



BENEFITING FROM INVESTMENT IN QUALITY DOWNSTREAM ASSETS

MOL Hungarian Oil and Gas plc. (Reuters: MOLB.BU, MOLBq.L, Bloomberg: MOL HB, MOL LI; homepage: www.mol.hu), today announced its 2004 third quarter and first nine months preliminary results. This report contains consolidated financial statements for the period ended 30 September 2004 as prepared by management in accordance with International Financial Reporting Standards (IFRS).

Financial highlights

MOL Group financial results (IFRS)	Q3 2003		Q3 2004		Change %		Q1-Q3 2003		Q1-Q3 2004		Change %	
	HUF bn	USD m ¹	HUF	USD m ¹	HUF	USD	HUF bn	USD m ¹	HUF bn	USD m ¹	HUF	USD
Net sales revenues	356.1	1,542.2	450.6	2,213.2	27	44	1,048.9	4,635.0	1,334.0	6,447.6	27	39
EBITDA	52.8	228.7	106.6	523.6	102	129	124.3	549.3	266.3	1,287.1	114	134
Operating profit	28.6	123.9	81.0	397.8	183	221	57.1	252.3	189.2	914.5	231	262
Net financial expenses/(gain)	(5.6)	(24.3)	(3.9)	(19.2)	(30)	(21)	13.1	57.9	2.8	13.5	(79)	(77)
Net income	30.8	133.4	73.6	361.5	139	171	42.5	187.8	153.4	741.4	261	295
Operating cash flow	(19.2)	(83.2)	23.6	115.9	n.a.	n.a.	73.1	323.0	194.8	941.5	166	191

⁽¹⁾ In converting HUF financial data into US Dollars, the following average NBH middle rates were used: for Q3 2003:230.9 HUF/USD, for Q1-Q3 2003:226.3 HUF/USD, for Q3 2004:203.6 HUF/USD, for Q1-Q3 2004:206.9 HUF/USD.

In the first nine months of 2004, operating profit increased by HUF 132.1 bn, to HUF 189.2 bn (USD 914.5 mn), supported by our strategic investments, especially by the strong Slovnaft contribution (HUF 56.5 bn), higher refined product sales volumes and by the adoption of an EU compliant regulation in the gas business. Net income grew by HUF 110.9 bn to HUF 153.4 bn (USD 741.4 mn) primarily reflecting the strong operating performance and gains realised on the revaluation of foreign currency denominated debt.

Overview of the environment

Global economic growth was strong in the first nine months of 2004. The US economy was a main supporting factor for economic recovery. The Chinese economy also contributed significantly to global growth and pulled other emerging economies along in its wake. In Japan, consumer sentiment improved strongly. There was also an improvement in the general condition of enterprises in the euro area, particularly in Germany. Growth also remained positive in the non-euro area EU Member States. These international factors lead to an increase in global demand for oil products.

However, global economic growth has shown some signs of slowing in Q3, particularly in the second half of this period, as a result of the oil capacity squeeze. Some signs of slow economic deceleration were observed in the US. Asian economies, excluding Japan, are feeling the effects of stubbornly high international oil prices, including rising inflation, more expensive oil imports and increased fiscal pressures. It is expected these trends will be accentuated if high oil prices are sustained until the end of this year.

Generally, Hungary's recent economic data remains favourable, indicating that economic growth is driven by exports and fixed capital investments. Export growth has started to rebound strongly during Q3, and combined with a recovery in investment, should support real GDP growth. On the other hand, interest rates are still high and private consumption remains undermined. The difficulty of attaining deficit reduction targets remains. While the inflation rate development was steady in Q3, it remains higher than in the rest of central Europe.

In our other main market, Slovakia, recent developments reflects Slovakia's success in implementing structural and fiscal reforms, which have greatly improved macroeconomic fundamentals, increased labour market flexibility, simplified the tax system, and reduced the amount of time required to start new businesses. The latest upgraded sovereign debt rating confirmed this tendency. The Fitch Report puts Slovakia at the same level as its neighbours, the Czech Republic and Hungary. Meanwhile inflation remained higher than in many other Central European countries and the improvement in the foreign trade deficit stopped in Q3.

The situation in the international oil markets remained unchanged during Q3 2004 despite efforts of the Organisation of Petroleum Exporting Countries (OPEC) to stabilise crude oil prices. There was a continued imbalance between oil supply and demand, as growth in crude oil production could not keep pace with the rising demand, primarily from the US and China. The high oil price level was also influenced by persistent political risk in oil production countries, coupled with fears over terrorism (notably in Iraq and Saudi Arabia). Continued disruptions to U.S. supplies in the wake of devastating hurricanes affecting production in the Gulf of Mexico, were also supporting prices. Crack spreads for quality fuel products grew, supported by growing demand ahead of upcoming stricter quality requirements both in Europe and in the US.

The average CIF Med quoted price of Ural Blend increased by 24% in USD terms and 13% in HUF terms, compared to Q1-Q3 2003. More importantly for MOL, the Brent-Ural differential grew to 4.1 USD/bbl in Q3 2004, due to increasing demand for sweet crude oil and increased sour crude production. The reference Ural Med crack refining margin increased by 41% in the first nine months y-o-y. Average USD denominated crack spread of FOB Rotterdam gasoline, gas oil and naphtha increased by 45%, 47% and 68%,



2004 THIRD QUARTER AND FIRST NINE MONTHS PRELIMINARY RESULTS OF MOL HUNGARIAN OIL AND GAS PLC.

respectively compared to first nine months of 2003. The US dollar depreciated by an average of 9% against the Hungarian Forint, while EUR appreciated by an average 1% against Forint in Q1-Q3 2004 y-o-y. EUR depreciated by 6% from year-end 2003 to 30 September 2004 (from 262.2 to 247.0), while USD depreciated by 4% from year-end 2003 to 30 September 2004 (from 207.9 to 200.5). The US dollar depreciated by an average of 13% against the Slovak Crown in Q1-Q3 2004, while EUR depreciated by an average 3% against the Slovak Crown year on year.

