2012 FIRST HALF-YEAR REPORT OF MOL GROUP

MOL Hungarian Oil and Gas Plc. (Reuters: MOLB.BU, MOLBq.L, Bloomberg: MOL HB, MOL LI; homepage: www.mol.hu), today announced its 2012 second quarter and first half year management report. Pages 16-42 of this report contain a set of unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2012 as prepared by the management in accordance with IAS 34 Interim Financial Reporting.).

MOL Group financial results

Q1 2012	Q2 2012	Q2 2011	Ch. %	(IFRS), in HUF billion	H1 2011	H1 2012	Ch. %
1,348.3	1,319.1	1,298.6	2	Net sales revenues	2,476.1	2,667.4	8
157.4	75.5	162.3	(53)	EBITDA	339.6	232.9	(31)
175.2	**94.1**	**165.4**	**(43)**	**EBITDA excl. special items**[1]	**352.0**	**269.2**	**(24)**
139.3	**140.1**	**158.8**	**(12)**	**Clean CCS-based EBITDA** [1] [2]	**302.6**	**279.3**	**(8)**
83.3	1.1	79.6	(99)	Profit from operation	189.0	84.4	(55)
101.1	**19.6**	**88.2**	**(78)**	**Profit from operation excl. special items**[1]	**209.3**	**120.7**	**(42)**
64.2	68.2	87.2	(22)	Clean CCS-based operating profit [1] [2]	165.5	132.4	(20)
4.7	18.3	11.4	60	Net financial expenses/(gain)	(17.0)	23.0	n.a.
73.7	0.7	54.0	(99)	Net profit for the period[3]	146.6	74.4	(49)
83.2	**12.2**	**60.9**	**(80)**	**Net profit for the period excl. special items**[1] [3]	**160.3**	**95.4**	**(41)**
(11.4)	162.1	133.4	22	Operating cash flow	116.6	150.8	29
				EARNINGS PER SHARE			
840	8	618	(99)	Basic EPS, HUF	1,691	847	(50)
949	139	697	(80)	Basic EPS excl. special items [3],HUF	1,849	1,086	(41)
				INDEBTNESS			
1.58	1.69	1.24		Simplified Net debt/EBITDA	1.24	1.69	
29.0%	27.7%	28.1%		Net gearing	28.1%	27.7%	

Q1 2012	Q2 2012	Q2 2011	Ch. %	(IFRS), in USD million[4]	H1 2011	H1 2012	Ch. %
5,953	5,745	7,020	(18)	Net sales revenues	12,890	11,699	(9)
695	329	877	(62)	EBITDA	1,768	1,022	(42)
773	**410**	**894**	**(54)**	**EBITDA excl. special items**[1]	**1,832**	**1,181**	**(36)**
615	**610**	**858**	**(29)**	**Clean CCS-based EBITDA** [1] [2]	**1,575**	**1,225**	**(22)**
368	5	430	(99)	Profit from operation	984	370	(62)
446	**85**	**477**	**(82)**	**Profit from operation excl. special items** [1]	**1,089**	**529**	**(51)**
283	296	472	(37)	Clean CCS-based operating profit [1] [2]	861	580	(33)
21	80	62	29	Net financial expenses/(gain)	(88)	101	n.a.
325	3	292	(99)	Net profit for the period[3]	763	326	(57)
367	**53**	**329**	**(84)**	**Net profit for the period excl. special items**[1][3]	**835**	**418**	**(50)**
(50)	706	721	(2)	Operating cash flow	607	661	9
				EARNINGS PER SHARE			
3.7	0.0	3.3	(99)	Basic EPS, USD	8.8	3.7	(58)
4.2	0.6	3.8	(84)	Basic EPS excl. special items[3], USD	9.6	4.8	(51)

[1] Special items of operating profit and EBITDA are detailed in Appendix II and IV.
[2] [3] [4] Please see Appendix XI.

Second quarter 2012 results

In Q2 2012, EBITDA excluding special items (HUF 94 bn) was below the previous quarter as well as the base period. The operating profit of HUF 20 bn, excluding special items, was negatively influenced by lower hydrocarbon production in the Upstream, while a remarkable amount of inventory losses and the still depressed regional demand in the Downstream also worsened the result. The improving margin environment and product slate in Refining and Marketing could only partly offset these developments. On the other hand CCS-based Group operating profit increased slightly and amounted to HUF 68 bn.

The Upstream operating profit, excluding special items, showed a 11% drop compared to the last quarter as the Group realized lower hydrocarbon production due to natural depletion and some maintenance acitivities. Hungarian upstream performance was still weighed by the regulated gas prices. In Downstream, inventory losses turned the reported Refining and Marketing result into negative. On top of that, longer than planned maintenance activities also hindered the operation thus the division could not fully benefit from the improving margin environment. Nevertheless, on a CCS-basis, this is the best result of the segment since Q4 2010. The Petrochemical division operated in a

better margin environment, but its positive impact on the revenue was limited as the demand side remained extremely weak. The Gas Midstream division delivered lower profit by HUF 7 bn than a year ago due to losses of INA's gas trading unit.

First half 2012 results

In the first half of 2012, MOL delivered HUF 269 bn EBITDA excluding special items which is 24% below that of the previous year. The main reason behind the drop back was, on the one hand, the lack of revenue from Syria in 2012 amounted to HUF 43 bn in H1 2011. On the other hand, Downstream booked losses on inventories and FX items, contrary to the noteworthy gains showed in 2011, attributable to HUF 60 bn difference in EBITDA.

In Upstream, beyond the aforementioned factor, both the lower hydrocarbon production and the Hungarian and the Croatian natural gas price regulations had a serious negative impact on the Group's performance. These could have been only partly offset by increasing realized hydrocarbon prices and favourable FX movements.

The 'Clean' CCS-based Downstream result was determined by depressed regional demand and an extremely unfavourable petrochemical environment. The somewhat improved external environment in Refining and Marketing and management efforts to improve product slate and efficiency only partly managed to counterbalance these negative developments.

MOL realized an operating cash flow of HUF 151 bn during the first six months of 2012 (up by 29% yoy) that strengthened the Group's financial position further. As a result, net gearing ratio decreased to 27.7% from 2011 year end level.

Mr Zsolt Hernádi, MOL Chairman-CEO commented:

"Several external challenges affected our results in the first half of the year, including the European economic crisis and political changes in the Arabic World. We still believe that with appropriate responses we could become an even stronger and more successful industrial player. This is the reason why, in order to reach our goals, the transformation of MOL Group has continued during the last months as well.

In line with our announced business strategy we enhanced our Upstream activity in Kazakhstan through acquiring 49% stake in the North Karpovsky Block. In Downstream, we are going to expand our captive market through the purchase of Czech retail network, Papoil.

Important to mention that MOL has launched its biggest organizational change aiming to give answers to its internal challanges. The Group has changed significantly through inorganic steps over the last years and has become more and more international. The project called GLOCAL aims to create an international headquarter of MOL Group focusing on strategic decisions and overall control. Additionally, the flagship companies will have greater authority in operative decisions. We expect a faster and more focused decision-making, a more flexible and efficient organization, which will contribute to our further successes in the future."

- **Upstream** operating profit, excluding special items decreased by 9% to HUF 147 bn in H1 2012 compared to the same period of last year. Positive effects of 9% higher realized hydrocarbon prices and stronger USD was overwhelmed by more negative effects. First of all the Group did not realised any Syrian revenue since last October. Profitability was further eroded by the severe impact of regulated Hungarian natural gas price for household costumers. In addition, production level dropped back due to natural decline, maintenance acitivities in CEE as well as lower entitlement from Adriatic-offshore production. Royalties on Hungarian production of MOL amounted to HUF 48 bn, similar to the base period.
- **Downstream** realised an operating loss excluding special items of HUF 16 bn in H1 2012, compared to profit of HUF 56 bn in H1 2011. Year-on-year profitability was negatively influenced by external factors, like tighter Brent-Ural spread or more depressed demand on motor fuels and especially petrochemical products. Management efforts through investments, new feedstock selection and refinery operation policy, resulted in an improving product slate with increased yield of marketable motor fuels, but could only partly mitigate the negative effect of depressed environment. However, in Refining and Marketing 'clean' figures already show a moderate improvement compared to the base period.
- **Gas Midstream** segment's operating profit, excluding special items decreased by 39% compared to the same period of the previous year and amounted to HUF 21 bn in H1 2012. Croatian Prirodni Plin (gas trading business) burned the segment results with HUF 25 bn operating loss.

- **The net financial expenses** were HUF 23 bn versus HUF 17 bn gain in H1 2011. In H1 2012 foreign exchange gain of HUF 43 bn on designated bank loans was offset by the same amount of re-translation loss on net investments (both accounted for in the translation reserve, within equity).
- **CAPEX spending** was HUF 103 bn (9% higher than in the previous period) in the first six months of 2012. The investments focused on CEE region, Russia and Kurdistan Region of Iraq in Upstream and on maintenance activities in Downstream.
- **Operating cash flow** increased by 29% compared to H1 2011 and amounted to HUF 151 bn. Operating cash flow before movements in working capital decreased by 28% to HUF 251 bn.
- **Net debt position** decreased to HUF 834 bn during the year, resulting in a 27.7% gearing ratio as of 30 June 2012 compared to 28.0% at the year end of 2011.

Q1 2012	Q2 2012	Q2 2011	Ch. %	EBITDA Excluding Special Items (HUF bn) [1]	H1 2011	H1 2012	Ch. %
111.0	104.1	115.1	(10)	Upstream	231.9	215.2	(7)
53.3	(5.6)	45.7	n.a.	Downstream	112.5	47.6	(58)
22.2	45.9	39.6	16	CCS-based R&M EBITDA [1][2]	56.4	68.1	21
17.8	13.5	19.0	(29)	Gas Midstream	42.4	31.3	(26)
(7.2)	(6.0)	(9.5)	(37)	Corporate and other	(25.4)	(13.2)	(48)
0.3	(11.9)	(4.9)	143	Intersegment transfers [14]	(9.3)	(11.6)	25
175.2	**94.1**	**165.4**	**(43)**	**Total EBITDA Excluding Special Items**	**352.0**	**269.2**	**(24)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	Operating Profit Excluding Special Items (HUF bn) [1]	H1 2011	H1 2012	Ch. %
78.0	69.5	74.4	(7)	Upstream	161.9	147.4	(9)
21.4	(37.0)	17.3	n.a.	Downstream	56.4	(15.6)	n.a.
(5.0)	18.8	15.3	23	CCS-based R&M operating profit/(loss)[1][2]	8.8	13.8	57
12.4	8.1	14.7	(45)	Gas Midstream	33.4	20.5	(39)
(11.6)	(9.6)	(13.8)	(31)	Corporate and other	(34.1)	(21.2)	(38)
0.8	(11.4)	(4.4)	160	Intersegment transfers [14]	(8.3)	(10.4)	27
101.1	**19.6**	**88.2**	**(78)**	**Total Operating Profit Excluding Special Items**	**209.3**	**120.7**	**(42)**

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

Upstream

Q1 2012	Q2 2012	Q2 2011	Ch. %	Segment IFRS results (HUF bn)	H1 2011	H1 2012	Ch. %
99.5	94.5	114.5	(17)	EBITDA	229.9	194.0	(16)
111.0	**104.1**	**115.1**	**(10)**	**EBITDA excl. spec. items**[(1)]	**231.9**	**215.2**	**(7)**
66.5	59.8	73.8	(19)	Operating profit/(loss)	157.6	126.3	(20)
78.0	**69.5**	**74.4**	**(7)**	**Operating profit/(loss) excl. spec. items**[(1)]	**161.9**	**147.4**	**(9)**
21.2	**28.3**	**20.7**	**37**	**CAPEX and investments**	**36.7**	**49.5**	**35**
11.2	12.4	7.7	61	o/w exploration CAPEX	13.8	23.6	71

Q1 2012	Q2 2012	Q2 2011	Ch. %	Hydrocarbon Production (mboe/d) [(5)] (gross figures before royalty)	H1 2011	H1 2012	Ch. %
43.7	**42.3**	**46.9**	**(10)**	**Crude oil production** [(6)]	**47.4**	**43.0**	**(9)**
12.0	11.9	13.1	(9)	Hungary	13.0	11.9	(9)
8.7	8.9	9.3	(5)	Croatia	9.4	8.8	(6)
18.3	17.2	18.3	(6)	Russia	18.6	17.7	(5)
0.4	0.0	3.0	(100)	Syria	3.1	0.2	(93)
4.3	4.4	3.2	38	Other International	3.3	4.3	32
79.7	**62.8**	**86.5**	**(27)**	**Natural gas production**	**86.5**	**71.3**	**(18)**
30.4	25.7	31.4	(18)	Hungary	31.9	28.1	(12)
35.1	32.2	36.3	(11)	Croatia	37.0	33.7	(9)
18.8	16.5	22.1	(25)	*ow. Croatia offshore*	22.6	17.6	(22)
9.2	0.0	14.1	(100)	Syria	12.9	4.6	(64)
5.0	4.9	4.7	5	Other International	4.7	4.9	5
10.7	**8.5**	**15.8**	**(46)**	**Condensate** [(7)]	**16.3**	**9.6**	**(41)**
4.4	5.1	4.8	7	Hungary	5.0	4.8	(4)
2.8	2.7	6.8	(60)	Croatia	6.9	2.7	(60)
2.8	0.0	3.7	(100)	Syria	3.7	1.4	(62)
0.7	0.7	0.7	4	Other International	0.7	0.7	5
134.1	**113.7**	**149.2**	**(24)**	**Average hydrocarbon production**	**150.2**	**123.9**	**(17)**
Q1 2012	**Q2 2012**	**Q2 2011**	**Ch. %**	**Average realised hydrocarbon price**	**H1 2011**	**H1 2012**	**Ch. %**
91.6	84.0	94.9	(12)	Crude oil and condensate price (USD/bbl)	88.2	87.6	(1)
68.1	67.6	60.9	11	Average realised gas price (USD/boe)	58.4	67.7	16
79.7	76.0	75.8	(0)	Total hydrocarbon price (USD/boe)	71.6	77.7	9

[(1)] Special items affected operating profit and EBITDA is detailed in Appendix VII.
[(5) (6) (7)] Please see Appendix XVI.

Second quarter 2012 results

EBITDA, excluding special items decreased compared to the previous quarter mainly due to the negative effects of

- decreased average realized hydrocarbon price, especially in case of crude oil and condensate price and
- lower production level partly due to some maintenance program in current quarter.

There was no revenue from Syrian operation during the quarter in-line with the announcement of the "force majeure".

Average daily hydrocarbon production was 114 mboepd, decreased by 7 % compared to Q1 2012 if we exclude the Syrian contribution from the previous quarter. Beyond the natural decline the reasons behind the drop were the followings: (1) some maintenance program in May-June, affecting especially the Hungarian gas production, which may be partly offset later in the year, (2) water cuts as well as lower entitlement share of INA in-line with related PSA contract decreased the Adriatic-offshore production.

Average realized hydrocarbon price decreased compared to previous period mainly in line with the lower oil prices, moreover, Hungarian regulated gas price had further dampening effect.

Upstream expenditures, excluding special items, decreased by HUF 14 bn to HUF 126 bn compared to Q1 2012. Royalties on Hungarian production amounted to HUF 22 bn, decreased by 18% q-o-q as a result of changes in hydrocarbon prices and lower volumes. Mining tax and export duty paid in Russia amounted to HUF 15 bn. **Unit opex (excluding DD&A)** amounted to 6.9 USD/boe in the quarter.

First half 2012 results

EBITDA, excluding special items decreased compared to the base period. The main reason behind the drop back is the lack of any revenue from Syria since October 2011, where INA announced "force majeure" on February 27, 2012. Beyond that Group performance were negatively affected by

- lower production due to natural decline, maintainance activities as well as lower entitlement of INA on Adriatic-offshore fields

which could be only partly offset by the positive effects of

- increased average realized hydrocarbon price and
- favourable changes in FX rate.

