

**MOL Hungarian Oil and GAS Public Limited  
Company**

Annual Financial Statements

31 December 2013

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## **This is a translation of the Hungarian Report**

### **Independent Auditors' Report**

To the Shareholders of  
MOL Hungarian Oil and GAS Public Limited Company

#### **Report on financial statements**

1.) We have audited the accompanying 2013 annual financial statements of MOL Hungarian Oil and GAS Public Limited Company ("the Company"), which comprise the balance sheet as at 31 December 2013 - showing a balance sheet total of HUF 3,058,809 million, and a loss for the year of HUF 77,658 million, the related profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

#### **Management's responsibility for the financial statements**

2.) Management is responsible for the preparation and presentation of financial statements that give a true and fair view in accordance with the Hungarian Accounting Law, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' responsibility**

3.) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5.) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

6.) In our opinion the annual financial statements give a true and fair view of the equity and financial position of MOL Hungarian Oil and GAS Public Limited Company as at 31 December 2013 and of the results of its operations for the year then ended in accordance with the Hungarian Accounting Law.

#### **Emphasis of matter**

7.) We draw attention to note Note 3.4.6 in the supplementary notes to the financial statements describing that the Company departed from § 41. (1) of the 2000. C. accounting law based on its allowance described in § 4. (4) in order to harmonise field abandonment provisioning with the international industry practice. Our opinion is not modified in respect of this matter.

#### **Other matters**

8.) This independent auditor's report has been issued for consideration by the forthcoming shareholders' meeting for decision making purposes and, as such, does not reflect the impact, if any, of the resolutions to be adopted at that meeting.

#### **Other reporting requirement- Report on the business report**

9.) We have reviewed the business report of MOL Hungarian Oil and GAS Public Limited Company for 2013. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Law. Our responsibility is to assess whether the business report is consistent with the financial statements for the same financial year. Our work regarding the business report has been restricted to assessing whether the business report is consistent with the financial statements and did not include reviewing other information originated from non-audited financial records. In our opinion, the business report of MOL Hungarian Oil and GAS Public Limited Company for 2013 corresponds to the disclosures in the 2013 financial statements of MOL Hungarian Oil and GAS Public Limited Company.

### **Other reporting requirement- Report on the Unbundling of the activities**

10.) In accordance with section 105A/(1) of act LXXXVI of 2007 on Electric Energy we have examined note 48 to the accounts which presents Unbundling of the activities to the financial statements of the Company for 2013.

Management is responsible for development and application of the accounting policies pertaining to unbundling, for pricing the various activities to ensure that various activities are free from cross financing and for the separate presentation of unbundled activities in the notes to the financial statements in accordance with section 105/(2)-(4) of act LXXXVI of 2007 on Electric Energy.

Our responsibility is to express a conclusion on information included in note 48. We performed our limited assurance engagement in accordance with Hungarian National Standard on Assurance Engagements. Those standards require that we comply with ethical requirements and plan and perform the limited assurance engagement in order to obtain a limited assurance that the Company meets the requirements on cross financing and separate presentation of unbundled activities contained in the Hungarian Accounting law and the guidance of the Hungarian Energy Office. The evidence-gathering procedures are more limited than for a reasonable assurance engagement, and that therefore less assurance is obtained than in a reasonable assurance engagement. We have also not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accounting policies applied by the Company and the information included in note 48, in all material respects, are not in line with the Hungarian Accounting law with section 105/(2)-(4) of act LXXXVI of 2007 on Electric Energy and the guidance of the Hungarian Energy Office related to unbundling and elimination of cross financing between activities.

Budapest, 20 March 2014

**(The original Hungarian language version has been signed)**

Havas István  
Ernst & Young Kft.  
Registration No.: 001165

Bartha Zsuzsanna  
Registered auditor  
Chamber membership No.: 005268

**Statistical code: 10625790-1920-114-01**  
**Company registration number: 01-10-041683**

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**

**1117 Budapest, Október huszonharmadika u. 18.**

**2013**

**Annual Report  
(without dividend)**

  
**József Molnár**  
**Chief Executive  
Officer**

  
**József Simola**  
**Executive Vice  
President for Finance**

  
**Krisztina Dorogházi**  
**MOL Hungary  
Financial Director**

*Budapest, March 20, 2014*

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Balance sheet for the year ending on 31 December 2013**

Statistical code: 10625790-1920-114-01  
 Company registration number: 01-10-041683

data in HUF million

Code	Description	Previous year	Current year
<b>A.</b>	<b>NON-CURRENT ASSETS</b>	<b>2,231,013</b>	<b>2,100,190</b>
<b>I.</b>	<b>INTANGIBLE ASSETS</b>	<b>29,982</b>	<b>32,432</b>
1.	Capitalised cost of foundation and restructuring	724	967
2.	Capitalised research and development cost	3,223	2,950
3.	Property rights	10,749	12,683
4.	Intellectual property	2,089	3,136
5.	Goodwill	13,197	12,696
6.	Advances on intellectual property	0	0
7.	Revaluation of intangible assets	0	0
<b>II.</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>286,448</b>	<b>281,647</b>
1.	Land and building and related property rights	165,272	155,718
2.	Plant, machinery and vehicles	71,935	66,713
3.	Other equipment, fixtures and vehicles	5,087	5,480
4.	Livestock	0	0
5.	Assets under construction	44,154	53,735
6.	Advances on assets under construction	0	1
7.	Revaluation of property, plant and equipment	0	0
<b>III.</b>	<b>NON-CURRENT FINANCIAL INVESTMENTS</b>	<b>1,914,583</b>	<b>1,786,111</b>
1.	Long-term investments	1,434,374	1,362,409
2.	Long-term loans to related parties	349,911	300,351
3.	Other long-term investments	119,745	118,225
4.	Long-term loans to other investments	10,552	5,118
5.	Other long-term loans	1	8
6.	Long-term debt securities	0	0
7.	Revaluation of financial investments	0	0
8.	Fair valuation difference of financial investments	0	0

Budapest, March 20, 2014

  
**József Molnár**  
 Chief Executive Officer

  
**József Simola**  
 MOL Group Executive  
 Vice President for  
 Finance

  
**Krisztina Dorogházi**  
 MOL Hungary Financial  
 Director

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Balance sheet for the year ending on 31 December 2013**

Statistical code: 10625790-1920-114-01  
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data in HUF million

Code	Description	Previous year	Current year
<b>B.</b>	<b>CURRENT ASSETS</b>	<b>782,136</b>	<b>937,065</b>
<b>I.</b>	<b>INVENTORIES</b>	<b>167,863</b>	<b>165,203</b>
1.	Raw materials and consumables	57,368	61,585
2.	Unfinished production and semi-finished products	45,255	44,364
3.	Grown, fattened and other livestock	0	0
4.	Finished products	54,913	49,004
5.	Merchandises	10,327	10,250
6.	Advances on stocks	0	0
<b>II.</b>	<b>RECEIVABLES</b>	<b>290,273</b>	<b>284,411</b>
1.	Receivables from the supply of goods and services (customers)	96,793	82,770
2.	Receivables from related parties	133,520	78,306
3.	Receivables from other investments	0	1
4.	Receivables from bills of exchange	0	0
5.	Other receivables	41,949	109,006
6.	Fair valuation difference of receivables	0	0
7.	Positive valuation difference of derivative transactions	18,011	14,328
<b>III.</b>	<b>SECURITIES</b>	<b>115,180</b>	<b>38,514</b>
1.	Investments in related parties	402	825
2.	Other investments	0	0
3.	Treasury shares	85,798	31,085
4.	Debt securities for trading purposes	28,980	6,604
5.	Fair valuation difference of securities	0	0
<b>IV.</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>208,820</b>	<b>448,937</b>
1.	Cash and cheques	1,813	1,377
2.	Bank accounts	207,007	447,560
<b>C.</b>	<b>PREPAYMENTS</b>	<b>20,093</b>	<b>21,554</b>
1.	Accrued income	5,778	7,551
2.	Prepaid cost and expenses	14,315	14,003
3.	Deferred expenses	0	0
<b>TOTAL ASSETS</b>		<b>3,033,242</b>	<b>3,058,809</b>

Budapest, March 20, 2014

  
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**József Simola**  
 MOL Group Executive  
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Code	Description	Previous year	Current year
<b>D.</b>	<b>SHAREHOLDERS' EQUITY</b>	<b>1,853,512</b>	<b>1,774,055</b>
I.	SHARE CAPITAL	104,519	104,519
	Of which: treasury shares at nominal value	5,148	2,485
II.	REGISTERED BUT UNPAID CAPITAL (-)	0	0
III.	SHARE PREMIUM	223,866	223,866
IV.	RETAINED EARNINGS	1,414,526	1,476,077
V.	TIED-UP RESERVE	98,222	45,912
VI.	VALUATION RESERVE	3,138	1,339
1.	Revaluation adjustment reserve	0	0
2.	Fair valuation reserve	3,138	1,339
VII.	NET INCOME FOR THE PERIOD	9,241	(77,658)
<b>E.</b>	<b>PROVISIONS</b>	<b>144,646</b>	<b>132,069</b>
1.	Provisions for expected liabilities	144,646	132,069
2.	Provisions for future expenses	0	0
3.	Other provisions	0	0
<b>F.</b>	<b>LIABILITIES</b>	<b>1,012,402</b>	<b>1,128,937</b>
<b>I.</b>	<b>SUBORDINATED LIABILITIES</b>	<b>0</b>	<b>0</b>
1.	Subordinated liabilities to related parties	0	0
2.	Subordinated liabilities to other investment	0	0
3.	Subordinated liabilities to third parties	0	0
<b>II.</b>	<b>LONG-TERM LIABILITIES</b>	<b>641,185</b>	<b>599,691</b>
1.	Long-term loans	0	0
2.	Convertible bonds	0	0
3.	Liability from bond issue	447,935	445,365
4.	Liabilities from capital investment and development loans	0	0
5.	Liabilities from other long-term loans	84,139	47,818
6.	Long-term liabilities to related parties	108,809	106,217
7.	Long-term liabilities to other investments	0	0
8.	Other long-term liabilities	302	291

Budapest, March 20, 2014

  
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**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Balance sheet for the year ending on 31 December 2013**

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data in HUF million

Code	Description	Previous year	Current year
<b>III.</b>	<b>SHORT-TERM LIABILITIES</b>	<b>371,217</b>	<b>529,246</b>
1.	Short-term borrowings	0	11,000
	Of which: convertible bonds	0	0
2.	Short-term loans	30,241	42,159
3.	Advances from customers	429	1,008
4.	Liabilities from the supply of goods and services (suppliers)	106,324	152,729
5.	Bills of exchange	0	0
6.	Short-term liabilities to related parties	78,327	115,572
7.	Short-term liabilities to other investments	4	3
8.	Other short-term liabilities	103,549	94,974
9.	Fair valuation difference of liabilities	0	0
10.	Negative valuation difference of derivative transactions	52,343	111,801
<b>G.</b>	<b>ACCRUALS</b>	<b>22,682</b>	<b>23,748</b>
1.	Deferred revenues	472	745
2.	Accrued cost and expenses	19,306	20,651
3.	Other deferred income	2,904	2,352
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,033,242</b>	<b>3,058,809</b>

Budapest, March 20, 2014

  
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**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Income Statement for the year ending on 31 December 2013**

Statistical code: 10625790-1920-114-01  
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data in HUF million

Code	Description	Previous year	Current year
01.	Net domestic sales revenue	1,920,260	1,880,460
02.	Net export sales revenue	609,259	589,169
<b>I.</b>	<b>NET SALES REVENUES</b>	<b>2,529,519</b>	<b>2,469,629</b>
03.	Changes in own produced inventory	(16,643)	(6,800)
04.	Work performed by the enterprise and capitalised	9,356	10,404
<b>II.</b>	<b>CAPITALISED OWN PERFORMANCE</b>	<b>(7,287)</b>	<b>3,604</b>
<b>III.</b>	<b>OTHER OPERATING INCOME</b>	<b>29,418</b>	<b>41,498</b>
	of which: reversed impairment	1	4
05.	Raw material costs	1,417,852	1,380,678
06.	Value of services used	92,566	93,742
07.	Other services	199,612	169,313
08.	Cost of goods sold	205,841	295,462
09.	Value of services sold (intermediated)	5,132	3,968
<b>IV.</b>	<b>MATERIAL EXPENSES</b>	<b>1,921,003</b>	<b>1,943,163</b>
10.	Wages and salaries	39,816	40,764
11.	Other personnel expenses	5,976	6,423
12.	Tax and contributions	12,468	12,582
<b>V.</b>	<b>PERSONNEL EXPENSES</b>	<b>58,260</b>	<b>59,769</b>
<b>VI.</b>	<b>DEPRECIATION</b>	<b>49,555</b>	<b>45,702</b>
<b>VII.</b>	<b>OTHER OPERATING EXPENSES</b>	<b>413,076</b>	<b>382,660</b>
	of which: impairment	3,186	4,759
<b>A.</b>	<b>PROFIT OR LOSS FROM OPERATING ACTIVITIES</b>	<b>109,756</b>	<b>83,437</b>

Budapest, March 20, 2014

  
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**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Income Statement for the year ending on 31 December 2013**

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data in HUF million

Code	Description	Previous year	Current year
13.	Received (due) dividend	56,791	93,758
	of which: received from related parties	54,326	90,824
14.	Gain from the sale of investments	1,509	2,288
	of which: received from related parties	0	0
15.	Interest and exchange rate gains on financial investments	27,355	23,318
	of which: received from related parties	27,346	23,288
16.	Other received (due) interest and interest-type revenues	7,173	14,520
	of which: received from related parties	2,319	514
17.	Other revenues of financial transactions	137,398	108,838
	of which: fair valuation difference	49,056	33,046
<b>VIII.</b>	<b>TOTAL FINANCIAL INCOME</b>	<b>230,226</b>	<b>242,722</b>
18.	Exchange rate loss on financial investments	4,866	0
	of which: to related parties	0	0
19.	Interest and interest-type expenses	28,190	35,434
	of which: to related parties	2,921	8,454
20.	Impairment on investments, securities, bank deposits	20,646	160,898
21.	Other financial expenses	222,493	206,436
	of which: fair valuation difference	58,268	136,434
<b>IX.</b>	<b>TOTAL FINANCIAL EXPENSES</b>	<b>276,195</b>	<b>402,768</b>
<b>B.</b>	<b>FINANCIAL PROFIT OR LOSS</b>	<b>(45,969)</b>	<b>(160,046)</b>
<b>C.</b>	<b>ORDINARY BUSINESS PROFIT</b>	<b>63,787</b>	<b>(76,609)</b>
X.	Extraordinary revenues	1,596	21,284
XI.	Extraordinary expenses	4,125	21,628
<b>D.</b>	<b>EXTRAORDINARY PROFIT OR LOSS</b>	<b>(2,529)</b>	<b>(344)</b>
<b>E.</b>	<b>PROFIT BEFORE TAXATION</b>	<b>61,258</b>	<b>(76,953)</b>
XII.	Income tax	6,017	705
<b>F.</b>	<b>PROFIT AFTER TAXATION</b>	<b>55,241</b>	<b>(77,658)</b>
22.	Use of retained earnings for dividend	0	0
23.	Approved dividend and profit share	46,000	0
<b>G.</b>	<b>NET INCOME FOR THE PERIOD</b>	<b>9,241</b>	<b>(77,658)</b>

Budapest, March 20, 2014

  
**József Molnár**  
 Chief Executive Officer

  
**József Simola**  
 MOL Group Executive  
 Vice President for  
 Finance

  
**Krisztina Dorogházi**  
 MOL Hungary Financial  
 Director

**Statistical code: 10625790-1920-114-01**  
**Company registration number: 01-10-041683**

## **MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**

1117 Budapest, Október huszonharmadika u. 18.

2013

### **Supplementary Notes (without dividend)**



**József Molnár**  
Chief Executive  
Officer



**József Simola**  
MOL Group Executive  
Vice President for  
Finance



**Krisztina Dorogházi**  
MOL Hungary  
Financial Director

*Budapest, March 20, 2014*

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**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

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**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

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**1. General Information**

MOL Hungarian Oil and Gas Public Limited Company (hereinafter referred to as MOL Plc., MOL or the Company) was incorporated on 1 October 1991 as a result of the merger of nine oil and gas companies of Országos Kőolaj-és Gázipari Tröszt (National Oil and Gas Trust, Hungarian abbreviation OKGT) owned by the Hungarian State.

The registered office of the Company is in Hungary, Budapest (1117 Október huszonharmadika u. 18.); its internet homepage is <http://www.mol.hu>.

The shares of the Company are listed on the Budapest and the Warsaw Stock Exchange. The Company's receipts (DRs) are listed on the Luxembourg Stock Exchange and are quoted on the online stock trading and the International Order Book in London and Pink Sheet OTC market in New York.

The core activities of MOL Plc. include exploration and production of crude oil, natural gas and gas products, refining, transportation and storage of crude oil, transportation, storage, distribution, retail and wholesale of crude oil products, MOL Plc. is the market leader in Hungary in all its core activities.

Signatories of the financial statements of the Company:

József Molnár, Chief Executive Officer  
Address: 3700 Kazincbarcika, Akácfa u. 39.

József Simola, MOL Group Executive Vice President for Finance  
Address: 1112 Budapest, Oltvány u. 17/E.

Krisztina Dorogházi, MOL Hungary Financial Director  
Address: 2096 Üröm, Kárókatona u. 8.  
Chamber of Hungarian Auditors registration number: MKVK-005171



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**2. Ownership structure**

Number and nominal value of shares issued by MOL Plc., (categorised by share type):

Owner	Number of shares (pieces)						Total nominal value (HUF million)		Share of ownership (%)	
	"A" series shares		"B" series shares		"C" series shares		2012	2013	2012	2013
	2012	2013	2012	2013	2012	2013				
MNV Zrt.*	22,179,547	25,857,956	1	1	0	0	22,180	25,858	21.22	24.74
Pension Reform and Debt Reduction Fund*	3,538,434	0	0	0	0	0	3,538	0	3.39	0.00
Foreign institutional and private investors	63,446,340	64,531,981	0	0	0	0	63,446	64,532	60.70	61.74
Of which:										
CEZ MH B.V.	7,677,285	7,677,285	0	0	0	0	7,677	7,677	7.35	7.35
Oman Oil Budapest Limited	7,316,294	7,316,294	0	0	0	0	7,316	7,316	7.00	7.00
Magnolia Finance Ltd.	6,007,479	6,007,479	0	0	0	0	6,007	6,007	5.75	5.75
ING Bank N.V.**	5,220,000	5,220,000	0	0	0	0	5,220	5,220	4.99	4.99
Crescent Petroleum Company International ***	3,161,116	3,161,116	0	0	0	0	3,161	3,161	3.02	3.02
Dana Gas PJSC***	3,161,116	1,486,116	0	0	0	0	3,161	1,486	3.02	1.42
Domestic institutional and private investors	10,207,208	11,644,201	0	0	0	0	10,207	11,644	9.77	11.14
Of which:										
OTP Bank Plc.	5,634,134	5,652,859	0	0	0	0	5,634	5,653	5.39	5.41
MOL Plc. treasury shares	5,146,955	2,484,346	0	0	578	578	5,148	2,485	4.92	2.38
<b>Total</b>	<b>104,518,484</b>	<b>104,518,484</b>	<b>1</b>	<b>1</b>	<b>578</b>	<b>578</b>	<b>104,519</b>	<b>104,519</b>	<b>100.00</b>	<b>100.00</b>

The nominal value of series "A" and "B" shares is HUF 1,000, and of series "C" shares HUF 1,001. Due to the higher nominal value, series "C" shares entitle their holders to 1.001 (one point one thousandth) of votes, in contrast with the right to have one vote for series "A" shares.

\* MNV Zrt. (Hungarian State Holding Company beforehand ÁPV Zrt.) has one share for preferential voting (this is one series "B" share). The Hungarian State Holding Company (MNV Zrt.) and the Pension Reform and Debt Reduction Fund are owned by the Hungarian State. Therefore according to the Articles of Association of the Company they belong to the same shareholder group, and cannot exercise more than 10 % of the voting rights.

