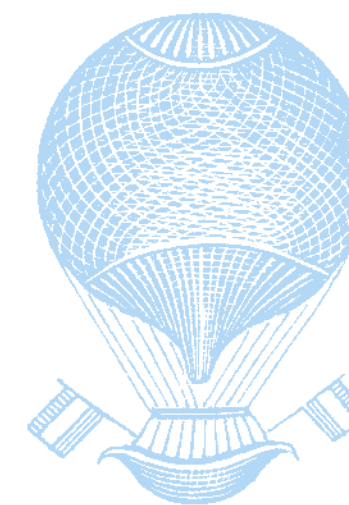




ENERGY INTO THE FUTURE  
IN EVERY MOMENT OF LIFE



# Energy into the future

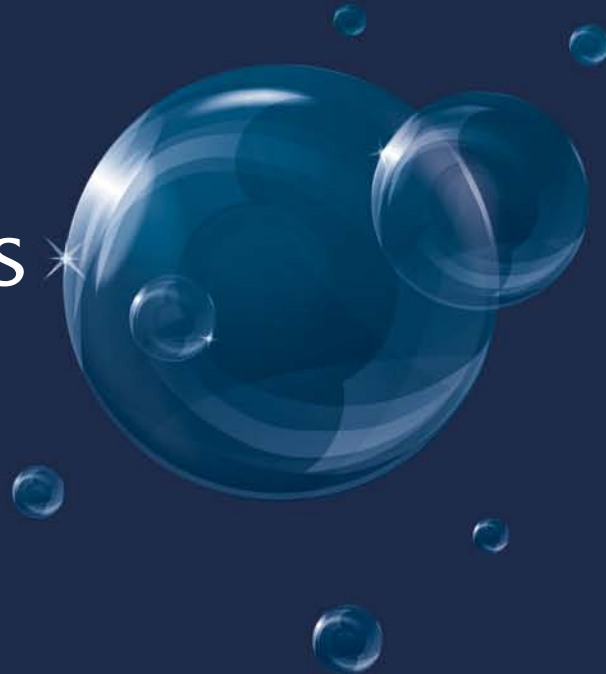
in every moment of life

**FGSZ LTD. ANNUAL REPORT 2010**



NATURAL GAS TRANSMISSION  
MEMBER OF THE MOL GROUP

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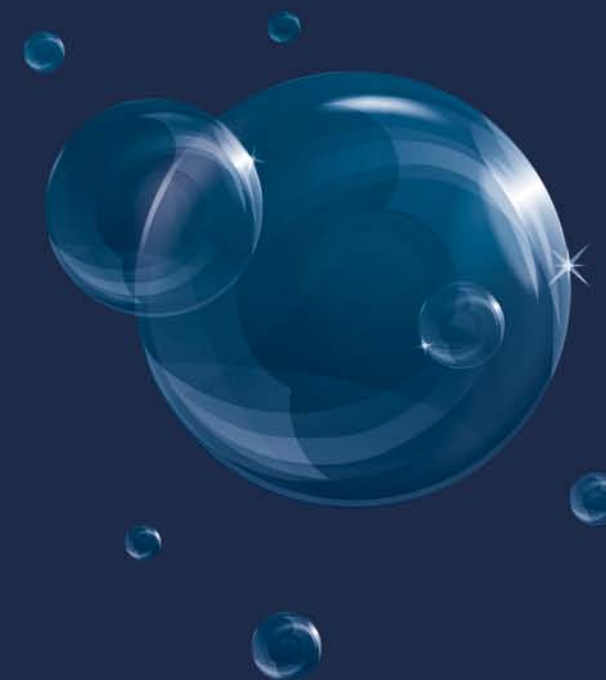


# INTRODUCTION

NATURAL GAS  
IS THE STRATEGIC  
ENERGY SOURCE  
OF 21<sup>ST</sup> CENTURY  
CIVILIZATION

**It has been lying dormant below the ground and the seas.** It is one of the most valuable of our natural energy resources. Its exploration and extraction, safe transmission and efficient use have always motivated human creativity and engineering skills to achieve the highest performance. This is natural gas, the strategic energy resource of 21<sup>st</sup> century civilization, which is becoming one of the most important. Due to its unique features, natural gas may be utilized in a variety of ways. It feeds power stations, drives machines and serves millions of households.

Our work is to ensure the continuous, high quality and safe supply of gas for the end users and for Hungarian gas distribution companies contracted to our Company, as well as to guarantee the smooth transit transmission in the region while always bearing in mind the aspects of sustainable development.

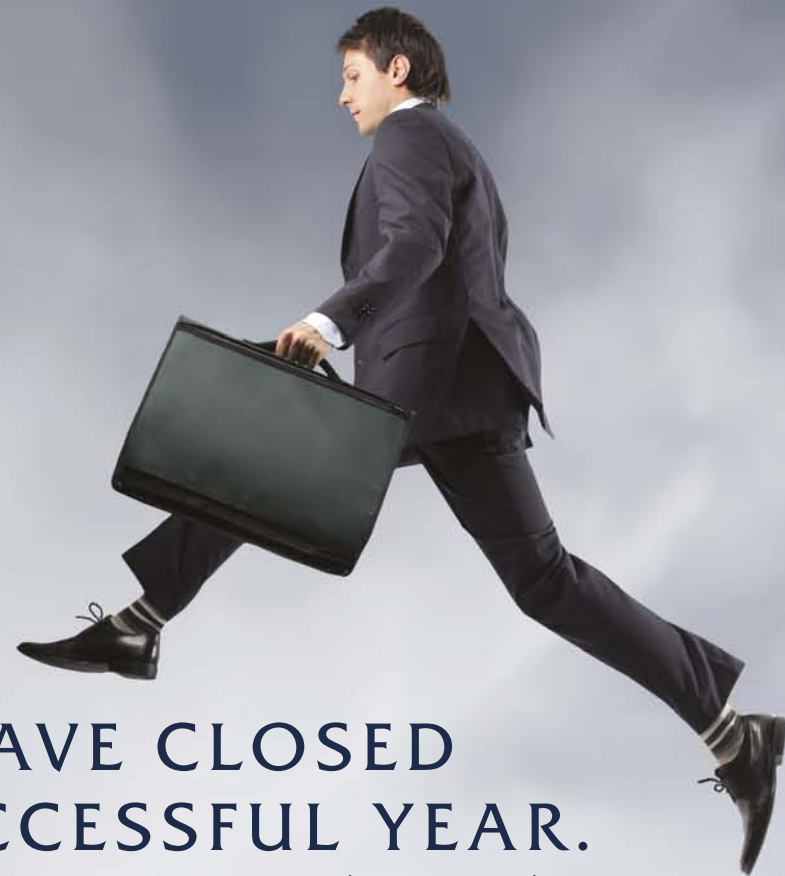


FGSZ Ltd. – a member of the MOL Group – is the strategic actor in gas transmission in Hungary. Our Company is the sole natural gas transmission and system operator licensee within Hungary, so it is exclusively our duty and responsibility to ensure the coordinated operation of the transmission pipeline system that covers the territory of Hungary. Through our high-pressure transmission pipeline system we supply natural gas to eight Hungarian gas distribution companies, to the power plants directly connected to them as well as to large industrial consumers. It is our duty to ensure the safe and optimal operation, maintenance and development of the transmission pipeline system, as well as the acceptance of natural gas from the suppliers and its delivery. Our activities include a set of quantitative and qualitative measurements of the gas, its odourization, and the regulation of gas pressure in the connected transmission pipeline systems. The system operations of natural gas transmission are carried out by our head office in Siófok using the latest technological developments. Operative tasks are performed in our six regional natural gas transmission plants. The skills and knowledge of our staff are consistent with international standards. We are aware that technological development is of great value, however the people safely operating this technology are of even greater value and therefore we place great emphasis on the continuous training and further education of our staff.

Our activities are determined by the simultaneous application of four principles: the safety of operations, ensuring the balance of the system, guaranteeing competitive neutrality and transparent operation. The two most important pillars of the medium- and long-term strategy of our company are increasing capacity and increasing the number of transit markets. All these serve the energy security of Hungary, of our region as well as of Europe.

Our vision is built on the values of our past and future. In the same way, our activity connects the past when gas was created with the values of the **present serving the future.**

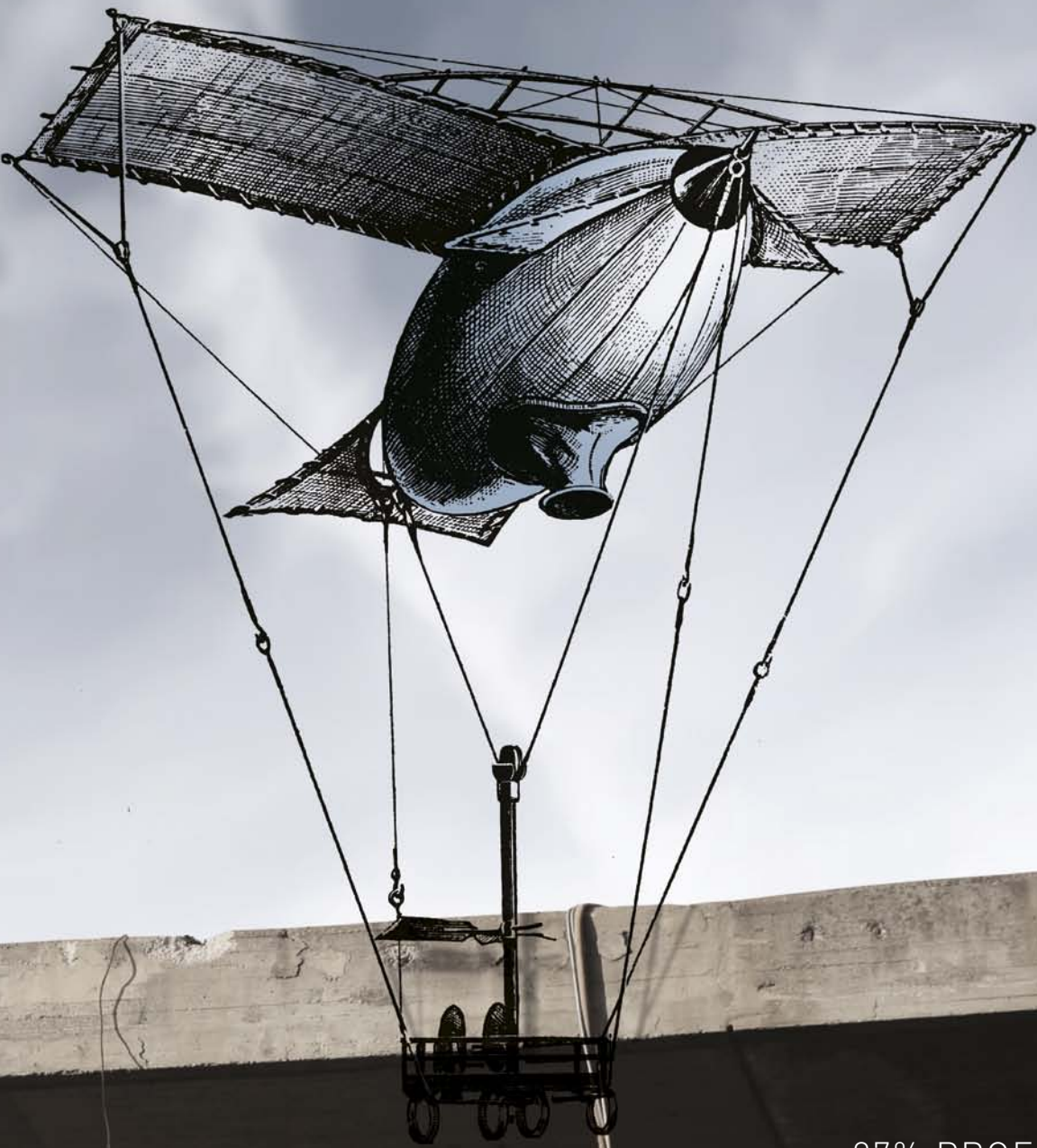




# WE HAVE CLOSED A SUCCESSFUL YEAR.

KEY FINANCIAL AND BUSINESS DATA 2010 (MILLION HUF)

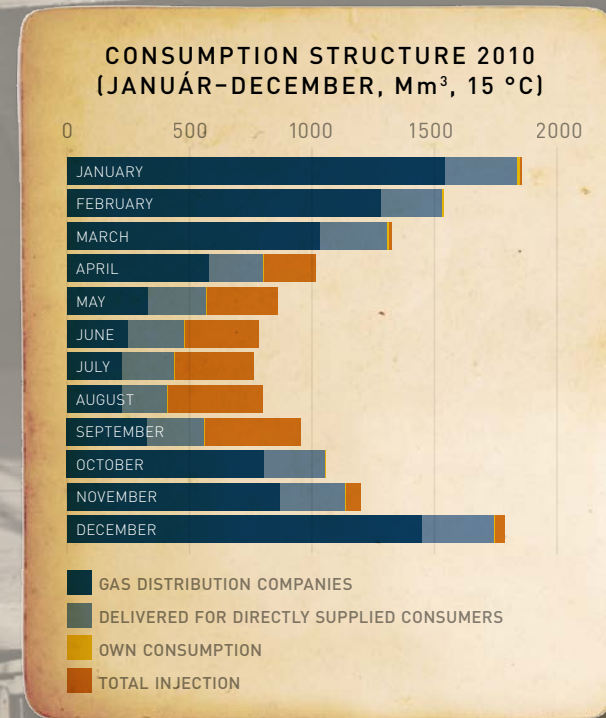
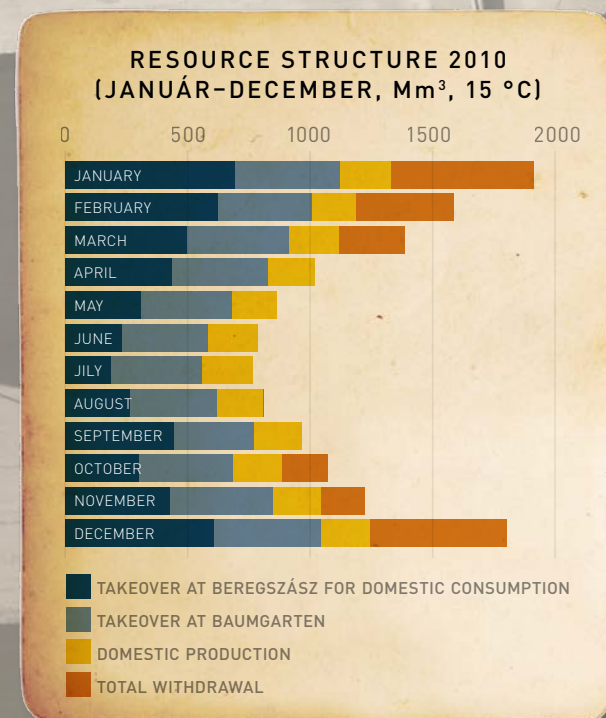
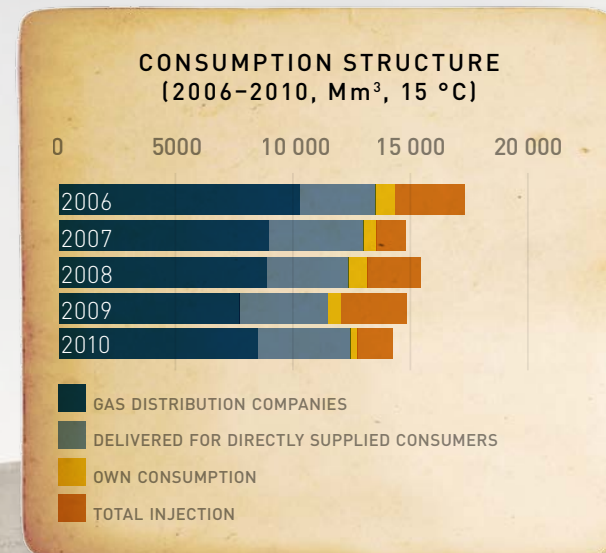
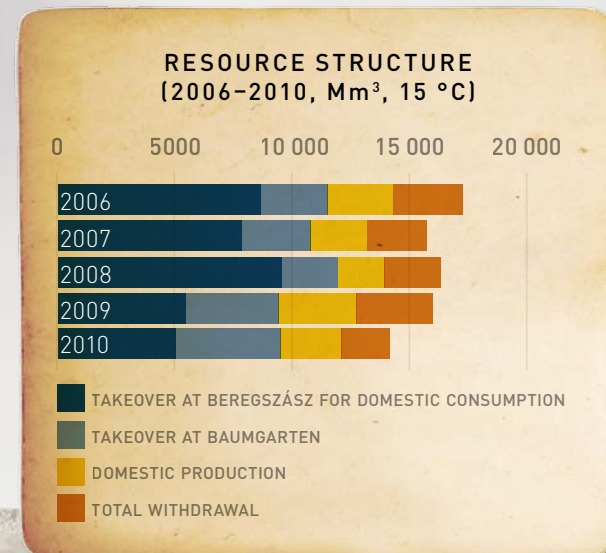
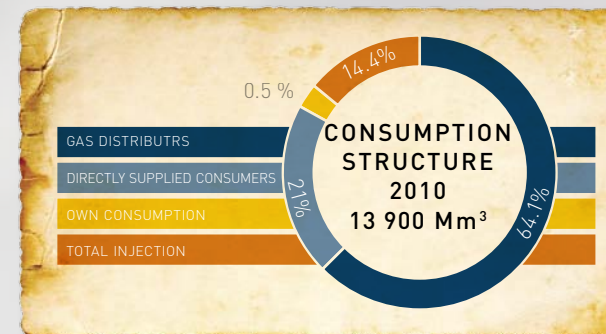
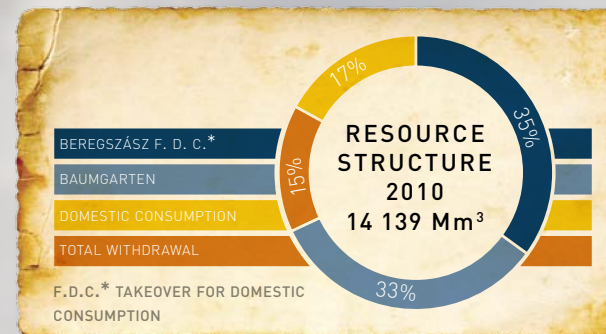
	2009	2010	10/09 [%]
Net sales revenues	151,535	131,715	86.9
EBITDA	52,944	57,629	108.8
Operating profits	38,540	41,986	108.9
Profit before taxation	21,503	27,307	127.0
Profit after taxation	19,414	25,315	130.4
Operating cash-flow	41,893	37,631	90.0
Projects and investments	289,724	344,359	118.9
Rate of average capital employed (ROACE) %	15.75	15.75	100.0



