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reasons
why we're excited
about tomorrow

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Dear Shareholders,

It is with great satisfaction that I look back on an extraordinarily successful 2018. This past financial year, OMV distinguished itself not only with an exceptional financial performance, but also with the decisive steps the Company has taken in implementing its long-term Corporate Strategy.

Key milestones were achieved: OMV was able to expand and further internationalize its successful integrated business model in line with the strategy unveiled in early 2018. Thereby, OMV is preparing to meet future challenges and strengthens its competitive ability and profitability. The successful financial performance during the past year made a crucial contribution to implementing OMV's growth path. Thanks to the best Clean CCS Operating Result in its history, the Company was able to generate a positive free cash flow after dividends in spite of the completed major acquisitions. OMV's strong financial position is also reflected in the proposed record dividend of EUR 1.75 per share, by means of which you, dear shareholders, partake in OMV's successes.

In the following, I would like to inform you about the Supervisory Board's work during the 2018 financial year.

Composition of the Executive Board and Supervisory Board

With the extension of Reinhard Florey's mandate in May 2018, the Executive Board affirmed the composition of the executive team. The period of tenure for Reinhard Florey was extended by two years until June 2021. Following the resignations of Murtadha Al Hashmi and Ahmed Matar Al Mazrouei, the Annual General Meeting on May 22, 2018, elected Alyazia Ali Al Kuwaiti and Mansour Mohamed Al Mulla to the Supervisory Board. Alyazia Ali Al Kuwaiti was named the second Deputy Chairperson of the Supervisory Board. I, Peter Löscher, announced in September 2018 that I will step down at the conclusion of the Annual General Meeting in May 2019.

In March 2018, the employee representatives nominated Angela Schorna, who will serve her first term on the Supervisory Board. Wolfgang Baumann resigned from the Supervisory Board at the same time.

Supervisory Board activities

The Supervisory Board carried out its activities during the financial year with great care and in accordance with the law, the Company's Articles of Association, and the Internal Rules. It oversaw the Executive Board's governance of OMV and advised it in decision-making processes on the basis of detailed written and verbal reports as well as constructive discussions between the Supervisory Board and the Executive Board. The Executive Board provided the Supervisory Board with regular, timely, and comprehensive reports on the Company's operations, on the general economic situation in its key markets, and the overall business environment, as well as on the opportunities and risks to OMV's business development.



» OMV was able to expand and further internationalize its successful integrated business model.

PETER LÖSCHER
Chairman of the Supervisory Board

OMV successfully continued its growth path into the 2018 financial year and made significant progress in implementing its strategic goals. The Supervisory Board's activities were therefore particularly focused on evaluating possibilities for major investments and acquisitions.

The offshore concession agreement signed at the beginning of the year with ADNOC for two oil fields in Abu Dhabi will supplement reserves and increase production, which represents a considerable contribution toward meeting the strategic goals. By signing another concession agreement in December 2018 for offshore gas fields in Abu Dhabi, OMV also strengthened its cooperation with ADNOC along the value chain in the gas business.

The Supervisory Board also intensively dealt with the acquisition of a 15% interest in ADNOC Refining and a yet-to-be-established global trading joint venture. The relevant agreement was signed at the start of 2019. OMV is now in a position to build a competitive, integrated refinery and petrochemical center around ADNOC's already existing refinery facilities.

OMV is intent on establishing Asia-Pacific as one of its new core regions. Important milestones in this process have been reached: OMV took over Shell's Upstream business in New Zealand and created a joint venture with Sapura Energy.

Activities of Supervisory Board committees

In addition to preparing the decision regarding the extension of Reinhard Florey's mandate, the **Presidential and Nomination Committee** placed particular focus on the issue of long-term Executive Board succession planning during the 2018 financial year.

The continuous training program for members of the Supervisory Board developed in the prior year by the Presidential and Nomination Committee was implemented in the 2018 financial year. The program serves, among others, as a platform for lively exchange with external experts on current topics relevant to the oil and gas industry.

The **Remuneration Committee** conducted a comprehensive external evaluation of the Executive Board's remuneration system in 2018. This included a revision of the variable remuneration plans in line with market practice. In addition to regulatory requirements, the latest developments on responsible and sustainable incentive setting were considered. The introduction of a cap on total annual remuneration and a customary malus mechanism are especially noteworthy in this context. Particular attention was paid to simplifying remuneration plans and representing data in the annual remuneration report in an even more transparent manner.

» This past financial year, OMV distinguished itself not only with an exceptional financial performance, but also with the decisive steps the Company has taken in implementing its long-term Corporate Strategy.

In 2018, the **Audit Committee** looked at important topics related to accounting processes, the internal audit program, risk management, and the Group's internal control system. The OMV Group's auditor, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., participated in each of the Audit Committee's meetings, and the Supervisory Board regularly took advantage of the opportunity to discuss matters with the auditor without the presence of the members of the Executive Board.

Meetings of the **Portfolio and Project Committee** are held regularly prior to the meetings of the Supervisory Board. The committee used its meetings in 2018 to prepare decisions regarding key investment and M&A projects on the basis of extensive information and intensive discussions. In addition, it repeatedly dealt with strategic considerations regarding the long-term focus of the Company's portfolio.

Further details regarding the activities of the Supervisory Board and its committees can be found in the (consolidated) Corporate Governance Report.

Annual financial statements and dividends

Following a comprehensive audit and discussions with the auditor during meetings of the Audit Committee and the Supervisory Board, the Supervisory Board has approved the directors' report and the consolidated annual report pursuant to section 96(1) of the Austrian Stock Corporation Act as well as the annual financial statements and the 2018 consolidated annual financial statements pursuant to section 96(4) of the Stock Corporation Act. Both the annual financial statements and the consolidated annual financial statements for 2018 received an unqualified opinion from the auditing company Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. The Supervisory Board also approved the (consolidated) Corporate Governance Report audited by both the Supervisory Board and the Audit Committee as well as the (consolidated) report on payments to government agencies. The Supervisory Board found no issues during the audits. Following the audit, the Supervisory Board accepted the Executive Board's proposal to distribute a dividend of EUR 1.75 per share and to carry the remaining amount forward to new account. The Supervisory Board will audit the separate consolidated non-financial report (sustainability report) individually, and this report will be published separately and after the annual report together with the corresponding Supervisory Board report.

The 2018 financial year was not only successful in financial terms – the major acquisitions secured by OMV will shape the Company's future lastingly. On behalf of the entire Supervisory Board, I would like to thank the Executive Board and all employees for their commitment and successful work in the 2018 financial year. I would like to give special thanks to OMV's shareholders for their continued trust as well as to all of OMV's customers and partners.

Vienna, March 13, 2019

For the Supervisory Board

Peter Löscher m.p.

Consolidated Corporate Governance Report

OMV, as a publicly listed company with its headquarters in Austria, is dedicated to the principles of sound corporate governance and has always sought to comply with best practice in corporate governance to ensure responsible management and control of the OMV Group, a high level of transparency for every stakeholder and, ultimately, the sustainable and long-term creation of value.

Austrian law, the Articles of Association, the Internal Rules for the corporate bodies and the Austrian Code of Corporate Governance (ACCG) provide the core legal framework for OMV's corporate governance. OMV adheres to the ACCG issued by the Austrian Working Group for Corporate Governance. The code is publicly accessible at www.corporate-governance.at. OMV's compliance with the ACCG in 2018 was evaluated externally by independent advisors. The report on the evaluation is available at www.omv.com and confirms that OMV conformed to all of the compulsory "comply or explain" rules (the "C-rules") and also all of the recommended rules (the "R-rules"). As for C-rules 27 and 28, explanations concerning the variable remuneration plans are provided in the remuneration report.

For OMV Petrom SA, a company consolidated in the OMV Group and the shares of which are publicly listed on the Bucharest Stock Exchange as well as on the London Stock Exchange, the relevant Corporate Governance Report can be found at www.omvpetrom.com/en/about-us/corporate-governance-aboutus.

Executive Board

Rainer Seele, * 1960

Date of initial appointment: July 1, 2015

End of the current period of tenure: June 30, 2020

Chairman of the Executive Board and Chief Executive Officer

Responsible for the overall management and coordination of the Group

Rainer Seele received his PhD in chemistry at the University of Göttingen and subsequently had senior appointments at the BASF Group where in 2000 he first became a member of the executive board and then later chairman of the executive board at WINGas GmbH. From 2009 until 2015, he was chairman of the board of directors of Wintershall Holding GmbH.

Functions in major subsidiaries of the OMV Group

Company	Function
OMV Petrom SA	President of the Supervisory Board
Borealis AG	Deputy Chairman of the Supervisory Board
OMV Exploration & Production GmbH	Chairman of the Supervisory Board (until September 30, 2018)
OMV Refining & Marketing GmbH	Chairman of the Supervisory Board (until September 30, 2018)
OMV Gas & Power GmbH	Chairman of the Supervisory Board (until September 30, 2018)
OMV Solutions GmbH	Chairman of the Supervisory Board (until January 31, 2018)

Johann Pleininger, * 1962

Date of initial appointment: September 1, 2015
 End of the current period of tenure: August 31, 2020
 Deputy Chairman of the Executive Board

Responsible for the Business Segment Upstream

Johann Pleininger started his professional career at OMV in 1977 and later studied mechanical and economic engineering. During his time at OMV, he held various senior positions. From 2007 to 2013, he was an Executive Board member of OMV Petrom in Bucharest, responsible for Exploration & Production. Prior to his appointment as Executive Board member of OMV, he was the Senior Vice President responsible for the Upstream countries Romania and Austria as well as for the development of the Black Sea region.

Member of the Supervisory Board of FK Austria Wien AG

Functions in major subsidiaries of the OMV Group

Company	Function
OMV Petrom SA	Member of the Supervisory Board (until April 26, 2018)
OMV Petrom Global Solutions SRL	Member of the Supervisory Board (until September 1, 2018)
OMV Petrom Gas SRL	Member of the Supervisory Board
OMV Exploration & Production GmbH	Managing Director
OMV Austria Exploration & Production GmbH	Chairman of the Supervisory Board
OMV Gas & Power GmbH	Deputy Chairman of the Supervisory Board (until September 30, 2018)
OMV Refining & Marketing GmbH	Deputy Chairman of the Supervisory Board (until September 30, 2018)
OMV Solutions GmbH	Member of the Supervisory Board (until January 31, 2018)

Reinhard Florey, * 1965

Date of initial appointment: July 1, 2016
 End of the current period of tenure: June 30, 2021
 Chief Financial Officer

Responsible for Finance

Reinhard Florey graduated with a degree in mechanical engineering and economics from the Graz University of Technology while also completing his music studies at the University of Fine Arts. He started his career in corporate consulting and strategy consulting. From 2002 to 2012, he worked in different positions worldwide for Thyssen Krupp AG. Until June 2016, he was CFO and Deputy CEO of Outokumpu Oyj.

Member of the Supervisory Boards of Wiener Börse AG and CEESEG Aktiengesellschaft

Functions in major subsidiaries of the OMV Group

Company	Function
OMV Petrom SA	Member of the Supervisory Board
OMV Petrom Global Solutions SRL	President of the Supervisory Board
Central European Gas Hub AG	Deputy Chairman of the Supervisory Board
OMV Solutions GmbH	Managing Director (until January 31, 2018)
OMV Exploration & Production GmbH	Deputy Chairman of the Supervisory Board (until September 30, 2018)
OMV Gas & Power GmbH	Deputy Chairman of the Supervisory Board (until September 30, 2018)
OMV Refining & Marketing GmbH	Deputy Chairman of the Supervisory Board (until September 30, 2018)

Manfred Leitner, * 1960

Date of initial appointment: April 1, 2011

End of the current period of tenure: December 31, 2019

Responsible for the Business Segment Downstream and the OMV Group's plastic and chemical interests

After receiving a degree in commerce from the Vienna University of Economics and Business Administration, Manfred Leitner joined OMV in 1985. After working for two years in the Finance Department of the Exploration & Production 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 Exploration & Production until 1997. He then moved to the Refining & Marketing Business Segment, where he led the Planning and Controlling Department until 2002. He was Senior Vice President for Downstream Optimization & Supply from 2003 until 2011.

Functions in major subsidiaries of the OMV Group

Company	Function
OMV Petrom SA	Member of the Supervisory Board
Borealis AG	Member of the Supervisory Board
OMV Supply & Trading Limited	Chairman of the Supervisory Board
OMV Gas & Power GmbH	Managing Director
OMV Refining & Marketing GmbH	Managing Director
OMV Exploration & Production GmbH	Deputy Chairman of the Supervisory Board (until September 30, 2018)
OMV Solutions GmbH	Deputy Chairman of the Supervisory Board (until January 31, 2018)
Central European Gas Hub AG	Chairman of the Supervisory Board
GAS CONNECT AUSTRIA GmbH	Chairman of the Supervisory Board
OMV Gas Storage GmbH	Chairman of the Supervisory Board
OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.S.	Chairman of the Board of Directors (until September 6, 2018)
OMV Gaz İletim A.S.	Chairman of the Board of Directors
OMV Enerji Ticaret A.S.	Chairman of the Board of Directors

Working practices of the Executive Board

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

Remuneration report

The remuneration report gives an overview of the remuneration packages provided for Executive Board members. It outlines remuneration principles and explains compensation elements. OMV differentiates between fixed and variable compensation elements but also between monetary and non-monetary components.

Executive Board remuneration policy

Compensation Element	Description	Purpose & Link to Strategy	Shareholder Alignment
Base Salary	Salary levels take into account the responsibilities and performance of each member of the Executive Board, the situation of OMV, and common levels of remuneration in European Oil & Gas companies of comparable size as well as comparable Austrian companies. Compensation is set at a competitive level.	Provide a fixed level of earnings reflecting the scale and complexity of the business and the roles and responsibilities of each Executive Board member, ensuring competitiveness with the market.	Competitive compensation to attract, retain and motivate the most qualified Oil & Gas managers to lead the company in the shareholders' best interest.
Benefits	Executive Board members receive a company car and are eligible for accident insurance. No additional health coverage aside from the Austrian public health system.	Provide benefits comparable to those for OMV employees to attract and retain Executive Board members.	Part of a competitive compensation package to attract and retain the most qualified Executive Board members.
Retirement Benefits	Defined contribution pension schemes are granted using a pension fund. Available capital in the pension fund determines the level of pension. Retirement age is the Austrian statutory retirement age.	Retirement benefits are in line with those offered to OMV employees, ensuring that compensation packages are aligned with common market practice in Austria and in the Oil & Gas industry.	A pension fund is used to limit the risks borne by OMV. Pension benefits depend solely on the available capital in the pension fund. Any annuitization into a life-long pension is made in accordance with the pension fund's approved business plan.
Annual Bonus	Performance is measured based on annual criteria. 2/3 of the Annual Bonus is paid in cash and 1/3 is allocated in shares and deferred to be held for three years after vesting. Award is defined as a Target Annual Bonus in euros, stated in the Executive Board service contracts and capped at 180% (150% +/- 20% sustainability multiplier).	Provide variable compensation based on annual financial and non-financial performance criteria that are relevant to OMV's strategy and the Oil & Gas industry. Performance is measured against financial targets and sustainability criteria, including health, safety, security and environment. They are determined by the Supervisory Board and the Remuneration Committee respectively.	Performance criteria are in line with OMV's strategy, ensure pay for performance and foster an equity culture. Details on the performance criteria are reported in the Annual Report. Grants are subject to clawback provisions.
Long Term Incentive Plan	A Performance Share Plan is employed. The number of shares that vest depends on the achievement of a financial performance criterion as well as the relative Total Shareholder Return. The number of shares awarded is capped at 200% of the Target Long-Term Incentive in euros, stated in the Executive Board service contracts. The Supervisory Board has the discretion to adjust the overall target achievement through a Health, Safety, Security or Environmental (HSSE)-Malus.	Promote mid-and long-term value creation at OMV. Performance is measured against key criteria linked to OMV's strategy and shareholder return.	Align interests of Executive Board and shareholders, ensure pay for performance and foster an equity culture by granting OMV shares subject to performance criteria focusing on financial performance (weighting: 50%) and increase in value compared to other European Oil & Gas companies (weighting: 50%). Details on the criteria are reported in the Annual Report. Grants are subject to malus and clawback provisions.

Executive Board remuneration policy

Compensation Element	Description	Purpose & Link to Strategy	Shareholder Alignment
Shareholding requirements	Shares equal to 200% of the Base Salary for the CEO, 175% for the Deputy CEO and 150% for other Executive Board members, which must be accumulated within five years after the respective initial appointment as Executive Board member.	Provide long-term alignment of interests by putting Executive Board members' personal assets at stake.	Alignment of interests by turning the Executive Board into shareholders. Potential impact on Executive Board members' personal assets creates an effect comparable to malus and clawback.
Payout cap	In addition to the caps defined for the Annual Bonus and the Long Term Incentive Plan a cap for total annual compensation is applied for each Executive Board member.	Absolute caps to avoid not intended remuneration levels and to limit the risk borne by OMV.	Align interests of Executive Board and shareholders by promoting a sustainable and long-term development of the company and preventing inappropriate risk-taking.

The Executive Board members of OMV are employed under local Austrian terms and conditions, the salaries are therefore expressed in euros (gross). Their employment contracts are concluded with OMV Aktiengesellschaft and governed by Austrian law.

The remuneration of OMV's Executive Board members is aimed to be at competitive levels and includes a strong performance-related component. Competitive pay levels are ensured through regular external benchmarking against peer groups, such as European Oil & Gas companies and relevant Austrian industrial companies.

Long-term shareholder and stakeholder interests are reflected in performance-related remuneration, which includes both long- and short-term elements. The Executive Board's performance is assessed against financial and non-financial criteria. Specific projects related to the implementation of OMV's strategy are also taken into account.

