

2008 Fourth Quarter and Full Year Results



► **MOL GROUP**

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Strong CCS-based operating profit in Q4 and in full year 2008

(IFRS), in HUF billion	Q4 2007	Q4 2008	Ch %	FY 2007	FY 2008	Ch %
EBITDA ⁽³⁾	128.5	51.3	(60)	496.0	351.3	(29)
Operating profit	92.9	6.4	(93)	355.5	199.4	(44)
CCS-based operating profit excl. special items^{(2) (3)}	54.6	93.7	72	267.3	286.8	7
Net financial expenses/(gain)	(11.7)	13.1	n.a.	16.6	16.0	(3)
Net income	98.0	(33.3)	n.a.	257.8	141.5	(45)

(IFRS), in USD million ⁽¹⁾	Q4 2007	Q4 2008	Ch %	FY 2007	FY 2008	Ch %
EBITDA ⁽³⁾	736.4	257.5	(65)	2,698.8	2,045.1	(24)
Operating profit	532.4	32.0	(94)	1,934.2	1,160.7	(40)
CCS-based operating profit excl. special items^{(2) (3)}	312.8	470.0	50	1454.5	1669.2	15
Net financial expenses/(gain)	(67.2)	65.9	n.a.	90.1	93.2	3
Net income	561.3	(167.1)	n.a.	1,402.6	823.5	(41)

(1) In converting HUF financial data into USD, the following average NBH rates were used: for Q4 2007: 174.5 HUF/USD, for FY 2007: 183.8 HUF/USD, for Q4 2008: 199.3 HUF/USD, for FY 2008: 171.8 HUF/USD.

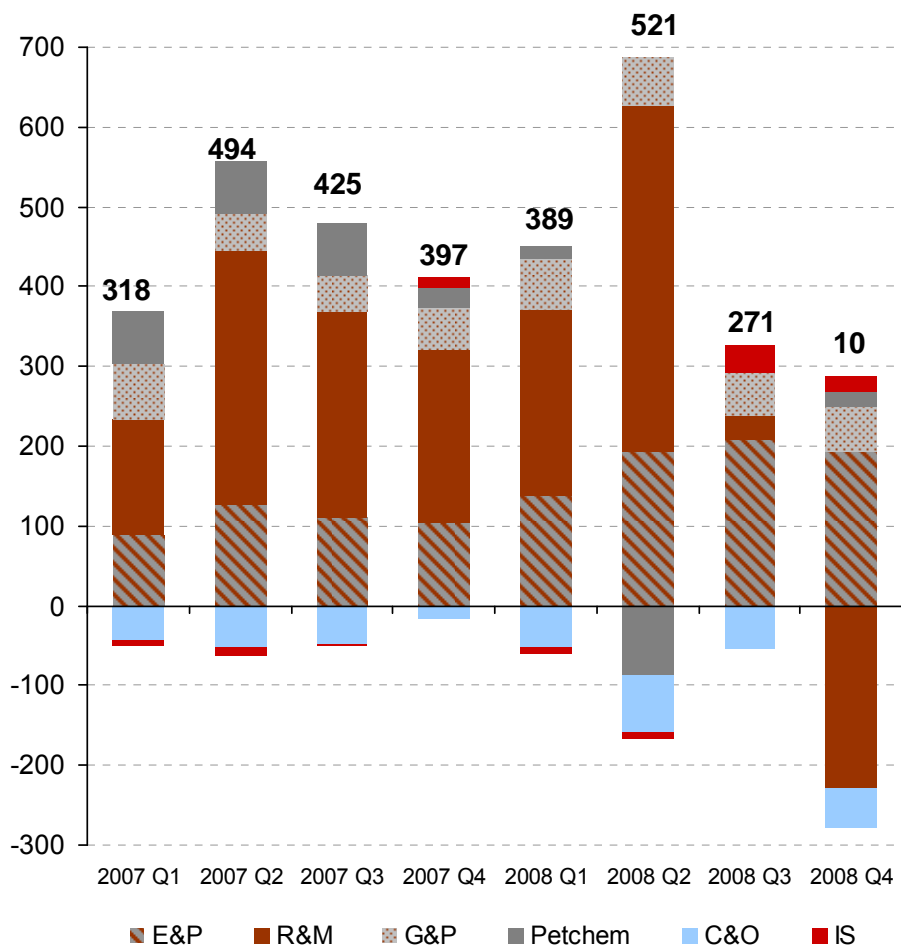
(2) Operating profit excludes the one-off gain on the acquisition of TVK shares realised in H1 2007 (HUF 14.4), the fine imposed by the European Commission in association with paraffin trading (HUF 5.8 bn) realised in Q3 2008, the repayment by the Slovak Ministry of Finance of the unfounded penalty in Q4 2008 (HUF 4.4 bn) as well as the receivable for subsequent settlement from E.ON in connection with the gas business sale for FY 2008 and FY 2007 (HUF 6.4 bn and HUF 44.3, respectively).

(3) Q4 2007 and FY 2007 figures were restated as the Group has changed its accounting policy in 2007 to disclose Hungarian local trade tax and innovation fee as income tax expense as these tax types show the characteristics of income taxes rather than operating expenses. In previous years, local trade tax has been recorded as operating expense.

Note: Loss from associates includes INA's FY 2008 contribution of HUF 26.4 bn (including MOL's additional 22.2% shareholding from Q4 2008) compared to the income of HUF 5.1 bn in FY 2007 (reflecting the 25% MOL shareholding owned at that time).

Positive operating profit despite extreme environment

Quarterly Operating profit (USD mn)¹



1 Operating profit excludes:

- ▶ In Q4 2008 the repayment by the Slovak Ministry of Finance of the unfounded penalty (HUF 4.4 bn)
- ▶ In Q3 2008 the paraffin fine (HUF 5.8 bn)
- ▶ In Q2 2008 the receivable for subsequent settlement from E.ON in connection with the gas business sale for the period of Q2 2008 (HUF 6.4 bn).
- ▶ In Q4 2007 the subsequent settlement from E.ON in connection with the gas business sales, which HUF 26.8 bn income has been accrued in Q4 2007.
- ▶ In Q3 2007 the subsequent price adjustment for gas business sale (HUF 17.4 bn).
- ▶ In Q2 2007 the one-off gain on the acquisition of TVK shares (HUF 0.5 bn).
- ▶ In Q1 2007 the one-off gain on the acquisition of TVK shares (HUF 13.9 bn).

