Annual Financial Report 2011

Move & More. OMV

Annual Financial Report 2011 – Table of contents

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Move & More. OMV

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In focus:
Profitable growth

At a glance

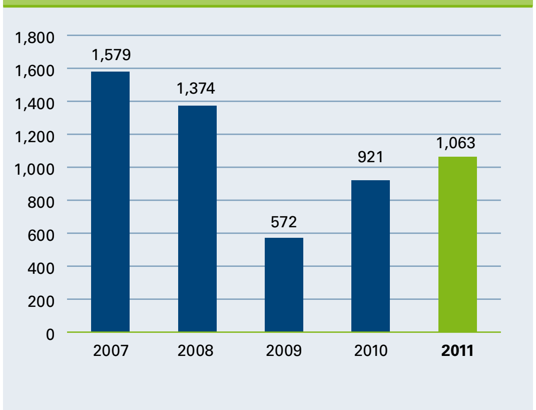
EUR mn	**2011**	2010	Δ
Sales	34,053	23,323	46%
EBIT	2,473	2,334	6%
Net income attributable to stockholders	1,063	921	16%
Clean CCS EBIT [1]	2,509	2,470	2%
Clean CCS net income attributable to stockholders [1]	1,069	1,118	(4)%
Cash flow from operating activities	2,514	2,886	(13)%
Capital expenditure	3,146	3,207	(2)%

EUR			
Earnings per share	3.38	3.08	10%
Clean CCS earnings per share [1]	3.40	3.74	(9)%
Cash flow per share	8.00	9.66	(17)%
Dividend per share	1.10 [2]	1.00	10%

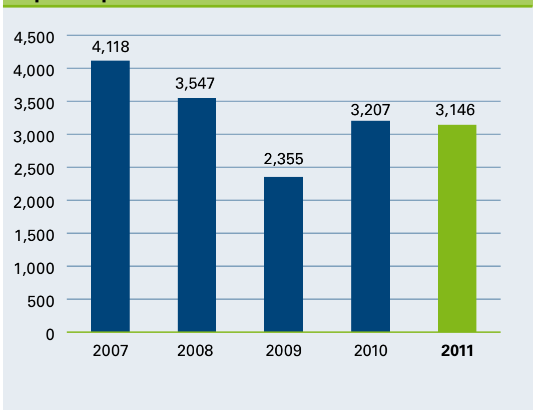
%			
Return on average capital employed (ROACE)	11	10	5%
Return on equity (ROE)	13	11	12%

[1] Clean CCS figures exclude special items as well as inventory holding effects resulting from the fuels refineries and Petrol Ofisi.
[2] As proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2012.

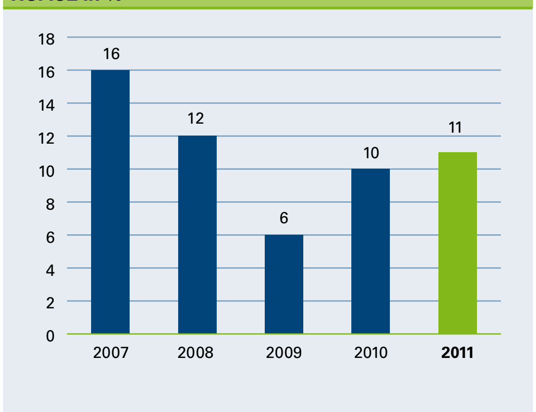
Net income attributable to stockholders in EUR mn



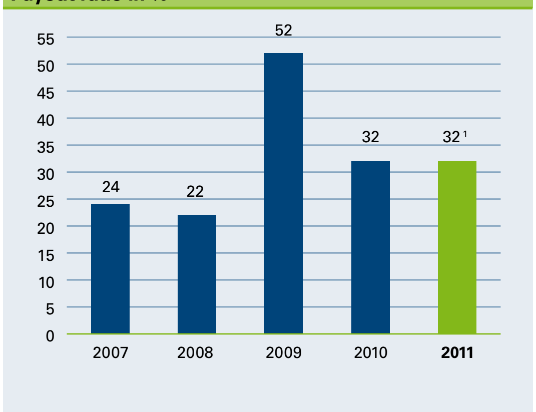
Capital expenditure in EUR mn



ROACE in %



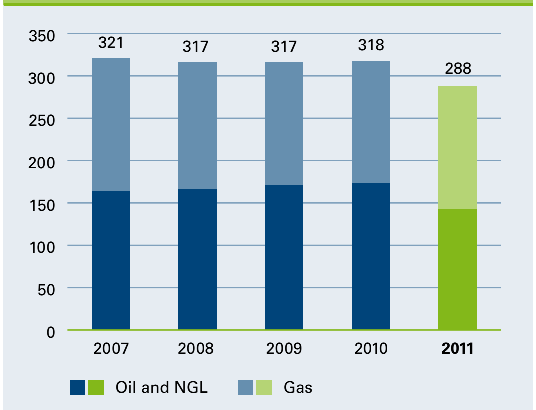
Payout ratio in %



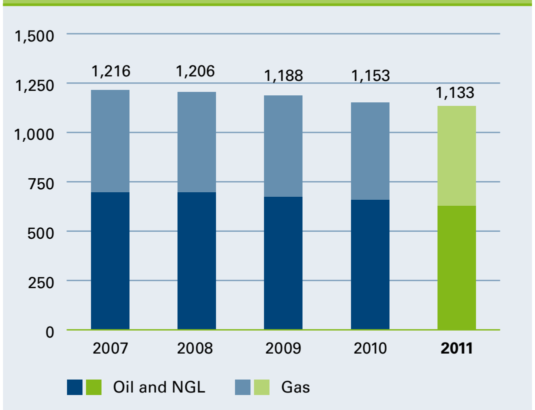
[1] Based on a dividend at the amount of EUR 1.10 per share as proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2012.

Exploration and Production

Production in 1,000 boe/d

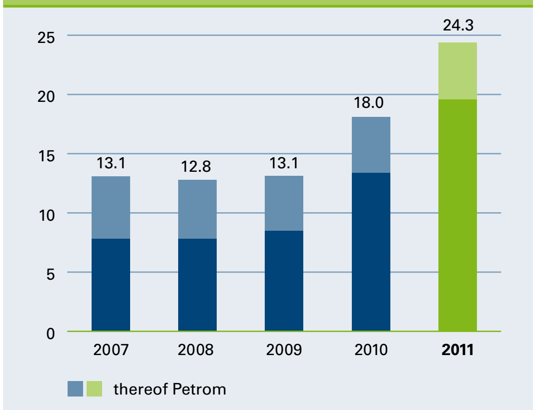


Proved reserves in mn boe

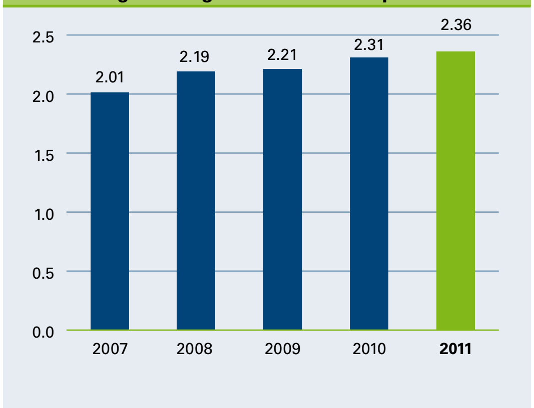


Gas and Power

Gas sales in bcm

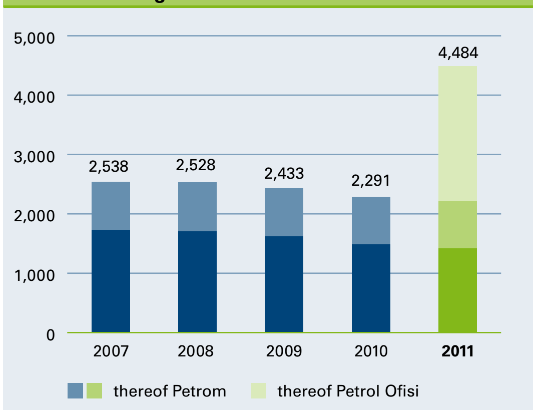


Contracted gas storage volume for third parties in bcm

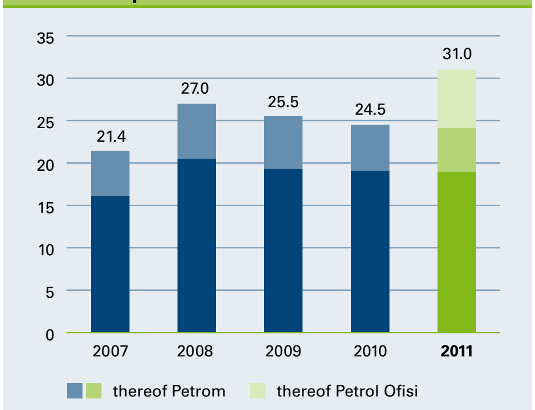


Refining and Marketing

Number of filling stations



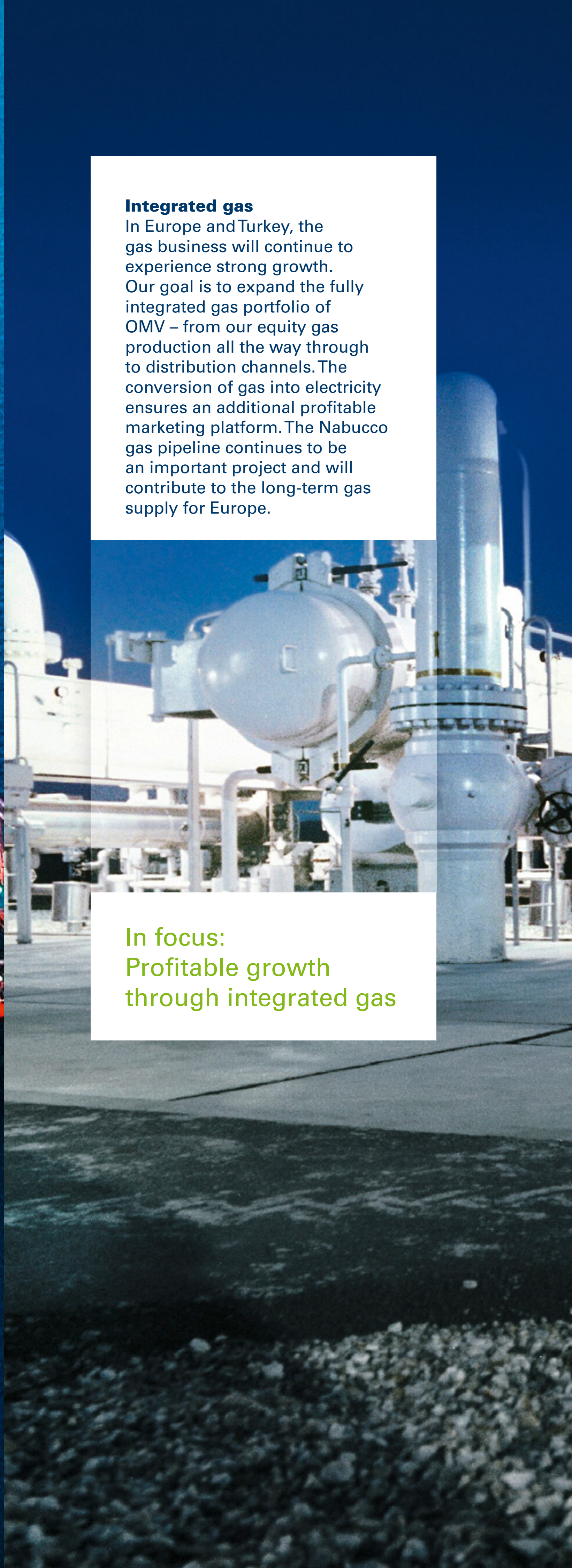
Total refined product sales in mn t [1]



[1] Figure for 2007 is based on the previously used definition "refining sales volumes".

Growing upstream
Exploration and Production is the growth driver within the OMV portfolio. Approximately two-thirds of future investments will be directed towards exploration and production of oil and gas. Performance of the existing portfolio will be increased and supplemented by targeted acquisitions. Stepping up exploration efforts will provide a foundation for long-term growth.

In focus:
Profitable growth through growing upstream



Integrated gas
In Europe and Turkey, the gas business will continue to experience strong growth. Our goal is to expand the fully integrated gas portfolio of OMV – from our equity gas production all the way through to distribution channels. The conversion of gas into electricity ensures an additional profitable marketing platform. The Nabucco gas pipeline continues to be an important project and will contribute to the long-term gas supply for Europe.

In focus:
Profitable growth through integrated gas

Restructured oil downstream
As a result of declining demand for petroleum products, OMV will adjust its exposure to the R&M business segment. Up to EUR 1 bn shall be generated through divestments by 2014. In addition, the product yield will be adjusted towards market demand for middle distillates and petrochemical feedstock. The modernization of the Petrobrazi refinery will be finalized. Effective management of capital and cost efficiency will further increase profitability.

In focus:
Profitable growth through restructured oil downstream

Improved performance
OMV will launch an ambitious performance program to increase profitability significantly by 2014 in order to implement the strategy and support the path to profitable growth. The target of the program is to increase ROACE by 2% points by 2014. The program will implement revenue improvements, cost reductions and capital optimization measures.

In focus:
Profitable growth through improved performance across the entire Group

Statement of the Chairman of the Executive Board

Successful year for OMV

Dear shareholders,

Having taken over as Chief Executive Officer of OMV Group in April 2011, I am now pleased to be able to review the past financial year and introduce you to our plans for the future. My colleagues on the Executive Board and I can look back on a challenging, eventful and – for OMV – successful year, one that saw the Group embark on a new phase of growth.

OMV as a driving force in its markets

Recent energy market developments have shown that we need to narrow our focus and streamline our asset portfolio. At the same time, we need structures that are even clearer and more transparent. We must look to set our stamp on our industry – as a corporation that is equal to the challenges ahead, and intends to remain the leading energy supplier in Austria and a major player in Europe today and for generations to come. We want OMV to be the driving force in its markets, and shape their future. We want to shoulder responsibility and deliver on our promises. This is the only way to strengthen our credibility and confidence that the capital markets place in us. It is also the only way for OMV – as an international oil and gas Group with Austrian roots that operates across some 30 countries and four continents – to deliver the energy that underpins people's standard of living and the economic strength of our markets.

Tightening our strategic focus

Our "Profitable Growth" strategy, unveiled in Istanbul in September 2011, represents a decisive turning point. The pillars of our strategy are "growth – integration – change – performance". It will reshape our company, and give it a sharper profile. We expect global oil and gas demand to continue to grow rapidly over the next 25 years, but must also brace ourselves for shrinking petroleum product markets in Europe. Because of this we are concentrating on our core competencies – oil and gas exploration and production – and rebalancing our asset portfolio away from R&M, and towards E&P and G&P. In future, we will target our efforts, intellectual energy and capital very carefully. Our strategic commitment to growth remains in place, but we will only operate in markets that offer opportunities for profitable long-term growth. There is no other way to safeguard our prospects for future growth, deliver satisfactory performance to our shareholders, and ensure that our employees have fulfilling and safe jobs.

Successful capital market transactions

We needed additional capital to put our plans into practice. I am proud to report that two major capital market transactions – a successful rights issue and a hybrid bond issue – raised about EUR 1.5 bn for the OMV Group last year. The strong support for the rights issue is proof that the market believes in our growth potential. By increasing our equity capital we were able to cut our gearing ratio to about 34%, taking us closer to our long-term target of 30%. This demonstrates the fundamental financial strength of our company. Our solid balance sheet and robust cash flow will enable OMV to continue to invest, laying the foundations for further growth.

Growing our upstream business

E&P is marked out as the growth driver in OMV's expansion plans. In the past year, well chosen strategic acquisitions have not only yielded additional production, but also brought us many new development opportunities. The acquisitions of the Tunisian E&P units of Pioneer Natural Resources and Petronas E&P's operating entity in Pakistan were large investments. The exploration, development and production licenses obtained in this way significantly strengthened our international E&P position. On the downside, the political unrest in North Africa and the Middle East cast a shadow over the year. However, these crises did not catch OMV off guard. The safety of our employees in the crisis-hit countries was our overriding concern at this time. Thanks to good crisis management and resolute implementation of the emergency plans, all OMV expatriates were evacuated quickly and safely. However, for long periods, production and shipments were curtailed or were halted altogether, resulting in sharp falls in overall Group output (before the crisis Libya had accounted for 10% of the total). Production started up again in the fourth quarter, and reached 50% of its pre-conflict level by the end of the year. In Yemen, too, we suffered outages in 2011, but we made further progress with our field development projects there. In our core countries, Romania and Austria, we succeeded in countering the natural decline in recovery from mature fields and stabilizing output, thanks to the use of modern production technologies.

Integrated gas business

The G&P segment faced adverse market conditions and margin pressure last year. Nevertheless, it again made a significant earnings contribution in 2011. With natural gas and electricity demand still set on a strong underlying growth trend in Europe and Turkey, G&P is taking on an increasingly important role. Our prime objective is to integrate our operations – from the wellhead through to pipelines and storage facilities, and along our sales channels. Building an integrated gas and power business means that the value of these assets is worth a lot more than the sum of the parts, and we see this as one of our main growth drivers. A high proportion of equity production is also vital; equity gas already makes up a significant part of our supply portfolio. We use our own infrastructure to transport and store the gas, and our own sales channels to market it to large consumers and wholesalers. In future, we will also generate electricity at our own gas-fired power plants. Last year we completed the construction of a modern gas-fired power plant in Brazi, Romania, and work advanced on another, in Samsun, Turkey. Such projects are always connected with our integrated approach to our gas assets. Power generation extends our value chain and gives us an additional outlet for our gas, besides sales and trading. Volume on the Central European Gas Hub (CEGH) trading platform rose again in 2011. To make more focused and flexible use of market opportunities, we are currently establishing our own trading organization. OMV will also continue to invest in the infrastructure in and around Baumgarten (Austria), which is the largest physical gas hub in Central Europe. We are further progressing the Nabucco gas pipeline project, which is aimed at diversifying our supply sources and transportation routes, and is also of pivotal importance for Baumgarten.

Further progress of G&P projects

Changes at R&M – restructuring the downstream business

Last year, the market environment for refineries and oil products was very challenging. Some products were affected by severe capacity overhangs in Europe, resulting in a painful squeeze on margins. OMV has already responded to this challenging situation. We are moving ahead with a shift in production towards petrochemicals and middle distillates, which are more profitable than the rest of the slate. We have begun adjusting our refining capacity and marketing channels to shrinking markets. We are also optimizing our processes along the value chain, and adapting them to the tough competitive situation. For example, we have disposed of the Cypriot filling station business, announced our intention to divest other assets in R&M and begun looking for buyers. Our subsidiary in Turkey, OMV Petrol Ofisi A.Ş., has been integrated into OMV Group, and we are taking systematic steps to increase its profitability. For R&M as a whole, strict cost control remains the order of the day, and steady improvements in profitability the top priority.

Active response to challenging market situation

+2% points in ROACE by 2014

Enhancing our performance

We must act to ensure that OMV remains competitive, and make our Group more modern, performance driven and future capable. We are following through on our strategy and setting ourselves specific objectives. Our ongoing performance enhancement program is also taking us further along the road to profitable growth. It is aimed at higher earnings, cost reductions and optimum capital allocation. We are targeting a 2% point increase in ROACE by 2014.

Looking ahead

Our mission is clear – OMV must focus on the future. Our portfolio must be streamlined and directed towards delivering upstream growth. We will devote capital to this goal, and plan to invest large amounts over the next few years. That is our clear message to shareholders. Our strategy puts us on a clear trajectory, and creates new opportunities for all our business segments. Tomorrow's OMV will be different. Our upstream business in both oil and gas will enter a new phase of growth, as will G&P – from gas production through to transportation and marketing. Gas-fired power generation will extend our supply chain and lock in new markets for our gas. R&M remains an important business for us, but its relative weight in our portfolio will be reduced. Our strategy points the way forward to safeguarding our leading position on international oil and gas markets in the long term. We are getting on with the job, and hope we can count on your continued support.

Gerhard Roiss

Sustainability

OMV's concept for sustainability has been restructured under the name "Resourcefulness". Being in the resources business, Resourcefulness is our way of achieving profitable growth in a sustainable and responsible way. Our aim is to secure future energy resources for the common good. As an integrated, international oil and gas company, OMV faces major challenges. Global energy requirements are increasing significantly. At the same time, environmental protection and social justice are of growing importance. The demands placed on us grow as we expand our operations. A responsible approach to business is crucial if we wish to remain successful. Our response to the Arab Spring was an outstanding example of how we handle our responsibilities within an increasingly complex business environment.

Concept developed in 2011

OMV's aim is to be a role model for responsible and sustainable business behavior wherever we operate. Resourcefulness is our concept for achieving this and for generating benefits for people and for the environment while securing long-term business success: We are committed to the careful and responsible use of resources, and we regard human ingenuity as key to creating new solutions that lead to a win-win situation for OMV, society and the environment. The Resourcefulness concept was approved by the Executive Board at the end of 2011 and will complement the business strategy for profitable growth. It has three dimensions:

Human Resourcefulness: People are the most important resource for achieving long-term success. So for us, Human Resourcefulness means:

- Respectful relations with all our stakeholders.
- Powering opportunities by strengthening local content and supporting educational and entrepreneurial initiatives in our core markets.

Natural Resourcefulness: We have a special responsibility since we work with finite natural resources. It is OMV's duty to contribute to a secure, diversified energy supply while, at the same time, helping to protect the environment. So for us, Natural Resourcefulness means:

- Efficiency and responsibility in our core business.
- Developing the gas business further as gas is the cleanest fossil fuel.
- Developing new sources of energy such as geothermal energy, second-generation biofuels as well as supporting the development of infrastructure for H_2 mobility.

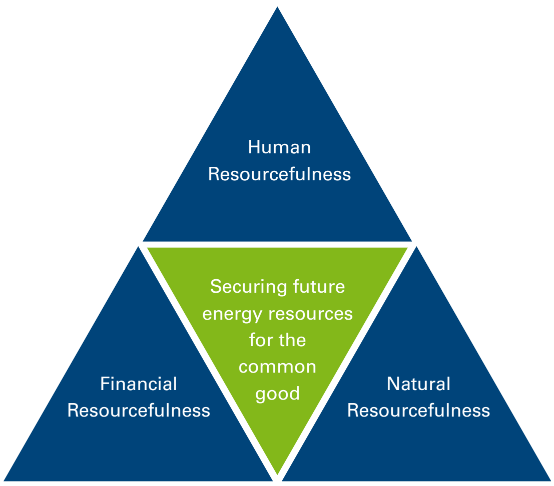
Financial Resourcefulness: To achieve profitable growth, we must act in a financially responsible manner. So for us, Financial Resourcefulness means:

- Making the effects of responsible business measurable.
- Responsible investments.

Three dimensions of Resourcefulness

Implementation and responsibilities

The CEO of OMV has overall responsibility for sustainability-related issues. He has created a new structure for sustainability and assembled the Resourcefulness Executive Team, which meets regularly. The Resourcefulness concept is designed to give OMV's responsibility and future orientation a clear face both internally and externally and to embrace all internal functions linked to the three dimensions.



Health, Safety, Security and Environment (HSSE) provides a strong foundation on which we can build and is one of OMV's highest priorities: The functional HSSE strategy was updated in 2011, taking into consideration the increasing expectations of stakeholders, lessons learned from major accidents in our industry, our present performance and future challenges.

Key topics 2011

Human Resourcefulness

OMV acts on its social responsibility

Arab Spring: With the start of the Arab Spring, OMV safely evacuated its expatriates in all countries affected such as Egypt, Libya, Tunisia and Yemen. Although no commercial operations could be carried out, OMV acted on its social responsibility and continued to financially support its local employees. In addition, an initiative to provide psychological and social health treatment for the traumatized young generation in Tripoli was established in Libya.

Health management: By the end of 2011, OMV completed the health risk assessment of all work-places group-wide. All health hazards were evaluated, trends identified and mitigation measures established. For emergency preparedness, over 130 medical emergency exercises with the participation of "emergency simulators" and internal and external emergency resilience groups were conducted in Romania and Austria. Special health promotion initiatives focused on preventive screening for spine and joint disorders. Vaccination campaigns adapted to specific local and epidemiological situations were carried out in various countries. The audit of the Health Standard showed a high rate of implementation, with areas for improvement related to preventive medicine and medical emergency resilience.

Safety management: HSSE training and a maturing reporting culture are considered key factors in further improving safety performance. In 2011, nearly 220,000 records and reports were entered into the group-wide incident reporting tool, including 107,000 findings, hazards and near misses (an increase of 48% vs. 2010). Over 76,000 measures were assigned and 86% completed on time. A best-practice, patented training program entitled "Stepping, Lifting and Manual Handling. Working at heights" was provided to more than 7,100 Petrom E&P employees. Initial results indicate that the number of incidents decreased significantly in the months following training provision.

Safety performance: OMV's occupational safety performance could not be improved in 2011 as compared to the previous year. Sadly, there were four work-related fatalities. One OMV contractor driver lost his life in a roll-over road accident in Yemen. A Petrom contractor died in an accident at a rig site. At the Antalya fuels terminal in Turkey, a Petrol Ofisi employee and a contractor were killed by the explosion of a methanol tank. This fatal accident led to a series of activities in Petrol Ofisi, such as an external HSSE Management System audit, hazard identification workshops and a new HSSE organization reporting directly to the CEO of Petrol Ofisi. Within the framework of a Major Accidental Events (MAE) study, OMV developed a risk-screening methodology and ranked all high-potential MAE sites and activities group-wide. Prioritized sites will be audited for the effectiveness of management and technical integrity systems.

Diversity management: OMV made some significant progress with its diversity strategy in 2011. While the overall proportion of women in the Group is about 23%, the ratio of females in Senior Vice President positions doubled from 6% to 12%. Our target remains 18% by 2015. In addition, the ratio of non-Austrian Senior Vice Presidents increased from 20 to 33%.

Natural Resourcefulness

Carbon and energy management: Since 2008, R&M implemented measures to reduce greenhouse gas emissions that total annual savings of around 0.2 mn t CO_2 equivalents. For the ongoing restructuring of the Petrobrazi refinery, the potential to make further cuts of almost 0.2 mn t CO_2 equivalents has been identified. During the Schwechat refinery's stoppage in 2011, the lowest flaring loss ever during a plant turnover was recorded. Reductions of greenhouse gas emissions were also achieved in the E&P operations in Kazakhstan and Romania.

Water management: Efficient water management is a key issue in OMV's operations, e.g. in refineries. In 2011, the sewage system at the Petrobrazi refinery was partly renewed to minimize the amount of treated waste water. The project design for revamping the wastewater treatment plant was finalized. Scarcity of water resources is a specific challenge in various OMV exploration sites such as the Yemeni desert. There, OMV installed a new wastewater treatment unit. This will enable the use of treated water for irrigation and dust control.

Developing gas business: With high efficiency and low emissions, gas makes an important contribution to the energy transition. To use gas for electricity generation, OMV will operate two gas-fired power plants. In 2011, the construction of the 860 MW plant in Brazi (Romania) was completed. Full commercial operation is anticipated for H2/12. The construction of the low-emission 870 MW combined cycle power plant in Samsun (Turkey) is in progress.

Renewable energies: The wind park in Dorobantu (Romania) started commercial operation in October 2011. It consists of 15 wind turbines with an overall capacity of 45 MW.

Financial Resourcefulness

Responsible controlling: To make the effects of responsible management measurable, OMV will develop the appropriate tools with scientific support. Our aim is to be able to make more use of these criteria in the future to assess decisions to be made in our core business.

Focus on process safety management

Risk management: Process safety management contributes highly to OMV's business and financial performance through proactive loss control management. It is about the proactive identification of and safeguarding against releases of hazardous substances. In 2011, there was a special focus on the definition and maintenance of safety critical elements in all offshore and onshore assets of the three business segments. Other activities included process safety management walk-around training, the implementation of process safety key performance indicators and the reporting of process safety hazards and incidents.

Regarding European emission trading, OMV maintains a low-risk trading strategy and optimizes the carbon portfolio.

Performance Indicators

	2011	2010	2009
Human [1]			
Lost-time injury rate (LTIR) per million hours worked for own employees	0.66	0.74	0.71
Lost-time injury rate (LTIR) per million hours worked for contractors	0.68	0.56	0.68
Total recordable injury rate (TRIR) per million hours worked for own employees	1.01	1.29	1.53
Total recordable injury rate (TRIR) per million hours worked for contractors	1.14	1.23	1.58
Natural [2]			
Total energy consumption in PJ	131.7	134.1	147.8
Total water consumption in mn cbm	52	59	65

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

Highlights 2011

January

- OMV expands its E&P portfolio in Tunisia by acquiring the local subsidiaries of Pioneer Natural Resources

February

- OMV completes the restructuring of its heating oil business in Austria and Germany with the sale of OMV Wärme VertriebsgmbH
- OMV announces a temporary reduction of its Libyan production due to political unrest

March

April

- Gerhard Roiss takes over the role of CEO and Chairman of the Executive Board at OMV Aktiengesellschaft
- OMV announces a major gas discovery in the Zola-1 exploration well in Australia

May

- OMV's AGM approves a dividend of EUR 1.00 per share and Markus Beyrer is elected as new Chairman of the Supervisory Board
- Gülsüm Azeri is appointed as new CEO of OMV's Turkish operations including Petrol Ofisi

June

- OMV discovers oil in the OMV operated block Bina Bawi in the Kurdistan Region of Iraq
- OMV successfully closes two major capital market transactions, a capital increase and a hybrid bond, with total proceeds of EUR 1.5 bn
- The Nabucco gas pipeline project advances significantly with the signing of the Project Support Agreements by the ministers of each transit country in Kayseri, Turkey

July

- OMV successfully closes the acquisition of Petronas' E&P operating entity in Pakistan, Petronas Carigali (Pakistan) Ltd, which strengthens its position in the country
- OMV announces a major re-development of the Schiehallion oil field in the West of Shetland area, which will prolong production out to 2035 and possibly beyond

August

September

- OMV presents its strategy update "Profitable Growth", which focuses on growing OMV's upstream portfolio, expanding its integrated gas business and restructuring its oil downstream business

October

- IPIC increases its shareholding in OMV to 24.9%
- OMV issues a EUR 500 mn Eurobond with a maturity of 10 years and extends its hedging strategy into 2012

November

- OMV confirms that its overall Libyan production has reached approximately 30% of the pre-war level
- OMV Group concludes two syndicated loans with a total amount of EUR 1,680 mn to maintain its stable financial profile

December

- OMV announces the intention to sell its Marketing subsidiaries in Croatia and Bosnia-Herzegovina

OMV Group objectives and strategy

OMV in 2011

Core business segments E&P, G&P and R&M

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

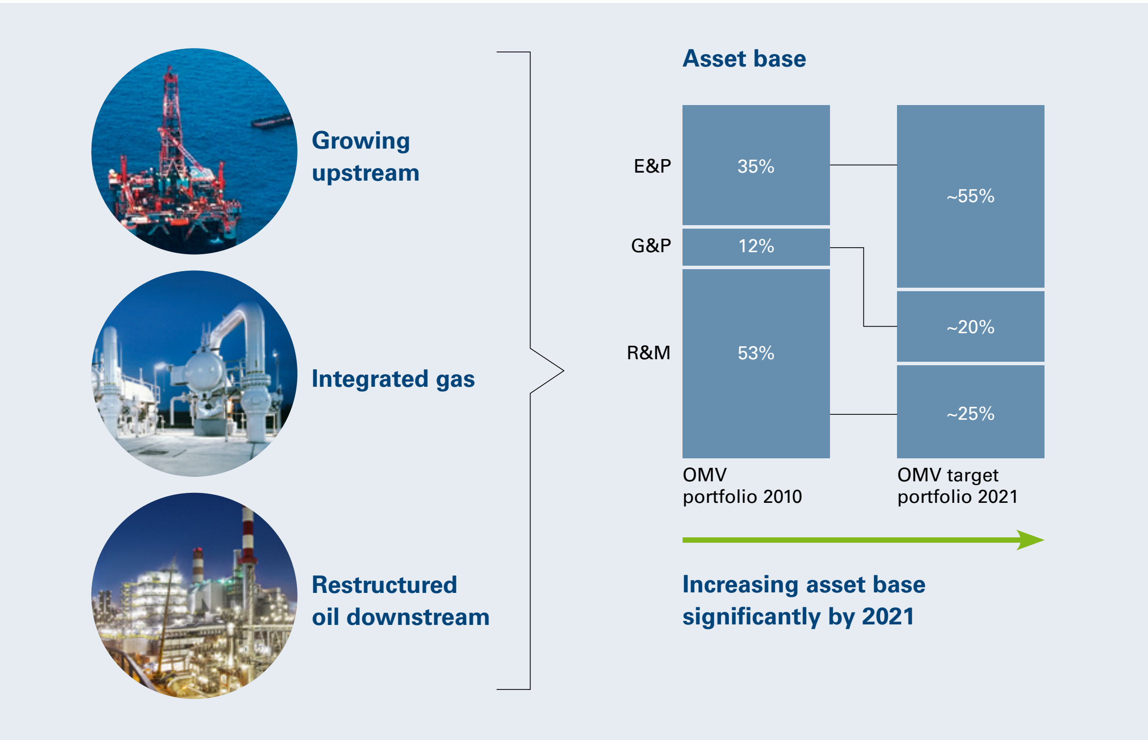
In E&P, OMV is active in two core countries, Romania and Austria, and holds a balanced international portfolio. OMV had proven oil and gas reserves of approximately 1.13 bn boe at year-end and a production of around 288 kboe/d in 2011.

In G&P, OMV sold approximately 24 bcm of gas. OMV operates a 2,000 km long gas pipeline network in Austria with a marketed capacity of around 101 bcm. OMV's gas trading platform, the Central European Gas Hub, is amongst the most important hubs in Continental Europe with a trading volume of around 39 bcm.

In R&M, OMV has an annual refining capacity of 22.3 mn t and, at year-end, approx. 4,500 filling stations in 13 countries including Turkey. OMV further strengthened its position by taking ownership of a 97% stake in Petrol Ofisi, Turkey's leading company in the retail and commercial business.

With Group sales of EUR 34.05 bn and a workforce of 29,800 employees, OMV Aktiengesellschaft is one of Austria's largest listed industrial companies.

Shifting the portfolio from R&M to E&P and G&P



Our strategy "Profitable Growth"

In September 2011, the OMV Executive Board presented a strategy update based on the pillars of "growth – integration – change – performance" in Istanbul: Strategy "Profitable Growth". In the coming years, OMV will develop into a focused, integrated oil and gas company with clearly improved profitability and strong growth in the upstream sector.

The upstream business – the exploration and production of oil and gas – will have a far more significant role. OMV will also experience strong growth in the gas sector – from the production and transportation to the marketing of gas. From the gas hub in Baumgarten, OMV can deliver to all of Europe and can therefore contribute to security of supply in Europe. Modern gas-fired power plants will complete the portfolio. R&M will continue to be an important element of the integrated value chain, but, over time, will be of lesser relative significance in the portfolio.

The OMV portfolio will be more focused and profitability will continue to be enhanced in order to optimally meet the challenges of the future.

Focused, more integrated growth

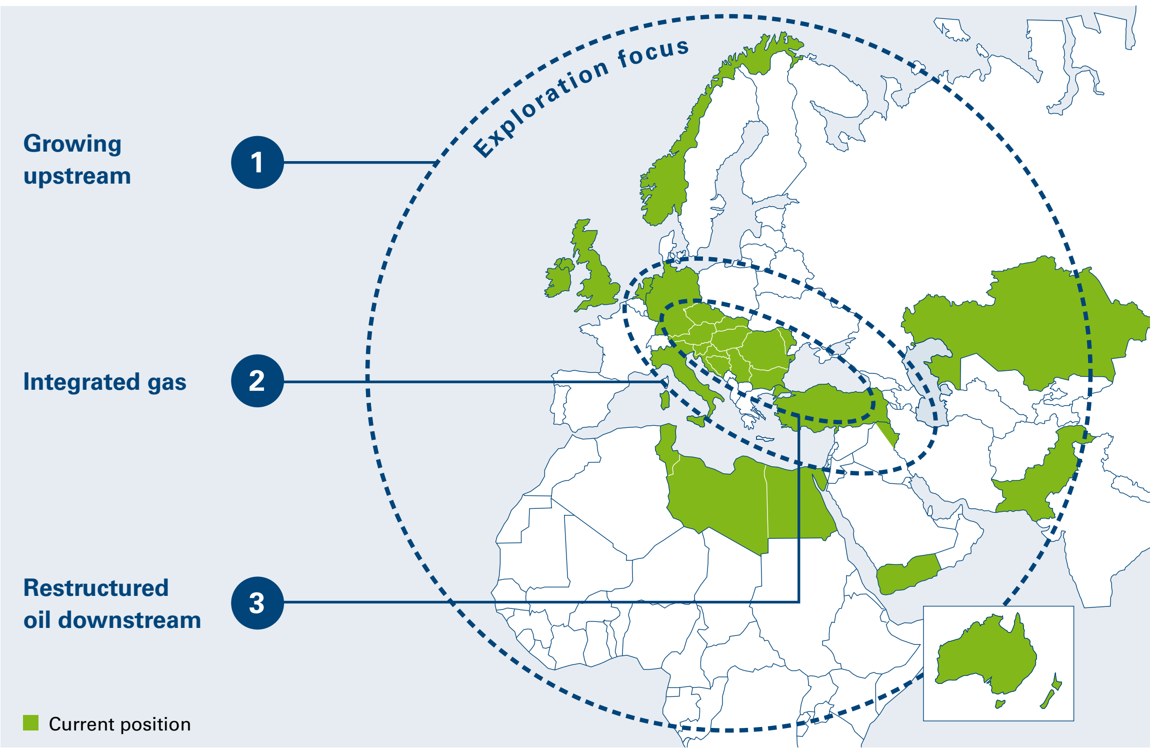
The cornerstones of OMV's strategy at a glance:

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

Growing upstream

E&P is the growth driver within the OMV portfolio. OMV will direct approximately two-thirds of future investments towards exploration and production of oil and gas. The foundation will be an increased performance of the existing upstream portfolio. The speed of resource maturation from discovery to production will be increased. Targeted acquisitions will not only yield further production volumes, but will also add additional development and exploration

Focused, more integrated growth



opportunities. Stepping up exploration efforts will ensure the sustainability of the E&P portfolio and provide a foundation for long-term growth. In its future growth ambition, E&P will focus on the Caspian Region, the Middle East and Africa.

Gas will gain significance

Integrated gas

In Europe and Turkey, the gas business in particular will continue to experience strong growth. Natural gas is the cleanest fossil fuel and will be the most significant source of energy in the future, and thus OMV's gas business will gain significance. OMV will act in a fully integrated way – from the gas field to transport infrastructure and storage all the way to distribution channels. An important aspect of this is the strengthening of the Baumgarten gas hub and the Central European Gas Hub (CEGH) trading platform. The conversion of gas into electricity extends the value chain and ensures, aside from selling and trading of gas, an additional important and profitable marketing platform for gas. The Nabucco gas pipeline project continues to be an important project for OMV and will contribute to the long-term gas supply for Europe.

Restructured oil downstream

In light of contracting oil downstream markets in Europe, OMV will adjust its exposure to the R&M segment: In the coming years, up to EUR 1 bn shall be generated through divestments of R&M assets. In addition, the refineries' product yield will be adjusted towards market demand for middle distillates and petrochemical feedstock, especially propylene. The modernization of existing assets will be finalized at Petrobrazi. Enhanced asset-backed trading activities will support the optimal use and capacity utilization of existing assets. Special emphasis will be put on effective management of capital and cost efficiency.

Improved performance across the entire Group

To support the path to profitable growth, OMV will launch an ambitious performance improvement program to significantly increase profitability by 2014. The program will target revenue improvements, cost reductions and capital optimization.

Our objectives

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

- Stabilized production in Romania and Austria (200-210 kboe/d).
- Better gas integration along the value chain.
- R&M divestments (up to EUR 1 bn).
- Performance improvement program (+2% points return on average capital employed (ROACE)).

Delivering growth is our mid-term focus until 2016

- Organic production growth ~2% p.a. (up to 4% p.a. incl. acquisitions) based on 2010.
- ~100% three-year average Reserve Replacement Rate (RRR) target (incl. acquisitions).
- Increased exploration expenditure.
- Integrated gas portfolio growth.

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

- Larger exploration footprint.
- Unconventional gas.
- Nabucco and related activities, incl. access to upstream.
- Additional gas-fired power plants (dependent on equity gas supply).

Exploration and Production

OMV is successfully exploiting its core assets in Romania and Austria and has a well-balanced international portfolio. In 2011, OMV's oil and gas production was 288 kboe/d and its proven reserves were about 1.13 bn boe at year-end. Around two-thirds of its production come from Romania and Austria – the remainder from a growing international portfolio. Oil and gas account for around 50% each of the overall production.

Our strategy "Growing upstream"

Over the next years, OMV is projected to grow in E&P. About two-thirds of future investments will be directed towards this segment. E&P will grow within its strategic framework: Exploit the core in Romania and Austria, grow to and beyond critical mass in the current international portfolio, and find new growth areas for the future portfolio. Short-term performance improvement will focus on our core where we aim to stabilize production at around 200-210 kboe/d. We continue to fight the natural production decline of our mature assets in Romania and Austria and apply state-of-the-art technology to increase recovery rates. Mid-term growth will mainly be delivered through our international portfolio where we will grow to and beyond critical mass in each country. We will grow production organically by ~2% p.a. based on 2010 production to ~350 kboe/d in 2016 via the maturation of own exploration and development projects and aspire to increase this growth rate up to 4% via acquisitions. Examples of our development projects are Habban in Yemen, Nawara in Tunisia, the project Schiehallion in the West of Shetland region as well as several re-development projects in Romania and Austria. Acquisitions will aim at assets with production, and more importantly, with development and exploration upside potential. We will increase our exploration expenditure and, in particular, focus a larger portion of our exploration spend on higher impact (high risk, high reward type) exploration activities. In order to do so, we will aggressively renew the exploration portfolio and enter new basins in the Middle East, the Caspian Region and in Africa. Last but not least, we will assess the potential for unconventional resources we have in our acreage portfolio.

Our achievements in 2011

- Lost-Time Injury Rate approx. at the level of 2010.
- Good and stabilized production performance in our core assets, although overall production was heavily impacted by the political unrest in North Africa and the Middle East.
- Stabilized production in Romania; enlarged project portfolio.
- Start of polymer injection in Austria.
- Closing of two major acquisitions in Tunisia and Pakistan with significant synergies and upside potential.
- Three significant discoveries in Romania, the Kurdistan Region of Iraq and Australia.

Important acquisitions and discoveries in 2011

Our initiatives

E&P activities are driven by three priorities: HSSE first, production second and costs third.

Raise performance short-term (2014):

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

Deliver mid-term growth (2016):

- Organic production growth ~2% p.a. (up to 4% p.a. incl. acquisitions) based on 2010.
- ~100% three-year average RRR target (incl. acquisitions).
- Grow international portfolio.
- Prepare Nabucco-related access to upstream.
- Increase exploration expenditure.

Position for long-term growth (2021):

- Monetize Nabucco-related access to upstream.
- Further increase exploration expenditure.
- Explore unconventionals.

Gas and Power

Our integrated Gas and Power (G&P) business segment operates across the entire gas value chain. We have long-proven partnerships with major gas suppliers to assure stable supply to our markets and also produce gas at our own fields. Through our 2,000 km gas pipeline network as well as our gas storage facilities with a capacity of 2.4 bcm, we are a major contributor to security of supply in Austria and beyond. Additionally, we are driving the Nabucco gas pipeline project, which will also increase Europe's security of supply. Our Central European Gas Hub (CEGH) is the most important gas trading platform on the gas routes from East to West and also operates a gas exchange. Our gas hub in Baumgarten is Central Europe's largest gas distribution node for Russian gas.

Significant value added from an integrated gas portfolio

Our strategy "Integrated gas"

Assuming that gas demand in Europe and Turkey will rise by about 25% over the next two decades, we are convinced that gas will be the source of energy of the future. Gas is the cleanest fossil energy source. In Europe, it will supersede coal as the most important feedstock for power and heat generation and will also to some extent replace nuclear power. Therefore G&P, along with E&P, will be one of OMV's growth drivers and the key word behind this growth is "integrated gas". An integrated gas portfolio offers significant value added as compared to the sum total of the individual assets. A high stake in equity gas in combination with reliable contracts with gas suppliers assures a balanced gas supply portfolio. The gas is transported and stored via our infrastructure and finally brought onto the market. Through our sales channels it can be sold to large industrial customers and distributors. Alternatively, it can be fed into our gas-fired power plants for power generation. In order to exploit the full value of our assets, a trading organization is being established for portfolio optimization.

Our achievements in 2011

- Signing of Project Support Agreements between Nabucco and related transit countries finalized the legal framework for Nabucco.
- Second Memorandum of Understanding with Azerbaijan strengthens OMV's position in the Caspian Region.
- Gas-fired power plant projects: Brazi (Romania) construction finalized, Samsun (Turkey) in progress.
- Start of commercial operations of the wind park Dorobantu (Romania, 45 MW).
- Start of commercial operations of the Gate re-gasification terminal in Rotterdam (OMV share 5%, OMV capacity 3 bcm).
- Launch of the new brand GAS CONNECT AUSTRIA as independent gas network operator (100% owned by OMV) as further important step towards the implementation of the Third Energy Package.
- Increase of trading volume on CEGH by 15% to around 39 bcm in 2011.
- 14% increase in gas transportation capacity sold to 101 bcm.
- Growth of total gas sales volumes to 24 bcm.

Our initiatives

Raise performance short-term (2014):

- Portfolio optimization through asset-backed trading.
- 1.7 GW gas-fired power plants on stream.

Deliver mid-term growth (2016):

- Grow gas sales and gas-fired power generation in Turkey.

Position for long-term growth (2021):

- Nabucco as backbone of integrated gas supply system for Europe.
- Invest in attractive infrastructure around Baumgarten.
- Invest in gas portfolio incl. additional gas-fired power plant projects depending on equity gas.

Refining and Marketing including petrochemicals

The business segment Refining and Marketing including petrochemicals (R&M) operates refineries in Schwechat (Austria) and Burghausen (Southern Germany), both with integrated petrochemical complexes. Together with the Petrobrazi refinery (Romania) and our 45% stake in Bayernoil (Southern Germany), these give us a total annual processing capacity of 22.3 mn t (450,000 bbl/d). Our retail network consists of approx. 4,500 filling stations in 13 countries including Turkey. With strong retail brands, a high quality non-oil business (VIVA) and an efficient commercial business, we have a leading position in our market.

Our strategy "Restructured oil downstream"

In light of contracting oil downstream markets in Europe, OMV will adjust the exposure to the segment. In the coming years, up to EUR 1 bn are planned to be generated through divestments of R&M assets. In addition, OMV will further adapt the product yield of the refineries to market development, i.e. increase middle distillates and high-value petrochemical products. We are already well positioned with our two integrated complexes in Schwechat and Burghausen and can increase the product yield of petrochemical products via strategic investments. Furthermore, we are investing in the Petrobrazi refinery and thereby improving our product yield structure. We will sharpen our positioning of filling stations by using our brand portfolio, premium or discount, along with a reduction in the overall number. OMV will exit the non-integrated (i.e. not supplied from our own refineries) filling station business outside its core market. In Austria and Romania, the already launched dual-brand strategy will be continued, with OMV/VIVA as a premium brand and Avanti/Petrom in the low price area. The filling station business in Turkey will also be optimized based on an appropriate segmentation currently being tested. Crude and product trading around our refining assets will become increasingly important to support full refinery utilization. Special emphasis will be put on effective management of capital and cost efficiency.

Our achievements in 2011

- Well managed scheduled maintenance shutdown of Schwechat petrochemical operations in May/June 2011.
- Successful feed change in Burghausen refinery: Libyan crude replaced by other crudes resulting in higher flexibility going forward.
- Decision to close the Arpechim refinery permanently at the end of March 2011.
- Further progress in Petrobrazi improvement program (e.g. railway unloading facilities completed).
- Strengthening of the non-oil business thanks to a strong brand positioning of VIVA and the introduction of additional services and fuel offers like Maxx Motion Premium Diesel.
- Integration of Petrol Ofisi operations.
- Petrol Ofisi: Sale of Cyprus filling stations (K-Pet) closed as part of ongoing network segmentation.
- Start of divestment program by announcing the intended sale of subsidiaries in Croatia and Bosnia-Herzegovina and the 45% stake in the Bayernoil refinery.

