



OMV Q2/16
conference call

Rainer Seele
Chairman of the
Executive Board and CEO

August 10, 2016

OMV Aktiengesellschaft

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Key messages

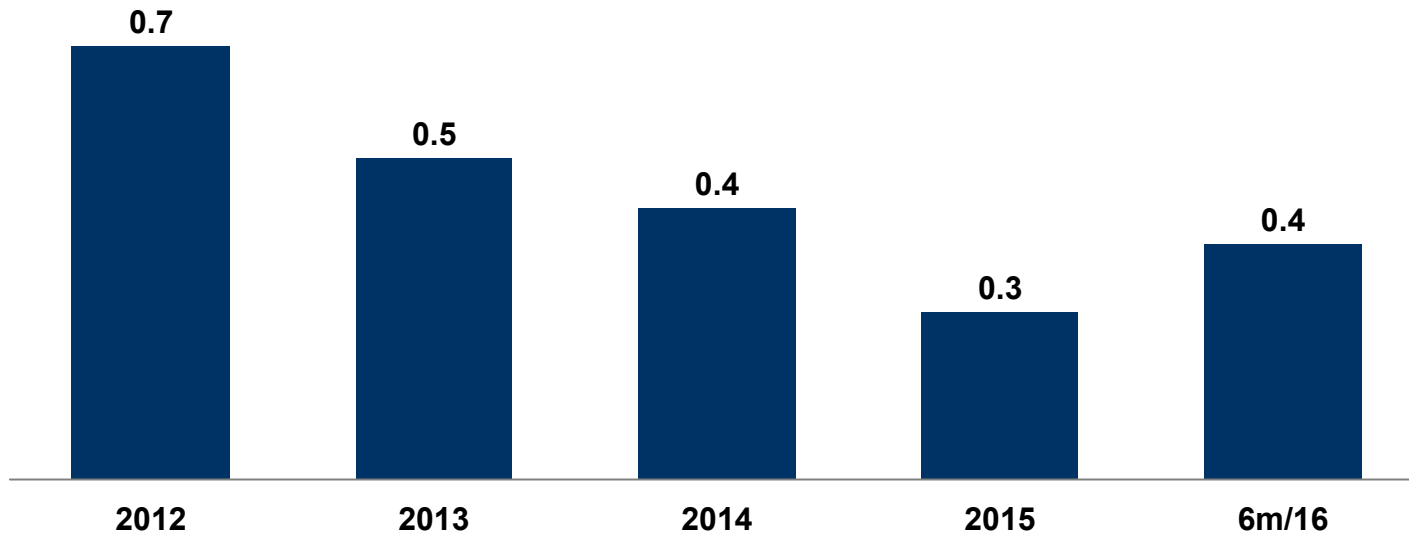


- ▶ Positive free cash flow after dividends
- ▶ 2016 CAPEX guidance reduced to EUR 2.2 bn
- ▶ Cost reduction ahead of schedule
- ▶ Rebalancing of the Upstream portfolio well on track:
Sale agreement for a 30% stake in the Rosebank field signed

HSSE – Safety is our top priority

Safety record

LTIR ¹ OMV Group



Sustainability highlights

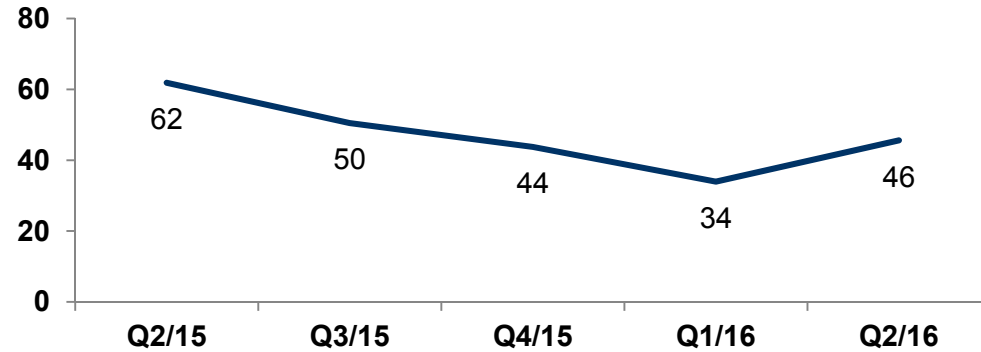
- ▶ Major accident prevention policy implemented across the Group
- ▶ Specific training programs to raise awareness of
 - ▶ road and electrical safety
 - ▶ fork-lift truck operation
 - ▶ hazard awareness and perception
- ▶ HSSE efforts not compromised by cost reduction programs