Pursuant to C-rules 27 and 28 of the ACCG, measurable performance criteria are defined in advance for the variable remuneration components. Given the industry-inherent volatility of commodity prices and market conditions, political country risks as well as an increased safety exposure, the variable

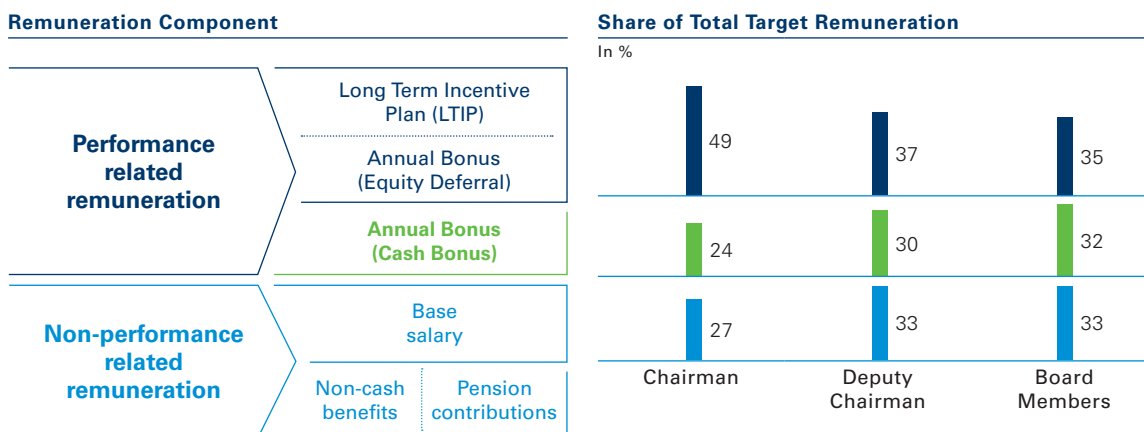
remuneration plans give the Supervisory Board and the Remuneration Committee, respectively, in line with the general practice in the Oil & Gas industry, certain room for adjustments to amend certain components in case of significant changes of major external factors (e.g. oil price) as well as to determine the achievement of certain criteria. Any adjustments are always in line with relevant factors and within disclosed maximum limits.

Structure of Executive Board Remuneration

The Executive Board remuneration consists of fixed and variable compensation elements as well as benefits. Each Executive Board member receives a remuneration package comprising of Base Salary, an Annual Bonus (a portion of which is deferred for three years and paid out in OMV shares), a Long Term Incentive Plan (LTIP), pension contributions and non-cash benefits.

The majority of Executive Board members' target compensation is granted in the form of variable compensation elements. For the financial year 2018, variable elements comprised between 67% and 73% of Executive Board members' target compensation (variance is due to higher target LTIP level for the Chairman). In line with Austrian law and requirements set forth by the ACCG, a majority of variable compensation is based on multiyear performance. For the financial year 2018, between

Overview of the Executive Board's compensation



52% and 67% of the target variable compensation is oriented towards long-term performance, either through the LTIP or the deferred portion of the Annual Bonus (Equity Deferral).

Non-performance-related remuneration

Base salary

The fixed base remuneration of Executive Board members is paid monthly as a salary. The employment contracts stipulate the fixed remuneration to be paid in 14 payments.

Non-cash benefits

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

Pension contributions

All members of the Executive Board are entitled to defined contribution pension payments, thus limiting the risks borne by OMV. The Company pays the contributions into a pension fund (APK-Pensionskasse AG). The actual 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.

Performance-related remuneration

Annual bonus

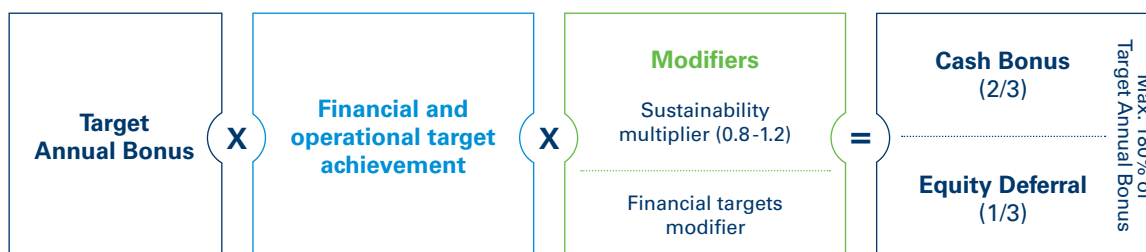
The Annual Bonus rewards financial performance, operational excellence and sustainable corporate development at OMV. For each financial year, the Supervisory Board defines a set of performance criteria. At maximum, the payout can amount to 180% (150% +/-20% sustainability multiplier) of the Target Annual Bonus stated in the Executive Board service contracts.

The actual amount depends on the achievement of financial and operational targets. Additionally, the sustainability multiplier can be applied to the overall performance at the Supervisory Board's discretion based on a predefined set of criteria. In case of major changes in external factors (e.g. oil price) the Supervisory Board can adjust the target levels of the performance criteria. Performance criteria applied in the financial year 2018 are described in detail below.

The payout of the Annual Bonus is split between a **Cash Bonus** (2/3), which is paid in the following financial year, and an **Equity Deferral**¹ (1/3), which is awarded in OMV shares to be held for a period of three years (holding period). The shares are awarded net of taxes in the following financial year and are to be transferred to a trustee deposit managed by OMV, for the duration of the holding period. The Equity Deferral serves – in addition to LTIP – as a long-term compensation instrument for the members of the Executive Board, promoting retention and shareholder alignment at OMV.

¹ Until 2016 "Matching Share Plan" (MSP) and in 2017 "Share Part of the Annual Bonus"

Annual Bonus 2018



Performance criteria are agreed at the outset of the performance year and then assessed after the close of that year. The performance criteria for the financial year 2018 comprise of the areas and adjustments set out in the table below.

Performance criteria – 2018 Annual Bonus (Cash Bonus and Equity Deferral)

Area	Criteria	Weighting
Financial	Reported Net Income	40%
	Clean CCS ROACE 3-year (2016-2018) Ø	40%
Operational	NPV assessment of ongoing large investments including acquisitions based on annual change	20%
Sustainability Multiplier	Value between 0.8 and 1.2 determined at discretion of the OMV Supervisory Board based on a predefined set of criteria applicable to the overall target achievement	+/- 20% multiplier/discretionary
Adjustment of financial targets	In case of major changes in external factors (e.g. oil price) the OMV Supervisory Board has the discretion to adjust the target levels of the performance criteria	discretionary

The actual Annual Bonus amount depends on the **level of vesting** of each performance criterion, which is determined by comparing achieved results against defined targets and expressed as a percentage. The sum of achievements results in the overall target achievement. The actual achievements are validated by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. Vesting occurs on a straight-line basis between the performance levels.

Level of vesting

Criteria	Performance	Vesting
All criteria	Maximum	150%
	Target	100%
	Threshold	50%
	Below threshold	0%

The Target Annual Bonus amount for each Executive Board member is defined as follows assuming vesting levels of 100%:

Target variable remuneration – Annual Bonus 2018

In EUR	Seele	Pleininger	Florey	Leitner
Cash Bonus	1,000,000	700,000	675,000	675,000
Equity Deferral	500,000	350,000	337,500	337,500

The actual **achievements in 2018** result in a Total Actual Annual Bonus equal to 124.6% of the Target Annual Bonus. The Cash Bonus component, 2/3 of the total, is to be paid in 2019. Under the Equity Deferral, the remaining 1/3 to be awarded in the form of OMV shares and deferred for a period of three years.

Performance scorecard – 2018 Annual Bonus (Cash Bonus and Equity Deferral)

Criteria		Threshold	Target	Maximum	Actual	Weighting	Vesting (% of target Value)
Reported Net Income	in EUR mn	1,560	1,835	2,110	2,233	40%	60%
Clean CCS ROACE 3-year Ø	in EUR mn	10.2%	10.7%	11.2%	11.7%	40%	60%
Operational target		Decrease of non-market NPV by EUR (50) mn from baseline	No change of non- market NPV from baseline (EUR 11 mn)	Increase of non-market NPV by EUR +50 mn from the baseline	(124)	20%	0%
Target achievement before financial tar- gets modifier and sustainability multi- plier							120%
Target achievement after financial targets modifier							113.2%
Sustainability multiplier		0.8	1	1.2	1.1		1.1
Total vesting percentage							124.6%

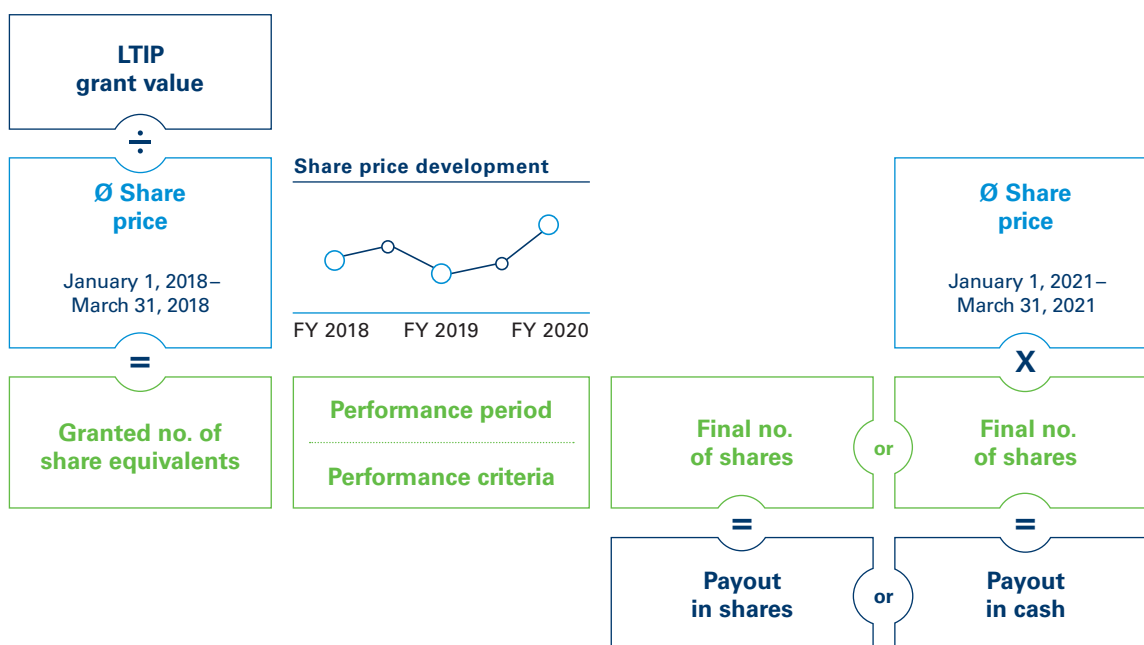
The targets for Reported Net Income and 3-year average Clean CCS ROACE were achieved in the financial year 2018. The operational target, i.e. the NPV assessment of selected large investment projects, was below threshold level. Taking into account substantial improvement in the market environment as compared to the assumptions on which the Annual Bonus was based, the Supervisory Board made use of its discretionary power and raised the target levels related to the financial target modifier, thereby adjusting the target achievement from 120% to 124.6%. A predefined set of criteria was used by the Supervisory Board in making its discretionary decision with respect to the sustainability multiplier. In particular, improvements in environment, safety and sustainability as well as the number of fatalities were taken into consideration in amending the target achievement related to the sustainability multiplier by 1.1.

Long Term Incentive Plan

The Long Term Incentive Plan (LTIP) is a long-term compensation instrument for members of the Executive Board that promotes mid- and long-term value creation at OMV. The plan seeks to align the interests of management and shareholders by granting OMV shares to management, subject to performance against key performance criteria linked to the medium-term strategy and shareholder return. The plan also seeks to prevent inappropriate risk-taking. The grant is defined as a Target Long-Term Incentive, stated in the Executive Board service contracts.

Executive Board members have received an annual grant since the plan's introduction in 2009. The LTIP 2018 was approved by the Annual General Meeting 2018.

Long Term Incentive Plan (LTIP) 2018



Performance criteria are agreed at the beginning of the three-year performance period and assessed after the close of this period. Weightings for the respective criteria are also established at the outset of the performance period. For the LTIP 2018 (performance period: January 1, 2018, until December 31, 2020), the following performance criteria apply:

Performance criteria – LTIP 2018

Criteria	Weighting
Relative Total Shareholder Return (TSR)	50%
Free cash flow before dividends and excl. Divestments and Acquisitions 3-year Ø	50%

The actual LTIP amount depends on the **level of vesting** of each performance criterion, which is determined by comparing achieved results against defined targets and expressed as a percentage. The sum of achievements results in the overall target achievement. The actual achievements are validated by Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. Payments will vest on a straight-line basis between the performance levels/quartiles.

A Health, Safety, Security or Environmental (HSSE) malus may be applied to the overall target achievement. In situations where a severe health, safety and security or environmental breach has occurred, the Supervisory Board can re-examine the level of

the LTIP payout and, depending on the extent of the infraction, reduce it at its reasonable discretion, if necessary to zero.

The LTIP 2018 vests on March 31, 2021. The vesting levels for each of the performance criteria are shown in the table below.

Relative TSR is measured against a well-balanced Upstream/Downstream peer group of twelve Oil & Gas companies (Shell, BP, Total, Eni, Equinor, Lundin Petroleum, Repsol, Galp Energia, MOL, Tupras, Neste Oil and PKN Orlen).

Level of vesting

Criteria	Performance	Vesting
Free cash flow before dividends and excl. Divestments and Acquisitions 3-year Ø	Maximum	200%
	Target	100%
Relative TSR	Threshold	50%
	Below threshold	0%
Relative TSR	Maximum: at or above 3rd quartile (≥75th percentile)	200%
	Target: at median (=50th percentile)	100%
	Threshold: at or below 1st quartile (≤25th percentile)	0%

The Target LTI amount for each Executive Board member is defined as follows and will be paid out assuming vesting levels of 100%:

Target variable remuneration – LTIP 2018

In EUR	Seele	Pleininger	Florey	Leitner
LTIP 2018	1,500,000	500,000	387,500	387,500

The **total vesting percentage for the LTIP 2016** is 92.6% of the maximum grant, and the corresponding transfer of shares or cash payment will be made in 2019. The actual achievements are reviewed by an independent expert.

Note 32 provides additional information on the Long Term Incentive Plan and the Equity Deferral (MSP).

Performance scorecard – LTIP 2016

Criteria	Threshold	Target	Stretch	Actual	Weighting	Vesting (% of max. grant value)
Relative TSR vs. peers	at or below 1st quartile (≤25th percentile)	at median (=50th percentile)	at or above 3rd quartile (≥75th percentile)	at or above 3rd quartile	70%	70%
FCF after dividends excl. divestments 3-year Ø	in EUR mn –300 Ø p.a.	200 Ø p.a.	500 Ø p.a.	(218) Ø p.a.	10%	3.2%
Action Item Response Rate 3-year Ø: Incidents & Near Misses	89%	93%	97%	96%	2.5%	2.3%
Action Item Response Rate 3-year Ø: Findings & Hazards	86%	90%	94%	94%	2.5%	2.5%
Contractor Management 3-year Ø	≥ 75%	> 85%	> 95%	92%	5%	4.6%
Performance of divestments & acquisitions	Based on pre-defined criteria, in particularly value generation for the company			10%	10%	10%
Total vesting percentage					100%	92.6%

Shareholding requirements for members of the Executive Board

Executive Board members are required to accumulate an appropriate shareholding in OMV and hold these shares until retirement or departure from the Company. The shareholding requirement is defined as a percentage of the annual gross base salary: 200% for the Chairman of the Executive Board, 175% for the Deputy Chairman of the Executive Board and 150% for other Executive Board members. The shareholding must be accumulated and achieved within five years after the respective initial appointment as an Executive Board member. All Executive Board members have already fulfilled at least a part of their shareholding requirement.

To the extent the shareholding requirement is not fulfilled, payments from the LTIP will be automatically made in the form of shares (net after tax deduction). If the shareholding requirement is already fulfilled, the payout can be made either in cash or shares. The base for the calculation of the respective number of shares is the average closing price on the Vienna Stock Exchange of the OMV share over the three-month period from January 1, 2018, to March 31, 2018 (EUR 50.02).

Shareholding requirement and fulfillment

	Shareholding requirement		Fulfillment	
	In shares	As% salary	In shares ¹	As% requirement
Seele	91,974	200	70,890	77.08
Pleininger	47,032	175 ²	28,511	60.62
Florey	43,897	150	13,401	30.53
Leitner	43,897	150	65,245	148.63

¹ On Company trustee deposits

² The stated shareholding requirement results from the LTIP 2016, when Mr. Pleininger still had an obligation of 150% of his gross annual salary; since his appointment as Deputy CEO, a shareholding requirement of 175% applies.

Clawback

Both the Equity Deferral and the LTIP are subject to **clawback** regulations that, under certain circumstances, allow the adjustment of outstanding compensation and/or the reclaim of compensation already paid out. In case of a clawback event, cash or company shares granted under Equity Deferral or LTIP will be reduced or may be clawed back upon request from the Supervisory Board. The following reasons are considered clawback events: adjustment of approved financial statements due to a mistake, material failure of risk management that leads to significant damages as well as serious misconduct of individual Executive Board members that violates Austrian law. Furthermore, in case any payout in cash or transfer of shares is based on incorrect data, the amounts will be corrected and claimed back accordingly.

