Annual Financial Report 2012

OMV Aktiengesellschaft

Moving more. Moving the future. OMV

Annual Financial Report 2012 – Table of contents

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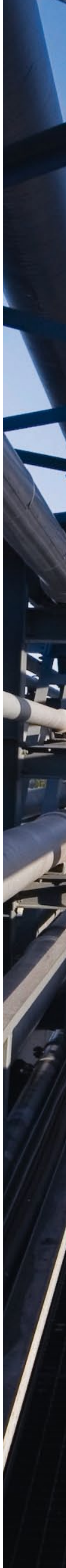



Well on track!

“Profitable Growth” is well on track

Integrated gas

Gas and Power successfully built up a gas sales position in Turkey and prepared for growing sales in the future. Nabucco West was selected as the most competitive route from the Shah Deniz II gas field in Azerbaijan into Central Europe. The gas-fired power plant Brazi (Romania) started commercial operations.

Growing upstream

Exploration and Production achieved stabilization of production in Romania and Austria. The project pipeline was significantly strengthened. Norwegian acquisitions are building a new pillar of growth and stability. 2012 was an exceptionally successful year for exploration with potentially the largest gas discovery in OMV’s history in the Romanian Black Sea.

Restructured oil downstream

Refining and Marketing started its divestment program and successfully sold Petrom LPG as well as the marketing business in Bosnia-Herzegovina. The Petrobrazi refinery modernization program made further progress. Sharp margin and cost management resulted in a significant performance improvement for Petrol Ofisi.

Improved performance

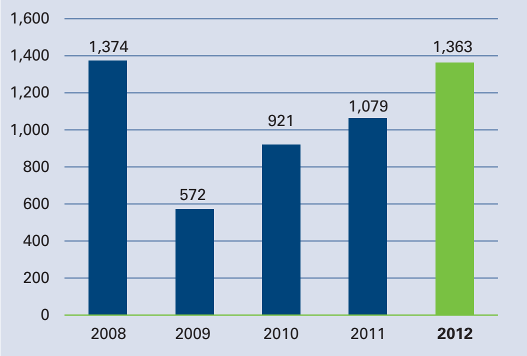
After a successful diagnosis phase, the implementation of "energize OMV", the group-wide performance improvement program, started in mid-2012. Around 130 projects have been set up across the business segments. First major improvements came from the reduction in working capital by EUR 690 mn by end of 2012.

At a glance

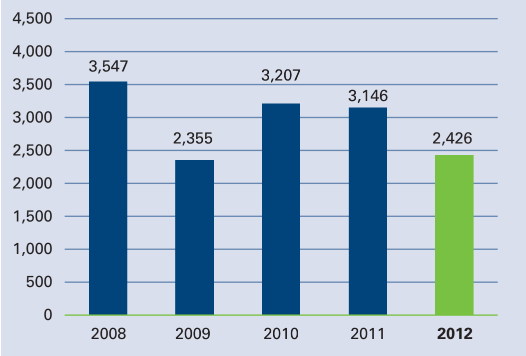
EUR mn	**2012**	2011 [1]	Δ
Sales	42,649	34,053	25%
EBIT	3,104	2,494	24%
Net income attributable to stockholders	1,363	1,079	26%
Clean CCS EBIT [2]	3,407	2,530	35%
Clean CCS net income attributable to stockholders [2]	1,544	1,084	42%
Cash flow from operating activities	3,813	2,514	52%
Capital expenditure	2,426	3,146	(23)%
EUR			
Earnings per share	4.18	3.43	22%
Clean CCS earnings per share [2]	4.73	3.45	37%
Cash flow per share	11.69	8.00	46%
Dividend per share	1.20 [3]	1.10	9%
%			
Return on average capital employed (ROACE) [4]	11	11	(1)%
Return on equity (ROE)	13	13	(1)%

[1] Figures for 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised).
[2] Clean CCS figures exclude special items and inventory holding effects resulting from the fuels refineries and Petrol Ofisi.
[3] As proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2013.
[4] As of 2012, the definitions for NOPAT and capital employed were adjusted. Please see section „abbreviations and definitions" for details. Historic figures were adapted accordingly.

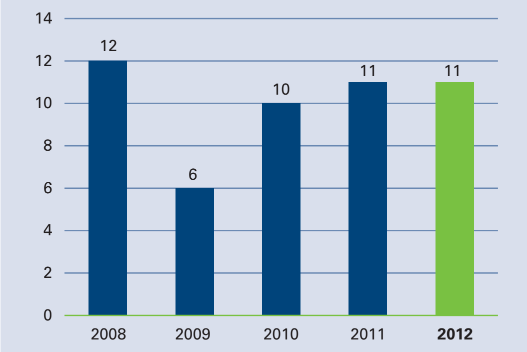
Net income attributable to stockholders in EUR mn



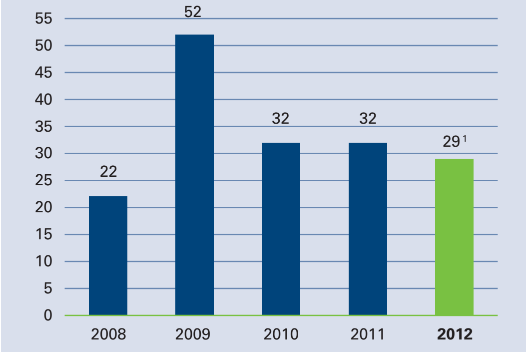
Capital expenditure in EUR mn



ROACE in %



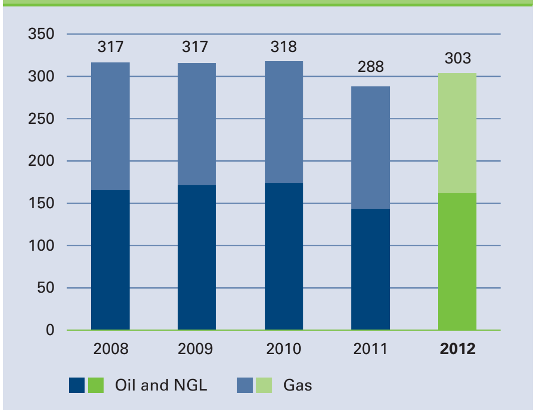
Payout ratio in %



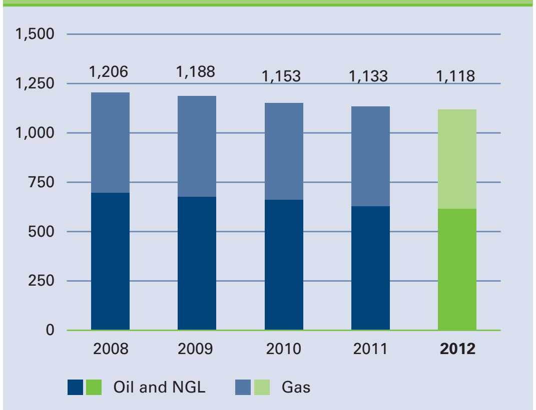
[1] Based on a dividend at the amount of EUR 1.20 per share as proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2013.

Exploration and Production

Production in 1,000 boe/d

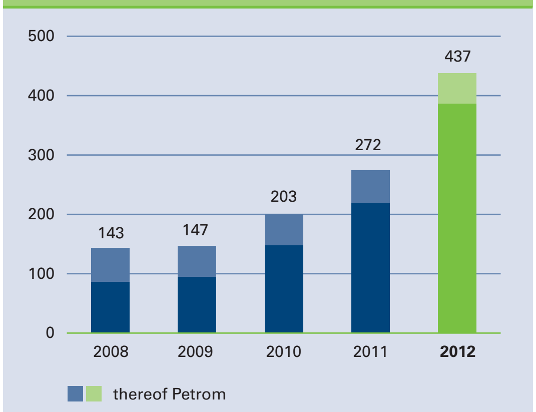


Proved reserves in mn boe

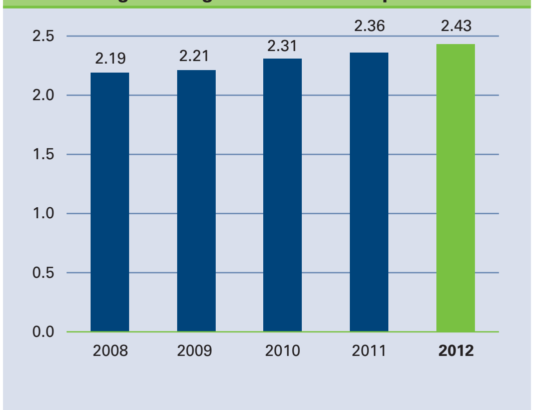


Gas and Power

Gas sales in TWh

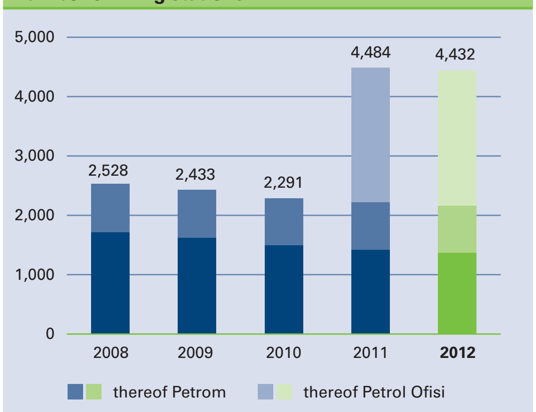


Contracted gas storage volume for third parties in bcm

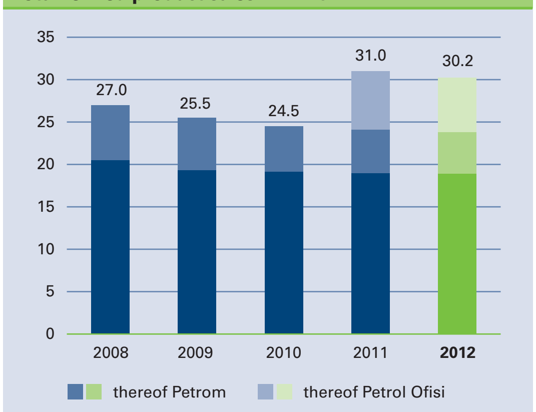


Refining and Marketing

Number of filling stations



Total refined product sales in mn t



Statement of the Chairman of the Executive Board

Record financial performance

Dear shareholders,
2012 has once again shown that we can operate extremely successfully. We managed to deliver a record financial performance while further progressing our strategy. Production was back up to almost pre-crisis levels in important markets and the strategy of focusing on upstream to achieve profitable growth has been gathering speed. A major gas discovery, several important acquisitions and an oversubscribed bond issue have all laid the ground for a bright long-term future. Clean CCS EBIT of EUR 3,407 mn is the highest in OMV's history and represents a 35% increase on 2011. In addition, we generated a free cash flow after dividends of EUR 907 mn – a remarkable achievement in a year which saw considerable investment.

Start of the "energize OMV" program

In the past year, we have fulfilled our commitment to streamline our asset portfolio. The "energize OMV" performance program was successfully rolled out across the Group and is on track to deliver a two percentage points increase in return on average capital employed by 2014. The working capital reductions and cost efficiency measures helped to further strengthen our bottom line and to justify investor confidence in us.

OMV's resourcefulness

Another important initiative was our new sustainability concept – "Resourcefulness". This allows OMV to secure the link between two core resources – natural energy reserves and human potential. The three pillars – Eco-Innovation, Eco-Efficiency and Skills to Succeed – provide a platform for addressing issues ranging from second-generation biofuels and H2 mobility through to carbon and water management, as well as educational initiatives and vocational training. Resourcefulness is more than a mere concept, it sums up our attitude – we strive to secure a win-win situation for society, for the environment and for OMV.

Record bond issue

2012 marked the OMV Group's largest bond offering to date. The EUR 1.5 bn long-dated Eurobonds were issued in two tranches with highly attractive financing terms and a 10- and 15-year tenure.

Our strategy

Grow upstream: A deep water gas discovery in the Black Sea offshore Romania, announced in the first quarter, was a good example of how we are delivering on our strategy by focusing on bigger, high-impact exploration targets. Preliminary estimates put the gas reserves in the Neptun Deep Block at up to 84 bcm. Although this discovery might turn out to be the biggest gas find in OMV's history, it was not the only upstream achievement in 2012. Additional Black Sea blocks were secured in Bulgaria and the Ukraine, while the declared focus area of the North Sea region saw us make significant acquisitions, including a 20 percent stake in the Edvard Grieg oil field with access to 2P reserves in excess of 38 mn boe. A number of asset deals in the UK and an upstream agreement in Abu Dhabi were concluded and we took a major step towards energy security in Pakistan by signing a lease deed for the development of the Latif gas field. OMV's strong operating performance was driven by production in Libya, with on-target production in Austria and Romania. The E&P project pipeline was increased by more than 100% since the Capital Markets Day in September 2011 from 430 mn boe to 900 mn boe.

Optimize downstream: The European downstream market has been under pressure for some time, but while the oil product market in the EU-27 has undergone significant declines, the OMV product market of CEE, SEE and Turkey increased slightly. In R&M, the EUR 1 bn divestment program progressed as planned. A system for stringent capital management was also implemented and we overachieved our ambitious target of reducing working capital by EUR 500 mn and delivered EUR 690 mn by year-end – an important "energize OMV" pledge. A major step in the modernization of the Petrobrazi refinery in Romania was achieved without any interruption to Romanian crude production and product supply. Displaying both resourcefulness and innovation, a pilot plant which converts solid biomass into renewable diesel fuel opened at the Schwechat refinery, the first plant of its kind anywhere in the world.

Integrated gas: In March, we were delighted to welcome our new Executive Board member for Gas and Power, Hans-Peter Floren, who has been a driving force behind addressing the needs of a changing and challenging market environment. One key advantage of our G&P is its coverage of the entire value chain. Equity gas already accounts for a significant part of our supply portfolio, we use our own infrastructure to transport and store the gas and our own sales channels to market it to large consumers and wholesalers. Significant developments in G&P included the commercial start of operations at the gas-fired power plant Brazi, which has the potential to cover up to 9% of Romania's electricity market. There was good news in June when the new concept Nabucco West was named as the preferred pipeline route to Central Europe by the Shah Deniz II consortium.

Gas is the future

Global energy supply is changing and a gap has opened up between the classic energy sources and so-called green energy – a gap OMV believes can be filled by natural gas. We are making sure OMV is at the forefront of this shift.

Looking ahead

Upstream is entering a new growth phase

The success of 2012 reflects an OMV, which is fit for the future and recent developments will drive us forward. Our upstream business is entering a new growth phase, and we will maintain our focus on bigger, high impact exploration targets. We will continue to stabilize production in Romania and Austria and accelerate production growth in Tunisia and Pakistan. Our rising share price in 2012 indicated that the capital market shares our confidence in our new strategy and we will push ahead with further investment to grow our international portfolio and increase exploration activities. The realignment of our divisions will see at least two-thirds of CAPEX allocated to E&P and further optimization in R&M. An even more secure, profitable and resourceful OMV is taking shape and we are confident that – with your ongoing support – we will keep moving forward.

Gerhard Roiss

Highlights 2012

January

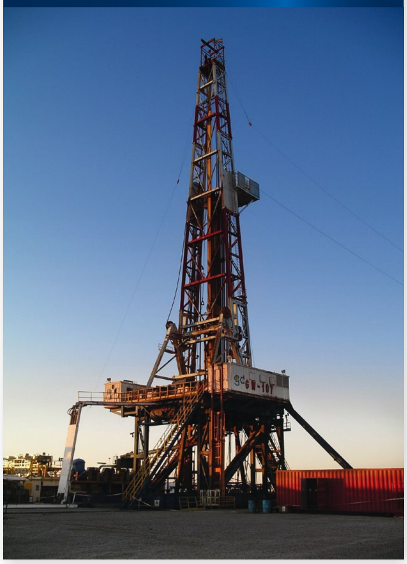
- OMV selected Deutsche Bank to handle the possible sale of the 45% stake in the Bayernoil refinery network

February

- Hans-Peter Floren appointed as new Executive Board member responsible for Gas and Power effective as of March 1, 2012
- Petrom confirms a potentially significant deep water gas discovery in the Domino-1 well offshore Romania

March

April



May

- OMV's Annual General Meeting approves a dividend of EUR 1.10 per share, a 10% increase compared to the previous year

June

- Announcement of UK North Sea divestments in line with focus on the West of Shetland area
- OMV and Wintershall sign an upstream agreement with the Abu Dhabi National Oil Company (ADNOC) to appraise the gas field in Shuwaihat in the western region of Abu Dhabi
- The Nabucco West project was selected as delivery option through Central Europe from the Shah Deniz II consortium

July

- Acquisition of a 15% stake in the Aasta Hansteen gas field development and increase of the share in the Norwegian Sea Gas Infrastructure project

August

- OMV Group was awarded further offshore exploration acreage in the Black Sea of Ukraine and Bulgaria
- Start of commercial operations at the gas-fired power plant Brazi (Romania)

September

- OMV raises EUR 1.5 bn in long-dated Eurobonds and announces a tender offer on upcoming maturities

October

- OMV signs the development and production lease deed for the Latif gas field located in Pakistan
- Rudolf Kemler was elected as a member of the Supervisory Board at the Extraordinary General Meeting and took over as Chairman with effect as of November 1, 2012
- Acquisition of a 20% stake in the Edvard Grieg oil field development in Norway

November

- Sale of the marketing subsidiary in Bosnia-Herzegovina to the Serbian company NIS

December

- Petrom and ExxonMobil start conducting the largest 3D seismic program in the Black Sea
- Final investment decision for the Aasta Hansteen gas field development is taken

Company

OMV Group objectives and strategy

OMV in 2012

OMV integrates three core business segments: E&P, G&P and R&M

OMV is an integrated, international oil and gas company with three core business segments: Exploration and Production (E&P), Gas and Power (G&P) and Refining and Marketing including petrochemicals (R&M).

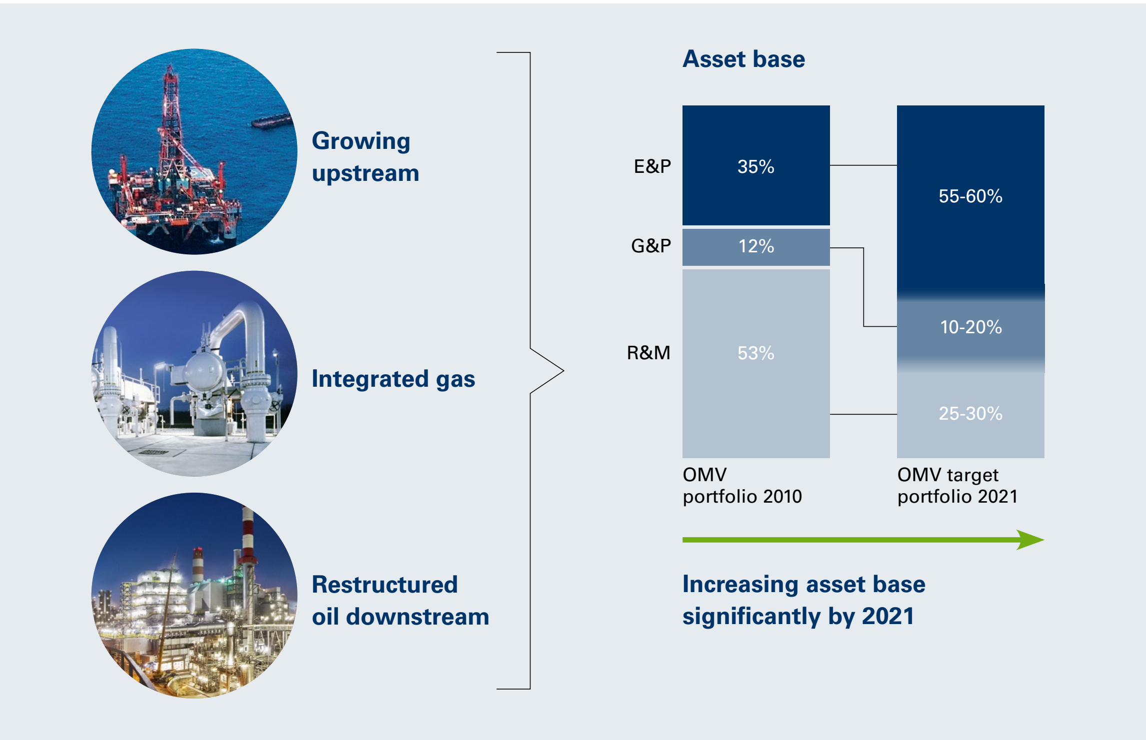
In E&P, OMV is active in two core countries, Romania and Austria, and holds a balanced international portfolio. OMV had proven oil and gas reserves of approximately 1.12 bn boe at year-end and a production of around 303 kboe/d in 2012.

In G&P, OMV sold approximately 437 TWh of gas. OMV operates a 2,000 km long gas pipeline network in Austria with a marketed capacity of 103 bcm. OMV's gas trading platform, the Central European Gas Hub, is established as an important gas trading platform on the gas routes from East to West, with a trading volume of around 528 TWh. The gas-fired power plant Brazi (Romania) started commercial operations in August 2012.

In R&M, OMV has an annual refining capacity of 22 mn t and, at year-end, approximately 4,400 filling stations in 13 countries including Turkey. With strong retail brands, a high quality non-oil business (VIVA) and an efficient commercial business, OMV has a leading position in its markets.

With Group sales of EUR 43 bn, a workforce of 28,658 employees and a market capitalization of approximately EUR 9 bn at year-end, OMV Aktiengesellschaft is Austria's largest listed industrial company.

Shifting the portfolio towards upstream and increasing the asset base significantly



OMV Strategy "Profitable Growth"

The direction of the strategy "Profitable Growth", presented in September 2011 by the OMV Executive Board in Istanbul, is still valid. OMV will develop into an integrated, international oil and gas company with improved profitability and strong growth in the upstream sector.

Over the coming years, the E&P business segment will assume a far more significant role in the OMV Group. The G&P business segment will optimize OMV's gas portfolio positions and enable connections between OMV markets. Integration with the upstream business will generate additional value from equity gas production. R&M will continue to be an important element of the integrated value chain, but, over time, will be of lesser relative significance in the portfolio. Given the challenging market conditions, the focus will be on optimization and increasing efficiency.

The cornerstones of OMV's strategy at a glance:

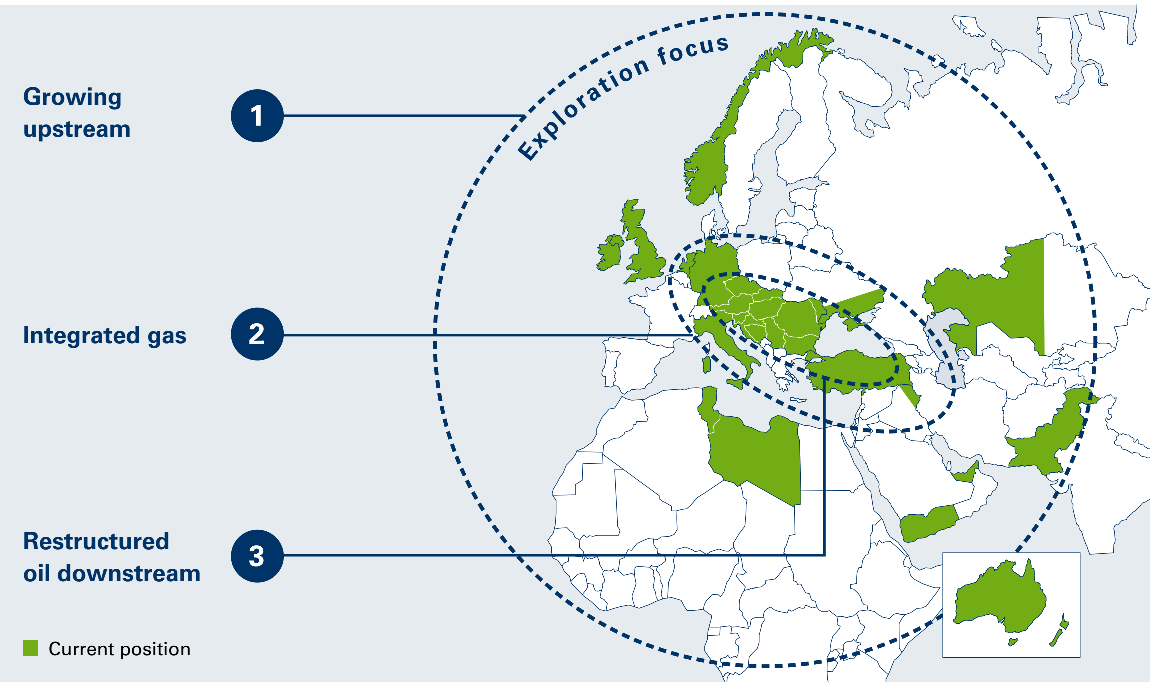
- Growing upstream.
- Integrated gas.
- Restructured oil downstream.
- Improved performance across the entire Group.

Simple strategy: Grow upstream, optimize downstream

Growing upstream

E&P is the growth driver in the OMV portfolio. OMV will direct over two-thirds of future investments towards exploration and production of oil and gas. OMV will stabilize production in mature assets and speed up resource maturation from discovery to production. Targeted acquisitions will yield further production volumes and will also add additional development and exploration opportunities. Stepping up exploration efforts will ensure the sustainability of the E&P portfolio and provide a foundation for long-term growth. E&P's main growth areas are the Black Sea, the North Sea region, the Caspian Sea region, the Middle East and Africa.

Focused, more integrated growth



Integrated gas

Natural gas is the cleanest fossil energy source. Therefore, despite the fundamental structural changes in the European gas markets, gas is expected to play an important role in supplementing the growing share of renewable energy sources. Due to the changing market environment and new equity gas options, the G&P strategy was reassessed. The focus will be on an integrated gas position based on equity gas close to the European markets, complemented with commercially and strategically attractive third party contracts. The competitiveness of the gas sales business will be improved by renegotiating long-term supply contracts. CEE, SEE and Turkey are expected to be the most attractive growth markets in Europe and will therefore also be a focus region for OMV. In order to exploit the full value of gas, OMV optimizes different sales channels. Gas can either be sold to large industrial customers and distributors or alternatively, it can be fed into gas-fired power plants for power generation. Where necessary, the growth of the gas portfolio will be supported by the development of additional infrastructure.

Focus on an integrated gas position based on equity gas

Restructured oil downstream

The oil downstream market in Europe is under pressure and, as a result, R&M will reduce its asset base. Until 2014, up to EUR 1 bn will be generated through divestments of non-integrated R&M assets. In addition, the product yield will be adjusted towards market demand for middle distillates and petrochemical feedstock. The modernization of the Petrobrazi refinery will be completed. Enhanced asset-backed trading activities will support the optimal use and capacity utilization of existing assets. Special emphasis will be put on effective management of capital and cost efficiency.

Improved performance across the entire Group

OMV launched a performance improvement program, which entered into the implementation phase in summer 2012. "energize OMV" is targeting a 2% points ROACE increase by 2014 with margin improvements, cost reduction and capital management. Around 130 projects have been set up across all divisions and business units. Initial improvements have already been achieved in 2012, e.g. a EUR 690 mn reduction of working capital, the debottlenecking of E&P facilities in Austria and further measures in the Petrobrazi refinery.

Strategic Objectives

The key objective is to raise performance short-term until 2014

- Stabilized production in Romania and Austria (200-210 kboe/d).
- Improved competitiveness of gas marketing business.
- R&M divestments (up to EUR 1 bn).
- Performance improvement program (+2% points ROACE).

Delivering growth is the mid-term focus until 2016

- Organic production growth ~2% p.a. (up to 4% p.a. incl. acquisitions) based on 2010.
- ~100% three-year average Reserve Replacement Rate (RRR) (incl. acquisitions).
- Gas sales growth in Turkey and pre-marketing of future equity gas.
- Increase exploration expenditure.

The aim is to build a position for long-term growth until 2021

- Larger exploration footprint.
- Nabucco West for integrated gas supply system to Europe.
- Depending on equity gas, investment in gas related asset portfolio.

Exploration and Production

The business segment Exploration and Production (E&P) is successfully delivering on the strategy announced in 2011. It is exploiting its core assets in Romania and Austria and has a balanced international portfolio. OMV had proven reserves of approximately 1.12 bn boe at year-end and a production of around 303 kboe/d in 2012. Around two-thirds of its production came from Romania and Austria, the remainder from a growing international portfolio. The oil/gas split in production is roughly 50/50.

Strategy "Growing upstream" well on track

In the strategy announced in 2011, OMV committed to direct about two-thirds of future investments to E&P to grow production organically to ~350 kboe/d in 2016. In 2012, OMV demonstrated its ability and dedication to deliver on the strategic targets. Short-term targets are realized with performance initiatives, application of state-of-the-art technologies and redevelopment projects resulting in stabilized production in Romania and Austria towards the upper end of the 200-210 kboe/d target range. Mid-term growth is fueled from a strong project pipeline with ~450 mn boe under development, e.g. Nawara gas development in Tunisia, Schiehallion redevelopment in the UK, Mehar and Latif developments in Pakistan, as well as several redevelopment projects in Romania and Austria. These projects will contribute amongst others to the 2016 production target of ~350 kboe/d. Additional growth is secured via transactions, e.g. successful acquisitions offshore Norway and the first upstream access in Abu Dhabi. Some assets in the UK North Sea were divested in order to focus on the West of Shetland area. Long-term growth is secured with exploration. OMV will increase exploration expenditures and focus a larger portion to high impact (high risk, high reward type) exploration activities. The exploration portfolio was vigorously renewed and, based on the exceptional success of Domino-1 in the Romanian Black Sea, additional acreage in neighboring areas secured. Additionally, OMV will enter new basins in the Middle East, the Caspian Sea region and in Africa.

Main achievements in 2012

- Stable production in Romania and Austria of 208 kboe/d.
- Recovery of Libyan production.
- Successful project maturation resulting in a much stronger project pipeline.
- Divestments in the UK North Sea.
- Norwegian acquisitions building a new pillar of growth and stability.
- Upstream agreement with Abu Dhabi National Oil Company.
- Shift towards high impact exploration.
- Domino – potentially largest gas discovery in OMV's history in the Neptun block (Romanian Black Sea).
- Additional deep-water acreage adjacent to the Neptun block secured.

Project pipeline significantly strengthened

Gas discovery in the Black Sea

Main initiatives in E&P

All initiatives are driven by three priorities: First HSSE, second production and third costs.

Raise performance short-term (2014):
- Stabilize production in Romania and Austria (200-210 kboe/d).
- Drive production performance across the portfolio.

Deliver mid-term growth (2016):
- Organic production growth ~2% p.a. (up to 4% p.a. incl. acquisitions) based on 2010.
- ~100% three-year average RRR target (incl. acquisitions).
- Grow the international portfolio.
- Increase exploration expenditure.

Position for long-term growth (2021):
- Nabucco-related upstream opportunities.
- Further increase exploration expenditure.

Gas and Power

OMV's integrated Gas and Power business segment (G&P) operates across the entire gas value chain. The G&P supply portfolio consists of equity gas produced at own fields, which is complemented by contracted volumes. Through a 2,000 km gas pipeline network as well as own gas storage facilities with a capacity of 2.6 bcm, the gas is brought to the market and sold via own sales channels. The Central European Gas Hub (CEGH) is established as an important gas trading platform on the gas routes from East to West and also operates a gas exchange. The gas hub in Baumgarten is Central Europe's largest gas distribution node for gas from Russia.

Strategy "Integrated gas" reassessed

In G&P, 2012 was characterized by the repercussions of fundamental structural changes of the European gas markets of the last years. Hub market prices decoupled from oil-indexed contracts, causing heavy pressure on the classical midstream gas marketing model. This particularly impacted EconGas, OMV's gas sales subsidiary in Austria and neighboring countries. In order to regain profitability, the renegotiation of the long-term supply portfolio will remain an important focus in 2013. At the same time, new equity gas options are opening growth opportunities for G&P. OMV will focus on an integrated gas position based on equity gas close to its European markets. In line with the strategy, OMV further strengthened its activities in Turkey, one of the most attractive growth markets in Europe. A first step towards the target of 1.7 GW gas-fired power generation capacity was achieved in August 2012, when the gas-fired power plant Brazi (Romania) started commercial operations. The construction of the power plant in Samsun (Turkey) has been finalized. Progress was also made on the Nabucco gas pipeline project. In June 2012, Nabucco West was selected as the most competitive route for gas from the Shah Deniz II gas field in Azerbaijan into Central Europe. An agreement on the joint funding of the development costs and the accession of the Shah Deniz II consortium into the Nabucco project upon selection as the final pipeline route was reached early 2013.

Gas sales successfully started in Turkey

First gas-fired power plant on stream

Main achievements in 2012

- Gas sales volumes increased to 437 TWh, mainly due to higher trading activities; margins, however, remained under pressure.
- Start of direct gas sales in Turkey (11.6 TWh incl. LNG).
- Good operational performance of the gas logistics business.
- Nabucco West selected as one of the two possible routes for gas from the Shah Deniz II gas field in Azerbaijan to Europe.
- Implementation of new gas market model in line with the Third Energy Package finalized.
- Slovak Eustream joined CEGH (15% share).
- Start of commercial operations of the gas-fired power plant Brazi (Romania) in August.

Main initiatives in G&P

Raise performance short-term (2014):

- Improve competitiveness of gas marketing business.
- Bring Samsun (Turkey) on stream in H1/13 to reach 1.7 GW gas-fired power capacity.

Deliver mid-term growth (2016):

- Gas sales growth in Turkey and pre-marketing of future equity gas.

Position for long-term growth (2021):

- Nabucco West for integrated gas supply system to Europe.
- Depending on equity gas, investment in gas related asset portfolio.

Refining and Marketing including petrochemicals

The business segment Refining and Marketing including petrochemicals (R&M) operates refineries in Schwechat (Austria) and Burghausen (Southern Germany), both with integrated petrochemical complexes. Together with the Petrobrazi refinery (Romania) and the 45% stake in Bayernoil (Southern Germany), OMV has an annual processing capacity of approx. 22 mn t (450,000 bbl/d). The retail network consists of approximately 4,400 filling stations in 13 countries. With strong retail brands, a high quality non-oil business (VIVA) and an efficient commercial business, OMV has a leading position in its markets.

Strategy "Restructured oil downstream" well on track

In light of contracting oil downstream markets in Europe, OMV is adjusting its exposure to the segment. In the strategy presented in 2011, divestments of R&M assets up to EUR 1 bn were announced. In 2012, R&M sold the Petrom LPG business and divested the marketing business in Bosnia-Herzegovina. In refining, OMV will adapt the product yield of its refineries to market development and increase middle distillates and high-value petrochemical products. Furthermore, OMV is investing in the Petrobrazi refinery in Romania to improve its product yield structure. During 2012, several major steps like the finalization of the crude distillation unit to process 100% Romanian crude and the coker upgrade in the Petrobrazi refinery have been finalized. In the Schwechat refinery, several yield improvement projects have been completed. The efforts towards increasing petrochemical integration will continue further. R&M will sharpen the positioning of its filling stations, premium or discount, along with a reduction in the overall number. In Austria and Romania, the already launched dual-brand strategy will continue, with OMV VIVA as a premium brand and Avanti/Petrom in the discount segment. The exit from the non-integrated filling station business outside OMV's core markets is in progress. The filling station business in Turkey will be further optimized. Crude and product trading around the refining assets will become increasingly important to support full refinery utilization. Special emphasis will be put on effective management of capital and cost efficiency.

Main achievements in 2012

- Well managed scheduled maintenance shutdown of Petrobrazi refinery.
- Further progress in Petrobrazi modernization program and therewith finalization of capacity reduction to 4.2 mn t.
- Petrom LPG business sold to Crimbo Gas International.
- Bosnia-Herzegovina marketing business sold to Serbian company NIS.
- Asset-backed trading implementation completed.
- EUR 690 mn working capital reduction and stringent capital management.
- Significant performance improvement of Petrol Ofisi as a result of margin and cost management.

Downstream divestment program further progressed

EUR 690 mn working capital reduction

Main initiatives in R&M

Raise performance short-term (2014):

- Divestments to generate up to EUR 1 bn.
- Drive performance.
- Optimize Turkey marketing.

Deliver mid-term growth (2016):

- Strengthen product yield and petrochemical integration.
- Integration with Borealis, a top player in the petrochemical industry.

Position for long-term growth (2021):

- Maintain competitive position in restructured set-up.

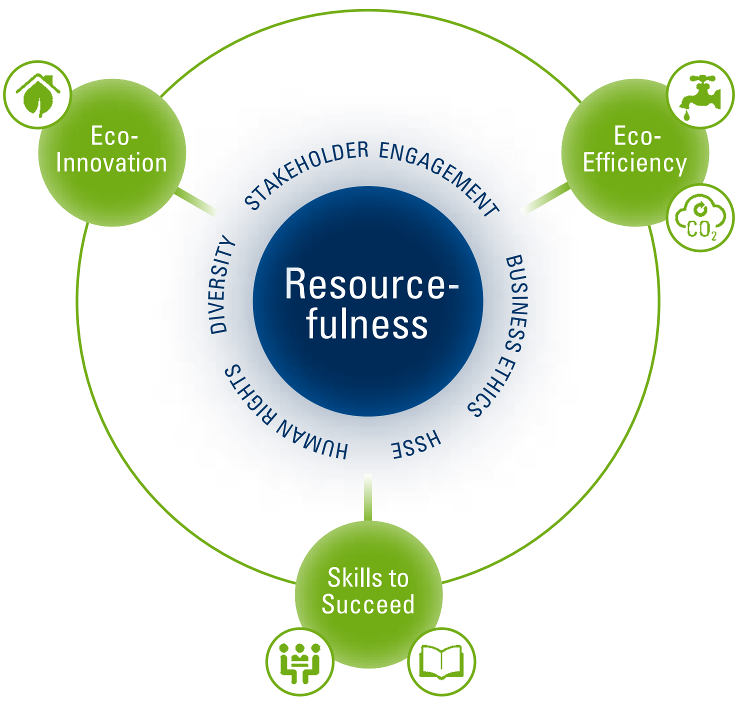
Sustainability

OMV has a long tradition of sustainability management and a track record that reflects our strong sense of responsibility towards society and the environment. During 2012, we reaffirmed this by further developing our commitment to sustainability under the name "Resourcefulness".

Resourcefulness creates long-term win-win situations

Our sustainability concept: Resourcefulness
Launched in 2011, our Resourcefulness concept builds on our reputation for putting sustainability at the heart of our business – with a focus on tangible commitments. Resourcefulness is our way of achieving profitable growth in a sustainable and responsible manner. It enhances the profitable growth strategy, and creates long-term win-win situations for society, the environment and OMV.

As an integrated, international oil and gas company, OMV faces real challenges. With global demand for energy growing at a steady pace, resources are increasingly scarce while environmental protection and social justice are of growing importance. Responsible behavior, the careful management of resources and investment in innovation are the underlying principles that guide our conduct. The ultimate goal is to secure a sustainable energy supply for today – and the future.



Resourcefulness brings together health, safety, environment, diversity, business ethics, human rights and stakeholder engagement under a single, overarching concept – and it is expressed in the three key focus areas:

Eco-Efficiency: OMV has a special responsibility since we work with finite natural resources. We do this as efficiently and safely as possible and commit to the best environmental practices and processes. We will focus even more on natural gas, as it is the cleanest fossil fuel.

Eco-Innovation: Eco-Innovation will help us run a profitable business in the long term. We use our core skills to tap into alternative energy sources and new revenue opportunities.

Skills to Succeed: We foster the skills people require to be successful. We invest in the economic development of the communities in which we operate by local employment and local supplier development. OMV supports educational initiatives in the fields of energy and management with a special focus on women.

The three focus areas of our Resourcefulness concept
Through Resourcefulness, OMV integrates its sustainability work into its core business. Initiatives implemented under Resourcefulness focus on Education & Development (Skills to Succeed), Environmental Management (Eco-Efficiency) and New Energies (Eco-Innovation). To date, over 300 projects have been initiated in more than 25 countries worldwide.

Eco-Efficiency: A particular focus of our endeavors in the field of Eco-Efficiency is on carbon, energy and water management. Following on from the strategy update "Profitable Growth" and continuing the work started in previous years, we are updating our carbon strategy.

At the same time, we are constantly developing initiatives to improve energy efficiency and reduce the carbon intensity of our operations. We also have various water management projects underway, in line with OMV's commitment to minimize the environmental impact of our activities and to efficiently use natural resources. We are investing in the latest technology to promote the usage of gas in the energy sector. In 2012, Petrom opened the Brazi combined cycle gas-fired power plant, the largest private greenfield power generation project in Romania. This project generates growth for the Romanian energy sector and increased energy security for Romanian consumers, while delivering a high efficiency rating and relatively low CO_2 emissions. We realized energy efficiency improvements of about 190,000 gigajoules in 2012 at the Schwechat refinery, as a result of the implementation of an ISO 50001 certified energy management system. Our goal is to reach energy savings of up to 350,000 gigajoules between 2012 and 2015.

Eco-Innovation: OMV uses its core competencies to tap into alternative energies and new business segments.

We are drawing on our experience and know-how to produce second-generation biofuels within the next few years, rather than relying on the open market. In 2012, we invested in a pilot BioCrack™ plant established at our Schwechat refinery, which uses biogenic material unfit for human consumption, such as woodchips and straw, to produce diesel. OMV and BDI have been jointly involved in the innovative BioCrack™ pilot plant project since 2009, with support from the ministry for transport, innovation and technology and the Austrian Climate and Energy Fund.

Fuel cell vehicles are a future opportunity for OMV. They allow for a zero CO_2 transportation in the long term, without constraint for the consumer. We are supporting the "H2 mobility" initiative in Germany, where the market is building upon hydrogen mobility. OMV is working alongside fellow consortium members, ranging from car manufacturers to energy utilities. It is planned to establish a filling station network in Germany as leading market within Europe. As a major milestone, OMV opened the first public hydrogen filling station in Austria in October 2012.

Skills to Succeed: Through the focus area Skills to Succeed, OMV helps foster the skills that people require to be successful.

