Annual Financial Report 2014

OMV Aktiengesellschaft

Moving more. Moving the future.

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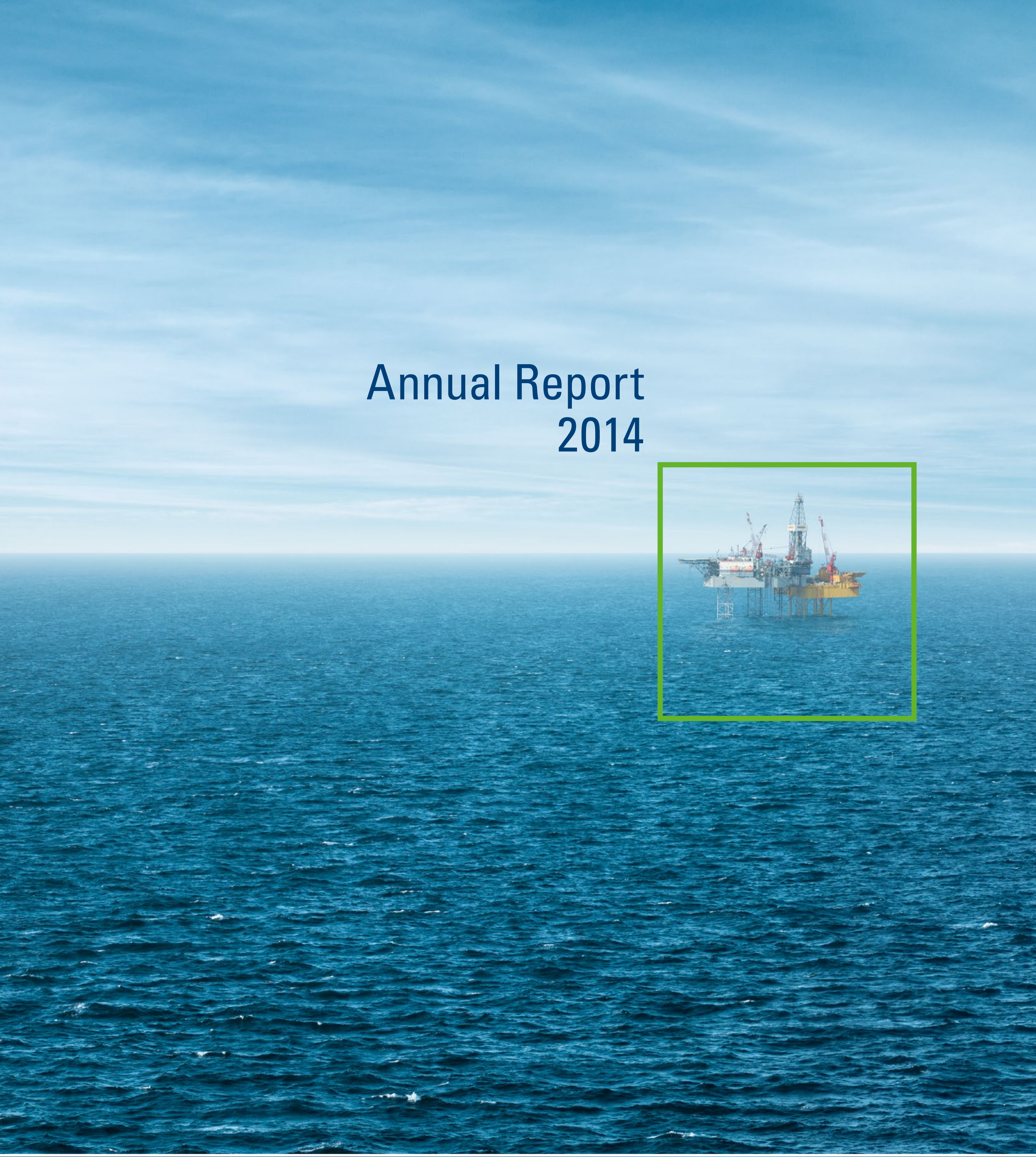

OMV Aktiengesellschaft

Moving more. Moving the future. OMV

“We aim to be a focused, integrated oil and gas company with improved overall profitability and growth in Upstream.”

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Focus Upstream

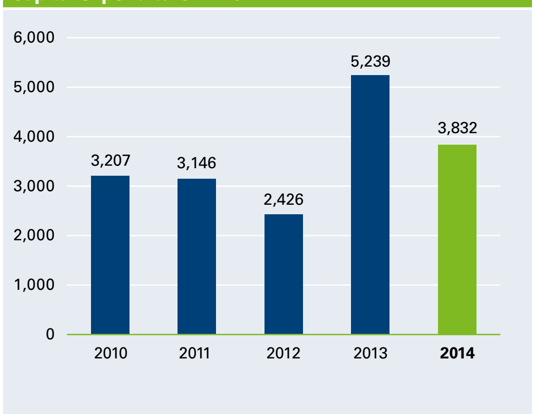
At a glance

EUR mn	2014	2013 [1]	Δ
Sales	35,913	42,414	(15)%
Earnings Before Interest, Taxes and Depreciation (EBITD)	4,110	4,820	(15)%
Earnings Before Interest and Taxes (EBIT)	1,054	2,602	(59)%
Net income attributable to stockholders	357	1,162	(69)%
Clean CCS EBIT [2]	2,238	2,645	(15)%
Clean CCS net income attributable to stockholders [2]	1,132	1,112	2%
Cash flow from operating activities	3,666	4,124	(11)%
Capital expenditure	3,832	5,239	(27)%
EUR			
Earnings per share	1.09	3.56	(69)%
Clean CCS earnings per share [2]	3.47	3.41	2%
Cash flow per share	11.24	12.64	(11)%
Dividend per share	1.25 [3]	1.25	0%
%			
Return On Average Capital Employed (ROACE)	4	11	(68)%
Return On Equity (ROE)	4	11	(64)%

[1] Figures for 2013 were adjusted due to the implemention of IFRS 11 "Joint Arrangements"
[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 2015

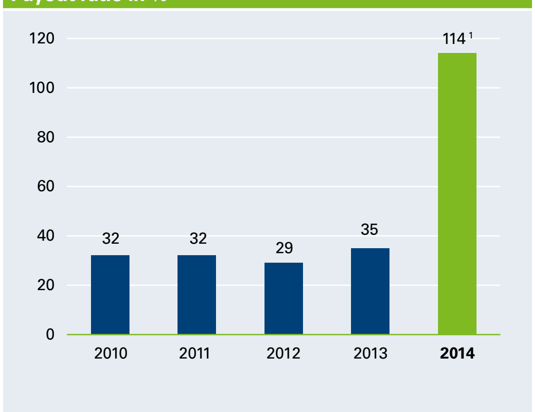
Net income attributable to stockholders in EUR mn

Capital expenditure in EUR mn



ROACE in %

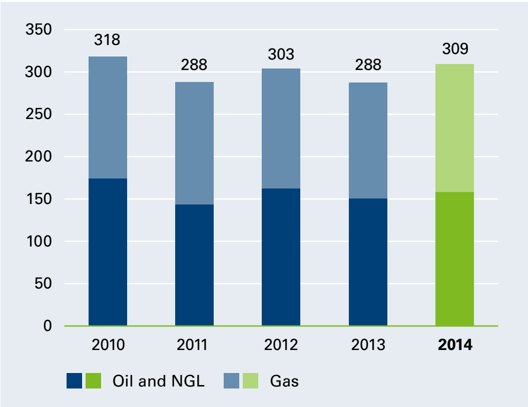
Payout ratio in %



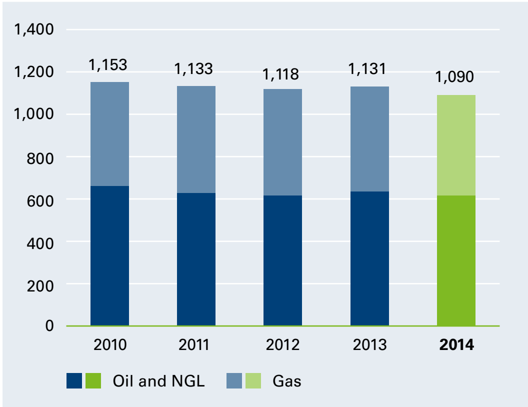
[1] Based on a dividend at the amount of EUR 1.25 per share as proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2015

Exploration and Production

Production in kboe/d



Proved reserves in mn boe



Gas and Power

Gas sales and trading volumes in TWh

Storage volume sold in TWh

Refining and Marketing

Number of filling stations

Since 2011, Petrol Ofisi figures are included

Total refined product sales in mn t

Since 2011, Petrol Ofisi figures are included

Strategy: Profitable Growth

Grow Upstream

The expansion of production capacities in secure EU/OECD countries was continued with a clear focus. Production activities in the Norwegian North Sea added substantial volumes and contributed significantly to cash generation. Important field development projects are currently in execution and will lead to further production growth in the mid-term. Focused investments in exploration activities for oil and gas with key focus areas such as near field opportunities, the North Sea region, Black Sea and Sub-Saharan Africa will add long-term growth potential.

Optimize Downstream

The business segment Refining and Marketing (R&M) has been significantly optimized and provided a strong cash contribution for Upstream growth. In 2014, R&M successfully delivered on strategic goals such as the completion of the EUR 1 bn divestment program and the finalization of the Petrobrazi refinery modernization. In Gas and Power (G&P), the long-term gas supply contract with Gazprom has successfully been placed on a new footing and now reflects changed market conditions. The share of equity gas in G&P's supply portfolio increased in 2014, driven by the start-up of the Gudrun oil and gas field in the North Sea. Furthermore, OMV successfully restructured the gas transportation business in Austria. The asset portfolio in G&P is being reviewed to increase profitability. Starting from January 2015, the former R&M and G&P business segments were merged to one Downstream business segment.

Focus future

Improve performance

The completion of OMV's group-wide performance improvement program "energize OMV" showed noteworthy success. The significant reduction of working capital combined with measures to optimize cost structures and margins led to the targeted 2% points ROACE contribution.

Statement of the Chairman of the Executive Board

Dear shareholders,

2014 was a difficult year for the oil and gas industry as a whole, with oil prices falling by as much as 50% in the second half of the year. Combined with the ongoing political instability in Libya and Yemen affecting our supply, this had a substantial negative impact on OMV's financial performance. Production, however, increased by 8% against 2013, mainly as a result of the acquired assets in Norway. These assets have become the second biggest contributor to OMV's production, supporting the decision to increase our exposure in secure EU/OECD countries and to gain a strong position in the two upstream growth regions in Europe – the North Sea region and the Black Sea.

Norwegian assets became second biggest contributor to OMV's production

"Profitable Growth" strategy confirmed

The Supervisory Board of OMV reconfirmed our strategy in October, which continues to focus on growth in Upstream, i.e. Exploration and Production (E&P). Furthermore, the decision was taken to combine the Gas and Power (G&P) and Refining and Marketing (R&M) business segments into a new business segment Downstream. This will leverage synergies between the divisions and more accurately reflect the prevailing business backdrop.
In order to accommodate a more challenging operating environment, especially the significant decline in the oil price and the unpredictability of our Libyan production, OMV has reviewed and scaled back its investment program for the next three years and has started a program to ensure the Company's fitness for a potentially prolonged low oil price environment. Main elements are further cost cutting measures and capital efficiency. Our key focus for the future is to deliver a neutral free cash flow after dividends over the medium term. At the same time, we remain committed to our long-term gearing ratio target and to our dividend policy.

Upstream

The Upstream business segment benefited from the recently acquired assets in more stable regions to offset interruptions in Libya and Yemen. In Norway, production from the Gudrun field was continuously ramping up as planned and the oil discovery at the Hanssen appraisal well in July reconfirmed the potential of the Wisting area. The Maari Growth project in New Zealand started production at the end of 2014, adding to OMV's record in revitalizing existing fields. Further wells are expected to be drilled in Maari by mid-2015. Drilling of the Domino-2 well in the Romanian Black Sea, Neptun block, was completed in the fourth quarter. The data, which is currently under evaluation, aims to confirm our gas discovery from February 2012. Further exploration drilling continued with the Pelican South-1 well. OMV took further steps to expand exploration in Sub-Saharan Africa by entering an offshore exploration project in Namibia in 2014, following on from the interests acquired in Madagascar and Gabon in the previous year. However, in the light of the current oil price environment, 2015 will see fewer exploration activities than in the previous years. By the end of 2014, OMV had secured a project pipeline of around 1 bn barrels of oil equivalent.

Downstream

2014 marked the successful completion of our divestment program of EUR 1 bn in R&M, which was announced in 2011. The solid refining results in 2014 reflected the benefits of the optimized refining asset base after the sale of the 45% stake in Bayernoil in June and the finalization of the modernization program in the Petrobrazi refinery. The remaining OMV refineries are strongly integrated into crude and/or petrochemicals, with the associated competitive advantages in our core markets. OMV continues to operate three refineries with an annual capacity of around 17.4 mn t: those in Schwechat (Austria) and Burghausen (Southern Germany) feature integrated petrochemical production, while the refinery in Petrobrazi (Romania) is completely dedicated to processing Romanian crude oil and, therefore, 100% integrated with the upstream business. Thus our integrated business model allows us to profit from the positive development in the downstream business in this challenging environment. Moreover, in the gas business we managed to renegotiate and conclude a long-term solution for our gas supply contract in 2014. Additionally, we consolidated the gas transportation business in Austria and initiated a review of the G&P asset portfolio.

Petrobrazi modernization program successfully completed

OMV Petrom: Ten years of transformation

The acquisition of OMV Petrom in 2004 turned OMV into an international player and OMV Petrom into an internationally recognized example for a successful transformation. This success was not achieved by chance – around EUR 1 bn has been invested every year in the past decade. 90% of the profits generated in Romania have been reinvested. OMV Petrom is set to remain the region's leading integrated oil and gas company and we expect Romania to hold major potential in reducing dependency on energy imports.

Sustainable success

The "energize OMV" program launched in 2011 to increase performance and profitability has generated over EUR 2 bn in additional cash flow in three years through working capital reductions and other transactions. We remain committed to our long-term gearing ratio target of ≤30% and to our strong investment grade credit rating. Sustainable growth in the oil and gas industry can only be achieved through a responsible approach to people and the environment. At OMV, this is known as "Resourcefulness" and involves hundreds of initiatives worldwide. One exciting area is hydrogen, where OMV is not only opening hydrogen filling stations in Austria and Germany, but funding research with scientists at Cambridge University to produce hydrogen from water and sunlight.

Looking ahead

Our priorities looking forward are: cash and dividend, upstream growth and highly efficient performance.

With a well-balanced international portfolio, technological expertise, good exploration success rates and exceptional staff, OMV is well positioned to secure energy supply in the decades to come.

I am confident that the dedication and skills of our employees, combined with the support of our customers and shareholders, will allow the Company to enjoy continued success in the years ahead.

Vienna, March 2015

Gerhard Roiss

Highlights 2014

January

- OMV and partners complete the largest 3D seismic survey in OMV's history in the Black Sea offshore Bulgaria

March

- Agreement with Hess to acquire four licenses in West of Shetland (United Kingdom), including the Cambo field and the Blackrock prospect

April

- OMV enters an exploration project offshore Namibia which strengthens OMV's position in Sub-Saharan Africa
- Production starts on new Gudrun platform in the Norwegian North Sea
- OMV expands its footprint in Madagascar to onshore exploration acreage of more than 14,000 km²

May

- OMV's Annual General Meeting approves a dividend of EUR 1.25 per share in respect of 2013
- OMV completes the extension of the butadiene plant in the Schwechat refinery
- OMV and the Tunisian National Oil Company ETAP take the final investment decision to invest EUR 500 mn (OMV share) in the Nawara gas field development project in Tunisia

June

- Pakistan's prime minister Nawaz Sharif inaugurates OMV's Mehar gas plant
- OMV closes the sale of its 45% stake in the German Bayernoil refinery network

July

- OMV finds hydrocarbons at the Hanssen well in Norway and confirms the Wisting area potential of 200-500 mn boe
- OMV Petrom discovers a new oil reservoir on the continental shelf of the Black Sea with the Marina 1 well
- OMV Petrom finalizes the modernization of the Petrobrazi refinery, started in 2010

October

- OMV announces the creation of a combined business segment Downstream
- OMV Petrom and ExxonMobil complete drilling of the Domino-2 well and start to explore a new prospect in the Neptun block, offshore in the Romanian sector of the Black Sea

December

- OMV announces "first oil" from its Maari redevelopment drilling campaign in New Zealand
- OMV Petrom and Hunt Oil discover a new oil and gas field in Buzău County (Romania)

OMV Group objectives and strategy

OMV in 2014

OMV is an integrated, international oil and gas company active in the upstream (Exploration and Production) and downstream businesses (Refining and Marketing including petrochemicals; Gas and Power).

OMV's Exploration and Production (E&P) business segment has a strong base in Romania and Austria and is steadily growing its international portfolio. OMV had proven reserves of approximately 1.1 bn boe at year-end and a production of 309 kboe/d in 2014. Around 85% of its production in 2014 came from EU/OECD countries. The oil/gas split in production is roughly 50/50.

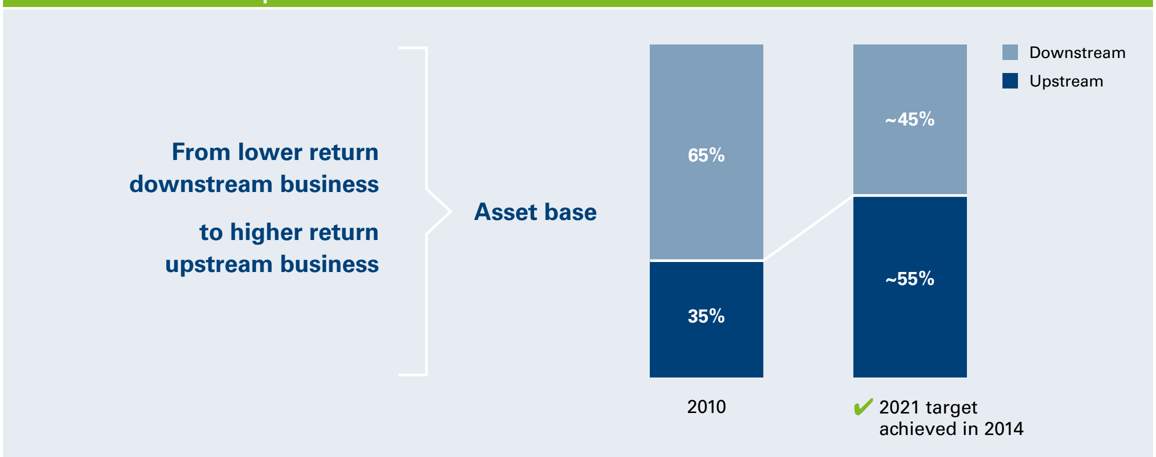
The business segment Refining and Marketing including petrochemicals (R&M) operates three refineries: Schwechat (Austria) and Burghausen (Southern Germany), both of which feature integrated petrochemical production, as well as the Petrobrazi refinery (Romania). The divestment of the 45% share in the Bayernoil refinery was closed in June 2014. OMV now has an annual processing capacity of 17.4 mn t (360 kboe/d). The retail network consists of approximately 4,100 filling stations in 11 countries, with a strong brand portfolio. Together with a high-quality non-oil retail business (VIVA) and an efficient commercial business, OMV has a leading position in its markets.

OMV is one of Austria's largest listed industrial companies

OMV's integrated Gas and Power (G&P) business segment operates across the entire gas value chain. The gas supply portfolio consists of equity gas and is complemented by contracted volumes. OMV operates a gas pipeline network in Austria and owns gas storage facilities with a capacity of 2.7 bcm (30 TWh). Total gas sales and trading volumes amounted to 486 TWh, of which 123 TWh relate to sales volumes. The Central European Gas Hub (CEGH) is a well-established and important gas trading platform on the gas routes from East to West and also operates a gas exchange. The gas distribution node in Baumgarten is Central Europe's largest entry point for gas from Russia. OMV operates two gas-fired power plants, one in Romania and one in Turkey.

With Group sales of EUR 36 bn, a workforce of 25,501 employees and a market capitalization of EUR 7 bn at year-end, OMV Aktiengesellschaft is one of Austria's largest listed industrial companies.

Portfolio shifted towards upstream



OMV Strategy "Profitable Growth"

2014 was a turbulent year for OMV on its transformation into an upstream-focused company. The oil and gas industry as a whole suffered from the decline in oil prices in the second half of the year. Combined with continuing political unrest in Libya and Yemen, this had a negative impact on OMV's financial performance.

In spite of this environment, OMV successfully achieved a number of strategic milestones, such as progressing key upstream projects and further exploration and appraisal drilling in the Black Sea and Barents Sea. In R&M, the EUR 1 bn divestment program was completed as planned. Furthermore, the modernization of the Petrobrazi refinery was successfully finalized. At OMV Group level, the performance improvement program "energize OMV" was completed.

All these steps are in line with the strategy "Profitable Growth" announced in September 2011. OMV's asset base was successfully shifted towards Upstream, from 35% of the asset base in 2010 to 55% in 2014.

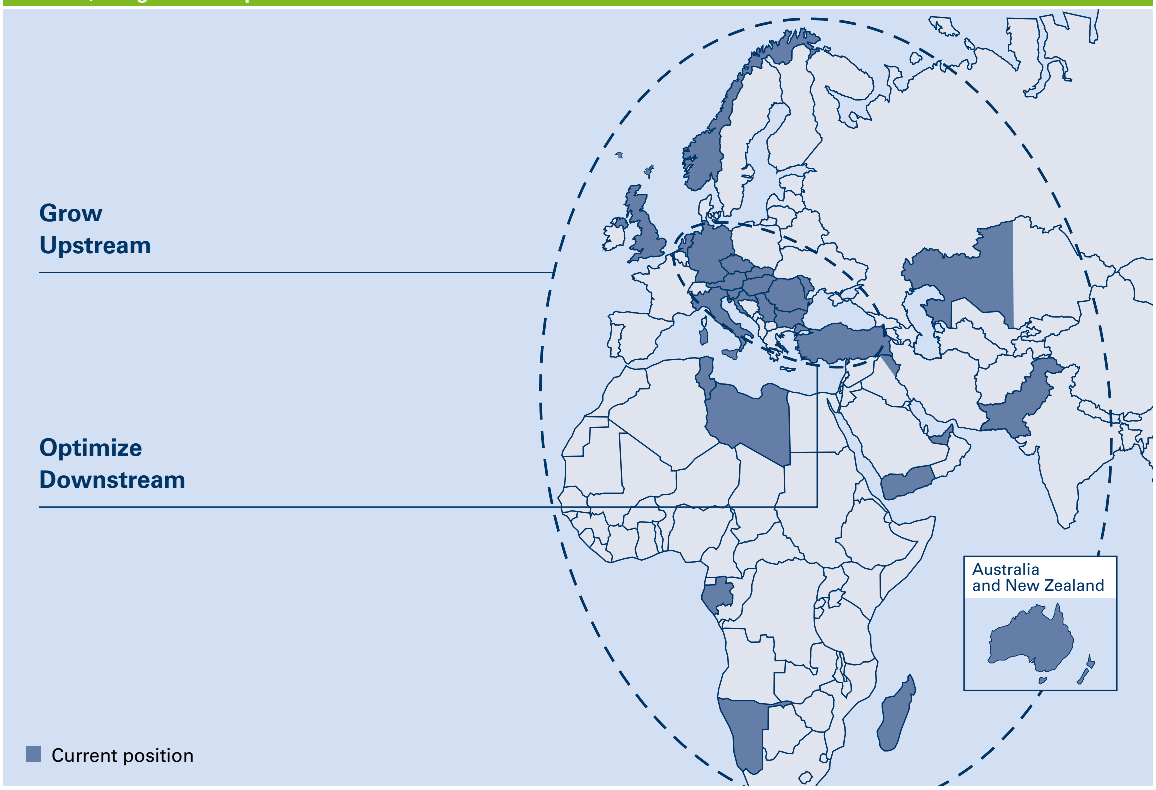
To further optimize OMV's downstream business, the decision was taken to merge the Gas and Power business segment and the Refining and Marketing business segment as of 2015, thus creating a strong and streamlined business segment Downstream. The Exploration and Production business segment was also renamed Upstream as of 2015.

Important strategic milestones achieved

The cornerstones of OMV's strategy at a glance:

- Grow Upstream
- Optimize Downstream
- Improve performance across the entire Group

Focused, integrated and profitable



Grow Upstream

Majority of future investments directed to Upstream

Growth in the Upstream business segment is one of the cornerstones of OMV's strategy introduced in September 2011 by the Executive Board. This strategy was reconfirmed in 2014 by the OMV Supervisory Board. OMV will direct the majority of future investments to Upstream in a bid to continuously improve performance, grow production and build the basis for sustainable, long-term growth.

In 2014, OMV again demonstrated its ability and dedication to deliver on the strategic targets. At year-end 2014, OMV had proven reserves of approximately 1.1 bn boe and production of around 309 kboe/d, approximately 8% above the level of 2013 (288 kboe/d). Around two-thirds of this production came from Romania and Austria. With daily production of up to 50 kboe/d, Norway has become OMV's second-largest country in terms of production. The remaining production came from the growing international portfolio.

OMV's 2014 results were again adversely impacted by the political instability in Libya and Yemen. In the mature core countries (Romania and Austria), OMV focused on stabilizing production and driving performance across the portfolio. Successfully realized performance initiatives, application of state-of-the-art technologies and redevelopment projects helped to stabilize the combined production of Romania and Austria in the range of 200-210 kboe/d. Romania successfully achieved a small increase in production for a second successive year. Furthermore, OMV will continue to invest in Austria to minimize the production decline and to secure the Group's technological advantage.

With our project portfolio, we are well positioned to deliver mid-term growth, including numerous projects, such as Edvard Grieg in Norway, Schiehallion in the United Kingdom and Nawara in Tunisia. Some key highlights for 2014 were the start of production of Gudrun in Norway, Habban in Yemen and Maari Growth in New Zealand. The North Sea region is clearly developing into one of OMV's main strategic pillars in the medium term.

OMV is still committed to growing its production and the portfolio is in place to reach around 400 kboe/d in the mid-term. However, the speed of growth is highly dependent on economic and political developments. Under the current market environment, our focus is on safety, managing the cash flow and optimizing our portfolio. Therefore, OMV scaled back the investment program by prioritizing projects and activities and re-phasing CAPEX and drilling schedules. In the mature core countries, the priority is to minimize the production decline; however, we expect a negative impact on production. The key growth projects in execution, mainly in Norway, United Kingdom, Tunisia and Romania, will be delivered. OMV is retaining options for the medium term – the flexibility to reduce further, as well as the optionality to ramp up activities as market conditions recover.

Long-term growth will come from exploration as well as the further development of our project pipeline (~1 bn boe total volume). Numerous projects in the appraisal and development phase such as Rosebank and Cambo Hub in the West of Shetland area in the United Kingdom, Wisting in Norway, Domino in the Romanian Black Sea, field redevelopment projects in Romania and Austria as well as Shuwaihat in the United Arab Emirates will be developed dependent on a recovery of the market environment.

Exploration activities have been continued to provide additional organic growth opportunities. In 2014, discoveries were made onshore (Padina Nord) and offshore (Marina) Romania and in Libya. In Norway, the Wisting discovery was successfully appraised by the Hanssen well. Drilling in the deep waters of the Romanian Neptun block has recommenced and will continue in 2015. Large license areas were covered by 3D seismic in Abu Dhabi, Namibia, Gabon and Bulgaria. Looking ahead in terms of additional long-term growth potential, key focus areas of exploration are: near field opportunities, the North Sea region, the Black Sea and Sub-Saharan Africa.

Key growth projects in execution will be delivered

Optimize Downstream

Restructured oil downstream

2014 marked an important year for R&M as key strategic goals articulated in the OMV Strategy 2011 were delivered:

- Optimized asset base (reduced refining capacity and marketing assets)
- Increased operational performance
- Strengthened petrochemicals integration

EUR 1 bn divestment program delivered

OMV managed to successfully adjust its exposure to the oil downstream business by delivering the EUR 1 bn divestment program. In 2014, OMV closed the sale of its 45% stake in the German Bayernoil refinery and divested a stake in the Marmara terminal in Turkey.

The completion of the Petrobrazi refinery modernization in Romania brought significant operational improvement and supports our strategy of shifting to high-value product yields. The EUR 600 mn project was successfully implemented on time and on budget and led to sustainable improved results at the refinery.

Part of our strategy to improve operational performance and to increase our competitiveness was the successful contribution of R&M to the group-wide "energize OMV" performance improvement program.

OMV continued its efforts towards increasing petrochemical integration by investing in butadiene production facilities. The first project in Schwechat was finalized in May 2014, while the project in Burghausen is on track to be completed in 2015. Through these investments, OMV will increase its petrochemical capacity to ~2.2 mn t by 2016.

In the retail business, OMV continues to focus on optimizing profitability and performance, with only selective investments to be made. Strict cost management across the network and a focus on high-quality products (MaxxMotion) have contributed to a strong result for the retail business in 2014.

OMV operates in Austria and Romania, with a multi-brand strategy, with OMV VIVA as a premium brand, Avanti (Austria) in the discount segment and Petrom (Romania) in the value for money segment. Petrol Ofisi in Turkey is an established premium brand.

Leveraging OMV Group supply synergies, OMV will continue to focus on further optimizing the Turkish business, benefiting from its strong logistics infrastructure and product supply capabilities.

From a mid-term perspective, our strategy focuses on the following priorities:

- Maximize margin through strong integration along the value chain (upstream, retail, petrochemicals)
- Strengthen the refineries' competitiveness by increasing cross-site integration
- Enhance position in core markets
- Strict cost and CAPEX management

Through the improved efficiency of our refinery operations, product structure and focused marketing business, OMV targets to sustain overall the refinery utilization rates of above 85% across its portfolio and to generate robust cash flow for the Group.

Over the long term, OMV targets superior integration of assets and delivery of operational excellence, and strong financial performance in the downstream business.

Integrated gas

In recent years, European gas markets have undergone fundamental structural changes. The subsidized expansion of renewable power generation capacity and high utilization of coal-fired power plants have continued to impact European gas demand negatively. Especially in Western Europe, gas markets have been characterized by rising liquidity and strong competition. These changes have also had repercussions for OMV's gas and power business. However, as the cleanest fossil energy source, gas will play an important role in the energy mix of the future.

In response to this changed environment, and as a result of a detailed review of the business, the decision has been taken to merge the G&P business segment and the R&M business segment and to initiate a streamlined Downstream business segment starting from January 1, 2015.

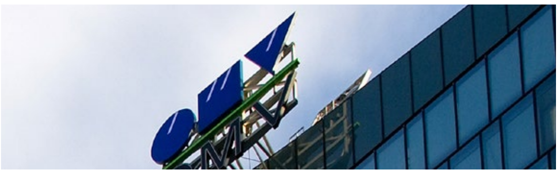
The strategic priorities remain unchanged. OMV is reviewing and optimizing the asset portfolio to increase profitability in this challenging market environment. An important step towards this was made with the amendment of the gas supply contract agreed with Gazprom. The long-term contract has been placed on a new footing that reflects changed market conditions, safeguards the security of supply for Austria and significantly increases the competitiveness of the gas sales business. In line with the Third Energy Package, OMV successfully finalized the restructuring of its gas transportation business in Austria, including a merger of Gas Connect Austria and Baumgarten Oberkappel GmbH and transferring operations of the TAG pipeline to Trans Austria Gasleitung GmbH in return for an increase in its stake from 11.0% to 15.5%.

Another priority relates to the best possible monetization of OMV's growing equity gas position. The business markets gas volumes from OMV's North Sea gas fields and will be pivotal to market potential equity gas volumes from the Black Sea. With these gas positions, OMV will play an important role in further securing and diversifying gas supply to Europe.

In 2014, the power business was marked by operationally strong performance on the one hand, but difficult market conditions on the other, the latter especially in Romania.

Focus on optimizing the gas and power asset portfolio

Improved performance across the entire Group



In 2014, OMV successfully completed its group-wide performance improvement program "energize OMV", reaching the key target of a 2% points contribution to ROACE through measures to optimize cost structures, margins and capital optimization. More than 130 projects were implemented across all divisions and business units. Major improvements achieved until end of 2014 included a EUR 2 bn reduction in net working capital, which involved structural measures like securitization of receivables, factoring, the sale of the national stockholding business in Austria as well as measures for optimizing procurement services. Additionally, EBIT improvements of around EUR 700 mn were achieved through various projects targeting the cost base as well as the volume and margin base of the businesses.

Investment program adjusted and cost reductions initiated

In response to falling oil prices in the second half of 2014, OMV has acted decisively in order to maintain profitability and a strong balance sheet and started a program to ensure OMV's fitness for a potentially prolonged low oil price environment. Adjusting the investment program, cost reductions and efficiency improvements are at the heart of the measures to achieve a broadly neutral free cash flow after dividends over the medium term.

Strategic objectives

2014	Targets
Delivery of strategic targets	✔ Stabilized production in Romania and Austria at 200-210 kboe/d ✔ R&M divestments of EUR 1 bn ✔ "energize OMV" successfully delivered: +2% points ROACE improvement ✔ Increased competitiveness of gas sales business
Mid-term goal	**Guiding principles**
Free cash-flow neutrality after dividends	– Strong focus on CAPEX and cost management – Review of divestment options – Delivery of projects in execution – Mid-term outcome: production of ~400 kboe/d
Long-term goal	**Guiding principles**
Build a position for long-term growth	– Focused exploration footprint – Sustainable, well-balanced upstream portfolio complemented by efficient downstream operations

Sustainability

At OMV, we have a long tradition of responsibility towards society and the environment. In 2014, we embedded sustainability further in our operations.

Together with the wider oil, gas and energy sectors, we face a global rise in demand, increased scrutiny and more stringent environmental and social requirements. Our industry is facing stricter environmental regulatory requirements, notably in Europe in relation to the European Union's 2020 emissions reduction targets. We are also aware that the United Nations is developing the next set of Sustainable Development Goals beyond 2015, and these will require careful consideration.

OMV's sustainability strategy: Resourcefulness

The OMV sustainability strategy, "Resourcefulness", focuses on achieving profitable growth in a sustainable and responsible way. Being in the natural resources business, we see it as our responsibility to secure energy supply for the present and for the future.

Resourcefulness brings together all our commitments under one strategy, organized around three focus areas:

- Eco-Efficiency
- Eco-Innovation
- Skills to Succeed

Sustainability Governance: Our "Resourcefulness" strategy is managed and overseen by two governance bodies: the **Resourcefulness Executive Team** comprises representatives of each "Resourcefulness" topic and business segment and is responsible for further developing the "Resourcefulness" strategy and implementing it into operations; the **Resourcefulness Advisory Board** comprises high-ranking external experts who advise us on how we can best develop the strategy, as well as providing feedback on current programs.

Performance: In 2014, we continued to make progress in sustainability. Detailed information on our performance can be found in the **OMV Sustainability Report 2014.**

We submit information to leading sustainability rating agencies such as oekom, Vigeo, MSCI and Ethibel, and report according to the Carbon Disclosure Project (CDP). In 2014, we significantly improved our CDP score from 81B to 99B and have been included in the DACH Carbon Disclosure Leadership Index (CDLI) as a top performer in the oil and gas sector.

Eco-Efficiency: We have committed ourselves to an active environmental and energy management that ensures the sustainable and resource-efficient production and processing of our products. We have put our Eco-Efficiency spotlight on reducing both greenhouse gas emissions and our water consumption. OMV focuses on natural gas, the cleanest fossil energy sources.

"Profitable growth" in a sustainable and responsible way

Eco-Innovation: We use our core expertise and employ new technologies to develop alternative energy sources and new business areas. In doing so, we focus on second-generation biofuels and hydrogen mobility. For example, we are investing in hydrogen, with a plan in place together with partners to open up to 400 hydrogen filling stations in Germany by 2023. In Austria, we have commenced the wind2hydrogen project, under which we convert electricity produced by wind into hydrogen.

Furthermore, we have started to convert biomass into diesel in the Schwechat refinery. In 2014, all tests were finished and the economics are still under evaluation. The technology works; further efforts are still needed to develop a robust business case.

Skills to succeed: We invest in the economic development of the communities in which we operate. For example, in 2014 we launched the Women's Empowerment Program in Pakistan. This initiative provides education and economic opportunities to women in the communities neighboring our operational sites. In Austria, we signed a memorandum of understanding with the Austrian Development Agency, which aims to improve vocational and entrepreneurial skills among the communities where OMV has operations. We also support wider educational initiatives in the fields of technology and entrepreneurship across our core markets, with a focus on women. For example, last year we continued the "Austria is looking for the queens of technology" initiative. In 2014, we welcomed 1,400 new people onto the program and also attracted two new industrial partners.

Our HSSE vision "ZERO harm – NO losses"

Reporting on what matters

Following the Global Reporting Initiative's G4 guidelines, OMV conducted a materiality analysis in 2014. This enabled us to identify what matters most to our organization and to our most important stakeholders in terms of sustainability. More than 400 stakeholders were invited to participate in the engagement process. We identified and prioritized key sustainability issues, which were validated internally by senior management. Through this process, we grouped the material issues into 18 distinct topics, giving us greater clarity on the areas where we need to focus and report (see matrix below).

The outcomes of this materiality process are relevant to the whole OMV Group and are the cornerstone of the **OMV Sustainability Report.**

How we performed

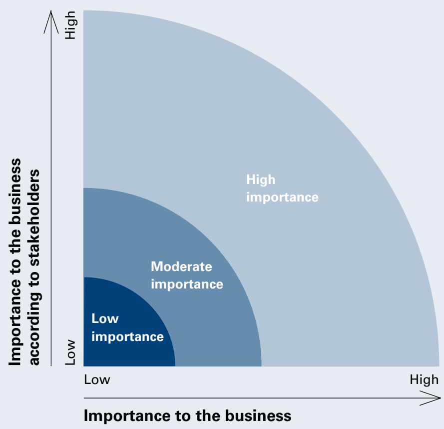
1. Health, Safety, Security and Environment (HSSE)

HSSE is a key value of our business. The physical and mental well-being and safety of our people, as well as the integrity of our operating facilities, are of crucial importance to us. Loss prevention and proactive risk management are essential to maintaining OMV's license to operate. Sadly, in 2014 there were three work-related fatalities. We are committed to working hard in order to create an incident-free environment wherever we operate following our vision "ZERO harm – NO losses". We very closely monitored the security situation and performed orderly evacuations in Libya as well as in the Kurdistan Region of Iraq and we managed to ensure security of our employees and business continuity. With regards to our operations in high-risk

Our 2014 materiality matrix

Moderate importance
- Water management
- Renewable energy
- Supply chain management
- Research and development

Low importance
- Unconventional energy sources
- Biodiversity



High importance
- Health and Safety
- Oil spills
- Security
- Business ethics and corruption
- Energy efficiency
- Regulatory environment
- Employee attraction, retention and training
- Impacts of climate change
- Governance
- Community engagement
- Diversity
- Human rights

countries, we maintain a close working relationship with our security intelligence providers, which enables proactive decisions regarding security protection (e.g. in Tunisia we detected an increased threat facing our operations in the southern desert and we were quickly able to make appropriate enhancements to our protective measures).

Key actions in 2014 included:
- Establishment of a new HSSE vision: ZERO Harm – NO Losses
- Roll-out of computer-based training initiatives on process safety
- Completion of a Hazardous Substance Project to assess hazardous substances and develop training materials for employees and emergency response staff
- Further increase in participation by top management in high-potential incident investigations
- Focus on contractor management
- Development of the OMV Water Strategy
- Implementation of flaring and venting reduction projects
- Launch of an employee health promotion campaign, to improve health and raise awareness of the importance of personal care

In 2014, OMV provided 281,952 HSSE training hours for its employees. OMV's goal is to optimize our processes in order to use natural resources as efficiently as possible, and to reduce emissions and discharges. Spill risk management is a key focus across our operations. In 2014, there were seven major hydrocarbon spills (L3-L5 according to OMV definitions), totaling 69,924 liters of hydrocarbons spilled. These were caused by corrosion and, in two instances, the cause was third-party activities. OMV carries out a broad range of incremental energy efficiency improvements. The key is to reduce greenhouse gas (GHG) emissions and save energy costs. We have programs in place to drive down energy consumption across all our operations. All OMV refineries, Gas Connect Austria and OMV Petrom Group have energy management systems certified to ISO 50001. Key action areas include a targeted cut of 350,000 gigajoules between 2012 and 2015 at the Schwechat refinery in Austria. Furthermore, the modernization program at the Petrobrazi refinery is already having a significant impact, with its Energy Saving Program leading to GHG savings of around 280,000 t CO_2 equivalent to date. A new OMV E&P Environmental Standard has been implemented. This includes the introduction of a zero continuous flaring and venting policy (except for safety purposes) for new upstream projects as well as phase-out requirements for existing continuous flaring and venting. In Tunisia, a major flaring reduction project has led to savings of around 106,000 t CO_2 equivalent per annum. We have also achieved a significant reduction in the amount of vented gas, due to field modernization and optimization projects in E&P Romania. Regarding water management, our focus is on efficient water use and state-of-the-art water treatment. In 2014, we carried out a group-wide water-related risk assessment, using the IPIECA Global Water Tool, GEMI Local Water Tool and the Water Risk Filter, and developed a Water Strategy which will be implemented in 2015.

Lost-Time Injury Rate improved by 36% vs. 2012

Performance indicators

	2014	2013	2012
Safety			
Lost-Time Injury Rate (LTIR) per million hours worked for own employees	0.46	0.52	0.66
Lost-Time Injury Rate (LTIR) per million hours worked for contractors	0.42	0.52	0.71
Lost-Time Injury Rate (LTIR) per million hours worked, total	0.44	0.52	0.69
Total Recordable Injury Rate (TRIR) per million hours worked for own employees	0.98	1.11	1.15
Total Recordable Injury Rate (TRIR) per million hours worked for contractors	0.96	1.30	1.72
Total Recordable Injury Rate (TRIR) per million hours worked, total	0.97	1.24	1.52

High compliance standards in all locations

2. Business ethics
OMV aims to uphold uniformly high compliance standards in all locations. A dedicated cross-regional compliance organization, consisting of 41 compliance experts, is employed to ensure OMV standards are consistently met across the Group. Training is regularly carried out to ensure compliance with internal as well as external regulations and laws. In 2014, 1,376 employees were trained on business ethics, 516 on competition law and a further 547 on capital markets law.

3. Diversity
OMV is committed to the Group's Diversity Strategy, which outlines two areas of focus through to 2020: gender diversity and international diversity. In terms of gender diversity, the target is to have women in 30% of Senior Vice President positions by 2020. In the area of internationality, we have three KPIs in place that focus on an appropriate mix of local and non-local nationalities within the management boards of major OMV entities, and on Senior Vice President level overall. At December 31, 2014, women held 14.6% of our Senior Vice President positions, with international (non-Austrian) employees holding 47.9%. Improvements have also been achieved with regard to the proportion of women on OMV's development programs: within the Integrated Graduate Development Program, the proportion of women included increased from 29% in 2013 to 34% in 2014; and within OMV's talent development programs from 36% to 42%.

4. Stakeholder and community engagement
Effective stakeholder engagement enables us to better anticipate and take advantage of fast-changing societal expectations and operating conditions. In 2014, OMV conducted eight stakeholder analysis workshops in order to make sure the relevant internal and external stakeholders are involved in the company's business context. In Romania, OMV held a major dialog event with 132 participants, representing all our key stakeholder groups, discussing topics including long-term environmental and social issues. We also train our people to engage effectively with local communities. In 2014, 50 line managers and community managers in nine countries received appropriate training.

5. Human rights
We have a human rights due diligence process in place, together with various training and awareness initiatives. OMV is a signatory to the United Nations Global Compact. In 2014, OMV defined new KPIs associated with the awareness of human rights among OMV employees and A-suppliers (suppliers accounting for 80% of total purchasing across OMV). In this regard, human rights training sessions have been conducted with 324 employees from Algeria, Austria, Gabon, Kurdistan Region of Iraq, Madagascar, Namibia, New Zealand, Romania, Pakistan and Tunisia. In addition, we also provided human rights training to every external supply chain auditor of our A-suppliers, as well as 14 staff members of a potential future supplier in Romania.

Innovation and new technologies

The innovation effort in the OMV Group is focused on research as well as conceiving and implementing ideas that will bring benefits to our customers, the environment and the Company itself. Innovation and new technologies help our business segments to extend their core expertise and achieve high product quality and service standards. OMV collaborates closely with universities, other research institutions and numerous industrial partners, and is an active member of many technology networks. More details about Eco-Innovation projects are reported in OMV's Sustainability Report. Group expenses for innovation and new technologies amounted to EUR 25 mn in 2014 (2013: EUR 17 mn).

In the Upstream business, over 70 projects with a focus on innovation and technology were carried out. The majority of hydrocarbon production within OMV still comes from the mature assets in Romania and Austria and hence the major effort in technology development is directed there, with a focus on materials and corrosion as well as enhanced oil recovery (EOR) methods. Corrosion is one of the most widespread causes of failure in the production and transportation of hydrocarbons, posing long-term safety, environmental, integrity and financial risks. Low corrosion rates have been achieved due to optimum inhibitor treatment and corrosion monitoring. Even in highly corrosive environments, corrosion rates are now as low as a few thousandths of a millimeter per year compared to several millimeters per year in untreated cases. As a result, the reduction of workovers and pipeline leakages has not only led to lower operating costs, but also to a decrease in production losses. Optimizing EOR can increase production of oil and decrease the amount of water produced from mature fields. One of the most promising EOR technologies is polymer injection, which can change flow patterns, significantly boosting recovery. Various projects are currently running in the EOR area. Amongst others, OMV is exploring the theoretical aspects of chemical EOR in laboratory tests, and is also conducting a polymer injection pilot to accelerate the deployment of the technology. After process simulation, we started testing injection of the polymer solution and it took more than one year to see a polymer breakthrough in the production wells. The analysis is still ongoing and roll-outs are planned. It is essential to draw up detailed plans for placing exploration, development and production wells most efficiently, based on seismic subsurface data. Our long-term cooperation with CGG – one of the world-leading seismic service companies – supports OMV in its objective and allows us to stay at the forefront of geophysical technology. OMV also supports and cooperates with European universities to further develop seismic technologies for future challenges in unexplored terrain.

Focus on new enhanced oil recovery methods

In the Downstream business, we continually optimize and develop new technologies and recipes for the production of premium fuels of the highest quality. We also work on the development of technologies for the production of advanced renewable biofuels. The reduction of greenhouse gas intensity and increased efficiency is an essential element of fuels research. In this field we cooperate with universities, research institutions and the automotive industry. Hydrogen is an important future energy carrier and OMV is involved in projects on retail infrastructure, mobility and production of hydrogen. As part of the research project Power2Gas, OMV is working with partners on transforming electricity into hydrogen or synthetic methane. The advantage here is to use existing gas infrastructure for transportation and storage of energy. The goal of the Wind2Hydrogen project is to set up the conditions needed to produce "green hydrogen" from renewables; electric energy converted to hydrogen can be stored, transported or used, whenever it is convenient for customers.

Report of the Supervisory Board

Dear shareholders,
In 2014, the Supervisory Board thoroughly monitored the conduct of OMV's business by the Executive Board and advised the Executive Board in the decision-making process. 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 operating environment, as well as business opportunities and risks for OMV.

Work of the Supervisory Board

In 2014, one of the main focus areas of our work was a thorough assessment of the future strategic positioning of the business segment Gas and Power, taking into account the dramatic change in the market environment. In October, we decided to integrate the business segment Gas and Power into the business segment Refining and Marketing, thereby creating a combined business segment "Downstream". We also intensively discussed with the Executive Board the progress report on OMV's strategy and reconfirmed its principles to grow upstream and to optimize downstream, both being adjusted to changing market conditions. OMV will remain an integrated oil and gas company pursuing value-creating growth by means of an even more balanced risk strategy in the future. In this context, special focus shall be placed on increasing profitability, an optimized risk profile as well as on a sustainable dividend policy. In line with the strategy of targeting upstream growth, the Supervisory Board discussed and approved upstream investment projects in Bulgaria, New Zealand, Norway, Romania, Tunisia and the UK and a divestment in KRI as well as measures aiming at further optimizing the downstream business in Austria, Romania and Turkey. On OMV Group's financing, we supported a new EUR 750 mn Eurobond transaction, a loan agreement with the European Bank for Reconstruction and Development and other refinancing transactions, enhancing OMV's debt maturity profile. Other focus areas included the annual planning process for the medium-term period (2015-2017), the budget for the financial year 2015, and the investment program going forward, reflecting lower oil prices. Finally, we discussed other key issues such as an investor study and the annual report of the compliance officer.

Composition of the Supervisory Board

To expand the Supervisory Board's expertise in the upstream business, Roy Franklin (an internationally-renowned expert in the oil and gas industry) was elected for the first time as a member of the Supervisory Board at OMV's Annual General Meeting on May 14, 2014, following Norbert Zimmermann. Also in that meeting, the following persons were reelected as member of the Supervisory Board: Murtadha Al Hashmi, Alyazia Ali Saleh Al Kuwaiti, Wolfgang C. Berndt, Elif Bilgi Zapparoli, Helmut Draxler, Rudolf Kemler, Wolfram Littich, Herbert Stepic and Herbert Werner. There have been no changes regarding the employee representatives on the Supervisory Board.

Changes in the Executive Board

On September 16, 2014, Jaap Huijskes, Executive Board member responsible for Exploration and Production, informed the Chairman of the Supervisory Board that he intends to step down from his position in the first half of 2016 due to personal reasons. On October 14, 2014, the Supervisory Board and Gerhard Roiss agreed that Gerhard Roiss will resign from his position as Chairman of the Executive Board and CEO as of June 30, 2015. As of December 31, 2014, the process for the identification of suitable successor candidates for the positions of CEO, CFO (whose term is scheduled to end in March 2017 and who is therefore included in the search process) and the Executive Board member for Exploration and Production was ongoing. Following the decision to create a combined business segment Downstream headed by Manfred Leitner as of January 1, 2015, the Supervisory Board and Hans-Peter Floren agreed that Hans-Peter Floren, Executive Board member for Gas and Power, resigns as of December 31, 2014.

Supervisory Board committees

In preparation of the Annual General Meeting 2014, the Presidential and Nomination Committee identified the candidates for election to the Supervisory Board. Furthermore, it closely monitored and advised on the process that led to the decision to create a business segment "Downstream" by integrating Gas and Power into the Refining and Marketing business segment. Finally, the Committee initiated the process to identify suitable successor candidates for the positions of CEO, CFO and Executive Board member for Exploration and Production. The Remuneration Committee prepared the amendments to the contract terms of Executive Board members Gerhard Roiss, Manfred Leitner and Hans-Peter Floren resulting from the changes in the Executive Board and continued to monitor the impact of the revised variable compensation system for the Executive Board agreed in 2012. To promote a combined focus on the achievement of the strategic objectives of OMV's strategy "Profitable Growth", it also introduced a long-term compensation scheme for Executive Board members (which is also aimed at around 250 members of the executive management). This "Strategic Incentive Plan" is based on virtual share grants paid out in cash equivalents, subject to achievement of defined performance measures, at the end of the plan period. The Audit Committee dealt with key issues relating to accounting processes, internal audit, risk management and improving the Group's internal control and management systems. Furthermore, the Audit Committee examined OMV's preparation for the changes resulting from the implementation of the Austrian Accounting Control Act (Rechnungslegungs-Kontrollgesetz) as well as procedures in the IT-environment safeguarding business and operations. OMV's Group auditor, Ernst & Young, 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 the latest developments in corporate governance and financial reporting, we held a special workshop with OMV's Group auditor again this year. 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, which did not give rise to any qualifications, the Supervisory Board approved the directors' report, prepared in accordance with section 96 (1) Stock Corporation Act, and the financial statements of OMV Aktiengesellschaft for 2014, which were thereby approved pursuant to 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 accepted the Executive Board's proposal to the Annual General Meeting to pay a dividend of EUR 1.25 per share and to carry forward the remainder of the profit for the year to new account. 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 2014, as well as all shareholders, customers and partners for their trust.

Vienna, March 18, 2015
For the Supervisory Board

Rudolf Kemler

Corporate Governance Report

OMV, as a publicly listed company with its headquarters in Austria, is dedicated to the principles of sound corporate governance. Austrian law, the articles of association, the internal rules for the corporate bodies and the Austrian Code of Corporate Governance (ACCG) provide the core legal framework for OMV's corporate governance. OMV has always sought to comply with best practice in corporate governance in order to ensure responsible management and control of the OMV Group, a high level of transparency for every stakeholder and, ultimately, the sustainable and long-term creation of value. OMV therefore also complies with the non-compulsory, best practice recommendations of the ACCG ("R-rules").

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 2014 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. As for C-rule 27, an explanation concerning the Strategic Incentive Plan is provided in the corresponding section in the remuneration report.

Executive Board

From left to right: Gerhard Roiss, David C. Davies, Manfred Leitner, Jaap Huijskes

Gerhard Roiss, *1952
Date of initial appointment: September 17, 1997
End of the current period of tenure:
June 30, 2015 (as agreed between Gerhard Roiss and the Supervisory Board on October 14, 2014).
Chairman of the Executive Board and Chief Executive Officer (since April 1, 2011).
Responsible for the overall management and coordination of the Group.

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, 2017
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.

Deputy chairman of the supervisory board of Borealis AG and member of the supervisory boards of Wiener Börse AG and CEESEG Aktiengesellschaft.