- **Exploration and Production** operating profit in the first nine months of 2004 increased by HUF 6.3 bn, to HUF 43.7 bn (USD 211.2 mn), in spite of the HUF 30.8 bn supplementary royalty (compared to HUF 6.7 bn in Q1-Q3 2003), as a result of increased hydrocarbon production (mainly from the ZMB joint venture), lower unit production costs and higher transfer prices.
- **Refining and Marketing** contributed operating profit of HUF 115.0 bn (USD 555.8 mn), an increase of 144% (in USD terms 167%) over Q1-Q3 2003, supported by higher motor fuel sales volumes, the increased Ural to Brent discount, higher crack spreads and through integrated Group operations including a strong Slovnaft contribution (HUF 57.1 bn). Estimated clean USD based CCS profit rose 94%.
- The **Natural Gas** segment result improved to a strong operating profit of HUF 44.3 bn (USD 214.1 mn) compared to HUF 3.7 bn (USD 16.3 mn) in Q1-Q3 2003, due to the favourable effect of the new EU compliant regulatory environment.
- The **Petrochemical** segment's operating profit increased to HUF 11.0 bn (USD 53.2 mn) in the first nine months 2004, compared to a HUF 0.1 bn (USD 0.4 mn) profit in Q1-Q3 2003. The negative impact of the business environment was counterbalanced by the strength of Euro against USD, higher polymer sales and efficiency improvement measures.
- We continued our efficiency improvement programs and Group **closing headcount** decreased by 1.4% y-o-y, from 16,623 to 16,382.
- **Capital expenditure** and investments grew to HUF 185.6 bn (USD 896.8 mn) in Q1-Q3 2004, compared to HUF 149.8 bn (USD 662.0 mn) in the corresponding period of 2003, partly due to the high capital expenditure related to the implementation of the EU-2005 quality project in the downstream segment. In addition, the public offer for Slovnaft shares and the exercise of our TVK option also increased CAPEX in Q1-Q3 2004. MOL's gearing ratio on September 30, 2004 went down to 31.3% (compared to 32.0% on September 30, 2003) and net debt on September 30, 2004 was HUF 334.7 bn.
- **Operating cash flow** before changes in working capital grew by 103% to HUF 263.3 bn (USD 1,272.6 mn). Including working capital changes and corporate tax paid, operating cash flow increased by 167%, to HUF 194.8 bn (USD 941.5 mn).

Management comment

Mr Zsolt Hernádi, Executive Chairman of MOL commented:

"I am pleased to be able to report that in Q3 the Group was able to benefit fully from the favourable industry environment primarily due to the USD 1.7bn investment that has been made in our world-class downstream business over the past five years. The contribution of our regional partners to the Group's operating profit was even higher than in the second quarter, and represented more than 30% of the Group operating result.

Last week we announced the conclusion of an agreement on the partial sale of the gas businesses, which implicitly values the businesses at approximately Euro 2.2 billion. As a result of the transaction, one of the biggest gas and energy companies in Europe, E.ON Ruhrgas International became our partner. This transaction enabled us to monetize a part of our investment in the gas business at a fair value for MOL's shareholders, while retaining an equity exposure to these partnered businesses with regional growth potential. We will review our investment in Transmission and our minority investments in WMT and Storage from time to time, with a view to continuing to ensure maximization of shareholder value"

Mr György Mosonyi, Chief Executive Officer of MOL added:

"In the third quarter, the oil industry environment became even more favourable than in the previous quarter, however, weakness of the USD against local currencies continued to have a negative affect on the oil business.

In the exploration and production segment, the increasing level of international production helped us to better utilise the favourable effect of the high crude oil prices. As a favourable result of the international crude oil production we significantly reduced the average unit cost of oil production. In the refining and marketing business due to the deeper integration and efficient sales efforts we managed to increase our sales volumes, which enabled us to utilise better the favourable margin environment. The strong Downstream result justifies our significant investment over recent years to upgrade our refineries, as this enabled us to produce high value quality products from discounted, high-sulphur crude oil. Rationalisation of our network resulted in an increase in throughput per site both in Hungary and Slovakia. In the gas business the EU compliant gas regulatory environment and the increased level of the gas transit positively affected the segment's result. In the petrochemical business, the industry environment became more favourable and the weakening dollar against the euro also had a positive effect on the segment result."



Exploration and Production

Segment IFRS results

Exploration & Production	Q3 2003		Q3 2004		Change %		Q1-Q3 2003		Q1-Q3 2004		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	13.1	56.7	24.7	121.3	89	114	52.7	232.9	61.0	294.8	16	27
Operating profit/(loss)	8.2	35.5	18.9	92.8	130	161	37.4	165.3	43.7	211.2	17	28
CAPEX and investments ¹	6.5	28.1	7.0	34.4	8	22	45.7	201.9	20.3	98.1	(56)	(51)

Key segmental operating data

FY 2003	HYDROCARBON PRODUCTION (gross figures before royalty)	Q3 2003	Q3 2004	Change %	Q1-Q3 2003	Q1-Q3 2004	Change %
					2003	2004	
	1,755 Crude oil production (kt)	441	582	32	1,247	1,634	31
	1,134 Hungary	286	268	(6)	836	817	(2)
	621 International	155	314	103	411	817	99
	2,821 Natural gas production (million m³, net dry)*	608	667	10	2,086	2,197	5

*Excluding original cushion gas production from gas storage.

In Q3 2004 segmental operating profit grew by HUF 10.7 bn compared to Q3 2003. Favourable external factors had a positive effect on segmental profit. The USD denominated average Brent crude oil price increased by 46.2% compared to Q3 2003, while it was 28.5% higher in HUF terms, due to the strength of Forint against USD. The domestic gas transfer price was 33.2 % higher due to a switch to an average import price based transfer price. The ZMB project's contribution to the segmental results also increased as a result of intensified production. However, the introduction of a supplementary royalty on domestically produced gas on August 9, 2003 reduced the operating profit by HUF 10.0 bn in Q3, HUF 3.3 bn more than in the same period of the previous year.

Total crude oil production was higher than in Q3 2003, as our share from the production growth on ZMB field compensated for slightly lower production on domestic fields. The ZMB field's daily production rose to almost 55,000 bbl/day level by the end of the period from 36,000 bbl/day at the beginning of this year.

Natural gas production in Q3 2004 was 9.7 % higher than in Q3 2003, as a result of the intensified gas production due to the new fields being brought into production in Q2. This made possible the compensation of the shortfall that was realised in Q1.

As a favourable consequence of international crude oil production, MOL's unit cost of oil production (including gasoline production) was 2.5 USD/bbl in Q3 2004, against the 3.8 USD/bb in Q3 2003. Considering the first nine months, the unit cost was 3.5 USD/bbl, 5.4 % lower than in the same period of 2003.

Capital expenditure was slightly higher than in the previous year as a result of the ZMB project's investment schedule.

