

OMV Aktiengesellschaft Annual Report 2001





Abbreviations and definitions.

ACC	Austrian Commercial Code
bbl, bbl/d	barrel (1 barrel equals approximately 159 liters), barrel per day
bn	billion
cbm, cf	standard cubic meter (0 °C/32 °F), standard cubic feet
CEO	Chief Executive Officer
CFO	Chief Financial Officer
C & P	Chemicals and Plastics
EBIT	earnings before interest and tax
equity ratio	stockholders' equity divided by balance sheet total expressed as a percentage
EU, EUR	European Union, euro
E & P	Exploration and Production
EVA®	Economic Value Added, registered by Stern Stewart & Co.
gearing ratio	net debt divided by stockholders' equity expressed as a percentage
mn	million
net income	net operating profit after interest, tax and extraordinary items
NOPAT	net operating profit after tax; net income plus interest and extraordinary items after tax
payout ratio	dividend divided by earnings per share expressed as a percentage
P/CF	price-cash flow ratio; share price divided by cash flow per share
P/E	price-earnings ratio; share price divided by earnings per share
ROACE	return on average capital employed; NOPAT divided by average capital employed expressed as a percentage
R & M	Refining and Marketing
t, toe	metric ton; ton(s) of oil equivalent
USD	US dollar



Contents.

In the course of a highly successful year 2001 we laid the groundwork for organic growth. We are already a lean, financially strong organization, and are heading in the right direction. Movement is also the theme of our new image campaign. The green power button symbolizes our ability to get things moving wherever we are – and mobility is part of our everyday business.

(Wolfgang Ruttenstorfer)

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Dear Stockholders,

The Executive Board is pleased to present the Annual Report 2001 of OMV Aktiengesellschaft and appreciates your support and interest in OMV.



Highlights of 2001.

January

OMV's 3D expertise leads to the discovery of high grade crude in the Timor Sea offshore north-western Australia.

February

The 100,000 bbl/d PARCO refinery in Pakistan is completed in a record 32 months (OMV stake 10%).

March

Significant oil discovery on Block NC 186 in Libya's Murzuk Basin.

April

Logistics in Hungary improved by the commissioning of a new 40,000 cbm tank farm in Csepel-Budapest.

A joint venture led by OMV signs an exploration agreement for a 2,500 sq km area on the Mehr Block in Iran.

May

The Annual Stockholders' Meeting approves a dividend of EUR 4.30 per share, a stock option plan for the Executive Board and other senior executives, and an increase in the Company's authorized capital to eight million no par shares.

June

The OMV management outlines its objectives and strategy to over 40 leading analysts at a two-day meeting in Vienna.

July

Expansion of exploration territory in the Middle East continues with OMV's first exploration agreement in Yemen.

August

The development of the Patricia Baleen gas field offshore Australia begins with OMV as operator. A group including OMV wins two exploration licences in the UK sector of the North Atlantic.

Agrolinz Melamin GmbH consolidates its position as the world's number two melamine producer, and work begins on the construction of a new plant in Germany.

September

An Extraordinary Stockholders' Meeting approves the spin-off of the Gas business, as well as an investor friendly amendment to the articles of incorporation providing for the equal treatment of minor shareholders.

October

The first half of the TAG Loop II gas pipeline project is commissioned.

The appointments of Wolfgang Ruttensstorfer and Gerhard Roiss as Chairman and Deputy Chairman of the Executive Board are confirmed, and Helmut Langanger joins the Board.

OMV wins the 2001 Austrian Stock Exchange Award.

November

In connection with an agreement to develop the Sawan field in Pakistan a group headed by OMV signs a gas supply deal with the Pakistani Government and Sui Southern Gas Company Ltd.

December

David C. Davies is appointed CFO with effect from April 1, 2002.



Statement of the Chairman of the Supervisory Board.

I should like to thank the departing members of the Supervisory and Executive Boards for their efforts on behalf of the OMV Group, and for their valuable contributions.

Dear Stockholders,

I am delighted to be able to write to you for the first time in my new capacity as Chairman of the Supervisory Board. The 2001 financial year saw major changes in the Company's governing bodies. On May 23, Oskar Grünwald chaired his last Annual Stockholders' Meeting after more than 26 years on the Supervisory Board, 18 of which as Chairman. At the end of 2001, Richard Schenz retired from the Executive Board, of which he had been a member since 1988, serving as Chief Executive Officer for the last nine years. Both men were closely associated with OMV's transformation from a state owned national company into a successful, listed international group. Tassilo Peyrer-Heimstätt, who was responsible for Refining and Marketing for more than five years, also stepped down from the Executive Board at the end of the year.

The Supervisory Board has appointed two top executives with international reputations, Helmut Langanger and David C. Davies, to the Executive Board. As a result, OMV now has a strong senior management team that is ideally suited to the task of shaping the Company's future.

In May Rudolf Streicher and Norbert Beinkofer left the Supervisory Board. In their place we are fortunate to have Wolfram Littich and Norbert Zimmermann, who bring exceptional business expertise to the Board. At the end of the year Johannes Ditz resigned from his position as Chairman. I would like to take this opportunity of expressing my admiration and gratitude for the calm, professional manner in which he consistently focused on the strategic positioning of OMV.

The results for 2001 are extremely gratifying, and once again represent a significant improvement on the previous year,

despite a more adverse economic climate, especially in the fourth quarter. This shows that our chosen strategy of integration, continuous growth in all business segments and a determined effort to reduce costs has been the right one, and is bearing fruit. One of the main milestones of 2001 was the creation of a competitive structure for the Gas business. Although negotiations were initially strained, the ability of the Executive Board and employee representatives to compromise made it possible to establish an organization that will sustain the major contribution these operations make to results, even in a liberalizing market.

We have to be prepared for deteriorating trading conditions and take account of the increased economic uncertainty. Nevertheless, OMV has strong foundations, and should be capable of increasing stockholder value even in difficult trading environments thanks to its strong profitability, competitiveness and commitment to growth. Apart from the core strategy of accelerating organic growth, we must consider the opportunities created by the current consolidation in the oil industry in Central and South-Eastern Europe. Given our existing financial strength and flexibility, these should provide further options for repositioning the Group. Size is not an end in itself, however, and it will be important to look very closely at the potential of any expansion moves for sustained value growth.

In order to reinforce your confidence in us, for the first time we have included a section on corporate governance in the annual report of the OMV Group which sets out our principles for management and control, which are driven by our value creating approach.

Peter Michaelis



Members and Report of the Supervisory Board.

Oskar Grünwald ^{1) 2) 3)}
(Chairman until May 23)

Johannes Ditz ^{1) 2) 3)}
(Deputy Chairman until May 23
and Chairman until December 31)

Peter Michaelis ^{1) 2) 3)}
(Deputy Chairman from May 23 and
Chairman from January 1, 2002)

Mohamed Nasser Al Khaily ^{1) 2) 3)}
(Deputy Chairman)

Norbert Beinkofer (until May 23) ^{2) 3)}

Helmut Draxler

René Alfons Haiden

Murtadha Mohammed Al Hashemi ³⁾

Richard Leutner

Wolfram Littich (from May 23) ^{2) 3)}

Rudolf Streicher (until May 23) ³⁾

Herbert Werner

Norbert Zimmermann (from May 23) ³⁾

Delegated by the Central Works Council as
per section 110 para. 1 Labor Relations Act:

Leopold Abraham ^{1) 2) 3)}

Hugo Jandl ^{1) 2) 3)}

Franz Kiegler ³⁾

Franz Kaba

Herbert Nedbal

Committees: ¹⁾ Presidential ²⁾ Accounts ³⁾ Projects

In addition to its core responsibilities of advising and supervising the Group's management, one of the Supervisory Board's key tasks in 2001 was the appointments to the Executive Board. With the assistance of international executive search consultants and after extensive deliberations, on October 23 the Board approved the appointment of Mr. Langanger and on December 20 of Mr. Davies. Mr. Ruttendorfer was appointed Chairman and CEO and Mr. Roiss Deputy Chairman.

