Statistical code: 10625790-2320-114-01
Company registration number: 01-10-041683

MOL Hungarian Oil and Gas Public Limited Company

1117 Budapest, Október huszonharmadika u. 18.

2009

Annual Report

Zsolt Hernádi
Chief Executive Officer

József Molnár
Executive Vice President for Finance

Budapest, March 25, 2010

Ernst & Young Kft.
H-1132 Budapest, Váci út 20.
1399 Budapest 62 Pf. 632, Hungary
Tel: +36 1 451 8100, Fax: +36 1 451 8199
www.ey.com/hu
Cg. 01-09-267553

This is a translation of the Hungarian Report

Independent Auditors' Report

To the Shareholders of MOL Hungarian Oil and Gas Plc.

1.) We have audited the accompanying 2009 annual financial statements of MOL Hungarian Oil and Gas Plc. ("the Company"), which comprises the balance sheet as at 31 December 2009 - showing a balance sheet total of HUF 2,738,241 million and a profit for the year of HUF 253,016 million -, the related profit and loss account for the year then ended and the summary of significant accounting policies and other explanatory notes.

2.) We issued an unqualified opinion on the Company's annual financial statements as at 31 December 2008 on 19 March 2009.

Management's Responsibility for the Financial Statements

3.) Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Hungarian Accounting Law and generally accepted accounting principles in Hungary. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

4.) Our responsibility is to express an opinion on these financial statements based on the audit and to assess whether the business report is consistent with the financial statements. 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 whether the financial statements are free from material misstatement.

5.) 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 and fair presentation of the financial statements 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. Our work regarding the business report is restricted to assessing whether the business report is consistent with the financial statements and does not include reviewing other information originated from non-audited financial records.

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

ERNST & YOUNG

Opinion

7.) We have audited the elements of and disclosures in the annual financial statements, along with underlying records and supporting documentation, of MOL Hungarian Oil and Gas Plc. in accordance with Hungarian National Auditing Standards and have gained sufficient and appropriate evidence that the annual financial statements have been prepared in accordance with the Hungarian Accounting Law and with generally accepted accounting principles in Hungary. 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 Plc. as at 31 December 2009 and of the results of its operations for the year then ended. The business report corresponds to the disclosures in the financial statements.

8.) Without qualifying our opinion, we draw the attention to Note 3.4.6 in the supplementary notes to the financial statements describing that the Company departed from § 41. (1) of the accounting law No. C of 2000 based on its allowance described in § 4. (4) in order to harmonize field abandonment provisioning with the international industry practice.

Budapest, 25 March 2010

(The original Hungarian language version has been signed.)

Ernst & Young Kft.
Registration No.: 001165

Judit Szilágyi
Registered Auditor
Chamber membership No.: 001368

MOL Hungarian Oil and Gas Public Limited Company

Balance Sheet for the year ending on 31 December 2009

Statistical code: 10625790-2320-114-01
Company registration number: 01-10-041683

HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
A.	**NON-CURRENT ASSETS**	**1,766,645**	**(1,193)**	**1,972,693**
I.	**INTANGIBLE ASSETS**	**73,363**	**(21)**	**72,431**
1.	Capitalised cost of foundation and restructuring	0	0	0
2.	Capitalised research and development cost	1,114	0	1,437
3.	Property rights	2,246	0	2,059
4.	Intellectual property	12,083	(21)	11,868
5.	Goodwill	57,920	0	57,067
6.	Advances on intellectual property	0	0	0
7.	Revaluation of intangible assets	0	0	0
II.	**PROPERTY, PLANT AND EQUIPMENT**	**344,267**	**(1,174)**	**320,834**
1.	Land and building and related property rights	201,581	(535)	185,034
2.	Plant, machinery and vehicles	96,529	(584)	91,233
3.	Other equipment, fixtures and vehicles	8,817	32	6,800
4.	Livestock	0	0	0
5.	Assets under construction	36,787	(87)	37,693
6.	Advances on assets under construction	553	0	74
7.	Revaluation of property, plant and equipment	0	0	0
III.	**NON-CURRENT FINANCIAL INVESTMENTS**	**1,349,015**	**2**	**1,579,428**
1.	Long-term investments	1,060,793	2	1,090,286
2.	Long-term loans to related parties	287,718	0	366,150
3.	Other long-term investments	432	0	110,215
4.	Long-term loans to other investments	0	0	12,705
5.	Other long-term loans	72	0	72
6.	Long-term debt securities	0	0	0
7.	Revaluation of financial investments	0	0	0
8.	Fair valuation difference of financial investments	0	0	0

Budapest, March 25, 2010

Zsolt Hernádi
Chief Executive Officer

József Molnár
Executive Vice President for Finance

MOL Hungarian Oil and Gas Public Limited Company

Balance Sheet for the year ending on 31 December 2009

Statistical code: 10625790-2320-114-01
Company registration number: 01-10-041683

HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
B.	**CURRENT ASSETS**	**793,591**	**(353)**	**739,363**
I.	**INVENTORIES**	**125,009**	**133**	**114,025**
1.	Raw materials and consumables	42,326	(15)	39,878
2.	Unfinished production and semi-finished products	39,096	1	31,887
3.	Grown, fattened and other livestock	0	0	0
4.	Finished products	30,046	0	33,504
5.	Merchandises	13,541	147	8,752
6.	Advances on stocks	0	0	4
II.	**RECEIVABLES**	**396,825**	**(486)**	**406,935**
1.	Receivables from the supply of goods and services (customers)	76,583	132	82,307
2.	Receivables from related parties	177,429	427	216,159
3.	Receivables from other investments	46	0	0
4.	Receivables from bills of exchange	0	0	0
5.	Other receivables	115,281	(1,045)	54,951
6.	Fair valuation difference of receivables	0	0	0
7.	Positive valuation difference of derivative transactions	27,486	0	53,518
III.	**SECURITIES**	**103,590**	**0**	**122,498**
1.	Investments in related parties	183	0	220
2.	Other investments	0	0	0
3.	Treasury shares	103,407	0	122,278
4.	Debt securities for trading purposes	0	0	0
5.	Fair valuation difference of securities	0	0	0
IV.	**CASH AND CASH EQUIVALENTS**	**168,167**	**0**	**95,905**
1.	Cash and cheques	1,063	0	1,150
2.	Bank accounts	167,104	0	94,755
C.	**PREPAYMENTS**	**35,079**	**1,049**	**26,185**
1.	Accrued income	12,083	2	4,996
2.	Prepaid cost and expenses	22,996	1,047	21,189
3.	Deferred expenses	0	0	0
TOTAL ASSETS		**2,595,315**	**(497)**	**2,738,241**

Budapest, March 25, 2010

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HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
D.	**SHAREHOLDERS' EQUITY**	**1,376,897**	**(1,548)**	**1,628,365**
I.	SHARE CAPITAL	104,519	0	104,519
	Of which: treasury shares at nominal value	8,782	0	7,435
II.	REGISTERED BUT UNPAID CAPITAL (-)	0	0	0
III.	SHARE PREMIUM	223,866	0	223,866
IV.	RETAINED EARNINGS	1,140,817	0	908,910
V.	TIED-UP RESERVE	130,702	0	138,054
VI.	VALUATION RESERVE	0	0	0
1.	Revaluation adjustment reserve	0	0	0
2.	Fair valuation reserve	0	0	0
VII.	NET INCOME FOR THE PERIOD	(223,007)	(1,548)	253,016
E.	**PROVISIONS**	**123,576**	**(20)**	**131,802**
1.	Provisions for expected liabilities	123,576	(20)	131,802
2.	Provisions for future expenses	0	0	0
3.	Other provisions	0	0	0
F.	**LIABILITIES**	**1,052,439**	**650**	**962,191**
I.	**SUBORDINATED LIABILITIES**	**0**	**0**	**0**
1.	Subordinated liabilities to related parties	0	0	0
2.	Subordinated liabilities to other investment	0	0	0
3.	Subordinated liabilities to third parties	0	0	0
II.	**LONG-TERM LIABILITIES**	**711,442**	**(4)**	**581,996**
1.	Long-term loans	0	0	0
2.	Convertible bonds	0	0	0
3.	Liability from bond issue	198,585	0	203,130
4.	Liabilities from capital investment and development loans	0	0	0
5.	Liabilities from other long-term loans	512,455	0	378,577
6.	Long-term liabilities to related parties	0	0	0
7.	Long-term liabilities to other investments	0	0	0
8.	Other long-term liabilities	402	(4)	289

Budapest, March 25, 2010

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Balance Sheet for the year ending on 31 December 2009

Statistical code: 10625790-2320-114-01
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HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
III.	**SHORT-TERM LIABILITIES**	**340,997**	**654**	**380,195**
1.	Short-term borrowings	0	0	0
	Of which: convertible bonds	0	0	0
2.	Short-term loans	79,434	0	98,149
3.	Advances from customers	1,572	(5)	1,141
4.	Liabilities from the supply of goods and services (suppliers)	111,575	254	104,806
5.	Bills of exchange	0	0	0
6.	Short-term liabilities to related parties	75,417	341	102,623
7.	Short-term liabilities to other investments	145	0	3
8.	Other short-term liabilities	57,933	64	67,816
9.	Fair valuation difference of liabilities	0	0	0
10.	Negative valuation difference of derivative transactions	14,921	0	5,657
G.	**ACCRUALS**	**42,403**	**421**	**15,883**
1.	Deferred revenues	110	0	93
2.	Accrued cost and expenses	35,168	5	8,344
3.	Other deferred income	7,125	416	7,446
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,595,315**	**(497)**	**2,738,241**

