

A photograph of an offshore oil rig at sea. The rig is a complex structure of white and blue metal with various levels, railings, and equipment. A green rectangular box highlights a specific section of the rig's upper deck. In the background, another smaller rig is visible on the horizon under a clear blue sky. The text 'OMV Results January – September and Q3 2014' is overlaid in white on the left side of the image.

# OMV Results January – September and Q3 2014

November 6, 2014

OMV Aktiengesellschaft

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**OMV**



# Results Q3/14

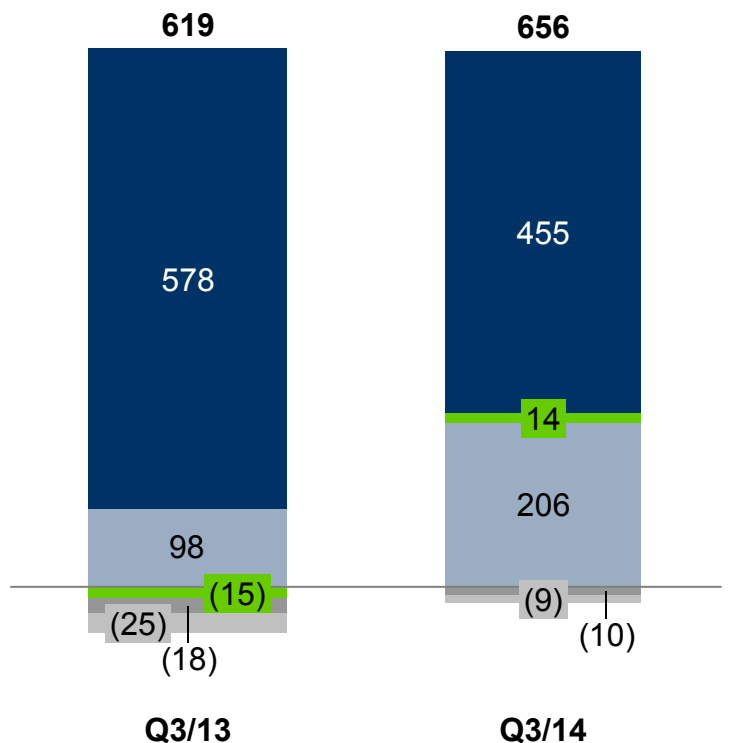
David C. Davies,  
Deputy Chairman of the Executive Board  
and CFO



OMV Aktiengesellschaft

# Q3/14 Highlights

## Clean CCS EBIT in EUR mn



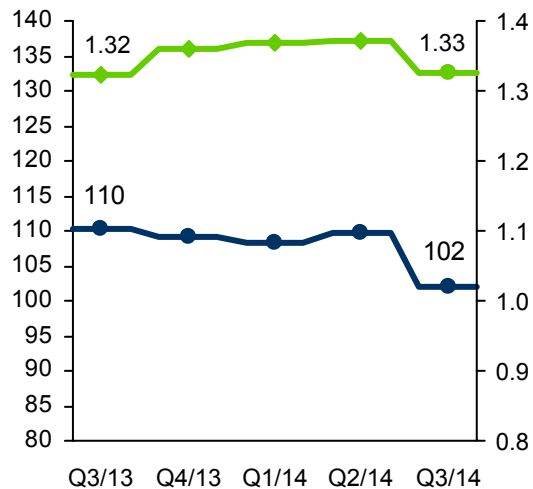
- ▶ Average Brent price down by 8% to USD 102/bbl
- ▶ Production at 311 kboe/d, up by 13%
- ▶ Higher depreciation and production costs in E&P
- ▶ Exploration expenses at EUR 138 mn, up by 75%
- ▶ G&P result improved vs. previous year
- ▶ Strong Refining and Marketing performance
- ▶ Gearing ratio at 35%

■ E&P 
 ■ G&P 
 ■ R&M 
 ■ Co&O 
 ■ Cons

As of Q1/14, figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements".

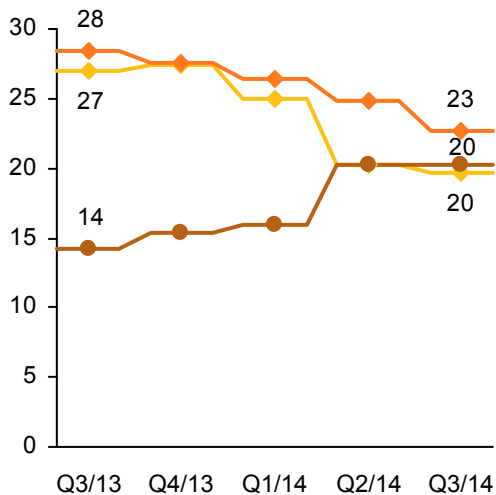
# Economic environment

## Oil price and EUR/USD



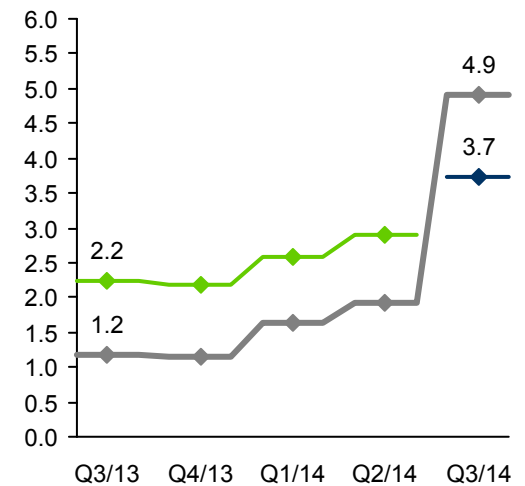
— Brent price in USD/bbl (left scale)  
 — EUR/USD (right scale)

## Gas prices in EUR/MWh



— Central European Gas Hub  
 — Border contract tracker<sup>1</sup>  
 — Regulated domestic non-households Romania

## OMV indicator refining margin in USD/bbl<sup>2</sup>



— OMV indicator refining margin (OIRM)  
 — OIRM without Petrobrazi modernization effect  
 — OIRM restated including Petrobrazi modernization effect

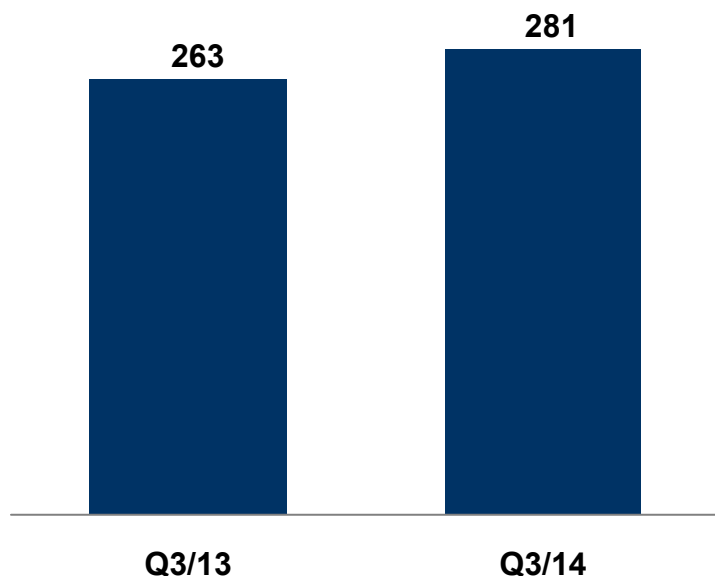
<sup>1</sup> IHS CERA's proxy for a mainly oil-linked contract gas price in northwestern Europe

<sup>2</sup> As of Q3/14, the standard yield for the calculation of the OMV indicator refining margin has been updated following the finalization of the Petrobrazi modernization program.

