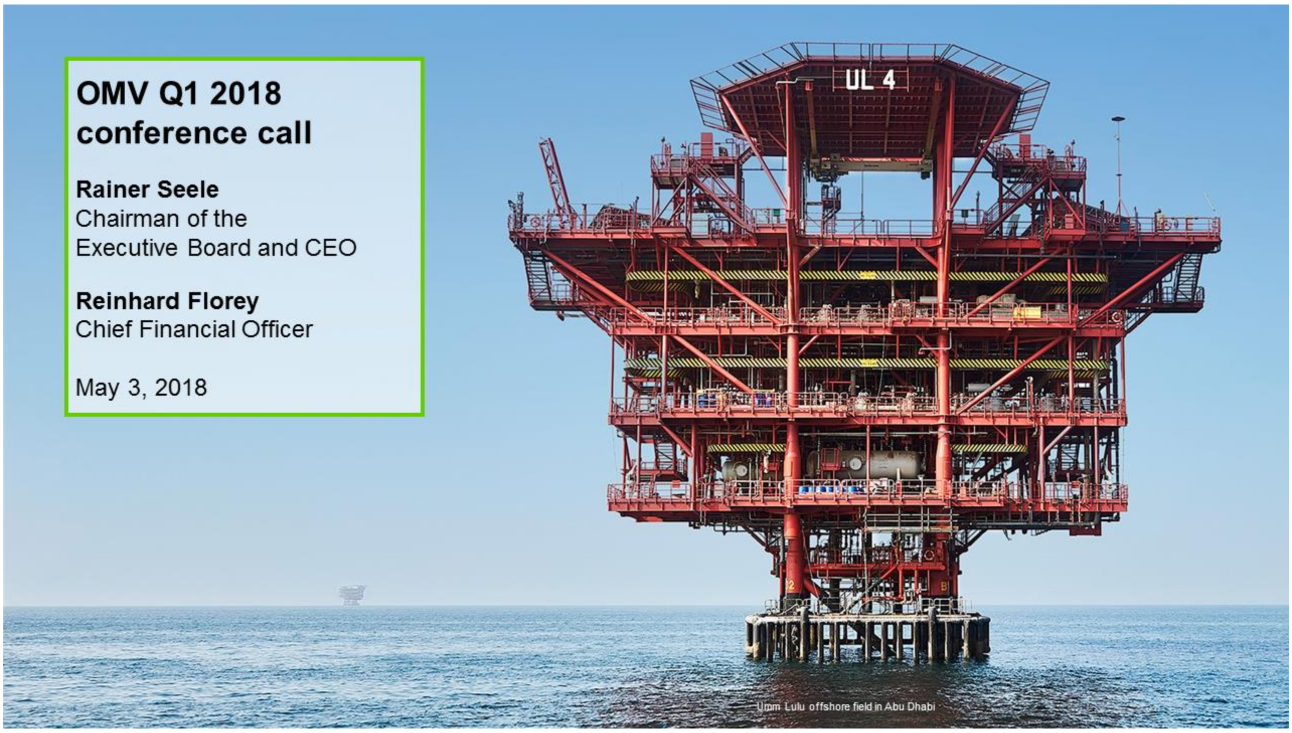
OMV Q1 2018 Results Conference Call

May 3, 2018



Rainer Seele
Chairman of the Executive Board and CEO

Reinhard Florey
Chief Financial Officer

The spoken word applies

The energy for a better life. OMV

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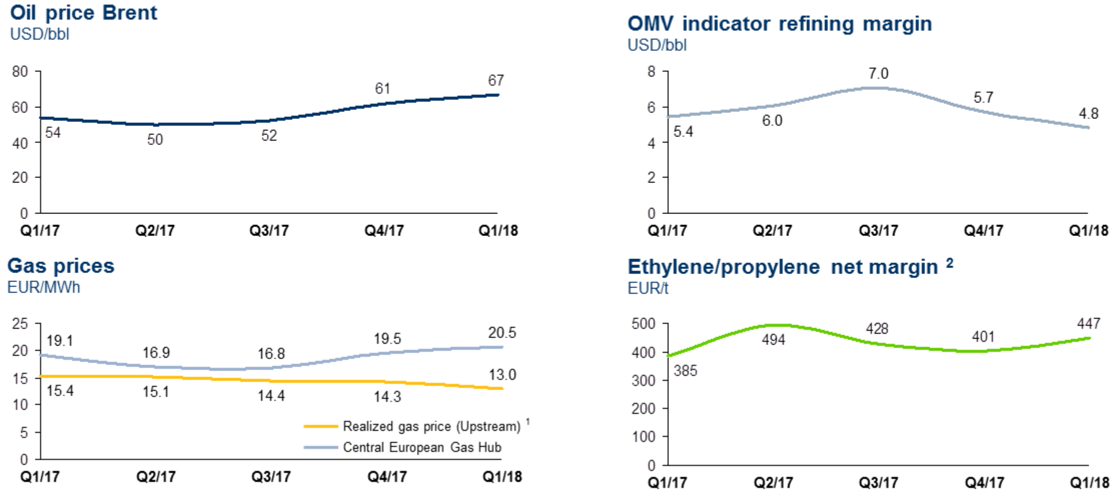
Macro environment – Higher oil prices, lower refining margins