Budapest, March 25, 2010

Zsolt Hernádi
Chief Executive Officer

József Molnár
Executive Vice President for Finance

MOL Hungarian Oil and Gas Public Limited Company

Income Statement for the year ending on 31 December 2009

Statistical code: 10625790-2320-114-01
Company registration number: 01-10-041683

HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
01.	Net domestic sales revenue	1,750,497	81	1,501,656
02.	Net export sales revenue	472,674	205	354,645
I.	**NET SALES REVENUES**	**2,223,171**	**286**	**1,856,301**
03.	Changes in own produced inventory	(23,764)	1	(3,751)
04.	Work performed by the enterprise and capitalised	11,270	0	9,056
II.	**CAPITALISED OWN PERFORMANCE**	**(12,494)**	**1**	**5,305**
III.	**OTHER OPERATING INCOME**	**82,786**	**12,502**	**119,417**
	Of which: reversed impairment	0	0	6,283
05.	Raw material costs	1,044,399	308	737,351
06.	Value of services used	97,831	163	88,151
07.	Other services	224,168	(49)	192,687
08.	Cost of goods sold	218,229	1	243,961
09.	Value of services sold (intermediated)	48,818	(45)	36,526
IV.	**MATERIAL EXPENSES**	**1,633,445**	**378**	**1,298,676**
10.	Wages and salaries	35,089	26	35,959
11.	Other personnel expenses	7,474	163	6,550
12.	Tax and contribution	12,383	29	12,263
V.	**PERSONNEL EXPENSES**	**54,946**	**218**	**54,772**
VI.	**DEPRECIATION**	**57,311**	**737**	**57,055**
VII.	**OTHER OPERATING EXPENSES**	**445,471**	**1,533**	**384,263**
	Of which: impairment	106,632	0	12,973
A.	**PROFIT OR LOSS FROM OPERATING ACTIVITIES**	**102,290**	**9,923**	**186,257**

Budapest, March 25, 2010

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MOL Hungarian Oil and Gas Public Limited Company

Income Statement for the year ending on 31 December 2009

Statistical code: 10625790-2320-114-01
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HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
13.	Received (due) dividend	65,701	0	51,237
	Of which: received from related parties	65,620	0	51,188
14.	Gain from the sale of investments	6,821	0	28,156
	Of which: received from related parties	0	0	0
15.	Interest and exchange rate gains on financial investments	20,504	0	46,479
	Of which: received from related parties	20,490	0	46,472
16.	Other received (due) interest and interest-type revenues	32,613	0	12,710
	Of which: received from related parties	14,035	0	3,831
17.	Other revenues of financial transactions	251,572	(9)	193,101
	Of which: fair valuation difference	30,765	0	118,807
VIII.	**TOTAL FINANCIAL INCOME**	**377,211**	**(9)**	**331,683**
18.	Exchange rate loss on financial investments	32	0	841
	Of which: to related parties	0	0	0
19.	Interest and interest-type expenses	36,692	0	20,055
	Of which: to related parties	1,888	0	1,904
20.	Impairment on investments, securities, bank deposits	132,460	0	33,373
21.	Other financial expenses	416,649	11,390	192,780
	Of which: fair valuation difference	233,872	0	29,516
IX.	**TOTAL FINANCIAL EXPENSES**	**585,833**	**11,390**	**247,049**
B.	**FINANCIAL PROFIT OR LOSS**	**(208,622)**	**(11,399)**	**84,634**
C.	**ORDINARY BUSINESS PROFIT**	**(106,332)**	**(1,476)**	**270,891**
X.	Extraordinary revenues	11,390	2	11,099
XI.	Extraordinary expenses	128,065	146	9,211
D.	**EXTRAORDINARY PROFIT OR LOSS**	**(116,675)**	**(144)**	**1,888**
E.	**PROFIT BEFORE TAXATION**	**(223,007)**	**(1,620)**	**272,779**
XII.	Income tax	0	(72)	19,763
F.	**PROFIT AFTER TAXATION**	**(223,007)**	**(1,548)**	**253,016**
22.	Use of retained earnings for dividend	0	0	0
23.	Approved dividend and profit share	0	0	0
G.	**NET INCOME FOR THE PERIOD**	**(223,007)**	**(1,548)**	**253,016**

Budapest, March 25, 2010

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1117 Budapest, Október huszonharmadika u. 18.

2009

Supplementary Notes

Zsolt Hernádi
Chief Executive Officer

József Molnár
Executive Vice President for Finance

Budapest, March 25, 2010

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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.

Due to the multi-stage privatisation the state owned part in the Company decreased considerably. On 31 December 2009 the Hungarian State has 1 "B" series share with a preferential vote and 33 "A" series shares, from 1 January 2008 through Hungarian State Holding Company (Hungarian abbreviation MNV Zrt.).

The registered office address of the Company is Budapest (1117 Október huszonharmadika u. 18.), Hungary; its internet homepage is www.mol.hu

The shares of the Company are listed on the Budapest and the Warsaw Stock Exchange. Depositary Receipts (DRs) are listed on the Luxembourg Stock Exchange and are quoted on the International Order Book in London and other over the counter markets in New York, Berlin and Munich.

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.

In 2009, domestic net crude oil production was 715.4 kilotons, and net natural gas production was 2,280 million m^3. The exploration and production segment include natural gas and crude oil collection pipelines, connecting the crude oil and natural gas fields with delivery points and the pipeline transportation systems. The refining activities also include the exclusive title to the approximately 848 km long crude oil and 1,356 km long product pipeline.

MOL Plc operates two refineries in Hungary. Duna Refinery – is processing crude oil and its annual nominal crude oil processing capacity was nearly 8.4 million tons in 2009, the actual distillation raw material refining in 2009 was 6.5 million tons. On 1 July 2001 in Tisza Refinery crude oil refining process ceased because of closing down the distilling plant with capacity of 3 million tons. The core activities of the refinery are diesel oil desulphurisation and mixing gasoline. The Duna and Tisza Refineries are connected directly to the crude oil and product pipelines of the Company. MOL Plc also operates a bitumen manufacturing plant in Zalaegerszeg. According to the study of Wood Mackenzie, the acclaimed advisor of industry, Duna Refinery is one of the most efficient European refineries.

The retail activities of refined products are based on filling stations operated under MOL brand name. Apart from motor fuel retail, the filling stations also sell non-fuel goods (food, car care articles, top-up mobile phone cards, motorway stickers, medicines, etc.) and provide other services (automated and manual car wash, etc.). On 31 December 2009, the Company had 365 fuel stations in Hungary, of which 331 were operated by partners (owned by MOL but operated by contractors selected in tenders), and 34 were operated in franchise system (operated with a MOL logo and product range, but not owned by MOL).

MOL and CEZ signed a strategic alliance agreement in December 2007. The joint venture focus on gas-fired power generation and related gas infrastructure in 4 countries of Central and South-eastern Europe. Within the frame of this project 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 modernized and its capacity will be increased. MOL activity in Slovakia created permanent establishment from taxation point of view and MOL fulfilled all his related authorisation and notification liabilities. The permanent establishment as a part of MOL Plc is presented within the Company's balance sheet and income statement.
The name of permanent establishment is MOL Hungarian Oil and Gas Public Limited Company, MOL Plc (Address: Vlčie hrdlo 1, 82107 Bratislava, Slovak Republic).

2009 exploration project

- In October MOL Plc announced that it hade made a new (fourth) discovery of gas and condensate in the Tal Block, located in the Northern Western Frontier Province of Pakistan. Hydrocarbon exploration has been carried out in this block since 1999 by a consortium of companies including Oil and Gas Development Co. Ltd, Pakistan Petroleum Limited, Pakistan Oilfields Ltd and Government Holdings Ltd with MOL as an Operator of this Joint Venture. MOL has a 10 % interest in the consortium. The production of the Maramzai-1 well is 1.1 million cubic meters/day and 228 cubic meters/day condensate.

  The Manzalai gas processing plant came on stream on 28 October 2009 with 8.5 million cubic meters maximal capacity. Via the commissioning of the gas processing plant Manzalai, MamiKhel and Maramzai fields can start its production.

Strategic investments

- On 29 January 2009 MOL Plc increased its stake to 50 % in the geothermal energy company, CEGE Zrt. MOL and Green Rock Energy International Pty. Ltd. acquired one half of Enex hf.'s one third interest in CEGE at the nominal book value, resulting in both MOL and Green Rock having an equal 50 % interest in the HUF 6 million share equity of the company.

- As a result of the successful voluntary public offer for INA shares MOL has become the largest shareholder of INA in October, 2008. On 30 January 2009 MOL and the Republic of Croatia represented by the Government of Croatia have agreed to amend the Shareholders' Agreement. The major changes of the Shareholders' Agreement were as follows:
  - MOL delegates five out of the nine members in the Supervisory Board. After electing the MOL's representatives MOL takes the responsibility for the operation of INA. After the closing of the transaction MOL has controlling influence over the Management Board.
  - The Government will have veto rights ensuring the national security of energy supply and some decisions with respect to strategic assets of INA.

  Upon obtaining the European Committee's unconditioned approval and the Croatian competition office's conditioned approval, the shareholders' meeting was called on 10 June 2009 to elect the new Supervisory Board of INA. The shareholder's meeting was deemed to be the date when control was passed to MOL, therefore the INA has been fully consolidated in the MOL Group's Annual Report as of 30 June 2009.

- MOL Plc, FGSZ Natural Gas Transmission Company as the operator of the Hungarian high pressure natural gas pipeline system and Plinarco d.o.o. as the operator of the Croatian Transmission System concluded a Joint Development Agreement on 3 March 2009 in Zagreb. The main goal of the agreement is the completion of the interconnection between the two transmission systems, on the Városföld – Slobodnica route. At the beginning natural gas will be transported from Hungary to Croatia through the pipeline; however at a later stage the parties may contemplate the creation of the technical conditions of the transportation of natural gas from Croatia to Hungary through the pipeline. The annual capacity of the new pipeline is 6.5 billion cubic meters.

- On 10 March 2009 MOL Plc and Gazprom Export LLC signed an agreement to jointly establish an underground gas storage facility in Hungary. The parties will address the actual final investment decision subject to actual regulatory approvals, financing and technical feasibility of the project. The new company owned 50-50 % by the parties will significantly increase security of supply in the region. The gas storage facility is expected to have a capacity of 1.3 billion cubic meters, with a daily extraction capacity of 15 million cubic meters. The facility will be established by the conversion of MOL's Pusztaföldvár-Dús natural gas reservoir. The construction of the facility is expected to commence after 2010 and the facility could be on stream around 2012-2013.

- On 15 May 2009 it signed an agreement to acquire 10 % stake in Pearl Petroleum Company Limited (Pearl) from the Crescent Petroleum Company International and Dana Gas PJSC. Pearl holds all of the companies' legal rights in Khor Mor and Chemchemal gas-condensate fields in the Kurdistan Region of Iraq. In exchange for a 10 % ownership package of Pearl MOL paid 6,322,232 "A" series MOL shares, representing 6 % of its current registered capital and as a result Crescent Petroleum Company International and Dana Gas PJSC each became 3 % shareholders in MOL. Since the agreement between the shareholders grant MOL a significant influence on Pearl's operations, the company is treated as an associated company and is consolidated accordingly.

