Investor News

February 19, 2014, 6:30 am (GMT), 7:30 am (CET)

OMV Aktiengesellschaft

Report January – December and Q4 2013

- **Strong operating cash flow at EUR 4.1 bn, higher by 8% in 2013**
- **Romanian production in 2013 increased year-on-year for the first time since Petrom's privatization in 2004**
- **Clean CCS EBIT at EUR 444 mn in Q4/13**
- **Acquisition of assets from Statoil closed on October 31, contributing 18 kboe/d to production in Q4/13**
- **Gearing ratio at 30% in line with the long-term target, despite high investment level**
- **Long-term gas supply contract with Statoil renegotiated; interim agreement reached with Gazprom**
- **Downstream restructuring on track: Sale of OMV's 45% stake in the Bayernoil refinery network signed**
- **The Executive Board proposes an increased dividend of EUR 1.25 per share for 2013**

Gerhard Roiss, CEO of OMV:

"2013 was a pivotal year for OMV, a year in which we made substantial progress in shaping the company from an integrated, predominantly downstream organization to an integrated but strongly upstream-focused company. Despite challenges in Libya and Yemen, historically low refining margins and depressed spot prices in the gas sector, we have laid the foundations for a strong profitable future. The USD 2.65 bn acquisition of upstream assets from Statoil will play a key part in delivering our strategy; this acquisition was largely funded by our successful efforts to reduce working capital and leaves balance sheet gearing at the end of the year at 30%, consistent with our long-term target. Furthermore, we strengthened the exploration portfolio by acquiring interests in Madagascar and Gabon and made promising discoveries in Norway, Pakistan and Libya. In downstream, we renegotiated our long-term gas supply contract with Statoil, reached an interim agreement with Gazprom and made substantial progress in our divestment program by signing the sale of OMV's 45% stake in the Bayernoil refinery network. We have now built the portfolio to successfully deliver our 2016 targets, enabling us to grow our long-term profitability as the projects within the portfolio are delivered."

Q3/13	Q4/13	Q4/12	Δ%	in EUR mn	2013	2012	Δ%
576	213	791	(73)	EBIT	2,717	3,104	(12)
619	444	956	(54)	Clean CCS EBIT	2,647	3,407	(22)
229	(78)	317	n.m.	Net income attributable to stockholders [1]	1,162	1,363	(15)
263	178	393	(55)	Clean CCS net income attributable to stockholders [1]	1,112	1,544	(28)
0.70	(0.24)	0.97	n.m.	EPS in EUR	3.56	4.18	(15)
0.81	0.55	1.20	(55)	Clean CCS EPS in EUR	3.41	4.73	(28)
1,081	421	1,044	(60)	Cash flow from operating activities	4,110	3,813	8
–	–	–	n.a.	Dividend per share in EUR [2]	1.25	1.20	4

[1] After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests.
[2] 2013: As proposed by the Executive Board. Subject to approval by the Supervisory Board and the Annual General Meeting 2014.

Content

Moving more. Moving the future. OMV

Directors’ report (condensed, unaudited)

Financial highlights

Q3/13	Q4/13	Q4/12	Δ%	in EUR mn	2013	2012	Δ%
10,698	10,372	11,390	(9)	Sales [1]	42,415	42,649	(1)
529	209	782	(73)	EBIT E&P [2]	1,990	2,743	(27)
(15)	(47)	(70)	(32)	EBIT G&P	1	43	(99)
105	42	31	35	EBIT R&M	772	417	85
(19)	(17)	(21)	(18)	EBIT Corporate and Other	(53)	(66)	(19)
(25)	26	70	(62)	Consolidation	7	(33)	n.m.
576	**213**	**791**	**(73)**	**EBIT Group**	**2,717**	**3,104**	**(12)**
357	312	372	(16)	thereof EBIT Petrom group	1,336	1,273	5
(97)	(188)	(128)	47	Special items [3]	143	(304)	n.m.
(6)	(12)	(18)	(33)	thereof: Personnel and restructuring	(20)	(45)	(55)
(95)	(165)	(45)	n.m.	Unscheduled depreciation	(281)	(162)	74
0	12	85	(86)	Asset disposal	453	91	n.m.
4	(24)	(150)	(84)	Other	(8)	(190)	(96)
53	(43)	(37)	17	CCS effects: Inventory holding gains/(losses)	(73)	1	n.m.
578	257	698	(63)	Clean EBIT E&P [2, 4]	2,086	2,824	(26)
(15)	80	59	35	Clean EBIT G&P [4]	137	184	(25)
98	92	145	(37)	Clean CCS EBIT R&M [4]	462	488	(5)
(18)	(11)	(16)	(30)	Clean EBIT Corporate and Other [4]	(46)	(56)	(19)
(25)	26	70	(62)	Consolidation	7	(33)	n.m.
619	**444**	**956**	**(54)**	**Clean CCS EBIT** [4]	**2,647**	**3,407**	**(22)**
365	310	406	(24)	thereof clean CCS EBIT Petrom group [4]	1,362	1,316	3
510	19	687	(97)	Income from ordinary activities	2,290	2,857	(20)
375	59	403	(85)	Net income	1,729	1,790	(3)
229	(78)	317	n.m.	Net income attributable to stockholders [5]	1,162	1,363	(15)
263	**178**	**393**	**(55)**	**Clean CCS net income attributable to stockholders** [4, 5]	**1,112**	**1,544**	**(28)**
0.70	(0.24)	0.97	n.m.	EPS in EUR	3.56	4.18	(15)
0.81	0.55	1.20	(55)	Clean CCS EPS in EUR [4]	3.41	4.73	(28)
1,081	421	1,044	(60)	Cash flow from operating activities	4,110	3,813	8
3.31	1.29	3.20	(60)	Cash flow per share in EUR	12.60	11.69	8
1,832	4,371	3,747	17	Net debt	4,371	3,747	17
12	30	26	17	Gearing in %	30	26	17
829	3,276	1,063	n.m.	Capital expenditure	5,226	2,426	115
–	–	–	n.a.	Dividend per share in EUR [6]	1.25	1.20	4
–	–	–	n.a.	ROFA in %	15	18	(16)
–	–	–	n.a.	ROACE in %	11	11	3
–	–	–	n.a.	Clean CCS ROACE in % [4]	11	12	(12)
–	–	–	n.a.	ROE in %	11	13	(10)
26	(218)	41	n.m.	Group tax rate in %	25	37	(34)
27,128	26,863	28,658	(6)	Employees	26,863	28,658	(6)

Figures in this and the following tables may not add up due to rounding differences.

[1] Sales excluding petroleum excise tax.

[2] Before intersegmental profit elimination shown in the line “Consolidation”.

[3] Special items are exceptional, non-recurring items which are added back or deducted from EBIT. For more details please refer to business segments.

[4] Adjusted for special items. Clean CCS figures exclude inventory holding gains/losses (CCS effects) resulting from the fuels refineries and Petrol Ofisi.

[5] After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests.

[6] 2013: As proposed by the Executive Board. Subject to approval by the Supervisory Board and the Annual General Meeting 2014.

Business segments

Exploration and Production (E&P)

Q3/13	Q4/13	Q4/12	Δ%	in EUR mn	2013	2012	Δ%
529	209	782	(73)	EBIT	1,990	2,743	(27)
(49)	(47)	84	n.m.	Special items	(96)	(81)	18
578	257	698	(63)	Clean EBIT	2,086	2,824	(26)
275	277	301	(8)	Total hydrocarbon production in kboe/d	288	303	(5)
182	181	183	(1)	thereof Petrom group	183	183	0
13.1	12.7	14.6	(13)	Crude oil and NGL production in mn bbl	54.9	59.2	(7)
68.3	71.5	73.3	(3)	Natural gas production in bcf	279.9	290.6	(4)
110.29	109.24	110.08	(1)	Average Brent price in USD/bbl	108.66	111.67	(3)
101.79	100.21	99.12	1	Average realized crude price in USD/bbl	100.84	99.73	1
1.324	1.361	1.297	5	Average EUR-USD FX-rate	1.328	1.285	3
175	193	158	22	Exploration expenditure in EUR mn	627	476	32
13.88	16.77	13.48	24	OPEX in USD/boe	13.96	12.79	9

Fourth quarter 2013 (Q4/13) vs. fourth quarter 2012 (Q4/12)

- **Q4/13 results burdened by lower sales volumes**
- **Production decreased mainly due to security issues in Libya**
- **Newly acquired asset Gullfaks in the North Sea, Norway, already contributing to production**

The **Brent** price in USD was 1% below the Q4/12 level. The Group's **average realized crude price**, however, increased by 1% compared to Q4/12, since in Q4/12 a negative hedging result of EUR (37) mn was recorded. For the year 2013, no strategic oil price hedges were entered into. The OMV Group's **average realized gas price** in EUR was 19% above the level of Q4/12.