Note: All figures are quarterly averages [1] Converted to MWh using a standardized calorific value across the portfolio
[2] Spread between market prices of ethylene/propylene and naphtha including standard processing consumption

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Ladies and gentlemen, good morning and thank you for joining us.

OMV had a successful start to 2018, showing strong operational and financial performance. Before coming to our business development, let me briefly review the economic environment.

Slide 3: Macro environment – Higher oil prices, lower refining margins

In the first quarter 2018, oil prices stabilized with Brent averaging 67 Dollars per barrel. This was 24 percent higher than the average during the same period in 2017. The oil price strengthened predominantly against the backdrop of higher geopolitical risks as well as a continued strong compliance with the production cut by the OPEC countries.

Gas prices were 7 percent above the same period last year, supported by the exceptional cold weather in Europe in February and March with record price spikes on the spot markets.

The OMV indicator refining margin was down 12 percent compared to the first quarter of last year, reflecting the strong upwards momentum of the crude price as well as lower margins particularly for heavy fuel oil and naphtha, which could not be offset by higher margins for middle distillates.

Net margins for both ethylene and propylene increased versus the previous year quarter, mainly due to higher product prices.

In addition, we saw a weaker US Dollar that depreciated by 15 percent against the Euro compared to Q1 2017.

Key messages

OPERATIONAL PERFORMANCE

Clean CCS Operating Result at **EUR 818 mn**

Strong free cash flow generation of **EUR 538 mn**

Record production of **437 kboe/d**

COST DISCIPLINE

Production cost further reduced to **USD 7.4/boe**

New **efficiency program**: savings of EUR 100 mn by 2020 versus 2017

PORTFOLIO MANAGEMENT

Established a material position in **Abu Dhabi**

Expanded position in **New Zealand**

Divested Upstream business in **Pakistan**

Slide 4: Key messages

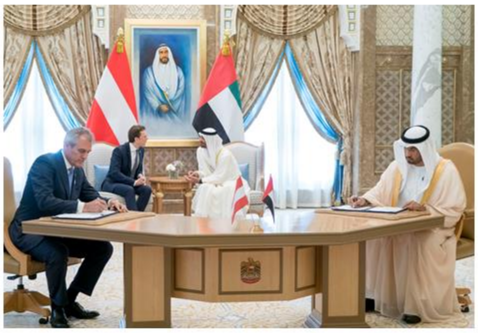
Let me now briefly point out the highlights of the first quarter of 2018.

As I said before, we had a successful start to 2018: OMV delivered a clean CCS Operating Result of 818 million Euros and generated a free cash flow of 538 million Euros. OMV's hydrocarbon production reached a historical high of 437 thousand barrels per day supported by the production from Yuzhno Russkoye field in Russia.

We managed to further decrease our production costs from 8.9 to 7.4 Dollars per barrel on the back of a higher production coupled with the successful implementation of our cost reduction program. Going forward, we will continue to improve our cost base: Our new efficiency program targets savings of at least 100 million Euros by 2020 as compared to 2017.

In the last three months, we made significant progress in the implementation of our strategy, which we presented to you at our Capital Markets Day mid-March in London. In February, we signed the divestment of our Upstream business in Pakistan. In March, we expanded our position in New Zealand by increasing our stake in two producing fields. At the end of April, we achieved a major milestone in building a material position in Abu Dhabi.