Signatories of the financial statements of the Company:

Zsolt Hernádi, CEO, Chairman of the Board of Directors
Address: 1026 Budapest, Orló u. 9.

József Molnár, Executive Vice President for Finance
Address: 3700 Kazincbarcika, Akácfa u. 39.
(Finance Ministry registration number in the registry of entitled persons for accounting service providers: 128042)

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*					
	2008	*2009*	*2008*	*2009*	*2008*	*2009*	*2008*	*2009*	*2008*	*2009*
MNV Zrt.	33	33	1	1	0	0	*	0	*	*
Foreign institutional and private investors	76,134,650	81,633,580	0	0	0	0	76,135	81,634	72.84	78.11
Of which:										
Surgutnefte-gas OJSC	*	*22,179,488*	*0*	*0*	*0*	*0*	*	*22,179*	*	*21.22*
Bayerische Hypo-und Vereinsbank AG.	*17,007,802*	*	*0*	*0*	*0*	*0*	*17,008*	*	*16.27*	*
Societe Generale	*4,601,059*	*	*0*	*0*	*0*	*0*	*4,601*	*	*4.40*	*
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*
BNP Paribas Arbitrage S.N.C.	*7,600,583*	*	*0*	*0*	*0*	*0*	*7,601*	*	*7.27*	*
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	0	0	0	0	*	5,220	*	4.99
Crescent Petroleum Company International ***	*	3,161,116	0	0	0	0	*	3,161	*	3.02
*Dana Gas PJSC****	*	3,161,116	0	0	0	0	*	3,161	*	3.02
Domestic institutional and private investors	19,602,436	15,450,134	0	0	0	0	19,602	15,450	18.76	14.78
Of which:										
OTP Bank Plc	*8,857,438*	*6,707,832*	*0*	*0*	*0*	*0*	*8,857*	*6,708*	*8.47*	*6.42*
MOL Plc treasury shares	8,781,365	7,434,737	0	0	578	578	8,782	7,435	8.40	7.11
Total	104,518,484	104,518,484	1	1	578	578	104,519	104,519	100.00	100.00

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), to which certain additional rights are connected. (MNV Zrt.'s registered office: 1133 Budapest, Pozsonyi út 56.)

* The owners had 0 % or less than 5 % interest in the given period.
** According to the announcement of ING Bank N.V. because of his indirect ownership his controlled voting rights are above 5 percent.
*** Crescent Petroleum Company International and Dana Gas PJSC announced that they are parties acting in concern.

Data of accentuated investors with ownership above 5 %

Name of the Company	Seat	Voting rights (%)	Corrected ownership due to Article of Association (%)
Surgutneftegas OJSC	628415 Surgut, Tyumenskaya Oblast Ul. Kukuyevitskogo 1.	22.85	10.00
CEZ MH B.V.	Veena 340, 3012NJ Rotterdam, The Netherlands	7.91	7.91
Oman Oil Budapest Limited	Ugland House, Grand Cayman, KYI-1104	7.54	7.54
OTP Bank Plc	1051 Budapest, Nádor utca 16.	6.91	6.91
Magnolia Finance Ltd	22 Grenville Street, St Heiler, Jersey, Channel Islands, JE4 8PX	6.19	6.19
ING Bank N.V.	Bijlmerplein 888,Amsterdam Zuidoost,1102 MG, The Netherlands	5.38	5.38
Crescent Petroleum Company International*	Crescent Tower, Buhaira, 20th. Sharjah, United Arab Emirates	3.26	3.26
Dana Gas PJSC*	Crescent Tower, Buhaira, 20th. Sharjah, United Arab Emirates	3.26	3.26

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

The statement above has been prepared on the basis of registration notifications and shareholder's announcements and does not reflect the ownership structure registered in the record of shareholders. Registration in the record of shareholders is not obligatory. Shareholder may exercise his voting right only if he is registered in the record of shareholders. Based on MOL's Article of Association neither individual shareholder nor a group of shareholders may exercise voting rights above 10 percent.

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. At the time of the annual report, the Company also prepares a business report.
Based on the option Accounting Act gave, from year 2005 the Company prepares its consolidated annual report pursuant to the International Financial Reporting Standards admitted by EU.

Based on the 155. § (2) of the Accounting Act, the audit of Financial Statements is compulsory for the Company, year-end and interim financial statements are audited.
The fee paid by MOL in 2009 for the audit of year-end and interim financial statement was HUF 156 million. Furthermore HUF 23 million for tax advisory and HUF 10 million for other non audit type services was paid to the Auditor.

MOL Plc publishes on internet home page the annual report and business report of the parent company, consolidated annual report and business report in common with audit report including audit clause and make them available until publishing financial data for the second business year following the relevant reporting period.

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

The Accounting Services of the Company are provided by Top Finance Kft. from 1 January 2007.

3.2. Method and time schedule for report preparation

The preparation of the report is built on the annual closing process. Business events of the current period are completed, checked and summarised in the framework of annual closing, and the accounting 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 2009, the date for preparing the balance sheet of the Company was set for *16 January 2010*.

3.3. The form of Balance Sheet and the Income Statement

Form of balance sheet

In line with 20 § (1) of the Accounting Act, MOL Plc compiles a balance sheet linked to the annual report, according to version "A" 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

Built in law amendments:

Changes in the Accounting Policy were arisen from the several amendments of Accounting Act made in 2008 and also from the changes in regulation published in 2009 in case the legislator made available implementation already during the preparation of the annual report for the business year 2009.

- Accounting Policy has been amended with description of advance payment given for intangible assets, assets under construction and stocks in line with the more precise related definitions of the Accounting Act.
- The historical value of tied-up reserve - created obligatory, as required by law - has been changed in connection with treasury shares, repurchased business shares and convertible business shares. The preceding regulation determined creation of tied-up reserve against the retained earnings with the value at the time of redemption. Following the amendment the book value of investments shall be recognised in the value of the tied-up reserve.
- Reclassification rules used for financial assets available for trade, which are valued at fair value, has been changed in accordance with the modifications in the European Union's regulation. If due to extraordinary events company alter his intention to keep financial assets, these assets can be reclassified into other category. Reclassified assets shall not be valued at fair value (market value) accordingly, but will be valued at carrying value. If decrease of market value is not found on permanent trend, financial assets shall not be impaired.
- Company amended rules for release of deferred revenue arisen from subsidy received for development purposes. Deferred revenue shall be released at the time of reimbursement of subsidy.
- Accounting Act regulates the repurchasing value and method of assets which were sold but later repurchased because of non-performance of contracting terms. If contracting obligations are not fulfilled, seller redeems the asset.

Beyond above amendments, further refinement changes of Accounting Act were put through the Accounting Policy.

Supplements and other changes in Accounting Policy arisen from experience during daily practice:

- Company amended regulations on the subject how to ensure accuracy (accuracy ensured by signature) in case of invoices issued for retail sales with cards. Format and content accuracy of accounting document is deemed to be guaranteed when data required for invoicing, are controlled before the input into the invoicing system or data are measured otherwise counted by the system.
- In case of an investment which incorporates ownership rights, regulation was supplemented with definition of the time when asset shall be registered.
- Valuation rules were specified in respect of intangible and tangible assets, which are permanently out of use and available for sale.
- Company has replenished criteria of impairment for purchased and own produced inventories.
- Accounting Policy was amended in respect to valuation of emission rights (CO_2 allowances). New rule was inserted for recording of emission rights purchased by forward transaction.
- MOL Plc stated accounting rules for cost and revenues arisen from joint operations and impairment rules for related receivables and payables.
- Accounting Policy specified regulations for revision of created provisions, and also rules of the release.

In addition to amendments listed above, Company made further small changes in Accounting Policy. MOL Plc made also supplements due to questions arisen during the practice.

3.4.2. Valuation methods applied

According to the Accounting Act, MOL Plc evaluates assets and liabilities individually.

For *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 owner consist of a group.

The detailed rules for the method of depreciation and impairment, the reversal of impairment and the depreciation rates applicable to each tangible asset are set out in the Depreciation Policy.

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 average purchase price for shop stocks of retail services; and at individual purchase prices for packaging materials with a packaging fee. Own produced inventories are valued at average production cost. The accounted 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 product cost monthly for own produced inventories.
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 is equal with the average product cost at the monthly closing.
During the monthly prepared actual product cost calculation the stock value difference is divided for inventory transactions of the relevant month at the monthly closing.

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

- do 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. Write-off is always accounted for regardless of the amount of the difference. This type of impairment means a final reduction in inventory value that cannot be reversed later even if such inventories are sold at a price higher than book value.

- comply 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.
  At that time decrease in value of inventory is recognised as impairment until the estimated selling price.
  Redundant inventories shall be qualified regularly throughout the year, but book value shall be reviewed during the balance sheet preparation process.
  When the Company defines realization value of redundant inventory, he has to take into consideration not only the market price at the time of qualification or balance sheet preparation, but also market demand for that inventory. Marketability of inventory shall be documented properly. If the Company has signed contract or valid bid for sale of redundant inventory, the qualification has to be done based on this contracted or offered 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 in order for sale.
  The difference between the carrying amount and the value determined as recoverable value is deemed to be significant if impairment related to finished products, merchandise, and inventories managed by the MOL inventory management department by individual inventory reaches at least HUF 100 million.

In case of inventories purchased as raw materials and semi-finished products or hydrocarbon production in progress to be used further on, it is investigated whether their value is recovered in the sale price of the finished products produced in the course of using such items in production. The recoverable amount determined this way is reduced by the costs expected to be incurred in order for sale. If there is no full return, impairment – if significant – is accounted for up to the level of return. It is deemed to be significant if the amount to be accounted for as impairment reaches HUF 100 million.

Furthermore, in case of the aggregated difference between the carrying amount and the value determined as recoverable value reaches HUF 300 million for individual inventories' (pieces), value of them do not reach HUF 100 million, then the individually (by pieces) accounted impairment has to be recorded in descending order until the aggregated value of the relevant individual items calculated together with impairment will decrease below HUF 300 million.

