Annual Report 2013 of OMV Aktiengesellschaft

OMV Aktiengesellschaft

Moving more. Moving the future. OMV

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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 "Resource-fulness", 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.

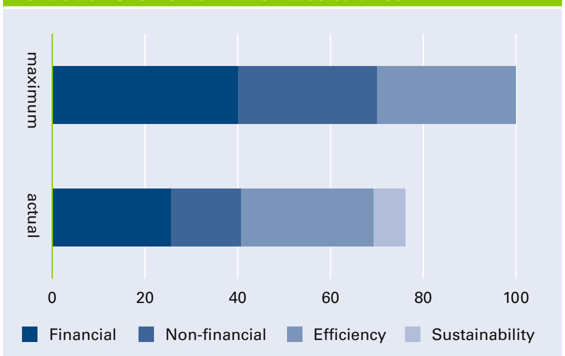
Performance measures are agreed and then assessed at the end of the performance year. The performance criteria for the performance year 2013 are made up of four areas set out below.

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.

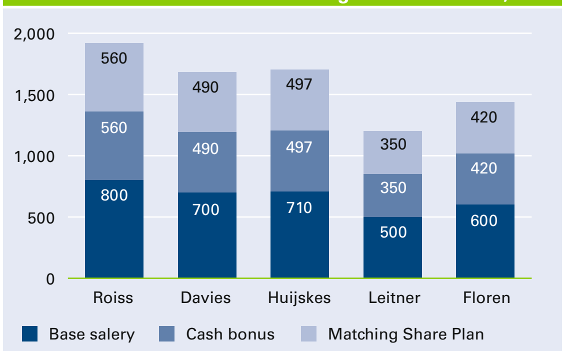
Clawback

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%

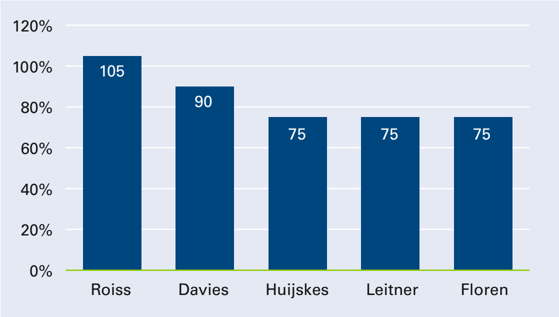
Relative TSR: Level of vesting

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

Directors' report – operational review

Business developments in 2013

Sales for the 2013 financial year were EUR 131.80 mn (2012: EUR 133.66 mn). As OMV Aktiengesellschaft is a pure holding company most of the sales consist of corporate service charges billed to the subsidiaries, which slightly declined compared to the previous year.

Earnings Before Interest and Taxes (EBIT) were EUR (48.24) mn (2012: EUR (34.73) mn). Lower EBIT in 2013 was mainly coming from higher marketing and selling expenses.

The **financial result** in 2013 was EUR 193.07 mn (2012: EUR 811.34 mn). The financial items of OMV Aktiengesellschaft as a pure holding company mainly consist of the dividends and other income from investments of the operative companies. Net income from investments was at EUR 320.75 mn and thus substantially below 2012 (EUR 1,013.69 mn).

The contribution of the companies in the **Exploration and Production (E&P)** segment excluding Petrom showed a decrease in income from investments compared to previous year and was at EUR 220.00 mn (2012: EUR 666.40 mn) mainly due to the cancelation of the profit pooling agreement with OMV Exploration & Production GmbH and lower production volumes.

The investment income contribution from the **Gas and Power (G&P)** segment excluding Petrom of EUR (102.85) mn was lower than the previous year (2012: EUR 37.16 mn). The lower result reflects the challenging market environment.

Investment income from the **Refining and Marketing (R&M)** segment excluding Petrom decreased to EUR nil (2012: EUR 48.82 mn). This decrease was mainly due to an allocation of revenue reserves in OMV Refining & Marketing GmbH, based on articles of association.

Investment

Key investment items in 2013 were capital injections to OMV Australia PTY LTD, OMV Solutions GmbH, and to OMV Exploration & Production GmbH.

Cash flows from operating activities for 2013 amounted to EUR 948.72 mn (2012: EUR 603.45 mn), and cash flows from investing activities to EUR (1,697.99) mn (2012: EUR (103.74) mn) and cash flows from financing activities to EUR 133.38 mn (2012: EUR 240.71 mn).

Net income for the year amounted EUR 192.37 mn (2012: EUR 817.75 mn).

Total assets rose to EUR 14,332.30 mn (2012: EUR 13,889.14 mn).

At balance sheet date, **stockholders' equity** including untaxed reserves stood at EUR 7,657.55 mn (2012: EUR 7,855.30 mn). The equity ratio as of December 31, 2013 was 53.43% (2012: 56.56%).

