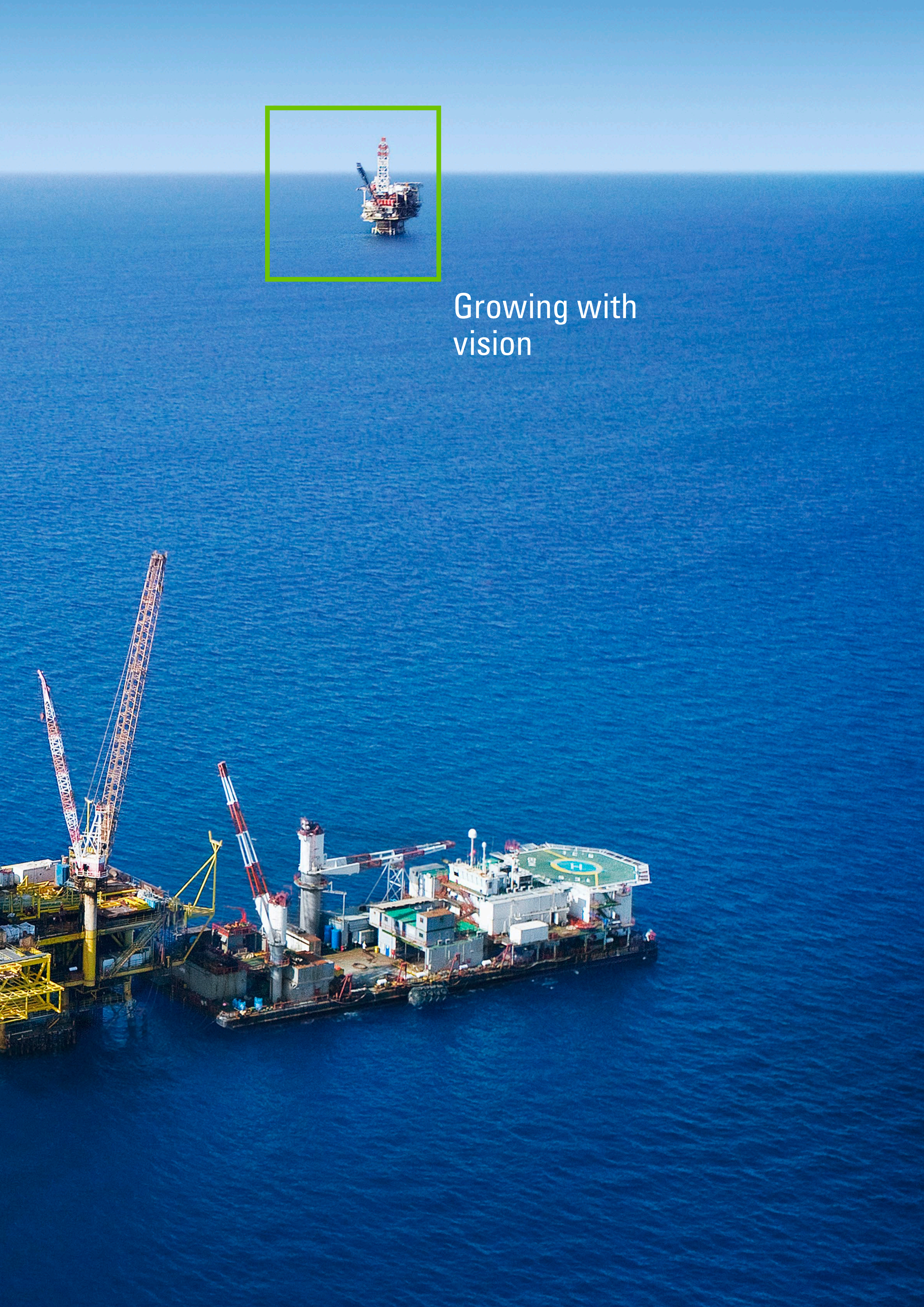
Annual Report 2013

OMV Aktiengesellschaft

Moving more. Moving the future. OMV

Contents



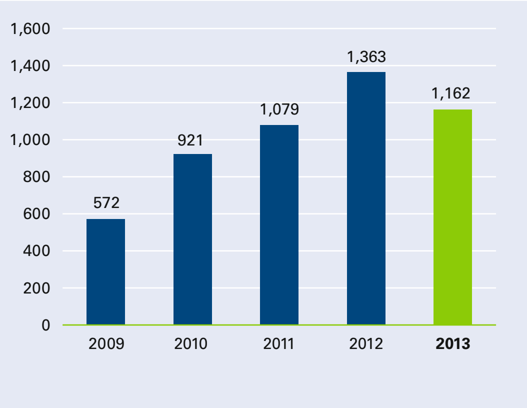
Growing with vision

At a glance

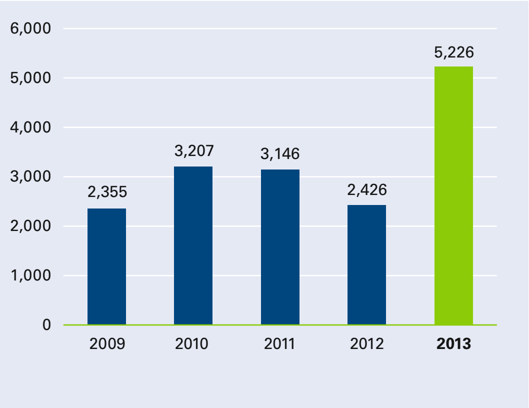
EUR mn	2013	2012	Δ
Sales	42,415	42,649	(1)%
EBIT	2,717	3,104	(12)%
Net income attributable to stockholders	1,162	1,363	(15)%
Clean CCS EBIT [1]	2,647	3,407	(22)%
Clean CCS net income attributable to stockholders [1]	1,112	1,544	(28)%
Cash flow from operating activities	4,110	3,813	8%
Capital expenditure	5,226	2,426	115%
EUR			
Earnings per share	3.56	4.18	(15)%
Clean CCS earnings per share [1]	3.41	4.73	(28)%
Cash flow per share	12.60	11.69	8%
Dividend per share	1.25 [2]	1.20	4%
%			
Return On Average Capital Employed (ROACE)	11	11	3%
Return On Equity (ROE)	11	13	(10)%

[1] Clean CCS figures exclude special items and inventory holding effects resulting from the fuels refineries and Petrol Ofisi
[2] As proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2014

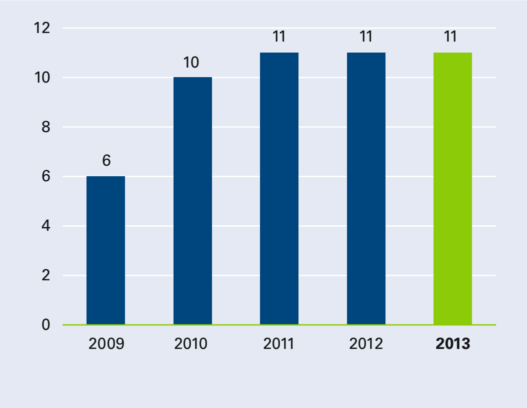
Net income attributable to stockholders in EUR mn



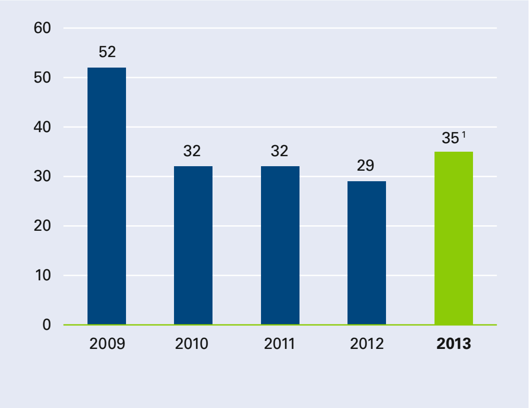
Capital expenditure in EUR mn



ROACE in %



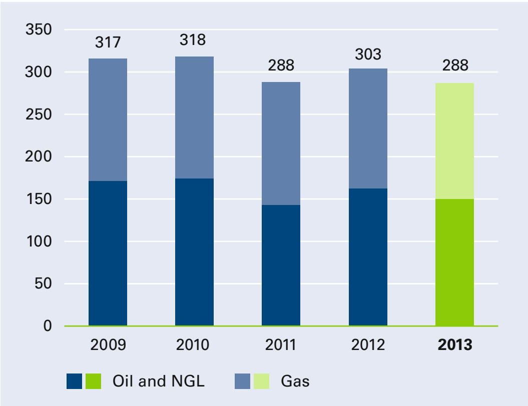
Payout ratio in %



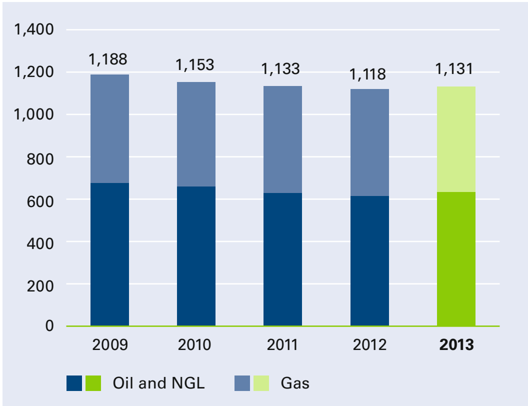
[1] Based on a dividend at the amount of EUR 1.25 per share as proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2014

Exploration and Production

Production in kboe/d

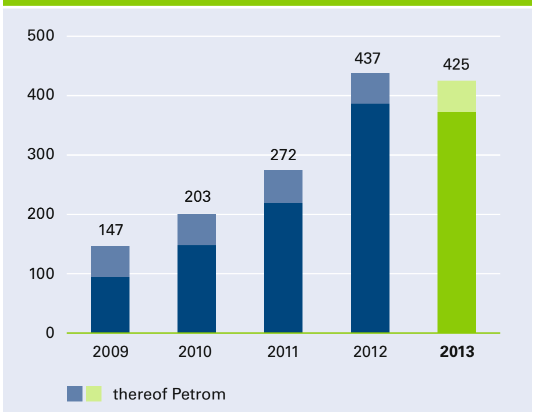


Proved reserves in mn boe



Gas and Power

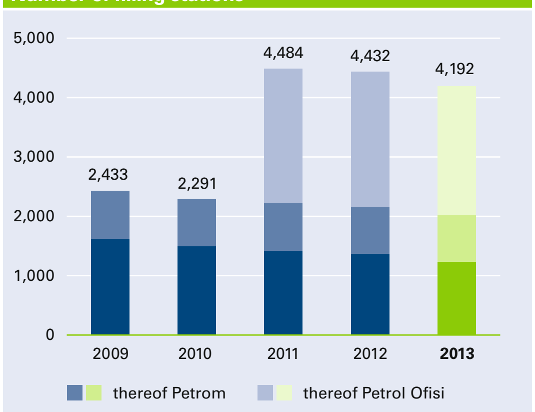
Gas sales in TWh



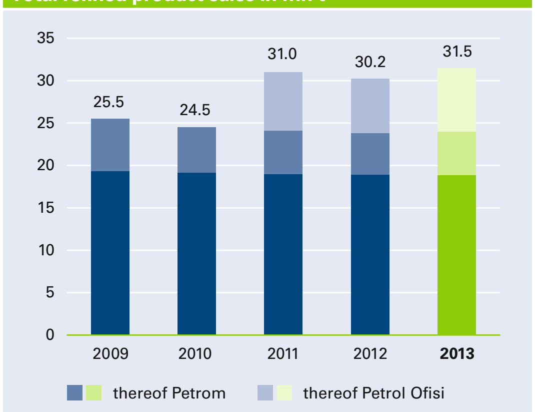
Storage volume sold in bcm

Refining and Marketing

Number of filling stations



Total refined product sales in mn t



Growing upstream

In Exploration and Production (E&P), the portfolio was strengthened by the largest acquisition in OMV's history, which will yield further production volumes and add additional development and exploration opportunities. Mehar and Latif field development projects in Pakistan came on stream. E&P's main growth areas are the Black Sea, the North Sea region and Sub-Saharan Africa.

Integrated gas

The business segment Gas and Power (G&P) will be optimized to best support OMV's growing equity gas position in and around Europe. In 2013, G&P renegotiated long-term gas supply contracts and marketed first North Sea gas volumes. In Turkey, the gas-fired power plant Samsun started commercial operations.

Restructured oil downstream

Refining and Marketing (R&M) advanced its divestment program by successfully selling its marketing business in Croatia and by signing divestment agreements for the 45% stake in the Bayernoil refinery and the lubricants business. R&M significantly reduced the capital employed, and provided a strong cash flow for OMV's growth strategy in E&P.

With clear targets to success

Improved performance

The implementation of OMV's group-wide performance improvement program "energize OMV" is progressing well. Major achievements in 2013 are coming from net working capital reduction of EUR 1,400 mn and measures contributing EUR ~500 mn to the EBIT by targeting the cost and margin base.

Statement of the Chairman of the Executive Board

The year of transformation into an integrated upstream-focused company

Dear shareholders,
2013 was a pivotal year for OMV. A year in which we delivered on our commitment to transform from an integrated downstream-focused to an integrated upstream-focused company. The pace at which we have been realizing our profitable growth strategy has been well received by the capital markets, with OMV shares up by 27% over the course of the year. Despite the challenging backdrop involving difficulties in Libya and Yemen, historically low refining margins and depressed spot prices in the gas sector, OMV outperformed the index for the European oil and gas industry (FTSEurofirst Oil & Gas) by more than 20 percentage points in 2013. More importantly, we have laid the foundation for a strong profitable future. One key component is the USD 2.65 bn investment which has secured significant assets in Norway and the UK (West of Shetland) from Statoil. This is the largest transaction in OMV's history. The deal was largely funded by divestments and working capital reductions and puts OMV on track to reach our production and reserve replacement rate targets for 2016.

Largest acquisition in OMV's history

Performance improvement and sustainability
Investments in the high-return upstream sector have gone hand in hand with downstream divestments, seeing significant improvements in cash generation from Refining and Marketing (R&M). In fact, the "energize OMV" program launched in 2011 to increase performance and profitability generated over EUR 2 bn in additional cash flow in just two years through working capital reductions and asset disposals. Despite increased investments in 2013, OMV's gearing ratio is in line with the long-term target of ≤30% and our strong investment grade credit rating remains intact. As an international oil and gas company, sustainable growth can only be achieved with an awareness of the impact on people and the environment. At OMV, this approach is known as "Resourcefulness" and currently involves 300 initiatives in 25 countries. These range from Austria's first hydrogen filling station to a program in Tunisia training unemployed youngsters to become highly skilled welders.

Upstream growth
The Exploration and Production (E&P) business segment has made significant progress in establishing a balanced international portfolio and is well positioned in the two upstream growth regions of Europe – the North Sea region and the Black Sea. The deal with Statoil will add up to 40 kboe/d production in 2014. In the Black Sea, the seismic data interpretation is progressing as planned following the massive gas discovery in the Neptun block offshore Romania in 2012. E&P growth is also behind a recruitment drive to hire 1,600 experts and technology graduates by 2016. To further strengthen the exploration portfolio, OMV acquired interests in Madagascar and Gabon. By entering Sub-Saharan Africa, E&P has gained access to highly attractive exploration acreage and a basis for long-term growth in the region. Alongside new acquisitions, in 2013 E&P made an oil discovery in the Barents Sea and a discovery of gas and condensate in Pakistan, part of a trend in recent years which has seen OMV achieve exploration success rates of roughly double the industry average. By the end of the year, OMV had secured a project pipeline equivalent to around one billion barrels of oil – double the levels in 2011 – and is well on track to grow production to ~400 kboe/d by 2016.

Integrated gas

The Gas and Power (G&P) environment remained problematic in 2013. Results were influenced by oil-linked gas supply prices and oversupply on spot markets, while the gas logistics business was impacted by a challenging market for storage capacities. OMV's answer to this difficult backdrop is "integrated gas". The integrated gas business model increases the value of equity gas by allowing us to manage market access and deliver gas to trading points, realize prices above hub prices and control volatility. The North Sea asset acquisition also impacts G&P, as it will increase OMV's equity gas share. 2013 also saw the renegotiation of the long-term gas supply contract with Statoil; an interim solution was also reached with Gazprom. G&P will remain an important business segment as we consider natural gas to be the cleanest fossil fuel whose importance will increase in the future.

Downstream optimization

R&M continues to be an important component of OMV's integrated business model and achieved a refinery utilization rate of 92% in 2013. Combined with a strong performance by the marketing business and profits from disposals, this led to a profit increase of 85%, despite an industry-wide slump in refining margins. The biggest step in the pledge to generate up to EUR 1 bn in divestments by the end of 2014 was achieved through the signing of the sale of the 45% stake in the Bayernoil refinery network. The Bayernoil divestment also marks the finalization of the planned reduction in refining capacity and has resulted in an asset base with superior integration, thereby providing a strong competitive advantage. Work progressed well on modernizing the Petrobrazi refinery to generate the most out of the domestic crude oil slate, as the benefits of integration are becoming increasingly visible: Improvements in supply, sales security, flexibility, efficiency and added value. Another focus area is petrochemicals where OMV plans to optimize petrochemical value.

What's next?

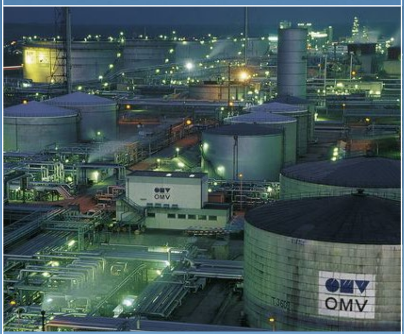
If 2011 was the year of initiation for a comprehensive strategic shift, 2013 was a year of delivering on our promises. Crossing the bridge from downstream to upstream through our successful optimization program and significant investments has not only set the course for 2014, but for years to come. Our industry requires foresight and, to some extent, patience. An oil or gas discovery today may take a decade to reach production. The capital markets have recognized the significance of OMV's achievement in doubling the project pipeline in just two years. OMV will continue to concentrate on stabilizing production in Romania and Austria, finalizing our program "energize OMV", developing recently acquired assets in Norway and the UK and moving ahead with appraisal activities in the Black Sea. We will also continue to shape the future by focusing on education with the opening of the International Petroleum Academy at the Montan University Leoben in autumn 2014. The dedication of our staff and the confidence shown by customers and investors has propelled our business forward and I look forward to continuing this exciting journey with you.

Gerhard Roiss

Well on track to grow production to ~400 kboe/d by 2016

Highlights 2013

January



- OMV sells Austrian stockholding business

February

- OMV sells its marketing subsidiary in Croatia

May

- OMV's Annual General Meeting approves a dividend of EUR 1.20 per share, a 9% increase compared to the previous year

June

- Agreement with Abu Dhabi National Oil Company to jointly explore the region in East Abu Dhabi
- OMV and partners start seismic acquisition activities for 7,740 km² in the Han-Asparuh block offshore Bulgaria
- Decision that Nabucco West will not be realized
- 3D seismic campaign in Neptun Deep block in the Romanian Black Sea completed
- OMV divests lubricants business
- Start of commercial operations of the gas-fired power plant Samsun in Turkey

July

- OMV continues expansion in Norway by signing for six new offshore exploration licenses
- Successful appraisal of the Zola gas discovery offshore Australia

August

- Acquisition of Statoil assets in Norway and the UK for USD 2.65 bn to strengthen OMV's upstream portfolio

September

- OMV acquires 40% interest in an offshore Madagascar block
- Significant oil discovery at the Wisting well in the Barents Sea
- Gerhard Roiss along with David C. Davies reconfirmed to the Executive Board until 2017

October

- OMV closes acquisition deal with Statoil

December

- OMV boosts gas production in Pakistan through successful field developments of Mehar and Latif
- OMV reaches an interim solution with Gazprom for the long-term gas supply contract
- OMV enters exploration projects in Gabon, expanding its position in Sub-Saharan Africa
- Divestment of the 45% stake in Bayernoil refinery network to Varo Energy B.V. signed

Company

OMV Group objectives and strategy

OMV in 2013

OMV is an integrated, international oil and gas company active in the upstream (Exploration and Production) and downstream businesses (Gas and Power; Refining and Marketing including petrochemicals).

OMV's Exploration and Production (E&P) business segment has a strong base in Romania and Austria and is growing its international portfolio steadily. OMV had proven reserves of 1,131 mn boe at year-end and a production of 288 kboe/d in 2013. Around 70% of its production came from Romania and Austria, the remainder from a growing international portfolio. The oil/gas split in production is roughly 50/50.

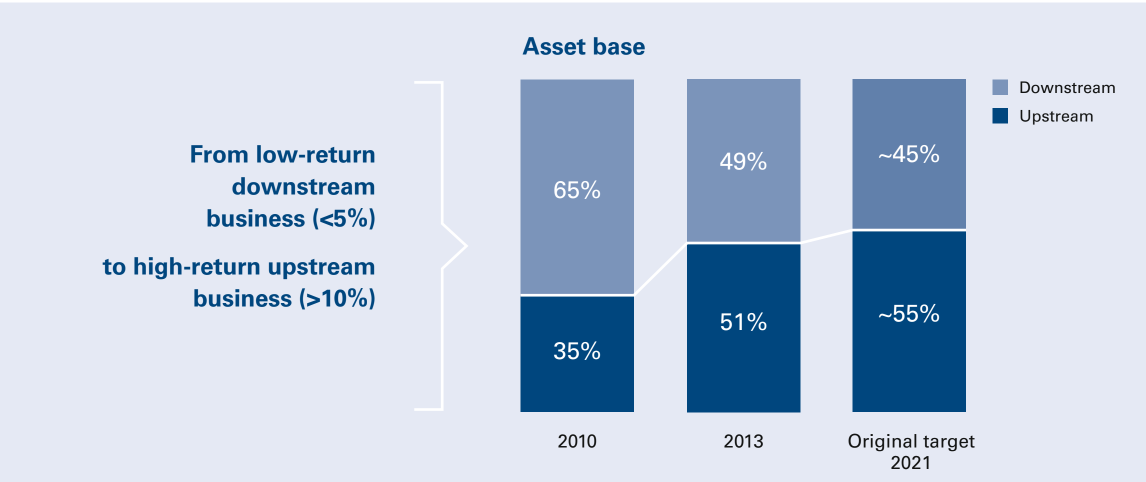
OMV's integrated Gas and Power (G&P) business segment operates across the entire gas value chain. The gas supply portfolio consists of equity gas and is complemented by contracted volumes. Through a 2,000 km gas pipeline network as well as own gas storage facilities with a capacity of 2.6 bcm, the gas is brought to the market and sold via own sales channels. The Central European Gas Hub (CEGH) is established as an important gas trading platform on the gas routes from East to West and also operates a gas exchange. The gas distribution node in Baumgarten is Central Europe's largest node for gas from Russia. OMV also operates two gas-fired power plants in Romania and Turkey.

OMV is Austria's largest listed industrial company

The business segment Refining and Marketing including petrochemicals (R&M) operates three refineries: Schwechat (Austria) and Burghausen (Southern Germany), both with integrated petrochemical complexes, as well as the Petrobrazi refinery (Romania). A divestment agreement for the 45% stake in Bayernoil was signed in December 2013. OMV has an annual processing capacity of 17.4 mn t (360,000 bbl/d), excluding Bayernoil. The retail network consists of approximately 4,200 filling stations in 11 countries with a strong brand portfolio. Together with a high-quality non-oil retail business (VIVA) and an efficient commercial business, OMV has a leading position in its markets.

With Group sales of EUR 42.41 bn, a workforce of 26,863 employees and a market capitalization of EUR 11.35 bn at year-end, OMV Aktiengesellschaft is Austria's largest listed industrial company.

Portfolio shift to upstream



OMV Strategy "Profitable Growth"

2013 was a decisive year for OMV on its transformation into an upstream focused company.

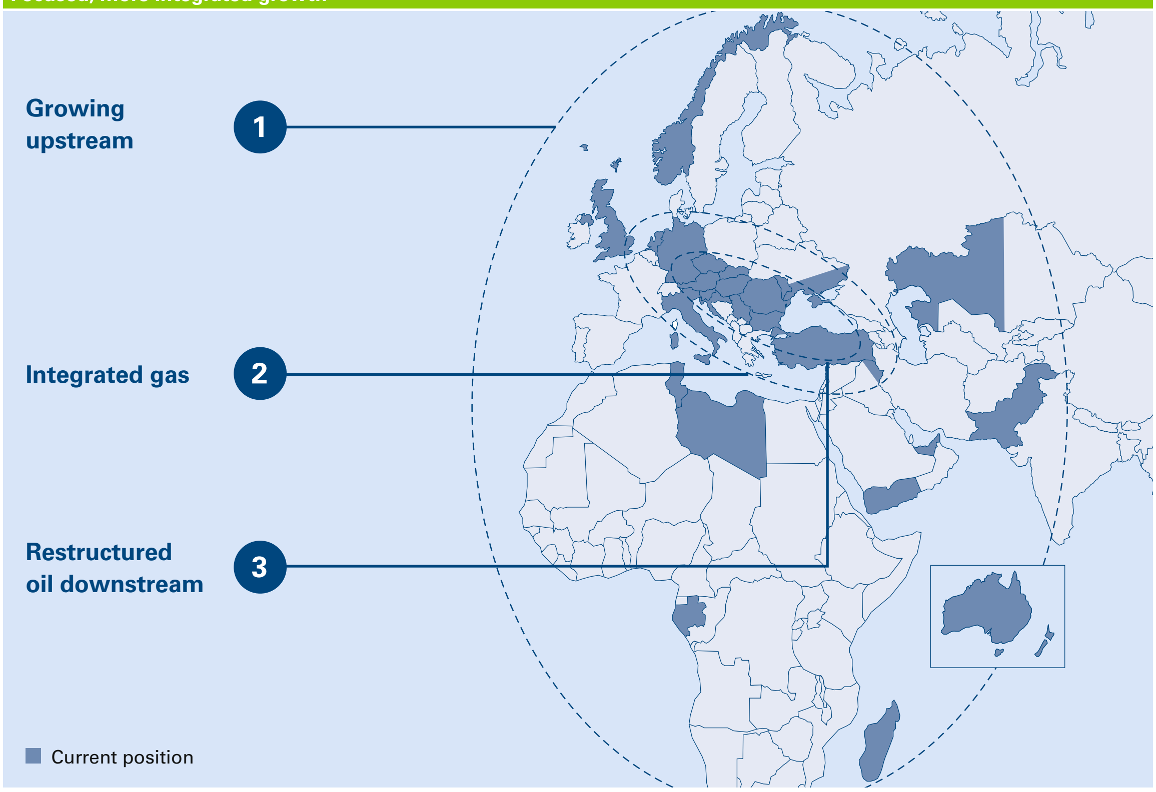
OMV successfully executed strategic steps, such as substantially strengthening the upstream project portfolio, closing the largest acquisition in OMV's history, positioning itself for further organic growth via exploration (successful licensing rounds, Sub-Saharan Africa country entries), delivering significant net working capital reduction and further downstream divestments, fully in line with the strategy "Profitable Growth", announced in 2011.

The asset base was further shifted towards upstream from 35% in 2010 to 51% in 2013, and continues to do so, as ~80% of CAPEX will be invested in E&P until 2016. The downstream business will be further optimized and designed to support OMV's upstream investments. G&P optimization continues to play a key role in enabling future equity gas growth. After successful restructuring steps, R&M will continue to focus on operational excellence and financial performance.

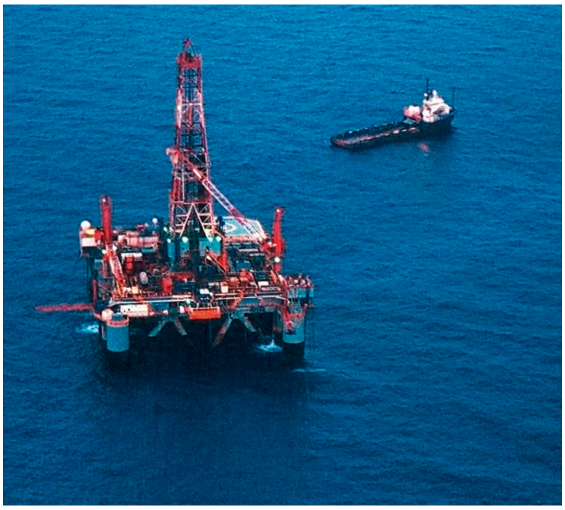
The cornerstones of OMV's strategy at a glance:
- Growing upstream
- Integrated gas
- Restructured oil downstream
- Improved performance across the entire Group

~80% of CAPEX for E&P

Focused, more integrated growth



Growing upstream



Project pipeline increased to >1 bn boe

The Exploration and Production (E&P) business segment is marked out as the growth driver in the strategy announced in 2011. OMV is committed to direct about 80% of future investments to E&P to increase performance short term, grow production to ~400 kboe/d by 2016, reach a three-year average reserve replacement rate of 100% by 2016 and build the basis for sustainable, long-term growth. In 2013, OMV continued to demonstrate its ability and dedication to deliver on the strategic targets.

Delivering on strategic targets

Short-term targets are stabilizing production in the core countries, Romania and Austria, until 2014 as well as driving performance across the portfolio. These goals have been realized through performance initiatives, application of state-of-the-art technologies and redevelopment projects resulting in stabilized production in Romania and Austria towards the upper end of the 200-210 kboe/d target range. OMV has prolonged this target until 2016 based on the continued potential the Company sees in offsetting the natural decline rates. Furthermore, both Mehar and Latif field development projects in Pakistan coming on stream illustrate that OMV is on track to deliver as promised and increase performance in its portfolio.

Mid-term growth is well on track. OMV is committed to growing its production to ~400 kboe/d in 2016 (up to 4% production increase p.a. including acquisitions, based on 2010 figure) from the current portfolio and assuming full contribution from North Africa and the Middle East. An outstanding success is the acquisition of Statoil assets in Norway and the UK, the largest in OMV's history. However, production from Libya, Yemen and Tunisia remains to a certain extent unpredictable. The basis for growth to ~400 kboe/d in 2016 is not only a stabilized production in Romania and Austria, but also a pipeline of projects. The total volumes in the project pipeline increased from ~0.9 bn boe to ~1.1 bn boe in the course of 2013, starting from less than 0.5 bn boe in 2011. It includes numerous projects contributing by 2016, such as Nawara in Tunisia, Schiehallion in the UK, Habban in Yemen, Maari Growth in New Zealand and also the contribution from the acquisitions in Norway: Gullfaks, Gudrun and Edvard Grieg. Norway is clearly on its way to becoming a core country in the medium term and an important element to deepen OMV's expertise in offshore and deepwater operations. Finally, the portfolio in place is expected to deliver a three-year average reserve replacement rate of 100% by 2016.

Long-term growth is secured with exploration and a continuously strengthened project pipeline. The pipeline of projects starting to deliver beyond 2016 includes Aasta Hansteen and Zidane in Norway, Rosebank in the UK, field redevelopment projects in Romania and Austria as well as numerous projects in the appraisal phase, such as our projects west of the Shetland Islands in the UK, Domino in the Black Sea and Shuwaihat in the United Arab Emirates. To continuously provide additional organic growth opportunities, OMV further increased exploration expenditures and will apply a larger portion of spending to high impact (high risk, high reward type) exploration activities. The exploration portfolio was vigorously renewed via the UK and Norway licensing rounds and via OMV's farm into Statoil exploration licenses as part of the recent acquisition. Highlights were the Wisting oil discovery in the Norwegian Barents Sea and the successful appraisal of the Zola gas discovery in Australia. Exploration will focus on three regions: The Black Sea, the North Sea Region (Norway, the United Kingdom and the Faroe Islands) and Sub-Saharan Africa, where OMV entered through farm-in deals in Madagascar and Gabon. These and other exciting exploration opportunities across the entire portfolio will provide additional growth potential by 2021 and beyond.

Significant oil discovery in the Barents Sea

Integrated gas

In recent years, European gas markets have undergone fundamental structural changes. The subsidized expansion of renewable power generation capacity and high utilization of coal-fired power plants continued to impact European gas demand negatively. Especially in Western Europe, gas markets were characterized by rising liquidity and strong competition. The repercussions of these changes also impacted OMV's G&P business. However, as the cleanest fossil energy source, gas will play an important role in the energy mix of the future. Therefore, G&P is focusing on two priorities. Firstly, G&P is reviewing and optimizing its asset portfolio to increase profitability in this challenging market environment. An important step towards this goal was reached with the renegotiation of the long-term gas supply contract with Statoil and the interim agreement with Gazprom. The agreement reached with Statoil reflects Northwestern European market changes by being priced according to relevant gas market indices. An acceptable interim agreement was also reached with Gazprom, along with an option to further review the contractual terms. Continued efforts will be undertaken to conclude a longer term agreement reflecting the current market situation. Increasing the competitiveness of the gas sales business will be further pursued.

Another priority lies on the best monetization of OMV's growing equity gas position. G&P started to market first gas volumes from North Sea gas fields, acquired from Statoil in 2013. The marketing of these volumes will remain an important focus in 2014.

In June 2013, the Shah Deniz II consortium decided not to select Nabucco West as their preferred pipeline option to transport Azeri gas to Europe. Based on its growing upstream positions in the North Sea and potential equity gas volumes in the Black Sea, OMV will play an important role in further securing and diversifying gas supply to Europe.

In the year 2013, the power business was marked by operational successes on one side, but difficult market conditions on the other side. The start of commercial operations of the gas-fired power plant Samsun in Turkey took place in June 2013. Lower power demand growth in Turkey in 2013, however, put pressure on the financial performance of the power plant. In the current market environment, no further investments into the power business are planned.

Focus on increasing the G&P profitability

Restructured oil downstream

In the strategy presented in 2011, OMV announced adjusting its exposure to the oil downstream segment by sharpening the Refining and Marketing (R&M) footprint through up to EUR 1 bn of divestments by 2014, focusing on profitable and integrated assets as well as improving operational performance.

Successful implementation of the divestment program

In 2013, following its defined strategy, R&M divested the marketing business in Croatia and signed divestment agreements for the lubricants business and the 45% stake in the Bayernoil refinery network.

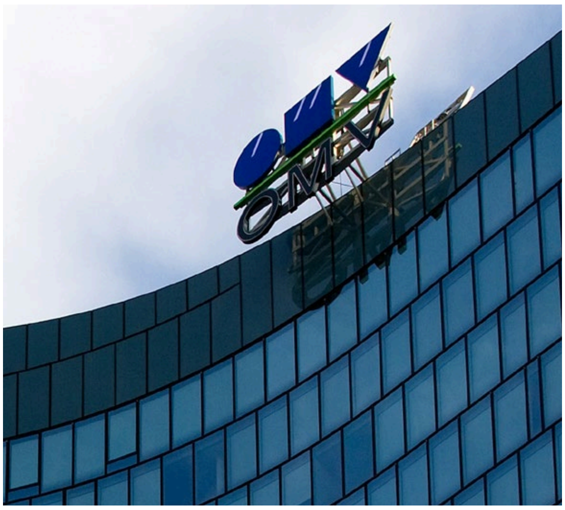
In the retail business, R&M has optimized the positioning of the filling stations, shifting to localized marketing organizations, operations and non-fuel services and therefore reinforcing its retail brand portfolio designed to reach a maximum of different customer groups. In Austria and Romania, the dual-brand strategy will continue, with OMV VIVA as a premium brand and Avanti (Austria) in the discount segment and Petrom (Romania) in the value for money segment. In Turkey, the Petrol Ofisi brand remains a premium brand. The retail organization continues to have a strong focus on costs, with only selective investments to be made in order to keep sites efficient and ensure operational excellence.

R&M has managed to significantly reduce its capital employed by introducing new financing models, the sale of the national stockholding obligation in Austria and overall delivered a very strong cash flow in 2013, supporting OMV's growth strategy in E&P.

R&M's mid-term strategy is on track. The core elements are the shift to more high-value products and the increase of the petrochemical integration. OMV has been investing in the Petrobrazi refinery in Romania to improve the product yield structure. During 2013, several major steps like starting the operations of the upgraded coker unit and completion of the desulfurization unit in the Petrobrazi refinery have been finalized. OMV continues its efforts towards increasing the petrochemical integration by investing in butadiene production facilities, growing its output threefold in the next three years.

From a long-term perspective, R&M targets superior integration of assets and delivery of operational excellence and strong financial performance.

Improved performance across the entire Group



OMV launched a performance improvement program, which entered into the implementation phase in the summer of 2012. "energize OMV" is targeting a 2% points ROACE increase by 2014 with margin improvements, cost reductions and capital optimization. More than 130 projects have been set up across all divisions and business units. Major improvements achieved until end of 2013 came from a EUR 1,400 mn (EUR 690 mn until end of 2012) reduction of net working capital, which involves structural measures like securitization of receivables, factoring, the sale of the national stockholding business in Austria as well as measures for optimizing procurement services. Additionally, EBIT improvements of around EUR 500 mn were achieved by various projects targeting the cost base as well as the volume and margin base of the businesses.

EUR 1.4 bn working capital reduction

Strategic objectives

▶ 2014

The key objective is to raise performance short-term

- R&M divestments (up to EUR 1 bn)
- Improved competitiveness of gas marketing business
- Performance improvement program (+2% points ROACE)

▶ 2016

Delivering growth is the mid-term focus

- Stabilized production in Romania and Austria (200-210 kboe/d)
- Grow production to ~400 kboe/d
- 100% three-year average Reserve Replacement Rate (incl. acquisitions)
- Exploration expenditure at EUR 700 mn p.a.
- Gas sales growth in line with future equity gas

▶ 2021

The aim is to build a position for long-term growth

- Larger exploration footprint
- Well-balanced upstream portfolio growth complemented by efficient downstream operations

Sustainability

OMV has a long history of sustainability management and a track record that reflects its sense of responsibility towards society and the environment. During 2013, OMV made good progress in implementing the sustainability concept "Resourcefulness" – setting new milestones and embedding sustainability deeper into operations.

Resourcefulness creates long-term win-win situations

As an integrated, international oil and gas company, OMV's goal is to help secure a sustainable energy supply for today and tomorrow. With global energy demand growing at a steady pace, resources are becoming increasingly scarce and environmental protection and social justice are rising up the agenda. OMV bases the conduct on the underlying principles of responsible behavior, careful management of resources and investment in innovation – an approach which will position OMV as part of the long-term solution to the global fuel challenge.

OMV's sustainability concept: Resourcefulness

Rolled out in 2012, **Resourcefulness** puts sustainability at the heart of the business. OMV aims to create long-term, sustainable win-win situations that benefit society, the environment and OMV. This is a key enabler of the strategy "Profitable Growth".

Resourcefulness brings together all responsibility commitments under one overarching umbrella, organized around three focus areas:

- Eco-Efficiency
- Eco-Innovation
- Skills to Succeed

The Resourcefulness concept includes 300 projects across 25 countries. Strong governance ensures that OMV develops and integrates the concept in the core business. The internal **Resourcefulness Executive Team,** headed by Gerhard Roiss, CEO of OMV, is responsible for setting strategic priorities, supported by the **Resourcefulness Advisory Board,** which comprises recognized external experts advising OMV on further development of Resourcefulness.

Performance: OMV made significant progress across its focus areas in 2013. Detailed performance information can be found in the **OMV Sustainability Report.** OMV submits information to leading sustainability rating agencies and participates in the Carbon Disclosure Project (CDP). OMV has been awarded "Prime Status" by oekom research AG, one of the world's leading sustainable investment rating agencies. OMV is also listed in the Austrian Sustainability Index (VÖNIX) of the Vienna Stock Exchange as well as in the United Nations Global Compact 100 index. In 2013, OMV significantly improved the CDP score to above sector and Austrian average.

Eco-Efficiency: OMV is committed to an active environmental and energy management that ensures the sustainable and resource-efficient production and processing of products. OMV has put Eco-Efficiency spotlight on reducing both greenhouse gas emissions and water consumption. As it is the cleanest fossil fuel, OMV will focus even more on natural gas.

Energy efficiency is key to reducing greenhouse gas (GHG) emissions. OMV has programs in place to drive down energy consumption across all operations. All refineries, Gas Connect Austria and Petrom E&P have ISO 50001 certified energy management systems. Key action areas include a planned cut of 350,000 gigajoule between 2012 and 2015 at the Schwechat refinery in Austria. Furthermore, the Energy Efficiency program in Petrom focuses on the use of associated gas from hydrocarbon production for co-generation of electricity and thermal energy, leading to GHG emission reduction of approx. 13,000 t CO_2 equivalent in 2013. OMV uses natural gas to generate electricity from highly efficient gas-fired power plants. The combined cycle gas-fired power plant in Samsun, Turkey, has achieved an efficiency close to 60% and produces electricity with a GHG intensity among the leading levels in the industry. The water management focus is on efficient water use and state-of-the-art water treatment. OMV is investing in new or upgraded water treatment plants at a number of sites – including at Schönkirchen in Austria and at the Petrobrazi refinery in Romania.

Eco-Innovation: Eco-Innovation contributes to long-term profitable and sustainable operations. OMV uses core expertise and employs new technologies to develop alternative energy sources and new business areas. In doing so, OMV focuses on hydrogen mobility and second generation biofuels. OMV continues to contribute to the development of the hydrogen retail station network and in general the support of the implementation of fuel cell vehicles. In 2012, OMV opened the first public hydrogen filling station in Austria. In 2013, a new ambitious milestone was set, along with the "H2 Mobility" initiative partners. OMV has agreed an action plan for the construction of a hydrogen refueling network for fuel cell vehicles. The current network shall expand to about 400 filling stations in Germany by 2023. In Austria, OMV is elaborating a roadmap for the research and development of hydrogen and fuel cell technologies. The highly innovative second generation BioCrack™ plant in the Schwechat refinery, which converts biomass such as wood chips and straw into diesel fuel, has been improved to allow continuous test runs with different feedstocks. This enables OMV to collect further valuable data and practical experience regarding this new technology.

Skills to Succeed: OMV aims to help foster the skills people require to be successful. OMV supports local economies with employment and through local supplier development. OMV supports educational initiatives in its markets, with a particular focus on supporting women in technical education. OMV maintains close partnerships with top universities to develop the skills of talented young people, secure a pipeline of talent for the future and foster research and development. In 2013, OMV and the Vienna University of Economics and Business launched a comprehensive cooperation for research and teaching. Moreover, OMV and the Montan University Leoben, Austria, are expanding their existing cooperation and are introducing a new degree program – the International Petroleum Academy. OMV continued the first generation of the "Austria is looking for the queens of technology" initiative in 2013, an educational program which aims to get 14-16 year old girls interested in a technical career. Furthermore, a project in Tataouine, South Tunisia, provides vocational training to improve the employability of local people across various industries, while guaranteeing OMV full market orientation and close contact with local companies.

Comprehensive cooperation with top universities

Reporting on material topics

1. Health, Safety, Security and Environment (HSSE)

HSSE is a top priority for OMV and a basic requirement for business success. OMV strongly emphasizes safety and has emergency and crisis management plans in place at all assets. Following a risk-based safety strategy, OMV keeps working to make operations increasingly resilient to changing socio-political circumstances. OMV's main concern is the physical and mental well-being and safety of the people who work for OMV, as well as the integrity of operating facilities. Loss prevention and proactive risk management, in particular, are vital for maintaining OMV's license to operate. Sadly, in 2013, there were four work-related fatalities. OMV will continue working hard to prevent such tragedies.

Key actions in 2013 comprised:

Revision of HSSE risk management

- Establishment of a revised HSSE risk management approach, aligned with ISO 31000, and commencing roll-out
- Improving of Major Accident Event assessments and setting up a process safety network across OMV Group to promote operational excellence
- Increasing top management participation in incident investigations and focusing on high potential incidents
- Road safety was addressed by a Transportation Safety Forum in Petrom and by the further roll-out of an in-vehicle monitoring system

In 2013, OMV provided 353,349 HSSE training hours for its employees. OMV takes responsibility for managing environmental impacts along its entire value chain. OMV's goal is to optimize processes in order to efficiently use natural resources, and reduce emissions and discharges. Spill risk management is a key focus across operations. In 2013, there were no major hydrocarbon spills. Petrom has further rolled out a spill risk map, already implemented in six E&P assets. Spill-related emergency exercises were also conducted. OMV constantly carries out a broad range of incremental energy efficiency improvements. For example, at Petrobrazi refinery, steam tracers have been replaced with electrical ones and steam re-boilers have been introduced.

2. Human rights

As a signatory to the United Nations Global Compact, OMV regards human rights as a universal value which underpins the conduct in all areas. OMV's commitment to human rights is of high priority, which OMV seeks to fulfill systematically through a professional risk management system. In 2013, OMV worked with external human rights experts to implement a robust human rights due diligence process. All potential country entries were assessed to ensure informed management decision in the course of the growth strategy. OMV provides training to help employees manage human rights issues on a day-to-day basis. In 2013, this included training for employees in Abu Dhabi, Romania, Kazakhstan and Yemen.

3. Diversity and human resources

OMV employs people of many different nationalities, and recognizes that a diverse workforce helps attract the best people from talent pools around the world – leading to greater innovation and higher productivity. Issues of equality and diversity are high on the agenda at all OMV locations, especially as OMV aims to employ an additional 1,600 technical employees by 2016. OMV has clear quantitative targets in regards to diversity: 18% women and 38% internationals at Senior Vice President Level by 2015 (30% and 50% by 2020). By the end of 2013, OMV has achieved 14% women and 41% internationals employed at this level. OMV wants to offer the right opportunities for growth and career development, rewarding excellence and promoting dialog.

Key HR milestones in 2013 included:
- A new education center, the TÜV AUSTRIA-OMV AKADEMIE, will train more than 100 apprentices in OMV, with 37 new hires in 2013
- Resourcefulness targets built into management objectives – resulting in 3,698 individual targets and four new Resourcefulness projects included in talent development programs

4. Compliance and business ethics
OMV aims to uphold equally high compliance standards in all locations. A dedicated cross-regional compliance organization, consisting of 42 compliance experts, is employed to ensure OMV standards are consistently met across the Group. In 2013, an external examination of the organizational design, implementation and effectiveness relating to issues of anti-corruption, capital market and competition law as well as trade embargos was successfully concluded. As the first company listed in the Austrian ATX stock index, the OMV Compliance Management System conforms to the stringent and comprehensive standard IDW AssS 980.

OMV leads the way in compliance management

5. Stakeholder engagement and community management
Stakeholder engagement is crucial for OMV's success – helping OMV to understand stakeholders' needs and perspectives so OMV can build them into decision-making and actions. In 2013, OMV held two major dialog events with stakeholders in Vienna and Bucharest. 212 stakeholders took part in open dialogs and workshops on the three Resourcefulness focus areas. OMV recognizes local communities in the places where it operates as a vital stakeholder group. OMV has established a network of community relations experts at all sites of operation to help facilitate dialog, manage grievances and support local line management in all communities, stakeholder and sustainability related issues.

Performance indicators	**2013**	2012	2011
Safety			
Lost-Time Injury Rate (LTIR) per million hours worked for own employees	0.52	0.66	0.66
Lost-Time Injury Rate (LTIR) per million hours worked for contractors	0.52	0.71	0.68
Lost-Time Injury Rate (LTIR) per million hours worked, total	0.52	0.69	0.68
Total Recordable Injury Rate (TRIR) per million hours worked for own employees	1.11	1.15	1.01
Total Recordable Injury Rate (TRIR) per million hours worked for contractors	1.30	1.72	1.14
Total Recordable Injury Rate (TRIR) per million hours worked, total	1.24	1.52	1.10
Diversity			
Women in senior management (Senior Vice Presidents) in %	14.0	12.8	11.9

Report of the Supervisory Board

Dear shareholders,
In 2013, the Supervisory Board diligently monitored the conduct of OMV's business by the Executive Board and advised the Executive Board in the decision-making process on the basis of sound corporate governance, detailed information and constructive discussions between the Supervisory Board and the Executive Board. The Executive Board provided us with timely and comprehensive information on business operations, the overall economic situation in the company's core markets and the operating environment, as well as business opportunities and risks for OMV. The main efforts in 2013 aimed at implementing the OMV strategy "Profitable Growth" as announced in 2011.

Work of the Supervisory Board and its committees

During the year under review, one of the main focus areas of our work was OMV's strategy. In the two-day Supervisory Board meeting in September, in a meeting of the Presidential and Nomination Committee in October and in the Supervisory Board meeting in November, we intensively discussed with the Executive Board the progress report, analyzed alternative scenarios and reconfirmed the cornerstones of the strategy of profitable growth of OMV as an integrated company.

Upstream investments carefully examined

Furthermore, we carefully examined one of the biggest acquisitions in OMV's history by means of which OMV acquired assets from Statoil containing participations in oil and gas fields and in development projects in Norway and the UK. At the same time, we reviewed an optional participation in some of Statoil's exploration licenses as well as a strategic research & development partnership. In line with the strategy targeting upstream growth, the Supervisory Board discussed and approved other upstream investment projects in Austria, New Zealand, Romania and the UK as well.

Moreover, we approved the divestment of OMV's 45% stake in the Bayernoil refinery network pursuing the restructuring of the downstream business. We also approved selected measures for OMV's comprehensive performance improvement program "energize OMV" and monitored the program's performance. On OMV Group's financing, we supported a new EUR 500 mn Eurobond transaction, improving OMV's debt maturity profile.

Other focus areas included the annual planning process for the medium-term period (2014-2016), the budget for the financial year 2014, and the investment program going forward. Finally, during the year we also discussed key issues such as human resource developments, compliance including the certification process and corporate governance as well as "Resourcefulness", OMV's concept for responsible corporate behavior.

The Project Committee dealt in detail with exploration projects in Sub-Saharan Africa and the Arab peninsula.

The Presidential and Nomination Committee prepared the extension of the Executive Board members' terms, discussed OMV's succession planning system, and started to identify potential Supervisory Board candidates in preparation of the Annual General Meeting 2014.

The Remuneration Committee prepared the compensation packages for the Executive Board members in connection with the extension of the respective terms, monitored the impact of the revised variable compensation system for the Executive Board agreed in 2012 and dedicated considerable time to identify additional improvement opportunities in the company's incentive system with a view to further strengthening the link between remuneration and shareholder return while, at the same time, properly taking into account the financial requirements of OMV's strategy of profitable growth and non-financial measures.

The Audit Committee dealt with key issues relating to accounting processes, internal audit, risk management and improving the Group's internal control and management systems.

Furthermore, the Audit Committee examined reserves estimates and OMV's preparation for the changes resulting from the implementation of the Austrian Accounting Control Act (Rechnungslegungs-Kontrollgesetz). OMV's Group auditor participated in every meeting of the Audit Committee and we also took the opportunity at meetings to exchange views with the auditor without the presence of the members of the Executive Board on a regular basis. In order to keep up with latest developments in corporate governance and financial reporting, we again this year held a special workshop with OMV's Group auditor.

