



STRONG IMPROVEMENT IN ALL BUSINESSES

MOL Hungarian Oil and Gas plc. (Reuters: MOLB.BU, MOLBq.L, Bloomberg: MOL HB, MOL LI; homepage: www.mol.hu), today announced its 2005 first quarter preliminary results. This report contains consolidated financial statements for the period ended 31 March 2005 as prepared by management in accordance with International Financial Reporting Standards (IFRS).

Financial highlights

FY 2004		MOL Group financial results (IFRS)	Q1 2004		Q1 2005		Change %	
HUF bn	USD m ¹		HUF bn	USD m ¹	HUF bn	USD m ¹	HUF	USD
1,955.8	9,653.5	Net sales revenues	472.8	2,273.1	571.2	3,054.5	21	34
357.3	1,763.6	EBITDA	86.6	416.3	118.5	633.7	37	52
248.7	1,227.5	Operating profit	61.8	297.1	91.6	489.8	48	65
(5.2)	(25.7)	Net financial expenses/(gain)	(4.2)	(20.2)	9.0	48.1	n.a.	n.a.
208.4	1,028.6	Net income	51.7	248.6	71.0	379.7	37	53
324.4	1,601.2	Operating cash flow	95.0	456.7	97.1	519.3	2	14

⁽¹⁾ In converting HUF financial data into US Dollars, the following average NBH middle rates were used: for Q1 2004: 208.0 HUF/USD, for 2004: 202.6 HUF/USD, for Q1 2005: 187.0 HUF/USD.

In Q1 2005, operating profit increased by HUF 29.8 bn, to HUF 91.6 bn (USD 489.8 mn), supported by previous years' investments in quality downstream assets, higher product sales volumes of our downstream and petrochemical products and by the consistent application of a fair, EU compliant regulation in the gas business. Net income grew by HUF 19.3 bn to HUF 71.0 bn (USD 379.7 mn), primarily reflecting the strong operating performance, which was partially compensated by higher financial expenses, due to a loss on foreign currency denominated debt.

Overview of the environment

Global economic growth decreased in Q1 2005 after enjoying one of the best periods in history in 2004. The geographical composition remained uneven. The slowdown was most marked in the growth of industrial production and global trade, although overall growth remained well above its historic trend at an estimated 5% in 2004, while global inflation is the lowest in decades. Low interest rates and improving corporate performance fuelled gains in major stock markets. Nevertheless there are risks in the global economy. Current account imbalances are at record levels with the US deficits financed by surpluses from Asia, the Middle East and Europe. Naturally, this has led to a continuing weakness of the dollar. Perceived fragility is reflected in increasing risk premiums in financial markets.

The geographical composition of growth is very unequal. The US economy was fuelled by domestic demand and while noticeably slowing it continued to grow faster than other industrialized economies. Forward looking indicators are mixed in the US. In China, an investment boom continues, and growth remains close to double digits. High oil prices boosted the growth of Russia and other oil exporters. On the other hand, growth in the Eurozone and Japan proved to be even less than the previous low expectations. Both regions suffer from the lack of domestic demand and business confidence. Moreover, the Eurozone experienced a fall in net exports due to the appreciating euro.

The oil market experienced surging prices - up about 50% from a year ago and 31% in Q1 2005 alone. Industry consensus attributes this to three main drivers: increased demand, especially China and the US; failure of the supply side to react in time to demand which led to a dangerously low level of spare capacity; and a sizable fear premium built into prices due to the prospect of a supply disruption. Since global GDP growth concentrated in economies with oil intensive production, high prices failed to generate a measurable fall in demand. First quarter 2005 oil demand is up by 2.1% to an average 84.7 million barrels per day, with March 2005 demand coming in just on average.

As global energy efficiency is incomparably better than in the 70s and as crude oil's share in primary energy is lower, the negative effect of high oil prices is measurable but limited. However, a risk of higher prices and supply disruptions has already started to dent business confidence, and the longer term effect of high prices is uncertain.

OPEC raised output limits by 500,000 bpd to 27.5 million bpd in mid-March and left room for a second rise before a June meeting if prices failed to ease below \$55. Nevertheless, observers doubt whether OPEC could significantly increase its supply without major upstream investments and a considerable delay. Supply in the rest of the world is also close to capacity constraint, and demand growth in China and the US seems unabated. Consequently, most analysts expect the oil price to stay at its current high level.

As crude oil demand is driven by motor fuels, demand for refinery capacity also reached its constraint. As a result, refinery margins fluctuated in a band which is well above the historical average.



In Hungary growth appeared to slow but its structure remains healthy. In spite of a fall in the growth rate of exports, the economy is still driven mainly by exports and investment. Growth of domestic consumption slowed to a sustainable level. Inflation convergence seems to be on track which enabled a series of interest rate cuts by the National Bank. However, strong investment demand, falling household savings and an excessive budget deficit led to a high current account deficit. Nevertheless, the country maintained the trust of capital markets. Due to the strength of the forint, the real price of fuel in HUF remains well below its 2001 peak. As a result, the effect of price increases on demand has been limited. However, total fuel demand growth is very slow, and negative in the case of gasoline. Economic performance remained steady in the first three months of 2005.

In our other main market, Slovakia, strong economic performance continued. Slovakia has upheld its reputation as the "Tatra Tiger" with one of the best economic results in Central Europe. Structural reforms have increased the economy's flexibility, large foreign investments have expanded production capacity, and investor confidence is growing as a result of the remarkable improvement of the business climate. However, purchasing power of households (which has a significant effect on new car sales and fuel demand) is lower than in neighbouring countries in the region (such as Hungary, Czech Republic and Poland). This trend is reinforced by a high rate of structural unemployment. Although sales of new passenger cars remained at a high level in the opening months of the year, some moderate slowdown was registered in March of 2005.