Clean EBIT decreased significantly by 63% to EUR 257 mn, mainly due to lower sales volumes in Libya and New Zealand. The weaker USD against the EUR had a negative effect on the results. **Exploration expenses** came in 82% above the same quarter of the previous year (EUR 221 mn vs. EUR 122 mn in Q4/12) due to the write-off of two exploration licenses in the Kurdistan Region of Iraq (Rovi and Sarta) and two exploration wells in Norway (Bonna and Wisting Alternative), coupled with seismic acquisition related to the Wisting area. Net special charges of EUR (47) mn, mainly due to impairment of assets in Tunisia, led to a **reported EBIT** of EUR 209 mn, 73% below the level of Q4/12 (EUR 782 mn).

Production costs excluding royalties (OPEX) in USD/boe were 24% higher than in Q4/12 mainly due to the change in country mix, with lower production volumes in Libya, the UK and New Zealand and the contribution from Gullfaks, Norway. OPEX in USD/boe at Petrom increased by 13% due to negative FX effects, reassessment of the retirement benefit provision and higher service costs. OMV Group's total **exploration expenditure** increased by 22% compared to Q4/12 to EUR 193 mn mainly as a consequence of higher activity levels in Norway, New Zealand and the Kurdistan Region of Iraq.

Total OMV daily production of oil, NGL and gas was 8% below Q4/12 at 277 kboe/d despite the additional volume contribution from the newly acquired asset Gullfaks in the North Sea, Norway. Petrom's total daily oil and gas production decreased by 1% compared to Q4/12. **Total OMV daily oil and NGL production** decreased by 13%, mainly reflecting lower volumes from Libya, affected by security issues, lower contributions from the UK due to sold assets in the North Sea and as a consequence of the Maari field in New Zealand being shut-in for refurbishment works. Production volumes from Norway partially mitigated this development. **Total OMV daily gas production** was down 3% vs. Q4/12 mainly due to lower contributions from a key producing well in Austria affected by water influx. **Total sales quantity** decreased by 14% mainly due to lower sales volumes in Libya, New Zealand and Yemen.

Fourth quarter 2013 (Q4/13) vs. third quarter 2013 (Q3/13)

Clean EBIT decreased by 56%, mainly due to significantly higher exploration expenses and lower sales quantities in Libya and New Zealand. USD weakness against the EUR, as well as lower oil prices, had a negative effect on the Q4/13 results. Exploration expenses were almost twofold higher compared to the previous quarter (EUR 79 mn in Q3/13), influenced by the write-offs in the Kurdistan Region of Iraq and Norway and the seismic acquisition related to the Wisting area in Norway. Additional, special charges related to the impairment of assets in Tunisia led to a reported EBIT 60% below the Q3/13 level. Total daily production increased by 1%. Daily oil and NGL production was down by 3% negatively impacted by security issues in Libya partly compensated by volumes from the Gullfaks asset in the North Sea. Daily gas production increased by 4% mainly due to additional volumes contributing from Gullfaks and higher production in Pakistan. Overall sales volumes were 4% below the level of Q3/13, as a result of lower liftings in Libya and New Zealand and also oil liftings from Norway slipping into January 2014.

January to December 2013 vs. January to December 2012

The **Brent** price in USD decreased by 3% compared to the 2012 level. The Group's average **realized crude price** in USD/bbl increased by 1% to USD 100.84/bbl mainly reflecting a negative hedging result of EUR (174) mn in 2012, while no strategic oil price hedges were entered into for the year 2013. The Group's average **realized gas price** in EUR increased by 10% compared to the 2012 level.

Clean EBIT came in 26% lower than in 2012 at EUR 2,086 mn, mainly due to significantly lower sales volumes in Libya. **Exploration expenses** increased by 5% to EUR 513 mn in 2013 mainly driven by licenses acquisition in Norway, write-offs in connection with the relinquishment of some exploration blocks and higher drilling exploration expenses in Romania. Net special charges of EUR (96) mn in 2013 were related to impairment of assets in the Kurdistan Region of Iraq and in Tunisia and led to a **reported EBIT** of EUR 1,990 mn, 27% below the level of 2012.

Production costs excluding royalties in USD/boe (OPEX) increased by 9% compared to 2012, mainly reflecting lower volumes from Libya and the UK, due to sold assets in the North Sea. At Petrom, OPEX was at a similar level as in 2012. **Exploration expenditure** increased by 32% in 2013, mainly driven by higher activity levels in Norway, New Zealand and the Kurdistan Region of Iraq. **Total OMV daily production** of oil, NGL and gas decreased by 5% compared to the level of 2012, mainly due to lower volumes from Libya and the UK (due to sold assets in the North Sea) as well as lower contributions from Austria. In Romania, daily production of oil, NGL and gas increased for the first time since privatization in 2004, to 171.4 kboe/d from 170.5 kboe/d in 2012. **Total OMV daily oil and NGL production** was down by 7%, mainly reflecting lower production levels in Libya and the UK. **Total OMV daily gas production** decreased by 3% vs. 2012, as the decline in Pakistan and the UK was not compensated by production increases in Romania and Tunisia. Driven mainly by significantly lower liftings in Libya, **total sales quantity** decreased by 9%.

As of December 31, 2013, proved oil and gas reserves were 1,131 mn boe (of which 728 mn boe related to Petrom). Proved and probable oil and gas reserves amounted to 1,916 mn boe (thereof Petrom: 1,025 mn boe). The three-year average reserve replacement rate stood at 93% in 2013 (2012: 79%). For the single year 2013, this rate was 113% (2012: 86%).

Gas and Power (G&P)

Q3/13	Q4/13	Q4/12	Δ%	in EUR mn	2013	2012	Δ%
(15)	(47)	(70)	(32)	EBIT	1	43	(99)
0	(128)	(129)	(1)	Special items	(137)	(142)	(3)
(15)	80	59	35	Clean EBIT	137	184	(25)
85.94	118.40	128.67	(8)	Gas sales volumes in TWh	425.15	437.18	(3)
1,064,015	1,184,514	1,167,981	1	Average storage capacities sold in cbm/h	1,135,955	944,249	20
422	423	–	n.a.	Gas transportation volumes sold entry/exit in TWh	1,664	–	n.a.
1.18	2.11	0.78	172	Net electrical output in TWh	4.34	1.69	157

Fourth quarter 2013 (Q4/13) vs. fourth quarter 2012 (Q4/12)

- **Positive EconGas result mainly driven by improved gas supply**
- **Performance of the gas logistics business impacted by challenging storage markets**
- **Power result burdened by weak power market environment**

Clean EBIT increased by 35% to EUR 80 mn mainly due to the significant positive contribution of the business unit supply, marketing and trading, partially offset by lower results from gas logistics and power. Special items of EUR (128) mn mainly resulting from the impairment of the Etzel gas storage in Germany, led to a **reported EBIT** of EUR (47) mn.

Total gas sales volumes in the business unit **supply, marketing and trading** decreased by 8% vs. Q4/12 from 128.67 TWh to 118.40 TWh mainly due to weak gas demand and reduced trading activities in EconGas. **EconGas** recorded lower gas sales volumes in all customer segments but especially a drop in demand from industrial and power plant customers in Austria and reduced gas trading activities. The EconGas margin was positive, driven by the interim agreement on the long-term gas supply contract reached with Gazprom, including a retroactive price adjustment as of April 1, 2013, as well as by the renegotiated long-term gas supply contract agreed with Statoil, effective as of October 1, 2013. The result contribution of the gas business in **Petrom** was below the level of Q4/12, mainly due to lower margins. Gas sales volumes of Petrom decreased by 6% to 13.56 TWh in Q4/13 vs. 14.44 TWh in Q4/12, due to weak demand from the industrial sector and above average temperatures. Estimated natural gas consumption in Romania decreased by 8%. The average estimated import price was USD 420/1,000 cbm (EUR 29.4/MWh), the regulated domestic gas price for non-household consumers increased to RON 68.3/MWh (EUR 15.3/MWh), and for households increased to RON 49.8/MWh (EUR 11.2/MWh) following the implementation of the gas price liberalization roadmap. In **Turkey**, OMV sold 3.14 TWh of natural gas and LNG in Q4/13 compared to 3.02 TWh in Q4/12.

