



THE PAST FIVE YEARS' INVESTMENTS HAVE PAID OFF

MOL Hungarian Oil and Gas plc. (Reuters: MOLB.BU, MOLBq.L, Bloomberg: MOL HB, MOL LI; homepage: www.mol.hu), today announced its 2004 fourth quarter and full year preliminary results. This report contains consolidated financial statements for the period ended 31 December 2004 as prepared by management in accordance with International Financial Reporting Standards (IFRS).

Financial highlights

MOL Group financial results (IFRS)	Q4 2003		Q4 2004		Change %		FY 2003		FY 2004		Change %	
	HUF bn	USD m ¹	HUF bn	USD m ¹	HUF	USD	HUF bn	USD m ¹	HUF bn	USD m ¹	HUF	USD
Net sales revenues	455.2	2,081.4	621.9	3,274.9	37	57	1,504.0	6,702.3	1,955.9	9,654.0	30	44
EBITDA	54.2	247.8	92.5	487.1	71	97	178.5	795.5	358.7	1,770.5	101	123
Operating profit	26.0	118.9	59.5	313.3	129	164	83.1	370.3	248.7	1,227.5	199	231
Net financial expenses/(gain)	3.0	13.7	(7.9)	(41.6)	n.a.	n.a.	16.1	71.7	(5.1)	(25.2)	n.a.	n.a.
Net income	57.4	262.5	55.2	290.7	(4)	11	100.0	445.6	208.6	1,029.6	109	131
Operating cash flow	130.1	594.9	130.8	688.8	1	16	203.2	905.5	323.8	1,598.2	59	76

⁽¹⁾ In converting HUF financial data into US Dollars, the following average NBH middle rates were used: for Q4 2003: 218.7 HUF/USD, for 2003: 224.4 HUF/USD, for Q4 2004: 189.9 HUF/USD, for 2004: 202.6 HUF/USD.

In 2004, operating profit increased by HUF 165.6 bn, to HUF 248.7 bn (USD 1,227.5 mn), supported by previous years' investments in quality downstream assets, higher refined product sales volumes and by the introduction of a fair, EU compliant regulation in the gas business. Net income grew by HUF 108.6 bn to HUF 208.6 bn (USD 1,029.6 mn) primarily reflecting the strong operating performance and gains realised on the revaluation of foreign currency denominated debt. Net income in Q4 2004, excluding the one-off effect of a HUF 25.3 bn provision for redemption of extra severance payment in Q4 2004 and a HUF 36.5 bn deferred tax gain incurred on gas unbundling in Q4 2003, increased by HUF 59.6 bn.

Overview of the environment

Global economic growth looks set to reach 5.0 % in 2004, the fastest rate of growth for 20 years. But there are already signs that growth is decelerating in some major economies.

US economic development remained flat mainly as a result of low new job creation and weak consumer spending. Moreover, the US dollar continued its downward trend, hitting a new low against the euro. Overall economic activity remained robust in Asian economies (excluding Japan). China continued to outperform the rest of the Asian region. The performance of the euro zone improved, but still remained moderate, saddled with an expensive currency and limited recovery in domestic demand. The non-euro area EU Member States (mainly the transition economies of Central and Eastern Europe) and the Commonwealth of Independent States (CIS) continued to grow strongly during this period.

Generally, Hungary's economic data were relatively favourable in 2004. The pattern of economic growth has changed positively, risks to price stability have declined, and inflation is once again on a downward trend. All these factors contributed to an improvement in macroeconomic stability. Moreover, the budget deficit registered some fiscal improvement at the end of year. In spite of this the deficit remains high. It is expected these favourable developments will create room for the central bank to cut interest rates further. However, little progress has been made in correcting the external imbalance. In addition, Hungary's tax system is threatening its attractiveness for foreign investment compared to its neighbours.

In our other main market, Slovakia, higher performance of the economy, organization of the public sector and significant structural reforms contribute to sustainable economic growth and fiscal consolidation. The international rating agency, Moody's, labelled Slovakia as one of the most attractive business environments in the region of Central and Eastern Europe, for foreign direct investment. Meanwhile unemployment remained higher than in other central European countries and the foreign trade deficit negatively surprised analysts. At the end of the year Slovakia's foreign trade balance registered a significant weakening. From this point of view further GDP growth can be influenced negatively.

The situation in the international oil markets improved at the end of 2004. Crude oil prices, which rose above USD50 a barrel in 2004, started to move downwards from fresh highs in late October due to: the ongoing restoration of oil production in the Gulf of Mexico, after widespread shutdowns due to Hurricane Ivan, unseasonably mild weather in the United States, and rising US and OECD commercial oil inventories. However, it is expected that global growth may be at risk if oil prices remain at current levels. Analysts warned that the recent price shock could be prolonged in 2005. In their opinion, all factors that combined to elevate oil prices in 2004 will still be in full play in 2005 - strong oil demand; geopolitical tension; a stretched refining system; little spare capacity with oil producers; relatively low crude and product inventories; and hefty speculation in energy contracts.

The average CIF Med quoted price of Ural Blend increased by 28% in USD terms and 15% in HUF terms, compared to 2003. More importantly for MOL, the Brent-Ural differential grew to 3.8 USD/bbl in 2004, due to increasing demand for sweet crude oil and



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increased sour crude production. Average USD denominated crack spreads of FOB Rotterdam gasoline, gas oil and naphtha increased by 43%, 75% and 62%, respectively compared to 2003. The US dollar depreciated by an average of 10% against the Hungarian Forint, while EUR depreciated by an average 1% against Forint in 2004 y-o-y. EUR depreciated by 6% from year-end 2003 to 31 December 2004 (from 262.2 to 245.9.0), while USD depreciated by 13% from year-end 2003 to 31 December 2004 (from 207.9 to 180.3). The USD depreciated by an average of 12% against the Slovak Crown in 2004, while EUR depreciated by an average 4% against the Slovak Crown year on year.

- **Exploration and Production** operating profit in 2004 increased by HUF 13.9 bn, to HUF 57.4 bn (USD 283.3 mn), as a strong increase in hydrocarbon production and higher transfer prices could compensate for the HUF 23.5 bn increase in the supplementary royalty on our domestic gas production and a HUF 8.0 bn provision on ZMB joint venture receivables from Yukos.
- **Refining and Marketing** contributed operating profit of HUF 159.9 bn (USD 789.2 mn), an increase of 137% (in USD terms 162%) over 2003, supported by higher motor fuel sales volumes, the increased Ural to Brent discount, higher crack spreads and integrated Group operations. Estimated clean USD based CCS profit rose 130%.
- The **Natural Gas** segment result improved to a strong operating profit of HUF 60.4 bn (USD 298.1 mn) compared to HUF 7.5 bn (USD 33.4 mn) in 2003, mainly due to the favourable effect of the new EU compliant regulatory environment.
- The **Petrochemical** segment's operating profit increased to HUF 19.0 bn (USD 93.8 mn) in 2004, compared to a HUF 1.3 bn (USD 5.8 mn) profit in 2003. Higher polymer sales, efficiency improvement measures and an improvement in the business environment contributed to the significant strengthening of operational results.
- We continued our **efficiency improvement** programs and we achieved a USD 212 mn benefit by the end of 2004, 82% of the USD 260 mn combined efficiency target set for the end of 2005. Group **closing headcount** decreased by 2% y-o-y, from 15,866 to 15,465. In order to bring the collective agreements into line with current labour market conditions, the MOL Group has initiated a process to reduce future severance payments to the legally required level, while redeeming its extra severance payment obligation to the current employees at a discounted level, for which a HUF 25.3 billion provision has been created.
- **Capital expenditure** and investments decreased to HUF 254.5 bn (USD 1.3 bn) in 2004, compared to HUF 367.4 bn (USD 1.6 bn) in 2003, due to the lower acquisition expenditure. The Group's main investments in 2004 were the implementation of the EU-2005 quality project in the downstream segment, the petrochemical capacity expansion in both TVK and Slovnaft, the public offer for Slovnaft shares and the exercise of our TVK option. MOL's gearing ratio on December 31, 2004 went down to 24.4% (compared to 34.1% on December 31, 2003) and net debt at the end of 2004 was HUF 259.2 bn.
- **Operating cash flow** before changes in working capital grew by 109% to HUF 377.0 bn (USD 1,860.1 mn). Including working capital changes and corporate tax paid, operating cash flow increased by 59%, to HUF 323.8 bn (USD 1,598.2 mn).

