

June 30, 2009

Oppenheimer
MidCap Fund/VA

A Series of Oppenheimer Variable Account Funds

Semiannual
Report

SEMIANNUAL REPORT

Investment Strategy Discussion

Listing of Top Holdings

Listing of Investments

Financial Statements



OppenheimerFunds®
The Right Way to Invest

OPPENHEIMER MIDCAP FUND/VA

Fund Objective. The Fund seeks capital appreciation by investing in "growth type" companies.

Cumulative Total Returns

For the 6-Month Period Ended 6/30/09

Non-Service Shares	7.59%
Service Shares	7.44

Average Annual Total Returns

For the Periods Ended 6/30/09

	1-Year	5-Year	10-Year
Non-Service Shares	-39.36%	-6.02%	-3.82%
			Since Inception (10/16/00)
Service Shares	-39.52%	-6.29%	-11.17%

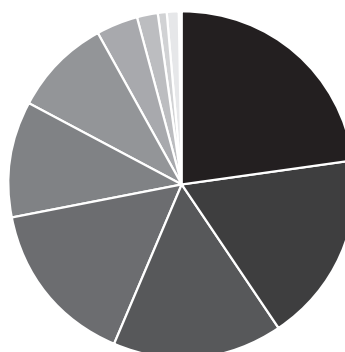
Expense Ratios

For the Fiscal Year Ended 12/31/08

	Gross Expense Ratios	Net Expense Ratios
Non-Service Shares	0.81%	0.71%
Service Shares	1.05	0.96

The performance data quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment in the Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance and expense ratios may be lower or higher than the data quoted. For performance data current to the most recent month end, call us at 1.800.981.2871. The Fund's total returns should not be expected to be the same as the returns of other funds, whether or not both funds have the same portfolio managers and/or similar names. The Fund's total returns do not include the charges associated with the separate account products that offer this Fund. Such performance would have been lower if such charges were taken into account. The expense ratios in the table are based on the Fund's expenses during its fiscal year ended December 31, 2008, but have been restated as if the changes in the transfer agent fee structure and voluntary limits to the Fund's total annual operating expenses that went into effect May 1, 2009 had been in effect during that entire fiscal year. The net expense ratios take into account a voluntary fee waiver or expense reimbursement, without which performance would have been less. This undertaking may be modified or terminated at any time.

Sector Allocation



● Information Technology	23.2%
● Health Care	17.8
● Consumer Discretionary	16.1
● Industrials	15.7
● Financials	11.0
● Energy	9.2
● Materials	3.7
● Telecommunication Services	2.2
● Utilities	0.7
● Consumer Staples	0.4

Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2009, and are based on the total market value of common stocks.

Top Ten Common Stock Holdings

Rovi Corp.	2.7%
Edwards Lifesciences Corp.	2.6
Cablevision Systems Corp. New York Group, Cl. A	2.6
Amphenol Corp., Cl. A	2.4
Ansys, Inc.	2.2
Equinix, Inc.	2.1
Alexion Pharmaceuticals, Inc.	2.1
Affiliated Managers Group, Inc.	2.0
C.H. Robinson Worldwide, Inc.	2.0
NuVasive, Inc.	1.9

Portfolio holdings and allocations are subject to change. Percentages are as of June 30, 2009, and are based on net assets.

Narrative by Ronald J. Zibelli, Jr., Portfolio Manager¹

Oppenheimer MidCap Fund/VA's Non-Service shares returned 7.59% for the six-month period ended June 30, 2009, compared to the Russell Midcap Growth® Index ("the Index"), which returned 16.61%. The Fund's underperformance relative to the Index can be primarily attributed to a strong market advance beginning in early March through period end, which was led by lower-quality stocks. This caused the Fund to underperform during this period, since our investment process typically emphasizes higher-quality companies.

The Fund's weakest performing sectors versus the Index were in the consumer discretionary, industrials and health care sectors. Relative Fund performance was primarily hurt by weaker stock selection than the Index in the consumer discretionary sector. The Fund was overweight compared to the Index in a few securities that suffered during the reporting period, including Burger King Holdings, Inc., New Oriental Education & Technology Group, Inc. (which we exited), Strayer Education, Inc. and DeVry, Inc.

Within industrials, the Fund was overweight the commercial services and supplies subsector, which hurt relative results. Within this subsector, Stericycle, Inc., Clean Harbors, Inc. and Waste Connections, Inc. had a rocky reporting period and detracted from relative Fund performance. Within the health care sector, a few performance detractors included Cephalon, Inc., C.R. Bard, Inc. (which we exited) and Shire Ltd.

The Fund outperformed the Index in the utilities sector due to its underweight position, and the energy sector, due to better relative stock selection. There were also a number of individual holdings that contributed to performance during the reporting period. Top performing securities included information technology companies Rovi Corp. (formerly Macrovision Solutions Corp.) and Equinix, Inc. Rovi, the Fund's largest equity holding at period end, is a global company which focuses on digital entertainment technology solutions. Other top contributors to Fund performance included energy companies Petrohawk Energy Corp., Range Resources Corp. and IHS, Inc.; and within financials, Affiliated Managers Group, Inc. The Fund's overweight position to each of these holdings benefited performance relative to the Index, as they performed well over the reporting period amidst a rallying stock market and market optimism over the recessionary period coming to a close sooner than expected.

At the end of the reporting period, the Fund was overweight versus the Index in the energy, financials, health care, industrials, information technology and telecommunication services sectors, and was underweight in the consumer discretionary, consumer staples, materials, and utilities sectors.

Mid-cap stocks tend to be more sensitive to changes in earnings expectations, and tend to have lower trading volumes than large-cap securities, and therefore they may experience more abrupt and erratic price movements.

1. Effective November 17, 2008.

Investors should consider the Fund's investment objectives, risks, and charges and expenses carefully before investing. The Fund's prospectus contains this and other information about the Fund, and may be obtained by asking your financial advisor or calling us at 1.800.981.2871. Read the prospectus carefully before investing.

Total returns include changes in share price and reinvestment of dividends and capital gains distributions in a hypothetical investment for the periods shown.

The Fund's investment strategy and focus can change over time. The mention of specific fund holdings does not constitute a recommendation by OppenheimerFunds, Inc.