Remuneration levels in 2018**Executive Board remuneration¹**

In EUR

Remuneration 2018	Seele	Pleininger	Florey	Leitner	Total
Fixed (base salary)	1,100,000	750,000	700,000	700,000	3,250,000
Variable (Cash Bonus 2017)	900,000	575,000	600,000	700,000	2,775,000
Benefits in kind (company car, accident insurance and reimbursed expenses)	13,025	12,665	51,190 ²	12,544	89,424
Total	2,013,025	1,337,665	1,351,190	1,412,544	6,114,424
Variable (Equity Deferral 2017; in shares) ³	16,888	10,790	11,259	13,135	52,072
Fixed/variable ratio ⁴	26/74	33/67	40/60	19/81	27/73
LTIP 2015 (cash) ⁵	0	0	0	1,724,101	1,724,101
LTIP 2015 (in shares) ⁵	33,014	9,607	0	0	42,621

¹ There are discrepancies between individual items and totals due to rounding differences. The variable components relate to target achievement in 2017, for which variable compensation was paid in 2018

² Including schooling costs, moving costs and related taxes

³ The "Share part of the Annual Bonus" was renamed to Equity Deferral at the grant date

⁴ Split of total compensation. Fixed includes base salary and benefits in kind; variable includes Cash Bonus, Equity Deferral ("Share Part of the Annual Bonus") and LTIP 2015

⁵ LTIP payout in cash or shares depending on fulfillment of shareholding requirement:

Rainer Seele received pro-rated payout in shares for LTIP 2015 as he joined the Executive Board effectively July 1, 2015

Johann Pleininger received pro-rated payout in shares and in addition cash payment amounting to EUR 0.52 mn based on the Senior Manager LTIP 2015

Since the gradual appointment of new members to the Executive Board, OMV has seen remarkable performance. With a share price increase of 52% between July 2015 and December 2018, OMV has substantially outperformed relevant benchmarks such as the FTSEurofirst E300 Oil & Gas (2% increase). Furthermore, the Executive Board rigorously pursues a growth strategy to strengthen OMV's competitiveness and earning power. To reward the Executive Board's performance and incentivize it further, the Remuneration Committee revisited the level of each Executive Board member's remuneration package and benchmarked it

against a relevant European Oil & Gas peer group. The Executive Board members' performance, their roles and responsibilities as well as the overall situation of the Company were taken into account. Based on this analysis and considering retention risk and the re-design of the compensation system to include an overall compensation cap, the salary of selected Executive Board members was increased to competitive market levels. As in the past, salaries are not subject to automatic consumer price inflation increases but instead will be reviewed on an annual basis together with the performance of the Executive Board members.

Pension fund contributions

In EUR	
Seele	275,000
Pleininger	187,500
Florey	175,000
Leitner	175,000
Total	812,500

Based on their former employment contracts as Executive Board members, Gerhard Roiss, David C. Davies, Hans-Peter Floren and Jaap Huijskes received payments in 2018. David C. Davies received bonus and LTIP payments in 2018. Jaap Huijskes, Gerhard Roiss and Hans-Peter Floren received LTIP payments in 2018.

Payments to former Executive Board members

In EUR	Davies	Huijskes	Roiss	Floren
Remuneration entitlements for 2018 (bonus and LTIP) ¹	2,735,317	1,776,177	3,300,387	1,477,774
Payments for contractual obligations ²	0	0	0	0
Total	2,735,317	1,776,177	3,300,387	1,477,774

¹ Cash Bonus and Equity Deferral (MSP) related to target achievement in 2017 and LTIP related to target achievement in 2015–2017

² Base salary and benefits in kind

In accordance with C-rule 27a of the ACCG, the employment contracts with members of the Executive Board provide that settlement payments in the event of premature termination of such contracts without a material breach shall not exceed the amount set forth in the ACCG (maximum of two years annual pay). For contracts concluded after July 2015, settlement payments in the event of termination within the contract period have been reduced to 18 months' pay and have been limited to fixed salary only. No settlement payment is made if the Executive Board member terminates the contract prematurely.

Directors' and Officers' (D&O) insurance

OMV has concluded a Directors' and Officers' liability insurance (D&O insurance) on a Group-wide basis. The expenses are borne by the Company. This insurance covers Executive Board members, Supervisory Board members and other OMV employees (officers). Coverage is provided for the personal legal liability of insured persons for financial losses resulting from wrongful acts committed while acting within the scope of their function. For the actual insurance period, the yearly premium (including taxes) for the entire OMV Group D&O insurance amounts to approximately EUR 600,000.

Indemnity

The Executive Board and officers of direct and indirect subsidiaries of OMV Aktiengesellschaft, to the extent legally possible, are also indemnified against claims by third parties with respect to their actions exercised within the scope of their duties, except in cases of willful intent or gross negligence.

Policy principles for remuneration within the OMV Group

In order to support OMV's strategy best, OMV aims to ensure competitive compensation and benefits packages. OMV continuously monitors market trends and international best practices in order to attract, motivate and retain the best-qualified talent from around the world. OMV strives for long-lasting employment relationships. The base salaries are set in accordance with internationally accepted methods for determining market levels of remuneration and with the relevant legal regulations and collective agreements.

The principles applicable to Executive Board remuneration are applied to all employees in adapted form. Also, the remuneration for the Executive Board of OMV Petrom is subject to OMV remuneration standards. In general, OMV's remuneration is designed to be highly competitive within relevant labor markets in the Oil & Gas business. This is ensured by conducting yearly salary reviews. Furthermore, the packages include a balanced and transparent mix of fixed and variable, monetary and non-monetary components. The base salaries are market oriented, fair and based on the position and know-how of the employee. In addition, OMV uses a variety of compensation elements to strengthen the position as an attractive employer in the Oil & Gas business, for example:

- ▶ Performance bonuses
- ▶ Long Term Incentive Plans
- ▶ Employee stock ownership plan
- ▶ Company cars

Beyond that, the benefits portfolio is customized for each of the countries OMV operates in to meet the needs of the local employees. As an example, depending on local circumstances additional incentives may include the following:

- ▶ Retirement plans
- ▶ Subsidized canteen
- ▶ Health centers
- ▶ Kindergarten
- ▶ Anniversary payments
- ▶ Recognition – thx!

Selected employees at senior management levels of the Group (79 individuals) are eligible for the Long Term Incentive Plan. They are also eligible for bonus programs, as outlined below. In addition, the Executive Board grants a Transformation Bonus to selected employees at senior management levels of the Group, which is dependent on the fulfillment of predefined KPIs. The successful target achievement led to a payout in 2018, potentially another will follow in 2021.

In 2018, approximately 4,200 managers and experts participated in a Management by Objectives (MbO) program. The actual bonuses paid out under this program depend on the respective target achievement. OMV also provides bonus schemes for other employee groups, which vary from country to country. Employee representatives are involved in designing these incentive schemes. In all these systems, actual bonus amounts and their payout are dependent upon the achievement of financial and non-financial corporate targets, as well as individual targets agreed with each employee.

Supervisory Board

OMV's Supervisory Board consists of ten members elected by the General Meeting (shareholders' representatives) and five members delegated by the Group works council. Four of the current shareholders' representatives were elected at the 2014 Annual General Meeting (AGM), one was elected at the 2015 AGM, three were elected at the 2016 AGM and two were elected at the 2018 AGM. The members of OMV's Supervisory Board in 2018 and their appointments to supervisory boards of other domestic or foreign listed companies as well as any management functions held are shown below.

Peter Löscher, * 1957

Chairman

Seats: Sulzer AG (Chairman), Telefonica, S. A.

Gertrude Tumpel-Gugerell, * 1952

Deputy Chairwoman

Seats: Commerzbank AG, Vienna Insurance Group AG

Murtadha Al Hashmi, * 1966

(until May 22, 2018)

Deputy Chairman

(Senior Advisor, Mubadala Investment Company (from January 2, 2018))

Seats: no seats in domestic or foreign listed companies

Alyazia Ali Al Kuwaiti, * 1979

(from May 22, 2018)

Deputy Chairwoman

(Executive Director Upstream & Integrated, Mubadala Investment Company PJSC)

Seats: no seats in domestic or foreign listed companies

Ahmed Matar Al Mazrouei, * 1972

(until May 22, 2018)

(Senior Advisor, Mubadala Investment Company PJSC)

Seats: no seats in domestic or foreign listed companies

Wolfgang C. Berndt, * 1942

Seats: no seats in domestic or foreign listed companies

Helmut Draxler, * 1950

Seats: no seats in domestic or foreign listed companies

Marc H. Hall, * 1958

(Managing Director, R&EM – Restructuring & Energy Management e.U.)

Seats: no seats in domestic or foreign listed companies

Mansour Mohamed Al Mulla, * 1979

(from May 22, 2018)

(CFO Petroleum & Petrochemicals, Mubadala Investment Company PJSC)

Seats: Aldar Properties PJSC, Waha Capital PJSC

Karl Rose, * 1961

(Strategy Advisor, Abu Dhabi National Oil Company)

Seats: no seats in domestic or foreign listed companies

Herbert Werner, * 1948

(Managing Director, HCW Verkehrsbetriebe GmbH; Managing Director, HCW Vermögensverwaltungs GmbH)

Seats: Ottakringer Getränke AG (Deputy Chairman)

Elif Bilgi Zapparoli, * 1967

(Global Co-Head Capital Markets, Bank of America Merrill Lynch)

Seats: no seats in domestic or foreign listed companies

Delegated by the Group works council (employee representatives)

Christine Asperger, * 1964

Herbert Lindner, * 1961

Alfred Redlich, * 1966

Gerhard Singer, * 1960

Wolfgang Baumann, * 1958 (until March 23, 2018)

Angela Schorna, * 1980 (from March 23, 2018)

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

Diversity

The main considerations in selecting the members of the Supervisory Board are relevant knowledge, personal integrity and experience in executive positions. Furthermore, aspects of diversity of the Supervisory Board with respect to the internationality of the members, the representation of both

genders and the age structure are taken into account. The Supervisory Board includes five women and three non-Austrian nationals. The members of the Supervisory Board are aged between 38 and 76.

Independence

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

- ▶ A Supervisory Board member shall not serve on the Executive Board of an OMV Group company.
- ▶ A Supervisory Board member shall not hold stock options issued by the Company or any affiliated company, or receive any other performance-related remuneration from an OMV Group company.
- ▶ A Supervisory Board member shall not be a shareholder with a controlling interest in the meaning of EU Directive 83/349/EEC (i.e. a shareholder's interest of 50% or a dominant influence, e.g. through the right to appoint Board members) or represent such a shareholder.

All members elected by the 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 2018 financial year and up to the time of making such declarations (C-rule 53 of the ACCG). Under C-rule 54 of the ACCG, Peter Löscher, Wolfgang C. Berndt, Elif Bilgi Zapparoli, Helmut Draxler, Karl Rose, Marc H. Hall, Gertrude Tumpel-Gugerell and Herbert Werner have made declarations to the effect that they were not shareholders with a stake of more than 10% or represented such shareholders' interests during the financial year 2018 and up to the time of making such declarations. Peter Löscher, Gertrude Tumpel-Gugerell, Marc H. Hall and Karl Rose were nominated for the election as Supervisory Board members by the nomination committee of the Österreichische Bundes- und Industriebeteiligungen GmbH ("ÖBIB")¹ and, subsequently (after being so proposed by the Presidential and Nomination Committee and the Supervisory Board), they were elected as Supervisory Board members.

¹ With effect as of February 20, 2019 Österreichische Bundes- und Industriebeteiligungen GmbH was transformed into a joint-stock company and renamed as Österreichische Beteiligungen AG.

Position and committee memberships

Name	Supervisory Board and Committees 2018 ¹					Remuneration		Term of office
	SB	PNC	PPC	AC	RC	2017 ² in EUR	2018 ³ in EUR	
Peter Löscher	C	C	DC	M	C	80,000	80,000	May 18, 2016, to 2020 AGM
Gertrude Tumpel-Gugerell	DC	DC	M	C	M	61,000	67,110	May 19, 2015, to 2020 AGM
Murtadha Al Hashmi	DC	DC	DC	DC	DC	73,000	28,400	May 10, 2012, to May 22, 2018
Alyazia Ali Al Kuwaiti	DC	DC	DC	DC	DC	–	44,600	May 14, 2008, to May 18, 2016 and May 22, 2018, to 2019 AGM
Wolfgang C. Berndt	M	–	–	DC	DC	44,000	44,000	May 26, 2010, to 2019 AGM
Helmut Draxler	M	–	–	M	M	40,000	40,000	Oct. 16, 1990, to 2019 AGM
Marc H. Hall	M	–	M	–	–	30,000	30,000	May 18, 2016, to 2019 AGM
Ahmed Matar Al Mazrouei	M	M	M	–	–	40,000	15,562	May 18, 2016, to May 22, 2018
Mansour Mohamed Al Mulla	M	M	M	–	–	–	24,438	May 22, 2018, to 2019 AGM
Karl Rose	M	–	C	–	–	34,000	34,000	May 18, 2016, to 2019 AGM
Herbert Werner	M	–	–	M	–	30,000	30,000	June 4, 1996, to 2019 AGM
Elif Bilgi Zapparoli	M	–	–	–	–	20,000	20,000	May 13, 2009, to 2019 AGM
Christine Asperger	M	M ⁶	M ⁷	–	–	– ⁴	– ⁴	Since Jan. 1, 2013 ⁵
Wolfgang Baumann	M	M	–	M	–	– ⁴	– ⁴	Dec. 16, 1998, to Apr. 1, 1999, and Nov. 11, 2004, to March 23, 2018 ⁵
Herbert Lindner	M	–	M	M	–	– ⁴	– ⁴	Since June 1, 2013 ⁵
Alfred Redlich	M	M	M ⁶	–	–	– ⁴	– ⁴	Since June 1, 2013 ⁵
Gerhard Singer	M	–	M	M	–	– ⁴	– ⁴	Since Sept. 26, 2016 ⁵
Angela Schorna	M	M ⁷	–	M	–	– ⁴	– ⁴	Since March 23, 2018 ⁵

¹ Abbreviations: SB = Supervisory Board, PNC = Presidential and Nomination Committee, PPC = Portfolio and Project Committee, AC = Audit Committee, RC = Remuneration Committee. C = Chairman/Chairwoman; DC = Deputy Chairman/Chairwoman; M = Member; AGM = Annual General Meeting; Members of the Supervisory Board whose term ended in the business year 2017 are not listed herein

² Meeting fees in the amount of EUR 400/meeting, as well as any applicable reimbursement of withholding tax, are not included therein

³ Based on remuneration as adopted by the AGM 2018; subject to approval by the 2019 AGM

⁴ Members delegated to the Supervisory Board by the Group works council do not receive remuneration but just attendance expenses

⁵ Delegation by the Group works council is for an indefinite period of time; however, the employee representatives may be recalled at any time by the delegating body

⁶ since June 27, 2018

⁷ until June 27, 2018

Working practices of the Supervisory Board

The Supervisory Board fulfills its duties – in particular supervising the Executive Board and advising it on strategy – by discussing the Company's situation and objectives during board meetings. Decisions are also taken at these meetings, except in cases of urgency where decisions can be taken by circular vote. The set-up of four committees ensures that best possible use is made of the Supervisory Board members' expertise. Brief descriptions

of these committees are given below (see also the Report of the Supervisory Board for an overview of the individual committees' main activities in 2018). In 2018, six meetings of the Supervisory Board and 16 Committee meetings were held. In several of these meetings, the Executive Board and the Supervisory Board discussed strategic matters of OMV. No member of the Supervisory Board attended fewer than half of the meetings.

Attendance of Supervisory Board and Committee meetings in 2018 was as follows:

Attendance of Supervisory Board and Committee Meetings in 2018¹

Name	SB	PNC	PPC	AC	RC
Peter Löscher	6/6	3/3	4/4	6/6	3/3
Gertrude Tumpel-Gugerell	6/6	2/3	2/4	5/6	1/1 ³
Murtadha Al Hashmi ²	1/2	2/2	0/1	3/3	2/2
Alyazia Ali Al Kuwaiti ³	2/4	1/1	2/3	2/3	1/1
Wolfgang C. Berndt	6/6			6/6	3/3
Helmut Draxler	6/6			5/6	3/3
Marc H. Hall	6/6		4/4		
Ahmed Matar					
Al Mazrouei ²	2/2	2/2	1/1		
Mansour Mohamed					
Al Mulla ³	4/4	1/1	2/3		
Karl Rose	5/6		3/4		
Herbert Werner	6/6			6/6	
Elif Bilgi Zapparoli	4/6				
Christine Asperger	6/6	1/1 ⁶	1/1 ⁷		
Wolfgang Baumann ⁴	1/1	1/1		2/2	
Herbert Lindner	6/6		4/4	6/6	
Alfred Redlich	6/6	3/3	3/3 ⁶		
Angela Schorna ⁵	5/5	1/1 ⁷		3/4	
Gerhard Singer	6/6		4/4	5/6	

¹ Abbreviations: SB = Supervisory Board, PNC = Presidential and Nomination Committee, PPC = Portfolio and Project Committee, AC = Audit Committee, RC = Remuneration Committee.

² until May 22, 2018

³ since May 22, 2018

⁴ until March 23, 2018

⁵ since March 23, 2018

⁶ since June 27, 2018

⁷ until June 27, 2018

The Supervisory Board performed a self-evaluation and discussed the efficiency of its activities, in particular its organization and work procedures.

Presidential and Nomination Committee

This committee is empowered to take decisions on matters of urgency. The Supervisory Board may transfer other duties and powers of approval to the Presidential and Nomination Committee on an ad hoc or permanent basis. In its capacity as the Nomination Committee, this body makes proposals to the Supervisory Board for the appointment or replacement of Executive Board members and deals with succession planning. It also makes recommendations to the General Meeting for appointments to the Supervisory Board. There were three meetings of the Presidential and Nomination Committee in 2018, in which discussions focused on Executive and Supervisory Board matters.

