# 2015 First Half-year Report of MOL Group

# 2015 FIRST HALF-YEAR REPORT OF MOL

MOL Hungarian Oil and Gas Plc. (Reuters: MOLB.BU, MOLBq.L, Bloomberg: MOL HB, MOL LI; homepage: www.mol.hu/en), today announced its 2015 second quarter and first half-year report. Pages 15-35 of this report contain a set of unaudited interim condensed consolidated financial statements for the six month period ended 30 June 2015 as prepared by the management in accordance with International Financial Reporting Standards.

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# MOL Group financial results

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | (IFRS), in HUF billion | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 921.9 | 1,129.2 | 1,232.2 | (8) | Net sales revenues | 2,353.0 | 2,051.1 | (13) |
| 138.5 | 195.4 | 99.1 | 97 | EBITDA | 213.3 | 333.9 | 57 |
| **138.5** | **195.4** | **96.4** | **103** | **EBITDA excl. special items**[1] | **197.9** | **333.9** | **69** |
| **154.1** | **179.5** | **95.1** | **89** | **Clean CCS-based EBITDA** [1] [2] [15] | **199.6** | **333.6** | **67** |
| 64.6 | 110.8 | 32.7 | 236 | Profit from operation | 79.1 | 175.3 | 122 |
| **64.6** | **110.8** | **30.0** | **267** | **Profit from operation excl. special items**[1] | **63.7** | **175.3** | **175** |
| **80.1** | **94.9** | **28.7** | **231** | **Clean CCS-based operating profit** [1] [2] [15] | **65.4** | **175.1** | **168** |
| 57.3 | 10.3 | 11.4 | (9) | Net financial expenses/(gain) | 31.5 | 67.6 | 115 |
| **9.1** | **62.7** | **24.0** | **161** | **Net profit for the period attributable to equity holders of the parent** | **44.9** | **71.7** | **60** |
| 125.5 | 187.4 | 101.9 | 84 | Operating cash flow before ch. in working capital | 201.5 | 312.9 | 55 |
| 57.6 | 124.6 | 129.4 | (4) | Operating cash flow | 141.1 | 182.2 | 29 |
| | | | | **EARNINGS PER SHARE** | | | |
| 79 | 661 | 245 | 170 | Basic EPS, HUF | 454 | 742 | 63 |
| 79 | 661 | 233 | 184 | Basic EPS excl. special items, HUF | 302 | 742 | 146 |
| | | | | **INDEBTEDNESS** | | | |
| 1.41 | 1.18 | 1.01 | 17 | Simplified Net debt/EBITDA | 1.01 | 1.18 | 17 |
| 21.8% | 21.4% | 18.4% | | Net gearing[22] | 18.4% | 21.4% | |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | (IFRS), in USD million | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 3,355 | 4 078 | 5 523 | (26) | Net sales revenues | 10,510 | 7,433 | (29) |
| 503 | 705 | 444 | 59 | EBITDA | 952 | 1,208 | 27 |
| **503** | **705** | **432** | **63** | **EBITDA excl. special items**[1] | **884** | **1,208** | **37** |
| **561** | **648** | **427** | **52** | **Clean CCS-based EBITDA** [1] [2] [15] | **892** | **1,209** | **36** |
| 234 | 400 | 147 | 172 | Profit from operation | 353 | 634 | 80 |
| **234** | **400** | **135** | **196** | **Profit from operation excl. special items**[1] | **285** | **634** | **123** |
| **292** | **343** | **129** | **166** | **Clean CCS-based operating profit** [1] [2] [15] | **293** | **635** | **117** |
| 207 | 38 | 51 | (25) | Net financial expenses/(gain) | 141 | 245 | 74 |
| **33** | **225** | **108** | **108** | **Net profit for the period attributable to equity holders of the parent** | **200** | **258** | **29** |
| 456 | 682 | 457 | (35) | Operating cash flow before ch. in working capital | 900 | 1,135 | 25 |
| 210 | 450 | 564 | (53) | Operating cash flow | 581 | 661 | 12 |
| | | | | **EARNINGS PER SHARE** | | | |
| 0.3 | 2.38 | 1.10 | 116 | Basic EPS, USD | 2.12 | 2.75 | 30 |
| 0.3 | 2.38 | 1.05 | 127 | Basic EPS excl. special items, USD | 1.50 | 2.75 | 84 |

[1] *Special items of operating profit, EBITDA are detailed in Appendix II. and IV.*
[2] [4] [15] [22] *Please see Appendix X.*

***Zsolt Hernádi, MOL Chairman & CEO, comments:***

"MOL Group delivered its best ever quarterly results. We expect to significantly exceed our previous expectations and surpass our 2015 clean EBITDA target by 10%, reaching a level around USD 2.2bn and matching our 2014 performance. This is a great achievement in light of on-going weakened oil prices and demonstrates the strength of our integrated business model.

We are proud of our Downstream team, which delivered its best ever results. This shows that we are well-placed to benefit from the present opportunities in the downstream sector and also reflects the successful implementation of our efficiency enhancement measures.

Meanwhile, in order to ensure efficient capital allocation we have further scrutinized potential spending. Currently we expect around USD 1.3bn organic investment in 2015. We will maintain our excellent free cash flow generation and strong financial position, which is a key advantage in the current volatile environment"

## *Second quarter 2015 results*

**In Q2 2015, MOL Group generated a clean CCS EBITDA of HUF 180bn (or USD 648mn) which is the best ever result by the Group. The Downstream business contributed more than two-thirds to the corporate clean CCS EBITDA supported by the exceptional external environment.**

**Upstream EBITDA, excluding special items dropped by HUF 7bn compared to the previous quarter. Although oil prices recovered somewhat from Q1 lows, natural gas price came under pressure due to the time lag applied in pricing as well as reduced regulated gas prices in Croatia. One-off items such as impairments in Egypt also impacted the current quarter in a negative way. In terms of production the segment delivered flat result, as Kurdistani and North-Sea barrels replaced diminishing Hungarian and Croatian contribution.**

**Downstream delivered by far its strongest ever quarterly result. Clean CCS EBITDA of Q2 is over 70% higher than the previous quarter's contribution and more than four times above the base period's one. The performance was supported by further strengthening refining margins, mainly driven by widening gasoline crack spreads, the highest ever petrochemical margin and seasonal uplift of demand. In a yearly comparison motor fuel consumption of the domestic markets (Hungary, Slovakia and Croatia) grew by 5% and approached pre-crisis peaks.**

**Contribution of our Gas Midstream business shrank mainly due to lower transmitted volumes, both domestic and transit. The performance of Corporate and other deteriorated mainly as a result of lower contribution from service companies due to reduced utilisation of rigs.**

**Operating cash flow excluding working capital moves, amounted to HUF 187bn, well above Q2 2014 results, primarily influenced by stronger business performance.**

## *First half 2015 results*

**In the first half of 2015, MOL delivered a clean CCS EBITDA of USD 1.2bn which fits well with the upgraded full year's target of USD 2.2bn. Organic CAPEX spending amounted to USD 557mn in the first two quarters and operating cash-flow (excluding working capital adjustments) well exceeds organic investments, which is a great achievement in the current business environment.**

**The results in HUF terms amounted to 334bn, 67% above the base period's results, even though oil prices decreased by 51 USD/bbl or 47%.**

**Despite the above mentioned oil price collapse the Upstream segment's results decreased by a much smaller extent (by 19%) and came in at HUF 114bn. The negative factors of oil price change and regulatory changes in Croatia were partly off-set by 8% higher production and the significant weakening of the HUF against the USD. Beside higher international production, among others from the UK assets, production increased even in the matured CEE region (by 4%) due to successful well optimization programs, new offshore wells and improved reserves transfer.**

**In Downstream, Clean CCS EBITDA is almost four times higher than in the base period. Refining and Petrochemicals profited from outstanding external conditions, unprecedented since the golden age of refining passed in the late 2000s. Beside better margins improving market demand and continuous internal efficiency improvement also contributed to the record-high results to a large extent.**

**Gas Midstream and Corporate & other lines are similar to the base period's results, while the Intersegment transfers of the base period were negatively impacted by restatements related to the enforced gas sales in Croatia in Q2 2014.**

**In the first half of 2015, MOL Group generated HUF 313bn operating cash flow, before working capital changes, which is 55% higher than in the same period in 2014, mainly supported by strong Downstream performance. Meanwhile, net gearing increased slightly, from 18.4% to 21.4% by the end of the period.**

| Q1 2015 | Q2 2015 | Q2 2014 restated | YoY Ch % | EBITDA Excluding Special Items (HUF bn) (1) | H1 2014 restated | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 60.7 | 53.5 | 62.4 | (14) | Upstream | 141.5 | 114.2 | (19) |
| 58.7 | 143.2 | 30.0 | 378 | Downstream | 54.0 | 201.9 | 274 |
| 74.3 | 127.4 | 28.6 | 345 | CCS-based Downstream EBITDA (1) (15) | 50.9 | 201.7 | 296 |
| 18.0 | 10.3 | 14.8 | (30) | Gas Midstream | 29.8 | 28.3 | (5) |
| (1.1) | (8.0) | (2.7) | 200 | Corporate and other | (8.8) | (9.2) | 4 |
| 2.2 | (3.7) | (8.1) | (54) | Intersegment transfers (14) | (18.6) | (1.5) | (92) |
| **154.1** | **179.5** | **95.1** | **89** | **Clean CCS-based EBITDA (1) (2) (15)** | **199.6** | **333.6** | **67** |
| **138.5** | **195.4** | **96.4** | **103** | **Total EBITDA Excluding Special Items** | **197.9** | **333.9** | **69** |

| Q1 2015 | Q2 2015 | Q2 2014 restated | YoY Ch % | EBITDA Excluding Special Items (USD mn) (1) | H1 2014 restated | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 221 | 193 | 280 | (31) | Upstream | 632 | 414 | (34) |
| 212 | 517 | 135 | 280 | Downstream | 241 | 729 | 203 |
| 270 | 460 | 129 | 258 | CCS-based Downstream EBITDA (1) (15) | 228 | 730 | 221 |
| 65 | 38 | 66 | (42) | Gas Midstream | 133 | 103 | (23) |
| (4) | (29) | (12) | 142 | Corporate and other | (39) | (33) | (15) |
| 9 | (14) | (37) | (62) | Intersegment transfers (14) | (83) | (5) | (94) |
| **561** | **648** | **427** | **52** | **Clean CCS-based EBITDA (1) (2) (15)** | **892** | **1,209** | **36** |
| **503** | **705** | **432** | **63** | **Total EBITDA Excluding Special Items** | **884** | **1,208** | **37** |

(1) *Special items of operating profit and EBITDA are detailed in Appendix II. and IV.*
(14) (15) Please see Appendix X.

- **The Upstream** segment's EBITDA, excluding special items reached HUF 114bn in H1 2015. This is lower by HUF 27bn than the 2014 first half results. The performance was negatively affected by (1) collapsing Brent prices, which prompted realised crude oil prices to shrink by 46%, while realized gas prices also decreased by 21%, (2) adverse regulatory changes in Croatia (royalty increase, regulated gas price decrease). The negative impacts were partly mitigated by (1) an 8% increase in total production, (2) a 23% HUF weakening versus the USD and (3) lower exploration related spending.
- **Downstream:** In Downstream, clean-CCS based EBITDA soared to HUF 202bn in the first half of 2015. The performance was supported by (1) an almost trebling Group refinery margin, (2) more than doubling petrochemical margin, (3) higher sales volumes and the above mentioned substantial HUF weakening. The positive effects were partly mitigated by lower marketing contribution through reduced sales margins.
- **Gas Midstream:** EBITDA for the first half of the year was HUF 28bn, 5% below the previous half year's figure.
- **Corporate and other** segment delivered an EBITDA of HUF (9bn), in line with the base period.
- **Net financial expenses** amounted to HUF 68bn versus HUF 32bn of the same period last year. The increase is attributable to the HUF weakening, causing net foreign exchange losses on borrowings, receivables and payables.
- **CAPEX** spending in 2015 reached HUF 182bn (USD 660mn) by the end of the second quarter. Out of this amount HUF 28bn targeted inorganic investments, including retail network expansions and North Sea acquisition.
- **Operating cash flow before working capital changes** grew to HUF 313bn increasing by HUF 111bn against the base period. Negative changes in working capital (increasing inventory and trade receivables) resulted in lower net cash provided by operating activities, amounting to HUF 182bn.
- As a result of robust underlying business performance **earnings per share (excluding special items)** increased by 146% and reached HUF 742/share in the first half of the year.

## Upstream

| Q1 2015 restated | Q2 2015 | Q2 2014 | YoY Ch % | Segment IFRS results (HUF bn) | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 60.7 | 53.5 | 62.4 | (14) | EBITDA | 154.2 | 114.2 | (26) |
| **60.7** | **53.5** | **62.4** | **(14)** | **EBITDA excl. spec. items[1]** | **141.5** | **114.2** | **(19)** |
| 21.6 | 4.1 | 30.5 | (86) | Operating profit/(loss) | 88.1 | 25.7 | (71) |
| **21.6** | **4.1** | **30.5** | **(86)** | **Operating profit/(loss) excl. spec. items[1]** | **75.4** | **25.7** | **(66)** |
| **53.6** | **57.0** | **50.6** | **13** | **CAPEX and investments** | **181.0** | **110.6** | **(39)** |
| 15.0 | 27.9 | 20.1 | 39 | o/w exploration CAPEX | 38.1 | 42.9 | 13 |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Hydrocarbon Production (mboepd)[5] | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| **37.8** | **40.1** | **32.6** | **23** | **Crude oil production [6]** | **34.4** | **38.9** | **13** |
| 11.5 | 11.2 | 10.7 | 5 | Hungary | 10.9 | 11.3 | 4 |
| 10.5 | 10.2 | 8.6 | 18 | Croatia | 8.7 | 10.3 | 19 |
| 6.5 | 6.7 | 6.8 | (3) | Russia | 8.7 | 6.6 | (24) |
| 1.8 | 4.5 | 0.5 | 730 | Kurdistan Region of Iraq | 1.3 | 3.2 | 148 |
| 3.2 | 3.1 | 1.2 | 157 | United Kingdom | 0.6 | 3.1 | 412 |
| 4.3 | 4.4 | 4.7 | (6) | Other International | 4.3 | 4.4 | 1 |
| **58.6** | **56.7** | **52.3** | **8** | **Natural gas production** | **53.7** | **57.6** | **7** |
| 27.0 | 25.2 | 23.9 | 6 | Hungary | 24.6 | 26.1 | 6 |
| 26.0 | 24.9 | 23.9 | 4 | Croatia | 24.6 | 25.4 | 4 |
| 13.0 | 12.0 | 10.0 | 19 | *o/w. Croatia offshore* | 10.6 | 12.5 | 18 |
| 1.2 | 2.4 | 0.0 | n.a | United Kingdom | 0.0 | 1.8 | n.a |
| 4.4 | 4.2 | 4.6 | (9) | Other International | 4.6 | 4.3 | (6) |
| **6.9** | **6.9** | **7.4** | **(8)** | **Condensate [7]** | **7.6** | **6.9** | **(10)** |
| 3.6 | 3.7 | 4.7 | (22) | Hungary | 4.7 | 3.6 | (23) |
| 2.0 | 1.9 | 2.2 | (13) | Croatia | 2.2 | 1.9 | (12) |
| 1.4 | 1.2 | 0.5 | 137 | Other International | 0.7 | 1.3 | 86 |
| **103.3** | **103.6** | **92.4** | **12** | **Average hydrocarbon production** | **95.8** | **103.5** | **8** |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Main external macro factors | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 53.9 | 61.9 | 109.6 | (44) | Brent dated (USD/bbl) | 108.9 | 57.8 | (47) |
| 274.6 | 277.0 | 223.1 | 24 | HUF/USD average | 223.9 | 275.8 | 23 |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Average realised hydrocarbon price | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 46.0 | 52.6 | 91.4 | (43) | Crude oil and condensate price (USD/bbl) | 90.6 | 49.3 | (46) |
| 39.9 | 37.7 | 43.2 | (13) | Average realised gas price (USD/boe) | 49.0 | 38.8 | (21) |
| **43.0** | **44.8** | **62.5** | **(28)** | **Total hydrocarbon price (USD/boe)** | **66.1** | **43.9** | **(34)** |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Production cost | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| **7.0** | **7.7** | **8.1** | **(5)** | **Total average unit OPEX (USD/boe)** | **7.6** | **7.4** | **(3)** |

[1] *Special items affected operating profit and EBITDA are detailed in Appendix II.*
[5] [6] [7] *Please see Appendix X.*

### Second quarter 2015 results

**EBITDA, excluding special items, amounted to HUF 54bn in Q2 2015, falling short by HUF 7bn to Q1 2015 and HUF 9bn lower than in Q2 2014.**

Performance was negatively affected compared to the previous quarter by the following major items:

(1) Production volumes decreased by 3.5 mboepd in the CEE portfolio;
(2) Impairment of receivables in Egypt versus a reversal of impairments in Q1 (HUF 3bn difference);
(3) Non-recurring items impacted the first quarter in a positive way (in the magnitude of HUF 4bn) including the release of accruals;

The following items have partly compensated for the above mentioned items:

(1) 4% increase of the average realized hydrocarbon price overall: higher Brent quotations resulted in 14 % increase in realised crude oil and condensate prices, while realized gas prices decreased by 5%.

**The average daily hydrocarbon production** remained nearly flat in comparison to the previous quarter **and reached 104 mboepd during Q2 2015.** While production grew both from operations in the UK and the Kurdistan

Region of Iraq, the contribution from CEE decreased as a result of lower gas production both from Hungary and the Croatian off-shore area. In the UK gas production from Scott, Telford and Rochelle fields was higher due to lower downtime of production facilities in Q2, while in Kurdistani Region of Iraq the higher production is mainly coming from the Shaikan asset.

**Operating expenditure in Upstream**, including DD&A, but without special items totalled HUF 110bn, representing a HUF 21bn increase versus Q1 2015. Higher level of DD&A from UK and Hungarian assets contributed significantly to this increase, partially driven by Hungarian impairments. Royalties levied on Upstream production (including export duties connected to Russian sales) amounted to HUF 18bn, an increase of HUF 2bn in comparison to Q1 2015, driven by higher Hungarian royalty due to higher oil prices. Group-level average direct production cost, excluding DD&A, was USD 7.7 USD/boe, slightly above the Q1 level.

Operating profit amounted to HUF 4.1bn in Q2, implying a HUF 49bn depreciation, including the above mentioned one-off like impacts in the magnitude of HUF 6bn.

