

FIRST QUARTER 2016 RESULTS

6 MAY 2016



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SUPPORTING SLIDES

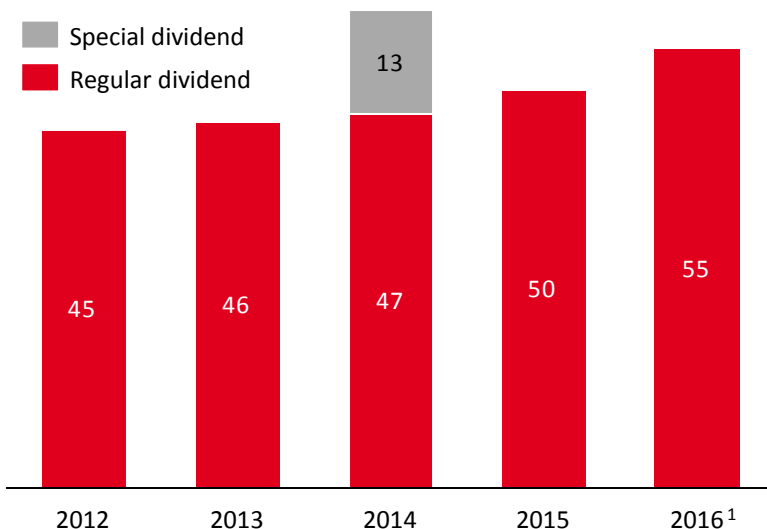
HIGHLIGHTS OF THE QUARTER

17% RISE EXPECTED IN DPS IN 2016

2% SHARE CANCELLATION IMPROVES TOTAL SHAREHOLDER RETURN

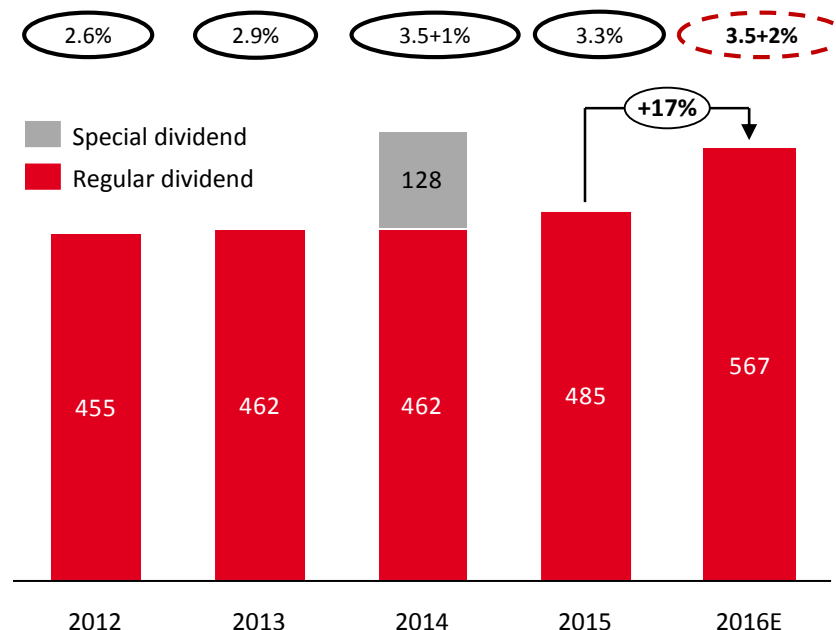
- ▶ MOL was one of the very few integrated oil companies, which not only sustained but even increased dividend in 2016....
- ▶ ...and which is able to comfortably cover dividends and capex from cash flows even at USD 35/bbl oil price
- ▶ Magnolia repayment further boosted DPS (through 6% shares moving into treasury)²

DIVIDEND PAYMENTS (HUF BN)



DIVIDEND PER SHARE (HUF)²

Dividend yield³:



(1) As approved by the AGM, to be paid out in 2016

(2) Assuming that the number of outstanding shares (non-treasury) is unchanged at the ex-dividend day in 2016

(3) Calculated with publication date share prices

EUROBOND ISSUED WITH BEST EVER CONDITIONS

REDUCING FUNDING COSTS BY APPROX. USD 20 MN

HIGHLIGHTS

- ▶ EUR 750mn Eurobond increases financial headroom to above 3bn EUR
- ▶ With a 7-year tenor average maturity grows by ~0.65 years (to ~3.0 years)
- ▶ 3-4x oversubscription signals strong confidence of debt capital markets in MOL
- ▶ Bond issued with lowest-ever yield of 2.75% in corporate history
- ▶ Reducing funding cost following the Magnolia transaction by USD ~20mn per annum

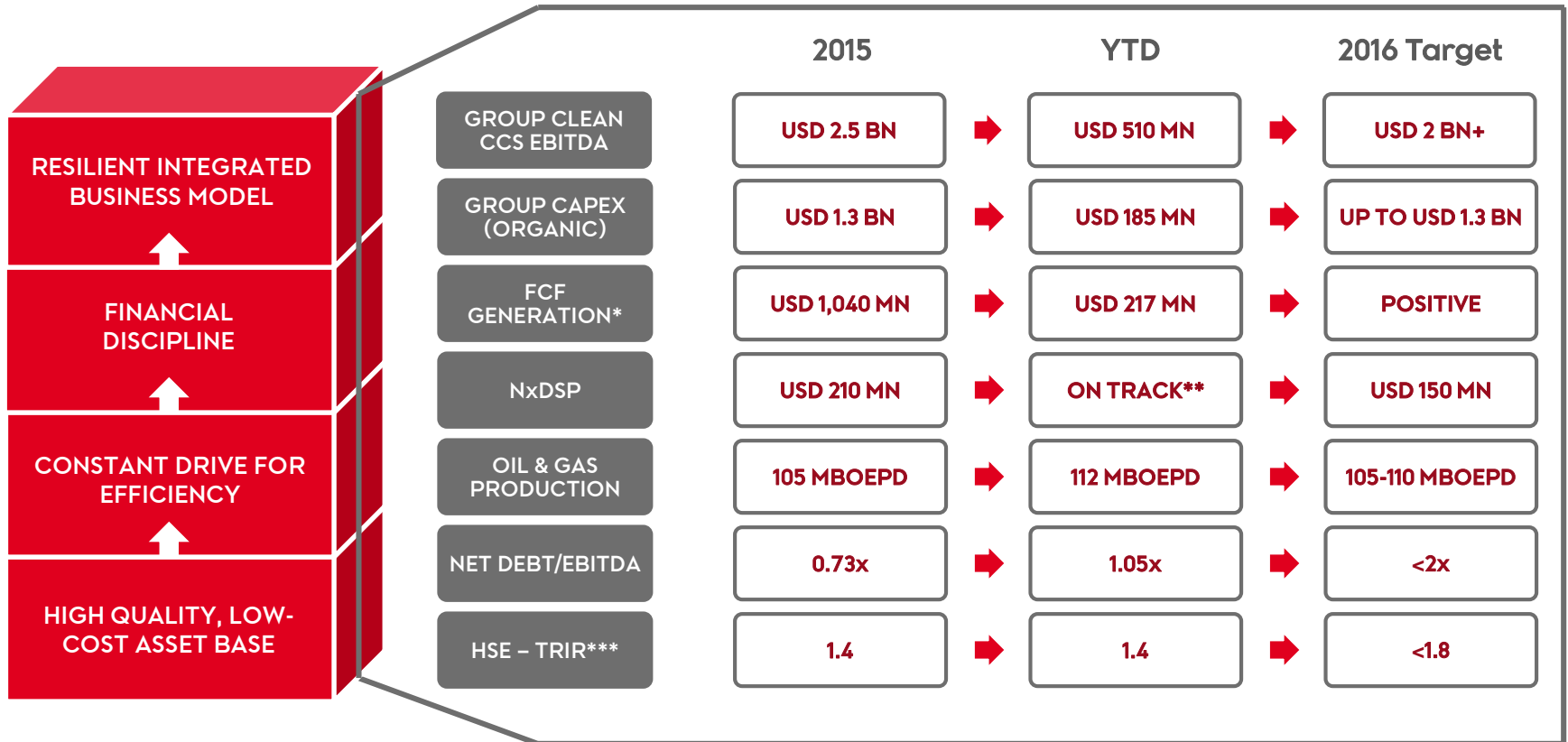
MOL & MAGNOLIA BONDS

▶ CORPORATE BONDS OUTSTANDING	COUPON
▶ Magnolia* – perpetual EUR 610m Called in March 2016	Euribor + 5.5%
▶ MOL – 05/10/15 EUR750m Repaid on maturity	3.875%
▶ MOL - 04/20/17 EUR 750m	5.875%
▶ MOL - 09/26/19 USD 500m	6.250%
▶ MOL – 28/04/23 EUR 750m	2.625%

* Issued by Magnolia Finance Ltd., applicable coupon from Mar 2016. Magnolia Finance Ltd. called the perpetual bond on the 20th March 2016

ON TRACK TO DELIVER

WITH THE ESSENTIAL FUNDAMENTAL BUILDING BLOCKS



* Net Operating Cash Flow (before changes in net working capital) less organic capex
 ** MOL does not provide quarterly update on NxDSP; will provide annual update for 2016 only
 *** Total Recordable Injury Rate

SOLID EBITDA GENERATION IN Q1

ON TRACK TO DELIVER 2016 TARGETS

FINANCIAL HIGHLIGHTS

- ▶ Robust Clean CCS EBITDA of HUF 144bn (USD 510m) in Q1 2016, implying that MOL is well on track to deliver on its USD 2bn+ annual guidance
- ▶ Downstream EBITDA growth offset the decline in Upstream profits year-on-year
- ▶ Net operating cash flow before working capital changes (USD 404m) exceeded organic CAPEX (USD 185m) by more than USD 200m
- ▶ Gearing metrics in Q1 2016 reflect the Magnolia transaction, yet well within the comfort zone
- ▶ 2016 AGM approved a HUF 55bn dividend (+10% YoY), implying c.HUF 567 DPS (+17% YoY), and a 2% share cancellation
- ▶ Successful, heavily oversubscribed, USD 750m 7-year Eurobonds issue at all-time low 2.75% yield

