2014 First Half-year Report of MOL Group

2014 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/en), today announced its 2014 second quarter and first half year management report. Pages 15-39 of this report contain a set of unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2014 as prepared by the management in accordance with IAS 34 Interim Financial Reporting.

TABLE OF CONTENTS

MOL Group financial results

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch %	(IFRS), in HUF billion	H1 2013 restated	H1 2014	Ch. %
1,120.9	1,232.2	1,320.0	(7)	Net sales revenues	2,613.2	2,353.0	(10)
114.2	99.1	91.0	9	EBITDA	235.3	213.3	(9)
101.5	**96.4**	**91.0**	**6**	**EBITDA excl. special items**[1]	**231.9**	**197.9**	**(15)**
104.5	**95.0**	**114.7**	**(17)**	**Clean CCS-based EBITDA** [1] [2]	**255.4**	**199.6**	**(22)**
46.4	32.7	12.7	159	Profit from operation	80.1	79.1	(1)
33.7	**30.0**	**12.7**	**137**	**Profit from operation excl. special items**[1]	**76.7**	**63.7**	**(17)**
36.7	**28.6**	**36.4**	**(21)**	**Clean CCS-based operating profit** [1] [2] [15]	**100.2**	**65.4**	**(35)**
20.2	11.4	11.8	(4)	Net financial expenses/(gain)	29.1	31.5	8
20.8	**24.0**	**18.9**	**27**	**Net profit for the period**[3]	**46.7**	**44.9**	**(4)**
11.7	129.4	238.4	(46)	Operating cash flow	295.7	141.1	(52)
				EARNINGS PER SHARE			
209	245	194	26	Basic EPS, HUF	487	454	(7)
69	221	243	(9)	Basic EPS excl. special items [3], HUF	505	290	(43)
				INDEBTEDNESS			
1.02	1.01	1.15	13	Simplified Net debt/EBITDA	1.15	1.01	13
18.4%	18.5%	21.3%		Net gearing[22]	21.3%	18.5%	

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch %	(IFRS), in USD million	H1 2013 restated	H1 2014	Ch. %
4,987	5,523	5,830	(5)	Net sales revenues	11,589	10,510	(9)
508	444	402	11	EBITDA	1,043	952	(9)
452	**432**	**402**	**8**	**EBITDA excl. special items**[1]	**1,028**	**884**	**(14)**
465	**426**	**507**	**(16)**	**Clean CCS-based EBITDA** [1] [2]	**1,132**	**892**	**(21)**
206	147	56	163	Profit from operation	355	353	(1)
150	**135**	**56**	**141**	**Profit from operation excl. special items**[1]	**340**	**285**	**(16)**
163	**128**	**161**	**(20)**	**Clean CCS-based operating profit** [1] [2] [15]	**444**	**292**	**(34)**
90	51	52	(2)	Net financial expenses/(gain)	129	141	9
92	**108**	**84**	**29**	**Net profit for the period**[3]	**207**	**200**	**(3)**
52	580	1,053	(45)	Operating cash flow	1,311	630	(52)
				EARNINGS PER SHARE			
0.9	1.1	0.9	29	Basic EPS, USD	2.2	2.0	(6)
0.3	1.0	1.1	(7)	Basic EPS excl. special items [3], USD	2.2	1.3	(42)

[1] *Special items of operating profit, EBITDA are detailed in Appendix II. and IV.*
[2] [3] [4] [22] *Please see Appendix X.*

Zsolt Hernádi, MOL Chairman & CEO, comments:

"In the first half of the year we accelerated our investments in our key projects, which are the pillars of MOL's future. We took one further step in the North Sea as well as continued our accelerated international work programs. We are in the middle of the Upstream portfolio restructuring. Current lower level of production matches our recent guidance as barrels from divested fields are already missing while contributions of our investments, both organic and inorganic, are still to come. However, I firmly believe that we will see higher production levels as of the next quarters and achieve our mid-term targets in the coming years, as well.

In Downstream, we face weak external conditions, however, we are on the right track to deliver our strategy. We see good opportunities in expanding our regional Retail markets which will strengthen our captive market positions. We recently acquired more than 200 service stations from eni and I hope we can announce further deals in the region soon."

Overall, both in Downstream and Upstream the drivers are now in place, but the drivers need time to emerge.

Second quarter 2014 results

In Q2 2014, MOL Group generated a clean CCS EBITDA of HUF 95bn. This is lower than the previous quarter by 9%, mainly attributable to weaker figures in Upstream.

The drop in Upstream was mostly due to negative regulatory changes in Croatia which resulted in lower realized gas prices along with higher royalty payments. In addition, production declined by 7% driven by the divesture of 49% of the Russian Baitex field and due to the natural decline of our natural gas fields in the CEE.

Downstream clean CCS-based EBITDA showed improvement compared to the previous quarter. The seasonally higher sales volumes boosted both Refining & Marketing and Retail's performances. However, a further 12% drop in the diesel crack spread to a 4-year low had serious negative effects on our profitability, as gasoil and other middle distillates represent roughly 50% of our product slate.

Gas Midstream reported major improvements compared to the last quarter as Q1 2014 performance of the Croatian Prirodni Plin was hit by the enforced sale of its gas inventory and the resulting write-down.

Operating cash flow, before working capital changes, amounted to HUF 102bn, exceeding last quarter's performance by 2%. Moreover, one saw favourable changes in the working capital line which resulted in HUF 129bn net cash flow provided by operations.

First half 2014 results

In the first half of 2014, MOL delivered a clean CCS EBITDA of HUF 200bn which is a 22% decrease compared to the same period in 2013.

The Upstream segment, on the top of the natural decline of its matured assets, faced significantly lower realized natural gas prices in the CEE due to adverse regulatory changes. Moreover, there were asset divestures in Russia (ZMB in Q3 2013 and 49% of Baitex in Q1 2014) the effects of which could only be partially mitigated by new asset purchases in the North Sea and intensified field development activities in our international operations. Finally, exploration costs increased as well due to our accelerated international work programs.

In Downstream, profit erosion is mostly attributable to the significant drop in motor fuel crack spreads (11% for gasoline, 16% for diesel), unplanned shut-downs as well as non-recurring costs related to the IES refinery conversion. These factors could only be partially offset by stronger contributions from the Retail and Petrochemicals Divisions.

Gas Midstream's contribution is also lower than a year ago. This is attributable to Croatian Prirodni Plin's reported loss in relation to its enforced gas inventory sale due to regulatory changes in Croatia.

In the first half of 2014, MOL Group generated HUF 201bn operating cash flow, before working capital changes, which is 17% lower than the same period in 2013. Unfavourable movements in working capital lines mostly related to a decrease in trade payables, resulting in HUF 141bn operating cash flow, after working capital changes. Meanwhile our net gearing ratio stood at 18.5% at the end of H1 2014, almost 3% point lower than a year ago.

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch %	EBITDA Excluding Special Items (HUF bn) [1]	H1 2013 restated	H1 2014	Ch. %
78.5	60.6	81.1	(25)	Upstream	185.1	139.1	(25)
24.0	30.0	20.1	43	Downstream	62.1	54.0	(13)
22.2	28.6	43.8	(17)	CCS-based Downstream EBITDA [1]	85.6	50.9	(41)
(5.8)	16.2	14.0	16	Gas Midstream	29.3	10.4	(64)
(6.1)	(2.7)	(15.0)	(82)	Corporate and other	(24.3)	(8.8)	(64)
10.8	(7.7)	(9.1)	(16)	Intersegment transfers [14]	(20.4)	3.2	n.a.
104.5	**95.0**	**114.7**	**(17)**	**Total Clean CCS-based EBITDA**	**255.4**	**199.6**	**(22)**
101.5	**96.4**	**91.0**	**6**	**Total EBITDA Excluding Special Items**	**231.9**	**197.9**	**(15)**

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

- **Upstream:** EBITDA, excluding special items, amounted to HUF 139bn in H1, 2014, a decrease of HUF 46bn compared to the base period. Performance was affected by (1) lower average realized hydrocarbon prices due to lower natural gas prices in the CEE (2) lower production from matured CEE gas assets and due to Russian divestures (ZMB in Q3 2013 and 49% of Baitex in Q1 2014) (3) higher exploration costs in relation to accelerated international work programs (4) the Q1 2013 Upstream performance was increased by HUF 8bn non-recurring revenue due to modification of the transfer parity of Croatian crude oil and natural gas condensate volumes.
- **Downstream:** In H1 2014 both Downstream EBITDA, excluding special items, and 'clean' CCS-based EBITDA lagged behind H1 2013 figures, reaching HUF 54bn and HUF 51bn, respectively. Clean-CCS EBITDA declined by 41%, mainly as a result of the following negative factors: (1) significant deterioration of the external environment, virtually impacting the entire product slate, (2) unplanned shutdowns impacting the first quarter, mainly at INA, (3) Slovnaft's major turnaround and related problems with unit start-ups (4) non-recurring costs related to the IES refinery conversion. These negative factors were somewhat mitigated by (1) improving petrochemicals performance (2) stronger marketing contributions and a (3) wider Brent-Ural spread.
- **Gas Midstream:** in H1, 2014 EBITDA, excluding special items, amounted to HUF 10bn, 64% lower compared to the base period. The Hungarian gas transmission business delivered solid results in light of the further cut in regulated returns in November, 2013. However, the Croatian gas trading business delivered heavy losses due to the enforced gas sale from its storage facility as a consequence of new gas regulations in Croatia. In addition, Hungarian storage unit was divested in Q4 2013.
- **Corporate and other** segment delivered a EBITDA loss of 9bn in H1 2014 which is a HUF 16bn improvement in comparison to H1 2013. Beyond cost cutting measures in the corporate centre it is mostly attributable to higher contribution of oil service companies due to better utilization rate of rigs.
- **Net financial expenses** were HUF 32bn in H1, 2014, mainly representing an increase in net foreign exchange losses on borrowings, receivables and payables.
- **CAPEX** spending stood at HUF 247bn in H1 2014 of which HUF 98bn targeted inorganic investments mainly through the completion of North Sea acquisition in Q1 2014. Stripping off the latter, organic CAPEX spending was 66% higher than a year ago due chiefly to the increased focus on project implementation. In consistence with our strategy, organic CAPEX spending was skewed to Upstream with HUF 82bn spent in H1 2014 (up 47% year-on-year). Downstream CAPEX more than doubled year-on-year and amounted to HUF 63bn mostly driven by the construction of the Butadiene plant and the completion of Slovnaft's major maintenance activities.
- Operating **cash flow** eroded by 52% to HUF 141bn in H1 2014 mostly due to unfavourable movements in working capital lines. Operating cash flow before changes in working capital decreased by 17% to HUF 201bn.
- **The indebtedness ratios** clearly demonstrate MOL Group's sustained financial stability with a net gearing ratio standing at 18.5% and a net debt to EBITDA ratio close to 1x. The slight increase in these ratios compared to the year-end levels is mainly attributable to the closing of the North Sea acquisition.

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Upstream

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch %	Segment IFRS results (HUF bn)	H1 2013 restated	H1 2014	Ch. %
91.2	60.6	81.1	(25)	EBITDA	185.1	151.8	(18)
78.5	**60.6**	**81.1**	**(25)**	**EBITDA excl. spec. items[1]**	**185.1**	**139.1**	**(25)**
57.1	28.7	44.2	(35)	Operating profit/(loss)	111.7	85.8	(23)
44.4	**28.7**	**44.2**	**(35)**	**Operating profit/(loss) excl. spec. items[1]**	**111.7**	**73.1**	**(35)**
130.1	**49.8**	**34.3**	**45**	**CAPEX and investments**	**55.9**	**179.9**	**222**
18.1	20.2	18.7	8	o/w exploration CAPEX	30.8	38.2	24

Q1 2014	Q2 2014	Q2 2013	YoY Ch %	Hydrocarbon Production (mboe/d) [5] (gross figures before royalty)	H1 2013	H1 2014	Ch. %
36.3	**32.6**	**40.9**	**(20.1)**	**Crude oil production [6]**	**40.7**	**34.4**	**(15.4)**
11.2	10.7	11.6	(7.9)	Hungary	11.6	10.9	(5.6)
8.7	8.6	8.7	(0.8)	Croatia	8.6	8.7	1.2
10.5	6.8	16.7	(58.9)	Russia	16.8	8.7	(48.4)
5.9	6.5	3.9	65.3	Other International	3.8	6.2	62.2
55.1	**52.3**	**58.5**	**(10.6)**	**Natural gas production**	**59.8**	**53.7**	**(10.2)**
25.2	23.9	26.8	(11.0)	Hungary	28.0	24.6	(12.2)
25.3	23.9	27.4	(13.1)	Croatia	27.7	24.6	(11.3)
11.2	10.0	13.3	(24.9)	*o/w. Croatia offshore*	13.5	10.6	(21.5)
4.6	4.6	4.3	7.3	Other International	4.2	4.6	10.1
7.8	**7.4**	**7.3**	**2.0**	**Condensate [7]**	**7.7**	**7.6**	**(1.0)**
4.7	4.7	4.4	7.6	Hungary	4.7	4.7	0.4
2.2	2.2	2.3	(6.1)	Croatia	2.4	2.2	(7.4)
0.9	0.5	0.6	(7.5)	Other International	0.6	0.7	14.3
99.2	**92.4**	**106.7**	**(13.4)**	**Average hydrocarbon production**	**108.3**	**95.8**	**(11.5)**

Q1 2014	Q2 2014	Q2 2013	YoY Ch. %	Main external macro factors	H1 2013	H1 2014	Ch. %
108.2	109.6	102.4	7	Brent dated (USD/bbl)	107.5	108.9	1
224.7	223.1	226.4	(1)	HUF/USD average	225.5	223.9	(1)

Q1 2014	Q2 2014	Q2 2013	YoY Ch %	Average realised hydrocarbon price			
89.9	91.4	81.2	12.5	Crude oil and condensate price (USD/bbl)	86.0	90.6	5.3
49.2	43.1	54.3	(20.5)	Average realised gas price (USD/boe)	55.2	46.2	(16.3)
68.8	**65.6**	**67.2**	**(2.3)**	**Total hydrocarbon price (USD/boe)**	**70.5**	**67.2**	**(4.6)**

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

Second quarter 2014 results

EBITDA, excluding special items, was HUF 61bn in Q2 2014, decreased by HUF 18bn compared to Q1 2014. The reason behind the drop back was

(1) Lower realised hydrocarbon price driven by lower Croatian gas price
(2) Lower production driven by divesture of 49% of Russian Baitex field
(3) Increased royalty rate in Croatia (from 5% to 10%)
(4) Higher exploration spending and
(5) Impairment on receivables in Egypt.

Average daily hydrocarbon production was at 92 mboepd in Q2 2014, lower by 7% compared to Q1 2014. Divesture of Russian Baitex LLC's 49% resulted in 3.5 mboepd decrease, which was partially compensated by the contribution of the recently acquired UK assets (1.2 mboepd).

- Excluding these portfolio restructuring effects, average daily hydrocarbon production decreased by 5% compared to Q1 2014, mainly due to decrease of mature Hungarian and Croatian off-shore assets as well as lower entitlement share from Kurdistan. Decrease of Croatian off-shore production mainly attributable to the reconciliation on Anamaria field and higher water-cut on one part of exploitation field (Marica). Hungarian natural gas production was negatively affected by maintenance activities, which could be partly offset later this year.

- On the other hand Pakistan production increased by 0.5 mboepd reflecting the development activity. With the recent start up of off-shore Izabella field and start up of Croatian on-shore development projects, gradual ramp up of Baitugan field and increasing entitlement share from Kurdistan H2 2014 production is expected to be above H1 2014 level.

The average realized price decreased by 5% compared to the previous quarter due to negative impact of lower realised gas price in CEE countries, especially in Croatia after recent regulatory changes. It could be only partly offset by higher realised oil and condensate price.

