# FUNDAMENTAL BUILDING BLOCKS IN MOL

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|---|---|---|---|
| RESILIENT INTEGRATED BUSINESS MODEL | HIGH QUALITY, LOW-COST ASSET BASE | CONSTANT DRIVE FOR EFFICIENCY | FINANCIAL DISCIPLINE |

| | 2015 | 2015 DELIVERY | | 2016 |
|---|---|---|---|---|
| GROUP CLEAN CCS EBITDA | USD 2.2BN (upgraded) | USD 2.5BN | ✓ | USD 2.0BN+ |
| GROUP CAPEX (ORGANIC) | USD 1.3BN (reduced) | USD 1.26BN | ✓ | <USD 1.3BN |
| FCF GENERATION* | POSITIVE | +850MN | ✓ | POSITIVE |
| NxDSP | USD 150MN | USD 210MN | ✓ | USD 100MN+ |
| OIL&GAS PRODUCTION | 105 MBOEPD | 104 MBOEPD | ~ | 105-110 MBOEPD |
| BALANCE SHEET (NET DEBT/EBITDA) | <2x | 0.73x | ✓ | <2x |
| HSE – TRIR** | <2.0 | 1.4 | ✓ | <1.8 |

* Net Operating Cash Flow (before changes in net working capital) less organic capex
** Total Recordable Injury Rate (including own employees and contractors)

## FINANCIAL HIGHLIGHTS

- MOL delivered USD 2.5bn (HUF 692bn) Clean CCS EBITDA in 2015, 13% higher than in 2014, and significantly outperforming its USD 2.2bn target
- Net operating cash flow (USD 2.11bn) exceeded organic CAPEX (USD 1.26bn) by USD 850m, implying very strong free-cash flow generation and leading to an even more robust balance sheet (Net debt/EBITDA at a mere 0.7x) in 2015
- MOL booked sizeable impairment charges of HUF 504bn (USD 1.7bn), mostly driven by the low oil price environment
- Downstream was the earnings engine of the group in 2015 with its best performance of USD 1.65bn Clean CCS EBITDA

## OPERATING HIGHLIGHTS

- Upstream production grew by 7% in 2015 to 104 mboepd
- Hungarian and Croatian crude output rose by 5% and 20% year-on-year, respectively
- Next Downstream Program delivery was ahead of plans (USD 210mn EBITDA contribution in 2015)
- New butadiene plant launched commercial production in Hungary
- Captive retail market continued to expand further with the acquisition of the ENI networks in Hungary and Slovenia
- Strong motor fuel demand growth (5%) in the core CEE market was a tailwind in 2015
- A substantial year-on-year decrease (-23%) in injury rate (TRIR) for own staff in 2015
- RobecoSAM Sustainability Yearbook inclusion means MOL is now top 15% in global oil & gas industry based on its sustainability performance

## OUTLOOK

- Maintain a strong balance sheet and ample liquidity
- Resilient integrated business model to absorb external shocks, generate strong cash flows
- Generating at least USD 2.0bn group CCS EBITDA in 2016 even under a USD 35-50/bbl oil price scenario (and at USD 4.0-5.0/bbl Group Refinery margin and at EUR 400-500/t Integrated Petchem margin)
- Organic capex plan for 2016 cut to up to USD 1.3bn from „up to USD 1.5bn" (at USD 35-50/bbl oil price)
- Sustainable free cash flow generation; its operating cash flows should continue to be able to cover both investments and dividends to shareholders
- Upstream: aiming for self-funding operations at USD 35/bbl after substantial cost-side adjustment
- Downstream: continue to be boosted internally through efficiency and growth; Next Downstream Program to partly offset potential macro normalization
- Cautious, opportunistic view on M&A
- Continue to increase distribution to shareholders, aiming for simpler shareholder structure
- Implementing the „Sustainability Plan 2020"