



RESULTS OF THE FIRST HALF YEAR 2012 RESULTS AND OUTLOOK

14 August 2012

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SLIGHTLY HIGHER CCS-BASED, OPERATING PROFIT

...however, reported EBITDA decreased in Q2 2012

Q1 2012	Q2 2012	Q2 2011	Ch. %	(IFRS), in HUF billion	H1 2011	H1 2012	Ch. %
157.4	75.5	162.3	(53)	EBITDA	339.6	232.9	(31)
175.2	94.1	165.4	(43)	EBITDA excl. special items⁽¹⁾	352.0	269.2	(24)
111.0	104.1	115.1	(10)	o/w Upstream	231.9	215.2	(7)
53.3	(5.6)	45.7	n.a	o/w Downstream	112.5	47.6	(58)
17.8	13.5	19.0	(29)	o/w Gas Midstream	42.4	31.3	(26)
83.3	1.1	79.6	(99)	Profit from operation	189.0	84.4	(55)
101.1	19.6	88.2	(78)	Profit from operation excl. special items⁽¹⁾	209.3	120.7	(42)
73.7	0.7	54.0	(99)	Net profit for the period ⁽²⁾	146.6	74.4	(49)
83.2	12.2	60.9	(80)	Net profit for the period excl. special items^{(1) (2)}	160.3	95.4	(41)

Q1 2012	Q2 2012	Q2 2011	Ch. %	(IFRS), in HUF billion	H1 2011	H1 2012	Ch. %
139.3	140.1	158.8	(12)	Clean CCS-based EBITDA ^{(1) (2)}	302.6	279.3	(8)
64.2	68.2	87.2	(22)	Clean CCS-based operating profit ^{(1) (2)}	165.5	132.4	(20)

