

2009 third quarter results

17 November 2009



▶ **MOL GROUP**

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Q3 2009– first quarter of INA full consolidation

MOL Group, including INA in Q3 2009

(IFRS), in HUF billion	Q2 2009	Q3 2009	Q3 2008	Ch % Q3/Q2
CONTINUING OPERATIONS				
EBITDA	124.0	98.1	75.2	(21)
EBITDA excl. special items⁽¹⁾	92.9	98.3	80.9	6
Profit from operation	78.8	41.0	36.6	(48)
Profit from operation excl. special items ⁽¹⁾	47.7	41.2	42.4	(14)
Net financial expenses/(gain)	(103.6)	(19.9)	41.7	n.a.
Net profit for the period ⁽²⁾	178.5	16.3	(4.9)	(91)
Net profit for the period excl. special items^{(1) (2)}	151.3	16.5	(0.3)	(89)
DISCONTINUED OPERATIONS- Net profit for the period⁽²⁾	-	(3.4)	-	(81)
TOTAL OPERATIONS - Net profit for the period⁽²⁾	178.5	12.9	(4.9)	(93)
TOTAL OPERATIONS - Operating cash flow	190.6	57.0	119.0	(70)

- ▶ The full consolidation of INA in Q3 2009, added HUF 22.5 bn or 30% to MOL EBITDA
- ▶ MOL EBITDA excluding special items was up by 6% in Q3 2009 versus Q2 2009, which contained a significant inventory gain
- ▶ INA's operating profit contribution was HUF 4.8 bn
- ▶ HUF 19.9 bn financial gain, which was more than offset by a significant tax expense of HUF 41.5 bn

(1) Profit from operations excludes the provisional liability made for the paraffin fine (HUF 5.8 bn) realised in Q3 2008 and the one-off gain on the subsequent settlement from E.ON and the Q2 2009 termination of the risk-sharing mechanism in connection with the sale of MOL's gas business for Q1 and Q2 2009, and Q2 2008 (HUF 14.0 bn, HUF 14.2 bn, and HUF 6.4 bn, respectively) as well as the gain on the fair valuation of the previous investment in INA upon full consolidation for Q2 and Q3 2009 (HUF 17.0 bn and a negative adjustment of HUF 0.2 bn thereon, respectively)

(2) Profit for the period attributable to equity holders of the parent

Strong Q3 CCS profit

MOL Group, excluding INA in Q3 2009

(IFRS), in HUF billion	Q2 2009	Q3 2009	Q3 2008	Ch % Q3/Q2
EBITDA	107.1	75.8	75.2	(29)
EBITDA excl. special items⁽¹⁾	92.9	75.8	80.9	(18)
Profit from operations	61.9	36.4	36.6	(41)
Profit from operations excl. special items⁽¹⁾	47.7	36.4	42.4	(24)
CCS-based Profit from operations excl. special items⁽¹⁾	11.9	33.9	68.3	184
Net profit for the period ⁽²⁾	142.7	11.0	-	(92)
Net profit for the period excl. special items ^{(1) (2)}	132.5	11.0	4.6	(92)
Net profit excl. special items & Magnolia & CEZ impact ^{(2) (3)}	131.9	14.9	10.1	(89)

- ▶ **HUF 36.4 bn operating profit, excluding special items in Q3 2009 down 24% versus Q2 2009**
- ▶ **The CCS-based operating profit almost tripled to HUF 33.9 bn in Q3 2009, quarter-on-quarter**
 - ▶ **Gas and Power was extremely strong (up 43%),**
 - ▶ **Upstream improved by 21%,**
 - ▶ **Petchem had a turnaround, while**
 - ▶ **Downstream remained stable quarter-on quarter**
- ▶ **Financial gain of HUF 14.8 bn in Q3 vs Q2 HUF 103.6 bn, mainly due to FX gains**

(1) Profit from operations excludes the provisional liability made for the paraffin fine (HUF 5.8 bn) realised in Q3 2008 and the one-off gain on the subsequent settlement from E.ON and the Q2 2009 termination of the risk-sharing mechanism in connection with the sale of MOL's gas business for Q1 and Q2 2009, and Q2 2008 (HUF 14.0 bn, HUF 14.2 bn, and HUF 6.4 bn, respectively)

(2) Profit for the period attributable to equity holders of the parent

(3) Profit for the period attributable to equity holders in addition to adjustments detailed in (1) excludes the non-cash fair valuation difference of the conversion option on the equity instruments held by Magnolia and of the repurchase option on shares owned by CEZ.

Q1-Q3 results reflect the weak oil macro environment

MOL Group, including INA in Q3 2009

(IFRS), in HUF billion	Q1-Q3 2008	Q1-Q3 2009	Ch %
CONTINUING OPERATIONS			
EBITDA	300.0	329.8	10
EBITDA excl. special items⁽¹⁾	299.4	284.9	(5)
Profit from operation	193.0	187.2	(3)
Profit from operation excl. special items⁽¹⁾	192.4	142.3	(26)
Net financial expenses/(gain)	2.9	23.7	724
Net profit for the period ⁽²⁾	174.8	80.0	(54)
Net profit for the period excl. special items^{(1) (2)}	174.3	42.9	(75)
DISCONTINUED OPERATIONS- Net profit for the period⁽²⁾	-	(3.4)	n.a.
TOTAL OPERATIONS - Net profit for the period⁽²⁾	174.8	76.6	(56)
TOTAL OPERATIONS - Operating cash flow	175.6	272.9	55