Management comment

Mr Zsolt Hernádi, Executive Chairman of MOL commented:

"I am pleased to be able to report that in 2004 the Group achieved outstanding results, in large part due to our investments in world-class refining and logistics assets in Bratislava and Százhalombatta, as well as successful integration with our partners. On the basis of the results achieved last year, we can state that we are on track to meet our strategic targets for 2005.

In 2004 we closed a successful public offer for Slovnaft shares and reached a 98.4% ownership. I would like to underline that the integration of MOL and Slovnaft from 2004 contributed strongly to results through the maximisation of cooperation benefits and the extraction of synergies. With INA, our partner in Croatia, in which we have a 25% stake, we made the initial steps in the area of efficiency improvement and the achievement of synergy benefits. We concluded a transaction in Romania to acquire the remaining Shell filling stations, which is a further step to reach our targeted 15% retail market share on that market. We also strengthened our position in Austria by acquiring 75% in Roth Heizöle GmbH, which has a significant position on the Austrian fuel wholesale market.

We have made significant steps to increase our upstream-downstream integration, in line with our strategic target. We acquired a 22.5% stake in an exploration block in Kazakhstan, next to the giant Karachaganak field and existing infrastructure. Our continuing exploration activities in Pakistan also led to a new discovery of oil and gas reserves in January 2005.

Following the introduction of an EU conform gas business regulation, MOL concluded an agreement on the partial sale of the gas businesses and on our partnership with one of the largest gas and energy companies in Europe, E.ON Ruhrgas International. While the transaction enables us to monetize a part of our investment in the gas business at a fair value for MOL's shareholders, reinvestment of proceeds into our core oil business will enable MOL to keep growing and generating additional value."

Mr György Mosonyi, Chief Executive Officer of MOL added:

"In 2004, the oil industry environment was highly favourable, however, weakness of the USD against local currencies continued to have a negative affect on our oil business.



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In the exploration and production segment, through our joint venture in Russia and the intensification of domestic gas production, we were able to significantly increase our hydrocarbon production. In the refining and marketing business the favourable margin environment combined with the deeper integration with Slovnaft, the successful implementation of supply chain management and previous years' investments resulted in a robust operational performance. We expect that a continued favourable margin environment, the production of fuels exceeding EU-2005 quality requirements, due to recent refinery investments, and our further competitive advantages will help us to create significant value in this business for our shareholders also in 2005. Rationalisation of our network and our efforts to boost non-fuel sales led to increased profitability of our retail network both in Hungary and Slovakia. In the gas business, the EU compliant gas regulatory environment and increased gas transit enabled us to earn a fair return on our gas business assets. In addition to the HUF 41.8 bn supplementary royalty, MOL paid a further HUF 22.2 bn, being the excess revenue accrued above the regulated return, into the central compensation fund, which is the source of residential gas price compensation. In the petrochemical business, the more favourable industry environment at the end of the year, the weakening dollar against the euro, our successful steps to increase polymer sales and increased efficiency enabled us to significantly improve our results. The timely introduction of new capacities, as part of the strategic petrochemical development project, and the expected continuation of improved petrochemical margins into 2005 should lead to further significant improvement in operational figures.

We continue to focus on efficiency improvement measures and our USD 260 million (targeted by the end of 2005) combined efficiency improvement program is on track with the achievement of USD 212 million by the end of 2004.”



Exploration and Production

Segment IFRS results

Exploration & Production	Q4 2003		Q4 2004		Change %		FY 2003		FY 2004		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	11.8	54.0	16.8	88.5	42	64	64.5	287.4	77.8	384.0	21	34
Operating profit/(loss)	6.1	27.9	13.6	71.6	123	157	43.5	193.9	57.4	283.3	32	46
CAPEX and investments ¹	12.8	58.5	10.8	56.9	(16)	(3)	58.5	260.9	31.1	153.5	(47)	(41)

Key segmental operating data

HYDROCARBON PRODUCTION (gross figures before royalty)	Q4 2003	Q4 2004	Change %	FY 2003	FY 2004	Change %
Crude oil production (kt)	507	591	17	1,755	2,225	27
Hungary	298	260	(13)	1,134	1,077	(5)
International	209	331	58	621	1,148	85
Natural gas production (million m³, net dry)*	735	729	(1)	2,821	2,927	4

*Excluding original cushion gas production from gas storage.

In 2004, segmental operating profit increased by HUF 13.9 bn compared to 2003. Favourable external factors had a positive effect on segmental profit. The USD denominated average Brent crude oil price increased by 32.5% compared to 2003, while it was only 20.0% higher in HUF terms, due to the strengthening of the Forint against the USD. The domestic gas transfer price increased by 40.5% due to a switch to an average import price based transfer price. However, the HUF 23.5 bn increase in the supplementary gas royalty reduced our segmental profit, as the supplementary royalty was paid on domestically produced gas for the full year 2004, while only from August in 2003. In spite of higher crude oil prices and a 79.2% increase in sales volumes compared to the previous year, ZMB's profit contribution increased only slightly, as a result of the HUF 8.0 bn provision on overdue receivables, due to financial problems of Yukos.

Total crude oil production increased significantly. Our domestic production decreased by 5%, which was compensated by a strong, 85% increase in international crude production. The ZMB field's peak daily production rose to 54.5 thousand barrel/day at the end of 2004 from 36.5 thousand barrel/day at the beginning of the year. Natural gas production increased by 3.8% in 2004, as a result of the intensified gas production due to the new fields brought into production during the year.

As a favourable consequence of international crude oil production, MOL's unit cost of oil production (including gasoline production) was 3.1 USD/bbl in 2004, which is 24% lower than in 2003. The domestic unit cost remained largely unchanged, in spite of the decrease in production.

In Pakistan, gas trial production at the Manzalai field started on 29th January 2005. At present, the average gas off-take range is 0.8-1.0 million m³ per day. In January 2005, MOL made a new discovery of oil and gas in the TAL Block, with the Makori-1 exploratory well.

Capital expenditure decreased by HUF 27.4 bn, mainly due to the HUF 22.7 bn ZMB acquisition cost recorded in 2003. CAPEX spending for international field development decreased by HUF 4.9 bn, reflecting the more advanced stage of our ZMB project.

