

MOL Plc. 2000 FOURTH QUARTER AND FULL YEAR PRELIMINARY RESULTS

STRONG RESULTS IN THE NON-REGULATED BUSINESSES HIT BY NATURAL GAS REGULATION

MOL Hungarian Oil and Gas plc. (MOLB.BU, MOLBq.L, MOL HB, MOL LI), today announced its 2000 full year and fourth quarter results. This report contains consolidated financial statements for the period ended 31 December 2000 for MOL Hungarian Oil and Gas Plc. as prepared by management in accordance with International Accounting Standards (IAS).

Financial highlights

MOL Group financial Results (IAS)	Q4 1999		Q4 2000		00/99 ch. %		FY 1999		FY 2000		00/99 ch. %	
	HUF bn	USD m ¹	HUF bn	USD m ¹	HUF	USD	HUF bn	USD m ¹	HUF bn	USD m ¹	HUF	USD
Net sales revenues	255.2	1,037.4	303.4	998.4	19	(4)	742.6	3,129.4	1,026.3	3,635.5	38	16
EBITDA	18.9	76.8	12.1	39.8	(36)	(48)	117.1	493.5	100.7	356.7	(14)	(28)
Operating profit/(loss)	(7.1)	(28.9)	(3.2)	(10.5)	55	64	55.9	235.6	42.9	152.0	(23)	(35)
Net financial expense/(gain)	6.4	26.0	(2.3)	(7.6)	n.a.	n.a.	22.3	94.0	22.7	80.4	2	(14)
Net income before special items⁽²⁾	19.7	80.1	(4.6)	(15.1)	n.a.	n.a.	65.3	275.2	16.2	57.4	(75)	(79)
Net income/(loss)	(3.0)	(12.2)	(3.5)	(11.5)	(17)	6	35.4	149.2	19.5	69.1	(45)	(54)
Operating cashflow	41.1	167.1	2.1	6.9	(96)	(96)	142.9	602.2	52.5	186.0	(63)	(69)

⁽¹⁾In converting HUF financial data into US Dollars, the following average NBH middle rates were used: for the fourth quarter of 1999: 246.0 HUF/USD, for the full year of 1999: 237.3 HUF/USD, for the fourth quarter of 2000: 303.9 HUF/USD, for the full year of 2000: 282.3 HUF/USD. ⁽²⁾Net income before special items (net income adjusted for post-tax effect of special items): see detailed description in Appendix VI.

The MOL Group's operating profit, excluding its regulated gas business, grew by HUF 116.2 bn to HUF 160.0 bn, of which 40% was attributable to growth and efficiency improvements and 60% to external market factors. However, reported net income fell by 45% to HUF 19.5 bn due to the loss in the natural gas business as anticipated in previous reports.

- The EBITDA of the non-regulated businesses for the full year rose by 117% to HUF 208.5 bn and the corresponding EBITDA margin reached an impressive 26% compared with 19% in 1999. However after the inclusion of the regulated gas business EBITDA fell 14% to HUF 100.7 bn resulting in an EBITDA margin of 10%.
- At HUF 96.4 bn Exploration and Production more than quadrupled its contribution to operating profit driven by a combination of high world market prices and cost reduction measures.
- Refining and Marketing contributed HUF 86.0 bn, supported by the favourable international market environment, our efficiency improvement programmes as well as strong performance from retail shop and chemical and LPG retail product sales.
- Gas and Power incurred an operating loss of HUF 117.1 bn in 2000 in contrast to a HUF 12.1 bn profit in 1999. In the fourth quarter, the loss of the G&P segment was HUF 36.2 bn.
- Net income before special items declined by 75% to HUF 16.2 bn in 2000. The fourth quarter of 2000 shows a HUF 4.6 bn loss. Reported net income was HUF 19.5 bn in the year 2000, benefiting from a HUF 5.1 bn profit effect on the disposal of our Tunisian and Egyptian project and a HUF 3.7 bn release of Yugoslavian provisions but reduced by HUF 5.6 bn due to the gas eruption at Pustaszőlös.
- Controllable costs (operating expenses less depreciation, oil and gas purchases and taxes and fees), excluding costs relating to the resolution of Pustaszőlös gas eruption were flat in nominal Forint terms, a reduction in real terms of approximately 10%. This represents a decline of USD 103 m, part of which is due to the strength of the US Dollar in the year. Group headcount was reduced by 12.5% to 16,557 employees.
- Net financial expenses for the full year were HUF 22.7 bn in part due to the weakness of the Euro against the US dollar but this trend was partially reversed in Q4 resulting in an exchange gain in that quarter.
- Operating cash flow was HUF 52.5 bn, representing a decline of 63%, reflecting the gas business losses and the negative impact of higher oil prices on working capital requirements.
- Capital expenditures and investments were HUF 194.4 bn. Capital expenditures were reduced by 27% to HUF 84.1 bn. Investments totalled HUF 110.3 bn and related chiefly to our purchases of significant interests in TVK and Slovnaft. Net debt at year-end was HUF 318.4 bn, giving a net debt to net debt plus equity ratio of 46%, temporarily in excess of our target maximum of 40%.

