Annual Report 2012 of OMV Aktiengesellschaft

OMV Aktiengesellschaft

Moving more. Moving the future. OMV

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Report of the Supervisory Board

Dear shareholders,
In 2012, the Supervisory Board diligently monitored the conduct of OMV's business by the Executive Board and advised the Executive Board in the decision making process on the basis of sound corporate governance, detailed information and constructive discussions between the Supervisory Board and the Executive Board. The Executive Board provided us with timely and comprehensive information on business operations, the overall economic situation in the company's core markets and the resultant operating environment, as well as business opportunities and risks for OMV. The main efforts in 2012 aimed at implementing the OMV strategy "Profitable Growth" as announced in 2011.

Work of the Supervisory Board and its committees

During the year under review, our deliberations focused on the progress report on OMV's strategy. In the course of a two-day meeting at OMV's subsidiary Petrom in Romania, we held intensive discussions with the Executive Board regarding the cornerstones of OMV's integrated growth strategy and confirmed its strategic principles. The strategy meeting included site visits to some of the Group's key activities and assets: Petrom City, the headquarters of Petrom located in Bucharest, an exploration well, the new combined cycle gas-fired power plant Brazi, and the refinery Petrobrazi. In line with the strategy and targeting upstream growth, we carefully examined major investments inter alia in Norway, including the acquisition of a 20% stake in the Edvard Grieg oil field development and a 15% stake in the Aasta Hansteen gas field development, as well as investments in OMV's portfolio in the UK, comprising licenses for 16 blocks in the West of Shetland area. Some selected divestments were approved pursuing the restructuring of OMV's downstream business. A comprehensive performance improvement program – "energize OMV" – has been put in place in order to strengthen operational performance and to enhance capital efficiency across the OMV Group, with the overall target of increasing return on average capital employed (ROACE) by two percentage points by 2014. The Supervisory Board also devoted considerable attention to the annual planning process for the medium-term period (2013-2015), the budget for the financial year 2013, and the investment program going forward. As a special topic, a firm conditional tariff offer for the Nabucco West gas pipeline project was discussed. With regard to the Group's financing, we dealt with the issuance of Eurobonds at the nominal value of EUR 1.5 bn. This major financing project significantly extended OMV's debt maturity profile. Moreover, our agenda included key items such as compliance and corporate governance. The Executive Board also provided us with information on Resourcefulness, OMV's new concept for corporate responsible behavior, which is integrated in the company's core business and supports the growth strategy.

Major E&P investmens examined

The Project Committee deliberated in-depth on the acquisition of the 20% stake in the Edvard Grieg oil field development in Norway.

The Presidential and Nomination Committee discussed OMV's succession planning system.

The Remuneration Committee conducted a benchmarking evaluation of the variable compensation package for the Executive Board, taking into account advice received from external consultants, industry best practice, remuneration levels at comparable companies and international trends in corporate governance. Based on the results, we decided to raise the annual bonus opportunity for the financial year 2012 by 50 percentage points through the introduction of a Matching Share Plan providing for a clawback provision, and an increased shareholding requirement for the Executive Board. These changes were an important step towards reflecting the risks of balanced and profitable growth in the company's incentive system and strengthening the link between remuneration and shareholder returns.

The Audit Committee dealt with key issues relating to accounting processes, internal audit, risk management and the Group's internal control and management systems. Considerable focus was placed on enhancing the internal control system and monitoring its effectiveness. OMV's Group auditor participated in every meeting of the Audit Committee and we also took the opportunity at meetings to exchange views with the auditor without the presence of the members of the Executive Board on a regular basis. In order to keep up with latest developments in corporate governance and financial reporting, we held a special workshop with OMV's Group auditor.

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

Annual financial statements and dividend

After comprehensive review and discussions with the auditors at the Audit Committee and plenary meetings, the Supervisory Board approved the directors' report, prepared in accordance with section 96 (1) Stock Corporation Act and the parent entity financial statements for 2012, which were thereby approved under section 96 (4) of the Act. The same applies to the consolidated financial statements. The Supervisory Board likewise approved the Corporate Governance Report following its consideration by the Audit Committee.

Matching Share Plan strengthens link between remuneration and shareholder interests

The Supervisory Board has accepted the Executive Board's proposal to the Annual General Meeting to pay a dividend of EUR 1.20 per share and to carry forward the remainder of the profit for the year to new account.

Changes in the composition of the Executive Board

Hans-Peter Floren was appointed Executive Board member responsible for Gas and Power effective as of March 1.

Changes in the composition of the Supervisory Board

Murtadha Al Hashmi was elected to the Supervisory Board by the Annual General Meeting on May 10 after resignation of Khadem Al Qubaisi with effect as of the close of the Annual General Meeting. Rudolf Kemler was elected to the Supervisory Board by the Extraordinary General Meeting on October 9 and took over as Chairman following Markus Beyrer's resignation with effect as of November 1. Starting with January 1, 2013, Christine Asperger has replaced Leopold Abraham as one of the five employee representatives in our Supervisory Board.

Finally, we would like to thank the Executive Board and the entire staff of the Group and its associated companies for their commitment and personal contribution in the financial year 2012.

Vienna, March 20, 2013

For the Supervisory Board

Rudolf Kemler

Corporate Governance Report

OMV believes in sound corporate governance, transparency at management level and internal control structures to strengthen market and stakeholder confidence. OMV has always sought to comply with best practice in corporate governance and has committed itself to the Austrian Code of Corporate Governance (ACCG) since its introduction in 2002. OMV also complies with the ACCG recommendations ("R-rules"), the non-compulsory best practice sections of the Code. OMV is a signatory to the UN Global Compact and has adopted a comprehensive, group-wide Code of Conduct, as well as a related business ethics directive.

Commitment to Austrian Code of Corporate Governance

OMV adheres to the ACCG issued by the Austrian Working Group for Corporate Governance. The code is publicly accessible on www.corporate-governance.at. OMV's compliance with the ACCG in 2012 was evaluated externally by independent advisors. The report on the evaluation is available on www.omv.com and confirms that OMV conformed to all the C and R rules.

Executive Board

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

Gerhard Roiss, *1952
Date of initial appointment: September 17, 1997
End of the current period of tenure:
March 31, 2014
Chairman of the Executive Board and Chief Executive Officer (since April 1, 2011).
Responsible for the overall management and coordination of the Group. Responsible for Gas and Power (from January 1, 2012 to February 29, 2012) on an interim basis.

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

David C. Davies, *1955
Date of initial appointment: April 1, 2002
End of the current period of tenure:
March 31, 2014
Chief Financial Officer (since April 1, 2002) and Deputy Chairman of the Executive Board since April 1, 2011.
Responsible for Finance and OMV Solutions GmbH.

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

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.

Jacobus Huijskes, *1965
Date of initial appointment: April 1, 2010
End of the current period of tenure:
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 major worldwide upstream projects. He has worked and lived in the UK, Norway, Oman, Australia and Russia, among other countries.

Manfred Leitner, *1960
Date of initial appointment: April 1, 2011
End of the current period of tenure:
March 31, 2014
Responsible for Refining and Marketing, as well as for OMV Group's plastic and chemical interests.

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

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

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

Working methods of the Executive Board

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

Remuneration report

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

In 2012, the Remuneration Committee conducted a review of remuneration and made changes that would place emphasis on strategic long-term perspectives and retention. It agreed that this was required in order to make a step towards reflecting the long-term nature of investments in oil and gas assets in the incentive scheme. This was supported by the revision of the Long Term Incentive Plan (LTIP) including a minimum shareholding requirement for Executive Board members and the introduction of a new Matching Share Plan (MSP) that is linked to the annual bonus scheme.

Executive Board remuneration policy principles

The Executive Board members are employed under local Austrian terms and conditions and the salaries are therefore set in EUR (gross).

Their employment contracts are concluded with OMV Aktiengesellschaft and governed by Austrian law. The remuneration of the OMV's 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 peer groups such as European oil and gas companies and relevant Austrian and European industrial companies. The structure for 2012 was set up with the support of PricewaterhouseCoopers LLP who provided continuous consulting to the Remuneration Committee throughout the year.

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

Remuneration of the Executive Board

Basic salary, short-term variable remuneration and non-cash benefits

The basic remuneration of Executive Board members is paid monthly as a salary. The employment contracts stipulate 14 payments per year to be paid on the last banking day of a month. Performance measures are agreed for each financial year. Depending on the achievement, a maximum of 100% of the base salary may be paid as variable cash remuneration in the following financial year. This percentage was reduced from the previous 150% to 100% following the introduction of the Matching Share Plan.

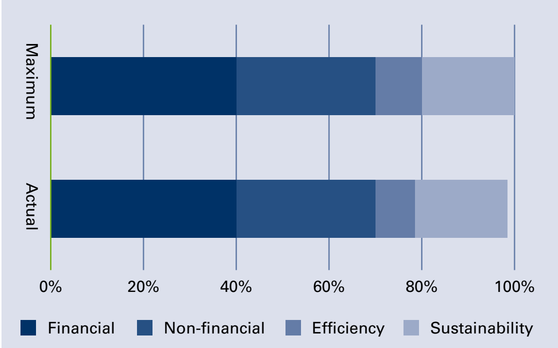
The performance criteria are made up of four areas set out below.

Area	Criteria
Financial	Clean CCS EBIT; Clean CCS ROACE
Non-financial	Production; Reserve Replacement Rate
Efficiency	Includes for example the turnaround of Petrobrazi refinery
Sustainability	Focusing on health, safety, security and environment

The achievement of targets shall be determined by comparing agreed targets with actually achieved results.

The actual achievements in 2012 result in a payment of 98.5% of the base salary to be paid in 2013.

Bonus achievements in % of base salaries



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

Matching Share Plan

The Matching Share Plan (MSP) for the year 2012, as approved by the Annual General Meeting in 2012, is an integral part of the annual bonus agreement and serves as a long-term compensation vehicle for the members of the Executive Board that promotes retention and shareholder alignment in OMV, combining the interests of management and shareholders via a long-term investment in restricted shares. The plan also seeks to reduce inappropriate risk-taking. For Executive Board members, an award of shares will be made to match 100% of their realized gross annual cash bonus. The performance criteria for the annual bonus may not be amended during the term of the MSP. On determination of the annual cash bonus by the Remuneration Committee, an equivalent matching bonus grant will be made net (after deduction of taxes) in company shares which shall be transferred to a trustee deposit, managed by the Company, to be held for three years.

