

# Results January-September 2004

November 11, 2004

**Implementing growth strategy and  
strong financial performance**

**David Davies, CFO**

# Highlights of 2004

---

## Milestones in implementing growth strategy:

- ▶ Closing for Petrom acquisition expected for Q4/04
- ▶ Acquisition of remaining 50% of OMV Istrabenz
- ▶ Streamlining of E&P portfolio

## Strong financial performance:

- ▶ Profitable growth in E&P and R&M
- ▶ Refining business well on track after scheduled shutdown
- ▶ Capitalizing on favorable trading environment
- ▶ Strong cash flow generation brings gearing ration down to 19%
- ▶ MOL stake increased from 9% to 10%
- ▶ Implementation of IFRS in 2005 on track



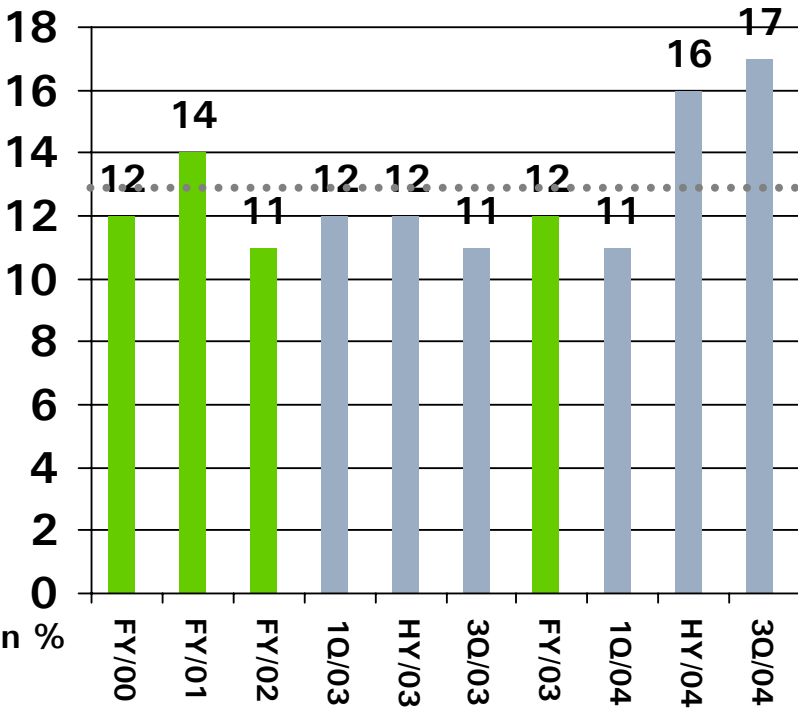
# Financial performance significantly improved

Q3/04	Q3/03	in EUR mn	1-9/04	1-9/03	+ / -
277	155	<b>EBIT</b>	742	476	56%
294	155	<b>Clean EBIT</b>	672	497	35%
6	1	<b>Financial charges</b>	15	(20)	-
		<b>Income from</b>			
284	156	<b>ordinary activities</b>	756	456	66%
(92)	(47)	<b>Taxes on income</b>	(250)	(153)	63%
191	109	<b>Net income</b>	507	304	67%
7.1	4.1	<b>EPS in EUR</b>	18.8	11.3	66%
132	50	<b>Net income US GAAP</b>	387	269	44%
4.9	1.9	<b>EPS US GAAP in EUR</b>	14.4	9.5	51%