OPERATIONAL HIGHLIGHTS

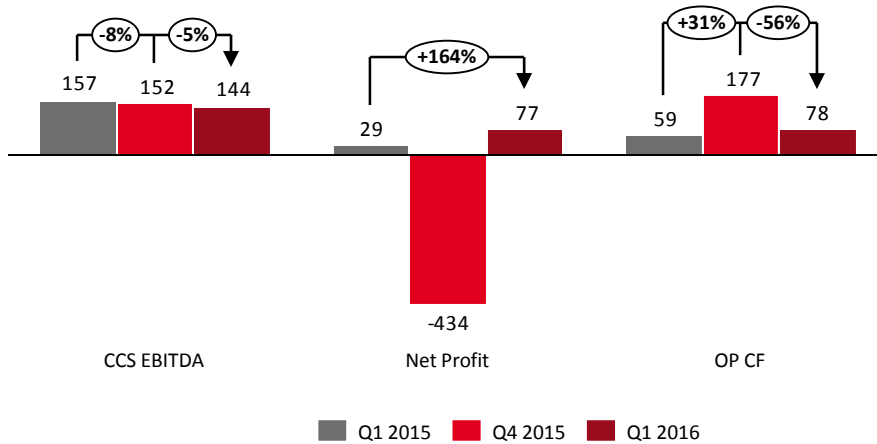
- ▶ Upstream production grew further in Q1 2016 (+4% QoQ, +9% YoY) to 112 mboepd, the highest level since Q4 2012
- ▶ CEE onshore production rose by 3.3 mboepd (+5%) year-on-year due to production optimization
- ▶ New Upstream Program on track; opex, capex adjustment in progress to sustain self-funding operations
- ▶ Motor fuel demand growth (2%) in the core CEE market continues to support Downstream

KEY QUARTERLY FINANCIALS

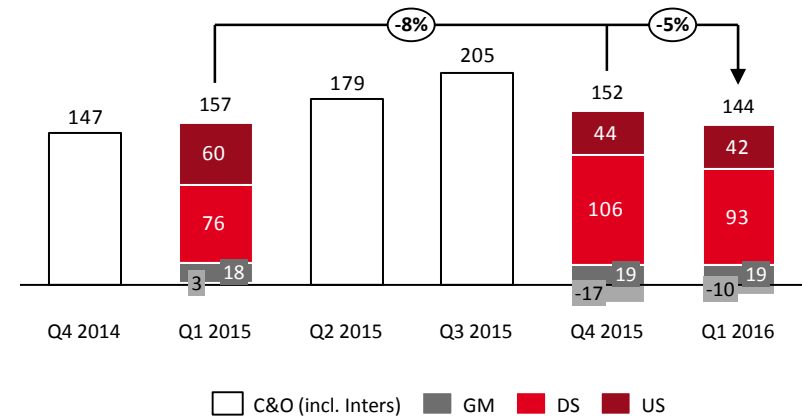
INTEGRATED BUSINESS MODEL CONTINUES TO WORK

RECORD-HIGH DOWNSTREAM EBITDA OFFSETS UPSTREAM PROFIT DECLINE

KEY GROUP FINANCIALS (HUF bn)



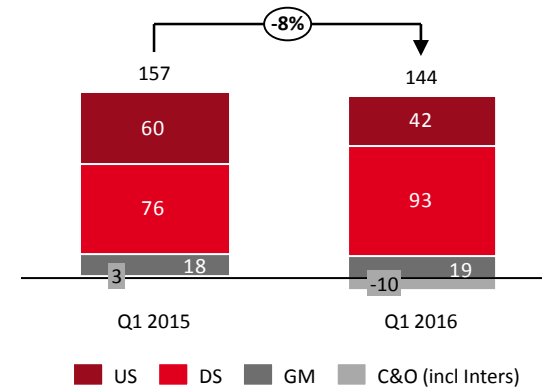
SEGMENT CLEAN CCS EBITDA (HUF bn)



COMMENTS

- ▶ Downstream EBITDA growth offset Upstream profit decline – integrated model works
- ▶ Slightly weaker EBITDA YoY on lower Corporate & Other contribution
- ▶ Strong reported net profit on positive financial and tax items
- ▶ Positive FCF generation maintained

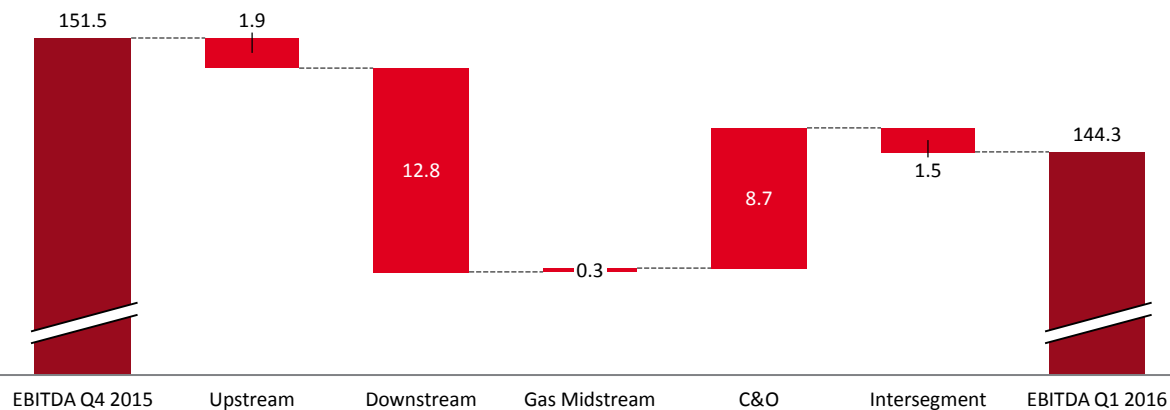
SEGMENT CLEAN CCS EBITDA YTD (HUF bn)



DOWNSTREAM STRENGTH OFFSET WEAKER E&P

SEASONALITY AFFECTS PROFITABILITY QOQ

GROUP EBITDA QoQ (HUF bn)



COMMENTS

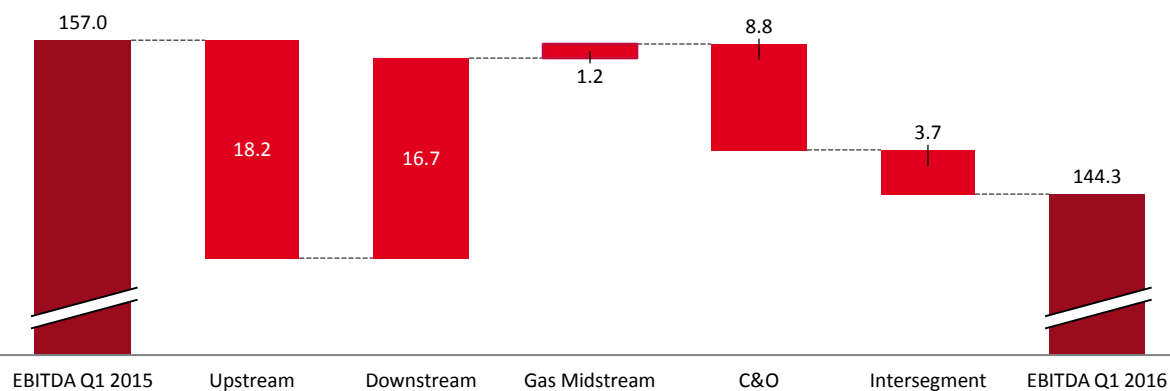
Downstream

- ▶ Seasonally weaker in Q1
- ▶ Yet once again a record-high contribution for this period of the year...
- ▶ ...driven by the petchem strength...
- ▶ ...and offsetting the Upstream profit fallout YoY

Upstream

- ▶ Lower oil & gas prices lead to material earnings decline YoY

GROUP EBITDA YoY (HUF bn)



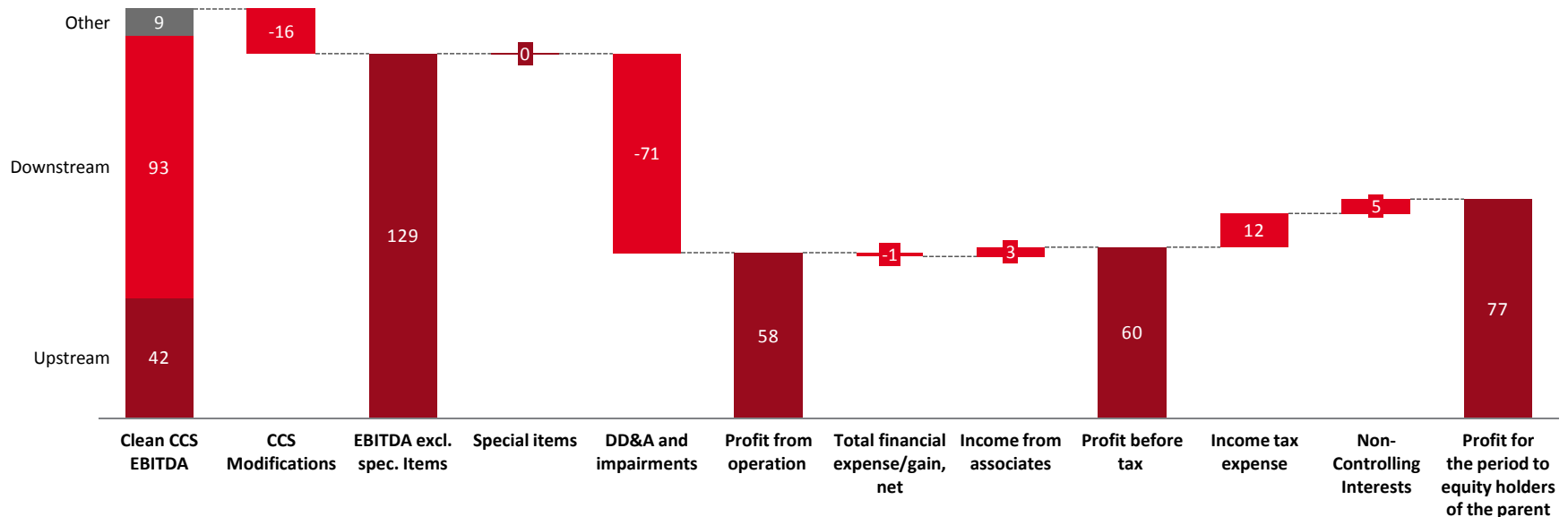
Gas Midstream – stable EBITDA

C&O – weaker results

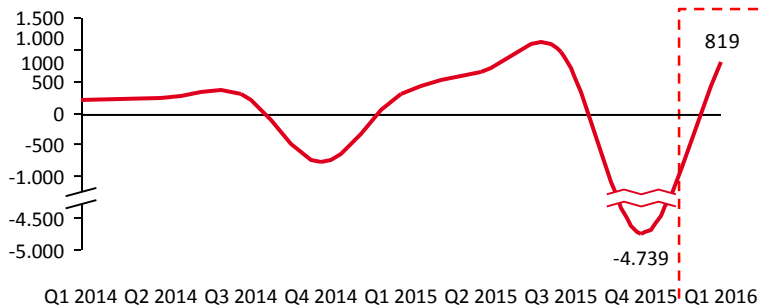
- ▶ Oil services companies under pressure
- ▶ Q1 2015 included non-recurring revenues (CO2)

