


2011 FIRST HALF YEAR AND Q2 RESULTS

16 August 2011

MOL GROUP

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MOL DELIVERED STRONG RESULTS IN H1 2011 AGAIN

Q2 Clean CCS-based operating profit improved vs. Q1

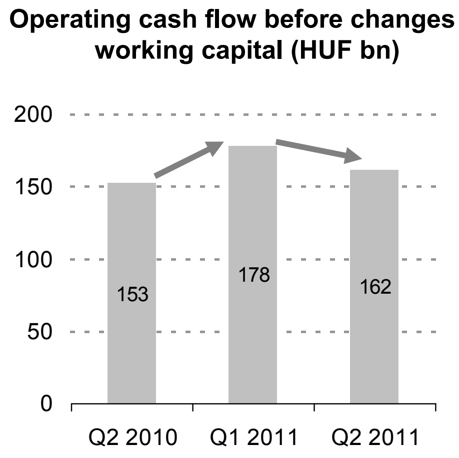
Q1 2011	Q2 2011	Q2 2010 restated	Ch. %	(IFRS), in HUF billion	H1 2010 restated	H1 2011	Ch. %
1,177.2	1,298.4	1,053.8	23	Net sales revenues	1,930.0	2,475.6	28
176.6	155.3	110.6	40	EBITDA	229.4	331.9	45
186.0	**163.8**	**146.4**	**12**	**EBITDA excl. special items**	**269.4**	**349.8**	**30**
109.1	78.4	46.2	70	Profit from operation	94.3	187.6	99
120.9	**87.0**	**82.0**	**6**	**Profit from operation excl. special items**	**134.3**	**207.8**	**55**
78.0	86.1	85.2	1	Clean CCS-based operating profit	139.4	164.0	18
(28.6)	10.3	77.5	(87)	Net financial expenses/(gain)	101.3	(18.4)	n.a.
92.7	54.0	(43.2)	n.a.	Net profit for the period	(24.2)	146.6	n.a.
101.8	**61.1**	**(15.0)**	**n.a.**	**Net profit for the period excl. special items**	**7.4**	**162.9**	**2,095**
(26.0)	132.2	276.1	(52)	Operating cash flow	176.9	106.2	(40)

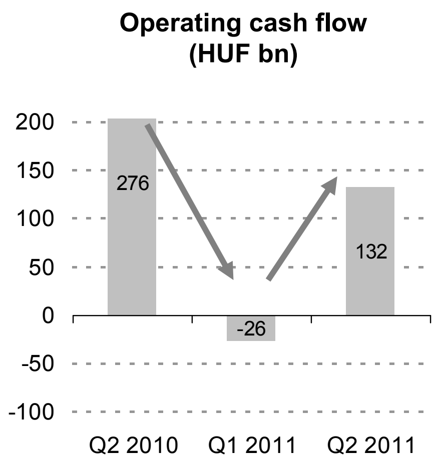
In Q2 2011

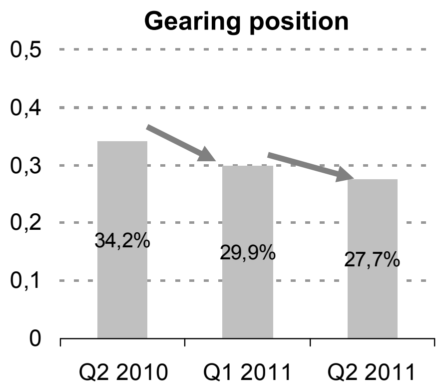
- **EBITDA and operating profit**, excluding special items **improved vs Q2 2010**, to HUF 164 bn and HUF 87 bn respectively, however declined compared to Q1 2011.
- **Clean CCS-based operating profit improved slightly** vs. Q1 2011 and Q2 2010.
- **Upstream gave approx. 80% of EBIT, Improved result of complex refineries in Downstream**
- **Mixed external environment:**
  - weak USD
  - higher hydrocarbon prices
  - still challenging downstream environment
- **Net profit reached HUF 54 bn in Q2 and HUF 147 bn in H1 2011** after HUF 24 bn loss in H1 2010

