Annual Report 2010
of OMV Aktiengesellschaft

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Statement of the Chairman of the Supervisory Board

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

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

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

Annual financial statements and dividend
Following thorough examination and discussions with the auditors at Audit Committee and plenary meetings, the Supervisory Board approved the directors' report, prepared in accordance with section 96 (1) Stock Corporation Act, and the parent entity financial statements for 2010, which were thereby adopted under section 96 (4) of the Act. The same applies to the consolidated financial statements. The Board likewise approved the Corporate Governance Report following its consideration by the Audit Committee.

The Supervisory Board has accepted the Executive Board's proposal to the Annual General Meeting to pay a dividend of EUR 1.00 per share, to allocate EUR 200 mn to the revenue reserve and to carry forward the remaining of the profit for the year to new account.

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

Vienna, March 22, 2011

Peter Michaelis, Chairman of the Supervisory Board

Corporate Governance Report

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

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

Executive Board

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

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

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

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

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

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

He received his business education at Vienna, Linz and Stanford universities and subsequently had senior appointments at various companies in the consumer goods industry. In 1990, he was appointed to the board of PCD Polymere GmbH. In 1997, he joined the OMV Group Executive Board, heading up Exploration and Production and Plastics until the end of 2001.

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

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

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

He graduated from the University of Liverpool, UK with a degree in Economics in 1978, and began his working life as a chartered accountant. He subsequently held positions with international corporations in the beverage, food and health industries. Before joining OMV, he was finance director at a number of British companies.

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

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

Jacobus Huijskes, *1965
Term of office: April 1, 2010 to March 31, 2015
Responsible for Exploration and Production since July 1, 2010.

He studied mechanical engineering and started his professional career with Shell. Within the Shell group, he held a number of engineering, petroleum engineering and economic roles and most recently held the position of Executive Vice President, responsible for worldwide major upstream projects. He has worked and lived in the UK, Norway, Oman, Australia and Russia, among other countries.

Manfred Leitner, *1960
Term of office: April 1, 2011 to March 31, 2014
Responsible for Refining and Marketing, as well as for the OMV Group's plastic and chemical interests.

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

Working methods of the Executive Board

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

Remuneration report

Executive Board remuneration policy principles

The remuneration of the OMV Executive Board is at competitive levels for the relevant employment market, and has a strong performance-related component. Conformity with market rates is maintained by regular external benchmarking against relevant Austrian industrial companies and the European peer group. The performance-related component includes short-term incentives. These take the form of variable remuneration agreements based on earnings, profitability and growth targets; account is also taken of specific projects related to the implementation of OMV's growth strategy. The system also has long-term elements.

Basic salary and short-term variable remuneration

The basic salaries of Executive Board members are based on the above principles (see table on page 5). Targets (performance measures) are also agreed for each financial year. Where these are attained, a maximum of 150% of the basic salary may be paid as variable remuneration in the following financial year.

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

Long-term targets and incentives

Long Term Incentive Plan

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

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

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

Stock option plans

Up to and including 2008, long-term incentives took the form of stock option plans, which were on a par with those of companies of comparable size. These plans provided for a holding period of two years followed by an exercise period of five years. The size of the tranches of options that may be exercised is at plan members' discretion, provided that the conditions are met (attainment of the increase in the OMV share price set as a target when the plan was approved by the

Annual General Meeting) and no blocking period is in force. Under the 2008 plan an investment of one share confers options on 20 shares at a price to be established by the General Meeting. The options under the 2004–2008 plans have either not yet been exercised or have not been exercised in full. No further stock options were issued after 2008.

Pensions

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

Termination entitlements

Termination benefits

Wolfgang Ruttenstorfer, Gerhard Roiss and David Davies have a choice between a termination benefit in accordance with section 23 Austrian Salaried Employees Act, or 10% of their annual gross basic salaries for each full year's service from the agreed starting date. However, the amount may not exceed one year's gross basic salary. Werner Auli is entitled to termination benefits in accordance with section 23 Austrian Salaried Employees Act, but taking his previous service with the Group into account. The calculation basis under the Salaried Employees Act includes the variable components. Jacobus Huijskes is subject to the Betriebliche Mitarbeiter- und Selbständigenvorsorgegesetz (BMSVG, Salaried Employees and Self-employed Provident Saving Act).

Settlement payment

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

There are no other termination entitlements.

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

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

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

Directors' and officers' (D&O) insurance

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

Indemnity

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

Executive Board members' shareholdings

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

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

Policy principles for the remuneration of senior executives and experts

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

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

In 2010, a total of some 2,800 managers and experts participated in a graduated Management by Objectives (MbO) program entitling them to bonuses for fulfilling objectives. There are also bonuses for other employees, which vary from country to country. Employee representatives are involved in designing these incentive schemes.

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

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

Supervisory Board

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

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

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

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

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

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

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

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

Helmut Draxler
Seats: RHI AG.

Wolfram Littich
(Chairman of the executive board of Allianz

Elementar Versicherungs-AG).

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

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

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

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

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

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

All of the members elected by the Annual General Meeting except Helmut Draxler, regarding the duration of his term, have declared their independence from the Company and its Executive Board for the duration of their membership. All have declared their independence during the 2010 financial year, and have stated that they were independent at the time of making such declarations (Rule C 53 ACCG). Under Rule C 54 ACCG, Elif Bilgi-Zapparoli, Wolfgang Berndt, Helmut Draxler, Wolfram Littich, Herbert Stepic, Herbert Werner and Norbert Zimmermann have made declarations to the effect that they had no connections with any major shareholders during the 2010 financial year and up to the time of making such declarations.

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

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

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

Presidential and Nomination Committee
Empowered to take decisions on matters of urgency. The Supervisory Board may transfer other duties and powers of approval to the Presidential and Nomination Committee on an ad hoc or permanent basis. In its capacity as the Nomination Committee, this body makes proposals to the Supervisory Board for the appointment or replacement of Executive Board members and deals with succession planning. It also makes recommendations to the General Meeting for appointments to the Supervisory Board. There were four meetings of the Presidential and Nomination Committee during

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

Audit Committee

Performs the duties established by section 92 (4a) Stock Corporation Act. The committee held four meetings during the year. These were predominantly concerned with preparations for the audit of the annual financial statements, assessment of the auditors' activities, internal audit, internal control and risk management systems, as well as proposals for the selection of the auditors, and the presentation of the annual financial statements.

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

Project Committee

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

Remuneration Committee

Deals with all aspects of the remuneration of Executive Board members and with their employment contracts. The committee's membership does not include employee representatives. The committee is empowered to conclude, amend and terminate the Board members' employment contracts, and to take decisions on the award of bonuses (variable compensation components) and other such benefits to the latter. The committee met twice during the year, focusing on bonuses and the related objectives, as well as the employment contract with the new member of the Executive Board responsible for Refining and Marketing.

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

There were no transactions requiring approval in accordance with section 95 (5) (12) Stock Corporation Act; however, attention is drawn to transactions totaling approx. EUR 1.9 bn with Raiffeisen Group (Mr. Stepic; the transactions in question represent less than 1% of the Raiffeisen Group's total assets).

The Internal Rules of the Supervisory Board contain detailed procedures for the treatment of conflicts of interest on the part of Board members.

