OMV Strategy and 2015 results presentation

February 18, 2016

OMV Aktiengesellschaft

Moving more. Moving the future. OMV

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Agenda

Management presentations

10.30am – 11.15am	**Rainer Seele**, Chairman of the Executive Board and CEO
11.15am – 11.45am	**David C. Davies**, Deputy Chairman of the Executive Board and CFO
11.45am – 12.30pm	Q&A session
12.30pm – 01.30pm	Break
01.30pm – 02.00pm	**Johann Pleininger**, Member of the Executive Board responsible for Upstream
02.00pm – 02.30pm	**Manfred Leitner**, Member of the Executive Board responsible for Downstream
02.30pm – 02.40pm	**Rainer Seele**, Chairman of the Executive Board and CEO – closing remarks
02.40pm – 03.30pm	Q&A session

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Rainer Seele

Chairman of the Executive Board and CEO

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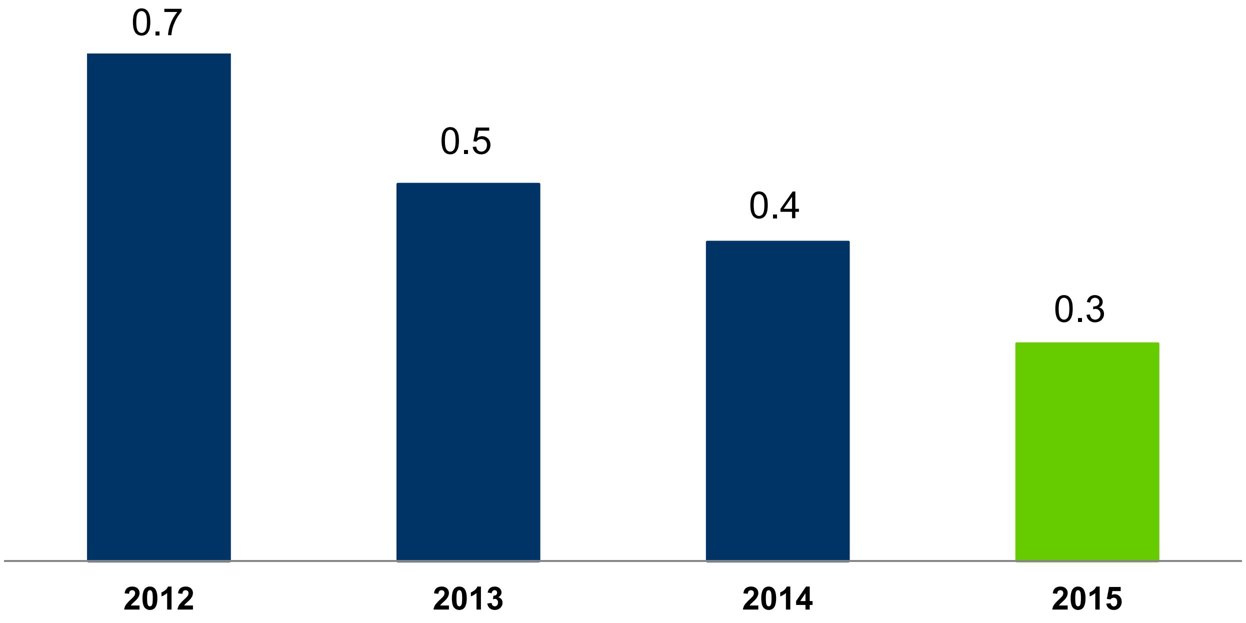
Agenda

- ▶ Financial Performance
- ▶ OMV Strategy
- ▶ Outlook

HSSE: Safety is our top priority

Strong safety improvement record
LTIR [1] OMV Group



[1] Lost-Time Injury Rate

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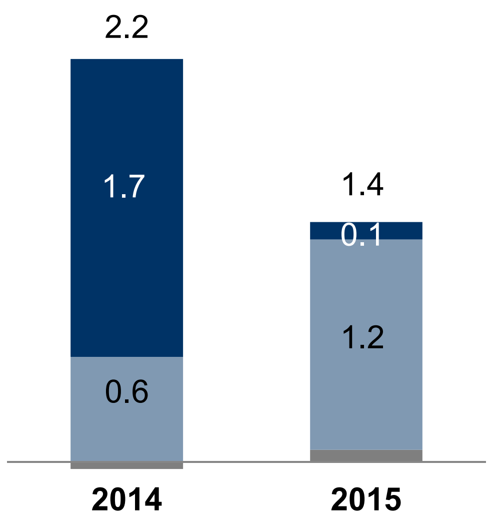
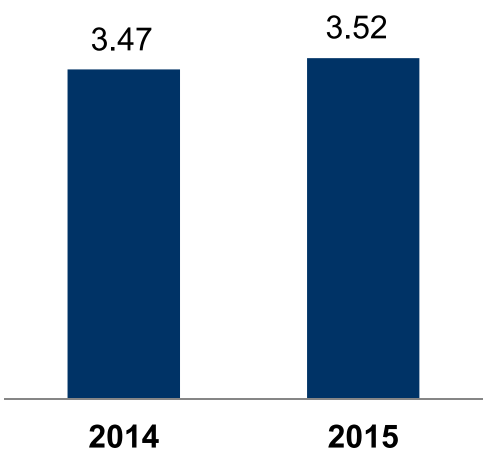
Financial performance 2015

Clean CCS EBIT
in EUR bn

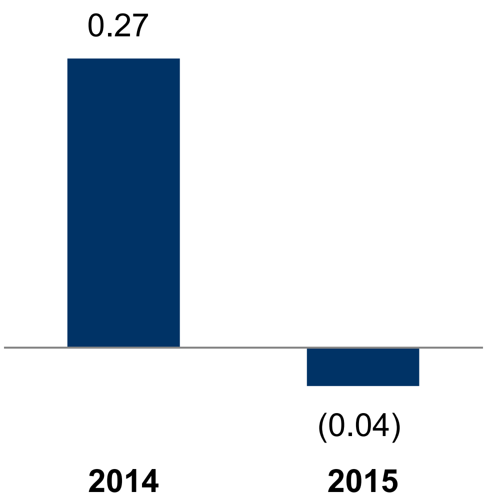


Upstream
Downstream
Corporate & Other, Consolidation

Clean CCS Earnings per share
in EUR



Free cash flow before dividends
in EUR bn

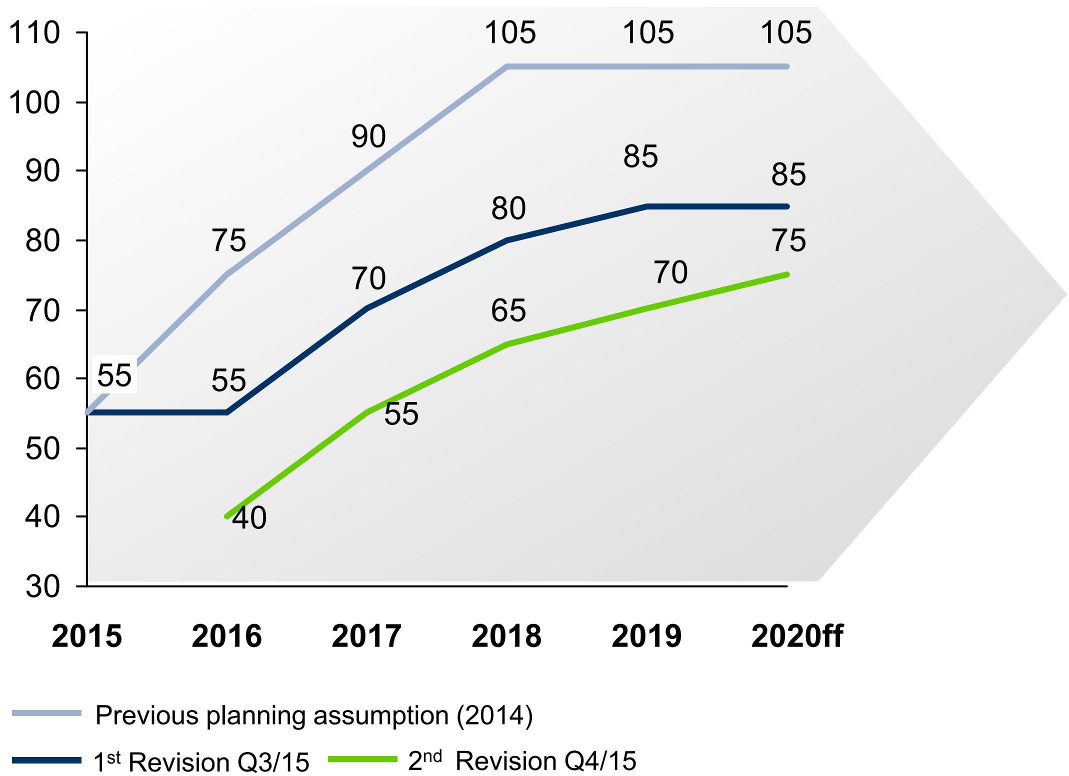


Dividend proposal: EUR 1.00 per share [1]

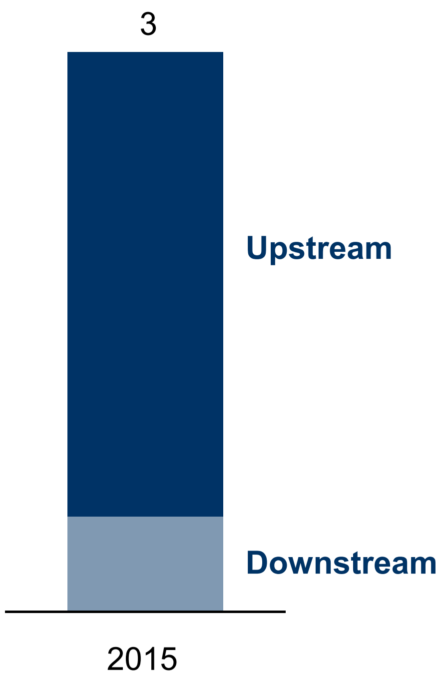
[1] As proposed by the Executive Board. Subject to confirmation by the Supervisory Board and the Annual General Meeting 2016

Revised market outlook triggered significant impairments in 2015

OMV Brent oil price assumptions
in USD/bbl



Special charges in 2015
in EUR bn



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Agenda

- ▶ Financial Performance
- ▶ **OMV Strategy**
- ▶ Outlook

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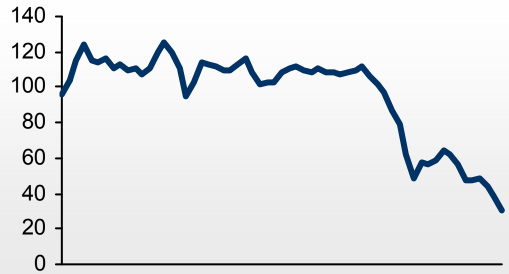
Oil and gas market under pressure

Oil price
Brent,
in USD/bbl



Outlook 2016

- Still significant oversupply
- Iran crude adding to imbalance

Longer term outlook

- Potential supply shortage building up by investment cuts and deferrals

Gas price
CEGH,
in EUR/MWh

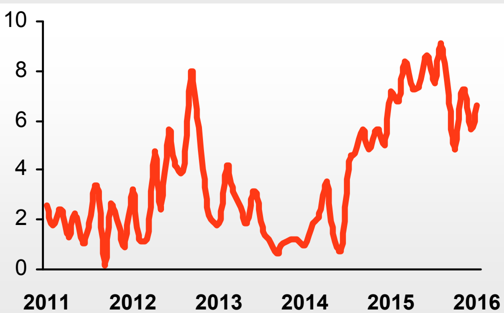
Outlook 2016

- Oversupply situation aggravated by mild winter
- Additional LNG cargoes to Europe

Longer term outlook

- Europe to continue balancing role for increasing LNG
- Upside from switch coal to gas

Refining margin
OMV indicator refining margin,
in USD/bbl



Outlook 2016

- After 2015 record, decline expected

Longer term outlook

- Fundamentals unchanged: Overcapacity in Europe and pressure from imports

All values monthly averages

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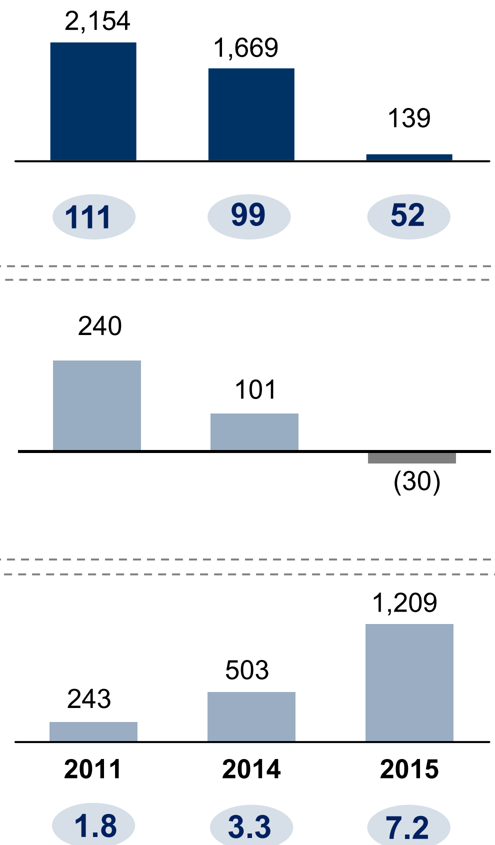
OMV operating performance since 2011

Clean CCS EBIT in EUR mn

Key drivers of business



Upstream

Brent oil price [1]

- Significant oil price drop of >50% starting mid-2014
- EBIT loss from Libya and Yemen

Downstream Gas

- Low utilization of gas-to-power
- Margin pressure due to increasing liquidity and oversupply

Downstream Oil

OMV indicator refining margin [1]

- Refining capacity reduced by 20%
- Record refining margins in 2015

[1] in USD/bbl

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OMV – a strong, integrated oil and gas company

Upstream

Exploration

Development

Production

Value over volume growth

Downstream

Downstream Gas

Restructure and grow volume

Downstream Oil

Strong cash generator

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Strategic priorities

Upstream

Value over volume growth

- Lower cost and increase capital efficiency
- Focus on 3 core and selected development areas
- Achieve Reserve Replacement Rate of 100%
- Long-term strategic partnerships

Downstream Gas

Restructure and grow volume

- Create lean North West European gas sales business
- Divest up to 49% of Gas Connect Austria and invest in non-regulated Nord Stream 2 project
- Minimize power activities

Downstream Oil

Strong cash generator

- Maintain strict capital and cost discipline
- Strengthen integrated margin
- Divest OMV Petrol Ofisi

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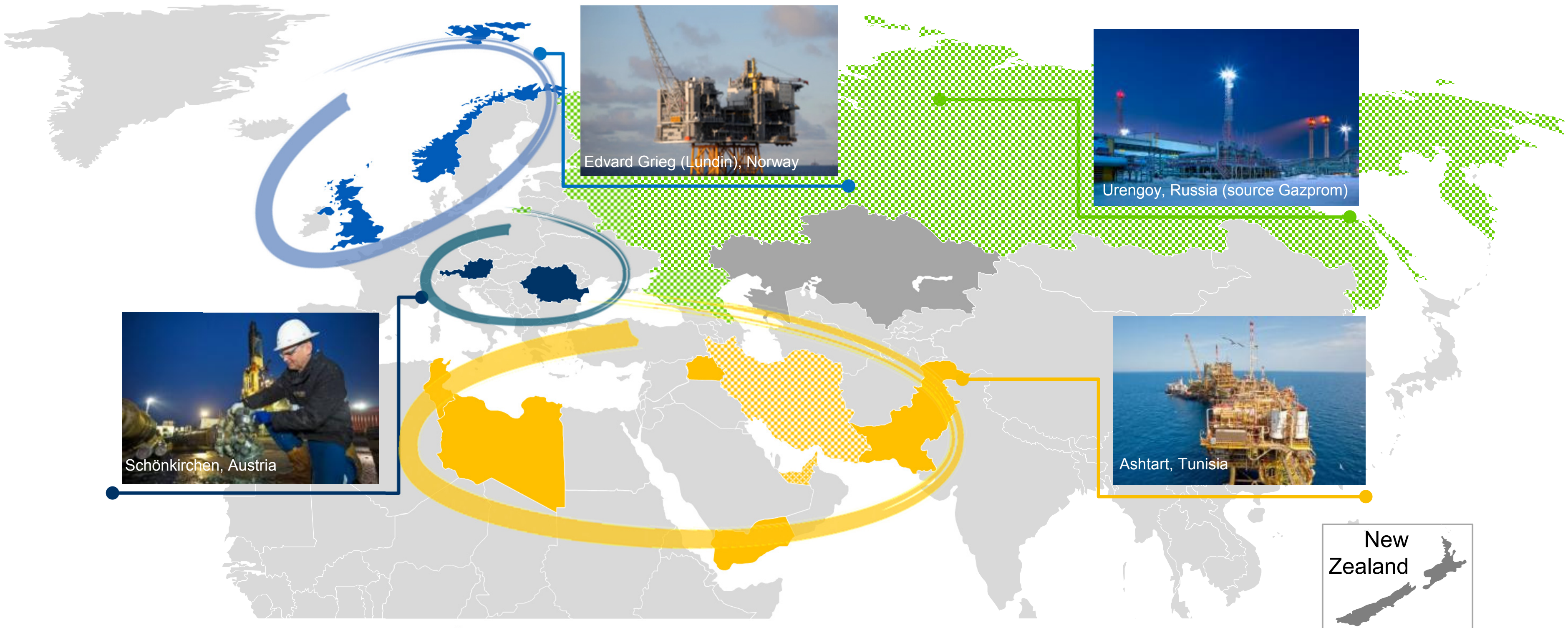
Upstream