¹ The consolidated CAPEX figures exclude capitalised finance costs, but include financial investments and both capitalised and expensed exploration cost.



Refining and Marketing

Segment IFRS results

Refining & Marketing	Q4 2003		Q4 2004		Change %		FY 2003 ²		FY 2004		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	32.7	149.5	64.1	337.5	96	126	108.7	484.4	215.9	1,065.6	99	120
Operating profit/(loss)	20.6	94.2	44.9	236.4	118	151	67.6	301.2	159.9	789.2	137	162
CAPEX and investments ¹	47.5	217.2	28.0	147.4	(41)	(32)	77.3	344.6	79.0	389.9	2	13

	Q4 2003	Q4 2004	Change	FY 2003 ²	FY 2004	Change
	HUF bn	HUF bn	%	HUF bn	HUF bn	%
Reported EBIT	20.6	44.9	118	67.6	159.9	137
Replacement modification	0.1	5.4	5,300	5.2	(8.9)	n.a.
Estimated clean CCS	20.7	50.3	143	72.8	151.0	107

Key segmental operating data

REFINED PRODUCT SALES	Kt	Q4 2003	Q4 2004	Change %	FY 2003 ²	FY 2004	Change %
Hungary		1,203	1,159	(4)	4,263	4,082	(4)
Slovakia		402	357	(11)	1,192	1,411	18
Other markets		1,424	1,612	13	4,781	6,000	26
TOTAL CRUDE OIL PRODUCT SALES		3,029	3,128	3	10,236	11,493	12

2004 segmental operating profit increased by HUF 92.3 bn, mostly due to higher sales volumes and favourable crack spreads. Our competitive advantages, synergy extraction at MOL and Slovnaft, integration of businesses, and supply chain management also contributed to the favourable results. Furthermore, the widening Brent-Ural spread supported the increase of profit. As a result of earlier refinery upgrading, MOL was able to process Russian quality (higher sulphur content) lower priced Ural crude using the advantages of deep conversion units providing a very favourable product slate with high crack spreads in case of light products. The reference refining margin grew by 88% in 2004 year-on-year, however MOL's realised refining margin is higher than the reference margin, due to the more favourable product slate. These favourable factors were partially compensated by the strength of local currencies against USD. Slovnaft contributed HUF 75.8 bn to the segmental result in 2004.

Consolidated Group sales volumes increased by 1.3 Mt, from 10.2 Mt in 2003 to 11.5 Mt in 2004. A large part of this improvement (1.0 Mt) was the consequence of consolidation of Slovnaft's sales for the full year in 2004, while only from Q2 in 2003. Higher export sales also contributed to the increase in total sales volumes. The reduction in the Group's Hungarian refinery product sales was primarily the result of a fall in sales of lower value fuel oil (by 50%) as we increased sales of high quality motor fuels.

Hungarian market demand for motor gasoline was in line with the figures of the previous year, as growth was hampered by higher consumer prices. Refinery and wholesale coverage in motor gasoline in Hungary decreased by 2% year-on-year, as high crack spreads resulted in a strengthening of import competition. As the consumption of gasoil is more directly influenced by general economic development than price changes, Hungarian market demand for motor gasoil increased by 3% and our Hungarian sales increased by 4.7%. Our total fuel sales in Hungary increased by 1.6%. In Slovakia, motor gasoline consumption decreased by 5%, as a result of the higher prices, due to both higher quoted prices and an increase in excise duty. Gasoline and diesel sales in Slovakia rose as a result of Slovnaft's consolidation for the full year in 2004, as noted previously.

Fuel sales outside of Hungary and Slovakia increased from 3,770 kt in 2003 to 4,710 kt in 2004, mainly due to Slovnaft's Q1 2004 consolidation. Our sales increased in most regional countries. Optimisation of refinery production and Group level supply chain management also had a favourable effect on the profitability of our export activity.

In 2004, MOL's Hungarian retail fuel sales volumes were in line with the 2003 figures. Our motor fuel market share according to MÁSZ (Hungarian Petroleum Association) decreased by 0.2% from 43.2% in 2003 to 43.0% in 2004. Slovnaft's retail market share in Slovakia according to SAPPO data fell from 45.2% to 44.5% due to the closure of certain less efficient filling stations.

At the end of December 2004, the MOL Group had 812 filling stations, out of which 357 were operated in Hungary, 281 in Slovakia, 77 in Romania, and 42 in the Czech Republic. In October 2004, Roth GmbH, our Austrian subsidiary, became a fully consolidated member of the MOL Group, which increased the number of the Group's filling stations by 20.

In 2003 we implemented a retail network efficiency improvement program, which resulted in the closure of 20 and 18 lower turnover stations in Hungary and Slovakia respectively. As a result of this, the average throughput of MOL owned stations in Hungary increased by 1.9 % in 2004 compared to same period of 2003, while average throughput improved by 3.4 % in Slovakia. In 2004 we continued the efficiency improvement program in Slovakia and a further 24 filling stations were closed.

In Hungary our shop sales increased by 1.2%, which represented a 2.1% increase in shop sales per litre year-on-year. Our fuel card sales rose further (by 7.6%) compared to the same period of the previous year. In 2004, on the Slovakian market, our shop sales increased by 21.9% compared to the 2003.

¹ The consolidated CAPEX figures exclude capitalised finance costs, but include financial investments and both capitalised and expensed exploration cost.

² Slovnaft is fully consolidated from Q2 2003. Operating figures from this period onward contain Slovnaft segment data accordingly.



Natural Gas

Segment IFRS results

Natural Gas	Q4 2003		Q4 2004		Change %		FY 2003		FY 2004		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	6.5	29.7	19.6	103.2	202	247	18.5	82.4	70.8	349.5	283	324
Operating profit/(loss)	3.8	17.4	16.1	84.8	324	388	7.5	33.4	60.4	298.1	705	792
CAPEX and investments ¹	6.3	28.8	11.2	59.0	78	105	11.1	49.6	14.7	72.6	32	46

Key segmental operating data

NATURAL GAS BALANCE	Q4 2003	Q4 2004	Change %	FY 2003	FY 2004	Change %
Million m ³						
Sales from production	848	887	5	2,598	2,656	2
Sales from import	3,612	3,411	(6)	11,344	10,635	(6)
TOTAL SOURCES	4,460	4,298	(4)	13,942	13,291	(5)
Sales to Gas Distribution Companies (GDCs)	3,651	3,580	(2)	10,645	10,535	(1)
Sales to power sector	553	588	6	2,393	2,256	(6)
Sales to industrial and other consumers	256	130	(49)	904	500	(45)
TOTAL THIRD PARTY SALES	4,460	4,298	(4)	13,942	13,291	(5)
Loss and own consumption*	161	205	27	646	696	8
TOTAL SALES AND LOSSES	4,621	4,503	(3)	14,588	13,987	(4)
Natural gas transit	707	838	19	2,044	2,526	24

MOBILE NATURAL GAS INVENTORIES	31 Dec 2003	31 Dec 2004	Change %
Million m ³			
From domestic sources	377.9	512.3	36
From import sources	2,112.7	1,889.7	(11)
TOTAL CLOSING INVENTORIES	2,490.6	2,402.0	(4)

NATURAL GAS PRICES	Q4 2003	Q4 2004	Change %	FY 2003	FY 2004	Change %
HUF/m ³						
Average import price	32.8	31.2	(5)	31.8	30.5	(4)
Average MOL selling price	32.2	38.4	19	30.1	39.1	30
Wholesale price to GDCs	31.6	38.9	23	28.9	40.0	38
Wholesale price to industry/power	34.7	36.0	4	33.9	35.4	4

* Including gas sales to TVK.