¹ Combined Lost-Time Injury Rate for OMV employees and contractors

Development of economic environment

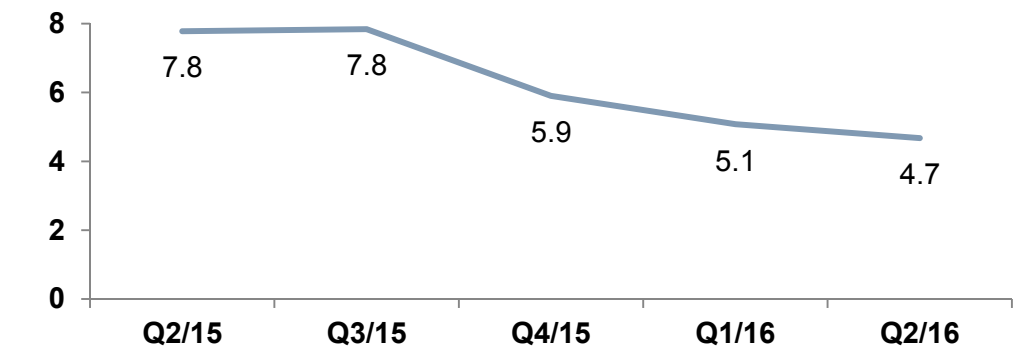
Oil price Brent

in USD/bbl



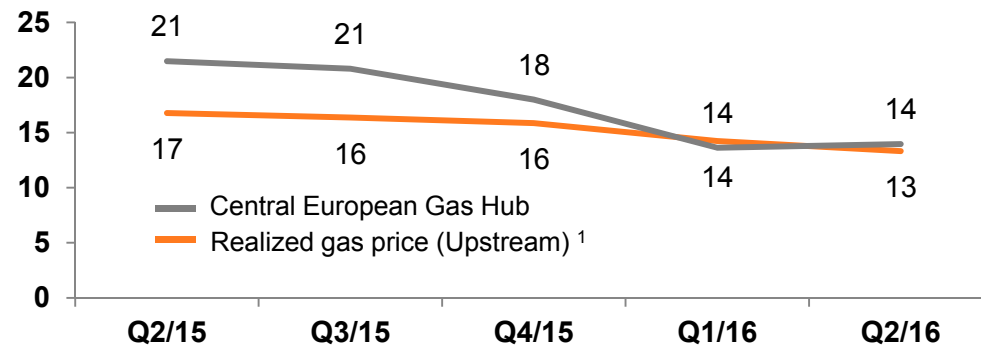
OMV indicator refining margin

in USD/bbl



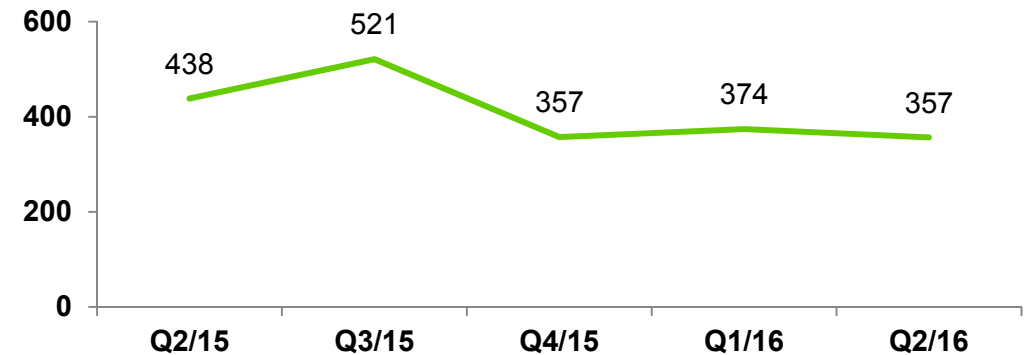
Gas prices

in EUR/MWh



Ethylene/propylene net margin ²

in EUR/t



¹ Converted to MWh using a standardized calorific value across the portfolio;
Note: All figures are quarterly averages.

² Spread between market prices of ethylene/propylene and naphtha including standard processing consumption

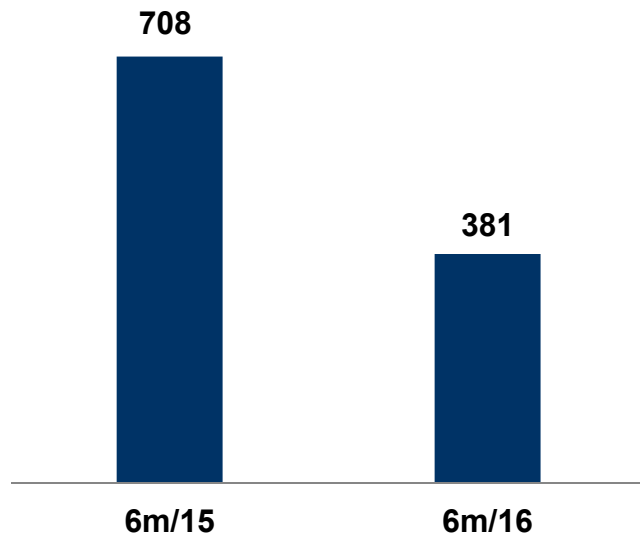
Financial performance Q2/16

Key financials in EUR mn	Q2/16	Q2/15	Δ (%)
Clean CCS EBIT	214	375	(43)
Clean CCS net income attributable to stockholders	222	364	(39)
Clean CCS Earnings Per Share (EPS), in EUR	0.7	1.1	(39)
Cash flow from operating activities	1,036	858	21
Free cash flow before dividends	551	97	n.m.
Free cash flow after dividends	172	(433)	n.m.
EBIT	(300)	222	n.m.
Net income attributable to stockholders	(168)	209	n.m.

Figures on this and the following slides may not add up due to rounding differences.

Financial performance 6m/16

Clean CCS EBIT in EUR mn



58

40

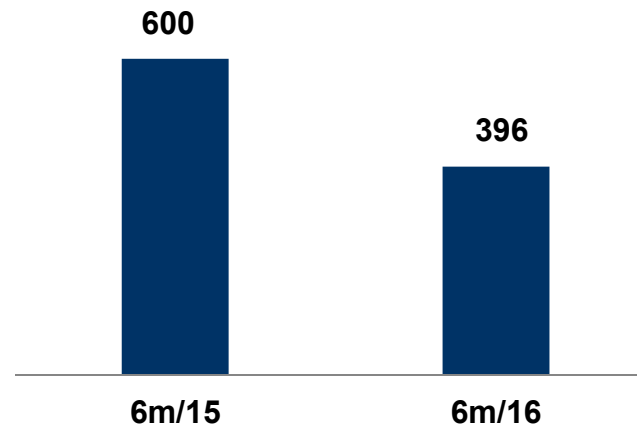
Brent price
in USD/bbl

7.6

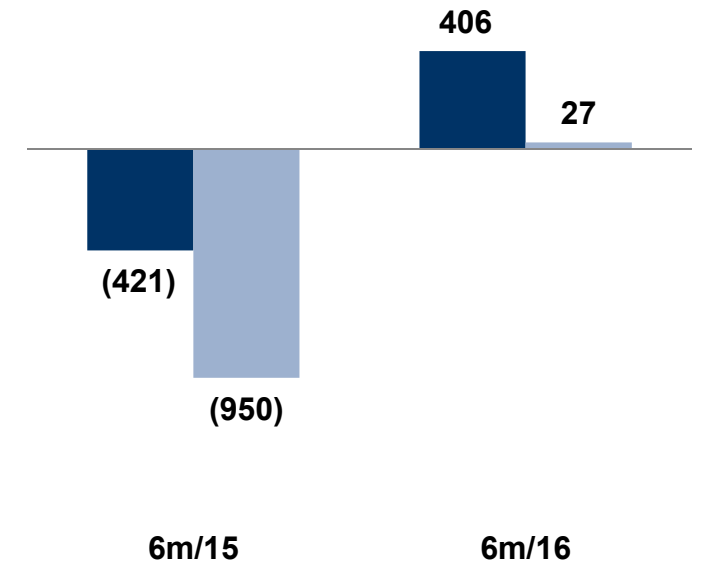
4.9

OMV indicator refining margin
in USD/bbl

Clean CCS net income attributable to stockholders in EUR mn



Free cash flow in EUR mn



■ Free cash flow before dividends
■ Free cash flow after dividends

Portfolio developments



Rosebank

- ▶ Sale agreement for a 30% stake in Rosebank field signed
- ▶ Initial payment of USD 50 mn on closing and up to USD 165 mn on FID