Upstream operating expenditures, including DD&A, but without special items, was HUF 98bn, increased by HUF 1bn compared to Q1. Royalties on Upstream production (including export duties connected to Russian sales) amounted to HUF 25bn. Decrease compared to Q1 2014 and Q2 2013 (HUF -3bn and HUF -5bn, respectively) mainly attributable to divestments in Russia, while changes in Hungarian and Croatian regulation caused increase. Unit OPEX, excluding DD&A, amounted to USD 8.6 USD/boe, in-line with Q2 2013 level.

First half 2014 results

EBITDA, excluding special items, amounted to HUF 139bn in H1 2014, a decrease of HUF 46bn compared to the base period. The performance was affected by

(1) Lower average realized hydrocarbon prices due to lower natural gas prices in CEE
(2) lower production from matured CEE gas assets and due to Russian divestures (ZMB in Q3 2013 and 49% of Baitex in Q1 2014)
(3) Higher exploration costs in relation to accelerated international work programs
(4) Moreover, Q1 2013 Upstream performance was increased by HUF 8bn non-recurring revenue due to modification of the transfer parity of Croatian crude oil and natural gas condensate volumes. As a result, not only the total Croatian oil and condensate production of the period but also the inventory accumulated during 2012 were transferred to the Downstream (Sisak refinery).

Average daily hydrocarbon production was at 96 mboepd in H1 2014, decreased by 12% compared to base period. The main reasons behind the production drop are the divestures of Russian fields (ZMB and 49% of Baitex together 8.1 mboepd), just partially compensated by the first contributions of the UK acquisition. Excluding these effects production decreased by 5% mainly attributable to natural decline of our CEE natural gas assets which could be only partly mitigated by our intensive field development activity in the international operation.

The average realized price decreased by 5% compared to the base period quarter as a result of combined impact of higher oil price and lower gas price in CEE.

Upstream expenditures, including DD&A, but without special items, was HUF 194bn, lower by HUF 31bn compared to H1 2013. Royalties on Upstream production (including export duties connected to Russian sales) amounted to HUF 52bn. Compared to H1 2013 there is a decrease of HUF 10bn, mainly due to divestments in Russia, while changes in Hungarian and Croatian regulation caused increase. Unit OPEX, excluding DD&A, amounted to USD 8.3 USD/boe, similar to H1 2013 (8.2 USD/boe).

Upstream capital expenditures

In H1 2014, Upstream CAPEX amounted to HUF 180bn, out of which the biggest item was the acquisition in North Sea area with HUF 96bn, while other major investments areas were Kurdistan Region of Iraq (26% of total, excl. acquisition costs), Croatia (21%), Hungary (14%), North Sea region (12%) and Russia (11%).

H1 2014 (HUF bn)	Hungary	Croatia	Kurdistan Region of Iraq	Russia	Pakistan	United Kingdom	Other	Total (HUF bn)
Exploration	3.3	1.4	19.2	2.9	2.7	0.1	8.8	38.2
Development	6.2	15.1	2.4	5.9	0.2	9.8	2.3	41.9
Acquisition	1.5	0.0	0.0	0.0	0.0	96.1	0.0	97.7
Consolidation & other	0.8	1.1	0.1	0.1	0.0	0.0	0.0	2.1
Total	**11.8**	**17.6**	**21.7**	**8.8**	**2.9**	**106.0**	**11.1**	**179.9**

Summary of CAPEX spending and developments in the recent period:

- **In Kurdistani Region of Iraq (HUF 21.7bn):**
  - In the ***Akri-Bijeel Block*** drilling of Bijell-4 continued (started in December 2013), depth at end of June was 3,435 m. Drilling of Bijell-2 continued, actual depth was 4,965 m at end of June. Confirming the presence of hydrocarbons in the Triassic Bijell-6 was spudded on 16th March 2014, depth at end of H1 was 3,700 m. The surface facility for early production is ready and test production from Bijell-1B started in May. Seismic acquisition continued across the field, and is expected to be finished in August 2014. Spud of Bakrman 2 well was on 7th of April 2014, depth at end of June was 3,018m. The well will target the Triassic structure beneath the already discovered Juassic field.
  - In ***Shaikan Block*** daily oil production from PF-1 has reached 15,000 boepd from three wells. PF-2 started to produce from two wells in May. While its production has not stabilized yet, its maximum contribution reached the 8-10 mboepd level. Drilling of Shaikhan-7 finished in June at 2,619m, well testing started.

- **In Pakistan (HUF 2.9bn):**
  - In ***TAL Block*** Manzalai-11 well has been finished at depth of 4,600 m. Gas and condensate accumulation has been proved, logging and casing program is ongoing. Makori West-1 well workover took place and it was recompleted as a water disposal well. Gas-in status at the Makori GPF EPCC project has been achieved in February, while LPG production started in early March.
  - In ***Ghauri Block***, where drilling started in November 2013, the drilling of the well has been finished at total depth of 3,990 m by end February 2014. Well Testing (DST) operations proved Oil discovery. The well flowed oil with API gravity of 23 at original average flow rate of 1,193 bbls/day. Early Production of the well has been started on 1st July (with early flow rate of of 1,200 bbl/day) while preparation of detailed appraisal and further exploration program has commenced.
  - In Block **Karak** the acquisition of 2D seismic has been finished by end of April. 3D seismic data processing completed, while 2D processing is in progress. New prospects and leads have been identified based on newly acquired 3D and 2D seismic data, which are planned to be drilled in 2015. The workover job of Halini-1 has commenced by mid-June in order to continue EWT.
  - Drilling of the **Margala-North-1** exploration well started at 18 June with planned depth of 4,000 m.

- **North Sea region: (HUF 106.0bn)**
  - MOL signed an agreement with Premier Oil to acquire a balanced mix of existing and new production as well as both operated and non-operated exploration opportunities in the **Scott-Telford** and **Rochelle Area**.
  - **Cladhan:** Development drilling is proceeding according to the plan with the reservoir as per expectations. Brownfield modifications on Tern (host) platform are on-going, and plans are in place to optimize the first oil date, which is expected in Q2 2015..
  - **Catcher:** In June, Premier Oil obtained UK government approval of its Catcher area Field Development Plan. All major contracts for the project have been awarded and a full project health check and partner alignment session were completed to kick-off the project successfully.
  - **Scolty&Crathes**: Preparations for project sanction are ongoing. A project concept has been agreed with the partners and the pre development phase is in progress with anticipated sanction in Q1 2015.

  - **Exploration**: MOL Group has submitted applications as part of the UK 28th North Sea Licensing Round for 5 licences.

- **In Russia (HUF 8.8bn):**
  - In **Block Matjushkinsky** 2D seismic field work is finished, 673 km mapped and interpretation ongoing. Three ongoing exploration well drilling with expected well test in H2.
  - In ***Baitugan Block*** 19 out of 50 wells were completed during 2014 H1 as part of redevelopment of field.
  - Seismic interpretation of **Yerilkinsky block** completed with new exploration prospect identified with significant upside.

- **In Kazakhstan (HUF 1.7bn):**
  - In the ***Fedorovskoye Block*** the appraisal program finished successfully with the U-24 appraisal well testing successfully commenced in February and finished in May. As part of the reservoir evaluation a new 3D data reprocessing started in Q1 2014. MOL announced a new discovery in the Bashkirian tier's Carboniferous reservoirs. . Inflow of high quality light crude oil and gas with maximum flow rates of 1.9 mbbl/day and 6 million cubic feet/day (1 mboepd) was recorded, respectively.
  - In the ***North Karpovsky Block*** testing of SK-1 started on 25th December 2013, expected to be finished in Q3 2014. Drilling of SK-2 started on 2 July 2013, actual depth at end of June was 5,231 m.

- **In CEE region (HUF 29.6bn):**
  - **Hungarian exploration**: Out of the 5 drilled wells 1 was classified as gas discovery, 1 proved to be dry, while 3 wells will be tested in H2.
  - **Hungarian field development:** Three development wells have been drilled and tested in Q2, 2014.
  - **Croatian onshore exploration** activities: Hrastilnica-4 was tested, successful. Čepelovac-1 North well drilling preparation in progress. Three wells prepared for fracturing operations.
  - **Croatian offshore development** activities: North Adriatic development activities were continued with Ika SW project. Drilling of 2nd batch that started in March, was finished in May. Both wells were completed & tested.
  - On **Croatian onshore development**, Ivanic-Zutica EOR project was continued. Re-lining workover operations finished in 21 CO2 injection wells and 13 injection wells for salt water disposal. Construction works on connection lines for CO2 injectors and disposal wells are finished. Submitted request for trial work of whole EOR project system to Ministry.

During H1 2014, 10 exploration and appraisal wells were tested out of which 5 was successful. 10 additional wells were under or waiting for testing, while 9 wells were drilling at the end of the period. Detailed status and result of the ongoing exploration and appraisal wells are listed in Appendix V.

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Downstream

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch %	Segment IFRS results (HUF bn)	H1 2013 restated	H1 2014	Ch. %
24.0	32.7	20.1	63	EBITDA	65.5	56.7	(13)
24.0	**30.0**	**20.1**	**49**	**EBITDA excl. spec. items[(1)]**	**62.1**	**54.0**	**(13)**
22.2	**28.6**	**43.8**	**(35)**	**Clean CCS-based EBITDA [(1)(2)]**	**85.6**	**50.9**	**(41)**
5.4	8.0	3.8	111	o/w Petrochemicals clean CCS-based EBITDA[(1)(2)]	7.5	13.4	79
(3.3)	5.8	(11.3)	n.a.	Operating profit/(loss) reported	2.9	2.6	(10)
(3.3)	**3.1**	**(11.3)**	**n.a.**	**Operating profit/(loss) excl. spec. items[(1)]**	**(0.6)**	**(0.1)**	**83**
(5.0)	**1.8**	**12.4**	**(85)**	**Clean CCS-based operating profit/(loss)[(1)(2)]**	**22.9**	**(3.3)**	**n.a.**
16.2	**46.3**	**20.3**	**128**	**CAPEX**	**28.6**	**62.5**	**119**
MOL Group without INA							
38.5	39.0	27.1	44	EBITDA excl. spec. items[(1)]	70.3	77.5	10
35.1	**35.1**	**42.5**	**(17)**	**Clean CCS-based EBITDA[(2)]**	**85.3**	**70.2**	**(18)**
5.4	8.0	3.8	111	o/w Petrochemicals clean CCS-based EBITDA[(1)(2)]	7.5	13.4	79
16.6	17.6	2.3	665	Operating profit/(loss) excl. spec. items	20.5	34.3	67
13.3	**13.7**	**17.7**	**(23)**	**Clean CCS-based operating profit/(loss) [(2)]**	**35.5**	**27.0**	**(24)**
INA Group							
(14.5)	(9.0)	(7.0)	(29)	EBITDA excl. spec. items[(1)]	(8.2)	(23.5)	(187)
(12.9)	**(6.4)**	**1.3**	**(592)**	**Clean CCS-based EBITDA [(2)]**	**0.3**	**(19.4)**	**n.a.**
(19.9)	(14.5)	(13.6)	(7)	Operating profit/(loss) excl. spec. items	(21.1)	(34.4)	(63)
(18.3)	**(11.9)**	**(5.3)**	**(125)**	**Clean CCS-based operating profit/(loss) [(2)]**	**(12.6)**	**(30.2)**	**(140)**

Q1 2014	Q2 2014	Q2 2013	YoY Ch %	Main external parameters	H1 2013	H1 2014	Ch. %
1.08	1.82	0.50	264	Brent Ural spread (USD/bbl) [(20)]	0.99	1.45	46
141	191	183	4	Crack spread – premium unleaded (USD/t) [(18)]	186	166	(11)
106	93	115	(19)	Crack spread – gas oil (USD/t) [(18)]	119	99	(16)
(247)	(254)	(201)	27	Crack spread – fuel oil 3.5 (USD/t) [(19)]	(222)	(251)	(13)
300	291	315	(8)	Integrated petrochemical margin (EUR/t)[(21)]	302	295	(2)

Q1 2014	Q2 2014	Q2 2013	YoY Ch %	External refined product and petrochemical sales by country (kt)	H1 2013	H1 2014	Ch. %
949	1,126	1,124	0	Hungary	2,068	2,075	0
343	409	389	5	Slovakia	712	752	6
351	431	497	(13)	Croatia	867	782	(10)
400	360	676	(47)	Italy	1,322	760	(43)
1,924	2,111	2,265	(7)	Other markets	4,290	4,035	(6)
3,967	**4,437**	**4,951**	**(10)**	**Total**	**9,259**	**8,404**	**(9)**

Q1 2014	Q2 2014	Q2 2013	YoY Ch %	External refined and petrochemical product sales by product (kt)	H1 2013	H1 2014	Ch. %
3,682	**4,161**	**4,607**	**(10)**	**Total refined products**	**8,611**	**7,843**	**(9)**
799	899	1,021	(12)	o/w Motor gasoline	1,941	1,698	(13)
1,997	2,252	2,389	(6)	o/w Diesel	4,406	4,249	(4)
139	134	208	(36)	o/w Fuel oil	392	273	(30)
93	217	356	(39)	o/w Bitumen	482	310	(36)
748	**879**	**892**	**(1)**	**o/w Retail segment sales**	**1,607**	**1,627**	**1**
233	274	287	(4)	o/w Motor gasoline	517	507	(2)
497	585	584	0	o/w Diesel and heating oils	1,051	1,082	3
285	**276**	**344**	**(20)**	**Total petrochemicals products**	**648**	**561**	**(13)**
49	48	90	(47)	o/w Olefin products	160	97	(39)
236	228	254	(10)	o/w Polymer products	488	464	(5)
3,967	**4,437**	**4,951**	**(10)**	**Total refined and petrochemicals products**	**9,259**	**8,404**	**(9)**

[(1)] *Special items affected operating profit and EBITDA are detailed in Appendix II.*
[(2); (17-21)] *Please see Appendix X.*

Second quarter 2014 results

In tightening external market conditions **Q2 2014 clean CCS-based Downstream EBITDA amounted to HUF 29bn**, versus HUF 44bn value a year ago. Minor changes of the crude price caused insignificant current cost of supply modifications in the current quarter, hence **EBITDA excluding special items stood at HUF 30bn**. The main drivers behind the quarter-on-quarter changes were as follows**:**

- **on the negative side** (1) a 19% drop of gasoil crack spreads dampened the refining segment's performance, as gasoil and other middle distillates represents roughly 50% of the product slate (2) lower sales volume impacted by finished processing in IES (3) planned major outage of the Bratislava refinery, which was the largest scope turnaround in the past ten years also limited overall availability, (4) lower sales margin capture in the increasing oil price environment, (5) unfavourable FX movements.
- **on the positive side**: (1) widening of the Brent-Ural differential by over 1 USD/bbl, improving (2) petrochemicals and (3) retail contribution.

Excluding INA's contribution, 'clean' CCS-based EBITDA of MOL amounted to HUF 35bn which is a HUF 7bn decrease against Q2 2013.

- In addition to the macro drivers listed above, results of Refining and Marketing were also negatively influenced by the expenditures related to the conversion of the Mantova refinery.
- In a quarterly comparison **petrochemicals' performance was favourably impacted by reduced energy costs and favourable foreign exchange movements,** off-setting the decline of the integrated margin by 8%, as a result 'clean' CCS-based EBITDA doubled and reached HUF 8bn.

INA's clean CCS-based EBITDA deteriorated by HUF 8bn and losses reached the level of HUF (6bn). The performance was mainly hindered by the external environment, however it was further deteriorated by decreasing sales volumes (overall down by 2%) combined with higher share of own consumption and losses.