IMPROVING FINANCIAL POSITION AND GEARING

Strong operating cash flow in Q2 2011 despite the higher working capital need



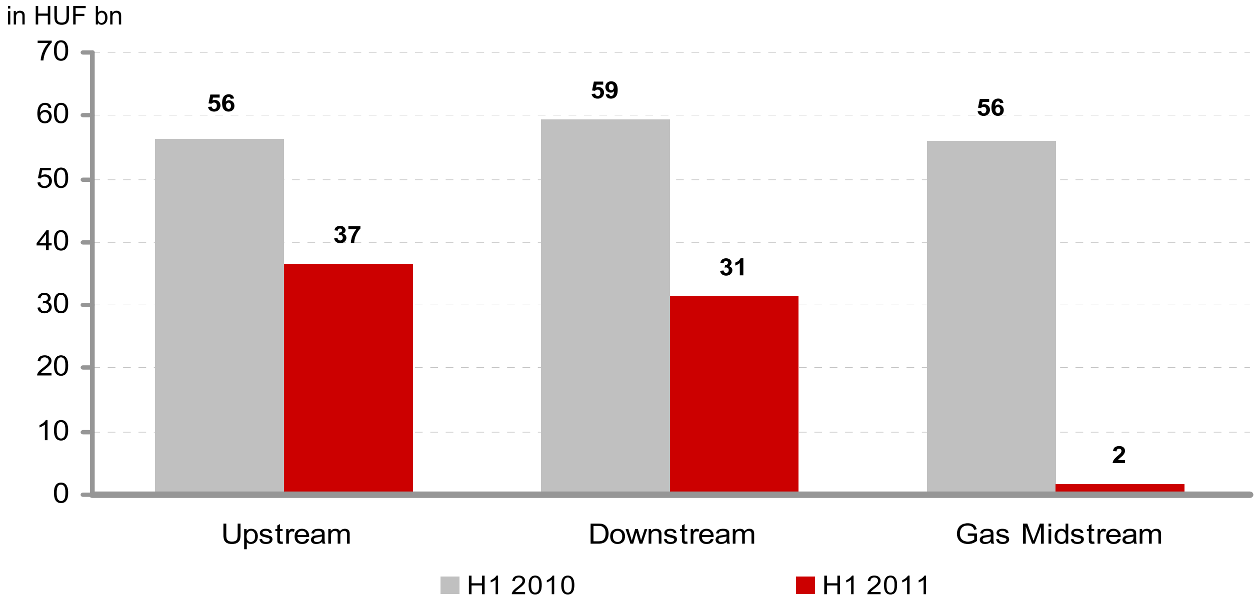




- ► **27% higher operating cash flow** before movements in working capital in H1 and...
- ► **improved, healthy operating cash flow in Q2**
- ► MOL improved its **strong financial position**: **27.7% gearing ratio** at the end of June 2011.

CAPEX

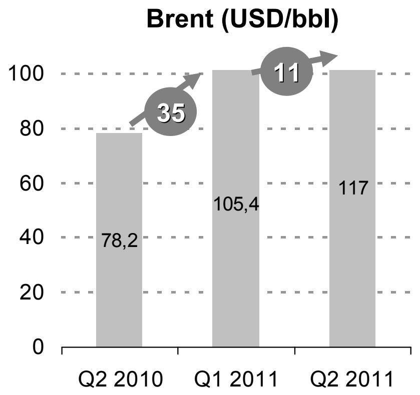
Investments expected to accelerate in H2

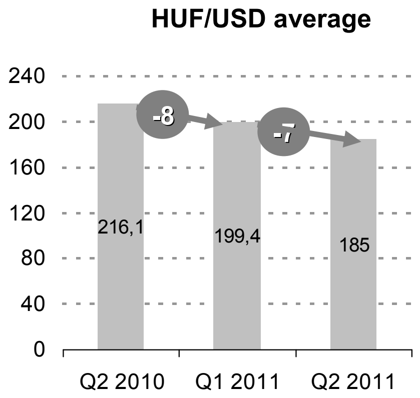


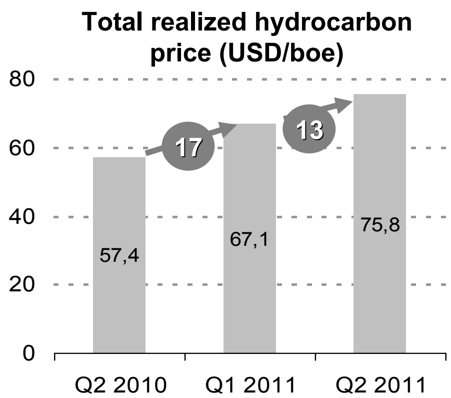
- **CAPEX spending was HUF 94 bn (46% lower than previous year) in H1 2011.**
- **The Investments focused on**
  - **CEE region, Russia and Syria in Upstream,**
  - **on Thermal Power Plant revamp at Bratislava refinery and finalization of Rijeka refinery modernization in Downstream.**

