

# Solid financial performance

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**First quarter results 2004**

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Analyst Conference Call  
May 12, 2004

# OMV Group – Highlights Q1 2004

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## ▶ Exploration and Production

Continuing gas production growth in Pakistan

## ▶ Refining and Marketing

▶ **Refining:** Demand adversely impacted by higher product prices and tax changes

▶ **Marketing:** Market share increased to 13% and some pressure on margins

## ▶ Gas

Improved contribution from transport

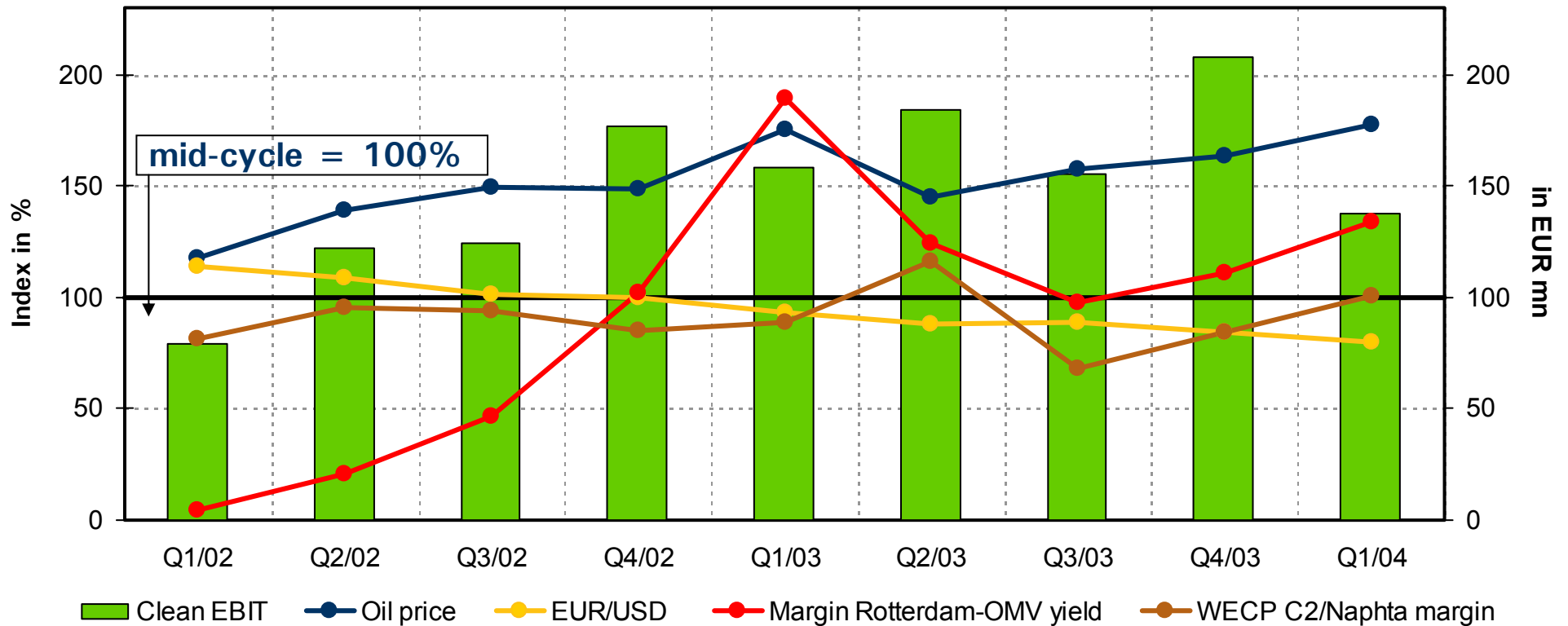
## ▶ Chemicals

Margins adversely impacted through unplanned plant shutdown

## Financial overview – Net income ahead by 12%

| <b>Q4/03</b> | <b>FY/03</b> | in EUR mn                              | <b>Q1/04</b> | <b>Q1/03</b> | <b>%</b>     |
|--------------|--------------|--|--------------|--------------|--------------|
| <b>2,039</b> | <b>7,644</b> | <b>Sales</b>                           | <b>2,199</b> | <b>1,792</b> | <b>23%</b>   |