Acquisition of a 20% stake in two offshore fields in Abu Dhabi from ADNOC



Signing ceremony OMV & ADNOC
Photo credit: Rashed Al Mansoori, Crown Prince Court

Front f.l.t.r.: Rainer Seele (CEO OMV Group) and HE Dr Sultan Ahmed Al Jaber (UAE Minister of State, Chairman of Masdar and CEO of ADNOC Group); Back f.l.t.r.: Sebastian Kurz (Chancellor of Austria) and HH Sheikh Mohamed bin Zayed Al Nahyan (Crown Prince of Abu Dhabi and Deputy Supreme Commander of the UAE Armed Forces)

- OMV signed a concession agreement for the acquisition of a 20% stake in two offshore oil fields from ADNOC:
  - **Satah Al Razboot (SARB)** including the satellite fields Bin Nasher and Al Bateel
  - **Umm Lulu**
- Commencement of concession on March 9, 2018
- Concession valid until March 8, 2058
- Participation fee of USD 1.5 bn

5 | OMV Group, Q1 2018 conference call, May 3, 2018

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Slide 5: Acquisition of a 20% stake in two offshore fields in Abu Dhabi from ADNOC

Ladies and gentlemen, I am delighted to announce that last Sunday we signed a concession agreement with ADNOC for the acquisition of a 20 percent stake in two oil fields in Abu Dhabi. The concession area consists of two offshore fields under development, Umm Lulu and SARB, as well as two smaller fields, Bin Nasher and Al Bateel.

This transaction gives OMV access to two new oil developments, with a very long concession life. The concession starts retroactively on March 9, 2018 and expires in March 8, 2058.

The participation fee amounts to 1.5 billion US Dollars.

ADNOC will retain a 60 percent stake in the fields, while OMV and CEPSA will each own 20 percent.

With this transaction, OMV reaches an important milestone in the successful execution of its strategy.

Abu Dhabi – High-quality assets with substantial cash generation

Adding 450 mn bbl to OMV's reserve base	► Substantially strengthening OMV's reserves base ► Upside potential from satellite fields
≥ 40 kbbl/d long-term plateau production (net to OMV)	► Plateau production to be reached early in the next decade ► Long-term plateau
Substantial free cash flow	► Long-term stable and substantial free cash flow ► Annual CAPEX of ~USD 150 mn in the first 5 years
Strengthening partnerships	► Strengthening strategic partnership with ADNOC ► Build material position in one of the world's richest region in hydrocarbons

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Slide 6: Abu Dhabi – High-quality assets with substantial cash generation

Participation in this concession offers OMV access to one of the world's largest deposits of oil. The 40-year deal substantially strengthens OMV's reserves base by adding 450 million barrels of oil.

The fields have an attractive production profile, both in terms of volumes and cost, with an expected long plateau period. The oil production at plateau, net to OMV, is expected to be above 40 thousand barrels per day. We anticipate a long-term plateau production which will be reached early in the next decade.

The development of the two fields is nearly completed. The Umm Lulu field started producing from early production facilities in 2016 and SARB will start producing towards the end of 2018.

Total CAPEX, net to OMV, is forecasted to be up to 2 billion Dollars for the entire concession period of 40 years. In the first five years, OMV will invest roughly 150 million Dollars per annum.

As announced in our strategy, our preference is for cash generating assets and this transaction is no exception. Following the ramp-up of production to plateau level, OMV will enjoy a long-term and substantial cash flow contribution.

With our new upstream assets we are establishing a material, long-term Upstream position in the hydrocarbon-rich Middle East region. And, of course, we are further strengthening our long-term partnership with ADNOC. We are pleased that ADNOC has selected OMV as one of its partners of choice and we are convinced that OMV's proven technological know-how will add value to the field operations.

Acquisition in New Zealand – Major step towards building Australasia into a new core region

- Acquisition of Shell's Upstream business in New Zealand:
  - Increased stake in **Pohokura** by 48% and in **Maui** by 83.75% (31 kboe/d in Jan-Feb 2018)
  - 60.98% interest in the Great South Basin exploration block
- OMV intends to assume operatorship in both joint ventures
- Purchase price USD 578 mn
- Effective date January 1, 2018
- Closing expected end 2018 [1]

[1] Subject to conditions, including New Zealand Commerce Act and Overseas Investment approvals

FPSO Raroa and Ensco drilling rig, Maari filed, New Zealand

Slide 7: Acquisition in New Zealand – Major step towards building Australasia into a new core region

Let’s talk about our second acquisition “Shell’s upstream business in New Zealand”, which we announced just a few days after our Capital Markets Day. Through this transaction, our stake in the Pohokura field, the largest gas producing field in New Zealand, increased from 26 to 74 percent and in the Maui field from 10 to almost 94 percent. OMV plans to assume operatorship in both joint ventures. We also acquired Shell’s interest in the Great South Basin exploration block, offering upside potential to our position in New Zealand.