In comparison with Q1 2014 Group's clean CCS-based EBITDA increased by HUF 6bn to HUF 29bn. The improvement is mainly attributable to regular seasonal uplift of sales due to rising demand. **On the other side deteriorating macro conditions**, such as shrinking gasoil cracks (down by 13% versus Q1) partially offset the positive effects of seasonal consumption expansion.

Reported EBITDA amounted to HUF 33bn. It also includes HUF 3bn gain on liquidated damages relating to the late commissioning of machinery which was eliminated as special item. **Clean CCS-based operating profit reached HUF 2bn**, and decreased to a smaller extent than clean CCS-based EBITDA given that accounted depreciation of the Downstream segment was lower than a year ago.

Market trends and sales analysis

Similarly to Q1 2014, Q2 regional growth was heavily influenced by the uplift of demand in Hungary, on the other hand in Croatia we experienced steep contraction of the local market. The CEE region remained close to stagnation in a quarter-on-quarter comparison.

Change in regional motor fuel demand Q2 2014 vs. Q2 2013 in %	Market*			MOL Group sales		
	Gasoline	Diesel	Motor fuels	Gasoline	Diesel	Motor fuels
Hungary	3	4	4	(2)	(3)	(2)
Slovakia	0	2	1	(3)	1	0
Croatia	(8)	(7)	(7)	(18)	(6)	(10)
Other	(3)	0	(0)	(14)	(1)	(5)
CEE 10 countries	(2)	0	(0)	(10)	(2)	(4)

**Source: Company estimates*

Group motor fuel sales decreased on core markets and also on the in the CEE (excluding Italy) by 4% due to the turnaround at the Bratislava refinery.

Total retail sales volumes (including LPG and lubricants volumes) decreased by 1%. On the other side in Hungary and Slovakia the sales volumes were on an increasing trend versus the similar period of 2013.

Total retail sales (kt)	Q2 2013	Q2 2014	YoY %
Hungary	205	**216**	5
Slovakia	108	**114**	6
Croatia	284	**273**	(4)
Romania	129	**123**	(5)
Other	166	**153**	(8)
Total retail sales	**892**	**879**	**(1)**

- In **Hungary and Slovakia** throughput improved versus the similar period of last year due to demand recovery and slight increase in the number of filling stations.
- Significant increase of excise duties impacted Romanian and Croatian sold volumes significantly in Q2 2014 against the similar period of 2013.
- Among 'Other countries' sales increase was recorded mainly **in Bosnia-Herzegovina, Czech Republic, Slovenia and Serbia** however, business restructuring in Austria and Italy led to overall negative performance.

First half 2014 Results

In H1 2014 both Downstream EBITDA excluding special items and 'clean' CCS-based EBITDA lagged behind H1 2013 figures, reaching HUF 54bn and HUF 51bn, respectively. The clean-CCS EBITDA declined by 41%, mainly as a result of the following negative changes:

(1) significant deterioration of external environment, virtually impacting the entire product slate, cracks went down by 11% in case of gasoline, by 16% in case of gasoil, by 13% in case of fuel oil;
(2) unplanned shutdowns impacting the first quarter, mainly at INA, which resulted less favourable processing mix and higher share of own consumption and losses due to fall-outs of some conversion units;
(3) Slovnaft's major turnaround and related problems with unit start-ups;
(4) non-recurring costs related to the IES refinery conversion;
(5) lower sales volume mainly due to market drop in Croatia and conversion of Mantova refinery;
(6) unfavourable FX movements;

On the positive side

(1) improving petrochemicals performance in a less favourable external environment
(2) stronger marketing contribution and
(3) wider Brent-Ural spread partially counter-balanced the negative impacts**.**

In H1 2014 the **'clean' CCS-based EBITDA** of **Petrochemical improved considerably despite the slightly deteriorating external environment,** the integrated petrochemical margin decreased by 2%. Favourable foreign-exchange movements, the reduction of energy costs supported the business's performance.

Market trends and sales analysis

In H1 2014 we experienced a **3% aggregate domestic market (Hungary, Slovakia, Croatia) growth,** while in the wider CEE motor fuel consumption also exceeded last year's level by 1%**.** Demand increase was driven by a remarkable uplift in Hungary. Regional gasoil consumption rose again, while gasoline remained in mild decline.

Change in regional motor fuel demand H1 2014 vs. H1 2013 in %	Market*			MOL Group sales		
	Gasoline	Diesel	Motor fuels	Gasoline	Diesel	Motor fuels
Hungary	4	8	7	(0)	2	1
Slovakia	(1)	3	2	(3)	3	1
Croatia	(4)	(3)	(3)	(14)	(3)	(6)
Other	(3)	1	0	(8)	1	(1)
CEE 10 countries	**(2)**	**2**	**1**	**(6)**	**1**	**(1)**

**Source: Company estimates*

Group motor fuel sales stagnated in the core markets and also in the wider CEE region (excluding Italy) mainly due to Slovnaft's major turnaround.

Total retail sales volumes (including LPG and lubricants volumes) increased by 1% YoY due to the expanded filling station network and slight demand recovery on some markets.

Total retail sales (kt)	H1 2013	H1 2014	Ch. %
Hungary	371	400	8
Slovakia	198	211	7
Croatia	494	486	(2)
Romania	235	236	0
Other	309	294	(5)
Total retail sales	**1,607**	**1,627**	**1**

- Similar drivers as described under the second quarter results impacted retail sales volumes in the listed countries.

Downstream capital expenditures

CAPEX (in bn HUF)	H1 2013	H1 2014	Ch. %	Main projects in H1 2014
R&M CAPEX and investments excluding retail	15.2	30.4	100	• Major Turnaround in Slovnaft in H1 2014 • Friendship I crude pipeline reconstruction is in advanced stage, operation will be started after Q1 2015 • Tank reconstruction program • High value asset replacements (Slovnaft AVD-6 Unit revamp) • Significant CAPEX spending in MOL Romania (New Giurgiu Storage Terminal)
Retail CAPEX and investments	4.9	4.0	(18)	• INA and Hungarian modernization program ongoing (13 and 9 projects completed, respectively) • 4 greenfield-acquisition projects in Romania • 1-1 greenfield project in Slovenia and Slovakia
Petrochemicals CAPEX	8.7	26.9	209	• Construction and equipment erection works in Butadiene Recovery Project started in TVK • At SN Petchem LDPE4 substantial implementation progress (civil, equipment installation) were achieved
Power and other	(0.2)	1.2	700	• Follow up activities in Slovnaft related to TPP Revamp
Total	**28.6**	**62.5**	**119**	

Gas Midstream

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch %	Segment IFRS results (HUF bn)	H1 2013 restated	H1 2014	Ch. %
(5.8)	16.2	14.0	16	EBITDA	29.3	10.4	(64)
(5.8)	**16.2**	**14.0**	**16**	**EBITDA excl. spec. items(1)**	**29.3**	**10.4**	**(64)**
(9.1)	12.9	8.5	52	Operating profit/(loss) reported	18.5	3.8	(79)
(9.1)	**12.9**	**8.5**	**52**	**Operating profit/(loss) reported excl. spec. items(1)**	**18.5**	**3.8**	**(79)**
0.1	**0.3**	**0.2**	**101**	**CAPEX and investments**	**0.3**	**0.4**	**22**

(1) Special items affected operating profit and EBITDA are detailed in Appendix II.

FGSZ Ltd.

Second quarter 2014 results

Operating profits of FGSZ in the second quarter of 2014 were similar to the previous year figures, the unfavourable regulatory and economic environment still has significant negative effect on our profitability.

Revenues from domestic transmission services totalled HUF 15.2bn, 9% lower than the base period. The further decrease of public utility charges (as a result of shrinking eligible return of house-hold supply related transmission activities) which is valid from 1st November, 2013, the lower capacity bookings and lower turnover fee revenues due to the decreasing domestic natural gas consumption (mainly due to the milder winter weather conditions and unfavourable economic environment) had significant negative effect on operating revenues. Increasing injected volumes in line with the increasing volume of strategic storaged gas inventory could partly compensate the falling transmission volumes.

Revenue from natural gas transit is HUF 4.9bn increased by 26% compared to the base period, mainly due to the significantly (by 44%) higher southward (Serbian and Bosnian) transit transmission volumes. Total transit transmission volumes were higher by 71% compared to previous year as well.

Operating costs were slightly lower compared to base period figures mainly due to the effect of lower natural gas consumption by the transmission system in line with lower transmission volumes. Accounted depreciation in 2014 Q2 was lower compared to base period level as well.

First half year 2014 results

Operating profits of FGSZ in the first half year in 2014 were significantly lower compared to the previous year mainly due to the unfavourable regulatory and economical environment and due to the milder winter weather conditions. Lower operating costs could compensate partly the negative effect of falling operating revenues.

Revenues from domestic transmission services were lower by 22% than base period figures and totalled HUF 28bn. The further decrease of public utility charges which is valid from 1 November 2013, the lower capacity bookings and lower turnover fee revenues due to the decreasing domestic natural gas consumption had significant negative effect on operating revenues. Increasing injected volumes in line with the increase of the strategic gas inventory could partly compensate the falling transmission volumes.

Revenue from natural gas transit is HUF 9.9bn decreased by 4% compared to the base period, mainly due to the slightly lower (by 5%) southward (Serbian and Bosnian) transit transmission volumes. Total transit transmission volumes were similar to previous year figures in H1.

Lower **operating costs** could compensate partly the negative effect of decreased operating revenues mainly due to the combined effect of lower natural gas consumption by the transmission system and the lower pressure increase fees in line with lower transmission volumes, due to the favourable effect of lower maintenance costs and accounted depreciation.

Prirodni Plin

First half year 2014 results

Prirodni Plin (PP), INA's gas trading company, reported a HUF **19.4bn loss of EBIT in** H1 2014 determined by enforced gas sale from storage facility durring Q2 as a consequence of new gas regulations in Croatia.

Non-financial overview

Quarterly sustainability highlight

MOL Group's Annual Report was ranked the seventh place in Corporate Register' Reporting Award 2014, (CRRA) the only independent annual global online reporting award.

Performance on 6 sustainability focus areas

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

Health and Safety

- In Q2 2014 the reduction of work related injuries to Company and Contractor employees indicated an improvement in the personal safety performance of MOL Group. This is however regrettably shadowed by an accident, where a Contractor employee was fatally injured during dismantling of a mobile crane at our Hungarian Downstream operations. At the present state of the investigation this accident is seen to be rooted in human failure. Measures are being implemented to prevent accidents originating from the lack of prudence during the execution of routine operations.

Climate Change

- The Energy Awareness Program in MOL Group's Downstream business was launched in order to identify and train field personnel having direct impact on energy consumption. The initiative focuses on improving daily behaviors but it also facilitates the development of bottom-up energy saving initiatives. In H1 2014 all relevant positions have been mapped, more than 4000 employees have already received education in MOL, Slovnaft and TVK, and the training will be incorporated in annual training cycles in the future. Energy efficiency is the key pillar of our climate change impact mitigation efforts, in 2013 the emission of 140 thousand tonnes of CO2 has been avoided in our Downstream business with energy efficiency actions.

Environment

- At the end of June, the European Commissions adopted the new Refinery Best Available Techniques (BAT) reference documents. The new BAT for air emissions is based on the "bubble approach" that is seen as a positive outcome for MOL Group. The final text has been published in English language and translation in EU languages and official publication is expected for the 4th quarter of 2014. The approved documents will have a legally binding character as soon as they will be published into the EU Official Journal.

Human Capital

- Recent international recognitions for the Company's human resources management performance include the Slovakian CSR award 'Via Bona' in category of Excellent employer for Kindergarten Slovnaftačik project and for the first time, HOLDINA Sarajevo was declared Employer of Choice in the Oil & Gas sector in Bosnia and Herzegovina. Previously in 2014 MOL Group also received the ERE Recruiting Excellence Award for the talent acquisition programs, Freshhh and Growww and the LEAD Program has been awarded by the Leadership 500 Award by HR.com, leading global community with 200,000 members showcasing best HR practices, latest trends and industry news.
- MOL Group's international oil & gas student competition Live Final was held in May. The top five teams from four countries had to prove their knowledge in front of MOL Group's jury of the top management. In 2014, altogether 1570 teams have entered the program, 77% more than last year. This is a significant milestone for the Group to reinforce its employer brand, rely on the diversity of people and support early engagement among university and college students.
- MOL Group launched the Production Rotation Program providing great opportunity for the experts working in Downstream Production sites across the Group with the key objective of sharing professional knowledge and expertise throughout the Group, as well as to strengthen network among production sites. in order to achieve superior business results.

Communities

- MOL Group Volunteers' Club - a group-wide platform of Corporate Volunteering has been launched in May, 2014 as a long-term initiative to give back to the society where the company operates. Volunteers'

Club will regularly organize events in the future to express our responsibility towards local communities and improve employee engagement at the same time.

- In May 2014 Croatia, Serbia and Bosnia were hit by heavy flooding. As a response to this INA donated 64,000 liters of fuel and EUR 65,000 to Red Cross, while MOL Serbia helped with 8,500 liters of fuel and donated EUR 8,600 to Red Cross. Also INA Volunteers' Club organized the donation of more than 3 tons of clothing and bedding.

Economic Sustainability

- Security training has been inaugurated and exam sessions have been completed in MOL Nyrt. and its main Hungarian subsidiaries in Q1 2014. The security programme will be extended to other countries including Upstream International locations later in 2014.
- In May 2014, MOL Group started a campaign to reinforce our ethics management system and our code of ethics. The campaign promotes the protection of human rights and shares information on the internal whistleblowing systems that is in place to protect against breaching of ethical norms. The campaign was launched across the whole organisation with different additional local actions.

MOL Group non-financial indicators

Q1 2014	Q2 2014	Q2 2013	YoY %	Indicator	Unit	H1 2013	H1 2014	YoY %
1.3[27]	1.3	1.2	8	Carbon Dioxide (CO_2) under ETS	mn tn	2.6[27]	2.6	-
1.5[27]	81	54.4	48	Volume of hydrocarbon content of spills	m3	82.3	82.5	-
2.1[27]	1.4	3.3	(58)	TRIR[24] – own staff	-	2.8	1.9	(32)
1.4[27]	1.6	2.6	(38)	TRIR[24] – own & contractor & fuel station staff	-	2.1	1.5	(29)
-	-	-	-	Fatalities – own employees	pcs	-	-	-
-	1	2	(50)	Fatalities – contractors	pcs	2	1	(50)
28,470	28,382	28,988	(2)	Total workforce	ppl	28,988	28,382	(2)
2,196	1,837	2,561	(28)	Leavers[25]	ppl	2,561	1,837	(28)
7.7	6.5	8.8	-	Employee turnover rate[25]	%	9.4	6.5	-
177	201	1,816	(89)	Donation	mn HUF	2,060	379	(82)
28	24	13	85	Ethical reports[26]	pcs	26	52	100
6[27]	2	4	(50)	Ethical misconducts[26]	pcs	6	8	33

For notes please see Appendix X.