# Strong cash generation

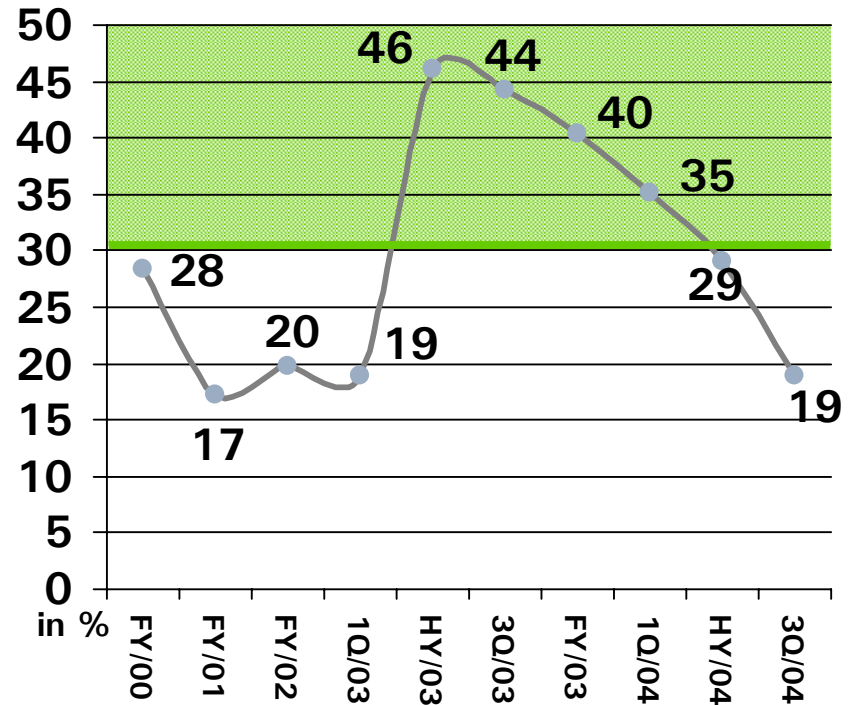
in EUR mn	1-9/04	1-9/03	+ / -
<b>Net income</b>	<b>507</b>	<b>304</b>	<b>67%</b>
<b>Depreciation</b>	<b>355</b>	<b>305</b>	<b>16%</b>
<b>Other</b>	<b>(190)</b>	<b>(8)</b>	<b>-</b>
<b>Sources of funds</b>	<b>671</b>	<b>600</b>	<b>12%</b>
<b>Decrease in net working capital</b>	<b>235</b>	<b>92</b>	<b>155%</b>
<b>Cash flow from operating activities</b>	<b>906</b>	<b>692</b>	<b>31%</b>
<b>Cash flow used in investing activities</b>	<b>(244)</b>	<b>(1,291)</b>	<b>(81)%</b>
<b>Dividend payment</b>	<b>(108)</b>	<b>(97)</b>	<b>11%</b>
<b>Free cash flow</b>	<b>555</b>	<b>(599)</b>	<b>-</b>

# Gearing ratio further reduced



■ ROACE FY  
■ ROACE of quarters

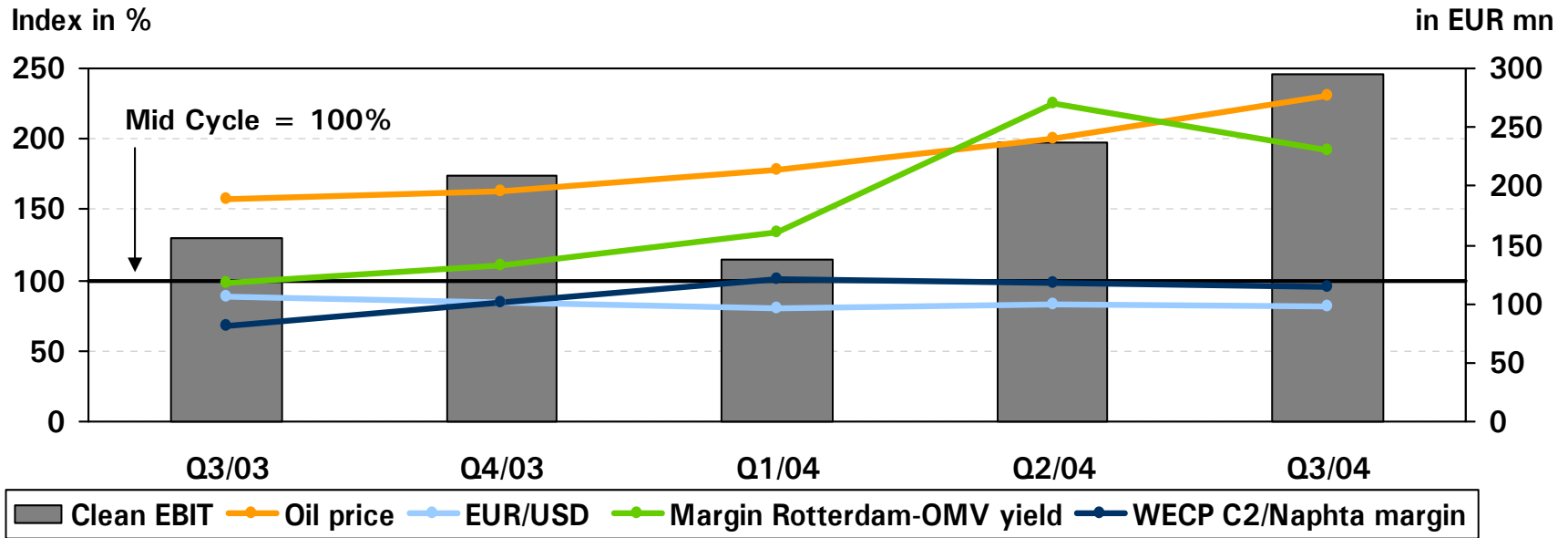
..... ROACE target of 13%



● Gearing ratio (debt-equity)