Annual self-evaluation performed

We performed our annual self-evaluation aimed at continuously improving both the efficiency and the effectiveness of our work, as well as to ensure that the Supervisory Board is capable of fulfilling its responsibilities towards shareholders and other stakeholders. Open discussions in an atmosphere of trust form the foundation for our deliberations and our communication with the Executive Board. The Corporate Governance Report contains additional information on the activities of the Supervisory Board and its committees.

Annual financial statements and dividend

After comprehensive review and discussions with the auditors at the Audit Committee and plenary meetings which did not give rise to any qualifications, the Supervisory Board approved the directors' report, prepared in accordance with section 96 (1) Stock Corporation Act and the parent entity financial statements for 2013, which were thereby approved under section 96 (4) of the Act. The same applies to the consolidated financial statements. The Supervisory Board likewise approved the Corporate Governance Report following its consideration by the Audit Committee.

The Supervisory Board has accepted the Executive Board's proposal to the Annual General Meeting to pay a dividend of EUR 1.25 per share and to carry forward the remainder of the profit for the year to new account.

Executive Board members reconfirmed

Gerhard Roiss, Chairman of the Executive Board and CEO, and David C. Davies, Deputy Chairman of the Executive Board and CFO, have been reconfirmed in their positions until March 31, 2017. Manfred Leitner, Executive Board member responsible for Refining and Marketing, has been reconfirmed in his position until March 31, 2016 resulting in his serving a five year contract period as originally foreseen. The existing contract of Jaap Huijskes, Executive Board member responsible for Exploration and Production, was mutually terminated and reconcluded for a term running from October 1, 2013 until September 30, 2018.

Composition of the Supervisory Board

Starting with January 1, 2013, Christine Asperger replaced Leopold Abraham and starting with June 1, 2013, Alfred Redlich and Herbert Lindner replaced Franz Kaba and Ferdinand Nemesch, respectively, as employee representatives in the Supervisory Board.

Finally, we would like to thank the Executive Board and the entire staff of the Group and its associated companies for their commitment and personal contribution in the financial year 2013, as well as all shareholders, customers and partners for their trust.

Vienna, March 19, 2014

For the Supervisory Board

Rudolf Kemler

Corporate Governance Report

OMV, as a publicly listed company with its headquarters in Austria, is dedicated to the principles of sound corporate governance. Austrian law, the articles of association, the internal rules for the corporate bodies and the Austrian Code of Corporate Governance (ACCG) provide the core legal framework for OMV's corporate governance. OMV has always sought to comply with best practice in corporate governance in order to ensure responsible management and control of the OMV Group, a high level of transparency for every stakeholder and ultimately the sustainable and long-term creation of value. OMV therefore also complies with the non-compulsory, best practice recommendations of the ACCG ("R-rules").

OMV adheres to the ACCG issued by the Austrian Working Group for Corporate Governance. The code is publicly accessible on www.corporate-governance.at. OMV's compliance with the ACCG in 2013 was evaluated externally by independent advisors. The report on the evaluation is available on www.omv.com and confirms that OMV conformed to all the C- and R-rules. Regarding rule C 45, one member of OMV's Supervisory Board held a position on the board of a company until December 9, 2013 that could have been considered in a competitive relationship with OMV in the context of one single project.

Executive Board

From left to right: Hans-Peter Floren, Manfred Leitner, Gerhard Roiss, David C. Davies, Jaap Huijskes

Gerhard Roiss, *1952
Date of initial appointment: September 17, 1997
End of the current period of tenure:
March 31, 2014
New period of tenure:
April 1, 2014 to March 31, 2017
Chairman of the Executive Board and Chief Executive Officer (since April 1, 2011).
Responsible for the overall management and coordination of the Group.

He studied business at Vienna, Linz and Stanford universities and subsequently had senior appointments at various companies in the consumer goods industry. In 1990, he was appointed to the board of PCD Polymere GmbH. In 1997, he joined the OMV Executive Board, heading Exploration and Production and Plastics until the end of 2001. From 2002 to 2011, he was Deputy Chairman of the Executive Board and responsible for Refining and Marketing.

David C. Davies, *1955
Date of initial appointment: April 1, 2002
End of the current period of tenure:
March 31, 2014
New period of tenure:
April 1, 2014 to March 31, 2017

Chief Financial Officer (since April 1, 2002) and Deputy Chairman of the Executive Board since April 1, 2011.
Responsible for Finance and OMV Solutions GmbH.

Member of the supervisory boards of Wiener Börse AG and CEESEG Aktiengesellschaft.

He graduated from the University of Liverpool, UK, with a degree in economics in 1978, and began his working life as a chartered accountant. He subsequently held positions with international corporations in the beverage, food and health industries. Before joining OMV, he was finance director at a number of British companies.

Jaap Huijskes, *1965
Date of initial appointment: April 1, 2010
End of the current period of tenure:
September 30, 2018.
Responsible for Exploration and Production since July 1, 2010.

He studied mechanical engineering and started his professional career with Shell. Within the Shell group, he held a number of engineering, petroleum engineering and economic roles and most recently held the position of executive vice president, responsible for major worldwide upstream projects. He has worked and lived in the UK, Norway, Oman, Australia and Russia, among other countries.

Manfred Leitner, *1960
Date of initial appointment: April 1, 2011
End of the current period of tenure:
March 31, 2016
Responsible for Refining and Marketing, as well as for OMV Group's plastic and chemical interests.

After graduating in commerce at the Vienna University of Economics and Business Administration, he joined OMV in 1985. After working for two years in the finance department of the E&P business unit, he became head of finance at OMV's branch in Tripoli, Libya. Following his return to Austria, he was in charge of the controlling department within E&P until 1997. He then moved to the R&M business segment, where he led the Planning & Controlling Department until 2002, and was Senior Vice President for Downstream Optimization and Supply from 2003 until 2011.

Hans-Peter Floren, *1961
Date of initial appointment: March 1, 2012
End of the current period of tenure:
February 28, 2015.
Responsible for Gas and Power.

Hans-Peter Floren studied mechanical engineering and economics at the University of Essen, Germany. From 1987 on, he held a number of different management positions in the energy industry. In 1989, he joined Ruhrgas AG. Most recently he was a member of the management board of E.ON Ruhrgas AG.

Working methods of the Executive Board

The approval requirements, responsibilities of individual Executive Board members, procedures (e.g. decision-making procedures), and the approach to conflicts of interest are governed by the Internal Rules of the Executive Board. The Executive Board holds weekly meetings in order to exchange information and take decisions on all matters requiring plenary approval.

Remuneration report

The remuneration report provides an overview of the remuneration package for the Executive Board members. It outlines the principles of the remuneration policy and details of the different elements of remuneration including incentives and other benefits.

In 2013, the structure of the executive compensation remained unchanged. After a thorough revision of the pay elements in 2012, the Remuneration Committee considered the existing structure, which places emphasis on strategic long-term perspectives and retention, appropriate for the year 2013.

Executive Board remuneration policy and principles
The Executive Board members are employed under local Austrian terms and conditions and the salaries are therefore set in EUR (gross). Their employment contracts are concluded with OMV Aktiengesellschaft and governed by Austrian law.

The remuneration of OMV's Executive Board members is at competitive levels for the relevant employment market, and has a strong performance-related component. Conformity with market rates is maintained by regular external benchmarking against peer groups such as European oil and gas companies and relevant Austrian and European industrial companies. PricewaterhouseCoopers LLP acted as advisors to the Remuneration Committee throughout the year.

The performance-related component includes both short- and long-term elements. The measures used are based on financial and non-financial metrics. Specific projects related to the implementation of OMV's growth strategy are also taken into account.

Basic salary
The basic remuneration of Executive Board members is paid monthly as a salary. The employment contracts stipulate 14 payments per year to be paid on the last banking day of a month.

Non-cash benefits
Executive Board members receive a company car and are eligible for an accident insurance. Health coverage is only provided under the Austrian public social insurance system.

Short-term variable remuneration
Depending on the achievement, a maximum of 100% of the base salary may be paid as variable cash remuneration in the following financial year.

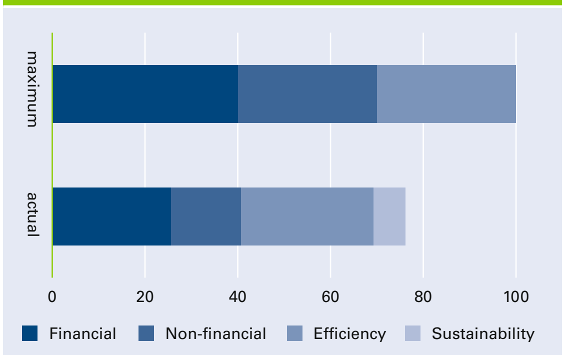
Performance measures are agreed and then assessed at the end of the performance year. The performance criteria for the performance year 2013 are made up of four areas set out below.

Area	Criteria
Financial	Clean CCS EBIT; Clean CCS ROACE
Non-financial	Production; Reserve Replacement Rate
Efficiency	Includes for example Project Management
Sustainability	General progress

The achievement of targets shall be determined by comparing agreed targets with actually achieved results. The actual achievements will be reviewed by an independent expert. The award of the annual bonus is conditional upon the relative achievement of the performance criteria against agreed threshold, target and stretch levels entitling to an award of 50%, 70% or 100% of the annual base salary, respectively.

The actual achievements in 2013 result in a payment of 76.2% of the base salary to be paid in 2014. Financial and non-financial performance were adversely affected by a challenging economic and political environment. Efficiency targets were mostly met. Also, progress in the area of sustainability was strong, resulting in a positive adjustment of the bonus achievement.

Bonus achievements in % of base salaries



Matching Share Plan
The Matching Share Plan (MSP) for the year 2013, as approved by the Annual General Meeting in 2013, is an integral part of the annual bonus agreement and serves as a long-term compensation vehicle for the members of the Executive Board that promotes retention and shareholder alignment in OMV, combining the

Executive Board remuneration [1]						EUR 1,000
Remuneration 2013	**Roiss**	**Davies**	**Huijskes**	**Leitner**	**Floren**	**Total**
Fixed	800	744	631	500	600	**3,275**
Variable (cash bonus)	788	690	517	493	— [2]	**2,488**
Benefits in kind (company car, accident insurance and reimbursed expenses)	9	10	9	8	4	**40**
Total	**1,597**	**1,443**	**1,157**	**1,001**	**604**	**5,802**
Variable (Matching Share Plan; in shares)	27,923 [4]	24,433 [4]	18,324	17,452	17,452	**105,584**
Fixed/variable ratio [3]	32/68	33/67	36/64	32/68	36/64	**36/64**
LTIP 2010 (in shares)	25,484 [4]	17,472 [4]	14,560 [4]	5,240	—	**62,756**

[1] There are discrepancies between individual items and totals due to rounding differences. The variable components relate to target achievement in 2012, for which the bonuses were paid in 2013. The fixed salary for David C. Davies includes an annual accommodation allowance. The base salary for Jaap Huijskes was adjusted as of October 1, 2013
[2] Hans-Peter Floren's cash bonus for target achievements in 2012 in the amount of EUR 492,500 was already paid in 2012
[3] Fixed includes benefits in kind; variable includes Matching Share Plan
[4] (Partly) paid out in cash

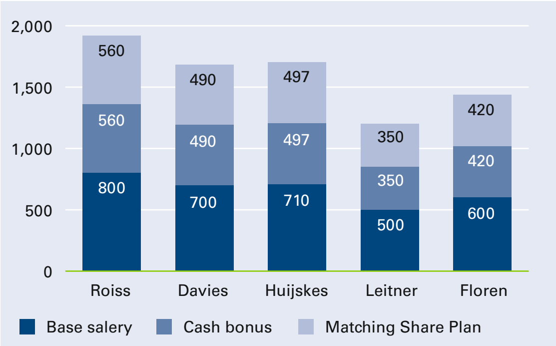
interests of management and shareholders via a long-term investment in restricted shares. The plan also seeks to reduce inappropriate risk-taking. For Executive Board members, an award of shares will be made to match 100% of their realized gross annual cash bonus. The performance criteria for the annual bonus may not be amended during the term of the MSP. On determination of the annual cash bonus by the Remuneration Committee, an equivalent matching bonus grant will be made net (after deduction of taxes) in company shares which shall be transferred to a trustee deposit, managed by the Company, to be held for three years. Executive Board members can choose between cash payment or shares if and to the extent that they have already fulfilled the minimum shareholding requirements for the LTIP.

In line with the cash bonus, the actual achievements in 2013 result in a payment of 76.2% of the base salary to be paid in 2014.

Clawback
In the case of a clawback event, the shares granted will be reduced or may be clawed back upon request of the Supervisory Board. The following reasons are considered to be clawback events: Reopening of audited financial statements due to miscalculation, material failure of risk management which leads to significant damages, serious misconduct of individual Executive Board members which violates Austrian law. Furthermore, if the shares or cash equivalent were based on incorrect calculations of the bonus, the Executive Board members are obligated to return or pay back benefits obtained due to such wrong figures.

Summary of annual remuneration
For an overview of the composition of the annual remuneration package for OMV's Executive Board on the basis of the base salaries as of December 31, 2013, see the chart below. This illustration is based on the assumption that all performance criteria are reached at target level.

Annual remuneration scheme – target level in EUR 1,000



Long-term targets and incentives

Long Term Incentive Plan

The Long Term Incentive Plan (LTIP) has operated since its introduction in 2009 and has been granted on an annual basis since then. The LTIP 2013, as approved by the Annual General Meeting in 2013, is a long-term compensation vehicle for the members of the Executive Board that promotes mid- and long-term value creation in OMV. The plan seeks to align the interests of management and shareholders by granting OMV shares to the management subject to performance against key measures linked to the medium-term strategy and shareholder return.

The maximum share grant for each Executive Board member is expressed as a percentage of the annual gross base salary: 175% for the Chairman of the Executive Board, 150% for the Deputy Chairman of the Executive Board, 125% for other Executive Board members.

The performance period is three years (January 1, 2013 – December 31, 2015). At the start of the program, weightings were established for key indicators:

Measure	Weighting
Relative Total Shareholder Return (Relative TSR)	50%
Reported Return On Average Capital Employed (ROACE)	40%
Safety performance	10%

Relative TSR is measured against a well-balanced peer group of twelve oil and gas companies. The achievement of targets shall be determined by comparing agreed indicators with actually achieved results.

To the extent the shareholding requirement (see below) is not fulfilled, the payment will be automatically made in the form of shares (net after tax deduction). As far as the shareholding requirement is already fulfilled, the payout can be made in cash. The base for the calculation of the respective number of shares is the average closing price on the Vienna Stock Exchange of the OMV share over the three-month period from January 1, 2013 to March 31, 2013 (EUR 31.51). The LTIP 2013 vests on March 31, 2016. The vesting levels for each performance metric are shown in the table below.

ROACE and Sustainability: Level of vesting

Performance	Vesting
Stretch	100%
Target	70%
Threshold	50%
Below threshold	0%

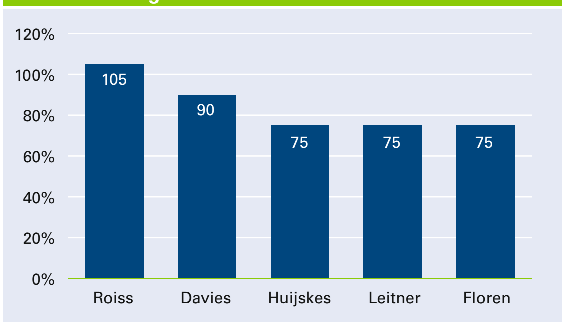
Relative TSR: Level of vesting

Performance	Performance relative to TSR peer group	Vesting
Stretch	At or above upper quartile (≥75th percentile)	100%
Target	At median	50%
Threshold	At lower quartile	25%
Below threshold	Below lower quartile (<25th percentile)	0%

Awards will vest on a straight line basis between the quartiles.

Please see below the target levels of the LTIP 2013 for the OMV Executive Board. This illustration is based on the assumption that all performance criteria are reached at target level.

LTIP 2013 – target level in % of base salaries



Shareholding requirement and fulfillment				
	Shareholding requirement		Fulfillment	
	In shares	As % salary	In shares (on Company trustee deposit)	As % requirement
Roiss	60,173	200%	60,173	100.00%
Davies	46,070	175%	46,070	100.00%
Huijskes	40,053	150%	21,298	53.17%
Leitner	28,207	150%	27,406	97.16%
Floren	33,848	150%	16,226	47.94%

Shareholding requirements
Executive Board members are required to accumulate an appropriate shareholding in OMV and have to hold these shares until retirement or departure from the company. The shareholding requirement is defined as a percentage of the annual gross base salary: 200% for the Chairman of the Executive Board, 175% for the Deputy Chairman of the Executive Board, 150% for other Executive Board members. The shareholding must be accumulated and achieved within five years after start of the current employment contract as Executive Board member. All Executive Board members have already fulfilled at least a part of their minimum shareholding requirement through MSP payouts, previous LTIP investments and/or transfer of private shares (see table above).

The degree of fulfillment of the LTIP 2011 goals is 81% and the corresponding allocation of shares or cash payment will be made in 2014.

Stock Option Programs
Up to and including 2008, long-term incentives took the form of Stock Option Programs, which were in accordance with those of companies of comparable size. These plans provided for a holding period of two years followed by an exercise period of five years. The size of the tranches of options that may be exercised is at plan members' discretion, provided that the conditions are met (increase in the OMV share price set as a target when the plan was approved by the Annual General Meeting) and no blocking period is in force. Under the 2008 plan, an investment of one share confers options on 20 shares at a price to be established by the General Meeting. The options under the 2007-2008 plans have not been exercised yet. No further stock options were issued after 2008.

Pensions
Gerhard Roiss is entitled to a defined benefit pension payment. The Company pays the contributions, calculated in accordance with discounted cash flow methods, into a pension fund (APK Pensionskasse AG). The pension plan requires a minimum tenure of five years. The entitlement lapses in case of resignation by the Executive Board member. David C. Davies, Jaap Huijskes, Manfred Leitner and Hans-Peter Floren are entitled to defined contribution pension payments. The Company pays the contributions into a pension fund (APK Pensionskasse AG). The amount of the company pension depends on the amount of available capital in the pension fund. The annuitization is made in accordance with the pension fund's approved business plan. The retirement age for all Executive Board members is the Austrian statutory retirement age.

Pension fund contribution	EUR 1,000
Roiss	937
Davies	280
Huijskes	158
Leitner	125
Floren	150
Total	**1,650**

Termination entitlements

Termination benefits

Gerhard Roiss and David C. Davies have a choice between a termination benefit in accordance with section 23 Austrian Salaried Employees Act or 10% of their annual gross basic salaries for each full year of service from the agreed starting date. However, in the latter case the amount may not exceed one year's gross basic salary. Jaap Huijskes, Manfred Leitner and Hans-Peter Floren are subject to the Betriebliche Mitarbeiter- und Selbständigenvorsorgegesetz (BMSVG, Salaried Employees and Self-employed Provident Saving Act).

In accordance with C-Rule 27a ACCG, the employment contracts with members of the Executive Board provide that settlement payments in the event of premature termination of such contracts without a material breach shall not exceed the amount set forth in the ACCG. No settlement payment is made if the Executive Board member terminates the contract prematurely. There are no other termination entitlements.

Note 30 provides additional information on the Long Term Incentive Plan, the Matching Share Plan and the Stock Option Programs (valuation, outstanding options and exercise in previous years).

Directors' and officers' (D&O) insurance

OMV has concluded a Directors' and Officers' liability insurance (D&O insurance) on a group-wide basis. The expenses are borne by the Company. This insurance covers Executive Board members, Supervisory Board members and other OMV employees (officers). Coverage is provided for the personal legal liability of insured persons for financial losses out of wrongful acts committed while acting within the scope of their function. For the actual insurance period, the yearly premium (including taxes) for the entire OMV Group D&O insurance amounts to approximately EUR 500,000.

Indemnity

The Executive Board and officers of direct and indirect subsidiaries of OMV Aktiengesellschaft are also indemnified against claims by third parties in respect of their actions in exercise of their duties, except in cases of willful intent or gross negligence.

Policy principles for the remuneration of senior management and expert levels

The basic salaries of such employees are set in accordance with internationally accepted methods for determining market levels of remuneration and with the relevant legal regulations and collective agreements. The principles applicable to the Executive Board are applied to these employees in adapted form.

Consequently, some employees at senior management levels of the Group (96 people) are eligible for membership of the Long Term Incentive Plan. They are also eligible for bonus agreements, as discussed below.

In 2013, a total of some 4,000 managers and experts participated in a graduated Management by Objectives (MbO) program entitling them to bonuses for fulfilling objectives. There are also bonus schemes for other employees, which vary from country to country. Employee representatives are involved in designing these incentive schemes.

In all these systems, payments are conditional on the attainment of financial and non-financial corporate targets, as well as individually agreed objectives.

Participants of MbO programs can inspect their goal-setting agreements using the group-wide Performance and Development System (PDS). This enables them to take account of each other's targets.

Supervisory Board

OMV's Supervisory Board consists of ten members elected by the General Meeting and five members delegated by the Group works council. The next election of the Supervisory Board members will take place in the 2014 Annual General Meeting. The members of OMV's Supervisory Board and their appointments to supervisory boards of other domestic or foreign listed companies are shown below.

Rudolf Kemler, *1956
(Chief Executive Officer, Österreichische Industrieholding AG (ÖIAG)), Chairman
Seats: Österreichische Post AG (Chairman) and Telekom Austria AG (Chairman).

Wolfgang C. Berndt, *1942
Deputy Chairman
Seats: GfK SE and Miba Aktiengesellschaft.

Murtadha Al Hashmi, *1966
(Chief Financial Officer, International Petroleum Investment Company (IPIC)), Deputy Chairman
Seats: Compañía Española de Petróleos, S.A.U. (until Dec. 9, 2013) and Banvit Bandirma Vitaminli Yem Sanayii A.Ş.

Alyazia Ali Saleh Al Kuwaiti, *1979
(Manager Evaluation & Execution, IPIC).

Elif Bilgi-Zapparoli, *1967
(Chairwoman of the board, Merrill Lynch Yatirim Bank A.S. and Merrill Lynch Menkul Degerler A.S.).

Helmut Draxler, *1950
Seat: RHI AG.

Wolfram Littich, *1959
(Chairman of the executive board of Allianz Elementar Versicherungs-AG).

Herbert Stepic, *1946
(Chairman (until June 7, 2013) and then senior advisor of the executive board of Raiffeisen Bank International AG).

Herbert Werner, *1948
Seat: Ottakringer Getränke AG.

Norbert Zimmermann, *1947
Seats: Schoeller Bleckmann Oilfield Equipment AG (Chairman) and Oberbank AG.

Delegated by the Group works council (employee representatives):

Christine Asperger, *1964 (from Jan. 1, 2013),
Wolfgang Baumann, *1958,
Franz Kaba, *1953 (until May 31, 2013),
Herbert Lindner, *1961 (from June 1, 2013),
Ferdinand Nemesch, *1951 (until May 31, 2013),
Alfred Redlich, *1966 (from June 1, 2013),
Martin Rossmann, *1970.

More detailed information about all members of OMV's Supervisory Board, including their professional careers, can be downloaded at OMV's website at www.omv.com > About OMV > Corporate Governance & Organization > Supervisory Board.

Diversity

The main considerations in selecting the members of the Supervisory Board are relevant knowledge and experience in executive positions. Furthermore, aspects of diversity of the Supervisory Board with respect to the internationality of the members, the representation of both genders and the age structure are taken into account. The Supervisory Board includes three women and three non-Austrian nationals. The members of the Supervisory Board are aged between 34 and 71.

Independence

The Supervisory Board has defined the criteria that constitute independence (resolutions dated March 21, 2006 and March 25, 2009). In addition to the guidelines set out in Annex 1 ACCG, the Supervisory Board has established the following criteria with regard to its members elected by the General Meeting:

- No Supervisory Board member may serve on the executive board of an OMV Group company

- No Supervisory Board member may hold stock options issued by the Company or any affiliated company, or receive any other performance-related remuneration from an OMV Group company
- No Supervisory Board member may be a shareholder with a controlling interest in the meaning of EU Directive 83/349/ EEC (i.e. a shareholder's interest of 50% or a dominant influence, e.g. through the right to appoint board members) or represent such a shareholder

All of the members elected by the General Meeting except Helmut Draxler and Herbert Werner, regarding the duration of their terms, have declared their independence from the Company and its Executive Board during the 2013 financial year and up to the time of making such declarations (rule C 53 ACCG). Under rule C 54 ACCG, Wolfgang Berndt, Elif Bilgi-Zapparoli, Helmut Draxler, Wolfram Littich, Herbert Stepic, Herbert Werner and Norbert Zimmermann have made declarations to the effect that they were not shareholders with a stake of more than 10% or represented such shareholders' interests during the financial year 2013 and up to the time of making such declarations.

Working methods of the Supervisory Board

The Supervisory Board fulfills its duties – in particular supervising the Executive Board and advising it on strategy – by discussing the Company's situation and objectives at the meetings at which the decisions are taken, except in cases of urgency. The set-up of four committees ensures that best possible use is made of Supervisory Board members' expertise. Brief descriptions of these committees are given below (see also the Report of the Supervisory Board).

In 2013, the Supervisory Board held seven meetings. In two of these meetings the Executive Board and the Supervisory Board thoroughly discussed OMV's strategy. With the exception of Elif Bilgi-Zapparoli, no member of the Supervisory Board attended fewer than half of the meetings.

The Supervisory Board performed a self-evaluation and discussed the efficiency of its activities, in particular its organization and work procedures.

Presidential and Nomination Committee

This committee is empowered to take decisions on matters of urgency. The Supervisory Board may transfer other duties and powers of approval to the Presidential and Nomination Committee on an ad hoc or permanent basis. In its capacity as the Nomination Committee, this body makes proposals to the Supervisory Board for the appointment or replacement of Executive Board members and deals with succession planning. It also makes recommendations to the General Meeting for appointments to the Supervisory Board. There were four meetings of the Presidential and Nomination Committee in 2013, in which discussions focused on OMV's strategy as well as its succession planning system, preparing the extension of the terms for members of the Executive Board and the search for potential Supervisory Board candidates.

Audit Committee

This committee performs the duties established by section 92 (4a) Stock Corporation Act. The committee held six meetings during the year. It predominantly dealt with preparations for the audit of the annual financial statements, assessment of the auditors' activities, internal audit, internal control and risk management systems, as well as the presentation of the annual financial statements.

Auditors

The Supervisory Board monitors auditors' independence and reviews a breakdown of the audit fees and fees for additional services besides auditing activities. In 2013, the auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (including their network in the meaning of section 271b Code of Commerce) received EUR 2.67 mn for the annual audit, EUR 0.89 mn for other assurance services and EUR 0.89 mn for other engagements.

Project Committee

This committee supports the Executive Board in preparing complex decisions on key issues where necessary, and reports on these decisions and any recommendations to the Supervisory Board. In 2013, the Project Committee held one meeting and adopted one decision by way of circular resolution. The Project Committee approved exploration projects in Sub-Saharan Africa and the Arab peninsula as well as a divestment in the R&M business segment.

Remuneration Committee

This committee deals with all aspects of the remuneration of Executive Board members and with their employment contracts. The committee's membership does not include employee representatives. The committee is empowered to conclude, amend and terminate Executive Board members' employment contracts, and to take decisions on the award of bonuses (variable remuneration components) and other such benefits to the latter. The Remuneration Committee met four times during 2013. Executive Board members were invited to attend parts of the meetings of the Remuneration Committee.

PricewaterhouseCoopers LLP (PwC) provided remuneration advice to the Committee which included market information drawn from published data, corporate governance developments and their application to the Company, advice on the appropriate structure of short-term and long-term incentives as well as information on comparator group pay and performance. They were appointed by the Remuneration Committee and did not advise the OMV Executive Board, ensuring independence with respect to the Austrian Code of Corporate Governance. Besides, PwC provides advice to the Company related to risk management and tax advisory services. Finally, the OMV Executive Board sought advice from Towers Watson Austria GmbH with respect to executive benchmarking.

Conflicts of interest and dealings by members of the Supervisory Board requiring approval

There were no transactions requiring approval in accordance with section 95 (5) (12) Stock Corporation Act; attention, however, is drawn to transactions totaling approx. EUR 1.87 bn with Raiffeisen group (Herbert Stepic was chairman of the executive board of Raiffeisen Bank International AG until June 7, 2013; the transactions in question represent less than 1.5% of the Raiffeisen group's total assets). The Internal Rules of the Supervisory Board contain detailed procedures for the treatment of conflicts of interest on the part of Supervisory Board members.

Remuneration

In accordance with the articles of association, the Annual General Meeting (AGM) resolves the remuneration of the Supervisory Board members elected by the General Meeting for the previous financial year. The 2013 AGM adopted the following remuneration scale for the 2012 financial year:

Remuneration for Supervisory Board members	EUR
Chairman	29,200
Deputy Chairmen	21,900
Ordinary members	14,600
Committee Chairmen	12,000
Committee Deputy Chairmen	10,000
Ordinary Committee members	8,000

The amounts for the financial year 2012 were disbursed to the Supervisory Board members concerned in 2013; these were exclusive of expenses (travel and attendance expenses).

The total expenditure incurred by the Supervisory Board in 2013 was EUR 640,951; of this, members' remuneration (for the 2012 financial year) accounted for EUR 367,200, attendance expenses for EUR 75,847, travel expenses for EUR 113,723, and conference equipment, organization and translation for EUR 84,181.

Employee participation

The Group works council holds regular meetings with the Executive Board in order to exchange information on developments affecting employees. Furthermore, the Group works council has made use of its right to delegate members to the Supervisory Board (one employee representative for every two members elected by the General Meeting). Therefore, out of the 15 Supervisory Board members, five members are employee representatives.

Name (current members in bold)	Position/committee membership [1]	Remuneration (in EUR)	Term of office [1]
Rudolf Kemler	Chairman; Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	12,867 [2]	Nov. 1, 2012 to 2014 AGM
Markus Beyrer	Chairman, Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	64,333 [2]	May 17, 2011 to Oct. 31, 2012
Wolfgang C. Berndt	Deputy Chairman, Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	61,900	May 26, 2010 to 2014 AGM
Murtadha Al Hashmi	Deputy Chairman, Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	39,914	May 10, 2012 to 2014 AGM
Khadem Al Qubaisi	Deputy Chairman, Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	21,986 [3]	May 26, 2010 to May 10, 2012
Alyazia Ali Saleh Al Kuwaiti	Pres. Com. and Proj. Com.	30,600	May 14, 2008 to 2014 AGM
Elif-Bilgi Zapparoli		14,600	May 13, 2009 to 2014 AGM
Helmut Draxler	Audit Com and Remun. Com. [4]	22,600	Oct. 16, 1990 to 2014 AGM
Wolfram Littich	Proj. Com. and Audit Com.	30,600	May 23, 2001 to 2014 AGM
Herbert Stepic		14,600	May 18, 2004 to 2014 AGM
Herbert Werner	Audit Com.	22,600	June 4, 1996 to 2014 AGM
Norbert Zimmermann	Proj. Com. and Remun. Com. [4]	30,600	May 23, 2001 to 2014 AGM
Christine Asperger		– [5]	since Jan. 1, 2013 [6]
Wolfgang Baumann	Pres. Com., Proj. Com. and Audit Com.	– [5]	Dec. 16, 1998 to Apr. 1,1999 and again since Nov. 11, 2004 [6]
Franz Kaba	Proj. Com.	– [5]	Apr. 1, 1999 to May 31, 2013
Herbert Lindner	Proj. Com. and Audit Com.	– [5]	since June 1, 2013 [6]
Ferdinand Nemesch	Proj. Com. and Audit Com.	– [5]	Nov. 1, 2003 to May 31, 2013
Alfred Redlich		– [5]	since June 1, 2013 [6]
Martin Rossmann	Pres. Com., Proj. Com. and Audit Com.	– [5]	since May 5, 2011 [6]

[1] Abbreviations: Pres. Com. = Presidential and Nomination Committee; Proj. Com. = Project Committee; Audit Com. = Audit Committee; Remun. Com. = Remuneration Committee; AGM = Annual General Meeting
[2] In accordance with the employment contract as CEO of ÖIAG, Rudolf Kemler and Markus Beyrer transferred their remuneration to ÖIAG
[3] Khadem Al Qubaisi's remuneration for 2012 was not paid out as of Dec. 31, 2013
[4] Helmut Draxler replaced Norbert Zimmermann as member of the Remun. Com. effective as of Aug. 12, 2013
[5] Members delegated to the Supervisory Board by the Group works council do not receive remuneration but just attendance expenses
[6] Delegation by the Group works council is for an indefinite period of time; however, the employee representatives may be recalled at any time by the delegating body

Rights of minority shareholders

- General Meeting: An Extraordinary General Meeting must be convened at the request of shareholders holding not less than 5% of the shares
- Agenda items must be included at the request of shareholders holding not less than 5% of the shares
- Shareholders holding not less than 1% of the shares may submit resolution proposals on all agenda items. Such resolution proposals must be posted on the website upon request of the respective shareholders
- Shareholders holding not less than 10% of the shares may require an extraordinary audit in the event of grounds for suspicion of irregularities, or gross violations of the law or the articles of association
- All shareholders having duly provided evidence of their shareholding are entitled to attend General Meetings, ask questions and vote
- Election of the Supervisory Board: If elections to two or more positions on the Supervisory Board are held at the same General Meeting, separate votes must be held for each position. If elections to three or more seats on the Supervisory Board are held at the same General Meeting, and if prior to the vote on

the last position to be assigned it is found that at least one third of all the votes have been cast in favor of the same person but he/she has not been elected, then this person must be declared as Supervisory Board member

Women's advancement

- The Company is committed to supporting women's promotion to management positions. While there are no female members of the Executive Board of OMV Aktiengesellschaft, Mariana Gheorghe is the Chairwoman of the Executive Board of OMV Petrom SA – the largest Group company – and Gülsüm Azeri is the Chairwoman of the Executive Board of Petrol Ofisi. There are two elected female members of the OMV Aktiengesellschaft Supervisory Board; this corresponds to 20% of the elected members. On January 1, 2013, Christine Asperger joined the Supervisory Board. She is the first woman to be delegated by the Group works council
- Women hold 14.3% of the Senior Vice Presidents positions. The proportion of women in the Group as a whole is about 22.4%. As a business with a strong technical bias it is a significant challenge for OMV to achieve satisfactory gender ratios in all areas of operations. The recruitment ratios in non-technical areas are well balanced
- The Executive Board approved a diversity strategy. The long-term objective is to achieve a diversity mix at senior management level of 30% female and 50% international employees by 2020
- In addition, there is a targeted percentage for female participants in the corporate talent programs
- In order to support working parents of young children, the OMV head office has two company kindergartens attended by children of OMV employees. There is also a work-at-home option during periods of parental part-time work

Vienna, March 19, 2014

The Executive Board

Gerhard Roiss

David C. Davies

Hans-Peter Floren

Jaap Huijskes

Manfred Leitner

Value management

OMV's business model of being an integrated oil and gas company requires special focus on both evaluating long-term investment projects and managing short- to medium-term cash flow and cost positions. Value management is therefore an integral part of OMV's management system. To properly reflect imminent business-relevant uncertainties and risks, value management is closely linked to risk management.

Integration creates additional value

The guiding role of value management is reflected both in OMV's planning and decision-making process as well as in the metrics, Key Performance Indicators (KPIs) and control functions of OMV's management information system. OMV's value management approach is designed to address the following issues:

- How does OMV create value?
- How well does OMV make use of its profit potential?
- How do OMV shareholders participate in the value created?

ROACE used as profitability KPI

At the OMV corporate level, market capitalization and enterprise value are examples of medium- to long-term value creation-related metrics. The short-term financial success derived from implementing strategies and investment projects is measured using various best-practice profitability KPIs, the leading ones being Return On Average Capital Employed (ROACE) and Return On Average Net Assets (RONA) as well as Economic Value Added (EVA). While ROACE is relevant for the overall Group, RONA is an efficient metric for the internal assessment of the financial success of the business segments since RONA facilitates the breakdown of the ROACE Group target of 13% to individual businesses. Shareholder participation in value creation is measured using metrics such as payout ratio or total shareholder return. OMV's dividend policy is a long-term payout ratio target of 30% of net income.

As a physically integrated oil and gas company with activities throughout the value chain from resources to markets, OMV is able to create additional value from optimal capital allocation and risk mitigation and to exploit the full product value. Choosing the right investment projects has a substantial influence on determining future success. Investment projects' rates of return have to exceed business segment-specific hurdle rates. In addition, investment projects are ranked by the expected profitability. Value management also implies cost management. During the planning exercise cost targets are formulated, both relative to output figures (e.g. production cost/boe) and in terms of absolute amounts of cost savings to be achieved. A corporate value analysis is performed as part of OMV's annual planning process, which involves a critical examination of the current strategy's success in achieving the Group's value creation targets. Additional special emphasis is put on maintaining OMV's strong investment grade credit rating. Proper management of the financing structure including working capital is a key focus area in this regard. Alongside the new strategy introduced in 2011, OMV announced a performance improvement program to increase ROACE by 2% points by 2014 under comparable market conditions. OMV's strategy and its successful implementation, guided by the principles of value management, are expected to offer attractive long-term return potential for investors.

Ratios						%
	Target[1]	**2013**	2012	2011	2010	2009
Return On Average Capital Employed (ROACE)	13	11	11	11	10	6
Gearing ratio	≤30	30	26	34	46	33
Payout ratio	30	35[2]	29	32	32	52

[1] Targets based on mid-cycle assumptions
[2] Based on a dividend at the amount of EUR 1.25 per share as proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2014

OMV share and bonds

The share price of OMV showed a strong performance and improved overall by 27% in 2013. This was positively impacted by the successful implementation of the strategy and a solid operating performance of the Group. The OMV share closed at EUR 34.79 at year-end, which, including the dividend for the financial year 2012, led to a total shareholder return of 32% for the year.

Financial markets

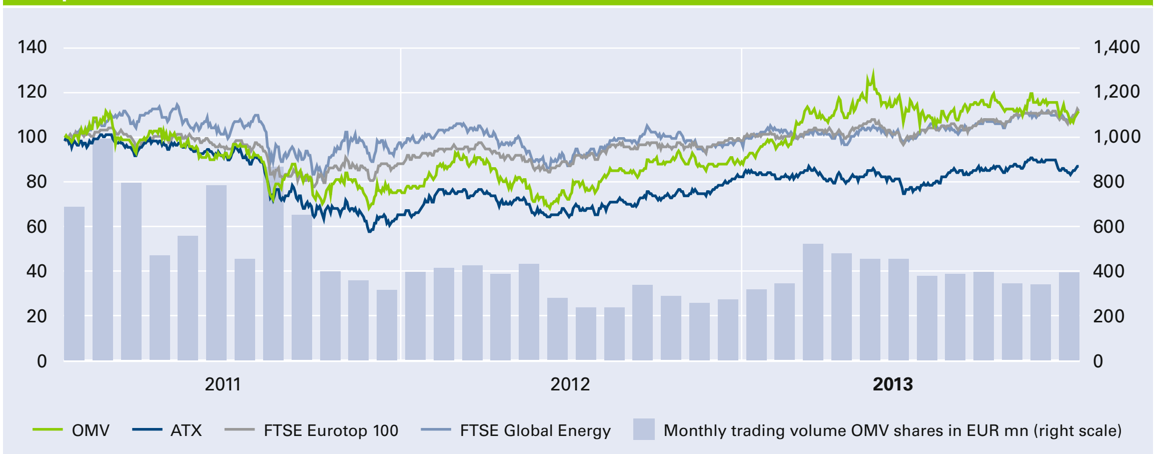
In 2013, the financial markets progressed towards a more stable environment. The evolution was supported by the Eurozone reforms implemented with the aim of securing a more robust monetary union, and by economic growth recovery in the United States. Unfavorable effects were driven by political instability in North Africa and the Middle East in the second part of the year. The FTSE Global Energy Index, comprising the world's largest oil and gas companies, increased by 17% compared to the end of 2012. Additionally, European and US indices rose significantly as follows: DAX +25%, FTSE Eurotop 100 +15%, Dow Jones +27%. The Vienna Stock Exchange underperformed the European markets and the Austrian blue-chip index (ATX) increased by 6% in 2013, its performance being held back mainly by relatively weak share price performance for some of the large financial stocks.

OMV share price performance and volume

The share price increased significantly in the first half of 2013 after closing the previous year at EUR 27.36. This increase was supported by the successful implementation of the strategy (investments in upstream, divestments in downstream), strong cash generation and several analyst recommendation upgrades and led to the year's high of EUR 39.69 on May 21. Henceforth, the OMV share price experienced a temporary downward trend mainly due to uncertainties in the global economy. The security issues and strikes in Libya led to an interim trough of EUR 32.89 on July 10. Influenced by a favorable oil price environment and several further steps of executing OMV's strategy, the share price rejuvenated steadily and fluctuated over the balance of 2013 between EUR ~33 and EUR ~37, closing the year at EUR 34.79. Taking into account the EUR 1.20 per share dividend paid on May 23, OMV shareholders experienced a 32% total return in 2013. The market capitalization was approx. EUR 11 bn at year-end (+27% vs. 2012). The total capitalization of all Austrian shares listed on the Vienna Stock Exchange increased by 6% to EUR 82 bn, out of which OMV market capitalization represented 13%. The overall share turnover at the Vienna Stock Exchange rose by 7% to EUR 39 bn. The volume of OMV stock traded increased by 21% to approx. EUR 5 bn and accounted for 12% of total stock turnover at the Vienna Stock Exchange (2012: 11%).

Total shareholder return of 32% in 2013

Price performance (rebased to 100)



OMV share	ISIN: AT0000743059
Listings	Vienna, USA (ADR Level I)
Ticker	Vienna Stock Exchange: OMV
	Reuters: OMVV.VI Bloomberg: OMV AV
ADR information	Sponsored Level I and Rule 144A, 1 ADR represents 1 share
Depositary	JPMorgan Chase Bank N.A. PO Box 64504, St. Paul, MN 55164-0504, USA
Custodian	UniCredit Bank Austria AG, Julius Tandler-Platz 3, 1090 Vienna
Level I	OMVKY, CUSIP: 670875509 ISIN: US6708755094
Rule 144A	OMVZY, CUSIP: 670875301 ISIN: US6708753016
OMV hybrid bond	ISIN: XS0629626663
OMV Eurobonds Maturity; coupon	ISIN: XS0422624980 2009 to April 7, 2014; 6.25 %
	ISIN: XS0434993431 2009 to June 22, 2016; 5.250 %
	ISIN: XS0485316102 2010 to February 10, 2020; 4.375 %
	ISIN: XS0690406243 2011 to October 12, 2021; 4.25 %
	ISIN: XS0834367863 2012 to Sept. 27, 2022; 2.625%
	ISIN: XS0834371469 2012 to Sept. 27, 2027; 3.500%
	ISIN: XS0996734868 2013 to Nov. 25, 2019; 1.75%

Dividend proposal for 2013: EUR 1.25 per share

General Meeting results

The main items dealt with at the Annual General Meeting on May 15, 2013 were the approval of a dividend of EUR 1.20 per share for 2012, which corresponds to a payout ratio of 29%, the approval of the Long Term Incentive Plan 2013, which is a long-term compensation instrument for the Executive Board and selected senior executives in order to promote mid- and long-term value creation at OMV, as well as the approval of the Matching Share Plan 2013, an integral part of the annual bonus agreement which is a long-term compensation vehicle for the members of the Executive Board that promotes retention and shareholder alignment in OMV, combining the interests of management and shareholders via a long-term investment in restricted shares.

As in previous years, an employee stock ownership plan launched in fall 2013 entitled employees to one free share for every three purchased, subject to a two-year holding period. At year-end 2013, OMV held a total of 1,038,404 own shares, or 0.32% of issued share capital. The number of shares in circulation was thus 326,234,323. The capital stock of OMV Aktiengesellschaft is EUR 327,272,727 and consists of 327,272,727 no par value bearer shares. The Executive Board will propose a dividend of EUR 1.25 per share at the next Annual General Meeting on May 14, 2014. This is an increase of 4% compared to the previous year and represents an attractive payout ratio of 35%, which is broadly in line with OMV's long-term dividend policy to pay out 30% of net income. The dividend yield, based on the closing price on the last trading day of 2013, will amount to 3.59%.

Credit ratings

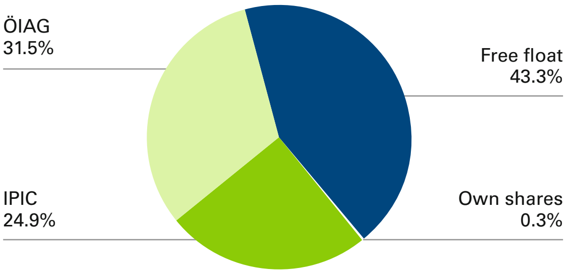
OMV is rated A3 by Moody's and A– by Fitch. Both rating agencies confirmed their rating as well as the stable outlook assessment in 2013. This underscored the strong creditworthiness of OMV and is in line with the target to maintain a strong investment grade credit rating.

Bonds

In November 2013, OMV issued a EUR 500 mn six-year Eurobond under the Euro Medium Term Note (EMTN) program.

OMV shareholder structure

OMV's shareholder structure was relatively unchanged in 2013 and therefore at year-end comprised: 43.3% free float, 31.5% ÖIAG (representing the Austrian government), 24.9% International Petroleum Investment Company (IPIC) and 0.3% own shares. The capital stock consists entirely of common shares and due to the application of the one-share one-vote principle there are no classes of shares that bear special rights. A consortium agreement between the two major shareholders, IPIC and ÖIAG, contains established arrangements for coordinated action and restrictions on the transfer of shareholdings.



Analyst coverage

The OMV stock is covered by more than 20 Austrian and international investment banks, which ensure good visibility of OMV in the financial community with their regular research reports.

Investor Relations activities

The Executive Board and the Investor Relations team maintained and deepened relationships with analysts and investors at numerous roadshows and conferences in Europe as well as in North America. Some 260 one-on-one meetings and presentations were held in 2013, attracting around 700 individual fund managers and buy-side analysts. Executive Board members devoted around 290 hours to face-to-face conversations with investors and analysts. In the interest of transparency and timeliness, all important information and news for analysts and investors are posted on the corporate website at www.omv.com. In addition, news on corporate and financial information from OMV Group is also available on Twitter at www.twitter.com/omv and in the OMV Investor Relations App available for Android and iOS mobile operating systems.

Financial Calendar	Date [1]
Trading Statement Q4 2013	January 30, 2014
Results January–December and Q4 2013	February 19, 2014
Exploration and Production Update	February 20, 2014
Publication of the Annual Report 2013	March 2014
Trading Statement Q1 2014	April 23, 2014
Record date for the AGM	May 4, 2014
Results January–March 2014	May 13, 2014
Ordinary Annual General Meeting (AGM)	May 14, 2014
Dividend ex date	May 20, 2014
Dividend payment date	May 21, 2014
Trading Statement Q2 2014	July 23, 2014
Results January–June and Q2 2014	August 12, 2014
Trading Statement Q3 2014	October 20, 2014
Results January–September and Q3 2014	November 6, 2014

[1] The information shown above is subject to final confirmation. The effective dates can be downloaded from the website: www.omv.com > Investor Relations > Financial Calendar and Events

More than 20 analysts cover OMV

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At a glance					in EUR
	2013	2012	2011	2010	2009
Number of outstanding shares in mn [1]	326.23	326.19	326.07	298.80	298.78
Market capitalization in EUR bn [1]	11.35	8.92	7.64	9.29	9.17
Volume traded on the Vienna Stock Exchange in EUR bn	4.82	3.98	7.34	7.78	8.36
Year's high	39.69	29.12	34.69	32.63	31.00
Year's low	27.85	21.29	21.24	24.12	18.02
Year end [1]	34.79	27.36	23.44	31.10	30.70
Earnings per share [2]	3.56	4.18	3.43	3.08	1.91
Book value per share [1, 2]	35.60	36.49	33.41	30.13	27.10
Cash flow [3] per share	12.60	11.69	8.00	9.66	6.18
Dividend per share	1.25 [4]	1.20	1.10	1.00	1.00
Payout ratio in %	35	29	32	32	52
Dividend yield in % [1]	3.59	4.39	4.69	3.22	3.26
Total shareholder return in % [5]	32	21	(21)	5	69

[1] As of December 31
[2] As of March 31, 2012, figures for 2010 and 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised)
[3] Net cash provided by operating activities
[4] As proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2014
[5] Assuming no reinvestment of dividends

Business environment

Global oil demand rose by 1.4%

Although the global economic environment showed signs of improvement from the summer 2013 onwards, the **world economy** expanded by just 2.8% in 2013, with growth rates down on the previous year for the third time in a row. While the pace of growth was unchanged in developing and emerging economies, the OECD economies continued to lose ground. World trade also grew at well below the long-term trend rate, by 2.5%. On account of contracting demand in the Eurozone, growth remained subdued in other industrialized countries. In the US, GDP growth slowed to 1.9%.

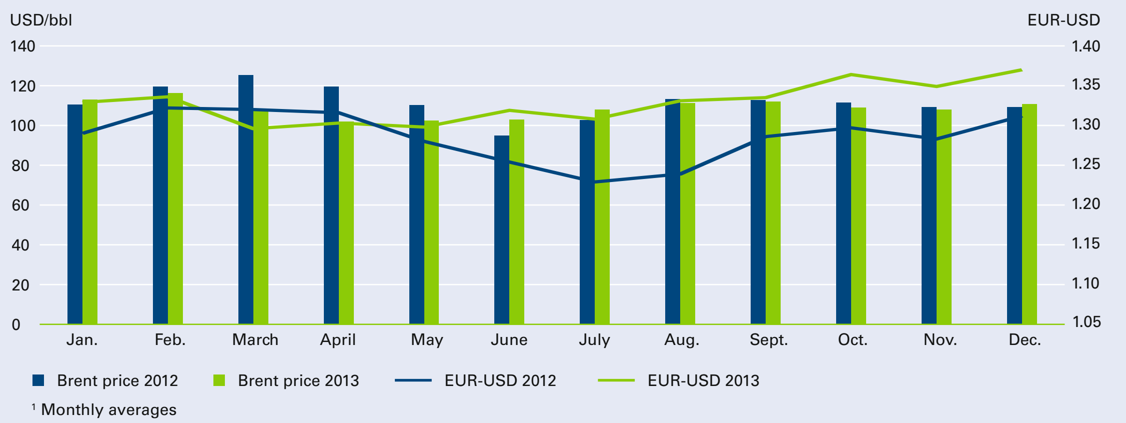
The **European Union economy** only slowly emerged from recession, starting to improve in the second half of 2013. In the Eurozone, economic output shrank by 0.4%, although financial aid packages put together by the European Central Bank and looser fiscal policies in some countries contributed to a mid-year turnaround.