Gazprom / OMV asset swap

- ▶ Negotiations regarding swap assets continuing
- ▶ Signing expected in H2/16

Gas Connect Austria

- ▶ Sale of minority stake in Gas Connect Austria progressing according to plan
- ▶ Continued strong market interest

OMV Petrol Ofisi

- ▶ Potential investors currently reviewing information memorandum to place indicative offers

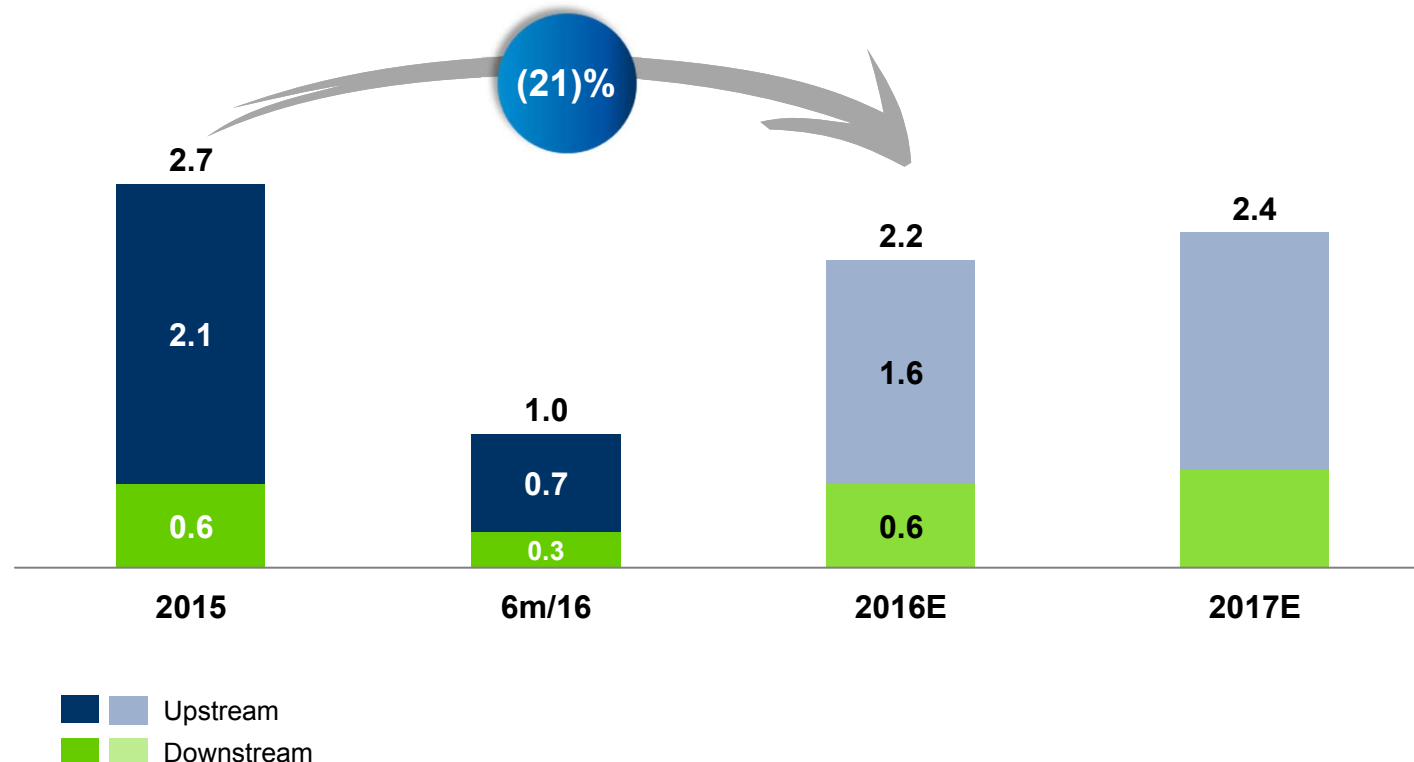
Gas sales

- ▶ Full takeover of EconGas closed in May and sales campaign in Germany started

2016 CAPEX guidance reduced to EUR 2.2 bn

Group CAPEX

incl. capitalized E&A, in EUR bn

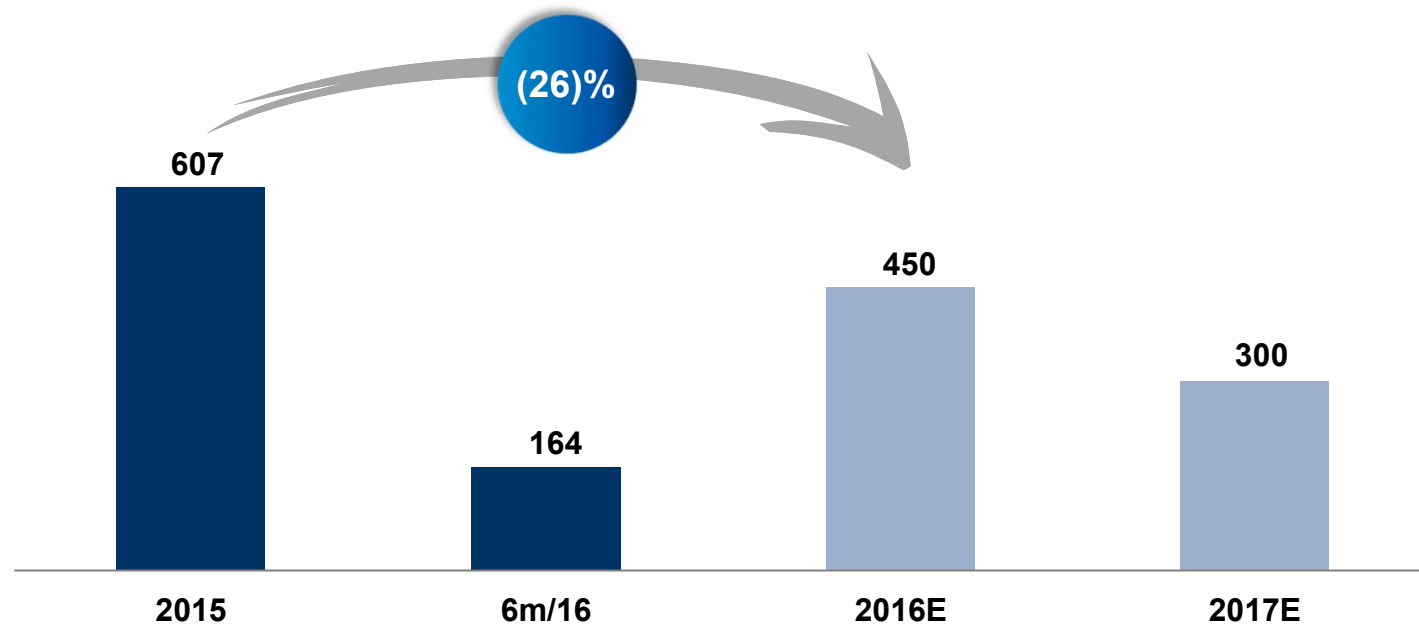


Well on track to reduce CAPEX

- ▶ Focus on profitable barrels and sustainable reduction of unit CAPEX cost
- ▶ Main investments in 6m/16:
 - ▶ Field redevelopment projects as well as workovers and drilling in Romania
 - ▶ Gullfaks, Schiehallion and Aasta Hansteen in the North Sea
 - ▶ Nawara in Tunisia