The purchase price amounts to 578 million Dollars and the effective economic date is January 1, 2018. The acquisition is likely to close by the end of 2018.

The deal adds up to 100 million barrels of recoverable resources to OMV’s portfolio and immediate production and cash flows.

The assets were producing 31 thousand barrels per day in the first two months of 2018. The offshore production from the Pohokura field has been halted since mid-March 2018, following a technical issue. We expect to restart the production in Q3 2018.

Strengthened footprint in the Middle East Africa and Australasia

Group capital employed
based on 2017 capital employed plus Abu Dhabi and New Zealand acquisition

- Majority of the portfolio in European countries
- Doubled capital employed in the Middle East Africa and Australasia

[1] Middle East Africa

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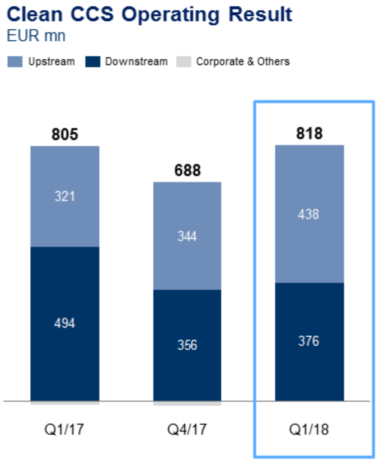
Slide 8: Strengthened footprint in Middle East Africa and Australasia

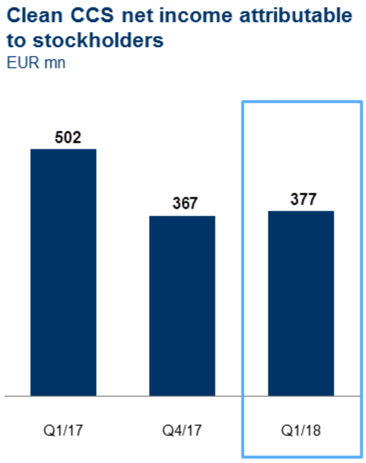
With the two recent acquisitions we further diversified our portfolio. The weight of the Middle East Africa and Australasia doubled to 20 percent and our exposure to Russia is now 10 percent. The majority of our assets, in both Upstream and Downstream, remains in Europe.

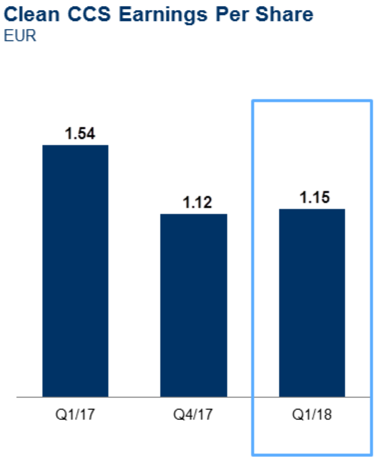
Going forward, we aim to keep our portfolio balanced. Our strategy is to acquire Upstream assets in hydrocarbon rich regions with low production costs, as well as to internationalize the Downstream business, taking advantage of the market growth in the Middle East and Asia.

And now I hand over to Reinhard, who will present to you the first quarter 2018 results.

Solid Group clean CCS Operating Result despite FX headwinds







9 | OMV Group, Q1 2018 conference call, May 3, 2018

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Slide 9: Solid Group clean CCS Operating Result despite FX headwinds

Let’s now turn to our financial performance in the first quarter of 2018.

The clean CCS Operating Result increased to 818 million Euros from 805 million Euros in the first quarter of last year. The results demonstrate the benefit of OMV’s integrated portfolio, as the negative market effects in Downstream were more than offset by a substantially higher contribution from Upstream.