Mr György Mosonyi, Chief Executive Officer of MOL commented: "If you analyse MOL's results in detail, you will discover that apart from the gas losses, MOL is effectively generating growth from increased market share in the non-regulated sectors and continuous gains in efficiency and reductions in controllable costs in all businesses. MOL has reached an outstanding market position. Our vision is that in the future, growth will have to come from a strategy of improved customer focus and efficiency and of developing regional partnerships. We will ensure by all means that our first partnership with Slovnaft is a success and we will continue in this direction."

Mr Zsolt Hernádi, Chairman of the Board of Directors added: "While I am proud of the very good results we have achieved in our non-regulated businesses, resolving the future of MOL's natural gas business remains our short term priority. It is the fiduciary duty of all Board members to create value for all our shareholders".



Segment performance

Exploration & Production <i>Segment IAS results</i>	Q4 1999		Q4 2000		00/99 ch. %		FY 1999		FY 2000		00/99 ch. %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	10.8	43.9	39.0	128.3	261	192	43.1	181.6	114.5	405.6	166	123
Operating profit	1.2	4.9	34.4	113.2	n.a.	n.a.	22.9	96.5	96.4	341.5	321	254
Capital expenditures	9.8	39.8	9.7	31.9	(1)	(20)	31.0	130.6	23.2	82.2	(25)	(37)

Operating profits for the Exploration and Production segment reflected higher profits on crude oil, condensate and LPG production due to higher market prices as well as reduced operating and domestic exploration costs. Crude oil production was 1.1 Mt, showing a 8.6% decline. Natural gas production was 6.1% lower as low calorific value gas production was reduced. Transfers to other segments are valued at market prices, but in respect of transfers of natural gas, the transfer price is limited to the regulated average wholesale selling price, adjusted to exclude storage, transport and inventory holding fees, where this is lower, as was the case in 2000. A review of estimated future field operation suspension liabilities resulted in a reduction in the related provision of HUF 5.4 bn with a corresponding positive impact on Q4 operating profit. The divestiture programme of our international exploration portfolio accelerated: in Q4 we recorded the sale of our Egyptian interests for USD 10 million, giving rise to a gain of HUF 1.8 bn. This follows the sale of our Tunisian interests, which generated a book gain of HUF 3.3 bn, recorded in Q3. The preparation of our Siberian reserve acquisition project is running as scheduled as we continued to work with Yukos towards the signing of the Production Sharing Agreement. A reserve revaluation showed total reserves at the end of 2000 of 289 million boe (72 million boe crude oil and 212 million boe natural gas) compared with 262 million boe at the end of 1999. Increased efficiency of secondary and tertiary recovery contributed to this increase.

Gas & Power <i>Segment IAS results</i>	Q4 1999		Q4 2000		00/99 ch. %		FY 1999		FY 2000		00/99 ch. %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	4.2	17.1	(33.4)	(109.9)	n.a.	n.a.	21.2	89.3	(107.8)	(381.9)	n.a.	n.a.
Operating profit/(loss)	0.2	0.8	(36.2)	(119.1)	n.a.	n.a.	12.1	51.0	(117.1)	(414.8)	n.a.	n.a.
Capital expenditures	11.8	48.0	5.5	18.1	(53)	(62)	22.1	93.1	15.7	55.6	(29)	(40)

Natural gas sales volumes were 11.6 bcm down by 3.4%, due partly to lower sales to the power sector and, in Q4, to the gas distributors as the relatively mild weather reduced demand by approximately 0.5 bcm. Sales to industrial customers increased. Import sources of 8.7 bcm secured 75% of sales (a 1.2% decrease compared to 1999). Sales from domestic production were broadly unchanged and stood at 2.9 bcm in 2000. Average natural gas import prices reached 34 HUF/m³ for the full year, 13 HUF/m³ above the regulated average wholesale selling price for the same period. At the year end the import price was 40 HUF/m³. The loss for the year was reduced by HUF 15.3 bn by the sale from storage of 1.6 bcm of gas previously imported at lower prices. The profitability of the natural gas business was adversely affected by the 94% increase in import prices including the appreciation of the US dollar against the Euro. 2000 results take into account a HUF 17.9 bn write down of the year-end gas inventories to their net realisable value as import costs exceeded projected sales price. Gas transit revenues were HUF 4.9 bn showing 19% growth and transit volumes went up to 1.3 bcm in 2000 (from 1.1 bcm in 1999). We have cut back CAPEX in response to reduced cash flow, but safety of operations remains a priority.