The average CIF Med quoted price of Ural Blend increased by 49% in USD terms and 34% in HUF terms, compared to Q1 2004. More importantly for MOL, the Brent-Ural differential grew to 4.4 USD/bbl in Q1 2005, due to increasing demand for sweet crude oil and increased sour crude production. Average USD denominated crack spreads of FOB Rotterdam gasoline and naphtha decreased by 22% and 15%, while the crack spread of gas oil increased by 79%, compared to Q1 2004. The US dollar depreciated by an average of 10% against the Hungarian Forint, while EUR depreciated by an average 6% against Forint in Q1 2005. EUR appreciated by 1% from year-end 2004 to 31 March 2005 (from 245.9 to 247.2), while USD appreciated by 6% from year-end 2004 to 31 March 2005 (from 180.3 to 190.8). The USD depreciated by an average of 10% against the Slovak Crown in Q1 2005, while EUR depreciated by an average 6% against the Slovak Crown year on year.

- **Exploration and Production** operating profit in Q1 2005 increased by HUF 4.9 bn, to HUF 16.9 bn (USD 90.4 mn), as a strong increase in international crude production and higher transfer prices could compensate for the lower domestic hydrocarbon production and increasing royalty charges.
- **Refining and Marketing** contributed operating profit of HUF 37.5 bn (USD 200.5 mn), an increase of 59% (in USD terms 77%) over Q1 2004, supported by higher sales volumes, the increased Ural to Brent discount, higher diesel crack spreads, integrated Group operations and the positive effect of inventory holding. Estimated clean USD based CCS profit rose 29%.
- The **Natural Gas** operating profit increased by HUF 9.5 to HUF 30.4 bn (USD 162.6 mn), mainly due to higher sales volumes and the different accounting treatment of cushion gas in storage, compared to the same period of the previous year.
- The **Petrochemical** segment's operating profit increased to HUF 9.6 bn (USD 51.3 mn) in Q1 2005, compared to a HUF 3.8 bn (USD 18.3 mn) profit in Q1 2004. Higher 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 216 mn benefit by the end of Q1 2005, 83% of the USD 260 mn combined efficiency target set for the end of 2005. Group **closing headcount** decreased by 5% y-o-y, from 16,688 to 15,903.
- **Capital expenditure** and investments decreased to HUF 41.2 bn (USD 220.3 million) in Q1 2005, compared to HUF 90.0 bn (USD 432.7 million) in Q1 2004, due to the lower acquisition expenditure. The Group's main investment was the acquisition of Shell's operation in Romania. MOL's gearing ratio on March 31, 2005 reached the lowest level of the past five years at 20% (the gearing ratio was 24% on December 31, 2004). Net debt at the end of March 2005 was HUF 221.6 bn.
- **Operating cash flow** before changes in working capital grew by 37% to HUF 119.8 bn (USD 640.6 mn). Including working capital changes and corporate tax paid, operating cash flow increased by 2%, to HUF 97.1 bn (USD 519.3 mn).

Mr Zsolt Hernádi, Executive Chairman of MOL commented:

“The further improvement in our profitability justifies our previous investment decisions. The increase in sales volumes and in the profit contribution of our international investments provides further growth and appropriate returns to our shareholders. Furthermore, our strong financial position provides a solid base for the continued execution of our strategy.”



Exploration and Production

Segment IFRS results

FY 2004		Exploration & Production	Q1 2004		Q1 2005		Change %	
HUF bn	USD m		HUF bn	USD m	HUF bn	USD m	HUF	USD
76.7	378.6	EBITDA	17.6	84.6	23.4	125.1	33	48
54.1	267.0	Operating profit/(loss)	12.0	57.7	16.9	90.4	42	57
31.1	153.5	CAPEX and investments ¹	6.7	32.2	6.4	34.2	(4)	6

Key segmental operating data

FY 2004	HYDROCARBON PRODUCTION (gross figures before royalty)	Q1 2004	Q1 2005	Change %
2,225	Crude oil production (kt)	516	575	11
1,077	Hungary	278	248	(11)
1,148	International	238	327	37
2,928	Natural gas production (million m ³ , net dry)*	767	727	(5)

*Excluding original cushion gas production from gas storage.

In Q1 2005, segmental operating profit increased by HUF 4.9 bn compared to Q1 2004. Growth in international crude production and favourable developments in the external environment had a positive effect on segmental profit. The USD denominated average Brent crude oil price increased by 48.7 % compared to Q1 2004, while it was only 32.9 % higher in HUF terms, due to the strengthening of the Forint against the USD (10.1%). The increase in the gas transfer price was 17.9 %.

Segment revenue increased by HUF 11.6 bn, in Q1 2005 compared to Q1 2004. At the same time, operating costs increased by HUF 6.7 bn, mainly due to an increase in production at the ZMB field and a higher Hungarian mining royalty. ZMB's operating profit almost tripled (+HUF 2.4 bn), due to a further increase in sales volume and higher crude oil prices. HUF 1.7 bn higher mining royalty was paid on Hungarian production, due to higher crude oil and gas prices.

Crude oil production from Hungarian fields in Q1 2005 was 10.8% lower than in the same period of 2004, due to a natural increase in the water cut, as anticipated in the individual exploitation and reservoir management plans prepared for the fields. The decline in domestic oil production was more than compensated by a strong, 37.4% increase in West Siberian oil production.

Natural gas production decreased by 5.2% in Q1 2005 compared with the same period of last year, due to lower associated gas volumes connected to decreasing oil production and a lower off-take of low calorific value gas by a major power generation customer. We are speeding up the development of new gas reservoirs (for example in the Hosszúpályi field) and production from gas caps of oil reservoirs in the Algyő field up to the permitted limits.

At the Manzalai field in Pakistan, construction of the gas plant was completed. At the same time, on 29 January, 2005, sales of natural gas from test production started. Construction of other related above-ground facilities is in progress.

MOL's unit cost of oil production (including gasoline production) decreased to 3.4 USD/bbl (3.7 USD/bbl in Q1 2004), mainly due to the favourable unit production cost of the ZMB field.

Capital expenditure decreased by HUF 0.3 bn compared to Q1 2004. Spending on domestic development (HUF -0.3 bn) and domestic exploration (HUF +0.2 bn) was almost flat. In Q1 2005 we increased our participation in the Fedorovsky exploration block in Kazakhstan. While in Q1 2004 we spudded the Balharak-S-1 well, in Q1 2005 activities were limited to pre-drilling preparation in block 49 and seismic measurement analysis in block 48, which require significantly lower spending. In Pakistan, the drilling of the Makori-1 well was completed, while on the 21 February we started drilling an appraisal well in the Manzalai field.