\*\* According to the announcement of ING Bank N.V. because of its indirect ownership its controlled voting rights are above 5 %.

\*\*\* Crescent Petroleum Company International and Dana Gas PJSC announced that they are parties acting in concern

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Data of major investors with ownership above 5 %:

<b>Name of the Company</b>	<b>Seat</b>	<b>Voting rights (%)</b>	<b>Corrected ownership due to Articles of Association (%)</b>
Hungarian State Holding Company (MNV Zrt.)	1133 Budapest, Pozsonyi út 56.	10.00	24.74
CEZ MH B.V.	Weena 340, 3012NJ Rotterdam, The Netherlands	7.52	7.35
Oman Oil Budapest Limited	Ugland House, Grand Cayman, KYI-1104	7.17	7.00
Magnolia Finance Ltd.	22 Grenville Street, St Heiler, Jersey, Channel Islands, JE4 8PX	5.89	5.75
OTP Bank Plc.	1051 Budapest, Nádor utca 16.	5.54	5.41
ING Bank N.V.	Bijlmerplein 888, Amsterdam Zuidoost, 1102 MG, The Netherlands	5.12	4.99

The table above has been prepared on the basis of registration notifications and shareholder's announcements as of 31 December 2013 and does not accurately reflect the ownership structure registered in the record of shareholders. Registration in the record of shareholders is not obligatory. Shareholders may exercise their voting right only if they are registered in the record of shareholders. Based on MOL's Articles of Association neither individual shareholder nor a group of shareholders may exercise voting rights above 10 %.

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**3. Important elements of MOL Plc's Accounting Policy**

**3.1. Method of bookkeeping, report format**

Based on *Act C of 2000 on accounting* (hereinafter: Accounting Act) as amended, MOL Plc. uses double entry bookkeeping and prepares an annual report with a balance sheet date of 31 December. As required by the Accounting Act the annual report consists of the balance sheet, income statement and supplementary notes including cash flow statement. At the same time, the Company also prepares a business report.

Based on the option given by the Accounting Act, from year 2005 the Company prepares its consolidated annual report in accordance with the International Financial Reporting Standards as adopted by the EU.

Based on Article 155 section (2) of the Accounting Act, the audit of Financial Statements is compulsory for the Company, year-end and interim financial statements are audited.

In 2012, MOL paid HUF 156 million for the audit of the year-end and interim financial statements, and HUF 154 million in 2013. Furthermore HUF 216 million and HUF 303 million was paid for tax advisory services in 2012 and 2013, HUF 28 million and HUF 27 million for other audit services, and HUF 2 million for other non audit type services was paid to the Auditor, in 2013 respectively.

MOL Plc. publishes on its website the annual report and business report of the parent company, the consolidated annual report and business report, including the auditors' report and makes them available until the financial data for the second business year following the relevant reporting period are published.

From 1 July 2002 MOL Plc. has been using SAP R/3, an integrated resource planning information system for large companies with a modular structure.

**3.2. Method and time schedule for report preparation**

The preparation of the annual report is based on the annual financial statement close process. Business events of the current period are completed, checked and summarised during the annual closing, and also the booking tasks of any corrective adjustment necessary pursuant to the consequences of business events incurred between the balance sheet date and the balance sheet preparation date and to the changes in the market conditions.

In line with the scheduling of processes for closing the year of 2013, the date for preparing the balance sheet of the Company was set for *16 January 2014*.

**3.3. The form of Balance Sheet and the Income Statement**

*Form of the balance sheet*

In line with Article 20 section (1) of the Accounting Act, MOL Plc. compiles a balance sheet linked to the annual report, according to version "A" as required by Annex No. 1 to the Accounting Act.

*Form of the income statement*

MOL Plc. compiles its income statement based on the total cost method, according to version "A" included in Annex No. 2 to the Accounting Act.

**3.4. Valuation methods and procedures used in the preparation of annual report**

**3.4.1. Changes in the Accounting Policy**

*Adoption of law amendments:*

In the course of 2012 the Accounting Act has been amended several times. Amendments below relevant to the Company were implemented in the Accounting Policy effective from 1 January 2013.

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In line with the change of the Accounting Act the value limit of significant errors has been determined as 2% of the total assets.

As a consequence of the change in the limit of significant errors, the not significant errors will be accounted for as change of current year's income or loss instead of retained earnings and will not be presented in the 3rd column in the Company's financial statements.

Self revisions made by the Company do not reach the limit of significant errors therefore items related to the previous years are presented in the respective lines of the income statement. Amount of previous years' errors affecting the income statement is HUF 1,107 million.

### **3.4.2. Valuation methods applied**

In line with the Accounting Act, MOL Plc. evaluates its assets and liabilities individually.

*Foreign currency* put into the foreign currency petty cash, *foreign exchange* transferred to the foreign exchange account, *receivables*, *non-current financial instruments*, *securities and liabilities* denominated in foreign currency are converted to HUF at the official FX exchange rate published by the National Bank of Hungary (NBH) for the date of receipt or for the date of settlement.

In the course of year-end foreign exchange revaluation, that is set out in Article 60 section (2) of the Accounting Act the Company revalue its assets and liabilities, except for foreign exchange liabilities linked directly to investments and property rights, and not covered by FX assets and the assets included in fair valuation.

The Company recognises exchange rate differences realised during the year and not realised at the end of the year on FX loans and FX liabilities, not covered by FX assets that relates to investments as part of the value of the investment.

The Company applies the principle of fair valuation on *financial instruments* held for trading purposes and derivatives held for hedging and trading (non-hedging) purposes in order to converge its practice to regulations of the European Community. The Company does not make use of this opportunity. The Company applies fair valuation only to those financial instruments and financial liabilities and/or transactions in case of which the fair value can be reliably determined. Fair valuation is concluded during the interim and annual closings, based on information available on the balance sheet cut-off date.

All transactions of a clearing type or closing with the delivery of a financial instrument, derivative transactions for non-hedging as well as hedging purposes are valued at fair value.

The fair value is determined on the basis of the following (the list also represents the order in case there is more than one way to determine the fair value of a given instrument):

- stock exchange quote, in case of a sufficiently active market;
- over-the-counter market price, which reliably indicates the partner's evaluation (mark-to-market value) or arm's length agreements or supported by previous transactions and offers at the time of evaluation. The market value equals to the discounted net present value of the expected cash flows based on the yield curves. If such a value is available, it provides a better estimate of fair value than spot prices, because it takes into account the market's objective forecasts for the future;
- value calculated based on the market price of the components of the financial instrument;
- the value calculated by valuation procedures generally used in money market evaluations (e.g., discounted present value of cash flows), using external premises, based on the market values on the balance sheet cut-off date.

For *intangible and tangible assets*, individual valuation is based on individual and group records. Assets that may be deemed to be identical in terms of type, purpose of use, date of putting into operation, purchase cost or production cost, cost centre and responsible holder constitute a group.

*Purchase value of non-current investments* acquired for foreign exchange:

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- following the court registration of FX investments, in the case of foundation and capital increase the value of the investment at capitalisation is identical with the book value recorded as a receivable;
- shares and quotas acquired for foreign exchange are recorded at the HUF value, calculated at the official exchange rate, effective on the date of the purchase, published by NBH.

If the consideration for investments is paid prior to the acquisition of the ownership title, the purchase value is identical with the book value recorded as a receivable.

Non-current investments are valued individually, based on a weighted average price.

Impairment on non-current investments is accounted at balance sheet date, if the market value of the investment is lower than the book value of the investment, and the difference of loss is prolonged and significant.

If impairment is accounted for, the order is as follows:

- first the positive goodwill, after that the
- the investment, and if the impairment is above these aggregate amounts,
- the amount of the long-term loan given will be impaired.

In case a company is liquidated or wound up, the difference between the book value and the amount expected to be recovered is accounted for as impairment.

Investments in companies under liquidation or wound up are reclassified to current assets at the time of the decision on beginning the procedures.

*Long-term debt securities* acquired for foreign exchange are recorded at the HUF value, calculated at the official exchange rate published by NBH, effective on the date of the acquisition of the title:

The Company values long-term credit securities based on weighted average price.

It accounts for impairment on the balance sheet cut-off date for securities traded on the stock exchange if the stock exchange price less interest decreases significantly below the average book price in the long-term.

The Company accounts for impairment on over-the-counter securities if the issuer's (debtor's) rating deteriorates in the long-term, i.e. for over one year. In connection with that the Company investigates the over-the-counter price decreased by the interest, the market value, the long-term trend of the market value as well as the issuer's (debtor's) market position, i.e. whether the issuer is expected to pay the nominal value plus accumulated interest on maturity, at redemption, or what proportion of this amount the issuer will pay. In this case, the amount of impairment to be accounted for is the difference between the book value and the market price as determined above, if the difference is significant.

For *securities with maturity within or in one year*, the over-the-counter price is used for evaluation at the balance sheet date. MOL Plc. performs evaluation based on the expected recovery of the nominal value plus accumulated interest. If recovery of the nominal value plus interest becomes uncertain, it accounts for the difference between the book value and the amount expected to be recovered as impairment.

If the circumstances that give rise to impairment cease to exist in whole or in part – if this trend is not expected to reverse within one year – the impairment accounted for will be reversed during the evaluation process on the balance sheet date if the change is significant.

The Company values *the inventories* individually. The valuation of assets booked in groups having the same parameters at average purchase price is also deemed to be individual valuation.

According to the Accounting Act the Company determines the purchase cost of materials, goods purchased, packaging materials owned by the Company and natural gas at weighted average purchase price; at final average purchase price for shop stocks of retail services; and at individual purchase prices (deposit) for packaging materials with a packaging fee.

Own produced inventories are valued at average production cost. The booked mining royalty payable for the quantity of produced natural gas and crude oil is included in the production cost of these inventories. The Company calculates the actual production costs monthly for own produced inventories.

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In case of the own produced inventories, the Company applies the preliminary determined price method, in a way that based on the monthly actual calculations, monthly corrects the preliminary determined price. Accordingly the preliminary determined price equals to the average product cost at the monthly closing.

The Company reduces the purchase or production costs of own produced inventories if:

- the inventory does not comply with the requirements applicable to inventories (standards, terms of shipping, professional requirements, etc.) or with original designation or are damaged. Inventories in the group are continuously written off to the value of waste or recoverable materials throughout the year.
- the inventory complies with the requirements applicable to inventories, there were no changes in original mechanical conditions, but the Company is not able to use inventory for his primary intention because of changes in his business activity, used technology, or market conditions and therefore the inventory becomes redundant.  
In this case the decrease in the value of inventory is recognised as impairment until the estimated selling price.
- the purchase and production cost of inventories is considerably higher than the market price known at the time of preparing the balance sheet (including those that have become unnecessary or are not fit for their purpose). In that case, impairment is accounted for up to the market value known at the time of preparing the balance sheet or the expected sales price. The expected sales price must be reduced by the costs expected to be incurred over the course of the sale.

For own produced refinery inventories the comparative price is the market price estimated by the Company based on the estimated relevant listed prices, the premiums stated in the commercial contracts and established according to trading potential as well as the exchange rate fluctuation premises.

In case of inventories purchased as raw materials, semi-finished products to be used further on or hydrocarbon production in progress, it is investigated whether their value is recovered in the sale price of the finished products produced over the course of which such items are used in production. The recoverable amount determined this way is reduced by the costs expected to be incurred over the course of the sale. If there is no full return, impairment – if significant – is accounted for up to the level of return.

The Company does not apply reversal of impairment of inventories as a rule, but impairment may be reversed, based on individual assessment, in order to give a true and fair view.

Based on the individual rating of *customers* and *debtors*, MOL Plc. accounts for impairment on receivables outstanding on the balance sheet date that are not settled by the date of preparing the balance sheet, if the book value of the receivable significantly exceeds the amount expected to be recovered from the receivable. Rating is made on the basis of information available at the time of preparing the balance sheet in the course of which the Company estimates expected percentage of collection of receivables. At the rating the criteria shall be set out that serve as the basis for determining the percentage of expected collection. The Company determines prevailing impairment rates based on empirical data.

If the amount expected to be recovered out of the receivable based on the rating of the customer or debtor on the balance sheet date considerably exceeds the book value of the receivable (criteria for write-off are not in place or are in place only in part) the Company will reverse all or a part of the impairment accounted for earlier. The book value of the receivables following the reversal may not exceed the book value of the original receivable that is not yet settled.

If the criteria of a bad debt are in place, the receivable should be written off as credit related loss. Based on cost – benefit principle, receivables under HUF 50,000 and not paid in spite of a written demand note sent by a lawyer, are classified as bad debt.

During the valuation of inter-company loans given for the financing of the operation of related parties - the Company proceeds in accordance with the rules applied for investment assessment.

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*Repurchased treasury shares* are valued at the weighted average price determined by groups. Groups consist of similar type of repurchased treasury shares by depositories.

The Company will account for impairment at the time of evaluating treasury shares at the end of the year if the weighted average stock exchange share price over the 90 stock exchange days prior to the balance sheet preparation date is lower than the book value.

During the year-end valuation the difference between the book value and the value of borrowing agreement recognised as deferred expenditure at the time of the lend have to be taken into account in the book value of treasury shares received back from lend and registered in separate group.

The Company does not recognize impairment for repurchased treasury shares if the stock exchange price is higher than the average book value at the time of balance sheet preparation.

Reversal of the impairment for repurchased treasury shares shall be recorded if the weighted average stock exchange share price over the 90 stock exchange days prior to the balance sheet preparation date is higher than the book value. Reversal may take place up to the amount of recorded impairment.

The Company does not account for a reversal of the impairment if the stock exchange share price known at the balance sheet preparation date is lower than the average book value.

The Company nets the interest liability calculated for *repurchased convertible bonds* against the interest receivable on convertible bonds included among securities.

Receivables due on *treasury shares lent* are evaluated individually taking the related accruals or deferrals into account.

The Company will account for impairment at the time of valuing receivables due on treasury shares lent at the end of the year if the calculated value of treasury shares - based on weighted average stock exchange share price over the 90 stock exchange days prior to the balance sheet preparation date - is lower than the aggregate amount of receivables and related accruals or deferrals.

The Company does not recognize impairment for receivables due on treasury shares lent if the lent treasury share's stock exchange price is higher than the aggregate value of receivables and related accruals or deferrals at the time of balance sheet preparation.

Reversal for receivables due to treasury shares shall be recorded if the lent treasury share's weighted average stock exchange price during 90 stock exchange days prior to the balance sheet preparation date is higher than the aggregate book value of receivables and related accruals or deferrals, The Company does not account for a reversal of impairment if the lent treasury share's stock exchange share price known at the balance sheet preparation date is lower than the aggregate value of receivables and related accruals or deferrals.

Reversal may be accounted for up to the amount of recorded impairment.

The NBH official rate applicable on the settlement date is used for the HUF translation of new foreign exchange following the exchange of *foreign exchanges on account*. The difference between the book value of old and the initial book value of new foreign exchange is recognised as other financial expense or income. The Company applies the above mentioned procedure in case of transfers between foreign exchange and foreign currency accounts and between accounts with same foreign exchange.

In case of exchange of *liabilities denominated in foreign exchange*, the new liability is converted into HUF by using the NBH official FX rate applicable on the settlement date of the agreement of the new liability.

In case of loan exchange transactions, when only the foreign exchange in which the loan is denominated is modified, the new FX loan is converted into HUF by using the official NBH FX rate applicable on the date of agreement.

For *assets denominated in foreign currency or foreign exchange*, both impairment and its reversal shall be determined in foreign exchange. The amount of impairment determined is converted into HUF at the book exchange rate of the given asset, while established reversals are converted into HUF at the weighted average exchange rate of impairments, less reversals. Impairment and reversal are accounted for before the year-end total foreign exchange revaluation.

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In the Supplementary notes when presenting impairment and reversal of impairment the amount of impairment is recognised at the book exchange rate of the given asset and the reversal of impairment is recorded at the weighted average exchange rate of impairments. The year-end FX rate difference of impairment and reversal is estimated in the cost value.

### **3.4.3. Depreciation policy**

MOL Plc. interprets depreciation in accordance with the regulations of the Accounting Act, with the following additions:

In respect of property, plant and equipment, MOL Plc. usually applies *linear depreciation* based on the gross value; with the exception of assets that may be allocated only to one mine (excluding the property rights linked to these assets) catalysts and provision for estimated future cost of field abandonment of oil and gas production facilities following the termination of production booked as tangible asset, for which a depreciation method of units of production is used, that is based on the carrying value.

To determine the depreciation, impairment and reversal of impairment of buildings, equipment and field abandonment provisions accounted for as tangible asset belonging to a mine (crude oil and/or natural gas field), the applied method is the SPE (Society of Petroleum Engineers) method calculated on proved and unproved, commercially recoverable reserves.

Selection criteria for technical-economic useful life and for depreciation rates are defined in the regulation issued on Group level, which includes the technical-economic useful life with adequate depreciation rate by the group of assets. The Company deviates from the depreciation rates defined in the regulation on the basis of individual valuation, in case of different usage characteristics, based on written technical qualification.

The economic useful life of assets are as follows: 10-50 years for buildings, 4-12.5 years for refinery equipment, 7-25 years for gas and oil transporting and storing equipment, 5-25 years for filling stations and their equipment and 3-10 years for other equipment.

Depreciation is accounted for in the SAP R/3 system on a daily basis at the end of each month.

No further depreciation may be recognised if the carrying value of the asset has already reached its residual value.

The residual value is not nil if it is clearly decided at the time of acquiring the asset that the asset's useful life for the Company will not reach 75 % of the asset's technical-economic useful life and the residual value is expected to be significant at the end of its useful life. The residual value may be determined in respect of individual assets or asset groups required for the undertaking of the core activities, representing a significant value at company level. The residual value is subject to yearly revision, modification should be made if the expectations significantly differ from previous expectations.

The Company will change the depreciation for assets if there was a substantial change (if the individual asset's useful life changes by at least +/- 2 years and the amount of annual depreciation for an individual asset changes minimum HUF 1 million) in the circumstances taken into account in determining the depreciation to be accounted for every year (gross value, useful life, proper use).

For intangible assets with a carrying value reaching HUF 10 million and for tangible assets with a gross book value reaching HUF 50 million and carrying value reaching HUF 10 million the Company reviews the economic useful life annually. (The effect of the revision on the balance sheet and income statement for the financial year 2013 is disclosed in Note 9.)

The Company does not recognise scheduled depreciation for those assets, which value does not decrease all through their use.

MOL Plc. accounts for *impairment* if intellectual property rights and titles can be enforced only in a limited manner or not at all within the expected depreciation period, if an intellectual product or a property, plant and equipment is missing, damaged or destroyed, or if the market value of intangible assets and property, plant and equipment is significantly lower than their carrying value over the long term.

If the market value of an individual asset cannot be determined, the Company creates the smallest asset group for which market evaluation is applicable.



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For an individual asset or asset groups where individual market evaluation is not possible or does not reflect the real value of use of the asset or asset group, the comparative basis for impairment and impairment reversal purposes will be determined by cash flow calculation based on profit-generating ability. The Company has created the asset groups in its Accounting Policy for determining the profit generating ability.

Impairment charged on the basis of market valuation will be reversed if the reasons for impairment do not exist anymore or exist only in part. The Company will account for reversals only as part of the year-end evaluation of assets.

In the Accounting Policy, the amounts of impairment and impairment reversal classified as significant have been determined separately for each asset group.

#### **3.4.4. Rules for provisions**

MOL Plc. provides for contingent liabilities against profit before taxation.

##### *Provisions for contingent liabilities*

The Company makes provisions for liabilities that are expected to arise due to severance payment and early retirement in case that it has an accepted plan for redundancies applicable to the coming years, which is elaborated in detail and has a significant financial impact furthermore if decisions related to redundancy are documented in details.

MOL Plc. makes provisions for retirement bonuses granted to employees. The amount of provision is determined considering actuarial calculation and MOL-specific financial assumptions.