In 2001 there were eight **meetings** of the Supervisory Board. The Executive Board provided detailed quarterly reports on the Group's performance, its business segments, its major investments, as well as the business climate and outlook. The agendas allowed for detailed discussion of strategic issues including the spinning-off of the Gas business and the new joint ventures in gas distribution. Following the interruption of the meeting of March 15 by employee representatives, at its next meeting the Supervisory Board was able to reach unanimous agreement on the new structure of the Gas segment.

Other important topics included expansion projects in E & P, entry to the Serbian and Bosnian markets in Marketing, and the construction of a melamine plant in Germany. The Supervisory Board reviewed all the project submissions to ensure that they were economically sound and in conformity with the Group's strategy. Financial projections for major investments were checked.

Because of the thoroughness with which plenary sessions of the Board examined these matters, no meetings of the **Project Committee** were held. The **Presidential Committee** met twice to discuss consultancy agreements and Executive Board matters. The **Accounts Committee** met on March 1, 2001 with the auditors.

The Executive Board submitted the annual financial statements of OMV Aktiengesellschaft and the consolidated financial statements for the year ended December 31, 2001 to the Supervisory Board. All financial statements were audited by Arthur Andersen Wirtschaftsprüfungsgesellschaft m.b.H., Vienna, and granted an unqualified audit certificate. The directors' reports are consistent with the financial statements. The Supervisory Board hereby states its agreement with the directors' report issued pursuant to section 127 of the Austrian Stock Corporation Act and approves the annual financial statements, which are thereby adopted in accordance with section 125 para. 2 of the Austrian Stock Corporation Act. The Supervisory Board also states its agreement with the consolidated financial statements and Group directors' report prepared pursuant to section 244 of the ACC. The Supervisory Board approves the Executive Board's proposal to pay a dividend of EUR 3 and a special bonus of EUR 1.30 per no par value share and to carry forward the remaining of EUR 310,786.76 to new account.

Vienna, March 19, 2002
The Supervisory Board



Executive Board.

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

Richard Schenz

*Chairman and Chief Executive Officer
(until December 31, 2001)*

Born in 1940, married, two children. After completing his technical studies in Vienna Richard Schenz joined OMV in 1969. Initially dealing with production planning and the expansion of the Schwechat refinery. In 1988 he was appointed as the Executive Board member responsible for oil refining and petrochemicals, becoming Chairman in 1992. Until the end of 2001 he headed General Management and Chemicals.

Wolfgang Ruttendorfer

Deputy Chairman

Born in 1950, married, two children. Ruttendorfer began his career with OMV after graduating from the Vienna University of Economics in 1976, going on to head the planning and financial control, corporate development and marketing functions, among others. He joined the Board in 1992, with responsibility for Finance and Chemicals until the start of 1997. At the beginning of 2000 he returned to the OMV Group as Deputy CEO and head of Finance, as well as taking charge of the Gas segment. He will become CEO and Chairman of the Board on January 1, 2002, and will be responsible for Gas and the Chemicals businesses. He will continue to serve as finance director until the end of March 2002.

Tassilo Peyrer-Heimstätt

(until December 31, 2001)

Born in 1940, married, four children. While working for Mobil Mr. Peyrer-Heimstätt held various positions in the marketing, planning and procurement departments in Vienna, London and New York, and was chief executive of subsidiaries in Lissabon, Rotterdam and Istanbul as well as in Germany. In 1996 he moved to the OMV Group to take up a position on the Executive Board, and until the end of 2001 he headed Refining and Marketing.

Gerhard Roiss

Born in 1952, married, three children. His business education at Vienna, Linz and Stanford prepared him for managerial responsibilities at various companies in the consumer goods industry. In 1990 he took over as head of OMV's Group marketing department. In the same year he was appointed to the board of PCD Polymere GmbH, becoming chairman in March 1997. In September 1997 he joined the OMV Executive Board. Until the end of 2001 he had assumed responsibility for Exploration and Production and for the Plastics operations. On January 1, 2002 Gerhard Roiss will become Deputy Chairman, and will be responsible for Refining and Marketing, as well as for the Plastics business.

**From left to right:
Richard Schenz,
Wolfgang Ruttendorfer,
Tassilo Peyrer-Heimstätt,
Gerhard Roiss**



Helmut Langanger will take charge of the Exploration and Production segment on January 1, 2002. He had been Senior Vice President for Exploration and Production since 1992, and played a key role in building the Company's international exploration and production portfolio.

David C. Davies, MBA was appointed to the Board with effect from April 1, 2002 and will take over as head of Finance. He is moving from Morgan Crucible Company plc, a London Stock Exchange listed British company which specializes in advanced materials, where he was finance director.

The terms of office of all Board members appointed on January 1, 2002 run until the end of March 2006.



Statement of the Chairman of the Executive Board.

Dear Stockholders,

2001 was a remarkably successful year for us in a number of ways. We once again reported a significant improvement on the previous year's record set of results, fully achieving our targets. Moreover, our stock outperformed the average for its peer group in the world oil and gas industry and rose by more than 14%. In spite of this, I am not yet satisfied with the absolute level of our share price.

These results demonstrate the energy and abilities of our workforce, and I should like to thank them for their contribution.

Certainly, the favorable trading environment played a part in these record results, though market conditions were already worsening compared to the previous year. However, we would not have returned results like these if we had not already built up the right kind of portfolio and taken steps to increase our efficiency. EBIT was up by EUR 119 mn to EUR 610 mn, ROACE reached 14%, and EVA[®] rose by 32% to EUR 123 mn.

Among the highlights of this year's investment policies in E & P, Marketing and melamine were: major oil discoveries in Libya; the start-up of production at the Miano gas field in Pakistan; the acquisition of a number of filling stations in Central and Eastern Europe; entry into the Yugoslav market; and the commencement of construction of a melamine plant in Germany. The restructuring and spinning-off of the Gas business was an important step towards maintaining income in an open, liberalized market. OMV Service Netzwerk GmbH, which provides the Group's operating segments with customer led services, has come through its first full year with flying colors.

The vision for OMV

Doubling our size through organic growth

As stockholders, you are entitled to an insight into our vision for the Group in five to seven years' time — particularly from a new chairman. I see OMV doubling in size during this period, by way of organic growth. Naturally, we are also prepared to take advantage of the oppor-

tunities offered by the consolidation of the Central and East European oil industry, provided that the risks of such acquisitions are manageable, and that they are value accretive. These privatizations are subject to a great deal of political influence, and local decision-makers usually have the last word.

Organic growth is therefore OMV's core strategy, and we intend to implement it by pushing ahead with our plans for globalization and integration. I see OMV increasingly selling its own products, balancing the ratio of Refining to Marketing to 1:1, and that we will produce half of the crude required ourselves, thereby giving a ratio of 0.5:1:1.

Getting there

To reach this goal, we must grow our output of hydrocarbons by an annual average of more than 10%. OMV aims to be number one in Central and Eastern Europe, with a share of more than 20% of a market of some 150 mn people and 100 mn tons of petroleum products. We want the Gas business to be a supplier on a Central European scale, and a major transmission hub. And we want the melamine business to be one of the world leaders.

I am well aware that these are ambitious goals, and that we will have to do everything in our power to keep driving growth and profitability if we are to stand up to the competitive pressures we face. In the 1990s OMV was a typical national oil company, and its financial performance was modest in international terms. Looking back, we can now see that the Group has done what was needed to keep pace with the vast changes that occurred in the past decade. This gives me confidence in our ability to attain our goals for the coming years.