Executive Board remuneration[1]						EUR 1,000
Remuneration 2012	**Davies**	**Floren**	**Huijskes**	**Leitner**	**Roiss**	**Total**
Fixed	744	500	529	500	800	**3,072**
Variable	784	625	406	436	1,051	**3,302**
Benefits in kind (company car, accident insurance and reimbursed expenses)	10	7	8	8	8	**41**
Total	**1,538**	**1,132**	**943**	**944**	**1,859**	**6,415**
Fixed[2]/variable ratio	49/51	45/55	57/43	54/46	43/57	**49/51**
LTIP 2009: Number of shares (gross)	27,362			9,044	39,906	**76,312**

[1] There are discrepancies between individual items and totals due to rounding differences. The variable components relate to target achievement in 2011, for which the bonuses were paid in 2012 (for Hans-Peter Floren bonus advancement payment for 2012). The variable remuneration for Gerhard Roiss includes a special bonus for taking over the additional role for Gas and Power at the beginning of the year. The fixed salary for David C. Davies includes an annual accommodation allowance. The base salary for Jacobus Huijskes was adjusted as of October 1, 2012. Hans-Peter Floren entered the company on March 1, 2012.

[2] Including benefits in kind.

Executive Board members who have been participating in previous long-term incentive plans can choose between cash payment or shares if and to the extent that they have already fulfilled the minimum shareholding requirements for the LTIP 2012.

In line with the cash bonus, the actual achievements in 2012 result in a payment of 98.5% of the base salary to be paid in 2013.

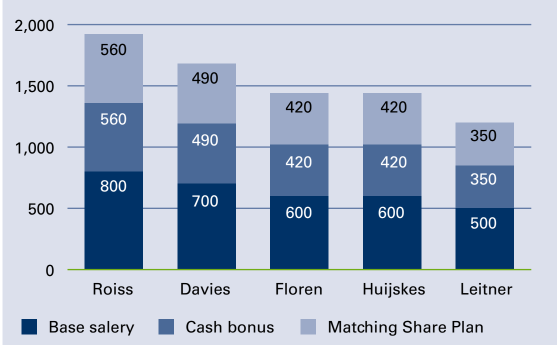
Clawback

Clawback introduced

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

For an overview of the composition of the remuneration package for OMV's Executive Board, see chart below.

Annual remuneration scheme – target level in EUR 1,000



The award of the annual bonus is conditional upon the relative achievement of the performance criteria against agreed threshold, target and stretch levels entitling to an award of 50%, 70% or 100% of the annual base salary, respectively.

Long-term targets and incentives

Long Term Incentive Plan

The Long Term Incentive Plan (LTIP) has operated since its introduction in 2009. The LTIP 2012, as approved by the Annual General Meeting in 2012, is a long-term compensation vehicle for the members of the Executive Board that promotes mid- and long-term value creation in OMV. The plan seeks to align the interests of management and shareholders by granting OMV shares to the management subject to performance against key measures linked to the medium-term strategy and shareholder return.

Details of the Long Term Incentive Plan

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

The performance period is three years (January 1, 2012 – December 31, 2014). At the start of the program, weightings were established for key indicators:

Measure	Weighting
Relative total shareholder return (Relative TSR)	45%
Reported return on average capital employed (ROACE)	45%
Safety performance	10%

Relative TSR is measured against a well-balanced peer group of 12 oil and gas companies. The achievement of targets shall be determined by comparing agreed indicators with actually achieved results.

To the extent the shareholding requirement is not fulfilled, the payment will be automatically made in the form of shares (net after tax deduction). As far as the shareholding requirement is already fulfilled, the payout can be made in cash. The base for the calculation of the respective number of shares is the average closing price on the Vienna Stock Exchange of the OMV share over the three-month period from January 1, 2012 to March 31, 2012. The LTIP 2012 vests on March 31, 2015. The vesting levels for each performance metric are shown in the table below.

ROACE and Sustainability: Level of vesting

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

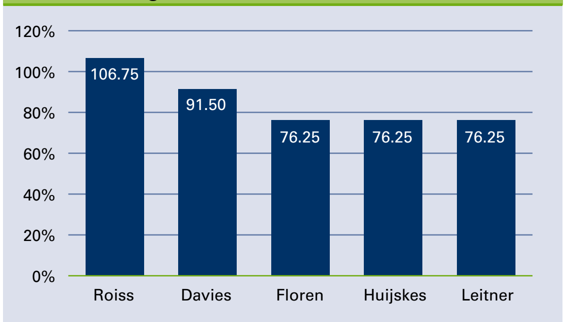
Relative TSR: Level of vesting

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

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

Please see below the target levels of the LTIP 2012 for the OMV Executive Board.

LTIP 2012 – target level in % of base salaries



There is no requirement for an upfront investment in OMV shares to participate in the LTIP 2012. Executive Board members, however, are required to accumulate an appropriate shareholding in OMV and have to hold these shares until retirement or departure from the company. The shareholding requirement is defined as a percentage of the annual gross base salary: 200% for the Chairman of the Executive Board, 175% for the Deputy Chairman of the Executive Board, 150% for other Executive Board members. The shareholding must be developed and achieved within five years after start of the current employment contract as Executive Board member. The minimum shareholding requirement (replacing the upfront investment in OMV shares for the previous LTIPs) was introduced in order to support the long-term development of the Group, to facilitate compliance for share purchases and to ensure competitiveness for outside recruitment. Even though the LTIP 2012 does not require an upfront investment in OMV shares, all Executive Board members have already fulfilled at least a part of their minimum shareholding requirement either through previous LTIP investments or through transfer of private shares.

The degree of fulfillment of the LTIP 2010 goals is 140% and the corresponding allocation of shares or cash payment will be made in 2013.

Executive Board members' shareholdings
Executive Board members' holdings of OMV shares effective December 31, 2012 were as shown in the table below.

Stock Option Programs
Up to and including 2008, long-term incentives took the form of Stock Option Programs, which were in accordance with those of companies of comparable size. These plans provided for a holding period of two years followed by an exercise period of five years. The size of the tranches of options that may be exercised is at plan members' discretion, provided that the conditions are met (increase in the OMV share price set as a target when the plan was approved by the Annual General Meeting) and no blocking period is in force. Under the 2008 plan, an investment of one share confers options on 20 shares at a price to be established by the General Meeting. The options under the 2006–2008 plans have either not been exercised yet or have not been exercised in full. No further stock options were issued after 2008.

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

Executive Board members' shareholdings

Executive Board members' shareholdings

	Private deposit	Company trustee deposit	Total
Roiss	144,477	44,259	**188,736**
Davies	10,048	32,855	**42,903**
Huijskes	–	12,136	**12,136**
Leitner	–	16,060	**16,060**
Floren	–	7,500	**7,500**

	Shareholding requirement		Fulfillment	
	In shares	As % salary	As % salary	As % requirement
Roiss	60,173	200%	147.10%	73.55%
Davies	46,070	175%	124.81%	71.32%
Huijskes	33,848	150%	53.78%	35.85%
Leitner	28,207	150%	85.41%	56.94%
Floren	33,848	150%	33.24%	22.16%

Pension fund contribution [1]	EUR 1,000
Davies	280
Floren	129
Huijskes	132
Leitner	125
Roiss	634
Total	**1,299**

[1] There are discrepancies between individual items and totals due to rounding differences.

Termination entitlements

Termination benefits

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

In accordance with C-Rule 27a ACCG, the employment contracts with members of the Executive Board provide that settlement payments in the event of premature termination of such contracts without a material breach shall not exceed the amount set forth in the ACCG. No settlement payment is made if the Executive Board member terminates the contract prematurely. There are no other termination entitlements. **Note 29** provides additional information on the Long Term Incentive Plan, the Matching Share Plan and the Stock Option Programs (valuation, outstanding options and exercise in previous years).

Directors' and officers' (D&O) insurance

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

Indemnity

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

Policy principles for the remuneration of senior management and expert levels

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

Consequently, some employees at senior management levels of the Group (93 people) are eligible for membership of the Long Term Incentive Plan. They are also eligible for bonus agreements, as discussed below.

In 2012, a total of some 3,900 managers and experts participated in a graduated Management by Objectives (MbO) program entitling them to bonuses for fulfilling objectives. There are also bonus schemes for other employees, which vary from country to country. Employee representatives are involved in designing these incentive schemes.

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

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

Supervisory Board

The members of OMV's Supervisory Board and their appointments to supervisory boards of other domestic or foreign listed companies are shown below. After the resignation of Markus Beyrer, an Extraordinary General Meeting was held on October 9, 2012, where Rudolf Kemler was elected as new member of the Supervisory Board. The Supervisory Board elected him as its Chairman.

Markus Beyrer, *1965
(Chief Executive Officer, ÖIAG, until Oct. 31, 2012)
Chairman (until Oct. 31, 2012)
Seats: Österreichische Post AG (Chairman, until Oct. 31, 2012) and Telekom Austria AG (Chairman, until Oct. 31, 2012).

Rudolf Kemler, *1956
(Chief Executive Officer, ÖIAG, since Nov. 1, 2012) Chairman (since Nov. 1, 2012)
Seats: Österreichische Post AG (Chairman, since Nov. 1, 2012) and Telekom Austria AG (Chairman, since Nov. 1, 2012).

Wolfgang C. Berndt, *1942
Deputy Chairman
Seats: GfK SE and MIBA AG.

Khadem Al Qubaisi, *1971
(Managing Director, International Petroleum Investment Company (IPIC))
Deputy Chairman (until May 10, 2012)
Seats: Aabar Investments PJSC (Chairman), Abu Dhabi National Takaful Co. PJSC (Chairman) and Compania Espanola de Petroleos S.A. (CEPSA; Chairman).

Murtadha Al Hashmi, *1966
(Chief Financial Officer, International Petroleum Investment Company (IPIC))
Deputy Chairman (since May 10, 2012)
Seats: Aabar Investments PJSC and Compania Espanola de Petroleos S.A. (CEPSA).

