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Valuation analyses

Draft update
28 November 2012

PRELIMINARY | SUBJECT TO FURTHER REVIEW AND EVALUATION

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1. Basis of preparation

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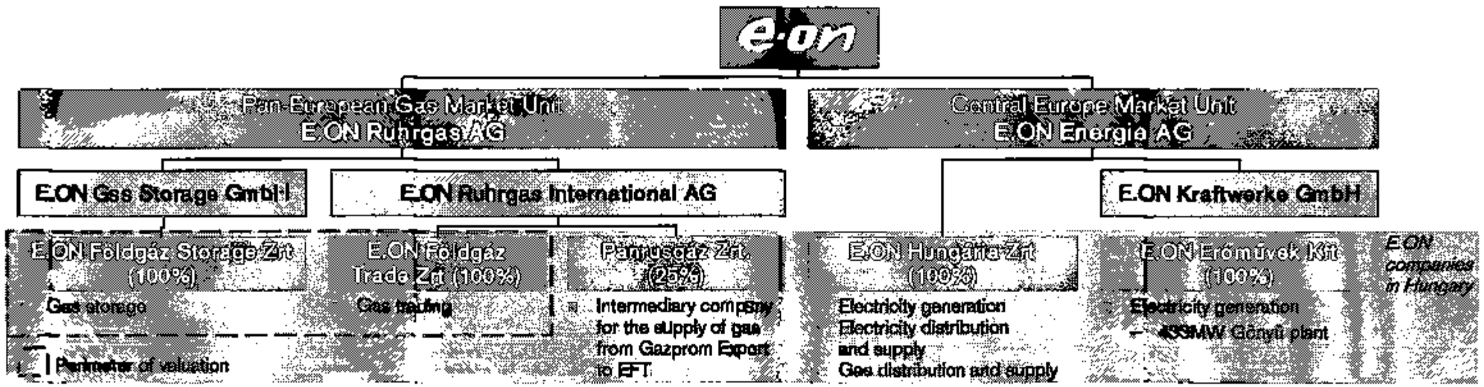
Basis of preparation

Credit Suisse role and scope of work

- Credit Suisse Securities (Europe) Limited ("CS") has been engaged by Magyar Villamos Muvek Zrt. ("MVM" or the "Company") to act as its exclusive financial advisor with respect to the acquisition by MVM or one of its affiliates of a direct or indirect interest in E ON AG's ("Seller") assets and businesses in Hungary, including E.ON Földgáz Storage Zrt. ("EFS") and E.ON Földgáz Trade Zrt. ("EFT") (the "Transaction")
- In these materials, Credit Suisse presents a preliminary valuation analysis of EFS and EFT ("Targets")

Perimeter of valuation

- Scope of the valuation includes 100% of EFS and 100% of EFT
- The 25% stake in Panrusgáz, which could possibly be within the scope of the contemplated acquisition, has not been considered in the valuation analyses due to the lack of any financial information



Underlying financials

- KPMG projections for key market assumptions
- Historical financials and business plans for EFS and EFT for capex forecasts
- Business cases and assumptions as discussed and agreed with MVM
- Starting net working capital in line with reference levels derived by KPMG in order to ensure consistency with envisaged sale and purchase contract; to be adapted accordingly in case of any future changes or different negotiation outcome
- Updates of valuation draft as of 13 November 2012:
  - EFS: New projections on total capacity booking and replacement of Base Cass w/o closure of 2 UGS facilities with the South Stream Case, as discussed with Company
  - EFT: New projections on WACOG, sales prices and Hungarian gas supply, as received from KPMG; new inventory disposal approach, as discussed with Company

Other sources of information[1]

- Due diligence reports prepared by Baker & McKenzie (legal consultant), KPMG (accounting and tax consultant) and ESK (technical consultants) in the context of the acquisition of the Targets
- Selected information and data provided in E.ON dataroom (April 2011, August 2011 and October 2012)
- Industry research reports, broker reports and relevant information from publicly available sources (e.g. Hungarian Energy Office)

Note: (1) For further details please refer to the relevant slides in the sections on the detailed valuation of the Target.

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Basis of preparation (cont'd)

Valuation approach

- Valuation of each Target on a stand alone basis (100% enterprise value)
- Valuation date: 30 September 2013 (assumes no material delays from regulatory approvals)
  - Valuation date assumes that transaction is closed on 30 September 2013 and MVM takes economic ownership of EFS and EFT as of this date
- Sensitivity analyses performed on key operating assumptions
- No impact of any potential state aid rulings or issues on valuation of EFT and EFS assumed
- Potential future changes in the current tax regime applicable to EFS and EFT have not been taken into account
- The potential impact of any change-of-control clauses or other transaction-related effects (e.g. integration cost or synergies) on EFT and EFS has not been considered in the valuation analysis
- No potential liabilities or negative cash flow effects from (i) any legal risks, (ii) any environmental issues / obligations or (iii) any tax exposure / liabilities relating to past periods have been considered in the valuation analyses, since it has been assumed that these will be covered separately in any binding purchase agreements either via respective representations or indemnities from the seller or as purchase price adjustment
- The valuations contained herein represent an intrinsic valuation of the Targets. There is no guarantee that such value will be reflected in any future valuation of the Target and/or in any transaction involving all or any of the Targets

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Basis of preparation (cont'd)

Valuation approach for EFS(1)

- The main valuation methodology used to value EFS is the discounted cash flow analysis ("DCF") since it best captures relevant aspects of the Hungarian regulation, the key dynamics of the Hungarian gas market as well as relevant operating and cost characteristics for EFS
- As secondary valuation methodology, precedent transactions in the gas storage sector in Europe, over the past 10 years are used as an additional reference point
- The comparable trading companies methodology is not deemed applicable due to lack of pure play peers and different regulatory regimes
- The following parameters are considered the key drivers of the EFS valuation: domestic gas consumption, mobile domestic storage sales volumes, outcome of the next regulatory review and export dynamics. These are reflected in the following valuation cases:
  - Business Plan Case: based on assumptions provided by E.ON, assuming mobile capacity bookings will increase from 2.5bcm in 2012 to 3.4bcm by 2017
  - Base Case: based on market assumptions provided by KPMG, assuming further decline in mobile capacity bookings to 2.3bcm in 2012 and stagnating bookings volume thereafter and the closure of 2 UGS(2) facilities in 2017 since they are not required due to low assumed mobile storage capacity bookings volume
  - South Stream Case: based on market assumptions provided by KPMG but assuming additional 1.0bcm of storage capacity bookings related to South Stream
- Updated valuation report contemplates higher capacity booking in all projected years

Valuation approach for EFT(1)

- The main valuation methodology used to value E.ON Földgáz Trade is the discounted cash flow analysis since it best captures the relevant aspects of the Hungarian regulation regime and the key characteristics for the gas wholesale trading and supply sector as well as the specific characteristics of EFT (e.g. contractual position)
- Precedent transactions and trading comparable companies methodologies are deemed not applicable for EFT due to lack of comparable transactions, pure play peers and different regulatory regimes
- The following parameters are considered the key drivers of the EFT valuation: domestic gas consumption, gas sales volumes, domestic gas sales prices and the outcome of the contract renegotiation with key suppliers
- Since EFT has gas procurement contracts that contain a Take or Pay ("TOP") clause requiring EFT to purchase a minimum volumes ("MAQ") of gas at oil-linked gas price ("WACOG"), EFT is unlikely to be able to sell all its MAQs over the 2012-2015 period, resulting in significant TOP volumes and the risk of significant operating losses for EFT
  - In our valuation, we have therefore separated the value of EFT recurring underlying business(3) and the potential impact of TOP volumes
- To value EFT (recurring underlying business), the following 2 main valuation scenarios have been considered:
  - Scenario 1: based on current contractual position of EFT and market assumptions provided by KPMG for the 2012-2015 period. Post 2016, DCF projections based on assumed 20% gas market share and sales price with 2.0% margin over WACOG
  - Scenario 2: based on E.ON assumption that EFT purchase contracts will be successfully renegotiated and market assumptions provided by KPMG
- The impact of TOP obligations is valued separately based on the same valuation Scenarios
  - Net present value of TOP cash flows is driven by the success of contracts renegotiation with gas suppliers, discount on sales price, and financing cost
- Updated valuation report contemplates higher values of oil-linked components (for WACOG and sales prices), lower spot price weight in WACOG formula, higher gas supply from Centrex, no imports from Romania, and disposal of majority of inventory assumed in 2016

Notes: (1) For further details please refer to the relevant slides in the sections on the detailed valuation of the Targets.
(2) Underground gas storage.
(3) Recurring underlying business excluding the impact of TOP volumes.

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2. Summary valuation analyses

a) Key macroeconomic and market assumptions

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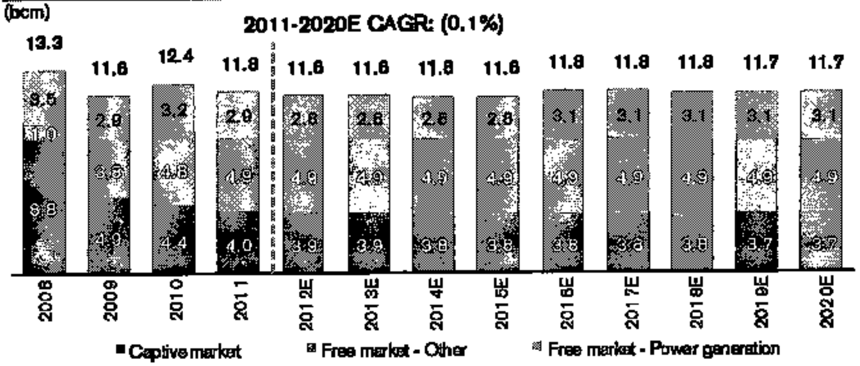
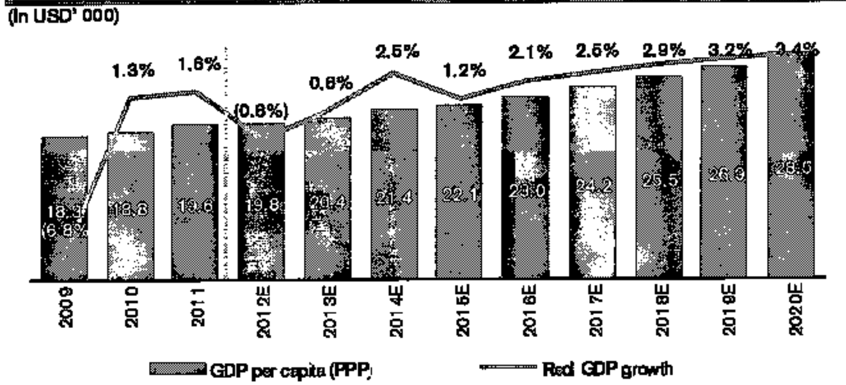
Macroeconomic and market assumptions

Hungarian gas demand is the main driver of sales volumes for EFS and EFT

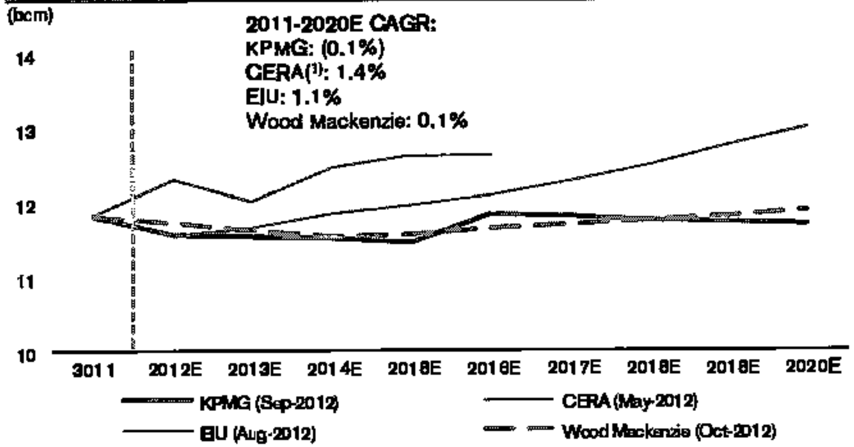
Hungarian gas consumption – KPMG forecast



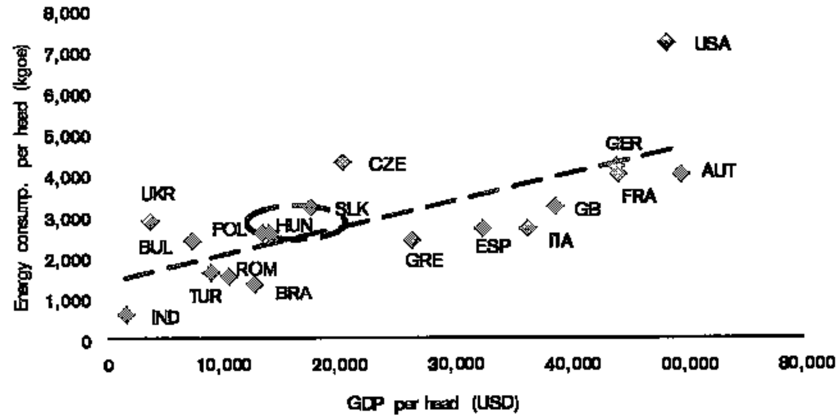
Hungarian GDP per capita and GDP growth



Hungarian gas consumption – Benchmarking



GDP per capita vs. energy consumption per capita (2011)



Strong correlation of GDP per capita and energy consumption indicates potential upside for future gas demand

Source: KPMG, CERA, EIU and Wood Mackenzie.
Notes: (1) Based on 2012E-2016E period

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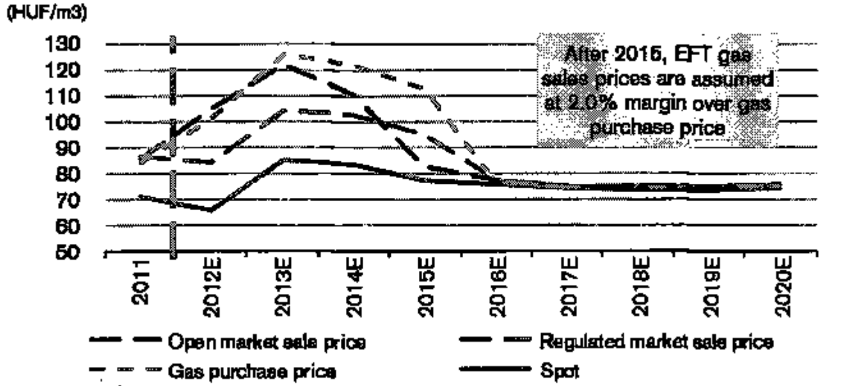
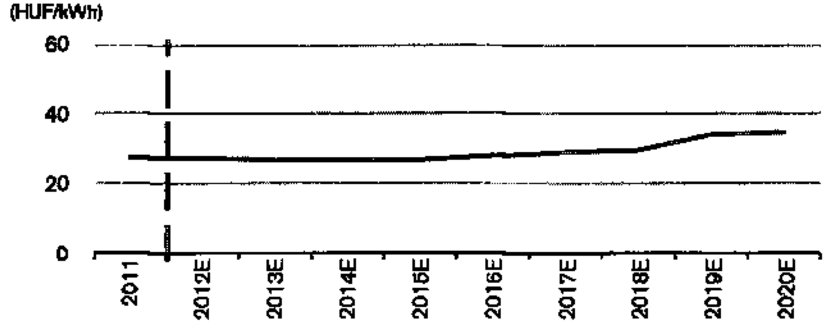
Macroeconomic and market assumptions
Gas and power prices, inflation and exchange rates

Gas price



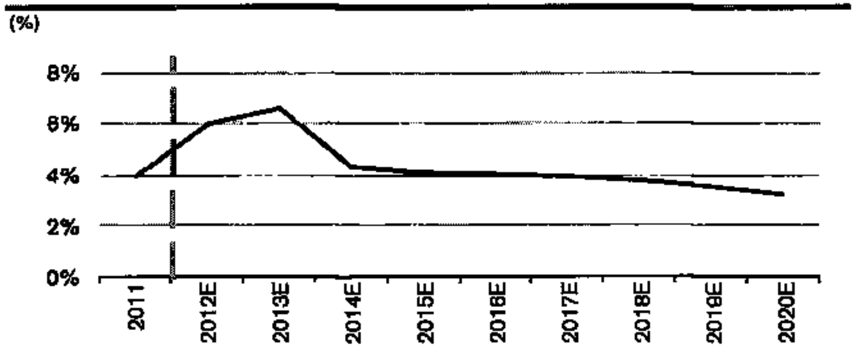
Source: KPMG, IHS Global Insight.
Note: EFS acquires gas for own consumption at open market price.

Power price



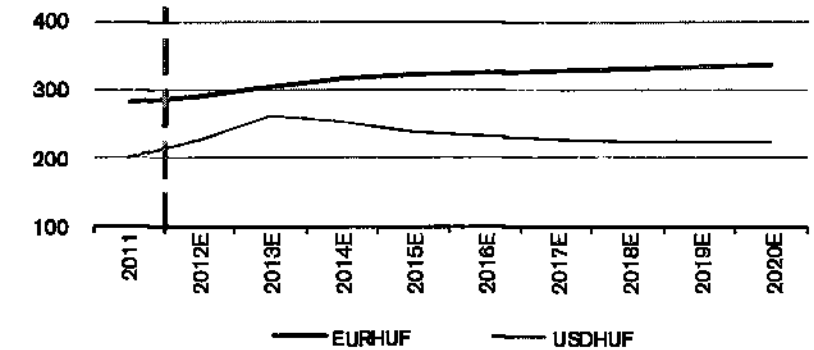
Source: Eurostat, KPMG.
Note: Price at which EFS acquires electricity for internal consumption.

Inflation



Source: Global Insight (Sep-2012).

Exchange rates



Source: Global Insight (Sep-2012).

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b) EFS

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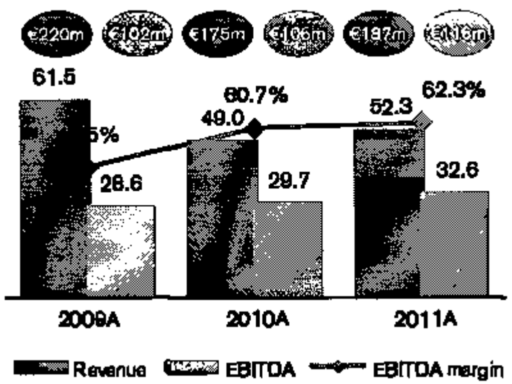
EFS
Perimeter of valuation

Overview

- EFS has four underground natural gas storage sites (in Zsana, Hajdúszoboszló, Pusztaederics, and Kardoskút) where gas is being stored in depleted gas fields
- Total working gas capacity of 4.2bcm, daily withdrawal and injection capacity of 55.1mcm and 32.2mcm, respectively
- EFS owns c. 70% of existing storage capacity in Hungary (c. 85% excl. strategic storage), with the remainder being owned by MOL(1)
- c. 11 customers and 174 employees

Key financials (HUFbn)(3)(4)



Note: Based on Hungarian Accounting Standards.

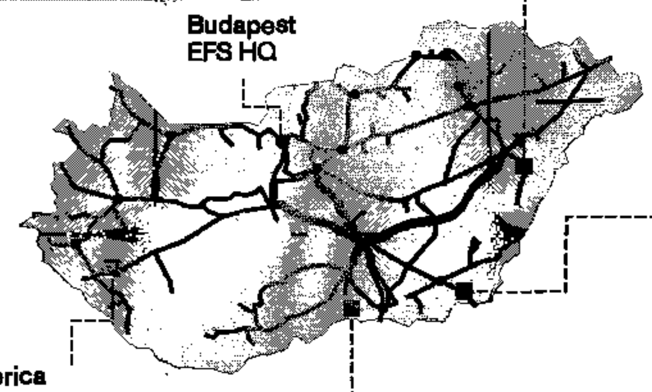
Asset location

Total EFS

Mobile:	4,230 mcm
Withdrawal cap:	55.1 mcm/d
Injection cap:	32.2 mcm/d
Cushion gas:	4,171 mcm(2)

Hajdúszoboszló

Mobile:	1,440 mcm
Withdrawal cap:	20.8 mcm/d
Injection cap:	10.3 mcm/d
Cushion gas:	2,210 mcm



Kardoskút

Mobile:	280 mcm
Withdrawal cap:	3.2 mcm/d
Injection cap:	2.2 mcm/d
Cushion gas:	260 mcm

Pusztaederics

Mobile:	340 mcm
Withdrawal cap:	3.1 mcm/d
Injection cap:	2.6 mcm/d
Cushion gas:	266 mcm

Zsana

Mobile:	2,170 mcm
Withdrawal cap:	28.0 mcm/d
Injection cap:	17.2 mcm/d
Cushion gas:	1,435 mcm

EFS
Transmission networks MOL transport

Gas storage operator in Hungary with 4.2bcm of mobile capacity and c. 70% storage capacity market share

Source: Seller.
Notes: (1) MOL owns the Szoreg UGS with 1.9bcm of mobile capacity. 1.2bcm of Szoreg UGS is dedicated to strategic storage.
(2) Includes transaction cushion gas ("TCG") which (3.3bcm) was acquired by EFS in 2005 for HUF60bn (€238m at 2005 avg. EURHUF exchange rate of 252.15). It can not be sold prior to 2021 according to the agreement with the Government. EFS is receiving a HUF9.25bn (c. €33.6m at 2011E avg. EURHUF exchange rate of 275.08) p.a. return on TCG which is included in tariff.
(3) Including capitalised value of EFS performance.
(4) EUR/HUF exchange rate of 280.

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EFS

Introduction to valuation cases

	EFS Business Plan	Base Case ("BC")	South Stream Case ("2S")
Methodology	• Based on the business plan (2012-17) provided during due diligence • EFS provides limited detail on certain relevant items: e.g. export volumes, prices • Corporate tax rate of 19% and local tax rate of c. 2.5%	→ Mobile storage booking volume assumptions based on KPMG projections → Prices based on the current regulatory framework → Assumes closure of Hajdúszoboszló and Kardoskút UGS facilities in 2017 due to low utilisation and sale of 1.47bcm of cushion gas → Costs and working capital projections based on assumptions described in section 3 – Decline in personnel expenses due to reduction in workforce by 62 employees	→ Mobile storage booking volume assumptions based on KPMG projections – Assumes c. 1bcm of storage booking volume related to South Stream → Prices same as in the Base Case → Assumes closure of Kardoskút UGS facility in 2017 due to low utilisation and sale of 0.26bcm of cushion gas → Costs and working capital projections based on assumptions described in section 3 – Decline in personnel expenses due to reduction in workforce by 22 employees
Regulation and prices	• 2012 Business Plan does not contain price assumptions – For the purpose of this analyses no changes in the current regulatory framework[(1)] are assumed • Assumes that EFS' application to HEO to reduce the reference capacity booking volume from 3.6bcm to 3.2bcm for tariff calculation is approved and is effective as of January 2013 • Assumes RAB and allowed OPEX indexation with inflation starting in 2015; 1.3% efficiency factor for allowed OPEX assumed	→ Assumes no changes in regulatory framework – RAB and allowed opex increased by inflation post 2014; 1.3% efficiency factor for allowed OPEX assumed → After closure of 2 UGS facilities, RAB, allowed opex and reference booking volume (3.6bcm) reduced proportionately to the reduction in storage capacity – Revenue for TCG reduced in proportion to the reduction in volume of cushion gas. Revaluation of revenue in 2021[(2)]	→ Same approach to the regulatory framework as in the Base Case assumed → After closure of 1 UGS facility, RAB, allowed opex and reference booking volume (3.6bcm) reduced proportionately to the reduction in storage capacity – Revenue for TCG reduced in proportion to the reduction in volume of cushion gas. Revaluation of revenue in 2021[(2)] ▪ Prices for 2S sales at 60% of non-USP tariff
Volumes	• Total cumulated volumes 2012-17: 16,914mcm • Average storage capacity sales 2012-17: 2,819mcm	→ Total cumulated volumes 2012-17: 14,369mcm → Average storage capacity sales 2012-17: 2,395mcm (16.0% below Business Plan Case) – Nabucco and South Stream volumes equal to 0 – Export sales of 0.2bcm per year	→ Total cumulated volumes 2012-17: 15,369mcm → Average storage capacity sales 2012-17: 2,662mcm (9.1% below Business Plan Case) – South Stream volumes equal to 0.33bcm in 2016, 0.67bcm in 2017 and 1bcm post 2017 – Export sales of 0.2bcm per year
Capex	• Average yearly capex 2012-20: HUF3,399m • Average capex in % of sales: 7.9%	→ Based on the Business Plan – Average yearly capex 2012-20: HUF3,398m → Average capex in % of sales: 10.6% → Capex is not reduced post 2017 as utilisation of remaining 2 UGS facilities will increase → Recultivation costs at closing of 2 UGS facilities of HUF44.7bn (€160m) based on ESK estimates	→ Based on the Business Plan case – Average yearly capex 2012-20: HUF3,399m → Average capex in % of sales: 0.7% → Capex is not reduced post 2017 as utilisation of remaining 3 UGS facilities will increase → Recultivation costs at closing of 1 UGS facility of HUF12.4bn (€44m) based on ESK estimates

Notes: (1) In 2011, EFS assumed that post 2014 the market will be liberalized and the return for USP customers will increase to 10.08% from 4.5%.
(2) In the Base and South Stream Cases, after the revaluation of revenue on TCG (with accumulated inflation), implied allowed return on TCG is 8.8%. Assuming no revaluation of TCG, implied allowed return is 4.2%.

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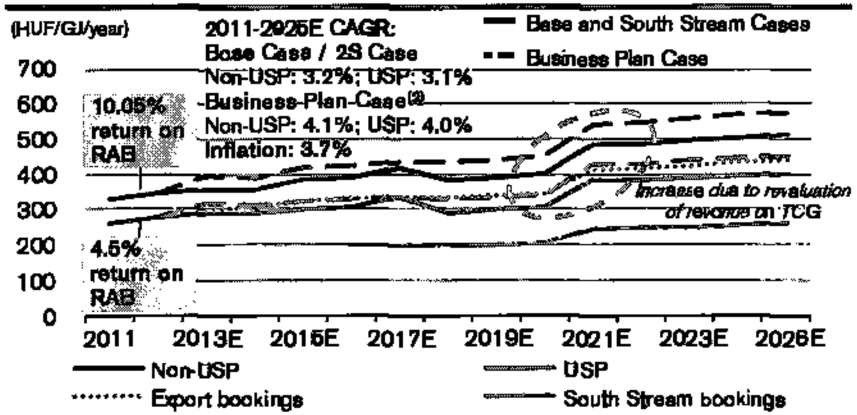
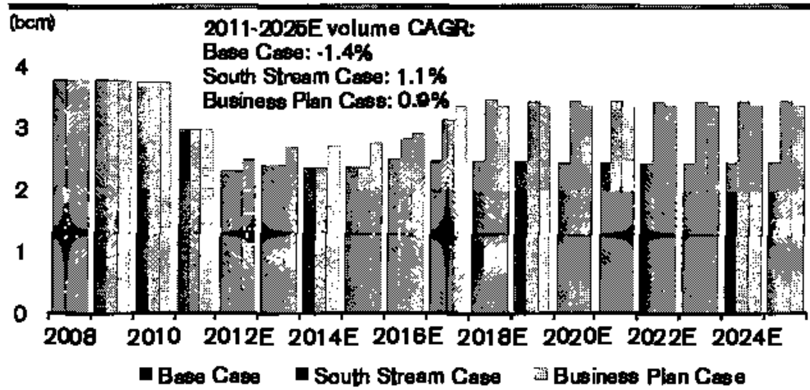
EFS
Key assumptions and summary financials

Mobile capacity fee(1)



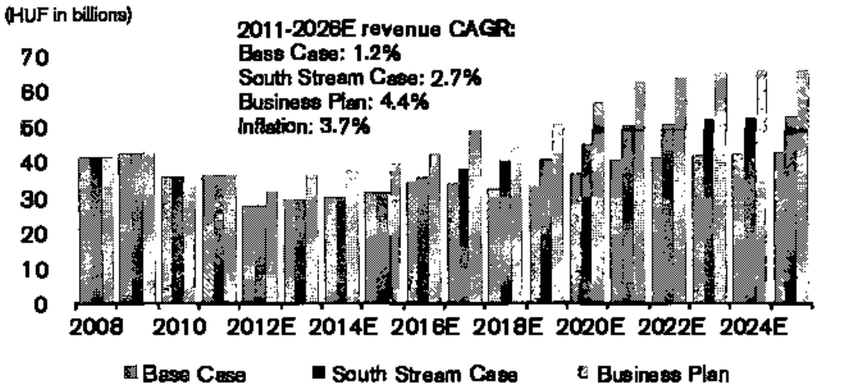
Source: Current regulatory framework.

Mobile capacity booking volume(3)



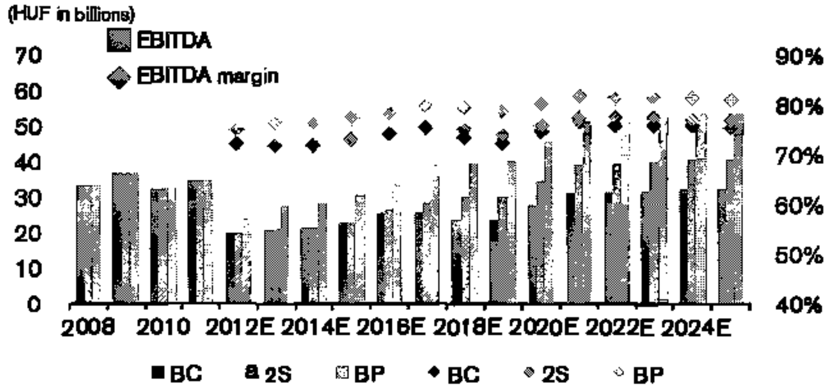
Source: KPMG, EFS, MVM.

Gas storage revenue(4)



Source: KPMG, EFS, CS analyses.

EBITDA(5) and EBITDA margin



Source: KPMG, EFS, CS analyses.

In the Base Case and South Stream Cases, mobile capacity fees are growing below inflation and domestic capacity booking volumes are forecast at a significantly lower level vs. 2008-2011

Notes:
(1) South Stream case assumes mobile capacity fee similar to the Base Case. Please refer to p. 34 for further details.
(2) Higher tariff in the Business Plan Case due to approval of EFS' application to reduce reference capacity booking volume for tariff calculation from 3.6bcm to 3.2bcm starting in January 2013.
(3) Mobile capacity booking volume in the South Stream Case includes additional 1bcm of bookings related to South Stream.
(4) Excludes revenue from sale of natural gas, capitalized own performance and other income.
(5) EBITDA during the 2008-2011 period is affected by results related to the sale of natural gas, capitalized own performance and other income, thus EBITDA margin is not shown.