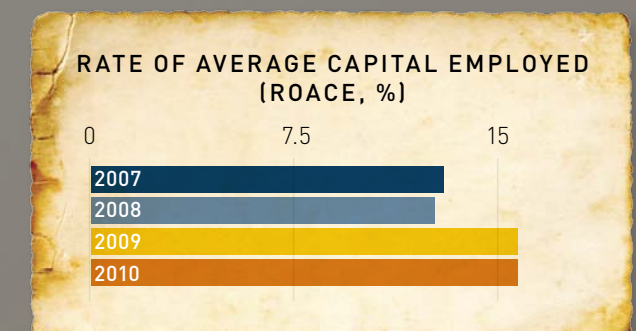
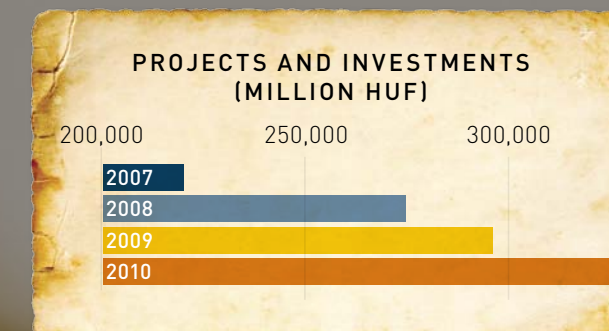
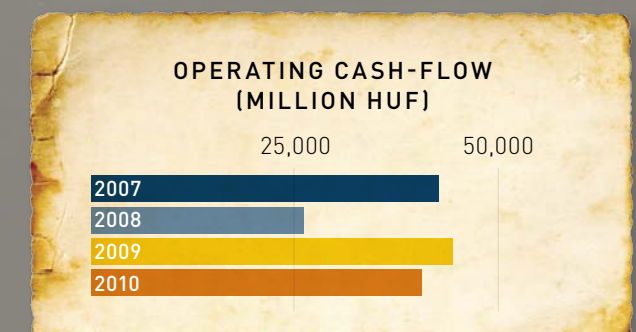
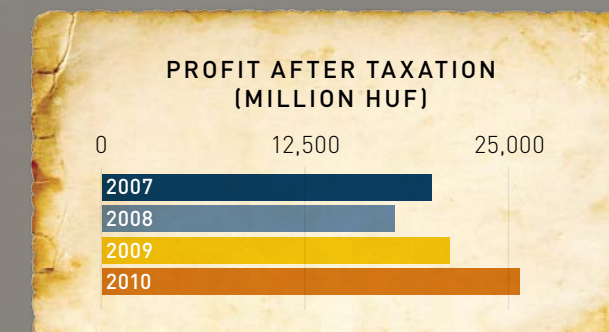
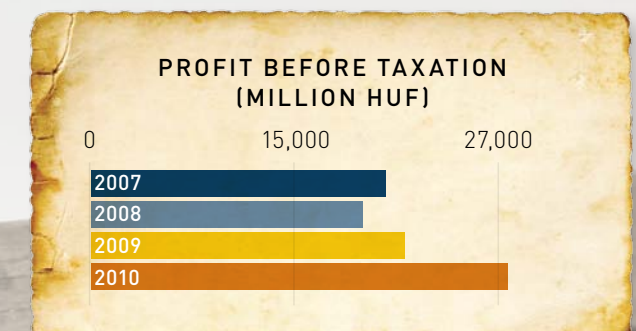
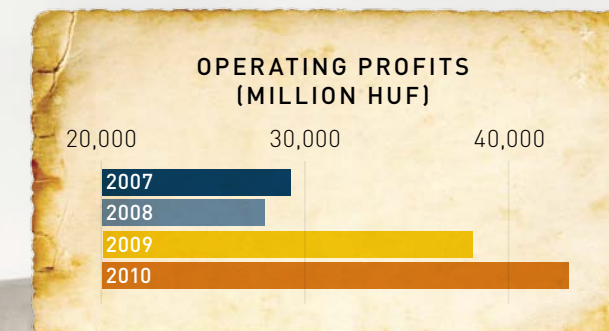
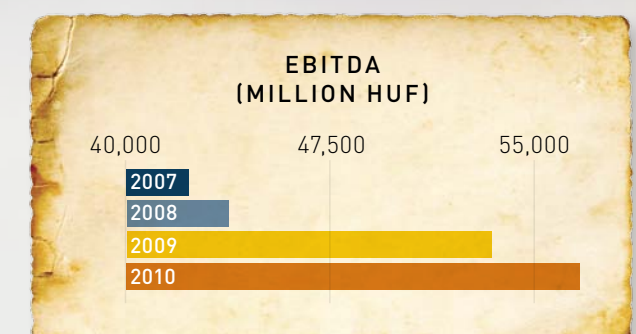
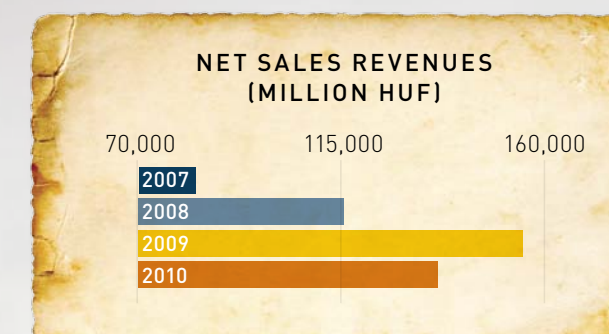
- + 27% PROFIT BEFORE TAXATION
- + 18.9% PROJECTS AND INVESTMENTS
- + 8.9% OPERATING PROFITS
- + 8.8% EBITDA



## The most important indicators



## Key financial data







WHAT WE ARE PROUD OF:

BEST EMPLOYER IN HUNGARY 2010 (VILÁGGAZDASÁG-HEWITT SURVEY)

BEST EMPLOYER CENTRAL EASTERN EUROPE 2009/2010 (AON HEWITT SURVEY)

BEST WORKPLACE IN HUNGARY 2010 (VILÁGGAZDASÁG-HEWITT SURVEY)

BEST EMPLOYER CENTRAL EASTERN EUROPE 2010/2011 (AON HEWITT SURVEY)

COUNTRY REPRESENTATIVE 2011 (EUROPEAN BUSINESS AWARDS)

HEALTH, SAFETY AND ENVIRONMENTAL CONTROL (EBK)

OCCUPATIONAL HEALTH AND SAFETY SYSTEM (MEBIR)

ENVIRONMENT-CENTRED CONTROL SYSTEM (KIR)

EFQM EXCELLENCE MODEL



**SECURITY AND RENEWAL**



# Security and renewal

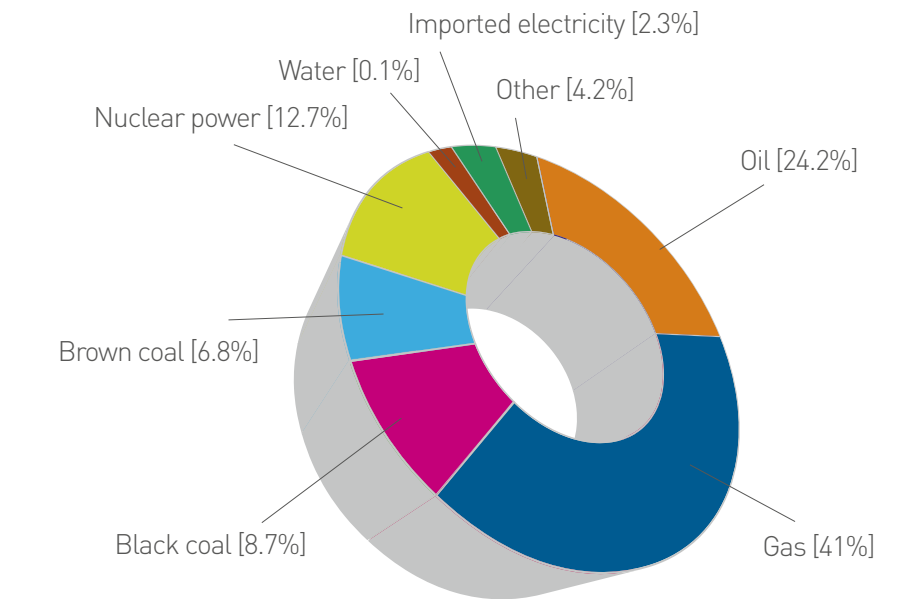
## WE ARE TRANSMITTING ENERGY TO THE FUTURE

Security and comfort are the most fundamental of human needs. Without the warmth of the heated home, the freshly cooked food and always accessible energy we would feel lost and helpless. These fundamental services are not only the building blocks of culture and civilization but they also provide us with sufficient energy to become creative participants in the renewal of our environment and society.

Supplying gas to consumers is essential for the people of today – the network which makes it possible throughout the country has been developed and expanded by our Company and its predecessors for the last 70 years. Power stations, industrial consumers and individual households utilize a considerable proportion of the natural gas we transmit – because it is easily accessible, it may be stored economically and it is also an environmentally friendly source of energy. It is no accident that the use of natural gas in Hungary exceeds the double of the European average among the prime energy resources, however, in the decades to come it has been forecast that natural gas consumption will be realizing the biggest profits all over Europe.

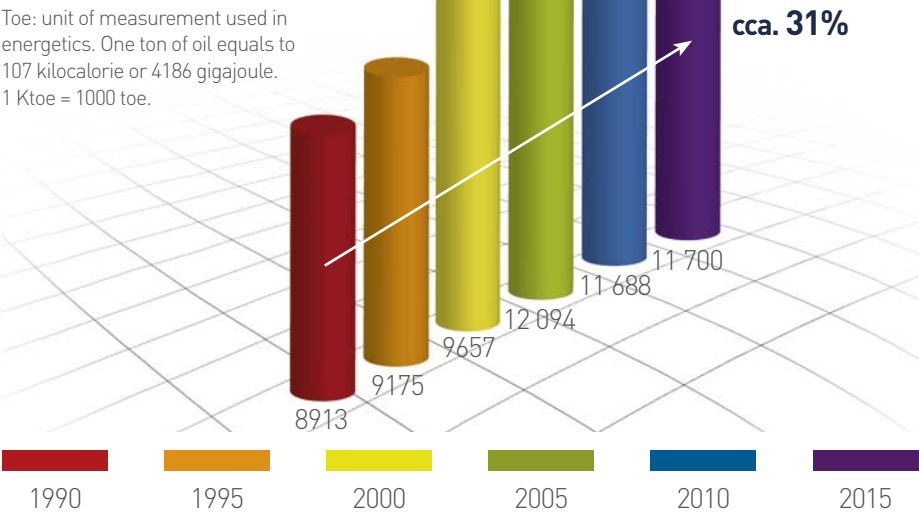
In order to be able to preserve natural gas as a natural part of our life and to ensure that it can provide for our increasing needs we need to carry out the transmission and system operation activities that use the latest technologies. This is what we, FGSZ Natural Gas Transmission Ltd., one of the most prominent natural gas suppliers of the Central-Eastern European region can offer our customers.

Primary energy use in Hungary



Source: Energy centre

The expected growth regarding the requirement for natural gas in Hungary 1990–2015 (ktoe)



Source: Prof. P. Capros, Dr. L. Mantzos, N. Tasios, A. De Vita, N. Kouvaritakis: *EU energy trends to 2030, update 2009*. European Commision Directorate-General for Energy in collaboration with Climate Action DG and Mobility and Transport DG



### FGSZ Ltd.: the deliverer of solutions

Our Company is the sole natural gas transmission and system operator licensee within Hungary. We perform our work in compliance with the most rigorous domestic and European Union provisions and with the purpose of creating community value: not only do we transmit natural gas to our customers, but we also take into consideration the protection of the natural resources of the environment as well as the interests of the local communities and non-governmental stakeholders.

We supply gas to all Hungarian gas distribution companies, power plants and large industrial consumers through our high-pressure transmission pipeline system. Domestic gas transmission is made possible by a complex network owned, operated and developed by FGSZ. Moreover, having

taken into consideration the safety of gas supply and the requirements of market competition, we are also present on the international scene: as a transit supplier we deliver gas to Serbia and Bosnia-Herzegovina, and through the cross-border pipes we transmit gas to Romania and Croatia.

FGSZ Ltd. is a dynamically growing group of companies, a stable and balanced member of the MOL-Group, which is individually developing its capacities in compliance with European Union regulations. Our strategic objective is to make our market leading services as widely accessible as possible, with the help of our domestic consumers and growing number of international partners, and with the connecting transmission network. Our geographical location and the world-leading technology we offer make our Company capable of becoming one of Europe’s outstanding natural gas suppliers, and the leading gas distributor in the region. The considerable developments of the past years, as well as the planned further expansion of our transmission network are good indicators of our commitment, by which we intend to contribute to the synergic development of our group of companies and to ensure the satisfaction of our clients.

FGSZ Ltd. always looks ahead to the future – as proven by its unbroken line of development and improving business indicators.

### Our work is our mission

We pay attention to the continuous protection, maintenance, modernization and expansion of our transmission network, to the controlling of the quality and quantity of natural gas, to the regulation of gas pressure as well as to odourization that complies with the legal rules and regulations.

Our head office in Siófok coordinates the processes that are indispensable for the optimal operation of the system, and is assisted by six regional natural gas transmission units in performing operative tasks. Our system operator centre (TSO) is responsible for the monitoring and evaluation of the operational parameters 24 hours a day and for conducting any nec-



essary interventions in the operation of the system, while our dispatcher service is also available all day.

Our work is our mission: we not only comply with the standards specified in legal rules and regulations but also do our best to perform our work in the most efficient way to save energy and protect our environment, relying on the professional knowledge and skills of our highly educated and experienced staff.

We are aware that we can build on our experience and invaluable infrastructure. Our pipeline transmission system is 5782 kilometres long, spreading across the country. We serve our contractual partners at 400 gas transfer stations and 6 compressor stations to ensure the safe and smooth operation of the pipeline system.

We consider it our fundamental value that we guarantee transparent and discrimination-free access to the natural gas transmission pipeline for all our partners and are pleased to be at the disposal of the supervisory authorities. We are continuously developing our technical background in accordance with the challenges of the new millennium and with the increased demand for natural gas. Our ability for renewal provides an opportunity for making natural gas a truly environmentally-friendly energy resource. The protection of health, safety and the environment are the most important criteria which we demand from our suppliers, which we also apply in the course of our developments and which we consider as guidelines as an employer.

We believe that gas transmission, distribution and system control are part of an efficient cooperation: it helps us contribute to the improvement of our quality of life, to the renewal of the concept of social responsibility and to the competitiveness of our partners.

### Within the regulatory framework

The 100% owner of FGSZ Natural Gas Supplier Ltd. is MOL Plc. The framework of our operation is precisely delineated by the relevant domestic and Euro-

pean Union provisions, and they are made real with the help of our engineers and professional staff.

The Gas Supply Act XL of June 2008 (hereinafter referred to as the GSA) clearly stipulates that natural gas resources must be harmonized, the service provided to end users must be of high quality and undisturbed, the principle of energy efficiency and saving must be taken into consideration in order to ensure objective, transparent and discrimination-free access to the nat-

### IN THE EUROPEAN UNION HUNGARY IS ONE OF THE COUNTRIES WITH THE GREATEST NEED FOR NATURAL GAS.

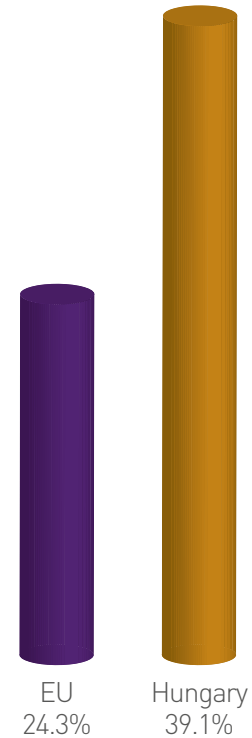
ural gas system. Moreover, it is necessary to protect the interests of the end users, the efficient entry of the competitors to the market, to promote the integration with the natural gas market of the European Community, to develop domestic and international transmission, distribution and storage capacities, as well as efficient operation. In accordance with the foregoing requirements, Government Decree 19/2009. (I. 30.) on the enforcement of the provisions of Act XL of 2008 on natural gas supply as well as the European Union directives determine our operational principles.