The involvement of women in technical education is a particular focus. Through our initiative "Austria is looking for the queens of technology", we strive to increase awareness of technical jobs, motivate 14 to16 year old girls to consider a technical career and to support them with scholarships and mentoring. Another example that stands out is the OMV Libya Youth Center. Following the Libyan crisis in 2011, OMV worked with Hilfswerk Austria International to set up the Youth Center in Tripoli, supporting young Libyans to develop self-confidence, self-belief and the power of self-expression. In 2012, the Libya Youth Center became fully operational supporting 2,054 children and young people.

OMV supports young Libyans

Reporting on material issues

We have identified five key issues that materially affect the performance of our business. We measure the effects of our actions, enabling us to make the best decisions for OMV and our stakeholders today and in the future. Some selected key performance indicators (KPIs) are reported below and more detailed KPI information can be found in **OMV's Sustainability Report**.

1. **Health, Safety, Security and Environment (HSSE)**
   HSSE management is of the highest priority for OMV. Health, safety, security and environment are basic requirements for business success and fundamental to our Resourcefulness concept, key elements in our risk management strategy and essential to our ability to maintain our license to operate. One of our main concerns is to guarantee our employees' physical well-being and safety at work. We believe accidents can be prevented through hazard analyses, risk management and safety training among others. Sadly, there were three work related fatalities in 2012. One employee and two contractors lost their lives. OMV is putting a number of programs in place to ensure all employees understand and act according to our health and safety standards, including the comprehensive measure to roll-out the HSSE "Golden Rules", in-depth training on occupational safety and the audit of our HSSE management systems. We will never compromise on the security of our people and have emergency and crisis management plans in place at all our assets, in accordance with our intelligence-led security strategy. Our operations are increasingly resilient to changing socio-political circumstances as a result. We responsibly address issues involving the environmental impact along the entire value chain. Our goal is to optimize processes to efficiently use natural resources and to minimize waste, emissions and discharges. Our approach is based on precautionary, proactive management to minimize the environmental impact. The OMV Environmental Management Directive sets group-wide requirements for environmental management processes. A broad range of activities has been implemented in 2012 to foster environmental protection. For example, our objective to prevent and reduce the environmental impacts of oil spills was addressed through two initiatives at Petrom. The spill risk map project is developing a tool to provide detailed information regarding the risk of pollution from pipelines in Petrom E&P. A spill preparedness and response program aims to increase our ability to prevent and respond effectively to oil spills in Petrom E&P. The revamp of the wastewater treatment plant in the Petrobrazi refinery, finalized in 2012, will result in a better quality of discharged wastewater and a reduced amount of sludge waste.

Rollout of the HSSE "Golden Rules"

2. **Human rights**
   Human rights is one of our most material issues and a core element of our Resourcefulness concept. We have formalized our commitment to human rights by signing the UN Global Compact, and demonstrate that commitment on a daily basis through group-wide adherence to our human rights policy and the OMV Code of Conduct. Suppliers commit to our Code of Conduct, and are subject to independent audits of their human rights compliance.

3. **Diversity and Human resources**
   We employ people of many different nationalities, and the issues of diversity, equal opportunity and career advancement are common themes that run across all our locations. We work hard to attract talented people and give them the tools and skills needed to develop their full potential. OMV is acknowledged as an employer of choice and we are committed to remaining so. We greatly value the personal commitment of our employees. The success of the Resourcefulness concept requires the involvement of employees at all levels of the organization. We have integrated Resourcefulness targets into the Management by Objectives process, employees' individual performance plans, and into talent management programs. In

2012, 17 executives and executive potentials as well as 25 high potential individuals have been involved in Resourcefulness projects. Our target is to achieve a diversity mix at the Senior Vice President level of 18% women and 38% internationals by 2015, and 30% women and 50% internationals by 2020 (2012: 13% and 38% respectively). We aim to have 30% females in all management development programs (2012: 29%).

4. **Business ethics and governance**
Trust and integrity are necessary for our license to operate and form the basis for all our corporate activities. Our governance procedures are centred on our new Code of Business Ethics that includes clear rules on conflicts of interest, gifts and hospitality, donations, intermediaries and lobbyists as well as bribes and facilitation payments. A compliance system helps to ensure adherence to these rules. Regular training courses raise our employees' awareness of compliance issues and our people are encouraged to contact the compliance officer via a hotline or web form. To support our compliance department, local compliance officers were nominated in OMV's countries of operation and we have started an 18 month process to externally certify our compliance management system.

5. **Stakeholder engagement and community management**
Stakeholder engagement is a key part of our work. We want to get to know our stakeholders' views and interests so that we are in an even better position to meet future challenges. This will help us to continuously improve our services. We therefore initiate and maintain regular dialog with all stakeholders. For example, a new external advisory board dedicated to sustainability topics challenges us on major issues, and we also hold stakeholder events which allow us to meet and interact with stakeholders. Two stakeholder dialog events took place in Vienna and Bucharest in November 2012.

New Code of Business Ethics

Performance Indicators			
	2012	2011	2010
Safety [1]			
Lost-Time Injury Rate (LTIR) per million hours worked for own employees	0.66	0.66	0.74
Lost-Time Injury Rate (LTIR) per million hours worked for contractors	0.71	0.68	0.56
Total Recordable Injury Rate (TRIR) per million hours worked for own employees	1.15	1.01	1.29
Total Recordable Injury Rate (TRIR) per million hours worked for contractors	1.72	1.14	1.23
Environment [2]			
Total energy consumption in PJ	125.2	131.7	134.1
Total water withdrawal in mn cbm	47	52	59
Diversity			
Women in senior management (Senior Vice Presidents) in %	12.8	11.9	6.0

[1] As of 2011, these figures also include Petrol Ofisi.
[2] Not including Petrol Ofisi, because reporting systems are still being integrated.

Report of the Supervisory Board

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

Work of the Supervisory Board and its committees

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

Major E&P investmens examined

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

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

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

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

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

Annual financial statements and dividend

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

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

Changes in the composition of the Executive Board

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

Changes in the composition of the Supervisory Board

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

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

Vienna, March 20, 2013

For the Supervisory Board

Rudolf Kemler

Matching Share Plan strengthens link between remuneration and shareholder interests

Corporate Governance Report

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

Commitment to Austrian Code of Corporate Governance

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

Executive Board

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

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

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

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

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

Members of the Executive Board

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

Jacobus Huijskes, *1965
Date of initial appointment: April 1, 2010
End of the current period of tenure:
March 31, 2015
Responsible for Exploration and Production since July 1, 2010.

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

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

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

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

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

Working methods of the Executive Board

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

Remuneration report

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

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

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

Their employment contracts are concluded with OMV Aktiengesellschaft and governed by Austrian law. The remuneration of the OMV's Executive Board is at competitive levels for the relevant employment market, and has a strong performance-related component. Conformity with market rates is maintained by regular external benchmarking against peer groups such as European oil and gas companies and relevant Austrian and European industrial companies. The structure for 2012 was set up with the support of PricewaterhouseCoopers LLP who provided continuous consulting to the Remuneration Committee throughout the year.

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

Remuneration of the Executive Board

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

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

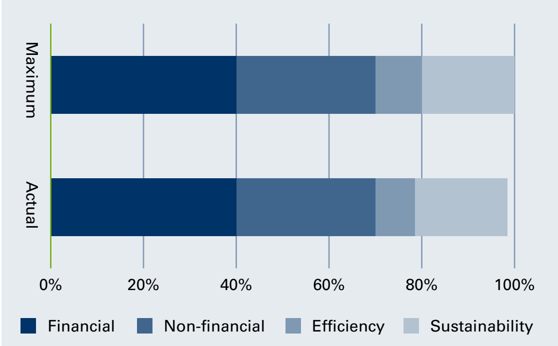
The performance criteria are made up of four areas set out below.

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

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

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

Bonus achievements in % of base salaries



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

Matching Share Plan

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

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

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

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

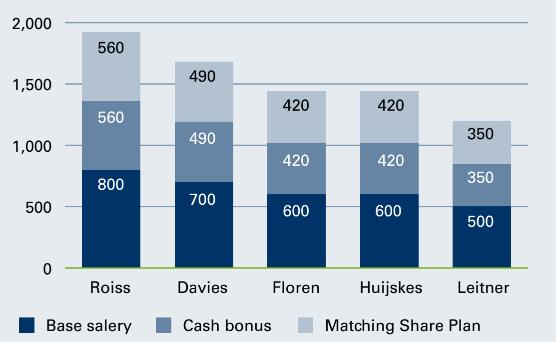
In line with the cash bonus, the actual achievements in 2012 result in a payment of 98.5% of the base salary to be paid in 2013.

Clawback

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

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

Annual remuneration scheme – target level in EUR 1,000



Clawback introduced

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

Long-term targets and incentives

Long Term Incentive Plan

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

Details of the Long Term Incentive Plan

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

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

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

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

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

ROACE and Sustainability: Level of vesting

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

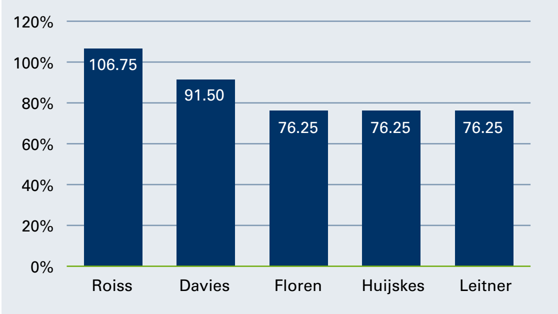
Relative TSR: Level of vesting

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

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

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

LTIP 2012 – target level in % of base salaries



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

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

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

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

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

Executive Board members' shareholdings

Executive Board members' shareholdings

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

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

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

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

Termination entitlements

Termination benefits

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

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

Directors' and officers' (D&O) insurance

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

Indemnity

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

Policy principles for the remuneration of senior management and expert levels

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

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

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

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

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

Members of the Supervisory Board

Supervisory Board

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

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

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

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

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

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

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

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

Helmut Draxler, *1950
Seats: RHI AG.

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

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

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

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

Delegated by the Group works council (employee representatives):

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

Diversity

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

Independence

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

All of the members elected by the Annual General Meeting except Helmut Draxler and Herbert Werner, regarding the duration of their terms, have declared their independence from the Company and its Executive Board during the 2012 financial year and up to the time of making such declarations (rule C 53 ACCG). Under rule C 54 ACCG, Elif Bilgi-Zapparoli, Wolfgang Berndt, Helmut Draxler, Wolfram Littich, Herbert Stepic, Herbert Werner and Norbert Zimmermann have made declarations to the effect that they were not shareholders with a stake of more than 10% or represented such shareholders' interests during the financial year 2012 and up to the time of making such declarations.

Functions of the Supervisory Board and its committees

Working methods of the Supervisory Board

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

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

Presidential and Nomination Committee

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

Audit Committee

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

Auditors

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

Project Committee

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

Remuneration Committee

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

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

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

There were no transactions requiring approval in accordance with section 95 (5) (12) Stock Corporation Act; attention, however, is drawn to transactions totaling approx. EUR 2.1 bn with Raiffeisen group (Herbert Stepic is Chairman of the executive board of Raiffeisen Bank International AG; the transactions in question represent less than 1% of the Raiffeisen group's total assets).

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

Remuneration

Remuneration of the members of the Supervisory Board

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

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

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

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

Employee participation

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

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

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

Rights of minority shareholders

Rights of minority shareholders

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

Women's advancement

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

OMV's diversity strategy

Vienna, March 20, 2013

The Executive Board

Gerhard Roiss

David C. Davies

Hans-Peter Floren

Jacobus Huijskes

Manfred Leitner

Value management

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

Integration creates additional value

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

- How does OMV create value?
- How well does OMV make use of its profit potential?
- How do OMV shareholders participate in the value created?

At the OMV corporate level, market capitalization and enterprise value are examples of medium- to long-term value creation-related metrics. The short-term financial success derived from implementing strategies and investment projects is measured using various best-practice profitability KPIs, the leading ones being return on average capital employed (ROACE) and return on average net assets (RONA) as well as economic value added (EVA). While ROACE is relevant for the overall Group, RONA is an efficient metric for the internal assessment of the financial success of the business segments since RONA facilitates the breakdown of the ROACE Group target of 13% to individual businesses. Shareholder participation in value creation is measured using metrics such as payout ratio or total shareholder return. OMV's dividend policy is a long-term payout ratio target of 30% of net income. As a physically integrated oil and gas company with activities throughout the value chain from resources to markets, OMV is able to create additional value from optimal capital allocation and risk mitigation and to exploit the full product value. Choosing the right investment projects has a substantial influence on determining future success. Investment projects' rates of return have to exceed business segment-specific hurdle rates. In addition, investment projects are ranked by the expected profitability. Value management also implies cost management. During the planning exercise, cost targets are formulated both relative to output figures (e.g. production cost/boe) and in terms of absolute amounts of cost savings to be achieved. A corporate value analysis is performed as part of OMV's annual planning process, which involves a critical examination of the current strategy's success in achieving the Group's value creation targets. Additional special emphasis is put on maintaining OMV's strong investment grade credit rating. Proper management of the financing structure including working capital is a key focus area in this regard. With the new strategy in 2011, OMV announced a performance improvement program to increase ROACE by 2% points by 2014 under comparable market conditions. OMV's strategy and its successful implementation, guided by the principles of value management, are expected to offer attractive long-term return potential for investors.

ROACE, RONA and EVA used to measure value creation

Ratios						%
	Target [1]	**2012**	2011	2010	2009	2008
Return on average capital employed (ROACE) [2]	13	11	11	10	6	12
Gearing ratio	≤30	26	34	46	33	37
Payout ratio	30	29 [3]	32	32	52	22

[1] Targets based on mid-cycle assumptions.
[2] As of 2012, the definitions for NOPAT and average capital employed were adjusted. Please see section "abbreviations and definitions" for details. Historic figures were adapted accordingly.
[3] Based on a dividend at the amount of EUR 1.20 per share as proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2013.

OMV share and bonds

The share price of OMV experienced a very volatile year due to the Eurocrisis but improved overall by 16.7% in 2012, positively impacted by the good operating performance of the Group. The share price closed at EUR 27.36 at year-end, which, including the dividend for the financial year 2011, led to a total shareholder return of 21% for the year. OMV successfully issued new EUR 1.5 bn long-dated Eurobonds at highly attractive financing terms.

Financial markets

2012 was again a very volatile year with the continued sovereign debt crisis in the Eurozone as well as the uncertainty over future economic development. North Africa and the Middle East were more stable, but some inherent risks remained. The FTSE Global Energy Index, comprising the world's largest oil and gas companies, remained at the same level in 2012. European and US indices increased, especially the DAX which improved sharply (DAX +29%; FTSE Eurotop 100 +12%; Dow Jones +7%). Driven by the strong recovery of the bank and real estate stocks, the Vienna Stock Exchange outperformed the European market and the Austrian blue-chip index (ATX) gained 27% in 2012.

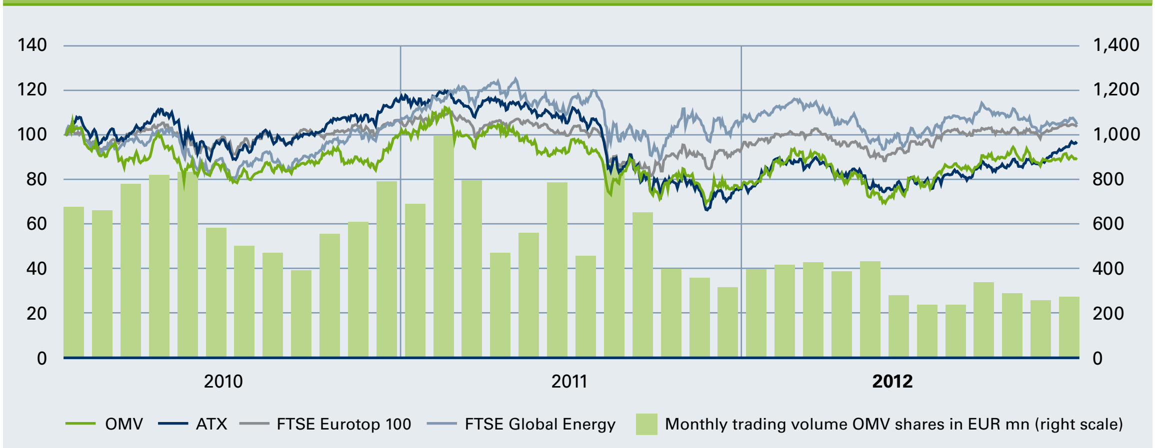
OMV share price performance and volume

After starting the year at EUR 23.44, the share price steadily increased, along with the oil price. The potentially significant deep water gas discovery in the Neptun block offshore Romania pushed the stock price to an interim peak of EUR 28.85 on February 24. The second quarter saw capital markets embraced by political wrangling to prevent a Greek sovereign bankruptcy. This overall uncertainty and the fall of the oil price led the stock price to the year's low of EUR 21.29 on June 5. Influenced by an oil price above USD 110 per barrel and the achievements of important strategy implementation steps, the OMV stock price reached the year's high of EUR 29.12 on October 17. Thenceforward, the share price moved sideways around EUR 27.50 and closed at year-end at EUR 27.36. Taking into account the EUR 1.10 per share dividend paid on May 16, OMV shareholders experienced a 21% increase in value in 2012. The market capitalization was approx. EUR 9 bn at year-end (+17% vs. 2011). The total capitalization of all Austrian shares listed on the Vienna Stock Exchange increased by 22% to EUR 77 bn. The overall share turnover at the Vienna Stock Exchange fell by 40% to EUR 36 bn. The volume of OMV stock traded decreased in line with the overall trend by 46% to EUR 4 bn and accounted for 11% of total stock turnover at the Vienna Stock Exchange (2011: 12%).

European and US indices increased

21% total shareholder return

Price performance (rebased to 100)



OMV share	ISIN: AT0000743059
Listings	Vienna, USA (ADR Level I)
Ticker	Vienna Stock Exchange: OMV
	Reuters: OMVV.VI Bloomberg: OMV AV
ADR information	Sponsored Level I and Rule 144A, 1 ADR represents 1 share
Depositary	JPMorgan Chase Bank N.A. PO Box 64504, St. Paul, MN 55164-0504, USA
Custodian	UniCredit Bank Austria AG, Julius Tandler-Platz 3, 1090 Vienna
Level I	OMVKY, CUSIP: 670875509 ISIN: US6708755094
Rule 144A	OMVZY, CUSIP: 670875301 ISIN: US6708753016
OMV hybrid bond	ISIN: XS0629626663
OMV Eurobonds Maturity; coupon	ISIN: XS0422624980 2009 to April 7, 2014; 6.250 %
	ISIN: XS0434993431 2009 to June 22, 2016; 5.250 %
	ISIN: XS0485316102 2010 to February 10, 2020; 4.375 %
	ISIN: XS0690406243 2011 to October 12, 2021; 4.25 %
	ISIN: XS0834367863 2012 to Sept. 27, 2022; 2.625%
	ISIN: XS0834371469 2012 to Sept. 27, 2027; 3.500%

Dividend proposal for 2012: EUR 1.20

EUR 1.5 bn Eurobonds issued

General Meetings

The main items dealt with at the Annual General Meeting on May 10, 2012 were the approval of a dividend of EUR 1.10 per share for 2011, the approval of the 2012 Long Term Incentive Plan, which is a long-term compensation instrument for the Executive Board and selected senior executives, the approval of a newly introduced 2012 Matching Share Plan, an integral part of the annual bonus agreement for the Executive Board, and the election of a member of the Supervisory Board. At the Extraordinary General Meeting on October 9, 2012, Rudolf Kemler was elected as member of the Supervisory Board until the close of the General Meeting deciding on the discharge for the 2013 financial year. With effect as of November 1, 2012, he took over as Chairman of the Supervisory Board following Markus Beyrer's resignation.

As in previous years, an employee stock ownership plan launched in fall 2012 entitled employees to one free share for every three purchased, subject to a two-year holding period. At year-end 2012, OMV held a total of 1,078,780 own shares, or 0.33% of issued share capital. The number of shares in circulation was thus 326,193,947. The capital stock of OMV Aktiengesellschaft is EUR 327,272,727 and consists of 327,272,727 no par value bearer shares. The Executive Board will be proposing a dividend of EUR 1.20 per share at the next Annual General Meeting on May 15, 2013. This is an increase of 9% compared to the previous year and represents an attractive payout ratio of 29%, which is in line with OMV's long-term dividend policy to pay out 30% of the net income. The dividend yield, based on the closing price on the last trading day of 2012, will amount to 4.39%.

Credit ratings

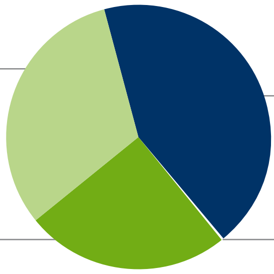
OMV is rated A3 by Moody's and A– by Fitch. Both rating agencies confirmed their rating as well as the stable outlook assessment in 2012. This underscored the strong creditworthiness of OMV and is in line with the target to maintain a strong investment grade credit rating.

Bonds

In September 2012, OMV issued new EUR 1.5 bn long-dated Eurobonds under the Euro Medium Term Note (EMTN) program. The transaction comprised a EUR 750 mn 10 year tranche and a EUR 750 mn 15 year tranche.

OMV Shareholder structure

OMV's shareholder structure was relatively unchanged in 2012 and therefore at year-end comprised: 43.3% free float, 31.5% ÖIAG (representing the Austrian government), 24.9% International Petroleum Investment Company (IPIC) and 0.3% own shares. The capital stock consists entirely of common shares and due to the application of the one-share one-vote principle there are no classes of shares that bear special rights. A consortium agreement between the two major shareholders, IPIC and ÖIAG, contains established arrangements for coordinated action and restrictions on the transfer of shareholdings.



Analyst coverage

The OMV stock is covered by more than 20 Austrian and international investment banks, which ensure good visibility of OMV in the financial community with their regular research reports.

Investor Relations activities

The Executive Board and the Investor Relations team maintained and deepened relationships with analysts and investors at numerous roadshows and conferences in Europe as well as in the US. Some 250 one-on-one meetings and presentations were held in 2012, attracting around 600 individual fund managers and buy-side analysts. Executive Board members devoted around 230 hours to face-to-face conversations with investors and analysts. In the interests of transparency and timeliness, all important information and news for analysts and investors are posted on the corporate website at www.omv.com. In addition, news on corporate and financial information from OMV Group is also available on Twitter at www.twitter.com/omv.

Financial Calendar	Date [1]
Trading Statement Q4 2012	February 1, 2013
Results January–December and Q4 2012	February 21, 2013
Publication of the Annual Report 2012	March 2013
Trading Statement Q1 2013	April 26, 2013
Record date for the AGM	May 5, 2013
Results January–March 2013	May 14, 2013
Ordinary Annual General Meeting (AGM)	May 15, 2013
Dividend ex date	May 22, 2013
Dividend payment date	May 23, 2013
Trading Statement Q2 2013	July 24, 2013
Results January–June and Q2 2013	August 13, 2013
Trading Statement Q3 2013	October 18, 2013
Results January–September and Q3 2013	November 7, 2013

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

More than 20 analysts cover OMV

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At a glance					in EUR
	2012	2011	2010	2009	2008
Number of outstanding shares in mn [1]	326.19	326.07	298.80	298.78	298.75
Market capitalization in EUR bn [1]	8.92	7.64	9.29	9.17	5.59
Volume traded on the Vienna Stock Exchange in EUR bn	3.98	7.34	7.78	8.36	15.68
Year's high	29.12	34.69	32.63	31.00	57.80
Year's low	21.29	21.24	24.12	18.02	16.70
Year end [1]	27.36	23.44	31.10	30.70	18.72
Earnings per share [2]	4.18	3.43	3.08	1.91	4.60
Book value per share [1,2]	36.49	33.41	30.13	27.10	24.77
Cash flow [3] per share	11.69	8.00	9.66	6.18	10.76
Dividend per share	1.20 [4]	1.10	1.00	1.00	1.00
Payout ratio in %	29	32	32	52	22
Dividend yield in % [1]	4.39	4.69	3.22	3.26	5.34
Total shareholder return in % [5]	21	(21)	5	69	(64)

[1] As of December 31.
[2] As of March 31, 2012, figures for 2010 and 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised).
[3] Net cash provided by operating activities.
[4] As proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2013.
[5] Assuming no reinvestment of dividends.

Business environment

After the first quarter, the **world economy** lost momentum throughout 2012 and the global growth rate for the year slid to 3.2% from 3.9% in 2011. The developing and emerging market countries maintained their strong lead over the OECD area, and their average growth rate of 5.1% was ahead of the 1.3% growth of the industrialized world. In the industrialized countries, concerns about the stability of financial markets and fiscal consolidation dampened growth but the central banks' expansionary monetary policies provided a stimulus. GDP growth accelerated to 2.3% in the US and to 1.7% in Japan.

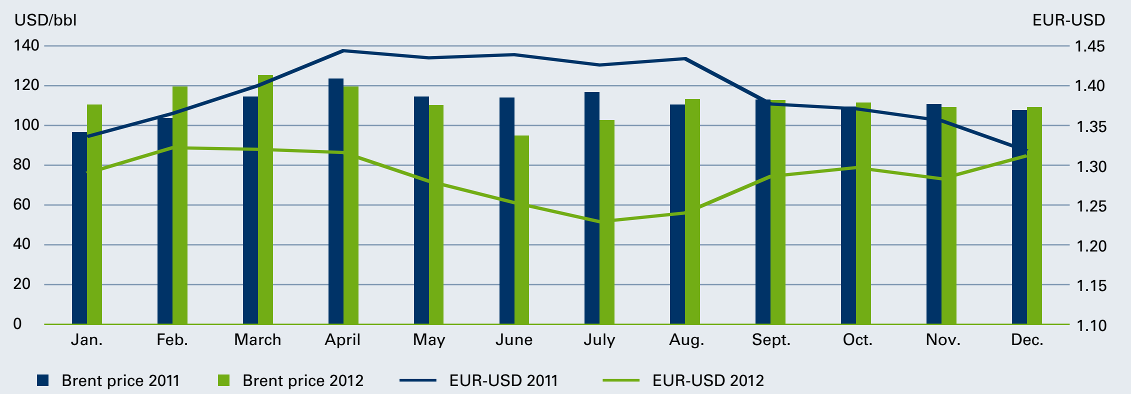
The contraction of the **European Union** economy – accompanied by growing disparities between single currency area members – was worse than expected at 0.3%. The countries most seriously affected by the debt crisis suffered from falling domestic demand, and rising long-term and youth unemployment. The only positive contribution to growth came from exports, which ticked up by 2.3%, while consumer spending and investment were down year-on-year.

Global oil demand up by 1%

In **Germany**, economic activity slowed down sharply in the course of the year and GDP growth ran at a mere 0.7% compared to 3% in 2011. The **Austrian** economy was not immune to the harsh international environment, and GDP growth limped along at 0.8%. Exports climbed by 1.7%, meaning that Austria gained market shares. Investment increased by 1.3%, supported by residential construction and the public sector. Public sector consumption was reduced by 0.2% while private consumption inched up by 0.4%, despite shrinking household disposable income. **Romania** registered GDP growth of only 0.3%. Exports edged down due to the anemic European economy, and the GDP contribution from the key agricultural sector slumped due to poor weather conditions. The only positive contribution came from investment – despite the fact that inward foreign investment decreased to 1% of GDP. Public expenditure and private consumption were both down year-on-year. Following a boom in 2011, with GDP surging by 8.5%, **Turkey** achieved a soft landing in 2012, posting a 3.0% growth rate.

Global oil demand again increased by 1%, as in 2011, to reach 89.8 mn bbl/d. Non-OECD oil demand was up by 1.5 mn bbl/d or 3.5%. OECD demand dipped by an overall 0.7 mn bbl/d. The decline in Europe was much steeper (down 4.5%) than in the US (down 1.2%). Global oil production expanded by 2.5 mn bbl/d or 2.8%, to 90.9 mn bbl/d, with crude oil accounting for 80.7 mn bbl/d of the total. This resulted in a 1.1 mn bbl/d inventory build. OPEC's output of 31.4 mn bbl/d of crude and 6.2 mn bbl/d of NGLs gave it a market share of over 41%.

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



[1] Monthly averages

Oil prices held at the previous year's relatively high average levels. Prices climbed over the first ten weeks of 2012, lifting Brent to a year's high of USD 128.17/bbl, on the back of supply outages in some oil exporting countries and the oil embargo imposed on Iran by the US and the EU. The Eurocrisis and the darkening economic outlook then set off a sharp retreat to a low of USD 88.62/bbl in late June. This was followed by a strong rebound, triggered by the intensifying conflict in Syria and the easing financial markets. The annual average price of a barrel of Brent crude was USD 111.67, compared to USD 111.26 in 2011. Petroleum product prices on the Rotterdam market rose by 10 to 13% in EUR terms, reflecting the stronger USD.

The average EUR/USD **exchange rate** firmed to USD 1.28 (2011: USD 1.39) due to the weakness of the EUR in the first half of 2012.

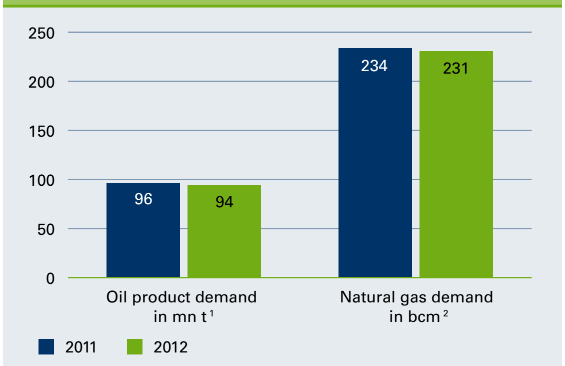
Natural gas consumption in **Austria** slipped from 9.0 to 8.6 bcm (96 TWh). Gas consumption by thermal power stations fell by 2 TWh or 19%. Domestic natural gas production grew by 7% to 1.8 bcm. Net imports were 20% down at 7.4 bcm. The steep decline is explained by the fact that new storage capacity was filled with imported gas during the comparative period. At year-end 2012, there was 5.6 bcm of gas in storage, a 13% year-on-year increase. **Romanian** gas consumption decreased by 3.5%, from 14.2 bcm in 2011 to 13.7 bcm in 2012. In **Turkey**, gas demand increased from 44.1 bcm to 45.7 bcm in 2012.

Estimated **Romanian electricity** consumption increased slightly by 0.2% to 53 TWh in 2012.

After stagnating at about 96 mn t in 2011, **petroleum product sales** in markets served by OMV contracted to a volume of about 94 mn t. However, gasoline sales declined across all of the markets concerned, in some cases heavily. The development of Diesel sales showed different tendencies. In some countries the impact of the economic weakness was clearly visible. In **Austria**, petroleum product sales volume dropped by 3% to 10.7 mn t. Demand for the main transportation fuels retreated across the board. Sales of gasoline fell by 5%, those of diesel by 1% and those of aviation fuel by 3%. In **Bavaria**, the market contracted by approximately 1%. Gasoline sales dropped by 6% and diesel recorded a modest gain. In **Romania**, overall demand decreased by 5.7% to 8.0 mn t. Sales of all the transportation fuels were dented, but gasoline (down 6%) and aviation fuel (down 7%) were significantly harder hit than diesel (down 2%). Heavy heating oil sales plunged by 55%. In **Turkey**, transportation fuel demand increased by 0.7 mn t or almost 4%, with gasoline sales down 4% and diesel sales 5% higher. Cumulative overall sales figures for the Turkish market indicate moderate growth for 2012 as a whole.

Western European **polyolefin** demand fell by about 5% due to adverse economic conditions. Cracker capacity utilization dipped to 80%, and Western European producers' margins came under increasing pressure.

Demand in OMV markets



[1] Oil product markets: Austria, Bavaria, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Moldova, Romania, Serbia, Slovak Republic, Slovenia, Turkey.
[2] Natural gas markets: Austria, Germany, Italy, Hungary, Romania, Turkey.

Gas demand in Turkey increased

Business segments

Exploration and Production

2012 was a strong year for Exploration and Production (E&P). With the return of relative calm after the Arab Spring, OMV restarted operations in North Africa and the Middle East and increased total production by approximately 6% in comparison to 2011. Production in Romania and Austria was successfully stabilized at ~208 kboe/d, which is a key contributor to the total E&P portfolio. Exploration had a successful year 2012. The Domino-1 exploration well in the Black Sea was the biggest discovery in 2012 and has the potential to change Romania's energy landscape in the long run. The acquisition of interests in two key assets offshore Norway – Aasta Hansteen gas and Edvard Grieg oil field development – further enforces OMV's growth strategy. The portfolio was also further rationalized through UK North Sea legacy asset divestments.

Health, Safety, Security and Environment (HSSE) is E&P's first priority

Despite a positive trend over recent years, the Lost-Time Injury Rate (LTIR) in E&P increased marginally in 2012 and ended above the previous year. E&P unfortunately reported one work-related fatality during summer 2012. The overall HSSE focus has been further strengthened in 2012 and additional HSSE improvement measures are being worked on.

Record year despite ongoing uncertainty

Clean EBIT increased by 31%

Clean EBIT increased by 31% to EUR 2,824 mn (thereof Petrom: EUR 1,292 mn), mainly due to a stronger operational performance driven by Libya, as well as a favorable FX environment. The Group's average realized oil price in USD went up by 4% while the average realized gas price in EUR remained at the same level. Exploration expenses increased by 38% in 2012 and the exploration well success rate remained at the same high level (61%) as in the previous year. Expenses were mainly driven by write-offs of unsuccessful wells and/or licenses in Norway (Peking Duck), the UK (Aberlour), the Kurdistan Region of Iraq (Mala Omar and Shorish) as well as Tunisia (El-Hamra). With a total of EUR 1,598 mn, E&P investments were 23% lower than during the strong year 2011 when acquisitions in Tunisia and Pakistan took place (2011: EUR 2,066 mn). The 2012 investments include the acquisitions of development projects Aasta Hansteen and Edvard Grieg (both Norway). The majority of the remainder was spent in Romania. The net special items of EUR (81) mn in 2012, inter alia related to the successful closing of asset sales in the UK North Sea (Beryl and Boa) and an impairment of the gas field Strasshof (Austria), were higher compared to EUR (64) mn in 2011. These special items led to a reported EBIT of EUR 2,743 mn (thereof Petrom: EUR 1,228 mn), an increase of 31% vs. 2011.

2012 **production** increased due to the resumption of operations in Libya. Total hydrocarbon production increased by 6% to 111.1 mn boe (thereof Petrom: 66.9 mn boe). This corresponds to an average daily production of 303.5 kboe/d

At a glance

	2012	2011 [1]	Δ
Segment sales in EUR mn	6,075	4,960	22%
Earnings before interest and taxes (EBIT) in EUR mn	2,743	2,091	31%
Clean EBIT in EUR mn	2,824	2,154	31%
Capital expenditure in EUR mn	1,598 [2]	2,066 [3]	(23)%
Production in mn boe	111.1	105.0	6%
Production cost in USD/boe	12.8	14.3	(11)%
Proved reserves as of December 31 in mn boe	1,118	1,133	(1)%

[1] Figures for 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised).
[2] Includes acquisitions in Norway.
[3] Includes acquisitions in Tunisia and Pakistan.

(thereof Petrom: 182.7 kboe/d). In Libya, production came back on stream in November 2011 and was ramped up during the year 2012 close to pre-crisis level. In Romania, the production decline was minimized at only 2% and at a rate of 170.5 kboe/d. In Austria, E&P managed to keep production stable at 38.0 kboe/d. In the international portfolio, Tunisia, the UK and Kazakhstan performed better than in 2011. Production in New Zealand, Pakistan and Yemen was lower compared to last year. Sales quantities increased by 8% compared to 2011, mainly caused by Libya, Kazakhstan, Tunisia and the UK which more than offset the lower volumes in Austria, Romania, New Zealand and Pakistan. **Production costs** per boe excluding royalties (OPEX) decreased by 11% to USD 12.8 (2011: USD 14.3). This decrease was mainly driven by favorable FX effects and higher production volumes mainly in Libya, combined with solid cost control.

Successful exploration year

In 2012, OMV drilled 18 exploration wells in 8 different countries spanning from New Zealand to the United Kingdom. In addition, 4 exploration wells were spudded in 2012 and completed in 2013. 77% of the wells were operated by OMV and the exploration success ratio remained high at 61% (2011: 61%). The majority of a total of 10 appraisal wells were drilled onshore Romania. The well Domino-1 in the Romanian Black Sea exploration license Neptun was the most significant discovery in 2012 and has the potential to be OMV´s biggest gas discovery ever. It is the first high impact result of the new exploration strategy established in 2011. A 6,700 km^2 3D seismic acquisition campaign was started in late 2012 to further evaluate the discovery and the additional prospectivity of the Neptun block. Significant opportunities in this license and in the recently acquired adjacent acreage in the neighboring countries Bulgaria and Ukraine make the Northwest Black Sea an important focus for exploration in the coming years. Additionally, OMV was successful in acquiring new exploration acreage in Norway (4 new licenses) and in the UK (5 new licenses in the West of Shetland area). Exploration opportunity assessments have been expanded into Sub-Saharan Africa and areas adjacent to existing E&P countries.

Proved hydrocarbon reserves (1P) as of December 31, 2012, were 1,118 mn boe (thereof Petrom: 775 mn boe) and proved and probable oil and gas reserves (2P) amounted to 1,767 mn boe (thereof Petrom: 1,091 mn boe). The 2012 single-year reserve replacement rate (RRR) was 86%. The three-year average RRR stood at 79% in 2012 (2011: 78%). In Romania and Austria, the three-year average RRR decreased to 60% (2011: 66%). In the international portfolio, the three-year average RRR increased to 122% (2011: 107%), which includes reserves from the recent acquisitions in Norway. On a 2P basis 158% of the production was replaced in 2012, indicating that the development inventory continues to improve. In 2012, an external independent consultant made an evaluation of OMV reserves with the result that their estimates are in material agreement with OMV reported figures for the year 2011.

OMV's core countries Romania and Austria

In **Romania**, where production averaged at 170.5 kboe/d for the year (2011: 173.7 kboe/d), the production decline was successfully minimized at only 2%. Several production optimization initiatives including workovers and drilling of new wells almost fully counterbalanced the effect of the harsh weather conditions in Q1/12 and the natural decline in key gas fields. In 2012, the workover activity level increased to approximately 1,600 jobs and a total number of ~120 wells was drilled. Significant progress was made on ~10 field redevelopment projects, mainly focusing on water, steam and polymer injection. In addition, several new oil and gas redevelopment projects were identified and kicked off in 2012. Having drilled a first appraisal well in Totea, the natural gas discovery potential in deep layers proved to be of significant size. The experimental production of the Totea discovery and appraisal wells also contributed positively to total production in Romania. The

Exploration success rate again at 61%

Domino-1 exploration well in the Black Sea was OMV's biggest discovery in 2012. Gas volumes are estimated to be in the range of 1.5 to 3.0 trillion cubic feet. A substantial 3D seismic data acquisition campaign has been kicked off in the Neptun block and further exploration and appraisal drilling is planned for the near future.

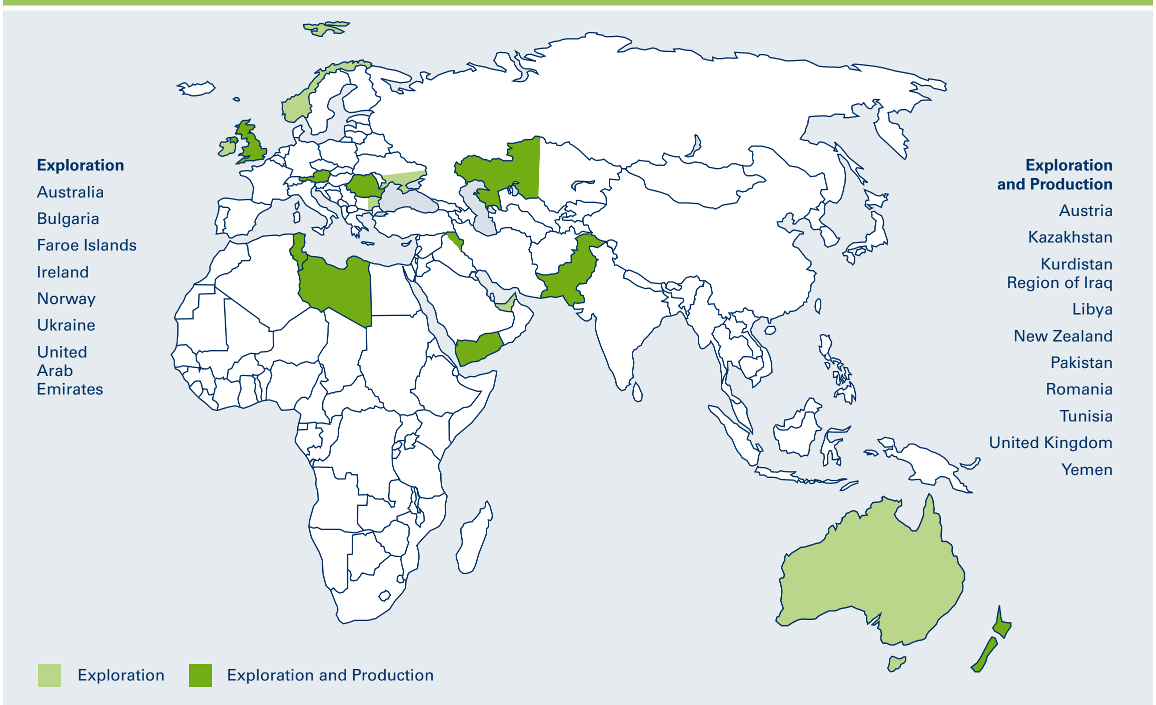
Stable production in Austria

In **Austria**, production was successfully stabilized at 38.0 kboe/d in 2012 (2011: 38.3 kboe/d). Continued focus and hard work were required to keep the natural decline of the mature reservoirs at zero. The oil well downtime as well as the life time of the electrical submersible pumps were further optimized. Several initiatives were kicked off to apply new ideas and technologies in the mature fields. By debottlenecking the surface facilities ~900 boe/d additional capacity could be freed up at almost zero cost investment. A planned maintenance shutdown in the Aderklaa sour gas plant was executed ahead of schedule. The pilot project, whereby polymer is injected into the 8th Torton Horizon to increase reservoir sweep efficiency, continued as per plan in 2012 and is contributing to production. Further technological insight about the success of the technique will be gained in 2013. The three field redevelopment projects that were kicked off in 2011 have further progressed and another two were kicked off in 2012. The second part of the 3D seismic acquisition in the Mistelbach area is also in progress. The dedicated project for unconventionals was cancelled.

