MOL GROUP

2018 HALF-YEAR REPORT

2018 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 2018 half-year report. This report contains consolidated, unaudited financial statements for the six month period ended 30 June 2018 as prepared by the management in accordance with International Financial Reporting Standards.

Contents

MANAGEMENT DISCUSSION AND ANALYSIS

MOL Group financial results

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	(IFRS), in HUF billion	H1 2018	H1 2017	Ch %
1,002.0	1,333.7	1,008.4	32	Net sales revenues	2,335.7	1,963.7	19
154.3	209.7	178.2	18	EBITDA	364.0	369.4	(1)
154.3	**205.2**	**173.6**	**18**	**EBITDA excl. special items(1)**	**359.5**	**364.7**	**(1)**
158.1	**178.5**	**192.7**	**(7)**	**Clean CCS-based EBITDA (1) (2)**	**336.6**	**370.8**	**(9)**
68.6	119.4	106.4	12	Profit from operation	188.0	226.4	(17)
68.6	**114.9**	**101.8**	**13**	**Profit from operation excl. special items(1)**	**183.5**	**221.8**	**(17)**
72.5	**88.2**	**120.9**	**(27)**	**Clean CCS-based operating profit (1) (2)**	**160.7**	**227.9**	**(29)**
(1.9)	(24.3)	5.2	n.a.	Net financial gain / (expenses)	(26.1)	1.6	n.a.
60.3	**72.9**	**88.8**	**(18)**	**Net profit attributable to equity holders of the parent**	**133.2**	**182.7**	**(27)**
140.3	211.9	149.3	42	Operating cash flow before ch. in working capital	352.2	320.1	10
50.4	228.7	210.5	9	Operating cash flow	279.2	250.4	11
				EARNINGS PER SHARE			
86.4	104.6	126.4	(17)	Basic EPS, HUF	191.0	259.8	(26)
86.4	98.1	119.9	(18)	Basic EPS excl. special items, HUF	184.6	253.2	(27)
				INDEBTEDNESS			
0.72	0.57	0.75	-	Simplified Net debt/EBITDA	0.57	0.75	-
18%	15%	21%	-	Net gearing(16)	15%	21%	-

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	(IFRS), in USD million	H1 2018	H1 2017	Ch %
3,960	5,007	3,579	40	Net sales revenues(3)	8,967	6,870	31
610	783	631	24	EBITDA(3)	1,393	1,290	8
610	**766**	**614**	**25**	**EBITDA excl. special items(1) (3)**	**1,376**	**1,273**	**8**
625	**668**	**684**	**(2)**	**Clean CCS-based EBITDA (1) (2) (3)**	**1,293**	**1,297**	**0**
271	444	376	18	Profit from operation(3)	716	790	(9)
271	**427**	**359**	**19**	**Profit from operation excl. special items(1) (3)**	**699**	**773**	**(10)**
287	**329**	**429**	**(23)**	**Clean CCS-based operating profit (1) (2) (3)**	**616**	**797**	**(23)**
(7)	(90)	20	n.a.	Net financial gain / (expenses) (3)	(97)	7	n.a.
238	**274**	**316**	**(13)**	**Net profit attributable to equity holders of the parent(3)**	**512**	**639**	**(20)**
555	791	529	49	Operating cash flow before ch. in working capital(3)	1,345	1,117	20
200	862	753	15	Operating cash flow(3)	1,062	891	19
				EARNINGS PER SHARE			
0.3	0.4	0.4	(13)	Basic EPS, USD	0.7	0.9	(19)
0.3	0.4	0.4	(13)	Basic EPS excl. special items, USD	0.7	0.9	(20)

(1) Special items of operating profit, EBITDA are detailed in Appendix II. and IV.
(2) (3) (16) Please see Appendix XI.

Financial highlights

- Full-year Clean CCS EBITDA guidance is upgraded to around USD 2.4bn (from around USD 2.2bn); leaving our capex guidance intact, this also implies an upgrade of our simplified FCF guidance to USD 1.1-1.3bn
- Clean CCS EBITDA in Q2 2018 was slightly lower (-2%) YoY at USD 668mn; H1 2018 EBITDA was sustained at the very strong 2017 level of USD 1.3bn, as jumping E&P and rising Consumer Services offset weaker Downstream
- Simplified FCF remained robust in both Q2 (USD 425mn) and H1 2018 (USD 0.89bn), reaching the bottom of the full-year guidance range after 6 months
- Upstream EBITDA jumped 43% YoY to USD 325mn on rising oil&gas prices, improved receivables collection
- Downstream Clean CCS EBITDA fell by 16% to USD 274mn in Q2 on weaker refinery and petchem margins
- Consumer Services EBITDA continued to reach new all-time highs (+17% YoY to USD 111mn) increasingly driven by non-fuel contribution
- Credit metrics improved in Q2 2018 and gearing fell to 15% on the strong cash generation and despite the dividend payment (HUF 127.5/share, c. USD 350mn) having taken place in Q2

Operating highlights

- Oil & gas production was nearly unchanged in Q2 2018 at 109 mboepd, as higher UK production (Catcher) offset slightly lower CEE volumes
- In the Catcher Area (UK) plateau production rates of over 60 mboepd (gross) were reached in May following the start-up of gas export (MOL has 20% non-operated stake in Catcher)
- INA acquired ENI's share of the Northern Adriatic offshore gas fields adding 4.3mn boe 2P reserves and around 2,500 boepd production

Zsolt Hernádi, MOL Chairman & CEO, comments:

"Our resilient, integrated business model once again proved its worth in a changing external environment, allowing us to upgrade our full-year 2018 Clean CCS EBITDA guidance to around USD 2.4bn (from around USD 2.2bn). MOL Group delivered strong results in the first half of 2018 and maintained its profitability at last year's outstanding level of USD 1.3bn EBITDA amidst rising oil prices and weaker downstream margins. We also made good progress and are going ahead at full steam with executing our 2030 transformational strategy."

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	EBITDA Excluding Special Items (HUF bn)[1]	H1 2018	H1 2017	Ch %
72.5	86.9	64.3	35	Upstream	159.4	127.7	25
51.3	100.0	73.1	37	Downstream	151.3	180.3	(16)
55.2	73.3	92.2	(21)	CCS-based Downstream EBITDA [2]	128.4	186.4	(31)
21.6	8.2	10.4	(21)	Gas Midstream	29.8	30.8	(3)
20.4	29.7	26.8	11	Consumer Services	50.2	42.7	18
(7.6)	(11.1)	(6.1)	82	Corporate and other	(18.7)	(16.2)	15
(3.9)	(8.5)	5.1	n.a.	Intersegment transfers [9]	(12.5)	(0.5)	n.a.
158.1	**178.5**	**192.7**	**(7)**	**Clean CCS-based EBITDA [2]**	**336.6**	**370.8**	**(9)**
154.3	**205.2**	**173.6**	**18**	**Total EBITDA Excluding Special Items**	**359.5**	**364.7**	**(1)**

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	EBITDA Excluding Special Items (USD mn)[1]	H1 2018	H1 2017	Ch %
287	325	228	43	Upstream	612	447	37
203	372	258	44	Downstream	575	627	(8)
218	274	327	(16)	CCS-based Downstream EBITDA [2]	492	652	(24)
85	31	37	(16)	Gas Midstream	116	107	8
81	111	95	17	Consumer Services	192	150	28
(30)	(42)	(22)	88	Corporate and other	(72)	(57)	26
(16)	(32)	19	n.a.	Intersegment transfers [9]	(47)	(1)	n.a.
625	**668**	**684**	**(2)**	**Clean CCS-based EBITDA [2]**	**1,293**	**1,297**	**0**
610	**766**	**614**	**25**	**Total EBITDA Excluding Special Items**	**1,376**	**1,273**	**8**

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

- The **Upstream** segment posted a HUF 87bn EBITDA in Q2 2018, 20% higher quarter-on-quarter and jumping 35% year-on-year. H1 EBITDA for the segment reached 159bn, also materially, by 25% higher year-on-year, driven primarily by rising realised hydrocarbon prices on the back of a 36% increase in Brent crude price. The segment benefitted in both Q2 and H1 from the improved cash collection of overdue receivables in Egypt and the Kurdistan Region of Iraq.
- The **Downstream** segment saw a 21% decline in Q2 2018 Clean CCS EBITDA to HUF 73bn on the back of lower refinery and petchem margins. Stronger volumes and improving internal performance in petchem only partly offset. Similarly, Clean CCS EBITDA was 31% lower in H1 2018 year-on-year, primarily affected by the adverse macro developments – from a very high base – in both R&M and petrochemicals.
- **Consumer Services** EBITDA rose 11% year-on-year to a new seasonal record high of HUF 30bn in Q2 2018, maintaining the double-digit growth increasingly driven by the non-fuel contribution, but also helped by rising motor fuel demand in CEE. EBITDA expanded by 18% in H1 2018 year-on-year and reached HUF 50bn.
- **Gas Midstream** brought in HUF 8bn EBITDA in Q2 2018, 21% lower year-on-year due to rising operating costs on the back of higher natural gas prices and increased transmission volumes. EBITDA generation was marginally, 3% lower in H1 2018 at HUF 30bn as stronger volumes mostly offset rising opex.
- **Corporate and other** segment delivered an EBITDA of HUF -11bn in Q2 2018 and the negative contribution stood at HUF 19bn in H1, 15% larger year-on-year. The increase was from a low base in H1 2017, as one-off revenues airing from litigation helped the segment a year ago.
- **CAPEX** spending reached HUF 106bn (USD 403mn) in the first half of the year, 5% up year-on-year, as the significantly higher Consumer Services investments more than offset slightly lower Downstream spending. CAPEX declined slightly year-on-year to HUF 66bn in Q2 2018 on the back of lower Downstream investments.
- **Operating cash flow** before working capital changes increased by 10% in H1 2018 to HUF 352bn. The increase in net working capital during the period was similar to a year ago, thus net cash provided by operating activities increased by 11% year-on-year to HUF 279bn.
- **Net debt** declined significantly in H1 2018 to HUF 377bn and so did both Net Debt/EBITDA (to 0.57x) and net gearing (to 15%). MOL paid HUF 94.3bn total dividend during Q2 2018.

Upstream

Q1 2018	Q2 2018	Q2 2017 Restated	YoY Ch %	Segment IFRS results (HUF bn)	H1 2018	H1 2017 Restated	Ch %
72.5	86.9	68.9	26	EBITDA	159.4	132.3	20
72.5	**86.9**	**64.3**	**35**	**EBITDA excl. spec. items(1)**	**159.4**	**127.7**	**25**
27.8	37.4	35.2	6	Operating profit/(loss)	65.2	65.1	0
27.8	**37.4**	**30.6**	**22**	**Operating profit/(loss) excl. spec. items(1)**	**65.2**	**60.5**	**8**
18.1	17.0	19.6	(13)	CAPEX and investments	35.1	35.7	(2)
6.3	3.3	1.9	74	o/w exploration CAPEX	9.7	5.4	79

Q1 2018	Q2 2018	Q2 2017 Restated	YoY Ch %	Hydrocarbon Production (mboepd)	H1 2018	H1 2017 Restated	Ch %
40.1	**43.8**	**38.6**	**13**	**Crude oil production(4)**	**42.0**	**39.5**	**6**
12.8	13.0	12.8	2	Hungary	12.9	12.8	1
12.1	12.5	12.4	0	Croatia	12.3	12.0	3
0.0	0.0	0.0	n.a.	Russia	0.0	0.0	n.a.
3.3	3.4	3.9	(13)	Kurdistan Region of Iraq	3.3	3.8	(13)
8.8	11.8	6.1	94	United Kingdom	10.3	7.2	42
1.1	1.0	1.0	0	Pakistan	1.1	1.1	(3)
2.0	2.2	2.4	(11)	Other International	2.1	2.5	(17)
54.6	**50.7**	**54.7**	**(7)**	**Natural gas production**	**52.7**	**54.9**	**(4)**
26.3	24.5	26.4	(7)	Hungary	25.4	26.2	(3)
20.5	19.0	21.4	(11)	Croatia	19.8	22.0	(10)
7.1	6.4	8.2	(21)	*o/w. Croatia offshore*	6.7	8.4	(19)
1.4	1.1	1.2	(10)	United Kingdom	1.3	1.2	9
6.4	6.1	5.6	8	Pakistan	6.2	5.5	12
6.8	**6.7**	**7.4**	**(10)**	**Condensate(5)**	**6.7**	**7.4**	**(9)**
3.5	3.7	3.8	(3)	Hungary	3.6	3.8	(6)
1.6	1.5	1.9	(19)	Croatia	1.6	1.9	(17)
1.7	1.5	1.7	(13)	Pakistan	1.6	1.7	(8)
101.5	101.2	100.7	1	Average hydrocarbon production of fully consolidated companies	101.4	101.8	0
6.0	5.7	6.4	(11)	Russia (Baitex)	5.8	6.4	(9)
2.5	2.4	2.3	5	Kurdistan Region of Iraq (Pearl Petroleum)*	2.5	2.4	4
9.6	8.1	8.7	(7)	Average hydrocarbon production of joint ventures and associated companies	8.9	8.8	1
110.0	109.3	109.4	0	Group level average hydrocarbon production	109.6	110.5	(1)

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Main external macro factors	H1 2018	H1 2017	Ch %
66.8	74.4	49.8	49	Brent dated (USD/bbl)	70.6	51.8	36
253.0	265.9	281.8	(6)	HUF/USD average	259.5	286.0	(9)

Q1 2018	Q2 2018	Q2 2017 Restated	YoY Ch %	Average realised hydrocarbon price	H1 2018	H1 2017 Restated	Ch %
60.7	66.8	47.4	41	Crude oil and condensate price (USD/bbl)	63.9	48.1	33
35.5	35.0	27.9	25	Average realised gas price (USD/boe)	35.3	28.5	24
47.3	**51.3**	**37.2**	**38**	**Total hydrocarbon price (USD/boe)**	**49.3**	**37.9**	**30**

		Restated	YoY Ch %	Production cost		Restated	Ch %
6.8	6.8	6.1	10	Average unit OPEX of fully consolidated companies	6.8	6.1	12
1.6	1.7	1.5	8	Average unit OPEX of joint ventures and associated companies	1.6	1.5	8
6.2	6.1	5.6	10	Group level average unit OPEX (USD/boe)	6.2	5.5	12

(1) Special items affected operating profit and EBITDA are detailed in Appendix II. and IV
(4) (5) Please see Appendix XI.
**excluding gas*

Second quarter 2018 results

EBITDA, excluding special items, amounted to HUF 87bn in Q2 2018 with a significant increase by HUF 14bn compared to previous quarter and a 35% rise on Q2 2017.

