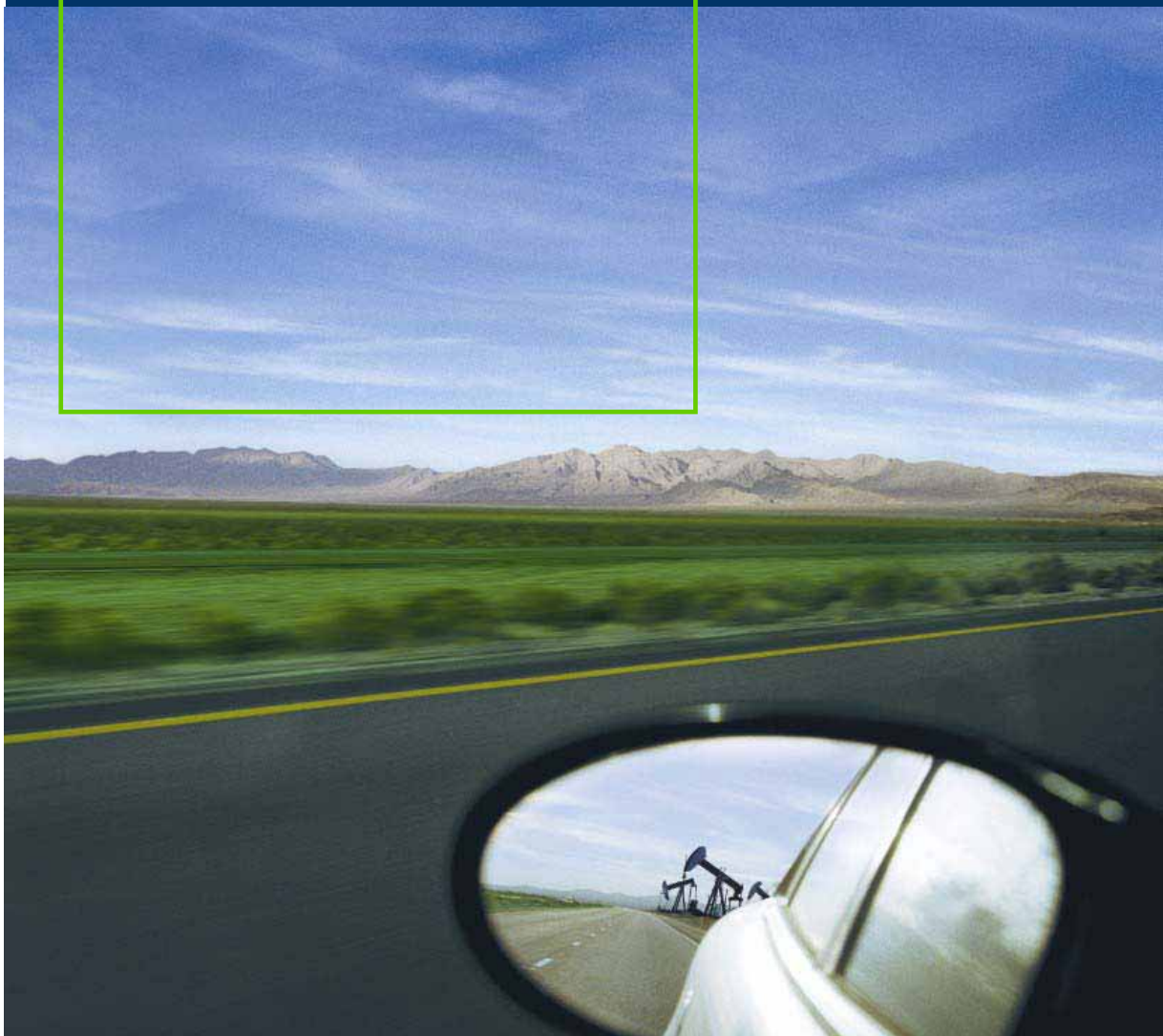


**OMV Aktiengesellschaft
Annual Report 2003**



Abbreviations and definitions.

ACC	Austrian Commercial Code
bn	billion
cbm, cf	standard cubic meter (0 °C/32 °F), standard cubic feet
CEO	Chief Executive Officer
CFO	Chief Financial Officer
EBIT	earnings before interest and tax
equity ratio	stockholders' equity divided by balance sheet total expressed as a percentage
EU, EUR	European Union, euro
E & P	Exploration and Production
gearing ratio	net debt divided by stockholders' equity expressed as a percentage
mn	million
net income	net operating profit after interest, tax and extraordinary items
NOPAT	net operating profit after tax; net income plus interest and extraordinary items after tax
payout ratio	dividend divided by earnings per share expressed as a percentage
P/CF	price-cash flow ratio; share price divided by cash flow per share
P/E	price-earnings ratio; share price divided by earnings per share
ROACE	return on average capital employed; NOPAT divided by average capital employed expressed as a percentage
R & M	Refining and Marketing including petrochemicals
t, toe	metric ton; ton(s) of oil equivalent
USD	US dollar

Contents.

Dear stockholders,

We have much pleasure in sending you our Annual Report of OMV Aktiengesellschaft for 2003. Thank you for your confidence in OMV.

Highlights of 2003	2
Supervisory Board: Members and report	3
Executive Board	5
Statement of the Chairman of the Executive Board	6
Corporate Governance	8
Investor Relations	9
Directors' report of OMV Aktiengesellschaft	11
Annual accounts of OMV Aktiengesellschaft	13
List of investments	33
Auditors' opinion	34
Investors' corner	35

The benefits of OMV's growth strategy were evident in the 2003 financial year. The Group significantly extended its international footprint and posted its best results ever. Our goal remains to continue growing rapidly and profitably as an integrated oil and gas company. In 2004 we will be mid-way to achieving our 2008 target of doubling the size of the Company. We believe that our goal of maintaining profitability and enhancing shareholder value is feasible even at a time of accelerated growth. We made major progress towards this objective in 2003.



Wolfgang Rutenstorfer

Highlights 2003.

January

Acquisition of the international E & P business of Preussag.

45% stake in Forest Oil Germany's exploration licenses in Bavaria acquired.

February

Acquisition of 313 filling stations, 45% stake in the BAYERNOIL refining network and 18% in the Transalpine pipeline from BP.

Opening ceremony of first service stations in Bosnia and Herzegovina.

March

Retail network from Avanti acquired.

April

Record test rate achieved in Pakistani gas field Sawan.

May

Annual Stockholders' Meeting approves dividend of EUR 3.50 per share.

Six exploration licenses awarded in Libya.

June

EUR 250 mn corporate bond issued in Austria.

Private placement of a USD 320 mn bond in the USA.

Capital Markets Day in London.

July

Schwechat set to become one of the leading European locations in the plastics industry due to the investment in petrochemicals and plastics facilities.

New exploration licenses granted offshore Pakistan.

August

Construction of a crude pipeline between Bratislava and Schwechat agreed with YUKOS.

September

Sale of two exploration blocks in Sudan for USD 115 mn initiated.

Opening of the first natural gas filling station with self service in Austria.

October

Full production at Sawan gas field.

November

First OMV Corporate Responsibility Performance Report published.

December

OMV's share price at its year high on December 1: EUR 122.80.

Highest oil and gas production rate in OMV's history at 134,500 boe/d.

Preparations for the introduction of sulfur free products across all markets completed.

Supervisory Board. Members and report

Rainer Wieltsch ^{1 2 3}

Chairman
Member of the ÖIAG Management Board
Member of 4 supervisory boards
(chairman of 1 board) ⁴

Mohamed Nasser Al Khaily ^{1 2 3}

Deputy Chairman
Managing Director of IPIC
Member of 1 supervisory board ⁴

Peter Michaelis ^{1 2 3}

Deputy Chairman
Spokesman of the ÖIAG Management Board
Member of 4 supervisory boards
(chairman of 2 boards) ⁴

Helmut Draxler

Chairman of the Management Board of RHI AG

René Alfons Haiden

Murtadha Mohammed Al Hashemi ³

Division Manager/Finance of IPIC

Wolfram Littich ^{2 3}

Chairman of the Board of Management of
Allianz Elementar Versicherungs-AG

Gerhard Mayr

Executive Vice President of
Eli Lilly and Company
Member of 1 supervisory board ⁴

Herbert Werner

Manager
Member of 2 supervisory boards ⁴

Norbert Zimmermann ³

Chairman of the Management Board
of Berndorf AG

Delegated by the Central Works Council:

Leopold Abraham ^{1 2 3}

Hugo Jandl

Franz Kaba ^{1 2 3}

Franz Kiegler (until October 31) ³

Ferdinand Nemesch (from November 1) ³

Wolfgang Weigert

¹ Personnel and Presidential Committee

² Accounts Committee

³ Strategy and Projects Committee

⁴ The information regarding seats on supervisory boards relates to listed non-Group companies (pursuant to Rule 54 of the Austrian Code of Corporate Governance)

Dear Stockholders,

The role of the Supervisory Board has undergone a significant change of late. It is not confined only to the task of critically monitoring profitability and value creation, but increasingly includes assisting management in an open dialog with it.

The OMV Supervisory Board consists of persons who are independent of the Company, and the Group benefits from the contribution made by their management skills and their profound experience in a variety of business sectors and countries. There is an excellent spirit of cooperation on the Board – particularly between the shareholder and employee representatives. Communication with the Executive Board takes place in a climate of open exchanges of opinion, both at plenary and committee meetings and during regular discussions with the Chairman of the Executive Board.