Alyazia Ali Saleh Al Kuwaiti, *1975
(Manager Evaluation & Execution, IPIC).

Elif Bilgi-Zapparoli, *1967
(Chief Executive Officer, Merrill Lynch Yatirim Bank A.S. and Merrill Lynch Menkul Degerler A.S.).

Helmut Draxler, *1950
Seats: RHI AG.

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

Herbert Stepic, *1946
(Chairman of the executive board of Raiffeisen Bank International AG)

Herbert Werner, *1948
Seats: Innstadt Brauerei AG (Chairman) and Ottakringer Getränke AG.

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

Delegated by the Group works council (employee representatives):

Leopold Abraham, *1947 (until Dec. 31, 2012),
Christine Asperger, *1964 (from Jan. 1, 2013),
Wolfgang Baumann, *1958,
Franz Kaba, *1953,
Ferdinand Nemesch, *1951,
Martin Rossmann, *1967.

Diversity

The main considerations in selecting the members of the Supervisory Board are relevant knowledge and experience in executive positions. Furthermore, aspects of diversity of the Supervisory Board with respect to the internationality of the members, the representation of both genders and the age structure are taken into account. The Supervisory Board includes two women (from Jan 1, 2013 three women) and three non-Austrian nationals. The members of the Supervisory Board are aged between 37 and 70.

Members of the Supervisory Board

Functions of the Supervisory Board and its committees

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 Supervisory Board member may be a shareholder with a controlling interest in the meaning of EU Directive 83/349/ EEC (i.e. a shareholder's interest of 50% or a dominant influence, e.g. through the right to appoint board members) or represent such an interest.

All of the members elected by the Annual General Meeting except Helmut Draxler and Herbert Werner, regarding the duration of their terms, have declared their independence from the Company and its Executive Board during the 2012 financial year and up to 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 were not shareholders with a stake of more than 10% or represented such shareholders' interests during the financial year 2012 and up to the time of making such declarations.

Working methods of the Supervisory Board

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

In 2012, the Supervisory Board held seven meetings, one of which was devoted to the strategy. No member of the Supervisory Board attended fewer than half of the meetings. The Supervisory Board performed a self-evaluation and discussed the efficiency of its activities, in particular its organization and work procedures.

Presidential and Nomination Committee

This committee is empowered to take decisions on matters of urgency. The Supervisory Board may transfer other duties and powers of approval to the Presidential and Nomination Committee on an ad hoc or permanent basis. In its capacity as the Nomination Committee, this body makes proposals to the Supervisory Board for the appointment or replacement of Executive Board members and deals with succession planning. It also makes recommendations to the Annual General Meeting for appointments to the Supervisory Board. There was one meeting of the Presidential and Nomination Committee during the year which focused on succession planning.

Audit Committee

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

Auditors

The Supervisory Board monitors auditors' independence and reviews a breakdown of the audit fees and fees for additional services besides auditing activities. In 2012, the auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (including their network in the meaning of section 271b Code of Commerce) received EUR 2.20 mn for the annual audit, EUR 0.66 mn for other assurance services and EUR 0.21 mn for other engagements.

Project Committee

This committee supports the Executive Board in preparing complex decisions on key issues where necessary, and reports on these decisions and any recommendations to the Supervisory Board. In its only meeting in 2012, the Project Committee approved the acquisition of a 20% participation in the Norwegian oil field Edvard Grieg.

Remuneration Committee

This committee deals with all aspects of the remuneration of Executive Board members and with their employment contracts. The committee's membership does not include employee representatives. The committee is empowered to conclude, amend and terminate Executive Board members' employment contracts, and to take decisions on the award of bonuses (variable remuneration components) and other such benefits to the latter. The Remuneration Committee met five times during 2012. Executive Board members were invited to attend parts of the meetings of the Remuneration Committee.

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

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

There were no transactions requiring approval in accordance with section 95 (5) (12) Stock Corporation Act; attention, however, is drawn to transactions totaling approx. EUR 2.1 bn with Raiffeisen group (Herbert Stepic is Chairman of the executive board of Raiffeisen Bank International AG; 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 Supervisory Board members.

Remuneration

Remuneration of the members of the Supervisory Board

In accordance with the articles of incorporation, the Annual General Meeting (AGM) resolves the remuneration of the elected members of the Supervisory Board for the previous financial year. The 2012 AGM adopted the following remuneration scale for the 2011 financial year:

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

The amounts, for the financial year 2011, were disbursed to the Supervisory Board members concerned in 2012; these were exclusive of expenses (travel and attendance expenses).

The total expenditure incurred by the Supervisory Board in 2012 was EUR 694,588; of this, members' remuneration (for the 2011 financial year) accounted for EUR 367,200, attendance expenses for EUR 54,458, travel expenses for EUR 199,591, and conference equipment, organization and translation for EUR 73,338.

Employee participation

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

Name	Position/committee membership[1]	Remuneration (in EUR)	Term of office[1]
Markus Beyrer[2]	Chairman; Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	48,435	May 17, 2011 to Oct. 31, 2012
Rudolf Kemler	Chairman; Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	–	Nov. 1, 2012 to 2014 AGM
Peter Michaelis[2]	Chairman; Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	28,765	May 23, 2001 to 2011 AGM
Wolfgang C. Berndt	Deputy Chairman; Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	61,900	May 26, 2010 to 2014 AGM
Khadem Al Qubaisi	Deputy Chairman; Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	61,900	May 26, 2010 to 2012 AGM
Murtadha Al Hashmi	Deputy Chairman; Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	–	May 10, 2012 to 2014 AGM
Alyazia Ali Saleh Al Kuwaiti	Pres. Com. and Proj. Com.	30,600	May 14, 2008 to 2014 AGM
Elif Bilgi-Zapparoli		14,600	May 13, 2009 to 2014 AGM
Helmut Draxler	Audit Com.	22,600	Oct. 16, 1990 to 2014 AGM
Wolfram Littich	Proj. Com. and Audit Com.	30,600	May 23, 2001 to 2014 AGM
Herbert Stepic		14,600	May 18, 2004 to 2014 AGM
Herbert Werner	Audit Com.	22,600	June 4, 1996 to 2014 AGM
Norbert Zimmermann	Proj. Com. and Remun. Com.	30,600	May 23, 2001 to 2014 AGM
Leopold Abraham		–	Until Dec. 31, 2012[3]
Wolfgang Baumann	Pres. Com. and Audit Com.	–	[3]
Franz Kaba	Proj. Com.	–	[3]
Ferdinand Nemesch	Proj. Com. and Audit Com.	–	[3]
Martin Rossmann	Pres. Com., Proj. Com. and Audit Com.	–	[3]
Christine Asperger		–	From Jan 1, 2013[3]

[1] Abbreviations: Pres. Com. = Presidential and Nomination Committee; Proj. Com. = Project Committee; Audit Com. = Audit Committee; Remun. Com. = Remuneration Committee; AGM = Annual General Meeting.
[2] In accordance with the employment contract as CEO of ÖIAG, Markus Beyrer and Peter Michaelis transferred their remuneration to ÖIAG.
[3] Delegation by the Group works council is for an indefinite period; however, the employee representatives may be recalled at any time.

Rights of minority shareholders

Rights of minority shareholders

- General Meeting: An Extraordinary General Meeting must be convened at the request of shareholders holding not less than 5% of the shares.
- Agenda items must be included at the request of shareholders holding not less than 5% of the shares.
- Shareholders holding not less than 1% of the shares may submit resolution proposals on all agenda items. Such resolution proposals must be posted on the website upon request of the respective shareholders.
- Shareholders holding not less than 10% of the shares may require an extraordinary audit in the event of grounds for suspicion of irregularities, or gross violations of the law or the articles of incorporation.
- All shareholders having duly provided evidence of their shareholding are entitled to attend General Meetings, ask questions and vote.
- Election of the Supervisory Board: If elections to two or more positions on the Supervisory Board are held at the same General Meeting, separate votes must be held for each position. If elections to three or more seats on the Supervisory Board are held at the same General Meeting, and if prior to the vote on the last position to be assigned it is found that at least one third of all the votes have been cast in favor of the same person but he/she has not been elected, then this person must be declared as Supervisory Board member.

Women's advancement

- The Company is committed to supporting women's promotion to management positions. While there are no female members of the Executive Board of OMV Aktiengesellschaft, Mariana Gheorghe is the Chairwoman of the Executive Board of OMV Petrom SA – the largest Group company – and Gülsüm Azeri is the Chairwoman of the Executive Board of Petrol Ofisi. There are two elected female members of the OMV Aktiengesellschaft Supervisory Board; this corresponds to 20% of the elected members. From January 1, 2013, Christine Asperger joined the Supervisory Board. She is the first woman to be delegated by the Group works council.
- Women hold 13% of the Senior Vice Presidents positions. The proportion of women in the Group as a whole is about 23%. As a business with a strong technical bias it is a significant challenge for OMV to achieve satisfactory gender ratios in all areas of operations. The recruitment ratios in non-technical areas are well balanced.
- The Executive Board approved a diversity strategy. The long-term objective is to achieve a diversity mix at senior management level of 30% female and 50% international employees by 2020.

OMV's diversity strategy

Vienna, March 20, 2013

The Executive Board

Gerhard Roiss

David C. Davies

Hans-Peter Floren

Jacobus Huijskes

Manfred Leitner

Directors' report – operational review

Business developments in 2012
Sales for the 2012 financial year were EUR 133.66 mn (2011: EUR 185.69 mn). As OMV Aktiengesellschaft is a pure holding company most of the sales consist of corporate service charges billed to the subsidiaries. The comparably lower sales in OMV Aktiengesellschaft relates to a onetime transaction with foreign legal entities for the sale and purchase of gasoil and condensate in 2011.

Earnings before interest and taxes (EBIT) were EUR (34.73) mn (2011: EUR (71.14) mn). Higher EBIT in 2012 is largely a reflection of lower operating costs as refinancing and restructuring measures were finalized in 2011.

The **financial result** in 2012 was EUR 811.34 mn (2011: EUR 574.81 mn). The financial items of OMV Aktiengesellschaft as a pure holding company mainly consist of the dividends and other income from investments of the operative companies. Net income from investments was at EUR 1,013.69 mn and thus substantially above 2011 (EUR 688.32 mn).