26% reduction of E&A expenditure in 2016

E&A expenditure
in EUR mn

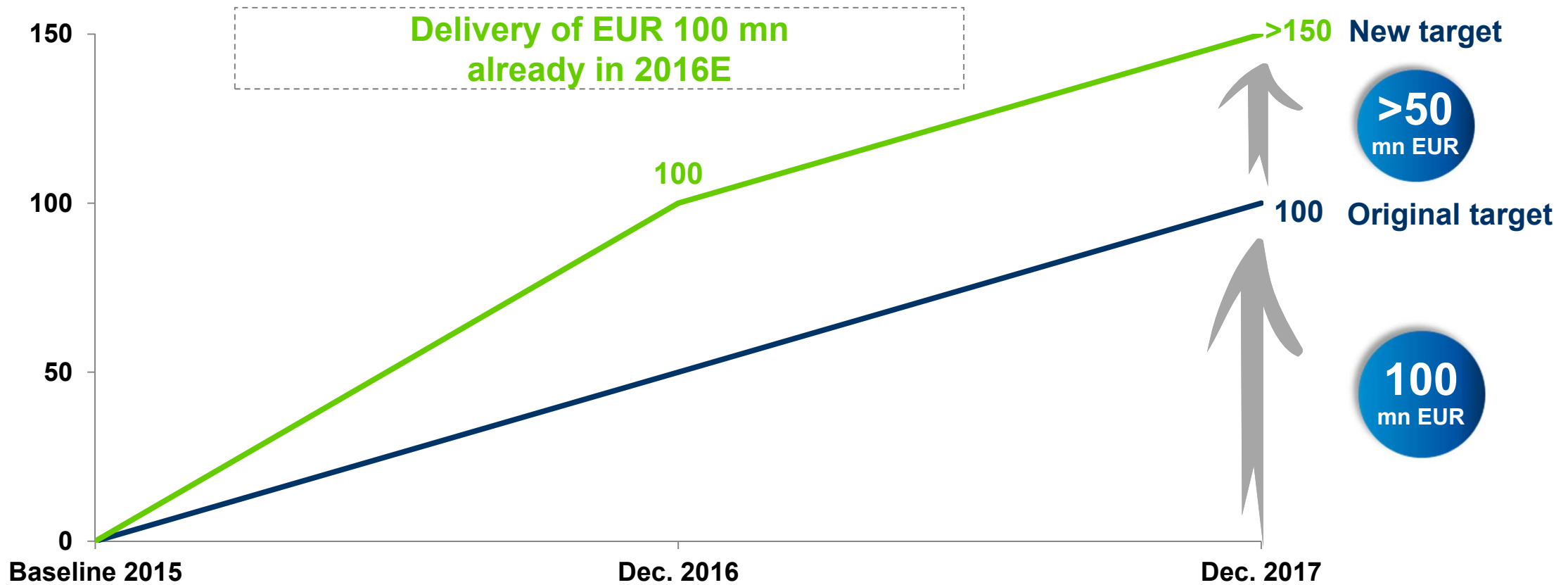


EUR 450 mn of E&A expenditure in 2016 confirmed

- ▶ Lower activities across the portfolio
- ▶ Focus on low cost regions and near-field opportunities
- ▶ Main activities in H2/16 in the Middle East, in Romania and in the North Sea
- ▶ Sub-Saharan Africa position: Activities ceased in Gabon and onshore Madagascar

Ahead of schedule to reduce the cost base

Operating cost ¹ reduction
in EUR mn



¹ On comparable basis.

OMV Q2/16 conference call

Reinhard Florey
Chief Financial Officer

August 10, 2016

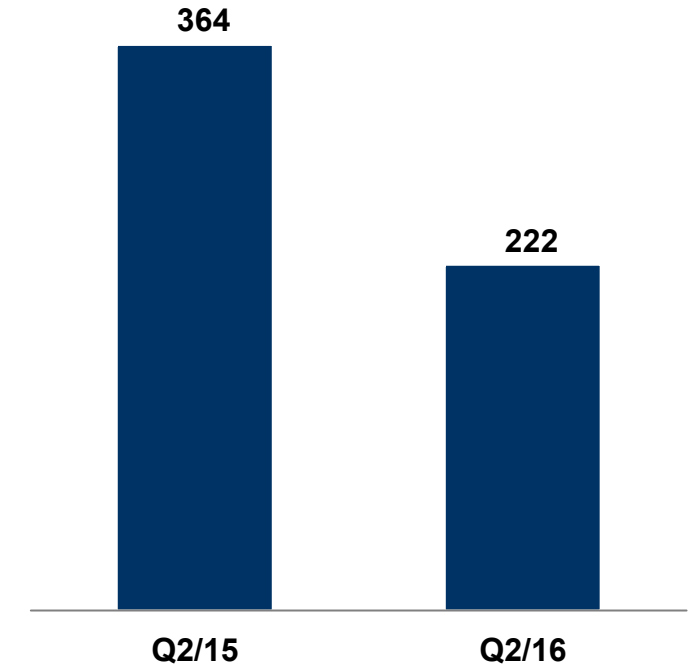


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Income statement summary

in EUR mn	Q2/16	Q2/15	Δ (%)
EBIT	(300)	222	n.m.
Financial result	72	92	(21)
<i>Thereof Borealis</i>	111	127	(12)
Taxes	111	(23)	n.m.
Net income	(117)	292	n.m.
<i>Thereof attributable to non-controlling interests</i>	25	73	(65)
<i>attributable to hybrid capital owners</i>	26	9	170
<i>attributable to stockholders</i>	(168)	209	n.m.
Clean CCS net income attributable to stockholders	222	364	(39)