UPSTREAM

Mixed external environment: higher crude price, but weaker USD



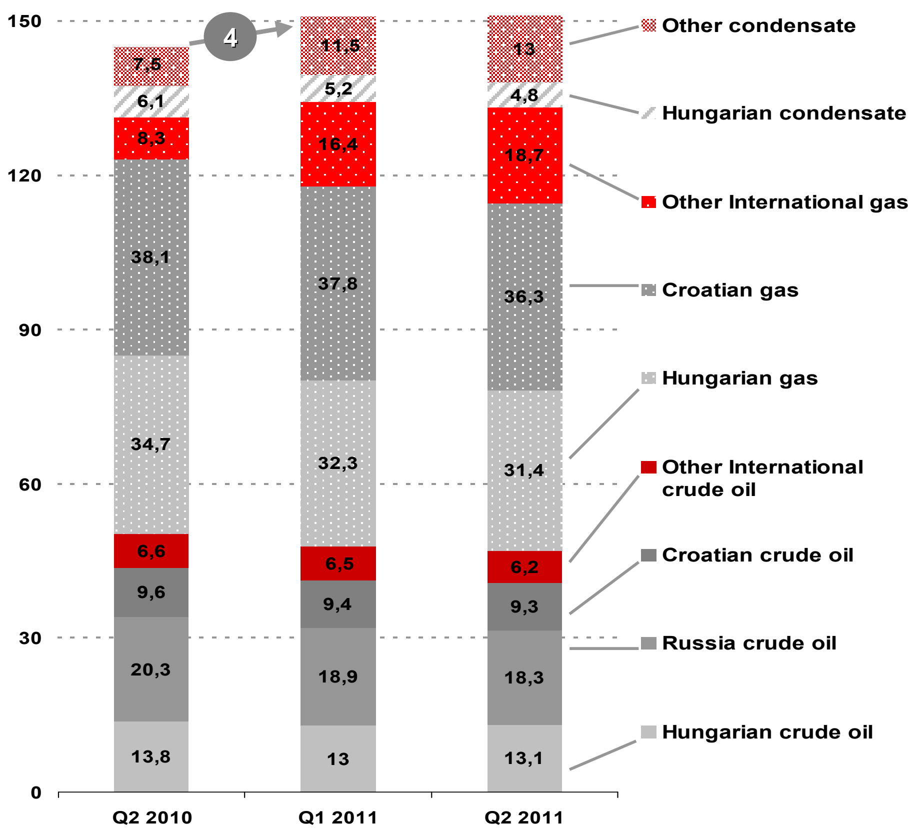




- **Oil prices** followed **a volatile** trading pattern in Q2,
  - showing a decline from the peak levels of above 125 USD/bbl seen during April to around 110 USD/bbl by the end of the period, but
  - in **quarterly average** (117 USD/bbl) **increased slightly** from Q1 level
- Increase was **reflected in MOL's total realized hydrocarbon price** as well
- **weaker USD against HUF and HRK had negative effect on results**

UPSTREAM

Record high hydrocarbon production in H1 2011

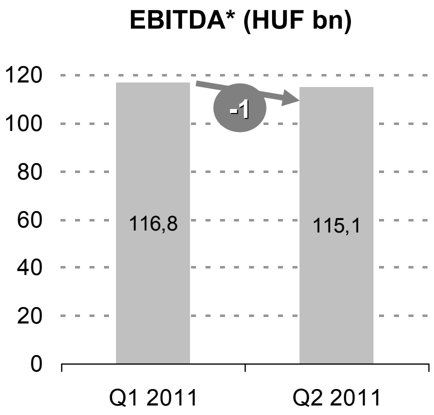


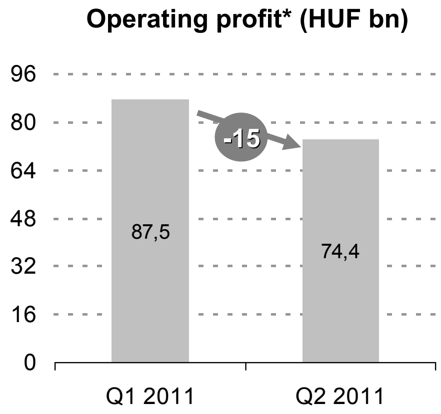
- **Average daily hydrocarbon production** increased to **151,165 boe/day** in Q2 2011 vs. Q2 2010 as a result of
- **higher Adriatic off-shore** and
- **international gas** and **condensate production**, driven by
  - the increased contribution of **Syria**, after the start up of Jihar Gas Treatment Plant in last quarter in Hayan Block
  - but also including the growing **Pakistani** production from Tal Block.
- Production in remained mostly flattish in Q2 vs Q1 2011