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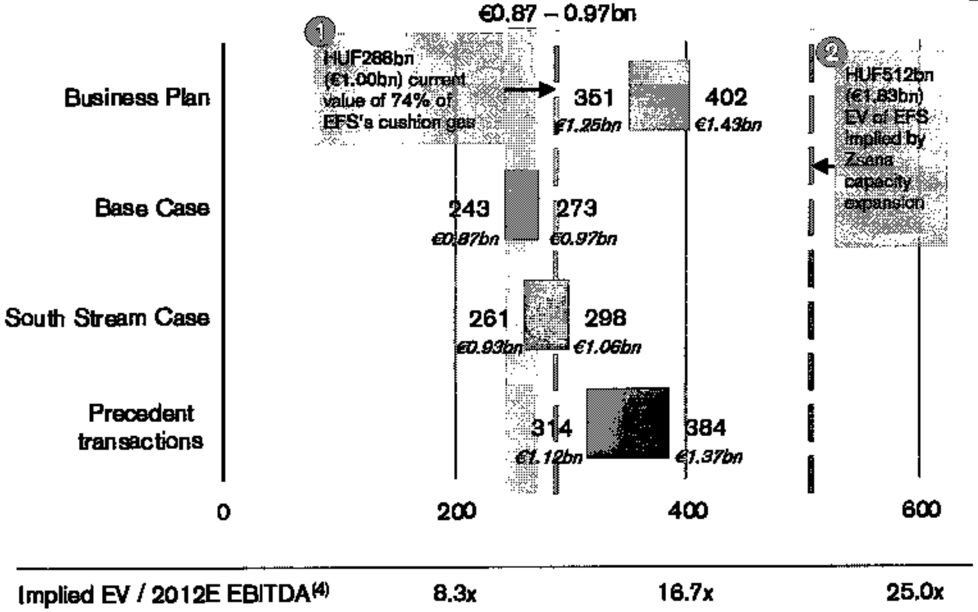
EFS

Valuation summary

Enterprise value (100%) as of 30 September 2013

(HUF in billions)



	EV / 2012E EBITDA(4) Min	EV / 2012E EBITDA(4) Max	Comments
Business Plan	14.6x	16.8x	■ Based on Business Plan operating assumptions and WACC of 9.8% +/- 0.5%; TGR of 2.1%(1) ■ TV is 44.7% of total EV. Impl. exit EV/EBITDA of 9.3x
Base Case	10.1x	11.4x	■ WACC of 9.8% +/- 0.5%; TGR of 2.1%(1) ■ Closure of 2 UGS facilities due to low utilisation ■ TV is 37.0% of total EV. Impl. exit EV/EBITDA of 8.8x
South Stream Case	10.9x	12.4x	■ WACC of 9.8% +/- 0.5%; TGR of 2.1%(1) ■ 1bcm 2S related sales and closure of 1 UGS facility ■ TV is 43.9% of total EV. Impl. exit EV/EBITDA of 8.9x
Precedent transactions	13.1x	16.0x	■ Based on average capacity metric of previous transactions of €0.297/mcm +/- 10%

(1) HUF288bn (€1.00bn) current value of 74% of EFS's cushion gas

- 4.17bcm(2) (volume of cushion gas) x HUF105.6/m³ (2012 competitive market gas price) x 0.74 (withdrawal amount)(3) x 0.86 (factor to account for 12% mining royalty)

(2) HUF512bn (€1.83bn) EV of EFS implied by Zsana capacity expansion

- HUF32bn (cost of Zsana expansion) / 600mcm (expansion capacity) x 4,200mcm (total capacity) + HUF288bn (value of cushion gas)

EFS' enterprise value amounts HUF243bn to HUF273bn assuming the Base Case DCF valuation as key reference point

Source: CS analyses.

Note: Net debt (Jun-2012) of HUF124bn (€442m) based on KPMG calculation, pension provisions (Jun-2012) of HUF0.1bn (€0.2m), site restoration provisions (Jun-2012) of HUF9.5bn (€34m) and other provisions (Jun-12) of HUF1.2bn (€4m), based on IFRS. Net working capital assumed at -HUF0.5bn (-€1.7m) as of September 2013 based on KPMG figures. EUR/HUF exchange rate of 280. (1) Based on long term inflation assumption of 2.1%. (2) Total volume of cushion gas as of August 2012. (3) 74% assumption has been provided by ESK. (4) 2012E EBITDA of HUF24.0bn (€86m) based on the Business Plan case.

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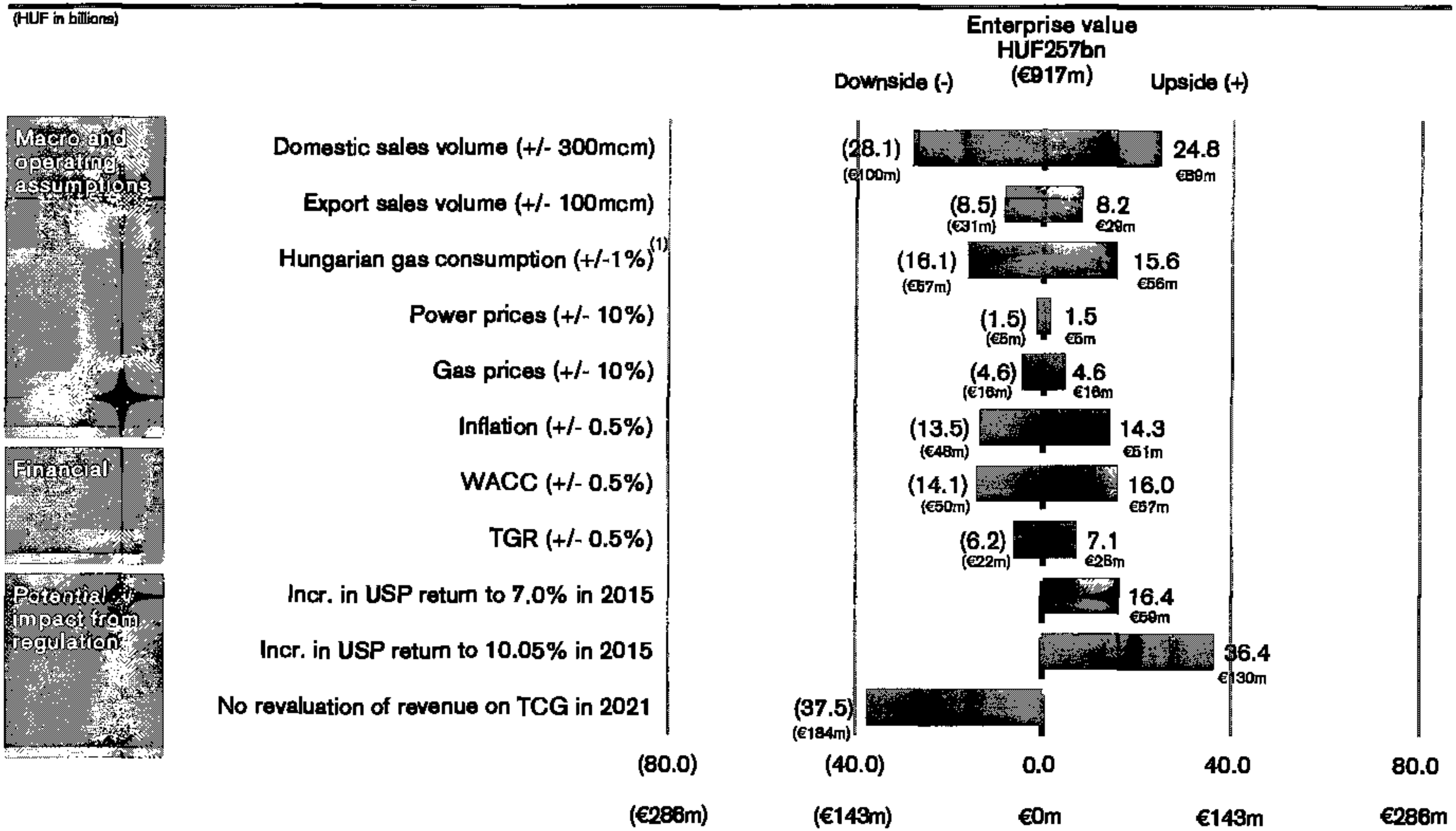
EFS
Sensitivity analysis

Enterprise value (Base Case, assuming closure of 2 UGS facilities)

(HUF in billions)



Source: CS analyses.
Note: EUR/HUF exchange rate of 280.
(1) Increase/decrease in Hungarian gas consumption 2012E-2020E CAGR by +/- 1%.

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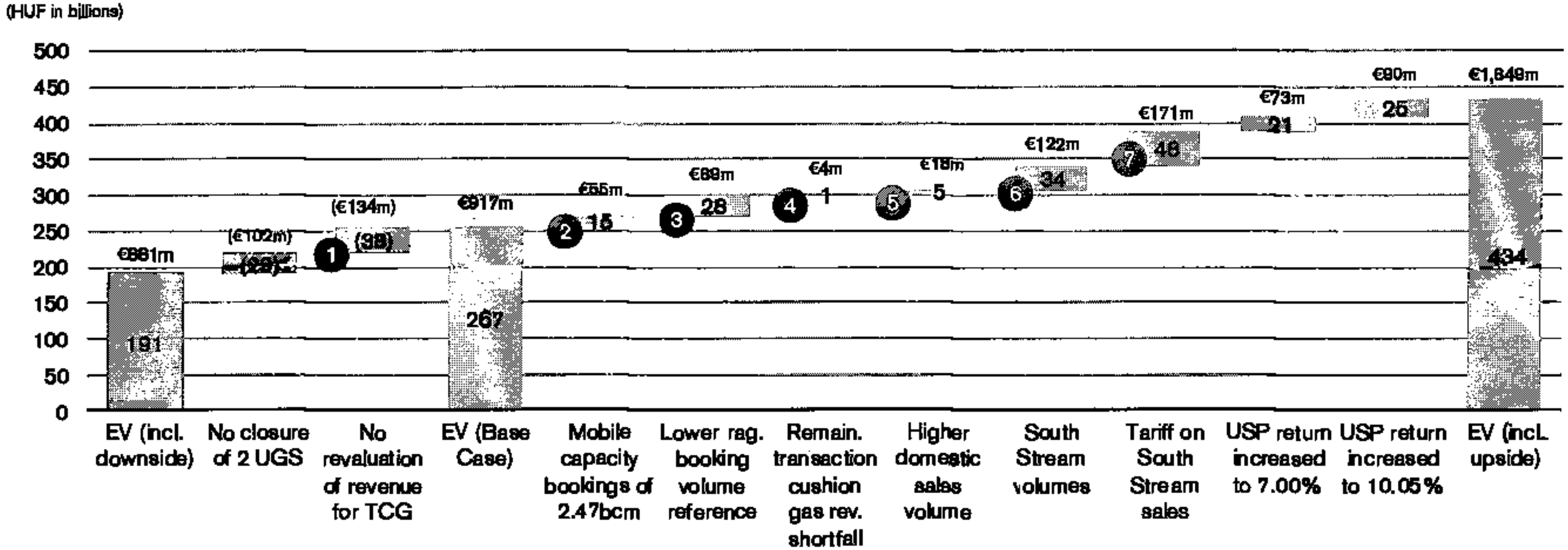
EFS

Valuation summary – downsides and upsides

Enterprise value (based on mid-point of the valuation ranges)



1. Allowed revenue for transaction cushion gas is HUF 9.25bn per year over the 2005-2021[1] period. In all cases, allowed revenue on transaction cushion gas is revalued in 2021 gas year with accumulated 2005-2021 inflation[2]
2. Upside if domestic mobile capacity bookings in 2012 are 2.47bcm as per EFS BP expected 2012 bookings vs. 2.3bcm currently assumed in the Base Case; driven by KPMG's forecast of Hungarian gas consumption
3. Approval of EFS' application to reduce regulatory bookings volume reference from 3.6bcm to 3.2bcm as of January 2013
4. Recovery of remaining shortfall in revenue related to transaction cushion gas (shortfall which is not recovered through assumed tariff adjustment)[1]
5. Upside if gas consumption in Hungary grows faster than forecast by KPMG (average of forecasts by CERA, EIU and Wood Mackenzie, please see p. 8 for further details). Mobile storage capacity booking assumed to increase to 2.7bcm by 2020
6. Upside if storage bookings increase by 1bcm due to South Stream
7. Upside if sales tariff for 1bcm of storage bookings related to South Stream is equal to 85% of non-USP tariff vs. assumed 50% of non-USP tariff

A number of upsides exist, including sales volumes and regulation which are likely to be factored into the seller's decision making

Source: EFS, Company information, CS analyses.
Note: EUR/HUF exchange rate of 280.
(1) HUF9.25 is a contractually guaranteed revenue. If actual revenue related to transaction cushion gas is lower than HUF0.25, EFS has the right to recover lost revenues. Revenue is HUF11.6bn in 2012 adjusted for revenue shortfall in previous years.
(2) Revaluation assumed in July 2020. In the Base and South Stream Cases, after the revaluation of revenue on transaction cushion gas, implied allowed return on transaction cushion gas is 6.6%. Assuming no revaluation of transaction cushion gas, implied allowed return is 4.2%.

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c) EFT

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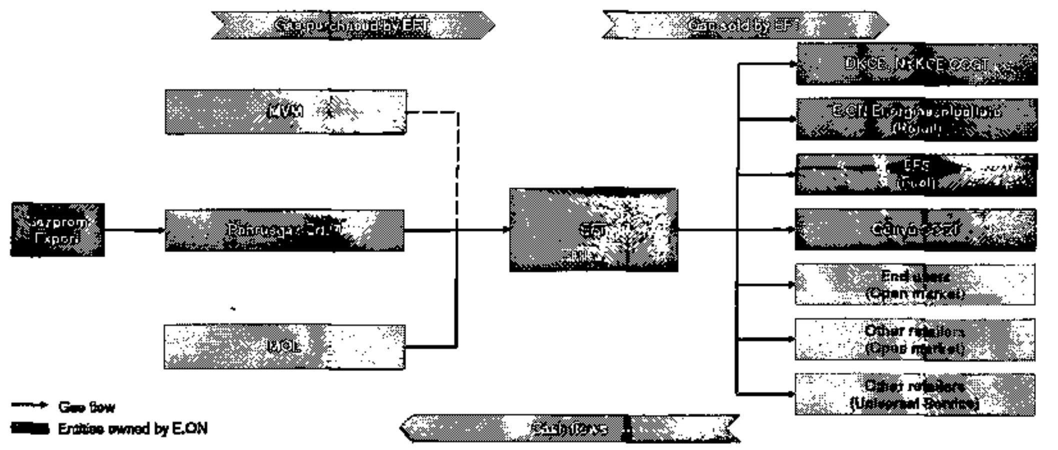
EFT

Perimeter of valuation

Overview

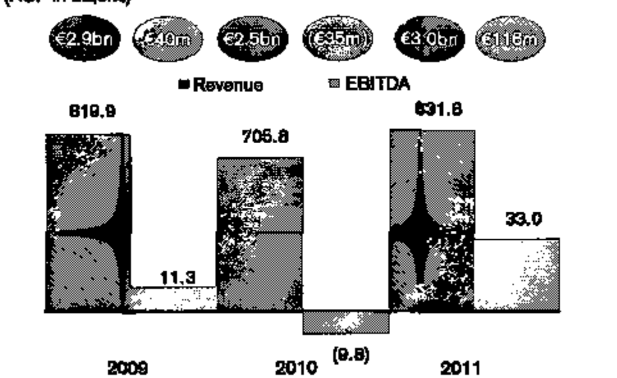
- EFT is the largest natural gas importer and wholesaler in Hungary with 2011 sales of 9.1bcm (c. 66% market share) and 43 customers and 47 employees as of December 2011
- EFT purchases gas from Gazprom (through Panrusgáz) at oil-linked prices and MOL. Its gas procurement contracts have Take-or-Pay ("TOP") clauses
  - Under the TOP clauses, EFT is required to off-take a minimum annual quantity of gas ("MAQ"). If it does not off-take the MAQ, it is required to pay for the amount of untaken gas or trigger a make-up clause that allows to take gas within 5 years time by making a 50% prepayment
  - Contracts expire at the end of 2015
- EFT supplies gas to direct clients (power plants, industrial customers), wholesalers distributing gas to the residential customers and export clients

Gas and cash flows scheme



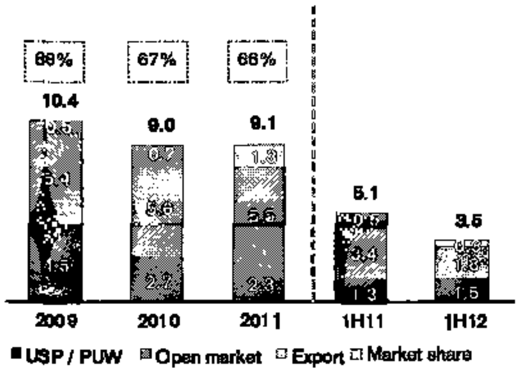
Key financials[(1)(4)]

(HUF in billions)



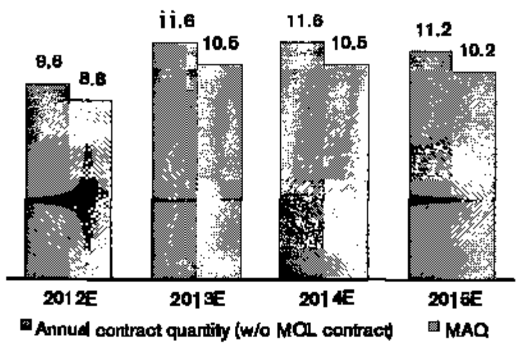
Gas volume sold and market share[(3)]

(bcm)



TOP contracts – gas purchase volumes

(bcm)



EFT supplied 66% of Hungarian natural gas consumption in 2011

Source: Seller, CERA.
Note: Based on Hungarian Accounting Standards.
(1) Revenues include 'Other income'.
(2) 25% owned by E.ON Ruhrgas International GmbH (100% owned subsidiary of E.ON).
(3) Total gas demand in Hungary in 2009-2011 based on CERA figures.
(4) Exchange rate of HUF280/€.

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EFT
Valuation approach

EFT gas procurement contracts

- EFT has gas procurement contracts that contain a Take-or-Pay clause that oblige EFT to purchase minimum volumes (MAQ) of gas at oil-linked gas price (WACOG)
- Due to stagnant gas consumption and gas oversupply, EFT's WACOG is currently c. 21% above spot gas prices
- It is expected that EFT will not be able to sell all its MAQs over the 2012-2015 period, resulting in significant TOP volumes
  - In addition, EFT has accumulated c. 1.7bcm of TOP volumes during 2009 and 2011 for which it made a 25-50% prepayment
- If EFT cannot purchase the MAQs, TOP obligations trigger either a penalty (requirement to pay for untaken gas volumes) or a make-up clause
  - Make-up clauses allow EFT to prepay 50% of gas and to take gas volumes within 5 years by making the remaining 50% payment
  - Prepayments may require significant access to financing
- Due to its high WACOG and significant MAQ volumes, EFT is likely to incur significant operating losses related to negative margin gas sales and/or financing costs for TOP prepayments
  - In the past, EFT was able to reduce MAQ volumes and WACOG through annual renegotiations with its suppliers

Valuation approach

- Principal approach
  - Valuation of EFT on a recurring stand-alone basis to estimate the value of the company without any potential TOP liabilities
  - NPV analysis for TOP /make-up gas volumes to reflect the valuation impact of potential operational and financing losses related to TOP contracts
- Valuation scenarios
  - Valuation scenarios based on KPMG forecasts and E.ON assumptions
  - KPMG forecasts reflect the current contractual position of EFT while E.ON assumes that EFT will be able to renegotiate contractual terms with its gas suppliers
- Financial statements and TOP impact are projected on a consolidated basis in order to adequately capture impact of effects on working capital and other items

EFT's future financial performance is mainly affected by the scale and terms of its future TOP obligations, the impact of which has been reflected in valuation scenarios

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EFT (recurring underlying business[1])

Introduction to the valuation scenarios

	Scenario 1	Scenario 2
Methodology	↗ Valuation of EFT without TOP/make-up volumes[1] ↗ For the period 2012-2015, gas sales volumes based on KPMG assumptions ↗ Gas purchase price ("WACOG") based on proxy price formula provided by E.ON (contractually agreed purchase price) and KPMG assumptions ↗ Gas sales prices based on the existing regulation and KPMG forecasts; no exports assumed after 2012 ↗ After 2015, gas sales volumes based on an assumed 20% market share (market size based on KPMG estimates), gas purchase price is assumed to be competitive with alternative gas sources (equal to spot gas prices), and gas sales price is assumed to be at a 2.0% margin to the gas purchase price	→ Valuation of EFT without TOP/make-up volumes[1] → Gas sales volumes as in Scenario 1 → From 2012 to 2015, gas purchase price ("WACOG") is assumed to gradually decline to reach competitive (spot) level by 2016, as assumed by E.ON → Open and regulated gas sales prices assumed for 2012-2015 at the same level as in the Scenario 1 but not higher than 4.0% margin over WACOG and post 2015 period at the same level as in the Scenario 1 → All other valuation assumptions as in Scenario 1
Volumes	↗ For the period 2012-2015, average open and regulated market sales volumes assumed at 2.7bcm and 2.6bcm per year, respectively (excl. TOP/make-up volumes)[1] ↗ After 2016, average open and regulated market sales volumes assumed at 1.6bcm and 0.6bcm per year, respectively, assuming a 20% market share in each segment – Hungarian total gas consumption forecast to stagnate over 2011-2020 period as potential increase in power consumption assumed to be offset by increase in generation from renewable energy sources and efficiency improvements – Overall market share assumed to decline from c. 66% in 2011 to 20% by 2016 due to competition from alternative gas suppliers	→ Volume assumptions (excl. TOP/make-up volumes) are the same as in the Scenario 1

General assumptions

- Key costs and working capital assumptions
  - Storage and transmission costs linked to volume stored and sold, respectively
  - Inventory (1.0bcm in 2011) assumed to be partially disposed in 2016 to reach the 2011 inventory-to-sales volume ratio of 0.11x
  - Accounts receivable and payables assumed to be 6.7% and 4.1% of revenues and COGS, respectively (based on 2011 figures)
  - Receivables from affiliated undertakings and short-term liabilities to affiliated undertakings assumed to be 3.2% and 15.1% of revenues and gas purchase cost, respectively (based on 2011 figures)
  - Other indirect costs (i.e. marketing) linked to revenues (based on 2011 ratios)
- Assume MOL does not exercise its change-of-control right
- No I/K funds[2] assumed after 2012 as per E.ON information
- Capital expenditures equal to depreciation based on the 2011–2017 Business Plan
- No Crisis and "Robin Hood" taxes assumed after 2013 as per E.ON information

Source: Company information, KPMG forecasts, IHS Global Insight, EIU.
Notes: (1) Excluding TOP impact. For further information about TOP/make-up volumes analysis and scenarios please refer to pages 24 and 25.
(2) Subsidies provided by the Government to compensate EFT for the operating losses caused by the abolishment of the regulated market.

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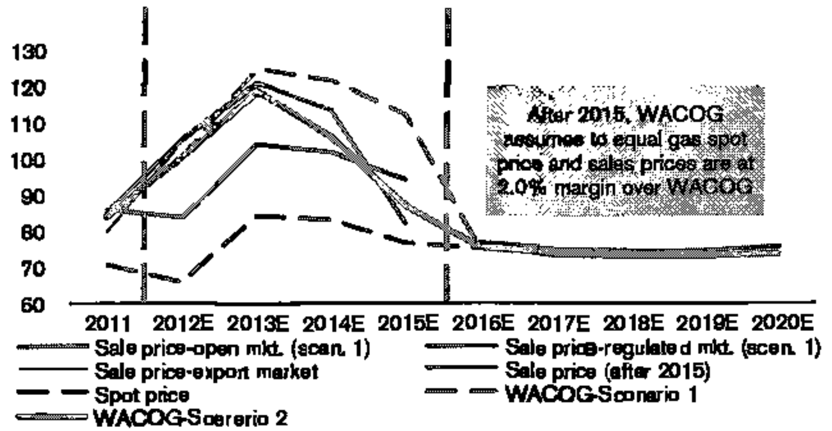
EFT (recurring underlying business)

Key assumptions and summary financials

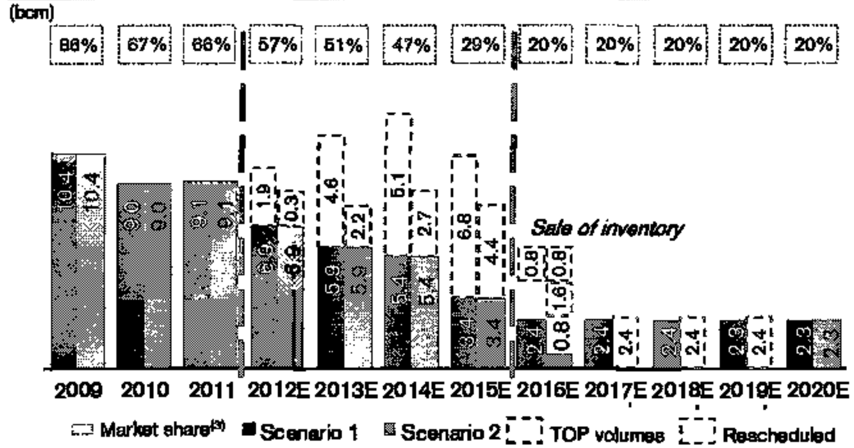
Gas purchase and sale prices

(HUF/m3)



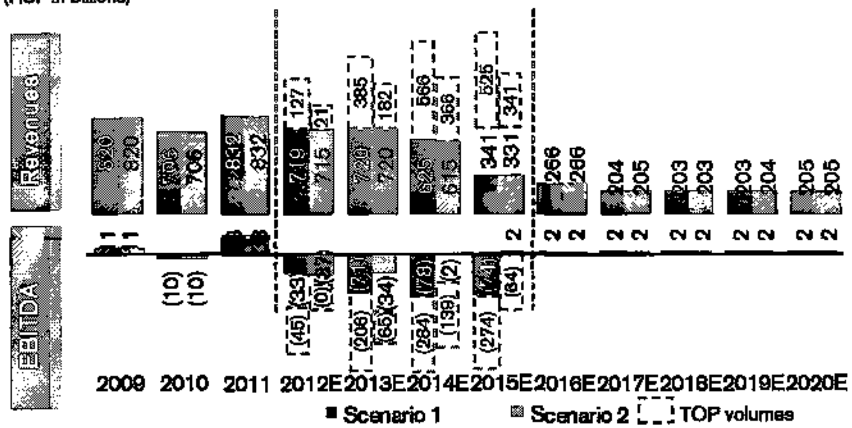
Sales volumes[1,2]

(bcm)



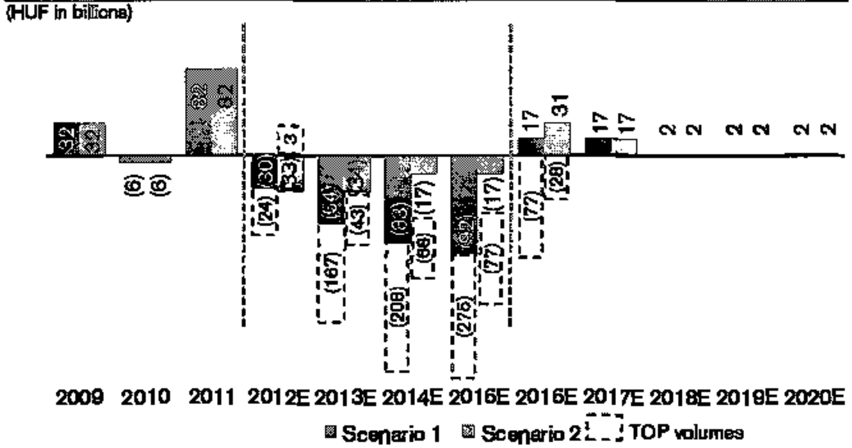
Revenue and EBITDA[3]

(HUF in billions)



Cash flow from operating activities[3,4]

(HUF in billions)



Source: KPMG, Company information, CS analysis.

Notes: (1) Excludes TOP volumes. 2012E volume sold includes 0.3bcm of exports (export volumes assumed to be nil after 2012).
(2) Market share does not take into consideration sale of TOP/make-up volumes and export volumes.
(3) Excludes TOP/make-up volumes impact. For further information about TOP/make-up volumes impact analysis and scenarios please refer to page 24-25.
(4) Includes net income (incl. interest), depreciation, and change in working capital items.

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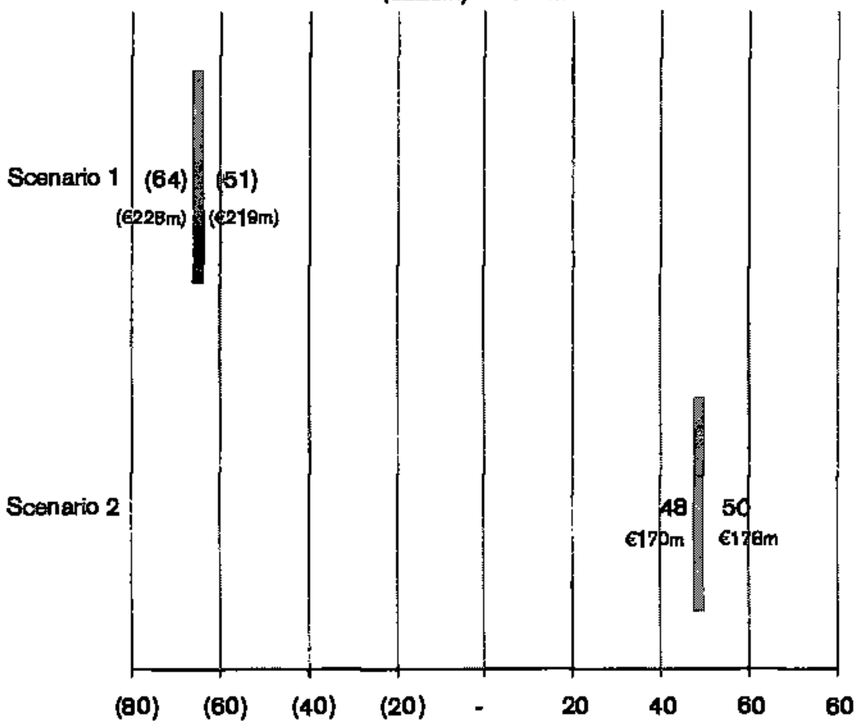
EFT (recurring underlying business)

Valuation summary

Enterprise value (100%) as of 30 September 2013 – Excluding impact from TOP/make-up volumes

(HUF in billions)

Enterprise value
(HUF64bn) – HUF50bn[1]
(€228m) – €178m



Comments

Scenario 1:

- WACC of 12.8% +/- 1.0%; TGR of 2.1%[2]
- 5.4bcm average sales in the 2012-2015 period (excl. TOP volumes); 20% market share post 2016
- WACOG based on the proxy formula in 2012-2015 and competitive (spot) level post 2015
- Implied terminal exit multiple is 9.0x of 2025E EBITDA

Scenario 2:

- WACC of 12.8% +/- 1.0%; TGR of 2.1%[2]
- 5.4bcm average sales in the 2012-2015 period (excl. TOP volumes); 20% market share post 2015
- WACOG is assumed to gradually reach competitive level by 2016
- Terminal value represents 9.2% of total EV; implied exit terminal multiple is 9.0x based on 2025 EBITDA

EFT's enterprise value excluding TOP volumes impact is assumed to amount to (HUF64bn) to HUF50bn, assuming a reference net working capital of HUF62.5bn, including 1.0bcm of working gas in storage

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Source: CS analysis.
Notes: Please refer to page 24-26 for TOP volumes impact analysis.
Net debt of HUF36.4bn as of June 2012 (KPMG). Assumes reference net working capital of HUF62.5bn as of September 2013.
Exchange rate: HUF280/€.
(1) Valuation range based on the minimum value for Scenario 1 and the maximum value for Scenario 2.
(2) Based on long term inflation assumption of 2.1% after 2025.