MOL Hungarian Oil and Gas Plc. and Subsidiaries

Unaudited interim condensed consolidated financial statements

30 June 2014

MOLGROUP

INTERIM CONSOLIDATED INCOME STATEMENTS FOR THE MOL GROUP PREPARED IN ACCORDANCE WITH IFRS FOR THE PERIOD ENDED 30 JUNE 2014

Unaudited figures (in HUF million)

Q1 2014	Q2 2014	Q2 2013 restated	Ch. %		Notes	H1 2013 restated	H1 2014	Ch. %
1,120,881	1,232,168	1,319,993	(7)	Net revenue	5	2,613,235	2,353,049	(10)
16,383	5,865	9,779	(40)	Other operating income		14,246	22,248	56
1,137,264	**1,238,033**	**1,329,772**	**(7)**	**Total operating revenues**		**2,627,481**	**2,375,297**	**(10)**
699,890	713,111	804,772	(11)	Raw material costs		1,688,120	1,413,001	(16)
41,399	50,162	46,324	8	Value of material-type services used		84,476	91,561	8
172,360	229,310	191,633	20	Cost of goods purchased for resale		354,791	401,670	13
913,649	*992,583*	*1,042,729*	(5)	*Raw material and consumables used*		*2,127,387*	*1,906,232*	(10)
60,144	63,800	66,078	(3)	Personnel expenses		122,977	123,944	1
67,805	66,375	78,295	(15)	Depreciation, depletion, amortisation and impairment		155,204	134,180	(14)
62,939	70,210	75,448	(7)	Other operating expenses		146,278	133,149	(9)
(5,257)	26,298	64,317	(59)	Change in inventory of finished goods & work in progress		11,822	21,041	78
(8,406)	(13,974)	(9,757)	43	Work performed by the enterprise and capitalised		(16,274)	(22,380)	38
1,090,874	**1,205,292**	**1,317,110**	**(8)**	**Total operating expenses**		**2,547,394**	**2,296,166**	**(10)**
46,390	**32,741**	**12,662**	**159**	**Profit from operation**		**80,087**	**79,131**	**(1)**
1,178	1,931	6,581	(71)	Interest received		8,462	3,109	(63)
2	3,832	3,508	(8)	Dividends received		3,510	3,834	9
-	-	(358)	n.a.	Fair valuation difference of conversion option		1,145	-	n.a.
15,585	658	(20,206)	n.a.	Other financial income		7,488	16,243	117
16,765	**6,421**	**(10,475)**	**n.a.**	***Financial income***	**14**	**20,605**	**23,186**	**13**
10,803	10,276	12,229	(16)	Interest on borrowings		23,931	21,079	(12)
2,285	2,431	2,414	1	Interest on provisions		4,815	4,716	(2)
1,560	(992)	-	n.a.	Fair valuation difference of conversion option		-	568	n.a.
7,878	(1,858)	(5,788)	(68)	Exchange loss on borrowings		3,029	6,020	99
14,397	7,932	(7,542)	n.a.	Other financial expenses		17,940	22,329	24
36,923	**17,789**	**1,313**	**1,255**	***Financial expense***	**14**	**49,715**	**54,712**	**10**
20,158	**11,368**	**11,788**	**(4)**	**Total financial expense/(gain), net**	**14**	**29,110**	**31,526**	**8**
5,173	5,915	4,800	23	Income from associates	15	10,964	11,088	1
31,405	**27,288**	**5,674**	**381**	**Profit before tax**		**61,941**	**58,693**	**(5)**
9,831	3,821	(6,525)	n.a.	Income tax expense	16	20,718	13,652	(34)
21,574	**23,467**	**12,199**	**92**	**PROFIT FOR THE PERIOD**		**41,223**	**45,041**	**9**
20,836	24,043	18,930	(27)	Attributable to: Equity holders of the parent		46,740	44,879	(4)
738	(576)	(6,731)	(91)	Non-controlling interests		(5,517)	162	n.a.
209	**245**	**194**	**26**	**Basic earnings per share attributable to ordinary equity holders of the parent (HUF)**		**487**	**454**	**(7)**
209	**238**	**194**	**23**	**Diluted earnings per share attributable to ordinary equity holders of the parent (HUF)** [10]		**483**	**454**	**(6)**

[10] Please see Appendix X.

MOLGROUP

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE MOL GROUP PREPARED IN ACCORDANCE WITH IFRS FOR THE PERIOD ENDED 30 JUNE 2014

Unaudited figures (in HUF million)

Q1 2014	Q2 2014	Q2 2013 restated	Ch. %		Notes	H1 2013 restated	H1 2014	Ch. %
21,574	**23,467**	**12,199**	**92**	**Profit for the period**		**41,223**	**45,041**	**9**
				Other comprehensive income				
46,987	33,910	(59,974)	n.a.	Exchange differences on translating foreign operations	17	27,713	80,897	192
1,600	(804)	(803)	-	Available-for-sale financial assets, net of deferred tax	17	(253)	796	n.a.
880	510	158	223	Cash-flow hedges, net of deferred tax	17	(589)	1,390	n.a
(12,589)	(4,728)	22,330	n.a.	Net investment hedge, net of tax	17	(7,366)	(17,317)	135
90	(70)	(677)	(90)	Actuarial gain(loss) on provisions for retirement benefit obligations		(811)	20	n.a.
4,103	1,687	(5,277)	n.a.	Share of other comprehensive income of associates	17	1,491	5,790	288
41,071	**30,505**	**(44,243)**	**n.a.**	**Other comprehensive income for the period, net of tax**		**20,185**	**71,576**	**255**
62,645	**53,972**	**(32,044)**	**n.a.**	**Total comprehensive income for the period**		**61,408**	**116,617**	**90**
				Attributable to:				
47,448	47,332	(14,628)	n.a.	Equity holders of the parent		55,590	94,780	70
15,197	6,640	(17,416)	n.a.	Non-controlling interest		5,818	21,837	275

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 2014

Unaudited figures (in HUF million)

31 December 2013 restated		Notes	30 June 2013 restated	30 June 2014	Change %
	Assets				
	Non-current assets				
323,646	Intangible assets	7	357,736	353,275	(1)
2,252,927	Property, plant and equipment	7, 8	2,470,600	2,389,359	(3)
128,220	Investments in associated companies		127,108	141,726	12
14,636	Available-for-sale investments		14,534	16,301	12
46,314	Deferred tax asset		13,541	49,759	267
36,899	Other non-current assets		35,870	61,827	72
2,802,642	**Total non-current assets**		**3,019,389**	**3,012,247**	**-**
	Current assets				
494,407	Inventories	9	511,468	500,371	(2)
512,584	Trade receivables, net		568,368	534,528	(6)
6,604	Held-for-trading financial assets		206,829	216,955	5
221,034	Other current assets		170,289	154,540	(9)
39,447	Prepaid taxes		9,940	12,072	21
564,170	Cash and cash equivalents		391,779	214,986	(45)
-	Assets classified as held for sale	21	107,427	-	n.a.
1,838,246	**Total current assets**		**1,966,100**	**1,633,452**	**(17)**
4,640,888	**Total assets**		**4,985,489**	**4,645,699**	**(7)**
	Equity and Liabilities				
	Shareholders' equity				
79,215	Share capital [(11)]	11	79,215	79,229	-
1,587,082	Reserves		1,593,079	1,609,685	1
21,442	Net income attributable to equity holders of the parent		46,740	44,879	(4)
1,687,739	**Equity attributable to equity holders of the parent**		**1,719,034**	**1,733,793**	**1**
473,517	Non-controlling interest		538,292	487,411	(9)
2,161,256	**Total equity**		**2,257,326**	**2,221,204**	**(2)**
	Non-current liabilities				
673,248	Long-term debt, net of current portion	12	741,546	655,622	(12)
303,553	Provisions	10	294,206	326,102	11
74,877	Deferred tax liability		110,220	71,810	(35)
27,247	Other non-current liabilities		28,469	28,556	-
1,078,925	**Total non-current liabilities**		**1,174,441**	**1,082,090**	**(8)**
	Current liabilities				
1,038,797	Trade and other payables		1,028,180	1,010,667	(2)
2,537	Current taxes payable		7,996	4,168	(48)
49,976	Provisions	10	38,732	46,590	20
211,223	Short-term debt	12	186,053	212,553	14
98,174	Current portion of long-term debt	12	281,110	68,427	(76)
-	Liabilities classified as held for sale	21	11,651	-	n.a.
1,400,707	**Total current liabilities**		**1,553,722**	**1,342,405**	**(14)**
4,640,888	**Total equity and liabilities**		**4,985,489**	**4,645,699**	**(7)**

[(11)] Please see Appendix X.

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

FOR THE PERIOD ENDED 30 JUNE 2014 - 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 2013 restated	**79,202**	(325,669)	5,769	152,759	(8,074)	1,644,409	**1,469,194**	151,358	**1,699,754**	547,383	**2,247,137**
Retained profit for the period	-	-	-	-	-	-	-	**46,740**	**46,740**	**(5,517)**	**41,223**
Other comprehensive income for the period, net of tax	-	-	(713)	8,310	-	1,253	**8,850**	-	**8,850**	11,335	**20,185**
Total comprehensive income for the period	-	-	**(713)**	**8,310**	-	**1,253**	**8,850**	**46,740**	**55,590**	**5,818**	**61,408**
Transfer to reserves of retained profit for the previous year	-	-	-	-	-	151,358	**151,358**	(151,358)	-	-	-
Dividend paid to shareholders	-	-	-	-	-	(38,925)	**(38,925)**	-	**(38,925)**	-	**(38,925)**
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(15,023)	**(15,023)**
Equity recorded for share-based payments	**13**	-	-	-	-	108	**108**	-	**121**	-	**121**
Net change in balance of treasury shares held, net of tax	-	-	-	-	-	2,419	**2,419**	-	**2,419**	-	**2,419**
Transactions with non-controlling interest	-	-	-	-	-	75	**75**	-	**75**	114	**189**
Closing balance 30 June 2013 restated	**79,215**	**(325,669)**	**5,056**	**161,069**	**(8,074)**	**1,760,697**	**1,593,079**	**46,740**	**1,719,034**	**538,292**	**2,257,326**
Opening balance 1 January 2014	**79,215**	(325,669)	2,563	159,724	(8,074)	1,758,538	**1,587,082**	21,442	**1,687,739**	473,517	**2,161,256**
Retained profit for the period	-	-	-	-	-	-	-	**44,879**	**44,879**	162	**45,041**
Other comprehensive income for the period, net of tax	-	-	1,781	44,297	-	3,823	**49,901**	-	**49,901**	21,675	**71,576**
Total comprehensive income for the period	-	-	**1,781**	**44,297**	-	**3,823**	**49,901**	**44,879**	**94,780**	**21,837**	**116,617**
Transfer to reserves of retained profit for the previous year	-	-	-	-	-	21,442	**21,442**	(21,442)	-	-	-
Dividends paid to shareholders	-	-	-	-	-	(49,710)	**(49,710)**	-	**(49,710)**	-	**(49,710)**
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	(7,945)	**(7,945)**
Equity recorded for share-based payments	**14**	-	-	-	-	84	**84**	-	**98**	-	**98**
Net change in balance of treasury shares held, net of tax	-	-	-	-	-	888	**888**	-	**888**	-	**888**
Transactions with non-controlling interests	-	-	-	-	-	(2)	**(2)**	-	**(2)**	2	-
Closing balance 30 June 2014	**79,229**	**(325,669)**	**4,344**	**204,021**	**(8,074)**	**1,735,063**	**1,609,685**	**44,879**	**1,733,793**	**487,411**	**2,221,204**

MOLGROUP

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE MOL GROUP PREPARED IN ACCORDANCE WITH IFRS FOR THE PERIOD ENDED 30 June 2014

Unaudited figures (in HUF million)

Q1 2014	Q2 2014	Q2 2013 restated	Ch. %		H1 2013 restated	H1 2014	Ch. %
31,405	**27,288**	**5,674**	**381**	**Profit before tax**	**61,941**	**58,693**	**(5)**
				Adjustments to reconcile profit before tax to net cash provided by operating activities			
67,805	66,375	78,295	(15)	Depreciation, depletion, amortisation and impairment	155,204	134,180	(14)
2,924	(105)	1,265	n.a.	Write-off / (reversal of write-off) of inventories	127	2,819	2,120
(1,616)	521	(3,287)	n.a.	Increase / (decrease) in provisions	(1,610)	(1,095)	(32)
(570)	156	(310)	n.a.	Net (gain) / loss on sale of non-current assets	(1,295)	(414)	(68)
(1,296)	3,396	8,721	(61)	Write-off / (reversal of write-off) of receivables	11,691	2,100	(82)
(12,699)	-	-	n.a.	Net (gain) on sale of subsidiaries	-	(12,699)	n.a.
(1,178)	(1,931)	(6,581)	(71)	Interest income	(8,462)	(3,109)	(63)
10,803	10,276	12,229	(16)	Interest on borrowings	23,931	21,079	(12)
9,538	1,498	5,232	(71)	Net foreign exchange (gain) / loss on receivables and payables	7,437	11,036	48
1,560	(992)	358	n.a.	Fair valuation difference of conversion option	(1,145)	568	n.a.
(2,849)	85	(1,863)	n.a.	Other financial (gain) / loss, net	2,534	(2,764)	n.a.
(5,173)	(5,915)	(4,800)	23	Share of net profit of associates	(10,964)	(11,088)	1
876	1,281	3,226	(60)	Other non-cash item	4,358	2,157	(51)
99,530	**101,933**	**98,159**	**4**	**Operating cash flow before changes in working capital**	**243,747**	**201,463**	**(17)**
(74,723)	**29,152**	**149,826**	**(81)**	**Total change in working capital o/w:**	**67,139**	**(45,571)**	**n.a.**
22,520	(16,276)	66,685	n.a.	(Increase) / decrease in inventories	(194)	6,244	n.a.
28,278	(30,684)	42,638	n.a.	(Increase) / decrease in trade receivables	(5,240)	(2,406)	(54)
(20,228)	8,829	(3,574)	n.a.	(Increase) / decrease in other current assets	(40,802)	(11,399)	(72)
(128,843)	66,159	52,627	26	Increase / (decrease) in trade payables	72,998	(62,684)	n.a.
23,550	1,124	(8,550)	n.a.	Increase / (decrease) in other payables	40,377	24,674	(39)
(13,077)	(1,676)	(9,564)	(82)	Income taxes paid	(15,139)	(14,753)	(3)
11,730	**129,409**	**238,421**	**(46)**	**Net cash provided by / (used in) operating activities**	**295,747**	**141,139**	**(52)**
(165,785)	(66,092)	(49,866)	33	Capital expenditures, exploration and development costs	(97,089)	(231,877)	139
847	990	728	36	Proceeds from disposals of property, plant and equipment	2,450	1,837	(25)
-	-	(9)	n.a.	Acquisition of subsidiaries and non-controlling interests, net cash	27	-	n.a.
-	-	(7)	n.a.	Acquisition of joint ventures, net	(7)	-	n.a.
(55)	(1,865)	(5)	37,200	Acquisition of associated companies and other investments	(9,769)	(1,920)	(80)
9,715	37,220	-	n.a.	Net cash inflow / (outflow) on sales on subsidiary undertakings	-	46,935	n.a.
230	-	1,495	n.a.	Proceeds from disposal of associated companies and other investments	1,495	230	(85)
82,662	(30,669)	(662)	4,533	Changes in loans given and long-term bank deposits	3,601	51,993	1,344
(206,129)	4,565	(58,257)	n.a.	Changes in short-term investments	(170,734)	(201,564)	18
13,730	4,174	(2,036)	n.a.	Interest received and other financial income	12,621	17,904	42
2	8,987	3,668	145	Dividends received	26,639	8,989	(66)
(264,783)	**(42,690)**	**(104,951)**	**(59)**	**Net cash (used in) / provided by investing activities**	**(230,766)**	**(307,473)**	**33**
-	-	-	n.a.	Issuance of long-term notes	-	-	n.a.
-	-	-	n.a.	Repayment of long-term notes	-	-	n.a.
27,333	100,889	150,832	(33)	Long-term debt drawn down	409,334	128,222	(69)
(109,552)	(104,446)	(330,809)	(68)	Prepayments and repayments of long-term debt	(351,142)	(213,998)	(39)
-	-	81	n.a.	Changes in other long-term liabilities	100	-	n.a.
17,277	(27,919)	(9,619)	190	Changes in short-term debt	29,365	(10,642)	n.a.
(12,209)	(20,396)	(19,270)	6	Interest paid and other financial costs	(27,069)	(32,605)	20
(1)	(49,677)	(38,851)	28	Dividends paid to shareholders	(38,852)	(49,678)	28
(1,894)	(5,736)	(5,803)	(1)	Dividends paid to non-controlling interest	(7,668)	(7,630)	-
-	-	52	n.a.	Contribution of non-controlling shareholders	52	-	n.a.
-	-	-	n.a.	Sale of treasury shares	-	-	n.a.
-	-	-	n.a.	Repurchase of treasury shares	-	-	n.a.
(79,046)	**(107,285)**	**(253,387)**	**(58)**	**Net cash (used in) / provided by financing activities**	**14,120**	**(186,331)**	**n.a.**

Q1 2014	Q2 2014	Q2 2013 restated	Ch. %		H1 2013 restated	H1 2014	Ch. %
(332,099)	**(20,566)**	**(119,917)**	**(83)**	**Increase/(decrease) in cash and cash equivalents**	**79,101**	**(352,665)**	**n.a.**
564,170	236,014	513,849	(54)	Cash and cash equivalents at the beginning of the period	317,654	564,170	78
				from which:			
564,170	236,014	513,790	(54)	- presented in Balance Sheet	317,654	564,170	78
-	-	59	n.a.	- attributable to Disposal Group	-	-	n.a.
5,327	(1,853)	(317)	485	Exchange differences of cash and cash equivalents of consolidated foreign subsidiaries	(3,625)	3,474	n.a.
(1,384)	1,391	(1,402)	n.a.	Unrealised foreign exchange difference on cash and cash equivalents	(917)	7	n.a.
236,014	**214,986**	**392,213**	**(45)**	**Cash and cash equivalents at the end of the period**	**392,213**	**214,986**	**(45)**
				from which:			
236,014	214,986	391,779	(45)	- presented in Balance Sheet	391,779	214,986	(45)
-	-	434	n.a.	- attributable to Disposal Group	434	-	n.a.