Permanent closure of Arpechim refinery

Our initiatives

Raise performance short-term (2014):

- Divestments to generate up to EUR 1 bn.
- Drive performance.
- Optimize Turkey marketing.
- Implement asset-backed trading.

Deliver mid-term growth (2016):

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

Position for long-term growth (2021):

- Maintain competitive position in restructured set-up.

Report of the Supervisory Board

Dear shareholders,
Good teamwork, a sound basis of information and compliance with the Austrian Code of Corporate Governance together comprise the framework used to advise and diligently supervise the Executive Board in its work. The Executive Board has regularly provided the Supervisory Board with timely and comprehensive information on business operations, the overall economic situation in the company's core markets and the resultant operating environment, as well as business opportunities and risks for OMV. In 2011, OMV's operations were affected by political unrest in North Africa and the Middle East. The Executive Board closely monitored these developments and updated us on local security risks and production status.

Work in the Supervisory Board and its committees

Focus on financing and strategy of the Group

During the year under review, the Supervisory Board focused on major financing projects, which significantly strengthened the Group's financial profile. These included a capital increase with a total volume of EUR 750 mn, the issuance of hybrid notes at the nominal amount of EUR 750 mn, a senior bond at the nominal amount of EUR 500 mn and the conclusion of two syndicated revolving credit facilities with a total amount of EUR 1,680 mn. Further in-depth discussions of the Supervisory Board included OMV's strategy "Profitable Growth". The main cornerstones of this strategy are (i) upstream growth (increased investments in Exploration and Production), (ii) integrated gas (expansion of OMV's position along the entire gas value chain), (iii) restructured oil downstream (divestments in the Refining and Marketing business segment), and (iv) improved performance across the entire OMV Group (launch of a comprehensive performance improvement program). We also devoted considerable attention to the annual planning process for the business year 2012 and the investment program going forward. Our agenda included important items such as monitoring the integration of OMV Petrol Ofisi A.Ş., the further development of the compliance system and the appointment of a new Executive Board member responsible for the Gas and Power business segment.

The Project Committee discussed the Nabucco gas pipeline project, the new Gas and Power Trading structure and electronic trading systems. The Presidential and Nomination Committee made thorough preparations for the appointment of Hans-Peter Floren as Executive Board member in charge of Gas and Power and discussed OMV's succession planning system. The Remuneration Committee conducted a benchmarking of the variable compensation package for the Executive Board, taking into account advice received from external consultants, industry best practice, remuneration levels at comparable companies, and international trends in corporate governance. The Audit Committee dealt with key issues relating to accounting processes, internal audit, risk management and the Group's internal control and management systems. Due to an increase of risk factors such as political unrest and oil price volatility, considerable focus was placed on enhancing the risk management system and monitoring its effectiveness. The Audit Committee also supervised the transition process following the appointment of the company's new auditor Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

We performed our annual self-evaluation in order to continuously improve 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. The Corporate Governance Report contains additional information on the activities of the Supervisory Board and its committees.

Annual financial statements and dividend

After comprehensive review and discussions with the auditors at the Audit Committee and plenary meetings, the Supervisory Board approved the directors' report, prepared in accordance with section 96 (1) Stock Corporation Act and the parent entity financial statements for 2011, which were thereby adopted under section 96 (4) of the Act. The same applies to the consolidated financial statements. The Supervisory Board likewise approved the Corporate Governance Report following its consideration by the Audit Committee.

The Supervisory Board has accepted the Executive Board's proposal to the Annual General Meeting to pay a dividend of EUR 1.10 per share and to carry forward the remainder of the profit for the year to new account.

Changes in the composition of the Executive Board

Personnel changes in the Executive Board included Wolfgang Ruttenstorfer's succession by Gerhard Roiss as CEO and Chairman of the Executive Board of the company and Manfred Leitner's appointment as Executive Board member responsible for Refining and Marketing, both effective as of April 1, as well as Werner Auli's resignation as Executive Board member responsible for Gas and Power effective as of December 31.

Changes in the composition of the Supervisory Board

Martin Rossmann was delegated to the Supervisory Board by the Works Council as Markus Simonovsky's successor on May 4. Markus Beyrer was elected to the Supervisory Board by the Annual General Meeting on May 17 and took over as Chairman following Peter Michaelis' resignation with effect as of the close of the Annual General Meeting.

Finally, I would like to thank the Executive Board and the entire workforce in the Group and its associated companies for their commitment and personal contribution in the financial year 2011. Furthermore, I would like to take the opportunity to thank Wolfgang Ruttenstorfer and Werner Auli for their outstanding achievements as CEO and Executive Board member for Gas and Power, respectively, over the past years. Wolfgang Ruttenstorfer has transformed OMV into an integrated oil and gas company. Werner Auli has converted the business segment Gas and Power into a strategically important business area for OMV with great growth potential. Both have, thus, laid the foundations for further profitable growth of the OMV Group.

Foundations laid for profitable growth

Vienna, March 20, 2012

For the Supervisory Board

Markus Beyrer

Corporate Governance Report

Enhancing transparency at management level and internal control structures helps strengthening market and stakeholder confidence. As a result, OMV has always sought to comply with best practice in corporate governance and has committed to adhere to the Austrian Code of Corporate Governance (ACCG) since its introduction in 2002. The information given below complies also with the ACCG recommendations ('R-rules'), the non-compulsory best practice sections of the Code. OMV is a signatory of the UN Global Compact and has adopted a comprehensive, group-wide Code of Conduct, as well as a related business ethics directive, drawn up with the assistance of international expert consultants.

Commitment to Austrian Code of Corporate Governance

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

Executive Board in 2011

From left to right: Jacobus Huijskes, David C. Davies, Gerhard Roiss, Werner Auli, Manfred Leitner

Gerhard Roiss, *1952
Term of office: September 17, 1997 to March 31, 2014
Chairman of the Executive Board and Chief Executive Officer (since April 1, 2011). Responsible for the overall management and coordination of the Group. He took over as Chairman of the Executive Board following the retirement of Wolfgang Ruttenstorfer.

Deputy Chairman of the Executive Board (January 1, 2002 to March 31, 2011). Responsible for Refining and Marketing, as well as for OMV Group's plastic and chemical interests until March 31, 2011.

Member of the supervisory board of Österreichische Post AG (until April 28, 2011).

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

Members of the Executive Board

Wolfgang Ruttenstorfer, *1950
Terms of office: July 3, 1992 to January 27, 1997 and January 1, 2000 to March 31, 2011
As of March 31, 2011, he retired as Chairman of the Executive Board and Chief Executive Officer (January 1, 2002 to March 31, 2011).

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

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

David C. Davies, *1955
Term of office: April 1, 2002 to March 31, 2014
Chief Financial Officer (since April 1, 2002).
He became Deputy Chairman of the Executive Board after Wolfgang Ruttenstorfer's retirement on April 1, 2011.

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

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

Werner Auli, *1960
Term of office: January 1, 2007 to December 31, 2011
Responsible for Gas and Power (January 1, 2007 to December 31, 2011).

He joined OMV in 1987 after graduating from the Vienna University of Technology. From 2002 to 2004, he was managing director of EconGas GmbH. From 2004, he was managing director of OMV Gas GmbH, and since 2006 he was managing director of OMV Gas & Power GmbH. As of December 31, 2011, he retired as member of the Executive Board.

The Supervisory Board appointed Hans-Peter Floren as new Executive Board member responsible for Gas and Power effective as of March 1, 2012.

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

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

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

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

Working methods of the Executive Board

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

Remuneration report

Executive Board remuneration policy principles

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

Basic salary and short-term variable remuneration

The basic salaries of Executive Board members are based on the above principles. Targets (performance measures) are also agreed for each financial year. Where these are attained, a maximum of 150% of the base salary may be paid as variable remuneration in the following financial year. These targets are financial indicators (e.g. EBIT or gearing ratio) and non-financial performance measures (e.g. integration of acquisitions or reserve replacement rate), as well as strategic objectives. The achievement of targets shall be determined by comparing agreed indicators with actually achieved figures (see details in the below paragraph on long-term targets and incentives).

Long-term targets and incentives

Long Term Incentive Plan

The Long Term Incentive Plan (LTIP) for the period 2011 to 2016, as adopted by the Annual General Meeting in 2011, consists of the following elements: Participants must have invested an amount equal to 100% (Chairman of the Executive Board), 85% (Deputy Chairman of the Executive Board) or 70% (other Executive Board members) of their gross basic salaries in OMV shares in 2011 (shares deposited in order to participate in the earlier LTIPs count towards the 2011 LTIP) and hold them until March 31, 2016. The number of shares is calculated on the basis of the average OMV stock price in the first quarter of 2011.

The observation period for attainment of the financial and non-financial objectives is the 2011, 2012 and 2013 financial years. At the start of the program, target levels were established for key indicators (total shareholder return (TSR), economic value added (EVA) and earnings per share (EPS)) and weighted (30% for each indicator). The safety performance target is weighted at 10%. The achievement of targets shall be determined by comparing agreed indicators with actually achieved figures. If the targets are fully attained the Chairman will be allocated shares equal in value to 100%, the

Directors' remuneration

Executive Board remuneration [1]							EUR 1,000
2011	**Auli**	**Davies**	**Huijskes**	**Leitner**	**Roiss**	**Ruttenstorfer**	**Total**
Fixed	600	735	500	375	779	200	**3,188**
Variable	900	900	213	—	1,050	1,200	**4,263**
Benefits in kind (company car, accident insurance and reimbursed expenses)	8	10	8	6	8	2	**43**
Total	**1,508**	**1,645**	**721**	**381**	**1,837**	**1,402**	**7,493**
Fixed [2]/variable ratio	40/60	45/55	71/29	100/0	43/57	14/86	**43/57**
Options exercises	70	—	—	—	—	—	**70**

[1] There are discrepancies between individual items and totals due to rounding differences. The variable components relate to target attainment in 2010, for which the bonuses were paid in 2011, except for EUR 175,000, which relate to prepayments for 2011. There was an exercise of options under the 2004 stock option plan.
[2] Include benefits in kind.

Deputy Chairman shares equal to 85% and the other Executive Board members shares equal to 70% of their gross basic salaries in 2011. The number of shares is calculated on the basis of the average OMV stock price in the first quarter of 2011. The allocation will take place on March 31, 2014. Participants will be free to dispose of the allocated stock as they see fit, but will be obliged to hold an amount of shares equal to their original investment for another two years (up to March 31, 2016).

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

Stock Option Programs

Up to and including 2008, long-term incentives took the form of Stock Option Programs, which were on a par with those of companies of comparable size. These plans provided for a holding period of two years followed by an exercise period of five years. The size of the tranches of options that may be exercised is at plan members' discretion, provided that the conditions are met (attainment of the increase in the OMV share price set as a target when the plan was approved by the Annual General Meeting) and no blocking period is in force. Under the 2008 plan, an investment of one share confers options on 20 shares at a price to be established by the General Meeting. The options under the 2005–2008 plans have either not yet been exercised or have not been exercised in full. No further stock options were issued after 2008.

Pensions

Wolfgang Ruttenstorfer and Gerhard Roiss are entitled to defined-benefit pensions. The Company pays the contributions, calculated in accordance with discounted cash flow methods, into a pension fund. David Davies, Werner Auli, Jacobus Huijskes and Manfred Leitner are entitled to defined-contribution pensions. The Company pays the contributions into a pension fund. The 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 [1]	EUR 1,000
Auli	132
Davies	274
Huijskes	125
Leitner	98
Roiss	634
Ruttenstorfer	143
Total	**1,406**

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

Termination entitlements

Termination benefits

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

Termination entitlements [1]			EUR 1,000
2011	**Auli**	**Ruttenstorfer**	**Total**
Termination benefits and settlement payments	3,957	800	**4,757**
Payment in lieu of holiday	5	225	**230**
Total	**3,962**	**1,025**	**4,987**

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

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

There are no other termination entitlements.

Note 29 provides additional information on the Long Term Incentive Plan and the Stock Option Programs (valuation, outstanding options and exercise in previous years).

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

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

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

Shares	
Roiss	174,528
Ruttenstorfer (as of March 31, 2011)	45,035
Davies	29,222
Auli	20,490
Huijskes	12,136
Leitner	14,196

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 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 (approx. 95 people) are eligible for membership of the Long Term Incentive Plan. They are also eligible for bonus agreements, as discussed below.

In 2011, a total of some 3,200 managers and experts participated in a graduated Management by Objectives (MbO) program entitling them to bonuses for fulfilling objectives. There are also bonuses for other employees, which vary from country to country. Employee representatives are involved in designing these incentive schemes.

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

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

Supervisory Board
In 2011, the membership of the OMV Supervisory Board, and seats held by members on other supervisory boards (domestic and foreign listed companies), disclosed in compliance with rule C 58 ACCG, were as follows:

Peter Michaelis
(Managing Director, ÖIAG, until June 30, 2011), Chairman (until May 17, 2011); seats: Österreichische Post AG (Chairman, until April 28, 2011) and Telekom Austria AG (Chairman, until May 19, 2011).

Markus Beyrer
(Managing Director, ÖIAG, since July 1, 2011), Chairman (since May 17, 2011); seats: Österreichische Post AG (Chairman, since April 28, 2011) and Telekom Austria AG (Chairman, since May 19, 2011).

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

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

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

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

Helmut Draxler
Seats: RHI AG.

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

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

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

Norbert Zimmermann
Seats: Schoeller Bleckmann Oilfield Equipment AG (Chairman), Bene AG (Chairman, until June 9, 2011) and Oberbank AG.

Delegated by the Group works council (employee representatives):
Leopold Abraham, Wolfgang Baumann, Franz Kaba, Ferdinand Nemesch, Markus Simonovsky (until May 3, 2011), Martin Rossmann (since May 4, 2011).

Diversity

Selection of the members of the Supervisory Board

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

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

All of the members elected by the Annual General Meeting except Helmut Draxler and Herbert Werner, regarding the duration of their terms, have declared their independence from the Company and its Executive Board during the 2011 financial year and up to the time of making such declarations (rule C 53 ACCG). Under rule C 54 ACCG, Elif Bilgi-Zapparoli, Wolfgang Berndt, Helmut Draxler, Wolfram Littich, Herbert Stepic, Herbert Werner and Norbert Zimmermann have made declarations to the effect that they had no connections with any major shareholders during the 2011 financial year and up to the time of making such declarations.

Functions of the Supervisory Board and its Committees

Working methods of the Supervisory Board

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

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

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

Presidential and Nomination Committee

Empowered to take decisions on matters of urgency. The Supervisory Board may transfer other duties and powers of approval to the Presidential and Nomination Committee on an ad hoc or permanent basis. In its capacity as the Nomination Committee, this body makes proposals to the Supervisory Board for the appointment or replacement of Executive Board members and deals with succession planning. It also makes recommendations to the General Meeting for appointments to the Supervisory Board. There were five meetings of the Presidential and Nomination Committee during the year. The main focus was on financing issues, succession planning and the search for a successor to the Executive Board member responsible for Gas and Power.

Audit Committee

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

Auditors

Attention must be paid to auditor independence, and this involves comparing the audit fee with other fee income. In 2011, the auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (including their network in the meaning of section 271b Code of Commerce) received EUR 2.08 mn for the annual audit, EUR 0.53 mn for other assurance services and EUR 0.58 mn for other engagements.

Project Committee

Helps the Executive Board to prepare for complex decisions on key issues where necessary, and reports on these decisions and any recommendations to the Supervisory Board. The Project Committee met twice during the year, devoting most of its time to discussing the new Gas and Power Trading structure and electronic trading systems.

Remuneration Committee

Deals with all aspects of the remuneration of Executive Board members and with their employment contracts. The committee's membership does not include employee representatives. The committee is empowered to conclude, amend and terminate 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 committee met four times during the year, focusing on bonuses and related objectives, as well as benchmarking of variable remuneration systems of the Executive Board and issues related to the retirement and appointment of the Executive Board member responsible for Gas and Power.

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

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

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

Remuneration

In accordance with the articles of incorporation, the Annual General Meeting (AGM) resolves the remuneration of the elected members of the Supervisory Board for the previous financial year. The 2011 AGM adopted the following remuneration scale for the 2010 financial year:

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

The amounts, for the 2010 financial year, were disbursed to the Supervisory Board members concerned in 2011; these were exclusive of expenses (travel and attendance expenses).

The total expenditure incurred by the Supervisory Board in 2011 was EUR 596,582. Of this, members' remuneration (for the 2010 financial year) accounted for EUR 365,612, attendance expenses for EUR 58,619, travel expenses for EUR 90,081, and conference equipment, organization and translation for EUR 82,270.

Employee participation

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

Remuneration of the members of the Supervisory Board

Name (year of birth)	Position/committee membership [1]	Remuneration (in EUR)	Term of office [1]
Peter Michaelis (1946) [2]	(Chairman; Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.)	77,200	May 23, 2001 to 2011 AGM
Markus Beyrer (1965)	Chairman; Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	—	May 17, 2011 to 2014 AGM
Rainer Wieltsch (1944)	(Deputy Chairman; Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.)	23,796	May 24, 2002 to 2010 AGM
Wolfgang Berndt (1942)	Deputy Chairman; Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	37,310	May 26, 2010 to 2014 AGM
Khadem Al Qubaisi (1971)	Deputy Chairman; Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	37,310	May 26, 2010 to 2014 AGM
Alyazia Al Kuwaiti (1975)	Pres. Com. and Proj. Com.; (Deputy Chairwoman; Deputy Chairwoman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com. until 2010 AGM)	42,240	May 14, 2008 to 2014 AGM
Elif Bilgi-Zapparoli (1967)		14,600	May 13, 2009 to 2014 AGM
Helmut Draxler (1950)	Audit Com.	22,600	Oct. 16, 1990 to 2014 AGM
Mohamed Al Khaja (1980)	Pres. Com. and Proj. Com.	12,156	May 14, 2008 to 2010 AGM
Wolfram Littich (1959)	Proj. Com. and Audit Com.	30,600	May 23, 2001 to 2014 AGM
Herbert Stepic (1946)		14,600	May 18, 2004 to 2014 AGM
Herbert Werner (1948)	Audit Com.	22,600	June 4, 1996 to 2014 AGM
Norbert Zimmermann (1947)	Proj. Com. and Remun. Com.	30,600	May 23, 2001 to 2014 AGM
Leopold Abraham (1947)	Pres. Com., Proj. Com. and Audit Com.	—	Delegation by the Group works council is for an indefinite period; however, the employee representatives may be recalled at any time.
Wolfgang Baumann (1958)	Pres. Com. and Audit Com.	—	
Franz Kaba (1953)	Proj. Com.	—	
Ferdinand Nemesch (1951)	Proj. Com. and Audit Com.	—	
Markus Simonovsky (1973)		—	Until May 3, 2011
Martin Rossmann (1970)		—	Since May 4, 2011

[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 his employment contract as member of the ÖIAG Managing Board, Peter Michaelis transferred his remuneration to ÖIAG.

Rights of minority shareholders

Rights of minority shareholders

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

Women's advancement

- The Company is committed to supporting women's promotion to management positions. While there are no female members of the Executive Board of OMV Aktiengesellschaft, Mariana Gheorghe is the Chairwoman of the Executive Board of OMV Petrom SA – the largest Group company – and Gülsüm Azeri has been appointed CEO of Petrol Ofisi as of July 1, 2011. There are two female elected members of the OMV Aktiengesellschaft Supervisory Board; this corresponds to 20% of the elected membership.
- Women hold 12% of the Senior Vice Presidents positions. The proportion of women in the Group as a whole is about 23%. As a business with a strong technical bias it is a significant challenge for OMV to achieve satisfactory gender ratios in all areas of operations. The recruitment ratios in non-technical areas are well balanced.
- In 2010, the Executive Board approved the new diversity strategy. The long-term objective is to achieve a diversity mix at senior management level of 30% female and 50% international employees by 2020.

Vienna, March 20, 2012

The Executive Board

Gerhard Roiss

David C. Davies

Hans-Peter Floren

Jacobus Gerardus 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 as well as potential mitigation actions, value management is closely linked to risk management.

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 – to what extent do strategies and investment projects contribute to enhancing corporate value?
- How well does OMV make use of its profit potential created by implementing strategies and investment projects?
- How do OMV shareholders participate in the value created?

Profitability as key parameter for strategy implementation

At the OMV corporate level, market capitalization and enterprise value are examples of medium- to long-term value creation-related metrics. The short-term financial success derived from implementing strategies and investment projects is measured using various best-practice profitability KPIs, of which the return on average capital employed (ROACE) is used as one of the most important metrics. Shareholder participation in value creation is measured using metrics such as payout ratio or total shareholder return. Being an integrated oil and gas company, managing value is closely related to capital budgeting decisions. 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. The latter were defined in line with the new strategy "Profitable Growth", which was presented in September 2011. In addition, investment projects are ranked by the profitability index (NPV/CAPEX) to maximize OMV's potential for value creation. 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. Both in implementing investment projects and in running current operations, cost management plays a vital role in achieving the target of 13% ROACE over the course of the business cycle. 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. OMV puts special emphasis on maintaining its investment grade credit rating by managing both the financing structure and working capital. As part of the new strategy, OMV announced a performance improvement program to increase ROACE by 2% points by 2014. In addition to measures, which are already defined and being implemented (e.g. modernize Petrobrazi refinery, improve production costs), measures to further reduce costs, enhance recovery rates, improve Petrol Ofisi's performance and optimize working capital are being prepared until Q3/12. OMV's strategy and its successful implementation, guided by the principles of value management, are expected to offer attractive long-term return potential for investors.

Ratios						%
	Targets [1]	**2011**	2010	2009	2008	2007
Return on average capital employed (ROACE)	13	**11**	10	6	12	16
Gearing ratio	≤30	**34**	46	33	37	24
Payout ratio	30	**32** [2]	32	52	22	24

[1] Targets based on mid-cycle assumptions.
[2] Based on a dividend at the amount of EUR 1.10 per share as proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2012.

OMV shares and bonds

OMV successfully placed a capital increase, a hybrid bond and a Eurobond on the capital markets in 2011, which confirmed the trust of the financial community in OMV. The share price, however, was impacted by the political unrest in North Africa and the Middle East as well as the financial turbulences in the Eurozone and closed at EUR 23.44 at year-end.

OMV share follows international downturn

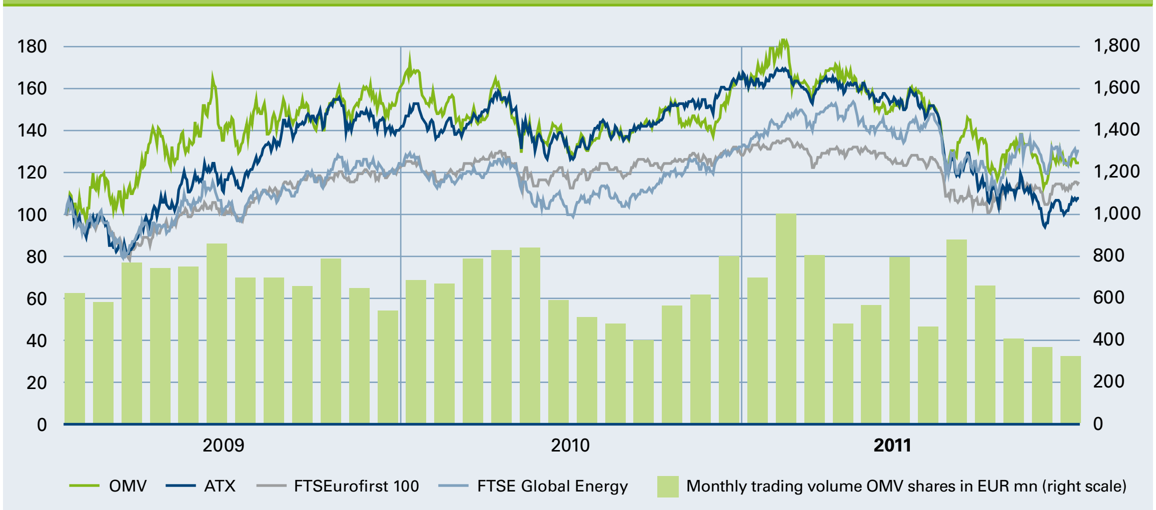
Financial year 2011: Continuous uncertainty due to sovereign debt crises and political unrests

World stock markets recorded a very volatile development in 2011. The sovereign debt crisis in the Eurozone, the uncertainty over future economic development and the political unrest in North Africa and the Middle East were the dominant factors behind these developments. The FTSE Global Energy Index, comprising the world's largest oil and gas companies, decreased by 1% in 2011. All major European indices fell, whereas the Dow Jones index advanced somewhat (DAX -15%; FTSEurofirst 100 -10%; Dow Jones +6%). The Vienna Stock Exchange underperformed the European trend and the Austrian blue-chip index (ATX) dropped by 35% in 2011.

OMV share price performance and volume

After starting the year at EUR 31.10, the oil price increase, driven by political unrest in North Africa and the Middle East, pushed the stock price in February to the year high of EUR 34.69 followed by a drop below EUR 30.00 due to the production interruptions in Libya and Yemen. In line with domestic and international trends, which were characterized by overall uncertainty due to the sovereign debt crisis in the Eurozone and ongoing political instability of countries in North Africa and the Middle East, the share price then developed negatively and reached the year's low of EUR 21.24 on November 22. The slight market recovery towards the end of the year supported a marginal share price rebound and the OMV share closed at EUR 23.44 at year-end. Taking into account the EUR 1.00 per share dividend paid on May 24, OMV shareholders experienced a 21% decrease in value in 2011. The market capitalization was approx. EUR 8 bn at year-end. The total capitalization of all Austrian shares listed on the Vienna Stock Exchange fell by 30% to EUR 63 bn. The tense market climate and an increasing shift from exchange to OTC (Over-The-Counter) and MTF (Multilateral-Trading-Facilities) trading led to a decrease in share turnover at the Vienna Stock Exchange, and volume fell by 18% to EUR 60 bn. The volume of OMV stock traded decreased by 6% to EUR 7.3 bn. OMV accounted for 12% of total stock turnover at the Vienna Stock Exchange.

Share price development (rebased to 100)



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

Decisions taken at the Annual General Meeting

The main items dealt with at the Annual General Meeting (AGM) on May 17, 2011 were the approval of a dividend of EUR 1.00 per share for 2010, the authorization for the share buy-back, the approval of the 2011 Long Term Incentive Plan, which is a long-term compensation plan for the Executive Board and other selected senior executives aimed at promoting medium- and long-term growth in value, and the election of members of the Supervisory Board.

Employee stock ownership plan launched in fall 2011

As in previous years, an employee stock ownership plan launched in the fall of 2011 entitled employees to one free share for every three purchased, subject to a two-year holding period. At year-end 2011, OMV held a total of 1,198,875 own shares, or 0.37% of issued share capital. The number of shares in circulation was thus 326,073,852. The capital stock of OMV Aktiengesellschaft is EUR 327,272,727 and consists of 327,272,727 no par value bearer shares.

The Executive Board will be proposing a dividend of EUR 1.10 per share at the next Annual General Meeting on May 10, 2012. This is an increase of 10% compared to the previous year and represents an attractive payout ratio of 32%. The dividend yield, based on the closing price on the last trading day of 2011, will amount to approximately 4.69%.

Credit ratings

OMV retained its credit ratings by international rating agencies (A3 from Moody's and A- from Fitch) in 2011. The OMV Group's strong creditworthiness is also underscored by the stable outlook assessment given by both Moody's and Fitch.

Capital increase and hybrid bond issuance

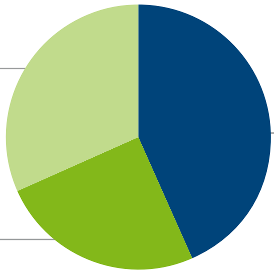
A capital increase was successfully completed with the placement of 27,272,727 shares, or 9.09% of OMV's share capital, at a subscription price of EUR 27.50 on June 6, 2011. Existing shareholders have strongly supported the capital increase with a take-up of approx. 65% of their subscription rights. A hybrid bond issuance was also successfully placed on the market with an issue size set at EUR 750 mn on May 25, 2011. The hybrid bond achieved 50% equity credit from both Moody's and Fitch. Under IFRS, the hybrid bond is treated as 100% equity.

Bonds

In October 2011, OMV placed a further EUR 500 mn bond issue with a maturity of ten years under the Euro Medium Term Note (EMTN) program.

Shareholder structure

The International Petroleum Investment Company (IPIC) informed OMV in October that it had increased its shareholding to 24.9% and therefore the shareholder structure at year-end comprised: 43.6% free float, 31.5% ÖIAG (representing the Austrian government), and 24.9% IPIC. 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.



OMV Capital Markets Day

In September 2011, OMV invited analysts and institutional investors to an event in Istanbul during which the OMV Executive Board presented the updated strategy of the Group. All the presentations given at the Capital Markets Day are posted on our website under www.omv.com > Investor Relations > Events.

Investor Relations activities

During the year 2011, the Executive Board and the Investor Relations team maintained and deepened relationships with analysts and investors at numerous roadshows and conferences in Europe and the US. In the course of the capital increase and hybrid bond transaction, some 160 potential investors in eight cities were met within two weeks in May and June. In total, some 230 one-on-one meetings and presentations were held in 2011, attracting around 800 individual fund managers and buy-side analysts. Executive Board members devoted around 300 hours to face-to-face conversations with investors and analysts. In the interests of transparency and timeliness, all important information and news for analysts and investors are posted on the corporate website at www.omv.com.

Up-to-date information in the internet

Financial Calendar	Date [1]
Trading Statement Q4 2011	February 3, 2012
Results January–December and Q4 2011	February 22, 2012
Publication of the Annual Report 2011	March 2012
Trading Statement Q1 2012	April 24, 2012
Record date for the AGM	April 30, 2012
Results January–March 2012	May 9, 2012
Ordinary Annual General Meeting (AGM)	May 10, 2012
Dividend ex date	May 15, 2012
Dividend payment date	May 16, 2012
Trading Statement Q2 2012	July 20, 2012
Results January–June and Q2 2012	August 8, 2012
Trading Statement Q3 2012	October 19, 2012
Results January–September and Q3 2012	November 7, 2012

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

Contact details: Investor Relations

Lăcrămioara Diaconu
OMV Aktiengesellschaft
Trabrennstrasse 6-8, 1020 Vienna
Tel: +43 1 40440-21600
Fax: +43 1 40440-621600
E-mail: investor.relations@omv.com

At a glance					in EUR
	2011	2010	2009	2008	2007
Number of outstanding shares in mn [1]	326.07	298.80	298.78	298.75	298.73
Market capitalization in EUR bn [1]	7.64	9.29	9.17	5.59	16.56
Volume traded on the Vienna Stock Exchange in EUR bn	7.34	7.78	8.36	15.68	19.84
Year's high	34.69	32.63	31.00	57.80	55.42
Year's low	21.24	24.12	18.02	16.70	39.10
Year end [1]	23.44	31.10	30.70	18.72	55.42
Earnings per share	3.38	3.08	1.91	4.60	5.29
Book value per share [1]	33.64	30.39	27.10	24.77	27.24
Cash flow [2] per share	8.00	9.66	6.18	10.76	6.92
Dividend per share	1.10 [3]	1.00	1.00	1.00	1.25
Payout ratio in %	32	32	52	22	24
Dividend yield in % [1]	4.69	3.22	3.26	5.34	2.26
Total shareholder return in % [4]	(21)	5	69	(64)	31

[1] As of December 31.
[2] Net cash provided by operating activities.
[3] As proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2012.
[4] Assuming no reinvestment of dividends.

Business environment

Moderate real global economic growth

In 2011, real **global economic** growth decreased to 3.8%. While developing and emerging economies bucked the overall trend with growth of 6.2%, gross domestic product (GDP) growth in the OECD countries halved, to 1.6%. This downturn in the OECD was triggered by several factors. In the US and a growing number of Eurozone countries, the economic climate was clouded by high sovereign debt levels and the ongoing political negotiations aimed at containing the debt crisis in the Eurozone. In the US, economic growth slowed to 1.8%, while the Eurozone lagged slightly behind with GDP gains of 1.6%.

Economic imbalances in the **Eurozone** were met with increasing skepticism by financial markets, which in turn cast doubt on their ability to find a lasting solution to the debt crisis. Several economic aid programs, expansion of the bailout packages, and the introduction of more stringent budget regulations were not sufficient to prevent downgrades by the rating agencies. Eurozone growth was driven by exports (up 6%) and investment. There were only slight increases in private consumption, public sector spending stagnated.

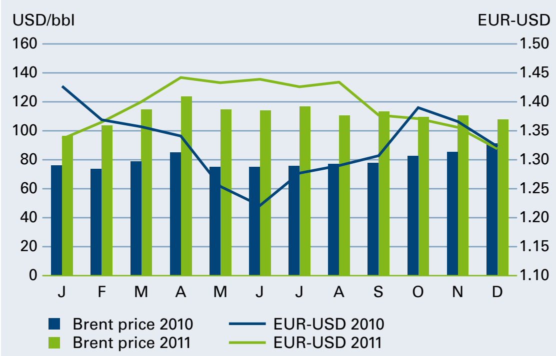
In **Germany,** the 3% growth in GDP was mainly due to strong export demand (up 8%) and buoyant investment activities (up 7%). **Austria** registered real economic growth of 3.1%. Here, too, flourishing exports (up 7%) and investment activities (up 11%) were the key drivers. Consumer spending growth was 0.8% for private households against a moderate 1.5% rise in public sector spending. Economic growth for the new **EU member states** averaged 3.2%, and rates for each country ranged from 0 to 8%.

Romania emerged from a two-year recession and a period of intense consolidation with GDP growth of some 2.5% mainly due to export gains of 20% and the agricultural sector performance. Foreign investment and public sector spending both declined. Private consumption grew only slightly owing to wage reductions and a 5% points increase in the rate of value added tax.

Turkey followed on from the 9% surge in GDP in 2010, with yet another strong advance of 8.4% in 2011. The country reported significant growth trends across the board. Investment soared by more than 20%, and private consumption as well as exports with +9% respectively outperformed GDP growth.

Global oil demand improved only moderately by 0.8 mn bbl/d or 0.9% in 2011 (vs. 3.2% in 2010), to reach 89.1 mn bbl/d. Demand from non-OECD countries increased by 1.3 mn bbl/d (up 3.0%) compared with a decline in the OECD of 0.6 mn bbl/d (down 1.3%). The increase of global **oil production** by 1.2 mn bbl/d or 1.4% outstripped the rise in demand. Nevertheless, a gap of 0.6 mn bbl/d was plugged by drawing down inventories. Total output was 88.5 mn bbl/d, with OPEC countries accounting for 30.0 mn bbl/d of crude and 5.8 mn bbl/d of NGL.

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



[1] Monthly averages

Oil prices were affected by supply bottlenecks, market interventions and economic uncertainties throughout 2011. In mid-April, the price of Brent Blend reached the year's high of USD 126.6/bbl. Due to the failure of an OPEC conference in June to reach agreement on increasing production volumes, the IEA released strategic oil inventories of 60 mn bbl. The twin effects of this market intervention and the gloomy overall economic outlook succeeded in temporarily stemming price increases. Towards the end of the year, increasing tensions surrounding Iran's nuclear program pushed prices up again. The average price in 2011 was USD 111.26/bbl, up 40% on the USD 79.50/bbl vs. 2010. On the Rotterdam product market, the prices of the main products on a EUR basis were up by 28–33% year-on-year.

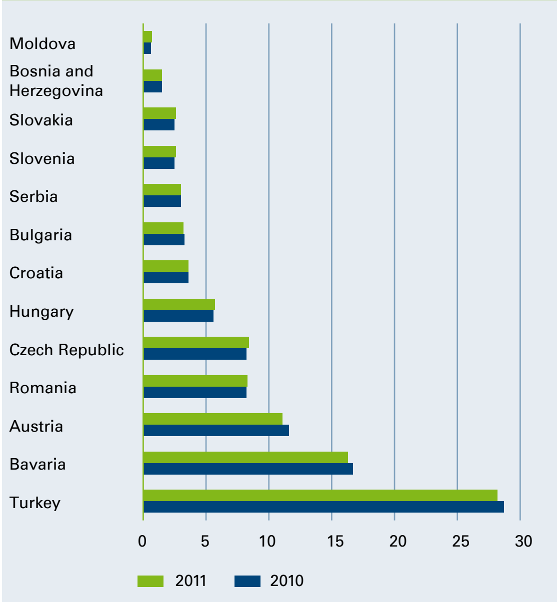
The **EUR/USD exchange rate** averaged USD 1.39 in 2011 (vs. EUR 1.33 in 2010). The USD lost ground against the EUR (5%), although the trend went into reverse in H2/11.

Available market statistics point to a decrease of about 1% in **Austrian primary energy consumption.** The mild and relatively dry weather conditions led to a 7% decline in demand for space heating and a 10% drop in hydroelectric output. Owing to a 8% decline in thermal generation, the stagnating demand for power had to be met by a significant increase in electricity imports. Natural gas consumption, which had climbed to a record high of 9.6 bcm in 2010, dipped by 6% to 9.0 bcm. Thermal power stations consumed 17% less gas as low CO_2 prices left coal use more competitive. Domestic natural gas output slipped by 2% to 1.7 bcm, while net imports surged. The increased imports were attributable to injections into storage. As of December 31, 2011, Austria held a total of about 5 bcm gas in storage (up 65% or 2 bcm vs. 2010).

Petroleum product sales in markets served by OMV (CEE, SEE and Turkey) were down by approx. 1% to some 95 mn t in 2011. Gasoline sales fell by 3%, but diesel sales climbed by 2%, and sales of aviation fuel soared by some 6%. Light heating oil deliveries plunged 11% and those of heavy fuel oil by some 14% vs. 2010. **Austria** reported a decline of 5% to 11.1 mn t. The enforcement of the petroleum tax increase on January 1, 2011 led to a drop in demand for fuel (primarily due to a decline in "petrol tourism"), with gasoline and diesel both down 2%. Demand for extra light heating oil slipped 11% year-on-year due to the mild winter and a drop-off in purchases earmarked for storage owing to higher prices. Demand for light heating oil and heavy fuel oil was down by about a third. In **Romania** volumes were up by almost 2% to 5.8 mn t. The fuel market was characterized by a sharp decline in demand for gasoline (down 9%) and a 7% surge in diesel demand. The heating oil market collapsed, with demand down by 36%. In **Turkey,** a 9% decline in gasoline sales was partially offset by a moderate 2% rise in sales of diesel. A 3% dip in sales of heating oil reflected lower demand. Cumulative total sales figures for the Turkish market point towards growth of about 1%.

The Western European **polyolefin** market cooled and prices slipped owing to a deteriorating economic climate following lively demand in the first few months of the year. There were only modest changes in both polyethylene and polypropylene volumes in 2011. Cracker capacity utilization slipped back to just over 80%.

Consumption of oil products in mn t



Slight decrease in petroleum product sales

In focus: Better performance by strengthening growth areas

Business segments

Exploration and Production

The Exploration and Production (E&P) segment was impacted to a high degree by external influences. The Arab Spring caused outages in the operations in the Middle East and North Africa and, subsequently, lowered total production by approximately 9% as compared to the levels of previous years. In turn, the result was positively influenced by high oil prices. Two major corporate acquisitions in Tunisia and Pakistan were closed and integration of activities kicked off. Three significant exploration successes in Australia, Romania and the Kurdistan Region of Iraq made 2011 a successful exploration year.

Health, Safety, Security and Environment (HSSE) is first priority

Despite a positive trend over the recent years, E&P unfortunately reported two fatalities during 2011. The Lost-Time Injury Rate (LTIR) was slightly improved compared to the previous year. The overall HSSE focus has been increased in 2011 and we will further work on enhancing our HSSE performance.

EBIT increased by 15%, CAPEX by 65%

Good results in a difficult environment

EBIT increased by 15% to EUR 2,084 mn (thereof Petrom: EUR 1,235 mn) mainly due to high oil and gas prices and a good underlying operational performance. The Group's average realized oil price in USD went up by 31% and the average realized gas price in EUR by 11%. By investing EUR 2,066 mn, E&P increased its investments compared to 2010 (EUR 1,252 mn) by 65%. This amount includes significant funds for the corporate acquisitions in Tunisia and Pakistan. A significant part of the remainder was spent in Romania. Special items were mainly related to the write-off of Kultuk (Kazakhstan) in Q2/11 and a write-down provision for a warehouse outsourcing project in Romania in Q4/11. Excluding special items, clean EBIT increased by 2% to EUR 2,147 mn (thereof Petrom: EUR 1,281 mn).

Production was heavily burdened by the Arab Spring, which caused outages in the operations in North Africa and the Middle East. Total hydrocarbon production decreased by 9% to 105.0 mn boe (thereof Petrom: 67.8 mn boe). This corresponds to an average production of 288 kboe/d (thereof Petrom: 186 kboe/d). In Libya, no production was reported for eight months. In November, production was restarted and by year-end reached 50% of the pre-crisis level. In Yemen, OMV also experienced outages for several months, with no production at year-end. Despite losses caused by external influences, the underlying production performance was good. In Romania, production was successfully stabilized at 174 kboe/d hence a 0% decline rate was reported. **Production costs** per boe excluding royalties increased by 11% to USD 14.3 (2010: USD 12.8). This increase is mainly due to lower production volumes and unfavorable foreign exchange rates.

Successful exploration year

In 2011, OMV drilled 38 exploration and 7 appraisal wells, including 8 wells spudded, which will be completed in 2012. The success ratio of the exploration wells climbed to 61% from 27% in 2010. The three most important discoveries were the Zola-1 well offshore Australia, the Totea deep gas discovery onshore Romania and the Bina Bawi-3 well in the Kurdistan Region of Iraq. In 2011, a new exploration strategy was developed and its implementation was started to enable the company to find further growth areas over and above OMV's today's footprint.

Proved hydrocarbon reserves as of December 31, 2011 were 1,133 mn boe (thereof Petrom:

At a glance

	2011	2010	Δ
Segment sales in EUR mn	4,960	4,666	6%
Earnings before interest and taxes (EBIT) in EUR mn	2,084	1,816	15%
Capital expenditure in EUR mn	2,066 [1]	1,252	65%
Production in mn boe	105.0	115.9	(9)%
Proved reserves as of December 31 in mn boe	1,133	1,153	(2)%

[1] Includes acquisitions in Tunisia and Pakistan.

812 mn boe) and proved and probable oil and gas reserves amounted to 1,703 mn boe (thereof Petrom: 1,126 mn boe). The 2011 single-year reserve replacement rate (RRR) is 81%. Due to the drop out of a particularly strong year, the three-year average RRR stood at 78% in 2011 (2010: 82%). In Romania and Austria, the three-year average RRR remained unchanged at 66% (2010: 66%). In the international business, the three-year average RRR remained above 100% at 107% (2010: 119%), which includes reserves from recent acquisitions in Tunisia and Pakistan.

OMV's core countries Romania and Austria

In **Romania**, production was successfully stabilized at 174 kboe/d in 2011 due to several focused production optimization initiatives resulting i.e. in strong workover performance and reduced well intervention jobs, as well as due to the production start of several key development wells. The reserve replacement rate was maintained at 70% for the fourth consecutive year. In 2011, the field redevelopment program made significant progress and additional oil and gas field redevelopment projects were initiated. The discovery of natural gas in deep layers in Totea has been the potentially largest onshore exploration success in Romania since the acquisition of Petrom in 2004 and was brought on stream within only four months. The potential high impact exploration well Domino-1 in the offshore block Neptun was technically matured and spudded in December 2011 as Romania's first deepwater offshore well. Another key step towards efficiently mastering future challenges was the successful integration of the E&P Services division into Petrom E&P.

Austria produced at an average rate of 38.3 kboe/d in 2011 (2010: 42.1 kboe/d) which is also a stable performance vs. 2010 when corrected for a planned shutdown which lasted for several weeks. In the Matzen field, the start-up of the revamped Auersthal tank farm was completed and new central production facilities started operations. A technology pilot project injected polymer into the 8th Torton Horizon to increase reservoir sweep efficiency. Technological insight about the success of the technique will be gained in 2012. In 2011, three field redevelopment projects were kicked off and a 325 km² 3D seismic acquisition in the Mistelbach area was launched. A dedicated unconventionals team was assembled to set the course for assessing the shale gas potential in Austria.

OMV's international portfolio

In **Pakistan**, the acquisition of the entire share capital of Petronas' E&P operating entity was closed in July. The new assets immediately contributed approx. 1 kboe/d to production. The acquisition also comprised a progressing field development project (Mehar) and exploration upside. Total production in 2011 increased to 14.6 kboe/d (2010: 14.0 kboe/d). In August, the Pakistani branch office celebrated 10 mn working hours without a lost-time injury.

In **Yemen**, political turmoil forced OMV to intermit the Habban development activities in the field and to evacuate all expat personnel. After sabotage attacks the export pipeline remained out of commission at year-end. A resumption of field activities cannot yet be scheduled and will take place only if the security situation allows. The resulting production rate net to OMV was 2.6 kboe/d in 2011 (2010: 6.6 kboe/d).

Successful exploration well Bina Bawi-3

In the **Kurdistan Region of Iraq**, the Bina Bawi-3 exploration well discovered hydrocarbons. Appraisal is planned to start in 2012. The exploration well in the Mala Omar block was spudded in late 2011. The results of the drilled exploration wells in the remaining blocks are being assessed. Pearl Petroleum Company Limited, of which OMV holds a 10% interest (equity consolidated), started LPG production early 2011 and further increased gross production in the Khor Mor field to 53.8 kboe/d in 2011.

In **Kazakhstan**, after a 58% production increase in 2010, production could again be significantly increased to 12.0 kboe/d (2010: 9.9 kboe/d). After the 3D seismic interpretation, the Kultuk exploration license was sold and written off.

New assets contributed approx. 5 kboe/d to production

In **Tunisia**, OMV closed the purchase of Pioneer's E&P business in February. Besides the ongoing Cherouq development and exploration upside, the acquisition added approx. 5 kboe/d of production for the remainder of the year. In April, the Durra production concession was granted, where two new wells came on stream. In October, the buy-out of a minority shareholder in two licenses acquired earlier this year was closed. Though minor disruptions occurred due to the Arab Spring, production increased to 10.1 kboe/d (2010: 6.5 kboe/d).

In **Libya**, production ceased at the beginning of March. In November, production was restarted and by year-end reached 50% of the pre-crisis level. This resulted in an average production of 7.1 kbbl/d in 2011 (2010: 32.8 kbbl/d). After evacuating all expat staff at the beginning of the crisis due to the security situation, the Tripoli office was reopened mid November. The security situation continues to be monitored closely.

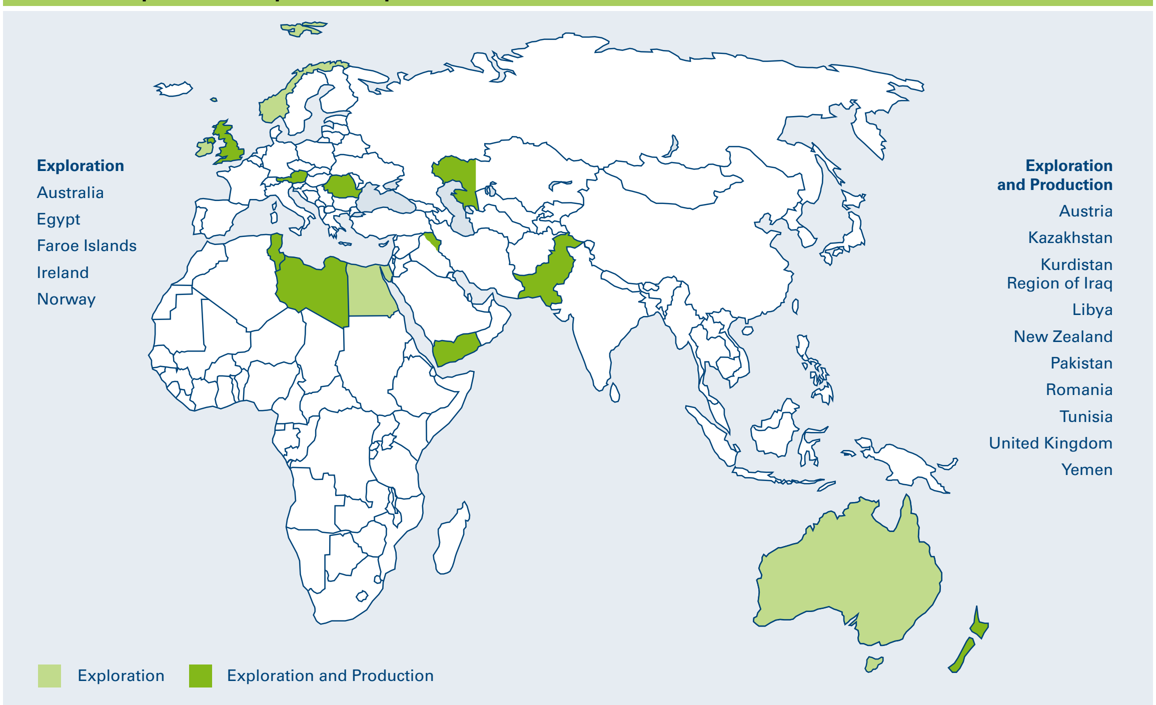
In **Egypt**, OMV relinquished the exploration block Obaiyed after thorough assessment and is further evaluating new growth opportunities.