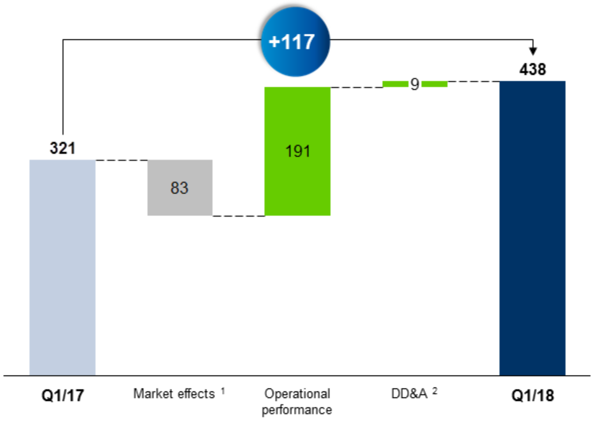
Last year’s result was supported by positive one-offs. In turn, in the first quarter 2018, currency headwinds impacted OMV in the amount of roughly 100 million Euros.

Clean CCS net income attributable to stockholders decreased to 377 million Euros in the first quarter of 2018 from 502 million Euros due to a higher tax rate. Clean CCS Earnings Per Share were at 1.15 Euros in Q1 2018.

The clean tax rate amounted to 35 percent, 15 percentage points higher than in the prior year quarter, which was mainly driven by an increased contribution from the higher taxed Upstream countries in a higher oil price environment. For the full year 2018, we expect the clean tax rate to be in the low thirties following a higher oil price.

Upstream – Significantly higher result supported by oil prices and sales volumes

Clean Operating Result
EUR mn



Q1 2017 vs. Q1 2018

- Higher realized oil prices offset by weaker USD
  - Realized oil price increased by 15%
  - Realized gas price decreased by 16%
  - Realized hedging loss in Q1/18 of EUR (68) mn
  - Negative FX impact mainly due to weaker USD/EUR
- Record production of 437 kboe/d (+103 kboe/d)
  - Russia (+106 kboe/d)
  - Libya (+15 kboe/d)
- Sales volumes increased by 10 mn boe mainly due to acquisition of Yuzhno Russkoye and higher sales in Libya and Norway
- Production costs reduced to USD 7.4/boe (-17%)
- Lower depreciation reflects reserves revisions and classification of Pakistan as an asset held for sale

[1] Market effects defined as oil and gas prices, foreign exchange impact, price effect on royalties and hedging, selling and distribution costs in Russia
[2] Depreciation, Depletion and Amortization

Slide 10: Upstream – Significantly higher result supported by oil prices and sales volumes

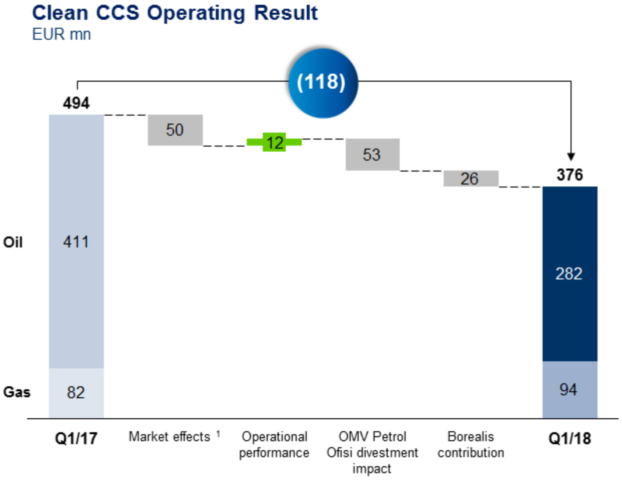
Let me now come to the performance of our two business segments. Upstream experienced a strong quarter supported by higher sales volumes and a good operational performance. The Upstream clean Operating Result substantially increased from 321 million Euros to 438 million Euros.

Market effects had a negative impact of 83 million Euros compared to Q1 2017. The higher realized oil prices were more than offset by a weaker US Dollar. OMV's realized oil price rose by 15 percent while the realized gas price in Euro decreased by 16 percent. In Q1 2018, we recorded a hedging loss of 68 million Euros compared to a gain of 22 million Euros in the first quarter of 2017.

Our operational performance more than offset the negative market effects, increasing the result by 191 million Euros compared to the same quarter last year. OMV reached a record production of 437 thousand barrels per day: Yuzhno Russkoye fully kicked in and contributed 106 thousand barrels per day while production from Libya amounted to 31 thousand barrels per day – 15 thousand barrels more than last year. Hydrocarbon sales volumes developed in line with the increased production and amounted to 38.5 million barrels, which marks an increase of 35 percent compared to the first quarter of 2017. At the same time, OMV reduced its production cost by 17 percent to 7.4 US dollars per barrel.