Refining and Marketing <i>Segment IAS results</i>	Q4 1999		Q4 2000		00/99 ch. %		FY 1999		FY 2000		00/99 ch. %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	9.3	37.8	13.6	45.7	46	21	63.6	268.0	110.2	390.4	73	46
Operating profit	(0.6)	(2.4)	7.5	24.7	n.a.	n.a.	37.9	159.7	86.0	304.6	127	91
Capital expenditures	3.0	12.2	14.0	46.1	367	278	55.0	231.8	42.6	150.9	(22)	(35)

Profitability improvement was achieved due to strong refining margins in 2000, improvements in chemical feedstock sales profitability, as well as retail shop improvements. However, between April and November MOL did not realise the benefits of the peaks of international quoted fuel prices, as we took into account the limitations of overall domestic purchasing power. We sold 7.6 Mt of oil products in 2000 out of which domestic sales were 5.6 Mt and exports reached 2.0 Mt. We kept our leading market positions due to successful sales efforts despite the fact that the domestic motor fuel market decreased by an estimated 3.8% (overall demand for gasoline fell by 8.7% while demand for diesel did not change). MOL's average wholesale domestic motor fuel sales were broadly unchanged as a combined result of the fall in motor gasoline sales (down by 4.4%) and an increase in diesel sales (up by 2.8%). However sales volumes in Q4 were 15% lower than in the previous year, mainly due to a significant fall in demand for fuel oil, the knock-on effect of which on diesel production prevented us from satisfying potential market demand. Our average wholesale market share reached 81% compared to 77% in 1999. In the retail market we slightly increased our market share as our diesel sales went up by 1.6%. Although our retail gasoline sales declined by 6.3% we managed to keep our market position as the overall domestic demand for gasoline also reduced. MOL's retail market share was 41.4% for motor gasoline and 48.0% for gasoils in 2000 (based on data from MÁSZ). We grew our non-fuel sales and cost rationalisation also improved retail profitability. Retail shop gross margin showed a pleasing 30% growth over 1999. Fuel Card sales increased year on year by 14% and represented 26% of total retail volume sales in 2000. Operating profit is negatively impacted by a HUF 3.8 bn provision established in Q4 for redundancy costs. By the end of December 2000, MOL had 445 filling stations, two fewer than one year earlier, as a combined effect of green-field investments and the closure of low performing sites. Of these stations 383 filling stations were located in Hungary and 62 in the region.

Note: The Gas and Power segment encompasses storage, transmission and marketing of gas. Under Exploration and Production we report the contribution of crude oil, natural gas, condensates and LPG exploration and production activity. LPG marketing contribution is reported under Refining and Marketing.



Financial overview

Overview of the environment

The average Brent dated crude oil price was 28.5 USD/bbl in 2000, up 58% compared to an average price of 18.0 USD/bbl in 1999. In Q4 2000 Brent dated crude oil averaged 29.7 USD/bbl. In the year 2000 the average Med quoted price of Ural Blend (dominating MOL's crude oil purchases) was 26.6 USD/bbl, growing by 54% compared to 1999 (17.3 USD/bbl) and averaged 27.9 USD/bbl in Q4 2000. At the same time average CIF Med gasoline (grade 95) prices increased by 61% compared to the full year of 1999, gasoil prices were up by 72%, naphtha and fuel oil prices increased by 57% and 52%, respectively. The USD appreciated by an average of 19% against the Hungarian Forint (from HUF 237.3 in 1999 to HUF 282.3 in 2000). The USD/HUF exchange rate from the year-end 1999 until 31 December 2000 increased by 12.8% (from 252.5 to 284.7 HUF/USD).