In the **United Kingdom**, OMV produced 6.6 kboe/d (2010: 7.2 kboe/d). In the West of Shetland area, OMV and its partners agreed to sanction a major redevelopment of the Schiehallion oil field. The discoveries in the fields Rosebank, Cambo and Tornado are being further appraised and matured to development projects. OMV UK also holds exploration licenses in **Ireland** and the **Faroe Islands.**

In **Norway**, OMV steadily increased its exploration acreage to 13 licenses, thereof seven operated. The passing of the regulator audit in early 2011 enabled E&P to drill the first OMV operated offshore well in Norway, which turned out to be a non-commercial discovery. In December, OMV closed the acquisition of a 20% stake in the Zidane discovery.

In **New Zealand**, operational difficulties in the Maari operations and lower gas nominations in Maui and Pohokura prevented production from reaching the levels of previous years (2011: 22.0 kboe/d vs. 2010: 24.7 kboe/d). OMV has successfully farmed out 50% of its position in two Great South Basin licenses to Shell.

Worldwide exploration and production portfolio



In **Australia**, offshore the Northwest coast, E&P had one of its most significant gas discoveries (Zola) and appraisal activities are being planned. Further exploration opportunities are being assessed.

Outlook for 2012

In 2012, HSSE remains OMV E&P's first priority and we will continue to strive for zero fatalities and to reduce the LTI frequency further. E&P will focus on continuing the successful stabilization of production from the mature core assets in Romania and Austria. The negative external influences in Libya and Yemen in 2011 are not expected to be as significant and should enable us to raise overall production volumes over the year. Within the framework of the group-wide performance improvement program, our efforts on operational excellence and capital efficiency in 2012 and onwards will help to drive overall profitability. In the core countries **Romania and Austria**, E&P will build on the successes of 2011 and continue to drive a number of production optimization initiatives to stabilize production and further progress redevelopment projects to ensure production stability. In Romania, key growth activities in 2012 will be the drilling of the deep offshore Domino prospect and the progressing of the appraisal of the Totea field. In the **international portfolio**, OMV will seek to bring Libyan production back to pre-crisis level and beyond. In Yemen security situation remains uncertain. Re-launching production will take longer and will only be approached if this can be achieved safely and sustainably. Across the whole portfolio, E&P will invest somewhat more on exploration than in 2011 focusing on bigger, high impact exploration targets. Triggered by the record 61% exploration success rate in 2011, appraisal expenditure will be increased in 2012, aiming at an accelerated maturation of discoveries. In 2012, OMV aims to drill around 30 exploration and appraisal wells. Furthermore, acquisition targets in the Middle East, Caspian and Africa regions will be screened and potential new country entries prepared.

Focus on bigger, high impact exploration targets

Production in 2011

	Oil and NGL	Natural gas[1]		Total
	in mn bbl	in bcf	in mn boe	in mn boe
Romania[2]	29.3	184.1	34.1	63.4
Austria	5.8	49.2	8.2	14.0
Middle East and Caspian[2,3]	4.7	35.4	5.9	10.6
North Africa and Offshore[4]	12.4	27.6	4.6	17.0
Total	**52.2**	**296.4**	**52.8**	**105.0**

Proved reserves as of Dec. 31, 2011

	Oil and NGL	Natural gas[1]		Total
	in mn bbl	in bcf	in mn boe	in mn boe
Romania[2]	394.9	2,112.9	391.3	786.1
Austria	46.7	382.0	63.7	110.4
Middle East and Caspian[2,3]	35.6	118.5	19.7	55.4
North Africa and Offshore[4]	150.8	183.1	30.6	181.3
Total	**627.9**	**2,796.5**	**505.3**	**1,133.2**

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

Gas and Power

The Gas and Power (G&P) segment successfully continued the expansion of sales and trading activities and strengthened the integrated gas position in its markets: The gas logistics business prepared for future needs by developing additional transport capacities, and also made further progress with the Nabucco gas pipeline project. The supply, marketing and trading business continued the expansion of its international activities and started with its trading activities. In the power business, after starting commercial operations at the wind park Dorobantu (Romania) in October 2011, the construction of the gas-fired power plant in Brazi (Romania) was successfully finalized. The project in Brazi entered the final stages of the testing process and is expected to start full commercial operation in H2/12. The construction work on the gas-fired power plant in Samsun (Turkey) continued and it is expected to be commercially operational by H1/13. On the earnings side, G&P reached an EBIT of EUR 238 mn, a decrease of 14% vs. 2010 (EUR 277 mn) due to high margin pressure in 2011, even though gas sales increased by 35% to 24.3 bcm.

Natural gas sales volumes +35%

The gas logistics business recorded a strong contribution, which was based on higher transportation volumes sold. This was primarily due to the start-up of a new compressor station on the Penta West gas pipeline and a new section on the West-Austria-Gas (WAG) pipeline system, both in Q2/11. The supply, marketing and trading business experienced a very challenging environment, be it from the regulatory side in Romania or from market environment. Strong pressure on margins, caused by spot prices remaining at a low level during the whole year, was mitigated by the re-negotiated long-term gas supply contracts, the increase of gas sales and portfolio optimization activities at international gas hubs. In Turkey, gas supply quantities were successfully sold in a difficult market environment. The closure activities of the fertilizer plant Doljchim (Romania) continued according to plan. Further progress was made with the dismantling and decontamination of the plant in compliance with European environmental and safety standards.

Gas logistics

Nabucco gas pipeline project

In 2011, Nabucco achieved some important milestones. The legal framework was finalized with the signing of the Project Support Agreements (PSAs) in Kayseri (Turkey) on June 8 between NABUCCO Gas Pipeline International GmbH and the responsible ministries of the five Nabucco countries. The PSAs set out the practical aspects and uniform standards for the construction and long-term operation of the pipeline in each country. Together with the Intergovernmental Agreement, the PSAs grant a unified legal regime, considerably reducing risks for the sponsors and giving reassurance to the suppliers. In terms of project financing, the due diligence by the European Bank for Reconstruction and Development, the European Investment Bank and the International Finance Corporation has been intensified and the first round of talks with export credit agencies were held. The environmental and social impact assessment has been initiated in all five Nabucco countries and the scoping stage was successfully completed. In October, Nabucco submitted a comprehensive tariff proposal to the Shah Deniz II consortium.

At a glance

	2011	2010	Δ
Segment sales in EUR mn	7,000	4,365	60%
Earnings before interest and taxes (EBIT) in EUR mn	238	277	(14)%
Capital expenditure in EUR mn	468	712	(34)%
Natural gas sold in bcm	24.3	18.0	35%
Transportation sold in bcm	101.4	89.2	14%
Storage volume sold in mn cbm	2,358	2,307	2%

Development of Austrian Gas Grid – GAS CONNECT AUSTRIA GmbH
2011 was a year of continued expansion for the natural gas transportation business. Transportation agreements for more than 101 bcm/y were contracted, which represents an increase of 14% vs. 2010. This expansion was mainly driven by the start-up of a section in the domestic transportation system in Q4/10 as well as the start-up of a new compressor station on the Penta West gas pipeline and a new section on the West-Austria-Gas (WAG) pipeline system, both in Q2/11. In late 2011, the new Austrian gas act had been finally approved by the Austrian Parliament, leading to important changes concerning OMV Gas GmbH. The 100% OMV owned transmission system operator started the application process with the Austrian regulator for Independent Transmission System Operator certification by the end of the year. As a consequence, the company was renamed GAS CONNECT AUSTRIA GmbH, effective as of January 2012.

Storage
In 2011, the storage volume sold rose to 2.36 bcm, up 2% vs. 2010. The average storage rate sold stayed at the same level at 0.87 mn cbm/h. The overall market situation remained challenging as oversupply of gas at all European trading spots lowered market demand for additional storage capacity. The progress of the storage project in Etzel (Germany) was according to plan.

LNG
OMV has a 5% participation and a throughput agreement (via EconGas) for 25% of the Gate terminal's capacity. After three years of construction without any major health and safety issues, the implementation of the Gate terminal in Rotterdam was completed on time and within budget in 2011. The first commercial LNG cargo arrived on September 1, 2011. LNG's logistical flexibility improves the security of supply.

Supply, Marketing and Trading
Overall sales volumes climbed to 24.3 bcm, an increase of 35% vs. 2010, mainly driven by short-term trading activities of EconGas.

EconGas
In 2011, long-term gas prices remained significantly above spot price levels. As a consequence, EconGas experienced high pressure on margins. Nonetheless, the company was able to substantially contribute to OMV's result, due to portfolio optimization and the successful conclusion of the price revision for the long-term gas supply contracts. EconGas reached a sales volume of 19.6 bcm (up 48% compared to 2010) and net sales revenues of EUR 5.7 bn in 2011. In September 2011, EconGas received its first LNG cargo at Gate terminal in Rotterdam, where the company has contracted an annual regasification capacity of 3 bcm of natural gas.

Petrom
Romania slowly recovered from the economic downturn of recent years and showed a moderate 3% increase of gas consumption compared to 2010. This increase has to be seen in the context of reduced consumption in the years 2009 and 2010. The fertilizer industry contributed again to this consumption, as well as the power-producing sector, which had to compensate the lower energy production from hydropower. Petrom increased its sales in line with the market by selling higher volumes to industrial customers. The gas price for domestic producers recognized by the Romanian regulator remained unchanged at RON 495/1,000 cbm.

OMV's gas business in Turkey
Since 2009, OMV is represented in the growth market Turkey through its 40% participation in Enerco. Sales volumes in Turkey have recovered, enabling Enerco to reach a sales volume of 2.8 bcm in a market heavily influenced by increasing Brent prices and the TRY depreciating against the USD, as well as by almost stable sales prices and discounts applicable in the market. In 2011, OMV successfully finalized its market entry into Turkey's natural gas business with first deliveries starting on January 1, 2012 via OMV Gaz ve Enerji Satis. The key customers by sector are steel, paper, wood and distribution companies. With the integration of Petrol Ofisi into OMV, the Turkish LNG business is now part of the Gas and Power segment. Turkey is by far the

Turkey is the fastest growing area within OMV's markets

fastest growing area within OMV´s markets and therefore has a major strategic relevance.

OMV Trading

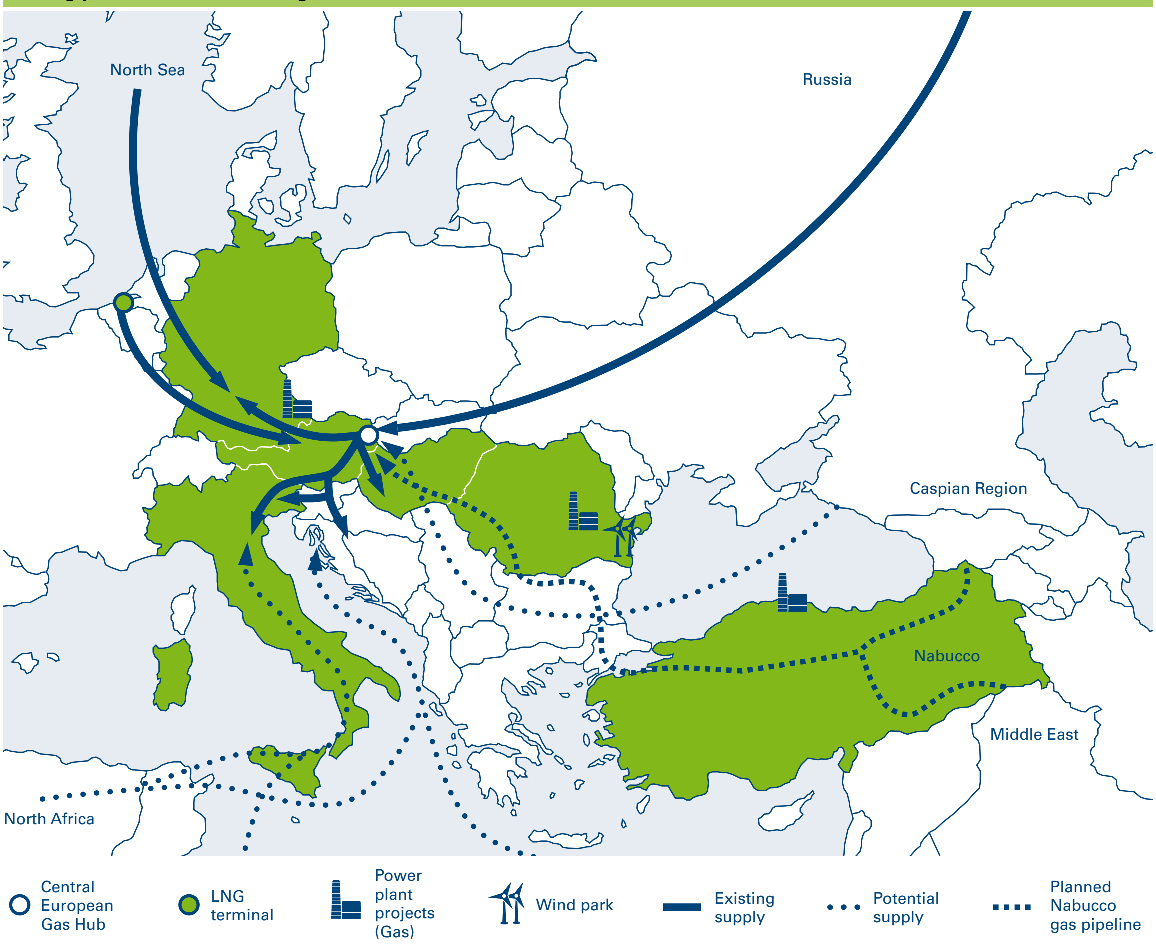
With the foundation of OMV Trading GmbH in late 2010, OMV took another step towards the development of cross-commodity and cross-regional trading activities in order to optimize its activities along the entire gas and power value chain. In terms of regional market position, OMV considers it a main goal to strengthen its position in the growth markets of SEE and Turkey. Therefore, an important step was taken with the successful closing of the first power deals in Romania as well as cross-border deals with Hungary. In addition, OMV Trading is managing the market access for the optimization of OMV Group's CO_2 position. 2011 was also dedicated to building up the appropriate business processes, IT infrastructure and risk management systems to ensure the successful development of the business activities.

Implementation of the gas-based power strategy

OMV's power business continued on its projects with further development and construction of power generation units as well as the set-up of structures and teams for plant operation and maintenance. OMV entered into the power business in Q4/11 with the start of commercial operations at the wind park Dorobantu (45 MW). The construction of the Brazi power plant (860 MW) was successfully completed by the end of 2011; final tests were interrupted due to external

Strong positioning of G&P

Strong position of the G&P segment



technical factors. In addition, OMV continued the construction of the gas-fired power plant in Samsun (870 MW). The construction progress will allow for starting commercial operations by the first half of 2013. Furthermore, the development of a potential 800 MW class gas-fired power plant in Haiming (Germany) is ongoing. Another milestone was the completion of the heat-recovery power plant in Weitendorf (Austria) by the end of 2011. It will be commercially run after the test operations in early 2012. This is a unique project in the European Union that produces power from the waste heat of the gas compressor station on the TAG gas pipeline (Trans-Austria-Gasleitung).

Central European Gas Hub (CEGH)

In 2011, trading volume on the CEGH increased by 15% to 39 bcm. A new all-time high in monthly over-the-counter (OTC) trading volumes (3.5 bcm) was reached in May 2011. The spot and a futures market operated by the CEGH Gas Exchange of Wiener Börse further strengthened the role of CEGH as one of the leading gas trading platforms in Continental Europe.

Outlook for 2012

The major decision point for further progress on the Nabucco gas pipeline project will be the decision of the Shah Deniz II consortium about the preferred transport provider for their gas. The gas logistics business will continue to implement the Third Energy Package (unbundling requirements). A further expansion of the West-Austria-Gas (WAG) pipeline, which aims at increasing the transport capacity primarily for domestic demand, and additional projects for the replacement of long-serving gas turbines on WAG are the main gas logistics investments in Austria. The start-up of the storage facility in Etzel (Germany) and of the connected Bunde-Etzel pipeline (BEP) is planned for H2/12. In the power business, full commercial operation for the gas-fired power plant in Brazi is now anticipated for H2/12. The construction of the low-emission 870 MW combined cycle power plant in Samsun (Turkey) is in progress and the power plant is expected to be commercially operational by H1/13. In the European gas market, a slight narrowing of the gap between oil-linked gas prices and spot prices is expected. The European LNG market environment is expected to remain challenging in 2012 due to a better netback-pricing situation in Asia and South America. OMV Trading will leverage the market access of all related G&P assets and realize their optimal marketing in the wholesale and trading markets. EconGas will focus on its performance improvement and profitability as well as further penetration into international markets. Romania is required to implement the Third Energy Package (unbundling) in its legislation. This is expected to increase the pressure towards achieving a liberalized gas market in Romania in order to eliminate the current distortion in the market. In Turkey, OMV will follow its growth strategy in natural gas sales and will prepare power sales activities.

Integrated growth of G&P portfolio

Refining and Marketing including petrochemicals

The clean CCS result of the business segment Refining and Marketing including petrochemicals (R&M) increased compared to 2010 although the economic environment deteriorated markedly. The 2011 result includes for the first time the contribution from Petrol Ofisi. Continuously increasing crude prices, especially in H1/11, had a significantly negative impact on refining margins and market demand. Lower refining margins were largely offset by substantial improvements in the cost position and operational performance. Petrochemical margins remained strong in H1/11, while the slowdown of economic activities in key end markets resulted in margin erosion in the second half of the year. The marketing business was similarly impacted by lower demand and continuous margin pressure.

Clean CCS EBIT increased by 3%

The R&M result in 2011 was driven by a deteriorating margin environment which was offset by a stronger petrochemical performance, cost reductions mainly in the Petrom refining business and the contribution from Petrol Ofisi. The segment recorded a clean CCS EBIT of EUR 232 mn, 3% above the EUR 225 mn in 2010. Rising crude prices resulted in a positive CCS effect of EUR 176 mn vs. EUR 187 mn in 2010. These effects and net special charges of EUR (138) mn vs. EUR (14) mn in 2010 led to an EBIT of EUR 271 mn, considerably below last year's figure of EUR 397 mn. The special charges in 2011 were mainly related to the fine imposed on Petrom as a result of the antitrust investigation by the Romanian Competition Council for the amount of approx. EUR 120 mn. The company believes the fine to be unjustified and will appeal against the decision.

The clean CCS refining result declined somewhat compared to 2010. Significantly higher crude prices and a reduced Brent-Urals differential vs. 2010 led to higher costs for own crude consumption and, hence, to lower OMV indicator refining margins, particularly in refining East. This impact was largely offset by a markedly improved cost position and operational performance supported by the closure of the Arpechim refinery. Refining capacity utilization came to 87% compared to 76% in 2010 (which still included the Arpechim refinery in the calculation). Refining output was slightly lower than the 2010 level (18.97 mn t in 2011 vs. 18.99 mn t in 2010). This was mainly a consequence of planned turnaround activities in Bayernoil in Q1/11, Schwechat petrochemicals in Q2/11 and Petrobrazi in Q3/11. During the Libyan crisis, the Burghausen refining team successfully managed to replace the Libyan crude slate with alternative crudes without any negative impact on product quality. The petrochemicals result came in strong and exceeded the 2010 level. Petrochemical sales volumes were, however, slightly below 2010 due to the turnaround at Schwechat (1.96 mn t in 2011 vs. 2.08 mn t in 2010).

Annual refining capacities	mn t
Refineries West	
Schwechat	9.6
Burghausen	3.6
Bayernoil (OMV's share)	4.6
Refineries East [1]	
Petrobrazi	4.5
Total	**22.3**

[1] In March 2011, the decision was taken to permanently close the Arpechim refinery (3.5 mn t).

At a glance	2011	2010	Δ
Segment sales in EUR mn	26,472	18,042	47%
Earnings before interest and taxes (EBIT) in EUR mn	271	397	(32)%
Clean CCS EBIT in EUR mn [1]	232	225	3%
Capital expenditure in EUR mn	575	1,194	(52)%
Total refined product sales in mn t	30.98	24.48	27%
Marketing sales volumes in mn t	22.61	16.03	41%

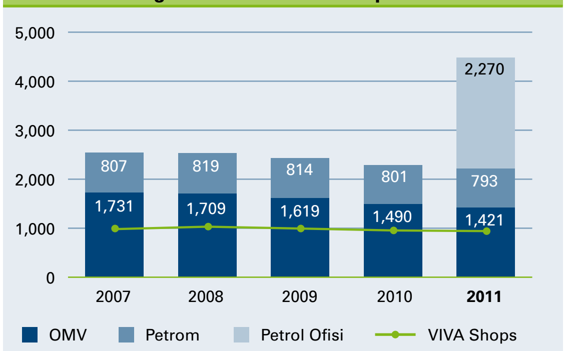
[1] Adjusted for exceptional, non-recurring items; clean CCS figures exclude inventory holding gains/losses (CCS effects) resulting from the fuels refineries and Petrol Ofisi.

The clean marketing result increased compared to 2010 due to the contribution from Petrol Ofisi. In the other markets, active cost management across the business segment and the ongoing restructuring of the retail network could not compensate for the weak demand and the continuous margin pressure due to high crude prices and a subdued economic environment in Europe. Marketing sales volumes increased compared to 2010 due to the consolidation of Petrol Ofisi. Margins, however, fell to a lower level than in the previous year.

Streamlining and cost saving initiatives supported the marketing performance

The ongoing streamlining of the retail network in areas with low integration (finalization of the sale of 56 filling stations in the German states of Thuringia and Saxony and the sale of the filling stations in Cyprus) contributed to efficiency gains. While optimizing the existing network, the retail business continues its focus on a premium brand strategy with selective investments into top quality locations. The total number of filling stations including Petrol Ofisi reached 4,484. Due to the addition of the Petrol Ofisi network, the overall average annual throughput dropped from 3.4 mn l/site to 2.7 mn l/site. The Central and Eastern European markets showed some weakness due to the high price levels and the subdued economic environment that translated into reduced customer spending. The non-oil business, however, showed a strong performance in 2011. The strong positioning of the VIVA brand helped keep shop sales at a high level. In the commercial business tight cost control, stronger sales and the contribution of Petrol Ofisi supported the result.

Number of filling stations and VIVA shops



Petrom: Business consolidation and cost saving initiatives helped to increase operational efficiency

Significantly improved cost position and operational performance

In refining, the substantially reduced margins were caused by high crude prices and the strong performance of Urals vs. Brent. The weak margin environment could be more than offset by a significant improvement in the cost position and operational performance. The modernization program of the Petrobrazi refinery progressed according to plan. In March 2011, the supervisory board of Petrom approved the permanent closure of the Arpechim refinery. A few selected assets – mainly logistic facilities – will be further used as a crude and product terminal. The main focus in marketing 2011 was the further strengthening of the two-brand strategy – OMV/VIVA and Petrom. The newly developed VIVA Smart concept was rolled out in Romania and Bulgaria to increase the attractiveness of the non-oil offer at the stations at streamlined investment cost. Due to the high price level and the weak economic environment the retail volumes in Romania decreased by some 5%. The annual throughput per filling station reached 4.5 mn l/site reflecting the high efficiency of the network. In the commercial business, the customer focus was strengthened and tailor-made concepts for the agriculture, construction and transportation sectors were developed and implemented in order to further support sales. The branded reseller concept was also further developed. At the end of 2011, Aviation Petroleum and Petrom Aviation were merged into one company, a move which further improved operational efficiency.

Full integration of Petrol Ofisi

Challenging year for Petrol Ofisi

High taxes on oil products together with the strong and continuous crude price increase in H1/11 resulted in a record price level in Turkey. Several changes in the regulatory framework of the fuel distribution industry aggravated the situation. The most significant change was the reduction of the dealer contracts from 15 to 5 years by the Competition Authority. This change dramatically weakened the negotiating position of the distribution companies in the contract renewal process and resulted in a markedly lower level of retail profitability. The change in the pricing policy of the local refining company led to a substantial reduction of the import advantage that had previously been available to fuel distributors. For Petrol Ofisi, the focus was on full integration into the OMV Group. A number of areas have been identified that provide significant synergies and the preparation and implementation of activities to realize these areas of potential have been started. The retail network segmentation has been further developed and defined concepts have been offered to Turkish customers in a pilot phase which started at the end of 2011. Further steps will be defined based on the customer acceptance of these concepts. Product supply has been integrated into the OMV supply organization and tendering processes for 2012 have captured substantial improvements in product prices and supply terms and conditions. There was strong margin pressure in the commercial business and Petrol Ofisi lost the jet supply contract with Turkish Airlines. In spite of the challenging economic framework Petrol Ofisi managed to achieve sales volumes of 4.2 mn t of

Markets served by Refining and Marketing

white products, 0.6 mn t of black products and 0.4 mn t of auto-LPG in 2011, thereby outperforming market growth. Consequently, Petrol Ofisi maintained its industry leadership in white and black products with a market share of 26% and 56%, respectively. In line with the strategy to streamline the network, Petrol Ofisi sold the filling station network in Cyprus in Q4/11.

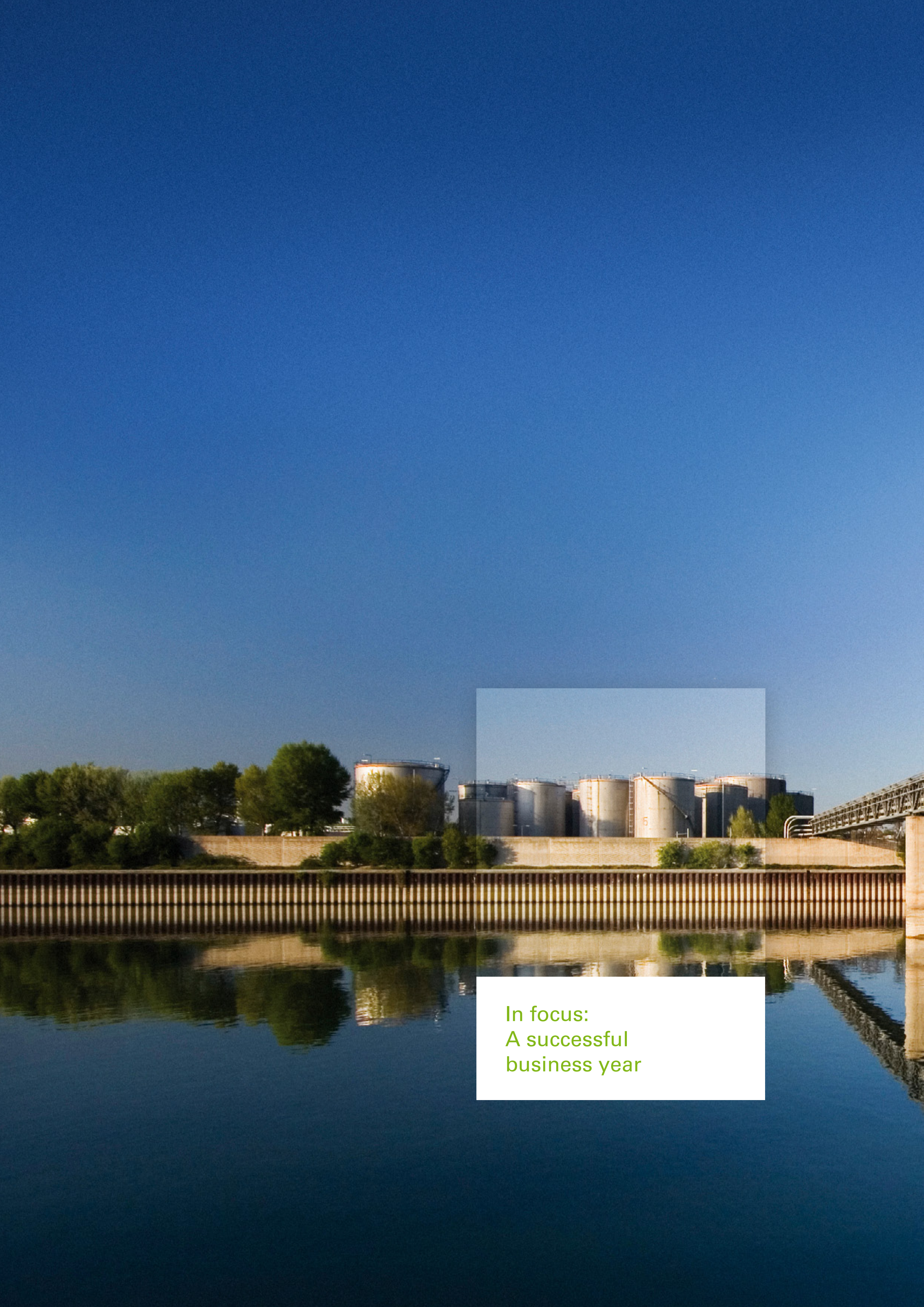
Strong contribution of Borealis

The business year 2011 started in a very promising fashion for Borealis with high demand and a high margin environment. However, due to slowing economic activity in key end markets, the situation deteriorated in the second half of the year and proved to be very challenging. The shift in market sentiment impacted the European polyolefins industry and resulted in margin erosion. The polyolefins business was impacted more heavily by the market development than the base chemical business, which improved profits vs. 2010 driven by higher, more stable margins especially in the fertilizer business. Borealis continued to invest in research and development. In 2011, Borealis celebrated the groundbreaking of a new semi-commercial catalyst plant in Linz, Austria. With this investment, Borealis strengthens its research capabilities in the area of catalyst development and polyolefin production. Furthermore, Borealis completed its investment of approx. EUR 8 mn to convert a naphtha cavern to butane use at its plant in Stenungsund, Sweden, thus improving competitiveness and feedstock flexibility at the site. On the base chemical side, Borealis made a firm offer to acquire the French fertilizer producer PEC-Rhin and closed the transaction on January 31, 2012. Borealis' joint venture with Abu Dhabi National Oil Company (ADNOC), Borouge, performed very well in 2011. The facilities of the Borouge 2 expansion project are running at high utilization. In addition, final contracts for the Borouge 3 expansion project in Abu Dhabi were awarded during 2011. This growth project will increase Borouge's total annual production capacity from approx. 2 mn t to approx. 4.5 mn t of polyolefins and will be completed by 2014.

Outlook for 2012

The R&M business segment will continue to face a challenging economic environment reflected in subdued demand and margin pressure. Refining margins, while expected to improve from the lows in 2011 due to capacity reductions, will remain under pressure. The high level of profitability of the petrochemical business, as seen in 2011, is anticipated to fall back to a more modest level due to expected lower economic growth in key end markets in China and India. Marketing volumes as well as margins are expected to remain under pressure as mature Western markets are not expected to show any growth, and Southeastern Europe is still negatively affected by the economic downturn and sovereign debt crisis. In the Petrobrazi refinery, a six-week planned shutdown is scheduled for Q2/12 to upgrade the crude distillation unit, which will adjust the refinery's capacity to 4.2 mn t/y and enable it to process 100% of Petrom's Romanian crude production. No other major shutdowns or turnarounds are planned in 2012. In the marketing business, continuous network optimization of the retail business together with tight cost control should support profitability in the otherwise challenging environment. The ongoing streamlining of the retail network in areas with low integration (like the announced sale of Croatian and Bosnian subsidiaries) will further contribute to efficiency gains. At Petrol Ofisi, further integration and synergy realization with OMV's supply structures should contribute positively to the overall R&M result. The overall marketing environment in Turkey, however, is expected to remain challenging. The investment project with the highest priority in the business segment remains the Petrobrazi refinery modernization. Stringent cost management together with further streamlining of the business is expected to further support profitability in R&M.

Adjustment of refining capacity in Petrobrazi in Q2/12



In focus: A successful business year

Directors’ report

Directors' report

Group financials			EUR mn
	2011	2010	Δ
Sales revenues	34,053	23,323	46%
Earnings before interest and taxes (EBIT)	2,473	2,334	6%
Net income for the year	1,572	1,214	30%
Net income attributable to stockholders of the parent	1,063	921	16%
Cash flow from operating activities	2,514	2,886	(13)%
Capital expenditure [1]	3,146	3,207	(2)%
Employees as of December 31	29,800	31,398	(5)%

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

EBIT increased by 6%

OMV generated a strong operating result of EUR 2,473 mn in 2011, 6% above last year's level, mainly as a result of higher oil prices, partly offset by lower production volumes and a weaker USD. Net special charges of EUR 212 mn (2010: EUR 323 mn) were mainly related to a provision for the fine imposed on Petrom as a result of the antitrust investigation by the Romanian Competition Council, the closure costs of the Arpechim refinery, the write-off of the exploration license Kultuk (Kazakhstan) and personnel restructuring costs. Positive CCS effects of EUR 176 mn were recognized (2010: EUR 187 mn). The net financial result at EUR (273) mn was well above 2010 (EUR (373) mn), driven among other things by a significantly higher at-equity contribution from Borealis due to a strong margin environment for petrochemicals. The effective tax rate was 29% (2010: 38%), mainly driven by a significantly lower contribution of high-taxed profits from Libya. Net income attributable to stockholders of the parent was EUR 1,063 mn, above 2010 (EUR 921 mn). Non-controlling and hybrid interests amounted to EUR 509 mn (2010: EUR 294 mn).

Return on average capital employed (ROACE) rose from 10% to 11%, return on fixed assets (ROFA) decreased from 18% to 14%, and return on equity (ROE) increased from 11% to 13%. For definitions of these ratios readers are referred to the glossary of abbreviations and definitions which are an integral part of the Directors' report.

The **Exploration and Production (E&P)** segment was impacted to a high degree by external influences. Total hydrocarbon production decreased by 9% to 105.0 mn boe (thereof Petrom: 67.8 mn boe) as it was heavily burdened by the Arab Spring, which caused outages in the operations in Libya and Yemen. This corresponds to an average daily production of 288,000 boe/d (thereof Petrom: 186,000 boe/d). In Tunisia, production at two wells in Durra was brought on stream, and in Romania the exploration well Totea was brought on stream within only four months. In Tunisia, OMV closed the purchase of Pioneer's E&P business in February. Besides the ongoing Cherouq development and exploration upside, the acquisition added approximately 5,000 boe/d of production for the remainder of the year. In Pakistan, the acquisition of Petronas' E&P operating entity was closed in July. The new assets immediately contributed roughly 1,000 boe/d to production. In December, OMV closed the acquisition of a 20% stake in the Zidane discovery in the Norwegian Sea. In Australia, offshore the Northwest coast, E&P had one of its most significant gas discoveries (Zola) and appraisal activities are being planned. Further exploration opportunities are being assessed.

The **Gas and Power (G&P)** segment experienced a very challenging year in the supply, marketing and trading business due to the existing market environment, which was partly mitigated by renegotiated supply contracts. OMV took another step to develop its cross-commodity and cross-regional trading activities in order to optimize its international operations along the entire gas and power value chain. Additional domestic transportation capacity came on stream with the expansion of the West-Austria-Gas pipeline system and the start-up of a new compressor station in the gas logistics business, which again strongly contributed to results. The Nabucco gas pipeline project further progressed in 2011, as the legal framework was finalized with the signing of the Project Support Agreements by the responsible ministries of the five Nabucco countries. In the power business, the wind park in Romania started commercial operations and the construction of the gas-fired power plant in Brazi (Romania) was successfully finalized. Full commercial operation is now anticipated for H2/12. In Samsun (Turkey) OMV continued the construction of another 800 MW class gas-fired power plant.

In spite of the worsening economic environment, the segment results of **Refining and Marketing including petrochemicals (R&M)** showed a favorable operating performance. In addition to that, the 2011 result included for the first time the contribution from the Petrol Ofisi acquisition. In 2011, refining margins decreased substantially, mainly due to higher costs of own crude consumption, which could be only partially offset by an increased middle distillate spread. Petrochemical margins remained strong for the first half of the year, while deteriorating somewhat in the second half of the year, substantially impacted by the economic uncertainty related to the sovereign debt crisis. The marketing business result declined compared to 2010. Active cost management across the business segment and the ongoing restructuring of the retail network could not compensate the persistently weak economic environment, especially in Eastern European countries. While optimizing the existing network, the retail business continued its focus on a premium brand strategy with selective investments into top quality locations. Due to the changes in regulations regarding the fuel distribution sector and developments in world markets, companies in Turkey experienced a highly volatile and brisk environment in 2011. For Petrol Ofisi, the focus was set on integration and restructuring.

Earnings before interest and taxes (EBIT)

E&P EBIT increased by 15% to EUR 2,084 mn, mainly due to the increase of crude prices. Total production of oil, NGL and gas of 288,000 boe/d was below the level of 2010. Higher volumes from Tunisia (incl. former Pioneer assets) and Kazakhstan could not compensate for lower volumes from Libya, Yemen and Austria (planned shutdown in Q2/11). Total OMV daily oil and NGL production was down by 18%, mainly reflecting the missing production from Libya and Yemen. Total OMV daily gas production was slightly above the level of 2010, as production increases in Romania, Kazakhstan and Pakistan made up for the decline in Austria and New Zealand. In 2011, non-recurring net expenses of EUR 64 mn were reported, mainly relating to the write-off of Kultuk in Q2/11 and a write-down provision in the context of a warehouse outsourcing project in Romania in Q4/11.

G&P EBIT decreased from EUR 277 mn in 2010 to EUR 238 mn, mainly driven by supply, marketing and trading. The supply, marketing and trading business saw a strong pressure on margins that was somewhat mitigated by re-negotiated supply contracts in Q4/11 and significantly higher sales volumes. The gas logistics business benefited from increased gas transportation sold, primarily due to additional pipeline capacity available in Austria. In 2011, the construction of both Romanian power projects (Brazi and Dorobantu) was successfully completed and the power plant project Samsun in Turkey progressed. This manifested itself in an increased cost level in the business unit power.

Re-negotiated supply contracts

Earnings before interest and taxes (EBIT)			EUR mn
	2011	2010	Δ
Exploration and Production (E&P) [1]	2,084	1,816	15%
Gas and Power (G&P)	238	277	(14)%
Refining and Marketing incl. petrochemicals (R&M)	271	397	(32)%
Corporate and Other (Co&O)	(71)	(128)	(45)%
Consolidation: Elimination of intersegmental profits	(48)	(28)	73%
OMV Group	**2,473**	**2,334**	**6%**

[1] Excluding intersegmental profit elimination.

Overall capacity utilization increased to 87%

R&M EBIT came in below last year's level, as the better operating performance of the business was more than offset by a number of one-off effects like the provision for the fine imposed on Petrom as a result of the antitrust investigation by the Romanian Competition Council. The refining result suffered from the decrease in the OMV indicator refining margin as higher costs for own crude consumption could not be offset by improved spreads for middle distillates or by the improved petrochemical margin environment. Overall capacity utilization increased to 87% (vs. 76% in 2010) due to the impact of the maintenance shutdowns in Schwechat and Petrobrazi in Q2/10 and the fact that since Q1/11 Arpechim is no longer included in this calculation. Total refining output was at the same level as in 2010. The petrochemicals result stayed at the same level as in 2010 since higher product margins were offset by sales volumes down by 6%, mainly as a consequence of the scheduled turnaround in Schwechat in Q2/11. The marketing result came in below the level of 2010 due to the provision booked related to antitrust investigations. The clean result – in spite of the still difficult margin environment – was better than in 2010, mainly driven by the positive contribution from Petrol Ofisi (not included in the 2010 figures). EBIT included non-recurring net expenses of EUR 138 mn.

EBIT in the **Corporate and Other (Co&O)** segment increased by 45% to EUR (71) mn in 2011, due to restructuring of the organizational structure of the Group.

Notes to the income statement

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

Compared to 2010, **consolidated sales revenues** increased by 46% to EUR 34,053 mn, mainly driven by a general market price increase, as well as the first time consolidation of Petrol Ofisi sales in 2011. As a result of significantly higher oil and gas prices, sales of the **E&P** segment increased by 6% to EUR 4,960 mn. After the elimination of intra-group transactions of EUR 4,193 mn, the contribution of the E&P segment to consolidated sales revenues was EUR 766 mn or about 2% of the Group's total sales revenues (2010: EUR 1,046 mn or 4%). **G&P** sales increased to EUR 7,000 mn (2010: EUR 4,365 mn). After elimination of intra-group sales to refineries, the G&P segment's contribution in 2011 was 20% of total sales or EUR 6,856 mn (2010: EUR 4,262 mn or 18%). Consolidated sales in the **R&M** segment amounted to EUR 26,426 mn or 78% of total sales (2010: EUR 18,012 mn or 77%).

Summarized income statement			EUR mn
	2011	2010	Δ
Sales revenues	34,053	23,323	46%
Direct selling expenses	(305)	(245)	25%
Cost of sales	(29,291)	(19,188)	53%
Other operating income	289	251	15%
Selling and administrative expenses	(1,385)	(1,083)	28%
Exploration, research and development expenses	(370)	(254)	45%
Other operating expenses	(518)	(470)	10%
Earnings before interest and taxes (EBIT)	**2,473**	**2,334**	**6%**
Net financial result	(273)	(373)	(27)%
Taxes on income	(628)	(747)	(16)%
Net income for the year	**1,572**	**1,214**	**30%**
Thereof attributable to hybrid capital owners	22	–	n.a.
Thereof attributable to non-controlling interests	487	294	66%
Net income attributable to stockholders of the parent	**1,063**	**921**	**16%**

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 11,501 mn or 34% of the Group's total (2010: EUR 7,518 mn or 32%). Sales revenues in Germany increased from EUR 5,319 mn in 2010 to EUR 5,804 mn in 2011, representing a revenue contribution of 17% in 2011 (2010: 23%). In Romania, sales revenues also advanced, amounting to EUR 4,016 mn or 12% of total sales revenues (2010: EUR 3,336 mn or 14%). Turkey with its strong position in external sales contributed 15% or EUR 5,023 mn to OMV Group's total sales in 2011. Sales in the rest of CEE were EUR 4,202 mn or 12% of Group sales revenues (2010: EUR 3,342 mn or 14%), Rest of Europe accounted for EUR 1,997 mn or 6% (2010: EUR 1,509 mn or 6%). Sales revenues in the Rest of the World decreased to EUR 1,510 mn, representing 4% of total sales revenues (2010: EUR 2,304 mn or 10%).

Direct selling expenses, mainly consisting of third-party freight-out expenses, increased by 25% to EUR 305 mn. **Cost of sales**, which include variable and fixed production costs as well as costs of goods and materials employed, increased by 53% to EUR 29,291 mn, in line with the increase in sales. **Other operating income** went up by 15% to EUR 289 mn, largely because of the reassessment of employees benefit provisions due to an increase in discount rates in Petrom. Apart from this, the major components of this position are foreign exchange gains, gains on the disposal of assets, sale of CO_2 emission certificates and other compensations, subsidies and licenses. **Selling expenses** of EUR 947 mn were increased by 25% compared to last year, while **administrative expenses** increased by 34% to EUR 437 mn.

Increased exploration expenses

Exploration expenses amounting to EUR 354 mn increased by 48% compared to last year, while **research and development (R&D) expenses** remained at EUR 16 mn as the level of R&D activities was broadly in line with last year throughout the Group. **Other operating expenses** increased by 10% compared to 2010, amounting to EUR 518 mn, which includes a provision for the fine imposed on Petrom by the Romanian Competition Council. Compared to 2010, this year's personnel reduction costs were lower in Petrom, Austria and Germany.

The **net financial result** showed an expense of EUR 273 mn (2010: EUR 373 mn). The enhancement compared to last year was mainly due to the fact that the 2010 result had been negatively affected by a one-time remeasurement effect related to the Petrol Ofisi acquisition.

Capital expenditure [1]			EUR mn
	2011	2010	Δ
Exploration and Production	2,066	1,252	65%
Gas and Power	468	712	(34)%
Refining and Marketing incl. petrochemicals	575	1,194	(52)%
Corporate and Other	37	49	(24)%
Total capital expenditure	**3,146**	**3,207**	**(2)%**
+/– Changes in the consolidated Group and other adjustments	336	176	91%
– Investments in financial assets	(849)	(1,032)	(18)%
Additions according to statement of non-current assets (intangible and tangible assets)	**2,633**	**2,352**	**12%**
+/– Non-cash changes	(171)	(264)	(35)%
Cash outflow due to investments in intangible and tangible assets	**2,462**	**2,088**	**18%**
+ Cash outflow due to investments in securities, loans and other financial assets	58	40	45%
Investments as shown in the cash flow statement	**2,520**	**2,128**	**18%**

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

Significantly higher contribution from Borealis

Additionally, the result in 2011 was strengthened by a significantly higher at-equity contribution from Borealis group but counterbalanced by an overall negative impact of foreign exchange rate developments. **Income from associated companies** in total amounted to EUR 224 mn (2010: EUR 92 mn). This included the recognized share of the pro rata result of Borealis group at the amount of EUR 186 mn (2010: EUR 109 mn) and the pro rata result of Pearl Petroleum Company Ltd. of EUR 35 mn (2010: EUR 15 mn). **Dividend income** amounted to EUR 8 mn (2010: EUR 10 mn). The **net interest result** showed an expense balance of EUR 352 mn (2010: EUR 336 mn), mainly reflecting higher financing costs for third-party loans of Petrol Ofisi.

Taxes on income decreased by EUR 119 mn to EUR 628 mn compared to 2010. This decrease results from current taxes on income, coming down by EUR 157 mn to EUR 560 mn and deferred tax expense increasing by EUR 39 mn to EUR 68 mn. The Group's effective tax rate thus declined to 28.5% (38.1% in 2010). This reduction in the tax burden was mainly attributable to much lower profit contributions of high-taxed Libyan E&P entities.

Capital expenditure

Capital expenditure (CAPEX) decreased to EUR 3,146 mn (2010: EUR 3,207 mn). Substantially higher CAPEX in the E&P segment stood in contrast to lower CAPEX in G&P, R&M and Corporate and Other (Co&O) segments.

E&P invested EUR 2,066 mn (2010: EUR 1,252 mn). The main drivers for the significant increase were the purchases of the Tunisian subsidiaries of Pioneer and the Pakistan subsidiary of Petronas, as well as significant field developments in Romania, Austria and Kazakhstan. CAPEX in the **G&P** segment of EUR 468 mn (2010: EUR 712 mn) was mainly related to investments in the construction of power plants in Brazi (Romania) and Samsun (Turkey), as well as the WAG pipeline expansion project. Capital expenditure in the **R&M** segment amounted to EUR 575 mn (2010: EUR 1,194 mn), mainly comprising investments in quality enhancement projects in Austria and Romania as well as the construction and remodeling of filling stations and terminals. Capital expenditure in the **Co&O** segment amounted to EUR 37 mn (2010: EUR 49 mn).

The reconciliation of total capital expenditure to additions according to the statement of non-current assets (intangible and tangible) mainly relates to investments in financial assets,

Summarized statement of financial position [1]				EUR mn
	2011	%	2010	%
Assets				
Non-current assets	20,362	72	18,685	71
Intangible assets and property, plant and equipment	17,408	61	15,937	60
Investments in associated companies	1,671	6	1,488	6
Other non-current assets	1,282	5	1,261	5
Deferred tax assets	198	1	190	1
Current assets	7,853	28	7,544	29
Inventories	3,149	11	2,818	11
Trade receivables	3,541	12	2,931	11
Other current assets	1,164	4	1,795	7
Equity and liabilities				
Equity	13,480	47	11,314	43
Non-current liabilities	7,538	27	8,335	32
Pensions and similar obligations	837	3	899	3
Bonds and other interest-bearing debts	4,286	15	5,005	19
Decommissioning and restoration obligations	1,984	7	1,933	7
Other provisions and liabilities	432	2	498	2
Deferred tax liabilities	905	3	549	2
Current liabilities	6,491	23	6,220	24
Trade payables	3,431	12	3,362	13
Bonds and other interest-bearing debts	559	2	968	4
Provisions and other liabilities	2,500	9	1,891	7
Total assets/equity and liabilities	**28,413**	**100**	**26,419**	**100**

[1] Figures for 2010 were adjusted according to the final purchase price allocation of OMV Petrol Ofisi A.Ş.

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

Statement of financial position

Total assets increased by EUR 1,995 mn to EUR 28,413 mn. The increase in **non-current assets** amounting to EUR 1,676 mn was mainly due to investment activities in intangible assets and property, plant and equipment as well as first-time consolidation effects of the acquisitions in Tunisia and Pakistan. Additions to intangible assets and property, plant and equipment (EUR 2,633 mn) exceeded the total of depreciation and amortization as well as disposals by EUR 1,132 mn.