Operating profit was further deteriorated by HUF 21.1 bn special items, majority of which related to the additional payment at the Angolan concessions and provision for project abandonment in Iran. (See Note 10. to the interim condensed consolidated financial statements)

Average daily hydrocarbon production decreased compared to H1 2011, mostly due to Syrian "force majeure" since volumes were recognised only until the declaration of it (26th February 2012). **Average daily hydrocarbon production excluding Syrian contribution was 118 mboepd**, showing a 10% decrease compared to the same period in 2011. Beyond the natural decline one of the main reasons behind the drop was lower Adriatic offshore gas production as a result of water cut and lower entitlement in PSA. Further decrease relates to Croatian condensate due to abandonded C2+ production which is a result of modified production process due to discontinued ethane production. In addition capex delay on Russian ZMB field and some maintainance activities in the CEE also had a negative impact on production, the latter may be moderately offset later in the year. However, in **H2 average daily hydrocarbon production expected to be somewhat above that of the second quarter, excluding Syrian contribution**.

Average realized price increased mainly in line with international quotations, however, Hungarian gas price regulation had dampening effect on that.

Upstream expenditures, excluding special items, increased by HUF 42 bn to HUF 265 bn compared to H1 2011. Royalties on Hungarian production of MOL amounted to HUF 48 bn, decreased by 1% due to the impact of lower regulated gas prices and production, however, almost fully offset by the unfavourable changes in FX rate. Mining tax and export duty paid in Russia increased to HUF 30.0 bn. **Unit opex (excluding DD&A)** amounted to 6.4 USD/boe in H1 2012.

Upstream capital expenditures

Upstream CAPEX increased by 35% y-o-y, primary as a result of increased spending in Russia and Kurdistan Region of Iraq, while due to political situation spendings were suspended in Syria.

H1 2012 (HUF bn)	Hungary	Russia	Kurdistan Region of Iraq	Croatia	Pakistan	Other	Total (HUF bn)	
Exploration	6.5	1.8	9.7	3.3	1.5	0.2 Kazakhstan 0.2 Oman 0.4 Other	**23.6**	**48%**
Development	4.0	11.9	2.1	3.3	0.0	0.8 Egypt 0.3 Angola 0.2 Other	**22.7**	**46%**
Upgrade maintenance, service companies	0.8			2.3			**3.1**	**6%**
Total	**11.3**	**13.7**	**11.8**	**8.9**	**1.5**	**2.2**	**49.5**	**100%**

Key messages of CAPEX spending in the quarter:

- In Kurdistani Region of Iraq:
  - In Block Akri-Bijeel drilling of Bakrman-1 exploration well was started in May. Site preparation and mobilisation for the Gulak-1 exploration well was finished, spud was announced in July. Drilling of Bijell-3 (Aqra-1) appraisal well continued. Surface facility for early production is under construction. Seismic acquisition started on the Bijell appraisal area.
  - In Block Shaikan testing of Shaikan-4 appraisal well was finished in April: five out of seven tests produced hydrocarbon inflow. Drilling of Shaikan-5 was finished in June while drilling of Shaikan-6 appraisal well was finished in May, well test is ongoing. Upgrade is being designed for extended well test facility.
- In Russia:
  - In Block Matjushkinsky the development drilling program continued, in Severo-Ledovoye field 3 wells were drilled in Q2 while in Kvartovoye field one well was completed. Construction of oil transmission pipeline was finished in Q2. The 2D seismic acquisition was executed and processing is in progress, drilling of Prikoltogorskoye-127 and Kedrovoye-105 exploration wells started.
  - In Block Baitugan the drilling program continued: completion of 7 new wells were finished in Q2, while completion of 3 wells and drilling of 4 wells were in progress at the end of June 2012. Reconstruction of Central Oil Facility and electricity system are in progress and installation of remote measuring stations and water injection centres are completed.
- In Pakistan:
  - In Block Tal the tie-in works of Makori East-1 well to the Makori EPF plant was finished on 28 June, the well is actually producing with curtailed rate. Drilling of Mamikhel-2 and Maramzai-2 appraisal wells started in June. Acquisition of new 2D seismic (205 km) in the eastern area of TAL block has been finished in May, followed by acquisition of 398 sqkm new 3D seismic in Tolanj area, which is actually ongoing.
- In Croatia:
  - Hrastilnica-3 exploration well was successfully tested in July with daily oil production of approximately 1,450 bbl. More precise evaluation of the hydrocarbons reserve base and production are to be determined by further tests and filed development. Đeletovci-1 Zapad well was drilled in Q2 and the test is expected in Q3. Other activities were mainly related to well general workovers, EOR projects and Ivana K overhaul.

During the H1 2012 period 10 exploration wells were tested out of which 7 successful and 13 additional wells were under or waiting for testing at the end of the period and 6 wells were under drilling.

Status of exploration and appraisal wells:

Exploration and appraisal wells	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Progress	Comment / Test result
KURDISTAN REGION OF IRAQ						
Bijell-3 (Aqra-1)					under drilling	Drilling started on 17 January 2012, depth at end of June was 3700 m. Its actual depth is 4682 m.
Bakrman-1					under drilling	Bakrman-1 well was spud on 7th of May 2012, depth was 1 962 m at end of June. Its actual depth is 2892 m.
Shaikan-4					tested	Five out of the seven tests produced hydrocarbon inflow: Triassic Kurra Chine formation from intervall 3010-3030 m yielded condensate 5086 bcpd and gas 7151 mscfd (1230 boepd). Jurassic Sargelu formation from zones 1370-1390 and 1450-1460 m had inflow oil 4580 bpd and 1050 mscfd gas (180 boepd).
Shaikan-5					waiting for test	Drilling started on 28 October 2011, drilling finished in June 2012 at 3745 m.
Shaikan-6					under testing	Drilling started in December 2011, final depth was reached at 3545 m in May 2012. Ongoing test.
PAKISTAN						
Makori East-2					tested	Drilling started on 5 July 2011, finished on 15 March 2012. Final depth of the well was declared at 5216 m within Datta Formation. Well test was finished by end May 2012. The well proved to be gas and oil producer from multiple reservoirs. The uppermost Lockhart Formation proved to flow : 5045bbld oil, 23,5MMscfd gas (4390 boepd) at 48/64" choke.
Mami Khel-2					under drilling	Drilling started in 11June and expected to be finished by end of August 2012 . Well test is expected to be finished by the end of September 2012.
Maramzai-2					under drilling	Drilling started in 28 June and expected to be finished until mid of September 2012. Well test is expected to be finished by mid of October 2012.
RUSSIA						
Surgut Ayskaya 1					waiting for test	
Surgut Atayskaya 2					waiting for test	
Prikoltogorskaye-127					under testing	Drilling started on 08.04.2012. Target depth was reached on 24 of June (3365 m). Currently the well is under testing.
Kedrovskoye-105					under drilling	Drilling started on 17.05.2012, actual depth at the end of June was 1672 m (planned: 2960 m).
KAZAKHSTAN						
Rhozkovsky U-21					waiting for test	
Rhozkovsky U-22					waiting for test	
Rhozkovsky U-23					waiting for test	
HUNGARY						
Komádi-Ny-2					tested	Test result: 542 boepd/day oil and 51 boepd/day gas on 6 mm choke
Nagykörös-D-3					tested	Test result: 374 boepd/day gas on 8 mm choke
Nagyszénás-ÉK-1					tested	dry
Vízvár-S-2					tested	oil and gas producing
Tiszi-2					tested	Test result: 378 boepd/day gas on 6 mm choke
Tápióság-1					tested	dry
Gutorfölde-1					tested	Test result: 463 boepd/day gas on 9,5 mm choke
Zaláta-K-1					drilling in progress	spudding in progress, completion and well test expected for Q3
Beru-4 / unconventional					under testing	Drilled, fracturing completed and well test program in progress. Gas production rate has stabilized at the level of 40.000 m3/d (240 boepd).
Beru-6 / unconventional					waiting for test	Drilling completed, conventional test completed, waiting for hydraulic fracturing.
SYRIA						
Mudawara 3					waiting for test	Well drilled in Q4 2010, test postponed due to force majeure.
CROATIA						
Hrastilnica-3					waiting for test	Drilled in Q1 2012. (Test was in Q3 2012. Latest test data show daily oil production of approximately 1,450 bbl.)
Đeletovci-1 Zapad					waiting for test	Start of drilling at the end of March 2012. Drilling finished in Q2 2012 (at the end of April). Test is expected for Q3.
EGYPT						
Rawda SE-1					unsuccessful	Drilled in Q2. Not tested. Unsuccessful. There were no hydrocarbon shows while drilling and the well is plugged and abandoned.

drilling	test	drilling and test in the same period

Further business related developments

Status of the unconventional project at Derecske basin, Hungary

MOL finalized its first unconventional well at Derecske basin in Hungary and put Beru-4 well into production. The vertical well Beru-4 was fractured in three zones at the end of 2011. The fracturing program was technically successful in our high pressure and high temperature conditions. The flow-back (cleaning of the fractured zones from fracturing fluids) and test production period of the zones was executed between February and April. It was followed by a long well test program in May thereafter the well was completed for gas production. The well has been producing gas into pipeline for sale, the initial 80.000 m3/d daily gas production rate has stabilized at the level of 40.000 m3/d (240 boepd).
The drilling phase of unconventional exploratory well Beru-6 was finished in January 2012 and in target zones it encountered hydrocarbon indications. The well waits for frack-jobs, which will be done in 2013.
Our aim with the next appraisal, early development phase from 2013 is to figure out the variability of the accumulation, to stabilize predictions and possibly to prepare development program which is subject of commerciality.

New licence won near to our Baitugan field in Russia

Baitex LLC (100% owned by MOL) won the auction on neighbouring Yerilkinskiy block in Russia. The minimum work commitment includes acquisition of 60 line km 2D seismic survey and drilling of one exploration well. Our preliminary exploration work program contains 70 km^2 3D seismic survey as well as drilling and completion of one additional exploration well beyond that until the end of 2015. According to the project plan, both wells will be drilled and tested in 2015. In case of discovery, the trial production is expected to start in early 2016 and will be followed by the fast track field development in 2017.

Syrian developments

INA encountered significant obstacles in the collection of receivables from the Syrian partner for its share of hydrocarbon production and there has been no significant collection since October 2011. On February 26, 2012 INA delivered the “force majeure” notice to the General Petroleum Company of Syria related to the Production Sharing Agreement for the Hayan Block signed in 1998 and Production Sharing Agreement for the Aphamia Block signed in 2004. Neither INA nor MOL Group do not expect to receive any revenues neither to realize its production share in Syria for the foreseeable future, i.e. until the termination of the ‘force majeure’. INA maintains its economic interests and “force majeure” does not mean the termination of the project.

Downstream

Q1 2012	Q2 2012	Q2 2011	Ch. %	Segment IFRS results (HUF bn)	H1 2011	H1 2012	Ch. %
47.2	(12.6)	39.3	-	EBITDA	99.1	34.5	(65)
53.3	**(5.6)**	**45.7**	**-**	**EBITDA excl. spec. items[1]**	**112.5**	**47.6**	**(58)**
22.2	**45.9**	**39.6**	**16**	**CCS-based R&M EBITDA [1][2]**	**56.4**	**68.1**	**21**
15.4	(44.0)	5.4	-	Operating profit/(loss) reported	37.5	(28.7)	-
21.4	**(37.0)**	**17.3**	**-**	**Operating profit/(loss) reported excl. spec. items[1]**	**56.3**	**(15.6)**	**-**
31.9	**(29.8)**	**16.3**	**-**	**o/w R&M profit/(loss) excl. spec. items[1]**	**52.6**	**2.1**	**(96)**
(26.9)	39.9	(2.5)	-	Replacement modification gain (-) / loss (+)	(28.3)	13.0	-
(1.0)	2.6	5.6	(54)	Impairment gain (+) / loss (-) on inventories	5.6	1.6	(71)
(9.0)	6.1	(4.0)	-	FX gain (-) / loss (+) on debtors and creditors	(21.1)	(2.9)	(86)
(5.0)	**18.8**	**15.3**	**23**	**CCS-based R&M operating profit/(loss)[1][2]**	**8.8**	**13.8**	**57**
(10.5)	**(7.2)**	**1.0**	**-**	**o/w Petrochemicals profit/(loss) excl. spec. items[1]**	**3.7**	**(17.7)**	**-**
15.4	**33.9**	**14.9**	**129**	**CAPEX**	**31.3**	**49.3**	**57**
MOL without INA and excl. special items[1]							
49.2	8.7	56.2	(85)	EBITDA	125.4	57.9	(54)
25,7	50.5	46.8	8	CCS-based R&M EBITDA[2]	76.1	76.2	0
24.0	(15.8)	31.6	-	Operating profit/(loss) reported	76.4	8.2	(89)
5.0	**30.5**	**26.4**	**16**	**CCS-based R&M operating profit/(loss) [2]**	**35.5**	**35.5**	**0.0**
INA excl. special items[1][2]							
4.1	(14.3)	(10.5)	36	EBITDA	(12.9)	(10.3)	(20)
(3.5)	(4.6)	(7.2)	(36)	CCS-based R&M EBITDA [2]	(19.7)	(8.1)	(59)
(2.6)	(21.2)	(14.3)	48	Operating profit/(loss) reported	(20.1)	(23.8)	18
(10.0)	**(11.7)**	**(11.1)**	**5**	**CCS-based R&M operating profit/(loss) [2]**	**(26.7)**	**(21.7)**	**(19)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	External refined product and petrochemical sales by country (kt)	H1 2011	H1 2012	Ch. %
988	1,098	1,210	(9)	Hungary	2,246	2,086	(7)
358	397	424	(6)	Slovakia	769	755	(2)
421	432	490	(12)	Croatia	946	853	(10)
681	642	824	(22)	Italy	1,525	1,323	(13)
1,844	1,943	2,297	(15)	Other markets	4,382	3,787	(14)
4,292	**4,512**	**5,245**	**(14)**	**Total**	**9,868**	**8,804**	**(11)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	External refined and petrochemical product sales by product (kt)	H1 2011	H1 2012	Ch. %
3,964	**4,214**	**4,860**	**(13)**	**Total refined products**	**9,091**	**8,178**	**(10)**
862	1,028	1,112	(8)	o/w Motor gasoline	2,047	1,890	(8)
2,024	2,175	2,346	(7)	o/w Diesel	4,453	4,199	(6)
86	52	179	(71)	o/w Fuel oil	424	138	(67)
157	269	351	(23)	o/w Bitumen	532	426	(20)
737	**849**	**892**	**(5)**	**o/w Retail segment sales**	**1,656**	**1,586**	**(4)**
242	280	303	(8)	o/w Motor gasoline	563	522	(7)
475	547	566	(3)	o/w Gas and heating oils	1,049	1,022	(3)
328	**298**	**385**	**(23)**	**Total petrochemicals products**	**777**	**626**	**(19)**
92	89	88	1	o/w Olefin products	174	181	4
236	209	297	(30)	o/w Polymer products	603	445	(26)
4,292	**4,512**	**5,245**	**(14)**	**Total refined and petrochemicals products**	**9,868**	**8,804**	**(11)**

[1] *Special items affected operating profit and EBITDA is detailed in Appendix VII.*
[2] *Please see Appendix XVI.*

In Q2 2012 the unexpectedly high crack spreads and decreasing oil price determined the external environment for refineries. Depressed regional product demand and longer than planned maintenance activities in the key refineries limited our ability to exploit the better margin environment, however, the CCS-based operating profit of Refining and Marketing improved significantly and reached one of the best quarterly result in the last three years.

Second quarter 2012 results

While in Q2 2012 Downstream divison's EBITDA was deteriorated by significant inventory revaluation loss due to the decreasing crude oil price environment, the **Refining and Marketing segment's 'clean' CCS-based operating result improved considerably, by HUF 24 bn compared to previous quarter.**

- Key positive effects were: (1) higher average crack spreads, driven by gasoline, (2) slightly improved Brent-Ural spread and (3) better refinery yields due to production optimization through increased usage of feedstocks with less heavy residue, especially fuel oil.
- Negative effects of (1) still depressed regional demand and (2) further increasing energy prices moderated the result.