The ratio of **fixed assets** to total assets was 87.98% at balance sheet date (2012: 65.16%).

Return On Equity (**ROE**), i.e. net income for the year divided by average stockholders' equity, was 2.48% (2012: 10.74%).

In 2013, the average **number of employees** at the holding company was 405 (2012: 419).

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.

Risk management

OMV is an integrated, international oil and gas Group. 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) at 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 Turkey, Romania 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" which puts sustainability at the heart of OMV's business and aims to create long-term, sustainable win-win situations for society, environment and OMV. It is a key enabler of the strategy "Profitable Growth". Resourcefulness initiatives focus on Education & Development, Environmental Management and New Energies. While the overall responsibility lies with the CEO of OMV, OMV set up a clear Sustainability governance structure, including a central Sustainability department, an internal steering committee and an external "Resourcefulness Advisory Board", consisting of experts advising OMV on the further development of Resourcefulness.

The Corporate HSSE department leads and coordinates, according to the business' and Petrom's demands, the formulation of the group-wide HSSE-Strategy and targets in the balanced scorecard.

In 2013, there has not been any accident within OMV Aktiengesellschaft. One near miss and 126 findings and hazards were reported.

Awareness for HSSE was strengthened in 2013 by various info and training events.

On June, 20, 2013 the OMV Global Safety day took place for the second time. At this global event, OMV headoffice's and OMV facilities' employees had the opportunity to discuss process safety related topics as well as the 8 Golden Rules, introduced in 2012. 353,349 hours of HSSE training were completed group-wide in 2013.

Besides medical consultation, the medical center offers various training opportunities. Employees, specialized on physiotherapy and dieticians, are available on a regular basis. Relating health care, one blood donation event and a pilot scheme to evaluate and prevent psychological stress, to be continued in the upcoming years, have been conducted.

In 2013, the annual stakeholder's meeting, the Supervisory Board meetings and the annual meeting of legal experts took place climate neutrally.

Research and Development

OMV Aktiengesellschaft is not performing research and development projects itself, but coordinates the group-wide research and development projects.

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.

Outlook for OMV Group

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%).

Vienna, March 19, 2014

The Executive Board

Gerhard Roiss

David C. Davies

Hans-Peter Floren

Jaap Huijskes

Manfred Leitner

Auditors' report

We have audited the accompanying financial statements, including the accounting system, of **OMV Aktiengesellschaft, Vienna** for the fiscal year from January 1, 2013 to December 31, 2013. These financial statements comprise the balance sheet as of December 31, 2013, the income statement for the fiscal year ended December 31, 2013, and the notes.

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

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: Designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and 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 financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the 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 Company'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 financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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 financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of December 31, 2013 and of its financial performance for the fiscal year from January 1, 2013 to December 31, 2013 in accordance with Austrian Generally Accepted Accounting Principles.

Comments on the management report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the 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 management report is consistent with the financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report is consistent with the 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 financial statements together with our auditors' opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Financial Statements
Balance sheet as of December 31, 2013

Assets		EUR	EUR 1,000
	Note	**2013**	2012
Fixed assets	1		
Intangible assets		0	0
Tangible assets		1,135,767	1,205
Financial assets		12,608,729,874	9,048,529
		12,609,865,641	**9,049,734**
Current assets			
Accounts receivable and other assets	2		
Trade Receivables		71,615	0
Receivables from affiliated companies		1,469,452,315	3,912,890
Receivables from associated companies		40,399	97
Other receivables and other assets		40,247,279	91,549
		1,509,811,608	**4,004,536**
Own shares		11,393,365	11,836
Cash on hand and at bank		147,916,695	763,810
		1,669,121,668	**4,780,182**
Deferred taxes		**23,048,167**	**27,987**
Prepayments and accrued expenses		**30,268,947**	**30,523**
Total assets		**14,332,304,423**	**13,888,426**

Liabilities		EUR	EUR 1,000
	Note	**2013**	2012
Stockholders' equity	3		
Capital stock		327,272,727	327,273
Capital reserves			
appropriated		1,729,337,821	1,729,338
unappropriated		333,728	334
Capital reserves for share-based payments		6,310,599	4,788
Revenue reserves			
unappropriated reserve		5,160,541,942	5,379,555
Reserve for treasury stock		11,393,365	11,836
Unappropriated income, thereof income brought forward EUR 9,549,172 (2012: EUR 33,277 thousand)		421,923,969	401,030
		7,657,114,151	**7,854,154**
Untaxed reserves	4		
Valuation reserve for impairments		431,793	432
Provisions	5		
Provisions for severance payments		11,633,793	11,128
Provisions for pensions		3,681,310	3,332
Provisions for taxes		67,028,604	63,836
Other provisions		56,749,288	58,896
		139,092,995	**137,192**
Liabilities	6		
Bonds		4,701,730,000	4,201,730
Amounts due to banks		12,392,375	—
Accounts payable from trade		9,838,655	6,899
Accounts payable to affiliates		1,502,739,882	1,370,637
Other liabilities		308,389,911	315,474
		6,535,090,823	**5,894,740**
Prepayments and accrued income		**574,661**	**1,908**
Total liabilities		**14,332,304,423**	**13,888,426**
Contingent liabilities	7	1,445,875,400	3,039,127