Notes to the interim condensed consolidated financial statements

1. General information

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

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

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

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

2. Basis of preparation

The interim condensed financial statements for the six months ended 30 June 2014 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 2013.

3. Significant accounting policies

Reclassification of foreign exchange differences on trade debtors and creditors

The Group elected to reclassify foreign exchange differences on trade debtors and creditors from operating results to financial results since the Group believes that with this amendment operating results more effectively demonstrate the core business performance. Comparative periods are restated, as a result of the amendment the operating results increased by HUF 4,153mn and HUF 3,515mn in H1 2014 and H1 2013, respectively.

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 2013, except for the adoption of new or amended standards, and interpretations effective from 1 January 2014. However, they do not have material impact on the accounting policies, financial position or performance of the Group.

The new or amended standards and interpretations are listed below:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

IFRIC 21 Levies

The Group has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective as of 30 June 2014.

4. Seasonality of operations

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

5. Operating segment information

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

Starting from 1 January 2014, the Group has revised some of its operational segments to reflect changes in organizational responsibilities as well as the approach of the Group's chief operating decision making bodies with respect to resource allocation and performance analysis. As a consequence, the following Upstream service companies: Crosco, Rotary, Geoinform, GES and GES Middle East were reclassified from Upstream to Corporate and other. Comparative periods have been restated accordingly.

Six months ended 30 June 2014	Upstream	Downstream	Gas Midstream	Corporate and other	Inter-segment transfers	**Total**
	HUF million	HUF million	HUF million	HUF million	HUF million	**HUF million**
Net Revenue						
Sales to external customers	93,977	2,110,922	123,580	24,570		**2,353,049**
Inter-segment sales	168,027	5,299	12,969	75,777	(262,072)	
Total revenue	**262,004**	**2,116,221**	**136,549**	**100,347**	**(262,072)**	**2,353,049**
Results						
Profit/(loss) from operations	85,757	2,570	3,808	(17,845)	4,841	**79,131**
Net finance costs						**31,526**
Income from associates						**11,088**
Profit before tax						**58,693**
Income tax expense/(benefit)						**13,652**
Profit for the period						**45,041**

Six months ended 30 June 2013 restated	Upstream	Downstream	Gas Midstream	Corporate and other	Inter-segment transfers	**Total**
	HUF million	HUF million	HUF million	HUF million	HUF million	**HUF million**
Net Revenue						
Sales to external customers	93,151	2,314,377	188,568	17,139		**2,613,235**
Inter-segment sales	236,740	6,330	20,203	63,194	(326,467)	
Total revenue	**329,891**	**2,320,707**	**208,771**	**80,333**	**(326,467)**	**2,613,235**
Results						
Profit/(loss) from operations	111,655	2,852	18,496	(34,139)	(18,777)	**80,087**
Net finance costs						**29,110**
Income from associates				10,964		**10,964**
Profit before tax						**61,941**
Income tax expense/(benefit)						**20,718**
Profit for the period						**41,223**

Assets and liabilities at 30 June 2014	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	943,839	1,081,219	238,426	133,844	(7,969)	**2,389,359**
Intangible assets, net	266,409	64,949	2,502	26,880	(7,465)	**353,275**
Inventories	21,904	486,554	4,290	20,973	(33,350)	**500,371**
Trade receivables, net	142,411	481,632	20,459	39,286	(149,260)	**534,528**
Investments in associates				141,726		**141,726**
Assets classified as held for sale						
Not allocated assets						**726,440**
Total assets						**4,645,699**
Trade payables	62,655	430,250	122,880	34,865	(150,415)	**500,235**
Liabilities classified as held for sale						**1,924,260**
Not allocated liabilities						
Total liabilities						**2,424,495**

Assets and liabilities at 30 June 2013 restated	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	914,753	1,174,778	244,307	141,855	(5,093)	**2,470,600**
Intangible assets, net	271,821	73,453	4,744	15,749	(8,031)	**357,736**
Inventories	20,099	475,751	45,509	21,083	(50,974)	**511,468**
Trade receivables, net	146,260	520,165	24,056	27,849	(149,962)	**568,368**
Investments in associates				127,108		**127,108**
Assets classified as held for sale	18,891		152,452		(63,916)	**107,427**
Not allocated assets						**842,782**
Total assets						**4,985,489**
Trade payables	55,047	451,586	137,202	26,033	(152,461)	**517,407**
Liabilities classified as held for sale	4,646		7,477		(472)	**11,651**
Not allocated liabilities						**2,199,105**
Total liabilities						**2,728,163**

Additional information on segment performance, including certain non-IFRS measures are 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 2014.

Partial disposal of BaiTex

The Group has sold 49% share of BaiTex LLC (“BaiTex”) to the Turkish Petroleum Corporation (“TPAO”). BaiTex is the holder of the hydrocarbon licenses for Baituganskoye field and Yerilkinsky block in the Volga-Ural region, Russia. After receiving the approval of Russian Federal Anti-Monopoly Services, the deal had been completed in the first quarter of 2014. The disposal is in line with the Group’s long term portfolio management and risk sharing strategies. As 51% owner of Baitex, the Group remains the operating shareholder. As the market value of the remaining net assets of Baitex is close to the book value, no valuation difference arose as a result of the transaction. The carrying amounts of 49% of the assets and liabilities of BaiTex as of 31 March 2014 are the following:

	Carrying amount HUF million
Intangible assets	10,663
Tangible assets	24,908
Other non-current assets	1,236
Inventories	202
Trade receivables	470
Other current assets	48
Prepaid taxes	50
Cash and cash equivalents	1,049
Total assets	**38,625**
Long-term debt, net of current portion	11,854
Provisions and contingent liabilities	1,012
Deferred tax liabilities	3,952
Trade and other payables	2,649
Total liabilities	**19,468**
Net assets sold	**19,156**
Cash consideration	**31,298**
Recycling of cumulative foreign exchange difference	588
Net gain realized on disposal	**12,699**

The analysis of cash outflow on sale of Baitex:	
Net cash disposed of during the sale	(1,049)
Cash consideration	31,298
Cash inflow	**30,249**

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.

Impairment expense of HUF 3,317mn was recognised on Hungarian exploration fields in H1 2014, compared to impairment expense of HUF 3,745mn in H1 2013.

On 22 February 2012 Croatia adopted EU/UN sanctions towards Syrian Arab Republic, hence INA d.d. declared Force Majeure as from 26 February 2012. By declaring Force Majeure, INA d.d. suspended all its petroleum activities in Hayan and Aphamia blocks as per Production Sharing Agreement (Hayan/Aphamia) and recalled all its local and expatriate employees. Although the production in Hayan Block is still ongoing, the Group has not recognised production volumes since the announcement of Force Majeure and consequently no revenue has been accounted for. These circumstances also gave rise to an impairment indicator with respect to the Group's Syrian assets. The Group performed an impairment test on its Syrian non-current assets of Hayan Block as of 31 December 2013. Such impairment calculation requires an estimate of the recoverable amount of the cash generating unit, that is, the higher of fair value less costs to sell and value in use. Value in use has been determined on the basis of discounted estimated future net cash flows and of multiple scenarios with respect to return to normal production. Based on these calculations and following impairment already recognised at the end of 2013, no further impairment was recorded in the first half of 2014. The book value of total Group assets in Syria at 30 June 2014 was amounted of HUF 87,627mn (at 31 December 2013: HUF 89,647mn). The management regularly monitors and, if needed, re-assesses impairment calculations based on the latest developments in the country.

In the first half of 2013, due to developments on the Nabucco Project, Földgázszállító Zrt. has written off its investment held in Nabucco Gas Pipeline International GmbH resulting in financial expense recognised in the income statement in the amount of HUF 5,373mn.

8. Property, plant and equipment

During the six months ended 30 June 2014, the Group acquired assets with cost of HUF 231,877mn, compared to HUF 97,089mn in H1 2013. The cash outflow of the current period mainly reflects the CAPEX in the upstream (acquisition in North Sea area and exploration project developments in Hungary, Croatia, Pakistan, Russia and Kurdistan Region of Iraq) and downstream (Butadiene Recovery Project started at TVK) segments, while in the comparative period mainly reflects the CAPEX in the upstream (Exploration project developments in Hungary, Croatia, Pakistan, Russia and Kurdistan Region of Iraq), and in the downstream (periodic maintenance and catalyst spending in the Slovakian and Hungarian refineries) segments.

Assets with net book value of HUF 426mn were disposed of by the Group in H1 2014 resulting in a net gain of HUF 1,493mn.

9. Inventories

Total amount of inventories decreased to HUF 500,371mn as of 30 June 2014 (HUF 511,468mn as of 30 June 2013).
During the interim period in 2014 the Group recorded an impairment of HUF 2,819mn relating to different types of inventories.

10. Provisions

Total amount of provisions was HUF 372,692mn as of 30 June 2014 (HUF 332,938mn at the end of the comparative period), a considerable increase from HUF 353,529mn as of 2013 year-end, reflecting the combined effect of unwinding of the discounts for long-term environmental and field abandonment provisions, the revision of previous estimates on estimated costs, discount rates, the changes in foreign exchange (EUR and HRK) rates and recently acquired operations in the North Sea. Long-term real discount rates used were between 1.5% and 2% (2013: 1.5%).

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 2013	104,518,485	(2,484,346)	(22,819,443)	79,214,696	134,519,063
Treasury shares call back from OTP Bank Plc.	-	(371,301)	371,301	-	-
Treasury shares lent to OTP Bank Plc.	-	371,301	(371,301)	-	-
Share distribution for the members of the Board of Directors		13,500		13,500	
30 June 2014	104,518,485	(2,470,846)	(22,819,443)	79,228,196	134,519,063

Share lending agreement with OTP

On 23 May 2014, the individual share lending agreement regarding 371,301 "A" series MOL shares concluded with OTP Bank Plc. („OTP") has been terminated and on 2 June the same amount of "A" series MOL shares has been lent to OTP.

Share distribution for the members of the Board of Directors

In accordance with incentive system based on share allowance the Company distributed altogether 13,500 pieces of „A" Series MOL Ordinary shares for the members of the Board of Directors after the 2013 financial year.

Dividends paid

The Annual General Meeting held on 24 April 2014 approved a dividend payment in amount of HUF 60,000mn in respect to financial year 2013.

In H1 2014 holders of the capital securities of Magnolia received a coupon payment of HUF 3,760mn. Coupon payments have been recorded directly against equity attributable to non-controlling interests.

12. Borrowing and repayment of debt

In order to enhance the maturity profile of its funding portfolio, the revolving credit facility agreement, signed on 27 March 2013 with a tenor of 3 years with 1 plus 1 year extension options, has been extended in the amount of USD 545mn by one additional year until 27 March 2017.

On 17 March 2014 MOL repaid the outstanding amount under its EUR 150mn long term loan concluded with European Investment Bank (EIB) in 2010. The termination of the agreement contributes to the optimization of the funding portfolio.

As a result of the disposal of MMBF Zrt. MOL also repaid on 16 January 2014 the outstanding amount under the relating project loan which was concluded in June 2009 with European Bank for Reconstruction and Development (EBRD) in the amount of EUR 200mn.

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

At the end of June 2014, MOL Group's gearing (net debt divided by net debt plus shareholders' equity including non-controlling interests) was 18.5%, showing an increase compared to the 16.0% year-end level (at the end of June 2013, the gearing was 21.3%). Currency composition of the debt was the following:

31 Dec 2013 (bn own currency)	31 Dec 2013 (bn HUF)	Portion %	Proportion and amount of total debt denominated in the following currencies	30 June 2014 (bn own currency)	30 June 2014 (bn HUF)	Portion %
1.32	284	28.9	**USD**	1.00	227	24.2
2.17	644	65.6	**EUR**	2.17	673	71.8
n.a.	54	5.5	**HUF and other***	n.a.	37	4.0
n.a.	982	100	**Total**	n.a.	937	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. The value of the equity share in JANAF d.d. was determined by reference to the market value of the shares as quoted on the Zagreb Stock Exchange
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly. The Group enters into derivative financial instruments with various counterparties, principally financial institutions. Derivatives valued using valuation techniques with market observable inputs are mainly commodity price transactions. For commodity derivative contracts the most frequently applied valuation techniques include forward pricing and swap- and option models and are based use on mark- to- market calculations. For valuing share option transactions and share swaps various option pricing techniques are used (binomial option pricing model, Monte Carlo simulation).
- 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 2014 and 2013 are categorised as follows:

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

	30 June 2013	Level 1	Level 2	Level 3
	HUF million	HUF million	HUF million	HUF million
Financial assets				
Available for sale investment in JANAF d.d.	13,053	13,053	-	-
Net receivable from currency risk hedging derivatives as cash-flow hedges	815	-	815	-
Receivables from commodity hedging derivatives as cash flow hedge	10,510	-	10,510	-
Receivables from currency risk hedging derivatives as fair value hedges	246	-	246	-
Fair value of firm commitments as hedged item under commodity price transactions	1,077	-	1,077	-
Net receivables from commodity price transactions	955	-	955	-
Fair value of MOL-OTP share swap	25	-	25	-
Receivables from foreign exchange forward transactions	30	-	30	-
Receivables from long term CO2 transactions	14	-	14	-
Financial liabilities				
Payables from commodity hedging derivatives as cash flow hedge	6,651	-	6,651	-
Conversion option of exchangeable capital securities by Magnolia Finance Ltd	1,616	-	1,616	-
Fair value of the option on MOL shares transferred to CEZ	7,183	-	7,183	-
Net payables from commodity price transactions designated as fair value hedge	1,077	-	1,077	-
Payable from currency risk hedging derivatives as fair value hedge	1,222	-	1,222	-
Payables from foreign exchange forward transactions	47	-	47	-
Payables from long term CO2 transactions	4	-	4	-

During the six-month periods ended 30 June 2014 and 2013, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

14. Financial income / expense

	For the six months ended 30 June 2014 HUF million	2013 HUF million
Foreign exchange gain on cash and cash equivalents, net	7,147	-
Fair valuation gain on conversion option	-	1,145
Interest received	3,109	8,462
Dividends received	3,834	3,510
Gain on fair valuation of securities	8,708	1,718
Other financial income, net	388	5,770
Total financial income	**23,186**	**20,605**
Foreign exchange loss on borrowings	6,020	3,029
Foreign exchange loss on cash and cash equivalents, net	-	674
Foreign exchange loss on receivables and payables, net	12,163	5,452
Interest on borrowings	21,079	23,931
Interest on provisions	4,716	4,815
Fair valuation loss on conversion option	568	-
Fair valuation loss on derivative transactions, net	4,793	2,397
Write-off of investment held in Nabucco Project	-	5,373
Other financial expenses	5,373	4,044
Total financial expenses	**54,712**	**49,715**
Total financial expense (income), net	**31,526**	**29,110**

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 2014 and 2013 was HUF 3,600mn and 1,616mn, respectively. The fair valuation impact of the option was HUF 568mn loss and 1,145mn gain in 2014 and 2013, respectively, recorded as financial income.