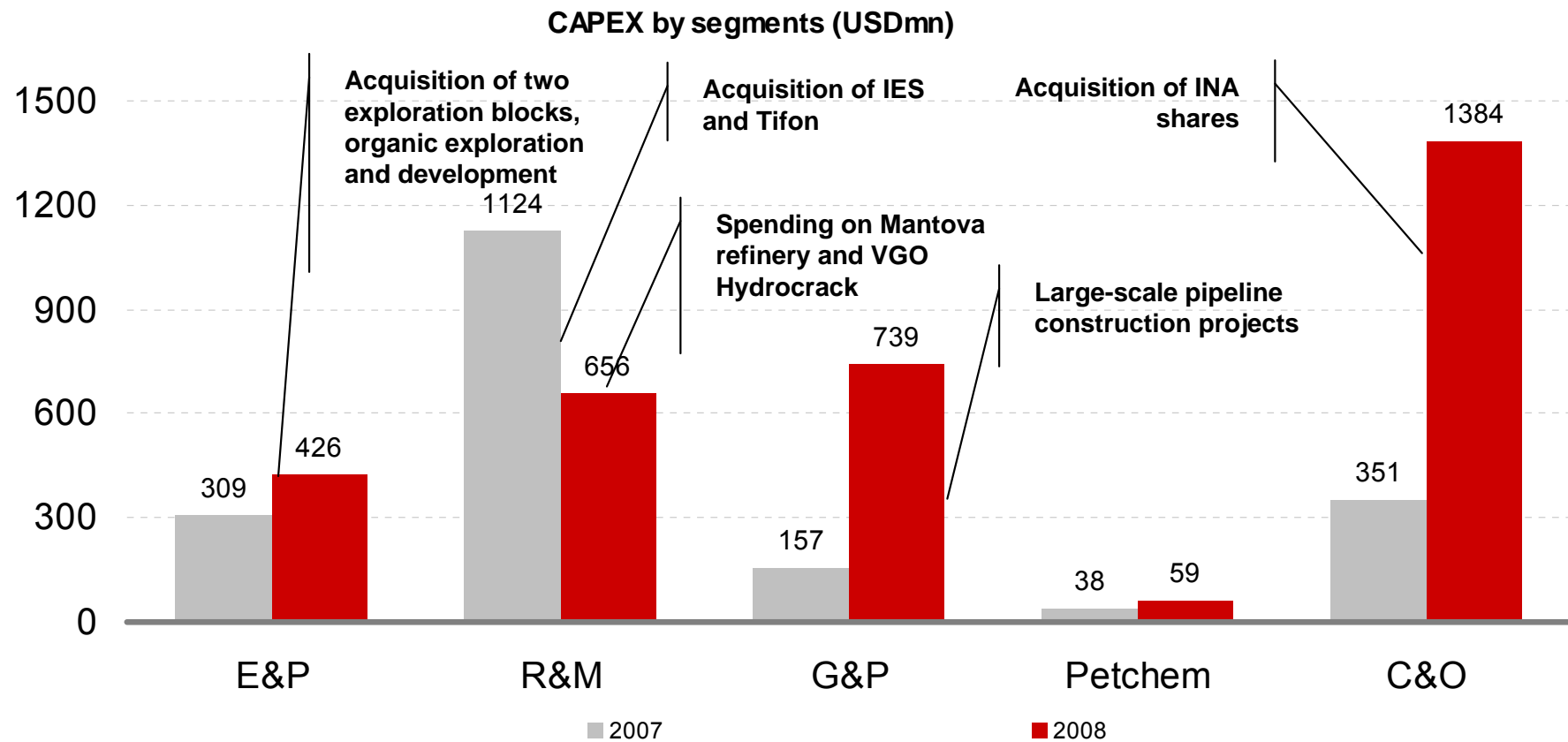
In Q4 Operating profit remained positive

- ▶ CCS-based operating profit, excluding special items slightly increased in USD-terms q-o-q
- ▶ Inventory holding losses increased from USD 183 mn in Q3 2008 to USD 460 mn in Q4 2008

In 2008 Operating profit decreased by 40% y-o-y

- ▶ CCS-based operating profit increased by 15% with strong growth in E&P and R&M and weak Petrochemicals
- ▶ Extreme fall in oil price caused inventory holding losses of USD 538 mn for 2008 vs. Inventory holding gain of USD 175 mn in 2007

CAPEX dominated by INA transaction



2008 CAPEX: USD 3.3 bn, while 2007 CAPEX was USD 2.0 bn

Financial flexibility to pursue growth strategy

Strong financial position

- ▶ MOL Group had Net debt of EUR 2.6 bn and a gearing ratio of 35.9% at year-end
- ▶ More than EUR 1.5 bn unutilized credit facility and cash deposit
- ▶ First large maturity is in October 2010

Revised CAPEX

- ▶ HUF 220 bn CAPEX target for 2009 (a 35% decrease versus the previous plan)
- ▶ CAPEX is planned to be financed fully from the operating cash-flow in 2009

Cost cutting

- ▶ Disciplined revision of the operating costs with stringent cost control across the board
- ▶ Broadly flat OPEX target in 2009 vs. 2008

Dividend

- ▶ INA transaction was the largest ever in MOL's history (EUR 872.66 mn)
- ▶ On long-term, keeping dividend policy of 40% payout on normalised earnings, depending on investments