MOL Plc. recognises provision to cover liabilities arising from jubilee bonuses of employees who work for the Company for a long time.

Provision is recognised for guarantees and sureties granted by the Company if there is a probability of more than 50 % that a part or all of the guarantee or surety amounts will be drawn. When determining this probability, it takes into account the financial and liquidity position of the company benefiting from the guarantee or surety, its willingness to pay in the normal course of business with MOL Plc. as well as any information obtained about its operation.

The Company recognises provisions against profit before tax or tangible assets for future liabilities related to environmental protection and future liabilities on abandoning production on hydrocarbon production fields (provisions for field abandonment). The amount of the provision is the discounted value of the future liabilities expected to be incurred.

If the environmental damages relate to the production process the provision is recognised against profit before taxation. If the liability relates directly to the future removal of the assets, restoration of the original conditions, the provision is capitalised in the value of related oil and gas producing assets taking into consideration the expected return on future production process pursuant to the accounting principle of comparability.

Company capitalises in the value of property, plant and equipment (according to the regulations stipulated in Note 3.4.6.) that amount of provision which is expected to be incurred in relation to the damage caused by the construction and removal of oil and gas producing assets as the mining activity is ceased according to the Mining Act.

In line with the statutory obligation related to the emission of greenhouse gases, the Company recognises provisions on the following:

- any CO<sub>2</sub> emission uncovered as a result of the sale of CO<sub>2</sub> emission rights, received free of charge, and
- CO<sub>2</sub> emission in the current year, not covered by the emission rights received free of charge for the current year (surplus emission).

The amount of provision is assessed based on emission not covered and market price at balance sheet date.

The recognised provisions are proportionately released when the Company fulfils its return obligation arising from the statutory regulations with purchased CO<sub>2</sub> emission rights, either in part or in full.

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Provision is recognised for liabilities expected to arise in connection with ongoing litigations, for the expected amount (based on a proportion determined subject to the litigation value and the expected outcome of the litigation) if at the time of preparing the balance sheet, it is probable that the Company will incur a financial liability on closing the legal dispute.

The Company reviews provisions recognised based on all above title during the balance sheet preparation process and updates values, based on this revision, which is made irrespective of the amount and uses all available information.

**3.4.5. Classification of errors for previous years**

The Company defines errors as significant according to Article 3 section (3) of the Accounting Act, if in the year when discovered by any form of audit, the total value of all errors for a given financial year (or separately for each financial year) and the impacts thereof - increasing or decreasing the profit or loss or the equity in absolute value — exceeds 2 per cent of the balance sheet total of the year revised.

**3.4.6. Application of Article 4 section (4) of the Accounting Act in the Company's financial statements for year 2013**

In the course of the preparation of the 2005 annual financial statements, the Company departed from Article 41 section (1) of the Accounting Act based on its allowance described in Article 4 section (4) to give a true and fair view of the equity and financial position of MOL Plc. as at 31 December 2005 and of the results of its operations for the year then ended. Consequently, in order to appropriately match the expenditure with the related revenue, provision for field abandonment in the amount of HUF 50,076 million had been recognised as an increase of property plant and equipment, instead of charging the amount directly to the profit before tax. This treatment is consistent with that adopted in the consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards.

As a result of the departure from the accounting law regarding the field abandonment as at 31 December 2013 the property plant and equipment is presented with a higher value of HUF 5,405 million. The Company has registered capital reserve (in the amount of HUF 5,405 million) corresponding to the capitalised field abandonment provision included in the net balance of property, plant and equipment as of 31 December 2013 in order to cover future liabilities from the Company's equity.

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**4. The true and fair view of the Company's financial and earnings position**

(the values in the formulas of calculated indicators are shown in HUF million)

This chapter presents the Company's asset, equity and financial position, as well as return and performance indicators, the sales revenue, with explanations where necessary.

**4.1 Company's assets**

**4.1.1. Changes in the Company's assets**

<i>Description</i>	<b>2012</b>	<b>2013</b>	<i>Breakdown (%)</i>		<i>Change (%)</i>
			<b>2012</b>	<b>2013</b>	
Non-current assets	2,231,013	2,100,190	73.55	68.66	(5.86)
Current assets	782,136	937,065	25.79	30.64	19.81
Accruals and prepayments	20,093	21,554	0.66	0.70	7.27
<b>Total</b>	<b>3,033,242</b>	<b>3,058,809</b>	<b>100.00</b>	<b>100.00</b>	<b>0.84</b>

The Company's assets slightly increased by 0.8 %, HUF 25.6 bn between the two periods. Current assets increase (HUF 154.9 bn; 20%) is due to the significantly higher cash and cash equivalents balance (HUF 240.6 bn) which was partly moderated by the decrease in securities balance (HUF -76.7 bn), while related to the non-current assets, impairment on IES S.p.A. of HUF 146.1 bn investment has been provided for. Inventories and receivables slightly decreased (-1.6 %; -2.0 %) in 2013 compared to 2012.

**4.1.2. Capital structure**

Capital structure of the Company

<i>Description</i>	<b>2012</b>	<b>2012</b>	<i>Breakdown (%)</i>		<i>Change (%)</i>
			<b>2012</b>	<b>2013</b>	
Shareholders' equity	1,853,512	1,774,055	61.11	58.00	(4.29)
Provisions	144,646	132,069	4.77	4.32	(8.70)
Liabilities	1,012,402	1,128,937	33.37	36.91	11.51
Deferrals	22,682	23,748	0.75	0.77	4.70
<b>Total</b>	<b>3,033,242</b>	<b>3,058,809</b>	<b>100.00</b>	<b>100.00</b>	<b>0.84</b>

There was no significant re-arrangement in the equity and liabilities in 2013 compared to 2012.

Within the equity and liabilities the shareholders' equity decreased by 3.1 percentage points while liabilities increased by 3.5 percentage points. The liabilities were higher by 11.5 % compared to the base period mainly due to the increase in short-term liabilities (HUF 158.0 bn) driven by the increased liabilities due to the revaluation of the derivative transactions (HUF 59.5 bn), the creditors (HUF 46.4 bn) and the short-term liabilities to related parties (HUF 37.2 bn) balances.

Decrease in Shareholders' equity (HUF 79.5 bn) was driven by lower net income (HUF -86.9 bn) as a consequence of unfavourable financial profit or loss due to impairment loss recorded for IES S.p.A. These effects were moderated by the approved dividend in 2012 (HUF 46.0 bn).

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Equity ratio

$$\frac{\text{Shareholders' equity}}{\text{Total shareholders' equity and liabilities}} * 100$$

	<b>2012</b>		<b>2013</b>	
$\frac{1,853,512}{3,033,242}$	=	61.11 %	$\frac{1,774,055}{3,058,809}$	= 58.00 %

The indicator value remained below the base level by 3.1 percentage points.

Total shareholders' equity and liabilities slightly increased while the shareholders' equity decreased due to considerable lower net income (HUF -86.9 bn) as a consequence of impairment recorded for IES S.p.A. investment.

**4.1.3. Current assets**

$$\frac{\text{Current assets + Accruals and prepayments}}{\text{Non-current assets}} * 100$$

	<b>2012</b>		<b>2013</b>	
$\frac{802,229}{2,231,013}$	=	35.96 %	$\frac{958,619}{2,100,190}$	= 45.64 %

The change in the indicator value was caused by the increase in current assets (HUF 154.9 bn), mainly driven by the increase in cash and cash equivalents balance, while the non-current assets decreased due to impairment charges on investment of IES S.p.A.

**4.2. Financial position**

Acid liquidity ratio

$$\frac{\text{Cash and cash equivalents + Receivables + Securities}}{\text{Short-term liabilities + Accrued cost and expenses}}$$

	<b>2012</b>		<b>2013</b>	
$\frac{614,273}{390,523}$	=	1.57	$\frac{771,862}{549,897}$	= 1.40

The liquidity ratio of the Company decreased slightly compared to the previous year. The total amount of the cash and cash equivalents, receivables and securities increased by 25.7 % year-on-year, driven by the increase in cash and cash equivalents. The higher value of short-term liabilities, detailed in Note 4.1.2., and accrued cost and expenses (40.8%) influenced the indicator negatively.

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Debtors days

Adjusted average receivable from customers  
 1 day sales revenue

<b>2012</b>	<b>2013</b>
$\frac{191,555}{6,911} = 27.72$	$\frac{177,964}{6,766} = 26.30$

From liquidity point of view debtor days changed favourably in 2013 year on year, which was caused by the joint effect of the decrease in average value of receivables and the decrease of 1 day sales revenue. Average balance of debtors decreased due to the decrease in crude oil products' quoted prices and the efficiency of collection.

Indebtedness

Long-term credits and loans, liabilities from the issue of bonds + Short-term credits and loans + Loan  
 from the subsidiary - Securities – Cash and cash equivalents

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Long-term credits and loans, liabilities from the issue of bonds + Short-term credits and loans + Loan  
 from the subsidiary - Securities – Cash and cash equivalents + Shareholders' equity

\* 100

<b>2012</b>	<b>2013</b>
$\frac{377,822}{2,231,334} = 16.93 \%$	$\frac{232,282}{2,006,337} = 11.58 \%$

The indicator shows a decrease compared to last year, mainly due to the materially favourable cash and cash equivalents. This effect was moderated slightly by higher net debt and lower shareholder's equity and the securities.

**4.3. Return and performance indicators**

**4.3.1. Revenues**

<i>Description</i>	<b>2012</b>	<b>2013</b>	<i>Breakdown (%)</i>		<i>Change (%)</i>
			<b>2012</b>	<b>2013</b>	
Net domestic sales revenues	1,920,260	1,880,460	75.91	76.14	(2.07)
Export net sales revenues	609,259	589,169	24.09	23.86	(3.30)
<b>Total net sales revenues</b>	<b>2,529,519</b>	<b>2,469,629</b>	<b>100.00</b>	<b>100.00</b>	<b>(2.37)</b>

The net sales revenue slightly decreased by 2.4 % compared to the base year level. The wholesale and retail sales revenue from crude oil products and related services - which amounted to 95.6 % from the total net sales revenue and volume - met to 2012.

The natural gas sales revenue decreased by 30.1 %. The main reason of the external revenue decrease is the lower volume gas sales and the significantly lower regulated gas price.

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**4.3.2. Costs, expenditures compared to revenue**

<i>Description</i>	<b>2012</b>	<b>2013</b>	<i>Breakdown (%)</i>		<i>Change (%)</i>
			<b>2012</b>	<b>2013</b>	
<b>Net sales revenues total</b>	<b>2,529,519</b>	<b>2,469,629</b>	<b>100.00</b>	<b>100.00</b>	<b>(2.37)</b>
Raw material costs	1,417,852	1,380,678	56.05	55.91	<b>(2.62)</b>
Value of services used	92,566	93,742	3.66	3.80	<b>1.27</b>
Other services	199,612	169,313	7.89	6.86	<b>(15.18)</b>
Cost of goods sold	205,841	295,462	8.14	11.96	<b>43.54</b>
Value of services sold (intermediated)	5,132	3,968	0.20	0.16	<b>(22.68)</b>
<b>MATERIAL TYPE EXPENSES</b>	<b>1,921,003</b>	<b>1,943,163</b>	<b>75.94</b>	<b>78.69</b>	<b>1.15</b>
Payroll expenses	39,816	40,764	1.57	1.65	<b>2.38</b>
Other personnel-type expenses	5,976	6,423	0.24	0.26	<b>7.48</b>
Tax and contributions	12,468	12,582	0.49	0.51	<b>0.91</b>
<b>PERSONNEL TYPE EXPENSES</b>	<b>58,260</b>	<b>59,769</b>	<b>2.30</b>	<b>2.42</b>	<b>2.59</b>
<b>DEPRECIATION</b>	<b>49,555</b>	<b>45,702</b>	<b>1.96</b>	<b>1.85</b>	<b>(7.78)</b>
<b>OTHER OPERATING EXPENSES</b>	<b>413,076</b>	<b>382,660</b>	<b>16.33</b>	<b>15.49</b>	<b>(7.36)</b>
<b>TOTAL COSTS AND EXPENSES</b>	<b>2,441,894</b>	<b>2,431,294</b>	<b>96.54</b>	<b>98.45</b>	<b>(0.43)</b>

The cost and expenditures showed a slightly decrease compared to 2012 and net sales revenue decreased by 2.4 %.

See detailed explanation in Note 8, 32, 33, 34, 35, 43.

**4.4. Return and performance indicators**

Return on Assets

$$\frac{\text{Profit before tax + paid interest and similar expenses}}{\text{Chronologic average of assets}} * 100$$

<b>2012</b>	<b>2013</b>
$\frac{89,448}{3,052,322} = 2.93 \%$	$\frac{(41,519)}{3,267,430} = (1.27) \%$

The reduction in the indicator was the consequence of the lower profit before tax, which was HUF -77.0 bn compared to HUF 61.3 bn in 2012. This decrease was caused by the lower operating profit of the current year. The unfavourable trend in operating profit was further dramatically deteriorated by the higher impairment on investment and the impairment on treasury shares compared to the base level (HUF 140.3 bn).

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Return on Assets

$$\frac{\text{Profit after tax}}{\text{Total assets}} * 100$$

<b>2012</b>	<b>2013</b>
$\frac{55,241}{3,033,242} = 1.82\%$	$\frac{(77,658)}{3,058,809} = (2.54)\%$

The significant decrease in the indicator reflects the lower financial result (mentioned above) and operating profit. Decreased operating profit due to net sales revenue reduction was basically influenced by the lower natural gas sales volume and the lower regulated gas price.

ROACE (Return on Average Capital Employed)

$$\frac{\text{Operating profit after tax}}{\text{Average capital employed}} * 100$$

<b>2012</b>	<b>2013</b>
$\frac{82,756}{447,960} = 18.47\%$	$\frac{49,912}{309,262} = 16.14\%$

The decrease in the indicator was due to the worsening of the operating profit after taxation. This effect was moderated by the decrease in average capital employed in value of 31.0 %.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) ratio

$$\frac{\text{EBITDA}}{\text{Net sales revenue}} * 100$$

<b>2012</b>	<b>2013</b>
$\frac{159,311}{2,529,519} = 6.30\%$	$\frac{129,139}{2,469,629} = 5.23\%$

EBITDA ratio decreased in 2013 as a consequence of the HUF 30.2 bn (18.9 %) drop in EBITDA and the net sales revenue was lower by HUF 59.9 bn (2.4 %). EBITDA development was influenced by the above mentioned items affected the operating profit.

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**5. Cash Flow Statement**

HUF million

<i>Description</i>	<b>2012</b>	<b>2013</b>
<b>Profit before taxation</b>	<b>61,258</b>	<b>(76,953)</b>
Dividend received	(56,791)	(93,757)
Research expenses	15,024	10,935
Exchange rate difference	57,084	899
Fair valuation difference	21,786	93,028
Asset transfer free of charge	523	481
<b>Adjusted profit before taxation</b>	<b>98,884</b>	<b>(65,367)</b>
Depreciation	49,555	45,702
Impairment and reversal of impairment	28,236	169,837
Provision recognition and release, net	704	(12,577)
Gain or loss, realised on sale of non-current assets	(455)	(2,433)
Change of liabilities to suppliers	(40,036)	51,124
Change of other short-term liabilities	(76,108)	5,908
Change of accruals	579	1,065
Change of trade receivables	7,993	34,023
Change of current assets (excluding trade receivables and cash)	58,463	105,995
Change of prepayments	2,458	(1,441)
Change of reserves	(3,112)	(1,799)
Corporate tax paid, payable, temporary surplus tax	(5,988)	(17,325)
Dividend paid, payable	(45,033)	(46,067)
<b>Operating cash flow*</b>	<b>76,140</b>	<b>266,645</b>
Purchase of non-current assets	(48,674)	(50,325)
Purchase of non-current financial investments	(62,544)	(94,371)
Sale of non-current assets	455	333
Sale of non-current financial investments	1,081	22,263
Research expenses	(15,024)	(10,935)
Dividend received	56,791	93,757
<b>Investment cash flow</b>	<b>(67,915)</b>	<b>(39,278)</b>
Long-term loans received	209,635	325,906
Cash received free of charge	409	290
Repayment of bonds and debt securities	(5,051)	0
Repayment of long-term credits and loans	(186,098)	(349,252)
Change of short-term credits and loans	(16,841)	38,247
Cash and cash equivalent given free of charge	(648)	(2,441)
<b>Financing cash flow</b>	<b>1,406</b>	<b>12,750</b>
<b>Change of cash</b>	<b>9,631</b>	<b>240,117</b>

\* The Company realised a significantly higher operating cash flow in current year, comparing to the previous year.

Primary reasons of it:

- volume of liabilities from suppliers raised, and
- significant value of short-term purchased securities (treasury shares, state bonds) has been sold.



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**6. Intangible assets**

**Gross book value**

HUF million

<i><b>Movements</b></i>	<i><b>Capitalized value of formation/reorganization expenses</b></i>	<i><b>Capitalised research and development cost</b></i>	<i><b>Property rights</b></i>	<i><b>Intellectual property</b></i>	<i><b>Goodwill</b></i>	<i><b>Total intangible assets</b></i>
<b>Opening balance 01.01.2012</b>	<b>0</b>	<b>2,412</b>	<b>41,708</b>	<b>14,361</b>	<b>57,675</b>	<b>116,156</b>
Increase due to purchases	414	1,220	2,950	1,112	0	5,696
Increase due to reclassification	310	0	4,750	476	0	5,536
Other increase	0	0	0	495	4,853	5,348
Decrease due to reclassification	0	(391)	0	(4,660)	0	(5,051)
Other decrease	0	(18)	(21)	(14)	(788)	(841)
<b>Closing balance 31.12.2012</b>	<b>724</b>	<b>3,223</b>	<b>49,387</b>	<b>11,770</b>	<b>61,740</b>	<b>126,844</b>
Increase due to purchases	351	431	4,305	1,289	0	6,376
Increase due to reclassification	0	0	617	803	0	1,420
Other increase	0	0	0	21	52	73
Decrease due to reclassification	0	(622)	0	(463)	0	(1,085)
Decrease due to scrapping, damages and shortages	0	(82)	(8)	(43)	0	(133)
<b>Closing balance 31.12.2013</b>	<b>1,075</b>	<b>2,950</b>	<b>54,301</b>	<b>13,377</b>	<b>61,792</b>	<b>133,495</b>

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**Depreciation**

HUF million

<b>Movements</b>	<b>Capitalized value of formation/re organization expenses</b>	<b>Capitalised research and development cost</b>	<b>Property rights</b>	<b>Intellectual property</b>	<b>Goodwill</b>	<b>Total intangible assets</b>
<b>Opening balance of 01.01.2012</b>	<b>0</b>	<b>0</b>	<b>33,031</b>	<b>9,966</b>	<b>45,703</b>	<b>88,700</b>
<i>Of which: Depreciation</i>	<i>0</i>	<i>0</i>	<i>32,976</i>	<i>9,640</i>	<i>0</i>	<i>42,616</i>
<i>Impairment</i>	<i>0</i>	<i>0</i>	<i>55</i>	<i>326</i>	<i>45,703</i>	<i>46,084</i>
Increase of depreciation	0	0	4,287	664	0	4,951
Increase of impairment based on market valuation	0	0	0	0	2,840	2,840
Increase due to reclassification	0	0	948	0	0	948
Other increase	0	18	376	12	788	1,194
Decrease due to reclassification	0	0	0	(948)	0	(948)
Other decrease	0	(18)	(4)	(13)	(788)	(823)
<b>Closing balance 31.12.2012</b>	<b>0</b>	<b>0</b>	<b>38,638</b>	<b>9,681</b>	<b>48,543</b>	<b>96,862</b>
<i>Of which: Depreciation</i>	<i>0</i>	<i>0</i>	<i>38,583</i>	<i>9,355</i>	<i>0</i>	<i>47,938</i>
<i>Impairment</i>	<i>0</i>	<i>0</i>	<i>55</i>	<i>326</i>	<i>48,543</i>	<i>48,924</i>
Increase of depreciation	108	0	2,929	661	0	3,698
Increase of impairment based on market valuation	0	0	0	0	553	553
Increase due to reclassification	0	0	58	0	0	58
Increase of impairment	0	82	1	0	0	83
Decrease due to reclassification	0	0	0	(58)	0	(58)
Decrease due to scrapping, damages and shortages	0	(82)	(8)	(43)	0	(133)
<b>Closing balance 31.12.2013</b>	<b>108</b>	<b>0</b>	<b>41,618</b>	<b>10,241</b>	<b>49,096</b>	<b>101,063</b>
<i>Of which: Depreciation</i>	<i>108</i>	<i>0</i>	<i>41,563</i>	<i>9,915</i>	<i>0</i>	<i>51,586</i>
<i>Impairment</i>	<i>0</i>	<i>0</i>	<i>55</i>	<i>326</i>	<i>49,096</i>	<i>49,477</i>
<b>Net book value as of 31.12.2012</b>	<b>724</b>	<b>3,223</b>	<b>10,749</b>	<b>2,089</b>	<b>13,197</b>	<b>29,982</b>
<b>Net book value as of 31.12.2013</b>	<b>967</b>	<b>2,950</b>	<b>12,683</b>	<b>3,136</b>	<b>12,696</b>	<b>32,432</b>