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 ²	Q3 2003		Q3 2004		Change %		Q1-Q3 2003*		Q1-Q3 2004		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	32.8	142.1	70.9	348.2	116	145	76.0	335.8	151.7	733.2	100	118
Operating profit/(loss)	21.4	92.7	59.1	290.3	176	213	47.1	208.1	115.0	555.8	144	167
CAPEX and investments ¹	15.0	65.0	30.2	148.3	101	128	29.9	132.1	51.0	246.5	71	87

FY 2003		Q3 2003	Q3 2004	Change	Q1-Q3 2003*	Q1-Q3 2004	Change
HUF bn		HUF bn	HUF bn	%	HUF bn	HUF bn	%
67.6	Reported EBIT	21.4	59.1	176	47.1	115.0	144
6.7	One-off items	4.5	0.0	-	4.7	0.0	-
5.2	Replacement modification	(2.8)	(8.6)	(207)	5.1	(14.3)	(380)
79.5	Estimated clean CCS	23.1	50.5	119	56.9	100.7	77

Key segmental operating data

FY 2003	REFINED PRODUCT SALES	Kt	Q3 2003	Q3 2004	Change %	Q1-Q3 2003*	Q1-Q3 2004	Change %
4,263	Hungary		1,132	1,109	(2)	3,060	2,923	(4)
1,192	Slovakia		407	390	(4)	790	1,123	42
4,781	Other markets		1,485	1,658	12	3,357	4,388	31
10,236	TOTAL CRUDE OIL PRODUCT SALES		3,024	3,157	4	7,207	8,434	17

* Slovnaft included from Q2 2003.

In Q3 2004 segmental operating profit increased significantly, by HUF 37.7 bn, due to higher sales volumes and favourable crack spreads, a decrease in segment controllable costs and the positive effect of inventory holding. The widening Brent-Ural differential also contributed significantly to the improving results. The reference refining margin grew by 100% in Q3 year-on-year, however MOL's realised refining margin is higher than the reference margin, due to a more favourable product slate, which is in turn a result of high investment in quality over recent years. These favourable factors were partially compensated by the strength of local currencies against USD. Slovnaft contributed HUF 26.6 bn to the result.

Consolidated Group sales volumes increased by 133 kt in Q3 2004 compared to the same period in 2003, due to coordinated commercial actions across the region, an increase in regional captive markets and Group level sales channel optimisation. The reduction in Hungarian refinery product sales was primarily the result of a reduction in sales of lower value fuel oil, while the decrease in Slovakia was driven by fuel sales, due to more intense competition.

Refinery and wholesale coverage in fuels both in Hungary and Slovakia was slightly lower than in the previous year, as extremely high crack spreads resulted in an increase of imports. Our fuel sales outside of Hungary and Slovakia increased from 1197 kt to 1214 kt (by 1.4%) compared to the corresponding period of the previous year. In a strengthening competitive environment, supported by high crack spreads, which incentivised competing refineries to increase their production and sales, we were able not only to maintain but to slightly improve our regional market positions, as a whole. Due to harmonisation between our refineries, integrated logistic operations and sales efforts, we were able to increase exports. Through the operation of the Korneuburg depot in Austria, we were able to develop the level of our customer service by delivering a substantial portion of goods sold from there, with much improved delivery time. In Austria, in response to market demand, from January, 2004, we have sold exclusively 10 ppm sulphur content motor fuels, mainly from our Bratislava refinery. Among non-fuel product lines, we increased our exports of LPG, bitumens and lubricants, also offsetting the negative effect of a decrease in domestic market size and sales in case of bitumens and lubes.

In the third quarter of 2004, MOL's Hungarian retail fuel sales volumes (incl. franchise) decreased by 2.0% compared to the same period of previous year, mainly as a result of lower demand due to the high consumer prices. Our motor fuel market share according to MÁSZ (Hungarian Petroleum Association) decreased by 0.8% from 44.5% in Q3 2003 to 43.7% in Q3 2004. In Slovakia Q3 2004, our retail sales decreased by 1.0% compared to the same period of the previous year. Slovnaft's retail market share in Slovakia according to SAPPO data fell by 1.2% to 45.4%. At the end of September 2004, MOL Group had 798 filling stations, out of which 355 were operated in Hungary, 291 in Slovakia, 76 in Romania, and 42 in the Czech Republic. In Q2 2004 we took over 20 stations under our asset purchase agreement with Shell in Romania, while in Q3 another 2 stations were taken over by MOL.

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 1.2 % in Q3 2004 compared to same period of 2003, while average throughput improved by 2.7 % in Slovakia.

In Hungary our shop sales remained unchanged, which represented an increase of shop sales per litre by 1.2%. Our fuel card sales strengthened further (by 8.3%) compared to the same period of the previous year. In Q3 2004, on the Slovakian market, our shop sales went up by 22.7% compared to the Q3 2003. Hungarian retail LPG decreased by 10.4%.

Capital expenditure went up by HUF 15.2 bn in Q3 2004 compared to Q3 2003, due to the progress of the EU 2005 fuel quality project, the network development in Romania and the investment on the Austrian market (Roth acquisition).

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	Q3 2003		Q3 2004		Change %		Q1-Q3 2003		Q1-Q3 2004		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	18.2	78.8	14.3	70.2	(21)	(11)	11.9	52.6	51.2	247.5	330	371
Operating profit/(loss)	15.7	68.0	12.0	58.9	(24)	(13)	3.7	16.3	44.3	214.1	n.a.	n.a.
CAPEX and investments ¹	2.8	12.1	2.5	12.3	(11)	1	4.8	21.2	3.5	16.9	(27)	(20)

Key segmental operating data

FY 2003	NATURAL GAS BALANCE	Q3 2003	Q3 2004	Change %	Q1-Q3 2003	Q1-Q3 2004	Change %
	Million m ³				2003	2004	
	2,598 Sales from production	253	247	(2)	1,750	1,769	1
	11,344 Sales from import	1,460	1,251	(14)	7,732	7,223	(7)
	13,942 TOTAL SOURCES	1,713	1,498	(13)	9,482	8,992	(5)
	10,645 Sales to Gas Distribution Companies (GDCs)	838	894	7	6,995	6,955	(1)
	2,393 Sales to power sector	675	484	(28)	1,839	1,668	(9)
	904 Sales to industrial and other consumers	200	120	(40)	648	369	(43)
	13,942 TOTAL THIRD PARTY SALES	1,713	1,498	(13)	9,482	8,992	(5)
	646 Loss and own consumption*	138	159	15	485	491	1
	14,588 TOTAL SALES AND LOSSES	1,851	1,657	(10)	9,967	9,483	(5)
	2,044 Natural gas transit	221	379	71	1,337	1,688	26

31 Dec 2003	MOBILE NATURAL GAS INVENTORIES	30 Sept 2003	30 Sept 2004	Change %	
	Million m ³				
	377.9 From domestic sources		571.3	713.2	25
	2,112.7 From import sources		3,344.8	2,650.3	(21)
	2,490.6 TOTAL CLOSING INVENTORIES		3,916.1	3,363.5	(14)

FY 2003	NATURAL GAS PRICES	Q3 2003	Q3 2004	Change %	Q1-Q3 2003	Q1-Q3 2004	Change %
	HUF/m ³				2003	2004	
	31.8 Average import price	32.8	31.0	(5)	31.5	30.3	(4)
	30.1 Average MOL selling price	36.2	44.5	23	29.1	39.4	35
	28.9 Wholesale price to GDCs	38.7	50.7	31	27.5	40.6	48
	33.9 Wholesale price to industry/power	33.7	35.3	5	33.5	35.1	5

* Including gas sales to TVK.