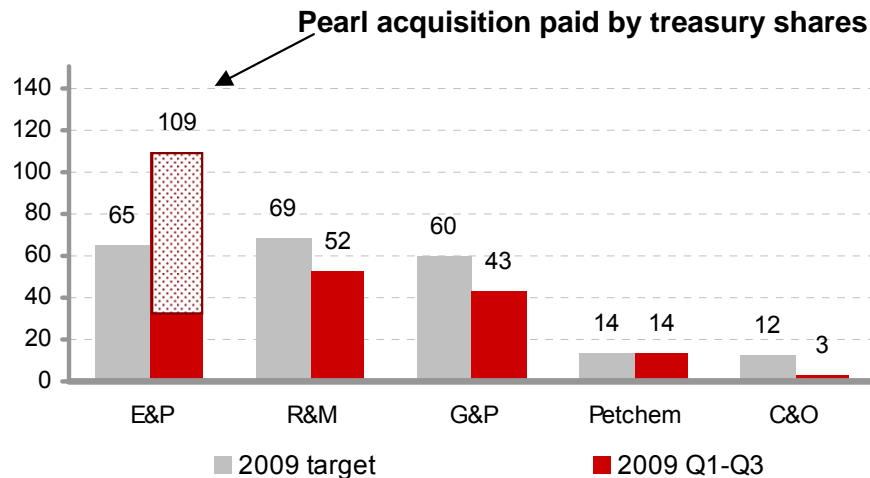
- ▶ HUF 142.3 bn Operating profit, excluding special items down 26% year-on-year, due to deteriorating external conditions: 58% decrease in average crack spreads, narrowed Brent-Ural differential, halving crude prices
- ▶ The bottom line was further decreased by higher financial expenses and significant tax expenses
- ▶ HUF 42.9 bn net profit excluding special items decreased by 75% year-on-year
- ▶ Operating cash inflow was HUF 272.9 bn, increasing by 55%

(1) Profit from operations excludes the provisional liability made for the paraffin fine (HUF 5.8 bn) realised in Q3 2008 and the one-off gain on the subsequent settlement from E.ON and the Q2 2009 termination of the risk-sharing mechanism in connection with the sale of MOL's gas business for Q1 and Q2 2009, and Q2 2008 (HUF 14.0 bn, HUF 14.2 bn, and HUF 6.4 bn, respectively) as well as the gain on the fair valuation of the previous investment in INA upon full consolidation for Q2 and Q3 2009 (HUF 17.0 bn and a negative adjustment of HUF 0.2 bn thereon, respectively)

(2) Profit for the period attributable to equity holders of the parent

2009 Organic CAPEX of MOL in line with strict target

CAPEX by segments, excl. INA (HUF bn)



- ▶ FY 2009 CAPEX is expected at HUF 242 bn excluding INA and acquisitions.
 - ▶ Businesses in line with the HUF 220bn target.
 - ▶ The HUF 22 bn higher spending vs the plan is due to capitalization of financing costs, roll over from the previous year, and activating various IS projects.
- ▶ Acquisition cost of a 10% stake and the work program CAPEX of Pearl (HUF 72.6 bn) paid by treasury shares.

E&P

- ▶ Focus on development projects with early cash generation and committed exploration work programs

R&M

- ▶ Finalization of refinery modernization of IES, projects supporting sustainability and operational reliability, cost optimization of the Hydrocrack investment

G&P

- ▶ Transit connections to Romania and Croatia, Strategic gas storage project completion and preparatory works in connection with CEZ (PPT and CCGT)

Petchem

- ▶ Reconstruction works of Olefin plants both in TVK and in SPC

Strong financial position

Gearing (30 Sep 2009)

- ▶ 37.1% gearing ratio
- ▶ Net debt amounted to HUF 976.8 bn
- ▶ 32.9% gearing ratio excluding INA's full consolidation impact

New credit facility

- ▶ EUR 450 million forward start revolving facility agreement (12 November 2009)
- ▶ Available from 1 October 2010
- ▶ Maturity: 18 months that can be extended by 6 months
- ▶ EUR 600 mn will be cancelled from currently EUR 1.6 bn undrawn commitment from EUR 2.1 bn facility agreement.

MOL-EUR 700 mn revolving facility (May 2005)

- ▶ Maturity: 5+1+1 years with bullet repayment
- ▶ Interest rate: EURIBOR plus 22.5 to 37.5 bp

MOL-EUR 825 mn revolving facility (July 2006)

- ▶ Maturity: 5+1+1 years with bullet repayment
- ▶ Interest rate of EURIBOR plus 18 bp out of the box.

INA-USD 1,000 mn loan agreement (April 2007)

- ▶ Maturity: 5+1 year with bullet repayment
- ▶ Interest rate: LIBOR plus 30 bp

MOL-EUR 750 mn fixed rate note (September 2005)

- ▶ Maturity on 5th October 2015,
- ▶ Annual coupon of 3.875%.
- ▶ Rated BB+ (Standard & Poor's).