— Gearing ratio target of ≤ 30%

# Positive environment continues

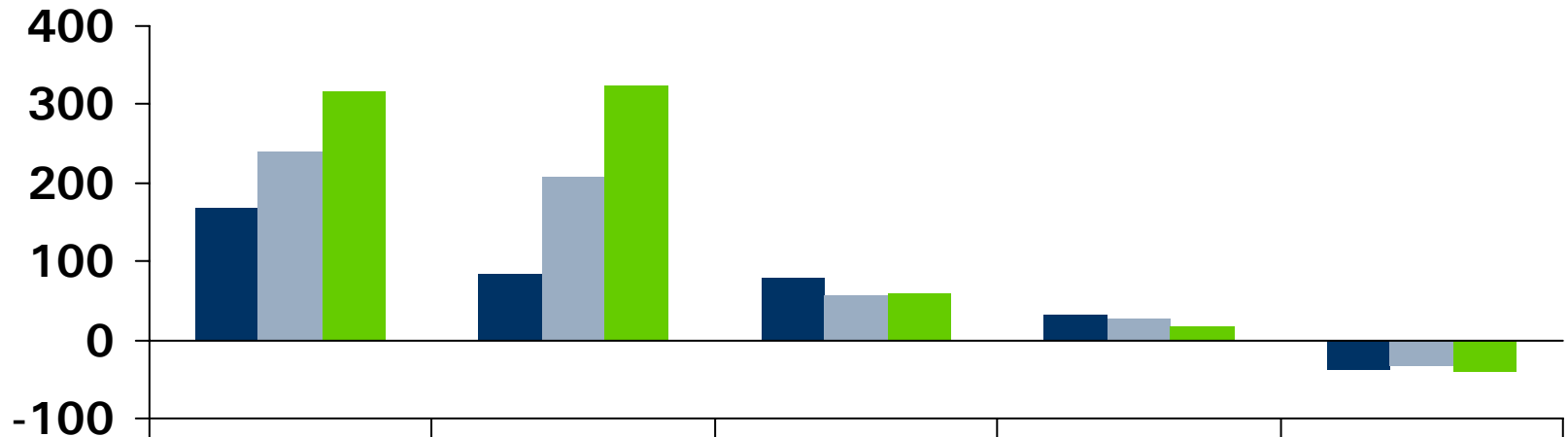


## Compared to 2003:

- ▶ 1-9/04: crude oil price Brent ↑ USD 7.6/bbl,  
refining margin ↑ USD 0.94/bbl, USD ↓ 11.4 euro-cent
- ▶ Q3/04: crude oil price Brent ↑ USD 13.1/bbl,  
refining margin ↑ USD 1.9/bbl, USD ↑ 9.7 euro-cent

# Clean EBIT continues to progress

OMV Group clean EBIT: 1-9/04 EUR 672 mn; Q3/04 EUR 294 mn



	E&P	R&M	Gas	Chemicals	Co&O
■ 1-9/02	168	84	79	31	(37)
■ 1-9/03	240	206	56	27	(33)
■ 1-9/04	317	323	58	16	(41)