Clean CCS net income attributable to stockholders
in EUR mn



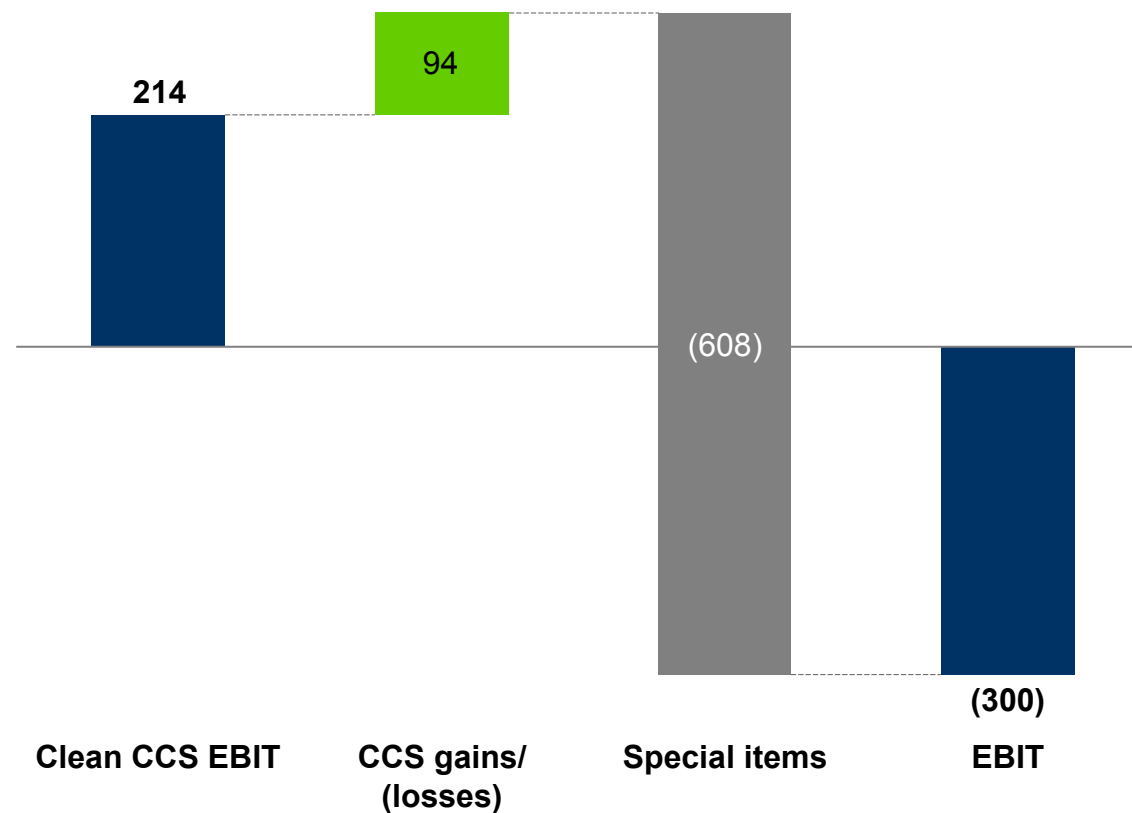
Cash flow

in EUR mn	Q2/16	Q1/16	Q2/15
Net income	(117)	136	292
Depreciation, amortization and impairments	1,157	538	835
Change in net working capital components	345	(73)	(137)
Other	(349)	(21)	(131)
Cash flow from operating activities	1,036	579	858
Cash flow used for investments	(526)	(745)	(816)
Cash flow from divestment proceeds	41	21	54
Free cash flow	551	(145)	97
Dividends	(379)	0	(529)
Free cash flow after dividends	172	(145)	(433)

Market environment puts pressure on Q2/16 results

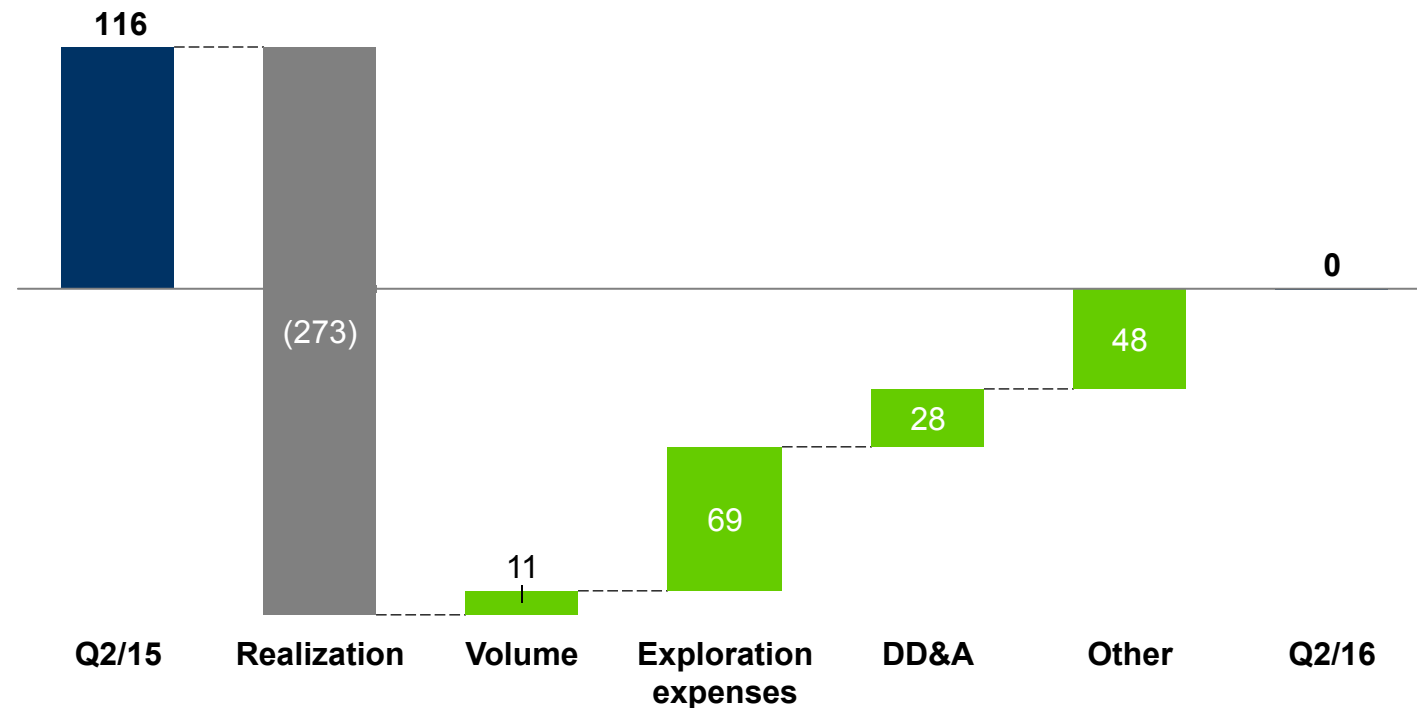
Key financials in EUR mn	Q2/16	Q2/15	Δ (%)
Clean CCS EBIT	214	375	(43)
<i>Thereof Upstream</i>	<i>0</i>	<i>116</i>	<i>n.m.</i>
<i>Downstream</i>	<i>250</i>	<i>269</i>	<i>(7)</i>
<i>Corporate and Other</i>	<i>(12)</i>	<i>9</i>	<i>n.m.</i>
<i>Consolidation</i>	<i>(24)</i>	<i>(19)</i>	<i>(26)</i>