The operating profit of the segment increased by HUF 52.9 bn to HUF 60.4 bn in 2004. The profit growth in 2004 was mainly the result of the introduction of a new, EU conform gas business regulation. As the actual import purchase price in 2004 was lower than the import price calculated at the price setting, due to the strengthening of HUF against USD, MOL realized higher sales revenues than prescribed by the regulation. Following a modification to the regulation, in December 2004 HUF 22.2 bn was paid to the Target Allocation for Energy Management, the compensation fund, which is the source of the residential gas-price compensation system.

Import gas prices in 2004 decreased by 4.1% in HUF terms, as the 7.3% increase in USD based import prices was compensated by a 9.7% HUF strengthening against the USD. The average wholesale sales price increased by 29.9% in 2004 compared to 2003, as a result of the new price regulation.

In 2004 we sold 10.6 bn m³ of natural gas from import, and 2.7 bn m³ from domestic production. Sales volume to gas distribution companies decreased by 1.0% in 2004 compared to 2003 due to the milder winter. Sales to power stations and industrial customers decreased by 5.7% and 44.7%, respectively in 2004. The main reasons for the decline were the reclassification between customer segments and the partial loss of a significant customer. Dunaferr ESZ Kft and Csepel Erőmű Rt received public utility supply licenses, while Nitrogénművek now also buys natural gas from another supplier.

The mobile closing stock at the end of 2004 was lower by 3.6% than in the same period of the previous year, as there was no need for Ukrainian toll storage in 2004, due to the successful conclusion of more favourable import contracts.

The revenue from gas transit increased from HUF 8.0 bn in 2003 to HUF 10.0 bn in 2004. Transit volumes to Serbia and Bosnia increased by 23.6%.

According to the new gas regulation, all non-residential consumers are entitled to leave the public utility supply from January 1, 2004. By the end of 2004, the ratio of the competitive market turnover of gas traders and the eligible consumers reached 6% of total consumption. Currently MOL holds an approximate 60% share of this competitive market demand.

In 2004, MOL concluded an agreement on the partial sale and partnership of the gas businesses with E.ON Ruhrgas International. The transaction is subject to relevant regulatory approvals and is expected to close in H1 2005.

The segment's investments increased compared to 2003. The aim of the projects implemented was the maintenance of safe and continuous gas supply.

¹ The consolidated CAPEX figures exclude capitalised finance costs, but include financial investments and both capitalised and expensed exploration.



Petrochemicals

Segment IFRS results

Petrochemicals	Q4 2003		Q4 2004		Change %		FY 2003 ²		FY 2004		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	6.2	28.3	11.5	60.6	85	114	14.5	64.6	31.3	154.5	116	139
Operating profit/(loss)	1.2	5.5	8.0	42.1	567	668	1.3	5.8	19.0	93.8	1,362	1,519
CAPEX and investments ¹	22.7	103.8	10.8	56.9	(52)	(45)	64.6	287.8	57.5	283.8	(11)	(1)

Key segmental operating data

PETROCHEMICAL SALES BY PRODUCT GROUP	Q4 2003	Q4 2004	Change %	FY 2003 ²	FY 2004	Change %
Kt						
Olefin products	93	50	(46)	330	185	(44)
Polymer products	211	219	4	763	872	14
PETROCHEMICAL SALES (external)	Q4 2003	Q4 2004	Change %	FY 2003 ²	FY 2004	Change %
Kt						
Hungary	113	111	(2)	393	430	9
Slovakia	28	21	(25)	79	77	(3)
Other markets	163	137	(16)	621	550	(11)
TOTAL PETROCHEMICAL PRODUCT SALES	304	269	(12)	1,093	1,057	(3)

In 2004 the operating profit of the Petrochemical segment reached HUF 19.0 billion, which represents a significant improvement compared to 2003, due to the more favourable external environment, efficiency improvement measures and better utilisation of available capacities. The main driver of the profit improvement was a 13% increase in the integrated petrochemical margin, as higher polymer prices and the weakening of the USD against the Euro compensated for the negative effect of a higher naphtha price. Integration of TVK and SN petrochemical businesses resulted in further efficiency improvement.

In 2004, quoted polyethylene (PE) prices increased by 20-26% while the polypropylene (PP) quotations increased by 12-14% y-o-y. The spread between PE product and feedstock quotations increased by between 14-21% y-o-y, while in the case of PP products, the margin increased by 8%.

In 2004, polymer sales volumes increased by 14% to 872 kt, compared to 2003, due to higher polymer production and the consolidation of Slovnaft's petrochemical sales in full year 2004, while only from Q2 in 2003. Polymer sales by product group were: 33% LDPE (low-density polyethylene), 24% HDPE (high-density polyethylene) and 43% PP. Total sales decreased by 3% to 1057 kt, due to a reclassification of some non-olefin and non-polymer product sales at Slovnaft from the petrochemical segment to the downstream product-portfolio.

Hungarian polymer sales increased by 26%, due to both an improvement in our market share and a change in consolidation circle. Sales through the then fully consolidated Innocomp Kft were accounted as exports in 2003, but this year, as Innocomp is no longer consolidated, these sales are reported as domestic sales. The MOL Group's market share in Hungary was 64%, 46% and 73% in LDPE, HDPE and PP markets, which represents a 2-3% improvement in case of HDPE and PP. Polymer sales in the Slovakian market increased by 30% because Slovnaft was consolidated for the full year in 2004, while only from Q2 in 2003. Total sales in Slovakia decreased by 3%, due to the reclassification of certain products between petrochemical and downstream segments, as mentioned above. MOL Group's market share in Slovakia was 74% and 41% in LPDE and PP markets.

On other European markets, polymer sales increased by 41 kt, while total sales decreased by 71 kt compared to 2003, mainly due to the aforementioned reclassification of the product portfolio. On our main export markets: in Germany, Poland and Italy, TVK and Slovnaft implemented the single-channel sales operation, focusing on the higher profitability end-user markets, and the volume of polymer sales to these markets increased both in Q4 and in the full year compared to the comparable periods.

In 2004, capital expenditure decreased compared to 2003, as the construction work in TVK's new plants was completed in 2004. In December the test run of the Olefin 2 plant in TVK was started and the HDPE 2 plant was put into operation. At Slovnaft, the implementation of the new polypropylene plant is within schedule and budget. Through these projects MOL Group ethylene capacity will increase by 42% to 839 kt per annum, while total polymer capacity will increase by 41% to 1,281 kt per annum.

¹ The consolidated CAPEX figures exclude capitalised finance costs, but include financial investments and both capitalised and expensed exploration cost.

² Slovnaft is fully consolidated from Q2 2003. For previous periods only TVK figures are reflected.



Financial overview

Changes in accounting policies and estimates

As of 1 January, 2004 MOL decided to reclassify cushion gas in gas storage and technological gas in pipelines to property, plant and equipment instead of inventories to comply with international best practice and in consultation with Hungarian mining authorities and its external auditors. Presentation of these items in comparative periods has been restated accordingly.

