MOL GROUP

2017 HALF-YEAR REPORT

2017 HALF-YEAR REPORT OF MOL GROUP

Introduction

General information

MOL Hungarian Oil and Gas Plc. (Reuters: MOLB.BU, MOLBq.L, Bloomberg: MOL HB, MOL LI; website: www.molgroup.info), today announced its 2017 half-year report. This report contains consolidated, unaudited financial statements for the six month period ended 30 June 2017 as prepared by the management in accordance with International Financial Reporting Standards.

Contents

MOL GROUP FINANCIAL RESULTS

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	(IFRS), in HUF billion	H1 2017	H1 2016 Restated	Ch %
955.3	1,008.4	910.3	11	Net sales revenues	1,963.7	1,607.6	22
191.1	178.2	179.9	(1)	EBITDA	369.4	307.6	20
191.1	**173.6**	**179.9**	**(4)**	**EBITDA excl. special items(1)**	**364.7**	**307.6**	**19**
178.1	**192.7**	**158.5**	**22**	**Clean CCS-based EBITDA (1) (2) (10)**	**370.8**	**302.0**	**23**
120.0	106.4	101.1	5	Profit from operation	226.4	157.6	44
120.0	**101.8**	**101.1**	**1**	**Profit from operation excl. special items(1)**	**221.8**	**157.6**	**41**
106.9	**120.9**	**79.7**	**52**	**Clean CCS-based operating profit (1) (2) (10)**	**227.9**	**152.0**	**50**
(3.7)	5.2	(10.6)	n.a.	Net financial gain / (expenses)	1.6	(11.2)	n.a.
93.9	**88.8**	**79.1**	**12**	**Net profit attributable to equity holders of the parent**	**182.7**	**152.7**	**20**
170.8	149.3	151.6	(1)	Operating cash flow before ch. in working capital	320.1	258.4	24
39.9	210.5	132.7	59	Operating cash flow	250.4	206.4	21
				EARNINGS PER SHARE			
1,066.9	1,011.2	860.3	18	Basic EPS, HUF	2,078.0	1,639.5	27
1,066.9	958.7	860.3	11	Basic EPS excl. special items, HUF	2,025.6	1,639.5	24
				INDEBTEDNESS			
0.88	0.75	1.09	-	Simplified Net debt/EBITDA	0.75	1.09	-
24.1%	21.0%	27.9%	-	Net gearing(17)	21.0%	27.9%	-

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	(IFRS), in USD million	H1 2017	H1 2016 Restated	Ch %
3,291	3,579	3,280	9	Net sales revenues(3)	6,870	5,745	20
659	631	648	(3)	EBITDA(3)	1,290	1,100	17
659	**614**	**648**	**(5)**	**EBITDA excl. special items(1) (3)**	**1,273**	**1,100**	**16**
614	**684**	**571**	**20**	**Clean CCS-based EBITDA (1) (2) (3) (10)**	**1,297**	**1,078**	**20**
413	376	364	3	Profit from operation(3)	790	564	40
413	**359**	**364**	**(1)**	**Profit from operation excl. special items(1) (3)**	**773**	**564**	**37**
368	**429**	**287**	**49**	**Clean CCS-based operating profit (1) (2) (3) (10)**	**797**	**542**	**47**
(13)	20	(38)	n.a.	Net financial gain / (expenses) (3)	7	(40)	n.a.
323	**316**	**285**	**11**	**Net profit attributable to equity holders of the parent(3)**	**639**	**547**	**17**
588	529	546	(3)	Operating cash flow before ch. in working capital(3)	1,117	924	21
138	753	480	57	Operating cash flow(3)	891	741	20
				EARNINGS PER SHARE			
3.7	3.6	3.1	16	Basic EPS, USD	7.3	5.9	22
3.7	3.4	3.1	10	Basic EPS excl. special items, USD	7.1	5.9	21

(1) Special items of operating profit, EBITDA are detailed in Appendix II. and IV.
(2) (3) (10) (17) Please see Appendix XI.

Financial highlights

- Clean CCS EBITDA rose 20% to USD 684mn in Q2 2017, bringing H1 EBITDA to USD 1.3bn, also 20% higher year-on-year. All operating segments increased their earnings contribution in H1.
- Simplified free cash flow jumped to USD 940mn in H1 2017, up by 42%, as organic capex was USD 357mn in the period.
- Clean CCS EBITDA guidance for full-year 2017 is upgraded to above USD 2.3bn, while organic capex guidance was cut to around USD 1bn, implying at least USD 1.3bn simplified free cash flow for the year.
- Upstream EBITDA continued to grow strongly year-on-year and generated a massive amount of FCF of USD 321mn in H1.
- Refining strength offset somewhat softer petchems margins in Downstream, hence the segment again posted record-high H1 Clean CCS EBITDA of USD 652mn (+5% year-on-year).
- Consumer Services continued to benefit from strong volumes growth and non-fuel contribution, as EBITDA rose by 17% to USD 150mn in H1 2017 (the highest on record).
- Credit metrics materially improved in Q2 (Net debt/EBITDA down to 0.75x, net gearing to 21%) on the very strong free cash flow generation and some working capital release, and despite the HUF 58bn dividend payment during the quarter. S&P revised the outlook to positive from stable on MOL's credit rating.

Operating highlights

- MOL Group partnered with Evonik and thyssenkrupp for its key strategic investment into the propylene oxide value chain (the "Polyol Project"). Signing licence agreements related to the core technologies marks the beginning of this major transformational project.
- Oil and gas production declined by 2% quarter-on-quarter in Q2 2017 to 109 mboepd (110 mboepd in H1, -3% year-on-year), primarily driven by lower UK and Croatian volumes.
- The consortium of MOL Group, E.ON Group, HEP, Petrol, BMW and Nissan (the NEXT-E project) received EUR 19mn EU funding to build a charging network (of 250+ units) for electronic vehicles in the CEE region.

Zsolt Hernádi, MOL Chairman & CEO, comments:

"We are materially upgrading our full-year 2017 guidance to above USD 2.3bn Clean CCS EBITDA (from "USD 2bn+") thanks to the very strong performance of the Group in the first half of the year, which is a further testament to our resilient integrated business model and asset quality. We have also reached a significant milestone in our petchem transformation journey set out in the 2030 strategy as we have recently signed key licencing contracts for our flagship Polyol Project. Progressing with the MOL 2030 strategy is as much of a priority as to continue to generate the maximum return on our existing assets."

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	EBITDA Excluding Special Items (HUF bn)[1]	H1 2017	H1 2016 Restated	Ch %
63.5	64.3	46.9	37	Upstream	127.7	88.1	45
107.2	73.1	115.0	(36)	Downstream	180.3	178.9	1
94.2	92.2	93.6	(2)	CCS-based Downstream EBITDA [2]	186.4	173.2	8
20.5	10.4	8.3	25	Gas Midstream	30.8	27.4	12
15.9	26.8	22.6	18	Consumer Services	42.7	36.0	18
(10.2)	(6.1)	(7.2)	(15)	Corporate and other	(16.2)	(16.2)	0
(5.7)	5.1	(5.7)	n.a.	Intersegment transfers [9]	(0.5)	(6.6)	(92)
178.1	**192.7**	**158.5**	**22**	**Clean CCS-based EBITDA [2] [10]**	**370.8**	**302.0**	**23**
191.1	**173.6**	**179.9**	**(4)**	**Total EBITDA Excluding Special Items**	**364.7**	**307.6**	**19**

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	EBITDA Excluding Special Items (USD mn)[1]	H1 2017	H1 2016 Restated	Ch %
219	228	169	35	Upstream	447	315	42
369	258	414	(38)	Downstream	627	640	(2)
324	327	337	(3)	CCS-based Downstream EBITDA [2]	652	618	5
70	37	30	24	Gas Midstream	107	97	10
55	95	81	17	Consumer Services	150	129	17
(35)	(22)	(26)	(14)	Corporate and other	(57)	(58)	(1)
(20)	19	(20)	n.a.	Intersegment transfers [9]	(1)	(24)	(96)
614	**684**	**571**	**20**	**Clean CCS-based EBITDA [2] [10]**	**1,297**	**1,078**	**20**
659	**614**	**648**	**(5)**	**Total EBITDA Excluding Special Items**	**1,273**	**1,100**	**16**

(1) Special items of operating profit, EBITDA are detailed in Appendix II. and IV.
(2) (9) (10) Please see Appendix XI.

- The **Upstream** segment posted a HUF 64bn EBITDA in Q2 2017, practically flat quarter-on-quarter and significantly, by 37%, stronger year-on-year. H1 EBITDA for the segment jumped by 45% year-on-year, driven primarily by higher realised hydrocarbon prices on the back of a 30% increase in Brent crude price and also by lower operating costs (unit OPEX fell by 6% year-on-year). The segment benefitted during Q2 from a HUF 5.6bn impairment reversal of trade receivables, as a result of cash collection in Egypt.
- The **Downstream** segment once again delivered a record-high H1 Clean CCS EBITDA result, reaching HUF 186bn for the period, 8% higher year-on-year. This was exclusively driven by the R&M subsegment, which was boosted by stronger headline refinery margins as well as improving asset availability. At the same time, petrochemicals contribution declined 20% year-on-year on contracting margins, yet remained at very healthy levels. Q2 Clean CCS EBITDA was practically flat year-on-year as lower petchem margins and EBITDA was offset by stronger refining contribution, while volumes were marginally higher.
- **Gas Midstream** brought in HUF 10bn EBITDA in Q2 2017, 25% higher year-on-year due to higher capacity demand and colder weather. EBITDA generation was also 12% higher in H1 2017 at HUF 31bn on the back of materially higher volumes and stronger capacity fee revenues.
- **Corporate and other** segment delivered an EBITDA of HUF -6bn in Q2 2017, a slight improvement year-on-year. The segment's negative contribution stood at HUF 16bn in H1, in line with the previous year's similar period.
- **CAPEX** spending reached HUF 101bn (USD 357mn) in the first half of the year, down 16% year-on-year driven by lower Upstream investments year-on-year and the lack of inorganic spending. CAPEX rose slightly, by 1% year-on-year to HUF 69bn in Q2 2017 on the back of higher Downstream investments.
- **Operating cash flow** before working capital changes increased by 24% in H1 2017 to HUF 320bn, in line with the EBITDA trend. The increase in net working capital during the period was slightly larger than a year ago, thus net cash provided by operating activities increased by 21% year-on-year to HUF 250bn.
- **Net debt** declined materially to HUF 514bn and so did both Net Debt/EBITDA (to 0.75x) and net gearing (to 21.0%) in Q2 2017. MOL paid HUF 58bn dividend during Q2 2017.

UPSTREAM

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Segment IFRS results (HUF bn)	H1 2017	H1 2016 Restated	Ch %
63.5	68.9	46.9	47	EBITDA	132.3	88.1	50
63.5	**64.3**	**46.9**	**37**	**EBITDA excl. spec. items[1]**	**127.7**	**88.1**	**45**
30.0	35.2	5.6	527	Operating profit/(loss)	65.1	13.0	400
30.0	**30.6**	**5.6**	**445**	**Operating profit/(loss) excl. spec. items[1]**	**60.5**	**13.0**	**365**
16.1	**19.7**	**36.6**	**(46)**	**CAPEX and investments**	**35.8**	**67.5**	**(47)**
3.5	2.1	5.4	(62)	o/w exploration CAPEX	5.5	11.5	(52)

Q1 2017 Restated	Q2 2017	Q2 2016 Restated	YoY Ch %	Hydrocarbon Production (mboepd)	H1 2017	H1 2016 Restated	Ch %
40.4	**38.6**	**42.3**	**(9)**	**Crude oil production[6]**	**39.5**	**42.1**	**(6)**
12.9	12.8	13.6	(6)	Hungary	12.8	13.4	(4)
11.5	12.4	12.1	2	Croatia	12.0	11.9	0
0.0	0.0	1.5	n.a.	Russia	0.0	1.5	n.a.
3.8	3.9	4.1	(6)	Kurdistan Region of Iraq	3.8	3.5	11
8.4	6.1	6.5	(6)	United Kingdom	7.3	7.4	(2)
1.2	1.0	1.1	(6)	Pakistan	1.1	1.0	6
2.6	2.4	3.3	(26)	Other International	2.5	3.3	(24)
54.6	**54.2**	**55.3**	**(2)**	**Natural gas production**	**54.4**	**56.3**	**(3)**
26.0	26.4	26.5	0	Hungary	26.2	27.0	(3)
22.6	21.4	22.0	(3)	Croatia	22.0	22.6	(2)
8.6	8.2	9.0	(9)	*o/w. Croatia offshore*	8.4	9.7	(14)
0.6	0.7	1.9	(61)	United Kingdom	0.7	1.8	(64)
5.5	5.6	4.8	16	Pakistan	5.5	4.9	13
7.4	**7.4**	**7.5**	**(2)**	**Condensate[7]**	**7.4**	**7.6**	**(2)**
3.8	3.8	4.1	(7)	Hungary	3.8	4.1	(8)
1.9	1.9	2.0	(8)	Croatia	1.9	2.0	(4)
1.7	1.7	1.5	18	Pakistan	1.7	1.5	16
102.4	100.2	105.1	(5)	Average hydrocarbon production of fully consolidated companies	101.3	106.0	(4)
6.4	6.4	5.7	12	Russia (Baitex)	6.4	5.5	16
2.4	2.3	2.3	0	Kurdistan Region of Iraq (Pearl Petroleum)*	2.4	2.3	3
8.8	8.7	8.0	9	Average hydrocarbon production of joint ventures and associated companies	8.8	7.8	12
111.2	109.0	113.1	(4)	Group level average hydrocarbon production	110.1	113.8	(3)
				** excluding gas*			

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	Main external macro factors	H1 2017	H1 2016	Ch %
53.8	49.8	45.6	9	Brent dated (USD/bbl)	51.8	39.8	30
290.3	281.8	277.4	2	HUF/USD average	286.0	280.2	2

Q1 2017 Restated	Q2 2017	Q2 2016 Restated	YoY Ch %	Average realised hydrocarbon price	H1 2017	H1 2016 Restated	Ch %
48.6	47.5	38.1	25	Crude oil and condensate price (USD/bbl)	48.1	34.9	38
29.0	28.0	26.9	4	Average realised gas price (USD/boe)	28.5	28.0	2
38.5	**37.2**	**32.2**	**16**	**Total hydrocarbon price (USD/boe)**	**37.9**	**31.5**	**20**

Q1 2017 Restated	Q2 2017	Q2 2016 Restated	YoY Ch %	Production cost	H1 2017	H1 2016 Restated	Ch %
6.2	6.3	6.8	(8)	Average unit OPEX of fully consolidated companies	6.2	6.7	(6)
1.9	2.4	1.7	40	Average unit OPEX of joint ventures and associated companies	2.2	1.7	25
5.9	6.1	6.6	(7)	Group level average unit OPEX (USD/boe)	6.0	6.4	(6)

(1) Special items affected operating profit and EBITDA are detailed in Appendix II. and IV
(6) (7) Please see Appendix XI.

Second quarter 2017 results

EBITDA, excluding special items, amounted to HUF 64bn in Q2 2017 with a slight increase of HUF 1bn compared to the previous quarter and a 37% rise on Q2 2016.