Germany reported a slight upturn in GDP of 0.4% growth. **Austria's** economic output also increased moderately: GDP growth of 0.3% was fueled by a 2.3% hike in exports. Private and public consumer spending were both flat, while investments slumped by some 1.7%. GDP growth in **Romania** increased to 3.5% in 2013, a remarkable advance which was mainly driven by a significant increase in exports of 13.6%. After a soft landing in 2012, the **Turkish** economy growth picked up at a rate of 3.8% in 2013. Nevertheless the Turkish lira lost 27% against the EUR during the year.

Global oil demand rose by 1.4% to 91.3 mn bbl/d, with more than 90% of the increase accounted for by non-OECD countries. In the OECD, a 0.4 mn bbl/d rise in demand from North America almost made up for the decline in Europe and the Pacific OECD countries. World crude production increased from 80.7 mn bbl/d to 81.0 mn bbl/d, while global oil production (incl. NGL and biofuels) was up by 0.6 mn bbl/d to 91.6 mn bbl/d. The inventory build-up of 1.0 mn bbl/d in 2012 was followed by a further increase of 0.3 mn bbl/d in 2013. Due to greater use of non-conventional resources, North America upped production by almost 9% or 1.3 mn bbl/d. OPEC production fell by 0.8 mn bbl/d, which was primarily due to production outages in Libya and Nigeria and the sanctions imposed on Iran. OPEC's output of 30.5 mn bbl/d of crude and 6.4 mn bbl/d of NGLs covered about 40% of global demand.

Starting the year at USD 110/bbl, the Brent **oil price** was at its least volatile level for a decade in 2013. The Brent price on the Rotterdam spot market reached an intra-year high of USD 119/bbl in mid-February. A combination of the sluggish global economy, the Eurozone

Crude price (Brent) and EUR-USD exchange rate [1]



[1] Monthly averages

crisis and a drop in tensions surrounding Iran's nuclear ambitions put downward pressure on prices, with oil trading at around USD 97/bbl by mid-April. In summer, the market was unsettled by the political unrest in Egypt, the civil war in Syria, and production outages in Libya. The annual average price of a barrel of Brent crude was USD 108.66, compared to USD 111.67/bbl in 2012. On the Rotterdam market, the prices of the main products on a EUR basis were down by 7% to 12% year-on-year.

Restored confidence in the euro, particularly in the second half of the year, saw the average EUR/USD **exchange rate** rise to USD 1.33 (2012: USD 1.28).

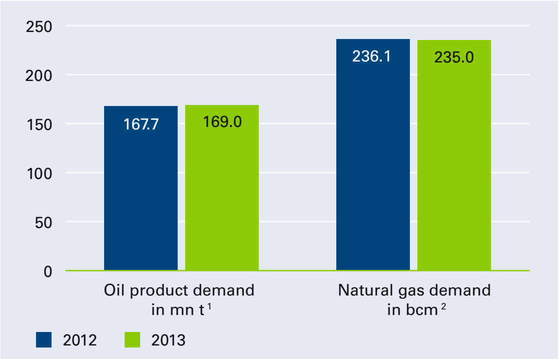
Natural gas demand in **Austria** slipped by 6% to 8.0 bcm (90 TWh). This decline came mainly as a result of the 32% reduction of electricity produced in gas-fired power plants. Meanwhile, domestic gas production decreased by 28% to 1.3 bcm. Net imports also fell sharply, dropping 18% from 7.4 bcm to 6.1 bcm. Withdrawals from storage amounted to a net 0.7 bcm, leaving year-end gas in storage at 4.9 bcm. **Romanian** gas consumption decreased by 8% to 12.5 bcm in 2013. In **Turkey,** gas demand increased by 2% to 46 bcm in 2013.

Total **electricity consumption** in Romania fell by 4% to about 54 TWh. In Turkey, electricity demand increased by 1% to about 245 TWh.

Petroleum product sales in the markets served by OMV (Central and Southeastern Europe, and Turkey) increased by approx. 1% to some 169 mn t in 2013. On the automotive fuel market, the trend towards increased diesel demand continued, with sales rising by more than 2%. Gasoline sales were down in all countries with the exception of Turkey, with the year-on-year contraction amounting to 1.5%. Demand was unchanged for heating oil and the other main products. In **Austria,** petroleum product sales rose by 1% to 10.8 mn t. Demand for automotive fuels climbed by 3%, with demand patterns reflecting a shift towards diesel. Aviation fuel sales slipped by 5%. Demand for heating oil dropped significantly in the second half of the year. Over the course of 2013, demand for extra light and heavy fuel oil shrank by 1% and 3% respectively. In **Germany,** petroleum product sales advanced by almost 1% to 94.1 mn t in 2013. Market developments, however, varied from product to product for fuels and heating oils alike. While diesel sales increased by more than 1%, those of gasoline and aviation fuel stagnated. Light heating oil sales increased by 4% while heavy fuel oil sales slumped by 9%. In **Romania,** overall demand decreased by 0.3 mn t or 4% to 7.7 mn t. Around two thirds of this year-on-year decline was accounted for by heating oil and other products. As in 2012, petroleum sales (down by 5%) contracted more sharply than those of diesel (down by 1%). Demand for aviation fuel climbed by 2%. In **Turkey,** the cumulative sales figures for the petroleum market point towards growth of about 5%. On the fuel market, the 6% increase in demand for diesel had a major impact. Gasoline demand was up almost 2% on the previous year's level.

Western European **polyolefin** demand shrank by 1% in 2013 as a result of adverse economic conditions. Polyethylene demand decreased by 2% whilst polypropylene demand increased by 1%. The integrated industry margin improved noticeably.

Demand in OMV markets



[1] Oil product markets: Austria, Bulgaria, Czech Republic, Germany, Hungary, Moldova, Romania, Serbia, Slovakia, Slovenia, Turkey
[2] Natural gas markets: Austria, Croatia, Germany, Italy, Hungary, Romania, Turkey

Petroleum product demand in OMV markets increased

Business segments

Exploration and Production

2013 was an eventful year for the business segment Exploration and Production (E&P). Production in mature core countries (Romania and Austria) was kept at a stable level in line with the strategic target of 200-210 kboe/d. Furthermore, production in Romania showed a year-on-year increase for the first time since Petrom was acquired in 2004. In contrast, the international portfolio was impacted by production interruptions in Libya and New Zealand. As a result, production remained behind last year's level. The acquisition of assets in Norway and the UK from Statoil further strengthened OMV's footprint in the North Sea area, a growth region for the Group. Exploration again had a successful year. The Wisting oil discovery opened up a new opportunity in the Barents Sea. Access to Sub-Saharan Africa was secured through farm-in deals in Madagascar and Gabon.

Portfolio in the North Sea area strengthened

Health, Safety, Security and Environment (HSSE) is E&P's first priority

The Lost-Time Injury Rate (LTIR) in E&P decreased marginally year-on-year, ending at 0.66 in 2013. E&P unfortunately reported two work-related fatalities in 2013. The overall HSSE focus has been further strengthened in 2013. Starting in 2013, all incidents with high potential are investigated by Senior Management. Additional HSSE improvement focus areas are management visibility, contractor management and process safety.

Financial performance

Clean EBIT decreased by 26% to EUR 2,086 mn (thereof Petrom: EUR 1,254 mn), mainly due to lower production in Libya, the UK (sale of Beryl area assets in 2012 and the planned suspension of the Schiehallion field), Austria and New Zealand, which negatively impacted the sales volumes. The Group's average realized oil price in USD went up by 1%, while the average realized gas price went up by 10%. Exploration expenses increased by 5% in 2013 to EUR 513 mn mainly driven by licenses acquisition in Norway, write-offs in connection with the relinquishment of some exploration blocks and higher drilling exploration expenses in Romania. With a total of EUR 4,431 mn, E&P investments were 177% higher than in 2012 mainly due to the acquisition of the assets from Statoil (USD 2.65 bn). The net special items of EUR (96) mn in 2013 were mainly related to impairments of assets in the Kurdistan Region of Iraq and Tunisia. These special items led to a reported EBIT of EUR 1,990 mn (thereof Petrom: EUR 1,251 mn), a decrease of 27% vs. 2012.

2013 **production** was lower than 2012 mainly due to civil unrest in Libya, compounded by operational issues in New Zealand and Austria. In both Romania and Yemen, OMV reported production performed better than in 2012. Total hydrocarbon production decreased by 6% to 105.0 mn boe. This corresponds to an average daily production of 288 kboe/d.

At a glance	**2013**	2012	Δ
Segment sales in EUR mn	5,378	6,075	(11)%
Earnings Before Interest and Taxes (EBIT) in EUR mn	1,990	2,743	(27)%
Clean EBIT in EUR mn	2,086	2,824	(26)%
Capital expenditure in EUR mn	4,431	1,598	177%
Production in mn boe	105.0	111.1	(6)%
Production cost in USD/boe	14.0	12.8	9%
Proved reserves as of December 31 in mn boe	1,131	1,118	1%

In Romania, for the first time since Petrom was acquired in 2004, production rose year-on-year, with the yearly average rate being 1 kboe/d higher than in 2012. Austrian production saw impacts from storms and floods as well as technical issues with average production at 34.6 kboe/d, below last year's level. Overall, the production performance of the international portfolio was lower than the previous year. In Libya, production was interrupted several times during the year, although at full output, it continued to produce at pre-crisis levels. In the UK, the Schiehallion field underwent its planned shut-in for redevelopment, and in New Zealand, the FPSO Raroa experienced technical issues which resulted in five months deferred production. In Pakistan, the Mehar and Latif field developments came on stream by the year-end and were ramped up successfully. In Yemen, despite the volatile security situation, production was largely constant over the year and more than twice the level seen in 2012. In November, OMV reported its first production in Norway from the Gullfaks field averaging slightly above 27 kboe/d net to OMV in the last two months of the year.

Production costs per boe excluding royalties (OPEX) increased by 9% to USD 14.0 (2012: USD 12.8). This increase was mainly driven by lower production levels.

Successful exploration year

In 2013, OMV drilled 33 (completed 26) exploration wells in 9 different countries, spanning New Zealand to Norway. 65% of the wells were operated by OMV and the exploration success ratio was 46% (2012: 61%). The majority of appraisal wells were drilled onshore Romania. Three high impact exploration wells were drilled in 2013, of which Wisting in Norway was a significant oil discovery (between 200-500 mn bbl recoverable oil volumes in the license). It opened a new area of development opportunity in the Barents Sea. The Zola-1 discovery in Australia was successfully appraised by the well Bianchi-1. A deep water 3D seismic acquisition campaign offshore Romania was completed in 2013 and evaluation of the Domino discovery and the additional prospectivity of the Neptun block is ongoing. Significant opportunities in this license and in the recently acquired adjacent acreage in the neighboring countries Bulgaria and Ukraine make the Black Sea an important focus for exploration in the coming years. In Bulgaria, a 7,740 km^2 seismic survey was conducted and further evaluation of the Han-Asparuh block will be performed to mature exploration drilling opportunities. Additionally, OMV was successful in acquiring substantial new exploration acreage in Norway and the Faroe Islands. Exploration opportunities in Sub-Saharan Africa were pursued and exploration acreage was acquired in Madagascar and Gabon.

Proved hydrocarbon reserves (1P) as of December 31, 2013, were 1,131 mn boe (thereof Petrom: 728 mn boe) and proved and probable oil and gas reserves (2P) amounted to 1,916 mn boe (thereof Petrom: 1,025 mn boe). The 2013 single-year reserve replacement rate (RRR) was 113%. The three-year average RRR stood at 93% in 2013 (2012: 79%). In Romania and Austria, the three-year average RRR decreased to 49% (2012: 60%). In the international portfolio, the three-year average RRR increased to 203% (2012: 122%), which includes reserves from the recent acquisitions in Norway and UK. On a 2P basis, 241% of the production was replaced in 2013, indicating that the development inventory continues to improve.

Production in Romania rose year-on-year for the first time since Petrom's privatization in 2004

2013 single-year reserve replacement rate at 113%

OMV's core countries Romania and Austria

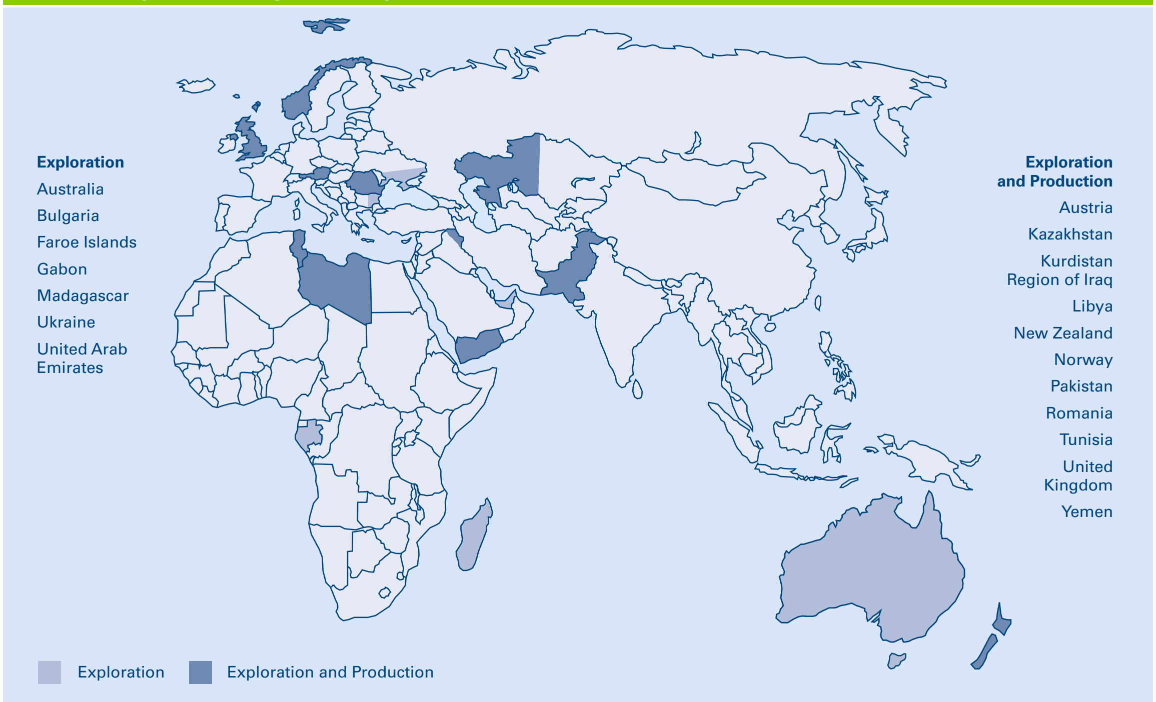
In **Romania,** production averaged 171.4 kboe/d for the year, which means in 2013, for the first time since privatization in 2004, production increased vs. the previous year (0.53% higher than in 2012: 170.5 kboe/d). Petrom's domestic production decline was successfully compensated by production optimization initiatives. Drilling activity has significantly improved compared to last year, as 169 wells were drilled in 2013 compared to 118 drilled in 2012.

Field redevelopment projects made significant progress

Throughout the year, redevelopment projects of key fields have made significant progress. Petrom moved seven field redevelopment (FRD) projects to the execution phase. Additionally, in order to capitalize on some opportunities identified during Multidisciplinary Asset Reviews (MARs) from 2012, two new FRDs were progressed. The works to optimize gas production systems and to modernize surface facilities and equipment in selected major fields continued throughout the year. The total production of PEC (Production Enhancement Contract) Ticleni, PEC Turnu and PEC Timis, covering in total 31 fields, was increased to 9.6 kboe/d in 2013.

The largest 3D seismic program in the Romanian sector of the Black Sea, covering 6,000 km^2 in the deep water and additional 1,600 km^2 in shallow water of the Neptun block, was completed. The deep water seismic acquisition project was operated by Petrom on behalf of the co-ventures. Important steps were made to secure additional exploration licenses in the Black Sea deep water areas adjacent to the Neptun block. Negotiations for the Ukraine Skifska deep water exploration block continued throughout 2013. Farm-out of the deep part of the onshore Peri-Carpathian licenses to Repsol has been concluded and Petrom together with Repsol are jointly evaluating the seismic data to determine exploration drilling opportunities.

Worldwide exploration and production portfolio



Romanian production costs in RON/boe terms decreased by 4% due to successful cost saving initiatives in 2013. In USD/boe terms they stayed broadly flat.

In **Austria,** production decreased to 34.6 kboe/d in 2013 (2012: 38.0 kboe/d). This level reflected both planned and unplanned interruptions. While the Aderklaa gas treatment plant shutdown was planned, several production operations were affected by floods, which led to power shortages. Moreover, technical subsurface issues resulted in the loss of a key well in the Ebenthal field. Three projects passed Final Investment Decision in 2013. Another important step was the successful drilling of a horizontal well in Bockfliess. Investments increased compared to 2012, especially due to the water treatment plant project which is in the execution phase. A pilot project, where polymer is injected into the 8. Torton Horizon to increase reservoir sweep efficiency, was further pursued and traces of polymer were detected at one oil producer.

OMV's international portfolio

In **Norway,** OMV significantly grew its portfolio by acquiring eight new exploration licenses, six of them in the 22nd licensing round, which was the highest number of awards for a non-Norwegian company. Operated exploration drilling in the Barents Sea resulted in the Wisting oil discovery, which opened up a new regional play. OMV acquired two assets from Statoil: a 19% share in the producing Gullfaks field and a 24% share in the Gudrun field, which is expected to start production in Q1/14. Two exploration licenses containing the Luno 2 discovery were acquired too. The acquisition was closed on October 31 and resulted in a production of ~27 kboe/d for November and December. The Zidane project was in the Front End Engineering and Design (FEED) phase. Volumes for the Zidane 2 structure drilled in 2012 have been increased compared to pre-drill estimates. For Aasta Hansteen, the construction of the world's largest floating spar platform is in progress. OMV also participates in a new 480 km gas pipeline, Polarled, and an upgrade of the existing Nyhamna gas processing plant, to evacuate the gas from Aasta Hansteen and Zidane. The Edvard Grieg oil field development was in the execution phase and the jacket construction progressed with installation planned for summer 2014. Overall, OMV increased its acreage to a total of 31 licenses (2012: 17), thereof 8 operated.

In **New Zealand,** the Maari Floating Production, Storage and Offloading (FPSO) vessel, the Raroa, had to undergo repairs, resulting in a five-month production outage. However, the repairs were safely and successfully executed and production resumed in December. Due to the production shutdown in the second half of the year, the 2013 production levels were lower than the previous year at 16.5 kboe/d (2012: 19.4 kboe/d). The Maari Growth project obtained Final Investment Decision in 2013. A jack-up rig and a semi-submersible rig were contracted and all preparations were finalized for the extensive drilling campaign in 2014.

In **Australia,** the Zola discovery was appraised. The Bianchi-1 well was drilled in April and was a success, confirming the discovery. Further appraisal drilling is expected in late 2014 or early 2015.

In **Tunisia,** production decreased to 10.1 kboe/d (2012: 11.2 kboe/d). The reduction was mainly due to the disappointing reservoir performance and a partially unsuccessful drilling campaign. During 2013, one rig continued to drill, revealing the successful appraisal well Amani-2. FEED was completed for the Nawara gas field development and the South Tunisian Gas Pipeline. The routing of the pipeline was decided and Final Investment Decision is expected in 2014. The Ashtart offshore facility celebrated its 40th anniversary while the revamp project reached the mechanical completion stage.

First production in Norway

In **Libya,** production ramped up through 2012 and remained stable in the first half of 2013. The political situation in 2013, however, was challenging. Throughout the second half of 2013, production was shut in in the East and interrupted several times in the West due to civil unrest. On average, one third of the production was deferred resulting in an average production of 21.6 kboe/d throughout 2013 (2012: 29.5 kboe/d). Exploration drilling commenced in 2013 and in October the first oil discovery since the revolution was made.

In the **United Kingdom,** OMV had a production of 1.7 kboe/d (2012: 7.1 kboe/d). The reduction was due to the planned shutdown of the Schiehallion field, which is being redeveloped with a new FPSO vessel, which is due to come on stream in 2016. As part of the assets acquired from Statoil, OMV has increased its share in the development projects Schiehallion to ~11.8% and Rosebank to 50%. The Rosebank development is undergoing design optimization to improve project economics, with a Final Investment Decision tentatively scheduled for 2015 (OMV view). Cambo and Tornado are being further appraised as a joint development. Jackdaw, a Central North Sea development, is on track with Final Investment Decision planned for 2016 and first gas in 2019. OMV also acquired additional exploration licenses in the Faroe Islands, where two high impact wells will be drilled in 2014.

OMV entered Sub-Saharan Africa

In 2013, OMV entered **Sub-Saharan Africa. Madagascar** was the first step, through the acquisition of a 40% share in the Grand Prix exploration block. The operatorship of the block will be taken over in 2014. In **Gabon,** a second farm-in (subject to closing) was agreed to allow OMV to acquire interests of 10% respectively 30% as non-operator in four blocks offshore, with three high impact exploration wells planned to be drilled in 2014.

In **Pakistan,** total production was lower than last year at 11.0 kboe/d (2012: 12.8 kboe/d), but key projects, exploration and development works addressed this shortfall. In October, after an execution phase of only one year, the development of the Latif field was completed with the drilling of four wells and the construction of a 50 km pipeline to connect the wells to the Sawan processing plant. In November, commissioning of the gas condensate processing facilities at the Mehar field started and came on stream at year-end. The development included the drilling and completion of additional production wells, and the construction of a central gas and condensate processing plant. The exploration well Sofiya-2 encountered gas and condensate in the Mehar block. The hydrocarbons were confirmed after testing and revealed 18 mn scf/d of gas and 1,550 barrels of condensate (combined 4,500 boe/d gross). Further appraisal work will be done to determine the size of the discovery.

In **Yemen,** the security situation remained volatile in 2013. Repeated production shut-downs were caused by a number of pipeline attacks, however, the average production in 2013 was 4.8 kboe/d (2012: 2.1 kboed). An important step for the Habban field was the successful restart of the execution of the project, which includes the construction of the central processing facility as well as drilling and workover operations. The security measures in place have been significantly increased: several barriers of defense have been built surrounding the areas where operations take place and an airstrip was built inside the protected area. In order to reduce the financial exposure, the investment is pursued only to the extent it can be financed by current operations.

Following the discovery of the Bina Bawi field in the **Kurdistan Region of Iraq,** the field was declared commercial for oil in March 2013. Extended well tests on the appraisal wells resulted in substantially reduced oil volumes but significantly increased sour gas potential. In the third quarter it was decided to prioritize the gas development and analyze the possibility of commercializing the gas on an economic basis. Pearl Petroleum Company Limited continued producing in 2013 at a gross production rate of 68.8 kboe/d (68.1 kboe/d in 2012). OMV holds a 10% (equity consolidated) interest in the company.

In **Kazakhstan,** production decreased to 11.2 kboe/d in 2013 (2012: 12.2 kboe/d). In 2013, the water injection in the Komsomolskoe field commenced in order to support reservoir pressure. The Tasbulat Oil Company followed the field redevelopment drilling program (in Tasbulat, Turkmenoi and Aktas).

After securing its first upstream position in the **United Arab Emirates** through negotiated access for the Shuwaihat sour gas and condensate field in 2012, OMV signed an agreement to explore for oil and gas in the Eastern region of Abu Dhabi in June 2013. OMV and the Abu Dhabi National Oil Company (ADNOC) will conduct a state-of-the-art exploration program, consisting of seismic acquisition and the drilling of exploration wells. If the exploration campaign is successful, ADNOC and OMV intend to jointly develop potential discoveries. The exploration activity agreement has a duration of four years.

Exploration agreement signed for Abu Dhabi

Production in 2013

	Oil and NGL	Natural gas [1]		Total
	mn bbl	bcf	mn boe	mn boe
Romania [2]	28.6	183.2	33.9	62.5
Austria	5.7	41.8	7.0	12.6
Northwest Europe, Africa and Australasia [3]	15.3	27.3	4.6	19.9
Middle East and Caspian [2, 4]	5.3	27.6	4.6	9.9
Total	**54.9**	**279.9**	**50.0**	**105.0**

Proved reserves as of Dec. 31, 2013

	Oil and NGL	Natural gas [1]		Total
	mn bbl	bcf	mn boe	mn boe
Romania [2]	369.6	1,824.6	337.9	707.5
Austria	47.5	301.2	50.2	97.7
Northwest Europe, Africa and Australasia [3]	189.1	528.8	88.1	277.2
Middle East and Caspian [2, 4]	28.1	122.0	20.3	48.4
Total	**634.3**	**2,776.7**	**496.5**	**1,130.9**

[1] To convert gas from scf to boe, the following conversion factor was applied in all countries: 1 boe = 6,000 scf; except for Romania where the following was used: 1 boe = 5,400 scf
[2] As OMV holds 51% of Petrom, it is fully consolidated and figures therefore include 100% of Petrom's assets and results
[3] Region consists of Tunisia, Libya, Turkey, Norway, United Kingdom, Faroe Islands, Madagascar, New Zealand and Australia and includes exploration only countries
[4] Region consists of Pakistan, Yemen, the Kurdistan Region of Iraq, Kazakhstan, Bulgaria, Ukraine and the United Arab Emirates and includes exploration only countries

Gas and Power

For Gas and Power (G&P), the overall market environment remained challenging, nevertheless the first milestones towards increasing profitability were reached in 2013. The supply, marketing and trading business renegotiated the long-term gas supply contract with Statoil and reached an interim agreement with Gazprom in favor of a more competitive position. In the power business, the gas-fired power plant Samsun in Turkey successfully started commercial operations. The gas logistics business implemented an entry/exit system including a new tariff scheme in Austria. The Central European Gas Hub substantially increased its exchange traded gas volumes.

Long-term gas supply contracts adjusted

Health, Safety, Security and Environment (HSSE)

HSSE plays an essential role within G&P. There has been a positive trend over recent years, reducing the Lost-Time Injury Rate LTIR by 23% vs. 2012 and strengthening the overall HSSE focus in 2013. In comparison to 2012, Gas Connect Austria (GCA) has reduced its LTIR by 80%, the number of findings, hazards and near misses has more than doubled and a new reporting tool was implemented. OMV developed an action plan for the gas-fired power plant Samsun to ensure that its safety performance is enhanced while also supporting the transition from construction to operations. The focus for 2014 is to further improve the overall safety performance, visible commitment, leadership, contractor management and risk management, develop HSSE competences and raise hazard awareness.

Financial performance

Clean EBIT decreased by 25% to EUR 137 mn vs. EUR 184 mn in 2012 mainly driven by lower gas margins and gas storage costs which were not covered by customer contracts. Reported EBIT dropped to EUR 1 mn vs. EUR 43 mn in 2012 due to special items of EUR (137) mainly related to the impairment of the Etzel gas storage in Germany. The business unit supply, marketing and trading recorded a 3% decrease in total gas sales volumes vs. 2012. The performance of EconGas was slightly positive due to the renegotiated long-term gas supply contracts, an improved Gate LNG position as well as reduced logistics costs. Petrom's gas sales remained relatively stable with a volume increase of 1% vs. 2012. However, Petrom gas margins were lower vs. 2012. In Turkey, OMV sold approx. 12 TWh of natural gas and LNG in 2013. The weaker Turkish lira against the USD in 2013 led to higher gas supply costs, hence lower natural gas margins vs. 2012 were recorded in Turkey. In the business unit gas logistics, the result contribution of the storage business decreased significantly due to tariff and capacity reductions for running gas storage contracts in Austria. The gas transportation business increased the result mainly due to the start-up of the expansion of the West-Austria-Gas pipeline in January 2013. The power business recorded a net electrical output of 4.34 TWh mainly from the gas-fired power plant in Brazi (Romania) and the gas-fired power plant Samsun (Turkey) which started operations in June 2013. The performance of the power business was, however, impacted by unfavorable market conditions.

At a glance

	2013	2012	Δ
Segment sales in EUR mn	12,236	11,883	3%
Earnings Before Interest and Taxes (EBIT) in EUR mn	1	43	(99)%
Clean EBIT in EUR mn	137	184	(25)%
Capital expenditure in EUR mn	270	351	(23)%
Gas sales volumes in TWh	425	437	(3)%
Gas transportation volumes sold entry/exit in TWh	1,664	—	n.a.
Storage volume sold in bcm	2.5	2.4	4%

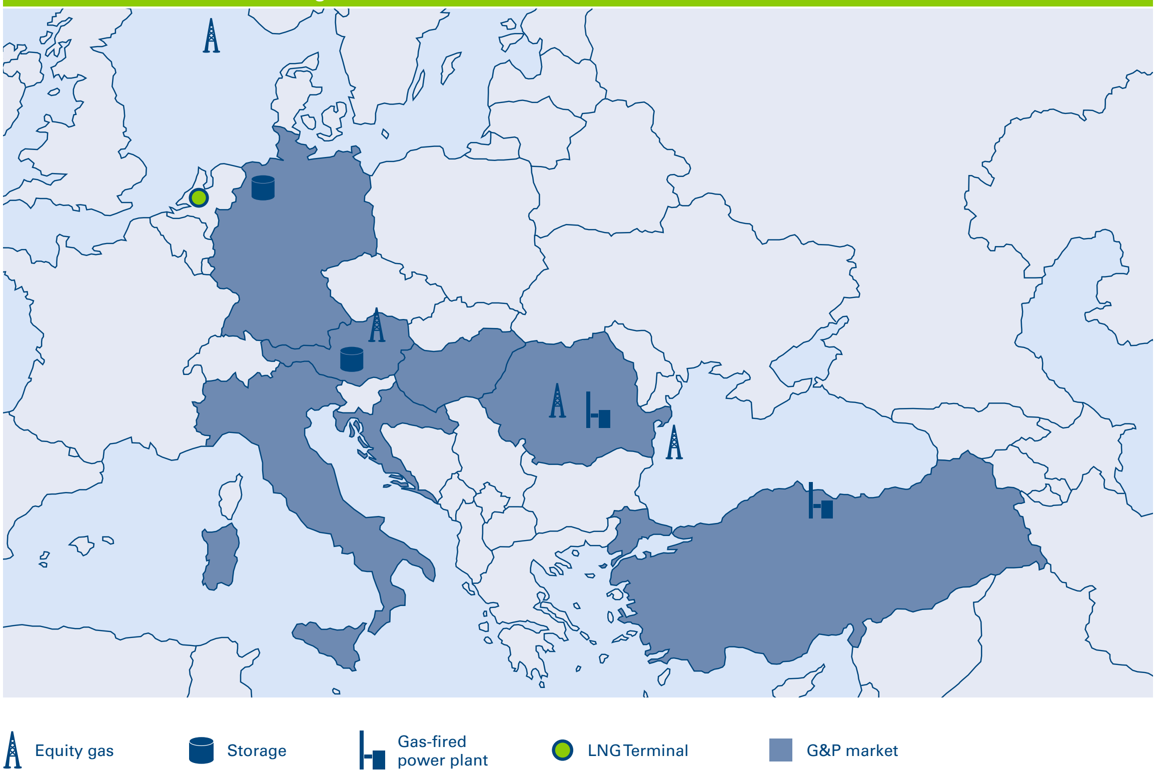
Gas logistics

The year 2013 was characterized by the implementation of the Third Energy Package in Austria, major decisions about the transport route for gas from Azerbaijan and a significant modification of the product portfolio offered to storage customers.

In the gas **transportation business,** a new gas market model became operational in Austria starting on January 1, 2013. The core elements are laid down in the Austrian Natural Gas Act 2011 and the Gas Market Model Ordinance 2012, which were adopted in order to implement the Third Energy Package. In particular, the shift from point-to-point transports to a national entry/exit system constituted a radical change of paradigm in Austrian gas logistics. A new gas transmission entry/exit tariff scheme came into force as of January 1, 2013. Based on the new calculation method, transportation volumes sold amounted to 1,664 TWh. Within the new market model, Gas Connect Austria (GCA) functions additionally to its Independent Transmission Operator (ITO) activities as Market Area Manager (MAM) for the Eastern Market Area. The MAM registers market participants into the system, coordinates gas flows within the country, aligns with stakeholders, effects ex-ante balancing and therefore has a key responsibility for the security of supply. In the course of structural reshaping of Austrian Transmission System Operators (TSOs), triggered by the Third Energy Package regulation (EG 715/2009), OMV Aktiengesellschaft has acquired 49% of the Baumgarten Oberkappel-Gasleitungsgesellschaft m.b.H. (BOG). Additionally, GCA sold 49% of its stake in AGGM Austrian Gas Grid Management AG to several Austrian distribution companies. The Bidirectional Austrian – Czech Interconnector (BACI) was registered as a project of common interest on the official list of the European Union. The new European online gas transport capacity trading platform PRISMA, co-founded by GCA

Start of new gas transport capacity trading platform PRISMA

Position of the G&P business segment



and other European TSOs as a major step towards an integrated European gas market, successfully started its auctions on April 1, 2013. Since then, GCA auctions all of its cross-border entry/exit point's capacities on PRISMA and increased its customer base by 36%. PRISMA will play an increasing role in the integrated gas market of the European Union.

CEGH quadrupled exchange traded volumes

The **Nabucco West** gas pipeline project was not selected by the Shah Deniz II consortium in June 2013 to transport Caspian gas to Europe. Therefore all activities of the Nabucco companies have been terminated. Further **international gas transportation projects** have been set up for the purpose of delivering the best technical and commercial infrastructure solutions for connecting equity gas production sites of OMV with the targeted markets. Activities in 2013 focused on the North West Europe region, where OMV acquired several shares in oil and gas fields. G&P supported the business segment E&P in gas infrastructure related analyses in the course of the acquisition process of participation interests in gas fields, mainly consisting of two oil and gas fields in Norway (Gullfaks and Gudrun) and two oil and gas fields in the UK (Schiehallion and Rosebank). At the same time, commercial and technical teams are responsible together with E&P Norway for the realization of the Norwegian Polarled pipeline development project which is in execution. The project, which consists of installing an offshore gas pipeline of 480 km and an upgrade of an existing gas treatment plant in Norway, will allow OMV to bring equity gas from the Aasta Hansteen and Zidane fields to Europe.

In 2013, the **storage business** recorded an increase of storage volumes sold of 4% to 2.5 bcm due to the first year of commercial operation of the storage Etzel (starting with April 2013). The overall market situation remained challenging as oversupply of gas at all European trading spots lowered market demand for additional storage capacity. The forward summer/winter spreads further decreased in 2013. Despite this difficult market environment, the full available capacity of Etzel was sold. In Austria, as a reaction to the current market situation, OMV offered its gas storage customers the option to convert booked and bundled capacity into a new bundle structure, leading to a tariff reduction for the customers. The returned capacity was sold via two auctions for the remaining storage year 2013/2014 and, for the storage year 2014/2015.

In 2013, the **Central European Gas Hub** (CEGH) quadrupled its exchange traded gas volumes to 13.2 TWh compared to 2012 (3.1 TWh). On the over-the-counter market, in total 393 TWh of natural gas were traded. The new Austrian gas market model provides the basis for CEGH to act as the operator of the newly established Virtual Trading Point in Austria. On December 9, 2013, CEGH launched the CEGH Czech Gas Futures Market in cooperation with its Czech partner PXE (Power Exchange Central Europe), which enables trading of gas derivative products with physical delivery to the Czech Virtual Trading Point.

Supply, marketing and trading

Overall gas sales and trading volumes declined to 425 TWh, a decrease of 3% vs. 2012, mainly driven by lower demand from industrial and power plant customers. From November 2013 onwards, OMV Trading started to market equity gas from the Norwegian North Sea by wholesale and trading activities in the market areas Title Transfer Facility (TTF, the Netherlands) and NetConnect Germany (NCG). Market access was provided via already existing pipeline systems to the Dutch and German gas markets as well as OMV storage assets in Germany. In 2013, the EconGas result improved due to restructuring measures. The amendment of the long-term gas supply contract with Statoil as well as the interim agreement with Gazprom Export for long-term gas supply has enabled EconGas to move towards a more competitive position. Furthermore, EconGas improved the performance of the LNG business through cargo diversions, re-loads and in-tank deals. However, the general market environment remains challenging due to the persistent high margin pressure, although the spread between long-term oil-linked contract prices and hub prices continued to narrow in 2013. Being active in Austria, Germany, Italy, Hungary, Croatia and on

Gas-fired power plant Samsun

international trading hubs, EconGas reached total sales volumes of 343 TWh (down 9% compared to 2012), consisting of 266 TWh trading volumes and 76 TWh sales volumes.

Petrom gas sales remained relatively stable with a volume increase of 1% vs. 2012 to 53 TWh, despite an 8% overall decline in the estimated Romanian gas consumption. Petrom's gas sales increase was mainly driven by the integration of the gas-fired power plant Brazi in the gas value chain. The liberalization of Romanian gas prices has started in February 2013 for non-households and in July 2013 for households and was implemented as scheduled so far. During the year, the regulated price for domestic gas increased by 49% for non-households and by 9% for households vs. the RON 45.71/MWh baseline until the end of 2013.

In **Turkey,** natural gas sales and LNG volumes increased slightly by 3% to 12 TWh in 2013. Further, power marketing activities of the Samsun power production started via trading and wholesale markets.

Power

The power business continued to provide an additional marketing platform for gas to OMV. In June 2013, the gas-fired power plant **Samsun** in Turkey started operations, adding 870 MW of low carbon, efficient and reliable power supply to the Turkish market. The gas-fired power plant **Brazi** (860 MW) in Romania has continued to provide low carbon power to the Romanian market, proving its importance for the national energy system as a reliable supplier with fast response time. The 45 MW wind park Dorobantu in Romania has delivered renewable power to the market. In Austria, the waste heat recovery power plant Weitendorf, with a capacity of 16 MW, continued its operation, enabling the operation of the gas compressor station with a reduced CO_2 footprint. In total, net electrical output stood at 4.34 TWh for the year 2013, mainly coming from the power plants Samsun and Brazi. Both gas-fired power plants achieved an availability performance which is in the top quartile of the industry.

Liberalization of Romanian gas prices started in 2013

Refining and Marketing including petrochemicals

The business segment Refining and Marketing including petrochemicals (R&M) refines, supplies and trades oil products and petrochemicals with a geographical focus on Central and Southeastern Europe as well as Turkey. R&M operates refineries in Schwechat (Austria) and Burghausen (Southern Germany), both with integrated petrochemical complexes, as well as the refinery Petrobrazi (Romania), and holds a 36% stake in Borealis. A divestment agreement for the 45% stake in the Bayernoil refinery network was signed in December 2013. OMV has an annual processing capacity of 17.4 mn t (360,000 bbl/d), excluding Bayernoil. The retail network consists of approximately 4,200 filling stations in 11 countries with a strong brand portfolio: "OMV", operating in all countries except Turkey and Moldova, "Petrom" in Romania and Moldova, "Petrol Ofisi" in Turkey and "Avanti" in Austria. With a high quality integrated asset portfolio, industry-leading availability and utilization rates and strong brands, OMV has an advantageous position in its markets.

Health, Safety, Security and Environment (HSSE)

R&M continuously focuses on improving HSSE processes both with its own employees and those of its contractors. Together with a successful integration of Petrol Ofisi, which now conforms to OMV Group HSSE standards, and a visible improvement in Petrom, R&M achieved its best ever performance in safety management with a Lost-Time Injury Rate (LTIR) for both employees and contractors of 0.25. The investments made in the Petrobrazi refinery over recent years had a large impact in the refinery's energy efficiency. The improvement in energy consumption since the year 2004 is more than 30% and will further improve significantly over the coming years.

Refining utilization increased to 92%

Financial performance

At EUR 462 mn, clean CCS EBIT came in slightly lower than the EUR 488 mn in 2012, despite a significantly lower OMV indicator refining margin, mainly reflecting a better performance in the marketing business. Net special gains of EUR 383 mn were recognized in 2013, mainly related to the completed sale of LMG Lagermanagement GmbH in Q1/13. Falling crude prices over the year contributed to negative CCS effects of EUR (73) mn vs. EUR 1 mn in 2012, which led to a reported EBIT of EUR 772 mn vs. EUR 417 mn in 2012.

The refining result was significantly down compared to 2012, mainly due to a strong decrease in the OMV indicator refining margin from USD 3.85/bbl in 2012 vs USD 1.94/bbl in 2013, as a result of lower gasoline and middle distillate spreads. The OMV indicator refining margin East of USD (2.83)/bbl remained negative compared to the level of 2012, which was USD (1.39)/bbl.

At 92%, overall refining utilization in 2013 increased compared to the level of 88% in 2012, as the latter was impacted by a scheduled six-week shutdown in Petrobrazi in Q2/12. Total refining output increased accordingly by 4% year-on-year. The clean petrochemicals EBIT increased to EUR 140 mn (vs. EUR 102 mn in 2012) due to higher ethylene and propylene margins, which more than compensated for lower butadiene margins.

At a glance

	2013	2012	Δ
Segment sales in EUR mn	29,384	29,608	(1)%
Earnings Before Interest and Taxes (EBIT) in EUR mn	772	417	85%
Clean CCS EBIT in EUR mn [1]	462	488	(5)%
Capital expenditure in EUR mn	493	435	13%
Total refined product sales in mn t	31.48	30.23	4%
Marketing sales volumes in mn t	21.36	21.48	(1)%

[1] Adjusted for exceptional, non-recurring items; clean CCS figures exclude inventory holding gains/losses (CCS effects) resulting from the fuels refineries and Petrol Ofisi

Annual refining capacities	mn t
Refineries West	
Schwechat	9.6
Burghausen	3.6
Refineries East	
Petrobrazi	4.2
Total	**17.4**

The clean marketing result came in above the level of 2012, reflecting increased margins and better cost management in both the retail and the commercial business and despite slightly lower sales volumes, mainly due to the sale of the Marketing business in Croatia and Bosnia-Herzegovina.

Refining and petrochemicals

In 2013, the refining business focused on high unit availability, cross-site and cross-business integration along the entire value chain, as well as cost and performance management. Overall, the refinery utilization rate reached 92% compared to 88% in 2012. In refining West, the utilization rate was 93%, while the utilization rate in Petrom increased to 90% compared to 73% last year, reflecting the shutdown in 2012 and an increase in sales. Overall, refining output increased by 4% in 2013.

The refineries in Burghausen and Schwechat started a Site Integration Residue Transfer project for aiming at converting low-value products into higher-valued ones by using existing conversion unit capacities. Additionally, further steps were taken to strengthen petrochemical integration and profitability by leveraging naphtha product value. The final investment decision (total value EUR 235 mn) for expanding the existing butadiene plant in the Schwechat refinery (planned completion in 2014) and for constructing a greenfield plant in the Burghausen refinery, which will come on stream in 2015, was taken. The investment will increase annual butadiene production capacity to 140 kt p.a.

In Petrobrazi, the main contributors to operational performance were the improvements in the refinery yield structure, stringent cost management, as well as the positive impact from energy efficiency programs. Additionally, the new gas desulfurization and sulfur recovery unit was commissioned mid-year. In the first half of the year, the coker unit upgrade was commissioned as part of the refinery modernization program which will be completed in 2014.

Sale of share in Bayernoil refinery signed

In December 2013, OMV has signed an agreement to sell its 45% share in the German Bayernoil refinery network to Varo Energy B.V. In addition to the stake in the refinery network, the transaction included related inventory, the bitumen plant in Großmehring and the wholesale business related to Bayernoil. The sale marks the finalization of the planned reduction in OMV's annual refining capacity by 4.6 mn t to 17.4 mn t in the refineries Schwechat, Burghausen and Petrobrazi.

Borealis

Despite the challenging petrochemicals market conditions, Borealis continued its good performance throughout the year with an increase in net sales and a strong net profit contribution. The Borouge joint venture positively supported Borealis' performance, delivering a strong result; this after a first quarter which was negatively impacted by turnaround activities and the continuing preparations for the Borouge 3 start-up. Borouge 3 is an ongoing construction project of Borouge JV planned to increase the annual production capacity of the integrated petrochemical site from the current 2 mn t to 4.5 mn t. Borouge is a joint venture between Abu Dhabi National Oil Company (ADNOC, 60%) and Borealis (40%) and is a leading provider of chemicals and innovative plastics solutions for the infrastructure, automotive and advanced packaging markets. Borealis' strategy of maintaining its competitiveness in the polyolefin business and expanding its presence in the fertilizer industry continued successfully in 2013. In order to maintain competitiveness, Borealis targets polyolefin investments in its most modern facilities in Europe, and announced the closure of the HDPE (High Density Polyethylene) plant in Burghausen by 2014. This is due to the fact that the plant uses less innovative, non-proprietary technology and therefore delivers a much less attractive economic return compared to the rest of the Borealis portfolio. The completed investments and acquisitions demonstrate Borealis' commitment to continue to grow in its core markets. The EUR 21 mn investments in the C4 project in Stenungsund, Sweden, for upgrading of raffinate-1 and raffinate-2 streams by March 2015 and the EUR 25 mn investment in Porvoo, Finland, for the replacement of a hot oil heater at the Phenol complex, will strengthen Borealis regional supply and support capabilities by driving greater energy and production efficiencies. In March 2013, the DEXPlastomers acquisition in Geleen, Netherlands, from DSM Nederland BV and ExxonMobil Benelux Holdings BV was successfully closed. The new catalyst plant in Linz, which pioneers Borealis' Sirius catalyst technology, was inaugurated in June and in July the acquisition of 100% of GPN SA shares from Total was finalized. Coinciding with this, Borealis also closed the transaction for Total's 56.86% interest in Rosier SA.

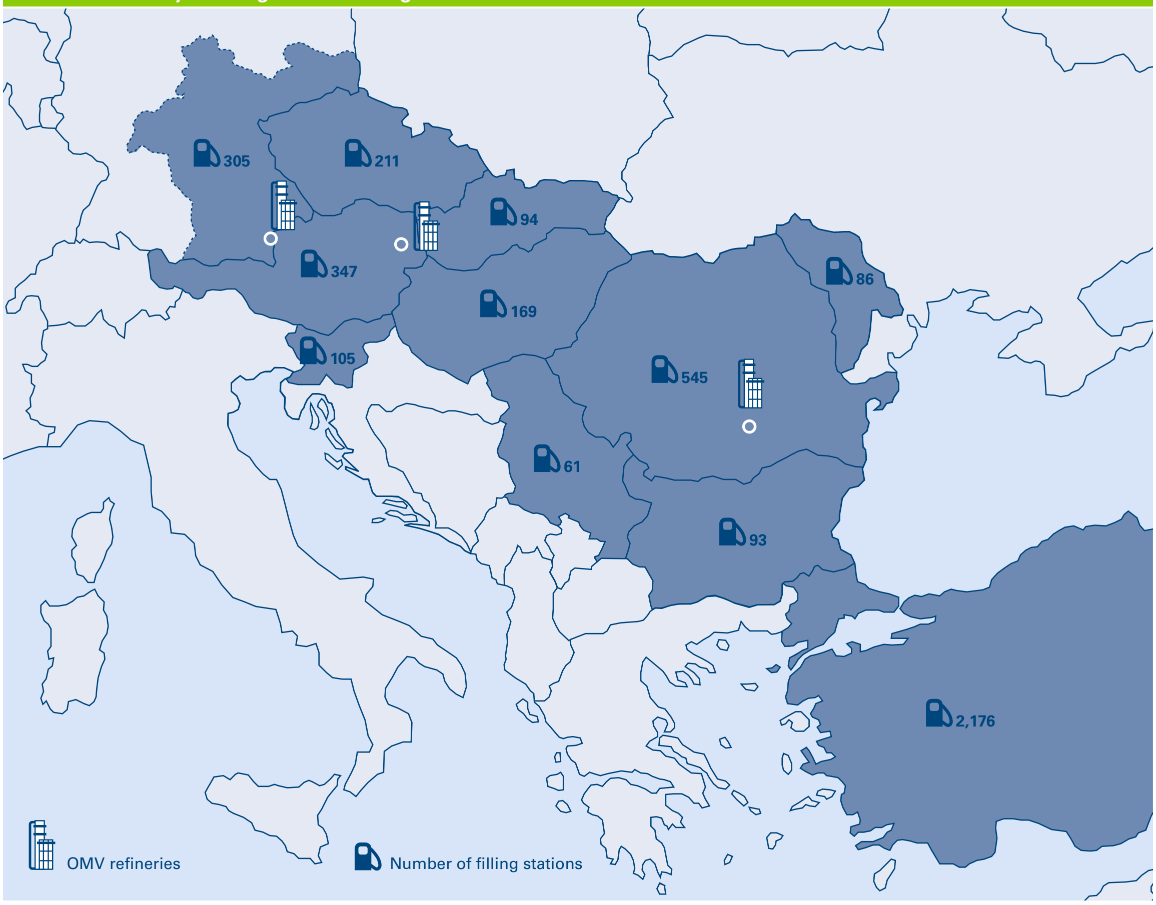
Market share in the retail business maintained

Marketing

Despite weak demand in the majority of the markets, OMV maintained the market share in the retail business while increasing efficiency through integration within downstream activities and asset portfolio optimization.

A new organization in the retail business in 2013 led to a higher level of decentralization and

Markets served by Refining and Marketing in 2013



an increased focus on the individual country operations and strategies ensuring closer focus on the local markets and faster reactions to local events.

A clear focus for all of the countries has been a turnaround and optimization of the tail end of the network. With approximately 500 sites in scope of the network optimization, significant improvement has been reached compared to previous years' performance for both revenues and costs. The majority of the countries were successful in turnarounds, with the biggest challenges being faced in the Czech Republic, Slovenia and Serbia due to market downturns.

There is a distinguished two-brand strategy in Austria which positions OMV retail stations as the premium brand alongside Avanti unmanned retail stations as a discount brand. This has led to a strong sales performance for the Avanti brand, while the OMV brand has remained stable. In Romania, the stable retail volume development was solidly supported by further strengthening of the two-brand strategy, OMV and Petrom; the Petrom brand gained additional exposure through the wide-spread marketing campaign encouraging purchase of Romanian products.

In 2013, OMV Group average throughput per retail station was at the same level as the previous year, with an increase in average throughput in Austria, Bulgaria and Turkey.

In the commercial business, to counterbalance the decline in sales, tailor-made concepts were optimized for the agricultural, mining and construction sectors, as well as for the road and sea transport businesses. The multi-channel approach (using different channels to reach our commercial customer target groups) was optimized for the diesel and aviation business in Romania, strengthening sustainable profitability.

A strong focus on margin management led to a significant result improvement despite a continuously challenging market environment.

The aviation business of Petrom successfully managed to enter the airport in Sofia (Bulgaria) in the beginning of 2013 to further enhance the offer to international customers.

Within the supply and logistics area, progress was made on the fuel terminal network optimization program, having finalized the revamp of the Bacau terminal, Romania, in November 2013. The program aims to optimize the number of terminals in operation in Romania at the level of six, each being among the most modern and safest terminals in Europe (three new and three revamped).