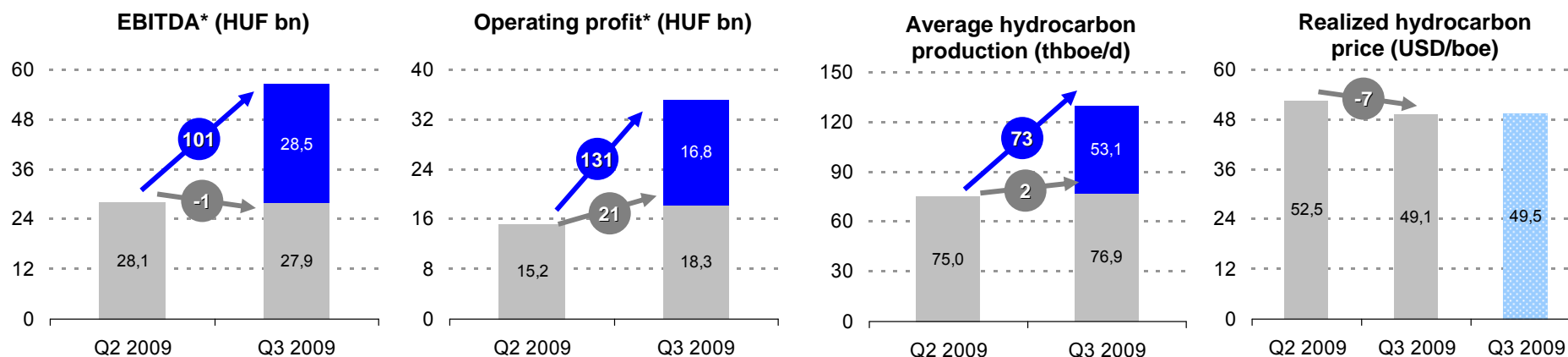
MOL-EUR 2,100 mn revolving facility (October 2007)

- ▶ Maturity: 3 years with bullet repayment
- ▶ Interest rate: EURIBOR plus 27.5 bp out of the box.
- ▶ EUR 600 mn is cancelled due to the EUR 450 mn forward start revolving facility agreement

MOL- EUR 200 mn EBRD loan agreement (June 2009)

- ▶ Maturity: 8 years
- ▶ 18 months grace period followed by semi-annual instalments
- ▶ Financing the strategic and commercial gas storage facility

Upstream – strong Q3 2009 results



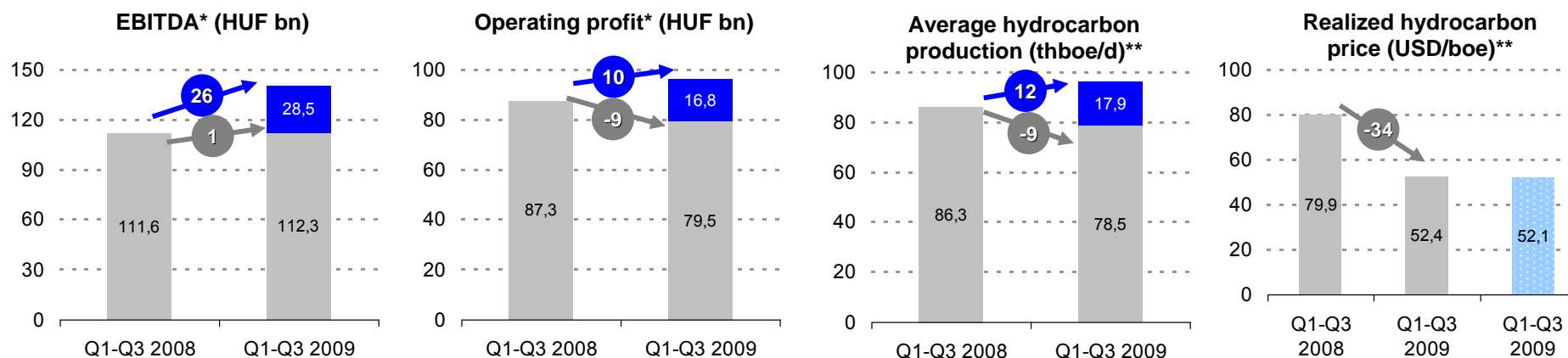
Operating profit (excl. INA) increased by 21% to HUF 18.3 bn vs. Q2 2009

- The average realised hydrocarbon price decreased by 7%
- + Slightly higher production volumes, excl. INA
- Strengthening HUF vs. USD
- + Cost reductions and lower non-cash items

INA contribution – significant boost to production and profitability

- ▶ EBITDA more than doubled via INA's contribution
- ▶ Operating profit boosted by HUF 16.8 bn (up 91%)
- ▶ Daily production increased by approx. 70% (increasing gas and condensate portion)
- ▶ Higher unit production cost reflecting off-shore production, and efficiency improvement potential

Upstream – stable Q1-Q3 profit despite weak oil macro



Main profit drivers for MOL excluding INA (Q1-Q3 2009/Q1-Q3 2008)

- The average realised hydrocarbon price, excluding INA decreased by 34% in USD-terms
 - crude oil prices halved
 - Hungarian gas prices were 12% lower
- + Weakening HUF vs. USD (28%)
- 9% lower production volumes, excl. INA
- + Stringent cost control