- Lower cost and increase capital efficiency
- Focus on 3 core and selected development areas
- Achieve Reserve Replacement Rate of 100%
- Long-term strategic partnerships

Upstream activities will be focused



Core regions contribute ≥ 50 kboe/d

- **Core region 1 – CEE**
- **Core region 2 – North Sea**
- **Core region 3 – MEA**
- **Development areas (Russia, UAE, Iran)**

Note: Some exploration countries not depicted in map

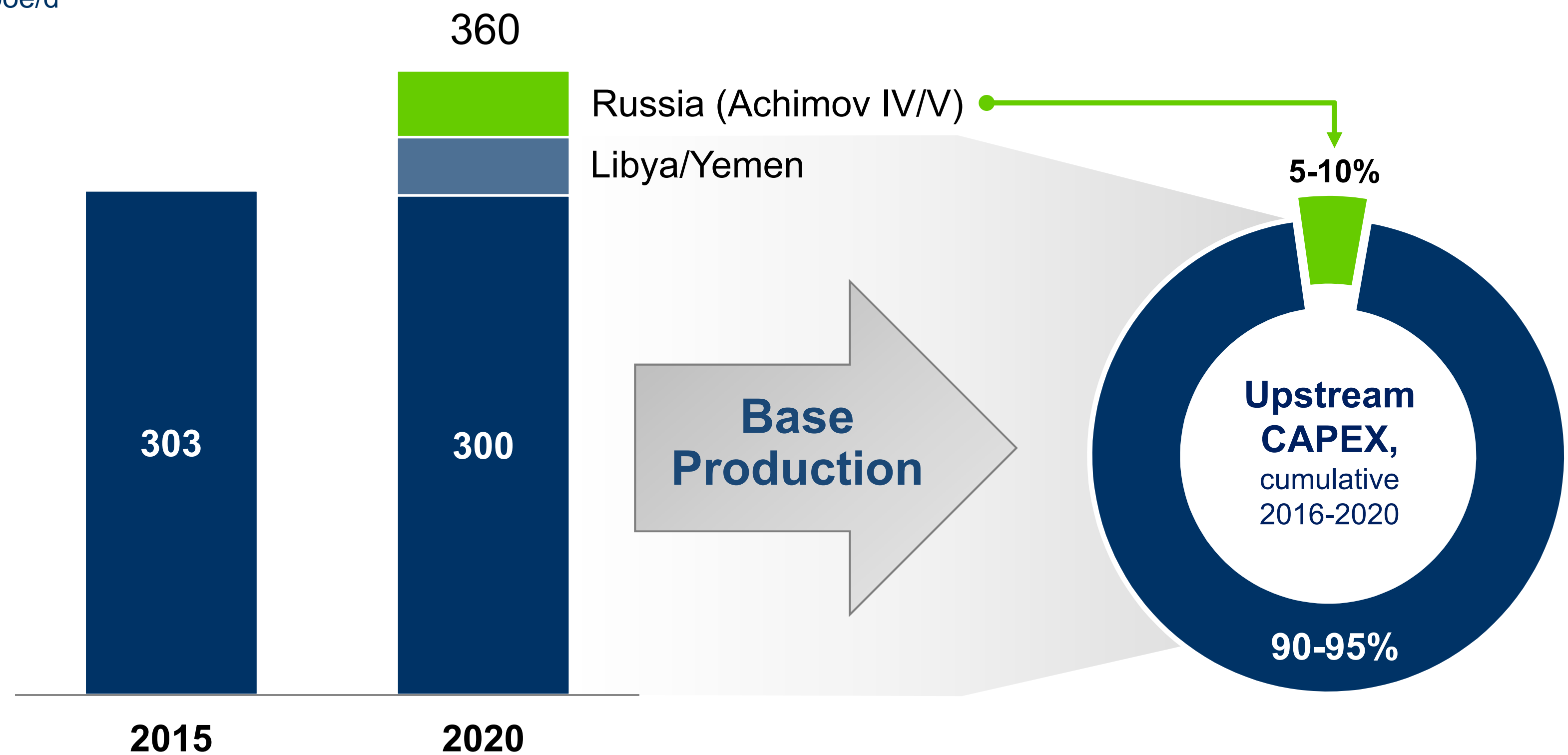
Middle East and Russia among the lowest cost upstream regions in the world

	Russia	Middle East	Northern Europe
Reserves remaining [1, 2] in bn boe	**410**	**719**	**42**
Acquisition cost 2P [3] in USD/boe	2	9	11
Finding, development and production cost [4] in USD/boe	10	11	43

[1] Commercial and Technical [2] Wood Mackenzie [3] IHS Transaction analysis; 3-year average [4] OMV analysis, based on various sources
Middle East: Bahrain, Iraq, Israel, Jordan, Kuwait, Oman, Qatar, Saudi Arabia, Syria, United Arab Emirates, Yemen
Northern Europe: Denmark, Faroe Islands, Ireland, Lithuania, Norway, United Kingdom

Production: Maintain 300 kboe/d, upside from Russia and assumed return of Libya/Yemen

OMV production
in kboe/d



- Not reflecting impact of asset swap

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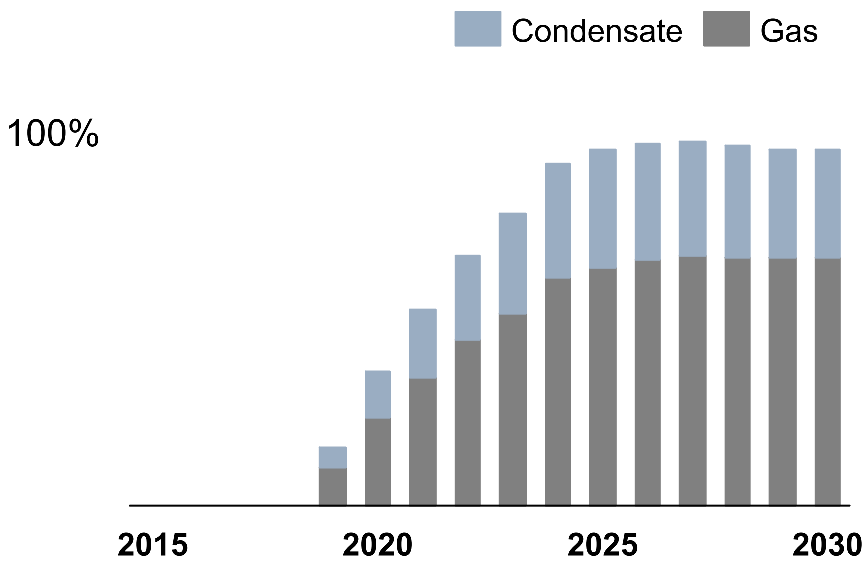
Significant opportunity: Potential Achimov IV/V participation in Russia

Expected production development

Indicative production Achimov IV/V, in % of plateau



Total hydrocarbon reserves:	2.4 bn boe
Thereof gas:	274 bcm
Thereof condensate:	74 mn t

Source: Russian mining authority (gross data), OMV analysis

Asset swap with Gazprom

- Acquisition of 24.98% stake in areas IV and V of the Achimov formation (Urengoy field) via asset swap with Gazprom
- Start of production planned for 2018
- Roadmap
  - Currently: Due diligence ongoing
  - 2016: Signing of contract on asset swap planned
  - 2017: Closing of transaction

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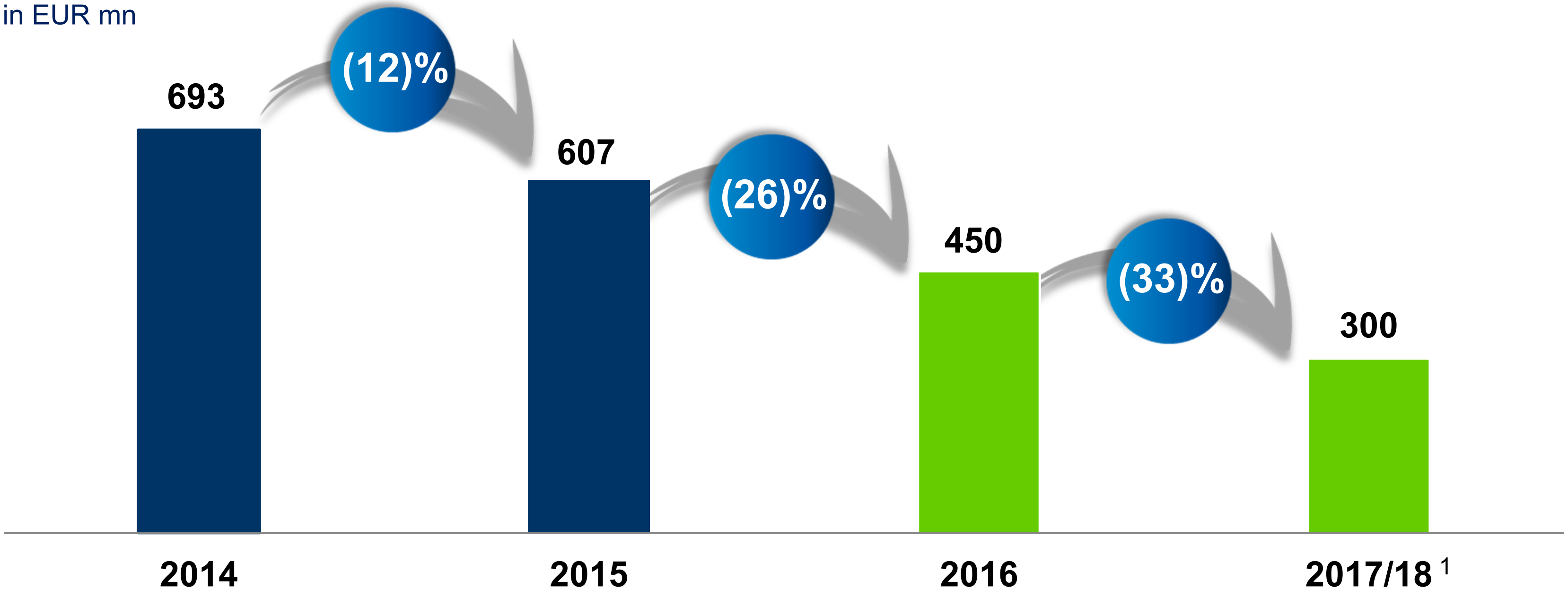
Reduction of Exploration and Appraisal spend

E&A expenditure
in EUR mn



- Change of reserve replenishment strategy
- Review Sub-Saharan Africa positions
- Focus on near-field opportunities
- Acquisitions in low cost areas

[1] 2017/18 average per annum

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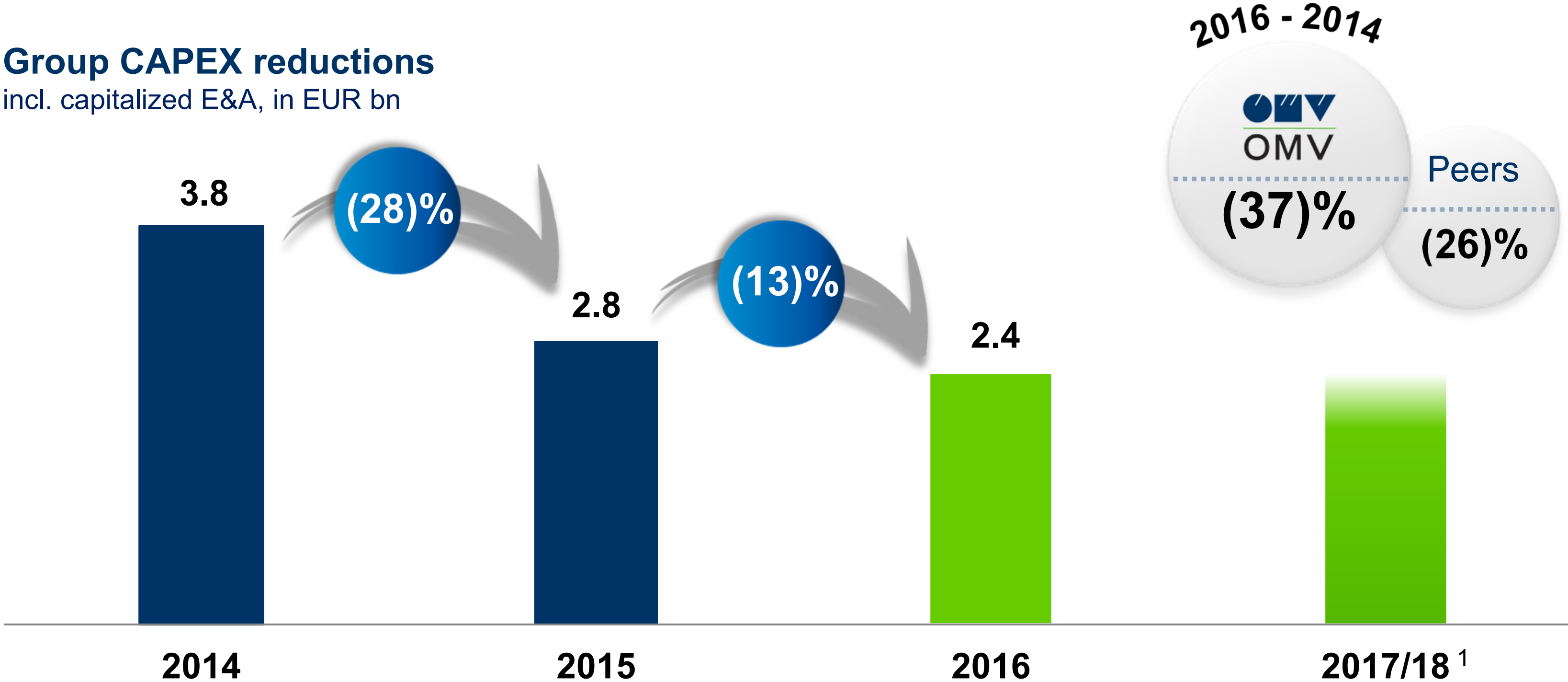
CAPEX discipline and efficiency