VERY STRONG REPORTED NET INCOME, EPS SUPPORTED BY NON-RECURRING FINANCIAL AND TAX ITEMS

Q1 2016 EARNINGS (HUF bn)



EPS (HUF)



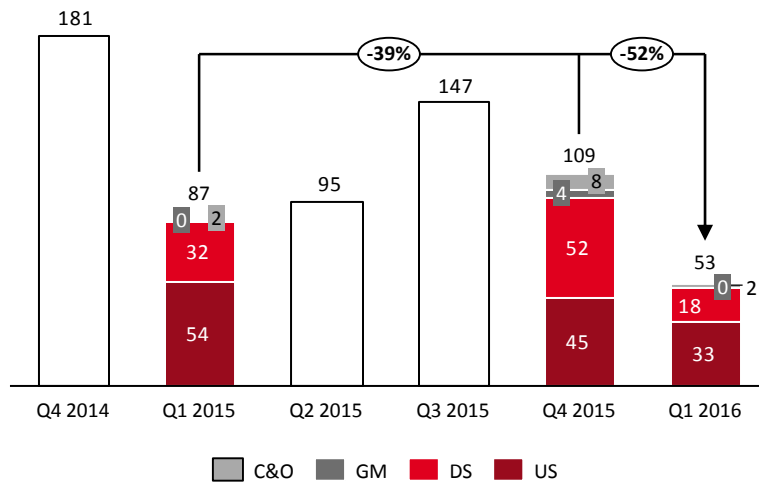
COMMENTS

- ▶ DD&A charges at broadly normalised levels in Q1 2016
- ▶ Net financials expenses include FX gains
- ▶ Deferred tax income on the back of the switchover to IFRS reporting at the parent company level
- ▶ No special items in Q1 2016

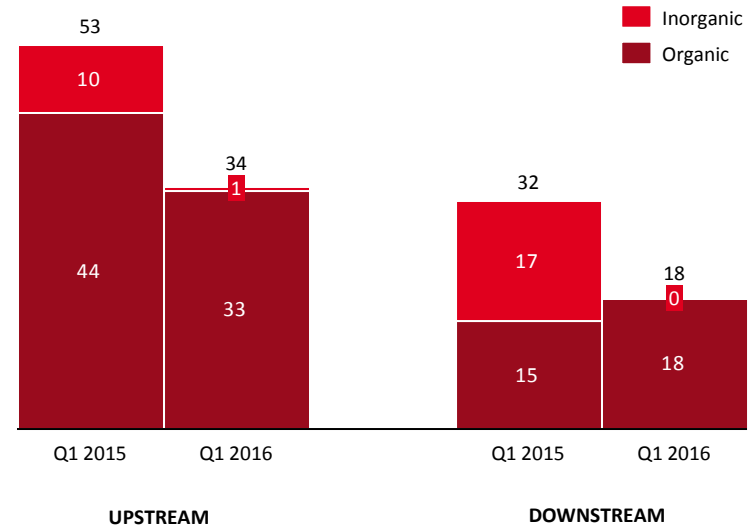
CAPEX FURTHER DOWN YOY

PRIMARILY REFLECTING UPSTREAM REBALANCING

TOTAL GROUP CAPEX (HUF bn)



UPSTREAM vs DOWNSTREAM (HUF bn)



COMMENTS

- ▶ Group CAPEX continued to decline materially in Q1 2016, down by 39% YoY to HUF 53bn (USD 187m)
- ▶ There was no meaningful M&A in Q1 2016...
- ▶ ..and organic capex declined by 15% YoY

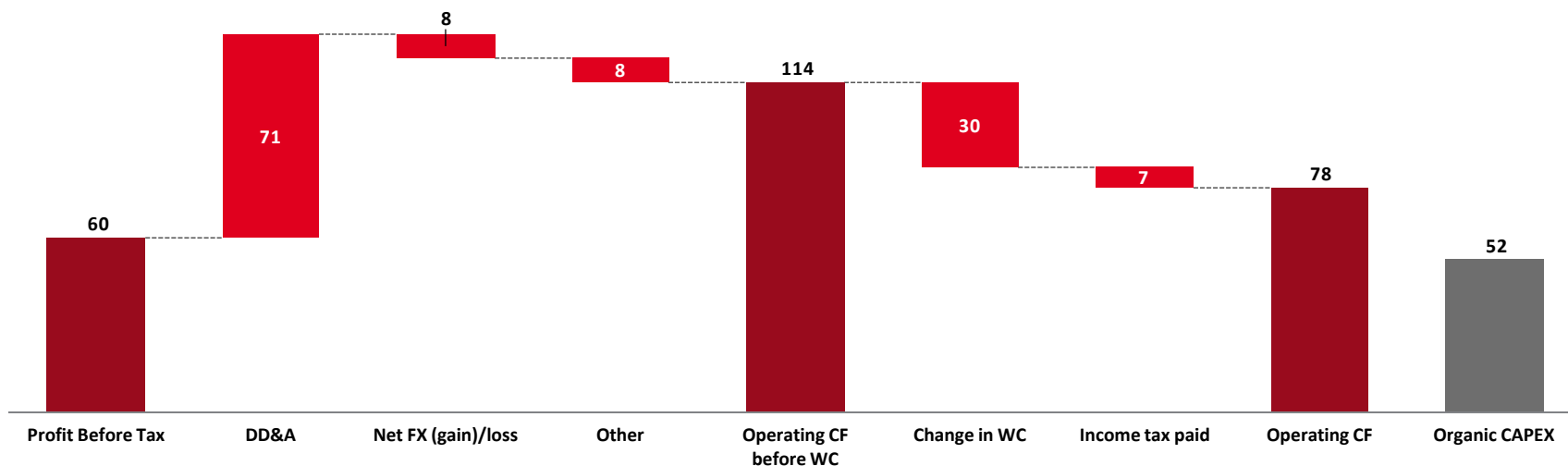
COMMENTS

- ▶ Organic E&P spending was down 25% yoy in Q1 2016
- ▶ Organic Downstream capex was slightly higher YoY

SUSTAINED STRONG CASH GENERATION

COMFORTABLY COVERING ORGANIC CAPEX

OPERATING CASH FLOW YTD (HUF bn)



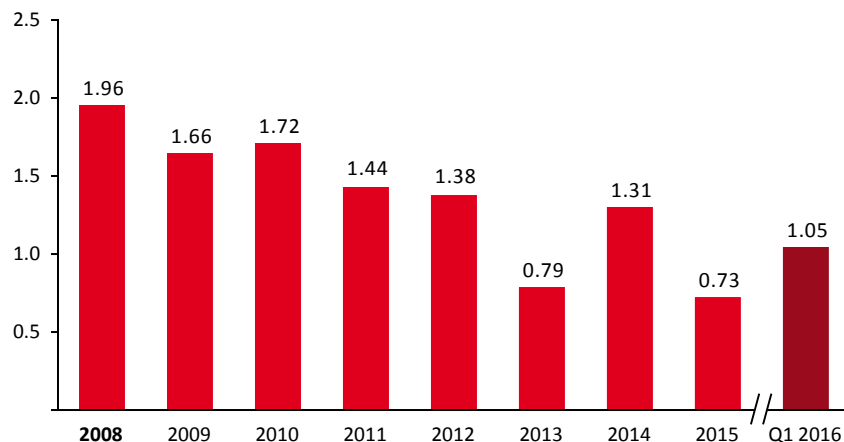
COMMENTS

- ▶ Operating Cash Flow before Working Capital changes was slightly down YoY, in line with the EBITDA trend
- ▶ Working capital build was smaller than a year ago and was mostly driven by a large decline in trade payables (timing of crude payments)
- ▶ Operating Cash Flow was 27% higher YoY...
- ▶ ...and comfortably covered organic capex in Q1 2016 too

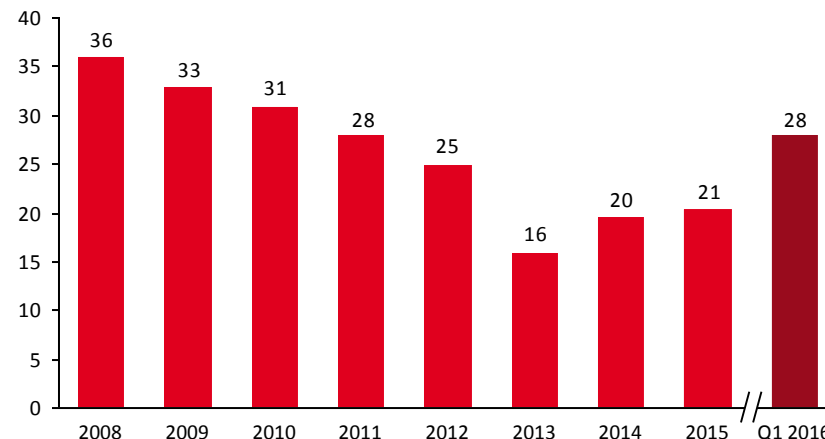
BALANCE SHEET REFLECTS MAGNOLIA TRANSACTION