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

FY 2004		Refining and Marketing	Q1 2004		Q1 2005		Change %	
HUF bn	USD m		HUF bn	USD m	HUF bn	USD m	HUF	USD
215.0	1,061.2	EBITDA	35.4	170.2	50.4	269.5	42	58
158.9	784.3	Operating profit/(loss)	23.6	113.5	37.5	200.5	59	77
79.0	389.9	CAPEX and investments ¹	7.5	36.1	27.8	148.7	271	312

FY 2004		Refining and Marketing	Q1 2004	Q1 2005	Change %
HUF bn			HUF bn	HUF bn	
158.9	Reported EBIT		23.6	37.5	59
(8.9)	Replacement modification		(3.1)	(13.7)	(342)
150.0	Estimated clean CCS		20.5	23.8	16

Key segmental operating data

FY 2004	REFINED PRODUCT SALES	Kt	Q1 2004	Q1 2005	Change %
4,082	Hungary		826	808	(2)
1,411	Slovakia		288	269	(7)
6,000	Other markets		1,236	1,398	13
11,493	TOTAL CRUDE OIL PRODUCT SALES		2,350	2,475	5

Segmental operating profit in Q1 2005 increased significantly, by HUF 13.9 bn compared to the first quarter of the previous year, due to higher sales volumes, favourable crack spreads and the positive effect of inventory holding. The widening Brent-Ural spread also supported the increase in profitability. MOL's realised refining margin was higher than the reference margin, due to the more favourable product slate, which is in turn the result of the significant quality improvement investments made in recent years. These favourable factors were partially compensated by the strength of local currencies against USD.

Consolidated Group sales volumes in Q1 2005 increased by 5% (125 kt) to 2.5 Mt compared to the 2.4 Mt in Q1 2004. The reason for this growth, was the higher sales to export markets, as our sales in Hungary and in Slovakia were slightly lower than in the previous year.

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 49%) and lower market demand for gasoline. In Hungary, market demand for motor gasoline declined, while our refinery coverage increased by 2% in this product group. At the same time, the consumption of motor diesel, which is more directly influenced by general economic development than price changes, increased by 4% in Hungary. Import competition has strengthened due to the high crack spreads, therefore our refinery coverage decreased, and our total gasoil sales remained stable y-o-y.

In Slovakia, the tendency of motor gasoline and gasoil sales was similar to that of Hungary. In Slovakia gasoline consumption fell by 5%, and MOL Group sales decreased by approximately 7%. Demand for motor diesel increased by 3%, though our sales were nearly unchanged as a result of strengthening competition.

Total sales outside of Hungary and Slovakia increased by 162 kt, from 1,236 kt in Q1 2004 to 1,398 kt in Q1 2005, due to optimisation of refinery production and Group level supply chain management, resulting in greater regional competitiveness. Our motor fuel export volume in the region increased by 13%, mainly as a result of increased sales in Austria, the Czech Republic and Poland. The successful operation of our Austrian depot also resulted in a high level of customer service.

In Q1 2005, MOL's Hungarian retail fuel sales volumes decreased slightly (by 1.4%) compared to first quarter of the previous year due to the fall in motor gasoline sales, while our motor fuel market share according to MÁSZ (Hungarian Petroleum Association) was almost flat y-o-y (41.9% in Q1 2004, 41.7% in Q1 2005). Slovnaft's retail market share in Slovakia, according to SAPPO data, fell from 45.1% to 41.5%.

At the end of March 31, 2005, the MOL Group had 810 filling stations, out of which 358 were operated in Hungary, 276 in Slovakia, 77 in Romania, and 42 in the Czech Republic.

In 2005 we continued the implementation of our Slovakian retail network efficiency improvement program, which resulted in the closure of 10 lower turnover stations. As a result of this, the average throughput of our filling stations increased by 1.3 % in Q1 2005 compared to same period of 2004. In the Czech Republic, within the framework of a similar programme, the sale of 13 of our 42 filling stations is in progress. The closure of the transaction is expected in Q2 2005.

In Hungary our shop sales increased by 4.8% in Q1 2005, which represented a 7.8% increase in shop sales per litre year-on-year. Our fuel card sales rose further (by 3.4%) compared to the same period of the previous year. In Q1 2005, on the Slovakian market, our shop sales increased by 48.7% compared to Q1 2004.

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



Natural Gas

Segment IFRS results

FY 2004		Natural Gas	Q1 2004		Q1 2005		Change %	
HUF bn	USD m		HUF bn	USD m	HUF bn	USD m	HUF	USD
71.4	352.4	EBITDA	23.2	111.5	32.0	171.1	38	53
64.8	319.8	Operating profit/(loss)	20.9	100.5	30.4	162.6	45	62
14.7	72.6	CAPEX and investments ¹	0.2	1.0	5.0	26.7	n.a.	n.a.

Key segmental operating data

FY 2004	NATURAL GAS BALANCE	Q1 2004	Q1 2005	Change %
	Million m ³			
2,656	Sales from production	1 002	1 239	24
10,635	Sales from import	4 381	4 365	0
13,291	TOTAL SOURCES	5 383	5 604	4
10,535	Sales to Gas Distribution Companies (GDCs)	4 660	4 792	3
2,256	Sales to power sector	584	657	13
500	Sales to industrial and other consumers	139	155	12
13,291	TOTAL THIRD PARTY SALES	5 383	5 604	4
696	Loss and own consumption	144	258	79
13,987	TOTAL SALES AND LOSSES	5 527	5 862	6
2,526	Natural gas transit	908	898	(1)

31 Dec 2004	MOBILE NATURAL GAS INVENTORIES	31 March 2004	31 March 2005	Change %
	Million m ³			
512.3	From domestic sources	52,6	57,6	10
1,889.7	From import sources	127,1	199,3	57
2,402.0	TOTAL CLOSING INVENTORIES	179,7	256,9	43

FY 2004	NATURAL GAS PRICES	Q1 2004	Q1 2005	Change %
	HUF/m ³			
30.5	Average import price	29,6	34,9	18
39.1	Average MOL selling price	37,3	41,9	12
40.0	Wholesale price to GDCs	37,6	42,3	13
35.4	Wholesale price to industry/power	35,3	39,5	12

Operating profit of the segment in Q1 2005 increased by HUF 9.5 bn to HUF 30.4 bn, compared to the same period of 2004. The favorable effect of the increase in sales volumes reflecting higher consumer demand contributed to the improvement, which was also supported by the capitalization of cushion gas in storage in Q1 2005, compared to its accounting treatment as a loss in Q1 2004.