Group CAPEX reductions
incl. capitalized E&A, in EUR bn

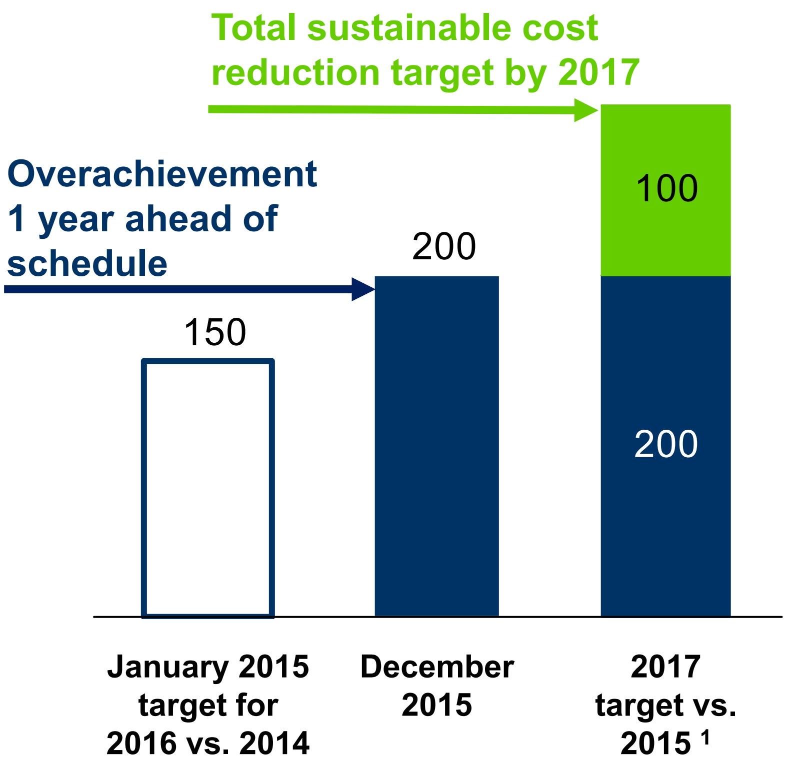


- Sustainable reduction of unit CAPEX cost
- Focus on highly profitable barrels
- Simpler, standardized specifications and processes
- Enhanced collaboration between procurement and technical functions

Peers: Shell/BG, BP, Statoil and Total; Source: Evaluate Energy, OMV analysis
[1] 2017/18 average per annum

Sustainable cost reduction and efficiency improvements

Manageable cost reduction [1] and efficiency improvement effects
in EUR mn



- New function for cost management and efficiency created
- Contractor renegotiations
- Simplified organization and processes
- Reduction of overhead cost
- Efficiency improvement Upstream and Downstream

[1] Comparable basis. Manageable costs are considered to be most directly under management's influence

Downstream Gas

- Create lean North West European gas sales business
- Divest up to 49% of Gas Connect Austria and invest in non-regulated Nord Stream 2 project
- Minimize power activities

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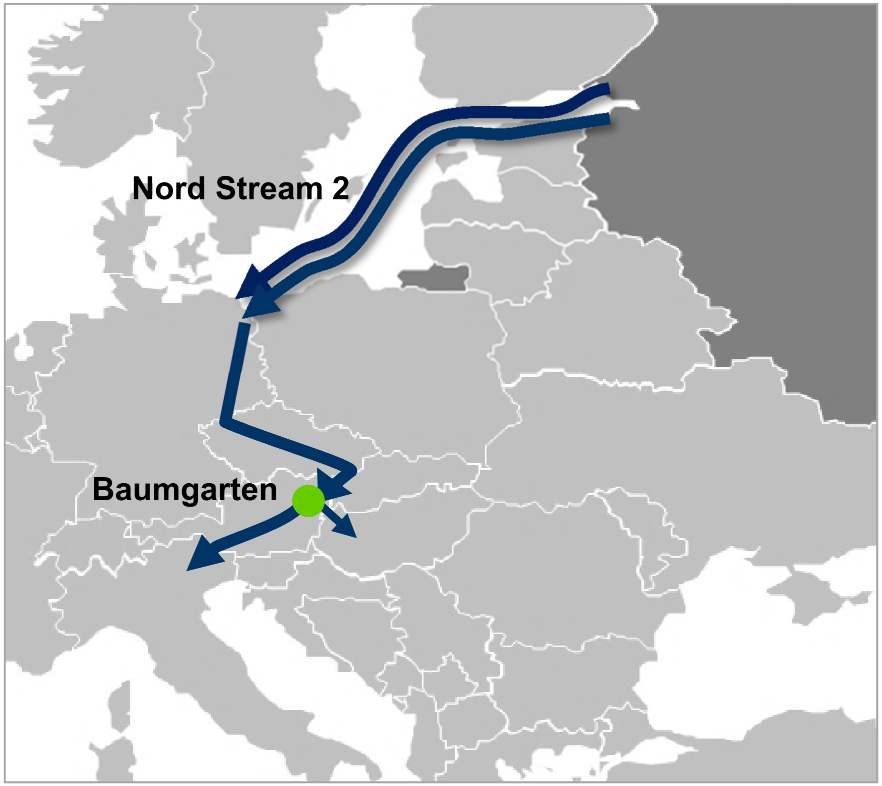
Nord Stream 2: Secure gas flows to Baumgarten



Nord Stream 2

- Twin 1,224-kilometer offshore pipeline system from Russia to Germany
- Capacity of 55 bcm p.a.
- Investment partners: Gazprom 50%; E.ON, Shell, OMV, ENGIE and BASF 10% each
- Total project investments (100%) of around EUR 10 bn incl. financing costs expected
- Commissioning: End of 2019

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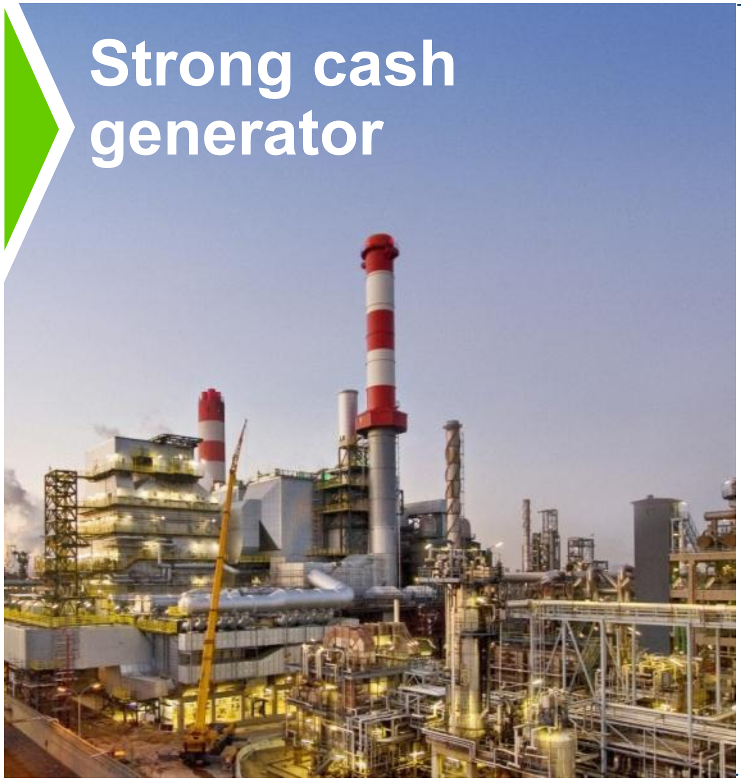
Nord Stream 2: Strategic rationale

- Economically attractive investment
- Non-regulated, fixed return based on 100% ship or pay
- Increases security of supply of Austrian gas imports
- Baumgarten as destination for major volumes which secures value of Gas Connect Austria

Downstream Oil



- Maintain strict capital and cost discipline
- Strengthen integrated margin
- Divest OMV Petrol Ofisi

Additional cash flow from divestments

Gas Connect Austria :
Minority divestment opportune

- Very stable return asset…

  …yet highly regulated business with limited entrepreneurial control and diminishing strategic relevance of ownership

- In low interest environment…

  …strong interest from financial investors

Divest minority share (up to 49%)

OMV Petrol Ofisi:
No strategic fit

- Market leading position in the largest European growth market…
  …yet limited integration within OMV Downstream Oil

- Top ranked brand and largest fuel storage operator in Turkey…
  … yet profitability affected by regulatory environment

- After successful contract renewals in 2015…
  …right time to exit healthy, yet non-strategic asset to generate cash

Divest up to 100%

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Agenda

- Financial Performance
- OMV Strategy
- Outlook

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Outlook 2016

- **Oil price:** Annual average of USD 40/bbl expected
- **Refining margins:** Expected to decline from 2015 level
- **Retail volumes:** Lower product prices expected to support demand
- **Gas markets:** Remain challenging
- **Production:** ~300 [1] kboe/d
- **CAPEX:** EUR ~2.4 bn (~70% Upstream)
- **E&A expenditure:** EUR ~0.45 bn

[1] Without production from Libya and Yemen

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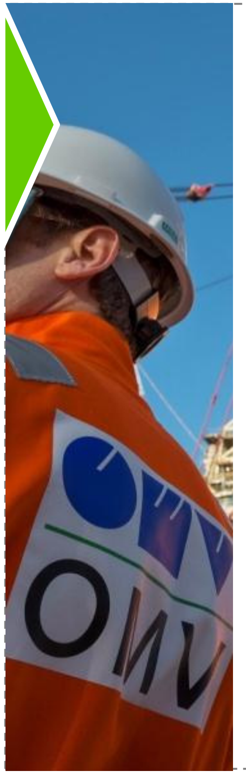
OMV strategy in a nutshell



- Focus on cash and costs
- Achieve sustainable position in Upstream
- Restructure Downstream Gas
- Continue to strengthen competitiveness of Downstream Oil

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David C. Davies

Deputy Chairman of the Executive Board and CFO

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Agenda

- Results Q4/15
- Financial priorities and guidance

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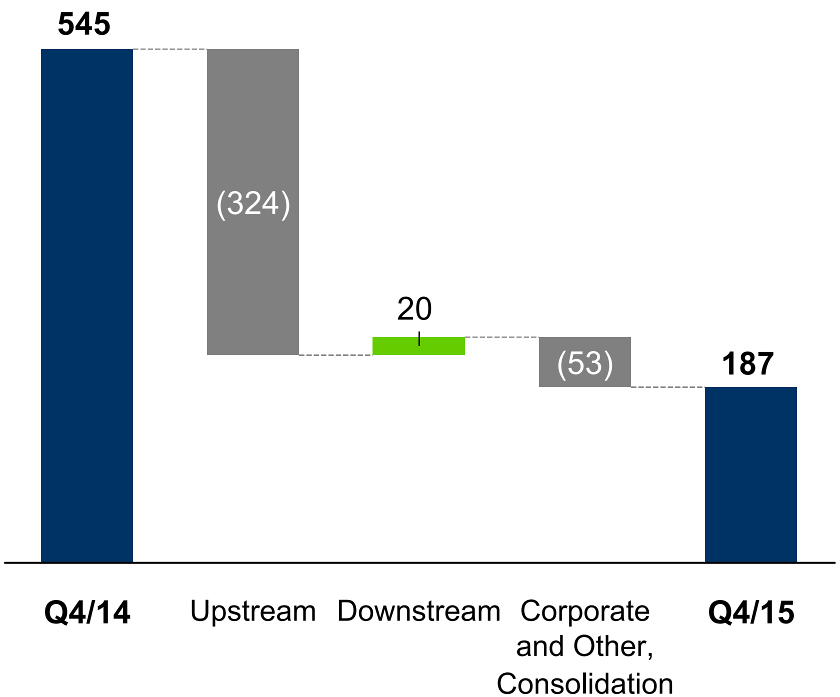
Q4/15 Highlights

Clean CCS EBIT
in EUR mn



Q4/15 vs. Q4/14

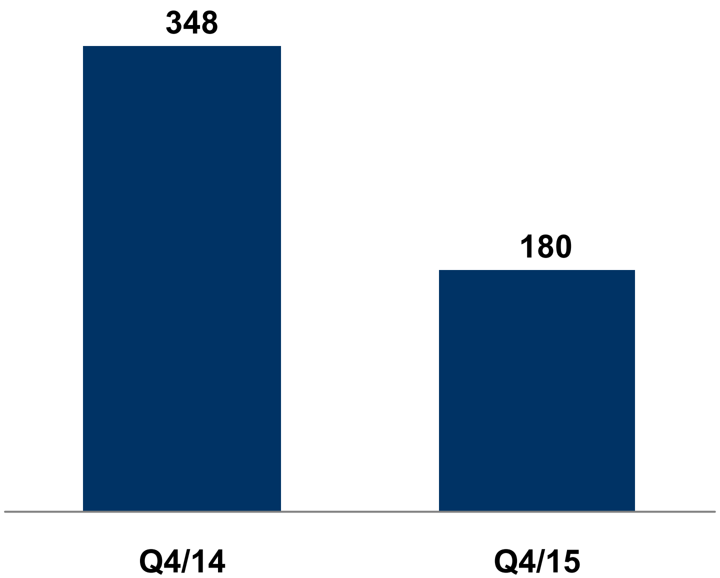
- Average Brent price down by 43% to USD 44/bbl
- Production at 309 kboe/d, down by 3%
- Lower oil sales volumes, mainly in Yemen and Libya
- Strong refining performance, partially offset by Downstream Gas
- Gearing ratio improved to 28%
- Special charges of EUR 1.8 bn recorded
- Proposed dividend: EUR 1.00 per share [1]

[1] As proposed by the Executive Board. Subject to confirmation by the Supervisory Board and the Annual General Meeting 2016
Figures for 2014 and previously interim figures of 2015 were adjusted according to IAS 8. Further details are described in the Investor News Report January – December and Q4 2015.
Figures on this and the following slides may not add up due to rounding differences.

Results in Q4/15

Clean CCS net income attributable to stockholders [1]

in EUR mn

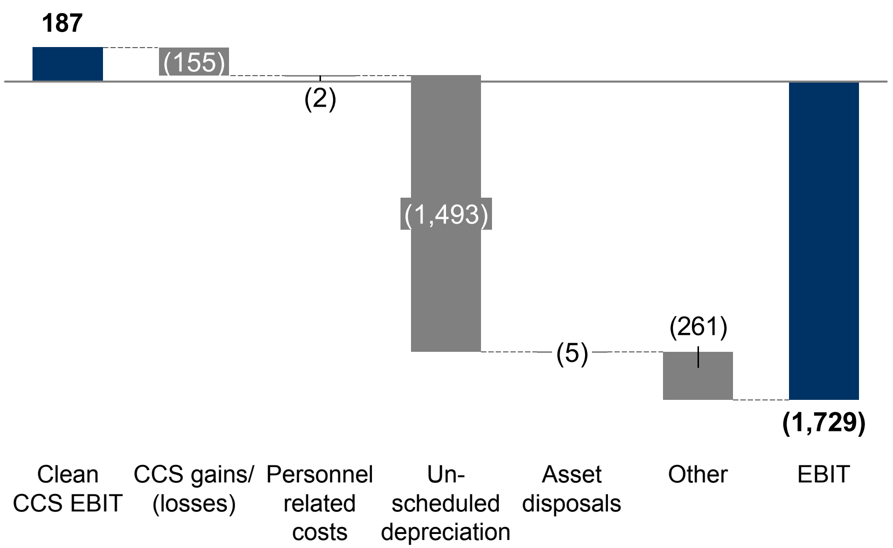


in EUR mn	Q4/15	Q4/14	△
EBIT	**(1,729)**	**(532)**	**n.m.**
Financial result	18	(70)	n.m.
Profit from ordinary activities	**(1,711)**	**(602)**	**184%**
Taxes	403	154	162%
Effective tax rate	24%	26%	(8)%
Net income	(1,308)	(448)	192%
Minorities and hybrid capital owners	291	44	n.m.
Net income attributable to stockholders [1]	**(1,017)**	**(404)**	**151%**
EPS (in EUR)	(3.11)	(1.24)	151%
Clean EBIT	32	249	(87)%
Clean CCS EBIT	**187**	**545**	**(66)%**
Clean CCS net income attributable to stockholders [1]	**180**	**348**	**(48)%**
Clean CCS EPS (in EUR)	0.55	1.07	(48)%