There were five meetings of the Supervisory Board in 2003. The Accounts Committee met twice, focusing particularly on risk management, and on the responsibilities and findings of Corporate Internal Audit. The Strategy and Project Committee met once. All the meetings provided adequate opportunities to discuss the documents submitted to us, which were sent in good time. Attendance was excellent, and complied with Rule 56 of the Austrian Code of Corporate Governance in that no member of the Board was absent from more than half of the meetings.

Our meeting on June 23 was devoted to the Group's strategic positioning and three-year business plan.

2003 was a highly gratifying year for OMV. In all four business segments, major strides were made towards implementing the Group's growth strategy, and these were reflected in the record level of capital expenditure. Particularly close attention was paid to integrating the BAYERN-OIL, Preussag and Avanti acquisitions. Other important decisions concerned expansion of the capacity the ethylene cracker at the Schwechat site, and the succeeding plastics business. Investment in Libya was also stepped up. In Pakistan, OMV became the largest international gas field operator.

At the same time, the Group recorded the best results in its history, consolidating its position as the leading Austrian industrial company in terms of sales and profits, and its ability to compete effectively with its peer group.

During this phase of rapid growth the Supervisory Board is attaching great importance to watching earnings drivers and the effectiveness of the risk management system. The integration of the risk management function with the other management systems, and its reorganization according to the latest methods fully accord with the Board's intentions.

An active and focused approach to generating value growth is crucial to the success of any business strategy. The Supervisory Board welcomes the decision of the Executive Board to formulate the Group's approach to corporate social responsibility – in the sense of sustainable business policies – in a Code of Conduct and to publish a Performance Report on progress in implementing that code. The many positive comments show that OMV has once again succeeded in playing a pioneering role in this respect. All the Group's management bodies are strongly committed to observance of the Austrian Corporate Governance Code, which is an important means of strengthening the capital market, and of increasing transparency and stakeholder confidence.

The tasks OMV has set itself are challenging, but it is well on the way to attaining its goals and is excellently placed to attain long-term value growth by pursuing a sustainable business strategy.

Following thorough examination and discussions with the auditors at Accounts Committee and plenary meetings, the Supervisory Board approved the directors' report, prepared in accordance with section 127 Stock Corporation Act, and the annual financial statements for 2003 which are hereby adopted under section 125 (2) Stock Corporation Act. The Board also approved the consolidated financial statements and the Group directors' report.

The Supervisory Board approved the Executive Board's proposal to pay a dividend of EUR 4.00 per share and to carry forward the remaining EUR 85,045.12 to new account.

I should like to express my gratitude to the Supervisory and Executive Boards, and to the staff for their efforts on behalf of the OMV Group.

Vienna, March 22, 2004



Rainer Wieltsch
Chairman of the Supervisory Board

Executive Board.



From left to right: Helmut Langanger, Wolfgang Ruttendorfer, David C. Davies, Gerhard Roiss
The terms of office of all Executive Board members run until the end of March 2006.

Wolfgang Ruttendorfer

As of January 1, 2002 Chairman and Chief Executive Officer; Gas and Chemicals.

He began his career with OMV after graduating from the Vienna University of Economics and Business Administration in 1976, going on to head the planning and financial control, corporate development and Marketing, among others. He was a member of the Executive Board from 1992 to 1997. In January 2000 he returned to the OMV Group as Deputy Chief Executive Officer and Chief Financial Officer, and assumed responsibility for the Gas segment.

David C. Davies

As of April 1, 2002 Chief Financial Officer.

David C. Davies graduated in Economics from the University of Liverpool and started his career as a chartered accountant. He then held finance positions in international companies in the beverage, food and health industry. Before joining the OMV Group he was finance director of a number of public companies in the UK.

Gerhard Roiss

As of January 1, 2002 Deputy Chairman; Refining and Marketing including petrochemicals.

His business education at Vienna, Linz and Stanford (USA) prepared him for managerial responsibilities at various companies in the consumer goods industry. In 1990 he started as head of OMV's Group marketing department. In the same year he was appointed to the board of PCD Polymere GmbH. He moved across to the OMV Executive Board in 1997. He was responsible for the Plastics operations and, until the end of 2001, for Exploration and Production.

Helmut Langanger

As of January 1, 2002 responsible for Exploration and Production.

Helmut Langanger complemented his education at the Mining University in Leoben with a degree in economics in Vienna. He began his career with OMV in 1974 and was appointed Senior Vice President for Exploration and Production in 1992 before joining the Executive Board in 2002.

We should like to thank the staff of the OMV Group for their outstanding performance and dedication. With sorrow and gratitude, we remember those of our staff members who have passed on.

Statement of the Chairman of the Executive Board.

Dear Stockholders,

2003 has been a year of significant achievements and of the best results in OMV's history. In particular:

- Net income for the year and EBIT were the highest in OMV's history. EBITD passed the EUR 1 bn threshold for the first time.
- Closure of the Preussag and BAYERNOIL acquisitions marked our largest takeovers to date.
- Capital expenditure was a record EUR 1.38 bn, of which 72% were allocated to investments in growth.
- Our stock price rose 26%, and for the third year in succession consistently exceeded the average for the FTSE Oil & Gas Index.

Major step forward

The boost to our growth reflected the continued implementation of the strategy we have been pursuing since 2002. We are working towards integrated, long-term growth in all core businesses, while maintaining profitability and creating shareholder value.

In the Refining and Marketing business we are aiming for leadership in our Central European core market. We are already mid-way towards our goal of a 20% market share in the Danube region. The acquisition of Aral, BP and Avanti filling stations and a 45% stake in BAYERNOIL refining network has significantly strengthened our market position, expanding our retail network and refining capacity by more than 40%.

This will enable us to attain our objectives and gain the lead in this large and growing market.

Our growth strategy in the Exploration and Production segment is directed towards doubling oil and gas production by 2008. Output climbed by more than 40% in 2003. During the year OMV became the largest foreign gas operator

in Pakistan. Due to the acquisition of the international E & P portfolio of Preussag we have already reached 80% of our production target for 2008.

We have successfully concluded the restructuring of our Gas segment in response to liberalization. We held the first international online gas auction in Austria in 2003. The encouraging results have opened the way for further development of the Baumgarten gas hub. The marked increase in volume in the gas business in 2003, and the expansion of melamine capacity showed that here, too, our targets are realistic, and within reach.

Despite this impressive growth and the heavy investment required to drive it forward, our policy of steadily rising dividends remains in place, and we are proposing to the Annual Stockholders' Meeting a dividend of EUR 4 per share which marks a 14% increase compared to last year.

Growth and profitability

Our progress in growing the business was accompanied by the highest capital expenditure OMV has recorded to date. This was financed by a domestic bond issue denominated in EUR which was rapidly oversubscribed, and our first two issues in the US market (private placements). We have become more flexible and internationally minded in our choice of financial instruments, and have succeeded in raising OMV's profile in this important market.

In 2003 the return on average capital employed rose to 12%. This improvement in our financial performance was assisted by favorable macro-economic conditions, however, profitability does not depend on growth alone, but it also reflects our success in striking the right balance between alternatives that deliver sustainable earnings. This is the key to success in achieving our goals. Based on OMV's performance to date, I am confident that we will achieve our targets. This is a tribute to the experience, perseverance and commitment so convincingly demonstrated in 2003.

I would like to thank our people for their contribution. Without their determination to succeed this progress would not have been made.

We shall continue to exercise rigorous cost management during the current phase of rapid growth, so as to maintain tight control of the cost base which is critical to profitability.

In the interests of enhancing the Group's competitiveness, and hence its growth potential, we shall be submitting resolutions to the Annual Stockholders' Meeting in May 2004 which call for the introduction of a holding company structure. Much of the groundwork for reorganization was laid in 2003, and the new independent subsidiaries will thus be able to commence operations as soon as the resolutions have been approved, reporting their results retroactively to January 1, 2004. An important factor for the new structure was negotiation of a collective labor agreement for the Austrian oil industry, and hence for the operating companies.

Sustainable growth

We are committed to a clear business strategy that involves the acceptance of social and environmental, as well as commercial responsibilities. To us, sustainable business policies, manifested in corporate social responsibility, are more than mere altruism or deference to intellectual fashion. They mean economic, environmental and social accountability.

Consequently, in 2003 we enshrined our value system in a corporate code of conduct, and published a comprehensive report on all three areas of performance. We are constantly striving to improve our high health, safety and environmental standards. It is important to us that both our employees and contractors have safe workplaces and return home unharmed. OMV has long attached high priority to reducing emissions of greenhouse gases and marketing environmentally friendly products. We have demonstrated that we are an energy group that is prepared to take responsible action without waiting for legal requirements. Given the global scale of our activities, we know that we are subject to close public scrutiny. We shall continue to do all in our power to contribute to the well-being of all the societies in which our activities take place.

Good performance across all aspects of our operations must be accompanied by openness

and transparency if we are to consolidate stakeholders' trust. OMV has consistently been among the winners of the Vienna Stock Exchange Awards for investor relations for several years, and this year also placed first in the new corporate governance category. These awards, judged by experts and leading representatives of the Vienna financial market, are an outward sign of the recognition we have earned.