The contribution of the companies in the **Exploration and Production (E&P)** segment excluding Petrom to income from investments rose to EUR 666.40 mn (2011: EUR 571.37 mn), mainly due to higher production volumes.

The investment income contribution from the **Gas and Power (G&P)** segment excluding Petrom was EUR 37.16 mn, higher than the previous year (2011: EUR 16.36 mn). The lower result contribution of previous year was mainly due to the termination of the profit and loss transfer agreement with Gas Connect Austria (previously OMV Gas GmbH) and the dividend payment that was therefore shifted by one year. That's why this year's result contains the dividend of Gas Connect Austria GmbH for the financial year 2011.

Investment income from the **Refining and Marketing (R&M)** segment excluding Petrom increased to EUR 48.82 mn (2011: EUR (82.72) mn). This increase of results was mainly due to the increase of OMV's indicator margin due to higher gasoline and middle distillate spreads. However, the marketing result was below 2011 due to the difficult marketing environment.

Investment
Key investment items in 2012 were capital injections to OMV Australia PTY LTD, OMV Solutions GmbH, due to activities in Turkey, and to OMV Exploration & Production GmbH.

Cash flows from operating activities for 2012 came in at EUR 603.45 mn (2011: EUR 647.70 mn), and cash flows from investing activities negative by EUR (103.74) mn (2011: EUR (2,268.03) mn), while cash flows from financing activities came in at EUR 240.71 mn (2011: EUR 1,588.28 mn).

Net income for the year was EUR 817.75 mn (2011: EUR 531.60 mn).

Total assets rose to EUR 13,889.14 mn (2011: EUR 12,913.60 mn).

At balance sheet date **stockholders' equity** including untaxed reserves stood at EUR 7,855.30 mn (2011: EUR 7,390.00 mn). The equity ratio as of December 31, 2012 was 56.56% (2011: 57.23%).

The ratio of **fixed assets** to total assets was 65.16% at balance sheet date (2011: 68.74%).

Return on equity (**ROE**), i.e. net income for the year divided by average stockholders' equity, was 10.74% (2011: 7.71%).

In 2012, the average **number of employees** at the holding company was 419 (2011: 398).

Information required by section 243a Unternehmensgesetzbuch (Austrian Commercial Code)
The following information is disclosed according to section 243a Austrian Commercial Code:

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

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

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

4. All shares have the same control rights.

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

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

7. a) The Executive Board has been authorized by resolution of the Annual General Meeting held on May 13, 2009, to increase, subject to the consent of the Supervisory Board, the capital stock of the Company by May 13, 2014, in one or more tranches, by an aggregate amount not exceeding EUR 77.9 mn by issuance of up to 77,900,000 new common shares in bearer form against cash or contributions in kind, also to the exclusion of shareholders' rights of subscription in the event of contributions in kind and, subject to the consent of the Supervisory Board, to set the issue price and conditions of issuance (authorized capital).

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

   b) The capital stock has been conditionally increased by EUR 50.6 mn under section 159 (2) (1) Austrian Stock Corporation Act by issuance of up to 50,627,273 common shares in bearer form (conditional capital). The conditional capital increase will only be carried out if holders of 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 50,627,273 (amount-related determination of authorizations in accordance with paragraphs a and b), whereby the conversion right of the holders of the convertible bonds must be granted in any case.

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

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

8. In addition to the capital increase, a hybrid bond with a size of EUR 750 mn was placed on the market on May 25, 2011. The hybrid will bear a fixed interest rate of 6.75% until April 16, 2018, thereafter a reset fixed rate (to be determined) until April 26, 2023 and thereafter a floating interest rate with a 100 basis points step up. The hybrid bond has no scheduled maturity date and may be redeemed at the option of OMV under certain circumstances. OMV has in particular the right to repay the hybrid bond at certain dates. In the case of a change of control, OMV may call the hybrid bond for redemption or else the applicable interest rate will be subject to an increase according to the terms and conditions of the hybrid bond.

9. At December 31, 2012 no other material agreements to which OMV is a party are in place which in case of change of control due to a takeover offer would come into effect, be amended or terminated.

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

11. The most important elements of the internal control and risk management system regarding the accounting process are the following: Standards for the internal control system are defined by internal Corporate Guidelines. Corporate Internal Audit controls the compliance with these standards through regular audits 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 USD and EUR 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. For 2012 OMV entered into USD hedges for an exposure of USD 748 mn at an average exchange rate of 1.3616. The USD hedges lead to a negative cash flow of EUR 33 mn (thereof EUR (6.9) mn in 2013). The currency hedges were concluded on behalf of OMV Aktiengesellschaft's affiliates and are disclosed in the affiliates' financial statements.

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, financial institutions, security provider and counterparties are centrally managed by Corporate Finance and at segment level based on centrally managed 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 intra-year 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)

Building on its long tradition of sustainability management, OMV has developed its concept of sustainability: "Resourcefulness" is the new way of OMV to achieve responsible and sustainable profitable growth. OMV thus taking along the entire value chain of responsibility for people and the environment and is committed to innovative solutions. Resourcefulness complements the strategy for profitable growth and has to establish the goal of long-term win-win situations for society, the environment and OMV. The focus of the initiatives that will be implemented as part of resourcefulness lies in education and development, environmental management and new energy sources. OMV initiatives are always adapted to the needs and demands of society and the people in the regions where OMV is active. Overall responsibility has the CEO of OMV, who also set up a central sustainability department.

The Corporate HSSE Department leads and coordinates, in consultation with the business units and Petrom Group's HSSE strategy the formulation of the annual HSSE goals in the balanced scorecard. In 2012, the in 2011 developed group-wide functional strategy for HSSE was implemented to support the new corporate strategy.

In 2012, there have been no accidents reported in OMV Aktiengesellschaft. Three near misses and hazards as well as 199 observations were reported. Awareness of health, safety and environmental issues has been strengthened through training and information sessions on. The focus of information sessions entitled "HSSE Hour" was among the topics on travel health, fire safety in the home, security in business travel and OMV HSSE vision. The HSSE management in the headquarters in Vienna focused on ergonomics in the workplace, including training. There have been two evacuation drills in which more than 1,500 people respectively took part.

The occupational health center offers regular outpatient medical treatments and numerous training courses. Staff for physiotherapy and nutritional advice is regularly available. Medical studies on health risks such as cholesterol, blood sugar, diet, smoking and drinking habits were offered. Repeated blood donation campaigns were performed with the Vienna Red Cross. A self-defense course for women and men and in cooperation with the Vienna police again conducted in spring.

In 2012, the Annual General Meeting, the Supervisory Board meetings and the annual meeting of legal experts were to be climate neutral.

Research and Development

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

Subsequent events

On January 7, 2013, the sale of PETROM LPG SA to Crimbo Gas International was closed.

On January 18, 2013, OMV and Erdöl Lagergesellschaft m.b.H. (ELG) agreed the sale of Lagermanagementgesellschaft m.b.H. (a 100% subsidiary of OMV Aktiengesellschaft) to ELG.

On February 1, 2013, OMV has signed an agreement to sell its 100% marketing subsidiary in Croatia, OMV Hrvatska d.o.o., to Crodux derivati d.o.o., a member of the Croatian Crodux Plin group.

On February 28, 2013, the sale of the Bosnian marketing subsidiary OMV BH d.o.o. to the Serbian oil company NIS was closed.

Outlook for 2013 for OMV Group

For 2013, OMV expects the average Brent oil price to remain above USD 100/, whilst the Brent-Urals spread is anticipated to stay relatively tight. In the European gas market, hub prices are expected to increasingly influence market prices over oil-linked gas prices. In Romania, the published roadmap towards gas price liberalization foresees three further domestic gas price increases for industrial customers in 2013. Refining margins, which experienced a high in 2012, are expected to return to more modest levels in 2013 as capacity returns to OMV's main markets. In the petrochemical business margins are expected to remain at the 2012 level with modest economic growth in the key markets anticipated to weigh on profitability. Marketing volumes are expected to remain similar to the level of 2012.

Vienna, March 20, 2013

The Executive Board

Gerhard Roiss   David C. Davies

Hans-Peter Floren   Jacobus Huijskes   Manfred Leitner

Auditors' report

We have audited the accompanying financial statements, including the accounting system, of **OMV Aktiengesellschaft, Vienna,** for the fiscal year from January 1, 2012 to December 31, 2012. These financial statements comprise the consolidated statement of financial position as of December 31, 2012, the balance sheet as of December 31, 2012, the income statement for the fiscal year ended December 31, 2012, and the notes.

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.

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.

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, 2012 and of its financial performance for the fiscal year from January 1, 2012 to December 31, 2012 in accordance with Austrian Generally Accepted Accounting Principles.

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 auditors' 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 20, 2013
Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Helmut Maukner (Wirtschaftsprüfer) | Gerhard Schwartz (Wirtschaftsprüfer)

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

Financial Statements
Balance sheet as of December 31, 2012

Assets			EUR 1,000
	Note	2012	2011
Fixed assets	1		
Intangible assets		0	1
Tangible assets		1,205	1,319
Financial assets		9,048,529	8,875,888
		9,049,734	**8,877,208**
Current assets			
Accounts receivable and other assets	2		
Trade Receivables		0	17
Receivables from affiliated companies		3,912,890	3,870,415
Receivables from associated companies		97	172
Other receivables and other assets		91,549	84,387
		4,004,536	**3,954,991**
Own shares		11,836	13,153
Cash on hand and at bank		763,810	23,390
		4,780,182	**3,991,534**
Deferred taxes		**27,987**	**32,760**
Prepayments and accrued expenses		**30,523**	**12,103**
Total assets		**13,888,426**	**12,913,605**