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

Special items and CCS effect

Q4/15
in EUR mn

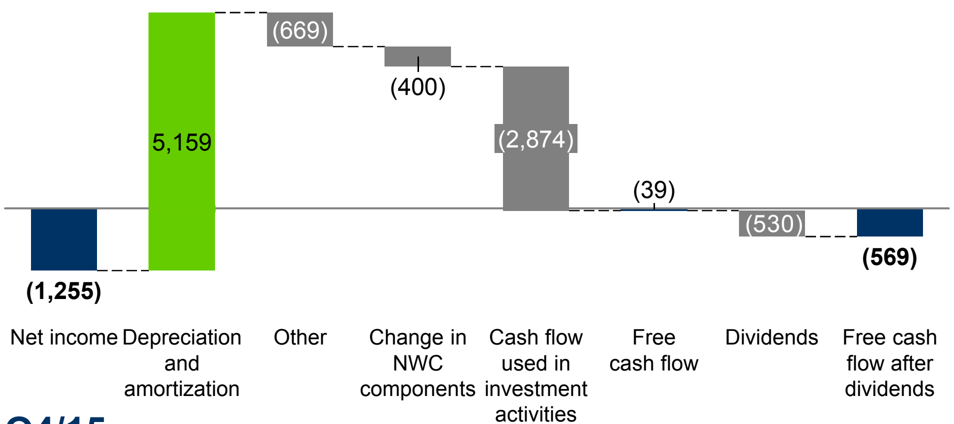


in EUR mn	Q4/15	Q4/14
Clean CCS EBIT	**187**	**545**
CCS gains/(losses)	(155)	(296)
Clean EBIT	**32**	**249**
Personnel related costs	(2)	(12)
Unscheduled depreciation	(1,493)	(699)
Asset disposals	(5)	(21)
Other	(261)	(48)
Total special items	**(1,761)**	**(781)**
EBIT	**(1,729)**	**(532)**

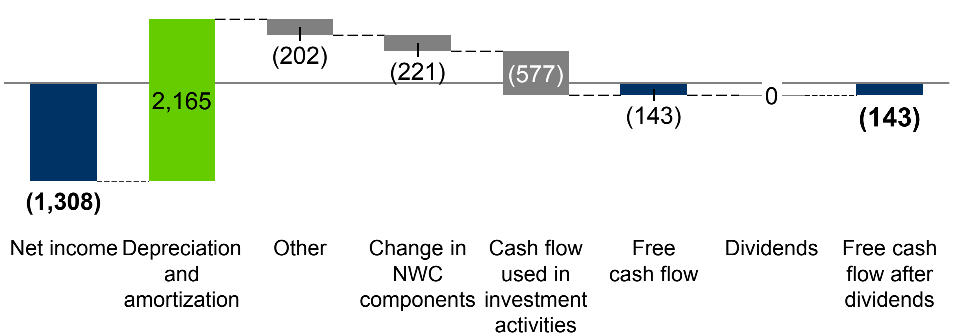
- Mostly impairments of Upstream assets mainly due to revised short and longer term oil and gas price assumptions
- Provision charged against the Gate LNG obligation and associated transportation commitments

Cash flow

2015
in EUR mn



Q4/15
in EUR mn



in EUR mn	2015	2014	△
Net income	(1,255)	527	n.m.
Depreciation and amortization	5,159	3,167	63%
Other	(669)	(433)	55%
Sources of funds	3,234	3,262	(1)%
Change in net working capital components	(400)	405	n.m.
Cash flow from operating activities	**2,834**	**3,666**	**(23)%**
Cash flow from investments	(3,066)	(3,910)	(22)%
Cash flow from divestment proceeds	193	516	(63)%
Free cash flow	**(39)**	**272**	**n.m.**
Free cash flow after dividends	**(569)**	**(377)**	**51%**

Agenda

- Results Q4/15
- Financial priorities and guidance

Financial priorities

Cash

- Achieve broadly neutral free cash flow after dividends

Dividend

- 2015 dividend EUR 1.00 per share [1]
- Maintain dividend policy of long-term payout ratio of 30% of net income

Rating

- Strong investment grade credit rating
- Strong balance sheet (long-term gearing ratio of ≤30%)

[1] As proposed by the Executive Board. Subject to confirmation by the Supervisory Board and the Annual General Meeting 2016

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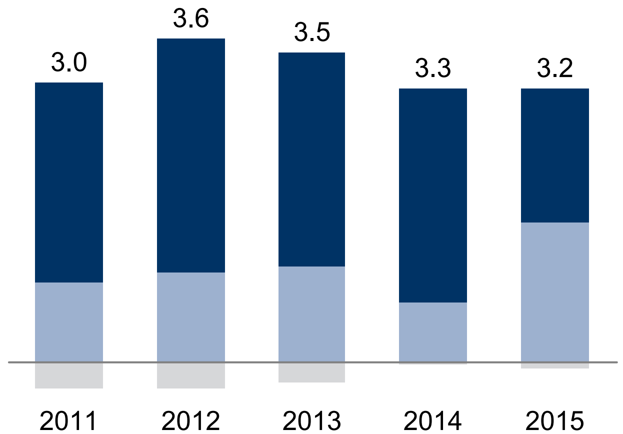
Integrated business model provides cash and bottom line resilience

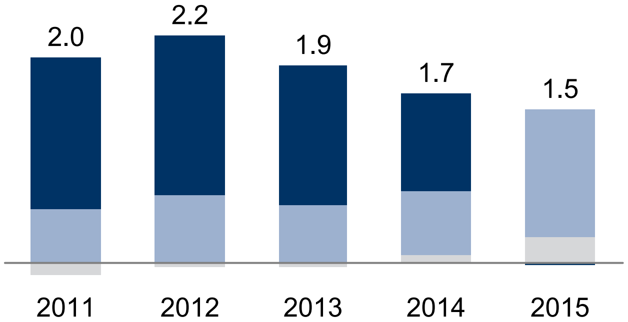
Sources of funds
in EUR bn



+6%

2015 vs. 2011

Clean CCS NOPAT
in EUR bn



(22)%

2015 vs. 2011

Brent price
in USD/bbl

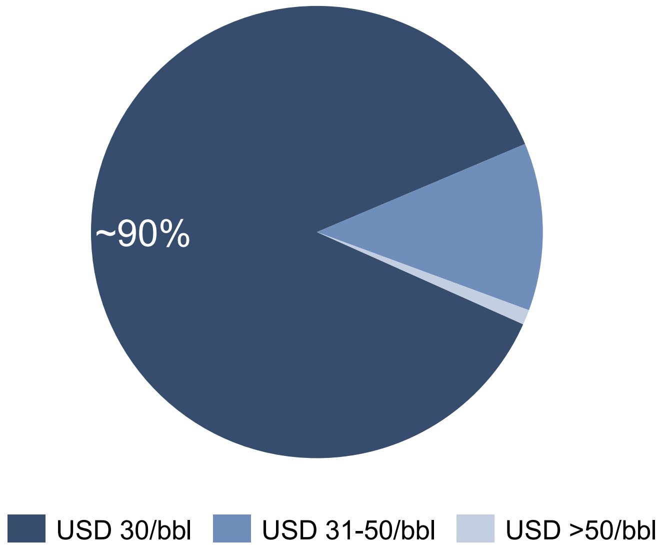
2011	2012	2013	2014	2015
111	112	109	99	52

(53)%

2015 vs. 2011

Upstream
Downstream
Corporate and Other, Consolidation

Resilience of OMV's Upstream portfolio in difficult times

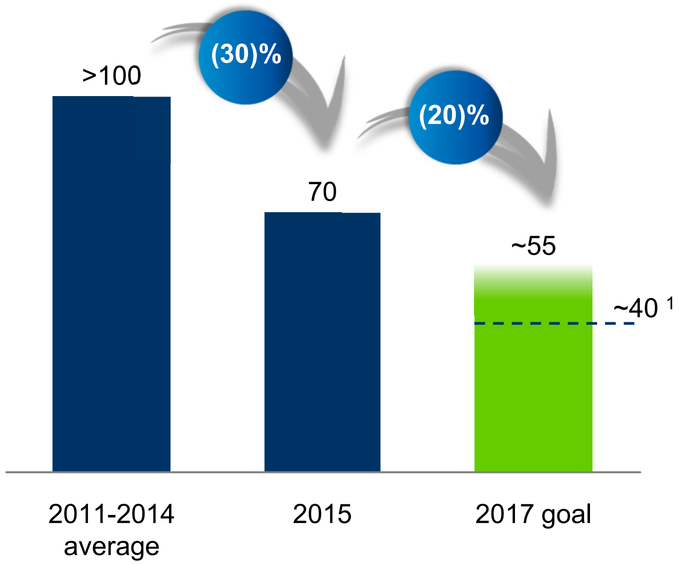


- Approx. 90% of current production is operating cash flow [1] positive at USD 30/bbl

Sensitivity based calculation for the Upstream production portfolio (2016E), on asset level, excluding exploration costs. Gas prices were adjusted accordingly.
[1] Equivalent to sources of funds before financing costs

Oil price needed to be free cash flow neutral after dividends substantially reduced

FCF after dividends break-even oil price
in USD/bbl



2011-2014 average	2015	
108	52	**Brent price** in USD/bbl
2.7	7.2	**OMV indicator refining margin** in USD/bbl

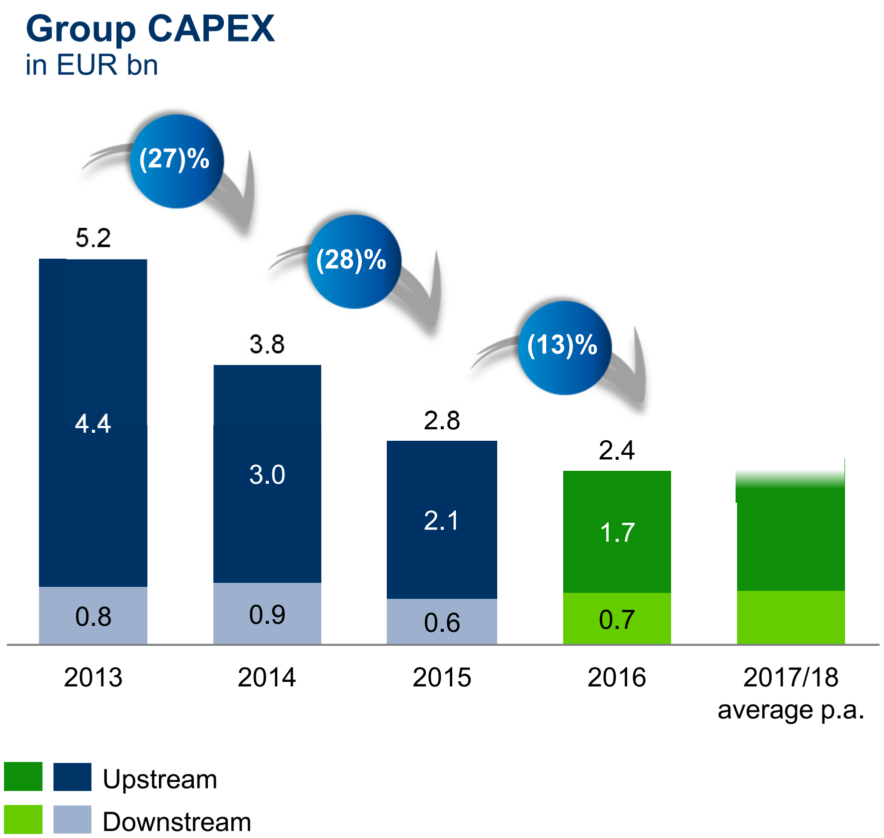
- Neutral free cash flow after dividends at USD ~55/bbl in 2017

Headroom for reduction

- OMV Petrol Ofisi divestment
- CAPEX flexibility
- Cost reductions
- Efficiency improvement

Forward looking figures based on mid-cycle refining margins and OMV's oil price assumptions.
[1] Free cash flow before dividends break-even oil price

CAPEX guidance further reduced and contingencies planned



- Group CAPEX 2016 to be reduced by EUR ~1.4 bn vs. 2014
- E&A [1] expenditure stepwise reduced to EUR ~0.45 bn in 2016 and EUR ~0.3 bn from 2017
- Further efficiency increases and flexibility in CAPEX

[1] Exploration and Appraisal

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Significant cost reductions achieved in 2015

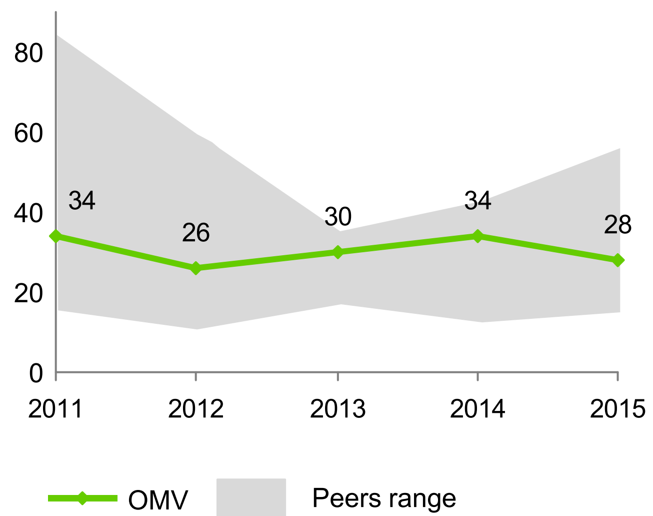
		Impact 2015 vs. 2014
Upstream production costs	Reduced by USD 3.4/boe: 2015 from USD 16.6/boe to USD 13.2/boe [1]	- 20 %
Downstream direct cash costs	Further reduction on top of recent Downstream Oil restructuring	- 4 %
Corporate costs	Material cutback of advertising, consulting, travel and training cost	- 12 %
Headcount	Continuous rightsizing	- 5 %

Cost reduction of around **EUR 200 mn** achieved [2]

[1] FX-rate impact on OPEX of USD -2.3/boe
[2] Comparable basis. Costs defined as manageable costs considered to be most directly under management's influence

Healthy balance sheet in a challenging environment

Gearing ratio
in %



Long-term target ≤30%

- Strong investment grade credit rating
  - Moody's: A3, stable outlook (under review, along with >100 other oil and gas companies [1])
  - Fitch Ratings: A-, stable outlook
- Hybrid bond of EUR 1.5 bn issued in December 2015 (IFRS equity)
- Strong liquidity position
- Debt maturity of ~5 years

Peers group range: BG Group, BP, ENI, Mol, Repsol, Royal Dutch Shell, Statoil, Total; Peers data for 2015 represent 9m/15 figures; Source: Evaluate Energy
OMV reported data, including full year 2015
[1] Oil and gas companies from EMEA, US and Latin America

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Sensitivities on OMV Group

2016 impact in EUR mn	**EBIT**	**Operating cash flow**
Brent oil price (+USD 1/bbl)	+40	+35
OMV indicator refining margin (+USD 1/bbl)	+100	+80
EUR-USD (USD appreciates by 10 US cents)	+180	+160

Note: Materially different Brent and FX levels (vs. current levels) would lead to different sensitivity results.