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.

Jaap Huijskes, *1965
Date of initial appointment: April 1, 2010
End of the current period of tenure:
September 30, 2018. Jaap Huijskes has, however, announced to resign as member of the Executive Board in the first half of 2016. Responsible for Exploration and Production (E&P) since July 1, 2010. This business segment was renamed Upstream effective January 1, 2015.

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:
December 31, 2017.
Responsible for Refining and Marketing (R&M), as well as for OMV Group's plastic and chemical interests. Following the integration of the business segment Gas and Power into the business segment R&M effective January 1, 2015, Manfred Leitner has been responsible for the newly combined business segment Downstream.

Member of the supervisory board of Borealis AG and chairman of the supervisory board of Erdöl-Lagergesellschaft m.b.H.

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
Hans-Peter Floren resigned as member of the Executive Board effective December 31, 2014. Responsible for Gas and Power (G&P) until December 31, 2014.

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 practices of the Executive Board

The approval requirements, responsibilities of individual Executive Board members, 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 2014, the structure of the compensation for Executive Board members was supplemented by the Strategic Incentive Plan in order to support OMV's strategy "Profitable Growth".

Executive Board remuneration policy

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. Reflecting additional responsibilities in Group companies, as of April 1, 2014 also new employment contracts have been concluded with Gerhard Roiss for OMV Exploration & Production GmbH and David C. Davies for OMV Solutions GmbH.

The remuneration of OMV's Executive Board members 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. PricewaterhouseCoopers LLP (PwC) acted as advisors 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.

Annual Remuneration

Base salary

The fixed base 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.

Non-cash benefits

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.

Bonus

The annual bonus consists of two elements: the cash bonus and the Matching Share Plan (MSP), both subject to the same performance criteria.

Depending on the achievement, a maximum of 100% of the base salary may be paid as variable cash remuneration in the following financial year **(cash bonus).**

Performance measures are agreed and then assessed at the end of the performance year. The performance criteria for the performance year 2014 are made up of the four areas set out below.

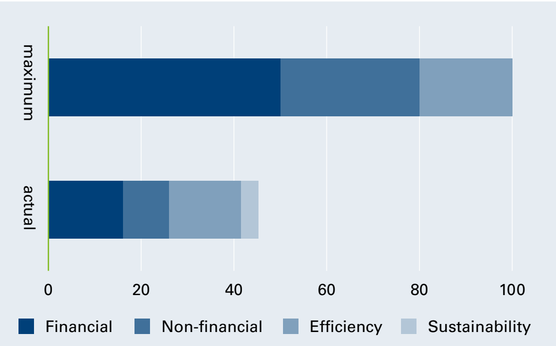
Area	Criteria
Financial	Clean CCS EBIT; Clean CCS ROACE
Non-financial	Production; Reserve Replacement Rate
Efficiency	Includes for example the execution of capital projects in time and in budget
Sustainability	General progress

The achievement of targets shall be determined by comparing agreed targets with actually achieved results. The actual achievements are reviewed by an independent expert. The award of the cash 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.

The actual achievements in 2014 result in a payment of 45.3% of the base salary to be paid in

2015. Financial and non-financial performance was adversely affected by a more challenging environment. Efficiency targets were mostly met. Improvements in the areas Skills to Succeed, Eco-Efficiency and Eco-Innovation led to a positive adjustment of the bonus achievement.

Bonus achievements in % of base salaries



The **Matching Share Plan** (MSP) for the year 2014, as approved by the Annual General Meeting in 2014, is the second element 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 the same amount 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, the MSP 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 can choose between cash payment or shares if and to the extent that they have already fulfilled the minimum shareholding requirements for the Long Term Incentive Plan.

In line with the cash bonus, the actual achievements in 2014 result in a payment of 45.3% of the base salary to be paid in 2015.

In the case of a **clawback** event, shares granted will be reduced or may be clawed back upon request from 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, and serious misconduct of individual Executive Board members which violates Austrian law. Furthermore, if the shares or cash equivalent

Executive Board remuneration [1] EUR 1,000

Remuneration 2014	Roiss	Davies	Huijskes	Leitner	Floren	Total
Fixed (base salary)	913 [2]	841 [3]	713	579	600	**3,645**
Variable (cash bonus)	610	533	478	381	506 [4]	**2,508**
Benefits in kind (company car, accident insurance and reimbursed expenses)	10	10	10	9	6	**45**
Total	**1,532**	**1,385**	**1,202**	**969**	**1,112**	**6,199**
Variable (Matching Share Plan; in shares)	17,332 [5]	15,166 [5]	13,595	10,833 [5]	12,999	**69,925**
Fixed/variable ratio [6]	44/56	45/55	44/56	44/56	51/49	**46/54**
LTIP 2011 (in shares)	20,429 [5]	15,192 [5]	8,937 [5]	8,937 [5]	–	**53,495**

[1] There are discrepancies between individual items and totals due to rounding differences. The variable components relate to target achievement in 2013, for which the bonuses were paid in 2014. The base salary for David C. Davies includes an annual accommodation allowance. The base salaries for Gerhard Roiss, David C. Davies and Manfred Leitner were adjusted as of April 1, 2014 and the base salary for Jaap Huijskes was adjusted as of October 1, 2014
[2] Thereof EUR 300 thousand were paid out under the employment contract with OMV Exploration & Production GmbH
[3] Thereof EUR 248 thousand were paid out under the employment contract with OMV Solutions GmbH
[4] Including a fixed bonus component of EUR 181 thousand that was agreed upon joining OMV
[5] (Partly) paid out in cash
[6] Fixed includes base salary, benefits in kind and in case of Hans-Peter Floren the fixed bonus component; variable includes cash bonus and Matching Share Plan

were based on incorrect calculations of the bonus, the Executive Board members are obliged to return or pay back benefits obtained due to such wrong figures.

Summary of annual remuneration
Based on the assumption that the performance criteria for the cash bonus and the MSP are reached at target level, the total annual remuneration corresponds to 240% of the base salaries of the Executive Board members.

Long-term remuneration and incentives

Long Term Incentive Plan
The Long Term Incentive Plan (LTIP) has operated since its introduction in 2009 and has been granted on an annual basis since then. The LTIP 2014, as approved by the Annual General Meeting in 2014, 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 management subject to performance against key measures linked to the medium-term strategy and shareholder return.

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, 2014 until December 31, 2016). At the start of the program, weightings were established for key indicators:

Measure	Weighting
Relative Total Shareholder Return (Relative TSR)	50%
Reported Return On Average Capital Employed (ROACE)	40%
Sustainability element (including Safety)	10%

Relative TSR is measured against a well-balanced peer group of twelve oil and gas companies (i.e. Shell, BP, Total, Eni, Statoil, BG Group, Repsol, Galp Energia, MOL, Tupras, Neste Oil and PKN). 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, 2014 to March 31, 2014 (EUR 33.33). The LTIP 2014 vests on March 31, 2017. The vesting levels for each performance metric are shown in the tables.

ROACE and Sustainability: Level of vesting	
Performance	**Vesting**
Stretch	100%
Target	70%
Threshold	50%
Below threshold	0%

Relative TSR: Level of vesting	
Performance	**Vesting**
Stretch: at or above upper quartile (≥75th percentile)	100%
Target: at median (=50th percentile)	50%
Threshold: at lower quartile (=25th percentile)	25%
Below Threshold: below lower quartile (<25th percentile)	0%

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

Based on the assumption that all performance criteria of the LTIP 2014 are reached at target level, the awards will be 105%, 90% and 75% of the base salary for the Chairman of the Executive Board, the Deputy Chairman of the Executive Board, and the other Executive Board members, respectively.

Executive Board members 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

Shareholding requirement and fulfillment

	Shareholding requirement		Fulfillment	
	In shares	As % salary	In shares (on Company trustee deposit)	As % requirement
Roiss	68,635	200%	71,456 [1]	104.11%
Davies	52,487	175%	46,070	87.77%
Huijskes	40,210	150%	28,095	69.87%
Leitner	32,438	150%	28,207	86.96%
Floren	33,848	150%	22,725	67.14%

[1] As per January 31, 2015

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 accumulated and achieved within five years after start of the current employment contract as Executive Board member. All Executive Board members have already fulfilled at least a part of their minimum shareholding requirement through MSP payouts, previous LTIP investments and/or transfer of private shares (see table).

The degree of fulfillment of the LTIP 2012 goals is 27.6% and the corresponding allocation of shares or cash payment will be made in 2015.

Strategic Incentive Plan

The Strategic Incentive Plan (SIP) is a long-term compensation scheme for Executive Board members (as well as for members of the executive management and selected E&P experts), promoting a combined focus on the achievement of the strategic objectives of OMV's strategy "Profitable Growth". It is based on virtual share grants that are paid out in cash equivalent, subject to achievement of defined performance measures, at the end of the plan period.

Each Executive Board member has to declare at the beginning of the program or at the beginning of the employment contract if he or she wants to participate in the SIP. Furthermore, each participating Executive Board member has to declare if he or she will participate with an additional personal investment. These declarations are then effective for the entire term of the plan.

Each participating Executive Board member will receive a grant from OMV ("OMV Grant") in virtual shares that reflect the performance of the underlying OMV shares (the "Phantom Shares") in up to five consecutive annual tranches between 2014 and 2018, amounting to 22.5% of the annual gross base salary per year. Every year, Executive Board members having declared to make a personal investment in the form of OMV shares ("Investment Shares") must do so in an amount of 11.25% of the annual gross base salary. Shares on OMV trustee deposits relating to previous share incentive programs will not be counted towards the personal investment component under the SIP. However, vested shares granted under existing share incentive programs that exceed the shareholding requirements of those programs may be counted as Investment Shares. If Investment Shares are contributed, the OMV Grant will be supplemented by OMV with a complementary grant (the "Complementary Grant") in a ratio of 1:2 (i.e. each Phantom Share of the OMV Grant will be supplemented with two additional Phantom Shares under the Complementary Grant).

The performance measures are:

- Average daily production of oil and oil equivalents in barrels on a yearly basis (440 kboe/d – 520 kboe/d, no payout in case production is <440 kboe/d) with vesting levels as shown in the table:

Production	
Performance	**Vesting**
Stretch	130%
Target	100%
Threshold	70%
Below Threshold	0%

- Relative ROACE: Depending on the ROACE in relation to the production growth (compared to a peer group of Shell, BP, Total, Eni, Statoil, BG Group, Repsol, Galp Energia and MOL) over the performance period, the achievement will be adjusted as shown in the table:

Relative ROACE ranking	
Performance	**Adjustment Factor**
Stretch: at or above upper quartile (≥75th percentile)	150%
Target: at median (=50th percentile)	100%
Threshold: at lower quartile (=25th percentile)	50%
Below Threshold: below lower quartile (<25th percentile)	0%

For both performance measures, there is a straight line vesting between threshold and stretch levels.

Further conditions applying in combination as a prerequisite for any payout:

- The target achievement has to be sustainable – minimum of eight years 1P reserves life
- The average ROACE must exceed the average WACC (Weighted Average Cost of Capital) over a three-year period prior to vesting of the SIP. If ROACE falls below WACC after 2021 (or earlier), future payments may be adjusted downwards (sole discretion of the Remuneration Committee of the Supervisory Board)
- No capital increase during the performance period of the SIP

The Supervisory Board and/or its Remuneration Committee retain the substantial discretion to amend the plan in order to reflect significant changes in circumstances at any time.

Under certain circumstances, the Supervisory Board may reduce or forfeit in full the payout under the SIP or may request repayment ("**clawback**"). The clawback provision will apply in defined cases of gross misconduct.

The **cash payout** of the equivalent of the OMV Grant and the Complementary Grant is subject to the fulfillment of the performance criteria as mentioned above and will be paid out at the end of the performance period after calculation of the final performance. Any awards will be released over a period of three years. A payment in the amount of dividend equivalents for the OMV Grant and the Complementary Grant – both adjusted for the level of the final performance achievement – will be paid out in cash as part of the three installments. All payments will be made net of taxes and contributions. If the defined production threshold is not reached or the relative ROACE ranking is below the lower quartile, no payout will be effected at all.

According to C-rule 27 of the ACCG, maximum limits shall be fixed in advance for the variable remuneration component. The SIP is dependent on the development of the share price of OMV and future maximum payouts can therefore not be calculated in advance.

Key facts	
Plan start	July 1, 2014
Grant period	2014-2018 (five annual tranches)
Performance period	July 1, 2014 – December 31, 2021 (only in case the production target of 520 kboe/d is already achieved in 2019 or 2020, the performance and payout periods will be brought forward correspondingly)
Vesting date	Last day of the month following the official performance confirmation
Payout period	2022-2024 (or earlier, analogous to the performance period; share price changes will impact the amounts)
Holding period (for Investment Shares)	Until the end of the payout period

The achievement of the targets shall be determined by comparing the agreed performance criteria with the actually achieved results. The achievement of all performance criteria will be confirmed by an external expert.

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 of EUR 47.55. The options under the 2008 plan have not been exercised yet. 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). David C. Davies, Jaap Huijskes, Manfred Leitner and Hans-Peter Floren 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.

Pension fund contribution	EUR 1,000
Roiss	1,006
Davies	311
Huijskes	178
Leitner	145
Floren	150
Total	**1,790**

Termination benefits

In connection with the extension of the mandates of Gerhard Roiss and David C. Davies and a revised focus of their activities in support of OMV's strategy, their existing employment contracts were terminated as per March 31, 2014 and their respective termination benefits under these agreements were fully paid out, as shown in the table, in March 2014. Since then, all Executive Board members have been subject to the Betriebliche Mitarbeiter- und Selbständigenvorsorgegesetz (BMSVG, Salaried Employees and Self-Employed Provident Saving Act).

In accordance with C-rule 27a of the 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.

Termination benefits		EUR 1,000
	Roiss	**Davies**
Termination benefits	2,340	737
Payment for unconsumed holiday entitlement	624	—
Total	**2,964**	**737**

Note 31 provides additional information on the Long Term Incentive Plan, the Matching Share Plan, the Strategic Incentive 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 550,000.

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 (99 people) are eligible for membership of the Long Term Incentive Plan. They are also eligible for bonus agreements, as discussed below.

In 2014, a total of some 4,600 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 in 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

OMV's Supervisory Board consists of ten members elected by the General Meeting (shareholders' representatives) and five members delegated by the Group works council. All ten current shareholders' representatives were elected at the 2014 Annual General Meeting (AGM) for the maximum period as foreseen by the Aktiengesetz (AktG, Stock Corporations Act). The members of OMV's Supervisory Board in 2014 and their appointments to supervisory boards of other domestic or foreign listed companies are shown below.

Rudolf Kemler, *1956
(Chief Executive Officer, Österreichische Industrieholding AG (ÖIAG)), Chairman
Seats: Österreichische Post AG (chairman) and Telekom Austria AG (chairman).

Wolfgang C. Berndt, *1942
Deputy Chairman
Seats: GfK SE and Miba Aktiengesellschaft (chairman).

Murtadha Al Hashmi, *1966
(Chief Financial Officer, International Petroleum Investment Company (IPIC)), Deputy Chairman
Seat: Banvit Bandirma Vitaminli Yem Sanayii A.Ş.

Alyazia Ali Saleh Al Kuwaiti, *1979
(Head of Midstream, Power & Utilities Investments, IPIC).

Elif Bilgi Zapparoli, *1967
(Co-Head of Emerging Markets (Ex-Asia) Investment Banking, Country Executive for Turkey and Head of Global Sovereign Wealth Funds Coverage, Bank of America Merill Lynch).

Helmut Draxler, *1950
Seat: RHI AG.

Roy A. Franklin, *1953 (from May 14, 2014)
Seats: Keller Group plc. (non-executive chairman), SANTOS Group Ltd. and Boart Longyear Ltd.

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

Herbert Stepic, *1946
(Consultant).

Herbert Werner, *1948
Seats: Innstadt Aktiengesellschaft (chairman), Ottakringer Getränke AG (deputy chairman).

Norbert Zimmermann, *1947 (until May 14, 2014)
Seats: Schoeller Bleckmann Oilfield Equipment AG (chairman) and Oberbank AG (until May 13, 2014).

Delegated by the Group works council (employee representatives)
Christine Asperger, *1964,
Wolfgang Baumann, *1958,
Herbert Lindner, *1961,
Alfred Redlich, *1966,
Martin Rossmann, *1970.

More detailed information about all members of OMV's Supervisory Board, including their professional careers, can be downloaded from OMV's website at www.omv.com > About OMV > Corporate Governance & Organization > Supervisory Board.

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 three women and four non-Austrian nationals. The members of the Supervisory Board are aged between 35 and 72.

Independence

The Supervisory Board has defined the criteria that constitute independence (resolutions dated March 21, 2006 and March 25, 2009). In addition to the guidelines set out in Annex 1 of the ACCG, the Supervisory Board has established the following criteria with regard to its members elected by the General Meeting:

- A Supervisory Board member shall not serve on the executive board of an OMV Group company
- A Supervisory Board member shall not hold stock options issued by the Company or any affiliated company, or receive any other performance-related remuneration from an OMV Group company
- A Supervisory Board member shall not 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 a shareholder

All of the members elected by the General Meeting except (i) Rudolf Kemler, regarding the representation of a shareholder with controlling interest, and (ii) Helmut Draxler and Herbert Werner, regarding the duration of their terms, have declared their independence from the Company and its Executive Board during the 2014 financial year and up to the time of making such declarations (C-rule 53 of the ACCG). Under C-rule 54 of the ACCG, Wolfgang Berndt, Elif Bilgi Zapparoli, Helmut Draxler, Roy Franklin, 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 2014 and up to the time of making such declarations. In the case of Norbert Zimmermann these declaration relate to the period up to his leaving office as member of the Supervisory Board on May 14, 2014.

Working practices 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 during board meetings. Decisions are also taken at these meetings, except in cases of urgency where decisions can be taken by circular vote. The set-up of four committees ensures that best possible use is made of the Supervisory Board members' expertise. Brief descriptions of these committees are given below (see also the Report of the Supervisory Board for an overview of the individual committees' main activities in 2014).

In 2014, the Supervisory Board held six meetings. In two of these meetings the Executive Board and the Supervisory Board thoroughly discussed OMV's strategy. With the exception of Herbert Stepic, 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 General Meeting for appointments to the Supervisory Board. There were nine meetings of the Presidential and Nomination Committee in 2014, in which discussions focused on OMV's strategy and the future of OMV's R&M and G&P activities leading to the creation of a combined business segment Downstream. Executive and Supervisory Board matters as well as OMV's succession planning system were further key issues of discussions.

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 2014, the auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (including their network in the meaning of section 271b Code of Commerce) received EUR 2.39 mn for the annual audit, EUR 1.25 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 2014, no meeting of the Project Committee was held.

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 2014. Executive Board members were invited to attend parts of the meetings of the Remuneration Committee.

PwC provided remuneration advice to the Committee, which included market information drawn from published data, advice on the

Name (current members in bold)	Position and committee memberships in 2014 [1]	Remuneration (in EUR, for 2013)	Term of office [1]
Rudolf Kemler	Chairman; Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	77,200 [2]	Nov. 1, 2012 to 2019 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 2019 AGM
Murtadha Al Hashmi	Deputy Chairman, Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	61,900	May 10, 2012 to 2019 AGM
Alyazia Ali Saleh Al Kuwaiti	Pres. Com. and Proj. Com.	30,600	May 14, 2008 to 2019 AGM
Elif Bilgi Zapparoli		14,600	May 13, 2009 to 2019 AGM
Helmut Draxler	Audit Com and Remun. Com.	30,600	Oct. 16, 1990 to 2019 AGM
Roy A. Franklin	Proj. Com.	—	May 14, 2014 to 2019 AGM
Wolfram Littich	Proj. Com. and Audit Com.	30,600	May 23, 2001 to 2019 AGM
Herbert Stepic		14,600	May 18, 2004 to 2019 AGM
Herbert Werner	Audit Com.	22,600	June 4, 1996 to 2019 AGM
Norbert Zimmermann	Proj. Com.	22,600	May 23, 2001 to May 14, 2014
Christine Asperger		— [3]	since Jan. 1, 2013 [4]
Wolfgang Baumann	Pres. Com., Proj. Com. and Audit Com.	— [3]	Dec. 16, 1998 to Apr. 1,1999 and again since Nov. 11, 2004 [4]
Herbert Lindner	Proj. Com. and Audit Com.	— [3]	since June 1, 2013 [4]
Alfred Redlich		— [3]	since June 1, 2013 [4]
Martin Rossmann	Pres. Com., Proj. Com. and Audit Com.	— [3]	since May 5, 2011 [4]

[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, Rudolf Kemler transferred his remuneration to ÖIAG
[3] Members delegated to the Supervisory Board by the Group works council do not receive remuneration but just attendance expenses
[4] Delegation by the Group works council is for an indefinite period of time; however, the employee representatives may be recalled at any time by the delegating body

appropriate structure of short-term and long-term incentives (e.g. for the set-up of the Strategic Incentive Plan or the set-up of project measures in executive 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. Besides, PwC provided tax advice and valuation services to the Company in 2014.

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. 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

In accordance with the articles of association, the AGM resolves the remuneration of the Supervisory Board members elected by the General Meeting for the previous financial year. The 2014 AGM adopted the following remuneration scale for the 2013 financial year:

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

The amounts for the financial year 2013 were disbursed to the Supervisory Board members concerned in 2014; these were exclusive of expenses (travel and attendance expenses).

The total expenditure incurred by the Supervisory Board in 2014 was EUR 706,773; of this, members' remuneration (for the 2013 financial year) accounted for EUR 367,200, attendance expenses for EUR 73,073, travel expenses for EUR 193,218, and conference equipment, organization and translation for EUR 73,282.

Employee participation

The Group works council holds regular meetings with the Executive Board in order to exchange information on developments affecting employees. Furthermore, the Group works council has made use of its right to delegate members to the Supervisory Board (one employee representative for every two members elected by the General Meeting). Therefore, out of the 15 Supervisory Board members, five members are employee representatives.

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 association
- 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 or she has not been elected, then this person must be declared as Supervisory Board member

Women's advancement

- Being active in an industry with a strong technical focus it is particularly challenging for the Company to achieve a satisfactory gender balance in all fields of business activity. Therefore, gender diversity is one of two major focus areas of OMV Group's diversity strategy. OMV is committed to supporting women's advancement to managerial positions. The strategic objective is to achieve the best diversity mix at senior management level, with the target of having 30% female Senior Vice Presidents by 2020
- Mariana Gheorghe is the chairwoman of the executive board of OMV Petrom SA and Gülsüm Azeri is the chairwoman of the executive board of Petrol Ofisi. There are three female members in the OMV Supervisory Board; this corresponds to 20% of the members
- Women currently hold 14.6% of the Senior Vice President positions. The proportion of women in the Group as a whole is about 22.5%. Within OMV's leadership development programs the proportion of women reached 42% in 2014. Within OMV's integrated graduate development program the proportion of women has tripled from 11% in 2011 to 34% in 2014
- So far, a variety of measures to foster diversity at OMV has been initiated and implemented successfully. OMV especially supports the recruitment and development of women in

technical positions. Gender diversity measures include scholarships for female students in technical fields and the “Technikqueens” project designed to spark girls’ interest in technical careers early. Furthermore, OMV offers a mentoring program for female talents

- Through new flexible working time models such as job-sharing, flexible working time, and home office options, OMV helps to improve the individual work-life balance and supports parents who would like to continue their careers while working part time

Vienna, March 18, 2015

The Executive Board

Gerhard Roiss

David C. Davies

Jaap 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 mid- 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 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 enables the breakdown of the ROACE Group target to individual businesses. Shareholder participation in value creation is measured using metrics such as payout ratio and 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 take advantage of 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 and on delivering a neutral free cash flow after dividends. Proper management of the financing structure including working capital is a key focus area in this regard. At OMV, value management delivers essential decision-making support and enables effective business steering by defining and balancing targets.

Ratios					%
	2014	2013	2012	2011	2010
Return On Average Capital Employed (ROACE)	4	11	11	11	10
Gearing ratio	34	30	26	34	46
Payout ratio	114 [1]	35	29	32	32

[1] Based on a dividend at the amount of EUR 1.25 per share as proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2015

OMV share and bonds

2014 was a volatile year for the financial markets. The share price of OMV was negatively impacted by the sharp decrease in oil prices as well as political unrest and closed at EUR 22.01 at year-end. Including the dividend for the financial year 2013, this led to a negative total shareholder return of (33)% for the year 2014. Against this backdrop, OMV successfully placed a EUR 750 mn four-year Eurobond with a coupon of 0.6% in order to improve the debt maturity profile.

Financial markets

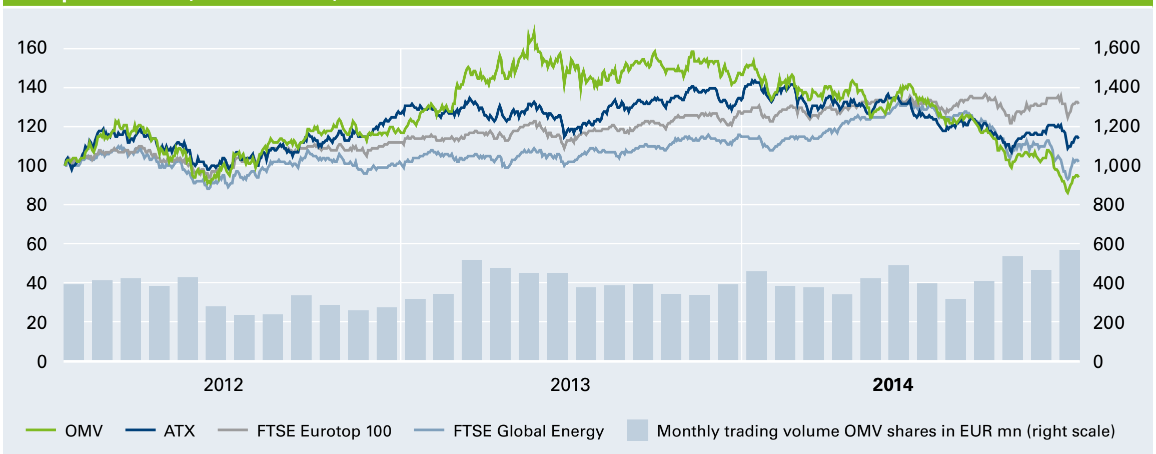
In 2014, the financial markets were very volatile and heavily influenced by investors' sentiment towards geopolitical issues, namely the Russian-Ukrainian crisis escalating in mid-2014 followed by economic sanctions against Russia, and the ongoing political instability in North Africa and the Middle East. Furthermore, overcapacities of crude supply led to a significant decrease in oil prices. The Brent oil price closed at USD 54.98 at year-end, down by 50% since the beginning of the year. The FTSE Global Energy Index, comprising the world's largest oil and gas companies, decreased by 13%. European and US indices rose slightly as follows: DAX +3%, FTSE Eurotop 100 +3%, Dow Jones +8%. The Vienna Stock Exchange underperformed the European markets and the Austrian blue-chip index (ATX) decreased by 15% in 2014. Its performance was affected by the relatively weak share price performance of the Banking and Energy sector, alongside businesses with major stakes in Russia.

OMV share price performance and volume

The OMV share price started to increase at the beginning of the year and reached the year's high of EUR 36.06 by mid-January after closing the year 2013 at EUR 34.79. From that point on, the OMV share price only decreased slightly through to the mid-year, and stood at EUR 33.00 at the end of the second quarter 2014. Declining crude prices together with geopolitical instability led to a substantial decrease in the stock price towards the end of the year 2014, reaching its bottom in mid-December at EUR 20.07 and closing 2014 at EUR 22.01. Market capitalization was approximately EUR 7 bn at year-end. The total capitalization of all Austrian shares listed on the Vienna Stock Exchange decreased by 7% to EUR 76 bn, out of which OMV's market capitalization represented 9%. The overall share turnover at the Vienna Stock Exchange rose by 23% to EUR 48 bn. The volume of OMV stock traded was approximately EUR 5 bn and accounted for 11% of total stock turnover at the Vienna Stock Exchange (2013: 12%).

Declining crude oil prices and geopolitical instability impacted share price performance

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 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
OMV hybrid bond	ISIN: XS0629626663
OMV Eurobonds Maturity; coupon	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%
	ISIN: XS0996734868 2013 to Nov. 25, 2019; 1.75%
	ISIN: XS1138423774 2014 to Nov. 19, 2018; 0.600%

Dividend proposal for 2014: EUR 1.25 per share

Annual General Meeting results

The main items dealt with at the Annual General Meeting on May 14, 2014 were: 1) the approval of a dividend of EUR 1.25 per share for 2013, which corresponds to a payout ratio of approximately 35%; 2) the election of the members to the Supervisory Board as proposed; 3) the approval of the Long Term Incentive Plan 2014, which is a long-term compensation instrument for the Executive Board and selected senior executives introduced in order to promote mid- and long-term value creation at OMV; 4) the approval of the Matching Share Plan 2014, an integral part of the annual bonus agreement which is a long-term compensation vehicle for the members of the Executive Board and combines the interests of management and shareholders.

As in previous years, an employee stock ownership plan launched in fall 2014 entitled employees to one free share for every three purchased, subject to a two-year holding period.

At year-end 2014, OMV held a total of 1,015,102 own shares, or 0.3% of issued share capital. The number of shares in circulation was thus 326,257,625. 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 propose a dividend of EUR 1.25 per share at the next Annual General Meeting on May 19, 2015. This is the same absolute level as in the previous year. The dividend yield, based on the closing price on the last trading day of 2014, will amount to 5.68%.

Credit ratings

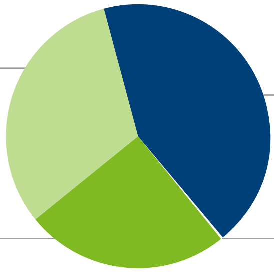
OMV is rated A3 by Moody's (last update in June 2014) and A– by Fitch (last update in December 2014). Both rating agencies confirmed their rating as well as the stable outlook assessment. This underscored the creditworthiness of OMV and is in line with the target to maintain a strong investment grade credit rating.

Bonds

In November 2014, OMV issued a EUR 750 mn four-year Eurobond with a coupon of 0.6% under the Euro Medium Term Note (EMTN) program in order to improve the debt maturity profile.

OMV shareholder structure

OMV's shareholder structure was relatively unchanged in 2014 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 and in North America. Some 290 one-on-one meetings and presentations were held in 2014, attracting around 530 individual fund managers and analysts. Executive Board members devoted around 250 hours to face-to-face conversations with investors and analysts. In the interest of transparency and timeliness, all important information and news for analysts and investors is 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 and in the OMV Investor Relations App available for Android and iOS mobile operating systems.

Financial Calendar 2015	Date [1]
Trading Statement Q4 2014 and business update	January 29, 2015
Results January–December and Q4 2014	February 19, 2015
Publication of the Annual Report 2014	March 2015
Trading Statement Q1 2015	April 23, 2015
Record date for the AGM	May 9, 2015
Results January–March 2015	May 18, 2015
Ordinary Annual General Meeting (AGM)	May 19, 2015
Dividend ex date	May 27, 2015
Dividend payment date	May 28, 2015
Trading Statement Q2 2015	July 23, 2015
Results January–June and Q2 2015	August 12, 2015
Trading Statement Q3 2015	October 19, 2015
Results January–September and Q3 2015	November 5, 2015

[1] The information shown above is subject to final confirmation. The effective dates can be downloaded from the website: www.omv.com > Investor Relations > Financial Calendar and Events

More than 20 analysts ensure good visibility in the financial community

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At a glance					in EUR
	2014	2013	2012	2011	2010
Number of outstanding shares in mn [1]	326.26	326.23	326.19	326.07	298.80
Market capitalization in EUR bn [1]	7.18	11.35	8.92	7.64	9.29
Volume traded on the Vienna Stock Exchange in EUR bn	5.21	4.82	3.98	7.34	7.78
Year's high	36.06	39.69	29.12	34.69	32.63
Year's low	20.07	27.85	21.29	21.24	24.12
Year end [1]	22.01	34.79	27.36	23.44	31.10
Earnings per share [2, 3]	1.09	3.56	4.18	3.43	3.08
Book value per share [1, 2, 3]	35.77	35.60	36.49	33.41	30.13
Cash flow per share [3, 4]	11.24	12.64	11.69	8.00	9.66
Dividend per share	1.25 [5]	1.25	1.20	1.10	1.00
Payout ratio in %	114	35	29	32	32
Dividend yield in % [1]	5.68	3.59	4.39	4.69	3.22
Total shareholder return in % [6]	(33)	32	21	(21)	5

[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] Figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements"
[4] Cash flow from operating activities
[5] As proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2015
[6] Assuming no reinvestment of dividends

Business environment

Global oil demand for 2014 slightly increased

Contrary to general expectations, 2014 did not bring a sustainable recovery in **global economic growth**. Global trade grew at a moderate level, expanding by 3.1%, while the growth rate for the global economy fell short of the long-term average, at 3.3%, and was unchanged on a year earlier. The pace of growth in developing and emerging economies slowed to 4.4%, while economies in the OECD region improved slightly, with GDP growth of 1.8%. Within the OECD countries the upturn was significantly stronger in North America (up by 2.4%) than in the Eurozone, which posted gains of just 0.8%.

After stagnating in 2013, the **European Union** economy achieved a moderate rise in GDP of 1.3%. A steady decline in exports throughout the course of the year, combined with continued sluggish investment activity and muted consumer sentiment, held growth in check.

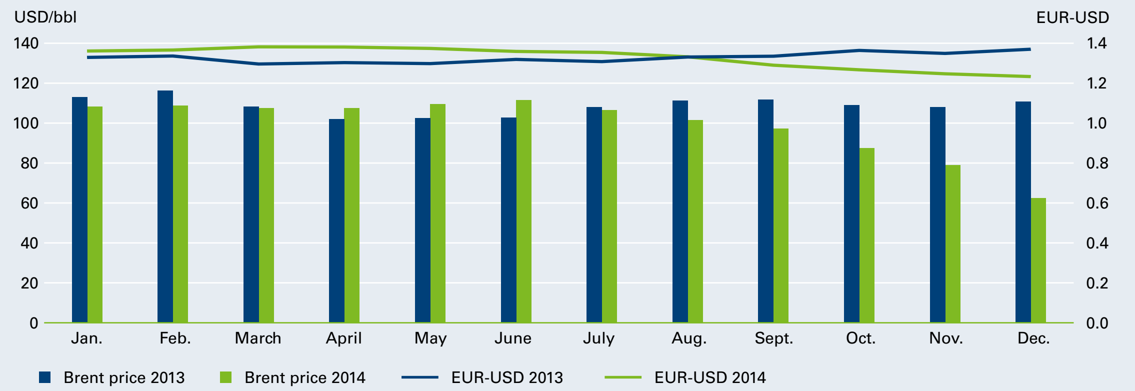
Despite signs of cooling off in the second half of the year, the **German** economy reported an increase in GDP of 1.5% on the back of strong export growth in 2014. The **Austrian** economy grew by just 0.3% as a result of the slowdown experienced in the second half of the year. Consumer spending edged up by 0.2%. In **Romania**, the economy continued to grow during the reporting period and GDP rose by 2.9%. Industrial production jumped by 6.1%.

Turkey's economic output advanced by 2.8% in 2014. Industrial production was some 3.6% higher, similar to the previous year. The high balance of payments deficit was reduced by around a quarter to 6% of GDP.

Global oil demand for 2014 went up by 0.8% – clearly weaker than the year earlier – to 92.5 mn bbl/d. At 46.8 mn bbl/d, demand from non-OECD countries increased by 2.4%, outstripping growth rates of industrial countries for the first time. Within the OECD region, oil demand remained steady in North America and declined in European and Pacific OECD countries by 2.2% and 2.4% respectively. Global oil production increased by 1.9 mn bbl/d or 2.1% to 93.3 mn bbl/d. Stocks rose steadily throughout the year by an average of 0.8 mn bbl/d. Tapping into new, unconventional resources enabled North America to boost production by some 9% or 1.6 mn bbl/d. OPEC production declined by 0.2 mn bbl/d to 30.3 mn bbl/d of crude oil and 6.4 mn bbl/d of NGL. Increased production in Iran, Iraq and Saudi Arabia almost compensated fully for the 50% drop in production in Libya and moderate declines in several other OPEC countries.

Brent opened the year at around USD 108/bbl on the Rotterdam spot market. By mid-June, the price had reached its intra-year high of

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



[1] Monthly averages

more than USD 115/bbl, owing to the military conflicts in Iraq, Libya, Syria and the Ukraine. From then on, factors such as the muted global economic outlook and rising supply increasingly drove prices downward. By the time the OPEC conference took place in late November, crude prices had fallen below USD 80/bbl. Once it became clear that there would be no move to adjust OPEC production, the price slid by a further USD 25/bbl by the end of the year. At USD 98.95/bbl, the average Brent price was 9% down on the 2013 average of USD 108.66/bbl. The euro prices of the main petroleum products traded in Rotterdam dropped by 7 to 10%.

The euro remained relatively strong in the first half of the year, but weakened significantly during the last six months of 2014 due to the economic slowdown and increasingly loose monetary policy. Over the year, the average **EUR-USD FX-rate** remained unchanged on the comparative period at USD 1.33 per EUR.

Following a decline of 6% in 2013, **demand for natural gas in Austria** fell once again in 2014, by a further 8% to 7.4 bcm or 83 TWh. This drop was again chiefly attributable to the sharp decline in gas-fired power generation. Domestic natural gas output slipped by 9% to 1.2 bcm, while net imports surged by 22% to 7.4 bcm. The supply overhang led to injections into gas storage facilities. In combination with the increase in storage capacity to 8.1 bcm, this helped to significantly improve security of supply. At year-end, gas in storage amounted to 6.1 bcm, for a percentage full rate of 76%. Gas demand in **Romania** decreased by 4% to 12 bcm (129 TWh) in 2014. In **Turkey**, gas demand increased by about 6% to 48 bcm (518 TWh).

Electricity consumption in Romania was stable at 53 TWh and increased in Turkey by about 4% to 256 TWh.

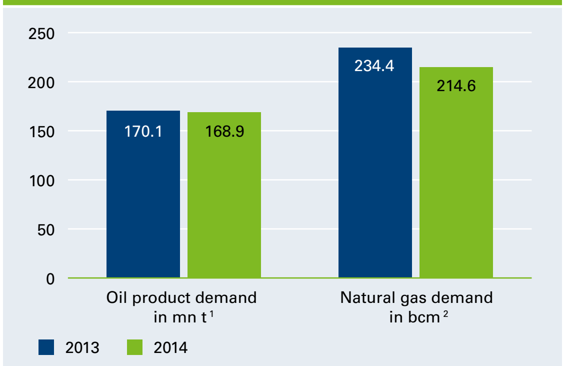
Petroleum product sales in the markets supplied by OMV (Central and Southeastern Europe, and Turkey) declined by about 1% to some 169 mn t in 2014, owing to weak demand for heating oil.

The market for automotive fuels expanded by around 3 mn t, albeit with demand for diesel outstripping that for gasoline. Heating oil sales contracted significantly: the total decline for Germany and Austria amounted to around 3.3 mn t. In **Austria**, petroleum product sales dropped by almost 3% to 10.7 mn t. Demand for diesel fell by about 1%, while gasoline sales contracted by some 2%. Aviation fuel sales increased by 1%. Sales of heating oil were down by more than 10%, largely due to weather conditions and the resulting drop in space heating demand. In **Germany**, sales of petroleum products fell by 2%. While fuel sales were up (5% for diesel and 2% for gasoline), demand for heating oil declined significantly, dropping 13% year-on-year. Overall demand in **Romania** was down by 2%. Gasoline sales (down by 4%) declined more sharply than those of diesel (down by 2%). Demand for aviation fuel soared by 13%. The trends seen on the market for petroleum products in **Turkey** point to an overall increase of 4% primarily driven by a rise in fuel sales.

Brent price decreased significantly in the second half of 2014

The West European market for **polyolefins** grew significantly by 0.6 mn t or 3.4% in 2014. Polyethylene sales prices increased by 2%, but those of polypropylene shrank by 3%. The integrated producers' margin was up by about 25% on the previous year.

Demand in OMV markets



[1] Oil product markets: Austria, Bulgaria, Czech Republic, Germany, Hungary, Moldova, Romania, Serbia, Slovakia, Slovenia, Turkey
[2] Natural gas markets: Austria, Croatia, Germany, Italy, Hungary, Romania, Turkey

Business segments

Exploration and Production

Production ramp-up in Norway

2014 was a challenging year for the business segment Exploration and Production (E&P). Total production in mature core countries (Romania and Austria) was kept at a stable level in line with the strategic target of 200-210 kboe/d. Production in Romania showed a second year of marginal growth. Norway's production ramp-up to 50 kboe/d towards the end of the year is a strong indicator that the North Sea region is becoming a core area for the Group. In contrast, the rest of the international portfolio was impacted by production interruptions in Libya and Yemen due to security issues. From an exploration point of view, 2014 was a less successful year with an overall success rate significantly below previous years. This year's discoveries were made onshore and offshore Romania, while in Norway the Wisting discovery was successfully appraised. In Abu Dhabi, Namibia, Gabon and Bulgaria large license areas were covered by 3D seismic.

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

The Lost-Time Injury Rate (LTIR) in E&P improved (0.53) compared to last year (2013: 0.66). Regrettably, E&P had two work-related fatalities in operations maintenance. The incidents have been investigated thoroughly by senior E&P management to determine root causes and far-reaching measures have been initiated to prevent recurrence. In 2014, the incidents with a potentially high impact have decreased substantially. These incidents are investigated and the resulting recommendations and actions are monitored to closure. In addition to maintaining the focus on occupational health and safety, process safety, road transportation safety, lifting operations and electrical maintenance continue to be our highest priority focus areas.

Financial performance

Clean EBIT came in 20% lower than in 2013 at EUR 1,669 mn, in spite of the contribution from Norway (production included since November 2013), which was more than offset by higher depreciation, increased production costs and lower oil prices. The Group's average realized crude price in USD/bbl decreased by 9% while the average realized gas price in EUR increased by 13% compared to the 2013 level. Exploration expenses decreased by 10% to EUR 460 mn in 2014, as 2013 included write-offs of exploration licenses in the Kurdistan Region of Iraq and higher write-offs of exploration wells in Norway. With a total of EUR 2,951 mn, E&P investments were 33% lower than in the previous year, as 2013 included the acquisition of the assets from Statoil. Investments in 2014 were mainly directed towards field redevelopments, drilling and workover activities in Romania and field developments in

At a glance

	2014	2013	Δ
Segment sales in EUR mn	5,773	5,378	7%
Earnings Before Interest and Taxes (EBIT) in EUR mn	1,466	1,990	(26)%
Clean EBIT in EUR mn	1,669	2,086	(20)%
Earnings Before Interest, Taxes and Depreciation (EBITD) in EUR mn	3,292	3,361	(2)%
Capital expenditure in EUR mn	2,951	4,431	(33)%
Production in mn boe	112.9	105.0	8%
Production cost in USD/boe	16.6	14.0	19%
Proved reserves as of December 31 in mn boe	1,090	1,131	(4)%

Norway and the United Kingdom. Net special items of EUR (203) mn in 2014 were mainly related to the impairment of the TOC asset in Kazakhstan and led to a reported EBIT of EUR 1,466 mn, 26% below the level of 2013.

Production increased compared to the level of 2013, as Norway's contribution was higher and more than offset the lower production volumes in Libya. Total hydrocarbon production increased by 8% to 112.9 mn boe. This corresponds to an average daily production of 309 kboe/d.

In Romania, our investment program helped us to achieve our second year of marginal production growth with an average production of 171.4 kboe/d. Austrian production was impacted by technical issues with average production at 33.0 kboe/d, below last year's level. The production of the international portfolio has increased compared to the previous year mainly due to increased production in Norway, Pakistan, New Zealand and Yemen. In Libya, production was interrupted several times during the year and was largely shut-down in the fourth quarter of the year. The construction of the new Glen Lyon FPSO vessel for the Schiehallion field redevelopment project (United Kingdom) has almost been completed and the Rosebank development (United Kingdom) has undergone significant design optimization. In New Zealand, we had first production contribution from the Maari Growth project towards the end of the year. In Tunisia, the Final Investment Decision was taken for the Nawara development project. Pakistan experienced a significant increase in production as a result of the completed Mehar and Latif field developments. In Yemen, despite the volatile security situation, production increased significantly in 2014 compared to 2013.

Production costs excluding royalties in USD/boe (OPEX) increased by 19% compared to 2013, mainly reflecting the change in country mix, with contribution from Norway with higher production costs and lower volumes from Libya, and the new construction tax in Romania.

A challenging exploration year

In 2014, OMV drilled 34 exploration wells in eight different countries, spanning from New Zealand to Norway, and completed 29 of these. 56% of the wells were operated by OMV and the exploration success ratio was 21% (2013: 46%). Eleven exploration and appraisal high impact wells were completed in 2014. The Wisting discovery in Norway (2013) was appraised by the Hanssen-1 appraisal well which confirmed the Wisting area potential. Further appraisal wells will be needed to delineate the accumulation. In the Black Sea, after interpretation of the 3D data collected in 2013, drilling in the deep water parts of the Neptun Block (Romania) has commenced to test additional prospects of the area. The 3D seismic collected in 2013 in the Han Asparuh block in Bulgaria has been evaluated and will be the basis for defining future drilling opportunities. Sub-Saharan Africa exploration activities have progressed substantially and two large 3D seismic surveys were conducted across OMV's Namibia acreage (5,000 km^2) and over OMV's Gabon licenses (8,570 km^2). These will be the basis for further opportunity assessments in the respective licenses. Additionally, OMV has picked up substantial new exploration acreage in the United Kingdom (West of Britain), two new licenses in New Zealand and significant acreage in Pakistan (Kirthar fold belt).

Total production inceased by 8% vs. 2013

Proved hydrocarbon reserves (1P) as of December 31, 2014, were 1,090 mn boe (thereof OMV Petrom: 690 mn boe) and proved and probable oil and gas reserves (2P) amounted to 1,813 mn boe (thereof OMV Petrom: 977 mn boe). The 2014 single-year Reserve Replacement Rate (RRR) was 64% (2013: 113%). The three-year average RRR stood at 87% in 2014 (2013: 93%). In Romania and Austria, the three-year average RRR decreased to 41% (2013: 49%). In the international portfolio, the three-year average RRR decreased to 188% (2013: 203%), which includes reserves from the recent acquisitions in Norway and the United Kingdom.

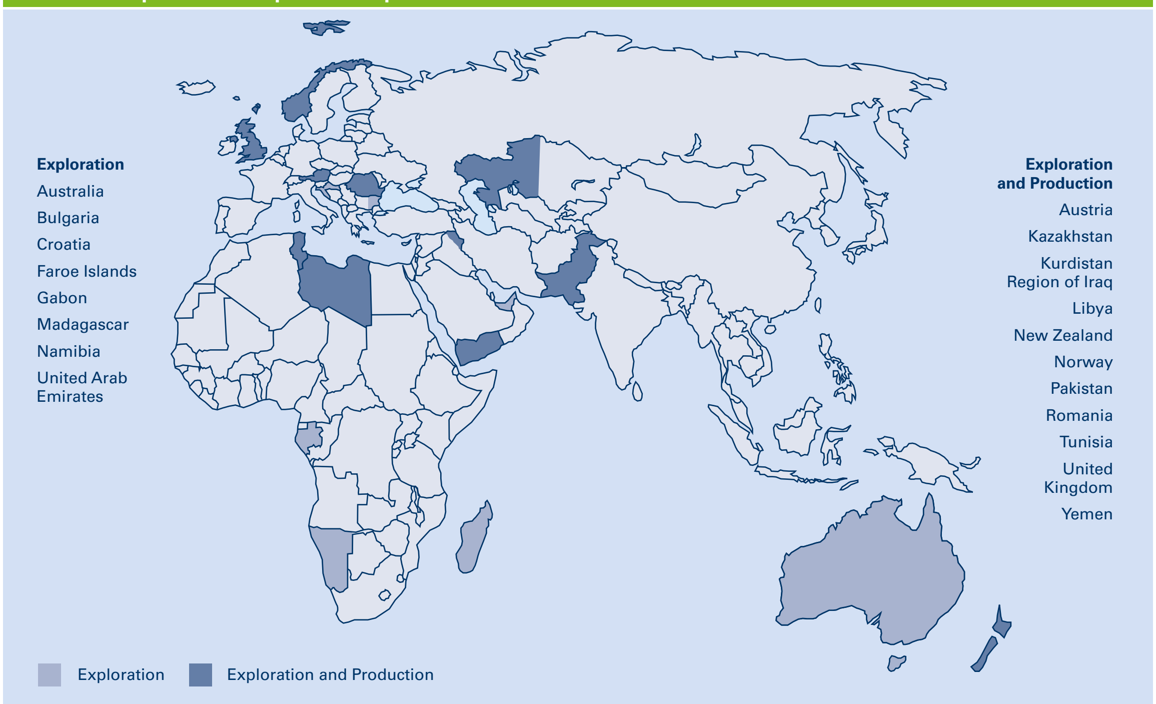
Marginal production increase in Romania for the second year in a row

OMV's core countries: Romania and Austria

In **Romania**, production averaged 171.4 kboe/d for the year, slightly higher than in the previous year and marking the second year of marginal growth in the past decade. Projects and optimization initiatives have been offsetting the natural decline for two years now. Throughout the year, redevelopment projects of key fields progressed. OMV Petrom succeeded in having twelve field redevelopment (FRD) projects in execution phase, out of which six FRDs passed Final Investment Decision (FID) this year. Additionally, two FRDs were completed. The works to optimize gas production systems and to modernize surface facilities and equipment in selected major fields continued. In 2014, the largest exploration investments were made since privatization in 2004. In 2014, the exploration success rate was 60%. OMV Petrom maintained a leading position in Romania by obtaining the extension of exploration blocks license for another three years. The drilling program in the deep water sector of the Neptun Block in the Black Sea (offshore Romania) has been resumed. The Domino-2 appraisal well was drilled, followed by an exploration well (Pelican South-1), undergoing drilling over the year-end. The results and data gathered will be evaluated.

In **Austria**, production decreased to 33.0 kboe/d in 2014 (34.6 kboe/d in 2013). This level mostly reflected the production challenges with three big gas wells, as well as planned and unplanned interruptions. The year-end production level in Austria, however, stood at the same rate as at the start of January. Several activities contributed to keeping this level of production and counterbalancing the natural decline, including 15 new wells put in production and three finalized field redevelopment (FRD) projects. OMV Austria had a full year with nine workover or well intervention rigs which contributed ~2 kboe/d. Investments were made mainly for the execution of four major projects and several small surface debottleneck projects.

Worldwide exploration and production portfolio



OMV's international portfolio

In **Norway**, OMV has successfully developed its portfolio. After the acquisition of two major assets from Statoil in the second half of 2013, OMV Norway started 2014 with an increase in production of approximately 28 kboe/d from the Gullfaks field (OMV share: 19%) followed by the production start-up of the Gudrun field (OMV share: 24%) in April, which then ramped up production with additional wells coming on stream throughout the year. At Gullfaks, with 118 wells available for production, five new wells were put on stream in 2014 in addition to some recompletions of existing wells. Production progress was significant in 2014 as the four new wells from Gudrun increased the production rate in Norway to 50 kboe/d towards year-end. Average production in 2014 stood at 35.2 kboe/d. The Edvard Grieg field development (operated by Lundin) made good progress with the successful installation of the jacket in May, the laying of the gas pipeline and the start of development drilling in September. For Aasta Hansteen, a Statoil operated deep water gas development in the Norwegian Sea, construction of the spar platform started in South Korea in the second quarter of 2014. OMV is also participating in a new 480 km gas pipeline, Polarled, and an upgrade of the existing Nyhamna gas processing plant. Both are needed to evacuate the gas from Aasta Hansteen and potentially from the Zidane field development project, and represent important new infrastructure for Norway. OMV operated exploration drilling in the PL537 Barents Sea license, which contains the Wisting discovery made in 2013, resulted in a successful appraisal well (Hanssen) in the summer of 2014. This well was also tested and confirmed earlier resource estimates for the Wisting discovery, which continues appraisal in 2015. Another successful appraisal well was drilled in PL 359 (North Sea) in the Luno 2 discovery, where OMV increased its share from 15% to 20%. Overall, OMV built up its acreage in Norway to a total of 36 licenses (2013: 31), of which nine are operated.

In **New Zealand**, OMV completed its exploration drilling campaign with the Matuku-1 well in February and the Whio-1 well in August. Both wells were drilled under OMV operatorship. No commercial accumulations of hydrocarbons could be confirmed. In April, an offshore jack up drilling unit was brought into the country and started drilling new development wells in the Maari field. Production operations continued during drilling and construction activities in the Maari field. The first new well in Maari was brought on stream in November. Total average daily production in New Zealand amounted to 18.7 kboe/d, higher than in the previous year (16.5 kboe/d). In the Great South Basin (license PEP 50119; OMV share: 21.95%), the joint venture entered into a drilling commitment for one well to be drilled by June 2016. In 2014, OMV was successful in the New Zealand exploration block awards and secured two new offshore permits with 100% OMV interest. At year-end, OMV holds interests in New Zealand in eleven licenses: three production and eight exploration permits (six as operator).

In **Australia**, the Zola discovery was appraised by the Bianchi appraisal well, which was drilled in 2013, finding multiple gas-bearing sands with net gas pay estimated more than 100 meter. OMV holds six licenses in total: two retention leases over the Zola and Nasutus discoveries and four exploration licenses.