(+) 38% increase YoY of the average realised hydrocarbon prices: the Brent quotations' rise resulted in a 41% increase in the realised crude oil and condensate prices, while realised gas prices were up 25%. The increasing trend was prevalent in the QoQ figures as well, with the average realised hydrocarbon prices up 8.3% QoQ.

(+) Higher Brent prices also had an impact on royalty payments as royalties levied on Upstream production amounted to HUF 13bn in Q2 2018, an increase of HUF 1.4bn in comparison to Q1 2018 mainly coming from Hungary.

(-) Average daily hydrocarbon production decreased by 0.7 mboepd (or 0.7%) QoQ to 109.3 mboepd during Q2 2018. Lower volumes were driven by the natural decline in the CEE region and decreased production in Russia, partly offset by the increased volumes in the UK after the successful Catcher ramp-up.

(-) Group-level average direct production cost (without equity assets), excluding DD&A, remained stable at USD 6.8 USD/boe in Q2 2018 (lower by 0.1% QoQ). However, there was a 10% increase YoY in USD-terms almost entirely due to the fact that unit costs arise in local currencies and on average the USD was weaker in Q2 2018 compared to the same period of last year.

(+) EBITDA was improved by HUF 4bn QoQ due to extra cash collection in the Kurdistan Region of Iraq and higher than anticipated collection of overdue receivables in Egypt.

First half 2018 results

EBITDA, excluding special items, amounted to HUF 159bn in H1 2018, an increase of 25% versus the previous year. E&P segment remained a strong cash-flow generation pillar of the Group.

(+) A 30% overall increase YoY in the average realised hydrocarbon prices: higher Brent quotations resulted in a 33% increase in the realised crude oil and condensate prices, while realised gas prices also grew by 24% YoY. Higher Brent prices had an impact on royalty payments as royalties levied on Upstream production amounted to HUF 25bn in H1 2017, an increase of HUF 3.7bn in comparison to H1 2017, mainly coming from Hungary.

(-) Average daily hydrocarbon production decreased by 0.9 mboepd (or 1%) year-on-year to 109.6 mboepd in H1 2018, driven by lower production volumes in Hungary, Croatia and Russia.

(+) Group-level average direct production cost, excluding DD&A, was USD 6.8 USD/boe, was higher by 12% YoY mostly due to unfavourable exchange rates.

(+) CAPEX spending was HUF 35bn, 2% lower than H1 2017. Exploration expenses in H1 2018 were HUF 9.7bn, 79% higher than H1 2017. Exploration spending was focused in Hungary (HUF 3.5bn), Norway (2.9 bn) and in Croatia (HUF 2.4bn).

(+) EBITDA was improved by HUF 32bn due to favourable price environment, extra cash collection in the Kurdistan Region of Iraq (HUF 6bn), more than anticipated collection of overdue receivables in Egypt (HUF 2bn) and earlier Catcher production ramp-up in the UK.

(-) DD&A amounted to HUF 79bn in H1 2018, higher by HUF 32bn than in the same period in 2017. The increase was mostly driven by Catcher (HUF 20bn).

Upstream operating update and business development

In H1 2018, Upstream CAPEX amounted to HUF 35bn, slightly down year-on-year in HUF-terms. Major investments were made in Hungary (38%), Croatia (29%) and the United Kingdom (17%).

H1 2018 HUF bn	Hungary	Croatia	Kurdistan Region of Iraq	Pakistan	United Kingdom	Norway	Other	Total - H1 2018	Total - H 2017
Exploration	3.5	2.4	0.0	0.8	0.0	2.9	0.0	9.7	5.4
Development	8.8	5.2	0.4	0.1	5.7	0.0	1.5	21.7	25.5
Acquisition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.8	2.7	0.1	0.0	0.2	0.0	0.0	3.8	4.8
Total - H1 2018	13.2	10.3	0.5	0.9	5.9	2.9	1.5	35.1	
Total - H1 2017	13.0	10.5	0.3	1.7	9.9	0.0	0.3		35.7

Overall production in Q2 2018 was 109.3 mboepd, slightly, 1% lower than in the previous quarter and flat YoY. The natural decline in CEE production was offset by the increase in the UK.

Hungary

Hungarian production reached 41.2 mboepd in Q2 2018. The natural decline was only partly offset by various production optimization initiatives. Hence, the production was 3% lower than in the previous quarter and 4% below the same period of last year.

- Production optimization
  - 18 successful WWOs were completed during the period, resulting in 2.5 mboepd instant production uplift by the end of Q2
- Exploration
  - Forráskút-D-2 exploration well was drilled and tested in Q2, the evaluation of the data is in progress. The 6th bid round was announced on 21 June, containing 9 hydrocarbons and 2 geothermic blocks.
- Field development
  - Drilling and completion of Mezősas-Ny 25 well was successfully finished and resulted in ~350 boepd incremental production
  - Gomba Field development: drilling and testing of Gomba-D-2 well (Phase 1) was successfully completed. Early production of the well is planned for Q3.

Croatia

Croatia's production was 33.0 mboepd in Q2, 4% below the previous quarter and 8% below Q2 2017. This is mostly driven by the natural decline of offshore gas fields, partly compensated by increased onshore oil production.

- Within the frame of Production Optimization 21 well workovers were completed in Q2
- Drava-02 exploration program activities are in progress; exploration well Severovci-1 was drilled in Q1 and testing is being performed in Q2
- Exploration well Legrad-1JR was drilled in Q2
- INA acquired ENI's share of the Croatian offshore assets of 4.3 mmboe in 2P reserves and an additional production of 2.5 mboepd. This makes INA the sole owner and operator on two contract areas, North Adriatic and Aiza Laura.

INA International

- INA International production was 2.2 mboepd (of which Egypt produced 1.5 mboepd and Angola produced 0.7 mboepd), 6% above the previous quarter and 11% lower than in the same period of last year

UK

UK production increased by 26% quarter-on-quarter and 77% year-on-year to 12.9 mboepd in Q2. Continued ramp up of Catcher production post gas export start-up in May was partly offset by unplanned shutdown on Scott due to pump failures.

- Exploration
  - MOL won the 30th Round award of Bonneville & Catcher Extension
- Field development
  - Scolty & Crathes remedial pipeline project was sanctioned
  - Final commissioning is ongoing on Catcher FPSO, working towards final acceptance
  - Phase II Burgman drilling has commenced

Norway

- MOL Norge current licence portfolio consists of 18 licenses, of which 8 are operated. The Company has two committed operated exploration wells to be drilled, the first one in Q3 2018 (PL860) and the second in Q2 2019 (PL539). MOL has also committed to two non-operated wells in Q3 2019 (PL019C and PL814).
- MOL is currently evaluating the available areas for attractive hydrocarbon potential in APA 2018 Licensing Round. MOL continues to establish a strong group of partner companies with aligned objectives and intention to explore the Mandal High Area.

Kurdistan Region of Iraq

Shaikan

- Production reached 3.4 mboepd, 2% above the previous quarter and 13% below Q2 2017
- Agreement with the Kurdistan Regional Government's ("KRG") Ministry of Natural Resources ("MNR") and Gulf Keystone Petroleum ("GKP") has been reached in relation to the investment plans to increase gross production capacity to up to 55,000 bpd in the next 12 to 18 months.
- The approved capital expenditure for 2018 is approximately USD 91mn gross (USD 18mn net to MOL), including workovers in existing wells (electric submersible pumps ("ESPs") and tubing replacements), drilling of a new well, facilities improvement and plant debottlenecking.
- MOL and GKP continue to work on a revised Field Development Plan, which is expected to be submitted to the MNR in Q3 2018
- Hook-up of the 400m spur pipeline from Production Facility 2 to the Atrush export line is in its final stage and expected to be operational shortly. This will eliminate trucking requirements for a significant share of Shaikan production, which will reduce HSE exposure and is expected to improve netbacks. Pipeline tie-in of Production Facility 1 will be part of the 2019 investment plan.
- Payments from the KRG have been received on a regular basis throughout the year in line with the PSC entitlement and on the basis of a lifting agreement with the MNR that was entered into in January 2018. MOL has received payments of USD 38.5mn year to date.

Pearl

- Overall, production reached 2.4 mboepd, 2% below the previous quarter and 5% above Q2 2017. In H1 2018 Pearl production was similar to H1 2017. Pearl JV is focused on executing the 2018 investment program which should result in an increase in production in H2 2018. A new FDP has been submitted to the MNR and is awaiting final approval.

Pakistan

Overall Pakistan production (net to MOL) increased 3% year-on-year to 8.6 mboepd, but was 6% lower than in Q1. TAL block gross production was 87 kboepd in Q2 2018 (MOL 8.421%, Dev. WI; 10.5% Expl. WI, operated).

- Exploration activities continued in TAL, Margala, Karak and DG Khan Block
  - Tolanj East -01 well proved to be dry and it was plugged and suspended for post well evaluations, whereas 2nd exploratory well Mamikhel Deep is under testing phase
  - In DG Khan 2D seismic acquisition has been completed for processing and interpretation
- Development activities continued in TAL block

  - TAL Central Front-End Compression project is under commissioning phase
  - Mardankhel -02 well tie-in is in progress and is expected to be commissioned in Q3 2018

Oman

- MOL's well established presence in the country is being utilized to pursue further opportunities

Russia

- In Q2 2018, production at Baitugan field was 5.7 mboepd (MOL 51% WI, operated) 5% lower than in the previous quarter and 11% below Q2 2017's production
- Field development program is in progress with 13 new wells drilled and commissioned in H1 2018

Kazakhstan

- Exploration
  - Kazakhstan Ministry of Energy is ready to extend the Fedorovsky Block Exploration license for 3 years until May 2021. The proposed Work Program of 135 km2 of 3D seismic was agreed with Partners.
- Field development
  - Gas Sales and Condensate Processing Agreements are being finalized with Partners and are expected to be signed in early Q3
  - Well completion tendering and contracting activities are ongoing

Romania

- Obtaining all necessary permissions to acquire 3D seismic in non-operated EX-1 is in progress. Acquisition is planned to be started in H2.
- Drilling of first exploration well in non-operated EX-5 is scheduled for Q4
- Inhouse G&G evaluation is completed in operated EX-6. Decision on further exploration activities will be made in Q3.

DOWNSTREAM

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Segment IFRS results (HUF bn)	H1 2018	H1 2017	Ch %
51.3	104.5	73.1	43	EBITDA	155.8	180.3	(14)
51.3	**100.0**	**73.1**	**37**	**EBITDA excl. spec. items[1]**	**151.3**	**180.3**	**(16)**
55.2	**73.3**	**92.2**	**(21)**	**Clean CCS-based EBITDA[1] [2]**	**128.4**	**186.4**	**(31)**
29.7	26.2	37.6	(30)	o/w Petrochemicals[1] [2]	55.9	73.4	(24)
25.7	78.1	48.5	61	Operating profit/(loss) reported	103.8	131.7	(21)
25.7	**73.6**	**48.5**	**52**	**Operating profit/(loss) excl. spec. items[1]**	**99.2**	**131.7**	**(25)**
29.5	**46.9**	**67.6**	**(31)**	**Clean CCS-based operating profit/(loss)[1] [2]**	**76.4**	**137.8**	**(45)**
14.7	**29.6**	**37.9**	**(22)**	**CAPEX**	**44.4**	**48.2**	**(8)**
14.7	29.6	37.9	(22)	o/w organic	44.4	48.2	(8)
MOL Group Without INA							
60.5	84.7	77.2	10	EBITDA excl. spec. items[1]	145.2	180.8	(20)
64.3	**70.4**	**90.8**	**(22)**	**Clean CCS-based EBITDA[1] [2]**	**134.7**	**186.5**	**(28)**
29.7	26.2	37.6	(30)	o/w Petrochemicals clean CCS-based EBITDA[1] [2]	55.9	73.4	(24)
39.0	63.0	57.0	11	Operating profit/(loss) excl. spec. items[1]	102.1	140.9	(28)
42.8	**48.7**	**70.6**	**(31)**	**Clean CCS-based operating profit/(loss)[1] [2]**	**91.5**	**146.5**	**(38)**
INA Group							
(9.2)	15.2	(4.1)	n.a.	EBITDA excl. spec. items[1]	6.0	(0.5)	n.a.
(9.1)	**2.8**	**1.4**	**109**	**Clean CCS-based EBITDA[1] [2]**	**(6.3)**	**(0.1)**	**n.a.**
(13.4)	10.6	(8.5)	n.a.	Operating profit/(loss) excl. spec. items[1]	(2.8)	(9.1)	(69)
(13.3)	**(1.8)**	**(3.0)**	**(39)**	**Clean CCS-based operating profit/(loss)[1] [2]**	**(15.2)**	**(8.8)**	**73**

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Refinery margin	H1 2018	H1 2017	Ch %
5.3	**5.5**	**6.4**	**(14)**	**Total MOL Group refinery margin (USD/bbl)**	**5.4**	**6.5**	**(16)**
6.2	6.5	7.0	(8)	Complex refinery margin (MOL+Slovnaft) (USD/bbl)	6.3	7.0	(10)
438	368	586	(37)	NEW MOL Group petrochemicals margin (EUR/t)	403	562	(28)

Q1 2018	Q2 2018	Q2 2017 Restated	YoY Ch %	External refined product and petrochemical sales by country (kt)	H1 2018	H1 2017 Restated	Ch %
1,028	1,272	1,178	8	Hungary	2,301	2,167	6
399	469	447	5	Slovakia	868	843	3
385	495	494	0	Croatia	881	889	(1)
422	587	513	14	Italy	1,009	897	12
1,956	2,517	2,241	12	Other markets	4,473	4,288	4
4,191	**5,340**	**4,873**	**10**	**Total**	**9,531**	**9,086**	**5**

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	External refined and petrochemical product sales by product (kt)	H1 2018	H1 2017	Ch %
3,825	**4,959**	**4,542**	**9**	**Total refined products**	**8,784**	**8,399**	**5**
769	1,023	977	5	o/w Motor gasoline	1,792	1,811	(1)
2,183	2,805	2,577	9	o/w Diesel	4,988	4,701	6
88	177	127	39	o/w Fuel oil	265	234	13
40	174	110	58	o/w Bitumen	214	156	37
366	**381**	**331**	**15**	**Total petrochemicals products**	**747**	**687**	**9**
58	59	49	20	o/w Olefin products	117	103	14
295	299	261	15	o/w Polymer products	594	539	10
13	23	21	10	o/w Butadiene products	36	45	(20)
4,191	**5,340**	**4,873**	**10**	**Total refined and petrochemicals products**	**9,531**	**9,086**	**5**

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

Second quarter 2018 results

The Downstream segment delivered HUF 73bn Clean CCS EBITDA in Q2 2018, a good performance, albeit representing a 21% decrease versus the very strong base period earnings.