Liabilities			EUR 1,000
	Note	**2012**	2011
Stockholders' equity	3		
Capital stock		327,273	327,273
Capital reserves			
appropriated		1,729,338	1,729,338
unappropriated		334	334
Capital reserves for share-based payments		4,788	0
Revenue reserves			
unappropriated reserve		5,379,555	4,928,237
Reserve for treasury stock		11,836	13,153
Unappropriated income, thereof income brought forward 33,277 (2011: 110,432)		401,030	392,035
		7,854,154	**7,390,370**
Untaxed reserves	4		
Valuation reserve for impairments		432	432
Provisions	5		
Provisions for severance payments		11,128	11,862
Provisions for pensions		3,332	6,463
Provisions for taxes		63,836	33,753
Other provisions		58,896	64,186
		137,192	**116,264**
Liabilities	6		
Bonds		4,201,730	3,000,000
Amounts due to banks		—	754,582
Accounts payable from trade		6,899	8,890
Accounts payable to affiliates		1,370,637	1,299,015
Other liabilities		315,474	340,807
		5,894,740	**5,403,294**
Prepayments and accrued income		**1,908**	**3,245**
Total liabilities		**13,888,426**	**12,913,605**
Contingent liabilities	7	3,039,127	2,446,302

Income statement

EUR 1,000

	Note	2012	2011
1. Sales	8	**133,663**	**185,689**
2. Other operating income	9	5,104	12,716
3. Expenses for materials and services	10	(12,636)	(77,416)
4a. Personnel expenses	11	(66,624)	(65,460)
4b. Expenses for severance payments and pensions	12	(6,672)	(11,336)
5. Depreciation and amortization		(153)	(225)
6. Other operating expenses	13	(87,412)	(115,110)
7. Subtotal of items 1 to 6 (Earnings before interest and taxes)		**(34,730)**	**(71,142)**
8. Income from investments thereof affiliated companies 1,009,403 (2011: 767,471)	14	1,013,686	771,054
9. Income from other securities and lendings carried as financial assets thereof affiliated companies 47,256 (2011: 45,981)		48,823	48,435
10. Other interest and similar income thereof affiliated companies 67,179 (2011: 84,174)		91,323	108,112
11. Gains on disposal and write-up of financial assets and securities held as current assets		1,884	83
12. Expenses arising from financial assets and securities held as current assets thereof amortization 395 (2011: 0) thereof affiliated companies 0 (2011: 82,733)	14	(395)	(82,733)
13. Interest and similar expenses thereof concerning affiliated companies 52,270 (2011: 83,227)		(343,984)	(297,137)
14. Subtotal of items 8 to 13 (Financial result)		**811,337**	**547,814**
15. Income from ordinary activities		**776,607**	**476,672**
16. Taxes on income	15	41,146	54,931
17. Net income for the year		**817,753**	**531,603**
18. Allocation to revenue reserves		(450,000)	(250,000)
19. Income brought forward from previous years		33,277	110,432
20. Unappropriated income		**401,030**	**392,035**

Notes

The accounts of **OMV Aktiengesellschaft**, Vienna, as of December 31, 2012 have been drawn up in accordance with the Austrian Commercial Code (ACC) as amended. As the parent company of the OMV Group, OMV Aktiengesellschaft also prepares separate consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs).

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

The annual financial statements were prepared in euro (EUR). The presentation is in units of one thousand euro (EUR 1,000 as well as 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
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.

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

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

OMV Group has both **defined contribution and defined benefit pension plans.** In the case of defined contribution plans, OMV has no obligations beyond payment of the agreed premiums, and no provision is therefore recognized. In contrast, participants in defined benefit plans are promised pensions at certain levels. Defined benefit pension obligations are accounted for by setting up provisions for pensions, or by means of payments to an external pension fund. The risks associated with these defined benefit pension plans remain with OMV.

Provisions for pensions, severance payments and jubilee payments are calculated using the projected unit credit method, which divides the costs of the estimated benefit entitlements over the whole period of employment and thus takes future increases in remuneration into account.

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

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

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

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

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

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

The currency hedges were concluded on behalf of OMV Aktiengesellschaft's affiliates and are disclosed in the affiliates' financial statements.

Long Term Incentive (LTI) plans 2009 - 2012

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

Provision is made for the expected future costs of the LTI plans at statement of financial position date based on fair values. Fair values are determined using a model considering the expected target achievement and the expected share price. Expected dividends were incorporated into the measurement according to the Company's mid-term planning. For new plans, the expense is spread over the three-year vesting period. As of December 31, 2012, the provision amounted to EUR 15,446 thousand (2011: EUR 23,976 thousand), and the net decrease was EUR 8,531 thousand (2011: Increase of EUR 7,352 thousand).

Main conditions

	2012 plan	2011 plan	2010 plan	2009 plan
Start of plan	1/1/2012	1/1/2011	1/1/2010	1/1/2009
End of performance period	12/31/2014	12/31/2013	12/31/2012	12/31/2011
Vesting date	3/31/2015	3/31/2014	3/31/2013	3/31/2012
End of holding period	—	3/31/2016	3/31/2015	3/31/2014
Shareholding requirement (plan 2012)/Qualifying own investment (plans 2009 to 2011)				
Executive Board Chairman	200% of gross base salary	100% of gross base salary	100% of gross base salary	100% of gross base salary
Executive Board Deputy Chairman	175% of gross base salary	85% of gross base salary	85% of gross base salary	85% of gross base salary
Executive Board members	150% of gross base salary	70% of gross base salary	70% of gross base salary	70% of gross base salary
Senior executives	75% of gross base salary	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares
Potentials	n.a.	EUR 15,000 in shares		
Personal investment held in shares				
Executive Board members				
Auli	—	20,096 shares	20,096 shares	20,096 shares
Davies	32,855 shares	25,614 shares	20,096 shares	20,096 shares
Floren	7,500 shares	—	—	—
Huijskes	12,136 shares	12,136 shares	12,136 shares	—
Langanger	—	—	20,096 shares	20,096 shares
Leitner [1]	16,060 shares	12,993 shares	—	—
Roiss	44,259 shares	34,932 shares	28,469 shares	28,469 shares
Ruttenstorfer	—	—	38,278 shares	38,278 shares
Total — Executive Board	**112,810 shares**	**105,771 shares**	**139,171 shares**	**127,035 shares**
Other senior executives	278,497 shares	299,449 shares	240,390 shares	202,412 shares
Potentials	—	9,460 shares [2]	—	—
Total personal investment	**391,307 shares**	**414,680 shares**	**379,561 shares**	**329,447 shares**
Expected bonus shares as of December 31, 2012	**501,049 shares**	**163,576 shares**	**356,905 shares**	**—**
Maximum bonus shares as of December 31, 2012	**924,599 shares**	**582,225 shares**	**450,945 shares**	**—**
Fair value of plan (EUR 1,000)	**14,496**	**4,606**	**9,811**	**—**

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

Matching Share Plan (MSP)

The Matching Share Plan for the year 2012, as approved by the Annual General Meeting in 2012, is an integral part of the annual bonus agreement and serves as a long-term compensation vehicle for the members of the Executive Board that promotes retention and shareholder alignment in OMV, combining the interests of management and shareholders via a long-term investment in restricted shares. The plan also seeks to reduce inappropriate risk-taking. For Executive Board members, an award of shares will be made to match 100% of their realized gross annual cash bonus. The performance criteria for the annual bonus may not be amended during the term of the MSP. On determination of the annual cash bonus by the Remuneration Committee, an equivalent matching bonus grant will be made net (after deduction of taxes) in company shares which shall be transferred to a trustee deposit, managed by the Company, to be held for three years.

Executive Board members who have been participating in previous long-term incentive plans can choose between cash payment or shares if and to the extent that they have already fulfilled the minimum shareholding requirements for the LTIP 2012. As of December 31, 2012, a provision amounting to EUR 3,125 thousand was recorded (2011: EUR nil).

Total expense

In 2012, total expense of EUR 9,349 thousand (2011: EUR (457) thousand) has been recognized arising from share-based payment transactions, thereof EUR 4,788 thousand (2011: EUR nil) from transactions accounted for as equity-settled share-based payment transactions.

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 rises by at least 15% (plan threshold share price).

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

At grant dates details of the plans were as follows:

Main conditions

	2008 plan	2007 plan	2006 plan	2005 plan	2004 plan
Start of plan	9/1/2008	9/1/2007	9/1/2006	9/1/2005	9/1/2004
End of plan	8/31/2015	8/31/2014	8/31/2013	8/31/2012	8/31/2011
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
Leitner [4]	7,580	8,200	8,280	16,000	19,950
Roiss	22,720	24,600	24,840	47,800	59,700
Ruttenstorfer [5]	22,720	24,600	24,840	47,800	59,700
Total – Executive Board	**121,180**	**131,200**	**115,920**	**207,200**	**278,700**
Other senior executives	420,700	432,560	351,940	516,000	464,400
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 from January 1, 2007 until December 31, 2011.
[3] Member of the Executive Board until September 30, 2010.
[4] Member of the Executive Board since April 1, 2011.
[5] Chairman of the Executive Board and CEO until March 31, 2011.

As of December 31, 2012, all of the options for the 2004 and 2005 plans were exercised or forfeited (returned), and some of the options for the 2006, 2007, and 2008 plans forfeited. As of December 31, 2011, all of the options for the 2004 plan were exercised or forfeited (returned), some of the options for the plan 2005 were exercised and some of the options for the 2006, 2007, and 2008 plans forfeited.

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

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

2. For all plans, the number of shares which participants are required to hold is calculated by dividing the maximum permitted investment by the average quoted price of the stock in the month of May in the year of issue. Options may also be exercised at levels of 25%, 50% or 75% of the maximum holding.

3. In the event of participants disposing of their underlying investments, the options are forfeited. The options are not transferable and expire if not exercised.

4. The exercise price is the average price for the period from May 20 to August 20.

5. 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 2012 and 2011 movements in options under the stock option plans were as follows:

Stock option plans

		2012		2011
	Number of options	Weighted average exercise price EUR	Number of options	Weighted average exercise price EUR
Outstanding options as of January 1	**1,885,740**	**44.519**	**2,046,550**	**42.637**
Options e xercised	—	—	(118,860)	16.368
Options forfeited (returned)	(399,460)	35.431	(41,950)	32.430
Outstanding options as of December 31	**1,486,280**	—	**1,885,740**	**44.519**
Options exercisable at year-end [1]	—	—	—	—

[1] The options for the plans 2006, 2007 and 2008 would have been exercisable at year end, if the share price had been above the respective plan threshold. The options for the plans 2005, 2006, 2007 and 2008 would have been exercisable at December 31, 2011, if the share price had been above the respective plan threshold.