Audit Committee

This committee performs the duties established by section 92 (4a) Stock Corporation Act. The committee held six meetings during the year. It predominantly dealt with preparations for the audit of the annual financial statements, assessment of the auditors' activities, internal audit, internal control and risk management systems, as well as the presentation of the annual financial statements. Gertrude Tumpel-Gugerell is the financial expert within the Audit Committee in the meaning of section 92 (4a) (1) Stock Corporation Act.

Auditors

The Supervisory Board monitors auditors' independence and reviews a breakdown of the audit fees and fees for additional services besides auditing activities. In 2018, the auditors Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. (including their network in the meaning of section 271b Code of Commerce) received EUR 2.94 mn for the annual audit, EUR 0.64 mn for other assurance services, EUR 0.05 mn for tax advisory services and EUR 0.24 mn for other engagements.

Portfolio and Project Committee

This committee supports the Executive Board in preparing complex decisions on key issues where necessary and reports on these decisions and any recommendations to the Supervisory Board. In 2018, four meetings of the Portfolio and Project Committee were held.

Remuneration Committee

This committee deals with all aspects of the remuneration of Executive Board members and with their employment contracts. The committee's membership does not include employee representatives. The committee is empowered to conclude, amend and terminate Executive Board members' employment contracts and to take decisions on the awarding of bonuses (variable remuneration components) and other such benefits to them. The Remuneration Committee met three times during 2018. Executive Board members were invited to attend parts of some of the meetings of the Remuneration Committee.

HKP Group provided remuneration advice to the Committee, which included advice on the appropriate structure and level of Executive Board compensation in line with regulatory requirements and market practice.

They were appointed by the Remuneration Committee and did not advise the OMV Executive Board, ensuring independence with respect to the Austrian Code of Corporate Governance.

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

There were no transactions requiring approval in accordance with section 95 (5) (12) Stock Corporation Act. The Internal Rules of the Supervisory Board contain detailed procedures for the treatment of conflicts of interest on the part of Supervisory Board members.

Remuneration

In accordance with the Articles of Association, the AGM resolves the remuneration of the Supervisory Board members elected by the General Meeting for the previous financial year. The 2018 AGM adopted the remuneration scale for the 2017 financial year as shown in the table below.

Remuneration for Supervisory Board members

In EUR¹

Chairman/Chairwoman	30,000
Deputy Chairman/Chairwoman	25,000
Ordinary member	20,000
Committee Chairman/Chairwoman	14,000
Committee Deputy Chairman/Chairwoman	12,000
Ordinary Committee member	10,000

¹ Meeting fees in the amount of EUR 400/meeting, as well as any applicable reimbursement of withholding tax, are not included therein

The amounts for the 2017 financial year were disbursed to the Supervisory Board members concerned in 2018; these were exclusive of expenses (travel and attendance expenses). In 2018, the Supervisory Board members' remuneration (for the 2017 financial year and including reimbursement for withholding tax as applicable) accounted for EUR 0.51 mn, attendance expenses for EUR 0.07 mn and travel expenses for EUR 0.25 mn.

Employee participation

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

Rights of minority shareholders

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

Women's Advancement and Diversity Concept

Diversity is an enormous strength that OMV actively builds on now, and in the future. Consequently OMV strives to continuously develop new initiatives and measures that promote diversity and equal opportunities. OMV is committed to its Group diversity strategy with focus on gender and internationality. Being active in an industry with a strong technical focus, it is particularly challenging for OMV to achieve a satisfactory gender balance in all fields of business activity. OMV is committed to supporting women's advancement to managerial positions. The strategic objective is to achieve the best diversity mix at the senior management level. The aim is to increase the female representation in Senior Leadership roles, from 18% to 25% by 2025 through a number of initiatives such as mentoring, succession planning, specific trainings as well as initiatives to increase work/life flexibility.

The proportion of women in the Group as a whole is approximately 25%. Within OMV's leadership development programs, in 2018 the proportion of women was 28% (22% in 2017). In the First Time Leaders program for new leaders, OMV reached a remarkable rate of 38% of female participants. Within OMV's Upstream integrated graduate development program for technical skill pools, the proportion of women was 25% in 2018 (22% in 2017). The topic of diversity has been incorporated in all Leadership Development programs and embedded in the OMV People Strategy.

OMV promotes talents from different backgrounds, thus ensuring the best mix in diverse teams. OMV especially supports the recruitment and development of women in technical positions.

Through using gender-neutral language in OMV's job advertisements and through publishing all job advertisements internally, together with the constant monitoring of gender, age, employee background, seniority as well as salary equality, OMV is ensuring fair treatment and contributing to equal opportunities among men and women at all career stages.

Female employees initiated a Diversity Network to raise awareness for diversity topics and to boost female careers in the technical area through a collaboration site and joint activities.

OMV Head Office in Vienna has two company kindergartens attended by children of OMV employees. In order to spark girls' interest in technical careers early on in their lives OMV again participated in Vienna's Girls' Day.

The Executive Board and Supervisory Board consider the described measures and programs to foster the variety of the workforce as a key element to strengthen the diversity of the internal pool of Executive Board succession candidates. The Presidential and Nomination Committee concerns itself at least once a year with the identification and development of internal potentials. In addition to internal succession planning, the Supervisory Board also makes use of external recruitments in order to best fill open Executive Board positions. In the selection of Executive Board members – be it internally or externally – special attention is given to balance gender, age, and international experience in addition to professional skills.

Currently, no woman is part of the Executive Board of OMV. The Executive Board members of OMV are between 53 and 58 years old, comprise two different nationalities, and have acquired comprehensive international management experience.

Until 2018, the Supervisory Board members elected by the Annual General Meeting upon proposal by ÖBIB were nominated by the Nomination Committee of the Austrian Federal Government. The selection of candidates is based on various criteria, particularly the candidates' professional skills, personal integrity, independence, and impartiality. In addition, diversity aspects such as the representation of both genders, a balanced age distribution, and internationality of members is taken into consideration.

At present, the Supervisory Board of OMV includes five women, corresponding to a share of 30%. Particular focus will be given to a further strengthening of industry-specific competencies and the internationality of Supervisory Board members in line with the company's strategic orientation. With members aged between 38 and 76 years, the Supervisory Board shows a balanced age structure.

External evaluation of Corporate Governance

An external evaluation of OMV's compliance with the provisions of the ACCG is performed each year. Regarding the evaluation for 2018, OMV engaged Mathias Ettl of the law firm Berger Ettl Rechtsanwälte. The official questionnaire of the Austrian Working Group for Corporate Governance was used for the evaluation, and the result was that OMV is in full compliance with the Austrian Corporate Governance Code including all non-compulsory recommendations. The report of the evaluation is available for download on OMV's website (www.omv.com).

Vienna, March 13, 2019

The Executive Board

Rainer Seele m.p.

Johann Pleininger m.p.

Reinhard Florey m.p.

Manfred Leitner m.p.

Directors' report – operational review

Business developments in 2018

Sales for the financial year 2018 were EUR 213.50 mn (2017: EUR 129.00 mn). As OMV Aktiengesellschaft is a holding company, most of the sales consist of group charges and corporate service charges billed to the subsidiaries. The latter increased compared to the previous year mainly due to a transfer of the OMV Global Solutions GmbH business operations to OMV Aktiengesellschaft.

The **Operating Result** was EUR (70.84) mn (2017: EUR (43.07) mn). The lower Operating Result in 2018 was mainly driven by higher personnel expenses, including an increase of pension provisions due to new mortality tables.

The **Financial Result** in 2018 was EUR 502.86 mn (2017: EUR 838.00 mn). The financial items of OMV Aktiengesellschaft as a holding company mainly consist of the dividends and other income from investments in the operating companies, net of losses taken over from affiliated companies and impairments of participations. Net income from investments amounted to EUR 608.97 mn (2017: EUR 990.16 mn). The dividend of OMV Petrom amounting to EUR 124.18 mn was higher than last year (2017: EUR 95.77).

The contribution of the companies in the **Upstream** segment excluding OMV Petrom amounted to EUR (3.86) mn, below the level of 2017 (EUR nil).

The contribution of the companies in the **Downstream** segment excluding OMV Petrom was substantially lower than the previous year, at EUR 469.85 mn (2017: EUR 884.43 mn). Investment income from the Downstream Oil segment excluding OMV Petrom decreased to EUR 607.35 mn (2017: EUR 797.66 mn). The lower result derives from lower refining margins. The investment income contribution from the Downstream Gas segment excluding OMV Petrom for profit pooling decreased significantly to EUR (137.51) mn (2017: EUR 86.77 mn) compared to the previous year.

There were no dividends distributed from the Downstream Gas segment, as in the previous year. The higher Downstream Gas result in 2017 reflected the improved gas market environment.

A key **investment item** in 2018 was a capital injection to OMV Exploration & Production GmbH in connection with its investments into its subsidiary OMV Abu Dhabi Production GmbH.

The **cash flow** from operating activities for 2018 amounted to EUR 1,966.89 mn (2017: EUR 53.47 mn), the cash flow from investing activities to EUR (2,081.59) mn (2017: EUR 1,033.80 mn) and the cash flow from financing activities to EUR (290.26) mn (2017: EUR 223.51 mn).

Net income for the year amounted to EUR 411.38 mn (2017: EUR 782.20 mn).

Total assets increased to EUR 18,383.31 mn (2017: EUR 18,071.12 mn).

At balance sheet date, **stockholders' equity** stood at EUR 5,220.76 mn (2017: EUR 5,298.24 mn). The equity ratio as of December 31, 2018, was 28.40% (2017: 29.32%).

The ratio of **fixed assets** to total assets was 77.53% at balance sheet date (2017: 71.46%).

Return On Equity was 7.82% (2017: 15.85%).

In 2017, the average **number of employees** at the holding company was 623 (2017: 379). The increase is related to the transfer of the OMV Global Solutions GmbH business operations.

For definitions of these ratios, readers are referred to the glossary of abbreviations and definitions, which is an integral part of the Directors' report.

Treasury Shares

As at balance sheet date, a total of 542,151 own shares, or 0.17% of the capital stock, were held.

For details relating to the acquisition of treasury shares please refer to the chapter "Information required by section 243a Unternehmensgesetzbuch (Austrian Commercial Code)".

During the reporting period, 230,079 shares, equivalent to 0.07% of the capital stock, with a value of EUR 9,861 thousand were used for share-based compensations. The difference of EUR 7,336 thousand between this amount and the historic repurchase value was written to the capital reserve.

Corporate Governance report

The corporate Governance report is integrated into the Annual Report and additional details are available on OMV's website: www.omv.com>Investors>Annual Reports.

Information required by section 243a of the Unternehmensgesetzbuch (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 in place between the two core shareholders, Österreichische Beteiligungs AG (ÖBAG) and Mubadala Petroleum and Petrochemicals Holding Company L.L.C (MPPH), which provides for coordinated behavior and certain limitations on transfers of shareholdings.
3. ÖBAG holds 31.5% and MPPH holds 24.9% of the capital stock.
4. All shares have the same control rights.
5. Employees who are shareholders directly exercise their voting rights 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) of the Arbeitsverfassungsgesetz (Austrian Labor Constitution Act). Resolutions concerning the dismissal of members of the Supervisory Board pursuant to section 87 (8) of the Aktiengesetz (Austrian Stock Corporation Act) require a simple majority of the votes cast. To approve capital increases pursuant to section 149 of the 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 are sufficient.
7. a) As the authorized capital granted by the Annual General Meeting on May 13, 2009 expired on May 13, 2014, the Annual General Meeting decided upon a new authorized capital on May 14, 2014. Specifically, it authorized the Executive Board until May 14, 2019 to increase the share capital of OMV with the consent of the Supervisory Board – at once or in several tranches – by an amount of up to EUR 32,727,272 by issuing up to 32,727,272 new no-par value common voting shares in bearer form in return for contributions in cash. The capital increase can also be implemented by way of indirect offer for subscription after taking over by one or several credit institutions according to Section 153 Paragraph 6 Stock Corporation Act. The issue price and the conditions of issuance can be determined by the Executive Board with the consent of the Supervisory Board. The Annual General Meeting also authorized the Executive Board, subject to the approval of the Supervisory Board, to exclude the subscription right of the shareholders if the capital increase serves to
 - (i) adjust fractional amounts or
 - (ii) satisfy stock options or long term incentive plans (including matching share plans for employees, senior employees and members of the Executive Board/management boards of the Company or one of its affiliates), or other employees' stock ownership plans.

In addition, the Supervisory Board was authorized to adopt amendments to the Articles of Association resulting from the issuance of shares according to the authorized capital.
7. b) On May 18, 2016, the Annual General Meeting authorized the Executive Board for a period of five years from the adoption of the resolution, therefore, until (and including) May 17, 2021, upon approval of the Supervisory Board, to dispose of or utilize stock repurchased or already held by the Company to grant treasury shares to employees, senior employees and/or members of the Executive Board/management boards of the Company or one of its affiliates, including for purposes of share transfer programs – in particular, long-term incentive plans including matching share plans or other stock ownership plans – under exclusion of the general purchasing possibility of shareholders (exclusion of subscription rights). The authorization can be exercised as a whole or

in parts or even in several tranches by the Company, by a subsidiary (section 189a, number 7, of the Austrian Commercial Code) or by third parties for the account of the Company.

8. a) The EUR 750 mn hybrid bond, which was issued in 2011, was called and redeemed at its nominal value plus interest on April 26, 2018, the first possible call date.
8. b) OMV has issued perpetual hybrid notes the amount of EUR 1,987 mn which are subordinated to all other creditors. According to IFRS, the proceeds of the hybrid notes are fully treated as equity because the repayment of the principal and the payments of interest are solely at the discretion of OMV.

On December 7, 2015, OMV issued hybrid notes with an aggregate size of EUR 1,500 mn, in two tranches of EUR 750 mn each with the following interest payable:

- (i) The hybrid notes of tranche 1 bear a fixed interest rate of 5.250% until, but excluding, December 9, 2021, which is the first call date of tranche 1. From December 9, 2021, until, but excluding, December 9, 2025, hybrid notes of tranche 1 will bear interest according to a reset interest rate to be determined according to the relevant five-year swap rate and an additional margin of 4.942% and, from December 9, 2025, with an additional step-up of 1% per annum.
- (ii) The hybrid notes of tranche 2 bear a fixed interest rate of 6.250% until, but excluding, December 9, 2025, which is the first call date of tranche 2. From December 9, 2025, tranche 2 will bear interest according to a reset interest rate to be determined according to the relevant five-year swap rate and an additional margin of 5.409%, with an additional step-up of 1% per annum.

Interest is due and payable annually in arrears on December 9 of each year, unless OMV elects to defer the relevant interest payments. The outstanding deferred interest must be paid under certain circumstances, in particular, if the General Meeting of OMV resolves upon a dividend payment on OMV shares.

On June 19, 2018 OMV issued a hybrid bond with a size of EUR 500 mn. The hybrid bears a fixed interest rate of 2.875% until, but excluding, June 19, 2024. From June 19, 2024 until, but excluding, June 19, 2028 the hybrid notes will bear interest at a rate according to the relevant five-year swap rate and an additional margin of 2.335% per annum and, from June 19, 2028, with an additional step-up of 1% per annum. Interest is due and payable annually in arrears on June 19 of each year, unless OMV elects to defer the relevant interest payments. The outstanding deferred interest must be paid under certain circumstances, in particular, if the General Meeting of OMV resolves upon a dividend payment on OMV shares.

The hybrid notes outstanding as of December 31, 2018 do not have a scheduled maturity date and they may be redeemed at the option of OMV under certain circumstances. OMV has, in particular, the right to repay the hybrid notes at certain call dates. Any accrued unpaid interest becomes payable when the bond is redeemed. 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 notes.

9. The material financing agreements to which OMV is a party and bonds issued by OMV contain typical change of control clauses.
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: Governance for the internal control system is defined by internal corporate regulations (ICS Directive and its Annexes). Corporate Internal Audit controls the compliance with these principles and requirements through regular audits, based on the annual audit plan approved by the Audit Committee of the Supervisory Board, or through ad hoc audits. The results of those audits are presented to the Audit Committee of the Supervisory Board. For the main "end-to-end" processes (e.g. purchase-to-pay, order-to-cash), Group-wide Minimum Control Requirements are defined. Based on a defined

time plan, the implementation and the effectiveness are being monitored. 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 regulation. The Group uses a comprehensive risk management system. The essential processes of the financial reporting system have been identified and analyzed. 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 of the Supervisory Board.

Risk Management

Like the entire oil and gas industry, OMV is exposed to a variety of risks – including market and financial risks, operational risks and strategic risks. The Group's risk management processes focus on risk identification, assessment and evaluation of such risks and their impact on the Group's financial stability and profitability in order to actively manage them in the context of the Group's risk appetite and defined risk tolerance levels.

It is OMV's view that the Group's overall risk is significantly reduced due to its integrated nature and the related, partially offsetting effects of different risks. The balancing effects of offsetting industry risks, however, can often lag or weaken. Therefore, OMV's risk management activities focus on the Group-wide net risk exposure of the existing and future portfolio. The interdependencies and correlations between different risks are also reflected in the Company's consolidated risk profile. The areas of risk management and insurance are centrally coordinated at the corporate level within the Treasury and Risk Management department, which ensures that well-defined and consistent risk management processes, tools, and techniques are applied across the entire organization. Risk ownership is assigned to those managers who are best suited to oversee and manage the related risk.

The overall objective of the risk policy is to safeguard the cash flows required by the Group and to maintain a strong, investment-grade credit rating in line with the Group's risk appetite.

Enterprise Wide Risk Management

Non-financial and financial risks are regularly identified, assessed, and reported through the Group-wide Enterprise Wide Risk Management (EWRM) process.

The main purpose of the OMV Group's EWRM is to deliver value through risk-based management and decision-making. Assessment of financial, operational, and strategic risks supports 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 enhance risk awareness and risk management skills across the entire organization, including subsidiaries in more than 20 countries. The OMV Group is constantly enhancing the EWRM based on internal and external requirements.