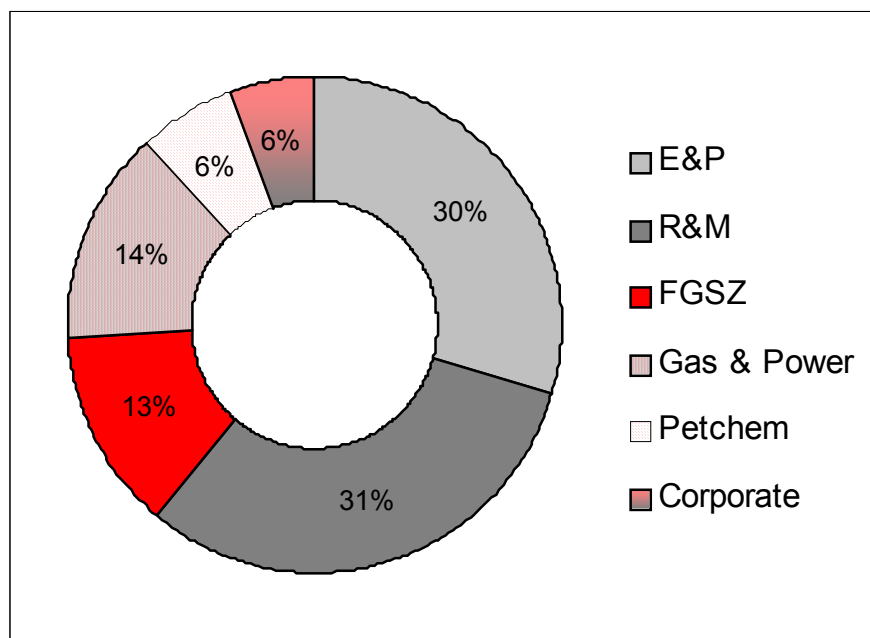
Sufficient external funding for expected projects

Preference to maintain financing headroom of at least EUR 1.2 bn

Revised 2009 CAPEX plan

- ▶ CAPEX plan of HUF 220 bn (35% cut vs. previous plan), to be financed by internal cash-flow
- ▶ Projects supporting the sustainability and operational reliability of current cash generating assets have the priority
- ▶ The 2009 capex spending is restricted to the already contracted/committed projects

2009 CAPEX plan by segments



- ▶ **E&P**: focus on development projects with early cash generation and committed exploration work programs
- ▶ **R&M**: finalization of refinery modernization of IES, projects supporting sustainability and operational reliability, cost optimization of the Hydrocrack investment
- ▶ **FGSZ**: transit connections to Romania and Croatia
- ▶ **Gas & Power**: strategic gas storage project completion and preparatory works in connection with CEZ (PPT and CCGT)

We are committed to even a stricter CAPEX spending

Upstream – gas price mitigated the oil price fall in Q4

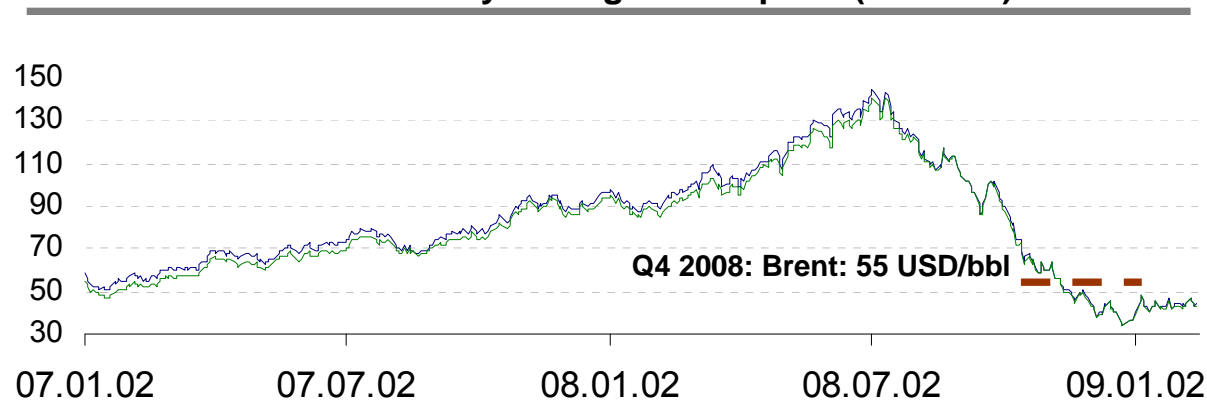
Q4 2008 vs. Q3 2008

- ▶ In Q4 Brent plummeted to 55 USD/bbl (down 52%) from 115 USD/bbl
- ▶ Natural gas price increased further
- ▶ Realized average hydrocarbon price decreased by 26% in USD-terms

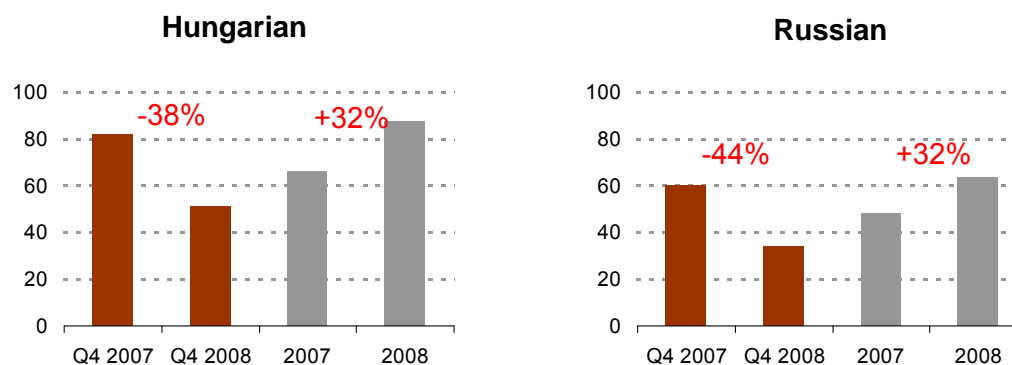
2008 vs. 2007

- ▶ In average the Brent price rose close to 100 USD/bbl (up 34%)
- ▶ Realized gross prices grew by 33% in USD-terms...
- ▶ ...but dropped significantly in Q4

Brent & Ural daily average crude price (USD/bbl)



Realized gross crude oil and condensate prices (bbl)