| <b>167</b>   | <b>644</b>   | <b>EBIT</b>                            | <b>148</b>   | <b>145</b>   | <b>2%</b>    |
| <b>208</b>   | <b>705</b>   | <b>Clean EBIT</b>                      | <b>141</b>   | <b>158</b>   | <b>(10)%</b> |
| <b>(27)</b>  | <b>(47)</b>  | <b>Financial charges</b>               | <b>4</b>     | <b>(8)</b>   | <b>—</b>     |
| <b>140</b>   | <b>596</b>   | <b>Income from ordinary activities</b> | <b>153</b>   | <b>137</b>   | <b>11%</b>   |
| <b>(51)</b>  | <b>(203)</b> | <b>Taxes on income</b>                 | <b>(47)</b>  | <b>(43)</b>  | <b>9%</b>    |
| <b>90</b>    | <b>393</b>   | <b>Net income</b>                      | <b>105</b>   | <b>94</b>    | <b>12%</b>   |
| <b>3.3</b>   | <b>14.6</b>  | <b>EPS in EUR</b>                      | <b>3.9</b>   | <b>3.5</b>   | <b>12%</b>   |
| <b>3.8</b>   | <b>13.3</b>  | <b>EPS US GAAP in EUR</b>              | <b>2.7</b>   | <b>3.8</b>   | <b>(29)%</b> |

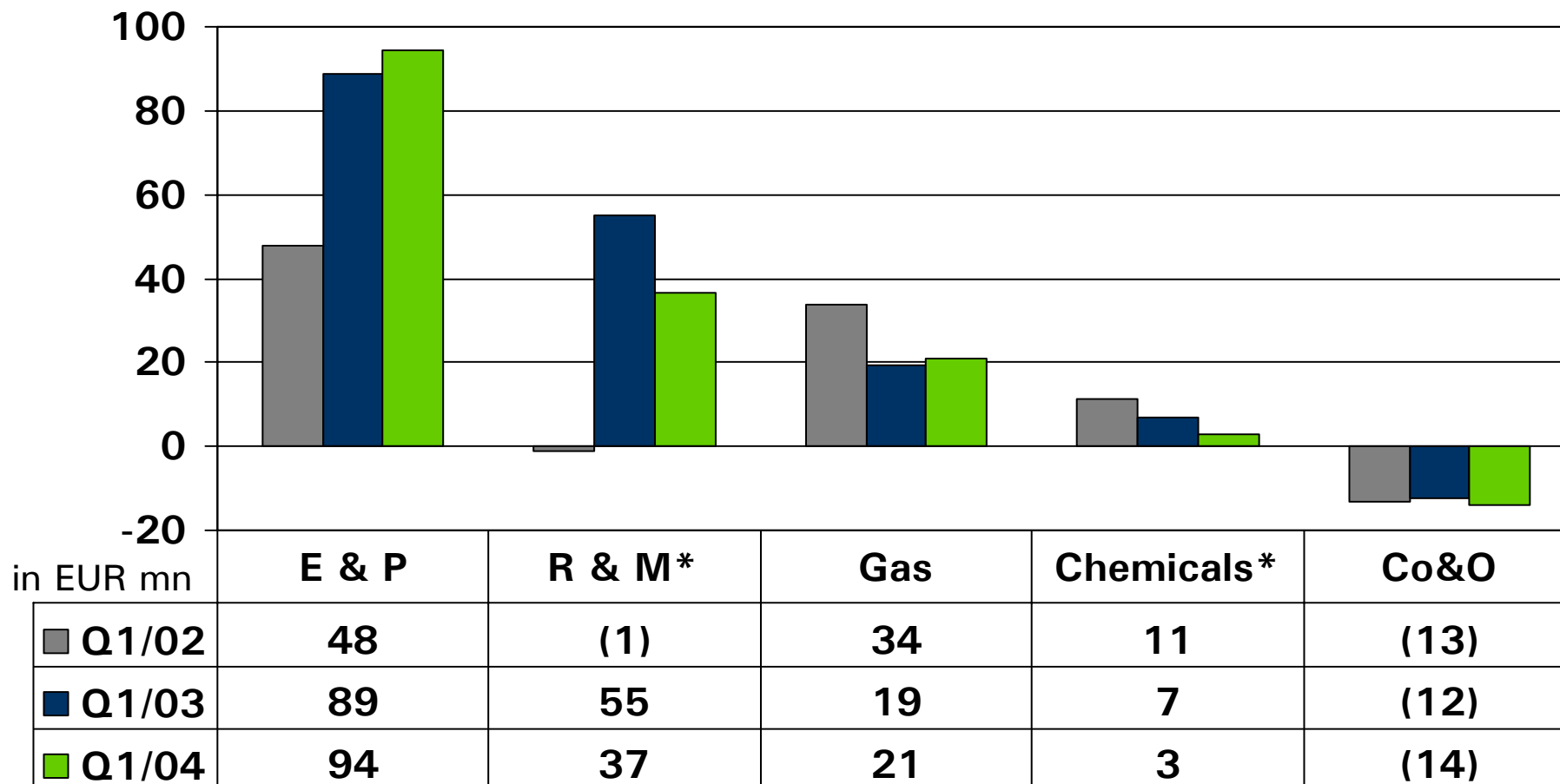
# Main market indicators compared to the mid-cycle