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**7. Property, plant and equipment**

**Gross book value**

HUF million

<i>Movements</i>	<i>Land and building and related property rights</i>	<i>Plant, machinery and vehicles</i>	<i>Other equipment, fixtures and vehicles</i>	<i>Assets under construction and related advances</i>	<i>Total property, plant and equipment</i>
<b>Opening balance 01.01.2012</b>	<b>508,247</b>	<b>391,915</b>	<b>44,732</b>	<b>45,367</b>	<b>990,261</b>
Increase due to capital expenditure	0	0	0	38,195	38,195
Capitalisation	15,886	19,568	1,587	(37,041)	0
Increase due to reclassification	11	21	6	176	214
Other increase	3	12	6	420	441
Decrease due to scrapping, damages and shortages	(570)	(1,922)	(978)	(519)	(3,989)
Decrease due to reclassification	(136)	(33)	(388)	(660)	(1,217)
Other decrease	(1,021)	(405)	(532)	(1,718)	(3,676)
<b>Closing balance 31.12.2012</b>	<b>522,420</b>	<b>409,156</b>	<b>44,433</b>	<b>44,220</b>	<b>1,020,229</b>
Increase due to capital expenditure	0	0	0	41,602	41,602
Capitalisation	13,296	13,953	2,244	(29,493)	0
Increase due to reclassification	172	109	362	68	711
Other increase	2,942	5	4	0	2,951
Decrease due to scrapping, damages and shortages	(1,121)	(4,879)	(560)	(198)	(6,758)
Decrease due to reclassification	(146)	(275)	(7)	(403)	(831)
Other decrease	(381)	(128)	(771)	(1,994)	(3,274)
<b>Closing balance 31.12.2013</b>	<b>537,182</b>	<b>417,941</b>	<b>45,705</b>	<b>53,802</b>	<b>1,054,630</b>

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**Depreciation**

HUF million

<i>Movements</i>	<i>Land and building and related property rights</i>	<i>Plant, machinery and vehicles</i>	<i>Other equipment, fixtures and vehicles</i>	<i>Assets under construction and related advances</i>	<i>Total property, plant and equipment</i>
<b>Opening balance 01.01.2012</b>	<b>330,745</b>	<b>319,867</b>	<b>39,343</b>	<b>66</b>	<b>690,021</b>
<i>Of which: Depreciation</i>	309,769	318,644	39,270	0	667,683
<i>Impairment</i>	20,976	1,223	73	66	22,338
Increase of depreciation	23,845	18,932	1,827	0	44,604
Increase of impairment based on market valuation	4,912*	12	13	0	4,937
Other increase	66	570	54	519	1,209
Reversal of impairment	(1,730)*	0	0	0	(1,730)
Decrease due to scrapping, damages and shortages	(570)	(1,922)	(978)	(519)	(3,989)
Other decrease	(120)	(238)	(913)	0	(1,271)
<b>Closing balance 31.12.2012</b>	<b>357,148</b>	<b>337,221</b>	<b>39,346</b>	<b>66</b>	<b>733,781</b>
<i>Of which: Depreciation</i>	333,037	335,994	39,266	0	708,297
<i>Impairment</i>	24,111	1,227	80	66	25,484
Increase of depreciation	21,842	18,340	1,822	0	42,004
Increase of impairment based on market valuation	4,100*	616	9	0	4,725
Other increase	392	276	365	198	1,231
Reversal of impairment	(259)*	0	0	0	(259)
Decrease due to scrapping, damages and shortages	(1,121)	(4,879)	(560)	(198)	(6,758)
Other decrease	(638)	(346)	(757)	0	(1,741)
<b>Closing balance 31.12.2013</b>	<b>381,464</b>	<b>351,228</b>	<b>40,225</b>	<b>66</b>	<b>772,983</b>
<i>Of which: Depreciation</i>	353,822	349,470	40,136	0	743,428
<i>Impairment</i>	27,642	1,758	89	66	29,555

<b>Net book value as of 31.12.2012</b>	<b>165,272</b>	<b>71,935</b>	<b>5,087</b>	<b>44,154</b>	<b>286,448</b>
<b>Net book value as of 31.12.2013</b>	<b>155,718</b>	<b>66,713</b>	<b>5,480</b>	<b>53,736</b>	<b>281,647</b>

Items marked with \* contain the impairment related to field abandonment provision capitalised in the value of mining properties, and the reversal of previous years' impairment. (See also Note 3.4.6.)

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**8. Depreciation**

**Depreciation**

HUF million

<i>Description</i>	<i>Straight-line</i>		<i>Unit of production</i>		<i>Lump sum</i>		<i>Total value</i>	
	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>
Capitalised cost of foundation and restructuring	0	108	0	0	0	0	0	108
Property rights	4,283	2,912	0	0	4	17	4,287	2,929
Intellectual property	664	661	0	0	0	0	664	661
<b>Intangible assets</b>	<b>4,947</b>	<b>3,681</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>17</b>	<b>4,951</b>	<b>3,698</b>
Land and building and related property rights	10,994	10,808	12,851	11,034	0	0	23,845	21,842
Plant, machinery and vehicles	16,070	15,800	2,853	2,535	9	5	18,932	18,340
Other equipment, fixtures and vehicles	1,650	1,577	0	0	177	245	1,827	1,822
<b>Property, plant and equipment</b>	<b>28,714</b>	<b>28,185</b>	<b>15,704</b>	<b>13,569</b>	<b>186</b>	<b>250</b>	<b>44,604</b>	<b>42,004</b>
<b>Total:</b>	<b>33,661</b>	<b>31,866</b>	<b>15,704</b>	<b>13,569</b>	<b>190</b>	<b>267</b>	<b>49,555</b>	<b>45,702</b>

**Impairment and reversal of impairment**

HUF million

<i>Description</i>	<i>Impairment based on market valuation</i>		<i>Impairment due to scrapping, damages and shortages</i>		<i>Reversal of impairment</i>		<i>Total value</i>	
	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2013</i>
Capitalised cost of foundation and restructuring	0	0	0	0	0	0	0	0
Capitalised research and development cost	0	0	18	82	0	0	18	82
Property rights	0	0	0	1	0	0	0	1
Intellectual property	0	0	12	0	0	0	12	0
Goodwill	2,840	553	788	0	0	0	3,628	553
<b>Intangible assets</b>	<b>2,840</b>	<b>553</b>	<b>818</b>	<b>83</b>	<b>0</b>	<b>0</b>	<b>3,658</b>	<b>636</b>
Land and building and related property rights	4,912*	4,100*	51	69	1,730*	259*	3,233	3,910
Plant, machinery and vehicles	12	616	220	226	0	0	232	842
Other equipment, fixtures and vehicles	13	9	7	0	0	0	20	9
Assets under construction	0	0	519	198	0	0	519	198
<b>Property, plant and equipment</b>	<b>4,937</b>	<b>4,725</b>	<b>797</b>	<b>493</b>	<b>1,730</b>	<b>259</b>	<b>4,004</b>	<b>4,959</b>
<b>Total:</b>	<b>7,777</b>	<b>5,278</b>	<b>1,615</b>	<b>576</b>	<b>1,730</b>	<b>259</b>	<b>7,662</b>	<b>5,595</b>

Items marked with \* contain the impairment of field abandonment provision capitalised in the value of mining properties, and the reversal of previous years' impairment. (See also Note 3.4.6.)

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**9. Revision of estimated useful life of intangible assets and property, plant and equipment**

The impact on P&L and balance sheet of revision of useful life of tangible assets results HUF 258 million in 2013, meanwhile the revision of useful life of intangible assets was not significant (the impact on P&L and balance sheet amounts to HUF 23 million).

See also Note 3.4.3. Depreciation policy, annual review of economic useful life.

**10. Property, plant and equipment used for environmental protection**

**Gross book value**

HUF million

<i>Movements</i>	<i>Land and building and related property rights</i>	<i>Plant, machinery and vehicles</i>	<i>Other equipment, fixtures and vehicles</i>	<i>Assets under construction</i>	<i>Total property, plant and equipment</i>
<b>Opening balance 01.01.2012</b>	<b>18,428</b>	<b>5,885</b>	<b>994</b>	<b>179</b>	<b>25,486</b>
Increase due to capital expenditure	0	0	0	242	242
Capitalisation	449	156	2	(607)	0
Other increase	24	0	0	296	320
Other decrease	(1)	(67)	(2)	(1)	(71)
<b>Closing balance 31.12.2012</b>	<b>18,900</b>	<b>5,974</b>	<b>994</b>	<b>109</b>	<b>25,977</b>
Increase due to capital expenditure	0	0	0	2,609	2,609
Capitalisation	139	513	0	(652)	0
Other increase	0	0	0	159	159
Other decrease	0	(1)	(1)	(1,397)	(1,399)
<b>Closing balance 31.12.2013</b>	<b>19,039</b>	<b>6,486</b>	<b>993</b>	<b>828</b>	<b>27,346</b>

**Depreciation**

HUF million

<i>Movements</i>	<i>Land and building and related property rights</i>	<i>Plant, machinery and vehicles</i>	<i>Other equipment, fixtures and vehicles</i>	<i>Assets under construction</i>	<i>Total property, plant and equipment</i>
<b>Opening balance 01.01.2012</b>	<b>9,261</b>	<b>4,376</b>	<b>916</b>	<b>0</b>	<b>14,553</b>
Increase of depreciation	830	300	20	0	1,150
Other increase	21	0	0	0	21
Other decrease	(1)	(67)	(2)	0	(70)
<b>Closing balance 31.12.2012</b>	<b>10,111</b>	<b>4,609</b>	<b>934</b>	<b>0</b>	<b>15,654</b>
Increase of depreciation	841	282	18	0	1,141
Other decrease	0	(1)	(1)	0	(2)
<b>Closing balance 31.12.2013</b>	<b>10,952</b>	<b>4,890</b>	<b>951</b>	<b>0</b>	<b>16,793</b>

<b>Net book value as of 31.12.2012</b>	<b>8,789</b>	<b>1,365</b>	<b>60</b>	<b>109</b>	<b>10,323</b>
<b>Net book value as of 31.12.2013</b>	<b>8,087</b>	<b>1,596</b>	<b>42</b>	<b>828</b>	<b>10,553</b>

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**11. Research and development**

HUF million

<i>Research and development areas</i>	<i>2012</i>			<i>2013</i>		
	<i>Expenditure in current year</i>	<i>Of the expenditure</i>		<i>Expenditure in current year</i>	<i>Of the expenditure</i>	
		<i>capitalised</i>	<i>accounted as cost</i>		<i>capitalised</i>	<i>accounted as cost</i>
Domestic HC exploration	14,006	0	14,006	9,636	0	9,636
Foreign HC exploration	507	0	507	212	0	212
Technology and asset development	1,254	908	346	1,182	334	848
Product development	314	210	104	208	97	111
Environmental protection	70	18	52	56	0	56
Other (studies)	93	84	9	72	0	72
<b>Total:</b>	<b>16,244</b>	<b>1,220</b>	<b>15,024</b>	<b>11,366</b>	<b>431</b>	<b>10,935</b>

**12. Hazardous waste and environmentally harmful substances (not audited)**

rounded to tons

<i>EWC category</i>	<i>Title of hazardous waste group</i>	<i>Adjusted opening quantity</i>	<i>Increase in current year</i>	<i>Decrease in current year</i>	<i>Closing quantity</i>
01	Wastes from research, mining, quarrying, physical and chemical treatment of minerals	0	850	850	0
05	Wastes from petroleum refining, natural gas purification and coal pyrolytic treatment	14,592	9,186	2,605	21,173
06	Wastes from inorganic chemical processes	0	31	17	14
07	Wastes from organic chemical processes	0	281	281	0
10	Wastes from thermic manufacturing processes	0	3	0	3
12	Wastes from shaping, physical and mechanical surface treatment of metals and plastics	8	118	126	0
13	Oil wastes and wastes of liquid fuels	6,780	17,869	16,854	7,795
15	Packaging waste, absorbents, filter materials, wiping cloths and protective clothing (not detailed)	52	796	784	64
16	Not detailed waste materials in the catalogue	209	2,254	2,276	187
17	Building and demolition wastes (including soil extraction from contaminated area)	67	19,446	18,854	659
19	Wastes from waste treatment facilities, waste water treatment plants (treatment of waste water out from the original plant), the services of drinking water and industrial water	1,852	5,066	4,692	2,226

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<b>EWC category</b>	<b>Title of hazardous waste group</b>	<b>Adjusted opening quantity</b>	<b>Increase in current year</b>	<b>Decrease in current year</b>	<b>Closing quantity</b>
20	Municipal waste (domestic waste, and similar wastes of trade, industry and institution), including selective waste	0	48	47	1

The classification of hazardous waste and assignment of individual waste types and categories to codes are regulated in compliance with EU norms. There is no record keeping of hazardous waste materials in value only in quantity.

### 13. Long-term investments

#### 13.1. MOL Plc.'s subsidiaries, classified as long-term investments

HUF million

<b>ID</b>	<b>Name of the company</b>	<b>2012</b>				<b>2013</b>			
		<b>Owner -ship %</b>	<b>Gross book value</b>	<b>Accumulated impairment and reversal</b>	<b>Net book value</b>	<b>Owner -ship %</b>	<b>Gross book value</b>	<b>Accumulated impairment and reversal</b>	<b>Net book value</b>
1.	INA d.d. Croatia, Zagreb, Avenija Veceslava Holjevca 10.	49.08	396,968	0	396,968	49.08	400,568	0	400,568
2.	Slovnaft, a.s. Slovak Republic, Bratislava, Vlčie hrdlo 1.	98.41	353,445	0	353,445	98.41	360,264	0	360,264
3.	TVK Nyrt. Tiszaújváros, TVK Ipartelep hrsz:2119/3	94.86	123,819	0	123,819	94.86	123,819	0	123,819
4.	Theatola Ltd. Cyprus, Nicosia, Spyrou Kyrpianou Avenue 20.	100.00	135,299	19,672	115,627	100.00	132,546	19,672	112,874
5.	FGSZ Földgázz szállító Zrt. Siófok, Tanácsház u. 5.	100.00	83,589	0	83,589	100.00	83,589	0	83,589
6.	Kalegran Ltd. Cyprus, Nicosia, Acropolis Avenue 59-61.	99.99	48,648	13,034	35,614	99.99	64,767	13,034	51,733
7.	MOL Group Finance SA Luxembourg, Luxembourg, rue des Maraichers 102.	100.00	9	0	9	100.00	44,546	0	44,546
8.	MOL Caspian Ltd. Cyprus, Nicosia, Acropolis Avenue 59-61.	99.99	23,451	0	23,451	99.99	27,781	0	27,781
9.	MOL Romania PP s.r.l. Romania, Cluj-Napoca, Calea Dorobantilor nr. 14-16.	100.00	25,268	0	25,268	100.00	25,491	0	25,491
10.	TIFON d.o.o. Croatia, Zagreb, Savska cesta 41/XIII.	100.00	24,108	0	24,108	100.00	24,327	0	24,327
11.	PAP Oil Cerpaci Stanice s.r.o. Czech Republic, Praha 6, Drnovská 1042/28	100.00	0	0	0	100.00	17,121	0	17,121
12.	Ticinum Kft. Budapest, Október huszonharmadika u. 18.	100.00	1	0	1	100.00	11,720	0	11,720
13.	MOL Serbia (Intermol) d.o.o. Serbia, Beograd, Omladinskih Brigada 88/V	100.00	14,165	3,735	10,430	100.00	14,287	3,735	10,552



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ID	Name of the company	2012				2013			
		Owner -ship %	Gross book value	Accumulated impairment and reversal	Net book value	Owner -ship %	Gross book value	Accumulated impairment and reversal	Net book value
14.	Pronodar Ltd. Cyprus, Nicosia, Acropolis Avenue 59-61.	99.99	27,234	17,873	9,361	99.99	27,964	19,076	8,888
15.	Ménrót Kft. Szolnok, Ady Endre út 26.	100.00	6	0	6	100.00	8,280	0	8,280
16.	MOL Vagyonkezelő Kft. (Hermész Tanácsadó Kft.) Budapest, Krisztina krt. 99.	100.00	6	0	6	100.00	8,152	0	8,152
17.	MOL Slovenija d.o.o. Slovenia, Murska Sobota, Lendavska 5.	100.00	6,837	5	6,832	100.00	6,969	5	6,964
18.	MOL Austria GmbH Austria, Wien, Gartenbaupromenade 2.	100.00	4,963	0	4,963	100.00	5,059	0	5,059
19.	Petrolszolg Kft. Százhalombatta, Olajmunkás út 2.	100.00	3,708	0	3,708	100.00	3,708	0	3,708
20.	Roth Heizöle GmbH Austria, Graz, Conrad-von- Hötendorferstraße 160.	49.80	3,393	0	3,393	49.80	3,458	0	3,458
21.	MOL-LUB Kft. Almásfűző, Fő út 21.	100.00	2,603	0	2,603	100.00	2,603	0	2,603
22.	MOLTRADE-Mineralimpex Zrt. Budapest, Október huszonharmadika u. 18.	100.00	1,340	0	1,340	100.00	1,340	0	1,340
23.	Terméktároló Zrt. Százhalombatta, Olajmunkás u. 2.	74.07	1,200	0	1,200	74.07	1,200	0	1,200
24.	Panfora Oil & Gas s.r.l. Romania, Cluj-Napoca, Calea Dorobantilor nr. 14-16.	50.00	1,165	0	1,165	50.00	1,176	0	1,176
25.	FER Tűzoltóság és Szolgáltató Kft. Százhalombatta, Olajmunkás u. 2.	91.84	693	0	693	100.00	1,203	0	1,203
26.	Geoinform Kft. Szolnok, Kőrösi út 43.	100.00	1,125	0	1,125	100.00	1,125	0	1,125
27.	MOL Oman Ltd. (Lamorak Enterprises Ltd.) Cyprus, Nicosia, Acropolis Avenue 59-61.	99.99	2,998	2,998	0	99.99	4,162	3,301	861
28.	MOLTRANS Kft. Budapest, Pétróleumkikötő u. 5-7.	100.00	619	0	619	100.00	619	0	619
29.	MOL Pakistan Oil and Gas Co. B.V. The Netherlands, Amsterdam, Hemonystraat 11.	100.00	572	0	572	100.00	559	0	559
30.	MOL Germany GmbH (MK Mineralkontor GmbH) Germany, München, Otto Strasse 5.	100.00	515	0	515	100.00	525	0	525