Upstream – the highest-ever quarterly operating profit

Q3 2008	Q4 2008	Q4 2007	Ch. %	Exploration & Production (in HUF bn)	2007	2008	Ch. %
43.4	51.0	28.1	81	EBITDA	119.3	227.9	91
43.4	51.0	28.1	81	<i>EBITDA excluding Szőreg 1 field disposal</i>	119.3	162.6	36
32.9	38.5	18.1	112	Operating profit/(loss)	78.9	191.1	142
32.9	38.5	18.1	112	<i>Operating profit/(loss) excluding Szőreg 1 field disposal</i>	78.9	125.8	60

Q3 2008	Q4 2008	Q4 2007	Ch. %	Exploration & Production (in USD mn)	2007	2008	Ch. %
276	256	161	59	EBITDA	649	1,327	104
276	256	161	59	<i>EBITDA excluding Szőreg 1 field disposal</i>	649	946	46
209	193	104	86	Operating profit/(loss)	429	1,113	159
209	193	104	86	<i>Operating profit/(loss) excluding Szőreg 1 field disposal</i>	429	732	71

Q4 2008 vs. Q3 2008 EBIT movers

- Sharp crude oil prices erosion
- + Natural gas price still increased
- + Weakening HUF
- Lower production volumes

2008 vs. 2007 EBIT movers

- + Annual average Brent oil price up 34%
- + Average gas price grew by 57% in 2008.
- Higher realized dollar prices softened by a weaker USD against the HUF in H1
- Lower production volumes

Upstream – activities of 2008

Strong exploration results in Hungary and in international arena – creating reserve base

- ▶ Hungary: 3-year average drilling success ratio of 70% - 22.4 MMboe added to SPE 2P reserve base
- ▶ International: new discoveries in Russia, Kazakhstan and Pakistan - 36.4 MMboe SPE 2P reserve addition in the last 3 years (1 of every 2 wells successful on average)
- ▶ Average finding cost (FC) calculated on SPE 2P reserve basis of USD 7/bbl during 2006-08 including related acquisition costs
- ▶ Reserve Replacement Ratio (RRR) was above 100% in 2007 and 2008

Strict cost control to remain one of the most effective onshore producer in Europe

- ▶ Competitive 5.8 USD/boe unit production cost despite strong cost inflation pressure in 2008
- ▶ Operational improvements and risk mitigation tools implemented

Systematic portfolio building activity continued

- ▶ Unconventional gas exploration in Hungary
- ▶ Strong focus on partnering and risk sharing
- ▶ New blocks in Kurdistan, Pakistan, India and Cameroon

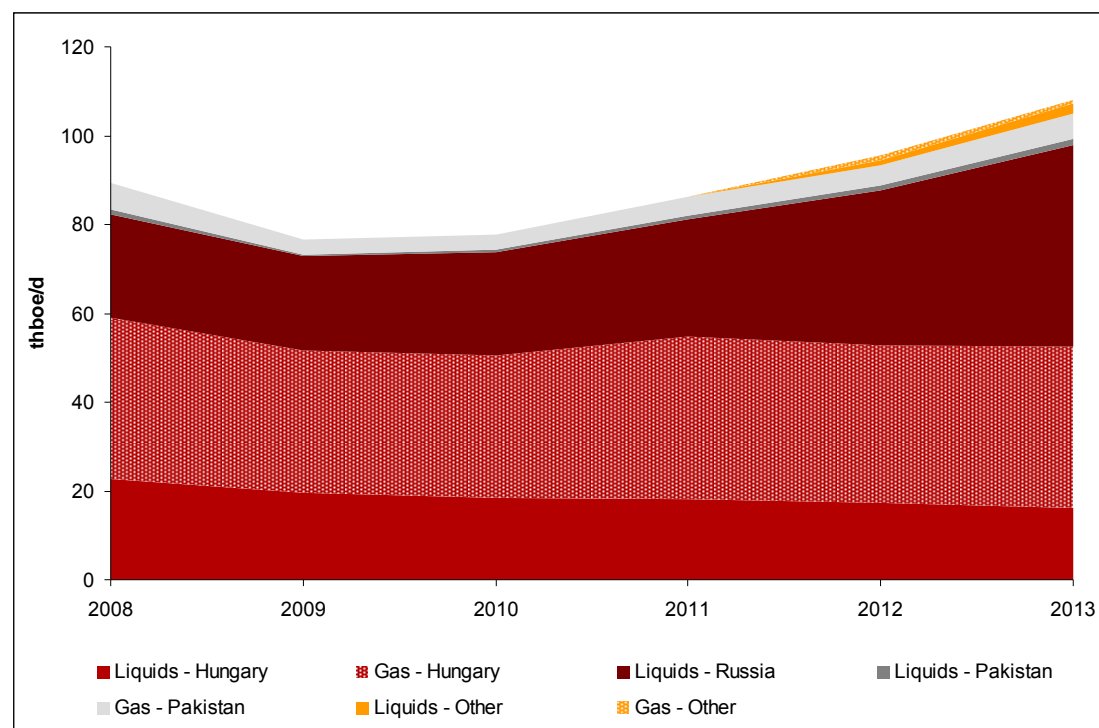
Upstream – outlook for 2009

Changing focus of E&P activities in reaction to different industrial and financial environment