15. Income from associates

In H1 2014 income from associates amounted to HUF 11,088mn mainly due to the contribution of MET and MOL's 10% share from operations of Pearl Petroleum Company.

16. Income tax

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

Q1 2014	Q2 2014	Q2 2013	Ch. %	Breakdown of income tax expense	H1 2013	H1 2014	Ch. %
2,542	3,206	3,706	(13)	Local trade tax and innovation fee	6,375	5,748	(10)
-	-	(3,961)	(100)	Robin Hood tax	4,638	-	(100)
3,199	(2,165)	(3,024)	(28)	Deferred tax	(6,336)	1,034	n.a.
4,090	2,780	(3,246)	n.a.	Corporate income tax	16,041	6,870	(57)
9,831	**3,821**	**(6,525)**	**n.a.**	**Total income tax expense**	**20,718**	**13,652**	**(34)**

Changes in the income taxes were results of negative tax bases at MOL Plc. and at INA d.d. compared to the comparative period.

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 25,314mn decrease in our tax expense.

17. Components of other comprehensive income

	For six month ended 30 June 2014 HUF million	2013 HUF million
Exchange differences on translating foreign operations		
Gains / (losses) arising during the year	72,839	27,713
Reclassification adjustments for gains and losses included in the income statement	8,058	-
Income tax effect	-	-
	80,897	**27,713**
Available-for-sale financial assets, net of deferred tax		
Gains / (losses) arising during the year	994	(317)
Reclassification adjustments for gains and losses included in the income statement	-	-
Income tax effect	(199)	64
	796	**253**

Cash-flow hedges, net of deferred tax		
Gains / (losses) arising during the year	3,591	2,480
Reclassification adjustments for gains and losses included in the income statement	141	(1,827)
Reclassification adjustments to initial cost of inventories	(2,280)	(1,549)
Income tax	(62)	307
	1,390	**(589)**
Net investment hedge, net of tax		
Gains / (losses) arising during the year	(21,121)	(9,192)
Reclassification adjustments for gains and losses included in the income statement	-	-
Income tax effect	3,804	1,826
	(17,317)	**(7,366)**
Actuarial gain / (loss) on provisions for retirement benefit obligation		
Gains / (losses) arising during the year	24	(1,061)
Reclassification adjustments for gains and losses included in the income statement	-	-
Income tax effect	(4)	250
	20	**(811)**
Share of other comprehensive income for associates		
Gains / (losses) arising during the year	5,790	1,491
Reclassification adjustments for gains and losses included in the income statement	-	-
Income tax effect	-	-
	5,790	**1,491**

18. Commitments and contingent liabilities

Capital contractual commitments of the Group were HUF 109.4bn as of 30 June 2014 from which significant amount relates to the construction of the new petrochemical units, the LDPE4 unit in Bratislava and the butadiene extraction unit in Tiszaújváros (HUF 37.1bn and HUF 21.0bn, respectively).

19. Related party transactions

Major transactions with associated companies in the normal course of business

	For the six month ended 30 June 2014 HUF million	For the six month ended 30 June 2013 HUF million
Trade and other receivables due from related parties	115	254
Loans given to related parties	6,409	5,759
Trade and other payables due to related parties	2,217	1,117
Net sales to related parties	63	2,908

The Group purchased and sold goods and services with related parties during the ordinary course of business in H1 2014 and 2013. 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 201,463mn in H1 2014 (HUF 243,747mn in H1 2013).

Net cash used in investing activities was HUF 307,473mn in H1 2014 (HUF 230,766mn in H1 2013), representing mainly short-term investments and capital expenditures, exploration and development costs.

Net cash used in financing activities increased to HUF 186,331mn in H1 2014 (HUF 14,120 cash inflow in H1 2013).

21. Disposal group

According to the letter of intent signed on March 22, 2013 by the Minister for National Development of Hungary, the Hydrocarbon Stockpiling Association (HUSA) and MOL, the Hungarian State intended to acquire 51% stake in MMBF Földgáztároló Zrt., owner of the Szőreg-1 strategic gas storage. The remaining 21.46% from the actual 72.46% stake of MOL was intended to be acquired by HUSA, which had only a minority stake in the company. Based on the signed letter of intent, the assets and related liabilities of MMBF were classified as held for sale in the comparative period.

Following already concluded Share Purchase Agreements for the sale of ZMB and MOL-Western Siberia, and as per the definition of IFRS 5, the assets and related liabilities of the above mentioned entities were classified in comparative period as held for sale.

As of 30 June 2013, the following assets and liabilities of MMBF, ZMB and MOL-Western Siberia were classified as held for sale:

	HUF million
Assets	
Intangible assets	1,948
Property, plant and equipment, net	89,302
Deferred tax asset	12,960
Other non-current assets	100
Non-current assets	**104,310**
Inventories	947
Trade receivables, net	214
Other current assets	1,522
Cash and cash equivalent	434
Total current assets	**3,117**
Assets classified as held for sale	**107,427**
Liabilities	
Long-term debt, net of current portion	2
Provisions (long-term)	3,631
Other non-current liabilities	119
Trade and other payables	7,354
Tax payables	459
Provisions (short-term)	86
Liability directly associated with assets classified as held for sale	**11,651**
Net assets directly associated with disposal group	**95,776**

22. Events after the end of the reporting period

No significant event occurred after the end of reporting period.

Main risks of MOL Group

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

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

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

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

Country risks: The internationally extending portfolio requires the proper management of country risk exposures. Country exposures are monitored to enhance the diversification effect in the investment portfolio.

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

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

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

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

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

Outlook on strategic horizon

Our intention is to maintain stable cash flow generation in the short term and increase it in the mid-term. With its roughly 70% contribution, the Upstream Division remained the strongest pillar of the Company. In light of existing organic growth opportunities and the Company's ambition to take attractive inorganic steps, we expect this situation to continue into the coming years. On the other hand, as was proven in 2013, despite a deteriorating refinery environment, we also expect continually improving Downstream results through successful on-going efficiency improvements.

From the current Upstream portfolio, we expect 91-96 mboepd in 2014, while, with gradual growth in the second half of the year, we expect to reach 105-110 mboepd in 2015. In the mid-term, by 2018, we target a 30% increase in Upstream production i.e 125-135 mboepd, with improving unit profitability. Key contributors of production will be the following portfolio elements:

Significant additional production will come from the Kurdistan Region of Iraq. The Shaikan Block is already in production and block production capacity will shortly increase to 40 mboepd, gradually ramping-up production during 2014. In the Akri-Bijeel Block, the 10 mboepd early production facility will deliver its first oil in the first six months of 2014.

The majority of the recently acquired North Sea assets are already in the early development phase. The start of production in the Cladhan field will already add 4-5 mboepd by 2015. Peak production from the total acquired asset portfolio is targeted to reach 16-18 mboepd by 2018.

Even though contribution from our international portfolio will increase, the CEE region will still provide the backbone of our production in the coming years. We are continuing with our aim of keeping production decline within a moderate range i.e. below 5% for the region. Meanwhile, in Croatia, we are intent on increasing production in 2015 due to contributions from some major development projects.

As well as the organic development of its portfolio, MOL is also eyeing inorganic expansion opportunities. Last year was already characterised by a more active portfolio management approach which will continue over the coming years. Recently we locked-in created value in Russia (ZMB, Baitugan), while we announced our strategic entry into the North Sea region. We will continue to assess such growth opportunities and wish to remain active in portfolio development to create a balanced, sizable international one. MOL will make good use of its available financial headroom and look for targets in stable geopolitical environments in new countries as well as new investments in our core regions.

Moving forward, we wish to reach a reserve replacement ratio of over 100% which seems realistic since sizeable reserve bookings will take place in the foreseeable future from the Kurdistan Region of Iraq, Kazakhstan and the North Sea.

In our Downstream business, we expect to operate in a challenging external environment similar to that of 2013 so internal efficiency improvements are of paramount importance.

The goal for 2014 is to achieve a further minimum USD 100mn in improvements meaning that the ultimate target of USD 500-550mn in cost savings and revenue increases compared to 2011 will be reached.

In 2014, our CAPEX expenditure is expected to total USD 1.6-1.9bn, which will be fully covered by operating cash flow. In line with announced strategy, CAPEX spending will be skewed towards Upstream with above 50% being dedicated to that segment. MOL is expected to keep Group CAPEX within the indicated range over the next few years as our international Upstream projects approach the late appraisal and early development phases, particularly projects in the Kurdistani Region of Iraq. At the same time, in Downstream, our petrochemicals growth projects have advanced to the late construction phase. However, in the mid-term, the organic CAPEX needs of Downstream may shrink from the current level.

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

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch. %	Net Sales Revenues [12]	H1 2013 restated	H1 2014	Ch. %
137,277	124,727	153,039	(18)	Upstream	329,891	262,004	(21)
997,052	1,119,169	1,202,320	(7)	Downstream	2,320,707	2,116,221	(9)
83,947	52,602	76,857	(32)	Gas Midstream	208,771	136,549	(35)
38,483	61,864	43,489	42	Corporate and other	80,333	100,347	25
1,256,759	**1,358,362**	**1,475,705**	**(8)**	**Total Net Sales Revenues**	**2,939,702**	**2,615,121**	**(11)**
1,120,881	**1,232,168**	**1,319,993**	**(7)**	**Total External Net Sales Revenues**	**2,613,235**	**2,353,049**	**(10)**

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch. %	EBITDA	H1 2013 restated	H1 2014	Ch. %
91,192	60,598	81,073	(25)	Upstream	185,139	151,790	(18)
24,034	32,683	20,060	63	Downstream	65,540	56,717	(13)
(5,783)	16,184	13,969	16	Gas Midstream	29,281	10,401	(64)
(6,094)	(2,668)	(15,044)	(82)	Corporate and other	(24,295)	(8,762)	(64)
10,846	(7,681)	(9,101)	(16)	Intersegment transfers [14]	(20,374)	3,165	n.a.
114,195	**99,116**	**90,957**	**9**	**Total EBITDA**	**235,291**	**213,311**	**(9)**

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch. %	Depreciation	H1 2013 restated	H1 2014	Ch. %
34,142	31,891	36,920	(14)	Upstream	73,484	66,033	(10)
27,284	26,863	31,377	(14)	Downstream	62,688	54,147	(14)
3,328	3,265	5,480	(40)	Gas Midstream	10,785	6,593	(39)
4,436	4,647	5,396	(14)	Corporate and other	9,844	9,083	(8)
(1,385)	(291)	(878)	(67)	Intersegment transfers [14]	(1,597)	(1,676)	5
67,805	**66,375**	**78,295**	**(15)**	**Total Depreciation**	**155,204**	**134,180**	**(14)**

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch. %	Operating Profit	H1 2013 restated	H1 2014	Ch. %
57,050	28,707	44,153	(35)	Upstream	111,655	85,757	(23)
(3,250)	5,820	(11,317)	n.a.	Downstream	2,852	2,570	(10)
(9,111)	12,919	8,489	52	Gas Midstream [13]	18,496	3,808	(79)
(10,530)	(7,315)	(20,440)	(64)	Corporate and other	(34,139)	(17,845)	(48)
12,231	(7,390)	(8,223)	(10)	Intersegment transfers [14]	(18,777)	4,841	n.a.
46,390	**32,741**	**12,662**	**159**	**Total Operating Profit**	**80,087**	**79,131**	**(1)**

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch. %	EBITDA Excluding Special Items [1]	H1 2013 restated	H1 2014	Ch. %
78,493	60,598	81,073	(25)	Upstream	185,139	139,091	(25)
24,034	29,978	20,060	49	Downstream	62,120	54,012	(13)
22,243	28,625	43,796	(35)	Downstream - clean CCS-based	85.590	50.868	(41)
(5,783)	16,184	13,969	16	Gas Midstream	29,281	10,401	(64)
(6,094)	(2,668)	(15,044)	(82)	Corporate and other	(24,295)	(8,762)	(64)
10,846	(7,681)	(9,101)	(16)	Intersegment transfers [14]	(20,374)	3,165	n.a.
104,553	**95,058**	**114,693**	**(17)**	**Total - clean CCS-based**	**255,341**	**199,611**	**(22)**
101,496	**96,411**	**90,957**	**6**	**Total EBITDA Excluding Special Items**	**231,871**	**197,907**	**(15)**

Q1 2014	Q2 2014 restated	Q2 2013	YoY Ch. %	Operating Profit Excluding Special Items [1]	H1 2013 restated	H1 2014	Ch. %
44,351	28,707	44,153	(35)	Upstream	111,655	73,058	(35)
(3,250)	3,115	(11,317)	n.a.	Downstream	(568)	(135)	(76)
(9,111)	12,919	8,489	52	Gas Midstream	18,496	3,808	(79)
(10,530)	(7,315)	(20,440)	(64)	Corporate and other	(34,139)	(17,845)	(48)
12,231	(7,390)	(8,223)	(10)	Intersegment transfers [14]	(18,777)	4,841	n.a.
33,691	**30,036**	**12,662**	**137**	**Total Operating Profit Excluding Special Items**	**76,667**	**63,727**	**(17)**

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch. %	Capital Expenditures	H1 2013 restated	H1 2014	Ch. %
130,097	49,771	34,275	45	Upstream	55,917	179,869	222
16,235	46,309	20,885	122	Downstream	28,555	62,544	119
75	344	171	101	Gas Midstream	342	418	22
903	3,783	3,098	22	Corporate	4,292	4,686	9
(418)	(492)	-	n.a.	Intersegment	-	- 910	n.a.
146,8926	**99,715**	**58,429**	**71**	**Total**	**89,106**	**246,607**	**177**

Tangible Assets	30/06/2013 restated	30/06/2014	Ch. %
Upstream	914,753	943,839	3
Downstream	1,174,778	1,081,219	(8)
Gas Midstream	244,307	238,426	(2)
Corporate and other	141,855	133,844	(6)
Intersegment transfers	(5,093)	(7,969)	56
Total Tangible Assets	**2,470,600**	**2,389,359**	**(3)**

Special items of operating profit and EBITDA are detailed in Appendix II. and IV.
(12) (13) (14) Please see Appendix X.