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ID	Name of the company	2012				2013			
		Owner -ship %	Gross book value	Accumulated impairment and reversal	Net book value	Owner -ship %	Gross book value	Accumulated impairment and reversal	Net book value
31.	CEGE Közép-európai Geometrikus Energia Termelő Zrt. Budapest, Október huszonharmadika u. 18.	-	-	-	-	53.95	481	209	272
32.	UBA Services Ltd. Cyprus, Nicosia, Acropolis Avenue 59-61.	99.99	654	390	264	99.99	647	390	257
33.	MOL-RUSS Llc. Russia, Moscow, Kosmodamianskaya nab., d. 52. str. 3.	100.00	142	0	142	100.00	128	0	128
34.	MOL Reinsurance Company Ltd. Cyprus, Nicosia, Arch. Makariou III. Evagorou Avenue	100.00	103	0	103	100.00	101	0	101
35.	MOL Ukraine Llc. Ukraine, Kiev, Moskovskyi Ave. 23.	100.00	69	0	69	100.00	66	0	66
36.	Multipont Program Zrt. Budapest, Budafoki út 79.	81.00	65	0	65	81.00	65	0	65
37.	MOL Commodity Trading Kft. Budapest, Október huszonharmadika u. 18.	100.00	50	0	50	100.00	50	0	50
38.	MOL Central Asia B.V. The Netherlands, Amsterdam, Hemonystraat 11.	100.00	5,072	5,032	40	100.00	5,072	5,032	40
39.	HEXÁN Kft. Százhalombatta, Ipartelep hrsz: 2704/1	100.00	25	0	25	100.00	25	0	25
40.	Bravoum Investments Ltd. Cyprus, Nicosia, Acropolis Avenue 59-61.	99.99	24	0	24	99.99	25	0	25
41.	Alfagas Kft. Záhony, Ady E. út 17. I/1.	60.00	186	163	23	60.00	186	163	23
42.	Platounko Investments Ltd. Cyprus, Nicosia, Acropolis Avenue 59-61.	99.99	41	14	27	99.99	43	30	13
43.	MH Oil and Gas B.V. The Netherlands, Amsterdam, Prins Bernhardplein 200.	100.00	5	0	5	100.00	11	0	11
44.	Leodium Investment Kft Budapest, Október huszonharmadika u. 18.	-	-	-	-	100.00	8	0	8
45.	MOL Angola B.V. The Netherlands, Amsterdam, Prins Bernhardplein 200.	-	-	-	-	100.00	7	0	7
46.	BHM Oil Invest Ltd. Cyprus, Nicosia, Acropolis Avenue 59-61.	99.99	57	56	1	99.99	62	59	3
47.	Antinum Kft. Budapest, Október huszonharmadika u. 18.	100.00	1	0	1	100.00	2	0	2

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ID	Name of the company	2012				2013			
		Owner -ship %	Gross book value	Accumulated impairment and reversal	Net book value	Owner -ship %	Gross book value	Accumulated impairment and reversal	Net book value
48.	Emona Investment Kft. Budapest, Október huszonharmadika u. 18.	100.00	1	0	1	100.00	2	0	2
49.	MNS Oil&Gas B.V. Amsterdam, Fred.Roeskestraat 123.	-	-	-	-	100.00	2	0	2
50.	MCT Slovakia s.r.o. Slovak Republic, Bratislava, Vlčie hrdlo 1.	30.00	1	0	1	30.00	1	0	1
51.	Italiana Energia e Servizi S.p.A. Italy, Mantova, Strada Cipata 79.	100.00	214,759	68,629	146,130	100.00	214,759	214,759	0
52.	MOL Yemen Ltd. Cyprus, Nicosia, Acropolis Avenue 59-61.	99.99	20,860	20,860	0	99.99	20,860	20,860	0
53.	Hawasina GmbH Switzerland, Zug, Bundesstr. 3.	100.00	6,405	4,203	2,202	100.00	6,405	6,405	0
54.	ENERGOPETROL d.d. Bosnia and Herzegovina , Sarajevo, Marsala Tita Street 36.	33.50	4,974	4,974	0	33.50	4,974	4,974	0
55.	BMN Investment Ltd. Cyprus, Nicosia, Acropolis Avenue 59-61.	100.00	2,487	2,487	0	100.00	2,494	2,494	0
56.	MOL Agram d.o.o."ud" Croatia, Zagreb, Fallerovo šetalište 22.	100.00	1,141	1,141	0	100.00	1,141	1,141	0
57.	RUSI Services Ltd. Cyprus, Nicosia, Acropolis Avenue 59-61.	99.99	708	708	0	99.99	711	711	0
58.	Pyrogol Ltd. Cyprus,Nicosia, Acropolis Avenue 59-61.	99.99	629	629	0	99.99	632	632	0
59.	MK Oil and Gas B.V. The Netherlands, Amsterdam, Prins Bernhardplein 200.	100.00	5	0	5	0.01	0	0	0
60.	MMBF Zrt. Budapest, Budafoki út 79.	72.46	20,013	0	20,013	-	-	-	-
61.	Bohemia Realty Company s.r.o. Czech Republic, Praha 6, Drnovská 1042/28	100.00	18,353	0	18,353	-	-	-	-
62.	Geofizikai Szolgáltató Kft. „ud.” Budapest, Szántóföld u. 7-9.	100.00	3,403	0	3,403	-	-	-	-
63.	E.M.S. Management Services Ltd. „ud” Cyprus, Lamaca, Artemidos ave 3.	99.99	1,032	87	945	-	-	-	-
64.	Tadmor Ltd. „ud” Malta, Sliema, Bisazza Street, Regent House 52.	100.00	35	0	35	-	-	-	-
65.	Tűzoltó és Műszaki Mentő Kft. Tiszaújváros, Tűzoltó u. 1.	60.00	12	0	12	-	-	-	-

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ID	Name of the company	2012				2013			
		Owner -ship %	Gross book value	Accumulated impairment and reversal	Net book value	Owner -ship %	Gross book value	Accumulated impairment and reversal	Net book value
66.	MOL Libya Ltd. „ud” Malta, Sliema, Bisazza Street, Regent House 52.	99.99	9	0	9	-	-	-	-
	<b>Total:</b>		<b>1,589,068</b>	<b>166,690</b>	<b>1,422,378</b>		<b>1,667,888</b>	<b>316,682</b>	<b>1,351,206</b>

The ownership and voting rights are the same in all companies contained in the table except for Alfagas Zrt., where the 60 % ownership provides 50 % voting rights to MOL Plc.

Long-term investments not involved in full consolidation: MOL Agram d.o.o., Alfagas Ltd., Hexán Ltd., Bravoum Investments Ltd., Antinum Ltd., Emona Investment Ltd., Leodium Ltd., MNS Oli&Gas B.V, MOL Angola B.V.

Line 11 and 61: The book value of PAP Oil Cerpaci Stanice s.r.o. was accounted as goodwill in 2012, Bohemia Realty Company s.r.o merged into PAP Oil s.r.o. in 2013.

Line 31: MOL Plc. has gained majority ownership in CEGE Zrt based on a one-sided capital increase, therefore it was shown as subsidiary of the MOL Plc. at 31th December 2013.

Line 51: As a consequence of the unfavourable economic environment that the refining business faces in Italy, after detailed assessment of the long-term sustainability of the Mantova operations of IES, MOL Group decided to convert the refinery into a products logistics hub. As a result of the appraisal of the Company, the investment has been written off.

Line 59: MK Oil&Gas Ltd. has been sold to MH Oil&Gas Ltd., MOL Plc. possesses 1 piece of the shares directly.

Line 60: MMBF Zrt. has been sold.

Line 62., 63., 64., and 66.: GES Kft., EMS Services Ltd., Tadmor Ltd., MOL Libya Ltd. have been reclassified to short-term investments due to dissolution procedure.

Line 65: Tüzoltó Műszaki Mentő Kft. was merged to FER Kft. in 2013.

### 13.2. MOL Plc.'s joint venture, classified as long-term investment

HUF million

ID	Name of the company	2012				2013			
		Owner -ship %	Gross book value	Accumulated impairment and reversal	Net book value	Owner -ship %	Gross book value	Accumulated impairment and reversal	Net book value
1.	CM European Power International B.V. The Netherlands, Rotterdam, Weena 340.	50.00	10,647	0	10,647	50.00	10,851	0	10,851
2.	Rossi Biofuel Zrt.* Komárom, Kőolaj u. 2.	25.00	350	0	350	25.00	350	0	350
3.	MOL-RAG West Kft. Budapest, Bocskai út 134-146.	50.00	1	0	1	50.00	1	0	1
4.	CEGE Közép-európai Geotermikus Energia Termelő Zrt.** Budapest, Október huszonharmadika u. 18.	50.00	411	209	202	-	-	-	-
5.	SEP Company Kft. „ud” *** Budapest, Október huszonharmadika u. 18.	50.00	150	87	63	-	-	-	-
	<b>Total:</b>		<b>11,559</b>	<b>296</b>	<b>11,263</b>		<b>11,202</b>	<b>0</b>	<b>11,202</b>

\* Due to approval of Cooperation Agreement of 2007 between ROSSI Beteiligungs GmbH and MOL Plc., MOL Plc.'s shares increased to 25 % + 1 voting right. Further above, MOL Plc. gained purchase right for additional 24 % of shares of Rossi Biofuel Zrt.

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\*\* MOL Plc. gained majority ownership in CEGE Zrt based on a one-sided capital increase in 2013, thereof CEGE Zrt. was shown as subsidiary of the MOL Plc. at 31th December 2013.

\*\*\* SEP Company Kft. has been reclassified to short-term investments due to dissolution procedure.

**13.3. MOL Plc.'s associated companies, classified as long-term investments**

HUF million

ID	Name of the company	2012				2013			
		Owner-ship %	Gross book value	Accumulated impairment and reversal	Net book value	Owner-ship %	Gross book value	Accumulated impairment and reversal	Net book value
1.	TOP Finance Számviteli Szolgáltató Kft. Budapest, Batthyány u. 45.	26.00	1	0	1	26.00	1	0	1
2.	MESSER MOL Gáz Kft.* Budapest, Váci út 117.	25.00	87	1	86	-	-	-	-
3.	MET Magyarország Energiakereskedő Zrt.** Budapest, Benczúr u 13/B.	40.00	636	0	636	-	-	-	-
4.	MET Holding AG *** Switzerland, Zug, Baarerstrasse 141.	40.00	10	0	10	-	-	-	-
	<b>Total:</b>		<b>734</b>	<b>1</b>	<b>733</b>		<b>1</b>	<b>0</b>	<b>1</b>

\* MESSER MOL Gáz Kft. will be sold in 2014, thereof it was reclassified to short-term investments at 31th December 2013.

\*\* MET Magyarország Energiakereskedő Zrt was transferred as contribution in kind in 2013.

\*\*\* MET Holding AG has been sold in 2013.

**13.4. Shareholders' equity of MOL Plc.'s subsidiaries and certain key investments**

Unaudited data for informational purposes

HUF million

ID	Name of the company	Shareholders' equity	Share capital	Share premium, retained earnings, tied-up reserve and fair valuation reserve	Net income for 2013
	<b>Subsidiaries:</b>				
1.	INA d.d.	519,031	350,460	75,505	93,066
2.	Sloznaft, a.s.	394,683	203,312	35,961	155,410
3.	Theatola Ltd.	140,960	0	131,568	9,392
4.	FGSZ Földgázszállító Zrt.	125,933	18,823	80,574	26,536
5.	TVK Nyrt.	119,578	24,534	90,179	4,865
6.	Kalegran Ltd.	64,865	16	65,831	(982)
7.	MK Oil and Gas B.V.	59,299	6	59,310	(17)
8.	MOL Group Finance SA	44,573	44,546	12	15
9.	MOL Romania PP s.r.l.	40,596	16,052	18,583	5,961
10.	Pronodar Ltd.	22,697	4	22,759	(66)
11.	MOL Caspian Ltd.	22,610	4	20,223	2,383
12.	Italiana Energia e Servizi S.p.A	14,683	7,720	104,640	(97,677)
13.	TIFON d.o.o.	14,017	21,524	(7,364)	(143)
14.	Ticinum Kft.	11,507	1	11,718	(212)
15.	MOL Reinsurance Company Ltd.	8,538	495	7,177	866

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<i>ID</i>	<i>Name of the company</i>	<i>Shareholders' equity</i>	<i>Share capital</i>	<i>Share premium, retained earnings, tied-up reserve and fair valuation reserve</i>	<i>Net income for 2013</i>
16.	PAP Oil Cerpaci Stanice s.r.o.	8,263	9,769	(832)	(674)
17.	MOL Vagyonkezelő Kft. (Hermész Mérnöki Kft.)	8,179	6	8,191	(18)
18.	Ménrót Kft.	8,051	5	8,275	(229)
19.	MOL Central Asia B.V.	7,915	2,118	5,805	(8)
20.	MOL Slovenija d.o.o	7,635	5,047	2,028	560
21.	MOL Serbia (Intermol) d.o.o.	7,451	13,819	(6,389)	21
22.	HAWASINA GmbH	7,215	371	6,922	(78)
23.	MOLTRADE-Mineralimpex Zrt.	5,055	1,627	2,429	999
24.	MOL Austria GmbH	4,306	108	4,081	117
25.	MOL-LUB Kft.	3,533	2,603	(90)	1,020
26.	Petrolszolg Kft.	3,422	2,579	0	843
27.	Terméktároló Zrt.	2,618	1,620	0	998
28.	Panfora Oil & Gas s.r.l.	1,975	2,351	(6)	(370)
29.	FER Tűzoltóság és Szolgáltató Kft.	1,739	643	978	118
30.	MOL Pakistan Oil & Gas Co. B.V.	1,672	128	1,180	364
31.	MOLTRANS Kft.	1,105	619	300	186
32.	MOL Oman Ltd. (Lamorak Enterprises Ltd.)	867	1,006	62	(201)
33.	Geoinform Kft.	4,358	1,125	2,288	945
34.	CEGE Közép-európai Geotermikus Energia Termelő Zrt.	439	114	353	(28)
35.	MOL Germany GmbH (MK Mineralkontor GmbH)	414	15	108	291
36.	Roth Heizöle GmbH	403	10	273	120
37.	MOL Commodity Trading Kft.	240	50	0	190
38.	UBA Services Ltd.	232	543	(312)	1
39.	Multipont Program Zrt.	148	16	36	96
40.	MOL-RUSS Llc.	136	128	20	(12)
41.	Alfagas Kft.	116	10	60	46
42.	Hexán Kft.	114	7	37	70
43.	MOL Ukraine Llc.	83	1	41	41
44.	MOL Yemen Ltd.	19	637	(610)	(8)
45.	MCT Slovakia s.r.o.	18	1	3	14
46.	Platounko Investments Ltd.	18	3	20	(5)
47.	BHM Oil Invest Ltd.	9	33	(19)	(5)
48.	MOL Angola B.V.	8	8	0	0
49.	Leodium Investment Kft.	7	3	5	(1)
50.	MNS Oil & Gas B.V.	3	3	0	0
51.	RUSI Services Ltd.	1	54	(49)	(4)
52.	Antinum Kft.	0	1	1	(2)
53.	Bravoum Investments Ltd.	0	3	0	(3)

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<i>ID</i>	<i>Name of the company</i>	<i>Shareholders' equity</i>	<i>Share capital</i>	<i>Share premium, retained earnings, tied-up reserve and fair valuation reserve</i>	<i>Net income for 2013</i>
54.	Pyrogol Ltd.	0	2	2	(4)
55.	MH Oil and Gas B.V.	(22)	10	4	(36)
56.	Emona Investment Kft.	(29)	1	1	(31)
57.	BMN Investment Ltd.	(97)	12	(104)	(5)
58.	ENERGOPETROL d.d.	(13,855)	10,423	(22,495)	(1,783)
	<b>Joint ventures:</b>				
59.	CM European Power International B.V.	18,511	16,786	2,621	(896)
60.	ROSSI Biofuel Zrt.	10	1	7	2
61.	MOL-RAG West Kft.	(19)	1	(10)	(10)
	<b>Associated companies:</b>				
62.	TOP Finance Számviteli Szolgáltató Kft.	106	3	0	103

Companies having registered office in Hungary are presented according to Hungarian Accounting Act and companies with registered office abroad are presented according to IFRS.

**13.5. MOL Plc.'s other investments, classified as long-term investments**

HUF million

<i>ID</i>	<i>Name of the company</i>	<i>2012</i>				<i>2013</i>			
		<i>Ownership %</i>	<i>Gross book value</i>	<i>Accumulated impairment and reversal</i>	<i>Net book value</i>	<i>Ownership %</i>	<i>Gross book value</i>	<i>Accumulated impairment and reversal</i>	<i>Net book value</i>
1.	Pearl Petroleum Company Ltd. British Virgin Islands, Tortola, Road Town, Flemming House, Wickhams Cay	10.00	63,805	0	63,805	10.00	62,286	0	62,286
2.	OTP Bank Nyrt. Budapest, Nádor u. 16.	8.57	55,468	0	55,468	8.57	55,468	0	55,468
3.	Budapesti Értéktőzsde Zrt. Budapest, Andrássy út 93.	2.18	431	0	431	2.18	431	0	431
4.	OVERDOSE Vagyonkezelő Kft. Budapest, Acélcső u. 2-22.	10.00	40	0	40	10.00	40	0	40
5.	NGF Nemzetközi Gazdaságfejlesztési Kht. „u.l.”** Budapest, Lajos u. 160-162.	11.49	1	0	1	-	-	-	-
6.	Nabucco Doğal Gaz Boru hattı İnşaatı ve İşletmeciliği Limited Şirketi** Turkey, Ankara, Bilkent Plaza A-2 Blok Kat: 6	0.50	0	0	0	-	-	-	-
	<b>Total:</b>		<b>119,745</b>	<b>0</b>	<b>119,745</b>		<b>118,225</b>	<b>0</b>	<b>118,225</b>

\* Liquidation of NGF Nemzetközi Gazdasági Fejlesztő Kht. was finished in 2013.

\*\* Nabucco Dogal Gaz was sold in December of 2013.

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**13.6. Impairment of long-term investments and its reversal**

HUF million

<i>Description</i>	<i>Subsidiaries</i>	<i>Joint ventures</i>	<i>Associated companies</i>	<i>Other investments</i>	<i>Total</i>
<b>Closing gross balance of 2012</b>	<b>1,589,068</b>	<b>11,559</b>	<b>734</b>	<b>119,745</b>	<b>1,721,106</b>
<b>Closing gross balance of 2013</b>	<b>1,667,888</b>	<b>11,202</b>	<b>1</b>	<b>118,225</b>	<b>1,797,316</b>
<b>Opening impairment balance of 2012</b>	<b>138,860</b>	<b>296</b>	<b>1</b>	<b>0</b>	<b>139,157</b>
Increase of impairment *	29,011	0	0	0	29,011
Decrease of impairment due to write off	587	0	0	0	587
Increase of impairment due to reclassification	72	0	0	0	72
Reversal of impairment	925	0	0	0	925
Reversal of impairment due to write off	259	0	0	0	259
<b>Closing impairment balance of 2012</b>	<b>166,690</b>	<b>296</b>	<b>1</b>	<b>0</b>	<b>166,987</b>
Increase of impairment **	149,870	0	0	0	149,870
Decrease of impairment due to write off	103	296	1	0	400
Increase of impairment due to reclassification	209	0	0	0	209
Reversal of impairment due to write off	16	0	0	0	16
<b>Closing impairment balance of 2013</b>	<b>316,682</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>316,682</b>
<b>Closing net balance of 2012</b>	<b>1,422,378</b>	<b>11,263</b>	<b>733</b>	<b>119,745</b>	<b>1,554,119</b>
<b>Closing net balance of 2013</b>	<b>1,351,206</b>	<b>11,202</b>	<b>1</b>	<b>118,225</b>	<b>1,480,634</b>

\* From the accounted impairment in 2012 67.81 % relates to Theatola Ltd. (HUF 19,672 million).

\*\* From the accounted impairment in 2013 97.5 % relates to IES S.p.A. (HUF 146,130 million).