Company does not apply reversal of impairment of inventories as a rule, but impairment may be reversed if the amount of reversal by individual inventories reaches HUF 100 million or the value of accounted impairment based on individual assessment, in order to give a true and fair view.

The Company does not recognize impairment and reversal for industrial, construction industrial and other work in progress on products and services, mediated services and packaging materials, considering their amount is not significant.

The Company records emission rights (CO_2 allowances) as commodities.
Purchase price of emission rights are as follows:

- Rights received from the Hungarian State free of charge recorded on market price valid on day of crediting in the Trade register.
- Emission rights purchased from other parties are recorded at cost including the broker fee.

Valuation of emission rights is made individually. Emission quotes are booked by groups using FIFO method. Impairment shall be recorded when carrying value of emission rights is permanently and considerably higher than the value calculated based on market price at the balance sheet preparation date (at the MNB's official exchange rate at the end of the year). Accounted impairment is deemed significant if reaches HUF 100 million. Reversal of impairment shall be recorded - if the reason of its accounting does not exist – until the market price but not more than the booked value of impairment.
If emission rights are purchased within the frame of forward transaction, the forward part of the deal is recorded as out of balance sheet item with the payable amount defined by the contract, using the contracted (forward) price rate. Purchased emission rights are accounted based on rules for buying and selling at the time of closing the deal until the closing of the transaction.

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 (MNB) for the date of receipt or for the date of settlement.
The Company converts foreign currency purchased against HUF, received to the FX account, to the selected MNB exchange rate on settlement date, pursuant to the fair valuation of financial instruments.

In the confines of year-end foreign exchange revaluation, that is set out in Article 60 section (2) of the Accounting Act the Company revaluates its assets and liabilities, linked directly to investments and property rights and denominated in foreign currency and foreign exchange – irrespective of their amount – except for FX liabilities, not covered by FX assets and the assets included in fair valuation, so determines the significance limit at HUF 0.

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* for trading purposes and derivatives for hedging and trading (non-hedging) purposes in order to converge its practice to regulations of the European

Community. The Accounting Act allows for applying fair valuation to financial instruments available for sale, but 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 transaction 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.

Non-current investments are recorded at the time of:

a) In case of share or business share purchase, Company records his ownership participation at the time of acquiring the ownership.
   The point of time when Company acquired the ownership is:
   - the date of change in ownership in the course of business share purchase or sale, indicated on the document presented to the affected limited-liability company [Gt. 127.§ (4)]
   - the date of put in possession of shares, in case of purchase of shares, prepared typographically
   - the date of credit entry on security account, in case of purchase of non-material shares

   The point of time when Company acquires ownership in foreign companies is one and the same with the date defined in the ownership purchase contract or other document, which is typically the transaction closing date (for example payment of the price of shares or business shares).
b) Company accounts for establishment or capital increase on the date when the ownership is recorded in the Trade Register.

Non-current Investments are valued individually, based on a weighted average price.
The Company accounts for impairment on the balance sheet cut-off date, if:

- for investments listed in the stock exchange and other capital markets – in the case of a sufficiently active market – the quoted prices drop significantly below the average book price for the long run (impairment to the average quote price valid at the balance sheet preparation date),
- for investments not listed in the stock exchange, the value of the Company's equity share in the investment decreases significantly below the book value in the long-term (impairment is account for up to the amount of equity for the investment).

The Company worked out a new method concerning revaluation of goodwill at the end of the year related to investments into subsidiaries or joint ventures, loans given to them and acquisitions. If the shareholders' equity for MOL investments is lower than the business value of investment corrected with the book value of the given loans, the realizable value of investment will be determined.

Impairment will be recognized if:

- the realizable value is lower than the book value of investment corrected with goodwill and increased by the loan given to the related party, and
- if future business expectations or strategic factors concerning the investment do not support the return of investment.

If impairment is accounted, 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 given loan will be impaired

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

If the stock exchange price or proportionate equity of the Company does not reflect the fair market price of the given company, MOL Plc determines the market value that serves as the basis of the comparison in individual valuation, based on the information available (analytical studies, plans for the future).
For unquoted investments, if the price paid on acquisition is higher than the equity share in the investment, MOL Plc analysis the Company's operating efficiency, the trend of its profitability and the durability of this trend to determine the amount of impairment loss to be accounted for.

The Company values *long-term credit securities* based on weighted average price.
It accounts for impairment on the balance sheet cut-off date for stock exchange securities if the stock exchange price less interest decreases significantly below the average book price in the long-term. The reduction is deemed to be a reduction in the long-term if it exists for a period exceeding one year and is not expected to recover within one year. The Company performs the impairment to the average stock exchange price valid at the balance sheet preparation date, less interest, irrespective of the amount.

The Company accounts for impairment on over-the-counter securities if the issuer's (debtor's) evaluation deteriorates in the long-term, i.e. for over one year. In connection with that the Company investigates the over-the-counter price less 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 that case, the amount of impairment to be accounted for is the difference between the book value and the market price determined as 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.

In respect of investments and securities, the amount of impairment to be accounted for is deemed to be significant if it reaches HUF 50 million. If the impairment to be accounted for reaches 50 % of the book value, it must be accounted for regardless of the amount.

If the circumstances that give raise 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 in the framework of qualification on the balance sheet date if the change is significant. Reversal may take place up to the original purchase price but may not be more than the nominal value. The changes deemed to be significant if it reaches HUF 50 million or the accounted value of impairment.
It is also possible to reverse the market-based impairment of investments accounted for before 1 January 2001.

Treasury shares are valued at the weighted average price determined by groups. The group includes similar type of treasury shares by depositories. Within that separate group is composed of lent treasury shares by transactions at the time of registration, when the lending term expires.

The Company will account for impairment at the time of valuing treasury shares at the end of the year if the weighted average stock exchange share price during 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 amount of impairment shall be determined according to the difference between the average book value of treasury shares and the weighted average stock exchange price during 90 days prior to the balance sheet preparation date, if it reaches HUF 50 million.
The Company does not recognize impairment for treasury shares if the stock exchange price is higher than the average book value at the time of balance sheet preparation.
Reversal for treasury shares shall be recorded if the weighted average stock exchange share price during 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 reversal 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.

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 is significantly exceeds the amount expected to be recovered from the receivable. Rating is made based on the information available at the time of preparing the balance sheet in the course of which the Company estimates expected percentage of collection of receivables. The rating shall set out in the criteria that serve as the basis for determining the percentage of expected collection. The difference shall be significant if it reaches 20 % of the value of the receivable for a customer or a debtor. If the amount of the difference exceeds HUF 1 million, impairment is always accounted for.

Major criteria for debtor rating:
- bankruptcy or liquidation proceedings have been launched against the debtor,
- foreclosure proceedings have been launched against the debtor,
- the due date of the receivable from the debtor has been passed,
- written statement or information issued by a bankruptcy commissioner or liquidator,
- collection of the receivable is not likely due to the debtor's financial position (e.g. indebtedness, bad solvency, etc.).

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. The amount will be deemed to be significant if it exceeds HUF 100,000 or the accounted value of impairment.

During valuation of inter-company loans - financing operation of related party - the Company proceeds according to the rules applied for investment assessment.

Receivables due to *lent treasury shares* are valued individually having respect for related accruals or deferrals.
The Company will account for impairment at the time of valuing receivables due to lent treasury shares at the end of the year if the calculated value of treasury shares - based on weighted average stock exchange share price

during 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 amount of impairment shall be determined according to the difference between the aggregate value of receivables and related accruals or deferrals and the lent treasury share's weighted average stock exchange price during 90 days prior to the balance sheet preparation date, if it reaches HUF 50 million.
The Company does not recognize impairment for receivables due to lent treasury shares 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 reversal 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 take place up to the amount of recorded impairment.

MNB official rate 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 vale 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 MNB 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 MNB official 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 to HUF at the book exchange rate of the given asset. The amount determined as reversal is converted to HUF at the weighted average exchange rate of the impairments reduced by any reversal. Impairment and reversal are accounted for before the year-end total foreign exchange revaluation.

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 a linear depreciation based on the gross value; with the exception of assets that may be allocated only to one mine (excluding the rights of property value linked to these assets) catalyst 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 unit of production is used, that is based on the carrying value.
PB gas containers and the reinforced concrete big modular road surface plates – with value less than HUF 100,000 – are booked in group, and depreciated by linear depreciation in case of PB gas containers during 5 years and in case of reinforced concrete elements during 10 years.

Selection criteria for technical-economic useful life and for depreciation rates are defined in the regulation issued on the Group level, which includes the technical-economic useful life with adequate depreciation rate by the group of assets. Deviation form the depreciation rates defined in the regulation is allowed based on 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 equipments, 7-25 years for gas and oil transporting and storing equipments, 5-25 years for filling stations and their equipments and 3-10 years for other equipments.

Depreciation is accounted for in the SAP R/3 system on 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 expected to be significant at the end of its useful life. The residual value may be determined in respect of individual asset or asset groups required to undertake 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 but 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). The annual review of economic useful life is made by the Company for intangible assets with carrying value reach HUF 10 million net, and for tangible assets with gross value reach HUF 50 million and carrying value reach HUF 10 million.
The effect of the revision on the balance sheet and income statement for the financial year 2009 is disclosed in Note 9.

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

The assets should be divided into main parts in the accounting records, if the technical useful life of the main parts differs from the useful life of the assets determined by the Company, and the depreciation should be applied for each main part. The definition of main part (component) is the smallest identifiable unit, that has a different useful life compared to that of other components and it has a significant value compared to the whole value of the asset.

MOL Plc accounts for impairment if intellectual rights and titles can be enforced only in a limited manner or not at all within the expected depreciation period, if the intellectual product and the Property, Plant and Equipment are missing, damaged or destroyed, or if the market value of intangible goods and Property, Plant and Equipment is significantly lower than their carrying value for the long term. If the market value of an individual asset cannot be determined, the Company will create the smallest asset group for which market evaluation is applicable.
For an individual asset or asset groups where individual market evaluation is not possible or does not reflects the real value in use of the asset or asset group, the comparative basis for impairment and 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 based on market valuation will be reversed if the reasons for impairment do not exist any more or exist only in part. The Company will account for reversals only in connection with the end-of-year valuation of assets.

In the Accounting policy, the significant amounts of impairment and reversal purposes were separately determined for each asset group.

3.4.4. Rules for provisions

MOL Plc recognises provisions for contingent liabilities against profit before taxation.

