Annual Financial Report 2010

Move & More. OMV

Annual Financial Report 2010 – Table of contents

Annual Report 2010

Move & More. OMV

At a glance

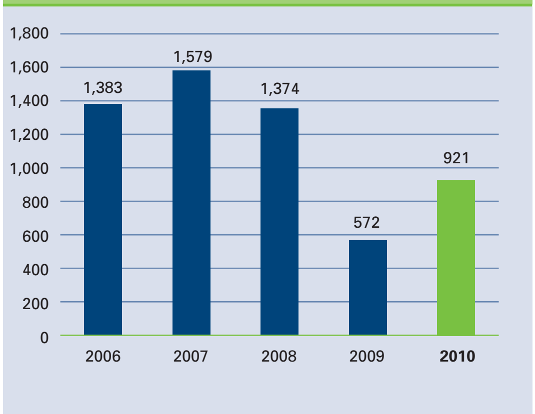
EUR mn	**2010**	2009	Δ
Sales	23,323	17,917	30%
EBIT	2,334	1,410	66%
Net income after minorities	921	572	61%
Clean CCS EBIT [1]	2,470	1,418	74%
Clean CCS net income after minorities [1]	1,118	596	88%
Cash flow from operating activities	2,886	1,847	56%
Capital expenditure	3,207	2,355	36%

EUR			
Earnings per share	3.08	1.91	61%
Clean CCS earnings per share [1]	3.74	1.99	88%
Cash flow per share	9.66	6.18	56%
Dividend per share	1.00 [2]	1.00	0%

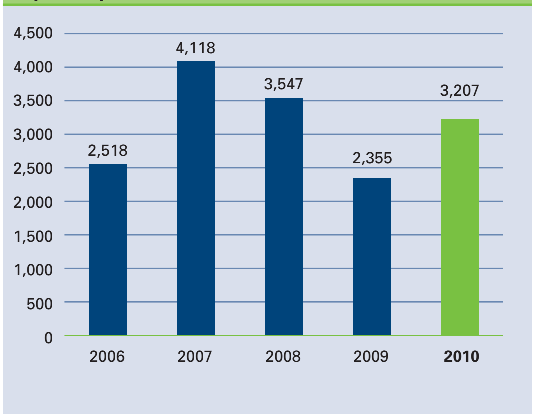
%			
Return on average capital employed (ROACE)	10	6	68%
Return on equity (ROE)	11	7	54%

[1] Clean CCS figures exclude special items and inventory holding effects resulting from the fuels refineries.
[2] Proposal to the Annual General Meeting (AGM) in 2011.

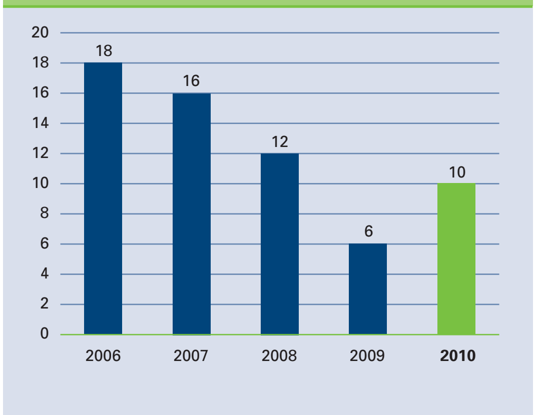
Net income after minorities in EUR mn



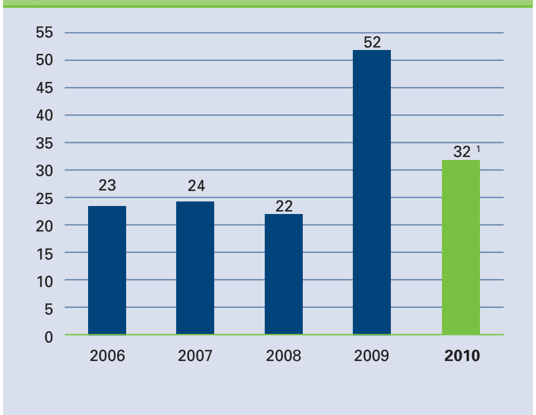
Capital expenditures in EUR mn



ROACE in %

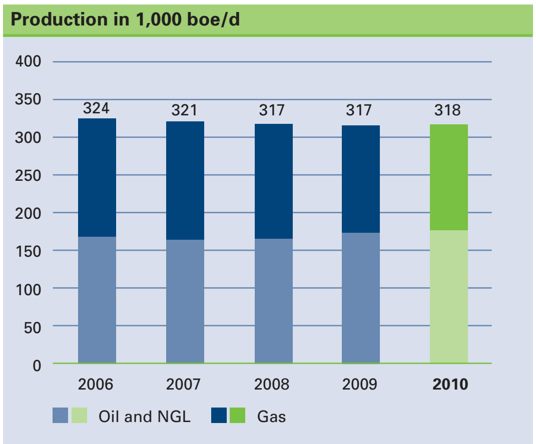


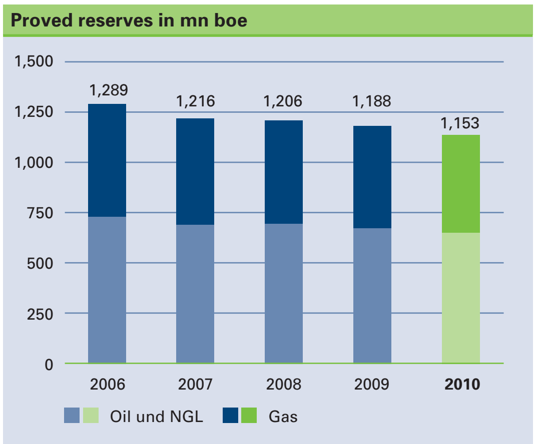
Payout ratio in %



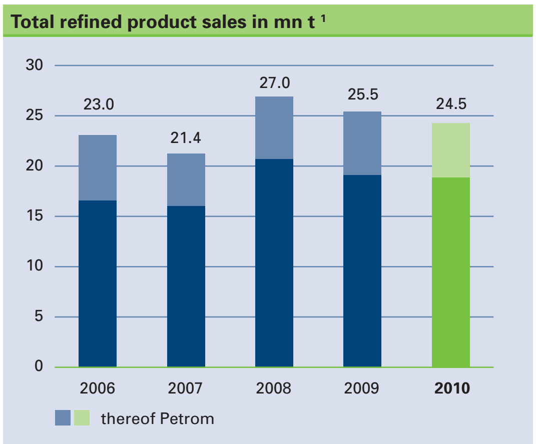
[1] Based on the dividend proposal to the AGM 2011 of EUR 1.00 per share.

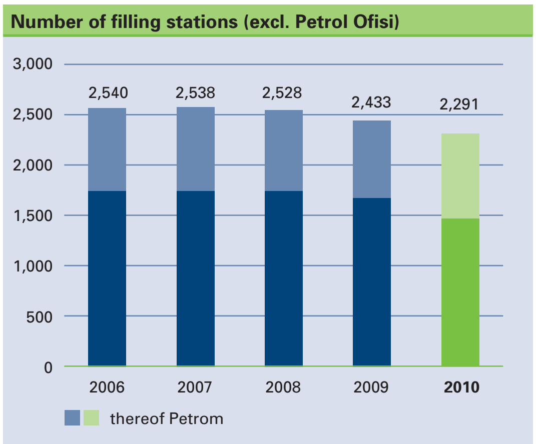
Exploration and Production





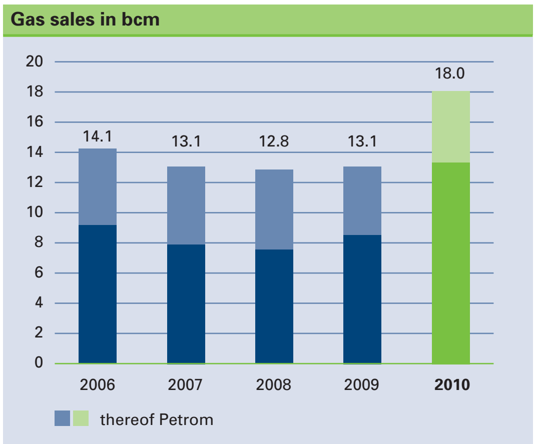
Refining and Marketing

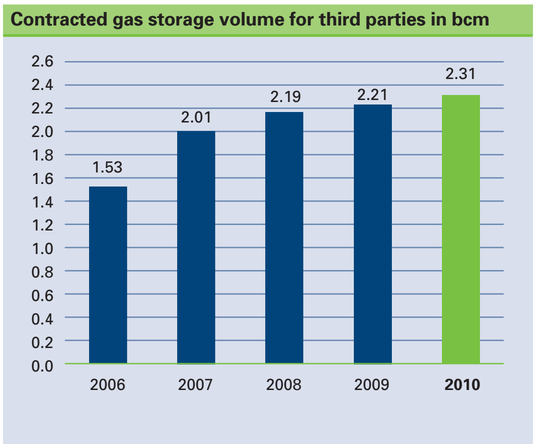




[1] Figures for 2006 and 2007 are based on the previously used definition "refining sales volumes".

Gas and Power



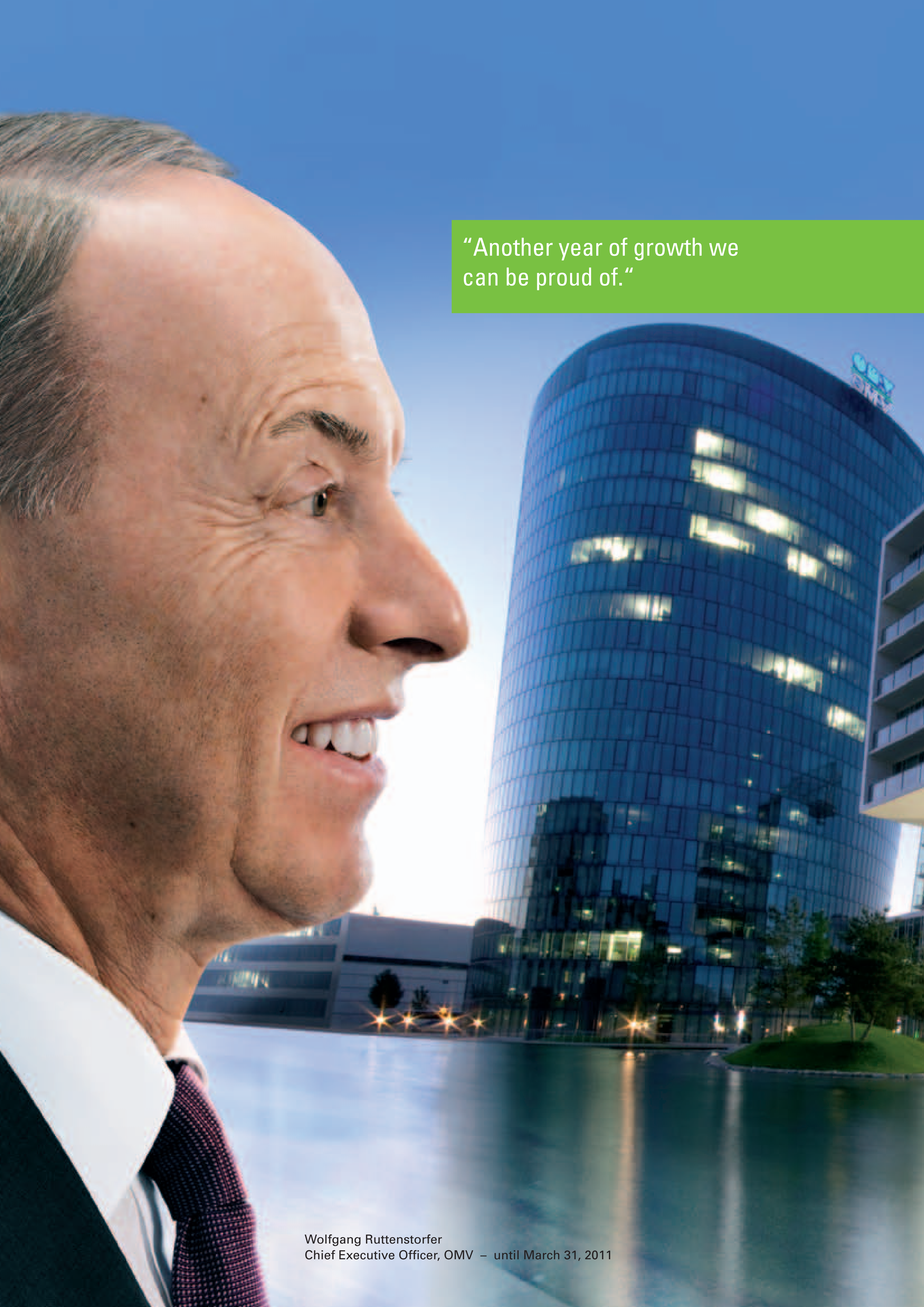


Contents

“It’s all about asking the relevant questions and seeking the right answers.”

The best ideas to implement successful growth and sustainable business development are generated in an atmosphere of open discussion and fruitful dialog. At OMV, we are constantly trying to improve the business by questioning our way of thinking and our daily routines. As a result, OMV has made another step forward in 2010 in both, delivering strong operational performance and in adapting the business to future challenges by making strategically sensible investments.

This annual report outlines in detail how the Group has advanced in the past year and we hope that all the questions you might have about OMV are addressed.



"Another year of growth we can be proud of."

Wolfgang Ruttenstorfer
Chief Executive Officer, OMV – until March 31, 2011

“A solid basis for our continued success.“

Gerhard Roiss
Chief Executive Officer, OMV – starting April 1, 2011

Statement of the Chairman of the Executive Board

Sustainable path to success

Dear shareholders,
2010 was an excellent year for OMV despite what remained a challenging environment. My colleagues on the Executive Board and I are delighted to be able to report a largely outstanding set of results to you. The following highlights of the year are emphatic proof of OMV's continued success:

- An increase in OMV's stake in Petrol Ofisi, the leading company in the Turkish oil products retail and commercial business, resulting in sole control;
- A boost for our Exploration and Production business segment, following the acquisition in Pakistan and additional exploration licenses in our international portfolio;
- A determined drive to implement key projects in the Gas and Power segment, such as Nabucco and the gas-fired power plants in Romania and Turkey;
- A lasting improvement in our cost base through carefully targeted cost savings;
- First place among 27 international listed oil and gas companies in a rating of social and environmental responsibility.

EBIT +66% vs. 2009

Results for 2010
In 2010, the economic climate was shaped by a mild recovery in the main economies after the global crisis, though the after-effects were still being felt in some countries in our core markets in Central and Southeastern Europe. Oil prices remained highly volatile, but the average Brent price was 29% up on 2009, at just under USD 80/bbl. Refining margins also improved significantly as compared to 2009 (OMV indicator refining margin up by 46%). In this more benign environment, EBIT surged by 66% year-on-year, to EUR 2.3 bn. Petrom's EBIT contribution rose to EUR 708 mn, driven by higher oil prices and a reduced cost base. The weaker net financial result (EUR (373) mn) reflected accounting adjustments necessitated by the Petrol Ofisi acquisition. Clean CCS net income after minorities jumped by 88% to EUR 1,118 mn. The gearing ratio climbed to 46% due to the acquisition of Petrol Ofisi. We will be recommending an unchanged dividend of EUR 1 per share at the Annual General Meeting in May 2011. This represents a payout ratio of 32%.

The acquisition of a majority stake in Petrol Ofisi, the leading oil marketing company in the Turkish market, was a major milestone for us in 2010. Through the closing of this transaction, we have significantly strengthened our position as an integrated market leader in one of our core markets. The number of our filling stations has thereby almost doubled and our sales volume will increase significantly. We are looking forward to continuing the long lasting tradition and successful company history of Petrol Ofisi and will build upon this strong basis to grow all OMV business segments through our integrated business model.

In the Exploration and Production (E&P) business segment, the acquisition of Petronas' exploration and production interests in Pakistan as well additional exploration license awards in the Kurdistan Region of Iraq have further strengthened our position. Jaap Huijskes, the new Executive Board member responsible for E&P, was able to announce significant discoveries in Tunisia (Nawara production concession), and we pressed ahead with our major oil field development projects in Yemen (Habban) and Kazakhstan (Komsomolskoe). The natural production decline in Romania and Austria was kept low. The sale of our assets in Russia was a logical step towards a tighter regional focus.

The aforementioned acquisition of sole control of Petrol Ofisi was a major breakthrough for the Refining and Marketing (R&M) business segment. Other important events of the year were large-scale scheduled maintenance turnarounds and safety upgrades at the Schwechat and Petrobrazi refineries, which were brought in on schedule and were accident free. Our Arpechim plant in Romania was shut down until further notice, and the petrochemical business there sold to Oltchim. Additionally, in order to further focus our retail activities on our strategic markets, we have divested the filling stations in the German states of Thuringia and Saxony and withdrawn from Italy. We have further strengthened the VIVA brand and successfully launched new services, including parcel post and banking.

The key projects in the Gas and Power (G&P) business segment made steady progress: All of the countries involved in the Nabucco gas pipeline project have ratified the Intergovernmental Agreement, construction of the gas-fired power plants in Romania and Turkey moved ahead on schedule, and work began on the first wind farm, while the Etzel gas storage project also made big strides forward. The volume traded at the Central European Gas Hub (CEGH) rose sharply, and trading of futures was successfully launched.

Strategy

Today, OMV is the leading energy Group in Central and Southeastern Europe. This is the outcome of a clear regional development strategy that we have been consistently pursuing for a long time. Our goal is to further enhance our leading position as an integrated energy Group in the region.

We have hit all the growth targets set at the start of my term as Chairman of the Executive Board in 2002 well ahead of time – doubling of market capitalization, volumes in all three segments, and market share in our target markets. We achieved this partly through organic growth, but chiefly by making successful acquisitions such as Petrom, Preussag and Bayernoil. The southeastwards expansion into dynamic markets with a fast growing energy demand, and nearer to the producing countries of the Middle East and Caspian Region, has been further advanced through our investment in the Turkish company Petrol Ofisi in 2006. Towards the end of 2010, OMV has increased its stake in Petrol Ofisi to almost 96%, thereby significantly enhancing our position on the growing Turkish market. Parallel to its geographical expansion, OMV has evolved from a pure oil and gas company into a fully integrated energy Group that also has power and renewables in its asset portfolio.

Our strategic framework for sustainable growth is the 3plus strategy. This seeks to exploit the growth potential of our three markets (Central and Eastern Europe, Southeastern Europe and Turkey) and the integration potential of our three business segments (E&P, R&M and G&P), drawing on our three values (Professionals, Pioneers, Partners).

Three main strategic thrusts

OMV is playing an active role in shaping the energy industries of the European growth belt, and its strategy has three main thrusts:

- Regional focus on the Southeast European and Turkish growth regions;
- Adjustment of our asset portfolio by strengthening the E&P and G&P businesses whilst making the most of their potential for further integration;
- Realization of the cost and earnings synergies offered by integration.

Sustainability

Sustainability: HSSE

At OMV, health, safety, security and environment (HSSE), community relations and social responsibility are seen as integral to our business activities. Responsible behavior and sustainability management are firmly embedded in our vision and strategy, and are crucial to surmounting future challenges that we will face as an integrated energy Group. These include shortages of skilled personnel, as well as work and process safety, and the need to provide our markets with secure energy supplies whilst simultaneously reducing greenhouse gas emissions.

We have responded by reinforcing the functions in our organization that address sustainability issues, and by reviewing their strategies. For example, we have adopted a diversity program that aims to increase the proportion of women in higher management by 2015 and to give us a more international workforce. We are systematically analyzing the safety and environmental risks associated with our activities, in order to minimize these exposures. We have also promoted the incorporation of sustainability objectives in all our business processes by including targets relating to diversity and education, health and safety, CO_2 emission reduction and energy efficiency in over 3,600 goal setting agreements with employees. Attainment of these targets is reflected in managers' individual bonuses. Meanwhile, we are following through on our commitment to renewable energy sources by building a wind park in Romania. This will help underpin OMV's long-term financial success by taking us another step along the road from an oil and gas company to an integrated energy Group. In all our activities, we seek social acceptance by maintaining an ongoing dialog and collaborative partnerships with our stakeholders.

Outlook for 2011

In 2011, we will stay on course with our transformation into a fully integrated energy company. Delivering secure energy supplies to our customers in all our core markets will remain one of our main tasks.

Integration of Petrol Ofisi

The integration of Petrol Ofisi into the existing OMV organization will represent a key step along the road to becoming a regional energy Group. Istanbul is to become a regional hub for us, alongside Vienna and Bucharest, and we will operate out of it to drive the development of Turkey as our third core market. The country will also play a vital bridging role, linking us with the resource-rich Middle East and Caspian Region. We want to make sure that our high standards, particularly with regards to employee rights and anti-corruption, can be maintained also in these regions that are deemed as socially and politically sensitive. As a company we make every effort to implement coordinated international standards within our direct sphere of influence. We are a member of the UN Global Compact and have developed our own code of conduct that guarantees the highest standards in the company's value chain.

Other important elements of our integration strategy are the Nabucco gas pipeline project and the construction of the gas-fired power plants in Romania and Turkey. In the case of Nabucco, the final investment decision is pending until the supply contracts will have been concluded, whereas the first power plant (Brazi in Romania) will already be generating and marketing electricity by the end of 2011.

Another important portfolio decision we have taken is to channel most of our investments to the upstream, so as to ensure that this segment continues to make large contributions to Group earnings. OMV will build up a central trading and control organization for its products and plants to exploit the full potential of its integrated business model. In the longer term, all the business segments' trading activities will be concentrated and optimized in this function.

In 2010, we have completed our drive to implement the ongoing cost reduction programs, bringing the group-wide savings of EUR 300 mn as compared to 2007. To keep lean and fit for future challenges, we have put new programs in place that are aimed at trimming costs by a further EUR 200 mn by 2012. Some of these savings will be generated through the reorganization of our corporate management functions, which is in place since the beginning of 2011, so as to increase their efficiency and effectiveness.

Finally, I would like to thank you for your trust and confidence in OMV. I firmly believe that OMV is excellently placed to confront the challenges that the future will bring, and that the Company will remain on its current, successful course under my successor Gerhard Roiss.

Wolfgang Ruttenstorfer

Sustainability

Sustainable development implies that the needs of the present must be addressed without compromising the prospects of future generations. For an integrated energy Group like OMV, this raises challenges not only of how to produce and secure energy in the long term, but also of balancing environmental, social and economic issues in the day-to-day business. At OMV, the integration of sustainability into the business is managed on the basis of three pillars: People, planet, profit.

Sustainability reporting

The OMV Sustainability Report is published simultaneously with the OMV Annual Report and focuses on our approach toward managing sustainability along the entire value chain as well as on our achievements in 2010. It provides, among other issues, detailed information on our stakeholder dialog, human resources, health and safety, human rights, security, environmental management, climate change, renewable and future energies as well as research and development. A brief summary of the key elements of our sustainability performance is included in the Directors' report, which is part of the Annual Report. Topics related to the economic section within the sustainability reporting framework advocated by the Global Reporting Initiative (GRI) and our corporate profile have mainly been included in the Annual Report. The elements that are elaborated on in depth in the Sustainability Report are briefly outlined below. A comprehensive online version is available at www.omv.com/Sustainabilityreport/.

Sustainability performance summary in the Directors' report

Research and development:
New developments and the practical implementation of ideas aimed at benefiting our customers, the environment and the Group

Human resources:
Human resources approach, objectives and activities

Health, safety, security and environment:
Information on occupational medical programs, safety management across all operations worldwide as well as environmental and climate change initiatives and performance

Community relations and social affairs:
Stakeholder dialog, human rights approach and activities, community projects

Strategic sustainability management:
Functional strategies in the areas of sustainability management – health, safety, security, environment, community relations, social affairs, and human resources – and how they support our 3plus strategy

Future energy sources:
Projects and initiatives related to future sources of energy

Highlights 2010

January

- OMV presents the successor of Helmut Langanger: Jaap Huijskes becomes member of the OMV Executive Board, responsible for E&P (starting July 1, 2010)

February

- Successful exploration well Fella-1 in the Jenein Sud block in Southern Tunisia

March

April

- OMV and Gazprom sign Cooperation Agreement on the Austrian section of the South Stream gas pipeline
- OMV refinances its EUR 1.5 bn syndicated revolving credit facility

May

- OMV successfully finds and tests additional gas in the Latif North-1 exploration well in Pakistan
- OMV's AGM approves a dividend of EUR 1.00 per share, and elects the members of the Company's Supervisory Board

June

- The Vienna Stock Exchange acquires a 20% stake in the Central European Gas Hub, with OMV holding the remaining 80%

September

- OMV acquires Petronas' exploration and production operations in Pakistan

October

- New gas-condensate discovery at the exploration wells Khouloud-1 and Benefsej-1 within the Nawara production concession in Southern Tunisia
- OMV agreed with Dogan Holding to increase OMV's stake in Petrol Ofisi

November

- OMV sells 56 filling stations in the German states of Thuringia and Saxony to a subsidiary of the Polish oil group PKN ORLEN

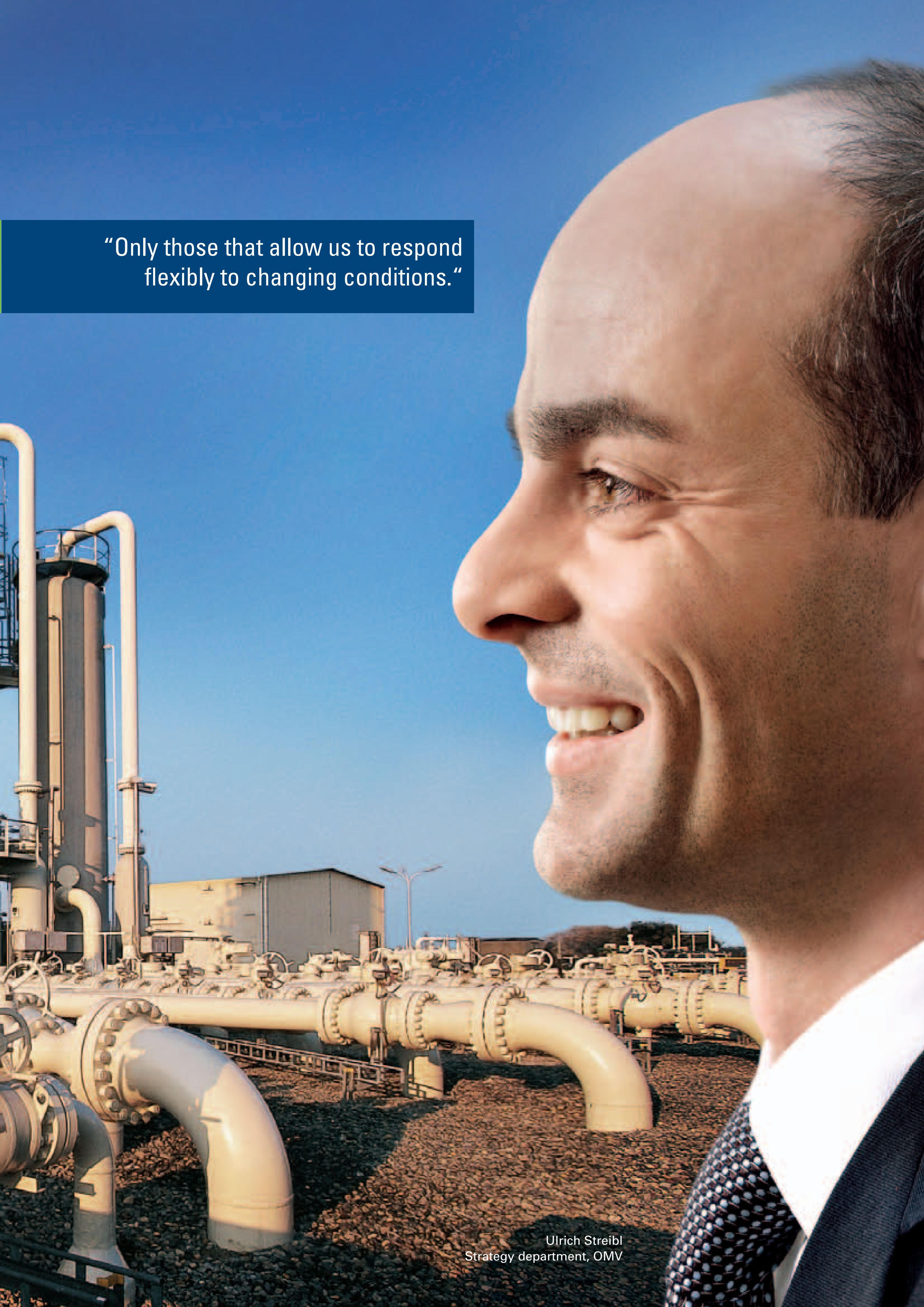
December

- One year after the start of the spot market, Central European Gas Hub and Vienna Stock Exchange launch the futures market on the CEGH Gas Exchange of Wiener Börse
- The Supervisory Board appoints Manfred Leitner to the OMV Executive Board to take over the Refining and Marketing incl. petrochemicals business with effect from April 1, 2011
- OMV successfully closes the acquisition of 54.14% in Petrol Ofisi

"What are the growth strategies needed to prepare for the future?"

Bianca Hawel
Student

“Only those that allow us to respond flexibly to changing conditions.“



Ulrich Streibl
Strategy department, OMV

OMV Group objectives and strategy

OMV in 2010

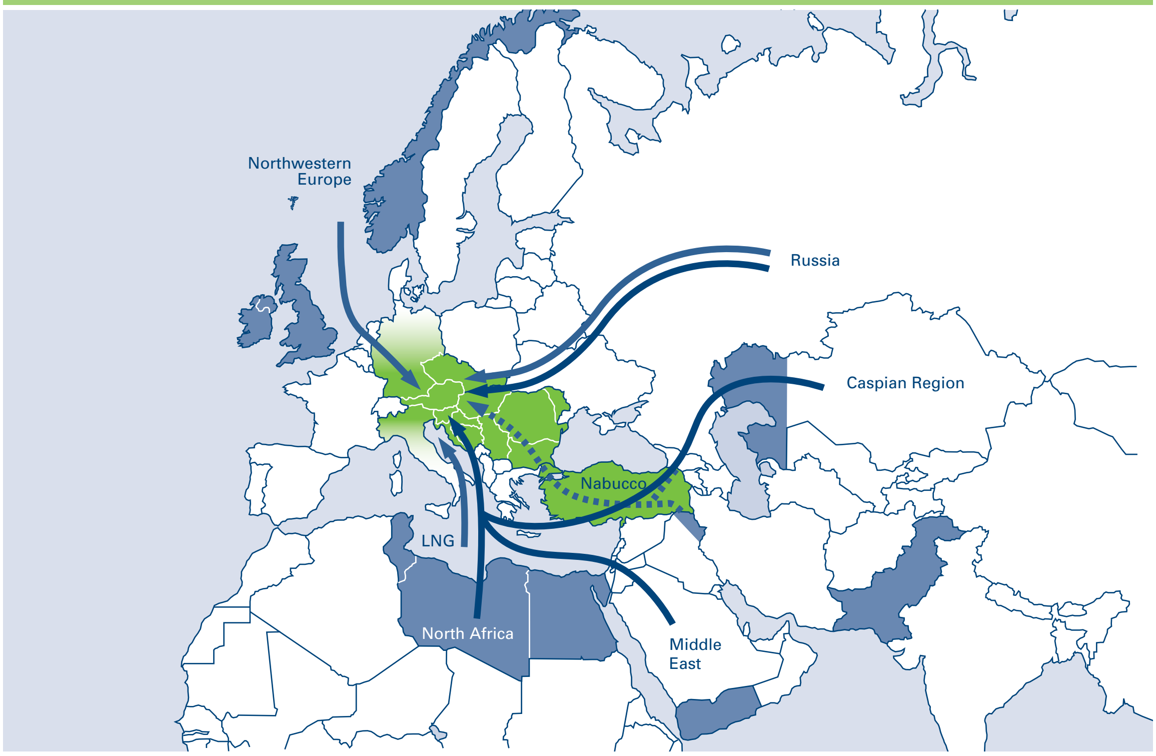
Core business segments E&P, R&M and G&P

OMV is the leading energy Group in Central and Southeastern Europe. Our core business segments are Exploration and Production (E&P), Refining and Marketing including petrochemicals (R&M), and Gas and Power (G&P). Our oil and gas production amounted to a total of about 318,000 boe/d in 2010 and our proved reserves are 1.15 bn boe at year-end. Our annual refining capacity is 25.8 mn t. Our network of 2,291 filling stations in 12 Central and Southeast European countries has been expanded by the addition of 2,480 filling stations in Turkey following the acquisition of sole control of the Turkish market leader Petrol Ofisi in December 2010. OMV shipped 89.2 bcm of natural gas to Western Europe in 2010, and also operated gas storage facilities with a capacity of around 2.4 bcm. Our gas sales amounted to 18 bcm in 2010.

Apart from our wholly-owned subsidiaries, OMV Exploration & Production, OMV Refining & Marketing, OMV Gas & Power and OMV Solutions, we own shareholdings of 51% in the Romanian oil and gas company Petrom, 59% (held both directly and indirectly) in the gas marketing company EconGas, 45% in the Bayernoil refinery network and we have also increased our stake in Petrol Ofisi from 42% to 96% in 2010. The Group's chemical operations are concentrated in Borealis, in which OMV has a 36% interest. Abu Dhabi-based International Petroleum Investment Company (IPIC), one of our two core shareholders, holds the other 64%. Borealis is among the world's leading producers of polyolefins and melamine.

As a financially strong, integrated energy business and the market leader in Central and Southeastern Europe, we are well placed to surmount the challenges now facing our industry namely, volatile oil prices, heavy investment needs due to climate change among other factors, as well as the need to diversify energy sources and increase supply security.

Balanced integration across businesses and markets



E&P | Downstream activities | Gas supply | Oil supply

Romania, Austria and Slovakia have both E&P and downstream activities.

Our strategy

Our "3plus" strategy encompasses our Group's main strengths. OMV focuses on three integrated businesses (E&P, R&M and G&P), which enables OMV to benefit from group-wide synergies, thereby leveraging our integrated position. We are active in three geographical markets, CEE, SEE and Turkey, plus the producing areas that underpin supplies to them. OMV is guided by three core values (professionals, pioneers and partners), which are the basis for the expansion of the business portfolio towards sustainability.

Competitive advantage through strong integration

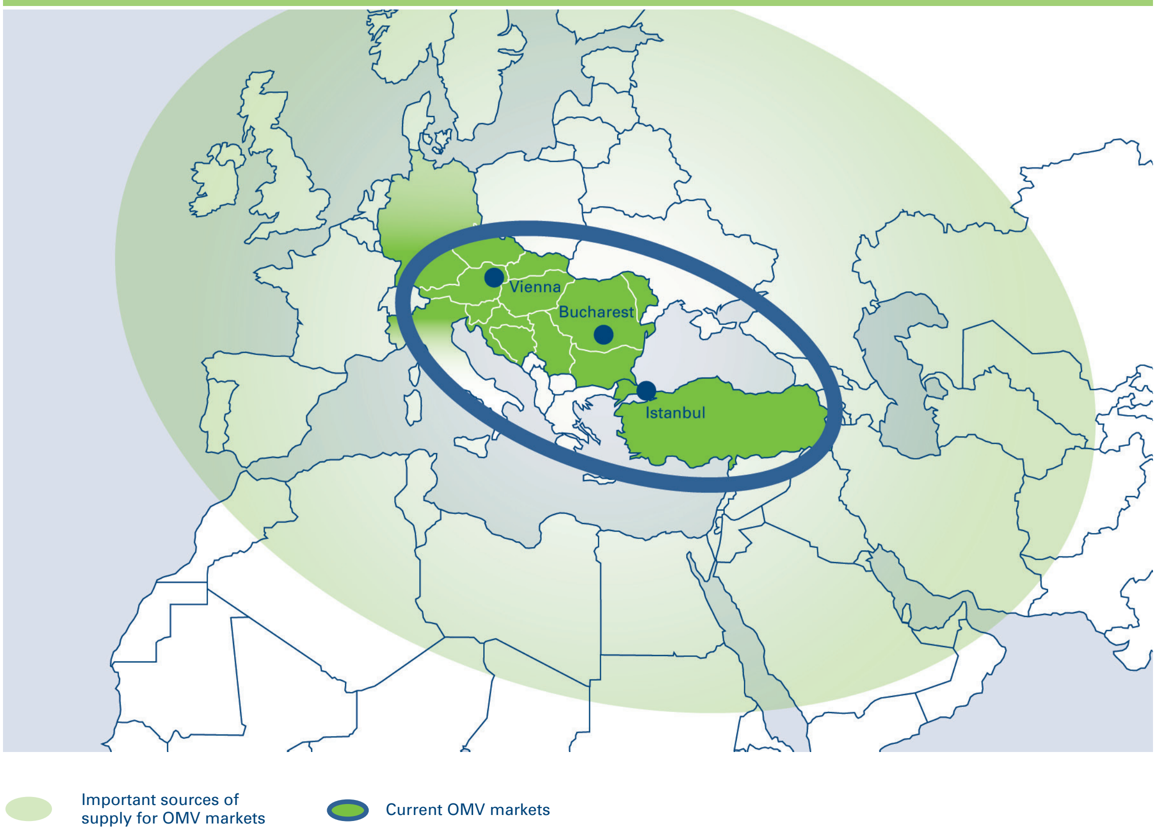
Building on our position as the number one energy Group in Central and Southeastern Europe

OMV's vision is to have a continued role in shaping the future of the energy industry along the European growth belt. We plan to strengthen our downstream position especially in G&P, within our growth markets, while also securing our supply lines from the producing regions. We are adjusting our asset portfolio accordingly by expanding our E&P and G&P businesses, and by investing selectively in power generation and renewable energy sources. In R&M, we will continue to strengthen our market leadership position. Our integrated business model leverages cost and earnings synergies, and imposes tight cost and capital discipline.

Strengthening our position within our growth markets and securing our supply lines from the producing regions

Our markets are Central and Southeastern Europe, and Turkey. Our goal is to expand our leading position in the oil and gas markets of these regions. Petrom has developed into our regional centre for Southeastern Europe. We also want to expand our operations in Turkey and pursue integrated growth. At the same time, OMV is looking to strengthen its international upstream portfolio by growing to and beyond critical mass, on a production per country basis, and to extend its footprint selectively in the

Continue market penetration in existing markets and further develop towards surrounding supply regions



Caspian, Middle East and North Africa regions, thereby securing oil and gas supplies for the European markets.

Main investment focus on E&P and G&P

Growing our asset portfolio by strengthening E&P and G&P, and investing selectively in power generation and renewable energies

OMV is rebalancing its investment portfolio towards E&P and G&P. In E&P, we want to focus on three strategic areas: (1) enhance recovery rates from mature fields in our core countries Romania and Austria. (2) Grow the existing international portfolio (defined as E&P countries other than Romania and Austria) to and beyond critical mass on a production per country basis. (3) Selectively find new growth areas within the Caspian, Middle East and North Africa regions to build a future E&P portfolio. In G&P, we are selectively investing in power generation in order to maximize value by integrating our natural gas and power generation operations. And we are examining the prospects for the use of renewable energies so as to reduce the carbon intensity of electricity generation activities.

Realizing cost and revenue synergies through an integrated business model

We pay close attention to tight cost and capital discipline. Our ongoing efficiency and cost control program has led to a total reduction of our cost base by EUR 300 mn by the end of 2010, as compared to 2007. We have further increased our cost reduction target by aiming to deliver a further EUR 200 mn of savings by 2012. We are also using OMV's structure as an integrated energy company to exploit synergies along the value chain. The best example of this is natural gas produced by E&P, which is transported and stored before either being marketed, or used in future to generate electricity at our own power plants.

Our objectives

Focus on integrated growth

- E&P: Keep production in 2011 at a similar level as in 2010 (excluding recent acquisitions and the negative impact of the political situation in North Africa and Middle East). Enhance recovery rates in our core countries Romania and Austria; grow within our current international portfolio to and beyond critical mass, on a production per country basis; and selectively find new growth areas within the Caspian, Middle East and North Africa regions.

- R&M: Continue to strengthen our market leadership position; further focus on the optimization and consolidation of the business, giving top priority to restructuring the Petrom refineries (further implementation of the Petrobrazi investment and finalization of the exit from the Arpechim refinery) as well as fully integrating our Turkish operations.

- G&P: Grow our position in markets with increasing liquidity; further establish the Central European Gas Hub as the leading trading hub and gas exchange in Continental Europe; contribute to Europe's security of supply by driving the Nabucco gas pipeline project forward; develop a profitable power business by commissioning OMV's first gas-fired power plant in 2011 and realize opportunities in renewable energy with the start of commercial operation of the Dorobantu wind farm in Romania; further develop asset-backed trading for gas and power.

- Achieve a ROACE of 13% under average market conditions.

Exploration and Production

In 2010, OMV's oil and gas production was 318,000 boe/d and its proven reserves were about 1.15 bn boe at year-end. OMV is successfully exploiting its core assets in Romania and Austria and has a well-balanced international portfolio.

Our achievements in 2010

- Steady reduction of our Lost Time Injury (LTI) rate.
- Overall production at 2009 level with low decline rates in Romania, higher volumes in Austria and almost 7% increase in production in the international portfolio.
- Further advances with restructuring at Petrom; Hurezani gas compressor station successfully finalized.
- Signed sale and purchase agreements to acquire Petronas' oil and gas exploration and production interests in Pakistan.
- Significant expansion of the exploration license portfolio in the Kurdistan Region of Iraq.
- Development of Habban oil field (Yemen) and Komsomolskoe (Kazakhstan) continued.
- Successful completion of the drilling campaign in the Nawara Production Concession in Southern Tunisia.
- Further portfolio optimization through the exit from Russia.

Our initiatives

E&P activities are driven by three priorities: HSSE first, production second and costs third. They are focused on three strategic areas:

- Exploit the core with a geographic focus on Romania and Austria: Optimize processes and production systems through the initiation of the Operations Excellence Initiative in Austria, which will be home for technology pilot trials. In Romania, E&P will increasingly focus on recovery rates. Water injection performance is a top priority and several field redevelopment plans will be fully matured in the coming years.
- Grow to and beyond critical mass, on a per country basis, in the current international E&P portfolio in order to benefit from scale effects and synergies: Growth might come via acquisitions or via maturation of own exploration and development projects. E&P will exit countries, where no material production or growth potential can be seen.
- Find new growth areas to build a future E&P portfolio: One focus area for new growth is the Nabucco corridor, which enables E&P to supply equity gas to the Nabucco gas pipeline. Further, E&P will look for growth opportunities in areas adjacent to our current portfolio.

Our competitive advantages

Balanced asset portfolio

- Large asset base through Petrom's operations in Romania and OMV's activities in Austria.
- Strong track record in optimizing recovery from mature fields.
- Outstanding expertise with sour gas production.
- Experience in politically and environmentally sensitive areas.
- A well-balanced portfolio with production ratios of roughly 50:50% oil-gas and 80:20% onshore-offshore.
- Synergies available to an integrated energy company.

Our objectives

Reduction of LTI-rate

In HSSE, we will strive for zero fatalities and continue to reduce our LTI-rate. We are targeting a production level in line with that of 2010 (excluding recent acquisitions and the negative impact of the political situation in North Africa and Middle East). Increased production levels are expected in Yemen due to the additional early production facilities that will come on stream in 2011 and in Kazakhstan following the resolution of some start-up and operational difficulties. This increase will compensate for the natural decline in Romania and Austria. Growth will come from three areas: field developments, exploration and acquisitions.

Refining and Marketing including petrochemicals

OMV operates refineries in Schwechat (Austria) and Burghausen (Southern Germany), both with integrated petrochemical complexes. Together with the Petrobrazi and Arpechim refineries (Romania) and our 45% stake in Bayernoil (Southern Germany), these give us a total annual processing capacity of 25.8 mn t (530,000 bbl/d). Our network of 2,291 filling stations in 12 Central and Southeast European countries, and our efficient commercial business underpin our market leadership. With the acquisition of sole control in the Turkish marketing company, Petrol Ofisi, the clear market leader (retail and wholesale) in the fastest growing market of Europe, we have added another 2,480 filling stations and thereby significantly strengthened our position as one of the leading companies in the European filling station market.

Increase of stake in Petrol Ofisi

Our achievements in 2010

- Successful on-time completion of scheduled maintenance turnarounds in Petrobrazi and Schwechat refineries.
- Sale of Arpechim's petrochemical operations to Oltchim.
- Further progress in the restructuring of Petrom refining: Implementation of Petrobrazi investment strategy on track; after the stop-and-go mode Arpechim refinery operations halted since early June 2010.
- Consolidation of the retail business in areas with low integration: Sale of 56 filling stations in Germany.
- Strengthening of the non-oil business thanks to a strong brand positioning of VIVA and the introduction of additional services.
- Significant cost reductions as a result of stringent cost management.
- Stake in Petrol Ofisi increased from 41.58% to 95.72%.

Our initiatives

- Further reduce complexity and costs.
- Implement the investment program at the Petrobrazi refinery in Romania.
- Reduce refining capacity by finalizing exit from the Arpechim refinery.
- Enhance profitability by consolidating and optimizing our retail networks.
- Start asset-backed trading activities.
- Integrate Petrol Ofisi and leverage synergies.

Our competitive advantages

- Advantageous supply position in the western (Austria, Southern Germany) and eastern hubs (Romania).
- Competitive western hub due to completed investment program and highly integrated petrochemical operations.
- Efficient filling station network with competitive market shares based on strong brands (OMV, Avanti, Petrom and Petrol Ofisi), and a high-quality non-oil business (VIVA).
- Superior product quality and environmental standards.
- Strong position in Turkey, the fastest growing market in Europe.

Our objectives

Our market share target of 20% has already been achieved well ahead of time. The focus for 2011 will be on increasing profitability by further consolidating and optimizing our business to face the continued market weakness in the downstream business. Commitment to cost saving will remain in focus with cost cutting and profitability enhancement programs running. Moreover, we will strengthen our trading business. In Romania, we will concentrate on the investment program for Petrobrazi to establish a stable, fully upstream-integrated refinery. In marketing, we will focus on continued optimization and consolidation of the retail and commercial business as well as on qualitative growth in our premium network also by extending our service offers as a differentiation from our competitors. In Turkey, we will concentrate on the integration of activities and businesses, thereby leveraging the significant synergy potentials and realizing first positive effects.

Gas and Power

Our Gas and Power (G&P) segment operates across the entire gas value chain. We have long-proven partnerships with major gas suppliers to assure stable supply to our markets and also produce gas at our own fields. Through our 2,000 km gas pipeline network as well as our gas storage facilities we are a major contributor to security of supply in Austria and beyond. Additionally, we are driving the Nabucco gas pipeline project, which will increase Europe's security of supply. Our Central European Gas Hub (CEGH) is the most important gas hub on the gas routes from East to West and also operates a gas exchange. We are about to realize additional value creation through the expansion of the gas value chain to power, thereby exploiting synergies with the gas business.

Our achievements in 2010

- Ratification of the Nabucco Intergovernmental Agreement in all Nabucco countries and signing of a mandate letter with three international finance institutions (EIB, EBRD and IFC).
- Increase of trading volume on CEGH by 48% and start of futures trading.
- Increase of gas transportation sold by 18% up to 89.2 bcm.
- Growth of total gas sales volumes to 18.0 bcm; EconGas' international sales grew to 53% of total sales volume, which in turn have increased to 13.2 bcm.
- First gas imports by Szeged-Arad pipeline to Romania.
- Construction of a 800 MW class gas-fired power plant in Brazi (Romania) well on track and ready for start of operations in 2011.
- Start of construction of a 800 MW class gas-fired power plant in Samsun (Turkey).
- Construction start of a 45 MW wind park project Dorobantu (Romania).

Our initiatives

- Connect Caspian Region and Middle East with Europe and interlink OMV markets with the Nabucco gas pipeline.
- Expand the gas pipeline system in Austria.
- Develop further storage facilities in Austria, Germany and Turkey.
- Contract additional gas supply as well as LNG supply.
- Establish CEGH as gas pricing point for the Nabucco area.
- Expand our gas business in our core markets.
- Build up a power asset portfolio with gas-fired and renewable power plants.
- Expand our trading business by developing our cross-commodity and cross-regional activities and establishing a new trading organization to support our operations along the entire value chain.

Our competitive advantages

Strong position in growth markets

- Integrated approach along the whole gas value chain, from exploration and production to power generation and trading of gas and power.
- Projects to bridge supply-source regions with European downstream markets.
- Long-term partnerships with major gas suppliers.
- Excellent geographical positioning.
- Presence in the growth markets of Europe and Turkey with strong gas marketing subsidiaries.
- CEGH as one of the leading hubs in Continental Europe, providing OTC and exchange services.

Our objectives

Our main goal is to strengthen and grow our position in markets with increasing liquidity (CEE, SEE and Turkey). We are working towards diversification and expansion of our supply agreements and gas pipelines and to increase the already strong contribution from our equity gas production. We are building up a portfolio of flexible gas and power assets spanning European markets, which will be monetized by trading. Full development of integrated asset-backed trading for gas and power will create additional value and help manage the risk exposure, while reaping benefits from synergies.

Statement of the Chairman of the Supervisory Board

Activities of the Supervisory Board

Dear shareholders,
Compliance with the Austrian Code of Corporate Governance, good teamwork, close cooperation with the Executive Board, and regular, timely and comprehensive information create a sound basis for the OMV Supervisory Board to perform its role effectively. During the year under review, apart from routine compliance with the relevant legal requirements, the Supervisory Board focused on the acquisition of a majority interest in Petrol Ofisi A.S., the appointment of a new Executive Board member responsible for the Refining and Marketing business segment, and in-depth discussions of strategy, with particular reference to integration and profitable growth. In addition, the overall economic situation in the Company's core markets, and the resultant operating environment, opportunities and risks for OMV over the next few years were examined in detail at the Supervisory Board's meetings. The Board also devoted considerable attention to the evaluation of projects to expand the portfolio of the Exploration and Production business segment.

Activities of the committees

The Board's committees dealt with key issues relating to accounting processes, internal audit, risk management, and the Group's internal control and management systems. The Audit Committee arrived at the proposal to the Annual General Meeting for the appointment of the auditors of the consolidated financial statements for 2011 with the aid of a tender. The Presidential and Nomination Committee made thorough preparations for the appointment of the new Executive Board member in charge of Refining and Marketing. We are also convinced that a comprehensive group-wide human resources development program, a well-designed succession planning system and an effective issuer compliance system are in place. The Company posts details of dealings by members of the Executive and Supervisory Boards, and their current holdings of OMV shares, on its website www.omv.com.

The Supervisory Board has performed self-evaluation in accordance with international standards since 2007. This is aimed at continuously improving our working methods so as to ensure that the Board is capable of acting in the interests of the shareholders and other stakeholders. This exercise is repeated annually, and in 2010 again demonstrated the efficiency of our organization and approach. It will remain a permanent feature of the process of critical reflection on the Board's activities. The Corporate Governance Report hereafter contains additional information on the activities of the Supervisory Board and its committees.

Annual financial statements and dividend
Following thorough examination and discussions with the auditors at Audit Committee and plenary meetings, the Supervisory Board approved the directors' report, prepared in accordance with section 96 (1) Stock Corporation Act, and the parent entity financial statements for 2010, which were thereby adopted under section 96 (4) of the Act. The same applies to the consolidated financial statements. The 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 1.00 per share, to allocate EUR 200 mn to the revenue reserve and to carry forward the remaining of the profit for the year to new account.

Finally, I would like to congratulate the Executive Board and the entire workforce on achieving these results, and thank them for their hard work and far-sighted approach. Furthermore, I would like to take the opportunity and thank Wolfgang Ruttenstorfer for his outstanding achievements as CEO over the past decade, in which OMV has transformed into the leading energy group in Central and Southeastern Europe.

Vienna, March 22, 2011

Peter Michaelis, Chairman of the Supervisory Board

Corporate Governance Report

Enhancing transparency in our management and internal control structures helps create and consolidate market and stakeholder confidence. As a result, OMV has always sought to meet expectations in terms of good corporate governance and has adhered to the Austrian Code of Corporate Governance (ACCG) since its introduction. The information given below complies also with the ACCG recommendations ('R-rules'). OMV is also a signatory of the UN Global Compact and has adopted a comprehensive, group-wide Code of Conduct, as well as a related business ethics directive, drawn up with the assistance of international expert consultants.

Commitment to Austrian Code of Corporate Governance

OMV conforms to the ACCG issued by the Austrian Working Group for Corporate Governance. The code is publicly accessible at www.corporate-governance.at. OMV deviates from rule 26 C: The Chairman of the Executive Board, Wolfgang Ruttenstorfer, held supervisory board mandates in four non-Group companies, twice the position of the chairman. With regard to his resignation from the OMV Group as of March 31, 2011, the Supervisory Board of OMV approved the mandates. The external evaluation of compliance with the code in 2010 is available for public inspection at www.omv.com, and confirms that OMV conformed to all the C and R rules.

Executive Board

From left to right: Jaap Huijskes, Gerhard Roiss, Wolfgang Ruttenstorfer, David C. Davies, Werner Auli

Wolfgang Ruttenstorfer, *1950
Terms of office: July 3, 1992 to January 27, 1997, and January 1, 2000 to March 31, 2011
Chairman of the Executive Board (since January 1, 2002). Responsible for the overall management and coordination of the Group.