Note: All figures are quarterly averages.

# Results in Q3/14

## Clean CCS net income attributable to stockholders in EUR mn <sup>1</sup>



in EUR mn	Q3/14	Q3/13	Δ
<b>EBIT</b>	<b>570</b>	<b>576</b>	<b>(1)%</b>
Financial result	(31)	(66)	(53)%
<b>Profit from ordinary activities</b>	<b>539</b>	<b>510</b>	<b>6%</b>
Taxes	(195)	(135)	45%
Effective tax rate	36%	26%	37%
Net income	344	375	(8)%
Minorities and hybrid capital owners	(112)	(147)	(24)%
<b>Net income attributable to stockholders <sup>1</sup></b>	<b>232</b>	<b>229</b>	<b>2%</b>
EPS (in EUR)	0.71	0.70	2%
Clean EBIT	593	673	(12)%
<b>Clean CCS EBIT</b>	<b>656</b>	<b>619</b>	<b>6%</b>
<b>Clean CCS net income attributable to stockholders <sup>1</sup></b>	<b>281</b>	<b>263</b>	<b>7%</b>
Clean CCS EPS (in EUR)	0.86	0.81	7%

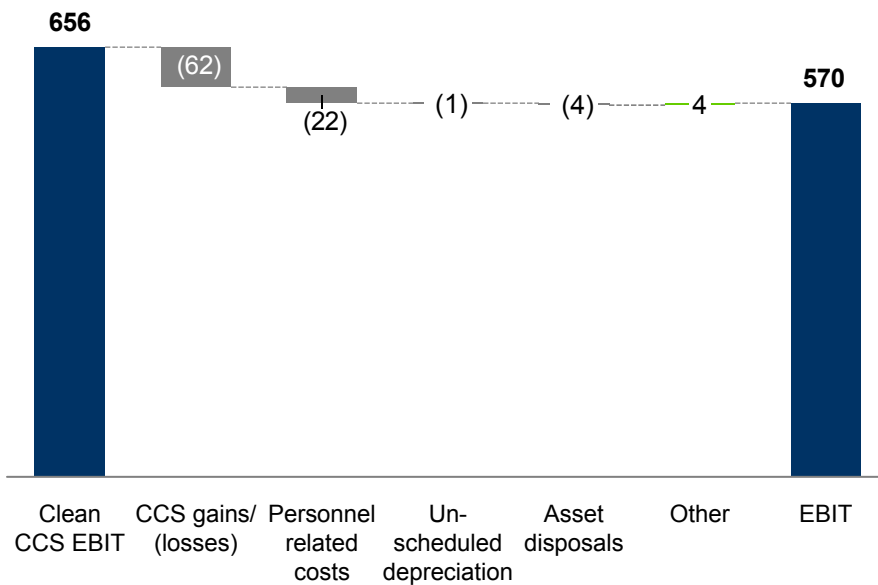
Figures in this and the following tables may not add up due to rounding differences.

As of Q1/14, figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements".

<sup>1</sup> After deducting net income attributable to hybrid capital owners and net income attributable to non-controlling interests

# Special items and CCS effect

**Q3/14**  
in EUR mn

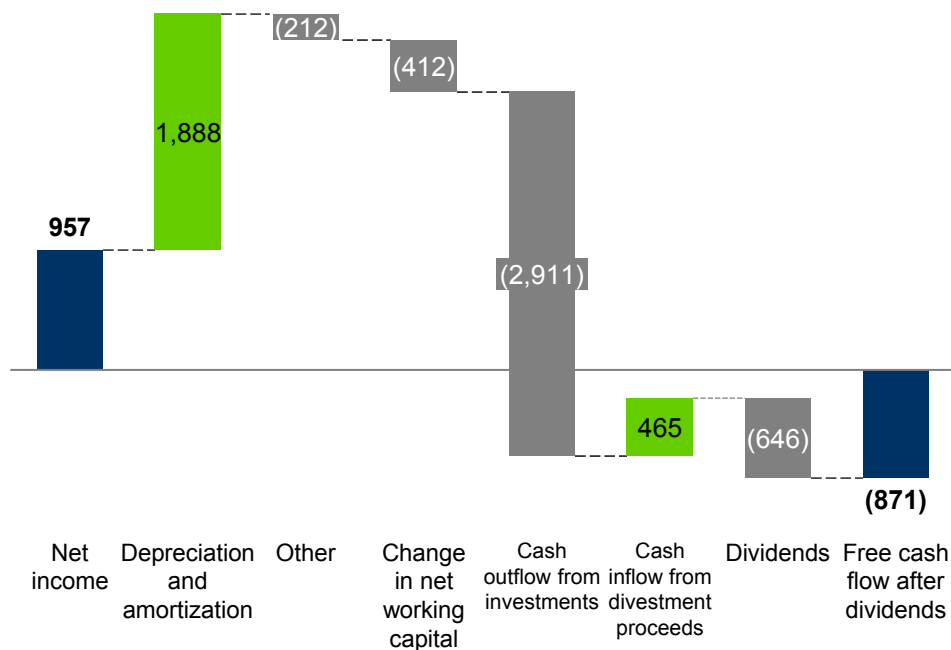


in EUR mn	Q3/14	Q3/13
<b>Clean CCS EBIT</b>	<b>656</b>	<b>619</b>
CCS gains/(losses)	(62)	53
<b>Clean EBIT</b>	<b>593</b>	<b>673</b>
Personnel related costs	(22)	(6)
Unscheduled depreciation	(1)	(95)
Asset disposals	(4)	(0)
Other	4	4
<b>Total special items</b>	<b>(23)</b>	<b>(97)</b>
<b>EBIT</b>	<b>570</b>	<b>576</b>