Our medium-term business planning is based on unrelenting adherence to our growth strategy, and is designed to demonstrate that earnings power and value growth can coexist alongside rapid expansion. A major focus in the coming year will be to exploit the growth potential of the acquisitions of 2003, leveraging the synergies created by and further strengthening our earnings streams. We will pursue further opportunities for acquisitions that arise, provided that they conform to our strategy and are likely to become profitable assets.

The economic environment is beyond our control. We have, however, shown that we can respond to shifting conditions and market volatility without being deflected from our long-term objectives.



Wolfgang Ruttenstorfer

Corporate Governance.

We believe that good corporate governance can make a valuable contribution to strengthening investor confidence and the trust of the capital market as a whole. It involves transparent disclosure of the main factors determining responsible behavior by a company's governing bodies, and their independence and cooperation, as well as the remuneration and dealings of the Executive Board, for example. Subject to the explanations given below, OMV hereby states its compliance with the **Austrian Corporate Governance Code**. We reaffirm our intention to abide by the Code, and aim to achieve compliance with the requirement contained in the preamble to the Code for regular and voluntary external monitoring of compliance, and publishing the findings.

We would like to stress, especially in international discussions, that in the two-tier system provided for by Austrian and German law the **Supervisory Board** is a separate body overseeing the management board. This element of independent supervision is partly lacking in the one-tier Anglo-Saxon system. All members of the Supervisory Board are legally bound to be guided solely by the company's interests in their decisions. Consequently it is entirely appropriate to refer to them as "independent non-executive board members". OMV seeks to promote the independence of the Supervisory Board and to avoid actions which would jeopardize this independence, such as the appointment of former Executive Board members or transactions between members of the Supervisory Board and the Group, especially consultancy agreements.

The Company's articles of incorporation were amended to conform to the Corporate Governance Code at the last Annual Stockholders' Meeting, and in particular **age limits** for members of the Supervisory and Executive Boards were introduced. In accordance with international developments, the Accounts Committee met with the head of **Corporate Internal Audit** to discuss the results of internal audits and plans for future audits, and held detailed discussions with the external auditors on the Company's risk management system. During the year under review the Company's **overall strategy** was discussed not just by the separate Strategy Committee but also by a plenary meeting of

the Supervisory Board. Despite the fact that preliminary examination of individual issues and major projects is carried out by a committee, we see the Company's strategy as sufficiently important to justify calling a meeting of the Supervisory Board. There is a **consortium agreement** between International Petroleum Investment Company (IPIC) and Österreichische Industrieholding Aktiengesellschaft (ÖIAG) which provides for block voting and imposes certain limitations on the transfer of shareholdings of both partners.

The OMV Group draws up its **consolidated financial statements** and quarterly reports in accordance with the Austrian Commercial Code (ACC), and also publishes statements reconciling net income and stockholders' equity under US Generally Accepted Accounting Principles (US GAAP). OMV has adopted this international accounting format to allow investors to draw good comparisons as many companies in the peer group also publish US GAAP reconciliations.

Arrangements have been agreed on for the **substitution** of members of the Executive Board, as part of temporary succession planning to deal with sudden misfortunes. The Chairman and the Deputy Chairmen take account of the need for long-term succession planning. At the Annual Stockholders' Meeting approval was obtained for a share buyback program in connection with the 2003 **stock option plan**, and the main elements of that plan were presented.

We are pleased to state that our corporate governance efforts have been well received by the public and the financial market. This is reflected in the fact that OMV gained first place in the corporate governance category of the 2003 Vienna Stock Exchange Awards.

We are committed to continuous improvement in this area.

Further information on the Company's governance can be found at www.omv.com > [Investor Relations Center](#).

Investor Relations.

Due to the fact that OMV issued euro and dollar bonds in 2003, the activities of the Investor Relations Department now extend to the debt securities market. True to our longstanding commitment to fair disclosure, we accord equal treatment to OMV stockholders and bondholders, and provide news on the Group that is tailored to the respective audiences.

Outstanding stock performance

2003 witnessed an upturn in equity prices across all world markets. Oil and gas stocks also performed well, though they lagged the market. The European oil and gas industry benefited less than others from high oil prices as the gains were canceled out by the weakness of the US dollar. The FTSE Oil & Gas Index rose by only 4% in 2003.

Other major indices made greater headway (FTSE 13%, CAC 40 15%, Nikkei 21%, Dow Jones 25%, DAX 37%, NASDAQ 50%). Among the top performers was the Vienna Stock Exchange. The Austrian Trade Index (ATX) ended the year up by 34%.

OMV stock outperformed the FTSE Oil & Gas Index for the third year in succession, rising by 26%. Taking into account the EUR 3.50 per share dividend paid on May 27, stockholders enjoyed total returns of 30% in 2003.

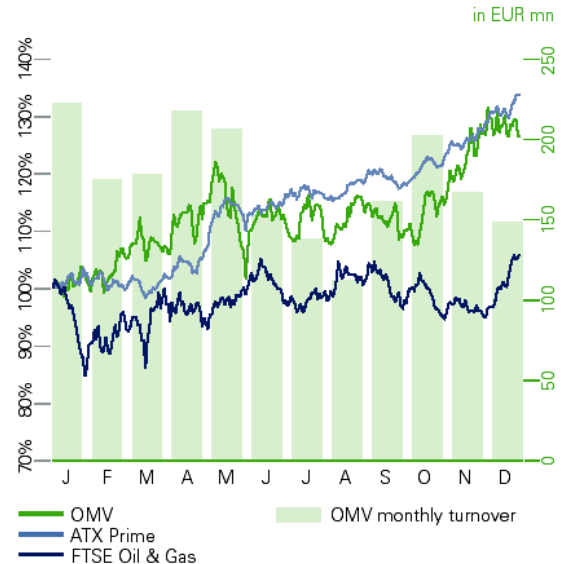
Our **market capitalization** was EUR 3.19 bn at year end. The capitalization of all shares listed on the Vienna Stock Exchange rose by 42% to EUR 43.31 bn in 2003.

Good market conditions, new listings and capital increases led to a sharp rise in trading on the Vienna Stock Exchange. **Turnover in shares** climbed by 52% to EUR 19.31 bn. The transaction volume of our stock increased by 32% to EUR 2.09 bn – around 11% of the turnover on the exchange (2002: 12%).

Over-the-counter (OTC) turnover on the Vienna Stock Exchange prime market totaled EUR 14.21 bn in 2003, accounting for 42% of total trading volume (OTC and listed trading) of EUR 33.52 bn. OMV stock registered EUR 1.06 bn in OTC turnover, or about 34% of the overall turnover including OTC of EUR 3.15 bn.

OMV share price increased by 26%

comparison of indices and monthly turnover



Refinancing of acquisitions completed

The subscription period for OMV's first euro-bond ended on June 26, 2003. The issuing price of the EUR 250 mn offering was EUR 99.47, the coupon 3.75% and the duration seven years (June 30, 2010). The bond is listed on the Vienna Stock Exchange (ISIN: AT0000341623).

Towards the end of June, a USD 320 mn bond issue in two tranches, maturing on June 27, 2013 and June 27, 2015, was placed with US institutional investors (private placement). The USD 182 mn ten-year tranche was issued at par with a coupon of 4.73%, and the USD 138 mn 12-year tranche at par with a coupon of 4.88%.

These two transactions completed the long-term refinancing of the acquisitions made in 2003 for the Exploration and Production, and Refining and Marketing segments. They also diversified our debt investor base beyond the European banking market, and markedly increased OMV's debt maturity profile.

Results of the Annual Stockholders' Meeting

On May 20, 2003, the Annual Stockholders' Meeting approved an extension of the share buyback plan, opening the way for the repurchase of 19,952 shares. The stock option plan

is aimed at giving management a substantial long-term stake in the success of the Company, thus aligning its interests with those of shareholders. Towards the end of the year the exercise of options under existing plans led to the disposal of 25,000 shares due to lower coverage requirements. In total as of December 31, the Company held 124,161 OMV shares as a result of the four stock option plans launched between 2000 and 2003. The number of outstanding shares is hence 26,875,839 (for further details visit www.omv.com > [Investor Relations Center](#) > [Stock information](#)). A further employee stock ownership plan was launched in 2003, to which approximately 15% of the workforce subscribed.

At the next Annual Stockholders' Meeting on May 18, 2004, the Executive Board will be proposing a dividend of EUR 4.00 per share. This represents a payout ratio of some 27%, and a dividend yield of about 3%, based on the closing price on the last trading day of 2003.

Busy year for Investor Relations

2003 was a very busy and challenging year for Investor Relations as a result of the two largest acquisitions made in the Company's history and the bond placements.

In June we held our Capital Markets Day in London for the first time, and this was a major success. Senior executives gave presentations to over 40 analysts and investors from around the world, thereby enabling them to gain a deeper understanding of OMV. We also maintained our contacts with analysts and investors by staging roadshows in both Europe and America, including debt roadshows for the first time.

Greater use was made of the Internet in order to increase the transparency and timeliness of shareholder information. Thus our annual and interim results presentations and the Annual Stockholders' Meeting were for the first time broadcast live on the web. All important news and information for share and bond holders, and analysts is publicly posted at www.omv.com > [Investor Relations Center](#).