In both Q1 of 2005 and 2004 the actual import purchase price was lower than the import price calculated at the price setting. The surplus revenue, above the level prescribed in the regulation, will be paid into the Target Allocation for Energy Management, which is the source of residential gas price compensation, at the end of the year. According to MOL's calculation, a HUF 9.5 bn payment is expected related to Q1 2005 (HUF 0.9 bn less than in Q1 2004), and this was consequently booked as an expenditure in the operating results of the segment.

The average wholesale sales price was 12.3% higher in Q1 2005, compared to the price of Q1 2004, mainly due to a 14.7% and 15.3% increase in the gas fee charged to gas distribution companies and directly supplied customers, respectively, from January 15th 2005. At the same time, the capacity fee for gas distribution companies decreased by 2.5% from January 15th 2005. While the USD denominated import price increased by 32.7% compared to Q1 2004, the HUF denominated import price increased by only 17.9%, due to a 10.1% strengthening of HUF against the USD.

In Q1 2005 we sold 4.4 bn m³ of natural gas from import and 1.2 bn m³ from domestic production. Sales to gas distribution companies increased by 2.8% compared to Q1 2004, due to the colder winter. Sales to power plants increased by 12.5%, due to the recent start up of the Tatabánya Power Plant and the Pannon Thermal Power Plant. Industrial sales increased by 11.5% compared to Q1 2004, due to higher sales on the competitive market to meet the growing demand from energy traders.

At the end of Q1 2005 the volume of mobile natural gas in stock was 43.0% higher compared to the volume in stock at the end of Q1 2004, as a consequence of the higher opening stock of January following milder weather in December 2004.

The revenue from gas transit in Q1 2005 was HUF 3.6 bn compared to HUF 3.4 bn in Q1 2004, in spite of a 1.1% decrease in volumes transmitted to Serbia and Bosnia.

Pursuant to the new gas business regulation, from January 1st 2004, all non residential consumers are entitled to leave the public utility supply market. In 2005 Q1 there was no additional migration from public utility supply to the competitive market. In Q1 2005, MOL sales on the competitive market increased by 27.0% to 94.1 Mm³.

Segment capital expenditure increased significantly, in large part due to investment to further improve the security of supply and the qualification of cushion gas as a tangible asset.

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



Petrochemicals

Segment IFRS results

FY 2004		Petrochemicals	Q1 2004		Q1 2005		Change %	
HUF bn	USD m		HUF bn	USD m	HUF bn	USD m	HUF	USD
31.2	154.0	EBITDA	6.6	31.7	13.0	69.5	98	119
18.9	93.3	Operating profit/(loss)	3.8	18.3	9.6	51.3	156	181
57.5	283.8	CAPEX and investments ¹	14.7	70.7	1.1	5.9	(93)	(92)

Key segmental operating data

FY 2004	PETROCHEMICAL SALES BY PRODUCT GROUP		Kt	Q1 2004	Q1 2005	Change %
185	Olefin products			46	54	17
872	Polymer products			215	224	4
FY 2004	PETROCHEMICAL SALES (external)		Kt	Q1 2004	Q1 2005	Change %
430	Hungary			106	105	(1)
77	Slovakia			17	14	(18)
550	Other markets			138	159	15
1,057	TOTAL PETROCHEMICAL PRODUCT SALES			261	278	7

The operating profit of the Petrochemical segment was HUF 9.6 bn in the first quarter of 2005, which represents a 156% increase y-o-y, due to increasing sales volumes from new capacities, developing commercial performance, the more favourable external environment and continuously improving operational efficiency. The latter was also demonstrated by a 5% decrease in closing headcount, compared to Q1 2004, in spite of growing capacities.

The performance of the segment was positively influenced by favourable external factors. While the naphtha price increased by 36% in USD y-o-y, it was compensated by the 31-38% growth in polymer quotations and the strengthening of the EUR against the USD, therefore the integrated petrochemical margin increased by 42%. The spread between PE products and feedstock quotations increased by between 38-50%, while in the case of PP products the margin increased by 13-17%.

In Q1 2005 polymer sales volumes increased by 4% to 224 kt, compared to the same period last year. The most significant growth was in HDPE products, mainly as a result of the new HDPE plant start-up at TVK. The portion of HDPE sales rose to 30%, beside LDPE (30%) and PP (40%) products.

Hungarian polymer sales decreased by 7 kt to 52 kt, and the estimated MOL Group market shares were 45%, 41% and 69% in the Hungarian LDPE, HDPE and PP markets. In Slovakia polymer sales decreased by 3 kt and our estimated market shares were 68% and 37% in LDPE and PP markets. The decrease in domestic market sales was the result of a new commercial strategy focusing on end-users with more favourable margins. The weight of export sales increased in our sales portfolio due to the new marketing strategy and improving commercial efficiency, as a result of single channel sales activity, mainly on Italian, French and German markets. As a result of these actions we increased our polymer export sales by 20 kt. Sales of olefin products also increased by 17% y-o-y, due to the start-up of the new olefin plant at TVK.

In Q1 2005, capital expenditure decreased compared to 2004, as TVK's new plants were completed last year. 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 new PP plant was mechanically completed in the first quarter, and the test run is in progress. 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.



Financial overview

Changes in accounting policies and estimates

Changes in IFRS effective from 1 January 2005 were adopted by the Group and their impact is reflected in the Q1 Flash Report. Apart from some minor modifications in the current policies and disclosures, major changes are summarized as follows.