Provisions for contingent liabilities

The Company makes provisions for liabilities that may be expected 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 specific financial assumptions.

MOL Plc recognises provision to cover liabilities from loyalty bonus of employees who work for the Company for a long time.

Provision is recognised for guarantees and securities granted by the Company if there is a probability of more than 50 % that a part or all of the guarantee or security 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 amount of provision is determined based on the possible draw downs weighted by probabilities.

The Company makes provisions to cover liabilities arisen from wholesale customer complaints if the amount is significant and if it is probable at the time of the balance sheet preparation that the quantity and quality of customer's complaint will be accepted, recognised by the Company.

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 present 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 sections 3.4.6) that amount of provision which is expected to incur in relation with 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.

Provision is recognized when actual emission rights received free of charge, owned by the Company exceed the emission of the Company. The amount of provision is assessed based on not covered emission and market price at balance sheet date.
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 recognises provisions for the value of unused points in the point-collection schemes operated with other companies (Regular Customer and Multipoint).

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

3.4.5. Classification of errors for previous years

MOL Plc determines the limits of significant errors at HUF 0. This means that it accounts for the effect of all errors concerning previous years regardless of its limit and positive or negative sign as adjustments of previous years, so they do not affect the profit or loss of current period. The errors identified concerning profit and shareholder's equity of previous years are shown in the middle column of the balance sheet and income statement, as adjustment to previous years.

The combined extent of an error concerning profit and shareholder's equity substantially influencing the true and fair view of the Company is the lower of at least 20 % of the shareholders' equity of the year preceding the current reporting year or change with correct sign exceeding 2 % of total balance sheet amount of the same year.

3.4.6. Application of paragraph (4) of 4. of the Accounting Law in the Company financial statements for year 2009

In the course of the preparation of the 2005 annual financial statements, the Company departed from § 41. (1) of the accounting law based on its allowance described in § 4.(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 income before taxation. This treatment is consistent with that adopted in the 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 2009 the property plant and equipment is presented with a higher value of HUF 14,339 million. The Company made a capital reserve (in the amount of HUF 14,339 million) corresponding to the capitalised field abandonment provision included in the net balance of property, plant and equipment as of 31 December 2009 in order to cover future liabilities from the Company's equity.

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, financial and income position, as well as return and performance indicators, the sales revenue.

4.1. Assets

4.1.1. Changes in the Company's assets

Description	*2008*	*2009*	*Breakdown (%)*		*Change (%)*
			2008	*2009*	
Non-current assets	1,766,645	1,972,693	68.07	72.04	11.66
Current assets	793,591	739,363	30.58	27.00	(6.83)
Accruals and prepayments	35,079	26,185	1.35	0.96	(25.35)
Total	2,595,315	2,738,241	100.00	100.00	5.51

The Company's assets increased to a small extent essentially due to the growth in non-current assets.
Within the non-current assets the main increase occurred in financial investment (HUF + 230.4 billion) driven by the change in long-term participation in related parties (HUF + 29.5 billion) and in other long-term participation (Pearl acquisition of HUF 54.3 billion, OTP share purchase value of HUF 55.5 billion related to share-exchange). Further growth of HUF 78.4 billion occurred in case of long-term loans given to subsidiaries compared to 2008, of which increase by HUF 34.1 billion in the balance of loans given to subsidiaries of international exploration and the given loans to INA of HUF 39.9 billion in 2009 were decisive.
The decrease in the current assets moderated the asset increasing effect of long-term investments.
The drop in current assets was basically influenced by the fall in cash and cash equivalents (HUF (72.3) billion), which was moderated by the impact of receivable rise (HUF + 10.1 billion) compared to the previous year. In the receivable rise, the excess of option re-evaluation (HUF + 25.9 billion), trade receivables (HUF + 5.7 billion), and receivables from related parties (HUF + 38.7 billion, of which the increase of trade receivables from subsidiaries was HUF 29.7 billion) were the determinants. The increase was considerably moderated by the lower balance of other receivables generated by the decrease of HUF 68.3 billion in book value of lent treasury shares. Level of inventory was lower by HUF 11.0 billion compared to the basic year which was essentially driven by the lower inventory volume.
The fall in cash and cash equivalents mainly reflects the lower bank deposit in foreign currencies.
The change in the accruals and prepayments basically reflects the difference in deferred income related to the subsequent settlement in connection with gas business sale between 2008 and 2009. (2008: HUF + 6.4 billion, 2009: there wasn't any deferred income)

4.1.2. Capital structure

Capital structure of the Company

Description	*2008*	*2009*	*Breakdown (%)*		*Change (%)*
			2008	*2009*	
Shareholders' equity	1,376,897	1,628,365	53.05	59.47	18.26
Provisions	123,576	131,802	4.76	4.81	6.66
Liabilities	1,052,439	962,191	40.55	35.14	(8.58)
Accruals	42,403	15,883	1.64	0.58	(62.54)
Total	2,595,315	2,738,241	100.00	100.00	5.51

Re-arrangement occurred in the equity and liabilities in 2009 besides the increase of 5.51 % on the whole. The shareholders' equity went up basically as a result of the net income change from 2008 to 2009. (In 2008 the net income amounted to HUF (223.0) billion, while in 2009 it was HUF + 253.0 billion) The improvement in net income was fuelled by the more favourable operating profit compared to the basic year besides the financial profit (against the financial loss realised in the previous year) reflecting the advantageous impact of FX rates. Extraordinary loss in connection with capital decrease (share withdrawal) also contributed to the negative net income in 2008. The drop in liabilities moderated the effect of shareholders' equity increase. Within the liabilities the long-term debts decreased to HUF 378.6 billion in 2009 from the value of HUF 512.5 billion in 2008 reflecting the impact of repayments. At the same time the short-term liabilities went up compared to 2008 as a consequence of the higher short-term debts (HUF + 18.7 billion), short-term loan from subsidiaries (HUF 16.1 billion), VAT (HUF+ 9.6 billion) and excise duty (HUF + 4.3 billion). The provision increase basically reflects the rise of HUF 4.1 billion in provision for field abandonment and field suspended (beyond a year) besides the provision for green house gas emission (HUF + 4.7 billion).

Internal structure of shareholders' equity

Description	*2008*	*2009*	*Breakdown (%)*		*Change (%)*
			2008	*2009*	
Share capital	104,519	104,519	7.59	6.42	0
Share premium	223,866	223,866	16.26	13.75	0
Retained earnings	1,140,817	908,910	82.86	55.81	(20.33)
Tied-up reserve	130,702	138,054	9.49	8.48	5.63
Fair valuation reserve	0	0	0.00	0.00	n.a.
Net income	(223,007)	253,016	(16.20)	15.54	213.46
Total	1,376,897	1,628,365	100.00	100.00	18.26

The increase within shareholders' equity reflects the impact of 2009 net income (see the explanations above for the details).

4.1.3. Revenues

Description	*2008*	*2009*	*Breakdown (%)*		
			2008	*2009*	*Change (%)*
Net domestic sales revenues	1,750,497	1,501,656	78.74	80.90	(14.22)
Export net sales revenues	472,674	354,645	21.26	19.10	(24.97)
Total net sales revenues	2,223,171	1,856,301	100.00	100.00	(16.50)

The net sales revenue lagged behind the basic year by 16.5 %. The retail and wholesale revenue from crude oil products and related services - which amounted to 87.4 % from the total net sales revenue of MOL Plc - decreased by 17.7 % compared to 2008. Domestic net sales revenue of crude oil products (including hydrocarbon products, LPG and purchased hydrocarbon product sales) decreased by 14.1 % compared to the basic year, mainly driven by the drop in crude oil products' quoted prices.
The fall of 29.0 % in the export net sales revenue of crude oil products was essentially caused by the volume decrease of 18.8 %, but the lower crude oil products' quoted prices took also a part in the decrease.
The natural gas sales revenue went down by 9.7 %, which was caused by the decrease of sales prices by 8.6 % and by the lower level of sales volume by 1.1 % (based on data calculated in GJ).

4.1.4. Costs, expenditures compared to revenue

Description	*2008*	*2009*	*Breakdown (%)*		*Change (%)*
			2008	*2009*	
Net sales revenues total	2,223,171	1,856,301	100.00	100.00	(16.50)
Raw material costs	1,044,399	737,351	46.98	39.72	(29.40)
Value of services used	97,831	88,151	4.40	4.75	(9.89)
Other services	224,168	192,687	10.08	10.38	(14.04)
Cost of goods sold	218,229	243,961	9.82	13.14	11.79
Value of services sold (intermediated)	48,818	36,526	2.20	1.97	(25.18)
MATERIAL TYPE EXPENSES	1,633,445	1,298,676	73.47	69.96	(20.49)
Payroll expenses	35,089	35,959	1.58	1.94	2.48
Other personnel-type expenses	7,474	6,550	0.34	0.35	(12.36)
Tax and contributions	12,383	12,263	0.56	0.66	(0.97)
PERSONNEL TYPE EXPENSES	54,946	54,772	2.47	2.95	(0.32)
DEPRECIATION	57,311	57,055	2.58	3.07	(0.45)
OTHER OPERATING EXPENSES	445,471	384,263	20.04	20.70	(13.74)
TOTAL COSTS AND EXPENSES	2,191,173	1,794,766	98.56	96.69	(18.09)

The costs and expenditures in proportion to the net sales revenues showed slight decrease of 1.87 %-point compared to 2008, although net sales revenue decreased by 16.5 %.