GEARING AND DEBT LEVEL WELL WITHIN COMFORT ZONE

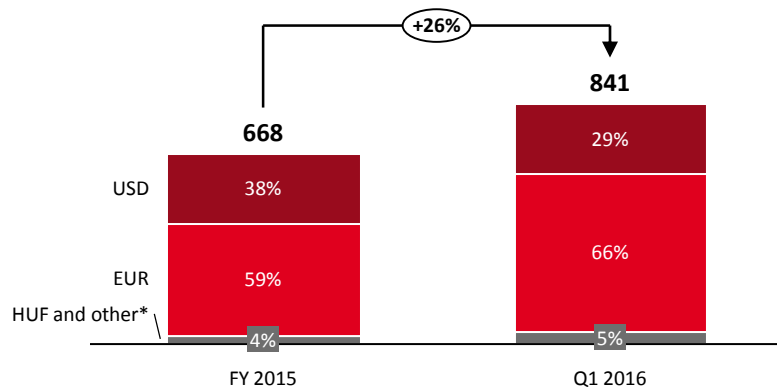
NET DEBT TO EBITDA (x)



GEARING (%)



CURRENCY COMPOSITION DEBT (HUF bn)



COMMENTS

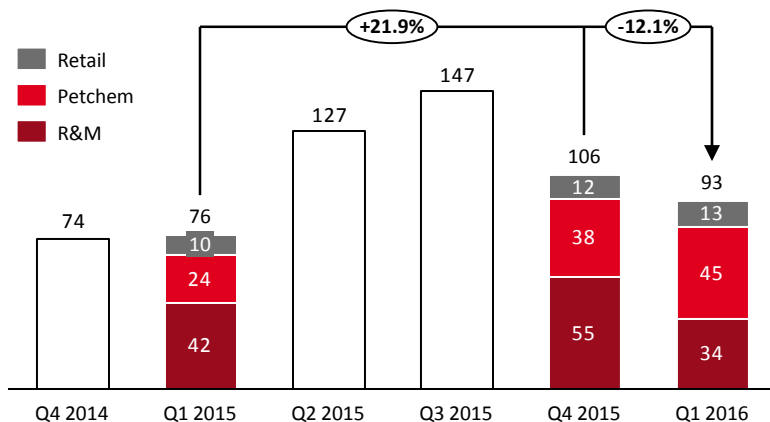
- ▶ Higher gearing and indebtedness ratios in Q1 2016 despite positive FCF generation...
- ▶ ...triggered by the debt recognition post-Magnolia transaction (EUR 610m)
- ▶ Considerable financial headroom and liquidity remain
- ▶ Successful EUR 750m 7-year Eurobond issue in April with lowest-ever coupon and yield

DOWNSTREAM Q1 2016 RESULTS

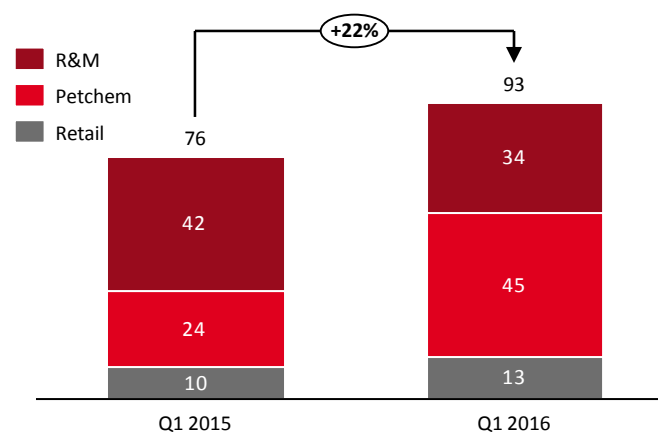
ANOTHER ALL-TIME HIGH QUARTERLY RESULT

PETCHEM IN THE DRIVING SEAT IN Q1 2016

QUARTERLY CLEAN CCS EBITDA (HUF bn)



YTD CLEAN CCS EBITDA (HUF bn)



KEY FINANCIALS (HUF bn)

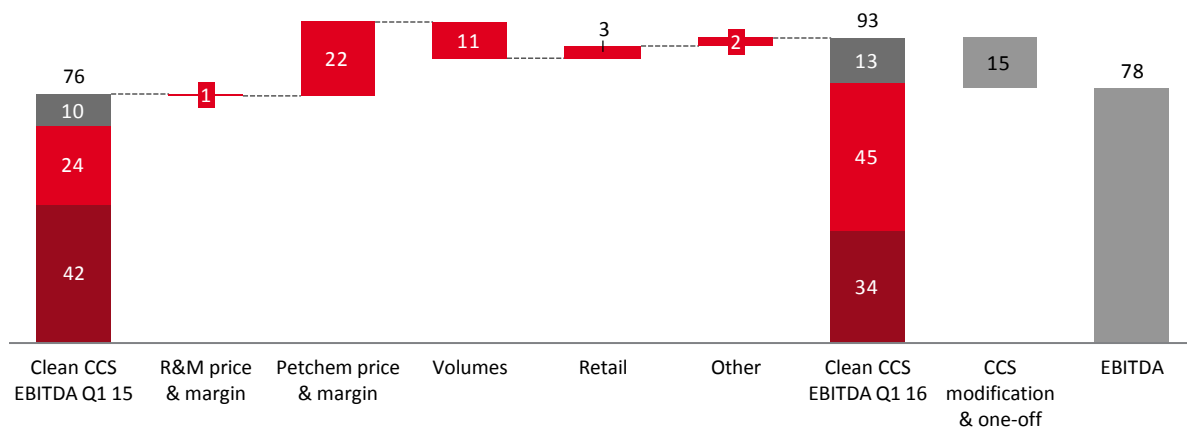
	Q4 2015	Q1 2016	Q1 2015	YoY	FY 2015
EBITDA	63.9	77.2	59.9	29	374.7
EBITDA excl. spec.	73.1	77.2	59.9	29	383.9
Clean CCS EBITDA	105.7	92.9	76.2	22	461.5
o/w Petchem	38.0	45.2	23.6	92	160.3
o/w Retail	12.3	13.4	10.2	31	61.8
EBIT	36.2	47.7	32.6	46	263.4
EBIT excl. spec.	45.4	47.7	32.6	46	272.6
Clean CCS EBIT	78.0	63.4	48.8	30	350.2

COMMENTS

- ▶ Best ever Q1 Downstream EBITDA on the back of stellar petchem contribution
- ▶ Substantial, 22% YoY Clean CCS EBITDA growth driven by petchem and retail (with a combined 60%+ contribution)
- ▶ R&M was slightly behind in Q1 2016 on lower complex refinery margins (depressed diesel cracks) and lower volumes (partly due to planned shutdowns)

CLEAN CCS EBITDA GREW BY 22% IN Q1 YOY ON STRONGER PETCHEMS AND RETAIL

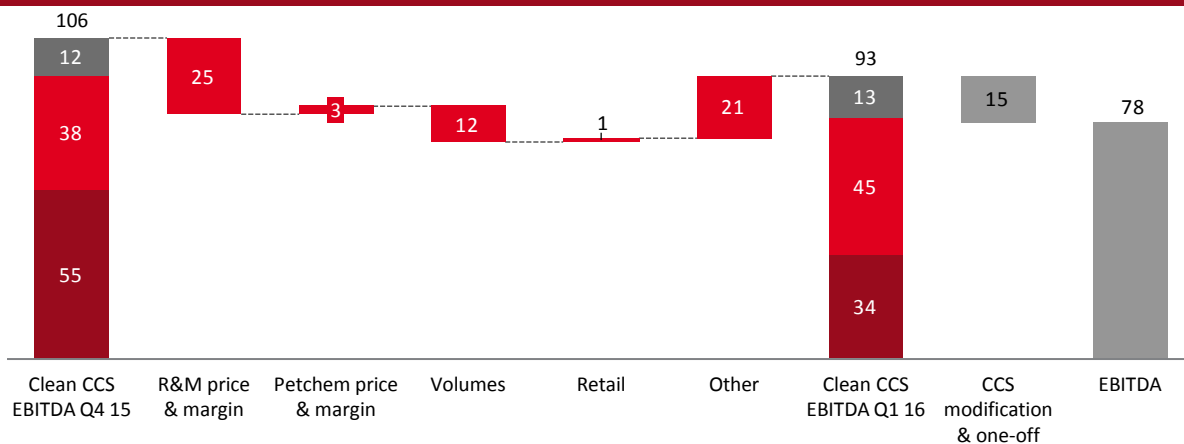
CLEAN CCS EBITDA YoY (HUF bn)



COMMENTS

- ▶ Substantially higher petchem margin (+191 EUR/t IM margin)
- ▶ Higher petchem and retail volumes
- ▶ Weaker R&M complex margin and lower refinery throughput and sales
- ▶ CCS modification: HUF 16bn, as oil prices dropped further

CLEAN CCS EBITDA QoQ (HUF bn)