Petrol Ofisi: Market leadership maintained

After a decade of economic growth, the Turkish economy experienced a tougher year in 2013. Within this environment and despite high competition, Petrol Ofisi has successfully increased its sales, maintained its market leadership and achieved a solid financial performance. The company sustained its profitable market leadership in white products (gasoline, gasoil) with a market share of 24.6%. Through its customer-focused approach, Petrol Ofisi positioned itself as more than just a fuel retailer with its value added services. Innovative projects have been implemented with successful partnerships in non-fuel products and services. Utilized supply synergies of OMV Group, an optimized Petrol Ofisi supply program, establishment of a new sales channel to distribution companies and LPG imports all provided a significant contribution to the overall result. Petrol Ofisi sustained its successful operational results in 2013 by focusing on profitability, cost management and operational excellence.

Directors' report (incl. outlook)

Directors' report of OMV Group

Group financials			EUR mn
	2013	2012	Δ
Sales revenue	42,415	42,649	(1)%
Earnings Before Interest and Taxes (EBIT)	2,717	3,104	(12)%
Net income for the year	1,729	1,790	(3)%
Net income attributable to stockholders of the parent	1,162	1,363	(15)%
Cash flow from operating activities	4,110	3,813	8%
Capital expenditure [1]	5,226	2,426	115%
Employees as of December 31	26,863	28,658	(6)%

[1] Includes acquisitions as well as equity-accounted investments and other interests; adjusted for capitalized decommissioning costs, exploration wells that have not found proved reserves, borrowing costs and other additions which by definition are not considered as capital expenditure

OMV generated an operating result of EUR 2,717 mn in 2013, 12% below last year's level, burdened by lower E&P sales volumes and decreased oil prices. Net special charges of EUR 143 mn (2012: EUR (304) mn) were mainly related to the sale of LMG Lagermanagement GmbH, partly compensated by the impairment of E&P assets in the Kurdistan Region of Iraq and the impairment of the Etzel gas storage in Germany. The net financial result of EUR (427) mn was below that in 2012 (EUR (246) mn).This was mainly caused by the write-down of financial assets being disposed of as part of the ongoing R&M divestment program, as well as the write-off of assets related to the Nabucco West project, which were booked as special items in the financial result. The contribution from equity-accounted investments was also lower. The effective tax rate was 25% in 2013 (2012: 37%). The decrease in effective tax rate was mainly a result of the lower profit contribution from highly taxed Libya. Net income attributable to stockholders of the parent was EUR 1,162 mn, below 2012 (EUR 1,363 mn). Non-controlling and hybrid interests amounted to EUR 566 mn (2012: EUR 427 mn).

ROACE at 11%

Return On Average Capital Employed (ROACE), at 11%, was at the same level as in 2012; Return On Fixed Assets (ROFA) decreased from 18% to 15%, and Return On Equity (ROE) declined from 13% to 11%. For definitions of these ratios, readers are referred to the glossary of abbreviations and definitions, which is an integral part of the Directors' report.

2013 was an eventful year for the **Exploration and Production (E&P)** business segment. Production in mature core countries (Romania and Austria) was kept at a stable level, in line with the strategic target of 200-210 kboe/d. Furthermore, production in Romania showed a year-on-year increase for the first time since Petrom was acquired in 2004. In contrast, the international portfolio was impacted by the production interruptions in Libya and New Zealand. As a result, production remained behind last year's level. The acquisition of assets in Norway and the UK from Statoil further consolidated OMV's footprint in the North Sea area, a growth region for the Group. Further details are provided in Note 3 in the Consolidated Financial Statements. Exploration again had a successful year. The Wisting oil discovery opened up a new opportunity in the Barents Sea. Access to Sub-Saharan Africa was secured through farm-in deals in Madagascar and Gabon.

For the **Gas and Power (G&P)** business segment, the overall market environment remained challenging, nevertheless the first milestones towards increasing profitability were reached in 2013. The supply, marketing and trading business renegotiated the long-term gas supply contract with Statoil and reached an interim

agreement with Gazprom in favor of a more competitive position. In the power business, the gas-fired power plant Samsun in Turkey successfully started commercial operations. The gas logistics business implemented an entry/exit system including a new tariff scheme in Austria. The Central European Gas Hub substantially increased its exchange traded gas volumes.

The result of the business segment **Refining and Marketing including petrochemicals (R&M)** increased compared to 2012, mainly related to the completed sale of LMG Lagermanagement GmbH in Q1/13. The refining business focused on high unit availability, cross-site and cross-business integration along the entire value chain, as well as cost and performance management. Overall, the refinery utilization rate reached 92% compared to 88% in 2012. The refining result was significantly down compared to 2012, mainly due to a strong decrease in the OMV indicator refining margin. The petrochemicals result increased vs. 2012 due to higher ethylene and propylene margins, which more than compensated for lower butadiene margins. The marketing result was well above the level of 2012, driven by higher margins, supported by better cost management. Overall marketing volumes were down by 1% compared to 2012 mainly due to the sale of the Marketing business in Croatia and Bosnia-Herzegovina. Petrol Ofisi sustained its successful operational results in 2013 by focusing on profitability, cost management and operational excellence.

Earnings Before Interest and Taxes (EBIT)

E&P EBIT decreased by 27% to EUR 1,990 mn, mainly due to significantly lower sales volumes in Libya and lower production in the UK, Austria and New Zealand. Total daily production of oil, NGL and gas of 288 kboe/d was 5% below the level of 2012, mainly due to lower volumes from Libya and the UK (due to sold assets in the North Sea) as well as lower contributions from Austria. Total OMV daily oil and NGL production was down by 7%, mainly reflecting lower production levels in Libya and the UK. Total OMV daily gas production decreased by 3% vs. 2012, as the decline in Pakistan and the UK was not compensated by production increases in Romania and Tunisia. In 2013, net special charges of EUR (96) mn were related to the impairment of assets in the Kurdistan Region of Iraq and Tunisia.

G&P EBIT decreased from EUR 43 mn in 2012 to EUR 1 mn, due to special items of EUR (137) mn mainly related to the impairment of the Etzel gas storage in Germany. The business unit supply, marketing and trading recorded a 3% decrease in total gas sales volumes vs. 2012. The performance of EconGas was slightly positive due to the renegotiated long-term gas supply contracts, an improved Gate LNG position as well as reduced logistics costs. Petrom's gas sales remained relatively stable whereas the margins were lower. In Turkey the weaker TRY against the USD in 2013 led to higher gas supply costs and therefore lower margins vs. 2012. In the business unit gas logistics, the result

Marketing result well above previous year's level

Earnings Before Interest and Taxes (EBIT)			EUR mn
	2013	2012	Δ
Exploration and Production (E&P) [1]	1,990	2,743	(27)%
Gas and Power (G&P)	1	43	(99)%
Refining and Marketing incl. petrochemicals (R&M)	772	417	85%
Corporate and Other (Co&O)	(53)	(66)	(19)%
Consolidation: Elimination of inter-segmental profits	7	(33)	n.m.
OMV Group	**2,717**	**3,104**	**(12)%**

[1] Excluding inter-segmental profit elimination

contribution of the storage business decreased significantly due to tariff and capacity reductions for running gas storage contracts in Austria. The gas transportation business increased the result mainly due to the start-up of the expansion of the West-Austria-Gas pipeline in January 2013. The power business recorded a net electrical output of 4.34 TWh mainly from the gas-fired power plant in Brazi (Romania) and the gas-fired power plant Samsun (Turkey) which started operations in June 2013. The performance of the power business was, however, impacted by unfavorable market conditions.

+85% R&M EBIT

R&M EBIT came in at EUR 772 mn, significantly higher than the EUR 417 mn in 2012, mainly coming from special items related to the sales of LMG Lagermanagement GmbH, into which a major part of R&M's Austrian compulsory emergency stocks was transferred, of the LPG business in Romania and of marketing subsidiaries in Croatia and Bosnia-Herzegovina. The refining result was significantly down compared to 2012, mainly due to a strong decrease in the OMV indicator refining margin as a result of lower gasoline and middle distillate spreads. The OMV indicator refining margin East of USD (2.83)/bbl remained negative compared to the level of 2012 which was USD (1.39)/bbl. The petrochemicals result increased due to higher ethylene and propylene margins which more than compensated for lower butadiene margins. The marketing result came in above the level of 2012, reflecting increased margins and a better cost management in both the retail and commercial business. Lower sales volumes are due to the sale of the marketing business in Croatia and Bosnia-Herzegovina.

EBIT in the **Corporate and Other (Co&O)** segment increased by 19% to EUR (53) mn in 2013, as the 2012 result was burdened by higher administrative costs.

Notes to the income statement

OMV is an integrated, international oil and gas company. As oil produced by the E&P segment is either processed at Group refineries or – in large part – marketed by R&M (OMV Supply & Trading AG), the R&M business segment represents the largest share of the Group's consolidated sales. The volatility in the main factors affecting profitability – crude oil prices and USD exchange rates – may cause considerable swings in sales and cost of sales, and the impact on earnings is therefore difficult to predict.

Summarized income statement			EUR mn
	2013	2012	Δ
Sales revenues	42,415	42,649	(1)%
Direct selling expenses	(343)	(364)	(6)%
Cost of sales	(37,723)	(36,971)	2%
Other operating income	704	258	172%
Selling and administrative expenses	(1,381)	(1,440)	(4)%
Exploration, research and development expenses	(530)	(510)	4%
Other operating expenses	(425)	(520)	(18)%
Earnings Before Interest and Taxes (EBIT)	**2,717**	**3,104**	**(12)%**
Net financial result	(427)	(246)	73%
Taxes on income	(561)	(1,067)	(47)%
Net income for the year	**1,729**	**1,790**	**(3)%**
Thereof attributable to hybrid capital owners	38	38	0%
Thereof attributable to non-controlling interests	528	389	36%
Net income attributable to stockholders of the parent	**1,162**	**1,363**	**(15)%**

Compared to 2012, **consolidated sales revenues** decreased by 1% to EUR 42,415 mn, mainly driven by lower oil sales volumes as well as lower marketing sales. As a result of this, sales of the **E&P** segment decreased by 11% to EUR 5,378 mn. After the elimination of intra-group transactions of EUR 4,336 mn, the contribution of the E&P segment to consolidated sales revenues was EUR 1,043 mn or about 2% of the Group's total sales revenues (2012: EUR 1,387 mn or 3%). **G&P** sales increased to EUR 12,236 mn (2012: EUR 11,883 mn). After elimination of intra-group sales to refineries, the G&P segment's contribution in 2013 was 28% of total sales or EUR 12,035 mn (2012: EUR 11,707 mn or 27%). Consolidated sales in the **R&M** segment amounted to EUR 29,331 mn or 69% of total sales (2012: EUR 29,551 mn or 69%).

Sales to external customers are split up by geographical areas on the basis of where the delivery of goods or services is effective. Austria retained its position as the Group's most important **geographical market** with sales of EUR 14,732 mn or 35% of the Group's total (2012: EUR 15,978 mn or 37%). Sales revenues in Germany increased from EUR 6,983 mn in 2012 to EUR 7,443 mn in 2013, representing a revenue contribution of 18% (2012: 16%). In Romania, sales revenues of EUR 4,172 mn or 10% of total sales revenues, were close to last year's level in terms of proportion (2012: EUR 4,667 mn or 11%). Turkey contributed 16%, or EUR 6,699 mn, to OMV Group's total sales in 2013 (2012: EUR 5,491 mn or 13%). Sales in the rest of CEE were EUR 4,025 mn or 9% of Group sales revenues (2012: EUR 4,161 mn or 10%). Rest of Europe accounted for EUR 2,706 mn or 6% (2012: EUR 2,082 mn or 5%). Sales revenues in the Rest of the World decreased to EUR 2,638 mn, representing 6% of total sales revenues (2012: EUR 3,287 mn or 8%).

Direct selling expenses, mainly consisting of third-party freight-out expenses, decreased by 6% to EUR (343) mn. **Cost of sales,** which include variable and fixed production costs as well as costs of goods and materials employed, increased by 2% to EUR (37,723) mn. **Other operating income** was at EUR 704 mn, mainly related to the sale of LMG Lagermanagement GmbH in the amount of EUR 440 mn. **Selling expenses** of EUR (963) mn decreased by 5% compared to last year, while **administrative expenses** decreased by 1% to EUR (418) mn.

Exploration expenses amounting to EUR (513) mn increased by 5% compared to last year, mainly driven by write-offs in connection with the relinquishment of some exploration blocks and higher drilling exploration expenses in Romania, while **research and development (R&D) expenses** decreased by 19% to EUR (17) mn.

Other operating expenses decreased by 18% compared to 2012, amounting to EUR (425) mn, due to provisions for onerous contracts related to contracted long-term transport and LNG capacity bookings of EconGas which were recognized in 2012.

The **net financial result** showed a loss of EUR (427) mn (2012: EUR (246) mn). This was mainly caused by write-down of financial assets being disposed as part of the ongoing R&M divestment program as well as the write-off of assets related to the Nabucco West project, which were booked as special items in the financial result. **Income from equity-accounted investments** in total amounted to EUR 163 mn (2012: EUR 200 mn) and reflected mainly the share of the pro rata result of Borealis group at the amount of EUR 152 mn (2012: EUR 172 mn). **Dividend income** amounted to EUR 11 mn (2012: EUR 12 mn). The **net interest result** showed an expense balance of EUR (233) mn (2012: EUR (376) mn), mainly reflecting lower interest expenses due to the improved financing structure as well as the 2012 one-time effect of a provision for alleged late payment interest charges following a tax review of OMV Petrom SA.

Lower interest expenses due to improved financing structure

Taxes on income decreased by EUR (506) mn to EUR (561) mn compared to 2012. This was mainly caused by a decrease in expenses for current income taxes by EUR (514) mn to EUR (692) mn.

Deferred tax income amounted to EUR 131 mn compared with EUR 139 mn in 2012. The Group's effective tax rate decreased to 24.5% (37.3% in 2012). The decrease in effective tax rate was mainly a result of the lower profit contribution from highly taxed Libya.

Capital expenditure (CAPEX)

Capital expenditure increased to EUR 5,226 mn (2012: EUR 2,426 mn).

E&P invested EUR 4,431 mn (2012: EUR 1,598 mn) mainly driven by the purchase of Statoil assets, together with field redevelopments in Romania and Austria and field developments in Norway and the UK. CAPEX in the **G&P** business segment of EUR 270 mn (2012: EUR 351 mn) was mainly related to the acquisition of the non-controlling stake in Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H., to the exercise of put options held by Oberösterreichische Ferngas Aktiengesellschaft leading to an increase of OMV's indirect stake in EconGas GmbH, to the acquisition of RWE's stake in NABUCCO Gas Pipeline International GmbH, and to investments in the power plant project Samsun (Turkey). CAPEX in the **R&M** segment amounted to EUR 493 mn (2012: EUR 435 mn), mainly comprising investments in the modernization of the Petrobrazi refinery in Romania, in Petrol Ofisi, the revamp of the butadiene plant in Schwechat and the start of construction of the butadiene plant in Burghausen. CAPEX in the **Co&O** segment was EUR 32 mn (2012: EUR 42 mn).

The reconciliation of total capital expenditure to additions according to the statement of non-current assets (intangible and tangible) mainly relates to changes in the group of consolidated companies and additions, which by definition are not considered to be capital expenditure, as well as investments in financial assets. The difference between the additions shown in the statement of non-current assets and the investments reported in the cash flow statement partly arise from investments in intangible and tangible assets that did not affect cash flows during the period (including liabilities arising from investments, decommissioning and capitalized borrowing costs). In addition, cash outflows due to investments in financial assets are included in the overall investments shown in the cash flow statement.

Capital expenditure [1]			EUR mn
	2013	2012	Δ
Exploration and Production	4,431	1,598	177%
Gas and Power	270	351	(23)%
Refining and Marketing incl. petrochemicals	493	435	13%
Corporate and Other	32	42	(25)%
Total capital expenditure	**5,226**	**2,426**	**115%**
+/– Changes in the consolidated Group and other adjustments	1,156	370	213%
– Investments in financial assets	(183)	(11)	n.m.
Additions according to statement of non-current assets (intangible and tangible assets)	**6,199**	**2,785**	**123%**
+/– Non-cash changes	(1,443)	(300)	381%
Cash outflow due to investments in intangible and tangible assets	**4,755**	**2,485**	**91%**
+ Cash outflow due to investments in securities, loans and other financial assets	48	13	271%
Investments as shown in the cash flow statement	**4,803**	**2,498**	**92%**

[1] Includes acquisitions as well as equity-accounted investments and other interests; adjusted for capitalized decommissioning costs, exploration wells that have not found proved reserves, borrowing costs and other additions which by definition are not considered as capital expenditure

Summarized statement of financial position				EUR mn
	2013	%	2012	%
Assets				
Non-current assets	23,641	74	21,073	69
Intangible assets and property, plant and equipment	20,648	65	17,827	58
Equity-accounted investments	1,853	6	1,811	6
Other non-current assets	748	2	1,136	4
Deferred tax assets	392	1	300	1
Current assets	7,564	24	9,191	30
Inventories	2,456	8	3,202	10
Trade receivables	3,270	10	3,822	13
Other current assets	1,838	6	2,167	7
Assets held for sale	582	2	255	1
Equity and liabilities				
Equity	14,545	46	14,530	48
Non-current liabilities	8,894	28	8,713	29
Pensions and similar obligations	1,022	3	978	3
Bonds and other interest-bearing debts	3,899	12	4,413	14
Decommissioning and restoration obligations	2,765	9	1,995	7
Other provisions and liabilities	536	2	548	2
Deferred tax liabilities	673	2	778	3
Current liabilities	8,257	26	7,180	24
Trade payables	4,914	15	4,290	14
Bonds and other interest-bearing debts	996	3	376	1
Provisions and other liabilities	2,348	7	2,514	8
Liabilities associated with assets held for sale	89	0	96	0
Total assets/equity and liabilities	**31,786**	**100**	**30,519**	**100**

Statement of financial position

Total assets increased by EUR 1,267 mn to EUR 31,786 mn. The increase in **non-current assets** amounting to EUR 2,568 mn was mainly due to investment activities in intangible assets and property, plant and equipment, which include the purchase of Statoil assets, together with E&P investments in Petrom and field developments in Norway and the UK.

Equity-accounted investments increased by EUR 42 mn. Changes of equity-accounted investments include the result contribution of Borealis as well as the proportional results from other equity-accounted investments, translation of foreign operations and other changes. **Other non-current assets**, which primarily comprise non-current receivables, loans and securities, decreased by EUR 388 mn to EUR 748 mn.

Deferred tax assets increased to EUR 392 mn.

Current assets decreased by EUR 1,627 mn. This was mainly related to a EUR 747 mn decrease in inventory mainly due to the sale of LMG Lagermanagement GmbH, the company who manages the emergency stock in Austria and the significant sales from the gas storage, a EUR 551 mn decrease in **trade receivables**, mainly due to factoring and securitization and a EUR 522 mn decrease in **cash and cash equivalents**.

Current assets held for sale increased by EUR 326 mn, mainly due to the future sale of the 45% stake in the German Bayernoil refinery network and the related business, partially compensated by divestments in R&M.

Increased E&P asset base

Equity (including non-controlling interest) remained stable, whereas the equity ratio decreased slightly to 46% (2012: 48%).

Pensions and similar obligations increased by EUR 44 mn. **Non-current decommissioning and restoration obligations** rose by EUR 769 mn, mainly due to the acquisition of the Statoil assets in Norway and UK.

+8% cash flow from operating activities

Current and non-current bonds and other interest-bearing debts increased by EUR 106 mn, mainly due to the issuance of a new EUR 500 mn Eurobond, partly compensated by repayments made during the period.

Trade payables increased by EUR 623 mn, mainly due to the increase in the investing activity and to positive effects on working capital from the performance improvement program "energize OMV".

Current and non-current other provisions and other liabilities decreased by EUR 179 mn, mainly due to the use of provision for alleged late payment interest charges following a tax review of the years 2009 and 2010 of OMV Petrom SA, and the valuation of derivatives in EconGas and OMV Trading.

Deferred tax liabilities decreased to EUR 673 mn.

Gearing ratio

As of December 31, 2013, short- and long-term borrowings, bonds and financial leases amounted to EUR 5,076 mn (2012: EUR 4,974 mn), while cash and cash equivalents decreased to EUR 705 mn (2012: EUR 1,227 mn) in total. **Net debt** increased by EUR 625 mn to EUR 4,371 mn (2012: EUR 3,747 mn). At December 31, 2013, the **gearing ratio,** defined as net debt divided by equity, was 30% (2012: 26%). This reflects the issuance of a new bond and the decrease of the cash position. The EUR 500 mn Eurobond was issued on November 18, 2013 and has a coupon of 1.75% and a maturity date of November 25, 2019.

Cash flow

The Group's cash flow statement is prepared using the indirect method, whereby adjustments are made for changes in the group of consolidated companies, foreign exchange differences and other non-cash transactions.

Cash flow from operating activities increased by EUR 297 mn or 8% from EUR 3,813 mn to EUR 4,110 mn. The reconciliation of net income for the year to the cash flow from operating activities (before changes in working capital) resulted in a net upward adjustment of EUR 1,709 mn for 2013 (2012: EUR 1,785 mn). The adjustment for depreciation, amortization and impairments was EUR 2,253 mn (2012: EUR 2,036 mn) and EUR (131) mn (2012: EUR (139) mn) for deferred taxes. The current tax expense less net tax payments resulted in a decrease of EUR 3 mn (2012: Increase of EUR 53 mn). The share of equity-accounted investments' result and other dividend income less the dividend payments received contributed to a decrease of EUR 140 mn (2012: EUR 160 mn). The net interest expenses related to loans and other liabilities less interest paid resulted in a decrease of EUR 26 mn (2012: EUR 47 mn). The net decrease in long-term provisions (including employee benefits and decommissioning and restoration obligations) resulted in a negative cash flow adjustment of EUR 41 mn (2012: Positive adjustment of EUR 73 mn). The total of write-ups of fixed assets and other non-cash items resulted in a decrease of EUR 208 mn (2012: Increase of EUR 69 mn).

In 2013, net working capital decreased by EUR 673 mn (2012: EUR 237 mn). Receivables and inventories decreased by EUR 118 mn (2012: Increase of EUR 570 mn), and liabilities increased by EUR 560 mn (2012: EUR 920 mn). Short-term provisions decreased by EUR 4 mn (2012: EUR 113 mn).

Cash outflows for investments in non-current assets of EUR 4,803 mn (2012: EUR 2,498 mn) were partly offset by proceeds from the sale of non-current assets, subsidiaries and businesses, net of cash disposed, amounting to EUR 835 mn (2012: EUR 218 mn), mainly related to the sale of LMG Lagermanagement GmbH, a company which holds and manages a major part of R&M's Austrian emergency stocks and to other divestments. **Net cash outflow from investment activities** totaled EUR 3,968 mn (2012: EUR 2,279 mn).

Cash inflows from the net increase of short-term and long-term borrowings amounted to EUR 120 mn (2012: Net decrease of EUR 38 mn). In 2013, the Group acquired the non-controlling stake of 49% in Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H. and exercised the put options held by Oberösterreichische Ferngas Aktiengesellschaft that led to an increase of OMV's indirect stake in EconGas GmbH, partly compensated by the decrease in the stake held in Austrian Gas Grid Management AG. In 2012, the Group sold 15% of the stake held in the Central European Gas Hub AG for EUR 7 mn. Cash outflows for dividend payments amounted to EUR 627 mn (2012: EUR 626 mn), of which EUR 391 mn (2012: EUR 359 mn) was paid to OMV shareholders, EUR 185 mn (2012: EUR 222 mn) to shareholders of non-controlling interests and EUR 51 mn (2012: EUR 45 mn) to hybrid capital owners. In 2013, the Group issued a new Eurobond with a nominal value of EUR 500 mn. In 2012, there were EUR 1,500 mn cash inflows from issuance of new Eurobonds. **Net cash outflow from financing activities** amounted to EUR 641 mn (2012: EUR 658 mn).

Risk management

OMV is an integrated, international oil and gas company. Its operations extend from hydrocarbon exploration and production and processing through to trading and marketing of mineral products and gas. Furthermore, OMV is operating two gas-fired power plants, in Romania and in Turkey. In common with the entire oil and gas industry, OMV is exposed to a variety of risks – including market, operational, strategic, regulatory and political as well as hazard risks. It is OMV's view that the Group's overall risk is significantly reduced due to its substantial diversification and the related, partially offsetting effects of different risks. The balancing effects of offsetting industry risks, however, often lag or can weaken. Therefore, OMV's risk management activities focus on the group-wide net risk exposure of the existing and future portfolio. The areas of risk management and insurance are centrally coordinated within the Corporate Finance department, which ensures that well-defined and consistent risk management processes, tools and techniques are applied in the entire organization.

The overall objective of the risk policy is to safeguard the cash flows required by the Group for growth and to maintain a strong investment grade credit rating in line with the Group's risk appetite. New business strategies and the associated risks are also monitored with respect to rating implications. Financial risks (e.g. market prices, currencies) are reviewed quarterly by the Financial Risk Committee. A cross functional committee with senior management members of OMV Group – the Risk Committee – ensures that an Enterprise Wide Risk Management (EWRM) program is in place to effectively manage the integrated risks across OMV.

EWRM is continuously enhanced. The main purpose is to deliver value through risk-based management decision making. Thorough assessment of financial, operational and strategic risks should support the exploitation of business opportunities in a systematic manner in order to ensure sustainable growth in OMV's value. Since 2003, the EWRM system has helped to enhance risk awareness and risk management skills across the entire organization, including subsidiaries in more than 20 countries.

The risk culture is supported by an IT application facilitating the risk management processes established within OMV Group: Risk identification, risk analysis, risk evaluation, risk treatment, reporting and risk reviewing through continuous surveillance of changes to the risk profile. Overall risk resulting from the bottom-up risk management process is computed with the aid of Monte Carlo simulations and compared against planning data. This is further combined with a senior management view from a top-down approach to capture the strategic risks. Reports on the findings of the EWRM process, together with risk reports from material associated companies, are submitted to the Executive Board and to the Audit Committee twice a year. In compliance with the Austrian Code of Corporate Governance, the effectiveness of the EWRM system is evaluated by the external auditor on an annual basis. The key non-financial and financial risks identified in respect of OMV's medium-term plan are market price risks, political risks, regulatory and compliance risks, business process risks, foreign exchange risks (particularly relating to the USD, RON and TRY), project risks, personnel risks as well as hazard risks.

Although OMV has extensive experience in the political environment in CEE and SEE and in its core oil and gas production areas, political developments in all markets where OMV operates are kept under constant observation. Furthermore, country-specific risks are assessed before entering new countries. Risks related to the EU Emission Trading Scheme (EU ETS) are separately recorded, aggregated for the Group as a whole, and monitored by a group-wide committee (Carbon Steering Committee) on an ongoing basis. In particular, the impact of the revised allocation rules in the EU ETS from 2013 onwards is being analyzed in detail. Furthermore, OMV is monitoring emerging regulations related to climate change in all operating countries. Through systematic staff succession and development planning, Corporate Human Resources plans for suitable managerial staff to meet future growth requirements in order to mitigate personnel risks.

Control and mitigation of identified and assessed risks takes place at all organizational levels using clearly defined risk policies and responsibilities. The key Group risks are governed centrally to ensure the ability to meet the strategic objectives, through the essence of corporate directives, including those relating to health, safety, security and environment, legal matters and compliance, human resources and corporate social responsibility, with special emphasis on human rights and market price risks.

Analysis and management of financial risks arising from foreign currencies, interest rates, commodity prices, counterparties, CO_2 emissions, liquidity as well as insurable risks are undertaken in a consolidated way within Corporate Finance.

Market price risk is monitored and analyzed centrally as to the potential cash flow impact using a specific risk analysis model that considers portfolio effects. Results of the risk analysis are discussed by the Financial Risk Committee comprising senior management of the business segments and corporate functions. Proposals for hedging strategies are submitted to the Executive Board for approval.

The primary foreign currency risks are related to the exposure of the USD against the EUR, the RON and the TRY. The Group has a net USD long position, mainly resulting from sales of oil and gas production. The effects on cash flows and/or the statement of financial position (translation risk) as well as the correlation with the oil price are regularly monitored. Translation exposure also arises from consolidation of assets in Romania, Turkey and Norway.

To balance the Group's interest rate portfolio, some USD and EUR denominated loans were converted from fixed to floating rates and vice versa, according to predefined rules. The main counterparty credit risks are assessed, monitored and controlled at Group and segment level, using predetermined credit limits for all counterparties, banks and security providers. The procedures are governed by guidelines at OMV, Petrom and Petrol Ofisi level.

Sustainability & HSSE (Health, Safety, Security, Environment)

OMV has a long history of sustainability management and a track record that reflects its sense of responsibility towards society and the environment. During 2013, OMV made good progress in implementing the sustainability concept "Resourcefulness" - setting new milestones and embedding sustainability deeper into operations. Rolled out in 2012, Resourcefulness puts sustainability at the heart of the business. OMV aims to create long-term, sustainable win-win situations that benefit society, the environment and OMV. This is a key enabler of the strategy "Profitable Growth". Resourcefulness initiatives focus on Education & Development, Environmental Management and New Energies.

Strong governance ensures that OMV develops and integrates the concept in the core business. An internal Resourcefulness Executive Team, headed by Gerhard Roiss, CEO of OMV, is responsible for setting strategic priorities, supported by a Resourcefulness Advisory Board, which comprises recognized external experts advising OMV on further development of the Resourcefulness concept.

OMV made significant progress across its focus areas in 2013. OMV submits information to leading sustainability rating agencies and participates in the Carbon Disclosure Project (CDP). OMV has been awarded "Prime Status" by oekom research AG, one of the world's leading sustainable investment rating agencies. OMV is also listed in the Austrian Sustainability Index (VÖNIX) of the Vienna Stock Exchange as well as the United Nations Global Compact 100 index. In 2013, OMV significantly improved the CDP score to above sector and Austrian average.

Health, Safety, Security and Environment (HSSE) is a top priority for OMV and a basic requirement for business success. OMV strongly emphasizes the safety of the people and has emergency and crisis management plans in place at all assets. Following a risk-based safety strategy, OMV keeps working to make operations increasingly resilient to changing socio-political circumstances. The main concern is the physical and mental well-being and safety of the people who work for OMV, as well as the integrity of operating facilities. Loss prevention and proactive risk management, in particular, are vital for maintaining the license to operate. Sadly, in 2013, there were four work-related fatalities. OMV will continue working hard to prevent such tragedies.

Key actions in 2013 comprised:

- Establishment of a revised HSSE risk management approach, aligned with ISO 31000, and commencing roll-out
- Improving of Major Accident Event assessments and setting up a process safety network across OMV Group to promote operational excellence
- Increasing top management participation in incident investigations and focusing on high potential incidents
- Road safety was addressed by a Transportation Safety Forum in Petrom and by the further roll-out of an in-vehicle monitoring system

In 2013, OMV provided 353,349 HSSE training hours for employees.

OMV takes responsibility for managing environmental impacts along its entire value chain. The goal is to optimize processes so OMV efficiently uses natural resources and reduce emissions and discharges. Spill risk management is a key focus across operations. In 2013, OMV recorded no significant hydrocarbon spills. Petrom has further rolled out a spill risk map, already implemented in six E&P assets. Spill-related emergency exercises were also conducted. OMV constantly carries out a broad range of incremental energy efficiency improvements. For example, at Petrobrazi refinery, steam tracers have been replaced with electrical ones and steam re-boilers have been introduced.

Improved Carbon Disclosure Project score

Focus on hydrogen mobility and second generation biofuels

Eco-Innovation

Eco-Innovation contributes to long-term profitable and sustainable operations. OMV uses its core expertise and employs new technologies to develop alternative energy sources and new business areas. In doing so, OMV focuses on hydrogen mobility and second generation biofuels.

OMV continues to contribute to the development of the hydrogen retail station network and in general the support of the implementation of fuel cell vehicles. In 2012, OMV opened the first public hydrogen filling station in Austria. In 2013, a new ambitious milestone was set, along with the "H2 Mobility" initiative partners. OMV has agreed an action plan for the construction of a hydrogen refueling network for fuel cell vehicles. The current network shall expand to about 400 filling stations in Germany by 2023. In Austria, OMV is elaborating a roadmap for the research and development of hydrogen and fuel cell technologies.

The highly innovative second generation BioCrack™ plant in the Schwechat refinery, which converts biomass such as wood chips and straw into diesel fuel, has been improved to allow continuous test runs with different feedstocks. This enables OMV to collect further valuable data and practical experience regarding this new technology.

Information required by section 243a Unternehmensgesetzbuch (Austrian Commercial Code)

The following information is disclosed according to section 243a Austrian Commercial Code:

1. The capital stock amounts to EUR 327,272,727 and is divided into 327,272,727 bearer shares of no par value. There is only one class of shares.

2. There is a consortium agreement between the two core shareholders, Österreichische Industrieholding Aktiengesellschaft (ÖIAG) and International Petroleum Investment Company (IPIC), which provides for coordinated behavior and certain limitations to transfers of stockholdings.

3. ÖIAG holds 31.5% and IPIC holds 24.9% of the capital stock.

4. All shares have the same control rights.

5. Employees who are shareholders directly exercise their voting right at the Annual General Meeting.

6. The Company's Executive Board must consist of two to six members. The Company's Supervisory Board must consist of at least six members elected by the Annual General Meeting and of the members nominated under section 110 (1) Arbeitsverfassungsgesetz (Austrian Labor Constitution Act). To approve capital increases pursuant to section 149 Aktiengesetz (Austrian Stock Corporation Act) and alterations of the Articles of Association (except those concerning the Company's objects), simple majorities of the votes and capital represented in adopting the resolution is sufficient.

7. a) The Executive Board has been authorized by resolution of the Annual General Meeting held on May 13, 2009, to increase, subject to the consent of the Supervisory Board, the capital stock of the Company by May 13, 2014, in one or more tranches, by an aggregate amount not exceeding EUR 77.9 mn by issuance of up to 77,900,000 new common shares in bearer form against cash or contributions in kind, also to the exclusion of shareholders' rights of subscription in the event of contributions in kind and, subject to the consent of the Supervisory Board, to set the issue price and conditions of issuance (authorized capital). By partly exercising the said authorization, the Executive Board, based on its resolutions dated May 16, 2011 and June 6, 2011 and upon approval by the Supervisory Board, increased the capital stock from EUR 300,000,000 by EUR 27,272,727 to EUR 327,272,727 by issuing 27,272,727 new shares (capital increase in cash from authorized capital). As a result of the mentioned capital increase, the Executive Board is now authorized to increase, subject to the consent of the Supervisory Board, the capital stock of the Company by May 13, 2014, in one or more tranches, by an aggregate amount not exceeding EUR 50.6 mn by issuance of up to 50,627,273 new common shares in bearer form against cash or contributions in kind, also to the exclusion of shareholders' rights of subscription in the event of contributions in kind and, subject to the consent of the Supervisory Board, to set the issue price and conditions of issuance (authorized capital).

   b) The capital stock has been conditionally increased by EUR 50.6 mn under section 159 (2) (1) Austrian Stock Corporation Act by issuance of up to 50,627,273 common shares in bearer form (conditional capital). The conditional capital increase will only be carried out if holders of any convertible bonds issued on the basis of the Annual General Meeting resolution held on May 13, 2009, exercise their right to convert them into the Company's stock.

   c) The total number of new shares currently or potentially to be issued under the terms of the convertible bonds and the number of shares to be issued from the authorized capital may not exceed 50,627,273 (amount-related determination of authorizations in accordance with paragraphs a) and b), whereby the conversion right of the holders of the convertible bonds must be granted in any case.

   d) On May 17, 2011, the Annual General Meeting authorized the Executive Board to repurchase treasury shares of up to 10% of the capital stock during a period of 30 months from the day of the resolution in question. Treasury shares could be repurchased via the stock exchange, by way of public tender or in any other legally permitted way and to any legally permitted purpose until November 16, 2013. The Executive Board had also been authorized to rescind treasury shares upon repurchase as well as treasury shares currently owned by the Company without any further resolution by the Annual General Meeting until the same date.

e) The Executive Board has also been authorized until May 16, 2016, upon approval by the Supervisory Board but without any further resolution by the Annual General Meeting, to sell or use treasury shares upon repurchase as well as treasury shares currently owned by the Company via the stock exchange, by way of public tender, or in any other way. In particular, treasury shares can be utilized (i) to satisfy stock option and Long Term Incentive Plans for employees, executive staff and members of the Executive Board or the management of the Company or affiliated subsidiaries as well as other employees' bonus schemes, (ii) for convertible bonds, if issued, (iii) as a compensation for the acquisition of enterprises, participations or other assets and (iv) to any other legally permitted purpose. The general shareholders' subscription rights can be excluded and this authorization can be exercised wholly or partly.

8. In addition to the capital increase, a hybrid bond with a size of EUR 750 mn was placed on the market on May 25, 2011. As the repayment of principal and the payments of interest are solely at the discretion of OMV, according to IFRS, the proceeds of the hybrid bond (less costs of issuance) were fully treated as equity. The hybrid bears a fixed interest rate of 6.75% until April 26, 2018, thereafter a reset fixed rate (to be determined) until April 26, 2023, and thereafter a floating interest rate with a 100 basis points step up. The hybrid bond has no scheduled maturity date and may be redeemed at the option of OMV under certain circumstances. OMV has in particular the right to repay the hybrid bond at certain dates. In the case of a change of control, OMV may call the hybrid bond for redemption or else the applicable interest rate will be subject to an increase according to the terms and conditions of the hybrid bond.

9. At December 31, 2013, no other material agreements to which OMV is a party are in place which in case of change of control due to a takeover offer would come into effect, be amended or terminated.

10. There are no agreements between the Company and members of the Executive Board and Supervisory Board or employees regarding the payment of compensation in the event of a public takeover bid.

11. The most important elements of the internal control and risk management system regarding the accounting process are the following: Standards for the internal control system are defined by internal Corporate Guidelines. Corporate Internal Audit controls the compliance with these standards through regular audits, based on the annual audit plan approved by the audit committee, or through ad-hoc audits. The results of those audits are presented to the audit committee. The establishment of group-wide standards for the preparation of annual and interim financial statements by means of the corporate IFRS Accounting Manual is also regulated by an internal Corporate Guideline. The Group uses a comprehensive risk management system. The essential processes of the financial reporting system have been identified and analyzed. For the main "End-to-end" processes (e.g. Purchase-to-Pay, Order-to-Cash) group-wide standards are defined. Based on a rolling time plan, the implementation and the effectiveness are being monitored. In addition, the effectiveness of the risk management system is regularly evaluated by external auditors. The results of the evaluation are reported to the audit committee.

Subsequent events

Please refer to Note 36 in the Consolidated Financial Statements.

Outlook

Mid-term guidance

The current upstream portfolio, including the completion of projects under development, should enable OMV to reach a production level of approximately 400 kboe/d and a three-year average reserve replacement rate of 100% by 2016. Average group CAPEX for the period 2014-2016 is expected to be EUR ~3.9 bn p.a. with roughly 80% being directed to E&P. Assuming market conditions similar to those currently prevailing, the Group's operating cash flow and planned divestments are expected to be adequate to fund this investment program as well as the dividends to shareholders with the gearing ratio remaining in line with the long-term target of ≤30%. ROACE performance in the mid-term will be adversely affected by capital consumed in project developments, though it will return towards target levels as these developments come on stream. The dividend is expected to increase in line with net income attributable to stockholders (payout ratio 30%).

Market environment

For 2014, OMV expects the average Brent oil price to remain above USD 100/bbl, whilst the Brent-Urals spread is anticipated to stay relatively tight. In Romania, scheduled domestic gas price increases due in January have already been implemented, with further increases due in April, July and October 2014. The G&P market environment is expected to remain highly challenging. Refining margins are forecast to remain under pressure in 2014 due to sluggish economic recovery and persisting overcapacity on European markets. In the petrochemical business, margins are expected to remain on similar levels as in 2013. Marketing volumes are anticipated to remain under pressure as ongoing demand weakness caused by a still weak economic environment continues to affect OMV's core markets. Marketing margins are expected to remain at or slightly below 2013 levels.

OMV aims to achieve world class HSSE performance with safe workplaces as well as processes and to further improve the Lost-Time Injury Rate (LTIR). CAPEX for 2014 is expected to be around EUR 3.9 bn. The group-wide performance improvement program "energize OMV", which targets a 2% points ROACE contribution, is on track to achieve its target by the end of 2014.

EUR ~3.9 bn CAPEX planned for 2014

In the **E&P** business segment, the security situation in Libya and Yemen remains very difficult to predict. Taking this into account, the production level in 2014 is expected to be in the range of 320-340 kboe/d. In Romania and Austria, production is expected to remain within the targeted production range of 200-210 kboe/d. In Norway, production from Gudrun (start-up expected in Q1/14) and Gullfaks is expected to rise to about 40 kboe/d during 2014. Production in New Zealand is expected to be higher on a yearly basis following the successful completion of the refurbishment program in Maari in 2013 and additional production coming from the Maari Growth project in 2014. E&P capital expenditure for 2014 will be around EUR 3 bn, with the following major investment projects: Gullfaks, Aasta Hansteen, Edvard Grieg and Gudrun in Norway, Schiehallion in the UK, Habban Phase 2 in Yemen, Nawara in Tunisia and field redevelopments in Romania and Austria. In Romania, following data interpretation of the 3D seismic survey of the Neptun block, a new drilling campaign is anticipated to start around mid-2014. In Norway, appraisal work on the oil discovery in Wisting Central is expected to start in H1/14. Exploration and appraisal expenditure will be around EUR 0.7 bn with up to 12 high impact exploration wells expected to be drilled in Romania (Black Sea), Norway (Barents Sea), Gabon, New Zealand, Faroe Islands (West of Shetland) and Austria.

Production increase in Norway expected

Finalization of the Petrobrazi refinery modernization program during 2014

In the **G&P** business segment, further renegotiations of the long-term gas supply contract with Gazprom will continue in EconGas with the aim of achieving full market-based pricing. The focus on improving the Gate LNG position will also continue. Gas demand in Romania is expected to further decrease, which will lead to increased competition and margin pressure in 2014. The gas business in Turkey is expected to be significantly burdened by the gas prices as set by the dominant local gas supplier Botas and by the expected FX rate development. In the gas storage business, the second tranche of caverns in Etzel will be handed over for operation in mid-2014. The very low level of summer/winter spreads and of storage prices are expected to further reduce profitability. A significantly lower contribution from the Austrian gas transportation business is expected as restructuring measures following the changes in the Austrian Gas Act will be implemented. In Romania and Turkey, a further deterioration of spark spreads is expected, partly driven by the increase in Romanian gas prices, leading to an overall negative power result in 2014.

In the **R&M** business segment, the Petrobrazi refinery modernization program will be finalized during 2014, leading to improvements in both refining efficiency and yield structure. In this context, a 30-day shutdown and turnaround is planned for the refinery during Q2. Further major shutdowns in 2014 are planned for the Schwechat refinery in Q2 (15 days for crude unit cleaning) and the Burghausen refinery in Q4 (40 days general shutdown for the regular TÜV inspection). The closing of the Bayernoil disposal is expected in the first half of 2014. The divestment program is well on track and expected to deliver the target of up to EUR 1 bn by the end of 2014. The recent volatility in the economic development in Turkey creates a challenge for Petrol Ofisi's profitability.

Vienna, March 19, 2014

The Executive Board

Gerhard Roiss

David C. Davies

Hans-Peter Floren

Jaap Huijskes

Manfred Leitner

Financial statements

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Auditors' report (report on the consolidated financial statements)

We have audited the accompanying consolidated financial statements of OMV Aktiengesellschaft, Vienna, for the fiscal year from January 1, 2013 to December 31, 2013. These consolidated financial statements comprise the consolidated statement of financial position as of December 31, 2013, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended December 31, 2013, and a summary of significant accounting policies and other explanatory notes except for "Oil and gas reserve estimation and disclosures (unaudited)".

Management's responsibility for the consolidated financial statements and for the accounting system

The Company's management is responsible for the Group accounting system and for the preparation and fair presentation of the consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements under Section 245a UGB. This responsibility includes: Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility and description of type and scope of the statutory audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing, as well as in accordance with International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2013 and of its financial performance and its cash flows for the fiscal year from January 1, 2013 to December 31, 2013 in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the consolidated management report

Pursuant to statutory provisions, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the consolidated management report is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the consolidated management report is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, March 19, 2014
Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Helmut Maukner (Wirtschaftsprüfer) Gerhard Schwartz (Wirtschaftsprüfer)

This report is a translation of the original report in German, which is solely valid. Publication of the consolidated financial statements together with our auditors' opinion may only be made if the consolidated financial statements and the consolidated management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Consolidated income statement for 2013

Consolidated income statement			EUR 1,000
	Note	**2013**	2012
Sales revenues		**42,414,699**	**42,649,231**
Direct selling expenses		(343,490)	(363,547)
Cost of sales		(37,723,136)	(36,970,523)
Gross profit		**4,348,073**	**5,315,160**
Other operating income	7	703,942	258,355
Selling expenses		(963,049)	(1,018,745)
Administrative expenses		(417,694)	(421,752)
Exploration expenses		(513,046)	(488,488)
Research and development expenses		(16,937)	(21,037)
Other operating expenses	8	(424,690)	(519,773)
Earnings Before Interest and Taxes (EBIT)		**2,716,599**	**3,103,721**
Income from equity-accounted investments	9	163,422	200,441
Dividend income		10,661	11,888
Interest income	9	66,723	37,641
Interest expenses	9	(300,089)	(413,708)
Other financial income and expenses	9	(367,320)	(82,489)
Net financial result		**(426,604)**	**(246,227)**
Profit from ordinary activities		**2,289,995**	**2,857,495**
Taxes on income	10	(561,429)	(1,067,031)
Net income for the year		**1,728,566**	**1,790,464**
thereof attributable to stockholders of the parent		1,162,350	1,363,352
thereof attributable to hybrid capital owners		37,969	38,040
thereof attributable to non-controlling interests		528,247	389,072
Basic earnings per share in EUR	11	**3.56**	**4.18**
Diluted earnings per share in EUR	11	**3.55**	**4.17**

Consolidated statement of comprehensive income for 2013

Consolidated statement of comprehensive income			EUR 1,000
	Note	**2013**	2012
Net income for the year		**1,728,566**	**1,790,464**
Exchange differences from translation of foreign operations		**(885,580)**	**(50,918)**
Gains/(losses) arising during the year, before income taxes		(895,502)	(50,952)
Reclassification of (gains)/losses to net income		9,922	34
Gains/(losses) on available-for-sale financial assets		**(2,314)**	**3,847**
Gains/(losses) arising during the year, before income taxes		(2,085)	3,847
Reclassification of (gains)/losses to net income		(229)	—
Gains/(losses) on hedges		**(16,703)**	**74,537**
Gains/(losses) arising during the year, before income taxes		17,625	(116,565)
Reclassification of (gains)/losses to net income		(34,328)	191,102
Share of other comprehensive income of equity-accounted investments		**(33,706)**	**4,350**
Gains/(losses) arising during the year		(33,706)	4,350
Total of items that may be reclassified ("recycled") subsequently to the income statement		**(938,303)**	**31,816**
Remeasurement gains/(losses) on defined benefit plans		**(98,310)**	**(76,425)**
Share of other comprehensive income of equity-accounted investments		**(303)**	**(14,272)**
Gains/(losses) arising during the year		(303)	(14,272)
Total of items that will not be reclassified ("recycled") subsequently to the income statement		**(98,613)**	**(90,697)**
Income taxes relating to items that may be reclassified ("recycled") subsequently to the income statement		9,464	(16,564)
Income taxes relating to items that will not be reclassified ("recycled") subsequently to the income statement		25,178	19,166
Total income taxes relating to components of other comprehensive income	20	**34,642**	**2,602**
Other comprehensive income for the year, net of tax	20	**(1,002,274)**	**(56,279)**
Total comprehensive income for the year		**726,292**	**1,734,184**
thereof attributable to stockholders of the parent		179,786	1,354,529
thereof attributable to hybrid capital owners		37,969	38,040
thereof attributable to non-controlling interests		508,538	341,615

Consolidated statement of financial position as of December 31, 2013

Assets			**EUR 1,000**
	Note	**2013**	2012
Intangible assets	12	3,596,917	3,479,574
Property, plant and equipment	13	17,050,756	14,347,110
Equity-accounted investments	14	1,853,137	1,811,003
Other financial assets	17	634,600	1,016,236
Other assets	18	113,263	119,271
Deferred taxes	23	392,335	299,918
Non-current assets		**23,641,008**	**21,073,112**
Inventories	15	2,455,508	3,202,244
Trade receivables	16	3,270,470	3,821,749
Other financial assets	17	751,699	477,167
Income tax receivables		81,666	152,120
Other assets	18	299,390	310,137
Cash and cash equivalents		704,922	1,227,298
Current assets		**7,563,654**	**9,190,713**
Assets held for sale	19	581,586	255,344
Total assets		**31,786,248**	**30,519,170**

Equity and liabilities			EUR 1,000
	Note	2013	2012
Share capital		327,273	327,273
Hybrid capital		740,794	740,794
Reserves		10,545,840	10,834,397
OMV stockholders' equity		**11,613,907**	**11,902,464**
Non-controlling interests		2,931,430	2,627,510
Total equity	20	**14,545,337**	**14,529,974**
Provisions for pensions and similar obligations	21	1,021,983	978,027
Bonds	22	3,317,820	3,527,151
Other interest-bearing debts	22	581,286	886,083
Provisions for decommissioning and restoration obligations	21	2,764,544	1,995,124
Other provisions	21	305,804	298,297
Other financial liabilities	22	223,574	243,012
Other liabilities	22	6,337	6,783
Deferred taxes	23	672,836	778,388
Non-current liabilities		**8,894,184**	**8,712,865**
Trade payables	22	4,913,909	4,290,438
Bonds	22	778,209	213,615
Other interest-bearing debts	22	217,420	162,127
Income tax liabilities		275,888	193,727
Decommissioning and restoration obligations	21	84,022	81,438
Other provisions	21	415,407	568,904
Other financial liabilities	22	383,475	408,720
Other liabilities	22	1,189,071	1,261,263
Current liabilities		**8,257,402**	**7,180,231**
Liabilities associated with assets held for sale	19	89,325	96,100
Total equity and liabilities		**31,786,248**	**30,519,170**

Consolidated statement of changes in equity

Consolidated statement of changes in equity in 2013 [1]

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Translation of foreign operations	Available-for-sale financial assets
January 1, 2013	**327,273**	**1,495,803**	**740,794**	**9,853,099**	**(504,021)**	**1,943**
Net income for the year	—	—	—	1,200,319	—	—
Other comprehensive income for the year	—	—	—	(73,027)	(864,975)	(1,782)
Total comprehensive income for the year	**—**	**—**	**—**	**1,127,293**	**(864,975)**	**(1,782)**
Dividend distribution and hybrid coupon	—	—	—	(442,106)	—	—
Tax effects on transactions with owners	—	—	—	12,656	—	—
Disposal of treasury shares	—	897	—	—	—	—
Share-based payments	—	1,523	—	544	—	—
Increase/(decrease) in non-controlling interests	—	—	—	(80,269)	—	—
December 31, 2013	**327,273**	**1,498,223**	**740,794**	**10,471,218**	**(1,368,996)**	**161**

Consolidated statement of changes in equity in 2012 [1]

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Translation of foreign operations	Available-for-sale financial assets
January 1, 2012	**327,273**	**1,489,132**	**740,794**	**8,901,400**	**(514,111)**	**(981)**
Net income for the year	—	—	—	1,401,392	—	—
Other comprehensive income for the year	—	—	—	(57,258)	10,090	2,924
Total comprehensive income for the year	**—**	**—**	**—**	**1,344,133**	**10,090**	**2,924**
Dividend distribution	—	—	—	(404,127)	—	—
Tax effects on transactions with owners	—	—	—	12,680	—	—
Disposal of treasury shares	—	1,883	—	—	—	—
Share-based payments	—	4,788	—	—	—	—
Increase/(decrease) in non-controlling interests	—	—	—	(987)	—	—
December 31, 2012	**327,273**	**1,495,803**	**740,794**	**9,853,099**	**(504,021)**	**1,943**

[1] See Note 20

EUR 1,000

Hedges	Share of other compr. income of equity-accounted investments	Treasury shares	OMV stockholders' equity	Non-controlling interests	Total equity
15,018	**(15,600)**	**(11,847)**	**11,902,464**	**2,627,510**	**14,529,974**
—	—	—	1,200,319	528,247	1,728,566
(8,772)	(34,008)	—	(982,565)	(19,710)	(1,002,274)
(8,772)	**(34,008)**	**—**	**217,755**	**508,538**	**726,292**
—	—	—	(442,106)	(187,827)	(629,933)
—	—	—	12,656	—	12,656
—	—	443	1,340	—	1,340
—	—	—	2,068	—	2,068
—	—	—	(80,269)	(16,791)	(97,060)
6,246	**(49,608)**	**(11,404)**	**11,613,907**	**2,931,430**	**14,545,337**

EUR 1,000

Hedges	Share of other compr. income of equity-accounted investments	Treasury shares	OMV stockholders' equity	Non-controlling interests	Total equity
(30,326)	**(5,678)**	**(13,164)**	**10,894,340**	**2,509,559**	**13,403,900**
—	—	—	1,401,392	389,072	1,790,464
45,344	(9,922)	—	(8,823)	(47,457)	(56,279)
45,344	**(9,922)**	**—**	**1,392,569**	**341,615**	**1,734,184**
—	—	—	(404,127)	(225,421)	(629,548)
—	—	—	12,680	—	12,680
—	—	1,317	3,200	—	3,200
—	—	—	4,788	—	4,788
—	—	—	(987)	1,756	770
15,018	**(15,600)**	**(11,847)**	**11,902,464**	**2,627,510**	**14,529,974**

Consolidated statement of cash flows

Consolidated statement of cash flows [1]		EUR 1,000
	2013	2012
Net income for the year	**1,728,566**	**1,790,464**
Depreciation, amortization and impairments	2,252,905	2,035,809
Write-ups of fixed assets	(6,698)	(2,101)
Deferred taxes	(130,718)	(138,919)
Current taxes	692,147	1,205,950
Income taxes paid	(841,961)	(1,242,698)
Tax refunds	146,346	90,093
Losses/(gains) from disposal of non-current assets	16,598	(96,358)
Income from equity-accounted investments and other dividend income	(174,082)	(212,329)
Dividends received from equity-accounted investments and other companies	33,654	52,617
Interest expense	183,146	189,865
Interest paid	(209,185)	(236,258)
Interest income	(38,757)	(32,931)
Interest received	27,575	28,456
Increase/(decrease) in personnel provisions	(59,463)	(39,750)
Increase/(decrease) in long-term provisions	18,882	112,660
Other changes	(201,782)	71,125
	3,437,174	**3,575,696**
Decrease/(increase) in inventories	108,717	(125,433)
Decrease/(increase) in receivables	8,910	(444,814)
Increase/(decrease) in liabilities	559,970	920,396
Increase/(decrease) in short-term provisions	(4,453)	(112,876)
Cash flow from operating activities	**4,110,318**	**3,812,967**
Investments		
Intangible assets and property, plant and equipment	(4,754,950)	(2,484,859)
Investments, loans and other financial assets	(48,176)	(12,699)
Disposals		
Proceeds from the sale of non-current assets	88,998	183,609
Proceeds from the sale of subsidiaries and businesses, net of cash disposed	746,040	34,457
Cash flow from investing activities	**(3,968,087)**	**(2,279,491)**
Increase in long-term borrowings	496,620	1,651,079
Repayments of long-term borrowings	(454,600)	(1,032,642)
Increase/(decrease) in short-term borrowings	78,341	(656,684)
Change in non-controlling interest	(133,678)	6,600
Dividends paid	(627,274)	(626,277)
Cash flow from financing activities	**(640,591)**	**(657,925)**
Effect of foreign exchange rate changes on cash and cash equivalents	(24,016)	(7,082)
Net increase/(decrease) in cash and cash equivalents	**(522,376)**	**868,469**
Cash and cash equivalents at beginning of year	1,227,298	358,828
Cash and cash equivalents at end of year	**704,922**	**1,227,298**

[1] See Note 24

Notes: Accounting principles and policies

1 Legal principles and general accounting policies

OMV Aktiengesellschaft (registered in the Austrian Register of Companies with its office based at Trabrennstraße 6-8, 1020 Vienna, Austria), is an integrated, international oil and gas company with activities in Exploration and Production (E&P), Gas and Power (G&P) and Refining and Marketing including petrochemicals (R&M).