Today OMV is active in over 30 countries, and over 40% of its sales are generated abroad. Some 60% of our filling stations are outside Austria, half of our oil and gas is produced abroad, and our



international operations employ a quarter of our workforce. Our profits per barrel of oil equivalent produced are in the top tertile of the European oil industry as a whole. We have grown significantly, at 13% our ROACE is fast approaching that of the majors, and our gearing ratio is only 17%. In short, OMV already has a strong track record, and is ideally placed for organic growth.

Big boost for capital expenditure

Innovation and entrepreneurial attitudes at all levels creating new growth potential

We will pursue our strategic objectives for E&P in new and existing target areas, adopting a selective niche policy with regard to project types and sizes. The core market for Marketing will remain Central and Eastern Europe where there is still plenty room for expansion. To grow this business, we shall need new logistics networks. All the demand forecasts for gas project growth. By entering new distribution joint ventures we should soon become the leading direct supplier in Austria, and break into the markets of neighboring countries. In the melamine business we are building new plants and launching into new markets. Our investment program is based on these objectives, and is to be stepped up to EUR 2.7 bn for the 2002–2004 period. Around 64% of this amount is being invested in growth and expansion, and 36% in rationalization and maintenance.

Record results unlikely to hit again— aim is accelerated growth

Financial strength is important, but it is not the only yardstick of success. Although OMV already has many unique strengths, we must continue to be innovative in order to develop new business drivers. Our existing strong points include technical expertise, excellent filling stations that serve as multi-channel outlets, the long-term Russian gas contracts, the large gas storage facilities and transmission capacities, and industry-leading melamine process technology.

The right corporate culture and corporate structure

In short: Move and More. OMV gets things moving.

No business can prosper without a clear strategy, but corporate culture and structure are equally crucial to success.

Precisely because of the changing business environment and our stated growth strategy, we must be careful not to lose sight of our values, standards and ability to communicate.

We must not forget that the workforce is one of our key success factors. Here, too, we observe the principle: "What gets measured, gets done." We collect data on employee health and job satisfaction, communication and information, employees and organization, and collate this into a human capital index. We also assign top priority to safety. OMV has always followed responsible environmental policies and sought to continuously improve its standards. Our research and development programs enhance the efficiency of our products and reduce their impact on the environment. At the same time, we promote progressive, environmentally aware attitudes on the part of each and every staff member. This involves empowerment, and ensuring that our people enjoy their work.

We will continue to strive to build flexible structures that will enable us to make further progress in cutting costs, flattening hierarchies, pooling expertise and decentralizing responsibility whilst constantly adapting to market conditions.

The benefits of all the hard work done in past years were especially apparent in 2001. Results like these cannot be repeated at will. The economic outlook is not rosy, and the oil industry faces hard times. But I strongly believe in OMV's potential. If we successfully implement our strategy, the growth rate for the next three years will exceed 10%, our gearing ratio should not be above 30% despite the heavy investment program, and the return on invested capital will three percentage points above the weighted average cost of capital.

Wolfgang Ruttendorfer



OMV stock.

Strong performance despite troubled conditions

Market trends for oil and gas stocks during the year reflected volatile crude, and falling gas prices and the aftermath of the tragic events of September 11.

Despite generally depressed market sentiment OMV stock held up very well, ending the year 14% up and thereby outperforming the industry average (FTSE Oil & Gas Index 6% down) by a wide margin. The OMV stock also performed well in comparison to other indices. The ATX was alone in recording a gain for the year (up by 6% to 1,140.36 points), with the main exchanges all retreating (Dow Jones off by 7%, FTSE 100 by 16%, DAX by 20% and Nikkei by 24%).

OMV stock also did well in terms of turnover, which rose by 58%, from EUR 1.61 bn in 2000 to EUR 2.54 bn in the year under review. This made OMV the most liquid stock on the Vienna Stock Exchange, with a 15% share of total turnover (2000: 8%). Market capitalization on the Vienna Stock Exchange fell by almost 14%, to stand at EUR 23.7 bn, due to delistings.

Capital increase approved

The Annual General Meeting on May 23, 2001 approved a capital increase by way of the issuance of up to eight million no par shares corresponding to EUR 58.16 mn within five years. The purpose of this possible authorized capital is to provide scope for rapid and

flexible expansion. The Extraordinary Stockholders' Meeting held on September 20, 2001 resolved a shareholder friendly amendment to the articles of incorporation excluding the legal 15% discount on mandatory offers to minority shareholders.

In order to align their interests with those of the Company, in 2001 staff and management were again given an opportunity to acquire a stake in OMV, through a stock option plan for members of the Executive Board and other senior executives and an employee share ownership scheme.

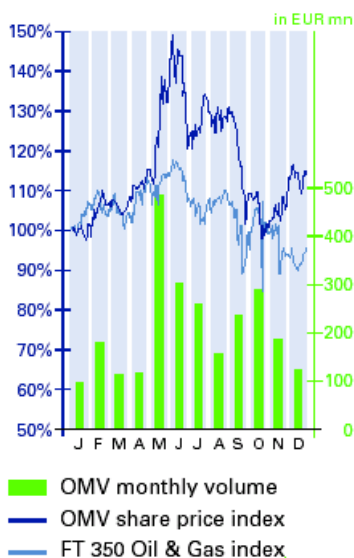
Due to the continued favorable business position in 2001, the Executive Board will propose a base dividend of EUR 3 and a bonus of EUR 1.30 per share at the Company's Annual General Meeting. This will represent a payout ratio of over 30% and a dividend yield of almost 5%.

Intensive investor relations activities

Contact with investors, shareholders and analysts was stepped up. One-on-one meetings, roadshows and conferences were held in Europe, Canada and the USA. A highlight of the year was the summer analysts' meeting. A mix of presentations, excursions and discussions with the Executive Board and managers gave over 40 national and international analysts an insight into the OMV Group. The quality of the investor relations work was recognized by the 2001 Austrian Stock Exchange Award and a number of other awards.

Performance well ahead of peer group average; most liquid stock on Vienna Stock Exchange

OMV share
Comparison of indices and monthly volumes



At a glance in EUR	2001	2000	1999	1998	1997
Market capitalization in EUR bn	2.54	2.23	2.61	2.17	3.43
High of the year	122.65	99.40	98.00	141.57	141.57
Low of the year	78.00	74.10	72.75	70.49	85.39
Year end	94.12	82.50	96.50	80.30	127.18
Earnings per share	14.09	11.91	7.11	6.19	6.02
Net asset value per share	82.66	72.21	62.65	56.49	53.22
Cash flow ¹⁾ per share	29.21	22.65	12.53	16.84	21.54
Dividend per share	4.30 ²⁾	4.30	2.40	2.25	2.03
P/CF ³⁾	3.2	3.6	7.7	4.8	5.9

¹⁾ net cash provided by operating activities ²⁾ recommended dividend including bonus of EUR 1.30 per share

³⁾ based on year-end price



Report of the Executive Board.

Restructuring of the Company

Compared to the year 2000 there was a structural modification in the Company. Since October 25, 2001 OMV's Gas business has been run by a wholly owned subsidiary, OMV Erdgas GmbH. The figures of the previous year have been adopted accordingly.

Strong business results in 2001

In 2001 the Company's **sales** net of petroleum excise tax were EUR 3.45 billion (bn) (2000: EUR 3.51 bn excluding the gas business). The main contributor to consolidated sales was the Refining and Marketing (R & M) segment, at EUR 3.25 bn (2000: EUR 3.43 bn), followed by Exploration and Production (E & P) at EUR 192 million (mn) (2000: EUR 108 mn).