COMMENTS

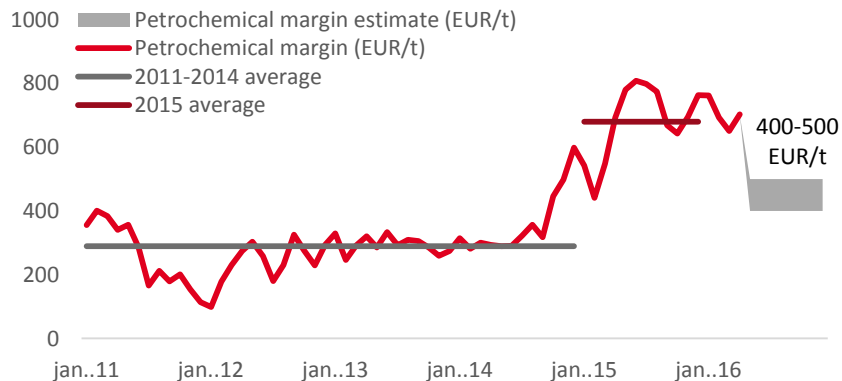
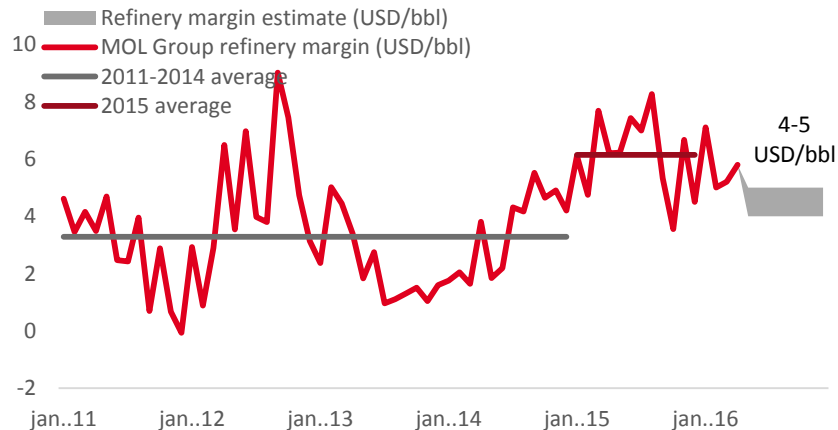
- ▶ Seasonality substantially affects performance in Q1
- ▶ Much lower R&M volumes and weaker yields, also due to planned shutdowns
- ▶ Very strong, improving petchems EBITDA

DOWNSTREAM: BENIGN MACRO; PETCHEM UPSIDE

TURNAROUND ACTIVITIES IN 2016

- ▶ **Petchem:** integrated margins remained very supportive in 2016 ytd, holding upside risk for the year
- ▶ **Refining:** diesel cracks depressed ytd, but mostly offset thus far by low oil prices, wider crude differentials and decent gasoline cracks
- ▶ **Retail:** encouraging volumes growth continues; non-fuel concept roll-out in progress

REFINING AND PETCHEM MARGINS



SCHEDULED SHUTDOWNS IN 2016

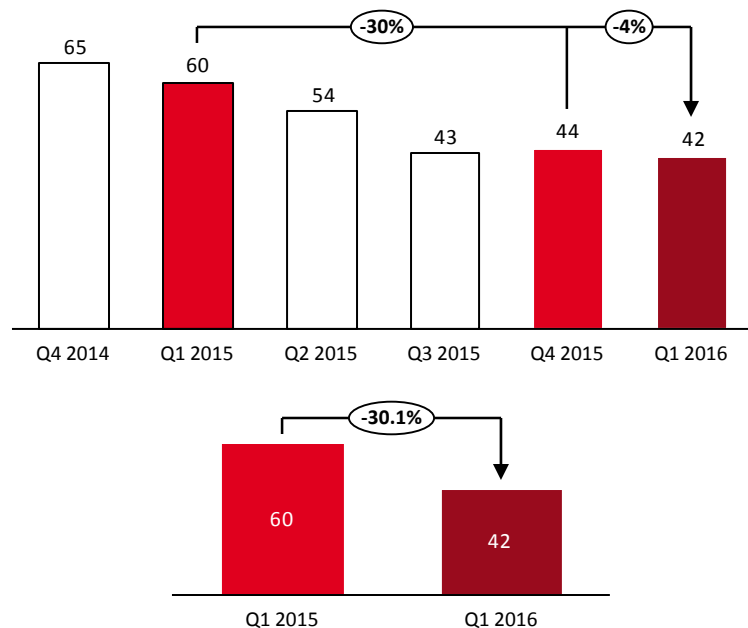
- ▶ **Danube refinery + Hungarian petchem**
 - ▶ Major turnaround with several units involved both in the refinery and at the petchem site
 - ▶ August-October
- ▶ **Bratislava refinery + petchem**
 - ▶ Only a smaller shutdown involving a limited number of processing units in refining
 - ▶ October-November

UPSTREAM Q1 2016 RESULTS

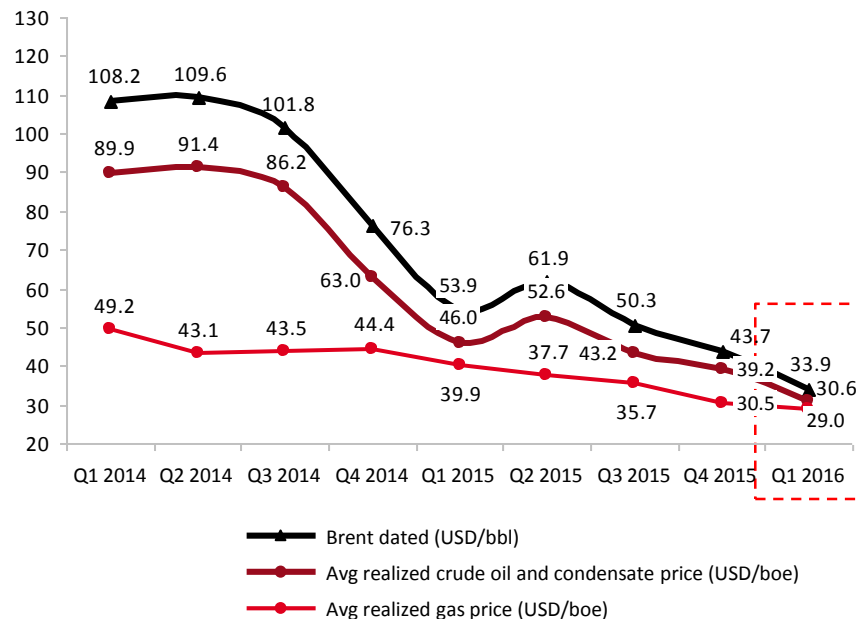
EBITDA HELD UP WELL IN Q1 2016

DESPITE OIL PRICES AVERAGING AT A 12-YEAR LOW

QUARTERLY EBITDA (HUF bn)



REALISED HYDROCARBON PRICES



KEY FINANCIALS (HUF bn)

	Q4 2015	Q1 2016	Q1 2015	YoY	FY 2015
EBITDA	88.0	42.2	60.4	(30.1)	245.1
EBITDA excl. spec.	44.1	42.2	60.4	(30.1)	201.2
EBIT	(494.1)	8.9	21.2	(58.1)	(468.3)
EBIT excl. spec	(33.6)	8.9	21.2	(58.1)	(7.8)

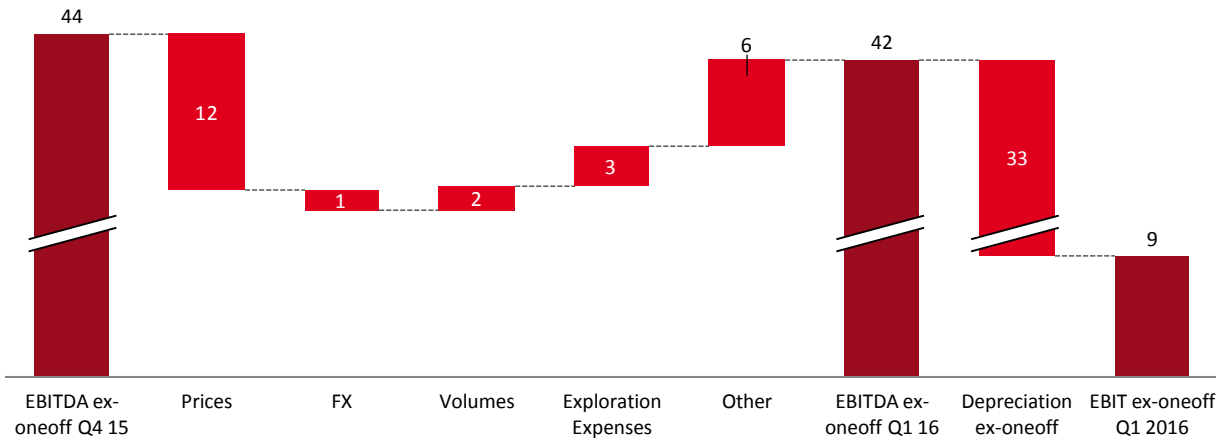
COMMENTS

- ▶ EBITDA down only marginally (-4%) in Q1 2016 QoQ to HUF 42bn despite a 22% drop in Brent prices
- ▶ Higher production partly offset negative price impact
- ▶ Substantial, 30% fallout in profits YoY, as Brent dives 37%

VOLUMES, COSTS PARTLY OFFSET PRICE IMPACT

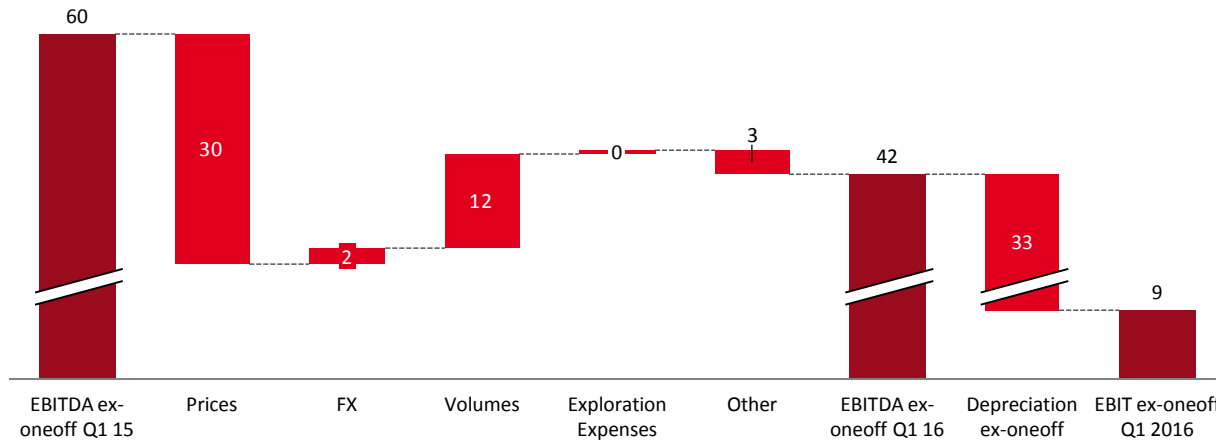


US EBITDA QoQ (HUF bn) COMMENTS



- ▶ Higher volumes (Hungary, UK)
- ▶ Lower exploration expenses on reduced activity
- ▶ Lower direct lifting costs

