

MOL Group. 2002 FIRST QUARTER PRELIMINARY RESULTS

IMPROVING GAS RESULT IN PART OFFSET BY POOR OIL INDUSTRY ENVIRONMENT

MOL Hungarian Oil and Gas plc. (MOLB.BU, MOLBq.L, MOL HB, MOL LI; homepage: www.mol.hu), today announced its 2002 first quarter results. This report contains consolidated financial statements for the period ended 31 March 2002 for MOL Hungarian Oil and Gas Plc. as prepared by management in accordance with International Financial Reporting Standards (IFRS).

Financial highlights

FY 2001			Q1 2001		Q1 2002		Change %	
Restated ²		MOL Group financial Results (IFRS)	Restated ²					
HUF bn	USD m ¹		HUF bn	USD m ¹	HUF bn	USD m ¹	HUF	USD
1 168.4	4 078.2	Net sales revenues	305.9	1 064.0	291.1	1045.6	(5)	(2)
71.9	251.0	EBITDA	20.6	71.7	28.5	102.4	38	43
(3.1)	(10.8)	Operating profit/(loss)	3.0	10.4	12.2	43.8	300	321
4.2	14.7	Net financial expenses	15.1	52.5	1.6	5.7	(89)	(89)
1.2	4.2	Net income/(loss)	(12.1)	(42.1)	10.2	36.6	n.a.	n.a.
73.4	256.1	Operating cash flow	36.4	126.6	55.9	200.8	53	59

⁽¹⁾ In converting HUF financial data into US Dollars, the following average NBH middle rates were used: for the first quarter of 2001: 287.5 HUF/USD, for the full year of 2001: 286.5 HUF/USD, and for the first quarter of 2002: 278.4 HUF/USD. ⁽²⁾ TVK Rt. has been fully consolidated with effect from 1 January 2002. The prior year figures have been restated accordingly. See also footnote 4 on page 3.

First quarter profitability improved dramatically as reduced losses in the gas business compensated for lower profits from our core oil business, caused by the worst international downstream environment for many years.

- **Operating cash flow** was HUF 55.9 bn, representing an increase of 53%, primarily a result of less significant losses of the gas business. Changes in working capital requirements had a positive effect of HUF 28.7 bn on operating cash flow.
- **Exploration and Production** operating profit in Q1 2002 was HUF 16.6 bn driven by a combination of a lower crude oil price, higher gas transfer prices and increased production. This represents a 26% decline in profits compared to Q1 2001.
- **Refining and Marketing** contributed reported operating profit of HUF 3.5 bn, reflecting both extremely negative international refining margins and the accounting treatment of inventory. Adjusted for estimated inventory effects operating profit fell by 58%, broadly in line with industry trends.
- The **Natural Gas** segment incurred an operating loss of HUF 6.7 bn in contrast to a HUF 41.4 bn loss in Q1 2001 primarily as the difference between the cost of imported gas and the regulated selling price contracted.
- The **Petrochemical** segment produced a negative result as the rise in raw material costs was not immediately reflected in the sale prices of petrochemical products.
- **Controllable costs** (operating expenses less depreciation, oil and gas purchases and taxes and fees) excluding one-off items decreased slightly by 0.7 % in real Forint terms demonstrating management's continued focus on cost control. Group headcount was reduced by 18% in line with our strategic targets.
- **Net financial expenses** for the first three months of 2002 were HUF 1.6 bn compared with HUF 15.1 bn in Q1 2001 chiefly as a result of reduced exchange losses resulting from the stability of the Forint in the period.
- **Income from associates**, Slovnaft contributed HUF 1.1 bn.
- **Capital expenditures** and investments in Q1 were reduced by 13% to HUF 7.3 bn. Net debt at the end of March 2002 was HUF 233 bn.

Mr Zsolt Hernádi, Executive Chairman of MOL commented: “ In Q1 we continued to focus on efficiency and growth in order to reach our strategic goals. In the upstream segment we signed an agreement, which will result in the establishment of a joint venture with Yukos for the development and production of the ZMB field. Through this project MOL will double its crude oil production and crude reserves. At the same time our first priority remains the realisation of our strategy for the regulated gas business in a way that maximises shareholder value. The short-term focus will be to clarify with the new government plans for future gas price regulation and market liberalisation in order to enable us to fairly value the gas business.”