- Negative CCS effect in Q3/14 due to the decrease in oil prices

# Cash flow

9m/14  
in EUR mn

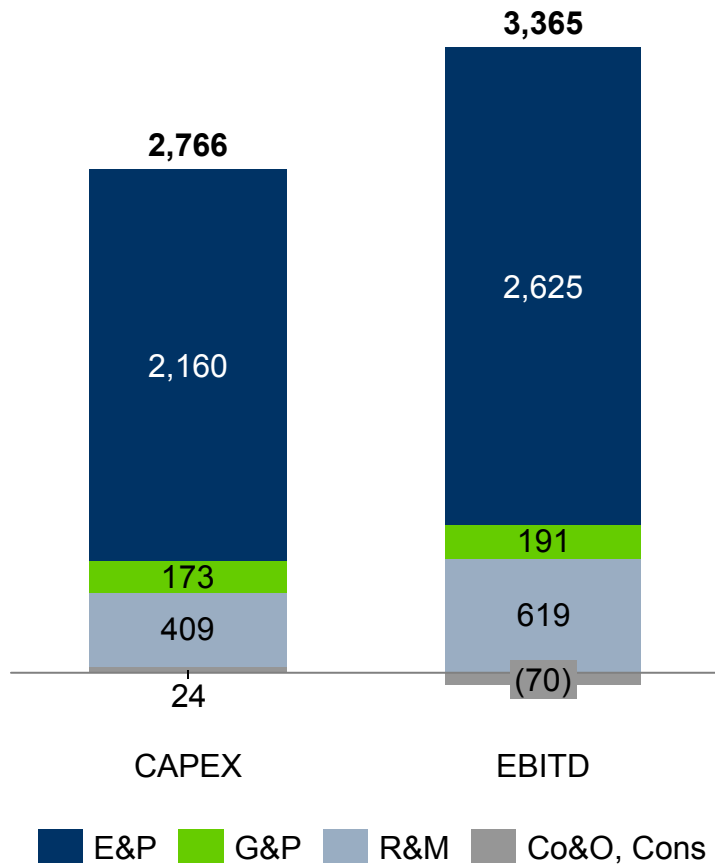


in EUR mn	9m/14	9m/13	Δ
Net income	957	1,669	(43)%
Depreciation and amortization	1,888	1,550	22%
Other	(212)	(574)	(63)%
Sources of funds	2,633	2,646	0%
Change in net working capital	(412)	1,051	n.m.
<b>Cash flow from operating activities</b>	<b>2,221</b>	<b>3,696</b>	<b>(40)%</b>
Cash flow used in investment activities	(2,446)	(1,148)	113%
<b>Free cash flow</b>	<b>(225)</b>	<b>2,548</b>	<b>n.m.</b>
<b>Free cash flow after dividends</b>	<b>(871)</b>	<b>1,923</b>	<b>n.m.</b>

As of Q1/14, figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements".

# CAPEX and EBITD

9m/14  
in EUR mn



## Key investments in Q3/14

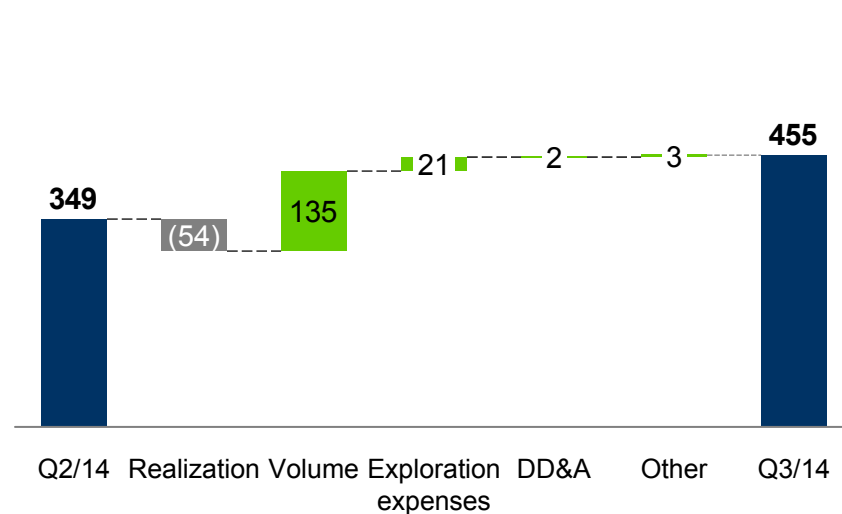
- ▶ Romania: drilling, workovers and field redevelopments
- ▶ Field developments in Norway (Gullfaks, Aasta Hansteen, Edvard Grieg and Gudrun)
- ▶ Schiehallion field redevelopment in the UK
- ▶ Maari Growth project in New Zealand
- ▶ Butadiene plants



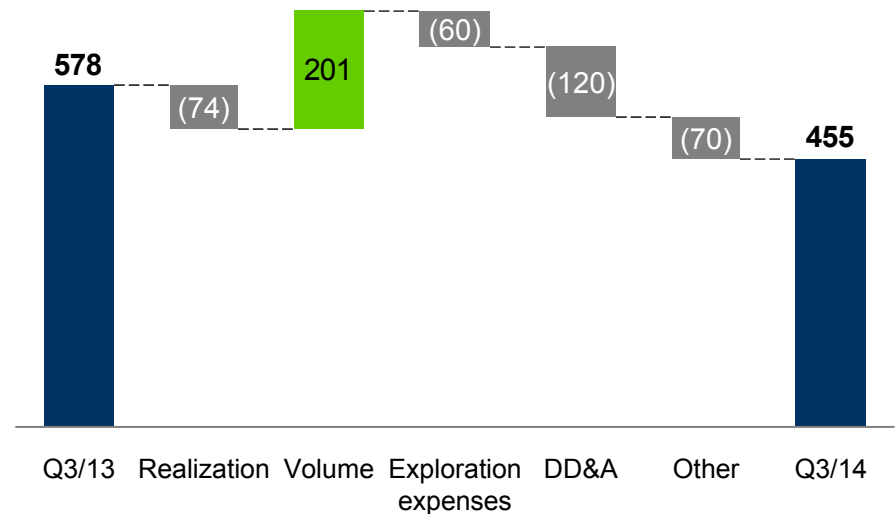
# Exploration and Production Clean EBIT

in EUR mn

## Q3/14 vs. Q2/14



## Q3/14 vs. Q3/13

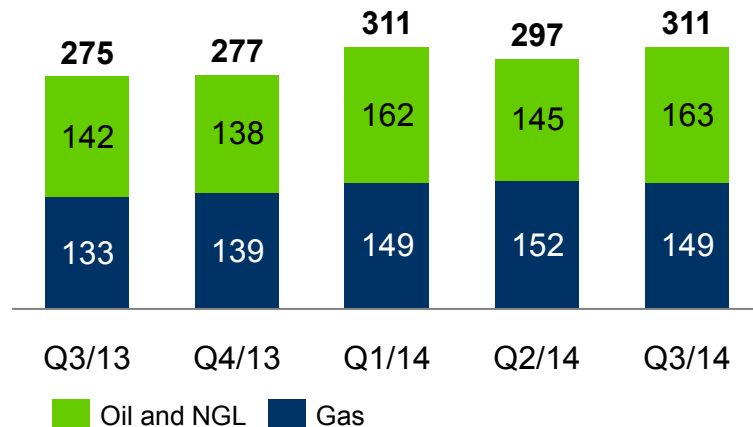


- ▶ Negative impact from the oil price environment, partially offset by favorable EUR-USD FX development
- ▶ Higher oil sales volumes mainly in Libya and Norway
- ▶ Lower exploration expenses