Remuneration

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

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

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

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

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

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

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

Employee participation

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

Rights of minority shareholders

- General Meeting: An Extraordinary General Meeting must be convened at the request of shareholders holding not less than 5% of the shares.
- Agenda items must be included at the request of shareholders holding not less

than 5% of the shares.
- Shareholders holding not less than 1% of the shares may submit resolutions on all agenda items. The Company must post these on its website.
- Shareholders holding not less than 10% of the shares may require an extraordinary audit in the event of grounds for suspicion of irregularities, or gross violations of the law or the articles of incorporation.
- All duly registered shareholders are entitled to attend General Meetings, ask questions and vote.
- Election of the Supervisory Board: If elections to two or more positions on the Supervisory Board are held at the same General Meeting, separate votes must be held for each position. If elections to three or more seats on the Supervisory Board are held at the same General Meeting, and prior to the vote on the last position to be filled it is found that at least one-third of all the votes have been cast in favor of the same person but he/she has not been elected, then this person must be declared the winner of the election to the last position if he/she has stood for it.

Women's advancement

- The Company is committed to supporting women's promotion to management positions. While there are no female members of the Executive Board of OMV Aktiengesellschaft, Mariana Gheorghe is the Chairwoman of the Executive Board of OMV Petrom SA – the largest Group company. There are two female elected members of the OMV Aktiengesellschaft Supervisory Board; this corresponds to 20% of the elected membership.
- Women hold 19% of the senior management positions below Executive Board level. The proportion of women in the Group as a whole is about 23%. As a business with a strong technical bias it is hard for OMV to achieve satisfactory gender ratios in all areas of operations. The recruitment ratios in non-technical areas are well balanced.
- In 2010, the Executive Board has approved the new diversity-strategy. The long-term objective is to achieve at senior management level a diversity-mix of 30% female and 50% international employees by 2020.

Vienna, March 22, 2011

The Executive Board

Wolfgang Ruttenstorfer

Gerhard Roiss

Werner Auli

David C. Davies

Jacobus Gerardus Huijskes

Directors' report – operational review

Business developments in 2010
Sales for the 2010 financial year were EUR 64.26 mn (2009: 69.67 mn). As OMV Aktiengesellschaft is a pure holding company most of the sales consist of corporate service charges billed to the subsidiaries.

Earnings before interest and taxes (EBIT) were EUR (25.97) mn (2009: EUR 0.96 mn). Lower EBIT in 2010 is largely a reflection of lower sales from corporate service charges, provisions for the Long Term Incentive plan and higher consulting costs.

The **financial result** in 2010 was EUR 585.23 mn (2009: EUR 11.10 mn). Owing to the fact that OMV Aktiengesellschaft operates as a pure holding company, the financial items mainly relate to dividends and other income from investments, and thus reflect the Group's overall business performance. Net income from investments was EUR 769.69 mn – up on 2009 (EUR 515.47 mn).

The contribution of the companies in the **Exploration and Production (E&P)** segment excluding Petrom to income from investments rose to EUR 444.04 mn (2009: EUR 287.37 mn), the main factor behind this increase being higher crude prices.

Investment income from the **Refining & Marketing (R&M)** segment excluding Petrom advanced to EUR 35.6 mn (2009: (80.40) mn). This improvement was mainly driven by an improvement of European refining margins.

The investment income contribution from the **Gas and Power (G&P)** segment excluding Petrom was EUR 79.24 mn – down on the previous year (2009: EUR 106.82 mn). This was primarily due to the allocation of a valuation reserve in one of the subsidiaries.

Investment
Key investment items in 2010 were capital injections to OMV Enerji Holding and OMV Solutions GmbH, owing to activities in Turkey and to OMV E&P GmbH, to OMV R&M GmbH and to OMV Deutschland GmbH.

Cash flows from operating activities for 2010 were positive by EUR 569.19 mn (2009: 948.60 mn), and cash flows from investing activities negative by EUR 891.01 mn (2009: EUR (1,828.65) mn), while cash flows from financing activities were positive by EUR 105.25 mn (2009: EUR 855.31 mn).

Net income for the year was EUR 602.58 mn (2009: 18.48 mn). **Total assets** rose to EUR 10,545.72 mn (2009: 9,889.01 mn).

At balance sheet date **stockholders' equity** including untaxed reserves stood at EUR 6,408.00 mn (2009: EUR 6,104.20 mn). The equity ratio as of December 31, 2010 was 60.76% (2009: 61.73%).

The ratio of **fixed assets** to total assets was 62.54% at balance sheet date (2009: 49.48%).

Return on equity (**ROE**), i.e. net income for the year / average shareholders' equity, was 9.63% (2009: 0.3%).

In 2010, the average **number of employees** at the holding company was 128 (2009: 124).

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

1. The capital stock amounts to EUR 300,000,000 and is divided into 300,000,000 bearer shares of no par value. There is only one class of shares.

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

3. ÖIAG holds 31.5% and IPIC holds 20.0% of the capital stock.

4. All shares have the same control rights.

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

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

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

   b) The capital stock has been conditionally increased by EUR 77.9 mn under section 159 (2) (1) Austrian Stock Corporation Act by issuance of up to 77,900,000 common shares in bearer form (conditional capital). The conditional capital increase will only be carried out if holders of the convertible bonds issued on the basis of the Annual General Meeting resolution held on May 13, 2009, exercise their right to convert them into the Company's stock.

   c) The total number of new shares currently or potentially to be issued under the terms of the convertible bonds and the number of shares to be issued from the authorized capital may not exceed 77,900,000 (amount-related determination of authorizations in accordance with paragraphs a and b), whereby the conversion right of the holders of the convertible bonds must be granted in any case.

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

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

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

10. The most important elements of the internal control and risk management system regarding the accounting process are the following: Standards for the internal control system are defined by internal Corporate Guidelines. Corporate Internal Audit controls the compliance with these standards through regular audits of individual group companies and informs the Supervisory Board about the results of the audits performed. The establishment of group-wide standards for the preparation of annual and interim financial statements by means of the corporate IFRS Accounting Manual is also regulated by an internal Corporate Guideline. The Group uses a comprehensive risk management system. The essential processes of the financial reporting system have been identified and analyzed. The effectiveness of these processes is evaluated based on a rolling time schedule and benchmarked against best practice (e.g. derivatives, debtors' management, accounting for fixed assets). In addition, the effectiveness of the risk management system is regularly evaluated by external auditors. The results of the evaluation are reported to the audit committee.

Risk management

Risk management is a group-wide integrated function based in the Corporate Finance department at OMV Aktiengesellschaft. The group-wide risk identification and assessment process is coordinated by the department, while the entire risk portfolio is aggregated as a net position. A variety of risk management measures are taken on the basis of this position (which is mitigated by diversification effects), as part of the overall risk avoidance strategy. In particular, these measures address direct financial risks including interest rate, foreign exchange, liquidity and pension risk. Corporate Finance is also responsible for analyzing strategic market risk. In addition, OMV Aktiengesellschaft monitors the Group's exposure to investment risk (value at risk), as well as the transaction risks associated with major investments.

Interest rate and liquidity risk are managed by imposing limits. Derivatives (swaps) may be employed by Group Treasury for risk management purposes. For instance, some of the existing dollar and euro denominated loans were converted from fixed to variable rates in order to balance the Group's debt portfolio.

Price hedges are proposed to the Executive Board by the Financial Risk Committee, and are centrally managed. To protect the cash flow from the adverse impact of falling oil prices, OMV Aktiengesellschaft concluded derivative instruments on its own account for some of its subsidiaries in order to hedge the proceeds from 25,000 bbl/d in 2010. To achieve this goal, OMV entered into puts securing an average price floor of USD 55.17/bbl. These puts were financed via call options in order to avoid initial investment (zero cost collar), whereby the Group companies were not able to profit from oil prices above USD 75/bbl in 2010 for the above stated volume. These hedges lead to a negative cash flow of approximately USD 41 mn in the respective group companies.

For 2009, put spreads (financed via call options) for 25,000 bbl/d were used to secure a price floor of USD 80/bbl as long as the oil price was above USD 65/bbl. When oil prices were below USD 65/bbl, the hedge paid out USD 15/bbl in addition to the realized market price. These hedges lead to a positive cash flow of approximately USD 108 mn in the respective group companies.