Shares of Oppenheimer funds are not deposits or obligations of any bank, are not guaranteed by any bank, are not insured by the FDIC or any other agency, and involve investment risks, including the possible loss of the principal amount invested.

FUND EXPENSES

Fund Expenses. As a shareholder of the Fund, you incur two types of costs: (1) transaction costs, which may include redemption fees (if applicable); and (2) ongoing costs, including management fees; distribution and service fees; and other Fund expenses. These examples are intended to help you understand your ongoing costs (in dollars) of investing in the Fund and to compare these costs with the ongoing costs of investing in other mutual funds.

The examples are based on an investment of \$1,000.00 invested at the beginning of the period and held for the entire 6-month period ended June 30, 2009.

Actual Expenses. The first section of the table provides information about actual account values and actual expenses. You may use the information in this section for the class of shares you hold, together with the amount you invested, to estimate the expense that you paid over the period. Simply divide your account value by \$1,000.00 (for example, an \$8,600.00 account value divided by \$1,000.00 = 8.60), then multiply the result by the number in the first section under the heading entitled “Expenses Paid During Period” to estimate the expenses you paid on your account during this period.

Hypothetical Example for Comparison Purposes. The second section of the table provides information about hypothetical account values and hypothetical expenses based on the Fund’s actual expense ratio for each class of shares, and an assumed rate of return of 5% per year for each class before expenses, which is not the actual return. The hypothetical account values and expenses may not be used to estimate the actual ending account balance or expenses you paid for the period. You may use this information to compare the ongoing costs of investing in the Fund and other funds. To do so, compare this 5% hypothetical example for the class of shares you hold with the 5% hypothetical examples that appear in the shareholder reports of the other funds.

Please note that the expenses shown in the table are meant to highlight your ongoing costs only and do not reflect any charges associated with the separate accounts that offer this Fund. Therefore, the “hypothetical” lines of the table are useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds. In addition, if these separate account charges were included your costs would have been higher.

Actual	Beginning Account Value January 1, 2009	Ending Account Value June 30, 2009	Expenses Paid During 6 Months Ended June 30, 2009
Non-Service shares	\$1,000.00	\$1,075.90	\$3.56
Service shares	1,000.00	1,074.40	5.00
Hypothetical (5% return before expenses)			
Non-Service shares	1,000.00	1,021.37	3.46
Service shares	1,000.00	1,019.98	4.87

Expenses are equal to the Fund’s annualized expense ratio for that class, multiplied by the average account value over the period, multiplied by 181/365 (to reflect the one-half year period). Those annualized expense ratios, excluding indirect expenses from affiliated fund, based on the 6-month period ended June 30, 2009 are as follows:

Class	Expense Ratios
Non-Service shares	0.69%
Service shares	0.97

The expense ratios reflect voluntary waivers or reimbursements of expenses by the Fund’s Manager that can be terminated at any time, without advance notice. The “Financial Highlights” tables in the Fund’s financial statements, included in this report, also show the gross expense ratios, without such waivers or reimbursements and reduction to custodian expenses, if applicable.

STATEMENT OF INVESTMENTS

June 30, 2009 / Unaudited

	Shares	Value
Common Stocks—94.7%		
Consumer Discretionary—15.2%		
Diversified Consumer Services—1.7%		
DeVry, Inc.	54,410	\$ 2,722,676
Strayer Education, Inc.	26,400	5,758,104
		8,480,780
Hotels, Restaurants & Leisure—3.8%		
Burger King Holdings, Inc.	349,100	6,028,957
Chipotle Mexican Grill, Inc., Cl. A ¹	45,630	3,650,400
Darden Restaurants, Inc.	132,970	4,385,351
Penn National Gaming, Inc. ¹	165,400	4,814,794
		18,879,502
Media—3.4%		
Cablevision Systems Corp. New York Group, Cl. A	647,080	12,559,823
Liberty Media Corp.- Entertainment, Series A ¹	152,800	4,087,400
		16,647,223
Multiline Retail—1.5%		
Dollar Tree, Inc. ¹	169,150	7,121,215
Specialty Retail—3.5%		
Aeropostale, Inc. ¹	68,600	2,350,922
GameStop Corp., Cl. A ¹	227,100	4,998,471
O'Reilly Automotive, Inc. ¹	130,480	4,968,678
Urban Outfitters, Inc. ¹	230,280	4,805,944
		17,124,015
Textiles, Apparel & Luxury Goods—1.3%		
Polo Ralph Lauren Corp., Cl. A	118,240	6,330,570
Consumer Staples—0.4%		
Beverages—0.4%		
Hansen Natural Corp. ¹	60,300	1,858,446
Energy—8.7%		
Energy Equipment & Services—3.9%		
Cameron International Corp. ¹	206,150	5,834,045
Core Laboratories NV	27,000	2,353,050
IHS, Inc., Cl. A ¹	175,880	8,771,136
Oceaneering International, Inc. ¹	51,600	2,332,320
		19,290,551
Oil, Gas & Consumable Fuels—4.8%		
Concho Resources, Inc. ¹	238,850	6,852,607
Petrohawk Energy Corp. ¹	384,500	8,574,350
Range Resources Corp.	189,046	7,828,395
		23,255,352