US EBITDA YoY (HUF bn) COMMENTS

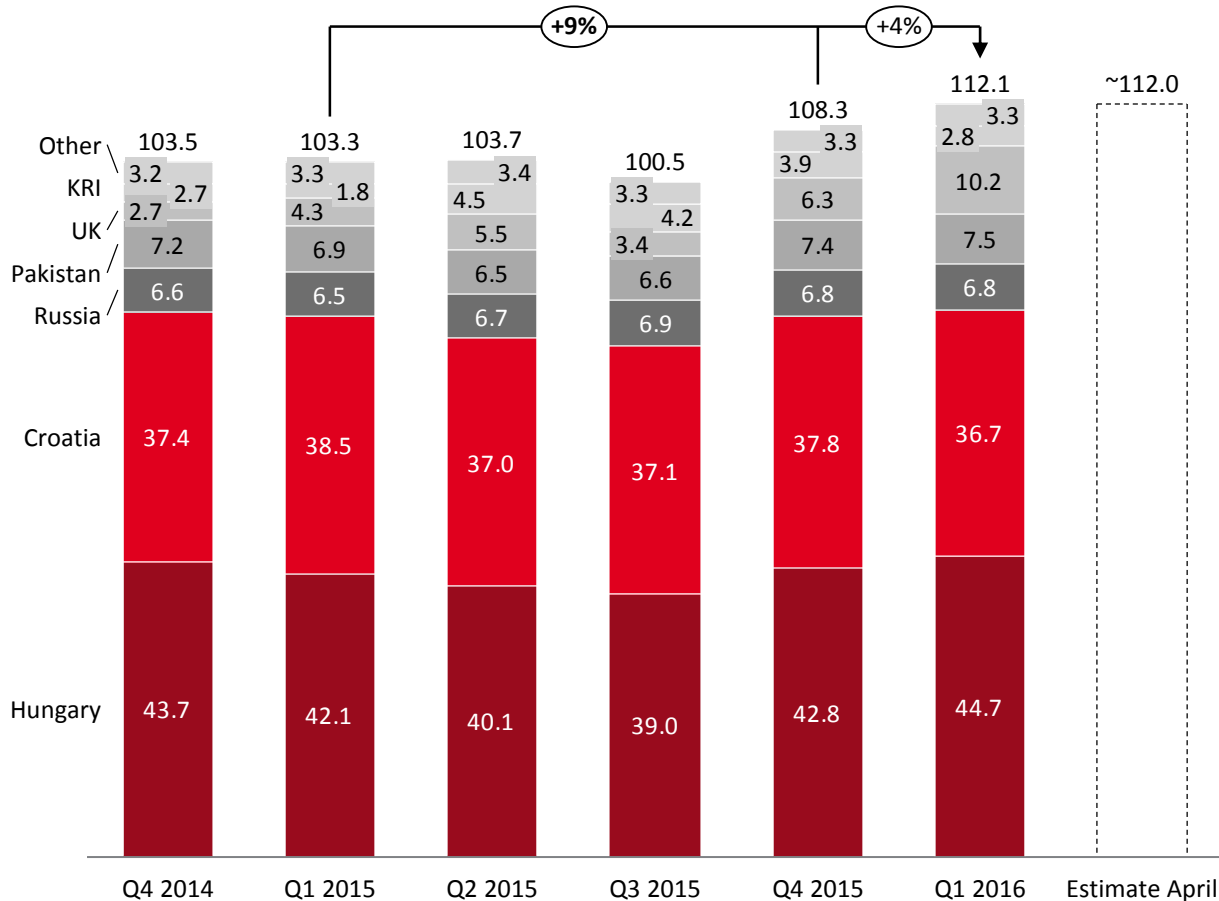


- ▶ Substantial drop in oil and gas prices
- ▶ Partly offset by strong volumes increase YoY (+9%)

CEE, UK DRIVE VOLUMES GROWTH

CEE PRODUCTION OPTIMISATION IN FOCUS

QUARTERLY PRODUCTION BY COUNTRY



COMMENTS

Q1 2016 vs. Q4 2015 (+3.5%)

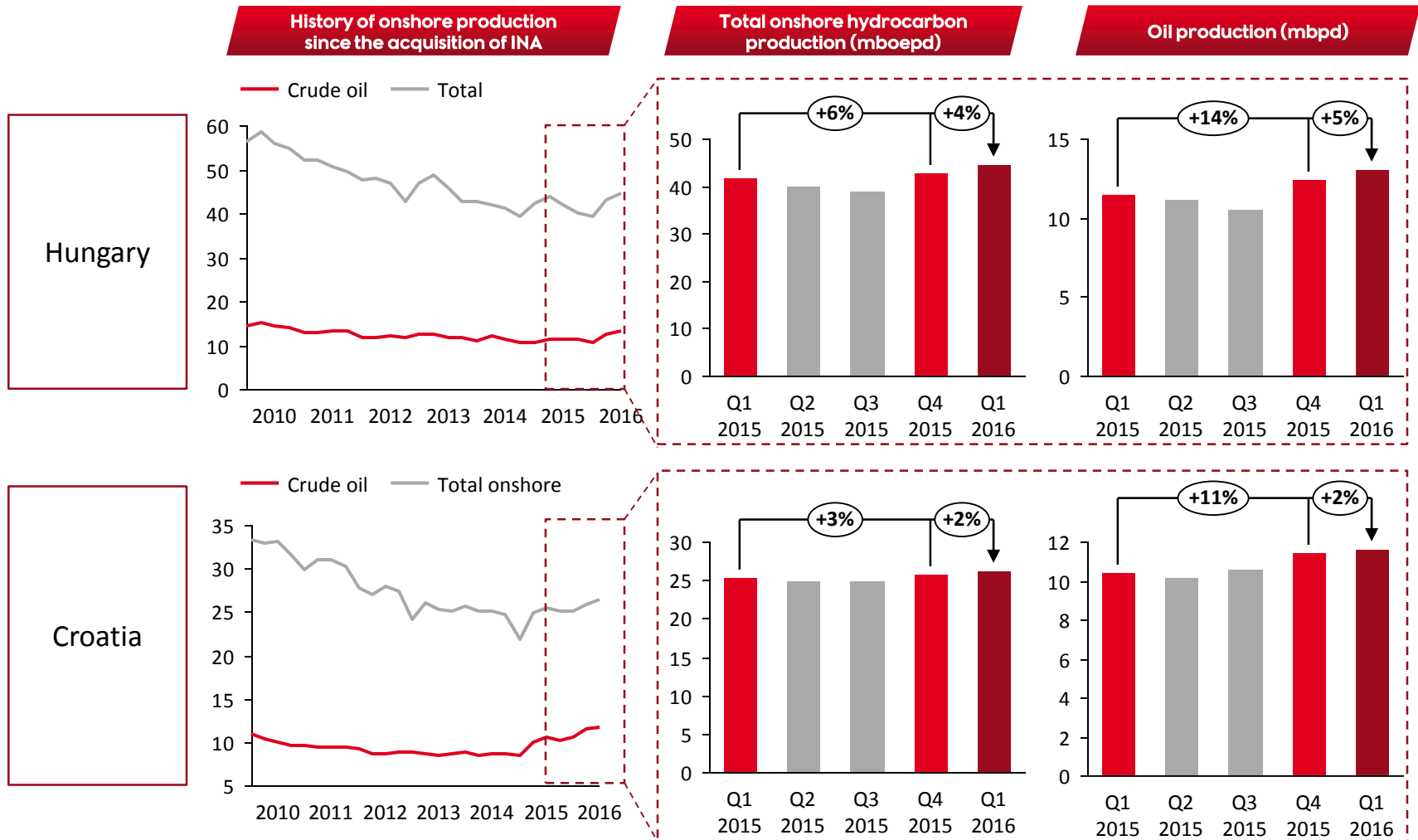
- ▶ Hungary: +2 mboepd qoq on production optimization
- ▶ UK: +4 mboepd qoq on Cladhan start-up, Scott infill well
- ▶ KRI: -1 mbopd on export pipeline downtime
- ▶ Croatia: -1 mboepd on offshore decline, PSA

1Q 2016 vs. Q1 2015 (+8.5%)

- ▶ CEE onshore: +3.3 mboepd on production optimization
- ▶ Croatia offshore: -2.5 mboepd
- ▶ UK: +6 mboepd on Cladhan, Scott, also better availability
- ▶ KRI: +1 mboepd
- ▶ Pakistan: +0.6 mboepd

CEE: PRODUCTION INTENSIFICATION YIELDS MORE

ONSHORE CEE PRODUCTION UP 5% YOY AND 3% QOQ

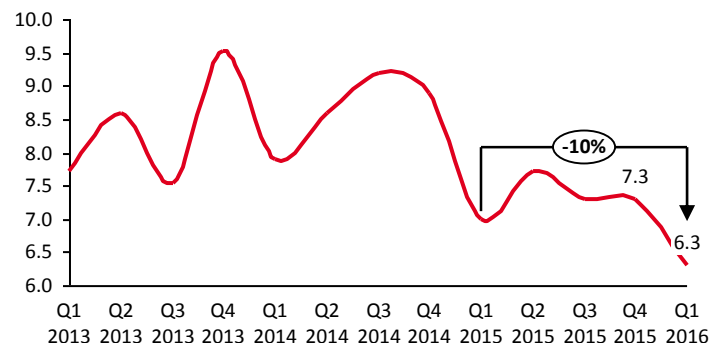


COST-SIDE ADJUSTMENT CONTINUES

CAPEX BY REGION AND TYPE IN Q1 2016 (HUF bn)