During 2012, a total of 375,400 options granted under the 2005 plan forfeited. 24,060 options from the plans 2006, 2007, and 2008 were returned. Considering the plan threshold, the intrinsic value of the options exercisable as of December 31, 2012 was EUR nil, as the share price at year-end was below the plan threshold for the 2006, 2007 and 2008 plans.

During 2011, a total of 118,860 options granted under the 2004 plan were exercised. For 4,320 options, the options were exercised through the purchase of shares. The weighted average market price at the time of exercise in 2011 was EUR 27.459. Considering the plan threshold, the intrinsic value of the options exercisable as of December 31, 2011 was EUR nil, as the share price at year-end was below the plan threshold for the 2005, 2006, 2007 and 2008 plans.

Exercise of options by plan participants was as follows:

Options exercised

		2012		2011
	Options exercised	Weighted average exercise price EUR	Options exercised	Weighted average exercise price EUR
Executive Board members				
Auli	–	–	5,760	16.368
Davies	–	–	–	–
Langanger	–	–	–	–
Leitner	–	–	–	–
Roiss	–	–	–	–
Ruttenstorfer	–	–	–	–
Total – Executive Board	**–**	**–**	**5,760**	**16.368**
Other senior executives	–	–	113,100	16.368
Total options exercised	**–**	**–**	**118,860**	**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**

	2012	2011
2004 plan	–	1,318
Total	**–**	**1,318**

In 2011, of this amount, EUR 70 thousand was attributable to Executive Board members and EUR 1,248 thousand to other senior executives.

As of December 31, 2012, **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]
2006	45.19	436,800	0.7	–
2007	47.85	522,760	1.7	–
2008	47.55	526,720	2.7	–
Total		**1,486,280**		–

[1] The options for the plans 2006, 2007 and 2008 would have been exercisable at year-end, if the share price had been above the respective plan threshold.

The options are valued using the Black-Scholes model. The expected average volatility of the stock has been calculated on the basis of the volatility of the past five years. The possibility of earlier exercise is reflected in the risk-free interest rate selected, which is based on rates prevailing at statement of financial position date.

The fair value as of December 31, 2012 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, 2012

	2008 plan	2007 plan	2006 plan
Market value of plan (EUR 1,000)	579	302	55
Calculation variables			
Market price of stock (EUR)	27.36	27.36	27.36
Risk-free rate of return	0.53%	0.37%	0.22%
Maturity of options (including vesting period)	2.7 years	1.7 years	0.7 years
Average dividend yield	4.99%	4.50%	3.93%
Share price volatility	35%	35%	35%

Provision is made for the expected future costs of options unexercised at statement of financial position date based on fair values. As of December 31, 2012, the provision amounted to EUR 936 thousand (2011: EUR 1,688 thousand) and the net decrease in 2012 was EUR 752 thousand (2011: Net decrease EUR 7,927 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 2012 are shown in the statement of fixed assets.

The Land and buildings item includes land valued at EUR 790 thousand (2011: EUR 790 thousand).

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

EUR 1,000

	2012	2011
Maturing in one year	444	273
Maturing in the next five years	1,590	981

Loans with maturities of up to one year amounted to EUR 10 thousand (2011: EUR 9 thousand). During the year just ended OMV Aktiengesellschaft extended the following loans: USD 1,150 thousand and AUD 14,200 thousand to OMV Australia PTY LTD; and EUR 3,637 thousand and USD 50,100 thousand to OMV Finance Services GmbH. OMV Hrvatska d.o.o. has repaid 2012 HRK 90,000 thousand. 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 2,395 thousand had been drawn down. Pearl Petroleum Company Limited has an open credit facility of USD 103,871 thousand, of which USD 47,753 thousand had been utilized by the balance sheet date.

In 2012, grandparent company contribution were granted to the following companies: To OMV (Yemen Block S 2) Exploration GmbH USD 58,879 thousand and EUR 45,697 thousand, to OMV Finance Services GmbH EUR 16,700 thousand and to VIVA International Marketing- und Handels-GmbH EUR 7,683 thousand.

During the year under review, contributions of AUD 22,500 thousand (AUD 17,521 thousand) and USD17,800 thousand (14,175 thousand) towards capital increases were made to OMV Australia PTY LTD.

2 Accounts receivable and other assets

EUR 1,000

	2012		2011	
	≤1 year	>1 year	≤1 year	>1 year
Trade Receivables	–	–	17	–
Receivables from affiliated companies	3,912,890	–	3,870,415	–
[thereof trade]	[13,991]	[–]	[10,287]	[–]
Receivables from associated companies	97	–	172	–
[thereof trade]	[27]	[–]	[73]	[–]
Other receivables and assets	91,549	–	84,387	–
Total	**4,004,536**	–	**3,954,991**	–

Other receivables include a revolving loan of EUR 14,496 thousand (2011: EUR 11,454 thousand) to Trans Austria Gasleitung GmbH, as well as a tax credit of EUR 72,935 thousand (2011: EUR 71,126 thousand) in respect of corporate tax prepayments.

3 Stockholders' equity

The capital stock of OMV Aktiengesellschaft consists of 327,272,727 (2011: 327,272,727) fully paid no par value shares with a total nominal value of EUR 327,273 thousand (2011: EUR 327,273 thousand). There are no different classes of shares and no shares with special rights of control. All shares are entitled to dividends for the financial year 2012, with the exception of treasury shares held by OMV Aktiengesellschaft.

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

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

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

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

For 2012, the Executive Board of OMV Aktiengesellschaft proposes a dividend of EUR 1.20 (2011: EUR 1.10) per eligible share, which is subject to approval by the Annual General Meeting in 2013. The dividend for 2011 was paid in May 2012 and amounted to EUR 358,758 thousand (2011 payment amounted to EUR 298,797).

The Annual General Meetings for the years 2000 to 2011 (with the exception of 2010) approved the repurchase of treasury shares.

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

Treasury shares

	Number of shares	Cost EUR 1,000
January 1, 2011	**1,203,195**	**13,211**
Disposals	(4,320)	(47)
December 31, 2011	**1,198,875**	**13,164**
Disposals	(120,095)	(1,317)
December 31, 2012	**1,078,780**	**11,847**

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

Number of shares in issue

	Number of shares	Treasury shares	Shares in issue
January 1, 2011	**300,000,000**	**1,203,195**	**298,796,805**
Used to cover stock options	—	(4,320)	4,320
Capital increase	27,272,727	—	27,272,727
December 31, 2011	**327,272,727**	**1,198,875**	**326,073,852**
Used to cover stock options	—	(120,095)	120,095
December 31, 2012	**327,272,727**	**1,078,780**	**326,193,947**

4 Untaxed reserves

The **untaxed reserves** are valuation reserves related to undeveloped and developed land, amounting to EUR 432 thousand (2011: EUR 432 thousand).

5 Provisions

Provisions for employee benefits are recognized in accordance with IAS 19. The indexed pension commitments in respect of currently active employees of OMV Aktiengesellschaft were transferred to an external pension fund managed by APK-Pensionskasse AG in earlier years. The defined benefit plans are generally based on years of service and the employee's average compensation over the last five calendar years of employment.

These pension plans are non-contributory. Changes in the funding of defined benefit plans, and in provisions for jubilee payments were as follows:

EUR 1,000

			2012			2011
	Pensions	Severance payments	Jubilee payments	Pensions	Severance payments	Jubilee payments
Present value of funded obligations	35,565	—	—	34,093	—	—
Market value of plan assets	(27,648)	—	—	(21,901)	—	—
Unrecognized actuarial gains/(losses)	4,584	—	—	(5,729)	—	—
Provision for funded obligations	**3,333**	**—**	**—**	**6,463**	**—**	**—**
Present value of unfunded obligations	—	9,944	1,749	—	10,382	1,146
Unrecognized actuarial gains/(losses)	—	1,184	—	—	1,480	—
Provision for unfunded obligations	**—**	**11,128**	**1,749**	**—**	**11,862**	**1,146**
Provision as of January 1	**6,463**	**11,862**	**1,146**	**6,576**	**8,323**	**412**
Expense for the year	757	17	737	1,709	1,663	(8)
Payments to funds	(3,887)	—	—	(2,498)	—	—
Benefits paid	—	(966)	(167)	—	(2,997)	(97)
Group transfer	—	215	33	676	4,873	839
Provision as of December 31	**3,333**	**11,128**	**1,749**	**6,463**	**11,862**	**1,146**
Interest cost	588	503	55	1,498	529	58
Current service cost	352	1,231	131	543	1,205	111
Expected return on plan assets		—	—	(950)	—	—
Amortized actuarial (gains)/losses	(183)	(1,717)	551	618	(71)	(177)
Expenses of defined benefit plans for the year	**757**	**17**	**737**	**1,709**	**1,663**	**(8)**

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

		2012		2011
	Pensions	Severance, jubilees	Pensions	Severance, jubilees
Capital market interest rate	5.00%	5.00%	4.75%	4.75%
Future increases in salaries	3.85%	3.85%	3.85%	3.85%
Future increases in pensions	1.80%	—	1.80%	—
Long-term rate of return on plan assets	4.25%	—	4.75%	—

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

Allocation of plan assets as of December 31

		2012		2011
	VRG IV	VRG VI	VRG IV	VRG VI
Asset category				
Equity securities	24.23%	—	24.00%	18.80%
Debt securities	52.88%	1.52%	43.80%	15.00%
Cash and money market investments	20.52%	98.48%	20.70%	66.20%
Other	2.37%	—	11.50%	—
Total	**100.00%**	**100.00%**	**100.00%**	**100.00%**

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

The funds of the asset allocation and risk group VRG IV are invested in international equity and bond funds, alternative investment strategies (absolute return strategies, real estate and private equity) as well as money market investments. As part of the risk diversification policy, in selecting the asset managers, their different management styles and investment approaches have been taken into account.

The investment management policy for the funds of VRG VI is a value-at-risk approach. The process involves investing in global equity markets, European bond instruments and low-risk money market funds with a defined worst-case loss limit, whereby the tactical allocation of funds is very flexible and model-driven. At the same time, the opportunity of benefiting from positive stock market performance shall be partly maintained.

Favorable or adverse variances in the performance of individual VRGs compared with target returns on plan assets exist, due to their different maturities and to different developments in the capital markets. In 2012, the performance of VRG IV was above the target return with a performance of 9.76%, while VRG VI was below the target return with a performance of 3.03%.