The key foreign currency risks are associated with the fluctuations of the USD against the EUR, RON and TRY. The Group has a net USD long position resulting mainly from sales of oil and gas production. Their effects on cash flow and/or the balance sheet (translation risk) as well as the correlation with the oil price are also regularly monitored. The currency risk associated with investments (translation risk) – i.e. the potential impact on the income statement and balance sheet – is centrally monitored. OMV is exposed to currency translation risk by major investments in Romania and Turkey.

Credit risk exposure associated with the Group's main counterparties is managed on the basis of counterparty limits and bank limits. The risks related to banks are centrally managed by Corporate Finance; all other counterparty risks are managed at segment level based on centrally manged limits.

The fact that Group financing is highly centralized means that OMV Aktiengesellschaft is necessarily obliged to assume the default risk on behalf of Group companies. Frequent reviews of corporate intrayear liquidity planning permit constant monitoring of Group companies' status, and enable countermeasures to be taken where necessary. The investments are regularly tested for impairment, using generally accepted valuation methods. Impairment is recognized as necessary.

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

As holding company, the OMV Aktiengesellschaft performs a group-wide strategic management function for Sustainability:HSSE. The formulation of the Group's Sustainability:HSSE Strategy and the setting of annual Balanced Score Card targets for the entire Group is lead and coordinated by OMV Aktiengesellschaft in consultation with all Business Segments and Petrom.

In 2010, there was no work accident registered in OMV Aktiengesellschaft. One near miss and 11 hazards and findings were reported. Awareness of health, safety, security and environmental issues was raised through training courses and information events like HSSE Hours with the topics "Travel Security", "Metabolic Balance" and "Community Relations Projects". Safety management in the head office in Vienna focused on travel safety and practice alarm trainings with more than 1,800 employees participating in several drills.

Active involvement of employees in health topics is achieved with the help of a Health Circle with participation of all business segments, where employees voice their health concerns and make suggestions, which are brought to the Health Circle Steering Committee for discussion and approval. Alongside regular medical service, the Center of Occupational Health provides a number of health-related regular training workshops, for example Qigong, Tai Chi, Yoga, Pilates and many more. Physiotherapists and nutritionists are available on a regular basis. A large number of employees from the headoffice participated in the 2010 prevention program dedicated to "muscles, joint and spine" aspects. Air-conditioning, temperature and thermal radiation in the head office are monitored regularly. The results have all been within acceptable limits.

In a new Sustainability Blog in the intranet, employees discussed for ten weeks online about health, safety and environmental management as well as stakeholder engagement in OMV operations worldwide. On the internet, OMV launched the interactive Sustainability World, presenting more than 20 projects worldwide.

In 2010, the Annual General Meeting, the Supervisory Board meetings, the annual meeting of the legal experts and a CSR Day were organized carbon neutral.

Significant events after the balance sheet date

In January and February 2011, political unrest broke out in several countries in North Africa and the Middle East. The production in Libya is significantly affected since the outbreak of political unrest. In 2010, Libya contributed approx. 33,000 boe/d, that is about 10%, to OMV's total production. This development may lead to reduced operating earnings in the E&P segment that could also affect OMV Aktiengesellschaft.

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

Outlook for 2011 for OMV Group

For 2011 we expect the main market drivers to remain highly volatile. We expect the Brent oil price to be within a range of USD 80-100/bbl. The Brent-Urals spread is expected to remain tight. Our expectation for the relevant FX rates is also for continuing volatility. Refining margins are expected to recover somewhat due to improved demand for middle distillates. Petrochemical margins are anticipated to decrease compared to 2010, impacted by additional global petrochemical capacity. Marketing volumes as well as margins are expected to remain under pressure as western markets, despite economic recovery, are not expected to show any growth due to saturation while southeastern Europe is still feeling the impact of the economic downturn. To partly secure the Group's cash flow in 2011, OMV entered into oil price swaps in January 2011 for a volume of 50,000 bbl/d of 2011 production securing a price of USD 97/bbl and into EUR-USD average rate forwards at USD 1.37, covering those volumes until the end of 2011. These transactions are partly settled via OMV Aktiengesellschaft. It is one of OMV's main priorities to strive for world class HSEQ standards including the reduction of the LTI-rate (lost-time injury).

Vienna, March 22, 2011
The Executive Board

Wolfgang Ruttenstorfer
Chief Executive Officer and Chairman of the Executive Board

Gerhard Roiss
Deputy Chairman of the Executive Board
Refining and Marketing including petrochemicals

Werner Auli
Member of the Executive Board
Gas and Power

David C. Davies
Member of the Executive Board
Chief Financial Officer

Jacobus Gerardus Huijskes
Member of the Executive Board
Exploration and Production

Auditor's report

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system, of OMV Aktiengesellschaft, Vienna, for the fiscal year from January 1, 2010 to December 31, 2010. These financial statements comprise the balance sheet as of December 31, 2010, the income statement for the fiscal year ended December 31, 2010, and the notes.

Management's Responsibility for the Financial Statements and for the Accounting System

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of December 31, 2010 and of its financial performance for the fiscal year from January 1, 2010 to December 31, 2010 in accordance with Austrian Generally Accepted Accounting Principles.

Comments on the Management Report

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

In our opinion, the management report is consistent with the financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, March 22, 2011

Deloitte Audit Wirtschaftsprüfungs GmbH

Mag. Manfred Geritzer
Certified Public Accountant

Mag. Michael Schober
Certified Public Accountant

Financial Statements
Balance sheet as of December 31, 2010

Assets	Note	2010	2009
			EUR 1,000
Fixed assets	1		
Intangible assets		2	0
Tangible assets		1,090	6,202
Financial assets		6,594,339	4,886,522
		6,595,431	**4,892,724**
Current assets			
Accounts receivable and other assets	2		
Receivables from affiliated companies		3,779,993	4,622,442
Receivables from associated companies		341	58
Other receivables and other assets		67,911	75,038
		3,848,245	**4,697,538**
Own shares		13,199	13,386
Cash on hand and at bank		55,437	272,006
		3,916,881	**4,982,930**
Deferred taxes		**28,027**	**9,613**
Prepayments and accrued expenses		**5,378**	**3,740**
Total assets		**10,545,717**	**9,889,007**

Liabilities			EUR 1,000
	Note	2010	2009
Stockholders' equity	3		
Capital stock		300,000	300,000
Capital reserves			
appropriated		1,006,610	1,006,610
unappropriated		334	334
Revenue reserves			
unappropriated reserve		4,678,192	4,478,005
Reserve for treasury stock		13,199	13,386
Unappropriated income, thereof income brought forward 1,619 (2009: 76,419)		409,229	300,400
		6,407,564	**6,098,735**
Untaxed reserves	4		
Valuation reserve for impairments		432	5,464
Provisions	5		
Provisions for severance payments		8,323	7,180
Provisions for pensions		6,576	7,240
Provisions for taxes		—	8,600
Other provisions		55,533	53,143
		70,432	**76,163**
Liabilities	6		
Bonds		1,750,000	1,500,000
Amounts due to banks		917,269	778,625
Accounts payable from trade		11,492	11,573
Accounts payable to affiliates		1,101,921	1,192,756
Other liabilities		282,029	219,780
		4,062,711	**3,702,734**
Prepayments and accrued income		**4,578**	**5,911**
Total liabilities		**10,545,717**	**9,889,007**
Contingent liabilities	7	3,349,438	3,376,932