Operations

In the year 2000, Group net sales revenues were HUF 1,026 bn, an increase of 38% over 1999. Sales to customers outside Hungary reached HUF 214.5 bn, up by 55%, and represented almost 21% of total sales (1999 – 19%). Other income was HUF 11.8 bn higher than in 1999, chiefly due to the gains on disposal of our Tunisian and Egyptian E&P interests (HUF 5.1 bn) and the reversal of provisions for Yugoslavian receivables (HUF 3.7 bn). The value of raw materials and consumables used increased by 62%. Within this, raw material costs increased by 71%, principally due to the increase in crude oil prices, while the cost of goods purchased for resale, the major part of which relates to imported natural gas, increased by 70%, reflecting increased purchase prices. The value of material-type services and the cost of subcontractors fell by 12% as a direct result of cost saving initiatives. The 13% increase in Q4 relates chiefly to HUF 1.5 bn of costs arising from the gas blow-out at Pusztaszőlös. Personnel expenses for the full year were unchanged in Forint terms and were 20% lower in Q4 reflecting our headcount reduction measures. Other operating expenses includes the cost of redundancy provisions established in the period totalling HUF 5.6 bn, of which HUF 0.3 bn relates to the E&P segment, HUF 0.2 bn to Gas & Power, HUF 3.8 bn to Refining & Marketing and HUF 1.3 bn to Corporate & Other. Other operating expenses also include costs of HUF 4.1 bn arising from the gas blow-out at Pusztaszőlös, of which HUF 3.2 bn relates to the write off of the gas known to have escaped.

Financial income in 2000 was HUF 10.3 bn and, apart from interest income, includes a gain on the disposal of shares in TVK of HUF 3.9 bn. Total financial expenses for the same period amounted to HUF 33.0 bn, of which interest payable was HUF 20.9 bn, up 9% on 1999, while exchange losses on foreign currency loans increased by 9% to HUF 11.4 bn.. This is principally due to the significant weakening of the Euro against the US dollar in the period, although this trend was partially reversed in Q4 leading to an exchange gain in that quarter. The policy of the company is to raise long term debt in US dollar as its non-regulated revenues are dollar linked. The foreign exchange loss is partially compensated by an increase in the Forint value of certain assets, but in accordance with IAS this increase is not recorded in the financial statements. Income from associates was HUF 2.6 bn in 2000 and includes a HUF 3.2 bn first contribution in Q4 from Slovnaft and a loss of HUF 2.4 bn from MOL's increased investment in TVK Rt., which was equity accounted from the fourth quarter. Profit before tax was HUF 22.7 bn. After adjusting for tax of HUF 4.0 bn reflecting a 70% tax holiday for the parent company and the share of minority interests from group profits, net income attributable to shareholders was HUF 19.5 bn. Minority interests showed a positive impact of HUF 0.8 bn, reflecting that the negative results of the subsidiaries were allocated to minority owners (primarily in Kőolajtároló Rt.).

Balance sheet

Intangible assets changed from HUF 8.4 bn to negative HUF 35.3 bn as considerable negative goodwill arose on our Slovnaft and TVK acquisitions. Property, plant and equipment increased by 4%. Long-term financial investments increased by 441% reflecting the stake acquired in Slovnaft and the additional stake in TVK Rt. Inventories were 43% higher than at 31 December 1999, driven by a 32% and 36% increase in the value of raw materials and goods for resale, respectively. Trade receivables decreased by 2%, slower than the growth in Forint terms of the price of key oil products. Other current assets increased by 78%, due chiefly to higher recoverable customs duty and VAT balances, caused by higher oil prices. Other current assets also include the amounts due from the purchasers of our Tunisian and Egyptian interests. Trade and other payables grew by 16%. Short-term debt (including long term debt repayable within one year) was HUF 54.0 bn, HUF 42.1 bn higher than at 31 December 1999. Long term liabilities grew by 50% compared to 31 December 1999. Long term debt, which is the largest part of this account, went up by HUF 110.8 bn to HUF 285.6 bn. The increased borrowings were chiefly necessitated by the losses in the regulated gas business. 71% of the long term debt bore floating interest rates. Foreign currency (dominantly US dollar) debt accounted for 89% of total long term debt at 31 December 2000.

Cash flow

Operating cashflow was HUF 52.5 bn, representing a decline of 63%, reflecting the loss making gas business and the negative impact of higher oil prices on working capital requirements – operating cash flow before movements in working capital decreased by 17%. The increase in working capital arises from increases in inventories and other current assets totalling HUF 86.4 bn only partially offset by increases in trade and other payables totalling HUF 21.5 bn and a HUF 2.2 bn decrease in trade receivables. Corporate tax paid amounted to HUF 6.6 bn. Net cash used in investing activities reached HUF 173.4 bn, while net financing cash inflows amounted to HUF 112.7 bn.



APPENDIX I.