(-) A 3% overall decrease quarter-on-quarter in the average realised hydrocarbon prices: a reduction in Brent quotations resulted in a 2% decrease in the realised crude oil and condensate prices, while realised gas prices were down by 3.5%. Lower Brent prices also had an impact on royalty payments as royalties levied on Upstream production amounted to HUF 10bn in Q2 2017, a decrease of HUF 0.6bn in comparison to Q1 2017, mainly realised in Hungary.

(-) Average daily hydrocarbon production decreased by 2.2 mboepd (or 1.9%) quarter-on-quarter to 109.0 mboepd during Q2 2017, driven by UK and Croatia.

(-) Group-level average direct production cost, excluding DD&A, was USD 6.1 USD/boe in Q2 2017, higher by 2% quarter-on-quarter driven by weaker USD rates mainly in Hungary, Croatia and UK which was partly offset by composition effect of lower production in UK.

(+) EBITDA was improved by HUF 5.6bn due to impairment reversal of trade receivables, as a result of extra cash collection by INA from Egypt.

Two events were classified as special items during the period, which had an impact on reported EBITDA only:

(-) North Karpovsky asset was divested in Kazakhstan with a negative impact of HUF 5.9bn on reported EBITDA,

(+) HUF 10.5 bn provision release and retranslation related to the extra tax claims in Angola boosted reported EBITDA in Q2 2017, as a result of a payment agreement (of HUF 1.8bn) with Angolan Tax Authority.

DD&A came in HUF 34bn staying approximately on the same level as in previous quarter.

First half 2017 results

EBITDA, excluding special items, amounted to HUF 128bn in H1 2017, an increase of 45% versus the previous year. CAPEX spending was HUF 36bn, 47% (HUF 32bn) lower than H1 2016, hence the E&P segment continued to generate strong positive simplified free cash flows.

(+) A 20% overall increase year-on-year in the average realised hydrocarbon prices: higher Brent quotations resulted in a 38% increase in the realised crude oil and condensate prices, while realised gas prices also grew by 2% year-on-year. Higher Brent prices had an impact on royalty payments as royalties levied on Upstream production amounted to HUF 21bn in H1 2017, an increase of HUF 0.7bn in comparison to H1 2016, mainly realised in Hungary.

(-) Average daily hydrocarbon production decreased by 3.7 mboepd (or 3%) year-on-year to 110.1 mboepd in H1 2017, driven by Hungary, Croatia and UK.

(+) Group-level average direct production cost, excluding DD&A, was USD 6.0 USD/boe, lower by 6% year-on-year.

(+) Exploration expenses in H1 2017 were HUF 5.4bn, less by 53% than H1 2016. Exploration spending in Oman was HUF 5.4bn in H1 2016 and impaired at the end of H1 2016 due to dry well.

(+) EBITDA was improved by HUF 5.6bn due to impairment reversal of trade receivables, as a result of extra cash collection by INA from Egypt.

DD&A amounted to HUF 67bn in H1 2017, lower by HUF 8bn than the same period in 2016, as H1 2016 included HUF 5.4bn asset impairment in Oman.

Upstream operating update and business development

In H1 2017, Upstream CAPEX amounted to HUF 36bn, down materially year-on-year. Major investments were made in Hungary (36%), Croatia (29%) and the North-Sea Region (28%).

H1 2017 HUF bn	Hungary	Croatia	Kurdistan Region of Iraq	Russia	Pakistan	United Kingdom	Norway	Other	Total - H1 2017	Total - H1 2016
Exploration	4.4	0.1	0.0	0.0	1.0	0.0	0.0	0.0	5.5	11.5
Development	6.9	7.5	0.3	0.0	0.7	9.8	0.0	0.3	25.5	50.8
Acquisition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	1.8	2.9	0.0	0.0	0.0	0.1	0.0	0.0	4.8	5.2
Total - H1 2017	13.1	10.5	0.3	0.0	1.7	9.9	0.0	0.3	35.8	
Total - H1 2016	13.7	13.5	1.0	0.2	2.7	28.7	0.2	7.4		67.5

Overall segment production slightly decreased (-4% year-on-year and -2% quarter-on-quarter) mainly driven by lower UK production.

Several actions in CEE have been initiated in order to achieve production target delivery including well workovers, fracking, production optimisation measures and revitalisation of exploration on the newly acquired concessions.

Hungary

Hungarian production reached 43.0 mboepd in Q2 2017, slightly higher than previous quarter (+1%) and below the last year's same period (-3%). The decline was driven by unplanned shutdowns and water cut increment. Corrective actions have been completed on several wells which resulted in some incremental production in Q2.

- Within the frame of Production Optimisation 6 workovers were completed in Q2 with the instant uplift of 2.0 mboepd by the end of the quarter. Fracking campaign on 10 wells are ongoing and preparation has been started for the upcoming phase.
- The three successful exploration wells (Tóalmás-É-1 awarded in 3rd Bid Round, Komádi-Ny-4 awarded in the 2nd Bid Round and Üllés-K-1) drilled last year are in production. Kág-5 (Csanád concession area, awarded in the 3rd Bid Round) was spud and waiting for the result of additional well test while Tóalmás-É-2 appraisal well is being spud. Two more exploration drillings (Sas-DNy-2 and Tiszi-1) are scheduled for H2 2017. The 5th Bid Round was launched, evaluation of the areas is in progress.
- Three major gas development projects (Biharkeresztes, Somogy inert gas project and additional Low Calorific Value gas supply for MOL Petrochemical) are in progress.
- The Algyő Power Plant project implementation, which targets decreasing energy cost, is in progress and test run is scheduled for August.

Croatia

Croatian production was 35.7 mboepd in Q2, 0.6% below previous quarter and 1.2% below Q2 2016. The production is slightly lower due to the natural decline of the offshore fields, which was partly compensated by the higher onshore volumes.

- Within the frame of Production Optimisation 15 well stimulations and 10 well workovers were completed in Q2.
- Preparation for the 2017 drilling program within Drava 02 exploration licence is in progress, one well is planned to be drilled in H2 2017 and a further one is expected in 2018.
- INA is working on permits to enable intensified exploration program in the upcoming year.

UK

Production of UK assets decreased by 18% year-on-year and by 24% quarter-on-quarter to 6.8 mboepd in Q2.

- Scolty and Crathes (MOL 50% WI, non-operated): Initial rates on Scolty and Crathes have been constrained due to wax build up in the pipeline. Chemical treatments have been carried out which have allowed production to continue at reduced rates. Further work is ongoing to identify longer term solutions.
- Catcher (MOL 20% WI, non-operated): FPSO construction activities are completed in Singapore, safety case has been approved and commissioning is ongoing. Operator anticipates sailaway during August. 12 of the

planned 18 firm wells have been successfully drilled with excellent operational performance and better than anticipated subsurface results. Major part of subsea work has also been completed.

- Scott, Telford, Rochelle: Infill programs prolonging the assets' lifetime continued. Scott infill injection well J41 was completed and infill production well J42 is nearing completion. A further production infill well (ST37) will be drilled starting in July.

Norway

- MOL Norge's active exploration portfolio management enables robust business decisions on the future of the 20 purchased licences of which 8 are operated. One non-operated exploration well (Hyrokkin) will be spudded in Q3 2017 while preparations have already started for the first MOL-operated drillings next year. Discussions with best-in-class North Sea operators about cooperation opportunities are ongoing. Preliminary technical evaluations for the APA 2017 Licensing Round were initiated.

Kurdistan Region of Iraq

- With SH-8 at Shaikan back on stream for the full quarter and lower than expected deferment, USD 3mn per month payments on account continued throughout Q2.
- PEARL Q2 production is similar to Q1 2017. After the full repayment of the shareholder loan continuous dividend stream started in April 2017 with USD 10mn dividends received in Q2.

Pakistan

Overall Pakistan production (net to MOL) increased by 13% year-on-year to 8.4 mboepd and was in line with Q1 2017 production. TAL block gross production was 86 mboepd in Q2 2017 (MOL 8.421% Dev. WI; 10.5% Expl. WI, operated).

- TAL upside exploration continued during Q2 2017, Tolanj East exploratory well was spud, Mamikhel Deep-1 location construction commenced. On the non-operated Karak block construction of Kalabagh facilities was completed and the Kalabagh 1-A exploratory well was commissioned in June.
- TAL Central Front End Compression Facility project for Makori East is currently in progress and is expected to be completed in Q3 2017. Makori Deep-1 well was tied-in and is expected to be commissioned in July 2017. Tolanj Production Facility and Tolanj X-1 Flowline projects are currently in progress with completion expected during Q4 2017.
- Regulator granted four years licence extension in Phase-I of the initial term of DG Khan EL, with effect from 21 January 2016.

Oman

- MOL's well established presence in the country is utilised to pursue further opportunities.

Russia

- Production of the Baitugan field (MOL 51% WI, operated) increased in Q2 2017 (quarter-on-quarter) and reached 6.4 mboepd as a result of the accelerated drilling program based on an updated subsurface view and the execution of the Well Workover Program.
- Field Development program is in progress, 23 wells were drilled and completed in H1 2017, of which 14 wells in Q2.

Kazakhstan

- Scopes of work for the engineering of a Trial Production Project are complete and a road map for project development has been finalised, partner alignment is in progress. Negotiations with gas and condensate off-takers are ongoing.

DOWNSTREAM

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Segment IFRS results (HUF bn)	H1 2017	H1 2016 Restated	Ch %
107.2	73.1	115.0	(36)	EBITDA	180.3	178.9	1
107.2	**73.1**	**115.0**	**(36)**	**EBITDA excl. spec. items[1]**	**180.3**	**178.9**	**1**
94.2	**92.2**	**93.6**	**(2)**	**Clean CCS-based EBITDA[1] [2]**	**186.4**	**173.2**	**8**
35.8	37.6	46.1	(18)	o/w Petrochemicals[1] [2]	73.4	91.3	(20)
83.2	48.5	90.8	(47)	Operating profit/(loss) reported	131.7	130.4	1
83.2	**48.5**	**90.8**	**(47)**	**Operating profit/(loss) excl. spec. items[1]**	**131.7**	**130.4**	**1**
70.1	**67.6**	**69.4**	**(3)**	**Clean CCS-based operating profit/(loss)[1] [2]**	**137.8**	**124.7**	**10**
10.3	**37.9**	**20.1**	**88**	**CAPEX**	**48.2**	**35.1**	**37**
MOL Group Without INA							
103.6	77.2	114.6	(33)	EBITDA excl. spec. items[1]	180.8	186.5	(3)
95.6	**90.8**	**97.3**	**(7)**	**Clean CCS-based EBITDA[1] [2]**	**186.5**	**179.9**	**4**
35.8	37.6	46.1	(18)	o/w Petrochemicals clean CCS-based EBITDA[1] [2]	73.4	91.3	(20)
83.8	57.0	94.6	(40)	Operating profit/(loss) excl. spec. items[1]	140.9	146.0	(4)
75.9	**70.6**	**77.2**	**(9)**	**Clean CCS-based operating profit/(loss)[1] [2]**	**146.5**	**139.5**	**5**
INA Group							
3.6	(4.1)	0.3	n.a.	EBITDA excl. spec. items[1]	(0.5)	(7.6)	(93)
(1.5)	**1.4**	**(3.7)**	**n.a.**	**Clean CCS-based EBITDA[1] [2]**	**(0.1)**	**(6.7)**	**(98)**
(0.6)	(8.5)	(3.8)	122	Operating profit/(loss) excl. spec. items[1]	(9.1)	(15.7)	(42)
(5.7)	**(3.0)**	**(7.8)**	**(61)**	**Clean CCS-based operating profit/(loss)[1] [2]**	**(8.8)**	**(14.7)**	**(41)**

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	Refinery margin	H1 2017	H1 2016	Ch %
6.5	**6.4**	**5.7**	**13**	**Total MOL Group refinery margin (USD/bbl)**	**6.5**	**5.7**	**13**
7.0	7.0	6.4	9	Complex refinery margin (MOL+Slovnaft) (USD/bbl)	7.0	6.4	10
539	584	657	(11)	Integrated petrochemical margin (EUR/t)[16]	562	679	(17)

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	External refined product and petrochemical sales by country (kt)	H1 2017	H1 2016	Ch %
1,002	1,189	1,170	2	Hungary	2,191	2,112	4
393	445	451	(1)	Slovakia	838	847	(1)
386	492	471	4	Croatia	878	856	3
390	558	545	2	Italy	948	901	5
2,045	2,246	2,219	1	Other markets	4,291	4,135	4
4,216	**4,930**	**4,856**	**2**	**Total**	**9,146**	**8,851**	**3**

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	External refined and petrochemical product sales by product (kt)	H1 2017	H1 2016	Ch %
3,860	**4,599**	**4,529**	**2**	**Total refined products**	**8,459**	**8,181**	**3**
834	979	965	1	o/w Motor gasoline	1,813	1,735	4
2,132	2,584	2,482	4	o/w Diesel	4,716	4,513	4
107	127	137	(7)	o/w Fuel oil	234	164	43
46	110	167	(34)	o/w Bitumen	156	237	(34)
356	**331**	**327**	**1**	**Total petrochemicals products**	**687**	**670**	**3**
54	49	53	(8)	o/w Olefin products	103	105	(2)
278	261	264	(1)	o/w Polymer products	539	538	0
24	21	10	110	o/w Butadiene products	45	27	67
4,216	**4,930**	**4,856**	**2**	**Total refined and petrochemicals products**	**9,146**	**8,851**	**3**

(1) Special items affected operating profit and EBITDA are detailed in Appendix II. and IV.
(2) (16) Please see Appendix XI.

Second quarter 2017 results

The Downstream segment delivered strong results again as Clean CCS EBITDA reached HUF 92bn in Q2 2017, practically in line with the base period performance.

(+) The R&M performance was HUF 7bn higher in Q2 2017 primarily due to:

- A stronger complex refinery margin reaching 7.0 USD/bbl in Q2 2017 versus 6.4 USD/bbl in the base period. The favourable evolution of gasoil and fuel oil crack spreads supported the improvement of the complex margin. offsetting the shrinking Brent-Ural spread and slightly diminishing gasoline crack spread. Meanwhile the supportive external market conditions also contributed to higher captured wholesale margins versus Q2 2016;
- Processed volumes decreased by 1% year-on-year driven by maintenance activity in Slovnaft, however sold volumes increased by 2%.

(-) The external petrochemicals environment remained supportive as the integrated margin (IM) averaged at 584 EUR/t despite an 11% decrease year-on-year driving Clean CCS EBITDA HUF 9bn lower compared to the base period. Additionally, smaller availability issues hindered full margin capture, as polymer production shrank by 9%.

The CCS modification impact was HUF 19bn in Q2 2017, as last month average oil prices decreased by over 6 USD/bbl compared to the same period of Q1 2017.

First half 2017 results

Yet again the Downstream business delivered record high first half results with a Clean CCS EBITDA of HUF 186bn, HUF 13bn above the base period's performance. The excellent results came on the back of:

(+) Highest ever Clean CCS EBITDA delivery of the R&M business. The division benefitted from a 6.5 USD/bbl complex margin, which was 0.8 USD/bbl higher than a year ago, higher captured wholesale margins and a 3% rise in refined product sales;

(-) Petrochemicals Clean CCS EBITDA fell short by HUF 18bn versus an all-time high base and came in at HUF 73bn. The integrated petrochemicals margin decreased by 117 EUR/t from the peak-of-the-cycle levels of H1 2016. Additionally a 3% weakening of the EUR versus the USD also had a detrimental impact on the business performance.