* Excluding special items

** Q1-Q3 2009 data includes INA for Q3 2009

■ MOL, excl. INA

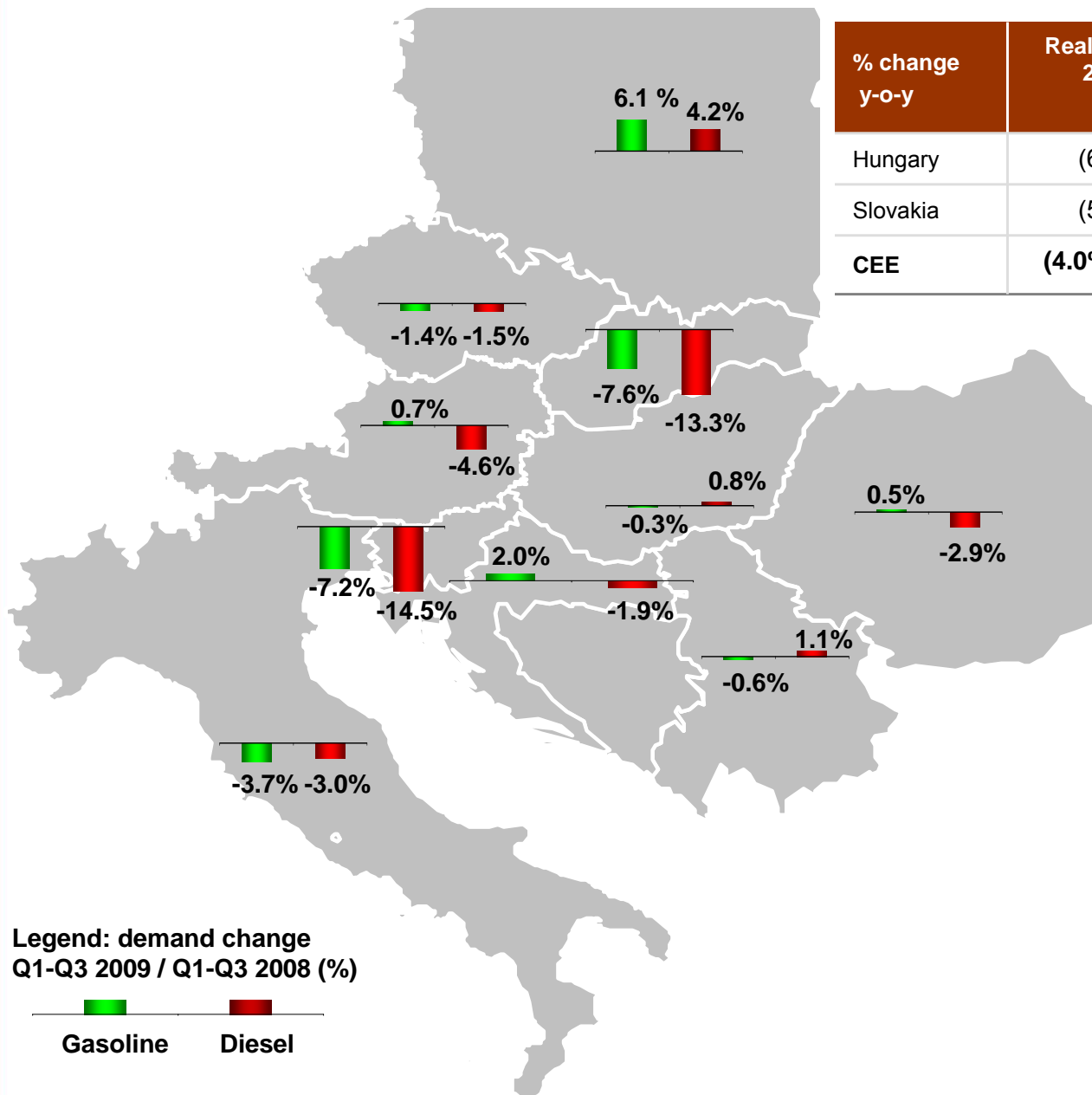
■ INA

■ MOL incl. INA

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Downstream – slight demand decrease in CEE region in Q1-Q3

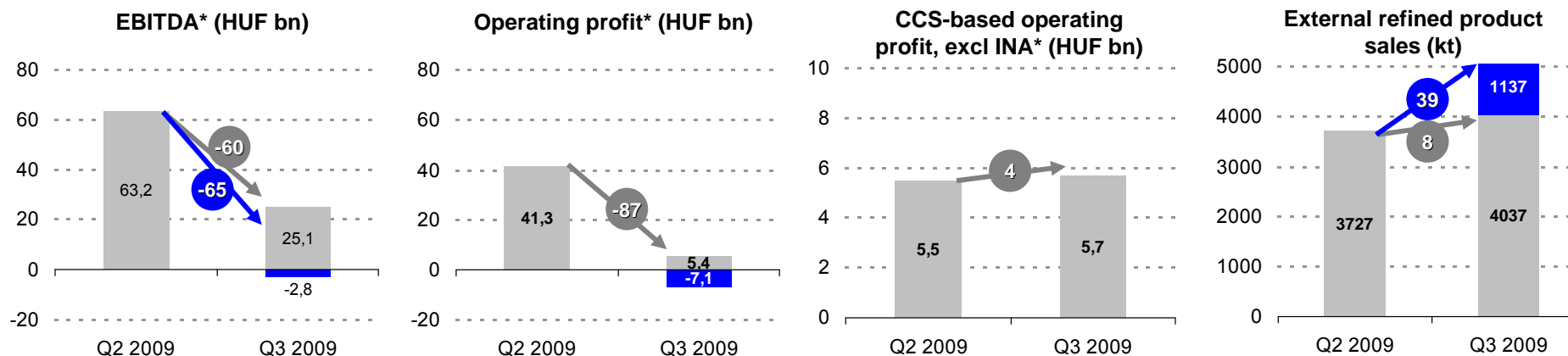
Fuel market decline was lower than expected compared to weak GDP



% change y-o-y	Real GDP for 2009E	Gasoline Demand in Q1-Q3	Diesel Demand in Q1-Q3	Total Demand in Q1-Q3
	(6.5%)	(0.3%)	0.8%	0.4%
	(5.4%)	(7.6%)	(13.3%)	(11.4%)
CEE	(4.0%)-(5.0%)	1.1%	(1.1%)	(0.5%)