In the business unit **gas logistics**, the new pricing in the Austrian gas storage business had a negative impact on the result. In order to react to current market conditions and to support long-term customer relations, a tariff and capacity reduction for running gas storage contracts has been in place for customers in Austria since July 2013. In the gas transportation business, the new gas market model with an entry/exit tariff system was introduced in Austria, which required the transformation of the existing point-to-point contracts. Therefore, the key performance indicator was changed to “gas transportation volumes sold entry/exit in TWh”, which is reported from 2013 onwards. Profit contribution from the Austrian gas transportation business came in below last year’s level mainly due to lower revenues in the secondary market as a result of adapted contracts and higher costs.

The business unit **power** reported a total net electrical output of 2.11 TWh in Q4/13, mainly from the gas-fired power plants in Romania and Turkey. The average base load electricity price in Romania was EUR 38.7/MWh in Q4/13, 11% lower than in Q4/12. The average base load electricity price in Turkey was EUR 58.9/MWh in Q4/13, down by 9% vs. Q4/12. Overall, the power business result was burdened by reduced power consumption in Romania and lower electricity prices in Romania as well as in Turkey.

Fourth quarter 2013 (Q4/13) vs. third quarter 2013 (Q3/13)

Clean EBIT increased significantly mainly due to the positive impact of the interim agreement on the long-term gas supply contract reached with Gazprom (the Q2/13 and Q3/13 effect was also reported in Q4/13) and the seasonal development of the supply, marketing and trading business. Reported EBIT showed a negative development due to the impairment of the Etzel gas storage in Germany. Total gas sales volumes in the supply, marketing and trading business increased by 38%, driven by seasonality. During the summer period, Petrom sold higher volumes of domestic gas to customers who stored it; therefore, the effect of the seasonal increase of 21% in Q4/13 was smaller than the 114% seasonal increase of estimated total Romanian gas consumption. Profit contribution from the Austrian gas transportation business was below the Q3/13 level mainly due to higher costs. Total net electrical output increased significantly vs. Q3/13 mainly driven by slightly better market conditions for gas-fired power plants in Turkey.

January to December 2013 vs. January to December 2012

Clean EBIT decreased by 25% to EUR 137 mn vs. EUR 184 mn in 2012 driven by the negative performance of the business unit supply, marketing and trading mainly due to lower gas margins as well as gas storage costs which were not covered by customer contracts. **Reported EBIT** dropped to EUR 1 mn vs. EUR 43 mn in 2012 due to special items of EUR (137) mn, mainly related to the impairment of the Etzel gas storage in Germany and the impairment of the heat recovery power plant in Weitendorf (Austria).

The business unit **supply, marketing and trading** recorded a 3% decrease in total gas sales volumes compared to 2012, mainly due to weak gas demand from industrial and power plant customers in Austria and reduced gas trading activities in EconGas. The performance of EconGas was slightly positive due to the renegotiated long-term gas supply contracts, an improved Gate LNG position as well as reduced logistics costs. Petrom's gas sales remained relatively stable with a volume increase of 1% vs. 2012, from 52.16 TWh to 52.70 TWh, despite an overall market decline of around 8%. Petrom's gas sales increase was mainly driven by the integrated gas supply to the gas-fired power plant Brazi. However, the result contribution of the gas business at Petrom was below the level of 2012, mainly due to lower margins. In Turkey, OMV sold approx. 11.94 TWh of natural gas and LNG in 2013 vs. 11.61 TWh in 2012. The weaker TRY against the USD in 2013 led to higher gas supply costs, hence lower natural gas margins vs. 2012 were recorded in Turkey.

In the business unit **gas logistics**, the storage business saw an increase in average storage capacities sold as well as in working gas volumes sold due to the higher contribution of the storage Etzel in Germany, which started operations in June 2012. In order to react to current market conditions and to support long-term customer relations, a tariff and capacity reduction for running gas storage contracts has been in place for customers in Austria since July 2013. Therefore, and due to low summer/winter gas price spreads, the result contribution of the storage business, however, decreased significantly. The gas transportation business increased the result mainly due to the start-up of the expansion of the West-Austria-Gas pipeline in January 2013, partially offset by higher costs.

The **power** business recorded a net electrical output of 4.34 TWh vs. 1.69 TWh in 2012 mainly from the gas-fired power plant in Brazi (Romania) and the gas-fired power plant Samsun (Turkey) which started operations in June 2013. The performance of the power business was, however, impacted by unfavorable market conditions. The average base load electricity price in Romania decreased significantly to EUR 35.3/MWh in 2013 vs. EUR 48.8/MWh in 2012. In Turkey, the average base load electricity price stood at EUR 59.2/MWh in 2013 vs. EUR 64.7/MWh in 2012. Both markets saw a weak power demand and higher renewable power generation, which burdened the result of the power business.

Refining and Marketing (R&M)

Q3/13	Q4/13	Q4/12	Δ%	in EUR mn	2013	2012	Δ%
105	42	31	35	EBIT	772	417	85
(47)	(7)	(78)	(91)	Special items	383	(72)	n.m.
53	(43)	(37)	17	CCS effects: Inventory holding gains/(losses) [1]	(73)	1	n.m.
98	92	145	(37)	Clean CCS EBIT [1]	462	488	(5)
1.17	1.16	4.03	(71)	OMV indicator refining margin in USD/bbl	1.94	3.85	(50)
349	356	345	3	Ethylene/propylene net margin in EUR/t [2]	362	320	13
93	95	94	1	Utilization rate refineries in %	92	88	4
8.63	7.82	7.65	2	Total refined product sales in mn t	31.48	30.23	4
5.92	5.39	5.34	1	thereof marketing sales volumes in mn t	21.36	21.48	(1)
0.56	0.54	0.55	(1)	thereof petrochemicals in mn t	2.21	2.20	1

[1] Current cost of supply (CCS): Clean CCS figures exclude special items and inventory holding gains/losses (CCS effects) resulting from the fuels refineries and Petrol Ofisi.
[2] Calculated based on West European Contract Prices (WECP).

Fourth quarter 2013 (Q4/13) vs. fourth quarter 2012 (Q4/12)

- **Lower refining result driven by poor margin environment**
- **Strong marketing result supported by strict cost management**
- **High refinery utilization rate at 95%**

At EUR 92 mn, **clean CCS EBIT** strongly decreased vs. EUR 145 mn in Q4/12, driven by a significantly lower OMV indicator refining margin and despite an increased contribution of the marketing business. Net special charges were recognized in Q4/13 in the amount of EUR (7) mn, mainly related to the write-off of marketing assets in Germany. Falling crude prices over the quarter contributed to negative CCS effects of EUR (43) mn, which led to a **reported EBIT** of EUR 42 mn vs. EUR 31 mn in Q4/12.

The clean CCS EBIT in **refining** was significantly below the level of Q4/12, mainly reflecting the poor margin environment. The OMV indicator refining margin decreased significantly from USD 4.03/bbl in Q4/12 to USD 1.16/bbl, mainly as a result of lower gasoline and middle distillates spreads. **Refining West** was strongly burdened by the decrease of the OMV indicator refining margin West from USD 5.58/bbl in Q4/12 to USD 2.46/bbl in Q4/13. At **Petrom**, the **refining** result suffered from the decline of the OMV indicator refining margin East from USD (2.51)/bbl in Q4/12 to USD (4.39)/bbl in Q4/13 mainly due to lower gasoline and middle distillates spreads and despite lower costs. At EUR 25 mn, the clean **petrochemicals** EBIT was above the EUR 9 mn recorded in Q4/12, driven by improved propylene margins.