The Downstream performance was HUF 19bn lower in Q2 2018 year-on-year primarily due to:

- The external environment for Petrochemicals deteriorated as the integrated margin (IM) averaged at 386 EUR/t representing a 37% decrease year-on-year. The 15% higher petrochemical production and the stronger EUR versus the USD compensated somewhat the impact of the dropping headline margin driving Clean CCS EBITDA HUF 9bn lower compared to the base period.
- The performance of Refining and Marketing (R&M) was affected by a 0.9 USD/bbl decrease in the Group refinery margin. Furthermore, higher operating expenditures (mainly increasing material costs and wages) also weighed on the results. Higher refinery production partly offset the negative factors, hence the total Clean CCS EBITDA of R&M decreased by HUF 8bn to HUF 47bn.

The CCS modification impact was HUF 27bn in Q2 2018, as the oil price averaged 8 USD/bbl higher compared to Q1 2018. Furthermore, a HUF 5bn compensation payment (classified as special item) related to the late start-up of the LDPE4 unit also boosted reported EBITDA.

First half 2018 results

The Downstream business delivered Clean CCS EBITDA of HUF 128bn in H1 20118, 31% below the base period's very strong performance. Similar factors shaped profitability in the first half than in the second quarter. Negative macro developments were in the driving seat year-to-date (the integrated petrochemicals margin dropped by more than 150 EUR/t and the Group refinery margin was 1.1 USD/bbl weaker). Strong internal performance mainly in petchem could only partly offset margin weakness.

Market trends and sales analysis

Motor fuel consumption continued to grow in CEE and was up by 4% in H1 2018 year-on-year. Demand growth has been particularly strong in Hungary and in Slovakia both year-on-year and year-to-date.

Change in regional motor fuel demand	Market*			MOL Group sales		
Q2 2018 vs. Q2 2017 in %	Gasoline	Diesel	Motor fuels	Gasoline	Diesel	Motor fuels
Hungary	6	8	7	4	8	7
Slovakia	1	6	5	13	6	8
Croatia	0	10	7	(2)	(0)	(1)
Other	3	4	4	5	7	6
CEE 10 countries	3	4	4	5	6	6

Change in regional motor fuel demand	Market*			MOL Group sales		
H1 2018 vs. H1 2017 in %	Gasoline	Diesel	Motor fuels	Gasoline	Diesel	Motor fuels
Hungary	8	8	8	5	7	7
Slovakia	1	5	4	8	4	5
Croatia	(1)	1	0	(5)	(3)	(3)
Other	4	4	4	4	3	4
CEE 10 countries	4	4	4	3	4	4

**Source: Company estimates*

Downstream capital expenditures and status of key projects

CAPEX (in bn HUF)	H1 2018	H1 2017	YoY Ch %	Main projects in FY 2018
R&M CAPEX and investments	27.1	39.1	(30)	MOL: FCC revamp, Compliance with future regulation of air pollution, Alternative Crude blending, Catalyst replacement SN: Turnaround and asset replacements INA: Pre-FID residue upgrade related spending, Propane-Propylene splitter, Port Bakar modernization
Petrochemicals CAPEX	15.9	8.4	90	MOL: Pre-FID polyol related spending, Furnace reconstruction, Waste water treatment projects SN: Ethylene Storage Tank, Storage silos capacity extension and LDPE-4 related spending
Power and other	1.3	0.8	70	
Total	44.4	48.2	(8)	

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	CAPEX by type (in HUF bn)	H1 2018	H1 2017	Ch %
14.7	29.6	37.9	(22)	Total	44.4	48.2	(8)
6.1	2.7	2.9	(8)	Strategic projects	8.8	4.4	98
8.7	26.9	34.9	(23)	Normalized CAPEX	35.6	43.8	(19)

CONSUMER SERVICES

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Segment IFRS results (HUF bn)	H1 2018	H1 2017	Ch %
20.4	29.7	26.8	11	EBITDA	50.2	42.7	18
20.4	**29.7**	**26.8**	**11**	**EBITDA excl. spec. items[(1)]**	**50.2**	**42.7**	**18**
14.4	23.5	20.9	12	Operating profit/(loss) reported	37.9	30.6	24
14.4	**23.5**	**20.9**	**12**	**Operating profit/(loss) excl. spec. items[(1)]**	**37.9**	**30.6**	**24**
5.1	**13.2**	**6.9**	**90**	**CAPEX**	**18.2**	**9.8**	**86**
5.1	13.2	6.9	90	o/w organic	18.2	9.9	85

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

Second quarter 2018 results

Consumer Services EBITDA in Q2 2018 rose by 11% year-on-year to reach HUF 30bn, its best ever Q2 result. The increase was driven by a combination of increasing non-fuel margins, strong fuel sales growth on the back of increasing CEE fuel consumption and continued fuel margin expansion. At the same time increasing operational expenses partly offset growing margins.

The implementation of the COCA (company owned commissioned agent) concept in Slovakia supported total non-fuel margin growth, but also triggered higher operating expenditures through the increase of commission fees. Additionally, increases in the statutory minimum wage in Hungary and Romania had a downward effect on earnings for the quarter.

The 90% increase of organic investments related to the continued roll-out of Fresh Corners and mobility services.

First half 2018 results

Consumer Services EBITDA grew by 18% year-on-year in H1 2018. The supporting factors were similar as described in the quarterly comparison above.

Retail fuel sales

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Total retail sales (kt)	H1 2018	H1 2017	Ch %
279	329	303	9	Hungary	608	566	7
153	176	170	4	Slovakia	329	320	3
209	277	270	3	Croatia	486	481	1
163	181	182	(1)	Romania	344	342	1
117	129	127	2	Czech Republic	246	236	4
78	92	93	(1)	Other	170	181	(6)
999	1.184	1.145	3	Total retail sales	2.183	2.126	3

Retail fuel sales continued its strong rise on the back of fuel market demand growth in the as CEE. Like-for-like sales in the second quarter (adjusting for the impact of the divestment of the Italian IES network) were up by over 4% against the corresponding period last year.

Non-fuel contribution

Q1 2018	Q2 2018	Q2 2017	Non-fuel indicators	H1 2018	H1 2017
26.1%	27.5%	24%	Non-fuel margin	26.9%	23.9%
471	555	331	Number of Fresh corner sites	555	331

84 new Fresh Corners were added across the network during the second quarter, taking the total Fresh Corners to 555. Non-fuel margin continued to increase at a higher pace than fuel margin, leading to a significant increase in its share of the total margin against the same period last year.

GAS MIDSTREAM

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Segment IFRS results (HUF bn)	H1 2018	H1 2017	Ch %
21.6	8.2	10	(21)	EBITDA	29.8	30.8	(3)
21.6	**8.2**	**10**	**(21)**	**EBITDA excl. spec. items(1)**	**29.8**	**30.8**	**(3)**
18.6	4.7	7	(34)	Operating profit/(loss) reported	23.3	24.4	(5)
18.6	**4.7**	**7**	**(34)**	**Operating profit/(loss) reported excl. spec. items(1)**	**23.3**	**24.4**	**(5)**
0.5	**1.5**	**1**	**6**	**CAPEX and investments**	**2.0**	**1.6**	**30**
0.5	1.5	1	6	o/w organic	2.0	1.6	30

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

Second quarter and first half 2018 results

FGSZ Ltd. posted HUF 8.2 bn EBITDA in Q2 2018, behind last year's result by 21%, primarily due to higher energy costs. The regulatory environment was similar to the previous year. Half-year EBITDA contribution decreased by 3% to HUF 29.8 bn.

- Domestic transmission volumes increased by 13% in Q2 and 6% in H1 2018 as domestic gas storage (injection) was significantly more intensive. Export transmission volumes to Croatia and Ukraine were significantly higher than prior year (80% increase in Q2 and 85% increase in H1 2018). Realized non-regulated Serbian and Bosnian transit volumes in Q2 were slightly behind prior year figures while H1 volumes were similar to last year.
- Despite higher volumes, revenues from domestic and regulated transmission services were around flat in Q2 2018 year-on-year as capacity fee revenues were lower year-on-year due to the capacity portfolio optimization of system users. More intensive usage of gas storages and higher demand for short-term products could not compensate the effect of lower annual capacity bookings. Volume-driven revenues were above last year's figures in line with higher transmitted volumes and slightly increased turnover fee tariffs. Total revenues from domestic and regulated transmission in H1 2018 are slightly behind the year ago level (-4%).
- Revenues from natural gas transit were 22% higher in Q2 2018 year-on-year, as a result of higher realized transmission volumes compared to the minimum contracted quantities. Revenues in H1 2018 increased by 12% year-on-year.
- Operating costs were materially higher in both Q2 2018 and H1 2018, primarily driven by higher energy costs. Gas consumption (fuel gas consumption and network loss) of the transmission system increased in line with higher transmitted volumes, while gas prices were also significantly higher year-on-year.

Non-financial overview

First half 2018 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.

- Climate Change: MOL Group launched a study to increase the understanding of the Group's future carbon footprint. The study will aim to estimate the future carbon footprint of the Group by 2030, including the analysis using several internal/external scenarios up until 2030. The carbon footprint estimation will be modelled on the basis of the Group's current assets, products and operations and the 2030 "Enter Tomorrow" strategy. The estimation and the scenario analysis will include annual breakdown of the Group's Scope 1, 2 and 3 emissions.
- Environment: 2018 was the third year when the "Green Fund" has been active at MOL Group. The "Green Fund" was created in 2016 and aims to support investment projects with significant environmental benefits across MOL Group. This financing tool is part of the MOL Group 2020 SD Action Plan, which signals that sustainable development plays an important role in our future. During the first half of the year, the Green Fund received altogether 20 highly diverse project proposals competing for the financial resources, of which ten will receive financial support for project completion. The proposed projects include improved lighting, improved energy efficiency in buildings, renewable/solar energy promotion, replacement of harmful chemicals with environmental friendlier solutions and selective waste collection.

  INA's Green Belt was included in the International Chamber of Commerce Global report on SGDs "Business Action For Sustainable And Resilient Societies", which was prepared for the 2018 United Nations High-Level Political Forum on Sustainable Development held on July 17th in New York. The project was recognised for supporting and contributing to SGD Goal 15, Life on land. The INA Green Belt aims to co-finance environmental projects. Eligible applicants are members of all civil society organizations, public education institutions, nature parks and voluntary firefighters in Croatia. During the past five years, 65 projects have been realized and co-financed by INA.
- Human Capital: During H1, a hundred female leaders from all areas of MOL Group came together in Budapest to discuss experiences and thoughts on diversity. The focus of the event was to highlight how women contribute to the success of the business, share research about women in the oil industry. The event was attended by key note speakers from world leading corporations. The event was sponsored by MOL Group Chairman/CEO, who stated in his opening speech that his ambition is to make MOL Group the first choice of female employees by 2030.
- Health and Safety: In line with group wide efforts to improve safe work conditions, extraordinary inspection of tank cleaning works, one of the highest risk-ranked activities at logistics depots, resulted in no major findings for the entire group. Simultaneously, hazardous material transportation will require an additional focus on drivers' safety.

MOL Group non-financial indicators

Q1 2018 Restated	Q2 2018	Q2 2017	YoY Ch %	Environmental & sustainability data	H1 2018	H1 2017 Restated	Ch %
1.6	1.6	1.5	6	Carbon Dioxide (CO_2) under ETS (mn t)	3.2	3.1	4
4	6	14	(57)	Volume of hydrocarbon content of spills (m^3) (17)	10	128	(92)
1.7	1.6	1.1	46	TRIR(18) – own & contractor & service station staff	1.7	1.4	20
0	1	0	n.a.	Fatalities – own employees (pcs)	1	0	n.a.
0	4	3	33	Fatalities – contractors (onsite & offsite) (pcs)	4	4	0
4	2	1	100	Process safety events (Tier1)	6	3	100
26 059	26 255	26 067	1	Total workforce (prs)	26 255	26 067	1
2 872	2 921	2 446	19	Leavers (prs) (19)	2 921	2 446	19
11	11	9	18	Employee turnover rate (%) (19)	11	9	17
82	133	160	(17)	Donations (mn HUF)	215	242	(11)
28	38	39	(3)	Ethical reports (pcs)	66	71	(7)
12	7	7	0	Ethical misconduct (pcs)	19	16	19

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

INTEGRATED CORPORATE RISK MANAGEMENT

As operators in a high-risk industry we stay committed to professionally manage and maintain our risks within acceptable limits as per best industry practice.

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 (ERM) system. ERM is a risk management framework covering group-level business units and functional units as well as flagship and operating companies, with specific attention to projects as well.

The risk management methodology applied by MOL is based on international standards and best practices. It considers the organisation's exposure to uncertainty in regard 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.

During 2017, we renewed our risk management processes to ensure special attention is given to our 2030 Strategy: we identified major long-term risks that may impact our strategic objectives and detailed analysis is ongoing.

At the same time, mid-term risks related to our business plans are assessed and managed over the full lifetime of assets, performed at business segment level and coordinated by the group-level risk management team.

As in previous years, the short-term risk profile of the company is regularly reviewed with main focus on the 1-year budget of MOL Group.