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**14. Details of long-term loans to related parties and other investments**

HUF million

<i>Description</i>	<b>2012</b>	<b>2013</b>
<i>HUF loans to related parties</i>	115,874	3,697
Loans disbursed in EUR	124,791	195,524
Loans disbursed in USD	80,610	101,127
Loans disbursed in RUB	20,076	3
Loans disbursed in HRK	8,560	0
<i>FX loans to related parties</i>	234,037	296,654
<b>Total long-term loans to related parties</b>	<b>349,911</b>	<b>300,351</b>
Loans disbursed in USD	10,552	5,118
<b>Total long-term loans to other investments</b>	<b>10,552</b>	<b>5,118</b>

**15. Impairment on long-term loans**

HUF million

<i>Description</i>	<i>Long-term loans to related parties</i>	<i>Long-term loans to other investments</i>	<i>Other long-term loans</i>	<b>Total</b>
<b>Closing gross balance of 2012</b>	351,231	10,552	1	361,784
<b>Closing gross balance of 2013</b>	303,348	5,118	8	308,474
<b>Opening balance of impairment 2012</b>	1,853	0	0	1,853
Decrease of impairment	(533)	0	0	(533)
<b>Closing impairment balance of 2012</b>	1,320	0	0	1,320
Increase of impairment	1,677	0	0	1,677
<b>Closing impairment balance of 2013</b>	2,997	0	0	2,997
<b>Closing net balance of 2012</b>	349,911	10,552	1	360,464
<b>Closing net balance of 2013</b>	300,351	5,118	8	305,477

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**16. Non-current assets disposable within a year, reclassified to inventories**

HUF million

<i>Description</i>	<i>Gross book value</i>	<i>Depreciation</i>	<i>Impairment</i>	<i>Reversal of impairment</i>	<i>Net book value</i>
Land and building and related property rights	1,789	1,084	182	0	<b>523</b>
Plant, machinery and vehicles	21	21	0	0	<b>0</b>
Other equipment, fixtures and vehicles	375	373	0	0	<b>2</b>
<b>Total reclassification in 2012</b>	<b>2,185</b>	<b>1,478</b>	<b>182</b>	<b>0</b>	<b>525</b>
Land and building and related property rights	1,703	773	637	106	<b>399</b>
Plant, machinery and vehicles	201	187	12	0	<b>2</b>
Other equipment, fixtures and vehicles	28	24	0	0	<b>4</b>
<b>Total reclassification in 2013</b>	<b>1,932</b>	<b>984</b>	<b>649</b>	<b>106</b>	<b>405</b>

**17. Impairment of inventories**

The opening balance of impairment of inventories amounts to HUF 176 million, the closing balance amounts to HUF 130 million. In 2013, HUF 129 million impairment of merchandise was accounted. Use of impairment were HUF 110 million, HUF 64 million and HUF 1 million due to the sales of finished products, merchandises and materials.

**18. Receivables from related parties**

HUF million

<i>Description</i>	<b>2012</b>	<b>2013</b>
<b>Receivables from subsidiaries</b>	<b>127,866</b>	<b>76,952</b>
Receivables from the supply of goods and services	86,680	66,161
Receivables from short-term loans	39,491	9,125
Other receivables	1,695	1,666
<b>Receivables from joint ventures</b>	<b>5,561</b>	<b>1,154</b>
Receivables from short-term loans	4,824	821
Receivables from the supply of goods and services	736	332
Other receivables	1	1
<b>Receivables from associated companies</b>	<b>93</b>	<b>200</b>
Receivables from the supply of goods and services	92	199
Other receivables	1	1
<b>Total:</b>	<b>133,520</b>	<b>78,306</b>

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**19. Other receivables**

HUF million

<i>Description</i>	<b>2012</b>	<b>2013</b>
Short-term loans given to third parties*	0	79,940
Advance payment for taxes	1,958	20,184
Book value of lent MOL shares	6,609	4,121
Receivables related to financial investments**	25,926	3,161
Receivables from joint operation	1,136	796
Advance payment for services	233	322
Receivables purchased and received	210	155
Deposit***	5,584	7
Various other receivables	293	320
<b>Total:</b>	<b>41,949</b>	<b>109,006</b>

\* Given long-term loan related to disposal of MMBF Zrt., has been settled on the 14<sup>th</sup> January of 2014.

\*\* The balance of 2012 contains the capital increase not registered amounts to HUF 19,982 million.

\*\*\* The value of 2012 contains the deposit of letter of credit related to the purchase of import sulphur diesel oil.

**20. Valuation of receivables**

**Historical cost**

HUF million

<i>Description</i>	<i>Trade receivables</i>	<i>Receivables from related parties</i>	<i>Receivables from other investments</i>	<i>Other receivables</i>	<i>Derivative transactions</i>	<i>Total receivables</i>
<b>31.12.2012 Closing balance</b>	<b>97,854</b>	<b>133,525</b>	<b>0</b>	<b>43,540</b>	<b>18,011</b>	<b>292,930</b>
<i>Of which: receivables impaired</i>	1,388	1,168	0	8,223 *	0	10,779
<b>31.12.2013 Closing balance</b>	<b>83,725</b>	<b>78,306</b>	<b>1</b>	<b>111,774</b>	<b>14,328</b>	<b>288,134</b>
<i>Of which: receivables impaired</i>	1,166	0	0	6,905*	0	8,071

\* The original value of lent treasury shares where impairment is accounted for, classified as other receivables amounts to HUF 8,020 million in 2012 and HUF 6,685 million in 2013.

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**Impairment/ Reversal of impairment**

HUF million

<i>Description</i>	<i>Trade receivables</i>	<i>Receivables from related parties</i>	<i>Receivables from other investments</i>	<i>Other receivables</i>	<i>Derivative transactions</i>	<i>Total receivables</i>
<b>01.01.2012 Opening balance</b>	1,291	1,296	0	2,211	0	4,798
Impairment change*	(230)	(1,548)	0	(3,902)	0	(5,680)
Reversal of impairment change	0	257	0	3,282	0	3,539
<b>31.12.2012 Closing balance</b>	1,061	5	0	1,591	0	2,657
Impairment change**	(104)	(5)	0	1,180	0	1,071
Reversal of impairment change	(2)	0	0	(3)	0	(5)
<b>31.12.2013 Closing balance</b>	955	0	0	2,768	0	3,723

<b>Net income for the period ended 31.12.2012</b>	96,793	133,520	0	41,949	18,011	290,273
<b>Net income for the period ended 31.12.2013</b>	82,770	78,306	1	109,006	14,328	284,411

\* From the decrease of impairment in 2012, HUF 5,361 million was realised due to financial settlements, and HUF 1,882 million was accounted due to write offs for receivables and HUF 1,909 million new impairment was accounted.

\*\* Increase of impairment HUF 2,951 million was slightly counterbalanced by financial settlements (HUF 1,516 million) and by write offs for receivables (HUF 365) million in 2013.

**21. Short-term investments**

**21.1. Investment to be sold, liquidated or wound up, classified as short-term investments**

HUF million

<i>ID</i>	<i>Name of the company</i>	<i>2012</i>				<i>2013</i>			
		<i>Ownership %</i>	<i>Gross book value</i>	<i>Accumulated impairment and reversal</i>	<i>Net book value</i>	<i>Ownership %</i>	<i>Gross book value</i>	<i>Accumulated impairment and reversal</i>	<i>Net book value</i>
1.	TVK Italia s.r.l. Italy, Milano, Via PietroTeulie 1.	100.00	396	0	396	100.00	404	0	404
2.	Geofizikai Szolgáltató Kft. „ud.” Budapest, Szántó föld u. 7- 9.	-	-	-	-	100.00	3,403	3,270	133
3.	E.M.S. Management Services Ltd. „ud” Cyprus, Lamaca, Artemidos ave 3.	-	-	-	-	99.99	1,139	1,006	133

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ID	Name of the company	2012				2013			
		Owner-ship %	Gross book value	Accumulated impairment and reversal	Net book value	Owner-ship %	Gross book value	Accumulated impairment and reversal	Net book value
4.	Tadmor Ltd. „ud” Malta, Sliema, Bisazza Street, Regent House 52.	-	-	-	-	100.00	42	42	0
5.	MOL Libya Ltd. „ud” Malta, Sliema, Bisazza Street, Regent House 52.	-	-	-	-	99.99	21	21	0
<b>Total divested subsidiaries</b>			<b>396</b>	<b>0</b>	<b>396</b>		<b>5,009</b>	<b>4,339</b>	<b>670</b>
1.	SEP Company Kft. „ud” Budapest, Október huszonharmadika u. 18.	-	-	-	-	50.00	150	87	63
<b>Total divested joint ventures</b>			<b>0</b>	<b>0</b>	<b>0</b>		<b>150</b>	<b>87</b>	<b>63</b>
1.	MESSER MOL Gáz Kft. * Budapest, Váci út. 117	-	-	-	-	25.00	87	1	86
2.	IN-ER Erőmű Kft. Nagykanizsa, Kölcsey F. u. 13/A	30.00	6	0	6	30.00	6	0	6
3.	Magyar-Amerikai Geotermia Kft. ** Budapest, Október huszonharmadika u.18.	25.00	1	1	0	-	-	-	-
<b>Total divested associates</b>			<b>7</b>	<b>1</b>	<b>6</b>		<b>93</b>	<b>1</b>	<b>92</b>
1.	OMV AG*** Austria, Wien, Traubennstraße 5.		0	0	0		0	0	0
<b>Total divested investments</b>			<b>403</b>	<b>1</b>	<b>402</b>		<b>5,252</b>	<b>4,427</b>	<b>825</b>

Proportion of shares and voting rights are the same in case of all above listed companies.

\* Sales contract of MESSER MOL Gáz Kft. was signed in December of 2013.

\*\* The liquidation procedure of MAG Kft. was finished in 2013.

\*\*\* OMV AG: the value of investment is under HUF 1 million (book value is HUF 70 thousand as of 31.12.2013.)

## 21.2. Impairment and reversal of impairment on short-term investments

In 2012, the closing balance of impairment on investments in affiliated companies accounted as current assets amounted to HUF 1 million that was related to associated company. Impairment of subsidiaries was HUF 4,252 million in 2013. Impairment due to reclassification was increased by HUF 190 million from which HUF 103 million was related to subsidiaries and HUF 87 million was related to joint venture. Increase in derecognition of impairment is HUF 16 million which is due to reclassification of subsidiary. The closing value of impairment is HUF 4,427 million from which HUF 4,339 million relates to subsidiaries, HUF 87 million relates to joint venture and HUF 1 million relates to associated company.

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
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**22. Changes of treasury shares in the current year**

<i>Description / Title</i>	<i>Number of shares (pieces)</i>	<i>Book value of shares (HUF million)</i>
<b>Opening balance of treasury shares in 2012</b>	<b>5,793,894</b>	<b>89,003</b>
Sold treasury shares	(646,361)	(12,176)
Lend treasury shares	(371,301)	(8,020)
Derecognised reversal of impairment	-	(1,546)
<b>Decreases</b>	<b>(1,017,662)</b>	<b>(21,742)</b>
Resumed lent treasury shares	371,301	8,020
Reversal of impairment	-	7,440
Derecognise of impairment	-	3,077
<b>Increases</b>	<b>371,301</b>	<b>18,537</b>
<b>Closing balance of treasury shares in 2012</b>	<b>5,147,533</b>	<b>85,798</b>
Sold treasury shares	(2,649,109)	(49,902)
Lend treasury shares	(371,301)	(8,020)
Impairment of treasury shares	-	(6,776)
Derecognised reversal of impairment	-	(10,454)
Share benefit given to senior officers	(13,500)	(254)
<b>Decreases</b>	<b>(3,033,910)</b>	<b>(75,406)</b>
Resumed lent treasury shares	371,301	8,020
Derecognise of impairment	-	12,673
<b>Increases</b>	<b>371,301</b>	<b>20,693</b>
<b>Closing total of treasury shares in 2013</b>	<b>2,484,924</b>	<b>31,085</b>

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**Supplementary Notes for the year ending on 31 December 2013**

**23. Prepayments, accruals**

**Details of prepayments**

HUF million

<i>Description</i>	<b>2012</b>	<b>2013</b>
Interest receivable	4,999	6,634
Other deferred income	779	917
<b>Accrued income</b>	<b>5,778</b>	<b>7,551</b>
Deferred loss on MOL shares lent	5,081	6,417
Mining royalty	5,327	4,164
Prepaid rent and lease fee	1,745	1,615
Issue of long-term zero coupon bonds	1,341	1,014
Other	821	793
<b>Prepaid costs and expenses</b>	<b>14,315</b>	<b>14,003</b>
<b>Total:</b>	<b>20,093</b>	<b>21,554</b>

**Details of accruals**

HUF million

<i>Description</i>	<b>2012</b>	<b>2013</b>
Deferred revenues	472	745
<b>Deferred revenues</b>	<b>472</b>	<b>745</b>
Interest payable	14,211	14,516
Accrued personnel expenses	4,702	5,180
Other accrued costs and expenses	393	955
<b>Accrued costs and expenses</b>	<b>19,306</b>	<b>20,651</b>
Received compensation for cost of redeemed production well and cable, caused by motorway constructions	2,246	1,851
Received development subsidy, grant	333	214
Other	325	287
<b>Deferred income</b>	<b>2,904</b>	<b>2,352</b>
<b>Total:</b>	<b>22,682</b>	<b>23,748</b>

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**24. Changes in equity**

HUF million

<i>Description</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Retained earnings</i>	<i>Tied-up reserve</i>	<i>Valuation reserve</i>	<i>Net income</i>	<i>Shareholders' equity</i>
<b>Balance as of 01.01.2012</b>	<b>104,519</b>	<b>223,866</b>	<b>1,306,962</b>	<b>104,387</b>	<b>2,470</b>	<b>104,892</b>	<b>1,847,096</b>
Transfer of net income of previous year	0	0	104,892	0	0	(104,892)	0
Profit adjustments to previous years	0	0	287	0	0	0	287
2012 profit after tax	0	0	0	0	0	55,241	55,241
Dividend payable	0	0	0	0	0	(46,000)	(46,000)
Decrease in retained earnings (additional contribution)	0	0	(3,780)	0	0	0	(3,780)
Change of tied-up reserve	0	0	6,165	(6,165)	0	0	0
Valuation reserve of fair valuation	0	0	0	0	668	0	668
<b>Balance as of 31.12.2012</b>	<b>104,519</b>	<b>223,866</b>	<b>1,414,526</b>	<b>98,222</b>	<b>3,138</b>	<b>9,241</b>	<b>1,853,512</b>
Transfer of net income of previous year	0	0	9,241	0	0	(9,241)	0
2013 profit after tax	0	0	0	0	0	(77,658)	(77,658)
Change of tied-up reserve	0	0	52,310	(52,310)	0	0	0
Valuation reserve of fair valuation	0	0	0	0	(1,799)	0	(1,799)
<b>Balance as of 31.12.2013</b>	<b>104,519</b>	<b>223,866</b>	<b>1,476,077</b>	<b>45,912</b>	<b>1,339</b>	<b>(77,658)</b>	<b>1,774,055</b>

**25. Breakdown of the tied up reserve**

HUF million

<i>Description</i>	<i>2012</i>	<i>2013</i>	<i>Change</i>
Book value of treasury shares	85,798	36,090	(49,708)
Research and development, not yet written off	3,223	2,950	(273)
Tied-up reserve of foundation and restructuring	724	967	243
Development reserve	1,000	500	(500)
Other tied-up reserves*	7,477	5,405	(2,072)
<b>Total tied-up items</b>	<b>98,222</b>	<b>45,912</b>	<b>(52,310)</b>

\* The Company recognised tied-up reserve in an amount corresponding to the capitalised field abandonment provision included in the closing balance of property, plant and equipment (see Note 3.4.6. for further details).



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**26. Provisions**

**Provisions for contingent liabilities**

HUF million

<i>Description</i>	<b>2012</b>					<b>2013</b>				
	<i>Opening balance</i>	<i>Use of provisions</i>	<i>Provision recognised against profit</i>	<i>Provision capitalised against fixed assets</i>	<i>Closing balance</i>	<i>Use of provisions</i>	<i>Provision recognised against profit</i>	<i>Provision capitalised against fixed assets*</i>	<i>Closing balance</i>	
Provisions for field abandonment	104,454	8,498	6,242	(1,012)	101,186	6,620	4,022	2,942	101,530	
Provisions for litigation, liabilities	8,459	62	1,510	-	9,907	2,269	1,965	-	9,603	
Provisions for environmental liabilities	10,715	1,127	1,459	-	11,047	2,004	403	-	9,446	
Provisions for liability result from dispute of prices	0	0	0	-	0	0	3,877	-	3,877	
Provisions for loyalty bonus	2,895	399	318	-	2,814	265	289	-	2,838	
Provisions for retirement benefit	2,714	214	320	-	2,820	320	258	-	2,758	
Provisions for severance payment and termination of common agreed employment	0	0	1,403	-	1,403	1,403	982	-	982	
Provisions recognised on pending payable mining royalty **	9,216	0	1,914	-	11,130	11,130	0	-	0	
Provisions for emission rights	3,475	599	0	-	2,876	2,876	0	-	0	
Other provisions	2,013	771	221	-	1,463	586	158	-	1,035	
<b>Total provisions for contingent liabilities:</b>	<b>143,941</b>	<b>11,670</b>	<b>13,387</b>	<b>(1,012)</b>	<b>144,646</b>	<b>27,473</b>	<b>11,954</b>	<b>2,942</b>	<b>132,069</b>	

\* See Note 3.4.6.

The environmental expenses recognised were HUF 1,851 million in 2012 and HUF 1,914 million in 2013.

\*\* Provision has been reversed due to the favourable discretion of related legal processes.

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**27. Long-term liabilities**

Details of long-term liabilities by maturity

HUF million

<i>Balance sheet item 2012</i>	<i>Within a year</i>	<i>Long-term</i>		
		<i>Between one and five years</i>	<i>Over five years</i>	<i>Total</i>
Liabilities from bond issue	0	447,935	0	447,935
Liabilities from other long-term loans	29,862	70,282	13,857	84,139
Long-term liabilities to related parties*	0	1	108,808	108,809
Other long-term liabilities	0	302	0	302
<b>Total:</b>	<b>29,862</b>	<b>518,520</b>	<b>122,665</b>	<b>641,185</b>

HUF million

<i>Balance sheet item 2013</i>	<i>Within a year</i>	<i>Long-term</i>		
		<i>Between one and five years</i>	<i>Over five years</i>	<i>Total</i>
Liabilities from bond issue	11,000	445,365	0	445,365
Liabilities from other long-term loans	42,159	40,732	7,086	47,818
Long-term liabilities to related parties*	0	0	106,217	106,217
Other long-term liabilities	72	291	0	291
<b>Total:</b>	<b>53,231</b>	<b>486,388</b>	<b>113,303</b>	<b>599,691</b>

\* The long-term value contains the liability of subsidiary loan received.

The Company does not have any liabilities secured with a mortgage or similar rights.

**28. Liabilities, where the repayable amount exceeds the amount received**

<i>Description</i>	<i>Amount received EUR</i>	<i>Amount repayable</i>		<i>Maturity</i>
		<i>EUR</i>	<i>HUF million</i>	
Long-term liabilities from bond issue	746,707,500	750,000,000	222,682.5	05.10.2015
Long-term liabilities from bond issue	743,977,500	750,000,000	222,682.5	20.04.2017

Apart from the EUR 750 million Eurobonds with fix 3.875 % interest p.a., issued on 5 October 2005, the Company issued another EUR 750 million Eurobond with 5.875 % fixed interest rate p.a. on 20 April 2010. The bonds are in the denomination of EUR 50,000 each. The notes were offered as part of a private placement in both cases and are listed on the Luxembourg Stock Exchange.

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**Bonds issued at par value**

<i>Description</i>	<i>Amount received</i> HUF million	<i>Amount repayable</i> HUF million	<i>Maturity</i>
Long-term liabilities from bond issue	11,000	11,000	18.04.2014

In the framework of the MOL Bond Scheme 2010-2011, MOL issued bonds of HUF 11,000,000,000 total face value on 18 April 2011. The bonds were listed on Budapest Stock Exchange. The face value of each bond is HUF 10,000, the duration is 3 years and the interest rate is fixed 7 % p.a.