At a glance in EUR	2003	2002	2001	2000	1999
Market capitalization in EUR bn ¹	3.19	2.53	2.54	2.23	2.61
Year's high	122.80	110.87	122.65	99.40	98.00
Year's low	92.00	82.20	78.88	74.10	72.75
Year end	118.08	93.58	94.12	82.50	96.50
Earnings per share (EPS)	14.60	11.85	14.09	11.91	7.11
Book value per share	98.94	88.75	82.66	72.21	62.65
Cash flow ² per share	34.92	21.60	29.21	22.65	12.53
Dividend per share ³	4.00 ³	3.50	4.30	4.30	2.40
Price cash flow ratio (PCF) ¹	3.4	4.3	3.2	3.6	7.7

¹ based on year end price ² net cash provided by operating activities ³ recommended dividend

Directors' report.

Business developments in 2003

In financial 2003 the Company's **sales** net of petroleum excise tax edged down to EUR 3.05 bn (2002: EUR 3.13 bn). The principal reason for the decline was the expiration of the third party processing agreements at the end of 2002. The main contributor to sales was again the Refining and Marketing (R&M) segment, at EUR 2.83 bn (2002: EUR 2.96 bn). Exploration and Production (E&P) generated EUR 206 mn in sales (2002: EUR 175 mn).

OMV Aktiengesellschaft's **exports** were EUR 348 mn (2002: EUR 323 mn) and the export ratio was 11% (2002: 10%). During the period under review Hungary accounted for the highest share of exports at 37% (2002: 34%) followed by the Czech Republic at 22% (2002: 26%) and the European Union and Switzerland with a combined total of 15% (2002: 15%).

Earnings before interest and tax (EBIT) were EUR 247.28 mn in financial 2003. The year-on-year increase of EUR 136.61 mn was mainly attributable to a significant strengthening in refining margins and to higher oil and gas prices. Due to the 2003 pension reform and the good performance of the pension fund assets, it was possible to reverse provisions for additional contributions to cover shortfalls in the funding of defined benefit pension plans. The pension reform also lengthened the accrual periods for severance payments and jubilee payments. Together these factors added EUR 21.01 mn to income, offsetting a considerable portion of the EUR 34.18 mn in expenses for existing and planned personnel reduction programs.

The improvement in the earnings of the **Exploration and Production** segment as compared to 2002 mainly reflected higher crude oil and natural gas prices. The positive price effect of EUR 46.50 mn was partly counteracted by the negative impact of the weak USD exchange rate which amounted to EUR 31.50 mn.

The increase in the earnings of the **Refining and Marketing** segment stemmed largely from higher refining margins. Following the collapse of refining profits in 2002, the Rotterdam margin widened by more than 160% in 2003.

The earnings of basic petrochemicals segment were positively influenced by rising monomer prices.

Net income for the year 2003 amounted to EUR 481.77 mn (2002: EUR 219.92 mn)

Net cash provided by operating activities in 2003 were EUR 550.19 mn (2002: EUR 356.66 mn).

Total assets rose to EUR 5.13 bn (2002: EUR 4.07 bn). The gain was chiefly accounted for by additions to financial assets and accounts receivable from affiliated companies.

At balance sheet date **stockholders' equity** including untaxed reserves amounted to EUR 2.36 bn (December 31, 2002: EUR 1.98 bn) — an increase of around 20%. The equity ratio as of December 31, 2003 was 46% (2002: 49%).

The ratio of **fixed assets** to total assets was about 61% at balance sheet date. Fixed assets were 125% covered by equity and long-term debt. Capital expenditure in 2003 amounted to some EUR 226.83 mn (2002: EUR 303.13 mn). The main constituents of additions to financial assets were the acquisition of Preussag Energie International and that of the remaining 15% interest in OMV Hungária Asványolai Kft., as well as loans to non-consolidated subsidiaries and associates.

In the **Exploration and Production** segment investment was mostly channeled into domestic oil and gas field development.

Investment in the **Schwechat refinery** focused on continued expenditure on achieving compliance with the 10 ppm limit on sulfur content in gasoline and diesel fuel under the Auto Oil Program by January 1, 2004.

In the **Marketing** segment investment spending in Austria was principally directed towards retail and convenience outlets at existing filling stations.

The Company's **research and development** expenditure, the lion's share of which went to work for the Refining and Marketing segment, totaled EUR 13.93 mn (2002: EUR 13.60 mn).

Outlook for 2004

Earnings will again be driven by crude oil market trends and movements in the EUR/USD exchange rate. Crude prices are expected to be lower in 2004.

Despite stable oil and gas production levels, earnings from the **E&P** segment could decline due to the continuing weakness of the US dollar and the anticipated downturn in crude prices.

The earnings contribution of the **Refining** business also looks likely to fall as a result of tighter bulk refining margins. Scheduled plant shut-downs due to TÜV safety inspections will also weigh on results. The petrochemicals business is likely to profit from rising margins and slight increases in volumes.

In the **Marketing** business the expectation is for a slight decrease in volume due to planned network rationalization, despite the simultaneous opening of profitable new filling stations.

The growing challenges from the fast changing trading and legal framework call for rapid responses and flexible management. In order to facilitate continued expansion, in 2004 OMV Aktiengesellschaft is to be transformed into a holding company, subject to the approval of the Stockholders' Meeting. Management provided investors with advance information about the planned reorganization at last year's Annual Stockholders' Meeting. In future, the Exploration and Production, and Refining and Marketing segments will operate as independent subsidiaries under the overall guidance of the listed holding company OMV Aktiengesellschaft.

Vienna, March 5, 2004

The Executive Board



Wolfgang Ruttendorfer
Chairman of the Executive Board



Gerhard Roiss
Deputy Chairman



David C. Davies



Helmut Langanger

Annual accounts. Contents

Annual accounts of OMV Aktiengesellschaft

Balance sheet	14
Statement of income	16
Statement of untaxed reserves	17
Statement of fixed assets	18

Notes to the accounts of OMV Aktiengesellschaft

Accounting and valuation principles	20
Stock option plan	22
Notes to the balance sheet	26
Notes to the statement of income	30
Governing bodies and employees	32
Dividend recommendation	32

List of investments	33
Auditors' opinion	34
Stockholders' information	35

Balance sheet as of December 31, 2003.

Note	Assets	2003	2002
	EUR 1,000		
1	A. Fixed assets		
	I. Intangible assets	23,689	23,683
	II. Tangible assets	1,026,640	918,547
	III. Financial assets	2,105,741	1,638,587
		3,156,070	2,580,817
	B. Current assets		
	I. Inventories		
	1. Raw materials and supplies	59,768	88,738
	2. Work in progress	120,298	83,611
	3. Finished goods and merchandise	56,011	66,975
	4. Services not yet invoiced	4,203	12,236
	5. Payments on account	604	1,454
		240,884	253,014
2	II. Accounts receivable and other assets		
	1. Receivables from trade	251,204	304,749
	2. Receivables from affiliated companies	1,206,209	669,145
	3. Receivables from associated companies	44,250	30,038
	4. Other receivables and other assets	30,735	12,623
		1,532,398	1,016,555
	III. Own shares	12,171	12,181
	IV. Securities and shares held as current assets	31,000	0
	V. Cash in hand, checks, and cash at bank	25,663	33,939
		1,842,116	1,315,689
	C. Deferred taxes	129,374	159,640
	D. Prepaid expenses and deferred charges	5,279	11,564
		5,132,839	4,067,710

Note	Liabilities	2003	2002
	EUR 1,000		
	A. Stockholders' equity		
3	I. Capital stock	196,290	196,290
	II. Capital reserves		
	1. appropriated	417,329	417,329
	2. unappropriated	334	334
	III. Revenue reserves	1,581,591	1,193,379
	IV. Treasury stock	12,171	12,181
	V. Unappropriated income	107,588	94,356
	thereof income brought forward in 2003: 311 (2002: 311)		
		2,315,303	1,913,869
4	B. Untaxed reserves		
	1. Valuation reserve for special depreciation allowances	39,629	39,505
	2. Other untaxed reserves	13,634	27,470
		53,263	66,975
5	C. Provisions		
	1. Provisions for severance payments	69,565	81,098
	2. Provisions for pensions	379,648	393,501
	3. Provisions for taxes	0	31,972
	4. Other provisions	206,530	243,115
		655,743	749,686
6	D. Liabilities		
	1. Bonds	250,000	—
	2. Long-term special financing, not shown under items 3 to 8	46	301
	3. Amounts due to banks	315,317	304,597
	4. Payments received on account	2,433	2,167
	5. Accounts payable from trade	170,087	163,504
	6. Accounts payable to affiliated companies	644,228	283,763
	7. Accounts payable to associated companies	11,482	29,468
	8. Other liabilities	509,413	355,161
		1,903,006	1,138,961
7	E. Deferred decommissioning and restoration expenses	194,234	185,514
8	F. Deferred income	11,290	12,705
		5,132,839	4,067,710
9	Contingent liabilities	688,980	251,844

Statement of income.