**CONSOLIDATED IAS STATEMENT OF OPERATIONS FOR THE MOL GROUP
FOR THE PERIOD ENDED 31 December 2000**
Unaudited quarterly and full year 2000 figures (in HUF millions)

	Q4 1999	Q4 2000	00/99 Q4 ch %	FY 1999	FY 2000	00/99 FY ch %
Net sales	255,208	303,422	19	742,648	1,026,286	38
Other operating income	1,426	8,608	504	6,752	18,595	175
Total operating revenues	256,634	312,030	22	749,400	1,044,881	39
Raw material costs	86,878	119,799	38	233,685	398,838	71
Value of material-type services used	15,042	16,960	13	53,041	46,540	(12)
Cost of goods purchased for resale	82,710	125,243	51	219,234	373,578	70
<i>Raw material and consumables used</i>	<i>184,630</i>	<i>262,002</i>	<i>42</i>	<i>505,960</i>	<i>818,956</i>	<i>62</i>
Personnel expenses	21,468	17,092	(20)	63,618	63,380	0
Depreciation, depletion, amortisation and impairment	26,064	15,349	(41)	61,233	57,871	(5)
Other operating expenses	38,400	27,661	(28)	85,815	79,673	(7)
Work performed by the enterprise and capitalised	(6,798)	(6,862)	1	(23,140)	(17,861)	(23)
Total operating expenses	263,764	315,242	20	693,486	1,002,019	44
Operating profit	(7,130)	(3,212)	(55)	55,914	42,862	(23)
Interest received	2,543	277	(89)	7,172	4,533	(37)
Dividends received	1,051	(868)	n.a.	1,776	64	(96)
Exchange gains and other financial income	(244)	4,466	n.a.	1,297	5,679	338
<i>Total financial income</i>	<i>3,350</i>	<i>3,875</i>	<i>16</i>	<i>10,245</i>	<i>10,276</i>	<i>0</i>
Interest on borrowings	3,734	4,899	31	14,043	14,896	6
Interest on provisions	1,297	1,597	23	5,188	6,038	16
Write-off of financial investments	1,379	374	(73)	2,411	379	(84)
Exchange losses and other financial expenses	3,355	(5,254)	n.a.	10,880	11,694	7
<i>Total financial expense</i>	<i>9,765</i>	<i>1,616</i>	<i>(83)</i>	<i>32,522</i>	<i>33,007</i>	<i>1</i>
Financial expense/(gain), net	6,415	(2,259)	n.a.	22,277	22,731	2
(Income) /loss from associates	(5,284)	(1,206)	(77)	(850)	(2,594)	205
Profit before tax	(8,261)	253	n.a.	34,487	22,725	(34)
Income tax expense/(benefit)	(5,124)	2,705	n.a.	(426)	4,016	n.a.
Profit after tax	(3,137)	(2,452)	(22)	34,913	18,709	(46)
Minority interests	118	(1,087)	n.a.	504	809	61
Net income	(3,019)	(3,539)	(17)	35,417	19,518	(45)
Net income before special items	19,676	(4,554)	n.a.	65,289	16,229	(75)
Basic and diluted earnings per share (HUF)	(31)	(36)	(16)	362	199	(45)



APPENDIX II.

**CONSOLIDATED IAS BALANCE SHEETS FOR THE MOL GROUP
AS AT 31 December 2000**

Unaudited quarterly and full year 2000 figures (in HUF millions)

	31 Dec 1999	31 Dec 2000	Change %
Assets			
Non-current assets			
Intangible assets	8,416	(35,344)	n.a.
Property, plant and equipment	426,021	444,006	4
Investments	35,130	190,107	441
Deferred tax asset	12,936	12,415	(4)
Other non-current assets	2,935	1,854	(37)
Total non-current assets	485,438	613,038	26
Current assets			
Inventories	98,605	140,598	43
Trade receivables, net	100,011	97,798	(2)
Marketable securities	6,696	9,944	49
Other current assets	32,566	57,954	78
Cash and cash equivalents	19,567	11,310	(42)
Total current assets	257,445	317,604	23
Total assets	742,883	930,642	25
Liabilities and shareholders' equity			
Shareholders' equity			
Share capital	97,911	98,113	0
Reserves	230,388	261,459	13
Net income for the period	35,417	19,518	(45)
Total shareholders' equity	363,716	379,090	4
Minority interest	6,262	5,783	(8)
Non-current liabilities			
Long-term debt, net of current portion	174,877	285,649	63
Provisions for liabilities and charges	39,608	39,280	(1)
Other non-current liabilities	2,378	500	(79)
Total non-current liabilities	216,863	325,429	50
Current liabilities			
Trade and other payables	133,215	155,133	16
Provisions for liabilities and charges	10,970	11,240	2
Short-term debt	1,745	10,023	n.a.
Current portion of long-term debt	10,112	43,944	335
Total current liabilities	156,042	220,340	41
Total liabilities and shareholders' equity	742,883	930,642	25



APPENDIX III.