Member of the supervisory boards of Telekom Austria AG, CA Immobilien Anlagen AG (chairman), the VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (chairman) and of the board of directors of F. Hoffmann-La Roche AG (until March 1, 2011).

A graduate of the Vienna University of Economics and Business Administration, he began his career with OMV in 1976. He was a member of the Executive Board from 1992 to 1997. After serving as Austrian Secretary of State for Finance between 1997 and 1999, he returned to the OMV Group as Deputy Chairman of the Executive Board with responsibility for finance and the Gas segment at the beginning of 2000.

Gerhard Roiss, *1952
Term of office: September 17, 1997 to March 31, 2014
Deputy Chairman of the Executive Board (since January 1, 2002). Responsible for Refining and Marketing, as well as for the OMV Group's plastic and chemical interests.

Member of the supervisory boards of Österreichische Post AG, AABAR Investments PJSC (until February 23, 2010) and NOVA Chemicals Corporation (chairman until December 31, 2010). He will take over as Chairman of the Executive Board following the retirement of Wolfgang Ruttenstorfer.

He received his business education 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 Group Executive Board, heading up Exploration and Production and Plastics until the end of 2001.

Werner Auli, *1960
Term of office: January 1, 2007 to March 31, 2014
Responsible for Gas and Power (since January 1, 2007).

He joined OMV in 1987 after graduating from the Vienna University of Technology. From 2002 to 2004, he was managing director of EconGas GmbH. From 2004, he was managing director of OMV Gas GmbH, and since 2006 he has been managing director of OMV Gas & Power GmbH.

David C. Davies, *1955
Term of office: April 1, 2002 to March 31, 2014
Chief Financial Officer (since April 1, 2002).
Member of the supervisory boards of Wiener Börse AG and CEESEG AG. He will become Deputy Chairman of the Executive Board on Wolfgang Ruttenstorfer's retirement.

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.

Helmut Langanger, *1950
Term of office: January 1, 2002 to September 30, 2010 Responsible for Exploration and Production (E&P) until June 30, 2010.

Member of the supervisory boards of Schoeller-Bleckmann Oilfield Equipment AG and EnQuest plc. He studied Economics in Vienna after graduating from the Leoben University of Mining and Metallurgy. He joined OMV in 1974. In 1992, he was appointed Senior Vice President for E&P, and in this position, he played a key role in building up the Group's international E&P portfolio.

Jacobus Huijskes, *1965
Term of office: April 1, 2010 to March 31, 2015
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 worldwide major upstream projects. He has worked and lived in the UK, Norway, Oman, Australia and Russia, among other countries.

Manfred Leitner, *1960
Term of office: April 1, 2011 to March 31, 2014
Responsible for Refining and Marketing, as well as for the 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 has been Senior Vice President for Downstream Optimization and Supply since 2003.

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 Board holds weekly meetings in order to exchange information and take decisions on all matters requiring plenary approval.

Remuneration report

Executive Board remuneration policy principles

The remuneration of the OMV Executive Board 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 relevant Austrian industrial companies and the European peer group. The performance-related component includes short-term incentives. These take the form of variable remuneration agreements based on earnings, profitability and growth targets; account is also taken of specific projects related to the implementation of OMV's growth strategy. The system also has long-term elements.

Basic salary and short-term variable remuneration

The basic salaries of Executive Board members are based on the above principles (see table on page 22). Targets (performance measures) are also agreed for each financial year. Where these are attained, a maximum of 150% of the basic salary may be paid as variable remuneration in the following financial year.

These targets are financial indicators (e.g. EBIT or gearing ratio) and non-financial performance measures (e.g. integration of acquisitions or reserve replacement rate), as well as strategic objectives. The achievement of targets shall be determined by comparing agreed indicators with actually achieved figures.

Long-term targets and incentives

Long Term Incentive Plan

The Long Term Incentive Plan (LTIP) for the period 2010 to 2015, as adopted by the Annual General Meeting in 2010, consists of the following elements: Participants must have invested an amount equal to 100% (Chairman of the Executive Board, CEO), 85% (Deputy Chairman, Deputy CEO) or 70% (other Board members) of their gross basic salaries in OMV shares in 2010 (shares deposited in order to participate in the 2009 LTIP count towards the 2010 LTIP) and hold them until March 31, 2015. The number of shares is calculated on the basis of the average OMV stock price in the first quarter of 2010.

Long Term Incentive Plan

The observation period for attainment of the financial and non-financial objectives is the 2010, 2011 and 2012 financial years. At the start of the program, target levels were established for key indicators (total shareholder return (TSR), economic value added (EVA) and earnings per share (EPS)) and weighted (30% for each indicator). The safety performance target is weighted at 10%. The achievement of targets shall be determined by comparing agreed indicators with actually achieved figures. If the targets are fully attained the CEO will be allocated shares equal in value to 90%, the Deputy CEO shares equal to 75% and the other Board members shares equal to 60% of their gross basic salaries in 2010. The number of shares is calculated on the basis of the average OMV stock price in the first quarter of 2010. The allocation will take place on March 31, 2013. Participants will be free to dispose of the allocated stock as they see fit, but will be obliged to hold an amount of shares equal to their original investment for another two years (up to March 31, 2015). Substantial amendment to the LTIP 2009: Instead of receiving stock, any participant may opt for cash settlement. If receiving stock could be deemed insider-trading, only cash settlement will be performed.

If the targets are exceeded, more shares, in linear proportion, will be allocated up to a maximum of 175% of the shares due on 100% attainment. At least 25% of the shares due in the event of 100% target attainment will be allocated in any case.

Stock option plans

Up to and including 2008, long-term incentives took the form of stock option plans, which were on a par 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 (attainment of the 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 2004–2008 plans have either not yet been exercised or have not been exercised in full. No further stock options were issued after 2008.

Pensions

Wolfgang Ruttenstorfer, Gerhard Roiss and Helmut Langanger are entitled to defined-benefit pensions. The Company pays the contributions, calculated in accordance with discounted cash flow methods, into a pension fund. David Davies, Werner Auli, Jacobus Huijskes and Manfred Leitner are entitled to defined-contribution pensions. The Company pays the contributions into a pension fund. The retirement age for all Executive Board members is the Austrian statutory retirement age.

Termination entitlements

Termination benefits

Wolfgang Ruttenstorfer, Gerhard Roiss and David 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's service from the agreed starting date. However, the amount may not exceed one year's gross basic salary. Werner Auli is entitled to termination benefits in accordance with section 23 Austrian Salaried Employees Act, but taking his previous service with the Group into account. The calculation basis under the Salaried Employees Act includes the variable components. Jacobus Huijskes is subject to the Betriebliche Mitarbeiter- und Selbständigenvorsorgegesetz (BMSVG, Salaried Employees and Self-employed Provident Saving Act).

Settlement payment

In the event of premature termination of an Executive Board employment contract, the salary for the remainder of the contract is paid if no act of willful misconduct or negligence was performed by the Board member. No settlement payment is made if the Board member terminates the contract prematurely.

There are no other termination entitlements.

Directors' remuneration

Executive Board remuneration [1]							EUR 1,000
2010	**Auli**	**Davies**	**Huijskes**	**Langanger**	**Roiss**	**Ruttenstorfer**	**Total**
Fixed	600	665	375	461	700	800	**3,601**
Variable	755	826	525	826	965	1,104	**5,000**
Pension fund contributions	132	250	98	341	462	574	**1,857**
Benefits in kind (company car, accident insurance and reimbursed expenses)	8	9	6	6	8	8	**47**
Accommodation expenses	—	—	16	—	—	—	**16**
Options exercises	—	—	—	168	—	—	**168**
Termination benefits	—	—	—	1,434	—	—	**1,434**
Payment in lieu of holiday	—	—	—	46	—	—	**46**
Total	**1,495**	**1,751**	**1,021**	**3,282**	**2,135**	**2,486**	**12,169**

[1] There are discrepancies between individual items and totals due to rounding differences. The variable components relate to target attainment in 2009, for which the bonuses were paid in 2010, except for EUR 525,000, which relate to prepayments for 2010. There was an exercise of options under the 2004 stock option plan.

Note 29 provides additional information on the Long Term Incentive Plan and the stock option plans (valuation, outstanding options and exercise in previous years).

Directors' and officers' (D&O) insurance

Executive Board members are covered by directors' and officers' liability, and legal expenses insurance. The entire Supervisory Board and many other OMV employees also have such coverage, but as joint insurance premiums are paid, it is not possible to attribute these costs to individual Executive Board members.

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.

Executive Board members' shareholdings

Executive Board members' holdings of OMV shares at balance sheet date were as follows:

Shares	
Ruttenstorfer:	45,035
Roiss:	174,528
Auli:	23,272
Davies:	28,920
Huijskes:	12,136
Langanger (as of September 30, 2010):	58,770
Leitner:	14,409

Policy principles for the remuneration of senior executives and experts

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

Consequently some employees at other management levels of the Group (approx. 85 people) are eligible for membership of the stock option plans and the Long Term Incentive Plan. They are also eligible for bonus agreements, as discussed below.

In 2010, a total of some 2,800 managers and experts participated in a graduated Management by Objectives (MbO) program entitling them to bonuses for fulfilling objectives. There are also bonuses 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 others' targets.

Supervisory Board

Members of the Supervisory Board

In 2010, the membership of the OMV Supervisory Board, and seats held by members on other supervisory boards (domestic and foreign listed companies), disclosed in compliance with Rule C 58 ACCG, were as follows:

Peter Michaelis
(Managing Director, ÖIAG), Chairman; seats: Österreichische Post AG (chairman) and Telekom Austria AG (chairman).

Rainer Wieltsch
(until May 26, 2010) Deputy Chairman; seats: Österreichische Post AG (until April 22, 2010) and Telekom Austria AG.

Wolfgang Berndt
Deputy Chairman; seats: GfK AG and MIBA AG.

Khadem Al Qubaisi
(Managing Director, International Petroleum Investment Company (IPIC)), Deputy Chairman; seats: Aabar Investments PJSC (chairman); Abu Dhabi National Takaful Co. PJSC (chairman); Compania Espanola de Petroleos S.A. (CEPSA) and First Gulf Bank.

Alyazia Al Kuwaiti
(Manager Evaluation & Execution, IPIC).

Mohamed Al Khaja
(until May 26, 2010) (Division Manager Research & Business Development, IPIC).

Elif Bilgi-Zapparoli
(Chief Executive Officer, Merrill Lynch Yatirim Bank A.S. and Merrill Lynch Menkul Degerler A.S.).

Helmut Draxler
Seats: RHI AG.

Wolfram Littich
(Chairman of the executive board of Allianz

Elementar Versicherungs-AG).

Herbert Stepic
(Chairman of the executive board of Raiffeisen Bank International AG).

Herbert Werner
Seats: Innstadt Brauerei AG (chairman) and Ottakringer Getränke AG.

Norbert Zimmermann
Seats: Schoeller Bleckmann Oilfield Equipment AG (chairman); Bene AG and Oberbank AG.

Delegated by the Group works council (employee representatives):
Leopold Abraham, Wolfgang Baumann, Franz Kaba, Ferdinand Nemesch and Markus Simonovsky.

Selection of the members of the Supervisory Board

Diversity

The main considerations in selecting the members of the Supervisory Board are relevant knowledge and experience in executive positions. However, attention is also paid to diversity in the composition of the Board. The 15-strong Supervisory Board includes two women, three members aged under 50 and three non-Austrian nationals.

Independence

The Supervisory Board has adopted the guidelines set out in Annex 1 ACCG, and the other guidelines set out below, with regard to members elected by the Annual General Meeting. No member of the Supervisory Board may serve on the Executive Board of an OMV Group company. No member of the Supervisory Board 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 Board member may be a shareholder with a controlling interest in the meaning of EU Directive 83/349/EEC (i.e. an interest of 50% or a dominant influence, e.g. through the right to appoint board members) or represent such an interest.

All of the members elected by the Annual General Meeting except Helmut Draxler, regarding the duration of his term, have declared their independence from the Company and its Executive Board for the duration of their membership. All have declared their independence during the 2010 financial year, and have stated that they were independent at the time of making such declarations (Rule C 53 ACCG). Under Rule C 54 ACCG, Elif Bilgi-Zapparoli, Wolfgang Berndt, Helmut Draxler, Wolfram Littich, Herbert Stepic, Herbert Werner and Norbert Zimmermann have made declarations to the effect that they had no connections with any major shareholders during the 2010 financial year 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 appointment of four committees ensures that optimum use is made of Supervisory Board members' expertise. Brief descriptions of these committees are given below (see also the Report of the Supervisory Board).

During the year under review the Supervisory Board held five meetings, one of which was devoted to strategy.

No member of the Supervisory Board attended fewer than half of the meetings.

Presidential and Nomination Committee

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 during

Functions of the Supervisory Board and its Committees

the year. The main focus was on succession planning and the search for a successor to the Executive Board member responsible for Refining and Marketing.

Audit Committee

Performs the duties established by section 92 (4a) Stock Corporation Act. The committee held four meetings during the year. These were predominantly concerned 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 proposals for the selection of the auditors, and the presentation of the annual financial statements.

Auditors: Attention must be paid to auditor independence, and this involves comparing the audit fee with other fee income. In 2010, the auditors Deloitte Audit Wirtschaftsprüfungs GmbH (including their network in the meaning of section 271b ACC) received EUR 1.94 mn in fees for other engagements and EUR 2.44 mn for the annual audit.

Project Committee

Helps the Executive Board to prepare for complex decisions on key issues where necessary, and reports on these decisions and any recommendations to the Supervisory Board. The Project Committee met twice during the year, devoting most of its time to discussing specific potential acquisitions such as Petrol Ofisi.

Remuneration 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 the Board members' employment contracts, and to take decisions on the award of bonuses (variable compensation components) and other such benefits to the latter. The committee met twice during the year, focusing on bonuses and the related objectives, as well as the employment contract with the new member of the Executive Board responsible for Refining and Marketing.

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; however, attention is drawn to transactions totaling approx. EUR 1.9 bn with Raiffeisen Group (Mr. Stepic; the transactions in question represent less than 1% 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 Board members.

Remuneration

In accordance with the articles of incorporation, the Annual General Meeting (AGM) resolves the compensation of the elected members of the Supervisory Board for the previous financial year. The 2010 AGM adopted the following compensation scale for the 2009 financial year:

Annual compensation 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 above amounts, for the 2009 financial year, were disbursed to the Board members concerned in 2010; these were exclusive of expenses (travel and attendance expenses). In 2010, the Chairman of the Supervisory Board and all the committees was Peter Michaelis, and the Deputy Chairpersons of the Board and all the committees up to May 26, 2010 were Rainer Wieltsch and Alyazia Al Kuwaiti, and Wolfgang Berndt and Khadem Al Qubaisi from May 26, 2010.

Remuneration of the members of the Supervisory Board

Name (year of birth)	Position/committee membership [1]	Remuneration (in EUR)	Term of office [1]
Peter Michaelis (1946)	Chairman; member of the Pres. Com.,Proj. Com., Audit Com. and Remun. Com.	77,200	May 23, 2001 to 2014 AGM
Rainer Wieltsch (1944)	(Deputy Chairman); member of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	59,900	May 24, 2002 to May 26, 2010
Alyazia Al Kuwaiti (1975)	(Deputy Chairwoman); member of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	74,875	May 14, 2008 to 2014 AGM
Wolfgang Berndt (1942)	Deputy Chairman; member of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	—	May 26, 2010 to 2014 AGM
Khadem Al Qubaisi (1971)	Deputy Chairman; member of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	—	May 26, 2010 to 2014 AGM
Elif Bilgi-Zapparoli (1967)		11,650	May 13, 2009 to 2014 AGM
Helmut Draxler (1950)	Audit Com.	22,600	Oct. 16, 1990 to 2014 AGM
Mohamed Al Khaja (1980)	Pres. Com. and Proj. Com.	38,250	May 14, 2008 to May 26, 2010
Wolfram Littich (1959)	Proj. Com. and Audit Com.	30,600	May 23, 2001 to 2014 AGM
Herbert Stepic (1946)		14,600	May 18, 2004 to 2014 AGM
Herbert Werner (1948)	Audit Com.	22,600	June 4, 1996 to 2014 AGM
Norbert Zimmermann (1947)	Proj. Com. and Remun. Com.	30,600	May 23, 2001 to 2014 AGM
Gerhard Mayr (1946)		5,280	May 24, 2002 to May 13, 2009
Leopold Abraham (1947)	Pres. Com., Proj. Com. and Audit Com.	—	Delegation by the Group works council is for an indefinite period; however, the employee representatives may be recalled at any time.
Wolfgang Baumann (1958)	Pres. Com. and Audit Com.	—	
Franz Kaba (1953)	Proj. Com.	—	
Ferdinand Nemesch (1951)	Proj. Com. and Audit Com.	—	
Markus Simonovsky (1973)		—	

[1] Abbreviations: Pres. Com. = Presidential and Nomination Committee; Proj. Com. = Project Committee; Audit Com. = Audit Committee; Remun. Com. = Remuneration Committee; AGM = Annual General Meeting

In accordance with his employment contract as a member of the ÖIAG Managing Board, Peter Michaelis transferred his remuneration to ÖIAG.

The total expenditure incurred by the Supervisory Board in 2010 was EUR 802,867. Of this, members' compensation (for the 2009 financial year) accounted for EUR 388,155, attendance expenses for EUR 41,464, travel expenses for EUR 214,171, and conference equipment, organization and translation for EUR 159,077.

Employee participation

The Group works council holds regular meetings with the Executive Board in order to exchange information on developments affecting employees.

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 resolutions on all agenda items. The Company must post these on its website.
- 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 incorporation.
- All duly registered shareholders 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 prior to the vote on the last position to be filled 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 the winner of the election to the last position if he/she has stood for it.

Promotion of women at OMV

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. There are two female elected members of the OMV Aktiengesellschaft Supervisory Board; this corresponds to 20% of the elected membership.
- Women hold 19% of the senior management positions below Executive Board level. The proportion of women in the Group as a whole is about 23%. As a business with a strong technical bias it is hard for OMV to achieve satisfactory gender ratios in all areas of operations. The recruitment ratios in non-technical areas are well balanced.
- In 2010, the Executive Board has approved the new diversity-strategy. The long-term objective is to achieve at senior management level a diversity-mix of 30% female and 50% international employees by 2020.

Vienna, March 22, 2011

The Executive Board

Wolfgang Ruttenstorfer

Gerhard Roiss

Werner Auli

David C. Davies

Jacobus Gerardus Huijskes

Value management

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

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

- How does OMV create value – to what extent do strategies and investment projects contribute to enhancing corporate value?
- How well does OMV make use of its profit potential created by implementing strategies and investment projects?
- How do OMV shareholders participate in the value created?

ROACE: The key parameter for strategy implementation and CAPEX plans

At the OMV corporate level, market capitalization and enterprise value are examples of medium- to long-term value creation-related metrics. The short-term financial success derived from implementing strategies and investment projects is measured using various best-practice profitability KPIs, of which the return on average capital employed (ROACE) is used as one of the most important metrics. Shareholder participation in value creation is measured using metrics such as payout ratio or total shareholder return.

Being an integrated energy company, managing value is closely related to capital budgeting decisions. Choosing the right investment projects has a substantial influence on determining future success. Investment projects are therefore evaluated using the rate of return concept. Furthermore, as part of OMV's annual planning process, a corporate value analysis is performed. This involves a critical examination of the current strategy's success in achieving the Group's value creation targets.

Both in implementing investment projects and in running current operations, cost management plays a vital role in achieving the target of 13% ROACE over the course of the business cycle. Cost targets are formulated both relative to output figures (e.g. production cost/boe) and in terms of absolute amounts of cost savings to be achieved. Special emphasis has always been put on OMV's solid financing structure and working capital management to maintain OMV's investment grade credit rating.

OMV reflects its strategy by using Balanced Scorecards (BSC) both at corporate and at business segment levels. The achievement of strategic targets is measured by various financial and non-financial metrics (internal business processes, customers, the market, learning and growth targets) in every key dimension of our strategy. Cost targets are an important element in our set of financial objectives. Using Balanced Scorecards helps drive strategy implementation throughout the Group.

OMV's strategy and its successful implementation, based upon the framework briefly described above, is expected to offer attractive long-term return potential for investors.

Ratios %

	Target [1]	2010	2009	2008	2007	2006
Return on average capital employed (ROACE)	13	10	6	12	16	18
Return on equity (ROE)	16–18	11	7	16	19	20
Gearing ratio	≤ 30	46	33	37	24	7
Payout ratio	30	32 [2]	52	22	24	23

[1] Targets based on mid-cycle assumptions.
[2] Based on the dividend proposal to the Annual General Meeting 2011 in the amount of EUR 1.00 per share.

OMV shares and bonds

2010 was a highly volatile year for stock and bond markets, mainly as a result of the financial difficulties of some Eurozone countries. Although OMV's share was not immune to market turbulence, it was steady on the year, closing at EUR 31.10.

Slight increase of OMV share in 2010

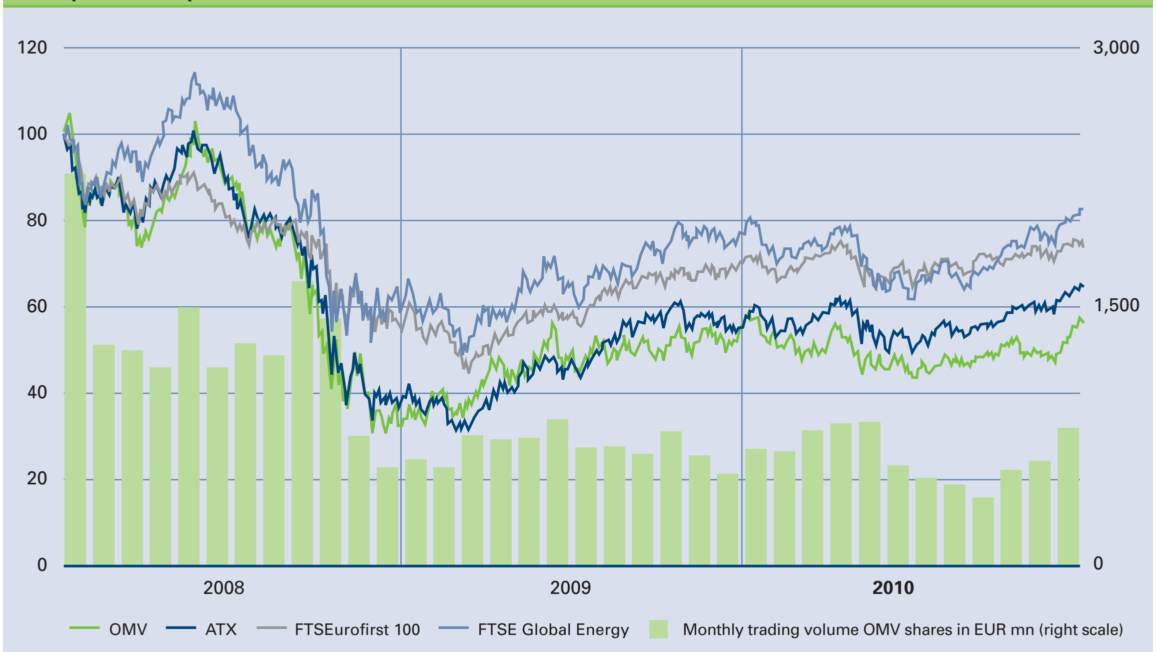
Financial year 2010: Positive overall market trend despite volatility

International markets began 2010 at their highest levels since the onset of the financial crisis at the start of 2008. However, the positive sentiment at European equity markets was frequently impacted by the Greek and Irish sovereign debt crises. The FTSE Global Energy Index, comprising the world's largest oil and gas companies, advanced by 8% in 2010. With the exception of the Nikkei (down by 3%), all the main indices advanced, and most made significant gains (DAX +16%; Dow Jones +11%; FTSEurofirst 100 +4%). The Vienna Stock Exchange moved in step with this trend, and the Austrian blue-chip (ATX) index climbed by 16%.

OMV share price performance and volume

After starting the year at EUR 30.70, our stock price slid to a low of EUR 24.12 during the summer, in line with the domestic and international trends. It made up for these losses by year-end (December 31, 2010: EUR 31.10) edging up by 1% on the year. Taking into account the EUR 1.00 per share dividend paid on June 1, shareholders enjoyed value growth of 5% in 2010. Our market capitalization was over EUR 9 bn at year-end. The total capitalization of all Austrian shares listed on the Vienna Stock Exchange grew by 18% to EUR 91 bn. The mildly supportive market climate, new listings and secondary offerings together led to a slight increase in share turnover at the Vienna Stock Exchange after two weak years, and volume grew by 1% to EUR 74 bn. However, the volume of OMV stock traded dropped by 7% to EUR 7.7 bn. OMV accounted for 10% of total stock turnover at the Vienna Stock Exchange.

Share price development (rebased to 100)



OMV share	ISIN: AT0000743059
Listings	Vienna, USA (ADR Level I)
Ticker	Vienna Stock Exchange: OMV
	Reuters: OMVV.VI Bloomberg: OMV AV
ADR information	Sponsored Level I and Rule 144A, 1 ADR represents 1 share
Depositary	JPMorgan Chase & Co PO Box 64504, St. Paul, MN 55164-0504, USA
Custodian	UniCredit Bank Austria AG, Julius Tandler-Platz 3, 1090 Vienna
Level I	OMVKY, CUSIP: 670875509 ISIN: US6708755094
Rule 144A	OMVZY, CUSIP: 670875301 ISIN: US6708753016
OMV Eurobonds Maturity, coupon	ISIN: XS0422624980 2009 to April 7, 2014; 6.250%
	ISIN: XS0434993431 2009 to June 22, 2016; 5.250%
	ISIN: XS0485316102 2010 to February 10, 2020; 4.375%

Decisions taken at the Annual General Meeting

The main items dealt with at the Annual General Meeting (AGM) on May 26, 2010 were the approval of a dividend of EUR 1.00 per share for 2009, and the approval of the 2010 Long Term Incentive Plan, which is a long-term compensation plan for the Executive Board and other selected senior executives aimed at promoting medium- and long-term growth in value. During the year some 16,500 own shares were resold as consideration for exercised options under existing stock option plans (for details on the stock option plan see Note 29 or visit www.omv.com).

Employee stock ownership plan launched in the fall of 2010

As in previous years, an employee stock ownership plan launched in the fall of 2010 entitled employees to one free share for every three purchased, subject to a two-year holding period.

At year-end 2010, OMV held a total of 1,203,195 own shares, or 0.40% of issued share capital as a result of the latest buy-back programs. The number of shares in circulation was thus 298,796,805. The capital stock of OMV Aktiengesellschaft is EUR 300,000,000 and consists of 300,000,000 no par bearer shares.

The Executive Board will again be proposing a dividend of EUR 1.00 per share at the next Annual General Meeting, due to take place on May 17, 2011. This is the same level as in the previous year, and represents an attractive payout ratio of 32%. The dividend yield, based on the closing price on the last trading day of 2010, will amount to approximately 3.2%.

Credit ratings

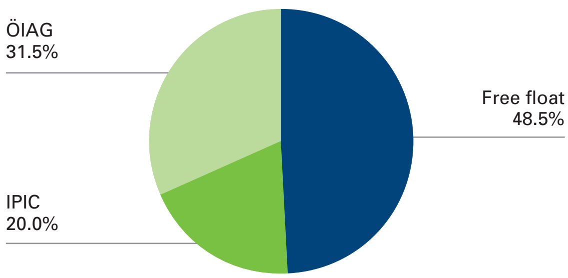
OMV retained its credit ratings by international rating agencies (A3 from Moody's and A- from Fitch) in 2010. The OMV Group's strong creditworthiness is also underscored by the stable outlook assessment given by Moody's. Due to the open question of the refinancing of the acquisition of a majority stake in Petrol Ofisi, Fitch put OMV on "negative watch" in October 2010 and changed it to "negative outlook" subsequently in February 2011.

Bonds

In February 2010, OMV placed a further EUR 500 mn bond issue with a maturity of ten years under the Euro Medium Term Note (EMTN) program.

Shareholder structure

OMV's shareholder structure was unchanged last year, and at year-end 2010 it comprised: 48.5% free float, 31.5% ÖIAG (representing the Austrian government), and 20.0% International Petroleum Investment Company (IPIC). The capital stock consists entirely of common shares and due to the application of the one-share one-vote principle there are no classes of shares that bear special rights. A consortium agreement between the two major shareholders, IPIC and ÖIAG, contains established arrangements for coordinated action and restrictions on the transfer of shareholdings.



OMV Capital Markets Day

In May 2010, OMV invited analysts and institutional investors to a two-day event in Vienna during which the OMV Executive Board updated them on operational and strategic issues confronting the Group and on current challenges arising from the economic and financial markets situation. There were also opportunities for personal discussions. On the second day, around 70 visitors were shown our modern technology in action at the Central European Gas Hub and the Schwechat refinery, and also visited one of Austria's newest highway service stations where they were able to see for themselves the wide range of services and high quality standards at a state-of-the-art OMV filling station. All the presentations given at the Capital Markets Day are posted on our website under www.omv.com > Investor Relations > Events.

Investor Relations activities

During the year, the Executive Board and the Investor Relations team maintained and deepened relationships with analysts and investors at numerous roadshows and conferences in Europe and the US. In total, some 200 one-on-one meetings and presentations were held, attracting over 600 people. Executive Board members devoted around 270 hours to face-to-face conversations with investors and analysts. In the interests of transparency and timeliness, all important information and news for analysts and investors is posted on our corporate website at www.omv.com.

Up-to-date information in the internet

Financial Calendar	Date [1]
Trading Statement Q4 2010	February 4, 2011
Results January–December and Q4 2010	February 23, 2011
Publication of the Annual Report 2010	March 2011
Trading Statement Q1 2011	April 28, 2011
Record date for the AGM	May 7, 2011
Results January–March 2011	May 11, 2011
Ordinary Annual General Meeting (AGM)	May 17, 2011
Dividend ex date	May 23, 2011
Dividend payment date	May 24, 2011
Trading Statement Q2 2011	July 22, 2011
Results January–June and Q2 2011	August 10, 2011
Trading Statement Q3 2011	October 21, 2011
Results January–September and Q3 2011	November 9, 2011

[1] The dates shown above are subject to final confirmation. The effective dates can be downloaded from our homepage: www.omv.com > Investor Relations > Events

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To request quarterly and annual reports, please contact us or use the ordering service under www.omv.com > Investor Relations > Order Service.

At a glance					in EUR
	2010	2009	2008	2007	2006
Number of outstanding shares in mn [1]	298.80	298.78	298.75	298.73	298.71
Market capitalization in EUR bn [1]	9.29	9.17	5.59	16.56	12.84
Volume traded on the Vienna Stock Exchange in EUR bn	7.78	8.36	15.68	19.84	22.59
Year's high	32.63	31.00	57.80	55.42	59.86
Year's low	24.12	18.02	16.70	39.10	37.20
Year end [1]	31.10	30.70	18.72	55.42	42.99
Earnings per share	3.08	1.91	4.60	5.29	4.64
Book value per share	30.39	27.10	24.77	27.24	23.36
Cash flow [2] per share	9.66	6.18	10.76	6.92	6.80
Dividend per share	1.00 [3]	1.00	1.00	1.25	1.05
Payout ratio in %	32	52	22	24	23
Dividend yield in % [1]	3.22	3.26	5.34	2.26	2.44
Total shareholder return in % [4]	5	69	(64)	31	(11)

[1] As of December 31. [2] Net cash provided by operating activities. [3] Proposed dividend. [4] Assuming no reinvestment of dividends.

Business environment

Stabilization of the world economy

The **world economy** stabilized in 2010, and grew by 4% in real terms from its crisis hit level in 2009. World trade expanded by 16%, lifted by a favorable base year effect and rising commodity prices. In the OECD countries the upswing was chiefly fueled by export demand, and the gross domestic product (GDP) climbed back up by 2.8%. The longer-term impact of the financial and economic crisis was seen in exchange rate volatility and mounting government debt. The emerging and developing economies grew by an average of 7%, mainly driven by robust domestic demand.

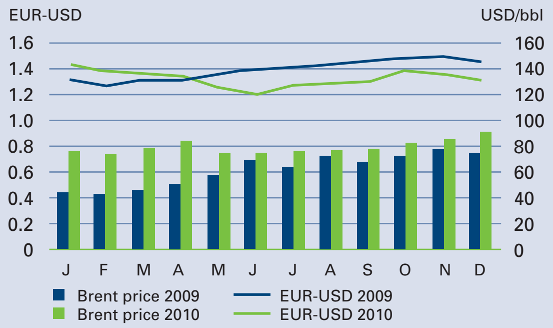
GDP growth in Eurozone

The recovery was uneven in the **European Union** (EU). Member states with competitive export sectors gained most from the global upswing, while those where growth had been powered by real estate booms or high public expenditure suffered from harsh budget consolidation measures and lack of confidence on the part of financial markets. The EU created a financial safety net for struggling members. GDP grew by an average of 1.7% in the Eurozone. Private consumption was up by nearly 1% and investment by almost 2% year-on-year.

In **Germany**, gains of 14% in exports and 10% in investment were the main components of 3.6% GDP growth. The **Austrian economy** expanded by 2.0% in real terms, with the main growth contribution coming from export demand, which jumped by 11%. Investment was stagnant and private consumption edged up at only half the pace of GDP. Economic trends were also very mixed in the new EU member states and growth ranged in 2010 between 3.8% and a negative rate of 1.2%. In **Romania**, the aftermath of the deep recession caused a further drop in GDP of 1.2%. Surging export demand was not enough to make up for weak investment and depressed private consumption due to wage cuts. **Turkey** recorded the fastest GDP growth in Europe in 2010, at 7.5%. Exports and industrial production climbed almost twice as fast. Private consumption expanded by more than 6% and unemployment fell to 11%.

Global oil demand recorded its second highest rise in the past 30 years, following declines in 2008 and 2009, increasing by 2.9 mn bbl/d or 3.4 % to 87.9 mn bbl/d. Non-OECD demand was up by 2.2 mn bbl/d or 5.6%, while growth in OECD countries was 0.7 mn bbl/d or 1.5%. **Global oil output** increased by 2.5% to 87.3 mn bbl/d and inventories shrank by 0.6 mn bbl/d following inventory build-ups in the previous two years. OPEC boosted daily production to 29.2 mn bbl of crude and 5.3 mn bbl of NGLs. The overall gain of 1.0 mn bbl/d brought the organization a market share of about 40%.

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



[1] monthly averages

Spot **Brent crude** began the year close to USD 78/bbl and price volatility was initially lower than in recent years. With prices remaining within a relatively narrow range, OPEC left its production ceiling unchanged. Oil prices advanced strongly in the fourth quarter to reach a year's high of USD 94.00/bbl in the last week of December. The average price in 2010 was USD 79.50/bbl – 29% up on the USD 61.67/bbl recorded in 2009. The average price of **Urals**, the reference oil price in Romania, averaged USD 78.29/bbl. The average EUR/t prices of the main product groups on the Rotterdam product market were 35–40% higher year-on-year. The Northwest European refining margin narrowed by about 20% from its 2009 level.

The **EUR-USD exchange rate** averaged 1.33 over the year compared to 1.39 in 2009 – a 5% depreciation of the EUR against the US currency.

Available market statistics point to an increase of about 4% in **Austrian primary energy** consumption to over 1,400 petajoules. Space heating demand was up by 7% due to colder temperatures and electricity demand grew by over 4%. Due to a 5% drop in hydro power generation, output at thermal power plants had to be raised by 19%. Natural gas consumption climbed by 9% year-on-year to a record 9.6 bcm, with use by thermal power plants taking a leap forward. Domestic natural gas production rose by 3% to 1.7 bcm, and net imports were 0.4 bcm or 6% lower year-on-year. Net withdrawals from storage over the year were 0.7 bcm and, at year-end, there were 3.0 bcm of gas inventories in Austrian storage facilities (total capacity 4.5 bcm).

Petroleum product sales in markets served by OMV (Central and Southeastern Europe and Turkey) decreased by approximately 1% to some 101 mn t. Gasoline sales fell by 6% while diesel sales were unchanged. There were sharp increases in sales of lubricants (+13%), bitumen (+10%) and aviation fuel (+7%). Heavy fuel oil demand slumped by more than 30%, mainly as a result of lower utilization by power plants and industry.

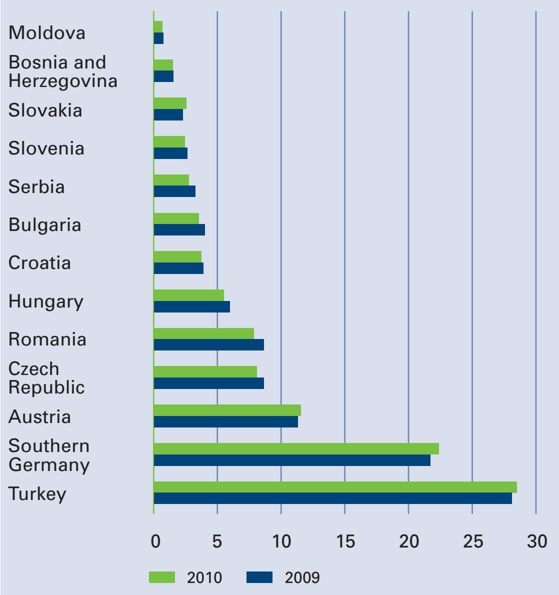
In Central and Eastern Europe (Austria, Bosnia and Herzegovina, Croatia, Czech Republic, Hungary, Slovakia, Slovenia and Southern Germany), total sales volume was flat at just under 58 mn t. Total sales in Austria were up by 2% to 11.5 mn t. Gasoline demand contracted by 2% while diesel demand expanded by 4%. Sales of aviation kerosene rose by 7% and those of heavy fuel oil by 9%. Extra light heating oil demand was about 2% down year-on-year, despite a pick-up in the second half of 2010.

In **Southeastern Europe** (Bulgaria, Moldova, Romania and Serbia), overall sales volume slid by about 10% to 15 mn t; all the main products were affected.

In **Turkey**, petroleum product demand grew by 2% to some 28 mn t. Automotive fuel demand increased by 1% (gasoline -8%; diesel +2%). The most striking changes were in sales of heating oil (down by 44%) and other products (+11%).

West European **polyolefin** demand firmed, with polyethylene demand virtually unchanged but polypropylene sales 2% higher than in 2009. Cracker capacity utilization climbed from about 80% to 85%. Rising prices brought a marked recovery in integrated producers' margins.

Consumption of oil products in mn t



“What is the perfect complement to oil and gas?“

Jaap Huijskes
OMV Executive Board Member responsible for E&P

“The right amount of electric power.“

Werner Auli
OMV Executive Board Member responsible for G&P

Exploration and Production

The Exploration and Production (E&P) segment was positively influenced by a revival in the overall business environment and benefited from rising oil prices. Total production in 2010 was marginally above the levels of 2009 and 2008. Strategic highlights included the signing of the sale and purchase agreement to acquire Petronas' operations in Pakistan as well as exploration successes in Tunisia and in the Kurdistan Region of Iraq.

Efforts to increase Health, Safety, Security and Environment (HSSE) performance continued

HSSE is our first priority. The Lost Time Injury (LTI) rate steadily decreased over the year. Regrettably, despite this positive trend, the zero fatality target was not achieved. OMV sadly reported four losses of life within E&P in 2010.

Clean EBIT +38%

Strong business results achieved

EBIT increased by 25% to EUR 1,816 mn (thereof Petrom: EUR 715 mn) mainly due to higher oil and gas prices. The Group's average realized oil price in USD increased by 21% and the average realized gas price in EUR by 7%. The biggest single capital investment in 2010 took place in Yemen (Habban). E&P also invested significantly in Romania, Austria and Kazakhstan. Total capital expenditure reached EUR 1,252 mn. Special items were mainly related to write-offs in Bardolino (UK), Komsomolskoe (Kazakhstan) and Strasshof (Austria) as well as to personnel restructuring in Romania and Austria. Excluding special items, clean EBIT increased by 38% to EUR 2,099 mn (thereof Petrom: EUR 841 mn).

Production slightly above last year's level

Production of hydrocarbons amounted to 115.9 mn boe (thereof Petrom: 67.1 mn boe) and marginally exceeded the levels of the two preceding years. This corresponds to an average daily production of 318 kboe/d (thereof Petrom: 184 kboe/d). In Romania, the decline rate was successfully kept low, while in Austria and Libya hydrocarbon production was even above the level of 2009 and therefore strongly contributed to OMV's overall production performance. Due to start-up and operational difficulties in Kazakhstan, the UK and New Zealand, OMV did not manage to reach its production target of 325 kboe/d. In the international ventures (defined as the exposure outside the core countries Romania and Austria), production grew by almost 7%. **Production costs** per boe excluding royalties (OPEX/boe) increased by 6.7% to USD 12.8 (2009: USD 12.0). This increase is due to a large extent to the change in the calculation method of production costs per boe, which now excludes own consumption. The impact of this change is an increase of USD 0.6/boe in 2010, while excluding this calculation change production costs remained very similar.

Exploration portfolio expanded

In 2010, OMV acquired a gross total of 12,080 km² seismic acreage (6,996 km² net operated by OMV). 20 exploration and ten appraisal wells were drilled, including eight wells which will be completed in 2011. The success ratio of the exploration wells was 27% (including appraisal wells 45%). In the Nawara production concession in Southern Tunisia, OMV finished a drilling campaign in 2010, which led to the ninth successful well in a row. OMV had also two exploration successes in the Kurdistan Region of Iraq (blocks Rovi and Sarta). **Proved hydrocarbon reserves** as of December 31, 2010 were 1,153 mn boe (thereof Petrom: 832 mn boe) and proved and probable oil and gas reserves amounted to 1,728 mn boe (thereof Petrom: 1,172 mn boe). This resulted in a three-year average reserve replacement rate (RRR) of 82% in 2010 (2009: 71%). In Romania and Austria, the three-year average RRR could be increased to 66% (2009: 57%). In

At a glance

	2010	2009	Δ
Segment sales in EUR mn	4,666	3,797	23%
Earnings before interest and taxes (EBIT) in EUR mn	1,816	1,450	25%
Capital expenditure in EUR mn	1,252	1,500	(17)%
Production in mn boe	115.9	115.5	0%
Proved reserves as of December 31 in mn boe	1,153	1,188	(3)%

the international business, the three-year average RRR rose to 119% (2009: 105%), which does not include reserves from recent acquisitions (described hereafter) since transactions were not yet closed in 2010.

OMV's core countries Romania and Austria

In **Romania**, OMV has focused its efforts on keeping the natural decline low and produced at an average rate of 173,900 boe/d (2009: 180,800 boe/d). The reserve replacement rate was increased to 72%, keeping it above the 70% target for the third consecutive year. Seven field redevelopment projects, mainly focusing on water and steam injection, were started or progressed in 2010 which will lead to a shift in CAPEX allocation within E&P. The Hurezani gas compressor station was successfully finalized with first gas delivery in May 2010. A successful offshore multistage fracturing drilling campaign was also realized in the Lebada Est and Lebada Vest fields. The 3D seismic data acquired in the offshore Neptun permit by the joint venture between Petrom and ExxonMobil was processed and evaluated in 2010. Two further partnerships were concluded with Petrofac and PetroSantander for production enhancement in 18 fields.

Austria showed a strong production performance in 2010. Mainly due to the higher workover activity level and a better than expected well performance, production increased to 42,100 boe/d in 2010 (2009: 40,300 boe/d). To further mitigate natural production decline, an Operations Excellence program for production system optimization was kicked off. A successful pattern water injection pilot project was also performed in 2010. In the field Strasshof, however, technical assessments have shown that our originally expected production performance will not be achieved, which led to an impairment.

OMV's international portfolio

In **Pakistan**, OMV signed a sale and purchase agreement to acquire Petronas' oil and gas exploration and production interests. This acquisition further strengthens OMV's position as the largest foreign gas producer in the country with an expected increase in production to approximately 25,000 boe/d by 2014. In 2010, production was at 14,000 boe/d, a similar level as in 2009 (14,300 boe/d). The successful exploration well Latif North-1 came on stream in November 2010.

In **Yemen**, OMV focused on further developing the Habban oil field. Eight development wells were drilled in the field. The project consists also of central processing facilities for 30,000 boe/d gross production and a 120 km oil exporting pipeline which is scheduled to come on stream in 2012. The production rate net to OMV was 6,600 boe/d in 2010 (2009: 6,300 boe/d). To further strengthen its acreage position around the core field Habban, OMV acquired exploration rights for the nearby blocks 70 and 86. The exploration well Tagina South-1 proved to be a dry hole.

Expansion of exploration portfolio in Kurdistan Region of Iraq

In the **Kurdistan Region of Iraq**, OMV grew its exploration portfolio significantly and is now active in seven blocks. Three exploration wells were drilled and completed in 2010. OMV had two exploration successes in the blocks Sarta and Rovi. Pearl Petroleum Company Limited, of which OMV holds a 10% interest, ramped up gross production in the Khor Mor field to 30,000 boe/d gas and 8,500 bbl/d condensate in 2010. Through the Khor Mor and Chemchemal fields, Pearl grants access to significant gas reserves and contingent resources including condensates and LPG.

Although in **Kazakhstan** OMV's production increased by more than 50% to 9,900 boe/d (2009: 6,300 boe/d), it was below our expectations. In 2010, OMV executed a technical assessment in Komsomolskoe which led, together with the re-establishment of the export customs duty, to an impairment. In the Tasbulat Oil Company fields (Tasbulat, Turkmenoi and Aktas) a stimulation campaign was finalized in order to slow down natural decline. In the Kultuk onshore oil field, which was acquired in December 2009, 3D seismic acquisition was completed in 2010.

In **Tunisia**, four gas-condensate discoveries were made in the OMV operated Nawara production concession in 2010. These successes are both commercially and strategically important as they increase the chance of making further

Acquisition of Tunisian E&P portfolio from Pioneer

commercially viable discoveries. Moreover, the drilling campaign proved enough resources to justify the start of the South Tunisian Gas Pipeline (STGP) project. Tunisian production declined in 2010 to 6,500 boe/d (2009: 7,400 boe/d), mainly caused by the natural decline in the mature Ashtart and TPS fields. In February 2011, OMV closed the acquisition of Pioneer's Tunisian subsidiaries.

Production in **Libya** was increased to 32,800 bbl/d (2009: 29,400 bbl/d), mainly due to lower production limitations imposed by the OPEC quota restrictions. In OMV's non-operated ventures in Libya, significant amounts of seismic acreage were acquired and more than 50 wells were drilled.

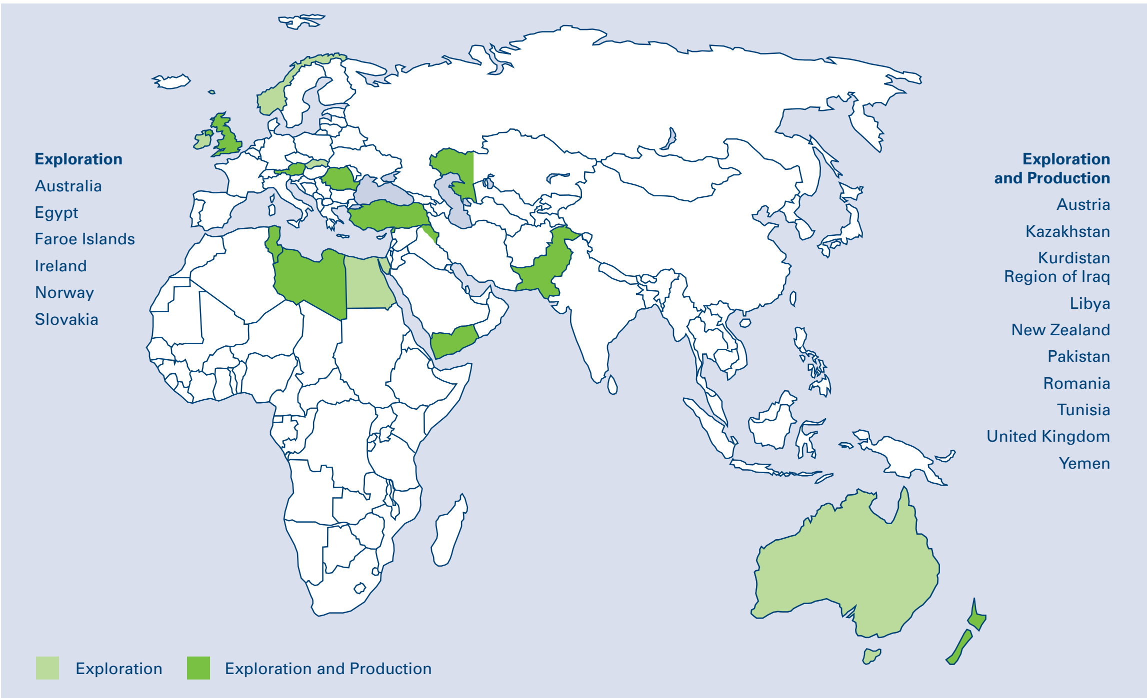
In **Egypt**, OMV is evaluating business opportunities and growth might come either via acquisition or via development of own exploration projects.

In the **United Kingdom**, OMV produced 7,200 boe/d (2009: 6,400 boe/d) from Schiehallion, Jade, Beryl, Boa, Buckland, Skene, Maclure and Bardolino fields. The latter turned out to be smaller than expected, which led to an impairment in 2010. In West of Shetland, OMV established a firm position with discoveries in the fields Rosebank, Cambo and Tornado and focuses its efforts on maturing these discoveries into solid growth developments. By acquiring eight additional licenses in the UK, it has also strengthened its position in this region. OMV UK also holds exploration licenses in **Ireland** and the **Faroe Islands.**

In **Norway**, OMV acquired stakes in three additional licenses and, in addition to that, has agreed with Statoil to swap 15%-points of its 40% interest in PL 537 with 30%-points of Statoil's interest in PL 393B effective by October 1, 2010.

Although production in **New Zealand** remained at the level of the previous year at 24,700 boe/d (2009: 24,700 boe/d), total production was below OMV's expectation mainly due to operational difficulties in the Maari field. The Maari satellite field Manaia was successfully tied in to the Maari production platform.

Worldwide exploration and production portfolio



In **Australia**, the focus in 2010 was on preparing for the Zola-1 well, which was spudded in December 2010 on the Northwest Shelf.

In **Slovakia**, the Husky-1 exploration well was unsuccessful. OMV is now preparing for exit from Slovakia.

In September, Petrom sold its assets in **Russia** to its Russian partner Mineral and Bio Oil Fuels Ltd.

Outlook for 2011

In 2011, E&P's first priority is to strive for zero fatalities and to continue reducing the LTI-rate. E&P will focus even more strongly on process safety and further improve contractor management. The second priority is production. The production target for 2011 is to keep production at a similar level as in 2010 (excluding recent acquisitions and the negative impact of the political situation in North Africa and Middle East). Increased production levels are expected in Yemen due to additional early production facilities coming on stream and in Kazakhstan. The increased volumes should compensate for the natural decline in Romania and Austria. Cost management will remain the third priority for E&P. In 2011, OMV will focus on reducing the natural production decline as well as on enhancing the recovery rates from mature fields in its two core countries **Romania and Austria**. In Romania, we will increasingly focus on maximizing reservoir recovery. Water injection performance is a top priority to maintain the energy in the reservoirs. In Austria, the Operations Excellence program, technology trials and water injection optimization will further enhance recovery. In the **international portfolio**, we will take the first necessary steps that will enable us, in the medium to long term, to grow to and beyond a critical mass on a production-per-country basis. In line with its growth strategy, OMV signed a sale and purchase agreement in Pakistan in 2010 and closed the acquisition of Pioneer's Tunisian subsidiaries in February 2011. OMV sees further growth potential in the Caspian, Middle East and North Africa regions.

Focus on enhancing recovery rates from mature fields

Production in 2010

	Oil and NGL	Natural gas		Total
	mn bbl	bcf	mn boe	mn boe
Petrom	33.3	182.3	33.7	67.1
Austria	6.1	55.6	9.3	15.4
Northwestern Europe	1.7	5.4	0.9	2.6
North Africa	14.3	—	—	14.3
Middle East	2.4	30.7	5.1	7.5
Australia/New Zealand	5.5	21.0	3.5	9.0
Total	**63.4**	**295.1**	**52.5**	**115.9**

Proved reserves as of December 31, 2010

	Oil and NGL	Natural gas		Total
	mn bbl	bcf	mn boe	mn boe
Petrom	443.0	2,102.4	389.0	832.0
Austria	48.3	414.7	69.1	117.4
Northwestern Europe	12.3	26.1	4.3	16.6
North Africa	116.0	—	—	116.0
Middle East	22.0	82.9	13.8	35.8
Australia/New Zealand	18.4	100.7	16.8	35.2
Total	**659.9**	**2,726.7**	**493.0**	**1,153.0**

Refining and Marketing including petrochemicals

The results of the segment Refining and Marketing including petrochemicals (R&M) improved significantly compared to 2009, reflecting an improving economic environment, cost savings and the ongoing restructuring of Petrom. Refining margins increased, mainly driven by an improvement of middle distillate and naphtha spreads. Petrochemical margins increased by almost 50%, mainly driven by propylene margins, although showing a downward trend towards the end of the year. The marketing business suffered from lower margins and volumes. Significant cost reductions and efficiency increases were achieved across the business segment. Petrom also made significant progress in restructuring.