Mr György Mosonyi, Group Chief Executive Officer of MOL added:

“ While the Group's operating profit was adversely affected by a very unfavourable market environment, our underlying business performance was strong as is reflected in the significantly improved operating cash flow. In the downstream segment we produced a better product slate due to the commissioning of the delayed coker, which made it possible to process less crude whilst still satisfying the growing demand for higher value white products. In the natural gas segment, due primarily to a fall in import prices, we experienced a significant improvement in operating profitability. We continued our non-core divestment programme with the sale of our 30% stake in BC Erőmű, a power generation joint venture company with Borsodchem. In line with our strategy group headcount was reduced by 18% compared to the first quarter of 2001.”

Segment performance

FY 2001		Exploration & Production <i>Segment IFRS results</i>	Q1 2001		Q1 2002		Change. %	
HUF bn	USD m		HUF bn	USD m	HUF bn	USD m	HUF	USD
87.2	304.4	EBITDA	26.4	91.8	20.7	74.4	(22)	(19)
67.2	234.6	Operating profit	22.5	78.3	16.6	59.6	(26)	(24)
23.6	82.3	Capital expenditure and investments ¹	4.1	14.4	3.4	12.1	(17)	(16)

Segmental profitability was influenced unfavourably by the 18% fall in crude oil prices in Q1 2002, compared to the same period of the previous year. This negative impact was not compensated by the higher transfer prices of domestically produced natural gas. Total operating costs were unchanged in real forint terms. Exploration costs were flat while the merger of international and domestic exploration and production activities capped the rise of other operating costs.

Segmental production volumes increased slightly compared to Q1 2001. Crude oil production grew by 1.3% to 0.3 Mt in Q1 2002. Natural gas production grew by 9% or 74 mcm to 0.9 bcm as production was maximised in order to meet high demand. The increase is largely due to additional production related to cushion gas at gas storage facilities. Additional production accounted for within the E&P segment amounted to 16 mcm.

In February MOL and Yukos signed an agreement providing for the joint development of the ZMB field. The companies expect to begin joint production in the summer following receipt of the necessary approvals from the local authorities. With the implementation of this project MOL will double its proven crude oil reserves and further expects to double current crude oil production within three years.

FY 2001		Refining and Marketing <i>Segment IFRS results</i>	Q1 2001		Q1 2002		Change. %	
HUF bn	USD m		HUF bn	USD m	HUF bn	USD m	HUF	USD
96.7	337.5	EBITDA	22.2	77.2	10.1	36.3	(55)	(53)
70.2	245.0	Operating profit	15.9	55.3	3.5	12.6	(78)	(77)
22.2	77.6	Capital expenditure and investments ¹	3.7	12.9	1.3	4.7	(65)	(64)

Segmental operating profit was dramatically affected by lower crack spreads, which fully reflected global market trends, and a reduction in the differential between quoted Ural and Brent prices. In spite of these factors, as a result of lower crude intake and our marketing efforts, the underlying segment performance, excluding estimated accounting and inventory effects, would have been HUF 8bn, in Q1 2002 compared to HUF 19bn on the same basis in the same period of the previous year.

The residue upgrade project that was put into operation in Q4 2001 operated at planned capacity in Q1 2002. The delayed coker's positive impact on the product slate resulted in a HUF 1.1 bn boost to profitability in Q1 2002.

In line with our strategy and the regional fuel demand/supply balance, following the introduction of the delayed coker MOL was able to process 216 kt (13%) less crude oil whilst still producing more higher value white products. As an obvious consequence total product sales fell by 6%, to 1.5 Mt in Q1 2002, of which domestic sales amounted to 0.9 Mt (15.7% lower than the corresponding figure for Q1 2001). Total product sales excluding fuel oil rose by 15%. Refinery capacity utilisation improved in almost every operating unit. Excluding fuel oil sales, our domestic sales volume increased by 2%, on a year-on-year basis. In motor fuel sales we successfully focused our efforts on optimising the balance between domestic wholesale margins and our market share. Consequently, our motor fuel sales increased by 2% compared to 5.6% growth in domestic market demand. MOL-Slovnaft sale channel optimisation also resulted in 34% growth in Slovnaft fuel products on the Hungarian market. MOL-Slovnaft optimisation also contributed to the growth in MOL's total export sales of 11% and specifically to the growth in MOL motor fuel sales to the region of 68%. MOL's exports to Slovakia represented a significant part of the increase.