The Group has also decided to adopt early the revised IAS 21 – The Effects of Changes in Foreign Exchange Rates from 1 January, 2004. The Hungarian forint is considered to be the presentation currency of the consolidated financial statements as well as the functional currency of MOL and its domestic subsidiaries. Subsidiaries with functional currencies differing from the Hungarian forint are translated according to the revised IAS 21: assets and liabilities at closing rates, income and expense items at a rate which approximates the date of the transaction, with all resulting exchange differences recognised in translation reserve. Comparative periods have been restated accordingly.

From 1 January, 2004 the useful life of gas business assets have been revised, in connection with the unbundling of the business. As a result of this revision, a HUF 1.1 bn lower depreciation charge was recognised in year 2004, compared to year 2003.

From 1 January, 2004 the accounting policy for recognising provisions has changed. Formerly a provision was charged against other operating expenses, but from 2004, a provision is charged against the expense type it is related to. Comparative figures have been modified accordingly.

Operations

The majority of changes in income statement items still reflect the effect of Slovnaft consolidation, since comparative figures include Slovnaft's contribution only from Q2 2003, while current figures include Slovnaft full year performance in total. In 2004, Group net sales revenues increased by 30% to HUF 1,955.9 bn, primarily reflecting increased average selling prices of refining products and natural gas. Group sales to customers outside Hungary reached HUF 900.1 bn, up by 51%, and represented 46% of total sales. The value of raw materials and consumables used increased only by 15%, well under the growth rate of sales. Within this, raw material costs increased by 36%, primarily as a result of the sharp increase in crude oil import prices, the increased quantity of crude oil processed and Slovnaft's Q1 contribution of HUF 70.0 bn. Cost of goods sold decreased by 7%, mainly as a consequence of lower gas sales volume to industrial customers, representing HUF 21.6 bn. The value of material-type services used increased by 13% to HUF 108.5 bn. Other operating expenses increased by 60% to HUF 189.9 bn, primarily as a result of increased domestic mining royalty and production-based taxes in Russia, HUF 28.3 bn and HUF 7.9 bn, respectively. Additionally, according to the Mining Act amended in December, 2004, MOL made a HUF 22.2 bn contribution to the Target Allocation for Energy Management for public compensation purposes, being most of the excess profit earned on lower import gas prices (lower than anticipated by the regulator), which had been accrued during 2004. A HUF 8.0 bn provision has been recorded in respect of the overdue receivables of the ZMB joint venture from certain crude oil sales made in 2004. While MOL will make every effort to collect these receivables, its prudent accounting policy necessitates the creation of a provision against these receivables. Personnel expenses for the period increased by 47%, reflecting mainly the average salary increase of 9%, the HUF 25.3 bn provision for the redemption of extra severance payment obligations at Group level, the HUF 3.5 bn Slovnaft Q1 contribution and the HUF 2.5 bn accrued expenses as a one-off consequence of deferring extra salary payments over the year. The "change in inventory of finished goods and work in progress" decreased total operating expenses by HUF 19.0 bn in 2004, compared to a decrease of HUF 25.0 in 2003.

Total financial income in 2004 was HUF 37.2 bn, 275% higher than in 2003, mainly due to the foreign exchange gain of HUF 29.4 bn incurred in the period compared to the foreign exchange gain of HUF 2.7 bn recognised in year 2003. Total financial expenses for 2004 amounted to HUF 32.1 bn, of which interest payable was HUF 16.9 bn. Income from associates was HUF 7.7 bn, including INA's full year contribution of HUF 7.3 bn (net of additional depreciation on assets revalued to their fair value). Corporate tax expense increased to HUF 47.5 bn in 2004, reflecting the current tax contribution of MOL (at 16%), Slovnaft (at 19%) and the gas companies (at 16%), of HUF 6.7 bn, HUF 15.7 bn and HUF 5.0 bn respectively, as well as the corporate tax payable on the profit of the ZMB project (HUF 2.6 bn). MOL Rt also benefits from the HUF 62.4 bn statutory tax loss carried forward in 2004, the reversal of which contributed HUF 10.0 bn to the income tax expense in 2004. Income tax expense includes HUF 1.6 bn due to the reversal of the tax deductible depreciation of the Property, plant and equipment of the gas business. Minority interests increased by HUF 0.5 bn reflecting the contribution from TVK and Slovnaft in January 2004.



Balance sheet

Total assets amounted to HUF 1,640.1 bn at the end of December 2004, representing an increase of 7%. Within this, Property, plant and equipment increased by 8%, reflecting petrochemical capital expenditure at TVK, Slovnaft, EU 2005 quality investment in refining and capital expenditure on the ZMB project. Intangible assets include goodwill of HUF 6.0 bn arising from the acquisition of the Roth Group, however the amount of intangible assets decreased notably as a consequence of HUF 29.3 bn negative goodwill recognised regarding the acquisition of remaining Slovnaft shares in January, following the completion of the public offer made on the basis of the average historical stock exchange price. Long-term debt including long-term debt repayable within one year decreased by 17%, as an effect of net repayments during 2004. Trade and other payables increased by 23% to HUF 321.4 bn, reflecting primarily our increased organic capital expenditure, working capital needs and outstanding taxes payable. Short-term debt (excluding the current portion of long-term debt) was HUF 54.4 bn, a decrease of 23% over the year, reflecting our improved liquidity. As at 31 December 2004, 56% of the MOL Group's total debt was denominated in Euro, 37% in USD and 7% in HUF. At the end of December 2004, MOL's gearing (net debt to net debt plus shareholders' equity plus minority interests) was 24% compared with 34% at the end of December 2003.

Changes in contingencies and commitments

Capital contractual commitments decreased by HUF 93.7 bn due to the progression of EU-2005 and Petrochemical Development Project construction. Obligations resulting from litigation in which the Group acts as defendant decreased by HUF 4.1 bn. Those cases in which MOL Group has filed suits were increased by HUF 5.3 bn, while operating leases and rentals were increased by HUF 3.6 bn compared to the amounts reported in the 2003 Annual Report of the MOL Group.

In November 2004 the Slovak Ministry of Finance initiated a price audit procedure at Slovnaft on its fuel prices for the period between 2002 and third quarter of 2004. The price audit procedure was closed in December with a Protocol stating that in the opinion of the audit team Slovnaft's prices included SKK 1.3 bn unjustified expenses and disproportionate profits. Based on the findings of the price audit the Ministry of Finance started an administrative procedure against Slovnaft the result of which could be that the Ministry of Finance imposes a fine on Slovnaft. As Slovnaft disagrees with the findings of the audit team, it will challenge any negative decision by the Ministry of Finance at every level.

Cash flow

Operating cash flow in 2004 was HUF 323.8 bn, a 59% increase compared to 2003. Operating cash flow before movements in working capital increased by 109%. The change of working capital position decreased funds by HUF 34.9 bn, arising from an increase in inventories, trade receivables and other receivables (HUF 15.9 bn, HUF 49.5 bn and HUF 7.9 bn, respectively) and the HUF 19.7 bn increase in trade payables, and the HUF 18.7 bn increase in other current liabilities. Corporate taxes paid amounted to HUF 18.3 bn.