Decrease of material type expenditures (HUF (334.8) billion) was primarily caused by the change of material cost (HUF (307.0) billion) mainly as a result of the lower costs of purchased production materials (basically due to the lower crude oil purchase prices and lower other production material cost related to crude prices). The cost of goods sold slightly went up by HUF 25.7 billion, mainly as a result of the higher purchase value of crude oil (HUF + 32.9 billion) and green house gas emission rights (HUF + 19.9 billion). The increase was significantly moderated by the lower purchase value of naphtha (HUF (8.7) billion) and gas products (HUF (7.5) billion) compared to the basic period. Further decreasing effect was the drop in value of services used – mainly due to lower cost of railway transport (due to lower transportation volumes), maintenance and management cost. The cost of other services also decreased as a consequence of lower level of mining royalty by HUF 39.1 billion caused by lower natural gas prices.
Personnel type expenditures lagged behind the previous year level to a small extent (by 0.3 %) despite the salary increase of 3.7 %. Cost increasing effect of salary rise was significantly moderated by the cost decreasing impact of lower average headcount as a result of cost efficiency measures and the cost saving on other personnel- type expenses.
Changes in amortisation and depreciation basically reflected the lower amortisation of the producing wells and pipelines related to the economically recoverable hydrocarbon reserves. This drop was moderated by the amortisation increasing effect of the revision on the field abandonment provision capitalisation (HUF 1.8 billion) in 2009.
Other expenditures were lower by HUF 61.2 billion compared to 2008. The main reason for the decrease was the recorded impairment recorded on the lent treasury shares in 2008 (HUF (84.3) billion). The latter positive effect was moderated by HUF 10.5 billion higher taxes and duties (of which: excise duty liability HUF + 12.5 billion) and the change in provision for the future liabilities (HUF + 18.7 billion).

4.1.5. Financial indicators

Equity ratio

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

2008	*2009*
$\frac{1,376,897}{2,595,315}$ =53.05 %	$\frac{1,628,365}{2,738,241}$ = 59.47 %

The Shareholders' equity increased to a larger extent than the total shareholders' equity and liability causing growth in the indicator value. The shareholders' equity rise was mainly driven by the net income of 2009. The improvement in net income was influenced by the favourable operating and financial profit change, besides the extraordinary loss in 2008 due to the extraordinary expenditure in connection with share withdrawal.

4.1.6. Current and non-current assets ratio

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

2008	*2009*
$\frac{828,670}{1,766,645} = 46.91\ \%$	$\frac{765,548}{1,972,693} = 38.81\ \%$

The change in the indicator value is affected by the fall in current assets and the growth in non-current assets.

4.2. Financial position

Acid liquidity ratio

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

2008	*2009*
$\frac{668,582}{376,165} = 1.78$	$\frac{625,338}{388,539} = 1.61$

The liquidity ratio of the Company decreased slightly compared to the previous year, but still exceeds the minimal level (1.0) significantly. The total amount of the cash and cash equivalents, receivables and securities decreased by 6.5 % year-on-year as the significant decrease in cash and cash equivalents was mostly compensated by the increase in receivables and securities. At the same time the short-term liabilities and deferred cost and expenses increased to a smaller extent, by 3.3 %, basically due to higher short-term debt (HUF + 18.7 billion), short-term loan taken from subsidiaries (HUF 16.1 billion) VAT (HUF + 9.6 billion) and excise duty (HUF+ 4.3 billion), while the other liabilities dropped moderating the rises due to the above mentioned reasons. The increase was slightly diminished by the decrease of deferred expenses compared to the basic period. (Deferred expenses - accounted in 2008 - related to subsequent settlement in connection with gas business sale was released in 2009.)

Debtor's days

$$\frac{\text{Adjusted average receivable from customers}}{\text{1 day sales revenue}}$$

2008	*2009*
$\frac{156,565}{6,074} = 25.78$	$\frac{141,906}{5,086} = 27.90$

Debtor's days increased slightly over the period, because the decrease of the 1 day sales revenue exceeded the decrease of the average value of the receivables. Change of sales revenue/day was basically determined by the decrease of crude oil products' sales prices, sales volumes and natural gas sales prices. The decrease in debtors' chronological average was influenced by the lower sales prices and volumes of crude oil products.

4.3. Profitability indicators

Asset efficiency

$$\frac{\text{Profit before tax + interests and interests-type expenses}}{\text{Chronological Average of Asset}} * 100$$

2008	*2009*
$\frac{(186{,}315)}{2{,}952{,}050} = (6.31)\%$	$\frac{292{,}834}{2{,}834{,}937} = 10.33\ \%$

The positive value of the indicator was the consequence of the favourable profit before tax of HUF 272.8 billion, while the chronologic average of assets decreased by 4.0 % despite the considerable acquisitions realised in 2009 (Pearl acquisition, international exploration projects). The significant result was driven by the more favourable operating profit compared to the previous year and the HUF 84.6 billion financial profit. The latter was fuelled by the positive foreign exchange impact on profit (option re-evaluation, FX gain on receivables and liabilities in foreign currencies), just as the received dividend and FX gain on non-current assets and shares.

4.4. Return and performance indicators

Return on Assets

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

2008	*2009*
$\frac{(223{,}007)}{2{,}595{,}315} = (8.59)\%$	$\frac{253{,}016}{2{,}738{,}241} = 9.24\ \%$

The positive value of the indicator was driven by the higher operating profit and more favourable financial result due to the above mentioned impacts.

ROACE (Return on Average Capital Employed)

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

2008	*2009*
$\frac{81{,}832}{903{,}526} = 9.06\ \%$	$\frac{134{,}105}{618{,}976} = 21.67\ \%$

The considerable improvement of 12.61 % point in the indicator value was basically driven by the 63.9 % growth in operating profit after tax. The main reason for the operating profit rise was the lower cost spending besides the positive change in own produced inventory. The more favourable change in profit after tax improved the indicator by 5.8 % point in itself.
Further improvement was fuelled by the drop of 31.5 % in average capital employed. The lower average capital employed was mainly caused by the decrease in receivables of 2008 year, which was not reflected fully in 2008 yearly average capital employed due to the high closing value of 2007. The closing capital employed in 2009 was stable compared to 2008 (in 2008: HUF 633.2 billion, in 2009: HUF 604.7 billion)

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

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

2008	*2009*
$\frac{159,601}{2,223,171}$ =7.18 %	$\frac{243,312}{1,856,301}$ = 13.11 %

EBITDA ratio increased in 2009 as a result of the HUF 83.7 billion (+ 52.5 %) growth in EBITDA, while the net sales revenue was lower by HUF 366.9 billion (16.5 %). The income statement's figures show that the expenditure in the ratio of net revenue decreased. Further improving effect was the positive change in own produced inventory (HUF + 20.0 billion).

Indebtedness

$$\frac{\text{Long-term credits and loans, liabilities from the issue of bonds + Short-term credits and loans - Securities – Cash and cash equivalents}}{\text{Long-term credits and loans, liabilities from the issue of bonds + Short-term credits and loans - Securities – Cash and cash equivalents + Shareholders' equity}} * 100$$

2008	*2009*
$\frac{553,683}{1,930,580}$ = 28.68 %	$\frac{512,522}{2,140,887}$ = 23.94 %

Data of the indicator include loans received from related parties.

Gearing ratio showed an improvement compared to the last year, in which both the decrease in liabilities and the Shareholders' equity increase took a part. The net debts declined by HUF 41.2 billion as a joint effect of the lower level of the long-term credits and loans (by HUF 129.3 billion) and cash and cash equivalents, while the Shareholders' equity was higher by HUF 251.5 billion than in 2008 due to the change in net income.

5. Cash Flow Statement

HUF million

Description	*2008*	*2009*
Profit before taxation	(223,007)	272,779
Dividend received	(65,701)	(51,237)
Research expenses	8,889	11,494
Exchange rate difference	(780)	204
Fair valuation difference	199,472	(33,351)
Profit without cash flow	0	51,846
Final (not revocable) asset transfer	(236)	(195)
Treasury share withdrawal	117,243	0
Adjusted profit before taxation	35,880	251,540
Depreciation and impairment	57,923	65,638
Write off and reversal	238,796	(37,768)
Provision recognition and release, net	3,597	11,050
Gain or loss, realised on sale of non-current assets	42,267	(141)
Change of liabilities to suppliers	(20,764)	(7,164)
Change of other short-term liabilities	(12,893)	(21,025)
Change of accruals	(1,766)	(1,099)
Change of trade receivables	31,506	(33,020)
Change of current assets (excluding trade receivables and cash)	162,566	(92,744)
Change of prepayments	51,243	(7,202)
Change of reserves	0	(3,097)
Corporate tax paid, payable	(22,870)	(11,451)
Dividend paid, payable	(84,706)	(224)
Operating cash flow	480,779	113,293
Purchase of non-current assets	(64,775)	(33,052)
Purchase of non-current financial investments	(514,393)	(94,966)
Sale of non-current assets	2,625	455
Sale of non-current financial investments, capital withdrawal	(27,215)	0
Final (not repayable) Cash and cash equivalent given	(105)	(141)
Research expenses	(8,889)	(11,494)
Dividend received	65,701	51,237
Investment cash flow	(547,051)	(87,961)
Withdrawal of bonds and debt securities	(2,020)	0
Long-term loans received	1,100,176	499,016
Non repayable cash received	16	18
Repayment of long-term credits and loans	(900,908)	(613,101)
Change of short-term credits and loans	(2,144)	16,473
Financing cash flow	195,120	(97,594)
Change of cash	128,848	(72,262)

6. Intangible assets

Gross book value HUF million

Movements	Capitalised research and development cost	Property rights	Intellectual property	Goodwill	Total intangible assets
Opening balance 01.01.2008	744	3,075	39,716	47,466	91,001
Increase due to purchases	851	585	3,290	0	4,726
Increase due to reclassification	0	338	603	0	941
Other increase*	0	0	0	10,454	10,454
Decrease due to sales	0	0	(2)	0	(2)
Decrease due to scrapping, damages or shortages	(5)	(26)	(1,155)	0	(1,186)
Decrease due to reclassification	(476)	0	(337)	0	(813)
Closing balance 31.12.2008	1,114	3,972	42,115	57,920	105,121
Increase due to purchases	852	1,503	1,599	0	3,954
Increase due to reclassification	0	74	2,320	0	2,394
Other increase	0	4	31	2,759**	2,794
Decrease due to sales	0	0	0	0	0
Decrease due to scrapping, damages or shortages	(13)	(17)	(1,530)	0	(1,560)
Decrease due to reclassification	(516)	(1,014)	(53)	0	(1,583)
Other decrease	0	(4)	(14)	0	(18)
Closing balance 31.12.2009	1,437	4,518	44,468	60,679	111,102

* Goodwill recognized due to I&C Energo a.s acquisition and goodwill adjustment in connection with the purchase of Italiana Energia e Servizi S.p.A. (HUF 9,215 million) and TIFON d.o.o. (HUF 206 million).
** Goodwill recognized at the time when Company acquired qualified majority of Roth Heizöle GmbH.