### *First half 2015 results*

**EBITDA, excluding special items, amounted to HUF 114bn in H1 2015, lower by HUF 27bn compared to H1 2014.**

The performance in comparison to the base period was negatively affected by:

(1) Collapsing Brent prices prompted realised crude oil prices to shrink by 46%, while realized gas prices also decreased by 21%.
(2) Adverse regulatory changes in Croatia: the reduction of regulated gas price and an increase in the royalty rate from 5% to 10% (as of Q2 2014).

The following items partly compensated for the negative impacts:

(1) An 8% increase in total production.
(2) A significant (by 23%) HUF weakening versus the USD.
(3) Lower exploration related spending for the actual period.

**The average daily hydrocarbon production shows an 8% increase** in comparison to the base period **and reached 103 mboepd during H1 2015.** Excluding the inorganic elements, i.e. the sale of 49% stake in Russian Baitex and the two UK North Sea deals closed in 2014, production increased by 5 mboepd as a result of higher contribution from CEE (by 3 mboepd)and the Kurdistani Region of Iraq (by 2 mboepd). Production grew both in Croatia and Hungary in the first half of the year. Croatian crude oil and offshore gas production performed well due to the successful well optimization program (4P) and as a result of the new offshore well tie-ins on the Adriatic sea (Izabela and IKA-SW) during 2014. In Hungary, the temporary increase is a result of the improved reserves transfer.

**The average realized hydrocarbon price decreased by 34% compared to the base period** driven by a decrease in oil quotations.

**Operating expenditures in Upstream**, including DD&A, but without special items totalled HUF 199bn, representing a HUF 28bn decreased versus H1 2014. Royalties on Upstream production (including export duties connected to Russian sales) amounted to HUF 34bn, a decrease of HUF 19bn compared to H1 2014, driven by lower oil prices. Exploration cost was lower by HUF 7bn due to different international work program. Group-level average direct production cost, excluding DD&A, was at the very favourable level of USD 7.4 USD/boe, 3% below of last year's level.

### *Upstream capital expenditures*

**In H1 2015, Upstream CAPEX** amounted to HUF 111bn, of which HUF 11bn related to payments made for the acquisition of North Sea assets. Major investments were made in the North-Sea Region (34%), in the Kurdistan Region of Iraq (20%), in Hungary (15%) and in Croatia (9%).

| H1 2015 (HUF bn) | Hungary | Croatia | Kurdistan Region of Iraq | Russia | Pakistan | United Kingdom | Other | Total (HUF bn) |
|---|---|---|---|---|---|---|---|---|
| **Exploration** | 6.4 | 1.0 | 19.7 | 0.3 | 6.2 | 0.5 | 8.7 | **42.9** |
| **Development** | 5.9 | 6.6 | 2.1 | 2.8 | 0.9 | 26.1 | 5.2 | **49.7** |
| **Acquisition** | 0.3 | 0.0 | 0.0 | 0.0 | 0.0 | 11.0 | 0.0 | **11.3** |
| **Consolidation & other** | 3.8 | 2.5 | 0.1 | 0.0 | 0.0 | 0.2 | 0.0 | **6.7** |
| **Total** | **16.4** | **10.2** | **22.0** | **3.2** | **7.1** | **37.9** | **14.0** | **110.6** |

**CEE**

**MOL is actively progressing its (re)development campaigns in order to mitigate the production decline and maximise cash-flow on its matured fields. In addition, exploration acreage is being increased through acquisition of new licences in the Hungarian and Croatian bid rounds.**

- In **Hungary**, on top of the 6 wells conventional exploration program unconventional activities resumed in the Derecske basin. Extended well test of Beru-6 was finished in May, the well is producing continuously since.
- In **Croatia**, 1 onshore licence was granted to INA in frame of the 1st onshore bid round in June, Production Sharing Agreement (PSA) negotiations to follow.
- MOL is actively progressing its development and redevelopment campaigns in both countries. In Croatia, the contract signed with the service company for the hydraulic fracturing campaign, related well preparation has started.

**UK**

**UK development projects passing important milestones by H2. In the meantime MOL is actively engaging with partners to move forward the further development opportunities.**

- **Cladhan** project is progressing, target date for first oil is 1st October 2015. Subsea campaign commenced, Tern host platform shut-in for Cladhan tie-in workscopes.
- **Catcher** project progressing with some challenges related to the FPSO hull fabrication in Japan. Work ongoing to maintain the first oil date for end 2017. Drilling of the first development well commenced in July 2015.
- **Scott, Telford & Rochelle:** Production challenges in H1. Well stock review to support barrel chasing opportunities planned Q3.

**Norway**

**MOL entered Norway through the acquisition of Ithaca Petroleum Norge ("IPN") creating a new hub for exploration, building on the experience of a strong, local team.**

- MOL acquired 100% ownership in Ithaca Petroleum Norge ("IPN") from Ithaca Petroleum Ltd, pre-qualified as operator in Norway.
- Its portfolio includes 14 licences, out of which 3 are operated by IPN. The acquisition doubles the size of MOL Group's exploration portfolio, adding over 600 million barrels of oil-weighted net unrisked prospective resources. The committed work programme contains three exploration wells in 2015-2016.
- MOL took over IPN's strong exploration-focused team with deep experience of the Norwegian Continental Shelf (NCS)

**Kurdistan Region of Iraq**

**As highlighted in our Q1 2015 report MOL-Kalegran is finishing Phase I of the FDP in the Akri-Bijeel block. In light of a more complex geology and uncertainty of the recovery factor we have launched a Competent Person's Report (CPR) process to provide assurance about our technical evaluation during Phase I. The future work program will be defined subject of the outcome of the CPR. In Shaikan, the average total Q2 2015 production from the field was 37 mboepd (gross), which exceeded forecast, decisions on further development are expected once regular payments from MNR are ensured.**

- **In Akri-Bijeel block** MOL-Kalegran is working closely with the Ministry of Natural Resources (MNR) to close open issues and operational hurdles. Given present reservoir and commercial uncertainties, spending and work scope have been optimized in line with prudent and responsible operatorship. In addition, a CPR process has been launched. A commercial arrangement for domestic oil sales was concluded early July to ensure revenue stream for ongoing production from Bijell-1.
- **The Shaikan field** is currently producing from 9 wells through two production facilities. Average production rate was 37 mboepd in Q2. Debottlenecking and facility upgrade projects are ongoing to stabilize production at an average of 37-40 mboepd in H2 (gross). The Operator continues to exercise a prudent approach with regard to CAPEX expenditure in 2015 pending the establishment of a regular payment cycle for all Shaikan crude oil sales. To secure a stable stream of revenues, a diversified marketing strategy is being implemented. Partial payments have been received for past crude oil sales deliveries.

**Pakistan**

**MOL continues to complement its highly successful campaign at 70+ mboepd (100% block) in TAL block with exploration in nearby blocks.**

- In Pakistan exploration campaign continued with completion of Mardankhel-1 well which resulted in our seventh discovery in **TAL Block** with potential incremental production of around 11 mboepd (gross, MOL's share is 8.4%). In addition, drilling is ongoing on TAL's Tolanj and Makori fields as well as in nearby Margala North and Karak blocks with results expected by year end.
- Development programme in TAL continued with completion of Maramzai-3 well, while completion is in progress at Makori East-4.
- MOL has signed a farm-in agreement for the **DG Khan block** where MOL is acquiring a 30% non-operating interest from Pakistan Oil Fields Limited, subject to the approval of the Pakistani government.

**CIS**

**Focus is to increase Baitugan field production via infill drilling. In Federovsky Block preparations are ongoing to spud first delineation well in the trial production project.**

- In Russian **Baitugan Block**, 29 of the planned 50 well campaign for 2015 were drilled and 24 completed by end Q2. Additional infield wells are being considered for Q4 2015. In **Yerilkinsky block,** preparation for drilling 1 exploration well is ongoing and expected to be spudded in Q3.

- **In FED block, in Kazakhstan,** the spud of first delineation well (U-25) is planned for September, 2015. Further exploration upside is being targeted by the Joint Venture partners (KMG EP, FIOC) with the acquisition of new 3D seismic.

## Downstream

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Segment IFRS results (HUF bn) | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 58.7 | 143.2 | 32.7 | 338 | EBITDA | 56.7 | 201.9 | 256 |
| **58.7** | **143.2** | **30.0** | **378** | **EBITDA excl. spec. items[(1)]** | **54.0** | **201.9** | **274** |
| **74.3** | **127.4** | **28.6** | **345** | **Clean CCS-based EBITDA [(1)(2)]** | **50.9** | **201.7** | **296** |
| 23.6 | 46.1 | 8.1 | 469 | o/w Petrochemicals [(1)(2)] | 13.2 | 69.7 | 428 |
| 10.2 | 14.1 | 11.5 | 23 | o/w Retail [(1)] | 17.8 | 24.3 | 37 |
| 31.6 | 115.8 | 5.8 | 1,897 | Operating profit/(loss) reported | 2.6 | 147.4 | 5,569 |
| **31.6** | **115.8** | **3.1** | **3,635** | **Operating profit/(loss) excl. spec. items[(1)]** | **(0.1)** | **147.4** | **n.a.** |
| **47.2** | **100.0** | **1.8** | **5,456** | **Clean CCS-based operating profit/(loss)[(1)(2)]** | **(3.3)** | **147.2** | **n.a.** |
| **31.8** | **34.1** | **46.3** | **(26)** | **CAPEX[(3)]** | **62.6** | **65.9** | **5** |
| **MOL Group without INA** | | | | | | | |
| 65.9 | 135.2 | 39.0 | 247 | EBITDA excl. spec. items[(1)] | 77.5 | 201.1 | 159 |
| **71.9** | **124.8** | **35.1** | **256** | **Clean CCS-based EBITDA[(2)]** | **70.2** | **196.7** | **180** |
| 23.6 | 46.1 | 8.1 | 469 | o/w Petrochemicals clean CCS-based EBITDA[(1)(2)] | 13.2 | 69.7 | 428 |
| 44.2 | 113.2 | 17.6 | 543 | Operating profit/(loss) excl. spec. items | 34.3 | 157.5 | 359 |
| **50.2** | **102.9** | **13.7** | **651** | **Clean CCS-based operating profit/(loss) [(2)]** | **26.9** | **153.1** | **469** |
| **INA Group** | | | | | | | |
| (7.1) | 8.0 | (9.0) | n.a. | EBITDA excl. spec. items[(1)] | (23.5) | 0.9 | n.a. |
| **2.4** | **2.6** | **(6.4)** | **n.a.** | **Clean CCS-based EBITDA [(2)]** | **(19.3)** | **5.0** | **n.a.** |
| (12.6) | 2.5 | (14.5) | n.a. | Operating profit/(loss) excl. spec. items | (34.4) | (10.1) | (71) |
| **(3.0)** | **(2.9)** | **(11.9)** | **(76)** | **Clean CCS-based operating profit/(loss) [(2)]** | **(30.2)** | **(5.9)** | **(80)** |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Refinery margin | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| **6.2** | **6.6** | **2.6** | **153** | **Total MOL Group refinery margin (USD/bbl)** | **2.2** | **6.4** | **189** |
| 7.3 | 7.8 | 4.0 | 95 | Complex refinery margin (MOL+Slovnaft) (USD/bbl) | 3.5 | 7.5 | 117 |
| 511 | 760 | 291 | 161 | Integrated petrochemical margin (EUR/t)[(21)] | 295 | 635 | 115 |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | External refined product and petrochemical sales by country (kt) | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 962 | 1,125 | 1,126 | 0 | Hungary | 2,075 | 2,087 | 1 |
| 365 | 429 | 409 | 5 | Slovakia | 752 | 794 | 6 |
| 370 | 416 | 431 | (3) | Croatia | 782 | 786 | 1 |
| 450 | 583 | 360 | 62 | Italy | 760 | 1,033 | 36 |
| 1,881 | 2,143 | 2,111 | 2 | Other markets | 4,035 | 4,024 | 0 |
| **4,028** | **4,696** | **4,437** | **6** | **Total** | **8,404** | **8,724** | **4** |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | External refined and petrochemical product sales by product (kt) | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| **3,703** | **4,382** | **4,161** | **5** | **Total refined products** | **7,843** | **8,085** | **3** |
| 815 | 1,054 | 899 | 17 | o/w Motor gasoline | 1,698 | 1,869 | 10 |
| 2,046 | 2,345 | 2,252 | 4 | o/w Diesel | 4,249 | 4,391 | 3 |
| 62 | 133 | 134 | (1) | o/w Fuel oil | 273 | 195 | (29) |
| 52 | 144 | 217 | (34) | o/w Bitumen | 310 | 196 | (37) |
| **808** | **959** | **879** | **9** | **o/w Retail segment sales** | **1,627** | **1,767** | **9** |
| 237 | 288 | 274 | 5 | o/w Motor gasoline | 507 | 525 | 4 |
| 549 | 647 | 585 | 11 | o/w Diesel and heating oils | 1,082 | 1,196 | 11 |
| **325** | **314** | **276** | **14** | **Total petrochemicals products** | **561** | **639** | **14** |
| 50 | 50 | 48 | 4 | o/w Olefin products | **97** | 100 | 3 |
| 275 | 264 | 228 | 16 | o/w Polymer products | 464 | 539 | 16 |
| **4,028** | **4,696** | **4,437** | **6** | **Total refined and petrochemicals products** | **8,404** | **8,724** | **4** |

*(1) Special items affected operating profit and EBITDA are detailed in Appendix II.*
*(2), (21) Please see Appendix X.*
*(3) Restatement of 2014 CAPEX data*

## *Second quarter 2015 results*

**Downstream continues to deliver historically high performance, moreover HUF 127bn clean CCS EBITDA of Q2 is the best ever quarterly result of the division. This shows that the MOL Group's integrated Downstream portfolio is well positioned to benefit from the continuous favourable external environment, both on the refining and on the petrochemicals side.** The result is a significant improvement compared to the previous quarters, however even Q4 2014 and Q1 2015 delivered some of the best quarterly performances in the last ten years.

The significant improvement compared to the previous quarter was **positively** influenced by:

(1) A 17% increase in total sales and 19% rise in retail sales, in line with seasonality of demand;
(2) A 49% increase in the petrochemical margin to 760 EUR/t;
(3) Further increase of the group refining margin to 6.6 USD/bbl;
(4) Favourable FX effects with the weakening of the HUF.

Despite the planned major turnaround in the Danube refinery Group was able to capture the good environment. With improved reliability of units production grew and sales volume increased even compared to the base period.

**Excluding INA's contribution, 'clean' CCS-based EBITDA of MOL amounted to HUF 125bn, a 74% increase compared to Q1 2015.** The result was mainly driven by continuously growing EBITDA contribution of petrochemicals as it almost doubled in the period to reach HUF 46 bn. **INA's clean CCS-based EBITDA continues to improve, edging up 8% to HUF 3bn for the quarter.** Despite operating profit excl. special items creeping into positive territory to HUF 2.5bn compared with a HUF 13bn loss in the preceding quarter, clean CCS operating profit is still in the red despite a favourable refining macro environment. The twofold development illustrates that efficiencies are bearing fruit, but ultimately highlighting the need for the restructuring of the Croatian refining assets.

**In comparison with Q2 2014, the Group's clean CCS-based EBITDA increased more than fourfold with refining, petrochemicals and retail all contributing significantly to the improved results.** R&M and petrochemicals continue to benefit from improving external conditions: the Group refinery margin expanded by 4.0 USD/bbl, to reach 6.6 USD/bbl during the quarter while the integrated petrochemical margin is at historical highs as it more than doubled to reach 760 EUR/t on quarterly average. Total sold volumes of petrochemical increased by 14%, whilst retail's improving contribution to the group's clean CCS-based EBITDA was supported by a 9% higher sales volume.

Average oil prices during Q2 2015 increased compared to Q1 2015, resulting an aggregate HUF 16bn CCS modification impact in the current quarter.

## *Market trends and sales analysis*

Demand evolution within the core three countries was heavily influenced by the continued low end-user prices, reflecting the lower oil price. Core three market size increased by 4% year-on-year, and reflecting seasonal patterns it expanded by 15% compared to Q1 2015.

| Change in regional motor fuel demand Q2 2015 vs. Q2 2014 in % | Market* | | | MOL Group sales | | |
|---|---|---|---|---|---|---|
| | Gasoline | Diesel | Motor fuels | Gasoline | Diesel | Motor fuels |
| Hungary | 3 | 13 | 10 | (2) | (1) | (1) |
| Slovakia | 3 | 5 | 4 | 2 | 5 | 4 |
| Croatia | (5) | (6) | (6) | (15) | (3) | (7) |
| Other | 1 | 4 | 4 | 9 | (1) | 1 |
| **CEE 10 countries** | **1** | **5** | **4** | **1** | **(1)** | **0** |

**Source: Company estimates*

Similar to the previous quarter, MOL continued to experience increased competition on the core markets due to the high refinery margin environment. However, **Group motor fuel sales stagnated on the traditional markets** (on an overall growing CEE market), MOL was able to **increase its sales for secondary export markets**, especially in case of the high margin gasoline. Croatian market demand continued to decline due to worsening economic situation, also reflected in MOL Group's Croatian sales volumes, while lower sales in Hungary were offset by growing sales in Slovakia, which, as was the case in the previous quarter, was driven by strong diesel sales.

**Total retail sales volumes** (including LPG and lubricants volumes) grew by 9%, year-on-year.

| Total retail sales (kt) | Q2 2014 | Q2 2015 | YoY % |
|---|---|---|---|
| Hungary | 216 | 236 | 9 |
| Slovakia | 114 | 128 | 12 |
| Croatia | 273 | 266 | (3) |
| Romania | 123 | 146 | 19 |
| Czech Republic | 35 | 74 | 111 |
| Other | 118 | 109 | (8) |
| **Total retail sales*** | **879** | **959** | **9** |

- In **Hungary** and **Slovakia** throughput significantly improved versus similar period last year (+9% and +12%, respectively) due to demand recovery supported by lower fuel prices in both countries.
- Strong increase was also experienced in the **Romanian** and **Czech market**, where the Retail volumes were boosted by 19% and 111% in Q2 against the similar period of 2014. This is mainly the result of the inorganic network expansions (+42 service stations in Romania and +44 service stations in the Czech Republic).
- In **Croatia** the volume decreased by 3% on the back of lower gasoline consumption due to a decline in purchase power.
- Among 'Other countries', sales volume in **Serbia** and **Slovenia** increased by +8% and +7%; On the other hand, business restructuring in Austria and Italy caused a decline in volume.