Net cash used in investing activities was HUF 223.9 bn compared with HUF 298.5 bn in 2003. Organic CAPEX remained at a relatively high level, mainly due to the major investment at TVK, EU 2005 quality projects and capital expenditure on the Zapadno-Malobalyk field. The 2004 figure includes our further acquisition of shares in Slovnaft and TVK, and the consideration paid for the stake in the Roth Group, while the comparative figure of 2003 contains the cash effect of the INA acquisition. The divestment of our minority shareholdings in two gas distribution companies in Q1 had a positive HUF 11.7 bn effect on our cash flow from investing activities. Net financing cash outflows amounted to HUF 75.9 bn, being mainly the result of the net repayment of long-term debt and the HUF 33 bn in maturing bonds.



APPENDIX I

**CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE MOL GROUP PREPARED
IN ACCORDANCE WITH IFRS**
FOR THE PERIOD ENDED 31 DECEMBER 2004
Unaudited quarterly figures (in HUF millions)

	Q4 2003	Q4 2004	Ch. %	FY 2003	FY 2004	Ch. %
Net sales	455,151	621,908	37	1,504,038	1,955,927	30
Other operating income	2,894	7,371	155	20,001	16,126	(19)
Total operating revenues	458,045	629,279	37	1,524,039	1,972,053	29
Raw material costs	156,238	202,367	30	541,702	735,692	36
Value of material-type services used	25,991	32,834	26	95,909	108,473	13
Cost of goods purchased for resale	186,255	176,472	(5)	542,201	506,818	(7)
<i>Raw material and consumables used</i>	<i>368,484</i>	<i>411,673</i>	<i>12</i>	<i>1,179,812</i>	<i>1,350,983</i>	<i>15</i>
Personnel expenses	24,632	49,325	100	83,717	122,740	47
Depreciation, depletion, amortisation and impairment	28,220	32,917	17	95,450	110,033	15
Other operating expenses	37,023	76,474	107	118,412	189,927	60
Change in inventory of finished goods & work in progress	(22,607)	12,495	n.a.	(25,014)	(19,002)	(24)
Work performed by the enterprise and capitalised	(3,710)	(13,152)	255	(11,409)	(31,326)	175
Total operating expenses	432,042	569,732	32	1,440,968	1,723,355	20
Operating profit	26,003	59,547	129	83,071	248,698	199
Interest received	1,104	1,269	15	3,055	4,279	40
Dividends received	(322)	(22)	(93)	274	260	(5)
Exchange gains and other financial income	3,586	16,756	367	6,586	32,663	396
Total financial income	4,368	18,003	312	9,915	37,202	275
Interest on borrowings	5,200	3,775	(27)	16,795	16,915	1
Interest on provisions	1,331	1,187	(11)	5,085	4,988	(2)
Write-off of financial investments	239	248	4	734	398	(46)
Exchange losses and other financial expenses	612	4,899	701	3,376	9,799	190
Total financial expense	7,382	10,109	37	25,990	32,100	24
Financial expense/(gain), net	3,014	(7,894)	n.a.	16,075	(5,102)	n.a.
Income from associates	(674)	(1,995)	196	(5,405)	(7,726)	43
Profit before tax	23,663	69,436	193	72,401	261,526	261
Income tax expense	(36,235)	13,370	n.a.	(32,476)	47,491	n.a.
Profit after tax	59,898	56,066	(6)	104,877	214,035	104
Minority interests ¹	(2,455)	(905)	(63)	(4,896)	(5,427)	11
Net income	57,443	55,161	(4)	99,981	208,608	109
Basic earnings per share (HUF)	553	535	(3)	987	2,023	105
Diluted earnings per share (HUF)	553	529	(4)	986	1,998	103

¹As a result of the issuance of SIC 33 prescribing the inclusion of potential voting rights when determining control over subsidiaries, TVK is fully consolidated from 1 January 2002 as the sum of actual and potential voting rights exceeds 50%. Still, MOL's share in TVK's profits was calculated observing the 44.3% shareholding in the first quarter of 2004 and for the full year of 2003. Following the exercise of an option for a further 8.0% stake in TVK at the end of March 2004, MOL's shareholding in TVK increased to 52.3%. MOL's share in TVK's profits is calculated observing a 52.3% shareholding from the second quarter of 2004. Minority interest at Slovnaft was calculated at 30.0% until the end of January 2004 and at 1.6% thereafter, when public bid for remaining Slovnaft shares was successfully completed.



APPENDIX II

**CONSOLIDATED BALANCE SHEETS FOR THE MOL GROUP
PREPARED IN ACCORDANCE WITH IFRS**

AS AT 31 DECEMBER 2004

Unaudited quarterly figures (in HUF millions)

	31 December 2003	31 December 2004	Change %
Assets			
Non-current assets			
Intangible assets	29,160	7,425	(75)
Property, plant and equipment	855,951	921,471	8
Investments	134,435	117,914	(12)
Deferred tax asset	52,895	36,756	(31)
Other non-current assets	19,333	18,945	(2)
Total non-current assets	1,091,774	1,102,511	1
Current assets			
Inventories	155,926	172,173	10
Trade receivables, net	165,057	220,508	34
Marketable securities	9,228	96	(99)
Other current assets	47,909	56,550	18
Cash and cash equivalents	62,841	88,222	40
Total current assets	440,961	537,549	22
Total assets	1,532,735	1,640,060	7
Liabilities and shareholders' equity			
Shareholders' equity			
Share capital ¹	93,128	94,634	2
Reserves	330,760	432,503	31
Net income for the period	99,981	208,608	109
Total shareholders' equity	523,869	735,745	40
Minority interest	155,752	67,860	(56)
Non-current liabilities			
Long-term debt, net of current portion	288,701	200,185	(31)
Provisions for liabilities and charges	55,781	53,700	(4)
Deferred tax liability	14,213	13,563	(5)
Other non-current liabilities	72,482	53,417	(26)
Total non-current liabilities	431,177	320,865	(26)
Current liabilities			
Trade and other payables	260,420	321,373	23
Provisions for liabilities and charges	26,172	46,924	79
Short-term debt	70,756	54,380	(23)
Current portion of long-term debt	64,589	92,913	44
Total current liabilities	421,937	515,590	22
Total liabilities and shareholders' equity	1,532,735	1,640,060	7

¹ Compared to HAS, registered share capital in IFRS does not include issued MOL shares owned by Slovintegra-Slovbena (treated as liability due to the connecting option structure) and is decreased by the face value of treasury shares.



APPENDIX III

**MOVEMENTS IN SHAREHOLDERS' EQUITY FOR THE MOL GROUP
FOR THE PERIOD ENDED 31 DECEMBER 2004**

Unaudited quarterly figures (in HUF millions)