Depreciation HUF million

Movements	Capitalised research and development cost	Property rights	Intellectual property	Goodwill	Total intangible assets
Opening balance 01.01.2008	0	1,113	28,050	0	29,163
Of which: depreciation	*0*	*1,058*	*27,728*	*0*	*28,786*
impairment	*0*	*55*	*322*	*0*	*377*
Increase of depreciation	0	639	3,094	0	3,733
Increase of impairment	5	0	35	0	40
Other increase	0	0	10	0	10
Decrease due to sale	0	0	(2)	0	(2)
Decrease due to scrapping, damages or shortages	(5)	(26)	(1,155)	0	(1,186)
Closing balance 31.12.2008	0	1,726	30,032	0	31,758
Of which: depreciation	*0*	*1,671*	*29,723*	*0*	*31,394*
impairment	*0*	*55*	*309*	*0*	*364*
Increase of depreciation	0	722	3,458	0	4,180
Increase of impairment based on market valuation	0	0	10	3,612	3,622
Increase of impairment	13	1	617	0	631
Increase due to reclassification	0	34	11	0	45
Other increase	0	0	42	0	42
Decrease due to scrapping, damages or shortages	(13)	(17)	(1,530)	0	(1,560)
Decrease due to reclassification	0	(6)	(40)	0	(46)
Other decrease	0	(1)	0	0	(1)
Closing balance 31.12.2009	0	2,459	32,600	3,612	38,671
Of which: depreciation	*0*	*2,404*	*32,281*	*0*	*34,685*
impairment	*0*	*55*	*319*	*3,612*	*3,986*

Net book value as of 31 December 2008	1,114	2,246	12,083	57,920	73,363
Net book value as of 31 December 2009	1,437	2,059	11,868	57,067	72,431

7. Property, plant and equipment

Gross book value HUF million

Movements	Land and building and related property rights	Plant, machinery and vehicles	Other equipment, fixtures and vehicles	Assets under construction and related advances	Total property, plant and equipment
Opening balance 01.01.2008	433,052	339,411	41,235	33,190	846,888
Increase due to capital expenditure	0	0	0	55,521	55,521
Capitalisation	17,538	26,675	3,404	(47,617)	0
Increase due to reclassification	12,425	1,899	428	0	14,752
Other increase	9,571*	12	19	98	9,700
Decrease due to sales**	(7,055)	(310)	(105)	0	(7,470)
Decrease due to scrapping, damages and shortages	(506)	(5,115)	(970)	(502)	(7,093)
Decrease due to contribution in kind or transfers free of charge***	(5,689)	(1,734)	(48)	(2,709)	(10,180)
Decrease due to reclassification	(276)	(278)	(2)	(128)	(684)
Other decrease	(62)	(12)	0	(209)	(283)
Closing balance 31.12.2008	458,998	360,548	43,961	37,644	901,151
Increase due to capital expenditure	0	0	0	43,256	43,256
Capitalisation	16,409	20,289	1,063	(37,761)	0
Increase due to reclassification	20	470	25	0	515
Other increase	52	2	8	53	115
Decrease due to sales	(280)	(157)	(222)	(4)	(663)
Decrease due to scrapping, damages and shortages	(659)	(5,490)	(927)	(348)	(7,424)
Decrease due to contribution in kind or transfers free of charge	0	(1)	(41)	0	(42)
Decrease due to reclassification	(564)	(35)	(17)	(1,165)	(1,781)
Other decrease	(3,041)*	(1,060)	(286)	(3,908)	(8,295)
Closing balance 31.12.2009	470,935	374,566	43,564	37,767	926,832

Items marked with * contains field abandonment provision capitalised in the value of mining properties. Please see section 3.4.6. for further details.

** The gross book value of land, building and machineries sold to MMBF Zrt. was HUF 6,524 million.

*** In kind contribution given to FGSZ Földgázszállító Zrt. and Dunai Gőzfejlesztő Kft. with the amount of HUF 10,135 million.

Depreciation

HUF million

Movements	Land and building and related property rights	Plant, machinery and vehicles	Other equipment, fixtures and vehicles	Assets under construction and related advances	Total property, plant and equipment
Opening balance 01.01.2008	234,603	243,715	32,364	10	510,692
Of which: depreciation	*219,292*	*242,507*	*32,296*	*0*	*494,095*
impairment	*15,311*	*1,208*	*68*	*10*	*16,597*
Increase of depreciation	24,324	25,660	3,594	0	53,578
Increase of impairment based on market valuation	1,410*	139	3	294	1,846
Increase of impairment due to scrapping, damages and shortages	86	205	16	502	809
Increase due to reclassification	8,207	1,874	276	0	10,357
Other increase	52	47	15	0	114
Reversal of impairment	(2,082)	0	0	0	(2,082)
Decrease due to sales	(5,015)	(231)	(98)	0	(5,344)
Decrease due to scrapping, damages and shortages	(506)	(5,115)	(970)	(502)	(7,093)
Decrease due to contributions in kind and transfers free of charge**	(3,337)	(1,694)	(48)	0	(5,079)
Decrease due to reclassification	(132)	(267)	(1)	0	(400)
Other decrease	(193)	(314)	(7)		(514)
Closing balance 31.12.2008	257,417	264,019	35,144	304	556,884
Of which: depreciation	*239,369*	*262,690*	*35,074*	*0*	*537,133*
impairment	*18,048*	*1,329*	*70*	*304*	*19,751*
Increase of depreciation	25,785	24,158	2,932	0	52,875
Increase of impairment based on market valuation	4,254*	38	9	0	4,301
Reversal of impairment of advance payment given for assets under construction	0	0	0	(10)	(10)
Increase of impairment due to scrapping, damages and shortages	54	1,174	16	54	1,298
Increase due to reclassification	6	85	12	0	103
Other increase	519	313	26	0	858
Reversal of impairment	(1,227)*	(41)	(1)	0	(1,269)
Decrease due to sales	(57)	(133)	(159)	0	(349)
Decrease due to scrapping, damages and shortages	(659)	(5,490)	(927)	(348)	(7,424)
Decrease due to contributions in kind and transfers free of charge	0	(1)	(41)	0	(42)
Decrease due to reclassification	(153)	(63)	(8)	0	(224)
Other decrease	(38)	(726)	(239)	0	(1,003)
Closing balance 31.12.2009	285,901	283,333	36,764	0	605,998
Of which: depreciation	*264,847*	*282,015*	*36,686*	*0*	*583,548*
impairment	*21,054*	*1,318*	*78*	*0*	*22,450*

Movements	Land and building and related property rights	Plant, machinery and vehicles	Other equipment, fixtures and vehicles	Assets under construction and related advances	Total property, plant and equipment
Net book value as of 31 December 2008	201,581	96,529	8,817	37,340	344,267
Net book value as of 31 December 2009	185,034	91,233	6,800	37,767	320,834

Items marked with * contains impairment of field abandonment provision capitalised in the value of mining properties, or rather the reverse of previous years' impairment. Please see section 3.4.6 for further details.
** Derecognized depreciation of assets given as in kind contribution to FGSZ Földgázszállító Zrt. and Dunai Gőzfejlesztő Kft. was HUF 5,040 million.

8. Depreciation

Depreciation HUF million

Description	Straight-line		Unit of production		Lump sum		Total amount	
	2008	*2009*	*2008*	*2009*	*2008*	*2009*	*2008*	*2009*
Capitalised research and development costs	0	0	0	0	0	0	0	0
Property rights	631	703	0	0	8	19	639	722
Intellectual property	3,093	3,457	0	0	1	1	3,094	3,458
Intangible assets	3,724	4,160	0	0	9	20	3,733	4,180
Land and building and related property rights	10,818	11,448	13,506	14,337	0	0	24,324	25,785
Plant, machinery and vehicles	23,441	21,850	2,212	2,299	7	9	25,660	24,158
Other equipment, fixtures and vehicles	3,273	2,798	0	0	321	134	3,594	2,932
Property, plant and equipment	37,532	36,096	15,718	16,636	328	143	53,578	52,875
Total	41,256	40,256	15,718	16,636	337	163	57,311	57,055

Extraordinary depreciation, impairment and reversal HUF million

Description	Impairment based on market valuation		Impairment due to scrapping, damages and shortages		Reversal of impairment		Total	
	2008	2009	2008	2009	2008	2009	2008	2009
Capitalised research and development costs	0	0	5	13	0	0	5	13
Property rights	0	0	0	1	0	0	0	1
Intellectual property	0	10	35	617	0	0	35	627
Goodwill	0	3,612	0	0	0	0	0	3,612
Intangible assets	0	3,622	40	631	0	0	40	4,253
Land and building and related property rights	1,410	4,254	86	54	2,082	1,227	(586)	3,081
Plant, machinery and vehicles	139	38	205	1,174	0	41	344	1,171
Other equipment, fixtures and vehicles	3	9	16	16	0	1	19	24
Assets under construction	294	0	502	54	0	0	796	54
Property, plant and equipment	1,846	4,301	809	1,298	2,082	1,269	573	4,330
Total	1,846	7,923	849	1,929	2,082	1,269	613	8,583

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

HUF million

Description	*Gross book value*	*Depreciation of 2009*		*Profit and loss effect*	*Effect on non-current assets' value*
		Without revision	*As a result of the revision*		
Intellectual property	16,150	1,046	772	274	274
Intangible assets	16,150	1,046	772	274	274
Land and building and related property rights	4,122	225	178	47	47
Plant, machinery and vehicles	10,808	806	712	94	94
Other equipment, fixtures and vehicles	511	43	27	16	16
Property, plant and equipment	15,441	1,074	917	157	157
Total	31,591	2,120	1,689	431	431

(Please see: Depreciation policy, Section 3.4.3., remarks about the annual review of economic useful life.)