## Changes compared to Q1/03:

- ▶ Brent crude price ↑ USD 0.4/bbl
- ▶ Refining margin ↓ USD 1.11/bbl
- ▶ USD ↓ EUR 0.18

# Clean EBIT down by 10% to EUR 141 mn reflecting mainly weaker R & M



\* From beginning of 2004 Plastics is included in R&M

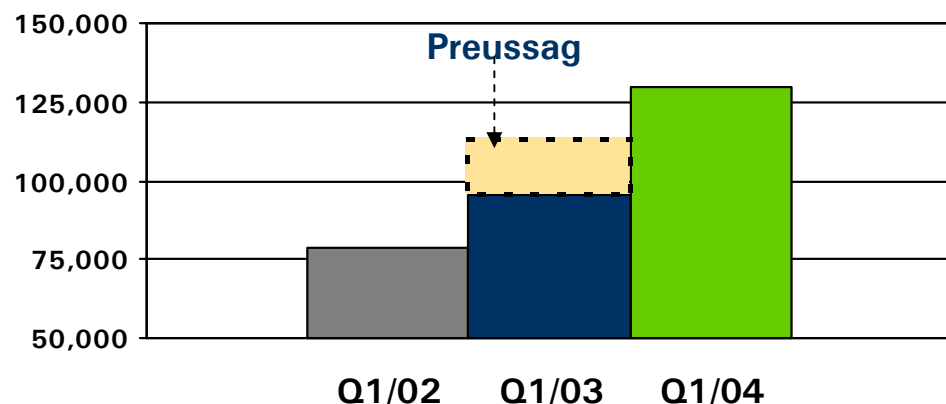
# Special items

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| in EUR mn                     | Q1/04         | Q1/03        |
|-------------------------------|---------------|--------------|
| <b>Reported EBIT</b>          | <b>148.4</b>  | <b>494.8</b> |
| Personnel restructuring costs | 6.0           | 14.5         |
| Profit on asset disposals     | (17.1)        | (1.9)        |
| Insurance expense             | 4.0           |              |
| <b>Total special items</b>    | <b>(11.2)</b> | <b>12.6</b>  |
| <b>Clean EBIT</b>             | <b>141.2</b>  | <b>157.6</b> |

# E & P: Continuing gas production growth in Pakistan

Total production in boe/d



## Q1 2004 in EUR mn

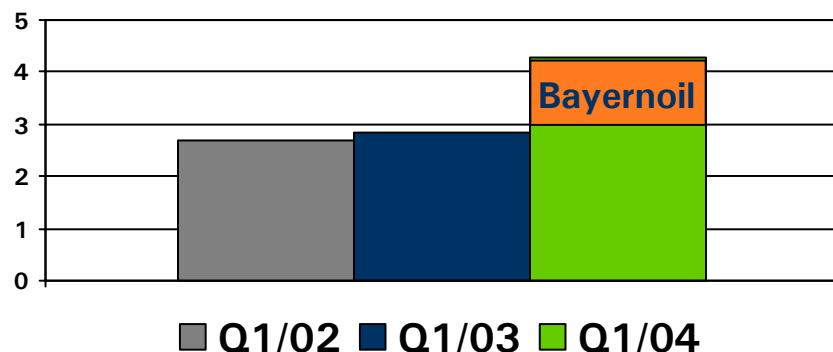
**Sales: 226 (↑ 23%)**

**EBIT: 93 (↑ 9%)**

- ▶ Production volume up to 129,000 boe/d (↑ 38%)
- ▶ Average realized crude price at USD 29.88/bbl (↑ 3%)
- ▶ OPEX increased to USD 5.42/boe (↑ 4%)
- ▶ Exploration expenses up to EUR 30 mn (↑ 78%)
- ▶ Weaker USD-exchange rate at USD1.25/EUR (↓14%)