OMV's international portfolio

In May, the **Pakistan** branch office celebrated 15 mn working hours without a lost-time injury, a significant success in an active operational environment. Total production at 12.8 kboe/d was lower than last year (2011: 14.6 kboe/d), but key projects and redevelopment work are ongoing to address this shortfall. A key milestone was the signing of the Latif gas field development agreement in October. The former Petronas business (acquired in 2011) was fully integrated

Worldwide exploration and production portfolio



Production facility Tunisia

into the existing operations. The Mehar project is under construction. The Mehar-3 well was successfully drilled, tested and results are being analyzed. The start-up of production is expected in 2013.

In **Yemen**, political turmoil continued in 2012. There was no production due to multiple pipeline sabotages during the first half of the year. Production restarted in July after repair of the oil export pipeline and by the fourth quarter of the year oil could be exported again. The situation remains volatile as pipeline attacks still happen regularly. In November, production was again interrupted for several weeks. The average production in 2012 was 2.1 kboe/d, approximately the same level as the previous year (2011: 2.6 kboed). By the end of 2012, the decision was taken to restart the execution of the development work in Habban and to continue the construction of the central processing facility. Appropriate security measures are being undertaken.

Promising results at Bina Bawi

Following the discovery of hydrocarbons in the Bina Bawi-3 well in the **Kurdistan Region of Iraq**, the need for a testing program and two further appraisal wells was identified. In 2012, construction of an extended well test facility for Bina Bawi-3 commenced and well testing is planned to start in 2013. The appraisal well Bina Bawi-4 was spudded and encountered hydrocarbons in two targets, while drilling to a deeper target was still ongoing at year-end. The Bina Bawi-5 drilling program is well on track. For the Rovi and Sarta blocks a work program was being prepared by the operator Chevron for 2013. Drilling at an exploration well in the Mala Omar block was abandoned due to unsatisfying results. The block was relinquished together with the Shorish block. Pearl Petroleum Company Limited continued producing in 2012 at a gross production rate of 68.1 kboe/d (53.8 kboe/d in 2011). OMV holds a 10% (equity consolidated) interest in the company.

In **Kazakhstan**, production increased slightly to 12.2 kboe/d in 2012 (2011: 12.0 kboe/d). In 2012, good progress was made in implementing the artificial lift program, starting up water injection in the Komsomolskoe field and executing a successful workover campaign in the Komsomolskoe and Tasbulat Oil Company (TOC) fields (Tasbulat, Turkmenoi and Aktas). The final investment decision for the field redevelopment plan for the TOC fields was also taken in 2012.

Country entry into the United Arab Emirates

In 2012, OMV secured its first upstream position in the **United Arab Emirates** through negotiated access. Together with the partners, Abu Dhabi National Oil Company (ADNOC) and Wintershall, the sour gas and condensate field Shuwaihat will be appraised.

In **Tunisia**, production increased to 11.2 kboe/d (2011: 10.1 kboe/d). Additional production came mainly from newly drilled exploration wells in the South of Tunisia. During 2012, two rigs started drilling for the South Tunisian exploration and development project. The concessions Cherouq and Durra, along with other near field opportunities, were combined into one South Tunisian Oil Development project. The fields are developed through exploratory-type infill wells and are producing under extended well test. Front End Engineering and Design (FEED) is ongoing for the Nawara gas field development and the South Tunisian Gas Pipeline. The routing of the pipeline is under discussion with the government.

Libyan production ramped up in 2012

In **Libya**, production came back on stream at the end of 2011 and continued to ramp-up through 2012. The political situation, however, remained unstable in 2012 and production was interrupted few times due to civil unrest. Average production over the year was 29.5 kboe/d (2011: 7.1 kboe/d), about 10% below pre-crisis level. Drilling activities resumed in the second half of the year, however, future development projects are still on hold. To support the community in the aftermath of the revolution, OMV set up the Libya Youth Center, a place aiding local children and youngsters to deal with the impact of events.

In **Egypt**, OMV has no acreage position. As part of the rationalization of OMV's international activities, the decision was taken to close the office in Egypt.

In the **United Kingdom**, OMV was able to increase production to 7.1 kboe/d (2011: 6.6 kboe/d) due to a better operational performance in Schiehallion. In 2012, a consolidation of the UK portfolio took place by divesting non-core assets in the UK North Sea, i.e. selling Boa and Beryl assets and swapping Mariner East for the Tobermory and Bunnehaven discoveries, which are located in the focus area West of Shetland (WoS). Exploration activities also focused on the WoS area and a total of five new licenses have been awarded. The major redevelopment project Schiehallion was steadily progressing, production has been halted in early 2013 and the existing Floating Production, Storage and Offloading (FPSO) vessel will be taken out of operation. Construction of the new vessel in Korea has been started. The Rosebank project was moved into the FEED phase. Cambo and Tornado are being further appraised. OMV UK also holds exploration licenses in Ireland and the Faroe Islands.

In **Norway**, OMV grew its portfolio in 2012 by acquiring two more assets, a 15% stake in the Aasta Hansteen gas field development and a 20% stake in the Edvard Grieg oil field development. The Zidane-2 exploration well was drilled in the second quarter of 2012 and resulted in additional hydrocarbon finds. The results of the wells are being assessed. For Aasta Hansteen, the final investment decision was taken in December 2012 by the Joint Venture partners. The project involves the world's largest floating spar platform. OMV will also participate in the investment of a new 480 km gas pipeline, Polarled, and an upgrade of the existing Nyhamna gas processing plant. The Edvard Grieg oil field development is in the execution phase. All major contracts for drilling and construction were awarded and the jacket construction started. OMV Norway also increased its exploration acreage to 17 licenses (2011: 13), thereof 8 (2011: 7) operated.

In **New Zealand**, operational challenges associated with the Maari oil asset have been tackled through a structured improvement program. Due to underlying decline, however, the 2012 production of 19.4 kboe/d did not reach the level of the previous year (2011: 22.0 kboe/d). Several projects for growing production in Maari were matured and resulted in plans for an extensive drilling campaign starting in 2013. A major step in operating the Maari field has been the purchase of the FPSO vessel Raroa which will be operated by OMV. In October 2012, OMV New Zealand announced the production of 20 mn boe from Maari field since start of production in 2009. Exploration opportunities around the Maari field in the Taranaki Basin have been matured and drilling will begin in 2013. In the Great South Basin, OMV completed a 4,820 km² 3D seismic survey and exploration prospects continue to be matured.

In **Australia**, appraisal activities are ongoing for the Zola discovery including the Bianchi-1 appraisal well scheduled for 2013. The office in Perth was closed in 2012 and the New Zealand office is now also managing the Australian activities.

20 mn boe produced from Maari field

Production in 2012

	Oil and NGL	Natural gas[1]		Total
	mn bbl	bcf	mn boe	mn boe
Romania[2]	28.7	182.1	33.7	62.4
Austria	5.8	48.6	8.1	13.9
North Africa and Offshore[3]	20.2	27.8	5.3	24.8
Middle East and Caspian[2, 4]	4.6	32.0	4.7	9.9
Total	**59.2**	**290.6**	**51.8**	**111.1**

Proved reserves as of Dec. 31, 2012

	Oil and NGL	Natural gas[1]		Total
	mn bbl	bcf	mn boe	mn boe
Romania[2]	382.5	1,984.5	367.5	750.1
Austria	48.5	341.2	56.9	105.4
North Africa and Offshore[3]	150.5	336.6	56.1	206.6
Middle East and Caspian[2, 4]	33.3	133.6	22.3	55.5
Total	**614.8**	**2,795.9**	**502.8**	**1,117.6**

[1] To convert gas from scf to boe the following conversion factor was applied in all countries: 1 boe = 6,000 scf; except of Romania where the following was used: 1 boe = 5,400 scf.
[2] As OMV holds 51% of Petrom, it is fully consolidated and figures therefore include 100% of Petrom's assets and results.
[3] Region consists of Tunisia, Libya, Turkey, Norway, United Kingdom, Ireland, Faroe Islands, New Zealand and Australia and includes exploration only countries.
[4] Region consists of Pakistan, Yemen, the Kurdistan Region of Iraq, Kazakhstan, Bulgaria, Ukraine and the United Arab Emirates and includes exploration only countries.

Gas and Power

The Gas and Power (G&P) business segment continued its expansion of sales and trading activities and strengthened its integrated gas position in its markets. The gas logistics business prepared for future needs by developing additional transport capacities, and also took further steps in the Nabucco gas pipeline project. The supply, marketing and trading business continued its expansion of its international gas marketing activities and enhanced its trading activities. In the power business, commercial operation of the gas-fired power plant in Brazi (Romania) started in August 2012. Construction works on the gas-fired power plant in Samsun (Turkey) have been finalized.

Nabucco West was selected as the most competitive route to Central Europe

Clean EBIT decreased by 23% to EUR 184 mn vs. EUR 240 mn in 2011 driven by the negative performance of EconGas due to the wide spread between long-term oil-linked supply and hub-priced sales. Reported EBIT decreased significantly by 82% to EUR 43 mn vs. EUR 239 mn in 2011 mainly due to significant provisions for onerous contracts related to transport and LNG capacity bookings. The gas logistics business showed a good performance and increased the profit contribution vs. 2011. The transportation business benefited mainly from the 2% increase of the total gas transportation sold. The storage business recorded a higher average storage capacity sold due to the start-up of the storage Etzel in Germany. The business unit supply, marketing and trading recorded a 60% increase in gas sales volumes to 437 TWh mainly due to increased trading activities. Gas sales of Petrom decreased, in line with the Romanian gas consumption, by 4% to 52 TWh. Profit contribution of the gas business in Petrom increased significantly driven by improved margins mainly due to better terms for domestic gas sales. In Turkey, OMV started successfully direct gas sales activities in January 2012 and sold approx. 12 TWh of natural gas and LNG in 2012.

Gas logistics

The **Nabucco gas pipeline** project elaborated the Nabucco West pipeline option, which is planned to take Caspian Region gas from the Turkish-Bulgarian border via Bulgaria, Romania and Hungary to the gas hub at Baumgarten in Austria. As a central component of the southern gas corridor, Nabucco West is ideally placed to diversify gas supply to Central and Southeastern Europe, as well as onward into Western Europe. A firm conditional tariff offer was proposed to the Shah Deniz II consortium in May 2012 and Nabucco West was selected as the most competitive route to Central and Southeastern Europe. On October 8, 2012, the Nabucco Political Committee in Vienna confirmed the Intergovernmental Agreement between the transit countries – Austria, Hungary, Romania, Bulgaria and Turkey – establishing equal legal conditions for gas transportation also for the Nabucco West route. This has laid the groundwork for the financing and execution of the project, which is designed to give Europe access to the large gas reserves in the Caspian Region and the Middle East. This project links OMV's sales regions while also creating support and optimization potential for sales and trading. The signing of gas supply contracts will enable

At a glance

	2012	2011[1]	Δ
Segment sales in EUR mn	11,883	7,000	70%
Earnings before interest and taxes (EBIT) in EUR mn	43	239	(82)%
Clean EBIT in EUR mn	184	240	(23)%
Capital expenditure in EUR mn	351	468	(25)%
Natural gas sold in TWh	437	272	60%
Total gas transportation sold in bcm	103.2	101.4	2%
Storage volume sold in mn cbm	2,429	2,358	3%

[1] Figures for 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised).

Storage Etzel

the Shah Deniz II consortium to make the final investment decision (FID) on the development of the corresponding gas field in the Caspian Sea in 2013, which will be taken together with the FID on the selected European pipeline option.

In the **transportation business**, the Austrian gas grid was further developed and the Third Energy Package was fully implemented. The expansion of the West-Austria-Gas pipeline was completed and operations started in January 2013. Transportation agreements for more than 103 bcm throughout the Austrian system were sold and operated in 2012. As a further step towards the implementation of the Third Energy Package, the brand Gas Connect Austria (100% owned by OMV; formerly OMV Gas) was launched on January 1, 2012. In alignment with the requirements of the Third Energy Package, Gas Connect Austria was approved as a certified Independent Transmission System Operator in 2012. The application was approved by the national regulatory authority, E-Control, on July 6, 2012. The appointment of Gas Connect Austria as Market Area Manager is a function mainly concerned with the coordination of the Austrian Transmission System Operators, and took place in April 2012 for an initial period of two years. AGGM Austrian Gas Grid Management (a subsidiary of Gas Connect Austria) was appointed as a Distribution Area Manager, which is a body exercising certain functions for all Austrian distribution system operators. Both appointments constituted important achievements. The Austrian gas act, which had been approved in late 2011, foresees – among other major changes – the introduction of a new gas market model including an entry/exit tariff system effective as of January 1, 2013, which required the transformation of the existing point-to-point contracts. Despite a very short preparation time for adapting all contracts and establishing the necessary IT infrastructure, all requirements for the new gas market model were fulfilled. On December 4, 2012, Gas Connect Austria and Austrian transmission system operators BOG and TAG as well as 16 other transmission system operators from seven countries have signed an agreement to establish a new European online platform (PRISMA) for capacity auctions.

Third Energy Package implemented

In 2012, the **storage business** recorded a 3% increase to 2.43 bcm in storage volume sold due to the start-up of the storage Etzel in Germany. The overall market situation remained challenging as oversupply of gas at all European trading spots lowered market demand for additional storage capacity. Start-up of the storage project Etzel took place in June 2012.

Start-up of the storage Etzel

The initial fill of the first caverns was completed in the second half of the year and capacities for the period April 2013 until April 2014 were successfully marketed via capacity auctions and on a first come, first served basis.

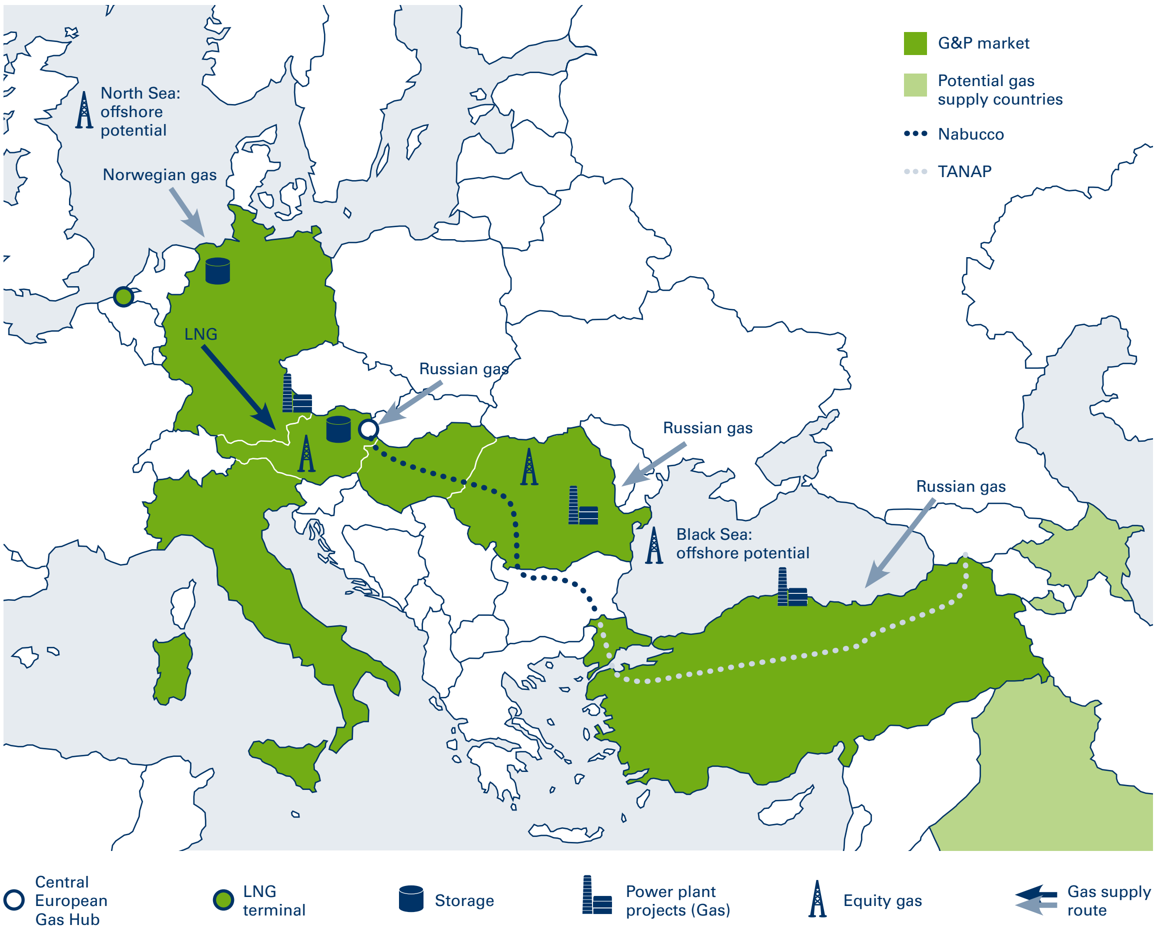
+21% CEGH trading volume

In 2012, the total trading volume on the **Central European Gas Hub (CEGH)** increased by 21% to 528 TWh. A new all-time high in monthly over-the-counter (OTC) trading volumes (48 TWh) was reached in April 2012. The spot and futures market operated by the CEGH Gas Exchange of Wiener Börse as well as the admission of the Slovakian transmission system operator Eustream, by its acquisition of a 15% stake in CEGH, further strengthened the position of CEGH as the leading trading hub for natural gas in Central and Southeastern Europe.

Supply, marketing and trading

Overall gas sales volumes climbed to 437 TWh, an increase of 60% vs. 2011, mainly driven by short-term optimization of the portfolio and trading activities of EconGas. In 2012, the **EconGas** result was significantly burdened by a challenging market environment with a negative impact on profitability based on the continued wide spread between long-term oil-linked contract prices and hub prices. This led to a strong pressure on margins and thus, in combination with the provisions for onerous contracts related to contracted long-term transport and LNG capacity bookings, to a negative result. Being mainly active in Austria, Germany, Italy, Hungary and on international trading hubs, EconGas reached a sales volume of 374 TWh (up 71% compared to 2011) and

Position of the G&P business segment



Power plant Brazi

net sales revenues of EUR 10 bn in 2012. **Petrom**'s gas sales volumes decreased by 4% in 2012, in line with the decline of Romanian gas consumption, as a result of overall lower market demand. The gas price for domestic producers recognized by the Romanian regulator remained unchanged at RON 495/1,000 cbm. In **Turkey**, OMV successfully finalized its market entry into Turkey's natural gas business with first deliveries starting on January 1, 2012 and supplied natural gas to 22 locations. OMV has also become the market leader in the Turkish trucked LNG business with a 25% market share in 2012. OMV supplied LNG via trucks to end-customers at almost 280 locations and managed logistic operations successfully to maintain supply security for its customers. In 2012, OMV sold approximately 12 TWh of natural gas and LNG in Turkey.

Power

The power business continued to execute its strategy of providing an additional marketing platform for gas to OMV with the successful operation of its assets and the completion of the power plant projects initiated. The gas-fired combined cycle power plant Brazi (860 MW) in Romania successfully started commercial operation in August 2012 and has since provided low carbon power to the Romanian market. In the context of the period of extended drought, Brazi power plant has proved its importance for the Romanian National Energy System. The 45 MW wind park Dorobantu in Romania has delivered renewable power to the market. In Austria, the waste heat recovery power plant Weitendorf with a capacity of 16 MW started commercial operation in mid-2012, using the waste heat from the gas compressor station at Weitendorf and turning it into electrical power without causing any additional CO2 emissions. In total, net electrical output stood at 1.7 TWh mainly from the power plant Brazi. In Turkey, OMV finalized the construction of the gas-fired combined cycle power plant in Samsun (870 MW) and the units at site are being prepared for commercial operation. Furthermore, the project development of a potential 800 MW class gas-fired combined cycle power plant in Haiming (Germany) was progressed.

Start of commercial operations of the power plant Brazi

12 TWh of natural gas and LNG sold in Turkey

Refining and Marketing including petrochemicals

The clean CCS result of the business segment Refining and Marketing including petrochemicals (R&M) increased compared to 2011 backed by an improved economic environment in the refining business, the further modernization of the Petrobrazi refinery and a better performance by Petrol Ofisi. Higher refining margins more than compensated the negative effect of the high crude price via fuel and loss in 2012. Petrochemical margins remained strong in H1/12, while the slowdown of economic activities in key end markets resulted in margin erosion in the second half of the year. High crude prices combined with the weak margin environment in most European countries weighted negatively on the demand and profitability of the marketing segment. Petrol Ofisi, however, was able to capture the positive market development in Turkey and further improved its result compared to 2011, being a significant contributor to the strong R&M result in 2012.

Clean CCS EBIT increased by 101%

The R&M result in 2012 was driven by a higher refining margin environment, a positive petrochemical performance and an increased contribution from Petrol Ofisi. The overall R&M clean CCS EBIT reached EUR 488 mn, 101% above the previous year result of EUR 243 mn. The crude price development in 2012 was volatile throughout the year and Brent ended the year on the same level as 2011, which led to a small positive CCS effect of EUR 1 mn vs. EUR 176 mn in 2011 (due to rising crude prices). This CCS effect together with net special charges of EUR (72) mn vs. EUR (138) mn in 2011 led to a reported EBIT of EUR 417 mn, considerably above last year's figure of EUR 282 mn. The special charges in 2012 were mainly related to the impairment of marketing retail assets in Hungary, the Czech Republic and Moldova, which resulted from the worsening economic environment in these countries.

The clean refining CCS EBIT increased somewhat compared to 2011. The high crude price in EUR terms and the reduced Brent-Urals differential vs. 2011 led to higher costs for OMV's own crude consumption. This negative effect was overcompensated by higher product spreads, especially for gasoline and diesel, which led to higher refining margins compared to 2011. In addition, continuous improvements in operational performance as well as stringent cost management contributed positively to the result. In the Petrobrazi refinery, the scheduled six-week shutdown in Q2 was successfully accomplished, delivering a major step in the Petrobrazi modernization program and led to an improved refining East result in the second half of 2012. Refining capacity utilization reached 88% compared to 87% in 2011. Refining output stayed at the same level as in 2011 (18.94 mn t in 2012 vs. 18.97 mn t in 2011).

The petrochemicals result remained solid and reached last year's level. Petrochemical margins stayed at high levels in the first half of the year, but deteriorated in the second half of 2012 driven by the economic slowdown. Sales volumes in the petrochemical business increased vs. 2011, which was affected by the turnaround at the Schwechat refinery.

At a glance

	2012	2011 [1)]	Δ
Segment sales in EUR mn	29,608	26,472	12%
Earnings before interest and taxes (EBIT) in EUR mn [1]	417	282	48%
Clean CCS EBIT in EUR mn [1, 2]	488	243	101%
Capital expenditure in EUR mn	435	575	(24)%
Total refined product sales in mn t	30.23	30.98	(2)%
Marketing sales volumes in mn t	21.48	22.61	(5)%

[1] Figures for 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised).

[2] Adjusted for exceptional, non-recurring items; clean CCS figures exclude inventory holding gains/losses (CCS effects) resulting from the fuels refineries and Petrol Ofisi.

Annual refining capacities	mn t
Refineries West	
Schwechat	9.6
Burghausen	3.6
Bayernoil (OMV's share)	4.6
Refineries East	
Petrobrazi	4.2
Total	**22.0**

In the marketing business, the clean result came in at the level of last year. While Petrol Ofisi outperformed last year's result and contributed strongly to the overall marketing business, the performance in other marketing countries deteriorated. The main reason for this development was a further deterioration in demand together with continuing margin pressure both caused by the weak economic environment in Europe as well as pressure from high crude oil prices. Consequently, marketing sales volumes decreased compared to 2011, while margins remained at last year's level.

Petrom

The clean CCS result was impacted by the overall challenging market environment and subdued demand, though the business demonstrated an effective response to persisting macroeconomic challenges throughout the year. Driven by the strong depreciation of RON against USD, the higher Urals price in RON compared to 2011 had a significant adverse impact on the refining result. The inability of the Petrobrazi refinery to benefit from the high gasoline prices mid-year due to the scheduled six week shutdown further prevented the refining business to offset the higher Urals price impact. Despite this adverse market impact, the completion of the modernization of the crude distillation unit as part of the Petrobrazi modernization program was a major achievement in 2012. Thus, refinery utilization picked up pace during the latter months of the year, averaging 93% in Q4.

The main focus in marketing in 2012 was the further strengthening of the two-brand strategy – OMV and Petrom. Retail margins were under pressure most of the year, due to the high oil price environment and continued economic downturn in the region. The annual throughput per filling station decreased 1% and reached 4.4 mn l/site. This was in line with the market demand development. In the commercial business, to counterbalance the decline in sales, tailor-made concepts were optimized in the agricultural and construction industry, as well as in the road and sea transportation sectors. Also, the sales channel approach was optimized in the diesel and aviation business in Romania, thus strengthening sustainable profitability. In order to support an improvement of the cost position and as a reaction to the challenging environment, the administrative activities of the marketing organization have been centralized further.

Strong performance of Petrol Ofisi

The synergies and improvements identified in 2011 positively affected the 2012 result which showed a significant uplift. One example is the maritime supply integration of OMV with Petrol Ofisi, which delivered an upside vs. 2011. Despite intense competition in the market, Petrol Ofisi sold 5.1 mn t of white products (Gasoline, Diesel, Jet), 0.6 mn t of black products (Heating oil, Heavy fuel oil, Bitumen), 0.4 mn t of auto-LPG and 0,1 mn t of Lubricants. Petrol Ofisi sustained its successful performance and managed to increase its sales in the market. Consequently, it maintained its industry leadership in white products with a market share of 24.5%. In the black products market segment, the market share even reached 60% and thereby surpassed the 2011 level, despite a deteriorating overall market environment. In diesel and gasoline, Petrol Ofisi reached 21.7% and 24.9% market share respectively.

Modernization of the crude distillation unit completed

A thorough focus on profitability, unit margins and close cost management significantly improved the operational result in 2012. Within the supply area, synergies with the OMV Group have been utilized. The optimized supply program and the LPG imports initiated in 2012 via new LPG terminals, showed a significant contribution to the result improvement. In addition, the successful sale of non-core assets also had a positive impact on the performance in 2012. All business units outperformed 2011 by focusing on operational excellence and strong profitability management.

Petrol Ofisi: All business units outperformed 2011

Solid Borealis contribution

The business year 2012 started promisingly, after the economic slowdown at the end of 2011. However, due to weak economic sentiment in a decreasing product price environment, the market situation deteriorated and remained volatile throughout the year. The deterioration in key end markets impacted the European polyolefin industry and resulted in margin erosion. While the polyolefins business suffered substantially, the base chemical business was able to counter this development somewhat and offset the profitability impact partly. In particular, the fertilizer business showed strong margins and solid profitability. The integration of the acquired French fertilizer producer PEC-Rhin (transaction closed on January 31, 2012) positively supported the result. In addition, Borouge, a joint venture between Borealis and the Abu Dhabi National Oil Company (ADNOC), strongly contributed to the 2012 result. Borealis continued to invest in research and development. The construction of the semi-commercial catalyst plant in Linz, Austria, was completed by the end of August and first catalyst production started in December 2012. With this investment, Borealis strengthens its research capabilities in the area of catalyst development and polyolefin production. In November 2012, Borealis signed an agreement to acquire 100% of the shares of

Markets served by Refining and Marketing in 2012

DEX Plastomers, a 50/50 joint venture ultimately owned by Royal DSM and ExxonMobil Chemical Company. The agreement made underpins Borealis' commitment to its value creation through innovation strategy, as Borealis believes there is significant potential in DEX Plastomers' technology. In 2012, Borealis successfully launched its second retail bond transaction in Austria with a maturity of 7 years. Due to strong investor demand, Borealis was able to increase the initially planned amount of EUR 100 mn to EUR 125 mn. Further, the Borouge 3 expansion project is well on track and will increase Borouge's total annual production capacity of the integrated olefins/polyolefins site in Abu Dhabi from 2 mn t to 4.5 mn t by mid-2014.

Borouge 3 expansion project is well on track

Schwechat refinery

Directors’ report

Group financials			EUR mn
	2012	2011[1]	Δ
Sales revenue	42,649	34,053	25%
Earnings before interest and taxes (EBIT)	3,104	2,494	24%
Net income for the year	1,790	1,588	13%
Net income attributable to stockholders of the parent	1,363	1,079	26%
Cash flow from operating activities	3,813	2,514	52%
Capital expenditure[2]	2,426	3,146	(23)%
Employees as of December 31	28,658	29,800	(4)%

[1] Figures for 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised).
[2] Includes acquisitions as well as investments in associated companies and other interests; adjusted for capitalized decommissioning costs, exploration wells that have not found proved reserves, borrowing costs and other additions which by definition are not considered as capital expenditure.

EBIT increased by 24%

OMV generated a strong operating result of EUR 3,104 mn in 2012, 24% above last year’s level, supported by higher oil prices and a stronger USD, partly compensated by lower marketing sales volumes and unfavorable gas supply contracts in EconGas. Net special charges of EUR (304) mn (2011: EUR (212) mn) were mainly related to provisions for onerous contracts booked in EconGas, the impairment of the gas field Strasshof in Austria and the impairment of marketing retail assets in Hungary and Moldova, partly offset by the gain from the divestments in the UK North Sea. The net financial result at EUR (246) mn was above 2011 (EUR (273) mn), driven by the improved financing structure of the Group, which led to a decrease in interest expenses and to a significant reduction in foreign exchange losses. This effect was counterbalanced by a provision for alleged late payment interest charges relating to a tax review of OMV Petrom SA, as well as lower income from associated companies in 2012. The effective tax rate was 37% (2011: 29%), mainly driven by a significantly higher contribution of highly taxed profits from Libya. Net income attributable to stockholders of the parent was EUR 1,363 mn, above 2011 (EUR 1,079 mn). Non-controlling and hybrid interests amounted to EUR 427 mn (2011: EUR 509 mn).

Return on average capital employed (ROACE), at 11%, was at the same level as in 2011, return on fixed assets (ROFA) increased from 14% to 18%, and return on equity (ROE) equaled the 2011 level of 13%. For definitions of these ratios, readers are referred to the glossary of abbreviations and definitions which is an integral part of the Directors’ report.

The **Exploration and Production (E&P)** business segment had a strong year. With the return of relative calm after the Arab Spring, OMV restarted operations in North Africa and the Middle East and increased total hydrocarbon production by 5% in comparison to 2011. Production in Romania and Austria was successfully stabilized at ~208 kboe/d, which is a key contributor to the total E&P portfolio. The exploration success ratio remained high at 61% (2011: 61%). The Domino-1 exploration well in the Black Sea was the biggest discovery in 2012 and has the potential to change Romania’s energy landscape in the long run. The acquisition of interests in two key assets offshore Norway – Aasta Hansteen gas and Edvard Grieg oil field development – further enforces OMV’s growth strategy. The portfolio was also further rationalized through UK North Sea legacy asset divestments.

The **Gas and Power (G&P)** business segment continued its expansion of sales and trading activities and strengthened its integrated gas position in its markets. The gas logistics business prepared for future needs by developing additional transport capacities and also took further steps in the Nabucco gas pipeline project. The supply, marketing and trading business continued its expansion of its international gas marketing activities and enhanced its trading activities. In the power business, commercial operation of the gas-fired power plant in Brazi (Romania) started in August 2012. In Turkey, OMV finalized the construction of the gas-fired power plant in Samsun (870 MW) and the units at site are being prepared for commercial operation.

The result of the business segment **Refining and Marketing including petrochemicals (R&M)** increased compared to 2011, backed by an improved economic environment in the refining business, the further modernization of the Petrobrazi refinery and a strong contribution from Petrol Ofisi. Higher refining margins more than compensated the negative effect of the high crude price via fuel and loss in 2012. Petrochemical margins remained strong in the first half of the year, while the slowdown of economic activities in key end markets resulted in margin erosion in the second half of the year. High crude prices combined with the weak margin environment in most European countries weighed on the demand and profitability of the marketing segment. Petrol Ofisi, however, was able to capture the positive market development in Turkey and further improved its result compared to 2011, being a significant contributor to the strong R&M result in 2012.

Earnings before interest and taxes (EBIT)

E&P EBIT increased by 31% to EUR 2,743 mn, mainly due to significantly higher sales volumes in Libya and favorable foreign exchange effects. Total daily production of oil, NGL and gas of 303,000 boe/d was 5% above the level of 2011, as higher volumes from Libya overcompensated the lower volumes from Romania and New Zealand. Total OMV daily oil and NGL production was up by 13%, mainly reflecting the resumed production in Libya (in 2011, no Libyan production was reported from March to November). Total OMV daily gas production was down by 2% in comparison to 2011, as the decline in Pakistan and Romania was not fully compensated by production increases in New Zealand and Tunisia. In 2012, net special charges of EUR (81) mn were related inter alia to the gain from divestments in the UK North Sea and the impairment of the gas field Strasshof (Austria).

Higher sales volumes supported E&P result

G&P EBIT decreased by 82% from EUR 239 mn in 2011 to EUR 43 mn, driven by the increased margin pressure and significant provisions for onerous contracts related to transport and LNG capacity booked in the supply, marketing and trading business, even though gas sales increased by 60% compared to 2011. The gas logistics business benefited from increased gas transportation sold, but the storage business result was below the 2011 level due to the start-up of the storage Etzel in Germany. The power business recorded an improved result due to the contribution of the first power plant in operation. The construction progress at the power plant Samsun in Turkey led to an increased cost level. In total, net electrical output stood at 1.69 TWh, mainly from the gas-fired power plant in Brazi (Romania), which started operations in August 2012 and has been supplied only with domestic gas since September 2012.

Earnings before interest and taxes (EBIT)			**EUR mn**
	2012	2011 [1]	Δ
Exploration and Production (E&P) [2]	2,743	2,091	31%
Gas and Power (G&P)	43	239	(82)%
Refining and Marketing incl. petrochemicals (R&M)	417	282	48%
Corporate and Other (Co&O)	(66)	(69)	(4)%
Consolidation: Elimination of inter-segmental profits	(33)	(48)	(31)%
OMV Group	**3,104**	**2,494**	**24%**

[1] Figures for 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised).
[2] Excluding inter-segmental profit elimination.

Refining margins increased vs. 2011

R&M EBIT came in at EUR 417 mn, significantly higher than the EUR 282 mn in 2011, mainly reflecting a better margin environment in the refining business. The refining result was up compared to 2011, mainly driven by the increase in the OMV indicator refining margin as a result of increased gasoline and middle distillate spreads in refining West. The OMV indicator refining margin East of USD (1.39)/bbl remained negative but improved compared to the level of 2011, which was USD (2.40)/bbl. At 88%, overall capacity utilization remained broadly in line with the level of 87% in 2011. Total refining output was stable. The petrochemicals result was in line with the 2011 result, in spite of higher volumes and higher ethylene margins, which were compensated by lower propylene and butadiene margins. The marketing result was above the level of 2011, mainly due to the provision booked in Petrom in 2011 related to antitrust investigations. The clean marketing result came in below the level of 2011 as a consequence of the difficult overall market environment, despite the very strong contribution from Petrol Ofisi.

EBIT in the **Corporate and Other (Co&O)** segment increased by 4% to EUR (66) mn in 2012, as the 2011 result was burdened by higher administrative costs.

Notes to the income statement

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

Compared to 2011, **consolidated sales revenues** increased by 25% to EUR 42,649 mn, mainly driven by a general market price increase as well as the stabilization of production in Libya. As a result of this, sales of the **E&P** segment increased by 22% to EUR 6,075 mn. After the elimination of intra-group transactions of EUR 4,687 mn, the contribution of the E&P segment to consolidated sales revenues was EUR 1,387 mn or about 3% of the Group's total sales revenues (2011: EUR 766 mn or 2%). **G&P** sales increased to EUR 11,883 mn (2011: EUR 7,000 mn). After elimination of intra-group sales to refineries, the G&P segment's contribution in 2012 was 27% of total sales or EUR 11,707 mn (2011: EUR 6,856 mn or 20%). Consolidated sales in

Summarized income statement			**EUR mn**
	2012	2011[1]	Δ
Sales revenues	42,649	34,053	25%
Direct selling expenses	(364)	(305)	19%
Cost of sales	(36,971)	(29,285)	26%
Other operating income	258	289	(10)%
Selling and administrative expenses	(1,440)	(1,380)	4%
Exploration, research and development expenses	(510)	(370)	38%
Other operating expenses	(520)	(508)	2%
Earnings before interest and taxes (EBIT)	**3,104**	**2,494**	**24%**
Net financial result	(246)	(273)	(10)%
Taxes on income	(1,067)	(633)	69%
Net income for the year	**1,790**	**1,588**	**13%**
Thereof attributable to hybrid capital owners	38	22	73%
Thereof attributable to non-controlling interests	389	487	(20)%
Net income attributable to stockholders of the parent	**1,363**	**1,079**	**26%**

[1] Figures for 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised).

the **R&M** segment amounted to EUR 29,551 mn or 69% of total sales (2011: EUR 26,426 mn or 78%).

Sales to external customers are split up by geographical areas on the basis of where the delivery of goods or services is effective. Austria retained its position as the Group's most important **geographical market** with sales of EUR 15,978 mn or 37% of the Group's total (2011: EUR 11,501 mn or 34%). Sales revenues in Germany increased from EUR 5,804 mn in 2011 to EUR 6,983 mn in 2012, representing a revenue contribution of 16% (2011: 17%). In Romania, sales revenues of EUR 4,667 mn or 11% of total sales revenues, were similar to last year's level in terms of proportion (2011: EUR 4,016 mn or 12%). Turkey contributed 13%, or EUR 5,491 mn, to OMV Group's total sales in 2012 (2011: EUR 5,023 mn or 15%). Sales in the rest of CEE were EUR 4,161 mn or 10% of Group sales revenues (2011: EUR 4,202 mn or 12%). Rest of Europe accounted for EUR 2,082 mn or 5% (2011: EUR 1,997 mn or 6%). Sales revenues in the Rest of the World increased to EUR 3,287 mn, representing 8% of total sales revenues (2011: EUR 1,510 mn or 4%).

Direct selling expenses, mainly consisting of third-party freight-out expenses, increased by 19% to EUR (364) mn. **Cost of sales**, which include variable and fixed production costs as well as costs of goods and materials employed, increased by 26% to EUR (36,971) mn, in line with the increase in sales. **Other operating income** was at EUR 258 mn, mainly related to gains on divestments in the UK North Sea. Apart from this, the major components of this position are foreign exchange gains. **Selling expenses** of EUR (1,019) mn increased by 8% compared to last year, while **administrative expenses** decreased by 3% to EUR (422) mn.

Exploration expenses amounting to EUR (488) mn increased by 38% compared to last year, while **research and development (R&D) expenses** increased by 31% to EUR (21) mn. **Other operating expenses** increased by 2% compared to 2011, amounting to EUR (520) mn, which includes provisions for onerous contracts related to contracted long-term transport and LNG capacity bookings of EconGas. Compared to 2011, this year's personnel reduction costs increased slightly.

Financing structure of the Group improved

The **net financial result** showed an expense of EUR (246) mn (2011: EUR (273) mn). This was mainly caused by the improved financing structure of the Group, which led to decreased interest expenses and to a significant reduction of foreign exchange losses. This effect was counterbalanced by a provision for alleged late payment interest charges following a tax review of the years 2009 and 2010 of OMV Petrom SA, and lower income from associated companies in 2012. **Income from associated companies** in total amounted to EUR 200 mn (2011: EUR 224 mn). This included the recognized share of the pro rata result of Borealis group at the amount of EUR 172 mn (2011: EUR 186 mn) and the pro rata result of Erdöl-Lagergesellschaft m.b.H. of EUR 21 mn (2011: EUR 11 mn). **Dividend income** amounted to EUR 12 mn (2011: EUR 8 mn). The **net interest result** showed an expense balance of EUR (376) mn (2011: EUR (352) mn), mainly reflecting a provision for alleged late payment interest charges following a tax review of OMV Petrom SA, counterbalanced by decreased interest expenses due to the improved financing structure.

Taxes on income increased by EUR (434) mn to EUR (1,067) mn compared to 2011. This was caused by an increase of expenses for current income taxes by EUR (646) mn to EUR (1,206) mn and the result of deferred tax expenses of EUR (73) mn in 2011 turning into an income of EUR 139 mn in 2012. The Group's effective tax rate thus increased to 37.3% (28.5% in 2011). This increase in the tax burden was mainly attributable to significantly higher profit contributions of high-taxed Libyan E&P entities.

Capital expenditure (CAPEX)

CAPEX decreased to EUR 2,426 mn (2011: EUR 3,146 mn).

Two thirds of total CAPEX went into E&P

E&P invested EUR 1,598 mn (2011: EUR 2,066 mn) mainly in field developments in Romania and Austria, as well as in the purchase of interests in the Norwegian fields Aasta Hansteen and Edvard Grieg. CAPEX in the **G&P** segment of EUR 351 mn (2011: EUR 468 mn) was mainly related to commissioning of the gas storage Etzel in Germany, investments in the power plant projects in Brazi (Romania) and Samsun (Turkey) and the West-Austria-Gas Pipeline (WAG) expansion project in Austria. CAPEX in the **R&M** segment amounted to EUR 435 mn (2011: EUR 575 mn), mainly comprising investments in the modernization of the Petrobrazi refinery in Romania as well as the construction and remodeling of filling stations and terminals. CAPEX in the Co&O segment was EUR 42 mn (2011: EUR 37 mn).