**29. Short-term loans, credits**

The closing balance of short-term loans amounts to HUF 42,159 million as at 31.12.2013 and HUF 30,241 million in the previous year.

The value of short-term liabilities from bond issue amounted to HUF 11,000 million in 2013, and did not have short-term loans in 2012.

**30. Breakdown of short-term liabilities to related parties**

<i>Description</i>	HUF million	
	<b>2012</b>	<b>2013</b>
<b>Liabilities to subsidiaries</b>	<b>70,566</b>	<b>108,458</b>
Liabilities from the supply of goods and services	36,129	37,906
Short-term loans	30,698	67,174
Other liabilities	3,739	3,378
<b>Liabilities to joint ventures</b>	<b>3,841</b>	<b>4,200</b>
Liabilities from the supply of goods and services	3,841	4,200
<b>Liabilities to associated companies</b>	<b>3,920</b>	<b>2,914</b>
Liabilities from the supply of goods and services	3,920	2,914
<b>Total:</b>	<b>78,327</b>	<b>115,572</b>

**31. Other short-term liabilities**

<i>Description</i>	HUF million	
	<b>2012</b>	<b>2013</b>
Tax and contribution liabilities	48,135	51,907
<i>Of which: VAT</i>	33,602	35,474
<i>Excise duty</i>	12,253	15,801
Liabilities of redemption claim of mining royalty *	0	35,226
Settlements with Magyar Szénhidrogén Készletező Szövetség	909	2,094
Liabilities to employees	2,291	1,937
Liabilities to the social security system	1,791	1,487
Liabilities from filling station cards and services	828	895

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<i>Description</i>	<b>2012</b>	<b>2013</b>
Deposit, forfeit money	408	416
Advances related to the sale of investments	284	287
Liabilities to shareholders	46,316	247
<i>Of which: Dividend payable</i>	46,094	27
Liabilities from joint operation	2,213	133
Various other short-term liabilities	374	345
<b>Total:</b>	<b>103,549</b>	<b>94,974</b>

\* In 2013 mining royalty liability of HUF 35,226 million relates to the amount reimbursed by Hungarian Government based on the judgement of General Court of European Union. This mining royalty had been paid by MOL in 2010 following the annulation of resolution of European Commission. As the European Court of Justice appealed against the annulation made by General Court of the European Union, the amount reimbursed was presented as other payables, revenue is not recognised in income statement.

**32. Net sales revenues by market segments**

HUF million

<i>Market segment, region</i>	<b>2012</b>			<b>2013</b>		
	<i>Product</i>	<i>Service</i>	<i>Total</i>	<i>Product</i>	<i>Service</i>	<i>Total</i>
European Union	499,849	3,792	503,641	497,190	3,554	500,744
Other Europe	101,695	717	102,412	85,479	89	85,568
Outside Europe	2,351	855	3,206	1,590	1,267	2,857
<b>Export total</b>	<b>603,895</b>	<b>5,364</b>	<b>609,259</b>	<b>584,259</b>	<b>4,910</b>	<b>589,169</b>
<b>Total domestic</b>	<b>1,892,433</b>	<b>27,827</b>	<b>1,920,260</b>	<b>1,847,809</b>	<b>32,651</b>	<b>1,880,460</b>
<b>Total:</b>	<b>2,496,328</b>	<b>33,191</b>	<b>2,529,519</b>	<b>2,432,068</b>	<b>37,561</b>	<b>2,469,629</b>

**33. Net sales revenues by core activities**

From the balance of net sales revenue HUF 2,361,780 million, HUF 102,051 million and HUF 5,798 million represents the Refining & Marketing, Exploration and Production and Management Services, respectively. The excise duty amounts to HUF 433,048 million from the sales revenue of Refining & Marketing, Energy.

**34. Import purchase by market segment**

HUF million

<i>Market segment, region</i>	<b>2012</b>			<b>2013</b>		
	<i>Product</i>	<i>Service</i>	<i>Total</i>	<i>Product</i>	<i>Service</i>	<i>Total</i>
European Union	251,788	8,700	260,488	208,940	12,808	221,748
Other Europe	586,642	1,805	588,447	421,757	2,345	424,102
Outside Europe	320,409	1,021	321,430	512,764	919	513,683
<b>Total import</b>	<b>1,158,839</b>	<b>11,526</b>	<b>1,170,365</b>	<b>1,143,461</b>	<b>16,072</b>	<b>1,159,533</b>

The table does not contain performed but non-invoiced deliveries.

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**35. Other operating income and expenses**

HUF million

<i><b>Other operating income</b></i>	<b>2012</b>	<b>2013</b>
Provision used	11,670	27,473
<i>Of which: Release of pending payable mining royalty provision</i>	0	11,130
<i>Release of field abandonment provision</i>	8,498	6,620
<i>Release of CO<sub>2</sub> emission rights provision (surplus emission)</i>	599	2,876
<i>Release of environmental provision</i>	1,127	2,004
Receivables sold	1,464	6,920
Surplus inventory	3,161	3,427
Derecognition of impairment on receivables	2,691	1,516
Received penalty, fine, default interest and compensation	1,276	1,009
Incomes from the sale of intangibles and property, plant and equipment	757	333
Reversal of impairment of intangible and tangible assets	1,730	259
Reversal of deferred income concerning emission rights received free of charge *	4,152	0
Concession rights sold	1,302	0
Other	1,215	561
<b>Total other operating income</b>	<b>29,418</b>	<b>41,498</b>

\* CO<sub>2</sub> emission rights of 2012 were surrendered from purchased quota in 2013. Emission rights received free of charge has not been allocated through the current year.

HUF million

<i><b>Other operating expenses</b></i>	<b>2012</b>	<b>2013</b>
Excise duty	319,169	319,200
Fee to the Magyar Szénhidrogén Készletező Szövetség	12,392	12,573
Taxes and duties paid to Government	43,453	11,855
<i>Of which: Local business tax</i>	9,496	7,307
<i>Energy companies' extra tax*</i>	29,820	34
Provisions recognised	13,387	11,954
<i>Of which: Provision recognised for field abandonment</i>	6,242	4,022
<i>Provisions for liability result from dispute of prices</i>	0	3,877
<i>Provisions recognised for litigations</i>	1,510	1,965
<i>Provision recognised for severance payment and contributions</i>	1,403	982
<i>Provision recognised for environmental obligations</i>	1,459	403
Book value of receivables sold	1,471	6,853
Impairment on fixed assets	9,392	5,854
Recognised impairment on short term assets	3,186	4,759
Depreciation, scrapping and shortage of stocks	2,595	3,532
Paid penalty, fine, default interest and compensation	657	2,424
Use of emission rights	4,349	2,252

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<i>Other operating expenses</i>	<b>2012</b>	<b>2013</b>
Grants and benefits	928	738
Net book value of intangible assets and property, plant and equipment sold	301	149
Other	1,796	517
<b>Other operating expenses</b>	<b>413,076</b>	<b>382,660</b>

\* Energy companies' extra tax has been terminated in 2013. Value of energy companies' extra tax relates to effect of previous years' self revision.

(See Note 3.4.1., Change in Accounting Policy)

**36. Other financial income and expenses**

HUF million

<i>Other financial income</i>	<b>2012</b>	<b>2013</b>
FX gain on monetary assets and liabilities denominated in foreign currency	82,549	67,976
<i>Of which: Realised FX gain on cash and cash equivalents</i>	30,982	28,879
<i>Realised FX gain of trade payables denominated in foreign currency</i>	29,352	18,685
<i>Realised FX gain of loans and borrowings denominated in foreign currency</i>	10,951	11,838
<i>Realised FX gain of trade receivables denominated in foreign currency</i>	8,572	7,259
<i>Realised FX gain of other receivables denominated in foreign currency</i>	913	1,063
<i>Realised FX gain of other payables denominated in foreign currency</i>	1,779	252
Gain on hedge-type and non-hedge-type derivative transactions	49,056	33,046
FX gain realised on sold securities	2,567	5,360
Loss given to the partner due to joint operation	1,105	(50)*
Other, not specified financial income	2,121	2,506
<b>Total other financial income</b>	<b>137,398</b>	<b>108,838</b>

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	HUF million	
<b>Other financial expenses</b>	<b>2012</b>	<b>2013</b>
FX loss on monetary assets and liabilities denominated in foreign currency	154,173	73,172
<i>Of which: Realised FX loss on cash and cash equivalents</i>	<i>40,187</i>	<i>33,436</i>
<i>Realised FX loss on suppliers denominated in foreign currency</i>	<i>16,298</i>	<i>16,196</i>
<i>Realised FX loss on loans and borrowings denominated in foreign currency</i>	<i>26,856</i>	<i>12,823</i>
<i>Realised FX loss on trade receivables denominated in foreign currency</i>	<i>13,363</i>	<i>7,495</i>
<i>Realised FX loss on other receivables denominated in foreign currency</i>	<i>904</i>	<i>581</i>
<i>Realised FX loss on other payables denominated in foreign currency</i>	<i>349</i>	<i>350</i>
<i>Not realised FX gain summarised year-end</i>	<i>56,216</i>	<i>2,291</i>
Loss on hedge-type and non-hedge-type derivative transactions	58,268	136,434
Loss on sold securities	0	8,818
Loss taken over due to joint operation	10,043	(11,990)*
Other, not specified financial expenses	9	2
<b>Total other financial expenses</b>	<b>222,493</b>	<b>206,436</b>

\* The negative amount is effect of previous years' self revision revealed in 2013.

Due to change in accounting of joint activity, joint operation, effect of self-revision of previous years' financial expenses was shown on cost of goods sold in income statement of current year.

(See Note 3.4.1., Change in Accounting Policy)

**37. Extraordinary revenues and expenses**

	HUF million	
<b>Extraordinary revenues</b>	<b>2012</b>	<b>2013</b>
Extraordinary revenues related to investments*	1,081	20,812
Non-repayable cash received	409	290
Other extraordinary revenues	106	182
<b>Total extraordinary revenues</b>	<b>1,596</b>	<b>21,284</b>

	HUF million	
<b>Extraordinary expenses</b>	<b>2012</b>	<b>2013</b>
Extraordinary expenses related to investments*	1,240	19,020
Final transfer of cash and cash equivalents	648	2,441
Released receivables	2,061	3
Other extraordinary expenses	176	164
<b>Total extraordinary expenses</b>	<b>4,125</b>	<b>21,628</b>

\* Items in connection with liquidation, merge, dissolution, contribution in kind, capital reduction of investments. Preponderance of amount of 2013 (HUF 18,353 million) is related to the merge of Bohemia Realty Company s.r.o. to PAP Oil s.r.o.

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**38. Grant received for development purposes**

Opening balance of grant for development purposes was HUF 256 million on the 1st January 2013, and HUF 60 million was received during the year. HUF 142 million has been used from the grant for development purposes. The closing balance of grant for development purposes is HUF 174 million on the 31st December 2013.

**39. Revenues from related parties**

HUF million

<i>Description</i>	<b>2012</b>	<b>2013</b>
<b>Net revenues from related parties</b>	<b>785,776</b>	<b>725,107</b>
Net revenues from subsidiaries	779,568	719,596
Net revenues from joint ventures	5,535	4,840
Net revenues from associated companies	672	670
Net revenues from other related companies	1	1
<b>Other revenues from related parties</b>	<b>4,881</b>	<b>7,017</b>
Other revenues from subsidiaries	4,860	6,979
Other revenues from joint ventures	21	0
Other revenues from associated companies	0	38
<b>Financial income from related parties</b>	<b>111,435</b>	<b>162,711</b>
Financial income from subsidiaries	96,915	132,952
Financial income from joint ventures	1,177	443
Financial income from associated companies	8,257	24,161
Financial income from other related companies	5,086	5,155
<b>Extraordinary income from related parties</b>	<b>1,081</b>	<b>20,812</b>
Extraordinary income from subsidiaries	1,000	18,853
Extraordinary income from joint ventures	81	0
Extraordinary income from associated companies	0	1,959

**40. Permanent establishment abroad**

MOL Plc. owns permanent establishment in Slovakia. The name of permanent establishment is MOL Hungarian Oil and Gas Public Limited Company MOL Plc., address: Vlčie hrdlo 1, 82107 Bratislava, Slovak Republic.

MOL concluded an agreement with CM European Power Slovakia s.r.o. for engineering and construction activities; during the implementation in Bratislava the current thermal plant will be modernised and its capacity will be increased. The permanent establishment as a part of MOL Plc. is presented within the Company's balance sheet and income statement. MOL Plc's corporate income tax base has been adjusted with the tax based on the permanent establishment.

The total value of short-term liabilities amounts to HUF 39 million as at 31 December 2013 related to permanent establishment abroad. From this balance the VAT liability is HUF 21 million. Other receivables values at HUF 39 million, which includes the recoverable prepaid profit tax liability.

The loss of activity in 2013 was HUF 63 million.



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**41. Tax liabilities**

**Corporate tax base**

<i>Titles</i>	<i>2012</i>	<i>2013</i>
		HUF million
<b>Profit before taxation</b>	<b>61,258</b>	<b>(76,953)</b>
<b>Temporary tax base adjustments:</b>		
Not realised FX difference of financial assets not covered by hedges and long-term liabilities	18,618	17,423
Tax base adjustment of depreciation	7,159	5,649
Tax base adjustment of impairment and reversal based on market valuation	6,047	5,019
Tax base adjustment of impairment	(1,519)	2,578
Tax base adjustment of provisions made and used	1,717	(15,519)
<b>Other tax base adjustments:</b>		
Tax base adjustments of non-repayable grants and benefits given	1,753	1,377
Explored items due to tax revisions, self revisions	0	1,107
Tax base adjustment of fine	190	640
Accounted costs and expenses not relating to business activities	987	378
Other tax base adjustment	71	270
Accounted amount as decrease of book value of received shares based on beneficiary share swap, derecognition of book value in the current tax year	19,672	0
Non-repayable grants received as revenue	(355)	0
Development reserve	(500)	0
Deferred loss from previous years	(28,133)	0
50 % of received royalty revenues	(434)	(406)
Realised revenues on cancelled investment	0	(469)
Tax base adjustment of the sale, contribution in kind, destruction or shortage of intangible assets and property, plant and equipment	61	(575)
100 % of research and development costs	(1,412)	(1,322)
Dividend received	(56,791)	(93,758)
<b>Tax base of the permanent foreign establishment</b>	<b>(366)</b>	<b>63</b>
<b>Tax base of interest income abroad</b>	<b>0</b>	<b>0</b>
<b>Tax base</b>	<b>28,023</b>	<b>(154,498)</b>

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

**Variance of the corporate tax**

HUF million

<i>Description</i>	<b>2012</b>	<b>2013</b>	<b>Change</b>
Profit before taxation	61,258	(76,953)	(138,211)
Tax base increasing items	121,141	111,619	(9,522)
Tax base decreasing items	(154,010)	(189,227)	(35,217)
Tax base of permanent establishment	(366)	63	429
<b>Change of corrected tax base</b>	<b>28,023</b>	<b>(154,498)</b>	<b>(182,521)</b>
Calculated tax	5,279	0	(5,279)
Tax credit	(495)	0	495
<b>Corporate tax</b>	<b>4,784</b>	<b>0</b>	<b>(4,784)</b>

The tax payable in the P&L of 2012 include HUF 1,161 million temporary surplus tax and HUF 72 million separately paid profit tax apart from the current year corporate tax.

Profit tax payable abroad was HUF 213 million in 2013, and taxes payable related to previous years was HUF 492 million.

**42. Employees**

HUF million

<i>Staff categories</i>	<b>2012</b>			<b>2013</b>		
	<i>Average statistical staff (persons)</i>	<i>Wages and salaries (HUF million)</i>	<i>Personnel-type expenses (HUF million)</i>	<i>Average statistical staff (persons)</i>	<i>Wages and salaries (HUF million)</i>	<i>Personnel-type expenses (HUF million)</i>
Full-time employees	5,378	38,325	5,539	5,073	39,693	5,510
- blue-collar	2,466	11,539	2,138	2,239	11,505	2,004
- white-collar	2,912	26,786	3,401	2,834	28,188	3,506
Other	90	1,491	437	94	1,071	913
<b>Total:</b>	<b>5,468</b>	<b>39,816</b>	<b>5,976</b>	<b>5,167</b>	<b>40,764</b>	<b>6,423</b>

**43. Board of Directors, Supervisory Board and top management**

**Remuneration paid to members of Board of Directors and Supervisory Board**

HUF million

<i>Description</i>	<b>2012</b>			<b>2013</b>		
	<i>Board of Directors</i>	<i>Supervisory Board</i>	<i>Total</i>	<i>Board of Directors</i>	<i>Supervisory Board</i>	<i>Total</i>
Honorarium	130	92	222	137	95	232

Additionally to fix benefit, members of Board of Directors have been received share bonuses of HUF 325 million in 2013.

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

**Shares held by the members of the Board of Directors and Supervisory Board**

<i>Description</i>	<i>Number of shares held</i>	
	<i>2012</i>	<i>2013</i>
Board of Directors	229,443	262,183
Supervisory Board	54,588	39,588
<b>Total:</b>	<b>284,031</b>	<b>301,771</b>

**Loans given to the members of the Board of Directors and Supervisory Board**

MOL Plc. did not provide any loans, advances or guaranties to its responsible executive officers in 2012 and 2013 and has no pension liabilities to its former responsible executive officers either.

**44. Commitments and contingent liabilities**

Capital and contractual commitments

The total value of capital commitments as of 31 December 2013 was HUF 7,567 million. Capital commitments relate to obligations to purchase of tangible and intangible assets.

Gas Purchases Obligation, Take or Pay Contract

MOL Plc. has concluded a long-term gas purchase contract with MET Zrt. in order to ensure the continuous natural gas supply of the Group's plants. According to the agreement, contracted volumes have been set for each year for the period ending in 2015 but the volumes for the actual period are subject to annual renegotiation with the supplier. The major part of the renegotiated yearly contracted volumes are under take-or-pay commitment (50 mcm as of 31 December 2013).

Operating lease liabilities

At the end of 2013 the operative lease liability of the Company amounts to HUF 8 million. This amount is due within one year.

At the end of 2012 the operative lease liability of the Company amounts to HUF 23 million. From this amount, the liability within a year amounts to HUF 15 million, while the remaining part is due within 2-5 years.

Guarantees

<i>Form of liability</i>	<i>Currency</i>	<i>Amount</i>
Comfort letter	EUR	5,600,000
Guarantee	USD	48,000,000
Guarantee	EUR	71,526,646
Guarantee	RON	51,896,222
Guarantee	HRK	12,000,000
Parent company guarantee	USD	1,483,209,739
Parent company guarantee	EUR	45,431,500
Parent company guarantee	CZK	940,000,000

The Company has given comfort letter with guarantees without any limit for MOL Commodity Trading Kft. and Panfora Oil&Gas s.r.l. subsidiaries.

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

Emission rights (CO<sub>2</sub> allowances) futures

The off balance sheet item liability of emission rights is EUR 1,048,468, receivables of emission rights is EUR 2,694,650 as of 31 December 2013.

Legal cases

The Company has off balance sheet item receivables of legal cases HUF 1,764 million as of 31 December 2013.