MOVEMENT IN SHAREHOLDERS' EQUITY FOR THE MOL GROUP
FOR THE PERIOD ENDED 31 December 2000
 Unaudited quarterly and full year 2000 figures (in HUF millions)

	Share capital	Reserves	Retained profit for the period
Opening balance 1 January 2000	97,911	230,388	35,417
Transfer to reserves of retained profit for the previous year		35,417	-35,417
Retained profit for the period			19,518
Net change in balance of treasury shares held	202	1,242	
Gains on treasury share transactions		(202)	
Dividend for the year 1999		(5,386)	
Closing balance 31 December 2000	98,113	261,459	19,518

APPENDIX IV.

CONSOLIDATED IAS STATEMENTS OF CASH FLOWS FOR THE MOL GROUP
FOR THE PERIOD ENDED 31 December 2000
 Unaudited quarterly and full year 2000 figures (in HUF millions)

	Q4 1999	Q4 2000	ch %	FY 1999	FY 2000	ch %
Net cash provided by operating activities	41,084	2,059	(95)	142,912	52,487	(63)
Of which changes in working capital	(7,207)	453	n.a.	4,547	(62,705)	n.a.
Capital expenditures and exploration costs	(49,235)	(24,513)	(50)	(110,325)	(79,238)	(28)
Proceeds from the disposal of fixed assets	1,966	5,726	191	2,847	7,778	173
Net cash inflow/(outflow) on purchase of subsidiary undertaking	(1,605)	-	n.a.	(1,605)	-	n.a.
Net cash inflow on newly consolidated subsidiaries	4,288	-	n.a.	4,296	-	n.a.
Acquisition of other investments	6,687	(96,478)	n.a.	(22,103)	(113,614)	414
Proceeds from the disposal of investments	311	7,577	n.a.	1,660	8,463	410
Changes in loans and long-term bank deposits	630	(1,585)	n.a.	58	(1,767)	n.a.
Changes in short term investments	565	(1,487)	n.a.	125	(3,248)	n.a.
Interest received and other financial income	1,443	1,599	11	7,986	6,065	(24)
Dividend received	344	410	19	1,069	2,132	99
Net cash used in investing activities	(34,606)	(108,751)	214	(115,992)	(173,429)	50
Issuance of long-term debt	18,272	114,874	529	50,101	169,502	238
Repayments of long term debt	(3,854)	(6,340)	65	(38,686)	(42,102)	9
Changes in short-term debt	(13,333)	(1,276)	(90)	(8,680)	8,205	n.a.
Interest paid and other financial costs	(2,564)	(4,089)	59	(13,816)	(18,692)	35
Dividends paid to shareholders	1,230	-	n.a.	(7,554)	(4,677)	(38)
Dividends paid to minority interest	1	-	n.a.	(32)	(793)	n.a.
Net sale/(repurchase) of treasury shares	221	144	(35)	504	1,242	146
Net cash provided/(used) in financing activities	(27)	(103,313)	n.a.	(18,163)	112,685	n.a.
Net increase/(decrease) in cash	6,451	(3,379)	n.a.	8,757	(8,257)	n.a.
Cash at the beginning of the period	13,116	14,689	12	10,810	19,567	81
Cash at the end of the period	19,567	11,310	(42)	19,567	11,310	(42)



APPENDIX V.

KEY IAS FINANCIAL DATA BY BUSINESS SEGMENT (in HUF millions)

NET EXTERNAL SALES REVENUES	Q4 1999	Q4 2000	FY 1999	FY 2000
Exploration and Production	1,231	1,563	6,121	4,727
Gas and Power	75,840	83,295	225,669	235,325
Refining and Marketing	172,296	209,604	486,928	755,165
Corporate and other	5,841	8,960	23,930	31,069
TOTAL	255,208	303,422	742,648	1,026,286
OPERATING PROFIT	Q4 1999	Q4 2000	FY 1999	FY 2000
Exploration and Production	1,201	34,378	22,861	96,360
Gas and Power	247	(36,208)	12,135	(117,094)
Refining and Marketing	(641)	7,451	37,855	86,036
Corporate and other	(7,937)	(8,833)	(16,937)	(22,440)
TOTAL	(7,130)	(3,212)	55,914	42,862
CAPITAL EXPENDITURES AND INVESTMENTS	Q4 1999	Q4 2000	FY 1999	FY 2000
Exploration and Production	9,818	9,654	30,983	23,190
Gas, and Power	11,766	5,512	22,137	15,676
Refining and Marketing	2,991	13,992	54,620	42,587
Corporate and other	4,272	94,662	23,403	112,977
TOTAL	28,847	123,820	131,143	194,430
DEPRECIATION	Q4 1999	Q4 2000	FY 1999	FY 2000
Exploration and Production	9,628	4,574	20,230	18,104
Gas and Power	3,931	2,837	9,062	9,269
Refining and Marketing	9,976	6,177	25,706	24,198
Corporate and other	2,529	1,761	6,235	6,300
TOTAL	26,064	15,349	61,233	57,871
TANGIBLE ASSETS			31 Dec 1999	31 Dec 2000
Exploration and Production			87,301	88,683
Gas and Power			102,914	108,989
Refining and Marketing			206,424	219,408
Corporate and other			29,382	26,926
TOTAL			426,021	444,006