These financial statements have been prepared and are **in compliance with International Financial Reporting Standards (IFRSs) as adopted by the EU and as well as in accordance with the supplementary accounting regulations pursuant to Sec. 245a, Para. 1 of the Austrian Company Code (UGB)**. The financial year corresponds to the calendar year.

The consolidated financial statements are in general based on the historical cost principle, except for certain items that have been measured at fair value as described in Note 4 Accounting and valuation principles.

The consolidated financial statements for 2013 have been prepared in thousands of EUR. Accordingly there may be rounding differences.

The consolidated financial statements for 2013 were approved and authorized for issue by the board of directors on March 19, 2014.

2 Estimates and assumptions

Preparation of the consolidated financial statements requires Management to make **estimates and assumptions** that affect the amounts reported for assets, liabilities, income and expenses, as well as the amounts disclosed in the Notes. Actual outcomes could differ from these estimates. Management believes that any deviations from these estimates will not have material influence on the consolidated financial statements in the near term. Estimates and assumptions need to be made particularly with respect to oil and gas reserves, provisions for decommissioning and restoration costs, the recoverability of intangible assets and property, plant and equipment and provisions for onerous contracts.

Oil and gas production assets are depreciated using the units of production (UOP) method on the basis of total proved developed reserves or total proved reserves. For more details please refer to Note 4.3g. Reserves are estimated by the Group's own engineers. The estimates are verified externally every two years. For details on oil and gas assets within intangible assets and property, plant and equipment please refer to Notes 12 and 13.

Estimates of future restoration costs are also based on reports prepared by Group engineers and on past experience. For details on the resulting provision for decommissioning and restoration costs please refer to Note 21. Provisions for decommissioning and restoration costs require estimates of interest rates, which have material effects on the amounts of the provisions. The interest rates applied for calculating the provision for decommissioning and restoration costs are between 0.5% and 3.0% (2012: 1.1% and 3.3%).

The Group assesses each asset or cash generating unit (CGU) each reporting period to determine whether any indication of impairment exists, except for goodwill, which is assessed annually regardless of indicators. Where an indicator exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. For all impairment tests performed the recoverable amount was based on value in use. The assessments require the use of different estimates and assumptions depending on the business such as crude oil prices, discount rates, reserves, growth rates, gross margins and spark spreads.

The pre-tax discount rates used for impairment tests vary by country between

- 8.4% to 28.6% for E&P (2012: 8.7% to 30.0%)
- 6.2% to 6.9% for G&P (2012: 7.0% to 8.2%)
- 6.6% to 7.7% for R&M (2012: 6.8% to 8.1%)

The goodwill allocated to the CGU Turkey resulted from the acquisition of OMV Petrol Ofisi A.Ş. in 2010, and amounted to EUR 542,381 thousand as of December 31, 2013 (2012: EUR 681,806 thousand). The pre-tax rate applied to discount the future cash flows, which are based on annual planning, was 7.7% in 2013. The planning assumptions included a growth rate of 3% for the first 10 years of future cash flows to mainly reflect the estimated market growth. There is sufficient headroom to support an increase of the discount rate up to 12.7%. Furthermore, assuming no growth will not trigger impairment. A potential 10% reduction in margins will also not trigger impairment.

The goodwill allocated to the Northwest Europe, Africa and Australasia region resulted from the acquisition of Pioneer's subsidiaries in Tunisia in 2011, and amounted to EUR 287,956 thousand as of December 31, 2013 (2012: EUR 300,985 thousand). The key valuation assumptions for the recoverable amount are the oil and natural gas prices, production volumes and the discount rate. The assumptions used for oil and gas prices for the first three years were based on forward prices. The medium- and long-term assumptions are consistent with data provided by external studies and consider long-term views of global supply and demand. The production profile was estimated based on past experience and represent management's best estimate of future production. The pre-tax discount rate used was 16.7% in 2013. The Management believes that there is no reasonably possible change in the discount rate that would trigger impairment. Furthermore, a 10% reduction in prices would not trigger impairment, nor would a 10% reduction in production volumes.

Taking into account the challenging market conditions for gas-fired power plants, both power plants (Samsun, Turkey and Brazi, Romania) were tested for impairment as of December 31, 2013. The recoverable amounts were based on the values in use. The cash flows for both power plants are based on the mid-term planning assumptions of the Group, which cover three years, and on figures beyond that time frame that were prepared on the basis of macro-economic assumptions. The key valuation assumptions for the recoverable amount are the spark spreads, being the differences between the electricity prices and the gas prices and the power quantities produced. The assumptions used for the first three years are based on forward prices, while the medium- and long-term assumptions are consistent with data provided by external studies. The pre-tax discount rates used were 6.90% for Samsun and 6.16% for Brazi.

In 2008, OMV entered into a long-term lease agreement for gas storage capacities of four salt dome caverns in Etzel, Germany. Two of these caverns were made available for use during 2012, whilst the remaining two caverns plus a cavity volume capacity will be made available in mid-2014. Since the signing of the contract, the economic surroundings for the gas storage business have noticeably worsened due to a significant decrease in the summer/winter spreads. As a result of this, an impairment of EUR 94,376 thousand was recorded as at December 31, 2013. The same assumptions were used for the caverns that are not yet available for use, which led to the recognition of a EUR 12,940 thousand provision.The recoverable amount was based on the value in use and amounted to EUR 75,617 thousand. The pre-tax discount rate used was 6.76%.

In 2012, OMV recorded a provision for the long-term, non-cancellable contract for regasification capacity and storage that became onerous due to the negative development of market conditions for LNG terminal capacity in Europe. No material changes occurred during 2013. The provision represents the unavoidable costs of meeting the contractual obligations. The costs and benefits also include costs for the purchase of additional LNG capacities in future periods, since the regasification of LNG and subsequent sale of the gas positively contributes to the coverage of the fixed costs. The relevant capacities are based on management's best estimates of available LNG capacities in the future. The prices are based on available forward rates. If no forward prices are available, the prices represent management's best estimate of future prices, derived from current market prices or forward rates of the preceding period.

3 Consolidation

The financial statements of all consolidated companies have the statement of financial position date December 31, and are prepared in accordance with uniform group-wide standards.

A summary of subsidiaries, at-equity accounted investments and other investments is included under Note 37.

Number of consolidated companies

		2013		2012
	Full consolidation	Equity consolidation	Full consolidation	Equity consolidation
At the beginning of the year	**102**	**12**	**98**	**13**
Included for the first time	8	—	5	—
Merged	(1)	—	—	—
Deconsolidated during the year	(9)	—	(1)	(1)
At the end of the year	**100**	**12**	**102**	**12**
[thereof domiciled and operating abroad]	[53]	[8]	[58]	[8]
[thereof domiciled in Austria and operating abroad]	[24]	[—]	[22]	[—]

In **Exploration and Production (E&P)**, OMV Tellal Hydrocarbons GmbH, OMV Offshore Morondava GmbH and OMV Myrre Block 86 Upstream GmbH, all based in Vienna, were included starting from January 1, 2013.

OMV Petrom Ukraine E&P GmbH, Vienna, was included starting from August 21, 2013.

OMV Petrom Ukraine Finance Services GmbH, Vienna, was included starting from December 1, 2013.

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

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

In **Gas and Power (G&P)**, OMV Gaz ve Enerji Satış Anonim Şirketi, Istanbul, was merged into OMV Enerji Ticaret Limited Şirketi, Istanbul, as of August 1, 2013.

The sale of Petrom Distributie Gaze SRL, Bucharest, was closed on November 30, 2013.

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

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

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

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

In **Corporate and Other (Co&O)**, OMV International Oil & Gas GmbH, Zug, was included starting from November 1, 2013.

OMV Finance Solutions USD GmbH, Vienna, was included starting from November 8, 2013.

All entities included for the first time in 2013 and 2012 were newly formed or existing, wholly owned subsidiaries.

On October 31, 2013, OMV closed the transaction with Statoil for the acquisition of assets in Norway and the UK (West of Shetland area). The interests in joint operations acquired by OMV are: 19% in the producing Gullfaks field and 24% in the Gudrun field, both offshore oil and gas fields on the Norwegian Continental Shelf. In addition, OMV took over 30% in Rosebank and 5.88% in Schiehallion, both located west of the Shetland Islands and assets where OMV already held a stake in. Please refer to Note 4.3.k for details on the accounting treatment.

The acquisition costs were allocated to the individual assets and liabilities acquired:

Values acquired in EUR mn	
Intangible assets	586
Property, plant and equipment	2,288
Current assets	99
Total assets	**2,973**
Provisions for decommissioning and restoration obligations	750
Current liabilities	297
Net assets	**1,926**

4 Accounting and valuation principles

1) First-time adoption of new or revised standards
The accounting policies adopted are consistent with those of the previous financial year, except for the changes as described below.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of January 1, 2013.

- IFRS 13 Fair Value Measurement. This standard defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It applies not only to financial instruments, but also to the fair value measurement according to other IFRSs (with the exception of IAS 17 and IFRS 2). In accordance with the transitional provisions of IFRS 13, the Group has applied the new fair value measurement guidance prospectively. The change had no significant impact on the measurements of the Group's assets and liabilities. Additional disclosures, where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 27.

- Amendments to IAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income. As a result of the amendments to IAS 1, the Group has modified the presentation of items of OCI in its statement of comprehensive income, to present separately items that will be reclassified to profit or loss at a future point in time from those that will not be reclassified.

- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36): These amendments remove the unintended consequences of IFRS 13 on the disclosures required under IAS 36. It clarifies that the disclosure of the recoverable amount of an asset (or CGU) is required in periods in which an impairment loss has been recognized or reversed in respect of that asset (or CGU) and expands the disclosure requirements when an asset's (CGU's) recoverable amount has been determined on the basis of fair value less cost of disposal. The Group has early adopted these amendments to IAS 36. Accordingly, these amendments have been considered while making disclosures for impairment of non-financial assets in Note 2 and Note 6.

- Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities: As a result of the amendments to IFRS 7, the disclosures about the offsetting of financial assets and financial liabilities were expanded and are included in Note 28.

- Annual Improvements to IFRSs – 2009-2011 issued in May 2012. This set of amendments published as part of the annual improvements process includes specific changes to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34. The amendments did not have any significant impact on the Group's financial position or performance.

- In addition, the amendments to IFRS 1 First-time adoption of International Financial Reporting Standards – Government loans and IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine became effective but did not have any impact on the OMV Group's financial statements.

2) New or revised standards and interpretations not yet mandatory
OMV has not applied the following new and revised IFRSs that have been issued but are not yet effective. EU endorsement is still pending in some cases. OMV does not plan to adopt these standards early.

- IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements. IFRS 10 introduces a single consolidation model that identifies control as the basis for consolidation for all types of entities. It replaces the portion of IAS 27 that addresses the accounting for consolidated financial statements and also addresses the issues raised in SIC-12 Consolidation – Special Purpose Entities, resulting in SIC-12 being withdrawn. In EU, IFRS 10 and the revised IAS 27 become effective for the first time for reporting periods starting on or after January 1, 2014. Based on the preliminary analyses performed, IFRS 10 is not expected to have any impact on the currently held investments of the Group.

- IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures. IFRS 11 deals with accounting for joint arrangements and supersedes IAS 31 Interests in Joint Ventures. The core principle of IFRS 11 is that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. The option to account for joint ventures using proportionate consolidation has been removed. IAS 28 was amended accordingly. In EU, IFRS 11 and the revised IAS 28 become effective for the first time for reporting periods starting on or after January 1, 2014.
  The application of this new standard will lead to a retrospective change in the accounting for the investment in BAYERNOIL Raffineriegesellschaft mbH. Until reclassification to non-current assets held for sale, this jointly controlled entity was accounted for using the equity method. According to IFRS 11, this investment will be classified as a joint operation. Accordingly, OMV's share of the assets and liabilities as well as income and expenses will be recognized retrospectively in OMV's financial statements.

- IFRS 12 Disclosures of Interests in Other Entities. This standard summarizes the disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities. It replaces the disclosure requirements in the standards IAS 27, IAS 28 and IAS 31. In EU, IFRS 12 becomes effective for the first time for reporting periods starting on or after January 1, 2014. Under the new standard, a number of new disclosures will be required, but it has no impact on the Group's financial position or performance.

- Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities. These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. These amendments are not expected to impact the Group's financial position or performance. and become effective for annual periods beginning on or after January 1, 2014.

- IFRS 9 Financial Instruments. IFRS 9, issued in 2009, replaces the previous regulations in IAS 39 for the classification and measurement of financial assets. It uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. In 2010, IFRS 9 was reissued by the IASB, incorporating new requirements on accounting for financial liabilities, and carrying over from IAS 39 the requirements for derecognition of financial assets and financial liabilities. IFRS 9, issued in 2013, introduces additional changes to hedge accounting. The IASB currently has an active project to make limited amendments to the classification and measurement requirements of IFRS 9 and add new requirements to address the impairment of financial assets. At the same time the original effective date was removed and a new date was not published yet. The Group will evaluate potential effects when the final standard including all phases is issued.

- IFRS 14 Regulatory Deferral Accounts: IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the financial statements, and specific disclosures are required. The effective date of IFRS 14 is January 1, 2016. IFRS 14 is applicable for first-time adopters of International Financial Reporting Standards only and therefore does not have any impact on the OMV Group's financial statements.

In addition, the following amendments to standards and interpretations were issued which are not expected to have any material effects on the OMV Group's financial statements.

Amendments to standards and interpretations	**IASB Effective date**
Amendments to IFRS 10, 11 and 12 – Transition guidance	January 1, 2013 [1]
Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities	January 1, 2014
Amendments to IAS 19 Defined Benefit Plans: Employee Contributions	January 1, 2014
Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
IFRIC 21 Levies	January 1, 2014

[1] Mandatory adaption of IFRS 10, 11 and 12 was postponed until to the financial year starting on January 1, 2014 in the EU

3) Summary of accounting and valuation principles

a) Business combinations
Business combinations are accounted for using the acquisition method. Assets and liabilities of subsidiaries acquired are included at their fair values at the time of acquisition. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Goodwill is calculated as the excess of the aggregate of the consideration transferred, the amount recognized for non-controlling interest and the fair value of the equity previously held by OMV in the acquired entity over the net identifiable assets acquired and liabilities assumed. Goodwill is recorded as an asset and is tested for impairment at least yearly. Impairments are recorded immediately through profit or loss, subsequent write-ups are not possible.

b) Revenue recognition
In general, revenues are realized when goods or services are supplied to and acknowledged by the customer, the amount receivable is fixed or can be determined, and collection is probable. Specifically, revenues are recognized in E&P when products are delivered and risks as well as rewards of ownership have passed to the customer. In G&P, sales under long-term contracts are recognized on delivery. Additional gas volumes supplied under these contracts are recognized when accepted by the customer. Gas storage revenues are recognized on the basis of committed storage and withdrawal rates; similarly, gas transport revenues are recognized on the basis of committed volumes. Revenue from the delivery of electricity is realized at the performance date. In the retail business, revenues from the Group's own filling stations are recognized when products are supplied to the customers. In the case of non-Group filling stations, revenues are recognized when products are delivered to the stations. Award credits, related to customer loyalty programs operated within the R&M segment, are recognized as a separate component of the sales transaction in which they are granted. Consideration received is allocated between the products sold and the award credits issued. The fair value of the points issued is deferred and recognized as revenue when the points are redeemed.

c) Exploration expenses
Exploration expenses relate exclusively to E&P and comprise the costs associated with unproved reserves. These include geological and geophysical costs for the identification and investigation of areas with possible oil and gas reserves and administrative, legal and consulting costs in connection with exploration. They also include all impairments on exploration wells where no proved reserves could be demonstrated. Depreciation of economically successful exploration wells forms part of cost of sales.

d) Research and development expenses
Research and development (R&D) expenses include all direct and indirect materials, personnel and external services costs incurred in connection with the focused search for new development techniques and significant improvements in products, services and processes and in connection with research activities. Expenditure related to research activities is shown as R&D expenses in the period in which it is incurred. Development costs are capitalized if the recognition criteria according to IAS 38 are fulfilled.

R&D grants received from third parties are shown in other operating income. Government grants provided for projects or services are generally deducted from the cost of the assets. For grants received from customers, income is recognized over the service period in case of a future service obligation; without a service obligation the entire income is recognized immediately.

e) Exploration and production sharing agreements
Exploration and production sharing agreements (EPSAs) are contracts for oil and gas licenses in which production is shared between one or more oil companies and the host country/national oil company in defined proportions. Under certain EPSA contracts the host country's/national oil company's profit share represents imposed income taxes and is treated as such for purposes of the income statement presentation.

f) Intangible assets and property, plant and equipment
Intangible assets and property, plant and equipment are recognized at costs of acquisition or construction (where and to the extent applicable) net of accumulated depreciation, amortization and impairment losses. Such cost includes directly attributable costs of major inspections and general overhauls which are capitalized in the year in which they are incurred, and thereafter depreciated on a straight-line basis over the period until the next inspection/overhaul. The costs for replacements of components are capitalized and carrying values of the replaced parts derecognized. Costs relating to minor maintenance and repairs are treated as expenses in the year in which they are incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with indefinite useful lives and goodwill are not subject to scheduled amortization, but must be tested for impairment at least annually. Intangible assets with finite useful lives and depreciable property, plant and equipment are amortized or depreciated over the useful economic life and assessed for impairment whenever there is an indication that the asset may be impaired.

Depreciation and amortization is calculated on a straight-line basis, except for E&P activities, where depletion occurs to a large extent on a unit-of-production basis. In the consolidated income statement, depreciation and amortization as well as impairment losses for filling stations are disclosed as part of selling expenses, those for exploration assets as exploration expenses, and those for other assets are reported as cost of sales or as other operating expenses.

Useful life		**Years**
Intangible assets		
Goodwill		Indefinite
Software		3–5
Concessions, licenses, etc.		5–20 or contract duration
Business-specific property, plant and equipment		
E&P	Oil and gas wells	Unit-of-production method
G&P	Gas pipelines	20–30
	Gas power plants	8–30
	Wind power station	10–20
R&M	Storage tanks	40
	Refinery facilities	25
	Pipeline systems	20
	Filling stations	5–20
Other property, plant and equipment		
Production and office buildings		20–50
Other technical plant and equipment		10–20
Fixtures and fittings		5–10

g) Oil and gas assets
E&P activities are recorded using the successful efforts method. The acquisition costs of geological and geophysical studies before the discovery of proved reserves form part of expenses for the period. The costs of wells are capitalized and reported as intangible assets until the existence or absence of potentially commercially viable oil or gas reserves is determined. Wells which are not commercially viable are expensed. The costs of exploration wells whose commercial viability has not yet been determined continue to be capitalized as long as the following conditions are satisfied:

- Sufficient oil and gas reserves have been discovered that would justify completion as a production well
- Sufficient progress is being made in assessing the economic and technical feasibility to justify beginning field development in the near future

Exploratory wells in progress at period end which are determined to be unsuccessful subsequent to the statement of financial position date are treated as non-adjusting events, meaning that the costs incurred for such exploratory wells remain capitalized in the financial statements of the reporting period under review and will be expensed in the subsequent period. Information on such non-adjusting subsequent events is disclosed in Note 36.

License acquisition costs and capitalized exploration and appraisal activities are generally not amortized as long as they are related to unproved reserves, but tested for impairment. Once the reserves are proved and commercial viability is established, the related assets are reclassified into tangible assets. Development expenditure on the construction, installation or completion of infrastructure facilities such as platforms and pipelines and drilling development wells is capitalized within tangible assets. Once production starts depreciation commences. Capitalized exploration and development costs and support equipment are generally depleted based on proved developed reserves by applying the unit-of-production method; only capitalized exploration rights and acquired reserves are amortized on the basis of total proved reserves.

h) Impairment of non-financial assets
In accordance with IAS 36 the Group assesses at each statement of financial position date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of its fair value less costs to sell and value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In this case the impairment test is done on the level of the cash generating unit. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset has to be considered impaired and written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The cash flows are generally derived from the recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

If the reasons for impairment no longer apply in a subsequent period, a reversal is to be recognized in profit or loss. The increased carrying amount related to the reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization, depreciation or depletion) had no impairment loss been recognized in prior years.

Goodwill is tested for impairment annually (as at December 31) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

i) Assets held for sale
Non-current assets and disposal groups are classified as held for sale if their carrying amounts are to be realized by sale rather than through continued use. This is the case when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale are no longer depreciated.

j) Leases
The Group holds a number of assets for its various activities under lease contracts. These leases are analyzed based on the situations and indicators set out in IAS 17 in order to determine whether they constitute operating leases or finance leases. A finance lease is defined as a lease which transfers substantially all the risks and rewards incidental to the ownership of the related asset to the lessee. All leases which do not meet the definition of a finance lease are classified as operating leases.

Finance leases are capitalized at the lower of the present value of the minimum lease payments or fair value and then expensed over their expected useful lives or the duration of the lease, if shorter. A liability equivalent to the capitalized amount is recognized, and future lease payments are split into the finance charge and the capital repayment element.

In the case of operating leases, lease payments are recognized on a straight-line basis over the lease term.

Lease contracts are distinguished from service contracts, which do not convey the right to use a specific asset. OMV has entered into long-term contracts for storage capacities, pipeline and other transportation capacities, or contracts for processing, producing or modifying goods. Such capacity contracts are not considered leases if they do not involve specified single assets or do not convey the right to control the use of the assets. Payments for such contracts are expensed in the period for which the capacities are contractually available to OMV.

k) Associated companies and joint ventures
Investments in associated or jointly controlled entities are accounted for using the equity method, under which the investment is initially recognized at cost and subsequently adjusted for the Group's share of the profit or loss less dividends received and the Group's share of other comprehensive income and other movements in equity.

At each statement of financial position date, investments in associates and joint ventures are reviewed for any objective evidence of impairment. If there is such evidence, the amount of impairment is calculated as the difference between the recoverable amount of the associate or joint venture and its carrying amount and recognized in profit and loss.

For jointly controlled assets and operations, which exist mainly in the E&P segment, the Group's share of all assets, liabilities, income and expenses is included in the consolidated financial statements. When interests in joint operations are acquired, the acquisition costs are allocated to the individual assets acquired. Transaction costs are capitalized and deferred taxes are not recognized according to the initial recognition exceptions in IAS 12.

l) Non-derivative financial assets
At initial recognition OMV classifies its financial assets into the following three categories: Financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial asset. All regular way trades are recognized and derecognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Securities are classified as **at fair value through profit or loss** when they are either held for trading or if they are designated as at fair value through profit or loss. Financial assets at fair value through profit or loss are measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Loans and **receivables** are measured at amortized cost less any impairment. Whether loans and receivables are impaired is assessed individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

Available-for-sale financial assets, which include mainly investment funds and debt instruments, are recognized at fair value. Unrealized gains and losses are disclosed separately in other comprehensive income net of any attributable tax effects. If there is objective evidence of impairment, write-downs including amounts previously recognized in other comprehensive income, are recognized in profit and loss. If the reason for the recognition of an impairment loss subsequently ceases to exist, the amount of the reversal up to amortized costs is included either as income in the case of debt instruments, or is taken to equity in the case of equity instruments.

Investments in not consolidated subsidiaries and other companies, whose fair value cannot be reliably estimated, are measured at acquisition cost less any impairment losses.

At every statement of financial position date, the carrying amounts of financial assets not classified as at fair value through profit or loss are reviewed for objective evidence of impairment. Evidence of impairment may include for example indications that the debtor or issuer is experiencing significant financial difficulty, default or delinquency in payments, the probability that the debtor or issuer will enter bankruptcy or a considerable detrimental change in the debtor's or issuer's technological, economical, legal environment and/or market environment. In the case of equity instruments classified as available for sale, objective evidence would include significant or prolonged decrease in fair value below cost. Any impairment is recognized in profit or loss.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

m) Derivative financial instruments
Derivative instruments are used to hedge risks resulting from changes in interest rates, currency exchange rates and commodity prices. Derivative instruments are recognized at fair value, which reflects the estimated amounts that OMV would pay or receive if the positions were closed at statement of financial position date. Quotations from banks or appropriate pricing models have been used to estimate the fair value of financial instruments at statement of financial position date. Price calculation in these models is based on forward prices of the underlying, foreign exchange rates as well as volatility indicators as of statement of financial position date. Unrealized gains and losses are recognized as income or expense, except where hedge accounting is applied.

Those derivatives qualifying and designated as hedges are either (i) a fair value hedge when hedging exposure to changes in the fair value of a recognized asset or liability or (ii) a cash flow hedge when hedging exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

In the case of fair value hedges, changes in the fair value resulting from the risk being hedged for both the underlying and the hedging instrument are recognized as income or expense.

For cash flow hedges, the effective part of the changes in fair value is recognized in other comprehensive income, while the ineffective part is recognized immediately in the income statement. Where the hedging of cash flows results in an asset or liability, the amounts that have previously been recognized in other comprehensive income are reclassified into profit and loss in the period in which the hedged position affects earnings.

Contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, are accounted for as financial instruments. However, contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are not accounted for as derivative financial instruments, but rather as executory contracts. However, even though such contracts are not financial instruments, they may contain embedded derivatives. Embedded derivatives are accounted for separately from the host contract when the economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host contract.

Currently embedded derivatives exist mainly within long-term gas contracts, amongst others. These embedded derivatives are regarded as clearly and closely related to the host gas contracts because for the time being no active market for such volumes exists. Consequently these instruments are not separated from their host contracts.

n) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of qualified assets are capitalized until these assets are substantially ready for their intended use or sale. All other costs of borrowing are expensed in the period in which they are incurred.

o) Government grants
Government grants – except for emission rights (see Note 4 r) – are recognized as income or deducted from the related asset where it is reasonable to expect that the granting conditions will be met and that the grants will be received.

p) Inventories
Inventories are recognized at the lower of cost and net realizable value using the average price method for acquisition or production or the individual costs for not interchangeable goods respectively. Costs of production comprise directly attributable costs as well as fixed and variable indirect material and production overhead costs. Production-related administrative costs, the costs of company pension schemes and voluntary employee benefits are also included. In refineries, a carrying capacity approach is applied according to which the production costs are allocated to product groups on the basis of their relative fair values at the end of the period.

A special accounting treatment is applied to inventories held according to compulsory stock obligations in Austria and Turkey. The additional quantities in crude oil and products held under the Austrian Oil Stockholding Act (2012) are valued using a long-term weighted average price method, applied on the basis of oil equivalents. A similar method, however on the basis of product groups, is applied in Turkey. Quantities exceeding the compulsory stocks are valued at the lower of current production or acquisition costs and the net realizable value.

Inventories held for trading purposes are measured at fair value less costs to sell and any changes in fair value, e.g. determined on the basis of quotations on crude oil or gas stock exchanges, are recognized in profit or loss.

q) Cash and cash equivalents
Cash and cash equivalents include cash balances, bank accounts and highly liquid short-term investments with low realization risk, i.e. negligible short-term exchange and interest risks. The maximum maturity at the time of acquisition for such investments is three months.

r) Provisions
A provision is recorded when it is probable that an obligation will be settled and the settlement amount can be estimated reliably. Provisions for individual obligations are based on the best estimate of the amount necessary to settle the obligation, discounted to the present value in the case of long-term obligations.

Decommissioning and restoration obligations: The Group's core activities regularly lead to obligations related to dismantling and removal, asset retirement and soil remediation activities. These decommissioning and restoration obligations are principally of material importance in the E&P segment (oil and gas wells, surface facilities) and in connection with filling stations on third-party property. At the time the obligation arises, it is provided for in full by recognizing the present value of future decommissioning and restoration expenses as a liability. An equivalent amount is capitalized as part of the carrying amount of long-lived assets. Any such obligation is calculated on the basis of best estimates. The capitalized asset is depreciated on a straight-line basis in R&M and using the unit-of-production method in E&P. The unwinding of discounting leads to interest expense and accordingly to increased obligations at each statement of financial position date until decommissioning or restoration. For other environmental risks and measures, provisions are recognized if such obligations are probable and the amount of the obligation can be estimated reliably.

Pensions and similar obligations: OMV has both defined contribution and defined benefit pension plans. In the case of defined contribution plans, OMV has no obligations beyond payment of the agreed premiums, and no provision is therefore recognized. In contrast, participants in defined benefit plans are entitled to pensions at certain levels. The risks associated with these defined benefit pension plans remain with OMV. Defined benefit pension obligations are accounted for by setting up provisions for pensions.

Provisions for pensions, severance payments and jubilee payments are calculated using the projected unit credit method, which divides the costs of the estimated benefit entitlements over the whole period of employment and thus takes future increases in remuneration into account. Actuarial gains and losses for defined benefit pension and severance payment obligations are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are not reclassified to profit or loss in subsequent periods. Actuarial gains and losses on obligations for jubilee payments are recognized in profit or loss. Net interest expense is calculated on the basis of the net defined benefit obligation and disclosed as part of the financial result. Differences between the return on plan assets and interest income on plan assets included in the net interest expense is recognized in other comprehensive income.

Provisions for voluntary and mandatory separations under restructuring programs are recognized if a detailed plan has been approved by management and communicated to those affected prior to the statement of financial position date and an irrevocable commitment is thereby established. Voluntary modifications to employees' remuneration arrangements are recognized on the basis of the expected number of employees accepting the employing company's offer. Provisions for obligations related to individual separation agreements are recognized at the present value of the obligation in case the amounts and dates of payment are determined.

Emission allowances received free of cost from governmental authorities (EU Emissions Trading Scheme for greenhouse gas emissions allowances) reduce financial obligations related to CO_2 emissions; provisions are recognized only for shortfalls (see Note 21).

s) Non-derivative financial liabilities
Liabilities are carried at amortized cost, with the exception of derivative financial instruments, which are recognized at fair value. Long-term liabilities are discounted using the effective interest rate method.

t) Taxes on income including deferred taxes
In addition to corporate income taxes and trade earnings taxes, typical E&P taxes on net cash flows from oil and gas production like the Petroleum Revenue Tax (PRT) in the United Kingdom and the country's/national oil company's profit share for certain EPSAs (see Note 4.3 e) are disclosed as income taxes.

Deferred taxes are recognized for temporary differences. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. Tax losses carried forward are taken into account in calculating deferred tax assets. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized. Where a deferred tax asset or liability arises on a business combination, that deferred tax asset or liability is calculated at the date of acquisition, affecting goodwill and not profit or loss.

Deferred tax is not recognized for

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss,
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future, and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities at Group level are shown net where there is a right of set-off and the taxes relate to matters subject to the same tax jurisdiction.

u) Long Term Incentive (LTI) plans, Matching Share Plan (MSP) and stock option plans
Starting with 2009, LTI plans were introduced for the Executive Board, selected senior executives and selected employees with outstanding development potential. Additionally in 2012, a MSP has been introduced for the Executive Board. At each vesting date bonus shares, respectively bonuses will be granted to the participants; disbursement is made in cash or shares. Fair values are determined using a model which is based on the expected target achievement and the expected share price. For cash-settled awards, provisions based on applicable fair values are built up over the vesting period, so that by the end of the vesting period the fair value of the bonus share to be granted is fully provided for. For equity-settled awards, a corresponding entry in equity is recognized for the movement in cumulative expense.

From 2000 until 2008, stock option plans approved by resolutions of the Annual General Meetings were offered to the Executive Board and senior executives. If vesting conditions are met participants may choose between receiving shares at a fixed exercise price or a payment amounting to the difference between the market value of the stock on the exercise date and the exercise price. At the time of issue and at any subsequent statement of financial position date, the fair values for the stock options issued are calculated using the Black-Scholes model. Provisions based on applicable fair values are built up over the vesting period, so that by the end of the vesting period the fair value of the options outstanding is fully provided for.

5 Foreign currency translation

Monetary foreign currency balances are measured at closing rates, and exchange gains and losses accrued at statement of financial position date are recognized in the income statement.

The financial statements of Group companies with functional currencies different from the Group's presentation currency are translated using the closing rate method. Differences arising from statement of financial position items translated at closing rates are disclosed in other comprehensive income. Income statement items are translated at average rates for the period (mean rates). The use of average rates for the income statement creates additional differences compared to the application of the closing rates in the statement of financial position which are directly adjusted in other comprehensive income.

The main rates applied in translating currencies to EUR were as follows:

Foreign currency translation

		2013		2012
	Statement of financial position date	Average	Statement of financial position date	Average
Australian dollar (AUD)	1.542	1.378	1.271	1.241
Bulgarian lev (BGN)	1.956	1.956	1.956	1.956
New Romanian leu (RON)	4.471	4.419	4.445	4.459
New Zealand dollar (NZD)	1.676	1.621	1.605	1.587
Norwegian krone (NOK)	8.363	7.807	7.348	7.475
Pound sterling (GBP)	0.834	0.849	0.816	0.811
Czech crown (CZK)	27.427	25.980	25.151	25.149
Turkish lira (TRY)	2.961	2.534	2.355	2.314
Hungarian forint (HUF)	297.040	296.873	292.300	289.249
US dollar (USD)	1.379	1.328	1.319	1.285

Notes to the income statement

6 Total cost information

The positions of the income statement contain the following **personnel expenses**:

Personnel expenses		EUR 1,000
	2013	2012
Wages and salaries	960,725	917,774
Costs of defined benefit plans	31,357	35,998
Costs of defined contribution plans (pension fund contributions)	19,245	16,555
Net expenses for personnel reduction schemes	16,442	39,552
Other employee benefits	112,344	115,040
Total	**1,140,113**	**1,124,919**

The total expenses for pensions included in the costs of defined benefit plans, costs of defined contribution plans and net expenses for personnel reduction schemes amounted to EUR 38,323 thousand (2012: EUR 46,151 thousand).

Depreciation, amortization and impairment losses of intangible assets and property, plant and equipment consisted of:

Depreciation, amortization and impairment losses		EUR 1,000
	2013	2012
Depreciation and amortization	1,604,688	1,605,634
Impairment losses	576,632	429,980
Total	**2,181,320**	**2,035,613**

In 2013, impairment losses mainly comprised impairments related to unsuccessful exploration wells and write-offs of exploration licenses in Norway (EUR 86,272 thousand), in the Kurdistan Region of Iraq (EUR 67,050 thousand), in the UK (EUR 38,668 thousand) and in Romania (EUR 22,075 thousand). Furthermore, impairment losses included impairments due to unsuccessful workover and to replaced assets in Romania (EUR 80,870 thousand) and impairments of producing fields in the Kurdistan Region of Iraq (EUR 53,890 thousand) and in Tunisia (EUR 37,392 thousand). Additionally, impairments of the Etzel gas storage in Germany (EUR 94,376 thousand) and of certain retail assets in Austria (EUR 16,797 thousand) were recognized.

In 2012, impairment losses mainly comprised impairments related to unsuccessful exploration wells in the Kurdistan Region of Iraq (EUR 88,521 thousand), Norway (EUR 71,078 thousand), Tunisia (EUR 28,682 thousand) and in the UK (EUR 15,023), to producing fields in Austria (EUR 88,513 thousand) caused by decreasing reserves and to retail business (EUR 44,831 thousand).

In the consolidated income statement, the impairment losses are disclosed as follows: EUR 281,750 thousand (2012: EUR 138,309 thousand) in cost of sales, EUR 255,080 thousand (2012: EUR 217,722 thousand) in exploration costs, EUR 35,497 thousand (2012: EUR 47,063 thousand) in selling and distribution expenses and EUR 4,304 thousand (2012: EUR 26,885 thousand) as part of other operating expenses.

7 Other operating income

Other operating income		EUR 1,000
	2013	2012
Other operating income	**703,942**	**258,355**
[thereof gains on the disposal and write-up of non-current assets not including financial assets]	[33,152]	[136,633]
[thereof exchange gains from operating activities]	[44,674]	[40,657]

In 2013, **other operating income** included the gain from the sale of LMG Lagermanagement GmbH in the amount of EUR 439,966 thousand.

In 2012, the gain on disposal of non-current assets primarily included divestments in the UK North Sea amounting to EUR 101,196 thousand.

8 Other operating expenses

Other operating expenses — EUR 1,000

	2013	2012
Other operating expenses	**424,690**	**519,773**
[thereof expenses on disposals of non-current assets not including financial assets]	[42,563]	[38,121]
[thereof exchange losses from operating activities]	[49,395]	[45,275]
[thereof personnel reduction schemes]	[16,442]	[39,552]

In 2013, there was no significant single item included in other operating expenses. The decrease compared to 2012 is mainly due to the recognition of a provision for onerous contracts related to contracted long-term transport and LNG capacity bookings of EconGas GmbH amounting to EUR 128,408 thousand. In 2013, an onerous contract provision amounting to EUR 20,982 thousand was recognized for certain retail assets in Austria.

9 Net financial result

Income from equity-accounted investments included income of EUR 170,417 thousand (2012: EUR 207,510 thousand) and expenses of EUR 6,995 thousand (2012: EUR 7,068 thousand).

Interest income — EUR 1,000

	2013	2012
Interest income from available-for-sale financial instruments	3,155	3,311
Interest income from loans and receivables	25,654	29,618
Interest income on discounted receivables	27,966	4,710
Other interest income	9,947	2
Interest income	**66,723**	**37,641**

Interest income from loans and receivables contained EUR 288 thousand (2012: EUR 958 thousand) income from already impaired receivables.

Interest income on discounted receivables consists of the unwinding of receivables from the Romanian State related to decommissioning and environmental provisions together with effects from the decrease of the discount rate used for the reassessment. **Other interest income** is mainly related to a reversal of a provision for late payment interest charges in OMV Petrom SA.

Interest expenses — EUR 1,000

	2013	2012
Interest expenses on financial instruments at fair value through profit or loss	529	897
Interest expenses on financial liabilities measured at amortized cost	182,617	188,297
Interest expenses component of provisions	114,006	223,843
Interest expenses non-financial liabilities	2,937	672
Interest expenses	**300,089**	**413,708**

The **interest expenses component of provisions** contains some positions relating to personnel provisions where interest expense is netted against interest income. These mainly consisted of accrued interest on pension provisions and severance of EUR 31,780 thousand (2012: EUR 42,432 thousand) and interest accrued on provisions for jubilee payments and personnel reduction plans of EUR 5,334 thousand (2012: EUR 5,746 thousand). Mainly these interest expenses were netted against interest income on pension plan assets amounting to EUR 18,390 thousand (2012: EUR 16,478 thousand).

The position also contains the interest component on the provision for decommissioning and restoration obligations in an amount of EUR 70,955 thousand (2012: EUR 74,793 thousand).

Other financial income and expenses for the year mainly included net foreign exchange losses on financial instruments amounting to EUR 116,746 thousand (2012: Losses of EUR 6,727 thousand) as well as other financing costs with EUR 22,309 thousand (2012: EUR 74,151 thousand).

In addition, the following effects have been shown in other financial result in 2013: The write-down of the financial assets being disposed as part of the Bayernoil divestment (EUR 117,088 thousand), as well as the write-off of assets related to the Nabucco West project (EUR 58,181 thousand).

In 2013, interest on borrowings amounting to EUR 21,144 thousand (2012: EUR 40,680 thousand) and related foreign exchange losses of EUR 48,508 thousand (2012: Foreign exchange gains of EUR 6,939 thousand) were capitalized, using an average interest rate of 6.6% (2012: 4.0%) applied to the carrying value of qualifying assets. It was largely related to borrowings taken up for the construction of the Samsun power plant in Turkey.

10 Taxes on income

The income tax burden and the pre-tax earnings determining the effective tax rate were as follows:

Taxes on income — EUR 1,000

	2013	2012
Profit from ordinary activities		
Austria	702,794	199,127
Foreign	1,587,201	2,658,368
Total	**2,289,995**	**2,857,495**
Taxes on income		
Austria	100,641	1,428
Foreign	591,506	1,204,516
Deferred taxes	(130,718)	(138,913)
Taxes on income	**561,429**	**1,067,031**

The reconciliation of deferred taxes was as follows:

Changes in deferred taxes		EUR 1,000
	2013	2012
Deferred taxes January 1	(478,909)	(681,477)
Deferred taxes December 31 [1]	(272,013)	(478,909)
Changes in deferred taxes	**206,896**	**202,568**
Deferred taxes accounted for in other comprehensive income	(33,500)	(15,262)
Changes in consolidated Group, exchange differences	(42,678)	(48,392)
Deferred taxes per income statement	**130,718**	**138,913**
The deferred tax balance comprises the following elements:		
Change in tax rate	(3,529)	694
Release of and allocation to valuation allowance for deferred taxes	(39,508)	(40,538)
Adjustments within loss carryforwards (not recognized in prior years, expired loss carryforwards and other adjustments)	(11,093)	(4,954)
Reversal of temporary differences, including additions to and use of loss carryforwards	184,848	183,712

[1] Including deferred taxes for assets held for sale of EUR 8,488 thousand in 2013 (2012: EUR (440) thousand)

The **effective tax rate** is the ratio of income tax expense to profit from ordinary activities – to the extent that the tax expense is attributable to profit from ordinary activities. The table hereafter reconciles the effective tax rate and the standard Austrian corporate income tax rate of 25% showing the major differences.

Tax rates		%
	2013	2012
Austrian corporate income tax rate	**25.0**	**25.0**
Tax effect of:		
Differing foreign tax rates	(0.5)	13.4
Non-deductible expenses	7.0	3.8
Non-taxable income	(5.3)	(4.5)
Change in tax rate	0.2	0.0
Permanent effects within tax loss carryforwards	0.5	0.2
Write-down on investments at parent company level	(0.4)	(1.4)
Change in valuation allowance for deferred taxes	1.7	1.4
Other	(3.7)	(0.6)
Effective Group income tax rate	**24.5**	**37.3**

The decrease in effective tax rate compared to 2012 was mainly a result of the lower profit contribution from highly taxed Libyan operations.

OMV Aktiengesellschaft forms a tax group in accordance with section 9 of the Austrian Corporate Income Tax Act 1988 (KStG). Taxable profits and losses of all the Group's main subsidiaries in Austria and losses of some foreign subsidiaries (OMV Australia Pty Ltd., OMV (U.K.) Ltd., OMV Slovensko s.r.o., OMV Gas Storage Germany GmbH and OMV Ceská republika s.r.o.) are aggregated.

Investment income from domestic subsidiaries is in general exempt from taxation in Austria. Dividends from EU- and EEA-participations as well as from subsidiaries whose residence state has a comprehensive administrative assistance agreement with Austria are exempt from taxation in Austria if certain conditions are fulfilled. Dividends from other foreign investments that are comparable to Austrian corporations, for which the Group holds a 10% investment share or more for a minimum period of one year, are also excluded from taxation at the level of the Austrian parent company.

Taxes on income accounted for in other comprehensive income totaled EUR (34,642) thousand (2012: EUR (2,602) thousand), thereof EUR (33,500) thousand deferred taxes (2012: EUR (15,262) thousand) and EUR (1,142) thousand current taxes (2012: EUR 12,660 thousand). In 2013, tax loss carryforwards of EUR 77,795 thousand (2012: EUR 171,304 thousand) were used; the associated deferred taxation amounted to EUR 26,236 thousand (2012: EUR 62,562 thousand).

11 Earnings per share

Earnings per share (EPS)

			2013			2012
	Earnings attributable to stockholders of the parent in EUR 1,000	Weighted average number of shares outstanding	EPS EUR	Earnings attributable to stockholders of the parent in EUR 1,000	Weighted average number of shares outstanding	EPS EUR
Basic	**1,162,350**	**326,222,266**	**3.56**	**1,363,352**	**326,138,264**	**4.18**
Diluted	**1,162,350**	**327,272,727**	**3.55**	**1,363,352**	**327,159,794**	**4.17**

The calculation of diluted earnings per share takes into account the weighted average number of ordinary shares in issue following the conversion of all potentially diluting ordinary shares. This includes 1,256,373 (2012: 1,021,530) contingently issuable bonus shares related to the Long Term Incentive and Matching Share plans.