Income statement

EUR 1,000

		Note	2010	2009
1.	**Sales**	8	**64,259**	**69,668**
2.	Other operating income	9	5,992	10,244
3.	Expenses for materials and services	10	(1,800)	(1,555)
4a.	Personnel expenses	11	(37,083)	(30,221)
4b.	Expenses for severance payments and pensions	12	(6,869)	(3,550)
5.	Depreciation and amortization		(162)	(214)
6.	Other operating expenses	13	(50,310)	(43,409)
7.	**Subtotal of items 1 to 6 (Earnings before interest and taxes)**		**(25,973)**	**963**
8.	Income from investments thereof affiliated companies 618,910 (2009: 596,340)	14	770,024	596,783
9.	Income from other securities and lendings carried as financial assets thereof affiliated companies 45,296 (2009: 57,814)		47,705	60,197
10.	Other interest and similar income thereof affiliated companies 74,244 (2009: 71,452)		97,891	101,040
11.	Gains on disposal and write-up of financial assets and securities held as current assets		260	462
12.	Expenses arising from financial assets and securities held as current assets thereof amortization 113,106 (2009: 477,056) thereof affiliated companies 333 (2009: 81,317)	14	(113,439)	(558,374)
13.	Interest and similar expenses thereof concerning affiliated companies 76,675 (2009: 49,560)		(217,217)	(189,005)
14.	**Subtotal of items 8 to 13 (Financial result)**		**585,224**	**11,103**
15.	**Income from ordinary activities**		**559,251**	**12,066**
16.	Taxes on income	15	43,326	6,415
17.	**Net income for the year**		**602,577**	**18,481**
18.	Reversal of untaxed reserves		5,033	—
19.	Reversal of revenue reserves		—	205,500
20.	Allocation to revenue reserves		(200,000)	—
21.	Income brought forward from previous years		1,619	76,419
22.	**Unappropriated income**		**409,229**	**300,400**

Notes

The accounts of **OMV Aktiengesellschaft**, Vienna, as of December 31, 2010 have been drawn up in accordance with the Austrian Commercial Code (ACC) as amended. As the parent company of the OMV Group, OMV Aktiengesellschaft also prepares separate consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

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

The annual financial statements were prepared in euro (EUR). The presentation is in units of one thousand euro (EUR 1,000; EUR thousand), this may result in rounding differences.

Accounting and valuation policies

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

Depreciation is based on the following useful economic lives:

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

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

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

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

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

On May 16, 2006, OMV acquired a 34% interest in Petrol Ofisi – the leader in the country's filling station and commercial segments – from Doğan Holding in order to gain a presence in Turkey, one of Europe's largest growth markets. After building up its interest in Petrol Ofisi to 41.58% in previous years, OMV finally gained control in 2010 by acquiring another 54.14% share from Doğan. After the deal was closed on December 22, 2010, OMV held 95.72% in Petrol Ofisi. While the 41.58% share is still held directly by OMV Aktiengesellschaft, the additional share of 54.14% was acquired indirectly via OMV Enerji Holding Anonim Şirketi, a subsidiary of OMV Aktiengesellschaft. Part of the agreement with Doğan was the distribution of a dividend by Petrol Ofisi before closing of the transaction. OMV's share in the dividend, which was received in December, amounted to TRY 303,869 thousand (EUR 150,460 thousand).

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

Accounts receivable and other assets are stated at cost. Non-interest bearing receivables with maturities of over one year are discounted. Foreign currency receivables are stated at the lower of cost or the European Central Bank (ECB) exchange rate at balance sheet date. All recognizable risks are accounted for by valuation allowances.

In the year under review **deferred taxes** arising from temporary differences were recognized pursuant to section 198 (9–10) ACC. Deferred taxes are reported under the Taxes on income item. In the 2005 financial year OMV Aktiengesellschaft began charging tax contributions to Group companies due to the formation of a tax group under section 9 Corporate Tax Act. OMV Aktiengesellschaft retains the profits and losses of its successor companies under a profit and loss pooling agreement.

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

Provisions for pensions, severance payments and jubilee payments are calculated using the projected unit credit method, which divides the costs of the estimated benefit entitlements over the whole period of employment and thus takes future increases in remuneration into account. Actuarial gains and losses within a corridor of 10% of the greater of projected benefit obligations and plan assets – measured in both cases at the beginning of the year – are not recognized in pensions and severance payments provisions. Actuarial gains and losses exceeding this corridor are distributed according to the average remaining years of service of the participants in the plan. Interest expense accruing on pension provisions together with income from pension plan assets is disclosed as part of financial income and expense.

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

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

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

Liabilities are stated at the higher of nominal value or the amount repayable. Foreign currency liabilities are valued at the higher of cost or the ECB exchange rate at balance sheet date.

Long Term Incentive (LTI) plans 2009 and 2010

In 2009, the stock option plan was replaced by the LTI plan for the Executive Board and selected senior executives in the Group. Participants must hold shares until the end of the holding period. At vesting date bonus shares will be granted to the participants. The number of bonus shares is determined depending on the achievement of defined performance targets. Disbursement is made in cash or shares. In 2010, another LTI plan was granted, with similar conditions.

Provision is made for the expected future costs of the LTI plans at balance sheet date based on fair values. Fair values are determined using a model considering the expected target achievement and the expected share price. Expected dividends were incorporated into the measurement according to the Company's mid-term planning. For new plans, the expense is spread over the three-year vesting period. As of December 31, 2010, the provision amounted to EUR 16,625 thousand (2009: EUR 3,747 thousand), and the net increase was EUR 12,878 thousand (2009: EUR 3,747 thousand).

Main conditions

	2010 plan	2009 plan
Start of plan	1.1.2010	1.1.2009
End of performance period	31.12.2012	31.12.2011
Vesting date	31.3.2013	31.3.2012
End of holding period	31.3.2015	31.3.2014
Qualifying own investment		
Executive Board Chairman	100% of gross base salary	100% of gross base salary
Executive Board Deputy Chairman	85% of gross base salary	85% of gross base salary
Executive Board Members	70% of gross base salary	70% of gross base salary
Senior executives	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares
Personal investment held in shares		
Executive Board members		
Auli	20,096 shares	20,096 shares
Davies	20,096 shares	20,096 shares
Huijskes	12,136 shares	—
Langanger	20,096 shares	20,096 shares
Roiss	28,469 shares	28,469 shares
Ruttenstorfer	38,278 shares	38,278 shares
Total — Executive Board	**139,171 shares**	**127,035 shares**
Other senior executives	240,390 shares	202,412 shares
Total personal investment	**379,561 shares**	**329,447 shares**
Expected bonus shares as of December 31, 2010	**591,420 shares**	**300,688 shares**
Maximum bonus shares as of December 31, 2010	**611,514 shares**	**513,480 shares**
Fair value of plan (EUR 1,000)	**27,076**	**11,399**

Stock option plans 2004 – 2008
On the basis of resolutions of the relevant Annual General Meetings, OMV has implemented long-term performance oriented compensation plans for the Executive Board and selected senior executives in the Group from 2000 onwards. Eligible executives – provided they invested in OMV shares – are granted options entitling them to acquire OMV shares (or their monetary equivalents) on favorable terms if the stock price has risen by at least 15% (plan threshold share price).