**45. Effect of fair valuation**

Fair valuation differences in assets and liabilities subject to fair valuation

HUF million

Description	2012 Closing balance	Cash flow		P & L impacts		Equity impact	2013 Closing balance
		Changes of historical value	Exercise option	Revenues from financial transactions	Expenses of financial transactions		
Option for MOL shares	10,021	947	(10,021)	10,026	124	0	10,849
Share swap	346	0	0	0	346	0	0
FX transactions	0	0	0	6	0	0	6
Commodity transactions	436	0	0	0	436	0	0
<b>Non-hedge derivative transactions</b>	<b>10,803</b>	<b>947</b>	<b>(10,021)</b>	<b>10,032</b>	<b>906</b>	<b>0</b>	<b>10,855</b>
Positive valuation of FX hedge transactions	0	0	0	9	0	0	9
Positive valuation of hedge transactions	0	0	0	68	0	0	68
Positive valuation of Cash-flow hedges	7,208	0	0	0	0	(3,812)	3,396
<b>Hedge derivative transactions</b>	<b>7,208</b>	<b>0</b>	<b>0</b>	<b>77</b>	<b>0</b>	<b>(3,812)</b>	<b>3,473</b>
<b>Positive valuation difference of derivative transactions</b>	<b>18,011</b>	<b>947</b>	<b>(10,021)</b>	<b>10,109</b>	<b>906</b>	<b>(3,812)</b>	<b>14,328</b>
Liabilities from Swap Agreement	18,949	(7,107)	0	0	71,851	0	83,693
<b>Fair valuation difference of other long-term liabilities</b>	<b>18,949</b>	<b>(7,107)</b>	<b>0</b>	<b>0</b>	<b>71,851</b>	<b>0</b>	<b>83,693</b>
Option for MOL shares	28,962	(10,781)	22,870	0	29,674	0	24,985
Share swap	0	0	0	0	979	0	979
FX transactions	0	0	0	0	7	0	7
Commodity transactions	362	0	0	359	0	0	3

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

<b>Non-hedge derivative transactions</b>	<b>29,324</b>	<b>(10,781)</b>	<b>22,870</b>	<b>359</b>	<b>30,660</b>	<b>0</b>	<b>25,974</b>
Negative valuation of FX hedge transactions	0	0	0	68	0	0	68
Negative valuation of hedge transactions	0	0	0	9	0	0	9
Negative valuation of Cash-flow hedges	4,070	0	0	0	0	(2,013)	2,057
<b>Hedge derivative transactions</b>	<b>4,070</b>	<b>0</b>	<b>0</b>	<b>77</b>	<b>0</b>	<b>(2,013)</b>	<b>2,134</b>
<b>Negative valuation difference of derivative transactions</b>	<b>52,343</b>	<b>(17,888)</b>	<b>22,870</b>	<b>436</b>	<b>102,511</b>	<b>(2,013)</b>	<b>111,801</b>

Financial instruments subject to fair valuation

HUF million

<i>Description</i>	<i>Purchase value</i>	<i>Valuation difference</i>	<i>Fair value</i>
Option for MOL shares	156,956	(146,107)	10,849
FX transactions	0	6	6
<b>Non-hedge derivative transactions</b>	<b>156,956</b>	<b>(146,101)</b>	<b>10,855</b>
Positive valuation of FX hedge transactions	0	9	9
Positive valuation of hedge transactions	0	68	68
Positive valuation of Cash-flow hedges	0	3,396	3,396
<b>Hedge derivative transactions</b>	<b>0</b>	<b>3,473</b>	<b>3,473</b>
<b>Positive valuation difference of derivative transactions</b>	<b>156,956</b>	<b>(142,628)</b>	<b>14,328</b>
Liabilities from Swap Agreement	(18,624)	102,317	83,693
<b>Other long-term liabilities</b>	<b>(18,624)</b>	<b>102,317</b>	<b>83,693</b>
Option for MOL shares	0	24,985	24,985
FX transactions	0	7	7
Share swap	0	979	979
Commodity transaction	0	3	3
<b>Non-hedge derivative transactions</b>	<b>0</b>	<b>25,974</b>	<b>25,974</b>
Negative valuation of FX hedge transactions	0	68	68
Negative valuation of hedge transactions	0	9	9
Negative valuation of Cash-flow hedges	0	2,057	2,057
<b>Hedge derivative transactions</b>	<b>0</b>	<b>2,134</b>	<b>2,134</b>
<b>Negative valuation difference of derivative transactions</b>	<b>(18,624)</b>	<b>130,425</b>	<b>111,801</b>

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

Open derivatives on the balance sheet date

HUF million

<i>Description</i>	<i>Subject of transaction</i>	<i>Transaction value /volume</i>	<i>Result not settled</i>	<i>Expected effect on cash flow</i>
Option for MOL shares	Call and/or put option to MOL shares	19,107,447	(19,772)	(180,459)
Share swap	MOL share swap	5,010,501	(1,325)	0
Liability from Swap Agreement		-	(71,851)	0
FX transactions	FX risk hedging	-	(2)	0
Commodity transactions	Commodity price risk hedging	-	(77)	0
<b>Non-hedge derivative transactions</b>		-	<b>(93,027)</b>	<b>(180,459)</b>
<b>Total derivative transactions</b>		-	<b>(93,027)</b>	<b>(180,459)</b>

Effectiveness of hedges

HUF million

<i>Description</i>	<i>Hedging effectiveness (%)</i>	<i>Amount</i>	
		<i>P &amp; L</i>	<i>Equity</i>
Cash-flow hedges	100	5,364	1,339
Fair valuation hedges	100	1,427	0

Derivative transactions closed in the current year

HUF million

<i>Description</i>	<i>Subject of transaction</i>	<i>Current year</i>		<i>Total effect on profit</i>	<i>Effect on cash flow</i>
		<i>Results settled financially</i>	<i>Results not settled financially*</i>		
Option for MOL share	Call and put option to MOL shares	(17,537)	0	(17,537)	(30,386)
Share swap	MOL share swap	818	0	818	818
Commodity transaction	Commodity price risk hedge	1,324	742	2,066	0
<b>Non-hedge derivative transactions</b>		<b>(15,395)</b>	<b>742</b>	<b>(14,653)</b>	<b>(29,568)</b>
<b>Total derivative transactions</b>		<b>(15,395)</b>	<b>742</b>	<b>(14,653)</b>	<b>(29,568)</b>

\* Result not settled financially includes result of deals which are closed until the balance sheet preparation date but the financial settlement will be after that date. Corresponding receivables and liabilities are presented within the other receivables and other short-term liabilities.

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

Profit effect of derivative transactions in the current year

HUF million

<i>Description</i>	<i>Results settled in the current year</i>	<i>Result not settled</i>	<i>Total profit effect</i>
Open derivative transactions	0	(93,027)	(93,027)
Closed derivative transactions	(15,395)	742	(14,653)
<b>Total</b>	<b>(15,395)</b>	<b>(92,285)</b>	<b>(107,680)</b>
<i>Of which: Other financial income</i>			23,124
<i>Other financial expense</i>			130,804

**46. MOL Plc.'s securities offered as security deposit on 31 December 2013**

On 31 December 2013, MOL Plc. did not have any shares placed as a security deposit.

**47. Events after the preparation of balance sheet**

MOL Plc. sold shares of MMBF Zrt at 30<sup>th</sup> December 2013. According to the contract signed by 7<sup>th</sup> October 2013, Magyar Fejlesztési Bank Zrt has acquired 51% of MMBF Zrt shares from MOL. Magyar Szénhidrogén Készletező Szövetség has acquired the remaining 21.46% of shares.

Transaction has been closed by 14<sup>th</sup> January 2014 with complete settlement of loans between MOL and MMBF.

**48. Licensed electricity trading activity**

In order to achieve the Company's aims, MOL Plc. has started electricity trading activity and connected services on 1 March 2011 in line with legal environment. The Company mainly concentrates on fulfilling the electrical energy requirements of MOL-group utilizing the synergies of purchases and other electricity trading activities.

The electricity trading activity of MOL Plc. is in effect under Act LXXXVI of 2007 on Electricity (hereafter "Vet."). On the basis of Vet., the Company is classified as horizontally integrated electricity enterprise, therefore is obliged to present the licensed activity in the Supplementary Notes as an independent activity.

The presentation of the equity and financial position of the licensed electricity trading activity based on the company's internal regulation prepared as "Regulation on Accounting Separation of Electricity Trading Activity". The separation methodology of MOL Plc.'s licensed activity conforms to law and legal rules, as well as the accounting rules and controlling principles of the Company.

The licensed activity reports include the Balance Sheet ("A" version) and Profit and Loss account with total cost method ("A" version) as presented in appendix of the Accounting Act.

The year-ended Annual Report is prepared on the basis of actual data (actual naturals, actual comparison basis).

Principles of activity separation based on law:

- principle of completeness
- principle of transparency and simplicity principle
- principle of going constancy
- principle of continuity
- principle of consistency
- principle of matching
- principle of cost-benefit

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

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The activity separation based on artificial separation method does not provide a totally balanced Balance Sheet. That is the reason why the required balance between assets and liabilities prescribed by accounting law provided by a technical balancing line on the liability side of Balance Sheet.

Principles of activity separation on the basis of business rationality

- The purchased and consumed electrical energy are presented in the Profit and Loss account among incomes and expenditures as purchased for trading, or rather sold to third parties by the Company.
- The services used at MOL Plc. are presented as services provided by third parties and these internal transfer accounts are recorded in the appropriate P&L lines. The amounts recorded in the proper P&L account equals the value of recorded internal performance accounted in the internal accounting system of MOL Plc.

The Company prepares the activity separation annually for the whole reporting period. The itemised revision and the separation of expenditures and assets are not prepared on monthly basis.

Method of separation:

The regulation of separation and the method are established by principles mentioned below. During the elaboration of detailed separation rules, the possibilities of the applied accounting system (SAP) in MOL Plc. and the principle of cost-benefit were taken into account.

1. Directly related Cost centres/Profit centres of the licensed electricity trading activity

Cost centres/Profit centres related directly to the licensed activity shall be recorded directly. In the course of separation the main goal is to account the significant part of assets, liabilities, incomes and costs/expenditures reported directly as licensed activity. The direct items shall be maximised with proper assignment of costs object and the indirect ones shall be minimised.

2. Indirectly related Cost centres/Profit centres of the licensed electricity trading activity

Separation of indirect items is prepared by appropriate determined comparison method. Assets, liabilities, incomes and costs, expenditures not related directly to the licensed activity shall be separated on the basis of appropriate determined comparison method or itemised examination. If the internal service item is appropriate to licensed activity in connection of items separable, the procedure of that shall be applied.

3. Non-related Cost centres/Profit centres of the licensed electricity trading activity

Based on the activity and organisation structure of the Company, there are some assets, liabilities, incomes and costs, expenditures not related to the licensed activity at all. These shall be left out of consideration during the separation process.



**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

**Licensed electricity trading activity**

**Balance Sheet, asset side**

data in HUF million

Code	<i>Description</i>	<b>2012</b>	<b>2013</b>
<b>A.</b>	<b>NON-CURRENT ASSETS</b>	<b>9</b>	<b>0</b>
<b>I.</b>	<b>INTANGIBLE ASSETS</b>	<b>0</b>	<b>0</b>
1.	Capitalised cost of foundation and restructuring	0	0
2.	Capitalised research and development cost	0	0
3.	Property rights	0	0
4.	Intellectual property	0	0
5.	Goodwill	0	0
6.	Advances on intellectual property	0	0
7.	Revaluation of intangible assets	0	0
<b>II.</b>	<b>PROPERTY, PLANT AND EQUIPMENT</b>	<b>9</b>	<b>0</b>
1.	Land and building and related property rights	0	0
2.	Plant, machinery and vehicles	0	0
3.	Other equipment, fixtures and vehicles	0	0
4.	Livestock	0	0
5.	Assets under construction	9	0
6.	Advances on assets under construction	0	0
7.	Revaluation of property, plant and equipment	0	0
<b>III.</b>	<b>NON-CURRENT FINANCIAL INVESTMENTS</b>	<b>0</b>	<b>0</b>
1.	Long-term investments	0	0
2.	Long-term loans to related parties	0	0
3.	Other long-term investments	0	0
4.	Long-term loans to other investments	0	0
5.	Other long-term loans	0	0
6.	Long-term debt securities	0	0
7.	Revaluation of financial investments	0	0
8.	Fair valuation difference of financial investments	0	0

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

**Licensed electricity trading activity**

**Balance Sheet, asset side**

data in HUF million

Code	<i>Description</i>	2012	2013
<b>B.</b>	<b>CURRENT ASSETS</b>	<b>3,172</b>	<b>5,453</b>
<b>I.</b>	<b>INVENTORIES</b>	<b>0</b>	<b>0</b>
1.	Raw materials and consumables	0	0
2.	Unfinished production and semi-finished products	0	0
3.	Grown, fattened and other livestock	0	0
4.	Finished products	0	0
5.	Merchandises	0	0
6.	Advances on stocks	0	0
<b>II.</b>	<b>RECEIVABLES</b>	<b>3,172</b>	<b>5,453</b>
1.	Receivables from the supply of goods and services (customers)	71	718
2.	Receivables from related parties	934	1,020
3.	Receivables from other investments	0	0
4.	Receivables from bills of exchange	0	0
5.	Other receivables	2,167	3,715
6.	Fair valuation difference of receivables	0	0
7.	Positive valuation difference of derivative transactions	0	0
<b>III.</b>	<b>SECURITIES</b>	<b>0</b>	<b>0</b>
1.	Investments in related parties	0	0
2.	Other investments	0	0
3.	Treasury shares	0	0
4.	Debt securities for trading purposes	0	0
5.	Fair valuation difference of securities	0	0
<b>IV.</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>0</b>	<b>0</b>
1.	Cash and cheques	0	0
2.	Bank accounts	0	0
<b>C.</b>	<b>PREPAYMENTS</b>	<b>0</b>	<b>0</b>
1.	Accrued income	0	0
2.	Prepaid cost and expenses	0	0
3.	Deferred expenses	0	0
<b>TOTAL ASSETS</b>		<b>3,181</b>	<b>5,453</b>

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

**Licensed electricity trading activity**

**Balance Sheet, liability side**

data in HUF million

Code	<i>Description</i>	<b>2012</b>	<b>2013</b>
<b>D.</b>	<b>SHAREHOLDERS' EQUITY</b>	<b>34</b>	<b>2,214</b>
I.	SHARE CAPITAL	3	0
II.	Of which: treasury shares at nominal value	0	0
III.	REGISTERED BUT UNPAID CAPITAL (-)	6	0
IV.	SHARE PREMIUM	393	557
V.	RETAINED EARNINGS	3	0
VI.	TIED-UP RESERVE	0	0
1.	VALUATION RESERVE	0	0
2.	Revaluation adjustment reserve	0	0
VII.	Fair valuation reserve	164	718
VIII.	NET INCOME FOR THE PERIOD	(535)	939
<b>E.</b>	<b>PROVISIONS</b>	<b>0</b>	<b>0</b>
1.	Provisions for expected liabilities	0	0
2.	Provisions for future expenses	0	0
3.	Other provisions	0	0
<b>F.</b>	<b>LIABILITIES</b>	<b>2,954</b>	<b>2,899</b>
<b>I.</b>	<b>SUBORDINATED LIABILITIES</b>	<b>0</b>	<b>0</b>
1.	Subordinated liabilities to related parties	0	0
2.	Subordinated liabilities to other investment	0	0
3.	Subordinated liabilities to third parties	0	0
<b>II.</b>	<b>LONG-TERM LIABILITIES</b>	<b>0</b>	<b>0</b>
1.	Long-term loans	0	0
2.	Convertible bonds	0	0
3.	Liability from bond issue	0	0
4.	Liabilities from capital investment and development loans	0	0
5.	Liabilities from other long-term loans	0	0
6.	Long-term liabilities to related parties	0	0
7.	Long-term liabilities to other investments	0	0
8.	Other long-term liabilities	0	0

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

**Licensed electricity trading activity**

**Balance Sheet, liability side**

data in HUF million

Code	<i>Description</i>	2012	2013
<b>III.</b>	<b>SHORT-TERM LIABILITIES</b>	<b>2,954</b>	<b>2,899</b>
1.	Short-term borrowings	0	0
	Of which: convertible bonds	0	0
2.	Short-term loans	0	0
3.	Advances from customers	0	0
4.	Liabilities from the supply of goods and services (suppliers)	2,484	2,254
5.	Bills of exchange	0	0
6.	Short-term liabilities to related parties	30	68
7.	Short-term liabilities to other investments	0	0
8.	Other short-term liabilities	440	577
9.	Fair valuation difference of liabilities	0	0
10.	Negative valuation difference of derivative transactions	0	0
<b>G.</b>	<b>ACCRUALS</b>	<b>193</b>	<b>340</b>
1.	Deferred revenues	0	0
2.	Accrued cost and expenses	193	340
3.	Other deferred income	0	0
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>3,181</b>	<b>5,453</b>

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

**Licensed electricity trading activity**

**Profit and Loss Account**

data in HUF million

Code	<i>Description</i>	<b>2012</b>	<b>2013</b>
01.	Net domestic sales revenue	25,947	28,334
02.	Net export sales revenue	0	3,988
<b>I.</b>	<b>NET SALES REVENUES</b>	<b>25,947</b>	<b>32,322</b>
03.	Changes in own produced inventory	0	0
04.	Work performed by the enterprise and capitalised	0	0
<b>II.</b>	<b>CAPITALISED OWN PERFORMANCE</b>	<b>0</b>	<b>0</b>
<b>III.</b>	<b>OTHER OPERATING INCOME</b>	<b>11</b>	<b>0</b>
	of which: reversed impairment	0	0
05.	Raw material costs	15	0
06.	Value of services used	54	157
07.	Other services	16	17
08.	Cost of goods sold	25,360	31,090
09.	Value of services sold (intermediated)	0	0
<b>IV.</b>	<b>MATERIAL EXPENSES</b>	<b>25,445</b>	<b>31,264</b>
10.	Wages and salaries	50	49
11.	Other personnel expenses	3	4
12.	Tax and contributions	15	15
<b>V.</b>	<b>PERSONNEL EXPENSES</b>	<b>68</b>	<b>68</b>
<b>VI.</b>	<b>DEPRECIATION</b>	<b>4</b>	<b>2</b>
<b>VII.</b>	<b>OTHER OPERATING EXPENSES</b>	<b>387</b>	<b>185</b>
	of which: impairment	0	0
<b>A.</b>	<b>PROFIT OR LOSS FROM OPERATING ACTIVITIES</b>	<b>54</b>	<b>803</b>

**MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY**  
**Supplementary Notes for the year ending on 31 December 2013**

**Licensed electricity trading activity**

**Profit and Loss Account**

data in HUF million

Code	<i>Description</i>	2012	2013
13.	Received (due) dividend	0	0
	of which: received from related parties	0	0
14.	Gain from the sale of investments	0	0
	of which: received from related parties	0	0
15.	Interest and exchange rate gains on financial investments	0	0
	of which: received from related parties	0	0
16.	Other received (due) interest and interest-type revenues	26	0
	of which: received from related parties	0	0
17.	Other revenues of financial transactions	595	527
	of which: fair valuation difference	0	0
<b>VIII.</b>	<b>TOTAL FINANCIAL INCOME</b>	<b>621</b>	<b>527</b>
18.	Exchange rate loss on financial investments	0	0
	of which: to related parties	0	0
19.	Interest and interest-type expenses	40	0
	of which: to related parties	0	0
20.	Impairment on investments, securities, bank deposits	0	0
21.	Other financial expenses	406	421
	of which: fair valuation difference	0	0
<b>IX.</b>	<b>TOTAL FINANCIAL EXPENSES</b>	<b>446</b>	<b>421</b>
<b>B.</b>	<b>FINANCIAL PROFIT OR LOSS</b>	<b>175</b>	<b>106</b>
<b>C.</b>	<b>ORDINARY BUSINESS PROFIT</b>	<b>229</b>	<b>909</b>
X.	Extraordinary revenues	0	0
XI.	Extraordinary expenses	4	23
<b>D.</b>	<b>EXTRAORDINARY PROFIT OR LOSS</b>	<b>(4)</b>	<b>(23)</b>
<b>E.</b>	<b>PROFIT BEFORE TAXATION</b>	<b>225</b>	<b>886</b>
XII.	Income tax	61	168
<b>F.</b>	<b>PROFIT AFTER TAXATION</b>	<b>164</b>	<b>718</b>
22.	Use of retained earnings for dividend	0	0
23.	Approved dividend and profit share	0	0
<b>G.</b>	<b>NET INCOME FOR THE PERIOD</b>	<b>164</b>	<b>718</b>