Overall, the **refinery utilization rate** increased to a high level of 95%. In refining West, the utilization rate was at 96% vs. 94% in Q4/12. The utilization rate of the refinery Petrobrazi was 90% in Q4/13 compared to 93% in the same period of last year.

The contribution from **Borealis** (which is accounted for at equity and therefore shown in the financial result of OMV Group) was strong and increased by EUR 17 mn to EUR 53 mn in Q4/13, due to better polyolefin margins versus the same period in 2012, an improved base chemicals business and a solid contribution from Borouge. The Borouge 3 expansion project is on track for start-up in 2014 and will increase the annual production capacity of the integrated olefins/polyolefins site in Abu Dhabi from 2 mn t to 4.5 mn t.

The clean **marketing** EBIT was above the level of Q4/12, mainly driven by strict cost management in the retail and the commercial business. Overall, marketing **sales volumes** were up by 1% compared to Q4/12. As of December 31, 2013, the total number of **filling stations** in the Group stood at 4,192 compared to 4,432 at the end of December 2012, due to the sale of the marketing subsidiaries in Croatia and Bosnia-Herzegovina as well as network optimization mainly in Turkey, Austria and Germany.

Fourth quarter 2013 (Q4/13) vs. third quarter 2013 (Q3/13)

At EUR 92 mn, clean CCS EBIT was slightly lower than the EUR 98 mn in Q3/13 due to the OMV indicator refining margin remaining at historically low levels. Naphtha spreads improved somewhat but these were largely offset by a further reduction in gasoline spreads. The petrochemicals result was EUR 25 mn, slightly below the EUR 27 mn level in Q3/13, driven by lower sales volumes and with relatively stable margins. In spite of seasonally lower volumes and with margins also weakening slightly vs. Q3/13, the marketing business still contributed strongly to the overall R&M result. This was driven by a strict cost management in both the retail and the commercial business.

January to December 2013 vs. January to December 2012

At EUR 462 mn, **clean CCS EBIT** came in slightly lower than the EUR 488 mn in 2012, despite a significantly lower OMV indicator refining margin, mainly reflecting a better performance in the marketing business. Net special gains of EUR 383 mn were recognized in 2013, mainly related to the completed sale of LMG Lagermanagement GmbH in Q1/13. Falling crude prices over the year contributed to negative CCS effects of EUR (73) mn vs. EUR 1 mn in 2012, which led to a **reported EBIT** of EUR 772 mn vs. EUR 417 mn in 2012.

The **refining** result was significantly down compared to 2012, mainly due to a strong decrease in the OMV indicator refining margin as a result of lower gasoline and middle distillate spreads. The OMV indicator refining margin East of USD (2.83)/bbl remained negative compared to the level of 2012, which was USD (1.39)/bbl.

At 92%, overall **refining utilization** in 2013 increased compared to the level of 88% in 2012, as the latter was impacted by a scheduled six-week shutdown in Petrobrazi in Q2/12. Total **refining output** increased accordingly by 4% year-on-year.

The clean **petrochemicals** EBIT increased to EUR 140 mn (vs. EUR 102 mn in 2012) due to higher ethylene and propylene margins, which more than compensated for lower butadiene margins.

The clean **marketing** result came in above the level of 2012, reflecting increased margins and better cost management in both the retail and the commercial business and despite slightly lower sales volumes, mainly due to the sale of the Marketing business in Croatia and Bosnia-Herzegovina.

Outlook

Mid-term guidance

The current upstream portfolio, including the completion of projects under development, should enable OMV to reach a production level of approximately 400 kboe/d and a three-year average reserve replacement rate of 100% by 2016. Average group CAPEX for the period 2014-2016 is expected to be EUR ~3.9 bn p.a. with roughly 80% being directed to E&P. Assuming market conditions similar to those currently prevailing, the Group's operating cash flow and planned divestments are expected to be adequate to fund this investment program as well as the dividends to shareholders with the gearing ratio remaining in line with the long-term target of ≤30%. ROACE performance in the mid-term will be adversely affected by capital consumed in project developments, though it will return towards target levels as these developments come on stream. The dividend is expected to increase in line with net income attributable to stockholders (payout ratio 30%).

Market environment

For 2014, OMV expects the average **Brent** oil price to remain above USD 100/bbl, whilst the Brent-Urals spread is anticipated to stay relatively tight. In Romania, scheduled domestic gas price increases due in January have already been implemented, with further increases due in April, July and October 2014. The **G&P market environment** is expected to remain highly challenging. **Refining margins** are forecast to remain under pressure in 2014 due to sluggish economic recovery and persisting overcapacity on European markets. In the **petrochemical business**, margins are expected to remain on similar levels as in 2013. **Marketing** volumes are anticipated to remain under pressure as ongoing demand weakness caused by a still weak economic environment continues to affect OMV's core markets. Marketing margins are expected to remain at or slightly below 2013 levels.

Group

- OMV aims to achieve world class HSSE performance with safe workplaces as well as processes and to further improve the Lost-Time Injury Rate (LTIR)
- CAPEX for 2014 is expected to be around EUR 3.9 bn
- The group-wide performance improvement program "energize OMV", which targets a 2% points ROACE contribution, is on track to achieve its target by the end of 2014

Exploration and Production

- The security situation in Libya and Yemen remains very difficult to predict. Taking this into account, the production level in 2014 is expected to be in the range of 320-340 kboe/d. In Romania and Austria, production is expected to remain within the targeted production range of 200-210 kboe/d
- In Norway, production from Gudrun (start-up expected in Q1/14) and Gullfaks is expected to rise to about 40 kboe/d during 2014
- Production in New Zealand is expected to be higher on a yearly basis following the successful completion of the refurbishment program in Maari in 2013 and additional production coming from the Maari Growth project in 2014
- E&P capital expenditure for 2014 will be around EUR 3 bn, with the following major investment projects: Gullfaks, Aasta Hansteen, Edvard Grieg and Gudrun in Norway, Schiehallion in the UK, Habban Phase 2 in Yemen, Nawara in Tunisia and field redevelopments in Romania and Austria
- In Romania, following data interpretation of the 3D seismic survey of the Neptun block, a new drilling campaign is anticipated to start around mid-2014
- In Norway, appraisal work on the oil discovery in Wisting Central is expected to start in H1/14
- Exploration and appraisal expenditure will be around EUR 0.7 bn with up to 12 high impact exploration wells expected to be drilled in Romania (Black Sea), Norway (Barents Sea), Gabon, New Zealand, Faroe Islands (West of Shetlands) and Austria

Gas and Power

- In EconGas, further renegotiations of the long-term gas supply contract with Gazprom will continue with the aim of achieving full market-based pricing. Focus on improving the Gate LNG position will continue
- Gas demand in Romania is expected to further decrease which will lead to increased competition and margin pressure in 2014
- The gas business in Turkey is expected to be significantly burdened by the gas prices as set by the dominant local gas supplier Botas and by the expected FX rate development
- In the gas storage business, the second tranche of caverns in Etzel will be handed over for operation in mid-2014. The very low level of summer/winter spreads and of storage prices are expected to further reduce profitability
- A significantly lower contribution from the Austrian gas transportation business is expected as restructuring measures following the changes in the Austrian Gas Act will be implemented

- In Romania and Turkey, a further deterioration of spark spreads is expected, partly driven by the increase in Romanian gas prices, leading to an overall negative power result in 2014

Refining and Marketing

- The Petrobrazi refinery modernization program will be finalized during 2014, leading to improvements in both refining efficiency and yield structure. In this context, a 30-day shutdown and turnaround is planned for the refinery during Q2
- Further major shutdowns in 2014 are planned for the Schwechat refinery in Q2 (15 days for crude unit cleaning) and the Burghausen refinery in Q4 (40 days general shutdown for the regular TÜV inspection)
- Closing of the Bayernoil disposal is expected in the first half of 2014
- The divestment program is well on track and expected to deliver the target of up to EUR 1 bn by the end of 2014
- The recent volatility in the economic development in Turkey creates a challenge for Petrol Ofisi’s profitability

Group financial statements and notes (condensed, unaudited)

Legal principles and general accounting policies

The preliminary, condensed, unaudited, consolidated financial statements for 2013 have been prepared in line with the accounting policies that will be used in preparing the OMV Annual Report, which are consistent with those used in the 2012 Annual Report, except as described herein. The final, audited, consolidated financial statements will be published at the end of March 2014 as part of the 2013 Annual Report.