Income statement

	Note	EUR 2013	EUR 1,000 2012
1. Sales	8	**131,795,900**	**133,663**
2. Other operating income	9	7,313,594	5,104
3. Expenses for materials and services	10	(15,161,537)	(12,636)
4a. Personnel expenses	11	(78,490,017)	(66,624)
4b. Expenses for severance payments and pensions	12	(10,508,921)	(6,672)
5. Depreciation and amortization		(115,704)	(153)
6. Other operating expenses	13	(83,074,039)	(87,412)
7. Subtotal of items 1 to 6 (Earnings before interest and taxes)		**(48,240,724)**	**(34,730)**
8. Income from investments thereof affiliated companies EUR 421,296,748 (2012: EUR 1,009,403 thousand)		423,593,168	1,013,686
9. Income from other securities and lendings carried as financial assets thereof affiliated companies EUR 38,441,290 (2012: EUR 47,256 thousand)		39,381,719	48,823
10. Other interest and similar income thereof affiliated companies EUR 140,024,085 (2012: EUR 67,179 thousand)		169,288,517	91,323
11. Gains on disposal and write-up of financial assets and securities held as current assets		903,391	1,884
12. Expenses arising from financial assets and securities held as current assets thereof amortization EUR 5,701,820 (2012: EUR 395 thousand) thereof affiliated companies EUR 102,848,090 (2012: nil)		(108,586,910)	(395)
13. Interest and similar expenses thereof concerning affiliated companies EUR 113,788,201 (2012: EUR 52,270 thousand)		(331,512,799)	(343,984)
14. Subtotal of items 8 to 13 (Financial result)	14	**193,067,086**	**811,337**
15. Income from ordinary activities		**144,826,362**	**776,607**
16. Taxes on income	15	47,548,327	41,146
17. Net income for the year		**192,374,689**	**817,753**
18. Release of untaxed reserves		108	0
19. Release of revenue reserves		220,000,000	—
20. Allocation to revenue reserves		—	(450,000)
21. Income brought forward from previous years		9,549,172	33,277
22. Unappropriated income		**421,923,969**	**401,030**

Notes

The accounts of **OMV Aktiengesellschaft**, Vienna, as of December 31, 2013 have been drawn up in accordance with the Austrian Commercial Code (ACC) as amended. As the parent company of the OMV Group, OMV Aktiengesellschaft also prepares separate consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs).

In the interests of clear presentation, some items of the balance sheet and income statement have been aggregated. The detailed disclosures are shown in the notes to the accounts. The total cost format is used for the presentation of the income statement.

The annual financial statements were prepared in euro (EUR). The presentation in the notes is in EUR 1,000 as well as EUR thousand, which may result in rounding differences.

Accounting and valuation policies

Intangible and **tangible assets** are capitalized at cost and amortized/depreciated on a straight-line basis.

Depreciation is based on the following useful economic lives:

Category	Useful life
Plant and equipment	4–15 years
Other fixtures and fittings, tools and equipment	4–10 years

In accordance with the relevant fiscal law provisions, a whole year's depreciation is recognized for **additions** in the first half of the year, and half a year's depreciation for additions in the second half.

Sustained and material **impairments** of fixed assets in excess of scheduled depreciation are recognized by write downs.

Low value assets up to EUR 400 are capitalized and fully written off in the year of acquisition, and are shown as additions and disposals in the statement of fixed assets.

Investments are carried at acquisition cost less any permanent, material impairment. Securities held as fixed assets are carried at the lower of cost or market value at the last trade date of the year.

Accounts receivable and other assets are stated at cost. Non-interest bearing receivables with maturities of over one year are discounted. Foreign currency receivables are stated at the lower of cost or fair value. All recognizable risks are accounted for by valuation allowances.

In the year under review **deferred taxes** arising from temporary differences were recognized pursuant to section 198 (9–10) ACC. Deferred taxes are reported under the Taxes on income item. A tax group was formed with effect from January 1, 2005, under section 9 KStG (Corporate Tax Act), with OMV Aktiengesellschaft as the top-tier corporation. Due to group taxation, tax group members that make profits pay OMV Aktiengesellschaft tax contributions equal to the corporate tax attributable to those profits. If a tax group member makes an annual tax loss, OMV Aktiengesellschaft pays it a tax contribution of 25% of the transferred tax loss or the applicable corporate tax rate if different. The top-tier corporation does not recognize corporate tax contributions received from or paid to tax group members in profit or loss. OMV Aktiengesellschaft retains the profits and losses of its successor companies under a profit and loss pooling agreement. Based on the profit and loss transfer agreement OMV Aktiengesellschaft gets income transferred from its subsidiaries and has to cover subsidiaries' losses. With six companies OMV Aktiengesellschaft has a tax pooling agreement with liability method.