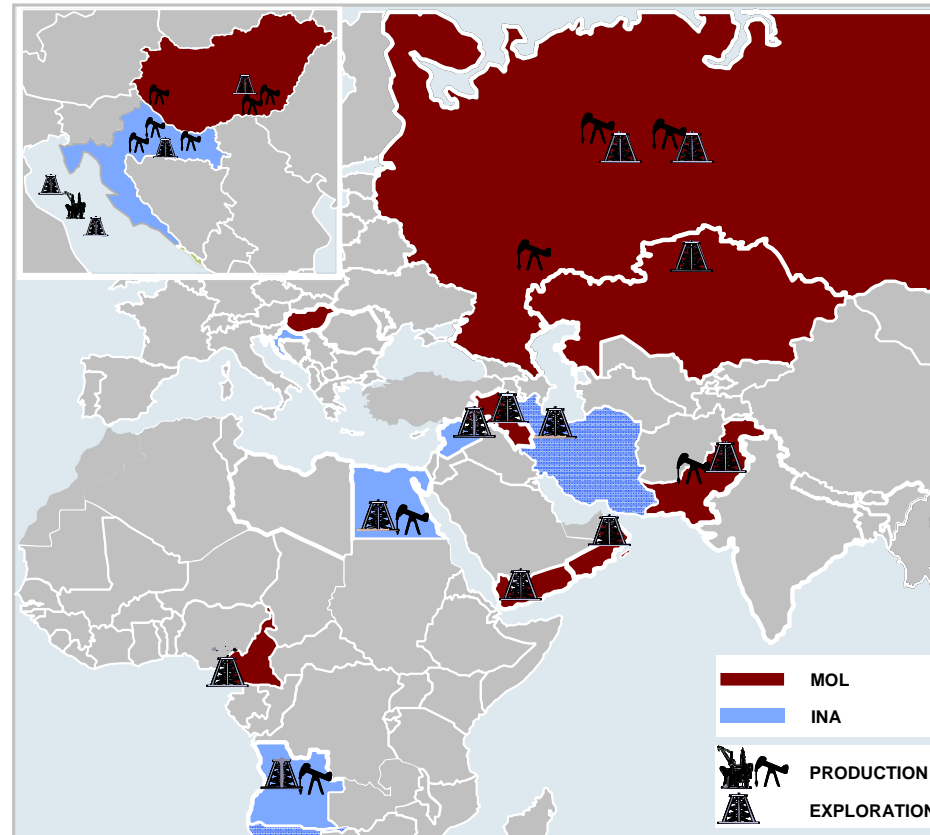
- ▶ Strong focus on high value/low risk development projects to generate cash, riskier projects delayed
- ▶ EOR/IOR/EGR projects are subject to the changes due to the price-sensitivity of these projects
- ▶ Exploration capex mainly focused on committed work programs
- ▶ Even harder emphasis on partnerships to share costs/risks and to sustain exploration activity level

E&P capex of USD 314 mn for 2009 (down 20% from the record level of USD 394 mn in 2008)

Revised hydrocarbon production profile based on our existing portfolio weighted by geological risk



The combined MOL-INA portfolio with significant potential



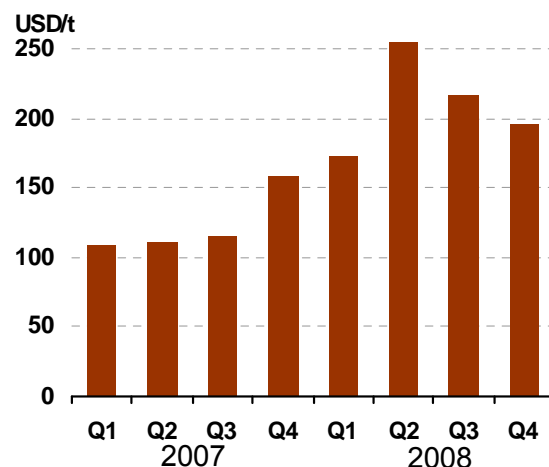
- ▶ Balanced and focused portfolio: Hungary/Croatia, Russia, Middle East and Africa
- ▶ Strengthened Central European reserve and production base with good exploration potential
- ▶ Well-positioned in the ME/Central Asia with major development projects in Pakistan and Syria
- ▶ Increase in consolidated production profile and reserve base expected beyond 2010
- ▶ Major knowledge sharing potential with INA, very capable joint expert pool in upstream

Downstream – mixed environment

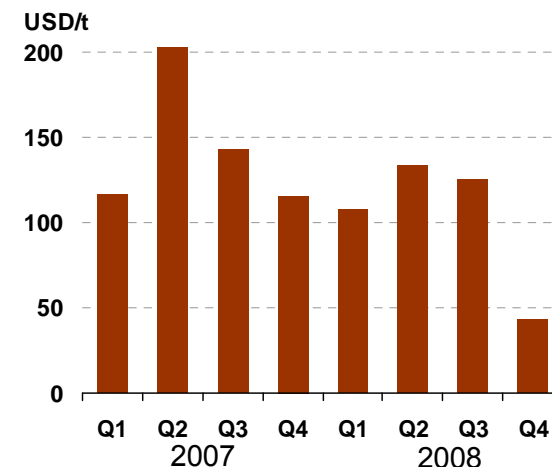
Q4 2008 vs. Q3 2008:

- ▶ Diesel crack spread down 9%
- ▶ 65% drop in gasoline crack spread
- ▶ Naphtha spread is in the red
- ▶ Brent-Ural spread narrowed by USD 0.8 USD/bbl

Average diesel crack spread (10 ppm)



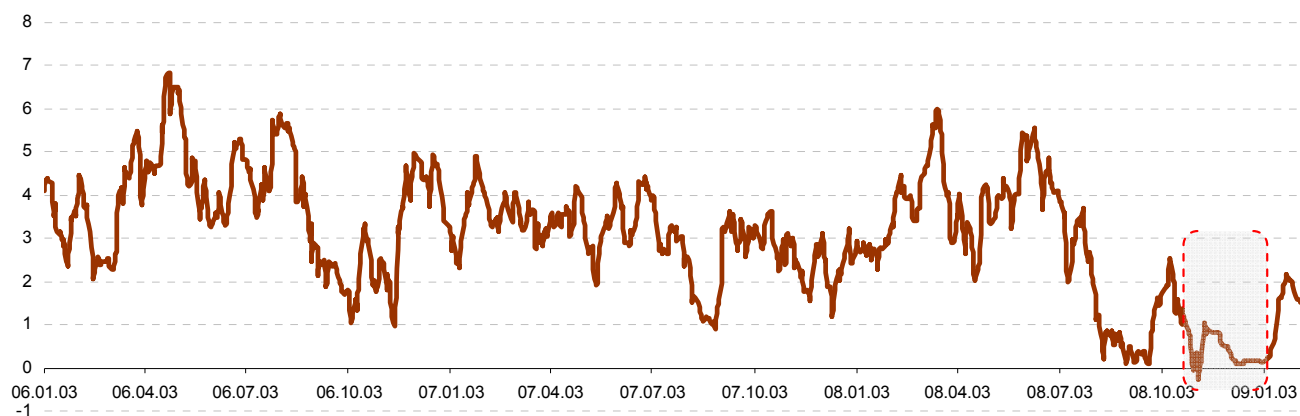
Average premium unleaded crack spread (10 ppm)