OMV

Financial priorities in a nutshell

- Focus on cash flow
- Grow dividend as earnings improve
- Maintain strong balance sheet

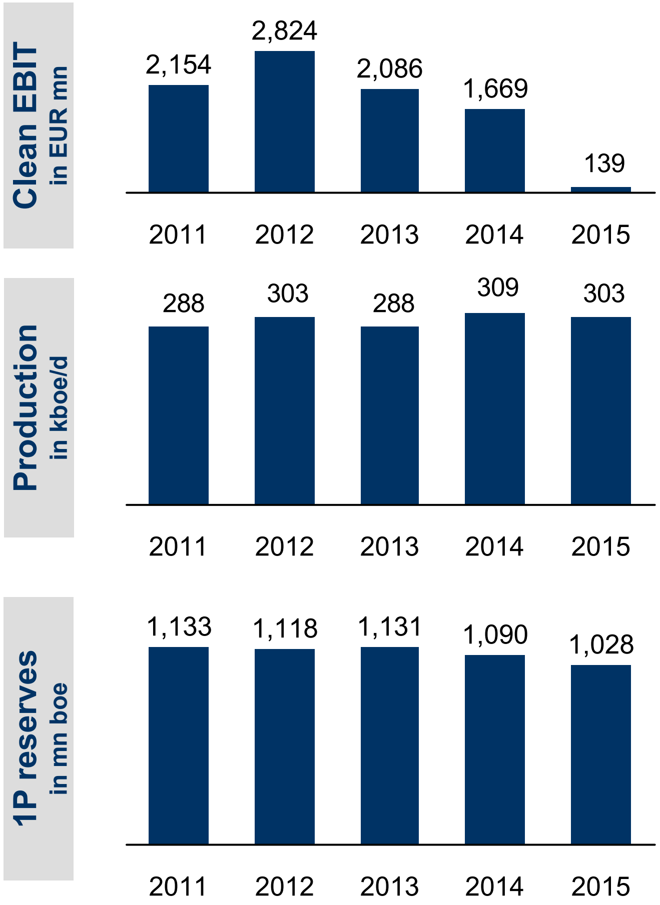
Q&A

Break

Johann Pleininger

Member of the Executive Board
responsible for Upstream

OMV Upstream asset base



Key figures 2015

- OMV **produced** an average of **303 kboe/d** and its proven **reserves** amounted to **1,028 mn boe**
- Around two thirds of total production from Romania and Austria
- **Reserves** life stood at **9.3 years** at year-end
- Three-years average **RRR** [1] of OMV Group: **73%** (single year 2015 below 50%)
  - in Romania and Austria: 34%
  - in the international portfolio: 155%
- Proved and probable oil and gas (2P) reserves amounted to 1,729 mn boe

[1] Reserve Replacement Rate

Key priorities for Upstream – Value over volume growth

HSSE

Cash management	▶ Rigorous **spending discipline** on CAPEX, OPEX, and E&A [1] ▶ Group-wide cost reduction and **capital efficiency program** ▶ Focus on highly **profitable** barrels
Portfolio focus	▶ Focus all activities on **3 core** and selected development areas ▶ Review and **optimize** portfolio
Reserve replenishment	▶ 100% Reserve Replacement Rate ▶ Focus on acquisitions in **low-cost regions** ▶ **Reduce risk exposure** in exploration portfolio
Strategic partnerships	▶ Deepen **strategic partnerships** to reduce risk and expand technological know-how

[1] Exploration and Appraisal

OMV

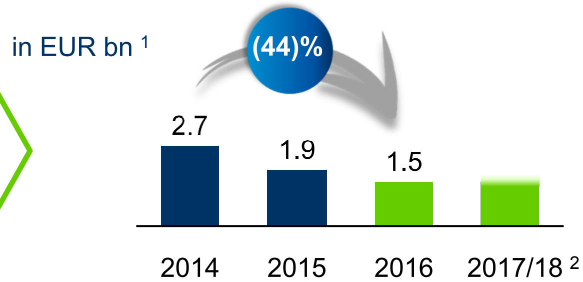
Agenda

- Cash management
- Portfolio focus
- Reserve replenishment

OMV

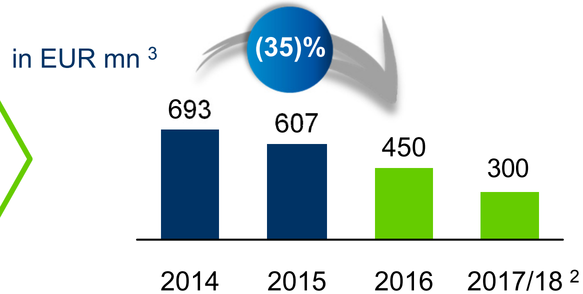
OMV Upstream has taken decisive actions to adjust to current market environment

Reduced capital expenditure



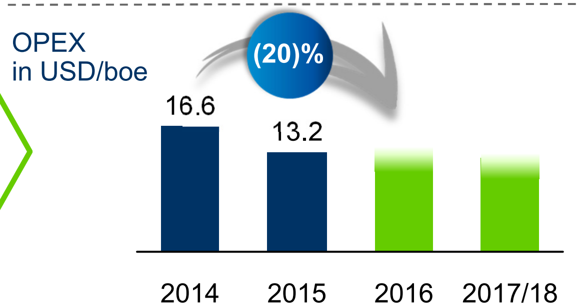
- Rephased and **optimized** long-term delivery **projects**
- **Cut** of non-committed **CAPEX**
- Focus on projects in development

Reduced exploration and appraisal expenditure



- Focus on **low-cost, near-field** opportunities close to existing infrastructure
- Review and **reduce** exploration activities in **high-risk/high-cost** areas

Reduced production costs

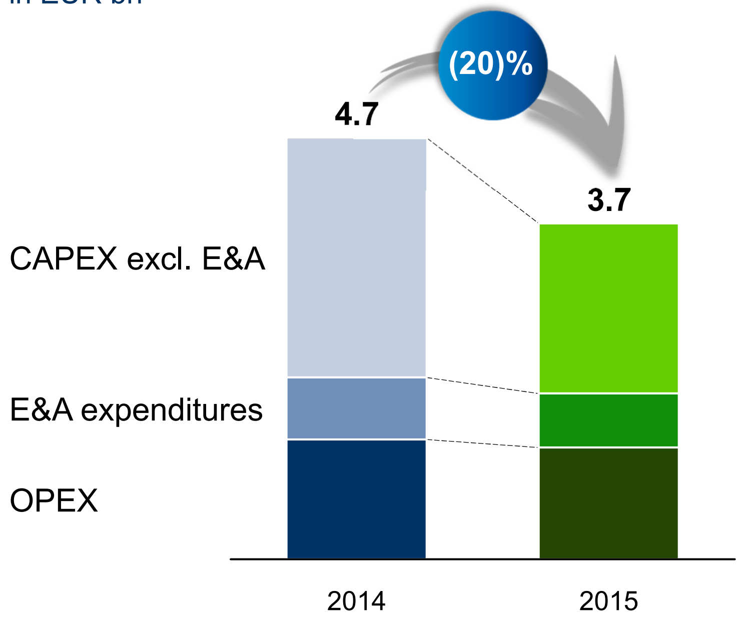


- Unit production costs decrease despite shut-ins in Libya
- Cost reduction program to further optimize unit costs

[1] excluding capitalized E&A [2] 2017/18 average per annum [3] thereof capitalized E&A – 2014: EUR 264 mn, 2015: EUR 239 mn

Focus on cost reduction and capital efficiency

Reductions of EUR 1 bn vs. 2014
in EUR bn



Achievements 2015

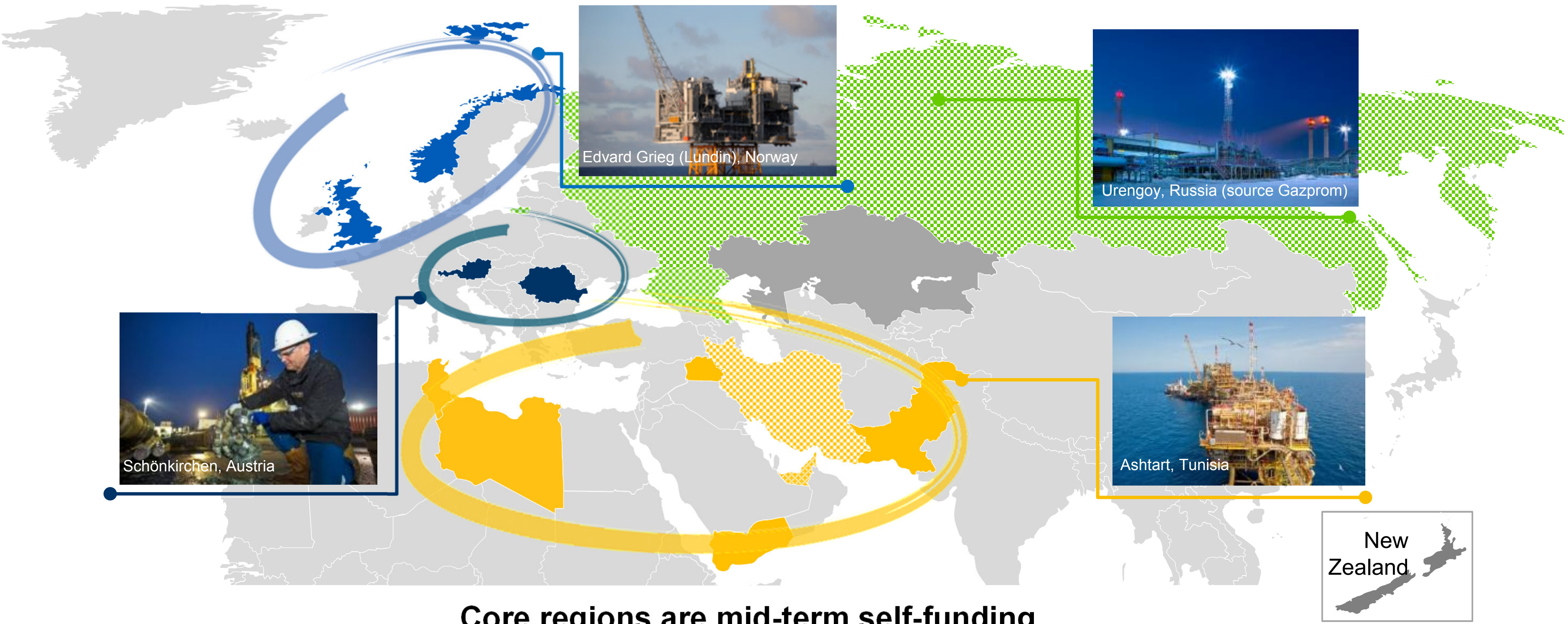
- OPEX savings of EUR 90 mn
- Headcount reduced by 9% [1]
- Office costs reduced by 12%
- Number of new wells drilled reduced by 30%

[1] Manpower including leased personnel

Agenda

- Cash management
- Portfolio focus
- Reserve replenishment

Upstream activities will be focused



Core regions are mid-term self-funding and contribute ≥ 50 kboe/d

- **Core region 1 – CEE**
- **Core region 2 – North Sea**
- **Core region 3 – MEA**
- **Development areas (Russia, UAE, Iran)**

Note: Some exploration countries not depicted in map

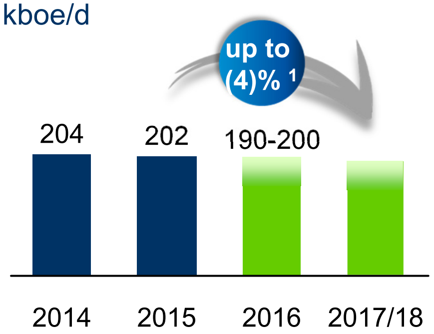
OMV

Core 1 CEE – counter natural decline rates at reasonable costs

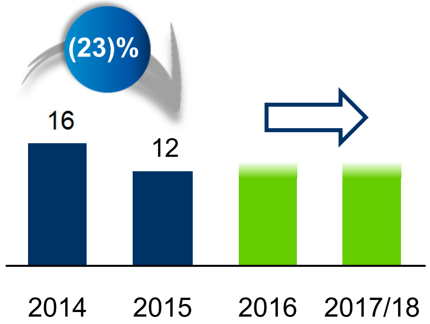

Field development Totea Deep, Romania


Drilling Schönkirchen, Austria

Beating the decline …
Production in Romania and Austria, in kboe/d



… at reasonable costs
OPEX in USD/boe

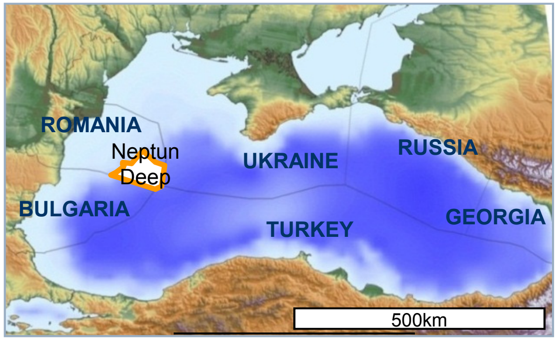


- Drive operational excellence and design to value
- Apply state-of-the-art technology (IOR/EOR) [2]
- Exploration near existing infrastructure
- Enable access to new resources by deep onshore (>3,500 m) drilling in Romania
- Explore and develop Black Sea potential

[1] per annum [2] Improved Oil Recovery/Enhanced Oil Recovery

OMV

Neptun Deep – Black Sea Romania



Block of OMV Petrom (Romania)

Neptun: Ocean Endeavor drilling rig

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

Domino-1 discovery in 2012:

70.7 meters of net gas pay, preliminary estimate 1.5-3 tcf (42-84 bcm; 250-500 mn boe), gross

Investments for E&A phase: USD ~1.5 bn, gross

Start of production: Post 2020 [1]

- Domino-1 was the first deep water exploration well offshore Romania
- Second drilling campaign finalized in January 2016
- Final Investment Decision expected in around two years

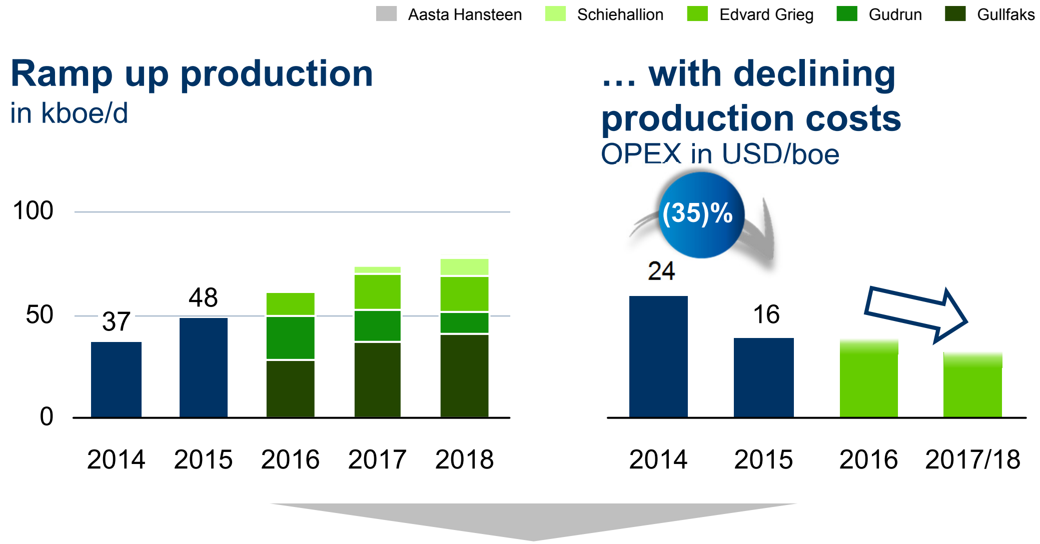
[1] If commercially viable

Core 2 North Sea – deliver development projects and optimize portfolio

Rowan Wiking rig, Edvard Grieg platform and flotel

Ramp up production
in kboe/d

… with declining production costs
OPEX in USD/boe

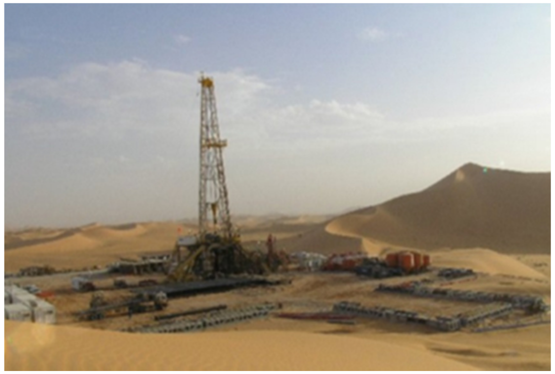


Start of production

- Edvard Grieg end 2015
- Schiehallion 2017
- Aasta Hansteen 2018

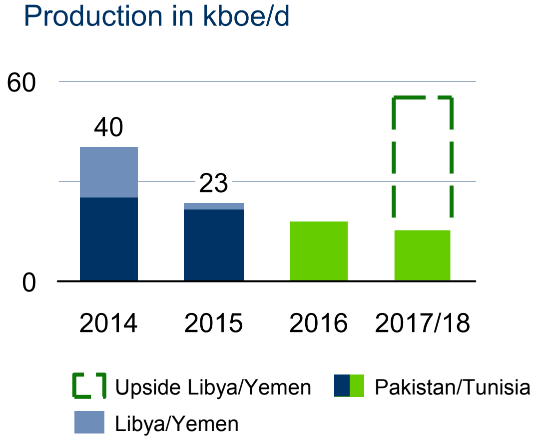
- Ramp up production to 70-80 kboe/d
- Bring on stream projects in development
- Reduce risk exposure by farm-downs and optimize economics of pre-FID projects
- Review exploration activities in remote areas: West of Shetland area, West of Britain area, Barents Sea