Execution of the Nawara gas fiel development started

In **Tunisia**, the Final Investment Decision (FID) for the Nawara development project was taken in March 2014. The project will allow OMV and the Tunisian National Oil Company ETAP to monetize gas and condensate produced in South Tunisia and includes a central processing facility in the South, a 370 km pipeline to Gabes and a gas treatment plant at Gabes. Related engineering, procurement, construction and commissioning contracts were signed in August 2014 and construction works were started. First production of gas is expected to start in 2017. Overall production in Tunisia decreased slightly to 9.5 kboe/d (2013: 10.1 kboe/d). The reduction was mainly due to natural reservoir decline combined with delays to workovers in Cercina, Cherouq and Ashtart concessions and to new wells coming on stream. In South Tunisia, the Cherouq gas valorization project was finished and operations started in April 2014, allowing OMV to deliver previously flared gas to the local market and increase overall production. Furthermore, the FID for the Anaguid East development was taken in June 2014. A new development well was spudded in November 2014 in the Guebiba concession (operated by TPS; OMV share: 49%), first oil is expected in early 2015. Furthermore, the safety performance was significantly improved in Tunisia, achieving one year with no Lost-Time Injuries (LTI) on Ashtart in 2014 (Serept operated; OMV share: 50%) and two years LTI free on Waha Central Processing Facility.

In **Libya**, production varied significantly during the year, reflecting the deteriorating security situation across the country. This prompted OMV to decide to evacuate non-Libyan personnel from Tripoli during the summer. Yearly production averaged around 8.8 kboe/d (2013: 21.6 kboe/d) which represents approximately 28% of OMV's production potential in the country. During the first half of 2014, three exploration wells were drilled in the Murzuq basin, resulting in one new oil discovery (Wedan well in NC186).

Increased share in the Cambo field for a potential "hub development"

In the **United Kingdom**, OMV is focusing on developments in the area West of Shetland where OMV increased its share in the Schiehallion and Rosebank developments in 2013 (to ~11.8% and 50% respectively). In 2014, OMV increased its share in the Cambo field from 15% to 47.5% and assumed operatorship from Hess. This, together with the Tornado and Suilven discoveries (both OMV operated) positions OMV as operator of a potential Cambo "hub development", underlining our position as a key player in the West of Shetland area. The Rosebank development has undergone significant design optimization and is now fit for Front End Engineering and Design (FEED) completion. The Schiehallion redevelopment has made good progress with the removal of the old FPSO (Floating Production Storage and Offloading unit) from the field. Work continues on completion of the new FPSO in South Korea and on the subsea installation to connect existing and new wells to the FPSO. In total, OMV holds 36 licenses, with eleven as operator.

In **Pakistan**, the 2014 total production was 15.6 kboe/d, significantly higher than in the previous year (11.0 kboe/d) as a result of the successful completion of the field developments Latif and Mehar in the last quarter of 2013. Marketing constraints for Mehar condensate, due to processing limitations in the local refineries, have been solved and OMV is now exporting part of the condensate production. Further development options of the Mehar field and the satellite Sofiya field have been screened but postponed until the completion of further appraisal work in the area.

In **Yemen**, the security situation remained volatile during 2014. Although the increased security measures around the Habban field enabled safe operations within the concession area, production performance was reduced due to security incidents outside the perimeter. Road blockages affecting transportation, labor disputes and several attacks on the oil export pipeline caused sporadic production shutdowns. The average production in 2014 was 6.4 kboe/d, an increase of 33% as compared to 2013 (4.8 kboe/d). The execution of the Habban field development project, which includes the construction of the central processing facility as well as drilling and workover operations, successfully progressed. Five new production wells were drilled and put on production. The selected concept for a condensate recovery plant and a gas export pipeline will help to reduce CO_2 emissions. The seismic acquisition projects are delayed due to the unstable security situation. In order to reduce the financial exposure, all investments are pursued only to the extent they can be financed by current production revenues.

Following the discovery of the Bina Bawi field in the **Kurdistan Region of Iraq** (KRI), extended well tests in the wells Bina Bawi-4, -5 and -6 were completed in 2014 and resulted in only limited (sub-commercial) oil volumes but a significant sour gas potential. Commercialization activities for Bina Bawi sour gas have been ongoing throughout 2014 but were not successful. Consequently, in late 2014, OMV commenced farm-out negotiations with Genel Energy which are still ongoing. Pearl Petroleum Company Limited continued producing in 2014 at a gross production average of 71.7 kboe/d (68.8 kboe/d in 2013). OMV holds a 10% (equity consolidated) interest in the company.

In **Kazakhstan**, production decreased to 8.9 kboe/d (2013: 11.2 kboe/d) due to required partial replacement of the Turkmenoi pipeline and natural production decline.

In the **United Arab Emirates**, OMV signed an agreement with ADNOC to explore for oil and gas in the Eastern region of UAE in 2013. A three well appraisal program of the field was designed by the consortium (OMV and Wintershall) and the first well Shuwaihat-5 spudded in May 2014. Drilling of the well is ongoing. At the request of ADNOC, OMV and Wintershall also completed a technical evaluation of possible further oil and gas field developments. Seismic acquisition commenced in July 2014 and is progressing as planned. If the exploration campaign is successful, ADNOC and OMV intend to jointly develop potential discoveries. The exploration activity agreement has a duration of four years.

3D seismic in the Bulgarian Black Sea completed

In **Bulgaria**, OMV (as operator) completed a 3D seismic acquisition campaign in the Black Sea, performed most of the seismic data processing and completed a sea-bottom survey. The interpretation of new seismic data progressed with the aim of identifying the drilling locations. OMV handed over operatorship for drilling to Total in April 2014.

Production in 2014

	Oil and NGL	Natural gas [1]		Total
	mn bbl	bcf	mn boe	mn boe
Romania [2]	28.0	186.8	34.6	62.6
Austria	5.8	37.3	6.2	12.0
Northwest Europe, Africa and Australasia [3]	18.1	53.1	8.9	27.0
Middle East and Caspian [2, 4]	5.9	32.5	5.4	11.3
Total	**57.8**	**309.7**	**55.1**	**112.9**

Proved reserves as of Dec. 31, 2014

	Oil and NGL	Natural gas [1]		Total
	mn bbl	bcf	mn boe	mn boe
Romania [2]	355.6	1,705.2	315.8	671.4
Austria	45.4	278.9	46.5	91.9
Northwest Europe, Africa and Australasia [3]	186.6	571.2	95.2	281.8
Middle East and Caspian [2, 4]	28.1	103.2	17.2	45.3
Total	**615.8**	**2,658.5**	**474.7**	**1,090.4**

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

Gas and Power

Gas supply now reflects changed market conditions

For Gas and Power (G&P), the overall market environment remained challenging; nevertheless, key decisions were taken in 2014 to increase profitability. The supply, marketing and trading business renegotiated the long-term gas supply contract with Gazprom and agreed a structural solution which reflects changing market conditions. In turn, the same business unit started marketing Norwegian equity gas volumes of more than 8.4 TWh. The gas logistics business successfully finalized the consolidation of the gas transportation business in Austria.

Health, Safety, Security and Environment (HSSE)

HSSE plays an essential role within G&P. There has been a continuous improvement in the safety performance over the last few years, partly because we engage with our workforce and take a closer look at our operations through management walk-arounds. We reduced the Lost-Time Injury Rate (LTI) from 1.86 in 2013 to 0.00 in 2014 and the Total Recordable Injury Rate from 6.49 in 2013 to 0.41 in 2014, and had no High Potential Incidents (HIPO) in 2014. We recorded no LTI at the Brazi power plant (Romania) since November 2011 and none at the Samsun power plant (Turkey) since September 2013. We further increased the overall HSSE focus in 2014 with leadership and other special training on our incident reporting system. The focus for 2015 is based on the OMV vision "ZERO Harm – NO Losses", further improvement of the overall safety performance, visible commitment, leadership, contractor management, risk management, development of HSSE competences and increased hazard awareness.

Financial performance

Clean EBIT decreased by 27% to EUR 101 mn due to lower contributions from all business units. Reported EBIT was EUR (162) mn due to net special items of EUR (263) mn, mainly related to the impairment of the Brazi power plant and the impairment of goodwill related to the Petrol Ofisi acquisition. The result of the supply, marketing and trading business unit decreased mainly due to lower contributions from Romania and Turkey. Total gas sales and trading volumes increased by 14% to 486 TWh driven by increased trading activities. The weak gas market environment and warm weather conditions led to a decrease in gas sales volumes in EconGas as well as in Romania. EconGas's result was at last year's level, supported by the adjusted long-term gas supply contracts. The gas sales margin in Romania was negatively impacted by additional storage and transportation costs. Due to the unfavorable USD-TRY FX-rate development in 2014, the gas business in Turkey was burdened as the supply volumes were purchased in USD, whereas the sales price for wholesalers and local consumers were in TRY and heavily influenced by the local market leader. The business unit

At a glance

	2014	2013	Δ
Segment sales in EUR mn	6,799	12,236	(44)%
Earnings Before Interest and Taxes (EBIT) in EUR mn	(162)	1	n.m.
Clean EBIT in EUR mn	101	137	(27)%
Earnings Before Interest, Taxes and Depreciation (EBITD) in EUR mn	206	224	(8)%
Capital expenditure in EUR mn	243	270	(10)%
Gas sales and trading volumes in TWh	486	425	14%
Gas transportation volumes sold entry/exit in TWh	1,676	1,664	1%
Storage volume sold in TWh	30.74	28.18	9%
Net electrical output in TWh	5.81	4.34	34%

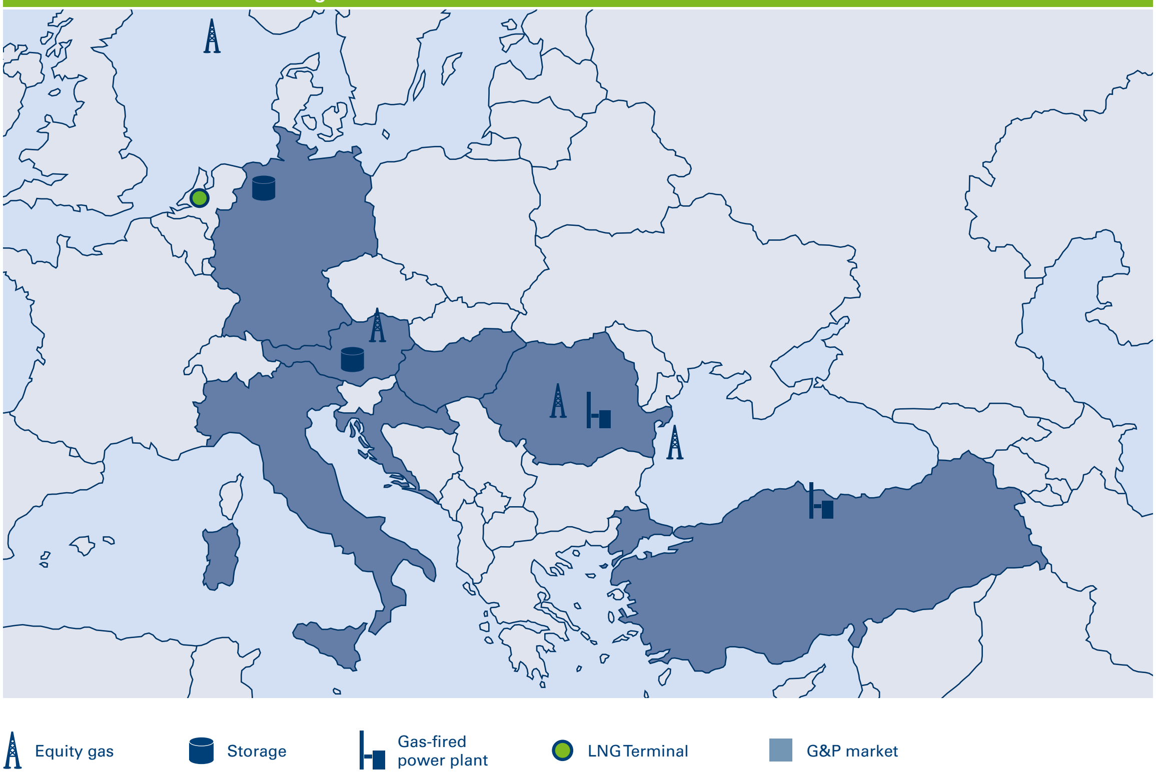
gas logistics recorded a slightly lower result vs. 2013. The gas transportation business result came in below last year's level mainly due to the restructuring of the Trans Austria Gas (TAG) pipeline operations. The storage business contribution decreased vs. 2013, mainly due to the tariff reduction for running gas storage contracts, which has been in place for customers in Austria since July 2013. The power business recorded a net electrical output of 5.81 TWh, mainly as a result of increased output from the gas-fired Samsun power plant. The output of the gas-fired Brazi power plant decreased significantly. The result of the power business was burdened by unfavorable market conditions in Romania. The Samsun power plant achieved a positive result driven by favorable spark spreads and additional income from balancing and ancillary market services.

Gas logistics

The **gas transportation business** was subjected to a further increase in regulatory guidelines. Consequently, Gas Connect Austria (GCA) was merged with Baumgarten Oberkappel-Gasleitungsgesellschaft m.b.H. (BOG) in September 2014 and spun off its Trans Austria Gasleitung (TAG pipeline) service activities into Trans Austria Gasleitung GmbH in October 2014, receiving additional shares in return. During 2014, the new market model continued to work successfully in the Austrian gas transportation business, resulting in an increase in short-term transportation contracts. The utilization rate of GCA's network was stable despite the general decrease in demand in the national and international gas markets. This reflects Austria's gas turntable position and the upturn in trading volumes traded at the Central European Gas

Successful consolidation of the gas transportation business in Austria

Position of the G&P business segment



Hub (CEGH). The merger of GCA and BOG created further cost and marketing synergies; the unbundling requirements under European and Austrian law were met by the TAG service activities spin-off. After this consolidation, two natural gas Transmission System Operators (TSOs) remained, both certified as Independent Transmission System Operators (ITOs), in Austria. GCA progressed several projects, working on a firm reversal of the Hungarian-Austrian pipeline (HAG) in the direction from Hungary to Austria in the context of the pan-European Projects of Common Interests, on the tie-in concept of the South Stream project in Baumgarten, and continuing to work on the Bidirectional Austrian-Czech Interconnector project, the latter in the context of a potential future Czech-Austrian trading region. The whole project work was performed in cooperation with the Austrian and the adjacent countries' TSOs including their regulatory authorities.

OMV Trading started to market equity gas from the Gudrun field

In 2014, the **gas storage business** in Austria recorded the highest storage level in history at the beginning of the winter season. The overall market situation remained challenging due to continuing low summer/winter spreads. Nevertheless, the available storage capacity in Austria and Germany was marketed completely. In 2014, the second tranche of gas caverns in the German storage facility Etzel were filled for the first time with 4 TWh.

In 2014, 440 TWh of natural gas were traded on the **Central European Gas Hub** Virtual Trading Point (CEGH-VTP), an increase of 12% compared to 2013. By the end of 2014, CEGH had 180 registered members. At the CEGH Gas Exchange of Wiener Boerse, the traded volume increased by more than 60% to 21.27 TWh, compared to the previous year. In August 2014, CEGH launched additional products at the CEGH Futures Market in Austria: quarterly futures, seasons and yearly futures with delivery at the CEGH-VTP in Austria. Volumes at the Futures Market in 2014 increased more than sixfold compared to the previous year, to a total volume of 2.32 TWh. In December 2013, CEGH launched a Gas Futures Market in the Czech Republic. In its first full year of operation, total traded volumes at the CEGH Czech Gas Futures reached 745 GWh in 2014, with a monthly all time high of 317.6 GWh in December 2014.

Supply, marketing and trading

Overall gas sales and trading volumes increased to 486 TWh, an increase of 14% vs. 2013, mainly driven by higher trading volumes of 363 TWh. In 2014, gas sales volumes amounted to 123 TWh. The result of **OMV Trading** in 2014 showed a remarkable improvement vs. 2013 despite the company facing a challenging market environment. From April 2014 onwards, OMV Trading started to market equity gas from the Gudrun field, in addition to the Gullfaks volumes, through wholesale and trading activities in the following market areas: TTF (Title Transfer Facility, Netherlands), NCG (Net Connect Germany), Gaspool (Germany) and NBP (National Balancing Point, United Kingdom). Market access was provided via existing pipeline systems to the Dutch and German gas markets as well as OMV storage assets in Germany. The gas sales business marketed gas to industrial customers, local distribution companies and wholesalers with a focus on multi-country customers.

The result of **EconGas** in 2014 improved slightly vs. 2013 despite the unusually warm weather during the winter season and a more challenging market environment due to declining demand and increasing competition. During 2014, EconGas successfully continued the restructuring process started in 2013. The new long-term agreement with Gazprom and the optimized management of the storage and transport portfolio will improve competitiveness in the future. Moreover, EconGas minimized the loss of the LNG business through re-loads and in-tank deals. With operations in Austria, Germany, Italy, Hungary, Croatia and on international trading hubs, EconGas reached total gas sales and trading volumes of 318 TWh (down by 7% compared to 2013), consisting of 261 TWh trading volumes and 58 TWh sales volumes.

In Romania, **OMV Petrom** gas sales decreased by 9% in the context of an overall decline in estimated Romanian gas demand by 4%. This was mainly driven by an adverse market environment which resulted in lower extraction and higher injection into storages vs. 2013. The reduced off-take by heat and power plants was only partly compensated by higher sales to the chemical industry. In terms of gas market liberalization, the roadmap enforced by the government for the gradual increase of regulated domestic gas prices during 2013-2014 has been partly implemented. The regulated domestic gas price for non-household consumers has been kept at the level of April 1, 2014, of RON 89.4/MWh until the end of 2014, when the price liberalization for non-household consumers was completed. The regulated domestic gas price increase for household consumers scheduled for October 1, 2014 was delayed, with RON 53.3/MWh remaining in effect until the end of the year. In compliance with a new obligation in force as of July 15, 2014, gas producers were required to sell parts of their production on the centralized, domestic market. In 2014, OMV Petrom was the first company which sold natural gas on the Romanian Commodities Exchange (BRM), one of the two operating trading platforms alongside OPCOM.

In **Turkey**, natural gas sales and domestic LNG sales volumes increased by 23% to 15 TWh in 2014. Despite the increasing volumes in natural gas sales, the gas business in Turkey was burdened due to the aforementioned unfavorable USD-TRY FX-rate development. Furthermore, power market entry activities were performed within an asset-backed trading strategy, which hedges OMV power assets within a single portfolio.

Power

The power business continued to provide an additional marketing platform for gas to OMV. The gas-fired Samsun power plant adds 870 MW of low carbon, efficient and reliable power supply to the Turkish market. The gas-fired Brazi power plant (860 MW) continued to provide low carbon power to the Romanian market, underlining its importance for the national energy system as a flexible and reliable supplier with fast response times. The 45 MW wind park Dorobantu in Romania has delivered renewable power to the market. All planned outages were completed ahead of schedule and were performed without any HSSE incidents. In total, net electrical output stood at 5.81 TWh in 2014, mainly coming from the Samsun power plant. A challenging market environment in Romania led to a negative average spark spread and impacted the output of the Brazi power plant. The Samsun power plant performed well in its first full year of operation. Due to the high flexibility of the plant, balancing and ancillary services revenues contributed strongly to a good result. Both gas-fired power plants achieved an availability performance which is in the top quartile of the industry.

Romania: gas price liberalization for non-household consumers completed

Refining and Marketing including petrochemicals

High quality integrated asset portfolio

The business segment Refining and Marketing including petrochemicals (R&M) refines, supplies and trades oil products and petrochemicals with a geographical focus on Central and Southeastern Europe as well as Turkey. R&M operates refineries in Schwechat (Austria) and Burghausen (Southern Germany), both with integrated petrochemical complexes, as well as the Petrobrazi (Romania) refinery, and holds a 36% stake in the petrochemical company Borealis. At the end of 2014, OMV had an annual crude oil processing capacity of 17.4 mn t (360,000 bbl/d). The retail network consists of approximately 4,100 filling stations in 11 countries, with a strong brand portfolio: "OMV", operating in all countries except Turkey and Moldova, "Petrom" in Romania and Moldova, "Petrol Ofisi" in Turkey and "Avanti" in Austria. With a high-quality integrated asset portfolio, strong brands, industry-leading availability and utilization rates, OMV has an advantageous position in its markets.

Health, Safety, Security and Environment (HSSE)
R&M's top priority is to operate with no incidents that could cause injury to our employees or contractors and is thereby striving to achieve OMV´s HSSE Vision "ZERO Harm – NO Losses". We continuously work to improve our HSSE processes and procedures, simultaneously focussing on the effectiveness of the implemented measures. We constantly aim to strengthen the safety culture amongst our employees and contractors. Unfortunately, R&M reported one work-related fatality in 2014. The Lost-Time Injury Rate (LTIR) for both employees and contractors increased to 0.38 in 2014 from 0.25 in 2013.

Financial performance
At EUR 503 mn, clean CCS EBIT increased by 9%, driven by a significantly higher OMV indicator refining margin and despite the slightly lower refinery utilization rate as a consequence of shutdowns in all our three refineries. Net special items of EUR (342) mn, mainly as a result of the impairment of goodwill related to the Petrol Ofisi acquisition, were recognized in 2014. Falling crude prices over the year contributed to negative CCS effects of EUR (452) mn, which led to a reported EBIT of EUR (290) mn. The refining result increased compared to 2013, mainly due to a strong increase in the OMV indicator refining margin as a result of lower costs for own crude consumption as well as the adaptation of the standard yield in Petrobrazi following the completion of the modernization program, and despite higher costs in relation to shutdowns during the year. The OMV indicator refining margin of USD 3.28/bbl increased by 69%. At 89%, overall refining utilization in 2014 decreased compared to the level of 92% in 2013, as there have been major planned shutdowns in Burghausen, Petrobrazi and Schwechat. The clean petrochemicals EBIT increased to EUR 148 mn (vs. EUR 140 mn in 2013) mainly due to substantially higher propylene and benzene margins, which more than compensated for lower ethylene margins as well as lower sales volumes (down by 10% compared to the previous year). The clean marketing result was lower compared to 2013, mainly reflecting the negative effects from the ongoing margin ceiling in Turkey and despite better cost management. Marketing sales volumes were down by 5%.

At a glance

	2014	2013 [1]	Δ
Segment sales in EUR mn	27,830	29,384	(5)%
Earnings Before Interest and Taxes (EBIT) in EUR mn	(290)	658	n.m.
Clean CCS EBIT in EUR mn [2]	503	461	9%
Earnings Before Interest, Taxes and Depreciation (EBITD) in EUR mn	530	1,240	(57)%
Capital expenditure in EUR mn	607	506	20%
Total refined product sales in mn t	31.10	31.48	(1)%
Marketing sales volumes in mn t	20.38	21.36	(5)%

[1] Figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements"
[2] 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
Refineries East	
Petrobrazi	4.2
Total	**17.4**

Refining and petrochemicals

The successful completion of the refinery modernization program in Petrobrazi, the further petrochemical integration in the refineries Schwechat and Burghausen as well as the TÜV-safety shutdown in Burghausen are only some of the highlights in 2014. Generally, a clear focus was placed on further strengthening the overall competitiveness of OMV's refineries by continuously increasing cross-site and cross-business integration. This also addresses the challenging market environment by further improving cost and performance management as well as the product portfolio towards high-value products.

To strengthen the petrochemical integration and to meet market requirements, the existing butadiene plant in the Schwechat refinery was successfully expanded in May 2014 by 30% to a total capacity of approximately 60,000 tons per year. Additionally, the progress of the greenfield butadiene plant in Burghausen is well on track and expected start-up as planned in 2015, with a total capacity of approximately 70,000 tons per year. Butadiene is a key feedstock for the chemical industry and is mainly used in the automotive sector.

The Petrobrazi modernization program, started in 2010 to optimize the yield structure and to improve energy efficiency, was successfully completed in 2014. With a total investment of around EUR 600 mn, OMV Petrom is now able to process all domestic equity crude oil production in its refinery. The investment in crude oil distillation, diesel hydrotreating, fluid catalytic cracking, coker unit and related infrastructure, serves to increase middle distillate yield up to approximately 45% and reduces energy consumption by approximately 25% against 2009.

Overall, the refinery utilization rate reached 89% compared to 92% in 2013. The lower utilization rate was mainly driven by the planned turnaround at the refinery Burghausen. In Petrobrazi, the utilization rate was 89% (2013: 90%), despite the planned downtimes due to the finalization of the Petrobrazi modernization program.

Petrobrazi modernization program successfully completed

In June 2014, OMV closed the sale of its 45% share in the German Bayernoil refinery network to Varo Energy B.V. The sale marks the finalization of the planned reduction in OMV's total annual refinery capacity by 4.6 mn t to 17.4 mn t. With the remaining three refineries – Schwechat, Burghausen and Petrobrazi – OMV has reached its target structure in refining and all sites are highly integrated into crude and/or petrochemicals with the associated competitive advantages in OMV's core markets.

Borealis

In 2014, Borealis weathered the overall challenging market environment well and delivered a strong net profit contribution. This was mainly driven by stronger margins in the olefin and polyolefin business, partly offset by a somewhat weaker performance on the fertilizer side due to operational challenges at the newly acquired plants in France. Borouge, Borealis' joint venture with the Abu Dhabi National Oil Company (ADNOC) improved its contribution to Borealis' performance, following the gradual start-up of the Borouge 3 project since the middle of the year. After the successful start-up of the cracker in June, three out of five polyolefin plants started up in the period until year-end. When fully ramped-up, Borouge 3 will increase the annual production capacity of the integrated petrochemical site from 2 mn t to 4.5 mn t, making it the biggest integrated polyolefin complex in the world. Borealis' strategy of growing in the polyolefin business whilst maintaining its competitiveness continued successfully with increasing long-term feedstock flexibility for its petrochemical plant in Stenungsund, Sweden. Borealis signed a long-term agreement to source ethane from the North Sea as well as the US. The US ethane sourcing project involves huge investments for cracker upgrade and to construct an ethane storage tank. In addition, the growth was underpinned by the acquisition of Speciality Polymers Antwerp N.V., located in Zwijndrecht, Belgium.

Stable market share in the retail business

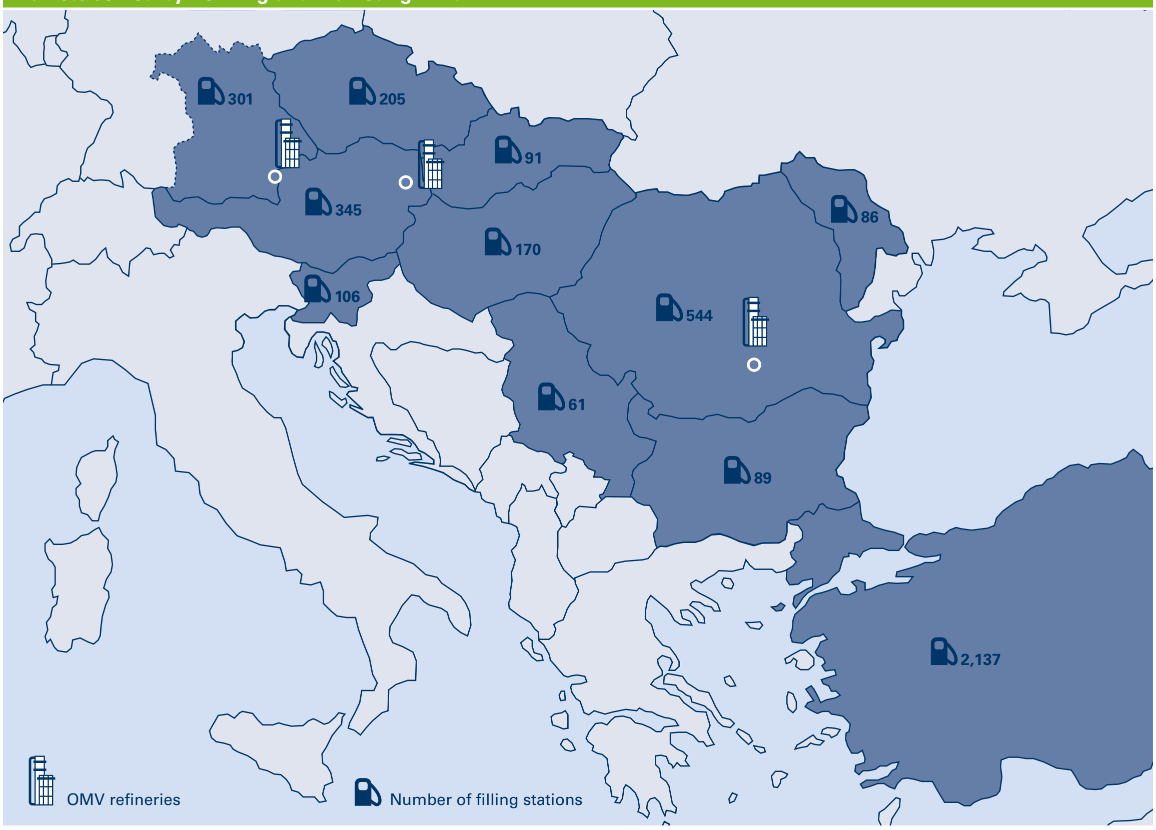
Borealis continued to expand its position in Brazil, South America, by investing in its Itatiba complex near Sao Paulo, thus allowing Borealis to better exploit growth opportunities in pioneering applications in the automotive and appliance industries. 2014 also marked a year of consolidation for Borealis, continuing to work on integrating previous acquisitions, including DEXPlastomers as well as Borealis' fertilizer production in France, formerly GPN S.A.

Marketing

Despite weak demand and higher pump prices in most markets, OMV maintained market share in the retail business, driven by increasing efficiency as a result of both the integration within downstream activities and asset portfolio optimization.

In 2014, a clear focus of the retail business was on the premium fuel strategy, which led to strengthening MaxxMotion as a leading premium fuel brand. With this effort, the MaxxMotion product (MaxxMotion Super 100, MaxxMotion Diesel) volume share could be increased significantly by more than 10% compared to the previous year. We continue

Markets served by Refining and Marketing in 2014



to pursue our two-brand strategy in Austria which positions OMV retail stations as the premium brand alongside Avanti unmanned retail stations as a discount brand. This successful strategy has led to another year of strong sales performance for the Avanti brand, whilst the OMV brand has remained stable. As a result, additional unmanned sites have been added to the network and the overall market share increased in Austria. A turnaround and optimization initiative regarding approximately 500 sites at the tail end of the filling station network was already started in 2013. The target to improve on previous years' profitability was achieved and contributed considerably to the overall strong retail result. In Hungary, a filling station cooperation with Spar, which was already started at three sites in 2013, was thoroughly analyzed. The decision was taken to further roll-out the concept to additional filling stations. In 2014, OMV Group improved the average throughput per retail station compared to the previous year level, with increases in Austria, Hungary, Slovenia and Turkey. Due to effective cost management, the overall distribution costs per liter were decreased by 5% compared to the previous year. A major contribution to cost savings arose from continued investment into LED technology, reducing energy consumption sustainably.

Within the supply and logistics area, the main activity was the divestment of OMV's 45% stake in the Bayernoil refinery network near Ingolstadt, Germany, which was closed on June 30, 2014. This made it necessary to adapt and re-optimize previous supply patterns, logistics operations and terminal management in alignment with our business partners. The volumes in the commercial business were lower, driven by the sale of Bayernoil. Despite this, through a combination of strong customer focus, active price management and cost discipline a profit contribution similar to previous years was achieved. In Romania, focus was on successful supply chain preparation and management of the 30 day turnaround in June at the Petrobrazi refinery. Securing the constant supply to the entire OMV Petrom network of filling stations, customers and terminals was successfully managed. The modernization of the fuels terminal Bacau, supplying the northeastern part of Romania, was a significant step in completing the terminal network optimization program of OMV Petrom.

Following rapid economic growth in recent years, Turkey experienced a difficult economic environment in 2014 with a more modest growth rate, impacted by elections and high political instabilities in the neighboring countries. In 2014, the Turkish Energy Market Regulatory Authority (EMRA) intervened by introducing a margin ceiling which negatively impacts Petrol Ofisi's profitability. Under these economic circumstances, Petrol Ofisi achieved lower operating results compared to 2013. Nevertheless, Petrol Ofisi has remained the market leader and further increased its market share in white products (gasoline, diesel) as compared to 2013. Growth mainly came from increased retail sales, additional supply contracts for new infrastructure projects (e.g. supply contract for the third Istanbul airport construction) and new commercial customers. The aviation business of Petrol Ofisi significantly increased its financial performance and the lubricants business kept its market leadership in a very competitive market for the fifth consecutive year. Petrol Ofisi continued the efforts to improve its added value services to retail customers through a new cooperation with one of the biggest chains of supermarkets in Turkey (Migros). By the end of 2014, 43 Petrol Ofisi retail sites were running Migros Jet shops. As a result of sustainable volume increases, the average retail site throughput increased by 10%. Leveraging OMV Group supply synergies, Petrol Ofisi optimized its supply program and took advantage of its superior terminal infrastructure.

Sale of the 45% stake in the Bayernoil refinery concluded

Directors’ report (incl. outlook)

Directors’ report of OMV Group

Group financials			EUR mn
	2014	2013[1]	Δ
Sales revenue	35,913	42,414	(15)%
Earnings Before Interest and Taxes (EBIT)	1,054	2,602	(59)%
Net income for the year	613	1,729	(65)%
Net income attributable to stockholders of the parent	357	1,162	(69)%
Cash flow from operating activities	3,666	4,124	(11)%
Capital expenditure[2]	3,832	5,239	(27)%
Employees as of December 31	25,501	26,863	(5)%

[1] Figures for 2013 were adjusted due to the implementation of IFRS 11 “Joint Arrangements”
[2] Includes acquisitions as well as equity-accounted investments 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

Stable production in mature core countries

OMV generated an operating result of EUR 1,054 mn in 2014, 59% below last year’s level, burdened by a lower R&M result due to the impairment in Petrol Ofisi in Turkey, a lower E&P result mainly driven by lower oil prices and the impairment of Tasbulat assets in Kazakhstan, as well as a lower G&P result due to the impairments of the Brazi power plant in Romania and the goodwill related to the Petrol Ofisi acquisition. Net special items of EUR (822) mn (2013: EUR 31 mn) were mainly related to impairments of Petrol Ofisi, the Brazi power plant (Romania) and E&P assets in Kazakhstan. The net financial result of EUR (177) mn was above that in 2013 (EUR (311) mn) mainly driven by a better foreign exchange result. The Group recognized current taxes on income of EUR (515) mn and deferred taxes of EUR 251 mn in 2014. The effective tax rate was 30% in 2014 (2013: 25%). Net income attributable to stockholders of the parent was EUR 357 mn, below 2013 (EUR 1,162 mn). Non-controlling and hybrid interests amounted to EUR 257 mn (2013: EUR 566 mn).

Return On Average Capital Employed (ROACE) stands at 4%, significantly down from 11% in 2013, mainly due to special items (impairments). Return On Fixed Assets (ROFA) decreased from 14% to 5%, and Return On Equity (ROE) declined from 11% to 4%. For definitions of these ratios, readers are referred to the glossary of abbreviations and definitions, which is an integral part of the Directors’ report.

2014 was a challenging year for the business segment **Exploration and Production (E&P)**. Total production in mature core countries (Romania and Austria) was kept at a stable level in line with the strategic target of 200-210 kboe/d. Production in Romania showed a second year of marginal growth. Norway’s production ramp-up to 50 kboe/d towards the end of the year is a strong indicator that the North Sea region is becoming a core area for the Group. In contrast, the rest of the international portfolio was impacted by production interruptions in Libya and Yemen due to security issues. From an exploration point of view, 2014 was a less successful year with an overall success rate significantly below previous years. This year’s discoveries were made onshore and offshore Romania, while in Norway the Wisting discovery was successfully appraised. In Abu Dhabi, Namibia, Gabon and Bulgaria large license areas were covered by 3D seismic.

For **Gas and Power (G&P)**, the overall market environment remained challenging, nevertheless, key decisions were taken in 2014 to increase profitability. The supply, marketing and trading business renegotiated the long-term gas supply contract with Gazprom and

agreed on a structural solution which reflects changing market conditions. In turn, the same business unit started marketing Norwegian equity gas volumes. The gas logistics business successfully finalized the consolidation of the gas transportation business in Austria.

The business segment **Refining and Marketing including petrochemicals (R&M)** refines, supplies and trades oil products and petrochemicals with a geographical focus on Central and Southeastern Europe as well as Turkey. R&M operates refineries in Schwechat (Austria) and Burghausen (Southern Germany), both with integrated petrochemical complexes, as well as the Petrobrazi (Romania) refinery, and holds a 36% stake in the petrochemical company Borealis. At the end of 2014, OMV had an annual crude oil processing capacity of 17.4 mn t (360,000 bbl/d). The retail network consists of approximately 4,100 filling stations in 11 countries, with a strong brand portfolio: "OMV", operating in all countries except Turkey and Moldova, "Petrom" in Romania and Moldova, "Petrol Ofisi" in Turkey and "Avanti" in Austria. With a high-quality integrated asset portfolio, strong brands, industry-leading availability and utilization rates, OMV has an advantageous position in its markets.

Earnings Before Interest and Taxes (EBIT)

E&P EBIT decreased by 26% to EUR 1,466 mn, in spite of the production from Norway (production included since November 2013), which was more than offset by higher depreciation, increased production costs and lower oil prices. Total OMV daily production of oil, NGL and gas of 309 kboe/d was 8% above the level of 2013, as Norway's contribution was fully reflected in 2014 and more than offset the lower production volumes in Libya, due to security issues in the country. Total OMV daily oil and NGL production rose by 5%, mainly reflecting the contribution from Norway, which more than offset the lower volumes from Libya. Total OMV daily gas production increased by 10% vs. 2013, mainly supported by the contribution from Norway and the increase in volumes in Pakistan and Romania.

Driven mainly by the liftings in Norway, the total sales volumes increased by 12%. Net special items of EUR (203) mn in 2014 were mainly related to the impairment of the Tasbulat assets in Kazakhstan.

G&P EBIT decreased from EUR 1 mn in 2013 to EUR (162) mn, due to net special items of EUR (263) mn, mainly related to the impairment of the gas-fired power plant Brazi in Romania and the impairment of goodwill related to the Petrol Ofisi acquisition.

High-quality integrated asset portfolio in R&M

Earnings Before Interest and Taxes (EBIT)			EUR mn
	2014	2013 [1]	Δ
Exploration and Production (E&P) [2]	1,466	1,990	(26)%
Gas and Power (G&P)	(162)	1	n.m.
Refining and Marketing incl. petrochemicals (R&M)	(290)	658	n.m.
Corporate and Other (Co&O)	(63)	(53)	19%
Consolidation: Elimination of inter-segmental profits	104	7	n.m.
OMV Group	**1,054**	**2,602**	**(59)%**

[1] Figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements"
[2] Excluding inter-segmental profit elimination

The result of the business unit **supply, marketing and trading** decreased mainly due to lower results in Romania and in Turkey. The weak gas market environment and warm weather conditions led to a decrease of gas sales volumes in EconGas as well as in Romania. Increased competition resulted in an overall lower level of gas sales margins. The result contribution of EconGas was at last year's level, supported by the adjusted long-term gas supply contracts but weighed down by the cost of the unutilized regasification capacity in the Gate LNG terminal. In Romania, gas sales volumes decreased by 9% to 47.70 TWh (2013: 52.70 TWh) in the context of the overall gas market decline of 4%, impacted also by less off-take by power plants. The gas sales margin in Romania was negatively impacted by additional storage and transportation costs. In Turkey, OMV sold 14.70 TWh of natural gas and LNG in 2014 vs. 11.96 TWh in 2013. Due to the unfavorable USD-TRY FX-rate development in 2014, the gas business in Turkey was burdened as the supply volumes were purchased in USD, whereas the sales price for wholesalers and local consumers were in TRY and heavily influenced by the local market leader.

The business unit **gas logistics** recorded a slightly lower result vs. 2013. The gas transportation business result came in below last year's level mainly due to the restructuring of the TAG pipeline operations.

The **power** business recorded a net electrical output of 5.81 TWh vs. 4.34 TWh in 2013, mainly from the increased output of the gas-fired power plant Samsun (Turkey), which started operations in June 2013. The output of the gas-fired power plant Brazi (Romania) decreased significantly. The result of the power business was burdened by unfavorable market conditions in Romania.

R&M EBIT came in at EUR (290) mn, significantly lower than the EUR 658 mn in 2013, based on net special items of EUR (342) mn, mainly as a result of the impairment of goodwill related to the Petrol Ofisi acquisition, and the falling crude prices. In addition, 2013 included the result from the sale of LMG Lagermanagement GmbH (EUR 440 mn).

The **refining** result decreased substantially compared to 2013 mainly due to the sharp decline in prices at year end, in addition to higher costs in relation to the planned turnaround in Burghausen and the shutdown of Petrobrazi for the finalization of the modernization program. These effects could not be compensated by the increase in the OMV indicator refining margin as a result of the Petrobrazi modernization program that led to an optimization of the yield structure. The OMV indicator refining margin of USD 3.28/bbl increased by 69% compared to the level of 2013, which was USD 1.94/bbl.

Increased petrochemicals result

The **petrochemicals** result increased mainly due to substantially higher propylene and benzene margins, which more than compensated for lower ethylene margins as well as lower sales volumes. The **marketing** result was lower compared to 2013, mainly reflecting the negative effects from the ongoing margin ceiling in Turkey and despite better cost management in both the retail and the commercial business. The marketing sales volumes were 5% lower than 2013, mainly due to the missing volumes after the sale of the 45% stake in the Bayernoil refinery network and the sale of the marketing businesses in Croatia and Bosnia-Herzegovina.

EBIT in the **Corporate and Other (Co&O)** segment decreased by 19% to EUR (63) mn in 2014.

Notes to the income statement

OMV is an integrated, international oil and gas company. As oil produced by the E&P business 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 2013, **consolidated sales revenues** decreased by 15% to EUR 35,913 mn, mainly driven by lower sales in G&P. Sales of the **E&P** business segment increased by 7% to EUR 5,773 mn. After the elimination of intra-group transactions of EUR 4,284 mn, the contribution of E&P to consolidated sales revenues was EUR 1,489 mn or about 4% of the Group's total sales revenues (2013: EUR 1,043 mn or 2%). **G&P** sales decreased to EUR 6,799 mn (2013: EUR 12,236 mn). After elimination of intra-group sales to refineries, G&P's contribution in 2014 was 18% of total sales or EUR 6,632 mn (2013: EUR 12,035 mn or 28%). Consolidated sales in **R&M** amounted to EUR 27,787 mn or 77% of total sales (2013: EUR 29,330 mn or 69%).

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 9,005 mn or 25% of the Group's total (2013: EUR 14,064 mn or 33%). Sales revenues in Germany decreased from EUR 8,241 mn in 2013 to EUR 6,260 mn in 2014, representing a revenue contribution of 17% (2013: 19%), mainly as a result of the Bayernoil divestment. In Romania, sales revenues of EUR 3,809 mn or 11% of total sales revenues, were close to last year's level in terms of proportion (2013: EUR 4,170 mn or 10%). Turkey enlarged its supply business and managed to raise its contribution to 23%, or EUR 8,235 mn, to OMV Group's total sales in 2014 (2013: EUR 6,699 mn or 16%). Sales in the rest of CEE were EUR 3,779 mn or 11% of Group sales revenues (2013: EUR 3,993 mn or 9%). Rest of Europe accounted for EUR 1,957 mn or 5% (2013: EUR 2,625 mn or 6%). Sales revenues in the Rest of the World increased slightly to EUR 2,867 mn, representing 8% of total sales revenues (2013: EUR 2,622 mn or 6%).

Sales in Turkey rose

Direct selling expenses, mainly consisting of third-party freight-out expenses, remained stable at EUR (342) mn (2013: EUR (343) mn). **Cost of sales**, which include variable and fixed

Summarized income statement			**EUR mn**
	2014	2013 [1]	Δ
Sales revenues	35,913	42,414	(15)%
Direct selling expenses	(342)	(343)	0%
Cost of sales	(32,504)	(37,699)	(14)%
Other operating income	314	705	(55)%
Selling and administrative expenses	(1,366)	(1,407)	(3)%
Exploration, research and development expenses	(485)	(530)	(9)%
Other operating expenses	(476)	(537)	(11)%
Earnings Before Interest and Taxes (EBIT)	**1,054**	**2,602**	**(59)%**
Net financial result	(177)	(311)	(43)%
Taxes on income	(264)	(562)	(53)%
Net income for the year	**613**	**1,729**	**(65)%**
Thereof attributable to hybrid capital owners	38	38	0%
Thereof attributable to non-controlling interests	219	528	(59)%
Net income attributable to stockholders of the parent	**357**	**1,162**	**(69)%**

[1] Figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements"

Improved net financial result

production costs as well as costs of goods and materials employed, decreased by 14% to EUR (32,504) mn. **Other operating income** declined to EUR 314 mn (2013: EUR 705 mn). The decrease compared to 2013 is mainly related to the sale of LMG Lagermanagement GmbH in the amount of EUR 440 mn, which was reflected in the previous year figure.

Selling and administrative expenses amounting in total to EUR (1,366) mn decreased by 3% compared to last year, mainly related to divestment activities in R&M (2013: EUR (1,407) mn).

Exploration expenses amounting to EUR (460) mn decreased by 10% compared to last year, mainly driven by write-offs of exploration licenses in the Kurdistan Region of Iraq and higher write-offs of exploration wells in Norway in 2013. **Research and development (R&D) expenses** increased by 48% to EUR (25) mn.

Other operating expenses decreased by 11% compared to 2013, amounting to EUR (476) mn. The 2013 figure included an impairment loss of the German Bayernoil refinery network and the related business following the reclassification to held for sale.

The **net financial result** amounted to EUR (177) mn (2013: EUR (311) mn). The improvement compared to last year was mainly related to an improved foreign exchange result. **Income from equity-accounted investments** in total amounted to EUR 180 mn (2013: EUR 170 mn) and reflected mainly the share of the pro rata result of Borealis group amounting to EUR 205 mn (2013: EUR 152 mn). **Dividend income** amounted to EUR 16 mn (2013: EUR 11 mn). The **net interest result** showed an expense balance of EUR (330) mn (2013: EUR (237) mn), mainly reflecting late payment interest charges following a tax review of the years 2009 and 2010 of OMV Petrom SA, partly compensated by lower interest expenses due to the improved financing structure.

Taxes on income were EUR (264) mn (2013: EUR (562) mn). Current income tax expenses amounted to EUR (515) mn (2013: EUR (693) mn) and deferred tax income amounted to EUR 251 mn (2013: EUR 131 mn). The Group's effective tax rate increased to 30% (2013: 25%).

Capital expenditure [1]			EUR mn
	2014	2013 [2]	Δ
Exploration and Production	2,951	4,431	(33)%
Gas and Power	243	270	(10)%
Refining and Marketing incl. petrochemicals	607	506	20%
Corporate and Other	31	32	(2)%
Total capital expenditure	**3,832**	**5,239**	**(27)%**
+/– Changes in the consolidated Group and other adjustments	670	1,156	(42)%
– Investments in financial assets	(76)	(183)	(58)%
Additions according to statement of non-current assets (intangible and tangible assets)	**4,426**	**6,211**	**(29)%**
+/– Non-cash changes	(592)	(1,443)	(59)%
Cash outflow due to investments in intangible and tangible assets	**3,834**	**4,768**	**(20)%**
+ Cash outflow due to investments in securities, loans and other financial assets	76	48	58%
Investments as shown in the cash flow statement	**3,910**	**4,816**	**(19)%**

[1] Includes acquisitions as well as equity-accounted investments 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
[2] Figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements"

Capital expenditure (CAPEX)

CAPEX decreased to EUR 3,832 mn (2013: EUR 5,239 mn).

E&P invested EUR 2,951 mn (2013: EUR 4,431 mn) mainly in field redevelopments, drilling and workover activities in Romania, and field developments in Norway and the UK. CAPEX in the **G&P** business segment of EUR 243 mn (2013: EUR 270 mn) was mainly related to the gas storage Etzel in Germany. CAPEX in the **R&M** segment amounted to EUR 607 mn (2013: EUR 506 mn), mainly comprising investments in the construction of the butadiene plant in Burghausen (Germany) and the modernization of the Petrobrazi refinery (Romania). CAPEX in the **Co&O** segment was EUR 31 mn (2013: EUR 32 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 to be 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, new finance leases, decommissioning 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.

CAPEX at EUR 3.8 bn in 2014

Summarized statement of financial position				EUR mn
	2014	%	2013 [1]	%
Assets				
Non-current assets	25,548	75	23,641	74
Intangible assets and property, plant and equipment	22,028	65	20,648	65
Equity-accounted investments	2,131	6	1,853	6
Other non-current assets	933	3	748	2
Deferred tax assets	456	1	392	1
Current assets	8,298	24	7,564	24
Inventories	2,231	7	2,456	8
Trade receivables	3,042	9	3,270	10
Other current assets	3,026	9	1,838	6
Assets held for sale	93	0	643	2
Equity and liabilities				
Equity	14,602	43	14,545	46
Non-current liabilities	10,445	31	8,894	28
Pensions and similar obligations	1,115	3	1,022	3
Bonds and other interest-bearing debts	4,642	14	3,899	12
Decommissioning and restoration obligations	3,148	9	2,765	9
Other provisions and liabilities	972	3	536	2
Deferred tax liabilities	568	2	673	2
Current liabilities	8,863	26	8,257	26
Trade payables	4,330	13	4,914	15
Bonds and other interest-bearing debts	598	2	996	3
Provisions and other liabilities	3,935	12	2,348	7
Liabilities associated with assets held for sale	29	0	151	0
Total assets/equity and liabilities	**33,938**	**100**	**31,848**	**100**

[1] Figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements"

Statement of financial position

Total assets increased by EUR 2,090 mn to EUR 33,938 mn. The increase in **non-current assets** amounting to EUR 1,907 mn was to a large extent related to investment activities in intangible assets and property, plant and equipment, which mainly included E&P investments in OMV Petrom, field developments in Norway and the UK and investments in the refineries in Germany and Romania, partly compensated by the impairments recognized during the year and the regular depreciation, depletion and amortization.

Equity-accounted investments increased by EUR 278 mn. Changes of equity-accounted investments included the result contribution of Borealis as well as the proportional results from other equity-accounted investments, translation of foreign operations and other changes. **Other non-current assets**, which primarily comprise non-current receivables, loans and securities, increased by EUR 185 mn to EUR 933 mn.

Deferred tax assets increased to EUR 456 mn.

Current assets increased by EUR 735 mn and amounted to EUR 8,298 mn as at December 31, 2014. The volatility of the oil price led to higher level of derivatives being the main reason for the EUR 1,188 mn increase in other current assets. On the other hand, **inventories** decreased by EUR 225 mn and **trade receivables** by EUR 229 mn mainly triggered by reduced business activities as a consequence of the Bayernoil divestment.

Sale of the 45% stake in the Bayernoil refinery network

Current assets held for sale decreased by EUR 551 mn, mainly due to the sale of the 45% stake in the German Bayernoil refinery network and the related business, partially compensated by the reclassification of certain assets in the Kurdistan Region of Iraq.

Equity (including non-controlling interest) remained stable, whereas the equity ratio decreased slightly to 43% (2013: 46%).

Pensions and similar obligations increased by EUR 94 mn. **Non-current decommissioning and restoration obligations** rose by EUR 384 mn, mainly due to reassessment of the provisions, primarily resulting from decreased interest rates.

Current and non-current bonds and other interest-bearing debts increased by EUR 345 mn, mainly due to the issuance of a new EUR 750 mn Eurobond and the increase in short-term financing, partly compensated by repayments made during the period.

Trade payables decreased by EUR 584 mn, mainly due to the divestment of the Bayernoil refinery and due to lower oil prices. **Current and non-current other provisions and other liabilities** increased by EUR 2,023 mn. The increase was driven to a large extent by the EUR 1,469 mn increase in **other financial liabilities** mainly due to a higher balance of derivatives primarily caused by the decline in oil prices. Other effects came from higher provisions for alleged late payment interest charges following a tax review of the years 2009 and 2010 of OMV Petrom SA, and higher finance lease liabilities.

Deferred tax liabilities decreased to EUR 568 mn.

Gearing ratio

As of December 31, 2014, short- and long-term borrowings, bonds and financial leases amounted to EUR 5,551 mn (2013: EUR 5,076 mn), while cash and cash equivalents decreased to EUR 649 mn (2013: EUR 705 mn) in total. On November 10, 2014, OMV issued a EUR 750 mn Eurobond with a coupon of 0.6% and a maturity date of November 19, 2018. **Net debt** increased by EUR 531 mn to EUR 4,902 mn (2013: EUR 4,371 mn). At December 31, 2014, the **gearing ratio**, defined as net debt divided by equity, was 34% (2013: 30%). This reflects the increase of short-term financing and finance leases.