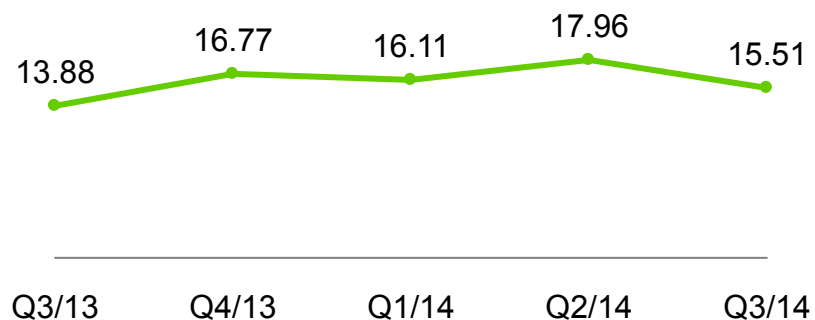
- ▶ Increased sales volumes mainly due to Norway and Pakistan contribution
- ▶ Higher exploration expenses
- ▶ Higher DD&A, mainly in Norway (not included in Q3/13)
- ▶ Increased production costs mainly in Norway and Romania

# Exploration and Production Key Performance Indicators

## Hydrocarbon production (in kboe/d)



## OPEX in USD/boe



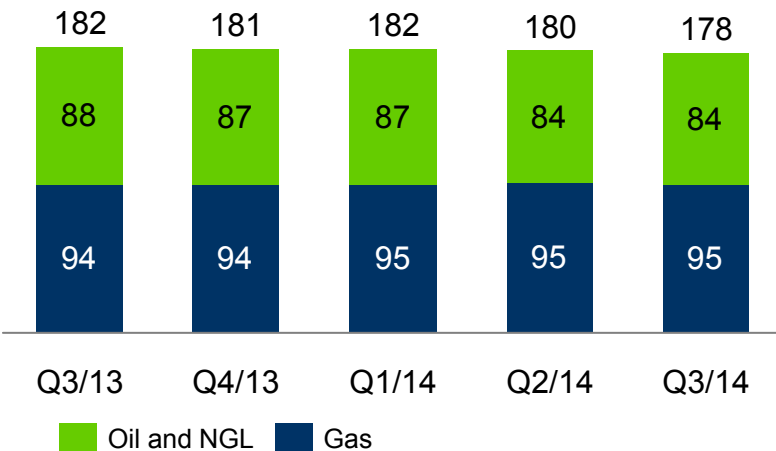
## Q3/14 vs. Q2/14

- ▶ Production up by 5%
  - ▶ Libyan production partially resumed
  - ▶ Norway production ramped up
  
- ▶ OPEX decreased mainly due to
  - ▶ Lower costs in Romania (Q2/14 included one-offs)
  - ▶ Higher production volumes

# Exploration and Production

## OMV Petrom group

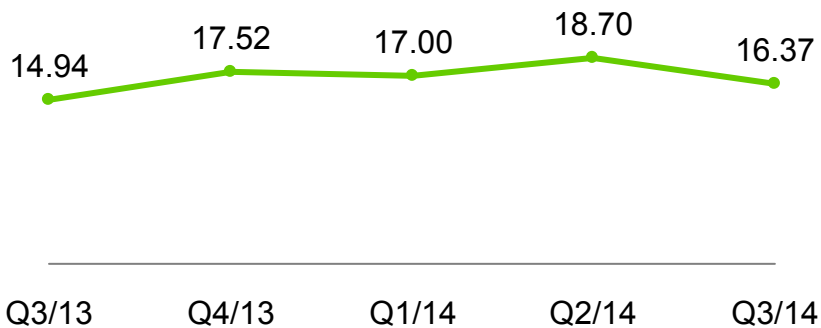
### Hydrocarbon production (in kboe/d)



### Q3/14 vs. Q2/14

- ▶ Clean EBIT at EUR 311 mn (up by 4%), mainly due to
  - ▶ lower production costs and exploration expenses
  - ▶ partly offset by a lower oil price

### OPEX in USD/boe

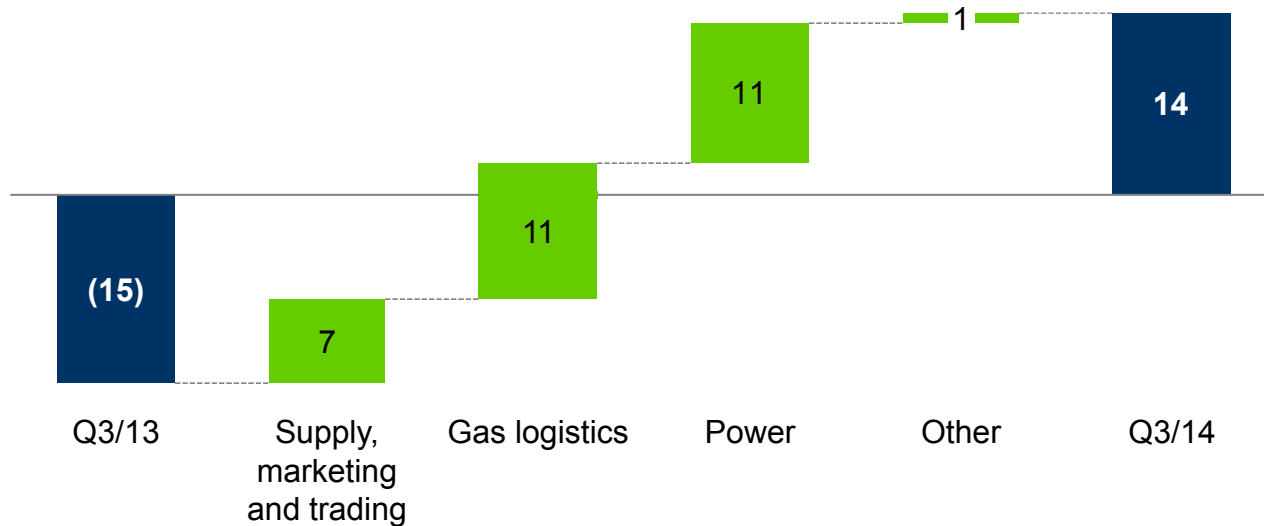


- ▶ Lower production costs by 12%
  - ▶ Q2/14 included one-offs
  - ▶ Favorable FX effects