IFRS 2 –Share-based Payment requires an expense to be recognised where the Group buys goods or services in exchange for shares or rights over shares, or in exchange for other assets equivalent in value to a given number of shares or rights over shares. The main impact of IFRS 2 on the Group is the expensing of directors' share conversion rights included in the convertible bond program, being a long-term incentive (qualifying as an equity-settled transaction). The effect of the adoption of IFRS 2 on the current quarter net profit of the Group is HUF 0.3 bn. Prior periods have been restated as required by the standard, with an impact of HUF 0.2 bn and HUF 0.9 bn on the comparative net profit of 2004 Q1 and 2004 full year, respectively.

In accordance with the transitional requirements of IFRS 3 – Business Combinations, previously recorded negative goodwill on acquisitions prior to 31 March 2004 have been reclassified into opening retained earnings as of 1 January 2005. Moreover, amortization of goodwill of entities acquired before 31 March 2004 ceased as of 1 January 2005, being replaced by annual impairment tests on the carrying amount of goodwill, based on the value-in-use of the cash generating units the goodwill belongs to or is allocated to, in accordance with the revised IAS 36 – Impairment of Assets.

In accordance with the amendments of IAS 39 – Financial Instruments: Recognition and Measurement, fair value changes of financial instruments available for sale are recorded directly in equity, except for those financial instruments which are specifically designed at inception by the Group to be fair valued through profit and loss.

Amendments required by the IAS 16 – Property, Plant and Equipment standard, have no significant impact on the 2005 Q1 reported Group figures. The implementation of these changes is prospective, as requested by the revised standard.

Operations

In Q1 2005, Group net sales revenues increased by 21% to HUF 571.2 bn, primarily reflecting increased volumes and average selling prices of refining products and natural gas. Group sales to customers outside Hungary reached HUF 220.2 bn, representing 39% of total sales. The value of raw materials and consumables used increased by 23%, slightly above the growth rate of sales. Within this, raw material costs increased by 35%, primarily as a result of the sharp increase in crude oil import prices and the increased quantity of crude oil processed. Cost of goods sold increased by 13%, mainly as a consequence of higher gas sales volume to public utility wholesale companies and industrial customers, representing HUF 11.4 bn. The value of material-type services used increased by 19% to HUF 25.9 bn. Other operating expenses increased by 21% to HUF 56.9 bn, primarily as a result of increased Hungarian mining royalty and production and export based taxes in Russia, of HUF 1.7 bn and HUF 3.2 bn, respectively. Personnel expenses for the period increased by 13%, reflecting an additional HUF 2.5 bn severance payment redemption charge, which was not recognised in the earlier provision established for this event, and the average salary increase of 7%. Out of the production costs incurred in the current period, HUF 49.6 bn is attributable to the increase in the level of finished goods inventory and work in progress, as opposed to the HUF 20.1 bn in Q1 2004.

A net financial expense of HUF 9.0 bn was recorded in Q1 2005 compared to a net financial gain of HUF 4.2 bn in Q1 2004, mainly due to the foreign exchange loss of HUF 5.7 bn incurred in the period compared to the foreign exchange gain of HUF 10.7 bn recognised in Q1 2004. Income from associates was HUF 1.1 bn, including INA's Q1 2005 contribution of HUF 1.0 bn (net of additional depreciation on assets revalued to their fair value). Despite the tax allowance of MOL Rt. and TVK Rt., corporate tax expense increased to HUF 10.2 bn in Q1 2005, reflecting the current tax contribution of Slovnaft (at 19%) and the gas companies (at 16%), of HUF 3.3 bn and HUF 4.2 bn respectively, as well as the corporate tax payable on the profit of the ZMB project (HUF 0.9 bn).



Balance sheet

Total assets amounted to HUF 1,649.5 bn at the end of March 2005, representing an increase of 15%. Within this, Property, plant and equipment increased by 9%, reflecting petrochemical capital expenditure at TVK and Slovnaft, EU 2005 quality investment in refining and capital expenditure at the ZMB project. Intangible assets include goodwill of HUF 6.0 bn arising from the acquisition of Roth Group. As a consequence of the transitional requirements of IFRS 3 (see above), HUF 27.6 bn negative goodwill has been reclassified into Reserves, recognised on the acquisition of remaining Slovnaft shares, following the completion of the public offer in early 2004. Long-term debt including long-term debt repayable within one year decreased by 23%, as an effect of net repayments during the interim period. Trade and other payables increased by 48% to HUF 368.5 bn, reflecting primarily our increased organic capital expenditure, working capital needs and outstanding taxes payable. Additionally, the option structure connected to the "A" shares transferred as a consideration for the shares of Slovnaft in Q2, 2003 will expire within a year, consequently the relevant liability has been reclassified from Other non-current liabilities to Trade and other payables. The total amount of provisions was HUF 74.6 bn at the end of Q1 2005 representing a decrease compared to Q4 2004 as a result of the release of provisions for the redemption of extra severance payments. Short-term debt (excluding the current portion of long-term debt) was HUF 64.1 bn, a decrease of 45% over the year, reflecting our improved liquidity. As at 31 March 2005, 67% of the MOL Group's total debt was denominated in Euro, 21% in USD and 12% in HUF. At the end of March 2005, MOL's gearing (net debt to net debt plus shareholders' equity plus minority interests) was 20% compared with 35% at the end of March 2004.

Changes in contingencies and commitments

There is no significant change in the value of capital contractual commitments due to the completion of EU-2005 and Petrochemical Development Project construction. Obligations resulting from litigation in which the Group acts as defendant, and those cases in which MOL Group has filed suits did not change significantly in Q1 2005 compared to the amounts reported in the 2004 Annual Report of MOL Group. The procedure against Slovnaft in respect of the fuel price audit performed in November 2004 has been extended by the Slovak Ministry of Finance until May 21, 2005.

Cash flow

Operating cash flow in Q1 2005 was HUF 97.1 bn, a 2% increase compared to the 2004 Q1 figure. Operating cash flow before movements in working capital increased by 37%. The change of working capital position decreased funds by HUF 10.8 bn, arising from an increase in other receivables and other current liabilities (HUF 0.5 bn and HUF 9.6 bn) and a decrease in inventories, accounts receivable and accounts payable (HUF 0.3 bn, HUF 5.0 bn and 25.3 bn). Corporate taxes paid amounted to HUF 11.9 related to cash outflow of Slovnaft's corporate tax liabilities arising in 2004 and prepayments for 2005.