Regular reporting to top management provides oversight on top risks and assurance that updated responses, controls, and appropriate mitigation actions are set and followed by the Executive Board.

The main risk drivers of the Group

Risks are categorised to ensure effective risk reporting and consistent responses for similar or related risks.

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. The main commodity risks reflects the integrated business model with downstream processing more crude than our own production and selling refined products. We monitor this risk in order to support our strong financial position and capacity to fund operations and investments. When necessary, we consider commodity hedging to eliminate risks other than 'business as usual' risks or general market price volatility.
- **Foreign exchange (FX) risk**: Business operation is economically driven mainly by USD. MOL's current FX risk management policy is to monitor the FX risk, and to balance the FX exposures of the operating cash flow with the financing cash flow exposures when necessary and optimal
- **Credit risk**: MOL Group provides products and services to a diversified customer portfolio - both from business segment and geographical point of view – with a large number of customers representing an acceptable credit risk profile. MOL Group's risk management tracks these risks on a continuous basis, and provides support to the sales processes in accordance with MOL Group's sales strategy and ability to bear risk.

Operational risks include, but are not limited to:

- **Physical asset safety and equipment breakdown risk:** High asset concentration in Downstream is a significant risk driver. The potential negative effects are mitigated by comprehensive HSE activities and a group-wide insurance management program.
- **Crude oil supply risk:** Crude supply disruption is a major risk factor for the Downstream business, as it can hamper continuous operations. In order to mitigate this risk, supplies of crude oil via pipelines are currently diversified with regular crude cargo deliveries from the Adriatic Sea.
- **Cyber risk:** Cyber risk needs attention and effective management to ensure the company is able to monitor, detect and respond to cyber threats. MOL has adapted and changed the way it deals with cyber defence and

cyber threats (people, process and technology): 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. Due to the economic, and also in some regions political crisis, the risk of potential government actions increased, as well as potential impact of such decisions.
- **Country risk:** The international portfolio requires proper management and diversification of country risk exposures, therefore possible political violence, compliance with local regulations or sanctions are monitored and managed to keep the investment portfolio country risks within acceptable limits.
- **Reputation risk:** Reputation of energy industry players has been in the focus of media for the past years due to extreme negative events. 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.
- **Climate change risk:** The effects of climate change have the potential to adversely impact MOL's current operations. As a response, MOL Group launched its 2030 Strategy based on the expected decrease in demand for fossil fuels, primarily driven by a combination of electrification and digitalization of transportation, energy and fuel efficiency gains, as well as changes in consumer behaviour and advances in technology. MOL Group's transformational strategy is meant as a response to the fast-developing consequences of global warming and climate change. Several measures have already been taken at group and divisional level in the past, and actions are ongoing. For more details, go to the Notes on Sustainability Performance.

OUTLOOK ON STRATEGIC HORIZON

MOL Group once again delivered strong financial and operating results in H1 2018, demonstrating the benefit of its resilient integrated business model. Profitability was maintained in the period at last year's very strong level of USD 1.3bn in a significantly different and fast changing external operating environment, characterized by rising oil prices and weaker downstream margins. Organic capex was only moderately higher at USD 0.4bn, thus implying very impressive simplified free cash flow generation of USD 0.9bn in H1 2018, only marginally below last year's level. The simplified FCF in H1 2018 reached the lower end of the full-year guidance of USD 0.9-1.1bn. On the back of the supportive external environment – where oil prices and refinery margins averaged ytd above our initial assumptions, while petchem margins were slightly below – and the strong internal operating performance, MOL Group upgrade upgraded its full-year 2018 financial guidance for Clean CCS EBITDA generation from "around USD 2.2bn" to around USD 2.4bn. With unchanged capex guidance (of USD 1.1-1.3bn including strategic projects), the simplified FCF guidance was also raised by around USD 0.2bn to USD 1.1-1.3bn.

While the external environment has so far proved to be more supportive than envisaged in 2016, at the time of announcing the new long-term strategy, MOL 2030, the conservative medium-term financial framework of MOL Group running through 2021 stays in place. This framework implies that based on conservative oil price assumptions 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, which may support inorganic reserves replacement steps.

The strong financial delivery continued to be accompanied by relentless work on implementing MOL Group's transformational long-term strategy. Good progress has been made towards bringing our transformational projects towards implementation in both Downstream and Consumer Services, while Upstream has been increasingly focusing on achieving full reserves replacement, which requires inorganic steps.

In **Downstream**, 2018 will be the first year of the DS 2022 program, which was announced last November. DS 2022 set out the first key milestones along the MOL 2030 long-term strategy implementation, while also defined ambitious mid-term operational and financial targets. The key focus in 2018 is to bring the major transformational project, the polyol project to a final investment decision phase. Similarly, the delayed coker project in Rijeka, which is instrumental in making the INA's refining segment competitive in the long run, is also progressing towards FID. At the same time, work has already begun to identify further strategic steps for the next investment cycle in Downstream. Efficiency is part of the everyday life in Downstream, and 2018 is expected to bring in around USD 100mn efficiency improvement as part of the DS 2022 EBITDA enhancement target.

In **Consumer Services**, 2018 has proved to be an eventful year so far in bringing closer the segment to reaching our strategic goals of transforming the segment into a real consumer services platform. The site reconstruction programme, which is accompanied by the roll-out of the non-fuel concept (Fresh Corner) has been further accelerated with more than 100 new Fresh Corners opened in 2018 to date, bringing their total number 555 by the end of H1. The success of this concept has played an instrumental role in continuously increase the share of non-fuel margin contribution – despite a growing fuel market and expanding fuel sales and margins –, which reached an all-time high 27% in H1 2018. MOL has also been active in launching new services and building up the mobility services segment. MOL launched its car sharing service, LIMO, in Budapest in January 2018 with 300 cars, 100 of which are electric vehicles. The service has proved to be a huge success, with major expansion potential. The fleet management platform has also been expanding. Going forward, increasing efforts will be put into further developing and growing the non-fuel and mobility services segments. At the same time, financial performances has also been impressive, with continued double-digit earnings growth, putting the segment well on track to reach or exceed the USD 450mn EBITDA target by 2021.

In **Upstream**, MOL Group successfully stabilised and rebalanced the business in 2016-17, massively improving the cash generation of the business. Coupled with the rising oil and gas prices in the past few quarters and strong focus on cash collection, this made the segment the largest EBITDA and free cash flow contributor of the whole group in H1 2018. The segment generated nearly USD 0.5bn simplified FCF in H1 2018, or more than half of the group's total. In 2018, the production target of around 110 mboepd remains intact as the Catcher field is ramping up production. At the same time, reserve replacement and the necessary inorganic steps are now high on the agenda to get close to the ambition of 100% reserves replacement by 2021.

MOL HUNGARIAN OIL AND GAS PLC.

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

30 June 2018

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 2018 HUF million	Q2 2018 HUF million	Q2 2017 HUF million		Notes	H1 2018 HUF million	H1 2017 HUF million
1,001,968	1,333,718	1,008,365	Net sales	2	2,335,686	1,963,664
6,548	9,292	17,196	Other operating income	3	15,840	27,530
1,008,516	**1,343,010**	**1,025,561**	**Total operating income**		**2,351,526**	**1,991,194**
778,247	1,027,629	747,708	Raw material and consumables used		1,805,876	1,465,669
60,606	65,936	62,914	Personnel expenses		126,542	121,516
85,640	90,324	71,789	Depreciation, depletion, amortisation and impairment		175,963	142,934
49,437	72,966	38,385	Other operating expenses		122,404	84,155
(20,788)	(16,297)	16,224	Change in inventory of finished goods & work in progress		(37,085)	(23,257)
(13,274)	(16,942)	(17,871)	Work performed by the enterprise and capitalised		(30,216)	(26,239)
939,868	**1,223,616**	**919,149**	**Total operating expenses**	4	**2,163,484**	**1,764,778**
68,648	**119,394**	**106,412**	**Profit from operation**		**188,042**	**226,416**
24,254	22,692	21,703	Finance income		46,947	34,643
26,110	46,984	16,476	Finance expense		73,095	33,074
(1,856)	**(24,292)**	**5,227**	**Total finance expense, net**	5	**(26,148)**	**1,569**
1,124	5,361	6,514	Share of after tax results of associates and joint ventures	6	6,484	507
67,916	**100,463**	**118,153**	**Profit before tax**		**168,378**	**228,492**
9,321	20,837	22,078	Income tax expense		30,157	38,774
58,595	**79,626**	**96,075**	**Profit for the period**		**138,221**	**189,718**
			Attributable to:			
60,262	72,935	88,793	Owners of parent		133,197	182,669
(1,667)	6,691	7,282	Non-controlling interest		5,024	7,049
86	105	126	Basic earnings per share attributable to owners of the parent		191	257
86	105	126	Diluted earnings per share attributable to owners of the parent		191	257

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Q1 2018 HUF million	Q2 2018 HUF million	Q2 2017 HUF million		Notes	H1 2018 HUF million	H1 2017 HUF million
58,595	**79,626**	**96,075**	**Profit for the period**		**138,221**	**189,718**
-	-	-	Other comprehensive income		-	-
			Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
9,610	91,099	(4,953)	Exchange differences on translating foreign operations, net of tax		100,709	(8,713)
1,579	(17,847)	9,553	Net investment hedge, net of tax		(16,268)	14,419
1,252	(1,813)	77	Financial assets fair valued through other comprehensive income , net of tax		(561)	1,906
577	(676)	1,855	Cash flow hedges, net of deferred tax		(99)	(1,048)
(1,764)	7,925	(8,723)	Share of other comprehensive income of associates and joint ventures		6,161	(8,962)
11,254	**78,688**	**(2,191)**	**Net other comprehensive income to be reclassified to profit or loss in subsequent periods**		**89,942**	**(2,398)**
			Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(205)	59	21	Remeasurement of post employment benefit obligations		(146)	(63)
(205)	**59**	**21**	**Net other comprehensive income not to be reclassified to profit or loss in subsequent periods**		**(146)**	**(63)**
11,049	**78,747**	**(2,170)**	**Other comprehensive income for the period, net of tax**		**89,796**	**(2,461)**
69,644	**158,373**	**93,905**	**Total comprehensive income for the period**		**228,017**	**187,257**
			Attributable to:			
67,980	135,052	87,480	Equity holders of the parent		203,033	178,620
1,664	23,321	6,425	Non-controlling interest		24,984	8,637

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 Jun 2018 HUF million	31 Dec 2017 HUF million
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,299,009	2,261,166
Intangible assets	7	184,671	181,451
Investments in associated companies and joint ventures	6	199,553	206,374
Other non-current financial assets		82,793	78,400
Deferred tax asset		114,896	120,633
Other non-current assets		46,706	43,555
Total non-current assets		**2,927,628**	**2,891,579**
CURRENT ASSETS			
Inventories		477,759	436,572
Trade and other receivables	13	705,312	538,986
Securities	12	22,048	26,043
Other current financial assets	12	49,859	55,715
Income tax receivable		13,429	9,865
Cash and cash equivalents	12	268,708	202,041
Other current assets	10	76,961	69,828
Assets classified as held for sale		1,160	1,071
Total current assets		**1,615,236**	**1,340,121**
Total assets		**4,542,864**	**4,231,700**
EQUITY	15		
Share capital		79,298	79,279
Reserves		1,641,955	1,354,723
Profit for the year attr. to owners of parent		133,197	306,952
Equity attributable to owners of parent		**1,854,450**	**1,740,954**
Non-controlling interest		**326,594**	**314,817**
Total equity		**2,181,044**	**2,055,771**
NON-CURRENT LIABILITIES			
Long-term debt	12	517,619	491,701
Other non-current financial liabilities	12	6,020	6,565
Provisions - long term		456,996	434,291
Deferred tax liabilities		52,213	50,068
Other non-current liabilities		23,187	23,522
Total non-current liabilities		**1,056,035**	**1,006,147**
CURRENT LIABILITIES			
Short-term debt	12	150,608	171,561
Trade and other payables	13	590,170	516,737
Other current financial liabilities	12	233,522	229,250
Provisions - short term		35,066	40,149
Income tax payable		5,222	1,754
Other current liabilities	11	291,197	210,331
Total current liabilities		**1,305,785**	**1,169,782**
Total equity and liabilities		**4,542,864**	**4,231,700**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital HUF million	Share premium HUF million	Fair valuation reserve HUF million	Reserve of exchange differences on translation HUF million	Retained earnings with profit for the year attr. to owners of parent HUF million	Total reserves HUF million	Equity attr. to owners of parent HUF million	Non-controlling interests HUF million	Total equity HUF million
Opening balance 1 Jan 2017	**79,260**	**219,389**	**4,007**	**228,284**	**961,131**	**1,412,812**	**1,492,072**	**309,554**	**1,801,626**
Profit for the period	-	-	-	-	182,669	182,669	182,669	7,049	189,718
Other comprehensive income for the period	-	-	(383)	(1,911)	(1,755)	(4,049)	(4,049)	1,588	(2,461)
Total comprehensive income for the period	-	-	(383)	(1,911)	180,914	178,620	178,620	8,637	187,257
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	-	-	-	605	605	624	-	624
Treasury share transactions	-	-	-	-	-	-	-	-	-
Acquisition / divestment of subsidiaries	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	(22)	(22)	(22)	22	-
Closing balance 30 Jun 2017	**79,279**	**219,389**	**3,624**	**226,373**	**1,089,947**	**1,539,333**	**1,618,613**	**314,692**	**1,933,305**
						-	-		-
Closing balance 31 Dec 2017	**79,279**	**219,389**	**3,811**	**224,795**	**1,213,680**	**1,661,675**	**1,740,954**	**314,817**	**2,055,771**
Opening changes due to effect of IFRS standard change (IFRS9)					2,102	2,102	2,102		2,102
Opening balance 1 Jan 2018	**79,279**	**219,389**	**3,811**	**224,795**	**1,215,782**	**1,663,777**	**1,743,056**	**314,817**	**2,057,873**
Profit for the year	-	-	-	-	133,197	133,197	133,197	5,024	138,221
Other comprehensive income for the period	-	-	(49)	64,762	5,123	69,836	69,836	19,960	89,796
Total comprehensive income for the period	-	-	(49)	64,762	138,320	203,033	203,033	24,984	228,017
Dividends	-	-	-	-	(86,249)	(86,249)	(86,249)	-	(86,249)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(19,264)	(19,264)
Equity recorded for share-based payments	19	-	-	-	648	648	667	-	667
Treasury share transactions	-	-	-	-	-	-	-	-	-
Acquisition / divestment of subsidiaries	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interests	-	-	-	-	(6,057)	(6,057)	(6,057)	6,057	-
Closing balance 30 Jun 2018	**79,298**	**219,389**	**3,762**	**289,557**	**1,262,444**	**1,775,152**	**1,854,450**	**326,594**	**2,181,044**