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 decreased by EUR 457 mn or 11% from EUR 4,124 mn to EUR 3,666 mn. The reconciliation of net income for the year to the cash flow from operating activities (before changes in working capital components) resulted in a net upward adjustment of EUR 2,648 mn for 2014 (2013: EUR 1,748 mn). The adjustment for depreciation, amortization and impairments was EUR 3,058 mn (2013: EUR 2,296 mn) and EUR (251) mn (2013: EUR (131) mn) for deferred taxes. The current tax expense less net tax payments resulted in a decrease of EUR 54 mn (2013: EUR 3 mn). The share of equity-accounted investments' result and other dividend income less the dividend payments received contributed to a decrease of EUR 153 mn (2013: EUR 147 mn). The net interest expenses related to loans and other liabilities less interest paid resulted in a decrease of EUR 46 mn (2013: EUR 26 mn). The net decrease in long-term provisions (including employee benefits and decommissioning and restoration obligations) resulted in a negative cash flow adjustment of EUR 14 mn (2013: EUR 38 mn). The total of write-ups of fixed assets and other non-cash items resulted in an increase of EUR 102 mn (2013: decrease of EUR 209 mn). Other non-cash items included among others the write-down of inventories related to the significant decline in prices at year end. In 2013, this position also reflected the gain from the sale of LMG Lagermanagement GmbH.

In 2014, there was a cash inflow from working capital components of EUR 405 mn (2013: EUR 647 mn). Receivables and inventories decreased by EUR 455 mn (2013: EUR 116 mn), the positive effect was mainly related to lower crude quantities in OMV Germany as a result of the Bayernoil divestment. Liabilities decreased by EUR 135 mn (2013: increase of EUR 536 mn). Short-term provisions increased by EUR 85 mn (2013: decrease of EUR 5 mn). The higher contribution from working capital components in 2013 is mainly a result of one-off effects from working capital improvement measures initially implemented in 2013. These measures were continued in 2014 but with a lower impact.

Cash outflows for investments in non-current assets of EUR 3,910 mn (2013: EUR 4,816 mn) were partly offset by proceeds from the sale of non-current assets, subsidiaries and businesses, net of cash disposed, amounting to EUR 516 mn (2013: EUR 835 mn), mainly related to the sale of the 45% stake in the Bayernoil refinery network and to other divestments. In 2013, LMG Lagermanagement GmbH, a company which holds and manages a major part of R&M's Austrian emergency stocks was sold. **Net cash outflow from investment activities** totaled EUR 3,394 mn (2013: EUR 3,981 mn).

New Eurobond issued

Cash inflows from the net increase of short-term and long-term borrowings amounted to EUR 331 mn (2013: EUR 120 mn). In 2014, there were EUR 750 mn cash inflows from the issuance of a new Eurobond, compensated by the EUR 702 mn repayment of a Eurobond in April. In 2013, the Group issued a new Eurobond with a nominal value of EUR 500 mn, which was compensated by the EUR 138 mn partial repayment of a US Capital Market bond. In 2014, the Group acquired additional stake of 1.8% in OMV Petrol Ofisi A.Ş. and the remaining non-controlling interest in Adria-Wien Pipeline GmbH. In 2013, the Group acquired the non-controlling stake of 49% in Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H. and exercised the put options held by Oberösterreichische Ferngas Aktiengesellschaft that led to an increase of OMV's indirect stake in EconGas GmbH, partly compensated by the decrease in the stake held in Austrian Gas Grid Management AG. Cash outflows for dividend payments amounted to EUR 650 mn (2013: EUR 627 mn), of which EUR 408 mn (2013: EUR 391 mn) were paid to OMV shareholders, EUR 191 mn (2013: EUR 185 mn) to shareholders of non-controlling interests and EUR 51 mn (2013: EUR 51 mn) to hybrid capital owners. **Net cash outflow from financing activities** amounted to EUR 342 mn (2013: EUR 641 mn).

Risk management

OMV is an integrated, international oil and gas company. Its operations extend from hydrocarbon exploration and production and processing through to trading and marketing of mineral products and gas. Furthermore, OMV is operating two gas-fired power plants, in Romania and in Turkey. In common with the entire oil and gas industry, OMV is exposed to a variety of risks – including market, operational, strategic, regulatory, financial 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 across the entire organization.

Risk policy objective is to safeguard the cash flows required by the Group

The overall objective of the risk policy is to safeguard the cash flows required by the Group 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 the OMV Group. 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, NOK and TRY), project risks, personnel risks as well as hazard risks.

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

Analysis and management of financial risks arising from foreign currencies, interest rates, commodity prices, counterparties, 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 RON, USD, TRY and NOK currency exposure. 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 Romania, Turkey, Norway and USD functional affiliates.

To balance the Group's interest rate portfolio, loans can be 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, OMV Petrom and Petrol Ofisi level.

Sustainability & HSSE (Health, Safety, Security, Environment)

At OMV, we have a long tradition of responsibility towards society and the environment. In 2014, we embedded sustainability further in our operations. The OMV sustainability strategy, "Resourcefulness", focuses on achieving profitable growth in a sustainable and responsible way. Being in the natural resources business, we see it as our responsibility to secure energy supply for the present and for the future.

Our Resourcefulness strategy is managed and overseen by two governance bodies: the Resourcefulness Executive Team comprises representatives of each Resourcefulness topic and business segment and is responsible for further developing the Resourcefulness strategy and implementing it into operations; the Resourcefulness Advisory Board comprises high-ranking external experts who advise us on how we can best develop the strategy, as well as providing feedback on current programs.

In 2014, we continued to make progress in sustainability. Detailed information on our performance can be found in the OMV Sustainability Report. We submit information to leading sustainability rating agencies such as oekom, Vigeo, MSCI and Ethibel, and report according to the Carbon Disclosure Project (CDP). In 2014, we significantly improved our CDP score from 81B to 99B and have been included in the DACH Carbon Disclosure Leadership Index (CDLI) as a top performer in the oil and gas sector.

Improved Carbon Disclosure Project score

Health, Safety, Security and Environment (HSSE) are a key value of our business. The physical and mental well-being and safety of our people, as well as the integrity of our operating facilities, are of crucial importance to us. Loss prevention and proactive risk management are essential to maintaining OMV's license to operate. Sadly, in 2014 there were three work-related fatalities. We are committed to working hard in order to create an incident-free environment wherever we operate following our Vision "ZERO harm – NO Losses".

We very closely monitored the security situation and performed orderly evacuations in Libya as well as in the Kurdistan Region of Iraq and we managed to ensure security of our employees and business continuity. With regards to our operations in high-risk countries, we maintain a close working relationship with our security intelligence providers, this enables proactive decisions regarding security protection (e.g. in Tunisia we detected an increased threat facing our operations in the southern dessert and we were quickly able to make appropriate enhancements to our protective measures).

Key actions in 2014 included:

- Roll-out of computer-based training initiatives on process safety
- Completion of a Hazardous Substance Project to assess hazardous substances and develop training materials for employees and emergency response staff
- Further increase in participation by top management in high potential incident investigations
- Implementation of flaring and venting reduction projects
- Launch of employee health promotion campaign, to improve health and build awareness of the importance of personal care

In 2014, OMV provided 281,952 HSSE training hours for its employees.

OMV's goal is to optimize our processes in order to use natural resources as efficiently as possible, and to reduce emissions and discharges. Spill risk management is a key focus across our operations.

In 2014, there were seven major hydrocarbon spills (L3-L5 according to OMV definitions), totaling 69,924 liters of hydrocarbons spilled. These were caused by corrosion and, in two instances, the cause was third-party activities.

OMV carries out a broad range of incremental energy efficiency improvements. The key is to reduce greenhouse gas (GHG) emissions and save energy costs. We have programs in place to drive down energy consumption across all our operations.

Eco-Innovation

We use our core expertise and technology to develop alternative energy sources, thereby creating new business opportunities.

For example, we are investing in second-generation biofuels and in hydrogen, with a plan in place together with partners to open up to 400 hydrogen filling stations in Germany by 2023. In Austria, we have commenced the wind2hydrogen project, under which we convert electricity produced by wind into hydrogen. Furthermore, we started to convert biomass into diesel in the Schwechat refinery. In 2014, all tests were finished and the economics are still under evaluation. The technology works; still further efforts need to be made to develop a robust business case.

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.

Focus on second-generation biofuels and hydrogen

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 77,900,000 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 was 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 50,627,273 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) With regard to the expiration on May 13, 2014 of the authorized capital decided upon by the Annual General Meeting on May 13, 2009, the Annual General Meeting has authorized the Executive Board on May 14, 2014, subject to the approval of the Supervisory Board, to increase by May 14, 2019, once or in several tranches, also by way of indirect offer for subscription after taking over by one or several credit institutions according to Section 153 Paragraph 6 Stock Corporation Act, against cash contributions, the share capital by not more than EUR 32,727,272 by issuing up to 32,727,272 new no-par value common voting shares in bearer form. Subject to the approval of the Supervisory Board, the Executive Board has been authorized to exclude in this connection the subscription right of the shareholders (i) to adjust fractional amounts or (ii) to satisfy stock options or long term incentive plans including matching share plans for employees, senior employees and members of the Executive Board/ management boards of the Company or one of its affiliates, or other employees' stock ownership plans and subject to the approval of the Supervisory Board, to set the issue price and conditions of issuance (authorized capital). The Supervisory Board has been authorized to adopt amendments to the Articles of Association resulting from the issuance of shares according to the authorized capital.

c) 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 could be repurchased via the stock exchange, by way of public tender or in any other legally permitted way and to any legally permitted purpose until November 16, 2013. The Executive Board had 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 until the same date.

d) 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 bears 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, 2014, 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, based on the annual audit plan approved by the audit committee, or through ad-hoc audits. The results of those audits are presented to the audit committee. 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. For the main "End-to-end" processes (e.g. Purchase-to-Pay, Order-to-Cash) group-wide standards are defined. Based on a rolling time plan, the implementation and the effectiveness are being monitored. 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 37 in the Consolidated Financial Statements.

Outlook

Mid-term guidance

In order to reflect the significant decline of the oil price together with the unpredictability of our Libyan production, we have scaled back our investment program. The guidance for the average Group CAPEX for the period 2015-2017 is at approximately EUR 2.5 to 3.0 bn p.a. (the lower end of the range represents an oil price assumption of approximately USD 50/bbl going forward for the next three years) with roughly 80% being directed to Upstream. While we remain committed to the major projects expected to contribute to our previously stated 2016 production target of ~400 kboe/d, the changes to the investment program will inevitably lead to a delay in reaching this production level. Our target remains to achieve a broadly neutral free cash flow after dividends over the medium term. The revisions to the investment program support us in this objective. ROACE performance in the mid-term will be adversely affected by capital invested in field development projects as well as by the low oil price. We continue to stay

Average Group CAPEX of approx. EUR 2.5 to 3.0 bn p.a. for 2015-2017

committed to our long-term gearing ratio target up to 30% and to our dividend policy (long-term payout ratio target of 30%).

Market environment
For the year 2015, OMV expects the Brent oil price to average between USD 50 to 60/bbl. The Brent-Urals spread is anticipated to stay relatively tight. The gas market environment is expected to remain highly challenging. In 2015, refining margins are expected to come down from the recent highs, due to still persisting overcapacity on European markets. In the petrochemical business, margins are anticipated to remain at similar levels to 2014. Due to the decreased oil price, lower product prices are expected to support the demand in the marketing business. The marketing business in Turkey will continue to be negatively affected by regulatory intervention.

Exploration and appraisal expenditure of around EUR 0.5 bn in 2015

CAPEX for 2015 is expected to be in the range of EUR 2.5 to 2.8 bn. OMV has started a program to ensure the company's fitness for a potentially prolonged low oil price environment by implementing cost cutting measures and focusing on capital efficiency.

Upstream
Production interruptions in Libya and to a lesser extent in Yemen, have impacted our overall production since political disturbances began in 2011. Uninterrupted full capacity from these countries could provide ~43 kboe/d in 2015. Excluding these two countries, we expect total production for 2015 to average approximately 300 kboe/d. In Romania and Austria, production is expected to come in at the lower end of the targeted production range of 200-210 kboe/d. In Norway, the combined production from Gudrun and Gullfaks fields stood at ~35 kboe/d in 2014 and will further increase as additional wells at the Gudrun field are expected to come on stream this year. Following "first oil" at the Maari Growth project, production in New Zealand is expected to continue to ramp up as additional wells are planned to be drilled at Maari by mid-2015. Upstream capital expenditure for 2015 is expected to be roughly 80% of total Group CAPEX and includes the following major investment projects: Gullfaks, Aasta Hansteen, Edvard Grieg and Gudrun in Norway, field redevelopments in Romania, Nawara in Tunisia and Schiehallion in the UK. In the Neptun block (Romanian Black Sea), drilling at the Domino-2 well was completed in Q4/14 and data from the well is currently being evaluated. The Ocean Endeavor semisubmersible drilling rig has since been moved and is currently drilling the Pelican South-1 exploration well. Further exploration drilling is planned in 2015. The results from the Domino-2 and the Pelican South-1 wells, together with data from additional exploration wells, will be used for the evaluation of the consolidated block potential. Exploration and appraisal expenditure will be around EUR 0.5 bn in 2015. High impact wells planned for 2015 are expected to be drilled in Romania (Black Sea), Norway (Barents Sea and the Norwegian Sea) and West of Shetland.

Downstream
The review of the gas and power asset portfolio (including divestment options) will be finalized in the first half of the year 2015. As announced in October 2014, a combined business segment Downstream, integrating the Gas and Power and Refining and Marketing business segments, is effective as of January 1, 2015. Detailed analysis and planning of the integration of the R&M and G&P businesses into a combined Downstream segment is being performed with the necessary restructuring to commence in the second half of 2015.

The optimized asset structure including the finalized modernization of the Petrobrazi refinery and the sale of the Bayernoil stake further enhanced the stable profit and cash contribution from the refining business, which will be reflected in the 2015 performance. No major refinery shutdowns are planned in 2015. The ongoing regulatory intervention in Turkey (margin ceiling) together with the volatile economic development will further negatively influence Petrol Ofisi's profitability. Following agreements with major gas suppliers, the long-term gas supply contracts now reflect the prevailing market conditions, however, the gas sales margins are expected to remain under pressure. In gas logistics, the gas transportation business is expected to stabilize at lower levels, due to the business restructuring implemented in 2014. Spark spreads in Romania are expected to remain weak, impacting the contribution from the Brazi power plant. Despite the ongoing volatile economic development in Turkey, the power plant Samsun is expected to deliver a positive contribution in 2015.

Vienna, March 18, 2015

The Executive Board

Gerhard Roiss

David C. Davies

Jaap Huijskes

Manfred Leitner

Financial statements

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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, 2014 to December 31, 2014. These consolidated financial statements comprise the consolidated statement of financial position as of December 31, 2014, 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, 2014, and a summary of significant accounting policies and other explanatory notes except for "Oil and gas reserve estimation and disclosures (unaudited)".

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

he 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, and the additional requirements under Section 245a UGB. This responsibility includes: Designing, implementing and maintaining internal controls 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.

Auditors' responsibility and description of type and scope of the statutory audit

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

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of December 31, 2014 and of its financial performance and its cash flows for the fiscal year from January 1, 2014 to December 31, 2014 in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU.

Comments on the consolidated management report

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 18, 2015
Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Walter Krainz (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 2014

Consolidated income statement	Note	2014	2013 [1]
			EUR mn
Sales revenues		**35,913**	**42,414**
Direct selling expenses		(342)	(343)
Cost of sales		(32,504)	(37,699)
Gross profit		**3,067**	**4,371**
Other operating income	7	314	705
Selling expenses		(950)	(980)
Administrative expenses		(416)	(427)
Exploration expenses		(460)	(513)
Research and development expenses		(25)	(17)
Other operating expenses	8	(476)	(537)
Earnings Before Interest and Taxes (EBIT)		**1,054**	**2,602**
Income from equity-accounted investments	9	180	170
Dividend income		16	11
Interest income	9	33	67
Interest expenses	9	(362)	(304)
Other financial income and expenses	9	(44)	(255)
Net financial result		**(177)**	**(311)**
Profit from ordinary activities		**878**	**2,291**
Taxes on income	10	(264)	(562)
Net income for the year		**613**	**1,729**
thereof attributable to stockholders of the parent		357	1,162
thereof attributable to hybrid capital owners		38	38
thereof attributable to non-controlling interests		219	528
Basic Earnings Per Share in EUR	11	**1.09**	**3.56**
Diluted Earnings Per Share in EUR	11	**1.09**	**3.55**

[1] Figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements"

Consolidated statement of comprehensive income for 2014

Consolidated statement of comprehensive income			EUR mn
	Note	**2014**	2013
Net income for the year		**613**	**1,729**
Exchange differences from translation of foreign operations		**311**	**(886)**
Gains/(losses) arising during the year, before income taxes		301	(896)
Reclassification of (gains)/losses to net income		9	10
Gains/(losses) on available-for-sale financial assets		**0**	**(2)**
Gains/(losses) arising during the year, before income taxes		0	(2)
Reclassification of (gains)/losses to net income		0	0
Gains/(losses) on hedges		**(42)**	**(17)**
Gains/(losses) arising during the year, before income taxes		(15)	18
Reclassification of (gains)/losses to net income		(27)	(34)
Share of other comprehensive income of equity-accounted investments		**67**	**(34)**
Total of items that may be reclassified ("recycled") subsequently to the income statement		**337**	**(938)**
Remeasurement gains/(losses) on defined benefit plans		**(145)**	**(98)**
Share of other comprehensive income of equity-accounted investments		**(22)**	**0**
Total of items that will not be reclassified ("recycled") subsequently to the income statement		**(167)**	**(99)**
Income taxes relating to items that may be reclassified ("recycled") subsequently to the income statement		3	9
Income taxes relating to items that will not be reclassified ("recycled") subsequently to the income statement		(56)	25
Total income taxes relating to components of other comprehensive income	20	**(52)**	**35**
Other comprehensive income for the year, net of tax	20	**117**	**(1,002)**
Total comprehensive income for the year		**730**	**726**
thereof attributable to stockholders of the parent		486	180
thereof attributable to hybrid capital owners		38	38
thereof attributable to non-controlling interests		207	509

Consolidated statement of financial position as of December 31, 2014

Assets			**EUR mn**
	Note	**2014**	2013 [1]
Intangible assets	12	3,528	3,597
Property, plant and equipment	13	18,500	17,051
Equity-accounted investments	14	2,131	1,853
Other financial assets	17	816	635
Other assets	18	117	113
Deferred taxes	24	456	392
Non-current assets		**25,548**	**23,641**
Inventories	15	2,231	2,456
Trade receivables	16	3,042	3,270
Other financial assets	17	1,782	752
Income tax receivables		81	82
Other assets	18	514	299
Cash and cash equivalents		649	705
Current assets		**8,298**	**7,564**
Assets held for sale	19	93	643
Total assets		**33,938**	**31,848**

[1] Figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements"

Equity and liabilities EUR mn

	Note	2014	2013 [1]
Share capital		327	327
Hybrid capital		741	741
Reserves		10,602	10,546
OMV equity of the parent		**11,670**	**11,614**
Non-controlling interests	21	2,932	2,931
Total equity	20	**14,602**	**14,545**
Provisions for pensions and similar obligations	22	1,115	1,022
Bonds	23	3,967	3,318
Other interest-bearing debts	23	674	581
Provisions for decommissioning and restoration obligations	22	3,148	2,765
Other provisions	22	329	306
Other financial liabilities	23	466	224
Other liabilities	23	176	6
Deferred taxes	24	568	673
Non-current liabilities		**10,445**	**8,894**
Trade payables	23	4,330	4,914
Bonds	23	159	778
Other interest-bearing debts	23	439	217
Income tax liabilities		286	276
Provisions for decommissioning and restoration obligations	22	78	84
Other provisions	22	474	415
Other financial liabilities	23	1,610	383
Other liabilities	23	1,486	1,189
Current liabilities		**8,863**	**8,257**
Liabilities associated with assets held for sale	19	29	151
Total equity and liabilities		**33,938**	**31,848**

[1] Figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements”

Consolidated statement of changes in equity

Consolidated statement of changes in equity in 2014 [1]

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Translation of foreign operations	Available-for-sale financial assets
January 1, 2014	**327**	**1,498**	**741**	**10,471**	**(1,369)**	**0**
Net income for the year	—	—	—	395	—	—
Other comprehensive income for the year	—	—	—	(199)	316	0
Total comprehensive income for the year	**—**	**—**	**—**	**196**	**316**	**0**
Dividend distribution and hybrid coupon	—	—	—	(458)	—	—
Disposal of treasury shares	—	1	—	—	—	—
Share-based payments	—	4	—	—	—	—
Increase/(decrease) in non-controlling interests	—	—	—	(14)	—	—
December 31, 2014	**327**	**1,503**	**741**	**10,195**	**(1,053)**	**0**

Consolidated statement of changes in equity in 2013 [1]

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Translation of foreign operations	Available-for-sale financial assets
January 1, 2013	**327**	**1,496**	**741**	**9,853**	**(504)**	**2**
Net income for the year	—	—	—	1,200	—	—
Other comprehensive income for the year	—	—	—	(73)	(865)	(2)
Total comprehensive income for the year	**—**	**—**	**—**	**1,127**	**(865)**	**(2)**
Dividend distribution	—	—	—	(442)	—	—
Tax effects on transactions with owners	—	—	—	13	—	—
Disposal of treasury shares	—	1	—	—	—	—
Share-based payments	—	2	—	1	—	—
Increase/(decrease) in non-controlling interests	—	—	—	(80)	—	—
December 31, 2013	**327**	**1,498**	**741**	**10,471**	**(1,369)**	**0**

[1] See Note 20

					EUR mn
Hedges	Share of other compr. income of equity-accounted investments	Treasury shares	OMV equity of the parent	Non-controlling interests	Total equity
6	**(50)**	**(11)**	**11,614**	**2,931**	**14,545**
—	—	—	395	219	613
(33)	45	—	129	(12)	117
(33)	**45**	**—**	**524**	**207**	**730**
—	—	—	(458)	(194)	(653)
—	—	0	1	—	1
—	—	—	4	—	4
—	—	—	(14)	(12)	(26)
(27)	**(4)**	**(11)**	**11,670**	**2,932**	**14,602**

					EUR mn
Hedges	Share of other compr. income of equity-accounted investments	Treasury shares	OMV equity of the parent	Non-controlling interests	Total equity
15	**(16)**	**(12)**	**11,902**	**2,628**	**14,530**
—	—	—	1,200	528	1,729
(9)	(34)	—	(983)	(20)	(1,002)
(9)	**(34)**	**—**	**218**	**509**	**726**
—	—	—	(442)	(188)	(630)
—	—	—	13	—	13
—	—	0	1	—	1
—	—	—	2	—	2
—	—	—	(80)	(17)	(97)
6	**(50)**	**(11)**	**11,614**	**2,931**	**14,545**

Consolidated statement of cash flows for 2014

Consolidated statement of cash flows [1]		EUR mn
	2014	2013 [2]
Net income for the year	**613**	**1,729**
Depreciation, amortization and impairments	3,058	2,296
Write-ups of fixed assets	(2)	(7)
Deferred taxes	(251)	(131)
Current taxes	515	693
Income taxes paid	(577)	(842)
Income tax refunds	8	146
Losses/(gains) from disposal of non-current assets	6	17
Income from equity-accounted investments and dividend income	(196)	(180)
Dividends received from equity-accounted investments and other companies	43	34
Interest expense	169	183
Interest paid	(215)	(209)
Interest income	(22)	(39)
Interest received	22	28
Increase/(decrease) in personnel provisions	(45)	(59)
Increase/(decrease) in long-term provisions	31	20
Other changes	104	(203)
	3,262	**3,476**
Decrease/(increase) in inventories	271	108
Decrease/(increase) in receivables	184	7
Increase/(decrease) in liabilities	(135)	536
Increase/(decrease) in short-term provisions	85	(5)
Cash flow from operating activities	**3,666**	**4,124**
Investments		
Intangible assets and property, plant and equipment	(3,834)	(4,768)
Investments, loans and other financial assets	(76)	(48)
Disposals		
Proceeds from the sale of non-current assets	175	89
Proceeds from the sale of subsidiaries and businesses, net of cash disposed	341	746
Cash flow from investing activities	**(3,394)**	**(3,981)**
Increase in long-term borrowings	892	497
Repayments of long-term borrowings	(853)	(455)
Increase/(decrease) in short-term borrowings	292	78
Change in non-controlling interest	(24)	(134)
Dividends paid to OMV equity holders	(458)	(442)
Dividends paid to non-controlling interests	(191)	(185)
Cash flow from financing activities	**(342)**	**(641)**
Effect of foreign exchange rate changes on cash and cash equivalents	14	(24)
Net increase/(decrease) in cash and cash equivalents	**(56)**	**(522)**
Cash and cash equivalents at beginning of year	705	1,227
Cash and cash equivalents at end of year	**649**	**705**

[1] See Note 25
[2] Figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements"

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 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 2014 have been prepared in million EUR (EUR mn, EUR 1,000,000). Accordingly there may be rounding differences.

The consolidated financial statements for 2014 were approved by the Supervisory Board on March 18, 2015.

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 a material influence on the consolidated financial statements in the near term. Estimates and assumptions need to be made particularly with respect to oil and gas reserves, provisions for decommissioning and restoration costs, the recoverability of intangible assets and property, plant and equipment and provisions for onerous contracts.

Oil and gas production assets are depreciated using the units of production (UOP) method on the basis of total proved developed reserves or total proved reserves. For more details please refer to Note 4.3g. Reserves are estimated by the Group's own engineers. The estimates are verified externally every two years. The last verification was done in 2013 by DeGolyer and MacNaughton. 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 prepared by Group engineers and on past experience. For details on the resulting provision for decommissioning and restoration costs please refer to Note 22. 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 0.0% and 3.0% (2013: 0.5% and 3.0%).

The Group assesses each asset or cash generating unit (CGU) each reporting period to determine whether any indication of impairment exists, except for goodwill, which is assessed annually regardless of indicators. Where an indicator exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value in use. For all impairment tests performed the recoverable amount was based on value in use. The assessments require the use of different estimates and assumptions depending on the business such as crude oil prices, discount rates, reserves, growth rates, gross margins and spark spreads.

The regulatory intervention (margin ceiling) and overall higher risk assessment in Turkey led to a EUR 263 mn impairment of the goodwill allocated to OMV Petrol Ofisi A.Ş., which amounted to EUR 297 mn as of December 31, 2014 (2013: EUR 542 mn). The pre-tax rate applied to discount the future cash flows was 9.2%. The future cash flows are derived from the mid-term planning for the first three years; the additional seven years are projected based on the third year assuming a growth rate of 3.0% and a 1.3% inflation rate, a terminal value being assumed after the tenth year. In total, cash flow projections for ten years have been used in the impairment test in order to reflect the expected market growth due to the demographic development of Turkey. No growth rate was assumed for the terminal value. The recoverable amount was based on the value in use and amounted to EUR 1,871 mn. An increase of 1% point in the discount rate would lead to an additional impairment of EUR 193 mn. A 10% decrease in either sales volumes or margins would lead to an additional impairment of EUR 475 mn. Furthermore, a 1% point reduction of growth rate would lead to an additional impairment of EUR 69 mn.

The nominal oil price assumptions and the EUR-USD exchange rate used in the impairment review are listed below:

2014

	2015	2016	2017	2018 and thereafter
Brent oil price (USD/bbl)	55	75	90	105
EUR-USD exchange rate	1.15	1.15	1.30	1.35
Brent oil price (EUR/bbl)	48	65	69	78

2013

	2014	2015	2016	2017 and thereafter
Brent oil price (USD/bbl)	105	100	100	105
EUR-USD exchange rate	1.37	1.31	1.31	1.31
Brent oil price (EUR/bbl)	77	76	76	80

The assumptions used for oil and gas prices for the first three years were based on management's best estimate and were consistent with broker estimates and other external sources. The mid- and long-term assumptions are consistent with data provided by external studies and consider long-term views of global supply and demand.

For Libya and Yemen ongoing severe production interruptions in the medium term have been considered in the cash flow projections, without leading to any impairment losses.

The goodwill allocated to the Northwest Europe, Africa and Australasia region resulted from the acquisition of Pioneer's subsidiaries in Tunisia in 2011, and amounted to EUR 327 mn as of December 31, 2014 (2013: EUR 288 mn). The key valuation assumptions for the recoverable amount are the oil and natural gas prices, production volumes and the discount rate. The production profile was estimated based on past experience and represent management's best estimate of future production. The cash-flow projections for the first three years are based on the mid-term plan and thereafter on a "life of field" planning, and therefore cover the whole life term of the field. The pre-tax discount rate used was 18.6%. The management believes that there is no reasonably possible change in the discount rate that would trigger impairment. Furthermore, a long-term Brent oil price assumption of USD 75/bbl would also not trigger impairment.

During 2014, the Tasbulat field redevelopment in Kazakhstan was completed. As the production results were not in line with the expectations, there was a downward revision in the production profile of the field, which led to an impairment charge of EUR 135 mn. The recoverable amount was based on the value in use and amounted to EUR 18 mn. The pre-tax discount rate used was 7.3%. A USD 75/bbl long-term Brent oil price would lead to the full impairment of the EUR 18 mn residual book value. A 1% point increase in the discount rate would lead to an additional impairment of EUR 1 mn.

For all producing assets and assets currently under development in the E&P business segment, a long-term Brent oil price assumption of USD 75/bbl would lead to an additional impairment of approximately EUR 750 mn, without taking into account cost and CAPEX reduction measures and any other changes in the broader environment.

Both gas-fired power plants (Samsun, Turkey and Brazi, Romania) were tested for impairment as of December 31, 2014. The recoverable amounts were based on the values in use and were computed based on the future use of the power plants over their useful life. The cash flows for both power plants are based on the mid-term planning assumptions of the Group, which cover three years, and on figures beyond that time frame that were prepared on the basis of macroeconomic assumptions. The key valuation assumptions for the recoverable amount are the spark spreads, being the differences between the electricity prices and the gas and CO_2 prices and the power quantities produced. The assumptions used for the first three years are based on forward prices, while the mid- and long-term assumptions are consistent with data provided by external studies.

The increase in production from hydro and renewables on the Romanian power market had an adverse effect on Brazi power plant, and led to an impairment amounting to EUR 144 mn. The recoverable amount was computed based on a pre-tax discount rate of 6.6% and amounted to EUR 374 mn. A 1% point increase in the discount rate used would lead to an additional impairment of EUR 44 mn. Furthermore, a decrease of EUR 1/MWh of the spark spreads would lead to an additional impairment of EUR 45 mn.

The market conditions in Turkey were better and the Samsun power plant performed according to plan in 2014. The pre-tax discount rate used was 7.4%. Neither a 1% point increase in the discount rate, nor a decrease of EUR 1/MWh of the spark spreads would trigger impairment.

The goodwill allocated to the Trading CGU's in the G&P business segment has been fully written off, with an impact of EUR 70 mn. The goodwill was related to the acquisition of OMV Petrol Ofisi A.Ş. in 2010. The pre-tax discount rate used was 6.4% for the Austrian part of the CGU and 11.7% for the Turkish part of the CGU.

Also as a result of the negative development of the power market in Romania, the wind park in Dorobantu was tested for impairment which led to the recognition of a EUR 17 mn impairment charge. The recoverable amount was based on value in use and amounted to EUR 43 mn. The pre-tax discount rate used was 6.7%. A 35% reduction of the power prices assumed in the model would lead to an additional impairment of EUR 19 mn. Furthermore, a 1% point increase in the discount rate would lead to an additional impairment of EUR 3 mn.

In 2008, OMV entered into a long-term lease agreement for gas storage capacities of four salt dome caverns in Etzel, Germany. Two of these caverns were handed over during 2013, whilst the remaining two caverns were handed over in mid-2014. Since the signing of the contract, the economic surroundings for the gas storage business have noticeably worsened due to a significant decrease in the summer/winter spreads, which led to a EUR 94 mn impairment recognized in 2013, together with a EUR 13 mn provision for the caverns that were not yet available for use last year. The asset was tested again for impairment in 2014 which did not lead to any additional effects. The recoverable amount was based on value in use and amounted to EUR 224 mn. The pre-tax discount rate used was 5.8%. The profitability of the Etzel storage facility is dependent on the summer/winter spread of gas prices. The short-term assumptions are based on market data, while the long-term assumptions are based on management expectations and are in line with external studies. A reduction of the summer/winter spread assumption by EUR 1/MWh would lead to an impairment of EUR 107 mn. Furthermore, a 1% point increase in the discount rate would lead to an impairment of EUR 33 mn.

During 2014, the worsening market conditions led to impairment recognized for retail assets in Hungary (EUR 27 mn) and Serbia (EUR 14 mn). The recoverable amounts were based on value in use and amounted to EUR 37 mn for Hungary and EUR 52 mn for Serbia. The pre-tax discount rates used were 9.9% in Hungary and 10.8% in Serbia.

In 2012, OMV recorded a provision for the long-term, non-cancellable contract for regasification capacity and storage that became onerous due to the negative development of market conditions for LNG terminal capacity in Europe. The net present value of the provision as at December 31, 2014 was EUR 123 mn. The provision represents the unavoidable costs of meeting the contractual obligations. The costs and benefits also include costs for the purchase of additional LNG capacities in future periods, since the regasification of LNG and subsequent sale of the gas positively contributes to the coverage of the fixed costs. The relevant capacities are based on management's best estimates of available LNG capacities in the future. The prices are based on available forward rates. If no forward prices are available, the prices represent management's best estimate of future prices, derived from current market prices or forward rates of the preceding period. A 50% reduction in the planned LNG volumes would lead to an additional provision of EUR 183 mn. Furthermore, a 1% point increase in the discount rate would lead to an additional provision of EUR 7 mn.

3 Consolidation

The consolidated financial statements comprise the financial statements of OMV Aktiengesellschaft and the entities it controls (its subsidiaries) as at December 31, 2014.

Control is achieved when OMV is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To have power over an investee, the investor must have existing rights that give it the current ability to direct the relevant activities of the investee. There is a presumption that a majority of voting rights result in control. To support this presumption and when OMV has less than a majority of the voting or similar rights of an investee, OMV considers all relevant facts and circumstances in assessing whether it has power over an investee, including: the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements as well as voting rights and potential voting rights. OMV re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when OMV obtains control over the subsidiary and ceases when OMV loses control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date OMV gains control until the date OMV ceases to control the subsidiary.

A list of subsidiaries, equity-accounted investments and other investments is included under Note 38 including consolidation method, business segment, place of business and OMV interest.

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 accounting standards.

Number of consolidated companies

			2014			2013
	Full consolidation	Share of assets and liabilities	Equity consolidation	Full consolidation	Share of assets and liabilities	Equity consolidation
At the beginning of the year	**100**	**1**	**11**	**102**	**—**	**12**
Included for the first time	18	—	1	8	—	—
Merged	(3)	—	—	(1)	—	—
Previously fully consolidated	—	1	—	—	—	—
Changes due to IFRS 11 application	—	—	—	—	1	(1)
Deconsolidated during the year	(11)	(1)	(1)	(9)	—	—
At the end of the year	**104**	**1**	**11**	**100**	**1**	**11**
[thereof domiciled and operating abroad]	[50]	[1]	[6]	[53]	[1]	[7]
[thereof domiciled in Austria and operating abroad]	[25]	[—]	[—]	[22]	[—]	[—]

Subsidiaries

In **Exploration and Production (E&P)**, OMV Oystercatcher Exploration GmbH, a company that holds exploration licences in Faroe Islands, OMV East Abu Dhabi Exploration GmbH and OMV (Namibia) Exploration GmbH, all based in Vienna, were included starting from January 1, 2014.

In connection with the new exploration activities in Africa, three Vienna based holding companies were included as follows: OMV (AFRICA) Exploration & Production GmbH (January 16, 2014), OMV Offshore (NAMIBIA) GmbH (February 2, 2014) and OMV (WEST AFRICA) Exploration & Production GmbH (April 1, 2014).

OMV (Mandabe) Exploration GmbH and OMV (Berenty) Exploration GmbH, both based in Vienna and companies that hold exploration licenses in Madagascar, were included starting from January 20, 2014.

In connection with the Gabon exploration activities, the following companies were included: OMV (Mbeli) Exploration GmbH and OMV (Ntsina) Exploration GmbH, both based in Vienna, starting from January 30, 2014; OMV (Manga) Exploration GmbH and OMV (Gnondo) Exploration GmbH, both based in Vienna, starting from February 2, 2014; OMV (Manga) Exploration S.A., based in Libreville, starting from September 8, 2014; OMV (Gnondo) Exploration S.A., based in Libreville, starting from October 6, 2014; OMV (Mbeli) Exploration S.A. and OMV (Ntsina) Exploration S.A, both based in Libreville, starting from October 10, 2014.

OMV Anaguid Ltd. and OMV South Tunisia Ltd., both based in Grand Cayman, were liquidated as of June 6, 2014. OMV Dorra Limited, based in Road Town, was liquidated as of July 10, 2014. There was no impact on the Group as the assets and liabilities were transferred to OMV (Tunesien) Production GmbH, based in Vienna, before the liquiditation.

OMV increased its interest in exploration licences in the Cambo area, UK, by acquiring shares in Cambo North Sea Ltd., based in Cayman Islands, in a transaction closed on September 11, 2014. As the assets acquired did not constitute a business as defined in IFRS 3, the transaction has been accounted for as an asset acquisition. The related assets were transferred to OMV (U.K) Limited and Cambo North Sea Ltd. was liquidated on December 31, 2014.

OMV Exploration & Production Limited, based in Douglas, OMV Rovi Gmbh and OMV Sarta GmbH, both based in Vienna, and PEI Venezuela Gesellschaft mit beschränkter Haftung, based in Burghausen, were deconsolidated as of December 31, 2014.

In **Gas and Power (G&P)**, EGBV Beteiligungsverwaltung GmbH, based in Vienna, and OMV Gas Germany GmbH, based in Düsseldorf, were deconsolidated as of December 31, 2014.

In **Refining and Marketing including petrochemicals (R&M)**, BAYERNOIL Raffineriegesellschaft mbH, based in Vohburg, was included starting with January 1, 2013 further to the implementation of IFRS 11 "Joint Arrangements" until it was sold and deconsolidated on June 30, 2014.

OMV Supply & Trading Limited, based in London, was included starting with December 1, 2014.

OMV Supply & Trading Singapore PTE LTD., based in Singapore, was deconsolidated as of December 31, 2014.

In Corporate and Other (Co&O), OMV Petrom Global Solutions, based in Bucharest, was included starting with January 15, 2014.

All entities included for the first time in 2014 and 2013 were newly formed or existing, wholly owned subsidiaries.

Changes in ownership of subsidiaries

In 2014, the Group increased its interest in Adria-Wien Pipeline GmbH (AWPIP), based in Klagenfurt, from 76% to 100% and in OMV Petrol Ofisi A.S., based in Istanbul, from 96.98% to 98.79%.

In 2013, the Group increased its interest in Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H (BOGL), based in Vienna, by acquisition of the non-controlling stake of 49%. In the same year, the Group decreased its interest in the AGGM Austria Gas Grid Management AG (AGGM), based in Vienna, from 100% to 51% maintaining control over the company. Also in 2013, Oberösterreichische Ferngas AG exercised the put options held which led to an increase in OMV's indirect stake in EconGas GmbH (ECOGAS). The put option had been accounted for in 2012 when it became probable that it would be excercised. The applicable standard was IFRS 3 (2004) which led to an adaption of the acquisition cost, hence increasing goodwill.

The following table summarizes the effects described above of the changes in ownership of subsidiaries which did not lead to loss / gain of control:

Changes in ownership of subsidiaries – without gain/loss of control **EUR mn**

	2014	2013
Cash consideration received from / (paid to) non-controlling shareholders	(24)	(134)
Liabilities (IFRS 3 2004)	—	37
Carrying value of related NCI	10	17
Difference recognized in retained earnings	**(14)**	**(80)**

The following table shows the effects of the changes in ownership with loss of control:

Changes in ownership of subsidiaries – with gain/loss of control **EUR mn**

	2014	2013
Gain/loss on disposal of subsidiary	14	433
thereof gain/loss from remeasuring investment retained in former subsidiary at fair value	0	n.a.

Depending whether it is a gain or a loss on disposal the amount is shown either in “other operating income” or in “other operating expenses”.

In 2014, the Group decreased its interest in Marmara Depoculuk Hizmetleri Anonim Sirketi, based in Istanbul, from 90% to 45% losing control over its former subsidiary. As per contractual terms the control is now shared with the buyer of the shares. As the company is mainly operated with the purpose of providing storage capacity to the shareholders, the joint arrangement can be seen as a joint operation and accounted for by showing the share of assets and liabilities. There was no result from the remeasurement of the investment at fair value.

In 2013, the result on disposal of subsidiaries was due to the complete disposal of the following subsidiaries: LMG Lagermanagement GmbH (gain of EUR 440 mn), OMV Hrvatska d.o.o (loss of EUR 3 mn), OMV BH d.o.o (gain of EUR 9 mn), Petrom LPG SA (loss of EUR 9 mn), Petrom Distributie Gaze SRL (loss of EUR 2 mn) and Petrol Ofisi Arama üretim Sanayi ve Ticaret Sirketi (loss of EUR 2 mn).

Joint arrangements

The consolidated financial statements also include OMV’s share of the assets, obligations for liabilities, share of income and expenses of joint operations as defined by IFRS 11.

Significant joint exploration and production activities are conducted through unincorporated arrangements that do not meet the definition of joint control according to IFRS 11. This is mainly because the required votes for control can be achieved by more than one combination of consenting votes of involved parties. Such agreements fall outside the scope of IFRS 11, the activities being accounted for in accordance with applicable IFRSs.

The acquisition of an additional stake in the Trans Austria Gasleitung GmbH (TAG) joint venture, based in Vienna, led to the first time at-equity consolidation as of October 1, 2014.

Material joint operations (IFRS 11)

Name	Nature of activities	Operating segment	Principal place of business	% ownership 2014	% ownership 2013
Pohokura	Offshore production of hydrocarbons	E&P	New Zealand	26	26
Latif	Onshore development and production of hydrocarbons	E&P	Pakistan	33	33
Mehar	Onshore development and production of hydrocarbons	E&P	Pakistan	59	59
Neptun	Offshore exploration for hydrocarbons	E&P	Romania	50	50
Cherouq	Onshore exploration for hydrocarbons	E&P	Tunisia	50	50
Nawara	Onshore exploration for hydrocarbons	E&P	Tunisia	50	50
Cambo	Offshore exploration for hydrocarbons	E&P	United Kingdom	48	15
Rosebank	Offshore exploration for and development of hydrocarbon reservoirs	E&P	United Kingdom	50	50
Schiehallion	Offshore development for hydrocarbons	E&P	United Kingdom	12	12
Block S(2)	Onshore exploration for hydrocarbons	E&P	Yemen	44	44
Bayernoil	Refining of hydrocarbons	R&M	Germany	0	45
Marmara	Product terminal	R&M	Turkey	45	90

OMV has no control over the Mehar joint operation as the minimum percentage for relevant decision taking is 76%.

Other significant arrangements

Name	Nature of activities	Operating segment	Principal place of business	% ownership 2014	% ownership 2013
Nafoora - Augila	Onshore development of hydrocarbon reservoirs	E&P	Libya	25 [1]	25 [1]
Concession 103	Onshore development and production of hydrocarbons	E&P	Libya	25 [1]	25 [1]
NC 115	Onshore development and production of hydrocarbons	E&P	Libya	30 [1]	30 [1]
NC 186	Onshore development and production of hydrocarbons	E&P	Libya	24 [1]	24 [1]
Maari	Offshore production of hydrocarbons	E&P	New Zealand	69	69
Aasta Hansteen	Offshore development of hydrocarbon reservoirs	E&P	Norway	15	15
Edvard Grieg	Offshore development of hydrocarbon reservoirs	E&P	Norway	20	20
Gudrun	Offshore production of hydrocarbons	E&P	Norway	24	24
Gullfaks	Offshore production of hydrocarbons	E&P	Norway	19	19

[1] OMV's stake in the international partners' share of the EPSA (see Note 4.3e)

OMV has no control over the Maari joint arrangement as there is more than one combination of parties which ensures the necessary majority (75%) for relevant decisions.

For details on equity-accounted joint arrangements please refer to Note 14 Equity-accounted investments.

Unconsolidated structured entities

Starting with February 2013, OMV is selling trade receivables in a securitization program to Carnuntum Ltd, based in Dublin, Ireland. As of December 31, 2014, OMV held in Carnuntum Ltd. seller participation notes amounting to EUR 129 mn (2013: EUR 111 mn) and complementary notes amounting to EUR nil (2013: EUR 46 mn), which are both shown in other financial assets and constitute the maximum exposure to loss from the securitization transaction.

The fair value of the seller participation notes and complementary notes corresponds to their book values. The seller participation notes are senior to a loss reserve and a third party investor participation. The complementary notes are of the same seniority as the senior notes issued by the program. The risk retained by OMV Group is insignificant, and therefore the trade receivables sold are derecognized in their entirety. The receivables are sold at their nominal amount less a discount. The discount was recognized in profit or loss and amounted in total to EUR 39 mn (2013: EUR 37 mn) in 2014. Interest income on the notes held in Carnuntum Ltd. amounted to EUR 4 mn (2013: EUR 3 mn) in 2014. In addition, OMV receives a service fee for the debtor management provided for the receivables sold.

OMV did not provide any financial support to Carnuntum Ltd. and does not intend to provide such support in the future.

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 changes as described below.

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, related to interests in other entities with a date of initial application of January 1, 2014.

- IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements. IFRS 10 introduced a single consolidation model that identifies control as the basis for consolidation for all types of entities. It also replaced the portion of IAS 27 that addresses the accounting for consolidated financial statements. IFRS 10 did not have any impact on the Group's consolidated financial statements.

- IFRS 11 Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures. IFRS 11 Joint Arrangements is applicable on arrangements with joint control. Joint control exists if all parties or a group of parties need to have unanimous consent for the control relevant decisions. Depending on the access to assets and liabilities, the standard distinguishes between joint operations and joint ventures. For joint operations the rights on assets, obligations for liabilities and the locatable portion of revenues and expenses are to be presented whilst for joint ventures the interest in the net assets need to be presented according to the equity method as defined in the amended IAS 28 Investment in Associates and Joint Ventures. The IAS 31 Interests in Joint Ventures, that previously allowed application of the 'proportionate consolidation' has been removed and replaced by the new standard.

  The application of IFRS 11 led to a retrospective change in the accounting for the investment in BAYERNOIL Raffineriegesellschaft mbH. This arrangement is primarily designed for the provision of output to the parties sharing joint control indicating that the parties have rights to substantially all the economic benefits of the assets. Until reclassification to non-current assets held for sale, the investment in BAYERNOIL Raffineriegesellschaft mbH was classified as jointly controlled entity and accounted for using the equity method. In line with IFRS 11, this investment was classified as a joint operation. Accordingly, OMV's share of the assets and liabilities as well as income and expenses were recognized retrospectively in OMV's financial statements starting with January 1, 2013. The new requirements did not impact the Group's reported net income and equity, but affected certain lines of the statement of comprehensive income, financial position and cash flow.

The following tables summarize the effects of the application of IFRS 11 on 2013 figures:

Consolidated statement of comprehensive income EUR mn

	Adjusted figures 2013	Previously reported 2013	Δ
Sales revenues	42,414	42,415	(1)
Direct selling expenses	(343)	(343)	0
Cost of sales	(37,699)	(37,723)	24
Gross profit	**4,371**	**4,348**	**23**
Other operating income	705	704	1
Selling expenses	(980)	(963)	(17)
Administrative expenses	(427)	(418)	(9)
Exploration expenses	(513)	(513)	0
Research and development expenses	(17)	(17)	0
Other operating expenses	(537)	(425)	(113)
Earnings Before Interest and Taxes (EBIT)	**2,602**	**2,717**	**(114)**
Income from equity-accounted investments	170	163	6
Dividend income	11	11	0
Interest income	67	67	0
Interest expenses	(304)	(300)	(4)
Other financial income and expenses	(255)	(367)	113
Net financial result	**(311)**	**(427)**	**115**
Profit from ordinary activities	**2,291**	**2,290**	**1**
Taxes on income	(562)	(561)	(1)
Net income for the period	**1,729**	**1,729**	**0**

Consolidated statement of financial position EUR mn

	Adjusted figures Dec. 31, 2013	Previously reported Dec. 31, 2013	Δ
Non-current assets	23,641	23,641	0
Current assets	7,564	7,564	0
Assets held for sale	643	582	62
Total assets	**31,848**	**31,786**	**62**
Equity	14,545	14,545	0
Non-current liabilities	8,894	8,894	0
Current liabilities	8,257	8,257	0
Liabilities associated with assets held for sale	151	89	62
Total equity and liabilities	**31,848**	**31,786**	**62**

Summarized statement of cash flows EUR mn

	Adjusted figures 2013	Previously reported 2013	Δ
Net income for the period	**1,729**	**1,729**	**0**
Depreciation and amortization including write-ups	2,289	2,246	43
Deferred taxes	(131)	(131)	0
Losses/(gains) on the disposal of non-current assets	17	17	0
Net change in long-term provisions	(38)	(41)	2
Other adjustments	(389)	(383)	(6)
	3,476	**3,437**	**39**
(Increase)/decrease in inventories	108	109	0
(Increase)/decrease in receivables	7	9	(2)
(Decrease)/increase in liabilities	536	560	(24)
(Decrease)/increase in short-term provisions	(5)	(4)	0
Net cash from operating activities	**4,124**	**4,110**	**13**
Investments			
Intangible assets and property, plant and equipment	(4,768)	(4,755)	(13)
Investments, loans and other financial assets including changes in short-term financial assets	(48)	(48)	0
Disposals			
Proceeds from sale of non-current assets	89	89	0
Proceeds from the sale of subsidiaries and businesses, net of cash disposed	746	746	0
Cash flow from investing activities	**(3,981)**	**(3,968)**	**(13)**
Cash flow from financing activities	**(641)**	**(641)**	**0**
Effect of exchange rate changes on cash and cash equivalents	(24)	(24)	0
Net increase /(decrease) in cash and cash equivalents	**(522)**	**(522)**	**0**
Cash and cash equivalents at beginning of period	1,227	1,227	0
Cash and cash equivalents at end of period	**705**	**705**	**0**

The 2013 comparative figures in the relevant explanatory notes reflect the adjustments disclosed above.

- IFRS 12 Disclosures of Interests in Other Entities. This standard summarizes the disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities, replacing the disclosure requirements in the standards IAS 27, IAS 28 and IAS 31. This standard did not have any impact on the Group's financial position or performance, but led to additional disclosures (i.e. Note 3, Note 14 and Note 21).

  In addition, the following amendments to standards and interpretations were applied for the first time in 2014 and did not have any material impact on the Group's financial position or performance:

- Amendments to IAS 32 Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities. These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous.

- Amendments to IAS 39 Novation of Derivatives and Continuation of Hedge Accounting. The amendments provide an exception to the requirement to discontinue hedge accounting in certain circumstances in which there is a change in counterparty to a hedging instrument in order to achieve clearing for that instrument.

- IFRIC 21 Levies. IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. In the EU, IFRIC 21 will become effective for reporting periods starting on or after July 1, 2014. The Group opted for early adoption of this new interpretation.

2) New or revised standards not yet mandatory
OMV has not applied the following new and revised IFRSs that have been issued but are not yet effective. EU endorsement is still pending in some cases.

- IFRS 9 Financial Instruments. In July 2014, the IASB completed its project to replace IAS 39, Financial Instruments: Recognition and Measurement by publishing the final version of IFRS 9 Financial Instruments. IFRS 9 introduces key changes to the classification and measurement of financial assets being based on a business model and contractual cash flows approach and implements a new impairment model based on expected credit losses. Changes to hedge accounting have been made with the objective to represent the effect of risk management activities that an entity adopts to manage exposures and make the effectiveness testing simpler.

  The application of IFRS 9 may change the measurement and presentation of certain financial instruments. The impairment requirements will generally result in earlier recognition of credit losses. The new hedging model may lead to more hedging strategies meeting the requirements for hedge accounting. The standard is effective for annual periods beginning on or after January 1, 2018 with early adoption permissible. At the date of signing the accounts this new standard has not been endorsed by the EU. The Group is currently assessing the impact of adopting IFRS 9 on the Group's financial statements and will decide upon the adoption date when EU approval has been obtained.

- IFRS 15 Revenue from Contracts with Customers. In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 replaces all existing revenue recognition requirements in IFRS and applies to all revenue arising from contracts with customers. According to the new standard, revenue is recognized to depict the transfer of promised goods or services to a customer in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is recognized when, or as, the customer obtains control of the goods or services. The standard is effective for annual periods beginning on or after January 1, 2017; early application is permitted.

  The Group is currently assessing the impact of adopting IFRS 15 on the Group's Consolidated Financial Statements and will determine the adoption date as well as the transition method. Key considerations for oil and gas entities are for example the accounting for production imbalances in the E&P business and performance obligations in long-term supply agreements such as take-or-pay contracts in the R&M and G&P business. As the Group applies the sales method which is generally considered to be in line with IFRS 15, no impact from IFRS 15 is expected on the accounting for production imbalances. Long-term supply contracts have to be carefully analysed with regards to the identification of the performance obligations, determination of the transaction price and the allocation of the transaction price to the performance obligations. For take-or-pay contracts the new rules on the accounting for breakage will specifically have to be considered.

- IFRS 14 Regulatory Deferral Accounts. IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements. Regulatory deferral account balances, and movements in them, are presented separately in the financial statements, and specific disclosures are required. The effective date of IFRS 14 is January 1, 2016. IFRS 14 is applicable for first-time adopters of International Financial Reporting Standards only and therefore does not have any impact on the OMV Group's financial statements.