### Independent system operation

The adoption of the Directive 2009/73/EC brought complete change into the life of FGSZ Ltd. The European directive with the purpose of promoting market liberalization determined the new framework for takeover, storage and distribution of natural gas by restructuring the activities of the companies in the sector. The Directive has been integrated into Hungarian law by the amendment of the Gas Supply Act, as a result of which FGSZ Ltd. will in future operate in a so-called ITO (Independent Transmission Operator) model.

The model stipulates that natural gas supplier companies, in accordance with their legal obliga-

The expected share of natural gas from the total primary energy requirement in 2015



Source: Eu Energy trends to 2030







tions, shall ensure equal and fair access to the network for all market participants, shall perform the necessary investments, and shall actively participate in the integration of the European gas market.

Within the frame of the ITO mode, the natural gas supplier operates independently both of the holding companies and of the subsidiaries. In accordance with the above, FGSZ Ltd. will have independent decision-making capacities concerning the measures required for the operation of the system, for infrastructural development, for maintenance and in relation to financial resources. The strict rules concerning separation are also applicable for the management and for human resources management, and compliance with them is supervised by the national regulatory authority.

In 2010, our Company took the necessary measures to prepare for the continuation of its activities regarding system operation and gas transmission within the framework of the new model.

## Restructuring of the organization, independent operation and monitoring system.

The organization of our Company has been modified numerous times since 1 January 2010 to comply with the provisions of the amended Gas Supply Act. We have used the reorganization to serve the highest expectations regarding quality as well as to make the relationship with the partners more efficient.

One of the key areas of the reorganization was the further modernization of our operation and monitoring system, within the frame of which we created an independent quality assurance, regulatory and decision-making system, as well as separated our IT and administrative-organizational systems.

Moreover, it is a novelty regarding the organization that all responsibilities related to the Company will be per-

formed in-house in the future, which means that from now on all activities necessary for the outstanding performance of our work will be performed exclusively by our own employees. We have also fully executed the structural reorganization required for this goal.

## Improving professional excellence

One of the new operational conditions was to take back the previously outsourced activities. In accordance with the new provisions, the transmission system operator is responsible for the operation, maintenance and development of natural gas transmission systems within its own organization. In compliance with this, in 2010 we took back the activities which had been previously performed within the vertically integrated company group or had been outsourced. By restructuring the resources we strengthened the professional portfolio of our Company.

## Providing natural resources

The expansion and restructuring of a company is only really efficient if it is supported by a comprehensive and transparent system of requirements embracing all work processes and resources. We provided the new requirements regarding the resources necessary to perform our activities at a high standard, to operate a quality control system, to improve its effectiveness and to increase customer satisfaction, and finally we recorded them in our internal regulations.

## Daily Natural Gas and Capacity Trade Market

In accordance with the Gas Supply Act, FGSZ Ltd. is offering a brand new service to its partners from July 2010. By establishing the DNGCTM (Daily Natural Gas and Capacity Trade Market) we have created a specialized electronic trading platform. The natural gas traders, proprietary users, natural gas producers and other system operators connected



to the high-pressure natural gas system – such as natural gas storage owners and operators of distribution systems – will be able to trade with natural gas and capacities of the high-pressure natural gas transmission system.

This market platform will enable traders to quickly and efficiently trade the surplus or deficit arising from differences between the gas volumes they feed daily into the transmission system and consume. This market platform will also provide transparent conditions in this competitive market and use market prices that can properly reflect the genuine supply-demand situation through bilateral trading transactions otherwise the sentence is too long and convoluted. As a result of this, the players can plan their daily tasks, and the balancing of the gas at the end of each day necessary to maintain the appropriate equilibrium will impose a lower risk than presently, which means they can offer a more consistent and reliable service to their own customers.

The DNGCTM is an important step on the road to which our Company has been committed for years and which will lead to the foundations of a more efficiently competitive and more liquid Hungarian natural gas market.



## On new paths

The first gas pipe in Hungary was constructed over seven decades ago, in 1938. We had to wait five years for the first gas transmission pipeline. Since then, the transmission pipeline network has more than doubled and it is now operated by experienced engineers and professionals who monitor the enormous network that extends to the borders of the country, as well as the plants and stations that are crucial to the operation of the network.

Following the years of dynamic growth, FGSZ Natural Gas Transmission Ltd. focused on the environmentally friendly modernization processes which guarantee operational safety. The strengthening of the safety of the domestic natural gas supply and the promotion of the discrimination-free connection to the European networks continues to motivate us to seek new paths. The technical competence of our Company is among the best in the world and we are also proud of the professional know-how which makes us a market leader and makes our services competitive on the European arena. This encourages us to build new pipelines, to build cross-border relationships, and to increase the volume of transit deliveries, to fully meet both the domestic and the international requirements and to further profit from the trust of our shareholders.

Our remote-controlled gas transmission system is operated with an excellent record of product availability. Precise and prompt administration is ensured by up-to-date information technology and integrated management systems. We comprise a community of innovative, highly qualified, experienced and committed employees whose motivation is very important for us. This is why we achieved in 2010 the "Best Employer" title among the companies employing a staff of 250-1000 in Hungary, and we were also recognized as the "Best Employer in the Central-Eastern European region" in 2010 and 2011. The research carried out by Világgazdaság-AON Hewitt in eight countries of the region asked the employees of almost 500 companies, and our Company was listed among the winners.

We are continuously decreasing the health, safety and environmental risks related to the transmission activities. We are doing our best to be regarded as an exemplary employer and investor. We apply an environment management system (KIR) in compliance with ISO standard 14001, and have introduced a health protection and safety management system (MEBIR) at all of our places of work. We always assess the environmental and social impacts before we start a new investment project and we participate in the reconstruction of the new territory with the involvement of the communities of the cities and villages affected by our operations, in accordance with the local interests. We apply the EFQM excellence model to improve operating excellence. We achieve

DUE TO ITS GEOGRAPHICAL LOCATION AND TECHNOLOGY, FGSZ LTD. IS IN THE POSITION TO BECOME THE LEADING DISTRIBUTOR OF THE REGION IN THE FUTURE.

business successes bearing sustainable development in mind, in accordance with the intentions of MOL-Group and this has been confirmed by recognized business analysts. MOL Group, the only Central & East European company, has qualified for Gold Class in a survey carried out by the analysts of the Dow Jones Sustainable Index (SAM Gold Class), and this recognition is also a standard for us.

We regard our suppliers and market partners as strategic allies. Our contractual partners may have transparent access to the professional-technical background of our activities. We do our best to reply to the questions and suggestions regarding data supply and the use of our system. In order to ensure the creation of both short- and long-term value for our shareholders, we wish to ensure that the company is able to grow permanently, and that it will remain stable even in the economic crisis and among the changing legal and market conditions.







[letter from the Chief Executive Officer ]

## 2010: MILESTONE IN THE HISTORY OF FGSZ LTD.

THIS YEAR WE HAVE LAID DOWN THE PILLARS FOR OUR  
COMMON FUTURE. THESE DEVELOPMENTS PROVIDE  
GUARANTEE NOT ONLY FOR THE SAFE OPERATION OF  
THE COMPANY AND OF HUNGARY BUT THEY ARE ALSO  
ESSENTIAL FOR THE REALIZATION OF THE EUROPEAN  
UNION'S VISION CONCERNING ENERGY...





# Letter from the Board of Directors

Dear Partners, Dear Readers,

**T**he year 2010 may be regarded as a milestone in the history of FGSZ Ltd. from a variety of perspectives. Our company has been restructured in accordance with the changing market and regulatory environment. I am proud to announce that our renewal has been thoroughly successful: our competitiveness has improved, growth has been stable and in the meantime we have created the foundations for our future operations. This has been confirmed by the operational, developmental and financial results.

The European Union Directive 2009/73/EC and the relevant Hungarian regulations with the aim of promoting further market liberalization established a new, comprehensive framework for the companies dealing with natural gas transmission, storage and distribution. Due to the change, our Company is already operating within the MOL Group in accordance with the so-called ITO (Independent Transmission Operator) model.

Such considerable changes may bring about both threats and opportunities. We consider this change as an opportunity. It is a challenge that will enable us to further improve our operations. I think this has been proven by numerous tangible and future-oriented results in 2010.

The building of the Hungarian-Romanian and Hungarian-Croatian inter-connection of pipeline systems has been completed and the Daily Natural Gas and Capacity Trade Market has started operation.

These developments may function as the pillars of the most important European energy priority, the North-South Gas Corridor in the future. This project, to which all member countries are committed, will reduce risks related to gas supply. It may promote the creation of a gas market based on free competition and equal access provision, and the co-

ordinated development of regional infrastructure. It may further increase market efficiency.

The novelty for our partners in the year 2010 was the introduction of our new supply and organization service within the framework of the Daily Natural Gas and Capacity Trade Market services. Within this framework, the players of the natural gas market can plan their daily duties with less risk and the Hungarian market has also become more stable and competitive.

Our financial results in 2010 speak for themselves: We reached HUF 42 billion in operating profits, and profit before taxation, deductions of interests and depreciation has also improved by 9% compared to the previous year. Our work organization has also improved: numerous activities which previously had been outsourced or performed within the company group have been integrated into our own activities, the number of our employees increased by 200, and our work organization has become more transparent and easier to supervise.

We have left behind a challenging year that was full of changes which demanded considerable efforts from us both as a professional and as a human being. Therefore I wish to say thank you to all our employees for their responsible work and perseverance.

For our Company which has a long history and which intends to play a key role in the future, apart from the trust of our partners, this gives motivation day by day to perform their duties of strategic importance, the success of which is crucial not only for the energy security of our country but also for the whole region.

DR. ZSUGA JÁNOS  
Board of Directors



OUR COMPANY, WITH OVER 70 YEARS OF PROFESSIONAL HISTORY, HAS BECOME A CRUCIAL ACTOR IN THE NATURAL GAS SUPPLIER SECTOR BOTH AT THE DOMESTIC AND THE INTERNATIONAL LEVEL IN THE PAST DECADE.

## PILLARS OF OUR VISION





# Our past means the future

**N**atural gas transmission has a tradition of over 70 years in Hungary. The predecessors of our Company have always been famous for their legendary professional knowledge, preparedness, creativity and the innovative approach. This tradition has been important for us and therefore we want to maintain and renew it not only out of respect for our past but also as a sign of our commitment to our present and to the sustainable development of our future.

We are aware that a developing company is always more than the total sum of the resources at its disposal. It is also a community of values. It is a community of people working for identical goals, having similar motivations and respecting the same transparent values. Our corporate culture is therefore based on respect for human qualities, appropriate motivation of our employees, and on the continuous and methodical development of their skills in line with our technological developments.

All of these create an excess of resources for our Company and make it possible for us to organize our everyday operations and plan our future-oriented developments bearing in mind the highest quality requirements during the performance of our work. The three pillars of our vision are defined by our core values, our mission and our social responsibility for sustainable development.

## Our basic values

Apart from an efficient, transparent and well regulated operation, we believe in innovative organizational culture and in the well-trained, experienced and dedicated community of employees.

Our remote-control gas transmission network is characterized by excellent availability indicators. Our most modern IT solutions and the professional employees facilitate the management of complex processes related to gas transmission. Innovative organizational culture and integrated management processes help our work and serve the satisfaction of our consumers.

## Our mission

We provide high quality, transparent, discrimination-free and environmentally friendly gas transmission services to every market player.

IN HUNGARY THE FIRST TRANSMISSION  
PIPELINES STARTED OPERATION ALMOST  
70 YEARS AGO, WITH ALTERNATING  
TRANSMISSIONS OF NATURAL GAS AND OIL.

Our goal is to strengthen the domestic supply safety, gas transmission and transit transmission. We are committed to maintaining a balance in the Hungarian natural gas transmission system and to operating it efficiently.

We perform our vocation in compliance with the laws and responsibly, paying due respect to and protecting the values of society and environment. We are pleased to contribute to the success of our employees and to improving the standard of living for the local communities affected by our activities.



## Sustainable development, social responsibility

FGSZ Ltd. is a market leader company in natural gas transmission and system control. We wish to increase our share of the regional gas transmission market by expanding our capacities and connection network.

Our Company is taking an active and pioneering role in the initiatives related to the regional integration of gas market.

In order to achieve sustainable development, we always apply high level technical and environmentally-friendly solutions in order to preserve our ability to develop in the long term, and to align it with the social expectations towards us arising from our responsibility for the energy security of both Hungary and the region.





## IN THE ROLE OF THE LEADER

5782 KM TRANSMISSION PIPELINE SYSTEM  
20 INLET POINTS  
398 GAS OUTLET POINTS  
6 REGIONAL BRANCH UNITS  
6 COMPRESSOR STATIONS



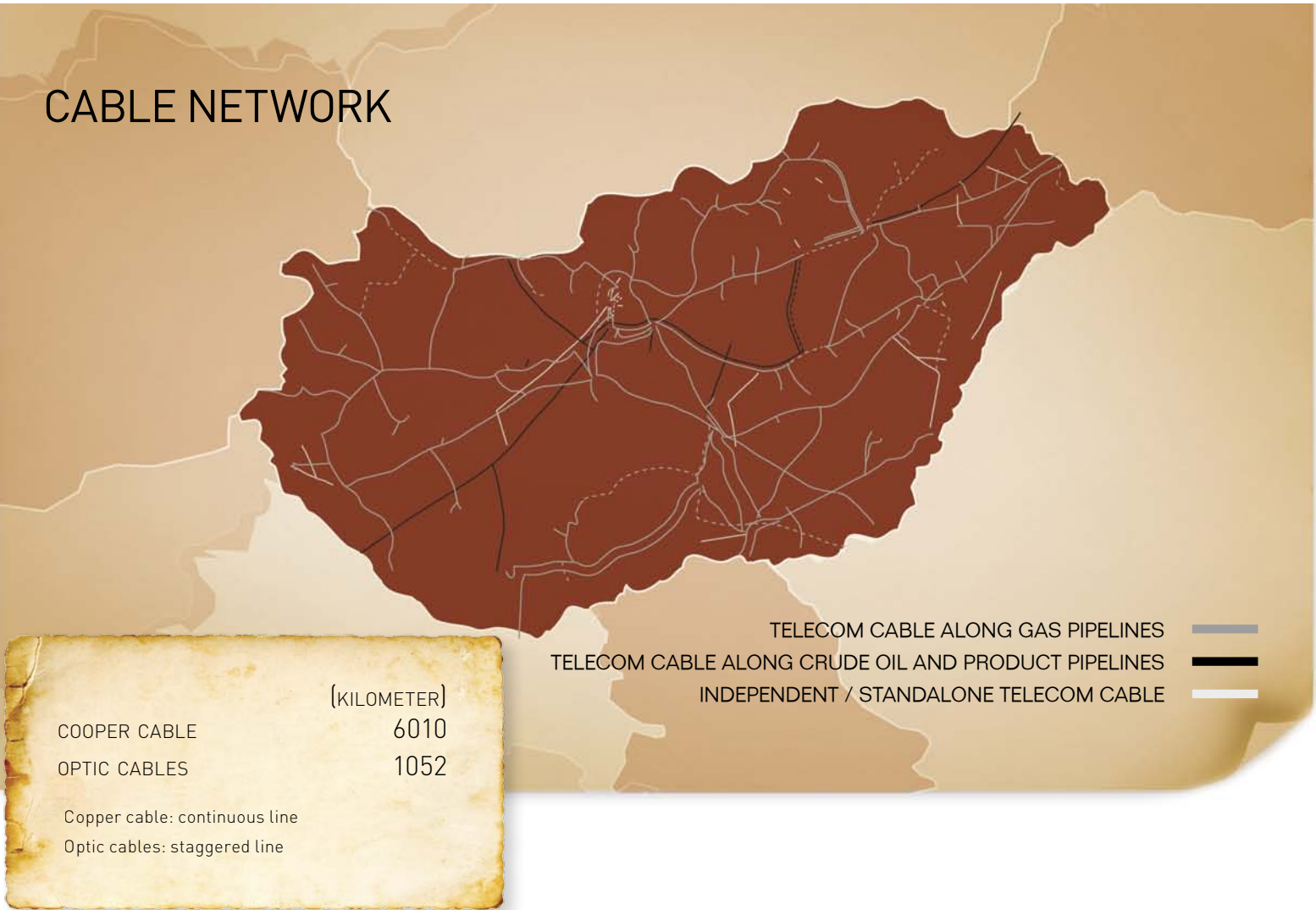
# New challenges, new responsibility

**F**GSZ Ltd. is a crucial actor in natural gas transmission in Hungary.

The experiences we have acquired over several decades, the unique safety of supply and system operation processes developed by our engineers, our extensive transmission system, our globally competitive technology and ability to continuously renew ourselves motivate us to maintain our key position in both the Hungarian and regional gas market.

We consider it our obligation to ensure that Hungary is more completely connected to the network of European gas markets. This does not just mean the extension of our pipelines: it entails new challenges and new responsibility.