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

At grant dates details of the plans were as follows:

Main conditions

	2008 plan	2007 plan	2006 plan	2005 plan	2004 plan
Start of plan	1.9.2008	1.9.2007	1.9.2006	1.9.2005	1.9.2004
End of plan	31.8.2015	31.8.2014	31.8.2013	31.8.2012	31.8.2011
Vesting period	2 years	2 years	2 years	2 years	2 years
Exercise price	EUR 47.550	EUR 47.850	EUR 45.190	EUR 34.700	EUR 16.368
Option entitlement per OMV share held	20	20	20	20	15
Qualifying own investment					
Executive Board	1,136 shares [1]	1,230 shares [1]	1,242 shares [1]	2,390 shares [1]	3,980 shares [1]
Senior executives	379 shares [1]	410 shares [1]	414 shares [1]	800 shares [1]	1,330 shares [1]
Options granted					
Executive Board members					
Auli [2]	22,720	24,600	8,280	—	19,950
Davies	22,720	24,600	24,840	47,800	59,700
Langanger [3]	22,720	24,600	24,840	47,800	59,700
Roiss	22,720	24,600	24,840	47,800	59,700
Ruttenstorfer	22,720	24,600	24,840	47,800	59,700
Total – Executive Board	**113,600**	**123,000**	**107,640**	**191,200**	**258,750**
Other senior executives	428,280	440,760	360,220	532,000	484,350
Total options granted	**541,880**	**563,760**	**467,860**	**723,200**	**743,100**
Plan threshold share price	**EUR 54.680**	**EUR 55.030**	**EUR 51.970**	**EUR 39.910**	**EUR 18.823**

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

At balance sheet date, some of the options for the 2004 and 2005 plans were exercised and some of the options for the 2006 and 2007 plans forfeited (were returned). As of December 31, 2009, some of the options for the 2004 and 2005 plans were exercised and some of the options for the 2006 and 2007 plans forfeited (were returned). Participation in the stock option plans is subject also to the following terms and conditions:

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

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

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

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

5. Provided that the plan thresholds are attained, the options may be exercised in the exercise period for the 2004 plan during the 20 trading days after publication of the quarterly reports (exercise window). For the plans for 2005–2008 exercise windows are periods where exercise is not prohibited according to the following criteria. Options may not be exercised:
   - when the plan participant is party to insider information;
   - during the blackout period specified in the Issuers Compliance Regulation (six weeks before scheduled publication of the annual results, three weeks before publication of the quarterly results or any other restricted periods defined by compliance officers);
   - if the Executive Board forbids the exercise for a specific period.

6. Evidence of the participant's underlying investment must be furnished when exercising an option. The options may be exercised by purchasing the shares or by having the difference between the current market price and the exercise price paid out in cash or in the form of shares, provided always that the market price of OMV stock at the time of exercise exceeds the exercise price by at least 15%.

In 2010 and 2009 movements in options under the stock option plans were as follows:

Stock option plans

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

[1] The options for the plans 2005, 2006, 2007, and 2008 would have been exercisable at year end, if the share price had been above the respective plan threshold. The options for the plans 2005, 2006 and 2007 would have been exercisable at December 31, 2009, if the share price had been above the respective plan threshold.

During 2010, a total of 16,500 options granted under the 2004 plan were exercised. For all options, the options were exercised through the purchase of shares. The weighted average market price at the time of exercise in 2010 was EUR 26.530. Considering the plan threshold, the intrinsic value of the options exercisable as of December 31, 2010 was EUR 2,045 thousand. (As of December 31, 2010 the share price was below the plan threshold for the 2005, 2006, 2007 and 2008 plans.) During 2009, a total of 18,180 options granted under the 2004 plan were exercised. For all options, the options were exercised through the purchase of shares. The weighted average market price at the time of exercise in 2009 was EUR 28.908. 16,560 options from the 2006 plan and 24,600 options from the 2007 plan were returned by the participants. Considering the plan threshold, the intrinsic value of the options exercisable as of December 31, 2009 was EUR 2,226 thousand. (As of December 31, 2009 the share price was below the plan threshold for the 2005, 2006, 2007 and 2008 plans.)

Exercise of options by plan participants was as follows:

Options exercised

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

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

Compensation expense — **EUR 1,000**

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

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

As of December 31, 2010, **outstanding options** under the various plans were as follows:

Outstanding options

Plan	Exercise price EUR	Options outstanding	Remaining maturity in years	Options exercisable at year end [1]
2004	16.368	138,810	0.7	138,810
2005	34.700	375,400	1.7	—
2006	45.190	451,300	2.7	—
2007	47.850	539,160	3.7	—
2008	47.550	541,880	4.7	—
Total		**2,046,550**		**138,810**

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

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

The fair value as of December 31, 2010 is calculated on the basis of the options still outstanding, while the fair value as of the time of award is based on the total options granted. Assuming that the conditions for exercise are fulfilled during the exercise period, the fair value of the stock option plans is as follows:

Valuation as of December 31, 2010

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

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

Notes to the balance sheet

1 Fixed assets

In the year under review fixed tangible assets were itemized in accordance with minimum statutory requirements. Movements in fixed assets in 2010 are shown in the statement of fixed assets.

The Land and buildings item includes land valued at EUR 790 thousand (2009: EUR 5,835 thousand).

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

EUR 1,000

	2010	2009
Maturing in one year	73	74
Maturing in the next five years	170	160
Total	**243**	**234**

Loans with maturities of up to one year amounted to EUR 9 thousand (2009: EUR 150,009 thousand). During the year just ended OMV Aktiengesellschaft extended the following loans: EUR 100,000 thousand to OMV Power International GmbH; EUR 630,000 thousand to OMV Clearing and Treasury GmbH; EUR 100,000 thousand to EconGas GmbH; EUR 32,000 thousand to OMV Samsun Elektrik Uretim Sanayi (formerly Borasco Elektrik Üretim Sanayi ve Ticaret A.S.); USD 12,500 thousand to OMV Australia PTY LTD; and EUR 69,409 thousand to OMV Finance Services GmbH. OMV Pakistan Exploration GmbH has an open credit line of USD 35,000 thousand for the development of the South West Miano Block gas field; as of the balance sheet date, USD 11,977 thousand had been drawn down. Pearl Petroleum Company Limited has an open credit facility of USD 103,871 thousand, of which USD 77,279 thousand had been utilized by the balance sheet date.

In 2010 grandparent company contribution were granted to the following companies: to OMV Trading GmbH EUR 20,000 thousand, to OMV Oil Exploration GmbH EUR 149,000 thousand, to OMV Oil & Gas Exploration GmbH EUR 9,251 thousand, to OMV Clearing and Treasury GmbH EUR 330,000 thousand, to OMV Finance Services GmbH EUR 125,000 thousand and to VIVA International Marketing- und Handels GmbH EUR 83,004 thousand.

During the year under review the capital of OMV Deutschland GmbH was increased by EUR 70,000 thousand, and that of OMV Enerji Holding Anonim Şirketi by TRY 2,090,434 thousand (EUR 1,027,699 thousand). To protect changes in FX derivates have been closed. At total of USD 492,000 thousand has been fixed at four bank institutes, which have been settled on December 22, 2010. The result of these derivates amount to USD 20,045 thousand has been settled with the investment.

2 Accounts receivable and other assets

EUR 1,000

	2010		2009	
	≤1 year	>1 year	≤1 year	>1 year
Receivables from affiliated companies	3,779,993	–	4,622,442	–
[thereof trade]	[223]	[–]	[112]	[–]
Receivables from associated companies	341	–	58	–
[thereof trade]	[96]	[–]	[47]	[–]
Other receivables and assets	67,911	–	75,038	–
Total	**3,848,245**	**–**	**4,697,538**	**–**

Other receivables include a revolving loan of EUR 9,342 thousand (2009: EUR 11,069 thousand) to Trans Austria Gasleitung GmbH, as well as a tax credit of EUR 56,959 thousand (2009: EUR 48,183 thousand) in respect of corporate tax prepayments.

3 Stockholders' equity

The **capital stock** of OMV Aktiengesellschaft consists of 300,000,000 (2009: 300,000,000) fully paid no par value shares with a total nominal value of EUR 300,000 thousand (2009: EUR 300,000 thousand). There is only one class of share, and there are no shares that confer special control rights. All shares are entitled to dividends for the financial year 2010, with the exception of treasury shares held by the Company.