- Amendments to IFRS 11 Accounting for Acquisitions of Interests in Joint Operations. The amendments require an entity acquiring an interest in a joint operation in which the activity of the joint operation constitutes a business to apply, to the extent of its share, the principles of IFRS 3. Currently the Group has the accounting policy to allocate the acquisition costs to the individual assets acquired in analogy to IAS 16, irrespective whether the activity of the joint venture constitutes a business or not. Transaction costs are capitalized and deferred taxes are not recognized according to the initial recognition exceptions in IAS 12. The amended IFRS 11 will increase the scope of transactions being accounted for according to the principles in IFRS 3. The amendments are applied prospectively. The effective date is January 1, 2016. The Group does not plan to adopt these amendments early.

In addition, the following amendments to standards were issued which are not expected to have any material effects on the Group's financial statements.

Amendments to standards	IASB effective date
Amendments to IAS 19 Defined Benefit Plans: Employee Contributions	July 1, 2014
Annual Improvements to IFRSs 2010-2012 Cycle	July 1, 2014
Annual Improvements to IFRSs 2011-2013 Cycle	July 1, 2014
Amendments to IAS 1 Disclosure Initiative	January 1, 2016
Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation	January 1, 2016
Amendments to IAS 16 and IAS 41 Agriculture – Bearer Plants	January 1, 2016
Amendments to IAS 27 Equity Method in Separate Financial Statements	January 1, 2016
Annual Improvements to IFRSs 2012-2014 Cycle	January 1, 2016
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	January 1, 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 Investments Entities: Applying the Consolidation Exception	January 1, 2016

3) Summary of accounting and valuation principles

a) Business combinations

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, the amount recognized for non-controlling interest and the fair value of the equity previously held by OMV in the acquired entity 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.

b) Revenue recognition

In general, revenues are realized when goods or services are supplied to 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 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. Revenue from the delivery of electricity is realized at the performance date. 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. Where forward sales and purchase contracts for commodities are determined to be for trading purposes and not for the final physical delivery, the associated sales and purchases are reported net within sales revenues.

c) 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.

d) 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. Government grants provided for projects or services are generally deducted from the cost of the assets. 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 recognized immediately.

e) 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. Exploration expenditures are carried by the oil companies as a rule and recovered from the state or the national oil company through so called 'cost oil' in the success case only. 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.

f) 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. Such cost includes directly attributable costs of major inspections and general overhauls which 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.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with indefinite useful lives and goodwill are not subject to amortization, but must be tested for impairment at least annually. Intangible assets with finite useful lives and depreciable property, plant and equipment are amortized or depreciated over the useful economic life and assessed for impairment whenever there is an indication that the asset may be impaired.

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.

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	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

g) Oil and gas assets
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:

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

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

Exploratory wells in progress at period end which are determined to be unsuccessful subsequent to the statement of financial position date are treated as non-adjusting events, meaning that the costs incurred for such exploratory wells remain capitalized in the financial statements of the reporting period under review and will be expensed in the subsequent period. Information on such non-adjusting subsequent events is disclosed in Note 37.

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. Development expenditure on the construction, installation or completion of infrastructure facilities such as platforms and pipelines and drilling development wells is capitalized within tangible assets. 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.

h) Impairment of non-financial assets
In accordance with IAS 36 the Group assesses at each statement of financial position 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. The recoverable amount is the higher of its fair value less costs of disposal and 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. In this case the impairment test is done on the level of the cash generating unit. 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. The cash flows are generally derived from the recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated.

In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

If the reasons for impairment no longer apply in a subsequent period, a reversal is to be recognized in profit or loss. The increased carrying amount related to the reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization, depreciation or depletion) had no impairment loss been recognized in prior years.

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.

i) 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. This is the case when 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.

j) 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 payments 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. OMV has 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.

k) Associated companies and joint arrangements
Associated companies are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Joint arrangements, which are arrangements of which the Group has joint control together with one or more parties, are classified into joint ventures and joint operations. Joint ventures are joint arrangements in which the parties that share control have rights to the net assets of the arrangement. Joint operations are joint arrangements in which the parties that share joint control have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Investments in associated companies or joint ventures are accounted for using the equity method, under which the investment is initially recognized at cost and subsequently adjusted for the Group's share of the profit or loss less dividends received and the Group's share of other comprehensive income and other movements in equity.

At each statement of financial position date, investments in associates and joint ventures are reviewed for any objective evidence of impairment. If there is such evidence, the amount of impairment is calculated as the difference between the recoverable amount of the associate or joint venture and its carrying amount and recognized in profit and loss.

For joint operations, which exist mainly in the E&P segment, the Group's share of all assets, liabilities, income and expenses is included in the consolidated financial statements. When interests in joint operations are acquired, the acquisition costs are allocated to the individual assets acquired. Transaction costs are capitalized and deferred taxes are not recognized according to the initial recognition exceptions in IAS 12.

l) Non-derivative financial assets
At initial recognition OMV classifies its financial assets into the following three categories: Financial assets at fair value through profit or loss, loans and receivables, and available-for-sale financial assets. The classification depends on the nature and purpose of the financial asset. All regular way trades are recognized and derecognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Securities are classified as **at fair value through profit or loss** when they are either held for trading or if they are designated as at fair value through profit or loss. Financial assets at fair value through profit or loss are measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss.

Loans and **receivables** are measured at amortized cost less any impairment. Whether loans and receivables are impaired is assessed individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

Available-for-sale financial assets, which include mainly investment funds and debt instruments, are recognized at fair value. Unrealized gains and losses are disclosed separately in other comprehensive income net of any attributable tax effects. If there is objective evidence of impairment, write-downs including amounts previously recognized in other comprehensive income, 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.

Investments in unconsolidated subsidiaries and other companies, whose fair value cannot be reliably estimated, are measured at acquisition cost less any impairment losses.

At every statement of financial position date, the carrying amounts of financial assets not classified as at fair value through profit or loss are reviewed for objective evidence of impairment. Evidence of impairment may include for example indications that the debtor or issuer is experiencing significant financial difficulty, default or delinquency in payments, the probability that the debtor or issuer will enter bankruptcy or a considerable detrimental change in the debtor's or issuer's technological, economical, legal environment and/or market environment. In the case of equity instruments classified as available for sale, objective evidence would include significant or prolonged decrease in fair value below cost. Any impairment is recognized in profit or loss.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

m) 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. 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 have previously been recognized in other comprehensive income are reclassified into profit and loss in the period in which the hedged position affects earnings.

Contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, are accounted for as financial instruments. However, contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are not accounted for as derivative financial instruments, but rather as executory contracts. However, even though such contracts are not financial instruments, they may contain embedded derivatives. Embedded derivatives are accounted for separately from the host contract when the economic characteristics and risks of the embedded derivatives are not closely related to the economic characteristics and risks of the host contract.

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.

n) 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.

o) Government grants
Government grants – except for emission rights (see Note 4 r) – 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.

p) 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.

A special accounting treatment is applied to inventories held according to compulsory stock obligations in Austria and Turkey. The additional quantities in crude oil and products held under the Austrian Oil Stockholding Act (2013) are valued using a long-term weighted average price method, applied on the basis of oil equivalents. A similar method, however on the basis of product groups, is applied in Turkey. Quantities exceeding the compulsory stocks are valued at the lower of current production or acquisition costs and the net realizable value.

Inventories held for trading purposes are measured at fair value less costs to sell and any changes in fair value, e.g. determined on the basis of quotations on crude oil or gas stock exchanges, are recognized in profit or loss.

q) Cash and cash equivalents
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.

r) 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: OMV 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 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 22).

s) Non-derivative financial 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.

t) 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 e) 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. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized. 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.

Deferred tax is not recognized for

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss,
- temporary differences related to investments in subsidiaries, associates and joint ventures to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future, and
- taxable temporary differences arising on the initial recognition of goodwill

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.

u) Long Term Incentive (LTI) plans, Matching Share Plan (MSP) and Stategic Incentive Plan (SIP)
Starting with 2009, LTI plans were introduced for the Executive Board, selected senior executives and selected employees with outstanding development potential. In 2013, 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. In 2014 the (SIP) was granted to Executive Board members, selected executive managers and selected E&P experts in the Group. It is based on virtual share grants that are paid out in cash equivalent, subject to achievement of defined performance measures, at the end of the plan period.

Fair values are determined using models which are based on the expected target achievements and the expected share prices. 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. For more details on the plans see note 31.

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

		2014		2013
	Statement of financial position date	Average	Statement of financial position date	Average
Australian dollar (AUD)	1.483	1.472	1.542	1.378
Bulgarian lev (BGN)	1.956	1.956	1.956	1.956
New Romanian leu (RON)	4.483	4.444	4.471	4.419
New Zealand dollar (NZD)	1.553	1.600	1.676	1.621
Norwegian krone (NOK)	9.042	8.354	8.363	7.807
Pound sterling (GBP)	0.779	0.806	0.834	0.849
Czech crown (CZK)	27.735	27.536	27.427	25.980
Turkish lira (TRY)	2.832	2.907	2.961	2.534
Hungarian forint (HUF)	315.540	308.706	297.040	296.873
US dollar (USD)	1.214	1.329	1.379	1.328

6 Total cost information

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

Personnel expenses		**EUR mn**
	2014	2013
Wages and salaries	1,075	988
Costs of defined benefit plans	9	32
Costs of defined contribution plans (pension fund contributions)	25	19
Net expenses for personnel reduction schemes	46	16
Other employee benefits	143	113
Total	**1,298**	**1,169**

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 47 mn (2013: EUR 38 mn).

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

Depreciation, amortization and impairment losses		**EUR mn**
	2014	2013
Depreciation and amortization	1,962	1,648
Impairment losses	1,096	577
Total	**3,058**	**2,224**

In 2014, impairment losses mainly comprised impairments of goodwill related to the Petrol Ofisi acquisition (EUR 263 mn in R&M and EUR 70 mn in G&P), of the Brazi power plant in Romania (EUR 144 mn), of the Tasbulat assets in Kazakhstan (EUR 135 mn) and of retail assets in Hungary (EUR 27 mn) and Serbia (EUR 14 mn). Furthermore, there were impairments related to unsuccessful exploration wells in New Zealand (EUR 81 mn), the Faroe Islands (EUR 48 mn), in Gabon (EUR 44 mn), Norway (EUR 27 mn), Romania (EUR 14 mn), a write-off of an exploration licence in Tunisia (EUR 23 mn), and impairments due to unsuccessful workovers and to obsolete or replaced assets in Romania (EUR 102 mn).

In 2013, impairment losses mainly comprised impairments related to unsuccessful exploration wells and write-offs of exploration licenses in Norway (EUR 86 mn), in the Kurdistan Region of Iraq (EUR 67 mn), in the United Kingdom (EUR 39 mn) and in Romania (EUR 22 mn). Furthermore, impairment losses included impairments due to unsuccessful workover and to replaced assets in Romania (EUR 81 mn) and impairments of producing fields in the Kurdistan Region of Iraq (EUR 54 mn) and in Tunisia (EUR 37 mn). Additionally, impairments of the Etzel gas storage in Germany (EUR 94 mn) and of certain retail assets in Austria (EUR 17 mn) were recognized.

In the consolidated income statement, the impairment losses are disclosed as follows: EUR 781 mn (2013: EUR 282 mn) in cost of sales, EUR 259 mn (2013: EUR 255 mn) in exploration costs, EUR 43 mn (2013: EUR 35 mn) in selling and distribution expenses and EUR 13 mn (2013: EUR 4 mn) as part of other operating expenses.

7 Other operating income

Other operating income	EUR mn	
	2014	2013
Other operating income	**314**	**705**
[thereof gains on the disposal and write-up of non-current assets not including financial assets]	[27]	[34]
[thereof exchange gains from operating activities]	[103]	[45]

In 2014, **other operating income** included gains related to the transfer of the business dedicated to the operation and maintenance services of the TAG Pipeline to Trans Austria Gasleitung GmbH amounting to EUR 13 mn and to the partial disposal of the stake held in Marmara Depoculuk Hizmetleri Anonim Şirketi in the amount of EUR 14 mn.

In 2013, other operating income included the gain from the sale of LMG Lagermanagement GmbH in the amount of EUR 440 mn.

8 Other operating expenses

Other operating expenses	EUR mn	
	2014	2013
Other operating expenses	**476**	**537**
[thereof expenses on disposals of non-current assets not including financial assets]	[30]	[43]
[thereof exchange losses from operating activities]	[108]	[49]
[thereof personnel reduction schemes]	[46]	[16]

In 2014, **other operating expenses** included the negative effect resulting from the sale of Bayernoil and its related business activities of EUR 37 mn. In 2013, the losses related to the sales of subsidiaries amounted to EUR 17 mn.

9 Net financial result

Income from equity-accounted investments included income of EUR 209 mn (2013: EUR 170 mn) and expenses of EUR 29 mn (2013: EUR 1 mn).

Interest income	EUR mn	
	2014	2013
Interest income from available-for-sale financial instruments	3	3
Interest income from loans, receivables and cash deposits	19	26
Interest income on discounted receivables	11	28
Other interest income	0	10
Interest income	**33**	**67**

Interest income from loans and receivables contained EUR 0.5 mn (2013: EUR 0.3 mn) income from already impaired receivables.

Interest income on discounted receivables is mainly related to the unwinding of receivables from the Romanian State related to decommissioning and environmental provisions. **Other interest income** in 2013 was mainly related to a reversal of a provision for late payment interest charges in OMV Petrom SA.

Interest expenses		**EUR mn**
	2014	2013
Interest expenses on financial instruments at fair value through profit or loss	0	1
Interest expenses on financial liabilities measured at amortized cost	169	183
Interest expenses component of provisions	134	118
Interest expenses non-financial liabilities	59	3
Interest expenses	**362**	**304**

The **interest expenses component of provisions** contained accrued interest on pension provisions and severance of EUR 29 mn (2013: EUR 31 mn) and interest accrued on provisions for jubilee payments, personnel reduction plans and other employee benefits of EUR 5 mn (2013: EUR 9 mn). The interest expenses on pension provisions were netted against interest income on pension plan assets amounting to EUR 17 mn (2013: EUR 18 mn).

The position also contained the interest component on the provision for decommissioning and restoration obligations in an amount of EUR 83 mn (2013: EUR 71 mn).

Interest expenses on non-financial liabilities in 2014 were mainly related to late payment interest charges following a tax review of the years 2009 and 2010 of OMV Petrom SA.

Other financial income and expenses for the year mainly included net foreign exchange gains on financial instruments amounting to EUR 16 mn (2013: losses of EUR 117 mn), financing charges for factoring and securitization of EUR 40 mn (2013: EUR 40 mn) as well as other financing costs, mainly bank charges of EUR 21 mn (2013: EUR 22 mn).

In addition, the 2013 result was burdened by the write-off of assets related to the Nabucco West project (EUR 58 mn).

In 2014, interest on borrowings amounting to EUR 18 mn (2013: EUR 21 mn) was capitalized, using an average interest rate of 1.2% (2013: 6.6%) applied to the carrying value of qualifying assets. No foreign exchange losses related to the borrowings were capitalized in 2014 (2013: EUR 49 mn). The 2014 capitalized interest was mainly related to the development of oil and gas assets in Norway and the United Kingdom. In 2013, it was largely related to borrowings taken up for the construction of the Samsun power plant in Turkey.

10 Taxes on income

In 2014, total income tax expenses recognized in the income statement amounted to EUR 264 mn (2013: EUR 562 mn), thereof EUR 515 mn current tax expenses (2013: EUR 693 mn) and EUR 251 mn deferred tax income (2013: EUR 131 mn).

The reconciliation of deferred taxes was as follows:

Changes in deferred taxes		**EUR mn**
	2014	2013
Deferred taxes January 1	(272)	(479)
Deferred taxes December 31 [1]	(112)	(272)
Changes in deferred taxes	**160**	**207**
Deferred taxes accounted for in other comprehensive income	47	(33)
Changes in consolidated Group, exchange differences	43	(43)
Deferred taxes per income statement	**251**	**131**
The deferred taxes per income statement comprise the following elements:		
Change in tax rate	9	(4)
Release of and allocation to valuation allowance for deferred taxes	(525)	(40)
Adjustments within loss carryforwards (not recognized in prior years, expired loss carryforwards and other adjustments)	(19)	(11)
Reversal of temporary differences, including additions to and use of loss carryforwards	786	185

[1] Including deferred taxes reclassified to assets or liabilities associated with assets held for sale of EUR nil (2013: EUR 8 mn)

Taxes on income accounted for in other comprehensive income totaled EUR 52 mn (2013: EUR (35) mn), thereof EUR 47 mn deferred taxes (2013: EUR (33) mn) and EUR 5 mn current taxes (2013: EUR (1) mn).

In 2014, tax loss carryforwards of EUR 41 mn (2013: EUR 78 mn) were used; the associated deferred tax impact amounted to EUR 11 mn (2013: EUR 26 mn).

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 losses of some foreign subsidiaries (OMV AUSTRALIA PTY LTD., OMV (U.K.) Ltd., OMV Slovensko s.r.o. and OMV Ceská republika s.r.o.) are aggregated.

Investment income from domestic subsidiaries is in general exempt from taxation in Austria. Dividends from EU- and EEA-participations as well as from subsidiaries whose residence state has a comprehensive administrative assistance agreement with Austria are exempt from taxation in Austria if certain conditions are fulfilled. Dividends from other foreign investments that are comparable to Austrian corporations, for which the Group holds a 10% investment share or more for a minimum period of one year, are also excluded from taxation at the level of the Austrian parent company.

The "Abgabenänderungsgesetz 2014" became effective on March 1, 2014. The most important amendment for OMV was a change within the Income Tax Law which requires a mandatory recapture of foreign tax losses resulting from countries outside the European Union without comprehensive administrative assistance agreement after a certain period of time.

In 2014, a **valuation allowance for deferred tax assets for the Austrian tax group** was recognized. Hence deferred tax assets of the Austrian tax group were only recognized to the extent that it is probable that taxable profit will be available in the foreseeable future against which the deductible temporary differences can be utilized. The valuation allowance was reported as deferred tax expense in the income statement, except to the extent that the deferred tax assets arose from transactions or events which were recognized outside profit or loss, i.e. in other comprehensive income or directly in equity.

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 %

	2014	2013
Austrian corporate income tax rate	**25.0**	**25.0**
Tax effect of:		
Differing foreign tax rates	9.6	(0.5)
Non-deductible expenses	28.7	6.7
Non-taxable income	(26.3)	(4.9)
Change in tax rate	(1.0)	0.2
Permanent effects within tax loss carryforwards	0.2	(0.1)
Tax write-downs on investments at parent company level	(59.1)	(0.4)
Change in valuation allowance for deferred taxes	59.9	1.7
Taxes related to previous years	(7.7)	1.2
Other	0.9	(4.4)
Effective Group income tax rate	**30.1**	**24.5**

Non-deductible expenses in 2014 mainly contained permanent effects in depreciation, depletion and amortization from acquisitions and goodwill impairments. **Non-taxable income** in 2014 was predominantly attributable to tax incentives in Norway and the United Kingdom as well as to the contribution from equity-accounted investments.

The increase in **tax write-downs on investments at parent company level** was mainly a result from tax deductible impairments of participations in OMV Petrol Ofisi A.Ş. and OMV Petrom SA in 2014. According to Austrian Corporate Tax Law the tax relief may only be claimed in installments over seven years.

The **changes in valuation allowance for deferred taxes** were impacted by the valuation allowance recognized for the Austrian tax group.

11 Earnings Per Share

Earnings Per Share (EPS)

			2014			2013
	Earnings attributable to stockholders of the parent in EUR mn	Weighted average number of shares outstanding	EPS EUR	Earnings attributable to stockholders of the parent in EUR mn	Weighted average number of shares outstanding	EPS EUR
Basic	**357**	**326,251,752**	**1.09**	**1,162**	**326,222,266**	**3.56**
Diluted	**357**	**327,272,727**	**1.09**	**1,162**	**327,272,727**	**3.55**

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 1,071,907 (2013: 1,256,373) 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 mn

2014	Concessions, software, licenses, rights	Oil and gas assets with unproved reserves	Goodwill	Payments in advance	Total
Costs of acquisition and production					
January 1, 2014	**1,656**	**1,981**	**1,086**	**8**	**4,731**
Exchange differences	41	126	71	0	**238**
Changes in consolidated Group	0	–	–	–	**0**
Additions	84	662	–	1	**747**
Internally generated additions	0	5	–	–	**5**
Transfers	24	(110)	–	(5)	**(92)**
Assets held for sale	0	(52)	–	–	**(52)**
Disposals	(12)	(81)	(79)	(4)	**(176)**
December 31, 2014	**1,793**	**2,531**	**1,079**	**–**	**5,403**
Development of amortization					
January 1, 2014	**788**	**346**	**–**	**–**	**1,134**
Exchange differences	11	37	7	–	**55**
Changes in consolidated Group	0	–	–	–	**0**
Amortization	160	0	–	–	**160**
Impairments	20	259	342	0	**621**
Transfers	1	0	–	–	**1**
Assets held for sale	0	–	–	–	**0**
Disposals	(9)	(9)	(79)	0	**(97)**
Write-ups	–	0	–	–	**0**
December 31, 2014	**971**	**633**	**270**	**–**	**1,875**
Carrying amount January 1, 2014	868	1,635	1,086	8	**3,597**
Carrying amount December 31, 2014	**822**	**1,898**	**808**	**–**	**3,528**
2013					
Costs of acquisition and production					
January 1, 2013	**1,801**	**1,384**	**1,296**	**4**	**4,485**
Exchange differences	(227)	(98)	(206)	(1)	**(532)**
Changes in consolidated Group	15	(3)	–	1	**13**
Additions	91	1,003	–	6	**1,101**
Internally generated additions	2	2	–	–	**3**
Transfers	11	(83)	–	(2)	**(73)**
Assets held for sale	(20)	–	(4)	0	**(25)**
Disposals	(17)	(223)	–	0	**(241)**
December 31, 2012	**1,656**	**1,981**	**1,086**	**8**	**4,731**
Development of amortization					
January 1, 2013	**673**	**332**	**–**	**–**	**1,005**
Exchange differences	(50)	(14)	–	–	**(63)**
Changes in consolidated Group	12	(3)	–	–	**9**
Amortization	174	0	–	–	**174**
Impairments	9	254	–	–	**262**
Transfers	(2)	–	–	–	**(2)**
Assets held for sale	(15)	–	–	–	**(15)**
Disposals	(13)	(221)	–	–	**(234)**
Write-ups	0	(1)	–	–	**(1)**
December 31, 2012	**788**	**346**	**–**	**–**	**1,134**
Carrying amount January 1, 2013	1,128	1,052	1,296	4	**3,480**
Carrying amount December 31, 2013	**868**	**1,635**	**1,086**	**8**	**3,597**

At December 31, 2014, the concessions, software, licenses, rights position included the Petrol Ofisi brand (EUR 105 mn) and customer related intangible assets (EUR 316 mn) coming from OMV Petrol Ofisi AȘ acquisition in 2010.

At December 31, 2014, there were contractual obligations for the acquisition of intangible assets amounting to EUR 830 mn (2013: EUR 634 mn).

Intangible assets with a total carrying amount of EUR 52 mn (2013: EUR 10 mn) were transferred to assets held for sale. For details please see Note 19, Assets and liabilities held for sale.

At the statement of financial position date there are no intangible assets whose title is restricted or which are pledged as security for liabilities.

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 mn**

	2014	2013
Exploration write-off (impairments)	259	254
Other exploration costs	201	260
Exploration expenses	**460**	**513**
Total assets – exploration and appraisal expenditure incl. acquisition of unproved reserves	1,898	1,635
Net cash used in operating activities	218	254
Net cash used in investing activities	594	1,001

Goodwill acquired through business combinations has been allocated to the following CGUs and groups of CGUs, for impairment testing:

Goodwill allocation to CGUs — **EUR mn**

	2014	2013
Northwest Europe, Africa and Australasia	327	288
Middle East and Caspian	72	69
Goodwill allocated to E&P	**399**	**357**
Trading	—	69
G&P Austria	38	38
Goodwill allocated to G&P	**38**	**107**
Refining West	68	64
Turkey	297	542
Slovakia	7	7
Hungary	—	9
Goodwill allocated to R&M	**371**	**623**
Total	**808**	**1,086**

13 Property, plant and equipment

Property, plant and equipment EUR mn

	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 con-struction	Payments in advance	**Total**
Costs of acquisition and construction							
January 1, 2014	**2,963**	**16,434**	**7,851**	**2,053**	**520**	**25**	**29,846**
Exchange differences	(2)	478	18	16	5	0	**514**
Changes in consolidated Group	(6)	—	—	(22)	0	0	**(27)**
Additions	33	2,820	432	75	292	22	**3,673**
Transfers	61	116	127	57	(251)	(18)	**92**
Assets held for sale	(3)	(62)	0	0	(2)	—	**(68)**
Disposals	(53)	(312)	(70)	(51)	(5)	(29)	**(520)**
December 31, 2014	**2,993**	**19,473**	**8,358**	**2,129**	**557**	**—**	**33,510**
Development of depreciation							
January 1, 2014	**1,260**	**6,136**	**4,067**	**1,304**	**28**	**0**	**12,796**
Exchange differences	(8)	342	(2)	4	0	0	**337**
Changes in consolidated Group	0	—	—	(5)	—	—	**(5)**
Depreciation	97	1,222	350	133	—	—	**1,802**
Impairments	36	238	169	5	27	—	**475**
Transfers	(1)	0	(5)	5	0	—	**(1)**
Assets held for sale	(2)	(53)	0	0	(1)	—	**(56)**
Disposals	(21)	(204)	(61)	(46)	(2)	0	**(335)**
Write-ups	0	0	(1)	0	0	—	**(2)**
December 31, 2014	**1,361**	**7,681**	**4,517**	**1,401**	**51**	**—**	**15,010**
Carrying amount January 1, 2014	1,703	10,298	3,784	749	492	25	**17,051**
Carrying amount December 31, 2014	**1,632**	**11,792**	**3,841**	**728**	**506**	**—**	**18,500**

Property, plant and equipment | EUR mn

	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, 2013	**3,057**	**12,731**	**7,069**	**2,073**	**1,072**	**34**	**26,036**
Exchange differences	(101)	(486)	(104)	(90)	(43)	(1)	**(826)**
Changes in consolidated Group	39	—	684	25	4	1	**753**
Additions	26	4,343	154	73	474	38	**5,108**
Transfers	56	139	824	60	(961)	(44)	**73**
Assets held for sale	(70)	(2)	(741)	(36)	(6)	(2)	**(856)**
Disposals	(45)	(291)	(34)	(53)	(19)	—	**(442)**
December 31, 2013	**2,963**	**16,434**	**7,851**	**2,053**	**520**	**25**	**29,846**
Development of depreciation							
January 1, 2013	**1,198**	**5,497**	**3,719**	**1,233**	**42**	**0**	**11,689**
Exchange differences	(17)	(142)	(14)	(27)	0	0	**(199)**
Changes in consolidated Group	13	—	431	18	0	—	**462**
Depreciation	106	862	366	140	—	—	**1,474**
Impairments	29	171	102	7	5	—	**314**
Transfers	3	3	(8)	4	1	—	**2**
Assets held for sale	(40)	—	(498)	(25)	—	—	**(563)**
Disposals	(29)	(255)	(30)	(47)	(19)	—	**(380)**
Write-ups	(4)	—	0	0	(1)	—	**(5)**
December 31, 2013	**1,260**	**6,136**	**4,067**	**1,304**	**28**	**0**	**12,796**
Carrying amount January 1, 2013	1,859	7,234	3,350	839	1,030	34	**14,347**
Carrying amount December 31, 2013	**1,703**	**10,298**	**3,784**	**749**	**492**	**25**	**17,051**

Land, land rights and buildings, including buildings on third-party property include land in the amount of EUR 688 mn (2013: EUR 720 mn).

Property, plant and equipment with a total carrying amount of EUR 13 mn (2013: EUR 309 mn) was transferred to **assets held for sale.** No assets were reinstated in property, plant and equipment (2013: EUR 16 mn). For details please see Note 19, Assets and liabilities held for sale.

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

At December 31, 2014, there were contractual obligations for the acquisition of property, plant and equipment amounting to EUR 765 mn (2013: EUR 631 mn).

At the statement of financial position date there is no property, plant and equipment whose title is restricted or which is pledged as security for liabilities.

Finance leases
Finance lease assets are mainly related to gas caverns in Germany, land and filling stations in Austria, Germany, Slovakia and the Czech Republic, gas equipment at filling stations, a hydrogen plant at Petrobrazi refinery in Romania, power generators in E&P Romania as well as storage tanks in Turkey.

In 2014, the increase in finance lease was related to two new salt dome caverns for storage capacities in Etzel.

Lease and rental agreements — EUR mn

			2014			2013
	Acquisition cost	Accumulated depreciation	Carrying amount	Acquisition cost	Accumulated depreciation	Carrying amount
Land, land rights and buildings, including buildings on third-party property	41	20	21	42	18	24
Oil and gas assets	12	4	7	12	3	9
Plant and machinery	278	83	195	148	59	89
Other fixtures, fittings and equipment	22	17	5	22	15	7
Total	**352**	**124**	**228**	**225**	**95**	**129**

In 2014, contingent lease payments under finance lease agreements amounted to EUR 6 mn (2013: EUR 2 mn).

Commitments under existing finance leases as of December 31 — EUR mn

			2014			2013
	≤1 year	1–5 years	>5 years	≤1 year	1–5 years	>5 years
Total future minimum lease commitments	34	112	470	24	76	244
[thereof interest component]	[20]	[69]	[227]	[11]	[37]	[114]
Present value of minimum lease payments	**14**	**43**	**243**	**13**	**38**	**130**

Operating leases
OMV also makes use of operating leases, mainly for filling station sites, office buildings, IT equipment and vehicle fleets. In 2014, these expenses amounted to EUR 128 mn (2013: EUR 130 mn). There are options to renew the leases for some of the leased filling station sites.

Future minimum lease payments under non-cancellable operating leases		EUR mn
	2014	2013
Payable within 1 year	76	84
Payable between 1 and 5 years	186	182
Payable after more than 5 years	234	236
Total future minimum lease commitments	**496**	**502**

14 Equity-accounted investments

As per IAS 28, an associate is an entity over which OMV has a significant influence. This is normally presumed to exist when OMV has 20% or more of the voting power of the entity.

According to the contractual agreement between OMV and Pearl Petroleum Company Limited (Pearl), OMV has significant influence within the meaning of IAS 28, as unanimous consent is required for some strategic decisions; therefore Pearl is accounted for using the equity method although OMV's share is just 10%.

OMV holds 55.6% of Erdöl-Lagergesellschaft m.b.H (ELG), which is holding a major part of the emergency stock of crude and petroleum products in Austria. In spite of holding the majority of voting rights in the general assembly, OMV does not have control over ELG. The significant decisions on the financial and operating policies are delegated to the standing shareholder's committee in which a quorum of 2/3 of the share capital is required for decisions.

As per IFRS 11 a joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets of the arrangement.

Trans Austria Gasleitung GmbH is classified as a joint venture according to IFRS 11, as unanimous consent of the parties is required for decisions about relevant activities of the company. Furthermore, based on the legal structure, OMV has rights to the net assets of Trans Austria Gasleitung GmbH.

Material associates

The following associates accounted for using the equity method are considered to be material for OMV:

OMV has a 36% (2013: 36%) interest in Borealis AG, a provider of innovative solutions in the fields of polyolefins, base chemicals and fertilizers. The company is incorporated in Vienna, Austria and operates on a global level.

OMV has 10% (2013: 10%) of Pearl Petroleum Company Limited, registered in Road Town, British Virgin Islands, which is involved in exploration and production of hydrocarbons in the Kurdistan Region of Iraq.

Both companies are not listed on public exchanges thus a quoted market price does not exist.

The tables below contain summarized financial information for the material associates:

Statement of comprehensive income				EUR mn
		2014		2013
	Borealis	Pearl	Borealis	Pearl
Revenue	8,365	466	8,143	433
Profit from continuing operations	570	(281)	422	127
Other comprehensive income	126	—	(94)	—
Total comprehensive income	**696**	**(281)**	**328**	**127**
Group's share	251	(28)	118	13
Dividends received	25	—	22	—

Statement of financial position EUR mn

	2014 Borealis	2014 Pearl	2013 Borealis	2013 Pearl
Current assets	2,257	288	2,331	473
Non-current assets	6,093	2,987	5,374	2,648
Current liabilities	1,554	80	1,438	35
Non-current liabilities	2,285	204	2,381	183
Equity	**4,511**	**2,989**	**3,885**	**2,903**
Group's share	1,624	299	1,399	290
Goodwill	30	—	30	—
Other adjustments	(4)	—	(2)	—
Group's carrying amount of investment	**1,649**	**299**	**1,427**	**290**

Carrying amount reconciliation EUR mn

	2014 Borealis	2014 Pearl	2013 Borealis	2013 Pearl
January 1	**1,427**	**290**	**1,332**	**291**
Exchange differences	—	37	—	(13)
Net income	205	(28)	152	13
Other comprehensive income	45	—	(34)	—
Dividends and elimination of intercompany profits	(28)	—	(23)	—
December 31	**1,649**	**299**	**1,427**	**290**

There are no unrecognized shares of losses for the material associates of OMV.

Borealis has a tax contingency due to a re-assessment decision of the Finnish Tax Authority (FTA) which increases the 2008 taxable income by EUR 700 mn leading to an additional payment of EUR 282 mn comprising of taxes, late payment interests and penalties. The payment obligation has been suspended pending Borealis' appeal. The management is confident that the decision of the FTA will be reversed in the next phases of the proceeding.

Individually immaterial associates and joint ventures

Financial information for the individually immaterial associates and joint ventures is presented in the tables below:

Statement of comprehensive income for individually immaterial associates and joint ventures EUR mn

	2014 Associates	2014 Joint ventures	2013 Associates	2013 Joint ventures
Revenue	517	8	584	—
Profit from continuing operations	2	2	5	—
Total comprehensive income	**2**	**2**	**5**	**—**

Carrying amount reconciliation for individually immaterial associates and joint ventures — EUR mn

	2014 Associates	2014 Joint ventures	2013 Associates	2013 Joint ventures
January 1	**136**	—	**189**	—
Exchange differences	3	—	(9)	—
Changes in consolidated Group	—	56	—	—
Additions	—	—	42	—
Net income	2	1	5	—
Disposals and other changes	(13)	—	(83)	—
Dividends and elimination of intercompany profits	(2)	—	(3)	—
Reclassification to assets held for sale	—	—	(4)	—
December 31	**126**	**57**	**136**	—

Disposals and other changes consisted in 2014 mainly of the sale of Congaz SA, whereas 2013 was mainly related to the reclassification of BAYERNOIL Raffineriegesellschaft mbH from associates to joint operations following the first-time application of IFRS 11.

OMV has commitments amounting to EUR 8 mn (2013: EUR nil) towards Trans Austria Gasleitung GmbH consisting mainly of an undrawn loan facility.

There are no other unrecognized commitments for the individually immaterial associates and joint ventures.

15 Inventories

Inventories at December 31, were as follows:

Inventories — EUR mn

	2014	2013
Crude oil	560	630
Natural gas	320	372
Other raw materials	242	217
Work in progress: Petroleum products	98	128
Other work in progress	1	2
Finished petroleum products	976	1,031
Other finished products	33	32
Prepayments	0	8
Inventories carried at amortized costs and net realizable value	**2,231**	**2,420**
Trading inventories — Natural gas	—	36
Inventories carried at fair value	**—**	**36**
Total	**2,231**	**2,456**

The write-down of inventories recognized as an expense during the period amounted to EUR 77 mn (2013: EUR 11 mn) and were mainly related to the significant decline in oil prices at year end.

Natural gas held for trading is measured at fair value less costs to sell. The fair value measurement has been categorized as Level 1 based on the quotation of TTF spot price at the year-end.

Cost of materials and goods purchased for resale recognized as an expense during 2014 amounted to EUR 26,039 mn (2013: EUR 32,611 mn).

16 Trade receivables

Trade receivables (carrying amounts) EUR mn

	2014	2013
Receivables from equity-accounted companies	18	39
Receivables from other companies	3,024	3,232
Total	**3,042**	**3,270**

The carrying amounts of trade receivables approximate their fair values.

Valuation allowances for trade receivables EUR mn

	2014	2013
January 1	**101**	**110**
Additions/(releases)	(3)	9
Disposals	(5)	(9)
Foreign exchange rate differences and changes in consolidated Group	1	(8)
December 31	**95**	**101**

Carrying amount of impaired trade receivables EUR mn

	2014	2013
Before impairments	123	134
Net of impairments	28	33

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

Carrying amounts of trade receivables past due but not impaired EUR mn

	2014	2013
Up to 60 days overdue	115	152
61 to 120 days overdue	11	5
More than 120 days overdue	23	18
Total	**149**	**175**

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 — EUR mn

	Valued at fair value through profit or loss	Valued at fair value through other comprehen-sive income	Valued at amortized cost	**Total carrying amount**	[thereof short-term]	[thereof long-term]
December 31, 2014						
Investments in other companies	—	—	45	**45**	[—]	[45]
Investment funds [1]	—	7	—	**7**	[—]	[7]
Bonds	—	79	—	**79**	[65]	[14]
Derivatives designated and effective as hedging instruments	1	183	—	**184**	[149]	[35]
Other derivatives	1,013	—	—	**1,013**	[907]	[106]
Loans	—	—	62	**62**	[29]	[33]
Other receivables from equity-accounted investments	—	—	5	**5**	[5]	[—]
Other sundry receivables	—	—	1,203	**1,203**	[627]	[576]
Total	**1,014**	**270**	**1,314**	**2,598**	**[1,782]**	**[816]**
December 31, 2013						
Investments in other companies	—	—	59	**59**	[—]	[59]
Investment funds [1]	—	7	—	**7**	[—]	[7]
Bonds	—	119	—	**119**	[83]	[35]
Derivatives designated and effective as hedging instruments	3	35	—	**37**	[35]	[3]
Other derivatives	71	—	—	**71**	[67]	[4]
Loans	—	—	28	**28**	[3]	[25]
Other receivables from equity-accounted investments	—	—	3	**3**	[3]	[—]
Other sundry receivables	—	—	1,063	**1,063**	[561]	[502]
Total	**74**	**160**	**1,153**	**1,386**	**[752]**	**[635]**

[1] Credit lines for "Abwasserverband Schwechat" are secured by pledged financial instruments (A&P investment fund) amounting to EUR 2 mn (2013: EUR 4 mn)

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 as at December 31, 2014, were EUR 1,013 mn (2013: EUR 71 mn). These consist exclusively of financial assets held for trading. The carrying amount of available-for-sale financial assets at December 31, 2014 was EUR 131 mn (2013: EUR 184 mn).

Loans include shareholder loans to equity-accounted investments, for which more details are provided in Note 36.

Other sundry receivables include a claim amounting to EUR 527 mn (2013: EUR 503 mn) against the Romanian state related to obligations for decommissioning and restoration costs in OMV Petrom SA. The receivables consist of EUR 62 mn (2013: EUR 79 mn) for costs relating to environmental cleanup and EUR 465 mn (2013: EUR 424 mn) for costs relating to decommissioning.

Amortized costs of securities		EUR mn
	2014	2013
Investments in other companies	45	59
Investment funds	6	6
Bonds	79	118

Valuation allowances for other financial receivables [1]		EUR mn
	2014	2013
January 1	**172**	**168**
Additions/(releases)	1	8
Disposals	(1)	0
Foreign exchange rate differences	7	(3)
December 31	**179**	**172**

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

Carrying amount of other financial receivables		EUR mn
	2014	2013
Before impairments	191	183
Net of impairments	11	11

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 mn
	2014	2013
Up to 60 days overdue	5	0
61 to 120 days overdue	2	0
More than 120 days overdue	40	28
Total	**48**	**28**

18 Other assets

Other assets				EUR mn
	2014		2013	
	Short-term	Long-term	Short-term	Long-term
Prepaid expenses	115	20	159	22
Advanced payments on fixed assets	31	—	—	—
Other payments on account	158	—	11	0
Receivables other taxes / social securities	114	45	84	46
Other non-financial assets	96	52	46	45
Other assets	**514**	**117**	**299**	**113**

19 Assets and liabilities held for sale

In 2014, the main parts of assets held for sale and liabilities associated with assets held for sale consisted of E&P assets in the Kurdistan Region of Iraq and in the United Kingdom. The position also includes the 5% stake held in the GATE LNG terminal, together with some filling stations and other non-core assets within the R&M business segment.

For certain retail assets in the Czech Republic an impairment loss of EUR 5 mn was recognized immediately before the reclassification to held for sale. The basis for the impairment recognized was a valuation report provided by a third party, which is categorized within level 3 of the fair value hierarchy.

As of December 31, 2014, the Management expects that these transactions will be closed within the following twelve months.

In 2013, the main parts of assets held for sale and liabilities associated with assets held for sales consisted of the 45% stake in the German Bayernoil refinery network and the related business. The transaction was closed in June 2014.

Assets and liabilities held for sale — EUR mn

	2014	2013
Non-current assets incl. deferred taxes	92	223
Current assets	1	420
Assets held for sale	**93**	**643**
Provisions	29	73
Liabilities incl. deferred taxes	0	78
Liabilities associated with assets held for sale	**29**	**151**

Assets held for sale in the E&P business segment amounted to EUR 66 mn (2013: EUR 9 mn), in G&P to EUR 11 mn (2013: EUR 35 mn) and in R&M to EUR 16 mn (2013: EUR 600 mn).

Liabilities associated with assets held for sale amounted to EUR 29 mn and were fully related to E&P business segment (2013: EUR 13 mn). In 2013, they amounted to EUR 6 mn in G&P business segment and to EUR 133 mn in the R&M business segment.

20 OMV equity of the parent

The **capital stock** of OMV Aktiengesellschaft consists of 327,272,727 (2013: 327,272,727) fully paid no par value shares with a total nominal value of EUR 327,272,727 (2013: EUR 327,272,727). 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 2014, with the exception of treasury shares held by OMV Aktiengesellschaft.

The Executive Board had been 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 77,900,000 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 was 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 50,627,273 by issuance of up to 50,627,273 new common shares in bearer form.

With regard to the expiration on May 13, 2014 of the authorized capital decided upon by the Annual General Meeting on May 13, 2009, the Annual General Meeting has authorized the Executive Board on May 14, 2014, subject to the approval of the Supervisory Board, to increase by May 14, 2019, once or in several tranches, also by way of indirect offer for subscription after taking over by one or several credit institutions according to Section 153 Paragraph 6 Stock Corporation Act, against cash contributions, the share capital by not more than EUR 32,727,272 by issuing up to 32,727,272 new no-par value common voting shares in bearer form. Subject to the approval of the Supervisory Board, the Executive Board has been authorized to exclude in this connection the subscription right of the shareholders (i) to adjust fractional amounts or (ii) to satisfy stock options or long term incentive plans including matching share plans for employees, senior employees and members of the Executive Board/ management boards of the Company or one of its affiliates, or other employees' stock ownership plans and subject to the approval of the Supervisory Board, to set the issue price and conditions of issuance (authorized capital). The Supervisory Board has been authorized to adopt amendments to the Articles of Association resulting from the issuance of shares according to the authorized capital.

A hybrid bond issue at a nominal amount of EUR 750,000,000 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 bears 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.

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 could be repurchased via the stock exchange, by way of public tender or in any other legally permitted way and to any legally permitted purpose until November 16, 2013. The Executive Board had 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 until the same date.

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.

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 mn**

		2014			2013	
	Before-tax (expense) income	Tax (expense) benefit [1]	Net-of-tax (expense) income	Before-tax (expense) income	Tax (expense) benefit	Net-of-tax (expense) income
Exchange differences from translation of foreign operations	311	(8)	303	(886)	4	(881)
Gains/(losses) on available-for-sale financial assets	0	0	0	(2)	1	(2)
Gains/(losses) on hedges	(42)	11	(30)	(17)	5	(12)
Remeasurement gains/(losses) on defined benefit plans	(145)	(56)	(201)	(98)	25	(73)
Share of other comprehensive income of equity-accounted investments	45	–	45	(34)	–	(34)
Other comprehensive income for the year	**169**	**(52)**	**117**	**(1,037)**	**35**	**(1,002)**

[1] Includes valuation allowances for deferred tax assets for the Austrian tax group. For further details please refer to Note 10

For 2014, the Executive Board of OMV Aktiengesellschaft proposes a dividend of EUR 1.25 (2013: EUR 1.25) per eligible share, which is subject to approval by the Annual General Meeting in 2015. The dividend for 2013 was paid in May 2014 and amounted to EUR 408 mn (EUR 1.25 per share). In 2013, the payment amounted to EUR 391 mn (EUR 1.20 per share).

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 as a reduction in equity. Gains or losses on the re-issue of treasury shares (issue proceeds less acquisition cost) resulted in an increase or a reduction in capital reserves.

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

Treasury shares

	Number of shares	Cost EUR mn
January 1, 2013	**1,078,780**	**11.8**
Disposals	(40,376)	(0.4)
December 31, 2013	**1,038,404**	**11.4**
Disposals	(23,302)	(0.3)
December 31, 2014	**1,015,102**	**11.1**

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

Number of shares in issue

	Number of shares	Treasury shares	Shares in issue
January 1, 2013	**327,272,727**	**1,078,780**	**326,193,947**
Used for share-based compensations	—	(40,376)	40,376
December 31, 2013	**327,272,727**	**1,038,404**	**326,234,323**
Used for share-based compensations	—	(23,302)	23,302
December 31, 2014	**327,272,727**	**1,015,102**	**326,257,625**

21 Non-controlling interests

OMV has two subgroups of subsidiaries whose non-controlling interest (NCI) is material, as follows:

Subsidiaries with material NCI — **EUR mn**

Subsidiary	Place of business	% NCI **2014**	Profit / loss allocated to NCI **2014**	Accumu-lated NCI **2014**	% NCI 2013	Profit / loss allocated to NCI 2013	Accumu-lated NCI 2013
OMV Petrom group	**n.a.**	**49%**	**225**	**2,914**	**49%**	**530**	**2,902**
OMV PETROM SA	Romania	49%	264	2,762	49%	475	2,654
OMV PETROM MARKETING SRL	Romania	49%	34	190	49%	33	186
TASBULAT OIL CORPORATION LLP	Kazakhstan	49%	(72)	(67)	49%	3	11
KOM MUNAI LLP	Kazakhstan	52%	(7)	(85)	52%	8	(68)
Others	n.a.	—	6	115	0%	12	119
EconGas group	**n.a.**	**36%**	**(9)**	**(15)**	**36%**	**(16)**	**(9)**
EconGas GmbH	Austria	36%	(9)	(17)	36%	(13)	(11)
Others	n.a.	36%	1	1	36%	(3)	2
Subsidiaries with individually immaterial non-controlling interests	**n.a.**	**—**	**3**	**33**	**—**	**15**	**39**
OMV Group	**n.a.**	**n.a.**	**219**	**2,932**	**n.a.**	**528**	**2,931**

The proportion of ownership corresponds to the proportion of voting rights of the non-controlling interests in all cases. OMV Petrom SA owns 95% of KOM MUNAI LLP and thus the related NCI is 52%.

The main activities of the **OMV Petrom group** are exploration and production of hydrocarbons (in Romania and Kazakhstan), refining of crudes (in Romania), marketing of petroleum products (in Romania, Bulgaria, Serbia and Moldova) as well as production and sales of electricity (in Romania).

The main activities of the **EconGas group** are supply and trading of gas in Central Europe (Austria, Germany, Italy, Hungary and Croatia).

The following tables summarize the financial information relating to the subsidiaries with material non-controlling interests, before intra-group eliminations:

Statement of comprehensive income — **EUR mn**

	2014 OMV Petrom SA	**2014** EconGas GmbH	2013 OMV Petrom SA	2013 EconGas GmbH
Revenue	3,645	3,975	4,013	9,643
Net income/(loss) for the year	634	(23)	1,068	(34)
Total comprehensive income	634	(15)	1,030	(43)
Attributable to NCI	311	(6)	505	(15)
Dividends paid to NCI	189	—	173	—

Statement of financial position — **EUR mn**

	2014 OMV Petrom SA	**2014** EconGas GmbH	2013 OMV Petrom SA	2013 EconGas GmbH
Current assets	1,267	1,287	992	1,241
Non-current assets	8,239	65	7,688	53
Current liabilities	1,391	1,272	1,038	1,236
Non-current liabilities	2,070	123	1,806	86

Statement of cash flows — **EUR mn**

	2014 OMV Petrom SA	**2014** EconGas GmbH	2013 OMV Petrom SA	2013 EconGas GmbH
Operating cash flow	1,392	(62)	1,594	329
Investing cash flow	(1,142)	(1)	(793)	(1)
Financing cash flow	(281)	63	(681)	(326)
Net increase/(decrease) in cash and cash equivalents	(31)	0	119	1

There are no protective rights of non-controlling interests which significantly restrict the Group's ability to access or use the assets and settle the liabilities of the Group.

22 Provisions

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

Provisions EUR mn

	Pensions and similar obligations	Decom-missioning and restoration	Other provisions	Total
January 1, 2014	**1,022**	**2,849**	**721**	**4,592**
Exchange differences	0	(4)	5	**1**
Changes in consolidated Group	0	0	0	**0**
Used	(61)	(89)	(242)	**(391)**
Payments to funds	(25)	0	0	**(25)**
Allocations	201	483	351	**1,035**
Transfers	(27)	1	(30)	**(57)**
Liabilities associated with assets held for sale	6	(13)	(1)	**(8)**
December 31, 2014	**1,115**	**3,226**	**804**	**5,146**
[thereof short-term as of December 31, 2014]	[–]	[78]	[474]	**[552]**
[thereof short-term as of January 1, 2014]	[–]	[84]	[415]	**[499]**

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. These defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk, inflation risk (as a result of indexation of pension) and market risk. For the defined contribution plans, the reported expense corresponds to the contributions payable for the period.

The majority of **pension commitments** 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. Similar obligations as entitlement to severance payments also exist in other countries, where the Group provides employment.

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					EUR mn
	2014	2013	2012	2011	2010
Present value of funded obligations	745	668	639	567	559
Market value of plan assets	(471)	(461)	(460)	(408)	(400)
Provision for funded obligations	**274**	**207**	**179**	**159**	**159**
Present value of unfunded obligations	530	508	493	479	501
Provision for unfunded obligations	**530**	**508**	**493**	**479**	**501**
Present value of obligations of severance payments	**163**	**146**	**109**	**114**	**120**
Total	**967**	**861**	**780**	**753**	**780**

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 mn
	2014	2013	2012	2011	2010
Provision for jubilee payments	**32**	**30**	**30**	**22**	**25**
Provision for personnel reduction schemes	**138**	**134**	**166**	**180**	**202**
[thereof short-term personnel reduction schemes]	[49]	[39]	[59]	[66]	[81]
Provision for other employee benefits	**28**	**36**	**60**	**50**	**79**
Total	**198**	**200**	**256**	**252**	**306**

Present value of obligations				EUR mn
		2014		2013
	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	**1,322**	**200**	**1,273**	**224**
Changes in the consolidated Group	(2)	0	43	(1)
Exchange differences	0	0	(1)	(1)
Liabilities associated with assets held for sale	3	4	(48)	(2)
Current service cost	9	3	9	3
Interest cost	45	5	49	9
Benefits paid	(90)	(49)	(82)	(63)
Expected defined benefit obligations as per December 31	**1,287**	**162**	**1,242**	**170**
Actual defined benefit obligations as per December 31	**1,438**	**198**	**1,322**	**200**
Remeasurements of the period (OCI)	**151**	**—**	**80**	**—**
thereof changes in demographic assumptions	5	—	—	—
thereof changes in financial assumptions	153	—	77	—
thereof experience adjustments	(7)	—	3	—
Remeasurements recognized in profit & loss	—	35	—	30

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

Market value of plan assets — **EUR mn**

	VRG IV	VRG VI	2014 Total	VRG IV	VRG VI	2013 Total
Market value of plan assets as of January 1	**289**	**173**	**461**	**268**	**192**	**460**
Disposals	(1)	—	**(1)**	—	—	**—**
Interest income	10	6	**17**	11	8	**18**
Allocation to funds	16	9	**25**	26	9	**35**
Benefits paid	(18)	(18)	**(36)**	(16)	(18)	**(34)**
Remeasurements of the period (OCI)	4	1	**6**	0	(18)	**(18)**
Market value of plan assets as of December 31	**300**	**171**	**471**	**289**	**173**	**461**

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

Provisions and expenses — **EUR mn**

	2014 Pensions and severance	2014 Jubilee entitlements, personnel reduction schemes and other employee benefits	2013 Pensions and severance	2013 Jubilee entitlements, personnel reduction schemes and other employee benefits
Provision as of January 1	**861**	**200**	**812**	**224**
Expense for the year	38	8	40	11
Changes in the consolidated Group	(1)	0	43	(1)
Payments to funds	(25)	—	(35)	—
Benefits paid	(55)	(49)	(48)	(63)
Exchange differences	0	0	(1)	(1)
Liabilities associated with assets held for sale	3	4	(48)	(2)
Remeasurements for the year	145	—	98	—
thereof changes in demographic assumptions	5	—	—	—
thereof changes in financial assumptions	153	—	77	—
thereof experience adjustments	(12)	—	22	—
Remeasurements recognized in profit & loss	—	35	—	30
Provision as of December 31	**967**	**198**	**861**	**200**
Current service cost	9	3	9	3
Net interest cost	29	5	31	9
Expenses of defined benefit plans for the year	**38**	**8**	**40**	**11**

The total pension fund contributions for the Executive Board in 2014 amounted to EUR 2 mn (2013: EUR 2 mn).