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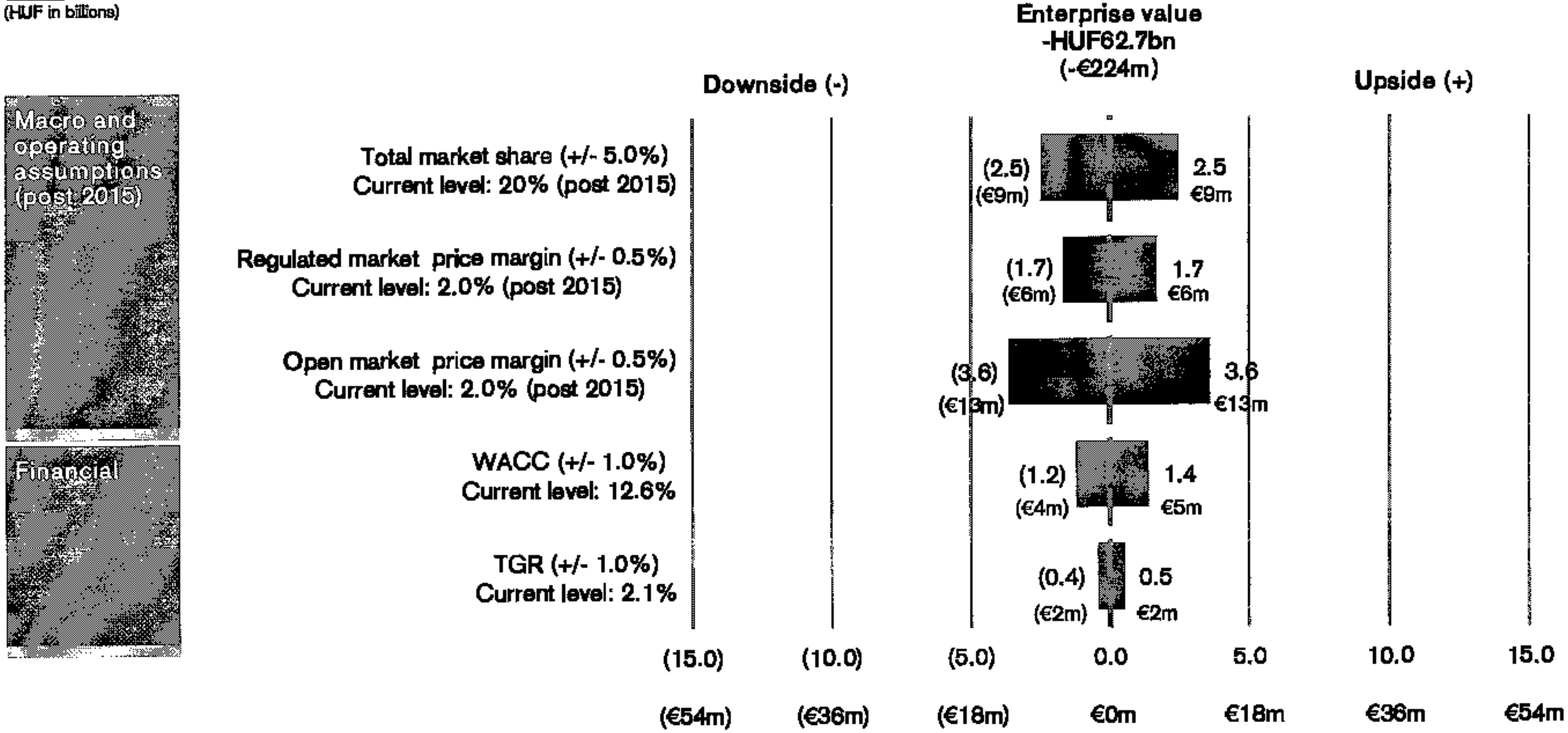
EFT (recurring underlying business)
Sensitivity analysis

Enterprise value (Scenario 1) – Excluding impact from TOP/make-up volumes

(HUF in billions)



Source: CS analysis.
Notes: HUF/EUR exchange rate of 280.

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EFT TOP volumes impact

Introduction to the valuation scenarios

	Current contractual position	Assumes renegotiation of contract
	Scenario 1	**Scenario 2**
Methodology	■ Current contractual positkm of EFT ■ TOP volumes to be sold immediately	■ Assumes contract renegotiation with Gazprsm to reschedule part of TOP volumms (without preeayment) and roduce WACOG ■ TOP volumes to bu sold immediately
Volumes	■ Total 2009-2015 TOP volumes of 20.1bcm (incl. 1.7bcm related to 2009 ann 2011) ■ 2009 and 2011 make up volume sold in 2014	■ Total 2009-2015 TOP volumes of 11.8bcm (incl. 1.7bcm rolated to 2009 and 2011) ■ 2009 and 2011 make up volume sold in 2014 ■ In addition, 8.8bcm TOP volumes rescheduled to 2016-2019
Prices	■ TOP/make-up volumes are sold at a 5% discount to gas spot prices (c. 27% discount to average of open market and rugulated market gas sales price)	■ TOP/make-up vulumes are sold at a 5% discount to gas spot prices (c. 26% discount to average of opan market and regulated market gas sales price) ■ Rescheduled volumes sold at a 2% margin (over WACOG) in 2016-2019

Source: Seller, KPMG, Company information.
Notes: Financing cost of 7.8% (10y Hungarian swap rate plus 150bps company premium).
Valuation date for all scenarios: 30 September 2013.

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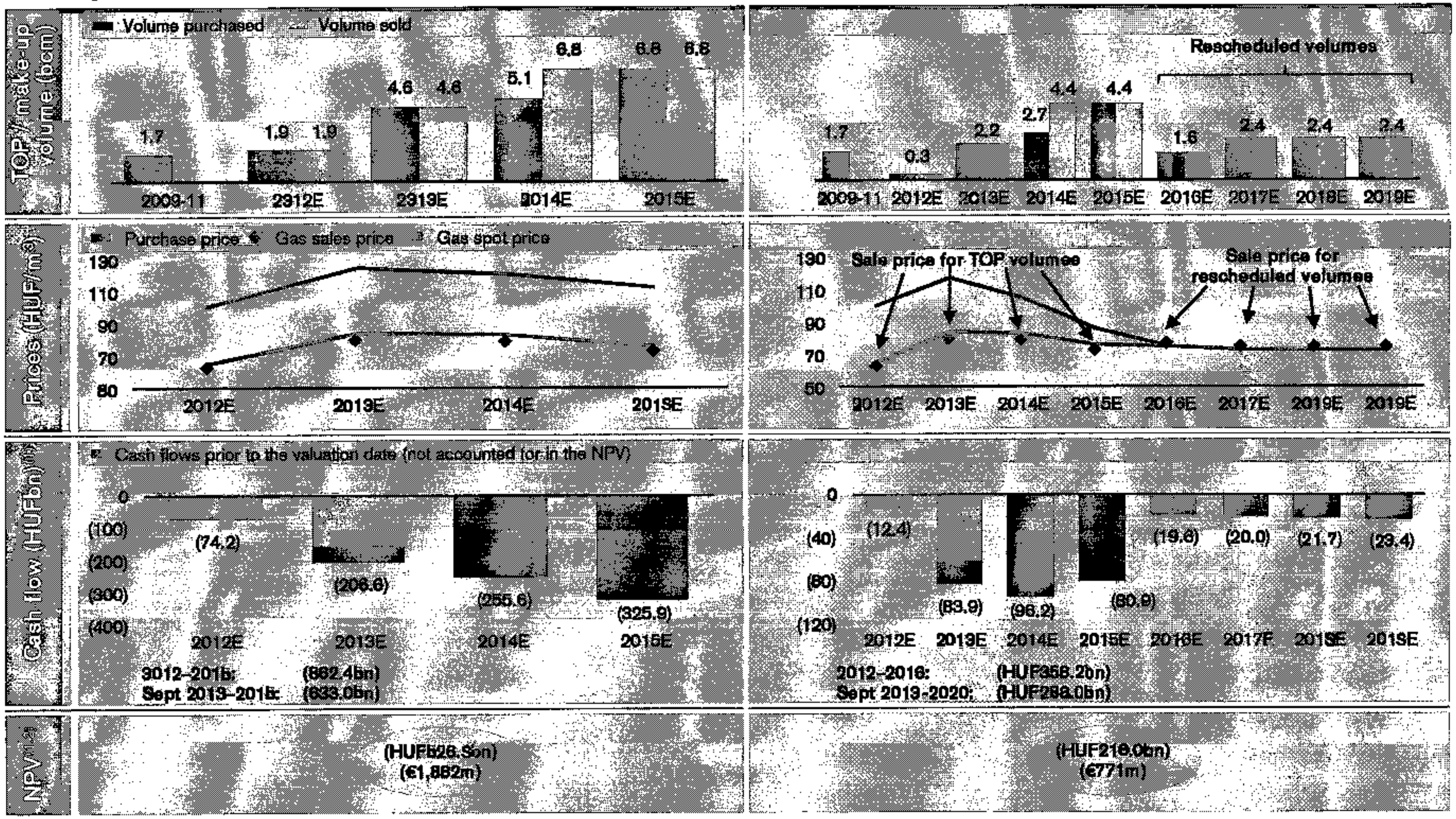
EFT TOP volumes impact

Key assumptions and summary valuation

Scenario 1

Scenario 2



Source: Seller, KPMG, Company information, CS analysis.

Notes: Exchange rate: HUF280/€.

(1) Includes financing costs of 7.8% (10y Hungarian swap rate plus 150bps company premium).

(2) Discounted cash flows are considered from 30 September 2013 to 31 December 2019 for Scenario 2 and from 30 September 2013 to 31 December 2015 for Scenario 1. WACC of 12.8%.

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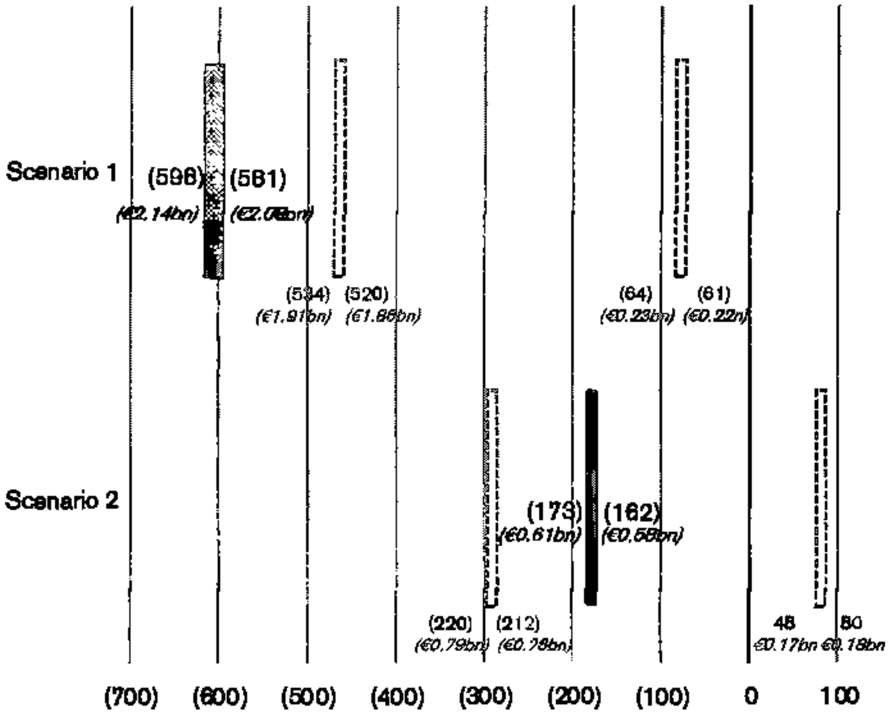
EFT (including TOP impact)

Valuation summary

Enterprise value (100%) as of 30 September 2013

(HUF in billions)



- EV range of EFT recurring underlying business (please refer to p. 20-23 for further details)
- NPV range of TOP volumes impact (please refer to p. 24-25 for further details)

Comments

Scenario 1:

- WACC of 12.8% +/- 1.0%; TGR of 2.1%(1)
- Current contractual position of EFT
- Assumes that TOP/make-up volumes are sold immediately at 5% discount to spot gas prices

Scenario 2:

- WACC of 12.8% +/- 1.0%; TGR of 2.1%(1)
- 8.8bcm of TOP volumes rescheduled to post 2015
- WACOG is gradually reduced to reach spot gas price levels post 2015; rescheduled volumes sold at a 2.0% margin post 2015
- Assumes that TOP/make-up volumes are sold immediately at 5% discount to spot gas prices

EFT's enterprise value (incl. TOP volumes impact) is driven by the view on the success of gas procurement contracts renegotiation

Source: CS analysis.
Notes: Net debt of HUF36.4bn as of June 2012.
Assumes reference working capital of HUF82.5bn as of September 2013.
Exchange rate: HUF280/€.
(1) Based on long term inflation assumption of 2.1% after 2026.

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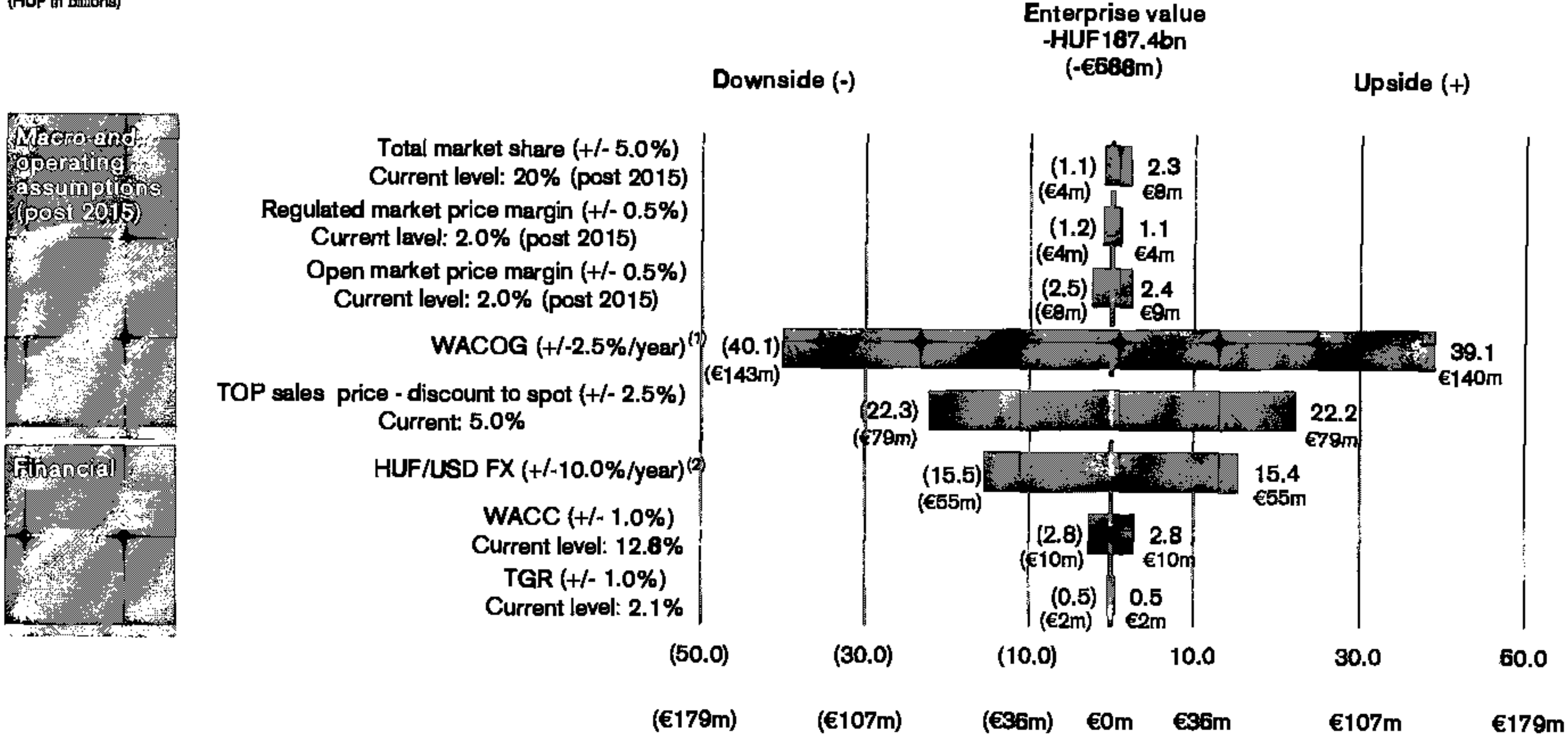
EFT (including TOP impact)
Sensitivity analysis

Enterprise value (100%) - Scenario 2

(HUF in billions)



Source: CS analysis.

Notes: EUR/HUF exchange rate of 280.
(1) WACOG sensitivity analysis built by adding/subtracting 2.5% to the yearly procurement price projected from 2012 to 2025.
(2) Exchange rate sensitivity analysis built by adding/subtracting 10% to the yearly exchange rate projected by IHS Global Insight. An increase of 10% means a HUF depreciation. Assumes no hedging arrangement in place. Please refer to page 89 for further information about exchange rate development and projections.

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d) Summary of updated assumptions and valuation

Summary of updated assumptions and valuation
EFS valuation bridge and key changes

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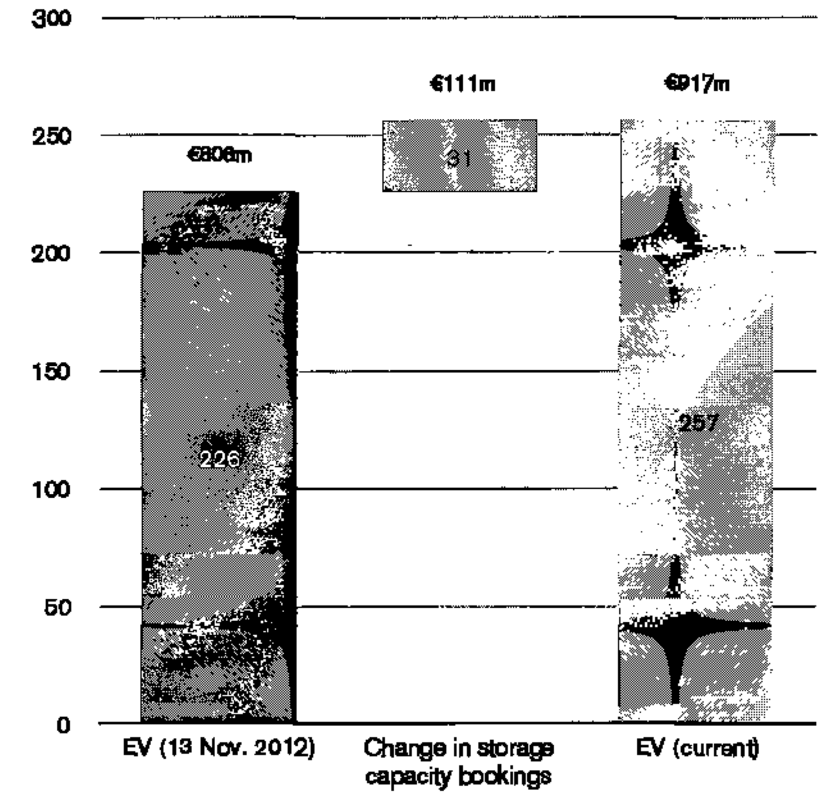
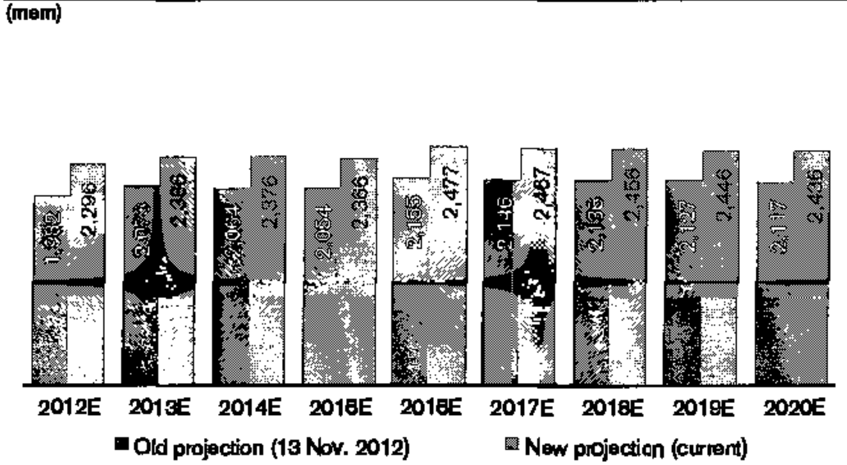
Valuation bridge – EFS Base Case (100% EV)



Storage capacity booking comparison



- Updated capacity booking is c. 0.3bcm higher in each projected year, as received from KPMG
- New valuation report also contains the South Stream Case, as discussed with Company. The new scenario assumes c 1bcm of storage capacity booking volume related to the South Stream pipeline, with 0.33bcm booking volume in 2016, 0.67bcm in 2017 and 1bcm post 2017

Source: KPMG projections, CS analysis.
Note: EUR/HUF exchange rate of 280.

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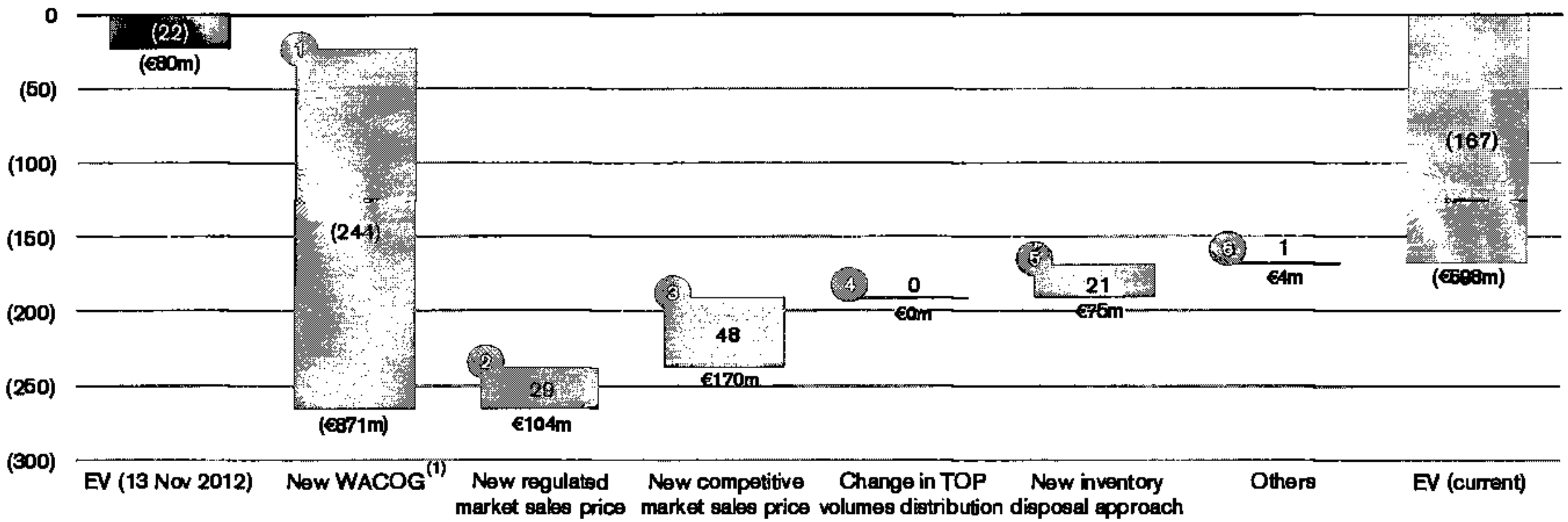
Summary of updated assumptions and valuation
EFT valuation bridge and key changes

Valuation bridge – EFT (incl. TOP impact) Scenario 2 (100% EV)

(HUF in billions)



1. Average increase on 2012-2015 WACOG of 23%, driven by a decline in spot price weight in formula (old average 2012-2015: 56% vs. new: 33.5%) and an increase in gas oil and fuel oil forward prices (as received from KPMG)
2. Average increase on 2012-2015 regulated market sales price of 3%, driven by an increase in value of oil-linked components (as received from KPMG)
3. Average increase on 2012-2015 open market sales price of 11%, though different changes in all years (2012:+31%; 2015:-16%), as received from KPMG
4. TOP volumes increase in 2012 from 1.6bcm to 1.9bcm but decrease by 0.1bcm/year in 2013-2015, as received from KPMG. Changes driven by an increase of the volume supplied by Centrex (from 0.6bcm to 0.8bcm in 2012) and the removal of imports from Romania (old: 0.3bcm) in the 2013-2015 period
5. Inventory disposal of c. 0.8bcm in 2016 (c.76% of total inventory), which is now sold in spot markets at 5% discount (2016 total sales: 3.2bcm), as discussed with Company. Inventory disposal assumed not to change quantities sold in regulated and open markets (which remains at 20% market share each)
6. Residual value not explained by the above-mentioned five variables

Source: KPMG projections, CS analysis.
Notes: EUR/HUF exchange rate of 280.
Old valuation (13 November 2012) based on KPMG assumptions as of 28 September 2012.
(1) Assumes other WACOG linked items (i.e. sales price) remain unchanged.

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3. Detailed financial analyses for EFS

a) Operating assumptions

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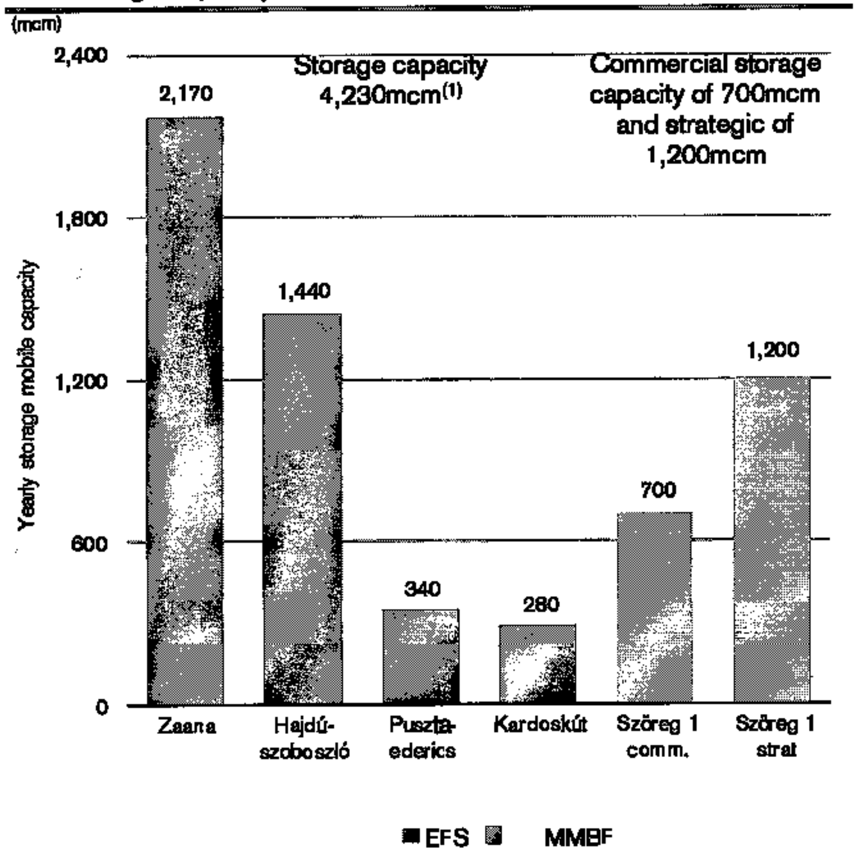
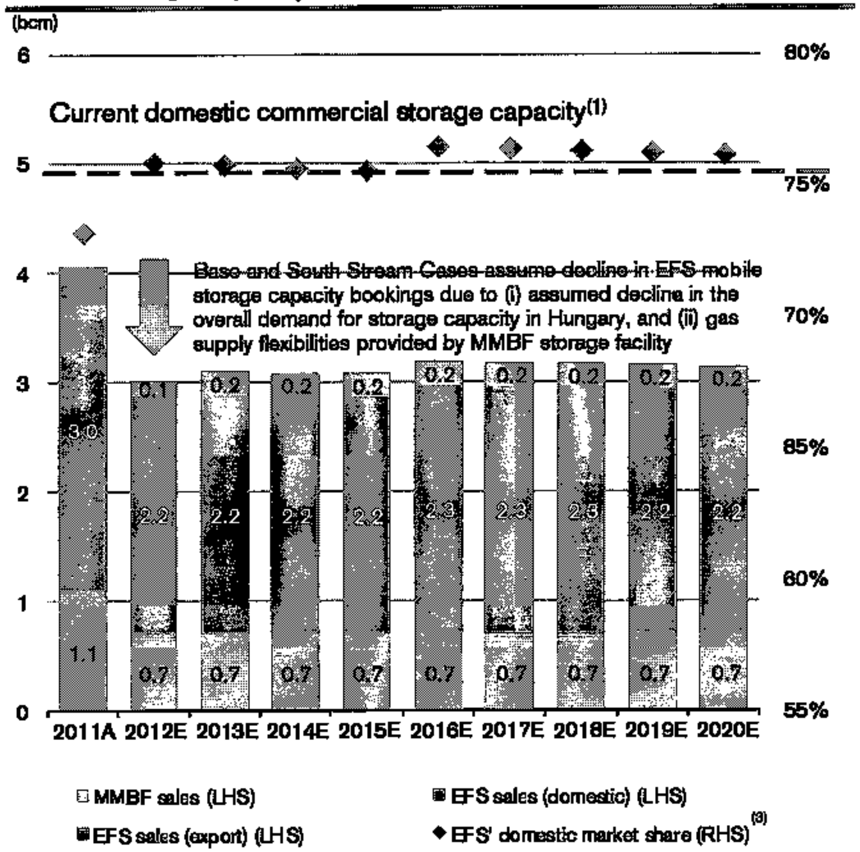
EFS financial analyses
Hungarian gas storage market

Gas storage capacity



Mobile storage capacity sales (Base Case)(2)



In the Base Case, EFS is forecast to market c. 50-52% of its capacity and its capacity bookings are assumed to decline from c. 2.9bcm in 2011 to 2.4bcm in 2020 due assumed decline in the overall storage market and continuing flexibility provided by MMBF storage facility

Source: EFS, MMBF, KPMG forecasts.
Note: (1) Without strategic storage. EFS capacity does not take into account potential increase of capacity related to conversion of cushion gas into mobile gas and sale in August 2012.
(2) South Stream Case assumes that bookings will increase by 0.33bcm in 2016, 0.67bcm in 2017 and 1bcm post 2017 due to demand related to South Stream pipeline.
(3) Market share in terms of storage capacity booking.