The standard IFRS 13 “Fair Value Measurement”, the amendments to IFRS 7 “Financial Instruments: Disclosures”, the amendments to IAS 1 “Presentation of Financial Statements”, and the Improvements to IFRSs (2009 – 2011) have been implemented since January 1, 2013, without material impact for the condensed financial statements.

Changes in the consolidated Group

Compared with the consolidated financial statements as of December 31, 2012, the consolidated Group changed as follows:

In **E&P**, OMV Tellal Hydrocarbons GmbH, OMV Offshore Morondava GmbH and OMV Myrre Block 86 Upstream GmbH, all based in Vienna, were included starting from January 1, 2013.

OMV Petrom Ukraine E&P GmbH, Vienna, was included starting from August 21, 2013.

OMV Petrom Ukraine Finance Services GmbH, Vienna, was included starting from December 1, 2013.

OMV (EGYPT) Exploration GmbH, OMV (IRELAND) Exploration GmbH and OMV (SLOVAKIA) Exploration GmbH, all based in Vienna, were deconsolidated as of January 1, 2013.

The sale of Petrol Ofisi Arama Üretim Sanayi ve Ticaret Anonim Şirketi, Ankara, was closed on March 14, 2013.

In **G&P**, OMV Gaz ve Enerji Satış Anonim Şirketi, Istanbul, was merged into OMV Enerji Ticaret Limited Şirketi, Istanbul, as of August 1, 2013.

The sale of Petrom Distributie Gaze SRL, Bucharest, was closed on November 30, 2013.

In **R&M**, LMG Lagermanagement GmbH, Wiener Neustadt, into which a major part of R&M’s Austrian compulsory emergency stocks was transferred, was included starting from January 1, 2013, until it was sold on March 20, 2013.

The sale of PETROM LPG SA, Otopeni, was closed on January 7, 2013.

The sale of OMV BH d.o.o., Sarajevo, was closed on February 28, 2013.

The sale of OMV Hrvatska d.o.o., Zagreb, was closed on May 31, 2013.

In **Co&O**, OMV International Oil & Gas GmbH, Zug was included starting from November 1, 2013.

OMV Finance Solutions USD GmbH, Vienna, was included starting from November 8, 2013.

Income statement (unaudited)

Q3/13	Q4/13	Q4/12	Consolidated income statement in EUR mn	2013	2012
10,698.16	10,371.69	11,389.67	Sales revenues	42,414.70	42,649.23
(92.31)	(86.45)	(89.27)	Direct selling expenses	(343.49)	(363.55)
(9,500.28)	(9,467.03)	(9,833.77)	Production costs of sales	(37,723.14)	(36,970.52)
1,105.57	**818.22**	**1,466.63**	**Gross profit**	**4,348.07**	**5,315.16**
54.79	97.02	132.23	Other operating income	703.94	258.35
(272.27)	(225.44)	(324.42)	Selling expenses	(963.05)	(1,018.74)
(115.51)	(90.96)	(99.37)	Administrative expenses	(417.69)	(421.75)
(78.93)	(221.48)	(122.00)	Exploration expenses	(513.05)	(488.49)
(3.84)	(6.22)	(10.03)	Research and development expenses	(16.94)	(21.04)
(113.95)	(158.36)	(251.54)	Other operating expenses	(424.69)	(519.77)
575.84	**212.78**	**791.50**	**Earnings before interest and taxes (EBIT)**	**2,716.60**	**3,103.72**
48.45	51.49	35.59	Income from associated companies	163.42	200.44
47.25	53.18	36.01	thereof Borealis	151.99	172.49
0.11	4.53	0.23	Dividend income	10.66	11.89
27.29	8.35	14.99	Interest income	66.72	37.64
(76.71)	(76.61)	(132.88)	Interest expenses	(300.09)	(413.71)
(65.23)	(181.85)	(22.06)	Other financial income and expenses	(367.32)	(82.49)
(66.08)	**(194.10)**	**(104.14)**	**Net financial result**	**(426.60)**	**(246.23)**
509.77	**18.69**	**687.36**	**Profit from ordinary activities**	**2,290.00**	**2,857.49**
(134.41)	40.68	(284.23)	Taxes on income	(561.43)	(1,067.03)
375.35	**59.37**	**403.13**	**Net income for the period**	**1,728.57**	**1,790.46**
228.56	**(77.51)**	**316.89**	**thereof attributable to stockholders of the parent**	**1,162.35**	**1,363.35**
9.57	9.57	9.57	thereof attributable to hybrid capital owners	37.97	38.04
137.22	127.32	76.67	thereof attributable to non-controlling interests	528.25	389.07
0.70	**(0.24)**	**0.97**	**Basic earnings per share in EUR**	**3.56**	**4.18**
0.70	(0.24)	0.97	Diluted earnings per share in EUR	3.55	4.17
–	**–**	**–**	**Dividend per share in EUR [1]**	**1.25**	**1.20**

[1] 2013: As proposed by the Executive Board. Subject to approval by the Supervisory Board and the Annual General Meeting 2014.

Statement of comprehensive income (condensed, unaudited)

Q3/13	Q4/13	Q4/12	in EUR mn	2013	2012
375.35	**59.37**	**403.13**	**Net income for the period**	**1,728.57**	**1,790.46**
(338.53)	(341.02)	(7.98)	Exchange differences from translation of foreign operations	(885.58)	(50.92)
(1.07)	0.15	0.80	Gains/(losses) on available-for-sale financial assets	(2.31)	3.85
8.17	(0.16)	67.98	Gains/(losses) on hedges	(16.70)	74.54
(9.20)	(19.35)	(14.26)	Share of other comprehensive income of associated companies	(33.71)	4.35
(340.63)	**(360.38)**	**46.54**	**Total of items that may be reclassified ("recycled") subsequently to the income statement**	**(938.30)**	**31.82**
0.00	(98.31)	(76.43)	Remeasurement gains/(losses) on defined benefit plans	(98.31)	(76.43)
0.00	(0.30)	(14.27)	Share of other comprehensive income of associated companies	(0.30)	(14.27)
0.00	**(98.61)**	**(90.70)**	**Total of items that will not be reclassified ("recycled") subsequently to the income statement**	**(98.61)**	**(90.70)**
(1.24)	28.68	3.70	Income tax relating to components of other comprehensive income	34.64	2.60
(341.87)	**(430.31)**	**(40.46)**	**Other comprehensive income for the period, net of tax**	**(1,002.27)**	**(56.28)**
33.48	**(370.94)**	**362.67**	**Total comprehensive income for the period**	**726.29**	**1,734.18**
(110.34)	(501.47)	216.12	thereof attributable to stockholders of the parent	179.79	1,354.53
9.57	9.57	9.57	thereof attributable to hybrid capital owners	37.97	38.04
134.25	120.96	136.98	thereof attributable to non-controlling interests	508.54	341.62

Notes to the income statement

Fourth quarter 2013 (Q4/13) vs. fourth quarter 2012 (Q4/12)

Consolidated sales decreased by 9% vs. Q4/12, mainly due to lower marketing and gas sales volumes. The **Group's reported EBIT** was at EUR 213 mn, considerably below Q4/12 at EUR 791 mn, driven by lower E&P sales volumes and higher exploration expenses mainly related to write-offs in Norway and in the Kurdistan Region of Iraq, partly offset by a positive EconGas result coming from the interim agreement with Gazprom and the renegotiated long-term gas supply contract with Statoil. **Petrom group's reported EBIT** was at EUR 312 mn, below Q4/12 (EUR 372 mn), mainly due to higher depreciation, a lower OMV indicator refining margin East and a lower consolidation line. In Q4/13, **net special charges** of EUR (188) mn were recorded, mainly resulting from the impairment of the Etzel gas storage in Germany. Negative **CCS effects** of EUR (43) mn were recognized in Q4/13 due to the decrease of crude oil prices. **Clean CCS EBIT** decreased from EUR 956 mn in Q4/12 to EUR 444 mn. Petrom's contribution to the Group's clean CCS EBIT was EUR 310 mn, 24% lower vs. Q4/12.