# Gas and Power Clean EBIT

in EUR mn

Q3/14 vs. Q3/13

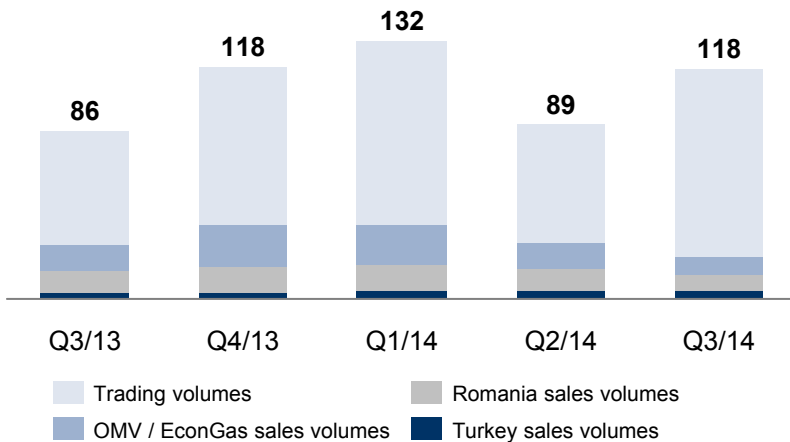


- ▶ Better gas supply mainly due to reduction of oil price related supply
- ▶ Improved gas logistics result due to short-term contracts
- ▶ Positive performance of the power plant Samsun in Turkey

# Gas and Power

## Key Performance Indicators

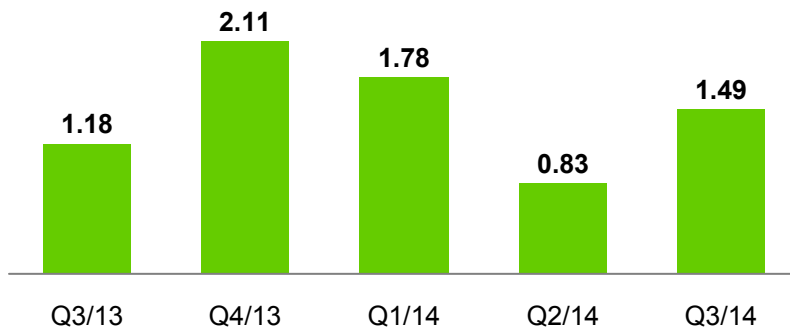
### Gas sales and trading volumes in TWh



### Q3/14 vs. Q3/13

- ▶ Gas sales volumes down by 22% mainly due to lower gas demand from power plants and wholesale customers
- ▶ Gas trading volumes up by 65%
- ▶ Increase in net electrical output solely driven by the power plant in Turkey
- ▶ G&P market environment remains challenging

### Net electrical output in TWh

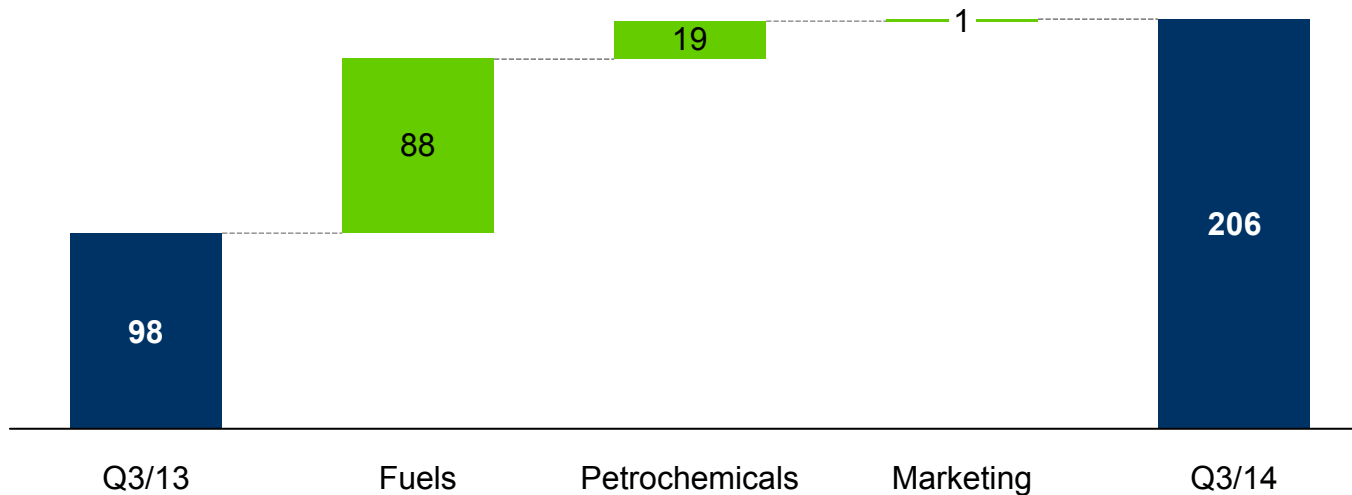




# Refining and Marketing Clean CCS EBIT

in EUR mn

Q3/14 vs. Q3/13

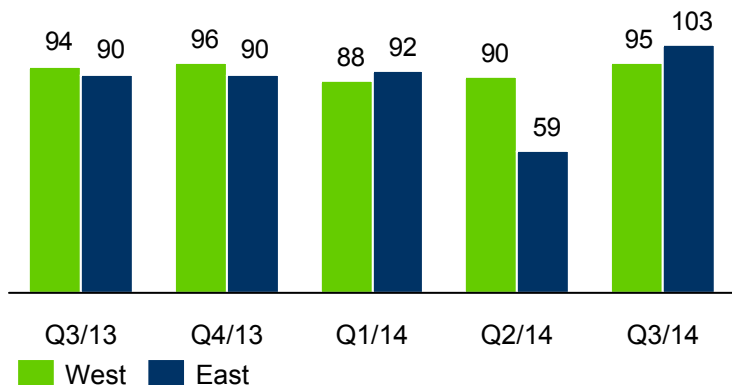


- ▶ Higher OMV indicator refining margin and optimized refining asset portfolio
- ▶ Higher propylene margins
- ▶ Stable marketing result despite challenges in Turkey