The operating profit of the segment in Q3 2004 was HUF 12.0 bn, HUF 3.7 bn lower than in the same period of 2003. The fall in profit in 2004 was caused by the gain of HUF 11.2 bn, which arose from the sale of certain gas retail companies in Q3 2003. At the same time the profit from "regular" operations in Q3 2004 exceeded the value of Q3 2004 by HUF 7.5 bn (by 167%). The growth reflects the effects of the significant rise in the gas wholesale price under the new regulatory environment. In 2004 Q3, further HUF 2.0 bn of income was deferred in the accounts, as the excess profit earned on lower import gas prices (lower than anticipated by the regulator) is expected to be returned to the market in the coming period.

Import gas prices in Q3 2004 decreased by 5.5% in HUF terms, although USD based import prices were higher by 6.7% compared to the same period of 2003. HUF strengthened by 11.8% against the USD, which compensated for the rise in import prices. The average wholesale sales price was 22.9% higher in Q3 2004 compared to Q3 2003, as a result of the price increases implemented during 2003 and the wholesale price integration of January 1, 2004.

In Q3 2004 we sold 1.25 bn m³ of natural gas from import, and 0.25 bn m³ from domestic production, 12.6% less than in the same period of 2003. Sales volume to gas distribution companies grew by 6.7% in Q3 2004 compared to Q3 2003. Sales to power stations and industrial customers decreased by 28.3% and 40% respectively. The main reasons for the decline were the reclassification between customer segments and market loss. Dunaferri ESZ Kft and Csepel Erőmű Rt received open trade licenses, while Nitrogénművek also buys natural gas from another supplier.

The injection into domestic storage facilities was continuous in the last two quarters. The mobile closing stock of September was 3.36 bn m³. At the end of September 2004 mobile stock was 14.1% lower than in September 2003, as storage requirements for the winter of 2004/2005 are lower than in the previous year due to the successful conclusion of more favourable import contracts.

The revenue from gas transit in Q3 grew to HUF 1.9 bn (HUF 0.9 bn in Q3 2003), basically as a consequence of the 71.5% increase in volumes transmitted to Serbia and Bosnia thus increasing the capacity utilisation of our assets. The investment of the segment slightly decreased compared to last year. The purpose of the projects implemented was to maintain safe and continuous gas supply. According to the new gas business regulation from January 1, 2004 all non-residential consumers are entitled to leave the public utility supply system. Based on our forecasts, by the end of 2004 the ratio of the competitive market turnover of gas traders and the eligible consumers will reach 7-10% of the total consumption. Currently MOL Plc. holds approximately 50% share of this competitive market demand.

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



Petrochemicals

Segment IFRS results

Petrochemicals ²	Q3 2003		Q3 2004		Change %		Q1-Q3 2003*		Q1-Q3 2004		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	(1.5)	(6.5)	6.9	33.9	n.a.	n.a.	8.3	36.7	19.8	95.7	139	161
Operating profit/(loss)	(4.8)	(20.8)	3.9	19.2	n.a.	n.a.	0.1	0.4	11.0	53.2	n.a.	n.a.
CAPEX and investments ¹	23.3	100.9	9.0	44.2	(61)	(56)	41.1	181.6	46.7	225.7	14	24

Key segmental operating data

FY 2003 PETROCHEMICAL SALES BY PRODUCT GROUP Kt	Q3 2003	Q3 2004	Change %	Q1-Q3 2003*	Q1-Q3 2004	Change %
330 Olefin products	99	34	(66)	238	134	(44)
763 Polymer products	208	211	1	551	654	19
FY 2003 PETROCHEMICAL SALES (external) Kt	Q3 2003	Q3 2004	Change %	Q1-Q3 2003*	Q1-Q3 2004	Change %
393 Hungary	97	97	0	280	319	14
79 Slovakia	29	20	(31)	51	56	10
621 Other markets	181	128	(29)	458	413	(10)
1,093 TOTAL PETROCHEMICAL PRODUCT SALES	307	245	(20)	789	788	0

* Slovnaft included from Q2 2003.

In the third quarter of 2004 the operating profit of the Petrochemical segment was HUF 3.9 billion which represented a significant improvement compared to Q3 2003 due in part to an improvement in the external environment. While the dollar based quoted naphtha price increased by 61%, polymer quotations rose by between 20-42% y-o-y in Euro terms. The improvement in profitability was supported by weakening USD against EURO, efficiency improvement actions, and the fact that in Q3 2003 there was a scheduled shut down at TVK. The integration of TVK and Slovnaft petrochemical businesses and functional units continued to result in a further improvement in the efficiency of the segment.

Quoted polyethylene prices increased by 35-42%, while PP quotations increased by 20-23% y-o-y. In spite of increasing raw material prices, the integrated petrochemical margin calculated from EUR denominated quoted prices, increased by 16% compared to the same period of last year. The price margin of ethylene against feedstock quotation increased by 25%, PE products margin increased by 22-23% y-o-y, while in the case of PP products, the margin remained largely at the base level due to the increase in quoted propylene prices.

In Q3 2004 the volume of polymer sales reached 211 kt, which is a 1% increase compared to Q3 2003, however total sales fell by 20% to 245 kt, because more non-polymer and non-olefin products from Slovnaft Petrochemicals' portfolio were transferred to the Refining and Marketing segment. Hungarian polymer sales increased by 25% due to increased market share. From the polymer sales, 34% was LDPE, 25% HDPE and 41% PP. MOL Group's market share in Hungary was 64%, 43% and 72% in LDPE, HDPE and PP markets.

Polymer sales in the Slovakian market decreased by 4% mainly due to a reduction in PP product sales. The total volume of sales decreased by 31% due to the aforementioned rationalisation of Slovnaft's product portfolio. The MOL Group's market share in LPDE and PP products was 71% and 38%, which represents a 7% decrease in PE market.

On other European markets, Group sales decreased by 53 kt compared to 2003 Q3, mainly due to the rationalisation of the product portfolio. The polymer sales decreased by 9 kt on these markets, due to a reclassification of sales through Innocomp, which was removed from consolidation. 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.

Capital expenditures in Q3 2004 decreased compared to 2003 Q3, because the building work in TVK's new Olefin 2 and Polyethylene 4 plants are coming to an end. The technical fulfilment of strategic projects (capacity increase at TVK olefin and HDPE plants) was on schedule for completion by year-end. At Slovnaft, the implementation of the new polypropylene plant is also on schedule.

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 0.8 bn lower depreciation charge was recognised in Q1-Q3 2004, compared to Q1-Q3 2003.