Tight cost control and higher refining margins support results

Increase in earnings driven by improved margin environment and enhanced operating performance

2010 was driven by an improvement of the product margin environment. The positive development of middle distillate and naphtha spreads, due to increased demand and lower inventory levels, helped the refining margin recover from the historically low level of 2009. At EUR 225 mn, clean CCS EBIT was considerably above the EUR (222) mn reached in 2009. Positive CCS effects, as a consequence of further rising crude prices, of EUR 187 mn (vs. EUR 172 mn in 2009) as well as net special charges of EUR 14 mn (vs. EUR 93 mn in 2009) led to an EBIT also considerably above last year's level (EUR 397 mn vs. EUR (143) mn in 2009).

The refining result improved considerably compared to 2009, primarily as a result of the increase in the OMV indicator refining margin, as improved product spreads for middle distillates and naphtha mitigated the higher cost of own crude consumption. In addition, operating performance significantly improved mainly due to tight cost control, efficiency enhancement programs and good progress in restructuring Arpechim (sale of the petrochemicals unit, stop-and-go mode of the refinery). Overall capacity utilization decreased to 76% due to the impact of the maintenance shutdowns in Schwechat and Petrobrazi in Q2/10 and Arpechim remaining inactive for nearly nine months throughout the year. Total refining output was down by 6%. The petrochemicals result improved significantly compared to 2009, mainly reflecting higher olefin margins. Petrochemical sales volumes were 3% above the level of 2009.

Annual refining capacities	mn t
Refineries West	
Schwechat	9.6
Burghausen	3.6
Bayernoil (OMV's share)	4.6
Refineries East	
Petrobrazi	4.5
Arpechim	3.5
Total	**25.8**

The marketing business showed a decline compared to 2009. Active cost management across the business segment and the ongoing restructuring of the retail network could not compensate for the persistent weak economic environment, especially in Eastern European countries. Total marketing sales volumes showed a decline of 5% compared to 2009 and marketing margins fell to a lower level than the previous year.

Strong operating performance of western refineries

The modernization measures of OMV's western refineries, which were successfully finalized in 2009, will continue to have a positive impact on profitability in connection with the anticipated

At a glance	**2010**	2009	Δ
Segment sales in EUR mn	18,042	13,900	30%
Earnings before interest and taxes (EBIT) in EUR mn	397	(143)	n.m.
Capital expenditure in EUR mn	1,194 [1]	347	n.m.
Total refined product sales in mn t	24.48	25.53	(4)%
Marketing sales volumes in mn t	16.03	16.79	(5)%

[1] Figure includes CAPEX related to the increase of the stake in Petrol Ofisi.

mid-term growth in demand for middle distillates. In 2010, the OMV indicator refining margin of western refineries increased by 42%, mainly driven by higher middle distillate and naphtha spreads. Operating performance was additionally increased by efficiency enhancement programs such as centralisation of refining overhead functions and tight cost control. In Schwechat, a scheduled maintenance turnaround, which lasted for one month, was successfully completed in time and within budget without any lost time injuries. Despite the turnaround, capacity utilization of the western refineries was kept at a high level of 88%, which was above the Western European average due to OMV's strong vertical integration. In 2010, investments concerned mainly maintenance and HSEQ matters.

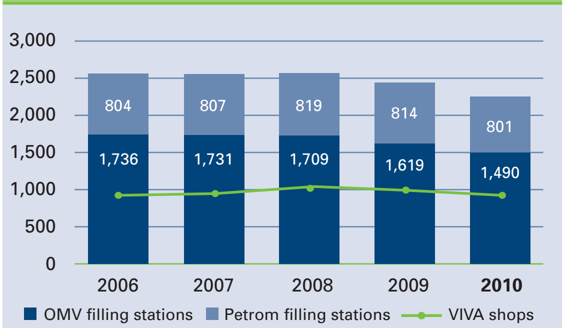
Consolidation and cost saving initiatives helped to increase efficiency in marketing

Several optimization and efficiency-enhancing projects have continued, which helped to mitigate the effects of the unfavorable economic environment. Cost saving initiatives and process optimization efforts as well as streamlining of the marketing organization reduced fixed costs considerably. The ongoing streamlining of the retail network in areas with low integration (exit of the retail business in Italy and the sale of 56 filling stations in the German states of Thuringia and Saxony) contributed to efficiency gains in the marketing business. While optimizing the existing network, the retail business continues its focus on a premium brand strategy with selective investments into top quality locations. OMV's premium retail network together with its convenience store brand VIVA generate a high level of customer loyalty and support retention of our high market share. The total number of filling stations decreased to 2,291 (excluding Petrol Ofisi) while an average annual throughput of 3.4 mn l/site was maintained despite the declining market environment.

The non-oil business delivered a significant contribution in 2010. The strong positioning of the VIVA brand helped keep shop sales at a high level despite the still weak economic environment and reduced consumer spending. In 2010, the non-oil business was further strengthened by the introduction of additional services for our customers (e.g. banking services). In the commercial business, further consolidation of the customer base led to an improved cost position. The sale of the heating oil end-consumer unit in Austria will further contribute to increased efficiency.

Efficiency increase in Marketing

Number of filling stations and VIVA shops [1]



[1] excl. Petrol Ofisi

Petrom: Positive effects from ongoing restructuring

The main focus of activities in 2010 continued to be the integration and restructuring of Petrom. In marketing, the retail business concentrated on maintaining our market share in a still unfavorable environment, along with the integration and consolidation of OMV and Petrom marketing activities under one umbrella: OMV Petrom Marketing. In Romania, the annual throughput per filling station reached 4,7 mn l and the overall retail volumes in 2010 decreased by 5% compared to 2009, in line with market development. At Petrom group level, the 2010 fuel volumes were 7% lower than in 2009, with an average annual throughput of 4.1 mn l/site. The restructuring and network optimization in Moldova continued, where the network decreased by eleven stations.

In the commercial business, the sales activities have been successfully merged into OMV Petrom Marketing. The customer sales and service center has been modernized and reorganized according to the Group standard. Full integration of Petrom Aviation into OMV's international aviation business will be finalized in 2011.

The storage tank rationalization program is in progress. In October 2010, a second new tank farm (in Brazi) according to high western European standards was put in function and will play a major role in optimizing the supply to eastern Romania. The storage investment plan will continue until the end of 2013, with the purpose of ensuring complete coverage of the Romanian market.

Exit from Arpechim by 2012

In response to market challenges, Petrom refining operations were adapted towards more flexible assets utilization in 2010, capitalizing on upstream integration and dropping crude imports down to zero. The Arpechim refinery was in economic shut-down for almost nine months in 2010, which led to an increased utilization rate of the higher-conversion refinery at Petrobrazi. The Arpechim refinery is expected to stay offline throughout 2011, with the target to exit the refinery by 2012 at the latest. The divestment of the petrochemical operations of Arpechim was finalized in early 2010. In Petrobrazi, a scheduled maintenance turnaround, which lasted for one month, was successfully completed at the beginning of May 2010 in time and budget without any lost time injuries. The comprehensive modernization program is progressing as planned. The capacity of the refinery will be adjusted to 4.2 mn t, a suitable size for processing the domestic crude production of Petrom. Petrom will invest EUR 750 mn between 2010 and 2014 in further modernization and in ensuring the maintenance of the Petrobrazi facility.

Solid financial contribution of Borealis

After the challenging year 2009, the Borealis result recovered very positively in 2010, also

Markets served by Refining and Marketing

benefiting from measures and initiatives set in the past to improve Borealis' cost and efficiency position compared to the petrochemicals industry. Margins increased steadily in 2010, peaking in the third quarter, whereby olefin margins benefited more than polyolefin margins. This was a better than expected performance after the difficult year 2009, which was heavily impacted by the financial crisis. The highlight of Borealis' asset investment program in Europe was the start-up of a new 350,000 t/y low-density polyethylene plant in Stenungsund, Sweden. Moreover, Borealis is further investing in research and development, examples being the catalyst plant in Linz (Austria) and the Borstar®-Pilot plant in Finland. This allows the further development of its proprietary Borstar® technology, which is a cornerstone of Borealis' success in the polyolefins business and a backbone of the company's innovation strategy. In 2010, Borealis successfully placed its inaugural bond in Austria and thereby favorably diversified its financing portfolio. Borealis' healthy net debt position enables the company to invest in growth projects throughout the business cycle.

Borouge – the 40:60 joint venture between Borealis and Abu Dhabi National Oil Company (ADNOC) – contributed positively to Borealis' results. The Borouge 2 project, expanding Borouge's annual production capacity of polyolefins to 2 mn t, started up according to plan in the second half of 2010. A further expansion to 4.5 mn t of polyolefins by 2014 (Borouge 3) is also making good progress. In mid 2010, Borouge signed a major construction contract to advance the strategic Borouge 3 expansion in Abu Dhabi.

Acquisition of sole control of Petrol Ofisi

In December 2010, OMV increased its stake in Petrol Ofisi from 41.58% to 95.72%, thus acquiring sole control of the Turkish oil marketing company. Petrol Ofisi is market leader in Turkey with around 27% market share and a filling station network of around 2,500 stations. In 2010, Petrol Ofisi's contribution to OMV Group's financial income decreased compared to 2009, impacted by the weak market environment, one-off items and the depreciation of the TRY against the USD, which burdens Petrol Ofisi's result since the company is largely financed in USD.

Outlook for 2011

Continued challenging margin environment expected

The overall challenging margin environment will continue to constrain the R&M segment. Refining margins are expected to recover somewhat due to improved demand for middle distillates. Petrochemical margins are anticipated to decrease compared to 2010, impacted by additional petrochemical capacity coming on stream in 2010. Marketing volumes as well as margins are expected to remain under pressure as western markets, despite economic recovery, are not expected to show any growth due to saturation, and Southeastern Europe is still feeling the impact of the economic downturn. In the Schwechat refinery, a routine turnaround of the petrochemical plants lasting six weeks is scheduled for Q2/11. Bayernoil will have a routine turnaround of the Neustadt site lasting four weeks in Q1/11.
At Petrom, no major shutdown is scheduled for Petrobrazi. The Arpechim refinery is expected to stay offline throughout the year while the target to exit the refinery by 2012 at the latest remains in place. In addition, the storage facility development program will be continued. The construction of the "Ethylen Pipeline Süd", which will strengthen the petrochemical industry in Bavaria (Germany), will continue, with completion expected in H2/11. In the marketing business, continuous network optimization of the retail business should lead to improved profitability.
In 2011, Petrol Ofisi will be fully consolidated and will thus add to OMV's marketing result.
A large proportion of investments will be allocated to further implementing the revised Petrobrazi refining investment program.
Stringent cost management together with further streamlining of the business will further support profitability in R&M.

Gas and Power

On the earnings side, G&P benefited among others from higher transportation capacities sold, resulting in an 18% EBIT increase in 2010. The logistics sector prepared for future needs by developing additional transport capacities, and also made further progress with the Nabucco project. The supply, marketing and trading business continued the expansion of its international activities. In the power business, while the gas-fired power plant of Brazi (Romania) is scheduled to come on stream in H2/11, construction work started on the second gas-fired power plant in Samsun (Turkey) as well as on the wind farm Dorobantu (Romania). With the launch of futures trading, the Central European Gas Hub (CEGH) took another step towards strengthening its position as one of the most important gas hubs in continental Europe.

Strong results contribution from logistics

With an EBIT of EUR 277 mn, G&P recorded an increase of 18% compared to the previous year (2009: EUR 235 mn), largely reflecting a strong contribution of the logistics business that benefited from higher transportation volumes sold. This was primarily due to the start-up of a new compressor station on the Trans-Austria-Gas (TAG) pipeline in Q4/09 and a new pipeline in the domestic transportation system in Q4/10. The supply, marketing and trading business experienced slightly decreased earnings. Strong pressure on margins, caused by spot prices remaining at a low level during the whole year, was mitigated by re-negotiated supply contracts and significantly higher volumes, especially through additional wholesale deals and higher sales volumes on international gas hubs. In Turkey, gas supply quantities secured for the power plant in Samsun, which is currently under construction, were sold in a difficult market environment and negatively affected EBIT. Since the decision of Petrom at the end of 2009 to exit the chemicals business, the fertilizer plant Doljchim has been operated only when necessary to optimize Petrom's integrated operations. 2010 results contribution from Doljchim improved as 2009 was still burdened by provisions booked for the planned closure.

Gas logistics

Nabucco gas pipeline project

The Nabucco gas pipeline is designed to give Europe direct access to the large gas reserves in the Caspian Region and the Middle East. In March 2010, the Intergovernmental Agreement was ratified by all Nabucco countries thereby enabling construction and operation of the Nabucco gas pipeline with a secure legal framework. In April, the pre-qualification process has been launched as a starting phase for the procurement of long lead items needed for the pipeline construction. The Nabucco partners also agreed on a modification of the feeder line concept: The planned locations of the feeder lines are at the Turkish-Georgian and the Turkish-Iraqi borders. The designated route offers a wide range of supply sources for the Nabucco gas pipeline, which is expected to receive gas from the Caspian Region. In September 2010, the next step for implementation followed, as three international finance institutions (EIB, EBRD and IFC) signed a mandate letter thus giving the green light for assessing the project. The mandate letter formalizes the conditions under which the three international finance institutions will conduct their appraisal of the Nabucco project and provides an indication of the potential level of financing.

At a glance

	2010	2009	Δ
Segment sales in EUR mn	4,365	3,273	33%
Earnings before interest and taxes (EBIT) in EUR mn	277	235	18%
Capital expenditure in EUR mn	712	381	87%
Natural gas sold in bcm	18.0	13.1	38%
Transportation sold in bcm	89.2	75.3	18%
Storage volume sold in mn cbm	2,307	2,211	4%

Development of Austrian Gas Grid

2010 was again a very successful year for the transportation business: Transportation agreements for more than 89 bcm/y were contracted. Compared to the previous year, this represents an increase of 18%, mainly driven by the start-up of a compressor station on the TAG pipeline in Q4/09. Additional transportation capacity came on stream with the commissioning of the Baumgarten/Auersthal pipeline in Q4/10. Further construction works on the extension of the West-Austria Gas pipeline system (WAG) were completed successfully in 2010 and will further increase capacity on the WAG and Penta West pipelines in 2011. The signing of a Basic Cooperation Agreement with Gazprom Export for the implementation of the South Stream gas pipeline project in 2010, established the basis for future additional gas flows to Baumgarten.

Storage

In 2010, the storage volume sold rose to 2.3 bcm, representing an increase of 4% compared to 2009. The average storage rate sold reached 0.868 mn cbm/h, a 2% increase compared to last year. The open season for the planned storage project Schönkirchen Tief (Austria) reflected the actual market situation: Oversupply at all European trading spots lowered market demand for additional storage capacity. As the offered capacity was not booked up to a sufficient level, OMV decided to postpone the implementation of this project. To support the further growth of our gas storage business, OMV has brought all relevant activities together under one common roof, OMV Gas Storage GmbH. This company was spun-off from OMV Gas GmbH in 2010 and is responsible for the existing storage business as well as for the development of new national and international projects.

LNG

LNG's logistical flexibility improves the security of supply. OMV has a 5% participation and a throughput agreement for 3 bcm/y in the Gate terminal in Rotterdam. Commissioning is scheduled for 2011. The Adria LNG project is currently being restructured as the majority of shareholders decided to postpone the final investment decision. OMV is also analyzing other options in Croatia and other countries.

Supply, Marketing and Trading

Considerable increase of gas sales volumes

Overall sales volumes climbed to 18 bcm, an increase of 38% vs. 2009, mainly driven by wholesale deals and international activities of EconGas.

EconGas

Even though spot prices were significantly below long-term gas prices, and therefore put pressure on margins and consequently on the EBIT, EconGas reached a sales volume of 13.2 bcm (up by 60% compared to 2009) and net sales revenues of EUR 3.3 bn in 2010. This success was owed to the growth in the company's wholesale and trading activities. In October 2010, the opening of the Arad-Szeged pipeline between Hungary and Romania, was well received by EconGas as it booked considerable capacities on the Hungarian side. It is expected that this fundamental project in the CEE infrastructure landscape will result in an increased inter-linkage between the markets and thus enhance the security of supply.

Petrom

Romania was financially heavily burdened by the foregoing economic crisis but showed a 5% increase in natural gas consumption as compared to the difficult year 2009. This increase has to be seen in context of reduced consumption in January 2009 due to the supply interruption for imported gas and an increased off-take from the fertilizer industry in 2010 due to beneficial temporary regulation for interruptible customers. At the same time, Petrom's volumes were affected by lower internal transfer volumes due to the low utilization of Doljchim and the stop-and-go mode of Arpechim. In this environment, Petrom was able to increase its sales volumes in Romania by 1%. The de facto regulated gas price for domestic producers was last published in Q4/09 and therefore remained at RON 495/1,000 cbm.

OMV's gas business in Turkey

Since May 2009, OMV is represented in the growth market Turkey through its 40% participation in

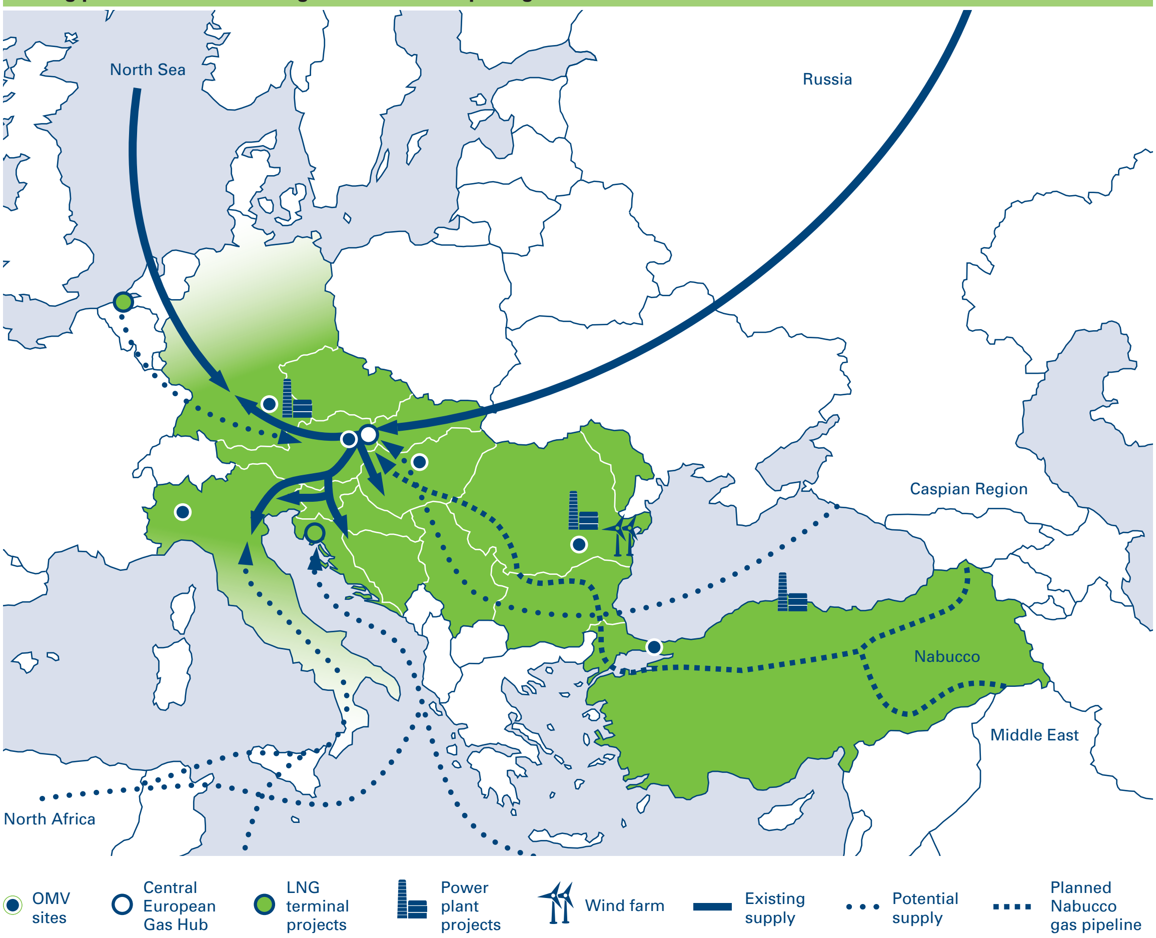
G&P presence in Turkish growth market

Enerco, a Turkish gas wholesale company, with 2.5 bcm of awarded gas, the biggest contract winner of the gas contract transfer tenders of 2005. The decrease of demand in the Turkish gas market due to economical recession has been made up for in 2010. Sales volumes have already climbed above pre-crisis levels, whereby 2.2 out of the 37 bcm total Turkish consumption was sold by Enerco in 2010. Considering the private sector share in the Turkish market (estimated 16%), a market share of 6% is a remarkable success.

Implementation of the power strategy successfully continued

OMV's power business continued on its strong growth path with further development and construction of power generation units as well as the set up of structures for plant operation and for power marketing. Together with OMV Trading (OMV's subsidiary established for the implementation of cross-commodity and cross-regional trading) the business unit Power Generation built up legal and organizational structures for its supply, marketing and trading activities related to gas and power. While the construction of OMV's first 800 MW class gas-fired power plant in Brazi (Romania) is proceeding according to schedule and budget, OMV started construction of a second large power plant in 2010: OMV Samsun Elektrik is constructing another 800 MW class gas-fired power plant in Samsun (Turkey). The total investment is estimated at EUR 600 mn and it is expected to meet around 3% of Turkey's total electricity needs. The groundbreaking ceremony of the power plant was held in October 2010

Strong position of the G&P segment in the European growth belt



with the participation of Austrian and Turkish ministers. Commissioning of the low-emission power plant is planned for 2012. Furthermore, the potential construction of a third 800 MW class gas-fired power plant in Haiming (Germany) is being evaluated.

Focus on renewable portfolio

With the start of construction of the heat recovery power plant in Weitendorf (Austria) in June 2010, OMV has commenced a unique project in the European Union that produces power simply from the waste heat of the gas compressor station on TAG gas pipeline. OMV Power International together with Petrom also started construction of its first renewable energy project in 2010. The wind farm Dorobantu (Romania) will consist of 15 wind turbines of 3 MW each and start commercial operation in 2011.

CEGH: One of the most important hubs in continental Europe

In 2010, trading volume on the CEGH increased by 48% to 34 bcm. A new all time high regarding monthly over-the-counter (OTC) trading volumes (3.3 bcm) was reached in December 2010. Following the start of the Wiener Börse's participation in the CEGH (20%) in June 2010, the exchange trading service was enlarged: The clients and international clearing banks can trade on the futures market since December 2010 – one year after the successful launch of the spot market at the CEGH Gas Exchange of Wiener Börse. Clearing services for OTC trading complete the portfolio of the CEGH – now clients can handle all their trading activities on one central platform. CEGH is the only hub in the world which offers now both: A full range of OTC and exchange products ("one stop for trade").

Outlook for 2011

In the logistics business, the implementation of the third Energy Package will be a major focus. Further expansion of the WAG aims at increasing the transport capacity, as well as the commissioning of a newly constructed compressor station in Baumgarten. Further progress will be made on the development of storage projects. The commissioning of the Bunde-Etzel-pipeline (Germany) is expected for H2/11, start-up of the storage facility in Etzel is expected to follow in 2012. Commercial operation of the Gate regasification terminal in Rotterdam (OMV's stake: 5%) is planned to start in H2/11. On the European gas sales markets, new power plant projects will lead to additional demand for natural gas being backed by increased supply diversification activities to create a stable platform for international growth. The focus is on sourcing supplies from the Caspian Region and the Middle East. The gas is expected to be transported to OMV's markets by the planned Nabucco gas pipeline. Main planned steps regarding Nabucco are the finalization of negotiations with supply countries in the Caspian Region and an open season process for marketing the transport capacity. Based on the above, the final investment decision for Nabucco will be taken. With the foundation of OMV Trading GmbH, OMV takes another step towards the development of cross-commodity and cross-regional trading activities in order to optimize its activities along the entire gas and power value chain. In terms of regional market positions, OMV considers it as a main goal to strengthen its position in the growth markets of SEE and Turkey. The start-up of the gas-fired power plant in Brazi (Romania), the implementation of the heat recovery plant Weitendorf (Austria) and the beginning of operations of OMV's wind farm in Dorobantu (Romania) mark 2011 as a milestone year for OMV's power sector and indicate its entry into power production and trading. CEGH plans to further extend its trading volumes and the number of traders as well as its gas exchange services on the CEGH Gas Exchange of Wiener Börse.

Entry into power business in 2011

"Minimizing costs is part of our daily business."

David C. Davies
Chief Financial Officer, OMV

“So is responsible risk management.“

Manfred Leitner
OMV Executive Board Member responsible for R&M
(starting April 1, 2011)

Directors' report

Group financials			EUR mn
	2010	2009	Δ
Sales revenues	23,323	17,917	30%
Earnings before interest and taxes (EBIT)	2,334	1,410	66%
Net income before minorities	1,214	717	69%
Net income after minorities	921	572	61%
Cash flow from operating activities	2,886	1,847	56%
Capital expenditure [1]	3,207	2,355	36%
Employees as of December 31	31,398	34,676	(9)%

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

EBIT increased by 66%

OMV generated a strong operating result of EUR 2,334 mn in 2010, being 66% above last year's level and driven by higher oil and gas prices, an improved margin environment, cost savings and positive FX effects. Net special charges mainly related to impairments of E&P assets in the UK, Austria and Kazakhstan and personnel restructuring costs. The net financial result at EUR (373) mn was well below last year's level of EUR (228) mn, mainly driven by charges in relation with the application of IFRS 3 "business combinations" due to the full consolidation of Petrol Ofisi as well as higher net interest charges, partly compensated by a significantly higher at-equity contribution of Borealis due to a strong margin environment. The effective tax rate was 38% (2009: 39%). This improvement was mainly attributable to a lower profit contribution of highly taxed Libyan E&P results as well as a relatively higher contribution of lower taxed Romanian results. Net income including minorities was up by 69% on the previous year to EUR 1,214 mn, and net income after minorities increased by 61% to EUR 921 mn.

Return on average capital employed (ROACE) rose from 6% to 10%, return on fixed assets (ROfA) increased from 12% to 18%, and return on equity (ROE) also increased from 7% to 11%. For definitions of these ratios readers are referred to the glossary of abbreviations and definitions on page 150 which are an integral part of the Directors' report.

In the **Exploration and Production (E&P)** segment, the exploration portfolio was strengthened by signing a sale and purchase agreement to acquire Petronas' oil and gas exploration and production interests in Pakistan (expected closing in H1/11), as well as by the acquisition of additional licenses in the UK and Norway. Production of hydrocarbons amounted to 115.9 mn boe (thereof Petrom: 67.1 mn boe) and marginally exceeded the levels of the two preceding years. This corresponds to an average daily production of 318,000 boe/d (thereof Petrom: 184,000 boe/d). In Pakistan the Latif North-1, in the UK the Bardolino field and in New Zealand, the Maari satellite field Manaia came on stream. OMV had exploration successes in Tunisia and in the Kurdistan Region of Iraq. In the Nawara production concession in southern Tunisia, OMV finished a drilling campaign in 2010, which led to the ninth successful well in a row. In West of Shetland, OMV had discoveries in the fields Rosebank, Cambo and Tornado and focuses its efforts on maturing these discoveries into solid growth developments.

In the **Refining and Marketing including petrochemicals (R&M)** segment, OMV increased its stake in Petrol Ofisi from 41.58% to 95.72% in 2010, thus acquiring sole control of the Turkish oil marketing company. Petrol Ofisi is market leader in Turkey with around 27% market share and a filling station network of around 2,500 stations. The modernization program of the western refineries that was completed in 2009 continues to have a positive effect on profitability – and together with positive effects from higher middle distillate and naphtha spreads as well as a number of efficiency enhancement programs the position of OMV's western refineries was strengthened. Consolidation and cost saving initiatives helped to increase efficiency in marketing and thus supported to counterbalance the effects of a generally unfavorable economic environment. The existing network was optimized by the exit of the retail business in Italy and the sale of filling stations in Germany. In Petrom, the main focus of activities in 2010 continued to be the integration and restructuring. The comprehensive modernization program for Petrobrazi refinery is progressing as planned. The capacity of the refinery will be adjusted to 4.2 mn t, a suitable size for processing the domestic crude production of Petrom. Petrom will invest EUR 750 mn between 2010 and 2014 in further modernization and in ensuring the maintenance of the Petrobrazi facility. The Arpechim refinery was in economic shut-down for almost nine months in 2010, which led to an increased utilization rate of the refinery at Petrobrazi. The Arpechim refinery is expected to stay offline throughout 2011, with the target to exit the refinery by 2012 at the latest. The Petrom Marketing business concentrated on maintaining the market share in a still unfavorable environment, along with the integration and consolidation of OMV and Petrom marketing activities under one umbrella: OMV Petrom Marketing.

In the **Gas & Power (G&P)** segment, additional transportation capacity came on stream with the commissioning of a new pipeline in the domestic transportation system – the Baumgarten/Auersthal pipeline. With the ratification of the Intergovernmental Agreement by all Nabucco countries and the signing of the mandate letter, the Nabucco project made further progress in 2010. Capacities offered in an open season process for the planned storage project Schönkirchen Tief were not sufficiently booked due to the current oversupply at all international trading hubs, leading to a postponement of the project. A year after the successful launch of the spot market with the CEGH Gas Exchange of Wiener Börse a futures trading market was implemented in December 2010. With the foundation of OMV Trading GmbH, OMV took a further step to develop its cross-commodity and cross-regional trading activities to expand its international activities all along the entire gas and power value chain. In Romania, the progress of the first OMV gas-fired power plant at the site of the Petrobrazi refinery proceeded according to plan. In Samsun, Turkey, OMV started the construction of another 800 MW class gas fired power plant in 2010. In April 2010, OMV Petrom acquired 100% of a project company developing a wind power generation project in the region of Dobrogea, South East of Romania, with a designed capacity of 45 MW.

Construction progress of power plant projects on track

Earnings before interest and taxes (EBIT)

E&P EBIT increased by 25% to EUR 1,816 mn, mainly due to the increase of the crude prices. Total production of oil, NGL and gas of 318,000 boe/d was slightly above the level of 2009, as higher volumes from Kazakhstan, Libya and Austria compensated for lower volumes from Romania and Tunisia. Oil and NGL production was up by 1%, mainly due to increased production in Kazakhstan as well as in Libya. Gas production fell by 1% mainly as Romania's gas production was negatively impacted by the delay in completion of key gas fields and the harsh weather conditions in Q1/10. In 2010, non-recurring net expenses of EUR 283 mn were reported, mainly related to impairments in the UK, Austria and Petrom's Kazakh activities as a result of executed technical assessments and the reintroduction of an export customs duty in Kazakhstan.

Cost savings and higher margins lead to significantly improved results

The reported **R&M** EBIT came in substantially above last year's level, mainly reflecting an improved margin environment, cost savings and the ongoing restructuring at Petrom. The refining result improved considerably compared to 2009, mainly due to the increase in the OMV indicator refining margin, a favorable petrochemical margin development (especially for propylene), cost savings as well as a positive effect from the ongoing restructuring of Arpechim (sale of the petrochemicals unit, stop-and-go mode of the refinery). Overall capacity utilization decreased to 76% due to the impact of the maintenance shutdowns in Schwechat and Petrobrazi in Q2/10 and Arpechim being shut down for nearly nine months throughout the year. Total refining output was down by 6%. The petrochemicals result improved notably compared to 2009, mainly reflecting higher olefin margins. Petrochemical sales volumes were 3% above the level of 2009.

Earnings before interest and taxes (EBIT)			EUR mn
	2010	2009	Δ
Exploration and Production (E&P) [1]	1,816	1,450	25%
Refining and Marketing incl. petrochemicals (R&M)	397	(143)	n.m.
Gas and Power (G&P)	277	235	18%
Corporate and Other (Co&O)	(128)	(91)	41%
Consolidation: Elimination of intersegmental profits	(28)	(41)	(32)%
OMV Group	**2,334**	**1,410**	**66%**

[1] Excluding intersegmental profit elimination.

The marketing result came in significantly below the level of 2009 since both volumes and margins were suffering from the still weak economic environment. The reported EBIT also included non-recurring net expenses of EUR 14 mn, mainly related to restructuring and the sale of filling stations in Germany.

Strong logistics business drives G&P result

The reported **G&P** EBIT increased from EUR 235 mn in 2009 to EUR 277 mn, mainly driven by a strong contribution of the logistics business that benefited from higher transport volumes sold, primarily due to the start-up of a new compressor station on the TAG pipeline in Q4/2009 and a new pipeline in the domestic transportation system in Q4/2010. The supply, marketing and trading business saw a strong pressure on margins that was mitigated by re-negotiated supply contracts in H2/10 and significantly higher sales volumes. Volumes secured for the power plant Samsun, Turkey, were sold under difficult market conditions and therefore negatively impacted the result. Clean EBIT showed a lower rise than reported EBIT, as special charges for the planned closure of Doljchim were booked in 2009.

EBIT in the **Corporate and Other (Co&O)** segment decreased by 41% to EUR (128) mn in 2010, burdened by provisions for the Long Term Incentive plan and higher consulting costs.

Notes to the income statement

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

Compared to 2009, **consolidated sales revenues** increased by 30% to EUR 23,323 mn, mainly driven by the improved market environment in 2010.

As a result of significantly higher oil and gas prices, sales of the **E&P** segment increased by 23% to EUR 4,666 mn. After the elimination of intra-group transactions of EUR 3,620 mn, the contribution of the E&P segment to consolidated sales revenues was EUR 1,046 mn or about 4% of the Group's total sales revenues (2009: EUR 832 mn or 5%). Consolidated sales in the **R&M** segment amounted to EUR 18,012 mn or 77% of total sales (2009: EUR 13,875 mn or 77%). **G&P** sales increased to EUR 4,365 mn (2009: EUR 3,273 mn). After elimination of intra-group sales to refineries, the G&P segment's contribution was as in 2009 18% of total sales or EUR 4,262 mn (2009: EUR 3,205 mn or 18%).

Sales to external customers are split up by geographical areas on the basis of where the delivery of goods or services is effective. Austria retained its position as the Group's most important **geographical market** with sales of EUR 7,518 mn or 32% of the Group's total (2009: EUR 6,101 mn or 34%). Sales revenues in Germany increased from EUR 3,622 mn in 2009 to EUR 5,319 mn in 2010, representing a revenue contribution of 23% in 2010 (2009: 20%). In Romania, sales revenues also advanced, amounting to EUR 3,336 mn or 14% of total sales revenues (2009: EUR 3,088 mn or 17%). Sales in the rest of CEE were

Summarized income statement			EUR mn
	2010	2009	Δ
Sales revenues	23,323	17,917	30%
Direct selling expenses	(245)	(213)	15%
Cost of sales	(19,188)	(14,704)	30%
Other operating income	251	224	12%
Selling and administrative expenses	(1,083)	(1,100)	(2)%
Exploration, research and development expenses	(254)	(253)	0%
Other operating expenses	(470)	(461)	2%
Earnings before interest and taxes (EBIT)	**2,334**	**1,410**	**66%**
Net financial result	(373)	(228)	64%
Taxes on income	(747)	(465)	61%
Net income	**1,214**	**717**	**69%**
Thereof attributable to non-controlling interests	294	145	102%
Net income attributable to owners of the parent	**921**	**572**	**61%**

EUR 3,342 mn or 14% of Group sales revenues (2009: EUR 2,753 mn or 15%), Rest of Europe accounted for EUR 1,509 mn or 6% (2009: EUR 975 mn or 5%). Sales revenues in the Rest of the World increased to EUR 2,299 mn, representing 10% of total sales revenues (2009: EUR 1,379 mn or 8%).

Direct selling expenses, mainly consisting of third-party freight-out expenses, increased by 15% to EUR 245 mn.

Cost of sales, which include variable and fixed production costs as well as costs of goods and materials employed, increased by 30% to EUR 19,188 mn, in line with the increase in sales.

Other operating income went up by 12% to EUR 251 mn, largely because of higher sales of CO_2 emission certificates and insurance indemnifications received in 2010. Apart from these, the major components of this position are exchange gains, gains on the disposal of assets, and other compensations, subsidies and licenses.

Selling expenses of EUR 756 mn were reduced by 6% compared to last year, while **administrative expenses** increased by 9% to EUR 327 mn.

Exploration costs remained at EUR 239 mn, as the level of impaired exploration activities was broadly in line with last year throughout the Group.

Research and development (R&D) expenses of EUR 16 mn were slightly above last year's level and predominantly related to the R&M segment.

Other operating expenses increased by 2% compared to 2009, amounting to EUR 470 mn. While this year's personnel reduction costs were lower in Petrom, they have increased in Austria and Germany.

Strong increase in contribution from Borealis

Net financial result showed an expense of EUR 373 mn (2009: EUR 228 mn), because of lower net interest result (down by EUR 38 mn) and a one time effect due to remeasurement loss in the course of Petrol Ofisi acquisition (amounting to EUR 172 mn). **Income from associated companies** amounted to EUR 92 mn (2009: EUR 66 mn). This included the recognized share of the pro-rata result of Petrol Ofisi in the amount of EUR (16) mn (2009: EUR 40 mn) and the pro-rata result of Borealis group of EUR 109 mn, which increased compared to 2009 (EUR 12 mn) due to the general economic upturn. **Dividend income** amounted to EUR 10 mn (2009: EUR 12 mn). **Net interest result** showed an expense balance of EUR 336 mn (2009: EUR 298 mn), reflecting higher financing costs for issued bonds and greater interest expenses for provisions.

Taxes on income increased by EUR 282 mn to EUR 747 mn compared to 2009. Current taxes on income went up by EUR 170 mn to EUR 717 mn, which is mainly a result of the significant increase

Capital expenditure [1]			EUR mn
	2010	2009	Δ
Exploration and Production	1,252	1,500	(17)%
Refining and Marketing incl. petrochemicals	1,194	347	n.m.
Gas and Power	712	381	87%
Corporate and Other	49	127	(61)%
Total capital expenditure	**3,207**	**2,355**	**36%**
+/– Changes in the consolidated Group and other adjustments	176	209	(16)%
– Investments in financial assets	(1,032)	(361)	n.m.
Additions according to statement of non-current assets (intangible and tangible assets)	**2,352**	**2,203**	**7%**
+/– Non-cash changes	(264)	4	n.m.
Cash outflow due to investments in intangible and tangible assets	**2,088**	**2,206**	**(5)%**
+ Cash outflow due to investments in securities, loans and other financial assets	40	523	(92)%
Investments as shown in the cash flow statement	**2,128**	**2,729**	**(22)%**

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

of EBT compared to 2009. In 2010 **deferred tax expense** of EUR 29 mn (in 2009 deferred tax income of EUR 82 mn) was recognized. The Group's **effective tax rate** decreased to 38.1%. This decrease was mainly attributable to a relatively lower profit contribution of high-taxed Libyan E&P results as well as the relatively higher contribution of the relatively lower taxed Romanian companies.

High investments in R&M due to increase in stake in Petrol Ofisi

Capital expenditure

Capital expenditure (CAPEX) increased to EUR 3,207 mn (2009: EUR 2,355 mn). Substantially higher CAPEX in the R&M as well as G&P segments was partly offset by lower CAPEX in the E&P and Corporate and Other (Co&O) segments. Based on the calculation of expected synergies, goodwill from the Petrol Ofisi acquisition amounting to EUR 100 mn was allocated to CAPEX of E&P segment and goodwill amounting to EUR 100 mn was allocated to CAPEX of G&P segment. The remaining CAPEX of the Petrol Ofisi acquisition was allocated to the R&M segment.

E&P invested EUR 1,252 mn (2009: EUR 1,500 mn) mainly in field developments in Romania, Austria, Yemen, the UK and Tunisia. Capital expenditure in the **R&M** segment amounted to EUR 1,194 mn (2009: EUR 347 mn), mainly related to the acquisition of Petrol Ofisi and investments in quality enhancement projects in Austria and Romania as well as the construction and redesign of filling stations. The focus of investment in the **G&P** segment (2010: EUR 712 mn; 2009: EUR 381 mn) related mainly to investments in the construction of power plants in Brazi, Romania, and Samsun, Turkey, as well as the WAG pipeline expansion project. Capital expenditure in the **Co&O** segment amounted to EUR 49 mn (2009: EUR 127 mn). The reconciliation of total capital expenditure to additions according to the statement of non-current assets (intangible and tangible) mainly relates to investments in financial assets, changes in the group of consolidated companies and additions which by definition are not considered as capital expenditure. The difference between the additions shown in the statement of non-current assets and the investments reported in the cash flow statement partly arise from investments in intangible and tangible assets that did not affect cash flows during the period (including liabilities arising from investments and capitalized borrowing costs). In addition, cash outflows due to investments in financial assets are included in the overall investments shown in the cash flow statement.

Balance sheet

Total assets increased strongly by EUR 4,989 mn to EUR 26,404 mn. The increase in **non-current**

Summarized balance sheet				EUR mn
	2010	%	2009	%
Assets				
Non-current assets	18,670	71	15,616	73
Intangible assets and property, plant and equipment	15,921	61	12,183	57
Investments in associated companies	1,488	6	2,215	10
Other non-current assets	1,261	4	1,218	6
Deferred tax assets	190	1	178	1
Current assets	7,544	29	5,622	26
Inventories	2,818	11	2,325	11
Trade receivables	2,931	11	1,935	9
Other current assets	1,795	6	1,362	6
Equity and liabilities				
Equity	11,312	43	10,035	47
Non-current liabilities	8,335	32	6,354	30
Pensions and similar obligations	899	3	884	4
Bonds and interest-bearing debts	5,005	19	3,197	15
Decommissioning and restoration obligations	1,933	7	1,802	8
Other provisions and liabilities	498	2	472	2
Deferred tax liabilities	536	2	295	1
Current liabilities	6,220	24	4,732	22
Trade payables	3,362	13	2,142	10
Interest-bearing debts	968	3	674	3
Provisions and other liabilities	1,891	7	1,916	9
Total assets/equity and liabilities	**26,404**	**100**	**21,415**	**100**

assets amounting to EUR 3,054 mn was caused by investment activities in intangible assets and property, plant and equipment as well as first consolidation effects of the Petrol Ofisi acquisition. Additions to intangible assets and property, plant and equipment (EUR 2,352 mn) exceeded the total of depreciation and amortization as well as disposals by EUR 1,089 mn. The ratio of intangible assets and property, plant and equipment to total assets amounted to 60% (2009: 57%).

Investments in associated companies decreased by a total of EUR 727 mn, with effects mainly coming from the reclassification of Petrol Ofisi, which was fully consolidated starting with the end of December, as well as proportional results from associated companies, translation of foreign operations and other changes. **Other non-current assets,** which primarily comprise non-current receivables, loans and securities slightly increased up to EUR 1,261 mn.

The rise in **current assets** by EUR 1,922 mn mainly related to the first full consolidation of Petrol Ofisi. **Current trade receivables** increased by EUR 996 mn, **inventories** grew by EUR 493 mn.

Equity increased significantly

Equity (including minorities) improved by EUR 1,278 mn, while the equity ratio decreased to 43% (2009: 47%). Positive effects from net income, translation of foreign operations (including amounts reclassified to net income) and hedges were partly offset by dividends distributed.

While **pensions and similar obligations** enhanced slightly by EUR 15 mn, the non-current **decommissioning and restoration obligations** rose by EUR 131 mn, because of parameter changes and discount unwinding effects, which were partly offset by effects resulting from usage of provisions.

The first time recognition of Petrol Ofisi loans, the net issuance of bonds and the raising of long-term investment loans in Petrom led to an increase in non-current bonds and interest-bearing debts by EUR 1,809 mn. Also in current interest-bearing debts first time consolidation of Petrol Ofisi mainly caused an increase by EUR 294 mn. In total short- and long-term loans, bonds and liabilities finance lease rose by EUR 2,124 mn.

Petrol Ofisi investment lifts gearing to 46%

Gearing ratio

Despite a solid operating cash flow, which slightly exceeded cash outflows from investing activities, OMV has considerably increased its debt due to the integration of Petrol Ofisi in the Group.

As of December 31, 2010, short- and long-term borrowings, bonds and financial leases amounted to EUR 6,113 mn (2009: EUR 3,989 mn) while cash and cash equivalents accounted for EUR 946 mn (2009: EUR 675 mn) in total. **Net debt** thus increased by EUR 1,853 mn to EUR 5,167 mn (2009: EUR 3,314 mn). At December 31, 2010, the **gearing ratio**, defined as net debt divided byequity, was 46% (2009: 33%). This strong increase is mainly due to the acquisition of the Doğan Group's stake in Petrol Ofisi, as well as the existing net debt within Petrol Ofisi which was fully consolidated as from the end of December 2010.

Cash flow

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

Cash flow from operating activities increased by EUR 1,040 mn or 56% from EUR 1,847 mn to EUR 2,886 mn. The reconciliation of net income for the year to the cash flow from operating activities (before changes in working capital) resulted in a net upward adjustment of EUR 1,760 mn for 2010 (2009: EUR 1,287 mn). Depreciation and amortization added EUR 1,578 mn (2009: EUR 1,325 mn) and deferred taxes contributed an increase of EUR 29 mn (2009: decrease of EUR 86 mn) to the cash flow. Movements in long-term provisions (including employee benefits and decommissioning and restoration obligations) resulted in an increase of EUR 72 mn (2009: EUR 42 mn). The total of write-ups of fixed assets and other non-cash items resulted in an increase of EUR 83 mn (2009: EUR 91 mn). Other adjustments and non-cash items also include the shares of associates' results (less dividend payments), which amounted to EUR 89 mn (2009: EUR 96 mn).

In 2010, net working capital increased by EUR 87 mn (2009: EUR 157 mn). Receivables and inventories increased by EUR 750 mn (2009: EUR 317 mn), whereas liabilities increased by EUR 671 mn (2009: EUR 281 mn). Short-term provisions decreased by EUR 8 mn (2009: EUR 121 mn).

Cash outflows for investments in non-current assets of EUR 2,128 mn (2009: EUR 2,729 mn) were partly offset by proceeds from the sale of non-current assets amounting to EUR 66 mn (2009: EUR 1,533 mn, EUR 1,400 mn of which related to the sale of MOL shares in 2009). Acquisitions and increases in interests in consolidated subsidiaries less cash acquired caused cash outflows of EUR 814 mn (2009: EUR 13 mn), whereof EUR 797 mn relate to the acquisition of additional 54.14% interest in Petrol Ofisi A.Ş. **Net cash outflow from investment activities** totaled EUR 2,875 mn (2009: EUR 1,210 mn).

In 2010, the sale of treasury shares led to a cash inflow of EUR 0.4 mn (2009: EUR 0.9 mn). Cash inflows from the net increase of short-term and long-term borrowings amounted to EUR 589 mn (2009: cash outflow from net decrease EUR 322 mn). Cash outflows for dividend payments amounted to EUR 334 mn (2009: EUR 336 mn), of which EUR 299 mn (2009: EUR 299 mn) were paid to OMV shareholders and EUR 35 mn (2009: EUR 37 mn) to shareholders of non-controlling interests. **Net cash inflow from financing activities** amounted to EUR 256 mn (2009: net cash outflow of EUR 657 mn).

Risk management

OMV is an integrated multinational energy Group. Its operations extend from hydrocarbon exploration and production and processing through to trading and marketing of mineral products and gas. Furthermore, OMV is currently constructing two gas-fired power plants. In common with the entire oil and gas industry, OMV is exposed to a variety of risks – mainly market risks, but also operational, strategic, regulatory, political as well as hazard risks. OMV's overall risk is significantly reduced due to its substantial diversification and the embedded, although unpredictable internal hedge quality. However, the balancing effects of offsetting industry risks 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.

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 as defined in the Group's risk appetite statement. New business strategies and the associated risks are also monitored with respect to rating implications. Financial risk policies (e.g. market prices, currencies) are reviewed quarterly by the Financial Risk Committee. Risk policies regarding operational risks are reviewed at least semi-annually by the Enterprise Operations Risk Committee.

The Group has implemented Enterprise Wide Risk Management (EWRM), the main purpose of which is to enhance risk awareness and risk governance. Thorough assessment of financial and operational 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.

An electronic risk monitoring system is used to assess, prioritize and monitor all significant risks and the potential impact of key risks. Additionally, the system is used to record recent developments and actions taken. Overall risk is computed with the aid of Monte Carlo simulations and compared with planning data. 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, country risks, legal risks, business process risks, foreign exchange risks (particularly relating to the USD, RON and TRY), personnel risks as well as hazard risks. Special focus for 2011 will also be put on the integration of Petrol Ofisi.

Group-wide risk diversification

Although OMV has extensive experience in the political environment in CEE and SEE and in its core oil and gas production areas, political developments in all markets where OMV operates are kept under constant observation. Furthermore, country-specific risks are assessed before entering new countries. Risks related to the EU Emission Trading Scheme (EU ETS) are separately recorded, aggregated for the Group as a whole, and monitored by a group-wide committee (Carbon Steering Committee) on an ongoing basis. In particular the impact of the revised allocation rules in the EU ETS from 2013 onwards is being analyzed in detail. Furthermore, OMV is monitoring emerging regulations related to climate change in all operating countries, for instance the establishment of the New Zealand Emissions Trading Scheme or ongoing discussions about carbon tax in several 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. Most risks are managed locally in the business units. However, the management of some key risks is governed centrally 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, pensions, CO_2 emissions, liquidity as well as insurable risks are undertaken in a consolidated way within Corporate Finance.

Use of hedging instruments

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 divisions and corporate functions. Proposals for hedging strategies are submitted to the Executive Board for approval.

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

For 2010, OMV entered into crude oil hedges (puts) for a volume of 63,000 bbl/d securing an average price floor of USD 54.20/bbl. The puts were financed via call options in order to avoid initial investment (zero cost collar), whereby the Group was not able to profit from oil prices above USD 75/bbl in 2010 for the above stated volume. These hedges led to a negative cash flow of USD 103 mn (thereof USD 66 mn in 2011).

To balance the Group's interest rate portfolio, some USD and EUR denominated loans were converted from fixed to floating rates, according to predefined rules. The credit risk associated with the Group's principal counterparties continues to be managed on the basis of group-wide counterparty limits as well as bank limits: Risks related to banks and financial institutions are managed within Corporate Finance while all other counterparty risks are managed within the business segments based on limits established by the means of a corporate directive.

Sustainability:HSSE (health, safety, security, environment, community relations and social affairs)

Sustainable development means meeting the needs of the present without compromising the ability of future generations to meet their own needs. As an energy group OMV must find a way to produce and secure energy in the long term while balancing environmental, social, and economic considerations in its business approach. The management of Sustainability:HSSE underpins not only the Group's license to operate but also our license to grow.

From 2010 on, a percentage of the non-result related variable compensation (bonuses) will be awarded for achieving sustainability targets. Thus, the two pillars People and Planet have now been added at the individual management level to the economic dimension of sustainability (Profit). In the first year of implementation, over 3,600 sustainability goals were defined by managers, with 53% thereof related to health and safety, 30% in the area of CO_2 emissions reduction, and 17% targeting diversity issues.

Enhancing HSSE awareness, especially at Petrom, continued to be a top priority in 2010. Over 228,000 hours of HSSE training were held (2009: 188,000), more than two-thirds of them in Romania. Furthermore, transparent reporting is a key to improving HSSE culture. Over 147,000 (2009: 125,000) records (incidents, near misses, findings, hazards, assessments and action items) reported in CARE, a group-wide software tool, were the basis for defining over 50,000 (2009: 35,000) measures in 2010. 88% (2009: 86%) of these measures were completed within the scheduled timeframe.

Despite efforts to strengthen HSSE culture and especially safety awareness, the occupational safety performance of OMV Group could not be further improved in 2010, compared to the year 2009. The lost time injury rate (LTIR) for own employees was 0.74 (2009: 0.71) per million hours worked. LTIR for contractors could be reduced to 0.56 (2009: 0.68). The total recordable injury rate (TRIR) was 1.29 (2009: 1.53) per million hours worked for own employees and 1.23 (2009: 1.58) for contractors in 2010. Three (2009: one) Petrom employees and one (2009: three) OMV contractor died as a result of work-related accidents, one of them in a road accident.

The Group fatal accident rate was 5.08 (2009: 1.50) per 100 million hours worked for own employees and 1.05 (2009: 3.54) for contractors. Specific road safety programs, started in 2009, have shown first positive results: The number of commuting accidents decreased to 16 (2009: 28). In 2010, OMV signed the European Road Safety Charter and thereby commits to contribute to road safety in Europe, e.g. through using in-vehicle monitoring technology and by drivers training in the prevention of car crashes. A study of the potential for major accidental events throughout our operations was initiated and will set the basis for the review of risk reduction measures.

In 2010, OMV faced one blowout of a well in Romania. There were no injuries and no risk to neighbors by this incident. Due to the difficult economic environment, the production in several plants was reduced during 2010 and safety issues were high on the agenda when shutting down certain facilities.

The Group recorded a total of eight significant hydrocarbon spills (>1,000 liters) and 2,239 minor releases during the year (2009: 21 and 2,650 respectively).