Investments in associated companies increased by EUR 183 mn, which is mainly due to the result contribution of Borealis as well as the proportional results from other associated companies, translation of foreign operations and other changes. **Other non-current assets,** which primarily comprise non-current receivables, loans and securities slightly increased to EUR 1,282 mn.

Current assets rose by EUR 309 mn. This is mainly related to a EUR 610 mn increase in **current trade receivables** resulting from the higher oil price environment and a EUR 331 mn increase in mainly **gas inventories.** These increases were partly offset by a decrease in cash and cash equivalents as well as by other decreases in current assets.

Total assets increased

Equity ratio increased to 47%

Equity (including minorities) improved by EUR 2,165 mn, leading to an increase of the equity ratio to 47% (2010: 43%). Positive effects came from a share capital increase and the issuance of a hybrid bond as well as from net income, which was partly offset by losses from translation of foreign operations and dividends distributed.

While **pensions and similar obligations** decreased by EUR 62 mn, **non-current decommissioning and restoration obligations** rose by EUR 51 mn, mainly because of parameter changes and discount unwinding effects.

Deferred tax liabilities increased to EUR 905 mn, mainly resulting from the acquisitions in Tunisia and Pakistan.

Bonds and other interest-bearing debts decreased by EUR 1,128 mn due to the partial repayment of debts, partly offset by the issuance of a Eurobond with a volume of EUR 500 mn.

Current provisions and other liabilities increased by EUR 609 mn due to the provisioning of a fine of EUR 117 mn imposed by the Romanian Competition Council on Petrom and an increase from derivative financial liabilities, short-term decommissioning provisions and other short-term liabilities.

Gearing ratio

Despite the high cash outflows from investing activities, which exceeded the operating cash flow, OMV was able to considerably decrease its debt by issuing new shares and a hybrid bond.

As of December 31, 2011, short- and long-term borrowings, bonds and financial leases amounted to EUR 4,962 mn (2010: EUR 6,113 mn) while cash and cash equivalents accounted for EUR 359 mn (2010: EUR 946 mn) in total. **Net debt** thus decreased by EUR 564 mn to EUR 4,603 mn (2010: EUR 5,167 mn). At December 31, 2011, the **gearing ratio,** defined as net debt divided by equity, was 34% (2010: 46%). This strong improvement was mainly due to the successful placement of 27.3 mn new shares in June 2011 and the issuance of a hybrid bond in May 2011. As the proceeds of the hybrid bond are fully treated as equity according to IFRS, both measures led to a considerable increase in equity.

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 372 mn or 13% from EUR 2,886 mn to EUR 2,514 mn. The reconciliation of net income for the year to the cash flow from operating activities (before changes in working capital) resulted in a net upward adjustment of EUR 1,474 mn for 2011 (2010: EUR 1,760 mn). The adjustment for depreciation, amortization and impairments was EUR 1,626 mn (2010: EUR 1,578 mn) and EUR 68 mn (2010: EUR 29 mn) for deferred taxes. The current tax expense less net tax payments resulted in an increase of EUR 70 mn (2010: EUR 45 mn). The share of associates' result and other dividend income less the dividends cashed in contributed to a decrease of EUR 187 mn (2010: increase of EUR 62 mn). The net interest expenses related to loans and other liabilities less interest paid resulted in a decrease of EUR 40 mn (2010: EUR 17 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 63 mn (2010: positive adjustment of EUR 72 mn). The total of write-ups of fixed assets and other non-cash items resulted in an increase of EUR 4 mn (2010: decrease of EUR 2 mn).

In 2011, net working capital increased by EUR 532 mn (2010: EUR 87 mn). Receivables and inventories increased by EUR 862 mn (2010: EUR 750 mn), whereas liabilities increased by EUR 317 mn (2010: EUR 671 mn). Short-term provisions increased by EUR 12 mn (2010: decrease of EUR 8 mn).

Cash outflows for investments in non-current assets of EUR 2,521 mn (2010: EUR 2,128 mn) were partly offset by proceeds from the sale of non-current assets amounting to EUR 210 mn (2010: EUR 66 mn). Acquisitions of companies less cash acquired caused cash outflows of EUR 795 mn (2010: EUR 814 mn), whereof EUR 660 mn relate to the acquisition of Tunisian subsidiaries of Pioneer and Medco. **Net cash outflow from investment activities** totaled EUR 3,106 mn (2010: EUR 2,875 mn).

In 2011, the sale of treasury shares led to a cash inflow of EUR 0.1 mn (2010: EUR 0.4 mn). Cash outflows from the net decrease of short-term and long-term borrowings amounted to EUR 988 mn (2010: cash inflow from net increase EUR 589 mn). Additional shares in Petrol Ofisi were purchased during 2011 totaling EUR 23 mn. Cash outflows for dividend payments amounted to EUR 441 mn (2010: EUR 334 mn), of which EUR 299 mn (2010: EUR 299 mn) were paid to OMV shareholders and EUR 142 mn (2010: EUR 35 mn) to shareholders of non-controlling interests. During 2011, there were EUR 1,473 mn cash inflows from issuance of new shares (EUR 732 mn) and a hybrid bond (EUR 741 mn). N**et cash inflow from financing activities** amounted to EUR 21 mn (2010: EUR 256 mn).

Risk management

OMV is an integrated, international oil and gas Group. Its operations extend from hydrocarbon exploration and production and processing through to trading and marketing of mineral products and gas. Furthermore, OMV is constructing two gas-fired power plants. In common with the entire oil and gas industry, OMV is exposed to a variety of risks – mainly market risks, but also operational, strategic, regulatory, 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. However, the balancing effects of offsetting industry risks 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, who secures that well-defined and consistent risk management processes, tools and techniques are applied in the entire organization.

Safeguarding the cash flows required by the Group for growth

The overall objective of the risk policy is to safeguard the cash flows required by the Group for growth and to maintain a strong investment grade credit rating in line with the Group's risk appetite. New business strategies and the associated risks are also monitored with respect to rating implications. Financial risk policies (e.g. market prices, currencies) are reviewed quarterly by the Financial Risk Committee. A cross functional committee with senior management members of OMV Group – the Risk Committee – ensures that an Enterprise Wide Risk Management (EWRM) program is in place to effectively manage the integrated risks across OMV.

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

Continuous surveillance of risk profile

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

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, for instance the establishment of the New Zealand Emissions Trading Scheme or ongoing discussions about carbon tax in several 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, pensions, CO_2 emissions, liquidity as well as insurable risks are undertaken in a consolidated way within Corporate Finance.

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

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

For 2011, OMV entered into crude oil hedges (swaps) for a volume of 50,000 bbl/d securing an average price of USD 97/bbl. These hedges led to a negative cash flow of USD 259 mn (thereof USD (57) mn in 2012). In addition, OMV entered for 2011 into USD hedges for an exposure of USD 1.621 bn at an average exchange rate of EUR-USD 1.3655. The USD hedges led to a positive cash flow of EUR 26 mn (thereof EUR (3.6) mn in 2012).

In 2011, OMV hedged (swaps) 50,000 bbl/d for the year 2012 at an average price of USD 101.45/bbl. To secure cash flow of USD 748 mn from currency fluctuations, OMV entered into USD hedges at an average rate of 1.3616 for 2012.

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

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

As an integrated, international oil and gas company, OMV's vision is to secure future energy resources for the common good. The Group's approach to achieve this has been revised in 2011. The new Resourcefulness concept covers all sustainability issues within the Group such as health, safety, security and environment (HSSE), community relations and social affairs. In order to implement this new approach across the OMV Group, the Resourcefulness Executive Team under the direction of the CEO of Petrom has been founded. Overall responsibility lies with the CEO of OMV who also established a corporate Sustainability department.

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

Strengthening of HSSE culture

Enhancing HSSE awareness, especially at Petrom, continued to be a top priority in 2011. Over 279,000 hours of HSSE training were held (2010: 228,000), more than two-thirds of them in Romania. Furthermore, transparent reporting is key to improve HSSE culture. Nearly 220,000 (2010: 147,000) records (incidents, near misses, findings, hazards, assessments and action items) reported in CARE, a group-wide software tool, were the basis for defining over 76,000 (2010: 50,000) measures in 2011. From these measures, 86% (2010: 88%) were completed within the scheduled timeframe.

Despite efforts to strengthen HSSE culture and especially safety awareness, the occupational safety performance of OMV Group could not be further improved in 2011, compared to 2010. Although the lost-time injury rate (LTIR) for own employees decreased to 0.66 (2010: 0.74) per million hours worked, LTIR for contractors increased to 0.68 (2010: 0.56). The total recordable injury rate (TRIR) was 1.01 (2010: 1.29) per million hours worked for own employees and 1.14 (2010: 1.23) for contractors in 2011. One Petrol Ofisi employee and three contractors died as a result of work-related accidents (2010: three employees, one contractor). The Group fatal accident rate was 1.90 (2010: 5.08) per 100 million hours worked for own employees and 2.89 (2010: 1.05) for contractors.

Despite ongoing road safety programs, the number of commuting accidents increased to 30 (2010: 16), thereof three fatal accidents of contractors. After having signed the European Road Safety Charter in 2010, OMV Group committed itself to the UN Decade of Action for Road Safety 2011–2020, e.g. through using in-vehicle monitoring technology and by training drivers in the prevention of car crashes.

Within the frame of a major accidental events (MAE) study, OMV ranked high potential MAE sites and activities and started specific audits to review the effectiveness of management and technical integrity systems. In 2011, the reporting of high potential incidents was systematically improved, with dedicated attention of senior management in order to reduce risks.

OMV safely evacuated expatriates from crisis-hit countries

During the Arab Spring, OMV safely evacuated its expatriates from Libya, Tunisia, Egypt and Yemen, and security aspects were carefully planned for the resumption of activities.

The Group recorded a total of six significant hydrocarbon spills (>1,000 liters) and 2,001 minor releases during the year (2010: 8 and 2,239 respectively).

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

Future Energies and Innovation

As an oil and gas group, OMV must respond to the challenges of rising energy demand, finite fossil fuel reserves and climate change. OMV does so by investing in research and development (R&D) as well as in innovative projects in the renewable energy field.

Opportunities

The industries involved in providing energy for entire economies can make important efforts to mitigate and adapt to climate change. OMV is working in a number of areas of its core business to respond to climate challenges. Reducing the carbon intensity of the portfolio is a key element of OMV's business strategy. The Group does so by investing in power generation, enhancing the energy efficiency of its products and operations and providing lower carbon fuels. OMV supports research and pilot projects on renewables (geothermal energy, wind), energy efficiency and future technologies.

Innovation

OMV's investments in R&D benefit its customers, the environment and its business. The Group works closely with universities, non-university research institutes and numerous industrial partners and actively participates in diverse technology networks. R&D expenditure in the Group totaled EUR 15.9 mn in 2011. In the near- and long-term future, OMV will strengthen its R&D focus on second generation renewables that are close to its core competencies and assets. Therefore, the annual R&D budget will be increased up to EUR 50 mn.

Geothermal Energy Project

Geothermal energy generally refers to the thermal energy stored in the Earth's crust. This energy is distributed between the constituent host rock and the natural fluid that is contained in its fractures and pores at temperatures above ambient levels. The fluids concerned are mostly water with varying amounts of dissolved salts. Quantities of hot rocks and fluids contained in them are substantially larger and more widely distributed than oil and gas fluids contained in sedimentary rock formations. High-grade hydrothermal resources have high average thermal gradients, high rock permeability and porosity, sufficient fluids in place and an adequate reservoir recharge of fluids. Western Turkey seems to be an ideal location for hydrothermal power as some investigations in the past have shown. OMV leverages synergies of exploration, production and power plant know-how and will analyze the potential in this area with the aim of investing in a geothermal power plant. Three main components are under consideration:

- Resource – estimate the magnitude and distribution of high temperature fields, obtain a license.
- Technology – assess requirements for extracting and utilizing energy from geothermal reservoirs including drilling, reservoir design and stimulation, as well as thermal energy conversion to electricity.

- Economics – create a business model and estimate the cost of supplying electricity.

The feasibility study, to be carried out in 2012, should deliver a sound basis for an investment project as well as a future OMV strategy for geothermal power.

Renewable Technologies – BioCrack Project
The goal of the BioCrack project is to design, construct and test a pilot plant for the combined conversion of an intermediate product of the mineral oil refinery and solid biomass into a fuel similar to conventional diesel. The generated product contains significant portions of biogenic carbon from the biomass and can be upgraded using existing refinery units to obtain the final quality of diesel fuel. BioCrack allows the use of existing infrastructure with concurrent utilization of renewable raw material in the oil industry, thereby contributing significantly to the reduction of CO_2 emissions. The technology is based on a patent belonging to OMV's project partner BDI – Bio Energy International AG; other project partners are from universities. The pilot unit is currently being installed at the Schwechat refinery. Steel construction is complete and several plant items were mounted at the end of 2011. The aim is to commission the unit at the end of the Q1/12. At the same time, the Technical University of Graz is working on the scientific foundation of the process. Thermodynamic and kinetic data have been measured and a simulation model of the process has been built. Now, the major focus is to optimize the operational parameters in order to maximize the yield of valuable products. Much work is also being done on upgrading side products such as hydrocarbons in the water phase. In close co-operation with the Technical University of Graz and BDI, scheduled pilot tests at OMV's pilot center will be prepared starting January 2012 so as to be ready for the first products from the pilot tests. Some tests will also be carried out on the FCC pilot unit at Vienna University of Technology.

Explore Market for H2 – H2 Mobility Project
The H2 Mobility initiative was founded in September 2009 as a public-private partnership between Germany's National Organisation for Hydrogen and Fuel Cell Technology (NOW) and eight industry stakeholders, including OMV. Its aim is to build a hydrogen fuelling infrastructure by 2015 and successfully introduce fuel cell vehicles to the German market. The network will expand via corridors from metropolitan areas into full geographical coverage. In 2011, the H2 Mobility consortium (17 companies and OEMs – car manufacturers, oil and gas companies and utilities) developed a joint entity business model to develop an infrastructure for hydrogen in Germany. In 2012, negotiations between partners will get underway to found the joint entity. Infrastructure investment should be in place from 2014 onwards, depending on serial production of the cars.

Aim to build a hydrogen fuelling infrastructure

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, International Petroleum Investment Company (IPIC) and Österreichische Industrieholding Aktiengesellschaft (ÖIAG), which provides for coordinated behavior and certain limitations to transfers of stockholdings.

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

4. All shares have the same control rights.

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

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

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

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

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

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

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

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

9. At December 31, 2011 no material agreements to which OMV is a party are in place which in case of change of control due to a takeover offer would come into effect, be amended or terminated.

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

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

Subsequent events

Please refer to Note 35 in the Consolidated Financial Statements.

Outlook for 2012

For 2012, we expect the average Brent oil price to remain above USD 100/bbl, whilst the Brent-Urals spread is anticipated to remain tight. To partly secure the Group's cash flow, OMV entered into oil price swaps in 2011, locking in a Brent price of approx. USD 101.45/bbl for a volume of 50,000 bbl/d (thereof 30,000 bbl/d at Petrom level) for 2012. Furthermore, EUR-USD average rate forwards at USD 1.36 are used to hedge an exposure of approx. USD 750 mn in 2012. OMV targets an investment level for average net CAPEX (excluding acquisitions) from 2011 to 2014 of approx. EUR 2.4 bn p.a. Maintaining the Group's strong investment grade credit rating and a stable financial position remains a key focus. It is one of OMV's highest priorities to reach world class HSSE standards including the reduction of the LTI rate (lost-time injury). A group-wide performance improvement program that targets a 2% points ROACE increase by 2014 has been launched and will be rolled out in mid-2012.

Continue to drive production optimization initiatives

In 2012, **E&P** will continue to focus on further successful stabilization of production volumes from the mature core assets in Romania and Austria. The negative external influences in Libya and Yemen experienced in 2011 are not expected to be as significant and should enable us to raise overall production volumes over the year. Within the framework of the group-wide performance improvement program, E&P's efforts on operational excellence and capital efficiency in 2012 and onwards will help to drive overall profitability. In the core countries Romania and Austria, E&P will build on the successes of 2011 and continue to drive a number of production optimization initiatives to stabilize production and further progress redevelopment projects to ensure production stability. In Romania, key growth activities in 2012 will be the drilling of the deep offshore Domino prospect and the progressing of the appraisal of the Totea field.

In the international portfolio, OMV will seek to bring Libyan production back to pre-crisis level and beyond. In Yemen, the security situation remains uncertain. Re-launching production will take longer and will only be approached if this can be achieved safely and sustainably. Across the whole portfolio, E&P will invest somewhat more on exploration than in 2011 focusing on bigger, high impact exploration targets. Triggered by the record 61% exploration success rate in 2011, appraisal expenditure will be increased in 2012, aiming at an accelerated maturation of discoveries. In 2012, OMV aims to drill around 30 exploration and appraisal wells. Furthermore, acquisition targets in the Middle East, Caspian and Africa regions will be screened and potential new country entries prepared.

In the **G&P** business segment, the major decision point for further progress on the Nabucco gas pipeline project will be the decision of the Shah Deniz II Consortium about the preferred transport provider for their gas. The gas logistics business will continue to implement the Third Energy Package (unbundling requirements). A further expansion of the West-Austria-Gas (WAG) pipeline, which aims at increasing the transport capacity primarily for domestic demand, and additional projects for the replacement of long-serving gas turbines on WAG are the main gas logistics investments in Austria. The start-up of the storage facility in Etzel (Germany) and of the connected Bunde-Etzel pipeline (BEP) is planned for H2/12. In the power business, full commercial operation for the gas-fired power plant in Brazi is now anticipated for H2/12. The construction of the low-emission 870 MW combined cycle power plant in Samsun, Turkey, is in progress and the power plant is expected to be commercially operational by H1/13. In the European gas market, a slight narrowing of the gap between oil-linked gas prices and spot prices is expected. The European LNG market environment is expected to remain challenging in 2012 due to a better netback-pricing situation in Asia and South America. OMV Trading will leverage the market access of all related G&P assets and realize their optimal marketing in the wholesale and trading markets. EconGas will focus on its performance improvement and profitability as well as further penetration into international markets. Romania is required to implement the Third Energy Package (unbundling) in its legislation. This is expected to increase the pressure towards achieving a liberalized gas market in Romania in order to eliminate the current distortion in the market. In Turkey, OMV will follow its growth strategy in natural gas sales and will prepare power sales activities.

The **R&M** business segment will continue to face a challenging economic environment reflected in subdued demand and margin pressure. Refining margins, while expected to improve from the lows in 2011 due to capacity reductions, will remain under pressure. The high level of profitability of the petrochemical business, as seen in 2011, is anticipated to fall back to a more modest level due to expected lower economic growth in the key end markets in China and India. Marketing volumes as well as margins are expected to remain under pressure as mature Western markets are not expected to show any growth, and Southeastern Europe is still impacted by the economic downturn and sovereign debt crisis. In the Petrobrazi refinery, a six-week planned shutdown is scheduled for Q2/12 to upgrade the crude distillation unit, which will adjust the refinery's capacity to 4.2 mn t/y and enable it to process 100% of Petrom's Romanian crude production. No other major shutdowns or turnarounds are planned in 2012. In the marketing business, continuous network optimization of the retail business together with tight cost control should support profitability in the otherwise challenging environment. The ongoing streamlining of the retail network in areas with low integration (announced sale of Croatian and Bosnian subsidiaries) will further contribute to efficiency gains. At Petrol Ofisi, further integration and synergy realization with OMV's supply structures should contribute positively to the overall R&M result. The overall marketing environment in Turkey, however, is expected to remain challenging. The investment project with the highest priority in the business segment remains the Petrobrazi refinery modernization. Stringent cost management together with further streamlining of the business will further support profitability in R&M.

Upgrade of the crude distillation unit in Petrobrazi

Vienna, March 20, 2012

The Executive Board

Gerhard Roiss
Chairman

David C. Davies
Deputy Chairman

Hans-Peter Floren

Jacobus Gerardus Huijskes

Manfred Leitner

Consolidated financial statements

Auditors' report
(report on the consolidated financial statements)

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, 2011 to December 31, 2011. These consolidated financial statements comprise the consolidated statement of financial position as of December 31, 2011, 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, 2011, 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 the accounting system

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

Auditors' responsibility and description of type and scope of the 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 Accounting Standards on Auditing, as well as in accordance with International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

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

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, 2011 and of its financial performance and its cash flows for the fiscal year from January 1, 2011 to December 31, 2011 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 20, 2012
Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Helmut Maukner (Certified Public Accountant)

Gerhard Schwartz (Certified Public Accountant)

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 2011

Consolidated income statement			EUR 1,000
	Note	2011	2010
Sales revenues		**34,053,193**	**23,323,439**
Direct selling expenses		(304,930)	(244,752)
Cost of sales		(29,291,396)	(19,187,963)
Gross profit		**4,456,868**	**3,890,723**
Other operating income	7	288,635	250,519
Selling expenses		(947,101)	(755,513)
Administrative expenses		(437,466)	(327,316)
Exploration expenses		(353,814)	(238,700)
Research and development expenses		(15,943)	(15,799)
Other operating expenses	8	(517,772)	(470,113)
Earnings before interest and taxes (EBIT)		**2,473,407**	**2,333,801**
Income from associated companies	9	224,116	91,714
Dividend income		8,040	9,974
Interest income	9	31,051	31,696
Interest expenses	9	(382,836)	(367,550)
Other financial income and expenses	9	(153,656)	(139,006)
Net financial result		**(273,285)**	**(373,173)**
Profit from ordinary activities		**2,200,123**	**1,960,629**
Taxes on income	10	(627,775)	(746,510)
Net income for the year		**1,572,348**	**1,214,119**
thereof attributable to stockholders of the parent		**1,063,441**	**920,587**
thereof attributable to hybrid capital owners		21,993	—
thereof attributable to non-controlling interests		486,914	293,531
Basic earnings per share in EUR	11	**3.38**	**3.08**
Diluted earnings per share in EUR	11	3.37	3.07
Proposed dividend	20	360,000	300,000
Proposed dividend per share in EUR	20	**1.10**	**1.00**

Consolidated statement of comprehensive income for 2011

Consolidated statement of comprehensive income			EUR 1,000
	Note	2011	2010 [1]
Net income for the year		**1,572,348**	**1,214,119**
Exchange differences from translation of foreign operations		**(354,281)**	**202,847**
Gains/(losses) arising during the year		(355,626)	97,406
Reclassification of (gains)/losses to net income		1,345	105,441
Gains/(losses) on available-for-sale financial assets		**(1,966)**	**(61)**
Gains/(losses) arising during the year, before income taxes		(1,966)	(61)
Reclassification of (gains)/losses to net income		—	—
Gains/(losses) on hedges		**(58,778)**	**101,529**
Gains/(losses) arising during the year, before income taxes		(224,653)	9,856
Reclassification of (gains)/losses to net income		165,875	91,673
Reclassification of (gains)/losses to acquisition cost		—	—
Share of other comprehensive income of associated companies		**(9,465)**	**74,667**
Gains/(losses) arising during the year		(9,465)	71,216
Reclassification of (gains)/losses to net income		—	3,452
Income taxes relating to components of other comprehensive income	20	**11,805**	**(21,467)**
Other comprehensive income for the year, net of tax	20	**(412,684)**	**357,516**
Total comprehensive income for the year		**1,159,664**	**1,571,635**
thereof attributable to owners of the parent		701,101	1,277,478
thereof attributable to hybrid capital owners		21,993	—
thereof attributable to non-controlling interests		436,570	294,156

[1] Figures for 2010 were adjusted according to the final purchase price allocation of OMV Petrol Ofisi A.Ş. For details refer to Note 3.

Consolidated statement of financial position as of December 31, 2011

Assets			EUR 1,000
	Note	2011	2010 [1]
Non-current assets			
Intangible assets	12	3,427,139	3,013,785
Property, plant and equipment	13	13,981,194	12,922,756
Investments in associated companies	14	1,671,074	1,487,632
Other financial assets	17	1,165,128	1,152,675
Other assets	18	117,234	108,454
		20,361,769	**18,685,304**
Deferred taxes	23	**198,399**	**189,595**
Current assets			
Inventories	15	3,148,987	2,818,134
Trade receivables	16	3,540,609	2,930,543
Other financial assets	17	383,501	352,615
Income tax receivables		164,164	103,074
Other assets	18	237,021	299,942
Cash and cash equivalents		358,828	946,132
Assets held for sale	19	20,108	93,539
		7,853,218	**7,543,979**
Total assets		**28,413,387**	**26,418,877**

[1] Figures for 2010 were adjusted according to the final purchase price allocation of OMV Petrol Ofisi A.Ş. For details refer to Note 3.

Equity and liabilities			EUR 1,000
	Note	2011	2010 [1]
Equity	20		
Share capital		327,273	300,000
Hybrid capital		740,794	—
Reserves		9,902,155	8,780,583
OMV stockholders' equity		**10,970,222**	**9,080,583**
Non-controlling interests		2,509,613	2,233,905
Total equity		**13,479,835**	**11,314,488**
Non-current liabilities			
Provisions for pensions and similar obligations	21	836,821	899,330
Bonds	22	2,492,672	1,990,128
Other interest-bearing debts	22	1,792,835	3,015,054
Provisions for decommissioning and restoration obligations	21	1,983,862	1,932,573
Other provisions	21	287,791	295,572
Other financial liabilities	22	136,511	193,444
Other liabilities	22	7,604	9,148
		7,538,096	**8,335,248**
Deferred taxes	23	**904,836**	**548,695**
Current liabilities			
Trade payables	22	3,431,210	3,361,585
Bonds	22	77,169	72,606
Other interest-bearing debts	22	482,328	895,524
Income tax liabilities	21	160,521	121,480
Decommissioning and restoration obligations	21	75,077	—
Other provisions	21	560,961	451,268
Other financial liabilities	22	539,154	309,222
Other liabilities	22	1,163,470	1,000,514
Liabilities associated with assets held for sale	19	730	8,247
		6,490,620	**6,220,446**
Total equity and liabilities		**28,413,387**	**26,418,877**

[1] Figures for 2010 were adjusted according to the final purchase price allocation of OMV Petrol Ofisi A.Ş. For details refer to Note 3.

Consolidated statement of changes in equity

Consolidated statement of changes in equity in 2011 [1]

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Translation of foreign operations	Available-for-sale financial assets
January 1, 2011	**300,000**	**783,896**	**—**	**8,198,653**	**(197,999)**	**498**
Net income for the year	—	—	—	1,085,434	—	—
Other comprehensive income for the year	—	—	—	—	(316,112)	(1,478)
Total comprehensive income for the year	**—**	**—**	**—**	**1,085,434**	**(316,112)**	**(1,478)**
Capital increase	27,273	705,164	740,794	—	—	—
Dividend distribution	—	—	—	(298,797)	—	—
Tax effects on transactions with owners	—	—	—	7,331	—	—
Sale of treasury shares	—	72	—	—	—	—
Increase/(decrease) in non-controlling interests	—	—	—	(15,340)	—	—
December 31, 2011	**327,273**	**1,489,132**	**740,794**	**8,977,281**	**(514,111)**	**(981)**

Consolidated statement of changes in equity in 2010 [1]

	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Translation of foreign operations	Available-for-sale financial assets
January 1, 2010	**300,000**	**783,640**	**—**	**7,573,715**	**(420,771)**	**551**
Net income for the year	—	—	—	920,587	—	—
Other comprehensive income for the year	—	—	—	—	222,772	(53)
Total comprehensive income for the year	**—**	**—**	**—**	**920,587**	**222,772**	**(53)**
Dividend distribution	—	—	—	(298,780)	—	—
Sale of treasury shares	—	256	—	—	—	—
Effects from business combinations	—	—	—	—	—	—
Increase/(decrease) in non-controlling interests	—	—	—	3,131	—	—
December 31, 2010	**300,000**	**783,896**	**—**	**8,198,653**	**(197,999)**	**498**

[1] See Note 20.
[2] Figures for 2010 were adjusted according to the final purchase price allocation of OMV Petrol Ofisi A.Ş. For details refer to Note 3.

EUR 1,000

Hedges	Share of other compr. income of associated companies	Treasury shares	OMV stockholders' equity	Non-controlling interests	Total equity
4,959	**3,787**	**(13,211)**	**9,080,583**	**2,233,905**	**11,314,488**
—	—	—	1,085,434	486,914	1,572,348
(35,284)	(9,465)	—	(362,340)	(50,345)	(412,684)
(35,284)	**(9,465)**	—	**723,094**	**436,570**	**1,159,664**
—	—	—	1,473,231	—	1,473,231
—	—	—	(298,797)	(144,865)	(443,662)
—	—	—	7,331	—	7,331
—	—	47	119	—	119
—	—	—	(15,340)	(15,996)	(31,336)
(30,326)	**(5,678)**	**(13,164)**	**10,970,222**	**2,509,613**	**13,479,835**

EUR 1,000

Hedges	Share of other compr. income of associated companies	Treasury shares	OMV stockholders' equity	Non-controlling interests [2]	Total equity
(54,546)	**(70,880)**	**(13,392)**	**8,098,317**	**1,936,468**	**10,034,785**
—	—	—	920,587	293,531	1,214,119
59,505	74,667	—	356,891	625	357,516
59,505	**74,667**	—	**1,277,478**	**294,156**	**1,571,635**
—	—	—	(298,780)	(34,775)	(333,555)
—	—	181	437	—	437
—	—	—	—	41,099	41,099
—	—	—	3,131	(3,044)	87
4,959	**3,787**	**(13,211)**	**9,080,583**	**2,233,905**	**11,314,488**

Consolidated statement of cash flows

Consolidated statement of cash flows [1]		EUR 1,000
	2011	2010
Net income for the year	**1,572,348**	**1,214,119**
Depreciation, amortization and impairments	1,625,939	1,577,635
Write-ups of fixed assets	(2,094)	(6,451)
Deferred taxes	67,888	29,251
Current taxes	559,887	717,365
Income taxes paid	(520,134)	(716,057)
Tax refunds	30,651	43,995
Losses/(gains) from disposal of non-current assets	(2,741)	(1,455)
Income from associates and other dividend income	(232,156)	(101,688)
Dividends received from associates and other companies	45,259	163,303
Interest expense	248,973	203,050
Interest paid	(288,917)	(220,286)
Interest income	(31,051)	(31,696)
Interest received	28,329	26,870
Increase/(decrease) in personnel provisions	(73,295)	(163)
Increase/(decrease) in long-term provisions	10,778	71,720
Other changes	6,240	4,268
	3,045,904	**2,973,781**
Decrease/(increase) in inventories	(358,015)	(52,108)
Decrease/(increase) in receivables	(503,498)	(698,310)
Increase/(decrease) in liabilities	317,424	670,644
Increase/(decrease) in short-term provisions	12,186	(7,694)
Cash flow from operating activities	**2,514,001**	**2,886,312**
Investments		
Intangible assets and property, plant and equipment	(2,462,285)	(2,087,606)
Investments, loans and other financial assets	(58,468)	(40,414)
Acquisitions of subsidiaries and businesses net of cash acquired	(795,295)	(813,551)
Disposals		
Proceeds from the sale of non-current assets	197,485	39,694
Proceeds from the sale of Group companies less cash and cash equivalents	12,220	26,786
Cash flow from investing activities	**(3,106,342)**	**(2,875,091)**
Increase in long-term borrowings	848,014	1,015,445
Repayments of long-term borrowings	(1,396,186)	(478,886)
Increase/(decrease) in short-term borrowings	(439,803)	52,478
Acquisition of non-controlling interest	(22,971)	—
Dividends paid	(441,456)	(333,555)
Increase in capital including sale of treasury stock	1,473,350	437
Cash flow from financing activities	**20,949**	**255,919**
Effect of foreign exchange rate changes on cash and cash equivalents	(15,911)	4,452
Net increase/(decrease) in cash and cash equivalents	**(587,303)**	**271,592**
Cash and cash equivalents at beginning of year	946,132	674,540
Cash and cash equivalents at end of year	**358,828**	**946,132**

[1] See Note 24.

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**. 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 2011 have been prepared in thousands of EUR. Accordingly there may be rounding differences.

The consolidated financial statements for 2011 were approved and authorized for issue by the board of directors on March 20, 2012.

2 Estimates and assumptions

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

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

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

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

The post-tax discount rates vary by country between

- 6.6% to 8.8% for E&P
- 5.2% to 6.2% for G&P
- 5.4% to 7.6% for R&M

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

Impairment losses of continuing operations, including impairment of inventories, are recognized in the income statement in expense categories consistent with the function of the impaired asset.

3 Consolidation

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

Business combinations are accounted for using the acquisition method. Assets and liabilities of subsidiaries acquired are included at their fair values at the time of acquisition. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Goodwill is calculated as the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. Goodwill is recorded as an asset and is tested for impairment at least yearly. Impairments are recorded immediately through profit or loss, subsequent write-ups are not possible.

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

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

Number of consolidated companies

	2011 Full consolidation	2011 Equity consolidation	2010 Full consolidation	2010 Equity consolidation
At the beginning of the year	**99**	**13**	**88**	**14**
Included for the first time	6	—	20	—
Merged	(2)	—	(1)	—
Previously included at equity, now fully consolidated	—	—	1	(1)
Deconsolidated during the year	(5)	—	(9)	—
At the end of the year	**98**	**13**	**99**	**13**
[thereof domiciled and operating abroad]	[56]	[8]	[54]	[8]
[thereof domiciled in Austria and operating abroad]	[20]	[—]	[21]	[—]

In **Exploration and Production (E&P)**, OMV Anaguid Ltd. and OMV South Tunisia Ltd., both based in Grand Cayman and operating in Tunisia, were acquired from Pioneer and included as of March 1, 2011.

OMV Maurice Energy Limited, based in Port Louis and operating in Pakistan, was acquired from Petronas and consolidated for the first time as of July 11, 2011.

OMV Dorra Limited, which is operating in Tunisia and based on the British Virgin Islands, was acquired from Medco and consolidated for the first time as of November 1, 2011.

The initial accounting for OMV Maurice Energy Limited and OMV Dorra Limited is preliminary. The provisional amounts recognized at the acquisition date, especially the reserves estimates, may therefore be adjusted or completed during the measurement period.

The OMV Group acquired 100% interest in all four transactions.

OMV (Tunisia) Exploration GmbH, Vienna, was merged into OMV (Tunisia) Production GmbH, Vienna, as of January 1, 2011.

OMV Jardan Block 3 upstream GmbH, based in Vienna and operating in Kurdistan region of Iraq, was established as per January 29, 2011, and included as of October 1, 2011.

In **Gas and Power (G&P),** the newly established G&P holding company OMV Gaz ve Enerji Holding Anonim Şirketi, Istanbul, was included as of June 6, 2011.

In **Refining and Marketing including petrochemicals (R&M)**, the sale of 89% of the shares in OMV Wärme VertriebsgmbH was closed on July 1, 2011. The company was therefore deconsolidated as of that date.

During the quarter ended March 31, 2011 an additional 1.26% interest in OMV Petrol Ofisi A.Ş. was acquired.

Kıbrıs Türk Petrolleri Ltd., Lefkoşa (Nicosia), was sold as of November 30, 2011 and therefore deconsolidated as of that date.

Aviation Petroleum SRL, Bucharest, was merged into Petrom Aviation SA, Otopeni, starting with December 1, 2011.

As of December 22, 2010, an additional 54.14% interest in OMV Petrol Ofisi A.Ş. and subsidiaries was acquired and the companies were fully consolidated. Before their inclusion, the interest in OMV Petrol Ofisi A.Ş. was accounted for at-equity.

Along with the final purchase price allocation for OMV Petrol Ofisi A.Ş., the following adjustments were made to the consolidated statement of financial position as of the acquisition date of December 22, 2010 and led to the following decrease in goodwill:

Adjustments to the purchase price allocation of OMV Petrol Ofisi A.Ş. and subsidiaries EUR 1,000

	2010	Adjustments	**2010 adjusted**
Intangible assets	1,047,913	(30,212)	**1,017,701**
Property, plant and equipment	711,886	95,526	**807,412**
Inventories	415,672	—	**415,672**
Trade receivables	506,584	—	**506,584**
Other financial assets	248,825	—	**248,825**
Non-financial assets	98,486	—	**98,486**
Total assets	**3,029,366**	**65,314**	**3,094,680**
Provisions	(35,967)	—	**(35,967)**
Financial liabilities	(1,943,591)	—	**(1,943,591)**
Deferred taxes	(178,585)	(13,063)	**(191,648)**
Non-financial liabilities	(199,821)	—	**(199,821)**
Net assets	**671,402**	**52,251**	**723,653**
Non-controlling interest	(28,736)	(2,236)	**(30,972)**
Total net assets acquired	**642,666**	**50,015**	**692,680**

Measurement of goodwill EUR 1,000

	2010	Adjustments	**2010 adjusted**
Consideration given (cash)	1,007,654	–	**1,007,654**
Acquisition-date fair value of the previously held at-equity investment	773,887	–	**773,887**
	1,781,541	–	**1,781,541**
Total net assets acquired	(642,666)	(50,015)	**(692,680)**
Goodwill	**1,138,875**	**(50,015)**	**1,088,861**

Based on the calculation of expected synergies, goodwill from the acquisition of OMV Petrol Ofisi A.Ş. and subsidiaries amounting to EUR 100 mn was allocated to the E&P segment and goodwill amounting to EUR 100 mn was allocated to G&P. The remaining goodwill was allocated to the R&M segment. From the current point of view, a future tax deduction related to the goodwill of the acquisition of OMV Petrol Ofisi A.Ş. and subsidiaries is not expected.

The effects on the Group's assets and liabilities and the consolidated statement of cash flows (see Note 24) of the acquisition of OMV Anaguid Ltd., OMV South Tunisia Ltd. and OMV Dorra Limited (all operating in Tunisia) as well as of the acquisition of OMV Maurice Energy Limited, are shown below. The figures for 2010 reflect the acquisition of OMV Petrol Ofisi A.Ş. and subsidiaries as of the end of December 2010 as well as the inclusion of Wind Power Park SRL.

Fair values acquired EUR 1,000

	Tunisia	Other	**2011 Total**	Petrol Ofisi	Other	2010 **Total**
Intangible assets	133,208	152,269	**285,477**	1,017,701	9,505	**1,027,206**
Property, plant and equipment	474,082	17,854	**491,936**	807,412	3,198	**810,610**
Inventories	11,702	—	**11,702**	415,672	—	**415,672**
Trade receivables	17,938	2,232	**20,170**	506,584	—	**506,584**
Other financial assets	47,562	11,442	**59,004**	248,825	—	**248,825**
Non-financial assets	2,219	—	**2,219**	98,486	131	**98,617**
Total assets	**686,711**	**183,796**	**870,507**	**3,094,680**	**12,835**	**3,107,515**
Provisions	(23,450)	(2,770)	**(26,220)**	(35,967)	(1,555)	**(37,522)**
Financial liabilities	(27,308)	(11,604)	**(38,912)**	(1,943,591)	(2,730)	**(1,946,321)**
Deferred taxes	(256,474)	(28,013)	**(284,487)**	(191,648)	—	**(191,648)**
Non-financial liabilities	(366)	—	**(366)**	(199,821)	—	**(199,821)**
Net assets	**379,114**	**141,409**	**520,523**	**723,653**	**8,550**	**732,203**
Non-controlling interest	—	—	—	(30,972)	—	**(30,972)**
Total net assets acquired	**379,114**	**141,409**	**520,523**	**692,680**	**8,550**	**701,231**

Measurement of goodwill EUR 1,000

	Tunisia	Other	**2011 Total**	Petrol Ofisi	Other	2010 **Total**
Consideration given (cash)	673,092	141,409	**814,501**	1,007,654	8,550	**1,016,204**
Acquisition-date fair value of the previously held at-equity investment	—	—	—	773,887	—	**773,887**
	673,092	**141,409**	**814,501**	**1,781,541**	**8,550**	**1,790,091**
Net assets acquired	(379,114)	(141,409)	**(520,522)**	(692,680)	(8,550)	**(701,231)**
Goodwill	**293,978**	**—**	**293,979**	**1,088,861**	**—**	**1,088,861**

The goodwill recorded for the 2011 acquisitions substantially all relates to the deferred tax liability recognized for the differences in book and tax values of the assets acquired. The goodwill is not expected to be deductible for income tax purposes.

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

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

4 Accounting and valuation principles

a) Revenue recognition
In general, revenues are realized when goods or services are supplied and acknowledged by the customer, the amount receivable is fixed or can be determined, and collection is probable. Specifically, revenues are recognized in E&P when products are delivered and risks as well as rewards of ownership have passed to the customer. In the retail business, revenues from the Group's own filling stations are recognized when products are supplied to the customers. In the case of non-Group filling stations, revenues are recognized when products are delivered to the stations. 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 transit revenues are recognized on the basis of committed volumes.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Property, plant and equipment include assets being used under finance leases. Such assets are capitalized – at the lower of the present value of the minimum lease obligation and the 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.

All lease agreements not classified as finance leases are treated as operating leases, with lease payments then being recognized on a straight-line basis over the lease term.

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

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

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

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

Held-to-maturity securities are carried at amortized cost less any identified impairment losses.

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

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

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

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

As a general rule unrealized gains and losses are recognized as income or expense, except where hedge accounting is applied.

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

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

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

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

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

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

m) Provisions
Provisions are set up for all present third-parties obligations to where it is probable that the obligation will be settled and the amount of the obligation 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 present obligations relating to other environmental risks and measures, provisions are recognized in case it is likely that such obligations will arise and the amount of the obligation can be estimated reliably.

Pensions and similar obligations: The OMV Group has both defined contribution and defined benefit pension plans. In the case of defined contribution plans, OMV has no obligations beyond payment of the agreed premiums, and no provision is therefore recognized. In contrast, participants in defined benefit plans are entitled to pensions at certain levels. 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. For all such obligations which meet the IAS 19 definition of post-employment benefits, actuarial gains and losses within a corridor of 10% of the greater of projected benefit obligations and plan assets – measured in both cases at the beginning of the year – are not recognized in pensions and severance payments provisions. Actuarial gains and losses exceeding this corridor are distributed according to the average remaining years of service of the participants in the plan. Interest expense accruing on pension provisions together with income from pension plan assets is disclosed as part of the financial result.

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

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

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

o) Taxes on income including deferred taxes
In addition to corporate income taxes, trade earnings taxes and withholding 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 d) are disclosed as income taxes. Deferred taxes are recognized for temporary differences. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the statement of financial position. Tax losses carried forward are taken into account in calculating deferred tax assets. 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. If the probability of deferred tax assets being realized is greater than 50%, such amounts are recognized.

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

p) Long Term Incentive (LTI) plans and stock option plans
Starting with 2009, LTI plans (see Note 29) were introduced for the Executive Board and selected senior executives. At each vesting date bonus shares will be granted to the participants; disbursement is made in cash or shares. Fair values are determined using a model which is based on the expected target achievement and the expected share price. 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.

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

q) First-time adoption of new or revised standards and interpretations
The following amended standards and interpretations were applicable for the first time in 2011, but had no significant effects on the financial statements:

- Amendment to IAS 32 Financial Instruments: Presentation – Classification of Rights Issues. The amendment requires rights issues to be classified as equity if they are issued for a fixed amount of cash, regardless of the currency in which the exercise price is denominated, provided that they are offered on a pro rata basis to all owners of the same class of equity.

- Amendment to IFRIC 14 Prepayments of a Minimum Funding Requirement. The amendment addresses the situations when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits the benefit of such an early payment to be recognized as an asset.

- Revised IAS 24 Related Party Disclosures. The revised version simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party.

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. The interpretation clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially.

- Improvements to IFRSs (issued in May 2010). This is the third set of annual improvements which comprises 11 amendments to 6 standards and 1 interpretation, namely IFRS 1, 3, 7; IAS 1, 27, 34; and IFRIC 13.

r) New or revised standards and interpretations not yet mandatory
At the time of authorization of these financial statements for publication, the following new standards, revisions, amendments and interpretations had already been published by the International Accounting Standards Board (IASB) and partly adopted by the EU, but their application was not yet mandatory.

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

- Amendments to IFRS 7 Financial Instruments: Disclosures (applicable to financial years beginning on or after July 1, 2011). The amendments introduce new disclosure requirements on transfers of financial assets which are either not derecognized in their entirety or which are fully derecognized but for which the entity retains some form of continuing exposure.

Not yet adopted by the EU:

- IFRS 9 Financial Instruments (issued on November 12, 2009) and subsequent amendments to IFRS 9 and IFRS 7 issued on December 16, 2011 (IASB effective date: January 1, 2015). This new IFRS 9 was the first step in the IASB's project to replace IAS 39. It uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The new standard also requires one single impairment method used. IFRS 9 was reissued by the IASB on October 28, 2010, incorporating new requirements on accounting for financial liabilities, and carrying over from IAS 39 the requirements for derecognition of financial assets and financial liabilities. The amendments issued in December 2011 postponed the effective date to January 1, 2015 and modified the relief from restating comparative periods and the associated disclosures in IFRS 7.

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

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

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

- IFRS 13 Fair Value Measurement (IASB effective date: January 1, 2013) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. Proposals are not just limited to financial instruments, they also impact fair value measurement in other IFRSs (with the exception of IAS 17 and IFRS 2).

- Amendments to IAS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets (IASB effective date: January 1, 2012). The amendments provide a practical solution for determining deferred tax on investment property measured at fair value according to IAS 40 and on non-depreciable assets measured using the revaluation model in IAS 16.

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

- Amendments to IAS 19 Employee Benefits (IASB effective date: January 1, 2013). The revised standard includes a number of amendments that range from fundamental changes to simple clarifications and re-wording. One of the more significant changes involves the removal of the "corridor approach", i.e. the possibility to defer recognition of actuarial gains and losses from defined benefit plans. Actuarial gains and losses will have to be recognized in OCI when they occur, with no subsequent recycling to profit or loss. The return on plan assets must be measured applying the rate that is used for discounting the defined benefit obligation. As a consequence, the full expected return on plan assets will no longer be recognized in profit or loss. The revised standard also requires enhanced disclosures on defined benefit plans and changes the accounting for termination benefits.

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

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

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

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

		2011		2010
	Statement of financial position date	Average	Statement of financial position date	Average
Australian dollar (AUD)	1.272	1.348	1.314	1.442
Bulgarian lev (BGN)	1.956	1.956	1.956	1.956
New Romanian leu (RON)	4.323	4.239	4.262	4.212
New Zealand dollar (NZD)	1.674	1.760	1.720	1.838
Pound sterling (GBP)	0.835	0.868	0.861	0.858
Czech crown (CZK)	25.787	24.590	25.061	25.284
Turkish lira (TRY)	2.443	2.338	2.069	1.997
Hungarian forint (HUF)	314.580	279.373	277.950	275.481
US dollar (USD)	1.294	1.392	1.336	1.326

Notes to the income statement

6 Total cost information

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

Personnel expenses		EUR 1,000
	2011	2010
Wages and salaries	874,997	860,409
Costs of defined benefit plans	43,121	29,086
Costs of defined contribution plans (pension fund contributions)	16,192	19,219
Net expenses for personnel reduction schemes	38,661	97,733
Other employee benefits	108,981	103,450
Total	**1,081,953**	**1,109,898**

The total expenses for pensions included in the positions costs of defined benefit plans, costs of defined contribution plans and net expenses for personnel reduction schemes amounted to EUR 72,965 thousand (2010: EUR 85,897 thousand).

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

Depreciation, amortization and impairment losses		EUR 1,000
	2011	2010
Depreciation and amortization	1,389,015	1,211,773
Impairment losses	235,760	359,924
Total	**1,624,775**	**1,571,697**

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

In 2010, the bulk of impairment losses consisted of impairments of production wells in Austria (EUR 92,657 thousand) and Kazakhstan (EUR 104,096 thousand). Other major impairment losses related to development wells in the United Kingdom (EUR 61,376 thousand) and impairment losses in Romania (EUR 58,874 thousand) mainly related to unsuccessful exploration wells (EUR 11,065 thousand) and impairments of refining units (EUR 20,347 thousand).

In the consolidated income statement, the impairment losses are disclosed as follows: EUR 28,862 thousand (2010: EUR 302,532 thousand) under cost of sales, EUR 188,657 thousand (2010: EUR 44,476 thousand) under exploration costs, EUR 18,154 thousand (2010: EUR 12,628 thousand) under selling costs and administration and EUR 87 thousand (2010: EUR 288 thousand) as part of other operating expenses.

The recoverable amount of all material assets impaired is reflected by its value in use. The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the country's risks specific to the business segment. In 2011, the pre-tax discount rates for actual impairments used ranged between 7.2% and 9.1% (2010 between 5.3% and 12.2%).