Market trends and sales analysis

Motor fuel consumption continued to grow in CEE and was up by 6% both in Q2 2017 and in H1 2017 year-on-year. Unlike in the previous quarters, demand growth in the wider CEE region surpassed that of the core countries (Hungary, Slovakia & Croatia) during the first half of 2017.

Change in regional motor fuel demand	Market*			MOL Group sales		
Q2 2017 vs. Q2 2016 in %	Gasoline	Diesel	Motor fuels	Gasoline	Diesel	Motor fuels
Hungary	6	2	3	7	6	6
Slovakia	1	1	1	(2)	(1)	(2)
Croatia	(1)	(3)	(2)	0	6	4
Other	1	9	7	(20)	4	(3)
CEE 10 countries	2	8	6	(8)	4	1

Change in regional motor fuel demand	Market*			MOL Group sales		
H1 2017 vs. H1 2016 in %	Gasoline	Diesel	Motor fuels	Gasoline	Diesel	Motor fuels
Hungary	3	3	3	5	5	5
Slovakia	1	4	3	(2)	0	(0)
Croatia	(6)	4	1	(2)	8	5
Other	1	9	7	(15)	3	(2)
CEE 10 countries	1	8	6	(6)	4	1

**Source: Company estimates*

Downstream capital expenditures and status of key projects

CAPEX (in bn HUF)	H1 2017	H1 2016 Restated	YoY Ch %	Main projects in H1 2017
R&M CAPEX and investments	39.1	26.0	50	MOL: Turnaround and Crude Blending projects SN: Turnaround, Catalyst and Desalter replacement projects INA: Port Bakar and Residue upgrade projects
Petrochemicals CAPEX	8.4	7.2	15	MOL: Polyol, Steam Cracker and Waste water projects SN: LDPE4 project
Power and other	0.8	1.9	(59)	
Total	48.2	35.1	37	

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	CAPEX by type (in HUF bn)	H1 2017	H1 2016 Restated	Ch %
10.3	37.9	20.1	88	Total	48.2	35.1	37
1.5	2.9	1.6	85	Strategic projects	4.4	2.5	79
8.8	34.9	18.5	89	Normalized CAPEX	43.8	32.7	34

CONSUMER SERVICES

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Segment IFRS results (HUF bn)	H1 2017	H1 2016 Restated	Ch %
15.9	26.8	22.6	18	EBITDA	42.7	36.0	18
15.9	**26.8**	**22.6**	**18**	**EBITDA excl. spec. items[1]**	**42.7**	**36.0**	**18**
9.7	20.9	16.6	26	Operating profit/(loss) reported	30.6	24.1	27
9.7	**20.9**	**16.6**	**26**	**Operating profit/(loss) excl. spec. items[1]**	**30.6**	**24.1**	**27**
2.9	6.9	10.0	(31)	CAPEX	9.9	12.4	(20)

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

Second quarter 2017 results

Retail EBITDA for Q2 rose by 18% year-on-year to reach HUF26.8bn, its best ever Q2 result. The increase was mainly driven by a combination of strong sales growth on the back of increasing CEE fuel consumption and continued fuel margin expansion. Earnings growth was additionally supported by previous inorganic expansion and the continued growth of non-fuel as the roll-out of the Fresh Corner concept continued during the quarter.

Increases to the statutory minimum wage in Hungary and Romania on the other hand had a downward effect on earnings for the quarter. The simultaneous reduction in employer's payroll tax however was not sufficient to offset higher operating expenses incurred as a result of higher salaries affecting around a third of the network.

Strategic investments related to the continued roll-out of Fresh Corners during the quarter made up more than two thirds of total CAPEX.

First half 2017 results

Retail EBITDA grew by 18% year-on-year. The supporting factors were similar as described in the quarterly comparison above.

Retail sales

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	Total retail sales (kt)	H1 2017	H1 2016	Ch %
263	303	253	20	Hungary	566	469	21
150	170	159	7	Slovakia	320	295	8
211	270	262	3	Croatia	481	470	2
160	182	166	10	Romania	342	311	10
109	127	122	4	Czech Republic	236	225	5
88	93	91	2	Other[10]	181	172	5
981	1,145	1,053	9	Total retail sales	2,126	1,942	9

(10) Please see Appendix XI.

Retail sales continued its strong rise as CEE fuel consumption surpassed pre-crisis levels. Like-for-like sales in the second quarter were up by 5% against the corresponding period last year. Like-for-like sales were up by 6% against on the first six months of the previous year.

Non-fuel

Q1 2017	Q2 2017	Q2 2016	Non-fuel indicators	H1 2017	H1 2016
24.0%	23.7%	23%	Non-fuel margin	23.9%	23.1%
303	331	91	Number of fresh corners	331	91

28 new Fresh Corners were added across the network during the quarter, taking the total Fresh Corners to 331. Non fuel margin continued to increase at a higher pace than fuel margin, leading to an almost one percentage point increase in its share of the total margin against the same period last year.

GAS MIDSTREAM

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Segment IFRS results (HUF bn)	H1 2017	H1 2016 Restated	Ch %
20.5	10.4	8.3	25	EBITDA	30.8	27.4	12
20.5	**10.4**	**8.3**	**25**	**EBITDA excl. spec. items(1)**	**30.8**	**27.4**	**12**
17.2	7.2	5.0	44	Operating profit/(loss) reported	24.4	20.9	17
17.2	**7.2**	**5.0**	**44**	**Operating profit/(loss) reported excl. spec. items(1)**	**24.4**	**20.9**	**17**
0.2	**1.4**	**0.7**	**108**	**CAPEX and investments**	**1.6**	**0.8**	**109**

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

Second quarter 2017 results

FGSZ Ltd. posted HUF 10.4bn EBITDA in Q2 2017 representing a 25% year-on-year increase.

- Revenues from domestic transmission services in Q2 2017 increased by 19% year-on-year due to significant additional entry and exit capacity demand driven by the colder weather and more intensive usage of gas storages. Higher capacity fee revenues overcompensated the unfavourable domestic transmission tariff changes. Domestic transmission volumes increased by 17% in Q2 2017 due to the colder weather and significantly higher level of injection volumes in the summer period Q2 2017.
- Revenues from natural gas transit decreased by 15% year-on-year as lower contracted prices were only partly compensated by higher transmission volumes. Total transit volumes in Q2 were significantly higher, since transit demand to Serbia, Bosnia, Croatia and Ukraine increased considerably.
- Operating costs in Q2 2017 were slightly lower due to the strict cost control and the effect of implemented efficiency improvement program.

First half 2017 result

The half-year EBITDA contribution of HUF 30.8bn is 12% higher than in the prior year.

- Total revenues from domestic transmission in H1 2017 improved by 14%, driven by a 14% volumetric uplift. The favourable effect of colder weather conditions could overcompensate the effect of tariff decrease.
- Transit revenues in H1 2017 reached similar levels as in the previous year, as increased transit volumes offset the negative effect of lower transit prices.
- In H1 2017 operating costs were above the 2016 levels by almost 4%, as the cost of gas consumption of the transmission system increased in line with the higher transmitted volumes.

NON-FINANCIAL OVERVIEW

First half 2017 sustainability highlights

The sustainability focus areas in MOL Group are Climate Change, Environment, Health & Safety, Human Capital, Communities and Ethics & Governance. This section presents the achievements and accomplishments from some selected areas.

1. Climate Change

MOL Group launched a Task Force to assess the potential impacts of the new European Emission Trading System (ETS). Greenhouse-gas emissions of refineries, power and petrochemical units under the ETS will change as of 2019.

2. Environment

MOL Group's Green Fund, dedicated to finance projects with environmental and financial benefits, closed its second call for applications in H1 2017. Four new projects that aim to increase MOL Group environmental performance will be implemented starting January 2018. Several energy efficiency (LED light installation) and alternative energy solutions (solar and hydro) will be implemented at Exploration and Production facilities in Croatia and Hungary, at a retail station in Croatia and at the Duna Refinery.

3. Health and Safety

A sub-contractor fatality occurred during HAZMAT road transportation in MOL Pakistan on 5 June 2017. In H1 altogether 4 third-party fatalities occurred in relation to MOL Group activities, 2 out of 4 during HAZMAT transportation in Europe, and 2 others in Pakistan during heavy vehicle transportation. As one response among many, MOL Group is diversifying contractors in MOL Pakistan to mitigate risks and published a 2-year development action plan.

4. Ethics and Governance

On 1 March 2017 the new MOL Group Code of Ethics and Business Conduct entered into effect replacing the previous MOL Code of Ethics issued in 2006 (amended in 2010). The new Code was rolled out to all MOL Group companies in 11 languages.

MOL Group non-financial indicators

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	Segment IFRS results (HUF bn)	H1 2017	H1 2016	Ch %
1.3	1.3	1.3	0	Carbon Dioxide (CO_2) under ETS	2.7	2.5	8
114	14	24	(42)	Volume of hydrocarbon content of spills[20] [22]	128	161	(20)
1.6	1.1	1.1	3	TRIR[18] – own & contractor & service station staff	1.4	1.2	11
0	0	0	n.a.	Fatalities – own employees	0	0	n.a.
0	1	0	n.a.	Fatalities – contractors (onsite & offsite)	1	1	0
2	1	1	0	Process safety events (Tier1)	3	4	(25)
25,844	26,067	25,363	3	Total workforce	26,067	25,363	3
2,760	2,446	4,129	(41)	Leavers[19]	2,446	4,129	(41)
11	9	16	(42)	Employee turnover rate[19]	9	16	(42)
82	160	250	(36)	Donations	242	358	(32)
32	39	18	117	Ethical reports	71	43	65
9	7	5	40	Ethical misconduct	16	9	78

(18) (19) (20) (21) (22) Please see Appendix XI.

INTEGRATED CORPORATE RISK MANAGEMENT

The aim of MOL Group Risk Management is to keep the uncertainties of the business environment within acceptable levels and support stable and sustainable operations and the future growth of the company. MOL Group has developed the risk management function as an integral part of its corporate governance structure.

Assessment and mitigation of the broadest variety of risks is arranged on group level into one comprehensive Enterprise Risk Management system. The risk management methodology applied by MOL is based on international standards and best practices. It considers the organisation's exposure to uncertainty in regards to value creation, meaning factors critical to the success and threats related to the achievement of objectives, also occurrence of incidents causing potential threat to people, assets, environment or reputation.

Risks are managed by risk owners, who are managers responsible for supervising the existing control framework and implementation of defined risk mitigation actions in responsible organisations. Monitoring and reporting of risks is performed by the Group Risk Management department to the Finance and Risk Management Committee of the Board of Directors, providing oversight to top management on risks and ensures that updated responses, controls, and appropriate mitigation actions are set and followed by the Executive Board.

Risks are categorized to ensure effective risk reporting and consistent responses for similar or related risks. Main risk drivers of the Group are the following:

Market and financial risks include, but are not limited to:

- **Commodity price risk**: MOL is exposed to commodity price risk on both the purchasing side and the sales side. Investors buying oil companies' shares are generally willing to take this risk so it should not be fully eliminated from the cash flow. When necessary, commodity hedging is considered to eliminate risks other than 'business as usual'.
- **Foreign exchange (FX) risk**: Business operation is economically driven mainly by USD. 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.
- **Credit risk**: MOL Group provides products and services to a diversified customer portfolio. Group level policies and procedures are in place to minimize this risk.

Operational risks include, but are not limited to:

- **Physical asset safety and equipment breakdown risk** is significant due to the high asset concentration in Downstream, and is mitigated by comprehensive HSE activities and insurance management program.
- **Crude oil supply risk** is a major operational driver for Downstream business. Supplies of crude oil via pipeline are currently diversified with regular crude cargo deliveries from the Adriatic Sea.
- **Cyber risk** needs attention and effective management to ensure the company is able to monitor, detect and respond to cyber threats. A clear vision and strategy has been set up to manage cyber incidents with end to end ownership and accountability.

Strategic risks include, but are not limited to:

- **Regulatory risk**: MOL has significant exposure to a wide range of laws, regulations, environmental and government policies that may change significantly over time.
- **Country risk**: The international portfolio requires proper management of country risk exposures, therefore possible political violence, compliance with local regulations or sanctions are monitored to enhance the diversification effect in the investment portfolio.
- **Reputation risk**: MOL as a major market player in the region operates under special attention from a considerable number of stakeholders, and we are constantly seeking to meet our responsibilities towards them.

OUTLOOK ON STRATEGIC HORIZON

MOL Group managed to capture the benefit of a generally more supportive external environment in the first half of 2017 on the back of its high quality, low-cost asset base. This would have not been possible without the continuous efficiency improvement measures and programs which were implemented in all key divisions in recent years. MOL delivered very strong results in H1 2017 of USD 1.3bn Clean CCS EBITDA, while organic CAPEX was USD 0.36bn during the period, implying an impressive simplified free cash flow generation of USD 0.94bn, already surpassing the full-year guidance. Given the downstream environment (both refinery and petchem margins) developing somewhat stronger than the original assumptions and also the outstanding H1 earnings delivery, MOL upgraded its full-year 2017 financial guidance for Clean CCS EBITDA generation from "at least USD 2bn" to above USD 2.3bn. At the same time, CAPEX may also be somewhat lower than initially expected (around USD 1bn vs. the earlier guidance of up to USD 1.2bn), hence simplified FCF guidance was also raised materially to above USD 1.3bn.

While 2017 has so far proved to be a strong year financially, MOL has not made any changes to its medium-term, 2017-21 financial framework, which was published in 2016. This framework implies that based on an oil price of USD 40-60/bbl and normalized downstream margins, MOL shall be able to generate enough cash (Clean CCS EBITDA above USD 2bn) to fund all cash outflows including both sustain-type investments and the transformational projects outlined in the long-term strategy. This will also allow MOL to maintain a strong financial profile with a robust balance sheet.

In operations, while reaching and exceeding near-term targets and implementing continuous efficiency improvement projects remain part of the business-as-usual activity, special efforts are undertaken to progress with the strategic transformational projects in each business line. The "MOL Group 2030" long-term strategy will be the anchor to determine what we do in 2017, when we already expect to pass some important milestones, as well as what we do in the next 15 years.

Our **Downstream** targets for 2017 are several-fold. On the one hand, we will continue to focus on achieving maximum possible reliability and availability of our existing assets, so as to be able to capture the highest possible benefit of the supportive margin environment. On the other hand, as our Next Downstream Program enters into its final year, we continue with our internal efforts to execute on some growth projects and further efficiency improvement, in order to be able to mitigate the impact of a potential margin normalization. Running our two growth projects (butadiene, LDPE4) smoothly and improving availability will be instrumental in these efforts and in delivering the USD 500mn EBITDA uplift from the 3-year Next Downstream Program. At the same time, we have already been making significant progress in 2017 in our strategic projects in petrochemicals. We have recently announced license agreements with Evonik and thyssenkrupp, which will enable us to produce propylene oxide, a key component for the production of polyether polyols ("the Polyol Project"). The new collaboration with Evonik and thyssenkrupp is an important step forward in our industrial transformation journey. We also expect to make a decision on the launch of the steam cracker revamp in Tiszaújváros. These projects will feature among top priorities also in the next 3-4 years.