# R & M: Demand impacted by higher product prices

Crudeoil input in 1,000 tons



## Q1 2004 in EUR mn

**Sales:** 1,795 (↑ 39%)

**EBIT:** 34 (↓ 28%)

thereof petrochemicals: 18 (↓ 3%)

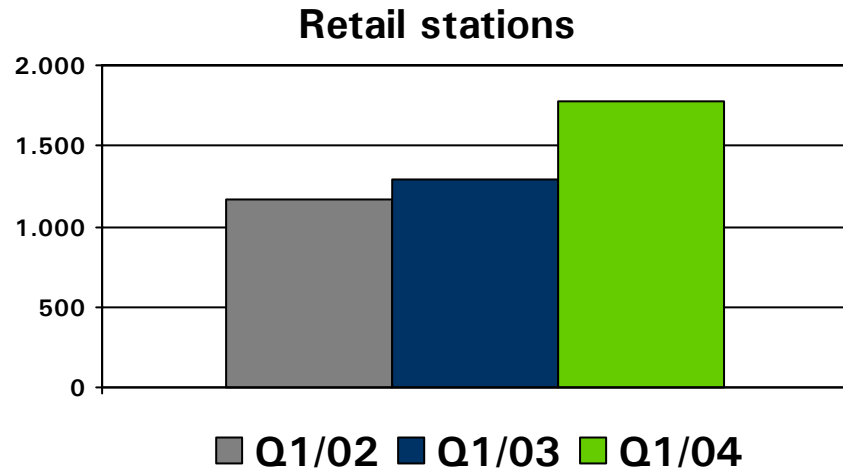
## Refining:

- ▶ Lower bulk margins at USD 2.67/bbl (↓ 29%)
- ▶ Stable sales volumes in petrochemicals
- ▶ Inventory build up for scheduled turnaround in Q2/04
- ▶ Increased transportation costs
- ▶ Weak demand in Austria  
(tax-changes as of January 1, led to higher purchases in Q4/03)



# Marketing: Market share up to 13% and margins under pressure

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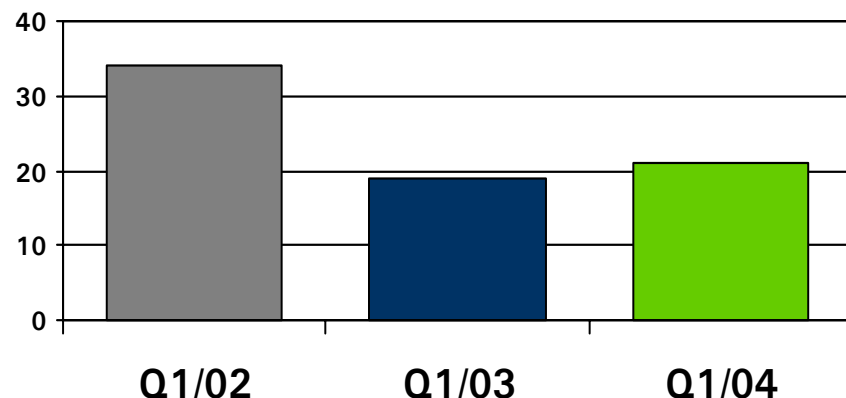


## Marketing:

- ▶ Total of 1,782 retail stations (↑ 39%), thereof 65% abroad
- ▶ Retail margins under pressure in high product price environment
- ▶ Marketing sales volume up to 2.56 mn t (↑ 34%)
- ▶ Market share increased to 13% (Q1/03: 10%)