2008 vs. 2007

- ▶ Diesel crack spread increased by 73%
- ▶ Gasoline crack spread weakened by 32%
- ▶ Naphtha crack spread dropped by 76%

Brent-Urals differential (USD/bbl)



Downstream – strong CCS-based EBIT

Q3 2008	Q4 2008	Q4 2007	Ch. %	Refining & Marketing (in HUF bn)	2007	2008	Ch. %
22.9	(20.0)	53.7	n.a.	EBITDA	235.1	147.0	(37)
4.5	(41.3)	37.8	n.a.	Operating profit/(loss)	171.9	72.4	(58)
33.9	46.0	23.8	93	Estimated CCS-based EBIT excl. one-off effects*	139.8	161.0	15

Q3 2008	Q4 2008	Q4 2007	Ch. %	Refining & Marketing (in USD mn)	2007	2008	Ch. %
146	(100)	308	n.a.	EBITDA	1,279	855	(33)
29	(207)	217	n.a.	Operating profit/(loss)	935	421	(55)
216	231	136	69	Estimated CCS-based EBIT excl. one-off effects*	761	937	23

Q4 2008 vs. Q3 2008 EBIT movers

- ▶ The falling crude oil price:
 - ▶ Inventory loss
 - ▶ Inventory impairment
- ▶ USD 16 /t decrease in average crack spreads

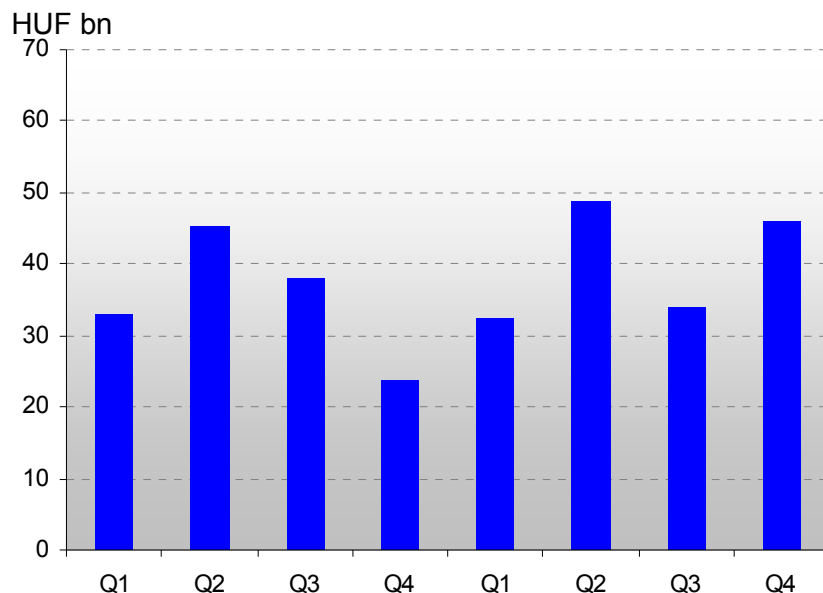
2008 vs 2007 EBIT movers

- ▶ Negative effect of inventory holding of HUF 92.4 bn in 2008
- ▶ 73% higher diesel crack spread
- ▶ Fx loss on creditors and vendors due to extremely volatile fx movements in H2 2008
- ▶ A significant increase in energy cost

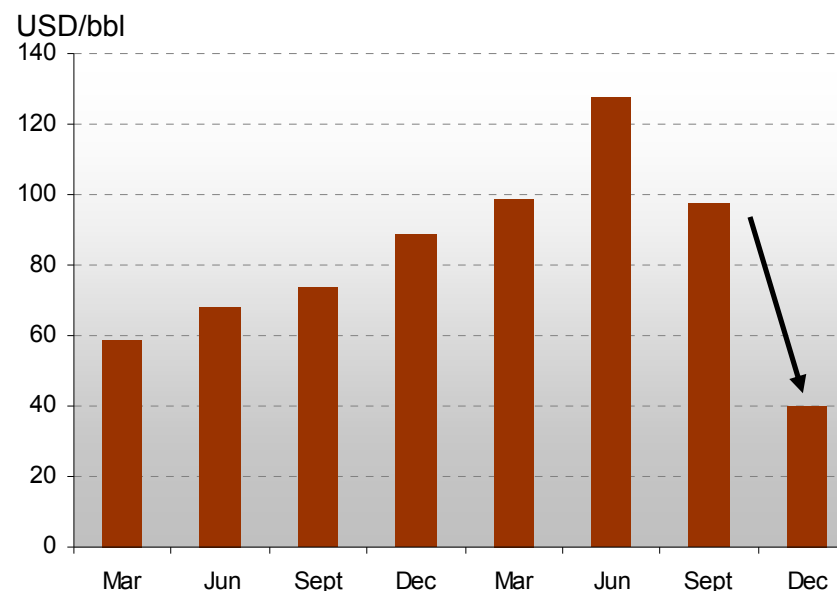
*one-off effect including loss on the complete planned shut down of IES in September, the repayment by the Slovak Ministry of Finance of the unfounded penalty in Q4 2008 (HUF 4.4 bn) and impairment on inventories