The **net financial result** of EUR (194) mn in Q4/13 was lower compared to EUR (104) mn in Q4/12. This was mainly attributable to the EUR (117) mn write-down of financial assets being disposed as part of the ongoing divestment program and to higher FX losses.

Current **tax** expenses on Group income of EUR 58 mn and a deferred tax income of EUR 98 mn were recognized in Q4/13. The **effective tax rate** in Q4/13 was negative at (218)% (Q4/12: 41%), as on average the effective tax rate of those entities with a negative contribution was significantly higher than the effective tax rate of those entities with a positive contribution.

Net income attributable to stockholders was EUR (78) mn vs. EUR 317 mn in Q4/12. Minority and hybrid interests were EUR 137 mn (Q4/12: EUR 86 mn). **Clean CCS net income attributable to stockholders** was EUR 178 mn (Q4/12: EUR 393 mn). **EPS** for the quarter was at EUR (0.24) and **clean CCS EPS** was at EUR 0.55 (Q4/12: EUR 0.97 and EUR 1.20 respectively).

Fourth quarter 2013 (Q4/13) vs. third quarter 2013 (Q3/13)

Sales decreased by 3%, mainly due to lower marketing sales volumes, due to seasonality effects. The reported EBIT was at EUR 213 mn, lower than in Q3/13 (EUR 576 mn), mainly driven by lower sales volumes in E&P, lower crude oil prices and net special charges due to impairment of the Etzel gas storage, partly compensated by a higher EconGas contribution. Clean CCS EBIT decreased by 28%. The net financial result was below last quarter, driven mainly by the write-down of financial assets being disposed as part of the ongoing divestment program. The negative effective tax rate of (218)% in Q4/13 (Q3/13: 26%) was mainly related to negative contributions from entities with high tax rates. Net income attributable to stockholders was EUR (78) mn (Q3/13: EUR 229 mn). Clean CCS net income attributable to stockholders decreased to EUR 178 mn vs. EUR 263 mn in Q3/13.

January to December 2013 vs. January to December 2012

Consolidated **sales** decreased by 1% vs. 2012, mainly driven by lower oil sales volumes as well as lower marketing sales. The **Group's reported EBIT** was below 2012, at EUR 2,717 mn, burdened by lower E&P sales and decreased oil prices. **Petrom's contribution to reported EBIT** increased by 5% to EUR 1,336 mn vs. previous year, mainly due to the impact of Petrobrazi refinery shutdown on sales volumes in 2012, overall strict cost management and higher gas prices. **Net special income** of EUR 143 mn (2012: EUR (304) mn), was mainly related to the sale of LMG Lagermanagement GmbH, partly compensated by the impairment of E&P assets in the Kurdistan Region of Iraq and the impairment of the Etzel gas storage in Germany. Negative **CCS effects** of EUR (73) mn were recognized (2012: positive effect of EUR 1 mn). **Clean CCS EBIT** decreased by 22% to EUR 2,647 mn. Petrom's contribution was EUR 1,362 mn, 3% above 2012 (EUR 1,316 mn).

In 2013, the **net financial result** of EUR (427) mn was below that in 2012 (EUR (246) mn).This was mainly caused by the write-down of financial assets being disposed of as part of the ongoing divestment program as well as the write-off of assets related to the Nabucco West project which were booked as special items in the financial result. The contribution from associated companies was also lower.

The Group recognized current **tax** expenses on income of EUR 692 mn and a deferred tax income of EUR 131 mn in 2013. The effective tax rate was 25% in 2013 (2012: 37%). The decrease in **effective tax rate** was mainly a result of the lower profit contribution from highly taxed Libya.

Net income attributable to stockholders was at EUR 1,162 mn, below the 2012 level (EUR 1,363 mn). Minority and hybrid interests were EUR 566 mn (2012: EUR 427 mn). **Clean CCS net income attributable to stockholders** was EUR 1,112 mn (2012: EUR 1,544 mn). **EPS** was EUR 3.56, **clean CCS EPS** was EUR 3.41 (2012: EUR 4.18 and EUR 4.73 respectively).

Balance sheet, capital expenditure and gearing (unaudited)

Consolidated balance sheet in EUR mn	Dec. 31, 2013	Dec. 31, 2012
Assets		
Intangible assets	3,596.92	3,479.57
Property, plant and equipment	17,050.76	14,347.11
Investments in associated companies	1,853.14	1,811.00
Other financial assets	634.60	1,016.24
Other assets	113.26	119.27
Deferred taxes	392.34	299.92
Non-current assets	**23,641.01**	**21,073.11**
Inventories	2,455.51	3,202.24
Trade receivables	3,270.47	3,821.75
Other financial assets	751.70	477.17
Income tax receivables	81.67	152.12
Other assets	299.39	310.14
Cash and cash equivalents	704.92	1,227.30
Current assets	**7,563.65**	**9,190.71**
Assets held for sale	581.59	255.34
Total assets	**31,786.25**	**30,519.17**
Equity and liabilities		
Capital stock	327.27	327.27
Hybrid capital	740.79	740.79
Reserves	10,545.84	10,834.40
OMV equity of the parent	11,613.91	11,902.46
Non-controlling interests	2,931.43	2,627.51
Equity	**14,545.34**	**14,529.97**
Provisions for pensions and similar obligations	1,021.98	978.03
Bonds	3,317.82	3,527.15
Interest-bearing debts	581.29	886.08
Provisions for decommissioning and restoration obligations	2,764.54	1,995.12
Other provisions	305.80	298.30
Other financial liabilities	223.57	243.01
Other liabilities	6.34	6.78
Deferred taxes	672.84	778.39
Non-current liabilities	**8,894.18**	**8,712.86**
Trade payables	4,913.91	4,290.44
Bonds	778.21	213.62
Interest-bearing debts	217.42	162.13
Provisions for income taxes	275.89	193.73
Provisions for decommissioning and restoration obligations	84.02	81.44
Other provisions	415.41	568.90
Other financial liabilities	383.48	408.72
Other liabilities	1,189.07	1,261.26
Current liabilities	**8,257.40**	**7,180.23**
Liabilities associated with assets held for sale	89.33	96.10
Total equity and liabilities	**31,786.25**	**30,519.17**

Notes to the balance sheet as of December 31, 2013

Capital expenditure increased to EUR 5,226 mn (2012: EUR 2,426 mn), mainly driven by the purchase of Statoil assets, together with E&P investments in Petrom and field developments in Norway and the UK.

E&P invested EUR 4,431 mn (2012: EUR 1,598 mn) mainly for the purchase of Statoil assets, together with field redevelopments in Romania and Austria, and field developments in Norway and the UK. CAPEX in the **G&P** business segment of EUR 270 mn (2012: EUR 351 mn) was mainly related to the acquisition of the non-controlling stake in Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H., to the exercise of put options held by Oberösterreichische Ferngas Aktiengesellschaft leading to an increase of OMV's indirect stake in EconGas GmbH, to the acquisition of RWE's stake in NABUCCO Gas Pipeline International GmbH, and to investments in the power plant project Samsun (Turkey). CAPEX in the **R&M** business segment amounted to EUR 493 mn (2012: EUR 435 mn), mainly comprising investments in the modernization of the Petrobrazi refinery in Romania, in Petrol Ofisi, the revamp of the butadiene plant in Schwechat and the start of construction of the butadiene plant in Burghausen. CAPEX in the **Co&O** segment was EUR 32 mn (2012: EUR 42 mn).

Compared to year-end 2012, **total assets** increased by EUR 1,267 mn to EUR 31,786 mn. Increasing effects came primarily from the rise in property, plant and equipment, partly compensated by the reduction in inventories and trade receivables mainly resulting from the implemented working capital measures.

Equity remained stable in 2013. The Group's equity ratio decreased slightly to 46% on December 31, 2013, compared with 48% at the end of 2012.

The **total number of own shares** held by the Company as of December 31, 2013, amounted to 1,038,404 (December 31, 2012: 1,078,780).

Short- and long-term borrowings, bonds and finance leases stood at EUR 5,076 mn (December 31, 2012: EUR 4,974 mn), thereof EUR 182 mn liabilities for finance leases (December 31, 2012: EUR 185 mn).