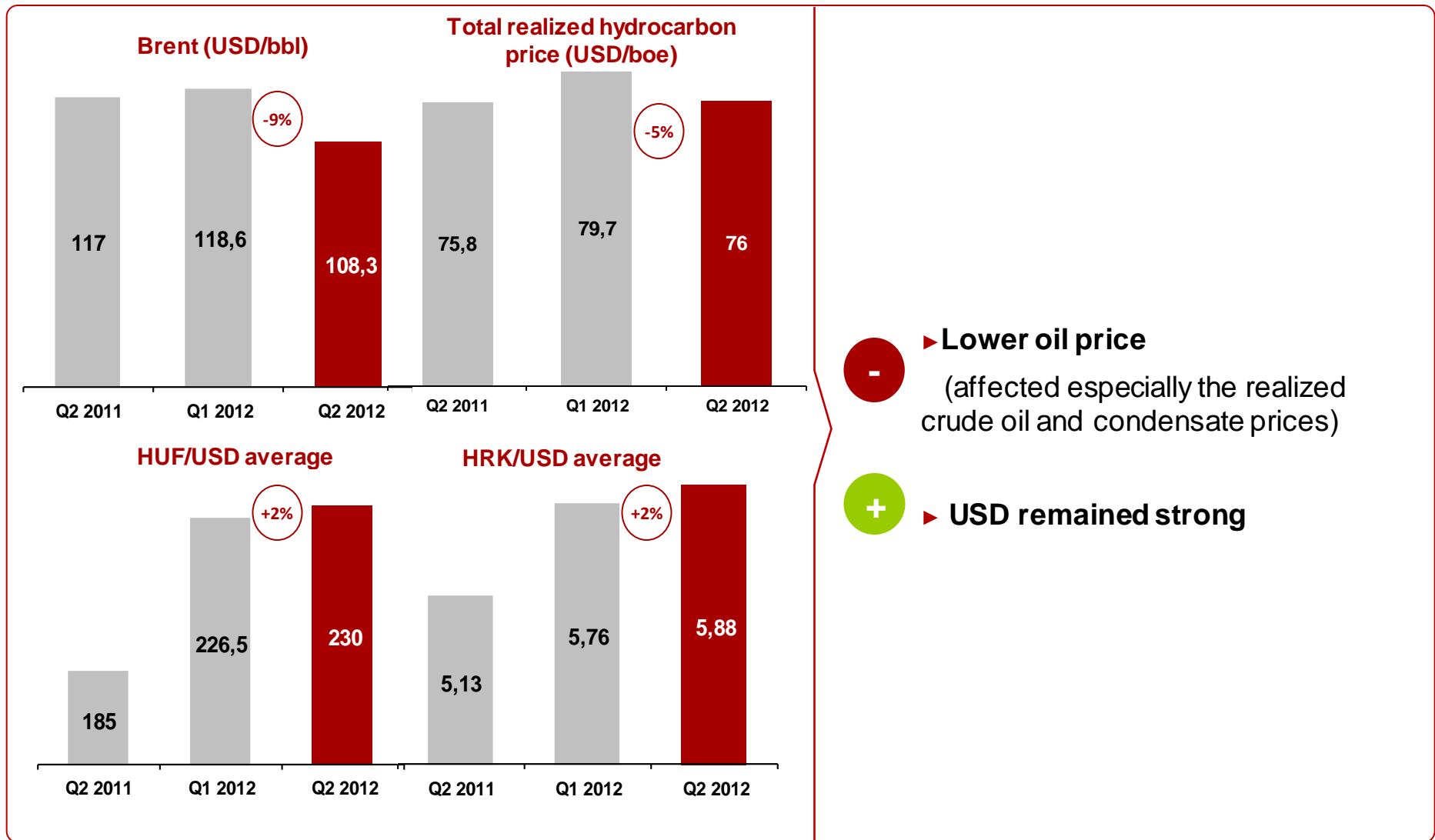
Q2 2012 vs Q1 2012

- ▶ **CCS based operating profit of the Group increased slightly in line with better margins in Downstream.** However, reported EBITDA⁽¹⁾ decreased due to lower Upstream production as well as inventory losses and depressed demand in Downstream.
- ▶ **Upstream** results decreased due to the mix of negative effects: (1) lower hydrocarbon production and (2) impact of Hungarian regulated gas prices
- ▶ **Downstream** results turned to negative due to inventory losses, in addition due to maintenance activities it could not fully benefit from improving margin environment. Nevertheless **on CCS-basis it was the best result since Q4 2010.**

(1) Special items of operating profit and EBITDA are detailed in Appendix II and IV of the Q2 2012 Flash Report.