Significant planned maintenance activities (4 weeks in the Danube and Bratislava refineries) and some unplanned shutdowns limited our ability to exploit fully the better environment and increase our sales in line with seasonal patterns. Nevertheless **excluding INA's contribution Refining and Marketing reached its best CCS-based 'clean' operating result since Q4 of 2008.**

INA's 'clean' CCS-based operating result remained practically flat compared to the previous and base period as well. However, if we exclude the exceptionally high revaluation effect related to own produced inventories in the previous quarter, which is not fully handled by CCS replacement modification due to methodological reasons(21), a roughly HUF 10 bn improvement was experienced due to the better environment. On-demand operation of refineries and improved feedstock selection also contributed to the better result.

Operating loss of Petrochemical division moderated somewhat in comparison to the previous quarter, but remained significant. In the deteriorated economic environment depressed demand and volatile price expectations characterized the polymer product markets. Due to this and the general turnaround at some key units during the quarter our polymer product sales decreased by more than 10% compared to Q1 2012. On the other hand as a result of lower feedstock prices Q2 2012 integrated petrochemicals margin climbed by 84% to 318 EUR/t.

Market trends and sales analysis

The **consumption of motor fuels** in the CEE region decreased compared to the base period as still high price level had a negative impact especially on gasoline sales. Moreover due to the worsening economic outlook, especially on core markets even the diesel demand dropped significantly.

Change in regional motor fuel demand 2012 Q2 vs. 2011 Q2 in %	Market			MOL Group		
	Gasoline	Diesel	Motor fuels	Gasoline	Diesel	Motor fuels
Hungary	(5.1)	(4.9)	**(5.0)**	(6.0)	(8.2)	**(7.6)**
Slovakia	(3.7)	(3.3)	**(3.4)**	(4.1)	(1.2)	**(2.1)**
Croatia	(3.1)	(3.4)	**(3.3)**	(0.3)	0.6	**0.3**
Other	(2.7)	(2.2)	**(2.3)**	(22.1)	(9.5)	**(12.9)**
CEE 10 countries	**(3.0)**	**(2.5)**	**(2.6)**	**(11.6)**	**(6.9)**	**(8.3)**

Source: Company estimates

MOL Group's total refined product and petrochemical sales decreased by 14% as depressed market demand in the CEE and SEE countries was accompanied by stronger maintenance activity and some unplanned stoppages compared to the base period. Due to refinery maintenances our sales volume decreased especially on the export markets.

Total retail sales volume (incl. LPG and lubricant volume) decreased by 5% year-on-year in Q2 2012.

Total retail sales (kt)	Q1 2012	Q2 2012	Q2 2011	Ch. %
Hungary	172	195	208	(6)
Slovakia	96	109	117	(7)
Croatia	236	284	312	(9)
Romania	101	119	112	6
Other	132	142	143	(1)
Total retail sales	**737**	**849**	**892**	(5)

- **In Hungary, Slovakia and Croatia** fuel sales volume decreased due to the difficult conditions in the economic environment and slightly moderated, but still high motor fuel prices. Compared to the previous quarter the start of the summer driving season had some seasonally positive effect, especially in Croatia.
- **In Romania**, our fuel sales volumes increased and market share was above 12.5% in Q2 2012. The shop sales revenue went up by 13% as a result of an intensive promotional activity.

First half 2012 results

In H1 2012 Downstream EBITDA excluding special items amounted to HUF 48 bn, below the similar period of last year, which was boosted by significant inventory and FX gains. In a mixed environment **Refining and Marketing segment's 'clean' CCS-based operating result improved slightly.**

- Positive effects of (1) higher average crack spreads of motor fuels, (2) improved product slate due to implemented new units at Rijeka refinery and further refinery optimizations as well as (3) weaker HUF versus USD;
- which were mostly offset by (1) halved Brent-Ural spread and shrunken crude spread of the Mantova refinery, (2) significant drop in the regional product demand due to weak economic conditions and high fuel prices as well as (3) rising energy prices.

Excluding INA's contribution, 'clean' CCS-based operating profit of the Group remained flat. While the margin environment improved to some extent, the depressed regional demand and the longer shut down period compared to the last year resulted 0.6 Mt lower sales year-on-year.

INA's 'clean' CCS-based operating loss was slightly lower than a year ago, 'clean' EBITDA improved even a higher extent, primary as a result of improved yield of Rijeka refinery due to improved feedstock selection, higher VGO processing in the new HCK unit. However, higher volume and price of purchased energy deteriorated the result.

In H1 2012 the operating result of **Petrochemical segment turned to negative compared to H1 2011**. Very weak integrated petrochemical margin (decreased by 32% to 246 EUR/t compared to the same period of the last year), especially at the beginning of the year, high energy prices, lower demand on polymer products and the general turnaround were the main reasons of the weak performance.

Market trends and sales analysis

The **consumption of motor fuels** in the CEE region decreased further due to the worsening economic outlook (affected the diesel consumption) and high price level (negatively impacted especially the gasoline consumption).

Change in regional motor fuel demand 2012 H1 vs. 2011 H1 in %	Market			MOL Group		
	Gasoline	Diesel	Motor fuels	Gasoline	Diesel	Motor fuels
Hungary	(5.1)	(5.6)	**(5.4)**	(5.7)	(6.6)	**(6.3)**
Slovakia	(1.4)	(1.3)	**(1.3)**	(0.1)	0.6	**0.4**
Croatia	(7.2)	(4.3)	**(5.2)**	(1.0)	2.5	**1.4**
Other	(1.6)	(1.9)	**(1.8)**	(15.1)	(5.5)	**(8.1)**
CEE 10 countries	**(2.2)**	**(2.2)**	**(2.2)**	**(8.2)**	**(4.2)**	**(5.4)**

Source: Company estimates

MOL Group's total refined product and petrochemical sales decreased by 11% due to depressed market demand, maintenance activity and some unplanned shutdowns at key refineries during the actual period.

Total retail sales volume (incl. LPG and lubricant volume) decreased by 4% to 1.586 kt in H1 2012 compared to H1 2011**.**

Total retail sales (kt)	H1 2011	H1 2012	Ch. %
Hungary	385	367	(5)
Slovakia	220	205	(7)
Croatia	570	520	(9)
Romania	208	220	5
Other	273	274	1
Total retail sales	**1,656**	**1,586**	**(4)**

In Hungary, Slovakia and Croatia retail fuel sales volumes decreased as a result of economic slowdown and higher retail fuel prices.

In Romania, 2012 H1 Retail fuel sales volumes increased in line with our network development, pushing MOL's market share above 12.5%. The shop sales revenue went up by 12% as a result of an intensive promotional activity.

Downstream capital expenditures

CAPEX	H1 2011	H1 2012	Ch. %	Main projects in H1 2012
R&M CAPEX and investments, excluding retail	15.1	27.1	79	• Maintenance projects
Retail CAPEX and investments	3.7	4.6	24	• 3 new sites • 44 filling stations modernization
Petrochemicals CAPEX	1.4	9.5	579	• General turnaround,maintenance • Sustain CAPEX
Power and other	11.1	8.1	(27)	• Thermal PP in Bratislava
Total	**31.3**	**49.3**	**57**	

Further business related developments

Update on planned Hungarian CCGT plant

MOL-CEZ European Power Hungary Ltd. (MCEPH), the joint venture of MOL Group and CEZ signed a contract on 27 October 2011 with Tecnicas Reunidas S.A. for the construction of the combined cycle gas turbine power plant (CCGT) and with Siemens Zrt. for Long Term Service Agreement for the CCGT. MCEPH possesses all permits required for starting the construction. Due to the current unfavorable regional power market outlook the final investment decision was postponed and the JV level renegotiation of the main project contracts (EPC and LTSA) is necessary to extend their validity period.

Location of the new butadiene extraction unit

Decision has made on the location of the formerly approved butadiene extraction unit. The plant will be built at Tiszaújváros, Hungary. Construction will start in 2013 and the production expected to come in line in 2015. The 130 thousand tons per year capacity plant has EUR 100 million capex requirements and expected to improve significantly the Petrochemical profitability.

Gas Midstream

Q1 2012	Q2 2012	Q2 2011	Ch. %	Segment IFRS results (HUF bn)	H1 2011	H1 2012	Ch. %
17.7	13.5	19.0	**(29)**	EBITDA	42.3	31.1	(26)
17.8	**13.5**	**19.0**	**(29)**	**EBITDA excl. spec. items[(1)]**	**42.4**	**31.3**	**(26)**
12.4	8.0	14.7	**(45)**	Operating profit/(loss) reported	33.3	20.4	(39)
12.4	**8.1**	**14.7**	**(45)**	**Operating profit/(loss) reported excl. spec. items[(1)]**	**33.4**	**20.5**	**(39)**
0.9	**0.7**	**0.7**	**6**	**CAPEX and investments**	**1.6**	**1.7**	**4**

[(1)] Special items affected operating profit and EBITDA is detailed in Appendix VII.

FGSZ Ltd.

Second quarter 2012 results:

Compared to the same period of last year **operating profit of FGSZ Ltd.** was in line with higher revenues. The realized revenue of domestic transmission was HUF 19.2 bn. The revenue of transit transmission to Serbia and Bosnia & Herzegovina was HUF 4.1 bn in Q2 2012, which is higher by HUF 1.2 bn (42%) than base period figures. The increase of transmitted volumes and the FX effect caused positive impact on transit revenues in actual period.

The operating cost figures were higher by 32% compared to the base period mainly due to the higher cost of purchased energy, the increased operating expenses and the higher depreciation.

First half year 2012 results:

Operating profit of FGSZ Ltd. was higher compared to H1 2011 due to the increase of revenues. The realized revenue of domestic transmission was HUF 43 bn, positively influenced by extreme cold weather conditions in February 2012. The revenue of transit transmission to Serbia and Bosnia & Herzegovina was HUF 11.5 bn in 2012 H1, it is higher by HUF 2.9 bn (33%) than base period figures. The increase of transmitted volumes and the FX effect caused positive effect on transit revenues in actual period.

The operating cost figures were higher by 18% compared to the base period mainly due to the higher cost of purchased energy and due to the increased depreciation as a result of projects capitalised in prior year.

Approval of the 10 year development plan

On May 9, 2012 the **Hungarian Energy Office approved the 10 year development plan** of the entire natural gas infrastructure network of Hungary, submitted by FGSZ Ltd, as transmission system operator, in accordance with the Hungarian legal framework. The plan aims the construction of nearly 240 km of high pressure natural gas transmission pipelines and significant additional compressor capacities of 5.7 MW. The development plan significantly improves the security of supply of domestic natural gas consumers, especially in Western Hungary and enables the stable supply of existing and planned gas fired power plant capacities. By the development of FGSZ' transmission system, supported by its parent company, Hungary could be in the position of a regional gas hub. Due to significant increase of transit volumes a future decrease of domestic transmission tariffs would be possible, as well.

MMBF

Operating profit, excluding special items of MMBF Plc. was HUF 3.4 bn and HUF 9.1 bn in Q2 and H1 2012, respectively. The company accounted capacity booking fee on the 1.2 bn cm strategic gas storage and on 700 mcm commercial gas storage. In addition to storage activity, MMBF has sold the oil and condensate production of Szőreg-1 field with profit.

Prirodni Plin

INA's gas trading company, **Prirodni Plin, reported HUF 9.9 bn and HUF 24.9 bn loss in Q2 and H1 2012, respectively,** due to the increasing import price and the application of the maximum level of the natural gas price for the eligible customers and for household customers. Moreover, the amount of natural gas imports increased as well. In spite of the higher import price, which reflects the volatility and trends of the international crude oil product markets, management was determined to ensure the stability of supply for the Croatian market even in the terms of prolonged gas price cap.

Changes in the Croatian natural gas trading business environment

The application of the maximum level of the natural gas price for eligible customers of HRK 2.13 per cm was valid until 30 June. As of 1 July 2012 this price was increased to 2.75 HRK per cm which regulation is valid until 30 September. However, regulated gas price for households was lifted to HRK 2.2 per cm from previous level of HRK 1.7 per cm as of May 1.

MOL Hungarian Oil and Gas Plc. and Subsidiaries

Unaudited interim condensed consolidated financial statements

30 June 2012

INTERIM CONSOLIDATED INCOME STATEMENTS FOR THE MOL GROUP PREPARED IN ACCORDANCE WITH IFRS FOR THE PERIOD ENDED 30 JUNE 2012

Unaudited figures (in HUF million)

Q1 2012	Q2 2012	Q2 2011 restated	Ch. %		Notes	H1 2011 restated	H1 2012	Ch. %
1,348,310	1,319,131	1,298,640	2	Net revenue	5	2,476,133	2,667,441	8
11,991	(2,432)	9,946	n.a.	Other operating income		33,930	9,559	(72)
1,360,301	**1,316,699**	**1,308,586**	**1**	**Total operating revenues**		**2,510,063**	**2,677,000**	**7**
926,754	820,673	856,645	(4)	Raw material costs		1,673,722	1,747,427	4
44,473	50,950	44,423	15	Value of material-type services used		83,864	95,423	14
205,209	140,780	116,238	21	Cost of goods purchased for resale		247,661	345,989	40
1,176,436	*1,012,403*	*1,017,306*	-	*Raw material and consumables used*		*2,005,247*	*2,188,839*	9
62,079	68,101	61,649	10	Personnel expenses		126,851	130,180	3
74,052	74,480	82,667	(10)	Depreciation, depletion, amortisation and impairment		150,581	148,532	(1)
101,851	95,340	84,372	13	Other operating expenses		176,026	197,191	12
(129,660)	79,901	(6,834)	n.a.	Change in inventory of finished goods & work in progress		(122,666)	(49,759)	(59)
(7,800)	(14,590)	(10,204)	43	Work performed by the enterprise and capitalised		(14,961)	(22,390)	50
1,276,958	**1,315,635**	**1,228,956**	**7**	**Total operating expenses**		**2,321,078**	**2,592,593**	**12**
83,343	**1,064**	**79,630**	**(99)**	**Profit from operation**		**188,985**	**84,407**	**(55)**
1,492	1,534	2,508	(39)	Interest received		4,195	3,026	(28)
42	3,102	2,420	28	Dividends received		2,455	3,144	28
7,680	(5,784)	14,788	n.a.	Fair valuation difference of conversion option		5,046	1,896	(62)
2,747	1,416	(1,699)	n.a.	Exchange gains and other financial income		51,475	4,163	(92)
11,961	**268**	**18,017**	**(99)**	***Financial income***	**14**	**63,171**	**12,229**	**(81)**
10,791	11,862	10,127	17	Interest on borrowings		19,229	22,653	18
3,151	3,110	2,949	5	Interest on provisions		5,932	6,261	6
2,714	3,599	16,386	(78)	Exchange losses and other financial expenses		21,036	6,313	(70)
16,656	**18,571**	**29,462**	**(37)**	***Financial expense***	**14**	**46,197**	**35,227**	**(24)**
4,695	**18,303**	**11,445**	**60**	**Total financial expense/(gain), net**	**14**	**(16,974)**	**22,998**	**n.a.**
11,315	6,706	2,863	134	Income from associates	15	5,808	18,021	210
89,963	**(10,533)**	**71,048**	**n.a.**	**Profit before tax**		**211,767**	**79,430**	**(62)**
9,043	(3,391)	4,552	n.a.	Income tax expense	16	32,358	5,652	(83)
80,920	**(7,142)**	**66,496**	**n.a.**	**PROFIT FOR THE PERIOD**		**179,409**	**73,778**	**(59)**
73,690	676	53,968	(99)	Attributable to: Equity holders of the parent		146,631	74,366	(49)
7,230	(7,818)	12,528	n.a.	Non-controlling interests		32,778	(588)	n.a.
840	**8**	**618**	**(99)**	**Basic earnings per share attributable to ordinary equity holders of the parent (HUF)**	**18**	**1,691**	**847**	**(50)**
705	**8**	**420**	**(98)**	**Diluted earnings per share attributable to ordinary equity holders of the parent (HUF)** [10]	**18**	**1,527**	**772**	**(49)**

[10] Please see Appendix XI.