Net cash used in investing activities was HUF 47.7 bn compared with HUF 86.1 bn in Q1 2004, reflecting mainly acquisitions made in the period. Organic CAPEX decreased significantly compared to the Q1 2004 due the finalization of the strategic petrochemical project at Slovnaft and TVK. The Q1 2005 CAPEX figure also includes the consideration paid for Shell Romania, while the comparative figure of 2004 contains our further acquisition of shares in Slovnaft and TVK. Net financing cash outflows amounted to HUF 81.8 bn, being mainly the result of the net repayment of long-term debt and the HUF 2.6 bn consideration paid for treasury shares.



APPENDIX I

**CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE MOL GROUP PREPARED
IN ACCORDANCE WITH IFRS
FOR THE PERIOD ENDED 31 MARCH 2005
Unaudited quarterly figures (in HUF millions)**

FY 2004	Q1 2004	Q1 2005	Ch. %
1,955,830 Net sales	472,757	571,229	21
16,126 Other operating income	3,823	3,141	(18)
1,971,956 Total operating revenues	476,580	574,370	21
734,969 Raw material costs	160,219	215,747	35
107,538 Value of material-type services used	21,736	25,905	19
503,424 Cost of goods purchased for resale	164,424	185,351	13
<i>1,345,931 Raw material and consumables used</i>	<i>346,379</i>	<i>427,003</i>	<i>23</i>
123,295 Personnel expenses	22,319	25,184	13
108,559 Depreciation, depletion, amortisation and impairment	24,789	26,887	8
191,748 Other operating expenses	47,105	56,864	21
(18,994) Change in inventory of finished goods & work in progress	(20,122)	(49,642)	147
(27,283) Work performed by the enterprise and capitalised	(5,711)	(3,499)	(39)
1,723,256 Total operating expenses	414,759	482,797	16
248,700 Operating profit	61,821	91,573	48
4,147 Interest received	1,383	993	(28)
260 Dividends received	-	-	n.a.
32,078 Exchange gains and other financial income	11,137	922	(92)
36,485 Total financial income	12,520	1,915	(85)
16,784 Interest on borrowings	5,395	3,220	(40)
4,988 Interest on provisions	1,294	1,162	(10)
403 Write-off of financial investments	-	-	n.a.
9,155 Exchange losses and other financial expenses	1,644	6,496	295
31,330 Total financial expense	8,333	10,878	31
(5,155) Financial expense/(gain), net	(4,187)	8,963	n.a.
7,985 Income from associates	201	1,090	442
261,840 Profit before tax	66,209	83,700	26
47,817 Income tax expense	12,075	10,195	(16)
214,023 Profit after tax	54,134	73,505	36
(5,589) Minority interests ¹	(2,387)	(2,465)	3
208,434 Net income	51,747	71,040	37
2,021 Basic earnings per share (HUF)	499	689	38
1,997 Diluted earnings per share (HUF)	494	681	38

¹MOL's share in TVK's profits was calculated observing the 44.3% shareholding in the first quarter of 2004. 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 MARCH 2005

Unaudited quarterly figures (in HUF millions)

31 Dec 2004		31 March 2004	31 March 2005	Change %
Assets				
Non-current assets				
5,401	Intangible assets	(3,500)	28,837	n.a.
925,069	Property, plant and equipment	853,513	927,263	9
118,167	Investments	116,902	142,471	22
36,210	Deferred tax asset	47,593	34,439	(28)
16,538	Other non-current assets	18,068	14,950	(17)
1,101,385	Total non-current assets	1,032,576	1,147,960	11
Current assets				
172,450	Inventories	117,883	174,706	48
218,950	Trade receivables, net	166,869	214,345	28
-	- Marketable securities	6,562	680	(90)
53,969	Other current assets	58,489	55,373	(5)
88,126	Cash and cash equivalents	52,757	56,419	7
533,495	Total current assets	402,560	501,523	25
1,634,880	Total assets	1,435,136	1,649,483	15
Liabilities and shareholders' equity				
Shareholders' equity				
94,634	Share capital ¹	91,325	94,466	3
431,749	Reserves	425,222	672,372	58
208,434	Net income for the period	51,747	71,040	37
734,817		568,294	837,878	47
68,020	Minority interest	65,833	70,540	7
802,837	Total equity	634,127	908,418	43
Non-current liabilities				
199,893	Long-term debt, net of current portion	218,916	147,373	(33)
53,647	Provisions for liabilities and charges	52,458	54,443	4
12,995	Deferred tax liability	13,690	12,987	(5)
53,181	Other non-current liabilities	62,522	6,333	(90)
319,716	Total non-current liabilities	347,586	221,136	(36)
Current liabilities				
318,918	Trade and other payables	248,311	368,462	48
46,038	Provisions for liabilities and charges	27,630	20,125	(27)
54,384	Short-term debt	116,939	64,141	(45)
92,987	Current portion of long-term debt	60,543	67,201	11
512,327	Total current liabilities	453,423	519,929	15
1,634,880	Total liabilities and shareholders' equity	1,435,136	1,649,483	15

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 MARCH 2005
 Unaudited quarterly figures (in HUF millions)