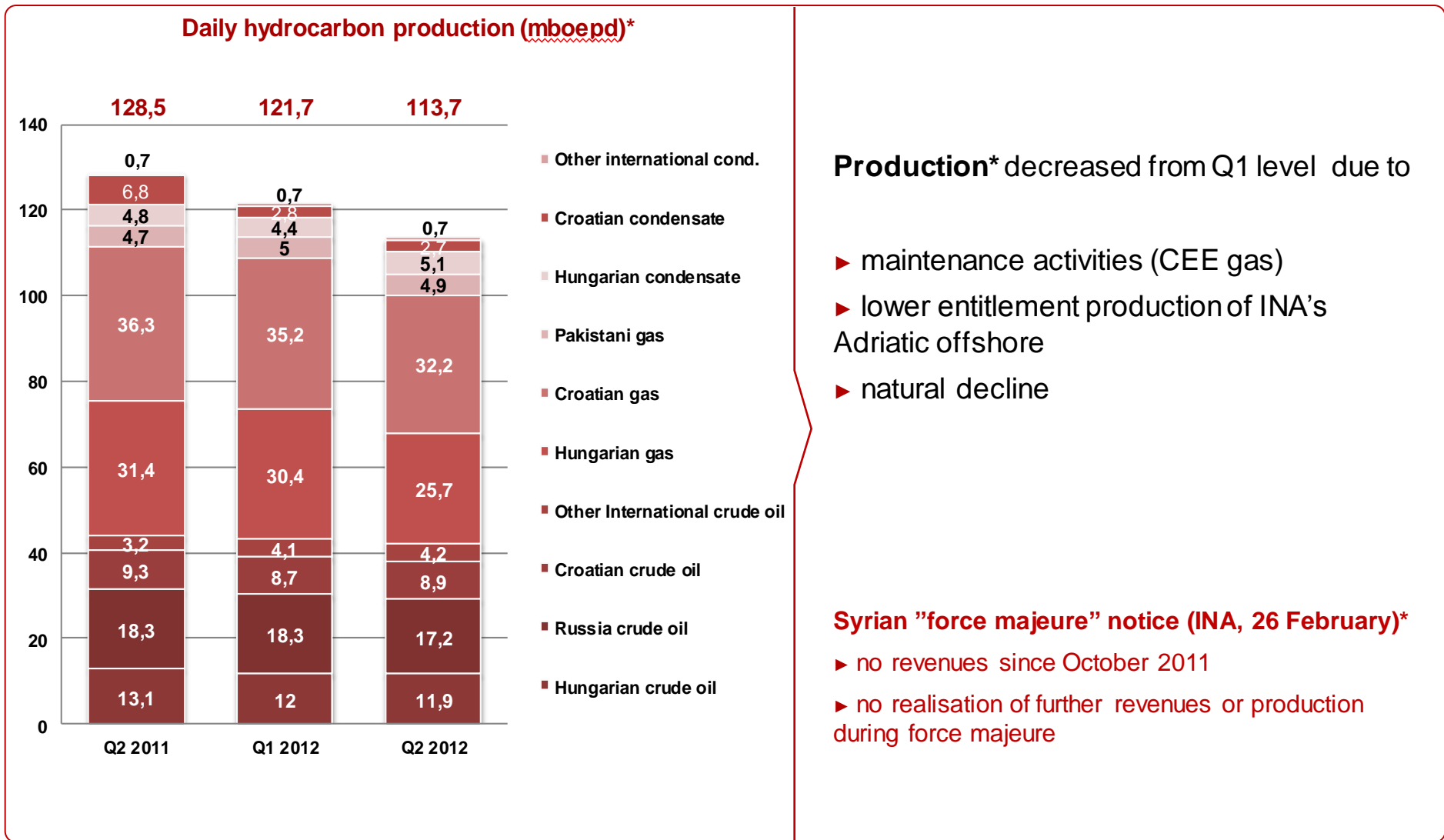
(2) (3) Please see Appendix XI.

UPSTREAM – DECREASING OIL PRICE ENVIRONMENT



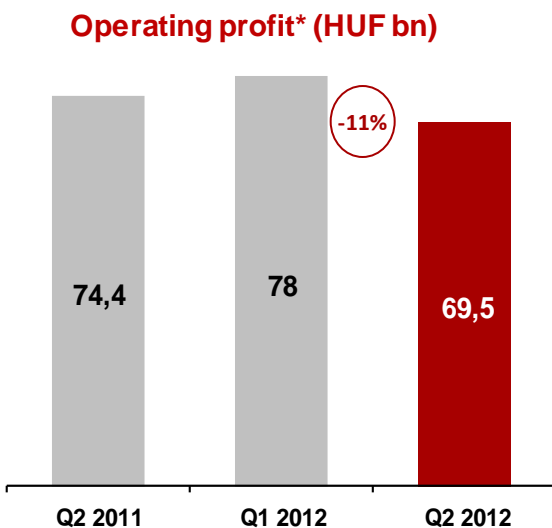
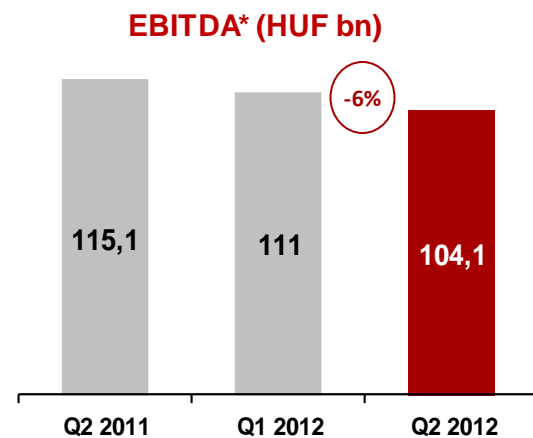
UPSTREAM – LOWER PRODUCTION