- ▶ Significant GDP decline was realized in MOL's core region.
- ▶ However smaller decline in motor fuel demand in CEE region than expected
- ▶ Diesel was influenced by recession to larger extend
- ▶ Recession had less impact on gasoline mainly used by private sector
- ▶ Significant differences by countries.
 - ▶ Transit countries: large diesel decline (Austria, Slovenia, Czech Republic)
 - ▶ Fuel tourism from neighbouring countries– weak local currency (Hungary, Poland)

Downstream – positive CCS EBIT despite poor environment



CCS profit (excl. INA) remained stable in Q3 vs. Q2

- + USD 8.8/t increase in average crack spread (gasoline down by 11 USD/t, diesel down by 5 USD/t, but chemical product average increased by 65 USD/t)
- + 8% increase in sales with better sales mix
- + Modest inventory gain on growing oil price
- Further USD 0.5/bbl erosion in Brent-Ural spread,
- Weakening of the USD vs. the HUF
- Higher cost of own crude consumption as a result of rising crude prices

INA contribution – significant volume addition, but profitability below MOL hallmark

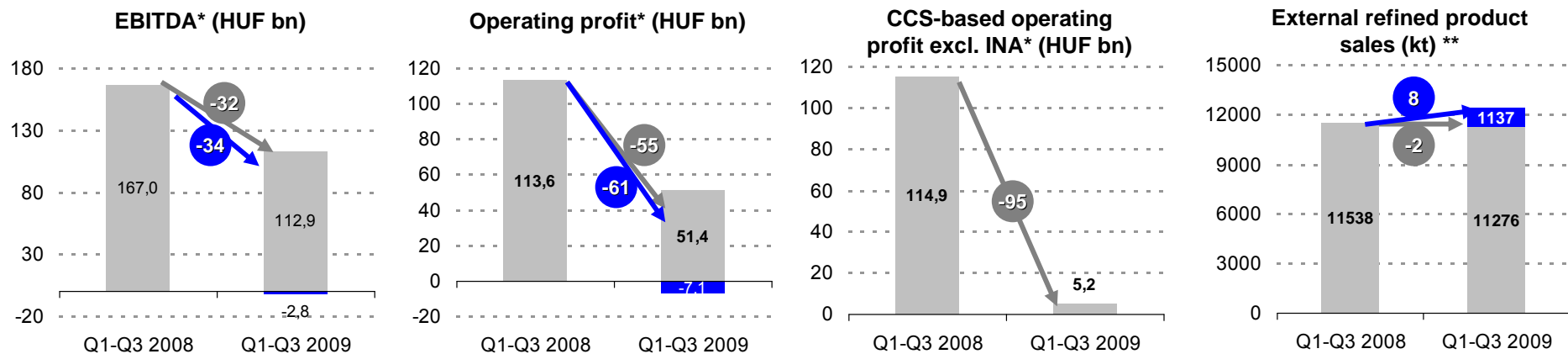
- ▶ INA consolidation impact was HUF 7.1 bn operating loss
- ▶ Close to 30% boost to refinery throughput and external sales volumes
- ▶ 42% increase in fuel station network
- ▶ 71% white product yield (incl 24% gasoline yield and 35% middle distillate yield)

* Excluding special items

■ MOL, excl. INA

■ INA

Downstream – Q1-Q3 results reflect weak environment



Main profit drivers for MOL excluding INA (Q1-Q3 2009/Q1-Q3 2008)

- Halving average crack spread to USD 41/t (diesel declined by 153 USD/t, gasoline eroded by 7 USD/t, naphtha decreased by 23 USD/t)
- Narrowed Brent-Ural differential from USD 3.4/bbl to USD 0.8/bbl
- 2% volume decrease
- + Positive impact of the weaker HUF vs. the USD
- + Stringent cost control, efficient customer management system