CONSOLIDATED STATEMENT OF CASH FLOW

Q1 2018 HUF million	Q2 2018 HUF million	Q2 2017 HUF million		Notes	H1 2018 HUF million	H1 2017 HUF million
67,916	**100,463**	**118,153**	**Profit before tax**		**168,378**	**228,492**
	-		*Adjustments to reconcile profit before tax to net cash provided by operating activities*			
85,946	90,180	71,789	Depreciation, depletion, amortisation and allowances/impairments	4	176,126	142,934
(588)	(9,574)	(15,198)	Increase / (decrease) in provisions		(10,162)	(18,141)
(402)	(116)	4,542	Net (gain) / loss on asset disposal and divestments		(518)	4,805
6,450	6,568	6,873	Net interest expense / (income)	5	13,018	16,079
(4,594)	17,724	(12,099)	Other finance expense / (income)	5	13,130	(17,647)
(1,124)	(5,360)	(7,374)	Share of after tax results of associates and joint ventures	6	(6,484)	(507)
(490)	15,174	(8,517)	Other non-cash item		14,685	(15,434)
(12,810)	(3,146)	(8,848)	Income taxes paid		(15,956)	(20,449)
140,304	**211,913**	**149,321**	**Operating cash flow before changes in working capital**		**352,217**	**320,132**
(89,857)	*16,828*	61,192	*Total change in working capital o/w:*		*(73,029)*	(69,719)
(61,428)	29,982	29,585	(Increase) / decrease in inventories		(31,446)	(19,636)
(68,972)	(120,653)	(14,807)	(Increase) / decrease in trade and other receivables	13	(189,625)	(60,523)
2,148	83,610	26,591	Increase / (decrease) in trade and other payables	13	85,758	(22,738)
38,395	23,889	19,823	(Increase)/decrease in other assets and liabilities	11, 10	62,284	33,178
50,447	**228,741**	**210,513**	**Net cash provided by operating activities**		**279,188**	**250,413**
(58,671)	(64,280)	(67,897)	Capital expenditures	7	(122,951)	(123,119)
353	229	4,403	Proceeds from disposal of fixed assets		582	5,343
-	(808)	(98)	Acquisition of businesses (net of cash)	8	(808)	(1,725)
-	22,087	(111)	Proceeds from disposal of businesses (net of cash)	9	22,087	9,996
7,267	9,522	16,383	Increase / decrease in other financial assets		16,789	12,367
674	1,929	1,672	Interest received and other financial income	5	2,603	2,390
1,015	9,973	9,754	Dividends received	5	10,988	12,367
(49,362)	**(21,348)**	**(35,894)**	**Net cash used in investing activities**		**(70,710)**	**(82,381)**
-	-	-	Issuance of long-term notes		-	-
-	-	(234,840)	Repayment of long-term notes		-	(234,840)
163,451	151,309	264,787	Proceeds from loans and borrowings received		314,760	439,216
(204,831)	(151,081)	(262,918)	Repayments of loans and borrowings		(355,912)	(421,256)
(7,935)	(7,053)	(29,149)	Interest paid and other financial costs	5	(14,988)	(28,884)
-	(86,222)	(53,373)	Dividends paid to owners of parent	15	(86,222)	(53,373)
(7)	(889)	(3,358)	Dividends paid to non-controlling interest		(896)	(3,358)
-	-	(4)	Transactions with non-controlling interest		-	(22)
(49,322)	**(93,936)**	**(318,855)**	**Net cash used in financing activities**		**(143,258)**	**(302,517)**
(9,721)	13,581	186	Currency translation differences relating to cash and cash equivalents		3,860	(1,542)
(57,958)	**127,038**	**(144,050)**	**Increase/(decrease) in cash and cash equivalents**		**69,080**	**(136,027)**
196,193	138,235	224,951	Cash and cash equivalents at the beginning of the period		196,193	216,928
138,235	265,273	80,901	Cash and cash equivalents at the end of the period		265,273	80,901

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

Basis of preparation

The interim condensed financial statements for the six months ended 30 June 2018 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 2017.

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 2017 except for the adoption of new and amended standards as set out below.

The following amendments to the accounting standards are issued by the International Accounting Standards Board (IASB) or International Financial Reporting Interpretations Committee (IFRIC), effective from 1 January 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- Amendment to IFRS 2 Share based payments on clarification on accounting for certain types of share-based payment transactions
- Amendments to IFRS 4 Insurance contracts regarding the implementation of IFRS 9 - Financial instruments
- Amendment to IAS 40 Investment property, relating to transfers of investment property
- Annual improvements 2014–2016
- IFRIC 22 Foreign currency transactions and advance consideration

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

- 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)
- IFRIC 23 Uncertainty over Income Tax Treatments (effective for annual periods beginning on or after 1 January 2019)
- Amendment to IFRS 9 Financial Instruments on prepayment features with negative compensation and modification of financial liabilities (effective for annual periods beginning on or after 1 January 2019)
- Amendment to IAS 19 Employee Benefits on plan amendments, curtailments or settlements (effective for annual periods beginning on or after 1 January 2019)
- Amendment to IAS 28 Investments in Associates and Joint Ventures on long-term interest in associates and joint ventures (effective for annual periods beginning on or after 1 January 2019)
- Annual improvements 2015-2017 (IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes, IAS 23 Borrowing Costs – effective for annual periods beginning on or after 1 January 2019)

The Group is currently considering the implications of IFRS 16, which is expected to have an impact on the Group's consolidated results and financial position.

The Group implemented the IFRS 9 – Financial Instruments standard covering the classification, measurement and derecognition of financial instruments, new impairment methodology and a new hedge accounting model. Transition to IFRS 9 did not have material impact on allowances for doubtful receivables in 2018.

The above mentioned new standards and amendments do not affect significantly the Group's consolidated results, financial position or disclosures.

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 2018 and 30 June 2017. 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 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.

Six months ended 30 June 2018	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							
External sales	102,163	1,451,609	719,465	46,298	16,151		2,335,686
Intersegment transfers	144,525	612,403	2,537	2,333	86,908	(848,706)	-
Total revenue	**246,688**	**2,064,012**	**722,002**	**48,631**	**103,059**	**(848,706)**	**2,335,686**
Profit / (loss) from operation	65,229	103,755	37,922	23,325	(30,743)	(11,446)	**188,042**

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							
External sales	84,726	1,291,747	531,074	46,698	9,419		1,963,664
Intersegment transfers	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 / (loss) from operation	65,129	131,728	30,615	24,448	(25,648)	144	**226,416**

3. Other income

In 2017, having cost-benefit assessment, commodity hedge was ceased within MOL Group resulting approximately HUF 7 billion increase in other income. In 2018 the Group has received a one-off compensation of HUF 4,510 million form the constructor of the polyethylene production facility in Slovakia for late mechanical completion.

4. Total operating expenses

	H1 2018 HUF million	H1 2017 HUF million
Raw material and consumables used	**1,805,876**	**1,465,669**
Crude oil purchased	903,634	733,112
Cost of goods purchased for resale	404,016	296,186
Non-hydrocarbon based material	173,430	155,067
Value of material-type services used	131,306	112,049
Purchased bio diesel component	38,022	36,597
Utility expenses	35,972	37,203
Other raw materials	119,496	95,455
Employee benefits expense	**126,542**	**121,516**
Wages and salaries	95,424	88,918
Social security	17,367	18,738
Other personnel expenses	13,751	13,860
Depreciation, depletion, amortisation and impairment	**175,963**	**142,934**
Other operating expenses	**122,404**	**84,155**
Mining royalties	24,639	20,912
Rental cost	16,354	14,791
Contribution in strategic inventory storage	15,902	13,875
Taxes and contributions	8,102	7,099
Other	57,407	27,478
Change in inventory of finished goods & work in progress	**(37,085)**	**(23,257)**
Work performed by the enterprise and capitalised	**(30,216)**	**(26,239)**
Total operating expenses	**2,163,484**	**1,764,778**

Operating expenses are mainly driven by higher average Brent price and consequently raw material prices in 2018 as well as increased processing volume.

5. Finance result

Finance result	H1 2018 HUF million	H1 2017 HUF million
Interest income	1,827	1,842
Dividend income	6,514	5,865
Foreign exchange gains	36,855	24,590
Other finance income	1,751	2,346
Total finance income	**46,947**	**34,643**
Interest expense	10,338	14,456
Unwinding of discount on provisions	4,506	3,465
Foreign exchange losses	55,889	11,107
Other finance expense	2,362	4,046
Total finance expense	**73,095**	**33,074**
Net finance expense/(income)	**26,148**	**(1,569)**

Net finance result turned to loss for H1 2018, due to Hungarian Forint weakening against both Euro and US Dollar resulting net foreign exchange loss 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	Contribution to net income H1 2018 HUF million	Contribution to net income H1 2017 HUF million	Net book value of investments 30 Jun 2018 HUF million	Net book value of investments 31 Dec 2017 HUF million
Investment in joint ventures							
BaiTex Llc / MK Oil and Gas B.V.	Russia / Netherlands	Exploration and production activity / Exploration investment management	51%	1,540	1,291	19,811	18,446
JSR MOL Synthetic Rubber Zrt.	Hungary	Production of synthetic rubber	49%	(294)	(276)	12,702	12,269
Rossi Biofuel Zrt.	Hungary	Biofuel component production	25%	155	211	3,510	3,162
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%	3,274	(1,346)	141,366	129,720
MET Holding AG. (MET)	Switzerland	Natural gas trading	40%	1,943	1,057	-	21,972
Ural Group Limited (Expl)	Kazakhstan	Exploration and production activity	28%	(110)	(461)	17,722	16,371
Meroco a.s.	Slovakia	Production of bio-diesel component (FAME)	25%	10	124	1,156	1,083
Messer Slovnaft s.r.o	Slovakia	Production of technical gases	49%	(34)	35	666	731
DAC ARENA a.s.	Slovakia	Facility management	28%	-	-	1,181	1,181
IN-ER Erőmű Kft.	Hungary	Power plant management	30%	-	(128)	39	39
Total				6,484	507	199,553	206,374

Given the economic situation impacting Pearl Petroleum in the Kurdistan Region of Iraq impairment had been made from 2017 against the Group's share of profit.

In 2018, Pearl Petroleum has paid HUF 3,273 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 increased by HUF 11,648 million due to foreign currency impact.

In 2018, MOL Group sold its share in MET, see the details under 9. Disposals section.

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.

7. Property, plants and equipment and intangible assets

a) Property, plants and equipment

During the six months ended 30 June 2018, the Group purchased assets at cost of HUF 109,225 million, compared to the amount of HUF 103,631 million in H1 2017. Increase in depreciation is mainly related to the finance lease of Floating Production and Offloading vessel that is used at North Sea.

In 2017, MOL Group started, and in 2018, continued its so-called Polyol Project with which it intends to become a significant producer of polyether polyols, high-value intermediates for products applied in the automotive, packaging and furniture industry. Under the project, a new polyol plant will be constructed to which significant part of capital expenditures relate both in the current and comparative period.

The purchases, both in the current and comparative period, mainly related to capital expenditures in the Upstream (exploration projects in Croatia, Norway and in concession companies in Hungary, production projects in Croatia and Hungary and field development projects in UK North Sea area, Croatia and Hungary) and Downstream segments (entering new market projects in MOL Petrochemicals).

8. Business combinations

a) Fonte Viva Ltd.

On 1 June 2018, MOL Group has acquired 100% shareholding of Fonte Viva Ltd. which transaction is immaterial for the Group. Fonte Viva Ltd. is a mineral water producer and significant player in the Hungarian mineral water market. The acquisition is part of MOL 2030 strategy, which aims to acquire SMEs in CEE region.

The initial accounting for the business combination is incomplete at the time the interim financial statements are authorized for issue.

9. Disposals

In 2018, MOL Group has sold its 40% shareholding in MET Group (MET) for HUF 22,018 million. Since 2009, MOL Group participated in MET as professional capitalist while MET was controlled by its management. In line with 2030 strategy, MOL Group is continuously reassessing its investments and as a consequence, it decided to sell this share. Net book value of investment at disposal was HUF 20,075 million and altogether HUF 1,943 million net gain was recognized on sale which is mainly the released currency translation difference impact.

10. Other current assets

	30 Jun 2018	31 Dec 2017
	HUF million	HUF million
Prepaid and recoverable taxes and duties (excluding income taxes)	51,467	50,944
Advance payments	11,131	8,983
Prepaid expenses	13,564	9,166
Other (1)	799	735
Total	**76,961**	**69,828**

(1) mainly revenue accruals

11. Other current liabilities

	30 Jun 2018 HUF million	31 Dec 2017 HUF million
Taxes, contributions payable (excluding corporate tax)	204,009	134,278
Amounts due to employees	31,900	41,736
Dividend payable	18,971	-
Custom fees payable	13,848	11,386
Advances from customers	9,350	9,996
Fee payable for strategic inventory storage	4,862	4,162
Other accrued incomes	3,918	3,429
Government subsidies received and accrued	1,149	959
Other	3,190	4,385
Total	**291,197**	**210,331**

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.