We sincerely hope that the decade to come will verify our decisions: the direction we have set is the right way which will enable us to provide safe gas services at a reasonable price, to strengthen the sector in Hungary as well as enable FGSZ Ltd. to become leader in the region.



# OUR PERFORMANCE AND CAPACITY IN 2010

## TOTAL PERFORMANCE IN 2010

[at 15°C, cubic metres]

Total quantity for domestic purposes together with the withdrawn quantity	11.79 billion
Withdrawal from this	2.16 billion
Import for transit purposes	1.97 billion
Imported quantities at Beregszász from domestic takeovers	5.00 billion
On the HAG pipeline	4.64 billion
From domestic production	2.34 billion
Injection from domestic takeover	2.00 billion
Export	0.23 billion
Delivery at Kiskundorozsma for transit purposes	1.97 billion

## CAPACITY DATA:

[at 15°C, cubic metres]

### HAG PIPELINE

from Austria Mosonmagyaróvár measurement

Annual capacity	4.5 billion
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### TESTVÉRISÉG AND ÖSSZEFOGÁS PIPELINE

from the Ukraine Entry point at Beregdaróc

Annual capacity	21.9 billion
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### KISKUNDOROZSMA

to Serbia/Bosnia-Herzegovina

Annual capacity	4.8 billion
Daily peak capacity	13.2 million

### CSANÁDPALOTA

to Romania

Annual capacity	1.75 billion
Daily peak capacity	4.8 million

### DOMESTIC PRODUCTION CAPACITY

At 12 inlet points

Annual capacity	2.34 billion
Daily peak capacity	9.0 million

## DAILY PEAK CAPACITY ON 31 DECEMBER 2010

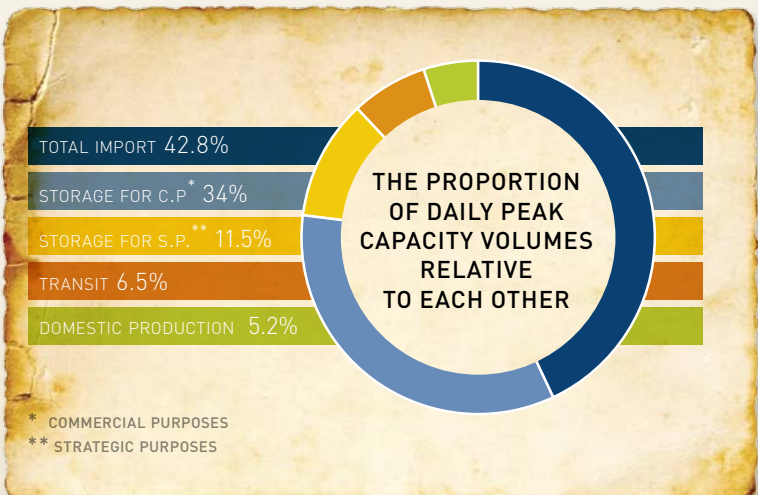
	[cubic metres]
Total	173.7 million
Interruptible from this	7.3 million
Total import	74.4 million
Interruptible from this	2.3 million
Transit	11.3 million
Total storage for commercial purposes	59.0 million
Interruptible from this	5.0 million
Storage for strategic purposes	20 million
Domestic production	9.0 million

## STORAGE CAPACITY FOR COMMERCIAL PURPOSES

At 5 inlet points	[cubic metres]
Annual capacity	5.0 billion
Daily peak capacity	59.0 million
Interruptible from this	5.0 million

## STORAGE CAPACITY FOR STRATEGIC PURPOSES

At 1 inlet point	[cubic metres]
Annual capacity	1.2 billion
Daily peak capacity	20.0 million





# OUR INFRASTRUCTURE

5782 KM LONG TRANSMISSION PIPELINE SYSTEM







## STRATEGIC OBJECTIVES

OUR LONG-TERM STRATEGIC INVESTMENTS MAKE IT POSSIBLE FOR HUNGARY TO LEAVE ITS CURRENT PERIPHERAL ROLE IN GAS TRANSMISSION AND DEVELOP INTO THE REGIONAL GAS DISTRIBUTION CENTRE IN THE NEXT DECADE.





# European dimensions

The continuous increase in natural gas prices may only be mitigated by the creation of market competition in natural gas and by increasing the volume of transit transmissions. We need a gas transmission infrastructure in Hungary which facilitates a choice between various sources of import. However, this infrastructure is not currently at our disposal.

FGSZ Ltd. is interested in a healthier, more efficient gas market, which rests on several pillars.

FGSZ is interested in creating a healthier, more efficient gas market, which rests on several pillars. Therefore, in the 10-year period between 2011 and 2020 it wishes to participate in comprehensive infrastructure developments both at Hungarian and international level to promote the creation of the domestic liquid gas market. The transformation of the gas market makes it possible for domestic consumers in the region to have access to gas available at the lowest price at any particular time.

During the first stage of strategic investment between 2006 and 2010, we considerably increased the Eastern import capacity parallel with strategic storage developments. We built the Hungarian-Croatian and Hungarian-Romanian connecting pipelines. All of these have significantly contributed to increasing the safety of supply in Hungary, and are promoting the realization of a transmission network necessary for the future diversification of gas import.

The second stage of the strategic investments planned for the period 2011–2020 includes the North-West developments. Being connected to already existing capacities by the creation of the Hungarian-Slovak and the Hungarian-Slovenian pipelines, as well as by the expansion of existing Western import capacities, it will constitute a unified and interconnected structure.

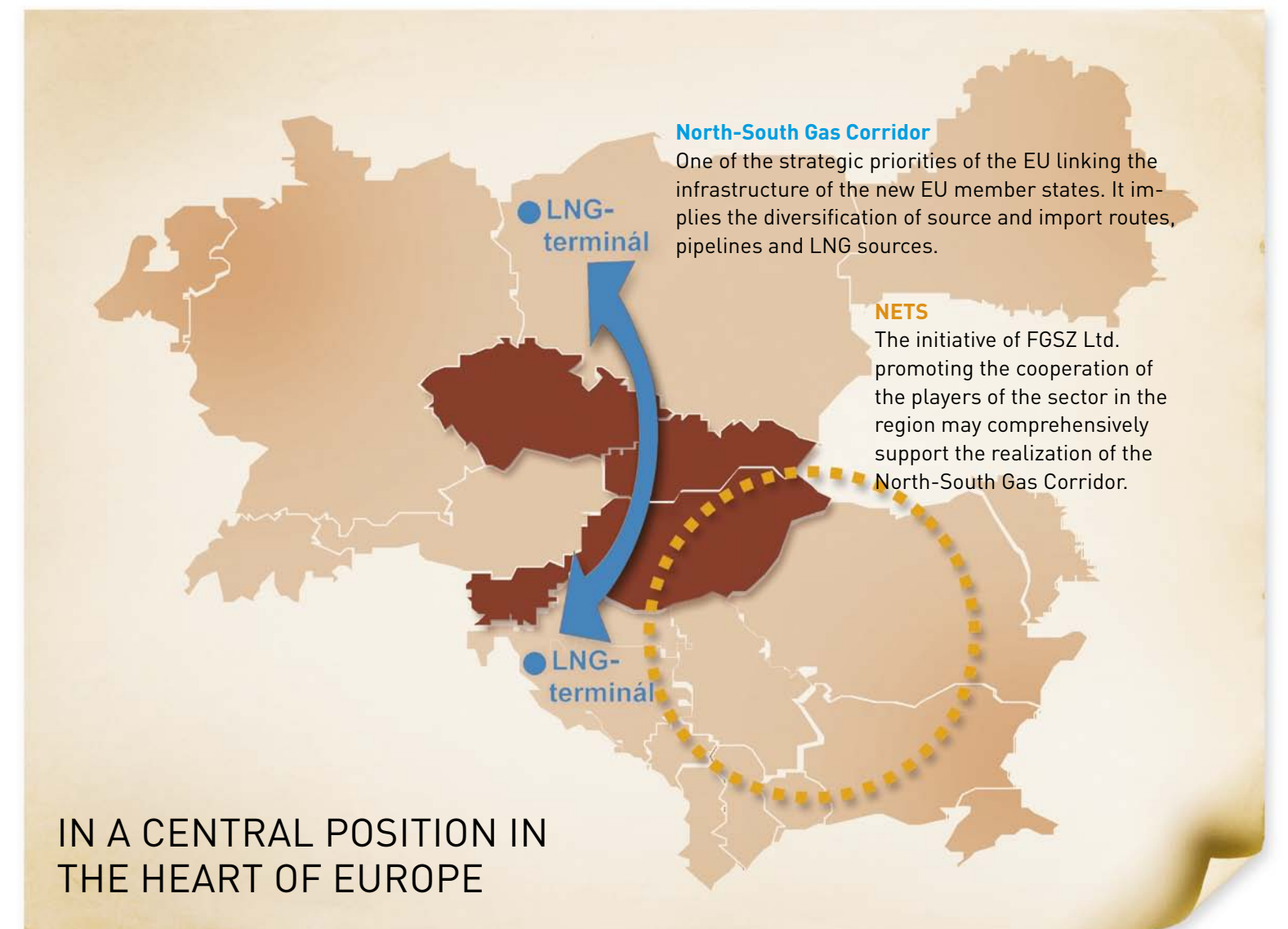
Our developments are connected to each other like the building blocks of a house. Our goal is to make sure that Hungary is safe from all sides and is fully integrated into the region surrounding it. The gas supply of Hungary will be made more secure by the completion of the construction of pipelines of gas sources in the Southern and South-Eastern territories, and later in the Northern and Western territories.

Our long-term strategic investments make it possible that Hungary leaves its current peripheral role in gas transmission and develops into the regional gas distribution centre in the next decade.

The opening of the gas market is in the interest of both Hungary and Europe but it will also motivate the other market players, and even the end users, the consumers. The creation of real competition in the gas market and the expected reduction of price resulting from it, as well as the opportunity to establish the Liquid Gas Exchange, which is most welcome by the whole sector, are such detectable changes which FGSZ Ltd. considers worth fighting for.

## Connected to the world

Our Company does its best to further strengthen the rank it has achieved in the gas transmission of the region by making use of the geopolitical features of the Carpathian basin and of the European initiatives implemented to further liberalize the gas market. This intention is reflected in our investment and development policy, which we are realizing in accordance with the interests of MOL-Group and with the efforts of the European Union.



## North-South Gas Corridor

The purpose of the North-South Gas Corridor is the creation of a unified and transparent gas market in the Central Eastern and South Central European region. The project is of strategic importance for each country in the region; therefore it is one of the energy priorities of the European Union.

The project that was the initiative of FGSZ Ltd., the NETS (New European Transmission System) is now a priority project by the European Commission. The cooperation, which started in 2007, creates mutually beneficial connection between the gas transmission companies of the Central Eastern European region. Its purpose is the enhancement of regional security of supply and in-

frastructure development coordination (interconnectors, gas storage, LNG terminals) and thereby the creation of an efficient regional gas market. The NETS facilitates a new approach to cooperation and an integrated network with the help of the strategic cooperation between the regional natural gas supplier companies, based on the principles of energy policy they have elaborated together.

The next step of the NETS cooperation is for the gas transmission companies of the countries involved to draft a joint study in the course of 2011–2012. In this they are to describe in detail the opportunities for regional gas transmission, especially with respect to the safety of supply and the commercial opportunities provided by the interconnected gas markets.



## Nabucco and South Stream

According to the plans, the Nabucco gas pipeline, supported by both the European Union and the USA, will connect the eastern border of Turkey with Austria through Hungary – among others – at a length of 3900 km and with a capacity of 31 billion m<sup>3</sup>. Its completion will result in considerable resource diversification in the Central and South Central European region; therefore it would be a priority that would also serve the interest of the Hungarian gas market players.

The South Stream investment, started by a Russian initiative, is intended to create an alternative route for the transmission of Russian natural gas. For Hungary it will enhance the security of gas supply in the event of a crisis situation occurring similar to the gas dispute at the beginning of 2009. Therefore the building of the pipelines will offer our country and its natural gas supplier system a number of advantages.

In 2010, the idea of joining the above mentioned two pipeline projects – the IGI (Italy–Greece Interconnector) and the TAP (Trans Adriatic Pipeline) – with the other southern pipelines was raised by both the European Union and at numerous other forums. This will give a considerable push to the speeding up of the projects and to substantiating the final investment decisions.

By building the connecting infrastructure for the future transmission network in Hungary FGSZ Ltd. will be able to promote Hungarian energy security and the case for a more efficiently integrated European gas network.







ENERGY DEVELOPMENTS



# We always look ahead

The significant pipeline developments of FGSZ Ltd. carried out in the past years have laid the foundations for the future: the completion of the role of the distributor and the safe and environmentally friendly gas supply of our country at a competitive price. Our current technical background makes it possible for Hungary to increase the utilization of natural gas by meeting all the safety requirements.

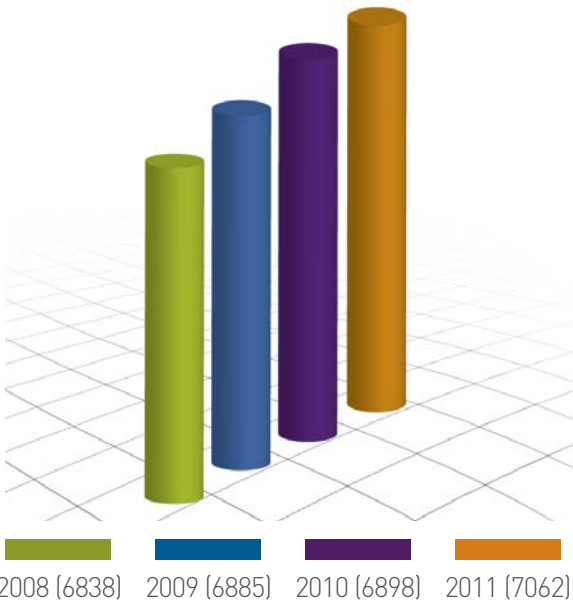
Recently, we have built a 210 km long pipeline with the attached compressor and measurement stations in the direction of the Ukrainian-Hungarian border. As a result, the import natural gas injection grew by 25%, contributing to the refilling of the strategic natural gas storage. By the middle of 2010, the construction of the Szeged–Arad pipeline was successfully completed, in cooperation with our Romanian partner Transgaz S.A. We have completed the Városhőd–Slobodnica investment recently; its Hungarian part is 205 km long, while the section in Croatia, built by Plinacro, is 88 km

long. Through the interconnections at the Hungarian-Romanian and Hungarian-Croatian borders we transmit energy to our foreign partners, however, bidirectional traffic may commence later.

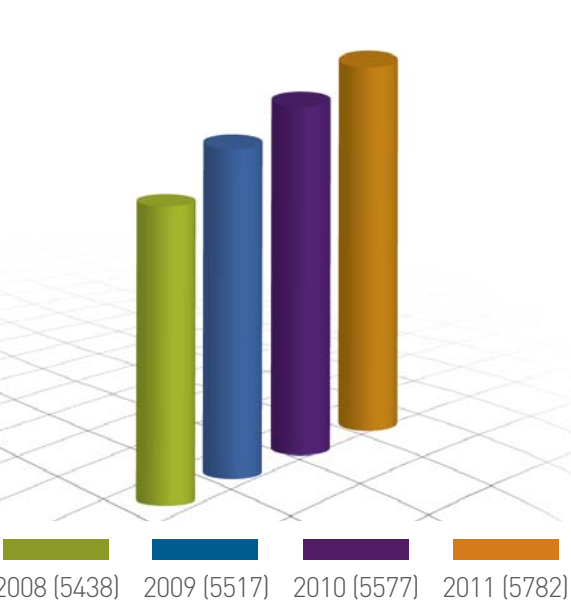
We will not stop half-way with the developments. We will face the challenges, tasks and requirements which derive from the establishment of a market which is liquid, integrated, diversified regarding its resources, and which is also supported by the European Union. Our strategic goals necessitate further efficient and well-planned infrastructure developments.

Our Company has to take decisions which are unavoidable both for itself and for the Hungarian gas market. The consequences of the global economic crisis are still unclear: will the oil-indexed long-term contracts remain unchanged or will we have the chance to create a more flexible gas market? FGSZ Ltd. has to come up with ready solutions for both scenarios. When the crisis is over, the

Growth of the cable network of FGSZ Ltd.  
2008–2011 (km): +224 km



Growth of the telecommunication cable network  
of FGSZ Ltd. 2008–2011 (km): + 344 km





order of the priority of the Western or Eastern infrastructural investments has to be determined by the analysis of the long-term expectations. In the current situation – in line with the European Union and the Hungarian plans in the gas market – the strengthening of the Western direction (the Hungarian-Slovak interconnector; the extending of the HAG pipeline, the Hungarian-Slovak interconnector) would have more benefits for Hungary. At the same time a similar turn to the previous years may occur, which may mean that the Eastern direction of developments will seem more valuable.

The development strategy of FGSZ Ltd. is obvious: with regards to the interests of domestic consumers and the players of the sector, we wish to ensure for Hungary the preconditions for the operation of a liquid and transparent gas market on the long-term, keeping in mind the principles of fair competition.