The reconciliation of total capital expenditure to additions according to the statement of non-current assets (intangible and tangible) mainly relates to changes in the group of consolidated companies and additions, which by definition are not considered as capital expenditure, as well as investments in financial assets. The difference between the additions shown in the statement of non-current assets and the investments reported in the cash flow statement partly arise from investments in intangible and tangible assets that did not affect cash flows during the period (including liabilities arising from investments and capitalized borrowing costs). In addition, cash outflows due to investments in financial assets are included in the overall investments shown in the cash flow statement.

Statement of financial position

Total assets increased by EUR 2,106 mn to EUR 30,519 mn. The increase in **non-current assets** amounting to EUR 513 mn was mainly due to investment activities in intangible assets and property, plant and equipment, which include the purchase of interests in the Norwegian field developments Aasta Hansteen and Edvard Grieg.

Investments in associated companies increased by EUR 140 mn, which is mainly due to the result contribution of Borealis as well as the proportional results from other associated companies, translation of foreign operations and

Capital expenditure [1]			**EUR mn**
	2012	2011	Δ
Exploration and Production	1,598	2,066	(23)%
Gas and Power	351	468	(25)%
Refining and Marketing incl. petrochemicals	435	575	(24)%
Corporate and Other	42	37	14%
Total capital expenditure	**2,426**	**3,146**	**(23)%**
+/– Changes in the consolidated Group and other adjustments	370	336	10%
– Investments in financial assets	(11)	(849)	(99)%
Additions according to statement of non-current assets (intangible and tangible assets)	**2,785**	**2,633**	**6%**
+/– Non-cash changes	(300)	(171)	76%
Cash outflow due to investments in intangible and tangible assets	**2,485**	**2,462**	**1%**
+ Cash outflow due to investments in securities, loans and other financial assets	13	58	(78)%
Investments as shown in the cash flow statement	**2,498**	**2,520**	**(1)%**

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

Summarized statement of financial position[1]				**EUR mn**
	2012	%	2011	%
Assets				
Non-current assets	21,073	69	20,560	72
Intangible assets and property, plant and equipment	17,827	58	17,408	61
Investments in associated companies	1,811	6	1,671	6
Other non-current assets	1,136	4	1,282	5
Deferred tax assets	300	1	198	1
Current assets	9,446	31	7,853	28
Inventories	3,202	10	3,149	11
Trade receivables	3,822	13	3,541	12
Other current assets	2,422	8	1,164	4
Equity and liabilities				
Equity	14,530	48	13,404	47
Non-current liabilities	8,713	29	8,519	30
Pensions and similar obligations	978	3	938	3
Bonds and other interest-bearing debts	4,413	14	4,286	15
Decommissioning and restoration obligations	1,995	7	1,984	7
Other provisions and liabilities	548	2	432	2
Deferred tax liabilities	778	3	879	3
Current liabilities	7,276	24	6,491	23
Trade payables	4,290	14	3,431	12
Bonds and other interest-bearing debts	376	1	559	2
Provisions and other liabilities	2,610	9	2,500	9
Total assets/equity and liabilities	**30,519**	**100**	**28,413**	**100**

[1] Figures for 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised).

other changes. **Other non-current assets**, which primarily comprise non-current receivables, loans and securities, decreased by EUR 147 mn to EUR 1,136 mn.

Deferred tax assets increased to EUR 300 mn.

Current assets rose by EUR 1,593 mn. This is mainly related to a EUR 868 mn increase in **cash and cash equivalents**, a EUR 281 mn increase in **trade receivables**, mainly from higher sales, and an increase in **current assets held for sale** by EUR 235 mn due to the sales agreements signed for OMV Hrvatska d.o.o., OMV BH d.o.o. and PETROM LPG SA.

Equity (including non-controlling interest) improved by EUR 1,126 mn, leading to a slight increase of the equity ratio to 48% (2011: 47%). Positive effects came mainly from net income, which was partly offset by dividends distributed.

Pensions and similar obligations increased by EUR 40 mn. **Non-current decommissioning and restoration obligations** slightly rose by EUR 11 mn, mainly because of parameter changes and discount unwinding effects.

Current and non-current **bonds and other interest-bearing debts** decreased by EUR 56 mn.

Trade payables increased by EUR 859 mn, mainly due to higher gas purchases and positive effects on working capital from the performance improvement program "energize OMV".

"energize OMV" led to working capital reductions

Current and non-current other provisions and other liabilities increased by EUR 226 mn, mainly due to provisions for onerous contracts related to contracted long-term transport and LNG capacity bookings of EconGas and a provision for alleged late payment interest charges following a tax review of the years 2009 and 2010 of OMV

Petrom SA, partly offset by the payment of the provision of a fine imposed by the Romanian Competition Council on Petrom in 2011.

Deferred tax liabilities decreased to EUR 778 mn.

Gearing ratio

Gearing ratio down from 34% to 26%

As of December 31, 2012, short- and long-term borrowings, bonds and financial leases amounted to EUR 4,974 mn (2011: EUR 4,962 mn) while cash and cash equivalents substantially increased to EUR 1,227 mn (2011: EUR 359 mn) in total. **Net debt** thus decreased by EUR 856 mn to EUR 3,747 mn (2011: EUR 4,603 mn). At December 31, 2012, the **gearing ratio**, defined as net debt divided by equity, was 26% (2011: 34%). This strong improvement was mainly due to the substantial increase in cash and cash equivalents resulting from the strong operating cash flow, lower investing cash flow compared to 2011 and increased equity, mainly due to the strong net income for 2012.

Cash flow

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

Cash flow from operating activities increased by EUR 1,299 mn or 52% from EUR 2,514 mn to EUR 3,813 mn. The reconciliation of net income for the year to the cash flow from operating activities (before changes in working capital) resulted in a net upward adjustment of EUR 1,785 mn for 2012 (2011: EUR 1,458 mn). The adjustment for depreciation, amortization and impairments was EUR 2,036 mn (2011: EUR 1,626 mn) and EUR (139) mn (2011: EUR 73 mn) for deferred taxes. The current tax expense less net tax payments resulted in an increase of EUR 53 mn (2011: EUR 70 mn). The share of associates' result and other dividend income less the dividend payments received contributed to a decrease of EUR 160 mn (2011: EUR 187 mn). The net interest expenses related to loans and other liabilities less interest paid resulted in a decrease of EUR 47 mn (2011: EUR 40 mn). The net increase in long-term provisions (including employee benefits and decommissioning and restoration obligations) resulted in a positive cash flow adjustment of EUR 73 mn (2011: Negative adjustment of EUR 83 mn). The total of write-ups of fixed assets and other non-cash items resulted in an increase of EUR 69 mn (2011: EUR 4 mn).

In 2012, net working capital decreased by EUR 237 mn (2011: Increase of EUR 532 mn). Receivables and inventories increased by EUR 570 mn (2011: EUR 862 mn), whereas liabilities increased by EUR 920 mn (2011: EUR 317 mn). Short-term provisions decreased by EUR 113 mn (2011: Increase of EUR 12 mn).

Cash outflows for investments in non-current assets of EUR 2,498 mn (2011: EUR 2,521 mn) were partly offset by proceeds from the sale of non-current assets amounting to EUR 218 mn (2011: EUR 210 mn). In 2011, acquisitions of companies less cash acquired caused cash outflows of EUR 795 mn, whereof EUR 660 mn related to the acquisitions of the Tunisian subsidiaries of Pioneer and Medco. **Net cash outflow from investment activities** totaled EUR 2,279 mn (2011: EUR 3,106 mn).

Cash outflows from the net decrease of short-term and long-term borrowings amounted to EUR 38 mn (2011: EUR 988 mn). In 2012, the Group sold 15% of the stake held in the Central European Gas Hub AG for EUR 7 mn. In 2011, there was EUR 23 mn worth of additional shares purchased in Petrol Ofisi. Cash outflows for dividend payments amounted to EUR 626 mn (2011: EUR 441 mn), of which EUR 359 mn (2011: EUR 299 mn) were paid to OMV shareholders, EUR 222 mn (2011: EUR 142 mn) to shareholders of non-controlling interests and EUR 45 mn (2011: nil) to hybrid capital owners. In 2011, there were EUR 1,473 mn cash inflows from issuance of new shares (EUR 732 mn) and a hybrid bond (EUR 741 mn). **Net cash outflow from financing activities** amounted to EUR 658 mn (2011: Net inflow of EUR 21 mn).

Risk management

OMV is an integrated, international oil and gas Group. Its operations extend from hydrocarbon exploration and production and processing through to trading and marketing of mineral products and gas. Furthermore, OMV is operating a gas-fired power plant in Romania and has finalized the construction of one in Turkey. In common with the entire oil and gas industry, OMV is exposed to a variety of risks – including market, operational, strategic, regulatory and political as well as hazard risks. It is OMV's view that the Group's overall risk is significantly reduced due to its substantial diversification and the related, partially offsetting effects of different risks. The balancing effects of offsetting industry risks, however, often lag or can weaken. Therefore, OMV's risk management activities focus on the group-wide net risk exposure of the existing and future portfolio. The areas of risk management and insurance are centrally coordinated within the Corporate Finance department, which ensures that well-defined and consistent risk management processes, tools and techniques are applied in the entire organization. The overall objective of the risk policy is to safeguard the cash flows required by the Group for growth and to maintain a strong investment grade credit rating in line with the Group's risk appetite. New business strategies and the associated risks are also monitored with respect to rating implications. Financial risks (e.g. market prices, currencies) are reviewed quarterly by the Financial Risk Committee. A cross functional committee with senior management members of OMV Group – the Risk Committee – ensures that an Enterprise Wide Risk Management (EWRM) program is in place to effectively manage the integrated risks across OMV.

EWRM is continuously enhanced. The main purpose is to deliver value through risk-based management decision making. Thorough assessment of financial, operational and strategic risks should support the exploitation of business opportunities in a systematic manner in order to ensure sustainable growth in OMV's value. Since 2003, the EWRM system has helped to enhance risk awareness and risk management skills across the entire organization, including subsidiaries in more than 20 countries.

The risk culture is supported by an IT application facilitating the risk management processes established within OMV Group: Risk identification, risk analysis, risk evaluation, risk treatment, reporting and risk reviewing through continuous surveillance of changes to the risk profile. Overall risk resulting from the bottom-up risk management process is computed with the aid of Monte Carlo simulations and compared against planning data. This is further combined with a senior management view from a top-down approach to capture the strategic risks. Reports on the findings of the EWRM process, together with risk reports from material associated companies, are submitted to the Executive Board and to the Audit Committee twice a year. In compliance with the Austrian Code of Corporate Governance, the effectiveness of the EWRM system is evaluated by the external auditor on an annual basis. The key non-financial and financial risks identified in respect of OMV's medium-term plan are market price risks, political risks, regulatory and compliance risks, business process risks, foreign exchange risks (particularly relating to the USD, RON and TRY), personnel risks as well as hazard risks.

Diversification reduces Group's overall risk

Although OMV has extensive experience in the political environment in CEE and SEE and in its core oil and gas production areas, political developments in all markets where OMV operates are kept under constant observation. Furthermore, country-specific risks are assessed before entering new countries. Risks related to the EU Emission Trading Scheme (EU ETS) are separately recorded, aggregated for the Group as a whole, and monitored by a group-wide committee (Carbon Steering Committee) at an ongoing basis. In particular, the impact of the revised allocation rules in the EU ETS from 2013 onwards is being analyzed in detail. Furthermore, OMV is monitoring emerging regulations related to climate change in all operating countries. Through systematic staff succession and development planning, Corporate Human Resources plans for suitable managerial staff to meet future growth requirements in order to mitigate personnel risks.

Control and mitigation of identified and assessed risks takes place at all organizational levels using clearly defined risk policies and responsibilities. The key Group risks are governed centrally to ensure the ability to meet the strategic objectives, through the essence of corporate directives, including those relating to health, safety, security and environment, legal matters and compliance, human resources and corporate social responsibility, with special emphasis on human rights and market price risks.

Key Group risks are managed centrally

Analysis and management of financial risks arising from foreign currencies, interest rates, commodity prices, counterparties, pensions, CO_2 emissions, liquidity as well as insurable risks are undertaken in a consolidated way within Corporate Finance.

Market price risk is monitored and analyzed centrally as to the potential cash flow impact using a specific risk analysis model that considers portfolio effects. Results of the risk analysis are discussed by the Financial Risk Committee comprising senior management of the business segments and corporate functions. Proposals for hedging strategies are submitted to the Executive Board for approval.

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

For the year 2012, OMV hedged (using swaps) 50,000 bbl/d at an average price of USD 101.45/bbl. These hedges led to a negative cash flow of USD 186 mn (thereof USD (39.7) mn in 2013). To protect cash flows of USD 748 mn from currency fluctuations, OMV entered into USD hedges at an average rate of 1.3616 for 2012, which resulted in a negative cash flow of EUR 33 mn (thereof EUR (6.9) mn in 2013).

To balance the Group's interest rate portfolio, some USD and EUR denominated loans were converted from fixed to floating rates and vice versa, according to predefined rules. The main counterparty credit risks are assessed, monitored and controlled at Group and segment level, using predetermined credit limits for all counterparties, banks and security providers. The procedures are governed by guidelines at OMV, Petrom and Petrol Ofisi level.

Sustainability & HSSE (health, safety, security, environment)

Building on a lasting tradition, OMV enhanced its sustainability concept in 2012. Resourcefulness is OMV's new way of achieving profitable growth in a sustainable and responsible manner. Thus, OMV assumes responsibility for people and environment along the entire value chain, and commits to implementing innovative solutions that lead to win-win situations for society, the environment and for OMV. Initiatives implemented under Resourcefulness focus on Education & Development, Environmental Management and New Energies. OMV initiatives are always adapted to the specific needs and standards of the society and the people in those regions where OMV operates.

The "Resourcefulness Executive Team" steers the implementation of the concept across the OMV Group. Furthermore, the newly established "OMV Resourcefulness Advisory Board" provides external guidance and advice on OMV's Resourcefulness concept.

Sustainability targets remain important for measuring performance on an individual level. A percentage of the non-EBIT related individual variable compensation has been awarded for achieving sustainability goals.

In 2012, special focus was put on HSSE training

A special focus was given to HSSE training to further enhance HSSE awareness in 2012. Over 439,000 hours of HSSE training were held (2011: 279,100), more than two-thirds of them in Romania. Furthermore, improvements in transparent reporting are key to enhance the HSSE culture. Nearly 260,000 (2011: 220,000) records (incidents, near misses, findings, hazards, assessments and action items) have been reported in CARE, the group-wide software tool, which provided the basis for defining over 80,000 (2011: 76,000) measures in 2012. 88% of these measures (2011: 86%) were completed within the scheduled time frame. As an important step, eight Golden Rules were introduced throughout the Group, with the aim of providing basic principles to reduce occupational safety incidents.

Despite efforts to strengthen HSSE culture and especially safety awareness, the occupational safety performance of OMV Group did not improve further in 2012, compared to 2011. The Lost-Time Injury Rate (LTIR) for own employees remained at 0.66 (2011: 0.66) per million hours worked, but the LTIR for contractors increased to 0.71 (2011: 0.68). The Total Recordable Injury Rate (TRIR) was 1.15 (2011: 1.01) per million hours worked for own employees and 1.72 (2011: 1.14) for contractors in 2012. One E&P Petrom employee and two contractors within R&M retail business died as a result of work-related accidents (2011: One employee, three contractors). The Group fatal accident rate was 1.88 (2011: 1.90) per 100 million hours worked for own employees and 2.02 (2011: 2.89) for contractors.

The number of commuting accidents decreased to 21 (2011: 30), but one was fatal. After having signed the European Road Safety Charter in 2010, OMV Group committed itself to the UN Decade of Action for Road Safety 2011–2020, e.g. through using in-vehicle monitoring technology (IVMS) and by training drivers in the prevention of car crashes, and has started to implement IVMS throughout Petrom, where completion is planned in 2013.

Within the frame of a major accidental events (MAE) study, OMV ranked high potential MAE sites and activities and started to implement specific action plans to further improve the effectiveness of management and technical integrity systems. In 2012, the reporting of high potential incidents was continued, with dedicated attention of senior management in order to reduce the likelihood of re-occurrence. Process safety has received specific attention in 2012 and the implementation of the Process Safety Strategy has commenced.

After the Arab Spring, OMV has carefully operated in Libya, Tunisia, Egypt, Yemen and Pakistan, and security aspects were specifically considered in all activities.

The Group recorded a total of nine significant hydrocarbon spills due to pipeline corrosion, a road accident and unauthorized, criminal access to oil pipelines, and 1,895 minor releases all resulting in a volume of > 300,000 liters during the year (2011: 6 and 2,001 respectively).

The Group's carbon strategy, launched in 2008, aims at reducing greenhouse gas emissions and the carbon intensity of the product portfolio. Petrom continued to focus on compliance with national and EU regulations in the area of HSSE.

Research and development

Eco-Innovation

Global demand for energy continues to rise at a steady pace. However, the twin challenges of climate change and fossil fuel depletion mean that the world is increasingly looking to innovative new ways of meeting its growing energy needs. In November 2012, OMV hosted the World Energy Outlook 2012 presentation in Vienna. The report confirmed the trend towards phasing in renewable alternatives in Europe and beyond while maintaining the critical role of fossil fuels in the energy mix.

As an international and integrated oil and gas company, OMV can make a real difference to future energies. Responsible behavior, the careful management of resources and investment in innovation are the underlying principles that guide our conduct. The ultimate goal is to secure a sustainable energy supply for today – and for the future.

Austria's first public hydrogen filling facility opened

OMV expertise

One of the three pillars of our Resourcefulness strategy, Eco-Innovation is the platform that will enable us to operate a profitable business in the long-term. Our core skills help us tap into alternative energy sources and new opportunities, in order to underpin future growth and revenue generation. Eco-Innovation is making our business more resilient because we are developing revenue streams to complement – not replace – our fossil fuels businesses.

With Eco-Innovation, OMV uses its core competence to acquire alternative energy sources and business units, which should have a profitable economic value in the long-run.

The primary focus for our Eco-Innovation initiative is on hydrogen mobility and second-generation biofuels.

Following a feasibility study undertaken during 2012, we have decided not to pursue our interest in geothermal technology at this time. The study concluded that the market opportunities for geothermal are limited. As we enter 2013, our focus remains squarely on hydrogen mobility and second-generation biofuels.

Hydrogen mobility

For a world that is wedded to road transport, hydrogen offers a very real and increasingly viable alternative, not only to traditional fuels such as diesel and gasoline but also to electricity. Hydrogen can be produced as a CO2-neutral energy from gas – an area where OMV has extensive experience and expertise – and is an ideal fuel to counter the effects of climate change.

OMV assumes that combined with a fuel cell, hydrogen can be the mobility technology of the future. Since 2009, OMV has been an active member of the H2 Mobility consortium – and during 2012, this project took a significant step forward when OMV opened Austria's first public hydrogen filling facility. Drivers are able to refuel in just three minutes and can drive up to 400 km on a single 'tankful'.

Second-generation biofuels

While first-generation biofuels such as grain and oilseeds compete with sources of food production, their second-generation counterparts have a smaller CO2 footprint and offer greater sustainability.

During 2012, OMV established a pilot BioCrack™ plant at the refinery Schwechat, which is using biogenic material unfit for human consumption – such as woodchips and straw – to produce energy. The project draws on OMV's refining know-how and the existing facilities at Schwechat.

The focus for 2013/2014 is to develop further expertise in this area. If successful, it will deliver multiple benefits to OMV. In particular, OMV will no longer have to purchase biomass from third parties, thereby reducing the costs and improving profitability.

The end result of the refining process is a finished product that can be fed directly into the fuel chain. Even if alternative energies such as hydrogen mean that the traditional combustion engine is replaced by other systems in road vehicles, fuel from biogenic sources will have a significant market for many years in applications such as air and marine transport.

Information required by section 243a Unternehmensgesetzbuch (Austrian Commercial Code)

The following information is disclosed according to section 243a Austrian Commercial Code:

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

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

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

4. All shares have the same control rights.

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

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

7. a) The Executive Board has been authorized by resolution of the Annual General Meeting held on May 13, 2009, to increase, subject to the consent of the Supervisory Board, the capital stock of the Company by May 13, 2014, in one or more tranches, by an aggregate amount not exceeding EUR 77.9 mn by issuance of up to 77,900,000 new common shares in bearer form against cash or contributions in kind, also to the exclusion of shareholders' rights of subscription in the event of contributions in kind and, subject to the consent of the Supervisory Board, to set the issue price and conditions of issuance (authorized capital). By partly exercising the said authorization, the Executive Board, based on its resolutions dated May 16, 2011 and June 6, 2011 and upon approval by the Supervisory Board, increased the capital stock from EUR 300,000,000 by EUR 27,272,727 to EUR 327,272,727 by issuing 27,272,727 new shares (capital increase in cash from authorized capital). As a result of the mentioned capital increase, the Executive Board is now authorized to increase, subject to the consent of the Supervisory Board, the capital stock of the Company by May 13, 2014, in one or more tranches, by an aggregate amount not exceeding EUR 50.6 mn by issuance of up to 50,627,273 new common shares in bearer form against cash or contributions in kind, also to the exclusion of shareholders' rights of subscription in the event of contributions in kind and, subject to the consent of the Supervisory Board, to set the issue price and conditions of issuance (authorized capital).

b) The capital stock has been conditionally increased by EUR 50.6 mn under section 159 (2) (1) Austrian Stock Corporation Act by issuance of up to 50,627,273 common shares in bearer form (conditional capital). The conditional capital increase will only be carried out if holders of the convertible bonds issued on the basis of the Annual General Meeting resolution held on May 13, 2009, exercise their right to convert them into the Company's stock.

c) The total number of new shares currently or potentially to be issued under the terms of the convertible bonds and the number of shares to be issued from the authorized capital may not exceed 50,627,273 (amount-related determination of authorizations in accordance with paragraphs a and b), whereby the conversion right of the holders of the convertible bonds must be granted in any case.

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

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

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

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

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

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

Subsequent events

Please refer to Note 35 in the Consolidated Financial Statements.

Outlook for 2013

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

Increase in CAPEX in 2013

CAPEX before acquisitions for 2013 is expected to increase to around EUR 2.8 bn following the recent acquisitions in Norway. OMV aims to achieve world class HSSE standards with zero fatalities and the reduction of the lost-time injury rate (LTIR) from 0.69 in 2012. The group-wide performance improvement program "energize OMV", which targets a 2% points ROACE increase by 2014, is on track and will continue to be implemented.

In 2013, while the **E&P** business segment will continue to further implement its growth strategy, production is expected to be broadly similar to 2012. In the core countries, Romania and Austria, the target remains to keep the production stable in the range of 200 to 210 kboe/d. In order to achieve this, focus will be on speeding up the process of bringing the field redevelopments closer to their implementation stage and employing the production performance initiatives under the "energize OMV" program. In the international portfolio, with the return of relative political calm after the Arab Spring, production in Libya is expected to remain at 2012 levels and Yemen is expected to raise its production volumes vs.

2012. In both countries, the security situation remains, however, uncertain, especially in Yemen. In the UK, the Schiehallion FPSO vessel will be taken out of operation and production has been halted in early 2013. The continued maturation of field development projects in the international portfolio will support the organic growth target for 2016. Key field developments throughout 2013 are, among others, Latif and Mehar (Pakistan), Edvard Grieg and Aasta Hansteen (Norway), Nawara (Tunisia), Rosebank (UK) and Habban (Yemen). Across its entire portfolio, E&P will significantly increase its exploration expenditure vs. 2012 and continue focusing on high impact exploration targets. In 2013, OMV aims to drill up to eight high impact exploration and appraisal wells, half of which in Norway. Triggered by the high 61% exploration well success ratio in 2011 and 2012, appraisal expenditure will be further increased in 2013, aiming at an accelerated maturation of the discoveries. In Romania, key appraisal activities in 2013 will be the further appraising of the Totea field as well as acquiring 3D seismic and progressing the appraisal program for the Neptun block. Within the group-wide performance improvement program, E&P's initiatives on operational excellence and capital efficiency will be implemented, supporting the overall profitability.

Significantly higher exploration expenditure

Renegotiation of long-term gas supply contracts

In the **G&P** business segment, the main focus of the supply, marketing and trading business will be on renegotiating the long-term gas supply contracts to adjust pricing to current market circumstances in EconGas. The contract with Gazprom allows for the possibility of a price adjustment from April 2013. OMV Trading will start gas trading activities and will leverage the market access of all related G&P assets. In Romania, the gas business will focus on maintaining the leading position in the free gas market whilst adapting the sales strategy to the expected liberalization under the new energy law. In Turkey, power sales and trading activities will be started, the growth strategy in natural gas sales will be followed and the market position in trucked-LNG business is expected to improve. In gas logistics, Nabucco West, which was selected as the most competitive route into Central Europe, and the Shah Deniz II consortium have recently signed cooperation and equity option agreements. The final decision by the Shah Deniz II consortium for their preferred transport partner is expected in 2013. Further steps for development and refinement of operating activities as Market Area Manager will be taken by Gas Connect Austria. The storage market is expected to remain challenging in 2013 due to the overall gas oversupply situation at all European trading spots, as well as low summer/winter spreads. Storage capacities are, however, fully contracted for 2013. With the launch of the new Austrian gas market model on January 1, 2013, CEGH started operations of the Virtual Trading Point in Austria and also launched the "CEGH Gas Exchange Within-Day Market of Wiener Börse". The "Within-Day Market" will increase turnover and liquidity on "CEGH Gas Exchange of Wiener Börse" in 2013. In the power business, the gas-fired power plant Brazi will continue to consolidate its position in the market, enhancing the value of equity gas. A one-month shutdown of the Brazi power plant for the installation of a gas treatment plant is planned for Q2/13 subject to further alignment with the Romanian grid operator. The gas-fired power plant Samsun is expected to be ready for start-up in H1/13. Commercial operation, however, is subject to final court rulings on the legal validity of the rezoning decision as well as the electricity generation license.

The **R&M** business segment will continue to face a challenging economic environment reflected in subdued demand and margin pressure. Refining margins, which experienced a high in 2012, are expected to return to more modest levels in 2013 as capacity returns to OMV's main markets. Marketing volumes are expected to remain under pressure and on the level of 2012 as mature Western markets are not expected to show any growth, and Southeastern Europe is still negatively affected by the economic downturn and sovereign debt crisis. In the Petrobrazi refinery, further steps of the modernization program are ongoing, with finalization due in 2014. A regular maintenance shutdown of the Bayernoil crude distillation unit in Vohburg is planned for four weeks in Q1/13. No further major shutdowns are planned in 2013. The divestment program with the aim of generating up to EUR 1 bn by 2014 will be progressed further. Petrol Ofisi is expected to deliver a continued strong performance in 2013 and to further improve profitability. As part of "energize OMV", working capital will be further reduced by approximately EUR 350 mn. The sale of a portion of OMV's Austrian emergency stocks will contribute approximately EUR 180 mn upon closing of the transaction.

Continued strong performance of Petrol Ofisi expected

Vienna, March 20, 2013

The Executive Board

Gerhard Roiss

David C. Davies

Hans-Peter Floren

Jacobus Huijskes

Manfred Leitner

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Consolidated financial statements

Auditors' report (report on the consolidated financial statements)

We have audited the accompanying consolidated financial statements of OMV Aktiengesellschaft, Vienna, for the fiscal year from January 1, 2012 to December 31, 2012. These consolidated financial statements comprise the consolidated statement of financial position as of December 31, 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended December 31, 2012, and a summary of significant accounting policies and other explanatory notes except for "Oil and Gas Reserve Estimation and Disclosures (unaudited)".

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

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

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

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2012 and of its financial performance and its cash flows for the fiscal year from January 1, 2012 to December 31, 2012 in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

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

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

Vienna, March 20, 2013
Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Helmut Maukner (Wirtschaftsprüfer)

Gerhard Schwartz (Wirtschaftsprüfer)

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

Consolidated income statement for 2012

Consolidated income statement			EUR 1,000
	Note	2012	2011 adjusted [1]
Sales revenues		**42,649,231**	**34,053,193**
Direct selling expenses		(363,547)	(304,930)
Cost of sales		(36,970,523)	(29,285,306)
Gross profit		**5,315,160**	**4,462,958**
Other operating income	7	258,355	288,635
Selling expenses		(1,018,745)	(946,197)
Administrative expenses		(421,752)	(433,665)
Exploration expenses		(488,488)	(353,814)
Research and development expenses		(21,037)	(15,943)
Other operating expenses	8	(519,773)	(507,832)
Earnings before interest and taxes (EBIT)		**3,103,721**	**2,494,142**
Income from associated companies	9	200,441	224,116
Dividend income		11,888	8,040
Interest income	9	37,641	31,051
Interest expenses	9	(413,708)	(382,836)
Other financial income and expenses	9	(82,489)	(153,656)
Net financial result		**(246,227)**	**(273,285)**
Profit from ordinary activities		**2,857,495**	**2,220,858**
Taxes on income	10	(1,067,031)	(632,960)
Net income for the year		**1,790,464**	**1,587,898**
thereof attributable to stockholders of the parent		**1,363,352**	**1,078,993**
thereof attributable to hybrid capital owners		38,040	21,993
thereof attributable to non-controlling interests		389,072	486,912
Basic earnings per share in EUR	11	**4.18**	**3.43**
Diluted earnings per share in EUR	11	4.17	3.42
Proposed dividend [2]	20	392,727	360,000
Proposed dividend per share in EUR [2]	20	**1.20**	**1.10**

[1] Figures for 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised). See Note 4.1 for more details.
[2] 2012: As proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2013.

Consolidated statement of comprehensive income for 2012

Consolidated statement of comprehensive income	Note	**2012**	2011 adjusted [1]
			EUR 1,000
Net income for the year		**1,790,464**	**1,587,898**
Exchange differences from translation of foreign operations		**(50,918)**	**(354,281)**
Gains/(losses) arising during the year		(50,952)	(355,626)
Reclassification of (gains)/losses to net income		34	1,345
Gains/(losses) on available-for-sale financial assets		**3,847**	**(1,966)**
Gains/(losses) arising during the year, before income taxes		3,847	(1,966)
Gains/(losses) on hedges		**74,537**	**(58,778)**
Gains/(losses) arising during the year, before income taxes		(116,565)	(224,653)
Reclassification of (gains)/losses to net income		191,102	165,875
Remeasurement gains/(losses) on defined benefit plans		**(76,425)**	**(19,636)**
Share of other comprehensive income of associated companies		**(9,922)**	**(9,465)**
Gains/(losses) arising during the year		(9,922)	(9,465)
Income taxes relating to components of other comprehensive income	20	**2,602**	**16,622**
Other comprehensive income for the year, net of tax	20	**(56,279)**	**(427,504)**
Total comprehensive income for the year		**1,734,184**	**1,160,395**
thereof attributable to owners of the parent		1,354,529	701,849
thereof attributable to hybrid capital owners		38,040	21,993
thereof attributable to non-controlling interests		341,615	436,553

[1] Figures for 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised). See Note 4.1 for more details.

Consolidated statement of financial position as of December 31, 2012

Assets				EUR 1,000
	Note	2012	2011 adjusted [1]	2010 adjusted [1]
Non-current assets				
Intangible assets	12	3,479,574	3,427,139	3,013,785
Property, plant and equipment	13	14,347,110	13,981,194	12,922,756
Investments in associated companies	14	1,811,003	1,671,074	1,487,632
Other financial assets	17	1,016,236	1,165,128	1,152,675
Other assets	18	119,271	117,234	108,454
Deferred taxes	23	299,918	198,484	189,650
		21,073,112	**20,560,253**	**18,874,954**
Current assets				
Inventories	15	3,202,244	3,148,987	2,818,134
Trade receivables	16	3,821,749	3,540,609	2,930,543
Other financial assets	17	477,167	383,501	352,615
Income tax receivables		152,120	164,164	103,074
Other assets	18	310,137	237,021	299,942
Cash and cash equivalents		1,227,298	358,828	946,132
Assets held for sale	19	255,344	20,108	93,540
		9,446,058	**7,853,218**	**7,543,979**
Total assets		**30,519,170**	**28,413,471**	**26,418,932**

[1] Figures for 2011 and 2010 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised). See Note 4.1 for more details.

Equity and liabilities EUR 1,000

	Note	2012	2011 adjusted [1]	2010 adjusted [1]
Equity	20			
Share capital		327,273	327,273	300,000
Hybrid capital		740,794	740,794	—
Reserves		10,834,397	9,826,273	8,703,954
OMV stockholders' equity		**11,902,464**	**10,894,340**	**9,003,954**
Non-controlling interests		2,627,510	2,509,559	2,233,868
Total equity		**14,529,974**	**13,403,900**	**11,237,822**
Non-current liabilities				
Provisions for pensions and similar obligations	21	978,027	938,316	1,001,924
Bonds	22	3,527,151	2,492,672	1,990,128
Other interest-bearing debts	22	886,083	1,792,835	3,015,054
Provisions for decommissioning and restoration obligations	21	1,995,124	1,983,862	1,932,573
Other provisions	21	298,297	287,791	295,572
Other financial liabilities	22	243,012	136,511	193,444
Other liabilities	22	6,783	7,604	9,148
Deferred taxes	23	778,388	879,361	522,822
		8,712,865	**8,518,952**	**8,960,664**
Current liabilities				
Trade payables	22	4,290,438	3,431,210	3,361,585
Bonds	22	213,615	77,169	72,606
Other interest-bearing debts	22	162,127	482,328	895,524
Income tax liabilities		193,727	160,521	121,480
Decommissioning and restoration obligations	21	81,438	75,077	—
Other provisions	21	568,904	560,961	451,268
Other financial liabilities	22	408,720	539,154	309,222
Other liabilities	22	1,261,263	1,163,470	1,000,514
Liabilities associated with assets held for sale	19	96,100	730	8,247
		7,276,331	**6,490,620**	**6,220,446**
Total equity and liabilities		**30,519,170**	**28,413,471**	**26,418,932**

[1] Figures for 2011 and 2010 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised). See Note 4.1 for more details.

Consolidated statement of changes in equity

Consolidated statement of changes in equity in 2012 [1]

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Translation of foreign operations	Available-for-sale financial assets
January 1, 2012	**327,273**	**1,489,132**	**740,794**	**8,901,400**	**(514,111)**	**(981)**
Net income for the year	—	—	—	1,401,392	—	—
Other comprehensive income for the year	—	—	—	(57,258)	10,090	2,924
Total comprehensive income for the year	**—**	**—**	**—**	**1,344,133**	**10,090**	**2,924**
Dividend distribution and hybrid coupon	—	—	—	(404,127)	—	—
Tax effects on transactions with owners	—	—	—	12,680	—	—
Disposal of treasury shares	—	1,883	—	—	—	—
Share-based payments	—	4,788	—	—	—	—
Increase/(decrease) in non-controlling interests	—	—	—	(987)	—	—
December 31, 2012	**327,273**	**1,495,803**	**740,794**	**9,853,099**	**(504,021)**	**1,943**

Consolidated statement of changes in equity in 2011 adjusted [1, 2]

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Translation of foreign operations	Available-for-sale financial assets
January 1, 2011	**300,000**	**783,896**	**—**	**8,198,653**	**(197,999)**	**498**
Impact from change in accounting policy	—	—	—	(76,629)	—	—
January 1, 2011 adjusted	**300,000**	**783,896**	**—**	**8,122,024**	**(197,999)**	**498**
Net income for the year	—	—	—	1,100,986	—	—
Other comprehensive income for the year	—	—	—	(14,804)	(316,112)	(1,478)
Total comprehensive income for the year	**—**	**—**	**—**	**1,086,182**	**(316,112)**	**(1,478)**
Capital increase	27,273	705,164	740,794	—	—	—
Dividend distribution	—	—	—	(298,797)	—	—
Tax effects on transactions with owners	—	—	—	7,331	—	—
Sale of treasury shares	—	72	—	—	—	—
Increase/(decrease) in non-controlling interests	—	—	—	(15,340)	—	—
December 31, 2011	**327,273**	**1,489,132**	**740,794**	**8,901,400**	**(514,111)**	**(981)**

[1] See Note 20.
[2] Figures for 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised). See Note 4.1 for more details.

EUR 1,000

Hedges	Share of other compr. income of associated companies	Treasury shares	OMV stockholders' equity	Non-controlling interests	Total equity
(30,326)	**(5,678)**	**(13,164)**	**10,894,340**	**2,509,559**	**13,403,900**
—	—	—	1,401,392	389,072	1,790,464
45,344	(9,922)	—	(8,823)	(47,457)	(56,279)
45,344	**(9,922)**	**—**	**1,392,569**	**341,615**	**1,734,184**
—	—	—	(404,127)	(225,421)	(629,548)
—	—	—	12,680	—	12,680
—	—	1,317	3,200	—	3,200
—	—	—	4,788	—	4,788
—	—	—	(987)	1,756	770
15,018	**(15,600)**	**(11,847)**	**11,902,464**	**2,627,510**	**14,529,974**

EUR 1,000

Hedges	Share of other compr. income of associated companies	Treasury shares	OMV stockholders' equity	Non-controlling interests	Total equity
4,959	**3,787**	**(13,211)**	**9,080,583**	**2,233,905**	**11,314,488**
—	—	—	(76,629)	(37)	(76,666)
4,959	**3,787**	**(13,211)**	**9,003,954**	**2,233,868**	**11,237,822**
—	—	—	1,100,986	486,912	1,587,898
(35,284)	(9,465)	—	(377,144)	(50,360)	(427,504)
(35,284)	**(9,465)**	**—**	**723,842**	**436,553**	**1,160,395**
—	—	—	1,473,231	—	1,473,231
—	—	—	(298,797)	(144,865)	(443,662)
—	—	—	7,331	—	7,331
—	—	47	119	—	119
—	—	—	(15,340)	(15,996)	(31,336)
(30,326)	**(5,678)**	**(13,164)**	**10,894,340**	**2,509,559**	**13,403,900**

Consolidated statement of cash flows

Consolidated statement of cash flows [1]	2012	EUR 1,000 2011 adjusted [2]
Net income for the year	**1,790,464**	**1,587,898**
Depreciation, amortization and impairments	2,035,809	1,625,939
Write-ups of fixed assets	(2,101)	(2,094)
Deferred taxes	(138,919)	73,072
Current taxes	1,205,950	559,887
Income taxes paid	(1,242,698)	(520,134)
Tax refunds	90,093	30,651
Losses/(gains) from disposal of non-current assets	(96,358)	(2,741)
Income from associates and other dividend income	(212,329)	(232,156)
Dividends received from associates and other companies	52,617	45,259
Interest expense	189,865	248,973
Interest paid	(236,258)	(288,917)
Interest income	(32,931)	(31,051)
Interest received	28,456	28,329
Increase/(decrease) in personnel provisions	(39,750)	(94,030)
Increase/(decrease) in long-term provisions	112,660	10,778
Other changes	71,125	6,240
	3,575,696	**3,045,904**
Decrease/(increase) in inventories	(125,433)	(358,015)
Decrease/(increase) in receivables	(444,814)	(503,498)
Increase/(decrease) in liabilities	920,396	317,424
Increase/(decrease) in short-term provisions	(112,876)	12,186
Cash flow from operating activities	**3,812,967**	**2,514,001**
Investments		
Intangible assets and property, plant and equipment	(2,484,859)	(2,462,285)
Investments, loans and other financial assets	(12,699)	(58,468)
Acquisitions of subsidiaries and businesses net of cash acquired	—	(795,295)
Disposals		
Proceeds from the sale of non-current assets	183,609	197,485
Proceeds from the sale of Group companies less cash and cash equivalents	34,457	12,220
Cash flow from investing activities	**(2,279,491)**	**(3,106,342)**
Increase in long-term borrowings	1,651,079	848,014
Repayments of long-term borrowings	(1,032,642)	(1,396,186)
Increase/(decrease) in short-term borrowings	(656,684)	(439,803)
Change in non-controlling interest	6,600	(22,971)
Dividends paid	(626,277)	(441,456)
Increase in capital including sale of treasury stock	—	1,473,350
Cash flow from financing activities	**(657,925)**	**20,949**
Effect of foreign exchange rate changes on cash and cash equivalents	(7,082)	(15,911)
Net increase/(decrease) in cash and cash equivalents	**868,469**	**(587,303)**
Cash and cash equivalents at beginning of year	358,828	946,132
Cash and cash equivalents at end of year	**1,227,298**	**358,828**

[1] See Note 24

[2] Figures for 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised). See Note 4.1 for more details.

Notes: Accounting principles and policies

1 Legal principles and general accounting policies

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

These financial statements have been prepared and are **in compliance with International Financial Reporting Standards (IFRSs) as adopted by the EU and as well as in accordance with the supplementary accounting regulations pursuant to Sec. 245a, Para. 1 of the Austrian Company Code (UGB)**. The financial year corresponds to the calendar year.

The consolidated financial statements are in general based on the historical cost principle, except for certain items that have been measured at fair value as described in Note 4 Accounting and valuation principles.

The consolidated financial statements for 2012 have been prepared in thousands of EUR. Accordingly there may be rounding differences.

The consolidated financial statements for 2012 were approved and authorized for issue by the board of directors on March 20, 2013.

2 Estimates and assumptions

Preparation of the consolidated financial statements requires Management to make **estimates and assumptions** that affect the amounts reported for assets, liabilities, income and expenses, as well as the amounts disclosed in the Notes. Actual outcomes could differ from these estimates. Management believes that any deviations from these estimates will not have material influence on the consolidated financial statements in the near term. Estimates and assumptions need to be made particularly with respect to reserves, provisions for restoration costs, interest rates and oil price development.

Planning assumptions concerning the oil price development reflect Management's best estimates. Reserves are estimated by the Group's own engineers. The estimates are verified externally every two years. For details on oil and gas assets within intangible assets and property, plant and equipment please refer to Notes 12 and 13. Estimates of future restoration costs are also based on reports by Group engineers and on past experience. For details on the resulting provision for decommissioning and restoration costs please refer to Note 21. Provisions for decommissioning and restoration costs require estimates of interest rates, which have material effects on the amounts of the provisions. The interest rates applied for calculating the provision for decommissioning and restoration costs are between 1.1% and 3.3% (2011: 1.2% and 3.9%).