	Shares	Value
Financials—10.4%		
Capital Markets—5.1%		
Affiliated Managers Group, Inc. ¹	170,060	\$ 9,895,791
Greenhill & Co., Inc.	35,200	2,541,792
Jefferies Group, Inc. ¹	282,000	6,015,060
Waddell & Reed Financial, Inc., Cl. A	258,900	6,827,193
		25,279,836
Diversified Financial Services—2.3%		
IntercontinentalExchange, Inc. ¹	32,280	3,687,667
MSCI, Inc., Cl. A ¹	318,110	7,774,608
		11,462,275
Insurance—1.3%		
Fidelity National Financial, Inc., Cl. A	185,550	2,510,492
RenaissanceRe Holdings Ltd.	78,960	3,674,798
		6,185,290
Real Estate Investment Trusts—1.0%		
Digital Realty Trust, Inc.	132,800	4,760,880
Thriffs & Mortgage Finance—0.7%		
Hudson City Bancorp, Inc.	265,130	3,523,578
Health Care—16.9%		
Biotechnology—4.2%		
Alexion Pharmaceuticals, Inc. ¹	247,300	10,168,976
Cephalon, Inc. ¹	101,030	5,723,350
Myriad Genetics, Inc. ¹	121,150	4,318,998
Myriad Pharmaceuticals, Inc. ¹	30,287	140,835
		20,352,159
Health Care Equipment & Supplies—6.2%		
Edwards Lifesciences Corp. ¹	187,270	12,739,978
Haemonetics Corp. ¹	66,910	3,813,870
IDEXX Laboratories, Inc. ¹	102,440	4,732,728
NuVasive, Inc. ¹	205,600	9,169,760
		30,456,336
Health Care Providers & Services—2.1%		
MEDNAX, Inc. ¹	93,200	3,926,516
Schein (Henry), Inc. ¹	132,370	6,347,142
		10,273,658
Life Sciences Tools & Services—2.8%		
Covance, Inc. ¹	100,320	4,935,744
Illumina, Inc. ¹	228,001	8,878,359
		13,814,103

STATEMENT OF INVESTMENTS Unaudited / Continued

	Shares	Value
Pharmaceuticals—1.6%		
Perrigo Co.	155,210	\$ 4,311,734
Shire Ltd., ADR	85,500	3,546,540
		7,858,274
Industrials—14.8%		
Aerospace & Defense—1.4%		
Curtiss-Wright Corp.	101,940	3,030,676
Rockwell Collins, Inc.	98,600	4,114,578
		7,145,254
Air Freight & Logistics—3.0%		
C.H. Robinson Worldwide, Inc.	187,480	9,777,082
Expeditors International of Washington, Inc.	155,300	5,177,702
		14,954,784
Commercial Services & Supplies—5.8%		
Clean Harbors, Inc. ¹	75,800	4,092,442
Copart, Inc. ¹	150,780	5,227,543
FTI Consulting, Inc. ¹	110,440	5,601,517
Stericycle, Inc. ¹	159,722	8,230,475
Waste Connections, Inc. ¹	198,100	5,132,771
		28,284,748
Construction & Engineering—2.4%		
Quanta Services, Inc. ¹	281,310	6,506,700
URS Corp. ¹	103,270	5,113,930
		11,620,630
Electrical Equipment—0.7%		
Regal-Beloit Corp.	88,800	3,527,136
Machinery—1.5%		
Bucyrus International, Inc., Cl. A	135,700	3,875,592
Flowserve Corp.	47,600	3,322,956
		7,198,548
Information Technology—22.0%		
Communications Equipment—0.8%		
Brocade Communications Systems, Inc. ¹	500,000	3,910,000
Computers & Peripherals—1.7%		
NetApp, Inc. ¹	417,470	8,232,508
Electronic Equipment & Instruments—3.2%		
Amphenol Corp., Cl. A	371,710	11,760,904
FLIR Systems, Inc. ¹	180,540	4,072,982
		15,833,886
Internet Software & Services—2.9%		
Baidu, Inc., ADR ¹	12,500	3,763,625
Equinix, Inc. ¹	142,483	10,364,213
		14,127,838

	Shares	Value
IT Services—3.5%		
Cognizant Technology Solutions Corp. ¹	322,410	\$ 8,608,347
SAIC, Inc. ¹	458,390	8,503,135
		17,111,482
Semiconductors & Semiconductor Equipment—2.0%		
Lam Research Corp. ¹	182,820	4,753,320
MEMC Electronic Materials, Inc. ¹	299,310	5,330,711
		10,084,031
Software—7.9%		
Ansys, Inc. ¹	344,830	10,744,903
FactSet Research Systems, Inc.	123,480	6,157,948
Rovi Corp. ¹	597,459	13,030,581
Salesforce.com, Inc. ¹	229,080	8,743,984
		38,677,416
Materials—3.5%		
Chemicals—2.8%		
Airgas, Inc.	99,200	4,020,576
Intrepid Potash, Inc. ¹	108,570	3,048,646
Lubrizol Corp. (The)	142,020	6,718,966
		13,788,188
Metals & Mining—0.7%		
Steel Dynamics, Inc.	230,200	3,390,846
Telecommunication Services—2.1%		
Wireless Telecommunication Services—2.1%		
American Tower Corp. ¹	179,780	5,668,463
SBA Communications Corp. ¹	187,070	4,590,698
		10,259,161
Utilities—0.7%		
Gas Utilities—0.7%		
Questar Corp.	109,390	3,397,651
Total Common Stocks (Cost \$458,481,242)		464,498,150
Investment Companies—3.7%		
JPMorgan U.S. Treasury Plus Money Market Fund, Agency Shares, 0.00% ^{2,4}	113,679	113,679
Oppenheimer Institutional Money Market Fund, Cl. E, 0.48% ^{2,3}	17,970,886	17,970,886
Total Investment Companies (Cost \$18,084,565)		18,084,565
Total Investments, at Value (Cost \$476,565,807)		
	98.4%	482,582,715
Other Assets Net of Liabilities		
	1.6	8,014,521
Net Assets	100.0%	\$490,597,236

Footnotes to Statement of Investments

1. Non-income producing security.

2. Rate shown is the 7-day yield as of June 30, 2009.

3. Is or was an affiliate, as defined in the Investment Company Act of 1940, at or during the period ended June 30, 2009, by virtue of the Fund owning at least 5% of the voting securities of the issuer or as a result of the Fund and the issuer having the same investment adviser. Transactions during the period in which the issuer was an affiliate are as follows:

	Shares December 31, 2008	Gross Additions	Gross Reductions	Shares June 30, 2009
Oppenheimer Institutional Money Market Fund, Cl. E	28,742,391	105,096,342	115,867,847	17,970,886
			Value	Income
Oppenheimer Institutional Money Market Fund, Cl. E			\$17,970,886	\$102,246

4. Interest rate less than 0.0005%.

Valuation Inputs

Various data inputs are used in determining the value of each of the Fund's investments as of the reporting period end. These data inputs are categorized in the following hierarchy under applicable financial accounting standards:

- 1) Level 1—unadjusted quoted prices in active markets for identical assets or liabilities (including securities actively traded on a securities exchange)
- 2) Level 2—inputs other than unadjusted quoted prices that are observable for the asset (such as unadjusted quoted prices for similar assets and market corroborated inputs such as interest rates, prepayment speeds, credit risks, etc.)
- 3) Level 3—unobservable inputs (including the Manager's own judgments about assumptions that market participants would use in pricing the asset).