The Group's carbon strategy, launched in 2008, aims at reducing greenhouse gas emissions and de-carbonizing of the product portfolio. According to the annual progress evaluation, OMV is well on track. Petrom continued to focus on compliance with national and EU regulations in the area of HSSE.

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 300,000,000 and is divided into 300,000,000 bearer shares of no par value. There is only one class of shares.

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

3. ÖIAG holds 31.5% and IPIC holds 20.0% 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).

   b) The capital stock has been conditionally increased by EUR 77.9 mn under section 159 (2) (1) Austrian Stock Corporation Act by issuance of up to 77,900,000 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.

   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 77,900,000 (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 13, 2009, the Annual General Meeting authorized the Executive Board to repurchase treasury shares up to the maximum legally permitted (currently 10% of capital stock), during a period of 30 months from the day of the resolution in question. Treasury shares can be used to satisfy stock option and Long Term Incentive plans or can be sold at any time via the stock exchange or by way of public offering. The Executive Board is further authorized to cancel treasury shares; use treasury shares for convertible bonds, if issued; use treasury shares in exchange for shares in other companies; use treasury shares to any legally permitted purpose, whatsoever.

8. At December 31, 2010 no material agreements to which OMV is a party are in place which in case of change of control due to a take over offer would come into effect, be amended or terminated.

9. 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.

10. 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 of individual group companies and informs the Supervisory Board about the results of the audits performed. 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. The effectiveness of these processes is evaluated based on a rolling time schedule and benchmarked against best practice (e.g. derivatives, debtors' management, accounting for fixed assets). 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.

Significant events after the balance sheet date

On January 6, 2011, OMV signed an agreement to purchase 100% of the issued share capital of Pioneer Natural Resources Tunisia Ltd. and Pioneer Natural Resources Anaguid Ltd. from Pioneer Natural Resources, an independent US oil and gas company. Closing of the transaction took place on February 18, 2011. The purchase price paid was USD 800 mn plus USD 39.3 mn working capital.

At the end of January 2011 OMV has entered into oil price swaps, locking in a Brent price of approx. USD 97/bbl for a production volume of 50,000 bbl/d, and into EUR-USD average rate forwards (at USD 1.37) covering those volumes until the end of 2011.

On February 4, 2011, OMV has sold its heating oil subsidiary OMV Wärme VertriebsgmbH, a 100%-owned subsidiary of OMV Refining & Marketing GmbH. The deal is expected to be closed in H1/11 following the completion of the antitrust inquiry.

In January and February 2011, political unrest broke out in several countries in North Africa and the Middle East, especially in Tunisia, Egypt and Libya. The production in Libya is significantly affected since the outbreak of political turmoil. In 2010, Libya contributed approx. 33,000 boe/d, that is about 10%, to OMV's total production. In Libya OMV is operator in only one block (field Shatirah), in which the production was suspended due to security reasons. At the time of authorization of these financial statements it cannot be said when production will be restarted. This development may lead to reduced operating earnings in the E&P segment. A local management team was established in Tripoli. All OMV Expatriates and their families were withdrawn from Libya. The last OMV expatriate left the country on February 28.

The current situation in Libya does not have any impact on the crude oil supply of the OMV refineries in the short or medium term. In case the supply with crude oil from Libya would decrease or be suspended for a longer period, the supply could be compensated with crude oil from other regions.

Outlook for 2011

Main market drivers expected to remain highly volatile

For 2011 we expect the main market drivers to remain highly volatile. We expect the Brent oil price to be within a range of USD/bbl 80-100. The Brent-Urals spread is expected to remain tight. Our expectation for the relevant FX rates is also for continuing volatility. Refining margins are expected to recover somewhat due to improved demand for middle distillates.

Petrochemical margins are anticipated to decrease compared to 2010, impacted by additional global petrochemical capacity. Marketing volumes as well as margins are expected to remain under pressure as western markets, despite economic recovery, are not expected to show any growth due to saturation while southeastern Europe is still feeling the impact of the economic downturn. To partly secure the Group's cash flow in 2011, OMV entered into oil price swaps in January 2011 for a volume of 50,000 bbl/d of 2011 production securing a price of USD 97/bbl and into EUR-USD average rate forwards at USD 1.37, covering those volumes until the end of 2011. OMV targets an investment level broadly in line with our guidance of average annual CAPEX of EUR 2.7 bn (without major acquisitions) until 2015, while maintaining the Group's strong investment grade credit rating and a stable financial profile remains a key focus. It is one of OMV's main priorities to strive for world class HSEQ standards including the reduction of the LTI-rate (lost-time injury).

E&P's production target for 2011 is to achieve production (excluding recent acquisitions and the negative impact of the political situation in North Africa and the Middle East) at a similar level to that of 2010. Increased production levels are expected in Yemen due to additional early production facilities coming on stream and in Kazakhstan following solution of the start-up difficulties. The increased volumes are expected to compensate for the natural decline in Romania and Austria. E&P will continue to focus on reducing the natural production decline and on enhancing the recovery rates from mature fields in its two core countries Romania and Austria. OMV signed a sale and purchase agreement to acquire Petronas' E&P assets in Pakistan in Q3/10. The transaction is expected to be closed in H1/11.

Petrol Ofisi will add to OMV's marketing performance

The overall challenging margin environment will continue to pressure the **R&M** segment. In the Schwechat refinery, a six weeks' routine turnaround of the petrochemical plants is scheduled for Q2/11. Bayernoil will have a four weeks' routine turnaround of the Neustadt site in Q1/11. At Petrom, no major shutdown is scheduled for Petrobrazi. The Arpechim refinery is expected to stay offline throughout the year while the target to exit the refinery by 2012 at the latest remains in place. The construction of the "Ethylen Pipeline Süd", which will strengthen the petrochemical industry in Bavaria, will continue, with completion expected in H2/11. In the marketing business, continuous network optimization of the retail business should lead to improved profitability. In 2011, Petrol Ofisi will be fully consolidated and will thus add to OMV's marketing performance. At Petrom, the revised Petrobrazi refining investment will continue. Stringent cost management together with further streamlining of the business will support profitability in R&M.

Within the **G&P**, segment the implementation of the 3rd Energy Package will be a major focus for the logistics business in 2011. Further expansions of the WAG pipeline, as well as the commissioning of a newly constructed compressor station in Baumgarten (Austria), aim at increasing the transport capacity in 2011. Commercial operations of the Gate regasification terminal in Rotterdam (OMV stake: 5%) are planned to start in H2/11. On the gas sales markets the commissioning of new power plant projects will lead to additional demand for natural gas. Main planned steps regarding Nabucco are the finalization of negotiations with supply countries in the Caspian region and an open season process for marketing the transport capacity. Based on a successful conclusion of the above, the final investment decision will be taken. The foundation of OMV Trading GmbH is another step towards the development of cross-commodity and cross-regional trading activities in order to expand OMV's international activities along the entire gas and power value chain with the main focus on SEE and Turkey. The start-up of the gas-fired power plant in Brazi (Romania) and the wind park in Dorobantu (Romania) in H2/11 mark the operational entry of OMV into the power business. In Romania, starting February 1, the Romanian regulatory authorities issued an order applying the gas basket consumption to internal non-technological usage. This will also include our power project in Brazi.

Vienna, March 22, 2011

The Executive Board

Wolfgang Ruttenstorfer
Chairman

Gerhard Roiss
Deputy Chairman

Werner Auli

David C. Davies

Jacobus Gerardus Huijskes

“What is the secret of a successful, trustworthy company?“

Fatima Penalver Conesa
Facility Manager

"The fact that it has nothing to hide."

Natalie Dubsky
Legal, OMV

Consolidated financial statements

Auditors’ report
(report on the consolidated financial statements)

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of OMV Aktiengesellschaft, Vienna, for the fiscal year from January 1, 2010 to December 31, 2010. These consolidated financial statements comprise the consolidated balance sheet as of December 31, 2010, the consolidated income statement and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the fiscal year ended December 31, 2010, and a summary of significant accounting policies and other explanatory notes except for Note 36 “Oil and Gas Reserve Estimation and Disclosures (unaudited)”.

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

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

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

Auditors’ responsibility and description of type and scope of the audit

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2010 and of its financial performance and its cash flows for the fiscal year from January 1, 2010 to December 31, 2010 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the management report for the Group

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

Vienna, March 22, 2011

Deloitte Audit Wirtschaftsprüfungs GmbH

Manfred Geritzer (Certified Public Accountant)

Michael Schober (Certified Public Accountant)

This English translation of the audit report was prepared for the client’s convenience only. It is no legally relevant translation of the German audit report.

Consolidated income statement for 2010

Consolidated income statement			EUR 1,000
	Note	2010	2009
Sales revenues		**23,323,439**	**17,917,267**
Direct selling expenses		(244,752)	(212,665)
Cost of sales		(19,187,963)	(14,703,603)
Gross profit		**3,890,723**	**3,000,998**
Other operating income	7	250,519	223,643
Selling expenses		(755,513)	(800,116)
Administrative expenses		(327,316)	(299,878)
Exploration expenses		(238,700)	(239,052)
Research and development expenses		(15,799)	(14,437)
Other operating expenses	8	(470,113)	(461,273)
Earnings before interest and taxes (EBIT)		**2,333,801**	**1,409,885**
Income from associated companies	9	91,714	65,529
Dividend income		9,974	11,637
Net interest result	9	(335,855)	(297,756)
Other financial income and expenses	9	(139,006)	(7,461)
Net financial result		**(373,173)**	**(228,050)**
Profit from ordinary activities		**1,960,629**	**1,181,834**
Taxes on income	10	(746,510)	(464,903)
Net income for the year		**1,214,119**	**716,931**
thereof attributable to owners of the parent		**920,587**	**571,714**
thereof attributable to non-controlling interests		293,531	145,217
Basic earnings per share in EUR	11	**3.08**	**1.91**
Diluted earnings per share in EUR	11	3.07	1.91
Weighted average number of shares		298,781,978	298,763,196
Diluted weighted average number of shares		299,730,216	299,022,062
Proposed dividend	20	300,000	300,000
Proposed dividend per share in EUR	20	**1.00**	**1.00**

Consolidated statement of comprehensive income for 2010

Consolidated statement of comprehensive income			EUR 1,000
	Note	2010	2009
Net income for the year		**1,214,119**	**716,931**
Exchange differences from translation of foreign operations		**202,884**	**(175,609)**
Gains/(losses) arising during the year		97,443	(175,609)
Reclassification of (gains)/losses to net income		105,441	—
Gains/(losses) on available-for-sale financial assets		**(61)**	**622,922**
Gains/(losses) arising during the year, before income taxes		(61)	585,881
Reclassification of (gains)/losses to net income		—	37,041
Gains/(losses) on hedges		**101,529**	**(190,770)**
Gains/(losses) arising during the year, before income taxes		9,856	(67,063)
Reclassification of (gains)/losses to net income		91,673	(125,457)
Reclassification of (gains)/losses to acquisition cost		—	1,750
Share of other comprehensive income of associated companies		**74,667**	**11,242**
Gains/(losses) arising during the year		71,216	11,242
Reclassification of (gains)/losses to net income		3,452	—
Income tax relating to components of other comprehensive income	20	**(21,467)**	**30,382**
Other comprehensive income for the year, net of tax	20	**357,553**	**298,167**
Total comprehensive income for the year		**1,571,671**	**1,015,098**
thereof attributable to owners of the parent		1,277,478	1,006,396
thereof attributable to non-controlling interests		294,193	8,702

Consolidated balance sheet as of December 31, 2010

Assets			EUR 1,000
	Note	2010	2009
Non-current assets			
Intangible assets	12	3,092,698	812,391
Property, plant and equipment	13	12,828,796	11,370,404
Investments in associated companies	14	1,487,632	2,214,967
Other financial assets	17	1,152,675	1,173,033
Other assets	18	108,454	45,053
		18,670,255	**15,615,849**
Deferred taxes	23	**189,595**	**177,597**
Current assets			
Inventories	15	2,818,134	2,324,757
Trade receivables	16	2,930,543	1,934,639
Other financial assets	17	352,615	402,382
Income tax receivables		103,074	70,794
Other assets	18	299,942	159,143
Cash and cash equivalents		946,132	674,540
Non-current assets held for sale	19	93,539	55,513
		7,543,979	**5,621,767**
Total assets		**26,403,829**	**21,415,213**

Equity and liabilities			EUR 1,000
	Note	**2010**	2009
Equity	20		
Share capital		300,000	300,000
Reserves		8,780,583	7,798,317
OMV stockholders' equity		**9,080,583**	**8,098,317**
Non-controlling interests		2,231,706	1,936,468
Total equity		**11,312,289**	**10,034,785**
Non-current liabilities			
Provisions for pensions and similar obligations	21	899,330	883,844
Bonds	22	1,990,128	1,475,933
Interest-bearing debts	22	3,015,054	1,720,725
Provisions for decommissioning and restoration obligations	21	1,932,573	1,801,726
Other provisions	21	295,572	259,726
Other financial liabilities	22	193,444	200,099
Other liabilities	22	9,148	11,707
		8,335,248	**6,353,760**
Deferred taxes	23	**535,846**	**295,097**
Current liabilities			
Trade payables	22	3,361,585	2,141,533
Bonds		72,606	309,997
Interest-bearing debts	22	895,524	363,878
Provisions for income taxes	21	121,480	101,459
Other provisions	21	451,268	418,620
Other financial liabilities	22	309,222	502,866
Other liabilities	22	1,000,514	868,222
Liabilities associated with assets held for sale	19	8,247	24,994
		6,220,446	**4,731,570**
Total equity and liabilities		**26,403,829**	**21,415,213**

Consolidated statement of changes in equity

Consolidated statement of changes in equity in 2010 [1]

	Share capital	Capital reserves	Revenue reserves	Translation of foreign operations	Available-for-sale financial assets
January 1, 2010	**300,000**	**783,640**	**7,573,715**	**(420,771)**	**551**
Total comprehensive income for the year	**—**	**—**	**920,587**	**222,772**	**(53)**
Dividend distribution	—	—	(298,780)	—	—
Sale of treasury shares	—	256	—	—	—
Effects from business combinations	—	—	—	—	—
Increase/(decrease) in non-controlling interests	—	—	3,131	—	—
December 31, 2010	**300,000**	**783,896**	**8,198,653**	**(197,999)**	**498**

Consolidated statement of changes in equity in 2009 [1]

	Share capital	Capital reserves	Revenue reserves	Translation of foreign operations	Available-for-sale financial assets
January 1, 2009	**300,000**	**783,315**	**7,310,086**	**(341,072)**	**(619,461)**
Total comprehensive income for the year	**—**	**—**	**571,714**	**(79,698)**	**620,013**
Dividend distribution	—	—	(298,762)	—	—
Sale of treasury shares	—	325	—	—	—
Increase/(decrease) in non-controlling interests	—	—	(9,322)	—	—
December 31, 2009	**300,000**	**783,640**	**7,573,715**	**(420,771)**	**551**

[1] See Note 20.

EUR 1,000

Hedges	Share of other compr. income of associated companies	Treasury shares	OMV stockholders' equity	Non-controlling interests	Total equity
(54,546)	**(70,880)**	**(13,392)**	**8,098,317**	**1,936,468**	**10,034,785**
59,505	**74,667**	**—**	**1,277,478**	**294,193**	**1,571,671**
—	—	—	(298,780)	(34,775)	(333,555)
—	—	181	437	—	437
—	—	—	—	38,863	38,863
—	—	—	3,131	(3,044)	87
4,959	**3,787**	**(13,211)**	**9,080,583**	**2,231,706**	**11,312,289**

EUR 1,000

Hedges	Share of other compr. income of associated companies	Treasury shares	OMV stockholders' equity	Non-controlling interests	Total equity
62,328	**(82,122)**	**(13,997)**	**7,399,076**	**1,964,168**	**9,363,243**
(116,874)	**11,242**	**—**	**1,006,396**	**8,702**	**1,015,098**
—	—	—	(298,762)	(37,205)	(335,967)
—	—	605	930	—	930
—	—	—	(9,322)	803	(8,520)
(54,546)	**(70,880)**	**(13,392)**	**8,098,317**	**1,936,468**	**10,034,785**

Consolidated statement of cash flows

Consolidated statement of cash flows [1]		EUR 1,000
	2010	2009
Net income	**1,214,119**	**716,931**
Depreciation and amortization	1,577,635	1,325,091
Write-ups of fixed assets	(6,451)	(5,539)
Deferred taxes	29,251	(85,596)
Losses/(gains) from disposal of non-current assets	(1,455)	5,275
Increase/(decrease) in provisions for pensions and severance payments	(163)	(89,888)
Increase/(decrease) in long-term provisions	71,720	41,609
Other changes	89,125	96,140
	2,973,781	**2,004,021**
Decrease/(increase) in inventories	(52,108)	(196,684)
Decrease/(increase) in receivables	(698,310)	(120,637)
Increase/(decrease) in liabilities	670,644	281,441
Increase/(decrease) in short-term provisions	(7,694)	(121,400)
Cash flow from operating activities	**2,886,312**	**1,846,742**
Investments		
Intangible assets and property, plant and equipment	(2,087,606)	(2,206,464)
Investments, loans and other financial assets	(40,414)	(522,810)
Acquisitions of subsidiaries and businesses net of cash acquired	(813,551)	(13,271)
Disposals		
Proceeds from the sale of non-current assets	39,694	1,532,690
Proceeds from the sale of Group companies less cash and cash equivalents	26,786	—
Cash flow from investing activities	**(2,875,091)**	**(1,209,856)**
Increase in long-term borrowings	1,015,445	1,966,217
Repayments of long-term borrowings	(478,886)	(917,761)
Increase/(decrease) in short-term borrowings	52,478	(1,370,891)
Dividends paid	(333,555)	(335,967)
Increase in capital including sale of treasury stock	437	930
Cash flow from financing activities	**255,919**	**(657,472)**
Effect of foreign exchange rate changes on cash and cash equivalents	4,452	(4,961)
Net increase/(decrease) in cash and cash equivalents	**271,592**	**(25,546)**
Cash and cash equivalents at beginning of year	674,540	700,086
Cash and cash equivalents at end of year	**946,132**	**674,540**

[1] See Note 24.

Notes: Accounting principles and policies

1 Legal principles and general accounting policies

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

These financial statements have been prepared and are **in compliance with International Financial Reporting Standards (IFRSs) as endorsed by the EU**. The financial year corresponds to the calendar year.

For the upstream activities, which include the search for oil and gas reserves and the exploitation of those reserves, for transactions where IFRSs have no specific guidance, the Company applies the rules of US GAAP industry standard Accounting Standards Codification™ (ASC) 932 (Extractive Activities – Oil and Gas) except for the regional definition of Petrom (definition of regions in the unaudited supplementary information) which is in line with internal management reporting requirements. In 2009, the previously applied SFAS 19 and SFAS 69 were transferred into ASC 932, which became the source of authoritative generally accepted accounting principles for US GAAP for the oil and gas industry. The application of ASC 932 occurs in line with the provisions of IFRS 6 (for exploration and appraisal activities) and with the provisions of other IFRSs/IASs for the development and production activities.

The information on oil and gas reserves, which is annexed to the Notes (Note 36, Oil and Gas Reserve Estimation and Disclosures) remains supplementary and unaudited information and is prepared in accordance with ASC 932.

The consolidated financial statements for 2010 have been prepared in thousands of EUR. Accordingly there may be rounding differences.

The consolidated financial statements for 2010 were approved and authorized for issue by the board of directors on March 22, 2011.

2 Estimates and assumptions

Preparation of the consolidated financial statements requires management to make **estimates and assumptions** that affect the amounts reported for assets, liabilities, income and expenses, as well as the amounts disclosed in the Notes. Actual outcomes could differ from these estimates. The Executive Board believes that any deviations from these estimates will not have material influence on the consolidated financial statements in the near term. Estimates and assumptions need to be made particularly with respect to reserves, provisions for restoration costs, interest rates and oil price development. Planning assumptions concerning the oil price development reflect management's best estimate. Reserves are estimated by the Group's own engineers. The estimates are verified externally every two years. Intangible assets and property, plant and equipment as of December 31, 2010 include oil and gas assets of EUR 6,192,869 thousand (2009: EUR 5,800,451 thousand). Estimates of future restoration costs are also based on reports by Group engineers and on past experience. The resulting provision for decommissioning and restoration costs amounts to EUR 1,933,122 thousand (2009: EUR 1,802,186 thousand). Provisions for decommissioning and restoration costs and impairment losses require estimates of interest rates. These estimates have material effects on the amounts of the provisions. Most of Petrom's exploration licences are set to expire in September 2011. The renewal of such licenses is imperative for Petrom's business. After understanding had been reached with the Romanian mining authorities, the issue has recently become a matter of discussion at government level. Management believes that the renewal of the licenses will be achieved in time.

3 Consolidation

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

Assets and liabilities of subsidiaries acquired are included at their fair values at the time of acquisition. Where the costs of acquisition exceed the net fair values of the identifiable assets and liabilities (including contingent liabilities) acquired, the difference is recognized as goodwill. Non-controlling interests are disclosed at the proportionate share of the subsidiaries´ net assets. Goodwill recognized is reviewed for impairment at least once a year. All impairments of goodwill are immediately expensed, and there are no subsequent write-backs of such impairment losses.

For E&P joint ventures, which are based on jointly controlled assets, a proportionate share of all assets, liabilities and expenses is included in the consolidated financial statements.

A summary of subsidiaries, associated companies and other investments is included under Note 35.

Number of consolidated companies

		2010		2009
	Full consolidation	Equity consolidation	Full consolidation	Equity consolidation
At the beginning of the year	**88**	**14**	**88**	**12**
Included for the first time	20	—	5	3
Merged	(1)	—	—	—
Previously included at equity, now fully consolidated	1	(1)	1	(1)
Deconsolidated during the year	(9)	—	(6)	—
At the end of the year	**99**	**13**	**88**	**14**
[thereof domiciled and operating abroad]	[63]	[8]	[51]	[9]
[thereof domiciled in Austria and operating abroad]	[21]	[—]	[16]	[—]

In **Exploration and Production (E&P)**, OMV Bina Bawi GmbH, OMV Rovi GmbH, OMV Sarta GmbH, OMV Block 70 upstream GmbH, all based in Vienna, and Petrom Exploration & Production Limited, Douglas, were included in Q3/10. OMV Maurice Energy GmbH, Vienna, is fully consolidated from Q4/10.

The group of companies of RING OIL HOLDING & TRADING LTD, Nicosia, including seven subsidiaries in Russia, were sold with effect from the beginning of September 2010.

In **Refining and Marketing including petrochemicals (R&M)**, the sale of OMV Italia S.r.l., Bolzano, was closed in March 2010 with a positive effect on the Group result of EUR 18 mn.

With a closing date of December 22, 2010 an additional 54.14% of Petrol Ofisi A.Ş., Istanbul, was acquired. The interest of 95.72% in Petrol Ofisi A.Ş. and its subsidiaries Erk Petrol Yatırımları A.Ş., Istanbul, Kıbrıs Türk Petrolleri Ltd., Lefkoşa (Nicosia), Marmara Depoculuk Hizmetleri Sanayi ve Ticaret Anonim Şirketi, Istanbul, Petrol Ofisi Alternatif Yakıtlar Toptan Satış A.Ş., Istanbul, Petrol Ofisi Gaz İletim A.Ş., Istanbul, PO Georgia LLC, Tbilisi, Petrol Ofisi Akdeniz Rafinerisi Sanayi ve Ticaret A.Ş., Istanbul and Petrol Ofisi Arama Üretim Sanayi ve Ticaret Anonim Şirketi, Ankara, are fully consolidated at the end of December 2010. Before their inclusion, the interest in Petrol Ofisi was accounted for at equity.

Starting with the beginning of Q3/10, M.P. PETROLEUM DISTRIBUTIE SA, Bucharest, and the marketing activities of OMV Petrom SA (spin-off) were merged into OMV PETROM MARKETING SRL, Bucharest.

In **Gas and Power (G&P),** Wind Power Park SRL, Galbiori has been fully consolidated since Q2/10. In Q3/10, OMV Gas Storage GmbH, Vienna, was included, while OMV Trading GmbH, Vienna, was included in Q4/10.

In **Corporate and Other (Co&O)**, OMV Finance Service GmbH, Vienna, is fully consolidated since Q2/10 and Petromed Solutions Srl, Bucharest, since Q3/10. OMV Enerji Holding Anonim Şirketi Istanbul, was included in Q4/10.

On September 20, 2010, OMV signed a Sale and Purchase Agreement with PETRONAS International Corporation Limited to acquire their oil and gas exploration and production interests in Pakistan. Closing of this transaction is expected in the first half year 2011.

On January 6, 2011, OMV signed an agreement to purchase 100% of the issued share capital of Pioneer Natural Resources Tunisia Ltd. and Pioneer Natural Resources Anaguid Ltd. from Pioneer Natural Resources, an independent US oil and gas company, for a purchase price of USD 800 mn plus USD 39.3 mn working capital. Closing of the transaction was successfully completed on February 18, 2011. The initial accounting for the business combination has not been finalized at the time of authorization of these financial statements.

At the beginning of February 2011, OMV signed an agreement to sell its heating oil subsidiary OMV Wärme VertriebsgmbH, Vienna, and is expecting a minor positive result from this transaction. The deal is expected to be closed in H1/11.

Various distribution organizations and shell companies are not consolidated because of not being material.

The effects on the Group's assets and liabilities and the consolidated statement of cash flows (see Note 24) of the acquisition of additional 54.14% of Petrol Ofisi A.Ş as of the end of December 2010 as well as the inclusion of Wind Power Park SRL as of Q2/10 are shown below. The figures for 2009 reflect the acquisition of Korned LLP, Almaty, and the inclusion of Borasco Elektrik Üretim Sanayi ve Ticaret A.Ş., Istanbul, which was renamed to OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş. in 2010.

Fair values acquired — EUR 1,000

			2010			2009
	Petrol Ofisi [1]	Other	**Total**	Samsun	Other	**Total**
Intangible assets	1,047,913	9,505	**1,057,418**	65,992	34,590	**100,582**
Property, plant and equipment	711,886	3,198	**715,084**	178,003	—	**178,003**
Inventories	415,672	—	**415,672**	—	—	—
Trade receivables	506,584	—	**506,584**	—	—	—
Other financial assets	248,825	0	**248,825**	18,046	1	**18,046**
Non-financial assets	98,486	131	**98,617**	1,712	—	**1,712**
Total assets	**3,029,366**	**12,835**	**3,042,201**	**263,753**	**34,591**	**298,344**
Provisions	(35,967)	(1,555)	**(37,522)**	(10,705)	(3,694)	**(14,399)**
Financial liabilities	(1,943,591)	(2,730)	**(1,946,321)**	(100,329)	(21,839)	**(122,167)**
Non-financial liabilities	(378,406)	—	**(378,406)**	(144)	—	**(144)**
Net assets	**671,402**	**8,550**	**679,952**	**152,575**	**9,059**	**161,634**
Non-controlling interest	(28,736) [2]	—	**(28,736)**	—	—	—
Total net assets acquired	**642,666**	**8,550**	**651,216**	**152,575**	**9,059**	**161,634**

[1] Fair values acquired and goodwill of Petrol Ofisi are measured at acquisition date (December 22, 2010).

[2] Does not contain the non-controlling interests in subsidiaries of Petrol Ofisi A.Ş. These are included in the net assets and are amounting to EUR 10 mn.

Measurement of goodwill — EUR 1,000

	Petrol Ofisi [1]	Other	2010 Total	Samsun	Other	2009 Total
Consideration given (cash)	1,007,654	8,550	**1,016,204**	20,628	n.a.	**20,628**
Acquisition-date fair value of the previously held at-equity investment	773,887	—	**773,887**	131,947	n.a.	**131,947**
	1,781,541	**8,550**	**1,790,091**	**152,575**	**n.a.**	**152,575**
Net assets acquired	(642,666)	(8,550)	**(651,216)**	(152,575)	n.a.	**(152,575)**
Goodwill	**1,138,875**	**0**	**1,138,875**	**0**	**n.a.**	**0**

[1] Fair values acquired and goodwill of Petrol Ofisi are measured at acquisition date (December 22, 2010).

Based on the calculation of expected synergies, goodwill from the Petrol Ofisi acquisition amounting to EUR 100 mn was allocated to the E&P segment and goodwill amounting to EUR 100 mn was allocated to G&P. The remaining goodwill was allocated to the R&M segment. From the current point of view, a future tax deduction related to the Petrol Ofisi goodwill is not expected.

Remeasurement result — EUR 1,000

	Petrol Ofisi	Other	2010 Total	Samsun	Other	2009 Total
Acquisition-date book value of the equity investment	(813,210)	n.a.	**(813,210)**	n.a.	n.a.	**n.a.**
Acquisition-date fair value of the equity investment	773,887	n.a.	**773,887**	n.a.	n.a.	**n.a.**
Remeasurement loss	**(39,323)**	**n.a.**	**(39,323)**	**n.a.**	**n.a.**	**n.a.**
Recycling of accumulated FX-losses and cash flow hedges	(132,355)	n.a.	**(132,355)**	n.a.	n.a.	**n.a.**
Remeasurement effect on other financial result	**(171,678)**	**n.a.**	**(171,678)**	n.a.	n.a.	**n.a.**

The initial accounting for the Petrol Ofisi acquisition is preliminary. The provisional amounts recognized at the acquisition date may therefore be adjusted or completed during the measurement period. The non-controlling interest in Petrol Ofisi is measured at its proportionate share of the acquiree's identifiable net assets.OMV will benefit from the Petrol Ofisi acquisition and integration in numerous ways. The transaction has to be seen in the wider context of enabling OMV to implement its integrated growth strategy in Turkey and neighboring region. Apart from that we see synergies from the value of PO brand combined with OMV's long time experience in the industry and synergies from supply and trading processes. Those synergies are being evaluated at present and are not fully quantifiable yet. It is therefore impracticable to disclose the revenue and net income of the Petrol Ofisi for 2010 as though the acquisition had already taken place at the beginning of the year, as required by IFRS 3.B64 q.

In 2010, Wind Power Park SRL contributed EUR (944) thousand to consolidated net income of OMV Group since its inclusion. As Petrol Ofisi group was included for the first time by the end of December 2010, it did not contribute to the consolidated net income as a fully consolidated company in 2010. Its at-equity contribution to OMV's net income in 2010 was EUR (15,657) thousand (2009: EUR 39,595 thousand).

a) Revenue recognition
In general, revenues are realized when goods or services are supplied, the amount receivable is fixed or can be determined, and collection is probable. In E&P, revenues are recognized when products are delivered and risks as well as rewards of ownership have passed to the customer. In the retail business, revenues from the Group's own filling stations are recognized when products are supplied to the customers. In the case of non-Group filling stations, revenues are recognized when products are delivered to the stations. In G&P, sales under long-term contracts are recognized on delivery. Additional volumes supplied under these contracts are recognized when accepted by the customer. Gas storage revenues are recognized on the basis of committed storage and withdrawal rates; similarly, gas transit revenues are recognized on the basis of committed volumes.

4 Accounting and valuation principles

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

c) Research and development expenses
Research and development (R&D) expenses include all direct and indirect materials, personnel and external services costs incurred in connection with the focused search for new development techniques and significant improvements in products, services and processes, and in connection with research activities. Expenditure related to research activities is shown as R&D expenses in the period in which it is incurred. Expenditure for experimental development is also presented as R&D expenses unless it must be capitalized according to the recognition criteria for intangible assets.

R&D grants received from third parties are shown in other operating income. In case grants are provided for projects or services, the grant is generally deducted from the cost of the asset if it is a government grant. Grants received from customers are treated differently since 2010: In case of a future service obligation, income is recognized over the service period; without a service obligation the entire income is immediately recognized. The assets are measured at fair value.

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

e) Intangible assets and property, plant and equipment
Intangible assets and property, plant and equipment are recognized at costs of acquisition or construction (where and to the extent applicable) net of accumulated depreciation, amortization and impairment losses. Depreciation and amortization is calculated on a straight-line basis, except for E&P activities, where depreciation occurs to a large extent on a unit-of-production basis.

Non-current assets classified as held for sale are disclosed at the lower of carrying amount and fair value less costs to sell. Non-current assets and groups of assets are classified as held for sale if their carrying amount is to be realized by sale and not by continued use. Assets are classified as held for sale if the sale is highly probable, and the asset is available for immediate disposal in its present condition.

In accordance with IAS 36, both intangible assets and property, plant and equipment are reviewed at balance sheet date for any indications of impairment. For intangible assets with indefinite useful lives and for goodwill, impairment tests are carried out annually. This applies even where there are no indications for impairment. Where the carrying amount of an asset exceeds the recoverable amount, an impairment loss is recognized to reduce the asset to its lower recoverable amount. In case the reasons for recognition of an impairment loss disappear in subsequent periods, the impairment is reversed. Consequently the asset's value – except in the case of goodwill – is written up to its amortized cost.

In the consolidated income statement depreciation and amortization are disclosed as cost of sales. Impairment losses for filling stations are disclosed as part of selling expenses, those for exploration assets as exploration expenses, and those for other assets are reported as cost of sales or as other expenses.

The accounting and valuation treatment of exploration and evaluation of oil and gas activities follows IFRS 6, whereas the US GAAP oil industry standard ASC 932, which is an internationally accepted industry standard, is applied for other upstream activities.

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

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

1. Sufficient oil and gas reserves have been discovered to justify completion as a production well.

2. Sufficient progress has been made in assessing the economic and technical feasibility to justify beginning field development in the near future.

License acquisition costs and capitalized exploration and appraisal activities are generally not depreciated as long as they are related to unproved reserves, but tested for impairment. Once the reserves are proved and commercial viability is established, the related assets are reclassified into tangible assets and once production starts depreciation commences. Capitalized exploration and development costs and support equipment are generally depreciated based on proved developed reserves by applying the unit-of-production method, only capitalized exploration rights and acquired reserves are amortized on the basis of total proved reserves.

Directly attributable costs of major inspections and general overhauls, which are mainly R&M related, are capitalized in the year in which they are incurred, and thereafter depreciated on a straight-line basis over the period until the next inspection/overhaul. The costs for replacements of components are capitalized and carrying values of the replaced parts derecognized. Costs relating to minor maintenance and repairs are treated as expenses in the year in which they are incurred.

f) Leases
Property, plant and equipment include assets being used under finance leases. Such assets are capitalized – at the lower of the present value of the minimum lease obligation and the fair value – and then depreciated over their expected useful lives or the duration of the lease, if shorter. A liability equivalent to the capitalized amount is recognized, and future lease payments are split into the finance charge and the capital repayment element.

All lease agreements not classified as finance leases are treated as operating leases, with lease payments then being recognized on a straight-line basis over the lease term.

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

g) Financial assets
Investments in associated companies and joint venture companies are recognized at their proportionate share of equity according to the equity method of accounting.

Available-for-sale securities are recognized at fair value. Unrealized gains and losses are disclosed separately under equity net of any attributable deferred taxes. If there is objective evidence of impairment, write-downs are recognized in profit and loss. If the reason for the recognition of an impairment loss subsequently ceases to exist, the amount of the reversal up to amortized costs is included either as income in the case of debt instruments, or is taken to equity in the case of equity instruments.

Securities without stock exchange listings or market values, whose fair value cannot be reliably estimated, are measured at acquisition cost less any impairment losses.

Held-to-maturity securities are carried at amortized cost less any identified impairment losses.

Securities at fair value through profit or loss are measured at fair value. Resulting gains and losses are recognized in the income statement.

Trade date accounting is applied to regular way purchases and sales of securities.

Interest-bearing **loans** are disclosed at nominal value, interest-free loans and loans at low rates of interest at present value. With the exception of derivative financial instruments, which are recognized at fair value, and foreign currency items, which are translated at closing rates, **receivables** and other assets are disclosed at carrying amounts. This can be considered as reasonable estimate of fair value since the residual maturity is less than a year in the majority of cases. Long-term receivables are discounted using the effective interest rate method.

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

As a general rule unrealized gains and losses are recognized as income or expense, except where hedge accounting is applied.

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

For cash flow hedges, the effective part of the changes in fair value is recognized directly in equity, while the ineffective part is recognized immediately in the income statement. Where the hedging of cash flows results in an asset or liability, the amounts that are provided under equity are recognized in the income statement in the period in which the hedged position affects earnings.

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

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

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

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

In countries like Austria, Turkey, Romania and Bulgaria, OMV is obliged by law to hold increased stock levels. Where material, a special accounting treatment is applied to these volumes. The additional quantities in crude oil and products held under the Austrian Oil Stockholding Act (1982) are valued using a long-term weighted average price method, applied on the basis of oil equivalents. A quite similar method, however on the basis of product groups, is applied in Turkey. Quantities exceeding the mandatory stocks are valued at current production or acquisition costs.

l) Provisions
Provisions are set up for all present third parties obligations to where it is probable that the obligation will be settled and the amount of the obligation can be estimated reliably. Provisions for individual obligations are based on the best estimate of the amount necessary to settle the obligation.

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

Pensions and similar obligations: 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. Excluding Petrom, actuarial gains and losses within a corridor of 10% of the greater of projected benefit obligations and plan assets – measured in both cases at the beginning of the year – are not recognized in pensions and severance payments provisions. Actuarial gains and losses exceeding this corridor are distributed according to the average remaining years of service of the participants in the plan. Interest expense accruing on pension provisions together with income from pension plan assets is disclosed as part of financial income and expense.

Provisions for voluntary and mandatory 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. Voluntary modifications to employees' remuneration arrangements are recognized on the basis of the expected number of employees accepting the employing company's offer. Provisions for obligations related to individual separation agreements are recognized at the present value of the obligation in case the amounts and dates of payment are determined.

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

m) Liabilities

Liabilities are carried at amortized cost, with the exception of derivative financial instruments, which are recognized at fair value, and foreign currency liabilities, which are translated at closing rates. Long-term liabilities are discounted using the effective interest rate method. The carrying amount of other liabilities is effectively the same as their fair value because they are predominantly short-term.

n) Taxes on income including deferred taxes

In addition to corporate income taxes, trade earnings taxes and withholding taxes, typical E&P taxes on net cash flows from oil and gas production like the Petroleum Revenue Tax (PRT) in the United Kingdom, and the country's/national oil company's profit share for certain EPSAs (see Note 4 d) are disclosed as income taxes. Provisions for deferred taxes are recognized for temporary differences. Tax losses carried forward are taken into account in calculating deferred tax assets. Deferred tax assets and liabilities at Group level are shown net where there is a right of set-off and the taxes relate to matters subject to the same tax jurisdiction. If the probability of deferred tax assets being realized is greater than 50%, such amounts are recognized. If unrealized intra-group profits contained in inventories are eliminated, deferred taxes are recognized.

o) Long Term Incentive (LTI) plans and stock option plans
Starting with 2009, LTI plans (see Note 29) were introduced for the Executive Board and selected senior executives. At vesting date bonus shares will be granted to the participants; disbursement is made in cash or shares. Fair values are determined using a model which is based on the expected target achievement and the expected share price. Provisions based on applicable fair values are built up over the vesting period, so that by the end of the vesting period the fair value of the bonus share to be granted is fully provided for.

From 2000 until 2008, stock option plans (see Note 29) approved by resolutions of the Annual General Meetings were offered to the Executive Board and senior executives. If vesting conditions are met participants may chose between receiving shares at a fixed exercise price or a payment amounting to the difference between the market value of the stock on the exercise date and the exercise price. At the time of issue and at any subsequent balance sheet date the fair values for the stock options issued are calculated using the Black-Scholes model. Provisions based on applicable fair values are built up over the vesting period, so that by the end of the vesting period the fair value of the options outstanding is fully provided for.

p) First-time adoption of new or revised standards and interpretations
The following amended standards, which were applicable for the first time in 2010, have affected the amounts reported in these financial statements:

- Revised version of IFRS 3 Business Combinations and amendments to IAS 27 Consolidated and Separate Financial Statements. The main changes relate to acquisitions where less than 100% of the equity is acquired and acquisitions achieved in stages (e.g. new approach to the accounting presentation of non-controlling interests, remeasurement of existing equity interests through income or expense when control is obtained, and income-neutral accounting for changes in ownership interests in a subsidiary without loss of control). In addition, all transaction costs must be expensed. The revised standards have been applied to business combinations for which the acquisition date was in the financial year 2010. For the time being, OMV has elected to measure the non-controlling interests at the date of acquisition not at their fair value but at the non-controlling interests' share of recognized identifiable net assets of the acquired companies.

- Improvements to IFRSs (issued in April 2009). The second set of annual improvements comprises 15 amendments to twelve standards, namely IFRS 2, 5 and 8; IAS 1, 7, 17, 18, 36, 38, 39; and IFRIC 9 and 16. Land lease contracts were reassessed on the basis of the amended IAS 17, which led to some reclassifications from operating to finance leases. Additional guidance has been added to IAS 18, regarding the determination as to whether an entity is acting as a principal or an agent. The evaluation of the impact of this amendment on OMV's financial statements is ongoing. The other amendments have no significant effects.

Standards and interpretations adopted with no significant effect on the financial statements:

- IFRIC 12 Service Concession Arrangements. This interpretation gives guidance on accounting for agreements under which a government or another institution contracts private operators to provide public services.

- IFRIC 16 Hedges of a Net Investment in a Foreign Operation. This interpretation clarifies which foreign currency risks related to hedging a net investment qualify for hedge accounting and where within the Group the respective hedging instrument(s) can be held. It also gives guidance on how to determine the amounts to be recycled when disposing of the net investment.

- IFRIC 15 Agreements for the Construction of Real Estate. This interpretation standardizes accounting practices for the recognition of revenue by real estate developers for sales of units (such as apartments or houses) 'off plan', i.e., before construction is complete.

- Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items. The amendment clarifies how the existing principles underlying hedge accounting should be applied in two particular situations: Designation of a one-sided risk in a hedged item and designation of inflation in a financial hedged item.

- Revised version of IFRS 1 First Time Adoption of IFRS. The new version retains the substance of the previous version, but with an improved structure.

- IFRIC 17 Distributions of Non-cash Assets to Owners. The interpretation addresses how an entity should measure and account for distributions of assets other than cash when it pays dividends to its owners.

- IFRIC 18 Transfer of Assets from Customers. The interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use either to connect the customer to a network or to provide the customer with ongoing access to a supply of goods or services (such as a supply of electricity, gas or water).

- Amendments to IFRS 2 Share-based Payment – Group Cash-settled Share-based Payment Transactions. These amendments clarify the scope of IFRS 2 as well as the accounting for group cash-settled share-based payment transactions in the separate (or individual) financial statements of an entity receiving the goods or services when another Group entity or shareholder has the obligation to settle the award.

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters. The amendments provide two additional exemptions from the full retrospective application of IFRSs, primarily for the determination of assets in the oil and gas sector, as well as accounting for leases.

q) Standards and interpretations not yet mandatory
At the time of authorization of these financial statements for publication, the following revisions, amendments and interpretations had already been published by the International Accounting Standards Board (IASB) and partly endorsed by the EU, but their application was not yet mandatory.

Endorsed by the EU and published in the Official Journal of the EU:

- Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues (applicable to financial years beginning on or after February 1, 2010). The amendment requires rights issues to be classified as equity if they are issued for a fixed amount of cash, regardless of the currency in which the exercise price is denominated, provided that they are offered on a pro rata basis to all owners of the same class of equity.

- Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards – Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters (applicable to financial years beginning on or after July 1, 2010). The amendment relieves first-time adopters of IFRSs from providing the additional disclosures introduced in March 2009 by the Amendments to IFRS 7 (Financial Instruments: Disclosures – Improving Disclosures about Financial Instruments). It thereby ensures that first-time adopters benefit from the same transition provisions that Amendments to IFRS 7 provide to current IFRS preparers.

- Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement (applicable to financial years beginning on or after January 1, 2011). The amendment addresses the situations when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits the benefit of such an early payment to be recognized as an asset.

- Revised IAS 24 Related Party Disclosures (applicable to financial years beginning on or after January 1, 2011). The revised version simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party.

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments (applicable to financial years beginning on or after July 1, 2010). The interpretation clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially.

- Improvements to IFRSs (issued in May 2010, applicable to financial years beginning on or after January 1, 2011). This is the third set of annual improvements which comprises 11 amendments to 6 standards and 1 interpretation, namely IFRS 1, 3, 7; IAS 1, 27, 34; and IFRIC 13.

Not yet endorsed by the EU:

- IFRS 9 Financial Instruments (IASB effective date: January 1, 2013). This new standard is the first part of a project to replace IAS 39. It uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The new standard also requires one single impairment method used.

- Amendments to IFRS 7 Financial Instruments: Disclosures (IASB effective date: July 1, 2011). The amendments introduce new disclosure requirements on transfers of financial assets which are either not derecognized in their entirety or which are fully derecognized but for which the entity retains some form of continuing exposure.

- Amendments to IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets (IASB effective date: January 1, 2012). The amendments provide a practical solution for determining deferred tax on investment property measured at fair value according to IAS 40 and on non-depreciable assets measured using the revaluation model in IAS 16.

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (IASB effective date: July 1, 2011). These amendments introduce a new deemed cost exemption for entities that have been subject to severe hyperinflation and remove the legacy fixed dates in IFRS 1 relating to derecognition and day one gain or loss transactions.

Early application of the above revised versions, amendments and interpretations by OMV is not foreseen. Potential effects in the respective years of first-time adoption are currently being evaluated by management.

5 Foreign currency translation

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

The financial statements of Group companies with functional currencies different from the Group's presentation currency are translated using the closing rate method. Differences arising from balance sheet items translated at closing rates are disclosed in changes in stockholders' equity. Income statement items are translated at average rates for the period (mean rates). Differences arising from the use of average rather than closing rates also result in direct adjustments to equity.

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

Foreign currency translation

		2010		2009
	Balance sheet date	Average	Balance sheet date	Average
Australian dollar (AUD)	1.314	1.442	1.601	1.773
Bulgarian lev (BGN)	1.956	1.956	1.956	1.956
New Romanian leu (RON)	4.262	4.212	4.236	4.240
New Zealand dollar (NZD)	1.720	1.838	1.980	2.212
Pound sterling (GBP)	0.861	0.858	0.888	0.891
Czech crown (CZK)	25.061	25.284	26.473	26.435
Turkish lira (TRY)	2.069	1.997	2.155	2.163
Hungarian forint (HUF)	277.950	275.481	270.420	280.330
US dollar (USD)	1.336	1.326	1.441	1.395

Notes to the income statement

6 Total cost information

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

Personnel expenses	EUR 1,000	
	2010	2009
Wages and salaries	860,409	815,307
Costs of defined benefit plans	29,086	37,996
Costs of defined contribution plans (pension fund contributions)	19,219	16,033
Net expenses for personnel reduction schemes	97,733	54,049
Other employee benefits	103,450	102,167
Total	**1,109,898**	**1,025,552**

The total expenses for pensions included in the positions costs of defined benefit plans, costs of defined contribution plans and net expenses for personnel reduction schemes amounted to EUR 85,897 thousand (2009: EUR 32,003 thousand); the total expenses of EUR 28,997 thousand (2009: 28,051 thousand) for severance payments (also included in above mentioned positions) comprise also of expenses for defined contribution plans which need not be provided for.

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

Depreciation, amortization and impairment losses	EUR 1,000	
	2010	2009
Depreciation and amortization	1,211,773	1,068,914
Impairment losses	359,924	254,943
Total	**1,571,697**	**1,323,858**

The bulk of impairment losses in 2010 consisted of impairments of production wells in Austria (EUR 92,657 thousand) and Kazakhstan (EUR 104,096 thousand). Other major impairment losses related to development wells in the United Kingdom (EUR 61,376 thousand) and impairment losses in Romania (EUR 58,874 thousand) mainly related to unsuccessful exploration wells (EUR 11,065 thousand) and impairments of refining units (EUR 20,347 thousand).

In 2009, the main impairment losses amounted to EUR 126,429 thousand in Romania (mainly unsuccessful exploration wells, EUR 24,052 thousand and impairment of refining and petrochemical units, EUR 71,154 thousand). Other major impairment losses related to exploration and appraisal wells in the United Kingdom (EUR 57,840 thousand) and in Libya (EUR 40,616 thousand).

In the consolidated income statement, the impairment losses are disclosed as follows: EUR 302,532 thousand (2009: EUR 120,551 thousand) under cost of sales, EUR 44,476 thousand (2009: EUR 127,991 thousand) under exploration costs, EUR 12,628 thousand (2009: EUR 6,393 thousand) under selling costs and administration and EUR 288 thousand (2009: EUR 8 thousand) as part of other operating expenses.

The recoverable amount of all material impaired assets is reflected by its value in use.The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the country's risks specific to the business segment. In 2010 the used pre-tax discount rates ranged between 5.3% and 12.2%.

7 Other operating income

Other operating income	EUR 1,000	
	2010	2009
Other operating income	**250,519**	**223,643**
[thereof gains on the disposal and write-up of non-current assets not including financial assets]	[22,632]	[50,879]
[thereof exchange gains from operating activities]	[46,979]	[46,815]

8 Other operating expenses

Other operating expenses	EUR 1,000	
	2010	2009
Other operating expenses	**470,113**	**461,273**
[thereof expenses on disposals of non-current assets not including financial assets]	[14,931]	[13,883]
[thereof exchange losses from operating activities]	[48,978]	[64,105]

Other operating expenses included net expenses for personnel reduction schemes in Group companies of EUR 97,733 thousand (2009: EUR 54,049 thousand).

9 Net financial result

Income from associated companies included income of EUR 127,253 thousand (2009: EUR 71,587 thousand) and expenses of EUR 35,540 thousand (2009: EUR 6,058 thousand).

Net interest result	EUR 1,000	
	2010	2009
Interest income from available-for-sale financial instruments	4,190	6,256
Interest income from loans and receivables	27,372	33,358
Interest expense on financial instruments at fair value through profit or loss	(1,404)	(3,463)
Interest expense on financial liabilities measured at amortized cost	(186,374)	(172,659)
Other interest income and expense	(179,638)	(161,247)
Net interest result	**(335,855)**	**(297,756)**

In 2010, interest on borrowings amounting to EUR 40,022 thousand (2009: EUR 29,264 thousand) were capitalized.

Interest income from loans and receivables contained EUR 3,523 thousand (2009: EUR 7,193 thousand) income from already impaired receivables.

Other interest income and expense consisted of accrued interest on pension provisions of EUR 55,186 thousand (2009: EUR 54,333 thousand), interest accrued on provisions for severance payments and jubilee payments of EUR 10,715 thousand (2009: EUR 10,690 thousand), interest accrued on the provision for personnel reduction plans of EUR 5,577 thousand (2009: 7,028 thousand) as well as the interest component on the net provision for decommissioning and restoration obligations in an amount of EUR 87,314 thousand (2009: EUR 75,118 thousand). In 2010, interest income on pension plan assets amounted to EUR 18,346 thousand (2009: EUR 16,899 thousand). The item also included provisions for interest charges relating to tax reviews and interest accrued on other personnel provisions.

Other financial income and expenses for the year included the remeasurement effect of EUR (171,678) thousand related to the Petrol Ofisi acquisition (see Note 3) as well as net foreign exchange gains on financial instruments amounting to EUR 40,937 thousand (2009: EUR 46,542 thousand).

10 Taxes on income

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

Taxes on income		EUR 1,000
	2010	2009
Profit from ordinary activities		
Austria	196,313	250,240
Foreign	1,764,316	931,595
Total	**1,960,629**	**1,181,834**
Taxes on income		
Austria	32,468	30,717
Foreign	684,897	516,533
Deferred taxes	29,145	(82,346)
Taxes on income	**746,510**	**464,903**

The reconciliation of deferred taxes was as follows:

Changes in deferred taxes		EUR 1,000
	2010	2009
Deferred taxes January 1	(117,756)	(223,471)
Deferred taxes December 31 [1]	(347,452)	(117,756)
Changes in deferred taxes	**(229,696)**	**105,715**
Deferred taxes on revaluation of securities and hedges taken directly to equity	15,999	(44,139)
Changes in consolidated Group, exchange differences	184,552	20,770
Deferred taxes per income statement	**(29,145)**	**82,346**
The deferred tax balance comprises the following elements:		
Change in tax rate	(1,569)	861
Elimination of unrealized intra-group profits	(2,688)	1,989
Release of and allocation to valuation allowance for deferred taxes	(12,032)	1,614
Effects within loss carryforwards	(7,015)	(2,629)
Reversal of temporary differences, including additions to and use of loss carryforwards	(5,841)	80,511

[1] Including deferred taxes for assets held for sale of EUR (1,200) thousand in 2010 (2009: EUR (255) thousand).

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

Tax rates %

	2010	2009
Austrian corporate income tax rate	**25.0**	**25.0**
Tax effect of:		
Differing foreign tax rates	10.2	12.5
Non-deductible expenses	7.5	7.1
Non-taxable income	(4.3)	(3.7)
Change in tax rate	0.1	(0.1)
Effects within loss carryforwards	0.4	0.0
Write-down on investments at parent company level	(1.4)	0.0
Change in valuation allowance for deferred taxes	0.6	(0.1)
Other	0.0	(1.4)
Effective Group income tax rate	**38.1**	**39.3**

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

Investment income transferred from domestic subsidiaries is in general exempt from taxation in Austria. Starting from 2009 dividends from EU- and EEA-participations are exempt from taxation in Austria if certain conditions are fulfilled. Dividends from other foreign investments are also excluded from taxation at the level of the Austrian parent company provided that there is a holding of 10% or more.