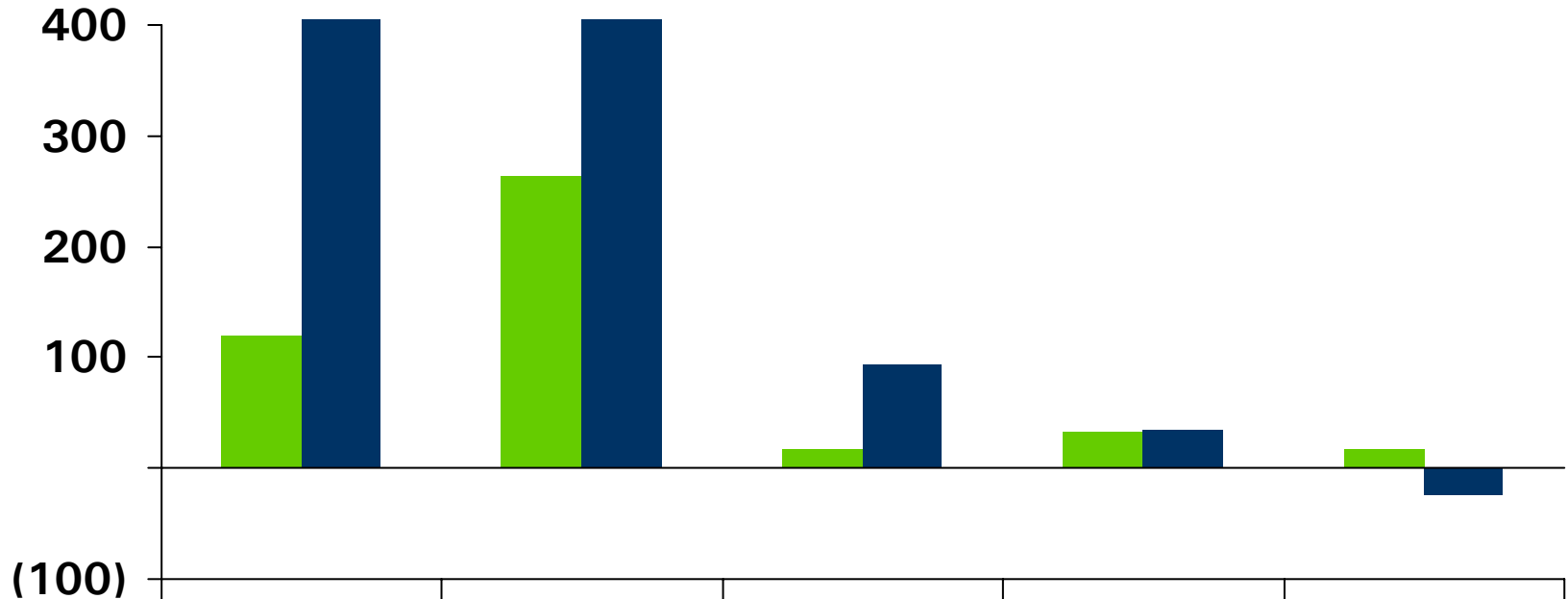
# Special items

	1-9/04	2003
<b>Reported EBIT</b> in EUR mn	742	644
Personnel restructuring costs	22	35
Unscheduled depreciation	21	35
New calculation for abandonment		9
New pension regulation		(12)
Asset Disposals	(113)	
Other	1	(5)
<b>Total special items</b>	<b>(70)</b>	<b>61</b>
<b>Clean EBIT</b> in EUR mn	672	705



# EBITD and CAPEX

OMV Group EBITD: 1-9/04 EUR 1,096 mn; CAPEX: 1-9/04 EUR 451 mn



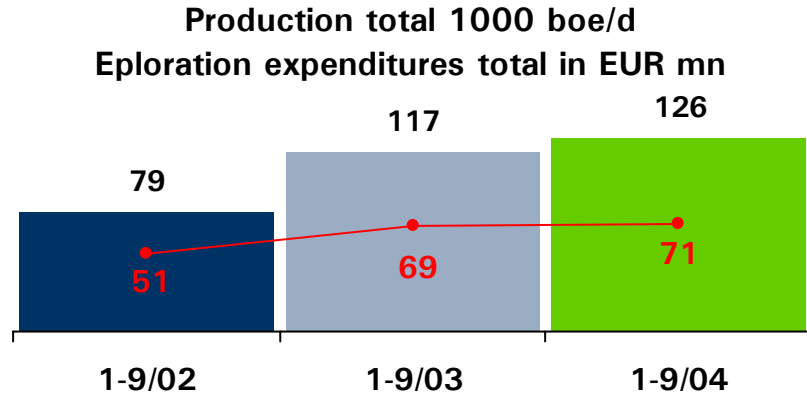
	E&P	R&M	Gas	Chemicals	Co&O
■ CAPEX	119	263	17	33	18
■ EBITD	533	458	93	35	(23)