The table below categorizes amounts that are included in the Fund's Statement of Assets and Liabilities as of June 30, 2009 based on valuation input level:

	Level 1— Unadjusted Quoted Prices	Level 2— Other Significant Observable Inputs	Level 3 Significant Unobservable Inputs	Value
Assets Table				
Investments, at Value:				
Common Stocks				
Consumer Discretionary	\$ 74,583,305	\$ —	\$ —	\$ 74,583,305
Consumer Staples	1,858,446	—	—	1,858,446
Energy	42,545,903	—	—	42,545,903
Financials	51,211,859	—	—	51,211,859
Health Care	82,754,530	—	—	82,754,530
Industrials	72,731,100	—	—	72,731,100
Information Technology	107,977,161	—	—	107,977,161
Materials	17,179,034	—	—	17,179,034
Telecommunication Services	10,259,161	—	—	10,259,161
Utilities	3,397,651	—	—	3,397,651
Investment Companies	18,084,565	—	—	18,084,565
Total Assets	\$482,582,715	\$—	\$—	\$482,582,715

Currency contracts and forwards, if any, are reported at their unrealized appreciation/depreciation at measurement date, which represents the change in the contract's value from trade date. Futures, if any, are reported at their variation margin at measurement date, which represents the amount due to/from the Fund at that date. All additional assets and liabilities included in the above table are reported at their market value at measurement date.

See the accompanying Notes for further discussion of the methods used in determining value of the Fund's investments, and a summary of changes to the valuation techniques, if any, during the reporting period.

See accompanying Notes to Financial Statements.

STATEMENT OF ASSETS AND LIABILITIES Unaudited

June 30, 2009

Assets	
Investments, at value—see accompanying statement of investments:	
Unaffiliated companies (cost \$458,594,921)	\$ 464,611,829
Affiliated companies (cost \$17,970,886)	17,970,886
	<u>482,582,715</u>
Receivables and other assets:	
Shares of beneficial interest sold	4,997,125
Investments sold	4,721,405
Dividends	121,122
Other	18,955
	<u>9,858,607</u>
Total assets	<u>492,441,322</u>
Liabilities	
Payables and other liabilities:	
Investments purchased	1,484,551
Shares of beneficial interest redeemed	249,446
Transfer and shareholder servicing agent fees	40,113
Shareholder communications	26,357
Distribution and service plan fees	12,896
Trustees' compensation	12,482
Other	18,241
	<u>1,844,086</u>

Net Assets **\$490,597,236**

Composition of Net Assets

Par value of shares of beneficial interest	\$ 16,574
Additional paid-in capital	1,248,314,812
Accumulated net investment loss	(171,972)
Accumulated net realized loss on investments	(763,579,086)
Net unrealized appreciation on investments	6,016,908

Net Assets **\$490,597,236**

Net Asset Value Per Share

Non-Service Shares:	
Net asset value, redemption price per share and offering price per share (based on net assets of \$468,681,050 and 15,819,688 shares of beneficial interest outstanding)	\$29.63
Service Shares:	
Net asset value, redemption price per share and offering price per share (based on net assets of \$21,916,186 and 754,693 shares of beneficial interest outstanding)	\$29.04

See accompanying Notes to Financial Statements.

STATEMENT OF OPERATIONS Unaudited

For the Six Months Ended June 30, 2009

Investment Income	
Dividends:	
Unaffiliated companies	\$ 1,240,866
Affiliated companies	102,246
Interest	1,651
Total investment income	1,344,763
Expenses	
Management fees	1,678,208
Distribution and service plan fees—Service shares	25,946
Transfer and shareholder servicing agent fees:	
Non-Service shares	80,132
Service shares	6,922
Shareholder communications:	
Non-Service shares	114,580
Service shares	5,386
Trustees' compensation	11,487
Custodian fees and expenses	1,332
Other	21,081
Total expenses	1,945,074
Less waivers and reimbursements of expenses	(348,135)
Net expenses	1,596,939
Net Investment Loss	(252,176)
Realized and Unrealized Gain (Loss)	
Net realized loss on investments from unaffiliated companies	(81,537,493)
Net change in unrealized appreciation on investments	115,057,276
Net Increase in Net Assets Resulting from Operations	<u>\$33,267,607</u>

See accompanying Notes to Financial Statements.

STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30, 2009 (Unaudited)	Year Ended December 31, 2008
Operations		
Net investment loss	\$ (252,176)	\$ (2,429,611)
Net realized loss	(81,537,493)	(219,835,993)
Net change in unrealized appreciation (depreciation)	115,057,276	(251,402,010)
Net increase (decrease) in net assets resulting from operations	33,267,607	(473,667,614)
Beneficial Interest Transactions		
Net decrease in net assets resulting from beneficial interest transactions:		
Non-Service shares	(24,858,058)	(88,752,649)
Service shares	(1,448,168)	(3,655,383)
	(26,306,226)	(92,408,032)
Net Assets		
Total increase (decrease)	6,961,381	(566,075,646)
Beginning of period	483,635,855	1,049,711,501
End of period (including accumulated net investment income (loss) of \$(171,972) and \$80,204, respectively)	<u>\$490,597,236</u>	<u>\$ 483,635,855</u>

See accompanying Notes to Financial Statements.