Operations

The majority of changes in income statement items still reflect the effect of Slovnaft consolidation since comparative Q1-Q3 figures include Slovnaft's contribution only from Q2 2003, while current figures include Slovnaft Q1-Q3 performance in total. In Q1-Q3 2004, Group net sales revenues increased by 27% to HUF 1,334.0 bn, reflecting increased average selling prices of refining products and natural gas. Group sales to customers outside Hungary reached HUF 508.2 bn, up by 21%, and represented 38% of total sales. The value of raw materials and consumables used increased only by 16%, well under the growth rate of sales. Within this, raw material costs increased by 38%, primarily as a result of the sharp increase in crude oil import prices and Slovnaft's Q1 contribution of HUF 70.0 bn. Also there was a lower gas sales volume which has a HUF 9.9 bn effect on the cost of goods sold. The value of material-type services used increased by 8% to HUF 75.6 bn. Other operating expenses increased by 37% to HUF 115.0 bn, primarily as a result of increased mining royalty and production-based taxes in Russia. Personnel expenses for the period increased by 27%, reflecting the HUF 4.1 bn Slovnaft Q1 contribution and the HUF 5.6 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 31.5 bn in Q1-Q3 2004, compared to a slight decrease of HUF 2.4 bn in Q1-Q3 2003. This change reflects both higher crude oil prices and lower downstream inventory volume.

Total financial income in Q1-Q3 2004 was HUF 19.2 bn, 246% higher than in Q1-Q3 2003, mainly due to the foreign exchange gain of HUF 13.4 bn incurred in the period compared to the net foreign exchange loss of HUF 1.2 bn recognised in Q1-Q3 2003. Total financial expenses for Q1-Q3 2004 amounted to HUF 22.0 bn, of which interest payable was HUF 13.1 bn, up by 13% due to the combined effect of lower average effective interest rates and higher average outstanding debt in the comparable period. Income from associates was HUF 5.7 bn, including INA's Q1-Q3 contribution of HUF 5.3 bn (net of additional depreciation on assets revalued to their fair value). Corporate tax expense increased to HUF 34.1 bn in Q1-Q3 2004, reflecting the current tax contribution of Slovnaft (at 19%) and the gas companies (at 16%), of HUF 10.4 bn and HUF 5.1 bn respectively, as well as the corporate tax payable on the profit of the ZMB project (HUF 1.2 bn). MOL Rt will benefit from the HUF 62.4 bn statutory tax loss carried forward in 2004, in Q1-Q3 HUF 2.7 bn current tax expense has been recorded. The reversal of deferred tax assets contributed HUF 12.4 bn to the income tax expense in 2004 Q1-Q3, due to the utilisation of the tax loss of MOL Rt, and the tax deductible depreciation of the property, plant and equipment of the gas business. Corporate tax actually paid to the authorities by the Group entities amounted to HUF 3.3 bn in Q1-Q3 2004. Minority interests increased by HUF 2.1 bn reflecting the contribution from TVK in Q1-Q3 and Slovnaft in January 2004.

Balance sheet

As Slovnaft was already consolidated in the balance sheet at the end of the third quarter of 2003, balance sheet items are comparable with those of the current reporting period. Total assets amounted to HUF 1,567.4 bn at the end of September 2004, representing an increase of 17%. Within this, property, plant and equipment increased by 12%, reflecting capital expenditures at TVK, Slovnaft and on the ZMB project. Investments increased notably compared to 30 September 2003, following the acquisition of a 25% shareholding in INA, accounted for under the equity method. Intangible assets decreased notably and have a negative value 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 increased by 4%, due to the effect of net



loans drawn during the interim period. Trade and other payables increased by 37% to HUF 295.5 bn reflecting primarily our increased capital expenditures, working capital needs and outstanding taxes payable. Short-term debt (excluding the current portion of long-term debt) was HUF 118.5 bn, almost doubled compared to 30 September 2003, primarily as a result of the financial requirement of the 2004 Slovnaft public offer and the refinancing of maturing HUF denominated bonds. As at 30 September 2004, 50% of the MOL Group's total debt was denominated in Euro, 38% in USD and 12% in HUF. At the end of September 2004, MOL's gearing (net debt to net debt plus shareholders' equity plus minority interests) was 31.3% compared with 32.0% at the end of September 2003.

Changes in contingencies and commitments

As a result of settlement of prior obligations capital contractual commitments decreased by HUF 49.2 bn and obligations resulting from litigation in which the Group acts as defendant decreased by HUF 10.8 bn resulting from a final positive judgement in a case where Slovnaft acted as defendant. Those cases in which MOL Group has filed suits were increased by HUF 1.7 bn, while operating leases and rentals did not change significantly compared to the amounts reported in the 2003 Annual Report of the MOL Group.

Cash flow

Operating cash flow in Q1-Q3 2004 was HUF 194.8 bn, an 167% increase compared to the comparable 2003 figure. Operating cash flow before movements in working capital increased by 103%. The change of working capital position decreased funds by HUF 65.1 bn, arising from an increase in inventories, trade receivables and other receivables (HUF 59.5 bn, HUF 12.5 bn and HUF 12.3 bn, respectively) and the HUF 12.7 bn decrease in trade payables, being partially offset by the positive effect of the HUF 31.9 bn increase in other current liabilities. Corporate tax paid amounted to HUF 3.3 bn, related mainly to Slovnaft.

Net cash used in investing activities was HUF 163.4 bn compared with HUF 114.5 bn in Q1-Q3 2003, reflecting mainly our further acquisitions of shares in Slovnaft and TVK, and the consideration paid for the stake in the Roth Group. Organic CAPEX increased due to the consolidation of Slovnaft, the ongoing major investment at TVK and capital expenditure on the Zapadno-Malobalyk field. The divestment of our minority shareholdings in two major 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 36.6 bn, being the combined result of the repayment of long-term debt and the HUF 33 bn in maturing bonds and the issuance of new short-term debt, mainly to finance the Slovnaft transaction.