Our high-pressure pipeline and telecommunications cable network throughout the country and the connected modern institutional system covering the territory of the country represent outstanding market value. Our ultramodern system operation centre and the regional centres connected to it make our infrastructure capable of satisfying

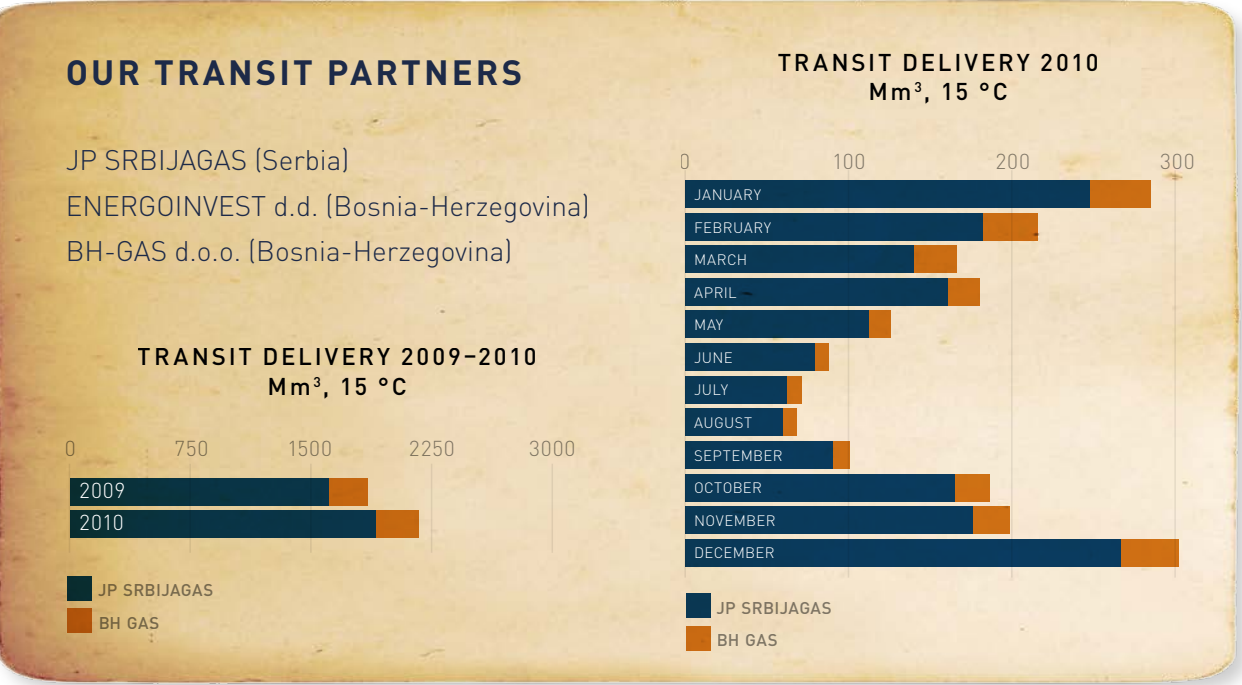
customer needs even in a crisis situation and to be able to respond in time even to the slightest restructuring of the market.

Globally competitive network

The existing high-pressure natural gas transmission system operated by FGSZ Ltd. is 5782 km long, including a 370km long transit transmission section. The typical diameter of this system is 100–1400 mm, the operating pressure is 40–75 bar and the average age is 25 years. There are 17 domestic and 2 import inlet points for accepting natural gas supplied from domestic production, or delivered from underground gas storage facilities and from imported gas, where the gas is measured both for quantity and for quality.

There are 6 compressor stations operating along the length of the pipeline system to ensure increased pressure and uninterrupted gas supplies to consumers in the required quantity and quality at the following places: Bába, Beregdaróc, Hajdúszoboszló, Mosonmagyaróvár, Nemesbikk and Városhőd.

Natural gas is distributed and delivered to delivery points through nodes operating at connection



points along the pipeline network. Natural gas is odourized and delivered through our gas transfer stations. The most important role of the nearly 400 transfer stations is to ensure uninterrupted and safe gas supply to inter-connected system operators and directly-supplied industrial consumers.

We measure the quantity of natural gas flowing through the system at every inlet and outlet point and we also monitor the quality parameters at every delivery and reception point.

Due to the fluctuation in consumption, in certain periods – particularly in winter – the demand for natural gas may show a sudden upsurge. Underground gas storage facilities, to which the pipeline network is connected at five points, ensure the flattening out of consumption peaks.

In parallel with our natural gas pipelines, we also operate a telecommunication system which helps quicken information exchange. FGSZ Ltd. also owns 79 % (approximately 5,327 km) of the 6,735 km long telecommunications cable network which runs alongside the gas pipelines, of which 1051 km is already optical cable. This cable network supports the safe and reliable operation of the FGSZ Ltd. telemechanic and administrative system, as well as the dispatcher telephone systems.

Our Company's TSO centre at Siófok is equipped with state-of-the-art technology supporting TSO operations while the six regional natural gas transmission branch units (at Gellénháza, Hajdúszoboszló, Kápolnásnyék, Kecskemét, Miskolc and Vecsés) perform operational tasks.



NEW ENERGY  
CULTURE





# In a healthy way, safely, and in harmony with the environment

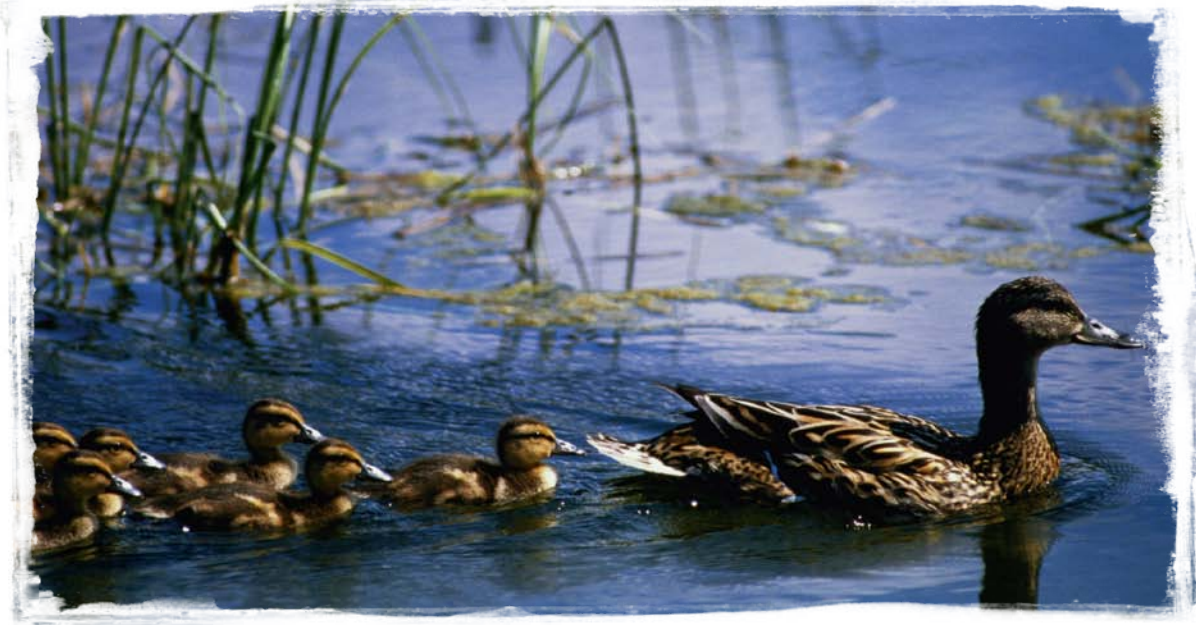
A modern service provider with a 21<sup>st</sup>-century corporate culture may not be able to operate without positive feedback in the long term. Apart from continuous communication with the market and with the decision-makers, public relations and environmental impacts are also serious benchmarks for the success of a company. In the course of its everyday activities, FGSZ Ltd. is doing its best to make its environment more comfortable and safer, and it is open to international, domestic and local initiatives aiming at the renewal of natural and human resources.

Our strategy for the Protection of Health, Safety and the Environment (HSE) has been developed to reduce detrimental effects on human health and on the environment as well as to protect and improve our quality of life. In the course of our activities we pay considerable attention to sustainable development, to the renewal of human and environmental resources, as well as to reducing usage of natural resources.

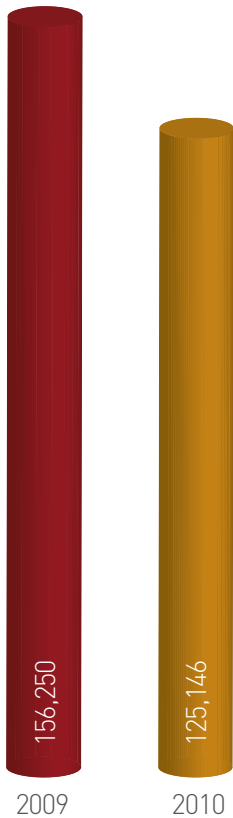
We analyse the balance of energy and materials used, the method with which they are used and the emission limits on an ongoing basis, and we pay particular attention to developing new ways of development and modernization that promote Sustainable Development.

## Reducing our ecological footprint

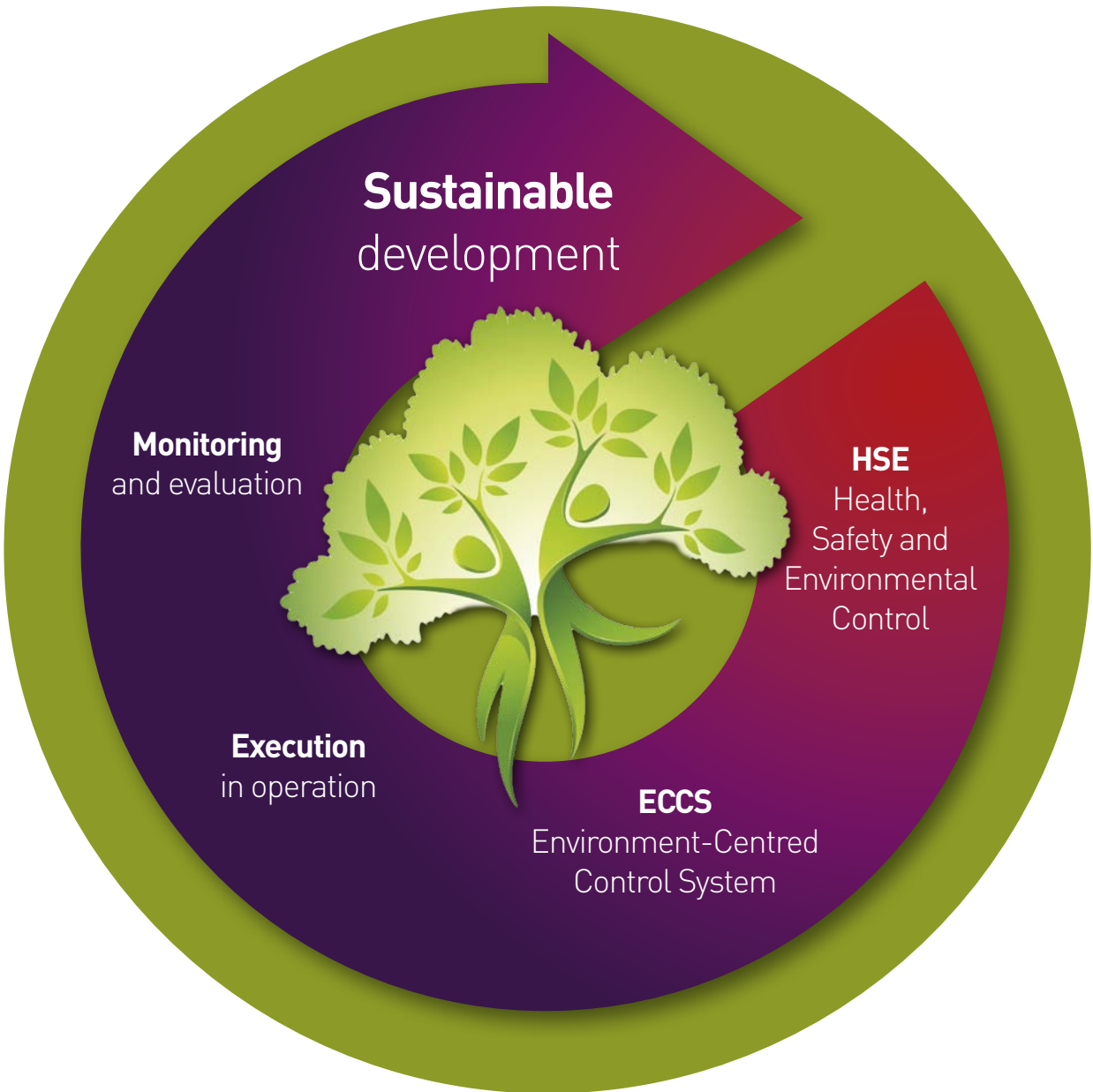
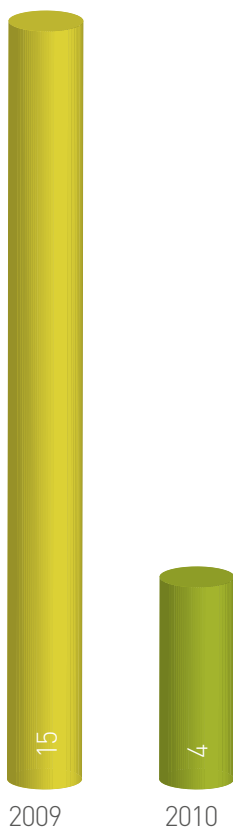
FGSZ Ltd. does its best to minimize the use of natural resources. The ecological footprint of Hungary – the demand for biologically productive land and sea area necessary to supply the energy and materials it consumes – is already double what the Earth can support (equally apportioned for all the human population). The biological capacity of the Earth is finite: each developed and developing country, each company and each person must pay particular attention to what and how much they consume from the gifts of nature.



FGSZ Ltd. is continuously reducing emission levels CO<sub>2</sub> (t)



FGSZ Ltd. is continuously reducing emission levels SO<sub>2</sub> (t)



Additional attention to the value of nature should not only mean the minimization of the potential damages caused but also the creation of values. In the course of our technological developments, we consider not only operational safety and the improvement of efficiency as priorities, but also the protection of human health and of the natural environment.

During the reconstruction of our gas transfer stations, we try to optimise the performance of the built-in firing units. In the course of the technical planning, we gave preference to the larger capacity condensation firing units. In public road transport

we have reduced the number of kilometres driven and we have organized collection drives in order to neutralize hazardous waste.

Our corporate development strategy and philosophy is built on the concept of harmony. Harmony with nature and with society as well as harmony with the criteria of sustainable development and with the security of energy supply. These are the basic values of the new energy culture we wish to pursue in the 21<sup>st</sup> century.



Eco-efficiency

The efficiency of our efforts is indicated by the specific measures which promote the regeneration of the productive land and sea concerned by our activities, and the reduction of hazardous waste and emission indicators.

We clean the water we gain from the surface and use for pressure tests, and only let it back to its place of origin once it is clean again.

In the course of developing our pipelines we apply the most modern technology which only minimally transforms the landscape, we restore the green areas and replant multiple times the forests we have cut down.

The operation of the gas turbines at the optimal points decreases the use of heating gas and the emission of air pollutants.

The same result is achieved by the optimization of the performance of the built-in firing units during the reconstruction of the gas transfer stations.

The replacement of the lubricant oils is not performed on the basis of the hours of operation as specified by the producer, but instead on the basis of an oil diagnosis carried out under rigorous conditions. This optimizes the consumption of large quantities of lubricant oil.

Flaring and blowdown

Our flares are non-diffuse sources and they are used occasionally.

In the course of cleaning the pipelines, we minimize the quantity that needs to be flared: we consume from the transmission pipeline until we reach the output pressure.

Flaring is not part of the regular operation of our system.

Spillages and leakages

In the year 2010, no gas spillage occurred in the network of FGSZ Ltd.

We have increased the safety of our facilities: thus we have reduced the chance of outside involvement and causation of damage.

On the green path in infrastructure development

In the course of building the gas pipes, we always provide for the protection of nature. We intend to complete the construction of the pipelines with the least possible intervention, in the shortest period of time.

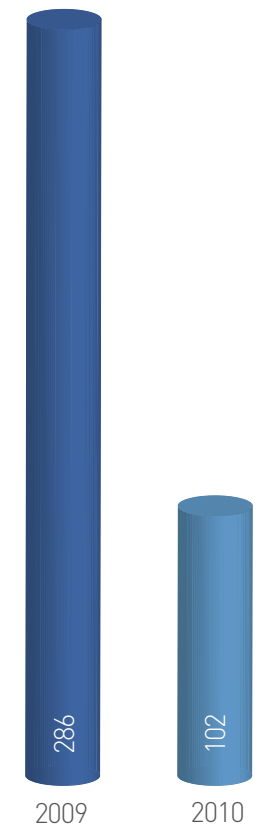
We agree with the high social expectations regarding the protection of natural treasures. We pay attention to ensuring that the construction of gas pipelines and the related operations are performed in collaboration between our highly qualified engineers and independent nature conservation experts.

We follow their recommendations on the enhanced protection of flora and fauna when implementing solutions at areas affected by pipeline projects. In order to eliminate contamination, we apply environmentally friendly technologies and we ensure the improvement of air cleanliness. In the course of our investments, we have cooperated with the local communities, with the municipalities and the NGOs. Following the construction of the gas pipes, we always provide for the regeneration of the natural environment.

