OMV Factsheet Q4/16 and full year 2016

February 16, 2017

Highlights Q4/16

- Strong free cash flow after dividends including non-controlling interest changes of EUR 803 mn
- Clean CCS EBIT at EUR 315 mn, up by 68% vs Q4/15
- Clean CCS net income attributable to stockholders at EUR 153 mn; Clean CCS Earnings Per Share of EUR 0.47
- OMV Group EBIT at EUR (81) mn, impacted by special items, however 95% higher than in Q4/15
- Net special items of EUR (415) mn in Q4/16 mainly related to impairments of OMV Petrol Ofisi, Samsun power plant, Etzel gas storage and the Mehar field in Pakistan
- Net income attributable to stockholders at EUR (192) mn, EPS at EUR (0.59) in Q4/16

Highlights full year 2016

- Strong free cash flow after dividends including non-controlling interest changes of EUR 1,105 mn
- Clean CCS EBIT at EUR 1,110 mn, down by 20% compared to 2015
- Clean CCS net income attributable to stockholders at EUR 995 mn; clean CCS Earnings Per Share of EUR 3.05
- OMV Group EBIT at EUR (271) mn, impacted by special items, however 86% higher than in 2015
- Net special items of EUR (1,388) mn in 2016
- Net income attributable to stockholders at EUR (217) mn in 2016; EPS at EUR (0.67)
- Proposed Dividend per share of EUR 1.20 for 2016, up by 20% compared to 2015

Major achievements in reshaping the portfolio

- Completed the sale of a 49% minority stake of Gas Connect Austria
- Signed binding Basic Agreement on Asset Swap with Gazprom
- Divested the OMV (U.K.) Limited Upstream subsidiary to Siccar Point Energy
- Expanded position in Libya, in the Sirte basin
- Achieved Reserve Replacement Rate of 101% in 2016

Outlook for 2017

- For the year 2017, OMV expects the average Brent oil price to be at USD 55/bbl
- The gas market environment in Europe continues to be characterized by oversupply. However, average gas prices in European spot markets are expected to show an increase in 2017
- OMV expects to generate a positive free cash flow after dividends in 2017
- CAPEX (including capitalized E&A) is expected to come in at EUR 2 bn in 2017; E&A expenditure expected to amount to EUR 300 mn in 2017
- New cost reduction target of EUR 250 mn in 2017 compared to 2015
- OMV expects total production to be 320 kboe/d in 2017
- Refining margins are projected to trend downwards due to crude price recovery and persisting overcapacity in the market
- The divestment of OMV's wholly owned subsidiary OMV Petrol Ofisi is progressing according to plan. OMV has received binding offers and expects to conclude the divestment of OMV Petrol Ofisi in 2017