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE MOL GROUP PREPARED IN ACCORDANCE WITH IFRS FOR THE PERIOD ENDED 30 JUNE 2012
Unaudited figures (in HUF million)

Q1 2012	Q2 2012	Q2 2011	Ch. %		Notes	H1 2011	H1 2012	Ch. %
80,920	**(7,142)**	**66,496**	**n.a.**	**Profit for the period**		**179,409**	**73,778**	**(59)**
				Other comprehensive income				
(101,850)	(30,662)	(21,524)	42	Exchange differences on translating foreign operations	17	(101,718)	(132,512)	30
1,907	(1,450)	(212)	584	Available-for-sale financial assets, net of deferred tax	17	122	457	275
380	(2,632)	182	n.a.	Cash-flow hedges, net of deferred tax	17	660	(2,252)	n.a.
33,644	4,370	-	n.a.	Net investment hedge, net of tax	17	-	38,014	n.a.
(8,286)	2,818	(8,297)	n.a.	Share of other comprehensive income of associates	17	(9,931)	(5,468)	(45)
(74,205)	**(27,556)**	**(29,851)**	**(8)**	**Other comprehensive income for the period, net of tax**		**(110,867)**	**(101,761)**	**(8)**
6,715	**(34,698)**	**36,645**	**n.a.**	**Total comprehensive income for the period**		**68,542**	**(27,983)**	**n.a.**
				Attributable to:				
30,966	(25,485)	38,220	n.a.	Equity holders of the parent		70,625	5,481	(92)
(24,281)	(9,183)	(1,574)	483	Non-controlling interest		(2,083)	(33,464)	1,507

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 2012

Unaudited figures (in HUF million)

31 December 2011		Notes	30 June 2011 restated	30 June 2012	Change %
	Assets				
	Non-current assets				
338,552	Intangible assets	7	304,094	309,881	(8)
2,824,917	Property, plant and equipment	7, 8	2,504,690	2,633,011	(7)
104,797	Investments in associated companies		70,883	114,844	10
20,649	Available-for-sale investments		20,113	18,840	(9)
42,417	Deferred tax asset		13,181	48,792	15
36,948	Other non-current assets		38,214	31,636	(14)
3,368,280	**Total non-current assets**		**2,951,175**	**3,157,004**	**(6)**
	Current assets				
545,234	Inventories	9	542,612	581,622	7
619,723	Trade receivables, net		510,901	565,296	(9)
-	Held-for-trading financial assets		-	-	n.a.
125,134	Other current assets		173,013	201,441	61
24,364	Prepaid taxes		5,657	13,642	(44)
311,133	Cash and cash equivalents		365,257	233,079	(25)
-	Assets classified as held for sale	22	-	17,991	n.a.
1,625,588	**Total current assets**		**1,597,440**	**1,613,071**	**(1)**
4,993,868	**Total assets**		**4,548,615**	**4,770,075**	**(4)**
	Equity and Liabilities				
	Shareholders' equity				
79,202	Share capital [(11)]	11	79,202	79,202	-
1,419,007	Reserves		1,270,049	1,465,088	3
153,907	Net income attributable to equity holders of the parent		146,631	74,366	(52)
1,652,116	**Equity attributable to equity holders of the parent**		**1,495,882**	**1,618,656**	**(2)**
591,203	Non-controlling interest		508,271	553,162	(6)
2,243,319	**Total equity**		**2,004,153**	**2,171,818**	**(3)**
	Non-current liabilities				
862,149	Long-term debt, net of current portion	12	752,837	571,092	(34)
314,315	Provisions	10	298,790	303,392	(3)
119,655	Deferred tax liability		110,954	101,573	(15)
51,046	Other non-current liabilities		43,335	58,730	15
1,347,165	**Total non-current liabilities**		**1,205,916**	**1,034,787**	**(23)**
	Current liabilities				
1,008,780	Trade and other payables		879,548	991,490	(2)
37,184	Current taxes payable		24,373	19,118	(49)
37,227	Provisions	10	38,579	44,252	19
136,288	Short-term debt	12	215,297	156,296	15
183,905	Current portion of long-term debt	12	180,749	339,790	85
-	Liabilities classified as held for sale	22	-	12,524	n.a.
1,403,384	**Total current liabilities**		**1,338,546**	**1,563,470**	**11**
4,993,868	**Total equity and liabilities**		**4,548,615**	**4,770,075**	**(4)**

[(11)] Please see Appendix XI.

INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE MOL GROUP PREPARED IN ACCORDANCE WITH IFRS FOR THE PERIOD ENDED 30 JUNE 2012 - 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 2011	**79,202**	**(325,669)**	**7,534**	**153,663**	**(8,074)**	**1,424,456**	**1,251,910**	**103,958**	**1,435,070**	**539,407**	**1,974,477**
Retained profit for the period	-	-	-	-	-	-	**-**	146,631	**146,631**	32,778	**179,409**
Other comprehensive income for the period, net of tax	-	-	782	(76,788)	-	-	**(76,006)**	-	**(76,006)**	(34,861)	**(110,867)**
Total comprehensive income for the period	**-**	**-**	**782**	**(76,788)**	**-**	**-**	**(76,006)**	**146,631**	**70,625**	**(2,083)**	**68,542**
Transfer to reserves of retained profit for the previous year	-	-	-	-	-	103,958	**103,958**	(103,958)	**-**	-	**-**
Dividends to non-controlling interests	-	-	-	-	-	-	**-**	-	**-**	(13,313)	**(13,313)**
Net change in balance of treasury shares held, net of tax	-	-	-	-	-	(668)	**(668)**	-	**(668)**	-	**(668)**
Transactions with non-controlling interest						(9,145)	**(9,145)**		**(9,145)**	(15,740)	**(24,885)**
Closing balance 30 June 2011	**79,202**	**(325,669)**	**8,316**	**76,875**	**(8,074)**	**1,518,601**	**1,270,049**	**146,631**	**1,495,882**	**508,271**	**2,004,153**
Opening balance 1 January 2012	**79,202**	**(325,669)**	**5,256**	**213,525**	**(8,074)**	**1,533,969**	**1,419,007**	**153,907**	**1,652,116**	**591,203**	**2,243,319**
Retained profit for the period	-	-	-	-	-	-	**-**	74,366	**74,366**	(588)	**73,778**
Other comprehensive income for the period, net of tax	-	-	(2,028)	(62,166)	-	(4,691)	**(68,885)**	-	**(68,885)**	(32,876)	**(101,761)**
Total comprehensive income for the period	**-**	**-**	**(2,028)**	**(62,166)**	**-**	**(4,691)**	**(68,885)**	**74,366**	**5,481**	**(33,464)**	**(27,983)**
Transfer to reserves of retained profit for the previous year	-	-	-	-	-	153,907	**153,907**	(153,907)	**-**	-	**-**
Dividends paid to shareholders	-	-	-	-	-	(38,278)	**(38,278)**	-	**(38,278)**	-	**(38,278)**
Dividends to non-controlling interests	-	-	-	-	-	-	**-**	-	**-**	(4,681)	**(4,681)**
Equity recorded for share-based payments	-	-	-	-	-	119	**119**	-	**119**	-	**119**
Net change in balance of treasury shares held, net of tax	-	-	-	-	-	(678)	**(678)**	-	**(678)**	-	**(678)**
Transactions with non-controlling interests	-	-	-	-	-	(104)	**(104)**	-	**(104)**	104	**-**
Closing balance 30 June 2012	**79,202**	**(325,669)**	**3,228**	**151,359**	**(8,074)**	**1,644,244**	**1,465,088**	**74,366**	**1,618,656**	**553,162**	**2,171,818**

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE MOL GROUP PREPARED IN ACCORDANCE WITH IFRS FOR THE PERIOD ENDED 30 June 2012 Unaudited figures (in HUF million)

Q1 2012	Q2 2012	Q2 2011 restated	Ch. %		H1 2011 restated	H1 2012	Ch. %
89,963	**(10,533)**	**71,048**	**n.a.**	**Profit before tax**	**211,767**	**79,430**	**(62)**
				Adjustments to reconcile profit before tax to net cash provided by operating activities			
74,052	74,480	82,667	(10)	Depreciation, depletion, amortisation and impairment	150,581	148,532	(1)
(3,116)	5,945	10,061	(41)	Write-off / (reversal of write-off) of inventories	10,631	2,829	(73)
5,608	10,100	(6,212)	n.a.	Increase / (decrease) in provisions	4,248	15,708	270
(633)	(121)	(876)	(86)	Net (gain) / loss on sale of non-current assets	(3,826)	(754)	(80)
1,408	1,762	2,699	(35)	Write-off / (reversal of write-off) of receivables	3,256	3,170	(3)
335	(436)	2,538	n.a.	Unrealised foreign exchange (gain) / loss on trade receivables	184	(101)	n.a.
-	-	-	n.a.	Net gain on sale of subsidiaries	-	-	n.a.
(1,492)	(1,534)	(2,508)	(39)	Interest income	(4,195)	(3,026)	(28)
10,791	11,862	10,127	17	Interest on borrowings	19,229	22,653	18
(842)	2,658	(5,530)	n.a.	Net foreign exchange (gain) / loss excluding foreign exchange difference on trade receivables and trade payables	(44,723)	1,816	n.a.
(7,680)	5,784	(14,788)	n.a.	Fair valuation difference of conversion option	(5,046)	(1,896)	(62)
767	(3,577)	21,195	n.a.	Other financial (gain) / loss, net	11,829	(2,810)	n.a.
(11,315)	(6,706)	(2,863)	134	Share of net profit of associates	(5,808)	(18,021)	210
980	2,528	1,148	120	Other non cash item	(569)	3,508	n.a.
158,826	**92,212**	**168,706**	**(45)**	**Operating cash flow before changes in working capital**	**347,558**	**251,038**	**(28)**
(141,862)	72,185	(3,145)	n.a.	(Increase) / decrease in inventories	(149,753)	(69,677)	(53)
(20,497)	29,270	(7,648)	n.a.	(Increase) / decrease in trade receivables	(57,609)	8,773	n.a.
(59,274)	(1,730)	12,608	n.a.	(Increase) / decrease in other current assets	(39,326)	(61,004)	55
(28,548)	30,059	(1,195)	n.a.	Increase / (decrease) in trade payables	(15,513)	1,511	n.a.
93,650	(37,993)	(23,734)	60	Increase / (decrease) in other payables	52,885	55,657	5
(13,655)	(21,862)	(12,234)	79	Income taxes paid	(21,645)	(35,517)	64
(11,360)	**162,141**	**133,358**	**22**	**Net cash provided by / (used in) operating activities**	**116,597**	**150,781**	**29**
(62,852)	(48,320)	(34,640)	39	Capital expenditures, exploration and development costs	(84,064)	(111,172)	32
704	478	1,202	(60)	Proceeds from disposals of property, plant and equipment	4,362	1,182	(73)
-	-	(21,429)	n.a.	Acquisition of subsidiaries and non-controlling interests, net	(25,314)	-	n.a.
(905)	(89)	(425)	(79)	Acquisition of associated companies and other investments	(1,220)	(994)	(19)
-	-	805	n.a.	Net cash inflow / (outflow) on sales on subsidiary undertakings	805	-	n.a.
-	-	-	n.a.	Proceeds from disposal of associated companies and other investments	-	-	n.a.
723	1,094	(431)	n.a.	Changes in loans given and long-term bank deposits	(431)	1,817	n.a.
-	-	205	n.a.	Changes in short-term investments	209	-	n.a.
1,850	1,920	3,454	(44)	Interest received and other financial income	5,518	3,770	(32)
42	9,553	4,970	92	Dividends received	5,005	9,595	92
(60,438)	**(35,364)**	**(46,289)**	**(24)**	**Net cash (used in) / provided by investing activities**	**(95,130)**	**(95,802)**	**1**
-	-	11,000	n.a.	Issuance of long-term notes	11,000	-	n.a.
-	(5,203)	-	n.a.	Repayment of long-term notes	-	(5,203)	n.a.
76,377	129,353	46,685	177	Long-term debt drawn down	55,356	205,730	272
(139,900)	(128,080)	(43,415)	195	Prepayments and repayments of long-term debt	(122,838)	(267,980)	118
(275)	(12)	85	n.a.	Changes in other long-term liabilities	(10)	(287)	2,770
61,007	(37,779)	(23,678)	60	Changes in short-term debt	148,147	23,228	(84)
(29,199)	(20,853)	(17,782)	17	Interest paid and other financial costs	(38,834)	(50,052)	29
-	(38,257)	(3)	1,275,133	Dividends paid to shareholders	(4)	(38,257)	956,325
(1,773)	(2,492)	(11,611)	(79)	Dividends paid to non-controlling interest	(13,259)	(4,265)	(68)
-	-	-	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.
(33,763)	**(103,323)**	**(38,719)**	**167**	**Net cash (used in) / provided by financing activities**	**39,558**	**(137,086)**	**n.a.**

Q1 2012	Q2 2012	Q2 2011 restated	Ch. %		H1 2011 restated	H1 2012	Ch. %
(105,561)	**23,454**	**48,350**	**(51)**	**Increase/(decrease) in cash and cash equivalents**	**61,025**	**(82,107)**	**n.a.**
311,133	208,661	319,345	(35)	Cash and cash equivalents at the beginning of the period	313,166	311,133	(1)
				from which:			
311,133	208,661	319,345	(35)	- presented in Balance Sheet	313,166	311,133	(1)
-	-	-	n.a.	- attributable to Disposal Group	-	-	n.a.
229	5,635	(5,072)	n.a.	Exchange differences of cash and cash equivalents of consolidated foreign subsidiaries	(6,628)	5,864	n.a.
2,860	(4,068)	2,634	n.a.	Unrealised foreign exchange difference on cash and cash equivalents	(2,306)	(1,208)	(48)
208,661	**233,682**	**365,257**	**(36)**	**Cash and cash equivalents at the end of the period**	**365,257**	**233,682**	**(36)**
				from which:			
208,661	233,079	365,257	(36)	- presented in Balance Sheet	365,257	233,079	(36)
-	603	-	n.a.	- attributable to Disposal Group	-	603	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 quoted on the International Order Book in London and other over the counter markets in New York, Berlin and Munich.

2. Basis of preparation

The interim condensed financial statements for the six months ended 30 June 2012 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 2011.

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 2011. The following amendments to IFRSs standards did not have any impact on the accounting policies, financial position or performance of the Group:

IAS 12 - Deferred Tax: Recovery of Underlying Assets (Amendment)

This amendment to IAS 12 includes a rebuttable presumption that the carrying amount of investment property measured using the fair value model in IAS 40 will be recovered through sale and, accordingly, that any related deferred tax should be measured on a sale basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time, rather than through sale. Specifically, IAS 12 will require that deferred tax arising from a non-depreciable asset measured using the revaluation model in IAS 16 should always reflect the tax consequences of recovering the carrying amount of the underlying asset through sale. Effective implementation date was for annual periods beginning on or after 1 January 2012.

IFRS 7 - Disclosures - Transfers of financial assets (Amendment)

The IASB issued an amendment to IFRS 7 that enhances disclosures for financial assets. These disclosures relate to assets transferred (as defined under IAS 39). If the assets transferred are not derecognised entirely in the financial statements, an entity has to disclose information that enables users of financial statements to understand the relationship between those assets which are not derecognised and their associated liabilities. If those assets are derecognised entirely, but the entity retains a continuing involvement, disclosures have to be provided that enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognised assets. Effective implementation date is for annual periods beginning on or after 1 July 2011 with no comparative requirements.

IFRS 1 - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters (Amendment)

When an entity's date of transition to IFRS is on or after the functional currency normalisation date, the entity may elect to measure all assets and liabilities held before the functional currency normalisation date, at fair value on the date of transition to IFRS. This fair value may be used as the deemed cost of those assets and liabilities in the opening IFRS statement of financial position. However, this exemption may only be applied to assets and liabilities that were subject to severe hyperinflation. Effective implementation date is for annual periods beginning on or after 1 July 2011 with early adoption permitted.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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.