Notes to the statement of financial position

12 Intangible assets

Intangible assets EUR 1,000

2013	Concessions, software, licenses, rights	Oil and gas assets with unproved reserves	Goodwill	Payments in advance	Total
Costs of acquisition and production					
January 1, 2013	**1,801,011**	**1,383,539**	**1,296,182**	**3,866**	**4,484,597**
Exchange differences	(227,005)	(98,383)	(205,622)	(747)	**(531,757)**
Changes in consolidated Group	(122)	(2,974)	—	—	**(3,096)**
Additions	90,734	1,002,949	—	6,398	**1,100,081**
Internally generated additions	1,559	1,749	—	—	**3,308**
Transfers	11,455	(82,540)	—	(1,785)	**(72,870)**
Assets held for sale	(4,034)	—	(4,372)	—	**(8,406)**
Disposals	(17,211)	(223,230)	—	(13)	**(240,454)**
December 31, 2013	**1,656,388**	**1,981,110**	**1,086,189**	**7,718**	**4,731,403**
Development of amortization					
January 1, 2013	**673,388**	**331,635**	**—**	**—**	**1,005,023**
Exchange differences	(49,750)	(13,578)	—	—	**(63,328)**
Changes in consolidated Group	(17)	(2,974)	—	—	**(2,991)**
Amortization	172,714	1	—	—	**172,715**
Impairments	8,694	253,501	—	—	**262,195**
Transfers	(2,427)	—	—	—	**(2,427)**
Assets held for sale	(1,647)	—	—	—	**(1,647)**
Disposals	(12,777)	(220,799)	—	—	**(233,576)**
Write-ups	(1)	(1,477)	—	—	**(1,479)**
December 31, 2013	**788,177**	**346,308**	**—**	**—**	**1,134,486**
Carrying amount January 1, 2013	1,127,623	1,051,905	1,296,182	3,866	**3,479,574**
Carrying amount December 31, 2013	**868,210**	**1,634,802**	**1,086,189**	**7,718**	**3,596,918**
2012					
Costs of acquisition and production					
January 1, 2012	**1,722,498**	**1,256,612**	**1,229,748**	**5,420**	**4,214,279**
Exchange differences	23,951	(9,317)	28,649	228	**43,511**
Changes in consolidated Group	—	—	—	—	**—**
Additions	102,653	366,342	37,786	2,066	**508,847**
Internally generated additions	2,066	2,821	—	—	**4,887**
Transfers	10,770	(121,908)	—	(3,833)	**(114,971)**
Assets held for sale	(13,579)	(6,359)	—	—	**(19,938)**
Disposals	(47,348)	(104,653)	—	(17)	**(152,018)**
December 31, 2012	**1,801,011**	**1,383,539**	**1,296,182**	**3,866**	**4,484,597**
Development of amortization					
January 1, 2012	**556,997**	**230,143**	**—**	**—**	**787,140**
Exchange differences	(5,676)	(5,364)	—	—	**(11,040)**
Changes in consolidated Group	—	—	—	—	**—**
Amortization	166,277	5	—	—	**166,281**
Impairments	378	217,686	—	—	**218,064**
Transfers	2,438	—	—	—	**2,438**
Assets held for sale	(6,401)	(6,241)	—	—	**(12,642)**
Disposals	(40,480)	(104,586)	—	—	**(145,066)**
Write-ups	(145)	(7)	—	—	**(152)**
December 31, 2012	**673,388**	**331,635**	**—**	**—**	**1,005,023**
Carrying amount January 1, 2012	1,165,501	1,026,469	1,229,748	5,420	**3,427,139**
Carrying amount December 31, 2012	**1,127,623**	**1,051,905**	**1,296,182**	**3,866**	**3,479,574**

At December 31, 2013, there were contractual obligations for the acquisition of intangible assets amounting to EUR 19,015 thousand (2012: EUR 52,635 thousand). This includes EUR 11,662 thousand (2012: EUR 39,069 thousand) contractual obligations related to joint ventures.

At the statement of financial position date there are no intangible assets whose title is restricted or which are pledged as security for liabilities.

Exploration for and evaluation of oil and natural gas resources
The following financial information represents the amounts included within the Group totals relating to exploration for and evaluation of oil and natural gas resources. All such activity is recorded within the E&P segment.

Exploration for and evaluation of mineral resources — **EUR 1,000**

	2013	2012
Exploration write-off (Impairments)	253,501	217,686
Other exploration costs	259,545	270,802
Exploration expenses	**513,046**	**488,488**
Total assets – exploration and appraisal expenditure incl. acquisition of unproved reserves	1,622,512	1,051,905
Net cash used in operating activities	627,019	476,006
Net cash used in investing activities	870,848	322,657

Goodwill acquired through business combinations has been allocated to the following CGUs and groups of CGUs, for impairment testing:

Goodwill allocation to CGUs — **EUR 1,000**

	2013	2012
Northwest Europe, Africa and Australasia	287,956	300,985
Middle East and Caspian	68,756	86,430
Goodwill allocated to E&P	**356,712**	**387,415**
Trading	68,756	86,430
G&P Austria	37,786	37,786
Goodwill allocated to G&P	**106,542**	**124,216**
Refining West	64,384	86,430
Turkey	542,381	681,806
Slovakia	7,207	7,207
Hungary	8,962	9,108
Goodwill allocated to R&M	**622,935**	**784,551**
Total	**1,086,189**	**1,296,182**

13 Property, plant and equipment

Property, plant and equipment — EUR 1,000

	Land, land rights and buildings, including buildings on third-party property	Oil and gas assets	Plant and machinery	Other fixtures, fittings and equipment	Assets under construction	Payments in advance	**Total**
Costs of acquisition and construction							
January 1, 2013	**3,057,299**	**12,179,828**	**7,068,834**	**2,072,788**	**1,623,821**	**33,667**	**26,036,237**
Exchange differences	(101,431)	(480,085)	(104,045)	(89,701)	(49,031)	(1,375)	**(825,667)**
Changes in consolidated Group	—	—	(13,512)	—	(1,108)	—	**(14,620)**
Additions	25,752	3,945,495	148,278	72,324	866,615	36,764	**5,095,228**
Transfers	55,718	546,887	820,478	59,989	(1,366,015)	(44,187)	**72,870**
Assets held for sale	(30,391)	(1,539)	(38,375)	(9,925)	(44)	—	**(80,274)**
Disposals	(44,210)	(249,644)	(30,196)	(52,324)	(61,042)	—	**(437,417)**
December 31, 2013	**2,962,737**	**15,940,941**	**7,851,463**	**2,053,151**	**1,013,196**	**24,869**	**29,846,357**
Development of depreciation							
January 1, 2013	**1,198,131**	**5,493,384**	**3,718,723**	**1,233,356**	**45,454**	**78**	**11,689,127**
Exchange differences	(16,794)	(141,543)	(13,980)	(26,555)	(47)	(5)	**(198,925)**
Changes in consolidated Group	—	—	(13,614)	—	(206)	—	**(13,820)**
Depreciation	104,686	861,607	326,422	138,938	322	—	**1,431,973**
Impairments	29,335	131,260	102,105	6,818	44,919	—	**314,436**
Transfers	2,661	6,184	(7,888)	3,743	(2,272)	—	**2,427**
Assets held for sale	(25,408)	—	(17,742)	(5,795)	—	—	**(48,945)**
Disposals	(28,819)	(217,184)	(26,584)	(46,243)	(56,624)	—	**(375,455)**
Write-ups	(3,772)	—	(275)	(126)	(1,046)	—	**(5,219)**
December 31, 2013	**1,260,019**	**6,133,707**	**4,067,167**	**1,304,136**	**30,499**	**73**	**12,795,600**
Carrying amount January 1, 2013	1,859,168	6,686,444	3,350,111	839,432	1,578,367	33,589	**14,347,110**
Carrying amount December 31, 2013	**1,702,718**	**9,807,234**	**3,784,296**	**749,016**	**982,697**	**24,796**	**17,050,756**

Property, plant and equipment — EUR 1,000

	Land, land rights and buildings, including buildings on third-party property	Oil and gas assets	Plant and machinery	Other fixtures, fittings and equipment	Assets under construction	Payments in advance	**Total**
Costs of acquisition and construction							
January 1, 2012	**3,184,019**	**11,195,971**	**6,020,949**	**2,050,634**	**1,858,587**	**428,785**	**24,738,945**
Exchange differences	(2,898)	(135,889)	(19,620)	8,609	(6,346)	(12,877)	**(169,021)**
Changes in consolidated Group	—	—	—	—	—	—	—
Additions	36,780	1,099,694	398,067	74,425	631,856	30,760	**2,271,583**
Transfers	73,433	440,809	756,693	78,618	(822,990)	(411,590)	**114,973**
Assets held for sale	(197,112)	(384,496)	(31,616)	(43,793)	(13,566)	—	**(670,582)**
Disposals	(36,922)	(36,263)	(55,640)	(95,705)	(23,720)	(1,410)	**(249,660)**
December 31, 2012	**3,057,299**	**12,179,828**	**7,068,834**	**2,072,788**	**1,623,821**	**33,667**	**26,036,237**
Development of depreciation							
January 1, 2012	**1,148,701**	**4,905,281**	**3,492,655**	**1,183,777**	**27,226**	**110**	**10,757,751**
Exchange differences	(1,324)	(48,355)	(10,307)	372	(813)	(0)	**(60,427)**
Changes in consolidated Group	—	—	—	—	—	—	—
Depreciation	113,697	885,989	290,459	149,208	—	—	**1,439,353**
Impairments	42,117	108,903	7,373	10,826	42,697	—	**211,916**
Transfers	(5,271)	(8,125)	9,338	2,041	(421)	—	**(2,438)**
Assets held for sale	(82,509)	(332,243)	(24,353)	(27,658)	(88)	—	**(466,852)**
Disposals	(17,155)	(17,610)	(46,420)	(84,478)	(22,566)	—	**(188,228)**
Write-ups	(125)	(456)	(23)	(732)	(581)	(32)	**(1,949)**
December 31, 2012	**1,198,131**	**5,493,384**	**3,718,723**	**1,233,356**	**45,454**	**78**	**11,689,127**
Carrying amount January 1, 2012	2,035,318	6,290,690	2,528,294	866,857	1,831,361	428,675	**13,981,194**
Carrying amount December 31, 2012	**1,859,168**	**6,686,444**	**3,350,111**	**839,432**	**1,578,367**	**33,589**	**14,347,110**

Land, land rights and buildings, including buildings on third-party property include land in the amount of EUR 719,574 thousand (2012: EUR 786,930 thousand).

Property, plant and equipment with a total carrying amount of EUR 47,060 thousand (2012: EUR 203,730 thousand) was transferred to **assets held for sale.** During 2013, assets in the value of EUR 15,731 thousand were transferred back to tangible assets, under land position. For details please see Note 19 Assets and liabilities held for sale.

For details on impairments please see Note 6, Total cost information.

At December 31, 2013, there were contractual obligations for the acquisition of property, plant and equipment amounting to EUR 1,246,224 thousand (2012: EUR 798,868 thousand). This includes EUR 1,053,548 thousand (2012: EUR 381,441 thousand) contractual obligations related to joint ventures.

At the statement of financial position date there is no property, plant and equipment whose title is restricted or which is pledged as security for liabilities.

Finance leases

Finance lease assets are mainly related to land and filling stations in Austria, Germany, Slovakia and the Czech Republic, gas equipment at filling stations, a hydrogen plant at Petrobrazi refinery in Romania, power generators in E&P Romania, gas caverns in Germany as well as storage tanks in Turkey.

During 2013, the Group exercised the purchase option for the floating production, storage and offloading (FPSO) vessel in New Zealand, which was accounted for as a finance lease in 2012.

Lease and rental agreements **EUR 1,000**

			2013			2012
	Acquisition cost	Accumulated depreciation	Carrying amount	Acquisition cost	Accumulated depreciation	Carrying amount
Land, land rights and buildings, including buildings on third-party property	42,461	18,109	24,352	52,629	18,158	34,470
Oil and gas assets	11,890	2,733	9,157	241,321	116,759	124,563
Plant and machinery	148,126	9,665	138,460	110,309	4,412	105,897
Other fixtures, fittings and equipment	22,313	15,236	7,077	30,799	20,491	10,308
Total	**224,790**	**45,743**	**179,046**	**435,058**	**159,819**	**275,239**

In 2013, contingent lease payments under finance lease agreements amounted to EUR 2,417 thousand (2012: EUR 1,986 thousand).

Commitments under existing finance leases as of December 31 **EUR 1,000**

			2013			2012
	≤1 year	1–5 years	>5 years	≤1 year	1–5 years	>5 years
Total future minimum lease commitments	23,639	75,650	243,985	48,828	65,636	236,749
[thereof interest component]	[10,857]	[37,162]	[113,621]	[10,232]	[34,501]	[121,420]
Present value of minimum lease payments	**12,782**	**38,488**	**130,364**	**38,595**	**31,136**	**115,329**

In 2012, there were obligations for plants used in the production of hydrogen and medium pressure steam for the refinery Petrobrazi for which the economic ownership was transferred to the Group during 2013. Total future minimum lease commitments for the plants amounted to EUR 39,038 thousand.

Operating leases

OMV also makes use of operating leases, mainly for filling station sites, office buildings, IT equipment and vehicle fleets. In 2013, these expenses amounted to EUR 130,058 thousand (2012: EUR 134,341 thousand). There are options to renew the leases for a large proportion of the leased filling station sites.

Future minimum lease payments under non-cancellable operating leases — EUR 1,000

	2013	2012
Payable within 1 year	92,126	90,088
Payable between 1 and 5 years	216,755	194,413
Payable after more than 5 years	284,173	264,311
Total future minimum lease commitments	**593,054**	**548,812**

14 Equity-accounted investments

Equity-accounted investments — EUR 1,000

Carrying amount	**2013**	2012
January 1	**1,811,003**	**1,671,074**
Exchange differences	(22,092)	(4,589)
Net income	163,422	200,441
Other comprehensive income	(34,008)	(9,922)
Disposals	(2,499)	(3,824)
Dividends and elimination of intercompany profits	(25,590)	(42,178)
Reclassification to assets held for sale	(37,098)	—
December 31	**1,853,137**	**1,811,003**

As of December 31, 2013, the carrying amount includes mainly investments in Borealis AG, Vienna, with an amount of EUR 1,426,638 thousand (2012: EUR 1,331,590 thousand) and Pearl Petroleum Company Limited, Road Town, with an amount of EUR 290,252 thousand (2012: EUR 290,650 thousand). The major part of dividends in 2013 related to a dividend payment from Borealis AG with an amount of EUR 21,600 thousand (2012: EUR 39,600 thousand).

According to a joint venture agreement between OMV and Pearl Petroleum Company Limited (Pearl), OMV has significant influence within the meaning of IAS 28 (investments in associates), as unanimous consent is required for some strategic decisions; therefore, Pearl is accounted for by the equity method although OMV´s share is just 10%.

Summarized statement of financial position and income statement information for investments accounted for at-equity was as follows:

Summarized information for investments accounted for at-equity (share of 100%)		**EUR 1,000**
	2013	2012
Current assets	3,246,294	3,021,831
Non-current assets	9,422,058	9,280,205
Liabilities	5,354,645	5,214,761
Net sales	10,616,940	9,967,625
Earnings Before Interest and Taxes (EBIT)	322,784	297,444
Net income for the year	548,286	610,590

15 Inventories

Inventories at December 31, were as follows:

Inventories		**EUR 1,000**
	2013	2012
Crude oil	630,475	738,660
Natural gas	372,379	496,203
Other raw materials	216,929	281,495
Work in progress: Petroleum products	127,590	196,137
Other work in progress	1,623	2,078
Finished petroleum products	1,030,825	1,437,986
Other finished products	32,437	41,694
Prepayments	7,593	7,992
Inventories carried at lower of cost and net realizable value	**2,419,851**	**3,202,244**
Trading inventories – Natural gas	35,657	–
Inventories carried at fair value	**35,657**	**–**
Total	**2,455,508**	**3,202,244**

Expensed valuation allowances against inventories amounted to EUR 100,485 thousand (2012: EUR 111,171 thousand).

Natural gas held for trading is measured at fair value less cost to sell. The fair value measurement has been categorized as Level 1 based on the quotation of TTF spot price at the year-end.

Cost of materials and goods purchased for resale consumed during 2013 amounted to EUR 32,611,205 thousand (2012: EUR 31,718,335 thousand).

16 Trade receivables

Trade receivables (carrying amounts) EUR 1,000

	2013	2012
Receivables from equity-accounted investments	38,709	30,634
Receivables from other companies	3,231,761	3,791,115
Total	**3,270,470**	**3,821,749**

The carrying amounts of trade receivables approximate their fair values.

Valuation allowances for trade receivables EUR 1,000

	2013	2012
January 1	**109,789**	**126,975**
Additions/(releases)	8,773	(5,161)
Disposals	(9,061)	(6,532)
Foreign exchange rate differences and changes in consolidated Group	(8,048)	(5,492)
December 31	**101,454**	**109,789**

Carrying amount of impaired trade receivables EUR 1,000

	2013	2012
Before impairments	134,148	161,027
Net of impairments	32,695	51,238

The aging of past due but not impaired trade receivables was as follows:

Carrying amounts of trade receivables past due but not impaired EUR 1,000

	2013	2012
Up to 60 days overdue	152,204	134,846
61 to 120 days overdue	4,700	3,591
More than 120 days overdue	17,928	27,151
Total	**174,832**	**165,588**

No negative information has been received regarding the credit quality of financial assets that are not impaired and not past due.

The carrying amount of **other financial assets** was as follows:

17 Other financial assets

Other financial assets EUR 1,000

	Valued at fair value through profit or loss	Valued at fair value through other comprehensive income	Valued at amortized cost	**Total carrying amount**	[thereof short-term]	[thereof long-term]
December 31, 2013						
Investments in other companies	—	—	58,512	**58,512**	[—]	[58,512]
Investment funds [1]	—	6,649	—	**6,649**	[—]	[6,649]
Bonds	—	118,560	—	**118,560**	[83,281]	[35,279]
Derivatives designated and effective as hedging instruments	2,504	34,852	—	**37,356**	[34,844]	[2,512]
Other derivatives	71,138	—	—	**71,138**	[67,280]	[3,858]
Loans	—	—	27,821	**27,821**	[2,401]	[25,420]
Other receivables from at-equity accounted investments	—	—	3,262	**3,262**	[3,262]	[—]
Other sundry receivables	—	—	1,063,000	**1,063,000**	[560,631]	[502,369]
Total	**73,642**	**160,061**	**1,152,596**	**1,386,299**	**[751,699]**	**[634,600]**
December 31, 2012						
Investments in other companies	—	—	84,452	**84,452**	[—]	[84,452]
Investment funds [1]	—	6,863	—	**6,863**	[—]	[6,863]
Bonds	—	129,896	—	**129,896**	[18,233]	[111,663]
Derivatives designated and effective as hedging instruments	4,252	34,504	—	**38,756**	[34,475]	[4,281]
Other derivatives	100,469	—	—	**100,469**	[99,178]	[1,291]
Loans	—	—	264,035	**264,035**	[3,925]	[260,109]
Other receivables from at-equity accounted investments	—	—	1,753	**1,753**	[1,753]	[—]
Other sundry receivables	—	—	867,180	**867,180**	[319,603]	[547,577]
Total	**104,721**	**171,263**	**1,217,420**	**1,493,403**	**[477,167]**	**[1,016,236]**

[1] Credit lines for "Abwasserverband Schwechat" are secured by pledged financial instruments (A&P investment fund) amounting to EUR 3,670 thousand (2012: EUR 3,670 thousand)

With the exception of investments in other companies valued at cost, for which no reliable estimates of their fair values can be made, the carrying amounts are the fair values.

The carrying amounts of other financial assets at fair value through profit or loss (excluding derivatives designated and effective as hedging instruments, which are not classified as other financial assets at fair value through profit or loss) as at December 31, 2013, were EUR 71,138 thousand (2012: EUR 100,469 thousand). These consist exclusively of financial assets held for trading. The carrying amounts of available-for-sale financial assets at December 31, 2013 were EUR 183,721 thousand (2012: EUR 221,211 thousand).

Loans include shareholder loans to equity-accounted investments, for which more details are provided in Note 35.

Other sundry receivables include a claim amounting to EUR 503,217 thousand (2012: EUR 514,867 thousand) against the Romanian state related to obligations for decommissioning and restoration costs in OMV Petrom SA. The receivables consist of EUR 79,212 thousand (2012: EUR 74,722 thousand) for costs relating to environmental cleanup and EUR 424,005 thousand (2012: EUR 440,145 thousand) for costs relating to decommissioning.

Amortized costs of securities — EUR 1,000

	2013	2012
Investments in other companies	58,512	84,452
Investment funds	6,101	6,101
Bonds	118,073	127,308

Valuation allowances for other financial receivables [1] — EUR 1,000

	2013	2012
January 1	**100,374**	**82,588**
Additions/(releases)	7,832	17,728
Disposals	(92)	(5,399)
Foreign exchange rate differences	(1,261)	5,457
December 31	**106,853**	**100,374**

[1] Related to other sundry receivables included in item other financial assets

Carrying amount of other financial receivables — EUR 1,000

	2013	2012
Before impairments	117,645	124,264
Net of impairments	10,793	23,890

The aging of other past due but not impaired financial receivables was as follows:

Carrying amount of other financial receivables past due but not impaired — EUR 1,000

	2013	2012
Up to 60 days overdue	54	53
61 to 120 days overdue	1	1
More than 120 days overdue	27,518	25,079
Total	**27,573**	**25,132**

OMV sold trade receivables in a securitization program to Carnuntum Ltd., which was set up in February 2013. As of December 31, 2013, OMV held in Carnuntum Ltd. seller participation notes amounting to EUR 110,647 thousand and complementary notes amounting to EUR 46,291 thousand, which are both shown in other receivables and constitute the maximum exposure to loss from the securitization transaction. The fair value of the seller participation notes and complementary notes corresponds to their book value. The seller participation notes are senior to a loss reserve and a third party investor participation. The complementary notes are of the same seniority as the senior notes issued by the program. The risk retained by OMV Group is insignificant, and therefore the trade receivables sold are derecognized in their entirety. The receivables are sold at their nominal amount less a discount. The discount was recognized in profit or loss and amounted in total to EUR 36,776 thousand in 2013. Interest income on the notes held in Carnuntum Ltd. amounted to EUR 2,828 thousand in 2013. In addition, OMV receives a service fee for the debtor management provided for the receivables sold.

18 Other assets

Other assets EUR 1,000

	2013		2012	
	Short-term	Long-term	Short-term	Long-term
Prepaid expenses	158,978	22,321	90,132	31,430
Other payments on account	10,687	—	132,059	12
Receivables other taxes / social securities	83,772	45,811	79,150	41,318
Other non-financial assets	45,954	45,131	8,796	46,510
Other assets	**299,390**	**113,263**	**310,137**	**119,271**

19 Assets and liabilities held for sale

In 2013, the main parts of assets held for sale and liabilities associated with assets held for sale consisted of the 45% stake in the German Bayernoil refinery network and the related business. The position also includes the Waste Heat Recovery Unit in Weitendorf, as well as the business dedicated to the operation and maintenance services provided to Trans Austria Gasleitung GmbH. Furthermore, the assets held for sale and liabilities associated with assets held for sale comprised the lubricants business, filling stations and other non-core assets within the R&M segment and E&P assets in the UK.

As of December 31, 2013, the Management expects that most of the transactions will be closed within the following six months.

Immediately before the classification of the stake in the **German Bayernoil refinery network** and the related business to held for sale, the individual assets included in the disposal group were measured in accordance with applicable IFRS standards and no impairment loss was identified. Following the classification to held for sale, an impairment loss of EUR 129,183 thousand (net of tax EUR 112,736 thousand) was recognized to reduce the carrying amount of the assets in the disposal group to the fair value less costs to sell, thereof EUR 12,095 thousand shown in other operating expenses and EUR 117,088 thousand in other financial income and expenses. The non-recurring fair value measurement for the stake in Bayernoil and the related business has been categorized as Level 3 based on the selling price agreed with the buyer.

For certain retail assets in the Czech Republic and in Serbia an impairment loss of EUR 8,237 thousand was recognized immediately before the classification to held for sale.

During 2013, OMV Petrom SA and Raiffeisen Evolution subsidiaries concluded a termination agreement of previously signed sale and purchase agreement for lands in Bucharest. Consequently, the assets were transferred back from assets held for sale to tangible assets.

In 2012, assets held for sale and liabilities associated with assets held for sale mainly consisted of the following subsidiaries: OMV Hrvatska d.o.o., OMV BH d.o.o., PETROM LPG SA and Petrol Ofisi Arama Üretim Sanayi ve Ticaret Anonim Şirketi. All of them have been sold in 2013.

Assets and liabilities held for sale		EUR 1,000
	2013	2012
Non-current assets incl. deferred taxes	181,111	179,764
Current assets	400,475	75,581
Assets held for sale	**581,586**	**255,344**
Provisions	22,561	9,134
Liabilities incl. deferred taxes	66,764	86,967
Liabilities associated with assets held for sale	**89,325**	**96,100**

Assets held for sale in the E&P segment amounted to EUR 8,909 thousand (2012: EUR 6,134 thousand), in G&P to EUR 34,857 thousand (2012: EUR nil), in R&M to EUR 537,820 thousand (2012: EUR 233,211 thousand). There were no assets held for sale in the Co&O segment (2012: EUR 16,000 thousand).

Liabilities associated with assets held for sale amounted to EUR 12,571 thousand in the E&P segment (2012: EUR 46,882 thousand), to EUR 5,641 thousand in the G&P segment (2012: EUR nil) and to EUR 71,114 thousand in the R&M segment (2012: EUR 49,218 thousand).

20 Stockholders' equity

The **capital stock** of OMV Aktiengesellschaft consists of 327,272,727 (2012: 327,272,727) fully paid no par value shares with a total nominal value of EUR 327,273 thousand (2012: EUR 327,273 thousand). There are no different classes of shares and no shares with special rights of control. All shares are entitled to dividends for the financial year 2013, with the exception of treasury shares held by OMV Aktiengesellschaft.

The Executive Board was authorized by resolution of the Annual General Meeting 2009, to increase the capital stock of OMV Aktiengesellschaft with the approval of the Supervisory Board by up to EUR 77,900 thousand by the issue of up to 77,900,000 no par value shares until May 13, 2014 (authorized capital). By partly exercising the said authorization, the Executive Board, based on its resolutions dated May 16, 2011 and June 6, 2011 and upon approval by the Supervisory Board, increased the capital stock from EUR 300,000,000 to EUR 327,272,727 by issuing 27,272,727 new shares (capital increase in cash from authorized capital). As a result of this capital increase, the Executive Board is now authorized to increase, subject to the consent of the Supervisory Board, the capital stock by May 13, 2014, in one or more tranches, by an aggregate amount not exceeding EUR 50,627 thousand by issuance of up to 50,627,273 new common shares in bearer form.

The capital stock has been conditionally increased by EUR 50,627 thousand under section 159 (2) (1) Austrian Stock Corporation Act by issuance of up to 50,627,273 common shares in bearer form (conditional capital). The conditional capital increase will only be carried out if holders of any convertible bonds issued on the basis of the Annual General Meeting resolution held on May 13, 2009, exercise their right to convert them into the Company's stock.

In addition to the capital increase, a hybrid bond issue at a nominal amount of EUR 750,000 thousand was completed on May 25, 2011. As the repayment of principal and the payments of interest are solely at the discretion of OMV, according to IFRS, the proceeds of the hybrid bond (less costs of issuance) were fully treated as equity. The hybrid bears a fixed interest rate of 6.75% until April 26, 2018, thereafter a reset fixed rate (to be determined) until April 26, 2023 and thereafter a floating interest rate with a 100 basis points step up. The hybrid notes have no scheduled maturity date and may be redeemed at the option of OMV under certain circumstances. OMV has in particular the right to repay the hybrid notes at certain dates. In the case of a change of control OMV may call the hybrid notes for redemption or else the applicable interest rate will be subject to an increase according to the terms and conditions of the hybrid bond.

The Annual General Meeting of May 17, 2011 authorized the Executive Board for a period of 30 months after the date of the authorization to purchase the Company's stock up to the maximum amount permissible by law (currently 10% of the authorized share capital). Repurchased shares may be used to service the stock option and Long Term Incentive plans or can at any time be sold through the stock exchange or by means of a public offer. The Executive Board is further authorized to cancel treasury shares or use them for convertible bonds, if issued, use them in exchange for shares in other companies or for any other legally permitted purpose, whatsoever.

Capital reserves have been formed by the contribution of funds into OMV Aktiengesellschaft by its shareholders over and above the capital stock, on the basis of their ownership relationship.

The Group's **revenue reserves** included the net income and losses of consolidated subsidiaries and investments included at equity, as adjusted for the purposes of consolidation.

The **gains and losses recognized directly in other comprehensive income and their related tax effects** were as follows:

Tax effects relating to each component of other comprehensive income **EUR 1,000**

			2013			2012
	Before-tax (expense) income	Tax (expense) benefit	Net-of-tax (expense) income	Before-tax (expense) income	Tax (expense) benefit	Net-of-tax (expense) income
Exchange differences from translation of foreign operations	(885,580)	4,120	(881,460)	(50,918)	—	(50,918)
Gains/(losses) on available-for-sale financial assets	(2,314)	529	(1,785)	3,847	(913)	2,934
Gains/(losses) on hedges	(16,703)	4,815	(11,888)	74,537	(15,651)	58,886
Remeasurement gains/(losses) on defined benefit plans	(98,310)	25,178	(73,132)	(76,425)	19,166	(57,259)
Share of other comprehensive income of equity-accounted investments	(34,008)	—	(34,008)	(9,922)	—	(9,922)
Other comprehensive income for the year	**(1,036,916)**	**34,642**	**(1,002,274)**	**(58,881)**	**2,602**	**(56,279)**

For 2013, the Executive Board of OMV Aktiengesellschaft proposes a dividend of EUR 1.25 (2012: EUR 1.20) per eligible share, which is subject to approval by the Annual General Meeting in 2014. The dividend for 2012 was paid in May 2013 and amounted to EUR 391,481 thousand (2012 payment amounted to EUR 358,758 thousand).

The Annual General Meetings for the years 2000 to 2011 (with the exception of 2010) approved the repurchase of treasury shares. The costs of repurchased shares have been reflected as a reduction in equity. Gains or losses on the re-issue of treasury shares (issue proceeds less acquisition cost) resulted in an increase or a reduction in capital reserves.

Changes in **treasury shares** were as follows:

Treasury shares

	Number of shares	Cost EUR 1,000
January 1, 2012	**1,198,875**	**13,164**
Disposals	(120,095)	(1,317)
December 31, 2012	**1,078,780**	**11,847**
Disposals	(40,376)	(443)
December 31, 2013	**1,038,404**	**11,404**

The **number of shares in issue** was as follows:

Number of shares in issue

	Number of shares	Treasury shares	Shares in issue
January 1, 2012	**327,272,727**	**1,198,875**	**326,073,852**
Used to cover stock options	–	(120,095)	120,095
December 31, 2012	**327,272,727**	**1,078,780**	**326,193,947**
Used to cover stock options	–	(40,376)	40,376
December 31, 2013	**327,272,727**	**1,038,404**	**326,234,323**

21 Provisions

Changes in **provisions** during the year were as follows:

Provisions EUR 1,000

	Pensions and similar obligations	Decommissioning and restoration	Other provisions	**Total**
January 1, 2013	**978,027**	**2,076,562**	**867,201**	**3,921,790**
Exchange differences	(1,680)	(76,118)	(11,968)	**(89,766)**
Changes in consolidated Group	(827)	–	(949)	**(1,776)**
Used	(58,054)	(83,529)	(313,916)	**(455,499)**
Payments to funds	(34,755)	–	–	**(34,755)**
Allocations	169,615	944,705	203,524	**1,317,844**
Transfers	(25,988)	–	(22,125)	**(48,113)**
Liabilities associated with assets held for sale	(4,356)	(13,053)	(555)	**(17,965)**
December 31, 2013	**1,021,983**	**2,848,566**	**721,211**	**4,591,761**
[thereof short-term as of December 31, 2013]	[–]	[84,022]	[415,407]	**[499,430]**
[thereof short-term as of January 1, 2013]	[–]	[81,438]	[568,904]	**[650,342]**

Provisions for pensions and similar obligations

OMV has made pension commitments to employees in Austria and Germany in the form of **defined benefit plans and defined contribution plans**. The defined benefit plans are generally based on years of service and the employee's average compensation over the last five calendar years of employment. These pension plans are non-contributory. These defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk, inflation risk (as a result of indexation of pension) and market risk. For the defined contribution plans, the reported expense corresponds to the contributions payable for the period.

The majority of **pension commitments** of several Austrian OMV companies were transferred to an external pension fund managed by APK-Pensionskasse AG in earlier years.

Employees of Austrian Group companies whose service began before December 31, 2002 are entitled to receive **severance payments** upon termination of employment or on reaching normal retirement age. The entitlements depend on years of service and final compensation levels. Entitlements to severance payments for employees whose service began after December 31, 2002 are covered by defined contribution plans. Similar obligations as entitlement to severance payments also exist in other countries, where the Group provides employment.

Employees in Austria and Germany are entitled to **jubilee payments** after completion of a given number of years of service. These plans are non-contributory and unfunded.

Provisions for **personnel reduction schemes** are recognized for irrevocable commitments for separations under restructuring programs within the OMV Group.

Defined benefit pension obligations and obligations for severance payments were as follows:

Defined benefit pension plans and obligations for severance payments — **EUR 1,000**

	2013	2012	2011	2010	2009
Present value of funded obligations	668,449	639,077	567,071	559,399	535,943
Market value of plan assets	(461,042)	(460,267)	(407,763)	(400,450)	(379,477)
Provision for funded obligations	**207,407**	**178,810**	**159,308**	**158,949**	**156,466**
Present value of unfunded obligations	507,695	492,780	478,958	500,604	502,344
Provision for unfunded obligations	**507,695**	**492,780**	**478,958**	**500,604**	**502,344**
Present value of obligations of severance payments	**114,092**	**108,567**	**114,343**	**120,446**	**109,596**
Total	**829,194**	**780,157**	**752,609**	**779,999**	**768,406**

Changes in the provisions for **jubilee payments, personnel reduction schemes and other employee benefits** were as follows:

Jubilee payments, personnel reduction schemes and other employee benefits — **EUR 1,000**

	2013	2012	2011	2010	2009
Provision for jubilee payments	**29,520**	**29,868**	**22,016**	**24,894**	**24,738**
Provision for personnel reduction schemes	**133,948**	**166,255**	**179,695**	**202,062**	**189,944**
[thereof short-term personnel reduction schemes]	[39,142]	[58,550]	[65,826]	[81,294]	[99,041]
Provision for other employee benefits	**68,463**	**60,297**	**49,822**	**78,905**	**75,300**
Total	**231,931**	**256,420**	**251,533**	**305,861**	**289,982**

Present value of obligations				EUR 1,000
		2013		2012
	Pensions and severance	Jubilee entitlements, personnel reduction schemes and other employee benefits	Pensions and severance	Jubilee entitlements, personnel reduction schemes and other employee benefits
Present value of obligation as of January 1	**1,240,424**	**256,420**	**1,160,372**	**251,533**
Changes in the consolidated group	—	(1,603)	—	—
Exchange difference	(1,142)	(503)	—	(1,804)
Liabilities associated with assets held for sale	(3,336)	(1,252)	(1,654)	(1,268)
Current service cost	8,861	2,666	16,205	2,849
Interest cost	46,685	8,820	53,383	11,274
Benefits paid	(81,114)	(62,919)	(92,974)	(64,350)
Expected defined benefit obligations as per December 31	**1,210,379**	**201,629**	**1,135,332**	**198,233**
Actual defined benefit obligations as per December 31	**1,290,237**	**231,931**	**1,240,424**	**256,420**
Remeasurements of the period (OCI)	**79,858**	**—**	**105,092**	**—**
thereof changes in demographic assumptions	—	—	(2,938)	—
thereof changes in financial assumptions	76,570	—	110,449	—
thereof experience adjustments	3,287	—	(2,419)	—
Remeasurements recognized in profit & loss	—	30,302	—	58,187

The **market value of plan assets** for defined benefit pension obligations financed through funds was as follows:

Market value of plan assets						EUR 1,000
			2013			2012
	VRG IV	VRG VI	**Total**	VRG IV	VRG VI	**Total**
Market value of plan assets as of January 1	**267,987**	**192,280**	**460,267**	**230,246**	**177,517**	**407,763**
Interest income	10,821	7,569	**18,390**	9,425	7,052	**16,478**
Allocation to funds	26,128	8,627	**34,755**	29,364	11,314	**40,678**
Benefits paid	(16,146)	(17,771)	**(33,917)**	(13,866)	(19,373)	**(33,239)**
Remeasurements of the period (OCI)	(257)	(18,196)	**(18,453)**	12,818	15,770	**28,587**
Market value of plan assets as of December 31	**288,533**	**172,509**	**461,042**	**267,987**	**192,280**	**460,267**

Changes in the **provisions** as well as **expenses** of the period were as follows:

Provisions and expenses **EUR 1,000**

	2013 Pensions and severance	**2013** Jubilee entitlements, personnel reduction schemes and other employee benefits	2012 Pensions and severance	2012 Jubilee entitlements, personnel reduction schemes and other employee benefits
Provision as of January 1	**780,157**	**256,420**	**752,609**	**251,533**
Expense for the year	37,155	11,485	53,109	14,123
Changes in the consolidated group	—	(1,603)	—	—
Payments to funds	(34,755)	—	(40,678)	—
Benefits paid	(47,196)	(62,919)	(59,736)	(64,350)
Exchange difference	(1,142)	(503)	—	(1,804)
Liabilities associated with assets held for sale	(3,336)	(1,252)	(1,654)	(1,268)
Remeasurements for the year	98,310	—	76,507	—
thereof changes in demographic assumptions	—	—	(2,938)	—
thereof changes in financial assumptions	76,570	—	110,449	—
thereof experience adjustments	21,740	—	(31,004)	—
Remeasurements recognized in profit & loss	—	30,302	—	58,187
Provision as of December 31	**829,194**	**231,931**	**780,157**	**256,420**
Current service cost	8,861	2,666	16,205	2,849
Net interest cost	28,294	8,820	36,904	11,274
Expenses of defined benefit plans for the year	**37,155**	**11,485**	**53,109**	**14,123**

The total pension fund contributions for the Executive Board in 2013 amounted to EUR 1,650 thousand (2012: EUR 1,299 thousand).

Expenses for interest accrued on personnel reduction schemes of EUR 4,217 thousand (2012: EUR 4,749 thousand) have been included under interest expense.

Underlying assumptions for calculating pension expenses and expected defined benefit entitlements as of December 31

	2013 Pensions	**2013** Severance, jubilees	2012 Pensions	2012 Severance, jubilees
Capital market interest rate	3.50%	3.50%	3.85%	3.85%
Future increases in salaries	3.50%	3.50%	3.85%	3.85%
Future increase in pensions	2.00%	—	1.80%	—

The biometrical basis for the calculation of provisions for pensions, severance and jubilee entitlements of Austrian Group companies is provided by AVÖ 2008 P – Rechnungsgrundlagen für die Pensionsversicherung (Biometric Tables for Pension Insurance) – Pagler & Pagler, using the variant for salaried employees. In other countries, similar actuarial parameters are used. Employee turnover was computed based on age or years of service respectively. The expected retirement age used for calculations is based on the relevant country's legislation.

The following actuarial assumptions for calculating pension expenses and expected defined benefit entitlements are considered as material and are stress tested within the following ranges. The increase or decrease compared to the values accounted of defined benefit obligations in relative deviation terms are as follows:

Sensitivities

						2013
	Capital market interest rate		Future increases in salaries			Fluctuation
	+0.5%	(0.5)%	+0.25%	(0.25)%	double	half
Pensions	(5.32)%	5.87%	2.35%	(2.70)%	–	–
Severance	(3.83)%	4.08%	1.97%	(1.92)%	(0.79)%	0.43%

Duration profiles and average durations were as follows:

Duration profiles and average duration of defined benefit obligations as of December 31 **EUR 1,000**

				2013
	Duration profile			Duration
	1–5 years	6–10 years	>10 years	in years
Pensions	346,138	265,673	563,930	11
Severance	38,833	38,506	37,131	9

Cash duration profiles and average duration as of December 31 **EUR 1,000**

				2013
	Duration profile			Duration
	1–5 years	6–10 years	>10 years	in years
Pensions	328,335	292,458	819,850	14
Severance	45,288	61,907	107,452	11

Allocation of plan assets as of December 31

		2013		2012
	VRG IV	VRG VI	VRG IV	VRG VI
Asset category				
Equity securities	26.71%	14.23%	24.23%	–
Debt securities	53.12%	10.42%	52.88%	1.52%
Cash and money market investments	16.79%	75.35%	20.52%	98.48%
Other	3.38%	–	2.37%	–
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Investment policies aim to achieve an optimal investment portfolio structure and to ensure that existing entitlements are covered at all times. The investment of plan assets is governed by section 25 Austrian Pension Fund Act and the Investment Fund Act. In addition to these regulations, the investment guidelines of APK-Pensionskasse AG regulate the spread of asset allocation, the use of umbrella funds and the selection of fund managers. New categories of investments or the employment of a wider range of funds require the approval of the APK-Pensionskasse AG management board. Diversification of both equity and debt securities is global; however, the bulk of the debt securities is EUR-denominated.

The funds of the asset allocation and risk group VRG IV are invested in international equity and bond funds, alternative investment strategies (absolute return strategies, real estate and private equity) as well as money market investments. As part of the risk diversification policy, in selecting the asset managers, their different management styles and investment approaches have been taken into account. The long-term investment objective of the VRG IV is to outperform the benchmark (20% global equity, 45% global bonds and 35% absolute return/money market instruments) and to cover existing and future entitlement payments of the VRG IV. The assets of the VRG IV are in accordance with section 25 of the Austrian pension fund, invested in such a manner as to ensure the security, quality, liquidity and profitability of the portfolio as a whole. The asset allocation and the regional allocation of the VRG IV can and will deviate from the benchmark allocation if this in the judgment of APK is warranted by current asset prices and or future expected returns. To enhance the return potential, active strategies for all asset classes will be used when justified by market characteristics and or cost/benefit considerations. The majority of the assets of the VRG IV are invested in liquid active markets for which quoted (exchange or OTC) prices are available. A smaller allocation to assets for which only observable but not quoted prices are available (e.g. real estate and certain absolute return strategies) is allowed when the risk return profile of such assets is believed to be favorable. Risk is managed actively and it is generally expected that the volatility and especially the drawdown risk of the VRG IV will be lower than that of the benchmark.

The investment management policy for the funds of VRG VI is a value-at-risk approach. The process involves investing in global equity markets, European bond instruments and low-risk money market funds with a defined worst-case loss limit, whereby the tactical allocation of funds is very flexible and model-driven. At the same time, the opportunity of benefiting from positive stock market performance shall be partly maintained. The long-term investment objective of the VRG VI is to provide stable, predictable returns that to the greatest possible extent cover the existing and future entitlement payments of the VRG VI. To increase the efficiency of the portfolio management and for cost considerations the portfolio is set-up as a base portfolio consisting of short maturity government bonds and a futures overlay strategy. Active quoted prices are available for all assets of the VRG VI.

Favorable or adverse variances in the performance of individual VRGs compared with target returns on plan assets exist, due to their different maturities and to different developments in the capital markets. In 2013, the performance of VRG IV was slightly above the target return with a performance of +4.51%. The performance of VRG VI amounted to +2.65%.

In 2014, defined benefit related contributions for 2013 to APK-Pensionskasse AG of EUR 23,000 thousand are planned.

Provisions for decommissioning and restoration obligations
Changes in capitalized decommissioning costs and provisions for decommissioning and restoration obligations are shown in the table below. In the event of changes in estimated restoration costs, only the effect of the change in present value is recognized in the period concerned. If the value increases, the increase is depreciated over the remaining useful life of the asset, and if it decreases, the decrease is deducted from the capitalized asset value.

Capitalized decommissioning costs and provisions for decommissioning and restoration obligations — **EUR 1,000**

	Acquisition cost	Depreciation	Carrying amount
Capitalized decommissioning costs			
January 1, 2013	**567,807**	**298,817**	**268,991**
Exchange differences	(69,312)	(8,586)	(60.726)
New obligations	760.498	—	760.498
Increase arising from revisions in estimates	147,299	—	147,299
Depreciation	—	77,901	(77,901)
Disposal (decommissioning)	(2,208)	(1,957)	(251)
Reduction arising from revisions in estimates	(11,388)	—	(11,388)
Transfer to assets held for sale	(39)	(2,781)	2,742
December 31, 2013	**1,392,658**	**363,395**	**1,029,264**
Decommissioning and restoration obligations			
January 1, 2013	**—**	**—**	**2,076,562**
Exchange differences	—	—	(77,961)
New obligations	—	—	760,498
Increase arising from revisions in estimates	—	—	147,299
Reduction arising from revisions in estimates	—	—	(67.479)
Unwinding of discounting	—	—	97,054
Liabilities associated with assets held for sale	—	—	(13.053)
Repayments	—	—	(74.354)
December 31, 2013	**—**	**—**	**2,848,566**
[thereof short-term as of December 31, 2013]	[—]	[—]	[84,022]
[thereof short-term as of January 1, 2013]	[—]	[—]	[81,438]

The provision for decommissioning and restoration costs includes obligations in respect of OMV Petrom SA amounting to EUR 1,349,510 thousand (2012: EUR 1,374,675 thousand). As of December 31, 2013, OMV Petrom SA holds receivables from the Romanian state amounting to EUR 503,217 thousand (2012: EUR 514,867 thousand), which are disclosed as other financial assets (please refer to Note 17), EUR 424,005 thousand thereof are related to decommissioning (2012: EUR 440,145 thousand) and EUR 79,212 thousand to environmental costs (2012: EUR 74,722 thousand).

Other provisions — **EUR 1,000**

	2013		2012	
	Short-term	Long-term	Short-term	Long-term
Environmental costs	12,051	41,033	26,610	45,212
Other personnel provisions	83,418	313	99,950	376
Other	319,938	264,458	442,343	252,709
Other provisions	**415,407**	**305,804**	**568,904**	**298,297**

Other personnel provisions include short-term costs of staff reductions amounting to EUR 39,142 thousand (2012: EUR 58,550 thousand). Other provisions contain EUR 17,192 thousand (2012: EUR 21,433 thousand) short-term and EUR 70,023 thousand (2012: EUR 69,477 thousand) long-term litigation provisions due to litigations with former and current employees for various types of claims due to differing interpretations of some of the clauses of the Collective Bargaining Agreements applicable at Petrom. In addition, this position includes provisions for onerous contracts amounting to EUR 184,045 thousand (2012: EUR 146,349 thousand), which are mainly related to contracted long-term transport and LNG capacity bookings of EconGas GmbH and to certain retail assets in Austria, as well as provisions for mineral royalties and LTI plans.

Emissions certificates

Directive 2003/87/EC of the European Parliament and of the European Council established a greenhouse gas emissions trading scheme, requiring member states to draw up national plans to allocate emissions certificates. Under this scheme, affected OMV Group companies received a total of 1,853,638 free emissions certificates in 2013 (2012: 8,366,477), the decrease being mainly related to the fact that OMV Petrom SA did not receive the emission certificates to which the company was entitled as of statement of financial position date. OMV Petrom SA is entitled to approximately 3,006,806 emission certificates for 2013 (2012: 4,287,525 emission certificates were received). As of December 31, 2013, the market value of emissions certificates amounted to EUR 37,351 thousand (December 31, 2012: EUR 70,405 thousand).

As of December 31, 2013, the Group held 7,555,728 emissions certificates. In 2014, the Group expects to surrender 6,514,957 emissions certificates for (not yet externally verified) emissions in 2013.

Emissions certificates

	2013	2012
Certificates held as of January 1	**11,412,188**	**8,605,609**
Free allocation for the year	1,853,638	8,366,477
Certificates surrendered according to verified emissions for the prior year	(6,022,677)	(5,561,099)
Net purchases and sales during the year [1]	312,579	1,201
Certificates held as of December 31	**7,555,728**	**11,412,188**

[1] Purchases are valued at their acquisition cost

A shortfall in emissions certificates would be provided for. Until December 31, 2013, the Group was not short of certificates.

22 Liabilities

Liabilities — **EUR 1,000**

	Short-term 2013	Long-term 2013	**Total 2013**	Short-term 2012	Long-term 2012	**Total 2012**
Bonds	778,209	3,317,820	**4,096,029**	213,615	3,527,151	**3,740,766**
Other interest-bearing debts	217,420	581,286	**798,706**	162,127	886,083	**1,048,210**
[thereof to banks]	[217,420]	[581,268]	**[798,706]**	[162,127]	[886,083]	**[1,048,210]**
Trade payables (short-term)	4,913,909	—	**4,913,909**	4,290,438	—	**4,290,438**
[thereof to equity-accounted investments]	[34,695]	[—]	**[34,695]**	[83,397]	[—]	**[83,397]**
Other financial liabilities	383,475	223,574	**607,049**	408,720	243,012	**651,731**
Other liabilities	1,189,071	6,337	**1,195,408**	1,261,263	6,783	**1,268,046**
Liabilities associated with assets held for sale	89,325	—	**89,325**	96,100	—	**96,100**
Total	**7,571,409**	**4,129,017**	**11,700,426**	**6,432,263**	**4,663,028**	**11,095,292**

Bonds

Bonds issued

	Nominal	Coupon	Repayment	**2013** Carrying amount December 31 EUR 1,000	2012 Carrying amount December 31 EUR 1,000
US private placement [1]	USD 182,000,000	4.73% fixed	6/27/2013	—	138,015
	USD 138,000,000	4.88% fixed	6/27/2015	102,623	108,900
International corporate bond	EUR 701,730,000 [2]	6.25% fixed	4/7/2014	734,138	733,856
	EUR 250,000,000	5.25% fixed	6/22/2016	256,843	256,806
	EUR 500,000,000	4.375% fixed	2/10/2020	516,788	516,412
	EUR 500,000,000	4.25% fixed	10/12/2021	499,297	498,730
	EUR 750,000,000	3.50% fixed	9/27/2027	744,561	744,252
	EUR 750,000,000	2.625% fixed	9/27/2022	744,489	743,795
	EUR 500,000,000	1.75% fixed	11/25/2019	497,290	—
Total				**4,096,029**	**3,740,766**

[1] Derivatives (interest swaps) with a nominal value of USD 50,000 thousand (2012: USD 50,000 thousand) were used to convert the interest rates from fixed to floating
[2] During 2012, EUR 298,270 thousand were repurchased out of the EUR 1,000,000 thousand 2014 Eurobond

Bonds and other interest-bearing debts

Some of the Group's interest-bearing debts involve financial covenants, which relate mainly to adjusted equity ratios, cash flow from operating activities excluding interest income and expense, and Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).