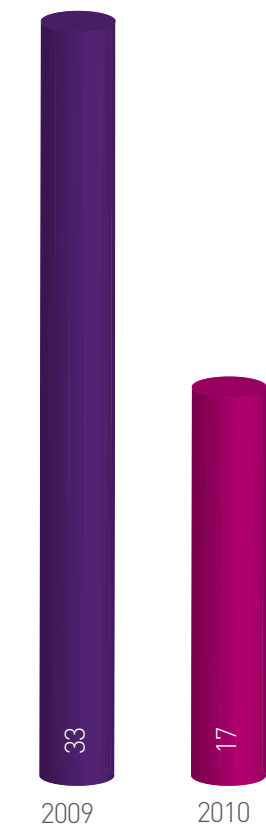
In cooperation with nature

We recognize and support the NGOs dealing with the protection of the environment and its values. The representatives of our company participate at the public hearings organized by environmental authorities. Moreover, we communicate with the local residents and interest groups with regard to every environmental issue they raise.

FGSZ Ltd. is continuously reducing emission levels NO<sub>x</sub> (t)



FGSZ Ltd. is continuously reducing emission levels CO (t)



We have established excellent relationships with the managers of the territories under environmental protection. We have contacted several research institutes and we have developed exemplary collaboration with their environmental protection experts. Prior to launching a project, we conduct due diligence into the values of nature in a given area, and we limit, restrict or suspend operations during periods that are especially sensitive to local flora and fauna. When dealing with an area under specific protection, we apply horizontal drilling technology instead of the traditional open ditch method when laying a pipeline. We continuously monitor the flora and fauna in the area and provide opportunities to conserve endangered species.

A good example for green rehabilitation is the 55 km long pipeline connecting Pilisvörösvár and Százhalombatta, which was designed to improve the supply of Budapest and the surrounding territories. In the course of the investment project, we considered the suggestions of the NGOs and the municipality, and we closely cooperated with the experts of the Pilis Park forest. We applied more rigorous principles for the construction than specified in the provisions of the law, and thus we managed to reduce the size of the work area in the forest. Instead of the area of the forest concerned with respect to the gas pipe – with due consideration to aspects of nature protection and with the aim of enhancing the proportion of native tree species – we planted an area of forest two and a half times the size of the original.

With regard to our latest investment project, the environmental monitoring of the territories affected by the construction of the gas pipelines connecting Hungary with Romania and Croatia is in progress.

Eliminating risks

We are continuously auditing our work safety and environmental protection performances.

In 2010 we have performed OHS (Occupational Health and Safety) and ECCS (Environment-Centred Control System) internal audits at 21 sites of

our company, in accordance with the internal audit program compiled by the SD&HSE organization.

In the course of the audits we have inspected the fulfilment of the standard requirements of environment management system ECCS (MSZ EN ISO 14001) as well as the occupational health protection and safety management system OHSAS (MSZ 28001).

Protecting the atmosphere

In the course of operating our pressure booster compressor stations, we fulfil each point of the provisions of the Directive 2003/87/EC of the European Parliament and of the Council, which establishes a scheme for greenhouse gas emission allowance trading within the Community. Due to the seasonal changes in natural gas consumption, this poses a serious professional challenge in the field of natural gas transmission.

By the optimal operation of gas compressors, our Company has significantly reduced the quantity of natural gas used for its operations.

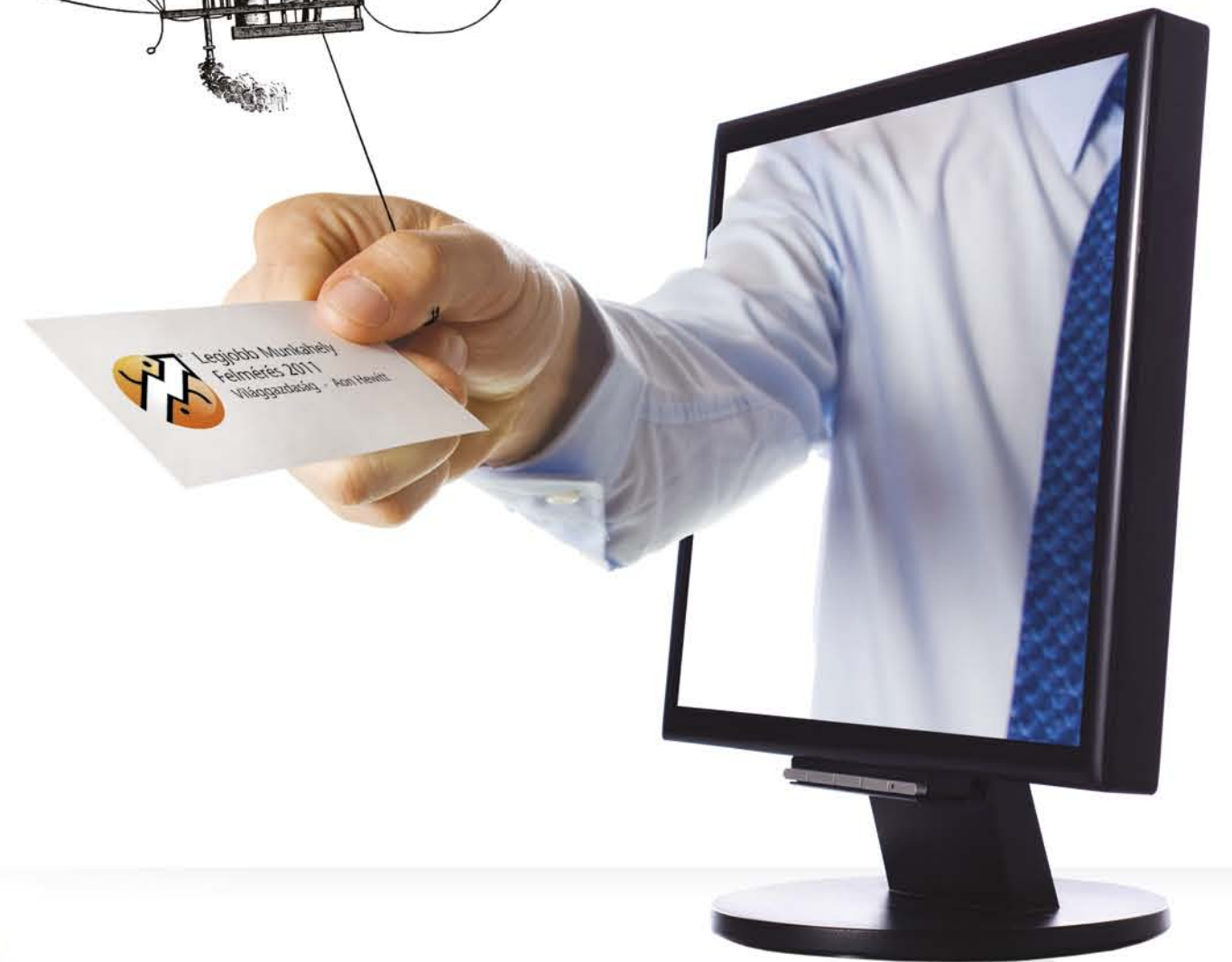
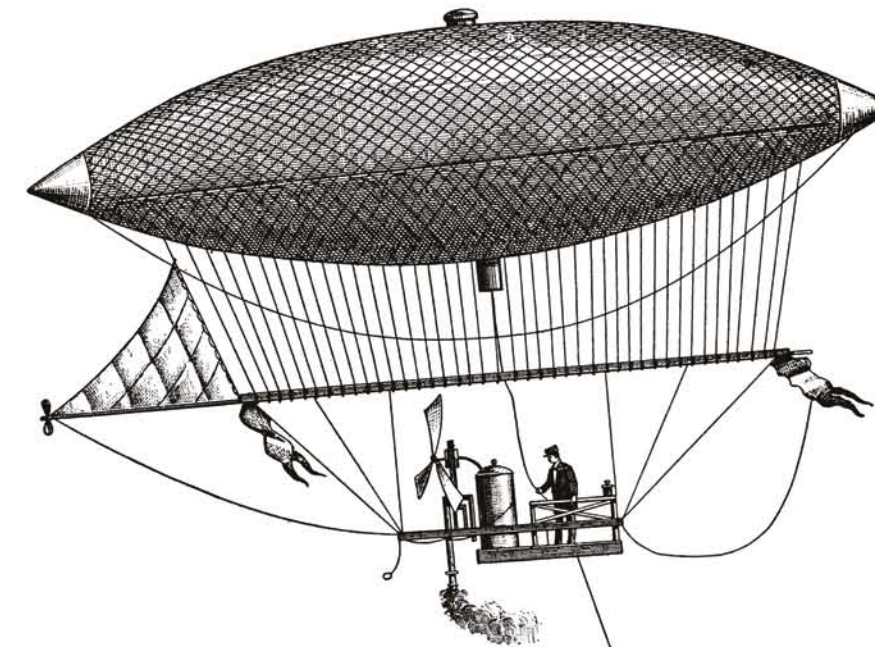
Modern noise reduction and waste management

Some of our gas transmission facilities are located in the vicinity of residential areas. We are working on ensuring that noise impact caused by them does not exceed the values acceptable to local populations.

To this end, our Company has launched a noise reduction programme. With the involvement of research institutes we are measuring the noise emissions of our facilities and we are developing technical solutions to noise reduction.

In this programme we have so far prepared noise maps of nearly 40 facilities. A specific noise reduction plan is now a mandatory part of our facility expansion and reconstruction plans. We have planned passive noise protection for those equipments and technological components of our new facilities whose noise emission exceeds 85 dB.





## THE BEST EMPLOYER\*

PROFESSIONAL KNOWLEDGE IS OUR MOST VALUABLE ASSET.  
WE ARE PROUD THAT OUR EMPLOYEES ENJOY WORKING FOR  
US, THAT THEY ARE LOYAL, AND THEY GIVE US THE BEST OF  
THEIR KNOWLEDGE DAY BY DAY.

\*FGSZ Ltd. has been awarded the Best Employer award in the Világgazdaság-Hewitt survey both 2009 and in 2010.



# Human values in the centre

**I**n order to maintain our leading position and to realise our strategic objectives – in line with our traditions – we do our best to employ the best prepared and the most committed employees. Our employees comprise a community of highly qualified, widely experienced experts with a high level of professional know-how. The added value of the unique quality they represented is a potential that can increase competitiveness even at an international level, and which provides a secure background for our Company in the realization of its strategic plans.

Our Company has always greatly emphasized the upholding and development of these values. The results achieved by FGSZ Ltd. in the year 2010 justified that these decisions were correct. We are certain that the know-how of our professional staff will be key to the future success of our Company.

## Our human resources strategy

Our human resources strategy is developed with consideration of both the challenges and requirements dictated by our operating environment and the exploitation of our employees' skills in a manner mutually beneficial to the Company and to its employees.

Our human resources policy supports our business strategy, therefore the employment, training and motivation of highly qualified employees is crucial, as it secures our position as a market leader and facilitates large scale developments.

Strategic labour force planning is of key importance: we take into consideration the signals from the labour market, the changes in vocational training and in the incentive systems.

Our integrated HR system allows for the continuous planning and evaluation of the Company's human resource management. We invest serious

efforts into the further development of this system, as we know that in this very specialised field of expertise the loyalty and responsibility of our employees are exceptionally important values. The elements of our human policy system – recruitment-selection, performance management, compensation, training-development etc. – are all built on one another. These elements, by supporting and strengthening an organic work organization, serve the more effective operation of our Company as well as the satisfaction of our clients.

## Our employees

We believe that only well-trained, committed and performance-oriented professionals can guarantee the competitiveness of FGSZ Ltd. This is why we pay attention to finding and efficiently using professional and human values in our employees. We consider particularly important organizational and individual goals, the harmony of life paths, the continuous development of labour force and a positive employee attitude. We aim to draw up predictable carrier paths and a designable future.

## Continuous development

The training, professional retraining and the finding of further educational opportunities for our employees is of great importance to us. Our employees comprise a community of highly qualified, widely experienced experts with a high level of professional know-how. More than 50% of our employees are graduates of a higher education institution, while at least 89% of them have finished secondary education.

We believe in the model of life-long learning – the updating of professional know-how and the acquisition of new competencies are basic requirements in a dynamically developing company.



## Employee satisfaction

It is the second year we have participated in Világ-gazdaság–Hewitt's Best Employer Survey. The survey series confirmed our intentions: with the help of a positive atmosphere at the workplace, good communication between managers and subordinates, a salary above the regional average, and outstanding fringe benefits, we have managed to maintain the satisfaction of our employees.

This year, as last year, we were announced winner in the category of Hungarian companies with 250-1000 employees, and have been listed for the second time as one of the best in the regional competition.

We are proud to be working with people who can rely on each other. They can rely on the support of their community, the colleagues working with them, on their family and friends and we can also rely on them at every moment of life.

 **Best Employer**  
Világ-gazdaság – Hewitt Felmérés 2010

 **Best Employer**  
Central Eastern Europe 2009/2010

 **Best Employer**  
Central Eastern Europe 2010/2011

In addition to winning the Best Employer Central Eastern Europe award twice, the fact that our Company acquired the right in 2011 to represent Hungary as a Country Representative in one of the most prestigious business competitions of Europe, at the European Business Awards, has also improved the international reputation of FGSZ Ltd.

All these results confirm the trust which ensures that both our partners and those who only know of our work from hearsay consider us as one of the most reliable companies.



## Career management

In the previous years, as part of the MOL-Group, we paid particular attention to the career management of our employees. In accordance with the amendments of the law in 2010, we set up our own, independent career management and succession planning system. The essence of this system is that we select potential candidates for leading positions and for positions of crucial importance, and we contribute to their progress with targeted developments.

## Our future employees: the future generation

Our Company keeps paying close attention to supporting and helping young people, talented in our field. We involve them in the life of our Company through grants, financial assistance and specific programs as these help them to create a social network and to broaden their knowledge.

We also support the activities of medium and high level educational establishments in order to promote innovation and the acquisition of broad professional knowledge. We have also concluded cooperation agreements with a number of schools and educational institutions. Students and undergraduates participate in internship schemes under the supervision and guidance of mentors so they may better understand our Company's core activities and operations. Students from universities and colleges also rely on the professional support of such mentors when they prepare theses related to our Company's activities. Educational institutions which provide the best specialized professional training receive financial benefits in the form of vocational training contributions.

## Attracting talent

Our Company is an attractive target on the regional labour market. Moreover, our good reputation, the opportunity for multiple paths of professional

development of FGSZ Ltd., the social network we maintain with the universities, the attractive remuneration system, and the relocation package all contribute to it.

Employee retention is supported by an atmosphere of tolerance at work, open communication, a tailor-made remuneration system, outstanding fringe benefits, as well as by the specific targeted programs. One of them is a programme in which our professional employees can undertake the completion of targeted tasks related to the strategic objectives and goals of our Company. The knowledge-based benefit system can perfectly demonstrate the commitment of our employees to personally contribute to enhancing our Company's efficient operations.

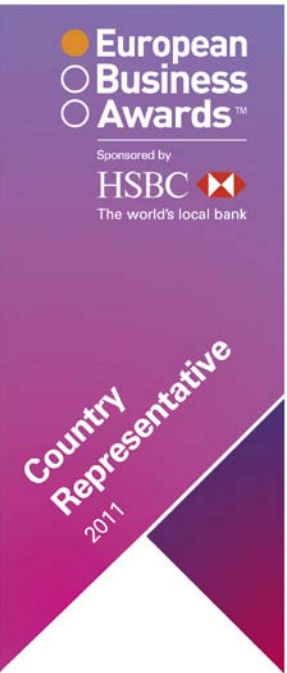
## Equal opportunities in everyday life

We provide an opportunity for all our current and future employees to fulfil their potential. Not only as a natural gas supplier on the gas market, but also during our everyday work do we focus on the creation of a discrimination-free atmosphere. In the course of recruitment and selection we apply an interview process consisting of several rounds, and our decisions with regard to remuneration are based on the rating received in the performance management system.

Our employees are given support by the long-term cooperation with the representatives of the stakeholders, and this relationship is based on a partnership attitude.

## Independence and the new organizational structure

From the beginning of 2010, our Company has been operating on the basis of a new model: our activities, developments, internal processes, and sources for purchasing have become completely independent from the parent company.



New organizational units have been formed at our company, and parts of the existing ones have been considerably transformed. We have renewed the management model and the number of our employees has increased by 30%.

In the course of the reorganization we focused on improving the efficiency of our Company and on maintaining both high quality professional work and our market position.

## Healthy work conditions

One of the most important elements of our strategy concerning occupational health, safety and the protection of the environment is the maintenance and protection of the health of our employees.