Inventory impact

CCS-base operating profit excl. one-off items



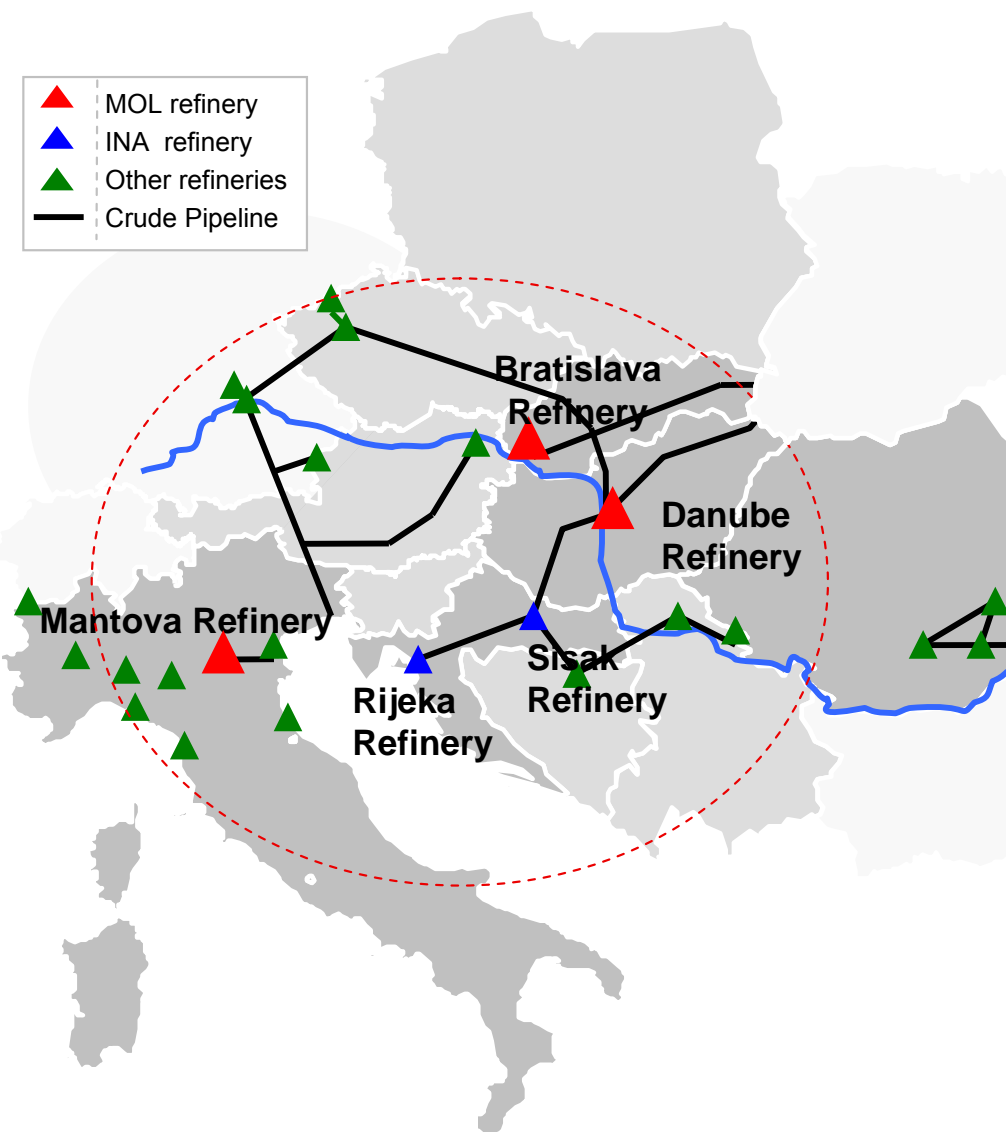
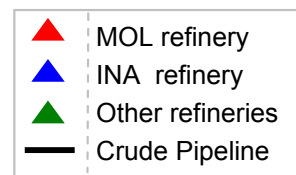
Monthly average Ural crude oil price



Current Cost of Supply (CCS) reporting

- ▶ CCS results exclude inventory holding gains and losses that are inherent in weighted average inventory accounting
- ▶ CCS reflect the actual cost of supplies incurred during the period.
- ▶ Semi-finished and finished products used / sold are charged to cost of sales at the value for which the crude oil content of these products could have been purchased in the period of sales
- ▶ At MOL CCS calculation is applied on a monthly basis, and are reported aggregated for a quarterly period.

Downstream – demand outlook – favourable position



Favourable geographical position

- ▶ Our main markets (Hungary, Slovakia, Austria, Czech Republic, North-western Italy) are landlocked markets
- ▶ Isolation from the Transatlantic gasoline trade
- ▶ Our core markets has remained short in diesel and balanced in gasoline
- ▶ Global demand decrease due to recession is partly compensated in our region by lower product prices vs. mid-2008 peaks

Well established commercial links to the customers

- ▶ On a yearly basis commercial contracts covers 85-90% of our refined product sales volume
- ▶ Strong sales representation with daily contact to our roughly 19.500 end-users

Downstream – profitability outlook for 2009

External environment:

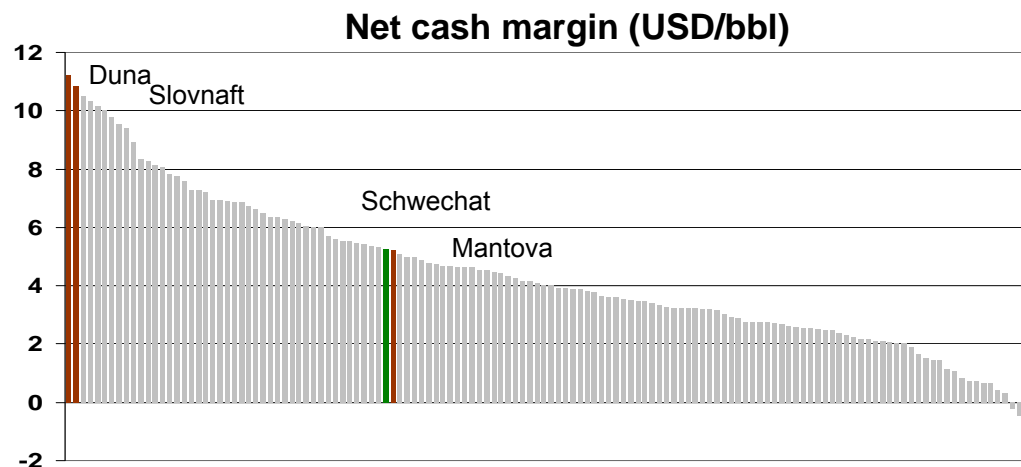
- ▶ Favorable middle-distillate focus
- ▶ Bitumen spread improvement is beneficial for IES
- ▶ Weaker HUF is supporting EBIT
- ▶ Low crude price environment is favourable for our internal crude consumption