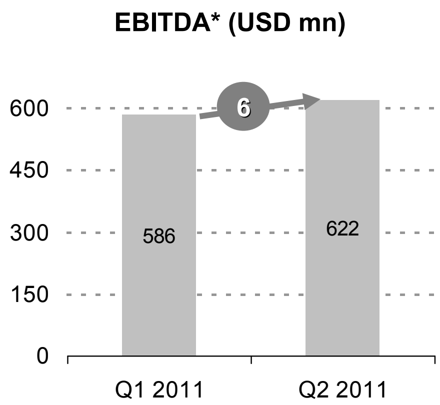
UPSTREAM in Q2 2011

Weakening USD kept the results under pressure despite higher oil price

► **In Q2 2011, segment operating profit excluding special items, decreased to HUF 74.4 bn**







Positive effect of

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- **increased crude quotations was**

overcompensated by

-

- **weaker USD** against HUF and HRK
- **significantly higher depreciation, mostly due to asset activation in Syria.**

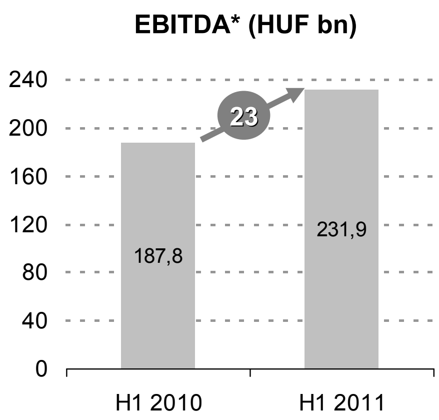
In USD terms segment's EBITDA*, increased by 6% to 622 mn.

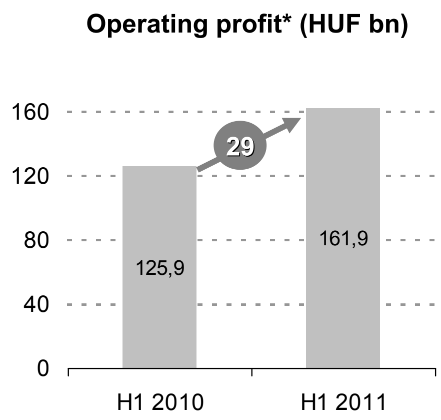
* Excluding special items

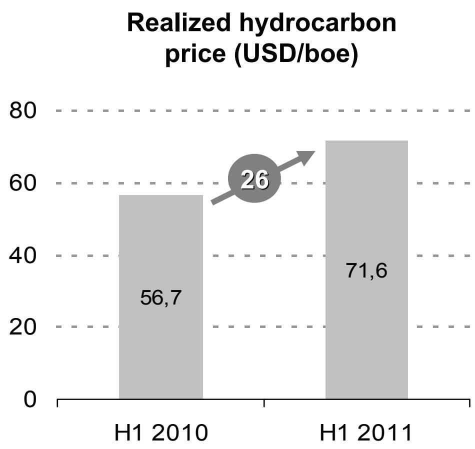
UPSTREAM in H1 2011

Remained the strongest profit contributor in the Group

► **In H1 2011, segment operating profit excluding special items, increased to HUF 162 bn, by 29% compared to the same period of the previous year.**







This profit growth derived from combination of positive effects, such as

- ► **increased production volumes** from **international operation**
- ► **26% higher realized hydrocarbon prices** due to increasing international quotations.

Negative effect of

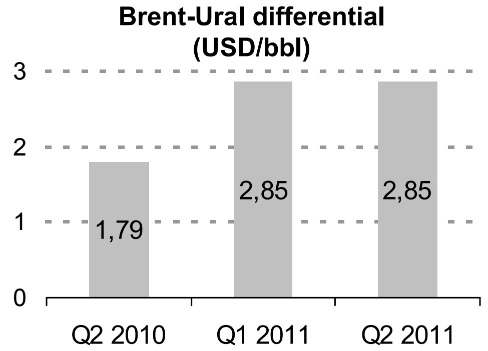
- ► **weaker USD**, and
- ► **higher depreciation**

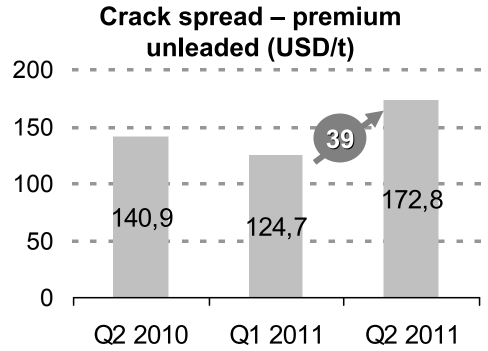
moderated the operating profit.