In accordance with IAS 36 the Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset has to be considered impaired and written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. For all impairment tests performed the recoverable amount was based on Value in Use.

Goodwill is tested for impairment annually (as at December 31) and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

The pre-tax discount rates vary by country between

- 8.7% to 30.0% for E&P (2011: 8.9% to 30.1%)
- 7.0% to 8.2% for G&P (2011: 6.9% to 7.8%)
- 6.8% to 8.1% for R&M (2011: 6.8% to 8.1%)

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year, where applicable.

The goodwill allocated to the CGU Turkey, resulted from the acquisition of OMV Petrol Ofisi A.Ş. in 2010, amounting to EUR 681,806 thousand as of December 31, 2012 (2011: EUR 657,222 thousand) is annually tested for impairment. The pre-tax rate applied to discount the future cash flows, which are based on annual planning, was 8.1% in 2012. The planning assumptions included a growth rate of 3% for the first 10 years of future cash flows to mainly reflect the estimated market growth. There is sufficient headroom to support an increase of the discount rate with up to 25%. Furthermore, assuming no growth will not trigger an impairment.

3 Consolidation

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

Business combinations are accounted for using the acquisition method. Assets and liabilities of subsidiaries acquired are included at their fair values at the time of acquisition. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Goodwill is calculated as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed.

Goodwill is recorded as an asset and is tested for impairment at least yearly. Impairments are recorded immediately through profit or loss, subsequent write-ups are not possible.

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

A summary of subsidiaries, associated companies and other investments is included under Note 36.

Number of consolidated companies

	2012 Full consolidation	2012 Equity consolidation	2011 Full consolidation	2011 Equity consolidation
At the beginning of the year	**98**	**13**	**99**	**13**
Included for the first time	5	—	6	—
Merged	—	—	(2)	—
Deconsolidated during the year	(1)	(1)	(5)	—
At the end of the year	**102**	**12**	**98**	**13**
[thereof domiciled and operating abroad]	[58]	[8]	[56]	[8]
[thereof domiciled in Austria and operating abroad]	[22]	[—]	[20]	[—]

In **Exploration and Production (E&P)**, OMV Abu Dhabi E&P GmbH, Vienna, was included starting from July 1, 2012.

OMV Offshore Bulgaria GmbH, Vienna, was included starting from October 1, 2012.

The sale of Korned LLP, Almaty, was closed on October 2, 2012.

In **Gas and Power (G&P),** EconGas d.o.o. za opskrbu plinom, Zagreb, was included starting from April 1, 2012.

OMV Gaz Depolama A.Ş., Istanbul, was included starting from October 1, 2012.

In **Refining and Marketing including petrochemicals (R&M)**, OMV Supply & Trading Singapore PTE LTD., Singapore, was included as of July 25, 2012.

There were no acquisitions in 2012. All entities included for the first time are newly formed, wholly owned subsidiaries.

The acquisitions in 2011 related to OMV Anaguid Ltd., OMV South Tunisia Ltd. and OMV Dorra Limited (all operating in Tunisia) as well as of the acquisition of OMV Maurice Energy Limited as shown below.

Fair values acquired — **EUR 1,000**

	2011 Tunisia	2011 Other	2011 **Total**
Intangible assets	133,208	152,269	**285,477**
Property, plant and equipment	474,082	17,854	**491,936**
Inventories	11,702	—	**11,702**
Trade receivables	17,938	2,232	**20,170**
Other financial assets	47,562	11,442	**59,004**
Non-financial assets	2,219	—	**2,219**
Total assets	**686,711**	**183,796**	**870,507**
Provisions	(23,450)	(2,770)	**(26,220)**
Financial liabilities	(27,308)	(11,604)	**(38,912)**
Deferred taxes	(256,474)	(28,013)	**(284,487)**
Non-financial liabilities	(366)	—	**(366)**
Net assets	**379,114**	**141,409**	**520,523**
Non-controlling interest	—	—	—
Total net assets acquired	**379,114**	**141,409**	**520,523**
Consideration given (cash)	673,092	141,409	**814,501**
Goodwill	**293,978**	**—**	**293,979**

The goodwill recorded for the 2011 acquisitions substantially relates to the deferred tax liability recognized for the differences in book and tax values of the assets acquired.

In 2011, the acquisitions operating in Tunisia contributed EUR 126,917 thousand to consolidated sales and EUR 10,721 thousand to consolidated net income of the OMV Group since their inclusion. If these acquisitions had already taken place at the beginning of the year, the calculated value of sales and net income contribution to the OMV Group would have been EUR 156,380 thousand and EUR 12,870 thousand, respectively.

OMV Maurice Energy Limited contributed EUR 2,227 thousand to consolidated sales and EUR (8,222) thousand to consolidated net income of the OMV Group since its inclusion. If the acquisition had already taken place at the beginning of the year, the calculated value of sales and net income contribution to the OMV Group would have been EUR 4,672 thousand and EUR (17,247) thousand, respectively.

4 Accounting and valuation principles

1) First-time adoption of new or revised standards
The accounting policies adopted are consistent with those of the previous financial year, except for the amendments to IFRS and the changes in accounting policies as described below.

Amendments to IAS 19 Employee Benefits
The amendments to IAS 19 Employee Benefits (IASB effective date: January 1, 2013, with early adoption permitted), which were endorsed by the EU in June 2012, were already applied in these financial statements. The revised standard includes a number of amendments that range from fundamental changes to simple clarifications and rewording. The most significant change is the requirement to recognize actuarial gains and losses for post-employment benefits in other comprehensive income when they occur, with no subsequent recycling to profit or loss. The previously allowed corridor method, which was used by the Group to distribute actuarial gains and losses in the income statement over several years, is no longer permitted. In addition, the return on plan assets is no longer recognized on the basis of the anticipated return on the plan assets but must be measured applying the rate that is used for discounting the defined benefit obligation. Furthermore, the revised standard also requires enhanced disclosures on defined benefit plans and changes the accounting for termination benefits. Changes have been applied retrospectively in accordance with the transition rules of IAS 19, resulting in the adjustment of prior year financial information.

As a result of the adoption of the amended IAS 19, the following adjustments were made to the financial statements:

Adjustments to the income statement EUR 1,000

	2011
Cost of sales	6,090
Gross profit	**6,090**
Selling expenses	904
Administrative expenses	3,801
Other operating expenses	9,940
Earnings before interest and taxes (EBIT)	**20,735**
Profit from ordinary activities	**20,735**
Taxes on income	(5,185)
Net income for the year	**15,550**
thereof attributable to stockholders of the parent	15,552
thereof attributable to non-controlling interests	(2)
Basic earnings per share in EUR	0.05
Diluted earnings per share in EUR	0.05

Adjustments to the statement of comprehensive income EUR 1,000

	2011
Net income for the year	**15,550**
Remeasurements of the net defined benefit liability	(19,636)
Income taxes relating to components of other comprehensive income	4,817
Other comprehensive income for the year, net of tax	**(14,820)**
Total comprehensive income for the year	**731**
thereof attributable to stockholders of the parent	748
thereof attributable to non-controlling interests	(17)

Adjustments to the statement of financial position EUR 1,000

	2011	January 1, 2011
Deferred tax assets	85	55
Total assets	**85**	**55**
OMV stockholders' equity	(75,882)	(76,629)
Non-controlling interests	(54)	(37)
Total equity	**(75,936)**	**(76,666)**
Provisions for pensions and similar obligations	101,495	102,594
Deferred taxes	(25,475)	(25,873)
Total equity and liabilities	**85**	**55**

The losses resulting from remeasurements on defined benefit plans in 2012 amounted to EUR 76,425 thousand.

In addition, the following amended standards were applicable for the first time in 2012, but had no significant effects on the financial statements:

- Amendments to IFRS 7 Financial Instruments: Disclosures – Transfers of Financial Assets. The amendments introduce new disclosure requirements on transfers of financial assets which are either not derecognized in their entirety or which are fully derecognized but for which the entity retains some form of continuing exposure.

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters. The IASB provided guidance on how an entity should resume presenting IFRS financial statements when its functional currency ceases to be subject to hyperinflation.

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

2) New or revised standards and interpretations not yet mandatory
The OMV Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

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

- Amendments to IAS 1 Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income (IASB effective date: Annual periods beginning after July 1, 2012). These amendments change the grouping of items presented in other comprehensive income (OCI). Items that will be reclassified ("recycled") to profit or loss at a future point in time (e.g. cash flow hedging, foreign currency translation) have to be presented separately from items that will never be reclassified (e.g. fair value through OCI items under IFRS 9, IAS 19 remeasurements).

- IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements (IASB effective date: January 1, 2013). IFRS 10 introduces a single consolidation model that identifies control as the basis for consolidation for all types of entities. It replaces the portion of IAS 27 that addresses the accounting for consolidated financial statements and also addresses the issues raised in SIC-12 Consolidation – Special Purpose Entities, resulting in SIC-12 being withdrawn.

- IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures (IASB effective date: January 1, 2013). IFRS 11 deals with accounting for joint arrangements and supersedes IAS 31 Interests in Joint Ventures. The core principle of IFRS 11 is that a party to a joint arrangement determines the type of joint arrangement in which it is involved by assessing its rights and obligations and accounts for those rights and obligations in accordance with that type of joint arrangement. The option to account for joint ventures using proportionate consolidation has been removed. IAS 28 was amended accordingly.

- IFRS 12 Disclosures of Interests in Other Entities (IASB effective date: January 1, 2013) summarizes the disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities. It replaces the disclosure requirements in the standards IAS 27, IAS 28 and IAS 31.

  Mandatory adoption of the new consolidation standards IFRS 10, IFRS 11, IFRS 12 and the revised IAS 27 and IAS 28 will be postponed to the financial year starting on January 1, 2014 in the EU.

- IFRS 13 Fair Value Measurement (IASB effective date: January 1, 2013). This standard defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It applies not only to financial instruments, but also to the fair value measurement according to other IFRSs (with the exception of IAS 17 and IFRS 2).

- Amendments to IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (IASB effective date: January 1, 2013) and Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities (IASB effective date: January 1, 2014). With these amendments the IASB clarifies its requirements for offsetting (netting) financial instruments in a company's statement of financial position and introduces new disclosure requirements in IFRS 7.

- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine (IASB effective date: January 1, 2013). This interpretation applies to waste removal (stripping) costs incurred in surface mining activity, during the production phase of a mine. It defines, when and how to measure and account for certain benefits that may arise from the stripping activity.

Not yet adopted by the EU:

- IFRS 9 Financial Instruments (issued on November 12, 2009) and subsequent amendments to IFRS 9 and IFRS 7 issued in 2010 and 2011 (IASB effective date: January 1, 2015). This new IFRS 9 was the first step in the IASB's project to replace IAS 39. It uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9 was reissued by the IASB on October 28, 2010, incorporating new requirements on accounting for financial liabilities, and carrying over from IAS 39 the requirements for derecognition of financial assets and financial liabilities. The amendments issued in December 2011 postponed the effective date to January 1, 2015 and modified the relief from restating comparative periods and the associated disclosures in IFRS 7.

- Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards – Government Loans (IASB effective date: January 1, 2013). The amendments, dealing with loans received from governments at a below market rate of interest, give first-time adopters of IFRSs relief from full retrospective application of IFRSs when accounting for these loans on transition.

- Annual Improvements to IFRSs May 2012 (IASB effective date: January 1, 2013). This set of amendments published as part of the annual improvements process includes specific changes to IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34.

- Amendments to IFRS 10, IFRS 11 and IFRS 12 – Transition Guidance (IASB effective date: January 1, 2013). The amendments primarily address the initial application of IFRS 10 but also require additional disclosures under IFRS 12.

- Amendments to IFRS 10, IFRS 12 and IAS 27 – Investment Entities (IASB effective date: January 1, 2014). The Investment Entities amendments provide an exemption from consolidation of subsidiaries under IFRS 10 "Consolidated Financial Statements" for entities which meet the definition of an "investment entity", such as certain investment funds. Instead such entities would measure particular subsidiaries at fair value through profit or loss.

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

3) Summary of accounting and valuation principles

a) Revenue recognition

In general, revenues are realized when goods or services are supplied and acknowledged by the customer, the amount receivable is fixed or can be determined, and collection is probable. Specifically, revenues are recognized in E&P when products are delivered and risks as well as rewards of ownership have passed to the customer. In the retail business, revenues from the Group's own filling stations are recognized when products are supplied to the customers. In the case of non-Group filling stations, revenues are recognized when products are delivered to the stations. Award credits, related to customer loyalty programs operated within the R&M segment, are recognized as a separate component of the sales transaction in which they are granted. Consideration received is allocated between the products sold and the award credits issued. The fair value of the points issued is deferred and recognized as revenue when the points are redeemed. In G&P, sales under long-term contracts are recognized on delivery. Additional gas volumes supplied under these contracts are recognized when accepted by the customer. Gas storage revenues are recognized on the basis of committed storage and withdrawal rates; similarly, gas transport revenues are recognized on the basis of committed volumes.

b) Exploration expenses

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

c) Research and development expenses

Research and development (R&D) expenses include all direct and indirect materials, personnel and external services costs incurred in connection with the focused search for new development techniques and significant improvements in products, services and processes and in connection with research activities. Expenditure related to research activities is shown as R&D expenses in the period in which it is incurred. Development costs are capitalized if the recognition criteria according to IAS 38 are fulfilled.

R&D grants received from third parties are shown in other operating income. In case grants are provided for projects or services, the grant is generally deducted from the cost of the asset if it is a government grant. For grants received from customers, income is recognized over the service period in case of a future service obligation; without a service obligation the entire income is immediately recognized.

d) Exploration and production sharing agreements

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

e) Intangible assets and property, plant and equipment

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

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

For details on impairment testing procedures, please refer to Note 2.

Useful life		Years
Intangible assets		
Goodwill		Indefinite
Software		3–5
Concessions, licenses, etc.		5–20 or contract duration
Business-specific property, plant and equipment		
E&P	Oil and gas wells	Unit-of-production method
G&P	Gas pipelines	20–30
	Gas power plants	8-30
	Wind power station	10-20
R&M	Storage tanks	40
	Refinery facilities	25
	Pipeline systems	20
	Filling stations	5–20
Other property, plant and equipment		
Production and office buildings		20–50
Other technical plant and equipment		10–20
Fixtures and fittings		5–10

The accounting and valuation treatment of exploration and evaluation of oil and gas activities follows IFRS 6. Where IFRS 6 does not provide rules and for other upstream activities, the US GAAP oil industry standard ASC 932, which is an internationally accepted industry standard, is applied. Application of the ASC 932 occurs within the boundaries of IFRS 6 or the respective IFRSs.

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

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

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

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

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

f) Assets held for sale
Non-current assets and disposal groups are classified as held for sale if their carrying amounts are to be realized by sale rather than through continued use. Assets are classified as held for sale if the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Property, plant and equipment and intangible assets once classified as held for sale are no longer depreciated.

g) Leases
The Group holds a number of assets for its various activities under lease contracts. These leases are analyzed based on the situations and indicators set out in IAS 17 in order to determine whether they constitute operating leases or finance leases. A finance lease is defined as a lease which transfers substantially all the risks and rewards incidental to the ownership of the related asset to the lessee. All leases which do not meet the definition of a finance lease are classified as operating leases.

Finance leases are capitalized at the lower of the present value of the minimum lease obligation or fair value and then expensed over their expected useful lives or the duration of the lease, if shorter. A liability equivalent to the capitalized amount is recognized, and future lease payments are split into the finance charge and the capital repayment element.

In the case of operating leases, lease payments are recognized on a straight-line basis over the lease term.

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

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

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

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

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

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

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

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

Derivative instruments are recognized at fair value and unrealized gains and losses are recognized as income or expense, except where hedge accounting is applied.

Those derivatives qualifying and designated as hedges are either (i) a fair value hedge when hedging exposure to changes in the fair value of a recognized asset or liability or (ii) a cash flow hedge when hedging exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

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

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

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

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

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

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

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

m) Provisions
A provision is recorded when it is probable that an obligation will be settled and the settlement amount can be estimated reliably. Provisions for individual obligations are based on the best estimate of the amount necessary to settle the obligation, discounted to the present value in the case of long-term obligations.

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

Pensions and similar obligations: The 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 entitled to pensions at certain levels. The risks associated with these defined benefit pension plans remain with OMV. Defined benefit pension obligations are accounted for by setting up provisions for pensions.

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 for defined benefit pension and severance payment obligations are recognized in full in the period in which they occur in other comprehensive income. Such actuarial gains and losses are also immediately recognized in retained earnings and are not reclassified to profit or loss in subsequent periods. Actuarial gains and losses on obligations for jubilee payments are recognized in profit or loss. Net interest expense is calculated on the basis of the net defined benefit obligation and disclosed as part of the financial result. Differences between the return on plan assets and interest income on plan assets included in the net interest expense is recognized in other comprehensive income.

Provisions for voluntary and mandatory separations under restructuring programs are recognized if a detailed plan has been approved by management and communicated to those affected prior to the statement of financial position date and an irrevocable commitment is thereby established. Voluntary modifications to employees' remuneration arrangements are recognized on the basis of the expected number of employees accepting the employing company's offer. Provisions for obligations related to individual separation agreements are recognized at the present value of the obligation in case the amounts and dates of payment are determined.

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

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

o) Taxes on income including deferred taxes
In addition to corporate income taxes and trade earnings taxes, typical E&P taxes on net cash flows from oil and gas production like the Petroleum Revenue Tax (PRT) in the United Kingdom and the country's/national oil company's profit share for certain EPSAs (see Note 4.3 d) are disclosed as income taxes. Deferred taxes are recognized for temporary differences. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. Tax losses carried forward are taken into account in calculating deferred tax assets. If the probability of deferred tax assets being realized is greater than 50%, such amounts are recognized. Deferred tax assets and liabilities at Group level are shown net where there is a right of set-off and the taxes relate to matters subject to the same tax jurisdiction.

Where a deferred tax asset or liability arises on a business combination, that deferred tax asset or liability is calculated at the date of acquisition, affecting goodwill and not profit or loss.

p) Long Term Incentive (LTI) plans, Matching Share Plan (MSP) and stock option plans (see Note 29)
Starting with 2009, LTI plans were introduced for the Executive Board, selected senior executives and selected employees with outstanding development potential. Additionally in 2012, a MSP has been introduced for the Executive Board. At each vesting date bonus shares, respectively bonuses will be granted to the participants; disbursement is made in cash or shares. Fair values are determined using a model which is based on the expected target achievement and the expected share price. For cash-settled awards, provisions based on applicable fair values are built up over the vesting period, so that by the end of the vesting period the fair value of the bonus share to be granted is fully provided for. For equity-settled awards, a corresponding entry in equity is recognized for the movement in cumulative expense since the previous balance sheet date.

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

5 Foreign currency translation

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

The financial statements of Group companies with functional currencies different from the Group's presentation currency are translated using the closing rate method. Differences arising from statement of financial position items translated at closing rates are disclosed in other comprehensive income. Income statement items are translated at average rates for the period (mean rates). The use of average rates for the income statement creates additional differences compared to the application of the closing rates in the statement of financial position which are directly adjusted in other comprehensive income.

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

Foreign currency translation

		2012		2011
	Statement of financial position date	Average	Statement of financial position date	Average
Australian dollar (AUD)	1.271	1.241	1.272	1.348
Bulgarian lev (BGN)	1.956	1.956	1.956	1.956
New Romanian leu (RON)	4.445	4.459	4.323	4.239
New Zealand dollar (NZD)	1.605	1.587	1.674	1.760
Norwegian krone (NOK)	7.348	7.475	7.754	7.793
Pound sterling (GBP)	0.816	0.811	0.835	0.868
Czech crown (CZK)	25.151	25.149	25.787	24.590
Turkish lira (TRY)	2.355	2.314	2.443	2.338
Hungarian forint (HUF)	292.300	289.249	314.580	279.373
US dollar (USD)	1.319	1.285	1.294	1.392

Notes to the income statement

6 Total cost information

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

Personnel expenses — EUR 1,000

	2012	2011
Wages and salaries	917,774	874,997
Costs of defined benefit plans	35,998	36,374
Costs of defined contribution plans (pension fund contributions)	16,555	16,192
Net expenses for personnel reduction schemes	39,552	38,661
Other employee benefits	115,040	94,994
Total	**1,124,919**	**1,061,218**

The total expenses for pensions included in the costs of defined benefit plans, costs of defined contribution plans and net expenses for personnel reduction schemes amounted to EUR 46,151 thousand (2011: EUR 52,230 thousand).

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

Depreciation, amortization and impairment losses — EUR 1,000

	2012	2011
Depreciation and amortization	1,605,634	1,389,015
Impairment losses	429,980	235,760
Total	**2,035,613**	**1,624,775**

In 2012, impairment losses mainly comprised impairments related to unsuccessful exploration wells in the Kurdistan Region of Iraq (EUR 88,521 thousand), Norway (EUR 71,078 thousand), Tunisia (EUR 28,682 thousand) and United Kingdom (EUR 15,023), to producing fields in Austria (EUR 88,513 thousand) caused by decreasing reserves and to retail business (EUR 44,831 thousand).

In 2011, impairment losses mainly comprised impairments related to unsuccessful exploration wells in Australia (EUR 49,340 thousand), in the United Kingdom (EUR 53,297 thousand) and Romania (EUR 47,862 thousand), as well as an exploration license in Kazakhstan (EUR 25,163 thousand).

In the consolidated income statement, the impairment losses are disclosed as follows: EUR 138,309 thousand (2011: EUR 28,862 thousand) in cost of sales, EUR 217,722 thousand (2011: EUR 188,657 thousand) in exploration costs, EUR 47,063 thousand (2011: EUR 18,154 thousand) in selling costs and administration and EUR 26,885 thousand (2011: EUR 87 thousand) as part of other operating expenses.

7 Other operating income

Other operating income		EUR 1,000
	2012	2011
Other operating income	**258,355**	**288,635**
[thereof gains on the disposal and write-up of non-current assets not including financial assets]	[136,633]	[31,813]
[thereof exchange gains from operating activities]	[40,657]	[66,485]

Gain on disposal of non-current assets primarily included divestments in the UK North Sea amounting to EUR 101,196 thousand (2011: EUR nil).

In 2011, **other operating income** also included an effect of downward reassessment of employees benefit provisions amounting EUR 24,281 thousand due to an increase in discount rates in Petrom.

8 Other operating expenses

Other operating expenses		EUR 1,000
	2012	2011
Other operating expenses	**519,773**	**507,832**
[thereof expenses on disposals of non-current assets not including financial assets]	[38,121]	[21,463]
[thereof exchange losses from operating activities]	[45,275]	[68,772]
[thereof personnel reduction schemes]	[39,552]	[38,661]

Other operating expenses included EUR 128,408 thousand (2011: EUR nil) additions to provisions for onerous contracts related to contracted long-term transport and LNG capacity bookings of EconGas.

In 2011, **other operating expenses** included the fine imposed by Romanian Competition Council on Petrom amounting to EUR 118,850 thousand.

9 Net financial result

Income from associated companies included income of EUR 207,510 thousand (2011: EUR 232,940 thousand) and expenses of EUR 7,068 thousand (2011: EUR 8,824 thousand).

Interest income		EUR 1,000
	2012	2011
Interest income from available-for-sale financial instruments	3,311	4,111
Interest income from loans and receivables	29,618	23,875
Interest income on discounted receivables	4,710	923
Other interest income	2	2,141
Interest income	**37,641**	**31,051**

Interest income from loans and receivables contained EUR 958 thousand (2011: EUR 795 thousand) income from already impaired receivables.

Interest expenses		**EUR 1,000**
	2012	2011
Interest expenses on financial instruments at fair value through profit or loss	897	1,477
Interest expenses on financial liabilities measured at amortized cost	188,297	243,489
Interest expenses component of provisions	223,843	133,862
Interest expenses non-financial liabilities	672	4,008
Interest expenses	**413,708**	**382,836**

The **interest expenses component of provisions** contains some positions relating to personnel provisions where interest expense is netted against interest income. These mainly consisted of accrued interest on pension provisions and severance of EUR 42,432 thousand (2011: EUR 39,084 thousand) and interest accrued on provisions for jubilee payments and personnel reduction plans of EUR 5,746 thousand (2011: EUR 10,288 thousand). Mainly these interest expenses were netted against interest income on pension plan assets amounting to EUR 28,587 thousand (2011: EUR 19,913 thousand).

The position also contains the interest component on the provision for decommissioning and restoration obligations in an amount of EUR 74,793 thousand (2011: EUR 69,618 thousand).

Other financial income and expenses for the year mainly included net foreign exchange losses on financial instruments amounting to EUR 6,727 thousand (2011: Losses of EUR 94,238 thousand) as well as other financing costs with EUR 74,151 thousand (2011: EUR 56,057 thousand).

In 2012, interest on borrowings amounting to EUR 40,680 thousand (2011: EUR 49,849 thousand) and related foreign exchange gains of EUR 6,939 thousand (2011: foreign exchange losses of EUR 22,540 thousand) were capitalized, using an average interest rate of 4.0% (2011: 6.2%) applied to the carrying value of qualifying assets. It was largely related to borrowings taken up for the construction of power plants in Romania and Turkey.

10 Taxes on income

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

Taxes on income		**EUR 1,000**
	2012	2011
Profit from ordinary activities		
Austria	199,127	617,210
Foreign	2,658,368	1,603,648
Total	**2,857,495**	**2,220,858**
Taxes on income		
Austria	1,428	94,038
Foreign	1,204,516	465,849
Deferred taxes	(138,913)	73,073
Taxes on income	**1,067,031**	**632,960**

The reconciliation of deferred taxes was as follows:

Changes in deferred taxes EUR 1,000

	2012	2011
Deferred taxes January 1	(681,477)	(334,372)
Deferred taxes December 31 [1]	(478,909)	(681,477)
Changes in deferred taxes	**202,568**	**(347,105)**
Deferred taxes accounted for in other comprehensive income	(15,262)	(4,855)
Changes in consolidated Group, exchange differences	(48,392)	278,887
Deferred taxes per income statement	**138,913**	**(73,073)**
The deferred tax balance comprises the following elements:		
Change in tax rate	694	(13,077)
Release of and allocation to valuation allowance for deferred taxes	(40,538)	(65,152)
Change of loss carryforwards not recognized in prior years	(4,954)	(501)
Reversal of temporary differences, including additions to and use of loss carryforwards	183,712	5,658

[1] Including deferred taxes for assets held for sale of EUR (440) thousand in 2012 (2011: EUR (600) thousand).

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

Tax rates %

	2012	2011
Austrian corporate income tax rate	**25.0**	**25.0**
Tax effect of:		
Differing foreign tax rates	13.4	(0.7)
Non-deductible expenses	3.8	3.5
Non-taxable income	(4.5)	(5.1)
Change in tax rate	(0.0)	0.6
Expired tax loss carryforwards	0.2	0.0
Write-down on investments at parent company level	(1.4)	0.0
Change in valuation allowance for deferred taxes	1.4	2.9
Other	(0.6)	2.4
Effective Group income tax rate	**37.3**	**28.5**

The significant increase of the tax rate compared to 2011 was mainly driven by a higher contribution of highly taxed profits from Libya.

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

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

Taxes on income accounted for in other comprehensive income totaled EUR (2,602) thousand (2011: EUR (16,222) thousand). In 2012, tax loss carryforwards of EUR 171,304 thousand (2011: EUR 54,753 thousand) were used; the associated deferred taxation amounted to EUR 62,562 thousand (2011: EUR 14,260 thousand).

11 Earnings per share

Earnings per share (EPS)

			2012			2011
	Earnings attributable to stockholders of the parent in EUR 1,000	Weighted average number of shares outstanding	EPS EUR	Earnings attributable to stockholders of the parent in EUR 1,000	Weighted average number of shares outstanding	EPS EUR
Basic	1,363,352	326,138,264	4.18	1,078,993	314,190,528	3.43
Diluted	1,363,352	327,159,794	4.17	1,078,993	315,385,343	3.42

The calculation of diluted earnings per share takes into account the weighted average number of ordinary shares in issue following the conversion of all potentially diluting ordinary shares. This includes 1,021,530 (2011: 1,194,815) contingently issuable bonus shares related to the Long Term Incentive and Matching Share plans.

Notes to the statement of financial position

12 Intangible assets

Intangible assets — EUR 1,000

2012	Concessions, software, licenses, rights	Oil and gas assets with unproved reserves	Goodwill	Payments in advance	Total
Costs of acquisition and production					
January 1, 2012	**1,722,498**	**1,256,612**	**1,229,748**	**5,420**	**4,214,279**
Exchange differences	23,951	(9,317)	28,649	228	**43,511**
Changes in consolidated Group	—	—	—	—	—
Additions	102,653	366,342	37,786	2,066	**508,847**
Internally generated additions	2,066	2,821	—	—	**4,887**
Transfers	10,770	(121,908)	—	(3,833)	**(114,971)**
Assets held for sale	(13,579)	(6,359)	—	—	**(19,938)**
Disposals	(47,348)	(104,653)	—	(17)	**(152,018)**
December 31, 2012	**1,801,011**	**1,383,539**	**1,296,182**	**3,866**	**4,484,597**
Development of amortization					
January 1, 2012	**556,997**	**230,143**	**—**	**—**	**787,140**
Exchange differences	(5,676)	(5,364)	—	—	**(11,040)**
Changes in consolidated Group	—	—	—	—	—
Amortization	166,277	5	—	—	**166,281**
Impairments	378	217,686	—	—	**218,064**
Transfers	2,438	—	—	—	**2,438**
Assets held for sale	(6,401)	(6,241)	—	—	**(12,642)**
Disposals	(40,480)	(104,586)	—	—	**(145,066)**
Write-ups	(145)	(7)	—	—	**(152)**
December 31, 2012	**673,388**	**331,635**	**—**	**—**	**1,005,023**
Carrying amount January 1, 2012	1,165,501	1,026,469	1,229,748	5,420	**3,427,139**
Carrying amount December 31, 2012	**1,127,623**	**1,051,905**	**1,296,182**	**3,866**	**3,479,574**
2011					
Costs of acquisition and production					
January 1, 2011	**1,771,990**	**694,432**	**1,087,809**	**43,221**	**3,597,452**
Exchange differences	(171,108)	31,644	(152,040)	(2,059)	**(293,563)**
Changes in consolidated Group	(6)	285,477	293,979	—	**579,451**
Additions	129,779	397,181	—	2,927	**529,887**
Internally generated additions	2,128	2,547	—	—	**4,675**
Transfers	38,535	(3,990)	—	(38,669)	**(4,123)**
Assets held for sale	—	(1,894)	—	—	**(1,894)**
Disposals	(48,820)	(148,785)	—	—	**(197,605)**
December 31, 2011	**1,722,498**	**1,256,612**	**1,229,748**	**5,420**	**4,214,279**
Development of amortization					
January 1, 2011	**417,034**	**166,632**	**—**	**—**	**583,666**
Exchange differences	(7,853)	6,610	—	—	**(1,242)**
Changes in consolidated Group	—	—	—	—	—
Amortization	165,949	794	—	—	**166,743**
Impairments	11,006	188,657	—	—	**199,663**
Transfers	(181)	—	—	—	**(181)**
Assets held for sale	—	(800)	—	—	**(800)**
Disposals	(28,958)	(131,679)	—	—	**(160,637)**
Write-ups	—	(72)	—	—	**(72)**
December 31, 2011	**556,997**	**230,143**	**—**	**—**	**787,140**
Carrying amount January 1, 2011	1,354,956	527,800	1,087,809	43,221	**3,013,785**
Carrying amount December 31, 2011	**1,165,501**	**1,026,469**	**1,229,748**	**5,420**	**3,427,139**

At December 31, 2012, there were contractual obligations for the acquisition of intangible assets amounting to EUR 52,635 thousand (2011: EUR 45,632 thousand). This includes EUR 39,069 thousand (2011: EUR 18,183 thousand) contractual obligations related to joint ventures.

Exploration for and evaluation of oil and natural gas resources
The following financial information represents the amounts included within the Group totals relating to exploration for and evaluation of oil and natural gas resources. All such activity is recorded within the E&P segment.

Exploration for and evaluation of mineral resources — **EUR 1,000**

	2012	2011
Exploration write-off (Impairments)	217,686	188,657
Other exploration costs	270,802	165,157
Exploration expenses	**488,488**	**353,814**
Total assets – exploration and appraisal expenditure incl. acquisition of unproved reserves	1,051,905	1,026,469
Net cash used in operating activities	476,006	274,135
Net cash used in investing activities	322,657	557,003

In 2012, the exercise of put options held by Oberösterreichische Ferngas Aktiengesellschaft, a company which holds shares in EconGas GmbH, became probable which led to an acquisition cost adjustment according to IFRS 3 (2004) and accordingly to an increase in goodwill. The put options had been considered as contingent consideration at the time of the original transaction and have not been accounted for because the exercise was remote.

Goodwill acquired through business combinations has been allocated to the following CGUs, which are also operating and reportable segments, for impairment testing:

Goodwill allocation to CGUs — **EUR 1,000**

	2012	2011
North Africa and Offshore	300,985	306,917
Middle East and Caspian	86,430	83,313
Goodwill allocated to E&P	**387,415**	**390,230**
Trading	86,430	83,313
G&P Austria	37,786	–
Goodwill allocated to G&P	**124,216**	**83,313**
Refining West	86,430	83,313
Turkey	681,806	657,222
Slovakia	7,207	7,207
Hungary	9,108	8,463
Goodwill allocated to R&M	**784,551**	**756,205**
Total	**1,296,182**	**1,229,748**

13 Property, plant and equipment

Property, plant and equipment EUR 1,000

	Land, land rights and buildings, including buildings on third-party property	Oil and gas assets	Plant and machinery	Other fixtures, fittings and equipment	Assets under construction	Payments in advance	**Total**
Costs of acquisition and construction							
January 1, 2012	**3,184,019**	**11,195,971**	**6,020,949**	**2,050,634**	**1,858,587**	**428,785**	**24,738,945**
Exchange differences	(2,898)	(135,889)	(19,620)	8,609	(6,346)	(12,877)	**(169,021)**
Changes in consolidated Group	—	—	—	—	—	—	—
Additions	36,780	1,099,694	398,067	74,425	631,856	30,760	**2,271,583**
Transfers	73,433	440,809	756,693	78,618	(822,990)	(411,590)	**114,973**
Assets held for sale	(197,112)	(384,496)	(31,616)	(43,793)	(13,566)	—	**(670,582)**
Disposals	(36,922)	(36,263)	(55,640)	(95,705)	(23,720)	(1,410)	**(249,660)**
December 31, 2012	**3,057,299**	**12,179,828**	**7,068,834**	**2,072,788**	**1,623,821**	**33,667**	**26,036,237**
Development of depreciation							
January 1, 2012	**1,148,701**	**4,905,281**	**3,492,655**	**1,183,777**	**27,226**	**110**	**10,757,751**
Exchange differences	(1,324)	(48,355)	(10,307)	372	(813)	(0)	**(60,427)**
Changes in consolidated Group	—	—	—	—	—	—	—
Depreciation	113,697	885,989	290,459	149,208	—	—	**1,439,353**
Impairments	42,117	108,903	7,373	10,826	42,697	—	**211,916**
Transfers	(5,271)	(8,125)	9,338	2,041	(421)	—	**(2,438)**
Assets held for sale	(82,509)	(332,243)	(24,353)	(27,658)	(88)	—	**(466,852)**
Disposals	(17,155)	(17,610)	(46,420)	(84,478)	(22,566)	—	**(188,228)**
Write-ups	(125)	(456)	(23)	(732)	(581)	(32)	**(1,949)**
December 31, 2012	**1,198,131**	**5,493,384**	**3,718,723**	**1,233,356**	**45,454**	**78**	**11,689,127**
Carrying amount January 1, 2012	2,035,318	6,290,690	2,528,294	866,857	1,831,361	428,675	**13,981,194**
Carrying amount December 31, 2012	**1,859,168**	**6,686,444**	**3,350,111**	**839,432**	**1,578,367**	**33,589**	**14,347,110**

Property, plant and equipment EUR 1,000

	Land, land rights and buildings, including buildings on third-party property	Oil and gas assets	Plant and machinery	Other fixtures, fittings and equipment	Assets under construction	Payments in advance	**Total**
Costs of acquisition and construction							
January 1, 2011	**3,159,940**	**9,829,226**	**5,546,548**	**2,062,834**	**1,521,376**	**446,061**	**22,565,986**
Exchange differences	(92,832)	80,928	(20,900)	(60,727)	(61,760)	(13,695)	**(168,986)**
Changes in consolidated Group	(916)	482,608	9,328	(3,931)	(86)	(1)	**487,002**
Additions	60,041	632,854	199,870	74,532	1,056,392	74,644	**2,098,333**
Transfers	89,668	222,408	349,527	70,830	(650,215)	(78,094)	**4,123**
Assets held for sale	(3,156)	—	—	—	—	—	**(3,156)**
Disposals	(28,726)	(52,052)	(63,423)	(92,905)	(7,120)	(131)	**(244,357)**
December 31, 2011	**3,184,019**	**11,195,971**	**6,020,949**	**2,050,634**	**1,858,587**	**428,785**	**24,738,945**
Development of depreciation							
January 1, 2011	**1,063,900**	**4,164,157**	**3,282,236**	**1,118,560**	**14,221**	**155**	**9,643,229**
Exchange differences	(12,286)	62,635	(11,849)	(7,319)	(446)	(2)	**30,734**
Changes in consolidated Group	(9)	—	—	(496)	—	—	**(505)**
Depreciation	108,402	713,240	251,613	149,017	—	—	**1,222,272**
Impairments	10,882	—	7,624	1,241	16,351	—	**36,097**
Transfers	(2,308)	(15,440)	19,940	(3,750)	1,738	—	**181**
Assets held for sale	(2,480)	—	—	—	—	—	**(2,480)**
Disposals	(15,595)	(19,312)	(56,798)	(73,448)	(4,601)	(2)	**(169,755)**
Write-ups	(1,805)	—	(110)	(29)	(38)	(41)	**(2,023)**
December 31, 2011	**1,148,701**	**4,905,281**	**3,492,655**	**1,183,777**	**27,226**	**110**	**10,757,751**
Carrying amount January 1, 2011	2,096,040	5,665,069	2,264,312	944,274	1,507,155	445,906	**12,922,756**
Carrying amount December 31, 2011	**2,035,318**	**6,290,690**	**2,528,294**	**866,857**	**1,831,361**	**428,675**	**13,981,194**

Land, land rights and buildings, including buildings on third-party property include land in the amount of EUR 786,930 thousand (2011: EUR 831,127 thousand).

Property, plant and equipment with a total carrying amount of EUR 203,730 thousand (2011: EUR 699 thousand) was transferred to **assets held for sale.** In contrast, no assets were reinstated in property, plant and equipment (2011: EUR 23 thousand).

For details on impairments please see Note 6 Total cost information.

At December 31, 2012, there were contractual obligations for the acquisition of property, plant and equipment amounting to EUR 798,868 thousand (2011: EUR 549,656 thousand). This includes EUR 381,441 thousand (2011: EUR 156,331 thousand) contractual obligations related to joint ventures.

Finance leases

The property, plant and equipment from finance leases include a floating production, storage and offloading (FPSO) vessel in New Zealand, for which purchase options exist after 4 and 15 years. The risk of loss lies with the lessor for the contract period whilst the leasing fee is reduced for periods where the FPSO cannot operate. The purchase option will be exercised during 2013. Other finance lease assets are land and filling stations mainly in Austria, Germany, Slovakia and the Czech Republic, gas equipment at filling stations, power generators in E&P Romania, gas caverns in Germany as well as tanks in Turkey.

Lease and rental agreements — EUR 1,000

	2012 Acquisition cost	2012 Accumulated depreciation	2012 Carrying amount	2011 Acquisition cost	2011 Accumulated depreciation	2011 Carrying amount
Land, land rights and buildings, including buildings on third-party property	52,629	18,158	34,470	51,393	15,214	36,179
Oil and gas assets	241,321	116,759	124,563	232,114	76,529	155,585
Plant and machinery	110,309	4,412	105,897	6,652	2,968	3,684
Other fixtures, fittings and equipment	30,799	20,491	10,308	29,247	18,853	10,394
Total	**435,058**	**159,819**	**275,239**	**319,407**	**113,563**	**205,843**

In 2012, contingent lease payments under finance lease agreements amounted to EUR 1,986 thousand (2011: EUR 3,458 thousand).

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

	2012 ≤1 year	2012 1–5 years	2012 >5 years	2011 ≤1 year	2011 1–5 years	2011 >5 years
Total future minimum lease commitments	48,828	65,636	236,749	52,676	55,622	50,334
[thereof interest component]	[10,232]	[34,501]	[121,420]	[6,580]	[9,788]	[25,352]
Present value of minimum lease payments	**38,595**	**31,136**	**115,329**	**46,096**	**45,834**	**24,982**

In addition to above mentioned commitments, there are obligations for a plant used in the production of hydrogen and medium pressure steam for the refinery Petrobrazi, for which the beneficial ownership will be transferred to OMV Petrom SA starting with 2014. Therefore, the finance lease has not been recognized in the statement of financial position. Total future minimum lease commitments for the plant are amounting to EUR 39,038 thousand. In 2011, there were obligations for gas cavern storages for which the economic ownership was transferred to the Group during 2012. Total future minimum lease commitments for gas cavern storages amounted to EUR 300,564 thousand.

Operating leases

OMV also makes use of operating leases, mainly for filling station sites, IT equipment and vehicle fleets. In 2012, these expenses amounted to EUR 134,341 thousand (2011: EUR 131,750 thousand). There are options to renew the leases for a large proportion of the leased filling station sites.