7 Other operating income

Other operating income		EUR 1,000
	2011	2010
Other operating income	**288,635**	**250,519**
[thereof gains on the disposal and write-up of non-current assets not including financial assets]	[31,813]	[22,632]
[thereof exchange gains from operating activities]	[66,485]	[46,979]

Other operating income also includes effect of downward reassessment of employees benefit provisions amounting to EUR 24,281 thousand (2010: nil) due to increase in discount rates in Petrom.

8 Other operating expenses

Other operating expenses		EUR 1,000
	2011	2010
Other operating expenses	**517,772**	**470,113**
[thereof expenses on disposals of non-current assets not including financial assets]	[21,463]	[14,931]
[thereof exchange losses from operating activities]	[68,772]	[48,978]
[thereof personnel reduction schemes]	[38,661]	[97,733]

Other operating expenses also include provision for the fine imposed by Romanian Competition Council on Petrom amounting to EUR 118,850 thousand (2010: nil).

9 Net financial result

Income from associated companies included income of EUR 232,940 thousand (2010: EUR 127,253 thousand) and expenses of EUR 8,824 thousand (2010: EUR 35,540 thousand).

Interest income		EUR 1,000
	2011	2010
Interest income from available-for-sale financial instruments	4,111	4,190
Interest income from loans and receivables	23,875	27,372
Other interest income	3,064	134
Interest income	**31,051**	**31,696**

Interest income from loans and receivables contained EUR 795 thousand (2010: EUR 3,523 thousand) income from already impaired receivables.

Interest expenses		EUR 1,000
	2011	2010
Interest expenses on financial instruments at fair value through profit or loss	1,477	1,455
Interest expenses on financial liabilities measured at amortized cost	243,489	186,374
Interest expenses component of provisions	133,862	164,500
Interest expenses non-financial liabilities	4,008	15,220
Interest expenses	**382,836**	**367,550**

In 2011, interest on borrowings amounting to EUR 49,849 thousand (2010: EUR 40,022 thousand) was capitalized.

The **interest expenses component of provisions** contains some positions relating to personnel provisions where interest expense is netted against interest income. These mainly consisted of accrued interest on pension provisions of EUR 48,186 thousand (2010: EUR 55,186 thousand), interest accrued on provisions for severance payments and jubilee payments of EUR 9,790 thousand (2010: EUR 10,715 thousand) and interest accrued on the provision for personnel reduction plans of EUR 9,161 thousand (2010: EUR 5,577 thousand). Mainly these interest expenses were netted against interest income on pension plan assets amounting to EUR 18,395 thousand (2010: EUR 18,346 thousand).

The position also contains the interest component on the provision for decommissioning and restoration obligations in an amount of EUR 69,618 thousand (2010: EUR 87,314 thousand).

Other financial income and expenses for the year mainly included net foreign exchange losses on financial instruments amounting to EUR 94,238 thousand (2010: Gains of EUR 40,937 thousand) as well as other financing costs with EUR 56,057 thousand (2010: EUR 26,780 thousand).

10 Taxes on income

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

Taxes on income — EUR 1,000

	2011	2010
Profit from ordinary activities		
Austria	596,494	196,313
Foreign	1,603,629	1,764,316
Total	**2,200,123**	**1,960,629**
Taxes on income		
Austria	94,038	32,468
Foreign	465,849	684,897
Deferred taxes	67,888	29,145
Taxes on income	**627,775**	**746,510**

The reconciliation of deferred taxes was as follows:

Changes in deferred taxes — EUR 1,000

	2011	2010
Deferred taxes January 1	(360,300)	(117,756)
Deferred taxes December 31 [1]	(707,037)	(360,300)
Changes in deferred taxes	**(346,737)**	**(242,544)**
Deferred taxes on revaluation of securities and hedges accounted for in other comprehensive income	(51)	15,999
Changes in consolidated Group, exchange differences	278,900	197,401
Deferred taxes per income statement	**(67,888)**	**(29,145)**
The deferred tax balance comprises the following elements:		
Change in tax rate	(13,031)	(1,569)
Release of and allocation to valuation allowance for deferred taxes	(65,152)	(12,032)
Change of loss carryforwards not recognized in prior years	(501)	(7,015)
Reversal of temporary differences, including additions to and use of loss carryforwards	10,796	(8,529)

[1] Including deferred taxes for assets held for sale of EUR (600) thousand in 2011 (2010: EUR (1,200) thousand).

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

Tax rates %

	2011	2010
Austrian corporate income tax rate	**25.0**	**25.0**
Tax effect of:		
Differing foreign tax rates	(0.7)	10.2
Non-deductible expenses	3.5	7.5
Non-taxable income	(5.2)	(4.3)
Change in tax rate	0.6	0.1
Expired tax loss carryforwards	0.0	0.4
Write-down on investments at parent company level	0.0	(1.4)
Change in valuation allowance for deferred taxes	3.0	0.6
Other	2.3	0.0
Effective Group income tax rate	**28.5**	**38.1**

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

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

Taxes on income accounted for in other comprehensive income totaled EUR (11,805) thousand (2010: EUR 21,467 thousand). In 2011, tax loss carryforwards of EUR 54,753 thousand (2010: EUR 45,772 thousand) were used; the associated deferred taxation amounted to EUR 14,260 thousand (2010: EUR 20,593 thousand).

11 Earnings per share

Earnings per share (EPS)

	Earnings attributable to stockholders of the parent in EUR 1,000	Weighted average number of shares outstanding	**2011** EPS EUR	2010 EPS EUR
Basic	1,063,441	314,190,528	3.38	3.08
Diluted	1,063,441	315,385,343	3.37	3.07

No operations were discontinued in 2011 and 2010.

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 1,194,815 contingently issuable bonus shares related to the LTI plans.

As at December 31, 2010 the calculation of diluted earnings per share included all the options outstanding under the stock option plan for 2004, which provided for the acquisition of 56,130 shares on favorable terms (payment of the difference between the share prices at the time the options were granted and the time of exercise in the form of shares) as well as 892,108 contingently issuable bonus shares related to the LTI plans.

Notes to the statement of financial position

12 Intangible assets

Intangible assets EUR 1,000

2011	Concessions, software, licenses, rights	Oil and gas assets with unproved reserves	Goodwill	Payments in advance	Total
Costs of acquisition and production					
January 1, 2011	**1,771,990**	**694,432**	**1,087,809**	**43,221**	**3,597,452**
Exchange differences	(171,108)	31,644	(152,040)	(2,059)	**(293,563)**
Changes in consolidated Group	(6)	285,477	293,979	—	**579,451**
Additions	131,907	399,728	—	2,927	**534,562**
Transfers	38,535	(3,990)	—	(38,669)	**(4,123)**
Assets held for sale	—	(1,894)	—	—	**(1,894)**
Disposals	(48,820)	(148,785)	—	—	**(197,605)**
December 31, 2011	**1,722,498**	**1,256,612**	**1,229,748**	**5,420**	**4,214,279**
Development of amortization					
January 1, 2011	**417,034**	**166,632**	—	—	**583,666**
Exchange differences	(7,853)	6,610	—	—	**(1,242)**
Changes in consolidated Group	—	—	—	—	—
Amortization	165,949	794	—	—	**166,743**
Impairments	11,006	188,657	—	—	**199,663**
Transfers	(181)	—	—	—	**(181)**
Assets held for sale	—	(800)	—	—	**(800)**
Disposals	(28,958)	(131,679)	—	—	**(160,637)**
Write-ups	—	(72)	—	—	**(72)**
December 31, 2011	**556,997**	**230,143**	—	—	**787,140**
Carrying amount January 1, 2011	1,354,956	527,800	1,087,809	43,221	**3,013,785**
Carrying amount December 31, 2011	**1,165,501**	**1,026,469**	**1,229,748**	**5,420**	**3,427,139**
2010					
Costs of acquisition and production					
January 1, 2010	**748,835**	**604,089**	**17,052**	**17,964**	**1,387,941**
Exchange differences	(17,359)	27,982	(18,104)	(498)	**(7,980)**
Changes in consolidated Group	1,003,012	(80,237)	1,088,861	17,614	**2,029,250**
Additions	46,912	223,239	—	10,336	**280,488**
Transfers	8,619	(13,021)	—	(2,195)	**(6,597)**
Assets held for sale	(647)	—	—	—	**(647)**
Disposals	(17,382)	(67,620)	—	—	**(85,002)**
December 31, 2010	**1,771,990**	**694,432**	**1,087,809**	**43,221**	**3,597,452**
Development of amortization					
January 1, 2010	**343,717**	**231,832**	—	—	**575,549**
Exchange differences	(1,894)	10,580	—	—	**8,686**
Changes in consolidated Group	(144)	(68,492)	—	—	**(68,636)**
Amortization	91,783	1,825	—	—	**93,608**
Impairments	964	54,625	—	—	**55,589**
Transfers	(34)	—	—	—	**(34)**
Assets held for sale	(564)	—	—	—	**(564)**
Disposals	(16,794)	(63,659)	—	—	**(80,453)**
Write-ups	—	(80)	—	—	**(80)**
December 31, 2010	**417,034**	**166,632**	—	—	**583,666**
Carrying amount January 1, 2010	405,118	372,257	17,052	17,964	**812,391**
Carrying amount December 31, 2010	**1,354,956**	**527,800**	**1,087,809**	**43,221**	**3,013,785**

At December 31, 2011, there were contractual obligations for the acquisition of intangible assets amounting to EUR 45,632 thousand (2010: EUR 21,660 thousand).

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

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

	2011	2010
Exploration write-off (Impairments)	188,657	54,625
Other exploration costs	165,157	184,075
Exploration expenses	**353,814**	**238,700**
Total assets – exploration and appraisal expenditure incl. acquisition of unproved reserves	1,026,469	527,800
Net cash used in operating activities	274,135	207,441
Net cash used in investing activities	557,003	233,674

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

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

	2011	2010
North Africa and Offshore	306,917	–
Middle East and Caspian	83,313	98,362
Goodwill allocated to E&P	**390,230**	**98,362**
Trading	83,313	98,362
Goodwill allocated to G&P	**83,313**	**98,362**
Refining West	83,313	98,362
Turkey	657,222	775,937
Germany	7,207	7,207
Hungary	8,463	9,578
Goodwill allocated to R&M	**756,205**	**891,084**
Total	**1,229,748**	**1,087,809**

13 Property, plant and equipment

Property, plant and equipment EUR 1,000

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

Property, plant and equipment **EUR 1,000**

	Land, land rights and buildings, including buildings on third-party property	Oil and gas assets	Plant and machinery	Other fixtures, fittings and equipment	Assets under construction	Payments in advance	**Total**
Costs of acquisition and construction							
January 1, 2010	**2,606,214**	**8,557,275**	**5,323,582**	**1,663,864**	**1,149,650**	**355,555**	**19,656,141**
Exchange differences	(8,827)	274,597	(615)	(3,775)	2,807	8,802	**272,989**
Changes in consolidated Group	370,777	9,362	6,271	353,644	61,921	5,558	**807,533**
Additions	92,546	666,627	135,036	68,724	861,437	246,819	**2,071,190**
Transfers	147,664	358,625	144,211	57,366	(531,193)	(170,076)	**6,598**
Assets held for sale	(28,045)	—	(6,049)	(14,617)	2,973	—	**(45,739)**
Disposals	(20,389)	(37,261)	(55,888)	(62,371)	(26,219)	(599)	**(202,727)**
December 31, 2010	**3,159,940**	**9,829,226**	**5,546,548**	**2,062,834**	**1,521,376**	**446,061**	**22,565,986**
Development of depreciation							
January 1, 2010	**979,936**	**3,129,081**	**3,077,344**	**1,060,473**	**38,582**	**321**	**8,285,737**
Exchange differences	2,758	123,620	189	1,222	199	4	**127,990**
Changes in consolidated Group	—	—	20	(1,028)	(1,649)	—	**(2,657)**
Depreciation	100,779	671,718	234,843	110,824	—	—	**1,118,164**
Impairments	10,655	254,155	26,056	721	12,705	43	**304,335**
Transfers	1,264	25	4,028	7,441	(12,785)	61	**34**
Assets held for sale	(11,556)	(1)	(4,837)	(11,710)	—	—	**(28,104)**
Disposals	(15,499)	(14,441)	(54,927)	(49,028)	(22,005)	—	**(155,900)**
Write-ups	(4,436)	—	(481)	(354)	(826)	(273)	**(6,370)**
December 31, 2010	**1,063,900**	**4,164,157**	**3,282,236**	**1,118,560**	**14,221**	**155**	**9,643,229**
Carrying amount January 1, 2010	1,626,279	5,428,194	2,246,238	603,391	1,111,068	355,235	**11,370,404**
Carrying amount December 31, 2010	**2,096,040**	**5,665,069**	**2,264,312**	**944,274**	**1,507,155**	**445,906**	**12,922,756**

Land, land rights and buildings, including buildings on third-party property include land in the amount of EUR 831,127 thousand (2010: EUR 887,019 thousand).

Property, plant and equipment with a total carrying amount of EUR 699 thousand (2010: EUR 23,078 thousand) was transferred to **assets held for sale.** In contrast, assets in the amount of EUR 23 thousand (2010: EUR 5,442 thousand) were reinstated in property, plant and equipment.

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

In connection with the construction of property, plant and equipment, **interest on borrowings** of EUR 72,388 thousand has been capitalized in 2011 (2010: EUR 40,022 thousand) using an average interest rate of 6.2% (2010: 4.2%) applied to the carrying value of qualifying assets. It was largely related to borrowings taken up for the construction of power plants in Romania and Turkey.

At December 31, 2011, there were contractual obligations for the acquisition of property, plant and equipment amounting to EUR 549,656 thousand (2010: EUR 552,435 thousand).

Finance leases

The property, plant and equipment from finance leases have contained since 2009 a floating, production, storage and offtake (FPSO) vessel in New Zealand, for which purchase options exist after 4 and 15 years. The risk of loss lies with the lessor for the contract period whilst the leasing fee is reduced for periods where the FPSO cannot operate. Other finance lease assets are land and filling stations mainly in Austria, Germany, Slovakia and the Czech Republic, gas equipment at filling stations, power generators in E&P Romania as well as tanks in Turkey.

Lease and rental agreements — **EUR 1,000**

			2011			2010
	Acquisition cost	Accumulated depreciation	Carrying amount	Acquisition cost	Accumulated depreciation	Carrying amount
Land, land rights and buildings, including buildings on third-party property	51,393	15,214	36,179	51,531	12,342	39,189
Oil and gas assets	232,114	76,529	155,585	214,959	45,978	168,981
Plant and machinery	6,652	2,968	3,684	3,190	1,892	1,298
Other fixtures, fittings and equipment	29,247	18,853	10,394	39,039	21,140	17,899
Total	**319,407**	**113,563**	**205,843**	**308,719**	**81,353**	**227,366**

In 2011, contingent lease payments under finance lease agreements amounted to EUR 3,458 thousand (2010: EUR 1,030 thousand).

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

			2011			2010
	≤1 year	1–5 years	>5 years	≤1 year	1–5 years	>5 years
Total future minimum lease commitments	52,676	55,622	50,334	50,605	84,812	54,280
[thereof interest component]	[6,580]	[9,788]	[25,352]	[8,788]	[12,891]	[27,502]
Present value of minimum lease payments	**46,096**	**45,834**	**24,982**	**41,818**	**71,921**	**26,778**

In addition to above mentioned commitments there will be obligations for gas cavern storages for which the beneficial ownership will be transferred to the Group starting 2012. Therefore the finance lease has not been recognized in the statement of financial position. Total future minimum lease commitments for gas cavern storages are amounting to EUR 300,564 thousand (2010: EUR 300,564 thousand).

Operating leases
OMV also makes use of operating leases, mainly for filling station sites, IT equipment and vehicle fleets. In 2011, these expenses amounted to EUR 131,750 thousand (2010: EUR 126,080 thousand). There are options to renew the leases for a large proportion of the leased filling station sites.

Future minimum lease payments under non-cancellable operating leases		**EUR 1,000**
	2011	2010
Payable within 1 year	90,561	86,100
Payable between 1 and 5 years	160,740	196,232
Payable after more than 5 years	211,364	242,149
Total future minimum lease commitments	**462,665**	**524,481**

14 Investments in associated companies

Associated companies		**EUR 1,000**
Carrying amount	**2011**	2010
January 1	**1,487,632**	**2,214,967**
Exchange differences	2,829	56,178
Changes in method of consolidation	—	(813,227)
Additions	3,191	16,314
Net income	224,116	91,714
Other comprehensive income	(9,465)	74,667
Dividends and elimination of intercompany profits	(37,230)	(152,981)
December 31	**1,671,074**	**1,487,632**

As of December 31, 2011, the carrying amount includes mainly investments in Borealis AG, Vienna, with an amount of EUR 1,208,222 thousand (2010: EUR 1,067,749 thousand) and Pearl Petroleum Company Limited, Road Town, with an amount of EUR 286,673 thousand (2010: EUR 241,579 thousand). The major part of dividends in 2011 was a dividend payment from Borealis AG with an amount of EUR 36,000 thousand (2010: EUR nil).

In 2010, changes in method of consolidation include only OMV Petrol Ofisi A.Ş., which was fully consolidated as of December 22, 2010 (see also Note 3). The major part of dividends in 2010 was a dividend payment from OMV Petrol Ofisi A.Ş. with an amount of EUR 150,460 thousand.

Additions in both years reflect capital contributions in existing associated companies.

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

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

Summarized information for companies accounted for at equity (share of 100%)		EUR 1,000
	2011	2010
Current assets	2,934,092	2,496,202
Non-current assets	8,401,926	8,013,027
Liabilities	4,653,594	4,653,010
Net sales	9,344,070	16,125,456
Earnings before interest and taxes (EBIT)	665,305	529,909
Net income for the year	859,072	374,225

As OMV Petrol Ofisi A.Ş. was fully consolidated for the first time as of December 22, 2010, it was included at-equity in the income statement 2010 but not in the statement of financial position figures in the table above.

15 Inventories

Inventories at December 31, were as follows:

Inventories		EUR 1,000
	2011	2010
Crude oil	738,892	763,601
Natural gas	584,067	294,576
Other raw materials	310,038	320,847
Work in progress: Petroleum products	135,798	149,112
Other work in progress	3,749	4,097
Finished petroleum products	1,324,050	1,219,647
Other finished products	49,659	47,889
Prepayments and rights from take-or-pay agreements	2,734	18,365
Total	**3,148,987**	**2,818,134**

The costs of raw materials included in production costs were EUR 24,764,617 thousand (2010: EUR 15,414,368 thousand).

Expensed valuation allowances against inventories amounted to EUR 104,333 thousand (2010: EUR 89,013 thousand).

16 Trade receivables

Trade receivables (carrying amounts)		EUR 1,000
	2011	2010
Receivables from associated companies	175,130	171,258
Receivables from other companies	3,365,478	2,759,285
Total	**3,540,609**	**2,930,543**

The carrying amounts of trade receivables approximate their fair values.

Valuation allowances for trade receivables		EUR 1,000
	2011	2010
January 1	**137,628**	**89,845**
Additions/(releases)	9,208	(665)
Disposals	(7,927)	(13,055)
Foreign exchange rate differences and changes in consolidated Group	(11,936)	61,503
December 31	**126,975**	**137,628**

Carrying amount of impaired trade receivables		EUR 1,000
	2011	2010
Before impairments	156,486	188,098
Net of impairments	29,510	50,471

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

Carrying amounts of trade receivables past due but not impaired		EUR 1,000
	2011	2010
Up to 60 days overdue	142,065	78,920
61 to 120 days overdue	5,112	2,104
More than 120 days overdue	32,973	8,419
Total	**180,150**	**89,443**

17 Other financial assets

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

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

	Valued at fair value through profit or loss	Valued at fair value through other comprehensive income	Valued at amortized cost	**Total carrying amount**	[thereof short-term]	[thereof long-term]
December 31, 2011						
Investments in other companies	—	—	70,591	**70,591**	[—]	[70,591]
Investment funds [1]	4	6,396	—	**6,400**	[4]	[6,396]
Bonds	—	127,644	—	**127,644**	[23]	[127,621]
Derivatives designated and effective as hedging instruments	5,471	63,808	—	**69,279**	[56,272]	[13,007]
Other derivatives	152,007	—	—	**152,007**	[146,764]	[5,243]
Loans	—	—	307,383	**307,383**	[2,654]	[304,728]
Other receivables from associated companies	—	—	5,055	**5,055**	[5,055]	[—]
Other sundry receivables	—	—	810,270	**810,270**	[172,729]	[637,542]
Total	**157,482**	**197,848**	**1,193,299**	**1,548,629**	**[383,501]**	**[1,165,128]**
December 31, 2010						
Investments in other companies	—	—	68,207	**68,207**	[—]	[68,207]
Investment funds	—	6,318	—	**6,318**	[—]	[6,318]
Bonds	—	127,703	—	**127,703**	[40,425]	[87,278]
Derivatives designated and effective as hedging instruments	5,075	38,576	—	**43,651**	[17,679]	[25,972]
Other derivatives	28,367	—	—	**28,367**	[24,065]	[4,302]
Loans	—	—	380,698	**380,698**	[5,796]	[374,902]
Other receivables from associated companies	—	—	5,987	**5,987**	[5,987]	[—]
Other sundry receivables	—	—	844,359	**844,359**	[258,662]	[585,697]
Total	**33,442**	**172,597**	**1,299,250**	**1,505,290**	**[352,615]**	**[1,152,675]**

[1] Credit lines for "Abwasserverband Schwechat" are secured by pledged financial instruments (A&P investment fund) amounting to EUR 3,670 thousand (2010: EUR 3,670 thousand).

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

The carrying amounts of other financial assets at fair value through profit or loss (excluding derivatives designated and effective as hedging instruments, which are not classified as other financial assets at fair value through profit or loss) at December 31, 2011, were EUR 152,011 thousand (2010: EUR 28,367 thousand). These consist exclusively of financial assets held for trading. The carrying amounts of available-for-sale financial assets at December 31, 2011 were EUR 204,631 thousand (2010: EUR 202,228 thousand). There were no held-to-maturity financial assets at either December 31, 2010, or December 31, 2011.

Loans include shareholder loans to IOB Holdings A/S, Erdöl-Tanklagerbetrieb GmbH and Pearl Petroleum Company Limited totaling EUR 55,685 thousand (2010: Loans to IOB Holdings A/S, Erdöl-Tanklagerbetrieb GmbH and Pearl Petroleum Company Limited totaling EUR 100,609 thousand) and a shareholder loan granted by OMV Germany GmbH to BAYERNOIL Raffineriegesellschaft mbH of EUR 240,300 thousand (2010: EUR 267,300 thousand).

Other sundry receivables include a claim amounting to EUR 609,186 thousand (2010: EUR 576,947 thousand) against the Romanian state related to obligations for decommissioning and restoration costs in OMV Petrom SA. The receivables consist of EUR 108,856 thousand (2010: EUR 109,364 thousand) for costs relating to environmental cleanup and EUR 500,330 thousand (2010: EUR 467,583 thousand) for costs relating to decommissioning. OMV Petrom SA filed two claims for reimbursement of environmental cleanup costs in the amount of EUR 21,500 thousand (2010: EUR 21,500 thousand). Up to now the Romanian state has not paid the claimed amounts. On December 6, 2011 OMV Petrom SA has initiated arbitral proceedings at the International Court of Arbitration in Paris which are expected to last long.

Amortized costs of securities EUR 1,000

	2011	2010
Investments in other companies	70,591	68,207
Investment funds	6,101	6,101
Bonds	128,412	86,430

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

	2011	2010
January 1	**83,485**	**84,696**
Additions/(releases)	366	1,905
Disposals	(99)	(2,861)
Foreign exchange rate differences	(1,164)	(256)
December 31	**82,588**	**83,485**

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

Carrying amount of other financial receivables EUR 1,000

	2011	2010
Before impairments	83,724	84,350
Net of impairments	1,136	866

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

Carrying amount of other financial receivables past due but not impaired EUR 1,000

	2011	2010
Up to 60 days overdue	333	303
61 to 120 days overdue	14	—
More than 120 days overdue	675	1,671
Total	**1,022**	**1,975**

18 Other assets

Other assets EUR 1,000

	2011		2010	
	Short-term	Long-term	Short-term	Long-term
Prepaid expenses	75,180	37,873	89,804	52,684
Other payments on account	7,295	4	17,919	—
Receivables other taxes / social securities	134,432	30,133	178,045	12,629
Other non-financial assets	20,114	49,224	14,174	43,141
Other assets	**237,021**	**117,234**	**299,942**	**108,454**

19 Assets and liabilities held for sale

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

In 2010, assets and liabilities held for sale consisted of land and property owned by OMV Petrom SA, filling stations of OMV Deutschland GmbH and assets and liabilities of OMV Wärme VertriebsgmbH.

Assets and liabilities held for sale		**EUR 1,000**
	2011	2010
Non-current assets	19,979	41,342
Current assets and deferred taxes	130	52,198
Assets held for sale	**20,108**	**93,539**
Provisions	—	3,247
Liabilities and deferred taxes	730	5,000
Liabilities associated with assets held for sale	**730**	**8,247**

Assets held for sale in the E&P segment amounted to EUR 1,729 thousand (2010: EUR 1,051 thousand), in R&M to EUR 1,125 thousand (2010: EUR 75,023 thousand) and in Co&O to EUR 17,254 thousand (2010: EUR 17,466 thousand).

Liabilities associated with assets held for sale amounted to EUR 730 thousand in the E&P segment (2010: EUR 8,247 thousand in the R&M segment).

20 Stockholders' equity

The **capital stock** of OMV Aktiengesellschaft consists of 327,272,727 (2010: 300,000,000) fully paid no par value shares with a total nominal value of EUR 327,273 thousand (2010: EUR 300,000 thousand). There are no different classes of shares and no shares with special rights of control. All shares are entitled to dividends for the financial year 2011, with the exception of treasury shares held by OMV Aktiengesellschaft.

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

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

In addition to the capital increase, a hybrid bond issue at a nominal amount of EUR 750 mn was completed on May 25, 2011. As the repayment of principal and the payments of interest are solely at the discretion of OMV, according to IFRS, the proceeds of the hybrid bond (less costs of issuance) were fully treated as equity. The hybrid will bear a fixed interest rate until April 16, 2018, thereafter a reset fixed rate (to be determined) until April 26, 2023 and thereafter a floating interest rate with a 100 basis points step up. The hybrid notes have no scheduled maturity date and may be redeemed at the option of OMV under certain circumstances. OMV has in particular the right to repay the hybrid notes at certain dates. In the case of a change of control OMV may call the hybrid notes for redemption or else the applicable interest rate will be subject to an increase according to the terms and conditions of the hybrid bond.

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

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

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

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

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

			2011			2010
	Before-tax (expense) income	Tax (expense) benefit	Net-of-tax (expense) income	Before-tax (expense) income	Tax (expense) benefit	Net-of-tax (expense) income
Exchange differences from translation of foreign operations	(354,281)	—	(354,281)	202,847	—	202,847
Gains/(losses) on available-for-sale financial assets	(1,966)	491	(1,475)	(61)	8	(53)
Gains/(losses) on hedges	(58,778)	11,314	(47,464)	101,529	(21,475)	80,054
Share of other comprehensive income of associated companies	(9,465)	—	(9,465)	74,667	—	74,667
Other comprehensive income for the year	**(424,489)**	**11,805**	**(412,684)**	**378,983**	**(21,467)**	**357,516**

For 2011, the Executive Board of OMV Aktiengesellschaft proposes a dividend of EUR 1.10 (2010: EUR 1.00) per eligible share, which is subject to approval by the Annual General Meeting in 2012. The dividend for 2010 was paid in May 2011 in the amount proposed.

The Annual General Meetings for the years 2000 to 2011 (with the exception of 2010) approved the repurchase of treasury shares. The costs of repurchased shares have been reflected in a reduction in equity. Gains or losses on the re-issue of treasury shares (issue proceeds less acquisition cost) resulted in an increase or reduction in capital reserves.

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

Treasury shares

	Number of shares	Cost EUR 1,000
January 1, 2010	**1,219,695**	**13,392**
Disposals	(16,500)	(181)
December 31, 2010	**1,203,195**	**13,211**
Disposals	(4,320)	(47)
December 31, 2011	**1,198,875**	**13,164**

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

Number of shares in issue

	Number of shares	Treasury shares	Shares in issue
January 1, 2010	**300,000,000**	**1,219,695**	**298,780,305**
Used to cover stock options	—	(16,500)	16,500
December 31, 2010	**300,000,000**	**1,203,195**	**298,796,805**
Used to cover stock options	—	(4,320)	4,320
Capital increase	27,272,727	—	27,272,727
December 31, 2011	**327,272,727**	**1,198,875**	**326,073,852**

21 Provisions

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

Provisions **EUR 1,000**

	Pensions and similar obligations	Decom-missioning and restoration [1]	Income tax liabilities	Other provisions	**Total**
January 1, 2011	**899,330**	**1,932,573**	**121,480**	**746,840**	**3,700,223**
Exchange differences	(1,372)	(13,577)	413	(8,940)	**(23,476)**
Changes in consolidated Group	(908)	15,160	7,859	1,410	**23,520**
Used	(78,914)	(77,432)	(97,228)	(225,010)	**(478,584)**
Payments to funds	(37,273)	—	—	—	**(37,273)**
Allocations	82,800	201,667	127,996	308,161	**720,624**
Transfers	(26,841)	549	—	26,292	**—**
December 31, 2011	**836,821**	**2,058,940**	**160,521**	**848,752**	**3,905,034**
[thereof short-term as of December 31, 2011]	[—]	[75,077]	[160,521]	[560,961]	**[796,559]**
[thereof short-term as of January 1, 2011]	[—]	[—]	[121,480]	[451,267]	**[572,747]**

[1] In 2010, the short-term portion of the decommissioning and restoration provisions, amounting to EUR 549 thousand was included in other provisions.

Provisions for pensions, and similar obligations
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.

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

The defined benefit plans are generally based on years of service and the employee's average compensation over the last five calendar years of employment. These pension plans are non-contributory. For the defined contribution plans, the reported expense corresponds to the contributions payable for the period.

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 were as follows:

Defined benefit pension plans — **EUR 1,000**

	2011	2010	2009	2008	2007
Present value of funded obligations	566,857	559,399	535,943	522,420	551,603
Market value of plan assets	(407,772)	(400,450)	(379,477)	(349,295)	(381,439)
Unrecognized actuarial gains/(losses)	(84,996)	(78,061)	(65,859)	(72,970)	(72,315)
Provision for funded obligations	**74,089**	**80,888**	**90,607**	**100,155**	**97,849**
Present value of unfunded obligations	478,958	500,604	502,344	524,123	560,277
Unrecognized actuarial gains/(losses)	(12,121)	(17,187)	(1,918)	(5,765)	(21,451)
Provision for unfunded obligations	**466,837**	**483,417**	**500,426**	**518,358**	**538,826**
Provision for defined benefit pension obligations	**540,926**	**564,305**	**591,033**	**618,513**	**636,675**

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

Severance payments, jubilee payments and personnel reduction schemes — **EUR 1,000**

	2011	2010	2009	2008	2007
Present value of obligations of severance payments	164,090	199,351	184,896	175,862	173,669
Unrecognized actuarial gains/(losses)	(4,079)	(9,988)	(7,726)	(5,994)	(12,953)
Provision for severance payments	**160,011**	**189,363**	**177,170**	**169,868**	**160,716**
Provision for jubilee payments	**22,016**	**24,894**	**24,738**	**24,515**	**26,406**
Provision for personnel reduction schemes	**179,695**	**202,062**	**189,944**	**268,705**	**241,949**
[thereof short-term personnel reduction schemes]	[65,826]	[81,294]	[99,041]	[149,826]	[142,687]
Total	**361,721**	**416,319**	**391,852**	**463,088**	**429,071**

Changes in **provisions and expenses** were as follows:

Provisions and expenses				**EUR 1,000**
		2011		2010
	Pensions	Severance and jubilee entitlements, and personnel reduction schemes	Pensions	Severance and jubilee entitlements, and personnel reduction schemes
Provision as of January 1	**564,305**	**416,319**	**591,033**	**391,852**
Expense for the year	57,777	33,694	49,479	116,050
Changes in the consolidated group	—	(908)	—	5,420
Payments to funds	(37,273)	—	(30,325)	—
Benefits paid	(43,883)	(85,913)	(45,147)	(95,590)
Exchange translation difference	—	(1,471)	—	(709)
Liabilities associated with assets held for sale	—	—	(735)	(704)
Provision as of December 31	**540,926**	**361,721**	**564,305**	**416,319**
Current service cost	6,875	14,630	4,476	99,662
Interest cost	48,702	18,969	55,186	16,292
Expected return on plan assets	(18,394)	—	(18,346)	—
Amortized actuarial (gains)/losses	20,594	95	8,163	96
Expenses of defined benefit plans for the year	**57,777**	**33,694**	**49,479**	**116,050**

The total pension fund contributions for the Executive Board amounted to EUR 1,406 thousand (2010: EUR 1,857 thousand).

Expenses for interest accrued on personnel reduction schemes of EUR 9,161 thousand (2010: EUR 5,577 thousand) have been included under interest expense.

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

		2011		2010
	Pensions	Severance, jubilees	Pensions	Severance, jubilees
Capital market interest rate	4.75%	4.75%	4.75%	4.75%
Future increases in salaries	3.85%	3.85%	3.85%	3.85%
Future increase in pensions	1.80%	—	1.80%	—
Long-term rate of return on plan assets	4.75%	—	5.00%	—

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 (Computational Framework for Pension Insurance) – Pagler & Pagler, using the variant for salaried employees. In other countries, similar actuarial parameters are used. Employee turnover was estimated based on age or years of service respectively. The expected retirement age used for calculations is based on the relevant country's legislation.

Allocation of plan assets as of December 31

	2011		2010	
	VRG IV	VRG VI	VRG IV	VRG VI
Asset category				
Equity securities	24.0%	18.8%	25.9%	4.6%
Debt securities	43.8%	15.0%	40.6%	51.9%
Cash and money market investments	20.7%	66.2%	22.4%	43.5%
Other	11.5%	—	11.1%	—
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

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

Market value of plan assets **EUR 1,000**

	2011		2010	
	VRG IV	VRG VI	VRG IV	VRG VI
Market value of plan assets as of January 1	**217,694**	**182,756**	**189,776**	**188,935**
Expected return on plan assets	10,143	8,252	9,330	8,999
Allocation to funds	25,741	11,533	22,205	8,120
Benefits paid	(10,354)	(18,080)	(7,602)	(17,889)
Actuarial gains/(losses) on pension plan assets for the year	(12,969)	(6,944)	3,985	(5,409)
Market value of plan assets as of December 31	**230,255**	**177,517**	**217,694**	**182,756**

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

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

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

Favorable or adverse variances in the performance of individual VRGs compared with target returns on plan assets exist, due to their different maturities and to different developments in the capital markets. In 2011, the performance of both VRGs was below the target return. Following the adverse development of financial markets caused by the sovereign debt crisis, the actual return of VRG IV was slightly negative in 2011; the performance of VRG VI, by contrast, was positive due to the value-at-risk approach. Both VRGs showed positive performances in 2010 with VRG IV being above the target return.

For 2012, defined benefit related contributions to APK-Pensionskasse AG of EUR 4,000 thousand are planned.

Projected **payments to beneficiaries of pension plans** for 2012 - 2021 are as follows:

Projected payments to beneficiaries of pension plans — **EUR 1,000**

	Pensions
2012	73,360
2013	73,981
2014	74,534
2015	74,875
2016	74,274
2017 – 2021	347,391

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

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

	Acquisition cost	Depreciation	Carrying amount
Capitalized decommissioning costs			
January 1, 2011	**432,089**	**204,225**	**227,864**
Exchange differences	5,523	3,154	2,370
New obligations	3,728	—	3,728
Acquisitions	15,062	—	15,062
Increase arising from revisions in estimates	66,097	—	66,097
Depreciation	—	44,257	(44,257)
Disposal (decommissioning)	(1,239)	(1,131)	(108)
Reduction arising from revisions in estimates	(30,792)	—	(30,792)
December 31, 2011	**490,468**	**250,505**	**239,964**
Decommissioning and restoration obligations			
January 1, 2011	**—**	**—**	**1,933,122**
Exchange differences	—	—	(12,738)
New obligations	—	—	4,129
Acquisitions	—	—	15,062
Increase arising from revisions in estimates	—	—	127,744
Reduction arising from revisions in estimates	—	—	(31,914)
Unwinding of discounting	—	—	101,153
Repayments	—	—	(77,618)
December 31, 2011	**—**	**—**	**2,058,940**
[thereof short-term as of December 31, 2011]	[—]	[—]	[75,077]
[thereof short-term as of January 1, 2011]	[—]	[—]	[549]

The provision for decommissioning and restoration costs includes obligations in respect of OMV Petrom SA amounting to EUR 1,411,496 thousand (2010: EUR 1,338,056 thousand). As of 31 December 2011, OMV Petrom SA holds receivables from the Romanian state amounting to EUR 609,186 thousand (2010: EUR 576,947 thousand), which are disclosed as non-current assets under other financial assets (please refer to Note 17). EUR 500,330 thousand thereof are related to decommissioning (2010: EUR 467,583 thousand) and EUR 108,856 thousand to environmental costs (2010: EUR 109,364 thousand).

Other provisions EUR 1,000

	2011		2010	
	Short-term	Long-term	Short-term	Long-term
Environmental costs	47,336	82,507	67,804	100,993
Other personnel provisions	107,717	491	120,728	428
Other	405,909	204,793	262,735	194,151
Other provisions	**560,961**	**287,791**	**451,267**	**295,572**

Other personnel provisions include short-term costs of staff reductions amounting to EUR 65,826 thousand (2010: EUR 81,294 thousand). Other provisions contain EUR 26,847 thousand (2010: EUR 50,706 thousand) short-term and EUR 71,424 thousand (2010: EUR 72,452 thousand) long-term litigation provisions due to litigations with former and current employees for various types of claims due to differing interpretations of some of the clauses of the Collective Bargaining Agreements applicable at Petrom. In addition, this position includes provisions for the fine imposed by the Romanian Competition Council in relation to the withdrawal of the retail product Eco Premium from the Romanian fuel market, as well as provisions for mineral royalties, LTI plans and insurance.

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 the OMV Group companies received a total of 8,523,301 free emissions certificates in 2011 (2010: 8,729,813), thereof 4,444,349 to 17 plants of Petrom in Romania (2010: 4,650,861). As of December 31, 2011, the market value of emissions certificates amounts to EUR 58,752 thousand (December 31, 2010: EUR 93,529 thousand).

As of December 31, 2011, the OMV Group held 8,605,609 emissions certificates. In 2012, the OMV Group will surrender 5,539,673 emissions certificates for (not yet externally verified) emissions in 2011.

Emissions certificates

	2011	2010
Certificates held as of January 1	**7,011,569**	**7,649,407**
Free allocation for the year	8,523,301	8,729,813
Certificates surrendered according to verified emissions for the prior year	(5,846,305)	(6,548,543)
Net purchases and sales during the year [1]	(1,082,956)	(2,819,108)
Certificates held as of December 31	**8,605,609**	**7,011,569**

[1] Purchases are valued at their acquisition cost.

A shortfall in emissions certificates would be provided for; Until December 31, 2011 the OMV Group was not short of certificates.

22 Liabilities

Liabilities EUR 1,000

	Short-term	Long-term	**2011** **Total**	Short-term	Long-term	2010 **Total**
Bonds	77,169	2,492,672	**2,569,842**	72,606	1,990,128	**2,062,734**
Other interest-bearing debts	482,328	1,792,835	**2,275,163**	895,524	3,015,054	**3,910,578**
[thereof to banks]	[482,328]	[1,792,835]	**[2,275,163]**	[895,524]	[3,015,054]	**[3,910,578]**
Trade payables (short-term)	3,431,210	—	**3,431,210**	3,361,585	—	**3,361,585**
[thereof to associated companies]	[69,200]	[—]	**[69,200]**	[75,120]	[—]	**[75,120]**
Other financial liabilities	539,154	136,511	**675,664**	309,222	193,444	**502,666**
Other liabilities	1,163,470	7,604	**1,171,073**	1,000,514	9,148	**1,009,662**
Liabilities associated with assets held for sale	730	—	**730**	8,247	—	**8,247**
Total	**5,694,061**	**4,429,621**	**10,123,682**	**5,647,698**	**5,207,773**	**10,855,471**

Bonds

Bonds issued

	Nominal	Coupon	Repayment	**2011** Carrying amount December 31 EUR 1,000	2010 Carrying amount December 31 EUR 1,000
US private placement [1]	USD 182,000,000	4.73% fixed	6/27/2013	140,733	136,278
	USD 138,000,000	4.88% fixed	6/27/2015	112,175	108,113
International corporate bond	EUR 1,000,000,000	6.25% fixed	4/7/2014	1,045,923	1,045,896
	EUR 250,000,000	5.25% fixed	6/22/2016	256,772	256,739
	EUR 500,000,000	4.375% fixed	2/10/2020	516,052	515,708
	EUR 500,000,000	4.25% fixed	10/12/2021	498,186	—
Total				**2,569,842**	**2,062,734**

[1] Derivatives (interest swaps) with a nominal value of USD 50,000 thousand (2010: USD 50,000 thousand) 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 income and expense, and earnings before interest, taxes, depreciation and amortization (EBITDA).

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

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

	2011	2010
Short-term loan financing	272,156	682,704
Short-term component of long-term financing	287,342	285,426
Total short-term	**559,498**	**968,130**
Maturities of long-term financing		
2012/2011 (short term component of long-term financing)	287,342	285,426
2013/2012	647,210	1,167,735
2014/2013	1,628,818	845,693
2015/2014	195,118	1,607,775
2016/2015	478,866	202,128
2017/2016 and subsequent years	1,335,496	1,181,851
Total for 2012/2011 onwards	**4,572,850**	**5,005,182**

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

		2011	Weighted average interest rate	2010	Weighted average interest rate
Long-term bonds and other interest-bearing debts [1]					
Fixed rates	EUR	3,048,010	4.94%	2,406,558	5.19%
	USD	297,991	4.74%	974,151	3.83%
	TRY	—	—	297,188	14.99%
Total		**3,346,001**	**4.92%**	**3,677,897**	**5.62%**
Variable rates	AUD	16,832	4.73%	14,596	5.29%
	EUR	1,196,241	3.99%	1,390,195	4.20%
	RON	—	—	107,931	9.36%
	USD	13,776	0.78%	99,988	3.61%
Total		**1,226,849**	**3.96%**	**1,612,710**	**4.52%**
Short-term bonds and other interest-bearing debts					
EUR		31,247	0.39%	308,665	1.22%
GBP		28,313	1.35%	21,725	1.65%
TRY		35,169	9.73%	18,157	6.66%
HUF		51,476	6.93%	38	6.40%
RON		41	5.07%	1,757	4.22%
USD		2,006	0.19%	329,414	2.37%
NOK		96,724	3.20%	2,949	3.05%
AUD		21,143	5.00%	—	—
CHF		877	0.87%	—	—
HRK		5,159	3.33%	—	—
Total		**272,156**	**4.35%**	**682,704**	**1.95%**

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

Bonds and other interest-bearing debts amounting to EUR 4,845,005 thousand (2010: EUR 5,973,312 thousand) are valued at amortized cost. The estimated fair value of these liabilities was EUR 5,119,290 thousand (2010: EUR 6,239,847 thousand), of which EUR 3,577,082 thousand (2010: EUR 4,220,871 thousand) was at fixed rates and EUR 1,542,208 thousand (2010: EUR 2,018,976 thousand) was at floating rates. The fair value of financial liabilities for which market prices were not available was established by discounting future cash flows using interest rates prevailing at statement of financial position date for similar liabilities with similar maturities.

Other financial liabilities

Other financial liabilities — EUR 1,000

	Short-term	Long-term	Total
2011			
Liabilities to associated companies	—	6,800	**6,800**
Liabilities on derivatives designated and effective as hedging instruments	123,562	5,787	**129,349**
Liabilities on other derivatives	146,202	843	**147,045**
Liabilities on finance leases	46,096	70,816	**116,912**
Other sundry financial liabilities	223,294	52,265	**275,559**
Total	**539,154**	**136,511**	**675,664**
2010			
Trade payables (long-term)	—	4,546	**4,546**
Liabilities to associated companies	—	6,800	**6,800**
Liabilities on derivatives designated and effective as hedging instruments	23,049	22,988	**46,037**
Liabilities on other derivatives	36,196	—	**36,196**
Liabilities on finance leases	41,817	97,602	**139,419**
Other sundry financial liabilities	208,159	61,508	**269,667**
Total	**309,222**	**193,444**	**502,666**

The carrying amount of liabilities on derivatives corresponds to the fair value. Liabilities on derivatives designated and effective as hedging instruments contain in 2011 no liabilities on fair value hedges (2010: Also no liabilities) whose fair value adjustments have been recognized through profit or loss. Fair value adjustments on the remaining liabilities on derivatives designated and effective as hedging instruments have been recognized in other comprehensive income. The liabilities on other derivatives are financial liabilities at fair value through profit or loss. All other items are liabilities to be classified as measured at amortized cost.

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

Financial liabilities				EUR 1,000
	< 1 year	1-5 years	> 5 years	Total
2011				
Bonds	130,739	1,863,653	1,193,750	**3,188,142**
Other interest bearing debts	510,304	1,530,770	398,589	**2,439,663**
Trade payables	3,498,818	—	—	**3,498,818**
Other financial liabilities	544,564	92,943	69,863	**707,371**
Total	**4,684,426**	**3,487,366**	**1,662,203**	**9,833,994**
2010				
Bonds	109,110	1,594,289	872,500	**2,575,898**
Other interest bearing debts	937,678	2,764,699	351,819	**4,054,196**
Trade payables	3,362,088	5,063	30	**3,367,181**
Other financial liabilities	310,640	145,653	83,093	**539,386**
Total	**4,719,517**	**4,509,704**	**1,307,441**	**10,536,661**

Other liabilities

Other liabilities			EUR 1,000
	Short-term	Long-term	Total
2011			
Other taxes and social security liabilities	902,955	—	**902,955**
Payments received in advance	198,369	7,604	**205,972**
Other sundry liabilities	62,146	—	**62,146**
Total	**1,163,470**	**7,604**	**1,171,073**
2010			
Other taxes and social security liabilities	805,564	—	**805,564**
Payments received in advance	128,223	8,673	**136,896**
Other sundry liabilities	66,727	475	**67,202**
Total	**1,000,514**	**9,148**	**1,009,662**

23 Deferred taxes

Deferred taxes EUR 1,000

	Deferred tax assets before allowances	Allowances	Net deferred tax assets	Deferred tax liabilities
2011				
Intangible assets	66,357	34,315	32,042	447,331
Property, plant and equipment	142,141	—	142,141	807,638
Other financial assets	5,592	—	5,592	39,118
Accrued Petroleum Revenue Tax (PRT)	6,563	—	6,563	4,069
Inventories	63,576	3,079	60,497	80,744
Receivables and other assets	43,449	9,914	33,535	64,825
Untaxed reserves	—	—	—	3,384
Provisions for pensions and similar obligations	90,888	—	90,888	12
Other provisions	314,947	2,454	312,492	19,059
Liabilities	117,605	412	117,193	196,884
Other deferred taxes not associated with statement of financial position items	—	—	—	74,175
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	49,950	—	49,950	—
Tax loss carryforwards	267,663	88,355	179,308	—
Total	**1,168,731**	**138,530**	**1,030,202**	**1,737,238**
Netting (same tax jurisdictions)			(831,674)	(831,674)
Deferred taxes associated with assets held for sale			(130)	(730)
Deferred taxes as per statement of financial position			**198,399**	**904,836**

Deferred taxes EUR 1,000

	Deferred tax assets before allowances	Allowances	Net deferred tax assets	Deferred tax liabilities
2010				
Intangible assets	28,087	—	28,087	259,554
Property, plant and equipment	129,618	357	129,261	574,174
Other financial assets	5,903	—	5,903	18,188
Accrued Petroleum Revenue Tax (PRT)	5,180	—	5,180	2,590
Inventories	43,892	—	43,892	59,559
Receivables and other assets	42,884	9,819	33,065	23,236
Untaxed reserves	—	—	—	3,304
Provisions for pensions and similar obligations	95,849	—	95,849	—
Other provisions	276,682	8,189	268,492	18,949
Liabilities	79,715	2,271	77,444	196,199
Other deferred taxes not associated with statement of financial position items	4	—	4	49,281
Tax impairments according section 12 (3)/2 of the Austrian Corporate Income Tax Act (KStG)	37,997	—	37,997	—
Tax loss carryforwards	171,140	51,579	119,561	—
Total	**916,950**	**72,216**	**844,734**	**1,205,034**
Netting (same tax jurisdictions)			(654,748)	(654,748)
Deferred taxes associated with assets held for sale			(391)	(1,591)
Deferred taxes as per statement of financial position			**189,595**	**548,695**

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, 2011, OMV recognized **tax loss carryforwards** of EUR 878,794 thousand before allowances (2010: EUR 661,093 thousand), thereof EUR 545,341 thousand (2010: EUR 489,377 thousand) are considered recoverable for calculation of deferred taxes. Eligibility of losses for carryforward expires as follows:

Losses for carryforward **EUR 1,000**

	2011	2010
2011	—	2,300
2012	13,376	6,019
2013	3,395	14,231
2014	14,856	5,711
2015	60,385	45,338
2016	66,708	—
After 2016/2015	110,956	128,415
Unlimited	609,118	459,079
Total	**878,794**	**661,093**

Supplementary information on the financial position

24 Statement of cash flows

Cash and cash equivalents include cash balances, bank accounts and highly liquid short-term investments with low realization risk, i.e. negligible short-term exchange and interest risks. The maximum maturity at the time of acquisition for such investments is three months. The cash balances of Amical Insurance Limited amounting to EUR 1,868 thousand (2010: EUR 3,133 thousand) are not entirely available for use, as a result of the statutory regulations governing the insurance industry. Within OMV Petrom SA, EUR 20,914 thousand (2010: EUR 32,665 thousand) are not available for use due to pending court cases. Additional EUR 2,907 thousand refer to pledged accounts (2010: EUR 271 thousand).