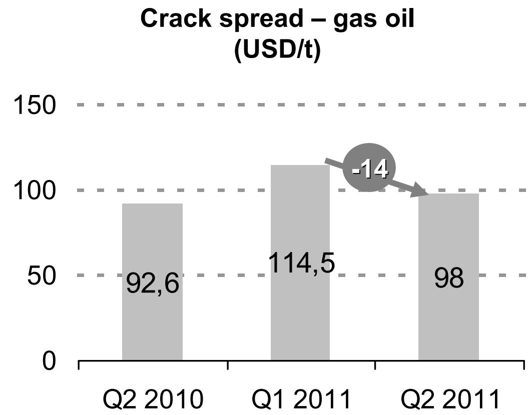
*** Excluding special items**

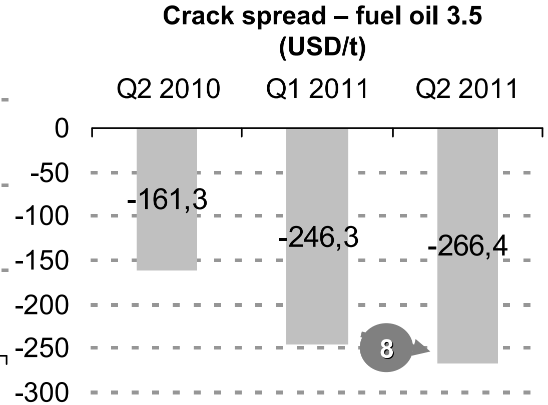
DOWNSTREAM

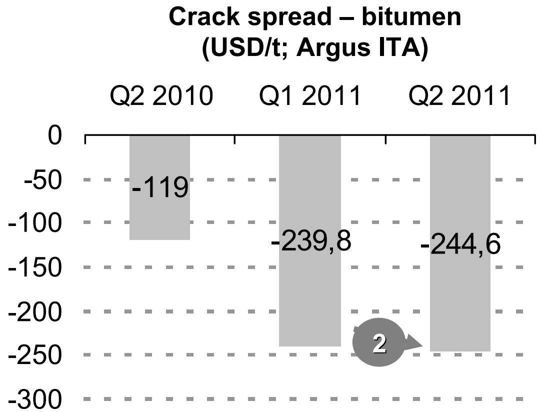
Mixed, still challenging macro environment in Downstream

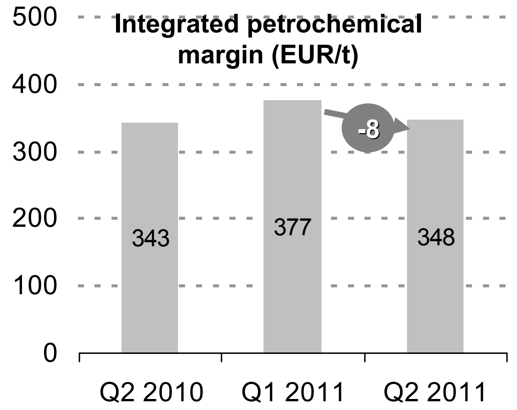


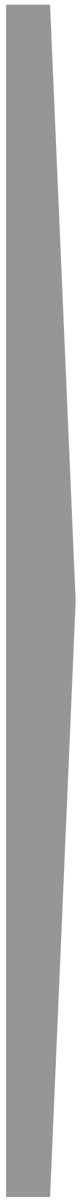












Lower average crack spread and higher crude oil price makes refining environment even more challenging in Q2:

The positive effects of...

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- **healty gasoline** crack spread,
- **relatively high Brent-Ural spread**