Note	EUR 1,000	2003	2002
	1. Sales including petroleum tax	4,660,633	4,678,273
	2. Petroleum excise tax	(1,613,438)	(1,544,419)
10	3. Subtotal of items 1 to 2 (Sales)	3,047,195	3,133,854
	4. Changes in inventories of finished products, work in progress, and services not yet invoiced	17,690	42,964
	5. Other own work capitalized	14,092	14,250
11	6. Other operating income	78,448	64,387
12	7. Cost of materials and services	(2,149,175)	(2,397,650)
13	8a. Personnel expenses	(240,558)	(232,279)
14	8b. Expenses for severance payments and pensions	(47,553)	(71,388)
	9. Depreciation and amortization	(115,758)	(107,266)
15	10. Other operating expenses	(357,096)	(336,200)
	11. Subtotal of items 3 to 10 (Earnings before interest and tax)	247,285	110,672
16	12. Income from equity interests thereof affiliated companies 296,462 [2002: 184,306]	302,826	190,817
	13. Income from other securities and loans shown under financial assets thereof affiliated companies 9,867 [2002: 6.745]	17,056	13,889
	14. Other interest and similar expenses thereof affiliated companies 2,997 [2002: 11,780]	5,378	17,032
	15. Income from the disposal and write up of financial assets and securities held as current assets	27,271	1,921
17	16. Expenses arising from financial investments and securities held as current assets	(6,632)	(19,612)
	17. Interest and similar expenses thereof affiliated companies 48,087 [2002: 30,639]	(89,806)	(66,749)
	18. Subtotal of items 12 to 17 (Financial items)	256,093	137,298
	19. Income from ordinary activities	503,378	247,970
18	20. Taxes on income	(21,612)	(28,052)
	21. Net income for the year	481,766	219,918
	22. Reversal of untaxed reserves	14,939	14,971
	23. Allocation to untaxed reserves	(1,227)	(4,129)
	24. Allocation to revenue reserves	(388,201)	(136,715)
	25. Income brought forward	311	311
	26. Unappropriated income	107,588	94,356

Statement of untaxed reserves.

EUR 1,000	As of Jan. 1, 2003	Additions	Reversals	As of December 31, 2003
Valuation reserve for special depreciation allowances				
1. Intangible assets				
1. Concessions, patents, similar rights and licenses	243	—	61	182
II. Tangible assets				
1. Land and buildings	35,122	1,227	1,035	35,314
2. Plant and equipment	53	—	7	46
III. Financial assets				
1. Investments in affiliated companies	3,997	—	—	3,997
2. Securities	90	—	—	90
	4,087	—	—	4,087
	39,505	1,227	1,103	39,629
Other untaxed reserves				
1. Investment allowance under section 10 Income Tax Act				
1997	13	—	—	13
1998	—	—	—	—
1999	13,389	—	13,329	60
2000	13,715	—	154	13,561
	27,117	—	13,483	13,634
2. Transfer reserve under section 12 Income Tax Act				
	353	—	353	—
	66,975	1,227	14,939	53,263

Statement of fixed assets under section 226 para 1 ACC.

EUR 1,000	As of Jan. 1, 2003	Reclassifications
I. Intangible assets		
1. Concessions, patents similar rights and licenses	82,096	50
2. Goodwill	10,761	—
	92,857	50
II. Tangible assets		
1. Land and leasehold rights and buildings, including buildings on third-party land	642,878	417
2. Plant and equipment	2,401,447	(1,315)
3. Other fixed assets, tools and equipment	637,992	856
4. Payments on account and assets under construction	79,403	(8)
	3,761,720	(50)
III. Financial assets		
1. Investments in affiliated companies	1,222,367	—
2. Loans to affiliated companies	204,968	—
3. Investments	616,974	—
4. Loans to associated companies	7,158	—
5. Securities (loan stock rights) of fixed assets	166,344	—
6. Other loans	2,777	—
	2,220,588	—
	6,075,165	—

Additions	Transfers	Disposals	As of Dec. 31, 2003	Writeups 2003 ¹	Depreciation (cumulative)	Net book value as of Dec. 31, 2003	Net book value as of Dec. 31, 2002	Depreciation	Other depreciation 2003
5,147	—	2,222	85,071	—	61,411	23,660	23,638	5,156	—
—	—	—	10,761	—	10,732	29	45	16	—
5,147	—	2,222	95,832	—	72,143	23,689	23,683	5,172	—
11,337	4,087	11,908	646,811	248	373,528	273,283	276,647	16,490	831
115,664	57,441	42,040	2,531,197	948	1,983,681	547,516	434,038	59,485	—
26,695	8,593	23,544	650,592	—	522,012	128,580	128,459	33,780	—
67,987	(70,121)	—	77,261	—	—	77,261	79,403	—	—
221,683	—	77,492	3,905,861	1,196	2,879,221	1,026,640	918,547	109,755	831
198,767	—	50,170	1,370,964	21,714	504,604	866,360	696,049	—	—
261,813	—	18,378	448,403	2,564	49,635	398,768	177,105	—	23,832
16,510	—	103	633,381	—	12,097	621,284	604,877	—	—
70,000	—	—	77,158	—	—	77,158	7,158	—	—
7,235	—	22,061	151,518	216	15,085	136,433	150,961	—	564
4,000	—	703	6,074	4	336	5,738	2,437	—	—
558,325	—	91,415	2,687,498	24,498	581,757	2,105,741	1,638,587	—	24,396
785,155	—	171,129	6,689,191	25,694	3,533,121	3,156,070	2,580,817	114,927	25,227

¹ included in cumulative depreciation

Notes to the accounts.

The accounts of OMV Aktiengesellschaft have been drawn up in accordance with the Austrian Commercial Code (ACC) in the current version.

In the interests of clarity, 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 accounts have been prepared in units of one thousand euro (EUR 1,000).

Accounting and valuation principles.

Intangible and tangible fixed assets are capitalized at acquisition and production cost and depreciated on a straight-line basis. Scheduled straight-line depreciation is largely based on the following useful economic lives:

Category	Useful life
Intangible assets	4–20 years
Buildings	10–50 years
Plant and equipment	4–40 years
Other fixtures and fittings, tools and equipment	4–25 years

In accordance with the provisions of fiscal law, 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 unscheduled depreciation.

Minor assets are capitalized and fully depreciated in the year of acquisition.

Since 1999 the cost of comprehensive upgrades of large-scale plant has been accounted for by the component depreciation method, in accordance with international standards. Expenses directly attributable to plant modernization are capitalized in the year in which they arise, and thereafter written off on a straight-line basis over the period until the next upgrade.

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 balance sheet date. Pursuant to section 208 para 1–2 ACC, writeups of EUR 259,617 thousand for equity investments were unrecorded.

Work in progress, finished goods and purchased **crude** are valued according to the last-in, first-out (LIFO) method, as is usual in the international oil industry. Due to the high crude oil price level the replacement value of inventories valued according to the LIFO method at balance sheet date was EUR 135,250 thousand more than the amount reported in the balance sheet. Own production of crude oil is reported at the lower of average production cost or market.

Materials and supplies are valued using the moving average method, and at the lower of cost or market. Safety equipment and non-standard spare parts are written down in accordance with the rate of inventory turnover, on the basis of a residual value of 25% after five years.

Accounts receivable and other assets are stated at acquisition cost. Non interest-bearing receivables with maturities of over one year are discounted. Receivables denominated in foreign currency are stated at the lower of acquisition cost or the European Central Bank (ECB) exchange rate at balance sheet date. Receivables denominated in currencies of European Monetary Union member states are valued at the respective irrevocably fixed exchange rates. 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 para 9 and 10 ACC in the interests of presenting a true and fair view of assets. Current deferred taxes are reported under the "Taxes on income" item. The rate of taxation of deferred taxes is 34%. Deferred tax assets, net of deferred tax liabilities, are capitalized as "Deferred taxes". The Austrian government has announced its intention to reduce the corporate tax rate from 34% to 25% effective January 1, 2005; this will necessitate the revaluation of deferred taxes.

Provisions for **severance payments** are calculated according to the discounted standard entry age method. The discount rate applied is 3.5%. The pension reform reduced expenses by EUR 12,196 thousand. This is due to an increase in the retirement age and the resulting extension in the accrual period for severance payments.

Pension obligations are accounted for by provisions for pensions and by expenses for payments to an external pension fund. The balance sheet disclosure for provisions for pensions calculated using the standard entry age method and the tables for salaried staff of the Austrian Association of Actuaries (AVÖ 1999-P). The discount rate applied is 4%.

In financial 2001 OMV Aktiengesellschaft transferred the pension obligation of OMV Erdgas GmbH by way of an agreement for joint of assumption of debt. OMV Aktiengesellschaft is continuing to process the pension payments.

The breakdown of the provisions for pensions, subsequent to this agreement for joint liability for pension obligation, were as follows as of December 31, 2003:

OMV Aktiengesellschaft	EUR 379,648 thousand
OMV Erdgas GmbH	EUR 42,183 thousand

Payments to the external pension fund are reported as expenses for pensions. Provisions are formed or liabilities to the pension fund recognized to cover shortfalls in the funding of defined benefit pension plans and anticipated obligations to make additional contributions. Amendments to the ASVG (General Social Insurance Act) introduced during the year under review, and the good performance of the fund assets invested in the pension fund led to a reduction of EUR 12,074 thousand in the expenses arising from the defined benefit pension commitments transferred to the pension fund APK-Pensionskasse AG.

The provisions for **jubilee payments** were calculated according to the standard entry age method, applying a discount rate of 3.5%; the method of calculation was converted to use of the tables for salaried staff of the Austrian Association of Actuaries (AVÖ 1999-P). The pension reform resulted in an increase of EUR 3,263 thousand in the provisions for jubilee payments.

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

Liabilities are stated at the higher of nominal value or the amount repayable. Liabilities denominated in foreign currency are stated at the lower of acquisition cost or the ECB exchange rate at balance sheet date. Liabilities denominated in currencies of European Monetary Union member states are valued at the irrevocably fixed exchange rates.

Stock option plan.