OMV Aktiengesellschaft's **exports** excluding the gas business were EUR 368 mn (2000: EUR 349 mn) in 2001 or some 11% (2000: 10%) of total sales. During the period under review the Czech Republic accounted for the highest share of exports at 44% (2000: 52%), followed by Hungary at 21% (2000: 16%), and the European Union and Switzerland at a combined total export share of 16% (2000: 15%).

Earnings before interest and tax (EBIT) were EUR 196.33 mn. This exceeded the excellent result for 2000 at EUR 130.42 mn — adjusted for the exclusion of the Gas business — by over 50%. The improvement in EBIT was chiefly due to the sharp decline in expenditure on personnel reduction programs.

Due to the marked fall in crude oil prices and the rise in exploration expenses the **Exploration and Production** segment

made a significantly lower contribution to earnings than in 2000.

The **Refining and Marketing** segment contributed an increased proportion of earnings compared to the previous year due to higher production and sales volumes, lower restructuring costs, increases marketing sales and the strong petrochemical results.

Cash earnings advanced strongly in the 2001 financial year to reach EUR 513 mn (2000: EUR 400 mn).

Total assets decreased to EUR 3.92 bn (2000: EUR 4.38 bn), chiefly as a result of the spin-off of the Gas business.

At balance sheet date, **Stockholders' equity** including untaxed reserves amounted to EUR 1.88 bn (December 31, 2000: EUR 1.68 bn) — an increase of 12%. The equity ratio as of December 31, 2001 was 48% (2000: 38%).

The ratio of **fixed assets** to total assets was 63% at balance sheet date (December 31, 2000: 68%). Fixed assets were 127% covered by equity and long-term debt.

The **additions to the fixed assets** amounted to about EUR 301 mn (2000: EUR 493 mn).

In the Exploration and Production segment, investment was mainly channeled into exploration drilling and development programs at domestic oil and gas fields.

Capital expenditure in the Refining and Marketing segment largely focused on plant upgrading aimed at improving product quality, as well as the construction of a water treatment plant and the installation of various safety systems.



Spending on filling stations mostly went towards the construction of new outlets, the acquisition of some stations and modernization programs.

OMV Aktiengesellschaft's research and development expenditure, which was principally targeted at the Refining and Marketing segment, totaled EUR 14.64 mn (2000: EUR 14.27 mn).

Challenging future: 2002

Current estimates of key market figures indicate that OMV Aktiengesellschaft will again be the largest contributor to Group earnings in 2002, though the high

earnings levels attained in 2001 are unlikely to be attained.

Declining oil and gas prices will probably mean that the Exploration and Production segment posts reduced results.

The outlook for earnings in Refining and Marketing indicate that due to high stock levels and the tight situation in prices, the margins will be under pressure in bulk and basic petrochemicals. The demand for petrochemicals should develop slowly according to the economic growth. But positive effects of cost cutting programs and higher volumes should generate improved results in Marketing.

Vienna, March 1, 2002

The Executive Board

Wolfgang Ruttenstorfer
Chairman

Gerhard Roiss
Deputy Chairman

Helmut Langanger



Annual accounts 2001

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Annual accounts according to ACC.

Note	Assets	2001	2000
	EUR 1,000		
1	A. Fixed assets		
	I. Intangible assets	32,752	45,878
	II. Tangible assets	916,148	1,362,569
	III. Financial assets	1,535,116	1,565,621
		2,484,016	2,974,068
	B. Current assets		
	I. Inventories		
	1. Raw materials and supplies	34,527	48,099
	2. Work in progress	49,695	70,596
	3. Finished goods	61,446	54,942
	4. Services not yet invoiced	8,717	19,554
	5. Payments on account	294	437
		154,679	193,628
2	II. Accounts receivable and other assets		
	1. Receivables from trade	308,388	501,182
	2. Receivables from affiliated companies	683,795	373,279
	3. Receivables from associated companies	35,583	51,317
	4. Other receivables and assets ¹⁾	21,026	32,352
		1,048,792	958,130
	III. Treasury stock (own shares)	9,036	5,775
	IV. Cash in hand, checks and cash at bank	67,819	58,390
		1,280,326	1,215,923
	C. Deferred taxes	146,097	175,277
	D. Prepaid expenses and deferred charges	6,492	11,138
		3,916,931	4,376,406

¹⁾ Comparative figures for 2000 adjusted to new structure, see Note 2, p.24



Annual accounts according to ACC.

Note	Liabilities	2001	2000
	EUR 1,000		
	A. Stockholders' equity		
3	I. Capital stock	196,290	196,290
	II. Capital reserves	417,663	417,663
	III. Revenue reserves	1,059,790	830,190
	IV. Reserve for treasury stock (own shares)	9,036	5,775
	V. Unappropriated income [whereof income brought forward: 310 (2000: 5)]	115,998	116,109
		1,798,777	1,566,027
4	B. Untaxed reserves		
	1. Valuation reserve for special depreciation allowances	36,472	34,550
	2. Other untaxed reserves	41,207	78,092
		77,679	112,642
5	C. Provisions		
	1. Provisions for severance payments	74,547	78,440
	2. Provisions for pensions	406,509	479,954
	3. Provisions for taxes	509	30,595
	4. Other provisions	220,853	234,575
		702,418	823,564
6	D. Liabilities		
	1. Long-term special financing not shown under items 2 to 7	509	311,319
	2. Amounts due to banks	316,366	376,045
	3. Payments received on account	2,371	2,459
	4. Accounts payable from trade	164,815	365,024
	5. Accounts payable to affiliated companies	266,905	184,818
	6. Accounts payable to associated companies	25,881	14,597
	7. Other liabilities ¹⁾	368,797	376,212
		1,145,644	1,630,474
7	E. Accrued decommissioning and restoration costs	178,379	185,167
8	F. Deferred income	14,034	58,532
		3,916,931	4,376,406
9	Contingent liabilities	272,628	278,505

¹⁾ Comparative figures for 2000 adjusted to new structure, see Note 2, p. 24



Statement of income.

<i>Note</i>	EUR 1,000	2001	2000
	1. Sales	4,865,945	6,060,558
	2. Petroleum excise tax	(1,416,103)	(1,349,146)
10	3. Subtotal of items 1 to 2 (Sales)	3,449,842	4,711,412
	4. Changes in inventories of finished products, work in progress, and services not yet invoiced	(25,233)	5,050
	5. Other own work capitalized	12,625	16,362
11	6. Other operating income	113,945	92,835
12	7. Cost of materials and services ¹⁾	(2,581,720)	(3,736,582)
13	8a. Personnel expenses	(239,598)	(262,397)
14	8b. Expenses for severance payments and pensions	(75,401)	(164,350)
	9. Depreciation and amortization	(115,664)	(162,272)
15	10. Other operating expenses ¹⁾	(342,462)	(273,119)
	11. Subtotal from items 3 to 10 (EBIT)	196,334	226,939
16	12. Income from equity interests [whereof from affiliated companies: 227,619 (2000: 187,820)]	233,182	194,800
	13. Income from other securities and loans shown under financial assets [whereof from affiliated companies: 6,173 (2000: 10,585)]	15,907	28,881
	14. Other interest and similar income [whereof from affiliated companies: 18,400 (2000: 9,850)]	22,534	18,275
	15. Income from the disposal and write-up of Financial assets and securities held as current assets	1,162	759
17	16. Expenses arising from financial investments securities held as current assets	(37,190)	(2,139)
	17. Interest and similar expenses [whereof from affiliated companies: 13,068 (2000: 29,329)]	(53,611)	(93,487)
	18. Subtotal from items 12 to 17	181,984	147,089
	19. Income from ordinary activities	378,318	374,028
18	20. Taxes on income	(41,001)	(49,865)
	21. Net income for the year	337,317	324,163
	22. Release of untaxed reserves	17,662	24,876
	23. Allocation to untaxed reserves	(6,430)	(27,919)
	24. Allocation to revenue reserves	(232,861)	(205,016)
	25. Income brought forward	310	5
	26. Unappropriated income	115,998	116,109

¹⁾ Comparative figure for 2000 adjusted to new structure, see Note 12, p. 28



Statement of untaxed reserves.