Partly due to maintenance activities



* Average daily hydrocarbon production **excluding Syrian production**: INA delivered **force majeure notice** on 26 February to the General Petroleum Company of Syria related to the Production Sharing Agreement for the Hayan Block signed in 1998 and Production Sharing Agreement for the Aphamia Block signed in 2004. Neither INA nor MOL Group do not expect to receive any revenues neither to realize its production share from Syria for the foreseeable future, i.e. until the termination of the "force majeure". Announcing the "force majeure" is a regular mechanism and it doesn't mean termination of the agreement and the simultaneous exit from the project. Further information in the Flash report and on our website: ir.mol.hu

SLIGHT DECREASE IN Q2 UPSTREAM RESULT



- ▶ Decreasing average realized hydrocarbon price
- ▶ Lower production level
- ▶ Regulated Hungarian natural gas price for household customers

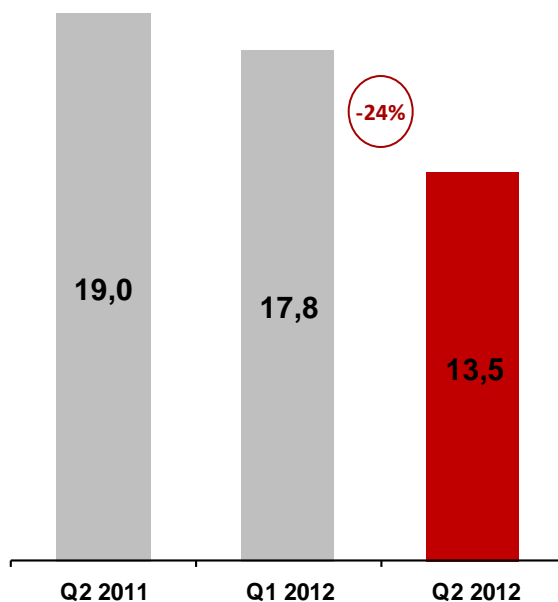


- ▶ USD remained strong

* Excluding special items

GAS MIDSTREAM RESULTS WERE HIT BY CROATIAN LOSS

Gas Midstream EBITDA* (HUF bn)



Contribution of FGSZ and MMBF...



- ▶ due to higher international transit volume and revenues

... was burned by Prirodni Plin



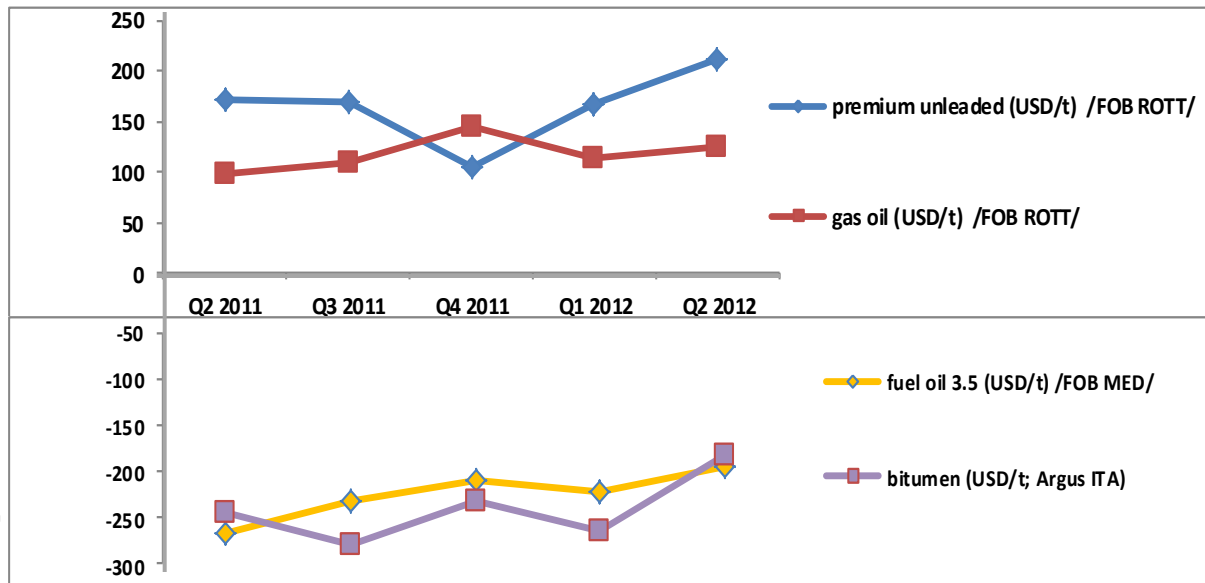
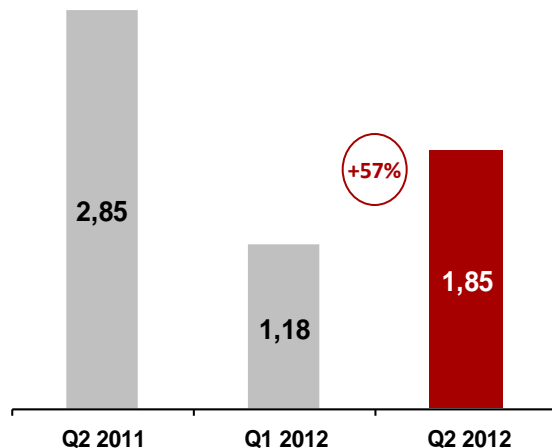
- ▶ increasing import gas price and volume
- ▶ capped natural gas prices
- ▶ ... **However price caps have been increased**
 - ▶ to HRK 2.2/cm from HRK 1.7/cm for **households** as of **May 1**.
 - ▶ to HRK 2.75/cm from HRK 2.13/cm for **eligible costumers** as of **July 1**.