	Share capital	Share premium	Fair valuation reserve	Translation reserve	Equity component of compound debt instruments	Retained earnings	Total reserves	Net income	Total	Minority interest
Opening balance 1 January 2004	93,128	145,157	7,832	8,606	2,857	166,308	330,760	99,981	523,869	155,752
Effect of IFRS 2 (Cost of share-based payment)	-	-	-	-	234	-	234	(234)	-	-
Modified opening balance 1 January 2004	93,128	145,157	7,832	8,606	3,091	166,308	330,994	99,747	523,869	155,752
Transfer to reserves of retained profit for the previous year	-	-	-	-	-	99,747	99,747	(99,747)	-	-
Net change in balance of treasury shares held	(1,803)	(5,734)	-	-	-	-	(5,734)	-	(7,537)	-
Cash flow hedges	-	-	(1,103)	-	-	-	(1,103)	-	(1,103)	-
Currency translation differences	-	-	-	(10,092)	-	-	(10,092)	-	(10,092)	(179)
Cost of share-based payment	-	-	-	-	175	-	175	-	175	-
Slovnaft acquisition	-	7,555	-	-	3,680	-	11,235	-	11,235	-
Business combinations	-	-	-	-	-	-	-	-	-	(92,127)
Retained profit for the period	-	-	-	-	-	-	-	51,747	51,747	2,387
Closing balance 31 March 2004	91,325	146,978	6,729	(1,486)	6,946	266,055	425,222	51,747	568,294	65,833
Opening balance 1 January 2005	94,634	151,764	8,387	(3,184)	14,445	260,337	431,749	208,434	734,817	68,020
Effect of IFRS 3 (transfer of previously recorded negative goodwill to retained earnings)	-	-	-	-	-	27,634	27,634	-	27,634	-
Effect of IFRS 3 – associated companies	-	-	-	-	-	365	365	-	365	-
Modified opening balance 1 January 2005	94,634	151,764	8,387	(3,184)	14,445	288,336	459,748	208,434	762,816	68,020
Transfer to reserves of retained profit for the previous year	-	-	-	-	-	208,434	208,434	(208,434)	-	-
Net change in balance of treasury shares held	(168)	(2,400)	-	-	-	-	(2,400)	-	(2,568)	-
Cash flow hedges	-	-	23	-	-	-	23	-	23	-
Fair value changes of financial instruments – associated companies	-	-	(789)	-	-	-	(789)	-	(789)	-
Currency translation reserve	-	-	-	9,186	-	-	9,186	-	9,186	55
Cost of share-based payment	-	-	-	-	282	-	282	-	282	-
Slovnaft acquisition	-	-	-	-	(2,112)	-	(2,112)	-	(2,112)	-
Retained profit for the period	-	-	-	-	-	-	-	71,040	71,040	2,465
Closing balance 31 March 2005	94,466	149,364	7,621	6,002	12,615	496,770	672,372	71,040	837,878	70,540



APPENDIX IV

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE MOL GROUP PREPARED IN
ACCORDANCE WITH IFRS
FOR THE PERIOD ENDED 31 MARCH 2005
Unaudited quarterly figures (in HUF millions)**

FY 2004	Q1 2004	Q1 2005	Ch. %
248,700 Profit from operations	61,821	91,573	48
<i>Adjustments to reconcile operating profit to net cash provided by operating activities</i>			
107,244 Depreciation, depletion, amortisation and impairment	24,583	26,887	9
400 Net unrealised loss recorded on financial instruments	-	350	-
1,062 Write-off/(reversal of write-off) of inventories	386	(138)	n.a.
502 Impairment losses recognised due to damages	30	110	267
(363) Reversal of impairment losses on PP&E	-	(301)	-
12,445 Increase/(decrease) in provisions	(3,249)	(1,455)	(55)
(875) Net (gain)/loss on sale of fixed assets	(393)	2	n.a.
8,547 Exploration and development costs expensed during the year	3,471	2,539	(27)
891 Cost of share-based payment	175	282	61
(559) Other non cash items	316	(47)	n.a.
377,994 Operating cash flow before changes in working capital	87,140	119,802	37
(16,281) (Increase) / decrease in inventories	37,664	348	(99)
(47,930) (Increase) / decrease in accounts receivable	(1,022)	5,045	n.a.
(5,284) Increase in other receivables	(16,539)	(520)	(97)
19,736 Increase / (decrease) in accounts payable	(41,161)	(25,267)	(39)
14,433 Increase in other current liabilities	30,789	9,563	(69)
(18,287) Corporate taxes paid	(1,828)	(11,900)	551
324,381 Net cash provided by operating activities	95,043	97,071	2
(185,336) Capital expenditures, exploration and development costs	(39,165)	(24,144)	(38)
2,947 Proceeds from disposals of fixed assets	1,208	394	(67)
(71,701) Acquisition of subsidiaries, net cash	(67,767)	(25,383)	(63)
(507) Acquisition of joint ventures, net cash	-	(712)	-
(1,987) Acquisition of other investments	-	-	-
13,956 Proceeds from disposal of investments	11,661	-	-
586 Changes in loans given and long-term bank deposits	2,155	355	(84)
9,111 Changes in short-term investments	3,528	(320)	n.a.
6,283 Interest received and other financial income	2,262	2,092	(8)
1,837 Dividends received	-	-	-
(224,811) Net cash used in investing activities	(86,118)	(47,718)	(45)
1,800 Issuance of long term notes	-	-	-
(33,000) Repayment of zero coupon notes	(30,000)	-	-
195,476 Long-term debt drawn down	24,344	37,076	52
(238,272) Repayments of long-term debt	(88,741)	(119,634)	35
71 Changes in other long term liabilities	718	(316)	n.a.
23,845 Changes in short-term debt	78,573	6,615	(92)
(19,577) Interest paid and other financial costs	(4,950)	(2,980)	(40)
(5,954) Dividends paid to shareholders	-	-	-
(814) Dividends paid to minority interest	-	(3)	-
936 Sale of treasury shares	180	38	(79)
(168) Repurchase of treasury shares	(162)	(2,605)	1,508
(75,657) Net cash provided by financing activities	(20,038)	(81,809)	308
23,913 Increase/(decrease) in cash and cash equivalents	(11,113)	(32,456)	192
62,841 Cash at the beginning of the period	62,841	88,126	40
1,185 Cash effect of consolidation of subsidiaries previously accounted for as other investment	1,185	-	-
187 Exchange differences on the consolidation of foreign subsidiaries	(156)	749	n.a.
88,126 Cash at the end of the period	52,757	56,419	7



APPENDIX V

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

FY 2004	NET EXTERNAL SALES REVENUES ¹	Q1 2004	Q1 2005	Ch. %
40,328	Exploration and Production	6,136	3,727	(39)
1,183,106	Refining and Marketing	217,016	266,867	23
530,344	Natural Gas	204,537	238,846	17
197,539	Petrochemicals	44,144	60,453	37
4,513	Corporate and other	924	1,336	45
1,955,830	TOTAL	472,757	571,229	21