APPENDIX II

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

Q1 2014	Q2 2014	Q2 2013 restated	MOL GROUP	H1 2013 restated	H1 2014
33,691	**30,036**	**12,662**	**OPERATING PROFIT EXCLUDING SPECIAL ITEMS**	**76,667**	**63,727**
12,699	**-**	**-**	**UPSTREAM**	**-**	**12,699**
12,699	-	-	Gain on divestiture of Baitex	-	12,699
-	**2,705**	**-**	**DOWNSTREAM**	**3,420**	**2,705**
-	-	-	Gain on sale of surplus state reserves of Slovnaft Polska	3,420	-
-	2,705	-	Compensation for damages by CMEPS s.r.o.	-	2,705
12,699	**2,705**	**-**	**TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT**	**3,420**	**15,404**
46,390	**32,741**	**12,662**	**OPERATING PROFIT**	**80,087**	**79,131**

Q1 2014	Q2 2014	Q2 2013 restated	MOL GROUP	H1 2013 restated	H1 2014
101,496	**96,411**	**90,957**	**EBITDA EXCLUDING SPECIAL ITEMS**	**231,871**	**197,907**
12,699	**-**	**-**	**UPSTREAM**	**-**	**12,699**
12,699	-	-	Gain on divestiture of Baitex	-	12,699
-	**2,705**	**-**	**DOWNSTREAM**	**3,420**	**2,705**
-	-	-	Gain on sale of surplus state reserves of Slovnaft Polska	3,420	-
-	2,705	-	Compensation for damages by CMEPS s.r.o.	-	2,705
12,699	**2,705**	**-**	**TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA**	**3,420**	**15,404**
114,195	**99,116**	**90,957**	**EBITDA**	**235,291**	**213,311**

* In Q2 2013 one special item affects financial income as well, see Note 7 from Interim condensed consolidated financial statements.

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

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch. %	Net Sales Revenues [12]	H1 2013 restated	H1 2014	Ch. %
611	559	676	(17)	Upstream	1,463	1,170	(20)
4,436	5,017	5,311	(6)	Downstream	10,291	9,453	(8)
374	236	339	(30)	Gas Midstream	926	610	(34)
171	277	192	44	Corporate and other	356	448	26
5,592	**6,089**	**6,518**	**(7)**	**Total Net Sales Revenues**	**13,036**	**11,681**	**(10)**
4,987	**5,523**	**5,830**	**(5)**	**Total External Net Sales Revenues**	**11,589**	**10,510**	**(9)**

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch. %	EBITDA	H1 2013 restated	H1 2014	Ch. %
406	272	358	(24)	Upstream	821	677	(18)
107	146	89	64	Downstream	291	253	(13)
(26)	73	62	18	Gas Midstream	130	47	(64)
(27)	(13)	(66)	(80)	Corporate and other	(108)	(39)	(64)
48	(34)	(41)	(17)	Intersegment transfers [14]	(91)	14	n.a.
508	**444**	**402**	**11**	**Total EBITDA**	**1,043**	**952**	**(9)**

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch. %	Depreciation	H1 2013 restated	H1 2014	Ch. %
152	143	163	(12)	Upstream	326	295	(10)
122	120	139	(14)	Downstream	278	242	(13)
14	15	25	(40)	Gas Midstream	48	29	(40)
20	20	24	(17)	Corporate and other	43	40	(7)
(6)	(1)	(5)	(80)	Intersegment transfers [14]	(7)	(7)	-
302	**297**	**346**	**(14)**	**Total Depreciation**	**688**	**599**	**(13)**

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch. %	Operating Profit	H1 2013 restated	H1 2014	Ch. %
254	129	195	(34)	Upstream	495	382	(23)
(15)	26	(50)	n.a.	Downstream	13	11	(15)
(40)	58	37	57	Gas Midstream [13]	82	18	(78)
(47)	(33)	(90)	(63)	Corporate and other	(151)	(79)	(48)
54	(33)	(36)	(8)	Intersegment transfers [14]	(84)	21	n.a.
206	**147**	**56**	**163**	**Total Operating Profit**	**355**	**353**	**(1)**

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch. %	EBITDA Excluding Special Items [1]	H1 2013 restated	H1 2014	Ch. %
349	272	358	(24)	Upstream	821	621	(24)
107	134	89	51	Downstream	275	241	(12)
99	128	194	(34)	Downstream - clean CCS-based	379	227	(40)
(26)	73	62	18	Gas Midstream	130	47	(64)
(27)	(12)	(66)	(82)	Corporate and other	(108)	(39)	(64)
49	(35)	(41)	(15)	Intersegment transfers [14]	(90)	14	n.a.
465	**426**	**507**	**(16)**	**Total - clean CCS-based**	**1132**	**892**	**(21)**
452	**432**	**402**	**8**	**Total EBITDA Excluding Special Items**	**1,028**	**884**	**(14)**

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch. %	Operating Profit Excluding Special Items [1]	H1 2013 restated	H1 2014	Ch. %
197	129	195	(34)	Upstream	495	326	(34)
(15)	14	(50)	n.a.	Downstream	(3)	(1)	(67)
(40)	58	37	57	Gas Midstream	82	18	(78)
(47)	(32)	(90)	(64)	Corporate and other	(151)	(79)	(48)
55	(34)	(36)	(6)	Intersegment transfers [14]	(83)	21	n.a.
150	**135**	**56**	**141**	**Total Operating Profit Excluding Special Items**	**340**	**285**	**(16)**

Q1 2014	Q2 2014	Q2 2013 restated	YoY Ch. %	Capital Expenditures	H1 2013 restated	H1 2014	Ch. %
579	222	151	47	Upstream	248	801	223
72	207	89	131	Downstream	129	279	115
-	2	1	147	Gas	2	2	- 23
4	17	14	23	Corporate	19	21	10
(2)	(2)	-	n.a.	Intersegment	-	(4)	n.a.
654	**445**	**255**	**74**	**Total**	**395**	**1099**	**178**

Tangible Assets	30/06/2013 restated	30/06/2014	Ch. %
Upstream	4,044	4,156	3
Downstream	5,194	4,761	(8)
Gas Midstream	1,080	1,050	(3)
Corporate and other	627	589	(6)
Intersegment transfers	(23)	(35)	52
Total Tangible Assets	**10,922**	**10,521**	**(4)**

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

APPENDIX IV

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

Q1 2014	Q2 2014	Q2 2013 restated	MOL GROUP	H1 2013 restated	H1 2014
150	**135**	**56**	**OPERATING PROFIT EXCLUDING SPECIAL ITEMS**	**340**	**285**
56.3	**-**	**-**	**UPSTREAM**	**-**	**56.3**
56.3	-	-	Gain on divestiture of Baitex	-	56.3
-	**12.0**	**-**	**DOWNSTREAM**	**15.2**	**12.0**
-	-	-	Gain on sale of surplus state reserves of Slovnaft Polska	15.2	-
-	12.0	-	Compensation for damages by CMEPS s.r.o.	-	12.0
56.3	**12.0**	**-**	**TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT**	**15.2**	**68.3**
206	**147**	**56**	**OPERATING PROFIT**	**355**	**353**

Q1 2014	Q2 2014	Q2 2013 restated	MOL GROUP	H1 2013 restated	H1 2014
452	**432**	**402**	**EBITDA EXCLUDING SPECIAL ITEMS**	**1,028**	**884**
56.3	**-**	**-**	**UPSTREAM**	**-**	**56.3**
56.3	-	-	Gain on divestiture of Baitex	-	56.3
-	**12.0**	**-**	**DOWNSTREAM**	**15.2**	**12.0**
-	-	-	Gain on sale of surplus state reserves of Slovnaft Polska	15.2	-
-	12.0	-	Compensation for damages by CMEPS s.r.o.	-	12.0
56.3	**12.0**	**-**	**TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA**	**15.2**	**68.3**
508	**444**	**402**	**EBITDA**	**1,043**	**952**

* In Q2 2013 one special item affects financial income as well, see Note 7 from Interim condensed consolidated financial statements.

APPENDIX V
SEGMENT'S OPERATING DATA

UPSTREAM – STATUS OF EXPLORATION & APPRAISAL WELLS

Exploration and appraisal wells	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Progress	Comment / Test result
KURDISTAN REGION OF IRAQ						
Bijell-4					drilling	Spud in 1st of December 2013, depth at end of June 2014 was 3,435m.
Bijell-2					drilling	Well was spud on 13th of March 2013, planned TD is 5,330m. Depth at end of June 2014 was 4,965 m, setting 9 5/8" casing is completed.
Bijell-6					drilling	Drilling started on 16th of March 2014, depth at end of June was 3,700 m.
Bakrman-2					drilling	Spud on 7th of April 2014, depth at end of June was 3,018m
Shaikan-7					testing	Spud date was 16th of June 2013, drilling finished on 12 June 2014 at 2,619m. Well test started on 18 June 2014.
PAKISTAN						
Ghauri X-1					tested, successful	Drilling of first exploration well (Ghauri X-1) started on 5 November 2013. Planned TD 4,250m. Drilling of the well has been finished at total depth of 3,990 m end February 2013. Well Testing (DST) operations proved Oil discovery.
Malgin-1					drilling	Malgin-1 exploratory well was spud on 28th February, with planned final T.D at 5,133m. Actual depth was 4,760m at the end of June.
Kot-1					tested, suspended	Drilling of Kot-1 exploration well started on 26 May 2013. Planned TD 5,488m. The drilling has been finished on 22 November , reaching its final depth at 5,648m within Datta Formation. Testing was finished in February 2014, with only minor, non-commercial HC flows.
Margala-North-1					drilling	Margala-North-1 well was spud on 18th June. Planned TD at 4,000m. Current drilling depth is 520m at the end of June.
RUSSIA						
Prikoltogorskaya-127					tested, suspended	Well test was carried out in February 2014. Well is preserved. Side tracking drilling is planned for 2015.
Zapadno-Kedrovskaya-121					drilling	Drilling ongoing planned TD at 2,970m. Current depth is 2,443m at end of June
Verkhne-Koltogorskaya-125					drilling	Drilling ongoing planned TD at 3.080m. Current depth is 3,075m at end of June
Kedrovskaya-105					tested, suspended	Well test was finished in March 2014, with testing of Achimov layer. Well is preserved.
Verkhne-Laryoganskaya-201					tested, suspended	Well test was carried out in February-March 2014, with positive results. Well is preserved.
Novomatjushkinskaya-103					preparation for drilling	Drilling equipment mobilisation was finished. Rig-up is in progress. Done: 55%. Drilling expected to start in the second half of July.
KAZAKHSTAN						
Rhozkovsky U-24					tested, successful	Spud date: 25 June 2013. Drilling finished in 2013, test started on 20th of February, finished in May. Significant HC saturation found in Tournasian reservoir.
SK-1					testing	Drilling of SK-1 well started on 21st September 2012. Final depth was reached at 5,723m on 23rd September 2013. Well test started on 25th December 2013. Expected finish: Q3 2014.
SK-2					drilling	Spud date: 1st July 2013. The drilling finished on 3 July at 5,254 m. Well test expected in Q3.

Exploration and appraisal wells	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Progress	Comment / Test result
HUNGARY						
Vízvár-D-1					tested, unsuccessful	Drilling started in Q4 2013. Completed in January 2014. Dry.
Hbag-K-1					tested, successful	Succesful, gas discovery.
Tompu-1					waiting for test	First test in Q4 2013, testing did not fully completed, further testing expected after an another well (Tompu-2) results.
Tompu-2					waiting for test	Drilling completed in Q2. Waiting for well test.
Bem-D-1					waiting for test	Drilling completed in Q2. Waiting for well test.
Beru-4 / unconventional					under testing	Drilled, stimulation program completed, long pilot production is ongoing.Gas production rate has stabilized at the level of 10-12 000 m3/d. Retest of well will start on stabilised well flow condition in the summer of 2014.
Beru-6 / unconventional					waiting for test	Drilling completed, conventional test completed, waiting for well stimulation by the end of 2014.
CROATIA						
Hrastilnica - 4					tested, successful	Spud in was on 27th November 2013. Drilling finalized on 3rd February 2014, TD at 2,600 m. Well test started on 22nd April and finished on 18th June 2014.
Iva -2 Du					testing	Well is drilled (spud in on 10th August 2013, drilling finished on 30th October 2013). Total depth is 2,883m. Well Test was performed in period from March 6th till April 20th 2014, but test results will be affirmed with fracturing activities, so the well is waiting for further testing/fracturing. The well is prepared for fracturing in September, 2014.
EGYPT						
Rawda Central-1					testing	Spud in on 10th April 2014, rig released on 3rd June 2014. Well is drilled to TD of 3,338m. Fracturing and testing with workover rig are in progress.

drilling	test	drilling and test in the same period

DOWNSTREAM - KEY SEGMENTAL OPERATING DATA

Refining and Marketing

Q1 2014	Q2 2014	Q2 2013	YoY Ch. %	External refined product sales by product (kt)	H1 2013	H1 2014	Ch. %
105	111	145	(23)	LPG [16]	289	216	(25)
0	0	7	(100)	Naphtha	16	0	(100)
799	899	1,021	(12)	Motor gasoline	1,941	1,698	(13)
1,997	2,252	2,389	(6)	Diesel	4,406	4,249	(4)
186	160	178	(10)	Heating oils	408	346	(15)
55	94	104	(10)	Kerosene	166	149	(10)
139	134	208	(36)	Fuel oil	392	273	(30)
93	217	356	(39)	Bitumen	482	310	(36)
308	294	199	48	Other products	511	602	18
3,682	**4,161**	**4,607**	**(10)**	**Total refined products**	**8,611**	**7,843**	**(9)**
748	879	892	(1)	o/w Retail segment sales	1,607	1,627	1
527	492	465	6	Petrochemical feedstock transfer	986	1,019	3

Q1 2014	Q2 2014	Q2 2013	YoY Ch. %	Refinery processing (kt)	H1 2013	H1 2014	Ch. %
207	143	274	(48)	Own produced crude oil	441	350	(21)
3,054	3,304	3,749	(12)	Imported crude oil	7,704	6,358	(17)
65	24	58	(59)	Condensates	109	89	(18)
861	632	818	(23)	Other feedstock	1,606	1,493	(7)
4,187	**4,103**	**4,899**	**(16)**	**Total refinery throughput**	**9,860**	**8,290**	**(16)**
356	521	277	88	Purchased and sold products	454	877	93

Q1 2014	Q2 2014	Q2 2013	YoY Ch. %	Refinery production (kt)	H1 2013	H1 2014	Ch. %
98	112	129	(13)	LPG [16]	254	210	(17)
359	319	328	(3)	Naphtha	722	678	(6)
742	748	923	(19)	Motor gasoline	1,844	1,490	(19)
1,855	1,734	2,155	(20)	Diesel and heating oil	4,327	3,589	(17)
65	91	95	(4)	Kerosene	171	156	(9)
192	135	227	(41)	Fuel oil	447	327	(27)
71	168	297	(43)	Bitumen	465	239	(49)
358	392	295	33	Other products	703	750	7
3,740	**3,699**	**4,449**	**(17)**	**Total**	**8,933**	**7,439**	**(17)**
20	20	27	(26)	Refinery loss	54	40	(26)
427	384	423	(9)	Own consumption	873	811	(7)
4,187	**4,103**	**4,899**	**(16)**	**Total refinery throughput**	**9,860**	**8,290**	**(16)**

[16] *Please see Appendix XVI.*

Q1 2014	Q2 2014	Q2 2013	Refinery processing yield	H1 2013	H1 2014
5%	3%	6%	Own produced crude oil	4%	4%
73%	81%	77%	Imported crude oil	78%	77%
2%	1%	1%	Condensates	1%	1%
20%	15%	16%	Other feedstock	17%	18%
100%	**100%**	100%	**Total refinery throughput**	100%	**100%**
9%	13%	6%	Purchased and sold products	5%	11%

Q1 2014	Q2 2014	Q2 2013	Refinery processing yield	H1 2013	H1 2014
2%	3%	3%	LPG [16]	3%	3%
9%	8%	7%	Naphtha	7%	8%
18%	18%	19%	Motor gasoline	19%	18%
44%	42%	44%	Diesel and heating oil	44%	43%
2%	2%	2%	Kerosene	2%	2%
5%	3%	5%	Fuel oil	5%	4%
2%	4%	6%	Bitumen	5%	3%
7%	10%	5%	Other products	6%	9%
89%	**90%**	**91%**	**Total**	**91%**	**90%**
0%	0%	1%	Refinery loss	1%	0%
11%	10%	8%	Own consumption	8%	10%
100%	**100%**	**100%**	**Total refinery throughput**	**100%**	**100%**