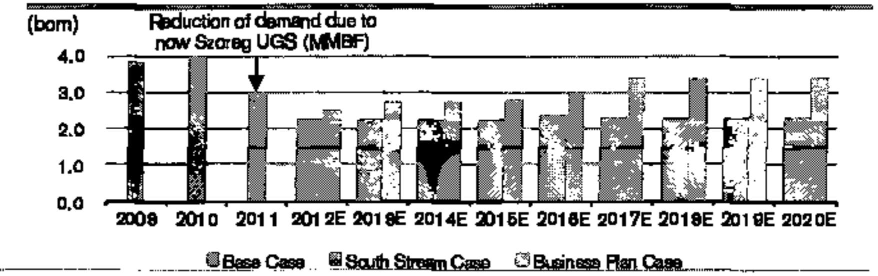
EFS financial analyses

Volume development

Domestic

- **Business Plan Case:** forecast decline in bookings for 2012 to 2.5bcm (from 3.0bcm in 2011) and then gradual increase to 3.4bcm by 2017
- **Base and 2S Cases:** based on KPMG's projections. Domestic demand for storage is driven by gas consumption in Hungary, which is expected to stagnate
  - Decline in domestic booking volume from 3.0bcm in 2011 to 2.2bcm in 2012 assumed and stagnant volume in domestic bookings thereafter related to stagnant domestic gas consumption
  - Bookings decline due to flexibility provided by MMBF's storage facility, stagnant bookings volume growth due to forecast stagnant gas consumption

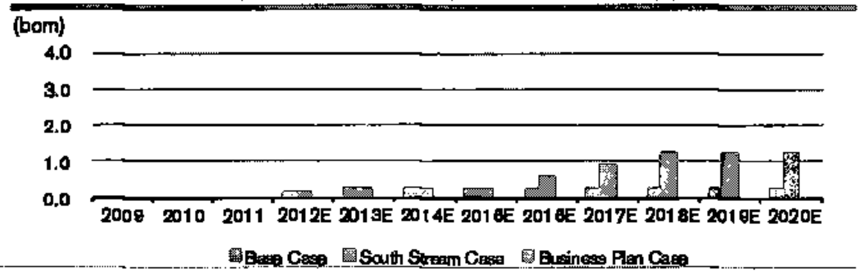
Mobile storage capacity sales – Domestic



Export

- **Business Plan Case:** export volume assumptions are not available; export volumes could be included in total volumes (domestic volume above)
- **Base Case:** based on KPMG's projections
  - 100mcm sales to Romania in 2012 increasing to 200mcm in 2013 at a tariff equal to 65% of non-USP mobile storage fee
  - Sales related to transit support for Nabucco and South Stream assumed to be nil
- **South Stream Case:** based on KPMG's projections and Company data
  - Same sales to Romania as in the Base Case; sales related to transit support for South Stream assumed to be 0.33bcm in 2016, 0.57bcm in 2017 and 1.0bcm post 2017 at a tariff equal to 50% of non-USP mobile storage fee

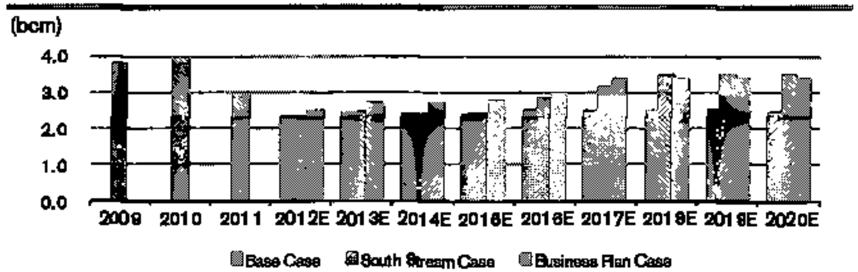
Mobile storage capacity sales – Export & transit support



Total

- **Business Plan Case:** decline in bookings for 2012 to 2.5bcm. Sales are forecast to grow starting in 2013
- **Base Case:** based on KPMG's projections
  - Decline in domestic booking volume from 3.0bcm in 2011 to 2.2bcm in 2012 assumed and stagnant volume in domestic bookings thereafter related to stagnant domestic gas consumption; export sales to Romania
- **South Stream Case:** based on KPMG's projections and Company data
  - Decline in domestic booking volume from 3.0bcm in 2011 to 2.2bcm in 2012; export sales to Romania and capacity bookings for transit support for South Stream pipeline

Mobile storage capacity sales – Total



Domestic volumes are forecast to stagnate, export sales are estimated at 200mcm flat in the Base Case

Source: Sollar, KPMG, Company information and CS analyses.

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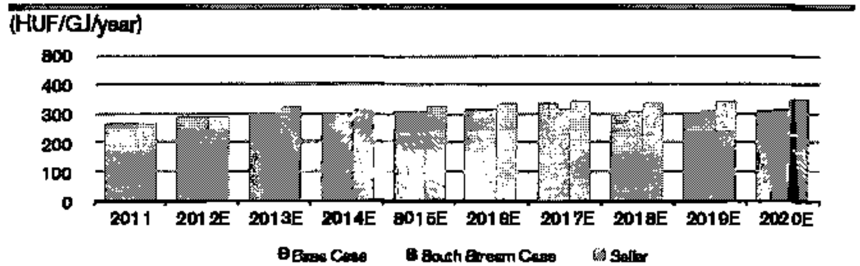
EFS financial analyses

Price assumptions

USP

- **Business Plan Case:** Seller does not provide USP mobile capacity fee assumptions. Assume no change in the regulatory regime (do not assume increase in return on RAB from 4.5% to 10.05%)
  - Assume that reference bookings volume for tariff calculation is decreased from 3.6bcm to 3.2bcm starting in January 2013
- **Base and South Stream Cases:** assume that return on RAB for USP segment will remain at 4.5% during next regulatory review. Indexation of RAB and allowed OPEX with inflation starting in 2015
- All cases assume a tariff adjustment if actual revenue for transaction cushion gas is lower than HUF9.25bn[2]. Tariff adjustment amount based on the revenue shortfall in the previous year to the year of the tariff

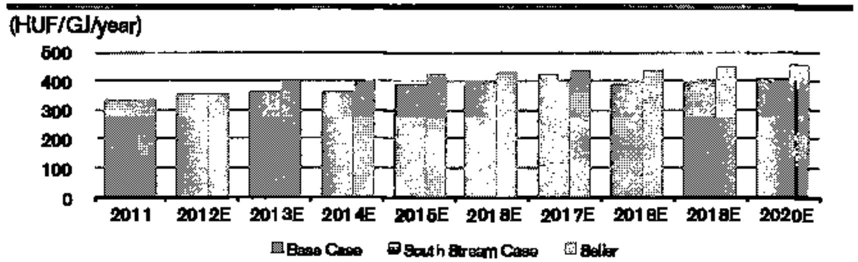
Mobile capacity fee – USP[1]



Non-USP

- **Business Plan Case:** Seller does not provide non-USP mobile capacity fee. Assume no change in the regulatory regime. 10.05% non-USP segment RAB return, indexation of allowed OPEX and RAB with inflation starting in 2015. Assume that reference bookings volume for tariff calculation is decreased from 3.6bcm to 3.2bcm starting in January 2013
- **Base and South Stream Cases:** assume return on RAB for non-USP segment of 10.05%. RAB and allowed OPEX indexed with inflation post 2015
- All cases assume a tariff adjustment if actual revenue for transaction cushion gas is lower than HUF9.25bn[2]. Tariff adjustment amount based on the revenue shortfall in the previous year to the year of the tariff

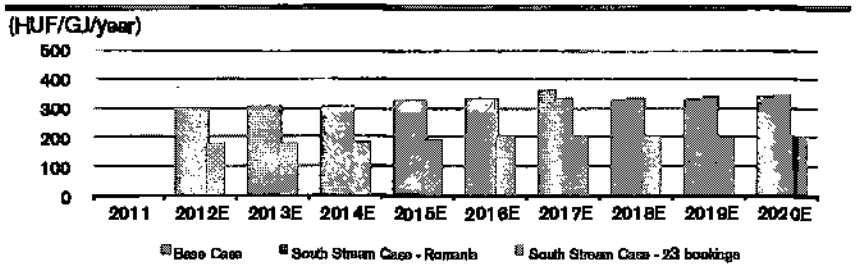
Mobile capacity fee – non-USP[1]



Export

- **Business Plan Case:** Seller does not provide assumptions for export mobile capacity fee
- **Base Case:** mobile capacity fee for export sales to Romania is expected to be at 85% of the level of fee for sales in Hungary for non-USP customers
- **South Stream Case:** mobile capacity fee for export sales to Romania is assumed to be at 65% of the level of fee for sales in Hungary for non-USP customers. Mobile capacity fee for sales related to South Stream is assumed to be at 50% of the level of fee for sales in Hungary for non-USP customers

Mobile capacity fee – export



All cases assume that return on RAB for USP segment will remain at 4.5% and for non-USP at 10.05%

Source: Seller, KPMG, Company information and CS analyses.
Note: (1) Historical (i.e. 2009 and 2010) fees are not relevant given different regulatory framework (i.e. presence of surcharge and peak fees).
(2) EFS is contractually guaranteed to receive HUF9.25bn per year of revenue related to transaction cushion gas. Base Case assumes closure of 2 UGS facilities and sale of cushion gas, including transaction cushion gas, which leads to the reduction in revenue related to transaction cushion gas and elimination of revenue shortfall.

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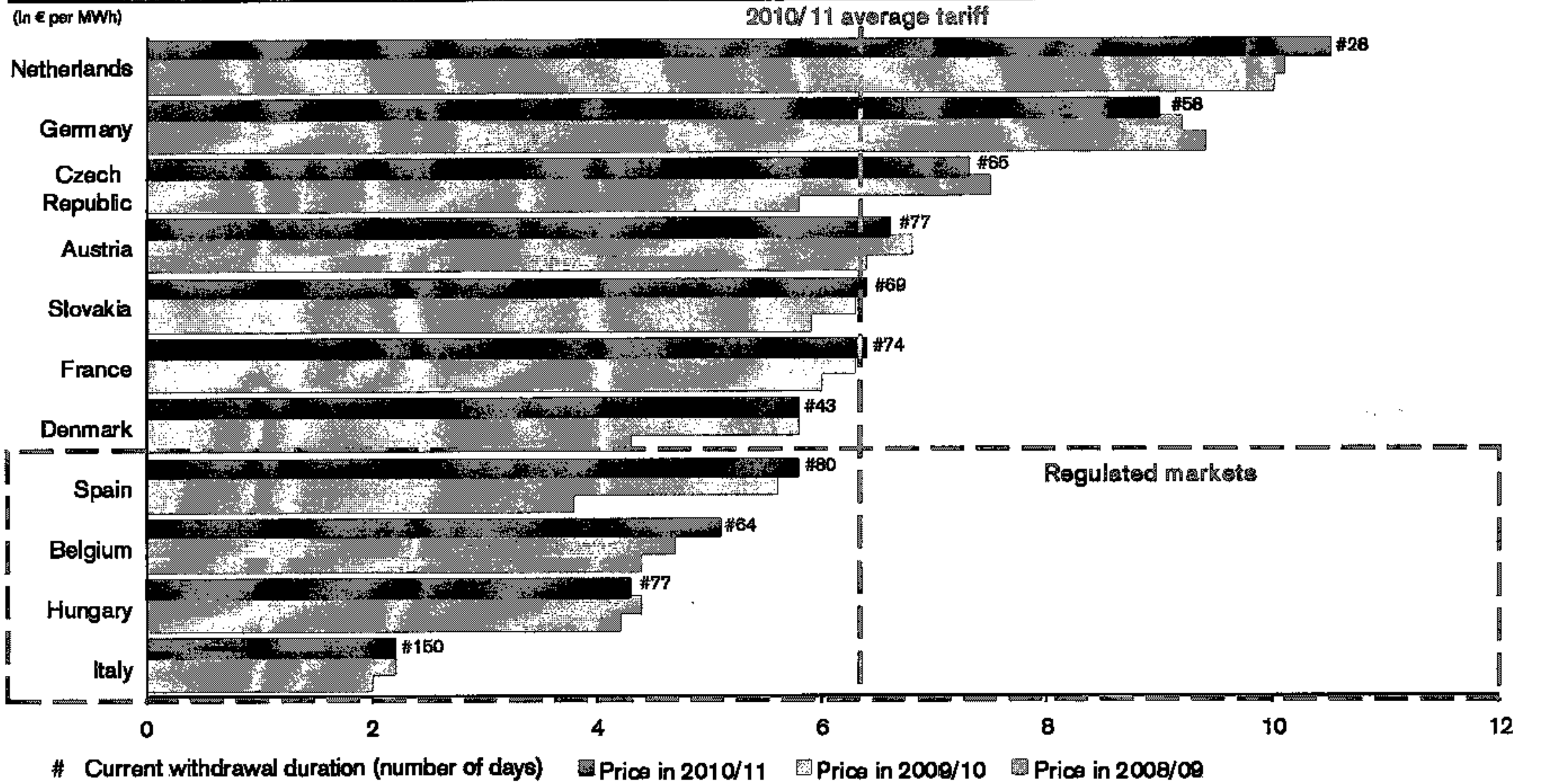
EFS financial analyses

Long-term storage tariffs in a European context

Long-term storage tariffs (cost per unit of stored gas)



The inverse price-withdrawal duration relationship is the key driver of prices throughout Europe. Hungary has some of the lowest storage tariffs in Europe; potential liberalisation represents an upside

Source: CERA (Apr-2011).

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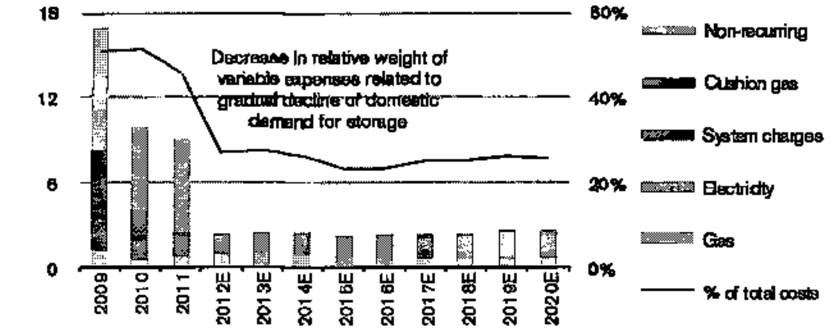
EFS financial analyses
Cost assumptions

Material costs

- Include the following: gas and electricity purchase costs, use of system charges, cushion gas acquisition, expenses related to Zsana UGS capacity expansion and expenses related to capitalised own production
- Gas and electricity purchases costs are treated as variable costs and are driven by injection/ withdrawal volumes and price of gas and electricity, respectively
- Use of system charges are treated as variable costs and are driven by injection/ withdrawal volumes and are indexed by inflation
- Cushion gas acquisition costs are forecast to be non-recurring. No further quantities for acquisition/disposal of cushion gas assumed given that current amount is at optimal level for operation of the business
- Costs related to capitalised own production are forecast to be non-recurring as revenue from capitalised own production is projected to be nil. Majority of these costs, when incurred in the past, relate to Zsana UGS capacity expansion from 1.9bcm to 2.2bcm

Material costs (Base Case)

(HUF in billions)

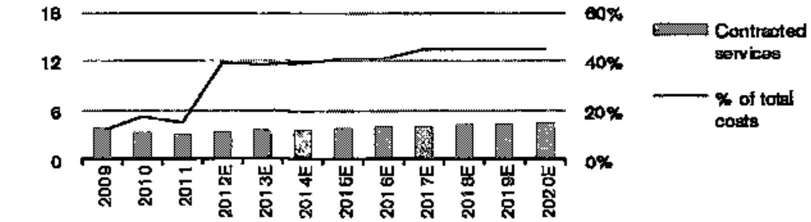


Contracted services

- Contracted services costs include transportation and warehousing costs, machinery and equipment rentals, rental cars, maintenance costs, marketing costs, education and training expenses, travel and accommodation costs, inspection fees, recultivation costs, facility services, costs related to services from Seller group companies, etc.
- Contracted services are forecast to grow with inflation
  - All services provided by Seller group companies are assumed to be on arm's length market based terms and will continue to be provided on the same terms

Contracted services (Base Case)[1]

(HUF in billions)

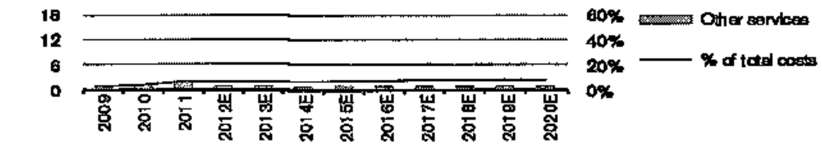


Other services

- Other services include license fees, property and liability insurance, mining royalty, etc.
- Cost of mining royalty assumed to be non-recurring (i.e. no cushion gas sales assumed)
- Remaining part of other services costs are projected to grow at inflation rate

Other services / costs (Base Case)

(HUF in billions)



Source: Seller, Company information, CS analyses.
Note: (1) Recultivation costs related to closure of 2 UGS facilities are not reflected in the graph. Please refer to page 39 for the impact of the closure of 2 UGS facilities.

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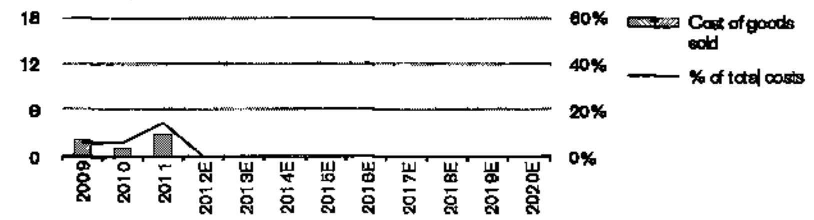
EFS financial analyses
Cost assumptions (cont'd)

Cost of goods sold

- Cost of goods sold includes cost of gas purchased for cushion gas replacement and cost of other products purchased for resale
- As no further revenues from gas and other product sales are assumed, costs of goods sold are forecast to be non-recurring

Cost of goods sold (Base Case)

(HUF in billions)

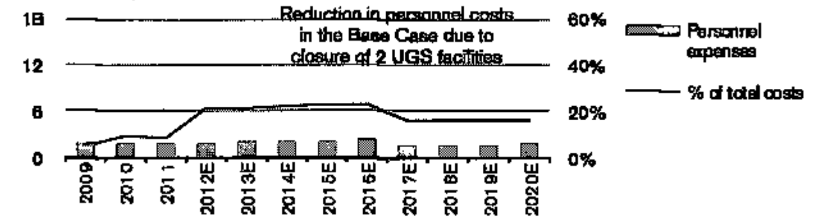


Personnel expenses

- Forecast personnel expenses are based on average wage per employee and average number of employees
  - Average wage per employee is HUF9.5m (€34,136) in 2011
- Average wage per employee is forecast to grow with inflation
- Current number of employees is 174 (incl. 1 Board of Directors member)
- Base Case assumes that number of employees declines to 112 in 2017 due to closure of 2 UGS facilities
- South Stream Case assumes that number of employees declines to 152 in 2017 due to closure of 1 UGS facility

Personnel expenses (Base Case)

(HUF in billions)

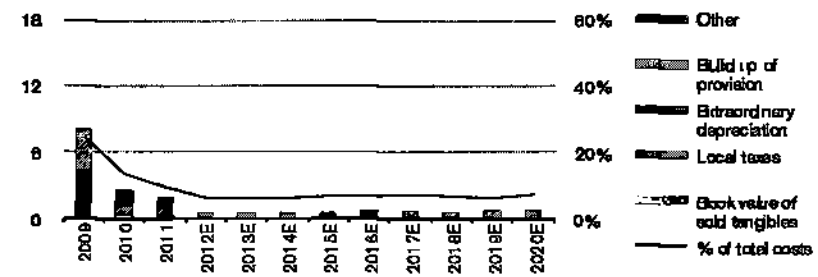


Other expenses

- Other expenses include local taxes, extraordinary depreciation, build up of provisions
- Forecast other expenses exclude one-off items, such as book value of sold tangibles, extraordinary depreciation, build up of provisions and amortisation related to completion of Zsana capacity expansion project
- Local taxes are forecast to grow in line with EBITDA[1]

Other expenses (Base Case)

(HUF in billions)



Source: Seller, Company information, CS analyses.
Note: (1) According to EFS management, local taxes are paid on the basis of net sales less COGS, material costs, intermediated and other expenses.

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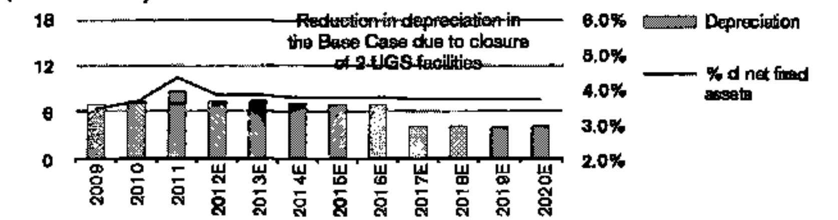
EFS financial analyses
Other assumptions

Depreciation

- For existing assets, average of depreciation in 2009, 2010 and 2011 calculated as % of net tangible fixed assets and used to forecast depreciation
- New assets depreciation based on a 40 year depreciation schedule
- Intangible assets are depreciated on a 3 year linear depreciation schedule

Depreciation (Base Case)

(HUF in billions)

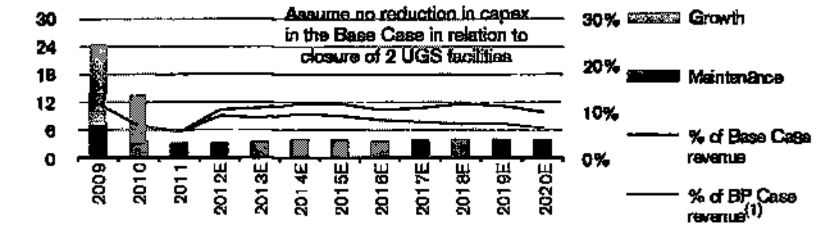


Capital expenditure

- Capex is based on Business Plan
- Average yearly capex 2012-20: HUF3,399m (€12.1m) in all cases
- Sales is an appropriate driver of capex as level of reconstruction capital expenditure depends on the use of facilities
- No growth capital expenditure assumed as there are no plans to expand storage capacity
- Since Business Plan capex projection is based on a higher assumed sales volume, upside potential exists for the Base Case due to lower estimated usage of equipment (as lower sales volume is assumed in the Base Case)

Capital expenditure (Base Case)

(HUF in billions)



Tax

- Tax rate is assumed to be 19% (based on regulation)
- Robin Hood tax is not applicable as no sales of cushion gas projected
- Energy tax for own energy consumption is included in material costs

Other

- Inventories have been forecast using a % of sales ratio of 1.0% based on historical figures
- Trade receivables have been forecast using a % of sales ratio of 6.0% based on historical figures
- Accounts payable have been forecast using a % of COGS ratio of 15.0% based on historical figures
- Changes in working capital are not very significant in the storage business

Source: Seller, Company information, CS analyses.
Note: (1) Capex divided by revenue in the Business Plan Case.

EFS financial analyses

Proceeds from the sale of cushion gas in 2017 in the Base Case

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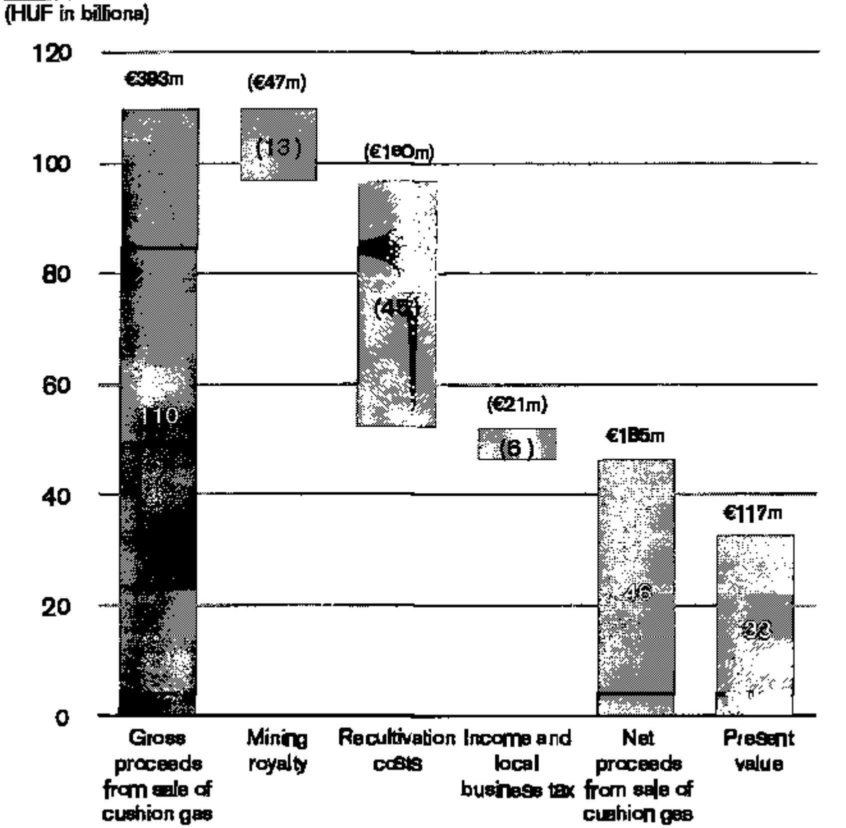
	Key assumptions
Gross proceeds	▪ Closure of Hajdúszoboszló and Kardoskút UGS facilities ▪ Year of decommissioning: 2017 ▪ Sale of 1.47bcm of extractable cushion gas[1] ▪ Gas is sold at 2017 competitive market price of HUF74.6/m³
Mining royalty	▪ 12% mining royalty based on the current regulation
Recultivation costs	▪ Total recultivation costs of HUF45bn (€160m)[1] ▪ Hajdúszoboszló – Storage side abandonment: €32.7m[2] – Well abandonment: €82.8m[2] ▪ Kardoskút – Storage side abandonment: €24.6m[2] – Well abandonment: €19.6m[2]
Income and business tax	▪ Specific cost of cushion gas of HUF25.6m³ ▪ 19% income tax ▪ 2% local business tax
Net present value	▪ Valuation date of 30 September 2013 ▪ Total proceeds discounted at WACC of 9.8%

Cash flow



The net present value of proceeds from the sale of cushion gas at closing of Hajdúszoboszló and Kardoskút UGS facilities is estimated at HUF33bn (€117m)

Source: Seller, Company information, CS analyses.
Note: EUR/HUF exchange rate of 280.
(1) Based on ESK estimates.
(2) Earnings from the sale of scrap material (facility equipment) are not considered in the calculation. Additional costs for possible decontamination of soil are not accounted for. The cost estimate is based on well abandoning guidelines and recent prices in Germany.

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b) Summary financiais for Base Case

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EFS financial analyses

Summary income statement (Base Case)

MHUF	Actual			Projected								
FYE Dec	2009	2010	2011A	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Revenues												
Mobile storage fee	22,715	20,892	32,478	23,811	23,836	24,456	26,304	27,058	27,861	29,027	36,487	29,883
Injection charge	3,369	1,666	1,436	2,492	2,623	2,805	2,711	2,990	2,943	2,828	2,881	3,208
Withdrawal charge	1,216	277	476	372	377	388	406	445	438	422	430	478
Peak storage fee	13,736	7,700	1,898	0	0	0	0	0	0	0	0	0
Surcharge	1,269	4,705	91	0	0	0	0	0	0	0	0	0
Virtual storage fee	0	278	268	308	326	342	356	370	386	400	414	427
Net export sales (storage of natural gas)	2	33	0	1,163	2,346	2,493	2,644	2,889	2,639	2,548	2,608	2,917
Sale of natural gas and other gas products	6,654	2,336	8,838	0	0	0	a	0	0	0	0	0
Sale of materials	0	374	8	0	0	0	a	0	0	0	0	0
Capitalised own performance	13,334	7,709	3,127	0	0	0	a	0	0	0	0	0
Other income (incl. services)	269	2,996	832	21	23	24	25	26	27	28	28	28
Total revenues	61,841	49,966	52,278	27,867	29,432	30,252	31,348	34,469	33,784	32,251	32,869	36,844
% growth		*(20.4%)*	*6.7%*	*(46.7%)*	*5.7%*	*2.8%*	*3.6%*	*9.9%*	*(2.0%)*	*(4.5%)*	*1.9%*	*12.4%*
Expenses												
Material costs	(18,807)	(8,868)	(9,180)	(2,229)	(2,426)	(2,368)	(2,114)	(2,210)	(2,254)	(2,300)	(2,531)	(2,560)
Contracted services	(3,771)	(9,371)	(3,021)	(3,221)	(3,433)	(3,583)	(3,729)	(3,677)	(4,628)	(4,161)	(4,329)	(4,468)
Other services	(763)	(760)	(1,366)	(631)	(586)	(681)	(816)	(639)	(684)	(698)	(714)	(737)
Cost of goods sold	(1,849)	(1,001)	(2,783)	0	0	0	0	0	0	0	0	0
Intermediated services	(20)	(12)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Total material type expenses	(33,197)	(16,010)	(16,805)	(E,988)	(6,423)	(6,633)	(6,460)	(6,730)	(8,050)	(7,176)	(7,897)	(7,761)
% revenue	*37.7%*	*30.6%*	*31.2%*	*21.6%*	*21.8%*	*21.6%*	*20.6%*	*19.5%*	*20.6%*	*22.2%*	*23.0%*	*21.0%*
Personnel expenses	(1,660)	(1,660)	(1,690)	(1,760)	(1,876)	(1,958)	(2,037)	(2,119)	(1,417)	(1,471)	(1,822)	(1,672)
% revenue	*2.7%*	*3.4%*	*3.2%*	*6.3%*	*6.4%*	*6.5%*	*6.5%*	*6.1%*	*4.2%*	*4.6%*	*4.6%*	*4.3%*
EBITDA	39,984	32,316	34,894	20,114	21,127	21,781	22,847	26,610	26,417	23,606	33,768	27,611
% margin	*56.9%*	*66.0%*	*65.6%*	*72.2%*	*71.8%*	*71.9%*	*72.8%*	*74.3%*	*75.2%*	*73.2%*	*72.3%*	*74.7%*
Other expenses	(6,069)	(2,567)	(1,644)	(604)	(630)	(645)	(673)	(642)	(637)	(592)	(598)	(602)
Depreciation	(6,763)	(7,231)	(8,631)	(7,230)	(7,201)	(6,894)	(6,688)	(6,718)	(3,020)	(3,906)	(3,894)	(3,653)
EBIT	21,862	22,817	23,818	12,278	13,897	14,222	15,498	18,880	20,869	16,108	16,278	23,038

1. Peak storage and surcharge fees are not part of current regulatory framework
2. Sale of natural gas, gas products, and capitalised own performance are assumed to be non-recurring
3. Export to Romania
4. Sales decline due to declining sales volume in the domestic market
5. Revenue increase due to revaluation of return on transaction cushion gas (impact from H2 2020)
6. Decrease in personnel expenses due to lower number of employees after closure of 2 UGS facilities in 2017

Source: Seller, KPMG, Company information, CS analyses.
Note: Based on Hungarian Accounting Standards.
Accounting profit / loss from the sale of cushion gas from closure of 2 UGS facilities in 2017 is not projected in the income statement. Please refer to p. 39 for further details of cash flow impact from the closure of 2 UGS facilities.