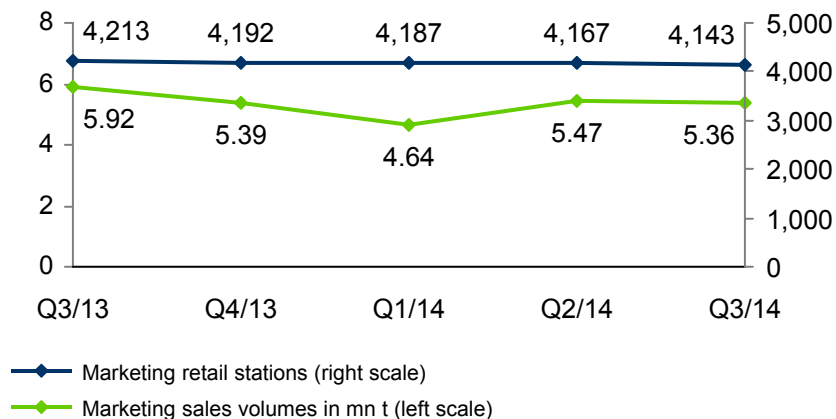
As of Q1/14, figures for 2013 were adjusted due to the implementation of IFRS 11 "Joint Arrangements".

# Refining and Marketing Key Performance Indicators

## Refining utilization rate in %



## Marketing

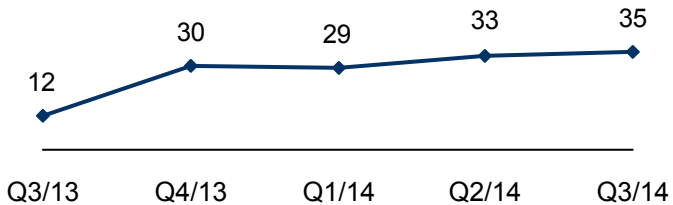


## Q3/14 vs. Q3/13

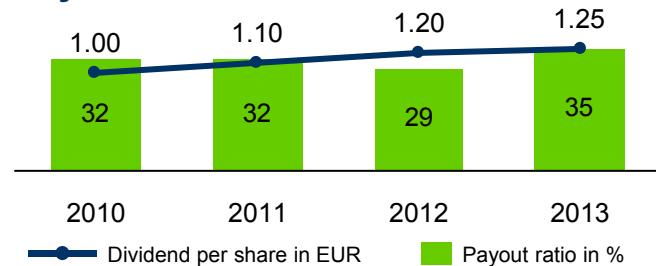
- ▶ Overall refining utilization rate at 97%, up by 4%-points
- ▶ Marketing sales volumes decreased driven by the divestment of Bayernoil
- ▶ Strong result from Borealis supported by better base chemicals business and improved Borouge contribution
- ▶ Continued filling station network optimization

# Key financial indicators

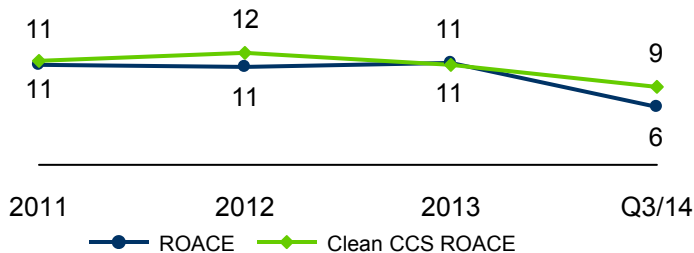
## Gearing ratio in %



## Payout ratio and DPS



## ROACE and clean CCS ROACE in %



## Key financial principles

- ▶ Long-term gearing ratio target of  $\leq 30\%$
- ▶ Maintain a strong investment grade rating
- ▶ Sustainable dividend policy: Long-term payout ratio target of 30% of net income
- ▶ Achieve a long-term ROACE of 13% under average market conditions <sup>1</sup>

<sup>1</sup> This will be adversely affected in the mid-term by capital invested in field development projects

# Outlook 2014

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<b>Oil price</b>	2014 average <b>USD ~100/bbl</b>
<b>G&amp;P markets</b>	remain <b>highly challenging</b>
<b>Refining margins</b>	remain <b>under pressure</b>
<b>Marketing volumes</b>	remain <b>under pressure</b>
<b>Production</b>	<b>~310 kboe/d</b>
<b>CAPEX</b>	<b>EUR ~3.9 bn (&gt;80% E&amp;P)</b>
<b>E&amp;A <sup>1</sup> expenditure</b>	<b>EUR ~700 mn</b>

<sup>1</sup> Exploration and Appraisal



# Exploration and Production Update

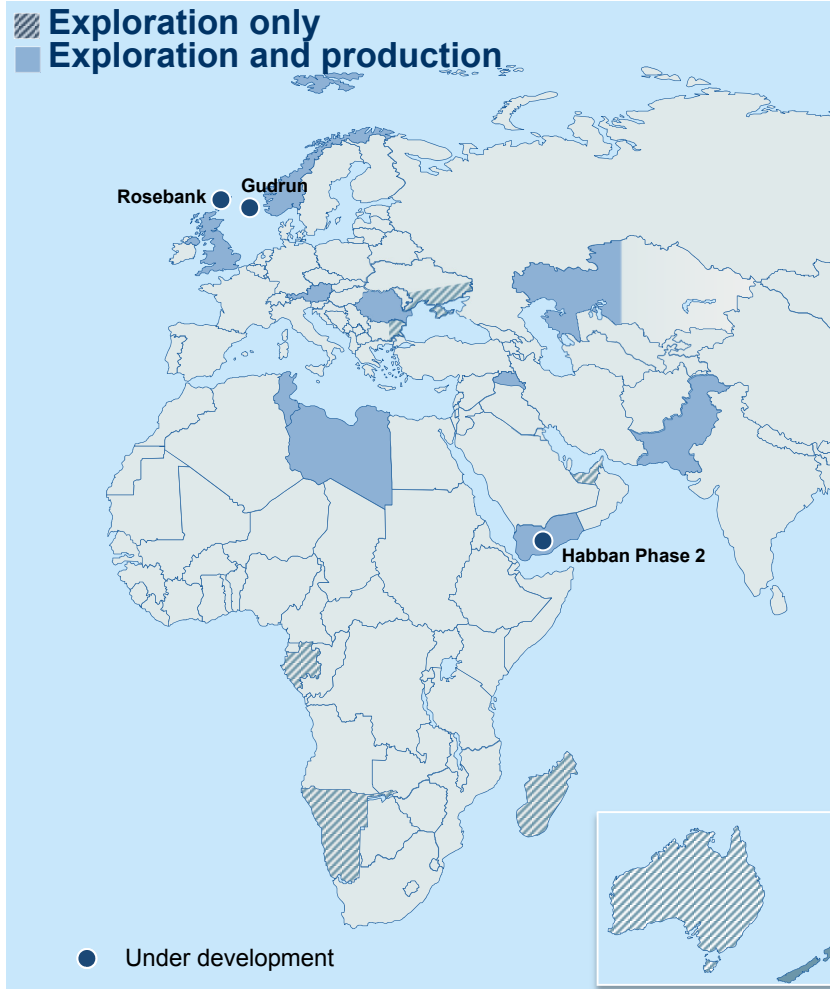
Jaap Huijskes,  
Executive Board member responsible for E&P