## *First half 2015 results*

**In H1 2015, both Downstream Clean-based EBITDA and operating profit saw significant improvements over the corresponding period of last year, reaching HUF 202bn (a fourfold increase) and HUF 147bn respectively.** The excellent results came on the back of:

(1) The overall supportive external macro environment, including an almost trebling Group refinery margin (from 2.2 USD/bbl to 6.4 USD/bbl) and the more than doubling petrochemical margin (from 295 EUR/t to 635 EUR/t);
(2) Higher sales volumes, especially on the petrochemical side;
(3) A substantial (23%) weakening of the HUF against the USD;
(4) Positive development of the energy costs of the refining business.

On the negative side:

(5) Lower marketing contribution, due to sales margins under pressure limited the positive effects.

As a result of the above mentioned factors **each business segments could substantially improve its contribution to the Group result.** Clean EBITDA of Refining and Marketing as well as petrochemicals contribution increased fivefold during the period, the latter representing 35% of the total Downstream result in H1 2015.

## *Market trends and sales analysis*

In H1, core three market size increased by 7%, driven mostly by Hungary and Slovakia as Croatian demand contracted during the period. The wider CEE motor fuel consumption exceeded last year's level, albeit by a mere 2%. The growth in overall regional demand was mostly attributed to a rise in diesel consumption.

| Change in regional motor fuel demand H1 2015 vs. H1 2014 in % | Market* | | | MOL Group sales | | |
|---|---|---|---|---|---|---|
| | Gasoline | Diesel | Motor fuels | Gasoline | Diesel | Motor fuels |
| Hungary | 4 | 14 | 11 | (2) | (1) | (1) |
| Slovakia | 8 | 9 | 9 | 3 | 7 | 6 |
| Croatia | (5) | 1 | (1) | (10) | 0 | (3) |
| Other | 1 | 4 | 3 | 5 | (4) | (2) |
| **CEE 10 countries** | **1** | **5** | **4** | **1** | **(2)** | **(1)** |

**Source: Company estimates*

Overall, **Group motor fuel sales decreased slightly** in an otherwise growing CEE market. Key driving factors were the same as the ones mentioned above for Q2 2015.

**Total retail sales volumes** (including LPG and lubricants volumes) increased by 9%, year-on-year. H1 2015 trends and driving factors were similar to Q2 2015.

| Total retail sales (kt) | H1 2014 | H1 2015 | YoY % |
|---|---|---|---|
| Hungary | 400 | 438 | 10 |
| Slovakia | 211 | 237 | 12 |
| Croatia | 486 | 481 | (1) |
| Romania | 236 | 267 | 13 |
| Czech Republic | 65 | 137 | 111 |
| Other | 229 | 206 | (10) |
| **Total retail sales*** | **1,627** | **1 ,766** | **9** |

## *Downstream capital expenditures and status of key projects*

| CAPEX (in bn HUF) | H1 2014 | H1 2015 | Ch. % | Main projects in Q1 2015 |
|---|---|---|---|---|
| R&M CAPEX and investments excluding retail | 31.2 | 22.1 | (29) | • Final phase of Mantova depot conversion project in IES was carried over<br>• Major turnarounds and reconstruction projects in June. |
| Retail CAPEX and investments | 4.0 | 22.2 | 456 | • 42 sites have been acquired from ENI in Romania<br>• Rebranding of ex-Lukoil sites in Czech Republic and ex-ENI sites in Romania are ongoing<br>• 14 out of the new non-fuel pilot projects have been completed further 15 are under construction<br>• 1 greenfield project completed 2 are under construction in Romania<br>• 9 “knock-down rebuild” projects are under construction in Croatia and Bosnia as part of our modernisation program |
| Petrochemicals CAPEX | 27.0 | 20.1 | (25) | • New Butadiene unit in TVK and LDPE4 unit construction in SN is expected to be completed by the end of 2015 |
| Power and other | 0.4 | 1.5 | 287 | |
| **Total** | **62.6** | **65.9** | **5** | |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | CAPEX by type (in bn HUF) | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| **31.8** | **34.1** | **46.3** | **(26)** | **Total** | **62.6** | **65.9** | **5** |
| 24.1 | 9.3 | 21.5 | (57) | Strategic projects | 32.5 | 33.4 | 3 |
| 7.7 | 24.8 | 24.8 | 0 | Normalized CAPEX | 30.1 | 32.5 | 8 |

- The 130 kt/year **butadiene extraction unit** construction works are on track. It reached its mechanical completion at the end of July, followed by the commissioning phase in Q3 2015, and expected to start commercial operations in Q4 2015. The unit will produce feedstock material of synthetic rubber for car tyres and improve further the profitability of the Petrochemicals business.
- The construction of the new 220 kt/year capacity **LPDE4 unit in Slovnaft** is progressing according to schedule. It is expected to be commissioned by the end of 2015. The new unit, which will replace the current three out-of-date units with a combined capacity of 180 kt/year, will increase production flexibility, improve product qualities and ensure higher naphtha off-take from the refinery.

# Gas Midstream

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Segment IFRS results (HUF bn) | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 18.0 | 10.3 | 14.8 | (30) | EBITDA | 29.8 | 28.3 | (5) |
| **18.0** | **10.3** | **14.8** | **(30)** | **EBITDA excl. spec. items[1]** | **29.8** | **28.3** | **(5)** |
| 14.6 | 6.9 | 11.6 | (41) | Operating profit/(loss) reported | 23.2 | 21.5 | (8) |
| **14.6** | **6.9** | **11.6** | **(41)** | **Operating profit/(loss) reported excl. spec. items[1]** | **23.2** | **21.5** | **(8)** |
| **0.1** | **0.3** | **0.3** | **(15)** | **CAPEX and investments** | **0.4** | **0.3** | **(18)** |

*[1] Special items affected operating profit and EBITDA are detailed in Appendix II.*

## FGSZ Ltd.

### Second quarter 2015 results

**Operating profit of FGSZ** in the second quarter of 2015 was significantly (by 41%) below the prior year figure. The still unfavourable external environment and the higher level of operating costs compared to base period had significant negative effect and resulted in significantly lower operating profit figures. The effect of decrease of public utility charges (valid from 2013) and effect of 2014 tariff changes still have an overall unfavourable effect, therefore operating profit is significantly lower compared to previous year's.

**Revenues from domestic transmission services** totalled HUF 12.3 bn, falling by 19% compared to the base period figures, mainly due to the significantly lower level of annual capacity bookings and significantly lower volume driven revenues. Increase of strategic gas storage inventory in 2014 had positive effect on base period revenues which effect has not prevailed in Q2 2015. Domestic transmitted volumes were 18%lower than base period.

**Revenues from natural gas transit** showed a 28% decrease compared to the base period, mainly due to the significantly lower southward (Serbian and Bosnian) transmission volumes and unfavourable changes of transit tariffs. Negative effects were compensated only partly by favourable effect of FX changes. Total transit transmission volumes were lower by 64% compared to previous year, mainly in case of southward and Romanian transit relations.

**Operating costs** in the second quarter were higher by 8% compared to base period figures due to the higher gas consumption of transmission system as a result of the significantly different transmission demands and higher level of accounted gas loss. To compensate the unfavourable effects of external environment, the management still have focus on strict cost control.

### First half 2015 results

**Operating profits of FGSZ** in the first half year in 2015 were 8% lower compared to the previous year, mainly due to the unfavourable effect of further decreasing gas consumption (both of domestic and in neighbouring countries) and decreasing transmission demands, whose effects could be companseted only partly by the changes of regulatory and macroeconomical environment and lower level of operating costs.

**Revenues from domestic transmission services** were 8% lower than base period figures and totalled HUF 26.4 bn. Lower revenues were due to the combined effect of decreased annual capacity demands, lower volume-driven revenues and the effect of tariff changes, which are valid from July 2014 and January 2015. Domestic transmission volumes were lower by 2% than base period figures, mainly due to the significantly lower injection volumes.

**Revenue from natural gas transit** was HUF 10.1 bn, a decrease of 2% compared to the base period. Favourable effect of FX changes was partly mitigated by the unfavourable effect of lower transit tariffs and the effect of lower southward (Serbian and Bosnian) transit transmission volumes. Total transit transmission volumes were significantly lower (by 23%) compared to previous year figures in H1.

Lower **operating costs** could compensate only partly the negative effect of decreased operating revenues, mainly due to the lower pressure increase fee in line with lower transmission volumes. As a result of strict cost control level of operating costs is similar to the low level of prior year.

# Non-financial overview

## Quarterly sustainability highlight

MOL Group talent acquisition programs received several external recognitions in the first half of 2015, hence further strengthening the corporate image. MOL Group received the Bronze Stevie® Award in the category ‘Reputation and brand management communication PR campaign’ for its UPPP program, the new E&P talent acquisition and development program. Furthermore, MOL Group won the GetEnergy 2015 Award in the category of education partnership as recognition of the cooperation between MOL Pakistan and University of Engineering & Technology (UET) Peshawar and the HR Distinction Award in Employer Branding category for executing employer branding projects that deliver measurable objectives. INA received ‘HR Best Practice 2014 Award’ for its Junior Freshhh 2014 project and ‘Golden index’ for Student Association support.

## Performance on 6 sustainability focus areas

The sustainability focus areas in MOL Group are Climate Change, Environment, Health&Safety, Human Capital, Communities and Economic Sustainability. In this section we present our achievements and accomplishments in some selected areas.

- **Health and Safety:** Two industry standard programs went live on 1st of June after a year of preparation that involved a high number of training sessions and forums held for contractors. The Stop Card system will contribute to promote and enforce our most important Life Saving Rule ‘Comply and intervene’, while the Job Safety Analysis is foreseen to reduce injuries related to non-routine work performed by our staff and contractors. Meanwhile during Q2 2015, INA Logistics division employees and contractors have completed 1 million working hours without a workplace injury.
- **Climate Change:** The energy policy of MOL Plc was signed in March 2015. Furthermore, a decision has been made to implement an energy management system in accordance with the ISO 50001 standard in order to meet the requirements of the European Union’s directive on Energy Efficiency. The energy management system is already in place and externally verified in TVK Plc. and in Q2 2015 an ISO 50001 pre-audit has also been organized at MOL Plc.
- **Human Capital:** Trade unions and the Company – as the employer – have signed MOL Plc.’s 3rd Equal Opportunity Plan for the next 2 years (between 2015 – 2017). The plan pays special attention to the rights of employees who are on maternity leave, single parents, parents with two or more children under the age of ten, people with disability, employees who are over the age of 50, or those who belong to a national or ethnic minority. MOL Group also continues to keep leadership development in focus. LEAD first generation is successfully completed, one key measure of success is the 31% promotion rate of participants since the program start. This has powered the commitment to run LEAD again in 2015. Also, the modular leadership development program called Intensity is now fully rolled out with more than 160 participants, reaching 85% satisfaction.
- **Communities**: More than 70 % of MOL Group member companies have issued their Social Engagement Local Regulations in accordance with the Group Practice, which objective is to create a Group-level integrated approach on processes and practices related to identifying and involving stakeholders to maximize positive impact on society. At the same time, volunteering programs continued throughout MOL Group in H1 2015 when 188 members of INA volunteers club participated in 17 actions, while 20 Slovnaft employees participated on volunteering activity entitled “Slovnaft – good neighbour” aiming to improve conditions in a district close to Bratislava refinery.
- **Economic Sustainability**: Ethics management in MOL Group has been further improved in 2015. The operative management of ethical issues is now strengthened with the creation of a Group Ethics Officer position. This function is responsible for the investigation of ethics complaints submitted by stakeholders and to support the work of the Ethics Council, which will continue its operation started in 2006. Also, the Ethics Council’s Rules of Procedure document has been updated to reflect the recent changes

## MOL Group non-financial indicators

| Q1 2015 | Q2 2015 | Q2 2014 | YoY % | Indicator | Unit | H1 2014 | 2015 | YoY % |
|---|---|---|---|---|---|---|---|---|
| 1.3 | 1.3 | 1.3 | 0 | Carbon Dioxide ($CO_2$) under ETS | mn tn | 2.6 | 2.7 | 3.8 |
| 55 | 2 | 81 | (97.5) | Volume of hydrocarbon content of spills | $m^3$ | 83 | 57 | (31.3) |
| 1.7 | 1.9 | 1.4 | 35.7 | TRIR[(23)] – own staff | - | 1.9 | 1.8 | (5.2) |
| 1.4 | 1.4 | 1.6 | (12.5) | TRIR[(23)] – own & contractor & fuel station staff | - | 1.5 | 1.4 | (6.7) |
| 0 | 0 | 0 | 0 | Fatalities – own employees | pcs | 0 | 0 | 0 |
| 0 | 0 | 1 | (100) | Fatalities – contractors (onsite & offsite) | pcs | 1 | 0 | (100) |
| 27,011 | 26,536 | 28,382 | (6.5) | Total workforce | ppl | 28,382 | 26,536 | (6.5) |
| 2,493 | 2,837 | 1,837 | 54.4 | Leavers[(24)] | ppl | 1,837 | 2,837 | 54.4 |
| 9.0 | 10.7 | 6.5 | - | Employee turnover rate[(24)] | % | 6.5 | 10.7 | - |
| 282 | 130 | 201 | (35.3) | Donation | mn HUF | 379 | 412 | 8.8 |
| 14 | 32 | 24 | 33.3 | Ethical reports | cases | 52 | 46 | (11.5) |
| 4[(25)] | 5 | 2 | 150 | Ethical misconducts | cases | 8 | 9 | 12.5 |

[(23)] Total Reportable Injury Rate – number of Medical Treatment Cases, Restricted Work Cases and Lost Time Injuries per 1 million hours worked
[(24)] Annual rolling figures to allow comparison with ‘total workforce’ figures
[(25)] Restated with cases closed in Q2 2015

*MOL Hungarian Oil and Gas Plc. and Subsidiaries*

*Unaudited interim condensed consolidated financial statements*

*30 June 2015*

## INTERIM CONSOLIDATED INCOME STATEMENTS FOR THE MOL GROUP PREPARED IN ACCORDANCE WITH IFRS FOR THE PERIOD ENDED 30 JUNE 2015 Unaudited figures (in HUF million)

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 921,888 | 1,129,204 | 1,232,168 | (8) | Net revenue | 2,353,049 | 2,051,092 | (13) |
| 8,751 | 2,115 | 5,865 | (64) | Other operating income | 22,248 | 10,866 | (51) |
| **930,639** | **1,131,319** | **1,238,033** | **(9)** | **Total operating revenues** | **2,375,297** | **2,061,958** | **(13)** |
| 482,727 | 610,703 | 713,111 | (14) | Raw material costs | 1,413,001 | 1,093,430 | (23) |
| 50,376 | 55,316 | 50,162 | 10 | Value of material(type services used) | 91,561 | 105,692 | 15 |
| 157,995 | 188,592 | 229,008 | (18) | Cost of goods purchased for resale | 402,355 | 346,587 | (14) |
| *691,098* | *854,611* | *992,281* | *(14)* | *Raw material and consumables used* | *1,906,917* | *1,545,709* | *(19)* |
| 59,255 | 62,189 | 63,800 | (3) | Personnel expenses | 123,944 | 121,444 | (2) |
| 73,962 | 84,596 | 66,375 | 27 | Depreciation, depletion, amortisation and impairment | 134,180 | 158,558 | 18 |
| 54,676 | 55,246 | 70,213 | (21) | Other operating expenses | 133,476 | 109,922 | (18) |
| (3,703) | (20,344) | 26,764 | n.a. | Change in inventory of finished goods & work in progress | 20,229 | (24,047) | n.a. |
| (9,212) | (15,746) | (14,141) | 11 | Work performed by the enterprise and capitalized | (22,580) | (24,958) | 11 |
| **866,076** | **1,020,552** | **1,205,292** | **(15)** | **Total operating expenses** | **2,296,166** | **1,886,628** | **(18)** |
| **64,563** | **110,767** | **32,741** | **238** | **Profit from operation** | **79,131** | **175,330** | **122** |
| 1,322 | 3,035 | 1,931 | 57 | Interest received | 3,109 | 4,357 | 40 |
| 1 | 4,731 | 3,832 | (19) | Dividends received | 3,834 | 4,732 | 23 |
| 2,431 | - | - | n.a. | Fair valuation difference of conversion option | - | 2,431 | n.a. |
| - | - | (15,585) | n.a. | Exchange gain on borrowings | - | - | n.a. |
| 6,032 | (3,090) | 16,243 | n.a. | Other financial income | 16,243 | 2,942 | (82) |
| **9,786** | **4,676** | **6,421** | **(27)** | ***Financial income*** | **23,186** | **14,462** | **(38)** |
| 10,470 | 9,352 | 10,276 | (9) | Interest on borrowings | 21,079 | 19,822 | (6) |
| 4,006 | 3,629 | 2,431 | 49 | Interest on provisions | 4,716 | 7,635 | 62 |
| - | - | (992) | (100) | Fair valuation difference of conversion option | 568 | - | n.a. |
| 18,692 | 2,951 | (1,858) | n.a. | Exchange loss on borrowings | 6,020 | 21,643 | 260 |
| 33,926 | (926) | 7,932 | n.a. | Other financial expenses | 22,329 | 33,000 | 48 |
| **67,094** | **15,006** | **17,789** | **(16)** | ***Financial expense*** | **54,712** | **82,100** | **50** |
| **57,308** | **10,330** | **11,368** | **(9)** | **Total financial expense/(gain), net** | **31,526** | **67,638** | **115** |
| 4,033 | 3,005 | 5,915 | (49) | Income from associates | 11,088 | 7,038 | (37) |
| **11,288** | **103,442** | **27,288** | **279** | **Profit before tax** | **58,693** | **114,730** | **95** |
| 5,618 | 39,166 | 3,821 | 925 | Income tax expense | 13,652 | 44,784 | 228 |
| **5,670** | **64,276** | **23,467** | **174** | **PROFIT FOR THE PERIOD** | **45,041** | **69,946** | **55** |
| **9,055** | **62,673** | **24,043** | **161** | **Attributable to: Equity holders of the parent** | **44,879** | **71,728** | **60** |
| (3,385) | 1,603 | (576) | n.a. | Non-controlling interests | 162 | (1,782) | n.a. |
| **79** | **661** | **245** | **170** | **Basic earnings per share attributable to ordinary equity holders of the parent (HUF)** | **454** | **742** | **63** |
| **68** | **640** | **238** | **169** | **Diluted earnings per share attributable to ordinary equity holders of the parent (HUF) [10]** | **454** | **710** | **56** |

[10] Please see Appendix X.

# INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE MOL GROUP PREPARED IN ACCORDANCE WITH IFRS FOR THE PERIOD ENDED 30 JUNE 2015

## Unaudited figures (in HUF million)

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| **5,670** | **64,276** | **23,467** | **174** | **Profit for the period** | **45,041** | **69,946** | **55** |
| | | | | *Other comprehensive income* | | | |
| (5,078) | 95,558 | 33,580 | 185 | Exchange differences on translating foreign operations | 80,897 | 90,480 | 12 |
| 838 | 2,329 | (804) | n.a. | Available-for-sale financial assets, net of deferred tax | 796 | 3,167 | 298 |
| (285) | (545) | 510 | n.a. | Cash-flow hedges, net of deferred tax | 1,390 | (830) | n.a. |
| (3,670) | (11,681) | (4,728) | 147 | Net investment hedge, net of tax | (17,317) | (15,351) | (11) |
| (45) | 901 | (70) | n.a. | Actuarial gain(loss) on provisions for retirement benefit obligations | 20 | 856 | 4,180 |
| 4,952 | 8,042 | 1,687 | 377 | Share of other comprehensive income of associates | 5,790 | 12,994 | 124 |
| **(3,288)** | **94,604** | **30,175** | **214** | **Other comprehensive income for the period, net of tax** | **71,576** | **91,316** | **28** |
| **2,382** | **158,880** | **53,642** | **196** | **Total comprehensive income for the period** | **116,617** | **161,262** | **38** |
| | | | | Attributable to: | | | |
| 13,162 | 136,843 | 47,002 | 191 | Equity holders of the parent | 94,780 | 150,004 | 58 |
| (10,780) | 22,038 | 6,640 | 232 | Non-controlling interest | 21,837 | 11,258 | (48) |

The statement above presents income and expense items which relate to current year, but were recognized in equity instead of the income statement, as required by the applicable IFRSs.

## INTERIM CONSOLIDATED BALANCE SHEETS FOR THE MOL GROUP PREPARED IN ACCORDANCE WITH IFRS AS AT 30 JUNE 2015

### Unaudited figures (in HUF million)

| 31 December 2014 | | Restated 30 June 2014 | 30 June 2015 | Change % |
|---|---|---|---|---|
| | **Assets** | | | |
| | **Non-current assets** | | | |
| 371,236 | Intangible assets | 353,275 | 418,093 | 18 |
| 2,513,014 | Property, plant and equipment | 2,389,359 | 2,552,762 | 7 |
| 165,776 | Investments in associated companies | 141,726 | 180,365 | 27 |
| 20,796 | Available-for-sale investments | 16,301 | 24,234 | 49 |
| 75,000 | Deferred tax asset | 68,023 | 81,799 | 20 |
| 101,692 | Other non-current assets | 92,236 | 72,423 | (21) |
| **3,247,514** | **Total non-current assets** | **3,060,920** | **3,329,676** | **9** |
| | | | | |
| | **Current assets** | | | |
| 364,591 | Inventories | 471,502 | 430,424 | (9) |
| 450,985 | Trade receivables, net | 534,528 | 507,796 | (5) |
| 222,467 | Held-for-trading financial assets | 216,955 | 224,913 | 4 |
| 144,252 | Other current assets | 153,000 | 154,096 | 1 |
| 15,973 | Prepaid taxes | 12,072 | 5,585 | (54) |
| 203,743 | Cash and cash equivalents | 214,986 | 136,623 | (36) |
| - | Assets classified as held for sale | - | - | n.a. |
| **1,402,011** | **Total current assets** | **1,603,043** | **1,459,437** | **(9)** |
| | | | | |
| **4,649,525** | **Total assets** | **4,663,963** | **4,789,113** | **3** |
| | | | | |
| | **Equity and Liabilities** | | | |
| | **Shareholders' equity** | | | |
| 79,229 | Share capital [11] | 79,229 | 79,241 | 0 |
| 1,666,438 | Reserves | 1,627,948 | 1,709,981 | 5 |
| 4,078 | Net income attributable to equity holders of the parent | 44,879 | 71,728 | 60 |
| **1,749,745** | **Equity attributable to equity holders of the parent** | **1,752,056** | **1,860,950** | **6** |
| 445,993 | Non-controlling interest | 487,412 | 436,225 | (11) |
| **2,195,738** | **Total equity** | **2,239,468** | **2,297,175** | **3** |
| | | | | |
| | **Non-current liabilities** | | | |
| 455,039 | Long-term debt, net of current portion | 655,622 | 473,526 | (28) |
| 393,192 | Provisions | 326,064 | 412,338 | 26 |
| 49,820 | Deferred tax liability | 71,810 | 64,302 | (10) |
| 28,637 | Other non-current liabilities | 28,556 | 27,146 | (5) |
| **926,688** | **Total non-current liabilities** | **1,082,052** | **977,312** | **(10)** |
| | | | | |
| | **Current liabilities** | | | |
| 969,738 | Trade and other payables | 1,013,914 | 941,093 | (7) |
| 5,542 | Current taxes payable | 4,168 | 30,541 | 633 |
| 44,703 | Provisions | 43,381 | 30,093 | (31) |
| 180,448 | Short-term debt | 212,553 | 230,618 | 8 |
| 326,668 | Current portion of long-term debt | 68,427 | 282,281 | 313 |
| - | Liabilities classified as held for sale | - | - | n.a. |
| **1,527,099** | **Total current liabilities** | **1,342,443** | **1,514,626** | **13** |
| | | | | |
| **4,649,525** | **Total equity and liabilities** | **4,663,963** | **4,789,113** | **3** |

[11] Please see Appendix X.

## INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE MOL GROUP PREPARED IN ACCORDANCE WITH IFRS

## FOR THE PERIOD ENDED 30 June 2015 - Unaudited figures (in HUF million)

| | **Share capital** | Share premium | Fair valuation reserve | Translation reserve | Equity component of debt and difference in buy-back prices | Retained earnings | **Total reserves** | Profit for the year attributable to equity holders of the parent | **Equity attributable to equity holders of the parent** | Non-controlling interest | **Total equity** |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Opening balance 1 January 2014 restated** | **79,215** | **(325,669)** | **2,563** | **159,724** | **(8,074)** | **1,776,343** | **1,604,887** | **21,901** | **1,706,003** | **473,517** | **2,179,520** |
| Retained profit for the period | - | - | - | - | - | - | - | 44,879 | **44,879** | 162 | **45,041** |
| Other comprehensive income for the period, net of tax | - | - | 1,781 | 44,297 | - | 3,823 | **49,901** | - | **49,901** | 21,675 | **71,576** |
| **Total comprehensive income for the period** | - | - | **1,781** | **44,297** | - | **3,823** | **49,901** | **44,879** | **94,780** | **21,837** | **116,617** |
| Transfer to reserves of retained profit for the previous year | - | - | - | - | - | 21,901 | **21,901** | (21,901) | - | - | - |
| Dividend paid to shareholders | - | - | - | - | - | (49,710) | **(49,710)** | | **(49,710)** | | **(49,710)** |
| Dividends to non-controlling interests | - | - | - | - | - | - | - | - | - | (7,945) | **(7,945)** |
| Equity recorded for share-based payments | 14 | - | - | - | - | 84 | **84** | - | **98** | | **98** |
| Net change in balance of treasury shares held, net of tax | - | - | - | - | - | 888 | **888** | - | **888** | | **888** |
| Disposal of subsidiaries | - | - | - | - | - | - | - | - | - | - | - |
| Transactions with non-controlling interest | - | - | - | - | - | (3) | **(3)** | - | **(3)** | 3 | - |
| **Closing balance 30 June 2014 restated** | **79,229** | **(325,669)** | **4,344** | **204,021** | **(8,074)** | **1,753,326** | **1,627,948** | **44,879** | **1,752,056** | **487,412** | **2,239,468** |
| **Opening balance 1 January 2015** | **79,229** | **(325,669)** | **2,832** | **242,004** | **(8,074)** | **1,755,345** | **1,666,438** | **4,078** | **1,749,745** | **445,993** | **2,195,738** |
| Retained profit for the period | - | - | - | - | - | - | - | 71,728 | **71,728** | (1,782) | **69,946** |
| Other comprehensive income for the period, net of tax | - | - | 726 | 76,082 | - | 1,468 | **78,276** | - | **78,276** | 13,040 | **91,316** |
| **Total comprehensive income for the period** | - | - | **726** | **76,082** | - | **1,468** | **78,276** | **71,728** | **150,004** | **11,258** | **161,262** |
| Transfer to reserves of retained profit for the previous year | - | - | - | - | - | 4,078 | **4,078** | (4,078) | - | - | - |
| Dividends paid to shareholders | - | - | - | - | - | (40,903) | **(40,903)** | - | **(40,903)** | | **(40,903)** |
| Dividends to non-controlling interests | - | - | - | - | - | - | - | - | - | (12,789) | **(12,789)** |
| Equity recorded for share-based payments | 12 | - | - | - | - | 78 | **78** | - | **90** | - | **90** |
| Net change in balance of treasury shares held, net of tax | - | - | - | - | - | - | - | - | - | - | - |
| Disposal of subsidiaries | - | - | - | - | - | - | - | - | - | - | - |
| Transactions with non-controlling interests | - | - | - | - | - | 2,014 | **2,014** | - | **2,014** | (8,237) | **(6,223)** |
| **Closing balance 30 June 2015** | **79,241** | **(325,669)** | **3,558** | **318,086** | **(8,074)** | **1,722,080** | **1,709,981** | **71,728** | **1,860,950** | **436,225** | **2,297,175** |

## INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE MOL GROUP PREPARED IN ACCORDANCE WITH IFRS FOR THE PERIOD ENDED 30 JUNE 2015
### Unaudited figures (in HUF million)

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| **11,288** | **103,442** | **27,288** | **279** | **Profit before tax** | **58,693** | **114,730** | **95** |
| | | | | *Adjustments to reconcile profit before tax to net cash provided by operating activities* | | | |
| 73,962 | 84,596 | 66,375 | 27 | Depreciation, depletion, amortisation and impairment | 134,180 | 158,558 | 18 |
| (2,811) | (4,952) | (105) | 4,616 | Write-off / (reversal of write-off) of inventories | 2,819 | (7,763) | n.a. |
| 1,322 | (4,558) | 521 | n.a. | Increase / (decrease) in provisions | (1,095) | (3,236) | 196 |
| (3,894) | 2,224 | 156 | 1,326 | Net (gain) / loss on sale of property, plant & equipment | (414) | (1,670) | 303 |
| (858) | 3,370 | 3,396 | (1) | Write-off / (reversal of write-off) of receivables | 2,100 | 2,512 | 20 |
| - | (1,233) | - | n.a. | Net (gain) on sale of subsidiaries | (12,699) | (1,233) | (90) |
| (1,322) | (3,035) | (1,931) | 57 | Interest income | (3,109) | (4,357) | 40 |
| 10,470 | 9,352 | 10,276 | (9) | Interest on borrowings | 21,079 | 19,822 | (6) |
| 39,503 | 2,073 | 1,498 | 38 | Net foreign exchange (gain) / loss | 11,036 | 41,576 | 277 |
| (2,431) | - | (992) | n.a. | Fair valuation difference of conversion option | 568 | (2,431) | n.a. |
| 7,082 | (1,689) | 85 | n.a. | Other financial (gain) / loss, net | (2,764) | 5,393 | n.a. |
| (4,033) | (3,005) | (5,915) | (49) | Share of net profit of associates and joint venture | (11,088) | (7,038) | (37) |
| (2,785) | 787 | 1,281 | (39) | Other non-cash item | 2,157 | (1,998) | n.a. |
| **125,493** | **187,372** | **101,933** | **84** | **Operating cash flow before changes in working capital** | **201,463** | **312,865** | **55** |
| **(56,897)** | **(60,211)** | **29,152** | **n.a.** | **Total change in working capital o/w:** | **(45,571)** | **(117,108)** | **157** |
| (13,438) | (40,562) | (16,276) | 149 | (Increase) / decrease in inventories | 6,244 | (54,000) | n.a. |
| (18,569) | (33,677) | (30,684) | 10 | (Increase) / decrease in trade receivables | (2,406) | (52,246) | 2,071 |
| 4,286 | (9,802) | 8,829 | n.a. | (Increase) / decrease in other current assets | (11,399) | (5,516) | (52) |
| (21,896) | 4,480 | 66,159 | (93) | Increase / (decrease) in trade payables | (62,684) | (17,416) | (72) |
| (7,280) | 19,350 | 1,124 | 1,622 | Increase / (decrease) in other payables | 24,674 | 12,070 | (51) |
| (10,947) | (2,610) | (1,676) | 56 | Income taxes paid | (14,753) | (13,557) | (8) |
| **57,649** | **124,551** | **129,409** | **(4)** | **Net cash provided by / (used in) operating activities** | **141,139** | **182,200** | **29** |
| (82,959) | (94,827) | (65,947) | 44 | Capital expenditures, exploration and development costs | (133,654) | (177,786) | 33 |
| (20,288) | (224) | 36,200 | n.a. | Net cash inflow / (outflow) of acquisitions and disposals | (51,141) | (20,512) | (60) |
| | | | | from which: | | | |
| (9,023) | - | (145) | n.a. | Acquisition of projects | (98,223) | (9,023) | (91) |
| 4,404 | (1,143) | 990 | n.a. | Proceeds from disposals of property, plant and equipment | 1,837 | 3,261 | 78 |
| (15,720) | 1,112 | - | n.a. | Acquisition of subsidiaries, net cash | - | (14,608) | n.a. |
| - | - | - | n.a. | Acquisition of joint ventures, net | - | - | n.a. |
| - | - | (1,865) | n.a. | Acquisition of associated companies and other | (1,920) | - | n.a. |
| - | (178) | 37,220 | n.a. | Net cash inflow / (outflow) on sales on subsidiary | 46,935 | (178) | n.a. |
| 51 | (15) | - | n.a. | Proceeds from disposal of associated companies and other investments | 230 | 36 | (84) |
| 1,068 | 30,947 | (30,669) | n.a. | Changes in loans given and long-term bank deposits | 51,993 | 32,015 | (38) |
| (174) | (581) | 4,565 | n.a. | Changes in short-term investments | (201,564) | (755) | (100) |
| 1,642 | 3,368 | 2,048 | 64 | Interest received and other financial income | 7,942 | 5,010 | (37) |
| 1 | 7,627 | 8,987 | (15) | Dividends received | 8,989 | 7,628 | (15) |
| **(100,710)** | **(53,690)** | **(44,816)** | **20** | **Net cash (used in) / provided by investing activities** | **(317,435)** | **(154,400)** | **(51)** |
| - | - | - | n.a. | Issuance of long-term notes | - | - | n.a. |
| - | - | (11,000) | n.a. | Repayment of long-term notes | (11,000) | - | n.a. |
| 100,185 | 108,283 | 80,479 | 35 | Long-term debt drawn down | 107,812 | 208,468 | 93 |
| (66,482) | (183,716) | (65,287) | 181 | Prepayments and repayments of long-term debt | (174,839) | (250,198) | 43 |
| - | - | - | n.a. | Changes in other long-term liabilities | - | | n.a. |
| (23,700) | 46,519 | (35,668) | n.a. | Changes in short-term debt | (18,391) | 22,819 | n.a. |
| (3,645) | (20,135) | (20,396) | (1) | Interest paid and other financial costs | (32,605) | (23,780) | (27) |
| (12) | (40,759) | (49,677) | (18) | Dividends paid to shareholders | (49,678) | (40,771) | (18) |
| (8,070) | (5,283) | (5,736) | (8) | Dividends paid to non-controlling interest & acquisition of non-controlling interest | (7,630) | (13,353) | 75 |
| - | - | - | n.a. | Contribution of non-controlling shareholders | - | - | n.a. |
| - | - | - | n.a. | Sale of treasury shares | - | - | n.a. |
| - | - | - | n.a. | Repurchase of treasury shares | - | - | n.a. |
| **(1,724)** | **(95,091)** | **(107,285)** | **(11)** | **Net cash (used in) / provided by financing activities** | **(186,331)** | **(96,815)** | **(48)** |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| **(9,588)** | **11,483** | **1,664** | **590** | **Currency translation differences relating to cash and cash equivalents** | **13,443** | **1,895** | **(86)** |
| **(54,373)** | **(12,747)** | **(21,028)** | **(39)** | **Increase/(decrease) in cash and cash equivalents** | **(349,184)** | **(67,120)** | **(81)** |
| **203,743** | **149,370** | **236,014** | **(37)** | **Cash and cash equivalents at the beginning of the period** | **564,170** | **203,743** | **(64)** |
| | | | | from which: | | | |
| 203,743 | 149,370 | 236,014 | (37) | - presented in Balance Sheet | 564,170 | 203,743 | (64) |
| - | | - | n.a. | - attributable to Disposal Group | - | - | n.a. |
| **149,370** | **136,623** | **214,986** | **(36)** | **Cash and cash equivalents at the end of the period** | **214,986** | **136,623** | **(36)** |
| | | | | from which: | | | |
| 149,370 | 136,623 | 214,986 | (36) | - presented in Balance Sheet | 214,986 | 136,623 | (36) |
| - | - | - | n.a. | - attributable to Disposal Group | | - | n.a. |

# Notes to the interim condensed consolidated financial statements

## 1. General information

MOL Hungarian Oil and Gas Plc. was incorporated on 1 October 1991 on the transformation of its legal predecessor, the Országos Kőolaj- és Gázipari Tröszt (OKGT).

The registered office address of the Company is Október huszonharmadika u. 18., Budapest, Hungary.

MOL Plc. and its subsidiaries (hereinafter referred to as the Group or MOL Group) are involved in the exploration and production of crude oil, natural gas and other gas products, refining, transportation and storage of crude oil and wholesale and retail marketing of crude oil products, production and sale of olefins and polyolefins.

The shares of the Company are listed on the Budapest and the Warsaw Stock Exchange. Depositary Receipts (DRs) are listed on the Luxembourg Stock Exchange and are traded on London's International Order Book and Over The Counter (OTC) market in the USA.

## 2. Basis of preparation

The interim condensed financial statements for the six months ended 30 June 2015 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 31 December 2014.

## 3. Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2014.

In 2015, the Group has not adopted any new or amended standard or interpretation.