A cross-functional committee chaired by the OMV Group CFO with senior management members of the OMV Group – the Risk Committee – ensures that the EWRM effectively captures and manages the material risks across the OMV Group.

The process is facilitated by a Group-wide IT system supporting the established individual process steps: risk identification, risk analysis, risk evaluation, risk treatment, reporting, and risk review through continuous surveillance of changes to the risk profile. The overall risk resulting from the bottom-up risk management process is computed using 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 risks implied in the strategy. This process also includes those companies that are not fully consolidated. Twice a year, the results from this process are consolidated and presented to the Executive Board and the Audit Committee. 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 nonfinancial and financial risks identified with respect to OMV's medium-term plan are:

- ▶ Operational risks, including all risks related to physical assets, production risks, project risks, personnel risks, IT risks, HSSE and regulatory/compliance risks
- ▶ Strategic risks arising, for example, from changes in technology, risks to reputation or political uncertainties, including sanctions
- ▶ Financial risks including market price risks and foreign exchange risks

OMV operates and has financial investments in countries that are subject to political uncertainties, in particular Libya, Kazakhstan, Yemen, Pakistan, Russia, Tunisia, and Turkey. Possible political changes may lead to disruptions and limitations in production as well as an increased tax burden, restrictions on foreign ownership, or even nationalization of property. However, OMV has extensive experience in the political environment in Central, Eastern, and Southeastern Europe, and political developments in all markets where OMV operates are kept under constant observation. Country-specific risks are assessed before entering new countries. An analysis to assess the potential impact of a hard Brexit scenario on OMV Group companies was undertaken, which showed that there is no significant impact expected. OMV also evaluates the risk of potential US or EU sanctions and their impact on planned or existing operations with the aim to stay in full compliance with all applicable sanctions. In particular risks due to US sanctions on the Nord Stream 2 project and on OMV's activities in Russia are regularly assessed and monitored. Risks related to the EU Emissions Trading System are separately recorded and aggregated for the Group as a whole. Furthermore, OMV is monitoring emerging regulations related to climate change and decarbonization in all operating countries. Through systematic staff succession and development planning, Corporate Human Resources plans for suitable managerial staff to meet future growth requirements in order to mitigate personnel risks. The OMV Group is exposed to a wide range of health, safety, security, and environmental risks that could result in significant losses.

Control and mitigation of 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 planning objectives through the essence of corporate directives, including those relating to health, safety, security, environment, legal matters, compliance, human resources, and corporate social responsibility, with special emphasis on human rights and market price risks.

Financial Risk Management

Market price and financial risks arise from volatility in the prices of commodities, foreign exchange (FX) rates, and interest rates. Also of importance are credit risks, which arise from the inability of a counterparty to meet a payment or delivery commitment. As an oil and gas company, OMV has a significant exposure to oil and gas prices. Substantial

FX exposures include the USD, RON, NOK, NZD, and RUB. The Group has a net USD long position, mainly resulting from sales of oil production. The comparably less significant short positions in RON, NOK, and RUB originate from expenses in local currencies in the respective countries.

Management of market price risk and FX risk

Analysis and management of financial risks arising from foreign currencies, interest rates, commodity prices, counterparties, liquidity, and insurable risks are undertaken in a consolidated way at the corporate level. Market price risk is monitored and analyzed centrally in respect of the potential cash flow impact using a specific risk analysis model that considers portfolio effects. The impact of financial risks (e.g., market prices, currencies) on the OMV Group's cash flow and liquidity are reviewed quarterly by the Risk Committee, which is chaired by the CFO and comprised of senior management of the Business Segments and corporate functions. The Risk Committee is also responsible for reviewing the risk governance framework of the OMV Group and proposing changes to the OMV Executive Board.

In the context of market price risk and FX risk, the OMV Executive Board decides on hedging strategies to mitigate such risks whenever deemed necessary. To protect the Group's cash flow from the potential negative impact of falling oil and gas prices in the Upstream business, OMV uses financial instruments for hedging purposes.

In the Downstream business, OMV is especially exposed to volatile refining margins and inventory risks. In order to mitigate those risks, corresponding hedging activities are undertaken. Those include margin hedges as well as stock hedges. In addition, Emission Compliance Management ensures a balanced position of emission allowances by selling the surplus or covering the gap.

Management of interest rate risk

To balance the Group's interest rate portfolio, loans can be converted from fixed to floating rates and vice versa according to predefined rules. 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 rates are not considered to be a material risk.

Management of credit risk

The main counterparty credit risks are assessed, monitored, and controlled at the Group and segment level using predetermined credit limits for all counterparties, banks, and security providers. The procedures are governed by guidelines at the OMV Group and OMV Petrom level.

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

In the era of energy transition, the goal of OMV's business is to provide "oil & gas at its best". The growing demand for energy and accelerating climate change pose immense challenges for the energy sector. The key lies in finding the balance between climate protection efforts, affordable energy, and reliable supply. This means producing and using oil and gas as sensibly and responsibly as possible to safeguard the energy supply. We pledge to conduct our business responsibly by protecting the environment, aiming to be an employer of choice, and creating long-term value for our customers, shareholders, and society.

In line with the sustainable approach to the business, OMV has developed the Sustainability Strategy 2025 as an integral part of OMV's Corporate Strategy 2025. The Strategy includes 15 measurable targets set in the five focus areas: Health, Safety, Security, and Environment (HSSE), Carbon Efficiency, Innovation, Employees, as well as Business Principles and Social Responsibility. For a lower-carbon future OMV will invest up to EUR 500 mn by 2025 in innovative energy solutions such as ReOil® and Co-Processing and will implement carbon efficiency measures.

To achieve this vision, the OMV Group's HSSE Strategy 2020/2025 was established as an integral part of the OMV Sustainability Strategy. The HSSE Strategy focuses on the cross-functional goals of strong HSSE commitment and leadership, increased efficiency and effectiveness of HSSE processes, management of HSSE risks and competent people, as well as subject matter goals in the areas of: Health, Safety, Security and Environment.

In 2018, the combined Lost-Time Injury Rate (LTIR) for OMV employees and contractors was 0.30 (2017: 0.34), and our combined Total Recordable Injury Rate (TRIR) was 0.78 (2017: 0.79).

OMV is strongly committed to acting on climate change mitigation and responsible resource management and has accordingly set targets to manage and reduce the carbon footprint of its operations and products. The principal targets are to reduce OMV's overall operations carbon intensity by 19% by 2025 and to reduce the product carbon intensity by 4% by 2025, both compared with 2010. This will be achieved by improving energy efficiency across all operations and implementing projects that reduce direct GHG emissions and by increasing the share of natural gas in our product portfolio.

Research and Development

OMV Aktiengesellschaft is not performing research and development projects itself, but coordinates the group-wide research and development projects.

Outlook for OMV Group

Market environment

For the year 2019, OMV expects the average Brent oil price to be at USD 65/bbl (2018: USD 71/bbl). In 2019, average European gas spot prices are anticipated to be lower compared to 2018.

Group

In 2019, organic capital expenditure (including Capitalized exploration and appraisal expenditure and excluding acquisitions) is projected to come in at EUR 2.3 bn (2018: EUR 1.9 bn).

Upstream

OMV expects total production to be around 500 kboe/d in 2019 (2018: 427 kboe/d). The production at El Sharara in Libya is currently suspended. The field is expected to resume production as of March 2019, after which we assume a total contribution from Libya of 35 kboe/d (2018: 30 kboe/d) until year-end, depending on the security situation. The organic capital expenditure for Upstream (including capitalized exploration and appraisal expenditure and excluding acquisitions) is anticipated to come in at EUR 1.5 bn in 2019. In 2019, exploration and appraisal expenditure is expected to be at EUR 350 mn (2018: EUR 300 mn).

Downstream

In 2019, the refining indicator margin will be at the level of around USD 5/bbl (2018: USD 5.2/bbl). Petrochemical margins will be slightly lower than in 2018 (2018: EUR 448/t). The total refined product sales in 2019 are forecasted to be on similar level compared to 2018 (2018: 20.3 mn t). In OMV's markets, retail and commercial margins are predicted to be similar compared to those in 2018. There is no planned turnaround of the refineries in 2019. Therefore, the utilization rate of the refineries is expected to be higher than in 2018 (2018: 92%).

The natural gas sales volumes in 2019 are projected to be above those in 2018 (2018: 114 TWh). Natural gas sales margins are forecasted to be lower in 2019 compared to 2018. Due to the divestment of the Samsun power plant in Turkey in Q3/18, the net electrical output in 2019 will be lower than in 2018 (2018: 5.1 TWh). The net electrical output of the Brazi power plant in Romania is expected to be above the level of 2018. OMV will continue to finance the Nord Stream 2 pipeline.

Vienna, March 13, 2019

The Executive Board

Rainer Seele m.p.
Chairman

Johann Pleininger m.p.
Deputy Chairman

Reinhard Florey m.p.

Manfred Leitner m.p.

Auditor's Report¹

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

OMV Aktiengesellschaft, Vienna.

These financial statements comprise the balance sheet as of December 31, 2018, the income statement for the fiscal year then ended and the notes.

Based on our audit the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Company as of December 31, 2018 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles.

Basis for Opinion

We conducted our audit in accordance with the regulation (EU) no. 537/2014 (in the following "EU regulation") and in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the fiscal year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

¹ This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the financial statements together with our auditor's opinion is only allowed if the financial statements and the directors' report are identical with the German audited version; this audit opinion is only applicable to the German and complete financial statements with the directors' report; section 281 paragraph 2 UGB (Austrian Company Code) applies to alternated versions.

We considered the following matter as key audit matter for our audit:

Key Audit Matter

Recoverability of the carrying value of shares in and loans to affiliated companies

The carrying value of shares in affiliated companies amounted to EUR 8,187 mn at December 31, 2018 after an impairment charge of EUR 704 mn in 2018. The carrying value of loans to affiliated companies amounted to EUR 6,008 mn.

Impairment assessments of shares in and loans to affiliated companies require significant judgement whether there is an indication that an asset should be impaired and in measuring any such impairment.

The principal risk relates to management's estimates of future cash flows and discount rates.

OMV's disclosures about shares in and loans to affiliated companies are included in Note "Accounting and valuation policies"; Note 1 (Fixed assets), Note 12 (Financial income and expenses) and the Statement of fixed assets.

How our audit addressed the key audit matter

We assessed and tested management's assessment of the recoverability of the carrying value of shares in and loans to affiliated companies. Specifically our work included, but was not limited to, the following procedures:

- ▶ Review and evaluation of management's assessment of the existence of impairment indicators;
- ▶ Comparison of the assumptions (forecasted revenues, expenses, capital expenditure and changes in working capital) used within the future cash flow models to approved budgets and business plans;
- ▶ Involvement of our valuation specialists to evaluate discount rates.

Responsibilities of Management and of the Audit Committee for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles, for them to present a true and fair view of the assets, the financial position and the financial performance of the Company and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Audit Committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the EU regulation and in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- ▶ identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- ▶ obtain an understanding of internal control relevant to the audit 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;
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- ▶ conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Comments on the Directors' Report

Pursuant to Austrian Generally Accepted Accounting Principles, the directors' report is to be audited as to whether it is consistent with the financial statements and as to whether the directors' report was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the directors' report in accordance with Austrian Generally Accepted Accounting Principles.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the directors' report.

Opinion

In our opinion, the directors' report for the Company was prepared in accordance with the valid legal requirements, comprising the details in accordance with Section 243a Austrian Company Code UGB, and is consistent with the financial statements.

Statement

Based on the findings during the audit of the financial statements and due to the thus obtained understanding concerning the Company and its circumstances no material misstatements in the directors' report came to our attention.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements, the directors'

report and the auditor's report thereon. The annual report is estimated to be provided to us after the date of the auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, as soon as it is available, and, in doing so, to consider whether – based on our knowledge obtained in the audit – the other information is materially inconsistent with the financial statements or otherwise appears to be materially misstated.

Additional information in accordance with Article 10 EU regulation

We were elected as auditor by the ordinary general meeting at May 22, 2018. We were appointed by the Supervisory Board on June 7, 2018. We are auditors without cease since the financial year 2011.

We confirm that the audit opinion in the Section "Report on the financial statements" is consistent with the additional report to the audit committee referred to in Article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Austrian Certified Public Accountant

The engagement partner on the audit resulting in this independent auditor's report is Mr. Gerhard Schwartz, Certified Public Accountant.

Vienna, March 13, 2019

Ernst & Young

Wirtschaftsprüfungsgesellschaft m. b. H.

Gerhard Schwartz m.p.
Wirtschaftsprüfer/Certified Public Accountant

Alexander Wlasto m.p.
Wirtschaftsprüfer/Certified Public Accountant

Financial Statements

Balance sheet as of December 31, 2018

Assets

	Note	in EUR	in EUR 1,000
		2018	2017
A. Fixed assets	1		
I. Intangible assets			
1. Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom		13,942,513	—
II. Tangible assets			
1. Land and buildings on third party land		2,405,589	722
2. Other fixtures and fittings, tools and equipment		8,113,914	498
		10,519,503	1,220
III. Financial assets			
1. Shares in affiliated companies		8,187,092,386	8,390,756
2. Loans to affiliated companies		6,007,883,481	4,488,444
3. Participating interests		26,624,460	26,624
4. Securities (loan stock rights) held as fixed assets		4,506,435	4,506
5. Other loans		1,735,241	1,746
		14,227,842,003	12,912,077
		14,252,304,019	12,913,298
B. Current assets			
I. Receivables and other assets	2		
1. Trade receivables		30,755	12
thereof with a remaining maturity of more than one year		—	—
2. Receivables from affiliated companies		1,684,425,105	2,265,580
thereof with a remaining maturity of more than one year		—	—
3. Receivables from companies in which the Company has a participating interest		4,719	11
thereof with a remaining maturity of more than one year		—	—
4. Other receivables and assets		49,103,169	48,700
thereof with a remaining maturity of more than one year		—	20,000
		1,733,563,748	2,314,304
II. Securities and interests			
1. Other securities		183,264,914	227,615
III. Cash on hand, checks, cash at banks		2,186,851,273	2,591,812
		4,103,679,934	5,133,730
C. Prepaid expenses and deferred charges		27,329,766	24,089
D. Deferred tax assets	3	—	—
		18,383,313,719	18,071,117

Liabilities

	Note	in EUR	in EUR 1,000
		2018	2017
A. Shareholders' equity	4		
I. Nominal capital called up and paid in			
Nominal capital subscribed		327,272,727	327,273
Nominal amount of treasury shares		(542,151)	(772)
		326,730,576	326,500
II. Capital reserves			
1. Appropriated reserve		1,739,256,045	1,731,920
2. Unappropriated reserve		333,728	334
		1,739,589,773	1,732,253
III. Capital reserve for share based payments		13,712,120	20,961
IV. Revenues reserves			
1. Unappropriated reserve		2,419,732,717	2,418,585
2. Reserve for treasury shares		542,151	772
		2,420,274,868	2,419,357
V. Unappropriated income		720,449,301	799,166
thereof income brought forward		309,070,124	16,969
		5,220,756,638	5,298,238
B. Provisions	5		
1. Provisions for severance payments		13,974,549	7,641
2. Provisions for pensions		53,047,219	17,059
3. Provisions for taxes		318,719,488	385,345
4. Other provisions		49,925,482	50,265
		435,666,738	460,310
C. Liabilities	6		
1. Bonds		7,000,000,000	7,000,000
thereof with a remaining maturity of less than one year		500,000,000	750,000
thereof with a remaining maturity of more than one year		6,500,000,000	6,250,000
2. Amounts due to banks		480,973,103	461,160
thereof with a remaining maturity of less than one year		98,606,633	56,026
thereof with a remaining maturity of more than one year		382,366,470	405,133
3. Trade payables		26,767,988	9,886
thereof with a remaining maturity of less than one year		26,654,189	9,886
thereof with a remaining maturity of more than one year		113,799	—
4. Payables to affiliated companies		4,940,200,263	4,595,920
thereof with a remaining maturity of less than one year		4,940,200,263	4,595,920
thereof with a remaining maturity of more than one year		—	—
5. Payables to companies in which the Company has a participating interest		9,022	—
thereof with a remaining maturity of less than one year		9,022	—
thereof with a remaining maturity of more than one year		—	—
6. Other liabilities		278,939,968	245,602
thereof with a remaining maturity of less than one year		236,459,272	239,163
thereof with a remaining maturity of more than one year		42,480,696	6,439
thereof taxes		173,964,403	155,501
thereof with a remaining maturity of less than one year		173,964,403	155,501
thereof with a remaining maturity of more than one year		—	—
thereof social security payables		1,244,625	733
thereof with a remaining maturity of less than one year		1,244,625	733
thereof with a remaining maturity of more than one year		—	—
thereof with a remaining maturity of less than one year		5,801,929,379	5,650,995
thereof with a remaining maturity of more than one year		6,924,960,965	6,661,573
		12,726,890,343	12,312,568
		18,383,313,719	18,071,117

Income statement

Income statement

	Note	in EUR	in EUR 1,000
		2018	2017
1. Sales	7	213,495,146	129,005
2. Other operating income	8		
a) Income from the disposal of fixed assets		—	29
b) Income from the reversal of provisions		3,338,312	19,068
c) Other		893,092	1,224
		4,231,405	20,321
3. Expenses for materials and purchased services	9		
a) Expenses for materials		(485,847)	(167)
b) Expenses for purchased services		(42,335,868)	(6,120)
		(42,821,715)	(6,287)
4. Personnel expenses	10		
a) Salaries		(85,871,879)	(90,069)
b) Social benefits		(68,090,912)	(20,453)
thereof expenses for pensions		(47,569,735)	(8,345)
aa) thereof expenses for severance payments and contributions to staff provision funds		(3,259,654)	(1,930)
bb) thereof expenses for statutory social security, payroll-related taxes and mandatory contributions		(16,630,692)	(9,778)
		(153,962,791)	(110,522)
5. Depreciation and amortization			
a) of fixed intangible and tangible assets		(8,252,590)	(118)
6. Other operating expenses	11		
a) thereof taxes not included in Taxes on income		(768,009)	(1,386)
b) Other		(82,762,820)	(74,084)
		(83,530,828)	(75,470)
7. Subtotal of items 1 to 6 (Operating Result)		(70,841,372)	(43,072)
8. Income from investments		1,450,340,016	1,990,160
thereof affiliated companies		1,411,370,510	1,961,171
9. Income from loans held as financial assets		130,596,787	75,773
thereof affiliated companies		130,591,987	75,765
10. Other interest and similar income		266,731,380	115,560
thereof affiliated companies		38,349,139	88,781
11. Income from the disposal and write-up of financial assets		5,964,583	21,110
thereof write-up		5,964,583	—
12. Expenses arising from financial assets		(842,956,341)	(1,008,990)
thereof impairments		(705,448,635)	(1,008,990)
thereof affiliated companies		(842,956,341)	(1,008,990)
13. Interest and similar expenses		(507,815,901)	(355,610)
thereof concerning affiliated companies		(71,573,551)	(20,856)
14. Subtotal of items 8 to 13 (Financial result)	12	502,860,524	838,002
15. Profit before taxation (subtotal of lines 7 and 14)		432,019,152	794,930
16. Taxes on income	13	(20,639,975)	(12,733)
thereof deferred taxes		(5,562,655)	164
17. Profit after taxation		411,379,176	782,197
18. Release of capital reserves		184,789	—
19. Appropriation to revenue reserves		(184,789)	—
20. Income brought forward from previous years		309,070,124	16,969
21. Unappropriated retained income		720,449,301	799,166

Notes

The accounts of **OMV Aktiengesellschaft**, Vienna, as of December 31, 2018 have been drawn up in accordance with the current version of the Austrian Commercial Code (ACC) as amended and in compliance with the general standard to provide a true and fair view of the assets, liabilities, financial position and earnings of the company.