Future minimum lease payments under non-cancellable operating leases		**EUR 1,000**
	2012	2011
Payable within 1 year	90,088	90,561
Payable between 1 and 5 years	194,413	160,740
Payable after more than 5 years	264,311	211,364
Total future minimum lease commitments	**548,812**	**462,665**

14 Investments in associated companies

Associated companies		**EUR 1,000**
Carrying amount	**2012**	2011
January 1	**1,671,074**	**1,487,632**
Exchange differences	(4,589)	2,829
Additions	—	3,191
Net income	200,441	224,116
Other comprehensive income	(9,922)	(9,465)
Disposals	(3,824)	—
Dividends and elimination of intercompany profits	(42,178)	(37,230)
December 31	**1,811,003**	**1,671,074**

As of December 31, 2012, the carrying amount includes mainly investments in Borealis AG, Vienna, with an amount of EUR 1,331,590 thousand (2011: EUR 1,208,222 thousand) and Pearl Petroleum Company Limited, Road Town, with an amount of EUR 290,650 thousand (2011: EUR 286,673 thousand). The major part of dividends in 2012 was a dividend payment from Borealis AG with an amount of EUR 39,600 thousand (2011: EUR 36,000 thousand).

According to a joint venture agreement between OMV and Pearl Petroleum Company Limited (Pearl), OMV has significant influence within the meaning of IAS 28 (investments in associates); therefore Pearl is accounted for by the equity method although OMV´s share is just 10%.

Summarized statement of financial position and income statement information for companies accounted for at-equity was as follows:

Summarized information for companies accounted for at equity (share of 100%)		**EUR 1,000**
	2012	2011
Current assets	3,021,831	2,934,092
Non-current assets	9,280,205	8,401,926
Liabilities	5,214,761	4,653,594
Net sales	9,967,625	9,344,070
Earnings before interest and taxes (EBIT)	297,444	665,305
Net income for the year	610,590	859,072

15 Inventories

Inventories at December 31, were as follows:

Inventories		EUR 1,000
	2012	2011
Crude oil	738,660	738,892
Natural gas	496,203	584,067
Other raw materials	281,495	310,038
Work in progress: Petroleum products	196,137	135,798
Other work in progress	2,078	3,749
Finished petroleum products	1,437,986	1,324,050
Other finished products	41,694	49,659
Prepayments and rights from take-or-pay agreements	7,992	2,734
Total	**3,202,244**	**3,148,987**

The costs of raw materials included in production costs were EUR 31,718,335 thousand (2011: EUR 24,764,617 thousand).

Expensed valuation allowances against inventories amounted to EUR 111,171 thousand (2011: EUR 104,333 thousand).

16 Trade receivables

Trade receivables (carrying amounts)		EUR 1,000
	2012	2011
Receivables from associated companies	30,634	175,130
Receivables from other companies	3,791,115	3,365,478
Total	**3,821,749**	**3,540,609**

The carrying amounts of trade receivables approximate their fair values.

Valuation allowances for trade receivables		EUR 1,000
	2012	2011
January 1	**126,975**	**137,628**
Additions/(releases)	(5,161)	9,208
Disposals	(6,532)	(7,924)
Foreign exchange rate differences and changes in consolidated Group	(5,492)	(11,936)
December 31	**109,789**	**126,975**

Carrying amount of impaired trade receivables		EUR 1,000
	2012	2011
Before impairments	161,027	156,486
Net of impairments	51,238	29,510

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

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

	2012	2011
Up to 60 days overdue	134,846	142,065
61 to 120 days overdue	3,591	5,112
More than 120 days overdue	27,151	32,973
Total	**165,588**	**180,150**

No negative information has been received regarding the credit quality of financial assets that are not impaired and not past due.

17 Other financial assets

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

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

	Valued at fair value through profit or loss	Valued at fair value through other comprehensive income	Valued at amortized cost	**Total carrying amount**	[thereof short-term]	[thereof long-term]
December 31, 2012						
Investments in other companies	—	—	84,452	**84,452**	[—]	[84,452]
Investment funds [1]	—	6,863	—	**6,863**	[—]	[6,863]
Bonds	—	129,896	—	**129,896**	[18,233]	[111,663]
Derivatives designated and effective as hedging instruments	4,252	34,504	—	**38,756**	[34,475]	[4,281]
Other derivatives	100,469	—	—	**100,469**	[99,178]	[1,291]
Loans	—	—	264,035	**264,035**	[3,925]	[260,109]
Other receivables from associated companies	—	—	1,753	**1,753**	[1,753]	[—]
Other sundry receivables	—	—	867,180	**867,180**	[319,603]	[547,577]
Total	**104,721**	**171,263**	**1,217,420**	**1,493,403**	**[477,167]**	**[1,016,236]**
December 31, 2011						
Investments in other companies	—	—	70,591	**70,591**	[—]	[70,591]
Investment funds [1]	4	6,396	—	**6,400**	[4]	[6,396]
Bonds	—	127,644	—	**127,644**	[23]	[127,621]
Derivatives designated and effective as hedging instruments	5,471	63,808	—	**69,279**	[56,272]	[13,007]
Other derivatives	152,007	—	—	**152,007**	[146,764]	[5,243]
Loans	—	—	307,383	**307,383**	[2,654]	[304,728]
Other receivables from associated companies	—	—	5,055	**5,055**	[5,055]	[—]
Other sundry receivables	—	—	810,270	**810,270**	[172,729]	[637,542]
Total	**157,482**	**197,848**	**1,193,299**	**1,548,629**	**[383,501]**	**[1,165,128]**

[1] Credit lines for "Abwasserverband Schwechat" are secured by pledged financial instruments (A&P investment fund) amounting to EUR 3,670 thousand (2011: EUR 3,670 thousand).

With the exception of investments in other companies valued at cost, for which no reliable estimates of their fair values can be made, the carrying amounts are the fair values.

The carrying amounts of other financial assets at fair value through profit or loss (excluding derivatives designated and effective as hedging instruments, which are not classified as other financial assets at fair value through profit or loss) at December 31, 2012, were EUR 100,469 thousand (2011: EUR 152,011 thousand). These consist exclusively of financial assets held for trading. The carrying amounts of available-for-sale financial assets at December 31, 2012 were EUR 221,211 thousand (2011: EUR 204,631 thousand).

Loans include shareholder loans to associated companies, for which more details are provided in Note 34.

Other sundry receivables include a claim amounting to EUR 514,867 thousand (2011: EUR 609,186 thousand) against the Romanian state related to obligations for decommissioning and restoration costs in OMV Petrom SA. The receivables consist of EUR 74,722 thousand (2011: EUR 108,856 thousand) for costs relating to environmental cleanup and EUR 440,145 thousand (2011: EUR 500,300 thousand) for costs relating to decommissioning. OMV Petrom SA filed two claims for reimbursement of environmental cleanup costs in the amount of EUR 21,500 thousand (2011: EUR 21,500 thousand). Up to now the Romanian state has not paid the claimed amounts. On December 6, 2011 OMV Petrom SA has initiated arbitral proceedings at the International Court of Arbitration in Paris which are expected to last long.

Amortized costs of securities — EUR 1,000

	2012	2011
Investments in other companies	84,452	70,591
Investment funds	6,101	6,101
Bonds	127,308	128,412

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

	2012	2011
January 1	**82,588**	**83,485**
Additions/(releases)	17,728	366
Disposals	(5,399)	(99)
Foreign exchange rate differences	5,457	(1,164)
December 31	**100,374**	**82,588**

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

Carrying amount of other financial receivables — EUR 1,000

	2012	2011
Before impairments	124,264	83,724
Net of impairments	23,890	1,136

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

Carrying amount of other financial receivables past due but not impaired		EUR 1,000
	2012	2011
Up to 60 days overdue	53	333
61 to 120 days overdue	1	14
More than 120 days overdue	25,079	675
Total	**25,132**	**1,022**

18 Other assets

Other assets				EUR 1,000
		2012		2011
	Short-term	Long-term	Short-term	Long-term
Prepaid expenses	90,132	31,430	75,180	37,873
Other payments on account	132,059	12	7,295	4
Receivables other taxes / social securities	79,150	41,318	134,432	30,133
Other non-financial assets	8,796	46,510	20,114	49,224
Other assets	**310,137**	**119,271**	**237,021**	**117,234**

19 Assets and liabilities held for sale

In 2012, the main parts of assets and liabilities held for sale consisted of the following subsidiaries: OMV Hrvatska d.o.o., OMV BH d.o.o., PETROM LPG SA and Petrol Ofisi Arama Üretim Sanayi ve Ticaret Anonim Şirketi.

As of December 31, 2012, the Management expects that most of the transactions will be closed within the following six months.

In 2011, assets and liabilities held for sale consisted of land and property (owned by OMV Petrom SA and OMV Deutschland GmbH) and an exploration license of OMV (U.K.) Limited.

Assets and liabilities held for sale		EUR 1,000
	2012	2011
Non-current assets	179,277	19,979
Current assets and deferred taxes	76,068	130
Assets held for sale	**255,344**	**20,108**
Provisions	9,134	–
Liabilities and deferred taxes	86,967	730
Liabilities associated with assets held for sale	**96,100**	**730**

Assets held for sale in the E&P segment amounted to EUR 6,134 thousand (2011: EUR 1,729 thousand), in R&M to EUR 233,211 thousand (2011: EUR 1,125 thousand) and in Co&O to EUR 16,000 thousand (2011: EUR 17,254 thousand).

Liabilities associated with assets held for sale amounted to EUR 46,882 thousand in the E&P segment (2011: EUR 730 thousand) and EUR 49,218 thousand in the R&M segment (2011: EUR nil).

20 Stockholders' equity

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

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

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

In addition to the capital increase, a hybrid bond issue at a nominal amount of EUR 750,000 thousand was completed on May 25, 2011. As the repayment of principal and the payments of interest are solely at the discretion of OMV, according to IFRS, the proceeds of the hybrid bond (less costs of issuance) were fully treated as equity. The hybrid will bear a fixed interest rate of 6.75% until April 26, 2018, thereafter a reset fixed rate (to be determined) until April 26, 2023 and thereafter a floating interest rate with a 100 basis points step up. The hybrid notes have no scheduled maturity date and may be redeemed at the option of OMV under certain circumstances. OMV has in particular the right to repay the hybrid notes at certain dates. In the case of a change of control OMV may call the hybrid notes for redemption or else the applicable interest rate will be subject to an increase according to the terms and conditions of the hybrid bond.

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

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

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

The **gains and losses recognized directly in other comprehensive income and their related tax effects** were as follows:

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

			2012			2011
	Before-tax (expense) income	Tax (expense) benefit	Net-of-tax (expense) income	Before-tax (expense) income	Tax (expense) benefit	Net-of-tax (expense) income
Exchange differences from translation of foreign operations	(50,918)	—	(50,918)	(354,281)	—	(354,281)
Gains/(losses) on available-for-sale financial assets	3,847	(913)	2,934	(1,966)	491	(1,475)
Gains/(losses) on hedges	74,537	(15,651)	58,886	(58,778)	11,314	(47,464)
Remeasurement gains/(losses) on defined benefit plans	(76,425)	19,166	(57,259)	(19,636)	4,817	(14,819)
Share of other comprehensive income of associated companies	(9,922)	—	(9,922)	(9,465)	—	(9,465)
Other comprehensive income for the year	**(58,881)**	**2,602**	**(56,279)**	**(444,125)**	**16,622**	**(427,504)**

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

The Annual General Meetings for the years 2000 to 2011 (with the exception of 2010) approved the repurchase of treasury shares. The costs of repurchased shares have been reflected in a reduction in equity. Gains or losses on the re-issue of treasury shares (issue proceeds less acquisition cost) resulted 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, 2011	**1,203,195**	**13,211**
Disposals	(4,320)	(47)
December 31, 2011	**1,198,875**	**13,164**
Disposals	(120,095)	(1,317)
December 31, 2012	**1,078,780**	**11,847**

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

Number of shares in issue

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

21 Provisions

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

Provisions EUR 1,000

	Pensions and similar obligations	Decom-missioning and restoration	Other provisions	**Total**
January 1, 2012	**938,316**	**2,058,940**	**848,752**	**3,846,009**
Exchange differences	(1,061)	(37,452)	(12,370)	**(50,882)**
Changes in consolidated Group	—	—	(267)	**(267)**
Used	(71,208)	(50,848)	(371,768)	**(493,823)**
Payments to funds	(40,678)	—	—	**(40,678)**
Allocations	182,743	157,132	379,245	**719,121**
Transfers	(27,164)	(1,888)	29,044	**(8)**
Liabilities associated with assets held for sale	(2,922)	(49,323)	(5,437)	**(57,681)**
December 31, 2012	**978,027**	**2,076,562**	**867,201**	**3,921,790**
[thereof short-term as of December 31, 2012]	[—]	[81,438]	[568,904]	[650,342]
[thereof short-term as of January 1, 2012]	[—]	[75,077]	[560,961]	[636,038]

Provisions for pensions, and similar obligations
OMV has made pension commitments to employees in Austria and Germany in the form of **defined benefit plans and defined contribution plans.** The defined benefit plans are generally based on years of service and the employee's average compensation over the last five calendar years of employment. These pension plans are non-contributory. For the defined contribution plans, the reported expense corresponds to the contributions payable for the period. Both plans have no funding requirements.

The indexed **pension commitments** in respect of currently active employees of several Austrian OMV companies were transferred to an external pension fund managed by APK-Pensionskasse AG in earlier years.

Employees of Austrian Group companies whose service began before December 31, 2002 are entitled to receive **severance payments** upon termination of employment or on reaching normal retirement age. The entitlements depend on years of service and final compensation levels. Entitlements to severance payments for employees whose service began after December 31, 2002 are covered by defined contribution plans. Employees in Austria and Germany are entitled to **jubilee payments** after completion of a given number of years of service. These plans are non-contributory and unfunded.

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

Defined benefit pension obligations and obligations for severance payments were as follows:

Defined benefit pension plans and obligations for severance payments [1] **EUR 1,000**

	2012	2011	2010	2009	2008
Present value of funded obligations	639,077	567,071	559,399	535,943	522,420
Market value of plan assets	(460,267)	(407,763)	(400,450)	(379,477)	(349,295)
Provision for funded obligations	**178,810**	**159,308**	**158,949**	**156,466**	**173,125**
Present value of unfunded obligations	492,780	478,958	500,604	502,344	524,123
Provision for unfunded obligations	**492,780**	**478,958**	**500,604**	**502,344**	**524,123**
Present value of obligations of severance payments	**108,567**	**114,343**	**120,446**	**109,596**	**106,880**
Total	**780,157**	**752,609**	**779,999**	**768,406**	**804,128**

[1] Figures for 2008 until 2010 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised). See Note 4.1 for more details.

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

Jubilee payments, personnel reduction schemes and other employee benefits **EUR 1,000**

	2012	2011	2010	2009	2008
Provision for jubilee payments	**29,868**	**22,016**	**24,894**	**24,738**	**24,515**
Provision for personnel reduction schemes	**166,255**	**179,695**	**202,062**	**189,944**	**268,705**
[thereof short-term personnel reduction schemes]	[58,550]	[65,826]	[81,294]	[99,041]	[149,826]
Provision for other employee benefits	**60,297**	**49,822**	**78,905**	**75,300**	**68,982**
Total	**256,420**	**251,533**	**305,861**	**289,982**	**362,202**

Present value of obligations				EUR 1,000
		2012		2011
	Pensions and severance	Jubilee entitlements, personnel reduction schemes and other employee benefits	Pensions and severance	Jubilee entitlements, personnel reduction schemes and other employee benefits
Present value of obligation as of January 1	**1,160,372**	**251,533**	**1,180,449**	**303,137**
Changes in the consolidated group	—	—	—	(908)
Exchange translation difference	—	(1,804)	—	(1,470)
Liabilities associated with assets held for sale	(1,654)	(1,268)	—	—
Current service cost	16,205	2,849	16,700	6,291
Net interest cost	53,383	11,274	54,209	13,557
Benefits paid	(92,974)	(64,350)	(90,710)	(67,588)
Expected defined benefit obligations as per December 31	**1,135,332**	**198,233**	**1,160,648**	**253,018**
Actual defined benefit obligations as per December 31	**1,240,424**	**256,420**	**1,160,372**	**251,533**
Remeasurements of the period (OCI)	**105,092**	**—**	**(276)**	**—**
thereof changes in demographic assumptions	(2,938)	—	—	—
thereof changes in financial assumptions	110,449	—	—	—
thereof experience adjustments	(2,419)	—	(276)	—
Remeasurements recognized in profit & loss	—	58,187	—	(1,486)

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

Market value of plan assets						EUR 1,000
			2012			2011
	VRG IV	VRG VI	Total	VRG IV	VRG VI	Total
Market value of plan assets as of January 1	**230,246**	**177,517**	**407,763**	**217,694**	**182,756**	**400,450**
Interest income	9,425	7,052	**16,478**	10,134	8,252	**18,386**
Allocation to funds	29,364	11,314	**40,678**	25,741	11,533	**37,274**
Benefits paid	(13,866)	(19,373)	**(33,239)**	(10,354)	(18,080)	**(28,434)**
Remeasurements of the period (OCI)	12,818	15,770	**28,587**	(12,969)	(6,944)	**(19,913)**
Market value of plan assets as of December 31	**267,987**	**192,280**	**460,267**	**230,246**	**177,517**	**407,763**

Changes in the provisions as well as expenses of the period were as follows:

Provisions and expenses **EUR 1,000**

		2012		2011
	Pensions and severance	Jubilee entitlements, personnel reduction schemes and other employee benefits	Pensions and severance	Jubilee entitlements, personnel reduction schemes and other employee benefits
Provision as of January 1	**752,609**	**251,533**	**779,966**	**303,137**
Expense for the year	53,109	14,123	52,515	19,848
Changes in the consolidated group	—	—	—	(908)
Payments to funds	(40,678)	—	(37,273)	—
Benefits paid	(59,736)	(64,350)	(62,236)	(67,588)
Exchange translation difference	—	(1,804)	—	(1,470)
Liabilities associated with assets held for sale	(1,654)	(1,268)	—	—
Remeasurements for the year	76,507	—	19,637	—
thereof changes in demographic assumptions	(2,938)	—	—	—
thereof changes in financial assumptions	110,449	—	—	—
thereof experience adjustments	(31,004)	—	19,637	—
Remeasurements recognized in profit & loss	—	58,187	—	(1,486)
Provision as of December 31	**780,157**	**256,420**	**752,609**	**251,533**
Current service cost	16,205	2,849	16,700	6,291
Net interest cost	36,904	11,274	35,815	13,557
Expenses of defined benefit plans for the year	**53,109**	**14,123**	**52,515**	**19,848**

The total pension fund contributions for the Executive Board in 2012 amounted to EUR 1,299 thousand (2011: EUR 1,406 thousand).

Expenses for interest accrued on personnel reduction schemes of EUR 4,749 thousand (2011: EUR 9,161 thousand) have been included under interest expense.

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

		2012		2011
	Pensions	Severance, jubilees	Pensions	Severance, jubilees
Capital market interest rate	3.85%	3.85%	4.75%	4.75%
Future increases in salaries	3.85%	3.85%	3.85%	3.85%
Future increase in pensions	1.80%	—	1.80%	—

The biometrical basis for the calculation of provisions for pensions, severance and jubilee entitlements of Austrian Group companies is provided by AVÖ 2008 P – Rechnungsgrundlagen für die Pensionsversicherung (Computational Framework for Pension Insurance) – Pagler & Pagler, using the variant for salaried employees. In other countries, similar actuarial parameters are used. Employee turnover was estimated based on age or years of service respectively. The expected retirement age used for calculations is based on the relevant country's legislation.

The following actuarial assumptions for calculating pension expenses and expected defined benefit entitlements are considered as material and are stress tested within the following ranges. The increase or decrease compared to the values accounted of defined benefit obligations in relative deviation terms are as follows.

Sensitivities **EUR 1,000**

						2012
	Capital market interest rate		Future increases in salaries			Fluctuation
	+0.5%	(0.5)%	+0.25%	(0.25)%	double	half
Pensions	4.44%	(5.43)%	(2.32)%	2.52%	–	–
Severance	4.21%	(4.13)%	(2.04)%	2.07%	(0.49)%	0.89%

Duration profiles and average durations were as follows:

Duration profiles and average duration of defined benefit obligations as of December 31 **EUR 1,000**

				2012
		Duration profile		Duration
	1-5 years	6-10 years	>10 years	in years
Pensions	339,796	258,809	533,391	11
Severance	32,358	38,788	38,947	9

Cash duration profiles and average duration as of December 31 **EUR 1,000**

				2012
		Duration profile		Duration
	1-5 years	6-10 years	>10 years	in years
Pensions	373,063	344,182	1,201,714	16
Severance	37,882	64,588	121,735	12

Allocation of plan assets as of December 31

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

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

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

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

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

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

Provisions for decommissioning and restoration obligations

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

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

	Acquisition cost	Depreciation	Carrying amount
Capitalized decommissioning costs			
January 1, 2012	**490,468**	**250,505**	**239,964**
Exchange differences	4,930	561	4,369
New obligations	3,669	—	3,669
Increase arising from revisions in estimates	108,500	—	108,500
Depreciation	—	63,551	(63,551)
Disposal (decommissioning)	(6,758)	(923)	(5,835)
Reduction arising from revisions in estimates	(3,352)	—	(3,352)
Transfer to assets held for sale	(29,650)	(14,877)	(14,773)
December 31, 2012	**567,807**	**298,817**	**268,991**
Decommissioning and restoration obligations			
January 1, 2012	**—**	**—**	**2,058,940**
Exchange differences	—	—	(37,452)
New obligations	—	—	40,151
Increase arising from revisions in estimates	—	—	73,083
Reduction arising from revisions in estimates	—	—	(66,702)
Unwinding of discounting	—	—	108,713
Liabilities associated with assets held for sale	—	—	(49,323)
Repayments	—	—	(50,848)
December 31, 2012	**—**	**—**	**2,076,562**
[thereof short-term as of December 31, 2012]	[—]	[—]	[81,438]
[thereof short-term as of January 1, 2012]	[—]	[—]	[75,077]

The provision for decommissioning and restoration costs includes obligations in respect of OMV Petrom SA amounting to EUR 1,374,675 thousand (2011: EUR 1,411,496 thousand). As of December 31, 2012, OMV Petrom SA holds receivables from the Romanian state amounting to EUR 514,867 thousand (2011: EUR 609,186 thousand), which are disclosed as non-current assets under other financial assets (please refer to Note 17). EUR 440,145 thousand thereof are related to decommissioning (2011: EUR 500,330 thousand) and EUR 74,722 thousand to environmental costs (2011: EUR 108,856 thousand).

Other provisions EUR 1,000

	2012		2011	
	Short-term	Long-term	Short-term	Long-term
Environmental costs	26,610	45,212	47,336	82,507
Other personnel provisions	99,950	376	107,717	491
Other	442,343	252,709	405,909	204,793
Other provisions	**568,904**	**298,297**	**560,961**	**287,791**

Other personnel provisions include short-term costs of staff reductions amounting to EUR 58,550 thousand (2011: EUR 65,826 thousand). Other provisions contain EUR 21,433 thousand (2011: EUR 26,847 thousand) short-term and EUR 69,477 thousand (2011: EUR 71,424 thousand) long-term litigation provisions due to litigations with former and current employees for various types of claims due to differing interpretations of some of the clauses of the Collective Bargaining Agreements applicable at Petrom. In addition, this position includes a provision of EUR 128,408 thousand (2011: EUR nil) for onerous contracts relating to EconGas GmbH, a provision relating to a tax review of OMV Petrom SA, as well as provisions for mineral royalties and LTI plans. In 2011, this position also included a provision for the fine imposed by the Romanian Competition Council in relation to the withdrawal of the retail product Eco Premium from the Romanian fuel market, which has been fully paid during 2012.

Emissions certificates

Directive 2003/87/EC of the European Parliament and of the European Council established a greenhouse gas emissions trading scheme, requiring member states to draw up national plans to allocate emissions certificates. Under this scheme, affected OMV Group companies received a total of 8,366,477 free emissions certificates in 2012 (2011: 8,523,301), thereof 4,287,525 to 14 plants of Petrom in Romania (2011: 4,444,349 for 17 plants). As of December 31, 2012, the market value of emissions certificates amounted to EUR 70,405 thousand (December 31, 2011: EUR 58,752 thousand).

As of December 31, 2012, the Group held 11,412,188 emissions certificates. In 2013, the Group expects to surrender 5,897,310 emissions certificates for (not yet externally verified) emissions in 2012.

Emissions certificates

	2012	2011
Certificates held as of January 1	**8,605,609**	**7,011,569**
Free allocation for the year	8,366,477	8,523,301
Certificates surrendered according to verified emissions for the prior year	(5,561,099)	(5,846,305)
Net purchases and sales during the year [1]	1,201	(1,082,956)
Certificates held as of December 31	**11,412,188**	**8,605,609**

[1] Purchases are valued at their acquisition cost.

A shortfall in emissions certificates would be provided for. Until December 31, 2012, the Group was not short of certificates.

22 Liabilities

Liabilities EUR 1,000

	Short-term	Long-term	**2012 Total**	Short-term	Long-term	2011 Total
Bonds	213,615	3,527,151	**3,740,766**	77,169	2,492,672	**2,569,842**
Other interest-bearing debts	162,127	886,083	**1,048,210**	482,328	1,792,835	**2,275,163**
[thereof to banks]	[162,127]	[886,083]	**[1,048,210]**	[482,328]	[1,792,835]	**[2,275,163]**
Trade payables (short-term)	4,290,438	—	**4,290,438**	3,431,210	—	**3,431,210**
[thereof to associated companies]	[83,397]	[—]	**[83,397]**	[69,200]	[—]	**[69,200]**
Other financial liabilities	408,720	243,012	**651,731**	539,154	136,511	**675,664**
Other liabilities	1,261,263	6,783	**1,268,046**	1,163,470	7,604	**1,171,073**
Liabilities associated with assets held for sale	96,100	—	**96,100**	730	—	**730**
Total	**6,432,263**	**4,663,028**	**11,095,292**	**5,694,061**	**4,429,621**	**10,123,682**

Bonds

Bonds issued

	Nominal	Coupon	Repayment	**2012** Carrying amount December 31 EUR 1,000	2011 Carrying amount December 31 EUR 1,000
US private placement [1]	USD 182,000,000	4.73% fixed	6/27/2013	138,015	140,733
	USD 138,000,000	4.88% fixed	6/27/2015	108,900	112,175
International corporate bond	EUR 701,730,000 [2]	6.25% fixed	4/7/2014	733,856	1,045,923
	EUR 250,000,000	5.25% fixed	6/22/2016	256,806	256,772
	EUR 500,000,000	4.375% fixed	2/10/2020	516,412	516,052
	EUR 500,000,000	4.25% fixed	10/12/2021	498,730	498,186
	EUR 750,000,000	3.5% fixed	9/27/2027	744,252	—
	EUR 750,000,000	2.625% fixed	9/27/2022	743,795	—
Total				**3,740,766**	**2,569,842**

[1] Derivatives (interest swaps) with a nominal value of USD 50,000 thousand (2011: USD 50,000 thousand) were used to convert the interest rates from fixed to floating.

[2] During 2012, EUR 298,270 thousand were repurchased out of the EUR 1,000,000 thousand 2014 Eurobond.

Bonds and other interest-bearing debts

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

Bonds and other interest-bearing debts have the following maturities:

Bonds and other interest-bearing debts — EUR 1,000

	2012	2011
Short-term loan financing	86,585	272,156
Short-term component of long-term financing	289,157	287,342
Total short-term	**375,742**	**559,498**
Maturities of long-term financing		
2013/2012 (short-term component of long-term financing)	289,157	287,342
2014/2013	876,849	647,210
2015/2014	197,335	1,628,818
2016/2015	461,930	195,118
2017/2016	58,114	478,866
2018/2017 and subsequent years	2,819,006	1,335,496
Total for 2013/2012 onwards	**4,702,391**	**4,572,850**

Breakdown of bonds and other interest-bearing debts by currency and interest rate — EUR 1,000

		2012	Weighted average interest rate	2011	Weighted average interest rate
Long-term bonds and other interest-bearing debts [1]					
Fixed rates	EUR	3,923,680	4.18%	3,048,010	4.94%
	USD	242,534	4.79%	297,991	4.74%
Total		**4,166,214**	**4.21%**	**3,346,001**	**4.92%**
Variable rates	AUD	—	—	16,832	4.73%
	EUR	536,177	2.83%	1,196,241	3.99%
	USD	—	—	13,776	0.78%
Total		**536,177**	**2.83%**	**1,226,849**	**3.96%**
Short-term bonds and other interest-bearing debts					
	EUR	61,805	2.85%	31,247	0.39%
	GBP	—	—	28,313	1.35%
	TRY	17,554	2.74%	35,169	9.73%
	HUF	11	5.75%	51,476	6.93%
	RON	70	6.33%	41	5.07%
	USD	7,145	0.20%	2,006	0.19%
	NOK	—	—	96,724	3.20%
	AUD	—	—	21,143	5.00%
	CHF	—	—	877	0.87%
	HRK	—	—	5,159	3.33%
Total		**86,585**	**2.61%**	**272,156**	**4.35%**

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

Bonds and other interest-bearing debts amounting to EUR 4,788,976 thousand (2011: EUR 4,845,005 thousand) are valued at amortized cost. The estimated fair value of these liabilities was EUR 5,170,495 thousand (2011: EUR 5,119,290 thousand), of which EUR 4,465,564 thousand (2011: EUR 3,577,082 thousand) was at fixed rates and EUR 704,931 thousand (2011: EUR 1,542,208 thousand) was at floating rates. The fair value of financial liabilities for which market prices were not available was established by discounting future cash flows using interest rates prevailing at statement of financial position date for similar liabilities with similar maturities.

Other financial liabilities

Other financial liabilities — EUR 1,000

	Short-term	Long-term	Total
2012			
Liabilities to associated companies	—	6,802	**6,802**
Liabilities on derivatives designated and effective as hedging instruments	24,087	334	**24,421**
Liabilities on other derivatives	99,418	625	**100,043**
Liabilities on finance leases	38,595	146,464	**185,060**
Other sundry financial liabilities	246,617	88,788	**335,406**
Total	**408,717**	**243,014**	**651,731**
2011			
Liabilities to associated companies	—	6,800	**6,800**
Liabilities on derivatives designated and effective as hedging instruments	123,562	5,787	**129,349**
Liabilities on other derivatives	146,202	843	**147,045**
Liabilities on finance leases	46,096	70,816	**116,912**
Other sundry financial liabilities	223,294	52,265	**275,559**
Total	**539,154**	**136,511**	**675,664**

Fair value adjustments on liabilities related to derivatives designated and effective as hedging instruments have been recognized in other comprehensive income. The liabilities on other derivatives are financial liabilities at fair value through profit or loss. All other items are liabilities to be classified as measured at amortized cost.

The table hereafter summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

Financial liabilities EUR 1,000

	<1 year	1-5 years	>5 years	Total
2012				
Bonds	294,554	1,483,813	2,994,232	**4,772,599**
Other interest bearing debts	198,201	614,115	308,643	**1,120,960**
Trade payables	4,330,043	—	—	**4,330,043**
Other financial liabilities excluding derivatives	420,822	76,370	150,222	**647,413**
Total	**5,243,620**	**2,174,297**	**3,453,097**	**10,871,014**
2011				
Bonds	130,739	1,863,653	1,193,750	**3,188,142**
Other interest bearing debts	510,304	1,530,770	398,589	**2,439,663**
Trade payables	3,498,818	—	—	**3,498,818**
Other financial liabilities excluding derivatives	544,564	92,943	69,863	**707,371**
Total	**4,684,426**	**3,487,366**	**1,662,203**	**9,833,994**

Other liabilities

Other liabilities EUR 1,000

	Short-term	Long-term	Total
2012			
Other taxes and social security liabilities	984,496	—	**984,496**
Payments received in advance	206,193	6,783	**212,976**
Other sundry liabilities	70,574	—	**70,574**
Total	**1,261,263**	**6,783**	**1,268,046**
2011			
Other taxes and social security liabilities	902,955	—	**902,955**
Payments received in advance	198,369	7,604	**205,972**
Other sundry liabilities	62,146	—	**62,146**
Total	**1,163,470**	**7,604**	**1,171,073**

23 Deferred taxes

Deferred taxes — **EUR 1,000**

	Deferred tax assets before allowances	Allowances	Net deferred tax assets	Deferred tax liabilities
2012				
Intangible assets	89,543	45,160	44,382	393,476
Property, plant and equipment	120,431	4,032	116,399	761,269
Other financial assets	5,252	(64)	5,316	27,989
Inventories	74,715	1,845	72,870	85,707
Receivables and other assets	91,637	16,851	74,785	61,418
Untaxed reserves	0	—	0	3,308
Provisions for pensions and similar obligations	128,872	—	128,872	1,925
Other provisions	359,003	—	359,003	31,789
Liabilities	75,502	2,071	73,431	198,781
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	56,518	—	56,518	—
Tax loss carryforwards	265,225	110,049	155,176	—
Total	**1,266,697**	**179,944**	**1,086,753**	**1,565,662**
Netting (same tax jurisdictions)			(786,347)	(786,347)
Deferred taxes associated with assets held for sale			(487)	(927)
Deferred taxes as per statement of financial position			**299,918**	**778,388**

Deferred taxes — EUR 1,000

	Deferred tax assets before allowances	Allowances	Net deferred tax assets	Deferred tax liabilities
2011				
Intangible assets	66,357	34,315	32,042	447,331
Property, plant and equipment	142,141	—	142,141	807,638
Other financial assets	5,592	—	5,592	39,118
Accrued Petroleum Revenue Tax (PRT)	6,563	—	6,563	4,069
Inventories	63,576	3,079	60,497	80,744
Receivables and other assets	43,449	9,914	33,535	64,825
Untaxed reserves	0	—	0	3,385
Provisions for pensions and similar obligations	117,356	—	117,356	922
Other provisions	343,158	2,866	340,292	31,281
Liabilities	89,393	—	89,393	184,661
Other deferred taxes not associated with statement of financial position items	—	—	—	74,173
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	49,950	—	49,950	—
Tax loss carryforwards	267,663	88,355	179,308	—
Total	**1,195,200**	**138,530**	**1,056,670**	**1,738,147**
Netting (same tax jurisdictions)			(858,057)	(858,057)
Deferred taxes associated with assets held for sale			(130)	(730)
Deferred taxes as per statement of financial position			**198,483**	**879,360**

Deferred taxes on the retained earnings of Group companies are generally only recognized where there is no possibility of tax-free transfers to the parent company.

As of December 31, 2012, OMV recognized **tax loss carryforwards** of EUR 924,273 thousand before allowances (2011: EUR 878,794 thousand), thereof EUR 509,468 thousand (2011: EUR 545,341 thousand) are considered recoverable for calculation of deferred taxes. Eligibility of losses for carryforward expires as follows:

Losses for carryforward **EUR 1,000**

	Base amount		thereof unused tax credits	
	2012	2011	**2012**	2011
2012	—	13,376	—	12,675
2013	17,306	3,395	15,122	278
2014	30,105	14,856	1,730	49
2015	43,499	60,385	21,892	9,765
2016	27,226	66,708	18,176	6,396
2017	43,311	—	5,217	—
After 2017/2016	71,319	110,956	—	—
Unlimited	691,507	609,118	352,668	304,289
Total	**924,273**	**878,794**	**414,805**	**333,452**

Deferred taxes relate to the following:

	2012		2011	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Differences in depreciation and amortization	52,066	383,302	54,834	467,118
Capitalization of site restoration and abandonment	288,663	91,433	279,315	87,687
Valuation of assets/liabilities acquired in a business combination	113,135	646,547	82,387	604,462
Impairments and write-offs	39,286	19,914	27,078	38,372
Discounting of receivables	15,173	14,884	8,765	8,364
Tax impairment of investments	56,518	—	49,950	—
Valuation differences of derivatives	28,686	0	62,589	—
Provisions for pensions and similar obligations	128,872	1,925	117,356	922
Valuation differences personnel provisions	16,277	1,024	13,491	1,303
Difference between fair value and tax base of costs	47,974	53,376	21,968	58,271
PRT	—	—	6,563	4,069
Losses for carryforward	155,176	—	179,308	—
Other differences and asset recognition	144,927	353,258	153,066	467,581
Total	**1,086,753**	**1,565,662**	**1,056,671**	**1,738,148**

As of December 31, the aggregate amount of temporary differences associated with investments in subsidiaries for which deferred taxes have not been recognized is EUR 90,618 thousand (2011: EUR 89,244 thousand).

Supplementary information on the financial position

24 Statement of cash flows

Cash and cash equivalents include cash balances, bank accounts and highly liquid short-term investments with low realization risk, i.e. negligible short-term exchange and interest risks. The maximum maturity at the time of acquisition for such investments is three months. The cash balances of Amical Insurance Limited amounting to EUR 7,424 thousand (2011: EUR 1,868 thousand) are not entirely available for use, as a result of the statutory regulations governing the insurance industry. Within OMV Petrom SA and PETROM LPG SA, EUR 13,354 thousand (2011: EUR 20,914 thousand) are not available for use due to pending court cases and an additional EUR 5,745 thousand refers to pledged accounts (2011: EUR 2,907 thousand) in OMV Petrom SA.

There were no cash outflows from the acquisition of subsidiaries in 2012.

The figures for 2011 include the acquisitions of OMV Anaguid Ltd., OMV South Tunisia Ltd. and OMV Dorra Limited (all operating in Tunisia) as well as the acquisition of OMV Maurice Energy Limited.

Net cash outflows for subsidiaries acquired				**EUR 1,000**
	2012			2011
	Total	Tunisia	Other	**Total**
Consideration given	–	673,092	141,409	**814,501**
Cash acquired	–	(13,177)	(6,029)	**(19,206)**
Net cash outflows for subsidiaries acquired	**–**	**659,915**	**135,380**	**795,295**

The net assets of disposed subsidiaries at the date of disposal were as follows:

Net assets of disposed subsidiaries		**EUR 1,000**
	2012	2011
Non-current assets	–	3,521
Current assets	46	40,075
Non-current liabilities	–	908
Current liabilities	1,191	18,204
Net assets disposed	**(1,145)**	**24,484**

The cash consideration received for the sale of subsidiaries amounted to EUR 34,457 thousand (2011: EUR 37,647 thousand). The amount of cash and cash equivalents over which control was lost was EUR nil in 2012 (2011: EUR (25,427) thousand).

25 Contingent liabilities

OMV recognizes provisions for litigations if these are more likely than not to result in obligations. Management is of the opinion that litigations, to the extent not covered by provisions or insurance, will not materially affect the Group’s financial position. The production facilities and properties of all Group companies are subject to a variety of environmental protection laws and regulations in the countries where they operate. The estimated cost of known environmental obligations has been provided in accordance with the Group’s accounting policies. Provisions for decommissioning and restoration are made if an obligation exists at the statement of financial position date.

Management believes that compliance with current laws and regulations and future more stringent laws and regulations will not have a material negative impact on the Group’s results, financial position or cash flows in the near future.

26 Risk management

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

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

To ensure that the OMV Group remains solvent at all times and retains the necessary financial flexibility, liquidity reserves in the form of committed credit lines are maintained. As of December 31, 2012, the average weighted maturity of the Group's debt portfolio is seven years.

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

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

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

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

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

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

OMV uses a portfolio model for **strategic risk management for commodities** to ensure that sufficient cash flow is available to finance the Group's growth and maintain its investment grade credit rating.

To protect the Group's cash flow from the adverse impact of falling oil prices, derivative instruments were used to hedge the proceeds from 50,000 bbl/d for 2012. To achieve this goal, OMV entered into swaps securing an average price of USD 101.45/bbl. In 2011, OMV entered into swaps securing an average price of USD 97.07/bbl. These hedges were over-the-counter (OTC) contracts.

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

Limited proprietary trading activities are performed for the purpose of creating market access and market intelligence within the power and gas markets. In R&M limited use is made of derivative instruments for both earnings hedges on selected product sales and to reduce exposure to price risks on inventory fluctuations. Crude oil and product swaps are used to hedge the refining margin (crack spread) – the difference between crude oil prices and bulk product prices. Gains and losses on hedging transactions are included in cost of sales.

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

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

The tables hereafter show the fair values of derivative financial instruments together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of the transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

Open commodity contracts as of December 31 were as follows:

Nominal and fair value of open contracts EUR 1,000

		2012		2011
	Nominal	Fair value	Nominal	Fair value
Strategic risk management				
E&P				
Commodity swaps	—	—	1,434,876	(48,619)
Operational risk management				
G&P				
Commodity swaps	426,371	909	772,153	386
Commodity options	5,867	183	35,632	7,338
Commodity futures	333,142	(180)	538,202	(2,128)
Commodity forwards	6,438,908	(45)	2,053,132	1,303
R&M				
Commodity futures	3,877,904	8,404	8,961,828	(1,039)
Commodity swaps	2,356,476	8,722	2,491,939	10,946

The fair values at statement of financial position date were as follows:

Fair values EUR 1,000

	2012 Nominal	2012 Fair value assets	2012 Fair value liabilities	2011 Nominal	2011 Fair value assets	2011 Fair value liabilities
Cash flow hedges						
E&P swaps	—	—	—	1,434,876	—	(48,619)
G&P swaps	426,371	8,844	(7,935)	768,452	39,075	(38,697)
G&P options	5,867	183	—	27,757	7,330	—
R&M swaps	1,297,687	25,791	(16,541)	1,266,506	22,656	(12,853)
Fair value hedges						
G&P swaps	—	—	—	3,701	9	—
G&P options	—	—	—	7,875	7	—
Derivatives held for trading						
G&P swaps	—	—	—	—	—	—
G&P futures	333,142	800	(981)	538,202	2,087	(4,215)
G&P forwards	6,438,908	86,748	(86,793)	2,053,132	131,775	(130,472)
R&M futures	3,877,904	10,145	(1,741)	8,961,828	2,477	(3,516)
R&M swaps	1,058,789	—	(528)	1,225,433	2,752	(1,609)

Cash flow hedging for commodities

Cash flow hedging for commodities EUR 1,000

	Period of expected cash flows for cash flow hedges	Adjustments from cash flow hedges in other comprehensive income	[thereof: Transfer from other comprehensive income disclosed in income statement]	[thereof: Transfer from other comprehensive income against original costs of acquisition]
2012				
E&P price risk hedge				
Brent swaps	2012	47,574	[140,967]	[—]
G&P price risk hedge				
Swaps fix to floating – gas	until Q4/14	532	[(4,741)]	[—]
Gas options	until Q1/14	(2,095)	[—]	[—]
R&M price risk hedge				
Swaps fix to floating – Brent	2013	16,569	[18,764]	[—]
Swaps fix to floating – products	2013	(17,301)	[1,206]	[—]
2011				
E&P price risk hedge				
Brent swaps	2012	(49,224)	[187,736]	[—]
G&P price risk hedge				
Swaps fix to floating – gas	until Q4/14	6,435	[(3,267)]	[—]
Gas options	until Q1/14	1,973	[—]	[—]
R&M price risk hedge				
Swaps fix to floating – Brent	2012	(13,964)	[(16,505)]	[—]
Swaps fix to floating – products	2012	25,396	[22,866]	[—]

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

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

The hedging of future cash flows is accounted for as a cash flow hedge, and the effective part of the change in value of the derivative is accounted for in other comprehensive income. When the hedged item (underlying transaction) affects profit and loss, the amounts previously accounted for in other comprehensive income are released to profit and loss. The ineffective part of the cash flow hedges, amounting to a negative EUR 176 thousand (2011: Negative EUR 231 thousand) was recognized in profit and loss.