EUR 1,000	As of Jan. 1, 2001	Restructuring	Allocation	Release	As of Dec. 31, 2001
Valuation reserve for special depreciation allowances					
1. Intangible assets					
1. Concessions, patents, similar rights and licenses	—	—	—	—	—
II. Fixed assets					
1. Land and buildings	30,463	(2,298)	4,800	580	32,385
III. Financial assets					
1. Investments in affiliated companies	3,997	—	—	—	3,997
2. Securities	90	—	—	—	90
	4,087	—	—	—	4,087
	34,550	(2,298)	4,800	580	36,472
Other untaxed reserves					
1. Investment allowance under section 10 Income Tax Act					
1993	83	—	—	—	83
1994	197	—	—	—	197
1995	346	(120)	—	144	82
1996	5,714	(1,623)	—	3,347	744
1997	21,379	(7,790)	—	9,857	3,732
1998	8,919	(2,092)	—	36	6,791
1999	17,152	(3,311)	—	14	13,827
2000	20,962	(6,497)	—	344	14,121
	74,752	(21,433)	—	13,742	39,577
2. Transfer reserve under section 12 Income Tax Act					
	3,340	—	1,630	3,340	1,630
	112,642	(23,731)	6,430	17,662	77,679



Statement of fixed assets under section 226 para. 1 ACC.

EUR 1,000	As of Jan. 1, 2001	Demerger of Gas business	Reclassification
I. Intangible assets			
1. Concessions, patents, similar rights and licenses	140,001	(38,035)	(13)
2. Goodwill	10,779	—	—
3. Payments on account	21	(21)	—
	150,801	(38,056)	(13)
II. Tangible assets			
1. Land and buildings	692,194	(55,536)	25
2. Plant and machinery	3,528,771	(1,139,915)	(4,492)
3. Other fixed assets, tools and equipment	758,504	(108,352)	4,495
4. Payments on account and assets under construction	118,657	(94,577)	(15)
	5,098,126	(1,398,380)	13
III. Financial assets			
1. Investments in affiliated companies	1,152,373	(1,521)	(727)
2. Loans to affiliated companies	161,163	—	—
3. Other equity interests	563,020	(1,989)	727
4. Securities	180,714	(2,381)	—
5. Other loans	32,842	—	—
	2,090,112	(5,891)	—
	7,339,039	(1,442,327)	—



Additions	Transfers	Disposals	As of Dec. 31, 2001	Write-ups 2001	Depreciation (cumulative)	Net book value as of Dec. 31, 2001	Net book value as of Dec. 31, 2000	Depreciation	Special depreciation allowances 2001
10,788	—	8,331	104,410	—	71,719	32,691	45,780	9,149	—
—	—	—	10,779	—	10,718	61	77	16	—
—	—	—	—	—	—	—	21	—	—
10,788	—	8,331	115,189	—	82,437	32,752	45,878	9,165	—
13,900	2,257	11,676	641,164	—	356,870	284,294	311,758	16,936	425
35,732	10,496	12,411	2,418,181	—	1,967,116	451,065	753,052	53,196	492
20,121	4,989	12,337	667,420	—	519,473	147,947	179,102	35,450	—
26,519	(17,742)	—	32,842	—	—	32,842	118,657	—	—
96,272	—	36,424	3,759,607	—	2,843,459	916,148	1,362,569	105,582	917
83,572	—	64,455	1,169,242	—	526,073	643,169	637,550	—	30,000
63,208	—	96,335	128,036	—	—	128,036	161,163	—	—
27,607	—	2,615	586,750	—	2,097	584,653	560,923	—	—
19,039	—	30,892	166,480	408	8,314	158,166	173,492	—	3,540
240	—	11,645	21,437	5	345	21,092	32,493	—	—
193,666	—	205,942	2,071,945	413	536,829	1,535,116	1,565,621	—	33,540
300,726	—	250,697	5,946,741	413	3,462,725	2,484,016	2,974,068	114,747	34,457



Notes to the accounts.

The accounts of OMV Aktiengesellschaft are prepared in compliance with the Austrian Commercial Code (ACC) as amended by the 1996 EU Company Law Harmonization Act (Federal Law Gazette 1996/304) and the 1997 Insolvency Law Amending Act (Federal Law Gazette 1997/114).

In the interests of clarity, some items of the balance sheet and income statement have been aggregated. The detailed disclosures are shown in the notes to the accounts.

The annual financial statements are denominated in euro (EUR).

The figures are expressed in units of one thousand euro (EUR 1,000).

Accounting and valuation principles

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

Category	Useful life
Intangible assets	4–30 years
Buildings	10–50 years
Plant and equipment	4–40 years
Other fixtures and fittings, tools and equipment	4–25 years

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

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

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

Since 1999 the cost of comprehensive upgrades of large-scale plant has been accounted for by the component depreciation method, in accordance with international standards.

Expenses directly attributable to plant modernization are capitalized in the year in which they arise, and thereafter written off on a straight-line basis over the period until the next upgrade. Up to 1998 this item was accounted for by provisions.

Investments are carried at acquisition cost less any permanent, material impairment. Securities held as fixed assets are carried at the lower of cost or market value at balance sheet date. In accordance with section 208 para. 1 and para. 2 ACC, write-ups of EUR 232,034 thousand for equity interests were unrecorded.



Notes to the accounts.

Work in progress, finished goods and purchased **crude oils** are valued according to the last-in, first-out (LIFO) method, which is the method usually used in the international oil industry. Due to the high crude oil price levels, the replacement value of inventories valued according to the LIFO method at balance sheet date was EUR 114,439 thousand more than the amount reported in the balance sheet. Own production of crude oil is reported at the lower of average production cost or market.

Materials and supplies are valued in accordance with the moving average method. Valuation allowances are made for obsolete and slow-moving items up to 100% of their carrying value at the start of the period. This item includes spare parts for plant and equipment. During the year under review valuation of the technically necessary minimum stocks of spare parts was changed from an acquisition cost to an inventory turnover basis, with allowances of up to 100%. This step resulted in a charge against income of EUR 6,300 thousand.

Accounts receivable and other assets are stated at acquisition cost. Interest-free long-term accounts receivables are stated at present value. Accounts receivable denominated in foreign currency are stated at the lower of acquisition cost or the European Central Bank (ECB) exchange rate at balance sheet date. Receivables denominated in currencies of European Monetary Union member states are valued at the irrevocably fixed exchange rates. All recognizable risks are accounted for by valuation allowances.

In the year under review **deferred taxes** arising from temporary differences were recognized pursuant to section 198 para. 9 and para. 10 ACC. Current deferred taxes are reported under the Taxes on income item. The rate of taxation of deferred taxes is 34%. Deferred tax assets, net of deferred tax liabilities, are capitalized as Deferred taxes.

Provisions for **severance payments** are calculated according to the discounted standard entry age method. The discount rate applied is 3.5%.

Pension obligations are accounted for by setting up provisions for pensions and by recognizing expenses for payments to an external pension fund. The carrying amount for pension provisions is arrived at by using the discounted standard entry age method and the tables for salaried staff of the Austrian Association of Actuaries (AVÖ 1999-P). The discount rate applied is 4%.

During the 2001 financial year OMV Aktiengesellschaft transferred the pension obligation attributable to the Gas segment to OMV Erdgas GmbH, by way of a joint assumption of debt. OMV Aktiengesellschaft continues to be responsible for the processing of pension payments.