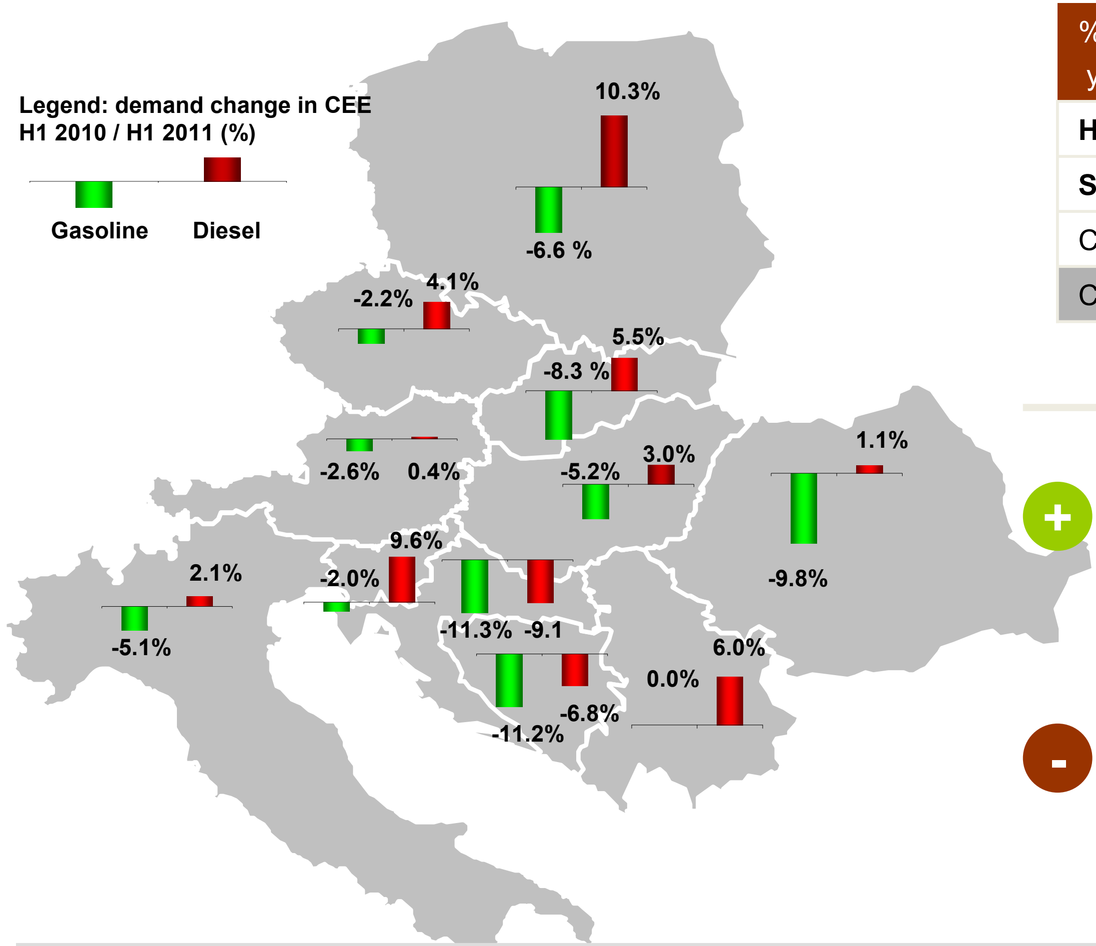
...was moderated by

-

- **lower diesel crack spread** (decrease bellow 100 USD/t)
- **further drop of bottom product crack spreads** (fuel oil, bitumen)
- high(er) crude oil price
- slightly lower petrochemical margin

DOWNSTREAM

Slightly increased motor fuel consumption driven by diesel demand



% change y-o-y	Gasoline H1 2011	Diesel H1 2011	Motor Fuel H1 2011
Hungary	(5.2)	3.0	0.2
Slovakia	(8.3)	5.5	1.3
Croatia	(11.3)	(9.1)	(9.8)
CEE	(5.6)	4.8	1.9

Drivers of year on year performance in H1 2011

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- **Diesel demand increased by almost 5%**
  - strengthening export activity of regional economies
  - agricultural consumption increased due to favourable weather conditions

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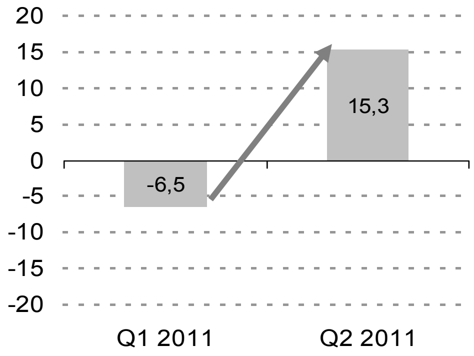
- **Gasoline consumption dropped by more than 5% (mainly private sector)**
  - still high unemployment rate
  - further increase of gasoline quotations

- **Market consumption of motor fuels in the CEE region increased slightly, by 1.9% in H1 2011 vs H1 2010**
- **Increased market presence, focusing on domestic markets and key export countries**
- **For 2011 we expects continuation of gradual recovery driven by non-residential consumption**