Bonds and other interest-bearing debts have the following maturities:

Bonds and other interest-bearing debts — **EUR 1,000**

	2013	2012
Short-term loan financing	60,419	86,585
Short-term component of long-term financing	935,207	289,157
Total short-term	**995,626**	**375,742**
Maturities of long-term financing		
2014/2013 (short-term component of long-term financing)	935,207	289,157
2015/2014	102,623	876,849
2016/2015	329,403	197,335
2017/2016	—	461,930
2018/2017	—	58,114
2019/2018 and subsequent years	3,467,084	2,819,006
Total for 2014/2013 onwards	**4,834,317**	**4,702,391**

Breakdown of bonds and other interest-bearing debts by currency and interest rate					EUR 1,000
			2013 Weighted average interest rate		2012 Weighted average interest rate
Long-term bonds and other interest-bearing debts [1]					
Fixed rates	EUR	4,409,932	4.02%	3,923,680	4.18%
	USD	102,623	4.88%	242,534	4.79%
Total		**4,512,555**	**4.04%**	**4,166,214**	**4.21%**
Variable rates	EUR	321,759	2.41%	536,177	2.83%
Total		**321,759**	**2.41%**	**536,177**	**2.83%**
Short-term bonds and other interest-bearing debts					
EUR		10,829	0.66%	61,805	2.85%
TRY		17,506	8.74%	17,554	2.74%
HUF		1,819	3.90%	11	5.75%
RON		—	—	70	6.33%
USD		29,522	0.79%	7,145	0.20%
CHF		746	3.59%	—	—
Total		**60,422**	**3.16%**	**86,585**	**2.61%**

[1] Including short-term components of long-term debts

Bonds issued and other interest-bearing debts amounting to EUR 4,894,735 thousand (2012: EUR 4,788,976 thousand) are valued at amortized cost.

The estimated fair value of the issued bonds was EUR 4,309,973 thousand (2012: EUR 4,065,939 thousand), which has been categorized as Level 1 based on price quotations at the reporting date.

The fair value of other interest-bearing debts (Level 2 – observable inputs) was determined by discounting future cash flows using interest rates prevailing at statement of financial position date for similar liabilities with similar maturities, which amounted to EUR 825,077 thousand (2012: EUR 1,104,556 thousand).

The estimated fair value of these liabilities was in total EUR 5,135,049 thousand (2012: EUR 5,170,495 thousand), of which EUR 4,759,945 thousand (2012: EUR 4,465,564 thousand) was at fixed rates and EUR 375,104 thousand (2012: EUR 704,931 thousand) was at floating rates.

Other financial liabilities

Other financial liabilities			EUR 1,000
	Short-term	Long-term	Total
2013			
Liabilities to equity-accounted investments	—	2	**2**
Liabilities on derivatives designated and effective as hedging instruments	41,473	155	**41,628**
Liabilities on other derivatives	60,450	2,443	**62,893**
Liabilities on finance leases	12,782	168,852	**181,634**
Other sundry financial liabilities	268,770	52,122	**320,892**
Total	**383,475**	**223,574**	**607,049**
2012			
Liabilities to equity-accounted investments	—	6,802	**6,802**
Liabilities on derivatives designated and effective as hedging instruments	24,087	334	**24,421**
Liabilities on other derivatives	99,418	625	**100,043**
Liabilities on finance leases	38,595	146,464	**185,060**
Other sundry financial liabilities	246,617	88,788	**335,406**
Total	**408,717**	**243,014**	**651,731**

Fair value adjustments on liabilities related to derivatives designated and effective as hedging instruments have been recognized in other comprehensive income. The liabilities on other derivatives are financial liabilities at fair value through profit or loss. All other items are liabilities to be classified as measured at amortized cost.

The estimated fair value of the liabilities on finance leases was EUR 212,331 thousand; this was established by discounting future lease payments using interest rates prevailing at statement of financial position date for similar liabilities with similar maturities (Level 2 – observable inputs).

The table hereafter summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

Financial liabilities EUR 1,000

	<1 year	1–5 years	>5 years	**Total**
2013				
Bonds	861,409	867,806	3,333,438	**5,062,653**
Other interest bearing debts	225,454	358,074	308,844	**892,372**
Trade payables	4,914,198	—	—	**4,914,198**
Other financial liabilities excluding derivatives	413,490	87,946	177,706	**679,142**
Total	**6,414,551**	**1,313,825**	**3,819,988**	**11,548,365**
2012				
Bonds	294,554	1,483,813	2,994,232	**4,772,599**
Other interest bearing debts	198,201	614,115	308,643	**1,120,960**
Trade payables	4,330,043	—	—	**4,330,043**
Other financial liabilities excluding derivatives	420,822	76,370	150,222	**647,413**
Total	**5,243,620**	**2,174,297**	**3,453,097**	**10,871,014**

Other liabilities

Other liabilities EUR 1,000

	Short-term	Long-term	**Total**
2013			
Other taxes and social security liabilities	899,872	—	**899,872**
Payments received in advance	153,449	6,337	**159,786**
Other sundry liabilities	135,750	—	**135,750**
Total	**1,189,071**	**6,337**	**1,195,408**
2012			
Other taxes and social security liabilities	984,496	—	**984,496**
Payments received in advance	206,193	6,783	**212,976**
Other sundry liabilities	70,574	—	**70,574**
Total	**1,261,263**	**6,783**	**1,268,046**

The carrying amount of other liabilities is effectively the same as their fair value because they are predominantly short-term.

23 Deferred tax

Deferred taxes EUR 1,000

	Deferred tax assets before allowances	Allowances	Net deferred tax assets	Deferred tax liabilities
2013				
Intangible assets	65,538	43,083	22,455	568,301
Property, plant and equipment	132,402	7,539	124,862	1,429,096
Other financial assets	7,384	—	7,384	14,813
Inventories	39,070	—	39,070	59,757
Receivables and other assets	75,307	9,499	65,808	25,932
Untaxed reserves	—	—	—	2,271
Provisions for pensions and similar obligations	144,789	—	144,789	2,099
Other provisions	946,082	12,482	933,600	17,480
Liabilities	47,150	2,892	44,258	154,584
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	58,366	—	58,366	—
Tax loss carryforwards	668,737	107,011	561,726	—
Total	**2,184,825**	**182,507**	**2,002,318**	**2,274,331**
Netting (same tax jurisdictions)			(1,601,454)	(1,601,454)
Deferred taxes associated with assets held for sale			(8,529)	(41)
Deferred taxes as per statement of financial position			**392,335**	**672,836**

Deferred taxes EUR 1,000

	Deferred tax assets before allowances	Allowances	Net deferred tax assets	Deferred tax liabilities
2012				
Intangible assets	89,543	45,160	44,382	393,476
Property, plant and equipment	120,431	4,032	116,399	761,269
Other financial assets	5,252	(64)	5,316	27,989
Inventories	74,715	1,845	72,870	85,707
Receivables and other assets	91,637	16,851	74,785	61,418
Untaxed reserves	—	—	—	3,308
Provisions for pensions and similar obligations	128,872	—	128,872	1,925
Other provisions	359,003	—	359,003	31,789
Liabilities	75,502	2,071	73,431	198,781
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	56,518	—	56,518	—
Tax loss carryforwards	265,225	110,049	155,176	—
Total	**1,266,697**	**179,944**	**1,086,753**	**1,565,662**
Netting (same tax jurisdictions)			(786,347)	(786,347)
Deferred taxes associated with assets held for sale			(487)	(927)
Deferred taxes as per statement of financial position			**299,918**	**778,388**

Deferred taxes on the retained earnings of Group companies are generally only recognized where there is no possibility of tax-free transfers to the parent company.

As of December 31, 2013, OMV recognized **tax loss carryforwards** of EUR 1,579,540 thousand before allowances (2012: EUR 924,273 thousand), thereof EUR 1,168,265 thousand (2012: EUR 509,468 thousand) are considered recoverable for calculation of deferred taxes. Eligibility of losses for carryforward expires as follows:

Losses for carryforward EUR 1,000

	Base amount (before allowances)		thereof unused tax credits (allowances)	
	2013	2012	**2013**	2012
2013	—	17,306	—	15,122
2014	26,228	30,105	1,642	1,730
2015	35,352	43,499	16,959	21,892
2016	5,108	27,226	2,911	18,176
2017	17,071	43,311	7,485	5,217
2018	80,821	—	46,009	—
After 2018/2017	103,046	71,319	4,984	—
Unlimited	1,311,915	691,507	331,284	352,668
Total	**1,579,540**	**924,273**	**411,275**	**414,805**

Deferred taxes relate to the following: EUR 1,000

	2013 Deferred tax assets	Deferred tax liabilities	2012 Deferred tax assets	Deferred tax liabilities
Impairments, write-offs, differences in depreciation and amortization, different definition of cost	60,935	983,559	91,352	403,215
Capitalization of site restoration and abandonment	884,399	670,008	288,663	91,433
Valuation of assets/liabilities acquired in a business combination	9,826	334,781	113,135	646,547
Discounting of receivables	11,894	—	15,173	14,884
Tax impairment of investments	58,366	—	56,518	—
Valuation differences of derivatives	19,777	22,149	28,686	—
Provisions for pensions and similar obligations	144,789	2,099	128,872	1,925
Valuation differences personnel provisions	5,457	2,226	16,277	1,024
Other different valuation rules	114,764	95,495	47,974	53,376
Losses for carryforward	561,726	—	155,176	—
Other differences	130,387	164,015	144,927	353,258
Total	**2,002,318**	**2,274,331**	**1,086,753**	**1,565,662**

As of December 31, 2013, the aggregate amount of temporary differences associated with investments in subsidiaries for which deferred taxes have not been recognized is EUR 72,314 thousand (2012: EUR 90,618 thousand).

Supplementary information on the financial position

24 Statement of cash flows

There were no cash outflows from acquisitions of subsidiaries in 2013.

The net assets of disposed subsidiaries and businesses at the date of disposal were as follows:

Net assets of disposed subsidiaries and businesses		EUR 1,000
	2013	2012
Non-current assets	5,172	—
Current assets	379,396	46
Non-current liabilities	22,333	—
Current liabilities	82,569	1,191
Net assets disposed	**279,667**	**(1,145)**

The cash consideration received for the sale of subsidiaries and businesses amounted to EUR 760,019 thousand (2012: EUR 34,457 thousand). This position includes the sale of LMG Lagermanagement GmbH, into which major port of R&M's Austrian compulsory emergency stocks was transferred. The cash and cash equivalents of subsidiaries over which control was lost amounted to EUR 13,979 thousand in 2013 (2012: EUR nil).

Cash flow from financing includes net cash outflow of EUR 133,678 thousand from change in non-controlling interest, mainly related to the acquisition of the non-controlling stake of 49% in Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H. and the exercise of put options held by Oberösterreichische Ferngas Aktiengesellschaft that led to an increase of OMV's indirect stake in EconGas GmbH, partly compensated by the decrease in the stake held in Austrian Gas Grid Management AG.

25 Contingent liabilities

OMV recognizes provisions for litigations if these are more likely than not to result in obligations. Management is of the opinion that litigations, to the extent not covered by provisions or insurance, will not materially affect the Group's financial position. The production facilities and properties of all Group companies are subject to a variety of environmental protection laws and regulations in the countries where they operate. The estimated cost of known environmental obligations has been provided in accordance with the Group's accounting policies. Provisions for decommissioning and restoration are made if an obligation exists at the statement of financial position date.

Management believes that compliance with current laws and regulations and future more stringent laws and regulations will not have a material negative impact on the Group's results, financial position or cash flows in the near future.

With regard to the special equalization scheme for electricity-intensive enterprises (Renewable Energy Sources Act – EEG) there were the following contingent liabilities as of December 31, 2013:

On December 18, 2013, the European commission started a formal in-depth inquiry into the Renewable Energy Source Act (EEG) against Germany. The subject of this procedure is the examination whether the exemption from EEG surcharge to promote renewable energies in Germany applied to electricity-intensive companies represents a violation of European law on state aid. If the European Commission concludes that this special equalization scheme according to sections 40 and the following of EEG for electricity-intensive enterprises represents an illegal aid, there is a risk of repayments that OMV faces. OMV assessed the likelihood of this claim as remote; therefore no provisions were recognized for the contingent repayments in the consolidated financial statements. The risk of repayments for OMV Deutschland GmbH for the years 2012 and 2013 amounted in total to approximately EUR 21,313 thousand as of December 2013, thereof EUR 5,778 thousand relating to at-equity accounted investments.

As of December 31, 2013 there were no additional material contingent liabilities.

Capital risk
Capital risk management at the OMV Group is part of value management and is based on two key performance measures: Return On Average Capital Employed (ROACE) and the gearing ratio. Based on its mid-term planning assumptions, OMV targets a ROACE of 13% over the business cycle and a long-term gearing ratio of up to 30%.

26 Risk management

Liquidity risk
For the purpose of assessing liquidity risk, budgeted operating and financial cash inflows and outflows throughout the Group are monitored and analyzed on a monthly basis in order to establish the expected net change in liquidity. This is then compared with current money market deposits and existing loans as well as maturities of the current portfolio and the available liquidity reserves. This analysis provides the basis for financing decisions and capital commitments.

To ensure that the OMV Group remains solvent at all times and retains the necessary financial flexibility, liquidity reserves in the form of committed credit lines are maintained. As of December 31, 2013, the average weighted maturity of the Group's debt portfolio is more than six years.

The operational liquidity management includes cash pooling enabling the management of surplus liquidity and liquidity requirements to the benefit of individual companies and the Group as a whole.

Details of OMV Group's financial liabilities are shown in Note 22.

Political risk
The Group operates in countries that have recently been and may continue to be subject to political instability, in particular Libya, Yemen, Pakistan, Kurdistan Region of Iraq and Tunisia. The possible political changes may lead to disruptions and limitations in production and as well to increased tax burden, restrictions on foreign ownership or even nationalization of property, having as a result consequences on the Group's financial condition.

Market risk
Derivative and non-derivative instruments are used to manage market risks resulting from changes in interest rates, foreign exchange rates and commodity prices which could have a negative effect on assets, liabilities or expected future cash flows. As a general rule, derivatives are mainly used for the purpose of reducing market risks on underlying transactions.

Derivative instruments are contracts whose value is derived from one or more underlying financial instruments, indices or prices that are defined in the contract. The initial recognition of derivatives takes place as soon as the contracts become contractually binding, i.e., when the rights and obligations arise. They are derecognized when the contractual rights and obligations lapse or are transferred.

Commodity price risk management
Financial instruments are used where appropriate to hedge the main industry risks associated with price volatility, such as the highly negative impact of low oil prices on cash flow, in accordance with an internal corporate guideline on the management of commodity risk.

OMV uses a portfolio model for **strategic risk management for commodities** to ensure that sufficient cash flow is available to finance the Group's growth and maintain its investment grade credit rating. No strategic hedging was done in 2013. To protect the Group's cash flow from the adverse impact of falling oil prices, derivative instruments were used to hedge the proceeds from 50,000 bbl/d for 2012. To achieve this goal, OMV entered into swaps securing an average price of USD 101.45/bbl.

In G&P's **operational risk management**, OTC swaps, options, futures and forwards are used to hedge purchase and sales price risks. The aim is to hedge the price risk on inventory fluctuations and the differences in terms and conditions of purchases and sales.

In R&M, limited use is made of derivative instruments for both hedging selected product sales and reducing exposure to price risks on inventory fluctuations. Crude oil and product swaps are used to hedge the refining margin (crack spread) – the difference between crude oil prices and bulk product prices. Gains and losses on hedging transactions are included in cost of sales.

Exchange-traded oil futures as well as OTC contracts (contracts for difference and swaps) are used in supply, marketing and trading to hedge short-term purchase and sales market price risks. Gains and losses on hedging transactions are allocated to R&M, and are calculated using fair values.

Limited proprietary trading activities are performed for the purpose of creating market access and market intelligence within the oil, power and gas markets.

Swaps do not involve an investment at the time the contracts are concluded; settlement normally takes place at the end of the quarter or month. The premiums on options are payable when the contract is concluded; where options are exercised, payment of the difference between strike price and average market price for the period takes place at contract expiration.

The tables hereafter show the fair values of derivative financial instruments together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of the transactions outstanding at the year-end and are indicative of neither the market risk nor the credit risk.

Open commodity contracts as of December 31 were as follows:

Nominal and fair value of open contracts EUR 1,000

	2013		2012	
	Nominal	Fair value	Nominal	Fair value
Operational risk management				
G&P				
Commodity swaps	359,470	(10,556)	426,371	909
Commodity options	—	—	5,867	183
Commodity futures	121,142	2,421	333,142	(180)
Commodity forwards	1,170,126	1,242	6,438,908	(45)
R&M				
Commodity futures	4,165,323	6,889	3,877,904	8,404
Commodity swaps	3,648,943	4,511	2,356,476	8,722
Commodity options	603,292	424	—	—

The fair values at statement of financial position date were as follows:

Fair values EUR 1,000

	Nominal	Fair value assets	**2013** Fair value liabilities	Nominal	Fair value assets	2012 Fair value liabilities
Cash flow hedges						
G&P swaps	327,977	237	(10,950)	426,371	8,844	(7,935)
G&P options	—	—	—	5,867	183	—
R&M swaps	661,935	34,806	(31,089)	1,297,687	25,791	(16,541)
Derivatives held for trading						
G&P swaps	31,493	1,124	(967)	—	—	—
G&P futures	121,142	2,553	(132)	333,142	800	(981)
G&P forwards	1,170,126	27,323	(26,081)	6,438,908	86,748	(86,793)
R&M futures	4,165,323	34,804	(27,915)	3,877,904	10,145	(1,741)
R&M swaps	2,987,008	3,698	(2,904)	1,058,789	—	(528)
R&M options	603,292	829	(405)	—	—	—

Cashflow hedging for commodities

Cash flow hedging for commodities EUR 1,000

	Period of expected cash flows for cash flow hedges	Adjustments from cash flow hedges in other comprehensive income	[thereof: Transfer from other comprehensive income disclosed in income statement]	[thereof: Transfer from other comprehensive income against original costs of acquisition]
2013				
G&P price risk hedge				
Swaps fix to floating – gas	until Q4/15	(11,622)	[(7,415)]	[—]
Gas options	until Q1/14	—	[183]	[—]
R&M price risk hedge				
Swaps fix to floating – Brent	2014	16,731	[(23,988)]	[—]
Swaps fix to floating – products	2014	(21,968)	[(2,924)]	[—]
2012				
E&P price risk hedge				
Brent swaps	2012	47,574	[140,967]	[—]
G&P price risk hedge				
Swaps fix to floating – gas	until Q4/14	532	[(4,741)]	[—]
Gas options	until Q1/14	(2,095)	[—]	[—]
R&M price risk hedge				
Swaps fix to floating – Brent	2013	16,569	[18,764]	[—]
Swaps fix to floating – products	2013	(17,301)	[1,206]	[—]

In R&M, crude oil and products are hedged separately, aiming at protecting future margins.

Crude is hedged by buying on a fixed and selling on a floating rate basis, and products are hedged by selling on a fixed and buying on a floating rate basis.

The hedging of future cash flows is accounted for as a cash flow hedge, and the effective part of the change in value of the derivative is accounted for in other comprehensive income. When the hedged item (underlying transaction) affects profit and loss, the amounts previously accounted for in other comprehensive income are released to profit and loss. The ineffective part of the cash flow hedges, amounting to a positive EUR 381 thousand (2012: Negative EUR 176 thousand) was recognized in profit and loss.

Sensitivity analysis
For open hedging contracts of the kinds discussed above, sensitivity analysis is performed to determine the effect of market price fluctuations (+/–10%) on market value. The sensitivity of OMV Group's overall earnings differs from the sensitivity shown below, since the contracts concluded are used to hedge operational exposures.

The effect of market price fluctuations on earnings or equity depends on the type of derivative used and on whether hedge accounting is applied. Market price sensitivity for derivatives to which cash flow hedge accounting is applied is shown in the sensitivity table for equity. Sensitivity to market price fluctuations for all other open derivatives is shown in the sensitivity table for earnings.

The market value sensitivities of open derivatives are currently as follows:

Sensitivity analysis for open derivatives affecting profit from ordinary activities before taxes — **EUR 1,000**

	2013		2012	
	Market price +10%	Market price (10)%	Market price +10%	Market price (10)%
Operational risk management				
G&P				
G&P swaps	(563)	563	726	(726)
G&P futures	7,286	(7,286)	7,585	(7,585)
G&P forwards	(1,440)	1,440	(14,036)	14,036
G&P options	—	—	—	—
R&M				
Commodity futures	3,565	(3,565)	(5,977)	5,977
Commodity swaps	(3,951)	3,951	(2,485)	(2,485)
Commodity options	(317)	812	—	—

Sensitivity analysis for open derivatives affecting equity				EUR 1,000
	2013		2012	
	Market price +10%	Market price (10)%	Market price +10%	Market price (10)%
Operational risk management				
G&P				
G&P swaps	(378)	378	976	(976)
G&P options	—	—	314	(84)
R&M				
Commodity swaps	(2,284)	2,284	(4,483)	4,489

Foreign exchange risk management
OMV operates in many countries and currencies, therefore industry-specific activities and the corresponding exchange risks need to be analyzed precisely. The USD represents OMV's greatest risk exposure, in the form of movement of the USD against the EUR, the RON and the TRY. Other currencies have only a limited impact on cash flow and EBIT.

The transaction risk on foreign currency cash flows is monitored on an ongoing basis. The Group's net position is reviewed at least on a semiannual basis and the sensitivity is calculated: OMV has a USD long position in E&P and a comparatively smaller USD short position in its R&M business. OMV has a netted USD long position as the USD position from operating business of the segments E&P and R&M are not fully offsetting. This analysis provides the basis for management of transaction risks on currencies.

As of December 31, 2013, the value of transactions used to hedge foreign currency receivables and liabilities and of transactions used to manage liquidity was as follows:

Currency derivatives				EUR 1,000
	2013		2012	
	Nominal	Fair value	Nominal	Fair value
Currency forwards	856,498	(3,227)	150,575	(145)
Currency swaps	85,512	(235)	1,745,993	(7,266)

Forwards and swaps shown above are used exclusively to hedge foreign exchange rate risks on outstanding receivables and payables. The market value of these instruments will move in the opposite direction to the value of the underlying receivable or liability if the relevant foreign exchange rate changes.

Cash flow hedging for currency derivatives
In 2013, OMV did not enter into any centrally managed foreign currency hedges. Consequently, as of December 31, 2013, no cash flow hedging for currency derivatives was applied.

Cash flow hedging for currency derivatives — **EUR 1,000**

	Period of expected cash flows for cash flow hedges	Adjustments from cash flow hedges in other comprehensive income	[thereof: Transfer from other comprehensive income disclosed in income statement]	[thereof: Transfer from other comprehensive income against original costs of acquisition]
2012				
Currency forwards	2012	34,928	[34,928]	[—]

The hedging of future USD cash flows is accounted for as a cash flow hedge, and the effective part of the change in value of the derivative is accounted for in other comprehensive income. When the transaction affects profit and loss, the amounts previously accounted for in other comprehensive income are reclassified to profit and loss.

Translation risk is also monitored on an ongoing basis at Group level, and the risk position is evaluated. Translation risk arises on the consolidation of subsidiaries with functional currencies different from EUR. The largest exposures result from changes in RON, TRY, NOK and USD denominated assets against the EUR. The long-term foreign exchange rate risk on investments in subsidiaries with functional currencies different from EUR is calculated and appraised on a regular basis.

For financial instruments, sensitivity analysis is performed for changes in foreign exchange rates. The sensitivity of the principal currency exposures is as follows: The main exposures as of December 31, 2013, were to the EUR-RON and EUR-USD as well as the EUR-TRY exchange rates. On Group level, the EUR-RON sensitivity not only includes the RON net exposure versus the EUR but also the net RON exposure versus the USD, since the USD-RON exposure can be split into a EUR-RON and EUR-USD exposure. The same is true for the EUR-TRY exposure.

Sensitivity analysis for financial instruments affecting profit from ordinary activities before taxes [1] — **EUR 1,000**

	2013		2012	
	10% appreciation of the EUR	10% depreciation of the EUR	10% appreciation of the EUR	10% depreciation of the EUR
EUR-RON	13,288	(13,288)	(3,329)	3,329
EUR-TRY	(33,950)	33,950	(27,730)	27,730
EUR-USD	(29,405)	29,405	(14,247)	14,247

[1] Refers only to financial instruments and is not the same as the Group's overall foreign exchange rate sensitivity in terms of EBIT

Interest rate management
To facilitate management of interest rate risk, OMV's liabilities are analyzed in terms of fixed and floating rate borrowings, currencies and maturities. Appropriate ratios for the various categories are established, and where necessary, derivative instruments are used to hedge fluctuations outside predetermined ranges.

Interest rate swaps are used from time to time to convert fixed rate debt into floating rate debt, and vice versa. At December 31, 2013, fair value hedge accounting is applied for an interest swap of a notional volume of USD 50,000 thousand from fixed to floating rates. This interest rate swap is used to hedge the fair value of a bond (fair value hedge) issued by the OMV Group (see Note 22). The interest rate spread between the swap and the loan is accounted for as an adjustment to interest expense.

As of December 31, open positions were as follows:

Open positions EUR 1,000

	2013		2012	
	Nominal	Fair value	Nominal	Fair value
Interest rate swaps (not hedge accounting)	—	—	45,475	(286)
Interest rate swaps (USD 50,000 thousand)	36,256	2,504	37,896	4,251

Interest sensitivities
The effect of an interest rate increase of 0.5 percentage points as of December 31, 2013 would have been a EUR 0.9 million reduction in market value (2012: EUR 0.5 million). The effect of an interest rate decrease of 0.5 percentage points as of December 31, 2013, would have been a EUR 0.9 million increase in market value (2012: EUR 0.5 million).

OMV Petrom SA holds financial assets whose market value would be affected by changes in interest rates. The effect of an interest rate increase of 0.5 percentage points as of December 31, 2013, would have been a EUR 0.7 million reduction in the market value of these financial assets (2012: EUR 0.7 million). A 0.5 percentage points fall in the interest rate as of December 31, 2013 would have led to an increase in market value of EUR 0.7 million (2012: EUR 0.7 million).

OMV regularly analyzes the impact of interest rate changes on interest income and expense from floating rate deposits and borrowings. Currently the effects of changes in interest rate are not considered constituting a material risk.

On the Group's floating rate net debt as of December 31, 2013, net interest expense would rise or fall by EUR 1.9 million (December 31, 2012: EUR 1.9 million) if interest rates rose or fell by 0.5 percentage points.

Credit risk management
The main counterparty credit risks are assessed and monitored at Group level and segment level using predetermined limits for all counterparties, banks and security providers. On the basis of a risk assessment all counterparties, banks and security providers are assigned to a credit limit, an internal risk class and a specific validity. The risk assessments are reviewed at least annually or on an ad-hoc-basis. The procedures are governed by guidelines at OMV level. The main counterparties with contracts involving derivative financial instruments have investment grade credit ratings. For the sake of risk diversification, financial agreements are always spread between different banks.

Credit risk versus financial counterparties in strategic risk management, foreign exchange rate risk management, interest rate risk management and liquidity management amounted to a maximum of EUR 282.5 million as of December 31, 2013 (2012: EUR 1,019.1 million). Credit risk versus financial counterparties and other third parties in operational risk management in the R&M business amounted to a maximum of EUR 625.9 million (2012: EUR 727.1 million).

27 Fair value hierarchy

The following overview presents the measurement of financial instruments (assets and liabilities) recognized at fair value. In accordance with IFRS 13, the individual levels are defined as follows:

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.

There are no Level 3 financial instruments used in OMV Group. There are no transfers between levels of the fair value hierarchy.

Fair value hierarchy 2013 — EUR 1,000

Financial instruments on asset side	Level 1	Level 2	Level 3	Total
Investment funds	6,649	—	—	**6,649**
Bonds	118,560	—	—	**118,560**
Derivatives designated and effective as hedging instruments	—	37,357	—	**37,357**
Other derivatives	2,553	68,585	—	**71,138**
Total	**127,762**	**105,941**	**—**	**233,703**

Fair value hierarchy 2013 — EUR 1,000

Financial instruments on liability side	Level 1	Level 2	Level 3	Total
Liabilities on derivatives designated and effective as hedging instruments	—	41,628	—	**41,628**
Liabilities on other derivatives	132	62,761	—	**62,893**
Total	**132**	**104,389**	**—**	**104,521**

Fair value hierarchy 2012 — EUR 1,000

Financial instruments on asset side	Level 1	Level 2	Level 3	Total
Investment funds	6,863	—	—	**6,863**
Bonds	129,896	—	—	**129,896**
Derivatives designated and effective as hedging instruments	—	38,756	—	**38,756**
Other derivatives	10,945	89,523	—	**100,468**
Total	**147,704**	**128,279**	**—**	**275,983**

Fair value hierarchy 2012 — EUR 1,000

Financial instruments on liability side	Level 1	Level 2	Level 3	Total
Liabilities on derivatives designated and effective as hedging instruments	—	24,420	—	**24,420**
Liabilities on other derivatives	2,721	97,321	—	**100,043**
Total	**2,721**	**121,742**	**—**	**124,463**

28 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset only when the Group has a current and legally enforceable right to set-off the recognized amounts and when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. OMV enters in the normal course of business into various master netting arrangements in the form of International Swaps and Derivatives Association (ISDA) agreements or European Federation of Energy Traders (EFET) agreements or other similar arrangements that do not meet the criteria of offsetting in the statement of the financial position in accordance with IAS 32.

The tables hereafter show the carrying amounts of recognized financial assets and financial liabilities that are subject to various netting arrangements. The net column would be on the Group’s statement of financial position, if all set-off rights were exercised.

Offsetting of financial assets 2013 — EUR 1,000

	Note	Financial instruments in the statement of financial position (gross equals net)	Financial liabilities with right of set-off (not offset)	Net
Derivative financial instruments	17	108,494	(69,279)	**39,215**
Trade receivables	16	3,270,470	(655,151)	**2,615,319**
Other sundry receivables	17	1,063,000	(27,194)	**1,035,806**
Total		**4,441,964**	**(751,625)**	**3,690,339**

Offsetting of financial liabilities 2013 — EUR 1,000

	Note	Financial instruments in the statement of financial position (gross equals net)	Financial assets with right of set-off (not offset)	Net
Derivative financial instruments	22	104,521	(84,802)	**19,719**
Trade payables	22	4,913,909	(655,151)	**4,258,758**
Other financial liabilities	22	607,049	(11,672)	**595,377**
Total		**5,625,479**	**(751,625)**	**4,873,854**

Offsetting of financial assets 2012 EUR 1,000

	Note	Financial instruments in the statement of financial position (gross equals net)	Financial liabilities with right of set-off (not offset)	Net
Derivative financial instruments	17	139,224	(81,342)	**57,882**
Trade receivables	16	3,821,749	(698,798)	**3,122,950**
Other sundry receivables	17	867,180	(3,618)	**863,562**
Total		**4,828,153**	**(783,759)**	**4,044,394**

Offsetting of financial liabilities 2012 EUR 1,000

	Note	Financial instruments in the statement of financial position (gross equals net)	Financial assets with right of set-off (not offset)	Net
Derivative financial instruments	22	124,463	(84,960)	**39,503**
Trade payables	22	4,290,438	(698,798)	**3,591,640**
Other financial liabilities	22	651,731	—	**651,731**
Total		**5,066,632**	**(783,759)**	**4,282,874**

29 Result on financial instruments

Result on financial instruments EUR 1,000

	2013	2012
Result on financial instruments at fair value through profit or loss	20,504	(4,399)
Result on available-for-sale financial instruments	(46,432)	14,951
Result on loans and receivables	(132,136)	(14,683)
Result on financial liabilities measured at amortized cost	(204,393)	(167,314)
Total	**(362,458)**	**(171,444)**

The result on financial instruments includes dividend income (excluding equity-accounted investments), interest income and expense, foreign exchange gains and losses, gains and losses on the disposal of financial assets, impairment losses and write-ups of financial assets and fair value adjustments to financial instruments at fair value through profit or loss. Income or expenses on derivative instruments used to hedge operational risks and offset by corresponding expenses or income in cost of sales or sales revenues are not included in the result on financial instruments. The result on financial instruments at fair value through profit or loss consists exclusively of the result on held-for-trading financial instruments.

In the income statement, a negative result on financial instruments of EUR 14,537 thousand (2012: Negative result of EUR 23,441 thousand) forms part of operating profit (EBIT) and a negative result of EUR 347,921 thousand (2012: Negative result of EUR 148,003 thousand) forms part of the net financial result.

In addition to the result on available-for-sale financial instruments shown in the table above, a loss of EUR 2,085 thousand (2012: Gain of EUR 3,847 thousand) was recognized directly in other comprehensive income in 2013.

The result on available-for-sale financial instruments mainly consists of a net loss of EUR 58,181 thousand related to the write-off of Nabucco West assets (2012: EUR 196 thousand related to other impairments).

The result on loans and receivables includes impairment losses of EUR 120,863 thousand (2012: EUR 49,839 thousand). The impairment losses recognized in 2013 are mainly related to the impairment loss allocated to BAYERNOIL Raffineriegesellschaft mbH loan further to the classification to assets held for sale. Write-ups of loans and receivables amount to EUR 31,057 thousand (2012: EUR 30,886 thousand).

30 Share based payments

Long Term Incentive (LTI) plans 2009-2013

In 2009, the stock option plan was replaced by the LTI plan for the Executive Board and selected senior executives in the Group. From 2010 to 2013, yearly LTI plans were granted, with similar conditions. Participants of the plans 2009, 2010 and 2011 must hold shares until the end of the holding period. At vesting date, bonus shares will be granted to the participants. The number of bonus shares is determined depending on the achievement of defined performance targets. Disbursement is made in cash or in shares. In 2011, 2012 and 2013, participation to the plan also was granted to selected employees with outstanding development potential (potentials). Executive Board members and senior executives as participants of the 2012 and 2013 plans are required to build up an appropriate volume of shares and to hold those shares until retirement or departure from the Company.

Provision is made for the expected future costs of the LTI plans at statement of financial position date based on fair values. Fair values are determined using a model considering the expected target achievement and the expected share price. Expected dividends were incorporated into the measurement according to the Company's mid-term planning. For new plans, the expense is spread over the three-year vesting period. As of December 31, 2013, the provision amounted to EUR 19,495 thousand (2012: EUR 15,446 thousand), and the net increase was EUR 4,049 thousand (2012: Decrease of EUR 8,531 thousand).

Main conditions

	2013 plan	2012 plan	2011 plan	2010 plan	2009 plan
Start of plan	1/1/2013	1/1/2012	1/1/2011	1/1/2010	1/1/2009
End of performance period	12/31/2015	12/31/2014	12/31/2013	12/31/2012	12/31/2011
Vesting date	3/31/2016	3/31/2015	3/31/2014	3/31/2013	3/31/2012
End of holding period	—	—	3/31/2016	3/31/2015	3/31/2014
Shareholding requirement (plans 2012 and 2013)/Qualifying own investment (plans 2009 to 2011)					
Executive Board Chairman	200% of gross base salary	200% of gross base salary	100% of gross base salary	100% of gross base salary	100% of gross base salary
Executive Board Deputy Chairman	175% of gross base salary	175% of gross base salary	85% of gross base salary	85% of gross base salary	85% of gross base salary
Executive Board members	150% of gross base salary	150% of gross base salary	70% of gross base salary	70% of gross base salary	70% of gross base salary
Senior executives	75% of gross base salary	75% of gross base salary	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares
Potentials	n.a.	n.a.	EUR 15,000 in shares		
Personal investment held in shares					
Executive Board members					
Auli	—	—	20,096 shares	20,096 shares	20,096 shares
Davies	46,070 shares	32,855 shares	25,614 shares	20,096 shares	20,096 shares
Floren	16,226 shares	7,500 shares	—	—	—
Huijskes	21,298 shares	12,136 shares	12,136 shares	12,136 shares	—
Langanger	—	—	—	20,096 shares	20,096 shares
Leitner [1]	27,406 shares	16,060 shares	12,993 shares	—	—
Roiss	60,173 shares	44,259 shares	34,932 shares	28,469 shares	28,469 shares
Ruttenstorfer	—	—	—	38,278 shares	38,278 shares
Total — Executive Board	**171,173 shares**	**112,810 shares**	**105,771 shares**	**139,171 shares**	**127,035 shares**
Other senior executives	271,434 shares	278,497 shares	299,449 shares	240,390 shares	202,412 shares
Potentials	—	—	9,460 shares [2]	—	—
Total personal investment	**442,607 shares**	**391,307 shares**	**414,680 shares**	**379,561 shares**	**329,447 shares**
Expected bonus shares as of December 31, 2013	**496,183 shares**	**501,049 shares**	**163,576 shares**	**356,905 shares**	**—**
Maximum bonus shares as of December 31, 2013	**827,034 shares**	**924,599 shares**	**582,225 shares**	**450,945 shares**	**—**
Fair value of plan (EUR 1,000)	**17,270**	**17,688**	**8,878**	**—**	**—**

[1] Manfred Leitner takes part in the 2009 and 2010 plans with 5,742 shares in his position as senior executive
[2] Personal shares are provided by OMV

Matching Share Plan (MSP)
The Matching Share Plan for the year 2013, as approved by the Annual General Meeting in 2013, is an integral part of the annual bonus agreement and serves as a long-term compensation vehicle for the members of the Executive Board that promotes retention and shareholder alignment in OMV, combining the interests of management and shareholders via a long-term investment in restricted shares. The plan also seeks to reduce inappropriate risk-taking. For Executive Board members, an award of shares will be made to match 100% of their realized gross annual cash bonus. The performance criteria for the annual bonus may not be amended during the term of the MSP. On determination of the annual cash bonus by the Remuneration Committee, an equivalent matching bonus grant will be made net (after deduction of taxes) in company shares which shall be transferred to a trustee deposit, managed by the Company, to be held for three years.

Executive Board members can choose between cash payment or shares if and to the extent that they have already fulfilled the minimum shareholding requirements for the LTIP 2012 and LTIP 2013. As of December 31, 2013, a provision amounting to EUR 2,049 thousand was recorded (2012: EUR 3,125 thousand).

Total expense
In 2013, total expense of EUR 21,847 thousand (2012: EUR (9,349) thousand) has been recognized arising from share-based payment transactions, thereof EUR 1,522 thousand (2012: EUR 4,788 thousand) from transactions accounted for as equity-settled share-based payment transactions.

Stock option plans 2005-2008
On the basis of resolutions of the relevant Annual General Meetings, OMV has implemented long-term performance oriented compensation plans for the Executive Board and selected senior executives in the Group from 2000 onwards. Eligible executives – provided they invested in OMV shares – are granted options entitling them to acquire OMV shares (or their monetary equivalents) on favorable terms if the stock price rises by at least 15% (plan threshold share price).

In the explanations hereafter, the number of options and the values have been adjusted for the 10–for–1 stock split on July 11, 2005.

At grant dates details of the plans were as follows:

Main conditions

	2008 plan	2007 plan	2006 plan	2005 plan
Start of plan	9/1/2008	9/1/2007	9/1/2006	9/1/2005
End of plan	8/31/2015	8/31/2014	8/31/2013	8/31/2012
Vesting period	2 years	2 years	2 years	2 years
Exercise price	EUR 47.550	EUR 47.850	EUR 45.190	EUR 34.700
Option entitlement per OMV share held	20	20	20	20
Qualifying own investment				
Executive Board	1,136 shares [1]	1,230 shares [1]	1,242 shares [1]	2,390 shares [1]
Senior executives	379 shares [1]	410 shares [1]	414 shares [1]	800 shares [1]
Options granted				
Executive Board members				
Auli [2]	22,720	24,600	8,280	—
Davies	22,720	24,600	24,840	47,800
Langanger [3]	22,720	24,600	24,840	47,800
Leitner [4]	7,580	8,200	8,280	16,000
Roiss	22,720	24,600	24,840	47,800
Ruttenstorfer [5]	22,720	24,600	24,840	47,800
Total – Executive Board	**121,180**	**131,200**	**115,920**	**207,200**
Other senior executives	420,700	432,560	351,940	516,000
Total options granted	**541,880**	**563,760**	**467,860**	**723,200**
Plan threshold share price	**EUR 54.680**	**EUR 55.030**	**EUR 51.970**	**EUR 39.910**

[1] Or 25%, 50%, or 75% thereof
[2] Member of the Executive Board from January 1, 2007 until December 31, 2011
[3] Member of the Executive Board until September 30, 2010
[4] Member of the Executive Board since April 1, 2011
[5] Chairman of the Executive Board and CEO until March 31, 2011

As of December 31, 2013, all of the options for the 2005 and 2006 plans were exercised or forfeited (returned), and some of the options for the 2007 and 2008 plans forfeited. As of December 31, 2012, all of the options for the 2005 plans were exercised or forfeited (returned), and some of the options for the 2006, 2007 and 2008 plans forfeited.

Participation in the stock option plans is subject also to the following terms and conditions:

1. Eligibility to participate in the stock option plans is conditional on investment by the participant, who must hold the shares at the start of the plan and for the entire period until exercise.

2. For all plans, the number of shares which participants are required to hold is calculated by dividing the maximum permitted investment by the average quoted price of the stock in the month of May in the year of issue. Options may also be exercised at levels of 25%, 50% or 75% of the maximum holding.

3. In the event of participants disposing of their underlying investments, the options are forfeited. The options are not transferable and expire if not exercised.

4. The exercise price is the average price for the period from May 20 to August 20.

5. For the plans for 2005-2008, exercise windows are periods where exercise is not prohibited according to the following criteria. Options may not be exercised:

- when the plan participant is party to insider information
- during the blackout period specified in the Issuers Compliance Regulation (six weeks before scheduled publication of the annual results, three weeks before publication of the quarterly results or any other restricted periods defined by compliance officers)
- if the Executive Board forbids the exercise for a specific period

6. Evidence of the participant's underlying investment must be furnished when exercising an option. The options may be exercised by purchasing the shares or by having the difference between the current market price and the exercise price paid out in cash or in the form of shares, provided always that the market price of OMV stock at the time of exercise exceeds the exercise price by at least 15%.

In 2013 and 2012 movements in options under the stock option plans were as follows:

Stock option plans

		2013		2012
	Number of options	Weighted average exercise price EUR	Number of options	Weighted average exercise price EUR
Outstanding options as of January 1	**1,486,280**	**46.962**	**1,885,740**	**44.519**
Options exercised	—	—	—	—
Options forfeited (returned)	(436,800)	45.190	(399,460)	35.431
Outstanding options as of December 31	**1,049,480**	**47.699**	**1,486,280**	**46.962**
Options exercisable at year-end [1]	—	—	—	—

[1] The options for the plans 2006, 2007 and 2008 would have been exercisable at year-end, if the share price had been above the respective plan threshold. The options for the plans 2005, 2006, 2007 and 2008 would have been exercisable at December 31, 2011, if the share price had been above the respective plan threshold

During 2013, a total of 436,800 options granted under the 2006 plan were forfeited. Considering the plan threshold, the intrinsic value of the options exercisable as of December 31, 2013 was EUR nil, as the share price at year-end was below the plan threshold for the 2007 and 2008 plans.

During 2012, a total of 375,400 options granted under the 2005 plan were forfeited. 24,060 options from the plans 2006, 2007 and 2008 were returned. Considering the plan threshold, the intrinsic value of the options exercisable as of December 31, 2012 was EUR nil, as the share price at year-end was below the plan threshold for the 2006, 2007 and 2008 plans.

No options were exercised by plan participants during 2013 and 2012.

As of December 31, 2013, **outstanding options** under the various plans were as follows:

Outstanding options

Plan	Exercise price EUR	Options outstanding	Remaining maturity in years	Options exercisable at year-end [1]
2007	47.85	522,760	0.7	—
2008	47.55	526,720	1.7	—
Total		**1,049,480**		—

[1] The options for the plans 2007 and 2008 would have been exercisable at year-end, if the share price had been above the respective plan threshold

The options are valued using the Black-Scholes model. The expected average volatility of the stock has been calculated on the basis of the volatility of the past five years. The possibility of earlier exercise is reflected in the risk-free interest rate selected, which is based on rates prevailing at statement of financial position date.

The fair value as of December 31, 2013 is calculated on the basis of the options still outstanding, while the fair value as of the time of award is based on the total options granted. Assuming that the conditions for exercise are fulfilled during the exercise period, the fair value of the stock option plans is as follows:

Valuation as of December 31, 2013

	2008 plan	2007 plan
Market value of plan (EUR 1,000)	718	191
Calculation variables		
Market price of stock (EUR)	34.79	34.79
Risk-free rate of return	0.31%	0.12%
Maturity of options (including vesting period)	1.7 years	0.7 years
Average dividend yield	3.94%	3.45%
Share price volatility	30%	30%

Provision is made for the expected future costs of options unexercised at statement of financial position date based on fair values. As of December 31, 2013, the provision amounted to EUR 909 thousand (2012: EUR 936 thousand) and the net decrease was EUR 27 thousand (2012: EUR 752 thousand).

Segment reporting

31 Business operations and key markets

For business management purposes, OMV is divided into three operating business segments: Exploration and Production (E&P), Gas and Power (G&P) and Refining and Marketing including petrochemicals (R&M), as well as the segment Corporate and Other (Co&O). Each segment represents a strategic unit with different products and markets. Each business segment is managed independently. Strategic business decisions are made by the Executive Board of OMV. With the exception of Co&O, the reportable segments of OMV are the same as the operating segments.

E&P engages in the business of oil and gas exploration, development and production and focuses on two core countries Romania and Austria and its international portfolio (Northwest Europe, Africa and Australasia, Middle East and Caspian). The produced oil and gas is primarily sold within the OMV Group.

The **G&P** segment engages in gas transit through and transport within Austria, as well as in gas storage, marketing and trading. OMV is the sole operator of long-distance gas transmission pipelines in Austria. The power business extends the gas value chain into gas-fired power plants.

R&M operates the refineries Schwechat (Austria), Burghausen (Germany) and Petrobrazi (Romania) and holds a 45% share in the Bayernoil refinery (Germany), for which a sale agreement has been signed. In these refineries, oil and gas is processed into petroleum products, which are sold to commercial and private customers. Distribution is partially effected via an own operated filling station network in Central and Southeastern Europe and via the filling station network in Turkey.

Group management, financing and insurance activities and certain service functions are concentrated in the **Co&O** segment.

The key measure of operating performance for the Group is earnings before interest and taxes (EBIT) according to IFRS. Total assets include intangible assets as well as property, plant and equipment. Sales to external customers are split up by geographical areas on the basis of where the delivery of goods or services is effective. Accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Intra-group sales and cost allocations by the parent company are determined in accordance with internal OMV policies; Management is of the opinion that the transfer prices of goods and services exchanged between segments correspond to market prices. Business transactions not attributable to operating segments are included in the results of the Co&O segment.

32 Segment reporting

Segment reporting EUR mn

	E&P	G&P	R&M	Co&O	**Total**	Consolidation	**Consolidated total**
2013							
Sales [1]	5,378.48	12,235.92	29,384.45	400.36	**47,399.22**	(4,984.52)	**42,414.70**
Intra-group sales	(4,335.75)	(200.56)	(53.91)	(394.30)	**(4,984.52)**	4,984.52	**–**
External sales	1,042.73	12,035.36	29,330.55	6.06	**42,414.70**	–	**42,414.70**
Segment assets [2]	12,831.03	2,089.76	5,486.21	240.67	**20,647.67**	–	**20,647.67**
Investments in PPE/IA	5,521.70	150.89	494.45	31.57	**6,198.62**	–	**6,198.62**
Depreciation and amortization	944.85	103.10	515.69	41.05	**1,604.69**	–	**1,604.69**
Impairment losses	429.00	120.57	27.00	0.07	**576.63**	–	**576.63**
2012							
Sales [1]	6,074.71	11,882.93	29,608.19	393.68	**47,959.50**	(5,310.27)	**42,649.23**
Intra-group sales	(4,687.39)	(176.34)	(57.50)	(389.04)	**(5,310.27)**	5,310.27	**–**
External sales	1,387.32	11,706.59	29,550.68	4.63	**42,649.23**	–	**42,649.23**
Segment assets [2]	9,188.36	2,348.81	6,053.77	235.74	**17,826.68**	–	**17,826.68**
Investments in PPE/IA	1,898.89	403.84	441.43	41.16	**2,785.32**	–	**2,785.32**
Depreciation and amortization	967.19	66.25	531.96	40.24	**1,605.63**	–	**1,605.63**
Impairment losses	348.96	13.34	67.15	0.54	**429.98**	–	**429.98**

[1] Including intra-group sales
[2] Property, plant and equipment (PPE), intangible assets (IA)

Segment and Group profit EUR mn

	2013	2012
EBIT E&P [1]	1,989.58	2,743.32
EBIT G&P	0.57	42.53
EBIT R&M	772.46	416.82
EBIT Co&O	(52.91)	(65.55)
EBIT segment total	**2,709.71**	**3,137.11**
Consolidation: Elimination of intersegmental profits	6.89	(33.39)
OMV Group EBIT	**2,716.60**	**3,103.72**
Net financial result	(426.60)	(246.23)
OMV Group profit from ordinary activities	**2,290.00**	**2,857.49**

[1] Excluding intersegmental profit elimination

Information on geographical areas EUR mn

	Austria	Germany	Romania	Turkey	Rest of CEE	Rest of Europe	Rest of World [2]	**Total**
2013								
External sales	14,731.81	7,442.65	4,171.83	6,699.06	4,024.69	2,706.28	2,638.38	**42,414.70**
Allocated assets [1]	2,985.30	980.51	6,567.40	3,221.75	531.40	3,984.63	1,882.46	**20,153.46**
Not allocated assets	—	—	—	—	—	—	—	**494.22**
Segment assets								**20,647.67**
2012								
External sales	15,977.65	6,983.20	4,666.97	5,491.38	4,161.08	2,081.71	3,287.23	**42,649.23**
Allocated assets [1]	2,997.37	1,062.47	6,134.88	3,071.21	594.73	855.53	2,587.97	**17,304.15**
Not allocated assets	—	—	—	—	—	—	—	**522.53**
Segment assets								**17,826.68**

[1] Property, plant and equipment (PPE), intangible assets (IA)
[2] Rest of World: Principally Australia, Kazakhstan, Libya, New Zealand, Pakistan, Tunisia, Yemen and Kurdistan Region of Iraq

EUR 494.22 million (2012: EUR 522.53 million) of the goodwill deriving from the acquisition of Petrol Ofisi and Tunisian subsidiaries have not been allocated to geographical areas but to cash-generating units that are operating in more than one geographical area.

Other information

33 Average number of employees

Average number of employees [1]

	2013	2012
OMV Group excluding Petrom group	6,951	6,892
Petrom group	20,393	22,255
Total Group	**27,344**	**29,147**

[1] Calculated as the average of the month's end numbers of employees during the year

34 Expenses Group auditor

Expenses for services rendered by the Group auditor (including the international network in terms of section 271b UGB) comprise the following:

Expenses for services rendered by the Group auditor (including the international network) — **EUR 1,000**

	2013	2012
Audit of Group accounts and year-end audit	2,665	2,202
Other assurance services	898	655
Tax advisory services	27	34
Other services	871	176
Total	**4,462**	**3,066**

In 2013, the following expenses have been incurred for the Group auditor, Ernst & Young Wirtschaftsprüfungs-gesellschaft m.b.H.: For the year-end audit EUR 804 thousand (2012: EUR 703 thousand), for other assurance services EUR 716 thousand (2012: EUR 583 thousand), for tax advisory services EUR 18 thousand (2012: EUR 10 thousand) and for other services EUR 63 thousand (2012: EUR 126 thousand).