At the end of March we had a total of 443 filling stations, of which 377 filling stations were located in Hungary. During Q1 we opened 2 new MOL-2000 filling stations, reopened one station following its reconstruction and we closed 3 low turnover domestic filling stations, in order to improve network efficiency. Network efficiency improvements are demonstrated by the 6.9% y-o-y growth in fuel throughput per site in Q1 2002. In spite of site closures domestic retail sales grew by 3.8% in gasoline, and by 5.8% in gas oil compared to Q1 2001. Our retail market share in respect of gasoline and gas oil, was 41% and 46% respectively, based on data from MÁSZ. Fuel card sales increased by 6.7%, the number of regular customers' cards grew by 9.8%. We increased our shop sales by 37% and the proportion of non-fuel sales per litre of fuel sold grew by 31%. We increased our retail lubricants market share by 5%.

While Hungarian LPG and gas products demand grew by 17%, MOL's corresponding wholesale volume growth reached 23% (12.9 kt) compared Q1 2001. Our retail LPG and gas product sales grew by more than 27% due to the significant growth in the number of sales outlets for cylinder and auto gas.

FY 2001		Natural Gas ² <i>Segment IFRS results</i>	Q1 2001		Q1 2002		Change. %	
HUF bn	USD m		HUF bn	USD m	HUF bn	USD m	HUF	USD
(109.0)	(380.4)	EBITDA	(38.7)	(134.6)	(4.0)	(14.4)	90	89
(122.1)	(426.2)	Operating profit/(loss)³	(41.4)	(144.0)	(6.7)	(24.1)	84	83
5.6	19.6	Capital expenditure and investments ¹	0.3	1.2	0.6	2.3	86	93

The Q1 results of the gas segment improved dramatically compared to the previous year due to a significant reduction in the difference between the average selling price and the average import price. The average wholesale selling price grew 13.7% to HUF 26.1 per m³ in Q1 2002, predominantly due to the price increase in July 2001. The average import price decreased by 26.8%, to HUF 32.1 per m³. The use of imported gas from storage, that had been written down to net realisable value in an earlier period, reduced costs by HUF 12.7 bn in Q1 2002, approximately the same effect as in Q1 2001.

In Q1 2002 we sold 2.3 bcm gas directly from import, 0.8 bcm directly from domestic production, and 1.5 bcm from storage. Our natural gas sales increased slightly and reached 4.6 bcm. Consumption growth in the energy sector is in part related to the replacement of heavy fuel oil usage with natural gas usage. As a result non-residential consumers represented 26.7% of sales volumes in Q1 2002, up from 25.7% in Q1 2001.

Revenue of HUF 2.8 bn (Q1 2001 HUF 2.3 bn) was realised from the gas transit business, which recorded 22% volume growth.

FY 2001		Petrochemicals ⁴ <i>Segment IFRS results</i>	Q1 2001		Q1 2002		Change. %	
HUF bn	USD m		HUF bn	USD m	HUF bn	USD m	HUF	USD
15.2	53.1	EBITDA	6.3	21.9	1.3	4.7	(79)	(78)
5.2	18.2	Operating profit/(loss) before goodwill amortisation	2.9	10.1	(1.0)	(3.6)	n.a	n.a
5.0	17.5	Operating profit/(loss)	2.9	10.1	(1.1)	(4.0)	n.a.	n.a.
7.3	25.4	Capital expenditure and investments ¹	0.3	1.0	0.7	2.4	140	148

Segmental operating profit fell by HUF 4.0 bn compared to the first three months of 2001. A delay in the adjustment of petrochemical product prices to increasing oil product prices narrowed margins significantly, which was also adversely affected by the strengthening of the Forint. Product sales amounted to 203 kt, a decrease of 2% compared to Q1 2001. Domestic sales remained unchanged. However, revenue composition developed favourably, as polymer sales grew due to increased marketing efforts. Domestic sales of polyethylene and polypropylene grew by 8% and by 11%, respectively. Higher polymer export sales volumes mitigated the drop in olefin by-product exports and total export sales fell by only 5%. Capital expenditure increased nearly threefold compared to the same period of the previous year as the preparatory phase of the major capacity expansion project started.

The Petrochemicals segment consists solely of TVK Rt. In comparing segment performance with that reported by TVK Rt. on a standalone basis it should be noted that segment operating profit is stated after charging HUF 0.4 bn of additional depreciation in relation to tangible fixed assets revalued to fair market value at the time of acquisition (Q1 2001 HUF 0.4 bn) as well as HUF 0.1 bn of goodwill amortisation (Q1 2001 below HUF 0.1 bn).

¹ The consolidated CAPEX figures exclude capitalised finance costs, but include financial investments and both capitalised and expensed exploration cost.

² Gas and Power segment was transformed into the Natural Gas segment following a strategic decision to exit the power generation business.

³ The effect of unrealised profits on intersegment sales is eliminated with effect from Q1 2002. The prior year figure has been adjusted to conform with this presentation. (See also footnote 2 to Appendix V.)