During the interim period, the identification of the Group's operating segments has remained the same as at 31 December 2011.

Six months ended 30 June 2012	Upstream HUF million	Downstream HUF million	Gas Midstream HUF million	Corporate and other HUF million	Inter-segment transfers HUF million	**Total HUF million**
Net Revenue						
Sales to external customers	145,749	2,274,390	227,825	19,477		**2,667,441**
Inter-segment sales	264,941	8,956	22,910	55,791	(352,598)	
Total revenue	**410,690**	**2,283,346**	**250,735**	**75,268**	**(352,598)**	**2,667,441**
Results						
Profit/(loss) from operations	126,323	(28,672)	20,395	(23,099)	(10,540)	**84,407**
Net finance costs						**22,998**
Income from associates				18,021		**18,021**
Profit before tax						**79,430**
Income tax expense/(benefit)						**5,652**
Profit for the period						**73,778**

Six months ended 30 June 2011	Upstream HUF million	Downstream HUF million	Gas Midstream HUF million	Corporate and other HUF million	Inter-segment transfers HUF million	**Total HUF million**
Net Revenue						
Sales to external customers	169,398	2,108,634	183,654	14,447		**2,476,133**
Inter-segment sales	208,110	6,790	17,737	56,289	(288,926)	
Total revenue	**377,508**	**2,115,424**	**201,391**	**70,736**	**(288,926)**	**2,476,133**
Results						
Profit/(loss) from operations	157,559	37,501	33,305	(31,090)	(8,290)	**188,985**
Net finance costs						**(16,974)**
Income from associates				5,808		**5,808**
Profit before tax						**211,767**
Income tax expense/(benefit)						**32,358**
Profit for the period						**179,409**

Assets and liabilities at 30 June 2012	Upstream HUF million	Downstream HUF million	Gas Midstream HUF million	Corporate and other HUF million	Inter-segment transfers HUF million	**Total HUF million**
Property, plant and equipment, net	1,033,245	1,185,074	393,586	83,913	(62,807)	**2,633,011**
Intangible assets, net	221,649	66,573	5,817	17,708	(1,866)	**309,881**
Inventories	28,904	527,229	35,924	15,026	(25,461)	**581,622**
Trade receivables, net	129,934	499,780	32,497	22,435	(119,350)	**565,296**
Investments in associates				114,844		**114,844**
Assets classified as held for sale				17,991		**17,991**
Not allocated assets						**547,430**
Total assets						**4,770,075**
Trade payables	38,726	403,737	104,840	36,712	(119,350)	**464,665**
Liabilities classified as held for sale				12,524		**12,524**
Not allocated liabilities						**2,121,068**
Total liabilities						**2,598,257**

Assets and liabilities at 30 June 2011	Upstream HUF million	Downstream HUF million	Gas Midstream HUF million	Corporate and other HUF million	Inter-segment transfers HUF million	**Total HUF million**
Property, plant and equipment, net	970,823	1,122,214	385,033	89,181	(62,561)	**2,504,690**
Intangible assets, net	187,283	94,062	5,612	17,193	(56)	**304,094**
Inventories	27,717	490,275	24,310	13,393	(13,083)	**542,612**
Trade receivables, net	85,780	466,323	27,073	21,477	(89,752)	**510,901**
Investments in associates				70,883		**70,883**
Assets classified as held for sale						**-**
Not allocated assets						**615,435**
Total assets						**4,548,615**
Trade payables	33,057	381,631	44,454	30,650	(90,747)	**399,045**
Liabilities classified as held for sale						**-**
Not allocated liabilities						**2,145,417**
Total liabilities						**2,544,462**

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

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

No major acquisitions took place in the first half of 2012.

INA Group (2011)

During the six month ended June 30 2011, MOL has increased its ownership in INA to 49.1% by acquiring shares from minority shareholders in consideration of HUF 24,921 mn. As MOL has already obtained control over INA, the increase in ownership qualifies as transaction with non-controlling interests.

Roth Group (2011)

In June, 2011 MOL paid an additional HUF 393 mn subsequent consideration for the acquisition of Roth Group pursuant to obtaining the remaining 25% minority shareholding in 2008. This subsequent consideration has been accounted for as an adjustment to goodwill.

Analysis of net cash outflow on acquisition of subsidiaries and non-controlling interests

	For the six month ended 30 June	
	2012	2011
	HUF million	HUF million
Cash consideration	-	(25,314)
Cash at bank or on hand acquired	-	-
Net cash outflow on acquisition of subsidiaries and non-controlling interests	**-**	**(25,314)**

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 the carrying value may 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. Estimating 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.

A net reversal of impairment expense of HUF 382 million and a net impairment expense of HUF 1,761 million were recorded with respect to the revision of field abandonment provision of maturing and suspended oil and gas producing fields in Hungary in H1 2012 and H1 2011, respectively. Impairment expense of HUF 4,912 million was recognised on Hungarian exploration fields in H1 2012, compared to impairment expense of HUF 2,791 million in H1 2011. Impairment expense of HUF 1,379 million and HUF 2,381 million were recognised on exploration assets in Egypt and Iran, and on Crosco Group's Lybian exploration equipment in H1 2012 and H1 2011, respectively.

In compliance with the Croatian Government Decision dated 23 February 2012 on the implementation of the EU Council Decision concerning restrictive measures against the Syrian Arab Republic issued 1 December 2011, INA delivered 26 February 2012 the force majeure notice to the General Petroleum Company (GPC) of Syria related to the Production Sharing Agreement for the Hayan Block signed in 1998 and Production Sharing Agreement for the Aphamia Block signed in 2004.

Based on the Croatian Government decision, as well as the overall security situation in Syria, INA was not able to continue with its regular business operations and activities in Syria due to reasons beyond company control. Hence, the terms and conditions foreseen in the above stated Agreements have been met for announcing „force majeure", i.e. for temporary suspension of all business activities in Syria until further notice, i.e. until the „force majeure" circumstances cease to exist.

Until the termination of the "force majeure" INA Group does not expect to receive any revenues neither to realize its production share from its Syrian project. Taking into consideration the difficulties with collection of receivables from the Syrian side, the company used the conservative calculations regarding revenues from Syria in its impairment test. Discount rates applied were 17.5% and 15.0% at 30 June 2012 and 31 December 2011, respectively. Based on these calculations the management did not record any impairment since carrying amount of non-current assets in Syria are recoverable based on the net present value of discounted future cash flows. The book value of total Group assets in Syria at 30 June 2012 was amounted of HUF 167,327 million (at 31 December 2011: HUF 179,511 million). The management regularly monitors and, if needed, re-assesses impairment calculations based on the latest developments in the country.

8. Property, plant and equipment

During the six months ended 30 June 2012, the Group acquired assets with cost of HUF 111,172 million, compared to HUF 84,064 million in H1 2011. The cash outflow of the current period mainly reflects the CAPEX in the upstream (Russian exploration project developments), and the downstream (Thermal power plant developments in Slovnaft, periodic maintenance and catalyst spendings in the Slovakian and Hungarian refineries) segments, while in the comparative period mainly reflects the CAPEX in the upstream (including the Syrian and North-Adriatic developments) and the downstream (Croatian refinery modernization) segments.

Assets with net book value of HUF 431 million were disposed of by the Group in H1 2012 resulting in a net gain of HUF 778 million.

9. Inventories

Total amount of inventories increased to HUF 581,622 million as of 30 June (HUF 542,612 million as of 30 June 2011).
During the interim period in 2012 the Group recorded an impairment of HUF 2,829 million relating to different types of inventories. This expense is included in raw material type costs and change in own produced inventory in the income statement.

10. Provisions

Total amount of provisions was HUF 347,644 million as of 30 June 2012 (HUF 337,369 million at the end of the comparative period), a slight decrease from HUF 351,542 million as of 2011 year-end, reflecting the combined effect of unwinding of the discounts for long-term environmental and field abandonment provisions and the revision of previous estimates on discount rates and the changes in foreign exchange (EUR and HRK) rates. Long-term real discount rates used were 1.5% (2011: 1.2%).

Currently INA, d.d. holds a Service Contract for the Exploration and Development of the Moghan-2 Block in Iran signed on 8 April 2008 with the National Iranian Oil Company (NIOC). The contract came into effect on 1 June 2008 and regulates INA as the operator in the exploration, appraisal and development phase while NIOC will conduct production operations. Minimum exploration work commitments include seismic surveys (2D and 3D) and drilling of one exploration well with minimum financial obligation amounting to USD 40.3 million. Obligatory Exploration phase expired on 31 May 2012. Due to the very complex developments regarding the international regulation for operating in Iran, including restrictive measures, actual project costs as of 30 June 2012 amounted to USD 4.5 million.

INA is currently not engaged in any activities that would be in breach of the EU and wider international trade sanctions against Iran and will continue with its efforts to ensure all future activities are carried out in compliance with the aforementioned regulation. A provision of HUF 7,833 million has been recorded as a conservative estimate for the contract termination expense.

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 2011	104,518,485	(5,793,316)	(19,523,973)	79,201,196	134,519,063
Sale and option agreement with UniCredit Bank A.G.	-	646,361	(646,361)	-	-
Treasury shares call back from OTP Bank Plc.	-	(371,301)	371,301	-	-
Treasury shares lent to OTP Bank Plc.	-	371,301	(371,301)	-	-
30 June 2012	104,518,485	(5,146,955)	(20,170,334)	79,201,196	134,519,063

Option agreement with UniCredit Bank A.G.

On 13 February 2012 option rights arising from the share option agreement signed on 8 February 2011 were exercised with cash settlement method in respect to all of 2,914,692 MOL Series "A" ordinary shares. The strike price was EUR 86.7 per share.

Simultaneously, MOL entered into a share sale agreement in respect to 646,361 MOL Series "A" ordinary shares and a share option agreement in respect to 3,561,053 MOL Series "A" ordinary shares with UniCredit Bank A.G. („UniCredit"). Under the share option agreement MOL has an American call option and UniCredit a European put option in relation to such shares. Both options mature in one year. The strike price for both the call and the put options is EUR 70.4 per share.

Share lending agreement with OTP

On 8 June 2012, the individual share lending agreement regarding 371,301 “A” series MOL shares concluded with OTP Bank Plc. („OTP”) has been terminated and on 19 June the same amount of “A” series MOL shares has been lent to OTP.

Dividends paid

The Annual General Meeting held on 26 April 2012 approved a dividend payment in amount of HUF 45,127 million in respect to financial year 2011.

In H1 2012 holders of the capital securities of Magnolia received a coupon payment of HUF 3,796 million. Coupon payments have been recorded directly against equity attributable to non-controlling interests.

12. Borrowing and repayment of debt

Further diversifying its funding portfolio, MOL signed an 8.5 years, USD 150 million loan agreement with the European Bank for Reconstruction and Development (EBRD) on 2 July 2012. The loan will be used to finance capital expenditures to replace three subscale old units with a new 220 kt/year capacity LDPE unit and upgrade the steam cracker at the site of Slovnaft Group.

Under the EUR 1 billion revolving credit facility agreement, signed on 10 June 2011 with 5+1+1-year tenor, MOL has extended EUR 561 million with unchanged margin levels, by one additional year until 10 June 2017. The extension contributed to the enhancement of the maturity profile of the Group’s funding portfolio.

INA d.d. signed a revolving credit facility agreement in amount of EUR 119 million on 22 May 2012 with 3+1+1-year maturity, for the refinancing of the USD 250 million syndicated credit facility tranche having expired in April 2012.

The last coupon and principal payment of the MOL 1204 L/1 HUF bonds issued on 26 October 2010 have been fulfilled on the expiration date, 26 April 2012.

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

Issuance of long-term debt

	For the six month ended 30 June	
	2012	2011
	HUF million	HUF million
Increase in long-term debts	245,458	118,137
Non cash-flow element: unrealised exchange (gains) / losses	(39,728)	(51,781)
Total issuance of long-term debt	**205,730**	**66,356**

At the end of June 2012, MOL Group's gearing (net debt divided by net debt plus shareholders' equity including non-controlling interests) was 27.7%, no significant change compared to the 28.0% year-end level (at the end of June 2011, the gearing was 28.1%). Currency composition of the debt was the following:

31 Dec 2011 (bn own currency)	31 Dec 2011 (bn HUF)	Portion %	Proportion and amount of total debt denominated in the following currencies	30 June 2012 (bn own currency)	30 June 2012 (bn HUF)	Portion %
1.32	318	26.9	**USD**	1.29	295	27.6
2.66	829	70.1	**EUR**	2.55	735	68.9
n.a.	35	3.0	**HUF and other***	n.a.	37	3.5
n.a.	**1,182**	**100**	**Total**	**n.a.**	**1,067**	**100**

* Includes also HRK- 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

- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The financial assets and liabilities measured by the Group at fair value as at 30 June 2012 and 2011 are categorised as follows:

	30 June 2012 HUF million	Level 1 HUF million	Level 2 HUF million	Level 3 HUF million
Financial assets				
Available for sale investment in JANAF d.d.	12,801	12,801	-	-
Net receivable from currency risk hedging derivatives as cash-flow hedges	1,979	-	1,979	-
Receivables from commodity hedging derivatives as cash flow hedge	14,505	-	14,505	-
Receivables from currency risk hedging derivatives as fair value hedges	293	-	293	-
Fair value of firm commitments as hedged item under commodity price transactions	264	-	264	-
Net receivables from commodity price transactions	4,423	-	4,423	-
Fair value of MOL-OTP share swap	600	-	600	-
Financial liabilities				
Payables from commodity hedging derivatives as cash flow hedge	12,289	-	12,289	-
Conversion option of exchangeable capital securities by Magnolia Finance Ltd	12,636	-	12,636	-
Fair value of the option on MOL shares transferred to CEZ	15,533	-	15,533	-
Net payables from commodity price transactions designated as fair value hedge	264	-	264	-
Payable from currency risk hedging derivatives as fair value hedge	1,650	-	1,650	-

	30 June 2011 HUF million	Level 1 HUF million	Level 2 HUF million	Level 3 HUF million
Financial assets				
Available for sale investment in JANAF d.d.	15,217	15,217	-	-
Net receivable from currency risk hedging derivatives as cash-flow hedges	4,849	-	4,849	-
Receivables from currency risk hedging derivatives as fair value hedges	358	-	358	-
Fair value of firm commitments as hedged item under commodity price transactions	87	-	87	-
Receivables from foreign exchange forward transactions	46		46	
Fair value of the option on MOL shares transferred to CEZ	23,617	-	23,617	-
Fair value of MOL-OTP share swap	184	-	184	-
Financial liabilities				
Conversion option of exchangeable capital securities by Magnolia Finance Ltd	20,034	-	20,034	-
Net payables from commodity price transactions	2,070	-	2,070	-
Net payables from commodity price transactions designated as fair value hedge	87	-	87	-
Payable from currency risk hedging derivatives as fair value hedge	272	-	272	-
Payables from foreign exchange forward transactions	265	-	265	-

During the six-month periods ended 30 June 2012 and 2011, 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.

Financial income / expense

	For the six months ended 30 June 2012 HUF million	2011 HUF million
Fair valuation gain on derivative transactions, net	1,889	-
Foreign exchange gain on borrowings	-	50,246
Foreign exchange gain on cash and cash equivalents, other receivables and payables, net	1,424	-
Fair valuation gain on conversion option	1,896	5,046
Interest received	3,026	4,195
Dividends received	3,144	2,455
Other financial income, net	850	1,229
Total financial income	**12,229**	**63,171**
Foreign exchange loss on borrowings	3,542	-
Interest on borrowings	22,653	19,229
Interest on provisions	6,261	5,932
Fair valuation loss on conversion option	-	-
Foreign exchange loss on cash and cash equivalents, other receivables and payables, net	-	5,522
Fair valuation loss on derivative transactions, net	-	13,780
Other financial expenses	2,771	1,734
Total financial expenses	**35,227**	**46,197**
Total financial expense (income), net	**22,998**	**(16,974)**

Call option on MOL shares owned by CEZ

On 20 December 2007 CEZ and MOL signed an agreement to create a joint venture. To strengthen the strategic alliance, CEZ purchased 7,677,285 pieces of “A” series MOL shares (7% stake) at HUF 30,000 which was financially closed and settled on 23 January 2008. MOL also purchased an American call option for the shares with a strike price of EUR 78.7 per share the maturity of which is 2014. The call option has been recorded as a derivative financial asset, measured at its fair value. The fair value of the option as of 30 June 2012 was HUF 15,533 million payable and as of 30 June 2011 HUF 23,617 million receivable, determined by applying the binomial valuation model. Spot market price (HUF 16,300 per share), implied volatility (44.2%) and an expected dividend yield of HUF 780 per share have been used as input to the model as of 30 June 2012.