OMV Group 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 promised pensions at certain levels. Defined benefit pension obligations are accounted for by setting up provisions for pensions, or by means of payments to an external pension fund. The risks associated with these defined benefit pension plans remain with OMV.

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.

When calculating pension and severance payment provisions, actuarial gains and losses for the current financial year are carried under personnel expenses or other operating income. Actuarial losses of EUR 4,248 thousand arising from the discontinuation with the corridor method as the year-end 2011 were recognized as personnel expenses over a period of five years, in accordance with the supplements to the Chamber of Accountants and Tax Consultants Statements KFS/RL 2 and 3. The unrecognized actuarial losses arising from the discontinuation of the corridor method amounted to EUR 2,549 thousand as at December 31, 2013 (December 31, 2012: EUR 3,398 thousand).

Interest expenses accruing on pension provisions together with income from pension plan assets is disclosed as part of financial income and expense.

Payments for defined contribution plans are reported as expenses for pensions.

Provisions for voluntary and not voluntary separations under restructuring programs are recognized if a detailed plan has been approved by management prior to balance sheet date, and an irrevocable commitment is thereby established.

All risks recognizable in the light of sound commercial judgment and contingent liabilities are provided for.

Liabilities are stated at the higher of nominal value or the amount repayable. Foreign currency liabilities are valued at the higher of cost or amount repayable.

The **derivatives** concluded with banks as well as other Group companies formed an assessment unit from the perspective of OMV Aktiengesellschaft. The balance sheet disclosure of these derivatives was not at OMV Aktiengesellschaft, but in the respective Group companies.

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 balance sheet 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 15,445 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: Net decrease EUR 752 thousand).

Notes to the balance sheet

1 Fixed assets

In the year under review fixed tangible assets were itemized in accordance with minimum statutory requirements. Movements in fixed assets in 2013 are shown in the statement of fixed assets.

The Land and buildings item includes land valued at EUR 790 thousand (2012: EUR 790 thousand).

Commitments arising from the use of off-balance sheet tangible assets were as follows:

EUR 1,000

	2013	2012
Maturing in one year	442	444
Maturing in the next five years	1,441	1,590

Loans with maturities of up to one year amounted to EUR 10 thousand (2012: EUR 10 thousand). During the reporting period OMV Aktiengesellschaft extended a loan of EUR 350,000 thousand to OMV Refining & Marketing GmbH and one of EUR 795,226 thousand to OMV Exploration & Production GmbH. OMV Finance Services GmbH repaid a loan of EUR 76,500 thousand and received a loan of USD 160,850 thousand. The following loans were repaid: USD 2,395 thousand by OMV Pakistan Exploration GmbH; EUR 100,000 thousand by EconGas GmbH; and USD 74,800 thousand and AUD 41,100 thousand by OMV Australia PTY LTD. Pearl Petroleum Company Limited has an open credit facility of USD 103,871 thousand, of which USD 23,721 thousand had been utilized by the balance sheet date.

In 2013, grandparent company contribution were granted to the following companies: EUR 44,500 thousand to OMV Petrom Ukraine E&P GmbH; NOK 12,419,544 thousand to OMV Finance Services NOK GmbH; and USD 690,719 thousand to OMV Finance Solutions USD GmbH. In addition, a grand-grandparent contribution of EUR 117,000 thousand was granted to OMV Bina Bawi GmbH.

During the reporting period payments of GBP 150 thousand arising from capital increases were made to OMV FINANCE LIMITED, and payments of AUD 200,000 thousand were made to OMV Australia PTY LTD for preference shares.

LMG Lagermanagement GmbH was sold in 2013, and 49% interest in Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H was purchased.

2 Accounts receivable and other assets

EUR 1,000

	2013		2012	
	≤1 year	>1 year	≤1 year	>1 year
Trade Receivables	72	–	–	–
Receivables from affiliated companies	1,469,453	–	3,912,890	–
[thereof trade]	[2,428]	[–]	[13,991]	[–]
Receivables from associated companies	40	–	97	–
[thereof trade]	[8]	[–]	[27]	[–]
Other receivables and assets	40,247	–	91,549	–
Total	**1,509,812**	**–**	**4,004,536**	**–**

Other receivables include a revolving loan of EUR 15,024 thousand (2012: EUR 14,496 thousand) to Trans Austria Gasleitung GmbH, as well as a tax credit of EUR 24,157 thousand (2012: EUR 72,935 thousand) in respect of corporate tax prepayments.

3 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 the 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.

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.