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EFS financial analyses

RAB development (Base Case)

		2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E
Inflation	%	6.0%	6.6%	4.4%	4.1%	4.6%	3.9%	3.6%	3.6%	3.3%	3.0%
Inflation index	x	1.10x	1.17x	1.23x	1.28x	1.63x	1.38x	1.43x	1.48x	1.53x	1.57x
Opex efficiency target	%	0.00%	0.00%	0.00%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
MJ / m3 conversion	MJ / m3	34.30x	34.30x	34.30x	34.30x	34.30x	34.30x	34.30x	34.30x	34.30x	34.30x
Basis for tariff calculation post 2015	mcm	3,600	3,600	3,500	3,600	3,600	2,136	2,136	2,138	2,138	2,136
Regulatory asset base value	MHUF	162,376	163,641	169,306	182,673	190,202	117,910	121,760	126,064	130,166	134,069
Non-USP revenue and tariff calculation											
WACC accepted by regulator for non-USP customers	%	10.06%	10.06%	10.05%	10.05%	10.06%	10.06%	10.06%	10.65%	10.05%	10.05%
Return on RAB	MHUF	15,314	16,461	15,706	18,389	16,124	11,701	12,239	12,669	13,062	13,475
OPEX	MHUF	20,406	20,601	20,931	21,508	22,068	13,446	13,764	14,090	14,365	14,611
Return on transaction cushion gas	MHUF	11,627	12,600	12,366	12,394	12,420	8,975	5,063	5,092	5,121	11,416
Revenue level accepted by regulator on non-USP market	MHUF	47,346	46,602	49,009	52,291	53,633	34,113	31,088	31,661	32,566	39,504
Injection fee, Jun y/e	Ft/GJ	32.6	33.6	33.6	36.0	37.0	39.6	36.1	37.0	37.6	45.9
Withdrawal fee, Jun y/e	Ft/GJ	4.9	6.6	5.0	5.4	6.6	6.9	6.4	5.6	5.6	6.6
Capacity fee, Jun y/e	Ft/GJ/year	346.9	355.6	366.1	382.1	391.6	420.1	362.6	392.2	401.0	466.4
USP revenue and tariff calculation											
WACC accepted by regulator for USP customers		4.50%	4.60%	4.60%	4.60%	4.50%	4.50%	4.60%	4.60%	4.60%	4.50%
Return on RAB	MHUF	6,657	6,923	7,034	8,234	6,663	5,279	5,460	5,673	5,857	6,034
OPEX	MHUF	20,406	20,601	20,931	21,508	22,866	13,446	13,764	14,090	14,366	14,611
Return on transaction cushion gas	MHUF	11,607	12,600	12,368	12,394	12,480	8,875	5,063	6,092	5,121	11,416
Revenue level accepted by regulator on USP market	MHUF	38,689	40,124	40,334	42,138	43,071	27,602	24,927	24,665	28,344	32,063
Injection fee, Jun y/e	Ft/GJ	32.6	33.6	33.6	36.0	37.0	39.6	36.1	37.0	37.6	46.9
Withdrawal fee, Jun y/e	Ft/GJ	4.9	5.0	6.6	5.4	5.6	6.6	6.4	6.b	6.6	6.6
Capacity fee, Jun y/e	Ft/GJ/year	277.6	266.4	267.6	299.6	306.3	331.2	290.6	266.7	302.4	364.0

1. Indexation of RAB (assumed). Negative tariff adjustment made for the sale of 200mcm of cushion gas (reduction of cushion gas in August 2012)
2. Indexation of OPEX with inflation
3. Impact from closure of 2 UGS facilities in 2017. Reductions are driven by proportionate reduction in capacity (RAB, allowed opex, basis for tariff calculation) and reduction in cushion gas (return on transaction cushion gas)
4. Return (revenue) on transaction cushion gas adjusted each year for revenue shortfall of the previous year
5. Revaluation of revenue on transaction cushion gas

Source: Hungarian Energy Office, Seller, Company information, CS analyses.

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EFS financial analyses

Summary balance sheet (Base Case)

MHUF				Projected								
FYE Dec	2009A	2010A	2011A	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Total assets												
Intangible assets	387	271	175	117	26	0	0	0	0	0	0	0
Tangible assets	109,728	199,828	198,848	184,334	180,288	138,765	163,463	180,136	106,898	106,800	108,084	105,809
Loans	20	17	12	12	12	12	12	12	12	12	12	12
Total non-current assets	200,138	200,118	199,036	194,483	190,907	186,777	183,466	180,148	108,710	108,402	108,108	105,821
Inventories	1,043	386	636	266	302	310	321	363	346	331	337	378
Recievables	E19	2,969	1,893	1,671	1,766	1,815	1,681	2,086	2,027	1,935	1,871	2,217
Cash & equivalents	41	40	61	6,583	13,470	21,430	30,169	41,261	98,831	109,443	118,526	131,485
Total current assets	1,803	3,884	2,100	7,840	15,538	23,855	32,371	43,682	100,805	110,709	120,834	134,804
Prepaid expenses	7	1,083	882	0	0	0	0	0	0	0	0	a
Total Assets	201,748	204,873	201,887	202,803	206,844	210,832	216,838	223,880	207,815	217,111	228,940	239,815
Equity & Liabilities												
Subscribed capital and capital reserve	67,816	67,812	57,612	57,512	57,612	57,612	57,512	67,612	67,812	67,812	57,812	57,512
Retained earnings (incl. net profit)	13,753	13,125	13,126	15,676	18,876	24,034	28,680	37,471	21,187	30,813	40,321	53,236
Total equity	71,268	70,837	70,837	73,387	77,890	81,646	87,072	94,883	78,699	88,128	87,833	110,748
Pension provision	61	70	64	54	54	64	64	54	54	64	54	64
Recultivation provision	2,641	000	690	690	690	590	580	590	590	b90	590	680
Environmental measures	430	330	441	441	441	441	441	441	441	441	441	441
Litigation provision	538	0	0	0	0	0	0	0	0	0	0	0
Other obligations	26	46	22	22	22	22	22	22	22	22	22	22
Provisions	3,806	1,348	1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107	1,107
Trade payables	3,949	2,648	2,400	887	964	980	869	1,010	1,043	1,078	1,135	1,184
Short-term liabilities to affiliated undertakings	117,938	125,472	126,280	125,779	126,824	126,834	126,827	126,854	125,878	125,888	125,938	126,067
Other short-term liabilities	1,110	3,688	981	350	386	382	388	404	417	430	464	488
Current liabilities	122,898	181,718	129,680	127,036	127,174	127,206	127,184	127,287	127,836	127,405	127,627	127,887
Accruals	3,684	872	473	473	473	473	473	473	473	473	473	473
Total equity and liabilities	201,746	204,873	201,807	202,003	206,844	210,832	216,838	223,830	207,815	217,111	226,940	238,818
Net debt / (cash)	116,488	122,983	126,130	110,686	111,711	103,751	65,012	83,920	29,860	16,738	6,855	(6,816)
Net Debt / EBITDA	3.2x	3.6x	3.6x	5.9x	5.8x	4.8x	4.2x	3.3x	1.0x	0.7x	0.3x	(0.2x)

Source: Seller, KPMG, Company information, CS analyses.
Note: Based on Hungarian Accounting Standards.
Balance Sheet adjustments for closure of 2 UGS facilities include reduction in tangible assets, reduction in retained earnings and subscribed capital and increase in cash. Balance sheet impact is shown for illustrative purposes only as balance sheets for each UGS facility were not provided.

EFS financial analyses

Summary cash flow statement (Base Case)

MHUF				Projected								
FYE Dec	2009A	2010A	2011A	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Cash flow from operations												
Profit before tax	10,899	14,849	16,813	3,336	4,563	5,497	6,636	6,799	12,921	11,873	11,993	15,824
Depreciation	6,763	7,231	8,631	7,330	7,201	8,984	6,638	6,716	3,620	3,808	3,694	3,993
Allowances and released allowances	3,434	(49)	0	0	0	0	0	0	0	0	0	0
Provisioning	3,286	(2,547)	(241)	0	0	0	0	0	0	0	0	0
Result of sale of non-current assets	0	(10)	0	0	0	0	0	0	0	0	0	0
Changes in accounts payable	(1,764)	(1,301)	(249)	(1,603)	87	16	(11)	40	33	34	68	28
Changes in other short-term liabilities	8,680	6,479	(3,966)	(1,142)	71	17	(12)	43	35	36	63	31
Changes in accruals	2,276	(2,712)	(366)	0	0	0	0	0	0	0	0	0
Changes in current assets	4,764	(1,762)	1,226	172	(111)	(66)	(77)	(210)	47	108	(43)	(267)
Changes in prepayments	0	(1,096)	381	882	0	0	0	0	0	0	0	0
Paid corporate tax	(2,094)	(1,847)	(2,678)	(585)	(850)	(1,641)	(1,306)	(1,699)	(2,491)	(2,247)	(2,266)	(3,009)
Paid dividends	(6,016)	(12,869)	(12,844)	0	0	0	0	0	0	0	0	0
Total cash flow from operations	27,670	6,276	6,174	8,980	10,832	11,424	12,266	14,484	14,476	13,610	13,681	16,571
Cash flow from investing activities												
Purchase of non-current assets	(26,317)	(7,327)	(2,762)	(2,756)	(3,046)	(3,484)	(3,627)	(3,401)	(3,698)	(3,598)	(3,698)	(3,598)
Sale of non-current assets	0	162	0	0	0	0	0	0	46,992	0	0	0
Dividends received	0	0	0	0	0	0	0	0	0	0	0	0
Cash flow from investing activities	(26,617)	(7,176)	(2,762)	(2,766)	(3,646)	(3,484)	(3,627)	(3,401)	42,794	(3,508)	(3,698)	(3,598)
Cash-flow from financing activities												
Credits and loans received	3,494	1,640	0	0	0	0	0	0	0	0	0	0
Repayment of credits and loans	(4,633)	0	0	0	0	0	0	0	0	0	0	0
Long-term loans and bank deposits	2	2	0	0	0	0	0	0	0	0	0	0
Cash-flow from financing activities	(1,637)	1,642	0	0	0	0	0	0	0	0	0	0
Change in cash and equivalents	16	842	2,413	5,632	7,887	7,960	8,738	11,683	67,270	8,812	10,083	12,673
Beginning cash				51	8,683	13,470	21,430	30,168	41,261	98,631	108,443	118,526
Change in cash from CFS				6,632	7,887	7,960	8,738	11,993	57,270	9,912	10,083	12,873
Net cash available at end of year	41	40	61	5,683	13,470	21,430	30,168	41,961	98,631	108,443	118,526	131,490

Source: Seller, KPMG, Company information, CS analyses.
Note: Based on Hungarian Accounting Standards.
Cash Flow Statement adjustments for closure of 2 UGS facilities include cash inflow related to sale of non-current assets in 2017E. Capex is not reduced due to closure of 3 UGS facilities due to higher utilisation of remaining UGS facilities.

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c) Detailed DCF analysis outputs

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EFS financial analyses

DCF output – Business Plan

(HUF in millions)	Actual	Projected													
FYE Dec	2011A	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Operating EBITDA	34,294	23,989	27,881	28,548	30,608	33,283	39,298	39,433	39,949	48,748	51,413	52,389	52,876	53,884	53,933
Tax depreciation		0	(7,281)	(7,810)	(6,784)	(6,876)	(6,878)	(6,203)	(6,039)	(8,886)	(6,742)	(6,749)	(6,768)	(6,780)	(6,798)
Unlevered taxable EBIT		-	20,898	21,839	23,824	26,874	32,817	33,230	33,910	39,882	45,671	46,809	47,113	47,884	48,138
Unlevered income tax		-	(3,914)	(4,092)	(4,627)	(5,068)	(6,864)	(6,314)	(6,443)	(7,874)	(8,677)	(9,799)	(8,951)	(9,098)	(9,149)
Total other expenses (local taxes)		-	(899)	(716)	(767)	(833)	(966)	(986)	(1,001)	(1,147)	(1,289)	(1,305)	(1,328)	(1,348)	(1,362)
NOPAT		-	15,987	16,731	18,531	20,773	25,877	25,926	26,468	31,142	35,704	36,806	36,836	37,441	37,840
Add back: Tax depreciation		-	7,891	7,810	6,784	6,876	6,878	6,203	6,039	5,886	6,742	6,749	6,766	6,780	5,798
Change in provisions		-	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in accounts payable		-	(2,858)	18	(9)	47	98	38	73	33	40	38	24	30	30
Change in other short-term liabilities		-	(1,903)	19	(6)	60	104	41	78	36	43	40	26	32	32
Change in accruals		-	821	0	0	0	0	0	0	0	0	0	0	0	0
Changes in current assets		-	1,404	(81)	(146)	(214)	(476)	(33)	(76)	(428)	(422)	(68)	(73)	(73)	(37)
Changes in prepayments		-	385	0	0	0	0	0	0	0	0	0	0	0	0
Cash effect from change in balance sheet positions		-	(1,850)	(24)	(164)	(116)	(274)	45	76	(380)	(339)	10	(23)	(11)	26
Capex		-	(3,045)	(3,464)	(6,827)	(3,401)	(3,596)	(3,896)	(3,898)	(6,886)	(6,742)	(5,746)	(6,766)	(6,780)	(6,798)
Unlevered free cashflow			16,873	20,863	21,823	23,834	28,163	28,876	28,882	33,869	35,865	35,316	36,813	37,429	37,866
Recognised unlevered free cashflows			*4,577*	*18,881*	*18,363*	*18,438*	*19,861*	*18,346*	*18,948*	*17,616*	*17,181*	*18,008*	*14,824*	*13,730*	*12,586*

				EV / EBITDA	
Present value of cashflows		207,838	*55.3%*	2012A	2013E
Normalised free cashflow[1]		37,840		15.6x	13.4x
Terminal value based on perpetuity growth		600,830			
Present value of terminal value		167,284	*44.7%*		
PV of cash flows at closing of 2 UGS facilities		0	–	EV / EBITDA	
EV based on perpetuity growth	MHUF	374,822		TY	9.3x
EV based on perpetuity growth	€m	1,336			

WACC	TGR 1.60%	1.85%	2.10%	2.35%	2.60%
8.3%	449,598	458,926	468,008	479,942	491,638
8.8%	416,898	424,580	432,796	441,673	451,268
9.3%	388,603	394,863	401,665	408,969	416,799
9.8%	363,623	368,849	374,822	380,677	387,163
10.3%	341,648	346,144	350,915	356,987	361,390
10.8%	322,103	325,828	326,926	334,261	336,796
11.3%	304,610	307,880	311,329	314,970	318,622

- Valuation date 30 September 2013
- Financial forecasts commence in 2012 and the forecast horizon extends to the end of 2025, terminal value year ("TY")
- Valuation based on reference net working capital of –HUF0.5bn (-€1.7m)
- WACC of 9.8%
- TGR of 2.1% (TGR based on LT inflation estimate)

Source: CS analysis.
Note: (1) Excludes positive impact from the change of balance sheet positions.

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EFS financial analyses

DCF output – Base Case

(HUF in millions)	Actual	Projected													
FYE Dec	2011A	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Operating EBITDA	34,294	20,114	21,127	21,761	22,847	26,610	26,417	23,606	23,768	27,611	31,102	31,202	31,881	32,138	32,284
Tax depreciation		0	(7,281)	(7,010)	(6,784)	(6,878)	(3,766)	(3,754)	(3,667)	(3,873)	(4,003)	(4,260)	(4,440)	(4,840)	(4,668)
Unlevered taxable EBIT		-	13,846	14,751	16,063	19,032	21,632	19,852	19,811	23,638	27,866	26,047	27,841	27,480	27,676
Unlevered income tax		-	(2,661)	(2,603)	(3,052)	(3,616)	(4,110)	(3,772)	(3,763)	(4,401)	(5,143)	(5,120)	(5,176)	(5,223)	(5,202)
Total other expenses (local taxes)		-	(630)	(646)	(573)	(642)	(637)	(602)	(598)	(602)	(781)	(782)	(794)	(806)	(809)
NOPAT		-	10,666	11,403	12,430	14,774	16,886	15,466	15,632	18,468	21,146	21,645	21,871	21,461	21,666
Add back: Tax depreciation		-	7,281	7,010	6,784	6,876	3,766	3,764	3,667	3,072	4,503	4,266	4,440	4,640	4,666
Change in provisions		-	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in accounts payable		-	(3,668)	16	(11)	40	33	34	59	28	38	33	22	27	27
Change in other short-term liabilities		-	(1,077)	17	(12)	43	35	38	63	31	36	30	24	29	20
Change in accruals		-	821	0	0	0	0	0	0	0	0	0	0	0	0
Changes in current assets		-	3,373	(68)	(77)	(219)	47	106	(43)	(267)	(260)	(22)	(47)	(47)	(24)
Changes in prepayments		-	365	0	0	0	0	0	0	0	0	0	0	0	0
Cash effect from change in balance sheet positions		-	(266)	(26)	(90)	(136)	116	177	70	(227)	(106)	47	(1)	6	32
Capex		-	(3,046)	(3,484)	(3,827)	(3,401)	(3,566)	(3,506)	(3,666)	(3,606)	(4,663)	(4,266)	(4,440)	(4,646)	(4,666)
Unlevered free cashflow			14,656	14,824	16,606	17,616	17,167	15,621	16,670	16,602	20,649	21,062	21,270	21,460	21,609
Recognised unlevered free cashflows			*3,661*	*13,913*	*13,244*	*13,763*	*12,112*	*10,166*	*9,260*	*8,609*	*10,166*	*9,324*	*8,568*	*7,876*	*7,161*

Present value of cashflows		126,120	*50.3%*	EV/EBITDA
Normalised free cashflow[1]		21,366		2012A: 12.6x / 2013E: 12.2x
Terminal value based on perpetuity growth		264,201		
Present value of terminal value		94,066	*37.0%*	
PV of cash flows at closing of 2 UGS facilities		32,693	*12.7%*	EV/EBITDA
EV based on perpetuity growth	MHUF	266,767		TY 6.6x
EV based on perpetuity growth	€m	617		

WACC	TGR 1.60%	1.86%	2.10%	2.30%	2.60%
8.3%	301,417	306,712	312,436	316,643	325,396
8.8%	282,149	286,499	291,175	296,214	301,661
9.3%	266,341	268,951	272,213	276,964	281,404
9.8%	250,543	253,567	256,767	260,224	263,601
10.3%	237,406	239,961	242,670	246,649	248,816
10.8%	225,888	227,636	230,133	232,664	236,144
11.3%	216,106	216,962	216,920	220,966	223,174

- Valuation date 30 September 2013
- Financial forecasts commence in 2012 and the forecast horizon extends to the end of 2025, terminal value year ("TY")
- Valuation based on reference net working capital of -HUF0.5bn (-€1.7m)
- WACC of 9.8%
- TGR of 2.1%

Source: CS analysis.
Note: No tax benefit from potential book loss on the closure of 2 UGS facilities is considered.
(1) Excludes positive impact from the change of balance sheet positions.

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EFS financial analyses

DCF output – South Stream Case

(HUF in millions)	Actual	Projected													
FYE Dec	2011A	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Operating EBITDA	34,294	20,114	21,127	21,761	22,847	26,615	20,677	30,255	30,086	34,433	38,807	30,480	40,110	40,703	40,878
Tax depreciation		0	(7,281)	(7,810)	(6,764)	(5,878)	(6,958)	(5,811)	(5,609)	(5,597)	(5,502)	(6,542)	(5,593)	(5,647)	(5,703)
Unlevered taxable EBIT		-	13,846	14,751	15,888	20,836	22,621	24,446	24,687	28,836	33,305	33,838	34,617	35,858	35,174
Unlevered income tax		-	(2,631)	(2,803)	(3,052)	(3,807)	(4,298)	(4,845)	(4,833)	(5,479)	(6,345)	(6,448)	(6,658)	(6,861)	(6,683)
Total other expenses (local taxes)		-	(530)	(545)	(573)	(667)	(716)	(756)	(764)	(883)	(976)	(990)	(1,006)	(1,020)	(1,026)
NOPAT		-	10,686	11,403	12,439	15,862	17,607	10,842	16,669	22,404	25,876	25,600	26,053	27,876	27,467
Add back: Tax depreciation		-	7,281	7,810	5,764	5,876	5,656	5,811	5,606	5,507	5,502	5,542	5,603	5,647	6,703
Change in provisions		-	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in accounts payable		-	(2,868)	15	(11)	86	80	63	73	31	40	38	24	30	31
Change in other short-term liabilities		-	(1,677)	17	(12)	91	85	88	78	34	43	40	26	32	33
Change in accruals		-	821	0	0	0	0	0	0	0	0	0	0	0	0
Changes in current assets		-	3,673	(56)	(77)	(310)	(161)	(162)	(27)	(326)	(337)	(63)	(69)	(60)	(30)
Changes in prepayments		-	385	0	0	0	0	0	0	0	0	0	0	0	0
Cash effect from change in balance sheet positions		-	(265)	(26)	(90)	(134)	3	9	124	(260)	(254)	15	(9)	3	33
Capex		-	(3,845)	(3,464)	(3,627)	(3,401)	(3,509)	(3,698)	(3,606)	(3,636)	(5,602)	(5,642)	(5,603)	(5,647)	(5,703)
Unlevered free cashflow			14,658	14,624	15,608	18,608	19,688	21,284	31,624	34,633	26,621	26,615	25,644	27,676	27,600
Recognised unlevered free cashflows			*3,651*	*13,913*	*13,244*	*14,393*	*14,071*	*13,650*	*12,411*	*12,909*	*12,530*	*11,721*	*10,850*	*10,043*	*9,169*

				EV/EBITDA	
Present value of cashflows		162,675	*54.9%*	2012A	2013E
Normalised free cashflow[1]		27,467		13.6x	13.2x
Terminal value based on perpetuity growth		366,320			
Present value of terminal value		122,071	*43.9%*		
PV of cash flows at closing of 2 UGS facilities		3,276	*1.2%*	EV/EBITDA	
EV based on perpetuity growth	MHUF	277,623		TY	6.9x
EV based on perpetuity growth	€m	963			

WACC	TGR 1.60%	1.85%	2.10%	2.35%	2.60%
8.3%	332,662	339,666	347,026	355,004	363,665
8.8%	308,922	314,613	320,523	327,001	334,003
9.3%	286,126	292,767	[illegible]	303,063	308,774
9.8%	268,667	273,783	277,923	282,341	287,067
10.3%	253,769	257,070	260,561	264,252	266,195
10.8%	239,466	239,456	246,195	249,320	251,636
11.3%	226,621	229,006	231,524	234,162	236,992

- Valuation date 30 September 2013
- Financial forecasts commence in 2012 and the forecast horizon extends to the end of 2025, terminal value year ("TY").
- Valuation based on reference net working capital of –HUF0.5bn (-€1.7m)
- WACC of 9.8%
- TGR of 2.1%

Source: CS analysis.
Note: No tax benefit from potential book loss on the closure of 2 UGS facilities is considered.
(1) Excludes positive impact from the change of balance sheet positions.

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4. Detailed financial analyses for EFT

a) Operating assumptions

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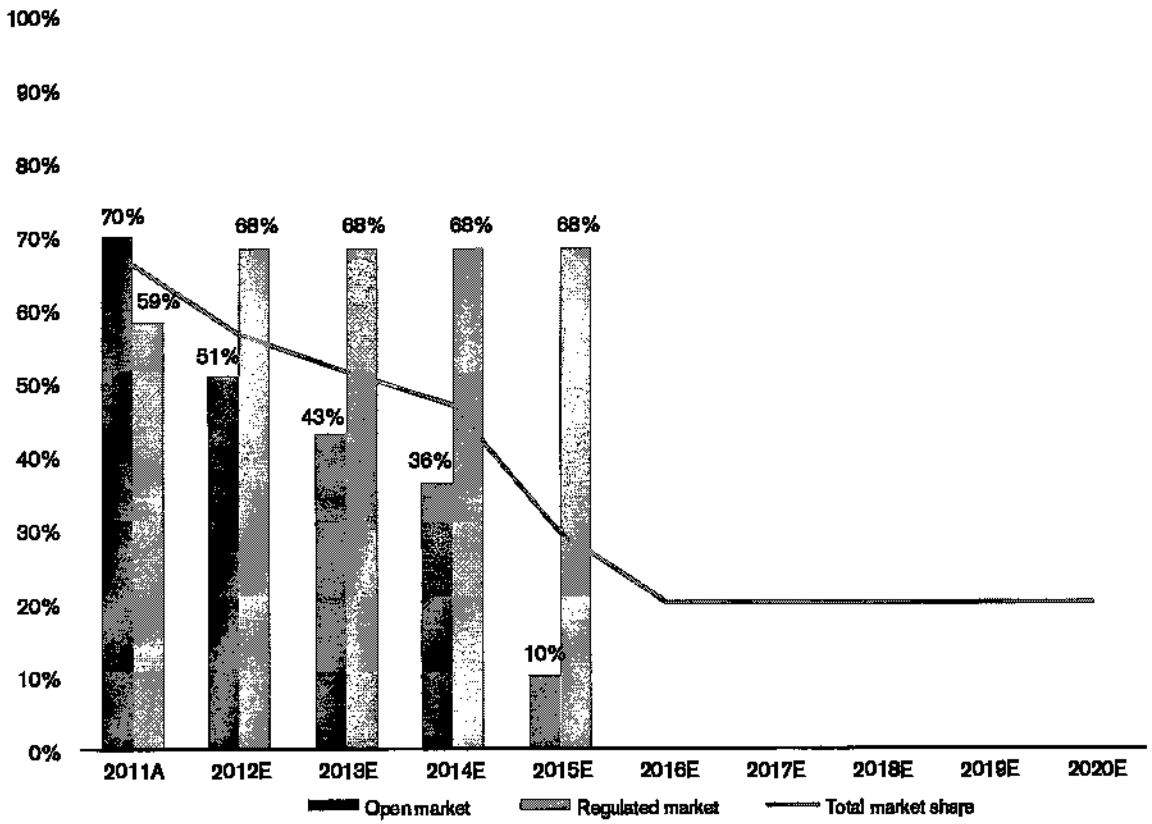
EFT financial analyses

Implied market share development(1)

Implied market share(2)



Comments

- 2012-2015 period
  - EFT gas sales volume and Hungarian gas consumption based on KPMG forecasts
  - Implied market share excludes TOP volumes sold before 2016, which are assumed to be sold at a price equal to 5% discount to spot price
  - After 2012, no exports assumed
- After 2015
  - 20% market share for both open and regulated markets assumed
  - In Scenario 2, rescheduled volumes are included in the volumes implied by 20% market share

EFT's market share is projected to decline from c. 66%(2) in 2011 to 20% in 2016

Source: Seller, KPMG, Company information, CS analysis.
Notes: (1) Both scenarios assume the same market shares (excl. TOP volumes impact).
(2) Excluding export volumes. 2011 export volumes are 1.3bcm. After 2012, no exports are assumed.

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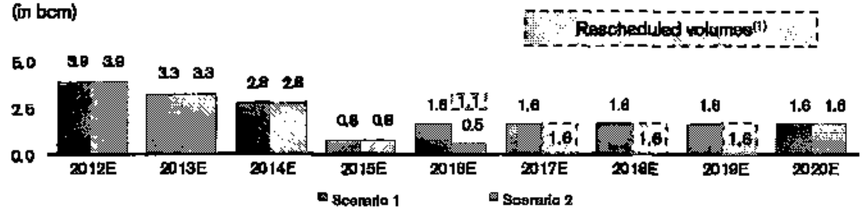
EFT financial analyses

Total volume assumptions

Non-USP

- 2012-2015 period: same assumptions in Scenario 1 and 2
  - Average sales volume of 2.7bcm based on KPMG projections
- Post 2015 period: average sales volume of 1.6bcm, based on 20% market share
  - Total non-USP (open) market size based on KPMG projections
  - TOP rescheduled volumes are part of 1.6bcm sales in Scenario 2

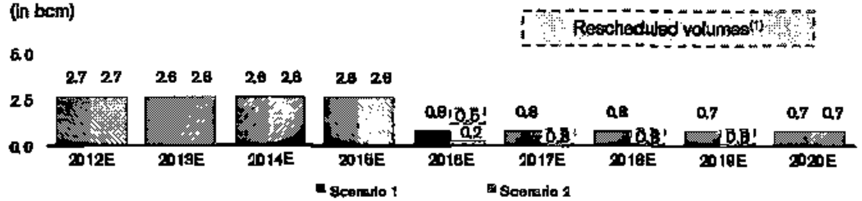
Open market



USP

- 2012-2015 period: same assumptions in Scenario 1 and 2
  - Average sales volume of 2.6bcm based on KPMG projections
- Post 2015 period: average sales volume of 0.8bcm, based on 20% market share
  - Total USP (regulated) market size based on KPMG projections
  - TOP rescheduled volumes are part of 0.8bcm sales in Scenario 2

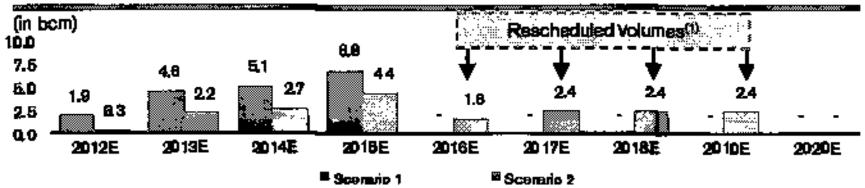
Regulated market



TOP volumes

- Scenario 1: Total 2009-2015 TOP/make-up volumes of 20.1bcm (incl. 1.7bcm related to 2009 and 2011 years)
- Scenario 2: Total 2009-2015 TOP/make-up volumes of 11.3bcm (incl. 1.7bcm related to 2009 and 2011 years). In addition, 8.8bcm of volumes are assumed to be rescheduled from 2012-2015 period to post 2016

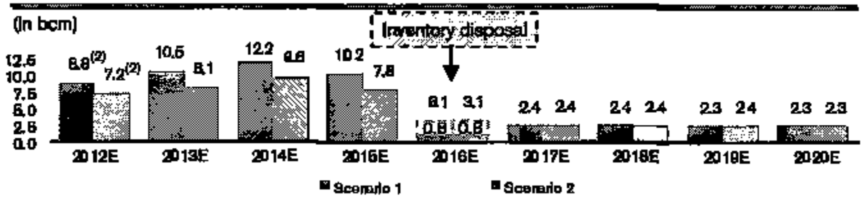
TOP volumes



Total

- Total volumes reflect a decline in EFT's market share in the Hungarian gas market from c. 66% in 2011 to 20% in 2016
- 2012-2015 shown total volumes include TOP gas volume

Total



Source: Seller, Company information, KPMG, CS analysis.
Notes: No exports are assumed after 2012 in both scenarios.
(1) Rescheduled volumes are proportionately allocated to the open (non-USP) and regulated (USP) markets. Rescheduled volumes are valued as part of the TOP/make-up volumes impact analysis.
(2) Including 0.3bcm of export volumes.