## 4. Seasonality of operations

Certain operations of the Group, mainly the retail activities and the Gas Midstream segment are exposed to seasonality (in case of retail, holiday peak results in higher margin revenues, whereby sales of the Gas Midstream segment are higher in the winter heating season). However, on Group level such seasonality is not considered to be significant.

## 5. Operating segment information

For management purposes the Group is organized into three major operating business units: Upstream, Downstream and Gas Midstream. The business units are the basis upon which the Group reports its segment information to the management who is responsible for allocating business resources and assessing performance of the operating segments.

Starting from 1 January 2015, the company Prirodni Plin d.o.o., the gas storage subsidiary of INA Group merged into INA d.d. and was reclassified from Gas Midstream to Upstream segment. Also, the company Croplin d.o.o. has been reclassified from Gas Midstream segment to Upstream segment. Comparative periods have been restated accordingly.

| **Six months ended 30 June 2015** | **Upstream** | **Downstream** | **Gas Midstream** | **Corporate and other** | **Inter-segment transfers** | **Total** |
|---|---|---|---|---|---|---|
| | HUF million | HUF million | HUF million | HUF million | HUF million | HUF million |
| **Net Revenue** | | | | | | |
| Sales to external customers | 135,327 | 1,838,759 | 50,122 | 26,884 | | **2,051,092** |
| Inter-segment sales | 88,757 | 5,321 | 286 | 67,587 | (161,951) | |
| **Total revenue** | **224,084** | **1,844,080** | **50,408** | **94,471** | **(161,951)** | **2,051,092** |
| **Results** | | | | | | |
| Profit/(loss) from operations | 25,696 | 147,423 | 21,451 | (18,517) | (723) | **175,330** |
| Net finance costs | | | | | | **67,638** |
| Income from associates | | | | 7,038 | | **7,038** |
| Profit before tax | | | | | | **114,730** |
| Income tax expense/(benefit) | | | | | | **44,784** |
| Profit for the period | | | | | | **69,946** |

| **Six months ended 30 June 2014 restated** | **Upstream** | **Downstream** | **Gas Midstream** | **Corporate and other** | **Inter-segment transfers** | **Total** |
|---|---|---|---|---|---|---|
| | HUF million | HUF million | HUF million | HUF million | HUF million | HUF million |
| **Net Revenue** | | | | | | |
| Sales to external customers | 166,405 | 2,110,922 | 51,152 | 24,570 | | **2,353,049** |
| Inter-segment sales | 135,466 | 5,299 | 325 | 75,777 | (216,867) | |
| **Total revenue** | **301,871** | **2,116,221** | **51,477** | **100,347** | **(216,867)** | **2,353,049** |
| **Results** | | | | | | |
| Profit/(loss) from operations | 88,108 | 2,570 | 23,249 | (17,845) | (16,951) | **79,131** |
| Net finance costs | | | | | | **31,526** |
| Income from associates | | | | 11,088 | | **11,088** |
| Profit before tax | | | | | | **58,693** |
| Income tax expense/(benefit) | | | | | | **13,652** |
| Profit for the period | | | | | | **45,041** |

| Assets and liabilities at 30 June 2015 | Upstream | Downstream | Gas Midstream | Corporate and other | Inter-segment transfers | Total |
|---|---|---|---|---|---|---|
| | HUF million | HUF million | HUF million | HUF million | HUF million | HUF million |
| Property, plant and equipment, net | 1,037,177 | 1,157,160 | 229,954 | 135,953 | (7,482) | **2,552,762** |
| Intangible assets, net | 332,551 | 66,887 | 1,946 | 25,573 | (8,864) | **418,093** |
| Inventories | 28,834 | 392,517 | 3,403 | 28,766 | (23,096) | **430,424** |
| Trade receivables, net | 35,448 | 454,891 | 4,248 | 31,489 | (18,280) | **507,796** |
| Investments in associates | | | | 180,365 | | **180,365** |
| Assets classified as held for sale | | | | | | **-** |
| Not allocated assets | | | | | | **699,673** |
| **Total assets** | | | | | | **4,789,113** |
| Trade payables | 54,287 | 329,665 | 5,317 | 33,999 | (19,831) | **403,437** |
| Liabilities classified as held for sale | | | | | | **-** |
| Not allocated liabilities | | | | | | **2,088,501** |
| **Total liabilities** | | | | | | **2,491,938** |

| Assets and liabilities at 30 June 2014 restated | Upstream | Downstream | Gas Midstream | Corporate and other | Inter-segment transfers | Total |
|---|---|---|---|---|---|---|
| | HUF million | HUF million | HUF million | HUF million | HUF million | HUF million |
| Property, plant and equipment, net | 944,573 | 1,081,219 | 237,692 | 133,844 | (7,969) | **2,389,359** |
| Intangible assets, net | 266,409 | 64,949 | 2,502 | 26,880 | (7,465) | **353,275** |
| Inventories | 22,318 | 457,685 | 3,032 | 20,973 | (32,506) | **471,502** |
| Trade receivables, net | 42,472 | 481,632 | 2,754 | 39,286 | (31,616) | **534,528** |
| Investments in associates | | | | 141,726 | | **141,726** |
| Assets classified as held for sale | | | | | | **-** |
| Not allocated assets | | | | | | **773,573** |
| **Total assets** | | | | | | **4,663,963** |
| Trade payables | 65,058 | 430,250 | 3,626 | 34,865 | (33,564) | **500,235** |
| Liabilities classified as held for sale | | | | | | **-** |
| Not allocated liabilities | | | | | | **1,924,260** |
| **Total liabilities** | | | | | | **2,424,495** |

Additional information on segment performance, including certain non-IFRS measures are included in Appendices I - V.

## 6. Business combinations, disposals and acquisition of non-controlling interests

Disposal of Mideast Integrated Drilling & Well Services Company LLC

In H1 2015 the Group sold its interest held in Mideast Integrated Drilling & Well Services Company LLC (hereinafter MIDWESCO), former member of Crosco Group.

The carrying amount of disposed assets and liabilities of MIDWESCO as of 30 June 2015 and analysis of cash flows of the sale are the following:

| | **Carrying amount** |
|---|---|
| | HUF million |
| ***Assets*** | |
| Property, plant and equipment, net | 65 |
| Inventories | 237 |
| Trade receivables, net | 1,338 |
| Other current assets | 66 |
| Deferred tax assets | 88 |
| Cash and cash equivalent | 174 |
| **Total assets** | **1,968** |
| ***Liabilities*** | |
| Trade payables | 2,309 |
| Accrual and deferred income | 880 |
| **Total liabilities** | **3,189** |
| **Net assets sold** | **(1,221)** |
| **Cash consideration received** | **68** |
| **Gain on the disposal** | **1,289** |
| ***Analysis of cash flows on disposal*** | |
| Cash consideration received | 68 |
| Cash disposed with the sale | (174) |
| **Net cash outflow** | **106** |

Acquisition of ENI Romania

In H1 2015 the Group successfully completed the acquisition of ENI Romania, including 42 service stations, further strengthening MOL Group's market shares in Romania. As a result of integrating the acquired network, MOL Group will reach a network of 201 units in Romania.

The carrying amounts and provisional fair values of the assets and liabilities are the following:

| | **Carrying amount** | **Provisional fair value adjustment** | **Provisional fair value on acquisition** |
|---|---|---|---|
| | HUF million | HUF million | HUF million |
| **Current assets** | | | |
| Inventories | 706 | - | 706 |
| Trade and other receivables | 547 | - | 547 |
| Other current assets | 102 | - | 102 |
| Prepaid taxes | 13 | - | 13 |
| Cash and cash equivalents | 670 | - | 670 |
| **Non-current assets** | | | |
| Intangible assets | 5 | - | 5 |
| Property, plant and equipment | 7,161 | 10,282 | 17,443 |
| Other non-current assets | 23 | - | 23 |
| **Current liabilities** | | | |
| Trade and other payables | 1,214 | - | 1,214 |
| Other current liabilities | 199 | - | 199 |
| **Non-current liabilities** | | | |
| Provisions | 221 | - | 221 |
| Other long-term liabilities | 29 | - | 29 |
| Deferred tax liabilities | - | 1,645 | 1,645 |
| **Net asset acquired** | **7,564** | **8,637** | **16,201** |

| | |
|---|---|
| **Goodwill arisen on acquisition** | |
| Fair value of consideration transferred excluding cash held on escrow account | 16,201 |
| Less: fair value of identifiable net assets aquired | (16,201) |
| Goodwill arising on acquisition | - |
| ***Net cash outflow on acquisition of subsidiaries*** | |
| Consideration paid in cash | 16,201 |
| Less: cash and cash equivalent balances acquired | (670) |
| **Net cash outflow** | **15,531** |

## 7. Impairment of fixed assets

Cash generating units of the Group (including those to which goodwill is allocated) are tested for impairment when circumstances indicate that the carrying value might be impaired. Additionally, goodwill is also tested for impairment annually (as at 31 December) after the Group has completed its annual planning cycle. These require an estimation of the recoverable value of the cash-generating units to which the goodwill is allocated. The estimation of the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The Group is currently in progress of updating its estimates for the future in the framework of its annual planning cycle. No changes in these key assumptions (subject to final approval from the management) has given rise so far to any indication for significant impairment of the Group's cash generating units or the allocated goodwill.

Hungarian exploration assets

Impairment expense of HUF 4,572mn was recognised on Hungarian exploration fields in H1 2015, compared to impairment expense of HUF 3,317mn in H1 2014.

Non-current assets in Syria

On 22 February 2012 Croatia adopted EU/UN sanctions towards Syrian Arab Republic, hence INA d.d. declared Force Majeure as from 26 February 2012. By declaring Force Majeure, INA d.d. suspended all its petroleum activities in Hayan and Aphamia blocks as per Production Sharing Agreement (Hayan/Aphamia) and recalled all its local and expatriate employees. Although the production in Hayan Block continued, the Group has not recognised production volumes since the announcement of Force Majeure and consequently no revenue has been accounted for. These circumstances also gave rise to an impairment indicator with respect to the Group's Syrian assets. The Group performed an impairment test on its Syrian non-current assets of Hayan Block as of 31 December 2014. Such impairment calculation requires an estimate of the recoverable amount of the cash generating unit, that is, the higher of fair value less costs to sell and value in use. Value in use has been determined on the basis of discounted estimated future net cash flows and of multiple scenarios with respect to return to normal production. Based on these calculations and following impairment already recognised at the end of 2014, no further impairment was recorded in the first half of 2015. The book value of total Group assets in Syria at 30 June 2015 amounted to HUF 31,892mn (at 31 December 2014: HUF 30,348mn).

The management regularly monitors and, if needed, re-assesses impairment calculations based on the latest developments in the country.

Refining and wholesale assets of INA

As a consequence of the unfavourable economic environment, after detailed assessment of the long-term sustainability of the Sisak and Rijeka refining operations of INA, the Group performed an impairment test as of 31 December 2014 on Croatian refining and wholesale assets, qualifying as cash generating units. For the refining and wholesale activity, cash flow forecasts were prepared which were derived from the most recent financial budgets approved by management. Based on the calculation, the Group recognised impairment in 2014 and 2013. No further impairment was recorded in the first half of 2015. The book value of total Group refining and wholesale non-current assets in Croatia as at 30 June 2015 was HUF 138,496mn (31 December 2014: HUF 141,232mn).

Other impairment expenses

Impairment expense of HUF 1,461 mn was recognised related to Hungarian oil and gas producing fields in H1 2015. Impairment expense of HUF 940 mn was recognised as write-off of unsuccessful wells in Croatia (for Čepelovac North and Hrastilnica-5 blocks, presented as construction in progress) in H1 2015.

## 8. Property, plant and equipment

During the six months ended 30 June 2015, the Group acquired assets with cost of HUF 186,809mn, compared to HUF 231,877mn in H1 2014. The cash outflow of the current period mainly reflects the CAPEX in the Upstream (acquisition in North Sea area and exploration project developments in Hungary, Croatia, Pakistan, Kurdistan Region of Iraq and North Sea area) and Downstream (construction of new petrochemical units at Slovnaft and TVK, IES depot conversion and refinery major overhaul) segments, while in the comparative period mainly reflects the

CAPEX in the Upstream (acquisition in North Sea area and exploration project developments in Hungary, Croatia, Pakistan, Russia and Kurdistan Region of Iraq) and Downstream (construction of new petrochemical units at Slovnaft and TVK, major turnaround at Slovnaft) segments.

Assets with net book value of HUF 2,949mn were disposed of by the Group in H1 2015 resulting in a net gain of HUF 1,670mn.

## 9. Inventories

Total amount of inventories decreased to HUF 430,424 mn as of 30 June 2015 (HUF 471,502 mn as of 30 June 2014).

During the interim period in 2015 the Group recorded a reversal of impairment of HUF 7,763 mn mainly relating to refinery products at INA and Slovnaft Group.

## 10. Provisions

Total amount of provisions was HUF 442,431mn as of 30 June 2015, a small increase from HUF 437,895mn as of 2014 year-end, reflecting the combined effect of unwinding of the discounts for long-term environmental and field abandonment provisions, the revision of previously estimated costs, discount rates, and the changes in foreign exchange (EUR and HRK) rates. Long-term real discount rates used were between 1.5% and 2% (2014: 1.5% and 2%).

## 11. Equity

Changes in the number of ordinary, treasury and authorized shares:

| Series “A” and “B” shares | Number of shares issued | Number of treasury shares | Shares under repurchase obligation | Number of shares outstanding | Authorised number of shares |
|---|---|---|---|---|---|
| **31 December 2014** | **104,518,485** | **(2,842,147)** | **(22,448,142)** | **79,228,196** | **134,519,063** |
| New option agreement with UniCredit Bank A.G. | | 1,300,000 | (1,300,000) | | |
| Share distribution for the members of the Board of Directors | | 12,067 | | 12,067 | |
| **30 June 2015** | **104,518,485** | **(1,530,080)** | **(23,748,142)** | **79,240,263** | **134,519,063** |

There were no movements in the number of issued ordinary shares (578 shares) of series “C”.

<u>Option agreement with UniCredit Bank A.G.</u>

Under the Share Purchase Agreement concluded among MOL Investment Ltd., UniCredit and MOL on 27 January 2015 1,300,000 MOL shares were sold.

<u>Share distribution for the members of the Board of Directors</u>

In accordance with incentive system based on share allowance the Company distributed altogether 12,067 pieces of „A” Series MOL Ordinary shares to the members of the Board of Directors after the 2014 financial year.

<u>Dividends paid</u>

The Annual General Meeting held on 16 April 2015 approved a dividend payment in amount of HUF 50,000 million in respect to financial year 2014.

In H1 2015, holders of the capital securities of Magnolia received a coupon payment of HUF 3,752 million. Coupon payments have been recorded directly against equity attributable to non-controlling interests.

## 12. Borrowing and repayment of debt

In order to enhance the maturity profile of its funding portfolio, Mol Plc. smoothly accomplished the refinancing of its EUR 500 million revolving credit facility agreement that expired in September 2014, and due to the favourable price environment the refinancing of the USD 545 million (former USD 480 million) revolving credit facility with a USD 1,550 million revolving credit facility. The tenor of the facility is 5 years, which can be extended by further 1+1 years.

The existing bank facilities ensure both sufficient level of liquidity and financial flexibility for the Group.

At the end of June 2015, MOL Group's gearing (net debt divided by net debt plus shareholders' equity including non-controlling interests) was 21%, showing a slight increase compared to the 20% year-end level.

Currency composition of the debt was the following:

| 31 Dec 2014 (bn own currency) | 31 Dec 2014 (bn HUF) | Portion % | Proportion and amount of total debt denominated in the following currencies | 30 June 2015 (bn own currency) | 30 June 2015 (bn HUF) | Portion % |
|---|---|---|---|---|---|---|
| 0.9 | 241 | 25 | **USD** | 1.0 | 283 | 29 |
| 2.2 | 693 | 72 | **EUR** | 2.1 | 676 | 68 |
| n.a. | 28 | 3 | **HUF and other*** | n.a. | 27 | 3 |
| **n.a.** | **962** | **100** | **Total** | **n.a.** | **986** | **100** |

*includes also HRK, PLN and CZK denominated debt

## 13. Fair value of financial instruments

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted prices in active markets for identical assets and liabilities. The value of the equity share in JANAF d.d. was determined by reference to the market value of the shares as quoted on the Zagreb Stock Exchange
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly. The Group enters into derivative financial instruments with various counterparties, principally financial institutions. Derivatives valued using valuation techniques with market observable inputs are mainly commodity price transactions. For commodity derivative contracts the most frequently applied valuation techniques include forward pricing and swap- and option models and are based use on mark- to- market calculations. For valuing share option transactions and share swaps various option pricing techniques are used (binomial option pricing model, Monte Carlo simulation). The fair value of the euro dominated sovereign securities is evaluated by discounting the expected future cash flows.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

MOLGROUP

The financial assets and liabilities measured by the Group at fair value as at 30 June 2015 and 2014 are categorised as follows:

| 30 June 2015 | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| | HUF million | HUF million | HUF million | HUF million |
| **Financial assets** | | | | |
| Securities | 224,913 | - | 224,913 | - |
| Available for sale investment in JANAF d.d. | 21,140 | 21,140 | - | - |
| Receivables from commodity hedging derivatives as cash flow hedge | 19,851 | - | 19,851 | - |
| Receivables from currency risk hedging derivatives as fair-value hedge | 438 | - | 438 | - |
| Fair value of firm commitments as hedged item under commodity price transactions | 728 | - | 728 | - |
| Net receivables from commodity price transactions designated as fair value hedge | 307 | - | 307 | - |
| Net receivables from commodity price transactions | 481 | - | 481 | - |
| Receivables from foreign exchange forward transactions | 850 | - | 850 | - |
| **Financial liabilities** | | | | |
| Payables from commodity hedging derivatives as cash flow hedge | 13,477 | - | 13,477 | - |
| Net payable from currency risk hedging derivatives as cash-flow hedge | 2,532 | - | 2,532 | - |
| Fair value of firm commitments as hedged item under commodity price transactions | 308 | - | 308 | - |
| Net payables from commodity price transactions designated as fair value hedge | 728 | - | 728 | - |
| Net payables from commodity price transactions | 6,731 | - | 6,731 | - |
| Payables from currency risk hedging derivatives as fair value hedge | 717 | - | 717 | - |
| Fair value of MOL-OTP share swap | 1,831 | - | 1,831 | - |
| Payables from foreign exchange forward transactions | 4,445 | - | 4,445 | - |

| 30 June 2014 | Total | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| | HUF million | HUF million | HUF million | HUF million |
| **Financial assets** | | | | |
| Available for sale investment in JANAF d.d. | 9,622 | 9,622 | - | - |
| Net receivable from currency risk hedging derivatives as cash-flow hedge | 1,191 | - | 1,191 | - |
| Receivables from commodity hedging derivatives as cash flow hedge | 3,981 | - | 3,981 | - |
| Receivables from currency risk hedging derivatives as fair value hedges | 184 | - | 184 | - |
| Net receivable from commodity price transactions designated as fair value hedge | 1,206 | - | 1,206 | - |
| Net receivables from commodity price transactions | 1,031 | - | 1,031 | - |
| **Financial liabilities** | | | | |
| Payables from commodity hedging derivatives as cash flow hedge | 1,517 | - | 1,517 | - |
| Conversion option of exchangeable capital securities by Magnolia Finance Ltd | 3,600 | - | 3,600 | - |
| Fair value of MOL-OTP share swap | 1,386 | - | 1,386 | - |
| Fair value of firm commitments as hedged item under commodity price transactions | 1,206 | - | 1,206 | - |
| Payables from currency risk hedging derivatives as fair value hedge | 651 | - | 651 | - |
| Payables from long term CO2 transactions | 201 | - | 201 | - |