12. Reconciliation of financial instruments

30 June 2018 Carrying amount of financial instruments		Fair value through profit or loss FVTPL HUF million	Derivatives used for hedging hedge acc. HUF million	Loans, receivables and liabilities at amortised cost amortised cost HUF million	Fair value through other comprehensive income* FVTOCI HUF million	Total carrying amount HUF million
Financial assets						
Other non-current financial assets	Equity instruments	-	-	-	32,382	32,382
Other non-current financial assets	Loans given	-	-	43,761	-	43,761
Other non-current financial assets	Deposit	-	-	321	-	321
Other non-current financial assets	Financial lease receivables	-	-	200	-	200
Other non-current financial assets	Other	1,451	-	364	4,314	6,129
Total non-current financial assets		1,451	-	44,646	36,696	82,793
Trade and other receivables		-	-	704,817	-	704,817
Financial lease receivables		-	-	495	-	495
Cash and cash equivalents		-	-	268,708	-	268,708
Debt securities		-	-	-	22,048	22,048
Other current financial assets	Commodity derivatives	10,941	-	-	-	10,941
Other current financial assets	Loans given	-	-	2,277	-	2,277
Other current financial assets	Deposit	-	-	34,961	-	34,961
Other current financial assets	Foreign exchange derivatives	82	-	-	-	82
Other current financial assets	Other	-	-	1,598	-	1,598
Total current financial assets		11,023	-	1,012,856	22,048	1,045,927
Total financial assets		12,474	-	1,057,502	58,744	1,128,720
						0
Financial liabilities						0
Borrowings (Long-term debt)		-	-	452,917	-	452,917
Financial lease liabilities		-	-	64,702	-	64,702
Other non-current financial liabilities	Foreign exchange derivatives	755	3,077	-	-	3,832
Other non-current financial liabilities	Other	-	-	2,188	-	2,188
Total non-current financial liabilities		755	3,077	519,807	n/a.	523,639
Trade and other payables		-	-	590,170	-	590,170
Borrowings (short-term debt)		-	-	139,465	-	139,465
Financial lease liabilities		-	-	11,143	-	11,143
Other current financial liabilities	Transferred "A" shares with put&call options	-	-	205,751	-	205,751
Other current financial liabilities	Commodity derivatives	17,385	-	-	-	17,385
Other current financial liabilities	Foreign exchange derivatives	18	-	-	-	18
Other current financial liabilities	Other derivatives	5,196	-	-	-	5,196
Other current financial liabilities	Other	-	-	5,172	-	5,172
Total current financial liabilities		22,599	-	951,701	n/a.	974,300
Total financial liabilities		23,354	3,077	1,471,508	n/a.	1,497,939

*Instruments in Available-for-sale category were reclassified to FVTOCI. No other reclassification was necessray between measurement categories.

31 December 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	-	-	-	31,158	31,158
	Loans given	-	-	42,414	-	42,414
	Deposit	-	-	306	-	306
	Financial lease receivables	-	-	402	-	402
	Other	87	-	209	3,824	4,120
Total non-current financial assets		87	-	43,331	34,982	78,400
Trade and other receivables		-	-	538,902	-	538,902
Financial lease receivables		-	-	84	-	84
Cash and cash equivalents		-	-	202,041	-	202,041
Debt securities		5,141	-	-	20,902	26,043
Other current financial assets	Commodity derivatives	4,815	-	-	-	4,815
	Loans given	-	-	1,451	-	1,451
	Deposit	-	-	46,590	-	46,590
	Foreign exchange derivatives	395	-	-	-	395
	Other	523	-	1,941	-	2,464
Total current financial assets		10,874	-	791,009	20,902	822,785
Total financial assets		10,961	-	834,340	55,884	901,185
Financial liabilities						
Borrowings (Long-term debt)		-	-	428,569	-	428,569
Financial lease liabilities		-	-	63,132	-	63,132
Other non-current financial liabilities	Foreign exchange derivatives	321	2,968	-	-	3,289
	Other	-	-	3,276	-	3,276
Total non-current financial liabilities		321	2,968	494,977	n/a.	498,266
Trade and other payables		-	-	516,737	-	516,737
Borrowings (short-term debt)		-	-	161,498	-	161,498
Financial lease liabilities		-	-	10,063	-	10,063
Other current financial liabilities	Transferred "A" shares with put&call options	-	-	201,257	-	201,257
	Commodity derivatives	15,356	-	-	-	15,356
	Foreign exchange derivatives	16	-	-	-	16
	Other derivatives	6,477	-	-	-	6,477
	Other	-	-	6,144	-	6,144
Total current financial liabilities		21,849	-	895,699	n/a.	917,548
Total financial liabilities		22,170	2,968	1,390,676	n/a.	1,415,814

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

13. 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 wholesale and petrochemical activity resulted higher sales and receivables balances.

Increase of trade and other payables is also mainly result of increasing Brent price and consequently raw material prices.

14. Fair value hierarchy

Fair value hierarchy	30 Jun 2018 Level 1 Unadjusted quoted prices in active markets HUF million	30 Jun 2018 Level 2 Valuation techniques based on observable market input HUF million	30 Jun 2018 Total fair value HUF million	31 Dec 2017 Level 1 Unadjusted quoted prices in active markets HUF million	31 Dec 2017 Level 2 Valuation techniques based on observable market input HUF million	31 Dec 2017 Total fair value HUF million
Financial assets						
Equity instruments	26,439	5,943	32,382	26,228	5,453	31,681
Debt securities	18,554	7,808	26,362	22,867	7,000	29,867
Commodity derivatives	-	12,392	12,392	-	4,902	4,902
Foreign exchange derivatives	-	82	82	-	395	395
Other derivatives	-	-	-	-	-	-
Total financial assets	44,993	26,225	71,218	49,095	17,750	66,845
Financial liabilities	-	-	-			
Commodity derivatives	-	17,385	17,385	-	15,356	15,356
Foreign exchange derivatives	-	3,850	3,850	-	3,305	3,305
Other derivatives	-	5,196	5,196	-	6,477	6,477
Total financial liabilities	-	26,431	26,431	-	25,138	25,138

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 2018 (neither in 2017), the Group does not have any instruments with fair value categorized as Level 3 (valuation techniques based on unobservable market input).

15. Capital management

a) 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 2017	819,424,825	(82,139,461)	(103,057,795)	634,227,569	1,059,424,825
Share distribution for the members of the Board of Directors	-	148,800	-	148,800	-
30 Jun 2018	819,424,825	(81,990,661)	(103,057,795)	634,376,369	1,059,424,825
Series "C" shares					
31 Dec 2017	578	(578)	-	-	578
Series "C" shares	-	-	-	-	-
30 Jun 2018	578	(578)	-	-	578

* MOL Plc has some option agreements concluded with financial institutions in respect of 103,057,795 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

Counterparty	Underlying pieces of MOL ordinary shares	Strike price per share	Expiry
ING Bank N.V.	33,740,338	EUR 10.46670	26-Nov-2018
MUFG Securities EMEA Plc.	4,894,187	EUR 10.30000	6-Nov-2018
UniCredit Bank AG	24,339,262	EUR 10.27147	14-Nov-2018

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

Dividend

The shareholders at the Annual General Meeting in April 2018 approved to pay HUF 94,278 million dividend in respect of 2017, which equals to HUF 127.5 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.

16. Commitments and contingent liabilities

a) Guarantees

The total value of guarantees undertaken to parties outside the Group is contractually HUF 222,022 million.

b) Capital and Contractual Commitments

The total value of capital commitments as of 30 June 2018 is HUF 135,013 million (HUF 91,438 million as of 31th December 2017), of which HUF 51,872 million relates to associated company in Kazakhstan, HUF 46,389 million relates to Hungarian operation and HUF 27,630 million relates to operation in Slovakia. Significant amounts relate to a project in Slovakia that aims to increase crude oil storage capacity, reconstruction work of crude oil tanks and blending system configuration in Hungary and the preparation phase of polyol production in Hungary (HUF 7,514 million, HUF 1,834 million and HUF 1,743 million, respectively).

c) Operating leases

Operating lease commitments	30 Jun 2018 HUF million	31 Dec 2017 HUF million
Due within one year	11,124	10,838
Due later than one year but not later than five years	20,187	18,632
Due later than five years	1,397	2,135
Total	32,708	31,605

Out of the outstanding operating lease liabilities as of 30 June 2018 HUF 12,111 million relates to operation in Slovakia, HUF 7,113 million relates to operation in Croatia and HUF 12,383 million to operation in Hungary.

17. Notes to the consolidated statements of cash flows

Operating cash inflow before changes in working capital increased to HUF 353,502 million in H1 2018 (HUF 320,132 million in the comparative period). Even so the operating cash inflow increased to HUF 279,188 million considering the effect of changes in working capital (HUF 250,413 million in the comparative period).

Net cash used in investing activities decreased to HUF 70,627 million in H1 2018 (HUF 82,381 million in the comparative period). This decrease is represented mainly proceeds from disposal of businesses.

Net cash outflow of financing activities decreased to HUF 143,341 million in H1 2018 (HUF 302,517 million in the comparative period).

18. Related party transactions

a) Transactions with associated companies and joint ventures

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 2018 on terms other than those that prevail in arm's length transactions.

Main balances:

	H1 2018 HUF million	H1 2017 restated HUF million
Trade and other receivables due from related parties	1,900	1,851
Loans given to related parties	11,328	11,349
Trade payables due to related parties	6,688	11,930
Net sales to related parties	12,167	14,838

19. Events after the reporting period

a) Non-adjusting event(s)

MOL Plc. entered into a EUR 555 million revolving credit facility agreement with 15 bank groups on the 9 of July 2018. Simultaneously, USD 930 million commitment is to be cancelled under the USD 1.55 billion revolving credit facility agreement, while the rest of that facility remains available.

The transaction qualifies as 2018 second half transaction and does not affect 2018 first half figures.

APPENDICES

Appendix I.

Key IFRS data by business segment

Unaudited figures (in HUF million)

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Net Sales Revenues (HUF mn) [3] [8]	H1 2018	H1 2017	Ch %
115,784	130,905	99,490	32	Upstream	246,688	209,335	18
868,892	1,195,121	895,220	34	Downstream	2,064,013	1,732,551	19
30,810	17,821	18,062	(1)	Gas Midstream	48,631	48,938	(1)
316,254	405,748	282,462	44	Consumer Services	722,002	532,093	36
44,260	58,798	53,918	9	Corporate and other	103,058	88,255	17
1,376,000	1,808,393	1,349,152	34	Total Net Sales Revenues	3,184,392	2,611,172	22
1,001,968	1,333,718	1,008,364	32	Total External Net Sales Revenues	2,335,686	1,963,664	19

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	EBITDA (HUF mn)	H1 2018	H1 2017	Ch %
72,509	86,897	68,892	26	Upstream	159,407	132,342	20
51,346	104,460	73,095	43	Downstream	155,806	180,314	(14)
21,570	8,201	10,366	(21)	Gas Midstream	29,771	30,818	(3)
20,446	29,722	26,779	11	Consumer Services	50,168	42,659	18
(7,635)	(11,057)	(6,072)	82	Corporate and other	(18,692)	(16,243)	15
(3,948)	(8,505)	5,141	n.a.	Intersegment transfers[9]	(12,454)	(540)	n.a.
154,288	209,718	178,201	18	Total EBITDA	364,006	369,350	(1)

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Depreciation (HUF mn)	H1 2018	H1 2017	Ch %
44,685	49,493	33,714	47	Upstream	94,178	67,213	40
25,695	26,356	24,572	7	Downstream	52,051	48,583	7
2,976	3,469	3,160	10	Gas Midstream	6,445	6,370	1
6,041	6,206	5,856	6	Consumer Services	12,247	12,044	2
6,882	5,169	4,831	7	Corporate and other	12,051	9,408	28
(639)	(369)	(344)	7	Intersegment transfers[9]	(1,009)	(684)	48
85,640	90,324	71,789	26	Total Depreciation	175,963	142,934	23

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Operating Profit (HUF mn)[8]	H1 2018	H1 2017	Ch %
27,824	37,404	35,177	6	Upstream	65,229	65,129	0
25,651	78,105	48,523	61	Downstream	103,755	131,731	(21)
18,594	4,732	7,206	(34)	Gas Midstream	23,325	24,448	(5)
14,405	23,516	20,923	12	Consumer Services	37,921	30,615	24
(14,517)	(16,226)	(10,903)	49	Corporate and other	(30,743)	(25,651)	20
(3,309)	(8,137)	5,486	n.a.	Intersegment transfers[9]	(11,444)	144	n.a.
68,648	119,394	106,412	12	Total Operating Profit	188,043	226,416	(17)

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	EBITDA Excluding Special Items (HUF mn)[1]	H1 2018	H1 2017	Ch %
72,509	86,897	64,284	35	Upstream	159,407	127,734	25
51,346	99,950	73,095	37	Downstream	151,296	180,314	(16)
55,171	73,253	92,195	(21)	Downstream - clean CCS-based[2]	128,424	186,358	(31)
21,570	8,201	10,366	(21)	Gas Midstream	29,771	30,818	(3)
20,446	29,722	26,779	11	Consumer Services	50,168	42,659	18
(7,635)	(11,057)	(6,072)	82	Corporate and other	(18,692)	(16,243)	15
(3,948)	(8,505)	5,141	n.a.	Intersegment transfers[9]	(12,454)	(540)	n.a.
158,113	178,511	192,693	(7)	Total - clean CCS-based[2]	336,624	370,787	(9)
154,288	205,208	173,593	18	Total EBITDA Excluding Special Items	359,496	364,742	(1)

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Operating Profit Excluding Special Items (HUF mn)(1)	H1 2018	H1 2017	Ch %
27,824	37,404	30,569	22	Upstream	65,229	60,521	8
25,651	73,594	48,523	52	Downstream	99,245	131,731	(25)
18,594	4,732	7,206	(34)	Gas Midstream	23,325	24,448	(5)
14,405	23,516	20,923	12	Consumer Services	37,921	30,615	24
(14,517)	(16,226)	(10,903)	49	Corporate and other	(30,743)	(25,651)	20
(3,309)	(8,136)	5,486	n.a.	Intersegment transfers(9)	(11,445)	144	n.a.
68,648	**114,884**	**101,804**	**13**	**Total Operating Profit Excluding Special Items**	**183,532**	**221,808**	**(17)**

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Capital Expenditures (HUF mn)	H1 2018	H1 2017	Ch %
18,143	17,316	19,601	(12)	Upstream	35,459	35,725	(1)
14,736	29,632	37,874	(22)	Downstream	44,368	48,193	(8)
540	1,510	1,427	6	Gas Midstream	2,050	1,581	30
5,050	13,521	6,934	95	Consumer Services	18,571	9,868	88
2,561	4,274	3,662	17	Corporate and other	6,835	5,940	15
(379)	(605)	(275)	120	Intersegment transfers(9)	(983)	(445)	121
40,651	**65,649**	**69,224**	**(5)**	**Total**	**106,300**	**100,861**	**5**