The valuation of assets and liabilities is based on the principle of individual valuation assuming going concern.

Taking into account the principle of prudence, the company only reported the profits realized at the balance sheet date. All identifiable risks and impending losses are taken into account.

As the parent company of the OMV Group, OMV Aktiengesellschaft also prepares separate consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs). The consolidated financial statements are deposited at the Vienna Commercial Court (Commercial Register Number FN 93363z) and are published on the Internet.

The detailed disclosures are shown in the notes to the accounts. The total cost format is used for the presentation of the income statement.

The annual financial statements were prepared in euro (EUR). The presentation in the notes is in EUR 1,000 as well as EUR thousand, which may result in rounding differences.

Due to the fact, that OMV Aktiengesellschaft has taken over the operating business activities from OMV Solutions GmbH as of 1.1.2018 some of items stated in the balance sheet and income statement are only partially comparable to the previous year.

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
Intangible assets	4–5 years
Buildings on third party land	15 years
Machines and mechanical systems	4–10 years
Other fixtures and fittings, tools and equipment	4–10 years

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

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

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

Financial assets are carried at acquisition cost less any 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. If the reasons for a previous impairment no longer apply, a write-up in the amount of the increase in value is made.

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 on the balance sheet date. All recognizable risks are accounted for by valuation allowances.

Securities and shares are stated at the lower of cost or fair value on the balance sheet date.

On the balance sheet **deferred taxes** are reported either under deferred tax assets or provisions for taxes and in the income statement under the item Taxes on income. 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. OMV Aktiengesellschaft retains the profits and losses of most of its domestic subsidiaries on the basis of profit and loss pooling agreements. With 20 companies, OMV Aktiengesellschaft has a tax pooling agreement based on the liability method. OMV Aktiengesellschaft forms a tax group in accordance with section 9 of the Austrian Corporate Income Tax Act 1988 (KStG), which aggregates the taxable profits and losses of all the Group's main subsidiaries in Austria and possibly arising losses of one foreign subsidiary (OMV AUSTRALIA PTY LTD).

The treatment of deferred tax is based on the balance sheet liability method. Recognition of deferred tax assets and liabilities is mandatory if there are temporary differences between the carrying amounts for statutory accounting and tax purposes. In principle, a fiscal option for recognizing tax loss carryforwards as deferred tax assets exists.

The nominal value of the **treasury shares** acquired is openly deducted from the capital stock in accordance with section 229 paragraph 1a ACC. The difference between the nominal amount and the acquisition cost is offset against the revenue reserves.

OMV Aktiengesellschaft 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 takes future increases in remuneration into account. The actuarial gains and losses for the current financial year are disclosed under personnel expenses or other operating income, depending on the overall development of the provision.

Expenses from accrued interests for pension, severance and jubilee provisions together with income from pension plan assets are disclosed as part of financial income and expense.

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

Provisions for personnel reduction schemes are recognized with the settlement amount if a detailed plan has been approved by management prior to balance sheet date, and an irrevocable commitment is thereby established.

Provisions and long-term liabilities are measured at the settlement amounts, and projected cost increases are therefore taken into account. Provisions with recognition periods of more than one year are discounted at the market interest rate.

All risks recognizable and uncertain liabilities are provided for according to the best estimate and reported under **other provisions**.

Liabilities are stated at the settlement amount. Foreign currency liabilities are valued at the higher of cost or amount repayable on balance sheet date.

The **currency hedges** concluded both with banks and with affiliates (on behalf of the affiliates) form valuation units from OMV Aktiengesellschaft's perspective. They are therefore not disclosed in the books of OMV Aktiengesellschaft but in the affiliates' financial statements.

Long Term Incentive (LTI) plans

LTI plans with similar conditions have been granted to the Executive Board and selected senior executives in the Group yearly. 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. From 2011 till 2015, participation to the plan also was granted to selected employees with outstanding development potential (potentials). Executive Board members and senior executives as participants of the plans are required to build up an appropriate volume of shares and to hold those shares until retirement or departure from the Company. The shareholding requirement is defined as a percentage of the annual gross base salary, for Executive Board members the requirement needs to be fulfilled five years after the initial respective appointment. Until fulfillment of

the shareholding requirement the disbursement is in form of shares whilst thereafter the plan participants can decide between cash or share settlement. As long as the shareholding requirements are not fulfilled the granted shares after deduction of taxes are transferred to a trustee deposit, managed by the Company.

For share-based payments the grant date fair values are spread as expenses over the three years performance period with a corresponding increase in shareholders' equity. In case of assumed cash-settlements a provision is made for the expected future costs of the LTI plans at statement of financial position date based on fair values. A discount rate of 3.5% was used for the provision calculations.

Main conditions

	2018 plan	2017 plan	2016 plan	2015 plan
Start of plan	1/1/2018	1/1/2017	1/1/2016	1/1/2015
End of performance period	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Vesting date	3/31/2021	3/31/2020	3/31/2019	3/31/2018
Shareholding requirement				
Executive Board Chairman	200% of gross base salary	200% of gross base salary	200% of gross base salary	200% of gross base salary
Executive Board Deputy Chairman	175% of gross base salary	175% of gross base salary	175% of gross base salary	175% of gross base salary
Executive Board members	150% of gross base salary	150% of gross base salary	150% of gross base salary	150% of gross base salary
Senior executives	75% of gross base salary	75% of gross base salary	75% of gross base salary	75% of gross base salary
Expected bonus shares as of December 31, 2018 (OMV Group)	180,687 shares	392,978 shares	733,322 shares	—
Maximum bonus shares as of December 31, 2018 (OMV Group)	273,302 shares	420,518 shares	869,228 shares	—
Fair value of plan (in EUR 1,000) as of December 31, 2018	7,188	15,876	30,198	—
Provision (in EUR 1,000) as of December 31, 2018	1,030	3,911	9,671	—
Estimated tax payments related to equity settled transactions (in EUR 1,000) ¹	133	912	2,815	—

¹ This position includes estimated tax obligations of participants of the plan associated with equity settled transactions of the whole plan. This amount is paid by OMV in cash to the tax authority on behalf of participants after vesting date.

The following table refers to OMV Group:

Personal investment held in shares

	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Active executive Board members				
Seele	70,890 shares	48,435 shares	38,038 shares	32,200 shares
Florey	13,401 shares	8,335 shares	—	—
Pleininger ¹	28,511 shares	19,333 shares	12,979 shares	8,462 shares
Leitner	65,245 shares	59,335 shares	51,249 shares	37,163 shares
Former executive Board members ²				
Davies	—	—	—	54,626 shares
Floren	—	—	—	31,929 shares
Huijskes	—	—	—	38,419 shares
Roiss	—	—	81,831 shares	80,600 shares
Total — Executive Board	178,047 shares	135,438 shares	184,097 shares	283,399 shares
Other senior executives ²	299,997 shares	256,202 shares	317,840 shares	287,397 shares
Total personal investment	478,044 shares	391,640 shares	501,937 shares	570,796 shares

¹ Johann Pleininger also takes part in the 2013 to 2015 plans in his position as senior executive.

² Personal investment of former executive Board members and other senior executives are only included if shares are held in the OMV trustee deposit.

Equity Deferral

The Equity Deferral (equity part of the Annual Bonus, previously OMV Share Part of the Annual Bonus) serves as a long-term compensation vehicle for the members of the Executive Board that promotes retention and shareholder alignment in OMV, combining the interests of management and shareholders via a long-term investment in restricted shares. The plan also seeks to prevent inadequate risk-taking.

The Annual Bonus is capped at 180% of the target Annual Bonus (until 2017: 200% of the annual gross salary). One third of the Annual Bonus (until 2017: 50% of the granted Annual Bonus) is granted in shares. The determined bonus achievement is settled per March 31 following the period end

whereby at the statement of financial position date the target achievements and the share price is estimated (the latter on basis of market quotes). In case of major changes in external factors the Supervisory Board can adjust the target levels of the performance criteria of the Annual Bonus. The granted shares after deduction of taxes are transferred to a trustee deposit, managed by the Company, to be held for three years.

Total expense

In 2018 expenses related to share based payment transactions were as follows.

Expenses related to share base payment transactions

In EUR 1,000

	2018	2017
Total expenses arising from share based payment transactions	6,740	35,917
thereof cash settled	3,874	26,280
thereof equity settled	2,866	9,637

Notes to the balance sheet

1 Fixed assets

Movements in fixed assets in 2018 are shown in the statement of fixed assets. The Land and buildings item includes land valued at EUR 722 thousand (2017: EUR 722 thousand).

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

Commitments arising from the use of off-balance sheet tangible assets

In EUR 1,000

	2018	2017
Maturing in one year	2,830	446
Maturing in the next five years	9,882	1,012

Loans with maturities of up to one year amounted to EUR 192.069 thousand (2017: EUR 32.563 thousand).

Loans

In EUR 1,000

	2018	2017
Domestic		
OMV Exploration & Production GmbH	4,120,000	3,250,000
OMV Finance Services GmbH	389,863	90,264
OMV Austria Exploration & Production GmbH	332,000	399,000
OMV Gas & Power GmbH	300,000	450,000
OMV Refining & Marketing GmbH	300,000	—
GAS CONNECT AUSTRIA GmbH	153,000	153,000
OMV (Tunesien) Production GmbH	115,855	130,208
OMV Hungária Ásványolaj Korlátolt Felelősségű Társaság	31,155	15,972
BSP Bratislava-Schwechat Pipeline GmbH	1,646	1,646
EGW Heimstätte GmbH	89	99
Foreign		
OMV New Zealand Ltd	263,837	—
OMV Gas Marketing & Trading Hungaria Kft	2,174	—
Total	6,009,619	4,490,190

During the reporting period, OMV Aktiengesellschaft granted loans to following companies: To OMV Exploration & Production GmbH an additional loan of EUR 870,000 thousand and to OMV Hungária Ásványolaj Korlátolt Felelősségű Társaság additional HUF 5,000,000 thousand. OMV (Tunesien) Production GmbH received a further loan of USD 20,000 thousand and repaid USD 41,556 thousand. OMV Finance Services GmbH received EUR 299,599 thousand, OMV Refining & Marketing GmbH EUR 300.000 thousand,

OMV Gas Marketing & Trading Hungária Kft. HUF 700.000 thousand and OMV New Zealand Limited NZD 450.000. thousand. OMV Austria Exploration & Production paid off EUR 67,000 thousand and OMV Gas & Power GmbH EUR 150,000 thousand.

In 2018, an equity injection was granted to OMV Exploration & Production GmbH in the amount of EUR 500,000 thousand and to OMV Switzerland Holding AG (via OMV Gas & Power GmbH) in the amount of EUR 200 thousand.

2 Accounts receivable and other assets

Accounts receivable and other assets

In EUR 1,000

	2018		2017	
	≤1 year	>1 year	≤1 year	>1 year
Trade Receivables	31	—	12	—
Receivables from affiliated companies	1,684,425	—	2,265,580	—
thereof trade	22,354	—	24,863	—
thereof financing	62,758	—	24,238	—
thereof profit pooling	1,267,895	—	1,852,999	—
thereof other	331,418	—	363,480	—
Receivables from associated companies	5	—	11	—
thereof trade	5	—	11	—
Other receivables and assets	49,103	—	28,700	20,000
Total	1,733,564	—	2,294,304	20,000

Other receivables include EUR 47,057 thousand from previous year's sale of OMV Petrol Ofisi Holding Anonim Şirketi, which contains a deferred purchase price component of EUR 20,000 thousand, as well as EUR 1,661 thousand (2017: EUR 1,348 thousand) in corporate tax prepayments.

The Other receivables and assets item includes material income due after balance sheet date. The most important amounts comprise revenues from sales of investments in 2017 of EUR 47,057 thousand (2017: EUR 47,057 thousand).

3 Deferred tax assets

Deferred taxes essentially result from different valuation rules, distribution standards and depreciation methods. Due to insufficient taxable profits in future, no deferred tax income was recognized in the reporting period. The fiscal option to recognize deferred tax

assets relating to loss carryforwards is exercised, however, due to insufficient taxable profits in future, no deferred tax asset relating to loss carryforwards was recognized in the reporting period.

4 Stockholders' equity

The **capital stock** of OMV Aktiengesellschaft consists of 327,272,727 (2017: 327,272,727) fully paid no par value shares with a total nominal value of EUR 327,272,727 (2017: EUR 327,272,727). There are no different classes of shares and no shares with special rights of control. All shares are entitled to dividends for the financial year 2018, with the exception of treasury shares held by OMV Aktiengesellschaft.

As the authorized capital granted by the Annual General Meeting on May 13, 2009 expired on May 13, 2014, the Annual General Meeting decided upon a new authorized capital on May 14, 2014. Specifically, it authorized the Executive Board until May 14, 2019 to increase the share capital with the consent of the Supervisory Board – at once or in several tranches – by an amount of up to EUR 32,727,272 by issuing up to 32,727,272 new no-par value common voting shares in bearer form in return for contributions in cash. The capital increase can also be implemented by way of indirect offer for subscription after taking

over by one or several credit institutions according to Section 153 Paragraph 6 Stock Corporation Act. The issue price and the conditions of issuance can be determined by the Executive Board with the consent of the Supervisory Board.

Further, the Annual General Meeting authorized the Executive Board, subject to the approval of the Supervisory Board, to exclude the subscription right of the shareholders if the capital increase serves to (i) adjust fractional amounts or (ii) satisfy stock options or long term incentive plans (including matching share plans for employees, senior employees and members of the Executive Board/management boards of the Company or one of its affiliates), or other employees' stock ownership plans.

In addition, the Supervisory Board was authorized to adopt amendments to the Articles of Association resulting from the issuance of shares according to the authorized capital.

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.

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

On May 18, 2016, the Annual General Meeting authorized the Executive Board for a period of five years from the adoption of the resolution, therefore, until (including) May 17, 2021, upon approval of the Supervisory Board, to dispose of or utilize stock repurchased or already held by the Company to grant treasury shares to employees, senior employees

and/or members of the Executive Board/management boards of the Company or one of its affiliates including for purposes of share transfer programs, in particular long term incentive plans including matching share plans or other stock ownership plans, under exclusion of the general purchasing possibility of shareholders (exclusion of subscription rights). The authorization can be exercised as a whole or in parts or even in several tranches by the Company, by a subsidiary (section 189a number 7 Austrian Commercial Code) or by third parties for the account of the Company.

The nominal value of the **treasury shares** acquired is openly deducted from the capital stock in accordance with section 229 paragraph 1a ACC. The difference between the nominal amount and the acquisition cost is offset against the revenue reserves.