The cash position decreased to EUR 705 mn (December 31, 2012: EUR 1,227 mn). The decrease is mainly caused by the purchase of Statoil assets in Norway and the UK and is partly compensated by the completed sale of LMG Lagermanagement GmbH and the implemented working capital measures.

Net debt increased to EUR 4,371 mn compared to EUR 3,747 mn at the end of 2012 which reflects the issuance of a new bond and the decrease of the cash position. The EUR 500 mn Eurobond was issued on November 18, 2013 and has a coupon of 1,75% and a maturity date of November 25, 2019. On December 31, 2013, the **gearing ratio** stood at 30.1% (December 31, 2012: 25.8%).

Cash flows (condensed, unaudited)

Q3/13	Q4/13	Q4/12	Summarized statement of cash flows in EUR mn	2013	2012
375.35	**59.37**	**403.13**	**Net income for the period**	**1,728.57**	**1,790.46**
518.43	731.69	485.34	Depreciation and amortization including write-ups	2,246.21	2,033.71
(17.69)	(98.30)	(36.67)	Deferred taxes	(130.72)	(138.92)
20.19	5.56	(82.24)	Losses/(gains) on the disposal of non-current assets	16.60	(96.36)
28.54	1.20	98.04	Net change in long-term provisions	(40.58)	72.91
(64.80)	121.56	59.61	Other adjustments	(382.90)	(86.11)
860.03	**821.09**	**927.21**	**Sources of funds**	**3,437.17**	**3,575.70**
(313.11)	(115.90)	249.05	(Increase)/decrease in inventories	108.72	(125.43)
207.48	(150.96)	223.39	(Increase)/decrease in receivables	8.91	(444.81)
382.63	(254.22)	(399.04)	(Decrease)/increase in liabilities	559.97	920.40
(55.60)	121.40	43.13	(Decrease)/increase in short-term provisions	(4.45)	(112.88)
1,081.43	**421.40**	**1,043.75**	**Net cash from operating activities**	**4,110.32**	**3,812.97**
			Investments		
(764.52)	(2,854.52)	(914.11)	Intangible assets and property, plant and equipment	(4,754.95)	(2,484.86)
(3.18)	(5.90)	(3.89)	Investments, loans and other financial assets including changes in short-term financial assets	(48.18)	(12.70)
			Disposals		
18.67	29.26	117.39	Proceeds from sale of non-current assets	89.00	183.61
0.01	3.96	34.46	Proceeds from the sale of subsidiaries and businesses, net of cash disposed	746.04	34.46
(749.02)	**(2,827.20)**	**(766.15)**	**Net cash from investing activities**	**(3,968.09)**	**(2,279.49)**
(25.72)	351.27	(607.54)	(Decrease)/increase in long-term borrowings	42.02	618.44
0.00	(99.40)	0.00	Change in non-controlling interest	(133.68)	6.60
110.58	20.39	(511.43)	(Decrease)/increase in short-term borrowings	78.34	(656.68)
(8.98)	(2.13)	(0.84)	Dividends paid	(627.27)	(626.28)
75.88	**270.13**	**(1,119.81)**	**Net cash from financing activities**	**(640.59)**	**(657.93)**
(16.62)	(3.07)	(2.94)	Effect of exchange rate changes on cash and cash equivalents	(24.02)	(7.08)
391.68	**(2,138.74)**	**(845.15)**	**Net (decrease)/increase in cash and cash equivalents**	**(522.38)**	**868.47**
2,451.98	2,843.66	2,072.45	Cash and cash equivalents at beginning of period	1,227.30	358.83
2,843.66	**704.92**	**1,227.30**	**Cash and cash equivalents at end of period**	**704.92**	**1,227.30**

Notes to the cash flows

In 2013, the **inflow of funds** from net income, adjusted for non-cash items such as depreciation, net change in long-term provisions, non-cash income from investments and other positions which include the gain from the sale of LMG Lagermanagement GmbH (LMG), was EUR 3,437 mn (2012: EUR 3,576 mn). **Net working capital** generated a cash inflow of EUR 673 mn (2012: EUR 237 mn) mainly as a result of the implemented working capital improvement measures such as securitization and factoring. These measures led to a EUR 297 mn increase in **cash flow from operating activities** as compared to 2012, reaching EUR 4,110 mn.

In 2013, **net cash used in investing activities** amounted to EUR 3,968 mn (2012: EUR 2,279 mn), mainly related to the purchase of Statoil assets in Norway and the UK. Apart from the payments for investments in intangible assets and property, plant and equipment (EUR 4,755 mn), there was a net cash inflow from the completed sale of LMG and other divestments.

Free cash flow (defined as net cash from operating activities less net cash used in investing activities) showed an inflow of funds of EUR 142 mn (2012: EUR 1,533 mn). **Free cash flow less dividend payments** resulted in a cash outflow of EUR 485 mn (2012: Cash inflow EUR 907 mn).

Cash flow from financing activities reflected a net outflow of funds amounting to EUR 641 mn (2012: EUR 658 mn), mainly related to the dividends paid during the period and to repayments of long-term debt and finance leases, partially compensated by the new EUR 500 mn Eurobond issued in November. The position also includes the acquisition of the non-controlling stake of 49% in Baumgarten-Oberkappel Gasleitungsgesellschaft m.b.H. and the exercise of put options held by Oberösterreichische Ferngas Aktiengesellschaft that led to an increase of OMV's indirect stake in EconGas GmbH, partly compensated by the decrease in the stake held in Austrian Gas Grid Management AG.

Statement of changes in equity (condensed, unaudited)

in EUR mn	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Other reserves [1]	Treasury shares	OMV equity of the parent	Non-controlling interests	Total equity
January 1, 2013	**327.27**	**1,495.80**	**740.79**	**9,853.10**	**(502.66)**	**(11.85)**	**11,902.46**	**2,627.51**	**14,529.97**
Net income for the period				1,200.32			1,200.32	528.25	1,728.57
Other comprehensive income for the period				(73.03)	(909.54)		(982.56)	(19.71)	(1,002.27)
Total comprehensive income for the period				**1,127.29**	**(909.54)**		**217.75**	**508.54**	**726.29**
Dividend distribution and hybrid coupon				(442.11)			(442.11)	(187.83)	(629.93)
Tax effects on transactions with owners				12.66			12.66		12.66
Disposal of treasury shares		0.90				0.44	1.34		1.34
Share-based payments		1.52		0.54			2.07		2.07
Increase/(decrease) in non-controlling interests				(80.27)			(80.27)	(16.79)	(97.06)
December 31, 2013	**327.27**	**1,498.22**	**740.79**	**10,471.22**	**(1,412.20)**	**(11.40)**	**11,613.91**	**2,931.43**	**14,545.34**

in EUR mn	Share capital	Capital reserves	Hybrid capital	Revenue reserves	Other reserves [1]	Treasury shares	OMV equity of the parent	Non-controlling interests	Total equity
January 1, 2012	**327.27**	**1,489.13**	**740.79**	**8,901.40**	**(551.09)**	**(13.16)**	**10,894.34**	**2,509.56**	**13,403.90**
Net income for the period				1,401.39			1,401.39	389.07	1,790.46
Other comprehensive income for the period				(57.26)	48.44		(8.82)	(47.46)	(56.28)
Total comprehensive income for the period				**1,344.13**	**48.44**		**1,392.57**	**341.62**	**1,734.18**
Dividend distribution and hybrid coupon				(404.13)			(404.13)	(225.42)	(629.55)
Tax effects on transactions with owners				12.68			12.68		12.68
Disposal of treasury shares		1.88				1.32	3.20		3.20
Share-based payments		4.79					4.79		4.79
Increase/(decrease) in non-controlling interests				(0.99)			(0.99)	1.76	0.77
December 31, 2012	**327.27**	**1,495.80**	**740.79**	**9,853.10**	**(502.66)**	**(11.85)**	**11,902.46**	**2,627.51**	**14,529.97**

[1] Other reserves contain exchange differences from the translation of foreign operations, unrealized gains and losses from hedges and available-for-sale financial assets as well as the share of associates' other comprehensive income.

Dividends and interest on hybrid capital

On May 15, 2013, the Annual General Meeting approved the payment of an increased dividend of EUR 1.20 per share, resulting in a total dividend payment of EUR 391 mn to OMV Aktiengesellschaft shareholders. Dividend payments to minorities amounted to EUR 188 mn in 2013. The interest payment to hybrid capital owners amounted to EUR 51 mn.