Depreciation decreased and had a positive impact of 9 million Euros compared to Q1 2017, mainly reflecting positive reserves revisions and the classification of Pakistan as an asset held for sale.

Downstream – High Downstream Gas result offset by lower refining margins



[1] Market effects defined as refining indicator margin, petrochemical margins and spark spreads
[2] excluding OMV Petrol Ofisi

Q1 2017 vs. Q1 2018

Oil

- Lower refining margin (-12%) and negative FX impact
- Higher ethylene/propylene net margins (+16%); lower butadiene margins
- Strong refinery utilization rate (93%)
- Retail sales [2] and margins slightly increased
- Missing earnings of EUR 53 mn from OMV Petrol Ofisi divested in June 2017
  - Q1 2017 contribution from OMV Petrol Ofisi was supported by discontinued depreciation of EUR 37 mn
- Lower Borealis contribution due to lower polyolefin margins

Gas

- Very strong gas result, primarily driven by higher margins and natural gas sales volumes
- Q1 2017 was supported by one-offs
- Flat contribution from Gas Connect Austria

11 | OMV Group, Q1 2018 conference call, May 3, 2018

Slide 11: Downstream – High Downstream Gas result offset by lower refining margins

The strong result in Downstream Gas was more than offset by a weaker refining margin and the divestment of OMV Petrol Ofisi. The clean CCS Operating Result amounted to 376 million Euros compared to 494 million Euros in Q1 2017. The operational performance in Downstream continued to be on a high level despite the weaker market environment in Q1 2018.

The clean CCS Operating Result of Downstream Oil declined from 411 million Euros in Q1 2017 to 282 million Euros. This was mainly driven by the missing earnings contribution from OMV Petrol Ofisi and a lower refining margin as well as negative effects from a weaker Dollar.

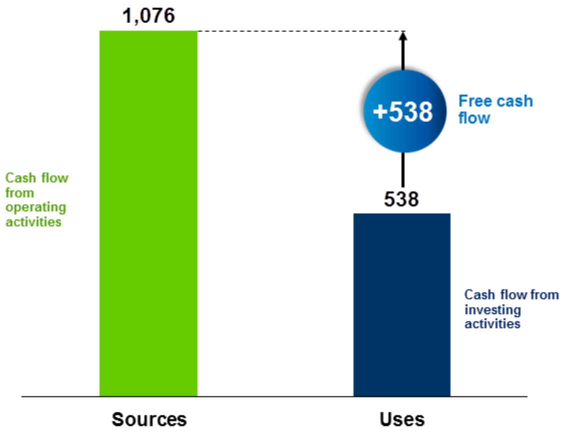
OMV’s indicator refining margin decreased by 12 percent from 5.4 to 4.8 Dollars per barrel in Q1 2018. The refinery utilization rate was at 93 percent. Excluding OMV Petrol Ofisi, retail volumes and margins increased slightly, whereas they declined in the commercial business.

The contribution from petrochemicals decreased from 74 million Euros to 68 million Euros in Q1 2018. The improved ethylene/propylene net margins were more than offset by a sharp decrease of butadiene margins. Borealis contributed 86 million Euros compared to 113 million Euros in the first quarter of last year. The decrease was mainly due to lower polyolefin margins.

I am very pleased that we reached a five-year record result in Downstream Gas. We sold more volumes, increased margins and captured arbitrage opportunities in the market. The clean CCS Operating Result increased to 94 million Euros compared to 82 million Euros last year, which included positive one-off items.

Strong free cash flow of EUR 0.5 bn

Sources and uses [1] of cash in Q1/18
EUR mn



[1] Sources and uses excluding financing activities

- Strong cash flow from operating activities of EUR 1,076 mn (Q1/17: EUR 923 mn)
  - Borealis dividend of EUR 252 mn
- Cash flow from investing activities of EUR 538 mn (Q1/17: EUR 397 mn), including:
  - payment of EUR 81 mn to Nord Stream 2 AG
  - down payment of EUR 47 mn for the New Zealand acquisition
- Free cash flow of EUR 538 mn (Q1/17: EUR 1,320 mn)
  - Organic free cash flow [2] of EUR 645 mn (Q1/17: 496 mn)