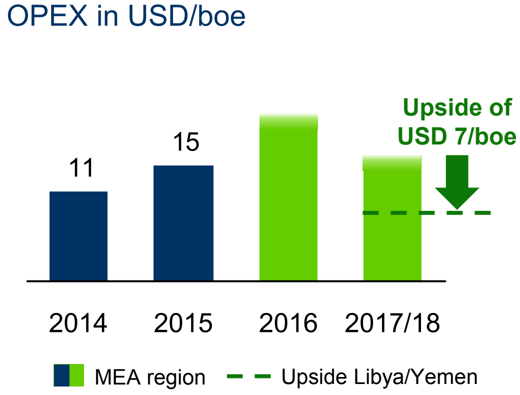
Core 3 MEA – deliver Nawara, pursue growth opportunities in Middle East



Shuwaihat 5 well, UAE

OMV stays committed to Libya and Yemen



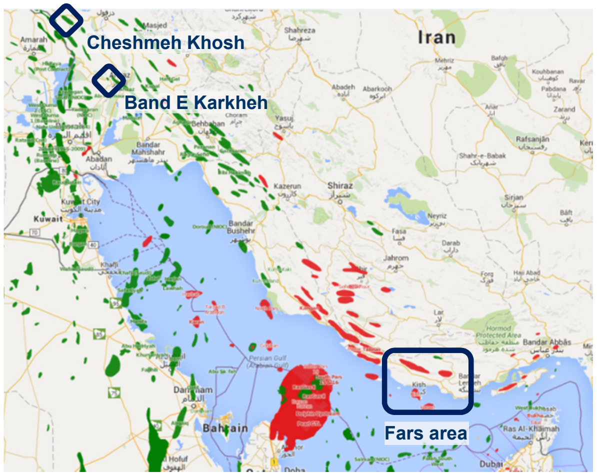


Start of production

Nawara first gas 2018

- Deliver Nawara gas project in Tunisia
- Revisit near-field opportunities and investments in Libya and Yemen if situation improves materially
- Develop growth opportunities in Middle East

Target growth opportunities in the United Arab Emirates and Iran



Map: Wood Mackenzie

United Arab Emirates

- Ongoing appraisal activities in the Shuwaihat sour gas and condensate field
- Exploration Activity Agreement with ADNOC regarding exploration program in East Abu Dhabi area
- Technical Evaluation Agreement with ADNOC regarding Northwest Offshore Abu Dhabi area under discussion

Iran – we work on our new portfolio

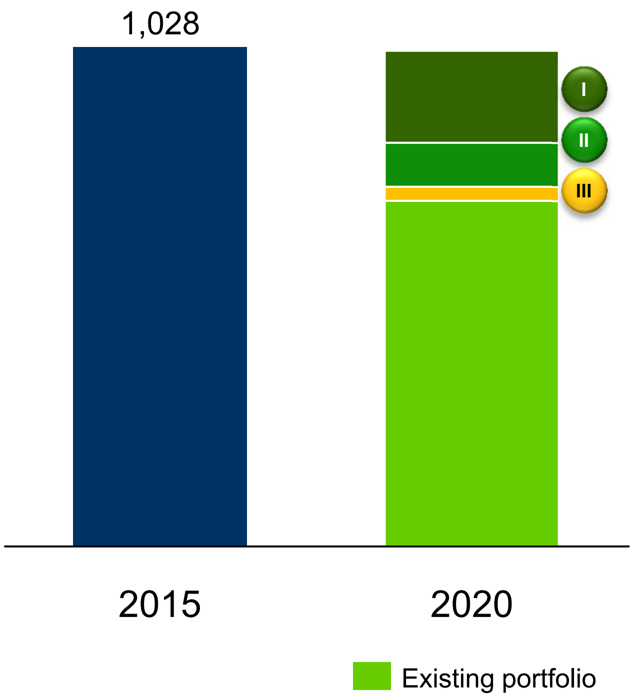
- Appraisal and development of Band-E-Karkeh field: oil discovery made by OMV prior to sanctions
- Redevelopment of Cheshmeh Khosh field
- Joint study agreement for Fars area between OMV and National Iranian Oil Company (NIOC)

Agenda

- Cash management
- Portfolio focus
- Reserve replenishment

Reserve replenishment: OMV to focus on acquisitions in low-cost areas

Proved reserves
in mn boe



Reserve Replacement Rate (RRR) of 100%

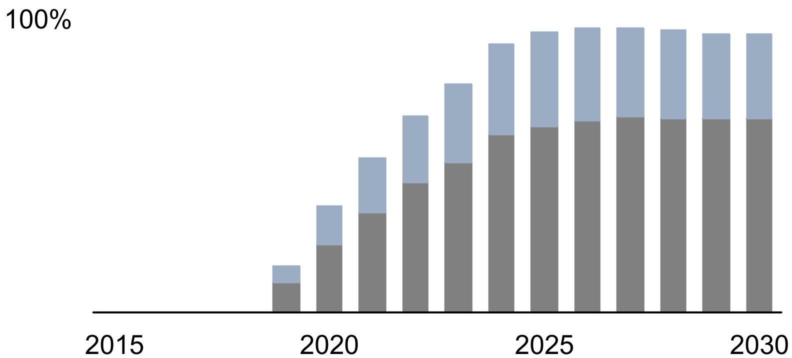
Reserve replenishment through

- I Acquisitions in low-cost areas
- II Near-field exploration and appraisal
- III State-of-the-art reservoir exploitation to increase recovery rates

Acquisitions: Achimov IV/V – Long-term stable production, high reserve additions

- Russia offers significant reserves growth potential – remaining reserves of ~410 bn boe [1]
- Costs along the entire upstream value chain are among the lowest in the world
- Cooperation with Gazprom along the entire value chain

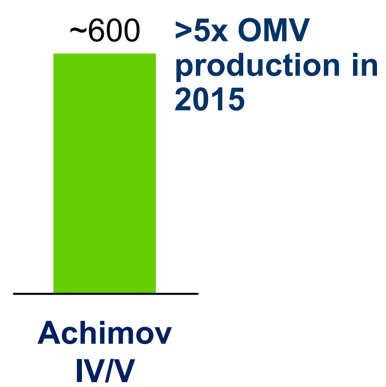
Stable production profile Achimov IV/V
indicative production, in % of plateau



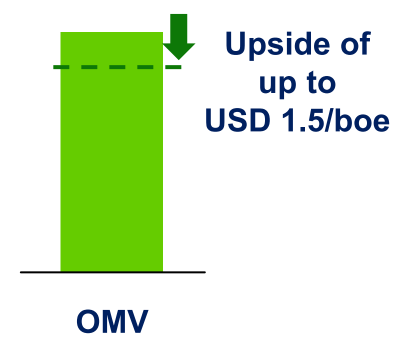
Field lifetime beyond 2060

Condensate Gas

Additional reserves [2]
in mn boe



OPEX
in USD/boe, 2020

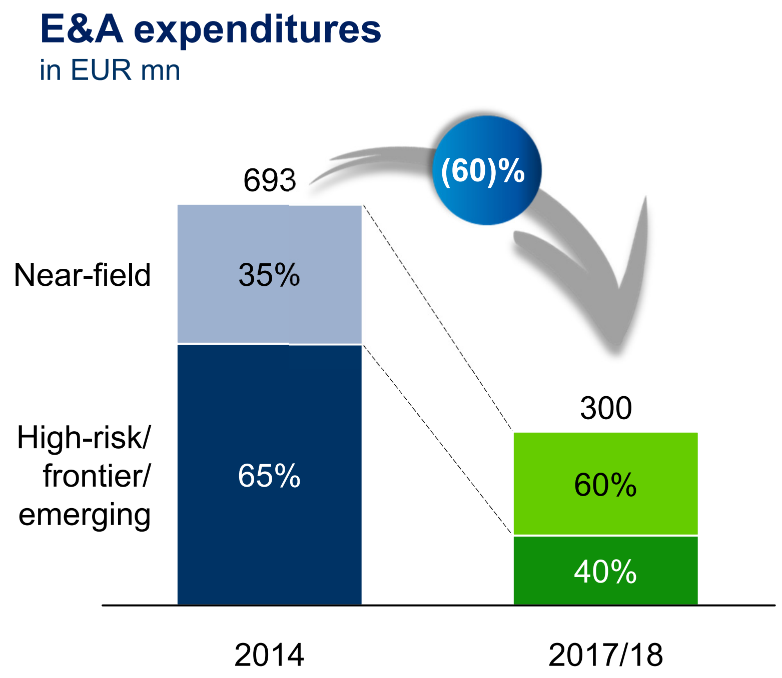


Source: Russian mining authority, Wood Mackenzie, OMV analysis; numbers net to potential OMV share of 24.98%
[1] technical and commercial reserves; [2] Cumulative production; reserves bookable gradually with development

OMV

Exploration: Reduce risk exposure in exploration portfolio

- Reduce exposure to high-risk, deep-water, long lead-time drilling
- Focus on low-cost, near-field opportunities close to existing infrastructure
- Decrease cycle times (<5 years)



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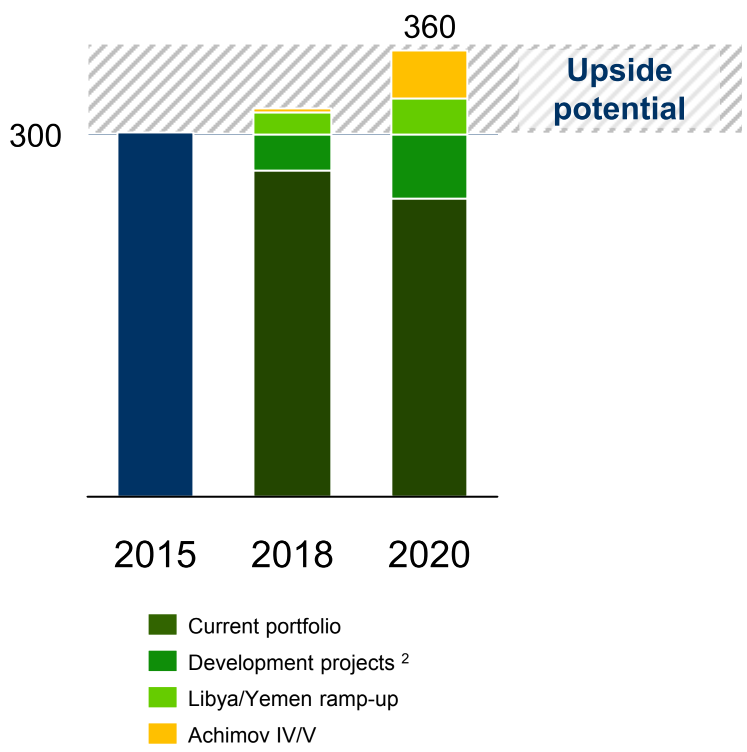
Production: Maintain 300 kboe/d, upside from Russia and assumed return of Libya/Yemen

OMV production
in kboe/d



- **300 kboe/d stable portfolio until end of decade [1]**
  - Minimize decline and ramp-up development projects
- **Upside potential mainly from Libya/ Yemen and Russia**
  - Production ramp-up of Libya and Yemen
  - Deep onshore potential Romania
  - Potential acquisition of Achimov IV/V

[1] Potential portfolio adjustments not included
[2] Edvard Grieg, Schiehallion, Aasta Hansteen, Nawara

OMV

Upstream priorities in a nutshell

- Cash management
- Portfolio focus
- Reserve replenishment
- Strategic partnership

Manfred Leitner

Member of the Executive Board
responsible for Downstream

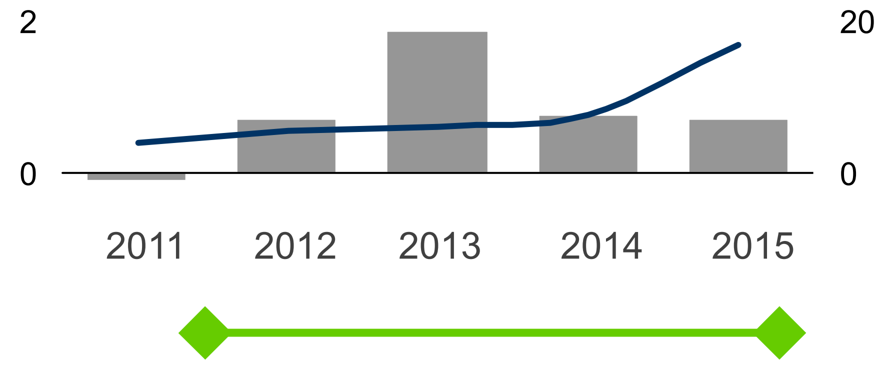
OMV Aktiengesellschaft

Moving more. Moving the future. OMV

Downstream Oil and Downstream Gas: two fundamentally different sides of a coin

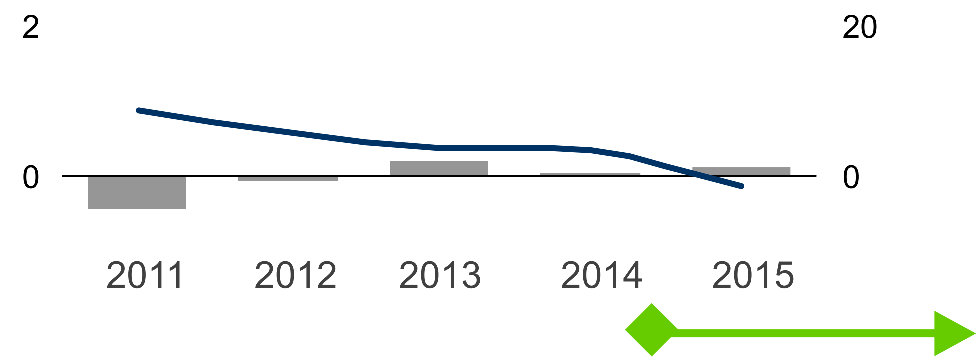
Downstream Oil:

Successfully restructured into a strong cash generator



Downstream Gas:

Restructuring just started



Restructuring process

Clean CCS RoNA (rights axis, %) [1]

Free cash flow (left axis, in EUR bn)

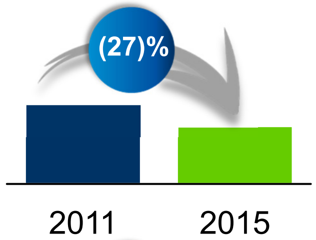
[1] Return on Net Assets

Agenda

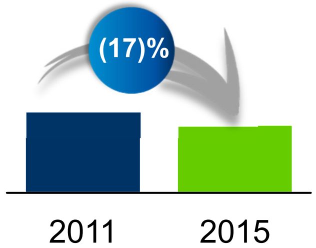
- Downstream Oil
- Downstream Gas
- Downstream in a nutshell

OMV's Downstream Oil business has caught up with international majors

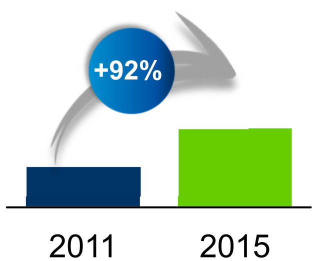
Assets restructured
Net assets, in EUR



OPEX reduced
Clean cash costs/ refined product sales, in EUR/t



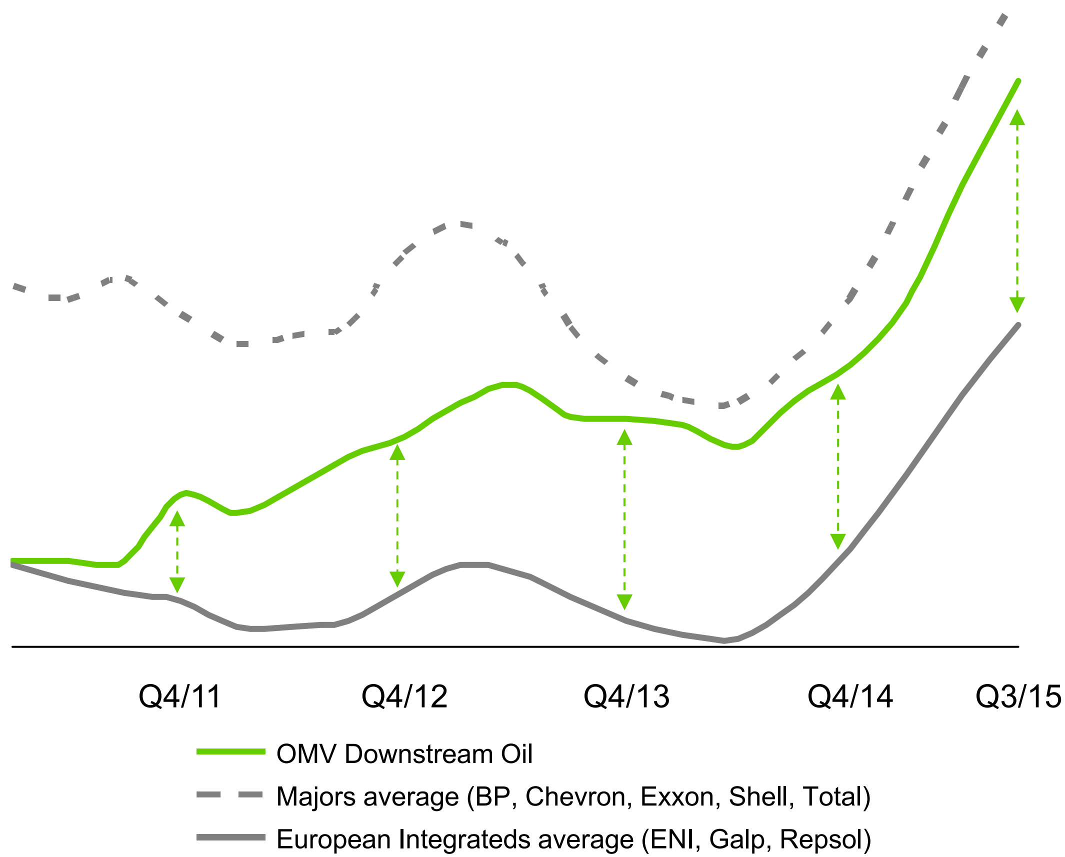
Borealis contributed
OMV share of net income, in EUR