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

Fair value hedges for commodities		EUR 1,000
	2012	2011
Changes in underlyings	–	(256)
Changes in hedges	–	256

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

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

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

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

		2012		2011
	Market price +10%	Market price (10)%	Market price +10%	Market price (10)%
Strategic risk management				
E&P				
Commodity swaps	—	—	(143)	143
Operational risk management				
G&P				
G&P swaps	726	(726)	—	—
G&P futures	7,585	(7,585)	7,806	(7,806)
G&P forwards	(14,036)	14,036	19	(19)
G&P options	—	—	(7)	390
R&M				
Commodity futures	(5,977)	5,977	(7,671)	7,671
Commodity swaps	(2,485)	2,485	8	(9)

Sensitivity analysis for open derivatives affecting equity EUR 1,000

		2012		2011
	Market price +10%	Market price (10)%	Market price +10%	Market price (10)%
Strategic risk management				
E&P				
Commodity swaps	—	—	(148,209)	148,209
Operational risk management				
G&P				
G&P swaps	976	(976)	(6,699)	6,700
G&P options	314	(84)	2,225	(1,573)
R&M				
Commodity swaps	(4,483)	4,489	(4,802)	4,774

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

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

As of December 31, 2012, the value of transactions hedging foreign currency receivables and liabilities and of transactions used to manage liquidity was as follows:

Currency derivatives — EUR 1,000

	2012		2011	
	Nominal	Fair value	Nominal	Fair value
Currency forwards	150,575	(145)	1,368,201	(28,732)
Currency swaps	1,745,993	(7,266)	17,853	818

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

Cash flow hedging for currency derivatives
In 2011, OMV entered into USD hedges for an exposure of USD 2,369 million, thereof USD 1,621 million at an average rate of 1.3655 (already settled as of December 31, 2011) and USD 748 million at an average rate of 1.3616 (settled during 2012) to secure cash flows and to reduce impact of fluctuations of EUR/USD exchange rate. As of December 31, 2012, no cash flow hedging for currency derivatives was applied.

Cash flow hedging for currency derivatives — EUR 1,000

	Period of expected cash flows for cash flow hedges	Adjustments from cash flow hedges in other comprehensive income	[thereof: Transfer from other comprehensive income disclosed in income statement]	[thereof: Transfer from other comprehensive income against original costs of acquisition]
2012				
Currency forwards	2012	34,928	[34,928]	[–]
2011				
Currency forwards	2012	(29,350)	[(24,952)]	[–]

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

Sensitivities of open USD cash flow hedges are currently as follows:

Sensitivity analysis for open derivatives affecting equity — **EUR 1,000**

		2012		2011
	EUR +10%	EUR (10)%	EUR +10%	EUR (10)%
Currency forwards	—	—	57,778	(57,778)

Translation risk is also monitored on an ongoing basis at Group level, and the risk position is evaluated. Translation risk arises on the consolidation of subsidiaries with functional currencies different from EUR. The largest exposures result from changes in the value of the RON, the TRY and the USD against the EUR. The long-term foreign exchange rate risk on investments in subsidiaries with functional currencies different from EUR is calculated and appraised on a regular basis.

For financial instruments, sensitivity analysis is performed for changes in foreign exchange rates, and the sensitivity of the principal currency exposures is as follows: The main exposures as of December 31, 2012, were to the EUR-RON and EUR-USD as well as the EUR-TRY exchange rates. On Group level, the EUR-RON sensitivity not only includes the RON net exposure versus the EUR but also the net RON exposure versus the USD, since the USD-RON exposure can be split into a EUR-RON and EUR-USD exposure. The same is true for the EUR-TRY exposure.

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

		2012		2011
	10% appreciation of the EUR	10% depreciation of the EUR	10% appreciation of the EUR	10% depreciation of the EUR
EUR-RON	(3,329)	3,329	(7,930)	7,930
EUR-TRY	3,585	(3,585)	11,429	(11,429)
EUR-USD	(14,247)	14,247	(37,695)	37,695

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

Interest rate management

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

Interest rate swaps are used from time to time to convert fixed rate debt into floating rate debt, and vice versa. At December 31, 2012, fair value hedge accounting is applied for an interest swap of a notional volume of USD 50,000 thousand from fixed to floating rates. This interest rate swap is used to hedge the fair value of a bond (fair value hedge) issued by the OMV Group (see Note 22). The interest rate spread between the swap and the loan is accounted for as an adjustment to interest expense.

As of December 31, open positions were as follows:

Open positions — **EUR 1,000**

		2012		2011
	Nominal	Fair value	Nominal	Fair value
Interest rate swaps (not hedge accounting) [1]	45,475	(286)	46,371	(842)
Interest rate swaps (USD 50,000 thousand)	37,896	4,251	38,643	5,462

[1] Within assets and liabilities held for sale in Petrol Ofisi Arama Üretim Sanayi ve Ticaret Anonim Şirketi.

Interest sensitivities
The effect of an interest rate increase of 0.5 percentage points as of December 31, 2012 would have been a EUR 0.5 million reduction in market value (2011: EUR 1.2 million). The effect of an interest rate decrease of 0.5 percentage points as of December 31, 2012, would have been a EUR 0.5 million increase in market value (2011 EUR 1.2 million).

OMV Petrom SA holds financial assets whose market value would be affected by changes in interest rates. The effect of an interest rate increase of 0.5 percentage points as of December 31, 2012, would have been a EUR 0.7 million reduction in the market value of these financial assets (2011: EUR 0.9 million). A 0.5 percentage points fall in the interest rate as of December 31, 2012 would have led to an increase in market value of EUR 0.7 million (2011: EUR 0.9 million).

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

On the Group's floating rate net debt as of December 31, 2012, net interest expense would rise or fall by EUR 1.9 million (December 31, 2011: EUR 5.6 million) if interest rates rose or fell by 0.5 percentage points.

Credit risk management
The main counterparty credit risks are assessed and monitored at Group level and segment level using predetermined limits for all counterparties, banks and security provider. On the basis of a risk assessment all counterparties, banks and security providers are assigned to a credit limit, an internal risk class and a specific validity. The risk assessments are reviewed at least annually or on an ad-hoc-basis. The procedures are governed by guidelines at OMV, Petrom and Petrol Ofisi level. The main counterparties with contracts involving financial instruments have investment grade credit ratings. For the sake of risk diversification, financial agreements are always spread between different banks.

Credit risk versus financial counterparties in strategic risk management, foreign exchange rate risk management, interest rate risk management and liquidity management amounted to a maximum of EUR 1,019.1 million as of December 31, 2012 (2011: EUR 284.4 million). Credit risk versus financial counterparties and other third parties in operational risk management in the R&M business amounted to a maximum of EUR 727.1 million (2011: EUR 453.8 million).

27 Fair value hierarchy

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

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

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

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

Fair value hierarchy 2012				**EUR 1,000**
Financial instruments on asset side	Level 1	Level 2	Level 3	**Total**
Investment funds	6,863	—	—	**6,863**
Bonds	129,896	—	—	**129,896**
Derivatives designated and effective as hedging instruments	—	38,756	—	**38,756**
Other derivatives	10,945	89,523	—	**100,468**
Total	**147,704**	**128,279**	**—**	**275,983**

Fair value hierarchy 2012				**EUR 1,000**
Financial instruments on liability side	Level 1	Level 2	Level 3	**Total**
Liabilities on derivatives designated and effective as hedging instruments	—	24,420	—	**24,420**
Liabilities on other derivatives	2,721	97,321	—	**100,043**
Total	**2,721**	**121,742**	**—**	**124,463**

Fair value hierarchy 2011				**EUR 1,000**
Financial instruments on asset side	Level 1	Level 2	Level 3	**Total**
Investment funds	6,400	—	—	**6,400**
Bonds	127,644	—	—	**127,644**
Derivatives designated and effective as hedging instruments	—	69,279	—	**69,279**
Other derivatives	4,564	147,442	—	**152,007**
Total	**138,608**	**216,721**	**—**	**355,330**

Fair value hierarchy 2011				**EUR 1,000**
Financial instruments on liability side	Level 1	Level 2	Level 3	**Total**
Liabilities on derivatives designated and effective as hedging instruments	—	129,349	—	**129,349**
Liabilities on other derivatives	7,731	139,315	—	**147,045**
Total	**7,731**	**268,664**	**—**	**276,394**

28 Result on financial instruments

Result on financial instruments		EUR 1,000
	2012	2011
Result on financial instruments at fair value through profit or loss	(4,399)	18,225
Result on available-for-sale financial instruments	14,951	11,051
Result on loans and receivables	(14,683)	(33,338)
Result on financial liabilities measured at amortized cost	(167,314)	(321,785)
Total	**(171,444)**	**(325,847)**

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

In the income statement, a negative result on financial instruments of EUR 23,441 thousand (2011: Negative result of EUR 11,861 thousand) forms part of operating profit (EBIT) and a negative result of EUR 148,003 thousand (2011: Negative result of EUR 313,987 thousand) forms part of the net financial result.

In addition to the result on available-for-sale financial instruments shown in the table above, a gain of EUR 3,847 thousand (2011: Loss of EUR 1,966 thousand) was recognized directly in other comprehensive income in 2012.

The result on available-for-sale financial instruments includes impairment losses of EUR 196 thousand (2011: EUR 1,164 thousand). The result on loans and receivables includes impairment losses of EUR 49,839 thousand (2011: EUR 21,716 thousand). Write-ups of loans and receivables amount to EUR 30,886 thousand (2011: EUR 9,889 thousand).

29 Share based payments

Long Term Incentive (LTI) plans 2009 - 2012

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

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

Main conditions

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

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

Matching Share Plan (MSP)

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

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

Total expense

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

Stock option plans 2004 – 2008

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

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

At grant dates details of the plans were as follows:

Main conditions

	2008 plan	2007 plan	2006 plan	2005 plan	2004 plan
Start of plan	9/1/2008	9/1/2007	9/1/2006	9/1/2005	9/1/2004
End of plan	8/31/2015	8/31/2014	8/31/2013	8/31/2012	8/31/2011
Vesting period	2 years	2 years	2 years	2 years	2 years
Exercise price	EUR 47.550	EUR 47.850	EUR 45.190	EUR 34.700	EUR 16.368
Option entitlement per OMV share held	20	20	20	20	15
Qualifying own investment					
Executive Board	1,136 shares [1]	1,230 shares [1]	1,242 shares [1]	2,390 shares [1]	3,980 shares [1]
Senior executives	**379 shares** [1]	**410 shares** [1]	**414 shares** [1]	**800 shares** [1]	**1,330 shares** [1]
Options granted					
Executive Board members					
Auli [2]	22,720	24,600	8,280	–	19,950
Davies	22,720	24,600	24,840	47,800	59,700
Langanger [3]	22,720	24,600	24,840	47,800	59,700
Leitner [4]	7,580	8,200	8,280	16,000	19,950
Roiss	22,720	24,600	24,840	47,800	59,700
Ruttenstorfer [5]	22,720	24,600	24,840	47,800	59,700
Total – Executive Board	**121,180**	**131,200**	**115,920**	**207,200**	**278,700**
Other senior executives	420,700	432,560	351,940	516,000	464,400
Total options granted	**541,880**	**563,760**	**467,860**	**723,200**	**743,100**
Plan threshold share price	**EUR 54.680**	**EUR 55.030**	**EUR 51.970**	**EUR 39.910**	**EUR 18.823**

[1] Or 25%, 50%, or 75% thereof.
[2] Member of the Executive Board from January 1, 2007 until December 31, 2011.
[3] Member of the Executive Board until September 30, 2010.
[4] Member of the Executive Board since April 1, 2011.
[5] Chairman of the Executive Board and CEO until March 31, 2011.

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

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

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

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

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

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

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

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

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

Stock option plans

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

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

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

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

Exercise of options by plan participants was as follows:

Options exercised

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

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

Compensation expense **EUR 1,000**

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

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

As of December 31, 2012, **outstanding options** under the various plans were as follows:

Outstanding options

Plan	Exercise price EUR	Options outstanding	Remaining maturity in years	Options exercisable at year-end [1]
2006	45.19	436,800	0.7	–
2007	47.85	522,760	1.7	–
2008	47.55	526,720	2.7	–
Total		**1,486,280**		–

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

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

The fair value as of December 31, 2012 is calculated on the basis of the options still outstanding, while the fair value as of the time of award is based on the total options granted. Assuming that the conditions for exercise are fulfilled during the exercise period, the fair value of the stock option plans is as follows:

Valuation as of December 31, 2012

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

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

Segment reporting

30 Business operations and key markets

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

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

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

R&M operates the refineries Schwechat (Austria), Burghausen (Germany) and Petrobrazi (Romania) and holds an at-equity consolidated 45% share in the Bayernoil refinery (Germany). In these refineries, oil and gas is processed into petroleum products, which are sold to commercial and private customers. Distribution is partially effected via an own operated filling station network in Central and Southeastern Europe and via the filling station network in Turkey.

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

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

31 Segment reporting

Segment reporting — EUR mn

	E&P	G&P	R&M	Co&O	**Total**	Consolidation	**Consolidated total**
2012							
Sales [1]	6,074.71	11,882.93	29,608.19	393.68	**47,959.50**	(5,310.27)	**42,649.23**
Intra-group sales	(4,687.39)	(176.34)	(57.50)	(389.04)	**(5,310.27)**	5,310.27	**0.00**
External sales	1,387.32	11,706.59	29,550.68	4.63	**42,649.23**	—	**42,649.23**
Segment assets [2]	9,188.36	2,348.81	6,053.77	235.74	**17,826.68**	—	**17,826.68**
Investments in PPE/IA	1,898.89	403.84	441.43	41.16	**2,785.32**	—	**2,785.32**
Depreciation and amortization	967.19	66.25	531.96	40.24	**1,605.63**	—	**1,605.63**
Impairment losses	348.96	13.34	67.15	0.54	**429.98**	—	**429.98**
2011							
Sales [1]	4,959.52	7,000.39	26,472.15	395.28	**38,827.34**	(4,774.14)	**34,053.19**
Intra-group sales	(4,193.42)	(143.96)	(46.18)	(390.59)	**(4,774.14)**	4,774.14	**—**
External sales	766.10	6,856.43	26,425.97	4.70	**34,053.19**	—	**34,053.19**
Segment assets [2]	8,809.89	2,020.61	6,337.08	240.76	**17,408.33**	—	**17,408.33**
Investments in PPE/IA	1,521.28	513.70	560.59	37.33	**2,632.90**	—	**2,632.90**
Depreciation and amortization	797.60	41.56	507.89	41.96	**1,389.01**	—	**1,389.01**
Impairment losses	212.57	—	22.49	0.70	**235.76**	—	**235.76**

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

Segment and Group profit EUR mn

	2012	2011
EBIT E&P [1]	2,743.32	2,090.61
EBIT G&P	42.53	239.43
EBIT R&M	416.82	281.86
EBIT Co&O	(65.55)	(69.43)
EBIT segment total	**3,137.11**	**2,542.47**
Consolidation: Elimination of intersegmental profits	(33.39)	(48.33)
OMV Group EBIT	**3,103.72**	**2,494.14**
Net financial result	(246.23)	(273.28)
OMV Group profit from ordinary activities	**2,857.49**	**2,220.86**

[1] Excluding intersegmental profit elimination.

Information on geographical areas EUR mn

	Austria	Germany	Romania	Turkey	Rest of CEE	Rest of Europe	Rest of world [2]	**Total**
2012								
External sales	15,977.65	6,983.20	4,666.97	5,491.38	4,161.08	2,081.71	3,287.23	**42,649.23**
Allocated assets [1]	2,997.37	1,062.47	6,134.88	3,071.21	594.73	855.53	2,587.97	**17,304.15**
Not allocated assets	—	—	—	—	—	—	—	**522.53**
Segment assets								**17,826.68**
2011								
External sales	11,501.15	5,804.35	4,015.55	5,022.68	4,201.99	1,997.07	1,510.40	**34,053.19**
Allocated assets [1]	3,062.32	964.09	5,794.36	2,676.31	836.96	433.96	3,121.97	**16,889.97**
Not allocated assets	—	—	—	—	—	—	—	**518.36**
Segment assets								**17,408.33**

[1] Property, plant and equipment (PPE), intangible assets (IA).
[2] Rest of world: Principally Australia, Kazakhstan, Libya, New Zealand, Pakistan, Tunisia, Yemen and Kurdistan Region of Iraq.

EUR 522.53 million (2011: EUR 518.36 million) of the goodwill deriving from the acquisition of Petrol Ofisi and Tunisian subsidiaries have not been allocated to geographical areas but to cash-generating units that are operating in more than one geographical area.

Other information

32 Average number of employees

Average number of employees [1]

	2012	2011
OMV Group excluding Petrom group	6,892	6,709
Petrom group	22,255	23,909
Total Group	**29,147**	**30,618**

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

33 Expenses Group auditor

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

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

	2012	2011
Audit of Group accounts and year-end audit	2,202	2,076
Other assurance services	655	527
Tax advisory services	34	48
Other services	176	532
Total	**3,066**	**3,183**

In 2012, the following expenses have been incurred for the Group auditor, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.: For the year-end audit EUR 703 thousand (2011: EUR 762 thousand), for other assurance services EUR 583 thousand (2011: EUR 496 thousand), for tax advisory services EUR 10 thousand (2011: EUR nil) and for other services EUR 126 thousand (2011: EUR 8 thousand).

34 Related parties

Under IAS 24, details of relationships with related parties and related enterprises not included in consolidation must be disclosed. Enterprises and individuals are considered to be related if one party is able to control or exercise significant influence over the business of the other. Österreichische Industrieholding AG, Vienna, holds an interest of 31.5% and International Petroleum Investment Company, Abu Dhabi, holds an interest of 24.9% in OMV Aktiengesellschaft; both are related parties under IAS 24.

In 2012, there were arm's-length supplies of goods and services between the Group and associated companies. The supplies of goods and services relate to the following companies included at-equity:

Related enterprises — **EUR 1,000**

		2012		2011
	Sales	Receivables	Sales	Receivables
Borealis AG	1,754,959	2,910	1,540,998	136,468
GENOL Gesellschaft m.b.H. & Co	324,947	27,061	314,782	30,855
Erdöl-Lagergesellschaft m.b.H.	59,153	28	205,959	7,579
Bayernoil Raffineriegesellschaft mbH	3,787	633	2,773	226
Other	—	2	4	2
Total	**2,142,846**	**30,634**	**2,064,516**	**175,130**

At December 31, 2012, there were trade payables to Bayernoil Raffineriegesellschaft mbH of EUR 52,885 thousand (2011: EUR 65,494 thousand).

At December 31, 2012, the following loans were outstanding: EUR 212,400 thousand (2011: EUR 240,300 thousand) to Bayernoil Raffineriegesellschaft mbH, EUR 36,263 thousand (2011: EUR 48,983 thousand) to Pearl Petroleum Company Limited and EUR 6,800 thousand (2011: EUR 6,800 thousand) to Erdöl-Lagergesellschaft m.b.H.

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

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

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

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

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

2011	Auli	Davies	Huijskes	Leitner	Roiss	Ruttenstorfer	**Total**
Fixed remuneration for 2011	600	735	500	375	779	200	**3,188**
Variable remuneration [1]	900	900	213	—	1,050	1,200	**4,263**
Benefits in kind (company car, accident insurance) and reimbursed expenses	8	10	8	6	8	2	**43**
Total (excluding severance and post-employment payments, pension fund contributions and payments in lieu of holiday)	**1,508**	**1,645**	**721**	**381**	**1,837**	**1,402**	**7,493**
Benefits from stock options exercised (cash settled)	70	—	—	—	—	—	70

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

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

For details on pension fund contributions see Note 21.

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

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

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

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

35 Subsequent events

On January 7, 2013, the sale of PETROM LPG SA to Crimbo Gas International was closed. There was no material effect on the Group's financial statements.

On January 18, 2013, OMV and Erdöl-Lagergesellschaft m.b.H. (ELG) agreed the sale of Lagermanagementgesellschaft m.b.H. (a 100% subsidiary of OMV Aktiengesellschaft) to ELG. The estimated positive EBIT effect of the transaction is EUR 440 million.

On February 1, 2013, OMV has signed an agreement to sell its 100% marketing subsidiary in Croatia, OMV Hrvatska d.o.o., to Crodux derivati d.o.o., a member of the Croatian Crodux Plin group. No material effect is expected for the Group's financial statements.

On February 28, 2013, the sale of the Bosnian marketing subsidiary OMV BH d.o.o. to the Serbian oil company NIS was closed. There was no material effect on the Group's financial statements.

36 Direct and indirect investments of OMV Aktiengesellschaft

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2012

	Parent company	Equity interest in %	Type of consolidation [1]
Exploration and Production			
Petrol Ofisi Arama Üretim Sanayi ve Ticaret Anonim Şirketi, Ankara	POAS	99.96	C
	OTHOLD	0.01	
	ERK	0.01	
	PORAF	0.01	
	OMVEP	0.01	
KOM MUNAI LLP, Aktau	PETROM	95.00	C
OMV Abu Dhabi E&P GmbH, Vienna	OMVEP	100.00	C
OMV Anaguid Ltd., Grand Cayman	OTNPR	100.00	C
OMV AUSTRALIA PTY LTD, Perth	OMV AG	100.00	C
OMV Austria Exploration & Production GmbH, Vienna (OEPA)	OMVEP	100.00	C
OMV (BAYERN) Exploration GmbH, Vienna	OEPA	100.00	NC
OMV Bina Bawi GmbH, Vienna	PETEX	100.00	C
OMV Block 70 Upstream GmbH, Vienna	OMVEP	100.00	C
OMV Dorra Limited, Road Town	OTNPR	100.00	C
OMV East Abu Dhabi Exploration GmbH, Vienna	OMVEP	100.00	NC
OMV (EGYPT) Exploration GmbH, Vienna	OMVEP	100.00	C
OMV Exploration & Production GmbH, Vienna (OMVEP)	OMV AG	100.00	C
OMV EXPLORATION & PRODUCTION LIMITED, Douglas	OMVEP	100.00	C
OMV (FAROE ISLANDS) Exploration GmbH, Vienna	OMVEP	100.00	C
OMV Global Oil & Gas GmbH, Vienna	OMVEP	100.00	NC
OMV (IRAN) onshore Exploration GmbH, Vienna	OMVEP	100.00	C
OMV (IRELAND) Exploration GmbH, Vienna	OMVEP	100.00	C
OMV Jardan Block 3 Upstream GmbH, Vienna	OMVEP	100.00	C
OMV Maurice Energy GmbH, Vienna	OMVEP	100.00	C
OMV Maurice Energy Limited, Port Louis	MAURI	100.00	C
OMV Myrre block 86 Upstream GmbH, Vienna	OMVEP	100.00	NC
OMV New Zealand Limited, Wellington (NZEA)	OMVEP	100.00	C
OMV (NORGE) AS, Stavanger	OMVEP	100.00	C
OMV OF LIBYA LIMITED, Douglas	OMVEP	100.00	C
OMV Offshore Bioko GmbH, Vienna	OMVEP	100.00	NC
OMV Offshore Bulgaria GmbH, Vienna	OMVEP	100.00	C
OMV Offshore Teres Bulgaria GmbH, Vienna	OMVEP	100.00	NC
OMV Oil and Gas Exploration GmbH, Vienna	OMVEP	100.00	C
OMV Oil Exploration GmbH, Vienna	OMVEP	100.00	C
OMV Oil Production GmbH, Vienna	OMVEP	100.00	C
OMV Olibanum Upstream GmbH, Vienna	OMVEP	100.00	NC
OMV (PAKISTAN) Exploration Gesellschaft m.b.H., Vienna	OMVEP	100.00	C
OMV Petroleum Exploration GmbH, Vienna (PETEX)	OMVEP	100.00	C
OMV Proterra GmbH, Vienna	OEPA	100.00	NC
OMV Rovi GmbH, Vienna	PETEX	100.00	C
OMV Sarsang GmbH, Vienna	OMVEP	100.00	NC
OMV Sarta GmbH, Vienna	PETEX	100.00	C
OMV (SLOVAKIA) Exploration GmbH, Vienna	OEPA	100.00	C
OMV South Tunisia Ltd., Grand Cayman	OTNPR	100.00	C

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2012

	Parent company	Equity interest in %	Type of consolidation [1]
OMV Southeast Caspian Upstream GmbH, Vienna	OMVEP	100.00	NC
OMV Tellal Hydrocarbons GmbH, Vienna	OMVEP	100.00	NC
OMV (Tunesien) Production GmbH, Vienna (OTNPR)	OMVEP	100.00	C
OMV (TUNESIEN) Sidi Mansour GmbH, Vienna	OMVEP	100.00	C
OMV (U.K.) Limited, London	OMVEP	100.00	C
OMV Upstream International GmbH, Vienna (OUPI)	OMVEP	100.00	C
OMV (YEMEN) Al Mabar Exploration GmbH, Vienna	OMVEP	100.00	C
OMV (Yemen Block S 2) Exploration GmbH, Vienna	OMVEP	100.00	C
OMV (YEMEN) South Sanau Exploration GmbH, Vienna	OMVEP	100.00	NC
OMV Al Ain E&P GmbH, Vienna	OMVEP	100.00	NC
OMV Barrow Pty Ltd, Perth	OAUST	100.00	NC
OMV Beagle Pty Ltd, Perth	OAUST	100.00	NC
OMV Petroleum Pty Ltd, Perth	NZEA	100.00	NC
TASBULAT OIL CORPORATION BVI, Saint Helier	PETROM	100.00	NC
Pearl Petroleum Company Limited, Road Town	OUPI	10.00	AE
PEI Venezuela Gesellschaft mit beschränkter Haftung, Burghausen	OMVEP	100.00	C
Petroleum Infrastructure Limited, Wellington	NZEA	100.00	C
PETROM EXPLORATION & PRODUCTION LIMITED, Douglas	PETROM	50.00	C
Preussag Energie International GmbH, Burghausen	OMVEP	100.00	C
Société de Recherches et d'Exploitation des Pétroles en Tunisie, Tunis	OTNPR	50.00	NAE
TASBULAT OIL CORPORATION LLP, Aktau	PETROM	100.00	C
Thyna Petroleum Services S.A., Sfax	OTNPR	50.00	NAE
Gas and Power			
ADRIA LNG d.o.o., Zagreb	OGI	32.47	NAE
ADRIA LNG STUDY COMPANY LIMITED, Valletta	OGI	28.37	NAE
AGCS Gas Clearing and Settlement AG, Vienna	OGG	23.13	NAE
AGGM Austrian Gas Grid Management AG, Vienna	OGG	100.00	C
Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H., Vienna	OGG	51.00	C
Borasco Elektrik Toptan Satiş A.Ş., Istanbul	BORASC	99.60	NC
OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş., Istanbul (BORASC) [3]	OPI	100.00	C
Caspian Energy Company Limited, London	OGI	50.00	NAE
Central European Gas Hub AG, Vienna	OGI	65.00	C
CONGAZ SA, Constanța	PETROM	28.59	AE
EconGas Deutschland GmbH, Regensburg	ECOGAS	100.00	C
EconGas GmbH, Vienna (ECOGAS)	OGI	50.00	C
	EGBV	14.25	
EconGas d.o.o. za opskrbu plinom, Zagreb	ECOGAS	100.00	C
EconGas Hungária Földgázkereskedelmi Kft., Budapest	ECOGAS	100.00	C
EconGas Italia S.r.l, Milan	ECOGAS	100.00	C
EGBV Beteiligungsverwaltung GmbH, Linz (EGBV)	OGI	65.00	C
Enerco Enerji Sanayi Ve Ticaret A.Ş., Istanbul	OGI	40.00	AE
Freya Bunde-Etzel GmbH & Co. KG, Bonn	OGSG	39.99	AE
NABUCCO Gas Pipeline International GmbH, Vienna	OGI	20.00	NAE
OMV Gas Adria d.o.o., Zagreb	OGI	100.00	NC
OMV Gas Germany GmbH, Düsseldorf	OGG	100.00	C

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2012

	Parent company	Equity interest in %	Type of consolidation [1]
GAS CONNECT AUSTRIA GmbH, Vienna (OGG) [3]	OGI	100.00	C
OMV Gas & Power GmbH, Vienna (OGI)	OMV AG	100.00	C
OMV Gas Storage Germany GmbH, Cologne	OGI	100.00	C
OMV Gas Storage GmbH, Vienna	OGI	100.00	C
OMV Gaz Depolama A.Ş., Istanbul	BORASC	99.60	C
OMV Gaz Ve Enerji Holding Anonim Şirketi, Istanbul [3]	OTHOLD	99.99	C
OMV Gaz Ve Enerji Satış Anonim Şirketi, Istanbul	GPTHOL	99.89	C
	OGI	0.05	
	ERK	0.02	
	OCTS	0.02	
	OTHOLD	0.02	
OMV Enerji Ticaret Limited Şirketi, Istanbul (GASTR)	GPTRAD	99.90	C
	OGI	0.10	
OMV Kraftwerk Haiming GmbH, Haiming	OPI	100.00	C
OMV Power International GmbH, Vienna (OPI)	OGI	100.00	C
OMV Trading GmbH, Vienna	OGI	100.00	C
PETROM DISTRIBUTIE GAZE SRL, Bucharest	PETROM	99.99	C
OMV PETROM GAS SRL, Bucharest	PETROM	99.99	C
OMV Petrom Wind Power Park SRL, Bucharest	PETROM	99.99	C
South Stream Austria GmbH, Vienna	OGI	50.00	NC
Refining and Marketing including petrochemicals			
Abu Dhabi Petroleum Investments LLC, Abu Dhabi	OMVRM	25.00	NAE
Adria-Wien Pipeline GmbH, Klagenfurt	OMVRM	76.00	C
Aircraft Refuelling Company GmbH, Vienna	OMVRM	33.33	NAE
Autobahn – Betriebe Gesellschaft m.b.H., Vienna	OMVRM	47.19	NAE
Avanti d.o.o., Zagreb	OHRVAT	30.00	NAE
BAYERNOIL Raffineriegesellschaft mbH, Vohburg	OMVD	45.00	AE
Borealis AG, Vienna	OMVRM	32.67	AE
	OMV AG	3.33	
BRAZI OIL & ANGHELESCU PROD COM SRL, Brazi	PETROM	37.70	NAE
BSP Bratislava-Schwechat Pipeline GmbH, Vienna	OMVRM	26.00	NAE
BTF Industriepark Schwechat GmbH, Vienna	OMVRM	50.00	NAE
Deutsche Transalpine Oelleitung GmbH, Munich	OMVD	25.00	AE
DUNATÀR Köolajtermék Tároló és Kereskedelmi Kft., Budapest	OHUN	48.28	NAE
EPS Ethylen-Pipeline-Süd GmbH & Co KG, Munich	OMVD	20.66	AE
Erdöl-Lagergesellschaft m.b.H., Lannach	OMVRM	55.60	AE [1]
Erk Petrol Yatırımları A.Ş., Istanbul (ERK)	POAS	99.96	C
	OTHOLD	0.01	
	OCTS	0.01	
	OGI	0.01	
	OMVEP	0.01	
FONTEGAS PECO MEHEDINTI SA, Simian	PETROM	37.40	NAE
FRANCIZA PETROM 2001 SA, Piteşti	PETROM	40.00	NAE
GENOL Gesellschaft m.b.H., Vienna	OMVRM	29.00	NAE
GENOL Gesellschaft m.b.H. & Co, Vienna	OMVRM	29.00	AE
Heating Innovations Austria GmbH, Vienna	OMVRM	100.00	NC

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2012

	Parent company	Equity interest in %	Type of consolidation [1]
ICS PETROM MOLDOVA SA, Chisinau	PETROM	100.00	C
LMG Lagermanagement GmbH, Wiener Neustadt	OMV AG	100.00	NC
Marmara Depoculuk Hizmetleri Sanayi ve Ticaret Anonim Şirketi, Istanbul	POAS	89.97	C
	OTHOLD	0.01	
	PORAF	0.01	
	ERK	0.01	
OMV BH d.o.o., Sarajevo	VIVTS	100.00	C
OMV BULGARIA OOD, Sofia	PETROM	99.90	C
	OMVRM	0.10	
OMV Česká republika, s.r.o., Prague	VIVTS	100.00	C
OMV Deutschland GmbH, Burghausen (OMVD)	OMVRM	90.00	C
	OMV AG	10.00	
OMV Hrvatska d.o.o., Zagreb (OHRVAT)	VIVTS	100.00	C
OMV Hungária Ásványolaj Korlátolt Felelösségü Társaság, Budapest (OHUN)	VIVTS	100.00	C
OMV – International Services Ges.m.b.H., Vienna	OMVRM	100.00	C
OMV Refining & Marketing GmbH, Vienna (OMVRM)	OMV AG	100.00	C
OMV PETROM MARKETING SRL, Bucharest (ROMAN)	PETROM	100.00	C
OMV SLOVENIJA trgovina z nafto in naftnimi derivati, d.o.o., Koper	VIVTS	92.25	C
OMV Slovensko s.r.o., Bratislava	VIVTS	100.00	C
OMV SRBIJA d.o.o., Belgrade	PETROM	99.90	C
	OMVRM	0.10	
OMV Supply & Trading AG, Zug	OMVRM	100.00	C
OMV Supply & Trading Singapore PTE LTD., Singapore	OSUP	100.00	C
OMV TRADING SERVICES LIMITED, London	OMVRM	100.00	NC
OMV-VIVA Kereskedelmi és Szolgáltatató Korlátolt Felelösségü Társaság, Budapest	OHUN	96.67	NC
PETROCHEMICALS ARGES SRL, Piteşti	PETROM	95.00	NC
OMV Petrol Ofisi A.Ş., Istanbul (POAS)	OMV AG	41.58	C
	OTHOLD	55.40	
Petrol Ofisi Akdeniz Rafinerisi Sanayi ve Ticaret A.Ş., Istanbul [3]	POAS	100.00	C
Petrol Ofisi Gaz İletim A.Ş., Istanbul	POAS	99.75	C
	OGI	0.10	
	OTHOLD	0.05	
	OCTS	0.05	
	ERK	0.05	
PETROM LPG SA, Otopeni	PETROM	99.99	C
PETROM NADLAC SRL, Nadlac	PETROM	98.51	NC
PO Georgia LLC, Tbilisi	POAS	100.00	NC
Routex B.V., Amsterdam	OMVRM	20.00	NAE
SIOT Società Italiana per l'Oleodotto Transalpino S.p.A., Triest	OMVRM	25.00	AE
SuperShop Marketing GmbH, Budapest	OHUN	50.00	NAE
TGN Tankdienst-Gesellschaft Nürnberg GbR, Nuremberg	OMVD	33.33	NAE
Transalpine Ölleitung in Österreich Gesellschaft m.b.H., Matrei in Osttirol	OMVRM	25.00	AE
TRANS GAS SERVICES SRL, Bucharest	PETROM	80.00	NC
Çankaya Bel-Pet Limited Sirketi, Ankara	POAS	49.00	NC
PETROM AVIATION SA, Otopeni	PETROM	100.00	C

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2012

	Parent company	Equity interest in %	Type of consolidation [1]
Salzburg Fuelling GmbH, Salzburg	OMVRM	33.33	NC
VIVA International Marketing- und Handels-GmbH, Vienna (VIVTS)	OMVRM	100.00	C
Corporate and Other			
Amical Insurance Limited, Douglas (AMIC)	OMV AG	100.00	C
ASOCIATIA ROMANA PENTRU RELATIA CU INVESTITORII, Bucharest	PETROM	20.00	NAE
Diramic Insurance Limited, Gibraltar	AMIC	100.00	C
Kompetenz- und Informationszentrum für Humanvermögen und interdisziplinäre Arbeits- und Unternehmensforschung GmbH, Klosterneuburg	SNO	24.44	NAE
OMV Clearing und Treasury GmbH, Vienna (OCTS)	SNO	100.00	C
OMV Petrol Ofisi Holding Anonim Şirketi, Istanbul [3]	OMV AG	100.00	C
OMV FINANCE LIMITED, Douglas	OMV AG	100.00	C
OMV Finance Services GmbH, Vienna	SNO	100.00	C
OMV Knowledge-Management GmbH, Vienna	OMV AG	100.00	C
OMV Insurance Broker GmbH, Vienna	OMV AG	100.00	NC
OMV Solutions GmbH, Vienna (SNO)	OMV AG	100.00	C
PETROMED SOLUTIONS SRL, Bucharest	PETROM	99.99	C
students4excellence GmbH, Vienna	OMV AG	20.00	NAE
VA OMV Personalholding GmbH, Linz	SNO	50.00	NAE
Petrom			
OMV PETROM SA, Bucharest (PETROM) [2]	OMV AG	51.01	C

[1] Type of consolidation:
C Consolidated subsidiary.
AE Associated company, accounted for at-equity.
AE [1] Despite majority interest not consolidated due to absence of control.
NC Not-consolidated subsidiary; shell or distribution companies of relative insignificance individually and collectively to the consolidated financial statements.
NAE Other investment recognized at-cost; associated companies of relatively little importance to the assets and earnings of the consolidated financial statements.

[2] Petrom is assigned to the relevant segments in the segment reporting.

[3] Individual shares are held by other group companies (in total below 0.01%).

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

Oil and gas reserve estimation and disclosures (unaudited)

Oil and Gas Reserve Estimation and Disclosures (unaudited)

The following tables provide supplementary information in respect of the Group's oil and gas activities. In the absence of detailed disclosure rules in this area under IFRS, the Group has elected to voluntarily disclose the data that would have been required under the ASC 932 as if it was reporting under US GAAP.

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

During 2009, OMV acquired a 10% interest in Pearl Petroleum Company Limited, which is accounted for as an equity method investment and not shown in this disclosure.

Besides Austria and Romania all other countries are summarized in the following two regions. These regions include the following countries:

North Africa and Offshore: Germany (until 2010), United Kingdom, Norway, Ireland, Faroe Islands, Slovakia, Libya, Tunisia, Egypt, Turkey (since 2010), Australia, New Zealand

Middle East and Caspian: Kazakhstan, Russia (until 2010), Iran, Kurdistan Region of Iraq, Pakistan, Yemen, Bulgaria and the United Arab Emirates

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

The subsequent tables may contain rounding differences.

a) Capitalized costs

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

Capitalized costs — **EUR 1,000**

	2012	2011	2010
Unproved oil and gas properties	1,383,539	1,256,612	956,825
Proved oil and gas properties	13,388,063	12,373,806	10,838,410
Total	**14,771,602**	**13,630,418**	**11,795,235**
Accumulated depreciation	(6,106,353)	(5,381,938)	(4,671,166)
Net capitalized costs	**8,665,249**	**8,248,480**	**7,124,068**

b) Costs incurred

Costs incurred include all costs, capitalized or expensed, during the year in the Group's oil and gas property acquisition, exploration and development activities.

Costs incurred EUR 1,000

	Romania	Austria	North Africa & Offshore	Middle East & Caspian	Total
2012					
Acquisition of proved properties	–	–	272,525	–	**272,525**
Acquisition of unproved properties	–	–	167,765	–	**167,765**
Decommissioning costs	(57,256)	18,780	76,976	276	**38,776**
Exploration costs [1]	131,750	29,748	139,130	88,079	**388,707**
Development costs	755,999	90,632	154,528	132,995	**1,134,153**
Costs incurred	**830,493**	**139,160**	**810,924**	**221,350**	**2,001,926**
2011					
Acquisition of proved properties	–	–	492,096	12,024	**504,120**
Acquisition of unproved properties	–	–	191,932	156,330	**348,262**
Decommissioning costs	62,047	21,338	34,680	(20,923)	**97,142**
Exploration costs [1]	107,495	14,379	275,982	68,668	**466,524**
Development costs	695,923	112,204	87,451	152,609	**1,048,186**
Costs incurred	**865,465**	**147,921**	**1,082,141**	**368,708**	**2,464,235**
2010					
Acquisition of proved properties	–	–	3,272	–	**3,272**
Acquisition of unproved properties	–	–	29,612	35,855	**65,467**
Decommissioning costs	(3,439)	31,294	19,070	36,501	**83,426**
Exploration costs [1]	70,502	19,176	181,972	76,975	**348,626**
Development costs	613,362	102,984	139,124	151,301	**1,006,771**
Costs incurred	**680,425**	**153,455**	**373,050**	**300,632**	**1,507,562**

[1] In Norway, exploration represents the costs less a 78% refund of the deductible costs.

c) Results of operations of oil and gas producing activities

The following table represents only those revenues and expenses which occur directly in connection with OMV´s oil and gas producing operations. The results of oil and gas activities should not be equated to net income since interest costs, general corporate overhead costs and other costs are not allocated. Income taxes are hypothetically calculated, based on the statutory tax rates and the effect of tax credits on investments and loss carryforwards.