# Net debt and gearing substantially reduced

in EUR mn	1-9/04	1-9/03	+ /-	2003
<b>Tangible assets</b>	4,126	3,937	5%	4,018
<b>Financial assets</b>	1,204	1,124	7%	1,185
<b>Balance sheet total</b>	8,326	7,421	12%	7,517
<b>Net debt</b>	585	1,152	(49)%	1,081
<b>Gearing ratio</b>	18.9%	44.3%	(57)%	40.3%

# Exploration and Production: Higher sales volumes and increased oil prices



## 1-9/04 in EUR mn

**EBIT:** 386 ↑ 65%

**Clean EBIT:** 317 ↑ 32%

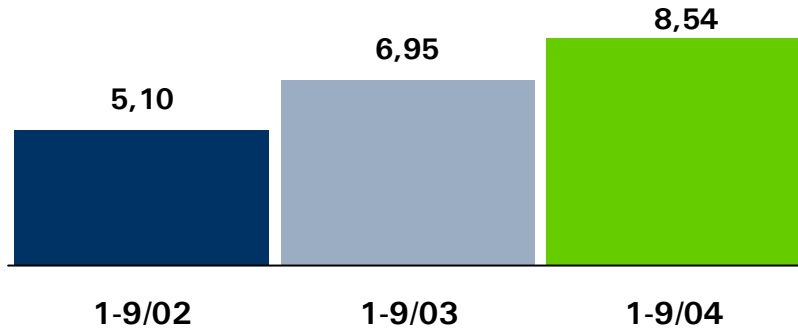
- ▶ Production volumes up to 126 boe/d (↑ 8%), due mainly to Pakistan
- ▶ Average realized oil prices at USD 33/bbl (↑ 24%)
- ▶ Hedging expenses about EUR 30 mn
- ▶ OPEX increased to USD 5.46/boe (↑ 4%), mainly due to weaker USD

# Refining and Marketing:

## Marketing margins remain under pressure

---

Marketing sales volume in mn tons



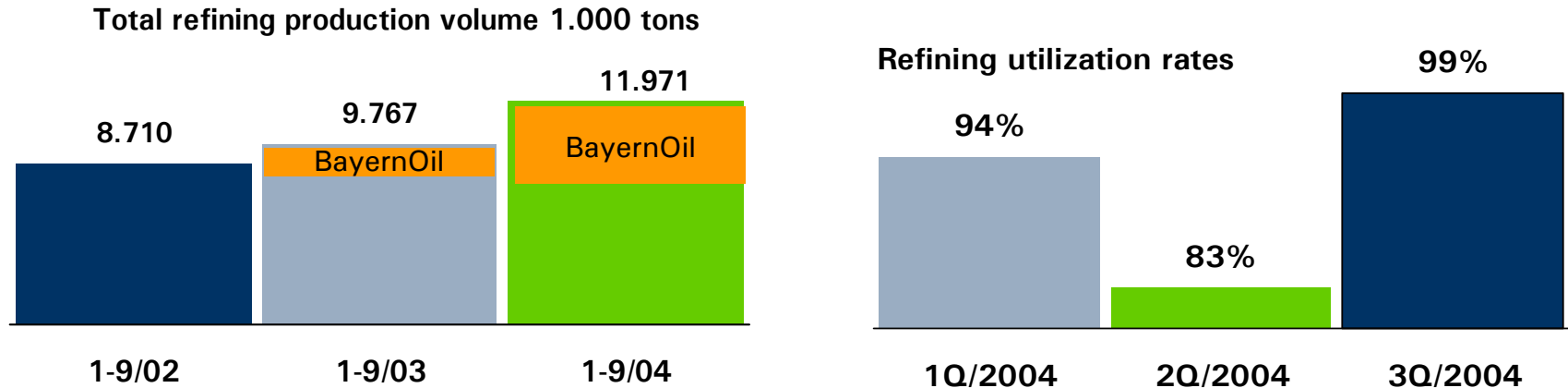
### 1-9/04 in EUR mn

<b>EBIT:</b>	<b>315</b>	<b>↑ 61 %</b>
thereof pch:	71	↓ 10 %
<b>Clean EBIT:</b>	<b>323</b>	<b>↑ 57 %</b>

### Marketing:

- ▶ Retail sales volumes increased by 21%
- ▶ Total of 1,794 retail stations (↑ 10%)
- ▶ Retail margins remain under strong pressure (↓ 14%)
- ▶ Market share at 14%, increased by 3 percentage points