Intangible assets (HUF mn)	30 Jun 2018	31 Dec 2017	Ch %
Upstream	74,783	76,554	(2)
Downstream	25,284	21,923	15
Gas Midstream	3,938	3,527	12
Consumer Services	52,105	49,814	5
Corporate and other	29,004	31,072	(7)
Intersegment transfers(9)	(443)	(1,439)	(69)
Total Intangible Assets	**184,671**	**181,451**	**2**

Tangible Assets (HUF mn)	30 Jun 2018	31 Dec 2017	Ch %
Upstream	661,721	674,291	(2)
Downstream	955,152	931,803	3
Gas Midstream	209,491	214,163	(2)
Consumer Services	356,131	328,802	8
Corporate and other	131,441	129,935	1
Intersegment transfers(9)	(14,927)	(17,828)	(16)
Total Tangible Assets	**2,299,009**	**2,261,166**	**2**

Inventories (HUF mn)	30 Jun 2018	31 Dec 2017	Ch %
Upstream	17,228	15,619	10
Downstream	443,657	398,089	11
Gas Midstream	2,155	1,940	11
Consumer Services	13,767	12,950	6
Corporate and other	34,064	27,130	26
Intersegment transfers(9)	(33,112)	(19,156)	73
Total Inventories	**477,759**	**436,572**	**9**

Trade receivables (HUF mn)	30 Jun 2018	31 Dec 2017	Ch %
Upstream	31,620	25,868	22
Downstream	578,833	426,175	36
Gas Midstream	2,085	8,409	(75)
Consumer Services	11,066	10,248	8
Corporate and other	25,831	51,256	(50)
Intersegment transfers(9)	(28,222)	(55,477)	(49)
Total Trade receivables	**621,213**	**466,479**	**33**

Trade payables (HUF mn)	30 Jun 2018	31 Dec 2017	Ch %
Upstream	(31,883)	(42,608)	(25)
Downstream	(437,545)	(344,423)	27
Gas Midstream	(4,614)	(7,817)	(41)
Consumer Services	(38,458)	(47,236)	(19)
Corporate and other	(45,500)	(66,363)	(31)
Intersegment transfers(9)	30,655	56,626	(46)
Total Trade payables	**(527,345)**	**(451,821)**	**17**

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

Appendix II.

Special items in operating profit and EBITDA

Unaudited figures (in HUF million)

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Special items - operating profit (HUF mn)	H1 2018	H1 2017
68,648	114,884	101,804	13	OPERATING PROFIT EXCLUDING SPECIAL ITEMS	183,532	221,808
		4,608	(100)	Upstream		4,608
		(5,920)	(100)	North Karpovsky divestment		(5,920)
		10,528	(100)	Angola provision release		10,528
	4,510		n.a.	Downstream		
	4,510		n.a.	Compensation from LDPE 4 contractor at Slovnaft		
	4,510	4,608	(2)	TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT	4,510	4,608
68,648	119,394	106,412	12	OPERATING PROFIT	188,043	226,416

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Special items - EBITDA (HUF mn)	H1 2018	H1 2017
154,288	205,208	173,593	18	EBITDA EXCLUDING SPECIAL ITEMS	359,496	364,742
		4,608	(100)	Upstream		4,608
		(5,920)	(100)	North Karpovsky divestment		(5,920)
		10,528	(100)	Angola provision release		10,528
	4,510		n.a.	Downstream	4,510	
	4,510		n.a.	Compensation from LDPE 4 contractor at Slovnaft	4,510	
	4,510	4,608	(2)	TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA	4,510	4,608
154,288	209,718	178,201	18	EBITDA	364,006	369,350

Appendix III.

Key IFRS data by business segment

Unaudited figures (in USD million)

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Net Sales Revenues (USD mn)[3] [8]	H1 2018	H1 2017	Ch %
458	491	353	39	Upstream	949	731	30
3,434	4,486	3,177	41	Downstream	7,920	6,062	31
122	67	64	5	Gas Midstream	189	170	11
1,250	1,524	1,004	52	Consumer Services	2,774	1,864	49
175	221	192	15	Corporate and other	396	311	27
5,438	6,789	4,789	42	Total Net Sales Revenues	12,227	9,137	34
3,960	5,007	3,579	40	Total External Net Sales Revenues	8,967	6,870	31

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	EBITDA (USD mn)	H1 2018	H1 2017	Ch %
287	325	245	33	Upstream	612	464	32
203	389	258	51	Downstream	592	627	(6)
85	31	37	(16)	Gas Midstream	116	107	8
81	111	95	17	Consumer Services	192	150	28
(30)	(42)	(22)	88	Corporate and other	(72)	(57)	26
(16)	(32)	19	n.a.	Intersegment transfers[9]	(47)	(1)	n.a.
610	783	631	24	Total EBITDA	1,393	1,290	8

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Depreciation (USD mn)	H1 2018	H1 2017	Ch %
177	185	120	55	Upstream	362	235	54
102	99	87	14	Downstream	201	170	18
12	13	11	17	Gas Midstream	25	22	12
24	23	21	12	Consumer Services	47	42	12
27	19	17	13	Corporate and other	47	33	42
(3)	(1)	(1)	14	Intersegment transfers[9]	(4)	(2)	64
338	339	255	33	Total Depreciation	677	500	35

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Operating Profit (USD mn)	H1 2018	H1 2017	Ch %
110	140	125	12	Upstream	250	228	9
101	290	171	70	Downstream	391	457	(14)
73	18	26	(31)	Gas Midstream	91	85	7
57	88	75	18	Consumer Services	145	108	34
(57)	(61)	(40)	55	Corporate and other	(119)	(90)	31
(13)	(30)	20	n.a.	Intersegment transfers[9]	(43)	1	n.a.
271	444	376	18	Total Operating Profit	716	790	(9)

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	EBITDA Excluding Special Items (USD mn)[1]	H1 2018	H1 2017	Ch %
287	325	228	43	Upstream	612	447	37
203	372	258	44	Downstream	575	627	(8)
218	274	327	(16)	Downstream - clean CCS-based[2]	492	652	(24)
85	31	37	(16)	Gas Midstream	116	107	8
81	111	95	17	Consumer Services	192	150	28
(30)	(42)	(22)	88	Corporate and other	(72)	(57)	26
(16)	(32)	19	n.a.	Intersegment transfers[9]	(47)	(1)	n.a.
625	668	684	(2)	Total - clean CCS-based[2] [10]	1,293	1,297	0
610	766	614	25	Total EBITDA Excluding Special Items	1,376	1,273	8

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Operating Profit Excluding Special Items (USD mn)[1]	H1 2018	H1 2017	Ch %
110	140	109	29	Upstream	250	212	18
101	273	171	60	Downstream	375	457	(18)
73	18	26	(31)	Gas Midstream	91	85	7
57	88	75	18	Consumer Services	145	108	34
(57)	(61)	(40)	55	Corporate and other	(119)	(90)	31
(13)	(30)	20	n.a.	Intersegment transfers[9]	(43)	1	n.a.
271	**427**	**359**	**19**	**Total Operating Profit Excluding Special Items**	**699**	**773**	**(10)**

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Capital Expenditures (USD mn)	H1 2018	H1 2017	Ch %
72	64	70	(8)	Upstream	136	125	8
58	110	136	(19)	Downstream	168	171	(2)
2	6	5	10	Gas Midstream	8	6	37
20	49	25	100	Consumer Services	69	35	99
9	16	13	28	Corporate and other	26	21	24
(1)	(2)	(1)	133	Intersegment transfers[9]	(4)	(2)	141
160	**243**	**247**	**(2)**	**Total**	**403**	**356**	**13**

Intangible assets (USD mn)	30 Jun 2018	31 Dec 2017	Ch %
Upstream	265	296	(10)
Downstream	90	85	6
Gas Midstream	14	14	2
Consumer Services	185	192	(4)
Corporate and other	103	120	(14)
Intersegment transfers(9)	(2)	(6)	(72)
Total Intangible Assets	655	701	(7)

Tangible Assets (USD mn)	30 Jun 2018	31 Dec 2017	Ch %
Upstream	2,346	2,605	(10)
Downstream	3,386	3,600	(6)
Gas Midstream	743	827	(10)
Consumer Services	1,263	1,270	(1)
Corporate and other	466	502	(7)
Intersegment transfers(9)	(53)	(68)	(22)
Total Tangible Assets	8,151	8,736	(7)

Inventories (USD mn)	30 Jun 2018	31 Dec 2017	Ch %
Upstream	61	60	1
Downstream	1,573	1,538	2
Gas Midstream	8	7	2
Consumer Services	49	50	(2)
Corporate and other	121	105	15
Intersegment transfers(9)	(118)	(73)	62
Total Inventories	1,694	1,687	0

Trade receivables (USD mn)	30 Jun 2018	31 Dec 2017	Ch %
Upstream	112	100	12
Downstream	2,052	1,647	25
Gas Midstream	7	32	(77)
Consumer Services	39	40	(1)
Corporate and other	92	198	(54)
Intersegment transfers(9)	(100)	(215)	(54)
Total Trade receivables	2,202	1,802	22

Trade payables (USD mn)	30 Jun 2018	31 Dec 2017	Ch %
Upstream	(113)	(165)	(31)
Downstream	(1,551)	(1,331)	17
Gas Midstream	(16)	(30)	(46)
Consumer Services	(136)	(183)	(25)
Corporate and other	(161)	(256)	(37)
Intersegment transfers(9)	107	219	(51)
Total Trade payables	(1,870)	(1,746)	7

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

Appendix IV.

Special items in operating profit and EBITDA

Unaudited figures (in USD million)

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Special items - operating profit (USD mn)	H1 2018	H1 2017	Ch %
271	427	359	19	OPERATING PROFIT EXCLUDING SPECIAL ITEMS	699	773	(10)
		17	(100)	Upstream		17	(100)
		(22)	(100)	North Karpovsky divestment		(22)	(100)
		38	(100)	Angola provision release		38	(100)
	17		n.a.	Downstream	17		n.a.
	17		n.a.	Compensation from LDPE 4 contractor at Slovnaft	17		n.a.
	17	17	0	TOTAL IMPACT OF SPECIAL ITEMS ON OPERATING PROFIT	17	17	0
271	444	376	18	OPERATING PROFIT	716	790	(9)

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Special items - EBITDA (USD mn)	H1 2018	H1 2017	Ch %
610	766	614	25	EBITDA EXCLUDING SPECIAL ITEMS	1,376	1,273	8
		17	(100)	Upstream		17	(100)
		(22)	(100)	North Karpovsky divestment		(22)	(100)
		38	(100)	Angola provision release		38	(100)
	17		n.a.	Downstream	17		n.a.
	17		n.a.	Compensation from LDPE 4 contractor at Slovnaft	17		n.a.
	17	17	0	TOTAL IMPACT OF SPECIAL ITEMS ON EBITDA	17	17	0
610	783	631	24	EBITDA	1,393	1,290	8

Appendix V.

Downstream – key segmental operating data

Refining and marketing

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	External refined product sales by product (kt)	H1 2018	H1 2017	Ch %
90	118	140	(16)	LPG(10)	208	241	(14)
1	5	24	(79)	Naphtha	6	35	(83)
769	1,023	977	5	Motor gasoline	1,792	1,811	(1)
2,183	2,805	2,577	9	Diesel	4,988	4,701	6
162	106	128	(17)	Heating oils	268	315	(15)
91	159	121	31	Kerosene	250	194	29
88	177	127	39	Fuel oil	265	234	13
40	174	110	58	Bitumen	214	156	37
401	392	338	16	Other products	793	712	11
3,825	**4,959**	**4,542**	**9**	**Total refined products**	**8,784**	**8,399**	**5**
598	619	514	20	Petrochemical feedstock transfer	1,217	1,112	9

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Refinery processing (kt)	H1 2018	H1 2017	Ch %
226	350	416	(16)	Own produced crude oil	576	568	1
3,228	3,675	3,446	7	Imported crude oil	6,903	6,777	2
50	42	63	(33)	Condensates	92	94	(2)
616	839	719	17	Other feedstock	1,455	1,401	4
4,120	**4,906**	**4,644**	**6**	**Total refinery throughput**	**9,026**	**8,840**	**2**
752	1,063	367	190	Purchased and sold products	1,815	712	155

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Refinery production (kt)	H1 2018	H1 2017	Ch %
108	130	146	(11)	LPG(10)	238	268	(11)
417	392	376	4	Naphtha	809	787	3
653	925	825	12	Motor gasoline	1,578	1,577	0
1,698	2,113	1,992	6	Diesel and heating oil	3,811	3,818	0
100	156	121	29	Kerosene	256	202	27
149	259	179	45	Fuel oil	408	321	27
49	137	93	47	Bitumen	186	138	35
546	358	474	(24)	Other products	904	861	5
3,720	**4,470**	**4,206**	**6**	**Total**	**8,190**	**7,972**	**3**
22	22	26	(15)	Refinery loss	44	50	(12)
378	414	412	0	Own consumption	792	819	(3)
4,120	**4,906**	**4,644**	**6**	**Total refinery throughput**	**9,026**	**8,841**	**2**

(10) Please see Appendix XI.

Petrochemicals

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Petrochemical sales by product group (kt)	H1 2018	H1 2017	Ch %
58	59	49	20	Olefin products	117	103	14
295	299	261	15	Polymer products	594	539	10
13	23	21	10	Butadiene products	36	45	(20)
366	**381**	**331**	**15**	**Total outside MOL Group**	**747**	**687**	**9**
158	169	131	29	Olefin products sales within MOL Group	327	286	14

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Petrochemical production (kt)	H1 2018	H1 2017	Ch %
212	212	174	22	Ethylene	424	376	13
109	110	90	22	Propylene	219	194	13
186	214	174	23	Other products	400	377	6
507	**536**	**438**	**22**	**Total olefin**	**1,043**	**947**	**10**
11	25	22	14	Butadiene	36	47	(23)
18	40	34	18	Raffinate	58	68	(15)
29	**65**	**56**	**16**	**Total BDEU production**	**94**	**115**	**(18)**
61	68	38	79	LDPE	129	94	37
103	100	90	11	HDPE	203	192	6
132	137	134	2	PP	269	272	(1)
296	**305**	**262**	**16**	**Total polymers**	**601**	**558**	**8**

Appendix VI.