In **Consumer Services**, which started its first full-year in 2017 as an independent individual segment within the group, work continues toward growing the business to achieve the ambitious 2021 financial targets of delivering at least USD 450mn EBITDA. In line with the recent years' trend, we aim at further gradually increasing the share of non-fuel contribution within the total margin and several projects shall support these efforts. We continue to roll out the Fresh Corner concept across our network, while numerous other non-fuel initiatives are being tested in pilot projects. At the same time, the segment also makes sure that we can continue to benefit to the maximum extent in the near term from the fairly supportive consumption trends for motor fuels in the CEE region.

In **Upstream**, MOL Group successfully stabilised and rebalanced the business in 2016 through the implementation of the New Upstream Program (NUP), making sure MOL is fit to operate even in a low oil price environment. This allowed us to generate a substantial, over USD 250m free cash flow already in 2016, while this free cash generation even strengthened during the first half of 2017. Our primary objective in the Upstream segment remains to ensure that we generate value even in a low oil price environment. This requires continued focus on efficiency and costs, and efforts to stabilise our production at the current level. In 2017 we do expect our group production to continue to be around 110 mboepd and this may be sustainable for another two years. At the same time, we will increasingly consider our options for organic and inorganic reserves replacement, as MOL Group's long-term strategy is built on the strength of our integrated business model.

MOL HUNGARIAN OIL AND GAS PLC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

30 June 2017

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Introduction

General information

MOL Hungarian Oil and Gas Public Limited Company (hereinafter referred to as MOL Plc., MOL or the parent company) was incorporated on 1 October 1991 on the transformation of its legal predecessor, the Országos Kőolaj- és Gázipari Tröszt (OKGT). In accordance with the law on the transformation of unincorporated state-owned enterprises, the assets and liabilities of OKGT were revalued as at that date. 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 polymers, olefins and polyolefins. The registered office address of the Company is 1117 – Budapest, Október huszonharmadika u. 18, Hungary.

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.

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and all applicable IFRSs that have been adopted by the European Union (EU). IFRS comprise standards and interpretations approved by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee.

Contents

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Q1 2017 HUF million	Q2 2017 HUF million	Q2 2016 restated HUF million		Notes	H1 2017 HUF million	H1 2016 restated HUF million
955,299	1,008,365	910,341	Net sales	2	1,963,664	1,607,575
10,334	17,196	4,710	Other operating income	3	27,530	11,387
965,633	**1,025,561**	**915,051**	**Total operating income**		**1,991,194**	**1,618,962**
717,961	747,708	676,690	Raw material and consumables used		1,465,669	1,145,041
58,602	62,914	61,356	Personnel expenses		121,516	119,386
71,145	71,789	78,818	Depreciation, depletion, amortisation and impairment		142,934	149,982
45,770	38,385	46,851	Other operating expenses		84,155	89,327
(39,481)	16,224	(36,678)	Change in inventory of finished goods & work in progress		(23,257)	(17,626)
(8,368)	(17,871)	(13,075)	Work performed by the enterprise and capitalised		(26,239)	(24,777)
845,629	**919,149**	**813,962**	**Total operating expenses**	4	**1,764,778**	**1,461,333**
120,004	**106,412**	**101,089**	**Profit / (loss) from operation**		**226,416**	**157,629**
12,940	21,703	10,758	Finance income		34,643	22,057
16,598	16,476	21,309	Finance expense		33,074	33,299
(3,658)	**5,227**	**(10,551)**	**Total finance (expense) / gain, net**	5	**1,569**	**(11,242)**
(6,007)	6,514	1,966	Income from associates	6	507	2,642
110,339	**118,153**	**92,504**	**Profit / (loss) before tax**		**228,492**	**149,029**
16,696	22,078	15,316	Income tax expense	7	38,774	3,059
93,643	**96,075**	**77,188**	**Profit / (loss) for the period**		**189,718**	**145,970**
			Attributable to:			
93,876	88,793	79,133	Equity holders of the parent		182,669	152,697
(233)	7,282	(1,945)	Non-controlling interest		7,049	(6,727)
1,067	1,011	860	Basic earnings per share attributable to ordinary equity holders of the parent		2,077	1,640
1,067	1,011	860	Diluted earnings per share attributable to ordinary equity holders of the parent		2,077	1,634

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Q1 2017 HUF million	Q2 2017 HUF million	Q2 2016 restated HUF million		Notes	H1 2017 HUF million	H1 2016 restated HUF million
93,643	96,075	77,188	Profit / (loss) for the year		189,718	145,970
-	-	-	Other comprehensive income		-	-
			Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
(3,760)	(4,953)	13,177	Exchange differences on translating foreign operations, net of tax		(8,713)	12,529
4,866	9,553	(7,275)	Net investment hedge, net of tax		14,419	(578)
1,829	77	188	Available-for-sale financial assets, net of tax		1,906	450
(2,903)	1,855	835	Cash flow hedges, net of deferred tax		(1,048)	1,126
(239)	(8,723)	4,561	Share of other comprehensive income of associates		(8,962)	2,535
(207)	(2,191)	11,486	Net other comprehensive income to be reclassified to profit or loss in subsequent periods		(2,398)	16,062
			Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(84)	21	(121)	Equity recorded for actuarial gain/loss on provision for retirement benefit obligation		(63)	(9)
(84)	21	(121)	Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		(63)	(9)
(291)	(2,170)	11,365	Other comprehensive income for the year, net of tax		(2,461)	16,053
93,352	93,905	88,553	Total comprehensive income for the year		187,257	162,023
			Attributable to:			
91,140	87,480	87,934	Equity holders of the parent		178,620	163,273
2,212	6,425	619	Non-controlling interest		8,637	(1,250)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 Jun 2017 HUF million	31 Dec 2016 restated HUF million
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,148,755	2,193,419
Intangible assets	8	186,532	183,561
Investments in associated companies and joint ventures	6	215,256	257,090
Other non-current financial assets		78,236	63,652
Deferred tax asset	7	112,249	125,055
Other non-current assets		45,115	44,403
Total non-current assets		**2,786,143**	**2,867,181**
CURRENT ASSETS			
Inventories		401,894	385,142
Trade and other receivables	14	514,387	476,531
Securities	13	34,244	53,910
Other current financial assets	13	24,642	26,829
Income tax receivable	7	15,119	7,945
Cash and cash equivalents	13	92,032	216,928
Other current assets		65,243	66,239
Assets classified as held for sale	11	327	3,082
Total current assets		**1,147,888**	**1,236,606**
Total assets		**3,934,031**	**4,103,786**
EQUITY	16		
Share capital		79,279	79,260
Reserves		1,356,664	1,149,315
Profit for the year attr. to equity holders of the parent		182,669	263,497
Equity attributable to equity holders of the parent		**1,618,612**	**1,492,072**
Non-controlling interest		**314,692**	**309,554**
Total equity		**1,933,304**	**1,801,626**
NON-CURRENT LIABILITIES			
Long-term debt	13	400,257	436,922
Other non-current financial liabilities	13	7,838	6,160
Provisions - long term	20	392,879	405,175
Deferred tax liabilities	7	51,732	47,766
Other non-current liabilities		23,072	22,658
Total non-current liabilities		**875,778**	**918,681**
CURRENT LIABILITIES			
Short-term debt	13	239,563	440,372
Trade and other payables	14	420,874	493,389
Other current financial liabilities	13	178,707	202,056
Provisions - short term		29,094	32,423
Income tax payable	7	10,248	2,615
Other current liabilities	12	246,463	212,624
Total current liabilities		**1,124,949**	**1,383,479**
Total equity and liabilities		**3,934,031**	**4,103,786**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HUF million	Share premium HUF million	Fair valuation reserve HUF million	Translation reserve HUF million	Retained earnings HUF million	Total reserves HUF million	Profit/ (Loss) for the year attr. to equity holders of the parent HUF million	Equity attr. to equity holders of the parent HUF million	Non-controlling interests HUF million	Total equity HUF million
Opening balance 1 Jan 2016 restated	79,241	223,866	1,246	245,772	1,163,093	1,633,977	(260,999)	1,452,219	364,349	1,816,568
Profit / (loss) for the year	-	-	-	-	-	-	152,697	152,697	(6,727)	145,970
Other comprehensive income for the year	-	-	1,198	7,553	1,825	10,576	-	10,576	5,477	16,053
Total comprehensive income for the year	-	-	1,198	7,553	1,825	10,576	152,697	163,273	(1,250)	162,023
Transfer to reserves of retained profit for the previous year	-	-	-	-	(260,999)	(260,999)	260,999	-	-	-
Dividends	-	-	-	-	(47,781)	(47,781)		(47,781)	-	(47,781)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(2,496)	(2,496)
Equity recorded for share based payments	19	-	-	-	183	183	-	202	-	202
Cancellation of treasury shares	-	(4,477)	-	-	4,477	-	-	-	-	-
Acquisition / divestition of subsidiaries	-	-	-	-	-	-	-	-	(2,091)	(2,091)
Acquisition of non-controlling interests	-	-	-	-	(153,290)	(153,290)	-	(153,290)	(29,861)	(183,151)
Closing balance 30 Jun 2016	79,260	219,389	2,444	253,325	707,508	1,182,666	152,697	1,414,623	328,651	1,743,274
Opening balance 1 Jan 2017	79,260	219,389	4,007	228,284	697,635	1,149,315	263,497	1,492,072	309,554	1,801,626
Profit / (loss) for the year	-	-	-	-	-	-	182,669	182,669	7,049	189,718
Other comprehensive income for the year	-	-	(383)	(1,911)	(1,755)	(4,049)	-	(4,049)	1,588	(2,461)
Total comprehensive income for the year	-	-	(383)	(1,911)	(1,755)	(4,049)	182,669	178,620	8,637	187,257
Transfer to reserves of retained profit for the previous year	-	-	-	-	263,497	263,497	(263,497)	-	-	-
Dividends	-	-	-	-	(52,681)	(52,681)	-	(52,681)	-	(52,681)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	(3,521)	(3,521)
Equity recorded for share-based payments	19	-	-	-	-	-	-	19	-	19
Cancellation of treasury shares	-	-	-	-	-	-	-	-	-	-
Acquisition / divestment of subsidiaries	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	582	582	-	582	22	604
Closing balance 30 Jun 2017	79,279	219,389	3,624	226,373	907,278	1,356,664	182,669	1,618,612	314,692	1,933,304

CONSOLIDATED STATEMENT OF CASH FLOW

Q1 2017 HUF million	Q2 2017 HUF million	Q2 2016 restated HUF million		Notes	H1 2017 HUF million	H1 2016 restated HUF million
110,339	**118,153**	**92,504**	**Profit before tax**		**228,492**	**149,029**
	-		*Adjustments to reconcile profit before tax to net cash provided by operating activities*			
71,145	71,789	79,169	Depreciation, depletion, amortisation and allowances/impairments	4	142,934	149,982
(2,943)	(15,198)	(16,276)	Increase / (decrease) in provisions		(18,141)	(32,543)
263	4,542	(1,360)	Net (gain) / loss on asset disposal and divestments		4,805	(1,039)
9,206	6,873	10,275	Net interest expense / (income)	5	16,079	19,265
(5,548)	(12,099)	276	Other finance expense / (income)	5	(17,647)	(8,023)
6,867	(7,374)	(1,966)	Share of net profit of associates and joint venture	6	(507)	(2,642)
(6,917)	(8,517)	4,418	Other non-cash item		(15,434)	6,624
(11,601)	(8,848)	(15,490)	Income taxes paid	7	(20,449)	(22,215)
170,811	**149,321**	**151,550**	**Operating cash flow before changes in working capital**		**320,132**	**258,437**
(130,911)	*61,192*	(18,895)	*Total change in working capital o/w:*		*(69,719)*	(52,056)
(49,221)	29,585	(57,727)	(Increase) / decrease in inventories		(19,636)	3,748
(45,716)	(14,807)	(53,186)	(Increase) / decrease in trade and other receivables	14	(60,523)	(87,634)
(49,329)	26,591	93,891	Increase / (decrease) in trade and other payables	14	(22,738)	39,906
13,355	19,823	(1,873)	(Increase)/decrease in other assets and liabilities	18	33,178	(8,076)
39,900	**210,513**	**132,655**	**Net cash provided by operating activities**		**250,413**	**206,381**
(55,222)	(67,897)	(61,820)	Capital expenditures	8	(123,119)	(137,265)
940	4,403	1,406	Proceeds from disposal of fixed assets		5,343	2,165
(1,627)	(98)	(5,680)	Acquisition of businesses (net of cash)	9	(1,725)	(5,048)
10,107	(111)	-	Proceeds from disposal of businesses (net of cash)	10	9,996	(4,000)
(4,016)	16,383	27,963	Increase / decrease in other financial assets		12,367	21,507
718	1,672	1,391	Interest received and other financial income	5	2,390	1,514
2,613	9,754	4,685	Dividends received	5	12,367	4,687
(46,487)	**(35,894)**	**(32,055)**	**Net cash used in investing activities**		**(82,381)**	**(116,440)**
-	-	233,348	Issuance of long-term notes		-	233,348
-	(234,840)	-	Repayment of long-term notes		(234,840)	-
174,429	264,787	145,044	Proceeds from loans and borrowings received		439,216	481,793
(158,338)	(262,918)	(341,672)	Repayments of loans and borrowings		(421,256)	(485,183)
266	(29,149)	(8,942)	Interest paid and other financial costs	5	(28,884)	(25,782)
-	(53,373)	(47,740)	Dividends paid to shareholders	16	(53,373)	(47,751)
-	(3,358)	(601)	Dividends paid to non-controlling interest		(3,358)	(2,496)
(18)	(4)	(3)	Transactions with non-controlling interest		(22)	(189,559)
16,339	**(318,855)**	**(20,566)**	**Net cash used in financing activities**		**(302,517)**	**(35,631)**
(1,729)	186	3,874	Currency translation differences relating to cash and cash equivalents		(1,542)	3,099
8,023	**(144,050)**	**83,908**	**Increase/(decrease) in cash and cash equivalents**		**(136,027)**	**57,410**
216,928	224,951	105,339	Cash and cash equivalents at the beginning of the period		216,928	131,838
224,951	80,901	189,247	Cash and cash equivalents at the end of the period		80,901	189,247

NOTES TO THE FINANCIAL STATEMENTS - ACCOUNTING INFORMATION, POLICIES AND SIGNIFICANT ESTIMATES

This section describes the basis of preparation of interim consolidated financial statements, the Group's applicable accounting policies, the seasonality of operations and prior period errors and restatements. This section also provides a brief summary of new accounting standards issued by IASB but have not yet been effective.

1. Accounting information and policies

a) Basis of preparation

The interim condensed financial statements for the six months ended 30 June 2017 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 2016.

b) Significant accounting policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2016.