Taxes on income charged directly to equity totaled EUR 21,467 thousand (2009: EUR (30,382) thousand). In 2010, tax loss carryforwards of EUR 45,772 thousand (2009: EUR 26,851 thousand) were used; the associated deferred taxation amounted to EUR 20,593 thousand (2009: EUR 4,671 thousand).

11 Earnings per share

Earnings per share (EPS)

			2010	2009
	Earnings excluding minorities in EUR 1,000	Number of shares	EPS EUR	EPS EUR
Basic	920,587	298,781,978	3.08	1.91
Diluted	920,587	299,730,216	3.07	1.91

No operations were discontinued in 2010 and 2009.

The calculation of diluted earnings per share takes into account the weighted average number of ordinary shares in issue following the conversion of all potentially diluting ordinary shares. This includes all the options outstanding at December 31, 2010, under the stock option plan for 2004, which provides for the acquisition of 56,130 shares on favorable terms (payment of the difference between the share prices at the time the options were granted and the time of exercise in the form of shares) as well as 892,108 contingently issuable bonus shares related to the LTI plans.

Notes to the balance sheet

12 Intangible assets

Intangible assets EUR 1,000

2010	Concessions, licenses, rights	Oil and gas assets with unproved reserves	Goodwill	Payments in advance	Total
Costs of acquisition and production					
January 1, 2010	**748,835**	**604,089**	**17,052**	**17,964**	**1,387,941**
Exchange differences	(17,854)	27,982	(18,923)	(498)	**(9,294)**
Changes in consolidated Group	1,033,224	(80,237)	1,138,875	17,614	**2,109,476**
Additions	46,912	223,239	—	10,336	**280,488**
Transfers	8,619	(13,021)	—	(2,195)	**(6,597)**
Assets held for sale	(647)	—	—	—	**(647)**
Disposals	(17,382)	(67,620)	—	—	**(85,002)**
December 31, 2010	**1,801,707**	**694,432**	**1,137,003**	**43,221**	**3,676,364**
Development of amortization					
January 1, 2010	**343,717**	**231,832**	**—**	**—**	**575,549**
Exchange differences	(1,894)	10,580	—	—	**8,686**
Changes in consolidated Group	(144)	(68,492)	—	—	**(68,636)**
Amortization	91,783	1,825	—	—	**93,608**
Impairments	964	54,625	—	—	**55,589**
Transfers	(34)	—	—	—	**(34)**
Assets held for sale	(564)	—	—	—	**(564)**
Disposals	(16,794)	(63,659)	—	—	**(80,453)**
Write-ups	—	(80)	—	—	**(80)**
December 31, 2010	**417,034**	**166,632**	**—**	**—**	**583,666**
Carrying amount January 1, 2010	405,118	372,257	17,052	17,964	**812,391**
Carrying amount December 31, 2010	**1,384,673**	**527,800**	**1,137,003**	**43,221**	**3,092,698**
2009					
Costs of acquisition and production					
January 1, 2009	**696,056**	**572,048**	**18,050**	**5,083**	**1,291,238**
Exchange differences	(19,011)	(14,357)	(138)	(148)	**(33,653)**
Changes in consolidated Group	57,405	35,955	—	—	**93,360**
Additions	38,727	141,940	—	13,397	**194,064**
Transfers	5,214	(43,778)	—	(294)	**(38,859)**
Assets held for sale	(12,337)	—	(861)	(66)	**(13,264)**
Disposals	(17,219)	(87,718)	—	(9)	**(104,945)**
December 31, 2009	**748,835**	**604,089**	**17,052**	**17,964**	**1,387,941**
Development of amortization					
January 1, 2009	**282,665**	**201,113**	**—**	**—**	**483,778**
Exchange differences	(3,904)	(8,801)	—	—	**(12,704)**
Changes in consolidated Group	(7,980)	—	—	—	**(7,980)**
Amortization	92,886	983	—	—	**93,869**
Impairments	441	126,439	—	—	**126,880**
Transfers	1,150	(147)	—	—	**1,003**
Assets held for sale	(5,043)	—	—	—	**(5,043)**
Disposals	(16,499)	(86,943)	—	—	**(103,442)**
Write-ups	—	(812)	—	—	**(812)**
December 31, 2009	**343,717**	**231,832**	**—**	**—**	**575,549**
Carrying amount January 1, 2009	413,391	370,935	18,050	5,083	**807,460**
Carrying amount December 31, 2009	**405,118**	**372,257**	**17,052**	**17,964**	**812,391**

At balance sheet date, there were contractual obligations for the acquisition of intangible assets amounting to EUR 21,660 thousand (2009: EUR 17,419 thousand).

13 Property, plant and equipment

Property, plant and equipment — **EUR 1,000**

	Land, land rights and buildings, including buildings on third-party property	Oil and gas assets	Plant and machinery	Other fixtures, fittings and equipment	Assets under construction	Payments in advance	**Total**
Costs of acquisition and construction							
January 1, 2010	**2,606,214**	**8,557,275**	**5,323,582**	**1,663,864**	**1,149,650**	**355,555**	**19,656,141**
Exchange differences	(7,262)	274,597	(615)	(3,775)	2,807	8,802	**274,553**
Changes in consolidated Group	275,252	9,362	6,271	353,644	61,921	5,558	**712,008**
Additions	92,546	666,627	135,036	68,724	861,437	246,819	**2,071,190**
Transfers	147,664	358,625	144,211	57,366	(531,193)	(170,076)	**6,598**
Assets held for sale	(28,045)	—	(6,049)	(14,617)	2,973	—	**(45,739)**
Disposals	(20,389)	(37,261)	(55,888)	(62,371)	(26,219)	(599)	**(202,727)**
December 31, 2010	**3,065,980**	**9,829,226**	**5,546,548**	**2,062,834**	**1,521,376**	**446,061**	**22,472,025**
Development of depreciation							
January 1, 2010	**979,936**	**3,129,081**	**3,077,344**	**1,060,473**	**38,582**	**321**	**8,285,737**
Exchange differences	2,758	123,620	189	1,222	199	4	**127,990**
Changes in consolidated Group	—	—	20	(1,028)	(1,649)	—	**(2,657)**
Depreciation	100,779	671,718	234,843	110,824	—	—	**1,118,164**
Impairments	10,655	254,155	26,056	721	12,705	43	**304,335**
Transfers	1,264	25	4,028	7,441	(12,785)	61	**34**
Assets held for sale	(11,556)	(1)	(4,837)	(11,710)	—	—	**(28,104)**
Disposals	(15,499)	(14,441)	(54,927)	(49,028)	(22,005)	—	**(155,900)**
Write-ups	(4,436)	—	(481)	(354)	(826)	(273)	**(6,370)**
December 31, 2010	**1,063,900**	**4,164,157**	**3,282,236**	**1,118,560**	**14,221**	**155**	**9,643,229**
Carrying amount January 1, 2010	1,626,279	5,428,194	2,246,238	603,391	1,111,068	355,235	**11,370,404**
Carrying amount December 31, 2010	**2,002,080**	**5,665,069**	**2,264,312**	**944,274**	**1,507,155**	**445,906**	**12,828,796**

Property, plant and equipment							EUR 1,000
	Land, land rights and buildings, including buildings on third-party property	Oil and gas assets	Plant and machinery	Other fixtures, fittings and equipment	Assets under construction	Payments in advance	**Total**
Costs of acquisition and construction							
January 1, 2009	**2,434,498**	**7,318,805**	**5,015,267**	**1,611,511**	**1,326,930**	**157,396**	**17,864,408**
Exchange differences	(33,354)	(86,198)	(26,677)	(10,181)	(45,761)	(7,305)	**(209,475)**
Changes in consolidated Group	10,553	—	(49)	(254)	1,474	165,968	**177,692**
Additions	81,623	963,216	101,436	61,944	702,770	98,349	**2,009,338**
Transfers	119,867	385,070	278,757	76,820	(762,910)	(58,745)	**38,860**
Assets held for sale	22,195	—	(4,841)	11,829	3,019	—	**32,202**
Disposals	(29,168)	(23,619)	(40,312)	(87,804)	(75,874)	(107)	**(256,884)**
December 31, 2009	**2,606,214**	**8,557,275**	**5,323,582**	**1,663,864**	**1,149,650**	**355,555**	**19,656,141**
Development of depreciation							
January 1, 2009	**896,176**	**2,590,543**	**2,897,972**	**1,018,821**	**38,931**	**479**	**7,442,922**
Exchange differences	(5,433)	(23,825)	(14,113)	(4,424)	(1,952)	(20)	**(49,768)**
Changes in consolidated Group	—	—	(49)	(260)	—	—	**(309)**
Depreciation	89,798	552,320	215,496	117,431	—	—	**975,045**
Impairments	3,876	25,607	7,382	1,730	89,220	249	**128,063**
Transfers	3,078	155	6,080	296	(10,426)	(185)	**(1,003)**
Assets held for sale	10,693	—	(1,598)	7,867	—	—	**16,961**
Disposals	(17,959)	(15,702)	(33,578)	(80,881)	(73,327)	—	**(221,448)**
Write-ups	(292)	(17)	(247)	(106)	(3,863)	(202)	**(4,728)**
December 31, 2009	**979,936**	**3,129,081**	**3,077,344**	**1,060,473**	**38,582**	**321**	**8,285,737**
Carrying amount January 1, 2009	1,538,323	4,728,262	2,117,295	592,691	1,287,999	156,916	**10,421,486**
Carrying amount December 31, 2009	**1,626,279**	**5,428,194**	**2,246,238**	**603,391**	**1,111,068**	**355,235**	**11,370,404**

Land, land rights and buildings, including buildings on third-party property include land in the amount of EUR 793,059 thousand (2009: EUR 534,004 thousand).

Property, plant and equipment with a total carrying amount of EUR 23,078 thousand (2009: EUR 14,826 thousand) was transferred to **assets held for sale.** In contrast, assets in the amount of EUR 5,442 thousand (2009: EUR 30,066 thousand) were reinstated in property, plant and equipment.

For details on impairments please see note 6 "Total cost information".

In connection with the construction of property, plant and equipment, **interest on borrowings** of EUR 40,022 thousand has been capitalized in 2010 (2009: EUR 29,264 thousand). It was largely not related to borrowings taken up for specific purpose, but was calculated using an average interest rate of 4.2% (2009: 4.3%) applied to the carrying value of qualifying assets.

At balance sheet date, there were contractual obligations for the acquisition of property, plant and equipment amounting to EUR 552,435 thousand (2009: EUR 682,034 thousand).

Finance lease

The property, plant and equipment from finance leases have contained since 2009 a FPSO (floating, production, storage and offtake vessel) in New Zealand, for which purchase options exist after 2, 3, 4, and 15 years. The risk of loss lies with the lessor for the contract period whilst the leasing fee is reduced for periods were the FPSO cannot operate. Other finance lease assets are land and filling stations mainly in Austria, Germany, Slovakia and Czech Republic, gas equipment at filling stations as well as fleet vehicles in Hungary and Romania and tanks in Turkey. The impact of the application of the new changed rules of IAS 17 for land leases was not material and let to finance leases for a few filling stations only which were treated as operating leases before.

Lease and rental agreements EUR 1,000

			2010			2009
	Acquisition cost	Accumulated depreciation	Carrying amount	Acquisition cost	Accumulated depreciation	Carrying amount
Land, land rights and buildings, including buildings on third-party property	51,531	12,342	39,189	24,845	8,984	15,861
Plant and machinery	218,148	47,870	170,279	184,594	20,309	164,286
Other fixtures, fittings and equipment	39,039	21,140	17,899	1,485	799	686
Total	**308,719**	**81,353**	**227,366**	**210,925**	**30,092**	**180,833**

In 2010, contingent lease payments under finance lease agreements amounted to EUR 1,030 thousand (2009: EUR 1,120 thousand).

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

			2010			2009
	≤1 year	1–5 years	>5 years	≤1 year	1–5 years	>5 years
Total future minimum lease commitments	50,605	109,760	329,896	38,849	107,460	437,414
[thereof interest component]	[8,788]	[34,649]	[182,310]	[8,645]	[24,854]	[247,041]
Present value of minimum lease payments	**41,818**	**75,111**	**147,586**	**30,204**	**82,606**	**190,373**

Since 2009, commitments under finance lease include the obligation for gas cavern storages. The beneficial ownership of these gas cavern storages will be transferred starting 2012 therefore the finance lease has not been recognized in the balance sheet.

Operating lease

OMV also makes use of operating leases, mainly for filling station sites, IT equipment and vehicle fleets. In 2010, these expenses amounted to EUR 126,080 thousand (2009: EUR 113,193 thousand). There are options to renew the leases for a large proportion of the leased filling station sites.

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

	2010	2009
Payable within 1 year	86,100	95,564
Payable between 1 and 5 years	196,232	190,076
Payable after more than 5 years	242,149	290,459
Total future minimum lease commitments	**524,481**	**576,099**

14 Investments in associated companies

Associated companies		EUR 1,000
Carrying amount	**2010**	2009
January 1	**2,214,967**	**1,955,100**
Exchange differences	56,178	(13,883)
Changes in method of consolidation	(813,227)	(131,945)
Additions	16,314	329,562
Net income	91,714	65,529
Other comprehensive income	74,667	11,242
Dividends and elimination of intercompany profits	(152,981)	(637)
December 31	**1,487,632**	**2,214,967**

As of December 31, 2010, the carrying amount includes mainly investments in Borealis AG, Vienna with an amount of EUR 1,067,749 thousand (2009: EUR 887,787 thousand) and Pearl Petroleum Company Limited, Road Town, with an amount of EUR 241,579 thousand (2009: EUR 210,078 thousand). As of December 31, 2009, the carrying amount also included the investment in Petrol Ofisi with an amount of EUR 938,168 thousand.

In 2010, changes in method of consolidation include only Petrol Ofisi A.Ş., which is fully consolidated as of end of December 2010 (see also note 3), (2009: Borasco Elektrik Üretim Sanayi ve Ticaret A.S.). Additions in 2010 reflect book values of existing associated companies (2009: additions mainly reflect the companies Pearl Petroleum Company Limited, Enerco Enerji Sanayi Ve Ticaret A.S. and Freya Pipeline GmbH & Co. KG). The major part of dividends in 2010 are dividend payments from Petrol Ofisi A.Ş. with an amount of EUR 150,460 thousand.

According to a joint venture agreement between OMV and Pearl Petroleum Company Limited (Pearl) OMV has significant influence within the meaning of IAS 28 (investments in associates) therefore this company (Pearl) is accounted for by the equity method although OMV´s share is just 10 %. Further approval of oil and gas reserves may result in contingent payments.

Summarized balance sheet and income statement information for companies accounted for at equity was as follows:

Summarized information for companies accounted for at equity		EUR 1,000
	2010	2009
Current assets	2,496,202	3,398,779
Non-current assets	8,013,027	10,307,523
Liabilities	4,653,010	6,191,245
Net sales	16,125,456	12,623,777
Earnings before interest and taxes (EBIT)	529,909	329,061
Net income for the year	374,225	196,066

As Petrol Ofisi was fully consolidated for the first time as of December 31, 2010, it is included at-equity in the income statement but not in the balance sheet figures 2010 in the table above.

15 Inventories

Inventories at balance sheet date were as follows:

Inventories		EUR 1,000
	2010	2009
Crude oil	763,601	639,867
Natural gas	294,576	396,396
Other raw materials	320,847	344,209
Work in progress: Petroleum products	149,112	132,925
Other work in progress	4,097	4,517
Finished petroleum products	1,219,647	735,291
Other finished products	47,889	39,334
Prepayments and rights from take-or-pay agreements	18,365	32,216
Total	**2,818,134**	**2,324,757**

Inventory values of crude oil and petroleum products increased by 41.4% to EUR 2,132,360 thousand (2009: EUR 1,508,083 thousand); the increase mainly includes petroleum products from the acquisition of Petrol Ofisi.

In 2010, the costs of raw materials included in production costs were EUR 15,414,368 thousand (2009: EUR 11,495,191 thousand).

Expensed valuation allowances against inventories amounted to EUR 89,013 thousand (2009: EUR 75,964 thousand).

16 Trade receivables

Trade receivables (carrying amounts)		EUR 1,000
	2010	2009
Receivables from associated companies	171,258	66,336
Receivables from other companies	2,759,285	1,868,303
Total	**2,930,543**	**1,934,639**

The carrying amounts of trade receivables approximate their fair values.

Valuation allowances for trade receivables		EUR 1,000
	2010	2009
January 1	**89,845**	**94,056**
Additions/(releases)	(665)	8,510
Disposals	(13,055)	(9,426)
Foreign exchange rate differences and changes in consolidated Group	61,503	(3,294)
December 31	**137,628**	**89,845**

Carrying amount of impaired trade receivables		EUR 1,000
	2010	2009
Before impairments	188,098	99,492
Net of impairments	50,471	9,647

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

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

	2010	2009
Up to 60 days overdue	78,920	67,040
61 to 120 days overdue	2,104	887
More than 120 days overdue	8,419	6,580
Total	**89,443**	**74,507**

17 Other financial assets

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

Other financial assets (carrying amounts after valuation) — EUR 1,000

	Valued at fair value through profit or loss	Valued at fair value through equity	Valued at amortized cost	**Total carrying amount**	[thereof short-term]	[thereof long-term]
December 31, 2010						
Investments in not-consolidated companies	–	–	68,207	**68,207**	[–]	[68,207]
Investment funds [1]	–	6,318	–	**6,318**	[–]	[6,318]
Bonds	–	127,703	–	**127,703**	[40,425]	[87,278]
Derivatives designated and effective as hedging instruments	5,075	38,576	–	**43,651**	[17,679]	[25,972]
Other derivatives	28,367	–	–	**28,367**	[24,065]	[4,302]
Loans	–	–	380,698	**380,698**	[5,796]	[374,902]
Other receivables from not-consolidated subsidiaries	–	–	9	**9**	[9]	[–]
Other receivables from associated companies	–	–	5,987	**5,987**	[5,987]	[–]
Other sundry receivables	–	–	844,350	**844,350**	[258,653]	[585,697]
Total	**33,442**	**172,597**	**1,299,250**	**1,505,290**	**[352,615]**	**[1,152,675]**
December 31, 2009						
Investments in not-consolidated companies	–	–	66,639	**66,639**	[–]	[66,639]
Investment funds	–	6,836	–	**6,836**	[–]	[6,836]
Bonds	–	125,190	–	**125,190**	[20,393]	[104,797]
Derivatives designated and effective as hedging instruments	9,264	118,941	–	**128,205**	[110,787]	[17,418]
Other derivatives	23,028	–	–	**23,028**	[15,589]	[7,439]
Loans	–	–	395,293	**395,293**	[2,544]	[392,749]
Other receivables from not-consolidated subsidiaries	–	–	121	**121**	[121]	[–]
Other receivables from associated companies	–	–	12,491	**12,491**	[12,491]	[–]
Other sundry receivables	–	–	817,612	**817,612**	[240,456]	[577,156]
Total	**32,292**	**250,967**	**1,292,156**	**1,575,415**	**[402,382]**	**[1,173,033]**

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

With the exception of investments in not-consolidated companies valued at cost, for which no reliable estimates of their fair values can be made, the carrying amounts are the fair values.

The carrying amounts of other financial assets at fair value through profit or loss (excluding derivatives designated and effective as hedging instruments, which are not classified as other financial assets at fair value through profit or loss) at December 31, 2010, were EUR 28,367 thousand (2009: EUR 23,028 thousand). These consist exclusively of financial assets held for trading. The carrying amounts of available-for-sale financial assets at December 31, 2010, were EUR 202,228 thousand (2009: EUR 198,665 thousand). There were no held-to-maturity financial assets at either December 31, 2009, or December 31, 2010.

Loans include interest-bearing shareholder loans to IOB Holdings A/S, Erdöl-Tanklagerbetrieb GmbH and Pearl Petroleum Company Limited totaling EUR 100,609 thousand (2009: loans to IOB Holdings A/S, Erdöl-Tanklagerbetrieb GmbH and Pearl Petroleum Company Limited totaling EUR 90,384 thousand) with an average interest rate of 1.99% in 2010 (2009: 2.93%), and an interest-free shareholder loan of EUR 267,300 thousand (2009: EUR 298,800 thousand) to BAYERNOIL Raffineriegesellschaft mbH.

Other sundry receivables include a claim amounting to EUR 576,947 thousand (2009: EUR 560,084 thousand) against the Romanian state related to obligations for decommissioning and restoration costs in OMV Petrom SA. The receivables consist of EUR 109,364 thousand for costs relating to environmental cleanup and EUR 467,583 thousand for costs relating to the decommissioning. OMV Petrom filed two claims for reimbursement of environmental cleanup costs in the amount of EUR 21,500 thousand. Up to now the Romanian state has not paid the claimed amounts. Contractual reimbursement procedures are ongoing.

Amortized costs of securities — EUR 1,000

	2010	2009
Investments in not-consolidated companies at cost	68,207	66,639
Investment funds	6,101	6,631
Bonds	86,430	123,858

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

	2010	2009
January 1	**84,696**	**95,187**
Additions/(releases)	1,905	4,002
Disposals	(2,861)	(9,761)
Foreign exchange rate differences	(256)	(4,731)
December 31	**83,485**	**84,696**

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

Carrying amount of other financial receivables — EUR 1,000

	2010	2009
Before impairments	84,350	86,053
Net of impairments	866	1,356

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

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

	2010	2009
Up to 60 days overdue	303	52
61 to 120 days overdue	0	17
More than 120 days overdue	1,671	8,224
Total	**1,975**	**8,293**

18 Other assets

Other assets — EUR 1,000

	2010		2009	
	Short-term	Long-term	Short-term	Long-term
Prepaid expenses	89,804	52,684	53,642	19,514
Other payments on account	17,919	—	15,889	—
Other non-financial receivables	192,219	55,770	89,612	25,539
Other assets	**299,942**	**108,454**	**159,143**	**45,053**

19 Assets and liabilities held for sale

In 2010, assets and liabilities held for sale consist of land and property owned by OMV Petrom SA, filling stations of OMV Refining & Marketing GmbH, assets and liabilities of OMV Wärme VertriebsgmbH and the E&P investment Boquerón, S.A., Venezuela.

In 2009, assets and liabilities held for sale consisted of land and property owned by OMV Aktiengesellschaft and OMV Petrom SA, filling stations of OMV Refining & Marketing GmbH, assets and liabilities of OMV Italia S.r.l. and the E&P investment Boquerón, S.A., Venezuela.

Assets and liabilities held for sale — EUR 1,000

	2010	2009
Non-current assets	41,342	42,589
Current assets and deferred taxes	52,198	12,924
Assets held for sale	**93,540**	**55,513**
Provisions	3,247	1,435
Liabilities	5,000	23,559
Liabilities associated with assets held for sale	**8,247**	**24,994**

Assets held for sale in the E&P segment amounted to EUR 1,051 thousand (2009: EUR 1,370 thousand), in R&M to EUR 75,023 thousand (2009: EUR 36,410 thousand) and in Co&O to EUR 17,466 thousand (2009: EUR 17,733 thousand).

Liabilities held for sale amounted to EUR 8,247 thousand (2009: EUR 24,464 thousand) in the R&M segment and in Co&O to nil EUR (2009: EUR 530 thousand).

20 Stockholders' equity

The **capital stock** of OMV Aktiengesellschaft consists of 300,000,000 (2009: 300,000,000) fully paid no par value shares with a total nominal value of EUR 300,000 thousand (2009: EUR 300,000 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 2010, 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).

The capital stock has been conditionally increased by EUR 77,900 thousand under section 159 (2) (1) Austrian Stock Corporation Act by issuance of up to 77,900,000 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 13, 2009 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 plans or can at any time be sold through the stock exchange or by means of a public offer. The Executive Board is further authorized to cancel treasury shares or use them for convertible bonds, if issued, use them in exchange for shares in other companies or for any other legally permitted purpose, whatsoever.

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

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

The **gains and losses recognized directly in consolidated equity and their related tax effects** were as follows:

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

			2010			2009
	Before-tax (expense) income	Tax (expense) benefit	Net-of-tax (expense) income	Before-tax (expense) income	Tax (expense) benefit	Net-of-tax (expense) income
Exchange differences from translation of foreign operations	202,884	—	202,884	(175,609)	—	(175,609)
Gains/(losses) on available-for-sale financial assets	(61)	8	(53)	622,922	(1,331)	621,592
Gains/(losses) on hedges	101,529	(21,475)	80,054	(190,770)	31,712	(159,057)
Share of other comprehensive income of associated companies	74,667	—	74,667	11,242	—	11,242
Other comprehensive income for the year	**379,019**	**(21,467)**	**357,553**	**267,785**	**30,382**	**298,167**

For 2010, OMV Aktiengesellschaft proposes a dividend of EUR 1.00 per eligible share (2009: EUR 1.00). The dividend for 2009 was paid in May 2010 in the amount proposed.

The Annual General Meetings for the years 2000 to 2009 approved the repurchase of treasury shares related to the provision of stock option plans. The costs of repurchased shares have been reflected in a reduction in equity. Gains or losses on the re-issue of treasury shares (issue proceeds less acquisition cost) result in an increase or reduction in capital reserves.

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

Treasury shares

	Number of shares	Cost EUR 1,000
January 1, 2009	**1,252,899**	**13,997**
Disposals	(33,204)	(606)
December 31, 2009	**1,219,695**	**13,392**
Disposals	(16,500)	(181)
December 31, 2010	**1,203,195**	**13,211**

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

Number of shares in issue

	Number of shares	Treasury shares	Shares in issue
January 1, 2009	**300,000,000**	**1,252,899**	**298,747,101**
Used to cover conversions and stock options	—	(18,180)	18,180
Sale of treasury shares	—	(15,024)	15,024
December 31, 2009	**300,000,000**	**1,219,695**	**298,780,305**
Used to cover stock options	—	(16,500)	16,500
Sale of treasury shares	—	—	—
December 31, 2010	**300,000,000**	**1,203,195**	**298,796,805**

21 Provisions

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

Provisions EUR 1,000

	Pensions and similar obligations	Decommissioning and restoration [1]	Current income taxes	Other provisions	**Total**
January 1, 2010	**883,844**	**1,801,726**	**101,459**	**678,346**	**3,465,375**
Exchange differences	(517)	5,716	3,716	975	**9,890**
Changes in consolidated Group	5,420	(231)	1,434	29,112	**35,735**
Used	(66,039)	(81,843)	(67,623)	(246,869)	**(462,374)**
Payments to funds	(30,325)	—	—	—	**(30,325)**
Allocations	134,264	207,102	82,493	261,207	**685,066**
Transfers	(25,878)	—	—	25,878	—
Liabilities associated with assets held for sale	(1,439)	102	—	(1,808)	**(3,145)**
December 31, 2010	**899,330**	**1,932,573**	**121,480**	**746,840**	**3,700,223**
[thereof short-term as of December 31, 2010]	[—]	[—]	[121,480]	[451,267]	**[572,747]**
[thereof short-term as of January 1, 2010]	[—]	[—]	[101,459]	[418,620]	**[520,079]**

[1] The short-term portion of the decommissioning and restoration provisions, amounting to EUR 549 thousand (2009: EUR 460 thousand), is included under other provisions.

Provisions for pensions, and similar obligations
Employees of Austrian Group companies whose service began before December 31, 2002, are entitled to receive **severance payments** upon termination of employment or on reaching normal retirement age. The entitlements depend on years of service and final compensation levels. Entitlements to severance payments for employees whose service began after December 31, 2002, are covered by defined contribution plans.

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. For the defined contribution plans, the reported expense corresponds to the contributions payable for the period.

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

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

Defined benefit pension obligations were as follows:

Defined benefit pension plans **EUR 1,000**

	2010	2009	2008	2007	2006
Present value of funded obligations	559,399	535,943	522,420	551,603	539,403
Market value of plan assets [1]	(400,450)	(379,477)	(349,295)	(381,439)	(382,386)
Unrecognized actuarial gains/(losses)	(78,061)	(65,859)	(72,970)	(72,315)	(65,075)
Provision for funded obligations	**80,888**	**90,607**	**100,155**	**97,849**	**91,942**
Present value of unfunded obligations	500,604	502,344	524,123	560,277	578,398
Unrecognized actuarial gains/(losses)	(17,187)	(1,918)	(5,765)	(21,451)	(19,316)
Provision for unfunded obligations	**483,417**	**500,426**	**518,358**	**538,826**	**559,082**
Provision for defined benefit pension obligations	**564,305**	**591,033**	**618,513**	**636,675**	**651,024**

[1] In 2009, this item included EUR 766 thousand in respect of qualifying insurance contracts.

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

Severance payments, jubilee payments and personnel reduction schemes **EUR 1,000**

	2010	2009	2008	2007	2006
Present value of obligations of severance payments	199,351	184,896	175,862	173,669	167,094
Unrecognized actuarial gains/(losses)	(9,988)	(7,726)	(5,994)	(12,953)	(6,182)
Provision for severance payments	**189,363**	**177,170**	**169,868**	**160,716**	**160,912**
Provision for jubilee payments	**24,894**	**24,738**	**24,515**	**26,406**	**25,685**
Provision for personnel reduction schemes	**202,062**	**189,944**	**268,705**	**241,949**	**303,378**
[thereof short-term personnel reduction schemes]	[81,294]	[99,041]	[149,826]	[142,687]	[189,283]
Total	**416,319**	**391,852**	**463,088**	**429,071**	**489,975**

Changes in **provisions and expenses** were as follows:

Provisions and expenses — **EUR 1,000**

	2010 Pensions	2010 Severance and jubilee entitlements, and personnel reduction schemes	2009 Pensions	2009 Severance and jubilee entitlements, and personnel reduction schemes
Provision as of January 1	**591,033**	**391,852**	**618,513**	**463,088**
Expense for the year	49,479	116,050	51,878	87,211
Additions from businesses acquired	—	5,420	—	—
Payments to funds	(30,325)	—	(33,338)	—
Benefits paid	(45,147)	(95,590)	(46,020)	(149,538)
Exchange translation difference	—	(709)	—	(8,711)
Liabilities associated with assets held for sale	(735)	(704)	—	(198)
Provision as of December 31	**564,305**	**416,319**	**591,033**	**391,852**
Current service cost	4,476	99,662	4,534	69,431
Interest cost	55,186	16,292	54,333	17,718
Expected return on plan assets	(18,346)	—	(16,899)	—
Amortized actuarial (gains)/losses	8,163	96	9,910	62
Expenses of defined benefit plans for the year	**49,479**	**116,050**	**51,878**	**87,211**

Expenses for interest accrued on personnel reduction schemes of EUR 5,577 thousand (2009: EUR 7,028 thousand) have been included under interest expense.

Severance and jubilee entitlements and personnel reduction schemes include provisions of EUR 81,294 thousand (2009: EUR 99,041 thousand) for the costs of personnel reduction schemes disclosed under other short-term provisions.

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

	2010 Pensions	2010 Severance, jubilees	2009 Pensions	2009 Severance, jubilees
Capital market interest rate	4.75%	4.75%	5.50%	5.50%
Future increases in salaries	3.85%	3.85%	3.85%	3.85%
Inflation	1.80%	—	2.50%	—
Long-term rate of return on plan assets	5.00%	—	5.00%	—

Allocation of plan assets as of December 31

	2010		2009	
	VRG IV	VRG VI	VRG IV	VRG VI
Asset category				
Equity securities	25.9%	4.6%	25.6%	29.9%
Debt securities	40.6%	51.9%	41.9%	38.1%
Cash and money market investments	22.4%	43.5%	20.5%	32.0%
Other	11.1%	—	12.0%	—
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

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

Market value of plan assets **EUR 1,000**

	2010		2009	
	VRG IV	VRG VI	VRG IV	VRG VI
Market value of plan assets January 1	**189,776**	**188,935**	**161,054**	**187,471**
Expected return on plan assets	9,330	8,999	7,951	8,931
Allocation to funds	22,205	8,120	21,842	11,496
Benefits paid	(7,602)	(17,889)	(5,060)	(17,353)
Actuarial gains/(losses) on pension plan assets for the year	3,985	(5,409)	3,989	(1,610)
Market value of plan assets December 31	**217,694**	**182,756**	**189,776**	**188,935**

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 funds of 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 are EUR-denominated.

The funds of the asset allocation and risk group (VRG) IV are invested in EUR-denominated bond funds, international equity funds and 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.

In 2005, the investment management policy for the funds of VRG VI was changed to a value-at-risk approach. The process involves investing in European equities and in low-risk assets, with a defined worst-case loss limit, but partly maintaining the opportunity of benefiting from positive stock market performance.

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. Both VRGs showed positive performances in 2009 and 2010 with VRG IV being above the target return.

For 2011, defined benefit related contributions to APK-Pensionskasse AG of EUR 6,000 thousand are planned.

Projected **payments to beneficiaries of pension plans** for 2011–2020 are as follows:

Projected payments to beneficiaries of pension plans — **EUR 1,000**

	Pensions
2011	71,288
2012	71,883
2013	73,041
2014	73,082
2015	75,048
2016-2020	354,968

Provisions for decommissioning and restoration obligations

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

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

	Acquisition cost	Depreciation	Carrying amount
Capitalized decommissioning costs			
January 1, 2010	**339,572**	**158,093**	**181,478**
Exchange differences	8,168	4,260	3,908
New obligations	14,636	—	14,636
Assets held for sale [1]	74	46	28
Increase arising from revisions in estimates	74,905	—	74,905
Depreciation	—	45,224	(45,224)
Disposal (decommissioning)	(5,127)	(3,399)	(1,728)
Reduction arising from revisions in estimates	(138)	—	(138)
December 31, 2010	**432,089**	**204,225**	**227,864**
Decommissioning and restoration obligations			
January 1, 2010	**—**	**—**	**1,802,186**
Exchange differences	—	—	2,070
New obligations	—	—	15,612
Liabilities associated with assets held for sale [1]	—	—	102
Increase arising from revisions in estimates	—	—	76,434
Reduction arising from revisions in estimates	—	—	(3,740)
Unwinding of discounting	—	—	122,917
Repayments	—	—	(82,459)
December 31, 2010	**—**	**—**	**1,933,122**
[thereof short-term as of December 31, 2010]	[—]	[—]	[549]
[thereof short-term as of January 1, 2010]	[—]	[—]	[460]

[1] The changes in assets and liabilities held for sale include planned but not effected disposals of filling stations in Austria.

The provision for decommissioning and restoration costs includes obligations in respect of OMV Petrom SA amounting to EUR 1,338,056 thousand (2009: EUR 1,305,992 thousand). As of 31 December 2010, OMV Petrom SA holds receivables from the Romanian state amounting to EUR 576,947 thousand (2009: 560,084), which are disclosed as non-current assets under other financial assets (please refer to Note 17).

Other provisions EUR 1,000

	2010		2009	
	Short-term	Long-term	Short-term	Long-term
Environmental costs	67,804	100,993	37,142	111,847
Other personnel provisions	120,728	428	132,710	398
Other	262,735	194,151	248,768	147,481
Other provisions	**451,267**	**295,572**	**418,620**	**259,726**

Other personnel provisions include short-term costs of staff reductions amounting to EUR 81,294 thousand (2009: EUR 99,041 thousand). Other provisions contain current provisions for decommissioning and restoration costs of EUR 549 thousand (2009: EUR 460 thousand). This item also includes EUR 50,706 thousand (2009: EUR 79,449 thousand) short-term and EUR 72,452 thousand (2009: EUR 72,891 thousand) long-term litigation provisions due to litigations with former and current employees for various types of claims due to differing interpretations of some of the clauses of the Collective Bargaining Agreements applicable at Petrom. In addition this position also includes provisions for mineral royalties, billing statements and insurance.

Emissions certificates

Directive 2003/87/EC of the European Parliament and of the European Council established a greenhouse gas emissions trading scheme, requiring member states to draw up national plans to allocate emissions certificates. Under this scheme, affected OMV Group companies received a total of 8,729,813 free emissions certificates in 2010 (2009: 8,361,564), thereof 4,650,861 to 19 plants of Petrom in Romania (2009: 4,282,612). As of December 31, 2010, the market value of emissions certificates amounts to EUR 93,529 thousand (December 31, 2009: EUR 95,846 thousand).

As of December 31, 2010, OMV Group held 7,011,569 emissions certificates. 5,818,476 emissions certificates for (not yet externally verified) emissions in 2010 will be surrendered in 2011.

Emissions certificates

Certificates held as of December 31, 2009	**7,649,407**
Free allocation for 2010	8,729,813
Certificates surrendered according to verified emissions 2009	(6,548,543)
Net purchases and sales in 2010 [1]	(2,819,108)
Certificates held as of December 31, 2010	**7,011,569**

[1] Purchases are valued at their acquisition cost.

A shortfall in emissions certificates would be provided for; as of December 31, 2010 (as well as of December 31, 2009) OMV Group was not short of certificates.

22 Liabilities

Liabilities — EUR 1,000

	2010 Total	2010 Short-term	2010 Long-term	2009 Total	2009 Short-term	2009 Long-term
Bonds	**2,062,734**	72,606	1,990,128	**1,785,930**	309,997	1,475,933
Interest-bearing debts	**3,910,578**	895,524	3,015,054	**2,084,603**	363,878	1,720,725
[thereof to banks]	**[3,910,578]**	[895,524]	[3,015,054]	**[2,084,603]**	[363,878]	[1,720,725]
Trade payables (short-term)	**3,361,585**	3,361,585	—	**2,141,533**	2,141,533	—
[thereof to not-consolidated subsidiaries]	**[—]**	[—]	[—]	**[69]**	[69]	[—]
[thereof to associated companies]	**[75,120]**	[75,120]	[—]	**[67,111]**	[67,111]	[—]
Other financial liabilities	**502,666**	309,222	193,444	**702,965**	502,866	200,099
Other liabilities	**1,009,662**	1,000,514	9,148	**879,929**	868,222	11,707
Liabilities associated with assets held for sale	**8,247**	8,247	—	**24,994**	24,994	—
Total	**10,855,471**	**5,647,698**	**5,207,773**	**7,619,954**	**4,211,490**	**3,408,464**

Bonds

Bonds issued

	Nominal	Coupon	Repayment	**2010** Carrying amount December 31 EUR 1,000	2009 Carrying amount December 31 EUR 1,000
Domestic corporate bond [1]	EUR 250,000,000	3.75% fixed	30.6.2010	—	257,734
US private placement [1]	USD 182,000,000	4.73% fixed	27.6.2013	136,278	126,403
	USD 138,000,000	4.88% fixed	27.6.2015	108,113	99,173
International corporate bond	EUR 1,000,000,000	6.25% fixed	7.4.2014	1,045,896	1,045,912
	EUR 250,000,000	5.25% fixed	22.6.2016	256,739	256,708
	EUR 500,000,000	4.375% fixed	10.2.2020	515,708	—
Total				**2,062,734**	**1,785,930**

[1] In part, derivatives (interest swaps) were used to convert the interest rates from fixed to floating.

Interest-bearing debts and bonds
Some of the Group's interest-bearing debts to non-banks involve financial covenants, which relate mainly to adjusted equity ratios, cash flow from operating activities excluding interest income and expense, and earnings before interest, taxes, depreciation and amortization (EBITDA).

Interest-bearing debts and bonds have the following maturities:

Interest-bearing debts and bonds		EUR 1,000
	2010	2009
Short-term loan financing	682,704	228,977
Short-term component of long-term financing	285,426	444,899
Total short-term	**968,130**	**673,876**
Maturities of long-term financing		
2011/2010 (short-term component of long-term financing)	285,426	444,899
2012/2011	1,167,735	424,507
2013/2012	845,693	95,133
2014/2013	1,607,775	500,086
2015/2014	202,128	1,540,570
2016/2015 and subsequent years	1,181,851	636,361
Total for 2012/2011 onwards	**5,005,182**	**3,196,657**

Breakdown of interest-bearing debts and bonds by currency and interest rate					EUR 1,000
			2010 Weighted average interest rate		2009 Weighted average interest rate
Long-term interest-bearing debts and bonds [1]					
Fixed rates	EUR	2,406,558	5.19%	2,147,508	5.33%
	USD	974,151	3.83%	225,576	4.79%
	TRY	297,188	14.99%	—	—
Total		**3,677,897**		**2,373,084**	
Variable rates	AUD	14,596	5.29%	11,972	4.40%
	EUR	1,390,195	4.20%	1,077,639	3.54%
	NZD	—	—	50,502	2.97%
	RON	107,931	9.36%	120,698	11.77%
	USD	99,988	3.61%	7,661	0.51%
Total		**1,612,710**		**1,268,472**	
Short-term interest-bearing debts and bonds					
EUR		308,665	1.22%	92,023	1.03%
GBP		21,725	1.65%	45,040	1.23%
TRY		18,157	6.66%	—	—
HUF		38	6.40%	44,376	6.90%
RON		1,757	4.22%	44,007	11.67%
USD		329,414	2.37%	3,531	1.10%
NOK		2,949	3.05%	—	—
Total		**682,705**		**228,977**	

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

Interest-bearing debts and bonds amounting to EUR 5,973,312 thousand (2009: EUR 3,870,533 thousand) are valued at amortized cost. The estimated fair value of these liabilities was EUR 6,239,847 thousand (2009: EUR 4,052,000 thousand), of which EUR 4,220,871 thousand (2009: EUR 2,647,498 thousand) was at fixed rates and

EUR 2,018,976 thousand (2009: EUR 1,404,502 thousand) was at floating rates. The fair value of financial liabilities for which market prices were not available was established by discounting future cash flows using interest rates prevailing at balance sheet date for similar liabilities with similar maturities.

Other financial liabilities

Other financial liabilities — EUR 1,000

	Total	Short-term	Long-term
2010			
Trade payables (long-term)	**4,546**	—	4,546
Liabilities to not-consolidated subsidiaries	**6,434**	6,275	159
Liabilities to associated companies	**6,800**	—	6,800
Liabilities on derivatives designated and effective as hedging instruments	**46,037**	23,049	22,988
Liabilities on other derivatives	**36,196**	36,196	—
Liabilities on finance leases	**139,419**	41,817	97,602
Other sundry financial liabilities	**263,233**	201,884	61,349
Total	**502,666**	**309,222**	**193,444**
2009			
Trade payables (long-term)	**47,768**	—	47,768
Liabilities to not-consolidated subsidiaries	**775**	723	52
Liabilities to associated companies	**6,800**	—	6,800
Liabilities on derivatives designated and effective as hedging instruments	**206,659**	188,610	18,049
Liabilities on other derivatives	**108,011**	107,705	306
Liabilities on finance leases	**118,131**	30,204	87,927
Other sundry financial liabilities	**214,821**	175,623	39,198
Total	**702,965**	**502,866**	**200,099**

The carrying amount of liabilities on derivatives corresponds to the fair value. Liabilities on derivatives designated and effective as hedging instruments contain no liabilities on fair value hedges in 2010 (2009: EUR 4,863 thousand) whose fair value adjustments have been recognized through profit or loss. Fair value adjustments on the remaining liabilities on derivatives designated and effective as hedging instruments have been recognized through equity. The liabilities on other derivatives are financial liabilities at fair value through profit or loss. All other items are liabilities to be classified as measured at amortized cost.

Other liabilities

Other liabilities			EUR 1,000
	Total	Short-term	Long-term
2010			
Other taxes and social security liabilities	**805,564**	805,564	—
Payments received in advance	**136,896**	128,223	8,673
Other sundry liabilities	**67,202**	66,727	475
Total	**1,009,662**	**1,000,514**	**9,148**
2009			
Other taxes and social security liabilities	**570,167**	570,167	—
Payments received in advance	**241,679**	230,382	11,297
Other sundry liabilities	**68,083**	67,673	410
Total	**879,929**	**868,222**	**11,707**

23 Deferred taxes

Deferred taxes				EUR 1,000
	Deferred tax assets before allowances	Allowances	Net deferred tax assets	Deferred tax liabilities
2010				
Intangible assets	28,087	—	28,087	265,498
Property, plant and equipment	129,618	357	129,261	555,382
Other financial assets	5,903	—	5,903	18,188
Accrued Petroleum Revenue Tax (PRT)	5,180	—	5,180	2,590
Inventories	43,892	—	43,892	59,559
Receivables and other assets	42,884	9,819	33,065	23,236
Untaxed reserves	—	—	—	3,304
Provisions for pensions and similar obligations	95,849	—	95,849	—
Other provisions	276,682	8,189	268,492	18,949
Liabilities	79,715	2,271	77,444	196,199
Other deferred taxes not associated with balance sheet items	4	—	4	49,281
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	37,997	—	37,997	—
Tax loss carryforwards	171,140	51,579	119,561	—
Total	**916,950**	**72,216**	**844,734**	**1,192,185**
Netting (same tax jurisdictions)			(654,748)	(654,748)
Deferred taxes associated with assets held for sale			(391)	(1,591)
Deferred taxes per balance sheet			**189,595**	**535,846**

Deferred taxes				EUR 1,000
	Deferred tax assets before allowances	Allowances	Net deferred tax assets	Deferred tax liabilities
2009				
Intangible assets	10,196	864	9,332	102,518
Property, plant and equipment	132,658	13	132,645	428,381
Other financial assets	3,888	—	3,888	2,948
Accrued Petroleum Revenue Tax (PRT)	2,766	—	2,766	1,383
Inventories	31,123	48	31,074	37,804
Receivables and other assets	46,976	13,720	33,255	47,597
Untaxed reserves	—	—	—	6,987
Provisions for pensions and similar obligations	96,824	—	96,824	—
Other provisions	239,706	2,905	236,802	26,032
Liabilities	115,150	46	115,104	207,725
Other deferred taxes not associated with balance sheet items	—	—	—	64,707
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	20,319	—	20,319	—
Tax loss carryforwards	175,776	49,461	126,315	—
Total	**875,381**	**67,057**	**808,324**	**926,079**
Netting (same tax jurisdictions)			(629,135)	(629,135)
Deferred taxes associated with assets held for sale			(1,593)	(1,848)
Deferred taxes per balance sheet			**177,597**	**295,097**

Deferred taxes on the retained earnings of Group companies are generally only recognized where there is no possibility of tax-free transfers to the parent company or where there is no future tax income or expense associated with consolidation entries.

As of December 31, 2010, OMV recognized **tax loss carryforwards** of EUR 661,093 thousand (2009: EUR 618,541 thousand). Eligibility of losses for carryforward expires as follows:

Losses for carryforward		EUR 1,000
	2010	2009
2010	—	3,467
2011	2,300	5,206
2012	6,019	4,053
2013	14,231	22,058
2014	5,711	23,714
2015	45,338	—
After 2015/2014	128,415	147,416
Unlimited	459,079	412,626
Total	**661,093**	**618,541**

Supplementary information on the financial position

24 Statement of cash flows

Cash and cash equivalents include cash balances, bank accounts and highly liquid short-term investments with low realization risk, i.e. negligible short-term exchange and interest risks. The maximum maturity at the time of acquisition for such investments is three months. The cash balances of Amical Insurance Limited amounting to EUR 3,133 thousand (2009: EUR 17,278 thousand) are not entirely available for use, as a result of the statutory regulations governing insurance industry. Within OMV Petrom SA, EUR 32,665 thousand are not available for use due to pending court cases. Additional EUR 271 thousand refer to pledged accounts (2009: EUR 14,400 thousand).

In 2009, the proceeds from the sale of non-current assets (EUR 1,532,690 thousand) included the cash inflow of EUR 1,400,000 thousand from the sale of the MOL shares.

Statement of cash flows — EUR 1,000

	2010	2009
Interest payments	(193,415)	(78,380)
Income tax payments	(241,743)	(184,837)
Dividend payments by associated companies	153,329	3,339

The net cash outflows from the acquisition of subsidiaries are shown in the table below. Apart from Petrol Ofisi, considerations paid in 2010 also included purchase prices for Wind Power Park SLR, for additional shares in AVIATION PETROLEUM SRL, and for Korned LLP which was acquired in 2009.

The figures for 2009 include the first payments for Korned LLP, the purchase price for additional shares in EconGas GmbH and PETROM AVIATION SA as well as purchase price adjustments for ICS PETROM MOLDOVA SA and AVIATION PETROLEUM SRL. The main acquisition in 2009 related to additional shares in Borasco Elektrik Üretim Sanayi ve Ticaret A.Ş., Istanbul, which was renamed to OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş. in 2010.

Net cash outflows for subsidaries acquired — EUR 1,000

			2010			2009
	Petrol Ofisi	Other	**Total**	Samsun	Other	**Total**
Consideration given	1,007,654	16,548	**1,024,202**	20,628	10,568	**31,196**
Cash acquired	(210,651)	—	**(210,651)**	(17,925)	—	**(17,925)**
Net cash outflows for subsidaries acquired	**797,003**	**16,548**	**813,551**	**2,703**	**10,568**	**13,271**

25 Contingent liabilities

OMV recognizes provisions for litigation if litigation is more likely than not to result in obligations. Management is of the opinion that litigation, to the extent not covered by provisions or insurance, will not materially affect the Group's financial position. The production facilities and properties of all Group companies are subject to a variety of environmental protection laws and regulations in the countries where they operate. The estimated cost of known environmental obligations has been provided in accordance with the Group's accounting policies. For oil and gas pipelines, provisions for decommissioning and restoration are made if an obligation exists at balance sheet date. In conformity with the going concern principle, no provisions have been made for contingent obligations in respect of decommissioning where the timing cannot be predicted.

Management believes that compliance with current laws and regulations, and future more stringent laws and regulations, will not have a material negative impact on consolidated results in the near future.

On August 31, 2006, the Turkish Energy Market Regulatory Authority (EMRA) imposed fines totaling TRY 1.6 bn (EUR 0.8 bn) on 28 of Turkey's 30 distribution companies in respect of litigation with reference to the supply of unlicensed distributors during the transition period following the introduction of the new Turkish Petroleum Act at the beginning of 2005. The fine imposed on Petrol Ofisi A.Ş. and its subsidiary ERK Petrol Yatırımları A.Ş amounted to some TRY 600 mn (EUR 289 mn). Petrol Ofisi A.Ş. appealed to the Supreme Court and the Administrative Court of Appeal for cancellation of the fine and applied for stay of payment until the case was settled. On January 31, 2007, the Supreme Court granted the application for stay of payment until settlement of the case. On the basis of the Supreme Court's decision, no provision has been made. During 2010, the case has finally been decided in favor of Petrol Ofisi A.Ş. and its subsidiary ERK Petrol Yatırımları A.Ş.

26 Risk management

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

To ensure that OMV Group remains solvent at all times and retains the necessary financial flexibility, liquidity reserves in the form of committed credit lines are maintained. As of December 31, 2010 the average weighted maturity of the Group's debt portfolio is more than three years.

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

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

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

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

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

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

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

OMV uses a portfolio model for **strategic risk management for commodities** to ensure that sufficient cash flow is available to finance the Group's growth and maintain its investment grade credit rating. As of the balance sheet date no strategic hedging transactions were concluded for 2011.

To protect the Group's cash flow from the adverse impact of falling oil prices, derivative instruments were used to hedge the proceeds from 63,000 bbl/d for 2010. To achieve this goal, OMV entered into crude oil hedges (puts) securing an average price floor of USD 54.20/bbl. The puts were financed via call options in order to avoid initial investment (zero cost collar), whereby the Group was not able to profit from oil prices above USD 75/bbl in 2010 for the volume stated above. The hedges were over-the-counter (OTC) contracts with first class banks.

For 2009, OMV entered into put spreads for 65,000 bbl/d to secure a price floor of USD 80/bbl as long as the oil price was above USD 65/bbl. When oil prices were below USD 65/bbl, the hedge paid out USD 15/bbl in addition to the realized market price. The put spreads were financed via call options in order to avoid initial investment (zero cost structure), whereby the Group would not have been able to profit from oil prices above approximately USD 110/bbl in 2009 for the above stated volume.

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

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

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

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

Open commodity contracts as of December 31 were as follows:

Nominal and fair value of open contracts — **EUR 1,000**

	2010 Nominal	**2010** Fair value	2009 Nominal	2009 Fair value
Strategic risk management				
E&P				
Commodity options [1]	—	—	1,239,776	(160,173)
Operational risk management				
R&M				
Commodity futures	1,188,866	1,524	191,118	(5,885)
Commodity swaps	3,394,703	(12,116)	493,658	(2,491)
Commodity options	—	—	—	—
G&P				
Gas swaps	797,291	(5,975)	1,749,698	(6,508)
Gas options	65,752	4,514	72,367	7,200

[1] Commodity options used for strategic risk management in E&P are combined financial products composed of put and call options.