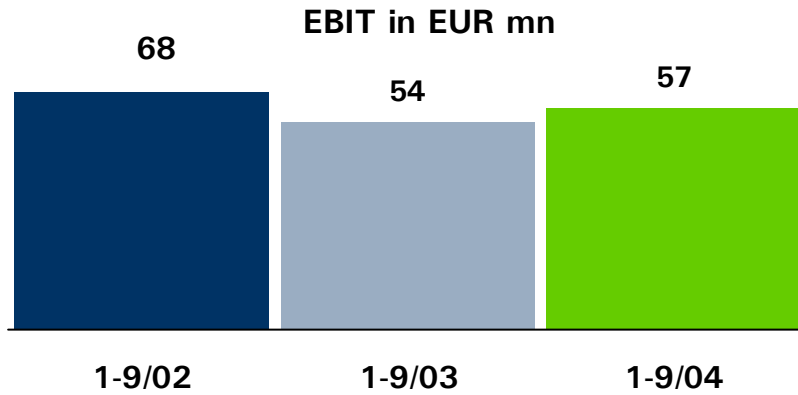
# Refining: Higher sales volumes and strong bulk margins



## Refining:

- ▶ Strong refining EBIT in 1-9/04
  - ▶ Bulk production volumes up by ↑ 25 %
  - ▶ Bulk margins increased by ↑ 34 %
  - ▶ Hedging expenses of about EUR 34 mn
  - ▶ Petrochemical production volumes increased by ↑ 6%
  - ▶ Petrochemical margins under pressure, due to high crude oil prices

# Gas: Slightly positive trend



## 1-9/04 in EUR mn

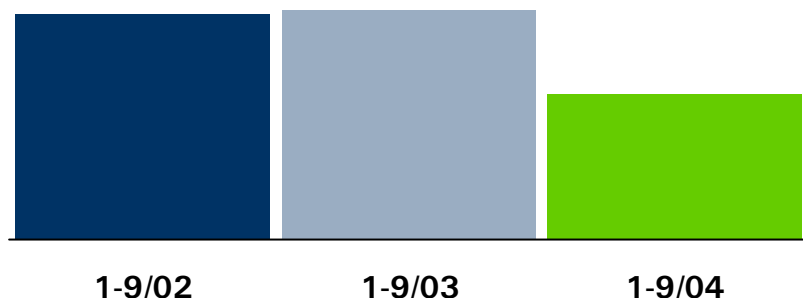
EBIT: 57 ↑ 6%

Clean EBIT: 58 ↑ 3%

- ▶ Positive impact from lower depreciation and constant service charges mainly on TAG
- ▶ Charges on the major overhaul on WAG: EUR 3.5 mn
- ▶ Higher transport volumes up by ↑ 2 %
- ▶ Storage withdrawal rate sold increased to ↑ 7 %

# Chemicals: Melamine margins remain under pressure

Development of melamine margins



## 1-9/04 in EUR mn

**EBIT:** 15 (↓ 44%)<sup>1</sup>

**Clean EBIT:** 16 (↓ 41%)<sup>1</sup>

<sup>1</sup> Plastics included in results as of 2004

- ▶ Melamine margins down by ↓ 36% due to price pressure caused by competitors and increased export
- ▶ Melamine sales volumes increased by ↑ 13%
- ▶ Fertilizer margins ↑ 17%
- ▶ Fertilizer sales volumes stable

# Outlook for 2004:

---

**Result to exceed record 2003 year, however Q4/04 will be negatively impacted by several factors:**

- ▶ **Group:** Assuming closing in Q4/04, Petrom's opening balance sheet will be consolidated; accelerated restructuring program in OMV
- ▶ **E&P:** Crude prices significantly higher; write-offs in Australia likely to impact result
- ▶ **R&M:** Refining margins remaining strong; marketing under pressure
- ▶ **Gas:** Similar trading conditions to last year
- ▶ **Chemicals:** Melamine margin remaining under pressure



# Timetable for introduction of IFRS

---

## Information regarding effects of adopting IFRS

- ▶ Comparative IFRS figures for previous years
- ▶ Explanation of major differences between Austrian GAAP and IFRS
- ▶ Impact of IFRS on balance sheet and earnings
- ▶ Conference call to be scheduled for early 2005

## 2004 full year Group results

- ▶ Austrian GAAP with US GAAP reconcilliation
- ▶ Expected for March 2005

## Q1 2005 Group results

- ▶ International Financial Reporting Standards only
- ▶ Expected for May 2005