Results of operations of oil and gas producing activities — **EUR 1,000**

	Romania	Austria	North Africa & Offshore	Middle East & Caspian	**Total**
2012					
Sales to unaffiliated parties [1]	(78,853)	19,552	1,098,206	276,481	**1,315,387**
Intercompany sales and sales to affiliated parties	2,700,142	827,734	1,010,580	55,237	**4,593,692**
Result from asset sales	(18,895)	(645)	101,206	750	**82,416**
	2,602,393	**846,641**	**2,209,992**	**332,468**	**5,991,494**
Production costs	(671,535)	(106,967)	(170,090)	(98,464)	**(1,047,056)**
Royalties	(182,456)	(143,739)	(71,297)	(21,433)	**(418,925)**
Exploration expenses	(86,783)	(21,020)	(160,452)	(132,934)	**(401,189)**
Depreciation, amortization and impairment losses	(394,899)	(199,157)	(400,857)	(105,159)	**(1,100,073)**
Other costs [2]	(34,771)	(4,293)	(24,209)	(36,297)	**(99,569)**
	(1,370,444)	**(475,176)**	**(826,905)**	**(394,287)**	**(3,066,812)**
Results before income taxes	**1,231,950**	**371,465**	**1,383,088**	**(61,820)**	**2,924,682**
Income taxes [3]	(202,033)	(115,935)	(961,471)	(7,530)	**(1,286,969)**
Results from oil and gas properties	**1,029,917**	**255,530**	**421,617**	**(69,350)**	**1,637,713**
Storage fee [4]	—	49,946	—	—	**49,946**

Results of operations of oil and gas producing activities EUR 1,000

	Romania	Austria	North Africa & Offshore	Middle East & Caspian	Total
2011					
Sales to unaffiliated parties [1]	(75,342)	(27,681)	525,821	228,397	**651,195**
Intercompany sales and sales to affiliated parties	2,627,733	864,136	498,354	59,460	**4,049,683**
Result from asset sales	(1,784)	191	332	(691)	**(1,952)**
	2,550,607	**836,645**	**1,024,507**	**287,167**	**4,698,925**
Production costs	(683,852)	(99,455)	(142,493)	(95,106)	**(1,020,905)**
Royalties	(173,380)	(143,395)	(49,084)	(18,963)	**(384,823)**
Exploration expenses	(78,558)	(9,060)	(189,708)	(51,444)	**(328,771)**
Depreciation, amortization and impairment losses	(384,374)	(100,010)	(243,920)	(84,477)	**(812,781)**
Other costs	20,878	(4,927)	(6,218)	592	**10,325**
	(1,299,286)	**(356,847)**	**(631,423)**	**(249,398)**	**(2,536,955)**
Results before income taxes	**1,251,321**	**479,798**	**393,084**	**37,768**	**2,161,971**
Income taxes [3]	(202,370)	(139,820)	(250,156)	(25,912)	**(618,258)**
Results from oil and gas properties [5]	**1,048,951**	**339,978**	**142,928**	**11,857**	**1,543,713**
Storage fee [4]	—	**54,182**	—	—	**54,182**
2010					
Sales to unaffiliated parties [1]	(1,465)	32,625	759,387	239,113	**1,029,661**
Intercompany sales and sales to affiliated parties	2,099,080	579,475	629,142	101,197	**3,408,894**
Result from asset sales	(2,013)	(672)	(3,579)	(40)	**(6,305)**
	2,095,602	**611,428**	**1,384,950**	**340,270**	**4,432,250**
Production costs	(718,717)	(107,187)	(131,582)	(110,270)	**(1,067,756)**
Royalties	(143,191)	(78,175)	(44,568)	(11,736)	**(277,670)**
Exploration expenses	(34,037)	(14,144)	(119,265)	(44,195)	**(211,642)**
Depreciation, amortization and impairment losses	(335,824)	(183,462)	(297,366)	(190,285)	**(1,006,936)**
Other costs	(5,133)	(2,428)	(3,178)	598	**(10,141)**
	(1,236,903)	**(385,397)**	**(595,959)**	**(355,887)**	**(2,574,145)**
Results before income taxes	**858,699**	**226,031**	**788,992**	**(15,617)**	**1,858,104**
Income taxes [3]	(143,607)	(73,815)	(519,905)	(60,178)	**(797,505)**
Results from oil and gas properties	**715,093**	**152,216**	**269,086**	**(75,795)**	**1,060,600**
Storage fee [4]	—	53,260	—	—	**53,260**

1 Includes hedging effect.
2 Includes change in stock in Libya and provisions in Kazakhstan.
3 Income taxes in North Africa & Offshore include corporation tax and Petroleum Revenue Tax (PRT). The PRT liability arises from the net cash flow of several producing fields in the UK. Moreover income tax includes amounts payable under a tax paid cost (TPC) system for certain OMV interests in Libya and field specific taxes in Tunisia, which are not fully related to profits. For Romania, the income tax is hypothetically calculated with an assumed tax rate of 16%.
4 Intersegmental rental fees before taxes received from the G&P segment for providing gas storage capacities.
5 Figures for 2011 were adjusted according to the change in accounting policy for post-employment benefits (IAS 19).

d) Oil and gas reserve quantities
Proved reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulation before the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain.

Proved developed reserves are those proved reserves that can be expected to be recovered through existing wells with existing equipment and operating methods, or in which the costs of the required equipment are relatively minor compared with the cost of a new well and through installed extraction equipment and infrastructure operational at the time of the reserves estimate. It should be reasonably certain that the required future expenditure will be made to safeguard existing equipment within the current budget.

Proved undeveloped reserves are those proved reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion or substantial new investment is required in order to safeguard or replace ageing facilities.

Crude oil and NGL — **mn bbl**

	Romania	Austria	North Africa & Offshore	Middle East & Caspian	**Total**
Proved developed and undeveloped reserves as of January 1, 2010	**433.7**	**50.8**	**146.3**	**44.2**	**674.9**
Revisions of previous estimates	15.4	3.6	21.9	7.4	**48.4**
Purchases	—	—	—	—	—
Disposal	—	—	—	—	—
Extensions and discoveries	—	—	—	—	—
Production	(30.0)	(6.1)	(21.5)	(5.8)	**(63.4)**
Proved developed and undeveloped reserves as of December 31, 2010	**419.1**	**48.3**	**146.7**	**45.9**	**659.9**
Revisions of previous estimates	3.9	3.9	9.5	(7.9)	9.4
Purchases	—	—	6.9	2.4	**9.3**
Disposal	—	—	—	—	—
Extensions and discoveries	1.2	0.3	0.1	—	**1.5**
Production	(29.3)	(5.8)	(12.4)	(4.7)	**(52.2)**
Proved developed and undeveloped reserves as of December 31, 2011	**394.9**	**46.7**	**150.8**	**35.6**	**627.9**
Revisions of previous estimates	15.0	7.6	6.6	2.2	31.5
Purchases	—	—	15.4	—	**15.4**
Disposal	—	—	(2.4)	—	**(2.4)**
Extensions and discoveries	1.3	—	0.3	—	**1.7**
Production	(28.7)	(5.8)	(20.2)	(4.6)	**(59.2)**
Proved developed and undeveloped reserves as of December 31, 2012	**382.5**	**48.5**	**150.5**	**33.3**	**614.8**
Proved developed reserves					
as of December 31, 2010	350.8	42.4	131.4	27.3	**551.9**
as of December 31, 2011	330.4	39.0	126.1	22.7	**518.2**
as of December 31, 2012	327.3	40.1	107.2	27.3	**501.9**

Gas					bcf
	Romania	Austria	North Africa & Offshore	Middle East & Caspian	**Total**
Proved developed and undeveloped reserves as of January 1, 2010	**2,102.2**	**443.8**	**152.8**	**146.9**	**2,845.7**
Revisions of previous estimates	144.8	26.4	0.4	(16.8)	**154.9**
Purchases	—	—	3.9	—	**3.9**
Disposals	—	—	—	—	**—**
Extensions and discoveries	17.4	—	—	—	**17.4**
Production	(180.8)	(55.6)	(26.5)	(32.3)	**(295.1)**
Proved developed and undeveloped reserves as of December 31, 2010 [1]	**2,083.7**	**414.6**	**130.6**	**97.8**	**2,726.7**
Revisions of previous estimates	193.9	16.2	73.8	21.9	305.8
Purchases	—	—	6.0	34.2	**40.2**
Disposals	—	—	—	—	**—**
Extensions and discoveries	19.5	0.4	0.3	—	**20.2**
Production	(184.1)	(49.2)	(27.6)	(35.4)	**(296.4)**
Proved developed and undeveloped reserves as of December 31, 2011 [1]	**2,112.9**	**382.0**	**183.1**	**118.5**	**2,796.5**
Revisions of previous estimates	(16.8)	7.8	16.2	47.1	54.5
Purchases	—	—	174.8	—	**174.8**
Disposals	—	—	(9.7)	—	**(9.7)**
Extensions and discoveries	70.6	—	—	—	**70.6**
Production	(182.1)	(48.6)	(27.8)	(32.0)	**(290.6)**
Proved developed and undeveloped reserves as of December 31, 2012 [1]	**1,984.5**	**341.2**	**336.6**	**133.6**	**2,795.9**
Proved developed reserves					
as of December 31, 2010	1,678.4	270.1	127.9	81.8	**2,158.2**
as of December 31, 2011	1,601.9	258.8	174.9	84.8	**2,120.3**
as of December 31, 2012	1,499.5	221.1	155.1	113.2	**1,988.9**

[1] 2012: Including approximately 76 bcf of cushion gas held in storage reservoirs.
2011: Including approximately 76 bcf of cushion gas held in storage reservoirs.
2010: Including approximately 89 bcf of cushion gas held in storage reservoirs.

e) Standardized measure of discounted future net cash flows
The future net cash flow information is based on the assumption that the prevailing economic and operating conditions will persist throughout the time during which proved reserves will be produced. Neither the effects of future pricing changes nor expected changes in technology and operating practices are considered.

Future cash inflows represent the revenues received from production volumes, including cushion gas held in storage reservoirs, assuming that the future production is sold at prices used in estimating year-end quantities of proved reserves (12 months average price).

Future production costs include the estimated expenditures for production of the proved reserves plus any production taxes without consideration of future inflation.

Future decommissioning costs comprise the net costs associated with decommissioning wells and facilities. Future development costs include the estimated costs of development drilling and installation of production facilities. For all three categories year-end costs without consideration of inflation are assumed. Future income tax payments are calculated on the basis of the income tax rate applicable in each of the countries in which the Group operates. The present cash value results from the discounting of the future net cash flow at a discount rate of 10% per year. The standardized measure does not purport to be an estimate of the fair value of the Group's proven reserves. An estimate of fair value would also take into account, amongst many other factors, the expected recovery of reserves in excess of proved reserves, anticipated changes in future prices and costs as well as a discount factor representative of the risks inherent in the production of oil and gas.

Standardized measure of discounted future net cash flows — EUR 1,000

	Romania	Austria	North Africa & Offshore	Middle East & Caspian	**Total**
2012					
Future cash inflows	34,670,508	6,539,851	15,497,838	2,382,980	**59,091,177**
Future production and decommissioning costs	(13,960,821)	(3,298,841)	(2,665,820)	(866,708)	**(20,792,190)**
Future development costs	(3,808,065)	(327,400)	(1,439,436)	(275,628)	**(5,850,528)**
Future net cash flows, before income taxes	**16,901,623**	**2,913,610**	**11,392,582**	**1,240,644**	**32,448,459**
Future income taxes	(2,707,638)	(858,551)	(6,751,555)	(364,389)	**(10,682,133)**
Future net cash flows, before discount	**14,193,984**	**2,055,059**	**4,641,027**	**876,255**	**21,766,326**
10% annual discount for estimated timing of cash flows	(7,341,128)	(640,725)	(1,901,202)	(261,600)	**(10,144,656)**
Standardized measure of discounted future net cash flows	**6,852,857**	**1,414,334**	**2,739,825**	**614,655**	**11,621,671**
2011					
Future cash inflows	33,744,859	6,240,300	12,771,073	2,314,279	**55,070,510**
Future production and decommissioning costs	(14,496,070)	(3,288,542)	(2,238,423)	(883,470)	**(20,906,505)**
Future development costs	(3,329,572)	(471,380)	(531,492)	(191,946)	**(4,524,390)**
Future net cash flows, before income taxes	**15,919,216**	**2,480,378**	**10,001,158**	**1,238,863**	**29,639,615**
Future income taxes	(2,547,075)	(664,452)	(6,060,800)	(316,965)	**(9,589,291)**
Future net cash flows, before discount	**13,372,142**	**1,815,926**	**3,940,359**	**921,898**	**20,050,324**
10% annual discount for estimated timing of cash flows	(6,911,929)	(429,828)	(1,464,179)	(232,191)	**(9,038,126)**
Standardized measure of discounted future net cash flows	**6,460,213**	**1,386,098**	**2,476,180**	**689,707**	**11,012,197**

Standardized measure of discounted future net cash flows EUR 1,000

	Romania	Austria	North Africa & Offshore	Middle East & Caspian	Total
2010					
Future cash inflows	25,409,355	5,183,304	9,326,618	2,405,243	**42,324,520**
Future production and decommissioning costs	(15,774,764)	(2,853,422)	(2,184,501)	(1,003,734)	**(21,816,420)**
Future development costs	(2,094,167)	(285,705)	(164,557)	(310,591)	**(2,855,020)**
Future net cash flows, before income taxes	**7,540,424**	**2,044,177**	**6,977,560**	**1,090,919**	**17,653,080**
Future income taxes	(935,712)	(511,044)	(4,125,036)	(273,419)	**(5,845,210)**
Future net cash flows, before discount	**6,604,713**	**1,533,133**	**2,852,524**	**817,500**	**11,807,869**
10% annual discount for estimated timing of cash flows	(3,781,020)	(466,829)	(791,616)	(194,340)	**(5,233,805)**
Standardized measure of discounted future net cash flows	**2,823,692**	**1,066,303**	**2,060,909**	**623,160**	**6,574,064**

f) Changes in the standardized measure of discounted future net cash flows

Changes in the standardized measure of discounted future net cash flows EUR 1,000

	2012	2011	2010
Beginning of year	**11,012,197**	**6,574,064**	**4,024,661**
Oil and gas sales and transfers produced, net of production costs	(3,380,298)	(2,703,439)	(1,898,184)
Net change in prices and production costs	1,496,488	7,361,441	4,270,064
Net change due to purchases and sales of minerals in place	135,046	219,437	2,136
Net change due to extensions and discoveries	16,106	6,314	11,109
Development and decommissioning costs incurred during the period	728,296	671,604	737,403
Changes in estimated future development and decommissioning costs	(611,794)	(768,512)	(1,282,389)
Revisions of previous reserve estimates	946,773	595,462	927,093
Accretion of discount	1,002,991	582,787	392,062
Net change in income taxes	316,640	(1,423,161)	(780,149)
Other [1]	(40,776)	(103,792)	170,254
End of year	**11,621,671**	**11,012,197**	**6,574,064**

[1] The impact of movements in foreign exchange rates vs. the EUR is reflected in the line Other.

Vienna, March 20, 2013

The Executive Board

Gerhard Roiss
Chairman

David C. Davies
Deputy Chairman

Hans-Peter Floren

Jacobus Huijskes

Manfred Leitner

Abbreviations and definitions

ACC
Austrian Commercial Code

ACCG
Austrian Code of Corporate Governance

AGM
Annual General Meeting

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

bcf, bcm
billion standard cubic feet (60 °F/16 °C), billion standard 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
barrel of oil equivalent, boe per day

CCS
current cost of supply

CAPEX
capital expenditure

capital employed
equity including minorities plus net debt

cbm, cf
standard cubic meters (32 °F/0 °C), standard cubic feet (60 °F/16 °C)

CEE
Central and Eastern Europe

Co&O
Corporate and Other

E&P
Exploration and Production

EBIT
earnings before interest and taxes

EPS
earnings per share; net income attributable to stockholders divided by total weighted average shares

EPSA
Exploration and Production Sharing Agreement

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

EU
European Union

EUR
euro

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

G&P
Gas and Power

gearing ratio
net debt divided by equity, expressed as a percentage

H1, H2
first, second half of the year

HSSE
Health, Safety, Security and Environment

IASs
International Accounting Standards

IFRSs
International Financial Reporting Standards

IVMS
In-Vehicle Monitoring System

kbbl, kbbl/d
thousand bbl, thousand bbl per day

kboe, kboe/d
thousand boe, thousand boe per day

KPI
key performance indicator

LNG
liquefied natural gas

LTIR
Lost-Time Injury Rate

mn
million

monomers
collective term for ethylene and propylene

MWh
megawatt hours

n.a.
not available

n.m.
not meaningful

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

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

NGL
natural gas liquids; natural gas which is extracted in liquid form during the production of hydrocarbons

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

OPEX
operating expenditures; cost of material and personnel during production excluding royalties

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

PJ
Petajoule, 1 petajoule corresponds to approx. 278 mn kilowatt hours

polymers, 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

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 equity, expressed as a percentage

ROFA
return on fixed assets; EBIT divided by average intangible and tangible assets, expressed as a percentage

RON
new Romanian leu

RRR
reserve replacement rate; total changes in reserves excluding production, divided by total production

sales revenues
sales excluding petroleum excise tax

SEE
Southeastern Europe

t, toe
metric tonne, tonne of oil equivalent

TEUR
thousand euro

TRIR
Total Recordable Injury Rate

TRY
Turkish lira

TUSD
thousand USD

TWh
terawatt hours

USD
US dollar

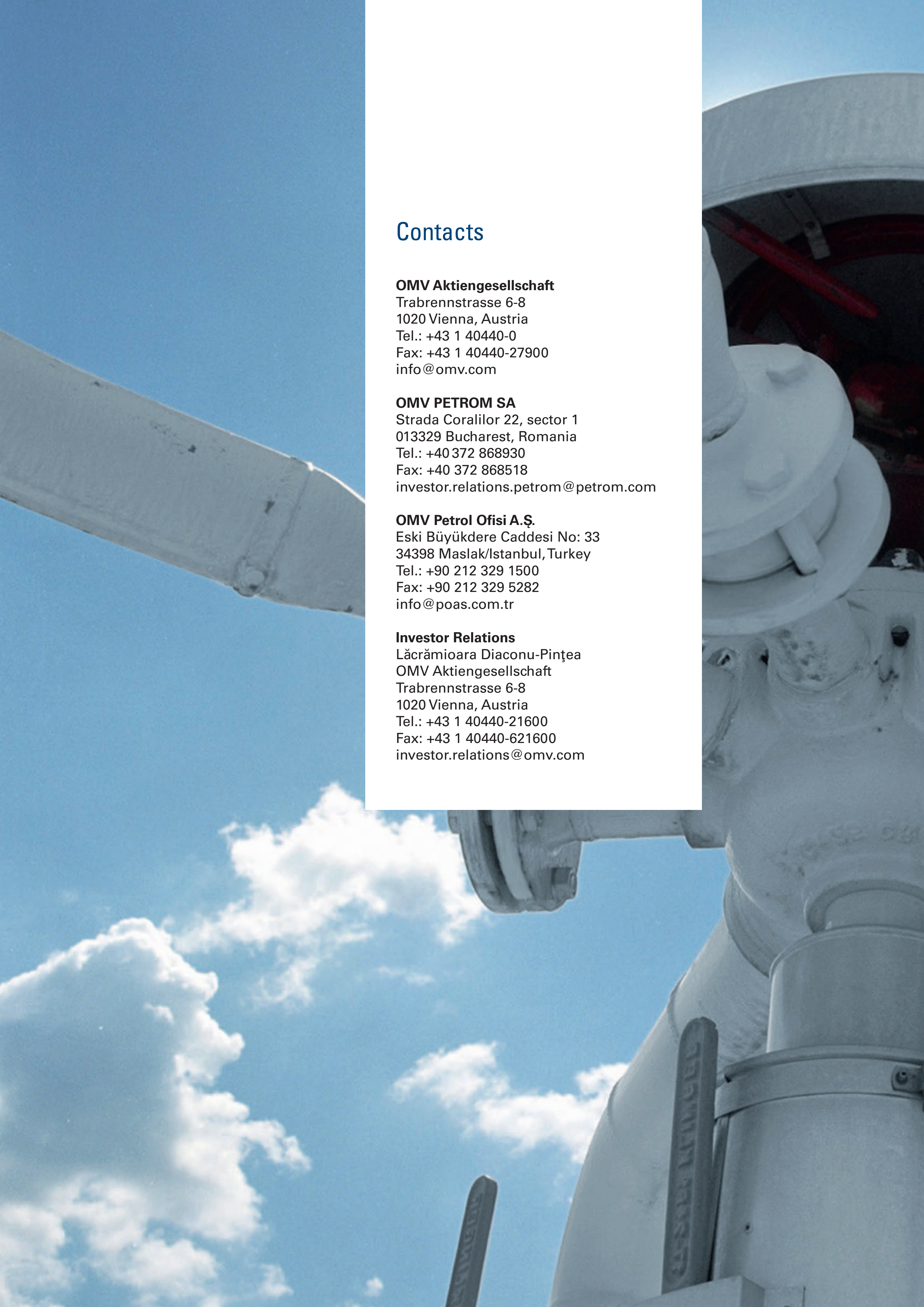
For more abbreviations and definitions please visit www.omv.com > Press Room > Glossary.

Five-year summary

Five-year summary — EUR mn

	2012	2011 [1]	2010 [1, 2]	2009	2008
Sales	42,649	34,053	23,323	17,917	25,543
Earnings before interest and taxes (EBIT)	3,104	2,494	2,334	1,410	2,340
Income from ordinary activities	2,857	2,221	1,961	1,182	2,309
Taxes on income	(1,067)	(633)	(747)	(465)	(780)
Net income for the year	1,790	1,588	1,214	717	1,529
Net income attributable to stockholders of the parent	1,363	1,079	921	572	1,374
Clean CCS EBIT [3]	3,407	2,530	2,470	1,418	3,405
Clean CCS net income attributable to stockholders of the parent [3]	1,544	1,084	1,118	596	1,942
Balance sheet total	30,519	28,413	26,419	21,415	21,376
Equity	14,530	13,404	11,238	10,035	9,363
Net debt	3,747	4,603	5,167	3,314	3,448
Average capital employed [4]	18,118	17,060	13,970	12,952	13,152
Cash flow from operations	3,813	2,514	2,886	1,847	3,214
Capital expenditure	2,426	3,146	3,207	2,355	3,547
Depreciation	2,036	1,626	1,578	1,325	1,293
Earnings before interest, taxes and depreciation (EBITD)	5,137	4,117	3,899	2,734	3,633
Net operating profit after tax (NOPAT) [4]	1,976	1,881	1,446	820	1,603
Return on average capital employed (ROACE)	11%	11%	10%	6%	12%
Return on equity (ROE)	13%	13%	11%	7%	16%
Equity ratio	48%	47%	43%	47%	44%
Gearing ratio	26%	34%	46%	33%	37%
Dividend per share in EUR [5]	1.20	1.10	1.00	1.00	1.00
Earnings per share in EUR	4.18	3.43	3.08	1.91	4.60
Clean CCS earnings per share in EUR [3]	4.73	3.45	3.74	1.99	6.50
Employees as of December 31	28,658	29,800	31,398	34,676	41,282

[1] As of March 31, 2012, figures for 2010 and 2011 were adjusted according to the revised accounting rules for post-employment benefits (IAS 19 revised).
[2] As of December 31, 2011, figures for 2010 were adjusted according to the final purchase price allocation of OMV Petrol Ofisi A.Ş.
[3] Clean CCS figures exclude special items and inventory holding gains/losses (CCS effects) resulting from the fuels refineries and Petrol Ofisi.
[4] As of 2012, the definitions for NOPAT and average capital employed were adjusted. Please see section "abbreviations and definitions" for details. Historic figures were adapted accordingly.
[5] 2012: As proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2013.



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In the interest of a fluid style, which is easy to read, non-gender specific terms have been used throughout the annual report.

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Annual Report 2012 of OMV Aktiengesellschaft

OMV Aktiengesellschaft

Moving more. Moving the future. OMV

Annual Report 2012 of OMV Aktiengesellschaft

Report of the Supervisory Board

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

Work of the Supervisory Board and its committees

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

Major E&P investmens examined

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

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

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

Matching Share Plan strengthens link between remuneration and shareholder interests

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

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

Annual financial statements and dividend

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

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

Changes in the composition of the Executive Board

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

Changes in the composition of the Supervisory Board

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

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

Vienna, March 20, 2013

For the Supervisory Board

Rudolf Kemler

Corporate Governance Report

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

Commitment to Austrian Code of Corporate Governance

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

Executive Board

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

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

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

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

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

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

Jacobus Huijskes, *1965
Date of initial appointment: April 1, 2010
End of the current period of tenure:
March 31, 2015
Responsible for Exploration and Production since July 1, 2010.

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

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

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

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

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

Working methods of the Executive Board

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

Remuneration report

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

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

Executive Board remuneration policy principles

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

Members of the Executive Board

Their employment contracts are concluded with OMV Aktiengesellschaft and governed by Austrian law. The remuneration of the OMV's Executive Board is at competitive levels for the relevant employment market, and has a strong performance-related component. Conformity with market rates is maintained by regular external benchmarking against peer groups such as European oil and gas companies and relevant Austrian and European industrial companies. The structure for 2012 was set up with the support of PricewaterhouseCoopers LLP who provided continuous consulting to the Remuneration Committee throughout the year.

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

Remuneration of the Executive Board

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

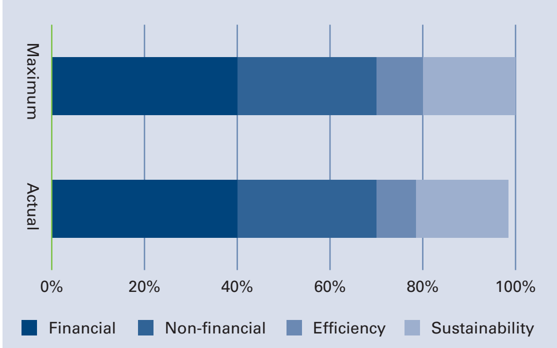
The performance criteria are made up of four areas set out below.

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

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

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

Bonus achievements in % of base salaries



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

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

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

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

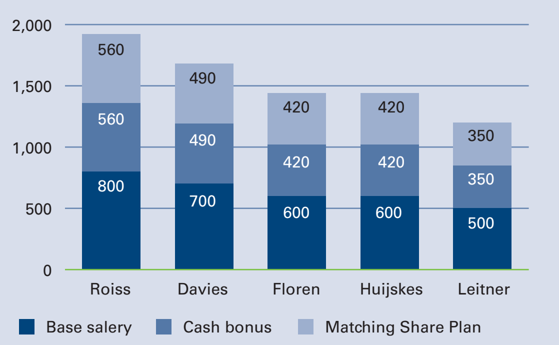
Executive Board members who have been participating in previous long-term incentive plans can choose between cash payment or shares if and to the extent that they have already fulfilled the minimum shareholding requirements for the LTIP 2012.

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

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

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

Annual remuneration scheme – target level in EUR 1,000



Clawback introduced

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

Long-term targets and incentives

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

Details of the Long Term Incentive Plan

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

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

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

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

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

ROACE and Sustainability: Level of vesting

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

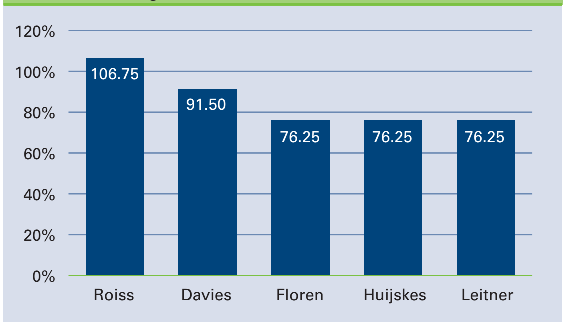
Relative TSR: Level of vesting

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

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

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

LTIP 2012 – target level in % of base salaries



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

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

Executive Board members' shareholdings

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

Stock Option Programs

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

Pensions

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

Executive Board members' shareholdings

Executive Board members' shareholdings

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

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

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

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

Termination entitlements

Termination benefits

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

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

Directors' and officers' (D&O) insurance

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

Indemnity

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

Policy principles for the remuneration of senior management and expert levels

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

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

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

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

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

Supervisory Board

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

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

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

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

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

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

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

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

Helmut Draxler, *1950
Seats: RHI AG.

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

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

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

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

Delegated by the Group works council (employee representatives):

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

Diversity

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

Members of the Supervisory Board

Independence

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

All of the members elected by the Annual General Meeting except Helmut Draxler and Herbert Werner, regarding the duration of their terms, have declared their independence from the Company and its Executive Board during the 2012 financial year and up to the time of making such declarations (rule C 53 ACCG). Under rule C 54 ACCG, Elif Bilgi-Zapparoli, Wolfgang Berndt, Helmut Draxler, Wolfram Littich, Herbert Stepic, Herbert Werner and Norbert Zimmermann have made declarations to the effect that they were not shareholders with a stake of more than 10% or represented such shareholders' interests during the financial year 2012 and up to the time of making such declarations.

Functions of the Supervisory Board and its committees

Working methods of the Supervisory Board

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

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

Presidential and Nomination Committee

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

Audit Committee

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

Auditors

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

Project Committee

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

Remuneration Committee

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

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

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

There were no transactions requiring approval in accordance with section 95 (5) (12) Stock Corporation Act; attention, however, is drawn to transactions totaling approx. EUR 2.1 bn with Raiffeisen group (Herbert Stepic is Chairman of the executive board of Raiffeisen Bank International AG; the transactions in question represent less than 1% of the Raiffeisen group's total assets).

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

Remuneration

Remuneration of the members of the Supervisory Board

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

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

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

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

Employee participation

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

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

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

Rights of minority shareholders

Rights of minority shareholders

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

Women's advancement

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

OMV's diversity strategy

Vienna, March 20, 2013

The Executive Board

Gerhard Roiss

David C. Davies

Hans-Peter Floren

Jacobus Huijskes

Manfred Leitner

Directors' report – operational review

Business developments in 2012

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

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

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

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

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

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

Investment

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

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

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

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

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

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

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

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

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

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

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

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

4. All shares have the same control rights.

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

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

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

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

   b) The capital stock has been conditionally increased by EUR 50.6 mn under section 159 (2) (1) Austrian Stock Corporation Act by issuance of up to 50,627,273 common shares in bearer form (conditional capital). The conditional capital increase will only be carried out if holders of the convertible bonds issued on the basis of the Annual General Meeting resolution held on May 13, 2009, exercise their right to convert them into the Company's stock.

   c) The total number of new shares currently or potentially to be issued under the terms of the convertible bonds and the number of shares to be issued from the authorized capital may not exceed 50,627,273 (amount-related determination of authorizations in accordance with paragraphs a and b), whereby the conversion right of the holders of the convertible bonds must be granted in any case.

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

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

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

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

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

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

Risk management

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

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

Price hedges are proposed to the Executive Board by the Financial Risk Committee, and are centrally managed. For 2012 OMV entered into USD hedges for an exposure of USD 748 mn at an average exchange rate of 1.3616. The USD hedges lead to a negative cash flow of EUR 33 mn (thereof EUR (6.9) mn in 2013). The currency hedges were concluded on behalf of OMV Aktiengesellschaft's affiliates and are disclosed in the affiliates' financial statements.

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

Credit risk exposure associated with the Group's main counterparties is managed on the basis of counterparty limits and bank limits. The risks related to banks, financial institutions, security provider and counterparties are centrally managed by Corporate Finance and at segment level based on centrally managed limits.

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

Sustainability & HSSE (health, safety, security, environment)

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

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

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

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

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

Research and Development

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

Subsequent events

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

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

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

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

Outlook for 2013 for OMV Group

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

Vienna, March 20, 2013

The Executive Board

Gerhard Roiss

David C. Davies

Hans-Peter Floren

Jacobus Huijskes

Manfred Leitner

Auditors' report

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

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

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

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

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

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of December 31, 2012 and of its financial performance for the fiscal year from January 1, 2012 to December 31, 2012 in accordance with Austrian Generally Accepted Accounting Principles.

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

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

Vienna, March 20, 2013
Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Helmut Maukner (Wirtschaftsprüfer) Gerhard Schwartz (Wirtschaftsprüfer)

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

Financial Statements
Balance sheet as of December 31, 2012

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

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

Income statement

EUR 1,000

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

Notes

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

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

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

Accounting and valuation policies

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

Depreciation is based on the following useful economic lives:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Main conditions

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

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

Matching Share Plan (MSP)

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

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

Total expense

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

Stock option plans 2004 – 2008

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

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

At grant dates details of the plans were as follows:

Main conditions

	2008 plan	2007 plan	2006 plan	2005 plan	2004 plan
Start of plan	9/1/2008	9/1/2007	9/1/2006	9/1/2005	9/1/2004
End of plan	8/31/2015	8/31/2014	8/31/2013	8/31/2012	8/31/2011
Vesting period	2 years	2 years	2 years	2 years	2 years
Exercise price	EUR 47.550	EUR 47.850	EUR 45.190	EUR 34.700	EUR 16.368
Option entitlement per OMV share held	20	20	20	20	15
Qualifying own investment					
Executive Board	1,136 shares [1]	1,230 shares [1]	1,242 shares [1]	2,390 shares [1]	3,980 shares [1]
Senior executives	379 shares [1]	410 shares [1]	414 shares [1]	800 shares [1]	1,330 shares [1]
Options granted					
Executive Board members					
Auli [2]	22,720	24,600	8,280	—	19,950
Davies	22,720	24,600	24,840	47,800	59,700
Langanger [3]	22,720	24,600	24,840	47,800	59,700
Leitner [4]	7,580	8,200	8,280	16,000	19,950
Roiss	22,720	24,600	24,840	47,800	59,700
Ruttenstorfer [5]	22,720	24,600	24,840	47,800	59,700
Total – Executive Board	**121,180**	**131,200**	**115,920**	**207,200**	**278,700**
Other senior executives	420,700	432,560	351,940	516,000	464,400
Total options granted	**541,880**	**563,760**	**467,860**	**723,200**	**743,100**
Plan threshold share price	**EUR 54.680**	**EUR 55.030**	**EUR 51.970**	**EUR 39.910**	**EUR 18.823**

1 Or 25%, 50%, or 75% thereof.
2 Member of the Executive Board from January 1, 2007 until December 31, 2011.
3 Member of the Executive Board until September 30, 2010.
4 Member of the Executive Board since April 1, 2011.
5 Chairman of the Executive Board and CEO until March 31, 2011.

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

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

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

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

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

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

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

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

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

Stock option plans

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

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

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

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

Exercise of options by plan participants was as follows:

Options exercised

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

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

Compensation expense **EUR 1,000**

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

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

As of December 31, 2012, **outstanding options** under the various plans were as follows:

Outstanding options

Plan	Exercise price EUR	Options outstanding	Remaining maturity in years	Options exercisable at year-end [1]
2006	45.19	436,800	0.7	–
2007	47.85	522,760	1.7	–
2008	47.55	526,720	2.7	–
Total		**1,486,280**		–

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

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

The fair value as of December 31, 2012 is calculated on the basis of the options still outstanding, while the fair value as of the time of award is based on the total options granted. Assuming that the conditions for exercise are fulfilled during the exercise period, the fair value of the stock option plans is as follows:

Valuation as of December 31, 2012

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

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

Notes to the balance sheet

1 Fixed assets

In the year under review fixed tangible assets were itemized in accordance with minimum statutory requirements. Movements in fixed assets in 2012 are shown in the statement of fixed assets.

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

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

		EUR 1,000
	2012	2011
Maturing in one year	444	273
Maturing in the next five years	1,590	981

Loans with maturities of up to one year amounted to EUR 10 thousand (2011: EUR 9 thousand). During the year just ended OMV Aktiengesellschaft extended the following loans: USD 1,150 thousand and AUD 14,200 thousand to OMV Australia PTY LTD; and EUR 3,637 thousand and USD 50,100 thousand to OMV Finance Services GmbH. OMV Hrvatska d.o.o. has repaid 2012 HRK 90,000 thousand. OMV Pakistan Exploration GmbH has an open credit line of USD 35,000 thousand for the development of the South West Miano Block gas field; as of the balance sheet date, USD 2,395 thousand had been drawn down. Pearl Petroleum Company Limited has an open credit facility of USD 103,871 thousand, of which USD 47,753 thousand had been utilized by the balance sheet date.

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

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

2 Accounts receivable and other assets

				EUR 1,000
		2012		2011
	≤1 year	>1 year	≤1 year	>1 year
Trade Receivables	–	–	17	–
Receivables from affiliated companies	3,912,890	–	3,870,415	–
[thereof trade]	[13,991]	[–]	[10,287]	[–]
Receivables from associated companies	97	–	172	–
[thereof trade]	[27]	[–]	[73]	[–]
Other receivables and assets	91,549	–	84,387	–
Total	**4,004,536**	–	**3,954,991**	–

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

3 Stockholders' equity

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

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

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

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

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

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

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

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

Treasury shares

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

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

Number of shares in issue

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

4 Untaxed reserves

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

5 Provisions

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

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

EUR 1,000

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

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

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

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

Allocation of plan assets as of December 31

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

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

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

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

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

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

Other provisions largely consisted of the following:

EUR 1,000	**2012**	2011
Personnel provisions	34,285	41,262
Sundry provisions	24,611	22,924
Total	**58,896**	**64,186**

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

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

6 Liabilities

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

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

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

Contingent liabilities are as follows:

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

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

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

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

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

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

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

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

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

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

Notes to the income statement

8 Sales

EUR 1,000

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

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

9 Other operating income

EUR 1,000

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

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

10 Expenses for materials and services

EUR 1,000

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

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

11 Personnel expenses

EUR 1,000

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

12 Expenses for serverance payments and pensions

		EUR 1,000
	2012	2011
Expenses for severance payments	—	4,031
Payments to occupational pension funds	489	385
Defined contribution personnel expense	2,526	2,325
Defined benefit personnel expense	3,657	4,595
Total	**6,672**	**11,336**

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

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

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

				EUR 1,000
		2012		2011
	Severance payments	Pensions	Severance payments	Pensions
Executive Board	484	845	3,380	966
Senior executives	245	632	184	565
Other employees	991	4,889	852	5,390
Actuarial gains and losses	(1,717)	(183)	—	—

13 Other operating expenses

		EUR 1,000
	2012	2011
Taxes not shown under item 16 (Taxes on income)	1,271	8,591
Other	86,141	106,519
Total	**87,412**	**115,110**

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

14 Financial income and expenses

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

Income from equity interests amounting to EUR 1,013,686 thousand (2011: EUR 771,054 thousand) include EUR 805,148 thousand (2011: EUR 643,535 thousand) from profit-pooling arrangements, EUR 204,255 thousand from affiliated companies (2011: EUR 123,936 thousand) and EUR 4,283 thousand (2011: EUR 3,583 thousand) from investment income. As of the balance sheet date there were profit and loss pooling agreements with the following companies: OMV Solutions GmbH; OMV Refining & Marketing GmbH; OMV Exploration & Production GmbH; OMV Insurance Broker GmbH; OMV Gas & Power GmbH.

15 Taxes and income

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

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

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

16 Interest rate risk management and derivates

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

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

EUR 1,000

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

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

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

17 Governing bodies, employees and Related Parties

The **average number of employees** was:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 Dividend recommendation

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

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

Changes in untaxed reserves

				EUR 1,000
	As of Jan. 1, 2012	Allocations/ utilization	Transfer	**As of Dec. 31, 2012**
Valuation reserve for impairments				
Tangible assets				
Land	432	–	–	432
	432	**–**	**–**	**432**

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

1,000 in stated currency

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

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

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

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

EUR 1,000

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

Supervisory Board

Markus Beyrer
Chairman [till October 31, 2012]

Rudolf Kemler
Chairman [from November 1, 2012]

Wolfgang C. Berndt
Deputy Chairman

Khadem Al Qubaisi [till May 10, 2012]
Deputy Chairman

Murtadha Al Hashmi [from May 10, 2012]
Deputy Chairman

Alyazia Ali Saleh Al Kuwaiti

Elif Bilgi-Zapparoli

Helmut Draxler

Wolfram Littich

Herbert Stepic

Herbert Werner

Norbert Zimmermann

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

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

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

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

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

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

Executive Board

Vienna, March 20, 2013

The Executive Board

Gerhard Roiss
Chairman

David C. Davies
Deputy Chairman

Hans-Peter Floren

Jacobus Huijskes

Manfred Leitner

Abbreviations and definitions

ACC Austrian Commercial Code

ACCG Austrian Code of Corporate Governance

AGM Annual General Meeting

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

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

bn billion

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

CAPEX Capital Expenditure

capital employed equity including minorities plus net debt

cbm, cf standard cubic meters, standard cubic feet

CEE Central and Eastern Europe

Co&O Corporate and Other

E&P Exploration and Production

EBIT Earnings Before Interest and Taxes

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

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

EU European Union

EUR euro

G&P Gas and Power

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

H1, H2 first, second half of the year

HSSE Health, Safety, Security and Environment

IASs, IFRSs International Accounting Standards, International Financial Reporting Standards

IVMS In-Vehicle Monitoring System

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

KPI Key Performance Indicator

LNG Liquefied Natural Gas

LTIR Lost-Time Injury Rate

mn million

MW megawatt

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

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

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

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

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

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

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

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

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

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

R&M Refining and Marketing including petrochemicals

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

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

ROFA Return On Fixed Assets; EBIT divided by average intangible and tangible assets, expressed as a percentage

RON new Romanian leu

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

sales revenues sales excluding petroleum excise tax

SEE Southeastern Europe

t, toe metric tonne, tonne of oil equivalent

TRIR Total Recordable Injury Rate

TRY Turkish lira

USD US dollar

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

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

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Declaration according to § 82 (4) (3) BörseG

Statement of all Legal Representatives

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group directors' report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the directors' report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, March 20, 2013

Gerhard Roiss

Chief Executive Officer and Chairman of the Executive Board

David C. Davies

Deputy Chairman of the Executive Board, Chief Financial Officer

Hans-Peter Floren

Member of the Executive Board, Gas and Power

Jacobus Huijskes

Member of the Executive Board, Exploration and Production

Manfred Leitner

Member of the Executive Board, Refining and Marketing including petrochemicals

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