The fair values at balance sheet date were as follows:

Fair values EUR 1,000

			2010			2009
	Nominal	Fair value assets	Fair value liabilities	Nominal	Fair value assets	Fair value liabilities
Cash flow hedges						
E&P options	–	–	–	1,158,108	–	(149,715)
R&M swaps	323,533	4,182	(5,662)	110,355	3,080	(1,841)
G&P swaps	788,457	34,318	(40,375)	1,673,412	115,917	(120,357)
G&P options	17,388	4,306	–	17,388	3,733	–
Fair value hedges						
G&P swaps	1,314	296	–	65,002	2,954	(4,863)
G&P options	48,365	208	–	54,980	3,467	–
Derivatives held for trading						
E&P options	–	–	–	81,668	–	(10,458)
R&M futures	1,188,866	13,572	(12,048)	191,118	176	(6,061)
R&M swaps	3,071,170	2,115	(12,751)	383,302	14,790	(18,520)
R&M options	–	–	–	–	–	–
G&P swaps	7,520	295	(509)	11,284	239	(398)

Cash flow hedging for commodities

Cash flow hedging for commodities EUR 1,000

	Period of expected cash flows for cash flow hedges	Direct equity adjustments from cash flow hedges	[thereof: Transfer from equity disclosed in income statement]	[thereof: Transfer from equity against original costs of acquisition]
2010				
E&P price risk hedge				
Brent options	–	81,702	[70,264]	[–]
R&M price risk hedge				
Swaps fix to floating – Brent	2011	1,112	[(3,582)]	[–]
Swaps fix to floating – products	2011	(3,821)	[4,440]	[–]
G&P price risk hedge				
Swaps fix to floating – gas	until Q3/13	(1,625)	[(3,489)]	[–]
Gas options	until Q4/12	121	[–]	[–]
2009				
E&P price risk hedge				
Brent options	2010	(261,228)	[(153,644)]	[–]
R&M price risk hedge				
Swaps fix to floating – Brent	2010	89,671	[82,192]	[–]
Swaps fix to floating – products	2010	(107,646)	[(104,583)]	[–]
G&P price risk hedge				
Swaps fix to floating – gas	until Q4/12	112,370	[78,217]	[1,750]
Gas options	until Q4/12	–	[–]	[–]

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

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

The hedging of future cash flows is accounted for as a cash flow hedge, and the effective part of the change in value of the derivative is taken directly to equity. When the hedged item (underlying transaction) affects profit and loss, the amounts previously taken to equity are released to profit and loss. The ineffective part of the cash flow hedges, amounting to a negative EUR 2,644 thousand (2009: negative EUR 7,570 thousand) was recognized in profit and loss.

Fair value hedges for commodities
For fair value hedges, both the changes in value of the underlyings and the countervailing changes in value of the hedges are recognized through profit or loss. The differences are measures of hedging ineffectiveness.

Fair value hedges for commodities		EUR 1,000
	2010	2009
Changes on underlyings	349	(50,537)
Changes on hedges	(349)	49,685

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

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

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

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

	2010 Market price +10%	2010 Market price (10)%	2009 Market price +10%	2009 Market price (10)%
Strategic risk management				
E&P				
Commodity options	–	–	10,708	3,278
Operational risk management				
R&M				
Commodity futures	(36,800)	36,800	(16,490)	16,490
Commodity swaps	(12,706)	12,706	(10,340)	10,340
Commodity options	–	–	–	–
G&P				
Gas swaps	49	(49)	8	(8)
Gas options	(113)	237	(248)	1,054

Sensitivity analysis for open derivatives affecting equity EUR 1,000

	2010 Market price +10%	2010 Market price (10)%	2009 Market price +10%	2009 Market price (10)%
Strategic risk management				
E&P				
Commodity options	–	–	(113,075)	79,605
Operational risk management				
R&M				
Commodity futures	–	–	–	–
Commodity swaps	(3,460)	3,460	699	(699)
Commodity options	–	–	–	–
G&P				
Gas swaps	(521)	521	1,519	(1,439)
Gas options	1,349	(1,070)	–	–

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

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

In the reporting period OMV concluded currency forwards to hedge the EUR equivalent of a USD payment made to purchase additional shares in Petrol Ofisi A.Ş. These transactions were accounted for as a fair value hedge.

In 2009, OMV entered into USD hedges for an exposure of USD 1 bn, where OMV was only exposed to exchange rate movements within the range of EUR-USD 1.32 to 1.15 for the respective amount.

As of December 31, 2010, the value of transactions hedging foreign currency receivables and liabilities and of transactions used to manage liquidity was as follows:

Currency derivatives EUR 1,000

	2010		2009	
	Nominal	Fair value	Nominal	Fair value
Currency forwards	650,139	3,077	311,283	(1,006)
Currency swaps	88,787	(4,653)	80,127	(885)

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

Cash flow hedging for currency derivatives
As of December 31, 2010, no cash flow hedging for currency derivatives was applied.

Cash flow hedging for currency derivatives EUR 1,000

	Period of expected cash flows for cash flow hedges	Direct equity adjustments from cash flow hedges	[thereof: Transfer from equity disclosed in income statement]	[thereof: Transfer from equity against original costs of acquisition]
2010				
Currency options	—	—	[—]	[—]
Currency forwards	—	24,040	[24,040]	[—]
2009				
Currency options	2009	(23,815)	[(27,621)]	[—]
Currency forwards	2009	(122)	[(18)]	[—]

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

Translation risk is also monitored on an ongoing basis at Group level, and the risk position is evaluated. Translation risk arises on the consolidation of subsidiaries preparing their financial statements in currencies other than in EUR. The largest exposures result from changes in the value of the RON, the TRY and the USD against the EUR. The long-term foreign exchange rate risk on investments in subsidiaries not preparing financial statements in EUR is calculated and appraised on a regular basis.

For financial instruments, sensitivity analysis is performed for changes in foreign exchange rates, and the sensitivity of the principal currency exposures is as follows: The main exposures as of December 31, 2010, were to the EUR-RON and EUR-USD as well as the EUR-TRY exchange rates. On Group level, the EUR-RON sensitivity not only includes the RON net exposure versus EUR but also the net RON exposure versus the USD, since the USD-RON exposure can be split into a EUR-RON and EUR-USD exposure. The same is true for the EUR-TRY exposure.

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

	2010		2009	
	10% appreciation of the EUR	10% depreciation of the EUR	10% appreciation of the EUR	10% depreciation of the EUR
EUR-RON	(17,023)	17,023	(2,170)	2,170
EUR-TRY	(45,385)	45,385	—	—
EUR-USD	34,320	(34,320)	(11,120)	11,120

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

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

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

As of December 31, open positions were as follows:

Open positions **EUR 1,000**

	2010		2009	
	Nominal	Fair value	Nominal	Fair value
Interest rate swaps (not hedge accounting)	64,250	(1,365)	—	—
Interest rate swaps (USD 50 mn)	37,419	4,779	134,708	6,310

Interest sensitivities
The effect of an interest rate increase of 0.5 percentage points as of December 31, 2010 would have been a EUR 1.3 mn reduction in market value (2009: EUR 1.3 mn). The effect of an interest rate decrease of 0.5 percentage points as of December 31, 2010, would have been a EUR 1.3 mn increase in market value (2009: EUR 1.3 mn).

OMV PETROM SA holds financial assets whose market value would be affected by changes in interest rates. The effect of an interest rate increase of 0.5 percentage points as of December 31, 2010, would have been a EUR 0.8 mn reduction in the market value of these financial assets (2009: EUR 0.8 mn). A 0.5 percentage points fall in the interest rate as of December 31, 2010 would have led to an increase in market value of EUR 0.8 mn (2009: EUR 0.8 mn).

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

On the Group's floating rate net debt as of December 31, 2010, net interest expense would rise or fall by EUR 6.1 mn (December 31, 2009: EUR 5.0 mn) if interest rates rose or fell by 0.5 percentage points.

Credit risk management
The main counterparty credit risks are assessed and monitored at Group level and segment level using predetermined limits for specific countries, banks and business partners. On the basis of creditworthiness, customers are assigned maximum permitted exposures in terms of amounts and maturities. Creditworthiness assessments are reviewed at least annually or on an ad-hoc basis. The procedures are governed by guidelines, both at OMV and at Petrom. The main counterparties in contracts involving financial instruments have investment grade credit ratings. In the interest of risk diversification, financial agreements are always spread between a number of different banks.

Credit risk versus financial counterparties in strategic risk management, foreign exchange rate risk management and interest rate risk management amounted to a maximum of EUR 228.5 mn as of December 31, 2010 (2009: EUR 752.7 mn). Credit risk versus financial counterparties in operational risk management in the R&M business amounted to a maximum of EUR 628.8 mn (2009: EUR 430.4 mn).

27 Fair value hierachy

The following overview presents the measurement of financial instruments (assets and liabilities) recognized at fair value. In accordance with IFRS 7, the individual levels are defined as follows:

Level 1: Using quoted prices in active markets for identical assets or liabilities.

Level 2: Using inputs for the asset or liability, other than quoted prices, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Using inputs for the asset or liability that are not based on observable market data such as prices, but on internal models or other valuation methods.

Fair value hierachy — EUR 1,000

Financial instruments on asset side	Total	Level 1	Level 2	Level 3
Investment funds	**6,318**	6,318	–	–
Bonds	**127,703**	127,703	–	–
Derivatives designated and effective as hedging instruments	**43,651**	5,037	38,614	–
Other derivatives	**28,367**	10,401	17,966	–
Total	**206,039**	**149,459**	**56,580**	–

Fair value hierachy — EUR 1,000

Financial instruments on liability side	Total	Level 1	Level 2	Level 3
Liabilities on derivatives designated and effective as hedging instruments	**46,037**	–	46,037	–
Liabilities on other derivatives	**36,196**	7,693	28,503	–
Total	**82,233**	**7,693**	**74,540**	–

28 Result on financial instruments

Result on financial instruments		EUR 1,000
	2010	2009
Result on financial instruments at fair value through profit or loss	(150,272)	(4,267)
Result on available-for-sale financial instruments	8,544	(20,072)
Result on loans and receivables	86,093	4,873
Result on financial liabilities measured at amortized cost	(182,056)	(126,701)
Total	**(237,691)**	**(146,166)**

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

In the income statement, a negative result on financial instruments of EUR 3,239 thousand (2009: negative result of EUR 29,748 thousand) forms part of operating profit (EBIT) and a negative result of EUR 234,452 thousand (2009: negative result of EUR 116,418 thousand) forms part of the net financial result.

The result on available-for-sale financial instruments in 2010 includes an amount of EUR 24,040 thousand (2009: EUR 37,041 thousand) recycled from equity during the period under review and recognized as expense in the income statement. In addition to the result on available-for-sale financial instruments shown in the table above, a loss of EUR 61 thousand (2009: gain of EUR 585,881 thousand) was recognized directly in equity in 2010.

The result on available-for-sale financial instruments includes impairment losses of EUR 5,802 thousand (2009: EUR 1,233 thousand). The result on loans and receivables includes impairment losses of EUR 24,824 thousand (2009: EUR 22,493 thousand). Write-ups of loans and receivables amount to EUR 23,736 thousand (2009: EUR 9,910 thousand). In the position financial instruments at fair value through profit or loss a remeasurement loss related to the Petrol Ofisi acquisition amounting to EUR 171,678 is contained in 2010.

29 LTI plan and stock option plan

Long Term Incentive (LTI) plans 2009 and 2010

In 2009, the stock option plan was replaced by the LTI plan for the Executive Board and selected senior executives in the Group. Participants 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 shares. In 2010, another LTI plan was granted, with similar conditions.

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, 2010, the provision amounted to EUR 16,625 thousand (2009: EUR 3,747 thousand), and the net increase was EUR 12,878 thousand (2009: EUR 3,747 thousand).

Main conditions

	2010 plan	2009 plan
Start of plan	1.1.2010	1.1.2009
End of performance period	31.12.2012	31.12.2011
Vesting date	31.3.2013	31.3.2012
End of holding period	31.3.2015	31.3.2014
Qualifying own investment		
Executive Board Chairman	100 % of gross base salary	100 % of gross base salary
Executive Board Deputy Chairman	85 % of gross base salary	85 % of gross base salary
Executive Board Members	70 % of gross base salary	70 % of gross base salary
Senior executives	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
Personal investment held in shares		
Executive Board members		
Auli	20,096 shares	20,096 shares
Davies	20,096 shares	20,096 shares
Huijskes	12,136 shares	–
Langanger	20,096 shares	20,096 shares
Roiss	28,469 shares	28,469 shares
Ruttenstorfer	38,278 shares	38,278 shares
Total – Executive Board	**139,171 shares**	**127,035 shares**
Other senior executives	240,390 shares	202,412 shares
Total personal investment	**379,561 shares**	**329,447 shares**
Expected bonus shares as of December 31, 2010	**591,420 shares**	**300,688 shares**
Maximum bonus shares as of December 31, 2010	**611,514 shares**	**513,480 shares**
Fair value of plan (EUR 1,000)	**27,076**	**11,399**

Stock option plans 2004 - 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 has risen by at least 15% (plan threshold share price).

In the explanations below, 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	2004 plan
Start of plan	1.9.2008	1.9.2007	1.9.2006	1.9.2005	1.9.2004
End of plan	31.8.2015	31.8.2014	31.8.2013	31.8.2012	31.8.2011
Vesting period	2 years	2 years	2 years	2 years	2 years
Exercise price	EUR 47.550	EUR 47.850	EUR 45.190	EUR 34.700	EUR 16.368
Option entitlement per OMV share held	20	20	20	20	15
Qualifying own investment					
Executive Board	1,136 shares [1]	1,230 shares [1]	1,242 shares [1]	2,390 shares [1]	3,980 shares [1]
Senior executives	379 shares [1]	410 shares [1]	414 shares [1]	800 shares [1]	1,330 shares [1]
Options granted					
Executive Board members					
Auli [2]	22,720	24,600	8,280	–	19,950
Davies	22,720	24,600	24,840	47,800	59,700
Langanger [3]	22,720	24,600	24,840	47,800	59,700
Roiss	22,720	24,600	24,840	47,800	59,700
Ruttenstorfer	22,720	24,600	24,840	47,800	59,700
Total – Executive Board	**113,600**	**123,000**	**107,640**	**191,200**	**258,750**
Other senior executives	428,280	440,760	360,220	532,000	484,350
Total options granted	**541,880**	**563,760**	**467,860**	**723,200**	**743,100**
Plan threshold share price	**EUR 54.680**	**EUR 55.030**	**EUR 51.970**	**EUR 39.910**	**EUR 18.823**

[1] Or 25%, 50%, or 75% thereof.
[2] Member of the Executive Board since January 1, 2007.
[3] Member of the Executive Board until September 30, 2010.

At balance sheet date, some of the options for the 2004 and 2005 plans were exercised and some of the options for the 2006 and 2007 plans forfeited (were returned). As of December 31, 2009, some of the options for the 2004 and 2005 plans were exercised and some of the options for the 2006 and 2007 plans forfeited (were returned).

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. Provided that the plan thresholds are attained, the options may be exercised in the exercise period for the 2004 plan during the 20 trading days after publication of the quarterly reports (exercise window). 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 2010 and 2009 movements in options under the stock option plans were as follows:

Stock option plans

		2010		2009
	Number of options	Weighted average exercise price EUR	Number of options	Weighted average exercise price EUR
Outstanding options as of January 1	**2,063,050**	**42.426**	**2,122,390**	**42.288**
Options exercised	(16,500)	16.368	(18,180)	16.368
Options forfeited (returned)	—	—	(41,160)	46.780
Outstanding options as of December 31	**2,046,550**	**42.637**	**2,063,050**	**42.426**
Options exercisable at year end [1]	**138,810**	**16.368**	**155,310**	**16.368**

[1] The options for the plans 2005, 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 and 2007 would have been exercisable at December 31, 2009, if the share price had been above the respective plan threshold.

During 2010, a total of 16,500 options granted under the 2004 plan were exercised. For all options, the options were exercised through the purchase of shares. The weighted average market price at the time of exercise in 2010 was EUR 26.530. Considering the plan threshold, the intrinsic value of the options exercisable as of December 31, 2010 was EUR 2,045 thousand. (As of December 31, 2010 the share price was below the plan threshold for the 2005, 2006, 2007 and 2008 plans.)

During 2009, a total of 18,180 options granted under the 2004 plan were exercised. For all options, the options were exercised through the purchase of shares. The weighted average market price at the time of exercise in 2009 was EUR 28.908. 16,560 options from the 2006 plan and 24,600 options from the 2007 plan were returned by the participants. Considering the plan threshold, the intrinsic value of the options exercisable as of December 31, 2009 was EUR 2,226 thousand. (As of December 31, 2009 the share price was below the plan threshold for the 2005, 2006, 2007 and 2008 plans.)

Exercise of options by plan participants was as follows:

Options exercised

		2010		2009
	Options exercised	Weighted average exercise price EUR	Options exercised	Weighted average exercise price EUR
Executive Board members				
Auli	–	–	14,190	16.368
Davies	–	–	–	–
Langanger	16,500	16.368	–	–
Roiss	–	–	–	–
Ruttenstorfer	–	–	–	–
Total – Executive Board	**16,500**	**16.368**	**14,190**	**16.368**
Other senior executives	–	–	3,990	16.368
Total options exercised	**16,500**	**16.368**	**18,180**	**16.368**

Compensation expense from the exercise of options reflects the value of the options exercised at the date of exercise and amounted as follows:

Compensation expense — EUR 1,000

	2010	2009
2004 plan	168	228
2005 plan	–	–
Total	**168**	**228**

Of this amount, EUR 168 thousand (2009: EUR 181 thousand) was attributable to Executive Board members and nil EUR (2009: EUR 47 thousand) to other senior executives.

As of December 31, 2010, **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]
2004	16.368	138,810	0.7	138,810
2005	34.700	375,400	1.7	–
2006	45.190	451,300	2.7	–
2007	47.850	539,160	3.7	–
2008	47.550	541,880	4.7	–
Total		**2,046,550**		**138,810**

[1] The options for the plans 2005, 2006, 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 balance sheet date.

The fair value as of December 31, 2010 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, 2010

	2008 plan	2007 plan	2006 plan	2005 plan	2004 plan
Market value of plan (EUR 1,000)	2,366	2,077	1,526	1,665	1,981
Calculation variables					
Market price of stock (EUR)	31.10	31.10	31.10	31.10	31.10
Risk-free rate of return	2.208%	1.910%	1.337%	1.146%	1.146%
Maturity of options (including vesting period)	4.7 years	3.7 years	2.7 years	1.7 years	0.7 years
Average dividend yield	4.7%	4.1%	3.6%	3.2%	3.2%
Share price volatility	40%	40%	40%	40%	40%

Provision is made for the expected future costs of options unexercised at balance sheet date based on fair values. As of December 31, 2010, the provision amounted to EUR 9,615 thousand (2009: EUR 10,251 thousand), and the net decrease was EUR 636 thousand (2009: net increase EUR 1,414 thousand).

Segment reporting

30 Business operations and key markets

For business management purposes OMV Group is divided into the three operating segments Exploration and Production (E&P), Refining and Marketing including petrochemicals (R&M) and Gas and Power (G&P), as well as the segment Corporate and Other (Co&O). Each segment represents a strategic unit with different products and markets. Each business segment is managed independently. Strategic business decisions are made by the Executive Board of OMV.

E&P engages in the business of oil and gas exploration, development and production and focuses on two core countries Romania and Austria and its international portfolio (North Africa, Middle East, the Caspian Region and Offshore). The produced oil and gas is primarily sold within the OMV Group.

R&M operates the refineries Schwechat (Austria), Burghausen (Germany), Petrobrazi and Arpechim (Romania) and holds an at-equity consolidated 45% share in the Bayernoil refinery complex (Germany). In these refineries, oil and gas is processed into petroleum products, which are sold to commercial and private customers. Distribution is partially effected via an own operated filling station network in Central and Southeastern Europe. The interest held in Petrol Ofisi A.Ş., which operates a filling station network in Turkey, was increased from 41.58% to 95.72% by the end of December 2010.

The **G&P** segment engages in gas transit through and transport within Austria, as well as in gas storage, marketing and trading. OMV is the sole operator of long-distance gas transmission pipelines in Austria. The power business extends the gas value chain into gas fired power plants.

Group management, financing and insurance activities and certain service functions are concentrated in the **Co&O** segment.

The key measure of operating performance for the Group is earnings before interest and taxes (EBIT) according to IFRS. Total assets include intangible assets as well as property, plant and equipment. Sales to external customers are split up by geographical areas on the basis of where the delivery of goods or services is effective. Accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Intra-group sales and cost allocations by the parent company are determined in accordance with internal OMV policies; management is of the opinion that the transfer prices of goods and services exchanged between segments correspond to market prices. Business transactions not attributable to operating segments are included in the results of the Co&O segment.

31 Segment reporting

Segment reporting EUR mn

	E&P	R&M	G&P	Co&O	**Total**	Consoli-dation	**Consoli-dated total**
2010							
Sales [1]	4,666.05	18,041.99	4,365.00	339.48	**27,412.51**	(4,089.07)	**23,323.44**
Intra-group sales	(3,620.37)	(29.66)	(103.08)	(335.96)	**(4,089.07)**	4,089.07	—
External sales	1,045.68	18,012.33	4,261.91	3.52	**23,323.44**	—	**23,323.44**
Total assets [2]	7,310.58	6,773.96	1,567.80	269.16	**15,921.49**	—	**15,921.49**
Investments in PPE/IA	1,303.59	393.83	597.51	56.75	**2,351.68**	—	**2,351.68**
Depreciation and amortization	752.86	382.73	28.76	47.42	**1,211.77**	—	**1,211.77**
Impairment losses	319.62	37.82	1.17	1.31	**359.92**	—	**359.92**
2009							
Sales [1]	3,797.24	13,900.41	3,273.03	348.57	**21,319.24**	(3,401.98)	**17,917.27**
Intra-group sales	(2,965.13)	(25.60)	(67.89)	(343.35)	**(3,401.98)**	3,401.98	—
External sales	832.11	13,874.80	3,205.14	5.21	**17,917.27**	—	**17,917.27**
Total assets [2]	6,818.90	4,213.41	889.46	261.02	**12,182.80**	—	**12,182.80**
Investments in PPE/IA	1,489.27	346.29	241.37	126.47	**2,203.40**	—	**2,203.40**
Depreciation and amortization	633.71	360.16	26.56	48.49	**1,068.91**	—	**1,068.91**
Impairment losses	166.32	86.08	1.68	0.86	**254.94**	—	**254.94**

[1] Including intra-group sales.
[2] Intangible assets (IA), property, plant and equipment (PPE).

Segment and Group profit EUR mn

	2010	2009
EBIT E&P [1]	1,815.60	1,449.97
EBIT R&M	397.36	(142.77)
EBIT G&P	277.00	235.05
EBIT Co&O	(128.28)	(91.06)
EBIT segment total	**2,361.69**	**1,451.19**
Consolidation: Elimination of intersegmental profits	(27.89)	(41.31)
OMV Group EBIT	**2,333.80**	**1,409.88**
Net financial result	(373.17)	(228.05)
OMV Group profit from ordinary activities	**1,960.63**	**1,181.83**

[1] Excluding intersegmental profit elimination.

Information on geographical areas **EUR mn**

	Austria	Germany	Romania	Rest of CEE	Rest of Europe	Rest of world [2]	**Total**
2010							
External sales	7,518.12	5,319.41	3,335.66	3,342.06	1,504.51	2,303.66	**23,323.44**
Not allocated assets	—	—	—	—	—	—	**295.09**
Allocated assets [1]	2,943.31	970.14	5,302.08	890.24	316.73	5,203.91	**15,626.41**
Assets							**15,921.49**
2009							
External sales	6,101.03	3,621.95	3,087.52	2,753.42	972.59	1,380.76	**17,917.27**
Not allocated assets	—	—	—	—	—	—	—
Allocated assets [1]	2,878.44	1,020.53	4,713.11	943.43	320.99	2,306.29	**12,182.80**
Assets							**12,182.80**

[1] Intangible assets (IA), property, plant and equipment (PPE).
[2] Rest of world: Principally Australia, Kazakhstan, Libya, New Zealand, Pakistan, Tunisia, Yemen, and differing from last year, Turkey.

EUR 295 mn of the goodwill deriving from the Petrol Ofisi acquisition have not been allocated to geographical areas but to cash-generating units that are operating in more than one geographical area.

Other information

32 Average number of employees

Average number of employees [1]

	2010	2009
OMV Group excluding Petrom group	5,824	5,718
Petrom group	26,718	31,767
Total Group	**32,542**	**37,485**

[1] Calculated as the average of the month's end numbers of employees during the year.

33 Expenses group auditor

Expenses for services rendered by the group auditor (including the international network in terms of section 271b UGB), comprise the following:

Expenses for services rendered by the group auditor (including the international network) — **EUR 1,000**

	2010	2009
Audit of group accounts and year-end audit [1]	2,436	2,504
Other assurance services	1,373	1,319
Tax advisory services	120	32
Other services	449	620
Total	**4,378**	**4,476**

[1] Including changes of prior years.

In 2010, the following expenses have been recorded for the group auditor, Deloitte Audit Wirtschaftsprüfungs GmbH: For the year-end audit EUR 688 thousand (2009: EUR 644 thousand), for other assurance services EUR 1,222 thousand (2009: EUR 1,187 thousand), for tax advisory services EUR 31 thousand (2009: EUR 20 thousand) and for other services EUR 341 thousand (2009: EUR 111 thousand).

34 Related parties

Under IAS 24, details of relationships with related parties and related enterprises not included in consolidation must be disclosed. Enterprises and individuals are considered to be related if one party is able to control or exercise significant influence over the business of the other. Österreichische Industrieholding AG, Vienna, holds an interest of 31.5% and International Petroleum Investment Company, Abu Dhabi, holds an interest of 20.0% in OMV Aktiengesellschaft; both are related parties under IAS 24.

In 2010, there were arm's-length supplies of goods and services between the Group and the following companies included at equity: Borealis AG and Petrol Ofisi A.Ş. (until end of December 2010).

Related enterprises — **EUR 1,000**

	2010		2009	
	Sales	Receivables	Sales	Receivables
Borealis AG	1,430,653	139,843	986,555	102,320
Petrol Ofisi A.Ş. [1]	39	—	4	—
Total	**1,430,692**	**139,843**	**986,559**	**102,320**

[1] Until its inclusion in the group of fully consolidated companies by the end of December 2010, Petrol Ofisi A.Ş. was consolidated at-equity.

At balance sheet date there were trade payables to Bayernoil Raffineriegesellschaft mbH of EUR 69,177 thousand (2009: EUR 62,249 thousand).

At balance sheet date the following loans were outstanding: EUR 267,300 thousand (2009: EUR 298,800 thousand) to Bayernoil Raffineriegesellschaft mbH, EUR 36,108 thousand (2009: EUR 36,093 thousand) to IOB Holding A/S and EUR 57,946 thousand (2009: EUR 47,491 thousand) to Pearl Petroleum Company Limited.

Total **remuneration received** by the Executive Board was made up as follows:

Remuneration received by the Executive Board **EUR 1,000**

2010	Auli	Davies	Huijskes	Langanger	Roiss	Ruttenstorfer	**Total**
Fixed remuneration for 2010	600	665	375	461	700	800	**3,601**
Variable remuneration [1]	755	826	525	826	965	1,104	**5,000**
Pension fund contributions	132	250	98	341	462	574	**1,857**
Severance payments and post-employment payments	—	—	—	1,480	—	—	**1,480**
Benefits in kind (company car, accident insurance) and reimbursed expenses	8	9	22	6	8	8	**61**
Total	**1,495**	**1,751**	**1,021**	**3,114**	**2,135**	**2,486**	**12,001**
Benefits from stock options exercised	—	—	—	168	—	—	**168**
2009							
Fixed remuneration for 2009	574	648	—	583	681	779	**3,265**
Variable remuneration	825	931	—	931	1,081	1,232	**5,001**
Pension fund contributions	126	245	—	455	341	574	**1,739**
Benefits in kind (company car, accident insurance) and reimbursed expenses	8	10	—	9	9	9	**45**
Total	**1,533**	**1,835**	—	**1,978**	**2,112**	**2,593**	**10,051**
Benefits from stock options exercised	181	—	—	—	—	—	**181**

[1] The variable remuneration refers to payments for 2009, except for EUR 525 thousand, which relate to prepayments for 2010.

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 dependants amounted to EUR 1,119 thousand (2009: EUR 1,109 thousand).

In 2010, the total remuneration (excluding stock option plans) of 38 top executives (excluding the Executive Board; 2009: 38) amounted to EUR 15,665 thousand (2009: EUR 16,366 thousand), of which basic remuneration, such as salaries, accrued vacations and bonuses was EUR 13,208 thousand (2009: EUR 13,672 thousand) and EUR 1,268 thousand (2009: EUR 1,118 thousand) were expenses for pension fund contributions. The expenses for severance benefits were EUR 1,085 thousand (2009: EUR 1,547 thousand), and other long-term benefits amounted to EUR 104 thousand (2009: EUR 29 thousand).

See Note 29 for details of LTI and stock option plans.

In 2010, remuneration expenses for the Supervisory Board amounted to EUR 392 thousand (2009: EUR 386 thousand). Raiffeisen Bank International AG is one of the enterprises in which a member of the Supervisory Board has a significant economic interest (section 95 (5) (12) Austrian Companies Act (AktienG)); the bank is one of OMV Group's most important banking partners, but not leading in terms of volume of business.

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2010

35 Direct and indirect investments of OMV Aktiengesellschaft

	Parent company	Equity interest in %	Type of consolidation [1]
Exploration and Production			
Petrol Ofisi Arama Üretim Sanayi ve Ticaret Anonim Şirketi, Ankara	POAS	99.96	
	OTHOLD	0.01	
	ERK	0.01	
	PORAF	0.01	C
KOM MUNAI LLP, Aktau	PETROM	95.00	C
Korned LLP, Almaty	PETROM	100.00	C
OMV Abu Dhabi E&P GmbH, Vienna	OMVEP	100.00	NC
OMV AUSTRALIA PTY LTD, Sydney	OMV AG	100.00	C
OMV Austria Exploration & Production GmbH, Vienna (OEPA)	OMVEP	100.00	C
OMV (BAYERN) Exploration GmbH, Vienna	OEPA	100.00	C
OMV Bina Bawi GmbH, Vienna	PETEX	100.00	C
OMV Block 70 Upstream GmbH, Vienna	OMVEP	100.00	C
OMV (EGYPT) Exploration GmbH, Vienna	OMVEP	100.00	C
OMV (EGYPT) Oil & Gas Exploration GmbH, Vienna	OMVEP	100.00	NC
OMV Exploration & Production GmbH, Vienna (OMVEP)	OMV AG	100.00	C
OMV EXPLORATION & PRODUCTION LIMITED, Douglas	OMVEP	100.00	C
OMV (FAROE ISLANDS) Exploration GmbH, Vienna	OMVEP	100.00	C
OMV Global Oil & Gas GmbH, Vienna	OMVEP	100.00	NC
OMV (IRAN) onshore Exploration GmbH, Vienna	OMVEP	100.00	C
OMV (IRELAND) Exploration GmbH, Vienna	OMVEP	100.00	C
OMV (IRELAND) Killala Exploration GmbH, Vienna	OMVEP	100.00	NC
OMV Maurice Energy GmbH, Vienna	OMVEP	100.00	C
OMV Myrre block 86 Upstream GmbH, Vienna	OMVEP	100.00	NC
OMV New Zealand Limited, Wellington (NZEA)	OMVEP	100.00	C
OMV (NORGE) AS, Stavanger	OMVEP	100.00	C
OMV OF LIBYA LIMITED, Douglas	OMVEP	100.00	C
OMV Oil and Gas Exploration GmbH, Vienna	OMVEP	100.00	C
OMV Oil Exploration GmbH, Vienna	OMVEP	100.00	C
OMV Oil Production GmbH, Vienna	OMVEP	100.00	C
OMV Olibanum Upstream GmbH, Vienna	OMVEP	100.00	NC
OMV (PAKISTAN) Exploration Gesellschaft m.b.H., Vienna	OMVEP	100.00	C
OMV Petroleum Exploration GmbH, Vienna (PETEX)	OMVEP	100.00	C
OMV Proterra GmbH, Vienna	OEPA	100.00	NC
OMV Rovi GmbH, Vienna	PETEX	100.00	C
OMV Sarsang GmbH, Vienna	OMVEP	100.00	NC
OMV Sarta GmbH, Vienna	PETEX	100.00	C
OMV (SLOVAKIA) Exploration GmbH, Vienna	OEPA	100.00	C
OMV Southeast Caspian Upstream GmbH, Vienna	OMVEP	100.00	NC
OMV (Tunesien) Exploration GmbH, Vienna	OMVEP	100.00	C
OMV (Tunesien) Production GmbH, Vienna (OTNPR)	OMVEP	100.00	C
OMV (TUNESIEN) Sidi Mansour GmbH, Vienna	OMVEP	100.00	C
OMV (U.K.) Limited, London	OMVEP	100.00	C
OMV Upstream International GmbH, Vienna (OUPI)	OMVEP	100.00	C
OMV (YEMEN) Al Mabar Exploration GmbH, Vienna	OMVEP	100.00	C

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2010 (cont.)

	Parent company	Equity interest in %	Type of consolidation [1]
OMV (Yemen Block S 2) Exploration GmbH, Vienna	OMVEP	100.00	C
OMV (YEMEN) South Sanau Exploration GmbH, Vienna	OMVEP	100.00	NC
Pearl Petroleum Company Limited, Road Town	OUPI	10.00	AE
PEI Venezuela Gesellschaft mit beschränkter Haftung, Burghausen	OMVEP	100.00	C
Petroleum Infrastructure Limited, Wellington	NZEA	100.00	C
PETROM EXPLORATION & PRODUCTION LIMITED, Douglas	PETROM	50.00	C
Preussag Energie International GmbH, Burghausen	OMVEP	100.00	C
Société de Recherches et d'Exploitation des Pétroles en Tunisie, Tunis	OTNPR	50.00	NAE
TASBULAT OIL CORPORATION LLP, Aktau	PETROM	100.00	C
Thyna Petroleum Services S.A., Sfax	OTNPR	50.00	NAE
Refining and Marketing including petrochemicals			
Abu Dhabi Petroleum Investments LLC, Abu Dhabi	OMVRM	25.00	NAE
Adria-Wien Pipeline GmbH, Klagenfurt	OMVRM	76.00	C
Aircraft Refuelling Company GmbH, Vienna	OMVRM	33.33	NAE
Autobahn - Betriebe Gesellschaft m.b.H., Vienna	OMVRM	47.19	NAE
Avanti d.o.o., Zagreb	OHRVAT	30.00	NAE
AVIATION PETROLEUM SRL, Bucharest	PETAV	100.00	C
BAYERNOIL Raffineriegesellschaft mbH, Vohburg	OMVD	45.00	AE
Borealis AG, Vienna	OMVRM	32.67	
	OMV AG	3.33	AE
BRAZI OIL & ANGHELESCU PROD COM SRL, Brazi	PETROM	37.70	NAE
BSP Bratislava-Schwechat Pipeline GmbH, Vienna	OMVRM	26.00	NAE
Deutsche Transalpine Oelleitung GmbH, Munich	OMVD	25.00	AE
DUNATÀR Köolajtermék Tároló és Kereskedelmi Kft., Budapest	OHUN	48.28	NAE
EPS Ethylen-Pipeline-Süd GmbH & Co KG, Munich	OMVD	21.95	AE
Erdöl-Lagergesellschaft m.b.H., Lannach	OMVRM	55.60	AE [1]
Erk Petrol Yatırımları A.Ş., Istanbul (ERK)	POAS	99.96	
	OTHOLD	0.01	
	OCTS	0.01	
	OGI	0.01	
	OMVEP	0.01	C
FONTEGAS PECO MEHEDINTI SA, Simian	PETROM	37.40	NAE
FRANCIZA PETROM 2001 SA, Piteşti	PETROM	40.00	NAE
GENOL Gesellschaft m.b.H., Vienna	OMVRM	29.00	NAE
GENOL Gesellschaft m.b.H. & Co, Vienna	OMVRM	29.00	AE
Heating Innovations Austria GmbH, Vienna	OMVRM	50.00	AE
ICS PETROM MOLDOVA SA, Chisinau	PETROM	100.00	C
Kıbrıs Türk Petrolleri Ltd., Lefkosa	POAS	52.00	C
Marmara Depoculuk Hizmetleri Sanayi ve Ticaret Anonim Şirketi, Istanbul	POAS	89.97	
	OTHOLD	0.01	
	PORAF	0.01	
	ERK	0.01	C
OMV BH d.o.o., Sarajevo	VIVTS	100.00	C
OMV BULGARIA OOD, Sofia	PETROM	99.90	
	OMVRM	0.10	C

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2010 (cont.)

	Parent company	Equity interest in %	Type of consolidation [1]
OMV Česká republika, s.r.o., Prague	VIVTS	100.00	C
OMV Deutschland GmbH, Burghausen (OMVD)	OMVRM	90.00	
	OMV AG	10.00	C
OMV Hrvatska d.o.o., Zagreb (OHRVAT)	VIVTS	100.00	C
OMV Hungária Ásványolaj Korlátolt Felelösségü Társaság, Budapest (OHUN)	VIVTS	100.00	C
OMV - International Services Ges.m.b.H., Vienna	OMVRM	100.00	C
OMV Refining & Marketing GmbH, Vienna (OMVRM)	OMV AG	100.00	C
OMV PETROM MARKETING SRL, Bucharest (ROMAN)	PETROM	100.00	C
OMV SLOVENIJA trgovina z nafto in naftnimi derivati, d.o.o., Koper	VIVTS	92.25	C
OMV Slovensko s.r.o., Bratislava	VIVTS	100.00	C
OMV SRBIJA d.o.o., Belgrade	PETROM	99.90	
	OMVRM	0.10	C
OMV Supply & Trading AG, Zug	OMVRM	100.00	C
OMV TRADING SERVICES LIMITED, London	OMVRM	100.00	NC
OMV-VIVA Kereskedelmi és Szolgáltatató Korlátolt Felelösségü Társaság, Budapest	OHUN	96.67	NC
OMV Wärme VertriebsgmbH, Vienna	OMVRM	100.00	C
PETROCHEMICALS ARGES SRL, Piteşti	PETROM	95.00	NC
Petrol Ofisi A.Ş., Istanbul (POAS)	OMV AG	41.58	
	OTHOLD	54.14	C
Petrol Ofisi Akdeniz Rafinerisi Sanayi ve Ticaret A.Ş., Istanbul [3]	POAS	100.00	C
Petrol Ofisi Alternatif Yakıtlar Toptan Satış A.Ş., Istanbul	POAS	99.89	
	OGI	0.05	
	OTHOLD	0.02	
	OCTS	0.02	
	ERK	0.02	C
Petrol Ofisi Gaz İletim A.Ş., Istanbul	POAS	99.75	
	OGI	0.10	
	OTHOLD	0.05	
	OCTS	0.05	
	ERK	0.05	C
PETROM AVIATION SA, Otopeni	PETROM	100.00	C
PETROM LPG SA, Bucharest	PETROM	99.99	C
PETROM NADLAC SRL, Nadlac	PETROM	98.51	NC
PO Georgia LLC, Tbilisi	POAS	100.00	C
Routex B.V., Amsterdam	OMVRM	20.00	NAE
SIOT Società Italiana per l'Oleodotto Transalpino S.p.A., Triest	OMVRM	25.00	AE
SuperShop Marketing GmbH, Budapest	OHUN	50.00	NAE
TGN Tankdienst-Gesellschaft Nürnberg GbR, Nuremberg	OMVD	33.33	NAE
Transalpine Ölleitung in Österreich Gesellschaft m.b.H., Matrei in Osttirol	OMVRM	25.00	AE
TRANS GAS SERVICES SRL, Bucharest	PETROM	80.00	NC
VIVA International Marketing- und Handels-GmbH, Vienna (VIVTS)	OMVRM	100.00	C

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2010 (cont.)

	Parent company	Equity interest in %	Type of consolidation [1]
Gas and Power			
ADRIA LNG d.o.o., Zagreb	OGI	32.47	NAE
ADRIA LNG STUDY COMPANY LIMITED, Valletta	OGI	28.37	NAE
AGCS Gas Clearing and Settlement AG, Vienna	OGG	23.13	NAE
AGGM Austrian Gas Grid Management AG, Vienna	OGG	100.00	C
Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H., Vienna	OGG	51.00	C
Borasco Elektrik Toptan Satiş A.S., Istanbul	BORASC	99.60	NC
OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş., Istanbul (BORASC) [3]	OPI	100.00	C
Caspian Energy Company Limited, London	OGI	50.00	NAE
Central European Gas Hub AG, Vienna	OGI	80.00	C
CONGAZ SA, Constanța	PETROM	28.59	AE
EconGas Deutschland GmbH, Regensburg	ECOGAS	100.00	C
EconGas GmbH, Vienna (ECOGAS)	OGI	50.00	
	EGBV	14.25	C
EconGas Hungária Földgázkereskedelmi Kft., Budapest	ECOGAS	100.00	C
EconGas Italia S.r.l, Milan	ECOGAS	100.00	C
EGBV Beteiligungsverwaltung GmbH, Linz (EGBV)	OGI	65.00	C
Enerco Enerji Sanayi Ve Ticaret A.S., Istanbul	OGI	40.00	AE
Freya Pipeline GmbH & Co. KG, Bonn	OGI	40.00	AE
OMV Gas Adria d.o.o., Zagreb	OGI	100.00	NC
OMV Gas Germany GmbH, Düsseldorf	OGG	100.00	C
OMV Gas GmbH, Vienna (OGG) [3]	OGI	100.00	C
OMV Gas & Power GmbH, Vienna (OGI)	OMV AG	100.00	C
OMV Gas Storage Germany GmbH, Cologne	OGI	100.00	C
OMV Gas Storage GmbH, Vienna	OGI	100.00	C
OMV Gaz Ve Enerji Limited Şirketi, Istanbul (GASTR)	OGI	99.00	
	OPI	1.00	C
OMV Kraftwerk Haiming GmbH, Haiming	OPI	100.00	C
OMV Power International GmbH, Vienna (OPI)	OGI	100.00	C
OMV Trading GmbH, Vienna	OGI	100.00	C
PETROM DISTRIBUTIE GAZE SRL, Bucharest	PETROM	99.99	C
OMV PETROM GAS SRL, Bucharest	PETROM	99.99	C
Wind Power Park SRL, Galbiori	PETROM	99.99	C
Corporate and Other			
Amical Insurance Limited, Douglas (AMIC)	OMV AG	100.00	C
ASOCIATIA ROMANA PENTRU RELATIA CU INVESTITORII, Bucharest	PETROM	20.00	NAE
Diramic Insurance Limited, Gibraltar	AMIC	100.00	C
Kompetenz- und Informationszentrum für Humanvermögen und interdisziplinäre Arbeits- und Unternehmensforschung GmbH, Klosterneuburg	SNO	24.44	NAE
OMV Clearing und Treasury GmbH, Vienna (OCTS)	SNO	100.00	C

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2010 (cont.)

	Parent company	Equity interest in %	Type of consolidation [1]
OMV Enerji Holding Anonim Şirketi, Istanbul [3]	OMV AG	100.00	C
OMV FINANCE LIMITED, Douglas	OMV AG	100.00	C
OMV Finance Services GmbH, Vienna	SNO	100.00	C
OMV Future Energy Fund GmbH, Vienna	OMV AG	100.00	C
OMV Insurance Broker GmbH, Vienna	OMV AG	100.00	C
OMV Solutions GmbH, Vienna (SNO)	OMV AG	100.00	C
PETROMED SOLUTIONS SRL, Bucharest	PETROM	99.99	C
students4excellence GmbH, Vienna	OMV AG	20.00	NAE
VA OMV Personalholding GmbH, Linz	SNO	50.00	NAE
Petrom			
OMV PETROM SA, Bucharest (PETROM) [2]	OMV AG	51.01	C

[1] Type of consolidation:
C Consolidated subsidiary.
AE Associated company, accounted for at equity.
AE [1] Despite majority interest not consolidated due to absence of control.
NC Not-consolidated subsidiary; shell or distribution companies of relative insignificance individually and collectively to the consolidated financial statements.
NAE Other investment recognized at cost; associated companies of relatively little importance to the assets and earnings of the consolidated financial statements.
[2] Petrom is assigned to the relevant segments in the segment reporting.
[3] Individual shares are held by other group companies (in total under 0,01%)

Most of the subsidiaries which are not consolidated either have low business volumes or are distribution companies; the total sales, net income/losses and equity of such companies represent less than 2% of the Group totals.

Material joint ventures [1] of OMV Group oil and gas production

Country	Field name	License/block	Participation in %
Libya	C103	Area 90/106	3.00
Libya	El Shararah	NC115	3.90
Libya	Nafoora Augila	Area 91	2.50
Libya	NC186	NC186	2.88
Libya	Shatirah	NC163	17.85
Libya	74/29	Area 70/71/87/103/104/119	3.00
New Zealand	Maari	PMP 38160	69.00
New Zealand	Maui	PML 381012	10.00
New Zealand	Pohokura	PMP 38154	26.00
Pakistan	Miano		17.68
Pakistan	Sawan		19.74
Tunisia	Ashtart		50.00
Tunisia	Cercina		49.00
Tunisia	El Hajeb/Guebiba		49.00
Tunisia	Gremda/El Ain		49.00
Tunisia	Rhemoura		49.00
UK	Beryl	9/13a	5.00
UK	Beryl	9/13a,b,c	5.00
UK	Boa	9/15a	13.62
UK	Buckland	9/18a	3.17
UK	Howe	22/12a North	20.00
UK	Jade	30/2c	5.57
UK	Maclure	9/19	1.67
UK	Ness & Ness South	9/13a, 9/13b	5.00
UK	Nevis Central	9/13a	5.00
UK	Nevis South	9/13a, 9/12a	3.25
UK	Schiehallion	204/25a	5.88
UK	Skene	9/19	3.49
Yemen	Al Uqlah	Block S 2	44.00

[1] The above listed joint ventures refer to jointly controlled assets. Exploration and not yet producing joint ventures are not included in this table.

OMV's capital obligations of Exploration and Production joint ventures

Country	Field name	License/block	Participa-tion in %	Liability 2011 in USD	Liability 2012-2014 in USD	Liability after 2014 in USD
Australia		R5	50.00	30,000	90,000	—
Australia		WA–290-P	20.00	4,800,000	—	—
Australia		WA–320-P	66.67	450,000	—	—
Australia		WA–362-P	30.00	17,300,000	—	—
Australia		WA–363-P	30.00	17,300,000	—	—
Australia		WA–386-P	30.00	110,000	—	—
Australia		WA–387-P	30.00	110,000	—	—
Faroe Islands	West of Shetland	213/21	20.00	—	12,000,000	—
Kurdistan Region of Iraq	Bina Bawi		36.00	22,144,557	—	—
Kurdistan Region of Iraq	Rovi		20.00	1,330,995	—	—
Kurdistan Region of Iraq	Sarta		20.00	2,271,729	—	—
Libya	C102	Area 91	25.00	1,750,000	2,500,000	—
Libya	C103 (Exploration)	Area 90/106	25.00	2,500,000	2,500,000	—
Libya	El Shararah (Exploration)	NC115	30.00	6,660,000	4,725,000	—
Libya	NC186 (Exploration)	NC186	24.00	529,920	4,320,000	—
Libya	NC74/29/C103		25.00	—	5,500,000	—
Libya	74/29 (Exploration)	Area 70/71/87/103/104/119	25.00	5,375,000	17,500,000	—
New Zealand	Maari	PMP 38160	69.00	83,613,740	138,147,064	138,147,064
New Zealand	Maui	PML 381012	10.00	7,981,900	7,981,900	7,981,900
New Zealand	Maui Ruru protection	PEP 381203	10.00	3,565,410	3,565,410	3,565,410
New Zealand	Pohokura	PMP 38154	26.00	3,314,480	3,314,480	3,314,480
New Zealand	Western Platform	PEP 38481	31.25	260,000	260,000	260,000
New Zealand		PEP 50119	36.00	7,663,493	7,663,493	7,663,493
New Zealand		PEP 50120	36.00	90,379	90,379	90,379
New Zealand		PEP 50121	36.00	236,062	236,062	236,062
Norway	Barents Sea	PL 393B	30.00	—	25,000,000	—
Norway	Barents Sea	PL 529	20.00	—	11,000,000	—
Norway	Barents Sea	PL 537	25.00	—	26,000,000	—
Norway	Barents Sea	PL 564	50.00	—	1,000,000	—
Norway	North Sea	PL 301CS	30.00	—	51,000,000	—
Norway	Norwegian Sea	PL 471	50.00	—	43,000,000	—
Norway	Norwegian Sea	PL 557	50.00	—	1,000,000	—
Pakistan	Barkhan		15.00	15,000	1,195,000	—
Pakistan	Hanna		20.00	260,000	—	—
Pakistan	Harnai		20.00	620,000	615,000	—
Pakistan	Kalat		30.00	330,000	—	—
Pakistan	South-West Miano II		33.40	1,169,000	—	—

OMV's capital obligations of Exploration and Production joint ventures (cont.)

Country	Field name	License/block	Participation in %	Liability 2011 in USD	Liability 2012-2014 in USD	Liability after 2014 in USD
Tunisia	Jenein Sud		100.00	29,900,000	19,500,000	–
Tunisia	Sidi Mansour		100.00	13,000,000	2,000,000	2,000,000
UK	Beryl	9/13a	5.00	4,366,050	–	–
UK	Central North Sea	30/2a	9.26	2,260,467	–	–
UK	CNS P1799	22/16, 17b	25.00	–	6,250,000	–
UK	CNS P1805	22/23c	25.00	–	6,750,000	–
UK	Jade	30/2c	5.57	2,175,865	–	–
UK	Nevis South	9/13a, 9/12a	3.25	2,650,863	–	–
UK	Nevis Central	9/13a	5.00	3,605,600	–	–
UK	West of Shetland	213/22,23,28	20.00	14,561,600	–	–
UK	West of Shetland	217/10,14,15	20.00	18,750,720	–	–
UK	West of Shetland	204/14d	50.00	–	894,000	–
UK	West of Shetland	204/4b,5b	25.00	–	3,725,000	–
Yemen	Al Mabar	Block 2	87.50	1,000,000	7,000,000	–
Yemen	Al Uqlah South	Block 86	45.72	287,500	14,000,000	–
Yemen	South Sanau	Block 29	43.75	1,000,000	6,500,000	–
Yemen		Block 3	34.00	361,702	1,446,808	–
Yemen		Block 70	19.24	202,500	405,000	–

Exploration and Production joint ventures
Summarized balance sheet and income statement information for companies consisting predominantly of joint ventures:

Summary information for joint ventures included in consolidation EUR 1,000

	2010	2009
Current assets	626,511	555,544
Non-current assets	2,445,102	2,222,335
Current liabilities	723,708	834,768
Non-current liabilities	1,157,942	1,047,861
Net sales	1,701,952	1,202,952
Earnings before interest and taxes (EBIT)	870,414	532,339
Net income for the year	365,817	183,087

Oil and gas reserve estimation and disclosures (unaudited)

36 Oil and Gas Reserve Estimation and Disclosures (unaudited)

The following tables provide supplementary information in respect of the Group's oil and gas activities. In the absence of detailed disclosure rules in this area under IFRS, the Group has elected to voluntarily disclose the data that would have been required under the ASC 932 as if it was reporting under US GAAP, except for the regional definition of Petrom which is in line with internal management reporting requirements. In 2009, the previously applied SFAS 19 and SFAS 69 were transferred into ASC 932, which became the source of authoritative generally accepted accounting principles. ASC 932 was modified in order to be in line with the requirements of the Securities and Exchange Commission's (SEC) final rule "Modernization of Oil and Gas Reporting". The adoptions contained among others changes in the definition and estimation of reserve quantities and rules for disclosing equity method investments (see Note 35). Standardized measures of discounted future net cash flows are strongly impacted by the use of an average price starting in 2009, instead of the more volatile period-end price used until 2008. For 2009 the average price was 22% below the period-end price 2009, and 65% above year-end price 2008.

To the extent that information refers to financial statements data, the information is based on the primary financial statements (IFRS financial statements).

During 2009, OMV acquired a 10% interest in Pearl Petroleum Company Limited, which is accounted for as an equity method investment. Due to the early stage of the investment the new full comprehensive disclosure requirements of ASC 932 are still not presented for the time being.

Besides Austria all other countries are summarized in areas; these areas include the following countries:

Petrom:	Romania, Kazakhstan, Russia (sold in 2010)
Rest of Europe:	Faroe Islands, Germany, Ireland, Norway, Slovakia, United Kingdom
North Africa:	Libya, Tunisia, Egypt
Middle East:	Iran, Kurdistan Region of Iraq, Pakistan, Yemen, Turkey (since 2010)
Oceania:	Australia, New Zealand
South America:	Venezuela

As OMV holds 51% of Petrom, it is fully consolidated; figures for Petrom therefore include 100% of Petrom assets and results.

The subsequent tables may contain rounding errors.

a) Capitalized costs

Capitalized costs represent the sum of capitalized oil and gas assets, including other intangible assets and property, plant and equipment such as land, plant and machinery, concessions, licenses and rights.