FY 2004	OPERATING PROFIT ¹	Q1 2004	Q1 2005	Ch. %
54,144	Exploration and Production	11,959	16,934	42
158,857	Refining and Marketing	23,634	37,470	59
64,838	Natural Gas	20,930	30,444	45
18,911	Petrochemicals	3,756	9,633	156
(52,087)	Corporate and other	(5,622)	(13,192)	135
4,037	Intersegment transfers ²	7,164	10,284	44
248,700	TOTAL	61,821	91,573	48

FY 2004	PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES ACQUIRED	Q1 2004	Q1 2005	Ch. %
22,820	Exploration and Production	3,691	3,361	(9)
71,729	Refining and Marketing	7,802	6,835	(12)
13,982	Natural Gas	213	4,483	2,005
57,834	Petrochemicals	14,608	1,185	(92)
9,676	Corporate and other	309	949	207
176,041	TOTAL	26,623	16,813	(37)

FY 2004	DEPRECIATION	Q1 2004	Q1 2005	Ch. %
22,581	Exploration and Production	5,595	6,442	15
56,173	Refining and Marketing	11,761	12,895	10
6,594	Natural Gas	2,294	1,533	(33)
12,292	Petrochemicals	2,800	3,358	20
10,919	Corporate and other	2,339	2,659	14
108,559	TOTAL	24,789	26,887	8

31/12/2004	TANGIBLE ASSETS	31/03/2004	31/03/2005	Ch. %
92,917	Exploration and Production	97,691	95,761	(2)
465,134	Refining and Marketing	430,061	465,822	8
112,095	Natural Gas	103,045	115,034	12
193,538	Petrochemicals	166,099	189,494	14
61,385	Corporate and other	56,617	61,152	8
925,069	TOTAL	853,513	927,263	9

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. 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

FY 2004		Q1 2004	Q1 2005	Change %
38.3	Brent dated (USD/bbl)	32.0	47.6	49
34.5	Ural Blend (USD/bbl)	29.0	43.2	49
394.3	Premium unleaded gasoline 50 ppm (USD/t)*	332.2	430.2	30
382.7	Gas oil – ULSD (USD/t)*	299.9	462.3	54
373.4	Naphtha (USD/t)*	318.8	425.5	33
631	Ethylene (EUR/t)	580	740	28
408	Integrated petrochemical margin (EUR/t)	373	532	43
202.6	HUF/USD average	208.0	187.0	(10)
32.2	SKK/USD average	32.4	29.2	(10)
1.58	3m USD LIBOR (%)	1.07	2.78	160
2.11	3m EURIBOR (%)	2.06	2.14	4
11.31	3m BUBOR (%)	12.48	8.39	(33)
		Q4 2004	Q1 2005	Change %
	HUF/USD closing	180.3	190.8	6
	HUF/EUR closing	245.9	247.2	1

* FOB Rotterdam parity

APPENDIX VII

EXTRAORDINARY ANNOUNCEMENTS IN Q1 2005

Announcement date	
4 January	MOL signed a purchase agreement to increase its ownership to 100% in MOL Austria Handels GmbH
6 January	Mr Ray Leonard has joined MOL to lead its international upstream activities
10 January	New oil and gas discovery in Pakistan
18 January	Alliance Capital Management L.P. change in influence
20 January	MOL has concluded a long-term supply agreement with Lukoil
31 January	Material factors affecting MOL Group earnings
23 February	MOL increased stake in prospective Kazakh exploration block and takes over operations for the exploration phase
24 February	Sale of treasury share
25 February	Purchase of treasury shares
3 March	Organisational changes in MOL Exploration and Production Division
17 March	Order to purchase treasury shares
17,21,22,23,29,30 and 31 March	Purchase of treasury shares
29 March	Personnel change at MOL



APPENDIX VIII

SHAREHOLDER STRUCTURE (%) AND TREASURY SHARES

Shareholder groups	31 Dec 2003	31 March 2004	30 June 2004	30 Sept 2004	31 Dec 2004	31 March 2005
Foreign investors (mainly institutional)	36.4	50.7	54.1	56.2	56.0	56.6
OMV	9.1	9.1	9.1	9.1	10.0	10.0
Slovbena, Slovintegra	9.8	8.0	8.0	8.0	8.0	7.7
ÁPV Rt. (Hungarian State Privatisation and Holding Company)	22.7	11.8	11.8	11.8	11.8	11.8
Hungarian institutional investors	9.5	5.7	4.9	4.1	4.2	4.0
Depositories (mainly Hung. private investors)	8.4	9.5	7.2	5.9	5.1	4.6
MOL Rt. (treasury shares)	4.0	5.1	4.9	4.9	4.9	5.3
Unregistered shares	0.1	0.1	0.0	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 March 2005: JP Morgan Chase Bank, the depository bank for MOL's GDR programme, which had 14.6%, Slovbena-Slovintegra having 8.2%, and OMV having 10 % influence over MOL.

On 13 September 2004 "The Capital Group Companies, Inc." announced that it owned 5,713,830 ordinary shares. On 16 December 2004 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 at the end of the period increased by 439,086 from 5,337,439 to 5,776,525 as a result of a purchasing shares both from Slovintegra Slovbena and other investors on the Budapest Stock Exchange and the exercise of a call option by a former MOL 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:

From 1 March 2005, MOL's Exploration and Production Division operates under a new organisational structure. The aim of the new organisational and operational concept is to provide a solid base for the future success in the area of international growth. The change includes the creation of four major sectors under the direct control of the Exploration and Production Managing Director: Upstream Portfolio Development, International Exploration and Production, Central European E&P and Technology and Operations Centre. Upstream Portfolio Development, following the closing of the transaction of the gas business partnership, will supervise MOL's midstream natural gas portfolio.

From 1 April 2005, Dr. József Szórád relinquished his position as Managing Director of the Retail Services division. Dr Szórád continues his work at MOL as a chief advisor to the Chairman-CEO. Mr. Slavomir Jankovic, previously the manager of MOL's retail business in the Southern Region, has been appointed to the position of acting Managing Director of the Retail Services division from 1 April, 2005.