35 Related parties

Under IAS 24, details of relationships with related parties and related enterprises not included in consolidation must be disclosed. Enterprises and individuals are considered to be related if one party is able to control or exercise significant influence over the business of the other. Österreichische Industrieholding AG, Vienna, holds an interest of 31.5% and International Petroleum Investment Company, Abu Dhabi, holds an interest of 24.9% in OMV Aktiengesellschaft; both are related parties under IAS 24.

In 2013, there were arm's-length supplies of goods and services between the Group and at-equity accounted companies. The supplies of goods and services relate to the following companies included at-equity:

Related enterprises — **EUR 1,000**

		2013		2012
	Sales	Receivables	Sales	Receivables
Borealis AG	1,730,823	19,471	1,754,959	2,910
GENOL Gesellschaft m.b.H. & Co	223,125	17,175	324,947	27,061
Erdöl-Lagergesellschaft m.b.H.	45,978	1,911	59,153	28
BAYERNOIL Raffineriegesellschaft mbH	907	149	3,787	633
Other	—	3	—	2
Total	**2,000,833**	**38,709**	**2,142,846**	**30,634**

At December 31, 2013, there were trade payables to BAYERNOIL Raffineriegesellschaft mbH of EUR 61,404 thousand (2012: EUR 52,885 thousand). These were disclosed as liabilities associated with assets held for sale.

At December 31, 2013, the following loans were outstanding: EUR 17,232 thousand (2012: EUR 36,263 thousand) to Pearl Petroleum Company Limited and EUR nill thousand (2012: EUR 6,800 thousand) to Erdöl-Lagergesellschaft m.b.H.

The outstanding balance related to BAYERNOIL Raffineriegesellschaft mbH loan amounted to EUR 189,900 thousand. Following the classification to assets held for sale, an impairment loss was recognized to reduce the carrying amount of the assets in the disposal group to the fair value less costs to sell, thereof EUR 79,990 thousand were allocated to the loan. As a result, the book value of the loan amounted to EUR 109,910 thousand (2012: EUR 212,400 thousand)

The **remuneration received** by the Executive Board was made up as follows:

Remuneration received by the Executive Board — **EUR 1,000**

2013	Davies	Floren	Huijskes	Leitner	Roiss	**Total**
Fixed remuneration for 2013	744	600	631	500	800	**3,275**
Variable remuneration [1]	690	—	517	493	788	**2,488**
Benefits in kind (company car, accident insurance) and reimbursed expenses	10	4	9	8	9	**40**
Total (excluding severance and post-employment payments, pension fund contributions and payments in lieu of holiday)	**1,443**	**604**	**1,157**	**1,001**	**1,597**	**5,802**
Number of gross shares from the Matching Share Plan [2]	24,433 [3]	17,452	18,324	17,452	27,923 [3]	**105,584**
Number of gross shares from the Long Term Incentive Plan 2010	17,472 [3]	—	14,560 [3]	5,240	25,484 [3]	**62,756**

[1] Includes only cash bonus for target achievement 2012. Hans-Peter Floren's cash bonus was paid out in 2012
[2] Part of the variable remuneration of the Board. First time paid out in 2013
[3] (Partly) paid out in cash

Remuneration received by the Executive Board						EUR 1,000
2012	Davies	Floren	Huijskes	Leitner	Roiss	**Total**
Fixed remuneration for 2012	744	500	529	500	800	**3,072**
Variable remuneration [1]	784	625	406	436	1,051	**3,302**
Benefits in kind (company car, accident insurance) and reimbursed expenses	10	7	8	8	8	**41**
Total (excluding severance and post-employment payments, pension fund contributions and payments in lieu of holiday)	**1,538**	**1,132**	**943**	**944**	**1,859**	**6,415**
Number of gross shares from the Long Term Incentive Plan 2009	27,362	—	—	9,044	39,906	**76,312**

[1] The variable remuneration refers to payments for 2011, except for EUR 625 thousand, which relate to prepayments for 2012

The total remuneration including severance payments, post-employment payments, pension fund contributions and payments in lieu of holiday in 2013 amounted to EUR 10,955 thousand (2012: EUR 7,715 thousand).

For details on pension fund contributions see Note 21.

The members of the Executive Board and the members of the Supervisory Board are covered by directors and officers liability insurance (D&O) and legal costs insurance. A large number of other OMV employees also benefit from these two forms of insurance, and the insurers levy lump-sum premiums, which are not specifically attributed to the Board members.

Compensation of former members of the Executive Board and their surviving dependents amounted to EUR 3,639 thousand (2012: EUR 5,035 thousand).

In 2013, the total remuneration (excluding stock option plans) of 52 top executives (excluding the Executive Board; 2012: 52) amounted to EUR 27,559 thousand (2012: EUR 28,712 thousand), of which basic remuneration, such as salaries, accrued vacations and bonuses was EUR 19,305 thousand (2012: EUR 18,663 thousand) and EUR 1,448 thousand (2012: EUR 1,525 thousand) were expenses for pension fund contributions. The expenses for severance benefits were EUR 1,750 thousand (2012: EUR 1,717 thousand), and other long-term benefits amounted to EUR 57 thousand (2012: EUR 196 thousand).

See Note 30 for details on LTI and stock option plans.

In 2013, remuneration expenses for the Supervisory Board amounted to EUR 394 thousand (2012: EUR 394 thousand).

36 Subsequent events

At the end of **January 2014**, the Matuku-1 exploration well (New Zealand) completed drilling. The final results did not confirm the presence of commercial quantities of hydrocarbons. This will lead to a write-off in Q1/14 amounting to approximately EUR 40 mn.

On **February 28, 2014,** Austria published the "Abgabenänderungsgesetz 2014" amending several federal tax laws. Some of these amendments already became effective on March 1, 2014. The most important amendment for OMV was a change within the Corporate Income Tax Law which requires under certain conditions a recapture of foreign tax losses resulting from foreign permanent establishments. The recapture amount would be added to the tax base spread over the years 2016 to 2018. As the affected losses would have been recaptured according to the previously valid legislation once the respective foreign operations turned positive and the foreign losses were utilized locally, an early recapture would have only immaterial interest effects.

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31

37 Direct and indirect investments of OMV Aktiengesellschaft

	Parent company	Type of consolidation [1]	Equity interest in % 2013	Equity interest in % 2012
Exploration and Production				
KOM MUNAI LLP, Aktau	PETROM	C	95.00	95.00
OMV Abu Dhabi E&P GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Anaguid Ltd., Grand Cayman	OTNPRO	C	100.00	100.00
OMV AUSTRALIA PTY LTD, Perth (OAUST)	OMV AG	C	100.00	100.00
OMV Austria Exploration & Production GmbH, Vienna (OEPA)	OMVEP	C	100.00	100.00
OMV Bina Bawi GmbH, Vienna	PETEX	C	100.00	100.00
OMV Block 70 Upstream GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Dorra Limited, Road Town	OTNPRO	C	100.00	100.00
OMV East Abu Dhabi Exploration GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV (EGYPT) Exploration GmbH, Vienna [4]	OMVEP	NC	100.00	100.00
OMV Exploration & Production GmbH, Vienna (OMVEP)	OMV AG	C	100.00	100.00
OMV (Namibia) Exploration GmbH, Vienna	OMVEP	NC	100.00	
OMV EXPLORATION & PRODUCTION LIMITED, Douglas	OMVEP	C	100.00	100.00
OMV (FAROE ISLANDS) Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (IRAN) onshore Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (IRELAND) Exploration GmbH, Vienna [4]	OMVEP	NC	100.00	100.00
OMV Jardan Block 3 Upstream GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Maurice Energy GmbH, Vienna (MAURI)	OMVEP	C	100.00	100.00
OMV Maurice Energy Limited, Port Louis	MAURI	C	100.00	100.00
OMV Myrre block 86 Upstream GmbH, Vienna [4]	OMVEP	C	100.00	100.00
OMV New Zealand Limited, Wellington (NZEA)	OMVEP	C	100.00	100.00
OMV (NORGE) AS, Stavanger	OMVEP	C	100.00	100.00
OMV Oystercatcher Exploration GmbH, Vienna	OMVEP	NC	100.00	
OMV OF LIBYA LIMITED, Douglas	OMVEP	C	100.00	100.00
OMV Offshore Bulgaria GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Offshore Morondava GmbH, Vienna [4, 5]	OMVEP	C	100.00	100.00
OMV Offshore Silistar Bulgaria GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Oil and Gas Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Oil Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Oil Production GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (PAKISTAN) Exploration Gesellschaft m.b.H., Vienna	OMVEP	C	100.00	100.00
OMV Petroleum Exploration GmbH, Vienna (PETEX)	OMVEP	C	100.00	100.00
OMV Proterra GmbH, Vienna	OEPA	NC	100.00	100.00
OMV Rovi GmbH, Vienna	PETEX	C	100.00	100.00
OMV Sarta GmbH, Vienna	PETEX	C	100.00	100.00
OMV South Tunisia Ltd., Grand Cayman	OTNPRO	C	100.00	100.00
OMV Southeast Caspian Upstream GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Tellal Hydrocarbons GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (Tunesien) Production GmbH, Vienna (OTNPRO)	OMVEP	C	100.00	100.00
OMV (TUNESIEN) Sidi Mansour GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (U.K.) Limited, London	OMVEP	C	100.00	100.00
OMV Upstream International GmbH, Vienna (OUPI)	OMVEP	C	100.00	100.00
OMV (YEMEN) Al Mabar Exploration GmbH, Vienna	OMVEP	C	100.00	100.00

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31

	Parent company	Type of consolidation [1]	Equity interest in % 2013	Equity interest in % 2012
OMV (Yemen Block S 2) Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (YEMEN) South Sanau Exploration GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Barrow Pty Ltd, Perth	OAUST	NC	100.00	100.00
OMV Beagle Pty Ltd, Perth	OAUST	NC	100.00	100.00
OMV Petroleum Pty Ltd, Perth	NZEA	NC	100.00	100.00
Tasbulat Oil Corporation BVI, Saint Helier	PETROM	NC	100.00	100.00
Pearl Petroleum Company Limited, Road Town	OUPI	AE	10.00	10.00
PEI Venezuela Gesellschaft mit beschränkter Haftung, Burghausen	OMVEP	C	100.00	100.00
Petroleum Infrastructure Limited, Wellington	NZEA	C	100.00	100.00
PETROM EXPLORATION & PRODUCTION LIMITED, Douglas	PETROM	C	50.00	50.00
Preussag Energie International GmbH, Burghausen	OMVEP	C	100.00	100.00
OMV Petrom Ukraine E&P GmbH, Vienna	PETROM	C	100.00	
OMV Petrom Ukraine Finance Services GmbH, Vienna	PETROM	C	100.00	
Société de Recherches et d'Exploitation des Pétroles en Tunisie, Tunis	OTNPRO	NAE	50.00	50.00
TASBULAT OIL CORPORATION LLP, Aktau	PETROM	C	100.00	100.00
Thyna Petroleum Services S.A., Sfax	OTNPRO	NAE	50.00	50.00
Gas and Power				
ADRIA LNG d.o.o., Zagreb	OGI	NAE	32.47	32.47
AGCS Gas Clearing and Settlement AG, Vienna	OGG	NAE	23.13	23.13
AGGM Austrian Gas Grid Management AG, Vienna	OGG	C	51.00	100.00
Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H., Vienna	OGG	C	51.00	51.00
	OMV		49.00	
OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş., Istanbul (BORASC) [3]	OPI	C	100.00	100.00
Caspian Energy Company Limited, London	OGI	NAE	50.00	50.00
Central European Gas Hub AG, Vienna	OGI	C	65.00	65.00
CONGAZ SA, Constanța	PETROM	AE	28.59	28.59
EconGas Deutschland GmbH, Regensburg	ECOGAS	C	100.00	100.00
EconGas GmbH, Vienna (ECOGAS)	OGI	C	50.00	50.00
	EGBV		14.25	14.25
EconGas d.o.o. za opskrbu plinom, Zagreb	ECOGAS	C	100.00	100.00
EconGas Hungária Földgázkereskedelmi Kft., Budapest	ECOGAS	C	100.00	100.00
EconGas Italia S.r.l, Milan	ECOGAS	C	100.00	100.00
EGBV Beteiligungsverwaltung GmbH, Vienna (EGBV)	OGI	C	100.00	65.00
Enerco Enerji Sanayi Ve Ticaret A.Ş., Istanbul	OGI	AE	40.00	40.00
Freya Bunde-Etzel GmbH & Co. KG, Bonn	OGSG	AE	39.99	39.99
Nabucco Doğal Gaz Boru Hattı Inşaatı ve İşletmeciliği Limited Şirketi, Ankara	NABUC	NAE	98.00	98.00
	OGI		0.50	0.50
NABUCCO Gas Pipeline International GmbH, Vienna (NABUC)	OGI	NAE	35.86	20.00
OMV Gas Germany GmbH, Düsseldorf	OGG	C	100.00	100.00
GAS CONNECT AUSTRIA GmbH, Vienna (OGG) [3]	OGI	C	100.00	100.00
OMV Gas & Power GmbH, Vienna (OGI)	OMV AG	C	100.00	100.00
OMV Gas Storage Germany GmbH, Cologne (OGSG)	OGI	C	100.00	100.00

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31

	Parent company	Type of consolidation [1]	Equity interest in % 2013	Equity interest in % 2012
OMV Gas Storage GmbH, Vienna	OGI	C	100.00	100.00
OMV Gaz Depolama A.Ş., Istanbul	GPTHOL	C	99.60	99.60
	OMV		0.10	
	OGI		0.10	
	SNO		0.10	
	OTHOLD		0.10	
OMV Gaz Ve Enerji Holding Anonim Şirketi, Istanbul (GPTHOL) [3]	OTHOLD	C	99.99	99.99
OMV Enerji Ticaret Limited Şirketi, Istanbul (GASTR) [6]	OTHOLD	C	57.56	
	(GPTRAD)			99.90
	GPTHOL		42.44	
	(OGI)			0.10
OMV Kraftwerk Haiming GmbH, Haiming	OPI	C	100.00	100.00
OMV Power International GmbH, Vienna (OPI)	OGI	C	100.00	100.00
OMV Trading GmbH, Vienna (GPTRAD)	OGI	C	100.00	100.00
OMV PETROM GAS SRL, Bucharest	PETROM	C	99.99	99.99
Petrol Ofisi Gaz İletim A.Ş., Istanbul (POGI) [6]	GPTHOL	C	100.00	
	(POAS)			99.75
	(OGI)			0.10
	(OTHOLD)			0.05
	(OCTS)			0.05
	(ERK)			0.05
SOLAR JIU SRL, Bucharest	PETROM	NC	99.99	
OMV Petrom Wind Power SRL, Bucharest	PETROM	C	99.99	99.99
South Stream Austria GmbH, Vienna	OGI	NAE	50.00	50.00
Refining and Marketing including petrochemicals				
Abu Dhabi Petroleum Investments LLC, Abu Dhabi	OMVRM	NAE	25.00	25.00
Adria-Wien Pipeline GmbH, Klagenfurt	OMVRM	C	76.00	76.00
Aircraft Refuelling Company GmbH, Vienna	OMVRM	NAE	33.33	33.33
Autobahn – Betriebe Gesellschaft m.b.H., Vienna	OMVRM	NAE	47.19	47.19
BAYERNOIL Raffineriegesellschaft mbH, Vohburg	OMVD	AE [2]	45.00	45.00
Borealis AG, Vienna	OMVRM	AE	32.67	32.67
	OMV AG		3.33	3.33
BRAZI OIL & ANGHELESCU PROD COM SRL, Brazi	PETROM	NAE	37.70	37.70
BSP Bratislava-Schwechat Pipeline GmbH, Vienna	OMVRM	NAE	26.00	26.00
BTF Industriepark Schwechat GmbH, Vienna	OMVRM	NAE	50.00	50.00
Deutsche Transalpine Oelleitung GmbH, Munich	OMVD	AE	25.00	25.00
DUNATÀR Köolajtermék Tároló és Kereskedelmi Kft., Budapest	OHUN	NAE	48.28	48.28
EPS Ethylen-Pipeline-Süd GmbH & Co KG, Munich	OMVD	AE	20.66	20.66
Erdöl-Lagergesellschaft m.b.H., Lannach	OMVRM	AE [1]	55.60	55.60
Erk Petrol Yatırımları A.Ş., Istanbul (ERK)	POAS	C	99.96	99.96
	OTHOLD		0.01	0.01
	OGI		0.01	0.01
	OCTS		0.01	0.01
	OMVEP		0.01	0.01

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31

	Parent company	Type of consolidation [1]	Equity interest in % 2013	Equity interest in % 2012
FONTEGAS PECO MEHEDINTI SA, Simian	PETROM	NAE	37.40	37.40
FRANCIZA PETROM 2001 SA, Piteşti	PETROM	NAE	40.00	40.00
GENOL Gesellschaft m.b.H., Vienna	OMVRM	NAE	29.00	29.00
GENOL Gesellschaft m.b.H. & Co, Vienna	OMVRM	AE	29.00	29.00
Heating Innovations Austria GmbH, Vienna	OMVRM	NC	100.00	100.00
ICS PETROM MOLDOVA SA, Chisinau	PETROM	C	100.00	100.00
Marmara Depoculuk Hizmetleri Sanayi ve Ticaret Anonim Şirketi, Istanbul	POAS	C	89.97	89.97
	OTHOLD		0.01	0.01
	PORAF		0.01	0.01
	ERK		0.01	0.01
OMV BULGARIA OOD, Sofia	PETROM	C	99.90	99.90
	OMVRM		0.10	0.10
OMV Česká republika, s.r.o., Prague	VIVTS	C	100.00	100.00
OMV Deutschland GmbH, Burghausen (OMVD)	OMVRM	C	90.00	90.00
	OMV AG		10.00	10.00
OMV Hungária Ásványolaj Korlátolt Felelösségü Társaság, Budapest (OHUN)	VIVTS	C	100.00	100.00
OMV – International Services Ges.m.b.H., Vienna	OMVRM	C	100.00	100.00
OMV Refining & Marketing GmbH, Vienna (OMVRM)	OMV AG	C	100.00	100.00
OMV PETROM MARKETING SRL, Bucharest (ROMAN)	PETROM	C	100.00	100.00
OMV SLOVENIJA trgovina z nafto in naftnimi derivati, d.o.o., Koper	VIVTS	C	92.25	92.25
OMV Slovensko s.r.o., Bratislava	VIVTS	C	100.00	100.00
OMV SRBIJA d.o.o., Belgrade	PETROM	C	99.96	99.90
	OMVRM		0.04	0.10
OMV Supply & Trading AG, Zug (OSUP)	OMVRM	C	100.00	100.00
OMV Supply & Trading Singapore PTE LTD., Singapore	OSUP	C	100.00	100.00
OMV TRADING SERVICES LIMITED, London	OSUP	NC	100.00	100.00
OMV-VIVA Kereskedelmi és Szolgáltatató Korlátolt Felelösségü Társaság, Budapest	OHUN	NC	96.67	96.67
PETROCHEMICALS ARGES SRL, Piteşti	PETROM	NC	95.00	95.00
OMV Petrol Ofisi A.Ş., Istanbul (POAS)	OTHOLD	C	55.40	55.40
	OMV AG		41.58	41.58
Petrol Ofisi Havacilik Operasyonlari A.Ş., Istanbul (PORAF) [3]	POAS	C	100.00	100.00
PETROM NADLAC SRL, Nadlac	PETROM	NC	98.51	98.51
PO Georgia LLC, Tbilisi	POAS	NC	100.00	100.00
Routex B.V., Amsterdam	OMVRM	NAE	20.00	20.00
SIOT Società Italiana per l'Oleodotto Transalpino S.p.A., Trieste	OMVRM	AE	25.00	25.00
SuperShop Marketing GmbH, Budapest	OHUN	NAE	50.00	50.00
TGN Tankdienst-Gesellschaft Nürnberg GbR, Nuremberg	OMVD	NAE	33.33	33.33
Transalpine Ölleitung in Österreich Gesellschaft m.b.H., Matrei in Osttirol	OMVRM	AE	25.00	25.00
TRANS GAS LPG SERVICES SRL, Bucharest	PETROM	NC	80.00	80.00
Çankaya Bel-Pet Limited Sirketi, Ankara	POAS	NAE	49.00	49.00
PETROM AVIATION SA, Otopeni	PETROM	C	99.99	99.99
	OMVRM		0.01	0.01

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31

	Parent company	Type of consolidation [1]	Equity interest in % 2013	Equity interest in % 2012
Salzburg Fuelling GmbH, Salzburg	OMVRM	NAE	33.33	33.33
VIVA International Marketing- und Handels-GmbH, Vienna (VIVTS)	OMVRM	C	100.00	100.00
Corporate and Other				
Amical Insurance Limited, Douglas (AMIC)	OMV AG	C	100.00	100.00
ASOCIATIA ROMANA PENTRU RELATIA CU INVESTITORII, Bucharest	PETROM	NAE	20.00	20.00
Diramic Insurance Limited, Gibraltar	AMIC	C	100.00	100.00
Kompetenz- und Informationszentrum für Humanvermögen und interdisziplinäre Arbeits- und Unternehmensforschung GmbH, Klosterneuburg	SNO	NAE	24.44	24.44
OMV Clearing und Treasury GmbH, Vienna (OCTS)	SNO	C	100.00	100.00
OMV International Oil & Gas GmbH, Zug	OMV AG	C	100.00	
OMV Petrol Ofisi Holding Anonim Şirketi, Istanbul (OTHOLD) [3]	OMV AG	C	100.00	100.00
OMV FINANCE LIMITED, Douglas	OMV AG	C	100.00	100.00
OMV Finance Services GmbH, Vienna	SNO	C	100.00	100.00
OMV Finance Services NOK GmbH, Vienna [5]	SNO	C	100.00	100.00
OMV Finance Solutions USD GmbH, Vienna	SNO	C	100.00	
OMV Insurance Broker GmbH, Vienna	OMV AG	NC	100.00	100.00
OMV Solutions GmbH, Vienna (SNO)	OMV AG	C	100.00	100.00
PETROMED SOLUTIONS SRL, Bucharest	PETROM	C	99.99	99.99
students4excellence GmbH, Vienna	OMV AG	NAE	20.00	20.00
VA OMV Personalholding GmbH, Linz	SNO	NAE	50.00	50.00
Petrom				
OMV PETROM SA, Bucharest (PETROM) [2]	OMV AG	C	51.01	51.01

[1] Type of consolidation:
- C Consolidated subsidiary
- AE Investments accounted for at-equity
- AE [1] Despite majority interest not consolidated due to absence of control
- AE [2] previously accounted for at-equity and now held for sale
- NC Not-consolidated subsidiary; shell or distribution companies of relative insignificance individually and collectively to the consolidated financial statements
- NAE Other investment recognized at-cost; associated companies of relatively little importance to the assets and earnings of the consolidated financial statements

[2] Petrom is assigned to the relevant segments in the segment reporting
[3] Individual shares are held by other group companies (in total below 0.01%)
[4] Type of consolidation was changed compared to 2012
[5] Company name was changed compared to 2012
[6] Parent company was changed compared to 2012

All the subsidiaries which are not consolidated either have low business volumes or are distribution companies; the total sales, net income/losses and equity of such companies represent less than 1% of the Group totals.

Oil and gas reserve estimation and disclosures (unaudited)

Oil and gas reserve estimation and disclosures (unaudited)

The following tables provide supplementary information in respect of the Group's oil and gas activities. In the absence of detailed disclosure rules in this area under IFRS, the Group has elected to voluntarily disclose the data that would have been required under the ASC 932 as if it was reporting under US GAAP.

To the extent that information refers to financial statements data, the information is based on the primary financial statements (IFRS financial statements).

During 2009, OMV acquired a 10% interest in Pearl Petroleum Company Limited, which is accounted for as an equity method investment and not shown in this disclosure.

Besides Austria and Romania all other countries are summarized in the following two regions. These regions include the following countries:

Northwest Europe, Africa and Australasia:	Algeria (since 2013), Australia, Egypt (until 2012), Faroe Islands, Ireland (until 2012), Libya, Madagascar (since 2013), New Zealand, Norway, Slovakia (until 2012), Tunisia, Turkey (until 2013), United Kingdom
Middle East and Caspian:	Bulgaria, Iran, Kazakhstan, Kurdistan Region of Iraq, Pakistan, Ukraine (since 2013), the United Arab Emirates and Yemen

As OMV holds 51% of Petrom, it is fully consolidated; figures therefore include 100% of Petrom assets and results.

The subsequent tables may contain rounding differences.

a) Capitalized costs

Capitalized costs represent the sum of capitalized oil and gas assets, including other intangible assets and property, plant and equipment such as land, plant and machinery, concessions, licenses and rights.

Capitalized costs EUR 1,000

	2013	2012	2011
Unproved oil and gas properties	1,981,108	1,383,539	1,256,612
Proved oil and gas properties	17,164,073	13,388,063	12,373,806
Total	**19,145,182**	**14,771,602**	**13,630,418**
Accumulated depreciation	(6,776,449)	(6,106,353)	(5,381,938)
Net capitalized costs	**12,368,733**	**8,665,249**	**8,248,480**

b) Costs incurred

Costs incurred include all costs, capitalized or expensed, during the year in the Group's oil and gas property acquisition, exploration and development activities.

Costs incurred — EUR 1,000

	Romania	Austria	Northwest Europe, Africa and Australasia	Middle East and Caspian	**Total**
2013					
Acquisition of proved properties	—	—	1,629,199	—	**1,629,199**
Acquisition of unproved properties	892	—	633,156	14,408	**648,456**
Decommissioning costs	(55,936)	31,052	62,927	10,321	**48,364**
Exploration costs [1]	108,048	4,749	243,030	161,719	**517,546**
Development costs	930,057	198,454	627,267	209,550	**1,965,328**
Costs incurred	**983,060**	**234,255**	**3,195,580**	**395,997**	**4,808,892**
2012					
Acquisition of proved properties	—	—	272,525	—	**272,525**
Acquisition of unproved properties	—	—	167,765	—	**167,765**
Decommissioning costs	(57,256)	18,780	76,976	276	**38,776**
Exploration costs [1]	131,750	29,748	139,130	88,079	**388,707**
Development costs	755,999	90,632	154,528	132,995	**1,134,153**
Costs incurred	**830,493**	**139,160**	**810,924**	**221,350**	**2,001,926**
2011					
Acquisition of proved properties	—	—	492,096	12,024	**504,120**
Acquisition of unproved properties	—	—	191,932	156,330	**348,262**
Decommissioning costs	62,047	21,338	34,680	(20,923)	**97,142**
Exploration costs [1]	107,495	14,379	275,982	68,668	**466,524**
Development costs	695,923	112,204	87,451	152,609	**1,048,186**
Costs incurred	**865,465**	**147,921**	**1,082,141**	**368,708**	**2,464,235**

[1] In Norway, exploration represents the costs less a 78% refund of the deductible costs

c) Results of operations of oil and gas producing activities

The following table represents only those revenues and expenses which occur directly in connection with OMV´s oil and gas producing operations. The results of oil and gas activities should not be equated to net income since interest costs, general corporate overhead costs and other costs are not allocated. Income taxes are hypothetically calculated, based on the statutory tax rates and the effect of tax credits on investments and loss carryforwards.

Results of operations of oil and gas producing activities — EUR 1,000

	Romania	Austria	Northwest Europe, Africa and Australasia	Middle East and Caspian	**Total**
2013					
Sales to unaffiliated parties	9,024	42,535	667,290	248,871	**967,720**
Intercompany sales and sales to affiliated parties	2,739,858	757,826	591,575	124,333	**4,213,592**
Result from asset sales	(2,165)	(874)	10,746	(444)	**7,264**
	2,746,717	**799,487**	**1,269,612**	**372,760**	**5,188,576**
Production costs	(654,458)	(105,570)	(187,298)	(97,427)	**(1,044,753)**
Royalties	(226,243)	(141,079)	(43,096)	(19,010)	**(429,428)**
Exploration expenses	(101,513)	(11,673)	(141,932)	(148,405)	**(403,523)**
Depreciation, amortization and impairment losses	(508,102)	(103,596)	(360,472)	(167,278)	**(1,139,447)**
Other costs	(17,663)	(5,649)	37,900	226	**14,815**
	(1,507,979)	**(367,566)**	**(694,899)**	**(431,893)**	**(3,002,337)**
Results before income taxes	**1,238,739**	**431,921**	**574,713**	**(59,133)**	**2,186,239**
Income taxes [1]	(201,722)	(120,646)	(327,981)	6,710	**(643,639)**
Results from oil and gas properties	**1,037,017**	**311,274**	**246,732**	**(52,424)**	**1,542,600**
Storage fee [2]	—	55,720	—	—	**55,720**

Results of operations of oil and gas producing activities — **EUR 1,000**

	Romania	Austria	Northwest Europe, Africa and Australasia	Middle East and Caspian	**Total**
2012					
Sales to unaffiliated parties [3]	(78,853)	19,552	1,098,206	276,481	**1,315,387**
Intercompany sales and sales to affiliated parties	2,700,142	827,734	1,010,580	55,237	**4,593,692**
Result from asset sales	(18,895)	(645)	101,206	750	**82,416**
	2,602,393	**846,641**	**2,209,992**	**332,468**	**5,991,494**
Production costs	(671,535)	(106,967)	(170,090)	(98,464)	**(1,047,056)**
Royalties	(182,456)	(143,739)	(71,297)	(21,433)	**(418,925)**
Exploration expenses	(86,783)	(21,020)	(160,452)	(132,934)	**(401,189)**
Depreciation, amortization and impairment losses	(394,899)	(199,157)	(400,857)	(105,159)	**(1,100,073)**
Other costs [4]	(34,771)	(4,293)	(24,209)	(36,297)	**(99,569)**
	(1,370,444)	**(475,176)**	**(826,905)**	**(394,287)**	**(3,066,812)**
Results before income taxes	**1,231,950**	**371,465**	**1,383,088**	**(61,820)**	**2,924,682**
Income taxes [1]	(202,033)	(115,935)	(961,471)	(7,530)	**(1,286,969)**
Results from oil and gas properties	**1,029,917**	**255,530**	**421,617**	**(69,350)**	**1,637,713**
Storage fee [2]	—	49,946	—	—	**49,946**
2011					
Sales to unaffiliated parties	(75,342)	(27,681)	525,821	228,397	**651,195**
Intercompany sales and sales to affiliated parties	2,627,733	864,136	498,354	59,460	**4,049,683**
Result from asset sales	(1,784)	191	332	(691)	**(1,952)**
	2,550,607	**836,645**	**1,024,507**	**287,167**	**4,698,925**
Production costs	(683,852)	(99,455)	(142,493)	(95,106)	**(1,020,905)**
Royalties	(173,380)	(143,395)	(49,084)	(18,963)	**(384,823)**
Exploration expenses	(78,558)	(9,060)	(189,708)	(51,444)	**(328,771)**
Depreciation, amortization and impairment losses	(384,374)	(100,010)	(243,920)	(84,477)	**(812,781)**
Other costs	20,878	(4,927)	(6,218)	592	**10,325**
	(1,299,286)	**(356,847)**	**(631,423)**	**(249,398)**	**(2,536,955)**
Results before income taxes	**1,251,321**	**479,798**	**393,084**	**37,768**	**2,161,971**
Income taxes [1]	(202,370)	(139,820)	(250,156)	(25,912)	**(618,258)**
Results from oil and gas properties [5]	**1,048,951**	**339,978**	**142,928**	**11,857**	**1,543,713**
Storage fee [2]	—	54,182	—	—	**54,182**

[1] Income taxes in Northwest Europe, Africa and Australasia include corporation tax and Petroleum Revenue Tax (PRT). The PRT liability arises from the net cash flow of several producing fields in the UK. Moreover income tax includes amounts payable under a tax paid cost (TPC) system for certain OMV interests in Libya and field specific taxes in Tunisia, which are not fully related to profits. For Romania, the income tax is hypothetically calculated with an assumed tax rate of 16%
[2] Intersegmental rental fees before taxes received from the G&P segment for providing gas storage capacities
[3] Includes hedging effect
[4] Includes change in stock in Libya and provisions in Kazakhstan
[5] Figures for 2011 were adjusted according to the change in accounting policy for post-employment benefits (IAS 19)

d) Oil and gas reserve quantities

Proved reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulation before the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain.

Proved developed reserves are those proved reserves that can be expected to be recovered through existing wells with existing equipment and operating methods, or in which the costs of the required equipment are relatively minor compared with the cost of a new well and through installed extraction equipment and infrastructure operational at the time of the reserves estimate. It should be reasonably certain that the required future expenditure will be made to safeguard existing equipment within the current budget.

Proved undeveloped reserves are those proved reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion or substantial new investment is required in order to safeguard or replace ageing facilities.

Crude oil and NGL mn bbl

	Romania	Austria	Northwest Europe, Africa and Australasia	Middle East and Caspian	**Total**
Proved developed and undeveloped reserves as of January 1, 2011	**419.1**	**48.3**	**146.7**	**45.9**	**659.9**
Revisions of previous estimates	3.9	3.9	9.5	(7.9)	**9.4**
Purchases	—	—	6.9	2.4	**9.3**
Disposal	—	—	—	—	**—**
Extensions and discoveries	1.2	0.3	0.1	—	**1.5**
Production	(29.3)	(5.8)	(12.4)	(4.7)	**(52.2)**
Proved developed and undeveloped reserves as of December 31, 2011	**394.9**	**46.7**	**150.8**	**35.6**	**627.9**
Revisions of previous estimates	15.0	7.6	6.6	2.2	**31.5**
Purchases	—	—	15.4	—	**15.4**
Disposal	—	—	(2.4)	—	**(2.4)**
Extensions and discoveries	1.3	—	0.3	—	**1.7**
Production	(28.7)	(5.8)	(20.2)	(4.6)	**(59.2)**
Proved developed and undeveloped reserves as of December 31, 2012	**382.5**	**48.5**	**150.5**	**33.3**	**614.8**
Revisions of previous estimates	15.4	4.5	2.8	0.1	**22.8**
Purchases	—	—	50.8	—	**50.8**
Disposal	—	—	—	—	**—**
Extensions and discoveries	0.3	0.2	0.2	—	**0.7**
Production	(28.6)	(5.7)	(15.3)	(5.3)	**(54.9)**
Proved developed and undeveloped reserves as of December 31, 2013	**369.6**	**47.5**	**189.1**	**28.1**	**634.3**
Proved developed reserves					
as of December 31, 2011	330.4	39.0	126.1	22.7	**518.2**
as of December 31, 2012	327.3	40.1	107.2	27.3	**501.9**
as of December 31, 2013	324.0	43.4	127.3	23.1	**517.7**

Gas					**bcf**
	Romania	Austria	Northwest Europe, Africa and Australasia	Middle East and Caspian	**Total**
Proved developed and undeveloped reserves as of January 1, 2011	**2,083.7**	**414.6**	**130.6**	**97.8**	**2,726.7**
Revisions of previous estimates	193.9	16.2	73.8	21.9	**305.8**
Purchases	—	—	6.0	34.2	**40.2**
Disposals	—	—	—	—	**—**
Extensions and discoveries	19.5	0.4	0.3	—	**20.2**
Production	(184.1)	(49.2)	(27.6)	(35.4)	**(296.4)**
Proved developed and undeveloped reserves as of December 31, 2011 [1]	**2,112.9**	**382.0**	**183.1**	**118.5**	**2,796.5**
Revisions of previous estimates	(16.8)	7.8	16.2	47.1	**54.5**
Purchases	—	—	174.8	—	**174.8**
Disposals	—	—	(9.7)	—	**(9.7)**
Extensions and discoveries	70.6	—	—	—	**70.6**
Production	(182.1)	(48.6)	(27.8)	(32.0)	**(290.6)**
Proved developed and undeveloped reserves as of December 31, 2012 [1]	**1,984.5**	**341.2**	**336.6**	**133.6**	**2,795.9**
Revisions of previous estimates	12.3	(7.1)	13.7	16.0	**34.9**
Purchases	—	—	208.8	—	**208.8**
Disposals	—	—	(3.0)	—	**(3.0)**
Extensions and discoveries	10.9	9.0	—	—	**19.9**
Production	(183.2)	(41.8)	(27.3)	(27.6)	**(279.9)**
Proved developed and undeveloped reserves as of December 31, 2013 [1]	**1,824.6**	**301.2**	**528.8**	**122.0**	**2,776.7**
Proved developed reserves					
as of December 31, 2011	1,601.9	258.8	174.9	84.8	**2,120.3**
as of December 31, 2012	1,499.5	221.1	155.1	113.2	**1,988.9**
as of December 31, 2013	1,431.1	200.1	271.4	121.7	**2,024.3**

[1] 2013: Including approximately 73 bcf of cushion gas held in storage reservoirs
2012: Including approximately 76 bcf of cushion gas held in storage reservoirs
2011: Including approximately 76 bcf of cushion gas held in storage reservoirs

e) Standardized measure of discounted future net cash flows

The future net cash flow information is based on the assumption that the prevailing economic and operating conditions will persist throughout the time during which proved reserves will be produced. Neither the effects of future pricing changes nor expected changes in technology and operating practices are considered.

Future cash inflows represent the revenues received from production volumes, including cushion gas held in storage reservoirs, assuming that the future production is sold at prices used in estimating year-end quantities of proved reserves (12 months average price). Future production costs include the estimated expenditures for production of the proved reserves plus any production taxes without consideration of future inflation. Future decommissioning costs comprise the net costs associated with decommissioning wells and facilities. Future development costs include the estimated costs of development drilling and installation of production facilities. For all three categories year-end costs without consideration of inflation are assumed. Future income tax payments are calculated on the basis of the income tax rate applicable in each of the countries in which the Group operates. The present cash value results from the discounting of the future net cash flow at a discount rate of 10% per year. The standardized measure does not purport to be an estimate of the fair value of the Group's proven reserves. An estimate of fair value would also take into account, amongst many other factors, the expected recovery of reserves in excess of proved reserves, anticipated changes in future prices and costs as well as a discount factor representative of the risks inherent in the production of oil and gas.

Standardized measure of discounted future net cash flows **EUR 1,000**

	Romania	Austria	Northwest Europe, Africa and Australasia	Middle East and Caspian	**Total**
2013					
Future cash inflows	32,974,966	5,556,699	18,204,181	1,936,787	**58,672,632**
Future production and decommissioning costs	(13,970,194)	(3,379,501)	(4,198,251)	(815,174)	**(22,363,120)**
Future development costs	(2,889,883)	(406,315)	(2,046,008)	(224,283)	**(5,566,488)**
Future net cash flows, before income taxes	**16,114,889**	**1,770,883**	**11,959,922**	**897,330**	**30,743,024**
Future income taxes	(2,586,583)	(628,832)	(6,140,457)	(178,604)	**(9,534,477)**
Future net cash flows, before discount	**13,528,306**	**1,142,051**	**5,819,465**	**718,726**	**21,208,548**
10% annual discount for estimated timing of cash flows	(6,963,439)	(199,254)	(2,054,515)	(173,101)	**(9,390,308)**
Standardized measure of discounted future net cash flows	**6,564,868**	**942,797**	**3,764,950**	**545,625**	**11,818,240**
2012					
Future cash inflows	34,670,508	6,539,851	15,497,838	2,382,980	**59,091,177**
Future production and decommissioning costs	(13,960,821)	(3,298,841)	(2,665,820)	(866,708)	**(20,792,190)**
Future development costs	(3,808,065)	(327,400)	(1,439,436)	(275,628)	**(5,850,528)**
Future net cash flows, before income taxes	**16,901,623**	**2,913,610**	**11,392,582**	**1,240,644**	**32,448,459**
Future income taxes	(2,707,638)	(858,551)	(6,751,555)	(364,389)	**(10,682,133)**
Future net cash flows, before discount	**14,193,984**	**2,055,059**	**4,641,027**	**876,255**	**21,766,326**
10% annual discount for estimated timing of cash flows	(7,341,128)	(640,725)	(1,901,202)	(261,600)	**(10,144,656)**
Standardized measure of discounted future net cash flows	**6,852,857**	**1,414,334**	**2,739,825**	**614,655**	**11,621,671**

Standardized measure of discounted future net cash flows					**EUR 1,000**
	Romania	Austria	Northwest Europe, Africa and Australasia	Middle East and Caspian	**Total**
2011					
Future cash inflows	33,744,859	6,240,300	12,771,073	2,314,279	**55,070,510**
Future production and decommissioning costs	(14,496,070)	(3,288,542)	(2,238,423)	(883,470)	**(20,906,504)**
Future development costs	(3,329,572)	(471,380)	(531,492)	(191,946)	**(4,524,390)**
Future net cash flows, before income taxes	**15,919,217**	**2,480,378**	**10,001,158**	**1,238,864**	**29,639,616**
Future income taxes	(2,547,075)	(664,452)	(6,060,800)	(316,965)	**(9,589,291)**
Future net cash flows, before discount	**13,372,143**	**1,815,926**	**3,940,358**	**921,899**	**20,050,324**
10% annual discount for estimated timing of cash flows	(6,911,929)	(429,828)	(1,464,179)	(232,191)	**(9,038,127)**
Standardized measure of discounted future net cash flows	**6,460,213**	**1,386,097**	**2,476,180**	**689,708**	**11,012,197**

f) Changes in the standardized measure of discounted future net cash flows

Changes in the standardized measure of discounted future net cash flows			EUR 1,000
	2013	2012	2011
Beginning of year	**11,621,671**	**11,012,197**	**6,574,064**
Oil and gas sales and transfers produced, net of production costs	(3,915,810)	(3,380,298)	(2,703,439)
Net change in prices and production costs	(1,408,594)	1,496,488	7,361,441
Net change due to purchases and sales of minerals in place	1,705,197	135,046	219,437
Net change due to extensions and discoveries	4,012	16,106	6,314
Development and decommissioning costs incurred during the period	974,428	728,296	671,604
Changes in estimated future development and decommissioning costs	(155,159)	(611,794)	(768,512)
Revisions of previous reserve estimates	723,863	946,773	595,462
Accretion of discount	1,066,912	1,002,991	582,787
Net change in income taxes	1,245,826	316,640	(1,423,161)
Other [1]	(44,106)	(40,776)	(103,792)
End of year	**11,818,240**	**11,621,671**	**11,012,197**

[1] Contains movements in foreign exchange rates vs. the EUR

Vienna, March 19, 2014

The Executive Board

Gerhard Roiss Chairman	David C. Davies Deputy Chairman

Hans-Peter Floren	Jaap Huijskes	Manfred Leitner

Abbreviations and definitions

ACC
Austrian Commercial Code

ACCG
Austrian Code of Corporate Governance

AGM
Annual General Meeting

bbl, bbl/d
Barrel (1 barrel equals approximately 159 liters), barrels per day

bcf, bcm
Billion standard cubic feet (60 °F/16 °C), billion standard cubic meters (32 °F/0 °C)

bitumen
Is produced when high grade crude oil is distilled. It is used to surface roads, and in roofing and insulation materials

bn
Billion

boe, boe/d
Barrel of oil equivalent, boe per day

CAPEX
Capital Expenditure

capital employed
Equity including non-controlling interests plus net debt

cbm, cf
Standard cubic meters (32 °F/0 °C), standard cubic feet (60 °F/16 °C)

CCS
Current Cost of Supply

CEE
Central and Eastern Europe

Co&O
Corporate and Other

E&P
Exploration and Production

EBIT
Earnings Before Interest and Taxes

EPS
Earnings Per Share; net income attributable to stockholders divided by total weighted average shares

EPSA
Exploration and Production Sharing Agreement

equity ratio
Equity divided by balance sheet total, expressed as a percentage

EU
European Union

EUR
Euro

FX
Foreign exchange

G&P
Gas and Power

GDP
Gross Domestic Product

gearing ratio
Net debt divided by equity, expressed as a percentage

H1, H2
First, second half of the year

HSSE
Health, Safety, Security and Environment

IASs
International Accounting Standards

IFRSs
International Financial Reporting Standards

kbbl, kbbl/d
Thousand barrels, thousand bbl per day

kboe, kboe/d
Thousand barrels of oil equivalent, thousand boe per day

km^2
Square kilometer

KPI
Key Performance Indicator

LNG
Liquefied Natural Gas

LTIR
Lost-Time Injury Rate per million hours worked

mn
Million

monomers
Collective term for ethylene and propylene

MW
Megawatt

MWh
Megawatt hour

n.a.
Not available

n.m.
Not meaningful

net debt
Financial liabilities including financial lease liabilities less liquid funds (cash and cash equivalents)

net income
Net operating profit after interest, tax and extraordinary items

NGL
Natural Gas Liquids; natural gas which is extracted in liquid form during the production of hydrocarbons

NOK
Norwegian krone

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

OECD
Organisation for Economic Cooperation and Development

OPEX
Operating Expenditures; cost of material and personnel during production excluding royalties

payout ratio
Dividend per share divided by EPS, expressed as a percentage

PJ
Petajoule, 1 petajoule corresponds to approx. 278 mn kilowatt hours

polymers, polyolefins
Monomers in the chain shape; collective term for polyethylene and polypropylene

ppm
Parts per million

PRT, PRRT
Petroleum Revenue Tax, Petroleum Resource Rent Tax; these taxes exist in the UK and Australia

Q1, Q2, Q3, Q4
First, second, third, fourth quarter of the year

R&M
Refining and Marketing including petrochemicals

ROACE
Return On Average Capital Employed; NOPAT divided by average capital employed expressed as a percentage

ROE
Return On Equity; net income for the year divided by average equity, expressed as a percentage

ROFA
Return On Fixed Assets; EBIT divided by average intangible and tangible assets, expressed as a percentage

RON
New Romanian leu

RRR
Reserve Replacement Rate; total changes in reserves excluding production, divided by total production

sales revenues
Sales excluding petroleum excise tax

SEE
Southeastern Europe

t, toe
Metric tonne, tonne of oil equivalent

TRIR
Total Recordable Injury Rate

TRY
Turkish lira

TSR
Total Shareholder Return

TWh
Terawatt hour

USD
US dollar

For more abbreviations and definitions please visit www.omv.com > Press Room > Glossary.

Five-year summary

Five-year summary — EUR mn

	2013	2012	2011 [1]	2010 [1, 2]	2009
Sales	42,415	42,649	34,053	23,323	17,917
Earnings Before Interest and Taxes (EBIT)	2,717	3,104	2,494	2,334	1,410
Profit from ordinary activities	2,290	2,857	2,221	1,961	1,182
Taxes on income	(561)	(1,067)	(633)	(747)	(465)
Net income for the year	1,729	1,790	1,588	1,214	717
Net income attributable to stockholders of the parent	1,162	1,363	1,079	921	572
Clean CCS EBIT [3]	2,647	3,407	2,530	2,470	1,418
Clean CCS net income attributable to stockholders of the parent [3]	1,112	1,544	1,084	1,118	596
Balance sheet total	31,786	30,519	28,413	26,419	21,415
Equity	14,545	14,530	13,404	11,238	10,035
Net debt	4,371	3,747	4,603	5,167	3,314
Average capital employed [4]	17,669	18,118	17,060	13,970	12,952
Cash flow from operations	4,110	3,813	2,514	2,886	1,847
Capital expenditure	5,226	2,426	3,146	3,207	2,355
Depreciation	2,253	2,036	1,626	1,578	1,325
Earnings Before Interest, Taxes and Depreciation (EBITD)	4,891	5,137	4,117	3,899	2,734
Net Operating Profit After Tax (NOPAT) [4]	1,978	1,976	1,881	1,446	820
Return On Average Capital Employed (ROACE)	11%	11%	11%	10%	6%
Return On Equity (ROE)	12%	13%	13%	11%	7%
Equity ratio	46%	48%	47%	43%	47%
Gearing ratio	30%	26%	34%	46%	33%
Dividend per share in EUR [5]	1.25	1.20	1.10	1.00	1.00
Earnings per share in EUR	3.56	4.18	3.43	3.08	1.91
Clean CCS earnings per share in EUR [3]	3.41	4.73	3.45	3.74	1.99
Employees as of December 31	26,863	28,658	29,800	31,398	34,676

1 As of March 31, 2012, figures for 2010 and 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised)
2 As of December 31, 2011, figures for 2010 were adjusted according to the final purchase price allocation of OMV Petrol Ofisi A.Ş
3 Clean CCS figures exclude special items and inventory holding gains/losses (CCS effects) resulting from the fuels refineries and Petrol Ofisi
4 As of 2012, the definitions for NOPAT and average capital employed were adjusted. Please see section “abbreviations and definitions” for details. Historical figures were adapted accordingly
5 2013: As proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2014

Disclaimer regarding forward looking statements

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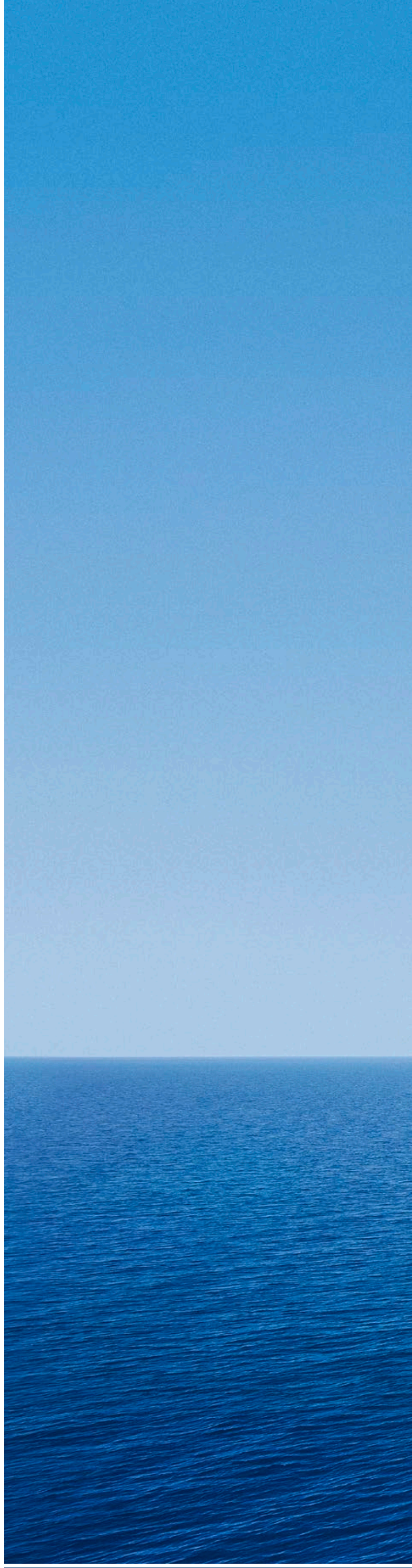

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