	HUN	CRO	KRI	RUS	PAK	UK	NOR	OTHER	TOTAL
EXP	1.2	0.2	0.0	0.0	1.7	0.1	0.6	3.2	6.9
DEV	4.1	3.9	0.1	1.0	0.4	12.9	0.0	1.4	23.8
C&O	0.3	1.4	0.2	0.0	0.0	0.0	0.0	0.0	2.0
M&A	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.6
TOTAL	6.2	5.5	0.3	1.1	2.2	13.0	0.6	4.5	33.4

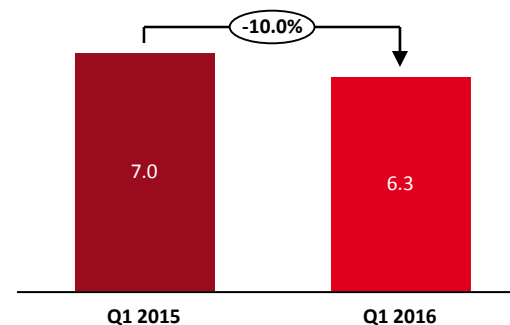
UNIT OPEX 2013 TO DATE (USD/boe)



COMMENTS

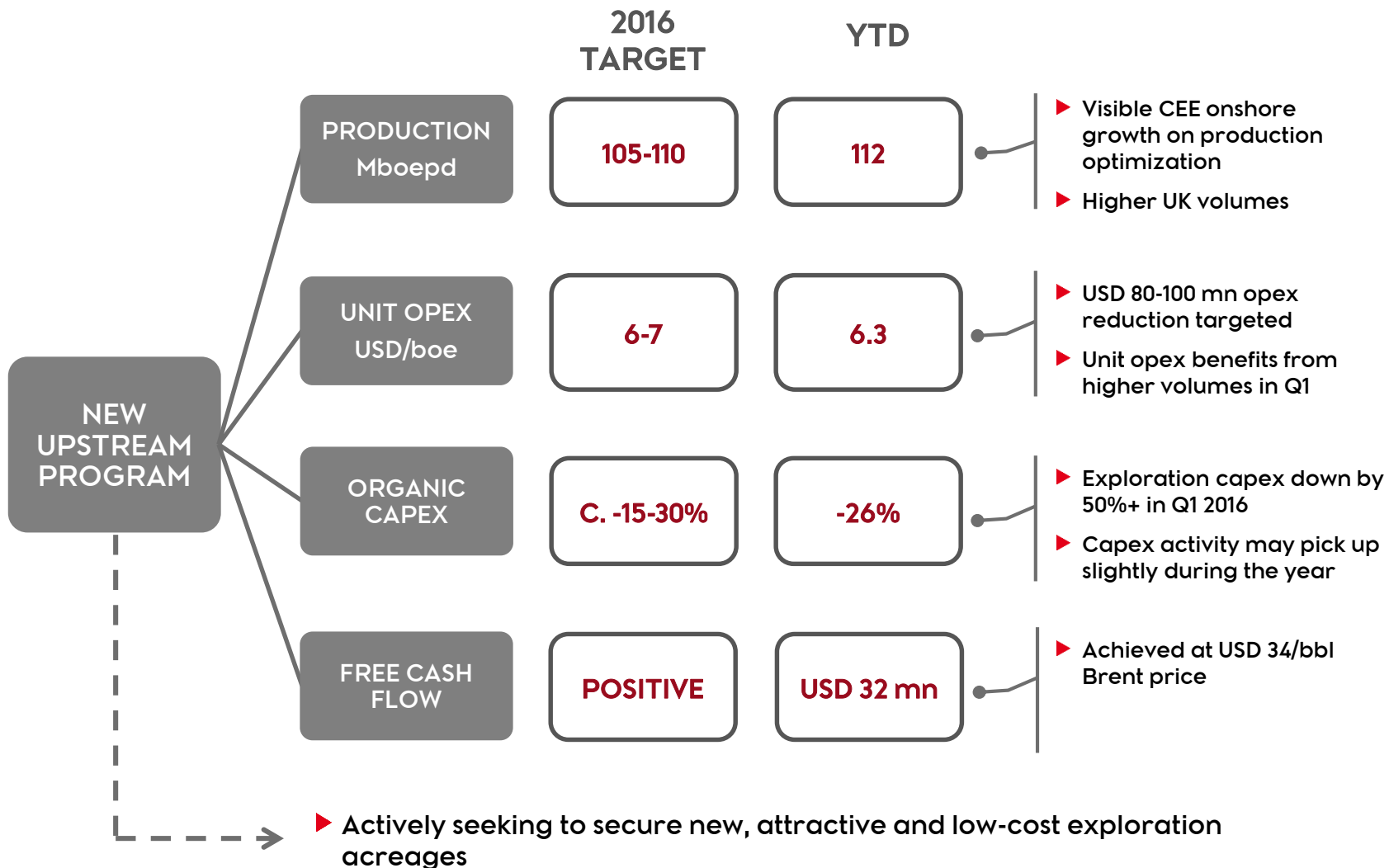
- ▶ Opex fell in Q1 primarily on higher volumes (CEE, UK) and much lower costs
- ▶ Organic capex dropped 26% in USD terms (to USD 0.12bn) in Q1 2016 as exploration spending was cut significantly and development capex also declined
- ▶ Total capex shows an even steeper drop yoy (-39%)

UNIT OPEX YTD (USD/boe)



ON TRACK TOWARDS SELF-FUNDING OPERATIONS

AT USD 35/BBL OIL PRICE - NEW UPSTREAM PROGRAM IN PROGRESS



GROUP LEVEL OUTLOOK

2016 GROUP LEVEL OUTLOOK REITERATED

SUSTAINABLE FCF GENERATION, STRONG B/S

EXTERNAL ENVIRONMENT (2016)

- ▶ Oil price: USD 35-50/bbl
- ▶ Downstream: above mid-cycle, below 2015 peaks
 - ▶ Refinery margin: USD 4-5/bbl
 - ▶ Integrated petchems margin: EUR 400-500/t

EBITDA, CAPEX (2016)

- ▶ At least USD 2bn EBITDA at our planning assumptions
- ▶ Capex cut to „up to USD 1.3bn” (from „up to USD 1.5bn”) on lower E&P spending
 - ▶ Downstream to account for 50%+ of capex

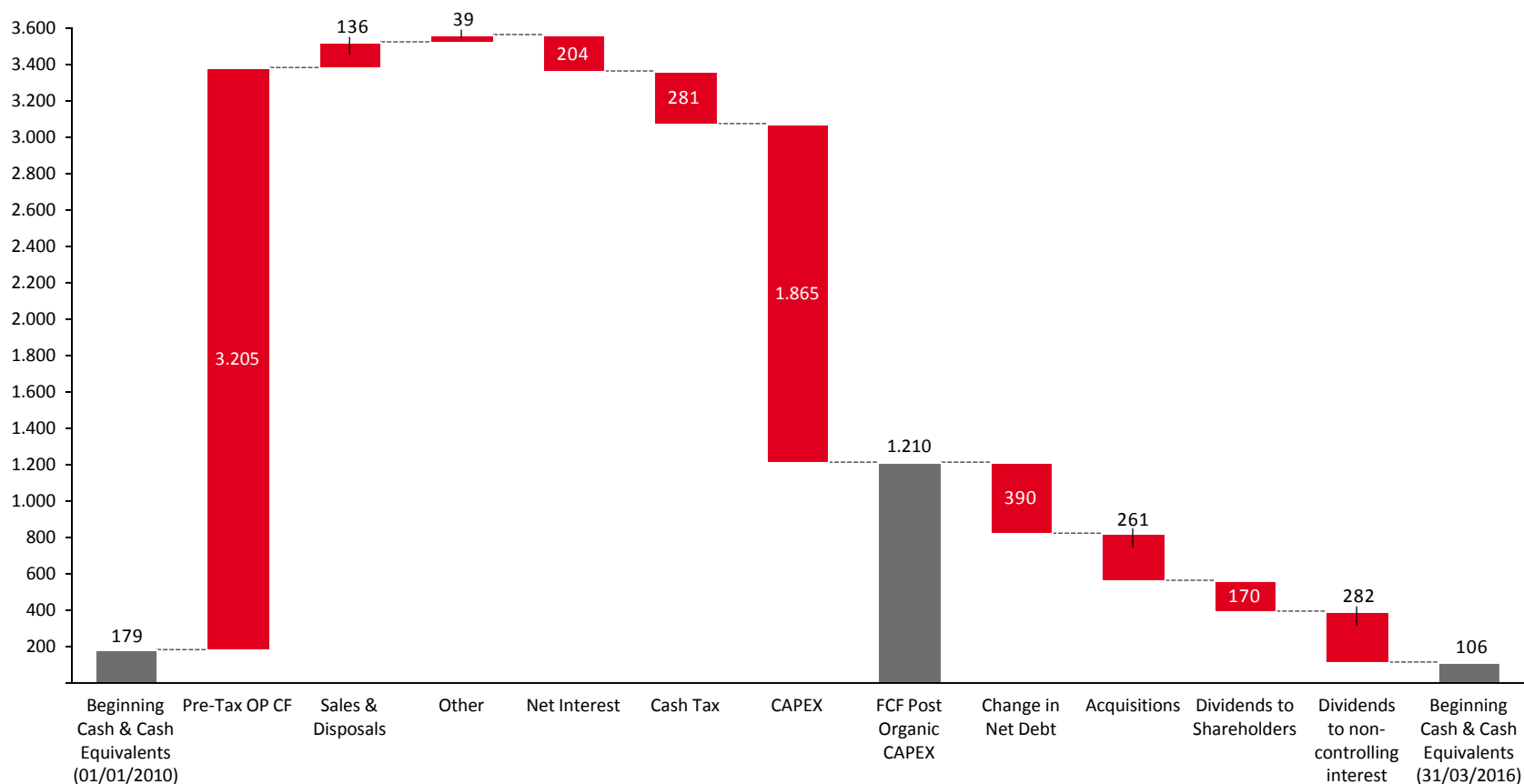
CORPORATE

- ▶ Integrated business model to sustain strong cash flow generation even under adverse scenarios
- ▶ Operating cash flows to cover organic capex and dividends
- ▶ Maintain robust balance sheet and financial flexibility
- ▶ Self-funding E&P even at USD 35/bbl
- ▶ Relentless drive for further efficiency and growth in Downstream