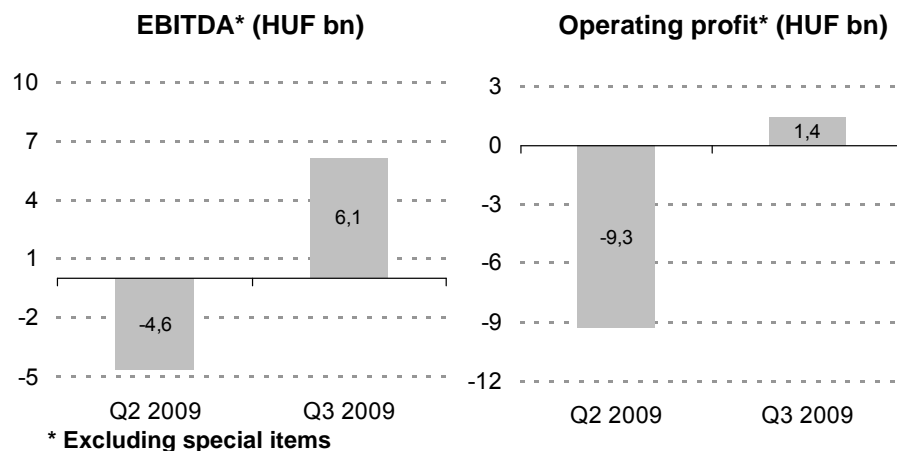
* Excluding special items

** Q1-Q3 2009 data includes INA for Q3 2009

■ MOL, excl. INA

■ INA

Petrochemicals – turn-around in Q3

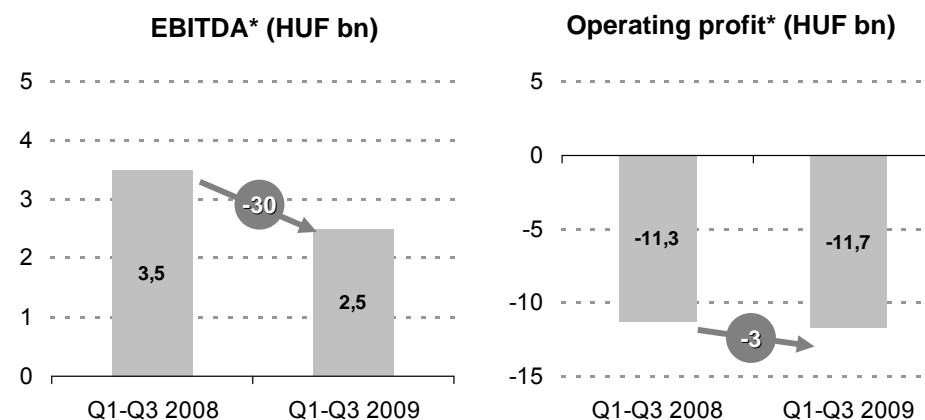


Main profit drivers – Q3/Q2

- ▶ Integrated petrochemical margin grew by 30%
 - ▶ Naphtha price increased by 23% (USD)
 - ▶ Polymer prices up by 19-28% (EUR)
 - ▶ Significantly weakening USD against EUR
- ▶ Higher production and sales volume*

2010 outlook

- ▶ 2010 Capex plan: HUF 10.5 bn
 - ▶ Steam Cracker (SC) efficiency improvement and first phase of reconstruction at Slovnaft Petrochemicals (SPC)
 - ▶ Ethylene furnace reconstruction in TVK

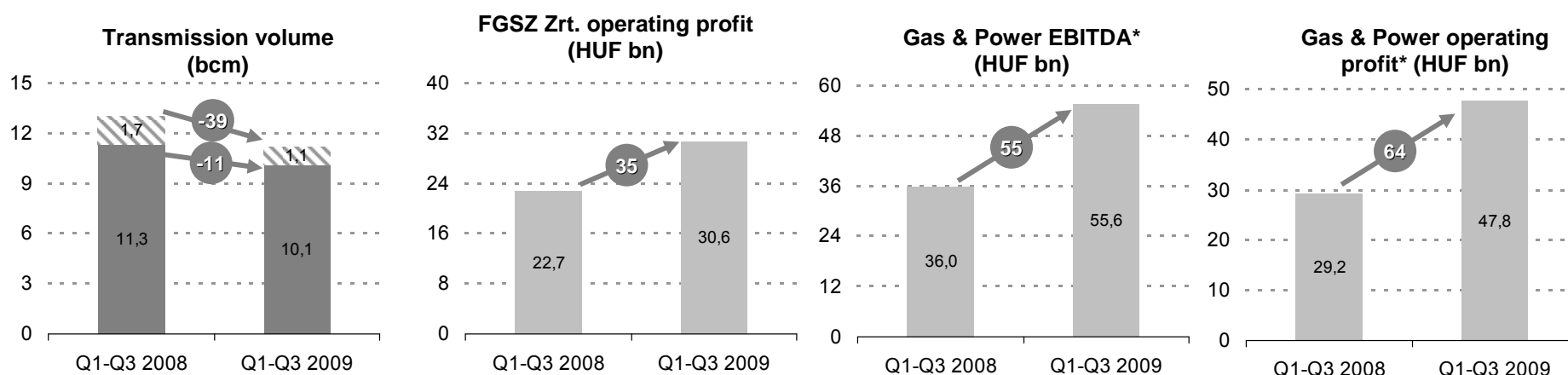


Main profit drivers – Q1-Q3 2009/Q1-Q3 2008

- ▶ Integrated petrochemical margin declined by 17%
 - ▶ 48% decrease in naphtha prices
 - ▶ 33-36% decrease in polymer prices (EUR)
 - ▶ Strengthening USD against the EUR
- ▶ Polymer sales up by 2%
- ▶ Olefin sales down by 25%

*Q2 2009 Shut-downs at TVK: Olefin-1 plant stopped for reconstruction and overhauling works for 53 days, also HDPE-1, LDPE-2 and PP-3 plants had a maintenance shut down, and by the the HDPE-2 and PP-4 plants had annual stoppage of for cleaning.

Gas & Power – solid cash generation in Q1-Q3 2009



FGSZ Zrt.

- ▶ **Main profit drivers in Q1-Q3 2009 y-o-y:**
 - ▶ Revenues increased due to tariff changes,
 - ▶ Energy costs decreased
 - ▶ Lower transmitted volumes
- ▶ **Outlook for 2010:**
 - ▶ Modest increase in domestic volumes
 - ▶ Transit volume increase to 3.2 bcm fuelled by new Romanian transit
 - ▶ CAPEX spending on interconnection to Croatia

MMBF Zrt

- ▶ **Main profit drivers in Q1-Q3 2009:**
 - ▶ 435 mcm gas injection into the strategic UGS
- ▶ **Outlook for 2010:**
 - ▶ The strategic storage will be filled up by Dec. 2009 – capacity 1.2bcm
 - ▶ The commercial capacity is expected to be available from Apr. 2010 – capacity 0.7bcm
 - ▶ Stable, EURO denominated return on both strategic and commercial activities
 - ▶ Marginal CAPEX requirement in 2010