⁴ Last year the Standing Interpretation Committee of the IASB issued a new interpretation, SIC 33: Consolidation and Equity Method – Potential Voting Rights and Allocation of Ownership Interests, effective from 1 January 2002. This interpretation makes full consolidation of TVK necessary. Until 31 December 2001 MOL's investment in TVK was accounted for under the equity method. That means that the investment was presented as a non-current financial asset, with no goodwill reflected separately. MOL's share in TVK's profits was included in the consolidated income statement as profit from associates. This category also incorporated the effect of goodwill amortisation. The consolidation of the investment from 1 January 2002 is basically a presentational change. All assets and liabilities of TVK are included in the consolidated balance sheet and all of its income statement figures are brought in on a line-by-line basis. However, to adjust TVK's earnings to the figure that is actually attributable to MOL, the amount which MOL is not entitled to is deducted as minority interest, thereby ensuring that earnings presented under the equity method do not differ from those presented on consolidation. Goodwill related to TVK is included in intangible assets in the balance sheet, with amortisation charged to operating income. Furthermore, for MOL's purposes TVK's assets have been revalued on acquisition; the surplus increases consolidated assets, while its depreciation reduces consolidated operating income. As a consequence of the revaluation, a deferred tax liability arose and is included in the consolidated balance sheet.



Financial overview

Overview of the environment

The average Brent dated crude oil price was 21.1 USD/bbl in the first three months of 2002, down by 18% compared to an average price of 25.8 USD/bbl in Q1 2001. In the first three months of 2002 the average CIF Med quoted price of Ural Blend (dominating MOL's crude oil purchases) was 19.7 USD/bbl, decreasing by 17% compared to Q1 2001 (23.7 USD/bbl). At the same time average CIF Med gasoline (grade 95) prices decreased by 29% compared to the first three months of 2001, gasoil prices were down by 25% and naphtha and heavy fuel oil prices decreased by 24% and 8%, respectively. The US dollar depreciated by an average of 3.2% against the Hungarian Forint (from HUF 287.5 in Q1 2001 to HUF 278.4 in Q1 2002) but, from the year-end 2001 until end-March 2002 the USD/HUF exchange rate increased marginally (from 279.0 to 279.2 HUF/USD). The Euro depreciated by 1.1% from year-end until end-March 2002 (from 246.3 to 243.5 HUF/EUR).

Operations

In the first three months of 2002, Group net sales revenues were HUF 291.1 bn, a decrease of 5% over Q1 2001. Sales to customers outside Hungary reached HUF 54.6 bn, up by 5%, and represented almost 19% of total sales. Other operating income includes the positive effect of selling certain telecommunication assets. The value of raw materials and consumables used decreased by 11%. Within this, raw material costs decreased by 22%, principally due to the lower cost of crude oil processed. Cost of goods purchased for resale, the major part of which relates to imported natural gas, decreased by 5%, reflecting the combined effect of lower average import purchase price and a slight increase in sales volume. The value of material-type services and the cost of subcontractors increased by 16% primarily as a result of increased maintenance costs and external gas storage fees. Personnel expenses for the first three months decreased by 6% reflecting our headcount reduction measures. Other operating expenses decreased by 16% chiefly due to lower crude oil and crude oil product storage fees and reduced FX losses on trade payables and receivables.

Financial income in Q1 2002 was HUF 4.1 bn, 79% higher than in the same period in the previous year. Other financial income in Q1 2002 includes an exchange gain of HUF 1.5 bn on foreign currency loans corresponding to an exchange loss of HUF 8.0 bn in Q1 2001. Furthermore it was increased by a HUF 0.3 bn gain on the sale of MOL's interest in a small domestic power generator, BC Erőmű. Total financial expenses for the same period amounted to HUF 5.7 bn, down 67% on Q1 2001, of which interest payable was HUF 4.4 bn, while other financial expenses dropped to HUF 0.2 bn. Income from associates was 1.1 bn in Q1 2002 substantially all of which relates to Slovnaft a.s. Minority interests decreased by HUF 1.9 bn reflecting the reduced profitability of the main contributor, TVK Rt.