Organization adjusted

Improved steering of integrated margin

Downstream Oil rolling ROACE [1]

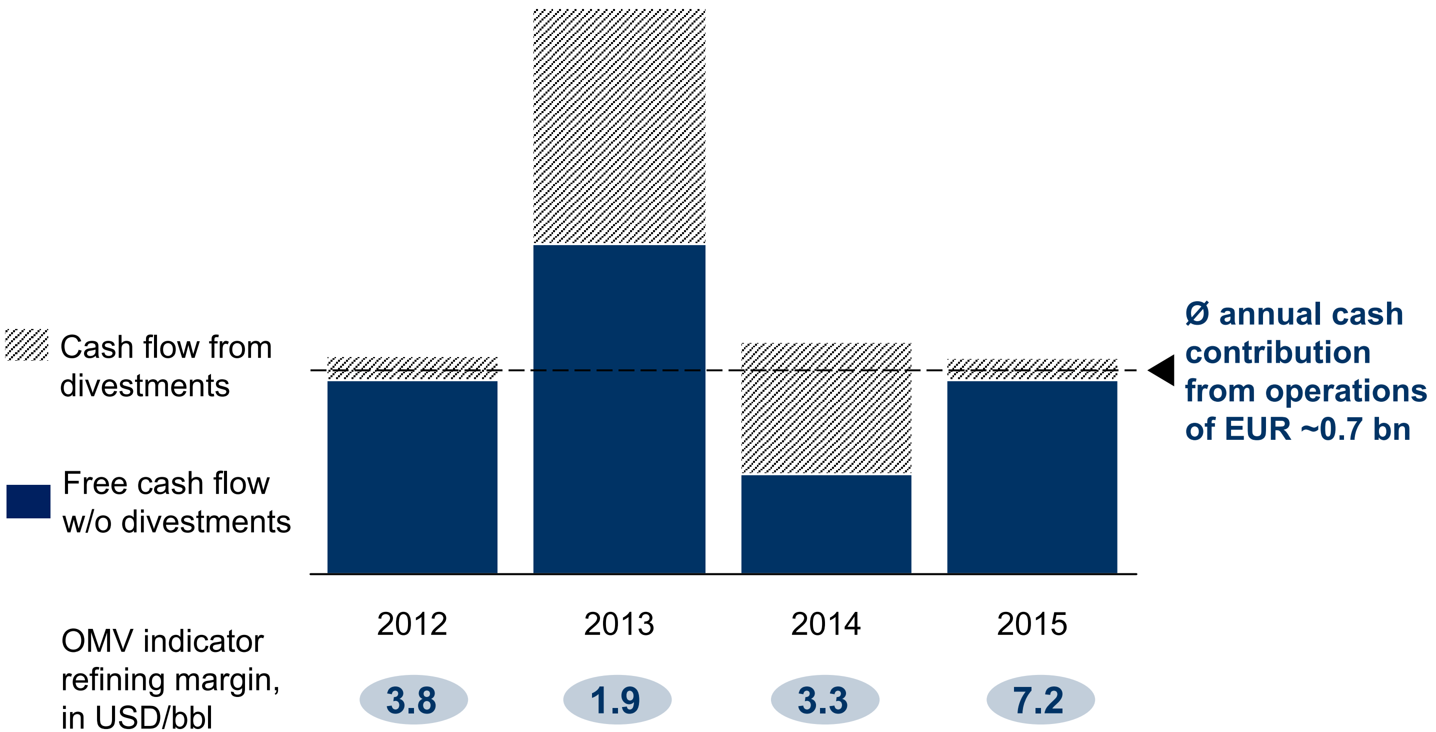


[1] Return On Average Capital Employed (Source: Barclays Quarterly Benchmarks Q3 2015)

OMV

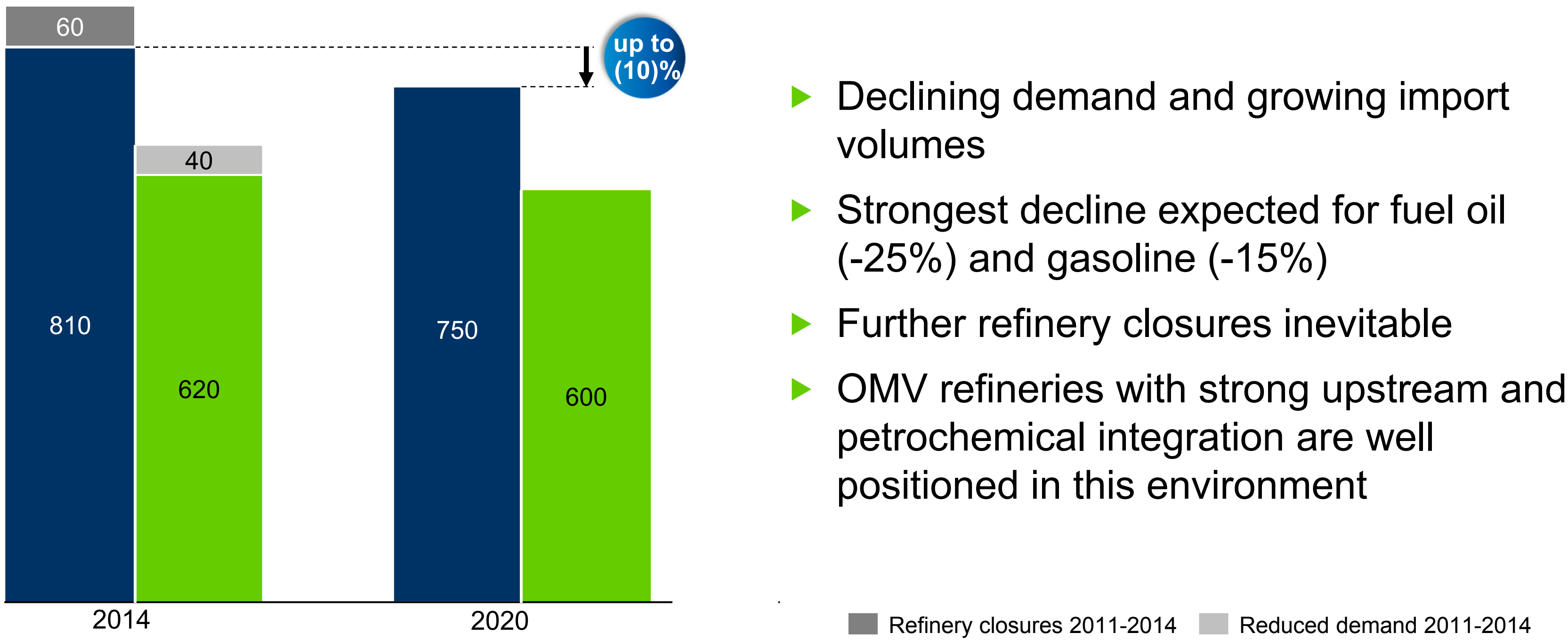
Downstream Oil has become the cash engine for OMV Group

Strong free cash flow contribution even in times of low refining margins
in EUR bn



Mid-term outlook for European oil downstream environment remains challenging

Further refinery closures required to rebalance the market [1]
Europe, in mn t



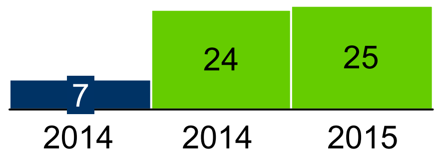
- Declining demand and growing import volumes
- Strongest decline expected for fuel oil (-25%) and gasoline (-15%)
- Further refinery closures inevitable
- OMV refineries with strong upstream and petrochemical integration are well positioned in this environment

[1] Sources: OMV analysis based on various sources
Expected refining capacity based on crude runs and 80% utilization rate

Restructuring process of Downstream Oil results in superior integration of the business

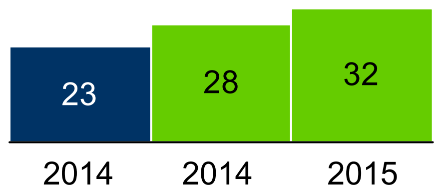
Upstream

Equity crude
in % of refining capacity



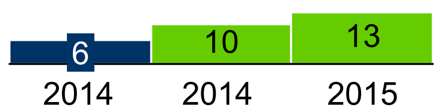
Stable retail sales

Retail sales volume
in % of refining capacity



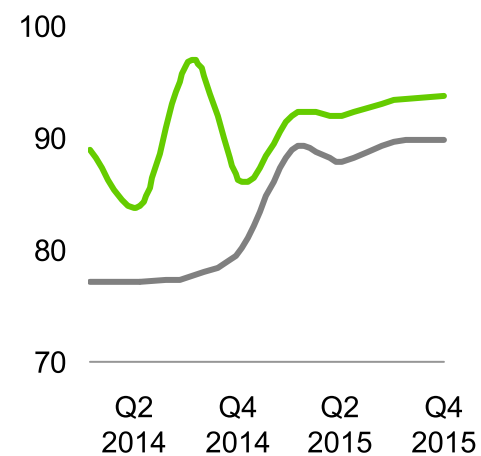
High value petrochemical products

Petrochemical sales volume
in % of refining capacity



Best in class capacity utilization of OMV refineries

Refinery utilization [2], in %



OMV EU-16

OMV excl. Petrol Ofisi Peers [1]

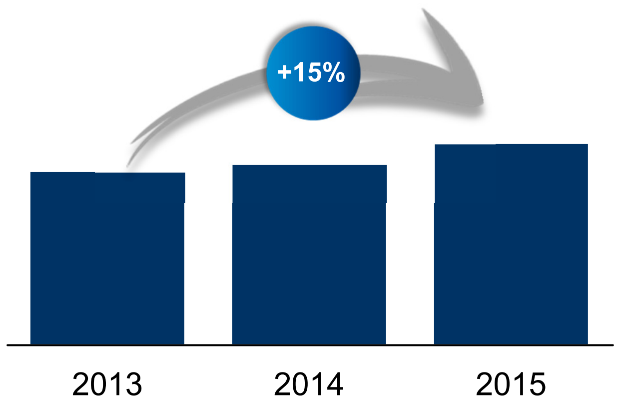
[1] BP Europe, ENI Europe, Exxon Europe, Lotos, MOL, NIS, Phillips 66 Europe, PKN Orlen, Repsol Europe, Rompetrol, Shell Europe, Total Europe, Tupras

[2] Source: OPEC Oil Market Report

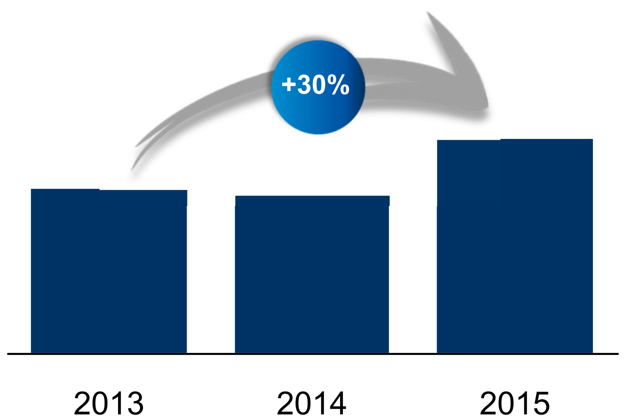
OMV

Optimization of retail network and sharpened brand positioning

Throughput per station, in mn liters



Retail EBIT per filling station, in TEUR



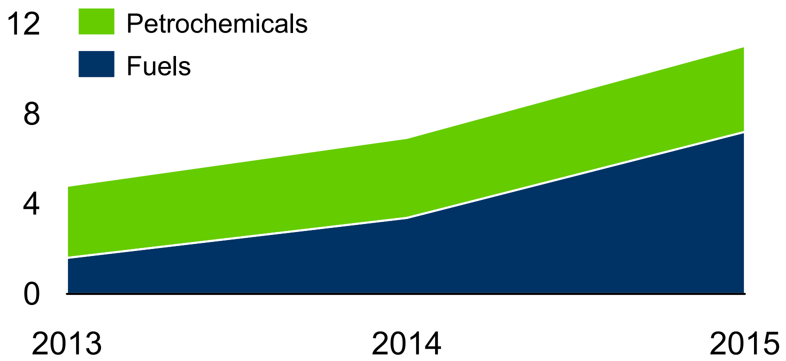
Highly efficient retail network with focus on:

- Optimal brand positioning
  - Two brand strategy in Austria and Romania increase sales volume
- Premium product offer to customers resulting in higher margins
- Pricing excellence
- Selective retail investments
  - Acquisition in Austria as example

High value petrochemical products as superior alternative to gasoline

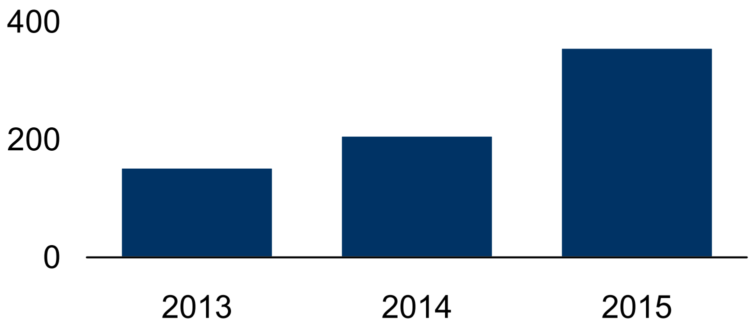
USD >3/bbl higher refining margins

Refining indicator and petrochemical margin, in USD/bbl



Strong contribution from Borealis

OMV share of net income, in EUR mn

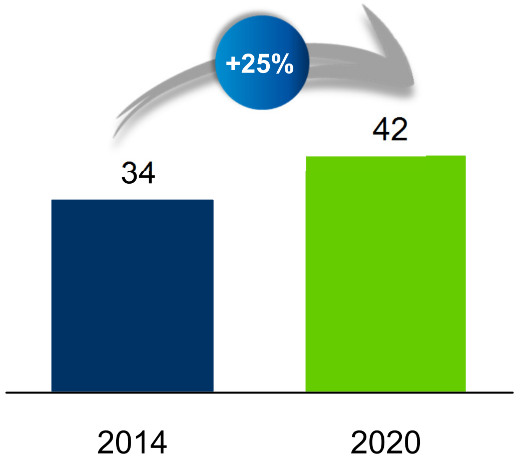


- Contract with Borealis extended: Offtake of ethylene and propylene from OMV secured until 2028
- Further options to strengthen petrochemical integration under evaluation

OMV Petrol Ofisi only cause for structural action in Downstream Oil's portfolio

On the one hand, Turkey is the single largest growth market in Europe…

Oil product demand Turkey, in mn t [1]



… on the other hand, OMV Petrol Ofisi has limited integration within OMV's Downstream Oil business