* Excluding special items

Hungarian transmission
 International transit
 MOL

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Outlook for 2010 - premises

MAIN EXTERNAL PARAMETERS	Average 2004-07	2008	Q1-Q3 2009	2010
Brent dated (USD/bbl)	57.6	97.3	57.2	70.0
Crack spread – premium unleaded (USD/t) FOB ROTT	127.0	101.1	113.3	90.1
Crack spread – gas oil (USD/t) FOB ROTT	116.1	212.4	71.7	95.0
Crack spread – naphtha (USD/t) FOB MED	60.6	23.7	39.2	30.0
Integrated petrochemical margin (EUR/t)	449.0	406	315	402
HUF/USD average	199.2	171.8	208.6	187.6
HUF/EUR average	253.9	251.3	283.8	270.0

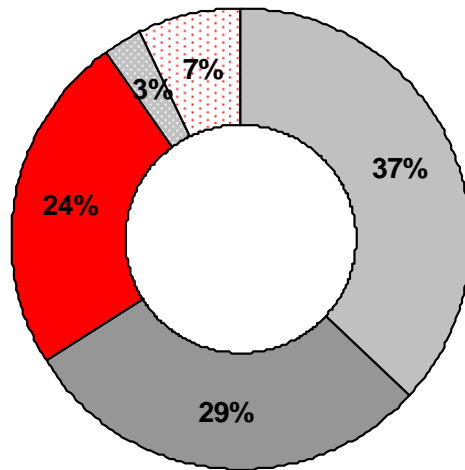
Slow recovery from the recession

- ▶ Slightly increasing oil price
- ▶ Stronger diesel crack spread
- ▶ Lower gasoline crack spread

2010 CAPEX plan of MOL Group incl. INA

- ▶ Total budget is HUF 357 bn, subject to Board of Directors approval scheduled for mid-December
- ▶ Capex budget remains under stringent control due to the recession
- ▶ Group level optimisation among various projects

2010 CAPEX plan by segments

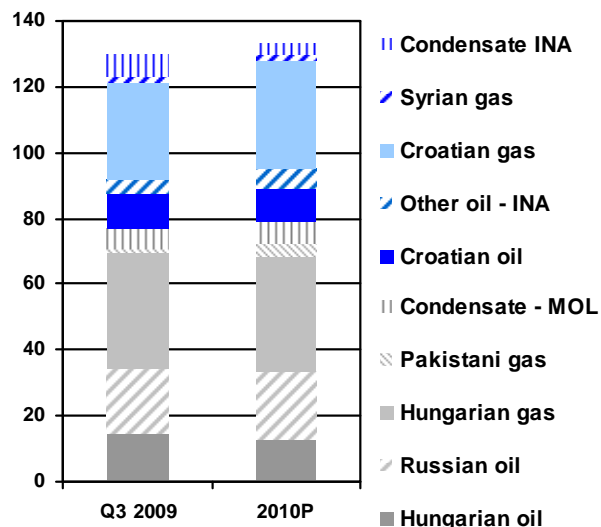


E&P	<ul style="list-style-type: none"> ▶ Focus on development of Hayan Block (Syria) ▶ Development in Hungary, Russia and Croatian off-shore ▶ Diversified exploration portfolio, with focus areas (Hungary, Kurdistan, Pakistan, Kazakhstan, Syria)
R&M	<ul style="list-style-type: none"> ▶ Completion of Phase 1 at INA ▶ Finalisation of Mantova refinery modernisation ▶ Retail: completing ongoing development projects and controlled maintenance
G&P	<ul style="list-style-type: none"> ▶ Transit connections to Croatia ▶ Capacity extension of the existing Slovakian power plant
Petchem	<ul style="list-style-type: none"> ▶ Focus on maintenance and sustain safe operation

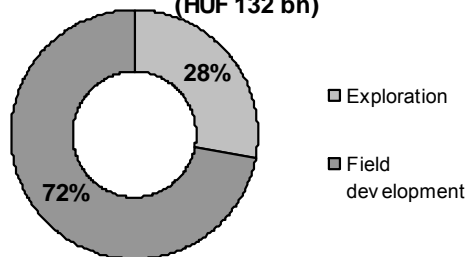
Excluding: HCK, Greenfield power plants with CEZ, investment decision is scheduled for 2010, Slovnaft Petrochemicals (SPC) upgrade, Nabucco and South Stream

Upstream – outlook in 2010

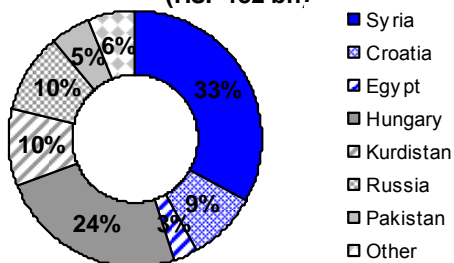
Daily production (thboe/d)



CAPEX plan by categories (HUF 132 bn)



CAPEX plan by countries (HUF 132 bn)



Volumes

- ▶ Planned daily production for 2010 is around 130,000-135,000 boepd
- ▶ Moderate decline on mature Hungarian and Croatian on-shore fields
- ▶ Increase from Croatian off-shore production
- ▶ Increasing Russian production, as ZMB's decline is offset by growing production of BaiTex and Matjushkinskaja fields
- ▶ Increasing Pakistani gas production