	Share capital	Hedging reserve	Translation reserve	Treasury shares	Equity component of compound debt instruments	Retained earnings	Total reserves	Net income	Total
Opening balance 1 January 2003	93,245	2,081	(7,038)	(20,926)	-	272,817	246,934	65,262	405,441
Transfer to reserves of retained profit for the previous year	-	-	-	-	-	65,262	65,262	(65,262)	-
Dividend for year 2002	-	-	-	-	-	(5,183)	(5,183)	-	(5,183)
Net change in balance of treasury shares held	(117)	-	-	(501)	-	-	(501)	-	(618)
Cash flow hedges	-	5,751	-	-	-	-	5,751	-	5,751
Currency translation differences	-	-	15,640	-	-	-	15,640	-	15,640
Slovnaft acquisition	-	-	-	-	2,857	-	2,857	-	2,857
Retained profit for the period	-	-	-	-	-	-	-	99,981	99,981
Closing balance 31 December 2003	93,128	7,832	8,602	(21,427)	2,857	332,896	330,760	99,981	523,869
Opening balance 1 January 2004	93,128	7,832	8,602	(21,427)	2,857	332,896	330,760	99,981	523,869
Transfer to reserves of retained profit for the previous year	-	-	-	-	-	99,981	99,981	(99,981)	-
Dividend for year 2003	-	-	-	-	-	(5,952)	(5,952)	-	(5,952)
Net change in balance of treasury shares held	131	-	-	674	-	-	674	-	805
Cash flow hedges	-	2,462	-	-	-	-	2,462	-	2,462
Currency translation reserve	-	-	(12,007)	-	-	-	(12,007)	-	(12,007)
Slovnaft acquisition	984	-	-	-	14,776	-	14,776	-	15,760
Redemption of convertible bonds	391	-	-	-	-	1,809	1,809	-	2,200
Retained profit for the period	-	-	-	-	-	-	-	208,608	208,608
Closing balance 31 December 2004	94,634	10,294	(3,405)	(20,753)	17,633	428,734	432,503	208,608	735,745



APPENDIX IV

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE MOL GROUP PREPARED IN
ACCORDANCE WITH IFRS
FOR THE PERIOD ENDED 31 DECEMBER 2004
Unaudited quarterly figures (in HUF millions)**

	Q4 2003	Q4 2004	Ch. %	FY 2003	FY 2004	Ch. %
Profit from operations	26,003	59,547	129	83,071	248,698	199
<i>Adjustments to reconcile operating profit to net cash provided by operating activities</i>						
Depreciation, depletion, amortisation and impairment	28,131	34,346	22	95,137	108,599	14
Net unrealised (gain)/loss recorded on financial instruments	(1,303)	83	n.a.	(1,377)	398	n.a.
Write-off/(reversal of write-off) of inventories	432	898	108	985	1,062	8
Impairment losses recognised due to damages	137	324	136	710	502	(29)
Reversal of impairment losses on PP&E	(106)	(365)	244	(106)	(365)	244
Increase/(decrease) in provisions	(3,499)	22,050	n.a.	5,367	12,241	128
Net gain on sale of fixed assets	(776)	(245)	(68)	(1,119)	(895)	(20)
Net gain on sale of subsidiaries	981	-	n.a.	(9,877)	-	n.a.
Exploration and development costs expensed during the year	2,281	(1,311)	n.a.	9,389	7,301	(22)
Other non cash items	(228)	(52)	(77)	(1,775)	(568)	(68)
Operating cash flow before changes in working capital	52,053	115,275	121	180,405	376,973	109
Decrease / (increase) in inventories	53,859	43,623	(19)	(21,051)	(15,916)	(24)
Decrease / (increase) in accounts receivable	(26,699)	(36,953)	38	(5,344)	(49,487)	826
Decrease / (increase) in other receivables	8,809	4,349	(51)	786	(7,924)	n.a.
Increase in accounts payable	41,303	32,436	(21)	39,455	19,717	(50)
Increase/(decrease) in other current liabilities	2,584	(12,972)	n.a.	15,046	18,727	24
Corporate taxes paid	(1,827)	(14,997)	721	(6,139)	(18,275)	198
Net cash provided by operating activities	130,082	130,761	1	203,158	323,815	59
Capital expenditures, exploration and development costs	(85,746)	(65,533)	(24)	(186,875)	(184,584)	(1)
Proceeds from disposals of fixed assets	2,018	921	(54)	3,069	2,852	(7)
Acquisition of subsidiaries, net cash	-	-	n.a.	(11,811)	(71,701)	507
Acquisition of joint ventures, net cash	-	-	n.a.	(22,517)	(507)	(98)
Net cash inflow on sales of subsidiary undertakings	1,097	-	n.a.	21,573	-	n.a.
Acquisition of associated companies	(113,729)	-	n.a.	(113,729)	-	n.a.
Acquisition of other investments	1,171	(1,497)	n.a.	(241)	(1,987)	724
Proceeds from disposal of investments	2,417	1,316	(46)	2,894	13,956	382
Changes in loans given and long-term bank deposits	(297)	(912)	207	307	539	76
Changes in short-term investments	(4,779)	1,304	n.a.	(1,750)	9,015	n.a.
Interest received and other financial income	2,113	1,077	(49)	6,711	6,641	(1)
Dividends received	(207)	1,086	n.a.	3,840	1,837	(52)
Net cash used in investing activities	(195,942)	(62,238)	(68)	(298,529)	(223,939)	(25)
Issuance of long term notes	9,200	351	(96)	9,200	1,801	(80)
Issuance of zero coupon notes	-	-	n.a.	-	-	n.a.
Repayment of zero coupon notes	-	-	n.a.	-	(33,000)	n.a.
Long-term debt drawn down	247,690	104,137	(58)	397,087	195,476	(51)
Repayments of long-term debt	(171,012)	(79,184)	(54)	(255,716)	(238,272)	(7)
Changes in other long term liabilities	600	(279)	n.a.	485	104	(79)
Changes in short-term debt	3,975	(61,326)	n.a.	(9,232)	23,823	n.a.
Interest paid and other financial costs	(7,054)	(2,853)	(60)	(20,810)	(19,870)	(5)
Dividends paid to shareholders	(26)	(16)	(38)	(5,210)	(5,954)	14
Dividends paid to minority interest	39	(210)	n.a.	(547)	(816)	49
Sale of treasury shares	-	-	n.a.	25,965	936	(96)
Repurchase of treasury shares	150	-	n.a.	(26,583)	(167)	(99)
Net cash provided by financing activities	83,562	(39,380)	n.a.	114,639	(75,939)	n.a.
Increase/(decrease) in cash and cash equivalents	17,702	29,143	(65)	19,268	23,937	24
Cash at the beginning of the period	44,218	58,544	32	42,251	62,841	49
Cash effect of consolidation of subsidiaries previously accounted for as other investment	11	-	n.a.	221	1,185	436
Exchange differences on the consolidation of foreign subsidiaries	910	535	(41)	1,101	259	(76)
Cash at the end of the period	62,841	88,222	40	62,841	88,222	40



APPENDIX V

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

NET EXTERNAL SALES REVENUES ¹	Q4 2003	Q4 2004	Ch. %	FY 2003	FY 2004	Ch. %
Exploration and Production	8,677	12,124	40	10,287	40,328	292
Refining and Marketing	252,216	367,513	46	890,639	1,183,127	33
Natural Gas	146,407	183,575	25	430,162	530,344	23
Petrochemicals	46,297	57,131	23	169,006	197,596	17
Corporate and other	1,554	1,565	1	3,944	4,532	15
TOTAL	455,151	621,908	37	1,504,038	1,955,927	30

OPERATING PROFIT ¹	Q4 2003	Q4 2004	Ch. %	FY 2003	FY 2004	Ch. %
Exploration and Production	6,134	13,645	122	43,494	57,389	32
Refining and Marketing	20,565	44,911	118	67,634	159,903	136
Natural Gas	3,817	16,064	321	7,527	60,369	702
Petrochemicals	1,218	7,978	555	1,287	19,009	1,377
Corporate and other	(9,282)	(27,635)	198	(35,365)	(51,720)	46
Intersegment transfers ²	3,551	4,584	29	(1,506)	3,748	n.a.
TOTAL	26,003	59,547	129	83,071	248,698	199

PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES ACQUIRED	Q4 2003	Q4 2004	Ch. %	FY 2003	FY 2004	Ch. %
Exploration and Production	(20,629)	6,997	(134)	22,721	19,021	(16)
Refining and Marketing	45,110	26,162	(42)	74,285	70,869	(5)
Natural Gas	6,120	10,555	72	11,019	13,982	27
Petrochemicals	22,967	10,388	(55)	64,921	57,794	(11)
Corporate and other	1,724	8,495	393	5,578	12,162	118
TOTAL	55,292	62,597	13	178,524	173,828	(3)

DEPRECIATION	Q4 2003	Q4 2004	Ch. %	FY 2003	FY 2004	Ch. %
Exploration and Production	5,690	3,159	(44)	21,048	20,397	(3)
Refining and Marketing	12,129	19,233	59	41,030	55,948	36
Natural Gas	2,715	3,569	31	10,927	10,436	(4)
Petrochemicals	4,999	3,565	(29)	13,215	12,293	(7)
Corporate and other	2,687	3,391	26	9,230	10,959	19
TOTAL	28,220	32,917	17	95,450	110,033	15

TANGIBLE ASSETS	31/12/2003	31/12/2004	Ch. %
Exploration and Production	101,237	92,934	(8)
Refining and Marketing	398,805	465,364	17
Natural Gas	105,050	108,387	3
Petrochemicals	176,716	193,523	10
Corporate and other	74,143	61,263	(17)
TOTAL	855,951	921,471	8

¹ Net external sales revenues include only sales to third parties outside the MOL Group; operating profit includes the profit arising both from sales to third parties and transfers to the other business segments. Exploration and Production transfers domestically produced crude oil, condensates and LPG to Refining and Marketing and natural gas to the Natural Gas segment. Refining and Marketing transfers chemical feedstock, propylene and isobutane to Petrochemicals and Petrochemicals transfers various by-products to Refining and Marketing. The internal transfer prices used are based on prevailing market prices. However, in respect of transfers of natural gas, the transfer price until 31 December 2003 was limited to the average regulated wholesale selling price (not taking into account the higher price applicable from November 2000 to non-residential customers consuming over 500 m³/h), adjusted to exclude storage, transport and inventory holding fees, where this was below the prevailing market price as was the case in 2003. From January 2004, the gas transfer price equals the average import price. Divisional figures contain the results of the fully consolidated subsidiaries engaged in the respective divisions.

² 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. In previous years this unrealised profit effect was not shown separately, but was included in the reported segmental result of the receiving segment. Unrealised profits arise principally in respect of transfers from Exploration & Production to Natural Gas and from Refining & Marketing to Petrochemicals.



APPENDIX VI

MAIN EXTERNAL PARAMETERS

	Q4 2003	Q4 2004	Change %	FY 2003	FY 2004	Change %
Brent dated (USD/bbl)	29.4	43.9	49	28.8	38.3	33
Ural Blend (USD/bbl)	28.0	38.8	39	27.0	34.5	28
Premium unleaded gasoline 50 ppm (USD/t)*	282.4	414.4	47	291.7	394.3	35
Gas oil - ULSD (USD/t)*	283.0	480.7	70	271.1	382.7	41
Naphtha (USD/t)*	284.1	424.2	49	270.1	373.4	38
Ethylene (EUR/t)	512	700	37	527	631	20
Integrated petrochemical margin (EUR/t)	332.3	539.0	62	361.0	407.9	13
HUF/USD average	218.7	189.9	(13)	224.4	202.6	(10)
SKK/USD average	34.7	30.5	(12)	36.8	32.2	(12)
3m USD LIBOR (%)	1.12	2.27	103	1.16	1.58	36
3m EURIBOR (%)	2.15	2.16	0	2.33	2.11	(9)
3m BUBOR (%)	10.78	10.02	(7)	8.48	11.31	33
	Q3 2004	Q4 2004	Change %	Q4 2003	Q4 2004	Change %
HUF/USD closing	200.5	180.3	(10)	207.9	180.3	(13)
HUF/EUR closing	247.0	245.9	0	262.2	245.9	(6)

* FOB Rotterdam parity

APPENDIX VII

EXTRAORDINARY ANNOUNCEMENTS IN Q4 2004

Announcement date	
13 October	OMV AG's interest in MOL Plc increased above 10%
04 November	MOL and E.ON Ruhrgas International gas partnership
11 November	Share distribution to a former MOL employee
15. November	The Court of Registration has registered the capital increase of MOL
18 November	Share transaction
23 November	MOL to significantly enlarge its operations in Romania
24 November	Share transaction
25 November	Change in the share ownership of senior executives and share sales of insider persons
29 November	JP Morgan influence in MOL Plc decreased to 14.6%
1 December	Share transaction
10 December	Change in influence of MOL subsidiaries in TVK
14 December	MOL received public company status in Poland
15, 16 December	Share sale
20 December	Wholesale gas price increase
20 December	Publication of Acquisition of Influence
21 December	MOL and Slovnaft challenge the procedure of the Slovak Ministry of Finance
22 December	MOL shares' first trading day on the Warsaw Stock Exchange
27 December	JP Morgan influence in MOL Plc increased to 15.07%
30 December	JP Morgan influence in MOL Plc decreased to 14.94%



APPENDIX VIII

SHAREHOLDER STRUCTURE (%) AND TREASURY SHARES

Shareholder groups	31 Dec 2002	31 Dec 2003	31 March 2004	30 June 2004	30 Sept 2004	31 Dec 2004
Foreign investors (mainly institutional)	42.4	36.4	50.7	54.1	56.2	56.0
OMV	10.0	9.1	9.1	9.1	9.1	10.0
Slovbena, Slovintegra	0.0	9.8	8.0	8.0	8.0	8.0
ÁPV Rt. (Hungarian State Privatisation and Holding Company)	25.0	22.7	11.8	11.8	11.8	11.8
Hungarian institutional investors	5.1	9.5	5.7	4.9	4.1	4.2
Depositories (mainly Hung. private investors)	12.2	8.4	9.5	7.2	5.9	5.1
MOL Rt. (treasury shares)	5.2	4.0	5.1	4.9	4.9	4.9
Unregistered shares	0.1	0.1	0.1	0.0	0.0	0.0

According to the Share Register, beside ÁPV Rt. with 12.4%, only 3 shareholders had more than 5% influence over MOL Rt. at 31 December 2004: JP Morgan Chase Bank, the depository bank for MOL's GDR programme, which had 14.9%, Slovbena-Slovintegra having 8.4%, and OMV having 10 % influence over MOL.

On the 13th of September "The Capital Group Companies, Inc." announced that it owned 5,713,830 ordinary shares. On 16 December FMR Corporation (Fidelity) announced that its influence increased to 5.06%. On 18 January 2005 "Alliance Capital Management L.P." announced that its ownership decreased to 4,211,208 shares. These changes have not been registered in the share register.

The number of "A" series treasury shares held by MOL decreased by 61 from 5,337,500 to 5,337,439 as a result of a share distribution to an employee. There was no change in the number of "C" series Treasury shares held by MOL (369).

Please note that in Hungary, the Share Register does not fully reflect the ownership structure, as registration is not mandatory.

Changes in organisation and senior management:

There was no significant change in organisation and senior management in Q4 2004.