Special items and CCS effect Q2/16 in EUR mn



Upstream Q2/16 vs. Q2/15: Lower costs partly offset difficult pricing environment

Clean EBIT in EUR mn



Q2/16 vs. Q2/15

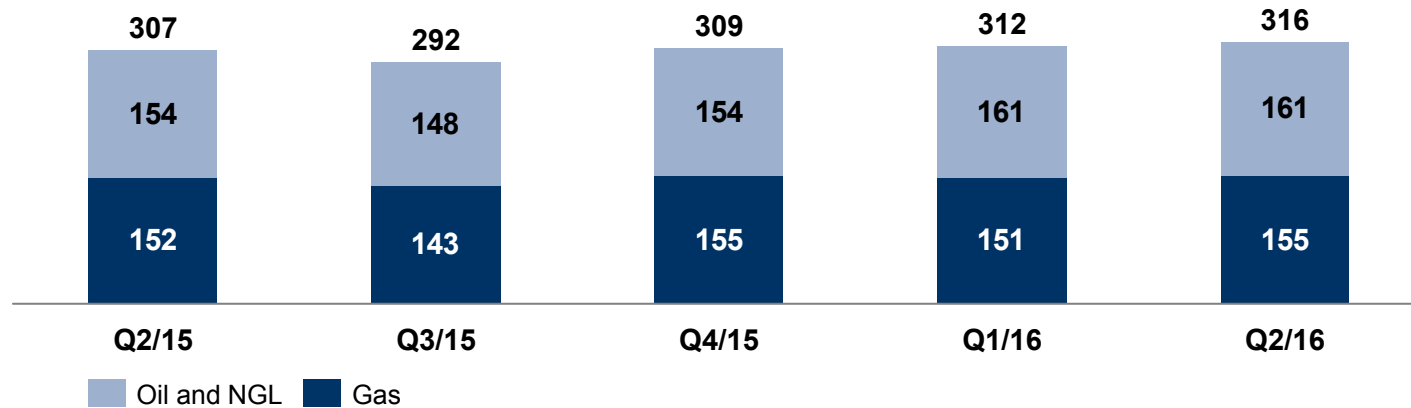
- ▶ Realized oil price down by 32% and realized gas price down by 19%
- ▶ Positive change in stock effect in Norway
- ▶ Lower clean exploration expenses due to reduced exploration activities
- ▶ Lower depreciation mainly due to lower asset base following the 2015 impairments
- ▶ Significant lower production costs (in Other) due to strict cost management

Note: As of Q2/16, hedging effects, formerly shown in Other, are now part of Realization.