The net cash outflows from the acquisition of subsidiaries are shown in the table below.

The figures for 2010 include the acquisition of additional 54.14% of OMV Petrol Ofisi A.Ş. and considerations paid for acquisitions of Wind Power Park SLR and Korned LLP.

Net cash outflows for subsidiaries acquired — **EUR 1,000**

			2011			2010
	Tunisia	Other	**Total**	Petrol Ofisi	Other	**Total**
Consideration given	673,092	141,409	**814,501**	1,007,654	16,548	**1,024,202**
Cash acquired	(13,177)	(6,029)	**(19,206)**	(210,651)	—	**(210,651)**
Net cash outflows for subsidiaries acquired	**659,915**	**135,380**	**795,295**	**797,003**	**16,548**	**813,551**

25 Contingent liabilities

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

Management believes that compliance with current laws and regulations and future more stringent laws and regulations will not have a material negative impact on consolidated results in the near future.

26 Risk management

Capital risk

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

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

To ensure that the OMV Group remains solvent at all times and retains the necessary financial flexibility, liquidity reserves in the form of committed credit lines are maintained. As of December 31, 2011 the average weighted maturity of the Group's debt portfolio is more than four years.

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

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

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

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

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

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

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

To protect the Group's cash flow from the adverse impact of falling oil prices, derivative instruments were used to hedge the proceeds from 50,000 bbl/d for 2011. To achieve this goal, OMV entered into swaps securing an average price of USD 97.07/bbl. Another 50,000 bbl/d are being hedged during 2012 to ensure cash flow at an average price of USD 101.45/bbl. All hedges were over-the-counter (OTC) contracts with first class banks.

To protect the Group's cash flow from the adverse impact of falling oil prices, derivative instruments were used to hedge the proceeds from 63,000 bbl/d for 2010. To achieve this goal OMV entered into crude oil hedges (puts) securing an average price floor of USD 54.20/bbl. The puts were financed via call options in order to avoid initial investment (zero cost collar), whereby the Group was not able to profit from oil prices above USD 75/bbl in 2010 for the volume stated above. The hedges were over-the-counter (OTC) contracts with first class banks.

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 earnings hedges on selected product sales and to reduce exposure to price risks on inventory fluctuations. Crude oil and product swaps are used to hedge the refining margin (crack spread) – the difference between crude oil prices and bulk product prices. Gains and losses on hedging transactions are included in cost of sales.

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

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

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

Open commodity contracts as of December 31 were as follows:

Nominal and fair value of open contracts — **EUR 1,000**

	2011		2010	
	Nominal	Fair value	Nominal	Fair value
Strategic risk management				
E&P				
Commodity swaps	1,434,876	(48,619)	—	—
Operational risk management				
G&P				
Commodity swaps	772,153	386	797,291	(5,975)
Commodity options	35,632	7,338	65,752	4,514
Commodity futures	538,202	(2,128)	—	—
Commodity forwards	2,053,132	1,303	—	—
R&M				
Commodity futures	8,961,828	(1,039)	1,188,866	1,524
Commodity swaps	2,491,939	10,946	3,394,703	(12,116)

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

Fair values						EUR 1,000
			2011			2010
	Nominal	Fair value assets	Fair value liabilities	Nominal	Fair value assets	Fair value liabilities
Cash flow hedges						
E&P swaps	1,434,876	–	(48,619)	–	–	–
G&P swaps	768,452	39,075	(38,697)	788,457	34,318	(40,375)
G&P options	27,757	7,330	–	17,388	4,306	–
R&M swaps	1,266,506	22,656	(12,853)	323,533	4,182	(5,662)
Fair value hedges						
G&P swaps	3,701	9	–	1,314	296	–
G&P options	7,875	7	–	48,365	208	–
Derivatives held for trading						
G&P swaps	–	–	–	7,520	295	(509)
G&P futures	538,202	2,087	(4,215)	–	–	–
G&P forwards	2,053,132	131,775	(130,472)	–	–	–
R&M futures	8,961,828	2,477	(3,516)	1,188,866	13,572	(12,048)
R&M swaps	1,225,433	2,752	(1,609)	3,071,170	2,115	(12,751)

Cash flow hedging for commodities

Cash flow hedging for commodities				EUR 1,000
	Period of expected cash flows for cash flow hedges	Adjustments from cash flow hedges in other comprehensive income	[thereof: Transfer from other comprehensive income disclosed in income statement]	[thereof: Transfer from other comprehensive income against original costs of acquisition]
2011				
E&P price risk hedge				
Brent options	2012	(49,224)	[187,736]	[–]
G&P price risk hedge				
Swaps fix to floating – gas	until Q4/14	6,435	[(3,267)]	[–]
Gas options	until Q1/14	1,973	[–]	[–]
R&M price risk hedge				
Swaps fix to floating – Brent	2012	(13,964)	[(16,505)]	[–]
Swaps fix to floating – products	2012	25,396	[22,866]	[–]
2010				
E&P price risk hedge				
Brent options	–	81,702	[70,264]	[–]
G&P price risk hedge				
Swaps fix to floating – gas	until Q3/13	(1,625)	[(3,489)]	[–]
Gas options	until Q4/12	121	[–]	[–]
R&M price risk hedge				
Swaps fix to floating – Brent	2011	1,112	[(3,582)]	[–]
Swaps fix to floating – products	2011	(3,821)	[4,440]	[–]

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 231 thousand (2010: Negative EUR 2,644 thousand) was recognized in profit and loss.

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

Fair value hedges for commodities — **EUR 1,000**

	2011	2010
Changes in underlyings	(256)	349
Changes in hedges	256	(349)

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

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

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

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

		2011		2010
	Market price +10%	Market price (10)%	Market price +10%	Market price (10)%
Strategic risk management				
E&P				
Commodity swaps	(143)	143	–	–
Operational risk management				
G&P				
G&P swaps	–	–	49	(49)
G&P futures	7,806	(7,806)	–	–
G&P forwards	19	(19)	–	–
G&P options	(7)	390	(113)	237
R&M				
Commodity futures	(7,671)	7,671	(36,800)	36,800
Commodity swaps	8	(9)	(12,706)	12,706

Sensitivity analysis for open derivatives affecting equity EUR 1,000

		2011		2010
	Market price +10%	Market price (10)%	Market price +10%	Market price (10)%
Strategic risk management				
E&P				
Commodity swaps	(148,209)	148,209	–	–
Operational risk management				
G&P				
G&P swaps	(6,699)	6,700	(521)	521
G&P options	2,225	(1,573)	1,349	(1,070)
R&M				
Commodity swaps	(4,802)	4,774	(3,460)	3,460

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

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

As of December 31, 2011, the value of transactions hedging foreign currency receivables and liabilities and of transactions used to manage liquidity was as follows:

Currency derivatives EUR 1,000

	2011		2010	
	Nominal	Fair value	Nominal	Fair value
Currency forwards	1,368,201	(28,732)	650,139	3,077
Currency swaps	17,853	818	88,787	(4,653)

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

Cash flow hedging for currency derivatives
For 2011, OMV entered into USD hedges for an exposure of USD 2.369 bn. Thereof USD 1.621 bn at an average rate of 1.3655 (already settled as of December 31, 2011) and USD 0.748 bn at an average rate of 1.3616 with settlement in 2012 to secure cash flows and to reduce impact of fluctuations of EUR/USD exchange rate (as of December 31, 2010, no cash flow hedging for currency derivatives was applied).

Cash flow hedging for currency derivatives EUR 1,000

	Period of expected cash flows for cash flow hedges	Adjustments from cash flow hedges in other comprehensive income	[thereof: Transfer from other comprehensive income disclosed in income statement]	[thereof: Transfer from other comprehensive income against original costs of acquisition]
2011				
Currency forwards	2012	(29,350)	[(24,952)]	[—]
2010				
Currency forwards	—	24,040	[24,040]	[—]

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

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

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

	2011		2010	
	EUR +10%	EUR (10)%	EUR +10%	EUR (10)%
Currency forwards	57,778	(57,778)	[–]	[–]

Translation risk is also monitored on an ongoing basis at Group level, and the risk position is evaluated. Translation risk arises on the consolidation of subsidiaries preparing their financial statements in currencies other than in EUR. The largest exposures result from changes in the value of the RON, the TRY and the USD against the EUR. The long-term foreign exchange rate risk on investments in subsidiaries not preparing financial statements in EUR is calculated and appraised on a regular basis.

For financial instruments, sensitivity analysis is performed for changes in foreign exchange rates, and the sensitivity of the principal currency exposures is as follows: The main exposures as of December 31, 2011, were to the EUR-RON and EUR-USD as well as the EUR-TRY exchange rates. On Group level, the EUR-RON sensitivity not only includes the RON net exposure versus the EUR but also the net RON exposure versus the USD, since the USD-RON exposure can be split into a EUR-RON and EUR-USD exposure. The same is true for the EUR-TRY exposure.

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

	2011		2010	
	10% appreciation of the EUR	10% depreciation of the EUR	10% appreciation of the EUR	10% depreciation of the EUR
EUR-RON	(7,930)	7,930	(17,023)	17,023
EUR-TRY	11,429	(11,429)	(45,385)	45,385
EUR-USD	(37,695)	37,695	34,320	(34,320)

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

Interest rate management

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

Interest rate swaps are used from time to time to convert fixed rate debt into floating rate debt, and vice versa. At December 31, 2011, fair value hedge accounting is applied for an interest swap of a notional volume of USD 50,000 thousand from fixed to floating rates. This interest rate swap is used to hedge the fair value of a bond (fair value hedge) issued by the OMV Group (see Note 22). The interest rate spread between the swap and the loan is accounted for as an adjustment to interest expense.

As of December 31, open positions were as follows:

Open positions — EUR 1,000

	2011		2010	
	Nominal	Fair value	Nominal	Fair value
Interest rate swaps (not hedge accounting)	46,371	(842)	64,250	(1,365)
Interest rate swaps (USD 50,000 thousand)	38,643	5,462	37,419	4,779

Interest sensitivities
The effect of an interest rate increase of 0.5 percentage points as of December 31, 2011 would have been a EUR 1.2 mn reduction in market value (2010: EUR 1.3 mn). The effect of an interest rate decrease of 0.5 percentage points as of December 31, 2011, would have been a EUR 1.2 mn increase in market value (2010 EUR 1.3 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, 2011, would have been a EUR 0.9 mn reduction in the market value of these financial assets (2010: EUR 0.8 mn). A 0.5 percentage points fall in the interest rate as of December 31, 2011 would have led to an increase in market value of EUR 0.9 mn (2010: EUR 0.8 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, 2011, net interest expense would rise or fall by EUR 5.6 mn (December 31, 2010: EUR 6.1 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 provider. On the basis of a risk assessment all counterparties, banks and security providers are assigned to a credit limit, an internal risk class and a specific validity. The risk assessments are reviewed at least annually or on an ad-hoc-basis. The procedures are governed by guidelines at OMV, Petrom and Petrol Ofisi level. The main counterparties with contracts involving financial instruments have investment grade credit ratings. For the sake of risk diversification, financial agreements are always spread between different banks.

Credit risk versus financial counterparties in strategic risk management, foreign exchange rate risk management and interest rate risk management amounted to a maximum of EUR 284.4 mn as of December 31, 2011 (2010: EUR 228.5 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 453.8 mn (2010: EUR 628.8 mn).

27 Fair value hierarchy

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

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

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

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

Fair value hierarchy 2011 — **EUR 1,000**

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

Fair value hierarchy 2011 — **EUR 1,000**

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

Fair value hierarchy 2010 — **EUR 1,000**

Financial instruments on asset side	Level 1	Level 2	Level 3	**Total**
Investment funds	6,318	–	–	**6,318**
Bonds	127,703	–	–	**127,703**
Derivatives designated and effective as hedging instruments	5,037	38,614	–	**43,651**
Other derivatives	10,401	17,966	–	**28,367**
Total	**149,459**	**56,580**	**–**	**206,039**

Fair value hierarchy 2010 — **EUR 1,000**

Financial instruments on liability side	Level 1	Level 2	Level 3	**Total**
Liabilities on derivatives designated and effective as hedging instruments	–	46,037	–	**46,037**
Liabilities on other derivatives	7,693	28,503	–	**36,196**
Total	**7,693**	**74,540**	**–**	**82,233**

28 Result on financial instruments

Result on financial instruments		EUR 1,000
	2011	2010
Result on financial instruments at fair value through profit or loss	18,225	(150,272)
Result on available-for-sale financial instruments	11,051	8,544
Result on loans and receivables	(33,338)	86,093
Result on financial liabilities measured at amortized cost	(321,785)	(182,056)
Total	**(325,847)**	**(237,691)**

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

In the income statement, a negative result on financial instruments of EUR 11,861 thousand (2010: Negative result of EUR 3,239 thousand) forms part of operating profit (EBIT) and a negative result of EUR 313,987 thousand (2010: Negative result of EUR 234,452 thousand) forms part of the net financial result.

The result on available-for-sale financial instruments in 2011 does not include reclassified amounts (2010: EUR 24,040 thousand) from other comprehensive income during the period under review and recognized as expense in the income statement. In addition to the result on available-for-sale financial instruments shown in the table above, a loss of EUR 1,966 thousand (2010: Loss of EUR 61 thousand) was recognized directly in other comprehensive income in 2011.

The result on available-for-sale financial instruments includes impairment losses of EUR 1,164 thousand (2010: EUR 5,802 thousand). The result on loans and receivables includes impairment losses of EUR 21,716 thousand (2010: EUR 24,824 thousand). Write-ups of loans and receivables amount to EUR 9,889 thousand (2010: EUR 23,736 thousand). In the position financial instruments at fair value through profit or loss, a remeasurement loss related to the acquisition of Petrol Ofisi amounting to EUR 171,678 thousand was contained in 2010.

29 LTI plans and stock option plans

Long Term Incentive (LTI) plans 2009 - 2011

In 2009, the stock option plan was replaced by the LTI plan for the Executive Board and selected senior executives in the Group. Participants must hold shares until the end of the holding period. At vesting date bonus shares will be granted to the participants. The number of bonus shares is determined depending on the achievement of defined performance targets. Disbursement is made in cash or in shares. In 2010 and 2011, again LTI plans were granted, with similar conditions. In 2011 participation to the plan also was granted to selected potentials.

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, 2011, the provision amounted to EUR 23,976 thousand (2010: EUR 16,625 thousand), and the net increase was EUR 7,352 thousand (2010: EUR 12,878 thousand).

Main conditions

	2011 plan	2010 plan	2009 plan
Start of plan	1/1/2011	1/1/2010	1/1/2009
End of performance period	12/31/2013	12/31/2012	12/31/2011
Vesting date	3/31/2014	3/31/2013	3/31/2012
End of holding period	3/31/2016	3/31/2015	3/31/2014
Qualifying own investment			
Executive Board Chairman	100% of gross base salary	100% of gross base salary	100% of gross base salary
Executive Board Deputy Chairman	85% of gross base salary	85% of gross base salary	85% of gross base salary
Executive Board members	70% of gross base salary	70% of gross base salary	70% of gross base salary
Senior executives	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares
Potentials	EUR 15,000 in shares		
Personal investment held in shares			
Executive Board members			
Auli	20,096 shares	20,096 shares	20,096 shares
Davies	25,614 shares	20,096 shares	20,096 shares
Huijskes	12,136 shares	12,136 shares	—
Langanger	—	20,096 shares	20,096 shares
Leitner [1]	12,993 shares	—	—
Roiss	34,932 shares	28,469 shares	28,469 shares
Ruttenstorfer	—	38,278 shares	38,278 shares
Total — Executive Board	**105,771 shares**	**139,171 shares**	**127,035 shares**
Other senior executives	299,449 shares	240,390 shares	202,412 shares
Potentials	9,460 shares		
Total personal investment	**414,680 shares**	**379,561 shares**	**329,447 shares**
Expected bonus shares as of December 31, 2011	**425,401 shares**	**314,860 shares**	**454,554 shares**
Maximum bonus shares as of December 31, 2011	**582,225 shares**	**450,945 shares**	**513,480 shares**
Fair value of plan (EUR 1,000)	**18,637**	**10,574**	**10,715**

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

Stock option plans 2004 – 2008

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

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

At grant dates details of the plans were as follows:

Main conditions

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

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

As of December 31, 2011, all of the options for the 2004 plan were exercised or forfeited (returned), some of the options for the plan 2005 were exercised and some of the options for the 2006, 2007, and 2008 plans forfeited. As of December 31, 2010, some of the options for the 2004 and 2005 plans were exercised and some of the options for the 2006 and 2007 plans forfeited.

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

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

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

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

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

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

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

In 2011 and 2010 movements in options under the stock option plans were as follows:

Stock option plans

		2011		2010
	Number of options	Weighted average exercise price EUR	Number of options	Weighted average exercise price EUR
Outstanding options as of January 1	**2,046,550**	**42.637**	**2,063,050**	**42.426**
Options exercised	(118,860)	16.368	(16,500)	16.368
Options forfeited (returned)	(41,950)	32.430	—	—
Outstanding options as of December 31	**1,885,740**	**44.519**	**2,046,550**	**42.637**
Options exercisable at year end [1]	—	—	**138,810**	**16.368**

[1] The options for the plans 2005, 2006, 2007 and 2008 would have been exercisable at year end, if the share price had been above the respective plan threshold. The options for the plans 2005, 2006 and 2007 would have been exercisable at December 31, 2010, if the share price had been above the respective plan threshold.

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

During 2010, a total of 16,500 options granted under the 2004 plan were exercised. For all options, the options were exercised through the purchase of shares. The weighted average market price at the time of exercise in 2010 was EUR 26.530. Considering the plan threshold, the intrinsic value of the options exercisable as of December 31, 2010 was EUR 2,045 thousand. As of December 31, 2010 the share price was below the plan threshold for the 2005, 2006, 2007 and 2008 plans.

Exercise of options by plan participants was as follows:

Options exercised

	2011 Options exercised	**2011** Weighted average exercise price EUR	2010 Options exercised	2010 Weighted average exercise price EUR
Executive Board members				
Auli	5,760	16.368	—	—
Davies	—	—	—	—
Langanger	—	—	16,500	16.368
Leitner	—	—	—	—
Roiss	—	—	—	—
Ruttenstorfer	—	—	—	—
Total – Executive Board	**5,760**	**16.368**	**16,500**	**16.368**
Other senior executives	113,100	16.368	—	—
Total options exercised	**118,860**	**16.368**	**16,500**	**16.368**

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

Compensation expense — EUR 1,000

	2011	2010
2004 plan	1,318	168
Total	**1,318**	**168**

Of this amount, EUR 70 thousand (2010: EUR 168 thousand) was attributable to Executive Board members and EUR 1,248 thousand (2010: EUR nil) to other senior executives.

As of December 31, 2011, **outstanding options** under the various plans were as follows:

Outstanding options

Plan	Exercise price EUR	Options outstanding	Remaining maturity in years	Options exercisable at year end [1]
2005	34.700	375,400	0.7	–
2006	45.190	445,080	1.7	–
2007	47.850	530,960	2.7	–
2008	47.550	534,300	3.7	–
Total		**1,885,740**		–

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

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

The fair value as of December 31, 2011 is calculated on the basis of the options still outstanding, while the fair value as of the time of award is based on the total options granted. Assuming that the conditions for exercise are fulfilled during the exercise period, the fair value of the stock option plans is as follows:

Valuation as of December 31, 2011

	2008 plan	2007 plan	2006 plan	2005 plan
Market value of plan (EUR 1,000)	735	518	268	166
Calculation variables				
Market price of stock (EUR)	23.44	23.44	23.44	23.44
Risk-free rate of return	1.396%	1.254%	1.111%	1.111%
Maturity of options (including vesting period)	3.7 years	2.7 years	1.7 years	0.7 years
Average dividend yield	5.8%	5.2%	4.5%	4.4%
Share price volatility	40%	40%	40%	40%

Provision is made for the expected future costs of options unexercised at statement of financial position date based on fair values. As of December 31, 2011, the provision amounted to EUR 1,688 thousand (2010: EUR 9,615 thousand) and the net decrease was EUR 7,927 thousand (2010: Net decrease EUR 636 thousand).

Segment reporting

30 Business operations and key markets

For business management purposes, the OMV Group is divided into three operating business segments: Exploration and Production (E&P), Gas and Power (G&P) and Refining and Marketing including petrochemicals (R&M), as well as the segment Corporate and Other (Co&O). Each segment represents a strategic unit with different products and markets. Each business segment is managed independently. Strategic business decisions are made by the Executive Board of OMV.

E&P engages in the business of oil and gas exploration, development and production and focuses on two core countries Romania and Austria and its international portfolio (North Africa and Offshore, Middle East and Caspian). The produced oil and gas is primarily sold within the OMV Group.

The **G&P** segment engages in gas transit through and transport within Austria, as well as in gas storage, marketing and trading. OMV is the sole operator of long-distance gas transmission pipelines in Austria. The power business extends the gas value chain into gas-fired power plants.

R&M operates the refineries Schwechat (Austria), Burghausen (Germany) and Petrobrazi (Romania) and holds an at-equity consolidated 45% share in the Bayernoil refinery complex (Germany). The operations in Arpechim refinery in Romania have been halted since early June 2010. 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 Turkey filling station network following the 2010 stake increase in OMV Petrol Ofisi A.Ş.

Group management, financing and insurance activities and certain service functions are concentrated in the **Co&O** segment.

The key measure of operating performance for the Group is earnings before interest and taxes (EBIT) according to IFRS. Total assets include intangible assets as well as property, plant and equipment. Sales to external customers are split up by geographical areas on the basis of where the delivery of goods or services is effective. Accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Intra-group sales and cost allocations by the parent company are determined in accordance with internal OMV policies; management is of the opinion that the transfer prices of goods and services exchanged between segments correspond to market prices. Business transactions not attributable to operating segments are included in the results of the Co&O segment.

31 Segment reporting

Segment reporting — EUR mn

	E&P	G&P	R&M	Co&O	**Total**	Consoli-dation	**Consoli-dated total**
2011							
Sales [1]	4,959.52	7,000.39	26,472.15	395.28	**38,827.34**	(4,774.14)	**34,053.19**
Intra-group sales	(4,193.42)	(143.96)	(46.18)	(390.59)	**(4,774.14)**	4,774.14	—
External sales	766.10	6,856.43	26,425.97	4.70	**34,053.19**	—	**34,053.19**
Total assets [2]	8,809.89	2,020.61	6,337.08	240.76	**17,408.33**	—	**17,408.33**
Investments in PPE/IA	1,521.28	513.70	560.59	37.33	**2,632.90**	—	**2,632.90**
Depreciation and amortization	797.60	41.56	507.89	41.96	**1,389.01**	—	**1,389.01**
Impairment losses	212.57	—	22.49	0.70	**235.76**	—	**235.76**
2010							
Sales [1]	4,666.05	4,365.00	18,041.99	339.48	**27,412.51**	(4,089.07)	**23,323.44**
Intra-group sales	(3,620.37)	(103.08)	(29.66)	(335.96)	**(4,089.07)**	4,089.07	—
External sales	1,045.68	4,261.92	18,012.33	3.52	**23,323.44**	—	**23,323.44**
Total assets [2]	7,310.58	1,567.80	6,789.00	269.16	**15,936.54**	—	**15,936.54**
Investments in PPE/IA	1,303.59	597.51	393.83	56.75	**2,351.68**	—	**2,351.68**
Depreciation and amortization	752.86	28.76	382.73	47.42	**1,211.77**	—	**1,211.77**
Impairment losses	319.62	1.17	37.82	1.31	**359.92**	—	**359.92**

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

Segment and Group profit — EUR mn

	2011	2010
EBIT E&P [1]	2,083.87	1,815.60
EBIT G&P	237.74	277.00
EBIT R&M	271.23	397.36
EBIT Co&O	(71.10)	(128.28)
EBIT segment total	**2,521.74**	**2,361.69**
Consolidation: Elimination of intersegmental profits	(48.33)	(27.89)
OMV Group EBIT	**2,473.41**	**2,333.80**
Net financial result	(273.28)	(373.17)
OMV Group profit from ordinary activities	**2,200.12**	**1,960.63**

[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
2011								
External sales	11,501.15	5,804.35	4,015.55	5,022.68	4,201.99	1,997.07	1,510.40	**34,053.19**
Not allocated assets	—	—	—	—	—	—	—	**249.94**
Allocated assets [1]	3,062.32	964.09	5,794.36	2,676.31	836.96	433.96	3,390.40	**17,158.39**
Assets								**17,408.33**
2010								
External sales	7,518.12	5,319.41	3,335.66	—	3,342.06	1,504.51	2,303.66	**23,323.44**
Not allocated assets	—	—	—	—	—	—	—	**295.09**
Allocated assets [1]	2,943.31	970.14	5,302.08	2,966.78	890.24	316.73	2,252.17	**15,641.45**
Assets								**15,936.54**

[1] Property, plant and equipment (PPE), intangible assets (IA).
[2] Rest of world: Principally Australia, Kazakhstan, Libya, New Zealand, Pakistan, Tunisia, Yemen and Kurdistan Region of Iraq.

EUR 250 mn of the goodwill deriving from the acquisition of Petrol Ofisi have not been allocated to geographical areas but to cash-generating units that are operating in more than one geographical area.

Other information

32 Average number of employees

Average number of employees [1]

	2011	2010
OMV Group excluding Petrom group	6,709	5,824
Petrom group	23,909	26,718
Total Group	**30,618**	**32,542**

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

33 Expenses Group auditor

Expenses for services rendered by the Group auditor (including the international network in terms of section 271b UGB) comprise the following:

Expenses for services rendered by the Group auditor (including the international network) **EUR 1,000**

	2011	2010
Audit of Group accounts and year-end audit [1]	2,076	2,436
Other assurance services	527	1,373
Tax advisory services	48	120
Other services	532	449
Total	**3,183**	**4,378**

[1] Including changes of prior years.

In 2011, the following expenses have been incurred for the Group auditor, Ernst & Young Wirtschaftsprüfungs GmbH: For the year-end audit EUR 762 thousand, for other assurance services EUR 496 thousand and for other services EUR 8 thousand.

In 2010, the following expenses have been incurred for the Group auditor, Deloitte Audit Wirtschaftsprüfungs GmbH: For the year-end audit EUR 688 thousand, for other assurance services EUR 1,222 thousand, for tax advisory services EUR 31 thousand and for other services EUR 341 thousand.

34 Related parties

Under IAS 24, details of relationships with related parties and related enterprises not included in consolidation must be disclosed. Enterprises and individuals are considered to be related if one party is able to control or exercise significant influence over the business of the other. Österreichische Industrieholding AG, Vienna, holds an interest of 31.5% and International Petroleum Investment Company, Abu Dhabi, holds an interest of 24.9% in OMV Aktiengesellschaft; both are related parties under IAS 24.

In 2011, there were arm's-length supplies of goods and services between the Group and associated companies. The supplies of goods and services relate to the following companies included at-equity:

Related enterprises — EUR 1,000

	2011		2010	
	Sales	Receivables	Sales	Receivables
Borealis AG	1,540,998	136,468	1,430,653	139,843
GENOL Gesellschaft m.b.H. & Co	314,782	30,855	253,688	30,828
Erdöl-Lagergesellschaft m.b.H.	205,959	7,579	49,742	112
Bayernoil Raffineriegesellschaft mbH	2,773	226	3,661	132
OMV Petrol Ofisi A.Ş. [1]	—	—	39	—
Other	4	2	—	343
Total	**2,064,516**	**175,130**	**1,737,783**	**171,258**

[1] Until its inclusion in the group of fully consolidated companies by the end of December 2010, OMV Petrol Ofisi A.Ş. was consolidated at-equity.

At December 31, 2011, there were trade payables to Bayernoil Raffineriegesellschaft mbH of EUR 65,494 thousand (2010: EUR 69,177 thousand).

At December 31, 2011, the following loans were outstanding: EUR 240,300 thousand (2010: EUR 267,300 thousand) to Bayernoil Raffineriegesellschaft mbH and EUR 48,983 thousand (2010: EUR 57,946 thousand) to Pearl Petroleum Company Limited. As of December 31, 2010, EUR 36,108 thousand were outstanding to IOB Holding A/S.

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

Remuneration received by the Executive Board — EUR 1,000

2011	Auli	Davies	Huijskes	Leitner	Roiss	Ruttenstorfer	**Total**
Fixed remuneration for 2011	600	735	500	375	779	200	**3,188**
Variable remuneration [1]	900	900	213	—	1,050	1,200	**4,263**
Benefits in kind (company car, accident insurance) and reimbursed expenses	8	10	8	6	8	2	**43**
Total (excluding severance and post-employment payments, pension fund contributions and payments in lieu of holiday)	**1,508**	**1,645**	**721**	**381**	**1,837**	**1,402**	**7,493**
Benefits from stock options exercised	70	—	—	—	—	—	**70**

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

Remunerationreceived by the Executive Board EUR 1,000

2010	Auli	Davies	Huijskes	Langanger	Roiss	Ruttenstorfer	**Total**
Fixed remuneration for 2010	600	665	375	461	700	800	**3,601**
Variable remuneration [1]	755	826	525	826	965	1,104	**5,000**
Benefits in kind (company car, accident insurance) and reimbursed expenses	8	9	22	6	8	8	**61**
Total (excluding severance and post-employment payments, pension fund contributions and payments in lieu of holiday)	**1,363**	**1,500**	**922**	**1,293**	**1,673**	**1,912**	**8,663**
Benefits from stock options exercised	—	—	—	168	—	—	**168**

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

The total remuneration including severance payments, post-employment payments, pension fund contributions and payments in lieu of holiday in 2011 amounted to EUR 13,886 thousand (2010: EUR 12,001 thousand).

For details on pension fund contributions see Note 21.

The members of the Executive Board and the members of the Supervisory Board are covered by directors and officers liability insurance (D&O) and legal costs insurance. A large number of other OMV employees also benefit from these two forms of insurance, and the insurers levy lump-sum premiums, which are not specifically attributed to the Board members. Compensation of former members of the Executive Board and their surviving dependants amounted to EUR 1,894 thousand (2010: EUR 1,119 thousand).

In 2011, the total remuneration (excluding stock option plans) of 49 top executives (excluding the Executive Board; 2010: 38) amounted to EUR 23,232 thousand (2010: EUR 15,665 thousand), of which basic remuneration, such as salaries, accrued vacations and bonuses was EUR 18,244 thousand (2010: EUR 13,208 thousand) and EUR 1,424 thousand (2010: EUR 1,268 thousand) were expenses for pension fund contributions. The expenses for severance benefits were EUR 2,958 thousand (2010: EUR 1,085 thousand), and other long-term benefits amounted to EUR 111 thousand (2010: EUR 104 thousand).

See Note 29 for details on LTI and stock option plans.

In 2011, remuneration expenses for the Supervisory Board amounted to EUR 394 thousand (2010: EUR 392 thousand).

35 Subsequent events

On February 22, 2012, ExxonMobil Exploration and Production Romania Limited (EMEPRL), an affiliate of ExxonMobil Corporation and OMV Petrom SA, the 51% subsidiary of OMV Aktiengesellschaft, confirmed a potentially significant gas discovery offshore Romania.

Operated by ExxonMobil, the Domino-1 well is the first deep water exploration well offshore Romania and has a total depth of more than 3,000 meters below sea level. The Domino-1 well is located in the Neptun Block, 170 kilometers offshore in water approximately 930 meters deep.

The exploration well encountered 70.7 meters of net gas pay, resulting in a preliminary estimate for the accumulation ranging from 1.5 to 3 trillion cubic feet (42 to 84 billion cubic meters). Drilling operations started at year-end 2011.

ExxonMobil and OMV plan new 3D seismic acquisition during 2012. The evaluation of the Domino-1 well results and the new seismic will determine next steps. It is too early in the data evaluation and exploration process to determine whether the Neptun block will ultimately prove to be commercially developable or not. However, should further work confirm the technical and commercial feasibility of deep water gas production from the Neptun block, further investment during both the exploration and development phases could reach several billion USD with the potential for first production towards the end of the decade at the earliest.

On March 16, 2012, OMV Bulgaria OOD has been notified upon infringement of the competition rules by the Bulgarian Competition Council. OMV Bulgaria OOD has been provided 30 days to provide written arguments and evidence. At the date of these financial statements, we are not able to evaluate the outcome of this investigation and we did not record any provision.

36 Direct and indirect investments of OMV Aktiengesellschaft

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2011

	Parent company	Equity interest in %	Type of consolidation [1]
Exploration and Production			
Petrol Ofisi Arama Üretim Sanayi ve Ticaret Anonim Şirketi, Ankara	POAS	99.96	
	OTHOLD	0.01	
	ERK	0.01	
	PORAF	0.01	
	OMVEP	0.01	C
KOM MUNAI LLP, Aktau	PETROM	95.00	C
Korned LLP, Almaty	PETROM	100.00	C
OMV Abu Dhabi E&P GmbH, Vienna	OMVEP	100.00	NC
OMV Anaguid Ltd., Grand Cayman	OTNPR	100.00	C
OMV AUSTRALIA PTY LTD, Perth	OMV AG	100.00	C
OMV Austria Exploration & Production GmbH, Vienna (OEPA)	OMVEP	100.00	C
OMV (BAYERN) Exploration GmbH, Vienna	OEPA	100.00	NC
OMV Bina Bawi GmbH, Vienna	PETEX	100.00	C
OMV Block 70 Upstream GmbH, Vienna	OMVEP	100.00	C
OMV Dorra Limited, Road Town	OTNPR	100.00	C
OMV (EGYPT) Exploration GmbH, Vienna	OMVEP	100.00	C
OMV (EGYPT) Oil & Gas Exploration GmbH, Vienna	OMVEP	100.00	NC
OMV Exploration & Production GmbH, Vienna (OMVEP)	OMV AG	100.00	C
OMV EXPLORATION & PRODUCTION LIMITED, Douglas	OMVEP	100.00	C
OMV (FAROE ISLANDS) Exploration GmbH, Vienna	OMVEP	100.00	C

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2011

	Parent company	Equity interest in %	Type of consolidation [1]
OMV Global Oil & Gas GmbH, Vienna	OMVEP	100.00	NC
OMV (IRAN) onshore Exploration GmbH, Vienna	OMVEP	100.00	C
OMV (IRELAND) Exploration GmbH, Vienna	OMVEP	100.00	C
OMV Maurice Energy GmbH, Vienna	OMVEP	100.00	C
OMV Maurice Energy Limited, Port Louis	MAURI	100.00	C
OMV Jardan Block 3 Upstream GmbH, Vienna	OMVEP	100.00	C
OMV Myrre block 86 Upstream GmbH, Vienna	OMVEP	100.00	NC
OMV New Zealand Limited, Wellington (NZEA)	OMVEP	100.00	C
OMV (NORGE) AS, Stavanger	OMVEP	100.00	C
OMV OF LIBYA LIMITED, Douglas	OMVEP	100.00	C
OMV Oil and Gas Exploration GmbH, Vienna	OMVEP	100.00	C
OMV Oil Exploration GmbH, Vienna	OMVEP	100.00	C
OMV Oil Production GmbH, Vienna	OMVEP	100.00	C
OMV Olibanum Upstream GmbH, Vienna	OMVEP	100.00	NC
OMV (PAKISTAN) Exploration Gesellschaft m.b.H., Vienna	OMVEP	100.00	C
OMV Petroleum Exploration GmbH, Vienna (PETEX)	OMVEP	100.00	C
OMV Proterra GmbH, Vienna	OEPA	100.00	NC
OMV Rovi GmbH, Vienna	PETEX	100.00	C
OMV Sarsang GmbH, Vienna	OMVEP	100.00	NC
OMV Sarta GmbH, Vienna	PETEX	100.00	C
OMV (SLOVAKIA) Exploration GmbH, Vienna	OEPA	100.00	C
OMV Southeast Caspian Upstream GmbH, Vienna	OMVEP	100.00	NC
OMV (Tunesien) Production GmbH, Vienna (OTNPR)	OMVEP	100.00	C
OMV (TUNESIEN) Sidi Mansour GmbH, Vienna	OMVEP	100.00	C
OMV (U.K.) Limited, London	OMVEP	100.00	C
OMV South Tunesia Ltd., Grand Cayman	OTNPR	100.00	C
OMV Upstream International GmbH, Vienna (OUPI)	OMVEP	100.00	C
OMV (YEMEN) Al Mabar Exploration GmbH, Vienna	OMVEP	100.00	C
OMV (Yemen Block S 2) Exploration GmbH, Vienna	OMVEP	100.00	C
OMV (YEMEN) South Sanau Exploration GmbH, Vienna	OMVEP	100.00	NC
OMV Al Ain E&P GmbH, Vienna	OMVEP	100.00	NC
OMV Barrow Pty Ltd, Perth	OAUST	100.00	NC
OMV Beagle Pty Ltd, Perth	OAUST	100.00	NC
OMV Petroleum Pty Ltd, Perth	NZEA	100.00	NC
TASBULAT OIL CORPORATION BVI, Saint Helier	PETROM	100.00	NC
Pearl Petroleum Company Limited, Road Town	OUPI	10.00	AE
PEI Venezuela Gesellschaft mit beschränkter Haftung, Burghausen	OMVEP	100.00	C
Petroleum Infrastructure Limited, Wellington	NZEA	100.00	C
PETROM EXPLORATION & PRODUCTION LIMITED, Douglas	PETROM	50.00	C
Preussag Energie International GmbH, Burghausen	OMVEP	100.00	C
Société de Recherches et d'Exploitation des Pétroles en Tunisie, Tunis	OTNPR	50.00	NAE
TASBULAT OIL CORPORATION LLP, Aktau	PETROM	100.00	C
Thyna Petroleum Services S.A., Sfax	OTNPR	50.00	NAE

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2011

	Parent company	Equity interest in %	Type of consolidation [1]
Gas and Power			
ADRIA LNG d.o.o., Zagreb	OGI	32.47	NAE
ADRIA LNG STUDY COMPANY LIMITED, Valletta	OGI	28.37	NAE
AGCS Gas Clearing and Settlement AG, Vienna	OGG	23.13	NAE
AGGM Austrian Gas Grid Management AG, Vienna	OGG	100.00	C
Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H., Vienna	OGG	51.00	C
Borasco Elektrik Toptan Satiş A.S., Istanbul	BORASC	99.60	NC
OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş., Istanbul (BORASC) [3]	OPI	100.00	C
Caspian Energy Company Limited, London	OGI	50.00	NAE
Central European Gas Hub AG, Vienna	OGI	80.00	C
CONGAZ SA, Constanța	PETROM	28.59	AE
EconGas Deutschland GmbH, Regensburg	ECOGAS	100.00	C
EconGas GmbH, Vienna (ECOGAS)	OGI	50.00	
	EGBV	14.25	C
EconGas Hungária Földgázkereskedelmi Kft., Budapest	ECOGAS	100.00	C
EconGas Italia S.r.l, Milan	ECOGAS	100.00	C
EGBV Beteiligungsverwaltung GmbH, Linz (EGBV)	OGI	65.00	C
Enerco Enerji Sanayi Ve Ticaret A.S., Istanbul	OGI	40.00	AE
Freya Bunde-Etzel GmbH & Co. KG, Bonn	OGSG	40.00	AE
OMV Gas Adria d.o.o., Zagreb	OGI	100.00	NC
OMV Gas Germany GmbH, Düsseldorf	OGG	100.00	C
GAS CONNECT AUSTRIA GmbH, Vienna (OGG) [3]	OGI	100.00	C
OMV Gas & Power GmbH, Vienna (OGI)	OMV AG	100.00	C
OMV Gas Storage Germany GmbH, Cologne	OGI	100.00	C
OMV Gas Storage GmbH, Vienna	OGI	100.00	C
OMV Gaz Ve Enerji Holding Anonim Şirketi, Istanbul [3]	OTHOLD	99.99	C
OMV Gaz Ve Enerji Satış Anonim Şirketi, Istanbul	GPTHOL	99.89	
	OGI	0.05	
	ERK	0.02	
	OCTS	0.02	
	OTHOLD	0.02	C
OMV Enerji Ticaret Limited Şirketi, Istanbul (GASTR)	GPTRAD	99.00	
	OPI	1.00	C
OMV Kraftwerk Haiming GmbH, Haiming	OPI	100.00	C
OMV Power International GmbH, Vienna (OPI)	OGI	100.00	C
OMV Trading GmbH, Vienna	OGI	100.00	C
PETROM DISTRIBUTIE GAZE SRL, Bucharest	PETROM	99.99	C
OMV PETROM GAS SRL, Bucharest	PETROM	99.99	C
OMV Petrom Wind Power Park SRL, Bucharest	PETROM	99.99	C
South Stream Austria GmbH, Vienna	OGI	50.00	NC
Refining and Marketing including petrochemicals			
Abu Dhabi Petroleum Investments LLC, Abu Dhabi	OMVRM	25.00	NAE
Adria-Wien Pipeline GmbH, Klagenfurt	OMVRM	76.00	C
Aircraft Refuelling Company GmbH, Vienna	OMVRM	33.33	NAE
Autobahn – Betriebe Gesellschaft m.b.H., Vienna	OMVRM	47.19	NAE

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2011

	Parent company	Equity interest in %	Type of consolidation [1]
Avanti d.o.o., Zagreb	OHRVAT	30.00	NAE
BAYERNOIL Raffineriegesellschaft mbH, Vohburg	OMVD	45.00	AE
Borealis AG, Vienna	OMVRM	32.67	
	OMV AG	3.33	AE
BRAZI OIL & ANGHELESCU PROD COM SRL, Brazi	PETROM	37.70	NAE
BSP Bratislava-Schwechat Pipeline GmbH, Vienna	OMVRM	26.00	NAE
Deutsche Transalpine Oelleitung GmbH, Munich	OMVD	25.00	AE
DUNATÀR Köolajtermék Tároló és Kereskedelmi Kft., Budapest	OHUN	48.28	NAE
EPS Ethylen-Pipeline-Süd GmbH & Co KG, Munich	OMVD	21.95	AE
Erdöl-Lagergesellschaft m.b.H., Lannach	OMVRM	55.60	AE [1]
Erk Petrol Yatırımları A.Ş., Istanbul (ERK)	POAS	99.96	
	OTHOLD	0.01	
	OCTS	0.01	
	OGI	0.01	
	OMVEP	0.01	C
FONTEGAS PECO MEHEDINTI SA, Simian	PETROM	37.40	NAE
FRANCIZA PETROM 2001 SA, Piteşti	PETROM	40.00	NAE
GENOL Gesellschaft m.b.H., Vienna	OMVRM	29.00	NAE
GENOL Gesellschaft m.b.H. & Co, Vienna	OMVRM	29.00	AE
Heating Innovations Austria GmbH, Vienna	OMVRM	50.00	AE
ICS PETROM MOLDOVA SA, Chisinau	PETROM	100.00	C
Marmara Depoculuk Hizmetleri Sanayi ve Ticaret Anonim Şirketi, Istanbul	POAS	89.97	
	OTHOLD	0.01	
	PORAF	0.01	
	ERK	0.01	C
OMV BH d.o.o., Sarajevo	VIVTS	100.00	C
OMV BULGARIA OOD, Sofia	PETROM	99.90	
	OMVRM	0.10	C
OMV Česká republika, s.r.o., Prague	VIVTS	100.00	C
OMV Deutschland GmbH, Burghausen (OMVD)	OMVRM	90.00	
	OMV AG	10.00	C
OMV Hrvatska d.o.o., Zagreb (OHRVAT)	VIVTS	100.00	C
OMV Hungária Ásványolaj Korlátolt Felelösségü Társaság, Budapest (OHUN)	VIVTS	100.00	C
OMV – International Services Ges.m.b.H., Vienna	OMVRM	100.00	C
OMV Refining & Marketing GmbH, Vienna (OMVRM)	OMV AG	100.00	C
OMV PETROM MARKETING SRL, Bucharest (ROMAN)	PETROM	100.00	C
OMV SLOVENIJA trgovina z nafto in naftnimi derivati, d.o.o., Koper	VIVTS	92.25	C
OMV Slovensko s.r.o., Bratislava	VIVTS	100.00	C
OMV SRBIJA d.o.o., Belgrade	PETROM	99.90	
	OMVRM	0.10	C
OMV Supply & Trading AG, Zug	OMVRM	100.00	C
OMV TRADING SERVICES LIMITED, London	OMVRM	100.00	NC
OMV-VIVA Kereskedelmi és Szolgáltatató Korlátolt Felelösségü Társaság, Budapest	OHUN	96.67	NC
PETROCHEMICALS ARGES SRL, Piteşti	PETROM	95.00	NC
OMV Petrol Ofisi A.Ş., Istanbul (POAS)	OMV AG	41.58	
	OTHOLD	55.40	C

Direct and indirect investments of OMV Aktiengesellschaft with an interest of at least 20% as of December 31, 2011

	Parent company	Equity interest in %	Type of consolidation [1]
Petrol Ofisi Akdeniz Rafinerisi Sanayi ve Ticaret A.Ş., Istanbul [3]	POAS	100.00	C
Petrol Ofisi Gaz İletim A.Ş., Istanbul	POAS	99.75	
	OGI	0.10	
	OTHOLD	0.05	
	OCTS	0.05	
	ERK	0.05	C
PETROM LPG SA, Otopeni	PETROM	99.99	C
PETROM NADLAC SRL, Nadlac	PETROM	98.51	NC
PO Georgia LLC, Tbilisi	POAS	100.00	NC
Routex B.V., Amsterdam	OMVRM	20.00	NAE
SIOT Società Italiana per l'Oleodotto Transalpino S.p.A., Triest	OMVRM	25.00	AE
SuperShop Marketing GmbH, Budapest	OHUN	50.00	NAE
TGN Tankdienst-Gesellschaft Nürnberg GbR, Nuremberg	OMVD	33.33	NAE
Transalpine Ölleitung in Österreich Gesellschaft m.b.H., Matrei in Osttirol	OMVRM	25.00	AE
TRANS GAS SERVICES SRL, Bucharest	PETROM	80.00	NC
Çankaya Bel-Pet Limited Sirketi, Ankara	POAS	49.00	NC
PETROM AVIATION SA, Otopeni	PETROM	100.00	C
Salzburg Fuelling GmbH, Salzburg	OMVRM	33.33	NC
VIVA International Marketing- und Handels-GmbH, Vienna (VIVTS)	OMVRM	100.00	C
Corporate and Other			
Amical Insurance Limited, Douglas (AMIC)	OMV AG	100.00	C
ASOCIATIA ROMANA PENTRU RELATIA CU INVESTITORII, Bucharest	PETROM	20.00	NAE
Diramic Insurance Limited, Gibraltar	AMIC	100.00	C
Kompetenz- und Informationszentrum für Humanvermögen und interdisziplinäre Arbeits- und Unternehmensforschung GmbH, Klosterneuburg	SNO	24.44	NAE
OMV Clearing und Treasury GmbH, Vienna (OCTS)	SNO	100.00	C
OMV Petrol Ofisi Holding Anonim Şirketi, Istanbul [3]	OMV AG	100.00	C
OMV FINANCE LIMITED, Douglas	OMV AG	100.00	C
OMV Finance Services GmbH, Vienna	SNO	100.00	C
OMV Future Energy Fund GmbH, Vienna	OMV AG	100.00	C
OMV Insurance Broker GmbH, Vienna	OMV AG	100.00	NC
OMV Solutions GmbH, Vienna (SNO)	OMV AG	100.00	C
PETROMED SOLUTIONS SRL, Bucharest	PETROM	99.99	C
students4excellence GmbH, Vienna	OMV AG	20.00	NAE
VA OMV Personalholding GmbH, Linz	SNO	50.00	NAE
Petrom			
OMV PETROM SA, Bucharest (PETROM) [2]	OMV AG	51.01	C

[1] Type of consolidation:
- C Consolidated subsidiary.
- AE Associated company, accounted for at-equity.
- AE [1] Despite majority interest not consolidated due to absence of control.
- NC Not-consolidated subsidiary; shell or distribution companies of relative insignificance individually and collectively to the consolidated financial statements.
- NAE Other investment recognized at-cost; associated companies of relatively little importance to the assets and earnings of the consolidated financial statements.