Capital reserves for share-based payments about EUR 544 thousand have been reclassified to revenue reserves in 2013.

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.

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**

4 Untaxed reserves

The **untaxed reserves** are valuation reserves related to undeveloped and developed land, amounting to EUR 432 thousand (2012: EUR 432 thousand).

5 Provisions

Provisions for employee benefits are recognized in accordance with IAS 19. The indexed pension commitments in respect of currently active employees of OMV Aktiengesellschaft were transferred to an external pension fund managed by APK-Pensionskasse AG in earlier years. 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. Changes in the funding of defined benefit plans, and in provisions for jubilee payments were as follows:

EUR 1,000

			2013			2012
	Pensions	Severance payments	Jubilee payments	Pensions	Severance payments	Jubilee payments
Present value of funded obligations	36,587	—	—	35,565	—	—
Market value of plan assets	(29,468)	—	—	(27,648)	—	—
Unrecognized actuarial gains/(losses)	3,438	—	—	4,584	—	—
Provision for funded obligations	**3,681**	**—**	**—**	**3,333**	**—**	**—**
Present value of unfunded obligations	—	10,746	1,589	—	9,944	1,749
Unrecognized actuarial gains/(losses)	—	888	—	—	1,184	—
Provision for unfunded obligations	**—**	**11,634**	**1,589**	**—**	**11,128**	**1,749**
Provision as of January 1	**3,333**	**11,128**	**1,749**	**6,463**	**11,862**	**1,146**
Expense for the year	3,633	1,700	127	757	17	737
Payments to funds	(3,285)	—	—	(3,887)	—	—
Benefits paid	—	(800)	(121)	—	(966)	(167)
Group transfer	—	(394)	(166)	—	215	33
Provision as of December 31	**3,681**	**11,634**	**1,589**	**3,333**	**11,128**	**1,749**
Interest cost	502	446	76	588	503	55
Current service cost	305	458	99	352	1,231	131
Expected return on plan assets	—	—	—	—	—	—
Amortized actuarial (gains)/losses	2,826	796	(48)	(183)	(1,717)	551
Expenses of defined benefit plans for the year	**3,633**	**1,700**	**127**	**757**	**17**	**737**

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

		2013		2012
	Pensions	Severance, jubilees	Pensions	Severance, jubilees
Capital market interest rate	4.90%	4.90%	5.00%	5.00%
Future increases in salaries	3.50%	3.50%	3.85%	3.85%
Future increases in pensions	2.00%	—	1.80%	—
Long-term rate of return on plan assets	3.75%	—	4.25%	—

The biometrical basis for the calculation of provisions for pensions, severance and jubilee entitlements is provided by AVÖ 2008 P – Rechnungsgrundlagen für die Pensionsversicherung (Computational Framework for Pension Insurance) – Pagler & Pagler, using the variant for salaried employees. Employee turnover was estimated based on age or years of service respectively. The expected retirement age used for calculations is based on the earliest possible retirement age according ASVG regulations.

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%.

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

Other provisions largely consisted of the following:

		EUR 1,000
	2013	2012
Personnel provisions	37,307	34,285
Sundry provisions	19,442	24,611
Total	**56,749**	**58,896**

Personnel provisions include a provision for share options granted, amounting to EUR 20,404 thousand (2012: EUR 16,381 thousand). This comprises provision of EUR 909 thousand for the existing stock option plan and of EUR 19,495 thousand for Long Term Incentive Plan. Other provisions include a provision of EUR 18,345 thousand (2012: EUR 22,104 thousand) for possible recourse to a reinsurance policy.

Due to the recognition of deferred corporate income tax to account for the recapture of losses by foreign group members at top-tier corporate level, a provision of EUR 67,029 thousand (2012: EUR 34,248 thousand) was reported for the period. In addition, EUR 29,588 thousand in deferred tax, arising from the recognition of a loss transfer by a tax group member that will be set off against future positive tax contributions, was reversed because the member in question left the group.

6 Liabilities

				EUR 1,000
		2013		2012
	≤1 year	>1 year	≤1 year	>1 year
Bonds	701,730	4,000,000	–	4,201,730
Amounts due to banks	12,392	–	–	–
Accounts payable from trade	9,839	–	6,899	–
Accounts payable to affiliates	1,227,798	274,942	867,201	503,436
[thereof trade]	[1,225]	[–]	[9,654]	[–]
Other liabilities	299,753	8,637	300,622	14,852
[thereof taxes]	[184,955]	[–]	[181,510]	[–]
[thereof social security expenses]	[767]	[–]	[700]	[–]
Total	**2,251,512**	**4,283,579**	**1,174,722**	**4,720,018**

Other liabilities include personnel separation expenses of EUR 10,432 thousand (2012: EUR 9,156 thousand) and interest expenses for bonds of EUR 111,100 thousand (2012: EUR 110,220 thousand). Other liabilities include expenses of 2013, which are made payable in 2014. The most important amounts comprise interest to bonds EUR 111,100 thousand (2012: EUR 110,220 thousand).