The following amendments to the accounting standards are issued by the IASB or International Financial Reporting Interpretations Committee (IFRIC), effective from 1 January 2017, but not yet endorsed by the EU:

- Amendment to IAS 7 Statement of cash flows on disclosure initiative
- Amendment to IAS 12 Income taxes on recognition of deferred tax assets for unrealised losses

The following standards issued by the IASB have not yet been effective:

- Amendment to IFRS 2 Share based payments on clarification on accounting for certain types of share-based payment transactions (effective for annual periods beginning on or after 1 January 2018)
- IFRS 9 Financial instruments (effective for annual periods beginning on or after 1 January 2018)
- IFRS 15 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)
- Amendment to IFRS 15 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)
- IFRS 16 Leases (effective for annual periods beginning on or after 1 January 2019)
- IFRS 17 Insurance Contracts (effective for annual periods beginning on or after 1 January 2021)
- Amendments to IFRS 4 Insurance contracts regarding the implementation of IFRS 9 - Financial instruments (effective for annual periods beginning on or after 1 January 2018)
- Amendment to IAS 40 Investment property, relating to transfers of investment property (effective for annual periods beginning on or after 1 January 2018)
- Annual improvements 2014–2016 (effective for annual periods beginning on or after 1 January 2018)
- IFRIC 22 Foreign currency transactions and advance consideration (effective for annual periods beginning on or after 1 January 2018)
- IFRIC 23 Uncertainty over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019)

The Group is currently considering the implications of the IFRS 9, IFRS 15 and IFRS 16, which are expected to have an impact on the Group's consolidated results and financial position. The other standards and amendments are not expected to significantly impact the Group's consolidated results, financial position or disclosures.

c) Correction of prior period errors and restatements

Comparative periods have been restated due to that:

- New operating segment, Consumer Services, has been established in 2017.
- In 2016 the Group examined its transactions causing foreign exchange differences and as a result foreign exchange gains and losses are aggregated separately on a monthly basis for transactions similar in nature. Foreign exchange differences are reclassified between finance income and finance expense having no overall impact on net finance result.
- In 2016 MOL Group has revised the consolidation method of MK Oil and Gas B.V. and Ural Group Ltd. and changed to equity method based on the interpretation of facts and circumstances (HUF 44,822 million has been reclassified to

Investments in associated companies and joint ventures and HUF 1,225 million loss has been reclassified to Income from associates and joint ventures).

- Comparative period has been restated as in 2016 the method of depreciation has been changed with regards to assets in Kurdistan Region of Iraq (value of property, plant and equipment and intangible assets has decreased by HUF -7,335 million).
- In 20126 obligatory stock in Italy has been reclassified to other non-current assets from inventories (HUF 9,202 million).

d) Seasonality of operations

Certain operations of the Group, mainly in the Downstream, Consumer Services and the Gas Midstream segment are exposed to seasonality (in case of Consumer Services, holiday peak results in higher margin revenues, whereby sales of the Gas Midstream segment are higher in the winter heating season), which should be considered when analyzing quarterly financial information.

RESULTS FOR THE PERIOD

This section explains the results and performance of the Group for the half financial years ended 30 June 2017 and 30 June 2016. Disclosures are following the structure of statement of profit or loss and provide information on segmental data, total operating income, total operating expense, finance result, income from associates and joint ventures. For taxation, joint ventures and associates, statement of financial position disclosures are also provided in this section.

2. Segmental information

For management purposes the Group is organized into five major operating business units: Upstream, Downstream, Consumer Services, Gas Midstream and Corporate and other segments. 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.

One additional, namely the Consumer Services, segment has been created in 2017.

Six months ended 30 June 2017	Upstream HUF million	Downstream HUF million	Consumer Services HUF million	Gas Midstream HUF million	Corporate and other HUF million	Intersegment transfers HUF million	Total HUF million
Net Revenue							
Sales to external customers	84,726	1,291,747	531,074	46,698	9,419		1,963,664
Inter-segment sales	124,609	440,804	1,019	2,240	78,837	(647,509)	-
Total revenue	209,335	1,732,551	532,093	48,938	88,256	(647,509)	1,963,664
Profit from operations	65,129	131,728	30,615	24,448	(25,648)	144	226,416

Six months ended 30 June 2016 (restated)	Upstream HUF million	Downstream HUF million	Consumer Services HUF million	Gas Midstream HUF million	Corporate and other HUF million	Intersegment transfers HUF million	Total HUF million
Net Revenue							
Sales to external customers	76,541	1,045,139	435,783	41,633	8,479		1,607,575
Inter-segment sales	97,240	338,492	930	2,880	71,562	(511,104)	-
Total revenue	173,781	1,383,631	436,713	44,513	80,041	(511,104)	1,607,575
Profit from operations	13,028	130,361	24,131	20,897	(25,086)	(5,702)	157,629

Set up of Consumer services segment does not impact the total revenue and profit figures as it was part of Downstream segment in previous interim financial statements. Restatement impacts the presentation of data between segments only.

3. Other income

In 2017, having cost-benefit assessment, commodity hedge accounting has been ceased within MOL Group resulting approximately HUF 7 billion increase in other income. There were no other significant changes in other income.

4. Total operating expenses

	H1 2017 HUF million	H1 2016 restated HUF million
Raw material and consumables used	**1,465,669**	**1,145,041**
Crude oil purchased	733,112	536,822
Cost of goods purchased for resale	296,186	251,638
Non-hydrocarbon based material	155,067	101,890
Value of material-type services used	112,049	98,953
Utility expenses	37,203	36,977
Purchased bio diesel component	36,597	36,214
Other raw materials	95,455	82,547
Personnel expenses	**121,516**	**119,386**
Wages and salaries	88,918	87,812
Social security	18,738	22,989
Other personnel expenses	13,860	8,585
Depreciation, depletion, amortisation and impairment	**142,934**	**149,982**
Other operating expenses	**84,155**	**89,327**
Mining royalties	20,912	20,161
Rental cost	14,791	14,471
Taxes and contributions	13,875	10,569
Contribution in strategic inventory storage	7,099	13,247
Other	27,478	30,879
Change in inventory of finished goods & work in progress	**(23,257)**	**(17,626)**
Work performed by the enterprise and capitalised	**(26,239)**	**(24,777)**
Total operating expenses	**1,764,778**	**1,461,333**

Operating expenses are mainly driven by higher average Brent price and consequently raw material prices in 2017 as well as increased processing volume.

5. Finance result

Finance result	H1 2017 HUF million	H1 2016 HUF million
Interest income	1,842	2,279
Dividend income	5,865	4,686
Foreign exchange gains	24,590	14,154
Other finance income	2,346	938
Total finance income	**34,643**	**22,057**
Interest expense	14,456	16,893
Unwinding of discount on provisions	3,465	4,652
Foreign exchange losses	11,107	8,880
Other finance expense	4,046	2,874
Total finance expense	**33,074**	**33,299**
Net finance expense/(income)	**(1,569)**	**11,242**

Net finance result turned to income for H1 2017, on one hand driven by payback of matured EUROBOND 2 resulting lower interest expense for the second half of H1 2017, and on the other hand that Hungarian Forint strengthened against both Euro and US Dollar resulting net foreign exchange gain as net position of EUR and USD monetary items is liability with dominant EUR exposure.

6. Joint ventures and associates

Company name	Country	Range of activity	Ownership 2016	Contribution to net income H1 2017 HUF million	Contribution to net income H1 2016 restated HUF million	Net book value of investments 2017 HUF million	Net book value of investments 2016 restated HUF million
Investment in joint ventures							
BaiTex Llc / MK Oil and Gas B.V.	Russia / Netherlands	Exploration and production activity / Exploration investment management	51%	1,291	1,348	18,219	30,565
JSR MOL Synthetic Rubber Zrt.	Hungary	Production of synthetic rubber	49%	(276)	(170)	12,371	12,735
CM European Power International B.V.	Netherlands	Power plant investment management	50%	2	-	-	9,484
Rossi Biofuel Zrt.	Hungary	Biofuel component production	25%	209	418	2,883	2,691
Dunai Vízmű Zrt.	Hungary	Water production, supply	33%	-	-	1,400	1,400
Investment in associated companies							
Pearl Petroleum Ltd.	Kurdistan region / Iraq	Exploration of natural gas	10%	(1,346)	-	139,601	156,064
MET Holding AG. (MET)	Switzerland	Natural gas trading	40%	1,057	970	21,190	22,310
Ural Group Limited (Expl)	Kazakhstan	Exploration and production activity	28%	(461)	(123)	17,302	19,262
Meroco a.s.	Slovakia	Production of bio-diesel component (FAME)	25%	124	168	941	1,074
Messer Slovnaft s.r.o	Slovakia	Production of technical gases	49%	35	31	692	720
DAC ARENA a.s.	Slovakia	Facility management	23%	-	-	618	618
IN-ER Erőmű Kft.	Hungary	Power plant management	30%	(128)	-	39	167
Total				**507**	**2,642**	**215,256**	**257,090**

Given the economic situation impacting the Group's associate in the Kurdistan Region of Iraq impairment had been made in 2016 against the Group's share of profit.

In 2017, Pearl Petroleum has paid HUF 2,811 million dividend and along with that impairment has been released in the same value resulting no change in balance sheet value. Investment value of Pearl Petroleum decreased by HUF 16,463 million from which HUF 1,346 million is MOL Group's share of Pearl's loss while the remaining is foreign currency impact.

In 2017, liquidation of CM European Power International B.V (CMEPI) has started and along with that investment value of CMEPI has decreased as CMEPI paid dividend to MOL Group.

7. Taxation

Total applicable income taxes reported in the consolidated financial statements for the interim period ended 30th June 2017 include the following components:

Q1 2017 HUF million	Q2 2017 HUF million	Q2 2016 restated HUF million		H1 2017 HUF million	H1 2016 restated HUF million
3,584	3,625	3,453	Local trade tax and innovation fee	7,209	6,779
(147)	1,816	(379)	Industry tax	1,669	(721)
4,927	7,497	10,882	Current corporate income tax	12,424	20,242
8,332	9,140	1,360	Deferred taxes	17,472	(23,241)
16,696	**22,078**	**15,316**	**Total income tax (expense) / benefit**	**38,774**	**3,059**

Local trade tax represents an income based tax for Hungarian entities, payable to local municipalities. Tax base is calculated by deducting material costs, cost of goods sold and remediated services from sales revenue. Tax rates vary between 1-2% dependent on the regulation of local governments where the entities carry on business activities.

Industry income taxes include tax on energy supply activities in Hungary with an effective tax rate of 21% on taxable statutory profit of MOL Plc.

Upstream companies in Norway are refunded for the tax expenses of exploration activities incurred for the year.

Change in tax rates

The following changes in corporate income tax rates effective from 1 January 2017 are taken into account:

- change in Hungary to 9% (2016: 10% below HUF 500 million tax base and 19% above)
- change in Slovakia to 21% (2016: 22%)
- change in Croatia to 18% (2016: 20%)

Decrease in corporate income taxes is driven by the reduction in tax rate in Hungary, Croatia and Slovakia and the decreasing effect of IFRS transition at MOL Plc.

Enhanced profitability results in industry tax liability at MOL Plc partly offset by petroleum tax refund of MOL Norge AS under Norwegian tax law.

Increase in income tax liability balance is mainly due to corporate income tax payable position of MOL Petrochemicals (HUF 4,447million) and industry tax payable at MOL Plc (HUF 2,295 million).

Growth in income tax receivables is driven by Slovnaft a.s, having overpayment from last year and advanced payments in 2017 (HUF 10,234 million).

MOL Plc has switched to IFRS for statutory reporting purposes from 1 January 2016. This transition to IFRS has an impact on the company's current as well as deferred income tax positions.

Deferred tax expense in the first half of 2017 is driven by MOL Plc releasing deferred tax assets on IFRS transition impact (HUF 9,746 million) and recognising deferred tax liability in relation to industry tax on differences in the value of fixed assets as a result of IFRS transition (HUF 6,677 million), while the same period of last year shows deferred tax income as a result of MOL Plc cancelling deferred tax liability on differences between IFRS and Hungarian Accounting Standards at transition to IFRS (HUF 20,955 million).

NON-FINANCIAL ASSETS AND LIABILITIES

This section describes those non-financial assets that are used and liabilities incurred to generate the Group's performance. This section also provides disclosures on the Group's recent acquisitions and disposals.

8. Property, plants and equipment and intangible assets

a) Property, plants and equipment

During the six months ended 30th June 2017, the Group purchased assets with cost of HUF 103,631 million, compared to the restated amount of HUF 120,790 million in H1 2016.

The purchases both in the current and comparative period mainly related to capital expenditures in the Upstream (exploration projects partly in concession companies in Hungary and field development projects in UK North Sea area, Croatia and Hungary) and Downstream segments (refinery major overhaul in Slovnaft, construction and refurbishment projects in MOL Petrochemicals and Slovnaft).

9. Business combinations, transactions with non-controlling interests.

a) Acquisition of OT Industries

On 31 January 2017 MOL Group has acquired 51% shareholding of OT Industries Vagyonkezelő (OVK) for HUF 45 million. OVK has six fully owned operating subsidiaries. The initial accounting for the business combination is incomplete at the time the interim financial statements are authorized for issue.

b) Acquisition of ENI Slovenia d.o.o. and ENI Hungaria Zrt.

Based on new information the value of goodwill recognized has been increased by HUF 1,883 million against the value of acquired assets.

10. Disposals

In 2017 MOL Group has sold its Italian retail related assets. For further information on sales of Italian retail business, refer to 11. Assets and liabilities held for sale section.

Assets with net book value of HUF 1,129 million were disposed by the Group in H1 2017 resulting in a net gain of HUF 1,108 million excluding the effect of the Italian retail network related asset sale.

On 15th June, 2017 MOL Group sold its 49% share in North Karpovsky field to Coöperatieve KMG EP U.A for a marginal price. Carrying amount of disposed assets and liabilities and analysis of cash flows of the sale are shown below.

	KS EP Investment B.V. Karpovskiy Severniy LLP HUF million
Non-current assets	826
Current assets	2,268
Total assets	**3,094**
Non-current liabilities	-
Current liabilities	(310)
Total liabilities	**(310)**
Non-controlling interest	-
Net assets sold	**2,784**
Cash consideration received	-
Net loss on net assets sold	**(2,784)**
Recycling of cumulative foreign exchange gain (loss)	(3,136)
Net loss on disposal	**(5,920)**
Analysis of cash outflow on sales	
Cash consideration received	-
Net cash disposed of during the sale	(124)
Net cash outflow	**(124)**

11. Assets and liabilities held for sale

On 14th June 2017 MOL Group sold its Italian retail network related assets from Consumer Services segment. Sold assets were already impaired and classified as assets held for sale at 31 December 2016. As part of the sale transaction HUF 2,521 million of assets at net book value have been sold. Transaction resulted no significant gain/loss in 2017.

12. Other current liabilities

	30 Jun 2017 HUF million	31 Dec 2016 restated HUF million
Taxes, contributions payable (excluding corporate tax)	176,097	141,919
Amounts due to employees	29,114	35,723
Advances from customers	14,714	7,607
Custom fees payable	11,093	9,867
Other accrued incomes	4,780	4,806
Fee payable for strategic inventory storage	4,055	3,794
Government subsidies received and accrued	1,015	629
Fair value of firm commitments as hedged item under commodity price transactions	-	3,299
Other	5,595	4,980
Total	246,463	212,624

Taxes, contributions payable mainly include mining royalty, contributions to social security, value added taxes and excise taxes.