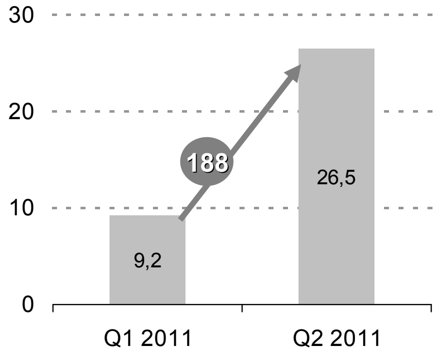
DOWNSTREAM in Q2 2011

Our complex assets delivered good results despite challenging environment

CCS-based R&M operating profit -Group (HUF bn)**

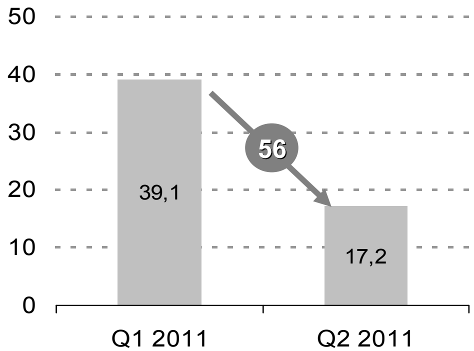


CCS-based R&M operating profit –MOL excl. INA (HUF bn)**

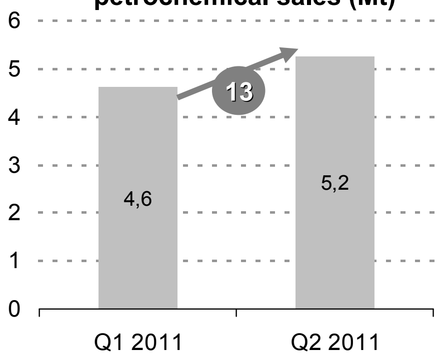


* Excluding special item
** Excluding special items, forex gains on debtors and creditors and impairment on inventories

Operating profit* (HUF bn)



External refined product and petrochemical sales (Mt)



REFINING AND MARKETING 'CLEAN' CCS RESULT

'Clean' CCS-based operating result turned to positive due to complex assets

Positive effects of

- higher sales volume, and
- lower unit cost of refining,

was moderated by

- lower average crack spread
- high own consumption cost

Group result, excluding INA contribution improved significantly, to HUF 26.5 bn

Still less efficient **Croatian downstream remained loss making**

The Downstream segment operating profit, excluding special items **was HUF 17.2 bn** in Q2 2011,

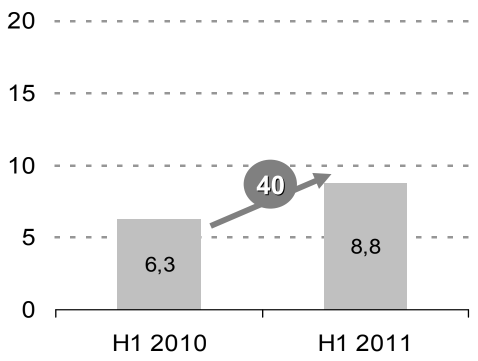
Higher than Q2 2010 result but bellow Q1 2011 level, due to significantly lower positive effect of

- CCS effect and
- FX gain

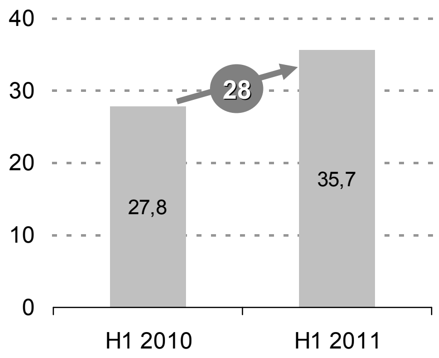
DOWNSTREAM in H1 2011

Significant improvement from a very low level

CCS-based R&M operating profit -Group (HUF bn)**



CCS-based R&M operating profit –MOL excl. INA (HUF bn)**



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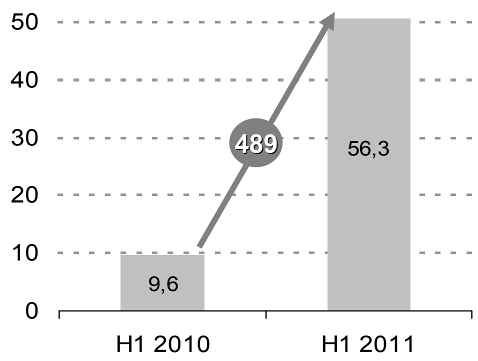
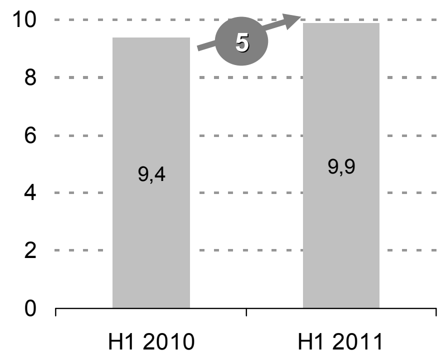
Operating profit* (HUF bn)



External refined product and petrochemical sales (Mt)



REFINING AND MARKETING CLEAN CCS RESULT

'Clean' CCS-based operating profit remained moderated and amounted to HUF 8.8 bn, as

- average crack spread decreased by 15%
- crude oil price increased dramatically

Group result, excluding INA contribution was **HUF 35.7 bn** (up by 28%), supported by

- higher sales volume,
- improved sales margin.