Balance sheet

Total assets amounted to HUF 949.4 bn at the end of March 2002, a decrease of 9%. Property, plant and equipment decreased by 10% mainly due to reduced capital expenditure during the interim period. Inventories were 19% lower than at 31 March 2001, driven by a 28% and 23% decrease in the value of raw materials and goods for resale, respectively, mainly due to a reduction in both unit costs and quantities held at the period end. Trade receivables decreased by 13% and other current assets decreased by 19%. Long term debt including long term debt repayable within one year decreased by 38% as a result of repayments during the interim period. Short-term debt (excluding the current portion of long term debt) was HUF 65.6 bn, HUF 59.0 bn higher than at 31 March 2001. The majority of the increase in short term debt relates to a transaction for the purchase of crude oil on deferred terms, which under IFRS is required to be recorded as debt. 61% of the long-term debt bore floating interest rates. As at 31 March 2002 45% of the MOL Group's long term debt was denominated in Euro, 38% in USD and 17% in HUF. At the end of Q1 MOL's gearing (net debt to net debt plus shareholders' equity plus minority interests) was 34% compared with 41% at the end of Q1 2001. Following the move to full consolidation of TVK it has become appropriate to include minority interests with equity in the gearing ratio calculation, as the full amount of the debt of TVK is included in MOL's consolidated balance sheet.

Cash flow

Operating cash flow was HUF 55.9 bn, representing an increase of 53% on Q1 2001, reflecting the less significant losses of the gas business. Operating cash flow before movements in working capital increased by 51%. Reduction in working capital needs contributed HUF 28.7 bn to operating cash flow, arising from the positive effect of the fall in inventories, trade receivables and other current assets, HUF 26.6 bn, HUF 16.6 bn and HUF 2.0 bn respectively, during the first three months. This was only partially offset by the decrease of trade and other payables of HUF 16.5 bn. Corporate tax paid amounted to HUF 0.8 bn. Net cash used in investing activities was HUF 18.8 bn compared with HUF 3.8 bn in the first three months of 2001, reflecting higher capital expenditure and purchase of marketable securities. Net financing cash outflows amounted to HUF 55.4 bn, mainly as the result of repaying long term debt.



APPENDIX I.

**CONSOLIDATED IFRS STATEMENT OF OPERATIONS FOR THE MOL GROUP
FOR THE PERIOD ENDED 31 MARCH 2002**
Unaudited quarterly figures (in HUF millions)

FY 2001	Q1 2001	Q1 2002	Ch. %
1 168 413 Net sales	305 896	291 126	(5)
15 408 Other operating income	3 983	1 274	(68)
1 183 821 Total operating revenues	309 879	292 400	(6)
406 578 Raw material costs	105 721	82 121	(22)
57 991 Value of material-type services used	9 009	10 474	16
489 786 Cost of goods purchased for resale	140 179	133 439	(5)
<i>954 355 Raw material and consumables used</i>	<i>254 909</i>	<i>226 034</i>	<i>(11)</i>
75 460 Personnel expenses	18 722	17 582	(6)
75 000 Depreciation, depletion, amortisation and impairment	17 585	16 327	(7)
91 551 Other operating expenses	21 329	17 912	(16)
9 199 Ch. In inventory of finished goods & work in progress	(1 728)	4 722	n.a.
(18 606) Work performed by the enterprise and capitalised	(3 987)	(2 363)	41
1 186 959 Total operating expenses	306 830	280 214	(9)
(3 138) Operating profit	3 049	12 186	300
3 521 Interest received	1 187	846	(29)
492 Dividends received	28	0	(100)
20 019 Exchange gains and other financial income	1 072	3 251	203
<i>24 032 Total financial income</i>	<i>2 287</i>	<i>4 097</i>	<i>79</i>
20 342 Interest on borrowings	5 775	4 427	(23)
4 501 Interest on provisions	1 181	1 087	(8)
1 268 Write-off of financial investments	61	0	(100)
2 129 Exchange losses and other financial expenses	10 369	225	(98)
<i>28 240 Total financial expense</i>	<i>17 386</i>	<i>5 739</i>	<i>(67)</i>
4 208 Financial expense, net	15 099	1 642	(89)
8 510 Income from associates	2 139	1 052	(51)
1 164 Profit before tax	(9 911)	11 596	n.a.
(6 136) Income tax expense/(benefit)	(247)	881	n.a.
7 300 Profit after tax	(9 664)	10 715	n.a.
(6 059) Minority interests	(2 458)	(516)	(79)
1 241 Net income	(12 122)	10 199	n.a.
13 Basic and diluted earnings per share (HUF)	(124)	104	n.a.

APPENDIX II.