FINANCIAL HIGHLIGHTS

Non-Service Shares	Six Months Ended	Year Ended December 31,				
	June 30, 2009 (Unaudited)	2008	2007	2006	2005	2004
Per Share Operating Data						
Net asset value, beginning of period	\$ 27.54	\$ 54.07	\$ 50.85	\$ 49.39	\$ 43.97	\$ 36.71
Income (loss) from investment operations:						
Net investment loss ¹	(.01)	(.13)	(.02)	(.02)	(.12)	(.15)
Net realized and unrealized gain (loss)	2.10	(26.40)	3.24	1.48	5.54	7.41
Total from investment operations	2.09	(26.53)	3.22	1.46	5.42	7.26
Net asset value, end of period	\$29.63	\$27.54	\$54.07	\$50.85	\$49.39	\$43.97
Total Return, at Net Asset Value²	7.59%	(49.07)%	6.33%	2.96%	12.33%	19.78%
Ratios/Supplemental Data						
Net assets, end of period (in thousands)	\$468,681	\$461,684	\$1,002,442	\$1,054,809	\$1,227,881	\$1,209,459
Average net assets (in thousands)	\$443,559	\$754,170	\$1,045,592	\$1,135,831	\$1,177,979	\$1,124,874
Ratios to average net assets: ³						
Net investment loss	(0.10)%	(0.30)%	(0.04)%	(0.04)%	(0.26)%	(0.39)%
Total expenses	0.83% ⁴	0.71% ⁴	0.69% ⁴	0.69% ⁴	0.69%	0.69%
Expenses after payments, waivers and/or reimbursements and reduction to custodian expenses	0.69%	0.68%	0.69%	0.69%	0.69%	0.69%
Portfolio turnover rate	43%	78%	112%	56%	32%	53%

1. Per share amounts calculated based on the average shares outstanding during the period.

2. Assumes an investment on the business day before the first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Total returns are not annualized for periods less than one full year. Total return information does not reflect expenses that apply at the separate account level or to related insurance products. Inclusion of these charges would reduce the total return figures for all periods shown. Returns do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

3. Annualized for periods less than one full year.

4. Total expenses including indirect expenses from affiliated fund were as follows:

Six Months Ended June 30, 2009	0.83%
Year Ended December 31, 2008	0.71%
Year Ended December 31, 2007	0.69%
Year Ended December 31, 2006	0.69%

See accompanying Notes to Financial Statements.

FINANCIAL HIGHLIGHTS Continued

Service Shares	Six Months Ended	Year Ended December 31,				
	June 30, 2009 (Unaudited)	2008	2007	2006	2005	2004
Per Share Operating Data						
Net asset value, beginning of period	\$ 27.03	\$ 53.22	\$ 50.19	\$ 48.87	\$ 43.64	\$ 36.54
Income (loss) from investment operations:						
Net investment loss ¹	(.05)	(.24)	(.17)	(.16)	(.25)	(.27)
Net realized and unrealized gain (loss)	2.06	(25.95)	3.20	1.48	5.48	7.37
Total from investment operations	2.01	(26.19)	3.03	1.32	5.23	7.10
Net asset value, end of period	\$29.04	\$27.03	\$53.22	\$50.19	\$48.87	\$43.64
Total Return, at Net Asset Value²	7.44%	(49.21)%	6.04%	2.70%	11.99%	19.43%
Ratios/Supplemental Data						
Net assets, end of period (in thousands)	\$21,916	\$21,952	\$47,270	\$47,131	\$36,551	\$24,151
Average net assets (in thousands)	\$20,929	\$35,815	\$49,421	\$44,273	\$28,798	\$17,579
Ratios to average net assets: ³						
Net investment loss	(0.38)%	(0.57)%	(0.31)%	(0.33)%	(0.54)%	(0.68)%
Total expenses	1.11% ⁴	0.98% ⁴	0.96% ⁴	0.97% ⁴	0.97%	0.99%
Expenses after payments, waivers and/or reimbursements and reduction to custodian expenses	0.97%	0.95%	0.96%	0.97%	0.97%	0.99%
Portfolio turnover rate	43%	78%	112%	56%	32%	53%

1. Per share amounts calculated based on the average shares outstanding during the period.

2. Assumes an investment on the business day before the first day of the fiscal period, with all dividends and distributions reinvested in additional shares on the reinvestment date, and redemption at the net asset value calculated on the last business day of the fiscal period. Total returns are not annualized for periods less than one full year. Total return information does not reflect expenses that apply at the separate account level or to related insurance products. Inclusion of these charges would reduce the total return figures for all periods shown. Returns do not reflect the deduction of taxes that a shareholder would pay on fund distributions or the redemption of fund shares.

3. Annualized for periods less than one full year.

4. Total expenses including indirect expenses from affiliated fund were as follows:

Six Months Ended June 30, 2009	1.11%
Year Ended December 31, 2008	0.98%
Year Ended December 31, 2007	0.96%
Year Ended December 31, 2006	0.97%

See accompanying Notes to Financial Statements.

1. Significant Accounting Policies

Oppenheimer MidCap Fund/VA (the “Fund”), is a separate series of Oppenheimer Variable Account Funds, an open-end management investment company registered under the Investment Company Act of 1940, as amended. The Fund’s investment objective is to seek capital appreciation by investing in “growth type” companies. The Fund’s investment adviser is OppenheimerFunds, Inc. (the “Manager”).

The Fund offers two classes of shares. Both classes are sold at their offering price, which is the net asset value per share, to separate investment accounts of participating insurance companies as an underlying investment for variable life insurance policies, variable annuity contracts or other investment products. The class of shares designated as Service shares is subject to a distribution and service plan. Both classes of shares have identical rights and voting privileges with respect to the Fund in general and exclusive voting rights on matters that affect that class alone. Earnings, net assets and net asset value per share may differ due to each class having its own expenses, such as transfer and shareholder servicing agent fees and shareholder communications, directly attributable to that class.

The following is a summary of significant accounting policies consistently followed by the Fund.

Securities Valuation. The Fund calculates the net asset value of its shares as of the close of the New York Stock Exchange (the “Exchange”), normally 4:00 P.M. Eastern time, on each day the Exchange is open for trading.

Effective for fiscal periods beginning after November 15, 2007, FASB Statement of Financial Accounting Standards No. 157, *Fair Value Measurements*, establishes a hierarchy for measuring fair value of assets and liabilities. As required by the standard, each investment asset or liability of the Fund is assigned a level at measurement date based on the significance and source of the inputs to its valuation. Unadjusted quoted prices in active markets for identical securities are classified as “Level 1,” inputs other than unadjusted quoted prices for an asset that are observable are classified as “Level 2” and unobservable inputs, including the Manager’s judgment about the assumptions that a market participant would use in pricing an asset or liability are classified as “Level 3.” The inputs used for valuing securities are not necessarily an indication of the risks associated with investing in those securities. A table summarizing the Fund’s investments under these levels of classification is included following the Statement of Investments.