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

Treasury shares

In EUR 1,000

	Number of shares	Cost
January 1, 2017	824,369	9,056
Disposals	(52,139)	(572)
December 31, 2017	772,230	8,485
Disposals	(230,079)	(2,525)
December 31, 2018	542,151	5,960

The number of shares in issue developed as follows:

Number of shares in issue

	Number of shares	Treasury shares	Shares in issue
January 1, 2017	327,272,727	824,369	326,448,358
Used for share-based compensations	—	(52,139)	52,139
December 31, 2017	327,272,727	772,230	326,500,497
Used for share-based compensations	—	(230,079)	230,079
December 31, 2018	327,272,727	542,151	326,730,576

5 Provisions

Provisions for employee benefits are recognized in accordance with the projected unit credit method. The indexed pension commitments to employees of OMV Aktiengesellschaft were transferred to an external pension fund managed by APK-Pensionskasse AG. 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:

Development defined benefit plans and jubilee payments

In EUR 1,000

	2018			2017		
	Pensions	Severance payments	Jubilee payments	Pensions	Severance payments	Jubilee payments
Present value of funded obligations	102,788	—	—	47,081	—	—
Market value of plan assets	(49,741)	—	—	(30,022)	—	—
Provision for funded obligations	53,047	—	—	17,059	—	—
Present value of unfunded obligations	—	13,975	4,312	—	7,641	2,026
Provision for unfunded obligations	—	13,975	4,312	—	7,641	2,026
Provision as of January 1	17,059	7,641	2,066	12,949	7,879	2,026
Expense for the year	23,010	1,845	654	4,138	900	251
Payments to funds	—	—	—	(28)	—	—
Benefits paid	—	(1,301)	(264)	—	(526)	(93)
Group transfer	12,978	5,790	1,856	—	(611)	(118)
Provision as of December 31	53,047	13,975	4,312	17,059	7,641	2,066
Interest cost	2,380	315	105	1,397	206	58
Current service cost	—	548	247	—	342	141
Expected return on plan assets	(1,923)	—	—	(891)	—	—
Recognized actuarial (gains)/losses	22,553	982	302	3,632	352	52
Expenses of defined benefit plans for the year	23,010	1,845	654	4,138	900	251

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

Assumptions for calculation

	2018			2017		
	Pensions	Severance	Jubilees	Pensions	Severance	Jubilees
Capital market interest rate	2.10%	1.70%	2.00%	2.80%	2.30%	2.60%
Future increases in salaries	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Future increases in pensions	2.00%	—	—	1.80%	—	—
Long-term rate of return on plan assets	3.50%	—	—	3.50%	—	—

The biometrical basis for the calculation of provisions for pensions, severance and jubilee entitlements is provided by AVÖ 2018 P – Rechnungsgrundlagen für die Pensionsversicherung (Computational Framework for Pension Insurance) – Pagler & Pagler, using the variant for salaried employees. The effects of this year's change in the biometric actuarial basis (conversion from AVÖ 2008 to AVÖ 2018) were recorded in full in the 2018 period expense and are included in the table above in the recognized actuarial gains/losses. Essentially, this led to an increase in pension provisions of EUR 5,532 thousand.

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 to ASVG regulations.

Applying AFRAC position paper No. 27, "Personnel provisions (ACC)", the average of the discount rate at the applicable balance sheet date and those at the six previous balance sheet dates was used to calculate the pension, severance payment and jubilee payment provisions on the basis of the average residual maturity of the total obligation.

Allocation of plan assets as of December 31

	2018		2017	
	VRG IV Austria	VRG VI Austria	VRG IV Austria	VRG VI Austria
Asset category				
Equity securities	22.14%	21.81%	23.75%	24.10%
Debt securities	62.21%	62.48%	61.03%	60.42%
Cash and money market investments	6.76%	6.70%	7.55%	7.68%
Other	8.89%	9.01%	7.67%	7.80%
Total	100.00%	100.00%	100.00%	100.00%

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

The funds of the asset allocation and risk group VRG IV and VRG VI 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. The long-term investment objective of the VRG IV and the VRG VI is to outperform their benchmark (20% global equity, 65% global bonds, 5% cash, 5% alternatives, 5% real estate) and to cover existing and future entitlement payments of the VRGs. The assets of the VRG IV and VRG VI are invested in such a manner as to ensure the security, quality, liquidity

and profitability of the portfolio as a whole, as defined in the Austrian Pension Fund Act section 25. The asset allocation and the regional allocation of the VRG IV and VRG VI can and will deviate from the benchmark allocation if this is in the judgment of APK and warranted by current asset prices and/or future expected returns. To enhance the return potential, active strategies for all asset classes will be used when justified by market characteristics and/or cost/benefit considerations. The majority of the assets of the VRG IV and VRG VI are invested in liquid active markets for which quoted prices are available. A smaller allocation to assets for which only observable but not quoted prices are available (e.g. real estate and certain absolute return strategies) is allowed when the risk return profile of such assets is believed to be favorable. Risk is managed actively and it is generally expected that the volatility and especially the drawdown risk of the VRG IV and VRG VI will be lower than that of their benchmark.

The actual returns of the individual VRGs can deviate from the target returns on the plan assets, due to differences in the allocation, the developments of the capital markets and costs. The performance of the VRG IV in 2018 was -5.1% and the performance of the VRG VI was -4.6%.

In 2019, defined benefit related contributions for 2018 to APK-Pensionskasse AG of EUR 49,500 thousand (2017: TEUR 5,750 thousand) are planned.

Other provisions largely consist of the following:

Other provisions

In EUR 1,000

	2018	2017
Personnel provisions	38,608	49,650
Sundry provisions	11,317	615
Total	49,925	50,265

Personnel provisions include a provision for the Long Term Incentive Plan amounting to EUR 14,612 thousand (2017: EUR 33,151 thousand). Provisions with a residual term of more than one year were discounted at an interest rate of 3.5%.

level in the amount of EUR 28,274 thousand (2017: EUR 28,274 thousand) as well as a provision for future tax contribution liabilities arising from the transfer of losses incurred by domestic tax group members in the amount of EUR 290,445 thousand (2017: 357,071 thousand).

The provisions for taxes item comprises a corporate income tax provision for the recapture of losses by foreign tax group members at top-tier corporate

6 Liabilities

Liabilities

In EUR 1,000

	2018		2017	
	≤1 year	>1 year	≤1 year	>1 year
Bonds	500,000	6,500,000	750,000	6,250,000
Amounts due to banks	98,607	382,366	56,026	405,133
Accounts payable from trade	26,654	114	9,886	—
Accounts payable to affiliates	4,940,200	—	4,595,920	—
thereof trade	5,636	—	1,847	—
thereof financing	3,410,338	—	3,462,526	—
thereof clearing	1,143,795	—	904,747	—
thereof profit pooling	137,508	—	—	—
thereof other	242,923	—	226,799	—
Liabilities to associated companies	9	—	—	—
Other liabilities	236,459	42,481	239,163	6,439
thereof taxes	173,964	—	155,501	—
thereof social security expenses	1,245	—	733	—
Total	5,801,929	6,924,961	5,650,995	6,661,573

In 2018, OMV Aktiengesellschaft issued an additional Eurobond with an aggregate size of EUR 1,000,000 thousand, in two tranches of EUR 500,000 thousand each.

On June 19, 2018, OMV issued another hybrid bond with a size of EUR 500,000 thousand. The hybrid bears a fixed interest rate of 2.875% until, but excluding, June 19, 2024.

The EUR 750,000 thousand hybrid bond, which was issued in 2011, was called and redeemed at its nominal value plus interest on April 26, 2018, the first possible call date. In November 2018, a bond with the nominal value of EUR 750,000 thousand, issued in 2014, was redeemed.

On December 7, 2015, OMV issued additional hybrid notes with an aggregate size of EUR 1.5 bn, in two tranches of EUR 750,000 thousand each. Tranche 1 bears a fixed interest coupon of 5.250% until, but excluding, December 9, 2021 and tranche 2 bears a fixed interest coupon of 6.250% until, but excluding, December 9, 2025.

Accounts payable to affiliates from financing include short-term loans (money market transactions) from various subsidiary companies as part of the liquidity management of the group.

Bonds issued

	Nominal	Coupon	Repayment
International corporate bond	EUR 500,000,000	1.75% fixed	11/25/2019
	EUR 500,000,000	4.375% fixed	02/10/2020
	EUR 500,000,000	4.25% fixed	10/12/2021
	EUR 750,000,000	2.625% fixed	09/27/2022
	EUR 500,000,000	0.75% fixed	12/04/2023
	EUR 1,000,000,000	1.0% fixed	12/14/2026
	EUR 750,000,000	3.5% fixed	09/27/2027
	EUR 500,000,000	1.875% fixed	12/04/2028
Hybrid bond	EUR 750,000,000		
	EUR 750,000,000		
	EUR 500,000,000		
Total	EUR 7,000,000,000		

Other liabilities include interest expenses for bonds of EUR 51,817 thousand (2017: EUR 78,296 thousand) and personnel reduction expenses of EUR 48,862 thousand (2017: EUR 8,354 thousand). EUR 27,345 thousand of the latter come from the takeover of operational business activities from OMV Solutions GmbH. These items become payable after the balance sheet date.

Liabilities with maturities of more than one year include the following liabilities with maturities of more than five years: bond liabilities amounting to EUR 4,250,000 thousand (2017: EUR 4,000,000 thousand) and liabilities for personnel reduction plans amounting to EUR 18,734 thousand (2017: EUR 1,712 thousand).

Notes to the income statement

7 Sales

Sales

In EUR 1,000

	2018	2017
Domestic	181,357	114,964
Foreign	32,138	14,041
Total	213,495	129,005

The sales consist both of corporate service charges paid by Group companies and of revenues generated by operational activities performed for Group companies. The increase in sales revenues is related to the operational business activities taken over

from OMV Solutions GmbH as of 1.1.2018. Since then, OMV Aktiengesellschaft has been providing services to other Group companies in the areas of IT, Finance, Human Resources, Facility Management and Occupational Health.

8 Other operating income

Other operating income

In EUR 1,000

	2018	2017
Income from the disposal of fixed assets other than financial assets	–	29
Income from the reversal of provisions	3,338	19,068
Other	893	1,224
Total	4,231	20,321

Other operating income mainly include income from the reversal of the provision for personnel in the amount of EUR 3,338 thousand (2017: EUR nil)

In 2017 the position contained the theoretical withdrawal premium for a reinsurance relation in the amount of EUR 19,068 thousand.

9 Expenses for materials and purchased services

Expenses for materials and purchased services

In EUR 1,000

	2018	2017
Cost of materials	486	167
Cost of purchased services	42,336	6,120
Total	42,822	6,287

The expenses for purchased services mainly include services provided by third parties for ongoing activities amounting to EUR 16,170 thousand (2017: 3,574 thousand) and other services provided by OMV

Petrom Global Solutions SRL amounting to EUR 15,320 thousand (2017: EUR nil). External software services in the amount of EUR 8,241 (2017: EUR 829 thousand) were purchased in the reporting period.

10 Personnel expenses

The item Salaries includes expenses for share based payments for which we refer to table "Expenses related to share base payment transactions" in the section Long Term Incentive (LTI) plans and Equity

Deferral part of the annual bonus. Expenses related to provisions for jubilee payments amount to EUR 594 thousand (2017: EUR 193 thousand).

Expenses for severance payments, payments to occupational pension funds and expenses for pensions

In EUR 1,000

	2018	2017
Expenses for severance payments	2,225	1,253
Payments to employee benefit funds	1,034	677
Defined contribution personnel expense	4,153	2,659
Defined benefit personnel expense	43,417	5,686
Total	50,829	10,275

Expenses for personnel reduction programs are included in the position Expenses for severance payments amounting to EUR 695 thousand (2017: EUR 559) as well as in the position Defined benefit personnel expense amounting to EUR 20,683 thousand (2017: EUR 1,865 thousand).

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

Expenses for severance payments and pensions

In EUR 1,000

	2018		2017	
	Severance	Pensions	Severance	Pensions
Current and former members of Executive Board	188	813	112	694
Senior executives	281	1,108	344	622
Other employees	1,808	23,096	1,122	3,397
Actuarial (gains) and losses	982	22,553	352	3,632

11 Other operating expenses

Other operating expenses

In EUR 1,000

	2018	2017
Taxes not shown under item 17 (Taxes on income)	768	1,386
Other	82,763	74,084
Total	83,531	75,470

The tax item largely concerns fees paid to Austrian Financial Market Authority. Other expenses include: EUR 16,586 thousand in services delivered by OMV Group companies (2017: EUR 18,057 thousand), EUR 12,131 thousand in advertising expenditure (2017: EUR 6,704 thousand), EUR 31,183 thousand in legal and consultancy fees (2017: EUR 35,185

thousand), EUR 3,160 thousand in various third-party services (2017: EUR 3,386 thousand), EUR 2,154 thousand insurance expense (2017: EUR 2,239 thousand), EUR 5,142 thousand in communication expenses (EUR nil) and EUR 2,818 thousand in maintenance (2017: EUR 366 thousand).

12 Financial income and expenses

Income from investments amounting to EUR 1,450,340 thousand (2017: EUR 1,990,160 thousand) includes EUR 1,267,895 thousand (2017: EUR 1,852,999 thousand) from profit-pooling arrangements, EUR 143,476 thousand in dividends from affiliated companies (2017: EUR 108,172 thousand) and EUR 38,970 thousand (2017: EUR 28,988 thousand) from other investment income. As of the balance sheet date, there were profit and loss pooling agreements with the following companies: OMV Solutions GmbH, OMV Refining & Marketing GmbH, OMV Insurance Broker GmbH and OMV Gas & Power GmbH.

Income from financial assets includes a write-up to financial assets amounting to EUR 5,965 thousand (2017: EUR nil). In 2018, there were no gains from the disposal of affiliated companies (2017: EUR 52 thousand). A gain amounting to EUR 21,057 thousand resulting from the assumption of shares in Diramic Insurance Ltd. at their fair value was included in this item in 2017 as well.

The expenses arising from financial assets include EUR 137,508 thousand (2017: EUR nil) in expenses arising from profit pooling agreements, a EUR 700,000 thousand distribution-related impairment of the participation value of OMV Solutions GmbH (2017: EUR 1,000,000) and an impairment loss related to OMV AUSTRALIA PTY LTD in the amount of EUR 3,864 thousand (2017: EUR nil).

13 Taxes on income

Taxes on income

In EUR 1,000

	2018	2017
Current taxes	15,077	12,897
Deferred taxes	5,563	(164)
Total	20,640	12,733

Current taxes comprise EUR 3,859 thousand tax income from previous years (2017: EUR 11,641 thousand) and EUR 18,937 thousand corporate tax expense (2017: EUR 24,538 thousand) attributable to the top-tier corporation in consequence of the formation of a tax group under section 9 Corporate Tax Act, after the tax contributions charged. Tax income from prior years' income includes corporate tax income of EUR nil (2017: corporate tax income of EUR 10,506 thousand) due to the change in the corporate tax provision for the retroactive taxation of tax

losses declared by foreign tax group members. Tax expense from current year includes a release of provision of EUR 66,626 thousand (2017: EUR 4,511 thousand) recognized for future tax contribution liabilities arising from the transfer of losses incurred by domestic tax group members.

The reported deferred tax expense amounting to EUR 5,563 thousand (2017: deferred tax income EUR 164 thousand) resulted from the valuation allowance of neutral adjustments.

Supplementary information

14 Interest rate risk management and derivatives

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. In 2015 the last interest rate hedge expired, and afterwards no further interest rate derivatives were concluded.

Where necessary, the Company hedges its own and Group companies' foreign currency risks. OMV Aktiengesellschaft has entered into hedges with banks, and transferred them to Group companies. As of December 31, 2018, the main exposures were related to the EUR-USD, EUR-GBP as well as the EUR-HUF exchange rates. Foreign currency transactions are used to hedge the period until December 2020.

As of December 31 the value of transactions used to hedge foreign currency risk for Group companies, which is not recognized in the balance sheet of OMV Aktiengesellschaft due to the formation of valuation units, was as follows:

Currency derivatives: Forwards

In EUR 1,000

	2018				2017			
	Notional value	Fair value		Carrying value	Notional value	Fair value		Carrying value
		positive	negative			positive	negative	
Currency forwards	1,359,876	16,785	(16,726)	—	622,916	3,351	(3,325)	—

The effectiveness of the hedging relationship is measured retrospectively based on the correlation between the exchange rate of the hedging instrument and the exchange rate of the underlying hedged transaction. The exchange rate difference of the underlying transaction is settled by the exchange rate difference of the hedging instrument. Prospectively, the effectiveness is measured by checking the correspondence of the critical terms between the underlying transaction and the hedging transaction (critical term match).

Without hedge accounting, provisions for onerous contracts amounting to the negative fair value would have to be recognized based on the so-called "impairment realization principle" in the amount of EUR 16,726 thousand (2017: EUR 3,325 thousand).

For a M&A Transaction the EURUSD exchange risk was hedged via an option. OMV Aktiengesellschaft bought an EUR Put / USD Call Option for a group company with a strike of EURUSD 1.135, value date January 30, 2019, to protect the hedged amount of USD 270 mn against a stronger USD. The option premium of EUR 2,440 thousand has been charged to the group company.

OMV Aktiengesellschaft employs currency swaps for liquidity management purposes.

As of December 31 the value of transactions used to hedge foreign currency risks for OMV Aktiengesellschaft was as follows:

Currency derivatives: FX Swaps

In EUR 1,000

	2018			2017		
	Notional value	Fair value	Carrying value	Notional value	Fair value	Carrying value
FX Swap EUR-NZD	263,973	1,052	—	—	—	—
FX Swap EUR-NOK	656,272	(5,343)	(5,343)	—	—	—
FX Swap EUR-RUB	109,501	(5,463)	(5,463)	—	—	—
FX Swap EUR-USD	65,407	95	—	167,572	(808)	—

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 finan-

cial instruments at balance sheet date. These models apply the forward rates/forward prices and exchange rates ruling at balance sheet date, as well as volatility indicators for the price calculations. Recognition is under other provisions.

15 Governing bodies, employees and related parties

The **average number of employees** was:

Average

	2018	2017
Salaried employees	623	379
Total	623	379

The number of employees increased due to the takeover of operational business activities from OMV Solutions GmbH.