For 2013, defined benefit related contributions to APK-Pensionskasse AG of EUR 17,500 thousand are planned.

Other provisions largely consisted of the following:

EUR 1,000

	2012	2011
Personnel provisions	34,285	41,262
Sundry provisions	24,611	22,924
Total	**58,896**	**64,186**

Personnel provisions include a provision for share options granted, amounting to EUR 16,381 thousand (2011: EUR 25,664 thousand). This comprises provision of EUR 935 thousand for the existing stock option plan and of EUR 15,446 thousand for the Long Term Incentive Plan. Other provisions include a provision of EUR 22,104 thousand (2011: EUR 22,104 thousand) for possible recourse to a reinsurance policy.

A provision of EUR 34,248 thousand (2011: EUR 33,753 thousand) was made during the year under review due to the recognition of a corporate tax provision for the retroactive taxation of foreign tax group members' tax losses at top-tier corporation level. In addition a provision of EUR 29,588 thousand (2011: EUR nil) was recognized for future tax liabilities arising from the transfer of a loss incurred by a tax group member which will be offset against future positive tax contributions.

6 Liabilities

EUR 1,000

	2012		2011	
	≤1 year	>1 year	≤1 year	>1 year
Bonds	—	4,201,730	—	3,000,000
Amounts due to banks	—	—	264,582	490,000
Accounts payable from trade	6,899	—	8,890	—
Accounts payable to affiliates	867,201	503,436	438,095	860,920
[thereof trade]	[9,654]	[—]	[4,828]	[—]
Other liabilities	300,622	14,852	328,240	12,567
[thereof taxes]	[181,510]	[—]	[214,949]	[—]
[thereof social security expenses]	[700]	[—]	[697]	[—]
Total	**1,174,722**	**4,720,018**	**1,039,807**	**4,363,487**

Other liabilities include personnel separation expenses of EUR 9,156 thousand (2011: EUR 6,511 thousand) and interest expenses for bonds of EUR 110,220 thousand (2011: EUR 106,362 thousand). Other liabilities include expenses 2012, which are made payable in 2013. The most important amounts comprise interest to bonds EUR 110,220 thousand (2011: 106,362 thousand).

Liabilities with maturities of more than five years include bond liabilities amounting to EUR 3,250,000 thousand (2011: EUR 1,750,000 thousand).

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

Contingent liabilities are as follows:

		EUR 1,000
	2012	2011
Guarantees	**3,039,127**	**2,446,302**
[thereof in favor of affiliated companies]	[3,024,341]	[2,427,917]

The change in contingent liabilities largely resulted from an increase from EUR 30,914 to EUR 251,491 thousand in the guarantee extended on behalf of OMV Supply & Trading AG and EUR 300,00 thousand in the guarantee given on behalf of OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş.

A guarantee on behalf of OMV FINANCE LIMITED remains unchanged; guarantees in favour of this company total EUR 1,500,000 thousand (2011: EUR 1,500,000 thousand).

OMV Aktiengesellschaft is liable for the redemption of the USD 320,000 thousand (EUR 242,534 thousand) US bond issued by OMV (U.K.) Limited.

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

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

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

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

A credit offer of EUR 500,000 thousand was given by OMV Aktiengesellschaft to OMV Petrom S.A. for funding the general corporate purposes. The facility is unsecured and was not used at December 31, 2012.

Notes to the income statement

8 Sales

EUR 1,000

	2012	2011
Domestic	126,142	118,245
Foreign	7,521	67,444
Total	**133,663**	**185,689**

As OMV Aktiengesellschaft has also been carrying out operational tasks since January 1, 2011, its sales consist both of corporate service charges paid by Group companies and of revenues generated by operational activities performed within Group companies. The foreign sales revenues 2011 included a one-time sale of diesel and condensate.

9 Other operating income

EUR 1,000

	2012	2011
Gains on the disposal of fixed assets other than financial assets	1,658	53
Gains on reversal of provisions	1,714	6,849
Other	1,732	5,814
Total	**5,104**	**12,716**

Gains on the disposal of fixed assets largely relate to a subsequent increase in the price of a plot of land sold in 2010. The gains on reversal of provisions mainly arose from provisions for employee benefits. Other operating income is chiefly derived from exchange differences and amounts billed on to subsidiaries.

10 Expenses for materials and services

EUR 1,000

	2012	2011
Cost of materials	394	64,556
Cost of services	12,242	12,860
Total	**12,636**	**77,416**

Cost of materials in 2011 largely reflects a one-time purchase of diesel and condensate. The expenses for services contain costs of services provided by third parties.

11 Personnel expenses

EUR 1,000

	2012	2011
Salaries	56,949	56,978
Statutory social security, and pay-related levies and compulsory contributions	9,510	8,339
Other expenses for employee benefits	165	143
Total	**66,624**	**65,460**

12 Expenses for serverance payments and pensions

EUR 1,000

	2012	2011
Expenses for severance payments	–	4,031
Payments to occupational pension funds	489	385
Defined contribution personnel expense	2,526	2,325
Defined benefit personnel expense	3,657	4,595
Total	**6,672**	**11,336**

The reversal of unrecognized actuarial gains from previous years led to a reduction in the provision for severance payments of EUR 486 thousand (2011: EUR nil) in the year under review; this is reported under gains on reversal of provisions.

Defined contribution pension expense includes EUR 3,228 thousand in provisions for personnel reduction programs (2011: EUR 3,143 thousand).

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

EUR 1,000

	2012		2011	
	Severance payments	Pensions	Severance payments	Pensions
Executive Board	484	845	3,380	966
Senior executives	245	632	184	565
Other employees	991	4,889	852	5,390
Actuarial gains and losses	(1,717)	(183)	–	–

13 Other operating expenses

EUR 1,000

	2012	2011
Taxes not shown under item 16 (Taxes on income)	1,271	8,591
Other	86,141	106,519
Total	**87,412**	**115,110**

The tax item largely concerns fees paid to Austrian Financial Market Authority. Other expenses include: EUR 26,298 thousand in insurance premiums, and legal and consultancy fees (2011: EUR 27,546 thousand), EUR 10,090 thousand in advertising expenditure (2011: EUR 11,224 thousand), and EUR 22,512 thousand in services (2011: EUR 21,812 thousand).

14 Financial income and expenses

Interest expenses include non-recurring expenses for the early repayment of EUR 42,309 thousand in financial liabilities. Of this amount EUR 3,505 thousand related to a loan from OMV FINANCE LIMITED, EUR 12,183 thousand to repayments of bank loans and EUR 26,621 thousand to the part-redemption of the 2009 bond.

Income from equity interests amounting to EUR 1,013,686 thousand (2011: EUR 771,054 thousand) include EUR 805,148 thousand (2011: EUR 643,535 thousand) from profit-pooling arrangements, EUR 204,255 thousand from affiliated companies (2011: EUR 123,936 thousand) and EUR 4,283 thousand (2011: EUR 3,583 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.

15 Taxes and income

EUR 1,000	2012	2011
Current taxes	(45,974)	(51,701)
Deferred taxes	4,828	(3,230)
Total	**(41,146)**	**(54,931)**

Current taxes comprise EUR 5,041 thousand in deferred tax income (2011: EUR 2,235 thousand) and EUR 40,934 thousand (2011: EUR 49,466 thousand) in corporate tax income attributable to the top-tier corporation in consequence of the formation of a tax group under section 9 Corporate Tax Act, after the tax contributions charged. Current corporate tax income is net of corporate tax expense of EUR 495 thousand (2011: EUR 19,266 thousand) due to the recognition of a corporate tax provision for the retroactive taxation of tax losses declared by foreign tax group members. Due to the recognition of a corporate tax provision for future tax liabilities arising from the transfer of a loss incurred by a tax group member which will be offset against future positive tax contributions, current corporate tax income is net of corporate tax expense of EUR 29,588 thousand (2011: EUR nil).

Deferred tax expense is EUR 4,828 thousand (2011: Deferred tax income of EUR 3,230 thousand). The change in deferred tax is due to the reversal of sevenths of the impairment recognized in 2010 and to reversals of various provisions.

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 million has been swapped from fixed to floating rates. The interest rate spread between the swap and the loan is accounted for as an adjustment to interest expense.

EUR 1,000

			2012			2011
	Nominal value	Fair value	Carrying value	Nominal value	Fair value	Carrying value
Interest rate Swap (USD)	37,896	4,251	—	38,643	5,462	—
FX Swap EUR-HRK	—	—	—	11,941	17	—
FX Swap EUR-AUD	31,652	(224)	(224)	—	—	—
FX Swap EUR-HUF	74,814	308	—	—	—	—
FX Swap EUR-NOK	500,803	(3,597)	(3,597)	—	—	—
FX Swap EUR-USD	418,637	29	—	—	—	—

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

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

17 Governing bodies, employees and Related Parties

The **average number of employees** was:

	2011	2011
Salaried employees	419	398
Total	**419**	**398**

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

Remuneration received by the Executive Board — EUR 1,000

2012	Davies	Floren	Huijskes	Leitner	Roiss	**Total**
Fixed remuneration for 2012	744	500	529	500	800	**3,072**
Variable remuneration [1]	784	625	406	436	1,051	**3,302**
Benefits in kind (company car, accident insurance) and reimbursed expenses	10	7	8	8	8	**41**
Total (excluding severance and post-employment payments, pension fund contributions and payments in lieu of holiday)	**1,538**	**1,132**	**943**	**944**	**1,859**	**6,415**
Number of gross shares from long term incentive plan 2009	27,362	—	—	9,044	39,906	76,312

[1] The variable remuneration refers to payments for 2011, except for EUR 625 thousand, which relate to prepayments for 2012.

Remuneration received by the Executive Board — EUR 1,000

2011	Auli	Davies	Huijskes	Leitner	Roiss	Ruttenstorfer	**Total**
Fixed remuneration for 2011	600	735	500	375	779	200	**3,188**
Variable remuneration 1	900	900	213	0	1,050	1,200	**4,263**
Benefits in kind (company car, accident insurance) and reimbursed expenses	8	10	8	6	8	2	**43**
Total (excluding severance and post-employment payments, pension fund contributions and payments in lieu of holiday)	**1,508**	**1,645**	**721**	**381**	**1,837**	**1,402**	**7,494**
Benefits from stock options exercised	70	—	—	—	—	—	70

[1] The variable remuneration refers to payments for 2010, except for EUR 175 thousand, which relate to prepayments for 2011.