An EUR 500 mn Eurobond was issued in 2013.

Liabilities with maturities of more than five years include bond liabilities amounting to EUR 3,750,000 thousand (2012: EUR 3,250,000 thousand).

7 Contingent liabilities under section 199 and other obligation under section 237 ACC

Contingent liabilities are as follows:

		EUR 1,000
	2013	2012
Guarantees	**1,445,875**	**3,039,127**
[thereof in favor of affiliated companies]	[1,443,622]	[3,024,341]

The change in contingent liabilities mainly comes from the determination of the guarantee on behalf of OMV FINANCE LIMITED (2012: EUR 1,500,000 thousand), as well as a reduction of the guarantee extended to OMV Supply & Trading AG of EUR 119,521 thousand.

OMV Aktiengesellschaft is liable for the redemption of the USD 138,000 thousand (EUR 100,065 thousand) US bond issued by OMV (U.K.) Limited.

The following **other financial commitments** are not reported under liabilities or contingent liabilities.

OMV Aktiengesellschaft has given an undertaking to OMV Clearing und Treasury GmbH, which runs the Group's clearing operations, to maintain its liquidity for the duration of its membership of the Group.

OMV Aktiengesellschaft has issued guarantees and letters of comfort on behalf of certain exploration, production and distribution companies in respect of the fulfillment of concession and license agreements, and of various other agreements of indeterminate amounts.

OMV Aktiengesellschaft is liable in the event of default by its successor companies on pensions, additional contributions to rectify shortfalls in the funding of obligations transferred to external pension funds, and bridging payments to separated employees.

A credit offer of EUR 500,000 thousand was given by OMV Aktiengesellschaft to OMV Petrom SA for funding the general corporate purposes. The facility is unsecured and was not used at December 31, 2013. This offer will expire by January 15, 2014.

Notes to the income statement

8 Sales

EUR 1,000

	2013	2012
Domestic	123,973	126,142
Foreign	7,823	7,521
Total	**131,796**	**133,663**

As OMV Aktiengesellschaft has also been carrying out operational tasks since January 1, 2011, its sales consist both of corporate service charges paid by Group companies and of revenues generated by operational activities performed within Group companies.

9 Other operating income

EUR 1,000

	2013	2012
Gains on the disposal of fixed assets other than financial assets	3	1,658
Gains on reversal of provisions	3,924	1,714
Other	3,387	1,732
Total	**7,314**	**5,104**

The gains on reversal of provisions arose solely from the provision for reinsurance. Other operating income is chiefly derived from exchange differences and amounts billed on to subsidiaries.

10 Expenses for materials and services

EUR 1,000

	2013	2012
Cost of materials	303	394
Cost of services	14,859	12,242
Total	**15,162**	**12,636**

The expenses for services contain costs of services provided by third parties.

11 Personnel expenses

EUR 1,000

	2013	2012
Salaries	68,634	56,949
Statutory social security, and pay-related levies and compulsory contributions	9,483	9,510
Other expenses for employee benefits	373	165
Total	**78,490**	**66,624**

12 Expenses for serverance payments and pensions

	2013	2012
		EUR 1,000
Expenses for severance payments	1,254	—
Payments to occupational pension funds	542	489
Defined contribution personnel expense	2,729	2,526
Defined benefit personnel expense	5,984	3,657
Total	**10,509**	**6,672**

Defined contribution pension expense includes EUR 2,588 thousand in provisions for personnel reduction programs (2012: EUR 3,228 thousand).

The breakdown of expenses for severance payments and pensions, and gains on reversal of provisions is as follows:

EUR 1,000	2013		2012	
	Severance payments	Pensions	Severance payments	Pensions
Executive Board	187	713	484	845
Senior executives	190	640	245	632
Other employees	623	4,534	991	4,889
Actuarial (gains) and losses	796	2,826	(1,717)	(183)

13 Other operating expenses

EUR 1,000	2013	2012
Taxes not shown under item 16 (Taxes on income)	893	1,271
Other	82,181	86,141
Total	**83,074**	**87,412**

The tax item largely concerns fees paid to Austrian Financial Market Authority. Other expenses include: EUR 19,391 thousand in insurance premiums, and legal and consultancy fees (2012: EUR 26,298 thousand), EUR 14,962 thousand in advertising expenditure (2012: EUR 10,090 thousand), and EUR 22,625 thousand in services (2012: EUR 22,512 thousand).