APPENDIX I

**CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE MOL GROUP PREPARED
IN ACCORDANCE WITH IFRS
FOR THE PERIOD ENDED 30 SEPTEMBER 2004
Unaudited quarterly figures (in HUF millions)**

FY 2003	Q3 2003	Q3 2004	Ch. %	Q1-Q3 2003	Q1-Q3 2004	Ch. %
1,504,038 Net sales	356,108	450,632	27	1,048,887	1,334,019	27
20,001 Other operating income	11,636	2,467	(79)	17,107	8,755	(49)
1,524,039 Total operating revenues	367,744	453,099	23	1,065,994	1,342,774	26
541,702 Raw material costs	166,175	198,732	20	385,464	533,325	38
95,909 Value of material-type services used	28,154	24,442	(13)	69,918	75,639	8
542,201 Cost of goods purchased for resale	70,296	77,912	11	355,946	330,346	(7)
<i>1,179,812 Raw material and consumables used</i>	<i>264,625</i>	<i>301,086</i>	<i>14</i>	<i>811,328</i>	<i>939,310</i>	<i>16</i>
80,140 Personnel expenses	18,475	22,060	19	56,728	71,913	27
Depreciation, depletion, amortisation and 95,450 impairment	24,136	25,607	6	67,230	77,116	15
121,989 Other operating expenses	39,074	33,822	(13)	83,746	114,955	37
Change in inventory of finished goods & work (25,014) in progress	(4,050)	(4,546)	12	(2,407)	(31,497)	1,209
Work performed by the enterprise and (11,409) capitalised	(3,145)	(5,963)	90	(7,699)	(18,174)	136
1,440,968 Total operating expenses	339,115	372,066	10	1,008,926	1,153,623	14
83,071 Operating profit	28,629	81,033	183	57,068	189,151	231
3,055 Interest received	753	890	18	1,951	3,010	54
274 Dividends received	221	112	(49)	596	282	(53)
6,586 Exchange gains and other financial income	(444)	10,103	n.a.	3,000	15,907	430
9,915 Total financial income	530	11,105	1,995	5,547	19,199	246
16,795 Interest on borrowings	4,333	4,004	(8)	11,595	13,140	13
5,085 Interest on provisions	1,254	1,204	(4)	3,754	3,801	1
734 Write-off of financial investments	652	1	(100)	495	150	(70)
3,376 Exchange losses and other financial expenses	(11,339)	2,007	n.a.	2,764	4,900	77
25,990 Total financial expense	(5,100)	7,216	n.a.	18,608	21,991	18
16,075 Financial expense/(gain), net	(5,630)	(3,889)	(31)	13,061	2,792	(79)
(5,405) Income from associates	(330)	(3,385)	926	(4,731)	(5,731)	21
72,401 Profit before tax	34,589	88,307	155	48,738	192,090	294
(32,476) Income tax expense	2,328	13,385	475	3,759	34,121	808
104,877 Profit after tax	32,261	74,922	132	44,979	157,969	251
(4,896) Minority interests ¹	(1,483)	(1,331)	(10)	(2,441)	(4,522)	85
99,981 Net income	30,778	73,591	139	42,538	153,447	261
987 Basic earnings per share (HUF)	296	715	142	424	1,488	251
984 Diluted earnings per share (HUF)	296	706	139	424	1,472	247

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 30 SEPTEMBER 2004

Unaudited quarterly figures (in HUF millions)

31 Dec 2003	30 September 2003	30 September 2004	Change %	
Assets				
Non-current assets				
29,160	Intangible assets	28,731	(1,206)	n.a.
855,951	Property, plant and equipment	788,817	884,694	12
134,435	Investments	24,251	123,841	411
52,895	Deferred tax asset	20,856	40,639	95
19,333	Other non-current assets	14,288	10,765	(25)
1,091,774	Total non-current assets	876,943	1,058,733	21
Current assets				
155,926	Inventories	211,266	212,655	1
165,057	Trade receivables, net	137,430	176,751	29
9,228	Marketable securities	6,818	2,339	(66)
47,909	Other current assets	57,876	58,418	1
62,841	Cash and cash equivalents	44,218	58,544	32
440,961	Total current assets	457,608	508,707	11
1,532,735	Total assets	1,334,551	1,567,440	17
Liabilities and shareholders' equity				
Shareholders' equity				
93,128	Share capital ¹	93,100	94,243	1
330,760	Reserves	321,676	421,690	31
99,981	Net income for the period	42,538	153,447	261
523,869	Total shareholders' equity	457,314	669,380	46
155,752	Minority interest	150,741	66,884	(56)
Non-current liabilities				
288,701	Long-term debt, net of current portion	189,628	235,896	24
55,781	Provisions for liabilities and charges	56,831	50,099	(12)
14,213	Deferred tax liability	19,301	12,909	(33)
72,482	Other non-current liabilities	71,935	52,197	(27)
431,177	Total non-current liabilities	337,695	351,101	4
Current liabilities				
260,420	Trade and other payables	215,319	295,514	37
26,172	Provisions for liabilities and charges	26,388	24,892	(6)
70,756	Short-term debt	69,390	118,490	71
64,589	Current portion of long-term debt	77,704	41,179	(47)
421,937	Total current liabilities	388,801	480,075	23
1,532,735	Total liabilities and shareholders' equity	1,334,551	1,567,440	17

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 30 SEPTEMBER 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	0	0	0	0	0	65,262	65,262	(65,262)	0
Dividend for year 2002	0	0	0	0	0	(5,184)	(5,184)	0	(5,184)
Net change in balance of treasury shares held	(145)	0	0	(521)	0	0	(521)	0	(666)
Cash flow hedges	0	3,664	0	0	0	0	3,664	0	3,664
Currency translation differences	0	0	10,212	0	0	0	10,212	0	10,212
Slovnaft acquisition	0	0	0	0	1,309	0	1,309	0	1,309
Retained profit for the period	0	0	0	0	0	0	0	42,538	42,538
Closing balance 30 September 2003	93,100	5,745	3,174	(21,447)	1,309	332,895	321,676	42,538	457,314
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	0	0	0	0	0	99,981	99,981	(99,981)	0
Dividend for year 2003	0	0	0	0	0	(5,952)	(5,952)	0	(5,952)
Net change in balance of treasury shares held	131	0	0	674	0	0	674	0	805
Cash flow hedges	0	(3,488)	0	0	0	0	(3,488)	0	(3,488)
Currency translation reserve	0	0	(15,061)	0	0	0	(15,061)	0	(15,061)
Slovnaft acquisition	984	0	0	0	14,776	0	14,776	0	15,760
Retained profit for the period	0	0	0	0	0	0	0	153,447	153,447
Closing balance 30 September 2004	94,243	4,344	(6,459)	(20,753)	17,633	426,925	421,690	153,447	669,380



APPENDIX IV

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE MOL GROUP PREPARED IN
ACCORDANCE WITH IFRS
FOR THE PERIOD ENDED 30 SEPTEMBER 2004
Unaudited quarterly figures (in HUF millions)**