OMV Aktiengesellschaft



# E&P project update



## Continuous strong project pipeline (>1 bn boe)

- ▶ **Gudrun (Norway):** Production ramp-up – producing with three wells at ~17 kboe/d<sup>1</sup> (net to OMV)
- ▶ **Rosebank (UK):** Significant improvement in project value sufficient to support the project moving to Final Investment Decision
- ▶ **Habban Phase 2 (Yemen)** – commissioning additional Early Production Facilities

<sup>1</sup> Average in October





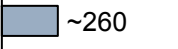


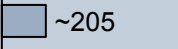











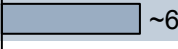








# More than 1 bn barrels in the project pipeline



<sup>1</sup> Kurdistan Region of Iraq <sup>2</sup> Discovered technical resources, 3-year average 2013 <sup>3</sup> Expected cumulated field life production

<sup>4</sup> As stated in the outlook section of OMV's Q3/14 report, a review of the investment program with the purpose of reducing the level of capital spending over the next two to three years is currently ongoing. A delay in reaching the mentioned production levels can therefore not be excluded.

# Major projects under development

		New ventures		Exploration		Appraisal		Development		Execution	
Project	Country	Type	Production start <sup>1</sup>	2P reserves	Peak production	Project investments	Working interest	Operated			
		primary	year	mn boe	kboe/d	EUR mn	%				
FRD Romania		Oil/Gas	2013-2015	~100	~17	 ~500-550 <sup>2</sup>	100.0 <sup>3</sup>		OP		
FRD Austria		Oil/Gas	2013-2015	~15	~9	 ~260	100.0		OP		
Maari Growth		Oil	2014	~10	~7	 ~205	69.0		OP		
Habban		Oil	2014	~28 <sup>4</sup>	~10	 ~820 <sup>4</sup>	44.0		OP		
Nawara		Gas	2016	40-50	~10	 ~550	50.0		OP		
Schiehallion		Oil	2016	~42	~12	 ~740	~11.8		NO		
Edvard Grieg		Oil	2016	~38	~19	 ~640	20.0		NO		
Aasta Hansteen <sup>5</sup>		Gas	2017	~43	~18	 ~810	15.0		NO		
Zidane		Gas	t.b.d.	~20	~7	t.b.d.	20.0		NO		
Rosebank <sup>6</sup>		Oil	end of decade	~125-150	~50	under review	50.0		NO		

<sup>1</sup> As stated in the outlook section of OMV's Q3/14 report, a review of the investment program with the purpose of reducing the level of capital spending over the next two to three years is currently ongoing. A delay in production start can therefore not be excluded. <sup>2</sup> Investments from 2014 onwards <sup>3</sup> Via OMV Petrom <sup>4</sup> Including Phase 1 and 2 of the project <sup>5</sup> incl. Polarled <sup>6</sup> Divestment of ~10-20% stake planned  
All figures net to OMV

# Major projects under appraisal

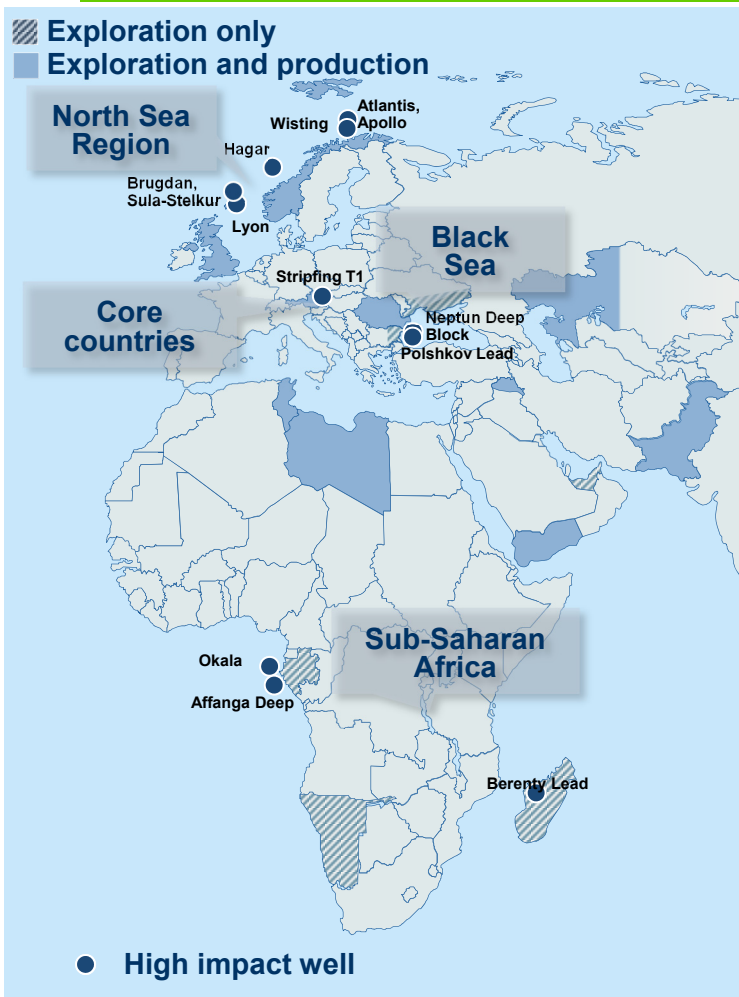


Project	Country	Type	Production start <sup>1</sup>	Cumulative production	Working interest	Operated
		primary	year	mn boe	%	
FRD Romania		Oil/Gas	2014-2017	~200-250	100.0 <sup>2</sup>	<b>OP</b>
FRD Austria		Oil/Gas	2015	~5	100.0	<b>OP</b>
Cambo Hub <sup>3</sup>		Oil/Gas	post 2020	~120-150	47.5-65.0	<b>OP</b>
Shuwaihat <sup>4</sup>		Gas/NGL	post 2020	t.b.d.	50.0 <sup>5</sup>	<b>NO</b>
Domino		Gas	end of decade	0.75-1.5 tcf <sup>6</sup>	50.0 <sup>2</sup>	<b>NO</b>
Zola		Gas	t.b.d.	t.b.d.	20.0	<b>NO</b>
Wisting		Oil	post 2020	t.b.d.	25.0	<b>OP</b>
Bina Bawi		Gas	t.b.d.	t.b.d.	36.0	<b>OP</b>