In addition to the mandatory medical services, we have introduced several prevention-oriented health promotion programs. Among others, we provide health care consultation and information services, optical screening tests, and vaccination

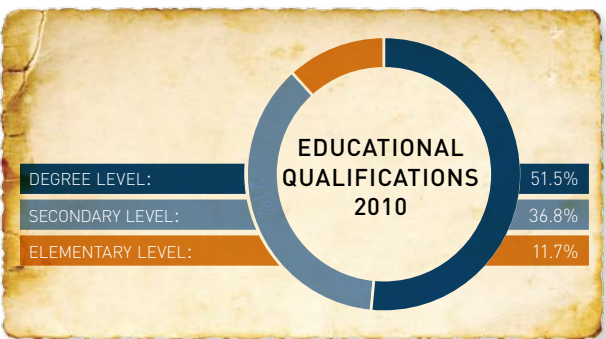
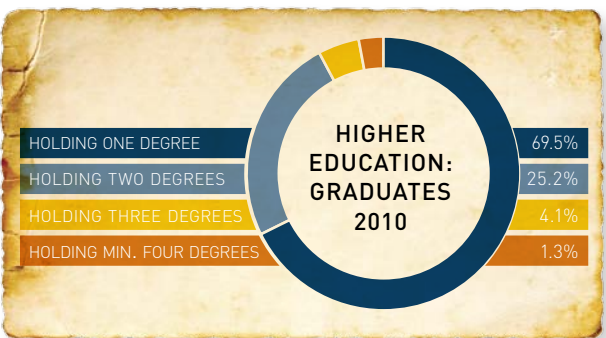
against Lyme disease – which is transmitted by deer tick – to our employees and we also promote their healthy life style.

## Quality is first

Since 1997, our Company has been operating a quality assurance system in compliance with the ISO 9001 standards, which has been audited by a certifying agency. The certifying agency is SGS, which is widely recognized in the international oil and gas sector, and its Hungarian subsidiary is SGS Hungária Plc. The operation of the quality assurance system is audited by SGS every six months, whereas audits by the Mining Bureau of Hungary are performed once a year.

In accordance with this, the audit of the renewal of the quality management system was closed successfully in 2010.

### Qualifications held by the employees of FGSZ Ltd.







WE CREATE VALUE



# In harmony with our environment

Apart from promoting business profitability and the protection of health and the environment, FGSZ Ltd. also participates in professional initiatives and in the representation of the interests of the stakeholders. We consider it our main task to actively participate in and professionally assist initiatives with the purpose of creating the modern framework for the domestic gas market. Therefore we have participated in the work of the most important social organization in the domestic gas market – the Hungarian Gas Association – from the beginning, and promoted our own initiatives to create social and market value which we hope will support the stability and transparency of the domestic gas industry.

Apart from the professional social participation, we focus on supporting the valuable creative and artistic activities of the local communities. We are aware that a company can only remain successful permanently if it promotes the success of the social environment in which it operates as far as it is possible for them. Considering that the basic activity of our Company is characterized by co-operation and by the transmission of values, we rely on this framework when defining our social responsibilities. Apart from the responsibility we are also pleased and honoured to be able to contribute to preserving and creating values which serve the development of our social environment.

## In cooperation with the Hungarian Gas Association

The Hungarian Gas Association (HGA) has been supporting the maintenance of the security of Hungarian gas supply and provision of continuous service to our customers, as well as the improvement of the quality of the service ever since its establishment.

The HGA represents the entire sector and it regularly initiates and supports all legal amendments with respect to the business processes of the natural gas market, with the aim of making them predictable and transparent.

FGSZ Ltd. joined the Hungarian Gas Association in 2008. The Chief Executive Officer of FGSZ Ltd. is responsible for the operative work of the HGA as a member of the Board of Directors from 2008, as a Vice President from 2010 and he has been the Chairman of the Board since May 2011.

The experts of FGSZ Ltd. participate in the work of several committees. In 2010, three new sub-committees were established apart from the existing Public Utility Service, Legal and Human Policy committees. These focus on specialized professional areas (information exchange between market players, switch to MJ-based settlement, supervision of profiling) with the cooperation of the experts of FGSZ Ltd.

The results of the discussions in the committees are reflected in the Business and Commercial Code, to which FGSZ Ltd. is liable, in accordance with the effective legal rules and regulations. The Code includes the professional suggestions of the market players which are based on consensus and which are debated during the work of the HGA.

## The Business and Commercial Code is continuously updated

In accordance with the provision of the Gas Supply Act, our Company as system operator is obligated to draw up and continuously update the regulations, procedures and methods with respect to the cooperating natural gas system. This includes the minimal content elements of the commercial, settlement-measurement and data exchange agreements, as well as the Business and Commercial Code (BCC), which includes the detailed rules of access to the system.



## IN THE COURSE OF THE CONSTRUCTION OF THE NEW COMPRESSOR STATION WE WERE PLEASED TO HELP THE COMMUNITY OF THE VILLAGE OF BÁTA IN THE CREATION OF A MODERN OUTDOOR RECREATION CENTRE.

With respect to the fact that the BCC is one of the most important, essential systems of rules regulating the daily operation of the natural gas system, FGSZ Ltd. particularly emphasises and spends a lot of energy on updating the Code. This is essential for the fulfilment of the criteria of safe gas supply.

The Code has been modified on three occasions – partly due to the changing legal provisions, and partly due to changing market processes.

The Business and Commercial Code is expected to be further supplemented in 2011. The annual mandatory audit which is to be completed before October may contribute to the modification of the

Code by adding the latest experiences of market operation, while the already approved 3<sup>rd</sup> Energy Package of the European Union will necessitate the modification of the domestic legal environment.

The due modifications of the BCC will take place with the involvement of the market players and with the cooperation of the Code Committee composed of the delegated members of the licensees, which was established as a forum for formulating opinions.

## In the service of culture

For our Company, the preservation of cultural values is of primary importance.

The priority cultural project of the year 2010, which took place exclusively with our support, was the opening of a unique archaeological travelling exhibition. The collection titled "Pipe archaeology" was compiled from the archaeological findings at the construction projects designed to expand import capacity, with the help of museum experts. The



exhibition was first shown at Siófok on 15 January 2010, and was transported to Szeged, Kecskemét and Nyíregyháza; after being shown in Eger it will arrive in Debrecen in the autumn of 2011.

The exhibition series was realized with the cooperation of FGSZ Ltd., of the four county museums performing the excavations along the track of the pipelines – the Déri Museum in Debrecen, the Móra Ferenc Museum in Szeged, the Katona József Museum in Kecskemét, and the Jósza András Museum in Nyíregyháza – as well as with the help of some of the professional units of the National Office for the Protection of Cultural Heritage.

## Improving local social relations

As in the past, we are aiming in the future for a balanced partnership with the settlements on our operational territories.

During the Hungarian-Croatian connecting gas pipeline investment project we have become acquainted with the residents of the village called Báta. The compressor station under construction at the border of the village is one of the crucial facilities of the domestic high-pressure gas pipeline system. We were pleased to help the community of Báta to make their dream come true: the construction of a modern outdoor recreation centre and a safe football ground that could serve the needs of the residents at a high quality.

The cooperation that was required to realize the initiative which invigorated the life of the village was exemplary. The site was provided by the local municipality. Both the Union for the Young at Báta and FGSZ Ltd. have actively participated in the execution of the project, and our Company also contributed to the cost of the sports ground. Our employees helped in the work required for the sports ground in the construction of the rubber brick surface, of the barbecue place, in the building and painting of the spectators' terrace and the fence, and we also paid attention to landscape gardening: we planted saplings and flowers to make the whole area more decorative.







ON THE RISE



# Financial and operational performance

## Changing regulatory environment, successful operations

In 2010, FGSZ Ltd. reported an operating profit of HUF 42.0 bn and profit after tax of HUF 25.2 bn.

The significant increase in operating profit and profit after tax was due to several factors. One of the significant factors was that the regulated rate of return specified in the legal regulations grew from 6.9% to 8.78% (27.2%), which induced a considerable increase of the tariff. This, however, was significantly reduced by the freeze on natural gas transmission tariffs in the second half of the year. The other significant factor was the considerable reduction in 2010 of the costs of financing – that had increased due to the economic crisis in 2009 – and which in turn led to a rise in profit after tax. Moreover, the costs of the company – in accordance with the objectives designed to improve efficiency – remained below the cost level of 2009.

This growth of the profit is apparently in contradiction with the considerable reduction of revenues. The reason for this is the particularity of the regulatory environment with respect to the gas industry. Our Company has a legal obligation to maintain the balance of the source-consumption of gas, which is ensured by the so-called sale and purchase of balancing gas. The company is not permitted to realize profit on this transaction. Due to the gas crisis in January 2009, securing the balance was only possible by a significant turnover in balancing gas, however, this gas turnover decreased in 2010. These events are reflected in the decrease of the revenue and – parallel to this – of the cost of goods sold.

## Investments supporting our strategic targets

The main balance sheet total increased by HUF 59,9 bn (19.2%) mostly as a result of projects that supported the achievement of the strategic targets of the Company.

## Movements of capital aimed at optimizing our financing structure

Unchanged in volume, the proportion of equity within total assets decreased from 36.7% to 31.2%. This is primarily due to the increase in external sources required to optimize the financing structure of strategy driven investments. Dividends to be paid increased significantly (by 23.7% or by HUF 4.6 bn) compared to the previous year.

## Investments, higher loan volume

While the parent company loan decreased by HUF 41.4 bn, from HUF 121,7 bn to HUF 163.1 bn due to the financing of strategic investments, an additional revolving bank credit of HUF 10 bn was drawn down by our Company with the aim of optimizing the financing of business operations.

We spent HUF 70,9 bn on investments in 2010. The investments included the construction of international inter-connections (Croatian-Hungarian) in line with its strategy, as well as the reconstruction of the existing system.

# THE BUSINESS ENVIRONMENT

## Determining factors

The changes in the domestic, international and regional economic environment made a significant impact on the business and financial performance of FGSZ Ltd. in 2010. The level of regulatory risk of the Company increased. Parallel to this, the financing difficulties resulting from the economic crisis decreased considerably, and the regional positions of the company remained stable.

## Stable demand

In Hungary, growth in natural gas consumption and consequently growth in domestic gas transmission volume has come to a halt in the current structure; demand has stabilized or is showing a decrease. Reasons for this include higher domestic natural gas prices which led to energy saving, prevailing weather conditions during the year and saturation of the natural gas market.

The expansion of the domestic market and the acquisition of new consumers have been made possible in the short term by the development of a new market structure supported by gas market liberalization, and in the medium term by the further expansion of the economy and the construction of natural gas-fired power plant capacities. The company has supported these processes by developing the infrastructure.

## Strategic objectives

Economic developments in the Balkan region and its integration into the integrated European gas transmission system – which has partly been realized – may be the keys to expanding the regional market in the medium term. On the longer, strategic horizon the establishment of East-West and North-South transit transmission corridors offer exploitable market opportunities.

The Company started, in line with its strategic goals, to implement a pro-active market develop-

# THE CONTRIBUTION OF VARIOUS ACTIVITIES TO OPERATING PROFITS

## Stable management

The Company's operating profits in 2010, and within them a variety of activities related to various business units, were also affected by changes in the domestic regulatory environment and by changes on the domestic and regional markets. Swift adjustment to these changes enabled us to maintain sound management and profitable operations in 2010.

## Profitable operations

The contribution of domestic transmission to operating profits in 2010 did not reach the rate of return permitted by legal regulations. The reason for this is the freeze on tariffs imposed by the authorities in July 2010. The reduction was partially offset by measures taken by the company to cut costs and to improve efficiency.

The profit-generating abilities of other operations produced higher yields than those from regulated activities, thus improving Company profitability.



Data in accordance with the Hungarian Accounting Standards (HAS)

	2009 (billion HUF)	2010 (billion HUF)	2010/2009 (%)
Net sales revenues	151.535	131.715	86.9
Operating profit	38.540	41.986	108.9
Profit after taxation	19.414	25.315	130.4

ment policy in the region. It realized the physical inter-connection of the Hungarian gas transmission system with the Romanian and Croatian natural gas transmission networks and is also involved in negotiations regarding construction of inter-connections with Slovakia and Slovenia.

Business activity  
operating profit components

As a result of the Company sales revenues and expenditure, our business operations showed a profit of HUF42.4 bn.

Net Company sales revenues derived from 18.7 m3 in gas transmission (calculated at 15°C) as well as gas transactions required to maintain the equilibrium of the system.

Profit from financial transactions in 2010 was HUF -14.9 bn, mainly accounted for by the interest paid on the parent company loan (HUF 12.9 bn) on the one hand, and by the interest paid on the bank loan (HUF 2.5 bn) on the other. External sources of funding were included at the beginning of the year.

Extraordinary profits were the result of settlement of assets transferred free of charge, in accordance with the Accounting Act. The amount deriving from it was not a determining factor in the profits realized by the Company in 2010.

As a result of the business operations, the financial transactions and the extraordinary profit, Company profit before tax totaled HUF 27.3 bn in 2010.

The effects of items adjusting the tax base were significant, and basically arose from differences in depreciation rates of pipelines as specified by the accounting and tax acts.

The Company’s actual tax rate payable in 2010 was 7.3% and the Company did not make use of any tax allowances.

After its 2010 business performance, the Company forecasts the decline of the current level of economic indicators, in accordance with statutory price regulations effective as of December 2010.

FGSZ Ltd. will counterbalance the negative impact of the regulatory processes and the economic environment by further increasing internal efficiency. As a result of this, the level of attainable profit is expected to return to the level specified by the regulations.

The Company will continue to make efforts to pursue its strategic regional goals in order to meet the shareholders’ expectations.

OTHER EFFICIENCY INDICATORS

Positive cash flow

The Company had a positive operating cash flow. The amount was significant enough to provide sufficient funds to repay installments on principal and interest payable on the parent company loan and external bank loans, as well as for other cash flow elements.

15.75% ROACE

The return on average capital employed, the capital efficiency indicator calculated on operating profits (ROACE), was 15.75%. This figure was higher than the return on assets before taxation recognized for domestic transmission, due to a higher return on other activities.

43.8% EBITDA

Among indicators measuring the efficiency of business operations, our EBITDA rate was 43.8%, which shows high operating profitability for the 2010 business year. The indicator for 2010 also shows the aggregated effect of profits recognized by regulations and of depreciation.

OTHER KEY INFORMATION REGARDING  
OPERATIONS

Sustainable development

FGSZ Ltd. achieves business successes with sustainable development in mind. We take special care to minimize the impact of our operations on the natural environment. The same principles guide us in the development, operation and main-

tenance of the gas transmission system. We focus particularly on landscape rehabilitation following construction works and developments, and on minimizing the pollution (primarily CO2) emitted by compressors and gas loss.



# Consolidated financial statements

Assets	2009 (HUF million)	2010 (HUF million)	2010/2009 (%)
Non-current assets	289,724	344,359	118.9
Intangible assets	2,785	3,635	130.5
Tangible fixed assets	286,934	340,719	118.7
Financial assets employed	5	5	-
Current assets	21,629	26,866	124.2
Inventories	2,123	2,551	120.2
Trading receivables	11,932	17,285	144.9
Securities	0	0	-
Cash and cash equivalents	7,574	7,030	92.8
Prepaid expenses	648	713	110.0
Total assets	312,001	371,938	119.2

Liabilities	2009 (HUF million)	2010 (HUF million)	2010/2009 (%)
Equity	114,537	115,862	101.2
Share capital	18,823	18,823	-
Retained capital	64,766	64,766	-
Balance sheet earnings	14	1,315	9392.9
Provisions	2,725	3,204	117.6
Liabilities	186,568	242,615	130.0
Deferred liabilities	0	0	-
Long-term liabilities	143,620	189,556	132.0
Short-term liabilities	42,948	53,059	123.5
of which, current liabilities from affiliated companies	25,326	25,723	101.6
Accrued expenses	8,171	10,257	125.5
Total liabilities	312,001	371,938	119.2

Profit and Loss Account	2009 (HUF million)	2010 (HUF million)	2010/2009 (%)
Net domestic sales revenues	135,505	113,744	83.9
Net export sales revenues	16,030	17,971	112.1
Net sales revenues	151,535	131,715	86.9
Capitalized own performance	2,556	216	8.5
Other revenues	1,631	1,348	82.6
Materials expenditure	91,613	64,745	70.7
Personnel expenditure	5,641	6,812	120.8
Depreciation	14,404	15,643	108.6
Other expenditure	5,524	4,093	74.1
Operating profit	38,540	41,986	108.9
Financial transaction revenues	1,525	1,478	96.9
Financial transaction expenditure	18,766	16,346	87.1
Of which: interests payable to affiliated companies and interest-type costs	17,647	12,940	73.3
Financial transaction profit	-17,241	-14,868	86.2
Ordinary business activity profit	21,299	27,118	127.3
Extraordinary profit	203	189	93.1
Profit before tax	21,502	27,307	127.0
Tax payable	2,088	1,992	95.4
Profit after tax	19,414	25,315	130.4
Approved dividend, profit sharing	19,400	24,000	123.7
Balance sheet earnings	14	1,315	9392.9

Cash flow	2009 (HUF million)	2010 (HUF million)	2010/2009 (%)
Profit before tax	21,502	27,307	127.0
Operating cash-flow	41,894	37,631	89.8
Invested cash flow	-34,843	-60,479	173.6
Financing cash flow	316	22,304	7058.2
Change in cash and cash equivalents	7,367	-544	-7.4



# INDEPENDENT AUDITOR’S REPORT



This is a translation of the Hungarian Report

## Independent Auditors’ Report

To the shareholder of FGSZ Földgázszállító Zártkörűen Működő Részvénytársaság

1.) We have audited the accompanying 2010 annual financial statements of FGSZ Földgázszállító Zártkörűen Működő Részvénytársaság (“the Company”), which comprises the balance sheet as at 31 December 2010 - showing a balance sheet total of HUF 371,938 million and a profit for the year of HUF 1,315 million, the related profit and loss account for the year then ended and the summary of significant accounting policies and other explanatory notes.