FINANCIAL INSTRUMENTS, CAPITAL AND FINANCIAL RISK MANAGEMENT

This section describes the financial instruments applied to fulfill policies and procedures to manage the capital structure and the financial risks the group is exposed to.

13. Reconciliation of financial instruments

30 June 2017 Carrying amount of financial instruments		Fair value through profit or loss FVTPL HUF million	Derivatives used for hedging hedge acc. HUF million	Loans and receivables and liabilities at amort cost amortised cost HUF million	Available-for-sale FVTOCI HUF million	Total carrying amount HUF million
Financial assets						
Other non-current financial assets	Equity instruments	-	-	-	33,558	33,558
	Loans given	-	-	15,745	-	15,745
	Deposit	-	-	302	-	302
	Other	34	-	28,597	-	28,631
Total non-current financial assets		34	-	44,644	33,558	78,236
Trade and other receivables		-	-	514,387	-	514,387
Cash and cash equivalents		-	-	92,032	-	92,032
Debt securities		3,250	-	-	30,993	34,243
Other current financial assets	Commodity derivatives	10,929	-	-	-	10,929
	Loans given	-	-	1,974	-	1,974
	Deposit	-	-	10,313	-	10,313
	Foreign exchange derivatives	30	-	-	-	30
	Other	-	-	1,397	-	1,397
Total current financial assets		14,209	-	620,103	30,993	665,305
Total financial assets		14,243	-	664,747	64,551	743,541
Financial liabilities						
Borrowings (Long-term debt)		-	-	400,257	-	400,257
Other non-current financial liabilities	Foreign exchange derivatives	166	4,394	-	-	4,560
	Other	-	-	3,278	-	3,278
Total non-current financial liabilities		166	4,394	403,535	n/a.	408,095
Trade and other payables		-	-	420,874	-	420,874
Borrowings (short-term debt)		-	-	239,563	-	239,563
Other current financial liabilities	Transferred "A" shares with put&call options	-	-	161,711	-	161,711
	Commodity derivatives	7,972	-	-	-	7,972
	Foreign exchange derivatives	169	-	-	-	169
	Other derivatives	4,466	-	-	-	4,466
	Other	-	-	4,389	-	4,389
Total current financial liabilities		12,607	-	826,537	n/a.	839,144
Total financial liabilities		12,773	4,394	1,230,072	n/a.	1,247,239

* FVTPL: Fair value through profit or loss; hedge acc: under hedge accounting; FVTOCI: Fair value through other comprehensive income

31 December 2016 Carrying amount of financial instruments		Fair value through profit or loss FVTPL HUF million	Derivatives used for hedging hedge acc. HUF million	Loans and receivables and liabilities at amort cost amortised cost HUF million	Available-for-sale FVTOCI HUF million	Total carrying amount HUF million
Financial assets						
Other non-current financial assets	Equity instruments	-	-	-	31,857	31,857
	Loans given	-	-	5,312	-	5,312
	Deposit	-	-	304	-	304
	Other	-	-	26,177	2	26,179
Total non-current financial assets		-	-	31,793	31,859	63,652
Trade and other receivables		-	-	476,531	-	476,531
Cash and cash equivalents		-	-	216,928	-	216,928
Debt securities		1,543	-	-	52,367	53,910
Other current financial assets	Commodity derivatives	9,762	3,481	-	-	13,243
	Loans given	-	-	2,146	-	2,146
	Deposit	-	-	6,871	-	6,871
	Foreign exchange derivatives	8	-	-	-	8
	Other derivatives	1	-	-	-	1
	Other	-	-	4,560	-	4,560
Total current financial assets		11,314	3,481	707,036	52,367	774,198
Total financial assets		11,314	3,481	738,829	84,226	837,850
Financial liabilities						
Borrowings (Long-term debt)		-	-	436,922	-	436,922
Other non-current financial liabilities	Foreign exchange derivatives	-	3,048	-	-	3,048
	Other	-	-	3,112	-	3,112
Total non-current financial liabilities		-	3,048	440,034	n/a.	443,082
Trade and other payables		-	-	493,389	-	493,389
Borrowings (short-term debt)		-	-	440,372	-	440,372
Other current financial liabilities	Transferred "A" shares with put&call options	-	-	160,907	-	160,907
	Commodity derivatives	13,927	5,867	-	-	19,794
	Foreign exchange derivatives	524	11,068	-	-	11,592
	Other derivatives	4,714	-	-	-	4,714
	Other	-	-	5,049	-	5,049
Total current financial liabilities		19,165	16,935	1,099,717	n/a.	1,135,817
Total financial liabilities		19,165	19,983	1,539,751	n/a.	1,578,899

* FVTPL: Fair value through profit or loss; hedge acc: under hedge accounting; FVTOCI: Fair value through other comprehensive income

One of the Group's issued bond (Eurobond 2) matured on 20th April 2017, which caused approximately HUF 240 billion decrease in short-term debt. The issued bond was repaid from cash and cash equivalents, debt security investments, deposits and was partially refinanced with other types of borrowings.

14. Trade and other receivables / payables

Increase of trade and other receivables is driven by increase in average Brent crude oil price and consequently increase of product average quotation prices. In addition, the Group's petrochemical activity resulted higher sales and receivables balances.

Decrease of trade and other payables is result of decreasing Brent price for the end of second quarter in 2017 as well as lower purchased crude volume compared to previous year-end.

15. Fair value hierarchy

Fair value hierarchy	30 Jun 2017 Level 1 Unadjusted quoted prices in active markets HUF million	30 Jun 2017 Level 2 Valuation techniques based on observable market input HUF million	30 Jun 2017 Total fair value HUF million	31 Dec 2016 Level 1 Unadjusted quoted prices in active markets HUF million	31 Dec 2016 Level 2 Valuation techniques based on observable market input HUF million	31 Dec 2016 Total fair value HUF million
Financial assets						
Equity instruments	28,244	5,314	33,558	25,909	5,948	31,857
Debt securities	34,243	-	34,243	53,910	2	53,912
Commodity derivatives	-	10,929	10,929	-	13,243	13,243
Foreign exchange derivatives	-	64	64	-	8	8
Other derivatives	-	-	-	-	1	1
Total financial assets	62,487	16,307	78,794	79,819	19,202	99,021
Financial liabilities						
Commodity derivatives	-	7,972	7,972	-	19,794	19,794
Foreign exchange derivatives	-	4,729	4,729	-	14,640	14,640
Other derivatives	-	4,466	4,466	-	4,714	4,714
Total financial liabilities	-	17,167	17,167	-	39,148	39,148

This table contains only the financial instruments measured at fair value. Investment in equity instruments that do not have a quoted price in an active market and whose fair value cannot be reliably measured are held at cost and therefore not included in the fair value hierarchy table.

In 2017 (neither in 2016) the Group does not have any instruments with fair value categorized as Level 3 (valuation techniques based on unobservable market input).

16. Capital management

a) Borrowings

The EUR 750mn 7-year maturity fixed-rate Eurobond (coupon 5.875%, ISIN: XS0503453275) issued on 20th April 2010 has been fully paid back along with the last coupon payment on the maturity date.

b) Equity

Share capital

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 Dec 2016	102,428,104	(7,914,159)	(15,254,098)	79,259,847	132,428,104
Settlement of share option agreement with Unicredit Bank A.G.	-	(1,721,416)	1,721,416	-	-
Share distribution for the members of the Board of Directors	-	18,600	-	18,600	-
30 Jun 2017	102,428,104	(9,616,975)	(13,532,682)	79,278,447	132,428,104
Series "C" shares					
31 Dec 2016	578	(578)	-	-	578
Series "C" shares	-	-	-	-	-
30 Jun 2017	578	(578)	-	-	578

* MOL Plc has some option agreements concluded with financial institutions in respect of 13,532 pieces of series "A" shares. Under the agreements MOL Plc holds American call options and the financial institutions hold European put options in respect of the shares. The expiry of both the put and call options are identical and are one year from the date of the agreement.

Treasury share put and call transactions

The options arising out of the share option agreement concluded between MOL Plc and UniCredit Bank AG on 19 January 2016, regarding 5,380,496 MOL Series "A" Ordinary shares, were physically settled in respect of 1,721,416 options and cash settled in respect of 3,659,080 options on 12 January 2017.

Under the share option agreement concluded between MOL Plc and UniCredit Bank AG on 3 January 2017, MOL Plc receives American call options and UniCredit Bank AG receives European put options regarding 3,659,080 Shares on 12 January 2017.

Counterparty	Underlying pieces of MOL ordinary shares	Strike price per share	Expiry
ING Bank N.V.	4,863,101	EUR 58.20351	24-Nov-2017
UniCredit Bank AG	3,659,080	EUR 66.30865	14-Nov-2017

Share swap agreement with OTP

The share swap agreement, concluded with OTP Bank Plc on 16 April 2009 and extended on 11 July 2022 in respect of 5,010,501 "A" series MOL Plc ordinary shares owned by OTP Bank Plc and 24,000,000 OTP Bank Plc ordinary shares owned by MOL Plc, has been further extended until 11 July 2022.

The amendment does not trigger any movement in MOL Plc's treasury shares.

Dividend

The shareholders at the Annual General Meeting in April 2017 approved to pay HUF 58,006 million dividend in respect of 2016, which equals to HUF 625 dividend per share.

OTHER FINANCIAL INFORMATION

This section includes additional financial information that are either required by the relevant accounting standards or management considers these to be material information for shareholders.

17. Commitments and contingent liabilities

a) Guarantees

As of 30th June 2017, the Group has no material directly issued guarantees outstanding in respect of liabilities of third parties.

The total value of bank guarantees undertaken by the group where the beneficiary is a third party as of 30 June 2017 is HUF 31,794 million. (HUF 17,947 million as of 30 June 2016)

b) Capital and Contractual Commitments

The total value of capital commitments as of 30th June 2017 is HUF 101,381 million (HUF 83,368 million as of 31st December 2016), of which HUF 54,740 million relates to associated companies and HUF 27,392 million relates to Hungarian operation. Other significant amount of HUF 8,077 million relates to the extension and improvement of a petrochemical plant in Slovakia.

In addition to the items listed above the liability related to the rental of Floating Production and Offloading vessel that will be used at North Sea is HUF 66,633 million. (HUF 72,248 million as of 31 December 2016)

c) Operating leases

Operating lease commitments	30 Jun 2017 HUF million	31 Dec 2016 HUF million
Due within one year	12,612	6,384
Due later than one year but not later than five years	12,565	11,831
Due later than five years	7,181	752
Total	32,358	18,967

Out of the outstanding operating lease liability HUF 9,666 million relates to operation in Slovakia, HUF 4,529 million to Croatia and HUF 6,181 million to Hungary.

18. Notes to the consolidated statements of cash flows

Operating cash inflow before changes in working capital decreased to HUF 320,132 million in H1 2017 (HUF 258,437 million in the comparative period). Even so the operating cash inflow increased to HUF 250,413 million considering the effect of changes in working capital (HUF 206,381 million in the comparative period).

Net cash used in investing activities decreased to HUF 82,381 million in H1 2017 (HUF 116,440 million in the comparative period). This decrease is represented mainly moderate capital expenditure spending in H1 2017 with favorable foreign exchange impact as well as proceeds from disposal of businesses.

Net cash outflow of financing activities increased to HUF 302,517 million in H1 2017 (HUF 35,631 million in the comparative period). The change is mainly influenced by the payback of EUROBOND 2.

19. Related party transactions

MOL Group's significant related parties are its associates, joint ventures and key management personnel. There have been no transactions with these related parties during the six months ended 30 June 2017 on terms other than those that prevail in arm's length transactions.

Main balances:

	H1 2017 HUF million	H1 2016 restated HUF million
Trade and other receivables due from related parties	1,597	946
Loans given to related parties	11,349	3,336
Trade payables due to related parties	5,274	5,571
Net sales to related parties	4,341	3,555

20. Events after the reporting period

a) Non-adjusting event(s)

On 6 July 2017 European Commission has decided to subsidize the Next-E project of the consortium of MOL Group and its partners in the value of approx. EUR 19 million. From this amount, approx. EUR 8 million will be received by MOL Group.

The transaction qualifies as 2017 H2 transaction and does not affect the H1 2017 figures.

MOL Plc. signed a Schuldscheindarlehen ("SSD") Agreement in the amount of EUR 110 million on 24th July 2017. SSD is a loan evidenced by certificate of indebtedness under German law. MOL concluded tranches between 3 and 7 years achieving a favorable average maturity of 5.2 years. The issuance of the SSD loan has occurred on 1st August 2017.

The transaction qualifies as 2017 H2 transaction and does not affect the H1 2017 figures.

b) Adjusting event(s)

In July 2017 MOL Group entered into the settlement agreement with the Angolan Ministry of Finance regarding the settlement of the Additional tax and Profit Oil in Angolan Blocks for the period 2002-2016. As the result of the agreement MOL Group is obliged to pay USD 6.6 million while the Angolan's Ministry of Finance waived its right to claim any additional tax payment from the Group for the years till 2016 (inclusive). As a result HUF 10,528 million provision and its foreign exchange impact has been released to profit or loss at 30th June 2017.

APPENDICES

Appendix I.