14 Financial income and expenses

Income from equity interests amounting to EUR 423,593 thousand (2012: EUR 1,013,686 thousand) include EUR 15,620 thousand (2012: EUR 805,148 thousand) from profit-pooling arrangements, EUR 405,677 thousand from affiliated companies (2012: EUR 204,255 thousand) and EUR 2,296 thousand (2012: EUR 4,283 thousand) from investment income. As of the balance sheet date, there were profit and loss pooling agreements with the following companies: OMV Solutions GmbH; OMV Refining & Marketing GmbH; OMV Insurance Broker GmbH; OMV Gas & Power GmbH. The expenses arising from financial assets item includes EUR 102,848 thousand (2012: nil) in expenses arising from profit pooling agreements, as well as EUR 5,702 thousand (2012: EUR 395 thousand) in loan write downs.

The finance cost items include EUR 32,979 thousand in realized exchange losses related to the financing of acquisitions in Norway and the UK.

15 Taxes on income

EUR 1,000

	2013	2012
Current taxes	(52,376)	(45,974)
Deferred taxes	4,828	4,828
Total	**(47,548)**	**(41,146)**

Current tax composed of EUR 9,202 thousand (2012: EUR 5,041 thousand) in previous years income, as well as EUR 43,174 thousand (2012: EUR 40,934 thousand) in corporate income tax credits due to the top-tier corporation in consequence of the formation of a tax group under section 9 Corporate Income Tax Act. The recognition of deferred corporate income tax to account for the recapture of losses by foreign tax group members led to the netting of corporate income tax expense of EUR 32,781 thousand (2012: EUR 495 thousand) against current corporate tax income. Due to the reversal of the deferred corporate income tax recognized to account for future tax liabilities arising from a loss transfer by a tax group member that will be offset against future positive tax contributions, corporate tax income is net of corporate tax income of EUR 27,100 thousand (2012: Corporate tax expense of EUR 29,588 thousand).

Deferred tax expense was EUR 4,828 thousand (2012: EUR 4,828 thousand).

16 Interest rate risk management and derivates

To facilitate management of interest rate risk, 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 balance sheet date, interest for a nominal of USD 50 million has been swapped from fixed to floating rates. The interest rate spread between the swap and the loan is accounted for as an adjustment to interest expense.

EUR 1,000

			2013			2012
	Nominal value	Fair value	Carrying value	Nominal value	Fair value	Carrying value
Interest rate Swap (USD)	36,256	2,504	—	37,896	4,251	—
FX Swap EUR-CZK	37,821	98	—	—	—	—
FX Swap EUR-AUD	24,822	(315)	(315)	31,652	(224)	(224)
FX Swap EUR-HUF	22,869	(18)	(18)	74,814	308	—
FX Swap EUR-NOK	—	—	—	500,803	(3,597)	(3,597)
FX Swap EUR-USD	—	—	—	418,637	29	—

The fair value of the derivative instruments reflects the estimated amounts that OMV would pay or receive if the positions were closed at balance sheet date. Quotations from banks or appropriate pricing models are used to estimate the fair value of financial instruments at balance sheet date. These models apply the forward/futures prices and exchange rates ruling at balance sheet date, as well as volatility indicators to the price calculations. Recognition is under other provisions.

Where necessary, the Company hedges its own and Group companies’ foreign currency risks. OMV Aktiengesellschaft has entered hedges with banks, and transferred them to Group companies. For these hedges a valuation unit has been built, and these hedges are accounted in Group companies.

17 Governing bodies, employees and related parties

The **average number of employees** was:

	2013	2012
Salaried employees	405	419
Total	**405**	**419**

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).

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, remuneration expenses for the Supervisory Board amounted to EUR 394 thousand (2012: EUR 394 thousand).

OMV Aktiengesellschaft is the parent company of the OMV Group and acts as a holding company. OMV Aktiengesellschaft also provides the other Group companies with corporate financial and management services.

All transactions with related parties were concluded at arm's length.

Regarding the expenses rendered by the auditor for the year just ended OMV Aktiengesellschaft refers to the consolidated financial statements of OMV Aktiengesellschaft.

18 Dividend recommendation

Unappropriated income for the 2013 financial year amounted to EUR 421,924 thousand (2012: EUR 401,030 thousand).

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).

Changes in untaxed reserves

	As of Jan. 1, 2013	Allocations/ utilization	Transfer	**As of Dec. 31, 2013**
				EUR 1,000
Valuation reserve for impairments				
Tangible assets				
Land	432	–	–	432
	432	**–**	**–**	**432**

Direct investments by OMV Aktiengesellschaft (interest of at least 20%)