MOL's natural gas storage, transportation and trading activities, formerly part of the Exploration and Production Business Segment, are included with effect from 1 January 2000 in a new business segment, Gas and Power. Net external sales revenues include only sales to third parties outside the MOL Group; operating profit includes the profit arising both from sales to third parties and transfers to the other business segments. Exploration and Production transfers domestically produced crude oil, condensates and LPG to Refining and Marketing and natural gas to Gas and Power. The internal transfer prices used are based on prevailing market prices. However, in respect of transfers of natural gas, the transfer price is limited to the regulated wholesale selling price, adjusted to exclude storage, transport and inventory holding fees, where this is below the prevailing market price as this was the case in FY 2000. Divisional figures contain the results of the fully consolidated subsidiaries engaged in the respective divisions. The Nitrogénművek Rt. fertiliser manufacturing business is included under Corporate and other.

APPENDIX VI.

RESTRUCTURING CHARGES AND OTHER SPECIAL ITEMS (in HUF millions)

Impact of special items	Q4 1999	Q4 2000	FY 1999	FY 2000
Adoption of Successful Efforts method of exploration accounting				
Effect on operating profit	(4,333)	-	(3,280)	-
Effect on income from associates	4,974	-	-	-
Restructuring items affecting operating profit	(23,594)	-	(23,594)	-
Other special items affecting operating profit				
Disposal of Tunisian and Egyptian exploration project	-	2,216	-	5,079
Provision for Yugoslavian receivables	(926)	742	(3,349)	3,679
Gas eruption at Pustaszőlös	-	(2,012)	-	(5,571)
Other special items affecting financial results				
Writedowns on investments	(1,380)	-	(2,412)	-
TOTAL IMPACT BEFORE TAXATION	(25,259)	946	(32,635)	3,187
Tax effect associated with restructuring and other special items	1,586	69	1,785	102
TOTAL IMPACT AFTER TAXATION	(23,673)	1,015	(30,850)	3,289
Minority interest	978	-	978	-
TOTAL IMPACT ON NET INCOME	(22,695)	1,015	(29,872)	3,289



APPENDIX VII.

KEY OPERATING DATA (Group figures)

HYDROCARBON PRODUCTION (kt)	1999	2000	1999	2000	00/99
(gross figures, before royalty)	Q4	Q4	FY	FY	Change %
Crude oil production	319	287	1,243	1,136	(9)
Natural gas production (net dry)	1,081	906	3,396	3,189	(6)
Condensates production	73	75	282	279	(1)
LPG production (w/o refining production)	49	58	192	201	5
Other gas products	14	14	39	45	15

NATURAL GAS BALANCE	1999	2000	1999	2000	00/99
million m ³	Q4	Q4	FY	FY	Change %
Sales from production	1,291	968	3,217	2,917	(9)
Sales from import	2,836	2,672	8,816	8,711	(1)
TOTAL SOURCES	4,127	3,640	12,033	11,628	(3)
Sales to Gas Distribution Companies (GDCs)	3,408	2,828	9,112	8,739	(4)
Sales to power sector	431	446	1,972	1,687	(14)
Sales to industrial and other consumers	288	366	949	1,202	27
TOTAL THIRD PARTY SALES	4,127	3,640	12,033	11,628	(3)
Loss and own consumption	91	121	333	483	45
TOTAL SALES AND LOSSES	4,218	3,761	12,366	12,111	(2)
NATURAL GAS TRANSIT	436	296	1,093	1,281	17