Croatian downstream remained loss making with HUF -26.9 bn contribution to the 'clean' result, due to

- worsening refining environment and
- technical complications of refineries.

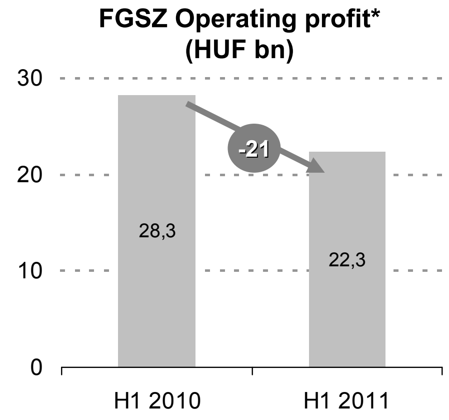
The Downstream segment operating profit, excluding special items increased to HUF 56.3 bn due to

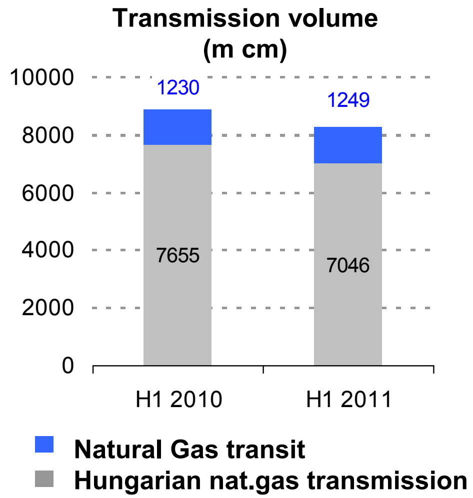
(1) 5% **higher sales volume** and
(2) favorable **Brent-Ural spread**
(3) more **efficient operation**
(4) significant gain on **debtors and creditors**

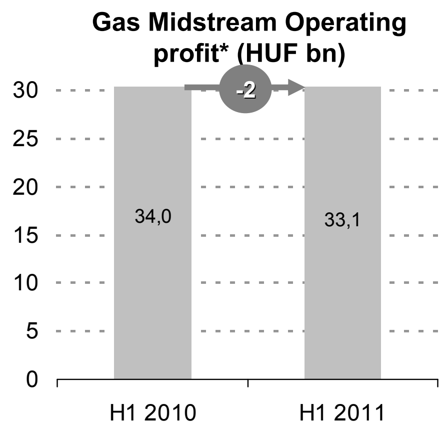
GAS MIDSTREAM

Seasonally weaker result, which was depressed by unfavorable regulatory environment

► **The new Gas Midstream segment's operating profit, excluding special items accounted for HUF 33.1 bn.**







FGSZ Zrt.

- ► In H1 2011 the operating profit decreased by 21% to HUF 22.3 bn y-o-y,
- ► negative effect of temporary frozen gas tariffs
- ► slight decline in transmission volumes (milder weather conditions in winter, and filling of storages are carried out in different times)
- ► transit volume increased by 2%

MMBF Zrt.

- ► Operating profit, excluding special items of MMBF Plc. was HUF 6.5 bn in H1 2011.
- ► MMBF has sold the oil and condensate production of Szőreg-1 field with profit.

* Excluding special items

OUTLOOK H2 2011

Ongoing developments of key businesses

UPSTREAM

- **Aiming to maintain production on 145-150 mboepd in H2 2011**
- **Continue exploration and appraisal program in Kurdistan**
  - **Testing of Bekhme-1 is expected in H2**
- **Further evaluation of unconventional potential in Derecske basin**

DOWNSTREAM

- **Preparation for the second phase of Rijeka modernization**
- **Ongoing efficiency improvement**
- **Continue retail developments in Croatia and Romania**

CAPEX

- **CAPEX FC is broadly unchanged, might undershoot original plan**
- **Focuses on Upstream (Kurdistan exploration, CEE & Russian exploration and development)**

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