On May 20, 2003 the Annual Stockholders' Meeting of OMV Aktiengesellschaft approved a long-term incentive plan for the Executive Board and certain senior executives of the Group. The beneficiaries of these value related plans are granted options to acquire OMV stock. The options entitle holders to subscribe to OMV stock at a fixed exercise price or to request payment of the difference between the share price on the exercise date and the exercise price if the OMV share price is at least 15% higher than the exercise price at the time of exercise. Within the exercise period, exercise is possible only within given periods (exercise windows).

At the times of award the plans were as follows:

Main conditions of plan	2003	2002	2001	2000
Plan commencement	Sept. 1, 2003	July 1, 2002	July 1, 2001	July 1, 2000
Plan expiration	Aug. 31, 2008	June 30, 2007	June 30, 2006	June 30, 2005
Holding period	2 years	2 years	2 years	2 years
Exercise price	EUR 104.04	EUR 100.90	EUR 103.92	EUR 91.43
Number of options per own share held	15	10	10	10
Eligibility conditions:				
Own investment, Executive Board	560 shares ¹	595 shares ¹	420 shares	477 shares
Own investment, senior executives	186 shares ¹	199 shares ¹	140 shares	159 shares

Number of options granted

Executive Board members:				
Davies	8,400	5,950		
Langanger	8,400	4,460		1,590
Roiss	8,400	5,950	4,200	4,770
Ruttenstorfer	8,400	5,950	4,200	4,770
Total, Executive Board	33,600	22,310	8,400	11,130
Former Executive Board members:				
Peyrer-Heimstätt			4,200	4,770
Schenz			4,200	4,770
Total, former Executive Board members			8,400	9,540
Total, other senior executives	28,605	13,430	25,200	31,800
Total number of options granted	62,205	35,740	42,000	52,470
Plan threshold – share price of	EUR 119.65	EUR 116.04	EUR 119.51	EUR 105.14 ²

¹ or 25%, 50% or 75% thereof

² in addition 15% increase in ROACE compared to 1999

Eligibility for participation in the stock option plans is subject to the following conditions:

1. Own investments must be held at plan commencement and for the entire period until redemption.
2. For all plans, the number of shares participants are required to hold are calculated by dividing the maximum permitted own investment by the average price of the stock in the month of May in the year of issue. Under the 2002 plan the exercise of options on 25%, 50% or 75% of the maximum holding is permitted.
3. In the event of the disposal of participants' own equity interests the option rights are forfeited. The options are not transferable and lapse if not exercised.
4. The exercise price for the 2000, 2001 and 2002 plans is the average price for the month of May in the year of issue; for the 2003 plan it is the average price for the period from May 20 to August 20, 2003.
5. Provided that the plan thresholds have been attained the options can be exercised during the 20 trading days after publication of quarterly reports (exercise window). Evidence of participants' own investment in the Company must be furnished when exercising an option. The options may be exercised by acquiring the optioned shares, by requesting payment of the difference between the current share price and the exercise price in cash, or by requesting payment in the form of shares.

The following table summarizes movements in options under the stock option plans for financial 2002 and 2003:

	2003		2002	
	Options	Weighted average exercise price	Options	Weighted average exercise price
	Number	EUR	Number	EUR
Outstanding options as of Jan. 1	130,210	98.06	96,060	96.89
Options granted	62,205	104.04	35,740	100.90
Options exercised	(61,310)	94.57	0	0
Lapsed options	(1,400)	103.92	(1,590)	91.43
Outstanding options as of Dec. 31	129,705	102.51	130,210	98.06
Exercisable options	6,560	91.43	52,470	91.43
Weighted average fair value of the options granted during the period under review		14.18		15.14

The threshold (price of EUR 105.14) for the 2000 plan was not attained during the two exercise windows in the second half of 2002, and it was thus not possible to exercise options.

During the year under review 61,310 options granted under the 2000 and 2001 plans were exercised. In all cases the difference between the current share price and the exercise price was paid; the amount due in respect of 2,980 options was paid in shares.

The exercise distributes as follows:	2003		2002
	Exercised options	Weighted average exercise price	No exercise of options
Executive Board members:			
Davies	—	—	
Langanger	1,590	91.43	
Roiss	4,770	91.43	
Ruttenstorfer	4,770	91.43	
Total, Executive Board	11,130	91.43	—
Former Executive Board members:			
Peyrer-Heimstätt	8,970	97.28	
Schenz	4,770	91.43	
Total, former Executive Board members	13,740	95.25	—
Total, other senior executives	36,440	95.27	
Total number of options granted	61,310	94.57	—

Compensation expense arising from exercise of options, which was reported under personnel expenses, amounted to EUR 912 thousand under the 2000 plan and EUR 252 thousand under the 2001 plan.

As of December 31, 2003 outstanding options under the various plans were as follows:

Plan	Exercise price	Outstanding options	Time to maturity in years	Exercisable at year end
2000	91.43	6,560	1.5	6,560
2001	103.92	25,200	2.5	—
2002	100.90	35,740	3.5	—
2003	104.04	62,205	4.7	—
Gesamt		129,705		6,560

Valuation of the options is according to the Black-Scholes model. The fair value as of December 31, 2003 is calculated on the basis of outstanding options, while the fair value as of the time of award is based on all options issued. Assuming that the conditions are fulfilled during the exercise period, the fair market value of the stock option plans is as follows:

	2003 plan	2002 plan	2001 plan	2000 plan
Valuation as of December 31, 2003				
Total market value (EUR 1,000)	1,289	749	466	163
Calculation variables:				
Market price of the stock in EUR	118.08	118.08	118.08	118.08
Risk-free interest rate	3.70%	3.39%	3.06%	2.63%
Term of the options (including blocking period)	4.5 years	3.5 years	2.5 years	1.5 years
Average dividend yield	4.8%	4.6%	4.2%	4.4%
Stock price volatility	21%	21%	21%	21%
Valuation at time of award as of				
	Sept. 1, 2003	July 1, 2002	July 1, 2001	July 1, 2000
Total market value (EUR 1,000)	882	541	743	1.080
Calculation variables:				
Market price of the stock in EUR	105.7	100.0	102.2	90.6
Risk-free interest rate	3.7%	4.8%	5.25%	5%
Term of the options (inc. blocking period)	5 years	5 years	5 years	5 years
Average dividend yield	4.8%	4.6%	4%	4%
Stock price volatility	21%	21%	21%	28%

Up to and including 2002 the fair value of the outstanding options was entirely covered by treasury shares purchased at the time of award of the option plans, and because of this no compensation expense was recognized.

At balance sheet date 5,544 options were not backed by treasury shares. A provision of EUR 114 thousand was formed for this shortfall.

Notes to the balance sheet.

1
Fixed assets In the year under review fixed assets were itemized in accordance with minimum statutory requirements.

The "Land and buildings" item includes land valued at EUR 77,925 thousand (2002: EUR 78,439 thousand).

Liabilities arising from the use of off-balance sheet fixed assets were as follows:

EUR 1,000	2003	2002
Maturing in one year	14,836	15,866
Maturing within the next five years	53,261	64,052

Loans with a remaining maturity of up to 1 year amounted to EUR 45,928 thousand (2002: EUR 11,849 thousand, of which loans to affiliated companies accounted for EUR 45,219 thousand (2002: EUR 11,140 thousand).

2
Accounts receivable and other assets

EUR 1,000	2003		2002	
	< 1 year	> 1 year	< 1 year	> 1 year
Receivables from trade	251,204	—	304,749	—
Receivables from affiliated companies [thereof trade]	900,187 [160,073]	306,022 [—]	517,097 [143,037]	152,048 [—]
Receivables from associated companies [thereof trade]	44,250 [42,888]	— [—]	30,038 [29,174]	— [—]
Other receivables and assets	30,715	20	11,662	961
Total	1,226,356	306,042	863,546	153,009

None of the receivables is secured by bills of exchange.

"Other receivables and assets" includes some EUR 2,736 thousand in income due after balance sheet date. This relates to interest on securities and gains on disposals of fixed assets.

3
Capital stock

The capital stock of OMV Aktiengesellschaft is EUR 196,290,000 in the form of 27,000,000 shares of no par value.

With the approval of the 2000, 2001, 2002 and 2003 Annual Stockholders' Meetings OMV Aktiengesellschaft repurchased shares — in each case at mid-year — as follows:

Year	Amount	Nominal value	Acquisition cost
2000	70,000	508,900	6,478,671
2001	26,000	189,020	2,729,256
2002	35,760	259,975	3,532,666
2003	19,952	145,051	2,127,358
Total	151,712	1,102,946	14,867,951

The following treasury shares were resold as adjustment to the necessary number of shares in the business years:

Year	Amount	Nominal value	Revenues	Result
2002	1,590	11,559	148,241	(3,424)
2003	25,961	188,736	3,102,256	628,264
Total	27,551	200,295	3,250,497	624,840

This resulted in a total profit of EUR 624,840. The book value of the 124,161 shares in question (2002: 130,170 shares) was EUR 12,171 thousand at balance sheet date (2002: EUR 12,181 thousand), and is disclosed under "Own shares".

The Annual Stockholders' Meeting of 2001 authorized the Executive Board to increase the capital stock by up to EUR 58,160,000 by issuing up to eight million shares against cash or contribution in kind, subject to the partial or complete exclusion of subscription rights (authorized capital). This authorization was conferred for a maximum period of five years.