Expenses for interest accrued on personnel reduction schemes of EUR 2 mn (2013: EUR 4 mn) have been included under interest expense.

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

		2014		2013
	Pensions	Severance, jubilees	Pensions	Severance, jubilees
Capital market interest rate	2.25%	2.25%	3.50%	3.50%
Future increases in salaries	3.25%	3.25%	3.50%	3.50%
Future increase in pensions	1.80%	—	2.00%	—

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 (Biometric Tables for Pension Insurance) – Pagler & Pagler, using the variant for salaried employees. In other countries, similar actuarial parameters are used. Employee turnover was computed 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

						2014
	Capital market interest rate		Future increases in salaries			Fluctuation
	+0.50%	(0.50)%	+0.25%	(0.25)%	double	half
Pensions	(5.67)%	6.02%	2.74%	(2.57)%	—	—
Severance	(3.96)%	4.90%	2.01%	(1.97)%	(0.98)%	0.52%

Duration profiles and average durations were as follows:

Duration profiles and average duration of defined benefit obligations as of December 31 — **EUR mn**

				2014
	Duration profile			Duration
	1–5 years	6–10 years	>10 years	in years
Pensions	347	281	647	13
Severance	39	49	75	10

Cash duration profiles and average duration as of December 31 — **EUR mn**

				2014
	Duration profile			Duration
	1–5 years	6–10 years	>10 years	in years
Pensions	366	331	1,082	16
Severance	44	70	155	11

Allocation of plan assets as of December 31

		2014		2013
	VRG IV	VRG VI	VRG IV	VRG VI
Asset category				
Equity securities	26.04%	9.45%	26.71%	14.23%
Debt securities	59.98%	33.74%	53.12%	10.42%
Cash and money market investments	11.66%	56.81%	16.79%	75.35%
Other	2.32%	—	3.38%	—
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 long-term investment objective of the VRG IV is to outperform the benchmark (20% global equity, 45% global bonds and 35% absolute return/ money market instruments, from 2015 onwards 20% global equity, 65% global bonds, 5% cash, 5% alternatives, 5% real estate) and to cover existing and future entitlement payments of the VRG IV. The assets of the VRG IV are in accordance with section 25 of the Austrian pension fund, invested in such a manner as to ensure the security, quality, liquidity and profitability of the portfolio as a whole. The asset allocation and the regional allocation of the VRG IV can and will deviate from the benchmark allocation if this in the judgment of APK is warranted by current asset prices and/or future expected returns. To enhance the return potential, active strategies for all asset classes will be used when justified by market characteristics and/or cost/benefit considerations. The majority of the assets of the VRG IV are invested in liquid active markets for which quoted (exchange or OTC) prices are available. A smaller allocation to assets for which only observable but not quoted prices are available (e.g. real estate and certain absolute return strategies) is allowed when the risk return profile of such assets is believed to be favorable. Risk is managed actively and it is generally expected that the volatility and especially the drawdown risk of the VRG IV will be lower than that of the benchmark.

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. The long-term investment objective of the VRG VI is to provide stable, predictable returns that to the greatest possible extent cover the existing and future entitlement payments of the VRG VI. To increase the efficiency of the portfolio management and for cost considerations the portfolio is set up as a base portfolio consisting of short maturity government bonds and a futures overlay strategy. Active quoted prices are available for all assets of the VRG VI.

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 2014, the performance of VRG IV was slightly below the target return with a performance of +6.75%. The performance of VRG VI amounted to +3.72%.

In 2015, defined benefit related contributions for 2014 to APK-Pensionskasse AG of EUR 13 mn are planned.

Provisions for decommissioning and restoration obligations

Changes in 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.

Provisions for decommissioning and restoration obligations	EUR mn
	Carrying amount
January 1, 2014	**2,849**
Exchange differences	(9)
New obligations	9
Increase arising from revisions in estimates	462
Reduction arising from revisions in estimates	(94)
Unwinding of discounting	101
Liabilities associated with assets held for sale	(13)
Repayments	(78)
December 31, 2014	**3,226**
[thereof short-term as of December 31, 2014]	[78]
[thereof short-term as of January 1, 2014]	[84]

The provision for decommissioning and restoration costs includes obligations in respect of OMV Petrom SA amounting to EUR 1,655 mn (2013: EUR 1,349 mn). As of December 31, 2014, OMV Petrom SA holds receivables from the Romanian state amounting to EUR 527 mn (2013: EUR 503 mn), which are disclosed as other financial assets (please refer to Note 17).

Other provisions				EUR mn
		2014		2013
	Short-term	Long-term	Short-term	Long-term
Environmental costs	15	42	12	41
Other personnel provisions	107	2	83	0
Other	353	286	320	264
Other provisions	**474**	**329**	**415**	**306**

Other personnel provisions include short-term costs of staff reductions amounting to EUR 49 mn (2013: EUR 39 mn). Other provisions contain EUR 16 mn (2013: EUR 17 mn) short-term and EUR 69 mn (2013: EUR 70 mn) 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 OMV Petrom. In addition, this position includes provisions for onerous contracts amounting to EUR 190 mn (2013: EUR 184 mn), which are mainly related to contracted long-term transport and LNG capacity bookings of EconGas GmbH and to certain retail assets in Austria. The increase in other provisions compared to 2013 is mainly related to a provision for alleged debts and late payment interest charges following a tax review of the years 2009 and 2010 of OMV Petrom SA.

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 6,529,196 free emissions certificates in 2014 (2013: 1,853,638), thereof 3,690,188 received by OMV Petrom SA (2013: nil). As of December 31, 2014, the market value of emissions certificates amounted to EUR 67 mn (December 31, 2013: EUR 37 mn).

As of December 31, 2014, the Group held 9,135,247 emissions certificates. In 2015, the Group expects to surrender 5,560,323 emissions certificates for (not yet externally verified) emissions in 2014.

Emissions certificates

	2014	2013
Certificates held as of January 1	**7,555,728**	**11,412,188**
Free allocation for the year	6,529,196	1,853,638
Certificates surrendered according to verified emissions for the prior year	(6,503,789)	(6,022,677)
Net purchases and sales during the year [1]	1,554,112	312,579
Certificates held as of December 31	**9,135,247**	**7,555,728**

[1] Purchases are valued at their acquisition cost

A shortfall in emissions certificates would be provided for. Neither as of December 31, 2014, nor as of December 31, 2013 was the Group short of certificates.

23 Liabilities

Liabilities EUR mn

			2014			2013
	Short-term	Long-term	**Total**	Short-term	Long-term	**Total**
Bonds	159	3.967	**4.127**	778	3.318	**4.096**
Other interest-bearing debts	439	674	**1.113**	217	581	**799**
[thereof to banks]	[439]	[674]	**[1.113]**	[217]	[581]	**[799]**
Trade payables	4.330	—	**4.330**	4.914	—	**4.914**
[thereof to equity-accounted investments]	[41]	[—]	**[41]**	[35]	[—]	**[35]**
Other financial liabilities	1.610	466	**2.077**	383	224	**607**
Other liabilities	1.486	176	**1.662**	1.189	6	**1.195**
Liabilities associated with assets held for sale	29	—	**29**	151	—	**151**
Total	**8.054**	**5.284**	**13.338**	**7.633**	**4.129**	**11.762**

Bonds

Bonds issued

	Nominal	Coupon	Repayment	**2014** Carrying amount December 31 EUR mn	2013 Carrying amount December 31 EUR mn
US private placement [1]	USD 138,000,000	4.88% fixed	6/27/2015	115	103
International corporate bond	EUR 701,730,000	6.25% fixed	4/7/2014	—	734
	EUR 250,000,000	5.25% fixed	6/22/2016	257	257
	EUR 750,000,000	0.60% fixed	11/19/2018	749	—
	EUR 500,000,000	1.75% fixed	11/25/2019	498	497
	EUR 500,000,000	4.375% fixed	2/10/2020	517	517
	EUR 500,000,000	4.25% fixed	10/12/2021	500	499
	EUR 750,000,000	2.625% fixed	09/27/2022	746	744
	EUR 750,000,000	3.5% fixed	09/27/2027	745	745
Total				**4,127**	**4,096**

[1] Derivatives (interest swaps) with a nominal value of USD 50 mn (2013: USD 50 mn) were used to convert the interest rates from fixed to floating

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 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 mn**

	2014	2013
Short-term loan financing	367	60
Short-term component of long-term financing	231	935
Total short-term	**598**	**996**
Maturities of long-term financing		
2015/2014 (short-term component of long-term financing)	231	935
2016/2015	384	103
2017/2016	65	329
2018/2017	814	—
2019/2018	564	—
2020/2019 and subsequent years	2,815	3,467
Total for 2015/2014 onwards	**4,873**	**4,834**

Breakdown of bonds and other interest-bearing debts by currency and interest rate — **EUR mn**

		2014	**Weighted average interest rate**	2013	Weighted average interest rate
Long-term bonds and other interest-bearing debts [1]					
Fixed rates	EUR	4,326	2.97%	4,410	4.02%
	USD	105	4.07%	67	4.88%
Total		**4,432**	**3.00%**	**4,477**	**4.04%**
Variable rates	EUR	284	2.56%	322	2.41%
	USD	157	1.80%	36	0.27%
Total		**441**	**2.29%**	**358**	**2.19%**
Short-term bonds and other interest-bearing debts					
EUR		321	0.48%	11	0.66%
TRY		19	6.00%	18	8.74%
HUF		16	2.19%	2	3.90%
USD		11	1.00%	30	0.79%
CHF		—	—	1	3.59%
Total		**367**	**0.86%**	**60**	**3.16%**

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

Bonds issued and other interest-bearing debts amounting to EUR 5,240 mn (2013: EUR 4,895 mn) are valued at amortized cost.

The estimated fair value of the issued bonds was EUR 4,647 mn (2013: EUR 4,310 mn), which has been categorized as Level 1 based on price quotations at the reporting date.

The fair value of other interest-bearing debts (Level 2 – observable inputs) was determined by discounting future cash flows using interest rates prevailing at statement of financial position date for similar liabilities with similar maturities, which amounted to EUR 1,151 mn (2013: EUR 825 mn).

The estimated fair value of these liabilities was in total EUR 5,798 mn (2013: EUR 5,135 mn), of which EUR 4,998 mn (2013: EUR 4,760 mn) was at fixed rates and EUR 801 mn (2013: EUR 375 mn) was at floating rates.

Other financial liabilities

Other financial liabilities			EUR mn
	Short-term	Long-term	**Total**
2014			
Liabilities on derivatives designated and effective as hedging instruments	198	34	**232**
Liabilities on other derivatives	898	108	**1.005**
Liabilities on finance leases	14	286	**300**
Other sundry financial liabilities	500	38	**538**
Total	**1.610**	**466**	**2.077**
2013			
Liabilities on derivatives designated and effective as hedging instruments	41	0	**42**
Liabilities on other derivatives	60	2	**63**
Liabilities on finance leases	13	169	**182**
Other sundry financial liabilities	269	52	**321**
Total	**383**	**224**	**607**

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 estimated fair value of the liabilities on finance leases was EUR 415 mn (2013: EUR 212 mn); this was established by discounting future lease payments using interest rates prevailing at statement of financial position date for similar liabilities with similar maturities (Level 2 – observable inputs).

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

Financial liabilities				EUR mn
	<1 year	1–5 years	>5 years	**Total**
2014				
Bonds	232	2,507	2,244	**4,983**
Other interest bearing debts	445	475	277	**1,197**
Trade payables	4,330	—	—	**4,330**
Other financial liabilities	1,649	283	473	**2,405**
Total	**6,655**	**3,265**	**2,994**	**12,915**
2013				
Bonds	861	868	3,333	**5,063**
Other interest bearing debts	225	358	309	**892**
Trade payables	4,914	—	—	**4,914**
Other financial liabilities	413	88	178	**679**
Total	**6,415**	**1,314**	**3,820**	**11,548**

Other liabilities

Other liabilities EUR mn

	Short-term	Long-term	Total
2014			
Other taxes and social security liabilities	972	—	**972**
Payments received in advance	259	174	**434**
Other sundry liabilities	256	1	**257**
Total	**1,486**	**176**	**1,662**
2013			
Other taxes and social security liabilities	900	—	**900**
Payments received in advance	153	6	**160**
Other sundry liabilities	136	—	**136**
Total	**1,189**	**6**	**1,195**

The long-term payments received in advance consist mainly of a non refundable prepayment of storage fee received from Erdöl-Lagergesellschaft m.b.H, Lannach on the basis of a long-term service contract.

The carrying amount of other liabilities is effectively the same as their fair value because they are predominantly short-term.

24 Deferred tax

Deferred taxes EUR mn

	Deferred tax assets (incl. deferred tax assets not recognized)	Deferred tax assets not recognized	Deferred tax assets recognized	Deferred tax liabilities
2014				
Intangible assets	155	91	64	423
Property, plant and equipment	36	26	10	1,871
Other financial assets	5	4	1	13
Inventories	35	2	33	23
Receivables and other assets	50	11	40	136
Deferred taxes reclassified to assets and liabilities associated with assets held for sale	—	—	—	—
Untaxed reserves	0	—	0	2
Provisions for pensions and similar obligations	174	126	48	3
Other provisions	1,014	47	967	17
Liabilities	160	35	125	8
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	506	206	300	—
Tax loss carryforwards	1,167	370	798	—
Total	**3,300**	**916**	**2,384**	**2,496**
Netting (same tax jurisdictions)			(1,928)	(1,928)
Deferred taxes reclassified to assets and liabilities associated with assets held for sale			0	0
Deferred taxes as per statement of financial position			**456**	**568**

Deferred taxes EUR mn

	Deferred tax assets (incl. deferred tax assets not recognized)	Deferred tax assets not recognized	Deferred tax assets recognized	Deferred tax liabilities
2013				
Intangible assets	66	43	22	568
Property, plant and equipment	132	8	125	1,429
Other financial assets	7	—	7	15
Inventories	39	—	39	60
Receivables and other assets	67	9	57	26
Deferred taxes reclassified to assets and liabilities associated with assets held for sale	9	—	9	0
Untaxed reserves	—	—	—	2
Provisions for pensions and similar obligations	145	—	145	2
Other provisions	946	12	934	17
Liabilities	47	3	44	155
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	58	—	58	—
Tax loss carryforwards	669	107	562	—
Total	**2,185**	**183**	**2,002**	**2,274**
Netting (same tax jurisdictions)			(1,601)	(1,601)
Deferred taxes reclassified to assets and liabilities associated with assets held for sale			(9)	0
Deferred taxes as per statement of financial position			**392**	**673**

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, 2014, OMV recognized **tax loss carryforwards** of EUR 2,797 mn before allowances (2013: EUR 1,580 mn), thereof EUR 1,384 mn (2013: EUR 1,168 mn) are considered recoverable for calculation of deferred taxes. Eligibility of losses for carryforward expires as follows:

Losses for carryforward EUR mn

	Base amount (before allowances)		thereof unused tax credits (allowances)	
	2014	2013	**2014**	2013
2014	—	26	—	2
2015	34	35	20	17
2016	5	5	4	3
2017	10	17	8	7
2018	57	81	39	46
2019	219	—	28	—
After 2019/2018	72	103	52	5
Unlimited	2,400	1,312	1,262	331
Total	**2,797**	**1,580**	**1,413**	**411**

The increase in tax loss carryforwards in 2014 resulted to a large extent from tax impairments of participations in OMV Petrol Ofisi A.Ş. and OMV Petrom SA (see Note 10) as well as from accelerated tax depreciation of upstream assets in the United Kingdom.

Deferred taxes relate to the following: **EUR mn**

		2014		2013
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Impairments, write-offs, differences in depreciation and amortization, different definition of cost	166	1,478	61	984
Capitalization of site restoration and abandonment	925	591	884	670
Valuation of assets/liabilities acquired in a business combination	2	273	10	335
Discounting of receivables	10	0	12	—
Tax impairment of investments	300	—	58	—
Valuation differences of derivatives	89	114	20	22
Provisions for pensions and similar obligations	48	3	145	2
Valuation differences personnel provisions	8	0	5	2
Other different valuation rules	106	107	115	95
Losses for carryforward	798	—	562	—
Other differences	34	30	162	196
Netting	(101)	(101)	(32)	(32)
Total	**2,384**	**2,496**	**2,002**	**2,274**

As of December 31, 2014, the aggregate amount of temporary differences associated with fully consolidated and equity-accounted investments for which deferred tax liabilities have not been recognized amounted to EUR 2,923 mn (2013: EUR 2,912 mn). Capital gains on disposals of investments may be realized on various levels of the group depending on the structuring of potential divestments. Due to the complexity of the group and the associated tax implications simplifying assumptions for the calculation have been made that aim to diminish cascade effects.

25 Statement of cash flows

There were no cash outflows from acquisition of subsidiaries in 2014.

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

Net assets of disposed subsidiaries and businesses		EUR mn
	2014	2013
Non-current assets	190	5
Current assets	452	379
Non-current liabilities	47	22
Current liabilities	228	83
Net assets of disposed subsidiaries and businesses	**367**	**280**

The cash consideration received for the sale of subsidiaries and businesses amounted to EUR 342 mn (2013: EUR 760 mn). This position mainly includes the sale of the 45% stake in the Bayernoil refinery network. The amount of cash and cash equivalents of subsidiaries over which control was lost amounted to EUR 1 mn in 2014 (2013: EUR 14 mn). In 2013, this position mainly included the sale of LMG Lagermanagement GmbH, into which a major part of R&M's Austrian compulsory emergency stocks was transferred.

Cash flow from financing activities included a net cash outflow of EUR 24 mn (2013: EUR 134 mn) from a change in the non-controlling interests, related to the acquisition of an additional stake of 1.8 % in OMV Petrol Ofisi A.Ş. and of the remaining non-controlling interest in Adria-Wien Pipeline GmbH. In 2013, the change in non-controlling interest was mainly related to the acquisition of the non-controlling stake of 49% in Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H. and the exercise of put options held by Oberösterreichische Ferngas Aktiengesellschaft that led to an increase of OMV's indirect stake in EconGas GmbH, partly compensated by the decrease in the stake held in Austrian Gas Grid Management AG.

On October 1, 2014, OMV increased its stake in Trans Austria Gasleitung GmbH by 4.53%. As part of the consideration, OMV transferred the business dedicated to the operation and maintenance services of the TAG Pipeline to Trans Austria Gasleitung GmbH and paid in addition EUR 21 mn.

In 2014, non-cash additions to fixed assets included among others new finance leases in the amount of EUR 128 mn mainly relating to two new salt dome caverns for storage capacities in Etzel, Germany.

26 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 recognized 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.

27 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. OMV commits to a long-term gearing ratio target 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, 2014, the average weighted maturity of the Group's debt portfolio is close to six 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 23.

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 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
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.

In R&M, limited use is made of derivative instruments for both hedging selected product sales and reducing 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.

Limited proprietary trading activities are performed for the purpose of creating market access and market intelligence within the oil, power and gas markets.

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 mn

		2014		2013
	Nominal	Fair value	Nominal	Fair value
Operational risk management				
G&P				
Commodity swaps	154	(5)	359	(11)
Commodity options	—	—	0	—
Commodity futures	269	(22)	121	2
Commodity forwards	5,766	32	1,170	1
R&M				
Commodity futures	4,589	28	4,165	7
Commodity swaps	4,702	(73)	3,649	5
Commodity options	—	—	603	0

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

Fair values EUR mn

			2014			2013
	Nominal	Fair value assets	Fair value liabilities	Nominal	Fair value assets	Fair value liabilities
Cash flow hedges						
G&P swaps	1	—	0	328	0	(11)
G&P options	—	—	—	0	—	—
R&M swaps	1,773	183	(235)	662	35	(31)
Derivatives held for trading						
G&P swaps	152	10	(15)	31	1	(1)
G&P futures	269	4	(26)	121	3	0
G&P forwards	5,766	348	(316)	1,170	27	(26)
R&M futures	4,589	584	(556)	4,165	35	(28)
R&M swaps	2,928	66	(88)	2,987	4	(3)
R&M options	—	—	—	603	1	0

Cashflow hedging for commodities

Cash flow hedging for commodities — EUR mn

	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]
2014				
G&P price risk hedge				
Swaps fix to floating – gas	until Q1/15	10	[(17)]	[–]
R&M price risk hedge				
Swaps fix to floating – Brent	until Q4/16	(209)	[(17)]	[–]
Swaps fix to floating – products	until Q4/16	157	[13]	[–]
2013				
G&P price risk hedge				
Swaps fix to floating – gas	until Q4/15	(12)	[(7)]	[–]
Gas options	until Q1/14	–	[0]	[–]
R&M price risk hedge				
Swaps fix to floating – Brent	2014	17	[(24)]	[–]
Swaps fix to floating – products	2014	(22)	[(3)]	[–]

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 2.3 mn (2013: Positive EUR 0.4 mn) was recognized in profit and loss.

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 mn

		2014		2013
	Market price +10%	Market price (10)%	Market price +10%	Market price (10)%
Operational risk management				
G&P				
G&P swaps	3	(3)	(1)	1
G&P futures	12	(12)	7	(7)
G&P forwards	(17)	17	(1)	1
R&M				
Commodity futures	(5)	5	4	(4)
Commodity swaps	1	(1)	(4)	4
Commodity options	—	—	0	1

Sensitivity analysis for open derivatives affecting equity EUR mn

		2014		2013
	Market price +10%	Market price (10)%	Market price +10%	Market price (10)%
Operational risk management				
G&P				
G&P swaps	0	0	0	0
R&M				
Commodity swaps	2	(2)	(2)	2

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, the TRY and the NOK. Other currencies have only a limited impact on cash flow and EBIT.

The transaction risk on foreign currency cash flows is monitored on an ongoing basis. The Group's net position is reviewed at least on a semiannual basis and the sensitivity is calculated: As OMV has a USD long position in E&P and a comparatively smaller USD short position in its R&M business, overall OMV has a netted USD long position. This analysis provides the basis for management of transaction risks on currencies.

As of December 31, 2014, the value of transactions used to hedge foreign currency receivables and liabilities and of transactions used to manage liquidity was as follows:

Currency derivatives EUR mn

		2014		2013
	Nominal	Fair value	Nominal	Fair value
Currency forwards	146	0	856	(3)
Currency swaps	64	(1)	86	0

Forwards and swaps shown above 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 2014, OMV did not enter into any centrally managed foreign currency hedges.

During 2014, OMV Enerji Ticaret Anonim Sirketi, a subsidiary in Turkey entered into USD/TRY hedges for an exposure of USD 190 mn to secure cash flows and to reduce impact of fluctuations of USD/TRY exchange rate. As of December 31, 2014, all the hedges were settled. The hedging of future USD cash flows was accounted for as a cash flow hedge, and the effective part of the change in value of the derivative was accounted for in other comprehensive income. When the transaction affected profit and loss, the amounts previously accounted for in other comprehensive income were reclassified to profit and loss. The amount that was reclassified from other comprehensive income for the reporting period amounted to EUR (6) mn.

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 RON, USD, TRY and NOK denominated assets 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. The sensitivity of the principal currency exposures is as follows: The main exposures as of December 31, 2014, 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 mn**

	2014		2013	
	10% appreciation of the EUR	10% depreciation of the EUR	10% appreciation of the EUR	10% depreciation of the EUR
EUR-RON	(6)	6	13	(13)
EUR-TRY	(26)	26	(34)	34
EUR-USD	(13)	13	(29)	29

[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 generally used to convert fixed rate debt into floating rate debt, and vice versa. At December 31, 2014, fair value hedge accounting is applied for an interest swap of a notional volume of USD 50 mn from fixed to floating rates. This interest rate swap is used to hedge the fair value of a bond (fair value hedge) issued by the OMV Group (see Note 23). 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 mn

	2014		2013	
	Nominal	Fair value	Nominal	Fair value
Interest rate swaps (USD 50 mn)	41	1	36	3

Interest sensitivities
The effect of an interest rate increase of 0.5 percentage points as of December 31, 2014 would have been a EUR 0.1 mn reduction in market value (2013: EUR 0.9 mn). The effect of an interest rate decrease of 0.5 percentage points as of December 31, 2014, would have been a EUR 0.1 mn increase in market value (2013: EUR 0.9 mn).

OMV Petrom SA holds financial assets whose market value would be affected by changes in interest rates. The effect of an interest rate increase of 0.5 percentage points as of December 31, 2014, would have been a EUR 19 mn reduction in the market value of these financial assets (2013: EUR 11 mn). A 0.5 percentage points fall in the interest rate as of December 31, 2014 would have led to an increase in market value of EUR 20 mn (2013: EUR 12 mn).

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

On the Group's floating rate net debt as of December 31, 2014, net interest expense would rise or fall by EUR 0.7 mn (December 31, 2013: EUR 1.9 mn) if interest rates rose or fell by 0.5 percentage points.

Credit risk management
The main counterparty credit risks are assessed and monitored at Group level and segment level using predetermined limits for all counterparties, banks and security providers. 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 level. The main counterparties with contracts involving derivative 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 150.1 mn as of December 31, 2014 (2013: EUR 282.5 mn). Credit risk versus financial counterparties and other third parties in operational risk management in the R&M business amounted to a maximum of EUR 481.7 mn (2013: EUR 625.9 mn).

28 Fair value hierarchy

The following overview presents the measurement of financial instruments (assets and liabilities) recognized at fair value. In accordance with IFRS 13, 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.

There were no transfers between levels of the fair value hierarchy.

Fair value hierarchy 2014				EUR mn
Financial assets	Level 1	Level 2	Level 3	**Total**
Investment funds	7	–	–	**7**
Bonds	79	–	–	**79**
Derivatives designated and effective as hedging instruments	–	184	–	**184**
Other derivatives	588	425	–	**1,013**
Total	**675**	**610**	**–**	**1,284**

Fair value hierarchy 2014				EUR mn
Financial liabilities	Level 1	Level 2	Level 3	**Total**
Liabilities on derivatives designated and effective as hedging instruments	–	232	–	**232**
Liabilities on other derivatives	580	425	–	**1,005**
Total	**580**	**657**	**–**	**1,238**

Fair value hierarchy 2013				EUR mn
Financial assets	Level 1	Level 2	Level 3	**Total**
Investment funds	7	–	–	**7**
Bonds	119	–	–	**119**
Derivatives designated and effective as hedging instruments	–	37	–	**37**
Other derivatives	37	34	–	**71**
Total	**163**	**71**	**–**	**234**

Fair value hierarchy 2013				EUR mn
Financial liabilities	Level 1	Level 2	Level 3	**Total**
Liabilities on derivatives designated and effective as hedging instruments	–	42	–	**42**
Liabilities on other derivatives	28	35	–	**63**
Total	**28**	**76**	**–**	**105**

29 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset only when the Group has a current and legally enforceable right to set-off the recognized amounts and when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. OMV enters in the normal course of business into various master netting arrangements in the form of International Swaps and Derivatives Association (ISDA) agreements or European Federation of Energy Traders (EFET) agreements or other similar arrangements that do not meet the criteria of offsetting in the statement of the financial position in accordance with IAS 32.

The tables hereafter show the carrying amounts of recognized financial assets and financial liabilities that are subject to various netting arrangements. The net column would be on the Group's statement of financial position, if all set-off rights were exercised.

Offsetting of Financial Assets 2014 EUR mn

	Note	Financial instruments in the statement of financial position (gross equals net)	Liabilities with right of set-off (not offset)	Net
Derivative financial instruments	17	1,198	(960)	**237**
Trade receivables	16	3,042	(697)	**2,345**
Other sundry receivables	17	1,203	(42)	**1,161**
Total		**5,442**	**(1,699)**	**3,743**

Offsetting of Financial Liabilities 2014 EUR mn

	Note	Financial instruments in the statement of financial position (gross equals net)	Assets with right of set-off (not offset)	Net
Derivative financial instruments	23	1,238	(1,001)	**237**
Trade payables	23	4,330	(697)	**3,633**
Other sundry financial liabilities	23	538	(1)	**537**
Total		**6,106**	**(1,699)**	**4,407**

Offsetting of Financial Assets 2013 EUR mn

	Note	Financial instruments in the statement of financial position (gross equals net)	Liabilities with right of set-off (not offset)	Net
Derivative financial instruments	17	108	(69)	**39**
Trade receivables	16	3,270	(655)	**2,615**
Other sundry receivables	17	1,063	(27)	**1,036**
Total		**4,442**	**(752)**	**3,690**

Offsetting of Financial Liabilities 2013

EUR mn	Note	Financial instruments in the statement of financial position (gross equals net)	Assets with right of set-off (not offset)	Net
Derivative financial instruments	23	105	(85)	**20**
Trade payables	23	4,914	(655)	**4,259**
Other sundry financial liabilities	23	321	(12)	**309**
Total		**5,339**	**(752)**	**4,588**

30 Result on financial instruments

Result on financial instruments

EUR mn	Amount	Fair value through profit or loss	Available-for-sale financial instruments	Loans and receivables	Liabilities measured at amortized cost
2014					
Dividend income	16	—	16	—	—
Interest income	33	(2)	3	30	2
Interest expense	(362)	0	—	—	(169)
Other financial income and expenses	**(43)**	**(1)**	**—**	**(40)**	**—**
Results from the disposal of financial instruments	0	—	—	—	—
Results from the disposal of equity-accounted investments	(1)	—	—	—	—
Impairments of financial instruments	—	—	—	—	—
Expenses on the sales of trade receivables	(40)	—	—	(40)	—
Foreign exchange result	16	(1)	—	—	—
Other (mainly banking fees)	(17)	—	—	—	—
Financial result	**(357)**	**(2)**	**19**	**(10)**	**(167)**

Result on financial instruments					EUR mn
	Amount	Fair value through profit or loss	Available-for-sale financial instruments	Loans and receivables	liabilities measured at amortized cost
2013					
Dividends	11	—	11	—	—
Interest income	67	(2)	3	54	2
Interest expense	(304)	(1)	—	—	(183)
Other financial income and expenses	**(255)**	**21**	**(60)**	**(39)**	**—**
Results from the disposal of financial instruments	(1)	—	(1)	—	—
Results from the disposal of equity-accounted investments	—	—	—	—	—
Impairments of financial instruments	(58)	—	(59)	1	—
Expenses on the sales of trade receivables	(40)	—	—	(40)	—
Foreign exchange result	(117)	21	—	—	—
Other (mainly banking fees)	(39)	—	—	—	—
Financial result	**(481)**	**19**	**(47)**	**15**	**(181)**

Income or expense 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 interest expense not allocated to the IAS 39 categories mainly refers to the unwinding of provisions in amount of EUR 134 mn (2013: EUR 118 mn) and to late payment interest charges following a tax review of the years 2009 and 2010 of OMV Petrom SA amounting to EUR 58 mn (2013: EUR nil).

In addition to the result on available-for-sale financial instruments shown in the table above, a gain of EUR 0.4 mn (2013: loss of EUR 2.1 mn) was recognized directly in other comprehensive income in 2014.

31 Share based payments

Long Term Incentive (LTI) plans 2009-2014
Since 2009 LTI plans have been granted to the Executive Board and selected senior executives in the Group. From 2010 to 2014, yearly 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. Since 2011 participation to the plan also was granted to selected employees with outstanding development potential (potentials). Executive Board members and senior executives as participants of the 2012, 2013 and 2014 plans 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, 2014, the provision amounted to EUR 11 mn (2013: EUR 19 mn), and the net decrease was EUR 8 mn (2013: increase of EUR 4 mn).

Main conditions

	2014 plan	2013 plan	2012 plan	2011 plan	2010 plan	2009 plan
Start of plan	1/1/2014	1/1/2013	1/1/2012	1/1/2011	1/1/2010	1/1/2009
End of performance period	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012	12/31/2011
Vesting date	3/31/2017	3/31/2016	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 (plans 2012 to 2014)/ Qualifying own investment (plans 2009 to 2011)						
Executive Board Chairman	200% of gross base salary	200% of gross base salary	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	175% of gross base salary	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	150% of gross base salary	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	75% of gross base salary	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.	n.a.	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	46,070 shares	46,070 shares	32,855 shares	25,614 shares	20,096 shares	20,096 shares
Floren	22,725 shares	16,226 shares	7,500 shares	—	—	—
Huijskes	28,095 shares	21,298 shares	12,136 shares	12,136 shares	12,136 shares	—
Langanger	—	—	—	—	20,096 shares	20,096 shares
Leitner [1]	28,207 shares	27,406 shares	16,060 shares	12,993 shares	—	—
Roiss	60,173 shares	60,173 shares	44,259 shares	34,932 shares	28,469 shares	28,469 shares
Ruttenstorfer	—	—	—	—	38,278 shares	38,278 shares
Total — Executive Board	**185,270 shares**	**171,173 shares**	**112,810 shares**	**105,771 shares**	**139,171 shares**	**127,035 shares**
Other senior executives	263,809 shares	271,434 shares	278,497 shares	299,449 shares	240,390 shares	202,412 shares
Potentials	—	—	—	9,460 shares [2]	—	—
Total personal investment	**449,079 shares**	**442,607 shares**	**391,307 shares**	**414,680 shares**	**379,561 shares**	**329,447 shares**
Expected bonus shares as of December 31, 2014	**485,342 shares**	**496,183 shares**	**255,135 shares**	—	—	—
Maximum bonus shares as of December 31, 2014	**831,655 shares**	**805,105 shares**	**916,311 shares**	—	—	—
Fair value of plan (EUR mn)	**12**	**12**	**6**	—	—	—

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

Strategic Incentive Plan (SIP)
In 2014, the Strategic Incentive Plan (SIP) was granted to Executive Board members, selected executive managers and selected E&P experts in the Group. The SIP is a long-term compensation scheme, promoting a combined focus on the achievement of the strategic objectives of OMV's strategy "Profitable Growth". It is based on virtual share grants that are paid out in cash equivalent, subject to achievement of defined performance measures, at the end of the plan period. Further conditions apply in combination as a prerequisite for any payout (grant period 2014-2018, performance period 2014-2021, payout period 2022-2024).

Each potential participant has to declare at the beginning of the program, if he or she wants to participate in the SIP. Furthermore, Executive Board members and participating senior executives have to declare if they will participate with an additional personal investment ("Investment Shares"). These declarations are then effective for the entire term of the plan.

Each participant will receive a grant from OMV ("OMV Grant") in virtual shares that reflect the performance of the underlying OMV shares (the "Phantom Shares") in up to five consecutive annual tranches between 2014 and 2018. If Investment Shares are contributed, the OMV Grant will be supplemented by OMV with a complementary grant (the "Complementary Grant") in a ratio of 1:2 (i.e. each Phantom Share of the OMV Grant will be supplemented with two additional Phantom Shares under the Complementary Grant).

As of December 31, 2014 the maximum number of Phantom Shares granted amounts to 267,009, thereof 43,210 for Executive Board members.

Provision is made for the expected future costs of the Strategic Incentive Plans at statement of financial position date based on fair values. Fair values are determined using a model considering the expected target achievement, the likelihood of the fulfilment of the prerequisite conditions, and the expected share price using a Monte Carlo simulation. Expected dividends were incorporated into the measurement according to the Company's mid-term planning and a discount rate of 0.71% was used. For new plans, the expense is spread over the vesting period. As of December 31, 2014, the provision amounted to EUR 1 mn (2013: EUR nil).

Matching Share Plan (MSP)
The Matching Share Plan for the year 2014, as approved by the Annual General Meeting in 2014, 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 can choose between cash payment or shares if and to the extent that they have already fulfilled the minimum shareholding requirements for the LTI Plans 2012 to 2014. As of December 31, 2014, a provision amounting to EUR 1 mn was recorded (2013: EUR 2 mn).

Stock option plans
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 to 2008. Eligible executives – provided they invested in OMV shares – were 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).

No options were exercised by plan participants during 2014 and 2013. 524,820 options from the Stock Options Plan from 2008 with an exercise price of EUR 47.55 per share will expire on August 31, 2015. All options from previous plans were forfeited. During 2014, a total of 524,660 options granted under the 2007 and 2008 plans were forfeited. Considering the plan threshold of EUR 54.68 per share, the intrinsic value of the options exercisable as of December 31, 2014 was EUR nil, as the share price at year-end was below the plan threshold for the plans. The market value of the outstanding options was EUR nil. The provision for the expected future cost is EUR nil and the net decrease was EUR 1 mn.

Total expense
In 2014, total expense of EUR 5 mn (2013: EUR 22 mn) has been recognized arising from share-based payment transactions, thereof EUR 4 mn (2013: EUR 2 mn) from transactions accounted for as equity-settled share-based payment transactions.

Segment reporting

For business management purposes, OMV 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. With the exception of Co&O, the reportable segments of OMV are the same as the operating segments.

32 Business operations and key markets

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 (Northwest Europe, Africa and Australasia, Middle East and Caspian). The produced oil and gas is primarily sold within the OMV Group.

The **G&P** business segment engages in gas transit through and transport within Austria, as well as in gas storage, marketing and trading. OMV is an 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). 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.

33 Segment reporting

Segment reporting — EUR mn

	E&P	G&P	R&M	Co&O	**Total**	Consolidation	**Consolidated total**
2014							
Sales [1]	5,773	6,799	27,830	420	**40,822**	(4,909)	**35,913**
Intra-group sales	(4,284)	(167)	(43)	(416)	**(4,909)**	4,909	**0**
External sales	1,489	6,632	27,787	4	**35,913**	0	**35,913**
Segment assets [2]	14,619	1,937	5,263	209	**22,028**	0	**22,028**
Investments in PPE/IA	3,618	189	588	31	**4,426**	0	**4,426**
Depreciation and amortization	1,295	111	514	42	**1,962**	0	**1,962**
Impairment losses	532	257	307	0	**1,096**	0	**1,096**
2013							
Sales [1]	5,378	12,236	29,384	400	**47,399**	(4,985)	**42,414**
Intra-group sales	(4,336)	(201)	(54)	(395)	**(4,985)**	4,985	**0**
External sales	1,043	12,035	29,330	5	**42,414**	0	**42,414**
Segment assets [2]	12,831	2,090	5,486	241	**20,648**	0	**20,648**
Investments in PPE/IA	5,522	151	508	32	**6,212**	0	**6,212**
Depreciation and amortization	945	103	559	41	**1,648**	0	**1,648**
Impairment losses	429	121	27	0	**577**	0	**577**

[1] Including intra-group sales
[2] Property, plant and equipment (PPE), intangible assets (IA)

Segment and Group profit		EUR mn
	2014	2013
EBIT E&P [1]	1,466	1,990
EBIT G&P	(162)	1
EBIT R&M	(290)	658
EBIT Co&O	(63)	(53)
EBIT segment total	**950**	**2,595**
Consolidation: Elimination of intersegmental profits	104	7
OMV Group EBIT	**1,054**	**2,602**
Net financial result	(177)	(311)
OMV Group profit from ordinary activities	**878**	**2,291**

[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**
2014								
External sales	9,005	6,260	3,809	8,235	3,779	1,957	2,867	**35,913**
Allocated assets [1]	3,081	1,232	7,271	2,936	451	4,662	1,930	**21,561**
Not allocated assets	—	—	—	—	—	—	—	**466**
Segment assets								**22,028**
2013								
External sales	14,064	8,241	4,170	6,699	3,993	2,625	2,622	**42,414**
Allocated assets [1]	2,985	981	6,567	3,222	531	3,985	1,882	**20,153**
Not allocated assets	—	—	—	—	—	—	—	**494**
Segment assets								**20,648**

[1] Property, plant and equipment (PPE), intangible assets (IA)
[2] Rest of World: principally Australia, Gabon, Kazakhstan, Libya, Madagascar, Namibia, New Zealand, Pakistan, Tunisia, Yemen and Kurdistan Region of Iraq

EUR 466 mn (2013: EUR 494 mn) 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

34 Average number of employees

Average number of employees [1]

	2014	2013
OMV Group excluding OMV Petrom group	7,734	6,951
OMV Petrom group	18,884	20,393
Total Group	**26,618**	**27,344**

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

35 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 mn**

	2014	2013
Audit of Group accounts and year-end audit	2.39	2.67
Other assurance services	1.25	0.90
Tax advisory services	0.13	0.03
Other services	0.08	0.87
Total	**3.85**	**4.46**

In 2014, the following expenses have been incurred for the Group auditor, Ernst & Young Wirtschaftsprüfungs-gesellschaft m.b.H.: For the year-end audit EUR 0.73 mn (2013: EUR 0.80 mn), for other assurance services EUR 0.85 mn (2013: EUR 0.72 mn), for tax advisory services EUR 0.02 mn (2013: EUR 0.02 mn) and for other services EUR 0.05 mn (2013: EUR 0.06 mn).

36 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 2014, there were arm's-length supplies of goods and services between the Group and equity-accounted companies. The supplies of goods and services relate to the following companies included at-equity:

Related enterprises — **EUR mn**

	2014		2013	
	Sales and other income	Receivables	Sales and other income	Receivables
Borealis	1,574	0	1,731	19
GENOL Gesellschaft m.b.H. & Co	169	13	223	17
Erdöl-Lagergesellschaft m.b.H.	163	2	48	2
Trans Austria Gasleitung GmbH	6	2	—	—
Total	**1,912**	**18**	**2,002**	**39**

In 2014, goods or services in the amount of EUR 244 mn (2013: EUR 231 mn) were received from Enerco Enerji Sanayi ve Ticaret A.Ş., EUR 94 mn (2013: EUR 68 mn) from Erdöl-Lagergesellschaft m.b.H., EUR 45 mn (2013: EUR 59 mn) from Borealis and EUR 34 mn (2013: EUR 41 mn) from Deutsche Transalpine Oelleitung GmbH.

The outstanding trade payables to Enerco Enerji Sanayi ve Ticaret A.Ş. amounted to EUR 31 mn (2013: EUR 28 mn) and to Borelias EUR 9 mn (2013: EUR 5 mn).

At December 31, 2014, the following loans were outstanding: EUR 19 mn (2013: EUR 17 mn) to Pearl Petroleum Company Limited and EUR 36 mn to Trans Austria Gasleitung GmbH.

The balance of prepayments received from Erdöl-Lagergesellschaft m.b.H. amounted to EUR 178 mn at December 31, 2014 and is related to a long-term contract for the rendering of services (2013: EUR nil).

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

Remuneration received by the Executive Board — **EUR mn**

2014	Davies	Floren	Huijskes	Leitner	Roiss	**Total**
Fixed remuneration for 2014	0.84	0.60	0.71	0.58	0.91	**3.65**
Variable remuneration [1]	0.53	0.51	0.48	0.38	0.61	**2.51**
Benefits in kind (company car, accident insurance) and reimbursed expenses	0.01	0.01	0.01	0.01	0.01	**0.04**
Total (excluding severance and post-employment payments, pension fund contributions and payments in lieu of holiday)	**1.38**	**1.11**	**1.20**	**0.97**	**1.53**	**6.20**
Number of gross shares from the Matching Share Plan [2]	15,166 [3]	12,999	13,595	10,833 [3]	17,332 [3]	**69,925**
Number of gross shares from the Long Term Incentive Plan 2011	15,192 [3]	0	8,937[3]	8,937 [3]	20,429 [3]	**53,495**

[1] Includes only cash bonus for target achievement 2013
[2] Part of the variable remuneration of the Executive Board. First time paid out in 2013
[3] (Partly) paid out in cash

Remuneration received by the Executive Board — **EUR mn**

2013	Davies	Floren	Huijskes	Leitner	Roiss	**Total**
Fixed remuneration for 2013	0.74	0.60	0.63	0.50	0.80	**3.28**
Variable remuneration [1]	0.69	0.00	0.52	0.49	0.79	**2.49**
Benefits in kind (company car, accident insurance) and reimbursed expenses	0.01	0.00	0.01	0.01	0.01	**0.04**
Total (excluding severance and post-employment payments, pension fund contributions and payments in lieu of holiday)	**1.44**	**0.60**	**1.16**	**1.00**	**1.60**	**5.80**
Number of gross shares from the Matching Share Plan [2]	24,433 [3]	17,452	18,324	17,452	27,923 [3]	**105,584**
Number of gross shares from the Long Term Incentive Plan 2010	17,472 [3]	0	14,560 [3]	5,240	25,484 [3]	**62,756**

[1] Includes only cash bonus for target achievement 2012. Hans-Peter Floren’s cash bonus was paid out in 2012
[2] Part of the variable remuneration of the Executive Board. First time paid out in 2013
[3] (Partly) paid out in cash

The total remuneration including severance payments, post-employment payments, pension fund contributions and payments in lieu of holiday in 2014 amounted to EUR 11.7 mn (2013: EUR 7.5 mn) (excl. Matching Share Plan and Long Term Incentive Plan).

For details on pension fund contributions see Note 22.

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 or their surviving dependents amounted to EUR 1.2 mn (2013: EUR 3.6 mn).

In 2014, the total remuneration incl. share-based compensations of 53 top executives, excluding the Executive Board, (2013: 52) amounted to EUR 25.9 mn (2013: EUR 27.6 mn), of which basic remuneration, such as salaries and bonuses was EUR 19.7 mn (2013: EUR 19.3 mn) and EUR 1.8 mn (2013: EUR 1.4 mn) were related to pension fund contributions. Severance benefits amounted to EUR 0.9 mn (2013: EUR 1.7 mn), and other long-term benefits to EUR 0.1 mn (2013: EUR 0.1 mn).

See Note 31 for details on Long Term Incentive Plans, Matching Share Plan, Stock Option Plans and Strategic Incentive Plan.

In 2014, remuneration expenses for the Supervisory Board amounted to EUR 0.4 mn (2013: EUR 0.4 mn).

37 Subsequent events

The Supervisory Board decided to integrate the business segment Gas and Power into the business segment Refining and Marketing, thereby creating a combined business segment Downstream headed by Executive Board member Manfred Leitner as of January 1, 2015.