2.) We issued an unqualified opinion on the Company’s annual financial statements as at 31 December 2009 on 19 April 2010.

### Management’s Responsibility for the Financial Statements

3.) Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Hungarian Accounting Law and generally accepted accounting principles in Hungary. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

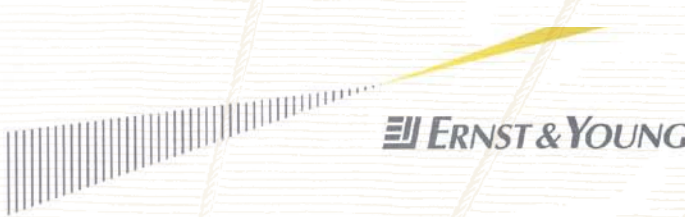
### Auditor’s Responsibility

4.) Our responsibility is to express an opinion on these financial statements based on the audit and to assess whether the business report is consistent with the financial statements. We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

5.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our work regarding the business report is restricted to assessing whether the business report is consistent with the financial statements and does not include reviewing other information originated from non-audited financial records.

6.) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

A member firm of Ernst & Young Global Limited



### Opinion

7.) We have audited the elements of and disclosures in the annual financial statements, along with underlying records and supporting documentation, of FGSZ Földgázszállító Zártkörűen Működő Részvénytársaság in accordance with Hungarian National Auditing Standards and have gained sufficient and appropriate evidence that the annual financial statements have been prepared in accordance with the Hungarian Accounting Law and with generally accepted accounting principles in Hungary. In our opinion the annual financial statements give a true and fair view of the equity and financial position FGSZ Földgázszállító Zártkörűen Működő Részvénytársaság as at 31 December 2010 and of the results of its operations for the year then ended. The business report corresponds to the disclosures in the financial statements.

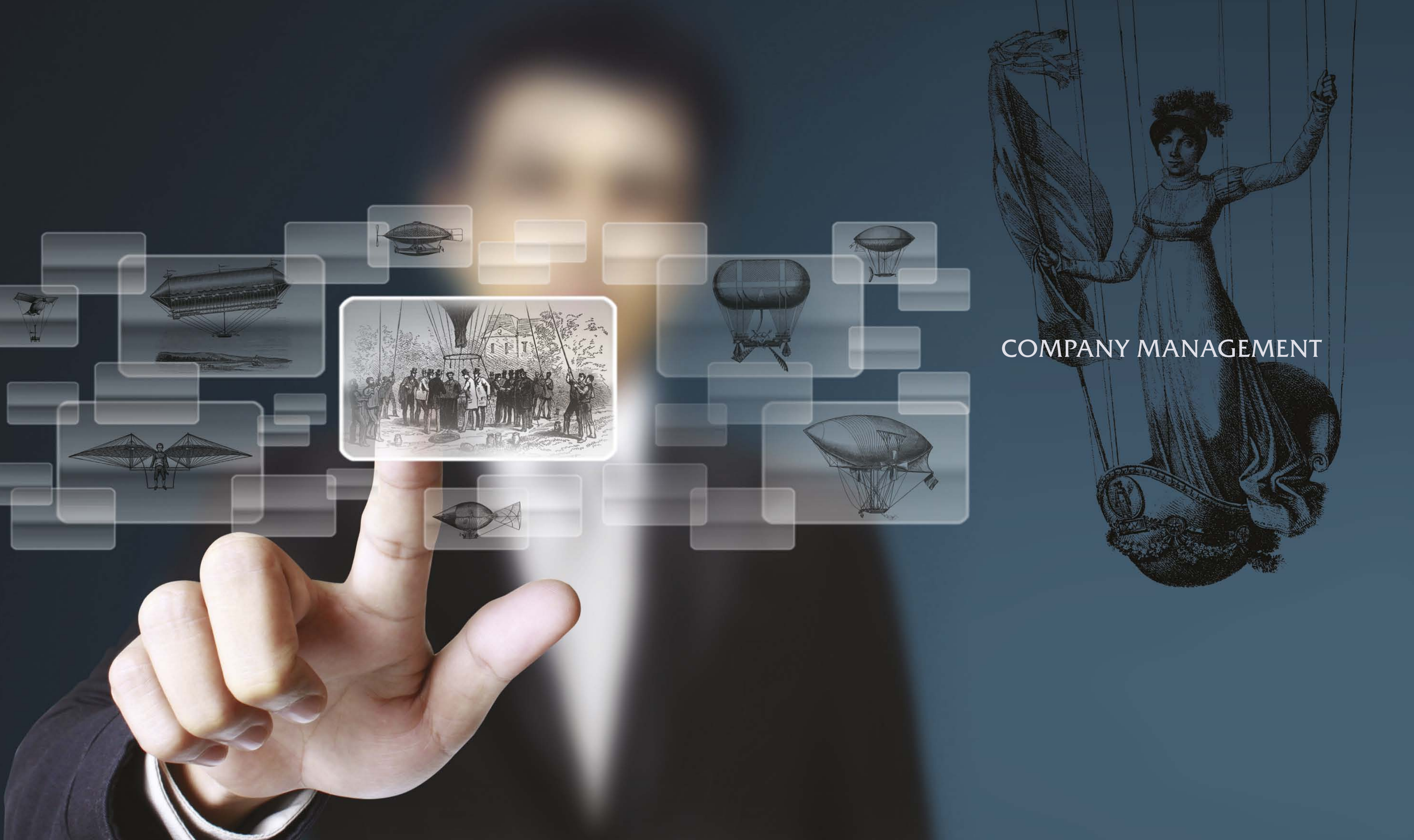
Budapest, 4 April 2011  
except for the effect of the dividend in the amount of HUF 24,000 million approved at the shareholders’ meeting relating to the year ended 31 December 2010, which is dated 13 May 2011.

(The original Hungarian language version has been signed.)

Ernst & Young Kft.  
Registration No. 001165

Hajbin Tímea  
Registered Auditor  
Chamber membership No 005429





COMPANY MANAGEMENT





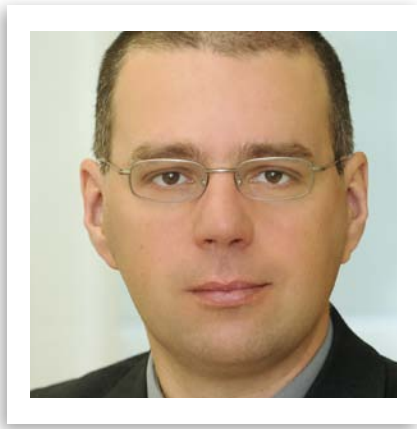
# Board of Directors and Supervisory Board

## BOARD OF DIRECTORS



### Dr. János Zsuga

Graduated from the University of Miskolc with a degree in gas engineering; earned his Ph.D. at the Sámuel Mikoviny School for Post-graduate Studies, University of Miskolc; the University Senate later granted him the title of honorary associate professor. 1994–1999, technical engineer at the MOL Crude Oil & Natural Gas Transportation Business Unit; 1999–2000, head of the MOL Natural Gas Transmission Business Unit’s trade dispatcher service; 2001–2003, head of System Management & Gas Transmission at MOL’s Natural Gas Transportation Business Unit and then, from December 2003, appointed Chief Executive Officer of MOL Natural Gas Transmission Ltd.



### Balázs Sándor

Graduated from the University of Miskolc as MS gas engineer. Obtained a post graduate MBA at Budapest University of Technology and Economics. He has been working for MOL Group for the natural gas business in several positions since 1996. Technology engineer MOL Crude Oil and Natural Gas Transmission Branch until 1999, between 2000–2003 expert at MOL Plc. Natural Gas Division Planning-Controlling, and participates actively in the elaboration of the natural gas industry regulation effective as of January 2004. Director of Business Management and Support of the newly established MOL Natural Gas Transmission Ltd. between 2004–2007, and Chief Financial Officer of the Company from 2008 till 1 September 2011.



### Csaba Juhász

Degree earned in gas engineering; has worked in the gas industry since 1989 for MOL Natural Gas Transmission Plc’s predecessors; 1989–1994, technical engineer at the Algyő Plant, then head of the Kecskemét Transmission branch office, 1994–2003; since 2003, has been Director of Operations; since January 2010 Head of Corporate Services, from 1 August 2011 the Director of Information and Communications Technology.

## SUPERVISORY BOARD

### József Molnár

Member of the MOL Board of Directors since 12<sup>th</sup> October 2007. MOL Group Chief Executive Officer since 1<sup>st</sup> May 2011. From 1978 to 2001, Mr Molnár held various management positions at Borsod-Chem Plc, including Head of Pricing Department from 1982 to 1987, and Head of Controlling Department from 1987 to 1991. Between 1991 and 2001, as Chief Financial Officer and first deputy to the CEO, he contributed to the crisis management and reorganisation of the company, and later to the creation of its vision, and subsequent privatisation. He played a key role in the stock exchange listing of Borsod-Chem shares. He was CEO of TVK between 2001 and 2003, MOL Group Planning & Controlling Director in 2003 and 2004, and from 2004 until his appointment as Group CEO in May 2011, he was the Group CFO of MOL Group. Between 2004 and 2008 a Board member of Slovnaft a. s. Between April 2001 and April 2011, he has been a Board member of TVK, and he has also been a member of INA Supervisory and Audit Committee since April 2010.

### Péter Ratatics

Director of Corporate Centre of MOL Hungarian Oil and Gas Plc. Graduated from Corvinus University Budapest in 2006. Started as Gas Trading and Business Development expert, then Head of Executive Board Advisory team till 2009. Between 2009–2010 Head of the Organizational Development and Process Management, and then in 2010–2011 Head of Management Services. From 1 May Director of Corporate Centre of the MOL-Group and elected as member of the Supervisory Board of FGSZ Ltd. and on 25 May he was elected Vice Chairman of FGSZ Ltd.

### Dr. Pál Kara

Director of Legal Department at MOL Plc. Earned his degree at ELTE University of State & Legal Sciences in 1994 (summa cum laude); Employed at GE Lighting Tungsram Co. as company secretary until May 1997, then as legal expert in procurement and marketing; between 1997 and 2001, Head of HR and

Law Department at METRO Holding Hungary Marketing Ltd; from 2001, legal counsel to MOL Co., then Director of Legal Department at MOL Plc; since 1 June 2006, Member of the Trustees of the National Marketing Association (OKSZ); MOL Council of Ethics; Supervisory Board of FGSZ Natural Gas Transmission Ltd.; Chairman of the Supervisory Board of the New Europe Foundation since September 2006.

### Gabriel Szabó

MOL Group Corporate Services Vice President since 1 January 2010. Graduated from the Faculty of Economy and Business at the University of Economy in Bratislava in 1999. Sales Manager of Kovohuty Krompachy in 2000, then joined MOL Group subsidiary Slovnaft as resource allocation economist in 2001. Between 2002 and 2006 worked as Director of Finance and Accounting of Slovnaft subsidiary S-MAO. Between 2006 and 2009 Manager of Corporate Services of Slovnaft, in 2009 Procurement Sector Director of INA. Slovak citizen.

### István Zsíros

Joined the company in 1983, working at MOL Natural Gas Transmission Plc., Miskolc and its legal predecessors, transmission branch; 1993, degree in electrical engineering; 2003, degree in engineering-cum-economics; 2004, member of the Supervisory Board of MOL Natural Gas Transmission Plc., as employee delegate; since 18 June 2007, member of MOL Group European Workers Council; since 2008, President of FGSZ Ltd. Workers Council.

### Gábor Fett

Since 1995 has held various engineering positions at MOL Natural Gas Transmission Plc., Kápolnásnyék Transmission branch office and its predecessors; 2004, head of the Technical Supervision Unit; currently, Technical Supervision Unit Manager and deputy to the Technical Director at Kápolnásnyék branch office; 1999, member of the “Unity” Trade Union and its legal predecessor, which delegated him to the Supervisory Board when Natural Gas Transmission Ltd. was established; member of the Supervisory Board as employee delegate, since 2004.



# Contact information

FGSZ Ltd. operates a Customer Service Office for its contractual partners.

Should you have any queries related to the use of natural gas transmission and system operation services, please do not hesitate to contact us.

## Customer Service Office

**SEAT:** 8600 Siófok, Tanácsház u. 5, 1<sup>st</sup> floor, room 3.

**POSTAL ADDRESS:** 8601 Siófok, Pf. 102

**TELEPHONE:** +36 (84) 505-117

**TELEFAX:** +36 (84) 505-592

**E-MAIL:** info@fgsz.hu

### OPENING HOURS:

Tuesday, Thursday: 13.00–16.00

Monday, Wednesday, Friday: closed

The Information Office will reply to queries related to pipeline construction projects and other issues related to Company activities.

## Information office

**SEAT:** 8600 Siófok, Tanácsház u. 5, 1<sup>st</sup> floor, room 3.

**POSTAL ADDRESS:** 8601 Siófok, Pf. 102

### OPENING HOURS:

Tuesday, Thursday: 7.30–10.00

Monday, Wednesday, Friday: closed

The dispatcher service should be contacted about day-to-day operational issues (24-hour service) through the following contact points.

## System operations – Dispatcher Centre

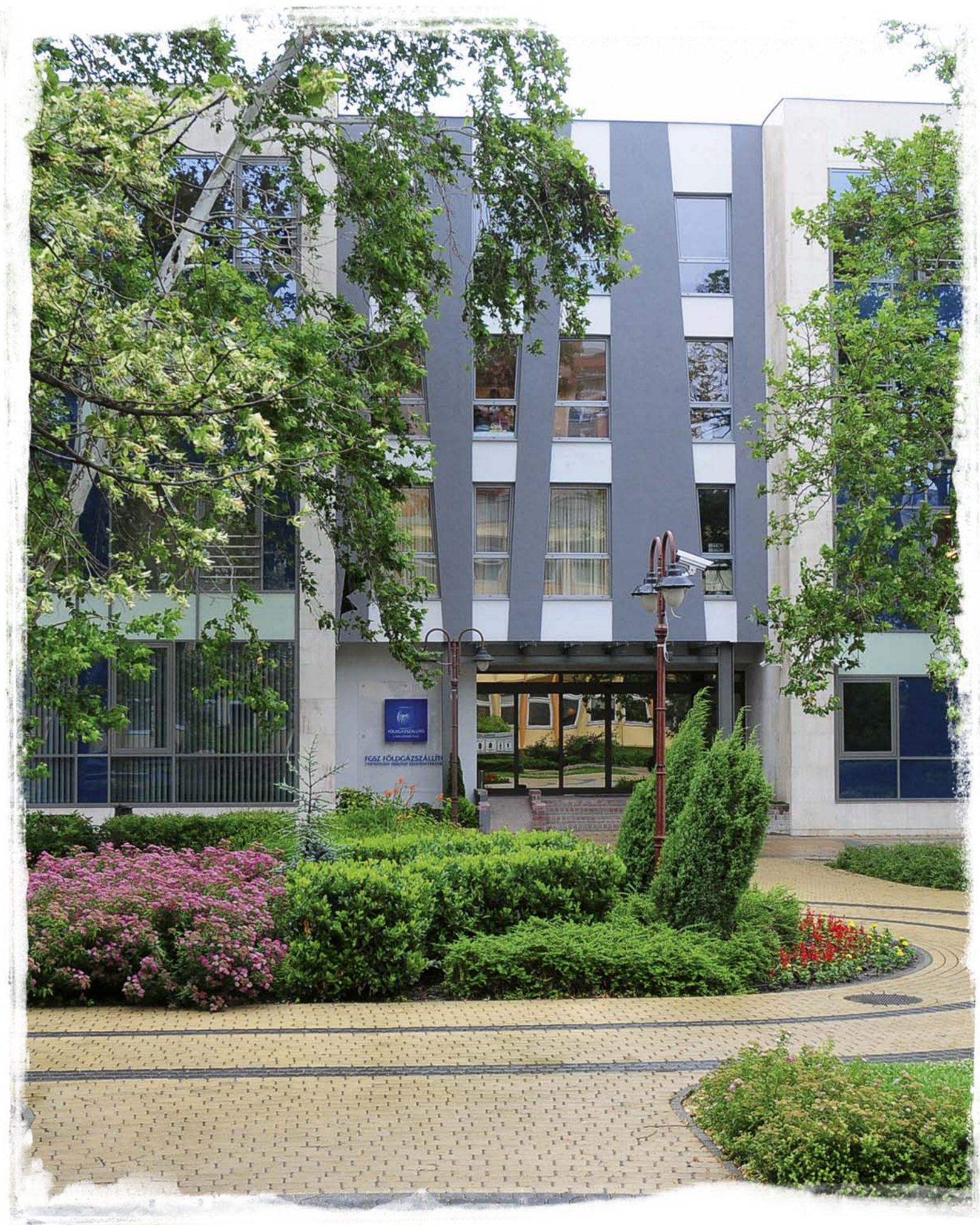
**TELEPHONE:** +36 (84) 505-777

**TELEFAX:** +36 (84) 505-217

**E-MAIL:** fri@fgsz.hu

The website of our company is accessible at [www.fgsz.hu](http://www.fgsz.hu)

The data in the publication reflect the state of affairs as of 1 October 2011.







NATURAL GAS TRANSMISSION  
MEMBER OF THE MOL GROUP

w w w . f g s z . h u