* Excluding special items

DOWNSTREAM ENVIRONMENT IMPROVED SIGNIFICANTLY

Higher average crack spreads in the lower oil price environment

Brent-Ural differential (USD/bbl)



Improved margin environment



- ▶ Higher average crack spreads
- ▶ Increased but volatile Brent-Ural spread



- ▶ Petrochemical margin increased quarter-on-quarter but still below H1 2011 level

... but depressed product demand limit the positive effects

MOTOR FUELS CONSUMPTION DECREASED IN THE CEE REGION

...even diesel demand decreased in light of the worsening economic outlook

Demand of motor fuels decreased in the CEE as

- ▶ still high price (gasoline)
- ▶ worsening economic outlook (diesel)

Our sales dropped more significantly due to longer than expected maintenances

Q2 - Demand change of Motor Fuels *

y-o-y change %	Market demand			MOL Group sales		
	Gasoline	Diesel	Motor Fuel	Gasoline	Diesel	Motor Fuel
Hungary	(5.1)	(4.9)	(5.0)	(6.0)	(8.2)	(7.6)
Slovakia	(3.7)	(3.3)	(3.4)	(4.1)	(1.2)	(2.1)
Croatia	(3.1)	(3.4)	(3.3)	(0.3)	0.6	0.3
Other	(2.7)	(2.2)	(2.3)	(22.1)	(9.5)	(12.9)
CEE 10 countries	(3.0)	(2.5)	(2.6)	(11.6)	(6.9)	(8.3)

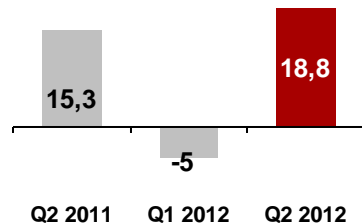
H1 - Demand change of Motor Fuels *

y-o-y change %	Market demand			MOL Group sales		
	Gasoline	Diesel	Motor Fuel	Gasoline	Diesel	Motor Fuel
Hungary	(5.1)	(5.6)	(5.4)	(5.7)	(6.6)	(6.3)
Slovakia	(1.4)	(1.3)	(1.3)	(0.1)	0.6	0.4
Croatia	(7.2)	(4.3)	(5.2)	(1.0)	2.5	1.4
Other	(1.6)	(1.9)	(1.8)	(15.1)	(5.5)	(8.1)
CEE 10 countries	(2.2)	(2.2)	(2.2)	(8.2)	(4.2)	(5.4)