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

Remuneration received by the Executive Board

In EUR 1,000

	2018								Total
	active members of the Executive Board as of December 31, 2018				former members of the Executive Board				
	Seele	Pleininger	Florey	Leitner	Davies ⁶	Floren ⁷	Huijskes ⁸	Roiss ⁹	
Short term benefits	2,013	1,338	1,351	1,413	150	—	—	—	6,264
Fixed (base salary)	1,100	750	700	700	—	—	—	—	3,250
Variable (cash bonus) ¹	900	575	600	700	150	—	—	—	2,925
Benefits in kind	13	13	51 ⁵	13	—	—	—	—	89
Post employment benefits	275	188	175	175	—	—	—	—	813
Pension fund contributions	275	188	175	175	—	—	—	—	813
Share based benefits ¹	2,348	960	531	2,343	2,586	1,478	1,776	3,300	15,322
Variable (Equity Deferral 2017) ²	796	509	531	619	132	—	—	—	2,587
Variable (LTIP)	1,552 ³	452 ⁴	—	1,724	2,453	1,478	1,776	3,300	12,735
Total	4,636	2,485	2,057	3,931	2,735	1,478	1,776	3,300	22,399

¹ The variable components relate to target achievement in 2017, for which bonuses were paid in 2018.

² The Equity Deferral from the Annual Bonus was renamed from "Share part of the Annual Bonus" at the grant date.

³ Rainer Seele received pro-rated payout in shares before taxes for LTIP 2015 as he joined the Executive Board effectively July 1, 2015.

⁴ Johann Pleininger received pro-rated payout in shares before taxes and in addition cash payment amounting to EUR 516 thousand based on the senior manager LTIP 2015.

⁵ Including schooling costs, moving costs and related taxes.

⁶ David C. Davies resigned from the Executive Board effectively July 31, 2016.

⁷ Hans-Peter Floren resigned from the Executive Board effectively December 31, 2014.

⁸ Jaap Huijskes resigned from the Executive Board effectively August 31, 2015.

⁹ Gerhard Roiss resigned from the Executive Board effectively June 30, 2015.

Remuneration received by the Executive Board

In EUR 1,000

	2017								Total
	active members of the Executive Board as of December 31, 2017				former members of the Executive Board				
	Seele	Florey	Pleininger	Leitner	Davies ^{3,4}	Floren ⁵	Huijskes ⁶	Roiss ⁷	
Short term benefits	1,651	902	1,038	1,287	821	—	149	—	5,848
Fixed (base salary)	900	600	575	700	221	—	—	—	2,996
Variable (cash bonus)	738	246	451	574	598	—	149	—	2,756
Benefits in kind	13	56 ¹	12	13	1	—	—	—	96
Post employment benefits	225	150	144	175	54	—	—	—	748
Pension fund contributions	225	150	144	175	54	—	—	—	748
Share based payments	852	284	521	732	807	83	270	177	3,726
Variable (Matching Share Plan)	852	284	521	663	691	—	172	—	3,182
Variable (LTIP)	—	—	— ²	69	116	83	98	177	543
Total	2,728	1,336	1,703	2,194	1,682	83	419	177	10,322

¹ Including schooling costs and related taxes² Johann Pleininger was entitled to EUR 42 thousand based on the senior manager LTIP 2014 (paid out in cash).³ David C. Davies resigned from the Executive Board effectively July 31, 2016.⁴ David C. Davies received payments under his employment contract in force until March 31, 2017 as well as bonus and LTIP payments in April 2017.⁵ Hans-Peter Floren resigned from the Executive Board effectively December 31, 2014.⁶ Jaap Huijskes resigned from the Executive Board effectively August 31, 2015.⁷ Gerhard Roiss resigned from the Executive Board effectively June 30, 2015.

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.

In 2018 remuneration expenses for the Supervisory Board amounted to EUR 593 thousand (2017: EUR 705 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. Due to the transfer of operational business activities from OMV Solutions GmbH the company also provides operational services for the group.

The arm's length principle which is applied to transactions with related parties is constantly documented and monitored.

Regarding the expenses for services rendered by the auditor for the year just ended, OMV Aktiengesellschaft refers to the consolidated financial statements of OMV Group.

16 Contingent Liabilities under section § 199 and other obligations under section 237 ACC

Contingent liabilities are as follows:

Contingent Liabilities

In EUR 1,000

	2018	2017
Guarantees	2,198,986	2,117,551
thereof in favor of affiliated companies	2,198,846	2,117,436

The change in contingent liabilities mainly resulted from the increase of guarantees issued for: OMV Gas Marketing & Trading GmbH by EUR 106,747 thousand, OMV Supply & Trading Limited by USD 98,191 thousand, OMV New Zealand Limited by XDR 38,360 thousand, OMV Gas Marketing Trading & Finance B.V. by EUR 22,015 thousand as well as OMV Refining & Marketing GmbH by EUR 39,360 thousand. Guarantees for OMV Deutschland GmbH were reduced by EUR 61,500 thousand, guarantees for OMV Samsun Elektrik Üretim Sanayi ve Ticaret A.Ş. in the amount of EUR 176,667 thousand were cancelled.

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 affiliation in 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 various other agreements of indeterminate amounts.

With a letter of financial support vis à vis OMV Gas Storage Germany GmbH, OMV Aktiengesellschaft has undertaken to provide adequate financial funding if necessary.

OMV Aktiengesellschaft has a joint liability for pension obligations assumed by Group companies, as well as for additional contributions to rectify shortfalls in the funding of obligations transferred to external pension funds and bridging payments to separated employees.

17 Dividend recommendation

Unappropriated income for the financial year 2018 amounted to EUR 720,449 thousand (2017: EUR 799,166 thousand).

For 2018, the Executive Board of OMV Aktiengesellschaft proposes a dividend of EUR 1.75 (2017: EUR

1.50) per eligible share, which is subject to confirmation by the Annual General Meeting in 2019. The dividend for 2017 was paid in June 2018 and amounted to EUR 490,096 thousand (2017: EUR 391,800 thousand).

18 Report on payments to governments

The consolidated report on payments to governments is integrated in the Group's annual report and is available on OMV's website: www.omv.com > Investors > Publications.

19 Subsequent events

On January 27, 2019 OMV signed agreements for the purchase of a 15% share in ADNOC Refining. The estimated purchase price for OMV amounts to approximately USD 2.5 bn based on 2018 year-end net debt. The final purchase price is dependent on the net debt as of closing and certain working capital adjustments.

On January 31, 2019, OMV has bought a 50% stake of the issued share capital in Sapura OMV Upstream Sdn. Bhd. for an amount of USD 540 mn. In

addition, the parties agreed to an additional consideration of up to USD 85 mn based on certain conditions, mainly linked to the resource volume in Block 30, Mexico, at the time the final investment decision is taken. Both parties have also agreed to refinance the existing intercompany debt of USD 350 mn.

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

Direct Investments

	Currency	Equity as of 31 Dec. 2018	Net income/ loss in 2018	Equity interest in %
Domestic				
OMV Exploration & Production GmbH, Vienna ¹	in EUR 1,000	2,256,647	(254,304)	100
OMV Gas & Power GmbH, Vienna ¹	in EUR 1,000	544,002	(137,508)	100
OMV Insurance Broker GmbH, Vienna ¹	in EUR 1,000	45	31	100
OMV Refining & Marketing GmbH, Vienna ¹	in EUR 1,000	1,303,646	554,720	100
OMV Solutions GmbH, Vienna ¹	in EUR 1,000	1,916,709	13,144	100
Foreign				
Diramic Insurance Limited, Gibraltar	in EUR 1,000	98,089	1,053	100
OMV AUSTRALIA PTY LTD, Perth ¹	in AUD 1,000	(157,457)	(1,359)	100
OMV International Oil & Gas GmbH, Zug ²	in CHF 1,000	918	458	100
OMV PETROM SA, Bucharest	in RON 1,000	30,313,550	3,891,810	51.01

¹ Tax group member under section 9 Corporate Tax Act

² Amounts as of 2017

Supervisory Board

Peter Löscher
Chairman

Gertrude Tumpel-Gugerell
Deputy

Alyazia Ali Al Kuwaiti
Deputy

Wolfgang C. Berndt

Helmut Draxler

Marc H. Hall

Mansour Mohamed Al Mulla

Karl Rose

Herbert Werner

Elif Bilgi Zapparoli

Delegated by the Works Council:

Angela Schorna

Christine Asperger

Herbert Lindner

Alfred Redlich

Gerhard Singer

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

Presidential and Nomination Committee:

Löscher (Chairman), Tumpel-Gugerell (Deputy), Al Kuwaiti (Deputy), Al Mulla, Asperger, Redlich

Audit Committee:

Tumpel-Gugerell (Chairwoman), Berndt (Deputy), Al Kuwaiti (Deputy), Draxler, Löscher, Werner, Schorna, Lindner, Singer

Project Committee:

Rose (Chairman), Löscher (Deputy) Al Kuwaiti (Deputy), Al Mulla, Hall, Tumpel-Gugerell, Redlich, Lindner, Singer

Remuneration Committee:

Löscher (Chairman), Berndt (Deputy), Al Kuwaiti (Deputy), Draxler, Tumpel-Gugerell

Executive Board

Rainer Seele

Chairman of the Executive Board
Chief Executive Officer

Reinhard Florey

Chief Financial Officer

Johann Pleininger

Deputy Chairman of the Executive Board
Executive Board member Upstream

Manfred Leitner

Executive Board member Downstream

Vienna, March 13, 2019

The Executive Board

Rainer Seele m.p.
Chairman

Reinhard Florey m.p.

Johann Pleininger m.p.
Deputy Chairman

Manfred Leitner m.p.

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

Development of acquisition costs

In EUR 1,000

	As of Jan. 1, 2018	Additions
Intangible assets		
Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom	—	17,130 ¹
Tangible assets		
Land and buildings on third party land	722	2,020
Other fixtures and fittings, tools and equipment	920	12,556 ¹
	1,642	14,576
Financial assets		
Shares in affiliated companies	10,465,365	500,200
Loans to affiliated companies	4,497,434	1,768,669
Participating interests	26,624	—
Securities (loan stock rights) held as fixed assets	4,506	—
Other loans	1,746	—
	14,995,676	2,268,870
	14,997,318	2,300,576

¹ Including assets taken over from OMV Solutions GmbH: EUR 7,630 thousand intangible assets and EUR 9,546 thousand tangible assets

Disposals	As of Dec. 31, 2018	Depreciation and amortization as of Dec 31.2018 (cumulative)	Carrying value as of Dec. 31, 2018	Carrying value as of Dec. 31, 2017
85	17,044	3,102	13,943	—
—	2,742	337	2,406	722
370	13,106	4,992	8,114	498
370	15,848	5,329	10,520	1,220
—	10,965,565	2,778,473	8,187,092	8,390,756
253,610	6,012,494	4,610	6,007,883	4,488,444
—	26,624	—	26,624	26,624
—	4,506	—	4,506	4,506
11	1,735	—	1,735	1,746
253,621	17,010,924	2,783,083	14,227,842	12,912,077
254,076	17,043,817	2,791,514	14,252,304	12,913,298

Development of depreciation

In EUR 1,000

	As of Jan. 1, 2018	Depre- ciation	Impair- ments	Write-up	Disposals	As of Dec. 31, 2018
Intangible assets						
Concessions, industrial property rights and similar rights and benefits and licenses derived therefrom	—	3,105	—	—	3	3,102
Tangible assets						
Land and buildings on third party land	—	337	—	—	—	337
Other fixtures and fittings, tools and equipment	421	4,811	—	—	240	4,992
	421	5,148	—	—	240	5,329
Financial assets						
Shares in affiliated companies	2,074,609	—	703,864	—	—	2,778,473
Loans to affiliated companies	8,990	—	1,585	5,965	—	4,610
Participating interests	—	—	—	—	—	—
Securities (loan stock rights) held as fixed assets	—	—	—	—	—	—
Other loans	—	—	—	—	—	—
	2,083,599	—	705,449	5,965	—	2,783,083
	2,084,020	8,253	705,449	5,965	243	2,791,514

Abbreviations and Definitions

A

ACC

Austrian Commercial Code

ACCG

Austrian Code of Corporate Governance

AGM

Annual General Meeting

B

bbl

Barrel (1 barrel equals approximately 159 liters)

bbl/d

Barrels per day

bcf

Billion standard cubic feet (60 °F/16 °C)

bcm

Billion standard cubic meters (32 °F/0 °C)

bn

Billion

boe

Barrel of oil equivalent

boe/d

Barrel of oil equivalent per day

C

CAPEX

Capital Expenditure

capital employed

Equity including non-controlling interests plus net debt

cbm

Standard cubic meters (32 °F/0 °C)

cf

Standard cubic feet (60 °F/16 °C)

CCS/CCS effects/inventory holding gains/(losses)

Current Cost of Supply; inventory holding gains and losses represent the difference between the cost of sales calculated using the current cost of supply and the cost of sales calculated using the weighted average method after adjusting for any changes in valuation allowances in case the net realizable value of the inventory is lower than its cost. In volatile energy markets, measurement of the costs of petroleum products sold based on historical values (e.g. weighted average cost) can have distorting effects on reported results (Operating Result, net income, etc.). The amount disclosed as CCS effect represents the difference between the charge to the income statement for inventory on a weighted average basis (adjusted for the change in valuation allowances related to net realizable value) and the charge based on the current cost of supply. The current cost of supply is calculated monthly using data from supply and production systems at the Downstream Oil level

CEE

Central and Eastern Europe

CEGH

Central European Gas Hub

CGU

Cash generating unit

Clean CCS Operating Result

Operating Result adjusted for special items and CCS effects. Group clean CCS Operating Result is calculated by adding the clean CCS Operating Result of Downstream Oil, the clean Operating Result of the other segments and the reported consolidation effect adjusted for changes in valuation allowances, in case the net realizable value of the inventory is lower than its cost

Clean CCS EPS

Clean CCS Earnings Per Share is calculated as clean CCS net income attributable to stockholders divided by weighted number of shares

Clean CCS net income attributable to stockholders

Net income attributable to stockholders, adjusted for the after tax effect of special items and CCS

Clean CCS ROACE

Clean CCS Return On Average Capital Employed is calculated as NOPAT (as a sum of current and last three quarters) adjusted for the after-tax effect of special items and CCS, divided by average capital employed (%)

Co&O

Corporate and Other

E

EFET

European Federation of Energy Traders

EPS

Earnings Per Share; net income attributable to stockholders divided by total weighted average shares

<p>EPSA Exploration and Production Sharing Agreement</p> <p>equity ratio Equity divided by balance sheet total, expressed as a percentage</p> <p>EU European Union</p> <p>EUR Euro</p> <hr/> <p>FX Foreign exchange</p> <hr/> <p>GDP Gross Domestic Product</p> <p>gearing ratio Net debt divided by equity, expressed as a percentage</p> <hr/> <p>H1, H2 First, second half of the year</p> <p>HSSE Health, Safety, Security, and Environment</p> <hr/> <p>IASs International Accounting Standards</p> <p>IFRSs International Financial Reporting Standards</p>	<p>K</p> <hr/> <p>kbbbl Thousand barrels</p> <p>kbbbl/d Thousand barrels per day</p> <p>kboe Thousand barrels of oil equivalent</p> <p>kboe/d Thousand barrels of oil equivalent per day</p> <p>km² Square kilometer</p> <p>KPI Key Performance Indicator</p> <p>KStG Austrian Corporate Income Tax Act</p> <hr/> <p>LNG Liquefied Natural Gas</p> <p>LTIR Lost-Time Injury Rate per million hours worked</p> <hr/> <p>min Minute</p> <p>mn Million</p> <p>MPPH Mubadala Petroleum and Petrochemicals Holding Company L.L.C</p> <p>MW Megawatt</p> <p>MWh Megawatt hour</p>	<p>N</p> <hr/> <p>n.a. Not available</p> <p>n.m. Not meaningful</p> <p>NCG Net Connect Germany</p> <p>net assets Intangible assets, property, plant and equipment, equity-accounted investments, investments in other companies, loans granted to equity-accounted investments, total net working capital, less provisions for decommissioning and restoration obligations</p> <p>net debt Interest-bearing debts including bonds and finance lease liabilities less liquid funds (cash and cash equivalents)</p> <p>net income Net operating profit or loss after interest and tax</p> <p>NGL Natural Gas Liquids; natural gas that is extracted in liquid form during the production of hydrocarbons</p> <p>NOK Norwegian krone</p> <p>NOPAT Net Operating Profit After Tax; Net income + Net interest related to financing – Tax effect of net interest related to financing NOPAT is a KPI that shows the financial performance after tax, independent of the financing structure of the company.</p> <p>NZD New Zealand dollar</p>
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O**OECD**

Organisation for Economic Cooperation and Development

OPEX

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

ÖBAG

Österreichische Beteiligungs AG

P**payout ratio**

Dividend per share divided by earnings per share, expressed as a percentage

Pearl

Pearl Petroleum Company Limited

PJ

Petajoule, 1 petajoule corresponds to approx. 278 mn kilowatt hours

Q**Q1, Q2, Q3, Q4**

First, second, third, fourth quarter of the year

R**ROACE**

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

ROE

Return On Equity; net income/loss for the year divided by average equity, expressed as a percentage

ROFA

Return On Fixed Assets, EBIT divided by average intangible and tangible assets expressed as a percentage

RONA

Return On Net Assets; NOPAT divided by average net assets, expressed as a percentage

RON

New Romanian leu

RRR

Reserve Replacement Rate; total changes in reserves excluding production, divided by total production

RUB

Russian ruble

S**sales revenues**

Sales excluding petroleum excise tax

Special items

Special items are expenses and income reflected in the financial statements that are disclosed separately, as they are not part of underlying ordinary business operations. They are being disclosed separately in order to enable investors to better understand and evaluate OMV Group's reported financial performance

T**t**

Metric ton

toe

Metric ton of oil equivalent

TRIR

Total Recordable Injury Rate

TRY

Turkish lira

TSR

Total Shareholder Return

TWh

Terawatt hour

U**UAE**

United Arab Emirates

USD

US dollar

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In the interest of a fluid style that is easy to read,
non-gender-specific terms have been used in the notes
chapter of this annual report.



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