Financial highlights

Q3/16	Q4/16	Q4/15	Δ%	in EUR mn (unless otherwise stated)	2016	2015	Δ%
5,249	5,407	5,043	7	Sales [1]	19,260	22,527	(15)
(319)	(34)	(1,526)	98	EBIT Upstream	(1,059)	(2,371)	55
378	4	(197)	n.m.	EBIT Downstream	881	334	164
(8)	(29)	(40)	26	EBIT Corporate and Other	(56)	(48)	(16)
11	(21)	33	n.m.	Consolidation: Elimination of inter-segmental profits	(36)	79	n.m.
63	**(81)**	**(1,729)**	**95**	**EBIT Group**	**(271)**	**(2,006)**	**86**
131	76	(411)	n.m.	thereof EBIT OMV Petrom group	330	(114)	n.m.
(350)	(415)	(1,761)	76	Special items [2]	(1,388)	(3,028)	54
(3)	20	(155)	n.m.	CCS effects: Inventory holding gains/(losses)	6	(368)	n.m.
38	85	(62)	n.m.	Clean EBIT Upstream [3]	26	139	(81)
377	270	247	9	Clean CCS EBIT Downstream [3]	1,122	1,178	(5)
(7)	(27)	(39)	31	Clean EBIT Corporate and Other [3]	(50)	(43)	(16)
7	(14)	41	n.m.	Consolidation: Elimination of inter-segmental profits	12	116	(89)
415	**315**	**187**	**68**	**Clean CCS EBIT [3]**	**1,110**	**1,390**	**(20)**
137	102	51	98	thereof clean CCS EBIT OMV Petrom group [3]	380	572	(34)
75	39	18	110	Net financial result	227	97	135
138	(42)	(1,711)	98	Profit before tax	(45)	(1,909)	98
129	(145)	(1,308)	89	Net income	3	(1,255)	n.m.
48	(192)	(1,017)	81	Net income attributable to stockholders [4]	(217)	(1,100)	80
447	**153**	**180**	**(15)**	**Clean CCS net income attributable to stockholders [3,4]**	**995**	**1,148**	**(13)**
0.15	(0.59)	(3.11)	81	Earnings Per Share (EPS) in EUR	(0.67)	(3.37)	80
1.37	0.47	0.55	(15)	Clean CCS EPS in EUR [3]	3.05	3.52	(13)
652	611	434	41	Cash flow from operating activities	2,878	2,834	2
239	436	(143)	n.m.	Free cash flow before dividends	1,081	(39)	n.m.
239	349	(143)	n.m.	Free cash flow after dividends	615	(569)	n.m.
239	803	(143)	n.m.	Free cash flow after dividends including non-controlling interest changes [5]	1,105	(581)	n.m.
2.00	1.87	1.33	41	Cash flow per share in EUR	8.82	8.68	2
3,743	2,969	4,038	(26)	Net debt	2,969	4,038	(26)
27	21	28	(25)	Gearing ratio in %	21	28	(25)
403	519	772	(33)	Capital expenditure	1,878	2,769	(32)
–	–	–	n.a.	Dividend Per Share (DPS) in EUR [6]	1.20	1.00	20
6	(242)	24	n.m.	Group tax rate in %	107	34	n.m.

Figures in this table may not add up due to rounding differences.

[1] Sales excluding petroleum excise tax

[2] Special items are exceptional, non-recurring items and include unrealized gains/losses on commodity derivatives (starting with Q2/15), which are added back or deducted from EBIT. For more details please refer to Business Segments

[3] Adjusted for special items. Clean CCS figures exclude inventory holding gains/losses (CCS effects) resulting from the fuels refineries and OMV Petrol Ofisi

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

[5] In Q4/16 and 2016, the non-controlling interest change mainly includes the cash inflow from the sale of a 49% minority stake in Gas Connect Austria

[6] 2016: As proposed by the Executive Board. Subject to confirmation by the Supervisory Board and the Annual General Meeting 2017

Business Segments Q4/16 vs. Q4/15

Upstream

- **Clean EBIT increased substantially to EUR 85 mn**
- **Strict capital discipline resulted in continued low CAPEX and exploration expenditure**
- **Cost savings initiatives led to a further decrease in production cost in USD/boe**

In Q4/16, the average **Brent price** in USD was up by 13% mainly due to the OPEC agreement on reducing future production levels. The Group's average **realized crude price** increased by 12%. The average **realized gas price** in USD/1,000 cf decreased by 25%. Realized prices were impacted by a negative hedging result of EUR (33) mn in Q4/16, while in Q4/15 hedging positively supported with EUR 20 mn.

Total OMV daily production of oil, NGL and gas increased by 2% to 315 kboe/d, mainly due to higher production from Norway and the partial re-start in Libya. This increase was partly offset by lower production in Romania, New Zealand and Austria. OMV Petrom's total daily oil and gas production was down to 170 kboe/d due to natural decline and a surface facility upgrade at Totea Deep. **Total sales volumes** increased by 3% due to higher liftings in Norway and Tunisia as well as one lifting from Libya.