FY 2003	Q3 2003	Q3 2004	Ch. %	Q1-Q3 2003	Q1-Q3 2004	Ch. %
83,071 Profit from operations	28,629	81,033	183	57,068	189,151	231
<i>Adjustments to reconcile operating profit to net cash provided by operating activities</i>						
95,137 Depreciation, depletion, amortisation and impairment	24,429	24,000	(2)	67,006	74,253	11
(1,377) Net unrealised (gain)/loss recorded on financial instruments	1,873	163	(91)	(74)	315	n.a.
985 Write-off/(reversal of write-off) of inventories	(5,269)	91	n.a.	553	164	(70)
5,644 Impairment losses, net	1,393	464	(67)	2,194	1,752	(20)
5,367 Increase/(decrease) in provisions	10,152	(100)	n.a.	8,866	(9,809)	n.a.
(1,119) Net gain on sale of fixed assets	(176)	(88)	(50)	(343)	(650)	90
(9,877) Net gain on sale of subsidiaries	(11,083)	-	(100)	(10,858)	-	(100)
9,389 Exploration and development costs expensed during the year	2,405	2,298	(4)	7,108	8,612	21
(1,775) Other non cash items	11	(235)	n.a.	(1,547)	(516)	(67)
185,445 Operating cash flow before changes in working capital	52,364	107,626	106	129,973	263,272	103
(21,051) Increase in inventories	(59,953)	(47,756)	(20)	(74,910)	(59,539)	(21)
(5,344) Decrease / (increase) in accounts receivable	8,863	(21,334)	n.a.	21,355	(12,534)	n.a.
786 Increase in other receivables	(13,008)	(1,426)	(89)	(8,023)	(12,273)	53
39,455 Decrease in accounts payable	(17,218)	(6,262)	(64)	(1,848)	(12,719)	588
10,006 Increase/(decrease) in other current liabilities	11,607	(5,930)	n.a.	10,841	31,856	194
(6,139) Corporate taxes paid	(1,848)	(1,331)	(28)	(4,312)	(3,278)	(24)
203,158 Net cash provided by operating activities	(19,193)	23,587	n.a.	73,076	194,785	167
(186,875) Capital expenditures, exploration and development costs	(54,901)	(45,941)	(16)	(101,129)	(119,051)	18
3,069 Proceeds from disposals of fixed assets	325	99	(70)	1,051	1,931	84
(11,811) Acquisition of subsidiaries, net cash	-	(5,545)	-	(46,265)	(73,312)	58
(22,517) Acquisition of joint ventures, net cash	-	(627)	-	-	(627)	-
21,573 Net cash inflow on sales of subsidiary undertakings	17,153	-	(100)	20,476	-	(100)
(113,729) Acquisition of associated companies	-	-	-	-	-	-
(241) Acquisition of other investments	(1,171)	(490)	(58)	(1,412)	(490)	(65)
2,894 Proceeds from disposal of investments	(117)	979	n.a.	477	12,640	2,550
307 Changes in loans given and long-term bank deposits	858	178	(79)	604	1,451	140
(1,750) Changes in short-term investments	7,523	2	(100)	3,029	7,711	155
6,711 Interest received and other financial income	1,805	1,757	(3)	4,598	5,564	21
3,840 Dividends received	2,040	259	(87)	4,047	751	(81)
(298,529) Net cash used in investing activities	(26,485)	(49,329)	86	(114,524)	(163,432)	43
9,200 Issuance of long term notes	-	1,450	-	-	1,450	-
- Issuance of zero coupon notes	-	-	-	30,943	-	(100)
- Repayment of zero coupon notes	(7,574)	-	(100)	(27,574)	(33,000)	20
397,087 Long-term debt drawn down	77,020	48,226	(37)	149,397	91,339	(39)
(255,716) Repayments of long-term debt	(18,774)	(30,809)	64	(88,073)	(159,088)	81
485 Changes in other long term liabilities	358	(52)	n.a.	(115)	383	n.a.
(9,232) Changes in short-term debt	7,972	519	(93)	(13,207)	85,149	n.a.
(20,810) Interest paid and other financial costs	(3,174)	(6,998)	120	(13,756)	(17,017)	24
(5,210) Dividends paid to shareholders	(5,185)	(68)	(99)	(5,184)	(5,938)	15
(547) Dividends paid to minority interest	(185)	-	(100)	(586)	(606)	3
25,965 Sale of treasury shares	25,857	30	(100)	25,965	936	(96)
(26,583) Repurchase of treasury shares	(26,733)	(1)	(100)	(26,733)	(167)	(99)
114,639 Net cash provided by financing activities	49,582	12,297	(75)	31,077	(36,559)	n.a.
19,268 Increase/(decrease) in cash and cash equivalents	3,904	(13,445)	n.a.	(10,371)	(5,206)	(50)
42,251 Cash at the beginning of the period	41,421	72,369	75	42,251	62,841	49
221 Cash effect of consolidation of subsidiaries previously	-	-	-	12,147	1,185	(90)
1,101 Exchange differences on the consolidation of foreign	(1,107)	(380)	(66)	191	(276)	n.a.
62,841 Cash at the end of the period	44,218	58,544	32	44,218	58,544	32



APPENDIX V

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

FY 2003	NET EXTERNAL SALES REVENUES ¹	Q3 2003	Q3 2004	Ch. %	Q1-Q3 2003	Q1-Q3 2004	Ch. %
10,287	Exploration and Production	(5,426)	12,750	n.a.	1,610	28,204	1,652
890,639	Refining and Marketing	254,833	328,188	29	638,423	815,614	28
430,162	Natural Gas	63,271	67,238	6	283,755	346,769	22
169,006	Petrochemicals	42,425	47,120	11	122,709	140,465	14
3,944	Corporate and other	1,005	(4,664)	n.a.	2,390	2,967	24
1,504,038	TOTAL	356,108	450,632	27	1,048,887	1,334,019	27

FY 2003	OPERATING PROFIT ¹	Q3 2003	Q3 2004	Ch. %	Q1-Q3 2003	Q1-Q3 2004	Ch. %
43,494	Exploration and Production	8,204	18,904	130	37,360	43,744	17
67,634	Refining and Marketing	21,404	59,104	176	47,069	114,992	144
6,164	Natural Gas	15,685	12,042	(23)	3,710	44,305	1,094
1,287	Petrochemicals	(4,752)	3,899	n.a.	69	11,031	15,887
(35,365)	Corporate and other	(8,891)	(8,258)	(7)	(26,083)	(24,085)	(8)
(143)	Intersegment transfers ²	(3,021)	(4,658)	54	(5,057)	(836)	(83)
83,071	TOTAL	28,629	81,033	183	57,068	189,151	231

FY 2003	PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES ACQUIRED	Q3 2003	Q3 2004	Ch. %	Q1-Q3 2003	Q1-Q3 2004	Ch. %
22,721	Exploration and Production	28,609	6,131	(79)	43,350	12,024	(72)
74,285	Refining and Marketing	13,641	23,545	73	29,175	44,707	53
11,019	Natural Gas	2,662	2,523	(5)	4,899	3,427	(30)
64,921	Petrochemicals	23,316	9,580	(59)	41,954	47,406	13
5,578	Corporate and other	2,531	2,049	(19)	3,854	3,667	(5)
178,524	TOTAL	70,759	43,828	(38)	123,232	111,231	(10)