# Gas: Improved contribution from transport

EBIT in EUR mn



## Q1 2004 in EUR mn

**Sales: 209 (↓ 30%)**

**EBIT: 21 (↑ 10%)**

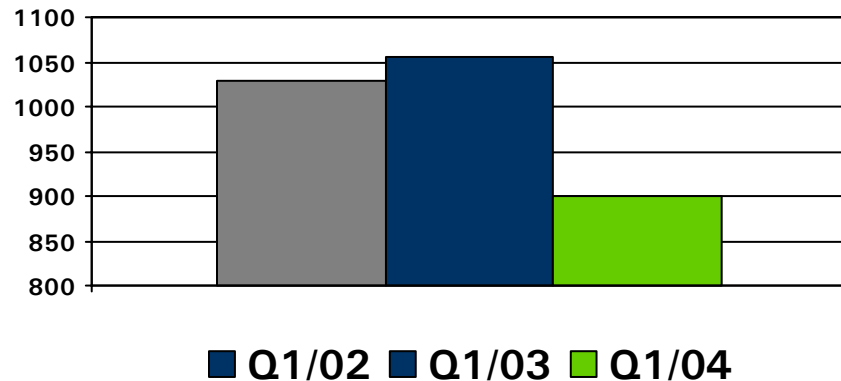
- ▶ Transmission capacity sold up to 1,491 mn cbm/h\*km (↑ 2%) due to TAG Loop II section and PENTA West
- ▶ Increased contracted storage volume (↑ 1%)
- ▶ New gas supply contracts with Russia

# Chemicals:

## Plant shutdowns and low melamine margins

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Net revenue melamine in EUR/t



