

# RatingsDirect®

---

## Bulletin:

# MOL Hungarian Oil and Gas PLC 'BB+' Ratings Not Affected By Downgrade Of Hungary

### Primary Credit Analyst:

Per Karlsson, Stockholm (46) 8-440-5927; per\_karlsson@standardandpoors.com

### Secondary Contact:

Lucas Sevenin, Paris (33) 1-4420-6661; lucas\_sevenin@standardandpoors.com

STOCKHOLM (Standard & Poor's) Nov. 26, 2012--Standard & Poor's Ratings Services said today that its ratings and outlook on MOL Hungarian Oil and Gas PLC (MOL; BB+/Stable/--) remain unchanged following the downgrade of Hungary (BB/Stable/B) on Nov. 23, 2012 (see "Long-Term Rating On Hungary Lowered To 'BB'; Outlook Stable").

We anticipate that MOL's credit metrics will continue to be supported by high upstream prices, while liquidity should be supported by significant covenant leeway, material cash balances, and sizable availability under long-term committed bank lines. We assume MOL's financial policies will remain prudent, including spending cuts in case of adverse events. On Sept. 30, 2012, MOL's ratio of funds from operations to debt was higher than 30%, which is above the 25% threshold we see as commensurate with the current rating.

Rating pressures would increase if we were to lower our sovereign ratings on Hungary or Croatia, or if we revised our Transfer & Convertibility assessment on Hungary to below 'BB+'.

We continue to view MOL as a government-related entity (GRE) because we understand the government remains keen on retaining a significant stake in and ability to influence the company.

*Bulletin: MOL Hungarian Oil and Gas PLC 'BB+' Ratings Not Affected By Downgrade Of Hungary*

RELATED CRITERIA AND RESEARCH

- Summary: MOL Hungarian Oil and Gas PLC, Sept. 14, 2012
- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010

**Additional Contact:**

Industrial Ratings Europe; CorporateFinanceEurope@standardandpoors.com

Copyright © 2012 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED, OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses, and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw, or suspend such acknowledgement at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal, or suspension of an acknowledgement as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.standardandpoors.com](http://www.standardandpoors.com) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) and [www.globalcreditportal.com](http://www.globalcreditportal.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.standardandpoors.com/usratingsfees](http://www.standardandpoors.com/usratingsfees).

**McGRAW-HILL**