Consumer services – key segmental operating data

Retail

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Refined product retail sales (kt)	H1 2018	H1 2017
270	329	327	1	Motor gasoline	599	598
706	829	792	5	Gas and heating oils	1,535	1,478
23	25	26	(4)	Other products	48	50
999	1,184	1,145	3	Total oil product retail sales	2,183.0	2,126.0

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Refined product retail sales (kt) Gasoline	H1 2018	H1 2017
90	109	102	7	Hungary	199	187
39	46	46	0	Slovakia	85	85
54	73	75	(3)	Croatia	127	133
36	42	43	(2)	Romania	78	79
34	40	40	0	Czech Republic	74	73
17	19	21	(10)	Other	36	41
270	329	327	1	Total gasoline product retail sales	599	598

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Refined product retail sales (kt) Diesel	H1 2018	H1 2017
186	217	197	10	Hungary	403	372
112	128	122	5	Slovakia	240	231
149	196	188	4	Croatia	345	334
121	133	132	1	Romania	254	250
79	86	84	2	Czech Republic	165	158
59	69	69	0	Other	128	133
706	829	792	5	Total diesel product retail sales	1,535	1,478

MOL Group filling stations	30 Jun 2017	31 Mar 2018	30 Jun 2018
Hungary	471	466	467
Croatia	428	428	428
Italy	46	0	0
Slovakia	252	253	253
Romania	208	213	214
Bosnia and Herzegovina	103	103	104
Serbia	54	61	61
Czech Republic	306	306	306
Slovenia	57	52	52
Montenegro	1	2	2
Total	1,926	1,884	1,887

Appendix VII.

Main internal and external parameters

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Macro figures (average)	H1 2018	H1 2017	Ch %
66.8	74.4	49.6	50	Brent dated (USD/bbl)	70.6	51.7	36
128.8	72.7	48.9	49	Ural Blend (USD/bbl)(11)	68.9	50.7	36
1.6	2.0	1.3	46	Brent Ural spread (USD/bbl)(14)	1.8	1.6	13
644	712	527	35	Premium unleaded gasoline 10 ppm (USD/t)(12)	678	536	26
591	658	450	46	Gas oil – ULSD 10 ppm (USD/t)(12)	625	465	34
553	618	415	49	Naphtha (USD/t)(13)	585	441	33
351	401	278	45	Fuel oil 3.5 (USD/t)(13)	376	284	33
139	150	152	(2)	Crack spread – premium unleaded (USD/t)(12)	144	145	(1)
86	96	75	28	Crack spread – gas oil (USD/t)(12)	91	74	23
47	56	40	40	Crack spread – naphtha (USD/t)(13)	51	50	4
(154)	(161)	(98)	64	Crack spread – fuel oil 3.5 (USD/t)(12)	(157)	(108)	46
10.5	11.1	13.7	(19)	Crack spread – premium unleaded (USD/bbl)(12)	10.0	12.7	(21)
12.5	14.0	10.9	29	Crack spread – gas oil (USD/bbl)(12)	12.9	10.7	20
(4.7)	(4.9)	(2.9)	67	Crack spread – naphtha (USD/bbl)(13)	(5.2)	(2.2)	143
(11.3)	(10.9)	(5.9)	85	Crack spread – fuel oil 3.5 (USD/bbl)(13)	(11.9)	(6.9)	71
5.3	5.5	6.4	(14)	MOL Group refinery margin (USD/bbl)	5.4	6.5	(16)
6.2	6.5	7.0	(7)	Complex refinery margin (MOL + Slovnaft) (USD/bbl)	6.3	7.0	(10)
1,064	1,100	1,038	6	Ethylene (EUR/t)	1,084	1,029	5
359	518	1,120	(54)	Butadiene-naphtha spread (EUR/t)	439	1,023	(57)
438	368	586		NEW MOL Group petrochemicals margin (EUR/t)	403	562	(28)
456	376	584	(36)	OLD Integrated petrochemical margin (EUR/t)(15)	416	562	(26)
253.1	266.3	281.4	(5)	HUF/USD average	259.7	285.9	(9)
311.0	317.1	309.8	2	HUF/EUR average	314.1	309.5	1
41.8	42.9	41.7	3	HUF/HRK average	42.3	41.5	2
6.1	6.2	6.7	(8)	HRK/USD average	6.1	6.9	(11)
0.0	2.3	1.2	94	3m USD LIBOR (%)	2.1	1.1	87
0.0	(0.3)	(0.3)	(1)	3m EURIBOR (%)	(0.3)	(0.3)	(1)
0.0	0.1	0.2	(38)	3m BUBOR (%)	0.1	0.2	(70)

Q1 2018	Q2 2018	Q2 2017	YoY Ch %	Macro figures (closing)	H1 2018	H1 2017	Ch %
67.3	77.9	47.4	64	Brent dated closing (USD/bbl)	77.9	47.4	64
253.9	282.1	270.9	4	HUF/USD closing	282.1	270.9	4
312.6	328.6	308.9	6	HUF/EUR closing	328.6	308.9	6
42.1	44.5	41.7	7	HUF/HRK closing	44.5	41.7	7
6.0	6.3	6.5	(2)	HRK/USD closing	6.3	6.5	(2)
2,772	2,722	2,653	3	MOL share price closing (HUF)	2,722	2,653	3

(11) (12) (13) (14) (15) Please see Appendix XI.

Appendix VIII.

Regulated information in 2018

Announcement date	Subject
02 January 2018	Number of voting rights at MOL Plc
03 January 2018	Director/PDMR transactions
24 January 2018	Director/PDMR transaction
25 January 2018	Director/PDMR transaction
25 January 2018	Director/PDMR transactions
31 January 2018	Number of voting rights at MOL Plc
15 February 2018	Organizational and personnel changes in MOL Group
19 February 2018	Publication of MOL Group's Q4 and Full Year 2017 results and 2018 outlook
28 February 2018	Number of voting rights at MOL Plc
12 March 2018	Remuneration paid in 2017 to members of the Board of Directors after the 2016 business year and to members of the Supervisory Board after the 2017 business year as cash and non-cash benefits
12 March 2018	Announcement by The Board of Directors of MOL Plc. on the convocation of the Company's Ordinary General Meeting in 2018
12 March 2018	Board of Directors' proposal for dividends
21 March 2018	Publication of Annual General Meeting documents
29 March 2018	Transaction by person discharging managerial responsibilities and by a person closely associated with him
03 April 2018	Number of voting rights at MOL Plc
12 April 2018	Resolutions of the Annual General Meeting of MOL held on 12th April, 2018
12 April 2018	Change in Executive Board
12 April 2018	MOL Plc. Corporate Governance Report in accordance with Budapest Stock Exchange Corporate Governance Recommendations
12 April 2018	Director/PDMR transaction
12 April 2018	MOL Consolidated and Parent Company Annual Reports approved by the AGM
19 April 2018	MOL Board of Directors elected Zsolt Hernádi as Chairman
23 April 2018	MOL Hungarian Oil and Gas Public Limited Company Announcement regarding the distribution of dividend for the financial year of 2017
24 April 2018	Addendum to the announcement on dividend distribution: last trading day in Warsaw to be 2 May 2018
27 April 2018	MOL transferred Treasury shares to MOL Plc ESOP Organization
02 May 2018	Number of voting rights at MOL Plc
04 May 2018	MOL Group releases First Quarter 2018 Earnings Report
04 May 2018	Share distribution for the members of the Board of Directors
04 May 2018	Amendment of strike price under the share option agreement between MOL Plc and MUFG Securities EMEA plc.
16 May 2018	Amendment of the strike price under the share option agreement effective between MOL Plc. and UniCredit Bank A.G.
16 May 2018	Amendment of strike price under the share option agreement between MOL Plc. and ING Bank N.V.
25 May 2018	Director/PDMR transaction
30 May 2018	György Mosonyi, Chairman of the Supervisory Board of MOL has passed away
30 May 2018	Change in the composition of the Supervisory Board
31 May 2018	Number of voting rights at MOL Plc
05 June 2018	Transaction by a person closely related to PDMR
07 June 2018	Personnel changes in MOL Group
20 June 2018	INA buys Eni's share in Northern Adriatic offshore gas fields
21 June 2018	Personnel changes in the Supervisory Board of MOL Plc. and Slovnaft a.s.
21 June 2018	Transaction by a person closely related to PDMR
29 June 2018	INA Management Board decision
02 July 2018	Number of voting rights at MOL Plc
10 July 2018	MOL signed EUR 555 million revolving credit facility agreement
31 July 2018	Number of voting rights at MOL Plc

Appendix IX.

Shareholder structure

Shareholders (%)	30 Sep 2016	31 Dec 2016	31 Mar 2017	30 Jun 2017	30 Sep 2017	31 Dec 2017	31 Mar 2018	30 Jun 2018
Foreign investors (mainly institutional)	25.18	26.91	27.20	34.81	35.29	35.02	34.57	33.91
Hungarian State (MNV Zrt. Pension Reform and Debt Reduction Fund)	25.24	25.24	25.24	25.24	25.24	25.24	25.24	25.24
CEZ MH B.V.	7.50	7.50	7.47	0.00	0.00	0.00	0.00	0.00
OmanOil (Budapest) Limited	7.14	7.14	7.14	7.14	7.14	7.14	7.14	7.14
OTP Bank Plc.	4.89	4.89	4.89	4.89	4.89	4.89	4.89	4.89
OTP Fund Management	1.07	1.08	1.07	1.20	1.20	1.21	1.23	1.24
ING Bank N.V.	5.10	4.75	4.75	4.75	4.75	4.12	4.12	4.12
Crescent Petroleum	2.61	1.46	0.68	0.00	0.00	0.00	0.00	0.00
UniCredit Bank AG	5.25	5.25	3.57	3.57	3.57	2.97	2.97	2.97
MUFG	0.00	0.00	0.00	0.00	0.00	0.60	0.60	0.60
Domestic institutional investors	5.21	5.29	5.30	5.68	5.48	5.50	5.56	5.94
Domestic private investors	3.42	2.75	3.28	3.42	3.14	3.39	3.75	4.18
MOL Plc. and MOL Investment Ltd. (treasury shares)	7.38	7.73	9.41	9.29	9.29	9.92	9.92	9.76

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 2018, Hungarian State having 25.24%, OmanOil (Budapest) Limited having 7.14% and OTP Bank Plc. (including OTP Fund Management) having 6.13% voting rights in MOL. Please note that the voting rights are calculated from the number issued shares (the Treasury shares are not excluded). According to the Articles of Association no shareholder or shareholder group may exercise more than 10% of the voting rights.

Appendix X.

Changes in organization and senior management

The Annual General Meeting on 12 April 2018 made the following resolutions:

- elected Mr. Zsolt Hernádi to be a member of the Board of Directors from 1 May 2018 to 30 April 2023.
- elected Mr. Zoltán Áldott as member of the Supervisory Board from 12 April 2018 to 11 April 2023.
- elected Prof. Dr. András Lánczi as member of the Supervisory Board from 12 April 2018 to 11 April 2023.
- elected Mr. Csaba Szabó as employee representative in the Supervisory Board of the Company from 12 April 2018 to 11 April 2023.

Other relevant decisions and events in the period:

- Mr. Áldott's position as a member of MOL's Executive Board was terminated on 12th April 2018, as he was elected to be a member of MOL's Supervisory Board by the Annual General meeting.
- MOL Board of Directors elected Mr. Zsolt Hernádi as Chairman of the Board from 1 May 2018 to 30 April 2023
- György Mosonyi, Chairman of the Supervisory Board passed away at the age of 69.
- Ms. Andrea Bártfai-Mager resigned from her position as a member of MOL Supervisory Board.
- The Supervisory Board of MOL elected Mr. Zoltán Áldott to be the Chairman of the Supervisory Board, effective as of 25 June 2018.

The Board of Directors approved the following organizational and personnel changes and changes related to responsibilities held by members of the Executive Board:

- The Board of Directors approved the extension of the Executive Board, with the Consumer Services EVP as a new member. With this appointment, Mr. Péter Ratatics also became the Executive Vice President for Consumer Services and a member of the MOL Group Executive Board with effect of 15 February 2018. Péter Ratatics until that day hold the position of Chief Operating Officer of Consumer Services.
- MOL Group also announced on 7 June 2018, that Mr. Péter Ratatics was appointed as MOL Hungary Chief Operating Officer (COO), while he also retains his position as Consumer Services Executive Vice President. Mr. Sándor Fasimon, who previously held the position of MOL Hungary COO remains a member of the Executive Board.
- Both Mr. Ratatics and Mr. Fasimon are considered as executive employees of MOL Plc. according to the Act CXX of 2001 on Capital Markets and qualify as persons discharging managerial responsibilities according to the EU Regulation No. 596/2014 on market abuse.

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 2017 and 2018 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)	LPG and pentanes
(11)	CIF Med parity
(12)	FOB Rotterdam parity
(13)	FOB Med parity
(14)	Brent dated price vs. average Ural MED and Ural ROTT prices
(15)	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. As of January 2018 an updated formula for calculating the „MOL Group petrochemicals margin" was introduced, replacing the previous „Integrated petrochemical margin". The purpose of the new formula is to better reflect the petchem product slate of the group.
(16)	Net gearing: net debt divided by net debt plus shareholders' equity including non(controlling interests
(17)	Excluding spills related to road accidents
(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

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 2018 half-year results of MOL Group, which has been prepared to the best of our knowledge in accordance with the applicable financial reporting standards, and give a true and fair view of the assets, liabilities, financial position, and profit of MOL Plc. and its subsidiaries and presents a fair review of the position, development and performance of MOL Plc. and its subsidiaries together with a description of principal risks and uncertainties.

Budapest, 3th August, 2018

József Simola

Group Chief Financial Officer

Dr. Ákos Székely

Senior Vice President
Group Financial Planning and Reporting