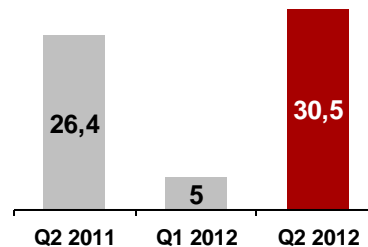
DOWNSTREAM – BEST CLEAN** RESULT SINCE Q4 2010

Inventory losses turned Downstream into the red

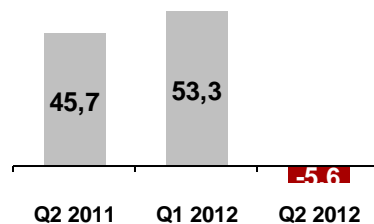
CCS-based** R&M operating profit -Group (HUF bn)



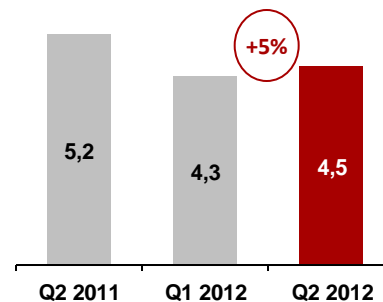
CCS-based** R&M operating profit –MOL excl. INA (HUF bn)



Downstream EBITDA* (HUF bn)



External refined product and petrochemical sales (Mt)



Improvement in clean** figures driven by...

- ▶ Better margin environment
- ▶ Internal efforts aiming optimization of feedstock selection and refinery operation

However....

- ▶ Planned maintenance activities and some unplanned shutdowns in the key refineries
- ▶ Still depressed regional demand
- ▶ Further increasing energy prices

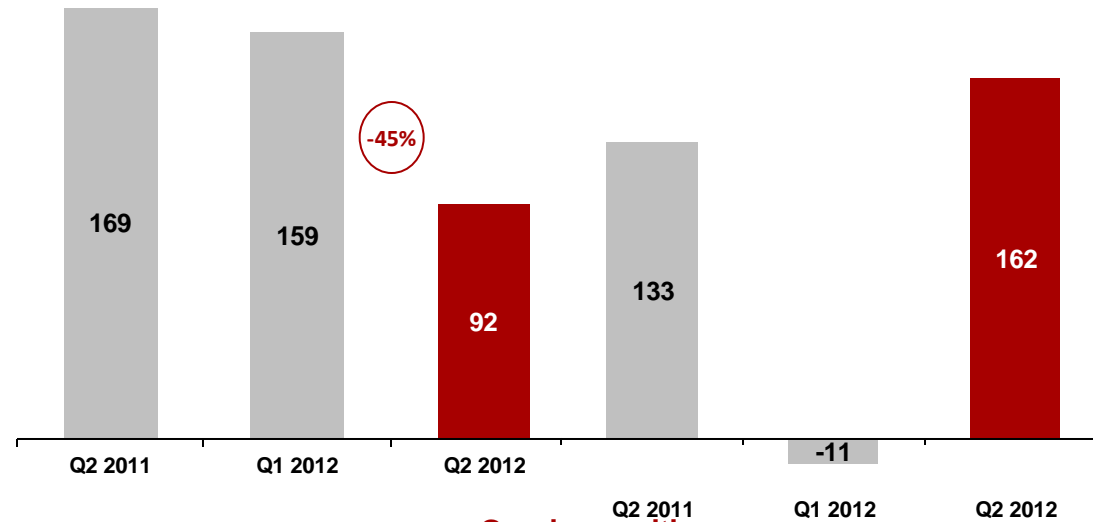
... limited our ability to exploit the better environment

* Excluding special item

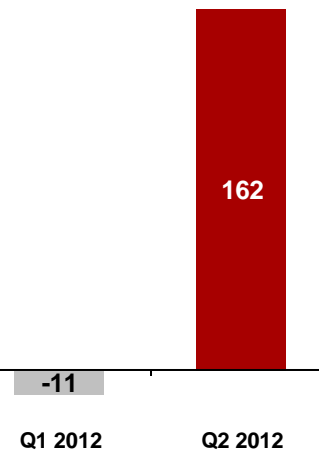
** Excluding special items, replacement modification, forex gains and loss on debtors and creditors and impairment on inventories