SUPPORTING SLIDES

FINANCIALS: SOURCES AND USES OF CASH

SOURCES AND USES OF CASH (2010-TO DATE, HUF bn)



UPSTREAM: OPERATIONAL UPDATE HIGHLIGHTS

Hungary



- ▶ Continuation of production intensification campaign
- ▶ Hungarian production reached 44.7 mboepd in Q1 2016 (4% QoQ, 6% YoY), the highest level since Q1 2013
- ▶ Exploration acreage increased by 975 km² in Hungary, following concession agreements signed for 2 blocks in January

Croatia



- ▶ Continuation of production intensification campaign
- ▶ Croatian onshore production increased to 26.3 mboepd in Q1 2016, with further 9 well workovers finished in Q1
- ▶ First gas is expected in H2 2016 in the Međimurje development project
- ▶ Ivanić-Žutica EOR project is progressing with trial injection of CO₂ to selected wells

United Kingdom



- ▶ Cladhan: Production commenced in December 2015 and production rates show natural decline in line with expectations
- ▶ Scott, Telford & Rochelle: Infill drilling program is ongoing, with substantial contribution to Q1 from the first well (~2.3 mboepd, net to MOL)
- ▶ Catcher: Project is progressing with the first four development wells successfully drilled and completed
- ▶ Scolty-Crathes: The project remains on schedule and budget. The Crathes well was drilled with positive results ahead of schedule; the Scolty well drilling operations are ongoing. First oil is anticipated in H1 2017 by the operator.

Norway



- ▶ The exploration portfolio further expanded following four 2015 APA round awarded licences were signed, two of them operated. Two licences were relinquished.
- ▶ Preparations are ongoing to spud Rovarkula non-operated exploration well around mid-year

UPSTREAM: OPERATIONAL UPDATE HIGHLIGHTS

Kurdistan



- ▶ Shaikan: Production was temporarily reduced in Q1 2016 as a result of the closure of the Kirkuk-Ceyhan export pipeline from 16 February until 11 March 2016

Pakistan



- ▶ The Halini Deep-1 oil well was the 11th discovery for MOL Pakistan and the 3rd consecutive discovery in the Karak block
- ▶ Development program in the TAL block continued with the drilling of Makori East-5 which is expected to be completed in Q2. Potential incremental production is around 3.5 mboepd (gross).
- ▶ Government of Pakistan has approved the Mamikhel Field Development Plan
- ▶ Mardankhel-1 discovery: Construction activities of the production facilities are in progress and are expected to be completed by end of Q2 2016. Potential incremental production is around 11 mboepd (gross). The appraisal drilling program is expected to start in Q2.

OMAN



- ▶ The second exploration well was spudded in March in Block 66. The well will be drilled and tested in Q2.

Russia



- ▶ In the Baitugan field, 20 wells were drilled, of which 14 wells were completed in Q1. Total production reached 10.4 mboepd (19% YoY)
- ▶ Yerilkinskiy Block: first exploration well was abandoned

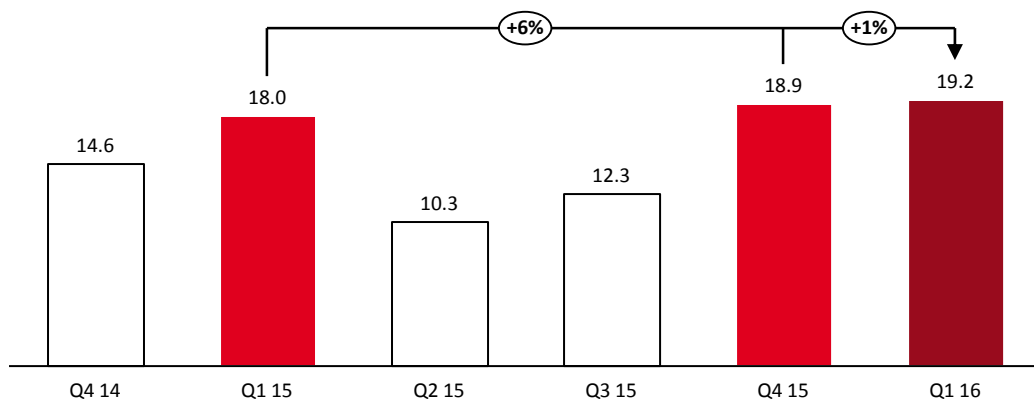
Kazakhstan



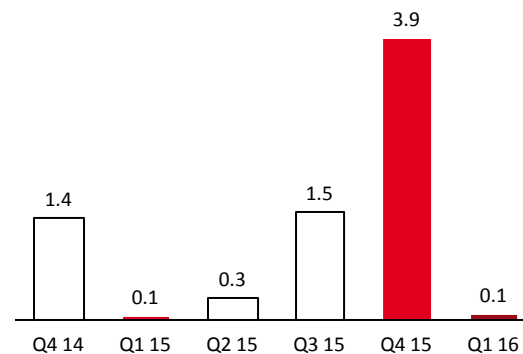
- ▶ Fedorovsky Block: drilling of U-25 and appraisal program of the Bashkirian discovery ongoing. Further exploration upside targeted by JV partners.

GAS MIDSTREAM: KEY FINANCIALS

EBITDA



CAPEX



KEY FINANCIALS (HUF bn)

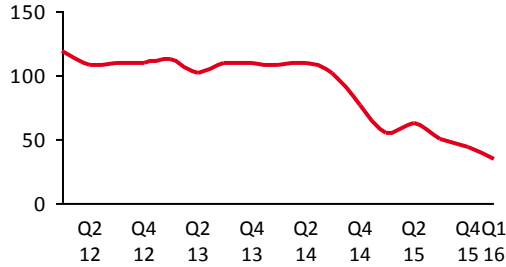
	Q4 2015	Q1 2016	Q1 2015	YoY	FY 2015
EBITDA	18.9	19.2	18.0	6%	59.6
EBITDA excl. spec. items	18.9	19.2	18.0	6%	59.6
Operating profit/(loss)	15.3	15.9	14.6	9%	45.6
Oper. Prof ex. spec. items	15.3	15.9	14.6	9%	45.6

COMMENTS

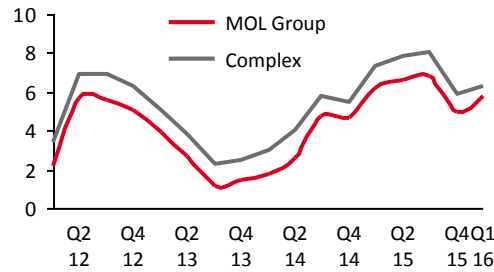
- ▶ Q1 2016 EBITDA rose 6% YoY due to favourable winter weather conditions and higher short-term capacity bookings

MACRO INDICATORS

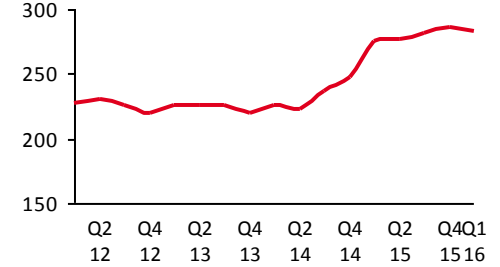
BRENT



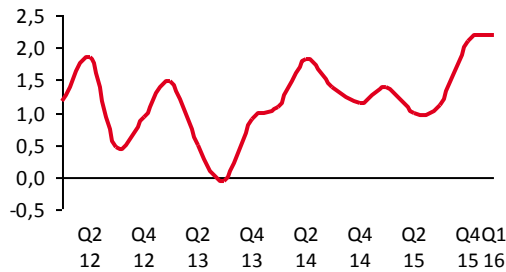
REFINERY MARGINS



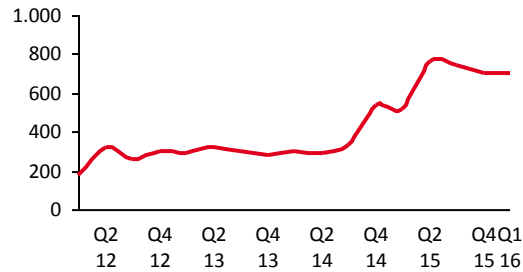
HUF / USD



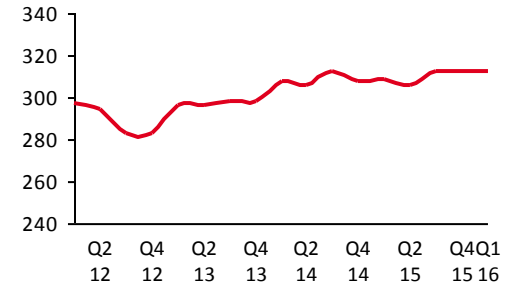
BRENT URAL SPREAD



PETCHEM MARGIN

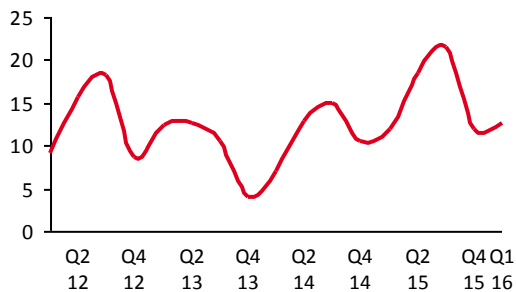


HUF/EUR

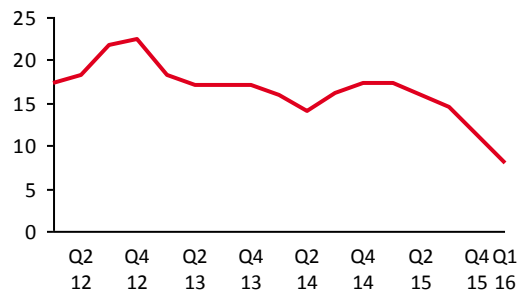


CRACK SPREADS (USD/bbl)

PREMIUM UNLEADED



GAS OIL



FUEL OIL