Capitalized costs EUR 1,000

	2010	**2009**	2008
Unproved oil and gas properties [1]	956,825	868,212	847,951
Proved oil and gas properties [2]	10,838,410	9,489,056	8,243,254
Total	**11,795,235**	**10,357,268**	**9,091,204**
Accumulated depreciation	(4,671,166)	(3,647,448)	(3,009,777)
Net capitalized costs [3]	**7,124,068**	**6,709,820**	**6,081,427**

[1] 2010: Acquisition costs for Petrol Ofisi E&P in Turkey included.
2009: Capitalized costs included the acquired asset Kultuk in Kazakhstan.
[2] 2010: Acquisition costs for Petrol Ofisi E&P in Turkey included.
2009: The Australian assets Jabiru and Challis were sold.
[3] 2008: Costs for the signature bonuses and compensation payments for the prolongation of the Libyan licenses were capitalized (EUR 485 mn).
2008: The UK asset Dunlin was sold.
2008: Capitalized costs of New Zealand, asset Maari, were diminished by stand-by fees for the FPSO and drilling rig amounting to EUR 28 mn. Costs were booked with effect to P&L instead.

b) Costs incurred

Costs incurred include all costs, capitalized or expensed, during the year in the Group's oil and gas property acquisition, exploration and development activities. Costs incurred in foreign currencies have been converted using the average foreign exchange rate of the respective year.

Costs incurred EUR 1,000

	Petrom	Austria	Rest of Europe	North Africa	Middle East	Oceania	South America	**Total**
2010								
Acquisition of proved properties [1]	—	—	—	546	2,726	—	—	**3,272**
Acquisition of unproved properties [2]	—	—	—	—	65,467	—	—	**65,467**
Decommissioning costs	61,846	16,220	—	—	—	—	—	**78,066**
Exploration costs [3]	83,922	19,176	87,100	68,980	63,555	25,893	—	**348,626**
Development costs	647,241	102,984	32,626	84,803	117,422	21,694	—	**1,006,771**
Costs incurred	**793,009**	**138,380**	**119,726**	**154,329**	**249,170**	**47,587**	—	**1,502,202**
2009								
Acquisition of proved properties [1]	—	—	—	1,195	—	—	—	**1,195**
Acquisition of unproved properties [2]	9,356	—	—	—	—	—	—	**9,356**
Decommissioning costs	6,137	9,487	—	—	—	—	—	**15,624**
Exploration costs [3]	54,041	8,278	47,769	64,690	30,293	3,137	—	**208,207**
Development costs	686,061	119,377	47,624	73,143	63,605	99,126	—	**1,088,936**
Costs incurred	**755,594**	**137,141**	**95,393**	**139,029**	**93,899**	**102,262**	—	**1,323,319**

Costs incurred								EUR 1,000
	Petrom	Austria	Rest of Europe	North Africa	Middle East	Oceania	South America	**Total**
2008								
Acquisition of proved properties [1]	—	—	—	461,419	—	—	—	**461,419**
Acquisition of unproved properties	—	—	—	—	—	—	—	**—**
Decommissioning costs	1,532	7,686	—	—	—	—	—	**9,218**
Exploration costs [3]	183,634	25,794	50,322	93,217	25,406	9,219	—	**387,590**
Development costs [4]	1,275,351	247,537	61,302	68,979	69,428	117,282	—	**1,839,879**
Costs incurred	**1,460,517**	**281,016**	**111,624**	**623,615**	**94,834**	**126,500**	**—**	**2,698,106**

1 2010: The amount represents the costs for the acquisition of proved properties of Petrol Ofisi E&P in Turkey as well as signature bonuses and compensation payments for the prolongation of the Libyan licenses.
2009, 2008: The amount represents the costs for signature bonuses and compensation payments for the prolongation of the Libyan licenses.

2 2010: The amount represents the acquisition costs of the exploration assets in the Kurdistan Region of Iraq, the OMV Block 70 in Yemen and the acquisition costs of unproved properties of Petrol Ofisi E&P in Turkey.
2009: The amount represents the acquisition costs of the asset Kultuk in Kazakhstan.

3 In Norway, exploration represents the costs less a 78% refund of the deductible costs.

4 2008: Development costs of Petrom included the purchase of the oil service business from Petromservice.

c) Results of operations of oil and gas producing activities

The following table represents only those revenues and expenses which occur directly in connection with OMV´s oil and gas producing operations. The results of oil and gas activities should not be equated to net income since interest costs, general corporate overhead costs and other costs are not allocated. Income taxes are hypothetically calculated, based on the statutory tax rates and the effect of tax credits on investments and loss carryforwards.

Results of operations of oil and gas producing activities								EUR 1,000
	Petrom	Austria	Rest of Europe	North Africa	Middle East	Oceania	South America	**Total**
2010								
Sales to unaffiliated parties	147,748	32,625	109,147	466,554	89,900	183,687	—	**1,029,661**
Intercompany sales and sales to affiliated parties	2,073,653	579,475	17,105	355,243	126,624	256,795	—	**3,408,894**
Result from asset sales	(2,053)	(672)	(3,595)	16	—	—	—	**(6,305)**
	2,219,348	**611,428**	**122,657**	**821,812**	**216,524**	**440,481**	**—**	**4,432,250**
Production costs	(799,949)	(107,187)	(32,246)	(53,580)	(29,038)	(45,756)	—	**(1,067,756)**
Royalties	(152,991)	(78,175)	—	(3,106)	(1,936)	(41,463)	—	**(277,670)**
Exploration expenses	(47,195)	(14,144)	(65,176)	(31,514)	(31,037)	(22,576)	—	**(211,642)**
Depreciation, amortisation and impairment losses [2]	(484,217)	(183,462)	(88,901)	(98,245)	(41,892)	(110,219)	—	**(1,006,936)**
Other costs	(4,438)	(2,428)	2,193	9,675	(97)	(15,046)	—	**(10,141)**
	(1,488,791)	**(385,397)**	**(184,130)**	**(176,769)**	**(103,999)**	**(235,060)**	**—**	**(2,574,145)**
Results before income taxes	**730,557**	**226,031**	**(61,473)**	**645,043**	**112,525**	**205,421**	**—**	**1,858,104**
Income taxes [3]	(144,285)	(73,815)	15,793	(473,411)	(59,500)	(62,287)	—	**(797,505)**
Results from oil and gas properties	**586,272**	**152,216**	**(45,680)**	**171,632**	**53,025**	**143,134**	**—**	**1,060,600**
Storage fee [4]	—	53,260	—	—	—	—	—	**53,260**

Results of operations of oil and gas producing activities EUR 1,000

	Petrom	Austria	Rest of Europe	North Africa	Middle East	Oceania	South America	**Total**
2009								
Sales to unaffiliated parties	154,092	33,442	63,879	327,783	83,197	129,034	—	**791,427**
Intercompany sales and sales to affiliated parties	1,779,341	532,843	2,982	285,592	86,590	157,726	—	**2,845,074**
Result from asset sales [1]	(1,689)	643	—	12	28	9,159	—	**8,153**
	1,931,744	**566,927**	**66,862**	**613,387**	**169,815**	**295,919**	**—**	**3,644,654**
Production costs	(750,483)	(102,566)	(34,840)	(47,354)	(27,758)	(34,957)	—	**(997,958)**
Royalties	(135,225)	(58,066)	—	—	(1,990)	(31,495)	—	**(226,776)**
Exploration expenses	(67,257)	(7,817)	(45,800)	(85,525)	(18,067)	(6,171)	—	**(230,636)**
Depreciation, amortisation and impairment losses [2]	(333,715)	(78,389)	(43,441)	(79,436)	(31,697)	(94,606)	—	**(661,283)**
Other costs	(8,948)	(1,139)	(204)	(11,219)	1,024	(2,400)	—	**(22,885)**
	(1,295,627)	**(247,976)**	**(124,284)**	**(223,533)**	**(78,488)**	**(169,629)**	**—**	**(2,139,537)**
Results before income taxes	**636,117**	**318,952**	**(57,423)**	**389,854**	**91,328**	**126,289**	**—**	**1,505,117**
Income taxes [3]	(114,085)	(80,256)	10,605	(323,097)	(24,695)	(45,884)	—	**(577,412)**
Results from oil and gas properties	**522,031**	**238,695**	**(46,818)**	**66,758**	**66,633**	**80,405**	**—**	**927,704**
Storage fee [4]	—	46,672	—	—	—	—	—	**46,672**
2008								
Sales to unaffiliated parties	182,924	4,175	173,325	304,309	88,844	213,600	—	**967,177**
Intercompany sales and sales to affiliated parties	2,427,918	706,721	—	734,649	65,521	—	—	**3,934,810**
Result from asset sales [1]	(1,375)	(452)	7,676	—	9	(1)	—	**5,858**
	2,609,467	**710,444**	**181,001**	**1,038,959**	**154,374**	**213,599**	**—**	**4,907,845**
Production costs	(901,012)	(102,432)	(35,088)	(43,885)	(18,470)	(30,106)	—	**(1,130,993)**
Royalties	(199,340)	(97,346)	—	(2,298)	(4,383)	(27,514)	—	**(330,881)**
Exploration expenses	(145,166)	(21,459)	(35,061)	(40,711)	(38,251)	(9,218)	—	**(289,866)**
Depreciation, amortisation and impairment losses [2]	(314,198)	(51,617)	(18,840)	(73,468)	(19,934)	(31,219)	—	**(509,275)**
Other costs	7,769	(398)	(1,871)	17,344	866	(28,850)	153	**(4,987)**
	(1,551,946)	**(273,252)**	**(90,859)**	**(143,018)**	**(80,172)**	**(126,907)**	**153**	**(2,266,002)**
Results before income taxes	**1,057,521**	**437,192**	**90,141**	**895,940**	**74,203**	**86,692**	**153**	**2,641,843**
Income taxes [3]	(186,405)	(117,274)	(26,366)	(437,338)	(16,095)	(15,623)	(60)	**(799,163)**
Results from oil and gas properties	**871,116**	**319,918**	**63,775**	**458,602**	**58,107**	**71,068**	**93**	**1,842,680**
Storage fee [4]	—	42,755	—	—	—	—	—	**42,755**

[1] 2009: The Australian assets Jabiru and Challis were sold.
2008: The UK asset Dunlin was sold.

[2] 2010: Depreciation contains write-offs in Kazakhstan (EUR 104 mn), Austria (EUR 90 mn), and UK (EUR 60 mn).
2009: Depreciation contains a write-off in UK (EUR 26 mn).
2008: Depreciation contains a write-off in Russia (EUR 26 mn).

[3] Income taxes do not include deferred taxes. Income taxes in the Rest of Europe include corporation tax and Petroleum Revenue Tax (PRT). The PRT liability arises from the net cash flow of several producing fields in the UK. Income tax in North Africa includes amounts payable under a tax paid cost (TPC) system for certain OMV interests in Libya and field specific taxes in Tunisia, which are not fully related to profits. During 2008, the TPC system has been replaced by tax bearing EPSA contracts. For Petrom, the income tax is hypothetically calculated with an assumed tax rate of 16%.

[4] Intersegmental rental fees before taxes received from the G&P segment for providing gas storage capacities.

d) Oil and gas reserve quantities

Proved reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulation before the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain.

Proved developed reserves are those proved reserves that can be expected to be recovered through existing wells with existing equipment and operating methods or in which the costs of the required equipment is relatively minor compared with the cost of a new well and through installed extraction equipment and infrastructure operational at the time of the reserves estimate. It should be reasonably certain that the required future expenditure will be made to safeguard existing equipment within the current budget.

Proved undeveloped reserves are those proved reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion or substantial new investment is required in order to safeguard or replace ageing facilities.

Crude oil and NGL **mn bbl**

	Petrom	Austria	Rest of Europe	North Africa	Middle East	Oceania	South America	**Total**
Proved developed and undeveloped reserves as of January 1, 2008	**508.3**	**55.9**	**14.8**	**88.5**	**9.3**	**21.4**	**—**	**698.3**
Revisions of previous estimates	2.1	1.1	1.3	43.5	5.2	0.4	—	**53.7**
Purchases	—	—	—	—	—	—	—	**—**
Disposal	—	—	(0.6)	—	—	—	—	**(0.6)**
Extensions and discoveries	5.4	0.5	—	—	—	—	—	**5.8**
Production	(34.4)	(6.1)	(1.8)	(15.7)	(1.2)	(1.7)	—	**(60.9)**
Proved developed and undeveloped reserves as of December 31, 2008	**481.4**	**51.4**	**13.8**	**116.3**	**13.3**	**20.1**	**—**	**696.4**
Revisions of previous estimates	10.1	5.6	1.0	9.3	8.8	5.1	—	**39.8**
Purchases	—	—	—	—	—	—	—	**—**
Disposal	—	—	—	—	—	(0.3)	—	**(0.3)**
Extensions and discoveries	0.1	0.1	1.4	—	—	—	—	**1.6**
Production	(33.5)	(6.4)	(1.4)	(13.5)	(2.3)	(5.5)	—	**(62.6)**
Proved developed and undeveloped reserves as of December 31, 2009	**458.1**	**50.8**	**14.8**	**112.1**	**19.8**	**19.4**	**—**	**674.9**
Revisions of previous estimates	18.3	3.6	(0.8)	18.2	4.6	4.5	—	**48.4**
Purchases	—	—	—	—	—	—	—	**—**
Disposal	—	—	—	—	—	—	—	**—**
Extensions and discoveries	—	—	—	—	—	—	—	**—**
Production	(33.3)	(6.1)	(1.7)	(14.3)	(2.4)	(5.5)	—	**(63.4)**
Proved developed and undeveloped reserves as of December 31, 2010	**443.0**	**48.3**	**12.3**	**116.0**	**22.0**	**18.4**	**—**	**659.9**
Proved developed reserves								
as of December 31, 2008	368.1	45.4	11.8	105.4	9.2	5.7	—	**545.5**
as of December 31, 2009	371.4	45.4	10.4	103.7	12.5	19.4	—	**562.9**
as of December 31, 2010	367.9	42.4	9.2	103.8	10.2	18.4	—	**551.9**

Gas								bcf
	Petrom	Austria	Rest of Europe	North Africa	Middle East	Oceania	South America	**Total**
Proved developed and undeveloped reserves as of January 1, 2008	**2,083.5**	**520.8**	**30.5**	**—**	**139.0**	**104.3**	**—**	**2,878.2**
Revisions of previous estimates	216.5	15.5	4.3	—	3.4	(0.6)	—	**239.1**
Purchases	—	—	—	—	—	—	—	**—**
Disposals	—	—	—	—	—	—	—	**—**
Extensions and discoveries	12.2	3.9	—	—	—	—	—	**16.1**
Production	(198.3)	(46.1)	(6.2)	—	(37.2)	(20.1)	—	**(308.0)**
Proved developed and undeveloped reserves as of December 31, 2008	**2,113.9**	**494.0**	**28.5**	**—**	**105.1**	**83.6**	**—**	**2,825.2**
Revisions of previous estimates	205.2	(1.3)	7.0	—	18.5	60.2	—	**289.6**
Purchases	—	—	—	—	—	—	—	**—**
Disposals	—	—	—	—	—	—	—	**—**
Extensions and discoveries	10.4	1.1	1.0	—	15.6	—	—	**28.1**
Production	(188.2)	(50.1)	(5.5)	—	(31.4)	(22.1)	—	**(297.2)**
Proved developed and undeveloped reserves as of December 31, 2009 [1]	**2,141.3**	**443.8**	**31.0**	**—**	**107.8**	**121.8**	**—**	**2,845.7**
Revisions of previous estimates	126.0	26.4	0.5	—	2.1	—	—	**154.9**
Purchases	—	—	—	—	3.9	—	—	**3.9**
Disposals	—	—	—	—	—	—	—	**—**
Extensions and discoveries	17.4	—	—	—	—	—	—	**17.4**
Production	(182.3)	(55.6)	(5.4)	—	(30.7)	(21.0)	—	**(295.1)**
Proved developed and undeveloped reserves as of December 31, 2010 [1]	**2,102.4**	**414.6**	**26.1**	**—**	**82.9**	**100.7**	**—**	**2,726.7**
Proved developed reserves								
as of December 31, 2008	1,673.4	309.3	27.9	—	51.9	83.7	—	**2,146.1**
as of December 31, 2009	1,691.5	283.2	27.3	—	42.4	121.8	—	**2,166.2**
as of December 31, 2010	1,690.8	270.1	23.4	—	73.2	100.7	—	**2,158.2**

[1] 2010: Including approximately 89 bcf of cushion gas held in storage reservoirs.
2009: Including approximately 92 bcf of cushion gas held in storage reservoirs.

e) Standardized measure of discounted future net cash flows

The future net cash flow information is based on the assumption that the prevailing economic and operating conditions will persist throughout the time during which proved reserves will be produced. Neither the effects of future pricing changes nor expected changes in technology and operating practices are considered.

Future cash inflows represent the revenues received from production volumes, including cushion gas held in storage reservoirs – assuming that the future production is sold at prices used in estimating year-end quantities of proved reserves (12 month average price). Future production costs include the estimated expenditures for production of the proved reserves plus any production taxes without consideration of future inflation. Future development costs include the estimated costs of development drilling and installation of production facilities, plus the net costs associated with decommissioning wells and facilities – assuming year-end costs without consideration of inflation. Future income tax payments are calculated on the basis of the income tax rate applicable in each of the countries in which the Group operates. The present cash value results from the discounting of the future net cash flow at a discount rate of 10% per year. The standardized measure does not purport to be an estimate of the fair value of the Group's proved reserves. An estimate of fair value would also take into account, amongst many other factors, the expected recovery of reserves in excess of proved reserves, anticipated changes in future prices and costs as well as a discount factor representative of the risks inherent in the production of oil and gas.

Standardized measure of discounted future net cash flows — EUR 1,000

	Petrom	Austria	Rest of Europe	North Africa	Middle East	Oceania	South America	**Total**
2010								
Future cash inflows	26,270,114	5,183,304	820,052	6,863,287	1,568,132	1,619,631	—	**42,324,520**
Future production and decommissioning costs	(16,320,724)	(2,853,422)	(594,645)	(728,437)	(474,438)	(844,754)	—	**(21,816,420)**
Future development costs	(2,094,167)	(285,705)	(6,608)	(143,953)	(315,665)	(8,922)	—	**(2,855,020)**
Future net cash flows, before income taxes	**7,855,223**	**2,044,177**	**218,799**	**5,990,897**	**778,029**	**765,955**	**—**	**17,653,080**
Future income taxes	(957,577)	(511,044)	(120,782)	(3,711,195)	(251,594)	(293,018)	—	**(5,845,210)**
Future net cash flows, before discount	**6,897,647**	**1,533,133**	**98,017**	**2,279,701**	**526,435**	**472,937**	**—**	**11,807,869**
10% annual discount for estimated timing of cash flows	(3,826,550)	(466,829)	33,103	(811,606)	(148,543)	(13,380)	—	**(5,233,805)**
Standardized measure of discounted future net cash flows	**3,071,096**	**1,066,303**	**131,120**	**1,468,096**	**377,892**	**459,557**	**—**	**6,574,064**
2009								
Future cash inflows	24,572,809	4,522,865	731,308	4,853,257	1,120,739	1,408,254	—	**37,209,232**
Future production and decommissioning costs	(18,891,466)	(2,659,119)	(464,465)	(971,521)	(195,571)	(709,334)	—	**(23,891,476)**
Future development costs	(1,565,785)	(608,084)	(41,781)	(287,611)	(292,624)	(18,161)	—	**(2,814,047)**
Future net cash flows, before income taxes	**4,115,559**	**1,255,662**	**225,061**	**3,594,125**	**632,543**	**680,758**	**—**	**10,503,709**
Future income taxes	(383,597)	(333,476)	(126,766)	(2,622,767)	(191,589)	(202,443)	—	**(3,860,637)**
Future net cash flows, before discount	**3,731,962**	**922,186**	**98,296**	**971,358**	**440,955**	**478,315**	**—**	**6,643,072**
10% annual discount for estimated timing of cash flows	(1,790,831)	(347,814)	3,833	(263,701)	(156,112)	(63,786)	—	**(2,618,411)**
Standardized measure of discounted future net cash flows	**1,941,131**	**574,372**	**102,129**	**707,656**	**284,842**	**414,530**	**—**	**4,024,661**

Standardized measure of discounted future net cash flows EUR 1,000

	Petrom	Austria	Rest of Europe	North Africa	Middle East	Oceania	South America	Total
2008 [1]								
Future cash inflows	18,733,816	5,158,050	472,570	4,145,767	807,280	1,110,593	—	**30,428,076**
Future production and decommissioning costs	(16,453,654)	(2,618,440)	(231,415)	(876,179)	(249,876)	(419,365)	—	**(20,848,928)**
Future development costs	(627,117)	(965,910)	(6,689)	(656,210)	(371,523)	(327,680)	—	**(2,955,129)**
Future net cash flows, before income taxes	**1,653,046**	**1,573,700**	**234,466**	**2,613,379**	**185,881**	**363,548**	**—**	**6,624,019**
Future income taxes	(108,379)	(513,050)	(159,959)	(1,942,854)	(140,622)	(114,788)	—	**(2,979,652)**
Future net cash flows, before discount	**1,544,667**	**1,060,650**	**74,506**	**670,524**	**45,259**	**248,760**	**—**	**3,644,367**
10% annual discount for estimated timing of cash flows	(838,828)	(345,475)	15,850	(312,730)	(49,808)	(95,976)	—	**(1,626,967)**
Standardized measure of discounted future net cash flows	**705,839**	**715,175**	**90,357**	**357,795**	**(4,549)**	**152,784**	**—**	**2,017,400**

[1] Adjusted (e.g. for renewed/extended contract terms).

f) Changes in the standardized measure of discounted future net cash flows

Changes in the standardized measure of discounted future net cash flows EUR 1,000

	2010	2009	2008
Beginning of year	**4,024,661**	**2,017,400**	**10,431,421**
Oil and gas sales and transfers produced, net of production costs	(1,898,184)	(1,223,735)	(2,835,191)
Net change in prices and production costs	4,270,064	2,689,054	(9,759,533)
Net change due to purchases and sales of minerals in place	2,136	4,488	5,069
Net change due to extensions and discoveries	11,109	53,096	37,168
Development and decommissioning costs incurred during the period	737,403	942,506	749,872
Changes in estimated future development and decommissioning costs	(1,282,389)	(772,749)	(830,922)
Revisions of previous reserve estimates	927,093	752,009	1,086,507
Accretion of discount	392,062	203,430	923,306
Net change in income taxes	(780,149)	(603,069)	2,789,702
Other [1]	170,254	(37,768)	(580,000)
End of year	**6,574,064**	**4,024,661**	**2,017,400**

[1] The impact of movements in foreign exchange rates versus the EUR is reflected in the line Other.

Vienna, March 22, 2011

The Executive Board

Wolfgang Ruttenstorfer
Chairman

Gerhard Roiss
Deputy Chairman

Werner Auli

David C. Davies

Jacobus Gerardus Huijskes

Abbreviations and definitions

ACC
Austrian Commercial Code

ACCG
Austrian Code of Corporate Governance

AGM
Annual General Meeting

bbl, bbl/d
barrels (1 barrel equals approximately 159 liters), barrels per day

bcf, bcm
billion standard cubic feet (60 °F/16 °C), billion 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
barrels of oil equivalent, boe per day

CAPEX
Capital Expenditure

capital employed
equity including minorities plus net debt and provisions for pensions, less securities used for asset coverage of pension provisions

cbm, cf
standard cubic meters, standard cubic feet

Co&O
Corporate and Other

E&P
Exploration and Production

EBIT
Earnings Before Interest and Taxes

EPS
Earnings Per Share

EPSA
Exploration and Production Sharing Agreement

equity ratio
stockholders' equity divided by balance sheet total expressed as a percentage

EU
European Union

EUR
euro

F&D (finding and development) cost
total exploration expenses divided by changes in proved reserves (extensions, discoveries and revisions of previous estimates)

G&P
Gas and Power

gearing ratio
net debt divided by stockholders' 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

LNG
Liquefied Natural Gas

LTIR
Lost Time Injury Rate

mn
million

monomers
collective term for ethylene and propylene

MW
megawatt

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

NOC
National Oil Corporation

NOPAT
Net Operating Profit After Tax; profit on ordinary activities after taxes plus net interest on net borrowings and interest on pensions, less extraordinary result +/– tax effect of adjustments

OPEX
Operating Expenditures; production cost, cost of material and personnel during production excluding royalties

payout ratio
total dividend payment divided by net income after minorities expressed as a percentage

Petajoule
1 petajoule corresponds to approx. 278 mn kilowatt hours

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

reserve replacement cost
exploration, development and maintenance expenditures including acquisition costs

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 stockholders' 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 exclusive production divided by total production

sales revenues
sales excluding petroleum excise tax

SEC
United States Securities and Exchange Commission

SFAS
Statement on Financial Accounting Standards

t, toe
metric tonne, tonne of oil equivalent

TEUR
thousand euros

TRIR
Total Recordable Injury Rate

TUSD
thousand US dollar

USD
US dollar

For more abbreviations and definitions please visit www.omv.com > Press Room > Glossary.

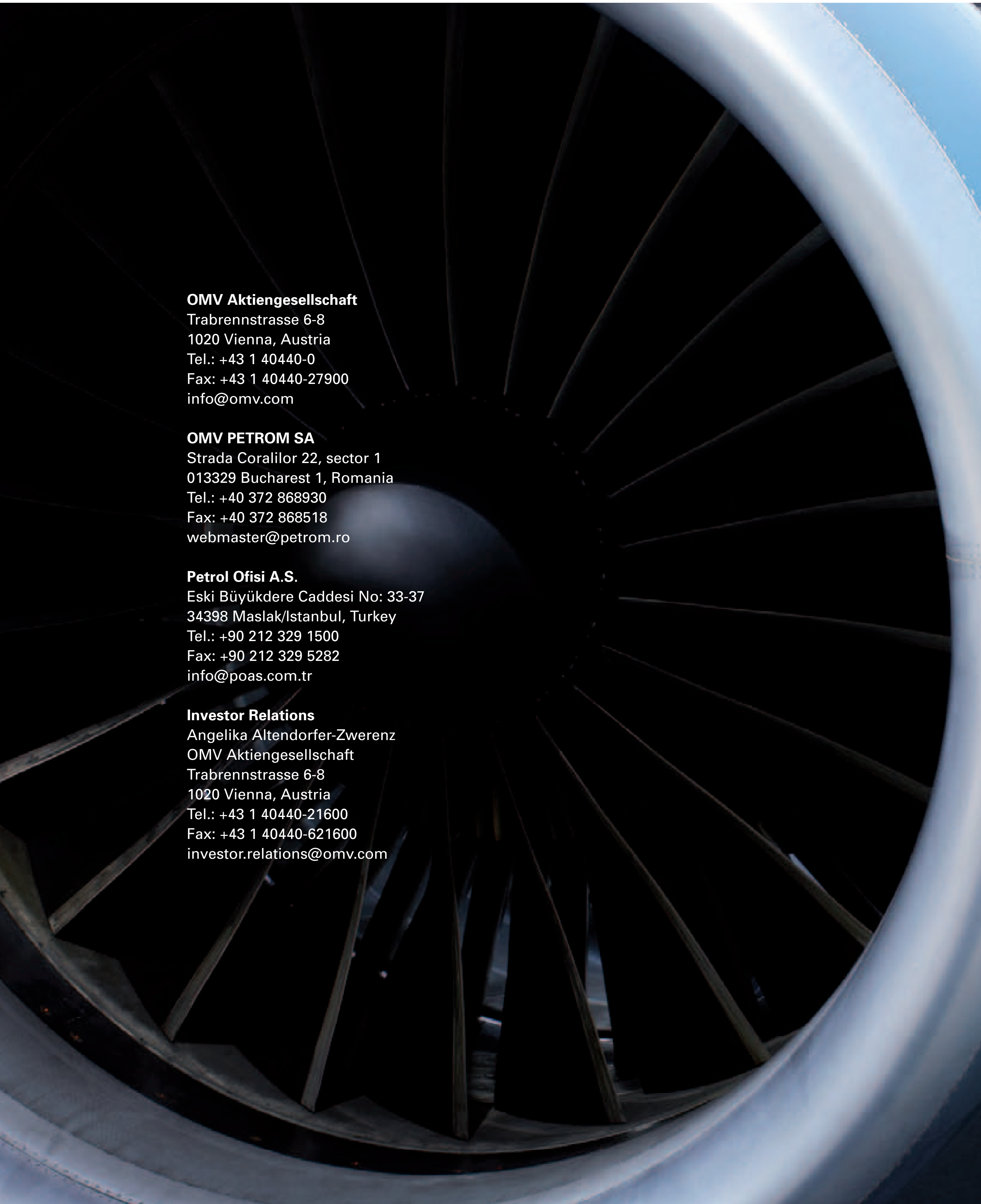
Five-year summary

Five-year summary **EUR mn**

	2010	2009	2008	2007	2006
Sales	23,323	17,917	25,543	20,042	18,970
Earnings before interest and taxes (EBIT)	2,334	1,410	2,340	2,184	2,061
Income from ordinary activities	1,961	1,182	2,309	2,412	2,156
Taxes on income	(747)	(465)	(780)	(569)	(506)
Net income before minorities	1,214	717	1,529	1,843	1,658
Net income after minorities	921	572	1,374	1,579	1,383
Clean CCS EBIT [1]	2,470	1,418	3,405	n.a.	n.a.
Clean CCS net income after minorities [1]	1,118	596	1,942	n.a.	n.a.
Balance sheet total	26,404	21,415	21,376	21,250	17,804
Equity	11,312	10,035	9,363	10,340	9,176
Net debt	5,167	3,314	3,448	2,453	630
Average capital employed	14,274	13,639	13,341	11,735	9,120
Cash flow from operations	2,886	1,847	3,214	2,066	2,027
Capital expenditure	3,207	2,355	3,547	4,118	2,518
Depreciation	1,578	1,325	1,293	977	810
Earnings before interest, taxes and depreciation (EBITD)	3,899	2,734	3,633	3,161	2,877
Net operating profit after tax (NOPAT)	1,433	815	1,624	1,869	1,682
Return on average capital employed (ROACE)	10%	6%	12%	16%	18%
Return on equity (ROE)	11%	7%	16%	19%	20%
Stockholders' equity to total assets	43%	47%	44%	49%	52%
Gearing ratio	46%	33%	37%	24%	7%
Dividend per share [2] in EUR	1.00	1.00	1.00	1.25	1.05
Earnings per share in EUR	3.08	1.91	4.60	5.29	4.64
Clean CCS earnings per share in EUR [1]	3.74	1.99	6.50	n.a.	n.a.
Employees as of December 31	31,398	34,676	41,282	33,665	40,993

1 Clean CCS figures exclude inventory holding effects resulting from the fuels refineries. The CCS result is reported since 2009; for reasons of comparability 2008 numbers have been adjusted accordingly.
2 2010: Proposal to the Annual General Meeting in 2011.

Contacts



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Move & More. OMV

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In the interest of a fluid style, which is easy to read, non-gender specific terms have been used throughout the annual report.
For the production of this report we used environmentally-friendly products.

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Annual Report 2010
of OMV Aktiengesellschaft

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Statement of the Chairman of the Supervisory Board

Dear shareholders,
Compliance with the Austrian Code of Corporate Governance, good teamwork, close cooperation with the Executive Board, and regular, timely and comprehensive information create a sound basis for the OMV Supervisory Board to perform its role effectively. During the year under review, apart from routine compliance with the relevant legal requirements, the Supervisory Board focused on the acquisition of a majority interest in Petrol Ofisi A.S., the appointment of a new Executive Board member responsible for the Refining and Marketing business segment, and in-depth discussions of strategy, with particular reference to integration and profitable growth. In addition, the overall economic situation in the Company's core markets, and the resultant operating environment, opportunities and risks for OMV over the next few years were examined in detail at the Supervisory Board's meetings. The Board also devoted considerable attention to the evaluation of projects to expand the portfolio of the Exploration and Production business segment.

The Board's committees dealt with key issues relating to accounting processes, internal audit, risk management, and the Group's internal control and management systems. The Audit Committee arrived at the proposal to the Annual General Meeting for the appointment of the auditors of the consolidated financial statements for 2011 with the aid of a tender. The Presidential and Nomination Committee made thorough preparations for the appointment of the new Executive Board member in charge of Refining and Marketing. We are also convinced that a comprehensive group-wide human resources development program, a well-designed succession planning system and an effective issuer compliance system are in place. The Company posts details of dealings by members of the Executive and Supervisory Boards, and their current holdings of OMV shares, on its website www.omv.com.

The Supervisory Board has performed self-evaluation in accordance with international standards since 2007. This is aimed at continuously improving our working methods so as to ensure that the Board is capable of acting in the interests of the shareholders and other stakeholders. This exercise is repeated annually, and in 2010 again demonstrated the efficiency of our organization and approach. It will remain a permanent feature of the process of critical reflection on the Board's activities. The Corporate Governance Report hereafter contains additional information on the activities of the Supervisory Board and its committees.

Annual financial statements and dividend
Following thorough examination and discussions with the auditors at Audit Committee and plenary meetings, the Supervisory Board approved the directors' report, prepared in accordance with section 96 (1) Stock Corporation Act, and the parent entity financial statements for 2010, which were thereby adopted under section 96 (4) of the Act. The same applies to the consolidated financial statements. The 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 1.00 per share, to allocate EUR 200 mn to the revenue reserve and to carry forward the remaining of the profit for the year to new account.

Finally, I would like to congratulate the Executive Board and the entire workforce on achieving these results, and thank them for their hard work and far-sighted approach. Furthermore, I would like to take the opportunity and thank Wolfgang Ruttenstorfer for his outstanding achievements as CEO over the past decade, in which OMV has transformed into the leading energy group in Central and Southeastern Europe.

Vienna, March 22, 2011

Peter Michaelis, Chairman of the Supervisory Board

Corporate Governance Report

Enhancing transparency in our management and internal control structures helps create and consolidate market and stakeholder confidence. As a result, OMV has always sought to meet expectations in terms of good corporate governance and has adhered to the Austrian Code of Corporate Governance (ACCG) since its introduction. The information given below complies also with the ACCG recommendations ('R-rules'). OMV is also a signatory of the UN Global Compact and has adopted a comprehensive, group-wide Code of Conduct, as well as a related business ethics directive, drawn up with the assistance of international expert consultants.

OMV conforms to the ACCG issued by the Austrian Working Group for Corporate Governance. The code is publicly accessible at www.corporate-governance.at. OMV deviates from rule 26 C: The Chairman of the Executive Board, Wolfgang Ruttenstorfer, held supervisory board mandates in four non-Group companies, twice the position of the chairman. With regard to his resignation from the OMV Group as of March 31, 2011, the Supervisory Board of OMV approved the mandates. The external evaluation of compliance with the code in 2010 is available for public inspection at www.omv.com, and confirms that OMV conformed to all the C and R rules.

Executive Board

From left to right: Jaap Huijskes, Gerhard Roiss, Wolfgang Ruttenstorfer, David C. Davies, Werner Auli

Wolfgang Ruttenstorfer, *1950
Terms of office: July 3, 1992 to January 27, 1997, and January 1, 2000 to March 31, 2011
Chairman of the Executive Board (since January 1, 2002). Responsible for the overall management and coordination of the Group.

Member of the supervisory boards of Telekom Austria AG, CA Immobilien Anlagen AG (chairman), the VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe (chairman) and of the board of directors of F. Hoffmann-La Roche AG (until March 1, 2011).

A graduate of the Vienna University of Economics and Business Administration, he began his career with OMV in 1976. He was a member of the Executive Board from 1992 to 1997. After serving as Austrian Secretary of State for Finance between 1997 and 1999, he returned to the OMV Group as Deputy Chairman of the Executive Board with responsibility for finance and the Gas segment at the beginning of 2000.

Gerhard Roiss, *1952
Term of office: September 17, 1997 to March 31, 2014
Deputy Chairman of the Executive Board (since January 1, 2002). Responsible for Refining and Marketing, as well as for the OMV Group's plastic and chemical interests.

Member of the supervisory boards of Österreichische Post AG, AABAR Investments PJSC (until February 23, 2010) and NOVA Chemicals Corporation (chairman until December 31, 2010). He will take over as Chairman of the Executive Board following the retirement of Wolfgang Ruttenstorfer.

He received his business education 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 Group Executive Board, heading up Exploration and Production and Plastics until the end of 2001.

Werner Auli, *1960
Term of office: January 1, 2007 to March 31, 2014
Responsible for Gas and Power (since January 1, 2007).

He joined OMV in 1987 after graduating from the Vienna University of Technology. From 2002 to 2004, he was managing director of EconGas GmbH. From 2004, he was managing director of OMV Gas GmbH, and since 2006 he has been managing director of OMV Gas & Power GmbH.

David C. Davies, *1955
Term of office: April 1, 2002 to March 31, 2014
Chief Financial Officer (since April 1, 2002). Member of the supervisory boards of Wiener Börse AG and CEESEG AG. He will become Deputy Chairman of the Executive Board on Wolfgang Ruttenstorfer's retirement.

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.

Helmut Langanger, *1950
Term of office: January 1, 2002 to September 30, 2010 Responsible for Exploration and Production (E&P) until June 30, 2010.

Member of the supervisory boards of Schoeller-Bleckmann Oilfield Equipment AG and EnQuest plc. He studied Economics in Vienna after graduating from the Leoben University of Mining and Metallurgy. He joined OMV in 1974. In 1992, he was appointed Senior Vice President for E&P, and in this position, he played a key role in building up the Group's international E&P portfolio.

Jacobus Huijskes, *1965
Term of office: April 1, 2010 to March 31, 2015
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 worldwide major upstream projects. He has worked and lived in the UK, Norway, Oman, Australia and Russia, among other countries.

Manfred Leitner, *1960
Term of office: April 1, 2011 to March 31, 2014
Responsible for Refining and Marketing, as well as for the 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 has been Senior Vice President for Downstream Optimization and Supply since 2003.

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 Board holds weekly meetings in order to exchange information and take decisions on all matters requiring plenary approval.

Remuneration report

Executive Board remuneration policy principles

The remuneration of the OMV Executive Board 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 relevant Austrian industrial companies and the European peer group. The performance-related component includes short-term incentives. These take the form of variable remuneration agreements based on earnings, profitability and growth targets; account is also taken of specific projects related to the implementation of OMV's growth strategy. The system also has long-term elements.

Basic salary and short-term variable remuneration

The basic salaries of Executive Board members are based on the above principles (see table on page 163). Targets (performance measures) are also agreed for each financial year. Where these are attained, a maximum of 150% of the basic salary may be paid as variable remuneration in the following financial year.

These targets are financial indicators (e.g. EBIT or gearing ratio) and non-financial performance measures (e.g. integration of acquisitions or reserve replacement rate), as well as strategic objectives. The achievement of targets shall be determined by comparing agreed indicators with actually achieved figures.

Long-term targets and incentives

Long Term Incentive Plan

The Long Term Incentive Plan (LTIP) for the period 2010 to 2015, as adopted by the Annual General Meeting in 2010, consists of the following elements: Participants must have invested an amount equal to 100% (Chairman of the Executive Board, CEO), 85% (Deputy Chairman, Deputy CEO) or 70% (other Board members) of their gross basic salaries in OMV shares in 2010 (shares deposited in order to participate in the 2009 LTIP count towards the 2010 LTIP) and hold them until March 31, 2015. The number of shares is calculated on the basis of the average OMV stock price in the first quarter of 2010.

The observation period for attainment of the financial and non-financial objectives is the 2010, 2011 and 2012 financial years. At the start of the program, target levels were established for key indicators (total shareholder return (TSR), economic value added (EVA) and earnings per share (EPS)) and weighted (30% for each indicator). The safety performance target is weighted at 10%. The achievement of targets shall be determined by comparing agreed indicators with actually achieved figures. If the targets are fully attained the CEO will be allocated shares equal in value to 90%, the Deputy CEO shares equal to 75% and the other Board members shares equal to 60% of their gross basic salaries in 2010. The number of shares is calculated on the basis of the average OMV stock price in the first quarter of 2010. The allocation will take place on March 31, 2013. Participants will be free to dispose of the allocated stock as they see fit, but will be obliged to hold an amount of shares equal to their original investment for another two years (up to March 31, 2015). Substantial amendment to the LTIP 2009: Instead of receiving stock, any participant may opt for cash settlement. If receiving stock could be deemed insider-trading, only cash settlement will be performed.

If the targets are exceeded, more shares, in linear proportion, will be allocated up to a maximum of 175% of the shares due on 100% attainment. At least 25% of the shares due in the event of 100% target attainment will be allocated in any case.

Stock option plans

Up to and including 2008, long-term incentives took the form of stock option plans, which were on a par 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 (attainment of the 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 2004–2008 plans have either not yet been exercised or have not been exercised in full. No further stock options were issued after 2008.

Pensions

Wolfgang Ruttenstorfer, Gerhard Roiss and Helmut Langanger are entitled to defined-benefit pensions. The Company pays the contributions, calculated in accordance with discounted cash flow methods, into a pension fund. David Davies, Werner Auli, Jacobus Huijskes and Manfred Leitner are entitled to defined-contribution pensions. The Company pays the contributions into a pension fund. The retirement age for all Executive Board members is the Austrian statutory retirement age.

Termination entitlements

Termination benefits

Wolfgang Ruttenstorfer, Gerhard Roiss and David 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's service from the agreed starting date. However, the amount may not exceed one year's gross basic salary. Werner Auli is entitled to termination benefits in accordance with section 23 Austrian Salaried Employees Act, but taking his previous service with the Group into account. The calculation basis under the Salaried Employees Act includes the variable components. Jacobus Huijskes is subject to the Betriebliche Mitarbeiter- und Selbständigenvorsorgegesetz (BMSVG, Salaried Employees and Self-employed Provident Saving Act).

Settlement payment

In the event of premature termination of an Executive Board employment contract, the salary for the remainder of the contract is paid if no act of willful misconduct or negligence was performed by the Board member. No settlement payment is made if the Board member terminates the contract prematurely.

There are no other termination entitlements.

Executive Board remuneration [1]							EUR 1,000
2010	**Auli**	**Davies**	**Huijskes**	**Langanger**	**Roiss**	**Ruttenstorfer**	**Total**
Fixed	600	665	375	461	700	800	**3,601**
Variable	755	826	525	826	965	1,104	**5,000**
Pension fund contributions	132	250	98	341	462	574	**1,857**
Benefits in kind (company car, accident insurance and reimbursed expenses)	8	9	6	6	8	8	**47**
Accommodation expenses	—	—	16	—	—	—	**16**
Options exercises	—	—	—	168	—	—	**168**
Termination benefits	—	—	—	1,434	—	—	**1,434**
Payment in lieu of holiday	—	—	—	46	—	—	**46**
Total	**1,495**	**1,751**	**1,021**	**3,282**	**2,135**	**2,486**	**12,169**

[1] There are discrepancies between individual items and totals due to rounding differences. The variable components relate to target attainment in 2009, for which the bonuses were paid in 2010, except for EUR 525,000, which relate to prepayments for 2010. There was an exercise of options under the 2004 stock option plan.

Note 29 provides additional information on the Long Term Incentive Plan and the stock option plans (valuation, outstanding options and exercise in previous years).

Directors' and officers' (D&O) insurance

Executive Board members are covered by directors' and officers' liability, and legal expenses insurance. The entire Supervisory Board and many other OMV employees also have such coverage, but as joint insurance premiums are paid, it is not possible to attribute these costs to individual Executive Board members.

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.

Executive Board members' shareholdings

Executive Board members' holdings of OMV shares at balance sheet date were as follows:

Shares	
Ruttenstorfer:	45,035
Roiss:	174,528
Auli:	23,272
Davies:	28,920
Huijskes:	12,136
Langanger (as of September 30, 2010):	58,770
Leitner:	14,409

Policy principles for the remuneration of senior executives and experts

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

Consequently some employees at other management levels of the Group (approx. 85 people) are eligible for membership of the stock option plans and the Long Term Incentive Plan. They are also eligible for bonus agreements, as discussed below.

In 2010, a total of some 2,800 managers and experts participated in a graduated Management by Objectives (MbO) program entitling them to bonuses for fulfilling objectives. There are also bonuses 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 others' targets.

Supervisory Board

In 2010, the membership of the OMV Supervisory Board, and seats held by members on other supervisory boards (domestic and foreign listed companies), disclosed in compliance with Rule C 58 ACCG, were as follows:

Peter Michaelis
(Managing Director, ÖIAG), Chairman; seats: Österreichische Post AG (chairman) and Telekom Austria AG (chairman).

Rainer Wieltsch
(until May 26, 2010) Deputy Chairman; seats: Österreichische Post AG (until April 22, 2010) and Telekom Austria AG.

Wolfgang Berndt
Deputy Chairman; seats: GfK AG and MIBA AG.

Khadem Al Qubaisi
(Managing Director, International Petroleum Investment Company (IPIC)), Deputy Chairman; seats: Aabar Investments PJSC (chairman); Abu Dhabi National Takaful Co. PJSC (chairman); Compania Espanola de Petroleos S.A. (CEPSA) and First Gulf Bank.

Alyazia Al Kuwaiti
(Manager Evaluation & Execution, IPIC).

Mohamed Al Khaja
(until May 26, 2010) (Division Manager Research & Business Development, IPIC).

Elif Bilgi-Zapparoli
(Chief Executive Officer, Merrill Lynch Yatirim Bank A.S. and Merrill Lynch Menkul Degerler A.S.).

Helmut Draxler
Seats: RHI AG.

Wolfram Littich
(Chairman of the executive board of Allianz

Elementar Versicherungs-AG).

Herbert Stepic
(Chairman of the executive board of Raiffeisen Bank International AG).

Herbert Werner
Seats: Innstadt Brauerei AG (chairman) and Ottakringer Getränke AG.

Norbert Zimmermann
Seats: Schoeller Bleckmann Oilfield Equipment AG (chairman); Bene AG and Oberbank AG.

Delegated by the Group works council (employee representatives):
Leopold Abraham, Wolfgang Baumann, Franz Kaba, Ferdinand Nemesch and Markus Simonovsky.

Diversity
The main considerations in selecting the members of the Supervisory Board are relevant knowledge and experience in executive positions. However, attention is also paid to diversity in the composition of the Board. The 15-strong Supervisory Board includes two women, three members aged under 50 and three non-Austrian nationals.

Independence
The Supervisory Board has adopted the guidelines set out in Annex 1 ACCG, and the other guidelines set out below, with regard to members elected by the Annual General Meeting. No member of the Supervisory Board may serve on the Executive Board of an OMV Group company. No member of the Supervisory Board 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 Board member may be a shareholder with a controlling interest in the meaning of EU Directive 83/349/EEC (i.e. an interest of 50% or a dominant influence, e.g. through the right to appoint board members) or represent such an interest.

All of the members elected by the Annual General Meeting except Helmut Draxler, regarding the duration of his term, have declared their independence from the Company and its Executive Board for the duration of their membership. All have declared their independence during the 2010 financial year, and have stated that they were independent at the time of making such declarations (Rule C 53 ACCG). Under Rule C 54 ACCG, Elif Bilgi-Zapparoli, Wolfgang Berndt, Helmut Draxler, Wolfram Littich, Herbert Stepic, Herbert Werner and Norbert Zimmermann have made declarations to the effect that they had no connections with any major shareholders during the 2010 financial year 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 appointment of four committees ensures that optimum use is made of Supervisory Board members' expertise. Brief descriptions of these committees are given below (see also the Report of the Supervisory Board).

During the year under review the Supervisory Board held five meetings, one of which was devoted to strategy.

No member of the Supervisory Board attended fewer than half of the meetings.

Presidential and Nomination Committee
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 during

the year. The main focus was on succession planning and the search for a successor to the Executive Board member responsible for Refining and Marketing.

Audit Committee

Performs the duties established by section 92 (4a) Stock Corporation Act. The committee held four meetings during the year. These were predominantly concerned 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 proposals for the selection of the auditors, and the presentation of the annual financial statements.

Auditors: Attention must be paid to auditor independence, and this involves comparing the audit fee with other fee income. In 2010, the auditors Deloitte Audit Wirtschaftsprüfungs GmbH (including their network in the meaning of section 271b ACC) received EUR 1.94 mn in fees for other engagements and EUR 2.44 mn for the annual audit.

Project Committee

Helps the Executive Board to prepare for complex decisions on key issues where necessary, and reports on these decisions and any recommendations to the Supervisory Board. The Project Committee met twice during the year, devoting most of its time to discussing specific potential acquisitions such as Petrol Ofisi.

Remuneration 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 the Board members' employment contracts, and to take decisions on the award of bonuses (variable compensation components) and other such benefits to the latter. The committee met twice during the year, focusing on bonuses and the related objectives, as well as the employment contract with the new member of the Executive Board responsible for Refining and Marketing.

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; however, attention is drawn to transactions totaling approx. EUR 1.9 bn with Raiffeisen Group (Mr. Stepic; the transactions in question represent less than 1% 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 Board members.

Remuneration

In accordance with the articles of incorporation, the Annual General Meeting (AGM) resolves the compensation of the elected members of the Supervisory Board for the previous financial year. The 2010 AGM adopted the following compensation scale for the 2009 financial year:

Annual compensation 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 above amounts, for the 2009 financial year, were disbursed to the Board members concerned in 2010; these were exclusive of expenses (travel and attendance expenses). In 2010, the Chairman of the Supervisory Board and all the committees was Peter Michaelis, and the Deputy Chairpersons of the Board and all the committees up to May 26, 2010 were Rainer Wieltsch and Alyazia Al Kuwaiti, and Wolfgang Berndt and Khadem Al Qubaisi from May 26, 2010.

Name (year of birth)	Position/committee membership [1]	Remuneration (in EUR)	Term of office [1]
Peter Michaelis (1946)	Chairman; member of the Pres. Com.,Proj. Com., Audit Com. and Remun. Com.	77,200	May 23, 2001 to 2014 AGM
Rainer Wieltsch (1944)	(Deputy Chairman); member of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	59,900	May 24, 2002 to May 26, 2010
Alyazia Al Kuwaiti (1975)	(Deputy Chairwoman); member of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	74,875	May 14, 2008 to 2014 AGM
Wolfgang Berndt (1942)	Deputy Chairman; member of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	—	May 26, 2010 to 2014 AGM
Khadem Al Qubaisi (1971)	Deputy Chairman; member of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	—	May 26, 2010 to 2014 AGM
Elif Bilgi-Zapparoli (1967)		11,650	May 13, 2009 to 2014 AGM
Helmut Draxler (1950)	Audit Com.	22,600	Oct. 16, 1990 to 2014 AGM
Mohamed Al Khaja (1980)	Pres. Com. and Proj. Com.	38,250	May 14, 2008 to May 26, 2010
Wolfram Littich (1959)	Proj. Com. and Audit Com.	30,600	May 23, 2001 to 2014 AGM
Herbert Stepic (1946)		14,600	May 18, 2004 to 2014 AGM
Herbert Werner (1948)	Audit Com.	22,600	June 4, 1996 to 2014 AGM
Norbert Zimmermann (1947)	Proj. Com. and Remun. Com.	30,600	May 23, 2001 to 2014 AGM
Gerhard Mayr (1946)		5,280	May 24, 2002 to May 13, 2009
Leopold Abraham (1947)	Pres. Com., Proj. Com. and Audit Com.	—	Delegation by the Group works council is for an indefinite period; however, the employee representatives may be recalled at any time.
Wolfgang Baumann (1958)	Pres. Com. and Audit Com.	—	
Franz Kaba (1953)	Proj. Com.	—	
Ferdinand Nemesch (1951)	Proj. Com. and Audit Com.	—	
Markus Simonovsky (1973)		—	

[1] Abbreviations: Pres. Com. = Presidential and Nomination Committee; Proj. Com. = Project Committee; Audit Com. = Audit Committee; Remun. Com. = Remuneration Committee; AGM = Annual General Meeting

In accordance with his employment contract as a member of the ÖIAG Managing Board, Peter Michaelis transferred his remuneration to ÖIAG.

The total expenditure incurred by the Supervisory Board in 2010 was EUR 802,867. Of this, members' compensation (for the 2009 financial year) accounted for EUR 388,155, attendance expenses for EUR 41,464, travel expenses for EUR 214,171, and conference equipment, organization and translation for EUR 159,077.

Employee participation

The Group works council holds regular meetings with the Executive Board in order to exchange information on developments affecting employees.

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 resolutions on all agenda items. The Company must post these on its website.
- 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 incorporation.
- All duly registered shareholders 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 prior to the vote on the last position to be filled 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 the winner of the election to the last position if he/she has stood for it.

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. There are two female elected members of the OMV Aktiengesellschaft Supervisory Board; this corresponds to 20% of the elected membership.
- Women hold 19% of the senior management positions below Executive Board level. The proportion of women in the Group as a whole is about 23%. As a business with a strong technical bias it is hard for OMV to achieve satisfactory gender ratios in all areas of operations. The recruitment ratios in non-technical areas are well balanced.
- In 2010, the Executive Board has approved the new diversity-strategy. The long-term objective is to achieve at senior management level a diversity-mix of 30% female and 50% international employees by 2020.

Vienna, March 22, 2011

The Executive Board

Wolfgang Ruttenstorfer

Gerhard Roiss

Werner Auli

David C. Davies

Jacobus Gerardus Huijskes

Directors' report – operational review

Business developments in 2010

Sales for the 2010 financial year were EUR 64.26 mn (2009: 69.67 mn). As OMV Aktiengesellschaft is a pure holding company most of the sales consist of corporate service charges billed to the subsidiaries.

Earnings before interest and taxes (EBIT) were EUR (25.97) mn (2009: EUR 0.96 mn). Lower EBIT in 2010 is largely a reflection of lower sales from corporate service charges, provisions for the Long Term Incentive plan and higher consulting costs.