	Equity interest in %	Equity/negative equity as of Dec. 31, 2013		Net income/loss in 2013
				1,000 in stated currency
Domestic				
Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H, Wien	49.00	EUR	27,337	22,586
OMV Exploration & Production GmbH, Wien [1]	100.00	EUR	1,976,596	431,265
OMV Gas & Power GmbH, Wien [1]	100.00	EUR	181,803	(102,854)
OMV Insurance Broker GmbH, Wien [1]	100.00	EUR	45	14
OMV Refining & Marketing GmbH, Wien [1]	100.00	EUR	1,304,441	461,714
OMV Solutions GmbH, Wien [1]	100.00	EUR	2,610,187	14,749
students4excellence GmbH, Wien [2]	24.75	EUR	48	3
Foreign				
Amical Insurance Limited, Douglas	100.00	EUR	51,202	11,466
OMV AUSTRALIA PTY LTD, Sydney [1]	100.00	AUD	(103,657)	(7,794)
OMV FINANCE LIMITED, Douglas	100.00	EUR	216	12
OMV International Oil & Gas GmbH, Zug	100.00	EUR	164	148
OMV Petrol Ofisi Holding Anonim Şirketi, Istanbul [3]	100.00	TRY	5,870,646	233,754
OMV Petrol Ofisi A.Ş., Istanbul [4]	41.58	TRY	1,535,753	(21,340)
OMV PETROM SA, Bukarest	51.01	RON	26,164,747	4,839,327

1 Tax group member under section 9 Corporate Tax Act
2 Figures for 2012
3 Individual shares are held by other Group companies (in total below 0.01%)
4 OMV Petrol Ofisi Holding Anonim Şirketi holds 55.40% indirectly, and OMV owns a total of 96.98%

Statement of fixed assets in accordance with section 226 (1) ACC

	As of Jan. 1, 2013	Additions
Intangible assets		
Licenses	3	–
	3	**–**
Tangible assets		
Land	790	–
Plant and equipment	–	–
Other fixtures and fittings, tools and equipment	943	47
	1,733	**47**
Financial assets		
Investments in affiliated companies	8,986,923	2,432,405
Loans to affiliated companies	1,035,659	1,265,980
Other investments	26,632	2
Securities (loan stock rights) held as fixed assets	8,198	156,938
Other lendings	37,900	1,345
	10,095,312	**3,856,670**
	10,097,048	**3,856,717**

EUR 1,000

Transfers	Disposals	As of Dec. 31, 2013	Depreciation and amortization (cumulative)	Carrying value as of Dec. 31, 2013	Carrying value as of Dec. 31, 2012	Depreciation and amortization	Impairment in 2013
—	—	3	3	—	0	0	—
—	**—**	**3**	**3**	**—**	**0**	**0**	**—**
—	—	790	—	790	790	—	—
—	—	—	—	—	—	—	—
—	4	986	640	346	414	116	—
—	**4**	**1,776**	**640**	**1,136**	**1,204**	**116**	**—**
—	3,437	11,415,891	1,042,324	10,373,567	7,944,599	—	—
—	261,934	2,039,705	6,441	2,033,264	1,034,920	5,702	—
—	—	26,634	—	26,634	26,632	—	—
—	—	165,136	3,691	161,445	4,507	—	—
—	25,403	13,842	22	13,820	37,872	—	—
—	**290,774**	**13,661,208**	**1,052,478**	**12,608,730**	**9,048,530**	**5,702**	**—**
—	**290,778**	**13,662,987**	**1,053,121**	**12,609,866**	**9,049,734**	**5,818**	**—**

Supervisory Board

Rudolf Kemler
Chairman

Wolfgang C. Berndt
Deputy Chairman

Murtadha Al Hashmi
Deputy Chairman

Alyazia Ali Saleh Al Kuwaiti

Elif Bilgi-Zapparoli

Helmut Draxler

Wolfram Littich

Herbert Stepic

Herbert Werner

Norbert Zimmermann

Delegated by the Works Council:
Christine Asperger (from January 1, 2013)
Wolfgang Baumann
Franz Kaba (till May 31, 2013)
Herbert Lindner (from June 1, 2013)
Ferdinand Nemesch (till May 31, 2013)
Alfred Redlich (from June 1, 2013)
Martin Rossmann

In addition to internationally experienced board members and directors of the core shareholder, the Supervisory Board appointed in the Annual General Meeting is made up of highly qualified independent members. OMV observes EU recommendations relating to independence.

Presidential and Nomination Committee:
Kemler (Chairman), Berndt (Deputy), Al Hashmi (Deputy), Al Kuwaiti, Baumann, Rossmann

Audit Committee:
Kemler (Chairman), Berndt (Deputy), Al Hashmi (Deputy), Draxler, Littich, Werner, Baumann, Nemesch (till May 31, 2013), Lindner (from June 1, 2013), Rossmann

Project Committee:
Kemler (Chairman), Berndt (Deputy), Al Hashmi (Deputy), Al Kuwaiti, Littich, Zimmermann, Baumann, Kaba (till May 31, 2013), Lindner (from June 1, 2013), Nemesch (till May 31, 2013), Rossmann

Remuneration Committee:
Kemler (Chairman), Berndt (Deputy), Al Hashmi (Deputy), Draxler, Zimmermann

Executive Board

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

km²
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.

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