Upstream – Key performance indicators

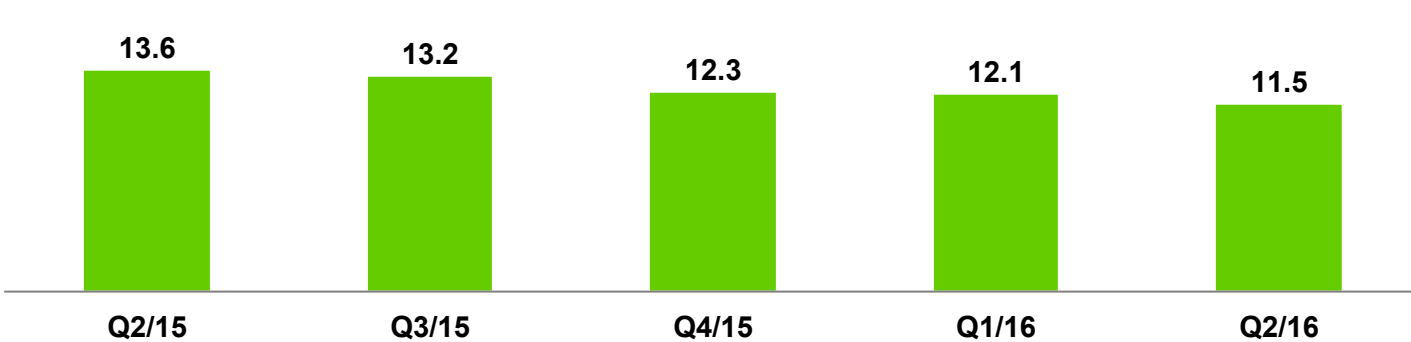
Hydrocarbon production

in kboe/d



OPEX

in USD/boe



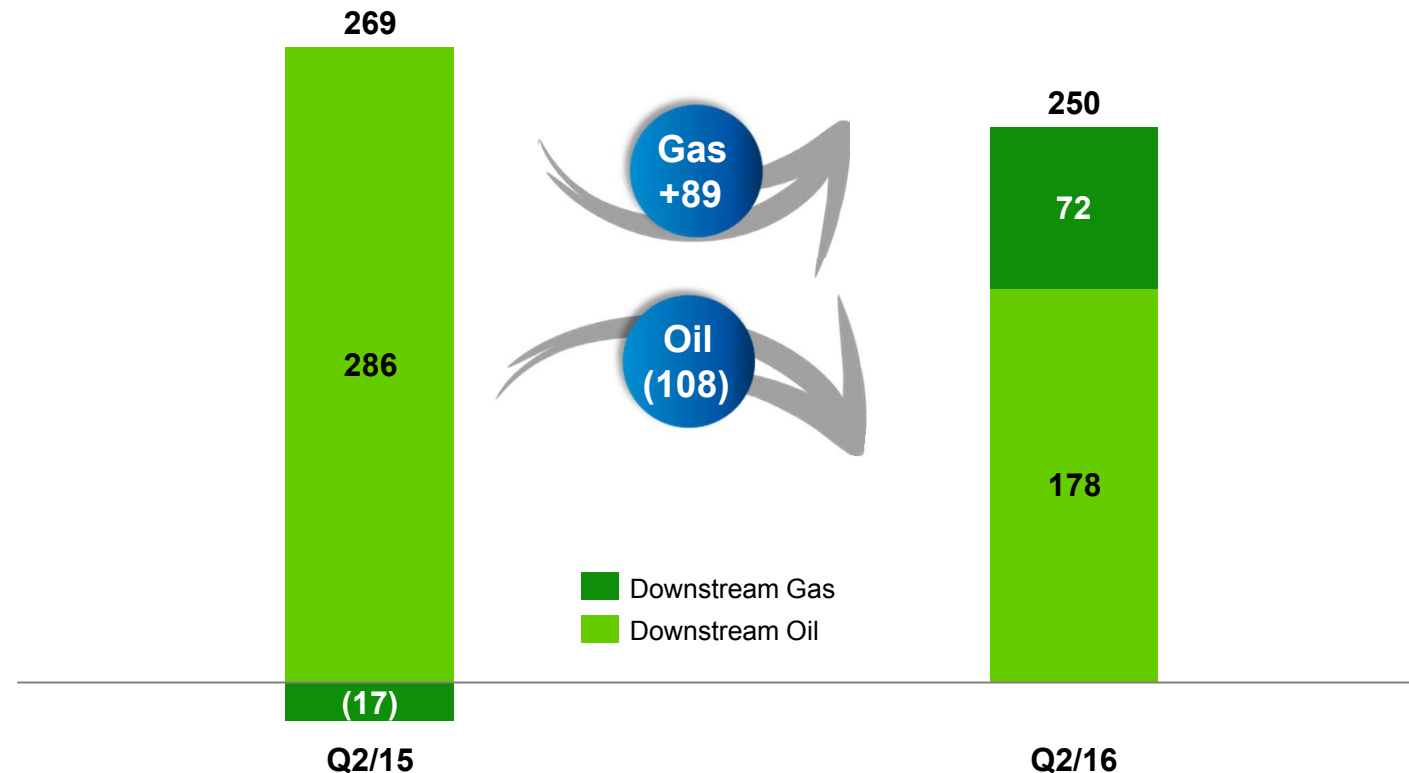
Main operational developments

- ▶ Production increased by 3% vs. Q2/15 mainly due to
 - ▶ Edvard Grieg being brought on stream in Q4/15
 - ▶ Gas blowdown at Gullfaks started in Q4/15
 - ▶ Two new production wells at Gudrun on stream since Q3/15
- ▶ OPEX per unit decreased by 15% vs. Q2/15 due to cost saving measures (lower costs of material, personnel and services) coupled with higher production

Downstream showed solid performance

Clean CCS EBIT

in EUR mn



Q2/16 vs. Q2/15

Oil

- ▶ Lower OMV indicator refining margin
- ▶ Decreased petrochemical margins
- ▶ Turnaround activities at refineries in Austria and Romania

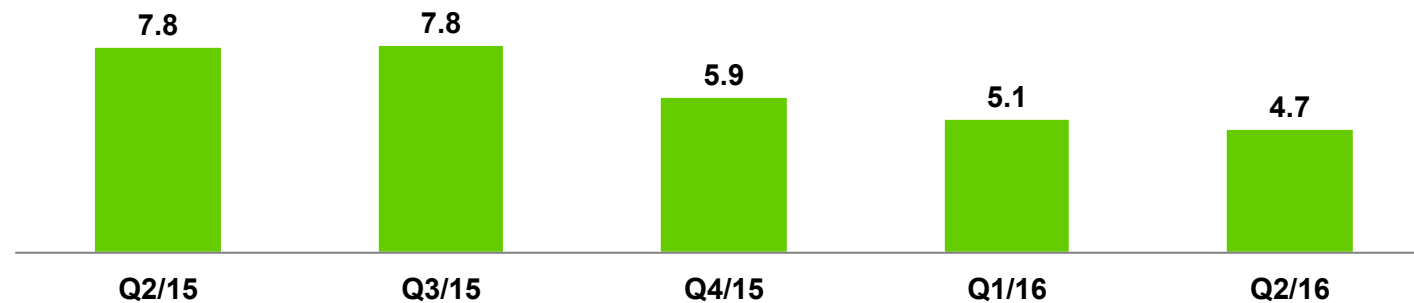
Gas

- ▶ Restructuring progressing
 - ▶ Valuation gains on forward contracts
 - ▶ One-off gains in the gas sales business