Volume outlook:

- ▶ Planned shut downs at both Duna and Slovnaft with similar impact on production like in 2008.
- ▶ Profit driven volume optimisation via our supply chain management

Other factors:

- ▶ Strict cost control at all levels with focus on
 - ▶ Improving energy efficiency
 - ▶ Transportation and material type costs
 - ▶ Other operational costs



*Source: WoodMackenzie – European and Russian refiners, Net Cash Margin in 2007



Petrochemicals – Significant profit improvement in Q4

Q3 2008	Q4 2008	Q4 2007	Ch. %	Petrochemicals (in HUF bn)	2007	2008	Ch. %
4.3	8.6	9.3	(8)	EBITDA	60.3	12.1	(80)
(0.2)	3.8	4.1	(9)	Operating profit/(loss)	40.9	(7.5)	n.a.

Q3 2008	Q4 2008	Q4 2007	Ch. %	Petrochemicals (in USD mn)	2007	2008	Ch. %
28	43	54	(20)	EBITDA	328	71	(78)
(1)	19	24	(21)	Operating profit/(loss)	222	(44)	n.a.

Q4 2008 vs. Q3 2008 EBIT movers:

- + Strong recovery in integrated petrochemical margins,
- + Benefits from the cost-cutting and efficiency improvement measures implemented in H1 2008

2008 vs. 2007 EBIT movers:

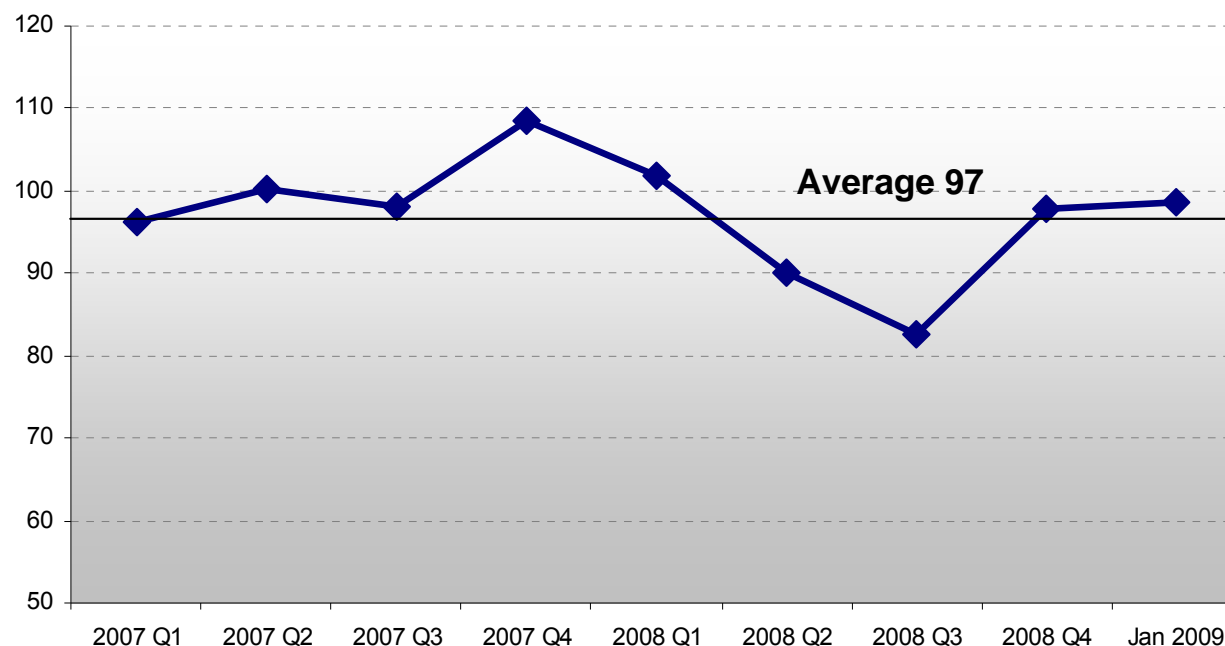
- An exceptionally challenging year with
- extremely volatile integrated margins,
 - +/- a combination of quarterly fixed monomer quotations,
 - increasing energy prices and
 - weakening market demand.

Petchem - outlook for 2009

Demand outlook

- ▶ Demand erosion started in April 2008, due to skyrocketing feedstock prices in Q2-Q3 2008
- ▶ Our Petchem segment had demand decrease below 10% during April 2008-Feb 2009, on average, vs. the pre-recession period (Q1 2007-Q1 2008).
- ▶ Our polyolefin sales structure is less exposed to the businesses that suffered the most from the economic slowdown since September 2008.
- ▶ Our sales geography and domestic/export sales ratio gives us more protection
- ▶ We continue our active product and customer portfolio actions supported by our strong liquidity position

Monthly average polymer sales by quarters (kt)



Volume outlook:

- ▶ Planned shut downs at Olefin-1 in Q2 (general overhaul) and Olefin-2 in Q1 (compressor repair and cleaning of equipments)

Other factors:

- ▶ Stringent cost control
- ▶ Improving energy efficiency

MOL is well positioned to the challenges of global environment

- ▶ Efficiency leadership in upstream and downstream businesses
- ▶ Reduced CAPEX and cost cutting for 2009
- ▶ Upstream: operating profit is less volatile than oil price
- ▶ Downstream: high middle-distillates yield of 44% and strong captive market
- ▶ Integrated refinery – petrochemicals value chain
- ▶ Stable cash flow from gas transmission