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EFT financial analyses

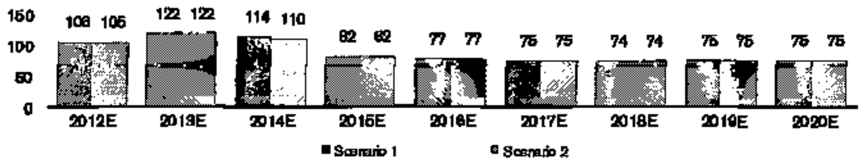
Price assumptions

Non-USP

- For 2012-2015, non-USP (open market) gas sale price based on KPMG projections, which assumes 1.5% margin over a weighted average reference gas price[1] and also adds back some sales-related costs
- Gas sale price in Scenario 2 in 2013-2015 assumes the minimum price between 4% margin over WACOG and open-market prices from Scenario 1
- After 2015, 2.0% margin over WACOG is assumed

Open market

(in HUF/m³)

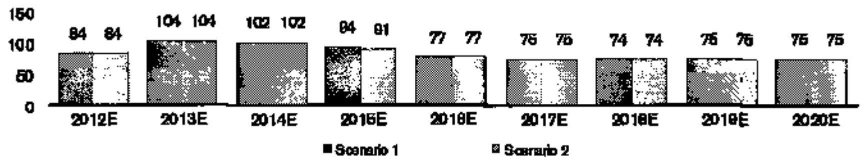


USP

- For 2012- 2015, in Scenario 1 USP (regulated) gas sale price is based on a 1% margin over a weighted formula: 70% of gas spot price and 30% of a wholesale reference gas price (composed by oil linked prices and average Hungarian caloric value of gas)
- In Scenario 2, the regulated price is assumed to be same as in Scenario 1 but not higher than 4% margin over WACOG
- After 2016, regulated gas prices assumed to be at a 2.0% margin over WACOG price

Regulated market

(in HUF/m³)

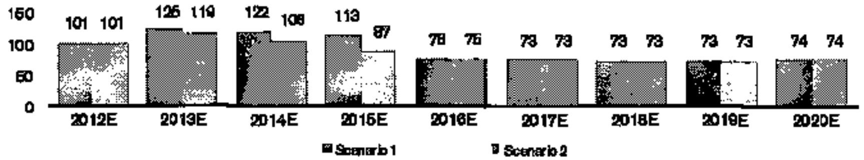


WACOG and spot

- Spot price based on KPMG projections
- WACOG
  - Scenario 1: WACOG based on proxy formula (current contractual position of EFT) and KPMG projections until 2015, then assumed equal to spot prices. 2012-2015 price increase driven by decrease in spot price weight on formula and rise in oil-linked components of procurement gas price
  - Scenario 2: WACOG based on E.ON's assumption of a gradual decline in WACOG price to reach spot gas prices by 2016

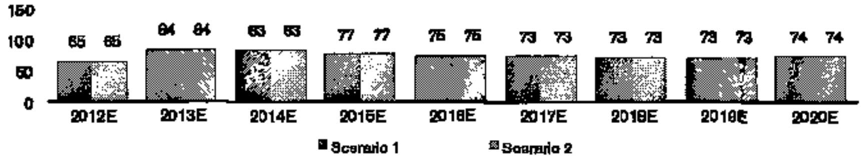
WACOG

(in HUF/m³)



Spot price

(in HUF/m³)



Source: Seller, Company information, KPMG, CS analysis.
Notes: (1) Represents the weighted average of EFT 's oil-indexed gas price (the same used in WACOG calculation) and gas spot price. Weights are determined by EFT's spot gas contracts size over total EFT's share in open markets.

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EFT financial analyses

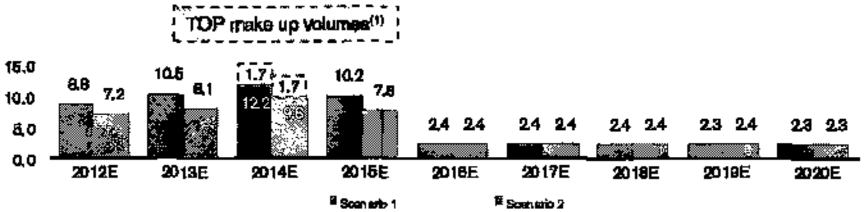
Cost of goods sold

Purchase volume

- Both scenarios assume that gas purchased from non-TOP agreements is sold immediately (linked to sales volume)
- Scenario 1: In 2012–2015, purchased volumes include TOP related volumes, which are sold immediately. After 2015, purchased volumes do not include TOP related volumes and COGS
- Scenario 2: In 2012–2015, purchased volumes include TOP related volumes that were not renegotiated with Gazprom. Renegotiated volumes are sold between 2016 and 2019

Purchase volumes

(in bcm)

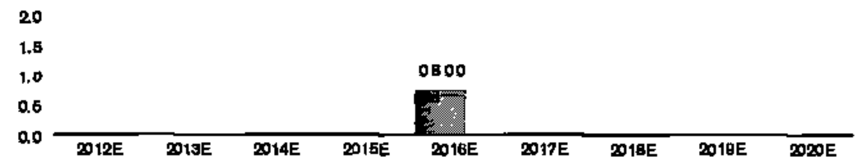


Gas movement

- Before 2016, no gas movements assumed (all purchased gas is sold)
- In 2016, inventory disposal assumed, which leads to gas movements(2)

Gas movement

(in bcm)

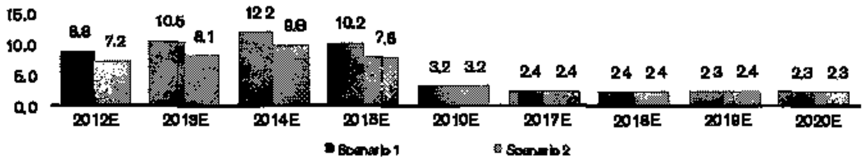


Volume sold

- Volume sold equals the gas purchased each year, except in (i) 2014, when 2009-2011 TOP volumes are assumed to be sold, and (ii) 2016, when part of inventory is disposed(2)

Volumes sold

(in bcm)



Source: Seller, Company information, KPMG, CS analysis.
Notes: (1) 2009 and 2011 make-up volumes are assumed to be taken and sold in 2014E.
(2) Please refer to analysis of working capital in page 55 for further information about the inventory disposal.

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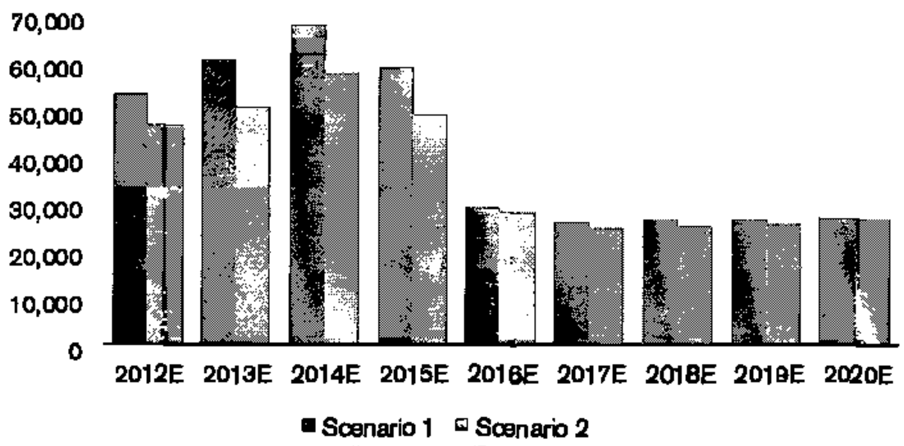
EFT financial analyses

Revenue adjustments and tax

Pass-through expenses

- Storage and transmission costs are added back to the revenues as these are pass-through expenses. In addition, transmission tariffs and storage costs are assumed to be driven by volume sold and volume stored, respectively
- Storage price are the same as those used for EFS projections (2012E: HUF345.9/GJ/year)
- Energy tax is also added to the revenues for open and regulated markets, as well as for export. Energy tax assumed to be that of 2011 per volume sold (HUF0.5/m3)

Income from pass-through expenses
(HUF in millions)



I/K funds

- I/K funds compensation is given as a lump-sum due to the price moratorium in the regulated market as of 2009
- I/K funds are not assumed to be received after 2012

Tax

- Assumed corporate income tax rate of 10% (based on regulation)
- Robin Hood tax assumed to be terminated in 2013
- Crisis tax assumed to be terminated in 2013
- Tax loss carried for tax purpose is HUF36.8bn as at the end of 2011. The yearly balance of loss carried forward is used to determine whether EFT will pay income tax in the projected year

Source: Seller, Company information, KPMG, CS analysis.

EFT financial analyses

Analysis of the working capital assumptions

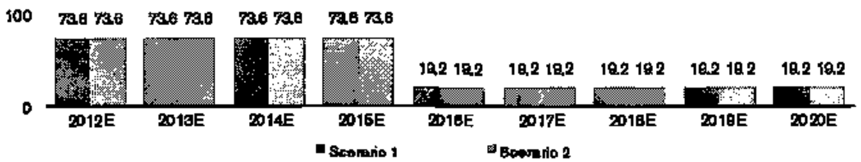
EFT's business operations are significantly affected by the required working capital and hence its valuation is highly sensitive to any changes in working capital items

Inventory

- Inventory reflects the value of EFT's net gas balance which is being stored
- The volumes at year end are given to a point of time and were 2.1bcm, 2.2bcm and 1.0bcm at the end of 2009, 2010 and 2011, respectively
- It was assumed that the stored volumes remain at 2011 levels (1.0bcm or HUF73.6bn) until 2015
- Part of inventory (0.76bcm) is assumed to be disposed in 2016

Inventory

(HUF in billions)

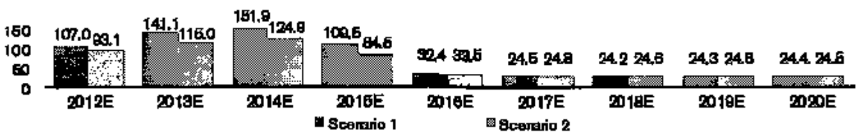


All receivables

- Composed of Trade Receivables, Other Receivables, and Receivables from Affiliated Undertakings[1]
- Trade receivables assumed to be correlated to net revenues (also including TOP volumes)
  - 8.7% of projected revenues (based on 2011 historic ratio)
  - Typically, gas sale invoices are paid within 1-week (50% of the amount) and 4-weeks (remaining 50%)
- Other Receivables assumed to be equal 1.4% of revenues based on 2011 historic ratio; Receivables from Affiliated Undertakings assumed to be equal to 3.2% of net revenues based on 2011 historic ratio

All receivables

(HUF in billions)

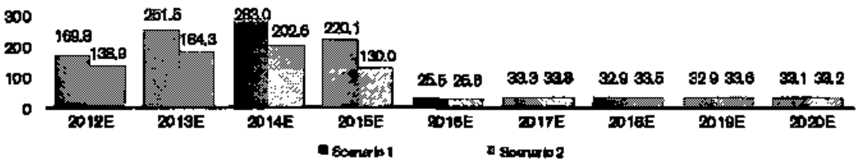


All payables

- Composed of Trade Payables and Short-term Liabilities to Affiliated Undertakings[2]
  - Trade payables assumed to be correlated to costs of goods sold (also including TOP volumes)
  - 4.1% of projected COGS (based on 2011 historic ratio)
  - Typically, gas purchase invoices are paid within 5 weeks
- Short-term Liabilities to Affiliated Undertakings assumed to be 15.1% of gas purchase based on 2011 historic ratio (excludes TOP-related payables based on KPMG figures)

Trade payables

(HUF in billions)



Source: Seller, Company information, CS analysis.

Notes: (1) Only includes those receivables related to goods and services rendered (excluding short term loans given).
(2) Only includes those payables related to goods and services rendered (excluding short term loans).

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b) Summary financiais for Scenario 1

EFT financial analyses

Summary income statement(1) – Scenario 1

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HUFm	Actual		Projected								
FYE Dec	2010	2011	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Income Statement											
Net domestic sales	830,128	894,938	756,942	1,042,240	1,122,129	806,153	235,893	177,056	174,845	175,216	178,338
Net export sales	49,682	88,928	31,453	–	–	–	–	–	–	–	–
Income from pass-through expenses	–	–	54,382	62,328	69,331	60,808	30,282	27,315	27,968	27,997	23,303
Revenues	879,810	793,864	843,379	1,104,568	1,191,610	836,761	266,175	204,371	202,813	203,213	204,641
Other income	25,901	37,870	2,690	–	–	–	–	–	–	–	–
Revenues	705,771	831,834	846,069	1,104,568	1,181,510	836,731	266,175	204,371	202,813	203,213	204,641
% growth	*(13.9%)*	*17.9%*	*1.7%*	*30.6%*	*7.9%*	*(27.3%)*	*(68.3%)*	*(23.2%)*	*(0.9%)*	*0.3%*	*0.7%*
Expenses											
Cost of goods sold	(634,586)	(868,087)	(886,427)	(1,312,582)	(1,477,239)	(1,148,865)	(232 516)	(173,584)	(171,515)	(171,731)	(172,860)
Material costs	(11)	(12)	(13)	(14)	(14)	(15)	(15)	(18)	(17)	(17)	(18)
Contracted services	(52,571)	(80,719)	(52,834)	(61,200)	(88,717)	(60,433)	(29,493)	(26,409)	(26,762)	(27,097)	(27,409)
Other services	(854)	(877)	(892)	(1,165)	(1,256)	(914)	(281)	(215)	(214)	(214)	(216)
Intermediated services	(503)	(588)	(598)	(791)	(842)	(613)	(168)	(144)	(143)	(144)	(145)
Material expenses	(688,307)	(770,263)	(940,763)	(1,375,761)	(1,548,069)	(1,210,840)	(262,493)	(200,370)	(198,861)	(199,252)	(200,687)
Gross profit	17,464	61,571	(94,694)	(271,193)	(356,559)	(344,079)	3,682	4,002	3,982	3,961	3,973
Wages and salaries	(496)	(490)	(498)	(651)	(702)	(511)	(157)	(120)	(119)	(120)	(121)
Other personnel type expenses	(134)	(103)	(105)	(137)	(146)	(107)	(33)	(25)	(25)	(25)	(25)
Contribution on wages and salaries	(157)	(154)	(157)	(204)	(221)	(160)	(49)	(38)	(38)	(38)	(38)
Other expenses	(26,600)	(27,807)	17,690	(4,583)	(4,169)	(3,066)	(1,493)	(1,489)	(1,468)	(1,482)	(1,479)
EBITDA	(9,829)	33,017	(77,764)	(276,768)	(361,816)	(347,923)	1,949	2,329	2,295	2,297	2,312
% margin	*(1.4%)*	*4.0%*	*(9.2%)*	*(25.1%)*	*(30.4%)*	*(40.1%)*	*0.7%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*
Depreciation	(117)	(138)	(152)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)
EBIT	(8,940)	32,881	(77,916)	(276,895)	(361,945)	(348,050)	1,822	2,202	2,168	2,170	2,185
% margin	*(1.4%)*	*4.0%*	*(9.2%)*	*(25.1%)*	*(30.4%)*	*(40.2%)*	*0.7%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*

1. Historic income from pass-through expenses was included in revenues. Sales increased in 2011 as a result of a better price environment and higher exports
2. The decrease in sales in the period of 2015-2020 is associated to the assumed decrease in volumes sold (i.e. no export sales) and decreasing TOP related volumes
3. Income from pass-through items represents compensation for energy tax as well as storage and transmission expenses. No breakdown available for historic financials
4. Other income represents I/K funds compensation, which is assumed to be nil, post 2012
5. Contracted services include, amongst others, storage and transmission expenses. Storage and transmission expenses (and pass-through revenues associated) are projected to be linked to volumes stored and sold, respectively
6. Other expenses include, amongst other, energy tax, crisis tax and build-up of provision

Source: Seller, KPMG, Company information, CS analysis.
Note: Based on Hungarian Accounting Standards.
(1) Includes TOP/make-up volumes impact. For further information about TOP/make-up volumes impact analysis and scenarios please refer to page 24-25.

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EFT financial analyses

Balance sheet(1) – Scenario 1

HUFm	Actual		Projected								
FYE Dec	2010	2011	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Intellectual products	182	105	196	196	195	195	195	195	195	195	196
Other equipment	104	77	77	77	77	77	77	77	77	77	77
Construction in progress	42	–	–	–	–	–	–	–	–	–	–
Long-term participation in affil.undertaking	120	120	120	–	–	–	–	–	–	–	–
Other long-term loans	3,745	753	–	–	–	–	–	–	–	–	–
Total non-current assets	4,173	1,145	392	272	272	272	272	272	272	272	272
Inventory (goods)	141,003	73,579	73,579	73,579	73,579	73,579	19,176	19,176	19,176	19,170	10,178
Advances on inventories	–	–	–	–	–	–	–	–	–	–	–
Trade receivables	76,531	68,349	66,871	01,046	98,025	70,422	20,607	15,467	15,203	15,306	16,404
Receivables from affiliated undertakings (1)	28,606	37,285	27,081	35,326	38,110	27,723	6,514	0,537	6,461	6,500	6,545
Other receivables	3,956	11,184	11,107	14,093	15,606	11,357	3,323	2,494	2,465	2,406	2,484
Positive val. diff of FV valuations	284	138	–	–	–	–	–	–	–	–	–
Cash	2,720	2,243	2,720	15,531	86,793	05,326	4,340	22,217	21,703	24,262	20,902
Total current assets	263,140	163,768	163,339	230,168	311,310	246,406	65,959	66,662	66,167	67,733	70,512
Prepayments (2)	6,864	49,605	49,605	49,006	–	–	–	–	–	–	–
Total assets	264,307	244,536	233,336	280,046	311,586	246,660	60,231	00,164	66,439	66,006	70,764
Share capital	3,015	3,015	3,015	3,015	3,015	3,015	3,015	3,015	3,015	3,015	3,015
Capital reserve (4)	51,522	51,522	112,402	390,611	752,207	1,080,336	1,099,336	1,099,336	1,099,336	1,069,336	1,099,339
Retained earnings / (loss)	(35,068)	(35,874)	(115,507)	(393,626)	(755,222)	(1,102,351)	(1,100,217)	(1,098,028)	(1,085,537)	(1,093,122)	(1,090,553)
Shareholders' equity	19,469	18,663	–	–	–	–	2,133	4,322	0,714	0,229	11,767
Provisions for expected liabilities	2,931	2,133	2,133	2,133	2,133	2,133	2,133	2,133	2,133	2,133	2,133
Provision for expected expenses (3)	41,534	31,506	–	–	–	–	–	–	–	–	–
Provisions for expected liabilities	44,516	33,639	2,133	2,133	2,133	2,133	2,133	2,133	2,188	2,133	2,133
Trade payables	21,926	28,003	38,076	53,420	60,121	40,757	7,249	7,065	6,960	0,991	7,036
Short-term liabilities to affiliated undertakings (1)	169,797	140,123	133,741	196,039	222,660	173,338	16,262	26,190	25,676	25,916	20,084
Revolving debt facility (4)	–	–	37,652	2,720	2,720	2,720	2,720	2,720	–	–	–
Other short-term liabilities	2,174	4,526	4,525	4,526	4,526	4,525	4,526	4,525	4,525	4,525	4,525
Negative valuation difference of fair valuations	–	19,209	19,209	10,200	19,209	10,209	10,209	10,209	10,209	19,209	19,209
Short-term liabilities	193,897	131,660	231,203	277,913	305,456	246,547	61,965	50,706	56,592	56,043	56,663
Prepaid income	295	–	–	–	–	–	–	–	–	–	–
Accrued expenses	410	176	–	–	–	–	–	–	–	–	–
Deferred income	6,721	–	–	–	–	–	–	–	–	–	–
Accruals	6,426	170	–	–	–	–	–	–	–	–	–
Total liabilities and equity	264,307	244,536	233,336	280,046	311,666	246,660	66,231	66,164	66,436	66,005	70,764

1. Related to intra-companies activities(2)
2. Prepayments refer to 2009 and 2011 TOP/make-up volumes. Assumed to decline to 0 in 2014 when 2000 and 2011 make-up volumes are taken and sold
3. Provisions mainly refers to expected loss on TOP contracts. Assumed to decrease when EFT incurs losses
4. Revolving debt and capital increases driven by TOP-related losses (assumed capital increases to avoid negative shareholder's equity balance)

[ ] TOP related items

Source: Seller, KPMG, Company information, CS analysis.
Note: Based on Hungarian Accounting Standards.
(1) Includes TOP/make-up volumes impact. For further information about TOP/make-up volumes impact analysis and scenarios please refer to page 24-26.
(2) Please refer to working capital analyses for further information.

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EFT financial analyses

Cash flow statement[1] – Scenario 1

HUFm	Actual		Projected								
FYE Dec	2010	2011	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Net income	(8,539)	(606)	(78,833)	(276,319)	(351,388)	(347,128)	2,133	2,189	2,392	2,515	2,589
Depreciation	n.a.	n.a.	152	127	127	127	127	127	127	127	127
Change in Inventory (goods)	n.a.	n.a.	–	–	–	–	54,402	–	–	–	–
Change in advances on inventories	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Change in trade receivables	n.a.	n.a.	478	(22,175)	(8,878)	27,803	49,815	5,140	184	(24)	(96)
Change in receivables from affiliated undertakings[2]	n.a.	n.a.	10,234	(8,295)	(2,781)	10,387	19.210	1,977	58	(18)	(48)
Change in other receivables	n.a.	n.a.	77	(3,578)	(1,125)	4,451	8 034	839	30	(4)	(18)
Change in positive valuation diff. of fair v. valuations	n.a.	n.a.	136	–	–	–	–	–	–	–	–
Trade payables	n.a.	n.a.	8,073	17,344	6,701	(13,304)	(38,506)	(184)	(64)	11	45
Change in short term liab. from aff. undertakings	n.a.	n.a.	0,186	04,206	24,841	(48,544)	(185,074)	7,827	(312)	40	158
Other	n.a.	n.a.	–	120	–	–	–	–	–	–	–
Change in prepayments	n.a.	n.a.	–	–	49,505	–	–	–	–	–	–
Cash Flow from Operations	(6,470)	62,206	(54,464)	(230,446)	(281,007)	(367,456)	(00,650)	16,005	2,393	2,648	2,747
Increase in intellectual products	(13)	(33)	–	–	–	–	–	–	–	–	–
Change in work in progress	(42)	42	–	–	–	–	–	–	–	–	–
Purchase of non current assets	n.a.	n.a.	(152)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)
Cash Flow from Investing Activities	(143)	(65)	(152)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)
Provisions for expected liabilities	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Provision for expected expenses	n.a.	n.a.	(31,506)	–	–	–	–	–	–	–	–
Short-term liabilities to affiliated undertakings[3]	n.a.	n.a.	(12,570)	–	–	–	–	–	–	–	–
Repayment of interest free loan	n.a.	n.a.	753	–	–	–	–	–	–	–	–
Other short-term liabilities	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Negative valuation difference of fair valuations	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Prepaid income	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Capital increase	n.a.	n.a.	50,870	278,318	361,380	347,125	–	–	–	–	–
Dividend paid	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Accrued expenses	n.a.	n.a.	(178)	–	–	–	–	–	–	–	–
Deferred Income	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Cash Flow from Financing Activities	9,308	(82,000)	17,471	278,318	361,390	347,128	–	–	–	–	–
Changes in cash and equivalents before revolver	9,595	(477)	(37,175)	47,744	70,252	(20,487)	(80,967)	17,878	2,288	2,519	2,020
Revolving facility drawdown / (repayment)			37,662	(34,832)	–	–	–	–	(2,720)	–	–
Changes in Cash and Equivalents	2,566	(477)	477	12,811	70,282	(20,487)	(80 667)	17,676	(454)	2,519	2,820
Cash opening balance	25	2,720	2,243	2,720	15,531	65,782	55,326	4,340	22,217	21,753	24,282
Cash closing balance	2,720	2,243	2,720	15,531	65,763	85,320	4,340	22,217	21,783	24,282	28,002

Source: Seller, KPMG, Company information, CS analysis.
Note: Based on Hungarian Accounting Standards.
(1) Historic cash flow statements only show main subtotals as their breakdown was not available.
(2) Refers to the working capital component of short term liabilities from affiliated undertakings.
(3) Refers to a short term loan repaid in 2012.

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c) Summary financiais for Scenario 2

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EFT financial analyses

Summary income statement(1) – Scenario 2

HUFm	Actual		Projected								
FYE Dec	2010	2011	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Income Statement											
Net domestic sales	830,128	694,938	654,073	849,649	921,984	621,273	236,185	179,660	178,257	179,066	176,620
Net export sales	49,882	98,926	31,455	–	–	–	–	–	–	–	–
Income from pass-through expenses	–	–	48,160	52,095	59,148	50,376	29,417	28,171	20,857	26,920	28,321
Revenues	879,810	793,864	733,688	901,744	981,132	671,648	265,602	208,061	204,814	205,975	204,940
Other income	25,961	37,970	2,800	–	–	–	–	–	–	–	–
Revenues	705,771	831,834	736,378	901,744	981,132	671,648	265,602	208,061	204,814	205,975	204,940
% growth	*(13.9%)*	*17.9%*	*(11.5%)*	*22.5%*	*8.8%*	*(31.5%)*	*(60.5%)*	*(22.4%)*	*(0.6%)*	*0.8%*	*(0.5%)*
Expenses											
Cost of goods sold	(834,856)	(686,067)	(725,256)	(961,833)	(1,057,720)	(678,639)	(232,603)	(175,363)	(174,761)	(175,545)	(173,156)
Material costs	(11)	(12)	(13)	(14)	(14)	(15)	(15)	(16)	(17)	(17)	(18)
Contracted services	(52,571)	(80,719)	(45,706)	(50,571)	(59,074)	(49,820)	(29,506)	(26,873)	(26,957)	(27,321)	(27,425)
Other services	(854)	(677)	(778)	(951)	(1,034)	(708)	(280)	(217)	(216)	(217)	(215)
Intermediated services	(803)	(866)	(821)	(637)	(894)	(475)	(168)	(146)	(146)	(146)	(146)
Material expenses	(888,307)	(770,253)	(772,366)	(1,014,006)	(1,117,835)	(729,856)	(262,784)	(203,306)	(202,096)	(203,246)	(200,960)
Gross profit	17,464	51,571	(36,987)	(112,202)	(136,403)	(58,206)	2,806	2,745	2,718	2,720	3,980
Wages and salaries	(496)	(490)	(434)	(531)	(578)	(368)	(159)	(121)	(121)	(121)	(121)
Other personnal type expenses	(134)	(103)	(91)	(112)	(121)	(83)	(33)	(25)	(25)	(25)	(25)
Contribution on wages and salaries	(157)	(154)	(136)	(107)	(182)	(124)	(49)	(38)	(38)	(38)	(38)
Other expenses	(26,500)	(27,807)	(257)	14,515	(4,189)	(3,098)	(812)	(185)	(185)	(165)	(1,480)
EBITDA	(9,923)	33,017	(36,906)	(98,566)	(141,473)	(61,877)	1,958	2,378	2,348	2,350	2,315
% margin	*(1.4%)*	*4.0%*	*(5.0%)*	*(10.9%)*	*(14.4%)*	*(9.2%)*	*0.7%*	*1.2%*	*1.1%*	*1.1%*	*1.1%*
Depreciation	(117)	(136)	(152)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)
EBIT	(9,040)	32,881	(37,056)	(98,093)	(141,000)	(62,004)	1,831	2,249	2,232	2,232	2,189
% margin	*(1.4%)*	*4.0%*	*(5.0%)*	*(10.9%)*	*(14.4%)*	*(9.2%)*	*0.7%*	*1.1%*	*1.1%*	*1.1%*	*1.1%*

1. Historic income from pass-through expenses was included in revenues. Sales increased in 2011 as a result of a better price environment and higher exports
2. The decrease in sales in the period of 2015-2020 is associated to the assumed decrease in volumes sold (i.e. no export sales) and decreasing TOP related volumes
3. Income from pass-through items represents compensation for energy tax as well as storage and transmission expenses. No breakdown available for historic financials
4. Other income represents I/K funds compensation, which is assumed to be nil post 2012
5. Contracted services include, amongst others, storage and transmission expenses. Storage and transmission expenses (and pass-through revenues associated) are projected to be linked to volumes stored and sold, respectively
6. Other expenses include, amongst other, energy tax, crisis tax and build-up of provision

Source: Seller, KPMG, Company information, CS analysis.
Note: Based on Hungarian Accounting Standards.
(1) Includes TOP/make-up volumes impact. For further information about TOP/make-up volumes impact analysis and scenarios please refer to page 24-28.

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EFT financial analyses

Balance sheet[1] – Scenario 2

HUFm	Actual		Projected								
FYE Dec	2010	2011	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Intellectual products	182	195	195	185	186	195	185	195	196	185	196
Other equipment	104	77	77	77	77	77	77	77	77	77	77
Construction in progress	42	–	–	–	–	–	–	–	–	–	–
Long-term participation in affil.undertaking	120	120	120	–	–	–	–	–	–	–	–
Other long-term loans	2,746	753	–	–	–	–	–	–	–	–	–
Total non-current assets	4,173	1,145	392	272	272	272	272	272	272	272	272
Inventory (goods)	141,003	73,679	73,679	73,579	73,570	73,576	19,176	18,178	18,176	19,176	18,178
Advances on inventories	–	–	–	–	–	–	–	–	–	–	–
Trade receivables	78,581	68,349	59,886	74,222	60,641	64,272	20,822	15,714	15,572	15,642	15,428
Receivables from affiliated undertakings 1	26,809	37,295	23,563	28,642	31,381	21,482	8,486	6,520	8,551	6,586	6,555
Other receivables	3,868	11,164	8,865	11,970	12,888	8,752	6,327	2,534	2,511	2,623	2,488
Positive val. diff of FV valuations	284	136	–	–	–	–	–	–	–	–	–
Cash	2,720	2,243	2,720	2,720	32,487	5 163	3,745	21,810	21,431	24,035	26,425
Total current assets	253,140	183,788	169,398	181,339	220,847	163,248	88,377	65,826	69,241	07,984	70,074
Prepayments 2	6,964	49,505	49,505	49,506	–	–	–	–	–	–	–
Total assets	264,307	244,538	216,382	241,210	231,219	163,521	65,649	66,097	66,513	68,238	70,346
Share capital	3,016	3,016	3,015	3,015	3,015	3,016	3,015	3,015	3,015	2,015	3,015
Capital reserve 4	51,622	61,622	71,549	172,781	316,432	377,555	377,555	377,555	377,555	377,555	377,555
Retained earnings / (loss)	(35,088)	(55,874)	(74,534)	(175,796)	(318,447)	(380,575)	(379,074)	(376,845)	(374,404)	(371,831)	(369,264)
Shareholders' equity	18,498	18,683	–	–	(0)	(0)	1,488	3,725	8,108	8,739	11,308
Provisions for expected liabilities	2,881	2,133	2,123	2,133	2,133	2,133	2,133	2,133	2,133	2,132	2,133
Provision for expected expenses 3	41,534	31,508	19,006	–	–	–	–	–	–	–	–
Provisions for expected liabilities	44,516	33,639	21,231	2,133	2,133	2,133	2,133	2,133	2,133	2,133	2,133
Trade payables	21,926	26,003	26,517	39,146	43,047	27,627	7,261	7,177	7,112	7,144	7,047
Short-term liabilities to affiliated undertakings 1	169,797	140,123	109,424	146,119	159,665	102,421	16,306	26,607	26,307	26,466	26,125
Revolving debt facility 4	–	–	35,465	31,081	2,720	7,608	2,720	2,720	–	–	–
Other short-term liabilities	2,174	4,626	4,526	4,626	4,625	4,626	4,626	4,626	4,625	4,626	4,626
Negative valuation difference of fair valuations	–	18 209	19,209	18,208	19,208	19,209	18,208	19,209	18,209	19,200	18,209
Short-term liabilities	193,897	191,860	188,180	228,077	229,088	101,388	82,020	60,236	57,214	57,304	56,908
Prepaid income	295	–	–	–	–	–	–	–	–	–	–
Accrued expenses	410	176	–	–	–	–	–	–	–	–	–
Deferred income	5,721	–	–	–	–	–	–	–	–	–	–
Accruals	6,425	176	–	–	–	–	–	–	–	–	–
Total liabilities and equity	264,307	244,539	216,382	241,210	221,219	163,521	60,649	68,097	66,513	68,236	70,348

1 Related to intra-companies activities[2]

2 Prepayments refer to 2009 and 2011 TOP/make-up volumes. Assumed to decline to 0 in 2014 when 2009 and 2011 make-up volumes are taken and sold

TOP related items

3 Provisions mainly refers to expected loss on TOP contracts. Assumed to decrease when EFT incurs losses

4 Revolving debt and capital increases driven by TOP-related losses (assumed capital increases to avoid negative shareholder's equity balance)

Source: Seller, KPMG, Company information, CS analysis.