- Group-wide strategy of building integrated position in Turkey has not materialized
- Regulatory interventions affect profitability

Following successful contract renewals, right time to exit healthy asset to generate cash and strengthen OMV's balance sheet

[1] Sources: JBC (October 2015)

Downstream Oil will continue to improve its competitive position

HSSE

Cash focus

- Robust free cash flow generation
- Divestment of OMV Petrol Ofisi

Superior integration

- Selective retail and petrochemical investments to increase integrated margin

Operational excellence

- Improved margin management
- Maximization of asset availability and utilization
- Strict capital and cost management

OMV

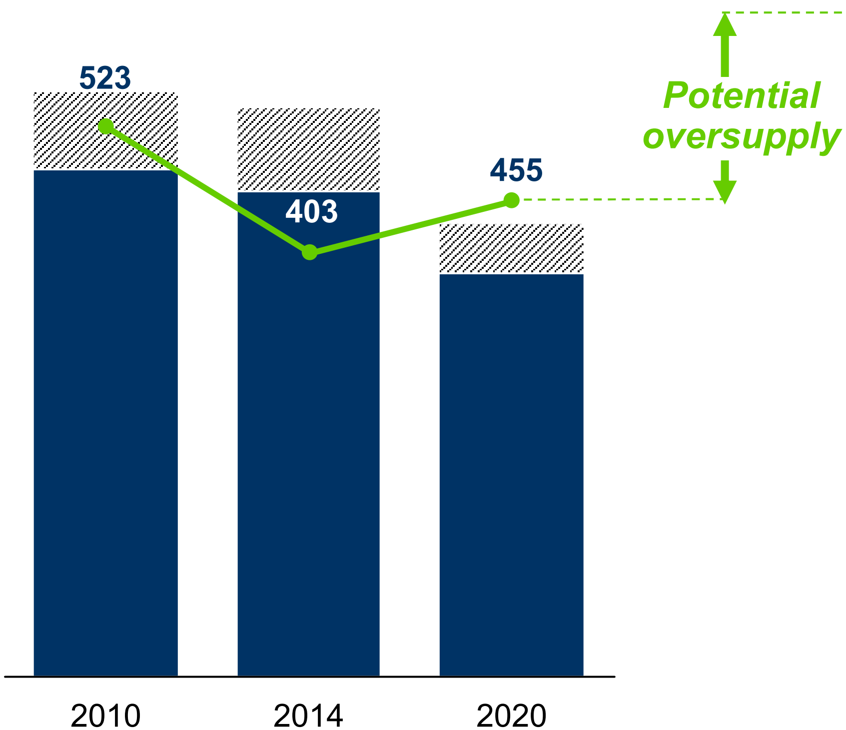
Agenda

- Downstream Oil
- Downstream Gas
- Downstream in a nutshell

Mid-term outlook for European gas downstream environment remains challenging

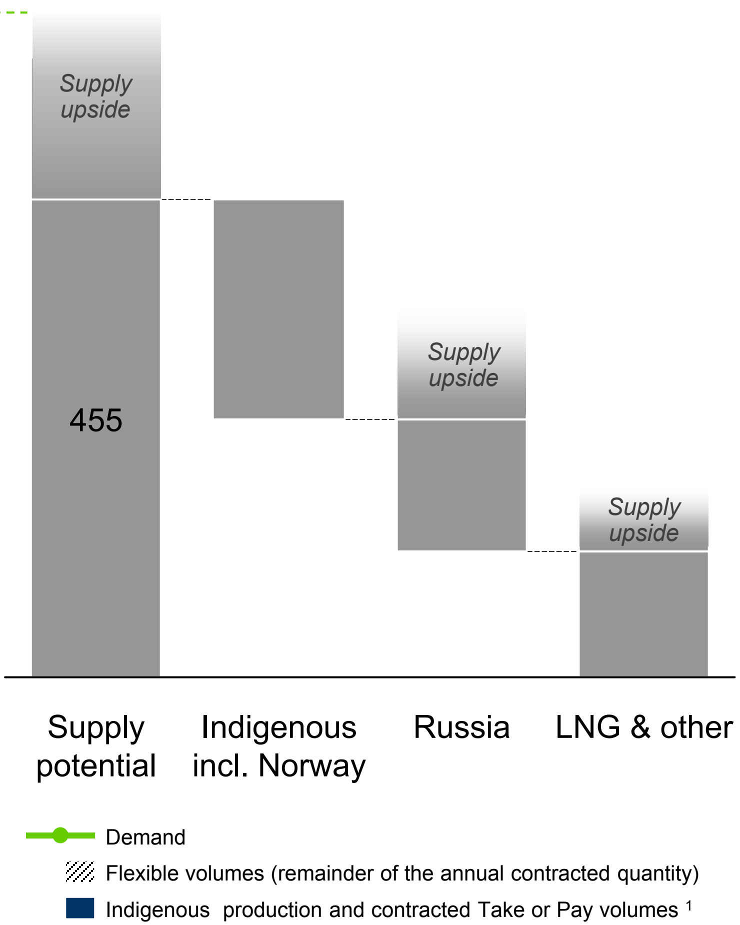
Contracted supply largely sufficient to cover 2020 demand

EU 28, in bcm



Export potential to Europe exceeds demand substantially

in bcm

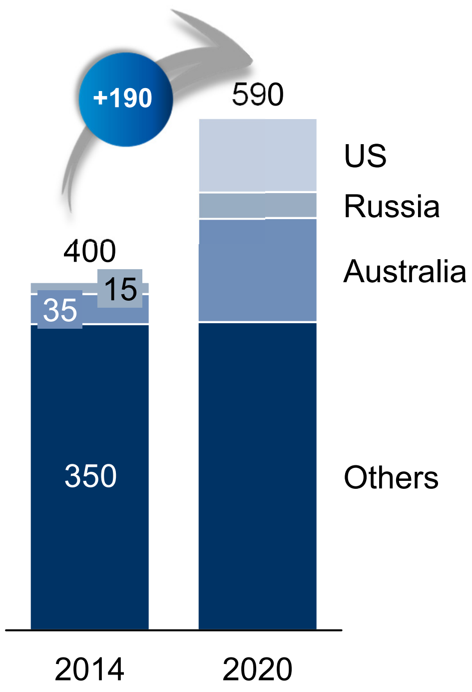


[1] Assumption for fix volumes (Take or Pay): 2010/14:80%, 2020/25: 85%

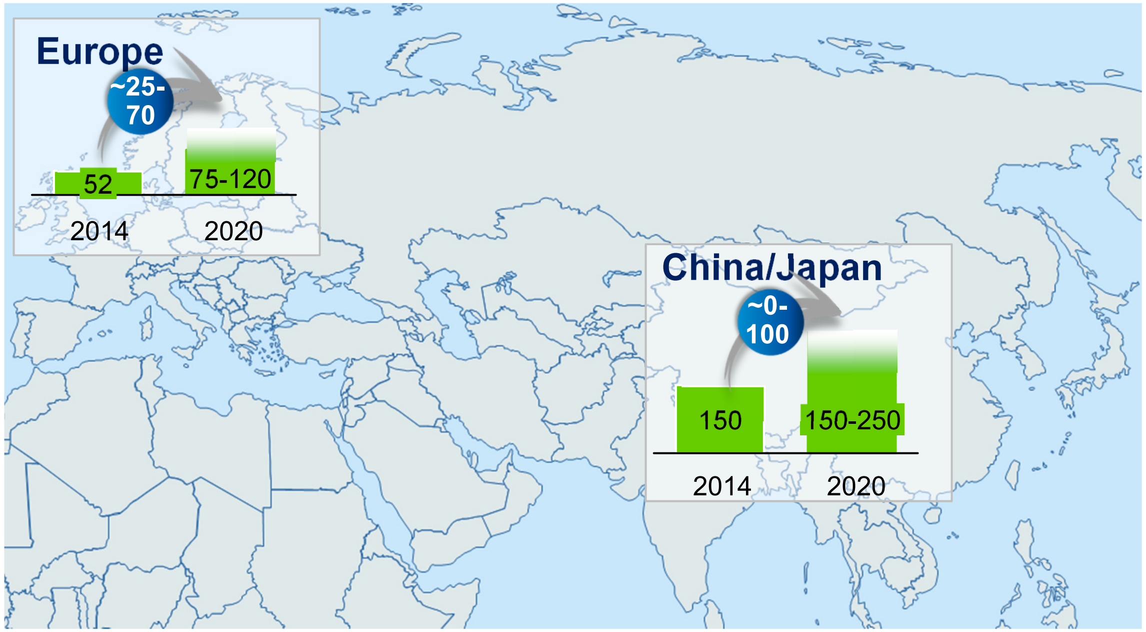
Source: IHS CERA, CEDIGAZ

Europe will be swing market for LNG

Global liquefaction capacity increasing by almost 50%, in bcm



Especially destination-flexible US LNG expected to swing between Europe/ Asia depending on best pricing, in bcm



Source: OMV analysis based on various external sources

OMV

Decisions on asset portfolio taken

Restructure gas sales business	▶ Takeover of 100% of EconGas serves as the basis for all OMV gas sales activities
Minimize power exposure	▶ Divestment of Wind Park Dorobantu (Romania) in progress ▶ Power Plant Samsun (Turkey): Divestment under review ▶ Power Plant Brazi (Romania): Continue operations as integrated asset in OMV Petrom value chain
Shift exposure from regulated to non-regulated transport business	▶ Divestment of up to 49% of TSO [1] Gas Connect Austria ▶ Investment into non-regulated Nord Stream 2 pipeline
Improve gas infrastructure business	▶ Increase utilization of LNG terminal Gate in Rotterdam ▶ Continue integrated storage business in Austria

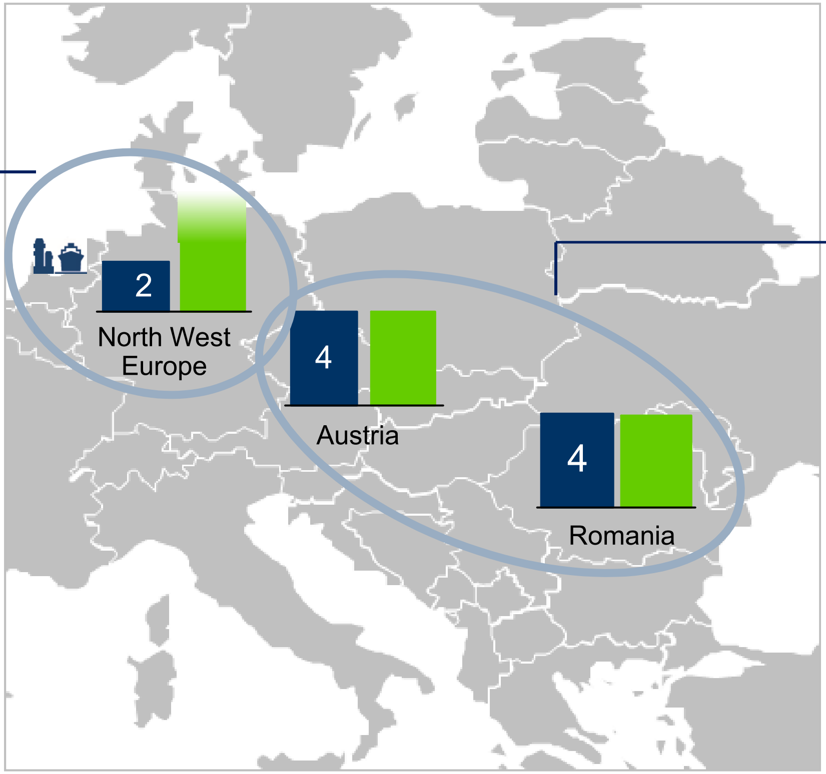
[1] Transmission System Operator

OMV

Gas sales business pivotal to market OMV's increasing supply portfolio

North West Europe:
Growing supply position

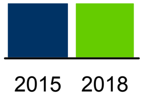
- Increase market share to prepare for future supply volumes
- Launch sales offensive in Germany



Austria and Romania:
Stable supply position

- Keep market leader position and market share

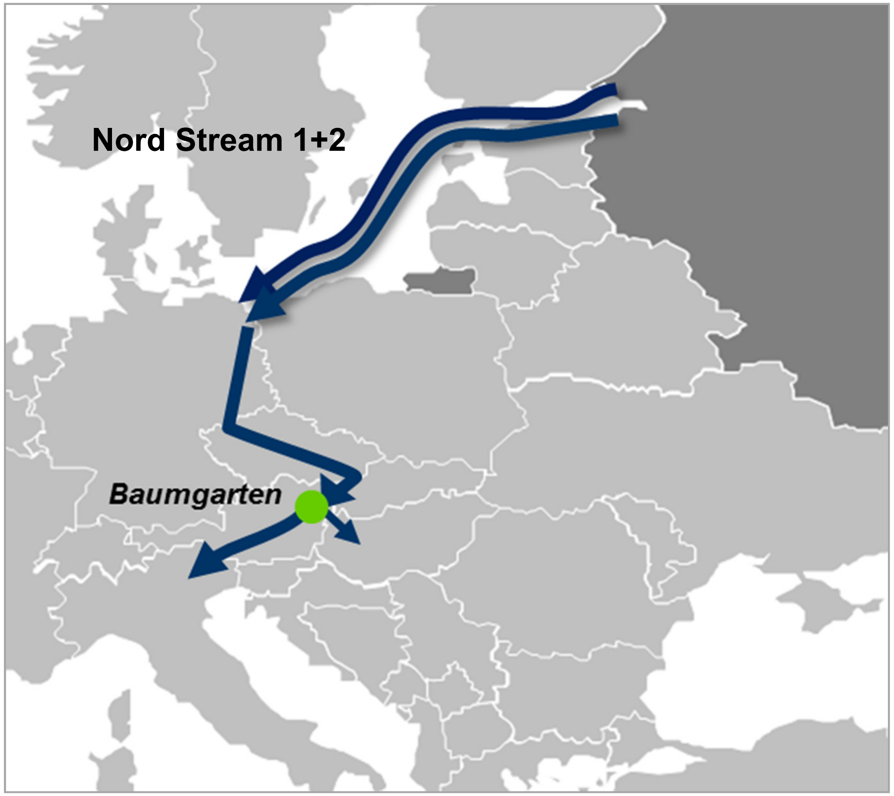
ACQ [1] of long-term contracts and equity gas, in bcm
Gate LNG terminal



[1] Annual Contract Quantity

OMV

Nord Stream 2 engagement secures gas flows to Baumgarten and for Gas Connect Austria



Nord Stream 2

- Project with attractive, non-regulated return
- OMV share: 10%
- Total project investments (100%) of EUR ~10 bn incl. financing costs expected
- Major milestones:
  - FID expected in second half 2016
  - Start of construction 2018
  - Commissioning: End of 2019

OMV

Downstream Gas aims to turn around the business by restructuring stringently

HSSE

Restructure

- Create efficient basis for gas sales business
- Minimize power exposure
- Reduce exposure in regulated transport business
- Increase utilization of storages

Position for future

- Develop strong gas sales business in North West Europe
- Invest into non-regulated Nord Stream 2 project

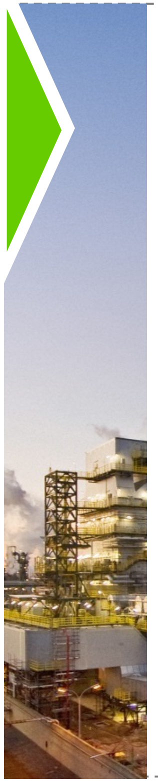
OMV

Agenda

- Downstream Oil
- Downstream Gas
- Downstream in a nutshell

OMV

Downstream priorities in a nutshell



- Cash focus
- Superior integration
- Operational excellence
- Restructure Downstream Gas and position for future

Rainer Seele

Chairman of the Executive Board
and CEO

Moving more. Moving the future. OMV

OMV in 2020 – Sustainable resource base with improved profitability

- **Cash:** Broadly free cash flow neutral after dividends
- **Production:** 360 kboe/d including upside from Russia and Libya/Yemen
- **Reserve Replacement Rate:** 100%
- **Downstream Gas:** Restructured, profitable European gas business
- **Downstream Oil:** Strong cash contributor with increased profitability
- **Dividend:** Growing in line with earnings – 30% payout ratio of net income

Q&A

OMV