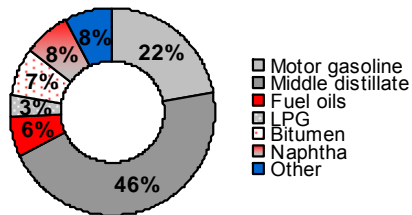
CAPEX

- ▶ Focus on field developments aiming early cash generation
 - ▶ Largest field development is Hayan Block in Syria
 - ▶ Intensive field development in Hungary, Russia and Croatian off-shore
- ▶ Intensive exploration portfolio management
 - ▶ Hungarian conventional and tight gas exploration
 - ▶ Key areas are Kurdistan (Shaikan and Akri-Bijeel) and Pakistan (TAL and Margala)
 - ▶ Appraisal in Kazakhstan
 - ▶ New exploration potential in Syrian Aphamia block and North Adriatic offshore

Downstream outlook in 2010: adopting the challenges of the volatile external environment

Volumes

Production yield incl. INA (2010)



- ▶ Refinery throughput 22.9 Mt of which INA: 4.9 Mt
- ▶ Average distillation capacity utilization (MOL excl. INA 93.2%, INA 68.6%)
- ▶ Shutdowns: similar impact on volume as in 2009

Operation

- ▶ Stringent operational cost control – stay-in-business
- ▶ Special focus on Brent-Ural spread – crude oil slate optimisation
- ▶ Continuation of energy efficiency improvement program
- ▶ Complex maintenance spending (technological asset management)

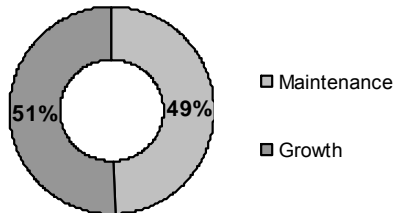
INA performance improvement

- ▶ Finalization of the Phase 1 of the refinery upgrade program
- ▶ Placing the resulted Euro V grade product on the market
- ▶ Intensification of local efficiency program (OptINA)

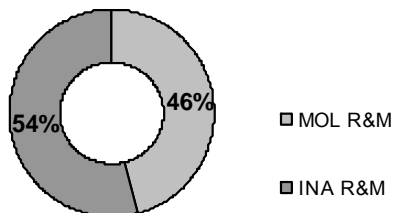
CAPEX

- ▶ Focus on maintaining safe operation
- ▶ Group level optimisation of new refinery upgrade investments HCK project in Duna Refinery has been re-scheduled
- ▶ IES focuses on the Upgrade project completion

CAPEX plan by investment categories (HUF 94.1 bn)

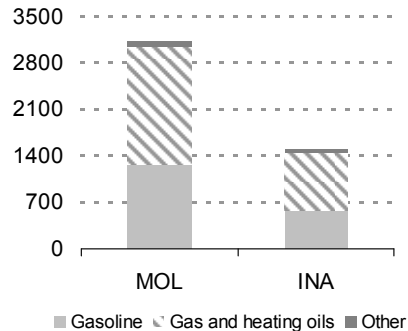


CAPEX plan by companies (HUF 94.1 bn in total)

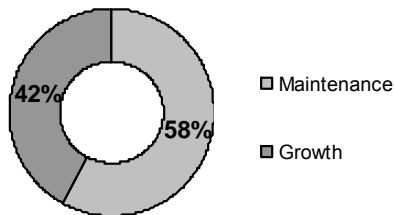


Retail outlook in 2010

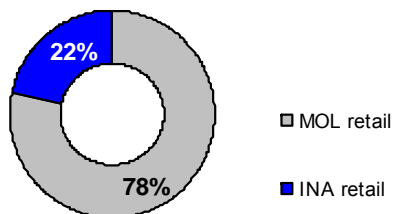
Retail sales (MI)



CAPEX plan by investment categories (HUF 10.2 bn)



CAPEX plan by companies (HUF 10.2 bn in total)



Volumes

- ▶ 5-7% increase in retail fuel volume MOL excluding INA for 2010
- ▶ INA contributes additional 50% to retail volume

Retail Portfolio Management

- ▶ Portfolio management based on our Network Segmentation Methodology that focuses on investments and highlights the alternative value of the sites
- ▶ Multibrand operation enables optimisation our market presence in the region with local brands
- ▶ Margin contribution improvement with special attention on fuel and non-fuel sales increase.

Consolidation of the INA network

- ▶ Segmentation of INA network (488 FS) is ongoing, aiming to optimize supply and demand at each location
- ▶ MOL drives for finding the most appropriate operational model

Strict principle in capex spending

- ▶ Projects focus on the integration of the MOL networks across the region, completing developments already started
- ▶ Maintenance spending is controlled
- ▶ MOL seeks for growth opportunities with a selective approach

Thank you for your attention!

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www.mol.hu

MOL Investor Relations:

Tel: +361-464-1395

E-mail: investorrelations@mol.hu

Appendix: Refinery shutdown plan (2010)

	Q1 2010	Q2 2010	Q3 2010	Q4 2010
Duna Refinery – gasoline			■	
Duna Refinery – diesel				
Slovnaft Refinery – gasoline		■		
Slovnaft Refinery – diesel		■		
IES Refinery – gasoline				■
IES Refinery – diesel				■
Rijeka Refinery – gasoline		■		
Rijeka Refinery – diesel		■		
Sisak Refinery – gasoline			■	
Sisak Refinery – diesel			■	

- ▶ The 2010 shut-downs are expected to have negligible impact on the gasoline and diesel production versus 2009 production volumes
- ▶ MOL will prepare with stock pilling and integrated operation