Note: Based on Hungarian Accounting Standards.
(1) Includes TOP/make-up volumes impact. For further information about TOP/make-up volumes impact analysis and scenarios please refer to page 24-25.
(2) Please refer to working capital analyses for further information.

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EFT financial analyses

Cash flow statement[1] – Scenario 2

HUFm	Actual		Projected								
FYE Dec	2010	2011	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Net income	(8,533)	(606)	(38,880)	(101,232)	(142,851)	(02,123)	1,490	2,229	2,441	2,573	2,567
Depreciation	n.a.	n.a.	152	127	127	127	127	127	127	127	127
Change in Inventory (goods)	n.a.	n.a.	–	–	–	–	54,403	–	–	–	–
Change in advances on inventories	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Change in trade receivables	n.a.	n.a.	9,404	(14,337)	(8,318)	20,289	33,840	4,919	142	(70)	213
Change in receivables from affiliated undertakings [2]	n.a.	n.a.	13,742	(5,289)	(2,538)	0,889	12,867	1,905	40	(37)	33
Change in other receivables	n.a.	n.a.	1,528	(2,312)	(1,019)	4,236	5,425	783	23	(11)	34
Change in positive valuation diff. of fair v. valuations	n.a.	n.a.	138	–	–	–	–	–	–	–	–
Trade payables	n.a.	n.a.	1,514	9,628	3,902	(15,420)	(20,387)	(83)	(85)	32	(07)
Change in short term liab. from aff. undertakings	n.a.	n.a.	(18,120)	35,904	14,467	(57,104)	(84,115)	8,302	(240)	110	(380)
Other	n.a.	n.a.	–	120	–	–	–	–	–	–	–
Change in prepayments	n.a.	n.a.	–	–	48,605	–	–	–	–	–	–
Cash Flow from Operations	(8,470)	62,208	(30,483)	(77,801)	(84,427)	(84,178)	3,588	18,191	2,467	2,732	2,817
Increase in intellectual products	(13)	(33)	–	–	–	–	–	–	–	–	–
Change in work in progress	(42)	42	–	–	–	–	–	–	–	–	–
Purchase of non current assets	n.a.	n.a.	(152)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)
Cash Flow from Investing Activities	(143)	(85)	(152)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)
Provisions for expected liabilities	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Provision for expected expenses	n.a.	n.a.	(12,408)	(18,098)	–	–	–	–	–	–	–
Short-term liabilities to affiliated undertakings [3]	n.a.	n.a.	(12,570)	–	–	–	–	–	–	–	–
Repayment of interest free loan	n.a.	n.a.	753	–	–	–	–	–	–	–	–
Other short-term liabilities	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Negative valuation difference of fair valuations	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Prepaid income	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Capital increase	n.a.	n.a.	20,027	101,232	142,851	82,123	–	–	–	–	–
Dividend paid	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Accrued expenses	n.a.	n.a.	(170)	–	–	–	–	–	–	–	–
Deferred income	n.a.	n.a.	–	–	–	–	–	–	–	–	–
Cash Flow from Financing Activities	9,308	(82,600)	(4,374)	82,133	142,851	02,123	–	–	–	–	–
Changes in cash and equivalents before revolver	2,685	(477)	(35,009)	4,405	58,097	(32,180)	3,409	18,064	2,340	2,605	2,380
Revolving facility drawdown / (repayment)			35,488	(4,405)	(28,361)	4,888	(4,886)	–	(2,720)	–	–
Changes in Cash and Equivalents	3,695	(477)	477	(0)	29,737	(27,284)	(1,417)	18,064	(380)	2,606	2,380
Cash opening balance	25	2,720	2,243	2,720	2,720	32,457	5,163	3,740	21,810	21,431	24,030
Cash closing balance	2,720	2,243	2,720	2,720	32,457	5,183	3,746	21,810	21,431	24,036	20,425

Source: Seller, KPMG, Company information, CS analysis.
Note: Based on Hungarian Accounting Standards.
(1) Historic cash flow statements only show main subtotals as their breakdown was not available.
(2) Refers to the working capital component of short term liabilities from affiliated undertakings.
(3) Refers to a short term loan repaid in 2012.

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d) Detailed DCF analysis outputs

EFT financial analyses

DCF output – Scenario 1 (recurring underlying business)

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Removal of TOP related cash flows to estimate value of EFT (excl. TOP/make-up volumes)[2]

(HUF in millions)	Actual	Projected													
FYE Dec	2011A	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Operating EBITDA	-	-	(60,768)	(361,816)	(347,023)	1,840	2,328	2,265	2,267	2,812	2,310	2,303	2,178	2,171	2,163
Depreciation		-	(32)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)
Unlevered taxable EBIT		-	(60,790)	(361,846)	(348,060)	1,822	2,202	2,108	2,170	2,186	2,183	2,176	2,051	2,044	2,038
Unlevered income tax [1]		-	0	0	0	0	0	0	0	0	0	0	0	0	0
NOPAT		-	(69,799)	(361,846)	(348,060)	1,822	2,202	2,188	2,170	2,166	2,163	2,178	2,061	2,044	2,038
Less: ToP financing cost		-	(694)	(23,321)	(64,414)	0	0	0	0	0	0	0	0	0	0
Add back: Tax depreciation		-	32	127	127	127	127	127	127	127	127	127	127	127	127
Change in inventory (goods)		-	4,415	0	0	64,403	0	0	0	0	0	0	0	0	0
Change in trade receivables		-	(59,114)	(6,070)	27,803	48,816	5,140	184	(24)	(98)	(78)	(5)	719	39	30
Change in positive valuation diff. of fair valuations		-	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in receivables from affil. undertakings		-	0	(2,701)	10,367	18,210	1,077	58	(18)	(46)	(128)	(63)	280	1	1
Change in other receivables		-	(9,805)	(1,125)	4,461	8,034	829	30	(4)	(16)	(13)	(1)	110	6	8
Change in prepayments		-	0	49,605	0	0	0	0	0	0	0	0	0	0	0
Change in provisions		-	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in trade payables		-	174,869 [3]	8,701	(13,384)	(39,506)	(164)	(84)	11	45	38	2	(328)	(18)	(18)
Change in Short-term liabilities to affiliated undertakings		-	0	24,841	(49,844)	(166,074)	7,827	(312)	40	188	132	8	(1,217)	(88)	(88)
Change in negative valuation diff. of fair valuations		-	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in Other short-term liabilities		-	(8,326)	0	0	0	0	0	0	0	0	0	0	0	0
Change in accruals		-	(183)	0	0	0	0	0	0	0	0	0	0	0	0
Cash effect from change in balance sheet positions		-	103,806	70,282	(20,467)	(83,120)	15,666	(128)	4	51	(81)	(48)	(481)	(37)	(37)
Capex		-	(32)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)
Add back: ToP cash flow impact (ToP losses and fin. cost)			02,061	255,598	326,817	0	0	0	0	0	0	0	9	0	0
Unlevered free cashflow			88,803	(89,708)	(97,014)	(01,287)	17,890	2,042	2,174	2,238	2,132	2,120	1,669	2,008	1,098
Discounted free cashflow			82,848	(61,364)	(76,880)	(41,430)	10,720	1,008	1,024	033	789	090	403	617	487

Present value of cashflows		(67,128)	*107.1%*	EV/EBITDA	
Terminal value based on perpetuity growth		19,443		2012E	2013E
Present value of terminal value (2026)		4,446	*(7.1%)*	n.m.	0.9x
EV based on perpetuity growth	MHUF	(02,663)		EV/EBITDA	
EV based on perpetuity growth	€m	(224)		TY	9.0x

- Valuation date 30 September 2013
- Financial forecasts commence in 2012 and the forecast horizon extends to the end of 2025, terminal value year ("TY")
- WACC of 12.8%
- TGR of 2.1% (TGR based on LT inflation estimate)

Terminal growth

(HUFm)	WACC 10.79%	11.79%	12.79%	13.79%	14.79%
1.1%	(66,017)	(64,486)	(63,103)	(01,864)	(59,987)
1.6%	(65,257)	(64,200)	(62,902)	(61,441)	(59,866)
2.1%	(64,865)	(63,906)	(62,688)	(61,274)	(59,739)
2.6%	(64,404)	(63,660)	(62,442)	(61,092)	(59,600)
3.1%	(63,094)	(63,217)	(62,176)	(60,863)	(59,449)

Margin

(HUFm)	WACC 10.79%	11.79%	12.79%	13.70%	14.70%
1.0%	(78,300)	(76,766)	(73,365)	(70,607)	(68,300)
1.5%	(71,580)	(69,630)	(67,974)	(66,040)	(64,064)
2.0%	(64,865)	(63,906)	(62,683)	(61,274)	(69,739)
2.5%	(58,152)	(67,982)	(57,391)	(56,507)	(55,414)
3.0%	(51,446)	(52,057)	66,693	53,626	62,013

Source: CS analysis.

Note: Based on Hungarian Accounting Standards.
HUF62.5bn of reference working capital assumed as of September 2013 . Shown cash flows are post the valuation date. Terminal value based on normalised cash flow and does not take into account positive cash flow impact from change in balance sheet positions in the terminal value year. (1) Tax on EBIT reflects the execution of loss carried forward assets when EFT presents positive EBT results. (2) For further information about TOP/make-up volumes impact analysis and scenarios please refer to page 24-25. (3) In 2013E, also includes cash flow related to change in short-term liabilities to affiliated undertakings.

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EFT financial analyses

DCF output – Scenario 2 (recurring underlying business)

Removal of TOP related cash flows to estimate value of EFT (excl. TOP/make-up volumes)[2]

(HUF in millions)	Actual	Projected													
FYE Dec	2011A	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E	2024E	2025E
Operating EBITDA	-	-	(24,842)	(141,473)	(61,877)	1,960	2,976	2,849	3,069	2,316	2,610	2,603	2,176	2,171	3,163
Depreciation		-	(32)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)
Unlevered taxable EBIT		-	(24,874)	(141,600)	(62,004)	1,831	2,846	2,822	2,932	2,189	2,163	2,176	2,061	2,044	2,039
Unlevered income tax[1]		-	0	0	0	0	0	0	0	0	0	0	0	0	0
NOPAT		-	(24,874)	(141,800)	(62,804)	1,831	2,246	2,222	2,932	2,189	2,163	2,179	2,651	2,044	2,039
Less: ToP financing cost		-	(239)	(8,431)	(19,120)	(22,030)	(23,874)	(25,190)	(20,954)	0	0	0	0	0	0
Add back: Tax depreciation		-	32	127	127	127	127	127	127	127	127	127	127	127	127
Change in inventory (goods)		-	4 416	0	0	64,403	0	0	0	0	0	0	0	0	0
Change in trade receivables		-	(36,602)	(6,610)	20,260	33,640	4,019	142	(70)	213	(63)	(6)	719	36	36
Change in positive valuation diff. of fair valuations		-	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in receivables from affil. undertakings		-	0	(2,030)	9,609	12,067	1 005	40	(37)	33	(116)	(63)	260	1	1
Change in other receivables		-	(7,092)	(1 010)	4,236	5,425	793	23	(11)	34	(9)	(1)	116	6	6
Change in prepayments		-	0	49,606	0	0	0	0	0	0	0	0	0	0	0
Change in provisions		-	(4,614)	0	0	0	0	0	0	0	0	0	0	0	0
Change in trade payables		-	107,692[3]	3 002	(16,420)	(20,367)	(63)	(66)	32	(67)	24	2	(326)	(16)	(16)
Change in Short-term liabilities to affiliated undertakings		-	0	14,467	(67,104)	(04,116)	6,302	(240)	119	(360)	90	9	(1,317)	(66)	(66)
Change in negative valuation diff. of fair valuations		-	0	0	0	0	0	0	0	0	0	0	0	0	0
Change in Other short-term liabilities		-	(6,326)	0	0	0	0	0	0	0	0	0	0	0	0
Change in accruals		-	(163)	0	0	0	0	0	0	0	0	0	0	0	0
Cash effect from change in balance sheet positions		-	67,921	66,007	(32,160)	1,073	16,636	(101)	32	(177)	(66)	(40)	(461)	(37)	(37)
Capex		-	(32)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)	(127)
Add back: ToP cash flow impact (ToP bases and fin. cost)			21,146	06,163	60,904	10,626	20,047	21,703	23,443	0	0	0	0	0	0
Unlevered free cashflow			53,654	4,216	(31,609)	1,306	14,667	(1,673)	(1 347)	2,611	2,117	2,129	1 090	2 006	1,696
Discounted free cashflow			52,842	3,629	(23,644)	945	6,723	(730)	(667)	640	764	666	463	617	467

				EV/EBITDA	
Present value of cashflows		44,137	*90.8%*	2012E	2013E
Terminal value based on perpetuity growth		19,443			
Present value of terminal value (2026)		4,446	*9.2%*	n.m.	n.m.
				EV/EBITDA	
EV based on perpetuity growth	MHUF	40,062			
EV based on perpetuity growth	€m	174		TY	9,6x

- Valuation date 30 September 2013
- Financial forecasts commence in 2012 and the forecast horizon extends to the end of 2025, terminal value year ("TY")
- WACC of 12.8%
- TGR of 2.1%

(HUFm)	WACC				
Terminal growth	10.79%	11.79%	12.79%	13.79%	14.76%
1.1%	60,611	49,343	46,162	47,166	46,402
1.6%	61,172	49,610	48,363	47,362	46,621
2.1%	61,674	49,904	46,562	47,519	(59,730)
2.6%	(64,404)	(63,360)	(62,442)	(61,092)	(66,600)
3.1%	(63,864)	(63,217)	(62,176)	(60,693)	(56,446)

(HUFm)	WACC				
Margin	10.79%	11.76%	12.76%	13.76%	14.76%
1.0%	42,066	41,761	41,571	41,411	41,267
1.5%	46,815	46,642	45,077	44,465	43,969
2.0%	51,674	40,904	48,582	47,519	46,650
2 3%	66,333	53,965	52,066	60,672	49,331
3.0%	61,092	66,027	55,593	53,626	52,013

Source: CS analysis.
Note: Based on Hungarian Accounting Standards.
HUF62.6bn of reference working capital assumed as of September 2013. Shown cash flows are post the valuation date. Terminal value based on normalised cash flow and does not take into account positive cash flow impact from change in balance sheet positions in the terminal value year. (1) Tax on EBIT reflects the execution of loss carried forward assets when EFT presents positive EBT results. (2) For further information about TOP/make-up volumes impact analysis and scenarios please refer to page 24-25. (3) In 2013E, also includes cash flow related to change in short-term liabilities to affiliated undertakings.

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5. WACC analyses

a) General approach and key parameters

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WACC analyses

Introduction and approach

- **WACC** – The rate used to discount the target's projected FCF and terminal value to the present
  - It is designed to fairly reflect the target's business and financial risks
- **WACC** = Re*[E/(E+D)] + Rd*(1-tc)*[D/(E+D)]

Variable	Name	Definition	How to determine
Re	Cost of equity	The required annual rate of return that a company's equity investors expect to receive (including dividends)	Capital Asset Pricing Model (CAPM, defined below)
Rd	Cost of debt	Reflects the company's credit profile at target capital structure based on, among others, outlook, ratings, and cyclicality	Blended yield on outstanding debt instruments including private and public debt
E	Equity	Shareholders' claim to the cash flows of the business	Measured by market capitalisation for public companies, and paid-in capital plus retained earnings for private companies
D	Debt	Total financial liabilities of the company, including all long-term and short-term public and private interest bearing liabilities	Company reported financial statements provide face value and carrying value of relevant financial instruments
tc	Tax rate	Corporate tax rate set by governing body, including federal and local, among others	Corporate tax rates are publically available and are published annually along with appropriate caveat information

- **CAPM** – based on premise that equity investors need to be compensated for assumption of systematic risk
  - Compensation in the form of risk premium or the amount of market return in excess of a stated risk free rate
- **CAPM:** Re = Rf+βe*(Rm-Rf)

Variable	Name	Definition	How to determine
Rf	Risk free rate	The expected rate of return obtained by investing in a "riskless" security, such as government issued debt	Determined by using the yield on a specific government issued debt security such as a 10-year note or bond
Be	Beta (equity)	Measure of the covariance between the rate of return on a company's stock and the overall market return	Available via public sources (e.g. Bloomberg), possible to calculate for private companies based on comparable public companies
Rm	Market risk premium	The spread of the expected market return over the risk free rate	Annual return of a broad market index minus the relevant risk free rate

Source: Rosenbaum and Pearl, Investment Banking: Valuation, Leverage Buyouts, and Mergers and Acquisitions, 2009.

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WACC analyses

Determination of equity risk premium and risk free rate

Hungarian risk premium (%)

KBC Securities	11 October 2012	6.5%
UniCredit	6 September 2012	5.2%
Raiffeisan	17 August 2012	6.0%
Morgan Stanley	13 August 2012	4.7%
Deutsche Bank	1 June 2012	6.5%
BofA/ML	10 May 2012	5.5%
Credit Suisse	8 May 2012	5.5%
Average risk premium (%)		6.7%

Hungarian government bond yield (%)

10y HUF denominated Hungarian govt. bond yield	31 October 2012	6.8%
15y HUF denominated Hungarian govt. bond yield	31 October 2012	7.0%
Average yield (%)		6.9%

Source: Equity research, public information, Bloomberg, as of 31 October 2012.

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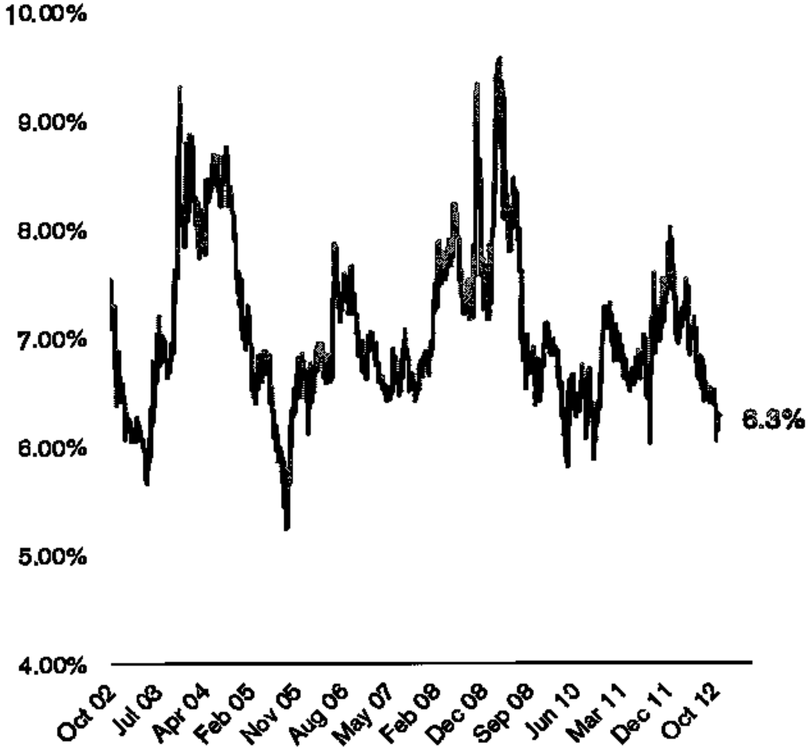
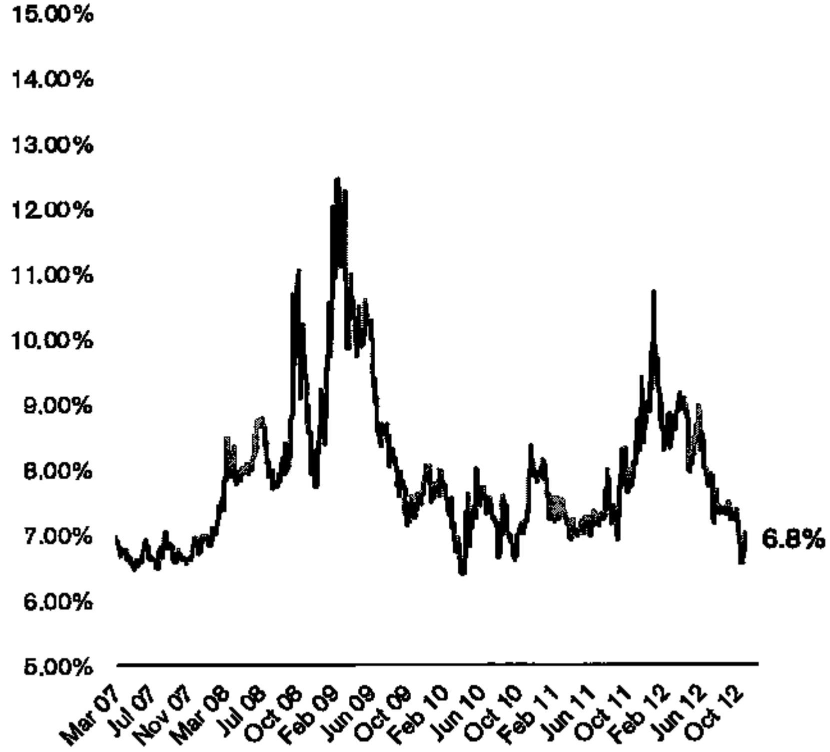
WACC analyses
Long-term yield development

10-year Hungarian interest rate swap



Source: Bloomberg.
Note: 10 year annual Hungarian Swap.

10-year Hungarian Government bond yield



Source: Bloomberg.
Note: 10 year Generic Hungarian government bond yield.

10 year HUF swap is currently at 6.3% and 10-year government bond yield at 6.8%

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WACC analyses
Calculating cost of debt

Company	Explanation / source	Cost of debt
EFS	HAS 2011 ■ Interest expense = HUF8,365m ■ Average total debt = HUF126,936m (average 2010 / 2011) ■ However, not reflection of long-term cost of debt	6.6% ■ Interest expense / Average total debt
EFT	Company guidance Not a reflection of long-term cost of debt	6.0%
MVM	Annual report 2011 ■ Interest and Interest-type expenses payable = HUF10,638m ■ Average total debt = HUF132,319m (average of year end 2010 and year end 2011 total debt figures)	8.0% ■ Interest and interest-type expenses payable / Average total debt
Acquisition	Hungarian 10-year swap rate + company premium ■ Hungarian 10-year swap rate = 6.3% ■ Estimated company premium = 1.5%	7.8% ■ Estimated cost of acquisition financing for MVM

Source: Company information, Bloomberg, as of 31 October 2012.

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b) EFS WACC parameters

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EFS WACC parameters

Calculation of beta – company profiles

Company	Sales (€m)[1]	Sales breakdown	Description
Niska	202	Natural gas storage 100%	▪ US based owner and operator of natural gas storage assets ▪ Owns or contracts approximately 221.5bcf of total gas storage capacity, peak injection/ withdrawal capacity of 4.0bcf/ day and 3.4bcf/ day respectively ▪ c. 43% of sales: long-term firm contracts, c. 10 % short term, c. 47% non-contract ▪ Rates are regulated by FERC[2]
PAA Natural Gas Storage	250	Natural gas storage 100%	▪ US based company engaged in the business of acquisition, development, operation and commercial management of natural gas storage facilities. Working gas storage capacity of 66bcf ▪ Rates are regulated by FERC[2]
GDF Suez	90,673	Infrastructures 6%; Energy Europe & International 32%; Global Gas & LNG 20%; Energy France 16%; SUEZ Environment 14%; Energy Services 13%	▪ France-based electricity and natural gas supplier company ▪ Activities include production, distribution of electricity and natural gas. Focuses on 8 geographies: Energy France, Energy Europe, Rest of Europe, North and Latin America, Middle East, Asia-Africa
gasNatural	21,076	Upstream/ midstream gas 39%; Electricity generation 28%; Gas distribution 18%; Electricity distribution & supply 16%	▪ Spain-based company involved in the energy sector. Activities include the sale and distribution of natural gas ▪ Additionally, engaged in the generation and distribution of electricity ▪ Through Sagane, holds interests in Metragaz SA and EMPL, companies which operate and maintain the Moroccan section of the Maghreb-Europe gas pipeline
ČEZ Group	4,447	Other 14%; Distribution 44%; Power production & trading 39%; Mining 3%	▪ CEZ is engaged in the production of electricity – Core businesses: power generation, distribution and sale of heat – Sources: nuclear, coal, hydro, solar – 42.5TWh sales of electricity to end customers
Enea	2,173	Other 2%; Trade 40%; Distribution 27%; Generation 31%	▪ Poland-based company primarily engaged in the production and distribution of electricity ▪ Also provides energy from renewable sources ▪ Total generation capacity of 3,139MW ▪ Distributes energy to c. 20% of Poland
PGE	6,306	Others 4%; Conventional generation 31%; Retail 29%; Wholesale 23%; Distribution 12%; Renewables 1%	▪ Poland-based company involved in production, sale and distribution of electricity ▪ Five business lines: Conventional Power Generation, Wholesale, Distribution, Retail and Renewable Power Generation
PGNiG	5,161	Other 2%; Trade and storage 71%; E&P 16%; Distribution 12%	▪ Poland-based company operating in the oil and natural gas market ▪ Core activities include E&P of natural gas and crude oil as well as import, storage, trade and distribution of gas and liquid fuels ▪ 2011 sales of natural gas: 14.4bcm
Tauron	2,136	Renewables 7%; Conventional generation 23%; Mining 12%; Distribution 57%; Others 1%	▪ Poland-based company engaged in the energy sector ▪ Holdings includes companies active in the field of energy trade, production of energy from renewable sources, as well as in coal extraction

Source: Company annual reports, FactSet as of 10 November 2012.
Note: (1) Figures refer to the last fiscal year, converted to Euros using the exchange rate as of fiscal year end.
(2) FERC is the US Federal Energy Regulatory Commission.

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EFS WACC parameters
Calculation of beta

	Levered beta[1]				
	LCY- adj Beta	Barra - Global	Barra - Local	Average beta	Unlevered Beta
US gas storage companies					
Niska Gas Storage Partners	0.707	0.679	0.930	0.839	0.530
PAA Natural Gas Storage	0.665	0.661	0.708	0.678	0.547
Average	0.686	0.770	0.819	0.758	0.543
European integrated utilities					
GDF Suez	0.974	1.266	0.940	1.060	0.611
Gas Natural	0.931	1.448	0.954	1.111	0.558
Average	0.953	1.357	0.947	1.086	0.685
CEE integrated utilities					
CEZ	0.814	0.954	1.043	0.937	0.695
Enea	0.513	1.054	0.766	0.778	0.778
PGE	0.661	1.138	0.830	0.876	0.876
PGNiG	0.555	1.235	0.866	0.885	0.733
Tauron	0.724	1.311	0.889	0.975	0.681
Average	0.653	1.138	0.879	0.890	0.763
Overall average	0.764	1.088	0.882	0.911	0.627

Whilst these companies are not deemed to be relevant for a comparable multiple valuation due to their different business mix, growth and profitability profile, they share from a capital market's perspective a risk profile similar to EFS and are hence considered as key reference point for deriving the estimated unlevered asset beta for EFS of 0.627

Source: Company annual reports, Bloomberg, Barra, FactSet as of 31 October 2012.
Notes: LCY-Adjusted Beta is Bloomberg beta calculated based on 5-year period, where available, weekly observations, local currency, vs. MSCI Europe index. Barra-local/barra-global are forward looking beta (predicted) based on forecasted covariance with local/global equity market performance.
(1) Levered beta refers to equity risk with consideration for capital structure, unlevering allows comparison independent of capital structure.

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EFS WACC parameters

Calculation of target capital structure

(In € millions)	Net debt[1]	Market cap[2]	Net debt \ equity ratio
US gas storage companies			
Niska Gas Storage Partners	599	648	92.4%
PAA Natural Gas Storage	431	1,080	39.9%
Average			66.2%
European integrated utilities			
GDF Suez	45,334	41,115	110.3%
Gas Natural	16,941	11,978	141.4%
Average			126.8%
CEE integrated utilities			
CEZ	6,531	15,182	43.0%
Enea[3]	(433)	1,642	0.0%
PGE[3]	(1,024)	7,814	0.0%
PGNiG	1,444	5,630	25.6%
Tauron	995	1,867	53.3%
Average			24.4%
Overall average			72.1%

Assumed target capital structure for EFS of 100% debt to equity (50% debt to capital), taking into account capital structures of comparable companies and existing leverage of EFS but more conservative gearing vs. the other European gas storage transactions given the specifics of EFS business profile

Source: Company information, FactSet, KPMG.
Notes: (1) Net financial debt (including capital leases) as of June 2012.
(2) Market value as of 31 October 2012.
(3) Assumed D/E of 0%.