38 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

	Parent company	Type of consoli-dation [1]	Equity interest in % as of December 31, 2014	Equity interest in % as of December 31, 2013
Exploration and Production				
KOM MUNAI LLP, Aktau	PETROM	C	95.00	95.00
OMV Abu Dhabi E&P GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (AFRICA) Exploration & Production GmbH, Vienna (OAFR)	OWEAFR	C	100.00	
OMV AUSTRALIA PTY LTD, Perth (OAUST)	OMV AG	C	100.00	100.00
OMV Austria Exploration & Production GmbH, Vienna (OEPA)	OMVEP	C	100.00	100.00
OMV (Berenty) Exploration GmbH, Vienna	OMVEP	C	100.00	
OMV Bina Bawi GmbH, Vienna	PETEX	C	100.00	100.00
OMV Block 70 Upstream GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (Croatia) Exploration GmbH, Vienna	OMVEP	NC	100.00	
OMV East Abu Dhabi Exploration GmbH, Vienna [4]	OMVEP	C	100.00	100.00
OMV (EGYPT) Exploration GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Exploration & Production GmbH, Vienna (OMVEP)	OMV AG	C	100.00	100.00
OMV (Namibia) Exploration GmbH, Vienna [4]	OMVEP	C	100.00	100.00
OMV EXPLORATION & PRODUCTION LIMITED, Douglas [4]	OMVEP	NC	100.00	100.00
OMV (FAROE ISLANDS) Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (IRAN) onshore Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (IRELAND) Exploration GmbH, Vienna [7]	OMVEP	NC	100.00	100.00
OMV Jardan Block 3 Upstream GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (Manga) Exploration GmbH, Vienna	OAFR	C	100.00	
OMV (Manga) Exploration S.A., Libreville	OWEAFR	C	100.00	
OMV (Mandabe) Exploration GmbH, Vienna	OMVEP	C	100.00	
OMV Maurice Energy GmbH, Vienna (MAURI)	OMVEP	C	100.00	100.00
OMV Maurice Energy Limited, Port Louis	MAURI	C	100.00	100.00
OMV (Mbeli) Exploration GmbH, Vienna	OAFR	C	100.00	
OMV (Mbeli) Exploration S.A., Libreville	OWEAFR	C	100.00	
OMV (Montenegro) Exploration GmbH, Vienna	OMVEP	NC	100.00	
OMV Myrre block 86 Upstream GmbH, Vienna	OMVEP	C	100.00	100.00
OMV New Zealand Limited, Wellington (NZEA)	OMVEP	C	100.00	100.00
OMV (Ntsina) Exploration GmbH, Vienna	OAFR	C	100.00	
OMV (Ntsina) Exploration S.A., Libreville	OWEAFR	C	100.00	
OMV (NORGE) AS, Stavanger	OMVEP	C	100.00	100.00
OMV (Gnondo) Exploration GmbH, Vienna	OAFR	C	100.00	
OMV (Gnondo) Exploration S.A., Libreville	OWEAFR	C	100.00	
OMV Oystercatcher Exploration GmbH, Vienna [4]	OMVEP	C	100.00	100.00
OMV OF LIBYA LIMITED, Douglas	OMVEP	C	100.00	100.00
OMV Offshore Bulgaria GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Offshore Morondava GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Offshore (Namibia) GmbH, Vienna (ONAFRU)	OMVEP	C	100.00	
OMV Offshore Silistar Bulgaria GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Oil and Gas Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Oil Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV Oil Production GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (PAKISTAN) Exploration Gesellschaft m.b.H., Vienna	OMVEP	C	100.00	100.00
OMV Petroleum Exploration GmbH, Vienna (PETEX)	OMVEP	C	100.00	100.00
OMV Proterra GmbH, Vienna	OEPA	NC	100.00	100.00

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

	Parent company	**Type of consolidation [1]**	**Equity interest in % as of December 31, 2014**	Equity interest in % as of December 31, 2013
OMV Rovi GmbH, Vienna [4]	PETEX	NC	100.00	100.00
OMV Roz Upstream GmbH, Vienna	OMVEP	NC	100.00	
OMV Sarta GmbH, Vienna [4]	PETEX	NC	100.00	100.00
OMV Southeast Caspian Upstream GmbH, Vienna [7]	OMVEP	NC	100.00	100.00
OMV Tellal Hydrocarbons GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (Tunesien) Production GmbH, Vienna (OTNPRO)	OMVEP	C	100.00	100.00
OMV (TUNESIEN) Sidi Mansour GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (U.K.) Limited, London	OMVEP	C	100.00	100.00
OMV Upstream International GmbH, Vienna (OUPI)	OMVEP	C	100.00	100.00
OMV (West Africa) Exploration & Production GmbH, Vienna (OWEAFR)	SNO	C	100.00	
OMV (YEMEN) Al Mabar Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (Yemen Block S 2) Exploration GmbH, Vienna	OMVEP	C	100.00	100.00
OMV (YEMEN) South Sanau Exploration GmbH, Vienna	OMVEP	NC	100.00	100.00
OMV Barrow Pty Ltd, Perth	OAUST	NC	100.00	100.00
OMV Beagle Pty Ltd, Perth	OAUST	NC	100.00	100.00
OMV Petroleum Pty Ltd, Perth	NZEA	NC	100.00	100.00
Tasbulat Oil Corporation BVI, Saint Helier	PETROM	NC	100.00	100.00
Pearl Petroleum Company Limited, Road Town	OUPI	AE	10.00	10.00
PEI Venezuela Gesellschaft mit beschränkter Haftung, Burghausen [4]	OMVEP	NC	100.00	100.00
Petroleum Infrastructure Limited, Wellington	NZEA	C	100.00	100.00
PETROM EXPLORATION & PRODUCTION LIMITED, Douglas	PETROM	C	50.00	50.00
Preussag Energie International GmbH, Burghausen	OMVEP	C	100.00	100.00
OMV Petrom Ukraine E&P GmbH, Vienna	PETROM	C	100.00	100.00
OMV Petrom Ukraine Finance Services GmbH, Vienna	PETROM	C	100.00	100.00
Société de Recherches et d'Exploitation des Pétroles en Tunisie, Tunis	OTNPRO	NAE	50.00	50.00
TASBULAT OIL CORPORATION LLP, Aktau	PETROM	C	100.00	100.00
Thyna Petroleum Services S.A., Sfax	OTNPRO	NAE	50.00	50.00
Gas and Power				
ADRIA LNG d.o.o., Zagreb [7]	OGI	NAE	32.47	32.47
AGCS Gas Clearing and Settlement AG, Vienna	OGG	NAE	23.13	23.13
AGGM Austrian Gas Grid Management AG, Vienna	OGG	C	51.00	51.00
OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş., Istanbul (BORASC) [6]	OGI (OPI)	C	100.00	100.00
Central European Gas Hub AG, Vienna	OGI	C	65.00	65.00
EconGas Deutschland GmbH, Regensburg	ECOGAS	C	100.00	100.00
EconGas GmbH, Vienna (ECOGAS)	OGI	C	64.25	50.00
	(EGBV)		0.00	14.25
EconGas d.o.o. za opskrbu plinom, Zagreb	ECOGAS	C	100.00	100.00
EconGas Hungária Földgázkereskedelmi Kft., Budapest	ECOGAS	C	100.00	100.00
EconGas Italia S.r.l, Milan	ECOGAS	C	100.00	100.00
EGBV Beteiligungsverwaltung GmbH, Vienna (EGBV) [4]	OGI	NC	100.00	100.00
Enerco Enerji Sanayi Ve Ticaret A.Ş., Istanbul	OGI	AE	40.00	40.00
Freya Bunde-Etzel GmbH & Co. KG, Bonn	OGSG	AE	39.99	39.99
NABUCCO Gas Pipeline International GmbH, Vienna (NABUC) [7]	OGI	NAE	35.86	35.86

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

	Parent company	Type of consolidation [1]	Equity interest in % as of December 31, 2014	Equity interest in % as of December 31, 2013
OMV Gas Germany GmbH, Düsseldorf [4, 7]	OGG	NC	100.00	100.00
GAS CONNECT AUSTRIA GmbH, Vienna (OGG)	OGI	C	80.90	100.00
	OMV AG		19.10	
OMV Gas & Power GmbH, Vienna (OGI)	OMV AG	C	100.00	100.00
OMV Gas Storage Germany GmbH, Cologne (OGSG)	OGI	C	100.00	100.00
OMV Gas Storage GmbH, Vienna	OGI	C	100.00	100.00
OMV Gaz Ve Enerji Holding Anonim Şirketi, Istanbul (GPTHOL)	OTHOLD	C	100.00	99.99
OMV Enerji Ticaret Anonim Şirketi, Istanbul (GASTR) [5]	OTHOLD	C	90.40	57.56
	GPTHOL		9.60	42.44
OMV Kraftwerk Haiming GmbH, Haiming [6]	OGI (OPI)	C	100.00	100.00
OMV Trading GmbH, Vienna (GPTRAD)	OGI	C	100.00	100.00
OMV PETROM GAS SRL, Bucharest	PETROM	C	99.99	99.99
Petrol Ofisi Gaz İletim A.Ş., Istanbul	GPTHOL	C	100.00	100.00
OMV Petrom Wind Power SRL, Bucharest	PETROM	C	99.99	99.99
South Stream Austria GmbH, Vienna	OGI	NAE	50.00	50.00
Trans Austria Gasleitung GmbH, Vienna	OGG	AE [3]	15.53	11.00
Refining and Marketing including petrochemicals				
Abu Dhabi Petroleum Investments LLC, Abu Dhabi	OMVRM	NAE	25.00	25.00
Adria-Wien Pipeline GmbH, Klagenfurt	OMVRM	C	100.00	76.00
Aircraft Refuelling Company GmbH, Vienna	OMVRM	NAE	33.33	33.33
Autobahn – Betriebe Gesellschaft m.b.H., Vienna	OMVRM	NAE	47.19	47.19
Borealis AG, Vienna	OMVRM	AE	32.67	32.67
	OMV AG		3.33	3.33
BRAZI OIL & ANGHELESCU PROD COM SRL, Brazi [7]	PETROM	NAE	37.70	37.70
BSP Bratislava-Schwechat Pipeline GmbH, Vienna	OMVRM	NAE	26.00	26.00
BTF Industriepark Schwechat GmbH, Vienna	OMVRM	NAE	50.00	50.00
Deutsche Transalpine Oelleitung GmbH, Munich	OMVD	AE	25.00	25.00
DUNATÀR Köolajtermék Tároló és Kereskedelmi Kft., Budapest	OHUN	NAE	48.28	48.28
EPS Ethylen-Pipeline-Süd GmbH & Co KG, Munich	OMVD	AE	20.66	20.66
Erdöl-Lagergesellschaft m.b.H., Lannach	OMVRM	AE [1]	55.60	55.60
Erk Petrol Yatırımları A.Ş., Istanbul (ERK)	POAS	C	100.00	99.96
	(OTHOLD)			0.01
	(OCTS)			0.01
	(OGI)			0.01
	(OMVEP)			0.01
FONTEGAS PECO MEHEDINTI SA, Simian [7]	PETROM	NAE	37.40	37.40
FRANCIZA PETROM 2001 SA, Piteşti	PETROM	NAE	40.00	40.00
GENOL Gesellschaft m.b.H., Vienna	OMVRM	NAE	29.00	29.00
GENOL Gesellschaft m.b.H. & Co, Vienna	OMVRM	AE	29.00	29.00
ICS PETROM MOLDOVA SA, Chisinau	PETROM	C	100.00	100.00

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

	Parent company	Type of consolidation [1]	Equity interest in % as of December 31, 2014	Equity interest in % as of December 31, 2013
Marmara Depoculuk Hizmetleri Anonim Şirketi, Istanbul [4]	POAS	AE	45.00	89.97
	(OTHOLD)			0.01
	(PORAF)			0.01
	(ERK)			0.01
OMV BULGARIA OOD, Sofia	PETROM	C	99.90	99.90
	OMVRM		0.10	0.10
OMV Česká republika, s.r.o., Prague	VIVTS	C	100.00	100.00
OMV Deutschland GmbH, Burghausen (OMVD)	OMVRM	C	90.00	90.00
	OMV AG		10.00	10.00
OMV Hungária Ásványolaj Korlátolt Felelösségü Társaság, Budapest (OHUN)	VIVTS	C	100.00	100.00
OMV – International Services Ges.m.b.H., Vienna	OMVRM	C	100.00	100.00
OMV Refining & Marketing GmbH, Vienna (OMVRM)	OMV AG	C	100.00	100.00
OMV PETROM MARKETING SRL, Bucharest (ROMAN)	PETROM	C	100.00	100.00
OMV SLOVENIJA trgovina z nafto in naftnimi derivati, d.o.o., Koper	VIVTS	C	92.25	92.25
OMV Slovensko s.r.o., Bratislava	VIVTS	C	100.00	100.00
OMV SRBIJA d.o.o., Belgrade	PETROM	C	99.96	99.96
	OMVRM		0.04	0.04
OMV Supply & Trading AG, Zug (OSUP)	OMVRM	C	100.00	100.00
OMV Supply & Trading Singapore PTE LTD., Singapore [4]	OSUP	NC	100.00	100.00
OMV Supply & Trading Limited, London [4, 5]	OSUP	C	100.00	100.00
PETROCHEMICALS ARGES SRL, Piteşti	PETROM	NC	95.00	95.00
OMV Petrol Ofisi A.Ş., Istanbul (POAS)	OTHOLD	C	55.40	55.40
	OMV AG		43.39	41.58
Petrol Ofisi Havacilik Operasyonlari A.Ş., Istanbul (PORAF)	POAS	C	100.00	100.00
PETROM NADLAC SRL, Nadlac	PETROM	NC	98.51	98.51
PO Georgia LLC, Tbilisi	POAS	NC	100.00	100.00
Routex B.V., Amsterdam	OMVRM	NAE	20.00	20.00
SIOT Società Italiana per l'Oleodotto Transalpino S.p.A., Trieste	OMVRM	AE	25.00	25.00
SuperShop Marketing GmbH, Budapest	OHUN	NAE	50.00	50.00
TGN Tankdienst-Gesellschaft Nürnberg GbR, Nuremberg	OMVD	NAE	33.33	33.33
Transalpine Ölleitung in Österreich Gesellschaft m.b.H., Matrei in Osttirol	OMVRM	AE	25.00	25.00
TRANS GAS SERVICES SRL, Bucharest	PETROM	NC	80.00	80.00
Çankaya Bel-Pet Limited Sirketi, Ankara	POAS	NAE	49.00	49.00
PETROM AVIATION SA, Otopeni	PETROM	C	99.99	99.99
	OMVRM		0.01	0.01
Salzburg Fuelling GmbH, Salzburg	OMVRM	NAE	33.33	33.33
VIVA International Marketing- und Handels-GmbH, Vienna (VIVTS)	OMVRM	C	100.00	100.00
Corporate and Other				
Amical Insurance Limited, Douglas (AMIC)	OMV AG	C	100.00	100.00
ASOCIATIA ROMANA PENTRU RELATIA CU INVESTITORII, Bucharest	PETROM	NAE	20.00	20.00
Diramic Insurance Limited, Gibraltar	AMIC	C	100.00	100.00
OMV Clearing und Treasury GmbH, Vienna (OCTS)	SNO	C	100.00	100.00

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

	Parent company	Type of consoli-dation [1]	Equity interest in % as of December 31, 2014	Equity interest in % as of December 31, 2013
Kompetenz- und Informationszentrum für Humanvermögen und interdisziplinäre Arbeits- und Unternehmensforschung GmbH, Klosterneuburg	SNO	NAE	24.44	24.44
OMV International Oil & Gas GmbH, Zug	OMV AG	C	100.00	100.00
OMV Petrol Ofisi Holding Anonim Şirketi, Istanbul (OTHOLD)	OMV AG	C	100.00	100.00
OMV FINANCE LIMITED, Douglas	OMV AG	C	100.00	100.00
OMV Finance Services GmbH, Vienna	SNO	C	100.00	100.00
OMV Finance Services NOK GmbH, Vienna	SNO	C	100.00	100.00
OMV Finance Solutions USD GmbH, Vienna	SNO	C	100.00	100.00
OMV Insurance Broker GmbH, Vienna	OMV AG	NC	100.00	100.00
OMV Personal Service GmbH, Vienna [7]	SNO	NC	100.00	
OMV Petrom Global Solutions SRL, Bucharest	SNO	C	75.00	
	PETROM		25.00	
OMV Solutions GmbH, Vienna (SNO)	OMV AG	C	100.00	100.00
PETROMED SOLUTIONS SRL, Bucharest	PETROM	C	99.99	99.99
OMV Petrom				
OMV PETROM SA, Bucharest (PETROM) [2]	OMV AG	C	51.01	51.01

[1] Type of consolidation:
C Consolidated subsidiary
AE Investments accounted for at-equity
AE [1] Despite majority interest not consolidated due to absence of control
AE [2] Previously accounted for at-equity and now held for sale
AE [3] Joint venture accounted at-equity
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] Economic share 10.78%
[4] Type of consolidation was changed compared to 2013
[5] Company name was changed compared to 2013
[6] Parent company was changed compared to 2013
[7] In liquidation

All 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 1% 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:

Northwest Europe, Africa and Australasia:	Algeria (since 2013), Australia, Egypt (until 2012), Faroe Islands, Gabon (since 2014), Ireland (until 2012), Libya, Madagascar (since 2013), Namibia (since 2014), New Zealand, Norway, Slovakia (until 2012), Tunisia, Turkey (until 2013), United Kingdom
Middle East and Caspian:	Bulgaria, Iran, Kazakhstan, Kurdistan Region of Iraq, Pakistan, Ukraine (since 2013), the United Arab Emirates and Yemen

As OMV holds 51% of OMV Petrom, it is fully consolidated; figures therefore include 100% of OMV 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 mn

	2014	2013	2012
Unproved oil and gas properties	2,531	1,981	1,384
Proved oil and gas properties	20,271	17,164	13,388
Total	**22,802**	**19,145**	**14,772**
Accumulated depreciation	(8,792)	(6,776)	(6,106)
Net capitalized costs	**14,010**	**12,369**	**8,665**

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 mn

	Romania	Austria	Northwest Europe, Africa and Australasia	Middle East and Caspian	**Total**
2014					
Acquisition of proved properties	0	—	4	—	**4**
Acquisition of unproved properties	15	—	159	—	**174**
Decommissioning costs	296	30	45	0	**370**
Exploration costs	289	31	311	61	**693**
Development costs	915	273	1,161	160	**2,510**
Costs incurred	**1,515**	**334**	**1,681**	**221**	**3,751**
2013					
Acquisition of proved properties	—	—	1,629	—	**1,629**
Acquisition of unproved properties	1	—	633	14	**648**
Decommissioning costs	(56)	31	63	10	**48**
Exploration costs [1]	108	5	243	162	**518**
Development costs	930	198	627	210	**1,965**
Costs incurred	**983**	**234**	**3,196**	**396**	**4,809**
2012					
Acquisition of proved properties	—	—	273	—	**273**
Acquisition of unproved properties	—	—	168	—	**168**
Decommissioning costs	(57)	19	77	0	**39**
Exploration costs [1]	132	30	139	88	**389**
Development costs	756	91	155	133	**1,134**
Costs incurred	**830**	**139**	**811**	**221**	**2,002**

[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 mn**

	Romania	Austria	Northwest Europe, Africa and Australasia	Middle East and Caspian	**Total**
2014					
Sales to unaffiliated parties	13	34	1,151	264	**1,462**
Intercompany sales and sales to affiliated parties	2,707	626	628	133	**4,094**
Result from asset sales	0	(1)	(7)	0	**(7)**
	2,720	**659**	**1,773**	**397**	**5,548**
Production costs	(738)	(109)	(377)	(110)	**(1,335)**
Royalties	(296)	(140)	(32)	(22)	**(490)**
Exploration expenses	(49)	(19)	(346)	(46)	**(460)**
Depreciation, amortization and impairment losses	(561)	(141)	(593)	(277)	**(1,572)**
Other costs	(40)	(6)	(62)	4	**(105)**
	(1,684)	**(416)**	**(1,410)**	**(452)**	**(3,961)**
Results before income taxes	**1,036**	**243**	**363**	**(55)**	**1,587**
Income taxes [1]	(170)	(71)	(224)	(44)	**(509)**
Results from oil and gas properties	**866**	**172**	**139**	**(99)**	**1,078**
Storage fee [2]	—	48	—	—	**48**

Results of operations of oil and gas producing activities — EUR mn

	Romania	Austria	Northwest Europe, Africa and Australasia	Middle East and Caspian	Total
2013					
Sales to unaffiliated parties	9	43	667	249	**968**
Intercompany sales and sales to affiliated parties	2,740	758	592	124	**4,214**
Result from asset sales	(2)	(1)	11	0	**7**
	2,747	**799**	**1,270**	**373**	**5,189**
Production costs	(654)	(106)	(187)	(97)	**(1,045)**
Royalties	(226)	(141)	(43)	(19)	**(429)**
Exploration expenses	(102)	(12)	(142)	(148)	**(404)**
Depreciation, amortization and impairment losses	(508)	(104)	(360)	(167)	**(1,139)**
Other costs	(18)	(6)	38	0	**15**
	(1,508)	**(368)**	**(695)**	**(432)**	**(3,002)**
Results before income taxes	**1,239**	**432**	**575**	**(59)**	**2,186**
Income taxes [1]	(202)	(121)	(328)	7	**(644)**
Results from oil and gas properties	**1,037**	**311**	**247**	**(52)**	**1,543**
Storage fee [2]	—	56	—	—	**56**
2012					
Sales to unaffiliated parties [3]	(79)	20	1,098	276	**1,315**
Intercompany sales and sales to affiliated parties	2,700	828	1,011	55	**4,594**
Result from asset sales	(19)	(1)	101	1	**82**
	2,602	**847**	**2,210**	**332**	**5,991**
Production costs	(672)	(107)	(170)	(98)	**(1,047)**
Royalties	(182)	(144)	(71)	(21)	**(419)**
Exploration expenses	(87)	(21)	(160)	(133)	**(401)**
Depreciation, amortization and impairment losses	(395)	(199)	(401)	(105)	**(1,100)**
Other costs [4]	(35)	(4)	(24)	(36)	**(100)**
	(1,370)	**(475)**	**(827)**	**(394)**	**(3,067)**
Results before income taxes	**1,232**	**371**	**1,383**	**(62)**	**2,925**
Income taxes [1]	(202)	(116)	(961)	(8)	**(1,287)**
Results from oil and gas properties	**1,030**	**256**	**422**	**(69)**	**1,638**
Storage fee [2]	—	50	—	—	**50**

[1] Income taxes in Northwest Europe, Africa and Australasia 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%
[2] Intersegmental rental fees before taxes received from the G&P segment for providing gas storage capacities
[3] Includes hedging effect
[4] Includes change in stock in Libya and provisions in Kazakhstan

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	Northwest Europe, Africa and Australasia	Middle East and Caspian	**Total**
Proved developed and undeveloped reserves as of January 1, 2012	**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**
Revisions of previous estimates	15.4	4.5	2.8	0.1	**22.8**
Purchases	—	—	50.8	—	**50.8**
Disposal	—	—	—	—	**—**
Extensions and discoveries	0.3	0.2	0.2	0	**0.7**
Production	(28.6)	(5.7)	(15.3)	(5.3)	**(54.9)**
Proved developed and undeveloped reserves as of December 31, 2013	**369.6**	**47.5**	**189.1**	**28.1**	**634.3**
Revisions of previous estimates	12.4	3.6	10.1	5.8	**32.0**
Purchases	—	—	—	—	**0.0**
Disposal	—	—	—	—	**0.0**
Extensions and discoveries	1.6	0.1	5.5	0.1	**7.3**
Production	(28.0)	(5.8)	(18.1)	(5.9)	**(57.8)**
Proved developed and undeveloped reserves as of December 31, 2014	**355.6**	**45.4**	**186.6**	**28.1**	**615.8**
Proved developed reserves					
as of December 31, 2012	327.3	40.1	107.2	27.3	**501.9**
as of December 31, 2013	324.0	43.4	127.3	23.1	**517.7**
as of December 31, 2014	315.6	43.2	127.8	26.4	**513.1**

Gas					bcf
	Romania	Austria	Northwest Europe, Africa and Australasia	Middle East and Caspian	**Total**
Proved developed and undeveloped reserves as of January 1, 2012	**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**
Revisions of previous estimates	12.3	(7.1)	13.7	16.0	**34.9**
Purchases	—	—	208.8	—	**208.8**
Disposals	—	—	(3.0)	—	**(3.0)**
Extensions and discoveries	10.9	9.0	—	—	**19.9**
Production	(183.2)	(41.8)	(27.3)	(27.6)	**(279.9)**
Proved developed and undeveloped reserves as of December 31, 2013 [1]	**1,824.6**	**301.2**	**528.8**	**122.0**	**2,776.7**
Revisions of previous estimates	43.9	13.0	1.5	13.6	**72.1**
Purchases	—	—	—	—	**—**
Disposals	—	—	—	—	**—**
Extensions and discoveries	23.5	2.0	94.0	—	**119.4**
Production	(186.8)	(37.3)	(53.1)	(32.5)	**(309.7)**
Proved developed and undeveloped reserves as of December 31, 2014 [1]	**1,705.2**	**278.9**	**571.2**	**103.2**	**2,658.5**
Proved developed reserves					
as of December 31, 2012	1,499.5	221.1	155.1	113.2	**1,988.9**
as of December 31, 2013	1,431.1	200.1	271.4	121.7	**2,024.3**
as of December 31, 2014	1,313.8	191.6	260.9	92.0	**1,858.2**

[1] 2014: Including approximately 71 bcf of cushion gas held in storage reservoirs
2013: Including approximately 73 bcf of cushion gas held in storage reservoirs
2012: Including approximately 76 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 mn

	Romania	Austria	Northwest Europe, Africa and Australasia	Middle East and Caspian	**Total**
2014					
Future cash inflows	31,187	5,047	17,954	1,883	**56,071**
Future production and decommissioning costs	(14,649)	(3,240)	(4,498)	(784)	**(23,171)**
Future development costs	(2,733)	(822)	(1,542)	(197)	**(5,294)**
Future net cash flows, before income taxes	**13,806**	**985**	**11,914**	**902**	**27,606**
Future income taxes	(2,216)	(496)	(6,186)	(210)	**(9,108)**
Future net cash flows, before discount	**11,589**	**488**	**5,728**	**692**	**18,498**
10% annual discount for estimated timing of cash flows	(5,611)	233	(1,842)	(146)	**(7,365)**
Standardized measure of discounted future net cash flows	**5,978**	**721**	**3,886**	**547**	**11,133**
2013					
Future cash inflows	32,975	5,557	18,204	1,937	**58,673**
Future production and decommissioning costs	(13,970)	(3,380)	(4,198)	(815)	**(22,363)**
Future development costs	(2,890)	(406)	(2,046)	(224)	**(5,566)**
Future net cash flows, before income taxes	**16,115**	**1,771**	**11,960**	**897**	**30,743**
Future income taxes	(2,587)	(629)	(6,140)	(179)	**(9,534)**
Future net cash flows, before discount	**13,528**	**1,142**	**5,819**	**719**	**21,209**
10% annual discount for estimated timing of cash flows	(6,963)	(199)	(2,055)	(173)	**(9,390)**
Standardized measure of discounted future net cash flows	**6,565**	**943**	**3,765**	**546**	**11,818**
2012					
Future cash inflows	34,671	6,540	15,498	2,383	**59,091**
Future production and decommissioning costs	(13,961)	(3,299)	(2,666)	(867)	**(20,792)**
Future development costs	(3,808)	(327)	(1,439)	(276)	**(5,851)**
Future net cash flows, before income taxes	**16,902**	**2,914**	**11,393**	**1,241**	**32,448**
Future income taxes	(2,708)	(859)	(6,752)	(364)	**(10,682)**
Future net cash flows, before discount	**14,194**	**2,055**	**4,641**	**876**	**21,766**
10% annual discount for estimated timing of cash flows	(7,341)	(641)	(1,901)	(262)	**(10,145)**
Standardized measure of discounted future net cash flows	**6,853**	**1,414**	**2,740**	**615**	**11,622**

f) Changes in the standardized measure of discounted future net cash flows

Changes in the standardized measure of discounted future net cash flows			EUR mn
	2014	2013	2012
Beginning of year	**11,818**	**11,622**	**11,012**
Oil and gas sales and transfers produced, net of production costs	(4,186)	(3,916)	(3,380)
Net change in prices and production costs	(1,384)	(1,409)	1,496
Net change due to purchases and sales of minerals in place	0	1,705	135
Net change due to extensions and discoveries	469	4	16
Development and decommissioning costs incurred during the period	1,556	974	728
Changes in estimated future development and decommissioning costs	(685)	(155)	(612)
Revisions of previous reserve estimates	2,107	724	947
Accretion of discount	1,087	1,067	1,003
Net change in income taxes	459	1,246	317
Other [1]	(110)	(44)	(41)
End of year	**11,133**	**11,818**	**11,622**

[1] Contains movements in foreign exchange rates vs. the EUR

Vienna, March 18, 2015

The Executive Board

Gerhard Roiss
Chairman

David C. Davies
Deputy Chairman

Jaap 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)

bn
Billion

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

CAPEX
Capital Expenditure

capital employed
Equity including non-controlling interests plus net debt

cbm, cf
Standard cubic meters (32 °F/0 °C), standard cubic feet (60 °F/16 °C)

CCS
Current Cost of Supply

CEE
Central and Eastern Europe

Co&O
Corporate and Other

E&P
Exploration and Production

EBIT
Earnings Before Interest and Taxes

EBITD
Earnings Before Interest, Taxes, Depreciation and amortization, impairments and write-ups of fixed assets

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

FX
Foreign exchange

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

kbbl, kbbl/d
Thousand barrels, thousand bbl per day

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

km^2
Square kilometer

KPI
Key Performance Indicator

LNG
Liquefied Natural Gas

LTIR
Lost-Time Injury Rate per million hours worked

mn
Million

MW
Megawatt

MWh
Megawatt hour

n.a.
Not available

n.m.
Not meaningful

net debt
Interest-bearing debts including bonds and finance 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

NOK
Norwegian Krone

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

OECD
Organisation for Economic Cooperation and Development

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

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/loss 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

TRIR
Total Recordable Injury Rate

TRY
Turkish lira

TSR
Total Shareholder Return

TWh
Terawatt hour

USD
US dollar

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

Five-year summary

Five-year summary — **EUR mn**

	2014	2013 [1]	2012	2011 [2]	2010 [2, 3]
Sales	35,913	42,414	42,649	34,053	23,323
Earnings Before Interest, Taxes and Depreciation (EBITD)	4,110	4,820	5,137	4,117	3,899
Earnings Before Interest and Taxes (EBIT)	1,054	2,602	3,104	2,494	2,334
Profit from ordinary activities	878	2,291	2,857	2,221	1,961
Taxes on income	(264)	(562)	(1,067)	(633)	(747)
Net income for the year	613	1,729	1,790	1,588	1,214
Net income attributable to stockholders of the parent	357	1,162	1,363	1,079	921
Clean CCS EBIT [4]	2,238	2,645	3,407	2,530	2,470
Clean CCS net income attributable to stockholders of the parent [4]	1,132	1,112	1,544	1,084	1,118
Balance sheet total	33,938	31,848	30,519	28,413	26,419
Equity	14,602	14,545	14,530	13,404	11,238
Net debt	4,902	4,371	3,747	4,603	5,167
Average capital employed [5]	19,762	17,669	18,118	17,060	13,970
Cash flow from operations	3,666	4,124	3,813	2,514	2,886
Capital expenditure	3,832	5,239	2,426	3,146	3,207
Depreciation, amortization and impairments	3,058	2,296	2,036	1,626	1,578
Net Operating Profit After Tax (NOPAT) [5]	713	1,978	1,976	1,881	1,446
Return On Average Capital Employed (ROACE)	4%	11%	11%	11%	10%
Return On Equity (ROE)	4%	11%	13%	13%	11%
Equity ratio	43%	46%	48%	47%	43%
Gearing ratio	34%	30%	26%	34%	46%
Dividend per share in EUR [6]	1.25	1.25	1.20	1.10	1.00
Earnings per share in EUR	1.09	3.56	4.18	3.43	3.08
Clean CCS earnings per share in EUR [4]	3.47	3.41	4.73	3.45	3.74
Employees as of December 31	25,501	26,863	28,658	29,800	31,398

[1] Figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements"
[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] As of December 31, 2011, figures for 2010 were adjusted according to the final purchase price allocation of OMV Petrol Ofisi A.Ş.
[4] Clean CCS figures exclude special items and inventory holding gains/losses (CCS effects) resulting from the fuels refineries and Petrol Ofisi
[5] As of 2012, the definitions for NOPAT and average capital employed were adjusted. Please see section "Abbreviations and definitions" for details. Historical figures were adapted accordingly
[6] 2014: As proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2015

Disclaimer regarding forward looking statements
This report contains forward looking statements. Forward looking statements may be identified by the use of terms such as "outlook", "expect", "anticipate", "target", "estimate", "goal", "plan", "intend", "may", "objective", "will" and similar terms, or by their context. These forward looking statements are based on beliefs and assumptions currently held by and information currently available to OMV. By their nature, forward looking statements are subject to risks and uncertainties, both known and unknown, because they relate to events and depend on circumstances that will or may occur in the future and are outside the control of OMV. Consequently, the actual results may differ materially from those expressed or implied by the forward looking statements. Therefore, recipients of this report are cautioned not to place undue reliance on these forward looking statements. Neither OMV nor any other person assumes responsibility for the accuracy and completeness of any of the forward looking statements contained in this report. OMV disclaims any obligation to update these forward looking statements to reflect actual results, revised assumptions and expectations and future developments and events. This report does not contain any recommendation or invitation to buy or sell securities in OMV.

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In the interest of a fluid style, which is easy to read, non-gender specific terms have been used in the notes chapter of this annual report.

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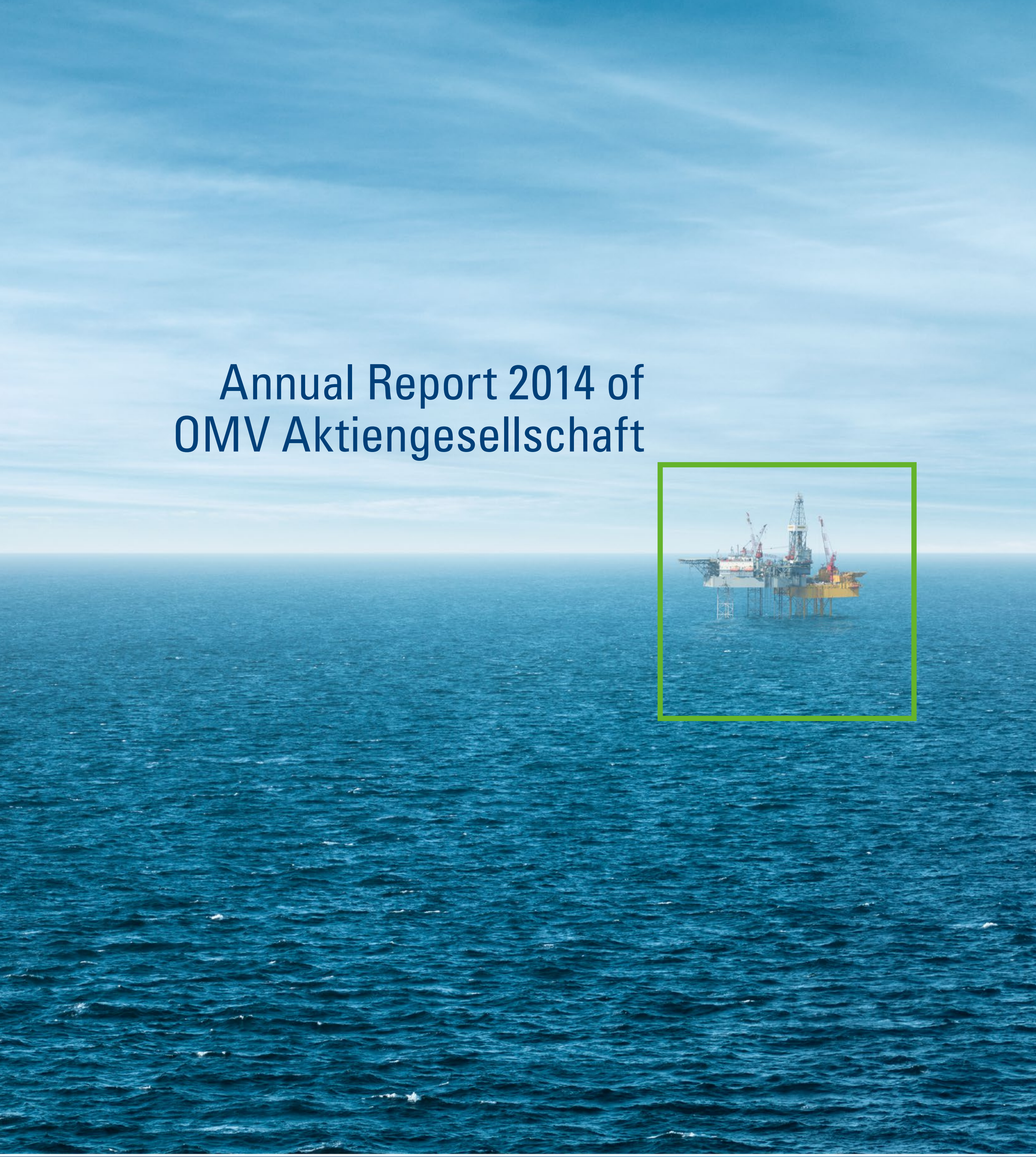


Annual Report 2014 of OMV Aktiengesellschaft

OMV Aktiengesellschaft

Moving more. Moving the future. OMV

Annual Report 2014 of OMV Aktiengesellschaft

Report of the Supervisory Board

Dear shareholders,
In 2014, the Supervisory Board thoroughly monitored the conduct of OMV's business by the Executive Board and advised the Executive Board in the decision-making process. 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 operating environment, as well as business opportunities and risks for OMV.

Work of the Supervisory Board
In 2014, one of the main focus areas of our work was a thorough assessment of the future strategic positioning of the business segment Gas and Power, taking into account the dramatic change in the market environment. In October, we decided to integrate the business segment Gas and Power into the business segment Refining and Marketing, thereby creating a combined business segment "Downstream". We also intensively discussed with the Executive Board the progress report on OMV's strategy and reconfirmed its principles to grow upstream and to optimize downstream, both being adjusted to changing market conditions. OMV will remain an integrated oil and gas company pursuing value-creating growth by means of an even more balanced risk strategy in the future. In this context, special focus shall be placed on increasing profitability, an optimized risk profile as well as on a sustainable dividend policy. In line with the strategy of targeting upstream growth, the Supervisory Board discussed and approved upstream investment projects in Bulgaria, New Zealand, Norway, Romania, Tunisia and the UK and a divestment in KRI as well as measures aiming at further optimizing the downstream business in Austria, Romania and Turkey. On OMV Group's financing, we supported a new EUR 750 mn Eurobond transaction, a loan agreement with the European Bank for Reconstruction and Development and other refinancing transactions, enhancing OMV's debt maturity profile. Other focus areas included the annual planning process for the medium-term period (2015-2017), the budget for the financial year 2015, and the investment program going forward, reflecting lower oil prices. Finally, we discussed other key issues such as an investor study and the annual report of the compliance officer.

Composition of the Supervisory Board
To expand the Supervisory Board's expertise in the upstream business, Roy Franklin (an internationally-renowned expert in the oil and gas industry) was elected for the first time as a member of the Supervisory Board at OMV's Annual General Meeting on May 14, 2014, following Norbert Zimmermann. Also in that meeting, the following persons were reelected as member of the Supervisory Board: Murtadha Al Hashmi, Alyazia Ali Saleh Al Kuwaiti, Wolfgang C. Berndt, Elif Bilgi Zapparoli, Helmut Draxler, Rudolf Kemler, Wolfram Littich, Herbert Stepic and Herbert Werner. There have been no changes regarding the employee representatives on the Supervisory Board.

Changes in the Executive Board
On September 16, 2014, Jaap Huijskes, Executive Board member responsible for Exploration and Production, informed the Chairman of the Supervisory Board that he intends to step down from his position in the first half of 2016 due to personal reasons. On October 14, 2014, the Supervisory Board and Gerhard Roiss agreed that Gerhard Roiss will resign from his position as Chairman of the Executive Board and CEO as of June 30, 2015. As of December 31, 2014, the process for the identification of suitable successor candidates for the positions of CEO, CFO (whose term is scheduled to end in March 2017 and who is therefore included in the search process) and the Executive Board member for Exploration and Production was ongoing. Following the decision to create a combined business segment Downstream headed by Manfred Leitner as of January 1, 2015, the Supervisory Board and Hans-Peter Floren agreed that Hans-Peter Floren, Executive Board member for Gas and Power, resigns as of December 31, 2014.

Supervisory Board committees
In preparation of the Annual General Meeting 2014, the Presidential and Nomination Committee identified the candidates for election to the Supervisory Board. Furthermore, it closely

monitored and advised on the process that led to the decision to create a business segment "Downstream" by integrating Gas and Power into the Refining and Marketing business segment. Finally, the Committee initiated the process to identify suitable successor candidates for the positions of CEO, CFO and Executive Board member for Exploration and Production. The Remuneration Committee prepared the amendments to the contract terms of Executive Board members Gerhard Roiss, Manfred Leitner and Hans-Peter Floren resulting from the changes in the Executive Board and continued to monitor the impact of the revised variable compensation system for the Executive Board agreed in 2012. To promote a combined focus on the achievement of the strategic objectives of OMV's strategy "Profitable Growth", it also introduced a long-term compensation scheme for Executive Board members (which is also aimed at around 250 members of the executive management). This "Strategic Incentive Plan" is based on virtual share grants paid out in cash equivalents, subject to achievement of defined performance measures, at the end of the plan period. The Audit Committee dealt with key issues relating to accounting processes, internal audit, risk management and improving the Group's internal control and management systems. Furthermore, the Audit Committee examined OMV's preparation for the changes resulting from the implementation of the Austrian Accounting Control Act (Rechnungslegungs-Kontrollgesetz) as well as procedures in the IT-environment safeguarding business and operations. OMV's Group auditor, Ernst & Young, 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 the latest developments in corporate governance and financial reporting, we held a special workshop with OMV's Group auditor again this year. 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, which did not give rise to any qualifications, the Supervisory Board approved the directors' report, prepared in accordance with section 96 (1) Stock Corporation Act, and the financial statements of OMV Aktiengesellschaft for 2014, which were thereby approved pursuant to 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 accepted the Executive Board's proposal to the Annual General Meeting to pay a dividend of EUR 1.25 per share and to carry forward the remainder of the profit for the year to new account. 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 2014, as well as all shareholders, customers and partners for their trust.

Vienna, March 18, 2015
For the Supervisory Board

Rudolf Kemler

Corporate Governance Report

OMV, as a publicly listed company with its headquarters in Austria, is dedicated to the principles of sound corporate governance. Austrian law, the articles of association, the internal rules for the corporate bodies and the Austrian Code of Corporate Governance (ACCG) provide the core legal framework for OMV's corporate governance. OMV has always sought to comply with best practice in corporate governance in order to ensure responsible management and control of the OMV Group, a high level of transparency for every stakeholder and, ultimately, the sustainable and long-term creation of value. OMV therefore also complies with the non-compulsory, best practice recommendations of the ACCG ("R-rules").

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 2014 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. As for C-rule 27, an explanation concerning the Strategic Incentive Plan is provided in the corresponding section in the remuneration report.

Executive Board

From left to right: Gerhard Roiss, David C. Davies, Manfred Leitner, Jaap Huijskes

Gerhard Roiss, *1952
Date of initial appointment: September 17, 1997
End of the current period of tenure:
June 30, 2015 (as agreed between Gerhard Roiss and the Supervisory Board on October 14, 2014).
Chairman of the Executive Board and Chief Executive Officer (since April 1, 2011).
Responsible for the overall management and coordination of the Group.

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, 2017
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.

Deputy chairman of the supervisory board of Borealis AG and member of the supervisory boards of Wiener Börse AG and CEESEG Aktiengesellschaft.

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.

Jaap Huijskes, *1965
Date of initial appointment: April 1, 2010
End of the current period of tenure:
September 30, 2018. Jaap Huijskes has, however, announced to resign as member of the Executive Board in the first half of 2016. Responsible for Exploration and Production (E&P) since July 1, 2010. This business segment was renamed Upstream effective January 1, 2015.

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:
December 31, 2017.
Responsible for Refining and Marketing (R&M), as well as for OMV Group's plastic and chemical interests. Following the integration of the business segment Gas and Power into the business segment R&M effective January 1, 2015, Manfred Leitner has been responsible for the newly combined business segment Downstream.

Member of the supervisory board of Borealis AG and chairman of the supervisory board of Erdöl-Lagergesellschaft m.b.H.

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
Hans-Peter Floren resigned as member of the Executive Board effective December 31, 2014. Responsible for Gas and Power (G&P) until December 31, 2014.

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 practices of the Executive Board

The approval requirements, responsibilities of individual Executive Board members, 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 2014, the structure of the compensation for Executive Board members was supplemented by the Strategic Incentive Plan in order to support OMV's strategy "Profitable Growth".

Executive Board remuneration policy

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. Reflecting additional responsibilities in Group companies, as of April 1, 2014 also new employment contracts have been concluded with Gerhard Roiss for OMV Exploration & Production GmbH and David C. Davies for OMV Solutions GmbH.

The remuneration of OMV's Executive Board members 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. PricewaterhouseCoopers LLP (PwC) acted as advisors 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.

Annual Remuneration

Base salary

The fixed base 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.

Non-cash benefits

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.

Bonus

The annual bonus consists of two elements: the cash bonus and the Matching Share Plan (MSP), both subject to the same performance criteria.

Depending on the achievement, a maximum of 100% of the base salary may be paid as variable cash remuneration in the following financial year **(cash bonus).**

Performance measures are agreed and then assessed at the end of the performance year. The performance criteria for the performance year 2014 are made up of the four areas set out below.

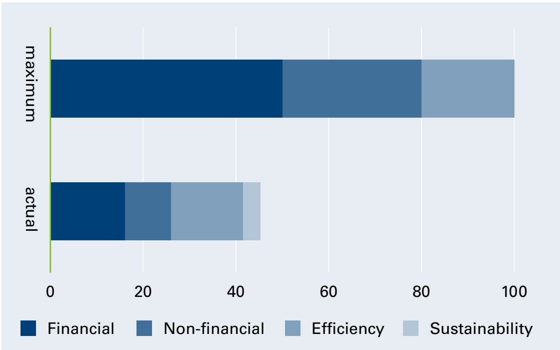
Area	Criteria
Financial	Clean CCS EBIT; Clean CCS ROACE
Non-financial	Production; Reserve Replacement Rate
Efficiency	Includes for example the execution of capital projects in time and in budget
Sustainability	General progress

The achievement of targets shall be determined by comparing agreed targets with actually achieved results. The actual achievements are reviewed by an independent expert. The award of the cash 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.

The actual achievements in 2014 result in a payment of 45.3% of the base salary to be paid in

2015. Financial and non-financial performance was adversely affected by a more challenging environment. Efficiency targets were mostly met. Improvements in the areas Skills to Succeed, Eco-Efficiency and Eco-Innovation led to a positive adjustment of the bonus achievement.

Bonus achievements in % of base salaries



The **Matching Share Plan** (MSP) for the year 2014, as approved by the Annual General Meeting in 2014, is the second element 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 the same amount 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, the MSP 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 can choose between cash payment or shares if and to the extent that they have already fulfilled the minimum shareholding requirements for the Long Term Incentive Plan.

In line with the cash bonus, the actual achievements in 2014 result in a payment of 45.3% of the base salary to be paid in 2015.

In the case of a **clawback** event, shares granted will be reduced or may be clawed back upon request from 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, and serious misconduct of individual Executive Board members which violates Austrian law. Furthermore, if the shares or cash equivalent

Executive Board remuneration [1] — EUR 1,000

Remuneration 2014	Roiss	Davies	Huijskes	Leitner	Floren	Total
Fixed (base salary)	913 [2]	841 [3]	713	579	600	**3,645**
Variable (cash bonus)	610	533	478	381	506 [4]	**2,508**
Benefits in kind (company car, accident insurance and reimbursed expenses)	10	10	10	9	6	**45**
Total	**1,532**	**1,385**	**1,202**	**969**	**1,112**	**6,199**
Variable (Matching Share Plan; in shares)	17,332 [5]	15,166 [5]	13,595	10,833 [5]	12,999	**69,925**
Fixed/variable ratio [6]	44/56	45/55	44/56	44/56	51/49	**46/54**
LTIP 2011 (in shares)	20,429 [5]	15,192 [5]	8,937 [5]	8,937 [5]	–	**53,495**

[1] There are discrepancies between individual items and totals due to rounding differences. The variable components relate to target achievement in 2013, for which the bonuses were paid in 2014. The base salary for David C. Davies includes an annual accommodation allowance. The base salaries for Gerhard Roiss, David C. Davies and Manfred Leitner were adjusted as of April 1, 2014 and the base salary for Jaap Huijskes was adjusted as of October 1, 2014
[2] Thereof EUR 300 thousand were paid out under the employment contract with OMV Exploration & Production GmbH
[3] Thereof EUR 248 thousand were paid out under the employment contract with OMV Solutions GmbH
[4] Including a fixed bonus component of EUR 181 thousand that was agreed upon joining OMV
[5] (Partly) paid out in cash
[6] Fixed includes base salary, benefits in kind and in case of Hans-Peter Floren the fixed bonus component; variable includes cash bonus and Matching Share Plan

were based on incorrect calculations of the bonus, the Executive Board members are obliged to return or pay back benefits obtained due to such wrong figures.

Summary of annual remuneration
Based on the assumption that the performance criteria for the cash bonus and the MSP are reached at target level, the total annual remuneration corresponds to 240% of the base salaries of the Executive Board members.

Long-term remuneration and incentives

Long Term Incentive Plan
The Long Term Incentive Plan (LTIP) has operated since its introduction in 2009 and has been granted on an annual basis since then. The LTIP 2014, as approved by the Annual General Meeting in 2014, 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 management subject to performance against key measures linked to the medium-term strategy and shareholder return.

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, 2014 until December 31, 2016). At the start of the program, weightings were established for key indicators:

Measure	Weighting
Relative Total Shareholder Return (Relative TSR)	50%
Reported Return On Average Capital Employed (ROACE)	40%
Sustainability element (including Safety)	10%

Relative TSR is measured against a well-balanced peer group of twelve oil and gas companies (i.e. Shell, BP, Total, Eni, Statoil, BG Group, Repsol, Galp Energia, MOL, Tupras, Neste Oil and PKN). 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, 2014 to March 31, 2014 (EUR 33.33). The LTIP 2014 vests on March 31, 2017. The vesting levels for each performance metric are shown in the tables.

ROACE and Sustainability: Level of vesting	
Performance	**Vesting**
Stretch	100%
Target	70%
Threshold	50%
Below threshold	0%

Relative TSR: Level of vesting	
Performance	**Vesting**
Stretch: at or above upper quartile (≥75th percentile)	100%
Target: at median (=50th percentile)	50%
Threshold: at lower quartile (=25th percentile)	25%
Below Threshold: below lower quartile (<25th percentile)	0%

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

Based on the assumption that all performance criteria of the LTIP 2014 are reached at target level, the awards will be 105%, 90% and 75% of the base salary for the Chairman of the Executive Board, the Deputy Chairman of the Executive Board, and the other Executive Board members, respectively.

Executive Board members 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

Shareholding requirement and fulfillment				
	Shareholding requirement			Fulfillment
	In shares	As % salary	In shares (on Company trustee deposit)	As % requirement
Roiss	68,635	200%	71,456 [1]	104.11%
Davies	52,487	175%	46,070	87.77%
Huijskes	40,210	150%	28,095	69.87%
Leitner	32,438	150%	28,207	86.96%
Floren	33,848	150%	22,725	67.14%

[1] As per January 31, 2015

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 accumulated and achieved within five years after start of the current employment contract as Executive Board member. All Executive Board members have already fulfilled at least a part of their minimum shareholding requirement through MSP payouts, previous LTIP investments and/or transfer of private shares (see table).

The degree of fulfillment of the LTIP 2012 goals is 27.6% and the corresponding allocation of shares or cash payment will be made in 2015.

Strategic Incentive Plan

The Strategic Incentive Plan (SIP) is a long-term compensation scheme for Executive Board members (as well as for members of the executive management and selected E&P experts), promoting a combined focus on the achievement of the strategic objectives of OMV's strategy "Profitable Growth". It is based on virtual share grants that are paid out in cash equivalent, subject to achievement of defined performance measures, at the end of the plan period.

Each Executive Board member has to declare at the beginning of the program or at the beginning of the employment contract if he or she wants to participate in the SIP. Furthermore, each participating Executive Board member has to declare if he or she will participate with an additional personal investment. These declarations are then effective for the entire term of the plan.

Each participating Executive Board member will receive a grant from OMV ("OMV Grant") in virtual shares that reflect the performance of the underlying OMV shares (the "Phantom Shares") in up to five consecutive annual tranches between 2014 and 2018, amounting to 22.5% of the annual gross base salary per year. Every year, Executive Board members having declared to make a personal investment in the form of OMV shares ("Investment Shares") must do so in an amount of 11.25% of the annual gross base salary. Shares on OMV trustee deposits relating to previous share incentive programs will not be counted towards the personal investment component under the SIP. However, vested shares granted under existing share incentive programs that exceed the shareholding requirements of those programs may be counted as Investment Shares. If Investment Shares are contributed, the OMV Grant will be supplemented by OMV with a complementary grant (the "Complementary Grant") in a ratio of 1:2 (i.e. each Phantom Share of the OMV Grant will be supplemented with two additional Phantom Shares under the Complementary Grant).

The performance measures are:

- Average daily production of oil and oil equivalents in barrels on a yearly basis (440 kboe/d – 520 kboe/d, no payout in case production is <440 kboe/d) with vesting levels as shown in the table:

Production	
Performance	**Vesting**
Stretch	130%
Target	100%
Threshold	70%
Below Threshold	0%

- Relative ROACE: Depending on the ROACE in relation to the production growth (compared to a peer group of Shell, BP, Total, Eni, Statoil, BG Group, Repsol, Galp Energia and MOL) over the performance period, the achievement will be adjusted as shown in the table:

Relative ROACE ranking	
Performance	**Adjustment Factor**
Stretch: at or above upper quartile (≥75th percentile)	150%
Target: at median (=50th percentile)	100%
Threshold: at lower quartile (=25th percentile)	50%
Below Threshold: below lower quartile (<25th percentile)	0%

For both performance measures, there is a straight line vesting between threshold and stretch levels.

Further conditions applying in combination as a prerequisite for any payout:

- The target achievement has to be sustainable – minimum of eight years 1P reserves life
- The average ROACE must exceed the average WACC (Weighted Average Cost of Capital) over a three-year period prior to vesting of the SIP. If ROACE falls below WACC after 2021 (or earlier), future payments may be adjusted downwards (sole discretion of the Remuneration Committee of the Supervisory Board)
- No capital increase during the performance period of the SIP

The Supervisory Board and/or its Remuneration Committee retain the substantial discretion to amend the plan in order to reflect significant changes in circumstances at any time.

Under certain circumstances, the Supervisory Board may reduce or forfeit in full the payout under the SIP or may request repayment ("**clawback**"). The clawback provision will apply in defined cases of gross misconduct.

The **cash payout** of the equivalent of the OMV Grant and the Complementary Grant is subject to the fulfillment of the performance criteria as mentioned above and will be paid out at the end of the performance period after calculation of the final performance. Any awards will be released over a period of three years. A payment in the amount of dividend equivalents for the OMV Grant and the Complementary Grant – both adjusted for the level of the final performance achievement – will be paid out in cash as part of the three installments. All payments will be made net of taxes and contributions. If the defined production threshold is not reached or the relative ROACE ranking is below the lower quartile, no payout will be effected at all.

According to C-rule 27 of the ACCG, maximum limits shall be fixed in advance for the variable remuneration component. The SIP is dependent on the development of the share price of OMV and future maximum payouts can therefore not be calculated in advance.

Key facts	
Plan start	July 1, 2014
Grant period	2014-2018 (five annual tranches)
Performance period	July 1, 2014 – December 31, 2021 (only in case the production target of 520 kboe/d is already achieved in 2019 or 2020, the performance and payout periods will be brought forward correspondingly)
Vesting date	Last day of the month following the official performance confirmation
Payout period	2022-2024 (or earlier, analogous to the performance period; share price changes will impact the amounts)
Holding period (for Investment Shares)	Until the end of the payout period

The achievement of the targets shall be determined by comparing the agreed performance criteria with the actually achieved results. The achievement of all performance criteria will be confirmed by an external expert.

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 of EUR 47.55. The options under the 2008 plan have not been exercised yet. 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). David C. Davies, Jaap Huijskes, Manfred Leitner and Hans-Peter Floren 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.

Pension fund contribution	EUR 1,000
Roiss	1,006
Davies	311
Huijskes	178
Leitner	145
Floren	150
Total	**1,790**

Termination benefits

In connection with the extension of the mandates of Gerhard Roiss and David C. Davies and a revised focus of their activities in support of OMV's strategy, their existing employment contracts were terminated as per March 31, 2014 and their respective termination benefits under these agreements were fully paid out, as shown in the table, in March 2014. Since then, all Executive Board members have been subject to the Betriebliche Mitarbeiter- und Selbständigenvorsorgegesetz (BMSVG, Salaried Employees and Self-Employed Provident Saving Act).

In accordance with C-rule 27a of the 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.

Termination benefits		EUR 1,000
	Roiss	**Davies**
Termination benefits	2,340	737
Payment for unconsumed holiday entitlement	624	–
Total	**2,964**	**737**

Note 31 provides additional information on the Long Term Incentive Plan, the Matching Share Plan, the Strategic Incentive 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 550,000.

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 (99 people) are eligible for membership of the Long Term Incentive Plan. They are also eligible for bonus agreements, as discussed below.

In 2014, a total of some 4,600 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 in 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

OMV's Supervisory Board consists of ten members elected by the General Meeting (shareholders' representatives) and five members delegated by the Group works council. All ten current shareholders' representatives were elected at the 2014 Annual General Meeting (AGM) for the maximum period as foreseen by the Aktiengesetz (AktG, Stock Corporations Act). The members of OMV's Supervisory Board in 2014 and their appointments to supervisory boards of other domestic or foreign listed companies are shown below.

Rudolf Kemler, *1956
(Chief Executive Officer, Österreichische Industrieholding AG (ÖIAG)), Chairman
Seats: Österreichische Post AG (chairman) and Telekom Austria AG (chairman).

Wolfgang C. Berndt, *1942
Deputy Chairman
Seats: GfK SE and Miba Aktiengesellschaft (chairman).

Murtadha Al Hashmi, *1966
(Chief Financial Officer, International Petroleum Investment Company (IPIC)), Deputy Chairman
Seat: Banvit Bandirma Vitaminli Yem Sanayii A.Ş.

Alyazia Ali Saleh Al Kuwaiti, *1979
(Head of Midstream, Power & Utilities Investments, IPIC).

Elif Bilgi Zapparoli, *1967
(Co-Head of Emerging Markets (Ex-Asia) Investment Banking, Country Executive for Turkey and Head of Global Sovereign Wealth Funds Coverage, Bank of America Merill Lynch).

Helmut Draxler, *1950
Seat: RHI AG.

Roy A. Franklin, *1953 (from May 14, 2014)
Seats: Keller Group plc. (non-executive chairman), SANTOS Group Ltd. and Boart Longyear Ltd.

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

Herbert Stepic, *1946
(Consultant).

Herbert Werner, *1948
Seats: Innstadt Aktiengesellschaft (chairman), Ottakringer Getränke AG (deputy chairman).

Norbert Zimmermann, *1947 (until May 14, 2014)
Seats: Schoeller Bleckmann Oilfield Equipment AG (chairman) and Oberbank AG (until May 13, 2014).

Delegated by the Group works council (employee representatives)
Christine Asperger, *1964,
Wolfgang Baumann, *1958,
Herbert Lindner, *1961,
Alfred Redlich, *1966,
Martin Rossmann, *1970.

More detailed information about all members of OMV's Supervisory Board, including their professional careers, can be downloaded from OMV's website at www.omv.com > About OMV > Corporate Governance & Organization > Supervisory Board.

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 three women and four non-Austrian nationals. The members of the Supervisory Board are aged between 35 and 72.

Independence

The Supervisory Board has defined the criteria that constitute independence (resolutions dated March 21, 2006 and March 25, 2009). In addition to the guidelines set out in Annex 1 of the ACCG, the Supervisory Board has established the following criteria with regard to its members elected by the General Meeting:

- A Supervisory Board member shall not serve on the executive board of an OMV Group company
- A Supervisory Board member shall not hold stock options issued by the Company or any affiliated company, or receive any other performance-related remuneration from an OMV Group company
- A Supervisory Board member shall not 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 a shareholder

All of the members elected by the General Meeting except (i) Rudolf Kemler, regarding the representation of a shareholder with controlling interest, and (ii) Helmut Draxler and Herbert Werner, regarding the duration of their terms, have declared their independence from the Company and its Executive Board during the 2014 financial year and up to the time of making such declarations (C-rule 53 of the ACCG). Under C-rule 54 of the ACCG, Wolfgang Berndt, Elif Bilgi Zapparoli, Helmut Draxler, Roy Franklin, 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 2014 and up to the time of making such declarations. In the case of Norbert Zimmermann these declaration relate to the period up to his leaving office as member of the Supervisory Board on May 14, 2014.