[2] Petrom is assigned to the relevant segments in the segment reporting.

[3] Individual shares are held by other group companies (in total below 0.01%).

Most of the subsidiaries which are not consolidated either have low business volumes or are distribution companies; the total sales, net income/losses and equity of such companies represent less than 2% of the Group totals.

Material joint ventures [1] of OMV Group oil and gas production

Country	Field name	License/block	Participation in %
Libya	C103	Area 90/106	3.00
Libya	El Shararah	NC115	3.90
Libya	Nafoora Augila	Area 91	2.50
Libya	NC186	NC186	2.88
Libya	Shatirah	NC163	17.85
Libya	74/29	Area 70/71/87/103/104/119	3.00
New Zealand	Maari	PMP 38160	69.00
New Zealand	Maui	PML 381012	10.00
New Zealand	Pohokura	PMP 38154	26.00
Pakistan	Miano		17.68
Pakistan	Sawan		19.74
Pakistan	Saqib		45.00
Pakistan	Latif		33.34
Pakistan	Tajjal		33.34
Tunisia	Ashtart		50.00
Tunisia	Cercina		49.00
Tunisia	El Hajeb/Guebiba		49.00
Tunisia	Gremda/El Ain		49.00
Tunisia	Rhemoura		49.00
Tunisia	Cherouq		50.00
Tunisia	Adam		20.00
Tunisia	Durra		50.00
UK	Beryl	9/13a	5.00
UK	Beryl	9/13a,b,c	5.00
UK	Boa	9/15a	13.62
UK	Buckland	9/18a	3.17
UK	Howe	22/12a North	20.00
UK	Jade	30/2c	5.57
UK	Maclure	9/19	1.67
UK	Ness & Ness South	9/13a, 9/13b	5.00
UK	Nevis Central	9/13a	5.00
UK	Nevis South	9/13a, 9/12a	3.25
UK	Schiehallion	204/25a	5.88
UK	Skene	9/19	3.49
UK	Bardolino	22/13a	38.00
Yemen	Al Uqlah	Block S 2	44.00

[1] The above listed joint ventures refer to jointly controlled assets. Exploration and not yet producing joint ventures are not included in this table.

OMV's capital commitments of Exploration and Production joint ventures

Country	Field name	License/block	Participation in %	Commitments 2012 in USD	Commitments 2013-2015 in USD	Commitments after 2015 in USD
Australia		EP409 R5	50.00	37,000	48,000	–
Australia		WA–290-P	20.00	12,292,000	96,000	–
Australia		WA–320-P	66.67	449,000	43,528,000	–
Australia		WA–358-P	100.00	138,000	325,000	–
Australia		WA–386-P	50.00	28,000	–	–
Australia		WA–387-P	50.00	28,000	–	–
Faroe Islands		L-008	20.00	–	16,000,000	–
Kurdistan Region of Iraq		Mala Omar	100.00	11,440,339	–	–
Libya	C102	Area 91	25.00	1,750,000	2,500,000	–
Libya	C103 (Exploration)	Area 90/106	25.00	1,110,000	2,500,000	–
Libya	El Shararah (Exploration)	NC115	30.00	4,580,000	4,725,000	–
Libya	NC186 (Exploration)	NC186	24.00	529,920	4,320,000	–
Libya	NC74/29/C103		25.00	–	5,500,000	–
Libya	74/29 (Exploration)	Area 70/71/87/103/104/119	25.00	4,818,000	17,500,000	–
New Zealand		PEP 50119	18.00	2,700,000	–	–
Norway	Barents Sea	PL 606	60.00	2,821,981	–	–
Norway	Barents Sea	PL615	20.00	1,512,167	34,419,853	–
Norway	Barents Sea	PL 393B	30.00	11,721,044	15,488,934	–
Norway	Barents Sea	PL 529	20.00	20,736,378	–	–
Norway	Barents Sea	PL 537	25.00	16,033,112	22,938,380	–
Norway	Norwegian Sea	PL 557	50.00	933,897	–	–
Norway	Norwegian Sea	PL 435	20.00	22,531,202	–	–
Pakistan	Barkhan		15.00	1,950,000	–	–
Pakistan	Harnai		20.00	990,000	–	–
Pakistan	Mehar		59.21	21,784,131	–	–
Pakistan	Latif		33.40	910,150	–	–
Tunisia	Jenein Sud		100.00	30,000,000	–	–
Tunisia	Sidi Mansour		100.00	25,000,000	–	–
Tunisia	Jenein Nord		100.00	21,000,000	–	–
Tunisia	Borj El Khadra		40.00	–	8,000,000	–
Tunisia	Cherouq (Exploration)		100.00	20,000,000	–	–
UK	Schiehallion	P 556 204/20, P559 204/25a	5.87	51,120,491	40,824,506	–
UK	Aberlour	P 1194 213/22/23/28	20.00	4,863,860	–	–
UK	Jackdaw	P 098 30/2a	9.68	7,222,073	–	–
Yemen	Al Mabar	Block 2	87.50	–	8,000,000	–
Yemen	Al Uqlah South	Block 86	45.72	–	14,287,500	–
Yemen	South Sanau	Block 29	43.75	–	7,500,000	–
Yemen	Jardau	Block 3	34.00	–	1,808,510	–
Yemen	Al Uqlah	Block S2	44.00	69,341,164	–	–
Yemen	Ataq	Block 70	19.24	–	607,500	–

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.

Due to the new management structure starting in 2011, the split into regions has been changed as follows: Besides Austria and Romania all other countries are summarized in areas. These areas include the following countries:

North Africa and Offshore: Germany (until 2010), United Kingdom, Norway, Ireland, Faroe Islands, Slovakia, Libya, Tunisia, Egypt, Turkey (since 2010), Australia, New Zealand

Middle East and Caspian: Kazakhstan, Russia (until 2010), Iran, Kurdistan Region of Iraq, Pakistan, Yemen

As OMV holds 51% of Petrom, it is fully consolidated; figures therefore include 100% of Petrom assets and results.

The subsequent tables may contain rounding errors.

a) Capitalized costs

Capitalized costs represent the sum of capitalized oil and gas assets, including other intangible assets and property, plant and equipment such as land, plant and machinery, concessions, licenses and rights.

Capitalized costs — **EUR 1,000**

	2011	2010	2009
Unproved oil and gas properties	1,256,612	956,825	868,212
Proved oil and gas properties	12,373,806	10,838,410	9,489,056
Total	**13,630,418**	**11,795,235**	**10,357,268**
Accumulated depreciation	(5,381,938)	(4,671,166)	(3,647,448)
Net capitalized costs	**8,248,480**	**7,124,068**	**6,709,820**

b) Costs incurred
Costs incurred include all costs, capitalized or expensed, during the year in the Group's oil and gas property acquisition, exploration and development activities.

Costs incurred — EUR 1,000

	Romania	Austria	North Africa & Offshore	Middle East & Caspian	Total
2011					
Acquisition of proved properties	—	—	492,096	12,024	**504,120**
Acquisition of unproved properties	—	—	191,932	156,330	**348,262**
Decommissioning costs	62,047	21,338	34,680	(20,923)	**97,142**
Exploration costs [1]	107,495	14,379	275,982	68,668	**466,524**
Development costs	695,923	112,204	87,451	152,609	**1,048,186**
Costs incurred	**865,465**	**147,921**	**1,082,141**	**368,708**	**2,464,235**
2010					
Acquisition of proved properties	—	—	3,272	—	**3,272**
Acquisition of unproved properties	—	—	29,612	35,855	**65,467**
Decommissioning costs [2]	(3,439)	31,294	19,070	36,501	**83,426**
Exploration costs [1]	70,502	19,176	181,972	76,975	**348,626**
Development costs	613,362	102,984	139,124	151,301	**1,006,771**
Costs incurred	**680,425**	**153,455**	**373,050**	**300,632**	**1,507,562**
2009					
Acquisition of proved properties	—	—	1,195	—	**1,195**
Acquisition of unproved properties	—	—	—	9,356	**9,356**
Decommissioning costs [2]	22,656	32,079	40,371	56	**95,162**
Exploration costs [1]	49,387	8,278	115,596	34,947	**208,207**
Development costs	622,867	119,377	219,893	126,799	**1,088,936**
Costs incurred	**694,910**	**159,733**	**377,055**	**171,158**	**1,402,857**

[1] In Norway, exploration represents the costs less a 78% refund of the deductible costs.
[2] Includes change from a cash presentation to a provision presentation.

c) Results of operations of oil and gas producing activities

The following table represents only those revenues and expenses which occur directly in connection with OMV´s oil and gas producing operations. The results of oil and gas activities should not be equated to net income since interest costs, general corporate overhead costs and other costs are not allocated. Income taxes are hypothetically calculated, based on the statutory tax rates and the effect of tax credits on investments and loss carryforwards.

Results of operations of oil and gas producing activities — **EUR 1,000**

	Romania	Austria	North Africa & Offshore	Middle East & Caspian	**Total**
2011					
Sales to unaffiliated parties [1]	(75,342)	(27,681)	525,821	228,397	**651,195**
Intercompany sales and sales to affiliated parties	2,627,733	864,136	498,354	59,460	**4,049,683**
Result from asset sales	(1,784)	191	332	(691)	**(1,952)**
	2,550,607	**836,645**	**1,024,507**	**287,167**	**4,698,925**
Production costs	(683,852)	(99,455)	(142,493)	(95,106)	**(1,020,905)**
Royalties	(173,380)	(143,395)	(49,084)	(18,963)	**(384,823)**
Exploration expenses	(78,558)	(9,060)	(189,708)	(51,444)	**(328,771)**
Depreciation, amortisation and impairment losses	(384,374)	(100,010)	(243,920)	(84,477)	**(812,781)**
Other costs	20,878	(5,540)	(6,148)	592	**9,782**
	(1,299,286)	**(357,460)**	**(631,353)**	**(249,398)**	**(2,537,498)**
Results before income taxes	**1,251,321**	**479,185**	**393,154**	**37,768**	**2,161,428**
Income taxes [2]	(202,370)	(139,820)	(250,211)	(25,912)	**(618,313)**
Results from oil and gas properties	**1,048,951**	**339,365**	**142,943**	**11,857**	**1,543,115**
Storage fee [3]	—	54,182	—	—	**54,182**

Results of operations of oil and gas producing activities — EUR 1,000

	Romania	Austria	North Africa & Offshore	Middle East & Caspian	Total
2010					
Sales to unaffiliated parties [1]	(1,465)	32,625	759,387	239,113	**1,029,661**
Intercompany sales and sales to affiliated parties	2,099,080	579,475	629,142	101,197	**3,408,894**
Result from asset sales	(2,013)	(672)	(3,579)	(40)	**(6,305)**
	2,095,602	**611,428**	**1,384,950**	**340,270**	**4,432,250**
Production costs	(718,717)	(107,187)	(131,582)	(110,270)	**(1,067,756)**
Royalties	(143,191)	(78,175)	(44,568)	(11,736)	**(277,670)**
Exploration expenses	(34,037)	(14,144)	(119,265)	(44,195)	**(211,642)**
Depreciation, amortisation and impairment losses	(335,824)	(183,462)	(297,366)	(190,285)	**(1,006,936)**
Other costs	(5,133)	(2,428)	(3,178)	598	**(10,141)**
	(1,236,903)	**(385,397)**	**(595,959)**	**(355,887)**	**(2,574,145)**
Results before income taxes	**858,699**	**226,031**	**788,992**	**(15,617)**	**1,858,104**
Income taxes [2]	(143,607)	(73,815)	(519,905)	(60,178)	**(797,505)**
Results from oil and gas properties	**715,093**	**152,216**	**269,086**	**(75,795)**	**1,060,600**
Storage fee [3]	—	53,260	—	—	**53,260**
2009					
Sales to unaffiliated parties [1]	89,260	33,442	520,696	148,029	**791,427**
Intercompany sales and sales to affiliated parties	1,779,341	532,843	446,300	86,590	**2,845,074**
Result from asset sales	(1,689)	643	9,171	28	**8,153**
	1,866,912	**566,927**	**976,167**	**234,647**	**3,644,654**
Production costs	(703,921)	(102,566)	(117,151)	(74,320)	**(997,958)**
Royalties	(130,976)	(58,066)	(31,495)	(6,239)	**(226,776)**
Exploration expenses	(47,354)	(7,817)	(137,495)	(37,969)	**(230,636)**
Depreciation, amortisation and impairment losses	(307,792)	(78,389)	(217,482)	(57,619)	**(661,283)**
Other costs	(8,532)	(1,139)	(13,822)	608	**(22,885)**
	(1,198,576)	**(247,976)**	**(517,446)**	**(175,539)**	**(2,139,537)**
Results before income taxes	**668,337**	**318,952**	**458,721**	**59,107**	**1,505,117**
Income taxes [2]	(107,433)	(80,256)	(358,376)	(31,347)	**(577,412)**
Results from oil and gas properties	**560,904**	**238,695**	**100,345**	**27,761**	**927,704**
Storage fee [3]	—	46,672	—	—	**46,672**

[1] Includes hedging effect.
[2] Income taxes in North Africa & Offshore include corporation tax and Petroleum Revenue Tax (PRT). The PRT liability arises from the net cash flow of several producing fields in the UK. Moreover income tax includes amounts payable under a tax paid cost (TPC) system for certain OMV interests in Libya and field specific taxes in Tunisia, which are not fully related to profits. For Romania, the income tax is hypothetically calculated with an assumed tax rate of 16%.
[3] Intersegmental rental fees before taxes received from the G&P segment for providing gas storage capacities.

d) Oil and gas reserve quantities

Proved reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulation before the time at which contracts providing the right to operate expire, unless evidence indicates that renewal is reasonably certain.

Proved developed reserves are those proved reserves that can be expected to be recovered through existing wells with existing equipment and operating methods, or in which the costs of the required equipment are relatively minor compared with the cost of a new well and through installed extraction equipment and infrastructure operational at the time of the reserves estimate. It should be reasonably certain that the required future expenditure will be made to safeguard existing equipment within the current budget.

Proved undeveloped reserves are those proved reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion or substantial new investment is required in order to safeguard or replace ageing facilities.

Crude oil and NGL — **mn bbl**

	Romania	Austria	North Africa & Offshore	Middle East & Caspian	**Total**
Proved developed and undeveloped reserves as of January 1, 2009	**457.1**	**51.4**	**150.2**	**37.7**	**696.4**
Revisions of previous estimates	8.0	5.6	15.4	10.8	**39.8**
Purchases	—	—	—	—	**—**
Disposal	—	—	(0.3)	—	**(0.3)**
Extensions and discoveries	0.1	0.1	1.4	—	**1.6**
Production	(31.5)	(6.4)	(20.4)	(4.3)	**(62.6)**
Proved developed and undeveloped reserves as of December 31, 2009	**433.7**	**50.8**	**146.3**	**44.2**	**674.9**
Revisions of previous estimates	15.4	3.6	21.9	7.4	**48.4**
Purchases	—	—	—	—	**—**
Disposal	—	—	—	—	**—**
Extensions and discoveries	—	—	—	—	**—**
Production	(30.0)	(6.1)	(21.5)	(5.8)	**(63.4)**
Proved developed and undeveloped reserves as of December 31, 2010	**419.1**	**48.3**	**146.7**	**45.9**	**659.9**
Revisions of previous estimates	3.9	3.9	9.5	(7.9)	**9.4**
Purchases	—	—	6.9	2.4	**9.3**
Disposal	—	—	—	—	**—**
Extensions and discoveries	1.2	0.3	0.1	—	**1.5**
Production	(29.3)	(5.8)	(12.4)	(4.7)	**(52.2)**
Proved developed and undeveloped reserves as of December 31, 2011	**394.9**	**46.7**	**150.8**	**35.6**	**627.9**
Proved developed reserves					
as of December 31, 2009	349.4	45.4	133.5	34.5	**562.9**
as of December 31, 2010	350.8	42.4	131.4	27.3	**551.9**
as of December 31, 2011	330.4	39.0	126.1	22.7	**518.2**

Gas					bcf
	Romania	Austria	North Africa & Offshore	Middle East & Caspian	Total
Proved developed and undeveloped reserves as of January 1, 2009	**2,082.5**	**494.0**	**112.2**	**136.5**	**2,825.2**
Revisions of previous estimates	195.4	(1.3)	67.2	28.3	**289.6**
Purchases	—	—	—	—	**—**
Disposals	—	—	—	—	**—**
Extensions and discoveries	10.4	1.1	1.0	15.6	**28.1**
Production	(186.1)	(50.1)	(27.6)	(33.5)	**(297.2)**
Proved developed and undeveloped reserves as of December 31, 2009 [1]	**2,102.2**	**443.8**	**152.8**	**146.9**	**2,845.7**
Revisions of previous estimates	144.8	26.4	0.4	(16.8)	**154.9**
Purchases	—	—	3.9	—	**3.9**
Disposals	—	—	—	—	**—**
Extensions and discoveries	17.4	—	—	—	**17.4**
Production	(180.8)	(55.6)	(26.5)	(32.3)	**(295.1)**
Proved developed and undeveloped reserves as of December 31, 2010 [1]	**2,083.7**	**414.6**	**130.6**	**97.8**	**2,726.7**
Revisions of previous estimates	193.9	16.2	73.8	21.9	**305.8**
Purchases	—	—	6.0	34.2	**40.2**
Disposals	—	—	—	—	**—**
Extensions and discoveries	19.5	0.4	0.3	—	**20.2**
Production	(184.1)	(49.2)	(27.6)	(35.4)	**(296.4)**
Proved developed and undeveloped reserves as of December 31, 2011 [1]	**2,112.9**	**382.0**	**183.1**	**118.5**	**2,796.5**
Proved developed reserves					
as of December 31, 2009	1,654.3	283.2	149.1	79.5	**2,166.2**
as of December 31, 2010	1,678.4	270.1	127.9	81.8	**2,158.2**
as of December 31, 2011	1,601.9	258.8	174.9	84.8	**2,120.3**

[1] 2011: Including approximately 76 bcf of cushion gas held in storage reservoirs.
2010: Including approximately 89 bcf of cushion gas held in storage reservoirs.
2009: Including approximately 92 bcf of cushion gas held in storage reservoirs.

e) Standardized measure of discounted future net cash flows
The future net cash flow information is based on the assumption that the prevailing economic and operating conditions will persist throughout the time during which proved reserves will be produced. Neither the effects of future pricing changes nor expected changes in technology and operating practices are considered.

Future cash inflows represent the revenues received from production volumes, including cushion gas held in storage reservoirs, assuming that the future production is sold at prices used in estimating year-end quantities of proved reserves (12 months average price). Future production costs include the estimated expenditures for production of the proved reserves plus any production taxes without consideration of future inflation. Future decommissioning costs comprise the net costs associated with decommissioning wells and facilities. Future development costs include the estimated costs of development drilling and installation of production facilities. For all three categories year-end costs without consideration of inflation are assumed. Future income tax payments are calculated on the basis of the income tax rate applicable in each of the countries in which the Group operates. The present cash value results from the discounting of the future net cash flow at a discount rate of 10% per year. The standardized measure does not purport to be an estimate of the fair value of the Group's proven reserves. An estimate of fair value would also take into account, amongst many other factors, the expected recovery of reserves in excess of proved reserves, anticipated changes in future prices and costs as well as a discount factor representative of the risks inherent in the production of oil and gas.

Standardized measure of discounted future net cash flows **EUR 1,000**

	Romania	Austria	North Africa & Offshore	Middle East & Caspian	**Total**
2011					
Future cash inflows	33,744,859	6,240,300	12,771,073	2,314,279	**55,070,510**
Future production and decommissioning costs	(14,496,070)	(3,288,542)	(2,238,423)	(883,470)	**(20,906,505)**
Future development costs	(3,329,572)	(471,380)	(531,492)	(191,946)	**(4,524,390)**
Future net cash flows, before income taxes	**15,919,216**	**2,480,378**	**10,001,158**	**1,238,863**	**29,639,615**
Future income taxes	(2,547,075)	(664,452)	(6,060,800)	(316,965)	**(9,589,291)**
Future net cash flows, before discount	**13,372,142**	**1,815,926**	**3,940,359**	**921,898**	**20,050,324**
10% annual discount for estimated timing of cash flows	(6,911,929)	(429,828)	(1,464,179)	(232,191)	**(9,038,126)**
Standardized measure of discounted future net cash flows	**6,460,213**	**1,386,098**	**2,476,180**	**689,707**	**11,012,197**
2010					
Future cash inflows	25,409,355	5,183,304	9,326,618	2,405,243	**42,324,520**
Future production and decommissioning costs	(15,774,764)	(2,853,422)	(2,184,501)	(1,003,734)	**(21,816,420)**
Future development costs	(2,094,167)	(285,705)	(164,557)	(310,591)	**(2,855,020)**
Future net cash flows, before income taxes	**7,540,424**	**2,044,177**	**6,977,560**	**1,090,919**	**17,653,080**
Future income taxes	(935,712)	(511,044)	(4,125,036)	(273,419)	**(5,845,210)**
Future net cash flows, before discount	**6,604,713**	**1,533,133**	**2,852,524**	**817,500**	**11,807,869**
10% annual discount for estimated timing of cash flows	(3,781,020)	(466,829)	(791,616)	(194,340)	**(5,233,805)**
Standardized measure of discounted future net cash flows	**2,823,692**	**1,066,303**	**2,060,909**	**623,160**	**6,574,064**

Standardized measure of discounted future net cash flows — EUR 1,000

	Romania	Austria	North Africa & Offshore	Middle East & Caspian	Total
2009					
Future cash inflows	23,303,303	4,522,865	6,992,818	2,390,245	**37,209,232**
Future production and decommissioning costs	(18,253,755)	(2,659,119)	(2,145,320)	(833,282)	**(23,891,476)**
Future development costs	(1,524,378)	(608,084)	(347,554)	(334,031)	**(2,814,047)**
Future net cash flows, before income taxes	**3,525,170**	**1,255,662**	**4,499,944**	**1,222,932**	**10,503,709**
Future income taxes	(362,815)	(333,476)	(2,951,976)	(212,370)	**(3,860,637)**
Future net cash flows, before discount	**3,162,355**	**922,186**	**1,547,969**	**1,010,562**	**6,643,072**
10% annual discount for estimated timing of cash flows	(1,623,021)	(347,814)	(323,654)	(323,922)	**(2,618,411)**
Standardized measure of discounted future net cash flows	**1,539,334**	**574,372**	**1,224,315**	**686,640**	**4,024,661**

f) Changes in the standardized measure of discounted future net cash flows

Changes in the standardized measure of discounted future net cash flows — EUR 1,000

	2011	2010	2009
Beginning of year	**6,574,064**	**4,024,661**	**2,017,400**
Oil and gas sales and transfers produced, net of production costs	(2,703,439)	(1,898,184)	(1,223,735)
Net change in prices and production costs	7,361,441	4,270,064	2,689,054
Net change due to purchases and sales of minerals in place	219,437	2,136	4,488
Net change due to extensions and discoveries	6,314	11,109	53,096
Development and decommissioning costs incurred during the period	671,604	737,403	942,506
Changes in estimated future development and decommissioning costs	(768,512)	(1,282,389)	(772,749)
Revisions of previous reserve estimates	595,462	927,093	752,009
Accretion of discount	582,787	392,062	203,430
Net change in income taxes	(1,423,161)	(780,149)	(603,069)
Other [1]	(103,792)	170,254	(37,768)
End of year	**11,012,197**	**6,574,064**	**4,024,661**

[1] The impact of movements in foreign exchange rates vs. the EUR is reflected in the line Other.

Vienna, March 20, 2012

The Executive Board

Gerhard Roiss
Chairman

David C. Davies
Deputy Chairman

Hans-Peter Floren

Jacobus Gerardus Huijskes

Manfred Leitner

Abbreviations and definitions

ACC
Austrian Commercial Code

ACCG
Austrian Code of Corporate Governance

AGM
Annual General Meeting

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

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

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

bn
billion

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

CAPEX
Capital Expenditure

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

cbm, cf
standard cubic meters, standard cubic feet (0 °C/32 °F)

CEE
Central and Eastern Europe

Co&O
Corporate and Other

E&P
Exploration and Production

EBIT
Earnings Before Interest and Taxes

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

EPSA
Exploration and Production Sharing Agreement

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

EU
European Union

EUR
euro

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

G&P
Gas and Power

gearing ratio
net debt divided by equity expressed as a percentage

H1, H2
first, second half of the year

HSSE
Health, Safety, Security and Environment

IASs
International Accounting Standards

IFRSs
International Financial Reporting Standards

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

KPI
Key Performance Indicator

LNG
Liquefied Natural Gas

LTIR
Lost-Time Injury Rate

mn
million

monomers
collective term for ethylene and propylene

MW
megawatt

n.a.
not available

n.m.
not meaningful

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

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

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

NOC
National Oil Corporation

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

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

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

petajoule, PJ
1 petajoule corresponds to approx. 278 mn kilowatt hours

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

ppm
parts per million

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

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

R&M
Refining and Marketing including petrochemicals

reserve replacement cost
exploration, development and maintenance expenditures including acquisition costs

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

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

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

RON
new Romanian leu

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

sales revenues
sales excluding petroleum excise tax

SEE
Southeastern Europe

t, toe
metric tonne, tonne of oil equivalent

TEUR
thousand euro

TRIR
Total Recordable Injury Rate

TUSD
thousand US dollar

USD
US dollar

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

Five-year summary

Five-year summary					EUR mn
	2011	2010 [1]	2009	2008	2007
Sales	34,053	23,323	17,917	25,543	20,042
Earnings before interest and taxes (EBIT)	2,473	2,334	1,410	2,340	2,184
Income from ordinary activities	2,200	1,961	1,182	2,309	2,412
Taxes on income	(628)	(747)	(465)	(780)	(569)
Net income for the year	1,572	1,214	717	1,529	1,843
Net income attributable to stockholders of the parent	1,063	921	572	1,374	1,579
Clean CCS EBIT [2]	2,509	2,470	1,418	3,405	n.a.
Clean CCS net income attributable to stockholders of the parent [2]	1,069	1,118	596	1,942	n.a.
Balance sheet total	28,413	26,419	21,415	21,376	21,250
Equity	13,480	11,314	10,035	9,363	10,340
Net debt	4,603	5,167	3,314	3,448	2,453
Average capital employed	17,701	14,275	13,639	13,341	11,735
Cash flow from operations	2,514	2,886	1,847	3,214	2,066
Capital expenditure	3,146	3,207	2,355	3,547	4,118
Depreciation	1,626	1,578	1,325	1,293	977
Earnings before interest, taxes and depreciation (EBITD)	4,096	3,899	2,734	3,633	3,161
Net operating profit after tax (NOPAT)	1,863	1,433	815	1,624	1,869
Return on average capital employed (ROACE)	11%	10%	6%	12%	16%
Return on equity (ROE)	13%	11%	7%	16%	19%
Stockholders' equity to total assets	47%	43%	47%	44%	49%
Gearing ratio	34%	46%	33%	37%	24%
Dividend per share [3] in EUR	1.10	1.00	1.00	1.00	1.25
Earnings per share in EUR	3.38	3.08	1.91	4.60	5.29
Clean CCS earnings per share in EUR [2]	3.40	3.74	1.99	6.50	n.a.
Employees as of December 31	29,800	31,398	34,676	41,282	33,665

[1] Figures for 2010 were adjusted according to the final purchase price allocation of OMV Petrol Ofisi A.Ş.

[2] Clean CCS figures exclude special items as well as inventory holding effects resulting from the fuels refineries and Petrol Ofisi. The CCS result is reported since 2009; for reasons of comparability 2008 numbers have been adjusted accordingly.

[3] 2011: As proposed by the Executive Board and approved by the Supervisory Board. Subject to approval by the Annual General Meeting 2012.

Contacts

OMV Aktiengesellschaft
Trabrennstrasse 6-8
1020 Vienna, Austria
Tel.: +43 1 40440-0
Fax: +43 1 40440-27900
info@omv.com

OMV PETROM SA
Strada Coralilor 22, sector 1
013329 Bucharest, Romania
Tel.: +40 372 868930
Fax: +40 372 868518
investor.relations.petrom@petrom.com

OMV Petrol Ofisi A.Ş.
Eski Büyükdere Caddesi No: 33
34398 Maslak/Istanbul, Turkey
Tel.: +90 212 329 1500
Fax: +90 212 329 5282
info@poas.com.tr

Investor Relations
Lăcrămioara Diaconu
OMV Aktiengesellschaft
Trabrennstrasse 6-8
1020 Vienna, Austria
Tel.: +43 1 40440-21600
Fax: +43 1 40440-621600
investor.relations@omv.com

Move & More.

Publisher: OMV Aktiengesellschaft, Vienna
Concept, design and litho: Rock & Comp. Gesellschaft m.b.H.
Photos: Lois Lammerhuber, OMV archive
Image editing: Farbantrieb Morak & Szutta OG
Printing: Seyss Data Base Publishing GmbH

In the interest of a fluid style, which is easy to read, non-gender specific terms have been used throughout the annual report.

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

Annual Report 2011 of OMV Aktiengesellschaft

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Annual Report 2011 of OMV Aktiengesellschaft

Report of the Supervisory Board

Dear shareholders,
Good teamwork, a sound basis of information and compliance with the Austrian Code of Corporate Governance together comprise the framework used to advise and diligently supervise the Executive Board in its work. The Executive Board has regularly provided the Supervisory Board with timely and comprehensive information on business operations, the overall economic situation in the company's core markets and the resultant operating environment, as well as business opportunities and risks for OMV. In 2011, OMV's operations were affected by political unrest in North Africa and the Middle East. The Executive Board closely monitored these developments and updated us on local security risks and production status.

Work in the Supervisory Board and its committees

Focus on financing and strategy of the Group

During the year under review, the Supervisory Board focused on major financing projects, which significantly strengthened the Group's financial profile. These included a capital increase with a total volume of EUR 750 mn, the issuance of hybrid notes at the nominal amount of EUR 750 mn, a senior bond at the nominal amount of EUR 500 mn and the conclusion of two syndicated revolving credit facilities with a total amount of EUR 1,680 mn. Further in-depth discussions of the Supervisory Board included OMV's strategy "Profitable Growth". The main cornerstones of this strategy are (i) upstream growth (increased investments in Exploration and Production), (ii) integrated gas (expansion of OMV's position along the entire gas value chain), (iii) restructured oil downstream (divestments in the Refining and Marketing business segment), and (iv) improved performance across the entire OMV Group (launch of a comprehensive performance improvement program). We also devoted considerable attention to the annual planning process for the business year 2012 and the investment program going forward. Our agenda included important items such as monitoring the integration of OMV Petrol Ofisi A.Ş., the further development of the compliance system and the appointment of a new Executive Board member responsible for the Gas and Power business segment.

The Project Committee discussed the Nabucco gas pipeline project, the new Gas and Power Trading structure and electronic trading systems. The Presidential and Nomination Committee made thorough preparations for the appointment of Hans-Peter Floren as Executive Board member in charge of Gas and Power and discussed OMV's succession planning system. The Remuneration Committee conducted a benchmarking of the variable compensation package for the Executive Board, taking into account advice received from external consultants, industry best practice, remuneration levels at comparable companies, and international trends in corporate governance. The Audit Committee dealt with key issues relating to accounting processes, internal audit, risk management and the Group's internal control and management systems. Due to an increase of risk factors such as political unrest and oil price volatility, considerable focus was placed on enhancing the risk management system and monitoring its effectiveness. The Audit Committee also supervised the transition process following the appointment of the company's new auditor Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

We performed our annual self-evaluation in order to continuously improve 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. The Corporate Governance Report contains additional information on the activities of the Supervisory Board and its committees.

Annual financial statements and dividend

After comprehensive review and discussions with the auditors at the Audit Committee and plenary meetings, the Supervisory Board approved the directors' report, prepared in accordance with section 96 (1) Stock Corporation Act and the parent entity financial statements for 2011, which were thereby adopted under section 96 (4) of the Act. The same applies to the consolidated financial statements. The Supervisory Board likewise approved the Corporate Governance Report following its consideration by the Audit Committee.

The Supervisory Board has accepted the Executive Board's proposal to the Annual General Meeting to pay a dividend of EUR 1.10 per share and to carry forward the remainder of the profit for the year to new account.

Changes in the composition of the Executive Board

Personnel changes in the Executive Board included Wolfgang Ruttenstorfer's succession by Gerhard Roiss as CEO and Chairman of the Executive Board of the company and Manfred Leitner's appointment as Executive Board member responsible for Refining and Marketing, both effective as of April 1, as well as Werner Auli's resignation as Executive Board member responsible for Gas and Power effective as of December 31.

Changes in the composition of the Supervisory Board

Martin Rossmann was delegated to the Supervisory Board by the Works Council as Markus Simonovsky's successor on May 4. Markus Beyrer was elected to the Supervisory Board by the Annual General Meeting on May 17 and took over as Chairman following Peter Michaelis' resignation with effect as of the close of the Annual General Meeting.

Finally, I would like to thank the Executive Board and the entire workforce in the Group and its associated companies for their commitment and personal contribution in the financial year 2011. Furthermore, I would like to take the opportunity to thank Wolfgang Ruttenstorfer and Werner Auli for their outstanding achievements as CEO and Executive Board member for Gas and Power, respectively, over the past years. Wolfgang Ruttenstorfer has transformed OMV into an integrated oil and gas company. Werner Auli has converted the business segment Gas and Power into a strategically important business area for OMV with great growth potential. Both have, thus, laid the foundations for further profitable growth of the OMV Group.

Foundations laid for profitable growth

Vienna, March 20, 2012

For the Supervisory Board

Markus Beyrer

Corporate Governance Report

Enhancing transparency at management level and internal control structures helps strengthening market and stakeholder confidence. As a result, OMV has always sought to comply with best practice in corporate governance and has committed to adhere to the Austrian Code of Corporate Governance (ACCG) since its introduction in 2002. The information given below complies also with the ACCG recommendations ('R-rules'), the non-compulsory best practice sections of the Code. OMV is a signatory of the UN Global Compact and has adopted a comprehensive, group-wide Code of Conduct, as well as a related business ethics directive, drawn up with the assistance of international expert consultants.

Commitment to Austrian Code of Corporate Governance

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

Executive Board in 2011

From left to right: Jacobus Huijskes, David C. Davies, Gerhard Roiss, Werner Auli, Manfred Leitner

Gerhard Roiss, *1952
Term of office: September 17, 1997 to March 31, 2014
Chairman of the Executive Board and Chief Executive Officer (since April 1, 2011). Responsible for the overall management and coordination of the Group. He took over as Chairman of the Executive Board following the retirement of Wolfgang Ruttenstorfer.

Deputy Chairman of the Executive Board (January 1, 2002 to March 31, 2011). Responsible for Refining and Marketing, as well as for OMV Group's plastic and chemical interests until March 31, 2011.

Member of the supervisory board of Österreichische Post AG (until April 28, 2011).

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

Members of the Executive Board

Wolfgang Ruttenstorfer, *1950
Terms of office: July 3, 1992 to January 27, 1997 and January 1, 2000 to March 31, 2011
As of March 31, 2011, he retired as Chairman of the Executive Board and Chief Executive Officer (January 1, 2002 to March 31, 2011).

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

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

David C. Davies, *1955
Term of office: April 1, 2002 to March 31, 2014
Chief Financial Officer (since April 1, 2002).
He became Deputy Chairman of the Executive Board after Wolfgang Ruttenstorfer's retirement on April 1, 2011.

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

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

Werner Auli, *1960
Term of office: January 1, 2007 to December 31, 2011
Responsible for Gas and Power (January 1, 2007 to December 31, 2011).

He joined OMV in 1987 after graduating from the Vienna University of Technology. From 2002 to 2004, he was managing director of EconGas GmbH. From 2004, he was managing director of OMV Gas GmbH, and since 2006 he was managing director of OMV Gas & Power GmbH. As of December 31, 2011, he retired as member of the Executive Board.

The Supervisory Board appointed Hans-Peter Floren as new Executive Board member responsible for Gas and Power effective as of March 1, 2012.

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

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

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

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

Working methods of the Executive Board

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

Remuneration report

Executive Board remuneration policy principles

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

Basic salary and short-term variable remuneration

The basic salaries of Executive Board members are based on the above principles. Targets (performance measures) are also agreed for each financial year. Where these are attained, a maximum of 150% of the base salary may be paid as variable remuneration in the following financial year. These targets are financial indicators (e.g. EBIT or gearing ratio) and non-financial performance measures (e.g. integration of acquisitions or reserve replacement rate), as well as strategic objectives. The achievement of targets shall be determined by comparing agreed indicators with actually achieved figures (see details in the below paragraph on long-term targets and incentives).

Long-term targets and incentives

Long Term Incentive Plan

The Long Term Incentive Plan (LTIP) for the period 2011 to 2016, as adopted by the Annual General Meeting in 2011, consists of the following elements: Participants must have invested an amount equal to 100% (Chairman of the Executive Board), 85% (Deputy Chairman of the Executive Board) or 70% (other Executive Board members) of their gross basic salaries in OMV shares in 2011 (shares deposited in order to participate in the earlier LTIPs count towards the 2011 LTIP) and hold them until March 31, 2016. The number of shares is calculated on the basis of the average OMV stock price in the first quarter of 2011.

The observation period for attainment of the financial and non-financial objectives is the 2011, 2012 and 2013 financial years. At the start of the program, target levels were established for key indicators (total shareholder return (TSR), economic value added (EVA) and earnings per share (EPS)) and weighted (30% for each indicator). The safety performance target is weighted at 10%. The achievement of targets shall be determined by comparing agreed indicators with actually achieved figures. If the targets are fully attained the Chairman will be allocated shares equal in value to 100%, the

Directors' remuneration

Executive Board remuneration [1]							EUR 1,000
2011	**Auli**	**Davies**	**Huijskes**	**Leitner**	**Roiss**	**Ruttenstorfer**	**Total**
Fixed	600	735	500	375	779	200	**3,188**
Variable	900	900	213	—	1,050	1,200	**4,263**
Benefits in kind (company car, accident insurance and reimbursed expenses)	8	10	8	6	8	2	**43**
Total	**1,508**	**1,645**	**721**	**381**	**1,837**	**1,402**	**7,493**
Fixed [2]/variable ratio	40/60	45/55	71/29	100/0	43/57	14/86	**43/57**
Options exercises	70	—	—	—	—	—	**70**

[1] There are discrepancies between individual items and totals due to rounding differences. The variable components relate to target attainment in 2010, for which the bonuses were paid in 2011, except for EUR 175,000, which relate to prepayments for 2011. There was an exercise of options under the 2004 stock option plan.
[2] Include benefits in kind.

Deputy Chairman shares equal to 85% and the other Executive Board members shares equal to 70% of their gross basic salaries in 2011. The number of shares is calculated on the basis of the average OMV stock price in the first quarter of 2011. The allocation will take place on March 31, 2014. Participants will be free to dispose of the allocated stock as they see fit, but will be obliged to hold an amount of shares equal to their original investment for another two years (up to March 31, 2016).

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

Stock Option Programs

Up to and including 2008, long-term incentives took the form of Stock Option Programs, which were on a par with those of companies of comparable size. These plans provided for a holding period of two years followed by an exercise period of five years. The size of the tranches of options that may be exercised is at plan members' discretion, provided that the conditions are met (attainment of the increase in the OMV share price set as a target when the plan was approved by the Annual General Meeting) and no blocking period is in force. Under the 2008 plan, an investment of one share confers options on 20 shares at a price to be established by the General Meeting. The options under the 2005–2008 plans have either not yet been exercised or have not been exercised in full. No further stock options were issued after 2008.

Pensions

Wolfgang Ruttenstorfer and Gerhard Roiss are entitled to defined-benefit pensions. The Company pays the contributions, calculated in accordance with discounted cash flow methods, into a pension fund. David Davies, Werner Auli, Jacobus Huijskes and Manfred Leitner are entitled to defined-contribution pensions. The Company pays the contributions into a pension fund. The 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 [1]	EUR 1,000
Auli	132
Davies	274
Huijskes	125
Leitner	98
Roiss	634
Ruttenstorfer	143
Total	**1,406**

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

Termination entitlements

Termination benefits

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

Termination entitlements [1]			EUR 1,000
2011	**Auli**	**Ruttenstorfer**	**Total**
Termination benefits and settlement payments	3,957	800	**4,757**
Payment in lieu of holiday	5	225	**230**
Total	**3,962**	**1,025**	**4,987**

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

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

There are no other termination entitlements.

Note 29 provides additional information on the Long Term Incentive Plan and the Stock Option Programs (valuation, outstanding options and exercise in previous years).

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

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

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

Shares	
Roiss	174,528
Ruttenstorfer (as of March 31, 2011)	45,035
Davies	29,222
Auli	20,490
Huijskes	12,136
Leitner	14,196

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 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 (approx. 95 people) are eligible for membership of the Long Term Incentive Plan. They are also eligible for bonus agreements, as discussed below.

In 2011, a total of some 3,200 managers and experts participated in a graduated Management by Objectives (MbO) program entitling them to bonuses for fulfilling objectives. There are also bonuses for other employees, which vary from country to country. Employee representatives are involved in designing these incentive schemes.

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

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

Supervisory Board
In 2011, the membership of the OMV Supervisory Board, and seats held by members on other supervisory boards (domestic and foreign listed companies), disclosed in compliance with rule C 58 ACCG, were as follows:

Peter Michaelis
(Managing Director, ÖIAG, until June 30, 2011), Chairman (until May 17, 2011); seats: Österreichische Post AG (Chairman, until April 28, 2011) and Telekom Austria AG (Chairman, until May 19, 2011).

Markus Beyrer
(Managing Director, ÖIAG, since July 1, 2011), Chairman (since May 17, 2011); seats: Österreichische Post AG (Chairman, since April 28, 2011) and Telekom Austria AG (Chairman, since May 19, 2011).

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

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

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

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

Helmut Draxler
Seats: RHI AG.

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

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

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

Norbert Zimmermann
Seats: Schoeller Bleckmann Oilfield Equipment AG (Chairman), Bene AG (Chairman, until June 9, 2011) and Oberbank AG.

Delegated by the Group works council (employee representatives):
Leopold Abraham, Wolfgang Baumann, Franz Kaba, Ferdinand Nemesch, Markus Simonovsky (until May 3, 2011), Martin Rossmann (since May 4, 2011).

Diversity

Selection of the members of the Supervisory Board

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

Independence

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

All of the members elected by the Annual General Meeting except Helmut Draxler and Herbert Werner, regarding the duration of their terms, have declared their independence from the Company and its Executive Board during the 2011 financial year and up to the time of making such declarations (rule C 53 ACCG). Under rule C 54 ACCG, Elif Bilgi-Zapparoli, Wolfgang Berndt, Helmut Draxler, Wolfram Littich, Herbert Stepic, Herbert Werner and Norbert Zimmermann have made declarations to the effect that they had no connections with any major shareholders during the 2011 financial year and up to the time of making such declarations.

Functions of the Supervisory Board and its Committees

Working methods of the Supervisory Board

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

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

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

Presidential and Nomination Committee

Empowered to take decisions on matters of urgency. The Supervisory Board may transfer other duties and powers of approval to the Presidential and Nomination Committee on an ad hoc or permanent basis. In its capacity as the Nomination Committee, this body makes proposals to the Supervisory Board for the appointment or replacement of Executive Board members and deals with succession planning. It also makes recommendations to the General Meeting for appointments to the Supervisory Board. There were five meetings of the Presidential and Nomination Committee during the year. The main focus was on financing issues, succession planning and the search for a successor to the Executive Board member responsible for Gas and Power.

Audit Committee

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

Auditors

Attention must be paid to auditor independence, and this involves comparing the audit fee with other fee income. In 2011, the auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (including their network in the meaning of section 271b Code of Commerce) received EUR 2.08 mn for the annual audit, EUR 0.53 mn for other assurance services and EUR 0.58 mn for other engagements.

Project Committee

Helps the Executive Board to prepare for complex decisions on key issues where necessary, and reports on these decisions and any recommendations to the Supervisory Board. The Project Committee met twice during the year, devoting most of its time to discussing the new Gas and Power Trading structure and electronic trading systems.

Remuneration Committee

Deals with all aspects of the remuneration of Executive Board members and with their employment contracts. The committee's membership does not include employee representatives. The committee is empowered to conclude, amend and terminate 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 committee met four times during the year, focusing on bonuses and related objectives, as well as benchmarking of variable remuneration systems of the Executive Board and issues related to the retirement and appointment of the Executive Board member responsible for Gas and Power.

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

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

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

Remuneration

In accordance with the articles of incorporation, the Annual General Meeting (AGM) resolves the remuneration of the elected members of the Supervisory Board for the previous financial year. The 2011 AGM adopted the following remuneration scale for the 2010 financial year:

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

The amounts, for the 2010 financial year, were disbursed to the Supervisory Board members concerned in 2011; these were exclusive of expenses (travel and attendance expenses).

The total expenditure incurred by the Supervisory Board in 2011 was EUR 596,582. Of this, members' remuneration (for the 2010 financial year) accounted for EUR 365,612, attendance expenses for EUR 58,619, travel expenses for EUR 90,081, and conference equipment, organization and translation for EUR 82,270.

Employee participation

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

Remuneration of the members of the Supervisory Board

Name (year of birth)	Position/committee membership [1]	Remuneration (in EUR)	Term of office [1]
Peter Michaelis (1946) [2]	(Chairman; Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.)	77,200	May 23, 2001 to 2011 AGM
Markus Beyrer (1965)	Chairman; Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	—	May 17, 2011 to 2014 AGM
Rainer Wieltsch (1944)	(Deputy Chairman; Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.)	23,796	May 24, 2002 to 2010 AGM
Wolfgang Berndt (1942)	Deputy Chairman; Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	37,310	May 26, 2010 to 2014 AGM
Khadem Al Qubaisi (1971)	Deputy Chairman; Deputy Chairman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com.	37,310	May 26, 2010 to 2014 AGM
Alyazia Al Kuwaiti (1975)	Pres. Com. and Proj. Com.; (Deputy Chairwoman; Deputy Chairwoman of the Pres. Com., Proj. Com., Audit Com. and Remun. Com. until 2010 AGM)	42,240	May 14, 2008 to 2014 AGM
Elif Bilgi-Zapparoli (1967)		14,600	May 13, 2009 to 2014 AGM
Helmut Draxler (1950)	Audit Com.	22,600	Oct. 16, 1990 to 2014 AGM
Mohamed Al Khaja (1980)	Pres. Com. and Proj. Com.	12,156	May 14, 2008 to 2010 AGM
Wolfram Littich (1959)	Proj. Com. and Audit Com.	30,600	May 23, 2001 to 2014 AGM
Herbert Stepic (1946)		14,600	May 18, 2004 to 2014 AGM
Herbert Werner (1948)	Audit Com.	22,600	June 4, 1996 to 2014 AGM
Norbert Zimmermann (1947)	Proj. Com. and Remun. Com.	30,600	May 23, 2001 to 2014 AGM
Leopold Abraham (1947)	Pres. Com., Proj. Com. and Audit Com.	—	Delegation by the Group works council is for an indefinite period; however, the employee representatives may be recalled at any time.
Wolfgang Baumann (1958)	Pres. Com. and Audit Com.	—	
Franz Kaba (1953)	Proj. Com.	—	
Ferdinand Nemesch (1951)	Proj. Com. and Audit Com.	—	
Markus Simonovsky (1973)		—	Until May 3, 2011
Martin Rossmann (1970)		—	Since May 4, 2011

[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 his employment contract as member of the ÖIAG Managing Board, Peter Michaelis transferred his remuneration to ÖIAG.

Rights of minority shareholders

Rights of minority shareholders

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

Women's advancement

- The Company is committed to supporting women's promotion to management positions. While there are no female members of the Executive Board of OMV Aktiengesellschaft, Mariana Gheorghe is the Chairwoman of the Executive Board of OMV Petrom SA – the largest Group company – and Gülsüm Azeri has been appointed CEO of Petrol Ofisi as of July 1, 2011. There are two female elected members of the OMV Aktiengesellschaft Supervisory Board; this corresponds to 20% of the elected membership.
- Women hold 12% of the Senior Vice Presidents positions. The proportion of women in the Group as a whole is about 23%. As a business with a strong technical bias it is a significant challenge for OMV to achieve satisfactory gender ratios in all areas of operations. The recruitment ratios in non-technical areas are well balanced.
- In 2010, the Executive Board approved the new diversity strategy. The long-term objective is to achieve a diversity mix at senior management level of 30% female and 50% international employees by 2020.