Key IFRS data by business segment

Unaudited figures (in HUF million)

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Net Sales Revenues (HUF mn) [3] [8]	H1 2017	H1 2016 Restated	Ch %
109,844	99,490	86,494	15	Upstream	209,335	173,781	20
837,331	895,220	807,775	11	Downstream	1,732,551	1,383,631	25
30,876	18,062	16,051	13	Gas Midstream	48,938	44,513	10
249,632	282,462	243,314	16	Consumer Services	532,093	436,712	22
34,337	53,918	43,313	24	Corporate and other	88,255	80,042	10
1,262,020	1,349,152	1,196,947	13	Total Net Sales Revenues	2,611,172	2,118,679	23
955,299	1,008,364	910,341	11	Total External Net Sales Revenues	1,963,664	1,607,575	22

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	EBITDA (HUF mn)	H1 2017	H1 2016 Restated	Ch %
63,451	68,892	46,875	47	Upstream	132,342	88,138	50
107,216	73,094	114,969	(36)	Downstream	180,310	178,891	1
20,452	10,366	8,270	25	Gas Midstream	30,818	27,444	12
15,880	26,779	22,604	18	Consumer Services	42,659	36,013	18
(10,169)	(6,071)	(7,156)	(15)	Corporate and other	(16,240)	(16,227)	0
(5,681)	5,141	(5,655)	n.a.	Intersegment transfers[9]	(539)	(6,648)	(92)
191,149	178,201	179,907	(1)	Total EBITDA	369,350	307,611	20

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Depreciation (HUF mn)	H1 2017	H1 2016 Restated	Ch %
33,499	33,714	41,269	(18)	Upstream	67,213	75,110	(11)
24,011	24,572	24,195	2	Downstream	48,583	48,530	0
3,210	3,160	3,283	(4)	Gas Midstream	6,370	6,547	(3)
6,188	5,856	6,035	(3)	Consumer Services	12,044	11,882	1
4,577	4,831	4,418	9	Corporate and other	9,408	8,859	6
(340)	(344)	(382)	(10)	Intersegment transfers[9]	(684)	(946)	(28)
71,145	71,789	78,818	(9)	Total Depreciation	142,934	149,982	(5)

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Operating Profit (HUF mn)	H1 2017	H1 2016 Restated	Ch %
29,952	35,177	5,606	527	Upstream	65,129	13,028	400
83,205	48,522	90,775	(47)	Downstream	131,728	130,361	1
17,242	7,206	4,987	44	Gas Midstream	24,448	20,897	17
9,692	20,923	16,569	26	Consumer Services	30,615	24,131	27
(14,746)	(10,902)	(11,574)	(6)	Corporate and other	(25,648)	(25,086)	2
(5,341)	5,486	(5,274)	n.a.	Intersegment transfers[9]	144	(5,702)	n.a.
120,004	106,412	101,089	5	Total Operating Profit	226,416	157,629	44

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	EBITDA Excluding Special Items (HUF mn)[1]	H1 2017	H1 2016 Restated	Ch %
63,451	64,284	46,875	37	Upstream	127,734	88,138	45
107,216	73,094	114,969	(36)	Downstream	180,310	178,891	1
94,161	92,194	93,610	(2)	Downstream - clean CCS-based[2]	186,355	173,240	8
20,452	10,366	8,270	25	Gas Midstream	30,818	27,444	12
15,880	26,779	22,604	18	Consumer Services	42,659	36,013	18
(10,169)	(6,071)	(7,156)	(15)	Corporate and other	(16,240)	(16,227)	0
(5,681)	5,141	(5,655)	n.a.	Intersegment transfers[9]	(539)	(6,648)	(92)
178,094	192,693	158,548	22	Total - clean CCS-based[2] [10]	370,787	301,959	23
191,149	173,593	179,907	(4)	Total EBITDA Excluding Special Items	364,742	307,611	19

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Operating Profit Excluding Special Items (HUF mn)[1]	H1 2017	H1 2016 Restated	Ch %
29,952	30,569	5,606	445	Upstream	60,521	13,028	365
83,205	48,522	90,775	(47)	Downstream	131,728	130,361	1
17,242	7,206	4,987	44	Gas Midstream	24,448	20,897	17
9,692	20,923	16,569	26	Consumer Services	30,615	24,131	27
(14,746)	(10,902)	(11,574)	(6)	Corporate and other	(25,648)	(25,086)	2
(5,341)	5,486	(5,274)	n.a.	Intersegment transfers[9]	144	(5,702)	n.a.
120,004	**101,804**	**101,089**	**1**	**Total Operating Profit Excluding Special Items**	**221,808**	**157,629**	**41**

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Capital Expenditures (HUF mn)	H1 2017	H1 2016 Restated	Ch %
16,086	19,954	36,562	(45)	Upstream	36,040	67,521	(47)
10,319	37,874	20,107	88	Downstream	48,193	35,139	37
154	1,427	685	108	Gas Midstream	1,581	757	109
2,934	6,934	10,016	(31)	Consumer Services	9,868	12,392	(20)
2,278	3,662	3,176	15	Corporate and other	5,940	5,437	9
(170)	(275)	(447)	(38)	Intersegment transfers[9]	(445)	(927)	(52)
31,601	**69,474**	**70,099**	**(1)**	**Total**	**101,075**	**120,319**	**(16)**

Intangible assets (HUF mn)	30 Jun 2017	31 Dec 2016 Restated	Ch %
Upstream	86,793	119,099	(27)
Downstream	18,141	18,293	(1)
Gas Midstream	3,161	2,353	34
Consumer Services	49,643	47,581	4
Corporate and other	30,672	28,343	8
Intersegment transfers(9)	(1,878)	(1,729)	9
Total Intangible Assets	**186,532**	**213,940**	**(13)**

Tangible Assets (HUF mn)	30 Jun 2017	31 Dec 2016 Restated	Ch %
Upstream	607,910	664,383	(9)
Downstream	897,263	886,021	1
Gas Midstream	217,376	222,512	(2)
Consumer Services	322,097	306,168	5
Corporate and other	116,612	124,160	(6)
Intersegment transfers(9)	(12,503)	(11,937)	5
Total Tangible Assets	**2,148,755**	**2,191,307**	**(2)**

Inventories (HUF mn)	30 Jun 2017	31 Dec 2016 Restated	Ch %
Upstream	14,906	21,035	(29)
Downstream	363,147	310,698	17
Gas Midstream	1,806	2,613	(31)
Consumer Services	11,723	8,950	31
Corporate and other	31,923	28,909	10
Intersegment transfers(9)	(21,611)	(20,223)	7
Total Inventories	**401,894**	**351,982**	**14**

Trade receivables (HUF mn)	30 Jun 2017	31 Dec 2016 Restated	Ch %
Upstream	23,132	23,094	0
Downstream	419,619	429,627	(2)
Gas Midstream	1,622	2,135	(24)
Consumer Services	11,317	10,338	9
Corporate and other	30,527	29,395	4
Intersegment transfers(9)	(36,943)	(31,263)	18
Total Trade receivables	**449,274**	**463,326**	**(3)**

Trade payables (HUF mn)	30 Jun 2017	31 Dec 2016 Restated	Ch %
Upstream	35,010	46,945	(25)
Downstream	275,765	300,684	(8)
Gas Midstream	4,633	2,685	73
Consumer Services	36,028	30,635	18
Corporate and other	45,285	34,543	31
Intersegment transfers(9)	(37,699)	(31,619)	19
Total Trade payables	**359,022**	**383,873**	**(6)**

(1) Special items of operating profit and EBITDA are detailed in Appendix II. and IV.
(2) (8) (9) (10) Please see Appendix XI.

Appendix II.

Special items in operating profit and EBITDA

Unaudited figures (in HUF million)

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Special items - operating profit	H1 2017	H1 2016 Restated	Ch %
120,004	101,804	101,089	1	OPERATING PROFIT EXCLUDING SPECIAL ITEMS	221,808	157,629	41
				Upstream			
-	(5,920)	-	n.a.	North Karpovsky divestment	(5,920)	-	n.a.
-	10,528	-	n.a.	Angola provision release	10,528	-	n.a.
-	4,608	-	n.a.	TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT	4,608	-	n.a.
120,004	106,412	101,089	5	OPERATING PROFIT	226,416	157,629	44

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Special items - EBITDA	H1 2017	H1 2016 Restated	Ch %
191,149	173,593	179,907	(4)	EBITDA EXCLUDING SPECIAL ITEMS	364,742	307,611	19
				Upstream			
-	(5,920)	-	n.a.	North Karpovsky divestment	(5,920)	-	n.a.
-	10,528	-	n.a.	Angola provision release	10,528	-	n.a.
-	4,608	-	n.a.	TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA	4,608	-	n.a.
191,149	178,201	179,907	(1)	EBITDA	369,350	307,611	20

Appendix III.

Key IFRS data by business segment

Unaudited figures (in USD million)

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Net Sales Revenues (USD mn)[3] [8]	H1 2017	H1 2016 Restated	Ch %
378	353	312	13	Upstream	731	620	18
2,885	3,177	2,911	9	Downstream	6,062	4,947	23
106	64	58	11	Gas Midstream	170	158	8
860	1,004	877	14	Consumer Services	1,864	1,560	19
118	192	156	23	Corporate and other	311	286	9
4,348	4,789	4,314	11	Total Net Sales Revenues	9,137	7,572	21
3,291	3,579	3,280	9	Total External Net Sales Revenues	6,870	5,745	20

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	EBITDA (USD mn)	H1 2017	H1 2016 Restated	Ch %
219	245	169	45	Upstream	464	315	47
369	258	414	(38)	Downstream	627	640	(2)
70	37	30	24	Gas Midstream	107	97	10
55	95	81	17	Consumer Services	150	129	17
(35)	(22)	(26)	(14)	Corporate and other	(57)	(58)	(1)
(20)	19	(20)	n.a.	Intersegment transfers[9]	(1)	(24)	(96)
659	631	648	(3)	Total EBITDA	1,290	1,100	17

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Depreciation (USD mn)	H1 2017	H1 2016 Restated	Ch %
115	120	149	(19)	Upstream	235	268	(12)
83	87	87	0	Downstream	170	173	(2)
11	11	12	(5)	Gas Midstream	22	23	(5)
21	21	22	(4)	Consumer Services	42	42	(1)
16	17	16	8	Corporate and other	33	32	4
(1)	(1)	(1)	(11)	Intersegment transfers[9]	(2)	(3)	(29)
245	255	284	(10)	Total Depreciation	500	536	(7)

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Operating Profit (USD mn)	H1 2017	H1 2016 Restated	Ch %
103	125	20	516	Upstream	228	47	390
287	171	327	(48)	Downstream	457	467	(2)
59	26	18	43	Gas Midstream	85	74	15
33	75	60	25	Consumer Services	108	86	25
(51)	(40)	(42)	(5)	Corporate and other	(90)	(90)	1
(18)	20	(19)	n.a.	Intersegment transfers[9]	1	(20)	n.a.
413	376	364	3	Total Operating Profit	790	564	40

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	EBITDA Excluding Special Items (USD mn)[1]	H1 2017	H1 2016 Restated	Ch %
219	228	169	35	Upstream	447	315	42
369	258	414	(38)	Downstream	627	640	(2)
324	327	337	(3)	Downstream - clean CCS-based[2]	652	618	5
70	37	30	24	Gas Midstream	107	97	10
55	95	81	17	Consumer Services	150	129	17
(35)	(22)	(26)	(14)	Corporate and other	(57)	(58)	(1)
(20)	19	(20)	n.a.	Intersegment transfers[9]	(1)	(24)	(96)
614	684	571	20	Total - clean CCS-based[2] [10]	1,297	1,078	20
659	614	648	(5)	Total EBITDA Excluding Special Items	1,273	1,100	16

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Operating Profit Excluding Special Items (USD mn)[1]	H1 2017	H1 2016 Restated	Ch %
103	109	20	434	Upstream	212	47	354
287	171	327	(48)	Downstream	457	467	(2)
59	26	18	43	Gas Midstream	85	74	15
33	75	60	25	Consumer Services	108	86	25
(51)	(40)	(42)	(5)	Corporate and other	(90)	(90)	1
(18)	20	(19)	n.a.	Intersegment transfers[9]	1	(20)	n.a.
413	**359**	**364**	**(1)**	**Total Operating Profit Excluding Special Items**	**773**	**564**	**37**

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Capital Expenditures (USD mn)	H1 2017	H1 2016 Restated	Ch %
55	71	132	(47)	Upstream	126	241	(48)
36	136	73	87	Downstream	171	126	36
1	5	2	107	Gas Midstream	6	3	107
10	25	36	(31)	Consumer Services	35	44	(22)
8	13	11	12	Corporate and other	21	19	7
(1)	(1)	(2)	(39)	Intersegment transfers[9]	(2)	(3)	(53)
109	**248**	**253**	**(2)**	**Total**	**357**	**430**	**(17)**

Intangible assets (USD mn)	30 Jun 2017	31 Dec 2016 Restated	Ch %
Upstream	320	419	(24)
Downstream	67	64	4
Gas Midstream	12	8	41
Consumer Services	183	167	10
Corporate and other	113	100	14
Intersegment transfers(9)	(6)	(5)	17
Total Intangible Assets	**689**	**753**	**(8)**

Tangible Assets (USD mn)	30 Jun 2017	31 Dec 2016 Restated	Ch %
Upstream	2,244	2,337	(4)
Downstream	3,313	3,117	6
Gas Midstream	803	783	3
Consumer Services	1,189	1,077	10
Corporate and other	431	437	(1)
Intersegment transfers(9)	(47)	(43)	10
Total Tangible Assets	**7,933**	**7,708**	**3**

Inventories (USD mn)	30 Jun 2017	31 Dec 2016 Restated	Ch %
Upstream	55	74	(26)
Downstream	1,341	1,093	23
Gas Midstream	7	9	(27)
Consumer Services	43	31	37
Corporate and other	118	102	16
Intersegment transfers(9)	(80)	(71)	12
Total Inventories	**1,484**	**1,238**	**20**

Trade receivables (USD mn)	30 Jun 2017	31 Dec 2016 Restated	Ch %
Upstream	85	81	5
Downstream	1,549	1,511	3
Gas Midstream	6	8	(20)
Consumer Services	42	36	15
Corporate and other	113	103	9
Intersegment transfers(9)	(136)	(109)	25
Total Trade receivables	**1,659**	**1,630**	**2**

Trade payables (USD mn)	30 Jun 2017	31 Dec 2016 Restated	Ch %
Upstream	129	165	(22)
Downstream	1,018	1,058	(4)
Gas Midstream	17	9	81
Consumer Services	133	108	23
Corporate and other	167	122	38
Intersegment transfers(9)	(139)	(112)	24
Total Trade payables	**1,325**	**1,350**	**(2)**

(1) Special items of operating profit and EBITDA are detailed in Appendix II. and IV.
(3) (8) (9) (10) Please see Appendix XI.

Appendix IV.

Special items in operating profit and EBITDA

Unaudited figures (in USD million)

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Special items - operating profit	H1 2017	H1 2016 Restated	Ch %
413	359	364	(1)	OPERATING PROFIT EXCLUDING SPECIAL ITEMS	773	564	37
				Upstream			
-	(22)	-	n.a.	North Karpovsky divestment	(22)	-	n.a.
-	38	-	n.a.	Angola provision release	38	-	n.a.
-	17	-	n.a.	TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT	17	-	n.a.
413	376	364	3	OPERATING PROFIT	790	564	40

Q1 2017	Q2 2017	Q2 2016 Restated	YoY Ch %	Special items - EBITDA	H1 2017	H1 2016 Restated	Ch %
659	614	648	(5)	EBITDA EXCLUDING SPECIAL ITEMS	1,273	1,100	16
				Upstream			
-	(22)	-	n.a.	North Karpovsky divestment	(22)	-	n.a.
-	38	-	n.a.	Angola provision release	38	-	n.a.
-	17	-	n.a.	TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA	17	-	n.a.
659	631	648	(3)	EBITDA	1,290	1,100	17

Appendix V.

Downstream – key segmental operating data

Refining and marketing

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	External refined product sales by product (kt)	H1 2017	H1 2016	Ch %
101	144	124	16	LPG[11]	245	221	11
11	17	16	6	Naphtha	28	26	8
834	979	965	1	Motor gasoline	1,813	1,735	4
2,132	2,584	2,482	4	Diesel	4,716	4,513	4
189	129	133	(3)	Heating oils	318	353	(10)
73	121	122	(1)	Kerosene	194	191	2
107	127	137	(7)	Fuel oil	234	164	43
46	110	167	(34)	Bitumen	156	237	(34)
367	388	383	1	Other products	755	741	2
3,860	4,599	4,529	2	Total refined products	8,459	8,181	3
981	1,145	1,053	9	o/w Retail segment sales	2,126	1,942	9
598	514	578	(11)	Petrochemical feedstock transfer	1,112	1,164	(4)

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	Refinery processing (kt)	H1 2017	H1 2016	Ch %
152	416	225	85	Own produced crude oil	568	510	11
3,331	3,446	3,726	(8)	Imported crude oil	6,777	6,784	0
31	63	34	85	Condensates	94	85	11
917	1,011	976	4	Other feedstock	1,928	1,699	13
4,431	4,936	4,961	(1)	Total refinery throughput	9,367	9,078	3
345	367	292	26	Purchased and sold products	712	675	5

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	Refinery production (kt)	H1 2017	H1 2016	Ch %
122	146	129	13	LPG[11]	268	211	27
411	376	392	(4)	Naphtha	787	782	1
786	867	937	(7)	Motor gasoline	1,653	1,677	(1)
2,023	2,236	2,173	3	Diesel and heating oil	4,259	3,921	9
81	121	124	(2)	Kerosene	202	179	13
142	180	174	3	Fuel oil	322	304	6
49	97	130	(25)	Bitumen	146	201	(27)
387	475	448	6	Other products	862	967	(11)
4,001	4,498	4,507	0	Total	8,499	8,242	3
24	25	26	(4)	Refinery loss	49	44	11
406	413	428	(4)	Own consumption	819	792	3
4,431	4,936	4,961	(1)	Total refinery throughput	9,367	9,078	3

(11) Please see Appendix XI.