Working practices 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 during board meetings. Decisions are also taken at these meetings, except in cases of urgency where decisions can be taken by circular vote. The set-up of four committees ensures that best possible use is made of the Supervisory Board members' expertise. Brief descriptions of these committees are given below (see also the Report of the Supervisory Board for an overview of the individual committees' main activities in 2014).

In 2014, the Supervisory Board held six meetings. In two of these meetings the Executive Board and the Supervisory Board thoroughly discussed OMV's strategy. With the exception of Herbert Stepic, 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 General Meeting for appointments to the Supervisory Board. There were nine meetings of the Presidential and Nomination Committee in 2014, in which discussions focused on OMV's strategy and the future of OMV's R&M and G&P activities leading to the creation of a combined business segment Downstream. Executive and Supervisory Board matters as well as OMV's succession planning system were further key issues of discussions.

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 2014, the auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (including their network in the meaning of section 271b Code of Commerce) received EUR 2.39 mn for the annual audit, EUR 1.25 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 2014, no meeting of the Project Committee was held.

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 2014. Executive Board members were invited to attend parts of the meetings of the Remuneration Committee.

PwC provided remuneration advice to the Committee, which included market information drawn from published data, advice on the

Name (current members in bold)	Position and committee memberships in 2014 [1]	Remuneration (in EUR, for 2013)	Term of office [1]
Rudolf Kemler	Chairman; Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	77,200 [2]	Nov. 1, 2012 to 2019 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 2019 AGM
Murtadha Al Hashmi	Deputy Chairman, Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	61,900	May 10, 2012 to 2019 AGM
Alyazia Ali Saleh Al Kuwaiti	Pres. Com. and Proj. Com.	30,600	May 14, 2008 to 2019 AGM
Elif Bilgi Zapparoli		14,600	May 13, 2009 to 2019 AGM
Helmut Draxler	Audit Com and Remun. Com.	30,600	Oct. 16, 1990 to 2019 AGM
Roy A. Franklin	Proj. Com.	—	May 14, 2014 to 2019 AGM
Wolfram Littich	Proj. Com. and Audit Com.	30,600	May 23, 2001 to 2019 AGM
Herbert Stepic		14,600	May 18, 2004 to 2019 AGM
Herbert Werner	Audit Com.	22,600	June 4, 1996 to 2019 AGM
Norbert Zimmermann	Proj. Com.	22,600	May 23, 2001 to May 14, 2014
Christine Asperger		— [3]	since Jan. 1, 2013 [4]
Wolfgang Baumann	Pres. Com., Proj. Com. and Audit Com.	— [3]	Dec. 16, 1998 to Apr. 1,1999 and again since Nov. 11, 2004 [4]
Herbert Lindner	Proj. Com. and Audit Com.	— [3]	since June 1, 2013 [4]
Alfred Redlich		— [3]	since June 1, 2013 [4]
Martin Rossmann	Pres. Com., Proj. Com. and Audit Com.	— [3]	since May 5, 2011 [4]

[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, Rudolf Kemler transferred his remuneration to ÖIAG
[3] Members delegated to the Supervisory Board by the Group works council do not receive remuneration but just attendance expenses
[4] Delegation by the Group works council is for an indefinite period of time; however, the employee representatives may be recalled at any time by the delegating body

appropriate structure of short-term and long-term incentives (e.g. for the set-up of the Strategic Incentive Plan or the set-up of project measures in executive 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. Besides, PwC provided tax advice and valuation services to the Company in 2014.

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. 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

In accordance with the articles of association, the AGM resolves the remuneration of the Supervisory Board members elected by the General Meeting for the previous financial year. The 2014 AGM adopted the following remuneration scale for the 2013 financial year:

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

The amounts for the financial year 2013 were disbursed to the Supervisory Board members concerned in 2014; these were exclusive of expenses (travel and attendance expenses).

The total expenditure incurred by the Supervisory Board in 2014 was EUR 706,773; of this, members' remuneration (for the 2013 financial year) accounted for EUR 367,200, attendance expenses for EUR 73,073, travel expenses for EUR 193,218, and conference equipment, organization and translation for EUR 73,282.

Employee participation

The Group works council holds regular meetings with the Executive Board in order to exchange information on developments affecting employees. Furthermore, the Group works council has made use of its right to delegate members to the Supervisory Board (one employee representative for every two members elected by the General Meeting). Therefore, out of the 15 Supervisory Board members, five members are employee representatives.

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 association
- 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 or she has not been elected, then this person must be declared as Supervisory Board member

Women's advancement

- Being active in an industry with a strong technical focus it is particularly challenging for the Company to achieve a satisfactory gender balance in all fields of business activity. Therefore, gender diversity is one of two major focus areas of OMV Group's diversity strategy. OMV is committed to supporting women's advancement to managerial positions. The strategic objective is to achieve the best diversity mix at senior management level, with the target of having 30% female Senior Vice Presidents by 2020
- Mariana Gheorghe is the chairwoman of the executive board of OMV Petrom SA and Gülsüm Azeri is the chairwoman of the executive board of Petrol Ofisi. There are three female members in the OMV Supervisory Board; this corresponds to 20% of the members
- Women currently hold 14.6% of the Senior Vice President positions. The proportion of women in the Group as a whole is about 22.5%. Within OMV's leadership development programs the proportion of women reached 42% in 2014. Within OMV's integrated graduate development program the proportion of women has tripled from 11% in 2011 to 34% in 2014
- So far, a variety of measures to foster diversity at OMV has been initiated and implemented successfully. OMV especially supports the recruitment and development of women in

technical positions. Gender diversity measures include scholarships for female students in technical fields and the “Technikqueens” project designed to spark girls’ interest in technical careers early. Furthermore, OMV offers a mentoring program for female talents

- Through new flexible working time models such as job-sharing, flexible working time, and home office options, OMV helps to improve the individual work-life balance and supports parents who would like to continue their careers while working part time

Vienna, March 18, 2015

The Executive Board

Gerhard Roiss

David C. Davies

Jaap Huijskes

Manfred Leitner

Directors' report – operational review

Business developments in 2014

Sales for the 2014 financial year were EUR 132.09 mn (2013: EUR 131.80 mn). As OMV Aktiengesellschaft is a pure holding company most of the sales consist of corporate service charges billed to the subsidiaries, which slightly increased compared to the previous year.

Earnings Before Interest and Taxes (EBIT) were EUR (36.35) mn (2013: EUR (48.24) mn). Higher EBIT in 2014 was mainly coming from lower personnel expenses related to incentive programs.

The **financial result** in 2014 was EUR (775.24) mn (2013: EUR 193.07 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 (697.36) mn and thus substantially below 2013 (EUR 320.75 mn), mainly because of impairments of participations in 2014. For the investment in OMV Petrol Ofisi A.Ş., an impairment of EUR 1,067.57 mn (2013: EUR nil) has been reported, mainly due to a regulatory intervention (margin ceiling) and an overall higher risk assessment in Turkey.

The contribution of the companies in the **Exploration and Production (E&P)** segment excluding OMV Petrom was in line with previous year's dividend, at EUR 200.00 mn (2013: EUR 220.00 mn).

The investment income contribution from the **Gas and Power (G&P)** segment excluding OMV Petrom of EUR 13.32 mn was above the previous year (2013: EUR (102.85) mn). The result 2013 was substantially influenced by the challenging market environment and impairments of participations.

Investment income from the **Refining and Marketing (R&M)** segment excluding OMV Petrom decreased to EUR (67.40) mn (2013: EUR nil). The lower result compared to 2013 was mainly related to the drastic decrease of oil and product prices at year end, which lead to substantial effects from inventory valuation. In 2013, revenue reserves were allocated in OMV Refining & Marketing GmbH, based on articles of association.

Investment

Key investment items in 2014 were capital injections to OMV Petrol Ofisi Holding Anonim Şirketi, OMV Solutions GmbH, and to OMV Exploration & Production GmbH.

Cash flows from operating activities for 2014 amounted to EUR 64.48 mn (2013: EUR 948.72 mn), and cash flows from investing activities to EUR (160.18) mn (2013: EUR (1,697.99) mn) and cash flows from financing activities to EUR 17.10 mn (2013: EUR 133.38 mn).

Net loss for the year amounted to EUR (920.31) mn (2013: EUR 192.37 mn net income for the year).

Total assets decreased to EUR 13,386.42 mn (2013: EUR 14,332.30 mn).

At balance sheet date, **stockholders' equity** including untaxed reserves stood at EUR 6,333.26 mn (2013: EUR 7,657.55 mn). The equity ratio as of December 31, 2014, was 47.31% (2013: 53.43%).

The ratio of **fixed assets** to total assets was 93.69% at balance sheet date (2013: 87.98%).

Return On Equity (**ROE**) was (13.16)% (2013: 2.48%).

In 2014, the average **number of employees** at the holding company was 442 (2013: 405).

For definitions of these ratios, readers are referred to the glossary of abbreviations and definitions, which is an integral part of the Directors' report.

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 was 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) With regard to the expiration on May 13, 2014 of the authorized capital decided upon by the Annual General Meeting on May 13, 2009, the Annual General Meeting has authorized the Executive Board on May 14, 2014, subject to the approval of the Supervisory Board, to increase by May 14, 2019, once or in several tranches, also by way of indirect offer for subscription after taking over by one or several credit institutions according to Section 153 Paragraph 6 Stock Corporation Act, against cash contributions, the share capital by not more than EUR 32,727,272 by issuing up to 32,727,272 new no-par value common voting shares in bearer form. Subject to the approval of the Supervisory Board, the Executive Board has been authorized to exclude in this connection the subscription right of the shareholders (i) to adjust fractional amounts or (ii) to satisfy stock options or Long Term Incentive Plans including Matching Share Plans for employees, senior employees and members of the Executive Board/ management boards of the Company or one of its affiliates, or other employees' stock ownership plans and subject to the approval of the Supervisory Board, to set the issue price and conditions of issuance (authorized capital).

The Supervisory Board has been authorized to adopt amendments to the Articles of Association resulting from the issuance of shares according to the authorized capital.

c) 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 could be repurchased via the stock exchange, by way of public tender or in any other legally permitted way and to any legally permitted purpose until November 16, 2013. The Executive Board had 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 until the same date.

d) 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 bears 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, 2014, 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, based on the annual audit plan approved by the audit committee, or through ad-hoc audits. The results of those audits are presented to the audit committee. 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. For the main "End-to-end" processes (e.g. Purchase-to-Pay, Order-to-Cash) group-wide standards are defined. Based on a rolling time plan, the implementation and the effectiveness are being monitored. 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

OMV is an integrated, international oil and gas company. Its operations extend from hydrocarbon exploration and production and processing through to trading and marketing of mineral products and gas. Furthermore, OMV is operating two gas-fired power plants, in Romania and in Turkey. In common with the entire oil and gas industry, OMV is exposed to a variety of risks – including market, operational, strategic, regulatory, financial 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 across the entire organization.

The overall objective of the risk policy is to safeguard the cash flows required by the Group 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 the OMV Group – the Risk Committee – ensures that an Enterprise Wide Risk Management (EWRM) program is in place to effectively manage the integrated risks across the OMV Group.

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, NOK and TRY), project risks, personnel risks as well as hazard risks.

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

Analysis and management of financial risks arising from foreign currencies, interest rates, commodity prices, counterparties, 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 RON, USD, TRY and NOK currency exposure. 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 Romania, Turkey, Norway and USD functional affiliates.

To balance the Group's interest rate portfolio, loans can be 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, OMV Petrom and Petrol Ofisi level.

Sustainability & HSSE (Health, Safety, Security, Environment)

At OMV, we have a long tradition of responsibility towards society and the environment. In 2014, we embedded sustainability further in our operations. Together with the wider oil, gas and energy sectors, we face a global rise in demand, increased scrutiny and more stringent environmental and social requirements. Our industry is facing stricter environmental regulatory requirements, notably in Europe in relation to the European Union's 2020 emissions reduction targets. The OMV sustainability strategy, "Resourcefulness", focuses on achieving profitable growth in a sustainable and responsible way. Being in the natural resources business, we see it as our responsibility to secure energy supply for the present and for the future.

Sustainability Governance: Our "Resourcefulness" strategy is managed and overseen by two governance bodies: the Resourcefulness Executive Team comprises representatives of each "Resourcefulness" topic and business segment and is responsible for further developing the "Resourcefulness" strategy and implementing it into operations; the Resourcefulness Advisory Board comprises high ranking external experts who advise us on how we can best develop the strategy, as well as providing feedback on current programs.

HSSE is a key value of our business. The physical and mental well-being and safety of our people, as well as the integrity of our operating facilities is of crucial importance to us. Loss prevention and proactive risk management are essential to maintaining OMV's license to operate. In 2014, OMV provided group-wide 281,952 HSSE training hours for its employees. OMV's goal is to optimize the processes in order to use natural resources as efficiently as possible, and to reduce emissions and discharges.

Research and Development

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

Subsequent events

The Supervisory Board decided to integrate the business segment Gas and Power into the business segment Refining and Marketing, thereby creating a combined business segment Downstream headed by Executive Board member Manfred Leitner as of January 1, 2015.

Outlook for OMV Group

In order to reflect the significant decline of the oil price together with the unpredictability of our Libyan production, we have scaled back our investment program. The guidance for the average Group CAPEX for the period 2015-2017 is at approximately EUR 2.5 to 3.0 bn p.a. (the lower end of the range represents an oil price assumption of approximately USD 50/bbl going forward for the next three years) with roughly 80% being directed to Upstream. While we remain committed to the major projects expected to contribute to our previously stated 2016 production target of ~400 kboe/d, the changes to the investment program will inevitably lead to a delay in reaching this production level. Our target remains to achieve a broadly neutral free cash flow after dividends over the medium term. The revisions to the investment program support us in this objective. ROACE performance in the mid-term will be adversely affected by capital invested in field development projects as well as by the low oil price. We continue to stay committed to our long-term gearing ratio target of ≤30% and to our dividend policy (long-term payout ratio target of 30%).

Vienna, March 18, 2015

The Executive Board

Gerhard Roiss
Chairman

David C. Davies
Deputy-Chairman

Jaap 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, 2014 to December 31, 2014. These financial statements comprise the balance sheet as of December 31, 2014, the income statement for the fiscal year ended December 31, 2014, and the notes.

Management's responsibility for the financial statements and for the accounting system

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

Auditor's responsibility and description of type and scope of the statutory audit

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. Our audit did not give rise to any objections.

Opinion

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, 2014 and of its financial performance for the fiscal year from January 1, 2014 to December 31, 2014 in accordance with Austrian Generally Accepted Accounting Principles.

Comments on the management report

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements and if the information is applicable pursuant § 243a UGB.

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 18, 2015

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Walter Krainz (Wirtschaftsprüfer)

Mag. 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, 2014

Assets		EUR	EUR 1,000
	Note	2014	2013
Fixed assets	1		
Intangible assets		0	0
Tangible assets		1,210,836	1,136
Financial assets		12,541,044,004	12,608,730
		12,542,254,840	**12,609,866**
Current assets			
Accounts receivable and other assets	2		
Trade Receivables		—	72
Receivables from affiliated companies		545,712,068	1,469,452
Receivables from associated companies		35,725,979	40
Other receivables and other assets		26,897,080	40,247
		608,335,127	**1,509,812**
Securities and shares			
Other Securities		128,765,997	—
Own shares		11,137,080	11,393
		139,903,077	**11,393**
Cash on hand and at bank		69,292,47	147,917
		817.530.451	**1,669,121**
Deferred taxes		—	**23,048**
Prepayments and accrued expenses		**26,633,664**	**30,269**
Total assets		**13,386,418,955**	**14,332,304**

Liabilities		EUR	EUR 1,000
	Note	2014	2013
Stockholders' equity	3		
Capital stock		327,272,727	327,273
Capital reserves			
appropriated		1,729,337,821	1,729,338
unappropriated		333,728	334
Capital reserves for share-based payments		10,158,756	6,311
Revenue reserves			
unappropriated reserve		3,760,798,226	5,160,542
Reserve for treasury stock		11,137,080	11,393
Unappropriated income, thereof income brought forward EUR 14,101,938 (2013: EUR 9,549 thousand)		493,789,840	421,924
		6,332,828,178	**7,657,114**
Untaxed reserves	4		
Valuation reserve for impairments		431,303	432
Provisions	5		
Provisions for severance payments		8,007,009	11,634
Provisions for pensions		4,241,649	3,681
Provisions for taxes		133,311,616	67,029
Other provisions		43,356,333	56,749
		188,916,607	**139,093**
Liabilities	6		
Bonds		4,750,000,000	4,701,730
Amounts due to banks		443,400,165	12,392
Accounts payable from trade		11,919,778	9,839
Accounts payable to affiliates		1,416,735,765	1,502,740
Accounts payable to associates		1,087	—
Other liabilities		242,080,655	308,390
		6,864,137,450	**6,535,091**
Prepayments and accrued income		**105,417**	**575**
Total liabilities		**13,386,418,955**	**14,332,304**
Contingent liabilities	7	1,504,774,756	1,445,875

Income statement

		Note	EUR 2014	EUR 1,000 2013
1.	**Sales**	8	**132,092,696**	**131,796**
2.	Other operating income	9	7,605,362	7,314
3.	Expenses for materials and services	10	(12,987,700)	(15,162)
4a.	Personnel expenses	11	(73,984,701)	(78,490)
4b.	Expenses for severance payments, payments to occupational pension funds and expenses for pensions	12	(6,902,387)	(10,509)
5.	Depreciation and amortization		(150,982)	(116)
6.	Other operating expenses	13	(82,019,274)	(83,074)
7.	**Subtotal of items 1 to 6 (Earnings before interest and taxes)**		**(36,346,986)**	**(48,241)**
8.	Income from investments thereof affiliated companies EUR 432,187,063 (2013: EUR 421,297 thousand)	14	437,611,911	423,593
9.	Income from other securities and lendings carried as financial assets thereof affiliated companies EUR 29,882,414 (2013: EUR 38,441 thousand)		30,972,576	39,382
10.	Other interest and similar income thereof affiliated companies EUR 128,481,014 (2013: EUR 140,024 thousand)		150,050,799	169,289
11.	Gains on disposal and write-up of financial assets and securities held as current assets Thereof write-up EUR 6,444,261 (2013: EUR nil)		6,956,192	903
12.	Expenses arising from financial assets and securities held as current assets thereof amortization EUR 1,067,565,700 (2013: EUR 5,702 thousand) thereof affiliated companies EUR 1,134,962,201 (2013: EUR 102,848 thousand)	14	(1,134,972,341)	(108,587)
13.	Interest and similar expenses thereof concerning affiliated companies EUR 38,710,088 (2013: EUR 113,788 thousand)		(265,854,350)	(331,513)
14.	**Subtotal of items 8 to 13 (Financial result)**		**(775,235,213)**	**193,067**
15.	**Loss/Profit from ordinary activities**		**(811,582,199)**	**144,826**
16.	Taxes on income	15	(108,730,389)	47,549
17.	**Net loss/Net income for the year**		**(920,312,588)**	**192,375**
18.	Release of untaxed reserves		490	0
19.	Release of revenue reserves		1,400,000,000	220,000
20.	Income brought forward from previous years		14,101,938	9,549
21.	**Unappropriated income**		**493,789,840**	**421,924**

Notes

The accounts of **OMV Aktiengesellschaft**, Vienna, as of December 31, 2014 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 in the notes is in EUR 1,000 as well as EUR thousand, which 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
Other fixtures and fittings, tools and equipment	4–10 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 write-downs.

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. The valuation of the investments were ascertained using the discounted cash flow method, taking into account the weighted average cost of capital (WACC) for each individual company.

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.

Securities and shares are stated at the lower of cost or fair value.

Due to insufficient taxable profit, no deferred tax income was recognized in the reporting period. Deferred tax expenses resulted from the reversal of the opening balance, adjusted for reclassifications not recognized in profit or loss. 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 eight 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 disclosed under personnel expenses or other operating income. Actuarial losses of EUR 4,248 thousand arising from the discontinuation with the corridor method at 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 1,700 thousand as of December 31, 2014 (December 31, 2013: EUR 2,549 thousand).

Expenses of accrued interests for pension provisions together with income from pension plan assets are disclosed as part of financial income and expense.

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

Provisions for voluntary and non 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 2009–2014

Since 2009 LTI plans have been granted to the Executive Board and selected senior executives in the Group. From 2010 to 2014, yearly 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. Since 2011, participation to the plan was also granted to selected employees with outstanding development potential (potentials). Executive Board members and senior executives as participants of the 2012, 2013 and 2014 plans 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, 2014, the provision amounted to EUR 11,324 thousand (2013: EUR 19,495 thousand) and the net decrease was EUR 8,171 thousand (2013: increase of EUR 4,049 thousand).

Main conditions

	2014 plan	2013 plan	2012 plan	2011 plan	2010 plan	2009 plan
Start of plan	1/1/2014	1/1/2013	1/1/2012	1/1/2011	1/1/2010	1/1/2009
End of performance period	12/31/2016	12/31/2015	12/31/2014	12/31/2013	12/31/2012	12/31/2011
Vesting date	3/31/2017	3/31/2016	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 (plans 2012 to 2014)/ Qualifying own investment (plans 2009 to 2011)						
Executive Board Chairman	200% of gross base salary	200% of gross base salary	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	175% of gross base salary	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	150% of gross base salary	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	75% of gross base salary	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.	n.a.	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	46,070 shares	46,070 shares	32,855 shares	25,614 shares	20,096 shares	20,096 shares
Floren	22,725 shares	16,226 shares	7,500 shares	—	—	—
Huijskes	28,095 shares	21,298 shares	12,136 shares	12,136 shares	12,136 shares	—
Langanger	—	—	—	—	20,096 shares	20,096 shares
Leitner [1]	28,207 shares	27,406 shares	16,060 shares	12,993 shares	—	—
Roiss	60,173 shares	60,173 shares	44,259 shares	34,932 shares	28,469 shares	28,469 shares
Ruttenstorfer	—	—	—	—	38,278 shares	38,278 shares
Total — Executive Board	**185,270 shares**	**171,173 shares**	**112,810 shares**	**105,771 shares**	**139,171 shares**	**127,035 shares**
Other senior executives	263,809 shares	271,434 shares	278,497 shares	299,449 shares	240,390 shares	202,412 shares
Potentials	—	—	—	9,460 shares [2]	—	—
Total personal investment	**449,079 shares**	**442,607 shares**	**391,307 shares**	**414,680 shares**	**379,561 shares**	**329,447 shares**
Expected bonus shares as of December 31, 2014	**485,342 shares**	**496,183 shares**	**255,135 shares**	—	—	—
Maximum bonus shares as of December 31, 2014	**831,655 shares**	**805,105 shares**	**916,311 shares**	—	—	—
Fair value of plan (EUR 1,000)	**12,156**	**11,501**	**5,577**	—	—	—

[1] Manfred Leitner takes part in the 2009 and 2010 plans with 5,742 shares in his position as senior executive

[2] Personal shares are provided by OMV

Strategic Incentive Plan (SIP)
In 2014, the Strategic Incentive Plan (SIP) was granted to Executive Board members, selected executive managers and selected E&P experts in the Group. The SIP is a long-term compensation scheme, promoting a combined focus on the achievement of the strategic objectives of OMV's strategy "Profitable Growth". It is based on virtual share grants that are paid out in cash equivalent, subject to achievement of defined performance measures, at the end of the plan period. Further conditions apply in combination as a prerequisite for any payout (grant period 2014-2018, performance period 2014-2021, payout period 2022-2024).

Each potential participant has to declare at the beginning of the program, if he or she wants to participate in the SIP. Furthermore, Executive Board members and participating senior executives have to declare if they will participate with an additional personal investment ("Investments Shares"). These declarations are then effective for the entire term of the plan.

Each participant will receive a grant from OMV ("OMV Grant") in virtual shares that reflect the performance of the underlying OMV shares (the "Phantom Shares") in up to five consecutive annual tranches between 2014 and 2018. If Investment Shares are contributed, the OMV Grant will be supplemented by OMV with a complementary grant (the "Complementary Grant") in a ratio of 1:2 (i.e. each Phantom Share of the OMV Grant will be supplemented with two additional Phantom Shares under the Complementary Grant).

As of December 31, 2014, the maximum number of Phantom Shares granted amounts to 267,009, thereof 43,210 for Executive Board members.

Provision is made for the expected future costs of the Strategic Incentive Plans at statement of financial position date based on fair values. Fair values are determined using a model considering the expected target achievement, the likelihood of the fulfilment of the prerequisite conditions, and the expected share price using a Monte Carlo simulation. Expected dividends were incorporated into the measurement according to the Company's mid-term planning and a discount rate of 0.71% was used. For new plans, the expense is spread over the vesting period. As of December 31, 2014, the provision amounted to EUR 943 thousand (2013: EUR nil).

Matching Share Plan (MSP)
The Matching Share Plan for the year 2014, as approved by the Annual General Meeting in 2014, 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 can choose between cash payment or shares if and to the extent that they have already fulfilled the minimum shareholding requirements for the LTI Plans 2012 to 2014. As of December 31, 2014, a provision amounting to EUR 1,433 thousand was recorded (2013: EUR 1,718 thousand).

Stock option plans
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 to 2008. Eligible executives – provided they invested in OMV shares – were 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).

No options were exercised by plan participants during 2014 and 2013. 524,820 options from the Stock Options Plan from 2008 with an exercise price of EUR 47.55 per share will expire on August 31, 2015. All options from previous plans were forfeited. During 2014, a total of 524,660 options granted under the 2007 and 2008 plans were forfeited. Considering the plan threshold of EUR 54.68 per share, the intrinsic value of the options exercisable as of December 31, 2014 was EUR nil, as the share price at year-end was below the plan threshold for the plans. The market value of the outstanding options was EUR nil. The provision for the expected future cost is EUR nil and the net decrease was EUR 909 thousand.

Total expense
In 2014, total expense of EUR 5,194 thousand (2013: EUR 21,847 thousand) has been recognized arising from share-based payment transactions, thereof EUR 3,848 thousand (2013: EUR 1,522 thousand) from transactions accounted for as equity-settled share-based payment transactions.

Notes to the balance sheet

1 Fixed assets

During the reporting period fixed tangible assets were itemized in accordance with minimum statutory requirements. Movements in fixed assets in 2014 are shown in the statement of fixed assets.

The Land and buildings item includes land valued at EUR 790 thousand (2013: EUR 790 thousand).

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

EUR 1,000

	2014	2013
Maturing in one year	377	442
Maturing in the next five years	1,005	1,441

Loans with maturities of up to one year amounted to EUR 730,010 thousand (2013: EUR 10 thousand). During the reporting period OMV Aktiengesellschaft extended a loan of USD 40,000 thousand to OMV (Tunesien) Production GmbH and one of EUR 280,000 thousand to GAS CONNECT AUSTRIA GmbH. OMV Finance Services GmbH received a loan of USD 13,360 thousand. Pearl Petroleum Company Limited has a credit facility of USD 31,128 thousand, of which USD 23,109 thousand have been utilized by the balance sheet date.

In 2014, grandparent company contributions were granted to the following companies: EUR 150,000 thousand to OMV (Yemen Block S 2) Exploration GmbH; EUR 277,000 thousand to OMV (WEST AFRICA) Exploration & Production GmbH; NOK 2,674,759 thousand to OMV Finance Services NOK GmbH and USD 3,600 thousand to OMV (Tunesien) Production GmbH. In addition, a grand-grandparent contribution of EUR 8,000 thousand was granted to OMV Bina Bawi GmbH.

During the reporting period payments of TRY 344,250 thousand arising from capital increases were made to OMV Petrol Ofisi Holding Anonim Şirketi and purchases of shares in OMV Petrol Ofisi A.Ş. from minority shareholders amounted to TRY 53,730 thousand. OMV Deutschland GmbH resolved upon a capital reduction, therefore investment decreased by EUR 69,300 thousand.

Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H. was merged with GAS CONNECT AUSTRIA GmbH in 2014.

2 Accounts receivable and other assets

EUR 1,000

	2014		2013	
	≤1 year	>1 year	≤1 year	>1 year
Trade Receivables	–	–	72	–
Receivables from affiliated companies	545,712	–	1,469,453	–
[thereof trade]	[4,145]	[–]	[2,428]	[–]
Receivables from associated companies	35,726	–	40	–
[thereof trade]	[–]	[–]	[8]	[–]
Other receivables and assets	26,897	–	40,247	–
Total	**608,335**	**–**	**1,509,812**	**–**

The reduction in receivables from affiliated companies largely resulted from the settlement of receivables from OMV Refining & Marketing GmbH amounting to EUR 830,925 thousand. Receivables from associated companies include a loan of EUR 35,689 thousand extended to Trans Austria Gasleitung GmbH (2013: EUR 15,024 thousand). Due to a change in the ownership structure of Trans Austria Gasleitung GmbH, from 2014 on, it is recognized as an associated company. Other receivables include EUR 24,639 thousand (2013: EUR 24,157 thousand) in corporate tax prepayments. The Other receivables and assets item includes no material income due after balance sheet date.

3 Stockholders' equity

The **capital stock** of OMV Aktiengesellschaft consists of 327,272,727 (2013: 327,272,727) fully paid no par value shares with a total nominal value of EUR 327,272,727 (2013: EUR 327,272,727). 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 2014, with the exception of treasury shares held by OMV Aktiengesellschaft.

The Executive Board had been 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 77,900,000 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 was 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 50,627,273 by issuance of up to 50,627,273 new common shares in bearer form.

With regard to the expiration on May 13, 2014 of the authorized capital decided upon by the Annual General Meeting on May 13, 2009, the Annual General Meeting has authorized the Executive Board on May 14, 2014, subject to the approval of the Supervisory Board, to increase by May 14, 2019, once or in several tranches, also by way of indirect offer for subscription after taking over by one or several credit institutions according to Section 153 Paragraph 6 Stock Corporation Act, against cash contributions, the share capital by not more than EUR 32,727,272 by issuing up to 32,727,272 new no-par value common voting shares in bearer form. Subject to the approval of the Supervisory Board, the Executive Board has been authorized to exclude in this connection the subscription right of the shareholders (i) to adjust fractional amounts or (ii) to satisfy stock options or long term incentive plans including matching share plans for employees, senior employees and members of the Executive Board/ management boards of the Company or one of its affiliates, or other employees' stock ownership plans and subject to the approval of the Supervisory Board, to set the issue price and conditions of issuance (authorized capital). The Supervisory Board has been authorized to adopt amendments to the Articles of Association resulting from the issuance of shares according to the authorized capital.

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 could be repurchased via the stock exchange, by way of public tender or in any other legally permitted way and to any legally permitted purpose until November 16, 2013. The Executive Board had 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 until the same date.

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.

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 2014, the Executive Board of OMV Aktiengesellschaft proposes a dividend of EUR 1.25 (2013: EUR 1.25) per eligible share, which is subject to approval by the Annual General Meeting in 2015. The dividend for 2013 was paid in May 2014 and amounted to EUR 407,822 thousand (2013 payment amounted to EUR 391,481 thousand).

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, 2013	**1,078,780**	**11,847**
Disposals	(40,376)	(443)
December 31, 2013	**1,038,404**	**11,404**
Disposals	(23,302)	(256)
December 31, 2014	**1,015,102**	**11,148**

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

Number of shares in issue

	Number of shares	Treasury shares	Shares in issue
January 1, 2013	**327,272,727**	**1,078,780**	**326,193,947**
Used for share-based compensations	–	(40,376)	40,376
December 31, 2013	**327,272,727**	**1,038,404**	**326,234,323**
Used for share-based compensations	–	(23,302)	23,302
December 31, 2014	**327,272,727**	**1,015,102**	**326,257,625**

4 Untaxed reserves

The **untaxed reserves** are valuation reserves related to undeveloped and developed land, amounting to EUR 431 thousand (2013: 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

			2014			2013
	Pensions	Severance payments	Jubilee payments	Pensions	Severance payments	Jubilee payments
Present value of funded obligations	37,960	—	—	36,587	—	—
Market value of plan assets	(31,427)	—	—	(29,468)	—	—
Unrecognized actuarial gains/(losses)	(2,291)	—	—	3,438	—	—
Provision for funded obligations	**4,242**	**—**	**—**	**3,681**	**—**	**—**
Present value of unfunded obligations	—	7,416	1,616	—	10,746	1,589
Unrecognized actuarial gains/(losses)	—	591	—	—	888	—
Provision for unfunded obligations	**—**	**8,007**	**1,616**	**—**	**11,634**	**1,589**
Provision as of January 1	**3,681**	**11,634**	**1,589**	**3,333**	**11,128**	**1,749**
Expense for the year	2,796	34	177	3,633	1,700	127
Payments to funds	(2,235)	—	—	(3,285)	—	—
Benefits paid	—	(3,475)	(131)	—	(800)	(121)
Group transfer	—	(186)	(19)	—	(394)	(166)
Provision as of December 31	**4,242**	**8,007**	**1,616**	**3,681**	**11,634**	**1,589**
Interest cost	615	407	73	502	446	76
Current service cost	299	404	100	305	458	99
Expected return on plan assets	—	—	—		—	—
Amortized actuarial (gains)/losses	1,882	(777)	4	2,826	796	(48)
Expenses of defined benefit plans for the year	**2,796**	**34**	**177**	**3,633**	**1,700**	**127**

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

		2014		2013
	Pensions	Severance, jubilees	Pensions	Severance, jubilees
Capital market interest rate	4.60%	4.60%	4.90%	4.90%
Future increases in salaries	3.25%	3.25%	3.50%	3.50%
Future increases in pensions	1.80%	—	2.00%	—
Long-term rate of return on plan assets	3.00%	—	3.75%	—

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

		2014		2013
	VRG IV	VRG VI	VRG IV	VRG VI
Asset category				
Equity securities	26.04%	9.45%	26.71%	14.23%
Debt securities	59.98%	33.74%	53.12%	10.42%
Cash and money market investments	11.66%	56.81%	16.79%	75.35%
Other	2.32%	—	3.38%	—
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 long-term investment objective of the VRG IV is to outperform the benchmark (20% global equity, 45% global bonds and 35% absolute return/money market instruments, from 2015 onwards 20% global equity, 65% global bonds, 5% cash, 5% alternatives, 5% real estate) and to cover existing and future entitlement payments of the VRG IV. The assets of the VRG IV are in accordance with section 25 of the Austrian pension fund, invested in such a manner as to ensure the security, quality, liquidity and profitability of the portfolio as a whole. The asset allocation and the regional allocation of the VRG IV can and will deviate from the benchmark allocation if this in the judgment of APK is warranted by current asset prices and or future expected returns. To enhance the return potential, active strategies for all asset classes will be used when justified by market characteristics and or cost/benefit considerations. The majority of the assets of the VRG IV are invested in liquid active markets for which quoted (exchange or OTC) prices are available. A smaller allocation to assets for which only observable but not quoted prices are available (e.g. real estate and certain absolute return strategies) is allowed when the risk return profile of such assets is believed to be favorable. Risk is managed actively and it is generally expected that the volatility and especially the drawdown risk of the VRG IV will be lower than that of the benchmark.

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. The long-term investment objective of the VRG VI is to provide stable, predictable returns that to the greatest possible extent cover the existing and future entitlement payments of the VRG VI. To increase the efficiency of the portfolio management and for cost considerations the portfolio is set-up as a base portfolio consisting of short maturity government bonds and a futures overlay strategy. Active quoted prices are available for all assets of the VRG VI.

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 2014, the performance of VRG IV was slightly below the target return with a performance of +6.75%. The performance of VRG VI amounted to +3.72%.

In 2015, defined benefit related contributions for 2014 to APK-Pensionskasse AG of EUR 12,900 thousand are planned.

Other provisions largely consist of the following:

EUR 1,000

	2014	2013
Personnel provisions	26,788	37,307
Sundry provisions	16,568	19,442
Total	**43,356**	**56,749**

Personnel provisions include provisions for the Long Term Incentive Plan amounting to EUR 11,324 thousand (2013: EUR 19,495 thousand), provisions for existing stock option plan of EUR nil (2013: EUR 909 thousand), and provisions of EUR 942 thousand for the Strategic Incentive Plan. Other provisions include a provision of EUR 15,155 thousand (2013: EUR 18,345 thousand) for possible recourse to a reinsurance policy.

Due to the recognition of corporate income tax to account for the recapture of losses by foreign group members at top-tier corporate level, a provision of EUR 50,801 thousand (2013: EUR 67,029 thousand) was reported for the period. In addition, a provision of EUR 82,510 thousand (2013: EUR nil) was recognized for future tax contribution liabilities arising from the transfer of losses incurred by domestic tax group members.

6 Liabilities

EUR 1,000

	2014 ≤1 year	2014 >1 year	2013 ≤1 year	2013 >1 year
Bonds	—	4,750,000	701,730	4,000,000
Amounts due to banks	330,954	112,446	12,392	—
Accounts payable from trade	11,920	—	9,839	—
Accounts payable to affiliates	1,416,736	—	1,227,798	274,942
[thereof trade]	[1,225]	[—]	[1,225]	[—]
Accounts payable to associates	1	[—]	[—]	[—]
[thereof trade]	[—]	[—]	[—]	[—]
Other liabilities	234,195	7,886	299,753	8,637
[thereof taxes]	[150,173]	[—]	[184,955]	[—]
[thereof social security expenses]	[832]	[—]	[767]	[—]
Total	**1,993,806**	**4,870,332**	**2,251,512**	**4,283,579**

Other liabilities include personnel separation expenses of EUR 9,546 thousand (2013: EUR 10,432 thousand) and interest expenses for bonds of EUR 79,308 thousand (2013: EUR 111,100 thousand). Other liabilities include expenses in 2014, which are payable in 2015. The most important amounts comprise of interests for bonds of EUR 79,308 thousand (2013: EUR 111,100 thousand).

An EUR 750,000 thousand Eurobond was issued in 2014.

Liabilities with maturities of more than one year include liabilities with maturities of more than five years: bond liabilities amounting to EUR 3,250,000 thousand (2013: EUR 3,750,000 thousand) and liabilities due to banks amounting to USD 16,000 thousand (2013: EUR nil)

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

Contingent liabilities are as follows:

EUR 1,000

	2014	2013
Guarantees	1,504,775	1,445,875
[thereof in favor of affiliated companies]	[1,504,621]	[1,443,622]

The change in contingent liabilities mainly resulted from extension of a guarantee for OMV OF LIBYA LIMITED of USD 45,500 thousand, an increase in the guarantee extended to OMV (NORGE) AS by NOK 683,000 thousand, as well as reduction of guarantees extended to OMV Trading GmbH, to OMV Exploration & Production GmbH as well as to OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş. of EUR 54,455 thousand.

OMV Aktiengesellschaft is liable for the redemption of the USD 138,000 thousand (EUR 113,664 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.

Notes to the income statement

8 Sales

EUR 1,000

	2014	2013
Domestic	123,918	123,973
Foreign	8,175	7,823
Total	**132,093**	**131,796**

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.

9 Other operating income

EUR 1,000

	2014	2013
Gains on the disposal of fixed assets other than financial assets	28	3
Gains on reversal of provisions	6,552	3,924
Other	1,025	3,387
Total	**7,605**	**7,314**

The gains on reversal of provisions arose from the provision for reinsurance as well as from the provision for personnel.

10 Expenses for materials and services

EUR 1,000

	2014	2013
Cost of materials	228	303
Cost of services	12,760	14,859
Total	**12,988**	**15,162**

The expenses for services contain costs of services provided by third parties.

11 Personnel expenses

EUR 1,000

	2014	2013
Salaries	63,136	68,634
Statutory social security, and pay-related levies and compulsory contributions	10,644	9,483
Other expenses for employee benefits	205	373
Total	**73,985**	**78,490**

12 Expenses for serverance payments, payments to occupational pension funds and expenses for pensions

EUR 1,000

	2014	2013
Expenses for severance payments	—	1,254
Payments to occupational pension funds	623	542
Defined contribution personnel expense	3,296	2,729
Defined benefit personnel expense	2,983	5,984
Total	**6,902**	**10,509**

Defined contribution pension expense includes EUR 569 thousand in provisions for personnel reduction programs (2013: EUR 2,588 thousand).

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

EUR 1,000

		2014		2013
	Severance payments	Pensions	Severance payments	Pensions
Executive Board	165	973	187	713
Senior executives	167	802	190	640
Other employees	695	2,622	623	4,534
Actuarial (gains) and losses	(777)	1,882	796	2,826

13 Other operating expenses

EUR 1,000

	2014	2013
Taxes not shown under item 16 (Taxes on income)	1,174	893
Other	80,845	82,181
Total	**82,019**	**83,074**

The tax item largely concerns fees paid to Austrian Financial Market Authority. Other expenses include: EUR 21,053 thousand in insurance premiums, and legal and consultancy fees (2013: EUR 19,391 thousand), EUR 16,635 thousand in advertising expenditure (2013: EUR 14,962 thousand), and EUR 23,644 thousand in services (2013: EUR 22,625 thousand).

14 Financial income and expenses

Income from investments amounting to EUR 437,612 thousand (2013: EUR 423,593 thousand) include EUR 18,813 thousand (2013: EUR 15,620 thousand) from profit-pooling arrangements, EUR 413,374 thousand from affiliated companies (2013: EUR 405,677 thousand) and EUR 5,425 thousand (2013: EUR 2,296 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 Insurance Broker GmbH; OMV Gas & Power GmbH. Income from investments includes loan revaluations amounting to EUR 6,444 thousand (2013: EUR nil). The expenses arising from financial assets include EUR 67,397 thousand (2013: EUR 102,848 thousand) in expenses arising from profit pooling agreements. This item also contains impairment losses of EUR 1,067,565 thousand (2013: EUR nil) related to OMV Petrol Ofisi A.Ş. on account of the difficult market environment. There were no write-downs of given loans in the reporting period (2013: EUR 5,702 thousand).

15 Taxes on income

EUR 1,000

	2014	2013
Current taxes	85,729	(52,376)
Deferred taxes	23,001	4,828
Total	**108,730**	**(47,548)**

Current taxes comprise EUR 22,381 thousand in deferred tax income (2013: EUR 9,202 thousand) and EUR 108,110 thousand in corporate tax expense (2013: corporate tax income of EUR 43,174 thousand) 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 expense includes corporate tax income of EUR 16,227 thousand (2013: corporate tax expense of EUR 32,781 thousand) due to the change in the corporate tax provision for the retroactive taxation of tax losses declared by foreign tax group members. Corporate tax expense includes a provision of EUR 82,510 thousand (2013: EUR nil) recognized for future tax contribution liabilities arising from the transfer of losses incurred by domestic tax group members.

Deferred tax expense amounts to EUR 23,001 thousand (2013: EUR 4,828 thousand).

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 for a nominal of 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

			2014			2013
	Nominal value	Fair value	Carrying value	Nominal value	Fair value	Carrying value
Interest rate Swap (USD)	41,183	901	—	36,256	2,504	—
FX Swap EUR-CZK	12,681	(62)	(62)	37,821	98	—
FX Swap EUR-AUD	31,632	(717)	(762)	24,822	(315)	(315)
FX Swap EUR-NOK	20,156	180	—	—	—	—
FX Swap EUR-HUF	—	—	—	22,869	(18)	(18)

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:

	2014	2013
Salaried employees	442	405
Total	**442**	**405**

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

Remuneration received by the Executive Board EUR 1,000

2014	Davies	Floren	Huijskes	Leitner	Roiss	**Total**
Fixed remuneration for 2014	841 [1]	600	713	579	913 [2]	**3,645**
Variable remuneration [3]	533	506	478	381	610	**2,508**
Benefits in kind (company car, accident insurance) and reimbursed expenses	10	6	10	9	10	**45**
Total (excluding severance and post-employment payments, pension fund contributions and payments in lieu of holiday)	**1,385**	**1,112**	**1,202**	**969**	**1,532**	**6,199**
Number of gross shares from the Matching Share Plan [4]	15,166 [5]	12,999	13,595	10,833 [5]	17,332 [5]	**69,925**
Number of gross shares from the Long Term Incentive Plan 2011	15,192 [5]	–	8,937 [5]	8,937 [5]	20,429 [5]	**53,495**

[1] Thereof EUR 248 thousand were paid out under the employment contract with OMV Solutions GmbH
[2] Thereof EUR 300 thousand were paid out under the employment contract with OMV Exploration & Production GmbH
[3] Includes only cash bonus for target achievement 2013
[4] Part of the variable remuneration of the Executive Board. First time paid out in 2013
[5] (Partly) paid out in cash

Remuneration received by the Executive Board EUR 1,000

2013	Davies	Floren	Huijskes	Leitner	Roiss	**Total**
Fixed remuneration for 2013	744	600	631	500	800	**3,275**
Variable remuneration [1]	690	–	517	493	788	**2,488**
Benefits in kind (company car, accident insurance) and reimbursed expenses	10	4	9	8	9	**40**
Total (excluding severance and post-employment payments, pension fund contributions and payments in lieu of holiday)	**1,443**	**604**	**1,157**	**1,001**	**1,597**	**5,802**
Number of gross shares from the Matching Share Plan [2]	24,433 [3]	17,452	18,324	17,452	27,923 [3]	**105,584**
Number of gross shares from the Long Term Incentive Plan 2010	17,472 [3]	–	14,560 [3]	5,240	25,484 [3]	**62,756**

[1] Includes only cash bonus for target achievement 2012. Hans-Peter Floren's cash bonus was paid out in 2012
[2] Part of the variable remuneration of the Executive Board. First time paid out in 2013
[3] (Partly) paid out in cash

The total remuneration including severance payments, post-employment payments, pension fund contributions and payments in lieu of holiday in 2014 amounted to EUR 11,688 thousand (2013: EUR 7,452 thousand) (excl. Matching Share Plan and Long Term Incentive Plan).

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 Executive Board members.

Compensation of former members of the Executive Board or their surviving dependents amounted to EUR 1,166 thousand (2013: EUR 3,639 thousand).

In 2014, remuneration expenses for the Supervisory Board amounted to EUR 398 thousand (2013: 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 OMV Aktiengesellschaft refers to the consolidated financial statements of OMV Aktiengesellschaft.

18 Dividend recommendation

Unappropriated income for the 2014 financial year amounted to EUR 493,790 thousand (2013: EUR 421,924 thousand).

For 2014, the Executive Board of OMV Aktiengesellschaft proposes a dividend of EUR 1.25 (2013: EUR 1.25) per eligible share, which is subject to approval by the Annual General Meeting in 2015. The dividend for 2013 was paid in May 2014 and amounted to EUR 407,822 thousand (2013 payment amounted to EUR 391,481 thousand).

Changes in untaxed reserves

				EUR 1,000
	As of Jan. 1, 2014	Utilization	Transfer	As of Dec. 31, 2014
Valuation reserve for impairments				
Tangible assets				
Land	432	1	–	431
Total	**432**	**1**	**–**	**431**

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

1,000 in stated currency

	Equity interest in %	Currency	Equity as of 31 Dec. 2014	Net income/loss in 2014
Domestic				
OMV Exploration & Production GmbH, Vienna [1]	100.00	EUR	2,242,377	305,279
OMV Gas & Power GmbH, Vienna [1]	100.00	EUR	181,802	13,322
OMV Insurance Broker GmbH, Vienna [1]	100.00	EUR	45	13
OMV Refining & Marketing GmbH, Vienna [1]	100.00	EUR	1,302,387	(69,450)
OMV Solutions GmbH, Vienna [1]	100.00	EUR	3,209,882	5,323
Foreign				
Amical Insurance Limited, Douglas	100.00	EUR	63,160	11,958
OMV AUSTRALIA PTY LTD, Sydney [1]	100.00	AUD	(107,890)	(4,233)
OMV FINANCE LIMITED, Douglas	100.00	EUR	195	(21)
OMV International Oil & Gas GmbH, Zug	100.00	EUR	1,195	1,031
OMV Petrol Ofisi Holding Anonim Şirketi, Istanbul	100.00	TRY	6,483,484	267,900
OMV Petrol Ofisi A. Ş., Istanbul [2]	43.39	TRY	1,387,696	(148,302)
OMV PETROM SA, Bucharest	51.01	RON	26,317,304	1,838,837

[1] Tax group member under section 9 Corporate Tax Act
[2] OMV Petrol Ofisi Holding Anonim Şirketi holds 55.40% indirectly, and OMV owns a total of 98.79%

Supervisory Board

Rudolf Kemler
Chairman

Wolfgang C. Berndt
Deputy Chairman

Murtadha Al Hashmi
Deputy Chairman

Alyazia Ali Saleh Al Kuwaiti

Elif Bilgi Zapparoli

Helmut Draxler

Wolfram Littich

Roy A. Franklin (from May 14, 2014)

Herbert Stepic

Herbert Werner

Norbert Zimmermann (till May 14, 2014)

Delegated by the Works Council:
Christine Asperger
Wolfgang Baumann
Herbert Lindner
Alfred Redlich
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:
Kemler (Chairman), Berndt (Deputy), Al Hashmi (Deputy), Al Kuwaiti, Baumann, Rossmann

Audit Committee:
Kemler (Chairman), Berndt (Deputy), Al Hashmi (Debuty), Draxler, Littich, Werner, Baumann, Lindner, Rossmann

Project Committee:
Kemler (Chairman), Berndt (Deputy), Al Hashmi (Deputy), Al Kuwaiti, Littich, Zimmermann (till May 14, 2014), Baumann, Franklin (from May 14, 2014), Lindner, Rossmann

Remuneration Committee:
Kemler (Chairman), Berndt (Deputy), Al Hashmi (Deputy), Draxler

Executive Board

Vienna, March 18, 2015

The Executive Board

Gerhard Roiss
Chairman

David C. Davies
Deputy Chairman

Jaap Huijskes

Manfred Leitner

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

	As of Jan. 1, 2014	Additions
Intangible assets		
Licenses	3	—
	3	**—**
Tangible assets		
Land	790	—
Other fixtures and fittings, tools and equipment	986	253
	1,776	**253**
Financial assets		
Investments in affiliated companies	11,415,891	898,415
Loans to affiliated companies	2,039,705	322,066
Other investments	26,634	—
Securities (loan stock rights) held as fixed assets	165,136	—
Other lendings	13,842	3,528
	13,661,208	**1,224,009**
	13,662,987	**1,224,262**

EUR 1,000

Disposals	As of Dec. 31, 2014	Depreciation and amortization (cumulative)	Carrying value as of Dec. 31, 2014	Carrying value as of Dec. 31, 2013	Depreciation and amortization	Write-up	Impairment in 2014
3	—	—	—	0	0	—	—
3	**—**	**—**	**—**	**0**	**0**	**—**	**—**
—	790	—	790	790	—	—	—
355	884	463	421	346	151	—	—
355	**1,674**	**463**	**1,211**	**1,136**	**151**	**—**	**—**
69,302	12,245,004	2,109,889	10,135,115	10,373,567	—	—	1,067,565
—	2,361,771	—	2,361,771	2,033,264	—	6,441	—
9	26,625	—	26,625	26,634	—	—	—
156,939	8,197	3,691	4,506	161,445	—	—	—
4,324	13,046	19	13,027	13,820	—	3	—
230,574	**14,654,643**	**2,113,599**	**12,541,044**	**12,608,730**	**—**	**—**	**—**
230,932	**14,656,317**	**2,114,062**	**12,542,255**	**12,609,866**	**151**	**6,444**	**1,067,565**

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)
bn
Billion
boe, boe/d
Barrel of oil equivalent, boe per day
CAPEX
Capital Expenditure
capital employed
Equity including non-controlling interests plus net debt
cbm, cf
Standard cubic meters (32 °F/0 °C), standard cubic feet (60 °F/16 °C)
CCS
Current Cost of Supply
CEE
Central and Eastern Europe
Co&O
Corporate and Other
E&P
Exploration and Production
EBIT
Earnings Before Interest and Taxes
EBITD
Earnings Before Interest, Taxes, Depreciation and amortization, impairments and write-ups of fixed assets
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
FX
Foreign exchange
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
kbbl, kbbl/d
Thousand barrels, thousand bbl per day
kboe, kboe/d
Thousand barrels of oil equivalent, thousand boe per day
km^2
Square kilometer
KPI
Key Performance Indicator
LNG
Liquefied Natural Gas
LTIR
Lost-Time Injury Rate per million hours worked
mn
Million
MW
Megawatt
MWh
Megawatt hour
n.a.
Not available
n.m.
Not meaningful
net debt
Interest-bearing debts including bonds and finance 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
NOK
Norwegian Krone
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
OECD
Organisation for Economic Cooperation and Development
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
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/loss 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
TRIR
Total Recordable Injury Rate
TRY
Turkish lira
TSR
Total Shareholder Return
TWh
Terawatt hour
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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In the interest of a fluid style, which is easy to read, non-gender specific terms have been used in the directors' report and notes chapter of this annual report.

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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 18, 2015

Gerhard Roiss

Chairman of the Executive Board
and Chief Executive Officer

David C. Davies

Deputy Chairman of the Executive Board
and Chief Financial Officer

Jaap Huijskes

Member of the Executive Board,
Upstream

Manfred Leitner

Member of the Executive Board,
Downstream

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