At USD 11.31/boe, **production costs** excluding royalties (OPEX) in USD/boe were down by 8% as a result of the successful implementation of the cost reduction program coupled with higher production. At OMV Petrom, OPEX decreased by 3% to USD 11.77/boe despite lower production due to strict cost management.

Clean EBIT substantially increased from EUR (62) mn to EUR 85 mn due to lower exploration expenses, lower depreciation and higher sales volumes. The positive price effect was partially offset by a negative hedging result. OMV Petrom contributed EUR 55 mn to clean EBIT. **Exploration expenses** notably decreased to EUR 63 mn. Depreciation was down due to the effect of the lower asset base and upward reserves revisions. Negative **special items** recorded in the quarter amounted to EUR (120) mn, mainly related to impairments of assets in Pakistan and in the UK. In Pakistan, a downward reserves revision of the Mehar field resulted in an impairment of EUR (54) mn. In the UK, additional negative effects amounting to EUR (49) mn were booked in connection with the divestments of OMV (U.K.) Limited and of the 30% stake in Rosebank. **Reported EBIT** amounted to EUR (34) mn (Q4/15: EUR (1,526) mn).

Strict capital discipline led to a lower **capital expenditure** in Upstream of EUR 358 mn in Q4/16 from EUR 438 mn in Q4/15. Investments were undertaken primarily in Romania and Norway. **Exploration expenditure** fell by 43% to EUR 75 mn and reflected activities mainly in Norway, the United Arab Emirates and Romania.

Downstream

- **Clean CCS EBIT increased by 9%, driven by better results in Downstream Gas**
- **Higher customer demand resulted in better retail and commercial volumes, but margins decreased**
- **Borealis generated again a strong result of EUR 86 mn**

Clean CCS EBIT increased from EUR 247 mn in Q4/15 to EUR 270 mn in Q4/16, mainly driven by a higher contribution of Downstream Gas, which was partly offset by a lower Downstream Oil result.

Downstream Oil clean CCS EBIT decreased from EUR 288 mn to EUR 246 mn due to a different refining product mix and lower jet fuel margins. The refineries utilization rate remained on a very high level of 96%. OMV's indicator refining margin decreased from USD 5.9/bbl in Q4/15 to USD 5.6/bbl in Q4/16, largely driven by lower naphtha spreads. At 7.9 mn t, total refined product sales were slightly up. While retail margins decreased, petrochemical margins were slightly up at EUR 366/t. The petrochemicals business overall contributed EUR 53 mn to clean CCS EBIT. At EUR 32 mn, OMV Petrol Ofisi generated a strong result, though slightly lower than the previous year.

Downstream Gas clean CCS EBIT reached EUR 24 mn. The performance of Gas Connect Austria remained stable at EUR 29 mn. This was partially offset by the gas sales result that was negative due to mark-to-market valuation effects.

Natural gas sales volumes increased by 4% to 29.8 TWh, mostly due to higher sales volumes in Romania. The power business remained challenging.

Borealis, which is accounted for at-equity and shown in the financial result of the OMV Group, generated a strong result of EUR 86 mn in Q4/16 (EUR 87 mn in Q4/15). The lower base chemicals and fertilizer business results were offset by the polyolefin business as well as the increased contribution from Borouge.

Increased crude prices over Q4/16 contributed to positive CCS effects of EUR 26 mn.

Special items of EUR (293) mn were booked in Q4/16 (Q4/15: EUR (296) mn). This was mainly related to the impairment of OMV Petrol Ofisi (EUR (148) mn). In addition, there were impairments related to the Samsun power plant (EUR (101) mn) in Turkey, the Etzel gas storage facility in Germany (EUR (73) mn) and a EUR (26) mn provision booked for the Gate LNG obligation and associated transportation commitments.

Reported EBIT for Downstream amounted to EUR 4 mn compared with EUR (197) mn in Q4/15.

Capital expenditure in Downstream decreased to EUR 156 mn in Q4/16 from EUR 326 mn in Q4/15, and thereof Downstream Oil investment was EUR 135 mn.