Retail

Q1 2014	Q2 2014	Q2 2013	YoY Ch. %	Refined product retail sales (kt)	H1 2013	H1 2014	Ch. %
233	274	287	(4)	Motor gasoline	517	507	(2)
497	585	584	0	Gas and heating oils	1,051	1,082	3
18	20	21	(5)	Other products	40	38	(5)
748	**879**	**892**	**(1)**	**Total oil product retail sales**	**1,607**	**1,627**	**1**

Q1 2014	Q2 2014	Q2 2013	YoY Ch. %	Refined product retail sales (kt) Gasoline	H1 2013	H1 2014	Ch. %
62	75	72	4	Hungary	129	138	7
30	35	35	0	Slovakia	65	66	2
69	84	92	(9)	Croatia	163	153	(6)
29	32	34	(6)	Romania	61	61	0
43	48	54	(11)	Other	99	89	(10)
233	**274**	**287**	**(5)**	**Total gasoline product retail sales**	**517**	**507**	**(2)**

Q1 2014	Q2 2014	Q2 2013	YoY Ch. %	Refined product retail sales (kt) Diesel	H1 2013	H1 2014	Ch. %
118	138	130	6	Hungary	236	256	8
65	76	70	9	Slovakia	129	141	9
138	181	183	(1)	Croatia	316	318	1
83	89	94	(5)	Romania	171	172	1
93	101	107	(6)	Other	199	195	(2)
497	**585**	**584**	**0**	**Total diesel product retail sales**	**1,051**	**1,082**	**3**

MOL Group filling stations	30 June 2013	31 Dec 2013	30 June 2014
Hungary	360	366	365
Croatia	435	435	435
Italy	208	196	203
Slovakia	212	212	212
Romania	138	147	152
Bosnia and Herzegovina	108	104	105
Austria	76	75*	62
Serbia	34	38	39
Czech Republic	149	149	148
Slovenia	38	38	39
Montenegro	1	1	1
Total	**1,759**	**1,761**	**1,761**

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

Petrochemicals

Q1 2014	Q2 2014	Q2 2013	YoY Ch. %	Petrochemical sales by product group (kt)	H1 2013	H1 2014	Ch. %
49	48	90	(47)	Olefin products	160	97	(39)
236	228	254	(10)	Polymer products	488	464	(5)
285	**276**	**344**	**(20)**	**Total**	**648**	**561**	**(13)**
131	128	101	26	Olefin products sales within MOL Group	227	259	14

Q1 2014	Q2 2014	Q2 2013	YoY Ch. %	Petrochemical production (kt)	H1 2013	H1 2014	Ch. %
171	162	159	2	Ethylene	327	333	2
85	79	81	(2)	Propylene	167	164	(2)
153	143	152	(6)	Other products	298	296	(1)
409	**384**	**392**	(2)	**Total olefin**	**792**	**793**	0
44	42	28	50	LDPE	64	86	34
85	76	90	(16)	HDPE	181	161	(11)
115	102	105	(3)	PP	224	217	(3)
244	**220**	**223**	(1)	**Total polymers**	**469**	**464**	(1)

Q1 2014	Q2 2014	Q2 2013	Polymer products ratio	H1 2013	H1 2014
18%	19%	13%	LDPE	14%	19%
35%	35%	40%	HDPE	39%	35%
47%	46%	47%	PP	47%	46%
100%	**100%**	**100%**	**Total polymers**	**100%**	**100%**

APPENDIX VI
MAIN EXTERNAL PARAMETERS

Q1 2014	Q2 2014	Q2 2013	YoY Ch. %		H1 2013	H1 2014	Ch. %
108.2	109.6	102.4	7	Brent dated (USD/bbl)	107.5	108.9	1
106.8	108.0	102.4	6	Ural Blend (USD/bbl) [17]	106.7	107.4	1
1.08	1.82	0.50	264	Brent Ural spread (USD/bbl) [20]	0.99	1.45	46
959	1,021	958	7	Premium unleaded gasoline 10 ppm (USD/t) [18]	999	990	(1)
925	922	889	4	Gas oil – ULSD 10 ppm (USD/t) [18]	932	923	(1)
885	916	804	14	Naphtha (USD/t) [19]	858	901	5
572	575	574	-	Fuel oil 3.5 (USD/t) [19]	591	573	(3)
141	191	183	4	Crack spread – premium unleaded (USD/t) [18]	186	166	(11)
106	93	115	(19)	Crack spread – gas oil (USD/t) [18]	119	99	(16)
67	87	29	199	Crack spread – naphtha (USD/t) [19]	45	77	70
(247)	(254)	(201)	27	Crack spread – fuel oil 3.5 (USD/t) [19]	(222)	(251)	(13)
6.9	12.9	12.5	3	Crack spread – premium unleaded (USD/bbl) [18]	12.5	9.9	(21)
15.9	14.1	17.0	(17)	Crack spread – gas oil (USD/bbl) [18]	17.6	15.0	(15)
(8.7)	(6.7)	(12.1)	(45)	Crack spread – naphtha (USD/bbl) [19]	(11.0)	(7.7)	(30)
(17.9)	(18.8)	(11.7)	60	Crack spread – fuel oil 3.5 (USD/bbl) [19]	(14.1)	(18.3)	(30)
1,200	1,165	1,200	(3)	Ethylene (EUR/t)	1,246	1,186	(5)
300	291	315	(8)	Integrated petrochemical margin (EUR/t) [21]	302	295	(2)
224.7	223.1	226.4	(1)	HUF/USD average	225.5	223.9	(1)
307.9	305.9	295.7	3	HUF/EUR average	296.1	306.9	4
40.25	40.26	39.14	3	HUF/HRK average	39.11	40.25	3
5.58	5.54	5.79	(4)	HRK/USD average	5.77	5.56	(4)
0.24	0.23	0.28	(19)	3m USD LIBOR (%)	0.28	0.23	(17)
0.30	0.30	0.21	42	3m EURIBOR (%)	0.21	0.30	41
2.82	2.54	4.57	(44)	3m BUBOR (%)	5.00	2.68	(46)

[17] [18] [19 [20] Please see Appendix X.

Q1 2014	Q2 2014	Q2 2013	YoY Ch. %		H1 2013	H1 2014	Ch. %
223.4	227.1	226.2	-	HUF/USD closing	226.2	227.1	-
307.1	310.2	295.2	5	HUF/EUR closing	295.2	310.2	5
40.17	40.96	39.63	3	HUF/HRK closing	39.63	40.96	3
5.56	5.55	5.72	(3)	HRK/USD closing	5.72	5.55	(3)
12,550	12,100	16,950	(29)	MOL share price closing (HUF)	16,950	12,100	(29)

APPENDIX VII
REGULATED INFORMATION IN 2014

Announcement date	
02 January 2014	Number of voting rights at MOL Plc.
09 January 2014	Commencement of Shaikan crude oil exports
14 January 2014	Closing of MMBF sale transaction
03 February 2014	Number of voting rights at MOL Plc.
20 February 2014	MOL divests a 49% share of BaiTex LLC to Turkish Petroleum Corporation
25 February 2014	Publication of MOL Group Exploration & Production Update 2014 report and the update of the investor presentation
25 February 2014	2013 fourth quarter and annual result of MOL Group
28 February 2014	INA will be obliged to sell gas covering household supply at regulated price
03 March 2014	Number of voting rights at MOL Plc.
04 March 2014	Share purchase of MOL manager
13 March 2014	Early production has started from Bijell Field on the Akri-Bijeel Block, accelerated work program on-track
13 March 2014	MOL Pakistan enhances production from TAL Block by 20% with improving liquid to gas ratio
20 March 2014	Annual General meeting
20 March 2014	Remuneration paid in 2013 to the members of MOL Plc. Board of Directors after the 2012 business year and to the members of the Supervisory Board after the 2013 business year as cash and non-cash benefit
25 March 2014	MOL successfully closed its North Sea acquisition
31 March 2014	Number of voting rights at MOL Plc.
01 April 2014	Closing of the 49% BaiTex LLC divestment
02 April 2014	MOL published the documents for the Annual General Meeting of MOL Plc. to be held on 24 April 2014...
10 April 2014	Extension of credit facility agreement
14 April 2014	Shareholder's resolution proposal to Agenda Item No. 5 („Election of member of the Board of Directors") of the Annual General Meeting of MOL Plc. to be held on 24 April 2014
24 April 2014	Resolutions of the Annual General Meeting of MOL held on 24th April 2014
24 April 2014	MOL Group Corporate Governance Report in accordance with Budapest Stock Exchange Corporate Governance Recommendations
24 April 2014	Annual Report of MOL for the business year 2013
30 April 2014	Number of voting rights at MOL Plc.
7 May 2014	MOL Group and eni Group agreed on the sale of eni subsidiaries in the Czech Republic, Slovakia and Romania, including 208 service stations
08 May 2014	MOL Group 2014. I. Quarter Interim management report
08 May 2014	Share distribution for the members of the Board of Directors
12 May 2014	MOL Plc. announcement regarding the distribution of dividend for financial year of 2013
23 May 2014	MOL pay HUF 590.10 dividend per share
23 May 2014	Change in treasury shares of MOL
26 May 2014	MOL announces a new discovery in the Fedorovsky Block, Kazakhstan
27 May 2014	Amendment of the strike price under the share option agreement effective between MOL and Credit Agricole Corporate and Investment Bank
02 June 2014	Number of voting rights at MOL Plc
02 June 2014	Change in treasury shares of MOL
05 June 2014	Amendment of strike price under the share option agreement between MOL and ING Bank N.V.
06 June 2014	Amendment of the strike price under the share option agreement effective between MOL and UniCredit Bank A.G.
10 June 2014	Significant oil discovery in Ghauri Block, Pakistan
12 June 2014	Catcher area Field Development Plan approved
23 June 2014	MOL signed new hydrocarbon and geothermal concession contracts in Hungary
26 June 2014	Share purchase of MOL manager
27 June 2014	Share purchase of MOL manager
30 June 2014	MOL extends its upstream portfolio in the Central North Sea
30 June 2014	Number of voting rights at MOL Plc
04 July 2014	Start of gas production on the Izabela field in the Adriatic Sea

APPENDIX VIII
SHAREHOLDER STRUCTURE (%)

Shareholder groups	30 Sep 2012	31 Dec 2012	31 Mar 2013	30 Jun 2013	30 Sep 2013	31 Dec 2013	31 Marc 2014	30 June 2014
Foreign investors (mainly institutional)	26.1	26.2	27.4	27.2	27.3	26.3	25.3	25.1
Hungarian State (MNV Zrt.. Pension Reform and Debt Reduction Fund)	24.6	24.6	24.6	24.6	24.6	24.7	24.7	24.7
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.	5.4	5.4	5.4	5.4	5.4	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	1.4	1.4	1.4	1.4	1.4	1.4
UniCredit Bank AG	3.4	3.4	3.9	3.9	3.9	3.9	3.9	3.9
Credit Agricole	0.0	0.0	0.0	0.0	0.0	2.0	2.0	2.0
Domestic institutional investors	1.9	1.8	1.9	1.8	1.8	2.1	2.4	2.4
Domestic private investors	2.6	2.6	2.8	3.0	3.0	3.6	4.3	4.5
MOL Plc. (treasury shares)	4.9	4.9	4.4	4.4	4.4	2.4	2.4	2.4

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

According to the registration requests to the Share Register and the shareholders notifications, six shareholder groups had more than 5% voting rights in MOL Plc. on 30 June 2014. Hungarian State having 24.7%, CEZ MH B.V. having 7.3%, OmanOil (Budapest) Limited having 7.0%, Magnolia Finance Limited having 5.7%, OTP Bank Plc. having 5.4%, 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 IX
CHANGES IN ORGANISATION AND SENIOR MANAGEMENT

The Annual General Meeting on 24 April 2014 made the following resolutions:

- re-elected Dr. Sándor Csányi to be a member of the Board of Directors of MOL Plc. from 30 April 2014 to 29 April 2019.
- elected Dr. Anwar al-Kharusi and Dr. Anthony Radev to be a member of the Board of Directors of MOL Plc. from 30 April 2014 to 29 April 2019.
- elected Dr. János Martonyi to be a member of the Board of Directors of MOL Plc. from 1 July 2014 to 29 April 2019.

Dr. Gábor Horváth's, Dr. Miklós Dobák's and Mr. Iain Paterson's mandate expired, while Mr. Mulham Al-Jarf resigned from his position as a member of the Board of Directors.

APPENDIX X
FOOTNOTE COLLECTION

Number of footnote	
(1)	Special items affected operating profit and EBITDA is detailed *in* Appendix II. and IV.
(2)	As of Q2 2013 our applied clean CCS methodology eliminates from EBITDA / operating profit inventory holding gain / loss (i.e.: reflecting actual cost of supply of crude oil and other major raw materials); impairment on inventories; FX gains / losses on debtors and creditors; furthermore adjusts EBITDA / operating profit by capturing the results of underlying hedge transactions. Clean CCS figures of the base periods were modified as well according to the improved methodology.
(3)	Profit for the period attributable to equity holders of the parent
(4)	In converting HUF financial data into USD the following average NBH rates were used: for H1 2013: 225.5 HUF/USD, for Q2 2013: 226.4 HUF/USD. The 2014 figures have been calculated by converting the results of each month in the period on its actual monthly average HUF/USD rate.
(5)	Excluding crude and condensate production from 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)	Basic earnings per share are calculated by decreasing the net profit for the period attributable to ordinary shareholders with the coupon paid to the owners of Perpetual Exchangeable Capital Securities and divided by the weighted average number of ordinary shares outstanding during the period. 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: 88,509 and 94,516 for Q2 2013; 88,382 mn and 94,389 mn for H1 2013; 90,653 and 96,660 for Q2 2014; 90,645 mn and 96,652 mn for H1 2014, respectively.
(11)	Compared to HAS registered share capital in IFRS does not include issued MOL shares owned by ING, Unicredit and CA-CIB (treated as a financial liability due to the connecting option structure) or lent to third parties and is decreased by the face value of treasury shares and shares owned by Magnolia.
(12)	Net external sales revenues and operating profit includes the profit arising both from sales to third parties and transfers to the other business segments. Upstream transfers domestically produced crude oil, condensates and LPG to Downstream and natural gas to the Gas Midstream segment. The internal transfer prices used are based on prevailing market prices. The gas transfer price equals the average import price. Divisional figures contain the results of the fully consolidated subsidiaries engaged in the respective divisions.
(13)	Gas Midstream segment operating profit, in addition to subsidiary results, includes segment level consolidation effects.
(14)	This line shows the effect on operating profit of the change in the amount of unrealised profit deferred in respect of transfers between segments. Unrealised profits arise where the item transferred is held in inventory by the receiving segment and a third party sale takes place only in a subsequent quarter. For segmental reporting purposes the transferor segment records a profit immediately at the point of transfer. However, at the company level profit is only reported when the related third party sale has taken place. Unrealised profits arise principally in

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

Undersigned, authorized representatives of MOL Hungarian Oil and Gas Public Limited Company (MOL Plc.) the issuer of MOL ordinary shares, hereby declare that MOL Plc. takes full responsibility for the announced 2014 second quarter and first half year results of MOL Group, which has been prepared to the best of our knowledge in accordance with the applicable financial reporting standards, and give a true and fair view of the assets, liabilities, financial position, and profit of MOL Plc. and its subsidiaries and presents a fair review of the position, development and performance of MOL Plc. and its subsidiaries together with a description of principal risks and uncertainties.

Budapest, 31 July, 2014

Simola József	Dr. Berislav Gaso
Chief Financial Officer	Senior Vice-President
	Of Group Controlling and Reporting