**	**17,481.78**	**(23)**

* Sales Downstream = Sales Downstream Oil + Sales Downstream Gas – intersegmental elimination Downstream Oil and Downstream Gas

Segment and Group profit

Q1/15	Q2/15	Q2/14	Δ%	in RON mn	6m/15	6m/14	Δ%
164.08	531.20	836.27	(36)	EBIT Upstream	695.28	2,208.35	(69)
344.73	421.57	47.28	n.m.	EBIT Downstream	766.30	155.38	393
341.58	505.64	59.92	n.m.	thereof EBIT Downstream Oil	847.22	131.39	n.m.
3.15	(84.07)	(12.64)	n.m.	thereof EBIT Downstream Gas	(80.92)	23.99	n.m.
(25.61)	(10.48)	(58.62)	(82)	EBIT Corporate and Other	(36.09)	(68.96)	(48)
483.20	**942.29**	**824.93**	**14**	**EBIT segment total**	**1,425.49**	**2,294.77**	**(38)**
10.95	(156.17)	(199.01)	(22)	Consolidation: Elimination of intersegmental profits	(145.22)	(197.20)	(26)
494.15	**786.12**	**625.92**	**26**	**OMV Petrom Group EBIT**	**1,280.27**	**2,097.57**	**(39)**
(21.88)	**42.96**	**(54.51)**	**n.m.**	**Net financial result**	**21.08**	**(186.56)**	**n.m.**
472.27	**829.08**	**571.41**	**45**	**OMV Petrom Group profit from ordinary activities**	**1,301.35**	**1,911.01**	**(32)**

Assets[1]

in RON mn	June 30, 2015	Dec 31, 2014
Upstream	26,240.06	25,703.71
Downstream	7,476.85	7,717.88
thereof Downstream Oil	5,443.74	5,629.47
thereof Downstream Gas	2,033.11	2,088.41
Corporate and Other	513.63	524.93
Total	**34,230.54**	**33,946.52**

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

Other notes to the interim condensed consolidated financial statements

i) Significant transactions with related parties

Significant transactions in form of supplies of goods and services take place on a constant and regular basis with companies from OMV Group. The most significant ones are disclosed in the Appendix 2 of this report.

ii) 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.

				June 30, 2015				December 31, 2014
Financial instruments on asset side (in RON mn)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivatives designated and effective as hedging instruments	-	-	-	-	-	-	-	-
Other derivatives	-	3.22	-	3.22	-	3.24	-	3.24
Total	**-**	**3.22**	**-**	**3.22**	**-**	**3.24**	**-**	**3.24**

				June 30, 2015				December 31, 2014
Financial instruments on liability side (in RON mn)	**Level 1**	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Liabilities on derivatives designated and effective as hedging instruments	-	(7.33)	-	(7.33)	-	-	-	-
Liabilities on other derivatives	-	(17.44)	-	(17.44)	-	-	-	-
Total	**-**	**(24.77)**	**-**	**(24.77)**	**-**	**-**	**-**	**-**

There were no transfers between levels of the fair value hierarchy.

Interest-bearing debts amounting to RON 2,064.03 mn (December 31, 2014: RON 1,862.63 mn) are valued at amortized cost. The estimated fair value of these liabilities was RON 2,113.64 mn (December 31, 2014: RON 1,826.83 mn). The carrying amount of all other financial assets and financial liabilities that were measured at amortized cost approximates their fair value.

Subsequent events

Changes in the Supervisory Board: Rainer Seele has been appointed as an interim member and President of the Supervisory Board, effective July 7, 2015 until the next General Meeting of Shareholders.

Declaration of the management

We confirm to the best of our knowledge that the interim condensed consolidated financial statements for the period ended June 30, 2015, prepared in accordance with the International Financial Reporting Standards, offer a true and fair view of OMV Petrom Group’s assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the statements of operations and the information presented in this report give a true and fair view of important events that have occurred during the first six months of the financial year 2015 and their impact on the interim condensed consolidated financial statements.