During the six-month periods ended 30 June 2015 and 2014, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

## 14. Financial income / expense

| | For the six months ended 30th June | |
|---|---|---|
| | 2015 | 2014 |
| | HUF million | HUF million |
| Dividend received | 4,732 | 3,834 |
| Interest received | 4,358 | 3,109 |
| Fair valuation gain of conversion option | 2,431 | - |
| Fair valuation gain of securities, net | 1,803 | 8,708 |
| Foreign exchange gain on cash and cash equivalents, net | 1,047 | 7,147 |
| Other financial incomes, net | 91 | 388 |
| **Total financial income** | **14,462** | **23,186** |
| Foreign exchange loss on borrowings | 21,643 | 6,020 |
| Foreign exchange loss on receivables and payables, net | 20,980 | 12,163 |
| Interest on borrowings | 19,822 | 21,079 |
| Interest on provisions | 7,635 | 4,716 |
| Other financial expenses, net | 6,987 | 5,373 |
| Fair valuation loss of derivative transactions, net | 5,033 | 4,793 |
| Fair valuation loss of conversion option | - | 568 |
| **Total financial expense** | **82,100** | **54,712** |
| **Total financial expense (income), net** | **67,638** | **31,526** |

Perpetual exchangeable capital securities

The conversion option of the holders of Capital Securities issued by Magnolia Finance Limited has been recorded as Other non-current liability, the fair valuation of which is recognized in income statement. The fair value of the conversion option is determined on the basis of the fair value of the Capital Securities, using investment valuation methods (market values), and depends principally on the following factors:

- Quoted MOL share prices denominated in HUF
- HUF/EUR exchange rate
- Implied volatility of MOL share prices (calculated on EUR basis)
- Investor’s dividend expectations on MOL shares
- EUR-based interest rate
- Subordinated credit spread

The fair value of the conversion option reduced to zero by 30 June 2015, while it was HUF 3,600mn as of 30 June 2014. The fair valuation impact of the option was HUF 2,431mn gain and HUF 568mn loss in the first half of 2015 and 2014, respectively.

## 15. Income from associates

In H1 2015 income from associates amounted to HUF 7,038 mn mainly due to the contribution of MET and MOL's 10% share from operations of Pearl Petroleum Company.

## 16. Income tax

The main components of income tax expense in the interim consolidated income statement are (in HUF million):

| Q1 2015 | Q2 2015 | Q2 2014 | Ch. % | Breakdown of income tax expense (HUF mn) | H1 2014 | H1 2015 | Ch. % |
|---|---|---|---|---|---|---|---|
| 2,940 | 3,507 | 3,131 | 12 | Local trade tax and innovation fee | 5,643 | 6,447 | 14 |
| 1 | 10,949 | - | n.a. | Robin Hood tax | - | 10,950 | n.a. |
| (3,048) | 7,108 | (2,165) | n.a. | Deferred tax | 1,034 | 4,060 | 293 |
| 5,725 | 17,602 | 2,855 | 517 | Corporate income tax | 6,975 | 23,327 | 234 |
| **5,618** | **39,166** | **3,821** | **925** | **Total income tax expense** | **13,652** | **44,784** | **228** |

Change in the income tax expenses is mainly influenced by the positive tax bases at MOL Plc. (both in case of income tax and Robin Hood tax) and Slovnaft Group in current quarter. The main driver of the positive tax base of MOL Plc., besides the better operating performance compared to Q1, are the FX gains due to the weakening of HUF against both EUR and USD. The main reason for the positive tax base of Slovnaft Group is a significant improvement in profitability driven mainly by petrochemical division and overall positive development of both gasoline and diesel crack spreads combined with increase in volumes sold in all segments.

## 17. Components of other comprehensive income

| | For the six month ended 30 June 2015 | For the six month ended 30 June 2014 |
|---|---|---|
| | HUF million | HUF million |
| Exchange differences on translating foreign operations | | |
| Gains / (losses) arising during the year | 90,480 | 72,839 |
| Reclassification adjustments for gains and losses included in the income statement | - | 8,058 |
| Income tax effect | - | - |
| | **90,480** | **80,897** |
| Available-for-sale financial assets, net of deferred tax | | |
| Gains / (losses) arising during the year | 3,958 | 995 |
| Reclassification adjustments for gains and losses included in the income statement | - | - |
| Income tax effect | (791) | (199) |
| | **3,167** | **796** |
| Cash-flow hedges, net of deferred tax | | |
| Gains / (losses) arising during the year | (2,928) | 3,591 |
| Reclassification adjustments for gains and losses included in the income statement | (11,345) | 141 |
| Reclassification adjustments to initial cost of inventories | 13,393 | (2,280) |
| Income tax | 50 | (62) |
| | **(830)** | **1,390** |
| Net investment hedge, net of tax | | |
| Gains / (losses) arising during the year | (16,393) | (21,121) |
| Reclassification adjustments for gains and losses included in the income statement | - | - |
| Income tax effect | 1,042 | 3,804 |
| | **(15,351)** | **(17,317)** |
| Actuarial gain / (loss) on provisions for retirement benefit obligation | | |
| Gains / (losses) arising during the year | 1,057 | 24 |
| Reclassification adjustments for gains and losses included in the income statement | - | - |
| Income tax effect | (201) | (4) |
| | **856** | **20** |
| Share of other comprehensive income for associates | | |
| Gains / (losses) arising during the year | 12,994 | 5,790 |
| Reclassification adjustments for gains and losses included in the income statement | - | - |
| Income tax effect | - | - |
| | **12,994** | **5,790** |

## 18. Commitments and contingent liabilities

The total value of capital commitments as of 30 June 2015 is HUF 47.7 bn, from which HUF 9.4 bn relates to MOL and HUF 10.4 bn to INA. Other significant amounts relate to the construction of the new petrochemical plants of Slovnaft and TVK (HUF 8.9 bn and HUF 5.3bn, respectively).

## 19. Related party transactions

Major transactions with associated companies in the normal course of business:

| | For the six month ended 30 June 2015 | For the six month ended 30 June 2014 |
|---|---|---|
| | HUF million | HUF million |
| Trade and other receivables due from related parties | 43 | 158 |
| Loans given to related parties | 6,184 | 6,409 |
| Trade and other payables due to related parties | 4,945 | 8,507 |
| Net sales to related parties | 234 | 512 |

The Group purchased and sold goods and services with related parties during the ordinary course of business in H1 2015 and 2014. All of these transactions were conducted under market prices and conditions.

## 20. Notes to the consolidated statements of cash-flows

Operating cash inflow before changes in working capital increased to HUF 312,865 mn in H1 2015 (HUF 201,463 mn in H1 2014).

Net cash used in investing activities was HUF 154,400 mn in H1 2015 (HUF 317,435 mn in H1 2014), representing mainly capital expenditures, exploration and development costs.

Net cash used in financing activities decreased to HUF 96,815 mn in H1 2015 (HUF 186,331 mn cash outflow in H1 2014).

## 21. Disposal group

As of 30 June 2015, the Group did not hold any group of assets to be disposed of.

## 22. Events after the end of the reporting period

<u>The acquisition of Ithaca Petroleum Norge AS</u>

MOL Group has completed the acquisition of 100% shares in Ithaca Petroleum Norge AS, through the newly established MOL Nordsjön B.V., an entity fully owned by MOL Plc., the date of completion is 8th July 2015.
The target entity owns 14 drilling licenses in the North Sea including 3 where it is also operator. The acquisition will significantly contribute to further strengthening MOL Group's international upstream portfolio, by geographically diversifying its upstream assets.

The carrying amounts of the assets and liabilities of Ithaca Petroleum Norge AS as of 30 June 2015 are the following:

| | Carrying amount at acquisition date |
|---|---|
| | **HUF million** |
| **Assets** | |
| Non-current assets | 4,473 |
| Current assets | 14,947 |
| **Total assets** | **19,420** |
| **Liabilities** | |
| Non-current liabilities | 20,130 |
| Current liabilities | 3,303 |
| **Total liabilities** | **23,433** |
| **Net assets** | **(4,013)** |

## *Main risks of MOL Group*

The aim of MOL Group Risk Management is to deal with challenges of the external environment to support a stable and sustainable financial position of the company. MOL Group has developed risk management function as an integral part of its corporate governance structure. Group Risk Management identifies and measures the key risk drivers and quantifies their impact on the Group's performance. The main risk drivers of the Group are the following:

Commodity price risk: MOL is exposed to commodity price risk on both the purchasing side and the sales side. The main commodity risks stem from long crude oil position to the extent of its group level production, long refinery margin position to the extent of the refined product volumes and long petrochemical margin position. Investors buying oil companies' share are generally willing to take the risk of oil business so commodity price risk should not be fully eliminated from the cash flow. However, commodity hedge deals are considered to eliminate 'non-business as usual' risks or decrease the effect of general market price volatility.

Foreign Exchange (FX) risk: Business operation is economically driven mainly by USD. The overall operating cash flow exposure of the Group is net long USD, EUR, RON, and net short HUF, HRK, RUB from economic point of view. According to MOL's current FX risk management policy the long FX exposures of the operating cash flow are decreased by the short financing cash flow exposures.

Regulatory risk: Due to the economic crisis the risk of potential government actions increased as well as potential impact of such decisions.

Country risks: The internationally extending portfolio requires the proper management of country risk exposures.

Country exposures are monitored to enhance the diversification effect in the investment portfolio.

Drilling risks: The uncertainty related to drilling success is a typical business risk in the exploration activity.

Equipment breakdown: Due to the high asset concentration in Downstream business it is a significant risk driver. The potential negative effects are mitigated besides comprehensive HSE activities through a Group wide insurance management program.

Market demand uncertainties: External factors like drop in market demand can affect MOL's results negatively.

Reputation risk: Reputation of energy industry players has been in the focus of media for the past years due to extreme negative events (e.g. BP oil spill, Fukushima nuclear accident). MOL as a major market player in the region operates under special attention from stakeholders.

Generally, the risks are aggregated, measured and monitored at group level in order to take into consideration the portfolio effects and to optimize the Group's financial performance. Some of the risks are managed centrally, while some are dealt with the divisions, overseen by nominated risk owners. Risk Management regularly controls the realization of these risk mitigation actions – in a form of quarterly reports.

## Outlook on strategic horizon

We managed to sustain a strong cash flow generating ability throughout the first half of 2015, adopting our capital expenditures to the new circumstances, while keeping gearing and indebtedness at relatively low levels of 21.4% and 1.19x respectively.

The last twelve months have demonstrated that MOL Group is well protected against sharp drops in oil prices, and will continue to be so for the foreseeable future, given the strength and resilience of our integrated business model. Having achieved the right balance between Upstream and Downstream will allow MOL Group to reach USD 2.2bn CCS Group EBITDA for 2015, even at around a 60 USD/bbl price environment.

We thoroughly reviewed our organic projects pipeline. As a result of increased scrutiny the anticipated organic spending of 2015 amounts to $1.3bn overall. In line with our conservative financial policy, organic CAPEX is expected to be covered by operating cash flow.

For Upstream, during 2014 production reached 98 mboepd. Production has been growing since mid-2014 and we grew to 103.5 mboepd in the first half of 2015. The Upstream portfolio in its current form will be able to deliver a production level of 105 mboepd for 2015. Furthermore, MOL Group surpassed the 100% organic reserve replacement ratio, reaching a level of 103% during 2014. We are aiming to maintain this level going forward.

At the same time we intend to maintain rigorous discipline to keep lifting costs in a flat to declining range country by country.

MOL Group wants to continue its active portfolio management approach, which we followed previously when we disposed of some assets in Russia and entered into the North Sea region through acquisition of several operated & non-operated offshore assets in the UK and Norway.
Although a continued low oil price poses a great challenge for Upstream, we believe that MOL Group can benefit from the lower oil price environment by seizing attractive new opportunities in the markets where we operate. While there is no rush to do so, a healthy balance sheet and an overall strong financial position allows us to be ready to act in case the right opportunity presents itself, as we aim to balance further the portfolio in terms of country risk, and seek new accretive exploration and development opportunities to grow our international E&P portfolio.

In 2014 the New Downstream Program was successfully closed, fully delivering on our USD 500mn promise. Despite the unexpected improvement in external conditions both in refining and petrochemicals, MOL Group will continue to implement structural changes to put Downstream on an even stronger footing, consolidating our position as one of the most successful integrated Downstream businesses in Europe. Based on the 2014 average macro environment, the target of Downstream is to reach CCS EBITDA level of USD 1.3-1.4bn, with a normalized cashflow (Clean CCS EBITDA minus CAPEX excluding investments into large strategic projects) of USD 900mn, both by 2017. Through a combination of more than 150 individual actions, the launch of the Next Downstream Development Program for the period of 2015-17 will target an additional USD 500mn in improvements, as we launch further asset and market efficiency measures and several strategic growth projects. The aforementioned efficiency improvements are expected to contribute USD 350mn and will be composed of comprehensive production-, supply- and sales-, as well as retail-specific actions. The envisaged CAPEX needed for efficiency improvements will be USD 500mn.

The Next Downstream Program’s initiatives within the strategic projects’ group we plan to deliver USD 150mn improvement. 2015 will witness the start of the butadiene extraction unit in the TVK petrochemical plant in Hungary, as well as the new low-density polyethylene plant (LDPE-4) in Bratislava, which will replace all three outdated production units currently in operation. The development of these two projects during the coming twelve months and the subsequent extension of the petrochemical value chain will further strengthen MOL Group’s place among the top ten petrochemical players in Europe. We continued our regional retail expansion with two announced acquisitions during 2014, and our future approach remains unchanged. We will develop the existing retail network, while proactively pursuing inorganic growth opportunities in the CEE region within the supply radius of our refineries. A conceptual change in retail will gradually convert filling stations into broader sales points in order to maximize non-fuel sales revenue.

## APPENDIX I

## KEY IFRS FINANCIAL DATA BY BUSINESS SEGMENT (in HUF million)

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | Net Sales Revenues [12] | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 110,430 | 113,654 | 139,306 | (18) | Upstream | 301,871 | 224,084 | (26) |
| 808,884 | 1,035,196 | 1,119,169 | (8) | Downstream | 2,116,221 | 1,844,080 | (13) |
| 29,787 | 20,621 | 24,847 | (17) | Gas Midstream | 51,477 | 50,408 | (2) |
| 46,656 | 47,815 | 61,864 | (23) | Corporate and other | 100,347 | 94,471 | (6) |
| **995,757** | **1,217,286** | **1,345,186** | **(10)** | **Total Net Sales Revenues** | **2,569,916** | **2,213,043** | **(14)** |
| **921,888** | **1,129,204** | **1,232,168** | **(8)** | **Total External Net Sales Revenues** | **2,353,049** | **2,051,092** | **(13)** |

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | EBITDA | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 60,713 | 53,532 | 62,363 | (14) | Upstream | 154,159 | 114,245 | (26) |
| 58,719 | 143,219 | 32,683 | 338 | Downstream | 56,717 | 201,938 | 256 |
| 18,008 | 10,334 | 14,837 | (30) | Gas Midstream | 29,825 | 28,342 | (5) |
| (1,137) | (8,015) | (2,668) | 200 | Corporate and other | (8,762) | (9,152) | 4 |
| 2,222 | (3,707) | (8,099) | (54) | Intersegment transfers [14] | (18,628) | (1,485) | (92) |
| **138,525** | **195,363** | **99,116** | **97** | **Total EBITDA** | **213,311** | **333,888** | **57** |

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | Depreciation | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 39,154 | 49,395 | 31,900 | 55 | Upstream | 66,051 | 88,549 | 34 |
| 27,075 | 27,440 | 26,863 | 2 | Downstream | 54,147 | 54,515 | 1 |
| 3,414 | 3,477 | 3,256 | 7 | Gas Midstream | 6,576 | 6,891 | 5 |
| 4,767 | 4,598 | 4,647 | (1) | Corporate and other | 9,083 | 9,365 | 3 |
| (448) | (314) | (291) | 8 | Intersegment transfers [14] | (1,677) | (762) | (55) |
| **73,962** | **84,596** | **66,375** | **27** | **Total Depreciation** | **134,180** | **158,558** | **18** |

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | Operating Profit | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 21,559 | 4,137 | 30,463 | (86) | Upstream | 88,108 | 25,696 | (71) |
| 31,644 | 115,779 | 5,820 | 1,889 | Downstream | 2,570 | 147,423 | 5,636 |
| 14,594 | 6,857 | 11,581 | (41) | Gas Midstream[13] | 23,249 | 21,451 | (8) |
| (5,904) | (12,613) | (7,315) | 72 | Corporate and other | (17,845) | (18,517) | 4 |
| 2,670 | (3,393) | (7,808) | (57) | Intersegment transfers[14] | (16,951) | (723) | (96) |
| **64,563** | **110,767** | **32,741** | **238** | **Total Operating Profit** | **79,131** | **175,330** | **122** |

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | EBITDA Excluding Special Items [1] | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 60,713 | 53,532 | 62,363 | (14) | Upstream | 141,460 | 114,245 | (19) |
| 58,719 | 143,219 | 29,978 | 378 | Downstream | 54,012 | 201,938 | 274 |
| 74,292 | 127,402 | 28,624 | 345 | Downstream - clean CCS-based | 50,871 | 201,694 | 296 |
| 18,008 | 10,334 | 14,837 | (30) | Gas Midstream | 29,825 | 28,342 | (5) |
| (1,137) | (8,015) | (2,668) | 200 | Corporate and other | (8,762) | (9,152) | 4 |
| 2,222 | (3,707) | (8,099) | (54) | Intersegment transfers [14] | (18,628) | (1,485) | (92) |
| **154,098** | **179,546** | **95,056** | **89** | **Total - clean CCS-based [15]** | **199,613** | **333,644** | **67** |
| **138,525** | **195,363** | **96,411** | **103** | **Total EBITDA Excluding Special Items** | **197,907** | **333,888** | **69** |

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | Operating Profit Excluding Special Items [1] | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 21,559 | 4,137 | 30,463 | (86) | Upstream | 75,409 | 25,696 | (66) |
| 31,644 | 115,779 | 3,115 | 3,617 | Downstream | (135) | 147,423 | n.a. |
| 14,594 | 6,857 | 11,581 | (41) | Gas Midstream | 23,249 | 21,451 | (8) |
| (5,904) | (12,613) | (7,315) | 72 | Corporate and other | (17,845) | (18,517) | 4 |
| 2,670 | (3,393) | (7,808) | (57) | Intersegment transfers [14] | (16,951) | (723) | (96) |
| **64,563** | **110,767** | **30,036** | **269** | **Total Operating Profit Excluding Special Items** | **63,727** | **175,330** | **175** |

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | Capital Expenditures | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 53,588 | 57,017 | 50,589 | 13 | Upstream | 180,984 | 110,604 | (39) |
| 31,750 | 34,122 | 46,327 | (26) | Downstream | 62,552 | 65,872 | 5 |
| 51 | 292 | 344 | (15) | Gas Midstream | 418 | 343 | (18) |
| 2,979 | 4,103 | 1,907 | 115 | Corporate | 2,777 | 7,082 | 155 |
| (992) | (819) | (1,099) | n.a | Intersegment | (1,805) | (1,810) | n.a |
| **87,377** | **94,715** | **98,067** | **(3)** | **Total** | **244,926** | **182,092** | **(26)** |

| Tangible Assets | 30/06/2014 restated | 30/06/2015 | Ch. % |
|---|---|---|---|
| Upstream | 944,573 | 1,037,177 | 10 |
| Downstream | 1,081,219 | 1,157,160 | 7 |
| Gas Midstream | 237,692 | 229,954 | (3) |
| Corporate and other | 133,844 | 135,953 | 2 |
| Intersegment transfers | (7,969) | (7,482) | (6) |
| **Total Tangible Assets** | **2,389,359** | **2,552,762** | **7** |

Special items of operating profit and EBITDA are detailed in Appendix II. and IV.