The Executive Board was authorized by resolution of the Annual General Meeting 2009 to increase the capital stock of OMV Aktiengesellschaft with the approval of the Supervisory Board by up to EUR 77,900 thousand by the issue of up to 77,900,000 no par value shares until May 13, 2014 (authorized capital).

The capital stock has been conditionally increased by EUR 77,900 thousand under section 159 (2) (1) Austrian Stock Corporation Act by issuance of up to 77,900,000 common shares in bearer form (conditional capital). The conditional capital increase will only be carried out if holders of the convertible bonds issued on the basis of the Annual General Meeting resolution held on May 13, 2009, exercise their right to convert them into the Company's stock.

The Annual General Meeting of May 13, 2009 authorized the Executive Board for a period of 30 months after the date of the authorization to purchase the Company's stock up to the maximum amount permissible by law (currently 10% of the authorized share capital). Repurchased shares may be used to service the stock option plans or can at any time be sold through the stock exchange or by means of a public offer. The Executive Board is further authorized to cancel treasury shares or use them for convertible bonds, if issued, use them in exchange for shares in other companies or for any other legally permitted purpose, whatsoever.

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

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

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

Treasury shares

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

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

Number of shares in issue

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

4 Untaxed reserves

The **untaxed reserves** are valuation reserves related to undeveloped and developed land, amounting to EUR 432 thousand (2009: EUR 5,464 thousand). The changes of untaxed reserves reduce the tax revenue of the current year about EUR 1,258 thousand (2009: EUR 0)

5 Provisions

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

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

EUR 1,000

	2010 Pensions	2010 Severance payments	2010 Jubilee payments	2009 Pensions	2009 Severance payments	2009 Jubilee payments
Present value of funded obligations	28,707	—	—	26,993	—	—
Market value of plan assets	(18,003)	—	—	(14,859)	—	—
Unrecognized actuarial gains/(losses)	(4,128)	—	—	(4,894)	—	—
Provision for funded obligations	**6,576**	—	—	**7,240**	—	—
Present value of unfunded obligations	—	6,856	412	—	7,839	452
Unrecognized actuarial gains/(losses)	—	1,467	—	—	(659)	—
Provision for unfunded obligations	—	**8,323**	**412**	—	**7,180**	**452**
Provision as of January 1	**7,240**	**7,180**	**452**	**7,642**	**6,409**	**443**
Expense for the year	1,773	1,359	25	1,890	1,331	48
Payments to funds	(2,437)	—	—	(2,292)	—	—
Benefits paid	—	(143)	(46)	—	(350)	(13)
Group transfer	—	(73)	(19)	—	(210)	(26)
Provision as of December 31	**6,576**	**8,323**	**412**	**7,240**	**7,180**	**452**
Interest cost	1,478	411	24	1,287	366	24
Current service cost	583	948	42	552	965	42
Expected return on plan assets	(736)	—	—	(592)	—	—
Amortized actuarial (gains)/losses	448	—	(41)	643	—	(18)
Expenses of defined benefit plans for the year	**1,773**	**1,359**	**25**	**1,890**	**1,331**	**48**

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

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

Allocation of plan assets as of December 31:

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

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

The funds of the asset allocation and risk group (VRG) IV are invested in EUR-denominated bond funds, international equity funds and money market investments. As part of the risk diversification policy, in selecting the asset managers, their different management styles and investment approaches have been taken into account.

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

Favorable or adverse variances in the performance of individual VRGs compared with target returns on plan assets exist, due to their different maturities and to different developments in the capital markets. Both VRGs showed positive performances in 2009 and 2010 with VRG IV being above the target return.

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

Other provisions largely consisted of the following:

EUR 1,000

	2010	2009
Personnel provisions	34,607	22,258
Sundry provisions	20,926	30,885
Total	**55,533**	**53,143**

Personnel provisions include a provision for share options granted, amounting to EUR 26,239 thousand (2009: EUR 13,998 thousand). This comprises provision of EUR 9,615 thousand for the existing stock option plan and of EUR 16,625 thousand for Long Term Incentive plan. Other provisions include reinsurance amounting to EUR 19,234 thousand (2009: EUR 28,391 thousand).

6 Liabilities

EUR 1,000	2010		2009	
	≤1 year	>1 year	≤1 year	>1 year
Bonds	—	1,750,000	250,000	1,250,000
Amounts due to banks	363,269	554,000	168,625	610,000
Accounts payable from trade	4,692	6,800	4,773	6,800
Accounts payable to affiliates	250,469	851,452	336,463	856,293
[thereof trade]	[—]	[—]	[—]	[—]
Other liabilities	279,823	2,206	219,780	—
[thereof taxes]	[182,540]	[—]	[160,204]	[—]
[thereof social security expenses]	[209]	[—]	[183]	[—]
Total	**898,253**	**3,164,458**	**979,641**	**2,723,093**

Other liabilities include personnel separation expenses of EUR 2,786 thousand (2009: EUR 1,571 thousand) and interest expenses for bonds of EUR 72,480 thousand (2009: EUR 52,146 thousand). Other liabilities include expenses 2010, which are made payable in 2011. The most important amounts comprise interest to bonds EUR 72,480 thousand (2009: 52,146 thousand).

Liabilities with maturities of more than five years include bond liabilities amounting to EUR 750,000 thousand (2009: EUR 250,000 thousand).

7 Contingent liabilties under section 199 ACC

Contingent liabilities are as follows:

	2010	2009
Guarantees	**3,349,438**	**3,376,932**
[thereof in favor of affiliated companies]	[3,329,909]	[3,361,436]

The change in contingent liabilities largely resulted from an increase from EUR 27,766 to EUR 185,126 thousand in the guarantee extended on behalf of OMV Supply & Trading GmbH, and a reduction from 349,208 to 99,893 thousand in the guarantee given on behalf of OMV New Zealand Limited.

A guarantee of EUR 1,500,000 thousand on behalf of OMV Finance Limited was renewed; guarantees in favor of this company total EUR 2,350,000 thousand (2009: EUR 2,350,000 thousand).

OMV Aktiengesellschaft is liable for the redemption of the USD 320,000 thousand (EUR 239,485 thousand) US bond issue by OMV (U.K.) Limited.

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

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

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

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

Notes to the income statement

8 Sales

EUR 1,000	2010	2009
Domestic	56,350	68,762
Foreign	7,909	906
Total	**64,259**	**69,668**

As OMV Aktiengesellschaft has been operating as a holding company since January 1, 2004, most of the sales consist of corporate service charges paid by the successor companies.

9 Other operating income

EUR 1,000	2010	2009
Gains on the disposal of fixed assets other than financial assets	4,743	65
Gains on reversal of provisions	12	9,026
Other	1,237	1,153
Total	**5,992**	**10,244**

Income from the disposal of fixed assets relates to a land sale.

10 Expenses for materials and services

EUR 1,000	2010	2009
Cost of materials	122	123
Cost of services	1,678	1,432
Total	**1,800**	**1,555**

The main components of Cost of materials and services are expenses for other third-party services.

11 Personnel expenses

EUR 1,000	2010	2009
Salaries	34,021	27,286
Statutory social security, and pay-related levies and compulsory contributions	2,993	2,863
Other expenses for employee benefits	69	72
Total	**37,083**	**30,221**

12 Expenses for severance payments and pensions

EUR 1,000	2010	2009
Expenses for severance payments	2,382	965
Payments to occupational pension funds	104	83
Defined contribution personnel expense	1,198	900
Defined benefit personnel expense	3,185	1,602
Total	**6,869**	**3,550**

Defined contribution pension expense includes EUR 1,901 thousand in provisions for personnel reduction programs (2009: EUR 38 thousand).