Following this joint assumption of liability for pension obligation the breakdown of the pension provisions as of December 31, 2001 was as follows:

OMV Aktiengesellschaft	EUR 406,509,000
OMV Erdgas GmbH	EUR 45,168,000



Notes to the accounts.

Payments to the external pension fund are reported as expenses for pensions. During the year under review the pension entitlements of 75 staff members who had terminated their employment prior to 2001, amounting to approximately EUR 10 million, were transferred to the pension fund. In the case of defined benefit pension plans, provisions are formed or liabilities to the pension fund recognized to cover funding shortfalls and anticipated obligations to make additional contributions.

The provisions for **jubilee payments** are calculated according to the discounted standard entry age method, applying a discount rate of 3.5%, applying the tables for salaried staff of the Austrian Association of Actuaries (AVÖ 1999-P).

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

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

On September 20, 2001 the Stockholders' Meeting of OMV Aktiengesellschaft resolved to spin-off the Gas business, consisting of natural gas trading, transportation and third-party storage activities, to OMV Erdgas AG, a new company with a capital stock of EUR 13 million, founded during the 2001 financial year. The transaction was entered in the commercial register on October 24, 2001. On October 24, 2001 the Stockholders' Meeting of OMV Erdgas AG resolved to transform the company into a limited corporation (GmbH, Gesellschaft mit beschränkter Haftung), and OMV Erdgas GmbH was entered in the commercial register on October 25, 2001.

OMV Aktiengesellschaft is the sole owner of OMV Erdgas GmbH. There are corporation tax and sales tax consolidation, and profit and loss pooling agreements with this company.

The transfer of the assets of the Gas business was at book value.

The book value of the stockholders' equity transferred was recognized as the Company's equity holding in Erdgas GmbH.



Notes to the accounts.

The balance sheet as of December 31, 2000, after the spin-off of the Gas segment and the income statement for the financial year 2000 of OMV Aktiengesellschaft excluding the gas business, were as follows:

Assets in EUR 1,000		Liabilities in EUR 1,000	
A. Fixed assets		A. Stockholders' equity	
I. Intangible assets	31,455	I. Capital stock	196,290
II. Tangible assets	930,703	II. Capital reserves	417,663
III. Financial assets	1,603,736	III. Revenue reserves	830,190
	<u>2,565,894</u>	IV. Reserve for own shares	5,775
		V. Unappropriated income including income brought forward	116,109
			<u>1,566,027</u>
B. Current assets		B. Untaxed reserves	88,943
I. Inventories	191,648	C. Provisions	802,636
II. Accounts receivable and other assets	786,206		
III. Treasury stock (own shares)	5,775	D. Liabilities	1,132,002
IV. Cash in hand, checks and cash at bank	48,821		
	<u>1,032,450</u>	E. Accrued decommissioning and restoration costs	180,301
C. Deferred taxes	174,736	F. Deferred income	14,248
D. Prepaid expenses and deferred charges	11,077		
	<u>3,784,157</u>		<u>3,784,157</u>
		Contingent liabilities	278,505

Statement of Income	2001	2000
Sales	4,865,945	4,879,899
Petroleum excise tax	(1,416,103)	(1,349,146)
Subtotal (Sales)	3,449,842	3,530,753
Changes in inventories of finished products, work in progress and services not yet invoiced	(25,233)	4,687
Other own work capitalized	12,625	13,780
Other operating income	113,945	78,601
Cost of materials and services	(2,581,720)	(2,792,677)
Personnel expenses and expenses for severance payments and pensions	(314,999)	(389,427)
Depreciation and amortization	(115,664)	(110,680)
Other operating expenses	(342,462)	(204,622)
EBIT	196,334	130,415



Notes to the accounts.

Explanatory notes to the stock option plan

As in 2000, the Annual Stockholders' Meeting of May 23, 2001 approved a long-term incentive plan for the Executive Board and certain senior executives of the Group. Under such value related plans, the beneficiaries in question are granted options to acquire OMV stock on condition that certain targets contained in the Corporate business plan are met.

Main conditions	2001 stock option plan	2000 stock option plan
Duration	1. 7. 2001 – 30. 6. 2006	1. 7. 2000 – 30. 6. 2005
Holding period	1. 7. 2001 – 30. 6. 2003	1. 7. 2000 – 30. 6. 2002
Exercise period	1. 7. 2003 – 30. 6. 2006	1. 7. 2002 – 30. 6. 2005
Exercise price	EUR 103.92	EUR 91.43
Number of options per own share held	10	10
Eligibility conditions:		
– Own investment, Executive Boards	420	477
– Own investment, senior executives	140	159
Number of options granted		
Executive Board members:		
Peyrer-Heimstätt	4,200	4,770
Roiss	4,200	4,770
Ruttenstorfer	4,200	4,770
Schenz	4,200	4,770
Total, Executive Board	16,800	19,080
Total, senior executives	25,200	34,980
Total number of options granted	42,000	54,060
Plan threshold	Share price of EUR 119.51	Share price of EUR 105.14 and 15% increase in ROACE compared to 1999 ¹⁾
¹⁾ In the event that the ROACE fails to attain its 1999 level during the blocking period, the average amount by which the target has been undershot will be added to the target level.		

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

- As of July 1 of each year, Executive Board members must furnish evidence of investment of EUR 43,604 of their own funds and senior executives evidence of investment of EUR 14,535 of own funds.
- The participants' own investment, divided by the average price of the stock in May 2000 and 2001 respectively, determines the number of shares on which the number of options issued is based; participants receive ten options per own share, calculated in this way.
- In the event of the disposal of participants' own equity interests the option rights are forfeited. The options are not transferable and expire if not exercised.
- Provided that the plan thresholds have been attained, the options can be exercised during the 20 trading days after publication of the quarterly reports of OMV Aktiengesellschaft or the Group (exercise window). Evidence of the participants' own investment in the Company must be furnished when exercising an option. Participants in the 2001 plan will immediately receive the corresponding number of shares upon notification of their intention to exercise their options. The exercise price will be due within 14 days of notice of exercise. Under the 2000 plan the options may be exercised by acquiring the optioned shares, by requesting payment of the difference between the current share price and the exercise price in cash, or by requesting payment in the form of shares.



Notes to the accounts.

Valuation of the options is according to the Black-Scholes model.

Assuming that the conditions are fulfilled during the exercise period, the fair market value of the stock option plans is as follows:

	2001 stock option plan		2000 stock option plan	
	1. 7. 2001	31. 12. 2001	1. 7. 2000	31. 12. 2000
Total market value (EUR 1,000)	743	533	1,080	834
Calculation variables:				
– Market price of the stock	EUR 102.2	EUR 94.12	EUR 90.6	EUR 94.12
– Risk-free interest rate	5.25%	4.5%	5%	4.5%
– Term of the options (incl. blocking period)	5 years	4.5 years	5 years	3.5 years
– Average dividend yield	4%	4%	4%	4.3%
– Stock price volatility	21%	25%	28%	25%

The total cost format is used for the presentation of the income statement.



Notes to the accounts.

Notes to the balance sheet

1

Fixed assets

During the year under review the itemization of the statement of fixed assets was changed to comply with the legal minimum standards.

The Land and buildings item includes land to a value of EUR 78,408 thousand.

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

EUR 1,000	2001	2000
Next year	17,843	35,258
Next five years	68,785	100,395

Loans with maturities of up to one year total EUR 12,095 thousand (2000: EUR 61,500 thousand). During the year under review no loans with maturities of up to one year were extended to affiliated companies (2000: EUR 50,871 thousand).

2

Accounts receivable and other assets

EUR 1,000	2001		2000	
	< 1 year	> 1 year	< 1 year	> 1 year
Receivables from trade	308,123	265	500,731	451
Receivables from affiliated companies	572,969	110,826	304,540	68,739
Receivables from associated companies	35,583	0	51,317	0
Other receivables and assets	20,315	711	30,102	2,250
Total	936,990	111,802	886,690	71,440

Receivables in an amount of EUR 14 thousand were secured by bills of exchange.