CONSOLIDATED IFRS BALANCE SHEETS FOR THE MOL GROUP

AS AT 31 MARCH 2002

Unaudited quarterly figures (in HUF millions)

31 Dec 2001		31 March 2001	31 March 2002	Change %
	Assets			
	Non-current assets			
18 778	Intangible assets	12 023	19 767	64
488 813	Property, plant and equipment	531 387	476 481	(10)
106 149	Investments	111 994	107 149	(4)
19 035	Deferred tax asset	11 952	18 640	56
3 470	Other non-current assets	2 220	3 332	50
636 245	Total non-current assets	669 576	625 369	(7)
	Current assets			
129 777	Inventories	126 603	103 124	(19)
138 320	Trade receivables, net	140 251	121 772	(13)
13 402	Investments	18 325	29 125	59
33 151	Other current assets	37 444	30 443	(19)
57 911	Cash and cash equivalents	56 219	39 575	(30)
372 561	Total current assets	378 842	324 039	(14)
1 008 806	Total assets	1 048 418	949 408	(9)
	Liabilities and shareholders' equity			
	Shareholders' equity			
97 818	Share capital	97 759	97 872	-
268 022	Reserves	274 935	265 475	(3)
1 241	Net income for the period	(12 122)	10 199	n.a.
367 081	Total shareholders' equity	360 572	373 546	4
74 063	Minority interest	83 855	74 267	(11)
	Non-current liabilities			
225 597	Long-term debt, net of current portion	316 658	170 844	(46)
40 000	Provisions for liabilities and charges	40 949	39 978	(2)
360	Other non-current liabilities	61	290	375
265 957	Total non-current liabilities	357 668	211 112	(41)
	Current liabilities			
160 792	Trade and other payables	167 527	147 434	(12)
12 025	Provisions for liabilities and charges	10 535	12 081	15
54 427	Short-term debt	6 636	65 597	889
74 461	Current portion of long-term debt	61 625	65 371	6
301 705	Total current liabilities	246 323	290 483	18
1 008 806	Total liabilities and shareholders' equity	1 048 418	949 408	(9)



APPENDIX III.

**MOVEMENT IN SHAREHOLDERS' EQUITY FOR THE MOL GROUP
FOR THE PERIOD ENDED 31 MARCH 2002
Unaudited quarterly figures (in HUF millions)**

	Share capital	Reserves	Retained profit for the period
Opening balance 1 January 2002	97 818	268 022	1 241
Transfer to reserves of retained profit for the previous year		1 241	(1 241)
Retained profit for the period			10 199
Cash flow hedges		91	
Currency translation differences		1 365	
Net change in balance of treasury shares held	54	136	
Dividend for the year 2001		(5 380)	
Closing balance 31 March 2002	97 872	265 475	10 199

APPENDIX IV.

**CONSOLIDATED IFRS STATEMENTS OF CASH FLOWS FOR THE MOL GROUP
FOR THE PERIOD ENDED 31 MARCH 2002
Unaudited quarterly figures (in HUF millions)**

FY 2001		Q1 2001	Q1 2002	Ch. %
73 359	Net cash provided by operating activities	36 411	55 876	53
(9 082)	Of which changes in working capital	18 341	28 670	56
68 867	Capital expenditures and exploration costs	(4 066)	(7 294)	79
14 407	Proceeds from the disposal of fixed assets	3 302	705	(79)
16 548	Proceeds from the disposal of subsidiaries	443	-	n.a.
(11 334)	Acquisition of other investments	-	(34)	n.a.
756	Proceeds from the disposal of investments	-	1 794	n.a.
(859)	Changes in loans and long-term bank deposits	(217)	250	n.a.
(4 156)	Changes in short term investments	(5 556)	(15 723)	183
4 306	Interest received and other financial income	2 279	1 482	(35)
3 468	Dividend received	28	-	n.a.
(45 731)	Net cash used in investing activities	(3 787)	(18 820)	397
-	Issuance of long-term notes	-	14 452	n.a.
53 937	Issuance of long-term debt	9 663	932	(90)
(79 185)	Repayments of long term debt	(4 736)	(77 580)	n.a.
2 353	Changes in other long term liabilities	(211)	(70)	(67)
13 703	Issuance of zero coupon notes	-	13 680	n.a.
38 310	Changes in short-term debt	(3 952)	(2 751)	(30)
-	Changes in other short term liabilities	-	-	n.a.
(28 925)	Interest paid and other financial costs	(13 527)	(4 245)	(69)
(5 401)	Dividends paid to shareholders	(6)	-	n.a.
(1 146)	Dividends paid to minority interest	-	-	n.a.
(1 497)	Net sale/(repurchase) of treasury shares	(1 736)	190	n.a.
(7 851)	Net cash used in financing activities	(14 505)	(55 392)	282
19 777	Net increase/(decrease) in cash	18 119	(18 336)	n.a.
38 134	Cash at the beginning of the period	38 100	57 911	52
57 911	Cash at the end of the period	56 219	39 575	(30)



APPENDIX V.