Securities are valued using unadjusted quoted market prices, when available, as supplied primarily either by portfolio pricing services approved by the Board of Trustees or dealers. These securities are typically classified within Level 1 or 2; however, they may be designated as Level 3 if the dealer or portfolio pricing service values a security through an internal model with significant unobservable inputs.

Securities traded on a registered U.S. securities exchange are valued based on the last sale price of the security reported on the principal exchange on which traded, prior to the time when the Fund’s assets are valued. Securities whose principal exchange is NASDAQ® are valued based on the official closing prices reported by NASDAQ prior to the time when the Fund’s assets are valued. In the absence of a sale, the security is valued at the last sale price on the prior trading day, if it is within the spread of the current day’s closing “bid” and “asked” prices, and if not, at the current day’s closing bid price. A foreign security traded on a foreign exchange is valued based on the last sale price on the principal exchange on which the security is traded, as identified by the portfolio pricing service used by the Manager, prior to the time when the Fund’s assets are valued. In the absence of a sale, the security is valued at the most recent official closing price on the principal exchange on which it is traded.

Shares of a registered investment company that are not traded on an exchange are valued at that investment company’s net asset value per share.

Corporate, government and municipal debt instruments having a remaining maturity in excess of sixty days and all mortgage-backed securities, collateralized mortgage obligations and other asset-backed securities are valued at the mean between the “bid” and “asked” prices.

“Money market-type” debt instruments with remaining maturities of sixty days or less are valued at cost adjusted by the amortization of discount or premium to maturity (amortized cost), which approximates market value. These securities are typically designated as Level 2.

1. Significant Accounting Policies Continued

In the absence of a readily available unadjusted quoted market price, including for securities whose values have been materially affected by what the Manager identifies as a significant event occurring before the Fund's assets are valued but after the close of the securities' respective exchanges, the Manager, acting through its internal valuation committee, in good faith determines the fair valuation of that asset using consistently applied procedures under the supervision of the Board of Trustees (which reviews those fair valuations by the Manager). Those procedures include certain standardized methodologies to fair value securities. Such methodologies include, but are not limited to, pricing securities initially at cost and subsequently adjusting the value based on: changes in company specific fundamentals, changes in an appropriate securities index, or changes in the value of similar securities which may be adjusted for any discounts related to resale restrictions. When possible, such methodologies use observable market inputs such as unadjusted quoted prices of similar securities, observable interest rates, currency rates and yield curves. The methodologies used for valuing securities are not necessarily an indication of the risks associated with investing in those securities.

Fair valued securities may be classified as "Level 3" if the Manager's own assumptions about the inputs that market participants would use in valuing such securities are significant to the fair value.

There have been no significant changes to the fair valuation methodologies during the period.

Investment in Oppenheimer Institutional Money Market Fund. The Fund is permitted to invest daily available cash balances in an affiliated money market fund. The Fund may invest the available cash in Class E shares of Oppenheimer Institutional Money Market Fund ("IMMF") to seek current income while preserving liquidity. IMMF is a registered open-end management investment company, regulated as a money market fund under the Investment Company Act of 1940, as amended. The Manager is also the investment adviser of IMMF. When applicable, the Fund's investment in IMMF is included in the Statement of Investments. As a shareholder, the Fund is subject to its proportional share of IMMF's Class E expenses, including its management fee. The Manager will waive fees and/or reimburse Fund expenses in an amount equal to the indirect management fees incurred through the Fund's investment in IMMF.

Allocation of Income, Expenses, Gains and Losses. Income, expenses (other than those attributable to a specific class), gains and losses are allocated on a daily basis to each class of shares based upon the relative proportion of net assets represented by such class. Operating expenses directly attributable to a specific class are charged against the operations of that class.

Federal Taxes. The Fund intends to comply with provisions of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of its investment company taxable income, including any net realized gain on investments not offset by capital loss carryforwards, if any, to shareholders. Therefore, no federal income or excise tax provision is required. The Fund files income tax returns in U.S. federal and applicable state jurisdictions. The statute of limitations on the Fund's tax return filings generally remain open for the three preceding fiscal reporting period ends.

During the fiscal year ended December 31, 2008, the Fund utilized \$4,134,778 of capital loss carryforward to offset capital gains realized in that fiscal year. As of December 31, 2008, the Fund had available for federal income tax purposes post-October losses of \$217,996,958 and unused capital loss carryforwards as follows:

<u>Expiring</u>	
2009	\$ 225,332,848
2010	<u>230,224,822</u>
Total	<u>\$455,557,670</u>

As of June 30, 2009, the Fund had available for federal income tax purposes an estimated capital loss carryforward of \$755,092,121 expiring by 2018. This estimated capital loss carryforward represents carryforward as of the end of the last fiscal year, increased for losses deferred under tax accounting rules to the current fiscal year and is increased or

decreased by capital losses or gains realized in the first six months of the current fiscal year. During the six months ended June 30, 2009, it is estimated that the Fund will not utilize any capital loss carryforward to offset realized capital gains.

Net investment income (loss) and net realized gain (loss) may differ for financial statement and tax purposes. The character of dividends and distributions made during the fiscal year from net investment income or net realized gains may differ from their ultimate characterization for federal income tax purposes. Also, due to timing of dividends and distributions, the fiscal year in which amounts are distributed may differ from the fiscal year in which the income or net realized gain was recorded by the Fund.

The aggregate cost of securities and other investments and the composition of unrealized appreciation and depreciation of securities and other investments for federal income tax purposes as of June 30, 2009 are noted in the following table. The primary difference between book and tax appreciation or depreciation of securities and other investments, if applicable, is attributable to the tax deferral of losses or tax realization of financial statement unrealized gain or loss.