Vienna, March 20, 2012

The Executive Board

Gerhard Roiss | David C. Davies

Hans-Peter Floren | Jacobus Gerardus Huijskes | Manfred Leitner

Directors’ report – operational review

Business developments in 2011
Sales for the 2011 financial year were EUR 185.69 mn (2010: EUR 64.26 mn). As OMV Aktiengesellschaft is a pure holding company most of the sales consist of corporate service charges billed to the subsidiaries. Compared to the previous year the organizational structure together with the associated revenue and cost situation of the Group substantially changed due to the centralisation of Group functions in OMV Aktiengesellschaft. OMV Aktiengesellschaft did a one-time transaction with foreign legal entities for the sale and purchase of gasoil and condensate in 2011. All services out of this contract have been fully performed.

Earnings before interest and taxes (EBIT) were EUR (71.14) mn (2010: EUR (25.97) mn). Lower EBIT in 2011 is largely a reflection of higher consulting costs for executed refinancing measures in 2011 and the restructuring per January 1, 2011.

The **financial result** in 2011 was EUR 547.81 mn (2010: EUR 585.23 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 EUR 688.32 mn up on 2010 (EUR 769.69 mn).

The contribution of the companies in the **Exploration and Production (E&P)** segment excluding Petrom to income from investments rose to EUR 571.37 mn (2010: EUR 444.04 mn), the main factor behind this increase being higher crude prices.

The investment income contribution from the **Gas and Power (G&P)** segment excluding Petrom was EUR 16.36 mn, lower than the previous year (2010: EUR 79.24 mn). This was due to the termination of the profit and loss transfer agreement with Gas Connect Austria GmbH (previously OMV Gas GmbH) and the dividend payment was therefore shifted by one year.

Investment income from the **Refining and Marketing (R&M)** segment excluding Petrom decreased to EUR (82.72) (2010: EUR 35.6). This reduction was on the one hand mainly driven by the tense European refining margins and on the other hand by the dividend payment made by OMV Supply & Trading AG, established in Switzerland, and the sale of the participation of OMV Italia srl in 2010.

Investment
Key investment items in 2011 were capital injections to OMV Petrol Ofisi Holding Anonim Şirketi (previously OMV Enerji Holding Anonim Şirketi), and OMV Solutions GmbH, due to activities in Turkey, and to OMV E&P GmbH.

Cash flows from operating activities for 2011 came in at EUR 647 mn (2010: EUR 569.19 mn), and cash flows from investing activities negative by EUR (2,268.03) mn (2010: EUR (891.01) mn), while cash flows from financing activities came in at EUR 1,588.28 mn (2010: EUR 105.25 mn).

Net income for the year was EUR 531.60 mn (2010: EUR 602.58 mn). **Total assets** rose to EUR 12,913.60 mn (2010: EUR 10,545.72 mn).

At balance sheet date **stockholders’ equity** including untaxed reserves stood at EUR 7,390.00 mn (2010: EUR 6,408.00 mn). The equity ratio as of December 31, 2011 was 57.23% (2010: 60.76%).

The ratio of **fixed assets** to total assets was 68.74% at balance sheet date (2010: 62.54%).

Return on equity (**ROE**), i.e. net income for the year divided by average shareholders’ equity, was 7.71% (2010: 9.63%).

In 2011, the average **number of employees** at the holding company was 398 (2010: 128).

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 International Petroleum Investment Company (IPIC) and Österreichische Industrieholding Aktiengesellschaft (ÖIAG) which provides for coordinated behavior and certain limitations to transfers of stockholdings.

3. ÖIAG holds 31.5% and IPIC holds 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 was authorized by resolution of the Annual General Meeting held on May 13, 2009, to increase, subject to the consent of the Supervisory Board, the capital stock of the Company by May 13, 2014, in one or more tranches, by an aggregate amount not exceeding EUR 77.9 mn by issuance of up to 77,900,000 new common shares in bearer form against cash or contributions in kind, also to the exclusion of shareholders' rights of subscription in the event of contributions in kind and, subject to the consent of the Supervisory Board, to set the issue price and conditions of issuance (authorized capital). By partly exercising the said authorization, the Executive Board, based on its resolutions dated May 16, 2011 and June 6, 2011 and upon approval by the Supervisory Board, increased the capital stock from EUR 300,000,000 by EUR 27,272,727 to EUR 327,272,727 by issuing 27,272,727 new shares (capital increase in cash from authorized capital). As a result of the mentioned capital increase, the Executive Board is now authorized to increase, subject to the consent of the Supervisory Board, the capital stock of the Company by May 13, 2014, in one or more tranches, by an aggregate amount not exceeding EUR 50.6 mn by issuance of up to 50,627,273 new common shares in bearer form against cash or contributions in kind, also to the exclusion of shareholders' rights of subscription in the event of contributions in kind and, subject to the consent of the Supervisory Board, to set the issue price and conditions of issuance (authorized capital).

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

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

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

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

8. In addition to the capital increase, a hybrid bond issue with a size of EUR 750 mn was completed on May 25, 2011. The hybrid will bear a fixed interest rate until April 16, 2018, thereafter a reset fixed rate (to be determined) until April 26, 2023 and thereafter a floating interest rate with a 100 basis points step up. The hybrid 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.

9. At December 31, 2011 no material agreements to which OMV is a party are in place which in case of change of control due to a take over offer would come into effect, be amended or terminated.

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

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

Risk management

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

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

Price hedges are proposed to the Executive Board by the Financial Risk Committee, and are centrally managed. For 2011 OMV entered into USD hedges for an exposure of USD 1.621 bn at an average exchange rate of 1.3655. The USD hedges lead to a positive cash flow of EUR 26 mn (thereof EUR (3.6) mn in 2012). For 2012, swaps for 50,000 bbl/d were entered to secure an average price of USD 101/bbl throughout the year. To secure cash flow of USD 748 mn from currency fluctuations OMV entered into USD hedges at an average rate of 1.3616 for 2012. The currency hedges were concluded on behalf of OMV Aktiengesellschaft's affiliates and are disclosed in the affiliates' financial statements.

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

Credit risk exposure associated with the Group's main counterparties is managed on the basis of counterparty limits and bank limits. The risks related to banks, financial institutions, security provider and counterparties are centrally managed by Corporate Finance and at segment level based on centrally managed limits.

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

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

As an integrated, international oil and gas company, our vision is to secure future energy resources for the common good. Our approach to achieve this has been revised in 2011. The new Resourcefulness concept covers all sustainability issues. Overall responsibility lies with the CEO of OMV who also established a corporate Sustainability department.

The formulation of the Group's HSSE Strategy and the setting of annual Balanced Score Card targets for the entire Group is lead and coordinated by the Corporate HSSE department in consultation with all Business Segments and Petrom. In 2011, the group-wide functional HSSE Strategy was reviewed and updated in light of the new business strategy.

In 2011, there was no work accident registered in OMV Aktiengesellschaft. One near miss and 139 hazards and findings were reported. On November 4, the first OMV Global Safety day took place in the Vienna head office with a live transmission to 41 other OMV locations worldwide. Awareness for health, safety, security and environmental issues was further raised through training courses and information events like HSSE Hours with the topics: Road Safety, High Potential Incidents, Process Safety, and Work-Life-Balance. Safety management in the head office in Vienna focused on ergonomics including training and practice alarm trainings with more than 1,800 employees participating in several drills. A new emergency hotline was installed.

The Center of Occupational Health provides regular medical service and a number of health-related training workshops. Physiotherapists and nutritionists are available on a regular basis. Voluntary health checks on life-style related health risks, such as cholesterol, blood sugar levels, nutrition, smoking and drinking habits were offered to the employees. The prevention programs 2011 were dedicated to eyes, skin and intestinal checking aspects with a large number of employees participating. A self-defense course for women and men in cooperation with the Vienna police was conducted in autumn and will be offered again 2012.

In 2011, the Annual General Meeting, the Supervisory Board meetings and the annual meeting of the legal experts were organized carbon neutral.

Subsequent events

On February 22, 2012 ExxonMobil Exploration and Production Romania Limited (EMEPRL), an affiliate of ExxonMobil Corporation and OMV Petrom SA, the 51% subsidiary of OMV Aktiengesellschaft, confirmed a potentially significant gas discovery offshore Romania.

Operated by ExxonMobil, the Domino-1 well is the first deep water exploration well offshore Romania and has a total depth of more than 3,000 meters below sea level. The Domino-1 well is located in the Neptun Block, 170 kilometers offshore in water approximately 930 meters deep.

The exploration well encountered 70.7 meters of net gas pay, resulting in a preliminary estimate for the accumulation ranging from 1.5 to 3 trillion cubic feet (42 to 84 billion cubic meters). Drilling operations started at year-end 2011 and are in the process to be finalized.

ExxonMobil and OMV plan new 3D seismic acquisition during 2012. The evaluation of the Domino-1 well results and the new seismic will determine next steps. It is too early in the data evaluation and exploration process to determine whether the Neptun block will ultimately prove to be commercially developable or not. However, should further work confirm the technical and commercial feasibility of deep water gas production from the Neptun block, further investment during both the exploration and development phases could reach several billion USD with the potential for first production towards the end of the decade at the earliest.

Outlook for 2012 for OMV Group

For 2012, we expect the main market drivers to remain highly volatile. We expect the average Brent oil price for the year to be above 100 USD/bbl. We would also anticipate continuing volatility for the relevant FX rates. Refining margins are expected to recover somewhat due to improved demand for middle distillates. Whereas Petrochemical margins are expected to decrease compared to 2010 due to world-wide additional production capacities. Marketing volumes as well as margins are expected to remain under pressure due to the weak economic environment. To partly secure the Group's cash flow in 2012, OMV entered into oil price swaps in 2011, locking in a Brent price of approx. USD 101.5/bbl for a volume of 50,000 bbl/d (thereof 30,000 bbl/d at Petrom level) for 2012. Furthermore, EUR-USD average rate forwards at USD 1.36 are used to hedge an exposure of approx. USD 750 mn in 2012. Maintaining the Group's strong investment grade credit rating and a stable financial position remains a key focus. It is one of OMV's highest priorities to reach world class HSSE standards including the reduction of the LTI rate (lost-time injury).

Vienna, March 20, 2012

The Executive Board

Gerhard Roiss
Chief Executive Officer and Chairman
of the Executive Board

David C. Davies
Deputy Chairman of the Executive Board
Chief Financial Officer

Hans-Peter Floren
Member of the Executive Board
Gas and Power

Jacobus Gerardus Huijskes
Member of the Executive Board
Exploration and Production

Manfred Leitner
Member of the Executive Board
Refining and Marketing including
petrochemicals

Auditors' report

Report on the Financial Statements

We have audited the accompanying financial statements, including the accounting system, of **OMV Aktiengesellschaft, Vienna** for the fiscal year from January 1, 2011 to December 31, 2011. These financial statements comprise the balance sheet as of December 31, 2011, the income statement for the fiscal year ended December 31, 2011, and the notes.

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

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

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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of December 31, 2011 and of its financial performance for the fiscal year from January 1, 2011 to December 31, 2011 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 auditors' report also has to contain a statement as to whether the management report is consistent with the financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

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

Vienna, March 20, 2012
Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.

Helmut Maukner Certified Public Accountant	Gerhard Schwartz Certified Public Accountant

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, 2011

Assets			EUR 1,000
	Note	2011	2010
Fixed assets	1		
Intangible assets		1	2
Tangible assets		1,319	1,090
Financial assets		8,875,888	6,594,339
		8,877,208	**6,595,431**
Current assets			
Accounts receivable and other assets	2		
Trade Receivables		17	—
Receivables from affiliated companies		3,870,415	3,779,993
Receivables from associated companies		172	341
Other receivables and other assets		84,387	67,911
		3,954,991	**3,848,245**
Own shares		13,153	13,199
Cash on hand and at bank		23,390	55,437
		3,991,534	**3,916,881**
Deferred taxes		**32,760**	**28,027**
Prepayments and accrued expenses		**12,103**	**5,378**
Total assets		**12,913,605**	**10,545,717**

Liabilities — EUR 1,000

	Note	2011	2010
Stockholders' equity	3		
Capital stock		327,273	300,000
Capital reserves			
appropriated		1,729,338	1,006,610
unappropriated		334	334
Revenue reserves			
unappropriated reserve		4,928,237	4,678,192
Reserve for treasury stock		13,153	13,199
Unappropriated income, thereof income brought forward 110,432 (2010: 1,619)		392,035	409,229
		7,390,370	**6,407,564**
Untaxed reserves	4		
Valuation reserve for impairments		432	432
Provisions	5		
Provisions for severance payments		11,862	8,323
Provisions for pensions		6,463	6,576
Provisions for taxes		33,753	—
Other provisions		64,186	55,533
		116,264	**70,432**
Liabilities	6		
Bonds		3,000,000	1,750,000
Amounts due to banks		754,582	917,269
Accounts payable from trade		8,890	4,692
Accounts payable to affiliates		1,299,015	1,101,921
Other liabilities		340,807	288,829
		5,403,294	**4,062,711**
Prepayments and accrued income		**3,245**	**4,578**
Total liabilities		**12,913,605**	**10,545,717**
Contingent liabilities	7	2,446,302	3,349,438

Income statement

EUR 1,000

	Note	2011	2010
1. Sales	8	**185,689**	**64,259**
2. Other operating income	9	12,716	5,992
3. Expenses for materials and services	10	(77,416)	(1,800)
4a. Personnel expenses	11	(65,460)	(37,083)
4b. Expenses for severance payments and pensions	12	(11,336)	(6,869)
5. Depreciation and amortization		(225)	(162)
6. Other operating expenses	13	(115,110)	(50,310)
7. Subtotal of items 1 to 6 (Earnings before interest and taxes)		**(71,142)**	**(25,973)**
8. Income from investments thereof affiliated companies 767,471 (2010: 618,910)	14	771,054	770,024
9. Income from other securities and lendings carried as financial assets thereof affiliated companies 45,981 (2010: 45,296)		48,435	47,705
10. Other interest and similar income thereof affiliated companies 84,174 (2010: 74,244)		108,112	97,891
11. Gains on disposal and write-up of financial assets and securities held as current assets		83	260
12. Expenses arising from financial assets and securities held as current assets thereof amortization 0 (2010: 113,106) thereof affiliated companies 82,733 (2010: 333)	14	(82,733)	(113,439)
13. Interest and similar expenses thereof concerning affiliated companies 83,227 (2010: 76,675)		(297,137)	(217,217)
14. Subtotal of items 8 to 13 (Financial result)		**547,814**	**585,224**
15. Income from ordinary activities		**476,672**	**559,251**
16. Taxes on income	15	54,931	43,326
17. Net income for the year		**531,603**	**602,577**
18. Reversal of untaxed reserves		—	5,033
19. Reversal of revenue reserves		—	—
20. Allocation to revenue reserves		(250,000)	(200,000)
21. Income brought forward from previous years		110,432	1,619
22. Unappropriated income		**392,035**	**409,229**

Notes

The accounts of **OMV Aktiengesellschaft**, Vienna, as of December 31, 2011 have been drawn up in accordance with the Austrian Commercial Code (ACC) as amended. As the parent company of the OMV Group, OMV Aktiengesellschaft also prepares separate consolidated financial statements in accordance with International Financial Reporting Standards (IFRS).

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

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

Accounting and valuation policies

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

Depreciation is based on the following useful economic lives:

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

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

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

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

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

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

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

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

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

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

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

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

Liabilities are stated at the higher of nominal value or the amount repayable. Foreign currency liabilities are valued at the higher of cost or 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 - 2011

In 2009, the stock option plan was replaced by the LTI plan for the Executive Board and selected senior executives in the Group. Participants must hold shares until the end of the holding period. At vesting date bonus shares will be granted to the participants. The number of bonus shares is determined depending on the achievement of defined performance targets. Disbursement is made in cash or shares. In 2010 and 2011, again LTI plans were granted, with similar conditions. In 2011, participation to the plan was also granted to selected potentials.

Provision is made for the expected future costs of the LTI plans at balance sheet date based on fair values. Fair values are determined using a model considering the expected target achievement and the expected share price. Expected dividends were incorporated into the measurement according to the Company's mid-term planning. For new plans, the expense is spread over the three-year vesting period. As of December 31, 2011, the provision amounted to EUR 23,976 thousand (2010: EUR 16,625 thousand), and the net increase was EUR 7,352 thousand (2010: EUR 12,878 thousand).

Main conditions

	2011 plan	**2010 plan**	**2009 plan**
Start of plan	01/01/2011	01/01/2010	01/01/2009
End of performance period	12/31/2013	12/31/2012	12/31/2011
Vesting date	03/31/2014	03/31/2013	03/31/2012
End of holding period	03/31/2016	03/31/2015	03/31/2014
Qualifying own investment			
Executive Board Chairman	100% of gross base salary	100% of gross base salary	100% of gross base salary
Executive Board Deputy Chairman	85% of gross base salary	85% of gross base salary	85% of gross base salary
Executive Board Members	70% of gross base salary	70% of gross base salary	70% of gross base salary
Senior executives	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares	EUR 15,000 or 30,000 or 60,000 or 90,000 or 120,000 in shares
Potentials	EUR 15,000 in shares		
Personal investment held in shares			
Executive Board members			
Auli	20,096 shares	20,096 shares	20,096 shares
Davies	25,614 shares	20,096 shares	20,096 shares
Huijskes	12,136 shares	12,136 shares	—
Langanger	—	20,096 shares	20,096 shares
Leitner [1]	12,993 shares	—	—
Roiss	34,932 shares	28,469 shares	28,469 shares
Ruttenstorfer	—	38,278 shares	38,278 shares
Total — Executive Board	**105,771 shares**	**139,171 shares**	**127,035 shares**
Other senior executives	299,449 shares	240,390 shares	202,412 shares
Potentials	9,460 shares	—	—
Total personal investment	**414,680 shares**	**379,561 shares**	**329,447 shares**
Expected bonus shares as of December 31, 2011	**425,401 shares**	**314,860 shares**	**454,554 shares**
Maximum bonus shares as of December 31, 2011	**582,225 shares**	**450,945 shares**	**513,480 shares**
Fair value of plan (EUR 1,000)	**18,637**	**10,574**	**10,715**

[1] Manfred Leitner takes part in the 2009 and 2010 LTI plans with 5.742 shares in his position as senior executive.

Stock option plans 2004 – 2008

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

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

At grant dates details of the plans were as follows:

Main conditions

	2008 plan	2007 plan	2006 plan	2005 plan	2004 plan
Start of plan	09/01/2008	09/01/2007	09/01/2006	09/01/2005	09/01/2004
End of plan	08/31/2015	08/31/2014	08/31/2013	08/31/2012	08/31/2011
Vesting period	2 years	2 years	2 years	2 years	2 years
Exercise price	EUR 47.550	EUR 47.850	EUR 45.190	EUR 34.700	EUR 16.368
Option entitlement per OMV share held	20	20	20	20	15
Qualifying own investment					
Executive Board	1,136 shares [1]	1,230 shares [1]	1,242 shares [1]	2,390 shares [1]	3,980 shares [1]
Senior executives	379 shares [1]	410 shares [1]	414 shares [1]	800 shares [1]	1,330 shares [1]
Options granted					
Executive Board members					
Auli [2]	22,720	24,600	8,280	–	19,950
Davies	22,720	24,600	24,840	47,800	59,700
Langanger [3]	22,720	24,600	24,840	47,800	59,700
Leitner [4]	7,580	8,200	8,280	16,000	19,950
Roiss	22,720	24,600	24,840	47,800	59,700
Ruttenstorfer	22,720	24,600	24,840	47,800	59,700
Total – Executive Board	**121,180**	**131,200**	**151,920**	**207,200**	**278,700**
Other senior executives	420,700	432,560	351,940	516,000	464,400
Total options granted	**541,880**	**563,760**	**467,860**	**723,200**	**743,100**
Plan threshold share price	**EUR 54.680**	**EUR 55.030**	**EUR 51.970**	**EUR 39.910**	**EUR 18.823**

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

At balance sheet date, all of the options for the 2004 plan of were exercised or forfeited, some of the options for the plan 2005 were exercised and some of the options for the 2006, 2007, and 2008 plans forfeited (were returned). As of December 31, 2010, some of the options for the 2004 and 2005 plans were exercised and some of the options for the 2006 and 2007 plans forfeited (were returned).

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

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

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

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

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

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

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

In 2011 and 2010 movements in options under the stock option plans were as follows:

Stock option plans

		2011		2010
	Number of options	Weighted average exercise price EUR	Number of options	Weighted average exercise price EUR
Outstanding options as of January 1	**2,046,550**	**42.637**	**2,063,050**	**42.426**
Options exercised	(118,860)	16.368	(16,500)	16.368
Options forfeited (returned)	(41,950)	32.430	—	—
Outstanding options as of December 31	**1,885,740**	**44.519**	**2,046,550**	**42.637**
Options exercisable at year end [1]	—	—	**138,810**	**16.368**

[1] The options for the plans 2005, 2006, 2007, and 2008 would have been exercisable at year end, if the share price had been above the respective plan threshold. The options for the plans 2005, 2006 and 2007 would have been exercisable at December 31, 2010, if the share price had been above the respective plan threshold.

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

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

Exercise of options by plan participants was as follows:

Options exercised

		2011		2010
	Options exercised	Weighted average exercise price EUR	Options exercised	Weighted average exercise price EUR
Executive Board members				
Auli	5,760	16.368	–	–
Davies	–	–	–	–
Langanger	–	–	16,500	16.368
Leitner	–	–	–	–
Roiss	–	–	–	–
Ruttenstorfer	–	–	–	–
Total – Executive Board	**5,760**	**16.368**	**16,500**	**16.368**
Other senior executives	113,100	16.368	–	–
Total options exercised	**118,860**	**16.368**	**16,500**	**16.368**

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

Compensation expense **EUR 1,000**

	2011	2010
2004 plan	1,318	168
Total	**1,318**	**168**

Of this amount, EUR 70 thousand (2010: EUR 168 thousand) was attributable to Executive Board members and EUR 1,248 thousand (2010: EUR 0) to other senior executives.

As of December 31, 2011, **outstanding options** under the various plans were as follows:

Outstanding options

Plan	Exercise price EUR	Options outstanding	Remaining maturity in years	Options exercisable at year end [1]
2005	34.700	375,400	0.7	–
2006	45.190	445,080	1.7	–
2007	47.850	530,960	2.7	–
2008	47.550	534,300	3.7	–
Total		**1,885,740**		–

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

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

The fair value as of December 31, 2011 is calculated on the basis of the options still outstanding, while the fair value as of the time of award is based on the total options granted. Assuming that the conditions for exercise are fulfilled during the exercise period, the fair value of the stock option plans is as follows:

Valuation as of December 31, 2011

	2008 plan	2007 plan	2006 plan	2005 plan
Market value of plan (EUR 1,000)	735	518	268	166
Calculation variables				
Market price of stock (EUR)	23.44	23.44	23.44	23.44
Risk-free rate of return	1.396%	1.254%	1.111%	1.111%
Maturity of options (including vesting period)	3.7 years	2.7 years	1.7 years	0.7 years
Average dividend yield	5.8%	5.2%	4.5%	4.4%
Share price volatility	40%	40%	40%	40%

Provision is made for the expected future costs of options unexercised at balance sheet date based on fair values. As of December 31, 2011, the provision amounted to EUR 1,688 thousand (2010: EUR 9,615 thousand), and the net decrease was EUR 7.927 thousand (2010: net decrease EUR 636 thousand).

Notes to the balance sheet

1 Fixed assets

In the year under review fixed tangible assets were itemized in accordance with minimum statutory requirements. Movements in fixed assets in 2011 are shown in the statement of fixed assets.

The Land and buildings item includes land valued at EUR 790 thousand (2010: EUR 790 thousand).

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

		EUR 1,000
	2011	2010
Maturing in one year	273	73
Maturing in the next five years	708	170
Total	**981**	**243**

Loans with maturities of up to one year amounted to EUR 9 thousand (2010: EUR 9 thousand). During the year just ended OMV Aktiengesellschaft extended the following loans: USD 61,150 thousand and AUD 26,900 thousand to OMV Australia PTY LTD; and EUR 3,454 thousand and USD 7,000 thousand to OMV Finance Services GmbH. OMV Samsun Elektrik Uretim Sanayi (formerly Borasco Elektrik Üretim Sanayi ve Ticaret A.S.) has repaid 2011 EUR 32,000 thousand. OMV Pakistan Exploration GmbH has an open credit line of USD 35,000 thousand for the development of the South West Miano Block gas field; as of the balance sheet date, USD 7,186 thousand had been drawn down. Pearl Petroleum Company Limited has an open credit facility of USD 103,871 thousand, of which USD 63,252 thousand had been utilized by the balance sheet date.

In 2011 grandparent company contribution were granted to the following companies: to OMV (Tunesien) Production GmbH EUR 674,184 thousand, to OMV Maurice Energy GmbH EUR 142,403 thousand, to OMV (Yemen Block S 2) Exploration GmbH USD 11,646 thousand, to OMV Finance Services GmbH EUR 105,900 thousand and to OMV Power International GmbH EUR 256 thousand.

During the year under review, contributions of TRY 3,195,321 thousand (EUR 1,360,569 thousand) towards capital increases were made to OMV Petrol Ofisi Holding Anonim Şirketi (formerly OMV Enerji Holding Anonim Şirketi). A total capital increase of TRY 2,931,000 thousand (EUR 1,199,656 thousand) was resolved in 2011; TRY 345,250 thousand (EUR 141,311 thousand) of this capital has not yet been called up.

2 Accounts receivable and other assets

				EUR 1,000
		2011		2010
	≤1 year	>1 year	≤1 year	>1 year
Trade Receivables	17	–	–	–
Receivables from affiliated companies	3,870,415	–	3,779,993	–
[thereof trade]	[10,287]	[–]	[223]	[–]
Receivables from associated companies	172	–	341	–
[thereof trade]	[73]	[–]	[96]	[–]
Other receivables and assets	84,387	–	67,911	–
Total	**3,954,991**	**–**	**3,848,245**	**–**

Other receivables include a revolving loan of EUR 11,454 thousand (2010: EUR 9,342 thousand) to Trans Austria Gasleitung GmbH, as well as a tax credit of EUR 71,126 thousand (2010: EUR 56,959 thousand) in respect of corporate tax prepayments.

3 Stockholders' equity

The **capital stock** of OMV Aktiengesellschaft consists of 327,272,727 (2010: 300,000,000) fully paid no par value shares with a total nominal value of EUR 327,273 thousand (2010: EUR 300,000 thousand). There are no different classes of shares, and no shares with special rights of control. All shares are entitled to dividends for the financial year 2011, with the exception of treasury shares held by OMV Aktiengesellschaft.

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

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

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

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

For 2011, the Executive Board of OMV Aktiengesellschaft proposes a dividend of EUR 1.10 (2010: EUR 1.00) per eligible share, which is subject to approval by the Annual General Meeting in 2012. The dividend for 2010 was paid in May 2011 in the amount proposed.

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

Treasury shares

	Number of shares	Cost EUR 1,000
January 1, 2010	**1,219,695**	**13,392**
Disposals	(16,500)	(181)
December 31, 2010	**1,203,195**	**13,211**
Disposals	(4,320)	(46)
December 31, 2011	**1,198,875**	**13,165**

The number of shares in issue was as follows:

Number of shares in issue

	Number of shares	Treasury shares	Shares in issue
January 1, 2010	**300,000,000**	**1,219,695**	**298,780,305**
Used to cover stock options	—	(16,500)	16,500
December 31, 2010	**300,000,000**	**1,203,195**	**298,796,805**
Used to cover stock options	—	(4,320)	4,320
Capital increase	27,272,727	—	27,272,727
December 31, 2011	**327,272,727**	**1,198,875**	**326,073,852**

4 Untaxed reserves

The **untaxed reserves** are valuation reserves related to undeveloped and developed land, amounting to EUR 432 thousand (2010: 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

			2011			2010
	Pensions	Severance payments	Jubilee payments	Pensions	Severance payments	Jubilee payments
Present value of funded obligations	34,093	—	—	28,707	—	—
Market value of plan assets	(21,901)	—	—	(18,003)	—	—
Unrecognized actuarial gains/(losses)	(5,729)	—	—	(4,128)	—	—
Provision for funded obligations	**6,463**	**—**	**—**	**6,576**	**—**	**—**
Present value of unfunded obligations	—	10,382	1,146	—	6,856	412
Unrecognized actuarial gains/(losses)	—	1,480	—	—	1,467	—
Provision for unfunded obligations	**—**	**11,862**	**1,146**	**—**	**8,323**	**412**
Provision as of January 1	**6,576**	**8,323**	**412**	**7,240**	**7,180**	**452**
Expense for the year	1,709	1,663	(8)	1,773	1,359	25
Payments to funds	(2,498)	—	—	(2,437)	—	—
Benefits paid	—	(2,997)	(97)	—	(143)	(46)
Group transfer	676	4,873	839	—	(73)	(19)
Provision as of December 31	**6,463**	**11,862**	**1,146**	**6,576**	**8,323**	**412**
Interest cost	1,498	529	58	1,478	411	24
Current service cost	543	1,205	111	583	948	42
Expected return on plan assets	(950)	—	—	(736)	—	—
Amortized actuarial (gains)/losses	618	(71)	(177)	448	—	(41)
Expenses of defined benefit plans for the year	**1,709**	**1,663**	**(8)**	**1,773**	**1,359**	**25**

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

	2011		2010	
	Pensions	Severance, jubilees	Pensions	Severance, jubilees
Capital market interest rate	4.75%	4.75%	4.75%	4.75%
Future increases in salaries	3.85%	3.85%	3.85%	3.85%
Future increases in pensions	1.80%	–	1.80%	–
Long-term rate of return on plan assets	4.75%	–	5.00%	–

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:

	2011		2010	
	VRG IV	VRG VI	VRG IV	VRG VI
Asset category				
Equity securities	24.0%	18.8%	25.9%	4.6%
Debt securities	43.8%	15.0%	40.6%	51.9%
Cash and money market investments	20.7%	66.2%	22.4%	43.5%
Other	11.5%	–	11.1%	–
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

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

The funds of the asset allocation and risk group (VRG) IV are invested in 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.

In 2005, the investment management policy for the funds of VRG VI was changed to a value-at-risk approach. The process involves investing in global equity markets, European bond instruments and low-risk money market funds with a defined worst-case loss limit, whereby the tactical allocation of funds is very flexible and model-driven. At the same time, the opportunity of benefiting from positive stock market performance shall be partly maintained.

Favorable or adverse variances in the performance of individual VRGs compared with target returns on plan assets exist, due to their different maturities and to different developments in the capital markets. Both VRGs showed positive performances in 2010 with VRG IV being above the target return. In 2011, the performance of both VRGs was below the target return. Following the adverse development of financial markets caused by the sovereign debt crisis, the actual return of VRG IV was slightly negative in 2011; the performance of VRG VI, by contrast, was positive due to the value-at-risk approach.

For 2012, defined benefit related contributions to APK-Pensionskasse AG of EUR 4,000 thousand are planned.

Other provisions largely consisted of the following:

EUR 1,000

	2011	2010
Personnel provisions	41,262	34,607
Sundry provisions	22,924	20,926
Total	**64,186**	**55,533**

Personnel provisions include a provision for share options granted, amounting to EUR 25,664 thousand (2010: EUR 26,239 thousand). This comprises provision of EUR 1,688 thousand for the existing stock option plan and of EUR 23,976 thousand for Long Term Incentive plan. Other provisions include a provision of EUR 22,104 thousand (2010: EUR 19,234 thousand) for possible recourse to a reinsurance policy.

A provision of EUR 33,753 thousand was recognized during the year under review due to the initial recognition of a corporate tax provision for the retroactive taxation of foreign tax group members' tax losses at top-tier corporation level. Of this amount EUR 19,266 thousand related to tax losses in the year under review, and EUR 14,487 thousand from reclassification of foreign tax losses from previous years, which have been reported since last year in group companies.

6 Liabilities

EUR 1,000

		2011		2010
	≤1 year	>1 year	≤1 year	>1 year
Bonds	—	3,000,000	—	1,750,000
Amounts due to banks	264,582	490,000	363,269	554,000
Accounts payable from trade	8,890	—	4,692	—
Accounts payable to affiliates	438,095	860,920	250,469	851,452
[thereof trade]	[4,828]	[—]	[—]	[—]
Other liabilities	328,240	12,567	279,823	9,006
[thereof taxes]	[214,949]	[—]	[182,540]	[—]
[thereof social security expenses]	[697]	[—]	[209]	[—]
Total	**1,039,807**	**4,363,487**	**898,253**	**3,164,458**

Other liabilities include personnel separation expenses of EUR 6,511 thousand (2009: EUR 2,786 thousand) and interest expenses for bonds of EUR 106,362 thousand (2009: EUR 72,480 thousand). Other liabilities include expenses 2011, which are made payable in 2012. The most important amounts comprise interest to bonds EUR 106,362 thousand (2010: 72,480 thousand).

Liabilities with maturities of more than five years include bond liabilities amounting to EUR 1,750,000 thousand (2010: EUR 750,000 thousand).

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

Contingent liabilities are as follows:

		EUR 1,000
	2011	2010
Guarantees	**2,446,302**	**3,349,438**
[thereof in favor of affiliated companies]	[2,427,917]	[3,329,909]

The change in contingent liabilities largely resulted from a reduction from EUR 185,126 to EUR 30,914 thousand in the guarantee extended on behalf of OMV Supply & Trading GmbH, and a increase from EUR 70,750 to EUR 190,496 thousand in the guarantee extended on behalf of EconGas GmbH and from reduction from EUR 99,893 to 63,701 thousand in the guarantee given on behalf of OMV New Zealand Limited.

A guarantee of EUR 850,000 thousand on behalf of OMV Finance Limited was reduced; guarantees in favor of this company total EUR 1,500,000 thousand (2010: EUR 2,350,000 thousand).

OMV Aktiengesellschaft is liable for the redemption of the USD 320,000 thousand (EUR 247,314 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

During the year under review some human resources management and controlling activities previously performed by subsidiaries were centralized at OMV Aktiengesellschaft. The Company began providing these services on January 1, 2011. As a result, these items are not fully comparable with the previous year.

8 Sales

EUR 1,000

	2011	2010
Domestic	118,245	56,350
Foreign	67,444	7,909
Total	**185,689**	**64,259**

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

9 Other operating income

EUR 1,000

	2011	2010
Gains on the disposal of fixed assets other than financial assets	53	4,743
Gains on reversal of provisions	6,849	12
Other	5,814	1,237
Total	**12,716**	**5,992**

The gains on reversal of provisions mainly arose from provisions for employee benefits. Other operating income is chiefly derived from exchange differences and amounts billed on to subsidiaries.

10 Expenses for materials and services

EUR 1,000

	2011	2010
Cost of materials	64,556	122
Cost of services	12,860	1,678
Total	**77,416**	**1,800**

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

11 Personnel expenses

	2011	2010
EUR 1,000		
Salaries	56,978	34,021
Statutory social security, and pay-related levies and compulsory contributions	8,339	2,993
Other expenses for employee benefits	143	69
Total	**65,460**	**37,083**

Higher personnel expenses arise from higher number of employees.

12 Expenses for severance payments and pensions

	2011	2010
EUR 1,000		
Expenses for severance payments	4,031	2,382
Payments to occupational pension funds	385	104
Defined contribution personnel expense	2,325	1,198
Defined benefit personnel expense	4,595	3,185
Total	**11,336**	**6,869**

Defined contribution pension expense includes EUR 3,143 thousand in provisions for personnel reduction programs (2010: EUR 1,901 thousand).

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

EUR 1,000	**2011**		2010	
	Severance payments	Pensions	Severance payments	Pensions
Executive Board	3,380	966	2,078	907
Senior executives	184	565	100	339
Other employees	852	5,390	308	3,137

13 Other operating expenses

	2011	2010
EUR 1,000		
Taxes not shown under item 16 (Taxes on income)	8,591	346
Other	106,519	49,964
Total	**115,110**	**50,310**

The Taxes on income item includes corporate tax of EUR 7,500 thousand (2010: nil) relating to the capital increase. Other expenses include: EUR 27,546 thousand in insurance premiums, and legal and consultancy fees (2010: EUR 17,368 thousand), EUR 11,224 thousand in advertising expenditure (2010: EUR 9,565 thousand), and EUR 21,812 thousand in services (2010: EUR 10,667 thousand).

14 Financial income and expenses

Income from equity interests amounting to EUR 771,054 thousand (2010: EUR 770,024 thousand) include EUR 643,535 thousand (2010: EUR 608,910 thousand) from profit-pooling arrangements, EUR 123,936 thousand from affiliated companies (2010: EUR 10,000 thousand) and EUR 3,583 thousand (2010: EUR 151,114 thousand) from investment income. As of the balance sheet date there were profit and loss pooling agreements with the following companies: OMV Solutions GmbH; OMV Refining & Marketing GmbH; OMV Exploration & Production GmbH; OMV Insurance Broker GmbH; OMV Gas & Power GmbH; and OMV Future Energy Fund GmbH.

The item Expenses arising from financial assets contains EUR 82,733 thousand in expenses arising from profit-pooling arrangements (2010: EUR 333 thousand), and nil from an impairment (2010: EUR 113,100 thousand).

15 Taxes and income

	2011	2010
EUR 1,000		
Current taxes	(51,701)	(24,893)
Deferred taxes	(3,230)	(18,433)
Total	**(54,931)**	**(43,326)**

Current taxes comprise EUR 2,235 thousand in deferred tax income (2010: EUR 89 thousand) and EUR 49,466 thousand (2010: EUR 26,113 thousand) in corporate tax income attributable to the top-tier corporation in consequence of the formation of a tax group under section 9 Corporate Tax Act, after the tax contributions charged. Current corporate tax income is after corporate tax expense of EUR 19,266 thousand due to the recognition of a corporate tax provision for the retroactive taxation of tax losses declared by foreign tax group members. The reduction in deferred tax income to EUR 3,230 thousand (2010: EUR 18,433 thousand) is explained by the recognition of an impairment in the comparative period.

16 Interest rate risk management and derivates

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

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

EUR 1,000

			2011			2010
	Nominal value	Fair value	Carrying value	Nominal value	Fair value	Carrying value
Interest rate Swap (USD)	38,643	5,462	—	37,420	4,779	—
FX Swap EUR-HRK	11,941	17	—	12,190	(44)	(44)

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.

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. At balance sheet date these hedges have in sum a positive fair value of EUR 6,756 thousand and negative fair value of EUR 35,152 thousand.

OMV Aktiengesellschaft had concluded some USD 1.621 bn in hedging contracts for 2011, at an average exchange rate of USD 1.3655 to the euro, to secure the cash flow of Group companies and reduce their exposure to EUR-USD exchange rate movements. Cash flow of USD 748 mn has been hedged against currency movements in 2012, at an average exchange rate of USD 1.3616 to the euro.

17 Governing bodies and employees

The **average number of employees** was:

	2011	2010
Salaried employees	398	128
Total	**398**	**128**

As of January 1, 2011 the number of employees at OMV Aktiengesellschaft seconded from subsidiaries was 240.

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

Remuneration received by the Executive Board — **EUR 1,000**

2011	Auli	Davies	Huijskes	Leitner	Roiss	Ruttenstorfer	**Total**
Fixed remuneration for 2011	600	735	500	375	779	200	**3,188**
Variable remuneration [1]	900	900	213	—	1,050	1,200	**4,263**
Benefits in kind (company car, accident insurance) and reimbursed expenses	8	10	8	6	8	2	**43**
Total (excluding severance and post-employment payments, pension fund contributions and payments in lieu of holiday)	**1,508**	**1,645**	**721**	**381**	**1,837**	**1,402**	**7,493**
Benefits from stock options exercised	70	—	—	—	—	—	**70**

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

Remuneration received by the Executive Board — **EUR 1,000**

2010	Auli	Davies	Huijskes	Langanger	Roiss	Ruttenstorfer	**Total**
Fixed remuneration for 2010	600	665	375	461	700	800	**3,601**
Variable remuneration [1]	755	826	525	826	965	1,104	**5,000**
Benefits in kind (company car, accident insurance) and reimbursed expenses	8	9	22	6	8	8	**61**
Total (excluding severance and post-employment payments, pension fund contributions and payments in lieu of holiday)	**1,363**	**1,500**	**922**	**1,293**	**1,673**	**1,912**	**8,663**
Benefits from stock options exercised	—	—	—	168	—	—	**168**

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

The total remuneration including severance payments, post-employment payments, pension fund contributions and payments in lieu of holiday in 2011 amounted to EUR 13,886 thousand (2010: EUR 12,001 thousand).

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

Compensation of former members of the Executive Board and their surviving dependants amounted to EUR 1,894 thousand (2010: EUR 1,119 thousand).

In 2011, the total remuneration (excluding stock option plans) of 49 top executives (excluding the Executive Board; 2010: 38) amounted to EUR 23,232 thousand (2010: EUR 15,665 thousand), of which basic remuneration, such as salaries, accrued vacations and bonuses was EUR 18,244 thousand (2010: EUR 13,208 thousand) and EUR 1,424 thousand (2010: EUR 1,268 thousand) were expenses for pension fund contributions. The expenses for severance benefits were EUR 2,958 thousand (2010: EUR 1,085 thousand), and other long-term benefits amounted to EUR 111 thousand (2010: EUR 104 thousand).

In 2011, remuneration expenses for the Supervisory Board amounted to EUR 394 thousand (2010: EUR 392 thousand).

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

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

18 Dividend recommendation

Unappropriated income for the 2011 financial year amounted to EUR 392,035 thousand (2010: EUR 409,229 thousand).

For 2011, the Executive Board of OMV Aktiengesellschaft proposes a dividend of EUR 1.10 (2010: EUR 1.00) per eligible share, which is subject to approval by the Annual General Meeting in 2012. The dividend for 2010 was paid in May 2011 in the amount proposed.

Changes in untaxed reserves

EUR 1,000	As of Jan. 1, 2011	Allocations/ utilization	Transfer	**As of Dec. 31, 2011**
Valuation reserve for impairments				
Tangible assets				
Land and buildings	432	–	–	432
	432	–	–	**432**

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

1,000 in stated currency

	Equity interest in %	Equity/negative equity as of Dec. 31, 2011		Net income/loss in 2011
Domestic				
OMV Gas & Power GmbH, Wien [1]	100.00	EUR	181,809	16,360
OMV Exploration & Production GmbH, Wien [1]	100.00	EUR	1,512,327	571,367
OMV Future Energy Fund GmbH, Wien [1]	100.00	EUR	35	(12)
OMV Insurance Broker GmbH, Wien [1]	100.00	EUR	55	276
OMV Refining & Marketing GmbH, Wien [1]	100.00	EUR	835,858	(83,457)
OMV Solutions GmbH, Wien [1]	100.00	EUR	566,769	55,504
students4excellence GmbH, Wien [2]	20.00	EUR	40	0
Foreign				
Amical Insurance Limited, Douglas	100.00	EUR	33,328	7,531
OMV AUSTRALIA PTY LTD, Sydney [1]	100.00	AUD	(125,984)	(92,629)
OMV Petrol Ofisi Holding Anonim Şirketi (formerly OMV Enerji Holding Anonim Şirketi), Istanbul [3, 4]	100.00	TRY	5,434,006	148,771
OMV FINANCE LIMITED, Douglas	100.00	EUR	61	(31)
OMV Petrol Ofisi A. Ş., Istanbul [3]	41.58	TRY	1,457,178	(35,522)
OMV PETROM SA, Bukarest	51.01	RON	18,891,889	3,685,605

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

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

	As of Jan. 1, 2011	Additions
Intangible assets		
Licenses	3	—
	3	**—**
Tangible assets		
Land and buildings	790	—
Plant and equipment	—	—
Other fixtures and fittings, tools and equipment	958	454
	1,748	**454**
Financial assets		
Investments in affiliated companies	6,547,500	2,293,234
Loans to affiliated companies	961,484	67,739
Other investments	26,632	—
Securities (loan stock rights) held as fixed assets	8,201	—
Other lendings	96,829	390
	7,640,646	**2,361,363**
	7,642,397	**2,361,817**

							EUR 1,000
Transfers	Disposals	As of Dec. 31, 2011	Depreciation and amortization (cumulative)	Carrying value as of Dec. 31, 2011	Carrying value as of Dec. 31, 2010	Depreciation and amortization	Impairment in 2011
—	—	3	2	1	2	1	—
—	**—**	**3**	**2**	**1**	**2**	**1**	**—**
—	—	790	—	790	790	—	—
—	—	—	—	—	—	—	—
—	398	1,014	485	529	299	224	—
—	**398**	**1,804**	**485**	**1,319**	**1,089**	**224**	**—**
—	1,395	8,839,339	1,042,324	7,797,015	5,505,176	—	—
—	32,000	997,223	344	996,879	961,229	88	—
—	—	26,632	—	26,632	26,632	—	—
—	4	8,197	3,692	4,505	4,505	—	—
—	46,334	50,885	28	50,856	96,797	—	—
—	**79,733**	**9,922,276**	**1,046,388**	**8,875,888**	**6,594,339**	**88**	**—**
—	**80,131**	**9,924,083**	**1,046,875**	**8,877,208**	**6,595,431**	**313**	**—**

Supervisory Board

Peter Michaelis
Chairman till May 17, 2011
appointed to the Board in the AGM of May 23, 2001

Markus Beyrer
Chairman from May 17, 2011
appointed to the Board in the AGM of May 17, 2011

Wolfgang Berndt
Deputy Chairman
appointed to the Board in the AGM of May 26, 2010

Khadem Al Qubaisi
Deputy Chairman
appointed to the Board in the AGM of May 26, 2010

Alyazia Ali Saleh Al Kuwaiti
appointed to the Board in the AGM of May 14, 2008

Elif Bilgi-Zapparoli
appointed to the Board in the AGM of May 13, 2009

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

Wolfram Littich
appointed to the Board in the AGM of May 23, 2001

Herbert Stepic
appointed to the Board in the AGM of May 18, 2004

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

Norbert Zimmermann
appointed to the Board in the AGM of May 23, 2001

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

Delegated by the Works Council:
Leopold Abraham
Wolfgang Baumann
Franz Kaba
Ferdinand Nemesch
Markus Simonovsky till May 3, 2011
Martin Rossmann from May 4, 2011

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

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

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

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

Executive Board

Vienna, March 20, 2012

The Executive Board

Gerhard Roiss
Chairman

David C. Davies
Deputy Chairman

Hans-Peter Floren

Jacobus Gerardus Huijskes

Manfred Leitner

Abbreviations and definitions

ACC Austrian Commercial Code

ACCG Austrian Code of Corporate Governance

AGM Annual General Meeting

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

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

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

bn billion

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

CAPEX Capital Expenditure

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

cbm, cf standard cubic meters, standard cubic feet

Co&O Corporate and Other

E&P Exploration and Production

EBIT Earnings Before Interest and Taxes

EPS Earnings Per Share

EPSA Exploration and Production Sharing Agreement

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

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

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

G&P Gas and Power

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

H1, H2 first, second half of the year

HSSE Health, Safety, Security and Environment

IASs, IFRSs International Accounting Standards, International Financial Reporting Standards

LNG Liquefied Natural Gas

LTIR Lost Time Injury Rate

mn million

monomers collective term for ethylene and propylene

MW megawatt

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

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

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

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

NOC National Oil Corporation

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

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

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

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

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

ppm parts per million

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

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

R&M Refining and Marketing including petrochemicals

reserve replacement cost exploration, development and maintenance expenditures including acquisition costs

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

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

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

RON new Romanian leu

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

sales revenues sales excluding petroleum excise tax

t, toe metric tonne, tonne of oil equivalent

TRIR Total Recordable Injury Rate

USD, TUSD US dollar, thousand 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.

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

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

Declaration according to § 82 (4) (3) BörseG

Statement of all Legal Representatives
We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group directors' report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the directors' report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, March 20, 2012

Gerhard Roiss

Chief Executive Officer and Chairman
of the Executive Board

David C. Davies

Deputy Chairman of the Executive Board,
Chief Financial Officer

Hans-Peter Floren

Member of the Executive
Board,
Gas and Power

Jacobus Gerardus Huijskes

Member of the Executive
Board,
Exploration and Production

Manfred Leitner

Member of the Executive
Board,
Refining and Marketing including petrochemicals

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1020 Vienna, Austria
www.omv.com