(12) (13) (14) (15) Please see Appendix X.

## APPENDIX II

## SPECIAL ITEMS* IN OPERATING PROFIT AND EBITDA (in HUF million)

| Q1 2015 | Q2 2015 | Q2 2014 | MOL GROUP | H1 2014 | H1 2015 |
|---|---|---|---|---|---|
| **64,563** | **110,767** | **30,036** | **OPERATING PROFIT EXCLUDING SPECIAL ITEMS** | **63,727** | **175,330** |
| - | - | - | **UPSTREAM** | **12,699** | - |
| - | - | - | Gain on divestiture of Russian companies | 12,699 | - |
| - | - | **2,705** | **DOWNSTREAM** | **2,705** | - |
| - | - | 2,705 | Compensation for damages by CMEPS s.r.o. | 2,705 | - |
| - | - | - | **GAS MIDSTREAM** | - | - |
| - | - | - | **CORPORATE and OTHER** | - | - |
| - | - | - | **INTERSEGMENT** | - | - |
| - | - | **2,705** | **TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT** | **15,404** | - |
| **64,563** | **110,767** | **32,741** | **OPERATING PROFIT** | **79,131** | **175,330** |

| Q1 2015 | Q2 2015 | Q2 2014 | MOL GROUP | H1 2014 | H1 2015 |
|---|---|---|---|---|---|
| **138,525** | **195,363** | **96,411** | **EBITDA EXCLUDING SPECIAL ITEMS** | **197,907** | **333,888** |
| - | - | - | **UPSTREAM** | **12,699** | - |
| - | - | - | Gain on divestiture of Russian companies | 12,699 | - |
| | | | | | - |
| - | - | **2,705** | **DOWNSTREAM** | **2,705** | - |
| - | - | 2,705 | Compensation for damages by CMEPS s.r.o. | 2,705 | - |
| - | - | - | **GAS MIDSTREAM** | - | - |
| - | - | - | **CORPORATE and OTHER** | - | - |
| - | - | - | **INTERSEGMENT** | - | - |
| - | - | **2,705** | **TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA** | **15,404** | - |
| **138,525** | **195,363** | **99,116** | **EBITDA** | **213,311** | **333,888** |

## APPENDIX III

## KEY IFRS FINANCIAL DATA BY BUSINESS SEGMENT (in USD million)

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | Net Sales Revenues [12] | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 402 | 410 | 625 | (34) | Upstream | 1,348 | 812 | (40) |
| 2,943 | 3,739 | 5,017 | (25) | Downstream | 9,453 | 6,682 | (29) |
| 109 | 74 | 111 | (33) | Gas Midstream | 230 | 183 | (20) |
| 170 | 172 | 277 | (38) | Corporate and other | 448 | 342 | (24) |
| **3,624** | **4,395** | **6,030** | **(27)** | **Total Net Sales Revenues** | **11,479** | **8,019** | **(30)** |
| **3,355** | **4,078** | **5,523** | **(26)** | **Total External Net Sales Revenues** | **10,510** | **7,433** | **(29)** |

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | EBITDA | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 221 | 193 | 280 | (31) | Upstream | 688 | 414 | (40) |
| 212 | 517 | 147 | 252 | Downstream | 253 | 729 | 188 |
| 65 | 38 | 66 | (42) | Gas Midstream | 133 | 103 | (23) |
| (4) | (29) | (12) | 142 | Corporate and other | (39) | (33) | (15) |
| 9 | (14) | (37) | (62) | Intersegment transfers [14] | (83) | (5) | (94) |
| **503** | **705** | **444** | **59** | **Total EBITDA** | **952** | **1,208** | **27** |

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | Depreciation | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 142 | 178 | 143 | 25 | Upstream | 295 | 320 | 9 |
| 99 | 99 | 121 | (18) | Downstream | 242 | 198 | (18) |
| 12 | 13 | 14 | (7) | Gas Midstream | 29 | 25 | (14) |
| 17 | 17 | 20 | (15) | Corporate and other | 40 | 34 | (15) |
| (1) | (2) | (1) | 100 | Intersegment transfers [14] | (7) | (3) | (57) |
| **269** | **305** | **297** | **3** | **Total Depreciation** | **599** | **574** | **(4)** |

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | Operating Profit | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 79 | 15 | 137 | (89) | Upstream | 393 | 94 | (76) |
| 113 | 418 | 26 | 1,508 | Downstream | 11 | 531 | 4,727 |
| 53 | 25 | 52 | (52) | Gas Midstream [13] | 104 | 78 | (25) |
| (21) | (46) | (32) | 44 | Corporate and other | (79) | (67) | (15) |
| 10 | (12) | (36) | (67) | Intersegment transfers [14] | (76) | (2) | (97) |
| **234** | **400** | **147** | **172** | **Total Operating Profit** | **353** | **634** | **80** |

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | EBITDA Excluding Special Items [1] | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 221 | 193 | 280 | (31) | Upstream | 632 | 414 | (34) |
| 212 | 517 | 135 | 283 | Downstream | 241 | 729 | 203 |
| 270 | 460 | 129 | 258 | Downstream (clean CCS-based ) | 228 | 730 | 221 |
| 65 | 38 | 66 | (42) | Gas Midstream | 133 | 103 | (23) |
| (4) | (29) | (12) | 142 | Corporate and other | (39) | (33) | (15) |
| 9 | (14) | (37) | (62) | Intersegment transfers [14] | (83) | (5) | (94) |
| **561** | **648** | **427** | **52** | **Total (clean CCS-based)** [15] | **892** | **1,209** | **36** |
| **503** | **705** | **432** | **63** | **Total EBITDA Excluding Special Items** | **884** | **1,208** | **37** |

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | Operating Profit Excluding Special Items [1] | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 79 | 15 | 137 | (89) | Upstream | 337 | 94 | (72) |
| 113 | 418 | 14 | 2,888 | Downstream | (1) | 531 | n.a. |
| 53 | 25 | 52 | (52) | Gas Midstream | 104 | 78 | (25) |
| (21) | (46) | (32) | 44 | Corporate and other | (79) | (67) | (15) |
| 10 | (12) | (36) | (67) | Intersegment transfers [14] | (76) | (2) | (97) |
| **234** | **400** | **135** | **196** | **Total Operating Profit Excluding Special Items** | **285** | **634** | **123** |

| Q1 2015 | Q2 2015 | Restated Q2 2014 | YoY Ch % | Capital Expenditures | Restated H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 194 | 206 | 227 | (9) | Upstream | 805 | 400 | (50) |
| 116 | 123 | 207 | (41) | Downstream | 280 | 240 | (14) |
| 0 | 1 | 2 | (31) | Gas Midstream | 2 | 1 | (34) |
| 11 | 15 | 9 | 74 | Corporate and other | 12 | 25 | 105 |
| (4) | (3) | (5) | n.a | Intersegment transfer | (8) | (7) | n.a |
| **318** | **342** | **439** | **(22)** | **Total** | **1091** | **660** | **(40)** |

| Tangible Assets | Restated 30/06/2014 | 30/06/2015 | Ch. % |
|---|---|---|---|
| Upstream | 4,159 | 3,668 | (12) |
| Downstream | 4,761 | 4,092 | (14) |
| Gas Midstream | 1,047 | 813 | (22) |
| Corporate and other | 589 | 481 | (18) |
| Intersegment transfers | (35) | (26) | (26) |
| **Total Tangible Assets** | **10,521** | **9,028** | **(14)** |

[1] *Special items of operating profit and EBITDA are detailed in Appendix II. and IV.*
[12] [13] [14] [15] Please see Appendix X.

## APPENDIX IV

### SPECIAL ITEMS* IN OPERATING PROFIT AND EBITDA (in USD million)

| Q1 2015 | Q2 2015 | Q2 2014 | MOL GROUP | H1 2014 | H1 2015 |
|---|---|---|---|---|---|
| **234** | **400** | **135** | **OPERATING PROFIT EXCLUDING SPECIAL ITEMS** | **285** | **634** |
| **-** | **-** | **-** | **UPSTREAM** | **56** | **-** |
| - | - | - | Gain on divestiture of Russian companies | 56 | - |
| - | - | **12** | **DOWNSTREAM** | **12** | - |
| - | - | 12 | Compensation for damages by CMEPS s.r.o. | 12 | - |
| **-** | **-** | **-** | **GAS MIDSTREAM** | - | **-** |
| **-** | **-** | **-** | **CORPORATE and OTHER** | - | **-** |
| **-** | **-** | **-** | **INTERSEGMENT** | - | **-** |
| **-** | **-** | **12** | **TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT** | **68** | **-** |
| **234** | **400** | **147** | **OPERATING PROFIT** | **353** | **634** |

| Q1 2015 | Q2 2015 | Q2 2014 | MOL GROUP | H1 2014 | H1 2015 |
|---|---|---|---|---|---|
| **503** | **705** | **432** | **EBITDA EXCLUDING SPECIAL ITEMS** | **884** | **1,208** |
| **-** | **-** | **-** | **UPSTREAM** | **56** | **-** |
| - | - | - | Gain on divestiture of Russian companies | 56 | - |
| - | - | **12** | **DOWNSTREAM** | **12** | - |
| - | - | 12 | Compensation for damages by CMEPS s.r.o. | 12 | - |
| - | - | - | **GAS MIDSTREAM** | - | - |
| **-** | **-** | - | **CORPORATE and OTHER** | - | - |
| - | - | - | **INTERSEGMENT** | - | - |
| **-** | **-** | **12** | **TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA** | 68 | **-** |
| **503** | **705** | **444** | **EBITDA** | **952** | **1,208** |

# APPENDIX V
# SEGMENT'S OPERATING DATA

### *DOWNSTREAM - KEY SEGMENTAL OPERATING DATA*

## Refining and Marketing

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | External refined product sales by product (kt) | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 99 | 135 | 111 | 22 | LPG [16] | 216 | 234 | 8 |
| 0 | 3 | 0 | na | Naphtha | 0 | 3 | na |
| 815 | 1,054 | 899 | 17 | Motor gasoline | 1,698 | 1,869 | 10 |
| 2,046 | 2,345 | 2,252 | 4 | Diesel | 4,249 | 4,391 | 3 |
| 235 | 137 | 159 | (14) | Heating oils | 346 | 372 | 8 |
| 67 | 102 | 94 | 9 | Kerosene | 149 | 169 | 13 |
| 62 | 133 | 134 | (1) | Fuel oil | 273 | 195 | (29) |
| 52 | 144 | 217 | (34) | Bitumen | 310 | 196 | (37) |
| 327 | 329 | 295 | 12 | Other products | 602 | 656 | 9 |
| **3,703** | **4,382** | **4,161** | **5** | **Total refined products** | **7,843** | **8,085** | **3** |
| 808 | 959 | 879 | 9 | o/w Retail segment sales | 1,627 | 1,767 | 9 |
| 605 | 527 | 492 | 7 | Petrochemical feedstock transfer | 1,019 | 1,132 | 11 |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Refinery processing (kt) | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 214 | 309 | 144 | 115 | Own produced crude oil | 350 | 523 | 49 |
| 3,124 | 3,531 | 3,304 | 7 | Imported crude oil | 6,358 | 6,656 | 5 |
| 39 | 51 | 24 | 113 | Condensates | 89 | 90 | 0 |
| 862 | 940 | 631 | 49 | Other feedstock | 1,493 | 1,801 | 21 |
| **4,239** | **4,831** | **4,103** | **18** | **Total refinery throughput** | **8,290** | **9,070** | **9** |
| 451 | 351 | 521 | (33) | Purchased and sold products | 877 | 801 | (9) |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Refinery production (kt) | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 98 | 108 | 111 | (3) | LPG [16] | 210 | 206 | (2) |
| 380 | 315 | 319 | (1) | Naphtha | 678 | 695 | 3 |
| 836 | 942 | 748 | 26 | Motor gasoline | 1,490 | 1,778 | 19 |
| 1,909 | 2,181 | 1,734 | 26 | Diesel and heating oil | 3,589 | 4,090 | 14 |
| 72 | 95 | 91 | 4 | Kerosene | 156 | 167 | 7 |
| 118 | 153 | 135 | 13 | Fuel oil | 327 | 271 | (17) |
| 46 | 120 | 167 | (28) | Bitumen | 239 | 166 | (31) |
| 352 | 450 | 394 | 14 | Other products | 751 | 803 | 7 |
| **3,811** | **4,364** | **3,699** | **18** | **Total** | **7,439** | **8,176** | **10** |
| 27 | 24 | 20 | 20 | Refinery loss | 40 | 51 | 28 |
| 401 | 443 | 384 | 15 | Own consumption | 811 | 843 | 4 |
| **4,239** | **4,831** | **4,103** | **18** | **Total refinery throughput** | **8,290** | **9,070** | **9** |

[16] *Please see Appendix X.*

## Petrochemicals

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Petrochemical sales by product group (kt) | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 50 | 50 | 48 | 4 | Olefin products | 97 | 100 | 3 |
| 275 | 264 | 228 | 16 | Polymer products | 464 | 539 | 16 |
| **325** | **314** | **276** | **14** | **Total outside MOL Group** | **561** | **639** | **14** |
| 157 | 140 | 128 | 9 | Olefin products sales within MOL Group | 259 | 297 | 15 |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Petrochemical production (kt) | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 196 | 169 | 162 | 4 | Ethylene | 333 | 364 | 9 |
| 102 | 88 | 79 | 11 | Propylene | 164 | 190 | 16 |
| 161 | 146 | 143 | 2 | Other products | 296 | 309 | 4 |
| **459** | **403** | **384** | **5** | **Total olefin** | **793** | **863** | **9** |
| 47 | 49 | 42 | 17 | LDPE | 86 | 96 | 12 |
| 103 | 73 | 76 | (4) | HDPE | 161 | 176 | 9 |
| 137 | 131 | 102 | 28 | PP | 217 | 268 | 24 |
| **287** | **253** | **220** | **15** | **Total polymers** | **464** | **540** | **16** |

## Retail

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Refined product retail sales (kt) | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 237 | 288 | 274 | 5 | Motor gasoline | 507 | 525 | 4 |
| 549 | 647 | 585 | 11 | Gas and heating oils | 1,082 | 1,196 | 11 |
| 22 | 24 | 20 | 20 | Other products | 38 | 46 | 21 |
| **808** | **959** | **879** | **9** | **Total oil product retail sales** | **1,627** | **1,767** | **9** |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Refined product retail sales (kt) Gasoline | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 65 | 79 | 75 | 5 | Hungary | 138 | 144 | 4 |
| 31 | 37 | 35 | 6 | Slovakia | 66 | 68 | 3 |
| 65 | 78 | 84 | (7) | Croatia | 153 | 143 | (7) |
| 31 | 38 | 32 | 19 | Romania | 61 | 69 | 13 |
| 21 | 26 | 15 | 73 | Czech Republic | 27 | 47 | 74 |
| 24 | 30 | 33 | (9) | Other | 62 | 54 | (13) |
| **237** | **288** | **274** | **5** | **Total gasoline product retail sales** | **507** | **525** | **4** |

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Refined product retail sales (kt) Diesel | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 134 | 153 | 138 | 11 | Hungary | 256 | 287 | 12 |
| 76 | 89 | 76 | 17 | Slovakia | 141 | 165 | 17 |
| 144 | 180 | 181 | (1) | Croatia | 318 | 324 | 2 |
| 88 | 104 | 89 | 17 | Romania | 172 | 192 | 12 |
| 40 | 45 | 20 | 125 | Czech Republic | 38 | 85 | 124 |
| 67 | 76 | 81 | (6) | Other | 157 | 143 | (9) |
| **549** | **647** | **585** | **11** | **Total diesel product retail sales** | **1,082** | **1,196** | **11** |

| MOL Group filling stations | 30 June 2014 | 31 Mar 2015 | 30 June 2015 |
|---|---|---|---|
| Hungary | 365 | 363 | 363 |
| Croatia | 435 | 434 | 434 |
| Italy* | 130 | 113 | 109 |
| Slovakia | 212 | 213 | 212 |
| Romania | 152 | 200 | 200 |
| Bosnia and Herzegovina | 105 | 102 | 100 |
| Austria* | 62 | 57 | 57 |
| Serbia | 39 | 42 | 42 |
| Czech Republic | 148 | 192 | 192 |
| Slovenia | 39 | 40 | 40 |
| Montenegro | 1 | 1 | 1 |
| **Total** | **1,688** | **1,757** | **1,750** |