Federal tax cost of securities	<u><u>\$476,565,807</u></u>
Gross unrealized appreciation	\$ 41,617,572
Gross unrealized depreciation	(35,600,664)
Net unrealized appreciation	<u><u>\$ 6,016,908</u></u>

Trustees' Compensation. The Board of Trustees has adopted a compensation deferral plan for independent trustees that enables trustees to elect to defer receipt of all or a portion of the annual compensation they are entitled to receive from the Fund. For purposes of determining the amount owed to the Trustee under the plan, deferred amounts are treated as though equal dollar amounts had been invested in shares of the Fund or in other Oppenheimer funds selected by the Trustee. The Fund purchases shares of the funds selected for deferral by the Trustee in amounts equal to his or her deemed investment, resulting in a Fund asset equal to the deferred compensation liability. Such assets are included as a component of "Other" within the asset section of the Statement of Assets and Liabilities. Deferral of trustees' fees under the plan will not affect the net assets of the Fund, and will not materially affect the Fund's assets, liabilities or net investment income per share. Amounts will be deferred until distributed in accordance to the compensation deferral plan.

Dividends and Distributions to Shareholders. Dividends and distributions to shareholders, which are determined in accordance with income tax regulations and may differ from U.S. generally accepted accounting principles, are recorded on the ex-dividend date. Income and capital gain distributions, if any, are declared and paid annually or at other times as deemed necessary by the Manager. The tax character of distributions is determined as of the Fund's fiscal year end. Therefore, a portion of the Fund's distributions made to shareholders prior to the Fund's fiscal year end may ultimately be categorized as a tax return of capital.

Investment Income. Dividend income is recorded on the ex-dividend date or upon ex-dividend notification in the case of certain foreign dividends where the ex-dividend date may have passed. Non-cash dividends included in dividend income, if any, are recorded at the fair market value of the securities received. Interest income is recognized on an accrual basis. Discount and premium, which are included in interest income on the Statement of Operations, are amortized or accreted daily.

Custodian Fees. "Custodian fees and expenses" in the Statement of Operations may include interest expense incurred by the Fund on any cash overdrafts of its custodian account during the period. Such cash overdrafts may result from the effects of failed trades in portfolio securities and from cash outflows resulting from unanticipated shareholder redemption activity. The Fund pays interest to its custodian on such cash overdrafts, to the extent they are not offset by positive cash balances maintained by the Fund, at a rate equal to the Federal Funds Rate plus 0.50%. The "Reduction to custodian expenses" line item, if applicable, represents earnings on cash balances maintained by the Fund during the period. Such interest expense and other custodian fees may be paid with these earnings.

1. Significant Accounting Policies Continued

Security Transactions. Security transactions are recorded on the trade date. Realized gains and losses on securities sold are determined on the basis of identified cost.

Indemnifications. The Fund's organizational documents provide current and former trustees and officers with a limited indemnification against liabilities arising in connection with the performance of their duties to the Fund. In the normal course of business, the Fund may also enter into contracts that provide general indemnifications. The Fund's maximum exposure under these arrangements is unknown as this would be dependent on future claims that may be made against the Fund. The risk of material loss from such claims is considered remote.

Other. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations during the reporting period. Actual results could differ from those estimates.

2. Shares of Beneficial Interest

The Fund has authorized an unlimited number of \$0.001 par value shares of beneficial interest of each class. Transactions in shares of beneficial interest were as follows:

	Six Months Ended June 30, 2009		Year Ended December 31, 2008	
	Shares	Amount	Shares	Amount
Non-Service Shares				
Sold	452,606	\$ 12,765,688	1,670,583	\$ 61,944,000
Redeemed	(1,396,268)	(37,623,746)	(3,445,654)	(150,696,649)
Net decrease	(943,662)	\$(24,858,058)	(1,775,071)	\$(88,752,649)
Service Shares				
Sold	69,113	\$ 1,901,719	131,251	\$ 5,180,963
Redeemed	(126,429)	(3,349,887)	(207,366)	(8,836,346)
Net decrease	(57,316)	\$(1,448,168)	(76,115)	\$(3,655,383)

3. Purchases and Sales of Securities

The aggregate cost of purchases and proceeds from sales of securities, other than short-term obligations and investments in IMMF, for the six months ended June 30, 2009, were as follows:

	Purchases	Sales
Investment securities	\$188,564,837	\$195,654,936

4. Fees and Other Transactions with Affiliates

Management Fees. Under the investment advisory agreement, the Fund pays the Manager a management fee based on the daily net assets of the Fund at an annual rate as shown in the following table:

Fee Schedule	
Up to \$200 million	0.75%
Next \$200 million	0.72
Next \$200 million	0.69
Next \$200 million	0.66
Next \$700 million	0.60
Over \$1.5 billion	0.58

Transfer Agent Fees. OppenheimerFunds Services (“OFS”), a division of the Manager, acts as the transfer and shareholder servicing agent for the Fund. For the six months ended June 30, 2009, the Fund paid \$48,661 to OFS for services to the Fund.

Distribution and Service Plan for Service Shares. The Fund has adopted a Distribution and Service Plan (the “Plan”) in accordance with Rule 12b-1 under the Investment Company Act of 1940 for Service shares to pay OppenheimerFunds Distributor, Inc. (the “Distributor”), for distribution related services, personal service and account maintenance for the Fund’s Service shares. Under the Plan, payments are made periodically at an annual rate of up to 0.25% of the average annual net assets of Service shares of the Fund. The Distributor currently uses all of those fees to compensate sponsor(s) of the insurance product that offers Fund shares, for providing personal service and maintenance of accounts of their variable contract owners that hold Service shares. These fees are paid out of the Fund’s assets on an on-going basis and increase operating expenses of the Service shares, which results in lower performance compared to the Fund’s shares that are not subject to a service fee. Fees incurred by the Fund under the Plan are detailed in the Statement of Operations.

Waivers and Reimbursements of Expenses. Effective May 1, 2009, the Manager has voluntarily undertaken to limit the Fund’s total annual operating expenses so that those expenses, as percentages of daily net assets will not exceed the annual rate of 0.80% for Non-Service shares and 1.05% for Service shares.

Effective September 1, 2008 through August 31, 2009 (the “waiver period”), the Manager has voluntarily agreed to reduce its advisory fee rate by 0.10% of the Fund’s average daily net assets if the Fund’s trailing one-year total return performance is in the fourth or fifth quintile of the Fund’s Lipper peer group as of August 31, 2008. However, if the Fund’s trailing one-year total return performance, as measured at the end of any subsequent calendar quarter during the waiver period, improves to the third or higher quintile of the Fund’s Lipper peer group, the advisory fee reduction will be terminated effective the following business day.