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

FY 2001	NET EXTERNAL SALES REVENUES ¹	Q1 2001	Q1 2002	Ch. %
6 169	Exploration and Production	2 166	936	(57)
669 899	Refining and Marketing	149 488	134 234	(10)
329 029	Natural Gas	106 528	119 514	12
134 197	Petrochemicals	40 031	27 960	(30)
29 119	Corporate and other	7 683	8 482	10
1 168 413	TOTAL	305 896	291 126	(5)

FY 2001	OPERATING PROFIT ¹	Q1 2001	Q1 2002	Ch. %
67 237	Exploration and Production	22 470	16 645	(26)
70 235	Refining and Marketing	15 886	3 505	(78)
(122 073)	Natural Gas	(41 441)	(6 669)	84
5 024	Petrochemicals	2 912	(1 132)	n.a.
(24 869)	Corporate and other	(2 734)	(3 589)	(31)
1 308	Intersegment transfers ²	5 956	3 426	(42)
(3 138)	TOTAL	3 049	12 186	300

FY 2001	PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES ACQUIRED	Q1 2001	Q1 2002	Ch. %
12 920	Exploration and Production	2 072	2 374	15
24 524	Refining and Marketing	4 810	1 701	(65)
5 284	Natural Gas	549	1 322	141
7 263	Petrochemicals	280	671	140
8 305	Corporate and other	69	1 550	n.a.
58 296	TOTAL	7 780	7 618	(2)

FY 2001	DEPRECIATION	Q1 2001	Q1 2002	Ch. %
19 947	Exploration and Production	3 882	4 091	5
26 447	Refining and Marketing	6 332	6 581	4
13 093	Natural Gas	2 744	2 677	(2)
10 219	Petrochemicals	3 376	2 482	(26)
5 294	Corporate and other	1 251	496	(60)
75 000	TOTAL	17 585	16 327	(7)

31/12/2001	TANGIBLE ASSETS	31/03/2001	31/03/2002	Ch. %
76 974	Exploration and Production	86 231	74 470	(14)
198 285	Refining and Marketing	213 542	192 831	(10)
103 524	Natural Gas	112 673	101 831	(10)
86 278	Petrochemicals	93 916	84 550	(10)
23 752	Corporate and other	25 025	22 799	(9)
488 813	TOTAL	531 387	476 481	(10)

¹ 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 the Natural Gas segment. Refining and Marketing transfers chemical feedstock, propylene and isobutane to Petrochemicals and Petrochemicals transfers various by-products to Refining and Marketing. 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 average regulated wholesale selling price (not taking into account the higher price applicable from November 2000 to non-residential customers consuming over 500 m³/h), adjusted to exclude storage, transport and inventory holding fees, where this is below the prevailing market price as this was the case in both Q1 2001 and Q1 2002. 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.

² This line shows the effect on operating profit of the change in the amount of unrealised profit deferred in respect of transfers between segments. Unrealised profits arise where the item transferred is held in inventory by the receiving segment and a third party sale takes place only in a subsequent quarter. For segmental reporting purposes the transferor segment records a profit immediately at the point of transfer. However, at the company level profit is only reported when the related third party sale has taken place. In previous years this unrealised profit effect was not shown separately, but was included in the reported segmental result of the receiving segment. Unrealised profits arise principally in respect of transfers from Exploration & Production to Natural Gas and from Refining & Marketing to Petrochemicals.



APPENDIX VI.

KEY OPERATING DATA (Group figures)