4 Untaxed reserves

Additions of EUR 1,227 thousand and the reversal of EUR 1,638 thousand in untaxed reserves increased the "Taxes on income" item by EUR 140 thousand in the year under review.

5 Provisions

"Other provisions" largely consist of the following:

EUR 1,000	2003	2002
Decommissioning and restoration costs	7,652	10,940
Compulsory crude inventories	57,206	46,143
Personnel provisions	134,636	180,984
Other provisions	7,036	5,048
Total	206,530	243,115

In the year under review the provision for compulsory crude inventories for the first time took into account the fees actually due to a storage operator. This resulted in an increase in expense of EUR 1,155 thousand.

The provision for restructuring expenses contained in the previous year's personnel provisions was almost completely exhausted by separation expenses and, to a less extent, one-time settlements of employee benefit entitlements. Provision of EUR 20 mn was made for personnel separations agreed as of balance sheet date.

6 Liabilities	EUR 1,000	2003		2002	
		< 1 year	> 1 year	< 1 year	> 1 year
Bonds	—	250,000	255	46	
Long-term special financing	—	46	—	—	
Amounts due to banks	60,885	254,431	89,281	215,316	
Payments received on account	2,433	—	2,167	—	
Accounts payable from trade	169,315	772	163,091	413	
Accounts payable to affiliated companies	348,105	296,123	264,763	19,000	
[thereof trade]	[111,459]	[—]	[104,592]	[—]	
Accounts payable to associated companies	3,467	8,015	25,440	4,028	
[thereof trade]	[906]	[—]	[629]	[—]	
Other liabilities	374,506	134,907	240,079	115,082	
[thereof taxes]	[318,616]	[—]	[189,915]	[—]	
[thereof social security expenses]	[3,761]	[—]	[3,521]	[—]	
Total	958,711	944,294	785,076	353,885	

During the year under review OMV Aktiengesellschaft launched a EUR 250 mn bond issue. The duration is seven years with bullet payment at maturity. The interest rate is 3.75% per annum.

“Other liabilities” include petroleum excise tax and personnel separation expenses of which EUR 312,469 thousand are due after balance sheet date (2002: EUR 268,968 thousand). Obligations of EUR 14,178 thousand arising from personnel reduction programs initiated during the year under review are reported under “Other liabilities”.

The investment loan to finance the refinery modernization project, in an amount of EUR 32,667 thousand, is secured by the pledging of securities.

Liabilities with maturities of more than five years amount to EUR 388,138 thousand (2002: EUR 58,263 thousand). These relate to amounts due to banks and liabilities arising from the bond issue.

7 Accrued decommissioning and restoration costs	EUR 1,000	2003	2002
		Oil, gas and storage wells	147,768
Above-ground equipment	31,797	31,036	
Filling stations	10,261	9,710	
Landfills	4,408	4,185	
Total	194,234	185,514	

Accrued decommissioning and restoration costs arising from oil and gas production, and the operation of filling stations and landfills are reported under this special item.

8
Deferred income "Deferred income" also includes EUR 11,045 thousand in insurance payments arising from a claim relating to a refinery (2002: EUR 11,640 thousand).

9
Contingent liabilities as per section 199 ACC

Contingent liabilities are as follows:

EUR 1,000	2003	2002
Garanties	628,904	185,757
[thereof for affiliated companies]	[565,177]	[157,107]
Notes payable	0	75
[thereof for affiliated companies]	[—]	[—]
Other	60,076	66,012
[thereof for affiliated companies]	[60,076]	[66,012]
Total	688,980	251,844
[thereof for affiliated companies]	[625,253]	[223,119]

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 is liable for repayment of the USD 320 mn (EUR 253.365 thousand) bond issue by OMV (U.K.) Limited.

In connection with the disposal of Chemie Linz GmbH (now DSM Chemie Linz) the Company assumed liability for contingent environmental liabilities.

In connection with the disposal of PCD Polymere GmbH the Company assumed, inter alia, liability for contingent environmental liabilities. The total amount of the contingent liabilities in question is limited to EUR 101.7 mn.

As of the balance sheet date the Company was not aware of any claims arising from the above disposals.

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

OMV Aktiengesellschaft has issued guarantees and letters of comfort for certain exploration, production and distribution companies in respect of the fulfillment of concession and license agreements, and of various other agreements of indeterminate amount. In connection with the disposal of PCD Polymere GmbH, OMV Aktiengesellschaft has taken out an option to acquire real estate owned by PCD in Schwechat.

OMV Aktiengesellschaft is jointly liable to make pension payments under obligations assumed by OMV Erdgas GmbH.

Until 2005 the shareholders of Ferngas Beteiligungs-Aktiengesellschaft are entitled to require OMV Aktiengesellschaft to purchase their shares.

OMV Aktiengesellschaft has given an undertaking to rectify any unforeseen funding shortfalls in respect of pension obligations transferred to an external pension fund by making additional contributions.

Notes to the statement of income.

10 Sales

The geographical breakdown of sales excluding petroleum excise tax is as follows:

EUR 1,000	2003	2002
Domestic	2,577,661	2,606,095
Exports from Austria	348,330	323,389
Foreign	121,204	204,370
Total	3,047,195	3,133,854

An analysis by segment is included in the Directors' report.

The results of hedging activities are reported as net increases or decreases in sales, and under "Expenses for materials and services".

11 Other operating income

EUR 1,000	2003	2002
Income from the disposal and writeup of fixed assets other than financial assets	3,844	3,187
Income from the reversal of provisions	20,402	3,383
Other	54,202	57,817
Total	78,448	64,387

12 Expenses for materials and services

EUR 1,000	2003	2002
Expenses for materials	2,053,140	2,282,985
Expenses for services	96,035	114,665
Total	2,149,175	2,397,650

Expenses for materials chiefly comprise crude oil, petroleum products and natural gas.

13 Personnel expenses	EUR 1,000	2003	2002
	Wages	67,287	68,632
	Salaries	131,215	122,926
	Statutory social security contributions, and pay-related levies and compulsory contributions	41,562	40,121
	Other expenses for employee benefits	494	600
	Total	240,558	232,279

14 Expenses for severance payments and pensions	EUR 1,000	2003	2002
	Expenses for severance payments	3,803	9,649
	Pension payments and pension fund contributions	42,792	60,333
	Adjustments to pension provisions	958	1,406
	Total	47,553	71,388

"Expenses for pension payments and pension fund contributions" include EUR 32,480 thousand in provisions for personnel reduction programs.

The breakdown of "Expenses for severance payments and pensions" is as follows:

EUR 1,000	Severance payments	Pensions
Executive Board	—	410
Senior executives	1,092	1,399
Other employees	2,711	41,941

15 Other operating expenses	EUR 1,000	2003	2002
	Taxes not shown under item 20	31,517	29,840
	Other	325,579	306,360
	Total	357,096	336,200

16 Income from investments	
	"Income from investments" in an amount of EUR 302,826 thousand (2002: EUR 190,817 thousand) included EUR 145,497 thousand (2002: EUR 140,768 thousand) from profit-pooling arrangements.

17 Expenses arising from financial assets and securities held as current assets	
	This item includes EUR 1,158 thousand in expenses arising from profit pooling arrangements (2002: EUR 1,675 thousand) EUR 564 thousand in writedowns of securities held as fixed assets (2002: EUR 7,419 thousand) and EUR 4,000 thousand in valuation allowances for securities held as current assets, as well as a loss of EUR 17 thousand arising from the merger of the former VIVA Tankstellenbetriebs-GmbH with OMV Refining & Marketing AG.
	Also recognized under this item are EUR 149 thousand in losses on the disposal of securities held as financial assets and EUR 744 thousand in losses on the liquidation of Venture Finanzierungs GmbH.

18**Taxes on income**

EUR 1,000	2003	2002
Taxes on income	9,844	41,243
Deferred taxes	11,768	(13,191)
Total	21,612	28,052

Current taxes on income of EUR 21,915 thousand comprise EUR 10,147 thousand in taxes on income and EUR 11,768 thousand in deferred tax expense; deferred tax income from previous years was EUR 443 thousand.

Governing bodies and employees

The average number of employees was:

	2003	2002
Salaried staff	1,656	1,578
Non-salaried staff	1,148	1,271
Total	2,804	2,849

During the year under review the total remuneration of the Executive Board amounted to EUR 3,782 thousand (2002: EUR 2,609 thousand) of which basic salaries and remuneration account for EUR 3,123 thousand (2002: EUR 2,266 thousand), retirement provisions, benefits in kind and refund of expenses come to EUR 363 thousand (2002: EUR 343 thousand) as well as the exercise for the stock option plan of EUR 296 thousand. Performance related components in 2003 represented 108% (2002: 49%) of basic salaries, other reimbursements were 22% (2002: 23%).

The total remuneration ¹ distributed as follows:

in EUR 1,000	2003	2002
Davies	750	479
Langanger	723	409
Roiss	790	655
Ruttenstorfer	860	723

¹ Remuneration exclusive benefits in kind, refund of expenses, pension fund contributions and the stock option plan

Total payments to former members of the Executive Board and their surviving dependents amounted to EUR 1,357 thousand (2002: EUR 1,613 thousand). The remuneration of the Supervisory Board amounted to EUR 224 thousand (2002: EUR 223 thousand).

Dividend proposal

Unappropriated income for the 2003 financial year amounted to EUR 107,588,401.12 (2002: EUR 94,356,036.80).