[2] Organic free cash flow after dividends is cash flow from operating activities less cash flow from investing activities, excluding disposals and material inorganic cash flow components (e.g. acquisitions), and less dividend payments

12 | OMV Group, Q1 2018 conference call, May 3, 2018

Slide 12: Strong free cash flow of EUR 0.5 bn

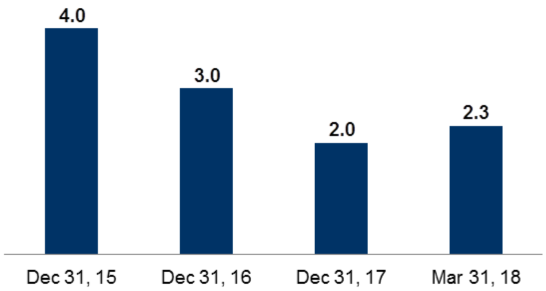
Let’s now continue with cash flow.

In the first quarter of 2018, the cash flow from operating activities amounted to 1.1 billion Euros – an increase of 153 million Euros compared to the strong first quarter last year. The cash flow was driven by OMV’s operational performance as well as the dividends distributed by Borealis in the amount of 252 million Euros.

Cash flow from investing activities showed an outflow of 538 million Euros. This includes another drawdown under the financing agreements for the Nord Stream 2 pipeline project as well as a down payment for the New Zealand acquisition. In Q1 2018, the free cash flow amounted to 538 million Euros. Excluding the payments related to Nord Stream 2 and New Zealand, we reached a strong organic free cash flow of 645 million Euros, illustrating OMV’s strong cash generation capabilities once more.

Continued low gearing and strong cash position

Net debt development
EUR bn



Gearing ratio	28%	21%	14%	16%

- Strong cash position of EUR 4.3 bn
- Redemption of the 2011 hybrid bond of EUR 0.75 bn; repaid on April 26, 2018
- Net debt increased to EUR 2.3 bn due to reclassification of 2011 hybrid bond as of Q1 2018 as debt
- Long-term gearing ratio target ≤30%

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Slide 13: Continued low gearing and strong cash position

OMV's balance sheet remained very healthy and showed strong liquidity. On the back of the strong cash generation, cash and cash equivalents increased by 300 million Euros to 4.3 billion Euros at end of the quarter.

On March 14, OMV announced the recall of its 750 million Euros hybrid bond with a coupon rate of 6.75 percent, which was issued in 2011.

As we decided to call and redeem this hybrid bond, we reclassified it as debt. Therefore, OMV's net debt increased to 2.3 billion Euros. At the end of Q1 2018, the gearing ratio stood at 16 percent.

Now I will hand back to Rainer, who will conclude with the outlook.

Outlook 2018

	2017	Outlook 2018
Brent oil price (USD/bbl)	54	**68** (Previous 60)
CEGH gas price (EUR/MWh)	18	18
Total hydrocarbon production (kboe/d)	348	**>420** (Previous 420)
OMV indicator refining margin (USD/bbl)	6	<6
Ethylene/propylene net margin (EUR/t)	427	425
Utilization rate refineries (%)	90	>90
CAPEX (EUR bn) [1]	1.7	1.9
E&A expenditures (EUR mn)	230	300

[1] Including capitalized Exploration and Appraisal expenditures and excluding acquisitions (2017 figure excludes Yuzhno Russkoye acquisition).

14 | OMV Group, Q1 2018 conference call, May 3, 2018

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Slide 14: Outlook 2018

Let me conclude with the outlook for 2018. Based on our operational performance, we update our production guidance.

Throughout the first months of this year, we saw the oil price stabilizing at a level around 70 US Dollars per barrel. Based on this, we have decided to update the oil price forecast to 68 Dollars per barrel for the full year 2018.

For the year 2018, we expect an average production of more than 420 thousand barrels per day. Following a very strong first quarter, we anticipate production in Q2 and Q3 2018 to be lower due to planned maintenance activities in Russia and Norway as well as seasonally lower demand for Russian gas. Moreover, production in New Zealand is currently impacted by pipeline issues, which we expect to have resolved in the third quarter of 2018. Production towards the end of the year is expected to be back to a similar level as in the strong first quarter. The announced acquisitions in New Zealand and Abu Dhabi provide further upside.

In mid-April, we started the planned turnaround at the Petrobrazi refinery which is scheduled for approximately six weeks.

Thank you for your attention. Now we are happy to take your questions.