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

EUR 1,000	2010		2009	
	Severance payments	Pensions	Severance payments	Pensions
Executive Board	2,078	907	637	724
Senior executives	100	339	97	316
Other employees	308	3,137	314	1,462

13 Other operating expenses

EUR 1,000	2010	2009
Taxes not shown under item 16 (Taxes on income)	346	902
Other	49,964	42,507
Total	**50,310**	**43,409**

Other expenses include: EUR 17,368 thousand in insurance premiums, and legal and consultancy fees (2009: EUR 10,905 thousand), EUR 9,565 thousand in advertising expenditure (2009: EUR 8,766 thousand), and EUR 10,667 thousand in services (2009: EUR 11,293 thousand).

14 Financial income and expenses

Income from equity interests amounting to EUR 770,024 thousand (2009: EUR 596,783 thousand) include EUR 608,910 thousand (2009: EUR 596,340 thousand) from profit-pooling arrangements, EUR 10,000 thousand from affiliated companies and EUR 151,114 thousand (2009: EUR 444 thousand) from investment income. As of the balance sheet date there were profit and loss pooling agreements with the following companies: OMV Solutions GmbH; OMV Refining & Marketing GmbH; OMV Exploration & Production GmbH; OMV Insurance Broker GmbH; OMV Gas & Power GmbH; and OMV Future Energy Fund GmbH.

The item Expenses arising from financial assets contains EUR 333 thousand in expenses arising from profit-pooling arrangements (2009: EUR 81,317 thousand), and EUR 113,100 thousand from an impairment.

15 Taxes and income

EUR 1,000	2010	2009
Current taxes	(24,893)	(9,397)
Deferred taxes	(18,433)	2,982
Total	**(43,326)**	**(6,415)**

Current taxes comprise EUR 89 thousand in deferred tax credits (2009: EUR 130 thousand), tax expense of EUR 1,309 thousand arising from a tax inspection, and EUR 26,113 thousand in corporate income tax revenues attributable to the top-tier corporation (2009: EUR 9,267 thousand) in consequence of the formation of a tax group under section 9 KStG (Corporate Tax Act) after the tax contributions charged. The change in deferred tax to income of EUR 18,433 thousand (2009: expense of EUR 2,982 thousand) chiefly reflects the recognition of an impairment, only one-seventh of which could be utilized.

16 Interest rate risk management and derivates

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

Interest rate swaps are used from time to time to convert fixed rate debt into floating rate debt, and vice versa. At balance sheet date interest on USD 50 mn has been swapped from fixed to floating rates. The interest rate spread between the swap and the loan is accounted for as an adjustment to interest expense.

EUR 1,000

			2010			2009
	Nominal value	Fair value	Carrying value	Nominal value	Fair value	Carrying value
Interest rate Swap (EUR)	—	—	—	100,000	2,983	—
Interest rate Swap (USD)	37,420	4,779	—	34,708	3,328	—
FX Swap EUR-HUF	43,173	(260)	(260)	69,706	(695)	(695)
FX Swap EUR-HRK	12,190	(44)	(44)	12,329	(189)	(189)
FX Swap EUR-USD	94,669	(5,393)	(504)	—	—	—
FX Swap EUR-CZK	19,951	227	—	—	—	—
FX Forward EUR-USD	146,019	5,501	(63)	—	—	—

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

As of 31.12.2010 there has been built a valuation unit for derivates with Fair value of EUR 5,564 thousand and EUR (5,564) thousand. This valuation unit includes two FX swaps and FX Forwards, which have the same maturity, nominal and counter party. The result of this valuation unit has been recorded in the profit and loss.

Where necessary, the Company hedges its own and Group companies' foreign currency risks.

To protect the Group's cash flow from the adverse impact of falling oil prices, derivative instruments have been used to hedge the proceeds from 25,000 bbl/d for 2010. To achieve this goal, OMV entered into crude oil hedges (puts) securing an average price floor of USD 55.17/bbl. The puts were financed via call options in order to avoid initial investment (zero cost collar), whereby the Group was not able to profit from oil prices above USD 75/bbl in 2010 for the volume stated above. The hedges are over-the-counter (OTC) contracts with first class banks. As of 31.12.2010 there are no such hedging instruments in place.

For 2009, OMV entered into put spreads for 25,000 bbl/d to secure a price floor of USD 80/bbl as long as the oil price was above USD 65/bbl. When oil prices were below USD 65/bbl, the hedge paid out USD 15/bbl in addition to the realized market price. The put spreads were financed via call options in order to avoid initial investment (zero cost structure), whereby the Group would not have been able to profit from oil prices above approximately USD 110/bbl in 2009 for the above stated volume.

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

17 Governing bodies and employees

The **average number of employees** was:

	2010	2009
Salaried employees	128	124
Total	**128**	**124**

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

Remuneration received by the Executive Board EUR 1,000

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

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

The members of the Executive Board and the members of the Supervisory Board are covered by directors and officers liability insurance (D&O) and legal costs insurance. A large number of other OMV employees also benefit from these two forms of insurance, and the insurers levy lump-sum premiums, which are not specifically attributed to the Board members.

Compensation of former members of the Executive Board and their surviving dependants amounted to EUR 1,119 thousand (2009: EUR 1,109 thousand).

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

In 2010, remuneration expenses for the Supervisory Board amounted to EUR 392 thousand (2009: EUR 386 thousand).

As of the balance sheet date the provision for stock options granted to Executive Board members and other senior executives amounted to EUR 26,239 thousand (2009: EUR 13,998 thousand). The change during the year under review was EUR 12,241 thousand (2009: EUR 5,161 thousand).

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

18 Dividend recommendation

Unappropriated income for the 2010 financial year amounted to EUR 409,229 thousand (2009: EUR 300,400 thousand).

We recommend payment of a dividend of EUR 1.00 per share (excluding treasury stock) for the 2010 financial year, and carrying forward of the remainder.

Changes in untaxed reserves

	As of Jan. 1, 2010	Allocations/ utilization	Transfer	**As of Dec. 31, 2010**
				EUR 1,000
Valuation reserve for impairments				
Tangible assets				
Land and buildings	5,464	5,032	–	432
	5,464	**5,032**	**–**	**432**

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

1,000 in stated currency

	Equity interest in %	Equity/negative equity as of Dec. 31, 2010		Net income/loss in 2010
Domestic				
OMV Gas & Power GmbH, Wien [1]	100,00	EUR	195,638	79,264
OMV Exploration & Production GmbH, Wien [1]	100.00	EUR	687,096	443,792
OMV Future Energy Fund GmbH, Wien [1]	100.00	EUR	35	(333)
OMV Insurance Broker GmbH, Wien [1]	100.00	EUR	185	479
OMV Refining & Marketing GmbH, Wien [1]	100.00	EUR	782,984	61,013
OMV Solutions GmbH, Wien [1]	100.00	EUR	458,799	48,148
students4excellence GmbH, Wien [2]	20.00	EUR	39	(2)
Foreign				
Amical Insurance Limited, Douglas	100.00	EUR	25,797	4,186
OMV AUSTRALIA PTY LTD, Sydney [1]	100.00	AUD	(33,355)	(20,806)
OMV ENERJİ HOLDİNG ANONİM ŞİRKETİ, Istanbul [3, 4]	100.00	TRY	2,089,915	31
OMV FINANCE LIMITED, Douglas	100.00	EUR	92	(231)
Petrol Ofisi A. Ş., Istanbul [3]	41.58	TRY	2,267,536	(39,348)
OMV PETROM SA, Bukarest	51.01	RON	15,975,668	1,579,748

1 Tax group member under section 9 Corporate Tax Act.
2 Preliminary figures for 2010.
3 OMV Enerji Holding Anonim Sirketi holds 54.10% indirectly, and OMV owns a total of 95.72%.
4 Individual shares are held by other Group companies (in total below 0.01%).