We recommend payment of a dividend of EUR 4.00 per share, excluding treasury stock, or EUR 107,503,356 and carrying forward of the remaining EUR 85,045,12.

Investments of OMV Aktiengesellschaft with an interest of at least 20%.

Domestic		EUR 1,000	EUR 1,000
	Equity interest in %	Equity/(loss) not covered by equity	Net income/(loss) for the year
Adria-Wien Pipeline Gesellschaft m.b.H., Klagenfurt ²	55.00	11,793	1,330
AMI Agrolinz Melamine International GmbH, Linz	100.00	187,346	37,523
Aircraft Refuelling Company GmbH, Vienna	100.00	15	(18)
AUSTRIA Mineralöl GmbH, Vienna ¹	100.00	6,650	2,608
Autobahn-Betriebe Gesellschaft m.b.H., Vienna ²	47.19	36	(3)
AVANTI Tankstellenbetriebsgesellschaft m.b.H, Vienna ⁴	100.00	—	—
BSP Bratislava-Schwechat Pipeline GmbH, Vienna	26.00	2,672	(28)
Colpack Austria Brennstoffhandel GmbH, Vienna	50.00	6,101	1,128
Erdöl-Lagergesellschaft m.b.H., Lannach ²	55.60	(27,136)	2,882
GENOL Gesellschaft m.b.H., Vienna	29.00	39	2
GENOL Gesellschaft m.b.H. & Co, Vienna	29.00	3,806	2,399
OMV Energiebevorratung GmbH, Vienna	100.00	32	(3)
OMV Erdgas GmbH, Vienna ¹	100.00	142,955	59,932
OMV Exploration & Production GmbH, Vienna ¹	100.00	56,556	66,313
OMV – International Services Ges.m.b.H., Wien ¹	100.00	37	190
OMV (PAKISTAN) Exploration Gesellschaft m.b.H., Vienna ¹	100.00	(39,381)	13,087
OMV Proterra GmbH, Vienna ¹	100.00	5,181	195
OMV Refining & Marketing AG, Vienna ¹	100.00	200	(22)
OMV Service Netzwerk GmbH, Vienna ¹	100.00	3,800	2,875
POLYFELT Gesellschaft m.b.H., Linz	100.00	34,469	(1,101)
Transalpine Ölleitung in Österreich Gesellschaft m.b.H., Innsbruck ²	25.00	22,106	3,381
van Sickle Gesellschaft m.b.H., Neusiedl an der Zaya ¹	100.00	814	(1,079)
VIVA Tankstellenbetriebs-GmbH, Vienna ¹	100.00	53	(95)
WÄRME-ENERGIE VORARLBERG Beratung- und Handels GmbH, Lustenau	79.67	2,009	339

Non-domestic		1,000	1,000
Abu Dhabi Petroleum Investments LLC, Abu Dhabi ²	25.00	USD 124,906	5,180
Amical Insurance Limited, Douglas	100.00	EUR 18,849	(530)
IOB Holdings A/S, Copenhagen ²	50.00	DKK 4,737,068	29,964
Istrabenz holdinska druzba, d.d., Koper ²	25.00	SIT 29,260,366	3,345,225
OMV AUSTRALIA PTY LTD., Perth	100.00	AUD 38,862	(20,736)
OMV Bulgarien EOOD Einmannsgesellschaft mbH, Sofia	100.00	BGL 38,618	(2,255)
OMV Česká republika s.r.o., Prag	100.00	CSK 3,107,486	22,566
OMV Deutschland GmbH, Burghausen	100.00	EUR 164,769	29,021
OMV EXPLORATION & PRODUCTION LIMITED, Douglas	100.00	USD (4,200)	(3,617)
OMV Hungária Asványolaj Kft., Budapest	100.00	HUF 13,642,516	397,540
OMV ISTRABENZ Holding Plc., Koper ²	50.00	SIT 21,256,208	(2,622,166)
OMV – JUGOSLAVIJA d.o.o., Belgrade	100.00	YUM 152,621	(79,303)
OMV OF LIBYA LIMITED, Douglas	100.00	USD 50,842	10,319
OMV Slovensko, s.r.o., Bratislava	100.00	SLK 1,404,052	176,685
OMV Supply & Trading AG, Zug	100.00	USD 44,134	9,335
OMV TRADING SERVICES LIMITED, London ³	100.00	GBP 971	125
OMV (U.K.) Limited, London	100.00	GBP 136,247	36,747
Preussag Energie International GmbH, Lingen	100.00	EUR 10,513	(180,632)
Routex B.V., Amsterdam ²	26.67	EUR 88	3
SC OMV Romania Mineraloel s.r.l., Bucharest	100.00	EUR 34,796	6,383
Società Italiana l' Oleodotto Transalpino S.p.A, Triest ²	25.00	EUR 14,263	2,646
The Rompetrol Group NV, Rotterdam ⁴	25.10	EUR —	—

¹ profit and loss pooling agreement with OMV Aktiengesellschaft ² figures from 2002 ³ provisional ⁴ not available

Vienna, March 5, 2004

The Executive Board



Wolfgang Ruttenstorfer
Chairman



Gerhard Roiss
Deputy-Chairman



David C. Davies



Helmut Langanger

Auditors' report:

We have audited the annual financial statements of OMV Aktiengesellschaft, as of 31 December 2003, which were prepared in accordance with Austrian generally accepted accounting principles and the supplementary provisions of the articles of association. Our audit also included the bookkeeping of the company. These financial statements are the responsibility of the company's legal representatives. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with legal requirements and generally accepted standards on auditing applicable in Austria. These standards require us to plan and perform the audit to obtain reasonable assurance of whether the financial statements are free of material misstatements. The audit includes the examination, on a test basis, of evidence supporting the amounts and disclosures in the financial statements. The audit also includes an assessment of the accounting principles used and significant estimates made by the company's legal representatives, as well as an evaluation of the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion. Based on the results of our audit, we hereby award the financial statements as of 31 December 2003 and the Director's report for 2003 of OMV Aktiengesellschaft. Financial Statements and Director's report the following unqualified

Audit Opinion (in accordance with ACC section 275):

After due examination, we certify that the accounting records and the financial statements comply with the legal regulations. The financial statements give a true and fair view of the company's assets, liabilities, financial position and profitability, and are in accordance with generally accepted accounting principles in Austria. The Directors' report corresponds with the financial statements.

Vienna, March 5, 2004

Deloitte Touche Tohmatsu
WirtschaftsprüfungsgmbH



Michael Schober



Manfred Geritzer

Certified public accountants

Investors' corner.

Financial calendar	Dates ¹
Full year results 2003	March 9, 2004
Record date ²	May 12, 2004
Result January–March 2004	May 12, 2004
Annual Stockholders' Meeting ³	May 18, 2004
Dividend ex date	May 24, 2004
Dividend payment date	May 25, 2004
Result January–June 2004	August 17, 2004
Result January–September 2004	November 11, 2004
Full year results 2004	March 2005

¹ The dates shown above are subject to final confirmation.

² in order to be entitled to participate in and vote at the Annual General Meeting.

³ **Annual Stockholders' Meeting:** 2:00 pm, AUSTRIA CENTER VIENNA, Bruno-Kreisky-Platz 1, 1220 Vienna

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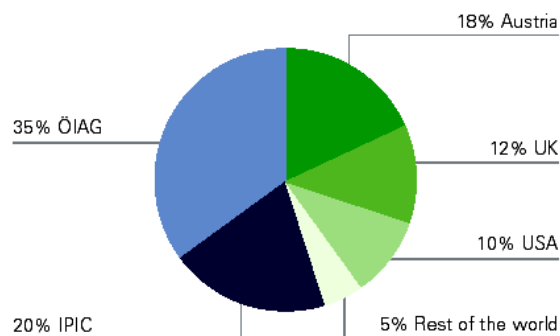
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 For further information please contact us directly or use the form on OMV's Investor Relations website: www.omv.com
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Stockholders' structure



Key facts on OMV stock

27 million no par value shares
 Capital stock: EUR 196.29 mn
 OeKB-Identification no.: 0743059
 ISIN: AT0000743059

Stockholder structure: ÖIAG 35%, IPIC 19.6%; free float 45.4%: approximately 30,000 shareholders, thereof 95% are Austrian investors holding about 35% of the free float; 5% are international funds holding the remaining 65%.

Traded in Vienna, Frankfurt, Munich, and on SEAQ International
 Symbols: Bloomberg (OMV AV), Reuters (OMVV.VI), US Ticker (OMVAY)

Prime Market (shares): Raiffeisen Centrobank AG (Specialist), Bank Austria Creditanstalt AG, Erste Bank AG

Derivatives Market: Raiffeisen Centrobank AG (Specialist), Bank Austria Creditanstalt AG, Erste Bank AG, Timber Hill (Europe) AG

ADR information

Sponsored Level I and Rule 144A ratio:
 5 ADR equal 1 share
 Depository: JPMorgan Chase Bank
 1 Chase Manhattan Plaza, New York, NY 10081, USA
 Custodian: Bank Austria Creditanstalt AG
 Julius-Tandler-Platz 3, 1090 Vienna, Austria

Level I symbol: OMVKY
 CUSIP: 670875509, ISIN: US6708755094
 Rule 144A symbol: OMVZY
 CUSIP: 670875301, ISIN: US6708753016

OMV bond: ISIN: AT0000341623 (listed in Vienna)

OMV Aktiengesellschaft

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