Effective April 1, 2009 through March 31, 2010, the Manager has agreed to voluntarily waive its advisory fee by 0.09% of the Fund’s average annual net assets. This voluntary waiver will be applied after all other waivers and/or reimbursements.

During the six months ended June 30, 2009, the Manager waived \$336,988 in advisory fees as a result of these voluntary arrangements. These voluntary undertakings may be amended or withdrawn at any time.

Prior to May 1, 2009, OFS had voluntarily agreed to limit transfer and shareholder servicing agent fees for all classes to 0.35% of average annual net assets per class.

The Manager will waive fees and/or reimburse Fund expenses in an amount equal to the indirect management fees incurred through the Fund’s investment in IMMF. During the six months ended June 30, 2009, the Manager waived \$11,147 for IMMF management fees.

5. Subsequent Events Evaluation

The Fund has evaluated the need for disclosures and/or adjustments resulting from subsequent events through August 13, 2009, the date the financial statements were available to be issued. This evaluation determined that there were no subsequent events that necessitated disclosures and/or adjustments.

6. Pending Litigation

During 2009, a number of complaints have been filed in federal courts against the Manager, the Distributor, and certain mutual funds (“Defendant Funds”) advised by the Manager and distributed by the Distributor—excluding the Fund. The complaints naming the Defendant Funds also name certain officers, trustees and former trustees of the respective Defendant Funds. The plaintiffs seek class action status on behalf of purchasers of shares of the respective Defendant Fund during a particular time period. The complaints against the Defendant Funds raise claims under federal securities laws alleging that, among other things, the disclosure documents of the respective Defendant Fund contained misrepresentations and omissions, that such Defendant Fund’s investment policies were not followed, and that such Defendant

6. Pending Litigation Continued

Fund and the other defendants violated federal securities laws and regulations. The plaintiffs seek unspecified damages, equitable relief and an award of attorneys' fees and litigation expenses.

A complaint has been brought in state court against the Manager, the Distributor and another subsidiary of the Manager (but not against the Fund), on behalf of the Oregon College Savings Plan Trust. The complaint alleges breach of contract, breach of fiduciary duty, negligence and violation of state securities laws, and seeks compensatory damages, equitable relief and an award of attorneys' fees and litigation expenses.

Other complaints have been filed in 2008 and 2009 in state and federal courts, by investors who made investments through an affiliate of the Manager, against the Manager and certain of its affiliates. Those complaints relate to the alleged investment fraud perpetrated by Bernard Madoff and his firm ("Madoff") and allege a variety of claims, including breach of fiduciary duty, fraud, negligent misrepresentation, unjust enrichment, and violation of federal and state securities laws and regulations, among others. They seek unspecified damages, equitable relief and an award of attorneys' fees and litigation expenses. None of the suits have named the Distributor, any of the Oppenheimer mutual funds or any of their independent Trustees or Directors. None of the Oppenheimer funds invested in any funds or accounts managed by Madoff.

The Manager believes that the lawsuits described above are without legal merit and intends to defend them vigorously. The Defendant Funds' Boards of Trustees have also engaged counsel to defend the suits vigorously on behalf of those Funds, their boards and the Trustees named in those suits. While it is premature to render any opinion as to the likelihood of an outcome in these lawsuits, or whether any costs that the Defendant Funds may bear in defending the suits might not be reimbursed by insurance, the Manager believes that these suits should not impair the ability of the Manager or the Distributor to perform their respective duties to the Fund, and that the outcome of all of the suits together should not have any material effect on the operations of any of the Oppenheimer Funds.

PORTFOLIO PROXY VOTING POLICIES AND PROCEDURES; UPDATES TO STATEMENTS OF INVESTMENTS Unaudited

The Fund has adopted Portfolio Proxy Voting Policies and Procedures under which the Fund votes proxies relating to securities (“portfolio proxies”) held by the Fund. A description of the Fund’s Portfolio Proxy Voting Policies and Procedures is available (i) without charge, upon request, by calling the Fund toll-free at 1.800.525.7048, (ii) on the Fund’s website at www.oppenheimerfunds.com, and (iii) on the SEC’s website at www.sec.gov. In addition, the Fund is required to file Form N-PX, with its complete proxy voting record for the 12 months ended June 30th, no later than August 31st of each year. The Fund’s voting record is available (i) without charge, upon request, by calling the Fund toll-free at 1.800.525.7048, and (ii) in the Form N-PX filing on the SEC’s website at www.sec.gov.

The Fund files its complete schedule of portfolio holdings with the SEC for the first quarter and the third quarter of each fiscal year on Form N-Q. The Fund’s Form N-Q filings are available on the SEC’s website at <http://www.sec.gov>. Those forms may be reviewed and copied at the SEC’s Public Reference Room in Washington, D.C. Information on the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

OPPENHEIMER MIDCAP FUND/VA

A Series of Oppenheimer Variable Account Funds

Trustees and Officers	William L. Armstrong, Chairman of the Board of Trustees and Trustee George C. Bowen, Trustee Edward L. Cameron, Trustee Jon S. Fossel, Trustee Sam Freedman, Trustee Beverly L. Hamilton, Trustee Robert J. Malone, Trustee F. William Marshall, Jr., Trustee John V. Murphy, Trustee, President and Principal Executive Officer Ronald J. Zibelli, Jr., Vice President and Portfolio Manager Mark S. Vandehey, Vice President and Chief Compliance Officer Brian W. Wixted, Treasurer and Principal Financial & Accounting Officer Robert G. Zack, Vice President and Secretary
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Manager	OppenheimerFunds, Inc.
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Distributor	OppenheimerFunds Distributor, Inc.
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Transfer Agent	OppenheimerFunds Services
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Independent Registered Public Accounting Firm	KPMG LLP
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Counsel	K&L Gates LLP
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Before investing, investors should carefully consider a fund's investment objectives, risks, charges and expenses. Fund prospectuses contain this and other information about the funds, and may be obtained by asking your financial advisor, or calling us at 1.800.981.2871. Read prospectuses carefully before investing.

The financial statements included herein have been taken from the records of the Fund without examination of those records by the independent registered public accounting firm.