FY 2003	DEPRECIATION	Q3 2003	Q3 2004	Ch. %	Q1-Q3 2003	Q1-Q3 2004	Ch. %
21,048	Exploration and Production	4,927	5,802	18	15,358	17,238	12
41,030	Refining and Marketing	11,378	11,800	4	28,901	36,715	27
10,927	Natural Gas	2,540	2,229	(12)	8,212	6,867	(16)
13,215	Petrochemicals	3,229	2,979	(8)	8,216	8,728	6
9,230	Corporate and other	2,062	2,797	36	6,543	7,568	16
95,450	TOTAL	24,136	25,607	6	67,230	77,116	15

31/12/2003	TANGIBLE ASSETS	30/09/2003	30/09/2004	Ch. %
101,237	Exploration and Production	100,602	90,881	(10)
398,805	Refining and Marketing	358,519	443,465	24
105,050	Natural Gas	99,933	101,809	2
176,716	Petrochemicals	157,445	193,133	23
74,143	Corporate and other	72,318	55,406	(23)
855,951	TOTAL	788,817	884,694	12

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

	Q3 2003	Q3 2004	Change %	Q1-Q3 2003	Q1-Q3 2004	Change %
Brent dated (USD/bbl)	28.4	41.5	46	28.6	36.4	27
Ural Blend (USD/bbl)	27.0	37.4	39	26.7	33.0	24
Reuters refining margin (Ural crack)	2.62	5.25	100	3.39	4.77	41
Premium unleaded gasoline 50 ppm (USD/t)*	299.3	427.3	43	294.9	387.6	31
Gas oil - ULSD (USD/t)*	246.5	411.2	67	267.1	349.7	31
Naphtha (USD/t)*	253.3	400.7	58	265.4	356.4	34
Ethylen (EUR/t)	445	635	43	532	607	14
Integrated petrochemical margin (EUR/t)	330.9	384.6	16	371.7	364.9	(2)
HUF/USD average	230.9	203.6	(12)	226.3	206.9	(9)
SKK/USD average	37.1	32.8	(12)	37.5	32.8	(13)
3m USD LIBOR (%)	1.07	1.73	62	1.17	1.35	15
3m EURIBOR (%)	2.14	2.12	(1)	2.40	2.09	(13)
3m BUBOR (%)	9.56	11.19	17	7.70	11.75	53
	Q2 2004	Q3 2004	Change %	Q4 2003	Q3 2004	Change %
HUF/USD closing	208.8	200.5	(4)	207.9	200.5	(4)
HUF/EUR closing	253.2	247.0	(2)	262.2	247.0	(6)

* FOB Rotterdam parity

APPENDIX VII

EXTRAORDINARY ANNOUNCEMENTS IN Q3 2004

Announcement date	
1 July	MOL has acquired a 22.5% share in the Fedorovsky Block located in North Western Kazakhstan
6 July	Personnel change at MOL
9 July	Share transaction of a MOL manager
27 July	MOL signed a purchase agreement to acquire a majority ownership in an Austrian oil product trading company
29 July	MOL's announcement on the status of crude oil imports from Yukos
Between 13 and 27 August	Share transactions of MOL managers
30 August	Executive positions at MOL in accordance with the Capital Market Act
2 September	Update on gas business sale process
3 September	MOL's Board of Directors decided on personnel changes
3 September	The Board of Directors of MOL decided on the capital increase of the company
13 September	Change in shareholders' influence
24 September	MOL initiates the process to list on the Warsaw Stock Exchange
30 September	Share distribution to a MOL manager



APPENDIX VIII

SHAREHOLDER STRUCTURE (%) AND TREASURY SHARES

Shareholder groups	31 Dec 2002	30 Sept 2003	31 Dec 2003	31 March 2004	30 June 2004	30 Sept 2004
Foreign investors (mainly institutional)	42.4	37.7	36.4	50.7	54.1	56.2
OMV ⁽¹⁾	10.0	9.1	9.1	9.1	9.1	9.1
Slovbena, Slovintegra	0.0	10.0	9.8	8.0	8.0	8.0
ÁPV Rt. (Hungarian State Privatisation and Holding Company)	25.0	22.7	22.7	11.8	11.8	11.8
Hungarian institutional investors	5.1	8.7	9.5	5.7	4.9	4.1
Depositories (mainly Hung. private investors)	12.2	7.7	8.4	9.5	7.2	5.9
MOL Rt. (treasury shares)	5.2	4.0	4.0	5.1	4.9	4.9
Unregistered shares	0.1	0.1	0.1	0.1	0.0	0.0

(1) On 13 October 2004 OMV announced that it increased its ownership to 10,865,000 shares and it registered this fact on 22 October 2004

According to the Share Register, beside ÁPV Rt. with 12.4%, only 3 shareholders had more than 5% influence over MOL Rt. at 30 September 2004: JP Morgan Chase Bank, the depository bank for MOL's GDR programme, which had 16.3%, Slovbena-Slovintegra having 8.4%, and OMV having 9.6% influence over MOL.

On the 13th of September "The Capital Group Companies, Inc." announced that it owned 5,713,830 ordinary shares, on the same day "Alliance Capital Management L.P." announced that its ownership increased to 7,143,180 shares. However these changes have not been registered in the share register.

The number of "A" series treasury shares held by MOL decreased by 4,962 from 5,342,462 to 5,337,500 as a result of share distribution to a departing manager. 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:

On 2 September 2004, MOL's Board of Directors decided on personnel changes within senior management. The personnel changes were driven by recent developments in the business environment, which created new challenges for the company. The reallocation of management resources enables MOL to better meet these new challenges. The consolidation of the Central European region has stepped into a new phase with the stabilization of positions of the leading regional oil companies. In line with this development, increased focus must be placed on realizing the maximum potential value from positions achieved, alongside the capture of new growth opportunities, for example in international upstream reserve acquisition.

Michel-Marc Delcommune, Group Chief Financial Officer, following the restructuring of the finance department in accordance with international best practice, become the Group Chief Strategy Officer from 2nd September. In his new position, the Board of Directors counts on his international industry experience in order to develop further the strategy of the Group.

József Molnár was appointed as the new Group Chief Financial Officer from 2nd September. Mr Molnár has gained significant management, financial and oil industry experience as MOL's Director of Planning and Controlling, and formerly as Chief Executive Officer of TVK and as the Chief Financial Officer of BorsodChem.

Zoltán Áldott, until 2nd September the Group Chief Strategy Officer, was appointed managing director of the Exploration and Production Division from 2nd September. In MOL's strategy, the increase of Upstream/Downstream integration is a key priority. The experience Zoltán Áldott gained whilst managing the international business development activity will support the achievement of this strategic goal.

The former managing director of the Exploration and Production Division, Csaba Bokor, has left the company.

Mr. József Simola, Corporate Center Director, was confirmed in his position of Human Resources Director from 2nd September 2004.

The restructuring provides the foundation to strengthen further the Group's position in the region and more rapidly achieve targeted strategic goals in order to maximize shareholder value.