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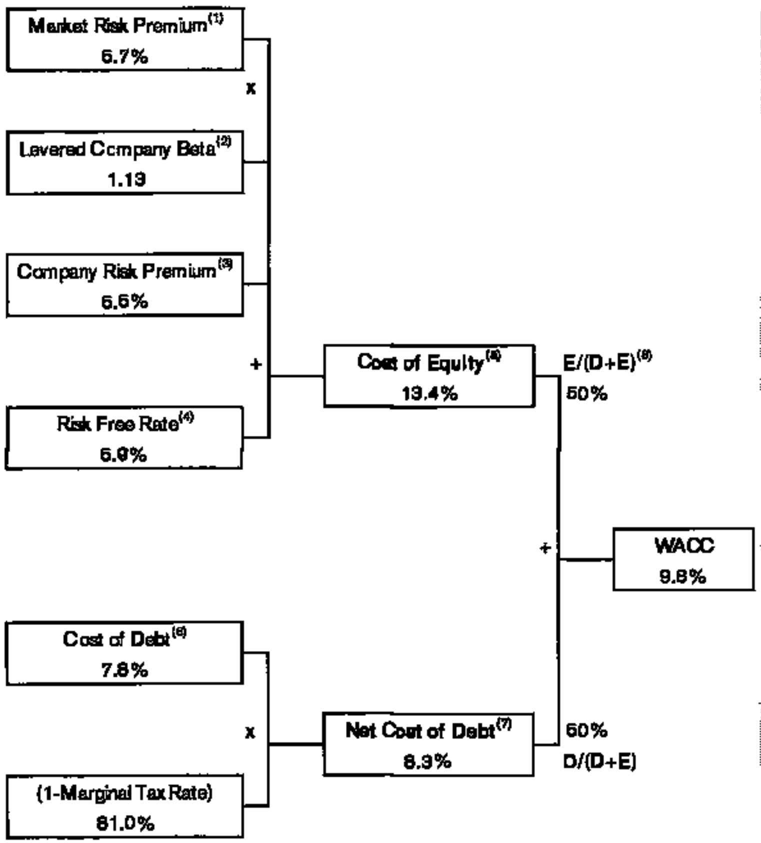
EFS WACC parameters

Implied WACC

WACC breakdown



Commentary

- (1) Market risk premium (Rm) reflects the risk associated with the country in which the company operates
  - Market risk premium calculated as an average of values assumed by equity research analysts
- (2) Levered company beta reflects the correlation of the company's equity performance with the broader equity market performance
  - Beta is calculated based on an average of historical and forward-looking betas of comparable companies including Niska Gas Storage, PAA Natural Gas Storage, GDF Suez, Gas Natural, Cez, Enea, PGE, PGNiG, and Tauron
- (3) Company risk premium reflects the premium associated with the equity of the company over the relevant risk free rate
- (4) Risk free rate reflects the yield on a risk-free investment in the country
  - Average of current 10-year and 15-year HUF Government bond yields
- (5) Cost of equity theoretically reflects the return required by a company's shareholders on their capital invested
- (6) Cost of debt reflects an estimation of the effective cost of raising new debt for the company
  - The cost of debt is calculated as the current Hungarian 10-year swap rate (6.3%) + 150bps
- (7) Net cost of debt reflects the effective net cost to the borrower as it takes the tax shield of debt interest expense into consideration
- (8) Target capital structure taking into account capital structures of comparable companies, existing leverage of EFS as well as observed capital structure in other European storage transactions. More conservative ratio assumed given specifics of EFS' business profile

The assumed parameters result in an estimated WACC for EFS of 9.8%

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EFS WACC parameters

Sensitivity analysis

Sensitivity analysis	Unlevered beta (1)	Debt/ Equity (1)	Debt/ (Equity+Debt) (1)	Relevered beta (2)	Cost of equity	WACC
US gas storage companies	0.543	66.2%	39.8%	0.834	11.7%	9.0%
European integrated utilities	0.585	125.8%	55.7%	1.180	13.6%	10.0%
CEE integrated utilities	0.753	24.4%	19.6%	0.901	12.0%	9.2%
Base case - blended average	0.627	100.0%	50.0%	1.134	13.4%	9.8%

Sensitivity analysis shows that the range for EFS WACC is 9.0% - 10.0%

Source: Company information, Bloomberg, Barra, FactSet as of 31 October 2012.
Notes: (1) Assuming average for subset of peers.
(2) Beta re-levered using Hungarian corporate tax rate of 19% and average capital structure of subset.

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EFS WACC parameters

Other considerations – Regulatory WACC

Regulatory framework comments

- Regulatory WACC is equal to weighted average return on RAB
- Returns are based on a two-tier tariff system
  - USP (regulated customers): 4.5% return nominal (if inflation is less than 5%)
  - Non-USP (non-regulated customer): 10.05% return nominal (if inflation is less than 5%)
  - If inflation above 5%, returns are equal to maximum return (4.5% or 10.5%) + (inflation – 5%)
- Share of USP market in EFS bookings is c. 56% in 2012E[2]
- Weighted average inflation adjusted return (nominal WACC) is 7.94%
  - Does not take into account value and revenue from transaction cushion gas
  - Value of 2.8bcm of transaction cushion gas is HUF297bn based on 2012 competitive price of HUF105.6/m3
  - Revenue on transaction cushion gas is HUF9.25bn (not adjusted for revenue shortfalls in previous years)
  - Implied nominal return on transaction cushion gas is 3.1%

Regulatory WACC (2012)

in HUFbn, unless stated

Expected inflation 2012[1]	6.00%
Share of USP market[2]	56%
Share of non-USP market	44%
Recognised return - USP	4.50%
Recognised return - non USP	10.06%
USP return - inflation adjusted	5.50%
Non USP return - inflation adjusted	11.05%
WACC (nominal)	**7.94%**

Based on the current regulatory cycle, regulatory WACC is c. 7.9% and implied return on transaction cushion gas is 3.1%

Source: Hungarian Energy Office, Annual Report to European Commission (August 2011), MOL Annual Report 2011, Seller (2011).
Notes: (1) Consumer Price Index forecast, IHS Global Insight (September 2012).
(2) Based on KPMG projections.

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c) EFT WACC parameters

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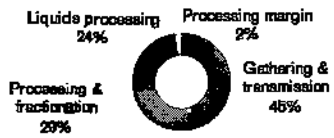
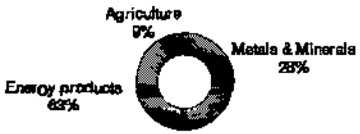
EFT WACC parameters

Calculation of beta – company profiles

Company	Sales (€m)[1]	Sales breakdown	Description
CROSSTEX	1,311		▪ US based midstream natural gas business ▪ Provide gas gathering, processing, transmission, distribution, supply and marketing, as well as crude oil marketing ▪ Owns and operates 3,300 miles of pipelines, nine processing plants and three fractionators ▪ Provides services for 3.2bcf of natural gas per day (6% of marketed US daily production)
	148	▪ NA	▪ Vietnam based integrated oil and gas company ▪ Core businesses included upstream, import/ export, and distribution
OCH-ZIFF	475		▪ US based global institutional alternative asset management firm ▪ One of the largest alternative asset managers in the world, with c. USD31.8bn of assets under management (as of November 2012)
FORTRESS	661		▪ Publicly listed US based global investment management firm ▪ Business is segmented into Alternative Asset Management Traditional Asset Management and Principal Investments ▪ Offers a range of alternative investment strategies
GLENCORE	143,393		▪ Anglo-Swiss multinational commodity trading and mining company ▪ Involved in the production, sourcing, processing, refining, transporting, storage, financing and supply of metals and minerals, energy products and agricultural products ▪ 2011 crude oil volume sold: 271.4bbls; oil products volume sold: 877.8bbls
Man Group plc	1,275		▪ Publicly listed UK based alternative investment management business ▪ Has expertise in a wide range of liquid investment styles ▪ c. USDS1.0bn of assets under management (as of September 2012)

Source: Company annual reports, Bloomberg, FactSet as of 10 November 2012.
Notes: (1) Figures refer to the last fiscal year, converted to Euros using the exchange rate at fiscal year end.

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EFT WACC parameters
Calculation of beta

	Levered beta (1)				
	LCY- adj Beta	Barra - Global	Barra - Local	Average beta	Unlevered Beta
Energy trading companies					
Crosstex Energy	1.818	0.931	0.959	1.236	0.765
Petrovietnam Northern Gas	0.765	0.800	0.914	0.826	0.507
Average	1.292	0.866	0.837	1.031	0.631
Other trading companies					
Och-Ziff Capital Management Group	1.240	1.495	1.509	1.416	1.295
Fortress Investment Group	2.132	1.454	1.495	1.694	1.667
Glencore International	1.165	1.715	1.523	1.474	1.165
Man Group	1.135	1.957	1.681	1.591	1.591
Average	1.423	1.656	1.552	1.643	1.435
Overall average	1.357	1.260	1.244	1.287	1.033

Whilst these companies are not deemed to be relevant for a comparable multiple valuation due to their different business, growth and profitability profile, they share from a capital market's perspective a risk profile similar to EFT and are hence considered as key reference point for deriving the estimated unlevered asset beta for EFT of 1.033

Source: Company annual reports, Bloomberg, Barra, FactSet as of 31 October 2012.
Note: LCY-Adj Beta is Bloomberg beta calculated based on 5-year period, where available, weekly observations, local currency, vs. MSCI Europe index. Barra-local/barra-global are forward looking beta (predicted) based on forecasted covariance with local/global equity market performance.
(1) Levered beta refers to equity risk with consideration for capital structure, unlevering allows comparison independent of capital structure.

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EFT WACC parameters
Calculation of target capital structure

(in € millions)	Net debt[1]	Market cap[2]	Net debt \ equity ratio
Energy trading companies			
Crosstex Energy	777	732	106.3%
Petrovietnam Northern Gas	7	8	84.0%
Average			95.1%
Other trading companies			
Och-Ziff Capital Management Group	169	1,094	15.4%
Fortress Investment Group	6	1,020	0.6%
Glencore International	11,164	32,015	34.9%
Man Group[3]	(204)	1,695	0.0%
Average			12.7%
Overall average			53.9%

- Credit Suisse assumes that EFT is unlikely to source debt financing on a stand-alone basis
- EFT is likely to source capital primarily from the shareholder, in the form of equity/ shareholder loans
  - Consequently, capital structure for EFT, for the purposes of capital cost calculation, is assumed to be 100% equity

Estimated capital structure for EFT is 100% equity

Source: Company information, FactSet.
Notes: (1) Net financial debt (including capital leases) as of June 2012.
(2) Market value as of 31 October 2012.
(3) Assumed D/E of 0%.

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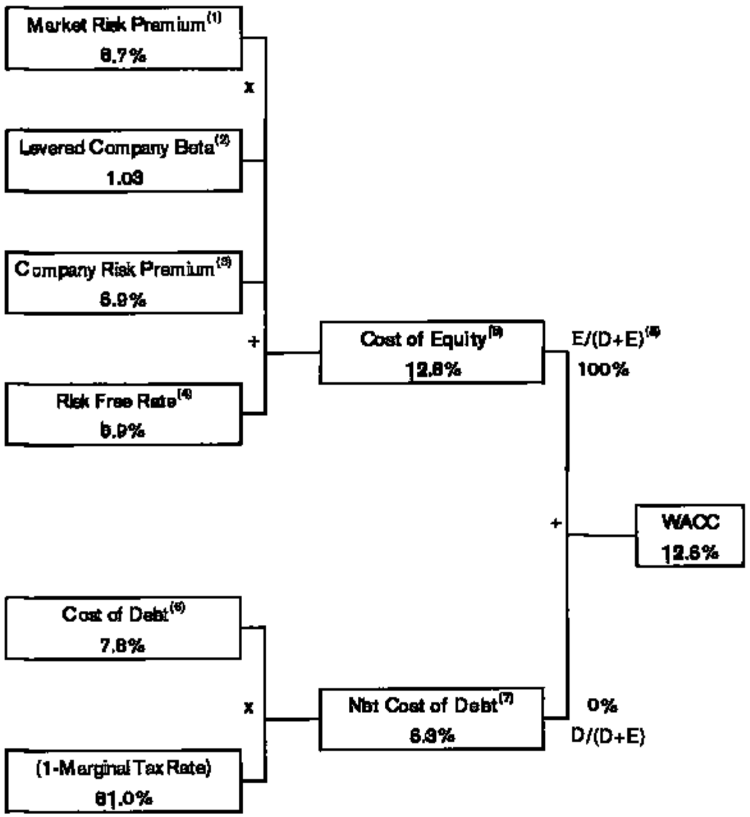
EFT WACC parameters

Implied WACC

WACC breakdown



Commentary

- (1) Market risk premium (Rm) reflects the risk associated with the country in which the company operates
  - Market risk premium calculated as an average of values assumed by equity research analysts
- (2) Levered company beta reflects the correlation of the company's equity performance with the broader equity market performance
  - Beta is calculated based on an average of historical and forward-looking betas of comparable companies, including Crosstex Energy, Petrovietnam Northern Gas, Och-Ziff, Fortress, Glencore and Man Group
- (3) Company risk premium reflects the premium associated with the equity of the company over the relevant risk free rate
- (4) Risk free rate reflects the yield on a risk-free investment in the country
  - Average of current 10-year and 15-year HUF Government bond yields
- (5) Cost of equity theoretically reflects the return required by a company's shareholders on their capital invested
- (6) Cost of debt reflects an estimation of the effective cost of raising new debt for the company
  - The cost of debt is calculated as the current Hungarian 10-year swap rate (6.3%) + 150bps
- (7) Net cost of debt reflects the effective net cost to the borrower as it takes the tax shield of debt interest expense into consideration
- (8) 0% debt in the target capital structure assumed as business is not deemed to be leverageable

The assumed parameters result in an estimated WACC for EFT of 12.8%

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Appendix

Further valuation back-ups

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Further valuation back-ups

Gas storage precedent transactions

Ann. Date	Target	Country	Country regulation type	Buyer	Acquired stake (%)	Capacity (mcm)	Enterprise value (€m)	EV/ EBITDA LTM	EV/ capacity (€m/ mcm)
Sep-12	Akdeniz Akaryakit Depolama Nakliyat ve Ticaret AS	Turkey	Regulated	Turkish Petroleum Refineries	33.3%	58.6	49.2	NA	0.840
Jan-11	BEB Speicher/ExxonMobil	Germany	Negotiated	GDF Suez	100.0%	1,600.0	1,000.0	10.0x	0.687
Apr-10	Repsol YPF	Spain	Regulated	Enagas	82.0%	900.0	106.0	NM	0.118
Feb-09	Stogit	Italy	Regulated	Snam Rete Gas	100.0%	13,901.0	2,588.2	10.8x	0.186
Jan-09	Podzemna skladiste plina doo	Croatia	Regulated	Plinacro doo	100.0%	350.0	70.1	NM	0.200
Sep-08	Caythorpe Gas Storage Ltd	UK	Hybrid	Centrica plc	100.0%	212.0	89.0	NM	0.418
Sep-08	IVG Immobilien AG (operational portfolio)	Germany	Negotiated	IVG Caverns Fund	100.0%	21.0	728.6	20.6x	NM
Nov-07	Star Energy Group	UK	Hybrid	Petroliam Nasional Berhad	98.5%	379.0	688.8	11.9x	1.896
May-07	Depomures storage	Romania	Regulated	GdF	69.0%	300.0	23.7	NM	0.079
May-07	Nafta a.s. Gbely	Slovakia	Negotiated	E.ON Ruhrgas International	40.0%	2,130.0	155.4	4.8x	0.073
Aug-06	Lille Torup Gaslager	Denmark	Negotiated	Energinet.dk	100.0%	441.0	268.0	NM	0.608
Jan-06	MOL Foldgazellato	Hungary	Regulated	E.ON Ruhrgas International	100.0%	3,720.0	1,060.0	15.7x	0.282
Sep-05	Simon Storage	UK	Hybrid	Inter Pipeline Fund	100.0%	1.3	175.7	8.8x	NM
Nov-02	Dynegy Storage (Rough gas storage)	UK	Hybrid	Centrica plc	100.0%	2,800.0	455.9	9.1x	0.164
Jul-01	BG Storage Ltd (Rough gas storage)	UK	Hybrid	Dynegy Inc	100.0%	2,800.0	692.5	9.8x	0.247
Average[1]								12.1x	0.287
Median[1]								10.0x	0.224
Max[1]								20.6x	0.607
Min[1]								6.9x	0.079

Source: Mergermarket, company information and news.
Note: (1) Excluding Turkish Petroleum Refineries / Akdeniz Akaryakit Depolama Nakliyat ve Ticaret, Petroliam Nasional Berhad / Star Energy Group and E.ON Ruhrgas International / Nafta a.s. Gbely transactions as outliers.

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Further valuation back-ups

The acquisition of MOL Földgázellátó Zrt. by E.ON Ruhrgas

Transaction announcement

"E.ON will fully acquire the gas trading and storage business of the Hungarian oil and gas company MOL…

The EU Commission approved this transaction in December 2005 subject to certain conditions. One of the conditions is that MOL must fully divest its gas storage and trading business. E.ON will therefore acquire the remaining 25% of the two companies…

The total purchase price is now 450 million euros. In addition, E.ON will assume debt amounting to 600 million euros.

Additionally E.ON and MOL agreed upon a compensatory payment mechanism to adjust the transaction price in line with the development of the regulatory framework until the end of 2009."

– E.ON Press release 13 January 2006

Transaction summary

- Supply & Storage units sell for €450m equity + €600m debt
- Subject to -€150m / +€290m adjustments
  - The final selling price subject to adjustments
  - Depending on market and regulatory developments for the gas supply, on a quarterly basis until the end of 2009
- LTM EBITDA (2005) at time of the transaction HUF17.7bn (c. €67m)
- Initial amount paid by ERI of €300m for transaction
  - Additional payments €0 - €440m due according to risk-sharing scheme through the year 2009
- Final amount paid by ERI of c. €999m due to resultant adjustments
  - 2007 adjustment received by ERI of HUF7,500m (c. €30m)
  - 2008 adjustment paid by ERI of HUF28,156m (c. €105m)
  - 2009 adjustment paid by ERI of HUF6,400m (c. €23)

Credit Suisse – Equity research coverage initiation

"…the wholesale segment posted negative EBITDA of HUF 5.1bn last year… the storage segment generated EBITDA of HUF 22.8bn (5% of MOL's consolidated EBITDA).

The loss was primarily generated in the fourth quarter of 2005, when the market price of imported gas climbed to HUF 52.4/cm while MOL's selling price averaged HUF 50.1/cm.

Meanwhile, on the full-year basis, the cost of imports stood at HUF 42.9/cm versus the average realised price of HUF 46.5/cm… The domestic wholesale business was therefore near the break-even borderline last year."

– MOL, Credit Suisse, 30 January 2006

Transaction implied valuation

Case	Transaction value (€m)	2005 EBITDA (HUFbn)	Implied EV/ 2005 EBITDA
Downside	900	17.7	13.4x
Base	1,050	17.7	15.7x
Upside	1,340	17.7	20.0x
Resultant	999	17.7	14.9x

Source: FactSet, company information, equity research.

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Further valuation back-ups

Trading multiples for listed EFS peers

(In EURm, except share price in local currency)

Company	Local currency	Share Price	Equity value	Enterprise value	Net fin. debt	Other EV adj.[1]	EV / EBITDA 2012E	EV / EBITDA 2013E	EV/EBIT 2012E	EV/EBIT 2013E
Niska Gas Storage Partners	USD	12.3	648	1,248	599	–	12.0x	11.7x	24.5x	18.1x
Paa Natural Gas Storage	USD	19.7	1,080	1,511	431	–	16.3x	15.6x	24.3x	23.2x
US gas storage companies average							14.2x	13.7x	24.4x	20.7x
Gdf Suez	EUR	17.7	41,115	114,398	45,334	27,949	6.7x	6.5x	11.8x	11.5x
Gas Natural	EUR	12.0	11,978	32,303	16,941	3,384	6.5x	6.6x	10.7x	11.0x
European integrated utilities average							6.6x	6.6x	11.3x	11.2x
CEZ	CZK	713.6	15,182	23,395	6,531	1,683	6.6x	6.7x	9.6x	10.0x
PGE	PLN	17.3	7,814	8,341	(1,024)	1,551	4.3x	4.8x	6.7x	8.2x
PGN	PLN	4.0	5,630	7,575	1,444	502	9.2x	5.1x	21.4x	7.8x
Tauron	PLN	4.4	1,867	3,473	995	611	4.0x	4.7x	7.5x	10.3x
Enea	PLN	15.4	1,642	1,440	(433)	231	3.7x	3.9x	7.1x	8.1x
CEE integrated utilities average							5.6x	5.0x	10.6x	8.9x

Trading multiples for listed EFS peers not used for EFS valuation based on trading comparables due to limited comparability with regards to different regulatory frameworks and business profiles; peers were used for beta calculation purposes as deemed to have a similar business risk profile to EFS

Source: Equity research, public information, Bloomberg as of 31 October 2012.
Notes: (1) Includes pension obligations, provisions, preferred stock and minority interest.

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Further valuation back-ups

Trading multiples for listed EFT peers

(In EURm, except share price in local currency)

Company	Local currency	Share Price	Equity value	Enterprise value	Net fin. debt	Other EV adj.[1]	EV / EBITDA 2012E	EV / EBITDA 2013E	EV / EBIT 2012E	EV / EBIT 2013E
Crosstax Energy	USD	16.5	732	1,623	777	114	9.9x	8.4x	26.4x	20.0x
PetroVietnam Northern Gas	VND	8,200.0	8	15	7	–	NA	NA	NA	NA
Energy trading companies average							9.9x	8.4x	26.4x	20.0x
Och-Ziff Capital Management	USD	10.0	1,094	2,242	169	979	4.1x	3.6x	4.3x	3.7x
Fortress Investment Group	USD	4.3	1,020	1,485	6	459	13.3x	9.7x	7.7x	6.2x
Glencore[2]	USD	5.5	32,015	47,157	11,164	3,979	10.5x	8.0x	13.2x	9.8x
Man Group[2]	USD	1.8	1,695	1,960	(204)	459	8.7x	7.4x	10.9x	9.0x
Other trading companies average							9.2x	7.2x	9.0x	7.2x

Trading multiples for listed EFT peers not used for EFT valuation based on trading comparables due to limited comparability with regards to different regulatory frameworks and business profiles; peers were used for beta calculation purposes as deemed to have a similar business risk profile to EFT

Source: Equity research, public information, Bloomberg as of 31 October 2012.
Notes: (1) Includes pensions obligations, provisions, preferred stock and minority interest.
(2) Share price information originally in £ but converted to USD as company reports its financials in USD.

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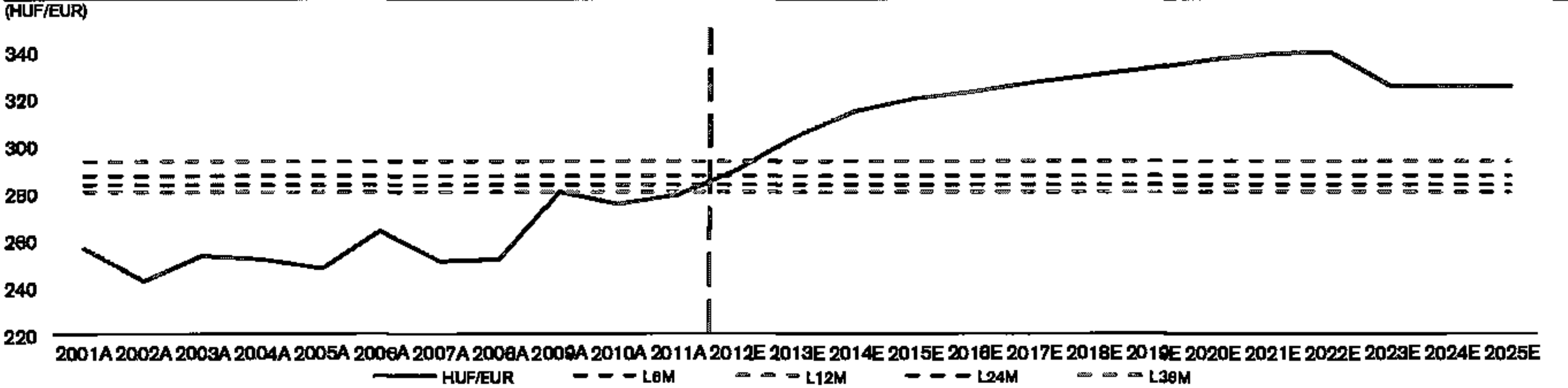
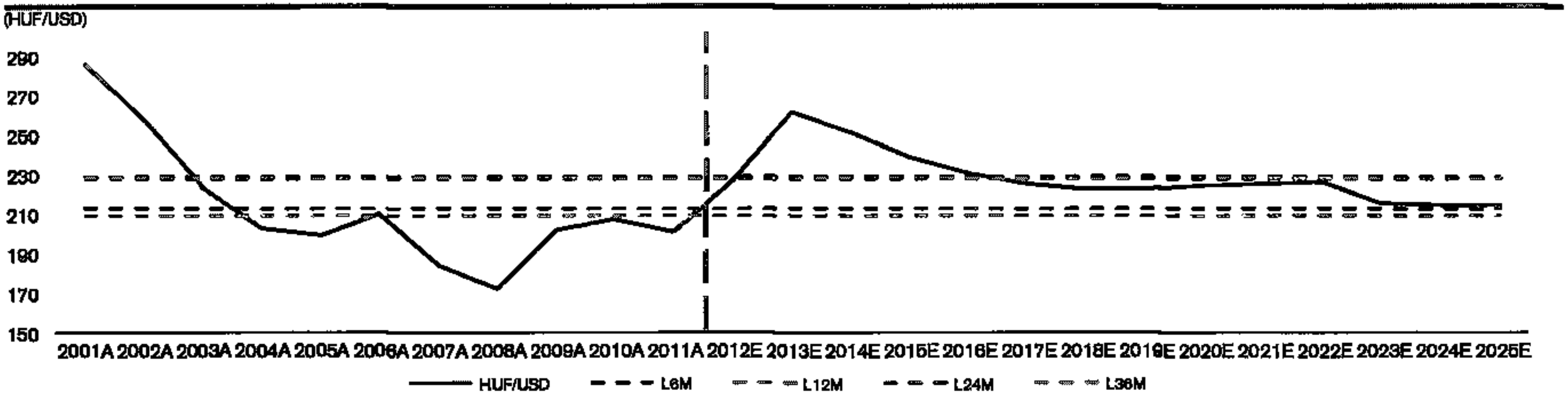
Further valuation back-ups

Historic exchange rate development and projections

HUF/EUR exchange rate development and projections



HUF/USD exchange rate development and projections



The HUF is forecast to depreciate vs. the Euro and to be stable vs. the USD in the long term

Source: IHS Global Insight.

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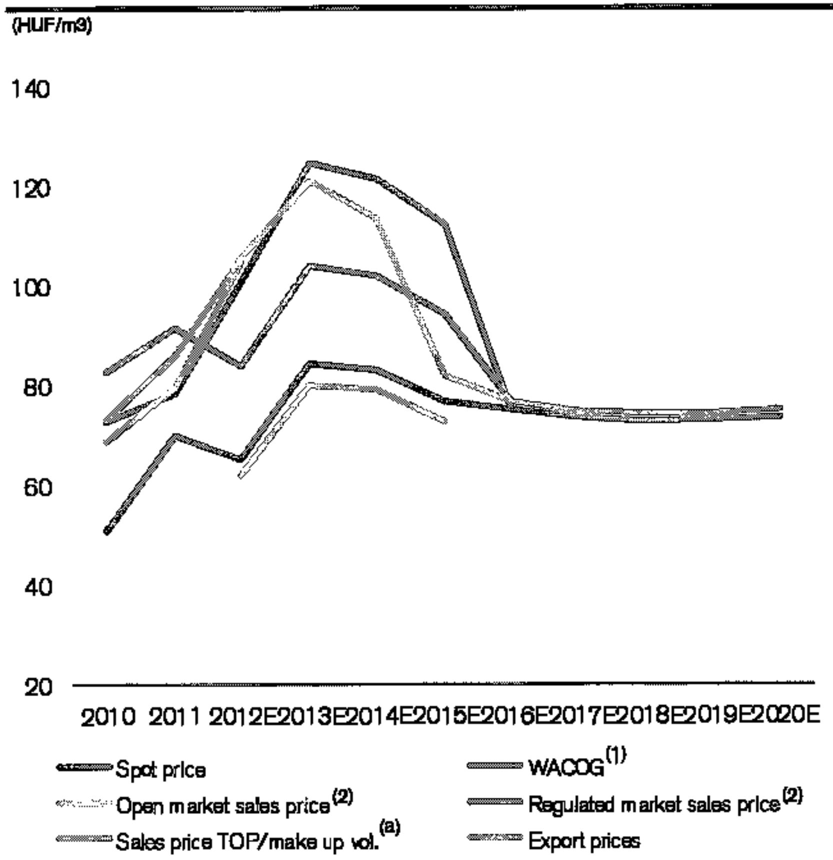
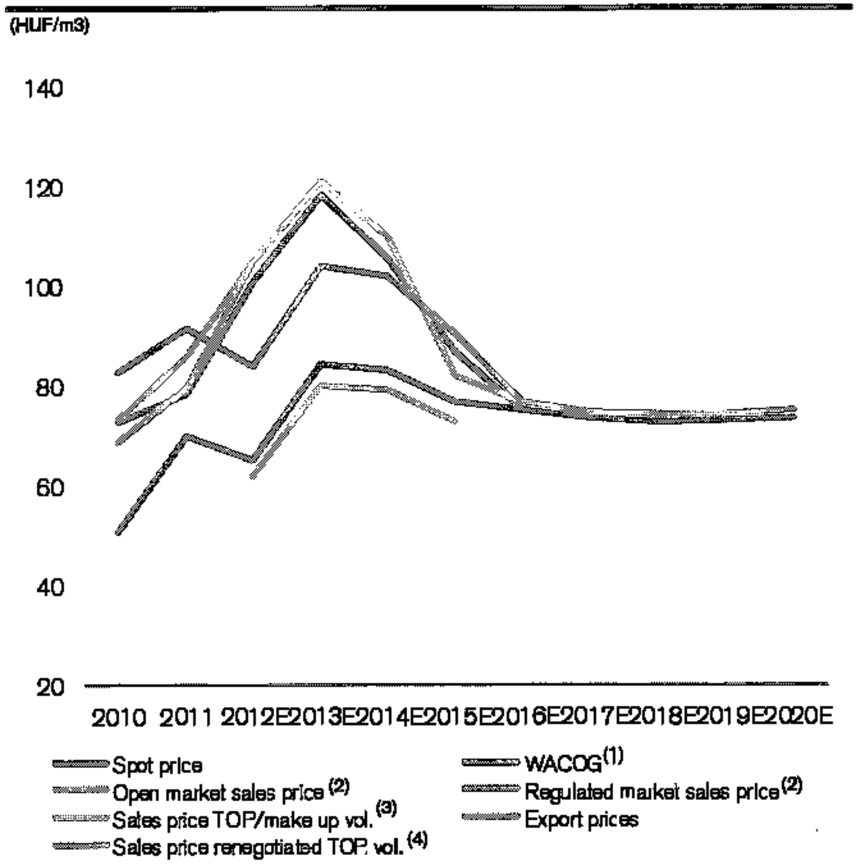
Further valuation back-ups

EFT - Relevant gas prices development and estimates

Scenario 1



Scenario 2



Source: KPMG, Company information, Seller.
Notes: (1) After 2015, WACOG equals to spot price.
(2) After 2015, regulated market and open market prices have 2% margin over WACOG.
(3) 5% discount to gas spot prices.
(4) 2% margin over WACOG prices.

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