The **financial result** in 2010 was EUR 585.23 mn (2009: EUR 11.10 mn). Owing to the fact that OMV Aktiengesellschaft operates as a pure holding company, the financial items mainly relate to dividends and other income from investments, and thus reflect the Group's overall business performance. Net income from investments was EUR 769.69 mn – up on 2009 (EUR 515.47 mn).

The contribution of the companies in the **Exploration and Production (E&P)** segment excluding Petrom to income from investments rose to EUR 444.04 mn (2009: EUR 287.37 mn), the main factor behind this increase being higher crude prices.

Investment income from the **Refining & Marketing (R&M)** segment excluding Petrom advanced to EUR 35.6 mn (2009: (80.40) mn). This improvement was mainly driven by an improvement of European refining margins.

The investment income contribution from the **Gas and Power (G&P)** segment excluding Petrom was EUR 79.24 mn – down on the previous year (2009: EUR 106.82 mn). This was primarily due to the allocation of a valuation reserve in one of the subsidiaries.

Investment

Key investment items in 2010 were capital injections to OMV Enerji Holding and OMV Solutions GmbH, owing to activities in Turkey and to OMV E&P GmbH, to OMV R&M GmbH and to OMV Deutschland GmbH.

Cash flows from operating activities for 2010 were positive by EUR 569.19 mn (2009: 948.60 mn), and cash flows from investing activities negative by EUR 891.01 mn (2009: EUR (1,828.65) mn), while cash flows from financing activities were positive by EUR 105.25 mn (2009: EUR 855.31 mn).

Net income for the year was EUR 602.58 mn (2009: 18.48 mn). **Total assets** rose to EUR 10,545.72 mn (2009: 9,889.01 mn).

At balance sheet date **stockholders' equity** including untaxed reserves stood at EUR 6,408.00 mn (2009: EUR 6,104.20 mn). The equity ratio as of December 31, 2010 was 60.76% (2009: 61.73%).

The ratio of **fixed assets** to total assets was 62.54% at balance sheet date (2009: 49.48%).

Return on equity (**ROE**), i.e. net income for the year / average shareholders' equity, was 9.63% (2009: 0.3%).

In 2010, the average **number of employees** at the holding company was 128 (2009: 124).

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

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

1. The capital stock amounts to EUR 300,000,000 and is divided into 300,000,000 bearer shares of no par value. There is only one class of shares.

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

3. ÖIAG holds 31.5% and IPIC holds 20.0% 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 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).

   b) The capital stock has been conditionally increased by EUR 77.9 mn under section 159 (2) (1) Austrian Stock Corporation Act by issuance of up to 77,900,000 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.

   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 77,900,000 (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 13, 2009, the Annual General Meeting authorized the Executive Board to repurchase own shares up to the maximum legally permitted (currently 10% of capital stock), during a period of 30 months from the day of the resolution in question. Own shares can be used to satisfy stock option and Long Term Incentive plans or can be sold at any time via the stock exchange or by way of public offering. The Executive Board is further authorized to cancel treasury shares; use treasury shares for convertible bonds, if issued; use treasury shares in exchange for shares in other companies; use treasury shares to any legally permitted purpose, whatsoever.

8. By December 31, 2010 no material agreements to which the Company is a party are in place which in case of change of control due to a take over offer would come into effect, be amended or terminated.

9. 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.

10. 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 of individual group companies and informs the Supervisory Board about the results of the audits performed. 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. The effectiveness of these processes is evaluated based on a rolling time schedule and benchmarked against best practice (e.g. derivatives, debtors' management, accounting for fixed assets). 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

Risk management is a group-wide integrated function based in the Corporate Finance department at OMV Aktiengesellschaft. The group-wide risk identification and assessment process is coordinated by the department, while the entire risk portfolio is aggregated as a net position. A variety of risk management measures are taken on the basis of this position (which is mitigated by diversification effects), as part of the overall risk avoidance strategy. In particular, these measures address direct financial risks including interest rate, foreign exchange, liquidity and pension risk. Corporate Finance is also responsible for analyzing strategic market risk. In addition, OMV Aktiengesellschaft monitors the Group's exposure to investment risk (value at risk), as well as the transaction risks associated with major investments.

Interest rate and liquidity risk are managed by imposing limits. Derivatives (swaps) may be employed by Group Treasury for risk management purposes. For instance, some of the existing dollar and euro denominated loans were converted from fixed to variable rates in order to balance the Group's debt portfolio.

Price hedges are proposed to the Executive Board by the Financial Risk Committee, and are centrally managed. To protect the cash flow from the adverse impact of falling oil prices, OMV Aktiengesellschaft concluded derivative instruments on its own account for some of its subsidiaries in order to hedge the proceeds from 25,000 bbl/d in 2010. To achieve this goal, OMV entered into puts securing an average price floor of USD 55.17/bbl. These puts were financed via call options in order to avoid initial investment (zero cost collar), whereby the Group companies were not able to profit from oil prices above USD 75/bbl in 2010 for the above stated volume. These hedges lead to a negative cash flow of approximately USD 41 mn in the respective group companies.

For 2009, put spreads (financed via call options) for 25,000 bbl/d were used to secure a price floor of USD 80/bbl as long as the oil price was above USD 65/bbl. When oil prices were below USD 65/bbl, the hedge paid out USD 15/bbl in addition to the realized market price. These hedges lead to a positive cash flow of approximately USD 108 mn in the respective group companies.

The key foreign currency risks are associated with the fluctuations of the USD against the EUR, RON and TRY. The Group has a net USD long position resulting mainly from sales of oil and gas production. Their effects on cash flow and/or the balance sheet (translation risk) as well as the correlation with the oil price are also regularly monitored. The currency risk associated with investments (translation risk) – i.e. the potential impact on the income statement and balance sheet – is centrally monitored. OMV is exposed to currency translation risk by major investments in Romania and Turkey.

Credit risk exposure associated with the Group's main counterparties is managed on the basis of counterparty limits and bank limits. The risks related to banks are centrally managed by Corporate Finance; all other counterparty risks are managed at segment level based on centrally manged limits.

The fact that Group financing is highly centralized means that OMV Aktiengesellschaft is necessarily obliged to assume the default risk on behalf of Group companies. Frequent reviews of corporate intrayear liquidity planning permit constant monitoring of Group companies' status, and enable countermeasures to be taken where necessary. The investments are regularly tested for impairment, using generally accepted valuation methods. Impairment is recognized as necessary.

Sustainability:HSSE
(health, safety, security, environment, community relations and social affairs)

As holding company, the OMV Aktiengesellschaft performs a group-wide strategic management function for Sustainability:HSSE. The formulation of the Group's Sustainability:HSSE Strategy and the setting of annual Balanced Score Card targets for the entire Group is lead and coordinated by OMV Aktiengesellschaft in consultation with all Business Segments and Petrom.

In 2010, there was no work accident registered in OMV Aktiengesellschaft. One near miss and 11 hazards and findings were reported. Awareness of health, safety, security and environmental issues was raised through training courses and information events like HSSE Hours with the topics "Travel Security", "Metabolic Balance" and "Community Relations Projects". Safety management in the head office in Vienna focused on travel safety and practice alarm trainings with more than 1,800 employees participating in several drills.

Active involvement of employees in health topics is achieved with the help of a Health Circle with participation of all business segments, where employees voice their health concerns and make suggestions, which are brought to the Health Circle Steering Committee for discussion and approval. Alongside regular medical service, the Center of Occupational Health provides a number of health-related regular training workshops, for example Qigong, Tai Chi, Yoga, Pilates and many more. Physiotherapists and nutritionists are available on a regular basis. A large number of employees from the headoffice participated in the 2010 prevention program dedicated to "muscles, joint and spine" aspects. Air-conditioning, temperature and thermal radiation in the head office are monitored regularly. The results have all been within acceptable limits.

In a new Sustainability Blog in the intranet, employees discussed for ten weeks online about health, safety and environmental management as well as stakeholder engagement in OMV operations worldwide. On the internet, OMV launched the interactive Sustainability World, presenting more than 20 projects worldwide.

In 2010, the Annual General Meeting, the Supervisory Board meetings, the annual meeting of the legal experts and a CSR Day were organized carbon neutral.

Significant events after the balance sheet date

In January and February 2011, political unrest broke out in several countries in North Africa and the Middle East. The production in Libya is significantly affected since the outbreak of political unrest. In 2010, Libya contributed approx. 33,000 boe/d, that is about 10%, to OMV's total production. This development may lead to reduced operating earnings in the E&P segment that could also affect OMV Aktiengesellschaft.

On January 6, 2011, OMV signed an agreement to purchase 100% of the issued share capital of Pioneer Natural Resources Tunisia Ltd. and Pioneer Natural Resources Anaguid Ltd. from Pioneer Natural Resources, an independent US oil and gas company. Closing of the transaction took place on February 18, 2011. The purchase price paid was USD 800 mn plus USD 39.3 mn working capital – the funding is provided by OMV.

Outlook for 2011 for OMV Group

For 2011 we expect the main market drivers to remain highly volatile. We expect the Brent oil price to be within a range of USD 80-100/bbl. The Brent-Urals spread is expected to remain tight. Our expectation for the relevant FX rates is also for continuing volatility. Refining margins are expected to recover somewhat due to improved demand for middle distillates. Petrochemical margins are anticipated to decrease compared to 2010, impacted by additional global petrochemical capacity. Marketing volumes as well as margins are expected to remain under pressure as western markets, despite economic recovery, are not expected to show any growth due to saturation while southeastern Europe is still feeling the impact of the economic downturn. To partly secure the Group's cash flow in 2011, OMV entered into oil price swaps in January 2011 for a volume of 50,000 bbl/d of 2011 production securing a price of USD 97/bbl and into EUR-USD average rate forwards at USD 1.37, covering those volumes until the end of 2011. These transactions are partly settled via OMV Aktiengesellschaft. It is one of OMV's main priorities to strive for world class HSEQ standards including the reduction of the LTI-rate (lost-time injury).

Vienna, March 22, 2011
The Executive Board

Wolfgang Ruttenstorfer
Chief Executive Officer and Chairman
of the Executive Board

Gerhard Roiss
Deputy Chairman of the Executive Board
Refining and Marketing including petrochemicals

Werner Auli
Member of the Executive Board
Gas and Power

David C. Davies
Member of the Executive Board
Chief Financial Officer

Jacobus Gerardus Huijskes
Member of the Executive Board
Exploration and Production

Auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system, of OMV Aktiengesellschaft, Vienna, for the fiscal year from January 1, 2010 to December 31, 2010. These financial statements comprise the balance sheet as of December 31, 2010, the income statement for the fiscal year ended December 31, 2010, 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.

Auditor's 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, 2010 and of its financial performance for the fiscal year from January 1, 2010 to December 31, 2010 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 22, 2011

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Manfred Geritzer
Certified Public Accountant

Mag. Michael Schober
Certified Public Accountant

Financial Statements
Balance sheet as of December 31, 2010

Assets			EUR 1,000
	Note	**2010**	2009
Fixed assets	1		
Intangible assets		2	0
Tangible assets		1,090	6,202
Financial assets		6,594,339	4,886,522
		6,595,431	**4,892,724**
Current assets			
Accounts receivable and other assets	2		
Receivables from affiliated companies		3,779,993	4,622,442
Receivables from associated companies		341	58
Other receivables and other assets		67,911	75,038
		3,848,245	**4,697,538**
Own shares		13,199	13,386
Cash on hand and at bank		55,437	272,006
		3,916,881	**4,982,930**
Deferred taxes		**28,027**	**9,613**
Prepayments and accrued expenses		**5,378**	**3,740**
Total assets		**10,545,717**	**9,889,007**

Liabilities			EUR 1,000
	Note	2010	2009
Stockholders' equity	3		
Capital stock		300,000	300,000
Capital reserves			
appropriated		1,006,610	1,006,610
unappropriated		334	334
Revenue reserves			
unappropriated reserve		4,678,192	4,478,005
Reserve for treasury stock		13,199	13,386
Unappropriated income, thereof income brought forward 1,619 (2009: 76,419)		409,229	300,400
		6,407,564	**6,098,735**
Untaxed reserves	4		
Valuation reserve for impairments		432	5,464
Provisions	5		
Provisions for severance payments		8,323	7,180
Provisions for pensions		6,576	7,240
Provisions for taxes		—	8,600
Other provisions		55,533	53,143
		70,432	**76,163**
Liabilities	6		
Bonds		1,750,000	1,500,000
Amounts due to banks		917,269	778,625
Accounts payable from trade		11,492	11,573
Accounts payable to affiliates		1,101,921	1,192,756
Other liabilities		282,029	219,780
		4,062,711	**3,702,734**
Prepayments and accrued income		**4,578**	**5,911**
Total liabilities		**10,545,717**	**9,889,007**
Contingent liabilities	7	3,349,438	3,376,932

Income statement

EUR 1,000

		Note	2010	2009
1.	**Sales**	8	**64,259**	**69,668**
2.	Other operating income	9	5,992	10,244
3.	Expenses for materials and services	10	(1,800)	(1,555)
4a.	Personnel expenses	11	(37,083)	(30,221)
4b.	Expenses for severance payments and pensions	12	(6,869)	(3,550)
5.	Depreciation and amortization		(162)	(214)
6.	Other operating expenses	13	(50,310)	(43,409)
7.	**Subtotal of items 1 to 6 (Earnings before interest and taxes)**		**(25,973)**	**963**
8.	Income from investments thereof affiliated companies 618,910 (2009: 596,340)	14	770,024	596,783
9.	Income from other securities and lendings carried as financial assets thereof affiliated companies 45,296 (2009: 57,814)		47,705	60,197
10.	Other interest and similar income thereof affiliated companies 74,244 (2009: 71,452)		97,891	101,040
11.	Gains on disposal and write-up of financial assets and securities held as current assets		260	462
12.	Expenses arising from financial assets and securities held as current assets thereof amortization 113,106 (2009: 477,056) thereof affiliated companies 333 (2009: 81,317)	14	(113,439)	(558,374)
13.	Interest and similar expenses thereof concerning affiliated companies 76,675 (2009: 49,560)		(217,217)	(189,005)
14.	**Subtotal of items 8 to 13 (Financial result)**		**585,224**	**11,103**
15.	**Income from ordinary activities**		**559,251**	**12,066**
16.	Taxes on income	15	43,326	6,415
17.	**Net income for the year**		**602,577**	**18,481**
18.	Reversal of untaxed reserves		5,033	—
19.	Reversal of revenue reserves		—	205,500
20.	Allocation to revenue reserves		(200,000)	—
21.	Income brought forward from previous years		1,619	76,419
22.	**Unappropriated income**		**409,229**	**300,400**

Notes

The accounts of **OMV Aktiengesellschaft**, Vienna, as of December 31, 2010 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 (IFRS).

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 is in units of one thousand euro (EUR 1,000; EUR thousand), this 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
Buildings	10–50 years
Plant and equipment	4–20 years
Other fixtures and fittings, tools and equipment	4–25 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 writedowns.

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.

On May 16, 2006, OMV acquired a 34% interest in Petrol Ofisi – the leader in the country's filling station and commercial segments – from Doğan Holding in order to gain a presence in Turkey, one of Europe's largest growth markets. After building up its interest in Petrol Ofisi to 41.58% in previous years, OMV finally gained control in 2010 by acquiring another 54.14% share from Doğan. After the deal was closed on December 22, 2010, OMV held 95.72% in Petrol Ofisi. While the 41.58% share is still held directly by OMV Aktiengesellschaft, the additional share of 54.14% was acquired indirectly via OMV Enerji Holding Anonim Şirketi, a subsidiary of OMV Aktiengesellschaft. Part of the agreement with Doğan was the distribution of a dividend by Petrol Ofisi before closing of the transaction. OMV's share in the dividend, which was received in December, amounted to TRY 303,869 thousand (EUR 150,460 thousand).

On August 31, 2006, the Turkish Energy Market Regulatory Authority (EMRA) imposed fines totaling TRY 1.6 bn (EUR 0.8 bn) on 28 of Turkey's 30 distribution companies in respect of litigation with reference to the supply of unlicensed distributors during the transition period following the introduction of the new Turkish Petroleum Act at the beginning of 2005. The fine imposed on Petrol Ofisi A.Ş. and its subsidiary ERK Petrol Yatirimlari A.S. amounted to some TRY 600 mn (EUR 289 mn). Petrol Ofisi A.Ş. appealed to the Supreme Court and the Administrative Court of Appeal for cancellation of the fine and applied for stay of payment until the case was settled. On January 31, 2007, the Supreme Court granted the application for stay of payment until settlement of the case. On the basis of the Supreme Court's decision, no provision has been made. During 2010, the case has finally been decided in favor of Petrol Ofisi A.Ş. and its subsidiary Erk Petrol Yatırımları A.S.

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 the European Central Bank (ECB) exchange rate at balance sheet date. 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. In the 2005 financial year OMV Aktiengesellschaft began charging tax contributions to Group companies due to the formation of a tax group under section 9 Corporate Tax Act. OMV Aktiengesellschaft retains the profits and losses of its successor companies under a profit and loss pooling agreement.

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. Actuarial gains and losses within a corridor of 10% of the greater of projected benefit obligations and plan assets – measured in both cases at the beginning of the year – are not recognized in pensions and severance payments provisions. Actuarial gains and losses exceeding this corridor are distributed according to the average remaining years of service of the participants in the plan. Interest expense 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 the ECB exchange rate at balance sheet date.

Long Term Incentive (LTI) plans 2009 and 2010

In 2009, the stock option plan was replaced by the LTI plan for the Executive Board and selected senior executives in the Group. Participants 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 shares. In 2010, another LTI plan was granted, with similar conditions.

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, 2010, the provision amounted to EUR 16,625 thousand (2009: EUR 3,747 thousand), and the net increase was EUR 12,878 thousand (2009: EUR 3,747 thousand).

Main conditions

	2010 plan	2009 plan
Start of plan	1.1.2010	1.1.2009
End of performance period	31.12.2012	31.12.2011
Vesting date	31.3.2013	31.3.2012
End of holding period	31.3.2015	31.3.2014
Qualifying own investment		
Executive Board Chairman	100% of gross base salary	100% of gross base salary
Executive Board Deputy Chairman	85% of gross base salary	85% of gross base salary
Executive Board Members	70% of gross base salary	70% of gross base salary
Senior executives	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
Personal investment held in shares		
Executive Board members		
Auli	20,096 shares	20,096 shares
Davies	20,096 shares	20,096 shares
Huijskes	12,136 shares	–
Langanger	20,096 shares	20,096 shares
Roiss	28,469 shares	28,469 shares
Ruttenstorfer	38,278 shares	38,278 shares
Total – Executive Board	**139,171 shares**	**127,035 shares**
Other senior executives	240,390 shares	202,412 shares
Total personal investment	**379,561 shares**	**329,447 shares**
Expected bonus shares as of December 31, 2010	**591,420 shares**	**300,688 shares**
Maximum bonus shares as of December 31, 2010	**611,514 shares**	**513,480 shares**
Fair value of plan (EUR 1,000)	**27,076**	**11,399**

Stock option plans 2004 – 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 has risen by at least 15% (plan threshold share price).

In the explanations below, 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	2004 plan
Start of plan	1.9.2008	1.9.2007	1.9.2006	1.9.2005	1.9.2004
End of plan	31.8.2015	31.8.2014	31.8.2013	31.8.2012	31.8.2011
Vesting period	2 years	2 years	2 years	2 years	2 years
Exercise price	EUR 47.550	EUR 47.850	EUR 45.190	EUR 34.700	EUR 16.368
Option entitlement per OMV share held	20	20	20	20	15
Qualifying own investment					
Executive Board	1,136 shares [1]	1,230 shares [1]	1,242 shares [1]	2,390 shares [1]	3,980 shares [1]
Senior executives	379 shares [1]	410 shares [1]	414 shares [1]	800 shares [1]	1,330 shares [1]
Options granted					
Executive Board members					
Auli [2]	22,720	24,600	8,280	–	19,950
Davies	22,720	24,600	24,840	47,800	59,700
Langanger [3]	22,720	24,600	24,840	47,800	59,700
Roiss	22,720	24,600	24,840	47,800	59,700
Ruttenstorfer	22,720	24,600	24,840	47,800	59,700
Total – Executive Board	**113,600**	**123,000**	**107,640**	**191,200**	**258,750**
Other senior executives	428,280	440,760	360,220	532,000	484,350
Total options granted	**541,880**	**563,760**	**467,860**	**723,200**	**743,100**
Plan threshold share price	**EUR 54.680**	**EUR 55.030**	**EUR 51.970**	**EUR 39.910**	**EUR 18.823**

[1] Or 25%, 50%, or 75% thereof. [2] Member of the Executive Board since January 1, 2007. [3] Member of the Executive Board until September 30, 2010.

At balance sheet date, some of the options for the 2004 and 2005 plans were exercised and some of the options for the 2006 and 2007 plans forfeited (were returned). As of December 31, 2009, some of the options for the 2004 and 2005 plans were exercised and some of the options for the 2006 and 2007 plans forfeited (were returned). 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. Provided that the plan thresholds are attained, the options may be exercised in the exercise period for the 2004 plan during the 20 trading days after publication of the quarterly reports (exercise window). 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 2010 and 2009 movements in options under the stock option plans were as follows:

Stock option plans

		2010		2009
	Number of options	Weighted average exercise price EUR	Number of options	Weighted average exercise price EUR
Outstanding options as of January 1	**2,063,050**	**42.426**	**2,122,390**	**42.288**
Options exercised	(16,500)	16.368	(18,180)	16.368
Options forfeited (returned)	—	—	(41,160)	46.780
Outstanding options as of December 31	**2,046,550**	**42.637**	**2,063,050**	**42.426**
Options exercisable at year end [1]	**138,810**	**16.368**	**155,310**	**16.368**

[1] The options for the plans 2005, 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 and 2007 would have been exercisable at December 31, 2009, if the share price had been above the respective plan threshold.

During 2010, a total of 16,500 options granted under the 2004 plan were exercised. For all options, the options were exercised through the purchase of shares. The weighted average market price at the time of exercise in 2010 was EUR 26.530. Considering the plan threshold, the intrinsic value of the options exercisable as of December 31, 2010 was EUR 2,045 thousand. (As of December 31, 2010 the share price was below the plan threshold for the 2005, 2006, 2007 and 2008 plans.) During 2009, a total of 18,180 options granted under the 2004 plan were exercised. For all options, the options were exercised through the purchase of shares. The weighted average market price at the time of exercise in 2009 was EUR 28.908. 16,560 options from the 2006 plan and 24,600 options from the 2007 plan were returned by the participants. Considering the plan threshold, the intrinsic value of the options exercisable as of December 31, 2009 was EUR 2,226 thousand. (As of December 31, 2009 the share price was below the plan threshold for the 2005, 2006, 2007 and 2008 plans.)

Exercise of options by plan participants was as follows:

Options exercised

		2010		2009
	Options exercised	Weighted average exercise price EUR	Options exercised	Weighted average exercise price EUR
Executive Board members				
Auli	—	—	14,190	16.368
Davies	—	—	—	—
Langanger	16,500	16.368	—	—
Roiss	—	—	—	—
Ruttenstorfer	—	—	—	—
Total – Executive Board	**16,500**	**16.368**	**14,190**	**16.368**
Other senior executives	—	—	3,990	16.368
Total options exercised	**16,500**	**16.368**	**18,180**	**16.368**

Compensation expense from the exercise of options reflects the value of the options exercised at the date of exercise and amounted as follows:

Compensation expense EUR 1,000

	2010	2009
2004 plan	168	228
2005 plan	—	—
Total	**168**	**228**

Of this amount, EUR 168 thousand (2009: EUR 181 thousand) was attributable to Executive Board members and nil EUR (2009: EUR 47 thousand) to other senior executives.

As of December 31, 2010, **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]
2004	16.368	138,810	0.7	138,810
2005	34.700	375,400	1.7	—
2006	45.190	451,300	2.7	—
2007	47.850	539,160	3.7	—
2008	47.550	541,880	4.7	—
Total		**2,046,550**		**138,810**

[1] The options for the plans 2005, 2006, 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 balance sheet date.

The fair value as of December 31, 2010 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, 2010

	2008 plan	2007 plan	2006 plan	2005 plan	2004 plan
Market value of plan (EUR 1,000)	2,366	2,077	1,526	1,665	1,981
Calculation variables					
Market price of stock (EUR)	31.10	31.10	31.10	31.10	31.10
Risk-free rate of return	2.208%	1.910%	1.337%	1.146%	1.146%
Maturity of options (including vesting period)	4.7 years	3.7 years	2.7 years	1.7 years	0.7 years
Average dividend yield	4.7%	4.1%	3.6%	3.2%	3.2%
Share price volatility	40%	40%	40%	40%	40%

Provision is made for the expected future costs of options unexercised at balance sheet date based on fair values. As of December 31, 2010, the provision amounted to EUR 9,615 thousand (2009: EUR 10,251 thousand), and the net decrease was EUR 636 thousand (2009: net increase EUR 1,414 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 2010 are shown in the statement of fixed assets.

The Land and buildings item includes land valued at EUR 790 thousand (2009: EUR 5,835 thousand).

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

		EUR 1,000
	2010	2009
Maturing in one year	73	74
Maturing in the next five years	170	160
Total	**243**	**234**

Loans with maturities of up to one year amounted to EUR 9 thousand (2009: EUR 150,009 thousand). During the year just ended OMV Aktiengesellschaft extended the following loans: EUR 100,000 thousand to OMV Power International GmbH; EUR 630,000 thousand to OMV Clearing and Treasury GmbH; EUR 100,000 thousand to EconGas GmbH; EUR 32,000 thousand to OMV Samsun Elektrik Uretim Sanayi (formerly Borasco Elektrik Üretim Sanayi ve Ticaret A.S.); USD 12,500 thousand to OMV Australia PTY LTD; and EUR 69,409 thousand to OMV Finance Services GmbH. OMV Pakistan Exploration GmbH has an open credit line of USD 35,000 thousand for the development of the South West Miano Block gas field; as of the balance sheet date, USD 11,977 thousand had been drawn down. Pearl Petroleum Company Limited has an open credit facility of USD 103,871 thousand, of which USD 77,279 thousand had been utilized by the balance sheet date.

In 2010 grandparent company contribution were granted to the following companies: to OMV Trading GmbH EUR 20,000 thousand, to OMV Oil Exploration GmbH EUR 149,000 thousand, to OMV Oil & Gas Exploration GmbH EUR 9,251 thousand, to OMV Clearing and Treasury GmbH EUR 330,000 thousand, to OMV Finance Services GmbH EUR 125,000 thousand and to VIVA International Marketing- und Handels GmbH EUR 83,004 thousand.

During the year under review the capital of OMV Deutschland GmbH was increased by EUR 70,000 thousand, and that of OMV Enerji Holding Anonim Şirketi by TRY 2,090,434 thousand (EUR 1,027,699 thousand). To protect changes in FX derivates have been closed. At total of USD 492,000 thousand has been fixed at four bank institutes, which have been settled on December 22, 2010. The result of these derivates amount to USD 20,045 thousand has been settled with the investment.

2 Accounts receivable and other assets

				EUR 1,000
		2010		2009
	≤1 year	>1 year	≤1 year	>1 year
Receivables from affiliated companies	3,779,993	–	4,622,442	–
[thereof trade]	[223]	[–]	[112]	[–]
Receivables from associated companies	341	–	58	–
[thereof trade]	[96]	[–]	[47]	[–]
Other receivables and assets	67,911	–	75,038	–
Total	**3,848,245**	**–**	**4,697,538**	**–**

Other receivables include a revolving loan of EUR 9,342 thousand (2009: EUR 11,069 thousand) to Trans Austria Gasleitung GmbH, as well as a tax credit of EUR 56,959 thousand (2009: EUR 48,183 thousand) in respect of corporate tax prepayments.

3 Stockholders' equity

The **capital stock** of OMV Aktiengesellschaft consists of 300,000,000 (2009: 300,000,000) fully paid no par value shares with a total nominal value of EUR 300,000 thousand (2009: EUR 300,000 thousand). There is only one class of share, and there are no shares that confer special control rights. All shares are entitled to dividends for the financial year 2010, with the exception of treasury shares held by the Company.

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).

The capital stock has been conditionally increased by EUR 77,900 thousand under section 159 (2) (1) Austrian Stock Corporation Act by issuance of up to 77,900,000 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 13, 2009 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 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.

For 2010, OMV Aktiengesellschaft proposes a dividend of EUR 1.00 per eligible share (2009: EUR 1.00). The dividend for 2009 was paid in May 2010 in the amount proposed.

The Annual General Meetings for the years 2000 to 2009 approved the repurchase of treasury shares related to the provision of stock option plans. The costs of repurchased shares are represented in a reserve for treasury stock. Gains or losses on the re-issue of treasury shares (issue proceeds less acquisition cost) result in an increase or reduction in capital reserves.

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

Treasury shares

	Number of shares	Cost EUR 1,000
January 1, 2009	**1,252,899**	**13,997**
Disposals	(33,204)	(606)
December 31, 2009	**1,219,695**	**13,392**
Disposals	(16,500)	(181)
December 31, 2010	**1,203,195**	**13,211**

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

Number of shares in issue

	Number of shares	Treasury shares	Shares in issue
January 1, 2009	**300,000,000**	**1,252,899**	**298,747,101**
Used to cover conversions and stock options	–	(18,180)	18,180
Sale of treasury shares	–	(15,024)	15,024
December 31, 2009	**300,000,000**	**1,219,695**	**298,780,305**
Used to cover stock options	–	(16,500)	16,500
Sale of treasury shares	–	–	–
December 31, 2010	**300,000,000**	**1,203,195**	**298,796,805**

4 Untaxed reserves

The **untaxed reserves** are valuation reserves related to undeveloped and developed land, amounting to EUR 432 thousand (2009: EUR 5,464 thousand). The changes of untaxed reserves reduce the tax revenue of the current year about EUR 1,258 thousand (2009: EUR 0)

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

			2010			2009
	Pensions	Severance payments	Jubilee payments	Pensions	Severance payments	Jubilee payments
Present value of funded obligations	28,707	–	–	26,993	–	–
Market value of plan assets	(18,003)	–	–	(14,859)	–	–
Unrecognized actuarial gains/(losses)	(4,128)	–	–	(4,894)	–	–
Provision for funded obligations	**6,576**	–	–	**7,240**	–	–
Present value of unfunded obligations	–	6,856	412	–	7,839	452
Unrecognized actuarial gains/(losses)	–	1,467	–	–	(659)	–
Provision for unfunded obligations	–	**8,323**	**412**	–	**7,180**	**452**
Provision as of January 1	**7,240**	**7,180**	**452**	**7,642**	**6,409**	**443**
Expense for the year	1,773	1,359	25	1,890	1,331	48
Payments to funds	(2,437)	–	–	(2,292)	–	–
Benefits paid	–	(143)	(46)	–	(350)	(13)
Group transfer	–	(73)	(19)	–	(210)	(26)
Provision as of December 31	**6,576**	**8,323**	**412**	**7,240**	**7,180**	**452**
Interest cost	1,478	411	24	1,287	366	24
Current service cost	583	948	42	552	965	42
Expected return on plan assets	(736)	–	–	(592)	–	–
Amortized actuarial (gains)/losses	448	–	(41)	643	–	(18)
Expenses of defined benefit plans for the year	**1,773**	**1,359**	**25**	**1,890**	**1,331**	**48**

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

		2010		2009
	Pensions	Severance, jubilees	Pensions	Severance, jubilees
Capital market interest rate	4.75%	4.75%	5.50%	5.50%
Future increases in salaries	3.85%	3.85%	3.85%	3.85%
Inflation	1.80%	–	2.50%	–
Long-term rate of return on plan assets	5.00%	–	5.00%	–

Allocation of plan assets as of December 31:

	2010		2009	
	VRG IV	VRG VI	VRG IV	VRG VI
Asset category				
Equity securities	25.9%	4.6%	25.6%	29.9%
Debt securities	40.6%	51.9%	41.9%	38.1%
Cash and money market investments	22.4%	43.5%	20.5%	32.0%
Other	11.1%	—	12.0%	—
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

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 funds of 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 are EUR-denominated.

The funds of the asset allocation and risk group (VRG) IV are invested in EUR-denominated bond funds, international equity funds and 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.

In 2005, the investment management policy for the funds of VRG VI was changed to a value-at-risk approach. The process involves investing in European equities and in low-risk assets, with a defined worst-case loss limit, but maintaining the opportunity of benefiting from positive stock market performance.

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. Both VRGs showed positive performances in 2009 and 2010 with VRG IV being above the target return.

For 2011, defined benefit related contributions to APK-Pensionskasse AG of EUR 6,000 thousand are planned.

Other provisions largely consisted of the following:

EUR 1,000

	2010	2009
Personnel provisions	34,607	22,258
Sundry provisions	20,926	30,885
Total	**55,533**	**53,143**

Personnel provisions include a provision for share options granted, amounting to EUR 26,239 thousand (2009: EUR 13,998 thousand). This comprises provision of EUR 9,615 thousand for the existing stock option plan and of EUR 16,625 thousand for Long Term Incentive plan. Other provisions include reinsurance amounting to EUR 19,234 thousand (2009: EUR 28,391 thousand).

6 Liabilities

EUR 1,000	2010 ≤1 year	2010 >1 year	2009 ≤1 year	2009 >1 year
Bonds	—	1,750,000	250,000	1,250,000
Amounts due to banks	363,269	554,000	168,625	610,000
Accounts payable from trade	4,692	6,800	4,773	6,800
Accounts payable to affiliates	250,469	851,452	336,463	856,293
[thereof trade]	[—]	[—]	[—]	[—]
Other liabilities	279,823	2,206	219,780	—
[thereof taxes]	[182,540]	[—]	[160,204]	[—]
[thereof social security expenses]	[209]	[—]	[183]	[—]
Total	**898,253**	**3,164,458**	**979,641**	**2,723,093**

Other liabilities include personnel separation expenses of EUR 2,786 thousand (2009: EUR 1,571 thousand) and interest expenses for bonds of EUR 72,480 thousand (2009: EUR 52,146 thousand). Other liabilities include expenses 2010, which are made payable in 2011. The most important amounts comprise interest to bonds EUR 72,480 thousand (2009: 52,146 thousand).

Liabilities with maturities of more than five years include bond liabilities amounting to EUR 750,000 thousand (2009: EUR 250,000 thousand).

7 Contingent liabilties under section 199 ACC

Contingent liabilities are as follows:

	2010	2009
Guarantees	**3,349,438**	**3,376,932**
[thereof in favor of affiliated companies]	[3,329,909]	[3,361,436]

The change in contingent liabilities largely resulted from an increase from EUR 27,766 to EUR 185,126 thousand in the guarantee extended on behalf of OMV Supply & Trading GmbH, and a reduction from 349,208 to 99,893 thousand in the guarantee given on behalf of OMV New Zealand Limited.

A guarantee of EUR 1,500,000 thousand on behalf of OMV Finance Limited was renewed; guarantees in favor of this company total EUR 2,350,000 thousand (2009: EUR 2,350,000 thousand).

OMV Aktiengesellschaft is liable for the redemption of the USD 320,000 thousand (EUR 239,485 thousand) US bond issue 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.

Notes to the income statement

8 Sales

EUR 1,000

	2010	2009
Domestic	56,350	68,762
Foreign	7,909	906
Total	**64,259**	**69,668**

As OMV Aktiengesellschaft has been operating as a holding company since January 1, 2004, most of the sales consist of corporate service charges paid by the successor companies.

9 Other operating income

EUR 1,000

	2010	2009
Gains on the disposal of fixed assets other than financial assets	4,743	65
Gains on reversal of provisions	12	9,026
Other	1,237	1,153
Total	**5,992**	**10,244**

Income from the disposal of fixed assets relates to a land sale.

10 Expenses for materials and services

EUR 1,000

	2010	2009
Cost of materials	122	123
Cost of services	1,678	1,432
Total	**1,800**	**1,555**

The main components of Cost of materials and services are expenses for other third-party services.

11 Personnel expenses

EUR 1,000

	2010	2009
Salaries	34,021	27,286
Statutory social security, and pay-related levies and compulsory contributions	2,993	2,863
Other expenses for employee benefits	69	72
Total	**37,083**	**30,221**

12 Expenses for severance payments and pensions

	2010	2009
		EUR 1,000
Expenses for severance payments	2,382	965
Payments to occupational pension funds	104	83
Defined contribution personnel expense	1,198	900
Defined benefit personnel expense	3,185	1,602
Total	**6,869**	**3,550**

Defined contribution pension expense includes EUR 1,901 thousand in provisions for personnel reduction programs (2009: EUR 38 thousand).

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

	2010		2009	EUR 1,000
	Severance payments	Pensions	Severance payments	Pensions
Executive Board	2,078	907	637	724
Senior executives	100	339	97	316
Other employees	308	3,137	314	1,462

13 Other operating expenses

	2010	2009
		EUR 1,000
Taxes not shown under item 16 (Taxes on income)	346	902
Other	49,964	42,507
Total	**50,310**	**43,409**

Other expenses include: EUR 17,368 thousand in insurance premiums, and legal and consultancy fees (2009: EUR 10,905 thousand), EUR 9,565 thousand in advertising expenditure (2009: EUR 8,766 thousand), and EUR 10,667 thousand in services (2009: EUR 11,293 thousand).

14 Financial income and expenses

Income from equity interests amounting to EUR 770,024 thousand (2009: EUR 596,783 thousand) include EUR 608,910 thousand (2009: EUR 596,340 thousand) from profit-pooling arrangements, EUR 10,000 thousand from affiliated companies and EUR 151,114 thousand (2009: EUR 444 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 Exploration & Production GmbH; OMV Insurance Broker GmbH; OMV Gas & Power GmbH; and OMV Future Energy Fund GmbH.

The item Expenses arising from financial assets contains EUR 333 thousand in expenses arising from profit-pooling arrangements (2009: EUR 81,317 thousand), and EUR 113,100 thousand from an impairment.

15 Taxes and income

EUR 1,000	2010	2009
Current taxes	(24,893)	(9,397)
Deferred taxes	(18,433)	2,982
Total	**(43,326)**	**(6,415)**

Current taxes comprise EUR 89 thousand in deferred tax credits (2009: EUR 130 thousand), tax expense of EUR 1,309 thousand arising from a tax inspection, and EUR 26,113 thousand in corporate income tax revenues attributable to the top-tier corporation (2009: EUR 9,267 thousand) in consequence of the formation of a tax group under section 9 KStG (Corporate Tax Act) after the tax contributions charged. The change in deferred tax to income of EUR 18,433 thousand (2009: expense of EUR 2,982 thousand) chiefly reflects the recognition of an impairment, only one-seventh of which could be utilized.

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 on USD 50 mn 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

			2010			2009
	Nominal value	Fair value	Carrying value	Nominal value	Fair value	Carrying value
Interest rate Swap (EUR)	—	—	—	100,000	2,983	—
Interest rate Swap (USD)	37,420	4,779	—	34,708	3,328	—
FX Swap EUR-HUF	43,173	(260)	(260)	69,706	(695)	(695)
FX Swap EUR-HRK	12,190	(44)	(44)	12,329	(189)	(189)
FX Swap EUR-USD	94,669	(5,393)	(504)	—	—	—
FX Swap EUR-CZK	19,951	227	—	—	—	—
FX Forward EUR-USD	146,019	5,501	(63)	—	—	—

Derivative instruments are recognized at fair value, which 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 have been used to estimate the fair value of financial instruments at balance sheet date. Price calculation in these models is based on the forward prices and foreign exchange rates as well as volatility indicators which were in effect at the balance sheet date.

As of 31.12.2010 there has been built a valuation unit for derivates with Fair value of EUR 5,564 thousand and EUR (5,564) thousand. This valuation unit includes two FX swaps and FX Forwards, which have the same maturity, nominal and counter party. The result of this valuation unit has been recorded in the profit and loss.

Where necessary, the Company hedges its own and Group companies' foreign currency risks.

To protect the Group's cash flow from the adverse impact of falling oil prices, derivative instruments have been used to hedge the proceeds from 25,000 bbl/d for 2010. To achieve this goal, OMV entered into crude oil hedges (puts) securing an average price floor of USD 55.17/bbl. The puts were financed via call options in order to avoid initial investment (zero cost collar), whereby the Group was not able to profit from oil prices above USD 75/bbl in 2010 for the volume stated above. The hedges are over-the-counter (OTC) contracts with first class banks. As of 31.12.2010 there are no such hedging instruments in place.

For 2009, OMV entered into put spreads for 25,000 bbl/d to secure a price floor of USD 80/bbl as long as the oil price was above USD 65/bbl. When oil prices were below USD 65/bbl, the hedge paid out USD 15/bbl in addition to the realized market price. The put spreads were financed via call options in order to avoid initial investment (zero cost structure), whereby the Group would not have been able to profit from oil prices above approximately USD 110/bbl in 2009 for the above stated volume.

In 2009, OMV entered into USD hedges for an exposure of USD 1 bn, where OMV was only exposed to exchange rate movements within the range of EUR-USD 1.32 to 1.15 for the respective amount.

17 Governing bodies and employees

The **average number of employees** was:

	2010	2009
Salaried employees	128	124
Total	**128**	**124**

Total **remuneration received** by the Executive Board was made up as follows:

Remuneration received by the Executive Board EUR 1,000

2010	Auli	Davies	Huijskes	Langanger	Roiss	Ruttenstorfer	Total
Fixed remuneration for 2010	600	665	375	461	700	800	**3,601**
Variable remuneration [1]	755	826	525	826	965	1,104	**5,000**
Pension fund contributions	132	250	98	341	462	574	**1,857**
Severance payments and post-employment payments	—	—	—	1,480	—	—	**1,480**
Benefits in kind (company car, accident insurance) and reimbursed expenses	8	9	22	6	8	8	**61**
Total	**1,495**	**1,751**	**1,021**	**3,114**	**2,135**	**2,486**	**12,001**
Benefits from stock options exercised	—	—	—	168	—	—	**168**
2009							
Fixed remuneration for 2009	574	648	—	583	681	779	**3,265**
Variable remuneration	825	931	—	931	1,081	1,232	**5,001**
Pension fund contributions	126	245	—	455	341	574	**1,739**
Benefits in kind (company car, accident insurance) and reimbursed expenses	8	10	—	9	9	9	**45**
Total	**1,533**	**1,835**	—	**1,978**	**2,112**	**2,593**	**10,051**
Benefits from stock options exercised	181	—	—	—	—	—	**181**

[1] The variable remuneration refers to payments for 2009, except for EUR 525 thousand, which relate to prepayments for 2010.

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 dependants amounted to EUR 1,119 thousand (2009: EUR 1,109 thousand).

In 2010, the total remuneration (excluding stock option plans) of 38 top executives (excluding the Executive Board; 2009: 38) amounted to EUR 15,665 thousand (2009: EUR 16,366 thousand), of which basic remuneration, such as salaries, accrued vacations and bonuses was EUR 13,208 thousand (2009: EUR 13,672 thousand) and EUR 1,268 thousand (2009: EUR 1,118 thousand) were expenses for pension fund contributions. The expenses for severance benefits were EUR 1,085 thousand (2009: EUR 1,547 thousand), and other long-term benefits amounted to EUR 104 thousand (2009: EUR 29 thousand). Details of the stock option plan are given in the notes to the accounting and valuation policies.

In 2010, remuneration expenses for the Supervisory Board amounted to EUR 392 thousand (2009: EUR 386 thousand).

As of the balance sheet date the provision for stock options granted to Executive Board members and other senior executives amounted to EUR 26,239 thousand (2009: EUR 13,998 thousand). The change during the year under review was EUR 12,241 thousand (2009: EUR 5,161 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.

18 Dividend recommendation

Unappropriated income for the 2010 financial year amounted to EUR 409,229 thousand (2009: EUR 300,400 thousand).

We recommend payment of a dividend of EUR 1.00 per share (excluding treasury stock) for the 2010 financial year, and carrying forward of the remainder.

Changes in untaxed reserves

EUR 1,000

	As of Jan. 1, 2010	Allocations/ utilization	Transfer	**As of Dec. 31, 2010**
Valuation reserve for impairments				
Tangible assets				
Land and buildings	5,464	5,032	–	432
	5,464	**5,032**	**–**	**432**

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

1,000 in stated currency

	Equity interest in %	Equity/negative equity as of Dec. 31, 2010		Net income/loss in 2010
Domestic				
OMV Gas & Power GmbH, Wien [1]	100,00	EUR	195,638	79,264
OMV Exploration & Production GmbH, Wien [1]	100.00	EUR	687,096	443,792
OMV Future Energy Fund GmbH, Wien [1]	100.00	EUR	35	(333)
OMV Insurance Broker GmbH, Wien [1]	100.00	EUR	185	479
OMV Refining & Marketing GmbH, Wien [1]	100.00	EUR	782,984	61,013
OMV Solutions GmbH, Wien [1]	100.00	EUR	458,799	48,148
students4excellence GmbH, Wien [2]	20.00	EUR	39	(2)
Foreign				
Amical Insurance Limited, Douglas	100.00	EUR	25,797	4,186
OMV AUSTRALIA PTY LTD, Sydney [1]	100.00	AUD	(33,355)	(20,806)
OMV ENERJİ HOLDİNG ANONİM ŞİRKETİ, Istanbul [3, 4]	100.00	TRY	2,089,915	31
OMV FINANCE LIMITED, Douglas	100.00	EUR	92	(231)
Petrol Ofisi A. Ş., Istanbul [3]	41.58	TRY	2,267,536	(39,348)
OMV PETROM SA, Bukarest	51.01	RON	15,975,668	1,579,748

1 Tax group member under section 9 Corporate Tax Act.
2 Preliminary figures for 2010.
3 OMV Enerji Holding Anonim Sirketi holds 54.10% indirectly, and OMV owns a total of 95.72%.
4 Individual shares are held by other Group companies (in total below 0.01%).

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

	As of Jan. 1, 2010	Additions
Intangible assets		
Licenses	2	3
	2	**3**
Tangible assets		
Land and buildings	5,853	—
Plant and equipment	461	—
Other fixtures and fittings, tools and equipment	1,258	165
	7,572	**165**
Financial assets		
Investments in affiliated companies	3,865,561	1,794,947
Loans to affiliated companies	947,513	940,924
Other investments	915,778	—
Securities (loan stock rights) held as fixed assets	8,201	—
Other lendings	90,253	6,704
	5,827,306	**2,742,575**
	5,834,880	**2,742,743**

							EUR 1,000
Transfers	Disposals	As of Dec. 31, 2010	Depreciation and amortization (cumulative)	Carrying value as of Dec. 31, 2010	Carrying value as of Dec. 31, 2009	Depreciation and amortization	Impairment in 2010
—	2	3	1	2	—	1	1
—	**2**	**3**	**1**	**2**	**—**	**1**	**1**
—	5,063	790	—	790	5,845	—	—
—	461	—	—	—	3	—	—
—	465	958	658	300	354	161	—
—	**5,989**	**1,748**	**658**	**1,090**	**6,202**	**161**	**—**
886,992	—	6,547,500	1,042,324	5,505,176	2,936,337	—	113,100
—	926,953	961,484	255	961,229	939,685	—	—
(886,992)	2,154	26,632	—	26,632	915,778	—	—
—	—	8,201	3,696	4,505	4,505	—	—
—	128	96,829	32	96,797	90,217	—	—
—	**929,235**	**7,640,646**	**1,046,307**	**6,594,339**	**4,886,522**	**—**	**113,100**
—	**935,226**	**7,642,397**	**1,046,966**	**6,595,431**	**4,892,724**	**162**	**113,101**

Supervisory Board

Peter Michaelis
Chairman from May 13, 2009
Member of the Management Board of ÖIAG
appointed to the Board in the AGM of May 23, 2001

Rainer Wieltsch
Deputy Chairman until May 26, 2010
appointed to the Board in the AGM of May 24, 2002

Wolfgang Berndt from May 26, 2010
Deputy Chairman

Khadem Al Qubaisi from May 26, 2010
Deputy Chairman
Member of the Management Board of IPIC

Alyazia Ali Saleh Al Kuwaiti
Deputy Chairman
Manager/Evaluation & Execution of IPIC
appointed to the Board in the AGM of May 14, 2008

Mohamed Al Khaja until May 26, 2010
Division Manager/Research & Business Development of IPIC
appointed to the Board in the AGM of May 14, 2008

Elif Bilgi-Zapparoli from May 13, 2009
Chairman of the Management Board of EFG Istanbul Securities
appointed to the Board in the AGM of May 13, 2009

Helmut Draxler
appointed to the Board in the AGM of October 16, 1990

Wolfram Littich
Chairman of the Management Board of Allianz Elementar Versicherungs-AG
appointed to the Board in the AGM of May 23, 2001

Herbert Stepic
Deputy Chairman of the Managing Board of Raiffeisen Bank International AG
appointed to the Board in the AGM of May 18, 2004

Herbert Werner
appointed to the Board in the AGM of June 4, 1996

Norbert Zimmermann
Member of the Management Board of Berndorf Industrieholding AG
appointed to the Board in the AGM of May 23, 2001

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.

Delegated by the Works Council:
Leopold Abraham, Wolfgang Baumann, Franz Kaba, Ferdinand Nemesch, Markus Simonovsky

Presidential and Nomination Committee:
Michaelis (Chairman), Berndt (Deputy), Al Qubaisi (Deputy), Al Kuwaiti, Abraham, Baumann

Audit Committee:
Michaelis (Chairman), Berndt (Deputy), Al Qubaisi (Deputy), Draxler, Littich, Werner, Abraham, Baumann, Nemesch

Project Committee:
Michaelis (Chairman), Berndt (Deputy), Al Qubaisi (Deputy), Al Kuwaiti, Littich, Zimmermann, Abraham, Kaba, Nemesch

Remuneration Committee:
Michaelis (Chairman), Berndt (Deputy), Al Qubaisi (Deputy), Zimmermann

The information relating to membership of supervisory boards refers to listed, non-Group companies. External supervisory board memberships are memberships of OMV Supervisory Board members outside their Groups which under Rule 57 of the Austrian Corporate Governance Code are not included in the count.

Executive Board

Vienna, March 22, 2011

The Executive Board

Wolfgang Ruttenstorfer

Chairman

Gerhard Roiss

Deputy Chairman

Werner Auli

David C. Davies

Jacobus Gerardus Huijskes

Abbreviations and definitions

ACC Austrian Commercial Code

ACCG Austrian Code of Corporate Governance

AGM Annual General Meeting

bbl, bbl/d barrels (1 barrel equals approximately 159 liters), barrels per day

bcf, bcm billion standard cubic feet (60 °F/16 °C), billion 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 barrels of oil equivalent, boe per day

CAPEX Capital Expenditure

capital employed equity including minorities plus net debt and provisions for pensions, less securities used for asset coverage of pension provisions

cbm, cf standard cubic meters, standard cubic feet

Co&O Corporate and Other

E&P Exploration and Production

EBIT Earnings Before Interest and Taxes

EPS Earnings Per Share

EPSA Exploration and Production Sharing Agreement

equity ratio stockholders' equity divided by balance sheet total expressed as a percentage

EU, EUR, TEUR European Union, euro, thousand euros

F&D (finding and development) cost total exploration expenses divided by changes in proved reserves (extensions, discoveries and revisions of previous estimates)

G&P Gas and Power

gearing ratio net debt divided by stockholders' equity expressed as a percentage

H1, H2 first, second half of the year

HSSE Health, Safety, Security and Environment

IASs, IFRSs International Accounting Standards, International Financial Reporting Standards

LNG Liquefied Natural Gas

LTIR Lost Time Injury Rate

mn million

monomers collective term for ethylene and propylene

MW megawatt

n.a., n.m. not available, not meaningful

net debt financial liabilities including financial lease liabilities less liquid funds (cash and cash equivalents)

For more abbreviations and definitions please visit www.omv.com.

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

NOC National Oil Corporation

NOPAT Net Operating Profit After Tax; profit on ordinary activities after taxes plus net interest on net borrowings and interest on pensions, less extraordinary result +/– tax effect of adjustments

OPEX Operating Expenditures; production cost, cost of material and personnel during production excluding royalties

payout ratio total dividend payment divided by net income after minorities expressed as a percentage

Petajoule 1 P. corresponds to approx. 278 mn kilowatt hours

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

reservereplacement cost exploration, development and maintenance expenditures including acquisition costs

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 stockholders' 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 exclusive production divided by total production

sales revenues sales excluding petroleum excise tax

SEC United States Securities and Exchange Commission

SFAS Statement on Financial Accounting Standards

t, toe metric tonne, tonne of oil equivalent

TRIR Total Recordable Injury Rate

TRY, TTRY Turkish lira, thousand Turkish lira

USD, TUSD US dollar, thousand US dollar

To request quarterly and annual reports, please contact us or use the ordering service under www.omv.com.

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Declaration according to § 82 (4) (3) BörseG

Statement of all Legal Representatives

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group directors' report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the directors' report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, March 22, 2011

Wolfgang Ruttenstorfer

Chief Executive Officer and Chairman of the Executive Board

Gerhard Roiss

Deputy Chairman of the Executive Board, Refining and Marketing including petrochemicals

Werner Auli

Member of the Executive Board, Gas and Power

David C. Davies

Member of the Executive Board, Chief Financial Officer

Jacobus Gerardus Huijskes

Member of the Executive Board, Exploration and Production

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