Fair valuation gain on derivative transactions, net includes the HUF 9,208 million unrealised fair valuation loss on CEZ option as of June 30, 2012.

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 as of 30 June 2012 and 2011 was HUF 12,636 million and 20,034 million, respectively. The fair valuation impact of the option was HUF 1,896 million gain in 2012 and HUF 5,046 million gain in 2011, recorded as financial income.

14. Income from associates

In H1 2012 income from associates amounted to HUF 18,021 million mainly due to the contribution of MOL Energy Trading (growing international operations) and MOL's 10% share from operations of Pearl Petroleum Company (favourable upstream environment).

15. Income tax

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

Q1 2012	Q2 2012	Q2 2011	Ch. %	Breakdown of income tax expense	H1 2011	H1 2012	Ch. %
2,342	4,495	3,199	41	Local trade tax and innovation fee	5,781	6,837	18
335	(104)	(1,074)	(90)	Robin Hood tax	499	231	(54)
(7,287)	(11,224)	(3,981)	182	Deferred tax	(2,920)	(18,511)	534
13,653	3,442	6,408	(46)	Corporate income tax	28,998	17,095	(41)
9,043	**(3,391)**	**4,552**	**n.a.**	**Total income tax expense**	**32,358**	**5,652**	**(83)**

Changes in the calculated corporate income and deferred taxes were results of lower profitability of Hungarian operations. Furthermore, the Robin Hood Tax won't be cancelled from 1st January 2013, as expected. This temporary surplus tax was extended with an increased rate of 11% by the Hungarian government. Revaluation of deferred tax assets resulted in a HUF 3,014 million decrease in deferred tax expense.

The subsequent impact of MOL share transactions and certain options attached to shares held by third parties is treated differently for IFRS and tax purposes and resulted in a HUF 409 million decrease in our tax expense.

Furthermore, MOL Group recognized a HUF 14,311 million crisis tax which is accounted for Other operating expense (H1 2011: HUF 13,274 million).

Income tax recognized in other comprehensive income

	For the six months ended 30 June 2012 HUF million	2011 HUF million
Deferred tax recognised in other comprehensive income:		
Revaluations of available-for-sale financial assets	(49)	-
Revaluations of financial instruments treated as cash flow hedges	185	(73)
Reclassifications from equity to profit or loss:		
Relating to available-for-sale financial assets	-	-
Relating to cash flow hedges	-	-
Total income tax recognised in other comprehensive income	**136**	**(73)**

16. Components of other comprehensive income

	For six month ended 30 June 2012 HUF million	2011 HUF million
Exchange differences on translating foreign operations		
Gains / (losses) arising during the year	(132,512)	(101,718)
Reclassification adjustments for gains and losses included in the income statement	-	-
Income tax effect	-	-
	(132,512)	**(101,718)**
Available-for-sale financial assets, net of deferred tax		
Gains / (losses) arising during the year	506	122
Reclassification adjustments for gains and losses included in the income statement	-	-
Income tax effect	(49)	-
	457	**122**

Cash-flow hedges, net of deferred tax		
Gains / (losses) arising during the year	427	733
Reclassification adjustments for gains and losses included in the income statement	2,937	-
Reclassification adjustments to initial cost of inventories	(5,801)	-
Income tax	185	(73)
	(2,252)	**660**
Net investment hedge, net of tax		
Gains / (losses) arising during the year	42,705	-
Reclassification adjustments for gains and losses included in the income statement	-	-
Income tax effect	(4,691)	-
	38,014	**-**
Share of other comprehensive income for associates		
Gains / (losses) arising during the year	(5,468)	(9,931)
Reclassification adjustments for gains and losses included in the income statement	-	-
Income tax effect	-	-
	(5,468)	**(9,931)**

17. Earnings per share

	Income (HUF million)	Weighted average number of shares	Earnings per share (HUF)
Basic Earnings Per Share for the six months ended 30 June 2011	146,631	86,723,964	1,691
Diluted Earnings Per Share for the six months ended 30 June 2011	141,585	92,731,443	1,527
Basic Earnings Per Share for the six months ended 30 June 2012	74,366	87,829,537	847
Diluted Earnings Per Share for the six months ended 30 June 2012	72,470	93,837,016	772

	For the six month ended 30 June 2012 HUF million	For the six month ended 30 June 2011 HUF million
Net profit attributable to ordinary shareholders for basic earnings per share	74,366	146,631
Fair value of conversion option	(1,896)	(5,046)
Interest on convertible bonds	-	-
Net profit attributable to ordinary shareholders for diluted earnings per share	72,470	141,585

	For the six month ended 30 June 2012	For the six month ended 30 June 2011
Weighted average number of ordinary shares for basic earnings per share	87,829,537	86,723,964
Effect of dilution – Weighted average number of conversion of perpetual exchangeable securities	6,007,479	6,007,479
Effect of dilution – Weighted average number of convertible bonds	-	-
Adjusted weighted average number of ordinary shares for diluted earnings per share	93,837,016	92,731,443

18. Commitments and contingent liabilities

Capital contractual commitments of the Group were HUF 102,717 million as of 30 June 2012, compared to HUF 45,367 million at the end of 2011. The significant increase is due to the contracts relating to the construction of the new petrochemical production unit in Bratislava. (HUF 65,678 million).

Paraffin cartel infringement

The European Commission started an investigation in April 2005, based upon the alleged cartel activity of paraffin producers and traders in Europe. The investigation affected some 10 major paraffin producers and traders throughout Europe. The decision was adopted in October 2008 and stated that the companies harmonized their commercial activities on the European (European Economic Area) paraffin market and participated in a continuous cartel infringement. In case of MOL the amount of fine was set in EUR 23.7 million which was paid up by MOL in early 2009.

In relation to the above described EU Commission decision the former paraffin customers may have the right to claim private damages from the paraffin cartel participants, i.e. from MOL, too. Currently a proceeding is going on against the decision of the European Commission before the European Court of Justice.

Upon the possibility above, several former paraffin costumers claimed their private damages before an English (2010) and a Dutch (2012) court. In these procedures the above-mentioned buyers claim for all damages suffered by them as a consequence of the activity pr practice which was considered as cartel infringement according to the not final decision of the European Commission since they were able to purchase the product only on an increased price.

19. Related party transactions

Major transactions with associated companies in the normal course of business

	For the six month ended 30 June 2012 HUF million	For the six month ended 30 June 2011 HUF million
Trade and other receivables due from related parties	164	358
Loans given to related parties	11,729	14,336
Trade and other payables due to related parties	3,015	1,947
Net sales to related parties	7,511	3,395

The Group purchased and sold goods and services with related parties during the ordinary course of business in H1 2012 and 2011. 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 decreased to HUF 251,038 million (HUF 347,558 million in H1 2011) mainly due to temporary lack of cash inflow from Syrian operation.

Net cash used in investing activities was HUF 95,802 million in H1 2012 (HUF 95,130 million in H1 2011) due to the increased CAPEX in CEE Region, Russia and Kurdistan Region of Iraq in Upstream segment, and Thermal Power Plant revamp at Bratislava refinery in Downstream.

The significant net financing cash outflow was a result of the net prepayment of long-term debt, representing the Group's strong liquidity position and the dividend payment.

21. Disposal group

MOL Plc. and Yellowraazd B.V. entered into an agreement on transfer of shares with call option in I&C Energo a.s., the 100% subsidiary of MOL Group, on 2 December 2008. Based on the Agreement Yellowraazd exercised its call option on 28 June, 2012. Completion Date shall occur on 7th of August.

As of 30 June 2012, the following assets and liabilities of I&C Energo were classified as held for sale:

	HUF million
Assets	
Intangible assets	2,640
Property, plant and equipment, net	854
Available-for-sale investments	520
Non-current assets	**4,014**
Inventories	1,088
Trade receivables, net	7,080
Other current assets	5,062
Prepaid taxes	144
Cash and cash equivalent	603
Total current assets	**13,977**
Assets classified as held for sale	**17,991**
Liabilities	
Other non-current liabilities	1,197
Deferred tax liabilities	264
Trade and other payables	8,656
Provisions	1,224
Short-term debt	1,183
Liability directly associated with assets classified as held for sale	**12,524**
Net assets directly associated with disposal group	**5,467**

22. Events after the end of the reporting period

MOL increases its presence in the Czech Republic

On 3 July 2012, MOL signed a set of agreements with the owners of Bohemia Realty Company s.r.o. and Pap Oil Cerpaci Stanice s.r.o. that own and operate a country-wide filling station network under Pap Oil brand in the Czech Republic about the acquisition of the two companies. The acquisition will include 124 fuel stations.

The investment is in line with MOL Group's strategy to improve its presence and increase the retail market share in the supply radius of its refineries and increases further the synergies within the Downstream segment. The new filling stations will extend captive market as well as improve the direct reach of the end users.

Following the successful closing of the transaction MOL Group will operate 149 retail stations throughout the country with an approximate combined retail fuel market share of close to 5% and will become the fifth largest company by the number of filling stations. MOL Group's intention is to further pursue organic and inorganic opportunities in order to achieve at least a 10% fuel retail market share in the medium term.

Closing of the transaction is subject to the fulfillment of certain condition precedents, among others to obtaining an anti-monopoly clearance.

Modification of the share swap agreement concluded with OTP Bank Plc.

MOL Plc. (MOL) concluded the share swap agreement with OTP Bank Plc. (OTP) on 16 April 2009 in respect of 5,010,501 “A” series MOL ordinary shares and 24,000,000 OTP ordinary shares has been modified by the parties on 11 July 2012. The expiration of the modified share swap agreement is 11 July 2017 until that time each party can initiate a cash or physical settlement of the deal. The agreements do not have any impact on MOL treasury share ownership.

MOL has signed Share Purchase Agreement with JSC Kazmunaigas Exploration and Production for the acquisition of 49% participating interest in North Karpovsky block in Kazakhstan

MOL Hungarian Oil and Gas Plc. has signed a Share Purchase Agreement with JSC Kazmunaigas Exploration and Production (KMG EP) for the acquisition of 49% of shares in JSC Karpovskiy Severniy, holder of the North Karpovsky exploration licence in Kazakhstan on 19 July 2012.

The North Karpovsky block is located approximately 40 km northwest of Uralsk, in the vicinity of MOL's Fedorovsky block and existing discoveries, at the northern edge of the Caspian Depression. The license area is 1,670 sqkm. As a result of previous exploration activities, the area is extensively covered by seismic data and information gathered from numerous wells proves the presence of a working hydrocarbon system. Remaining, planned work programme includes the drilling of two exploration wells along with minor seismic acquisition. Total prospective recoverable resources of hydrocarbons (P50) previously published by KMG EP are 240 MMboe.

We expect that operational synergies may exist with the neighbouring Fedorovsky block, where MOL has 27.5% shareholding and the consortium led by MOL achieved a significant gas-condensate discovery in 2008. KMG EP is a subsidiary of the Kazakh national oil company, JSC Kazmunaigas. The company’s shares are listed on the Kazakhstan Stock Exchange and the GDRs are listed on the London Stock Exchange. KMG EP is also MOL’s partner in the Fedorovsky block.

The transaction is subject to the consent of the Ministry of Oil and Gas in Kazakhstan, the waiver of state priority right and approval of the Kazakh and the EU antimonopoly bodies.

Main risks of MOL Group

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 might need to be considered to eliminate risks other than 'business as usual' risks or 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 risk: The internationally extending portfolio requires the proper management of country risk exposures. Country exposures are monitored on a regular basis in order 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 by the 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.

MOL uses a bottom-up model for monitoring the key exposures. Generally, the risks are aggregated, measured and mitigated 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 required reports from the risk owners.

Outlook on strategic horizon

MOL continuously adjusts its operation to the external environment and became **more international, more efficient and more upstream driven** in the recent years. In 2011 more than half of Group all time high EBITDA was generated outside Hungary as share of international operation increased further considerably and we expect this tendency to continue in mid and long term. The Upstream division's contribution has grown significantly in the last years and achieved more than 70% of Group EBITDA in 2011. Downstream put more emphasis on integration of assets, yield optimization and energy efficiency improvement to respond unfavourable conditions.

MOL not just remained committed to keep its financial stability, but continued the key development projects, hereby established an outstanding position for the upturn period in each business division. The investments will focus on growth type projects also in the future, like our exploration and developments in Kurdistan Region of Iraq, Russia and Kazakhstan, selective investments in Downstream with special focus on logistic and retail developments. The main objective for the coming years will be to maximise the value of our existing portfolio, which is a solid basis for further growth with sizeable production in 8 countries and exploration potential in 12 countries. The focus will be on field development projects in Russia, Pakistan and Kazakhstan to increase production levels, with increasing contribution to Group level EBITDA. In CEE with maximization of recovery rate we intend to mitigate the decline in production. We further pursue to extend MOL's outstanding efficiency to the whole Upstream portfolio. On the other hand we are carrying out extensive and intensifying exploration and appraisal activity, with special focus on the Kurdistan Region of Iraq, to further increase our reserve base. Due to the earlier years' exploration driven strategy, the reserve replacement rate is expected to reach an average 130% in the next three years. The elevated reserve level will provide a good basis for the estimated 3-4% production increase from 2014.

Regarding the downstream business MOL Group's main goal is to focus on market driven selective developments and efficiency improvement in current unfavorable market environment. The Group is focusing on exploiting further synergies through the whole value chain. MOL will optimize its assets on Group level and reshape less efficient assets. Our aim is to gradually improve the Croatian downstream profitability in the coming years. Moreover, residue upgrade modernization program will be elevated in the Rijeka refinery on a long-term horizon. Harmonized development of logistics, commercial and retail will serve the increase of profitable captive market and growth.
Moreover, as a response of the negative downstream business environment, a comprehensive, Group level program has been launched this year in the division to strengthen the top position of our complex assets and elevate the overall profitability of MOL Group Downstream. The "New Downstream Program" is targeting USD 500-550 mn EBITDA improvement by 2014. The program consists of almost 200 independent actions in roughly 20 categories, targeting cost reduction or revenue increase.