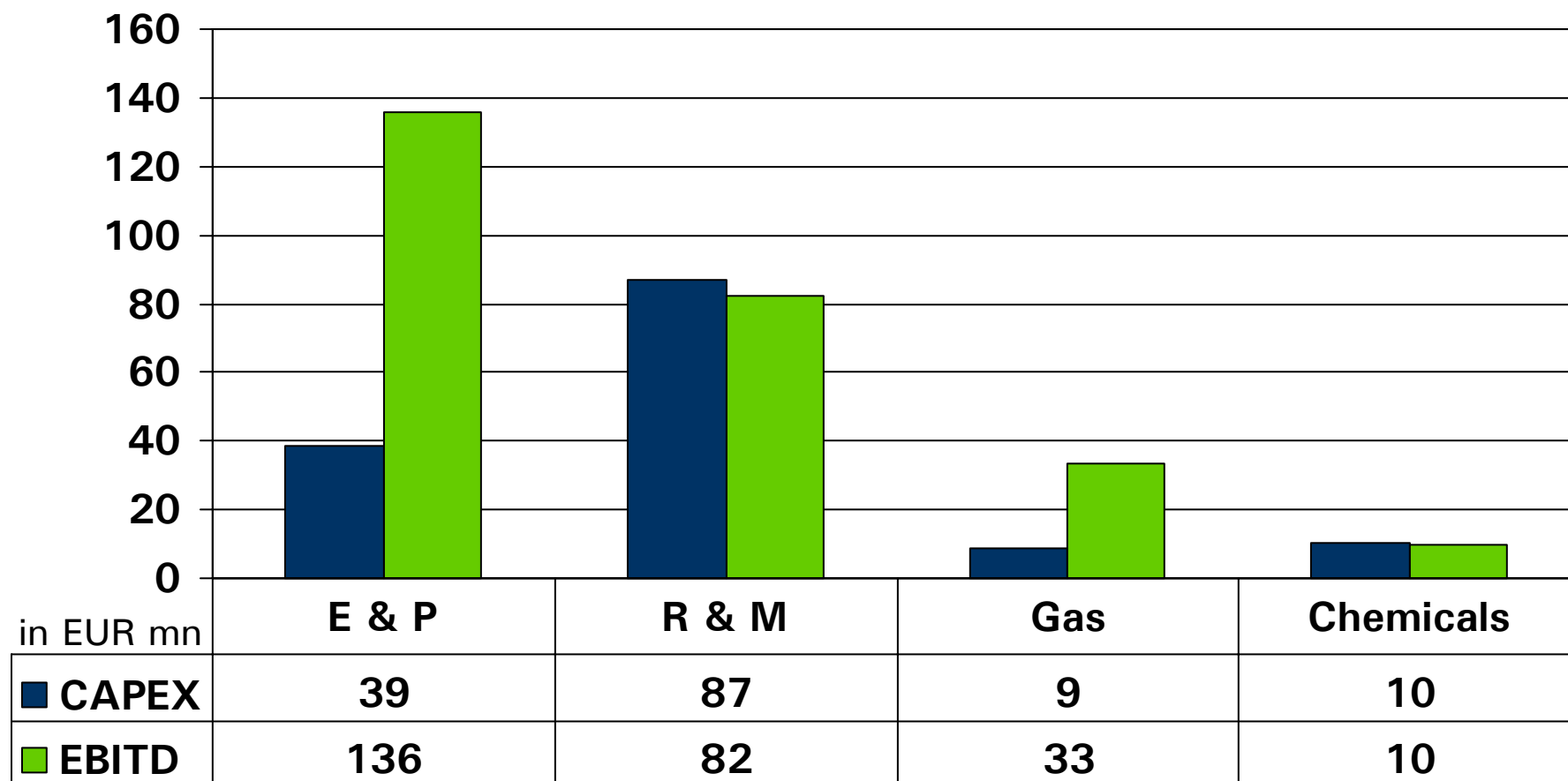
### Q1 2004 in EUR mn

**Sales: 98 (↓ 22%)**

**EBIT: 3 (↓ 50%)**

- ▶ Melamine margins worldwide under pressure
- ▶ Lower production volumes due to scheduled maintenance stop of melamine plant in Austria and unplanned shutdown in Italy
- ▶ Fertilizer sales volume down 15% due to poor weather

# CAPEX covered by Q1/04 cash flow



# Financial overview – Gearing further reduced through strong cash flow

| in EUR mn   | Q1/04 | Q1/03 | %     | 2003    |
|---|-------|-------|-------|---------|
| <b>Net income</b>                                 | 105   | 94    | 12%   | 393     |
| <b>Depreciation</b>                               | 114   | 93    | 23%   | 435     |
| <b>Other</b>                                      | (29)  | 24    | –     | (25)    |
| <b>Sources of funds</b>                           | 191   | 211   | (10)% | 803     |
| <b>(Increase) decrease in net working capital</b> | 26    | (76)  | –     | 136     |
| <b>Cash flow from operating activities</b>        | 217   | 135   | 60%   | 939     |
| <b>Cash flow used in investing activities</b>     | (81)  | (127) | (36)% | (1,496) |
| <b>Free cash flow pre dividend</b>                | 136   | 8     | –     | (557)   |
| <b>Dividend</b>                                   | –     | –     | –     | (97)    |
| <b>Free cash flow</b>                             | 136   | 8     | –     | (654)   |
| <b>Gearing ratio</b>                              | 35%   | 19%   | –     | 40%     |

# Acquisition based asset growth

| in EUR mn                  | March 31,<br>2004 | March 31,<br>2003 | June 30,<br>2003 | Dec. 31,<br>2003 |
|----------------------------|-------------------|-------------------|------------------|------------------|
| <b>Tangible assets</b>     | <b>4,061</b>      | <b>3,327</b>      | <b>3,623</b>     | <b>4,018</b>     |
| <b>Financial assets</b>    | <b>1,189</b>      | <b>948</b>        | <b>1,154</b>     | <b>1,185</b>     |
| <b>Balance sheet total</b> | <b>7,882</b>      | <b>6,233</b>      | <b>7,262</b>     | <b>7,517</b>     |
| <b>Net debt</b>            | <b>978</b>        | <b>470</b>        | <b>1,142</b>     | <b>1,081</b>     |
| <b>Gearing ratio</b>       | <b>35.1%</b>      | <b>18.9%</b>      | <b>46.1%</b>     | <b>40.3%</b>     |

# Outlook for 2004

## Strive to maintain reported results

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### By business segment:

- ▶ **E & P:** Pressure on earnings due to weaker USD; oil prices remain strong; asset sales
- ▶ **R & M:** Weaker bulk margins; first full year after the acquisition of Bayernoil; maintenance turnaround in Schwechat refinery
- ▶ **Gas:** Similar trading conditions as last year
- ▶ **Chemicals:** Startup of new plant in Germany; operating improvements expected for second half year
- ▶ **Corporate:** Long term benefit from tax reduction in Austria from 2005 onwards

# Stock information

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- ▶ **Capital stock:** EUR 196.29 million at 27 million shares
- ▶ **OeKB-WKN:** 074305, **ISIN:** AT0000743059
  
- ▶ **Shareholder structure:** ÖIAG 35%, IPIC 19.6%, free float 45.4%
- ▶ **Symbols:** Bloomberg (OMV AV), Reuters (OMVV.VI),  
US Ticker (OMVAY)
  
- ▶ **Investor News:** quick and relevant key information
- ▶ **Next results** 1–6/2004 and Q2/04 on August 17, 2004
- ▶ **Annual General Meeting** on May 18, 2004
  
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