**The number of filling stations is related to changes in reporting methodology in 2014*

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## APPENDIX VI

## MAIN INTERNAL AND EXTERNAL PARAMETERS

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | Macro figures | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 53.9 | 61.9 | 109.6 | (44) | Brent dated (USD/bbl) | 108.9 | 57.8 | (47) |
| 53.3 | 62.3 | 108.0 | (42) | Ural Blend (USD/bbl) (17) | 107.4 | 57.7 | (46) |
| 1.38 | 0.98 | 1.82 | (46) | Brent Ural spread (USD/bbl) (20) | 1.45 | 1.18 | (19) |
| 549 | 670 | 1,021 | (34) | Premium unleaded gasoline 10 ppm (USD/t) (18) | 990 | 609 | (38) |
| 530 | 580 | 922 | (37) | Gas oil – ULSD 10 ppm (USD/t) (18) | 923 | 555 | (40) |
| 435 | 507 | 916 | (45) | Naphtha (USD/t) (19) | 901 | 470 | (48) |
| 275 | 323 | 575 | (44) | Fuel oil 3.5 (USD/t) (19) | 573 | 298 | (48) |
| 141 | 202 | 191 | 5 | Crack spread – premium unleaded (USD/t) (18) | 166 | 171 | 3 |
| 122 | 112 | 93 | 21 | Crack spread – gas oil (USD/t) (18) | 99 | 117 | 18 |
| 27 | 38 | 87 | (56) | Crack spread – naphtha (USD/t) (19) | 77 | 32 | (58) |
| (133) | (145) | (254) | 43 | Crack spread – fuel oil 3.5 (USD/t) (19) | (251) | (139) | 44 |
| 11.8 | 18.5 | 12.9 | 43 | Crack spread – premium unleaded (USD/bbl) (18) | 9.9 | 15.2 | 54 |
| 17.2 | 16.0 | 14.1 | 13 | Crack spread – gas oil (USD/bbl) (18) | 15.0 | 16.6 | 11 |
| (5.1) | (5.0) | (6.7) | 25 | Crack spread – naphtha (USD/bbl) (19) | (7.7) | (5.1) | 35 |
| (10.6) | (10.9) | (18.8) | 42 | Crack spread – fuel oil 3.5 (USD/bbl) (19) | (18.3) | (10.7) | 42 |
| 6.2 | 6.6 | 2.6 | 153 | MOL Group refinery margin (USD/bbl) | 2.2 | 6.4 | 189 |
| 7.3 | 7.8 | 4.0 | 95 | Complex refinery margin (MOL + Slovnaft) (USD/bbl) | 3.5 | 7.5 | 117 |
| 867 | 1,038 | 1,165 | (11) | Ethylene (EUR/t) | 1,186 | 953 | (20) |
| 511 | 760 | 291 | 161 | Integrated petrochemical margin (EUR/t)(21) | 295 | 635 | 115 |
| 274.6 | 277.0 | 223.1 | 24 | HUF/USD average | 223.9 | 275.8 | 23 |
| 308.8 | 306.1 | 305.9 | 0 | HUF/EUR average | 306.9 | 307.5 | 0 |
| 40.20 | 40.41 | 40.26 | 0 | HUF/HRK average | 40.25 | 40.30 | 0 |
| 6.83 | 6.86 | 5.54 | 24 | HRK/USD average | 5.56 | 6.84 | 23 |
| 0.26 | 0.28 | 0.23 | 23 | 3m USD LIBOR (%) | 0.23 | 0.27 | 16 |
| 0.05 | (0.01) | 0.30 | (103) | 3m EURIBOR (%) | 0.30 | 0.02 | (94) |
| 2.07 | 1.65 | 2.54 | (35) | 3m BUBOR (%) | 2.68 | 1.86 | (31) |

(17) (18) (19 (20) Please see Appendix X.

| Q1 2015 | Q2 2015 | Q2 2014 | YoY Ch % | | H1 2014 | H1 2015 | Ch % |
|---|---|---|---|---|---|---|---|
| 54.0 | 61.1 | 111.0 | (45) | Brent dated closing (USD/bbl) | 111.0 | 61.1 | (45) |
| 278.9 | 282.8 | 227.1 | 24 | HUF/USD closing | 227.1 | 282.8 | 24 |
| 299.1 | 315.0 | 310.2 | 2 | HUF/EUR closing | 310.2 | 315.0 | 2 |
| 39.14 | 41.46 | 40.96 | 1 | HUF/HRK closing | 40.96 | 41.46 | 1 |
| 7.13 | 6.82 | 5.55 | 23 | HRK/USD closing | 5.55 | 6.82 | 23 |
| 12,380 | 14,480 | 12,100 | 20 | MOL share price closing (HUF) | 12,100 | 14,480 | 20 |

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## APPENDIX VII

## REGULATED INFORMATION IN 2015

| Announcement date | |
|---|---|
| 05 January 2015 | Shaikan gross production reached 40 mboepd level |
| 13 January 2015 | MOL made a Public Tender Offer for TVK shares |
| 28 January 2015 | Settlement of the existing and entering into a new option agreement with UniCredit Bank AG |
| 02 February 2015 | Number of voting rights at MOL Plc |
| 02 February 2015 | MOL Group Completes the Acquisition of ENI Service Stations in Romania |
| 02 February 2015 | The MNB approved MOL Public Tender Offer's for TVK shares |
| 03 February 2015 | MOL has suspended its request to convoke an extraordinary general meeting of the shareholders of INA |
| 06 February 2015 | Operational update on Shaikan block, Kurdistan Region of Iraq |
| 10 February 2015 | Terms and conditions of the share purchase agreement and share option agreements concluded with UniCredit Bank AG on 27 January 2015 |
| 13 February 2015 | UniCredit S.p.A notification on change of voting rights |
| 23 February 2015 | 2014 fourth quarter and annual result of MOL Group |
| 24 February 2015 | Publication of 2015 Outlook, including initiation of Next Downstream Program and MOL Group Exploration & Production Update 2015 report |
| 02 March 2015 | Number of voting rights at MOL Plc |
| 06 March 2015 | MOL declares the Public Tender Offer made for the ordinary shares of TVK as successful |
| 09 March 2015 | MOL declared exercising the right to purchase TVK shares |
| 16 March 2015 | Remuneration paid in 2014 to members of the Board of Directors after the 2013 business year and to the members of the Supervisory Board after the 2014 business year as cash and non-cash benefit |
| 16 March 2015 | Announcement by The Board of Directors of MOL Plc. on the convocation of the Company's Ordinary General Meeting in 2015 |
| 16 March 2015 | The Board of Directors of MOL recommended to pay out HUF 50 bn dividend |
| 25 March 2015 | AGM documents in connection with the Annual General Meeting to be held on 16th April 2015 |
| 30 March 2015 | MOL Plc. became 100% owner of TVK Plc. |
| 31 March 2015 | Number of voting rights at MOL Plc |
| 07 April 2015 | Shareholder's resolution proposal to Agenda Item No. 6 („Election of member of the Supervisory Board") of the Annual General Meeting of MOL Plc. to be held on 16 April 2015 |
| 16 April 2015 | Resolutions of the Annual_General_Meeting_2015 |
| 16 April 2015 | MOL Group Corporate Governance Report in accordance with Budapest Stock Exchange Corporate Governance Recommendations |
| 16 April 2015 | MOL Consolidated and Parent Company Annual Reports approved by the AGM |
| 20 April 2015 | Capital securities purchase of a MOL manager |
| 24 April 2015 | MOL Group enters Norway expanding its North Sea portfolio |
| 24 April 2015 | Capital securities purchase of a MOL manager |
| 30 April 2015 | Number of voting rights at MOL Plc |
| 05 May 2015 | MOL Plc. announcement regarding the distribution of dividend for financial year of 2014 |
| 08 May 2015 | MOL Group 2015. I. Quarter Interim management report |
| 08 May 2015 | Share distribution for the members of the Board of Directors |
| 13 May 2015 | MOL pays HUF 485.49 dividend per share |
| 19 May 2015 | MOL farms into the DG Khan Block and announces a new discovery from its exploration well Mardan Khel-1 |
| 01 June 2015 | Number of voting rights at MOL Plc |
| 01 June 2015 | ING Groep N.V. notification on change of voting rights |
| 04 June 2015 | EU Court's binding ruling concerning an alleged State aid to MOL |
| 04 June 2015 | Amendment of the strike price under the share option agreement effective between MOL and Credit Agricole Corporate and Investment Bank |
| 04 June 2015 | Amendment of strike price under the share option agreement between MOL Plc. and ING Bank N.V. |
| 05 June 2015 | Amendment of the strike price under the share option agreement effective between MOL Plc. and UniCredit Bank A.G. |
| 29 June 2015 | Production and Marketing Update of Shaikan Field |
| 30 June 2015 | Number of voting rights at MOL Plc |
| 02 July 2015 | Romanian Court lowers fine payable by MOL Romania in its binding ruling |
| 09 July 2015 | MOL successfully closed the acquisition of Ithaca Petroleum Norge |
| 09 July 2015 | Production and Marketing Update of Shaikan Field |
| 31 July 2015 | MOL Group completes the acquisition of ENI service stations in the Czech Republic and Slovakia |
| 31 July 2015 | Number of voting rights at MOL Plc |

## APPENDIX VIII

### SHAREHOLDER STRUCTURE (%)

| Shareholder groups | 30 Sep 2013 | 31 Dec 2013 | 31 Mar 2014 | 30 Jun 2014 | 30 Sep 2014 | 31 Dec 2014 | 31 Mar 2015 | 30 Jun 2015 |
|---|---|---|---|---|---|---|---|---|
| Foreign investors (mainly institutional) | 27.29 | 26.27 | 25.28 | 25.12 | 22.74 | 19.80 | 19.94 | 21.58 |
| Hungarian State (MNV Zrt.. Pension Reform and Debt Reduction Fund) | 24.61 | 24.74 | 24.74 | 24.74 | 24.74 | 24.74 | 24.74 | 24.74 |
| CEZ MH B.V. | 7.35 | 7.35 | 7.35 | 7.35 | 7.35 | 7.35 | 7.35 | 7.35 |
| OmanOil (Budapest) Limited | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 | 7.00 |
| OTP Bank Plc. | 5.15 | 5.15 | 5.15 | 5.14 | 4.81 | 4.80 | 4.80 | 4.80 |
| OTP Fund Management | 0.25 | 0.25 | 0.29 | 0.29 | 1.08 | 1.09 | 1.09 | 1.04 |
| Magnolia Finance Limited | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 | 5.75 |
| ING Bank N.V. | 4.99 | 4.99 | 4.99 | 4.99 | 4.99 | 4.99 | 4.99 | 4.99 |
| Crescent Petroleum | 3.02 | 3.02 | 3.02 | 3.02 | 3.02 | 3.02 | 3.02 | 3.02 |
| Dana Gas PJSC | 1.42 | 1.42 | 1.42 | 1.42 | 1.42 | 1.09 | 1.09 | 1.09 |
| UniCredit Bank AG | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 3.90 | 5.15 | 5.15 |
| Credit Agricole | 0.00 | 2.04 | 2.04 | 2.04 | 2.04 | 2.04 | 2.04 | 2.04 |
| Domestic institutional investors | 1.84 | 2.10 | 2.40 | 2.40 | 2.84 | 6.15 | 6.12 | 5.38 |
| Domestic private investors | 3.01 | 3.63 | 4.29 | 4.46 | 5.59 | 5.55 | 5.46 | 4.62 |
| MOL Investment Ltd./ (formerly MOL Plc., treasury shares) | 4.42 | 2.38 | 2.38 | 2.36 | 2.72 | 2.72 | 1.48 | 1.46 |

Please note that data above do not fully reflect the ownership structure in the Share Register. The registration is not mandatory. The shareholder may exercise its rights towards the company. if the shareholder is registered in the Share Register.

According to the registration requests to the Share Register and the shareholders notifications, six shareholder groups had more than 5% voting rights in MOL Plc. on 30th June 2015. Hungarian State having 24.7%, CEZ MH B.V. having 7.3%, OmanOil (Budapest) Limited having 7.0%, Magnolia Finance Limited having 5.7%, OTP Bank Plc. having 5.8% and UniCredit Bank AG having 5.1% voting rights in MOL. Please note that the voting rights are calculated as the number of shares held to total shares. According to the Articles of Association no shareholder or shareholder group may exercise more than 10% of the voting rights.

## APPENDIX IX

## CHANGES IN ORGANISATION AND SENIOR MANAGEMENT

**The Annual General Meeting on 16 April 2015 made the following resolutions:**

- re-elected Mr. Zsigmond Járai to be a member of the Board of Directors from 29 April 2015 to 28 April 2020.
- re-elected Dr László Parragh to be a member of the Board of Directors from 29 April 2015 to 28 April 2020.
- re-elected Dr Martin Roman to be a member of the Board of Directors from 29 April 2015 to 28 April 2020.
- elected Dr. Norbert Szivek as member of the Supervisory Board from 29 April 2015 to 28 April 2020.

The mandate of Mr. István Töröcskei as a member of the Supervisory Board expired.

## APPENDIX X

## FOOTNOTE COLLECTION

| Number of footnote | |
|---|---|
| (1) | Special items affected operating profit and EBITDA is detailed *in* Appendix VII. and IX. |
| (2) | As of Q2 2013 our applied clean CCS methodology eliminates from EBITDA / operating profit inventory holding gain / loss (i.e.: reflecting actual cost of supply of crude oil and other major raw materials); impairment on inventories; FX gains / losses on debtors and creditors; furthermore adjusts EBITDA / operating profit by capturing the results of underlying hedge transactions. Clean CCS figures of the base periods were modified as well according to the improved methodology. |
| (3) | Profit for the period attributable to equity holders of the parent |
| (4) | Both the 2014 and 2015 figures have been calculated by converting the results of each month in the period on its actual monthly average HUF / USD rate. |
| (5) | Excluding crude and condensate production from Szőreg1 field converted into strategic gas storage from 2008 |
| (6) | Excluding separated condensate |
| (7) | Including LPG and other gas products |
| (8) | Excluding segment level consolidation effects (of which the most significant item is the depreciation on eliminated internal profit of PP&E). |
| (9) | Including transmission volumes to the gas storages. |
| (10) | Basic earnings per share are calculated by decreasing the net profit for the period attributable to ordinary shareholders with the coupon paid to the owners of Perpetual Exchangeable Capital Securities and divided by the weighted average number of ordinary shares outstanding during the period.<br>Diluted earnings per share is calculated considering the potentially dilutive effect of the conversion option embedded in the Perpetual Exchangeable Capital Securities in the number of outstanding shares and by excluding the fair valuation difference of the conversion option from the net income attributable to equity holders of the parent. The following number of shares has been used when calculating basic and diluted EPS: 90,653 and 96,660 for Q2 2014; 90,649 mn and 96,656 mn for H1 2014; 91,966 and 97,973 for Q2 2015; 91,653 mn and 97,661 mn for H1 2015, respectively. |
| (11) | Compared to HAS registered share capital in IFRS does not include issued MOL shares owned by ING, Unicredit and CA(CIB (treated as a financial liability due to the connecting option structure) or lent to third parties and is decreased by the face value of treasury shares and shares owned by Magnolia. |
| (12) | Net external sales revenues and operating profit includes the profit arising both from sales to third parties and transfers to the other business segments. Upstream transfers domestically produced crude oil, condensates and LPG to Downstream and natural gas to the Gas Midstream segment. The internal transfer prices used are based on prevailing market prices. The gas transfer price equals the average import price. Divisional figures contain the results of the fully consolidated subsidiaries engaged in the respective divisions. |
| (13) | Gas Midstream segment operating profit, in addition to subsidiary results, includes segment level consolidation effects. |
| (14) | This line shows the effect on operating profit of the change in the amount of unrealised profit deferred in respect of transfers between segments. Unrealised profits arise where the item transferred is held in inventory by the receiving segment and a third party sale takes place only in a subsequent quarter. For segmental reporting purposes the transferor segment records a profit immediately at the point of transfer. However, at the company level profit is only reported when the related third party sale has taken place. Unrealised profits arise principally in respect of transfers from Upstream to Downstream and Gas Midstream. |

| | |
|---|---|
| (15) | Q1 2014 intersegment line contains HUF 4.8bn non-recurring inventory loss related to methodology changes, which effect is adversely adjusted on the Group(CCS line |
| (16) | LPG and pentanes |
| (17) | CIF Med parity |
| (18) | FOB Rotterdam parity |
| (19) | FOB Med parity |
| (20) | Brent dated price vs. average Ural MED and Ural ROTT prices |
| (21) | As of Q2 2013 Integrated petrochemical margin captures TVK and Slovnaft Petrochemicals numbers, as well. Integrated petrochemical margin of the base periods were modified as well according to the improved methodology. |
| (22) | Net gearing: net debt divided by net debt plus shareholders' equity including non(controlling interests |
| (23) | From 2013 INA facilities (Sisak Refinery, Rijeka Refinery, Molve GTP, Ivanic Grad GTP) are under ETS |
| (24) | Total Reportable Injury Rate – number of Medical Treatment Cases, Restricted Work Cases and Lost Time Injuries per 1 million hours worked |
| (25) | Annual rolling figures to allow comparison with 'total workforce' figures |
| (26) | Excluding INA |
| (27) | Restated |

Undersigned, authorized representatives of MOL Hungarian Oil and Gas Public Limited Company (MOL Plc.) the issuer of MOL ordinary shares, hereby declare that MOL Plc. takes full responsibility for the announced first half 2015 results of MOL Group, which has been prepared to the best of our knowledge in accordance with the applicable financial reporting standards, and give a true and fair view of the assets, liabilities, financial position, and profit of MOL Plc. and its subsidiaries and presents a fair review of the position, development and performance of MOL Plc. and its subsidiaries together with a description of principal risks and uncertainties.

Budapest, 5 August, 2015

| | |
|---|---|
| Simola József | Krisztina Dorogházi |
| Group Chief Financial Officer | Senior Vice President, |
| | Group Controlling, Accounting & Tax |