APPENDIX I

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

Q1 2012	Q2 2012	Q2 2011	Ch. %	Net Sales Revenues [12]	H1 2011	H1 2012	Ch. %
215,973	194,717	199,182	(2)	Upstream	377,508	410,690	9
1,124,925	1,158,421	1,129,442	3	Downstream	2,115,424	2,283,346	8
153,387	97,348	34,473	182	Gas Midstream	201,391	250,735	25
30,285	44,983	36,048	25	Corporate and other	70,736	75,268	6
1,524,570	**1,495,469**	**1,399,145**	**7**	**Total Net Sales Revenues**	**2,765,059**	**3,020,039**	**9**
1,348,310	**1,319,131**	**1,298,640**	**2**	**Total External Net Sales Revenues**	**2,476,133**	**2,667,441**	**8**

Q1 2012	Q2 2012	Q2 2011	Ch. %	EBITDA	H1 2011	H1 2012	Ch. %
99,526	94,513	114,481	(17)	Upstream	229,920	194,039	-16
47,191	(12,649)	39,342	n.a.	Downstream	99,143	34,542	-65
17,690	13,455	19,023	(29)	Gas Midstream	42,254	31,145	-26
(7,334)	(7,836)	(5,640)	39	Corporate and other	(22,459)	(15,170)	-32
322	(11,939)	(4,909)	143	Intersegment transfers [14]	(9,292)	(11,617)	25
157,395	**75,544**	**162,297**	**(53)**	**Total EBITDA**	**339,566**	**232,939**	**-31**

Q1 2012	Q2 2012	Q2 2011	Ch. %	Depreciation	H1 2011	H1 2012	Ch. %
33,046	34,670	40,689	(15)	Upstream	72,361	67,716	(6)
31,841	31,373	33,960	(8)	Downstream	61,642	63,214	3
5,332	5,418	4,323	25	Gas Midstream	8,949	10,750	20
4,374	3,555	4,226	(16)	Corporate and other	8,631	7,929	(8)
(541)	(536)	(531)	1	Intersegment transfers [14]	(1,002)	(1,077)	7
74,052	**74,480**	**82,667**	**(10)**	**Total Depreciation**	**150,581**	**148,532**	**(1)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	Operating Profit	H1 2011	H1 2012	Ch. %
66,480	59,843	73,792	(19)	Upstream	157,559	126,323	(20)
15,350	(44,022)	5,382	n.a.	Downstream	37,501	(28,672)	n.a.
12,358	8,037	14,700	(45)	Gas Midstream[13]	33,305	20,395	(39)
(11,708)	(11,391)	(9,866)	15	Corporate and other	(31,090)	(23,099)	(26)
863	(11,403)	(4,378)	160	Intersegment transfers[14]	(8,290)	(10,540)	27
83,343	**1,064**	**79,630**	**(99)**	**Total Operating Profit**	**188,985**	**84,407**	**(55)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	EBITDA Excluding Special Items [1]	H1 2011	H1 2012	Ch. %
111,033	104,125	115,082	(10)	Upstream	231,858	215,158	(7)
53,266	(5,629)	45,743	n.a.	Downstream	112,510	47,637	(58)
17,774	13,518	19,028	(29)	Gas Midstream	42,352	31,292	(26)
(7,237)	(5,997)	(9,582)	(37)	Corporate and other	(25,439)	(13,234)	(48)
322	(11,939)	(4,909)	143	Intersegment transfers [14]	(9,292)	(11,617)	25
175,158	**94,078**	**165,362**	**(43)**	**Total EBITDA Excluding Special Items**	**351,989**	**269,236**	**(24)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	Operating Profit Excluding Special Items [1]	H1 2011	H1 2012	Ch. %
77,987	69,455	74,393	(7)	Upstream	161,878	147,442	(9)
21,425	(37,002)	17,257	n.a.	Downstream	56,342	(15,577)	n.a.
12,442	8,100	14,705	(45)	Gas Midstream	33,403	20,542	(39)
(11,611)	(9,552)	(13,808)	(31)	Corporate and other	(34,070)	(21,163)	(38)
863	(11,403)	(4,378)	160	Intersegment transfers [14]	(8,290)	(10,540)	27
101,106	**19,598**	**88,169**	**(78)**	**Total Operating Profit Excluding Special Items**	**209,263**	**120,704**	**(42)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	Capital Expenditures	H1 2011	H1 2012	Ch. %
21,179	28,305	20,679	37	Upstream	36,669	49,484	35
15,354	33,939	14,851	129	Downstream	31,343	49,293	57
929	740	701	6	Gas Midstream	1,599	1,669	4
495	1,253	22,023	(94)	Corporate	25,637	1,748	(93)
(26)	749	1,721	(56)	Intersegment	(1,083)	723	-
37,931	**64,986**	**59,975**	**8**	**Total**	**94,165**	**102,917**	**9**

Tangible Assets	30/06/2011	30/06/2012	Ch. %
Upstream	970,823	1,033,245	6
Downstream	1,122,214	1,185,074	6
Gas Midstream	385,033	393,586	2
Corporate and other	89,181	83,913	(6)
Intersegment transfers	(62,561)	(62,807)	-
Total Tangible Assets	**2,504,690**	**2,633,011**	**5**

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

APPENDIX II

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

Q1 2012	Q2 2012	Q2 2011		H1 2011	H1 2012	Ch. %
			MOL GROUP			
17,763	**18,534**	**8,539**	**Total impact of special items on operating profit**	**20,278**	**36,297**	**79**
17,763	**18,534**	**3,065**	**Total impact of special items on EBITDA**	**12,423**	**36,297**	**192**
11,507	**9,612**	**601**	**UPSTREAM**	**4,319**	**21,119**	**389**
707	597	601	Crisis tax imposed by the Hungarian state on domestic energy sector	1,227	1,304	6
-	336	-	Provision for redundancy at INA [15]	711	336	(53)
1,200	730	-	Impairment on INA Egyptian receivables	-	1,930	n.a.
-	-	-	Impairment on Crosco Group's Lybian exploration equipment	2,381	-	n.a.
9,600	-	-	Recognition of expenses and provision for penalty in Angola	-	9,600	n.a.
-	7,949	-	Provision for contract termination in Iran	-	7,949	n.a.
6,075	**7,020**	**11,875**	**DOWNSTREAM**	**18,841**	**13,095**	**(30)**
-	-	5,474	Impairment related to the treatment of gas bottles at Proplin which needed to be harmonized with the current situation	5,474	-	n.a.
6,075	6,595	6,401	Crisis tax imposed by the Hungarian state on domestic energy sector	11,679	12,670	8
-	425	-	Provision for redundancy at INA[15]	1,688	425	(75)
84	**63**	**5**	**GAS MIDSTREAM**	**98**	**147**	**50**
84	63	5	Crisis tax imposed by the Hungarian state on domestic energy sector	98	147	50
97	**1,839**	**(3,942)**	**CORPORATE and OTHER**	**(2,890)**	**1,936**	**n.a.**
97	93	111	Crisis tax imposed by the Hungarian state on domestic energy sector	270	190	(30)
-	-	(4,053)	Recognition and release of provision made for tax penalty at INA	(4,053)	-	n.a.
-	1,746	-	Provision for redundancy at INA[15]	803	1,746	117

[15] Please see Appendix XI.

APPENDIX III

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

Q1 2012	Q2 2012	Q2 2011	Ch. %	Net Sales Revenues [12]	H1 2011	H1 2012	Ch. %
954	848	1,077	(21)	Upstream	1,965	1,801	(8)
4,967	5,045	6,105	(17)	Downstream	11,012	10,015	(9)
677	424	186	128	Gas Midstream	1,048	1,100	5
132	196	195	1	Corporate and other	368	330	(10)
6,730	**6,513**	**7,563**	**(14)**	**Total Net Sales Revenues**	**14,393**	**13,246**	**(8)**
5,953	**5,745**	**7,020**	**(18)**	**Total External Net Sales Revenues**	**12,890**	**11,699**	**(9)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	EBITDA	H1 2011	H1 2012	Ch. %
439	412	619	(33)	Upstream	1,197	851	(29)
208	(55)	213	n.a.	Downstream	516	151	(71)
79	59	102	(42)	Gas Midstream	220	136	(38)
(32)	(35)	(30)	17	Corporate and other	(117)	(66)	(44)
1	(52)	(27)	93	Intersegment transfers [14]	(48)	(50)	4
695	**329**	**877**	**(62)**	**Total EBITDA**	**1,768**	**1,022**	**(42)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	Depreciation	H1 2011	H1 2012	Ch. %
145	151	220	(31)	Upstream	377	297	(21)
140	137	184	(26)	Downstream	321	277	(14)
24	24	23	4	Gas Midstream	47	47	-
20	15	23	(35)	Corporate and other	45	35	(22)
(2)	(2)	(3)	(33)	Intersegment transfers [14]	(5)	(5)	-
327	**325**	**447**	**(27)**	**Total Depreciation**	**785**	**651**	**(17)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	Operating Profit	H1 2011	H1 2012	Ch. %
294	261	399	(35)	Upstream	820	554	(32)
68	(192)	29	n.a.	Downstream	195	(126)	n.a.
55	35	79	(56)	Gas Midstream [13]	173	89	(49)
(52)	(50)	(53)	(6)	Corporate and other	(162)	(101)	(38)
3	(49)	(24)	104	Intersegment transfers [14]	(42)	(46)	10
368	**5**	**430**	**(99)**	**Total Operating Profit**	**984**	**370**	**(62)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	EBITDA Excluding Special Items [1]	H1 2011	H1 2012	Ch. %
490	454	622	(27)	Upstream	1,207	944	(22)
235	(24)	247	n.a.	Downstream	585	209	(64)
79	59	102	(42)	Gas Midstream	221	137	(38)
(32)	(27)	(52)	(48)	Corporate and other	(132)	(58)	(56)
1	(52)	(25)	108	Intersegment transfers [14]	(49)	(51)	4
773	**410**	**894**	**(54)**	**Total EBITDA Excluding Special Items**	**1,832**	**1,181**	**(36)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	Operating Profit Excluding Special Items [1]	H1 2011	H1 2012	Ch. %
344	303	402	(25)	Upstream	843	647	(23)
95	(161)	93	n.a.	Downstream	293	(68)	n.a.
55	35	79	(56)	Gas Midstream	174	90	(48)
(51)	(42)	(75)	(44)	Corporate and other	(177)	(93)	(47)
3	(50)	(22)	127	Intersegment transfers [14]	(44)	(47)	7
446	**85**	**477**	**(82)**	**Total Operating Profit Excluding Special Items**	**1,089**	**529**	**(51)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	Capital Expenditures	H1 2011	H1 2012	Ch. %
94	123	112	10	Upstream	191	217	14
68	148	80	85	Downstream	163	216	33
4	3	4	(25)	Gas	8	7	(13)
2	5	119	(96)	Corporate	133	8	(94)
0	3	9	(67)	Intersegment	(6)	3	-
167	**283**	**324**	**(13)**	**Total**	**490**	**451**	**(8)**

Tangible Assets	30/06/2011	30/06/2012	Ch. %
Upstream	5,293	4,510	(15)
Downstream	6,119	5,173	(15)
Gas Midstream	2,099	1,718	(18)
Corporate and other	486	366	(25)
Intersegment transfers	(341)	(274)	(20)
Total Tangible Assets	**13,656**	**11,493**	**(16)**

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

[12] [13][14] Please see Appendix XI.

APPENDIX IV

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

Q1 2012	Q2 2012	Q2 2011		H1 2011	H1 2012	Ch. %
			MOL GROUP			
78.4	**80.8**	**46.2**	**Total impact of special items on operating profit**	**105.6**	**159.2**	**51**
78.4	**80.8**	**16.6**	**Total impact of special items on EBITDA**	**64.7**	**159.2**	**146**
50.8	**41.8**	**3.2**	**UPSTREAM**	**22.5**	**92.6**	**312**
3.1	2.6	3.2	Crisis tax imposed by the Hungarian state on domestic energy sector	6.4	5.7	(11)
-	1.5	-	Provision for redundancy at INA(15)	3.7	1.5	(60)
5.3	3.2	-	Impairment on INA Egyptian receivables	-	8.5	n.a.
-	-	-	Impairment on Crosco Group's Lybian exploration equipment	12.4	-	n.a.
42.4	-	-	Recognition of expenses and provision for penalty in Angola	-	42.4	n.a.
-	34.6	-	Provision for contract termination in Iran	-	34.6	n.a.
26.8	**30.6**	**64.2**	**DOWNSTREAM**	**98.1**	**57.4**	**(41)**
-	-	29.6	Impairment related to the treatment of gas bottles at Proplin which needed to be harmonized with the current situation	28.5	-	n.a.
26.8	28.8	34.6	Crisis tax imposed by the Hungarian state on domestic energy sector	60.8	55.6	(9)
-	1.9	-	Provision for redundancy at INA(15)	8.8	1.9	(79)
0.4	**0.2**	**0.0**	**GAS MIDSTREAM**	**0.5**	**0.6**	**26**
0.4	0.2	0.0	Crisis tax imposed by the Hungarian state on domestic energy sector	0.5	0.6	26
0.4	**8.1**	**(21.3)**	**CORPORATE and OTHER**	**(15.5)**	**8.5**	n.a.
0.4	0.4	0.6	Crisis tax imposed by the Hungarian state on domestic energy sector	1.4	0.8	(41)
-	-	(21.9)	Recognition and release of provision made for tax penalty at INA	(21.1)	-	n.a.
-	7.7	-	Provision for redundancy at INA(15)	4.2	7.7	83

(15) Please see Appendix XI.

APPENDIX V

DOWNSTREAM - KEY SEGMENTAL OPERATING DATA

Refining and Marketing

Q1 2012	Q2 2012	Q2 2011	Ch. %	External refined product sales by product (kt)	H1 2011	H1 2012	Ch. %
149	130	183	(29)	LPG [16]	326	279	(14)
19	10	13	(23)	Naphtha	27	29	7
862	1,028	1,112	(8)	Motor gasoline	2,047	1,890	(8)
2,024	2,175	2,345	(7)	Diesel	4,452	4,199	(6)
267	112	200	(44)	Heating oils	407	379	(7)
63	89	113	(21)	Kerosene	179	152	(15)
86	52	179	(71)	Fuel oil	424	138	(67)
157	269	351	(23)	Bitumen	532	426	(20)
337	349	364	(4)	Other products	697	686	(2)
3,964	**4,214**	**4,860**	**(13)**	**Total refined products**	**9,091**	**8,178**	**(10)**
737	849	892	(5)	o/w Retail segment sales	1,656	1,586	(4)
594	406	674	(40)	Petrochemical feedstock transfer	1,352	1,000	(26)

Q1 2012	Q2 2012	Q2 2011	Ch. %	Refinery processing (kt)	H1 2011	H1 2012	Ch. %
290	256	274	(7)	Own produced crude oil	524	546	4
4,004	3,361	4,496	(25)	Imported crude oil	8,944	7,365	(18)
78	74	65	14	Condensates	141	152	8
735	831	834	0	Other feedstock	1,655	1,566	(5)
5,107	**4,522**	**5,669**	**(20)**	**Total refinery throughput**	**11,264**	**9,629**	**(15)**
292	231	274	(16)	Purchased and sold products	536	523	(2)

Q1 2012	Q2 2012	Q2 2011	Ch. %	Refinery production (kt)	H1 2011	H1 2012	Ch. %
130	121	153	(21)	LPG [16]	286	251	(12)
433	286	494	(42)	Naphtha	950	719	(24)
935	943	982	(4)	Motor gasoline	1,972	1,878	(5)
2,198	1,974	2,396	(18)	Diesel and heating oil	4,651	4,172	(10)
71	86	120	(28)	Kerosene	202	157	(22)
135	43	192	(78)	Fuel oil	438	178	(59)
171	259	320	(19)	Bitumen	539	430	(20)
550	352	478	(26)	Other products	1,132	902	(20)
4,623	**4,064**	**5,135**	**(21)**	**Total**	**10,170**	**8,687**	**(15)**
25	29	31	(6)	Refinery loss	67	54	(19)
459	429	503	(15)	Own consumption	1,027	888	(14)
5,107	**4,522**	**5,669**	**(20)**	**Total refinery throughput**	**11,264**	**9,629**	**(15)**

[16] *Please see Appendix XVI.*

Q1 2012	Q2 2012	Q2 2011	Refinery processing yield	H1 2011	H1 2012
6%	6%	5%	Own produced crude oil	5%	6%
78%	74%	79%	Imported crude oil	79%	76%
2%	2%	1%	Condensates	1%	2%
14%	18%	15%	Other feedstock	15%	16%
100%	**100%**	**100%**	**Total refinery throughput**	**100%**	**100%**
6%	5%	5%	Purchased and sold products	5%	5%

Q1 2012	Q2 2012	Q2 2011	Refinery production yield	H1 2011	H1 2012
3%	3%	3%	LPG [16]	3%	3%
8%	6%	9%	Naphtha	8%	7%
18%	21%	17%	Motor gasoline	18%	20%
43%	44%	42%	Diesel and heating oil	41%	43%
1%	1%	2%	Kerosene	2%	2%
3%	1%	3%	Fuel oil	4%	2%
3%	6%	6%	Bitumen	4%	4%
11%	8%	8%	Other products	10%	9%
90%	**90%**	**90%**	**Total**	**90%**	**90%**
1%	1%	1%	Refinery loss	1%	1%
9%	9%	9%	Own consumption	9%	9%
100%	**100%**	**100%**	**Total refinery throughput**	**100%**	**100%**