REFINERY THROUGHPUT	1999	2000	1999	2000	00/99
Thousand tons	Q4	Q4	FY	FY	Change %
Processing of domestic crude oils	251.2	434.2	979.3	1090.7	11
Processing of imported crude oils	1592.6	1482.8	5773.7	5710.4	(1)
Processing of condensates	88.1	76.1	282.3	273.7	(3)
Other processing	133	245.2	501.1	699.3	40
TOTAL REFINERY THROUGHPUT	2064.9	2238.3	7536.4	7774.1	3
REFINED PRODUCT SALES	1999	2000	1999	2000	00/99
Thousand tons	Q4	Q4	FY	FY	Change %
TOTAL DOMESTIC SALES	1644.1	1419.0	5687.9	5627.8	(1)
TOTAL EXPORT SALES	551.5	445.2	2059.0	2011.4	(2)
TOTAL CRUDE OIL PRODUCT SALES	2195.6	1864.2	7746.9	7639.2	(1)

HEADCOUNT	1999	2000	00/99
(full-time MOL Group employees)	FY	FY	Change %
TOTAL CLOSING HEADCOUNT	18,921	16,557	12

Mobile natural gas inventories (million m³)	1999 Q1	1999 Q2	1999 Q3	1999 Q4
Domestic	187.1	437.2	728.7	462.3
Import	486.1	1527.4	2673.0	1844.5
TOTAL CLOSING INVENTORIES	673.2	1964.6	3401.7	2306.8

Mobile natural gas inventories (million m³)	2000 Q1	2000 Q2	2000 Q3	2000 Q4
Domestic	164.2	399.3	648.0	555.1
Import	264.9	1260.3	2395.4	1843.3
TOTAL CLOSING INVENTORIES	429.1	1659.6	3043.4	2398.4



APPENDIX VIII.

EXTRAORDINARY ANNOUNCEMENTS IN Q4 2000

Announcement date	
11 October	MOL comments on OMV's shareholding in the company
13 October	Reaction on the statement of OMV
17 October	MOL welcomes announcement made by Ministry of Economic Affairs on natural gas price
20 October	Resolutions of the Extraordinary General Meeting held on 20 October 2000 MOL Board announcement on the share purchase made by OMV
25 October	Signing of EUR 100 m multi-currency finance contract with the European Investment Bank
30 October	MOL Group increases its stake in TVK to 32.9%
8 November	MOL increases capital of Slovnaft by US\$ 158 m as part of the announced partnership
14 November	Q1-3 2000 Flash Report
16 November	MOL recognises the resolution of the Hungarian Energy Office as a positive development
17 November	Correction to MOL's Q1-3 2000 preliminary results Bonus share announcement
20 November	MOL appeals against the court decision on the natural gas price
22 November	Board decides on organisational changes
23 November	Successful extinguishing of the natural gas eruption at Pusstaszőlős
21 December	MOL managers on Slovnaft's board of directors

APPENDIX IX.

SHAREHOLDER STRUCTURE AND TREASURY SHARES

Shareholder groups	30 Sept 1999	31 Dec 1999	30 Sept 2000	31 Dec 2000
Foreign institutional investors	55.3	50.7	52.1	52.8
Foreign private investors	0.0	0.0	0.0	0.0
ÁPV Rt. (Hungarian State Privatisation and Holding Co.)	25.0	25.0	25.0	25.0
Hungarian institutional investors	2.1	2.2	3.5	4.9
Hungarian private investors	0.8	0.8	0.9	0.5
Depositories	13.4	18.5	18.0	16.4
MOL Rt. (treasury shares)	0.5	0.4	0.3	0.3
Unregistered shares	2.9	2.4	0.2	0.1

According to the Share Register, beside ÁPV Rt. only 2 shareholders owned more than 5% of the ordinary share capital of MOL Rt. at 31 December 2000: the depository bank for MOL's GDR programme at that date, the Bank of New York, which had 23.1% of the shares registered and OMV owning 9.3% of the ordinary shares of MOL. As of 8 January 2001, MOL appointed J.P. Morgan as successor depository bank for its GDR programme. The reduction of 14,409 in the number of treasury shares held by MOL from 297,905 to 283,496 is due chiefly to the settlement in shares of the payment made to the employees of the accounting services department transferred in December 2000 to Accenture Kft.

Relevant changes in the governing bodies of MOL Rt. during the period:

EGM approved the election of Dr Sándor Csányi and Mr Miklós András as members of MOL's Board of Directors for the period starting from 20 October 2000 until the annual general meeting following the 2003 business year. The Board of MOL made a decision to improve the organisation of MOL. A new position, Chief Strategy Officer has been created and the Supply-Refining-Logistic Division and the Commercial Division was merged from 1 January, 2001 to Refining and Commercial Division. The new departments directly report to the Chief Executive Officer.