FY 2001	HYDROCARBON PRODUCTION Kt (gross figures before royalty)	Q1 2001	Q1 2002	Change %
1 064	Crude oil production	267	270	1
3 226	Natural gas production (net dry)	867	941	9
269	Condensates production	72	77	7
197	LPG from producing fields	54	56	4
78	LPG from refining process	19	23	21
42	Other gas products	14	12	(14)
FY 2001	NATURAL GAS BALANCE Million m ³	Q1 2001	Q1 2002	Change %
3 037	Sales from production	1 134	1 112	(2)
9 747	Sales from import	3 364	3 484	4
12 784	TOTAL SOURCES	4 498	4 596	2
9 800	Sales to Gas Distribution Companies (GDCs)	3 789	3 809	1
1 880	Sales to power sector	400	487	22
1 104	Sales to industrial and other consumers	309	300	(3)
12 784	TOTAL THIRD PARTY SALES	4 498	4 596	2
574	Loss and own consumption	135	171	27
13 358	TOTAL SALES AND LOSSES	4 633	4 767	2
1 689	Natural gas transit	529	646	22
31 Dec 2001	MOBILE NATURAL GAS INVENTORIES Million m ³	31 March 2001	31 March 2002	
392.5	From domestic sources	207.7	124.0	(40)
1 359.4	From import sources	602.6	94.7	(84)
1 751.9	TOTAL CLOSING INVENTORIES	810.3	218.7	(73)
FY 2001	NATURAL GAS PRICES HUF/m ³	Q1 2001	Q1 2002	Change %
39.3	Average import price	43.9	32.1	(27)
25.8	Average MOL selling price	22.9	26.1	14
24.5	Wholesale price to GDCs	21.9	24.7	13
30.0	Wholesale price to industry/power	28.2	32.9	17
FY 2001	CRUDE OIL PROCESSING Kt	Q1 2001	Q1 2002	Change %
1 002	Domestic crude oil	226	244	8
5 840	Imported crude oil	1 510	1 276	(15)
259	Condensates	75	72	(4)
773	Other feedstock	151	357	136
7 874	TOTAL REFINERY THROUGHPUT	1 962	1 949	(1)
FY 2001*	REFINED PRODUCT SALES Kt	Q1 2001 *	Q1 2002	Change %
4 686	Total domestic sales	1 068	900	(16)
2 352	Total export sales	571	634	11
7 038	TOTAL CRUDE OIL PRODUCT SALES	1 639	1 534	(6)
* Restated because of TVK consolidation				
FY 2001	PETROCHEMICAL PRODUCTION Kt	Q1 2001	Q1 2002	Change %
359.1	Ethylene	94.4	88.9	(6)
107.4	LDPE	26.1	28.0	7
184.4	HDPE	48.2	48.5	1
260.3	PP	66.0	66.5	1
FY 2001	PETROCHEMICAL SALES (external) Kt	Q1 2001	Q1 2002	Change %
597.6	Total domestic sales	100.4	100.6	-
399.3	Total export sales	107.4	102.4	(5)
996.9*	TOTAL PETROCHEMICAL PRODUCT SALES	207.8	203.0	(2)
*2001FY data, non-consolidated				
31 Dec 2001	HEADCOUNT Full-time MOL Group employees	31 March 2001	31 March 2002	Change %
16 438	Total closing headcount	19 563	16 051	(18)

APPENDIX VII.

EXTRAORDINARY ANNOUNCEMENTS IN Q1 2002

Announcement date	
29 January	Personnel change at the Retail Services division
	Treasury share transaction
11 February	MOL Rt. has decided to initiate exclusive negotiations with the Hungarian Development Bank on the potential sale of a majority stake in the gas business
12 February	Pioneering co-operation between MOL and Yukos
14 February	New managing director at the Head of MOL's Retail Services division
27 February	Share distribution to employees
8 March	Change in treasury shares
14 March	Interest payment on MOL 2002/A bonds

APPENDIX VIII.

SHAREHOLDER STRUCTURE (%) AND TREASURY SHARES

Shareholder groups	31 Dec 1999	31 Dec 2000	30 Sept 2001	31 Dec 2001	31 March 2002
Foreign institutional investors	50.7	43.5	44.8	46.3	47.1
OMV	0.0	9.3	10.0	10.0	10.0
Foreign private investors	0.0	0.0	0.0	0.0	0.0
ÁPV Rt. (Hungarian State Privatisation and Holding Co.)	25.0	25.0	25.0	25.0	25.0
Hungarian institutional investors	2.2	4.9	4.8	5.0	4.6
Hungarian private investors	0.8	0.5	0.5	0.5	0.5
Depositories	18.5	16.4	14.2	12.5	12.1
MOL Rt. (treasury shares)	0.4	0.3	0.6	0.6	0.6
Unregistered shares	2.4	0.1	0.1	0.1	0.1

According to the Share Register, besides the ÁPV Rt. only 2 shareholders owned more than 2% of the ordinary share capital of MOL Rt. at 31 March 2002: the depository bank for MOL's GDR programme at that date, J.P. Morgan which had 23.3% of the shares registered and OMV owning 10% of the ordinary shares of MOL. The decrease of 54,719 in the number of treasury shares held by MOL from 581,066 to 526,347 is due chiefly to usual share distribution to employees. Please note that in Hungary, the Share Register does not fully reflect the ownership structure, as registration is not mandatory.

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

The new managing director of MOL's Retail Services Division is Dr. József Szórád with effect from March 1, 2002.