Segment reporting

Intersegmental sales

Q3/13	Q4/13	Q4/12	Δ%	in EUR mn	2013	2012	Δ%
1,093.89	1,067.18	1,219.36	(12)	Exploration and Production	4,335.75	4,687.39	(8)
42.48	51.88	59.91	(13)	Gas and Power	200.56	176.34	14
12.04	13.36	15.70	(15)	Refining and Marketing	53.91	57.50	(6)
98.80	101.55	102.06	(1)	Corporate and Other	394.30	389.04	1
1,247.21	**1,233.97**	**1,397.03**	**(12)**	**OMV Group**	**4,984.52**	**5,310.27**	**(6)**

Sales to external customers

Q3/13	Q4/13	Q4/12	Δ%	in EUR mn	2013	2012	Δ%
275.18	178.96	327.97	(45)	Exploration and Production	1,042.73	1,387.32	(25)
2,429.85	3,374.49	3,613.22	(7)	Gas and Power	12,035.36	11,706.59	3
7,990.02	6,817.93	7,447.74	(8)	Refining and Marketing	29,330.55	29,550.68	(1)
3.11	0.31	0.74	(58)	Corporate and Other	6.06	4.63	31
10,698.16	**10,371.69**	**11,389.67**	**(9)**	**OMV Group**	**42,414.70**	**42,649.23**	**(1)**

Total sales

Q3/13	Q4/13	Q4/12	Δ%	in EUR mn	2013	2012	Δ%
1,369.07	1,246.14	1,547.33	(19)	Exploration and Production	5,378.48	6,074.71	(11)
2,472.34	3,426.37	3,673.13	(7)	Gas and Power	12,235.92	11,882.93	3
8,002.06	6,831.29	7,463.44	(8)	Refining and Marketing	29,384.45	29,608.19	(1)
101.91	101.86	102.80	(1)	Corporate and Other	400.36	393.68	2
11,945.37	**11,605.67**	**12,786.70**	**(9)**	**OMV Group**	**47,399.22**	**47,959.50**	**(1)**

Segment and Group profit

Q3/13	Q4/13	Q4/12	Δ%	in EUR mn	2013	2012	Δ%
529.49	209.36	781.77	(73)	EBIT Exploration and Production [1]	1,989.58	2,743.32	(27)
(14.57)	(47.32)	(69.78)	(32)	EBIT Gas and Power	0.57	42.53	(99)
104.73	42.00	31.10	35	EBIT Refining and Marketing	772.47	416.82	85
(18.63)	(17.43)	(21.23)	(18)	EBIT Corporate and Other	(52.91)	(65.56)	(19)
601.01	186.62	721.86	(74)	EBIT segment total	2,709.71	3,137.11	(14)
(25.17)	26.17	69.64	(62)	Consolidation: Elimination of intersegmental profits	6.89	(33.39)	n.m.
575.84	212.78	791.50	(73)	OMV Group EBIT	2,716.60	3,103.72	(12)
(66.08)	(194.10)	(104.14)	86	Net financial result	(426.60)	(246.23)	73
509.77	**18.69**	**687.36**	**(97)**	**OMV Group profit from ordinary activities**	**2,290.00**	**2,857.49**	**(20)**

[1] Before intersegmental profit elimination shown in the line "Consolidation".

Assets [1]

in EUR mn	Dec. 31, 2013	Dec. 31, 2012
Exploration and Production	12,831.03	9,188.36
Gas and Power	2,089.76	2,348.81
Refining and Marketing	5,486.21	6,053.77
Corporate and Other	240.67	235.74
Total	**20,647.67**	**17,826.68**

[1] Segment assets consist of intangible assets and property, plant and equipment.

Other notes

Significant transactions with related parties

Business transactions in the form of supplies of goods and services take place on a constant and regular basis with the associated companies Borealis AG and Bayernoil Raffineriegesellschaft mbH.

Fair value measurement

Financial instruments recognized at fair value are disclosed according to the following fair value measurement hierarchy:

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

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

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

in EUR mn		Dec. 31, 2013			Dec. 31, 2012	
Financial instruments on asset side	**Level 1**	**Level 2**	**Total**	**Level 1**	**Level 2**	**Total**
Investment funds	6.65	–	**6.65**	6.86	–	**6.86**
Bonds	118.56	–	**118.56**	129.90	–	**129.90**
Derivatives designated and effective as hedging instruments	–	37.36	**37.36**	–	38.76	**38.76**
Other derivatives	2.55	68.59	**71.14**	10.94	89.52	**100.47**
Total	**127.76**	**105.95**	**233.70**	**147.70**	**128.28**	**275.98**

in EUR mn		Dec. 31, 2013			Dec. 31, 2012	
Financial instruments on liability side	**Level 1**	**Level 2**	**Total**	**Level 1**	**Level 2**	**Total**
Liabilities on derivatives designated and effective as hedging instruments	–	41.63	**41.63**	–	24.42	**24.42**
Liabilities on other derivatives	0.13	62.76	**62.89**	2.72	97.32	**100.04**
Total	**0.13**	**104.39**	**104.52**	**2.72**	**121.74**	**124.46**

There are no Level 3 financial instruments used in OMV Group. There were no transfers between levels of the fair value hierarchy.

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

Bonds and other interest-bearing debts amounting to EUR 4,895 mn (December 31, 2012: EUR 4,789 mn) are valued at amortized cost. The estimated fair value of these liabilities was EUR 5,142 mn (December 31, 2012: EUR 5,170 mn). The carrying amount of other financial liabilities is effectively the same as their fair value, as they are predominantly short-term.

Subsequent events

At the end of January 2014, the Matuku-1 exploration well (New Zealand) completed drilling. The final results did not confirm the presence of commercial quantities of hydrocarbons. This will lead to a write-off in Q1/14 amounting to approximately EUR 40 mn.

Declaration of the management

We confirm to the best of our knowledge that the preliminary and unaudited consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group Directors‘ report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Vienna, February 19, 2014

The Executive Board

Gerhard Roiss
Chairman of the Executive Board
and Chief Executive Officer

David C. Davies
Deputy Chairman of the Executive Board
and Chief Financial Officer

Hans-Peter Floren
Member of the Executive Board
Gas and Power

Jaap Huijskes
Member of the Executive Board
Exploration and Production

Manfred Leitner
Member of the Executive Board
Refining and Marketing including
petrochemicals

Further information

Abbreviations and definitions

bbl: barrel(s), i.e. 159 liters; **bcf**: billion cubic feet; **bcm**: billion cubic meters; **bn**: billion; **boe**: barrel(s) of oil equivalent; **boe/d**: boe per day; **capital employed**: equity including non-controlling interests plus net debt; **cbm**: cubic meter; **CCS**: current cost of supply; **Co&O**: Corporate and Other; **E&P**: Exploration and Production; **EPS**: earnings per share; **EUR**: euro; **FX**: foreign exchange; **G&P**: Gas and Power; **Gearing ratio**: Net debt divided by equity; **kbbl, kbbl/d**: Thousand barrels, kbbl per day; **kboe, kboe/d**: Thousand barrel oil equivalent, kboe per day; **LNG**: liquefied natural gas; **LTIR**: Lost-Time Injury Rate per million hours worked; **mn**: million; **MWh**: Megawatt hours; **n.a.**: not available; **n.m.**: not meaningful; **NGL**: natural gas liquids; **NOPAT**: Net Operating Profit After Tax. Profit on ordinary activities after taxes plus net interest on net borrowings, +/– result from discontinued operations, +/– tax effect of adjustments; **R&M**: Refining and Marketing including petrochemicals; **ROFA**: Return On Fixed Assets. EBIT divided by average intangible and tangible assets expressed as a percentage; **ROACE**: Return On Average Capital Employed. NOPAT divided by average capital employed expressed as a percentage; **ROE**: Return On Equity. Net income for the year divided by average equity expressed as a percentage; **RON**: Romanian leu; **t**: metric tonnes; **TRY**: Turkish Lira; **TWh**: Terawatt hours; **USD**: US dollar

For a full list of abbreviations and definitions please see the OMV Annual Report.

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