Bucharest, August 12, 2015

On behalf of the Executive Board,

Andreas Matje
Chief Financial Officer
Member of the Executive Board

Neil Anthony Morgan
Member of the Executive Board
Downstream Oil

Abbreviations and definitions

ANRE	Romanian Energy Regulatory Authority
bbl	barrel(s), i.e. 159 liters
bcf	billion cubic feet; 1 bcm = 35.3147 bcf for Romania or 34.7793 bcf for Kazakhstan
bean-up	increase choke size
boe; kboe; kboe/d	barrels of oil equivalent; thousand barrels of oil equivalent; kboe per day
bn	billion
bcm	billion cubic meters
capital employed	equity including minorities plus net debt
cbm	cubic meters
CEO	Chief Executive Officer
Co&O	Corporate and Other
CAPEX	Capital expenditure
CCS	Current cost of supply
CFPS	Cash Flow Per Share
EBIT	Earnings before interest and tax
EBITD	Earnings Before Interest, Taxes, Depreciation and amortization, impairments and write-ups of fixed assets
EPS	Earnings per share
EUR	euro
ExxonMobil	ExxonMobil Exploration and Production Romania Limited
FX	Foreign Exchange
IFRSs; IASs	International Financial Reporting Standards; International Accounting Standards
mn	million
MWh	megawatt hour
NBR	National Bank of Romania
NGL	Natural Gas Liquids
n.a.	not applicable/not available (after case)
n.m.	not meaningful i.e. deviation exceeds (+/-)500% or comparison is made between positive and negative values
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
OPCOM	The administrator of the Romanian electricity market
OPEX	Operating Expenditures
Q	quarter
ROACE	Return On Average Capital Employed = NOPAT/Average Capital Employed (%)
ROE	Return On Equity = Net Profit/Average Equity (%)
ROFA	Return On Fixed Assets = EBIT/Average Fixed Assets (%)
RON	Romanian leu
S.A.; S.R.L.	Societate pe Actiuni (Joint-stock company); Societate cu Raspundere Limitata (Limited liability company)
TOC	Tasbulat Oil Corporation
t	metric tonne(s)
TWh	terawatt hour
USD	United States dollar
yoy	year-on-year

Appendix 1

Consolidated companies in OMV Petrom Group at June 30, 2015

Parent company
OMV Petrom S.A.

Subsidiaries

Upstream		**Downstream Oil**	
Tasbulat Oil Corporation LLP (Kazakhstan)[1]	100.00%	OMV Petrom Marketing S.R.L.	100.00%
OMV Petrom Ukraine E&P GmbH	100.00%	OMV Petrom Aviation S.A.	99.99%
OMV Petrom Ukraine Finance Services GmbH	100.00%	ICS Petrom Moldova S.A. (Republic of Moldova)	100.00%
Kom Munai LLP (Kazakhstan)	95.00%	OMV Bulgaria OOD (Bulgaria)	99.90%
Petrom Exploration & Production Ltd.	99.99%	OMV Srbija DOO (Serbia)	99.96%

Downstream Gas		**CORPORATE & OTHER**	
OMV Petrom Gas S.R.L.	99.99%	Petromed Solutions S.R.L.	99.99%
OMV Petrom Wind Power S.R.L.	99.99%		

[1] *Owned through Tasbulat Oil Corporation BVI as holding company*

Associated company, accounted for at equity	
OMV Petrom Global Solutions S.R.L.	25.00%

Appendixes 1 and 2 form part of the interim condensed consolidated financial statements

Appendix 2

Significant transactions with related parties

During the six month period ended June 30, 2015, OMV Petrom Group had the following significant transactions with related parties (including significant balances as of June 30, 2015):

Related party (in RON mn)	Purchases 6m/15	Balances payable June 30, 2015
OMV Petrom Global Solutions S.R.L.	250.29	79.40
OMV Refining & Marketing GmbH	128.70	81.38
OMV Supply & Trading Limited	80.17	-
OMV Exploration & Production GmbH	41.68	47.90

Related party (in RON mn)	Revenues 6m/15	Balances receivable June 30, 2015
OMV Supply & Trading Limited	506.30	3.80
OMV Deutschland GmbH	127.36	31.73
OMV Supply & Trading AG	59.98	0.66
OMV International Services GmbH	1.48	25.40

During the six month period ended June 30, 2014, OMV Petrom Group had the following significant transactions with related parties (including significant balances as of December 31, 2014):

Related party (in RON mn)	Purchases 6m/14	Balances payable December 31, 2014
OMV Refining & Marketing GmbH	155.18	71.65
OMV International Oil & Gas GmbH	48.05	9.89
OMV Exploration & Production GmbH	23.36	52.98
OMV Petrom Global Solutions S.R.L.	0.85	79.62

Related party (in RON mn)	Revenues 6m/14	Balances receivable December 31, 2014
OMV Supply & Trading AG	873.02	3.46
OMV Deutschland GmbH	124.26	20.65
OMV International Services GmbH	1.81	14.28

Appendixes 1 and 2 form part of the interim condensed consolidated financial statements

Contact

OMV Petrom Investor Relations

Tel: +40 372 088406; Fax: +40 21 30 68518

E-mail address: investor.relations.petrom@petrom.com

Next release:

The next results announcement for January – September and Q3 2015 will be released on November 5, 2015, presenting OMV Petrom consolidated results prepared according to IFRS.