Retail

Q1 2012	Q2 2012	Q2 2011	Ch. %	Refined product retail sales (kt)	H1 2011	H1 2012	Ch. %
242	280	303	(8)	Motor gasoline	563	522	(7)
475	547	566	(3)	Gas and heating oils	1,049	1,022	(3)
20	22	23	(4)	Other products	44	42	(5)
737	**849**	**892**	**(5)**	**Total oil product retail sales**	**1,656**	**1,586**	**(4)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	Refined product retail sales (kt) Gasoline	H1 2011	H1 2012	Ch. %
61	71	77	(9)	Hungary	143	131	(8)
33	37	41	(10)	Slovakia	78	70	(10)
80	96	106	(9)	Croatia	195	176	(10)
27	32	32	2	Romania	59	59	1
41	44	47	(6)	Other	89	85	(4)
242	**280**	**303**	**(8)**	**Total gasoline product retail sales**	**563**	**522**	**(7)**

Q1 2012	Q2 2012	Q2 2011	Ch. %	Refined product retail sales (kt) Diesel	H1 2011	H1 2012	Ch. %
108	121	127	(5)	Hungary	237	229	(3)
61	70	73	(5)	Slovakia	138	131	(5)
148	179	195	(8)	Croatia	354	327	(8)
73	85	80	7	Romania	148	158	7
86	91	90	1	Other	172	177	3
475	**547**	**566**	**(3)**	**Total diesel product retail sales**	**1,049**	**1,022**	**(3)**

MOL Group filling stations	31 March 2011	30 June 2011	30 September 2011	31 December 2011	31 March 2012	30 June 2012
Hungary	364	364	364	364	364	363
Croatia	463	460	445	445	437	437
Italy	214	219	219	222	221	227
Slovakia	209	209	209	209	209	209
Romania	127	127	128	128	129	130
Bosnia and Herzegovina	109	109	110	110	110	110
Austria	66	65	61	61	61	61
Serbia	33	33	33	33	34	34
Czech Republic	26	26	25	25	25	25
Slovenia	18	18	37	37	37	37
Montenegro	1	1	1	1	1	1
Total	**1,630**	**1,631**	**1,632**	**1,635**	**1,628**	**1,634**

Petrochemicals

Q1 2012	Q2 2012	Q2 2011	Ch. %	Petrochemical sales by product group (kt)	H1 2011	H1 2012	Ch. %
92	89	88	1	Olefin products	174	181	4
236	208	297	(30)	Polymer products	603	445	(26)
328	**297**	**385**	**(23)**	**Total**	**777**	**626**	**(19)**
127	71	169	(58)	Olefin products sales within MOL Group	342	198	(42)

Q1 2012	Q2 2012	Q2 2011	Ch. %	Petrochemical production (kt)	H1 2011	H1 2012	Ch. %
179	126	211	(40)	Ethylene	421	304	(28)
94	66	107	(38)	Propylene	215	160	(26)
160	101	184	(45)	Other products	382	261	(32)
433	**292**	**502**	**(42)**	**Total olefin**	**1.018**	**725**	**(29)**
54	24	62	(61)	LDPE	126	78	(38)
88	65	104	(38)	HDPE	216	153	(29)
127	92	138	(33)	PP	280	219	(22)
269	**181**	**304**	**(40)**	**Total polymers**	**622**	**450**	**(28)**

Q1 2012	Q2 2012	Q2 2011	Petrochemical production yield	H1 2011	H1 2012
20%	13%	20%	LDPE	20%	17%
33%	36%	35%	HDPE	35%	34%
47%	51%	45%	PP	45%	49%
100%	100%	100%	**Total polymers**	**100%**	100%

APPENDIX VI
MAIN EXTERNAL PARAMETERS

Q1 2012	Q2 2012	Q2 2011	Ch. %		H1 2011	H1 2012	Ch. %
118.6	108.3	117.0	(7)	Brent dated (USD/bbl)	111.2	113.5	2
117.0	106.8	114.0	(6)	Ural Blend (USD/bbl) (17)	108.1	111.9	3
1.18	1.85	2.85	(35)	Brent Ural spread (USD/bbl) (20)	2.85	1.52	(47)
1,063.6	1,030.2	1,061.7	(3)	Premium unleaded gasoline 10 ppm (USD/t) (18)	990.2	1,046.9	6
1,011.1	942.8	985.7	(4)	Gas oil – ULSD 10 ppm (USD/t) (18)	946.8	977.0	3
987.9	853.6	962.2	(11)	Naphtha (USD/t) (19)	921.4	920.8	0
674.5	624.2	619.6	1	Fuel oil 3.5 (USD/t) (19)	584.3	649.4	11
166.4	211.0	172.8	22	Crack spread – premium unleaded (USD/t) (18)	148.8	188.7	27
113.9	124.0	98.0	27	Crack spread – gas oil (USD/t) (18)	106.3	119.0	12
90.7	34.0	73.1	(53)	Crack spread – naphtha (USD/t) (19)	79.8	62.4	(22)
(222.7)	(195.1)	(266.4)	27	Crack spread – fuel oil 3.5 (USD/t) (19)	(256.4)	(208.9)	19
1,215	1,292	1,207	7	Ethylene (EUR/t)	1,177	1,253	6
173	318	348	(9)	Integrated petrochemical margin (EUR/t)	363	246	(32)
226.5	230.0	185.0	24	HUF/USD average	192.2	228.3	19
297.0	294.0	266.3	10	HUF/EUR average	269.4	295.5	10
39.29	39.10	36.03	9	HUF/HRK average	36.42	39.20	8
5.76	5.88	5.13	15	HRK/USD average	5.28	5.82	10
0.51	0.47	0.26	81	3m USD LIBOR (%)	0.29	0.49	71
1.04	0.69	1.42	(51)	3m EURIBOR (%)	1.26	0.87	(31)
7.42	7.21	6.10	18	3m BUBOR (%)	6.07	7.32	21

(17) (18) (19) Please see Appendix XVI.

Q1 2012	Q2 2012	Q2 2011	Ch. %		H1 2011	H1 2012	Ch. %
221.6	229.1	183.4	25	HUF/USD closing	183.4	229.1	25
295.6	288.2	265.6	9	HUF/EUR closing	265.6	288.2	9
39.34	38.37	35.94	7	HUF/HRK closing	35.94	38.37	7
5.63	5.97	5.10	17	HRK/USD closing	5.10	5.97	17
18,400	16,300	21,000	(22)	MOL share price closing (HUF)	21,000	16,300	(22)

APPENDIX VII
MOL GROUP HEADCOUNT

Closing headcount (person)	31 March 2011	30 June 2011	30 September 2011	31 December 2011	31 March 2012	30 June 2012
MOL Plc. (parent company)	5.301	5.320	5.370	5.336	5.410	5.411
MOL Group	**31.790**	**31.772**	**31.730**	**31.471**	**31.298**	**31.112**

APPENDIX VIII
REGULATED INFORMATIONS IN 2012

Announcement date	
02 January 2012	Number of voting rights at MOL Plc
10 January 2012	MOL Romania appeals against the decision of the Romanian Competition Council
23 January 2012	Spudding of Aqra-1 appraisal well and initial testing results of Shaikan-4 appraisal well
31 January 2012	Number of voting rights at MOL Plc
08 February 2012	Settlement of existing and entering into of a new option agreement with UniCredit Bank AG
24 February 2012	Management report of MOL Group on 2011 fourth quarter and annual results
24 February 2012	MOL published its updated Investor Presentation with 2012-14 outlook
27 February 2012	INA's "force majeure" notice regarding its Syrian operation
29 February 2012	Number of voting rights at MOL Plc.
21 March 2012	Decisions of the Board of Directors regarding the Annual General Meeting
21 March 2012	Remuneration paid in 2011 to members of the Board of Directors after the 2010 business year and to the members of the Supervisory Board after the 2011 business year as cash and non-cash benefit
21 March 2012	Announcement by The Board of Directors of MOL Plc. on the convocation of the Company's Ordinary General Meeting in 2012
29 March 2012	MOL published its audited Annual Report and Management Discussion & Analysis for the business year of 2011
02 April 2012	Number of voting rights at MOL Plc.
04 April 2012	Documents for the Annual General Meeting of MOL Plc. to be held on 26 April. 2012
24 April 2012	Decision on the starting day of dividend payment
26 April 2012	Resolutions on the Annual General Meeting of MOL held on 26 April 2012
26 April 2012	MOL Group Corporate Governance Report
26 April 2012	Annual General Meeting of MOL held on 26 April 2012 aproved the audited Annual Report
26 April 2012	Maturity of the MOL 1204 L/1 HUF bond
02 May 2012	Number of voting rights at MOL Plc.
11 May 2012	Spud of Bakrman-1 Exploration Well – Akri-Bijeel Block, Kurdistan Region of Iraq
15 May 2012	MOL Group 2012 I. Quarter Interim management report
15 May 2012	MOL targets USD 500-550 mn EBITDA improvement in the next three years with its New Downstream Program
31 May 2012	Number of voting rights at MOL Plc.
01 June 2012	MOL Plc announcement regarding the distribution of dividend for the financial year of 2011
08 June 2012	Change in treasury shares of MOL
08 June 2012	Dividend per share paid by MOL
19 June 2012	Change in treasury shares of MOL
22 June 2012	Modification of the strike price of the share option agreement between MOL and UniCredit Bank A.G.
22 June 2012	Extension of credit facility agreement
25 June 2012	Amendment of the share option agreement between MOL and ING Bank N.V.
02 July 2012	Number of voting rights at MOL Plc.
02 July 2012	MOL signs an 8.5 years, USD 150 million loan agreement with EBRD
03 July 2012	MOL increases its presence in the Czech Republic
11 July 2012	Modification of the shareswap agreement concluded with OTP Bank Plc.
19 July 2012	MOL has signed Share Purchase Agreement with JSC Kazmunaigas Exploration and Production for the acquisition of 49% participating interest in North Karpovsky block in Kazakhstan
23 July 2012	Spud of Gulak-1 Exploration Well – Akri-Bijeel Block, Kurdistan Region of Iraq
26 July 2012	INA announced oil discovery in the Croatian exploration field Žutica
31 July 2012	Number of voting rights at MOL Plc.
10 August 2012	Shaikan Declaration of Commercial Discovery

APPENDIX XI
SHAREHOLDER STRUCTURE (%)

Shareholder groups	30 Sep 2010	31 Dec 2010	31 Mar 2011	30 June 2011	30 Sep 2011	31 Dec 2011	31 Mar 2012	30 June 2012
Foreign investors (mainly institutional)	26.6	26.1	26.7	26.5	25.0	25.5	26.1	**25.6**
Hungarian State (MNV Zrt.. Pension Reform and Debt Reduction Fund)	0	0	0	0	23.8	24.6	24.6	**24.6**
Surgutneftegas OJSC	21.2	21.2	21.2	21.2	0.0	0.0	0.0	**0.0**
CEZ MH B.V.	7.3	7.3	7.3	7.3	7.3	7.3	7.3	**7.3**
OmanOil (Budapest) Limited	7.0	7.0	7.0	7.0	7.0	7.0	7.0	**7.0**
OTP Bank Plc.	6.1	6.2	6.2	6.2	6.2	5.4	5.4	**5.4**
Magnolia Finance Limited	5.7	5.7	5.7	5.7	5.7	5.7	5.7	**5.7**
ING Bank N.V.	5.0	5.0	5.0	5.0	5.0	5.0	5.0	**5.0**
Crescent Petroleum	3.0	3.0	3.0	3.0	3.0	3.0	3.0	**3.0**
Dana Gas PJSC	3.0	3.0	3.0	3.0	3.0	3.0	3.0	**3.0**
UniCredit Bank AG	n.a.	n.a.	2.8	2.8	2.8	2.8	3.4	**3.4**
MFB Invest Zrt.	1.2	1.2	1.2	0.0	0.0	0.0	0.0	**0.0**
Domestic institutional investors	4.3	4.6	4.4	4.4	2.2	2.5	2.0	**2.0**
Domestic private investors	2.3	2.5	2.0	2.2	3.3	2.5	2.4	**2.9**
MOL Plc. (treasury shares)	7.1	7.1	4.3	5.5	5.5	5.5	4.9	**4.9**

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. seven shareholder groups had more than 5% voting rights in MOL Plc. on 30 June 2012. Hungarian State having 24.6%. CEZ MH B.V. having 7.3%. OmanOil (Budapest) Limited having 7.0%. Crescent Petroleum and Dana Gas (parties acting in concert) having 6%. Magnolia Finance Limited having 5.7%. OTP Bank Plc. having 5.4%. and ING Groep N.V. having 5.3% 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 X

CHANGES IN ORGANISATION AND SENIOR MANAGEMENT

The Annual General Meeting on 26 April 2012 made the following resolutions:

- reelected Mr. József Molnár to be a member of the Board of Directors from 12 October 2012 to 31 May 2017.
- reelected Dr. Attila Chikán to be member of the Supervisory Board of the Company from 12 October 2012 to 31 May 2017.
- - reelected Mr. John I. Charody to be member of the Supervisory Board of the Company from 12 October 2012 to 31 May 2017.
- reelected Mr. Slavomir Hatina to be member of the Supervisory Board of the Company from 12 October 2012 to 31 May 2017.
- elected Mr. Žarko Primorac to be member of the Supervisory Board of the Company 27 April 2012 to 26 April 2017.
- reelected Dr. Attila Chikán as an independent member of the Supervisory Board to be member of the Audit Committee from 12 October 2012 to 31 May 2017.
- reelected Mr. John I. Charody as an independent member of the Supervisory Board to be member of the Audit Committee from 12 October 2012 to 31 May 2017.
- elected Mr. Žarko Primorac as an independent member of the Supervisory Board to be alternate member of the Audit Committee from 27 April 2012 to 26 April 2017.
- elected Andrea Hegedűs. Attila Juhász. and dr. Sándor Puskás. as employee representatives in the Supervisory Board of MOL Plc. from 12 October 2012 to 31 May 2017.

APPENDIX XI
FOOTNOTE COLLECTION

Number of footnote	
(1)	Special items affected operating profit and EBITDA is detailed *in* Appendix II. and IV.
(2)	Estimated Current Cost of Supply based EBITDA and operating profit/(loss) excluding special items. FX gain or loss on debtors and creditors and impairment on inventories (not effected the EBITDA) in Refining and Marketing
(3)	Profit for the period attributable to equity holders of the parent
(4)	In converting HUF financial data into USD. the following average NBH rates were used: for H1 2011: 192.1 HUF/USD, for Q2 2011: 185.0 HUF/USD, for Q1 2012: 226.5 HUF/USD, for H1 2012: 228.0 HUF/USD, for Q2 2012: 229.6 HUF/USD.
(5)	Excluding crude and condensate production from Szőreg(1 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)	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: 86.724 mn and 92.731 mn for H1 2011; and 87.830 mn and 93.837 mn for H1 2012. respectively.
(11)	Compared to HAS. registered share capital in IFRS does not include issued MOL shares owned by ING and Unicredit (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 Gas Midstream.
(15)	Provision for redundancy recorded in Q1 2011. majority of which has been paid in Q2 2011.
(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 today our applied CCS methodology eliminates from operating profit only the effect of changing import crude oil prices, but it does not handle the similar effects coming from price change of other feedstocks (including the domestic crude oil). Moreover, it does not handle any product inventory revaluation related to its domestic crude oil content or the change of domestic crude portion in feedstock mix; i.e. domestic crude oil is considered on its production cost price when unit cost of refinery products is calculated. In Q1 2012 the sales volume of inventory produced from domestic crude oil in the last quarter of 2011 was particularly high at INA, as after the start up the Sisak refinery processed mainly domestic crude oil, stockpiled during the refinery shutdown in H2 2011. Thus in Q1 2012 CCS-based operating result of INA includes approximately HUF 14.5 bn positive effect (not handled by CCS methodology) related to this different feedstock mix while in Q2 2012 this effect was significantly lower and amounted to HUF 2.6 bn.