Other receivables and assets include some EUR 3,137 thousand in income payable after balance sheet date. This primarily relates to interest on securities and gains on the disposals of fixed assets.

Voucher transactions were transferred from other receivables to other liabilities. Comparative figures for 2000 are adjusted.

3

Capital stock

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

With the agreement of the Annual Stockholders' Meetings of 2000 and 2001, OMV Aktiengesellschaft repurchased 70,000 own shares amounting to EUR 6,478,671 and per mid 2001 26,000 own shares amounting to EUR 2,729,256 respectively, in connection with the introduction of stock option plans. The book value of the total stock (96,000 own shares) per year



Notes to the accounts.

end in an amount of EUR 9,036 thousand (2000: EUR 5,775 thousand) is disclosed as a separate balance sheet item.

The general meeting of shareholders has authorized the Executive Board to raise the share capital by up to EUR 58,160 thousand by issuing up to 8 million shares for contribution in cash or in kind while suspending the right to subscribe (authorized capital). This authorization was granted for five years at most.

4

Untaxed reserves

The allocation of EUR 6,430 thousand to untaxed reserves and the release of EUR 4,475 thousand in such reserves resulted in an overall reduction in taxes on income of EUR 665 thousand in the year under review.

5

Provisions

Other provisions largely comprise the following:

EUR 1,000	2001	2000
Decommissioning and restoration costs	14,827	13,300
Compulsory crude inventories	42,047	38,039
Personnel provisions	155,604	155,327
Other provisions	8,375	27,909
Total	220,853	234,575

The personnel provisions include EUR 45,706 thousand in future restructuring costs and EUR 22,207 in funding shortfalls in respect of defined benefit pension plan commitments transferred to the pension fund.

6

Liabilities

EUR 1,000	2001		2000	
	< 1 year	> 1 year	< 1 year	> 1 year
Long-term special financing	218	291	32,420	278,899
Amounts due to banks	58,453	257,913	75,624	300,421
Payments received on account	2,371	0	2,459	0
Accounts payable from trade	164,239	576	364,527	497
Accounts payable to affiliated companies	266,224	681	184,109	709
Accounts payable to associated companies	21,853	4,028	10,269	4,328
Other liabilities	220,286	148,511	244,111	132,101
[whereof taxes]	[169,769]	[-]	[185,065]	[-]
[whereof social security expenses]	[3,706]	[-]	[4,415]	[-]
Total	733,644	412,000	913,519	716,955

Other liabilities include petroleum excise tax and personnel separation expenses, whereof EUR



Notes to the accounts.

141.171 thousand are payable after balance sheet date (2000: EUR 146.617 thousand).

The investment loan to finance the Schwechat refinery modernization project, in an amount of EUR 49,000 thousand, is collateralized by securities.

Liabilities with maturities of more than five years amount to EUR 93,200 thousand (2000: EUR 215.133 thousand).

7

Accrued decommissioning and restoration costs

EUR 1,000	2001	2000
Oil, gas and storage wells	136,788	136,106
Above-ground equipment	27,172	30,511
Filling stations	9,992	12,759
Landfills	4,427	5,791
Total	178,379	185,167

Since the 2000 financial year, accrued decommissioning and restoration costs arising from oil and gas production, and the operation of filling stations and landfills have been carried under this special item.

8

Deferred income

Deferred income also includes EUR 13,427 thousand (2000: EUR 13,675 thousand) in insurance payments arising from a claim relating to the decommissioning of a damage in the refinery.

9

Contingent liabilities under section 199 ACC

Contingent liabilities are as follows:

EUR 1,000	2001	2000
Sureties	-	3,811
[whereof for affiliated companies]	[-]	[3,811]
Guaranties	200,668	202,732
[whereof for affiliated companies]	[169,583]	[197,889]
Notes payable	14	16
[whereof for affiliated companies]	[-]	[-]
Other	71,946	71,946
[whereof for affiliated companies]	[71,946]	[71,946]
Total	272,628	278,505
[whereof for affiliated companies]	[241,529]	[273,646]

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

The Company assumed liability for contingent environmental liabilities in connection with the



Notes to the accounts.

disposal of Chemie Linz GmbH (now DSM Chemie Linz).

Likewise, the Company assumed liability for contingent environmental liabilities, among others, in connection with the disposal of PCD Polymere GmbH. The total amount of these contingent liabilities is limited to EUR 101.7 million.

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

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

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

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

The shareholders of Ferngas Beteiligungs-Aktiengesellschaft have an option to sell their shares to OMV Aktiengesellschaft up to 2005.

OMV Aktiengesellschaft grants a certain performance for pension obligations to employees whose pension rights are transferred to a pension fund and is obliged to cover potential shortfalls in the performance. There was the obligation to make additional payments in an amount of EUR 1,000 thousand within VRG VI per year end.

Notes to the statement of income

10

Sales

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

EUR 1,000	2001	2000
Domestic	2,830,821	3,775,296
Exports from Austria	367,944	592,736
Foreign	251,077	343,380
Total	3,449,842	4,711,412

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

The results of hedging activities are reported as sales or deductions from sales, or carried under expenses for materials and services.



Notes to the accounts.

11

Other operating income

EUR 1,000	2001	2000
Income from the disposal and write-up of fixed assets other than financial assets	3,800	9,371
Income from the release of provisions	385	16,033
Other	109,760	67,431
Total	113,945	92,835

12

Cost of materials and services

EUR 1,000	2001	2000
Cost of materials	2,453,479	3,595,570
Cost of services	128,241	141,012
Total	2,581,720	3,736,582

Cost of materials represents mainly the cost of crude oil, petroleum products and natural gas.

Cost of operating supplies amounting to EUR 52,180 thousand (2000: EUR 54,036 thousand) were reclassified from other operating expenses to cost of materials and services. Comparative figures for 2000 were adjusted.

13

Personnel expenses

EUR 1,000	2001	2000
Wages	72,606	74,976
Salaries	124,069	140,264
Statutory social security contributions, and pay-related levies and compulsory contributions	41,959	46,196
Other expenses for employee benefits	964	961
Total	239,598	262,397

14

Expenses for severance payments and pensions

EUR 1,000	2001	2000
Expenses for severance payments	13,637	10,966
Pension payments and pension fund contributions	60,859	154,636
Adjustments to pension provisions	905	(1,252)
Total	75,401	164,350

Expenses for pension payments and pension fund contributions include EUR 29,154 thousand in charges for personnel reduction plans, and EUR 23,207 thousand in pension fund contributions to cover a shortfall in the funding of defined benefit plans.



Notes to the accounts.

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

EUR 1,000	Severance payments	Pensions
Executive Board	193	524
Senior executives	529	57
Other employees	12,915	61,183

15

Other operating expenses

EUR 1,000	2001	2000
Taxes other than those reported under item 20	34,523	30,689
Other	307,939	242,430
Total	342,462	273,119

16

Income from equity interests

Income from equity interests totaled EUR 233,182 thousand (2000: EUR 194,800 thousand); thereof EUR 143,887 thousand (2000: EUR 79,623 thousand) arose from profit pooling agreements.

17

Expenses arising from financial assets and securities held as current assets

This item includes EUR 996 thousand in expenses arising from profit pooling arrangements (2000: EUR 648 thousand), writedown of securities (fixed assets) in an amount of EUR 3,540 thousand and EUR 30,000 thousand in expenses from the writedown to the lower going-concern value of the Company's equity interest in OMV AUSTRALIA PTY LTD.

Losses from the disposal of securities amount to EUR 2,654 thousand; thereof EUR 2,535 result from the sale of OMV Erdgas-Beteiligungsgesellschaft mbH to OMV Erdgas GmbH.