STRONG FINANCIAL POSITION

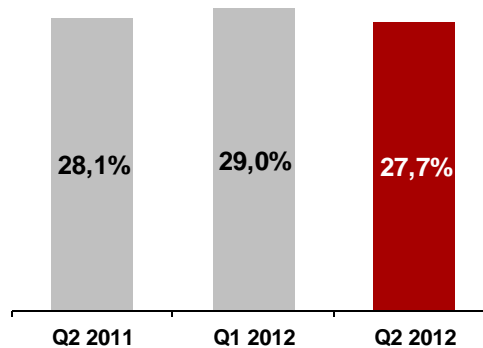
Operating cash flow before changes in working capital (HUF bn)



Operating cash flow after changes in working capital (HUF bn)

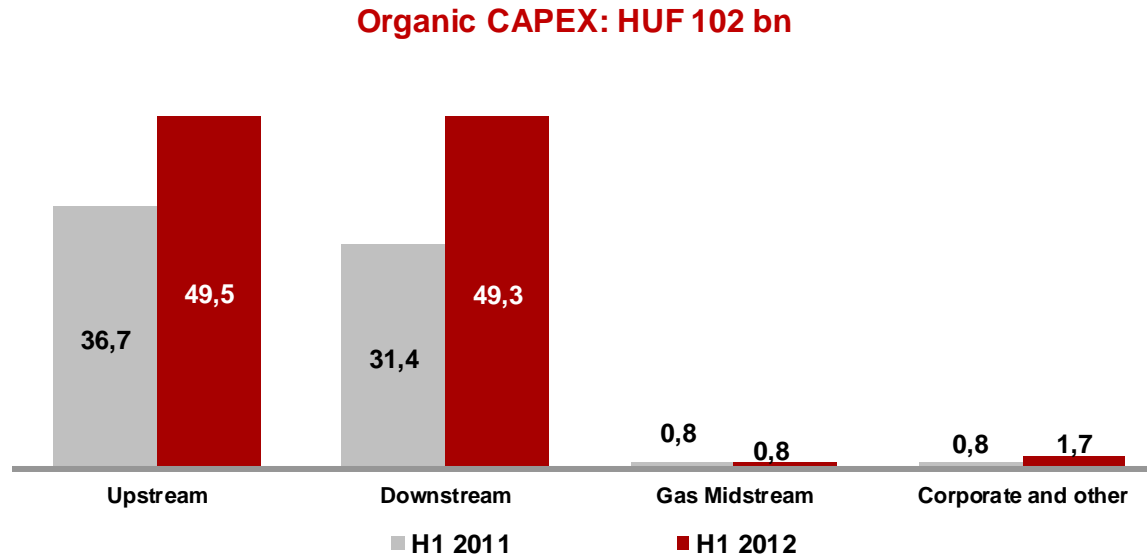


Gearing position



- ▶ Strong operating cash flow due to lower working capital need
- ▶ Decreased gearing ratio

CONSERVATIVE CAPEX POLICY



Organic CAPEX spending was 49% higher compared to the base period:

- ▶ Upstream: CEE region, Russia and Kurdistan Region of Iraq
- ▶ Downstream: general turnaround in Q2 and other maintenance projects as well as Thermal Power Plant revamp at Bratislava refinery

OUTLOOK FOR THE SECOND HALF OF 2012

MACRO

- ▶ **High crude price** remains - historically higher demand for oil in H2
- ▶ Tight Brent-Ural spread **and less favorable crack spread** environment

Business outlook

US

- ▶ **Some improvement in H2 2012 hydrocarbon production from Q2 2012 level**
- ▶ Busy work program in **Kurdistan** – ongoing **2 exploration and 3 appraisal wells**
- ▶ Moderate **positive impact of changing Hungarian royalty regulation on regulated gas**

DS

- ▶ **No significant shutdown in H2** – higher volumes, lower costs
- ▶ First results of the **New Downstream Program**
- ▶ **Moderate regional market demand** remains

GMS

- ▶ **Prirodni Plin's loss to shrink somewhat** due to positive changes in natural gas price caps in Croatia

CAPEX

- ▶ We keep our **USD 1.4 – 1.6bn CAPEX guidance**

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