The total remuneration including severance payments, post-employment payments, pension fund contributions and payments in lieu of holiday in 2012 amounted to EUR 7,715 thousand (2011: EUR 13,886 thousand).

The members of the Executive Board and the members of the Supervisory Board are covered by directors and officers liability insurance (D&O) and legal costs insurance. A large number of other OMV employees also benefit from these two forms of insurance, and the insurers levy lump-sum premiums, which are not specifically attributed to the Board members. Compensation of former members of the Executive Board and their surviving dependents amounted to EUR 5,035 thousand (2011: EUR 1,894 thousand).

In 2012, the total remuneration (excluding stock option plans) of 52 top executives (excluding the Executive Board; 2011: 49) amounted to EUR 28,712 thousand (2011: EUR 23,232 thousand), of which basic remuneration, such as salaries, accrued vacations and bonuses was EUR 18,663 thousand (2011: EUR 18,244 thousand) and EUR 1,525 thousand (2011: EUR 1,424 thousand) were expenses for pension fund contributions. The expenses for severance benefits were EUR 1,717 thousand (2011: EUR 2,958 thousand), and other long-term benefits amounted to EUR 196 thousand (2011: EUR 111 thousand).

In 2012, remuneration expenses for the Supervisory Board amounted to EUR 394 thousand (2011: EUR 394 thousand).

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

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.

Regarding the expenses rendered by the Auditor for the year just ended we refer to the consolidated financial statements of OMV Aktiengesellschaft.

18 Dividend recommendation

Unappropriated income for the 2012 financial year amounted to EUR 401,030 thousand (2011: EUR 392,035 thousand).

For 2012, the Executive Board of OMV Aktiengesellschaft proposes a dividend of EUR 1.20 (2011: EUR 1.10) per eligible share, which is subject to approval by the Annual General Meeting in 2013. The dividend for 2011 was paid in May 2012 and amounted to EUR 358,758 thousand (2011 payment amounted to EUR 298,797).

Changes in untaxed reserves

EUR 1,000

	As of Jan. 1, 2012	Allocations/ utilization	Transfer	**As of Dec. 31, 2012**
Valuation reserve for impairments				
Tangible assets				
Land	432	–	–	432
	432	**–**	**–**	**432**

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

	Equity interest in %	Equity/negative equity as of Dec. 31, 2012		Net income/loss in 2012
				1,000 in stated currency
Domestic				
LMG Lagermanagement GmbH, Wr. Neustadt	100,00	EUR	30	(5)
OMV Exploration & Production GmbH, Wien [1]	100,00	EUR	1,603,831	666,403
OMV Gas & Power GmbH, Wien [1]	100,00	EUR	181,809	37,159
OMV Insurance Broker GmbH, Wien [1]	100,00	EUR	45	162
OMV Refining & Marketing GmbH, Wien [1]	100,00	EUR	842,733	48,009
OMV Solutions GmbH, Wien [1]	100,00	EUR	583,423	52,558
students4excellence GmbH, Wien [2]	20,00	EUR	44	4
Foreign				
Amical Insurance Limited, Douglas	100,00	EUR	39,736	6,408
OMV AUSTRALIA PTY LTD, Sydney [1]	100,00	AUD	(125,984)	9,879
OMV FINANCE LIMITED, Douglas	100,00	EUR	24	(37)
OMV Petrol Ofisi Holding Anonim Şirketi, Istanbul [3]	100,00	TRY	5,646,892	212,886
OMV Petrol Ofisi A. Ş., Istanbul [4]	41,58	TRY	1,557,093	99,915
OMV PETROM SA, Bukarest	51,01	RON	21,320,350	4,151,657

1 Tax group member under section 9 Corporate Tax Act.
2 Figures for 2011.
3 Individual shares are held by other Group companies (in total below 0.01%).
4 OMV Petrol Ofisi Holding Anonim Şirketi holds 55.40% indirectly, and OMV owns a total of 96.98%.

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

	As of Jan. 1, 2012	Additions
Intangible assets		
Licenses	3	–
	3	**–**
Tangible assets		
Land	790	–
Plant and equipment	–	–
Other fixtures and fittings, tools and equipment	1,014	136
	1,804	**136**
Financial assets		
Investments in affiliated companies	8,839,338	147,620
Loans to affiliated companies	997,223	38,436
Other investments	26,632	–
Securities (loan stock rights) held as fixed assets	8,198	–
Other lendings	50,885	–
	9,922,276	**186,056**
	9,924,083	**186,192**

EUR 1,000

Transfers	Disposals	As of Dec. 31, 2012	Depreciation and amortization (cumulative)	Carrying value as of Dec. 31, 2012	Carrying value as of Dec. 31, 2011	Depreciation and amortization	Impairment in 2012
—	—	3	3	—	1	1	—
—	**—**	**3**	**3**	**—**	**1**	**1**	**—**
—	—	790	—	790	790	—	—
—	—	—	—	—	—	—	—
—	207	943	528	415	529	152	—
—	**207**	**1,733**	**528**	**1,205**	**1,319**	**152**	**—**
—	35	8,986,923	1,042,324	7,944,599	7,797,015	—	—
—	—	1,035,659	739	1,034,920	996,879	395	—
—	—	26,632	—	26,632	26,632	—	—
—	—	8,198	3,692	4,506	4,506	—	—
—	12,985	37,900	28	37,872	50,856	—	—
—	**13,020**	**10,095,312**	**1,046,783**	**9,048,529**	**8,875,888**	**395**	**—**
—	**13,227**	**10,097,048**	**1,047,314**	**9,049,734**	**8,877,208**	**548**	**—**

Supervisory Board

Markus Beyrer
Chairman till October 31, 2012

Rudolf Kemler
Chairman from November 1, 2012

Wolfgang C. Berndt
Deputy Chairman

Khadem Al Qubaisi till May 10, 2012
Deputy Chairman

Murtadha Al Hashmi from May 10, 2012
Deputy Chairman

Alyazia Ali Saleh Al Kuwaiti

Elif Bilgi-Zapparoli

Helmut Draxler

Wolfram Littich

Herbert Stepic

Herbert Werner

Norbert Zimmermann

Delegated by the Works Council:
Leopold Abraham till December 31, 2012
Christine Asperger from January 1, 2013
Wolfgang Baumann
Franz Kaba
Ferdinand Nemesch
Martin Rossmann

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

Presidential and Nomination Committee:
Beyrer (Chairman till October 31, 2012), Kemler (Chairman from November 1, 2012), Berndt (Deputy), Al Qubaisi (Deputy till May 10, 2012), Al Hashmi (Deputy from May 10, 2012), Al Kuwaiti, Baumann, Rossmann

Audit Committee:
Beyrer (Chairman till October 31, 2012), Kemler (Chairman from November 1, 2012), Berndt (Deputy), Al Qubaisi (Deputy till May 10, 2012), Al Hashmi (Deputy from May 10, 2012), Draxler, Littich, Werner, Baumann, Nemesch, Rossmann

Project Committee:
Beyrer (Chairman till October 31, 2012), Kemler (Chairman from November 1, 2012), Berndt (Deputy), Al Qubaisi (Deputy till May 10, 2012), Al Hashmi (Deputy from May 10, 2012), Al Kuwaiti, Littich, Zimmermann, Kaba, Nemesch, Rossmann

Remuneration Committee:
Beyrer (Chairman till October 31, 2012), Kemler (Chairman from November 1, 2012), Berndt (Deputy), Al Qubaisi (Deputy till May 10, 2012), Al Hashmi (Deputy from May 10, 2012), Zimmermann

Executive Board

Vienna, March 20, 2013

The Executive Board

Gerhard Roiss
Chairman

David C. Davies
Deputy Chairman

Hans-Peter Floren

Jacobus Huijskes

Manfred Leitner

Abbreviations and definitions

ACC Austrian Commercial Code

ACCG Austrian Code of Corporate Governance

AGM Annual General Meeting

bbl, bbl/d barrel (1 barrel equals approximately 159 liters), barrels per day

bcf, bcm billion standard cubic feet (60 °F/16 °C), billion cubic meters (32 °F/0 °C)

bn billion

boe, boe/d barrel of oil equivalent, boe per day

CAPEX Capital Expenditure

capital employed equity including minorities plus net debt

cbm, cf standard cubic meters, standard cubic feet

CEE Central and Eastern Europe

Co&O Corporate and Other

E&P Exploration and Production

EBIT Earnings Before Interest and Taxes

EPS Earnings Per Share; net income attributable to stockholders divided by total weighted average shares

equity ratio stockholders' equity divided by balance sheet total, expressed as a percentage

EU European Union

EUR euro

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

IVMS In-Vehicle Monitoring System

kboe, kboe/d thousand barrels of oil equivalent, thousand boe per day

KPI Key Performance Indicator

LNG Liquefied Natural Gas

LTIR Lost-Time Injury Rate

mn million

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)

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

NOPAT Net Operating Profit After Tax; profit on ordinary activities after taxes plus net interest on net borrowings, +/– result from discontinued operations, +/– tax effect of adjustments

OPEX Operating Expenditures; production cost, cost of material and personnel during production excluding royalties

payout ratio dividend per share divided by earnings per share, expressed as a percentage

polymers, polyolefins monomers in the chain shape; collective term for polyethylene and polypropylene

PRT, PRRT Petroleum Revenue Tax, Petroleum Resource Rent Tax – these taxes exist in the UK and Australia

Q1, Q2, Q3, Q4 first, second, third, fourth quarter of the year

R&M Refining and Marketing including petrochemicals

ROACE Return On Average Capital Employed; NOPAT divided by average capital employed expressed as a percentage

ROE Return On Equity; net income for the year divided by average 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 excluding production, divided by total production

sales revenues sales excluding petroleum excise tax

SEE Southeastern Europe

t, toe metric tonne, tonne of oil equivalent

TRIR Total Recordable Injury Rate

TRY Turkish lira

USD US dollar

For more abbreviations and definitions please visit www.omv.com > Press Room > Glossary.

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

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