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Taxes on income

EUR 1,000	2001	2000
Taxes on income	16,201	95,274
Deferred taxes	24,800	(45,409)
Total	41,001	49,865

Taxes on income include current taxes on income for 2001 in an amount of EUR 16,130 thousand. In 2001, deferred tax expense was EUR 24,800 thousand.

Of current taxes on income, the profit on ordinary activities (POA) accounted for EUR 16,865 thousand. Deferred tax income of EUR 24,800 thousand likewise related to POA, and the total tax payable on POA thus amounted to EUR 41,665 thousand.



Notes to the accounts.

Management bodies and employees

The average number of employees was:

	2001	2000
Salaried staff	1,632	1,874
Non-salaried staff	1,353	1,462
Total	2,985	3,336

In the year under review the total remuneration of the Executive Board was EUR 4,020 thousand (2000: EUR 2,983 thousand).

Total payments to former members of the Executive Board and their surviving dependants amounted to EUR 1,254 thousand (2000: EUR 2,248 thousand). The remuneration of the Supervisory Board amounted to EUR 219 thousand (2000: EUR 139 thousand).

Dividend recommend- ation

Unappropriated income for the 2001 financial year amounted to EUR 115,997,986.76 (2000 EUR 116,109,451.30).

We recommend payment of a dividend of EUR 4.30 per share (including a bonus dividend of EUR 1.30 per share) excluding own shares or EUR 115,687,200.00 for the 2001 financial year, and carrying forward of the remaining amount of EUR 310,786.76.



List of direct and indirect investments of OMV Aktiengesellschaft.

(with an interest of at least 20%)

Domestic	in %	EUR 1,000	EUR 1,000
	Equity interest	Stockholders' equity	Net income/loss for the year
Adria-Wien Pipeline Gesellschaft m.b.H., Klagenfurt	55.00	11,446	608
Agrolinz Melamin GmbH, Linz	100.00	146,455	37,732
AUSTRIA Mineralöl GmbH, Vienna ¹⁾	100.00	6,647	2,112
Autobahn-Betriebe Gesellschaft m.b.H., Vienna ²⁾	47.19	1	(15)
Colpack Austria Brennstoffhandel GmbH, Vienna	50.00	6,162	(553)
Erdöl-Lagergesellschaft m.b.H., Lannach ²⁾	55.60	(33,732)	4,965
GENOL Gesellschaft m.b.H., Vienna	29.00	40	3
GENOL Gesellschaft m.b.H. & Co, Vienna	29.00	1,453	2,135
OMV Erdgas GmbH, Vienna ¹⁾	100.00	137,489	73,859
OMV – International Services Ges.m.b.H., Vienna ¹⁾	100.00	37	156
OMV (PAKISTAN) Exploration Gesellschaft m.b.H., Vienna ¹⁾	100.00	(39,381)	374
OMV PEX Öl und Gas Exploration Gesellschaft m.b.H., Vienna ¹⁾	100.00	56,556	65,859
OMV Proterra GmbH, Vienna ¹⁾	100.00	3,143	427
OMV Service Netzwerk GmbH, Vienna ¹⁾	100.00	1,102	(996)
POLYFELT Gesellschaft m.b.H., Linz	100.00	38,065	4,862
van Sickle Gesellschaft m.b.H., Neusiedl an der Zaya ¹⁾	100.00	1,362	891
VIVA Tankstellenbetriebs-GmbH, Vienna ¹⁾	100.00	88	53
WÄRME-ENERGIE VORARLBERG Beratung- und Handels GmbH, Lustenau	79.67	2,498	825

International		1,000	1,000
Abu Dhabi Petroleum Investments LLC, Abu Dhabi ²⁾	25.00	USD 99,588	5,447
Amical Insurance Limited, Douglas	100.00	EUR 21,429	1,638
IOB Holdings A/S, Kopenhagen ²⁾	50.00	DKK 4,895,690	179,910
Istrabenz holdinska druzba, d.d., Koper ²⁾	25.00	SIT 21,172,116	525,121
OMV AUSTRALIA PTY LTD., Perth	100.00	AUD 64,814	(58,939)
OMV Bulgarien EOOD Einmannngesellschaft mbH, Sofia	100.00	BGL 25,525	4,888
OMV Deutschland GmbH, Burghausen	100.00	EUR 153,354	47,194
OMV EXPLORATION & PRODUCTION LIMITED, Douglas	100.00	USD 493	(980)
OMV Hungária Asványolaj Kft., Budapest	85.00	HUF 10,428,298	1,583,294
OMV ISTRABENZ Holding Company Plc., Koper	50.00	SIT 26,572,831	(792,374)
OMV – JUGOSLAVIJA d.o.o., Belgrad	100.00	YUM 12,988	(32,633)
OMV OF LIBYA LIMITED, Douglas	100.00	USD 41,102	8,839
OMV Slovensko, s.r.o., Bratislava	100.00	SLK 661,249	(175,529)
OMV Supply & Trading AG, Zug	100.00	USD 37,186	4,540
OMV TRADING SERVICES LIMITED, London ³⁾	100.00	GBP 770	135
OMV Česká republika, s.r.o., Prague	100.00	CSK 4,537,301	459,084
OMV (U.K.) Limited, London ³⁾	100.00	GBP 82,904	16,327
Routex B.V., Amsterdam ²⁾	26.67	NLG 183	5
SC OMV Romania Mineraloel s.r.l., Bucharest	100.00	EUR 2,458	(8,019)

¹⁾ profit and loss transfer agreement with OMV Aktiengesellschaft ²⁾ figures from 2000 ³⁾ preliminary



Vienna, March 6, 2002

The Executive Board

Wolfgang Ruttenstorfer
Chairman

Gerhard Roiss
Deputy Chairman

Helmut Langanger

Auditors' opinion

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

Vienna, March 6, 2002

Arthur Andersen
Wirtschaftsprüfungsgesellschaft m.b.H.

Michael Schober

Manfred Geritzer

Certified public accountants

Stockholders' information.



Financial calendar	Dates¹⁾
Full year result 2001	March 7, 2002
Result January–March 2002	May 14, 2002
Annual General Meeting ²⁾	May 24, 2002
Dividend ex date	May 29, 2002
Dividend payment date	June 3, 2002
Result January–June 2002	August 13, 2002
Result January–September 2002	November 12, 2002
Full year result 2002	March 2003

¹⁾ The dates shown above are provisional and subject to final confirmation.

²⁾ Annual General Meeting: AUSTRIA CENTER VIENNA, Bruno-Kreisky-Platz 1, A 1220 Vienna, 10.30 am

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Key facts on OMV stock

27 million no par value shares, capital stock: EUR 196.29 mn
OeKB-Identification no.: 074305; ISIN: AT0000743059

Stockholder structure: ÖIAG 35%, IPIC 19.6%, free float 45.4%
Traded in Vienna, Frankfurt, Munich, and on SEAQ International
Symbols: Bloomberg (OMV AV), Reuters (OMVV.VI), US Ticker (OMVAY)

Specialist Vienna (shares and options): Raiffeisen Centrobank AG
Market Makers Vienna (shares and options): Bank Austria AG, Bank für Arbeit und Wirtschaft AG (shares only), Erste Bank AG, Timber Hill (Europa) AG (options only)

ADR information

Sponsored Level I and Rule 144A, ratio: 5 ADR equal 1 share
Depositary: Morgan Guaranty Trust, 60 Wall Street,
New York, NY 10260-0060, USA
Custodian: Creditanstalt AG, Schottengasse 6, A 1010 Vienna

Level I: Symbol: OMVKY, CUSIP#: 670875509, ISIN: US6708755094,
Rule 144A: Symbol: OMVAYP, CUSIP#: 670875301, ISIN: US6708753016

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