All figures net to OMV

<sup>1</sup> As stated in the outlook section of OMV's Q3/14 report, a review of the investment program with the purpose of reducing the level of capital spending over the next two to three years is currently ongoing. A delay in production start can therefore not be excluded. <sup>2</sup> Via OMV Petrom <sup>3</sup> Cambo, Tornado, Sulven <sup>4</sup> Technical Evaluation Agreement <sup>5</sup> 50% of expected gross volumes in appraisal phase to OMV <sup>6</sup> As communicated in February 2012; Data collected from Domino-2 well is being evaluated

# Exploration update and high impact wells <sup>1</sup>



## New ventures

- ▶ Georgia: Memorandum of Understanding signed in September

## Seismic

- ▶ Gabon: 8,500 km<sup>2</sup> 3D seismic acquisition started in August

## Drilling

- ▶ Pelican South-1 and Stripfing T1 started drilling in October
- ▶ Luno II appraisal well found oil in a separate compartment, evaluation ongoing

Well	Country	Basin/Block	Type <sup>2</sup>	Spud date <sup>3</sup>	Working interest	Operated
Affanga Deep		Gabon Offshore	E	Dry	30%	NO
Okala		Gabon Offshore	E	Dry	10%	NO
Apollo		Barents Sea	E	Dry	20%	NO
Hanssen (Wisting)		Barents Sea	A	Oil	25%	OP
Brugdan		West of Shetland	E	Dry	15%	NO
Atlantis		Barents Sea	E	Dry	20%	NO
Sula-Stelkur		West of Shetland	E	Dry	30%	NO
Domino-2		Black Sea	A	Completed	50% <sup>4</sup>	NO
Pelican South- 1		Black Sea	E	Drilling	50% <sup>4</sup>	NO
Stripfing T1		Vienna Basin	E	Drilling	100%	OP
Hagar		Norwegian Sea	E	2015	20%	NO
Lyon		West of Shetland	E	2015	~40%	OP
Berenty Lead		Berenty	E	2015	35%	NO
Polshkov Lead		Han Asparuh	E	2015	30%	NO
Wisting Appraisal		Barents Sea	A	2015	25%	OP
Neptun Deep		Black Sea	E	2015	50% <sup>4</sup>	NO

<sup>1</sup> >25 mn boe net to OMV    <sup>2</sup> Exploration/Appraisal

<sup>3</sup> Subject to updates based on operational requirements. As stated in the outlook section of OMV's Q3/14 report, a review of the investment program with the purpose of reducing the level of capital spending over the next two to three years is currently ongoing. A delay in spud dates can therefore not be excluded.    <sup>4</sup> Via OMV Petrom



# Production levels in Libya and Yemen



ADWOC 38 rig, Libya



Central Processing Facility construction site, Yemen

## Libya

- ▶ Partially on stream since mid July 2014
- ▶ Production ~30 % of total capacity in January-October 2014
- ▶ October average production at ~22 kboe/d
- ▶ Security situation still volatile

## Yemen

- ▶ Production ~73% of current total capacity in January-October 2014
- ▶ Currently construction of two additional Early Production Facilities being finalized
- ▶ Total processing capacity in Habban will be increased to 40 kboe/d (gross)
- ▶ Central Processing Facility completion is dependent on security

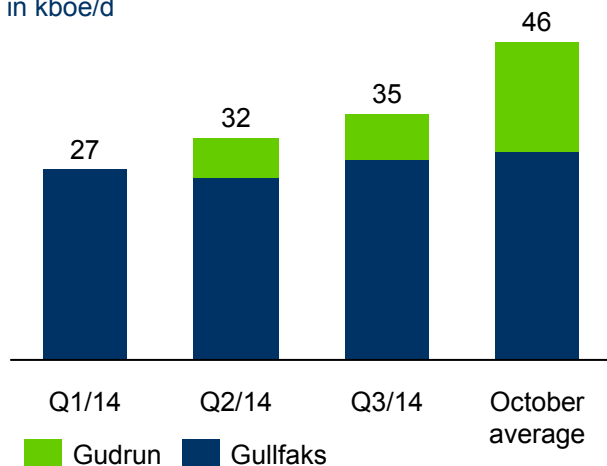
All figures net to OMV

# Production levels Norway



## Norway production ramp-up

in kboe/d



## Production ramping up

- ▶ Gudrun
  - ▶ 3<sup>rd</sup> well start-up on October 10
  - ▶ 4<sup>th</sup> well to come on stream by year-end

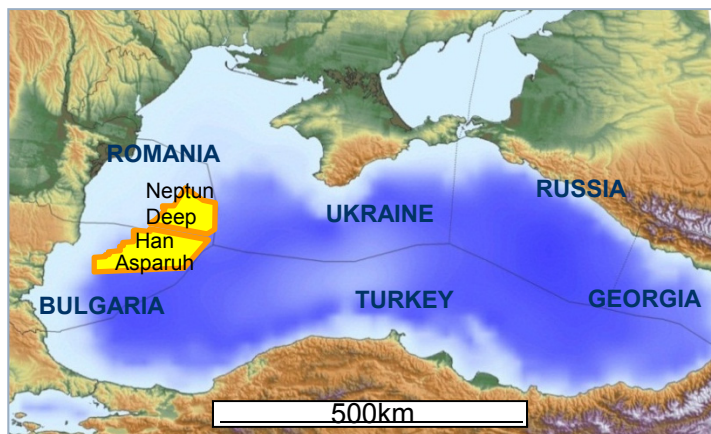
## Production Outlook

- ▶ Additional Gudrun wells drilling in 2015 and 2016
- ▶ Gullfaks redevelopment projects ongoing
- ▶ Edvard Grieg project on schedule for 2016 start-up
- ▶ Aasta Hansteen project scheduled for late 2017 start-up

# Domino, Black Sea Romania



Ocean Endeavor rig



Blocks of OMV Petrom (Romania) and OMV (Bulgaria)

ExxonMobil (Operator, 50%), OMV Petrom (50%)

**Domino-1 discovery <sup>1</sup>:** 70.7 meters of net gas pay, preliminary estimate 1.5-3 tcf (42-84 bcm; 250-500 mn boe), gross

**Start of production:** towards end of decade <sup>2</sup>

- ▶ Domino-1: First deep water (~930 m) exploration well offshore Romania
- ▶ Drilling of Domino-2 deep water well was completed in October 2014 by Ocean Endeavor rig
  - ▶ Data from the well is being evaluated; results expected in 2015
- ▶ Data from 3D seismic acquisition and results from drilling campaign continue to be processed
- ▶ Pelican South-1 well spudded in October 2014

<sup>1</sup> As communicated in February 2012; Data collected from Domino-2 well is being evaluated

<sup>2</sup> If commercially viable

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