Petrochemicals

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	Petrochemical sales by product group (kt)	H1 2017	H1 2016	Ch %
54	49	53	(8)	Olefin products	103	105	(2)
278	261	264	(1)	Polymer products	539	538	0
24	21	10	110	Butadiene products	45	27	67
356	331	327	1	Total outside MOL Group	687	670	3
155	131	154	(15)	Olefin products sales within MOL Group	286	299	(4)

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	Petrochemical production (kt)	H1 2017	H1 2016	Ch %
202	174	197	(12)	Ethylene	376	384	(2)
104	90	102	(12)	Propylene	194	198	(2)
203	174	176	(1)	Other products	377	349	8
509	438	475	(8)	Total olefin	947	931	2
25	22	10	120	Butadiene	47	25	88
34	34	16	113	Raffinate	68	38	79
59	56	26	115	Total BDEU production	115	63	83
56	38	49	(22)	LDPE	94	102	(8)
102	90	99	(9)	HDPE	192	189	2
138	134	139	(4)	PP	272	271	0
296	262	287	(9)	Total polymers	558	562	(1)

Appendix VI.

Consumer services – key segmental operating data

Retail

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	Refined product retail sales (kt)	H1 2017	H1 2016	Ch %
271	327	308	6	Motor gasoline	598	567	5
686	792	721	10	Gas and heating oils	1,478	1,329	11
24	26	24	8	Other products	50	46	9
981	1,145	1,053	9	Total oil product retail sales	2,126	1,942	9

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	Refined product retail sales (kt) Gasoline	H1 2017	H1 2016	Ch %
85	102	83	23	Hungary	187	154	21
39	46	45	2	Slovakia	85	83	2
58	75	76	(1)	Croatia	133	137	(3)
36	43	42	2	Romania	79	78	1
33	40	40	0	Czech Republic	73	72	1
20	21	22	(5)	Other	41	43	(5)
271	327	308	6	Total gasoline product retail sales	598	567	5

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	Refined product retail sales (kt) Diesel	H1 2017	H1 2016	Ch %
175	197	167	18	Hungary	372	309	20
109	122	112	9	Slovakia	231	208	11
146	188	178	6	Croatia	334	318	5
118	132	119	11	Romania	250	223	12
74	84	79	6	Czech Republic	158	147	7
64	69	66	5	Other	133	124	7
686	792	721	10	Total diesel product retail sales	1,478	1,329	11

MOL Group filling stations	30 Jun 2016	31 Mar 2017	30 Jun 2017
Hungary	364	475	471
Croatia	430	430	428
Italy	107	84	46
Slovakia	253	252	252
Romania	205	207	208
Bosnia and Herzegovina	101	101	103
Serbia	47	53	54
Czech Republic	312	306	306
Slovenia	40	56	57
Montenegro	1	1	1
Total[10]	1,860	1,965	1,926

Appendix VII.

Main internal and external parameters

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	Macro figures	H1 2017	H1 2016	Ch %
53.7	49.6	45.6	9	Brent dated (USD/bbl)	51.7	39.8	30
52.5	48.9	44.3	10	Ural Blend (USD/bbl)[12]	50.7	38.6	32
1.8	1.3	2.1	(38)	Brent Ural spread (USD/bbl)[15]	1.6	2.2	(27)
545	527	503	5	Premium unleaded gasoline 10 ppm (USD/t)[13]	536	445	21
479	450	411	10	Gas oil – ULSD 10 ppm (USD/t)[13]	465	362	28
465	415	379	9	Naphtha (USD/t)[14]	441	340	30
289	278	198	40	Fuel oil 3.5 (USD/t)[14]	284	167	70
139	152	159	(4)	Crack spread – premium unleaded (USD/t)[13]	145	144	1
73	75	66	13	Crack spread – gas oil (USD/t)[13]	74	61	21
59	40	35	14	Crack spread – naphtha (USD/t)[13]	50	39	28
(117)	(98)	(146)	(33)	Crack spread – fuel oil 3.5 (USD/t)[13]	(108)	(134)	(20)
11.8	13.7	14.8	(8)	Crack spread – premium unleaded (USD/bbl)[13]	12.7	13.7	(7)
10.6	10.9	9.6	13	Crack spread – gas oil (USD/bbl)[13]	10.7	8.8	22
(1.4)	(2.9)	(2.9)	1	Crack spread – naphtha (USD/bbl)[14]	(2.2)	(1.6)	37
(8.0)	(5.9)	(14.2)	(58)	Crack spread – fuel oil 3.5 (USD/bbl)[14]	(6.9)	(13.5)	(48)
6.5	6.4	5.7	13	MOL Group refinery margin (USD/bbl)	6.5	5.7	13
7.0	7.0	6.4	9	Complex refinery margin (MOL + Slovnaft) (USD/bbl)	7.0	6.4	10
1,021	1,038	905	15	Ethylene (EUR/t)	1,029	876	17
925	1,120	282	297	Butadiene-naphtha spread (EUR/t)	1,023	263	289
539	584	657	(11)	Integrated petrochemical margin (EUR/t)[16]	562	679	(17)
290.3	281.4	277.4	1	HUF/USD average	285.9	280.2	2
309.1	309.8	313.3	(1)	HUF/EUR average	309.5	312.7	(1)
41.4	41.7	41.8	0	HUF/HRK average	41.5	41.4	0
7.0	6.7	6.6	2	HRK/USD average	6.9	6.8	2
1.1	1.2	0.6	87	3m USD LIBOR (%)	1.1	0.6	79
(0.3)	(0.3)	(0.3)	28	3m EURIBOR (%)	(0.3)	(0.2)	48
0.3	0.2	1.1	(86)	3m BUBOR (%)	0.2	1.2	(83)

Q1 2017	Q2 2017	Q2 2016	YoY Ch %	Macro figures	H1 2017	H1 2016	Ch %
51.9	47.4	48.4	(2)	Brent dated closing (USD/bbl)	47.4	48.4	(2)
288.6	270.9	284.3	(5)	HUF/USD closing	270.9	284.3	(5)
308.7	308.9	316.2	(2)	HUF/EUR closing	308.9	316.2	(2)
41.5	41.7	42.0	(1)	HUF/HRK closing	41.7	42.0	(1)
7.0	6.5	6.8	(4)	HRK/USD closing	6.5	6.8	(4)
19,800	21,225	16,445	29	MOL share price closing (HUF)	21,225	16,445	29

Appendix VIII.

Regulated information in 2017

Announcement date	Subject
02 January 2017	Number of voting rights at MOL Plc
03 January 2017	Settlement of the existing and entering into a new option agreement with UniCredit Bank AG
05 January 2017	Director/PDMR transaction
10 January 2017	Treasury share transaction and terms and conditions of the share option agreement concluded with UniCredit Bank AG on 3 January 2017
12 January 2017	Further disclosure about the international arbitration award
16 January 2017	UniCredit Bank AG's notification on change of its voting rights
31 January 2017	Number of voting rights at MOL Plc
07 February 2017	Expansion of the exploration portfolio
27 February 2017	Publication of MOL Group's Q4 and Full Year 2016 results and 2017 outlook
28 February 2017	Number of voting rights at MOL Plc
13 March 2017	Decision of the Board of Directors regarding the 2017 Annual General Meeting
13 March 2017	Remuneration paid in 2016 to members of the Board of Directors after the 2015 business year and to members of the Supervisory Board after the 2016 business year
13 March 2017	Announcement by The Board of Directors of MOL Plc. on the convocation of the Company's Ordinary General Meeting in 2017
22 March 2017	Publication of Annual General Meeting documents
31 March 2017	Moody's assigns Baa3 investment grade long-term issuer rating to MOL with stable outlook
03 April 2017	Change of voting rights of CEZ
03 April 2017	Number of voting rights at MOL Plc
13 April 2017	MOL Plc. Corporate Governance Report in accordance with Budapest Stock Exchange Corporate Governance Recommendations
13 April 2017	MOL Consolidated and Parent Company Annual Reports approved by the AGM
13 April 2017	Resolutions of the Annual General Meeting of MOL held on 13th April 2017
25 April 2017	MOL Plc. announcement regarding the distribution of dividend for financial year of 2016
25 April 2017	Maturity of the MOL EUR 750mn Eurobond
02 May 2017	Number of voting rights at MOL Plc
05 May 2017	Share distribution for the members of the Board of Directors
05 May 2017	MOL Group releases 2017 First Quarter Earnings Report
17 May 2017	Amendment of strike price under the share option agreement between MOL Plc. and UniCredit Bank AG
17 May 2017	Amendment of strike price under the share option agreement between MOL Plc. and ING Bank N.V.
31 May 2017	Number of voting rights at MOL Plc
12 June 2017	Director/PDMR transaction
14 June 2017	MOL transferred Treasury shares to MOL Plc ESOP Organization
14 June 2017	Director/PDMR transaction
26 June 2017	Extension of credit facility agreements
28 June 2017	Amendment of the share swap agreement with OTP Bank Plc.
30 June 2017	Number of voting rights at MOL Plc
20 July 2017	MOL Group partners with Evonik and thyssenkrupp for its key strategic investment into the propylene oxide value chain (the "Polyol Project")
21 July 2017	S&P Global Ratings ("S&P") revises outlook to positive from stable on MOL's credit rating
24 July 2017	MOL entered into EUR 110mn Schuldschein financing as the first Hungarian corporate who utilises the product

Appendix IX.

Shareholder structure

Shareholders (%)	30 Sep 2015	31 Dec 2015	31 Mar 2016	30 Jun 2016	30 Sep 2016	31 Dec 2016	31 Mar 2017	30 Jun 2017
Foreign investors (mainly institutional)	21.61	22.38	23.99	24.23	25.18	26.91	27.20	34.81
Hungarian State (MNV Zrt. Pension Reform and Debt Reduction Fund)	24.74	24.74	24.74	24.74	25.24	25.24	25.24	25.24
CEZ MH B.V.	7.35	7.35	7.35	7.35	7.50	7.50	7.47	0.00
OmanOil (Budapest) Limited	7.00	7.00	7.00	7.00	7.14	7.14	7.14	7.14
OTP Bank Plc.	4.80	4.79	4.79	4.79	4.89	4.89	4.89	4.89
OTP Fund Management	1.05	1.05	1.03	1.03	1.07	1.08	1.07	1.20
Magnolia Finance Limited	5.75	5.75	0.00	0.00	0.00	0.00	0.00	0.00
ING Bank N.V.	4.99	4.99	4.99	4.99	5.10	4.75	4.75	4.75
Crescent Petroleum	3.02	2.87	2.87	2.87	2.61	1.46	0.68	0.00
Dana Gas PJSC	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00
UniCredit Bank AG	5.15	5.15	5.15	5.15	5.25	5.25	3.57	3.57
Credit Agricole	2.04	2.04	2.04	2.04	0.00	0.00	0.00	0.00
Domestic institutional investors	5.73	5.64	5.21	5.19	5.21	5.29	5.30	5.68
Domestic private investors	5.03	4.78	3.62	3.42	3.42	2.75	3.28	3.42
MOL Plc. and MOL Investment Ltd. (treasury shares)	1.46	1.46	7.21	7.19	7.38	7.73	9.41	9.29

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, three shareholder groups had more than 5% voting rights in MOL Plc. on 30 June 2017, Hungarian State having 25.24%, OmanOil (Budapest) Limited having 7.14% and OTP Bank Plc. (including OTP Fund Management) having 6.10% 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.

As a result of the partial physical settlement of the share option agreement (concluded on 19 January 2016) Unicredit Bank AG's voting right decreased from 5.15% to 3.57% on 12 January 2017.

At the end of March 2017 CEZ bought back nearly all its 2017 convertible bonds linked to MOL shares and sold most of its 7.35% MOL stake. Consequently, its holding decreased to 0.09% on 4 April 2017.

Appendix X.

Changes in organization and senior management

The Annual General Meeting on 13 April 2017 made the following resolutions:

- elected Mr. József Molnár to be a member of the Board of Directors from 1 June 2017 to 31 May 2022.
- elected Dr. Attila Chikán, Mr. John I. Charody, Mr. Vladimír Kestler, Ms. Ilona Dávid and Ms. Andrea Bártfai-Mager as members of the Supervisory Board from 1 June 2017 to 31 May 2022.
- elected Dr. Attila Chikán, Mr. John I. Charody, Ms. Ilona Dávid, Ms. Andrea Bártfai-Mager as independent members of the Supervisory Board to be members of the Audit Committee from 1 June 2017 to 31 May 2022.
- elected Mr. Ivan Mikloš as independent member of the Supervisory Board to be member of the Audit Committee from 1 May 2017 to 30 April 2021.
- elected Ms. Piroska Bognár, Mr. András Tóth, Dr. Sándor Puskás and Mr. Tibor István Ördög as employee representatives in the Supervisory Board of the Company from 1 June 2017 to 31 May 2022.

Appendix XI.

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)	Both the 2015 and 2016 figures have been calculated by converting the results of each month in the period on its actual monthly average HUF/USD rate.
(4)	Excluding separated condensate
(5)	Including LPG and other gas products
(6)	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: 91,337 and 97,345 for Q1 2015; 91,970mn and 97,978mn for Q4 2015; 91,813 and 97,821 for FY 2015 and 91,971 and 97,252 for Q1 2016, respectively.
(7)	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.
(8)	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.
(9)	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.
(10)	From 2016 Austrian retail operations were reclassified into wholesale.
(11)	LPG and pentanes
(12)	CIF Med parity
(13)	FOB Rotterdam parity
(14)	FOB Med parity
(15)	Brent dated price vs. average Ural MED and Ural ROTT prices
(16)	As of Q2 2013 Integrated petrochemical margin captures MOL Petrochemicals and Slovnaft Petrochemicals numbers, as well. Integrated petrochemical margin of the base periods were modified as well according to the improved methodology.
(17)	Net gearing: net debt divided by net debt plus shareholders' equity including non(controlling interests
(18)	Total recordable injury rate – number of Medical treatment cases, Restricted work cases and Lost-time injuries (including fatalities) per 1 million man-hours worked
(19)	Annual rolling figures to allow comparison with 'total workforce' figures
(20)	Excluding spills related to road accidents
(21)	One additional case closed with established misconduct after the closing of the 2015 Annual Report, where we reported 25 cases
(22)	Amount of Q1 2016 spills was restated (increased) by 88 m3 due to incident reported after submission of Q1 flash report

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 2017 half-year and six months 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, 4th August, 2017

József Simola

Group Chief Financial Officer

Krisztina Dorogházi

Senior Vice President
Group Controlling. Accounting & Tax