Downstream Oil – Key performance indicators

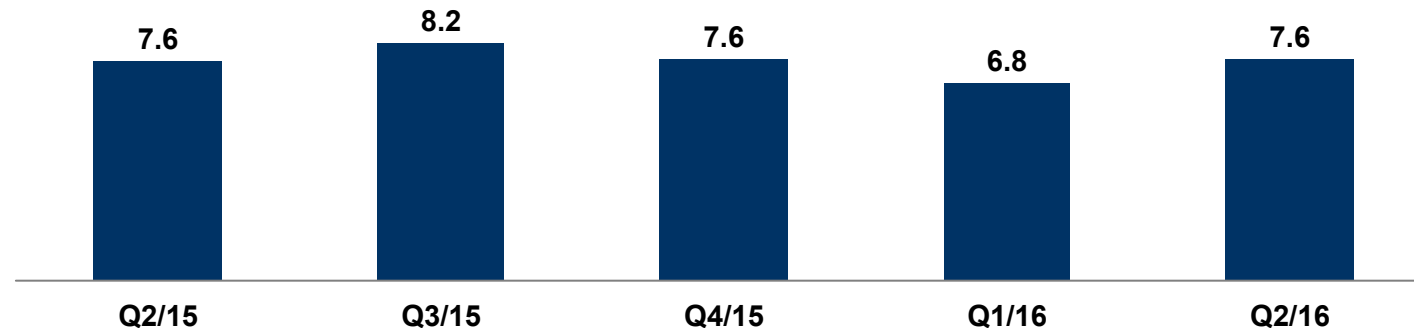
OMV indicator refining margin

in USD/bbl



Total refined product sales

in mn t

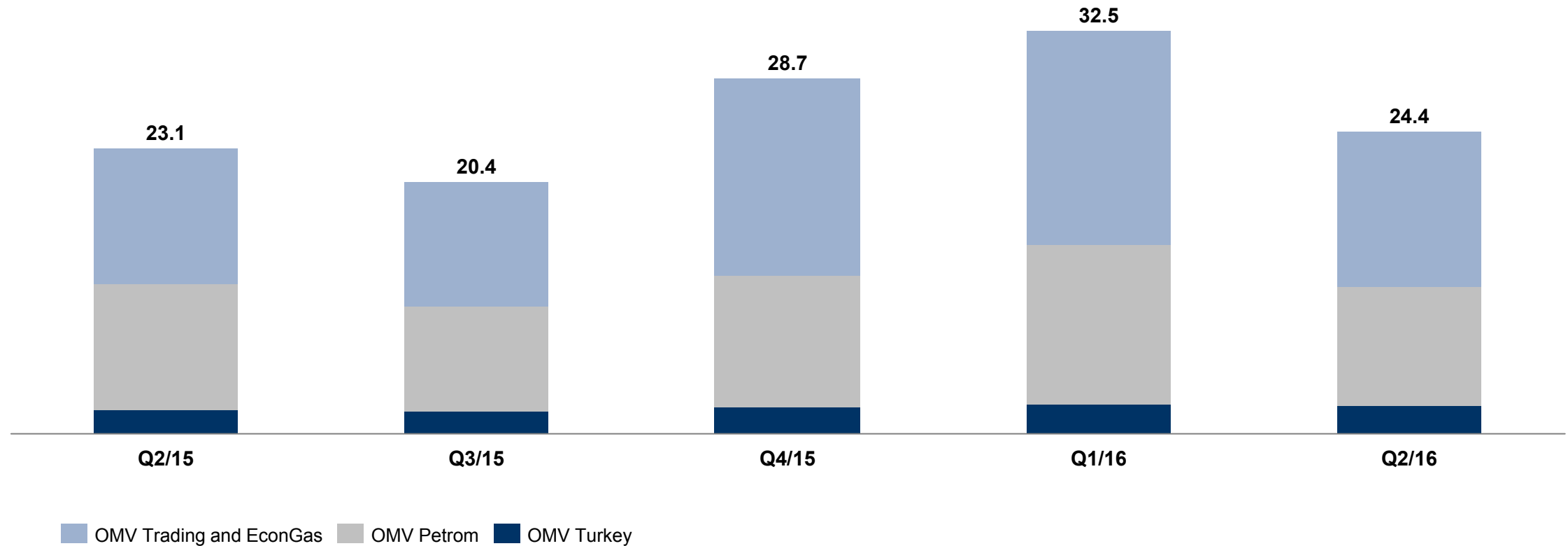


Main operational developments

- ▶ OMV indicator refining margin down by 40% vs. Q2/15
- ▶ Refining utilization rate down to 72% due to turnarounds
 - ▶ West: 74%; East: 68%
- ▶ Total refined product sales were stable vs. Q2/15 despite turnarounds
- ▶ Petrochemical sales volume were flat vs. Q2/15
- ▶ Retail sales volumes stable at 2.6 mn t vs. Q2/15 despite network optimization in Turkey

Downstream Gas – Key performance indicator

Natural gas sales volumes in TWh



OMV Petrom Group: Positive Upstream result on the back of successful cost reduction measures

Key financials in EUR mn		Q2/16	Q2/15	Δ (%)
Clean CCS EBIT		49	148	(67)
<i>Thereof</i>	<i>Upstream</i>	43	124	(65)
	<i>Downstream</i>	30	50	(39)
	<i>Corporate and Other</i>	(1)	(2)	69
	<i>Consolidation</i>	(24)	(23)	(3)

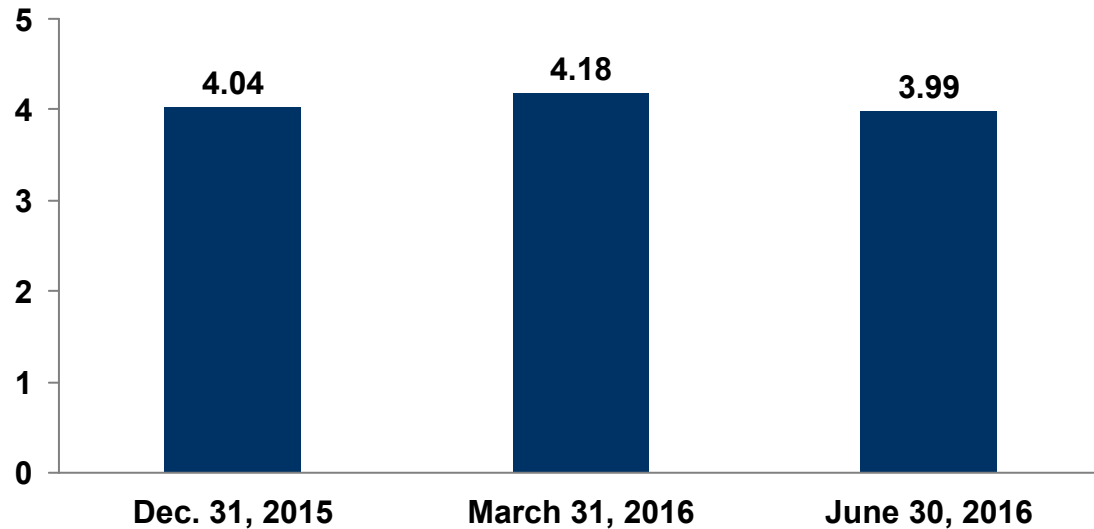
Q2/16 vs. Q2/15

- ▶ Positive, but lower Upstream result due to negative impact of lower prices and sales volumes
- ▶ Hydrocarbon production decreased by 2% to 177 kboe/d
- ▶ Upstream OPEX in USD/boe decreased by 8% mainly due to strict cost management
- ▶ Downstream result was affected by the lower refining margin and the refinery turnaround; partially offset by a better Downstream Gas result

Targeting a long-term gearing ratio of $\leq 30\%$

Net debt development

in EUR bn



Gearing ratio

in %

28%

29%

29%

Strong liquidity position as of Q2/16

- ▶ Cash position at EUR 1.3 bn
- ▶ Committed revolving credit facilities of EUR 3.6 bn (undrawn)
- ▶ Equity ratio development
 - ▶ Dec. 31, 2015: 44%
 - ▶ June 30, 2016: 45%

Financial priorities in a nutshell



Focus on
cash flow

Improve
shareholder return

Maintain
strong balance sheet

Outlook for the full year 2016

- ▶ **Brent oil price:** Annual average of USD 40/bbl expected
- ▶ **Refining:** H2/16 margins expected to be below H1/16 level;
Utilization rate >90% in H2/16
- ▶ **European gas markets:** Oversupply continues; H2/16 prices expected to be above H1/16 level
- ▶ **Production:** Slightly above 300 ¹ kboe/d
- ▶ **CAPEX:** EUR 2.2 bn (~70% Upstream)
- ▶ **E&A expenditure:** EUR 0.45 bn

¹ Without production from Libya and Yemen



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