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

	As of Jan. 1, 2010	Additions
Intangible assets		
Licenses	2	3
	2	**3**
Tangible assets		
Land and buildings	5,853	—
Plant and equipment	461	—
Other fixtures and fittings, tools and equipment	1,258	165
	7,572	**165**
Financial assets		
Investments in affiliated companies	3,865,561	1,794,947
Loans to affiliated companies	947,513	940,924
Other investments	915,778	—
Securities (loan stock rights) held as fixed assets	8,201	—
Other lendings	90,253	6,704
	5,827,306	**2,742,575**
	5,834,880	**2,742,743**

EUR 1,000

Transfers	Disposals	As of Dec. 31, 2010	Depreciation and amortization (cumulative)	Carrying value as of Dec. 31, 2010	Carrying value as of Dec. 31, 2009	Depreciation and amortization	Impairment in 2010
—	2	3	1	2	—	1	1
—	**2**	**3**	**1**	**2**	**—**	**1**	**1**
—	5,063	790	—	790	5,845	—	—
—	461	—	—	—	3	—	—
—	465	958	658	300	354	161	—
—	**5,989**	**1,748**	**658**	**1,090**	**6,202**	**161**	**—**
886,992	—	6,547,500	1,042,324	5,505,176	2,936,337	—	113,100
—	926,953	961,484	255	961,229	939,685	—	—
(886,992)	2,154	26,632	—	26,632	915,778	—	—
—	—	8,201	3,696	4,505	4,505	—	—
—	128	96,829	32	96,797	90,217	—	—
—	**929,235**	**7,640,646**	**1,046,307**	**6,594,339**	**4,886,522**	**—**	**113,100**
—	**935,226**	**7,642,397**	**1,046,966**	**6,595,431**	**4,892,724**	**162**	**113,101**

Supervisory Board

Peter Michaelis
Chairman from May 13, 2009
Member of the Management Board of ÖIAG
appointed to the Board in the AGM of May 23, 2001

Rainer Wieltsch
Deputy Chairman until May 26, 2010
appointed to the Board in the AGM of May 24, 2002

Wolfgang Berndt from May 26, 2010
Deputy Chairman

Khadem Al Qubaisi from May 26, 2010
Deputy Chairman
Member of the Management Board of IPIC

Alyazia Ali Saleh Al Kuwaiti
Deputy Chairman
Manager/Evaluation & Execution of IPIC
appointed to the Board in the AGM of May 14, 2008

Mohamed Al Khaja until May 26, 2010
Division Manager/Research & Business Development of IPIC
appointed to the Board in the AGM of May 14, 2008

Elif Bilgi-Zapparoli from May 13, 2009
Chairman of the Management Board of EFG Istanbul Securities
appointed to the Board in the AGM of May 13, 2009

Helmut Draxler
appointed to the Board in the AGM of October 16, 1990

Wolfram Littich
Chairman of the Management Board of Allianz Elementar Versicherungs-AG
appointed to the Board in the AGM of May 23, 2001

Herbert Stepic
Deputy Chairman of the Managing Board of Raiffeisen Bank International AG
appointed to the Board in the AGM of May 18, 2004

Herbert Werner
appointed to the Board in the AGM of June 4, 1996

Norbert Zimmermann
Member of the Management Board of Berndorf Industrieholding AG
appointed to the Board in the AGM of May 23, 2001

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

Delegated by the Works Council:
Leopold Abraham, Wolfgang Baumann, Franz Kaba, Ferdinand Nemesch, Markus Simonovsky

Presidential and Nomination Committee:
Michaelis (Chairman), Berndt (Deputy), Al Qubaisi (Deputy), Al Kuwaiti, Abraham, Baumann

Audit Committee:
Michaelis (Chairman), Berndt (Deputy), Al Qubaisi (Deputy), Draxler, Littich, Werner, Abraham, Baumann, Nemesch

Project Committee:
Michaelis (Chairman), Berndt (Deputy), Al Qubaisi (Deputy), Al Kuwaiti, Littich, Zimmermann, Abraham, Kaba, Nemesch

Remuneration Committee:
Michaelis (Chairman), Berndt (Deputy), Al Qubaisi (Deputy), Zimmermann

The information relating to membership of supervisory boards refers to listed, non-Group companies. External supervisory board memberships are memberships of OMV Supervisory Board members outside their Groups which under Rule 57 of the Austrian Corporate Governance Code are not included in the count.

Executive Board

Vienna, March 22, 2011

The Executive Board

Wolfgang Ruttenstorfer

Chairman

Gerhard Roiss

Deputy Chairman

Werner Auli

David C. Davies

Jacobus Gerardus Huijskes

Abbreviations and definitions

ACC Austrian Commercial Code

ACCG Austrian Code of Corporate Governance

AGM Annual General Meeting

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

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

Bitumen is produced when high grade crude oil is distilled. It is used to surface roads, and in roofing and insulation materials.

bn billion

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

CAPEX Capital Expenditure

capital employed equity including minorities plus net debt and provisions for pensions, less securities used for asset coverage of pension provisions

cbm, cf standard cubic meters, standard cubic feet

Co&O Corporate and Other

E&P Exploration and Production

EBIT Earnings Before Interest and Taxes

EPS Earnings Per Share

EPSA Exploration and Production Sharing Agreement

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

EU, EUR, TEUR European Union, euro, thousand euros

F&D (finding and development) cost total exploration expenses divided by changes in proved reserves (extensions, discoveries and revisions of previous estimates)

G&P Gas and Power

gearing ratio net debt divided by stockholders' equity expressed as a percentage

H1, H2 first, second half of the year

HSSE Health, Safety, Security and Environment

IASs, IFRSs International Accounting Standards, International Financial Reporting Standards

LNG Liquefied Natural Gas

LTIR Lost Time Injury Rate

mn million

monomers collective term for ethylene and propylene

MW megawatt

n.a., n.m. not available, not meaningful

net debt financial liabilities including financial lease liabilities less liquid funds (cash and cash equivalents)

net income net operating profit after interest, tax and extraordinary items

NGL Natural Gas Liquids; natural gas which is extracted in liquid form during the production of hydrocarbons

NOC National Oil Corporation

NOPAT Net Operating Profit After Tax; profit on ordinary activities after taxes plus net interest on net borrowings and interest on pensions, less extraordinary result +/– tax effect of adjustments

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

payout ratio total dividend payment divided by net income after minorities expressed as a percentage

Petajoule 1 P. corresponds to approx. 278 mn kilowatt hours

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

ppm parts per million

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

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

R&M Refining and Marketing including petrochemicals

reservereplacement cost exploration, development and maintenance expenditures including acquisition costs

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

ROE Return On Equity; net income for the year divided by average stockholders' equity expressed as a percentage

ROfA Return On fixed Assets; EBIT divided by average intangible and tangible assets expressed as a percentage

RON new Romanian leu

RRR Reserve Replacement Rate; total changes in reserves exclusive production divided by total production

sales revenues sales excluding petroleum excise tax

SEC United States Securities and Exchange Commission

SFAS Statement on Financial Accounting Standards

t, toe metric tonne, tonne of oil equivalent

TRIR Total Recordable Injury Rate

TRY, TTRY Turkish lira, thousand Turkish lira

USD, TUSD US dollar, thousand US dollar

For more abbreviations and definitions please visit www.omv.com.

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

Contact at Investor Relations:
OMV Aktiengesellschaft,
Investor Relations
Trabrennstrasse 6-8, 1020 Vienna, Austria
Tel: +43 1 40440-21600
Fax: +43 1 40440-621600
E-mail: investor.relations@omv.com
Internet: www.omv.com

OMV Aktiengesellschaft
Trabrennstrasse 6-8
1020 Vienna, Austria
www.omv.com