10. Property, plant and equipment used for environmental protection

Gross book value HUF million

Movements	Land and building and related property rights	Plant, machinery and vehicles	Other equipment, fixtures and vehicles	Assets under construction and related advances	*Total property, plant and equipment*
Opening balance 01.01.2008	16,563	4,013	985	1,460	23,021
Increase due to capital expenditure	0	0	0	760	760
Capitalisation	488	728	0	(1,216)	0
Increase due to reclassification	6	17	0	282	305
Decrease due to scrapping, damages and shortages	(28)	(17)	0	0	(45)
Decrease due to reclassification	0	0	0	(713)	(713)
Closing balance 31.12.2008	17,029	4,741	985	573	23,328
Increase due to capital expenditure	0	0	0	448	448
Capitalisation	346	49	9	(404)	0
Increase due to reclassification	206	50	26	166	448
Decrease due to scrapping, damages and shortages	0	(55)	0	(298)	(353)
Decrease due to reclassification	0	0	0	(302)	(302)
Other decrease	0	0	0	(1)	(1)
Closing balance 31.12.2009	17,581	4,785	1,020	182	23,568

Depreciation HUF million

Movements	Land and building and related property rights	Plant, machinery and vehicles	Other equipment, fixtures and vehicles	Assets under construction and related advances	*Total property, plant and equipment*
Opening balance 01.01.2008	5,612	2,458	763	0	8,833
Increase of depreciation	851	445	55	0	1,351
Increase of impairment based on market valuation	0	0	0	294	294
Increase of impairment due to scrapping, damages and shortages	11	0	0	0	11
Increase due to reclassification	0	3	0	0	3
Decrease due to scrapping, damages and shortages	(28)	(17)	0	0	(45)
Decrease due to reclassification	(10)	(4)	0	0	(14)
Closing balance 31.12.2008	6,436	2,885	818	294	10,433
Increase of depreciation	888	479	48	0	1,415
Increase of impairment due to scrapping, damages and shortages	0	1	0	4	5

Increase due to reclassification	72	4	26	0	102
Decrease due to scrapping, damages and shortages	0	(55)	0	(298)	(353)
Closing balance 31.12.2009	7,396	3,314	892	0	11,602

Net book value as of 31 December 2008	10,593	1,856	167	279	12,895
Net book value as of 31 December 2009	10,185	1,471	128	182	11,966

11. Research and development

HUF million

Research and development areas	*2008*			*2009*		
	Expenditure in current year	*Of the expenditure*		*Expenditure in current year*	*Of the expenditure*	
		capitalised	accounted as cost		capitalised	accounted as cost
Domestic HC exploration	7,259	0	7,259	10,347	0	10,347
Foreign HC exploration	1,123	0	1,123	465	0	465
Technology and asset development	1,017	797	220	1,150	750	400
Product development	270	10	260	218	17	201
Environmental protection	27	6	21	77	32	45
Other (studies)	44	38	6	89	53	36
Total	9,740	851	8,889	12,346	852	11,494

12. Hazardous waste (not audited)

Rounded to tons

EWC category	*Title of hazardous waste group*	*Adjusted opening quantity**	*Increase in current year*	*Decrease in current year*	*Closing quantity*
01 05	Drilling muds and other drilling wastes	0	108	108	0
05 01	Wastes from petroleum refining (sludge, acid tars, bitumen, coke, sulphur containing wastes from petroleum desulphurisation)	854	1,333	2,187	0
06 04	Metal-containing wastes	0	220	0	220
06 05	Sludge from on-site effluent treatment	0	219	219	0
06 06	Wastes from the MFSU of sulphur chemicals, sulphur chemical processes and desulphurisation processes	0	3	3	0
06 13	Wastes from inorganic chemical processes not otherwise specified	0	11	11	0
07 01	Wastes from the manufacture, formulation, supply and use (MFSU) of basic organic chemicals	0	75	75	0
07 02	Wastes from the MFSU of plastics, synthetic rubber and man-made fibres	0	2	2	0
07 06	Wastes from the MFSU of fats, grease, soaps, detergents, disinfectants and cosmetics	0	1	1	0
07 07	Wastes from the MFSU of fine chemicals and chemical products not otherwise specified	0	191	191	0
08 01	Wastes from MFSU and removal of paint and varnish	0	1	1	0
08 03	Wastes from MFSU of printing inks	0	4	4	0
10 01	Wastes from power stations and other combustion plants (except 19)	0	4	4	0
10 10	Wastes from casting of non-ferrous pieces	0	5	5	0
13 02	Waste engine, gear and lubricating oils	2,738	7,638	6,701	3,675
13 03	Waste insulating and heat transmission oils	3,614	417	326	3,705
13 05	Oil/water separator contents	598	10,769	8,290	3,077
13 07	Wastes of liquid fuels	9	107	109	7
13 08	Oil wastes not otherwise specified	0	493	493	0
15 01	Packaging waste	10	92	90	12
15 02	Absorbents, filter materials, wiping cloths and protective clothing	54	131	130	55
16 01	End-of-life vehicles from different means of transport wastes from dismantling of end-of-life vehicles and vehicle maintenance	0	5	5	0
16 02	Wastes from electrical and electronic equipment	0	5	4	1
16 03	Off-specification batches and unused products	0	15	15	0
16 05	Gases in pressure containers and discarded chemicals	0	84	84	0
16 06	Batteries and accumulators	0	2	2	0
16 07	Wastes from transport tank, storage tank and barrel cleaning	4	4,627	4,627	4
16 08	Spent catalysts	54	1,028	1,028	54

EWC category	*Title of hazardous waste group*	*Adjusted opening quantity**	*Increase in current year*	*Decrease in current year*	*Closing quantity*
16 10	Aqueous liquid wastes destined for off-site treatment	0	4,293	4,293	0
16 11	Waste linings and refractories	28	0	0	28
17 01	Concrete, bricks, tiles and ceramics	700	1,611	2,081	230
17 02	Wood, glass and plastic	0	3	3	0
17 04	Metals (including their alloys)	0	157	153	4
17 05	Soil (including excavated soil from contaminated sites), stones and dredging spoil	0	23,582	23,582	0
17 06	Insulation materials and asbestos-containing construction materials	3	247	246	4
17 09	Other construction and demolition waste	0	18	14	4
18 01	Wastes from natal care, diagnosis, treatment or prevention of disease in humans	0	1	1	0
19 01	Wastes from incineration or pyrolysis of waste	288	1,808	1,419	677
19 08	Wastes from waste water treatment plants	0	1,924	1,921	3
19 13	Wastes from soil and groundwater remediation	0	12	12	0
20 01	Separately collected fractions (batteries, accumulators, discarded electronic and electrical equipment)	0	33	33	0

* Adjusted opening quantities are corresponding with the quantities presented to the environment protection authority as opening amount.
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 in amount in connection with the quantity of hazardous waste materials.

13. Investments

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

HUF million

ID	Name of the Company	2008				2009			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
1.	INA d.d.* Zagreb, Avenija Veceslava Holjevca 10.	-	-	-	-	47.16	356,390	0	356,390
2.	Slovnaft a.s. Bratislava, Vlčie hrdlo 1.	98.41	321,312	0	321,312	98.41	328,632	0	328,632
3.	TVK Nyrt. Tiszaújváros, Gyári út Ipartelep	86.79	120,263	0	120,263	86.79	120,263	0	120,263
4.	Italiana Energia e Servizi S.p.A. Genova, Via di Sottoripa 1/A	100.00	84,116	0	84,116	100.00	86,060	0	86,060
5.	FGSZ Földgázszállító Zrt. Siófok, Tanácsház u. 5.	100.00	83,589	0	83,589	100.00	83,589	0	83,589
6.	MOL Romania PP Srl. Bucuresti, I.4.th Champineu s.	100.00	25,422	0	25,422	100.00	24,587	0	24,587
7.	MMBF Zrt. Budapest, Budafoki út 79.	72.46	18,608	0	18,608	72.46	18,608	0	18,608
8.	TIFON d.o.o. Zagreb, Marticeva 75.	100.00	3,718	0	3,718	100.00	11,086	0	11,086
9.	I&C Energo a.s. Trebic, Prazská 684/49	99.00	6,592	0	6,592	99.00	6,791	0	6,791
10.	Roth Heizöle GmbH.** Graz, Hötzendorf str.160.	74.99	5,958	0	5,958	99.80	6,310	0	6,310
11.	USI Ltd. Nicosia, Florinis st. 11.	100.00	3,530	0	3,530	100.00	5,491	0	5,491
12.	Kalegran Ltd. Nicosia, Florinis st. 11.	99.99	6,429	2,794	3,635	99.99	9,215	3,937	5,278
13.	ENERGOPETROL d.d. *** Sarajevo, Marsala Tita Street 36	-	-	-	-	33.50	4,928	0	4,928
14.	MOL Slovenija d.o.o. Murska Sobota, Lendavska 5.	100.00	4,362	5	4,357	100.00	4,461	5	4,456
15.	Petrolszolg Kft. Százhalombatta, Olajmunkás út 2.	100.00	5,126	1,646	3,480	100.00	5,126	1,997	3,129
16.	MOL-LUB Kft. Almásfűzítő, Fő út 21.	100.00	2,603	0	2,603	100.00	2,603	0	2,603
17.	MOL CIS Ltd. Nicosia, Florinis st. 11.	99.99	1,702	0	1,702	99.99	1,925	0	1,925
18.	Geofizikai Szolgáltató Kft. Budapest, Szántóföld u. 7-9.	100.00	1,890	0	1,890	100.00	1,890	0	1,890
19.	MOLTRADE-Mineralimpex Zrt. Budapest, Benczúr u. 13.	100.00	840	0	840	100.00	1,340	0	1,340
20.	Terméktároló Zrt. Budapest, Andor u. 47-49.	74.07	1,200	0	1,200	74.07	1,200	0	1,200
21.	Geoinform Kft.	100.00	1,125	0	1,125	100.00	1,125	0	1,125

ID	Name of the Company	2008				2009			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
	Szolnok, Kőrösi út 43.								
22.	Intermol d.o.o. Beograd, Hadzi Milentijeva 33.	100.00	14,898	3,712	11,186	100.00	15,921	15,251	670
23.	MOL Trans Kft. Budapest, Petróleumkikötő u. 5-7.	100.00	619	0	619	100.00	619	0	619
24.	MOL Pakistan Ltd. Amsterdam, Herengracht. 548.	100.00	487	0	487	100.00	487	0	487
25.	FER Tűzoltóság és Szolgáltató Kft. Százhalombatta, Olajmunkás u. 2.	82.00	343	0	343	82.00	343	0	343
26.	MOL Austria GmbH. Vienna, Gartenbaupromenad. 2.	100.00	149	0	149	100.00	152	0	152
27.	MOL-RUSS OOO 115054 Moscow, Kosmodamianskaya nab., d. 52. str. 3.	100.00	125	0	125	100.00	121	0	121
28.	MK Mineralkontor GmbH. München, Otto Strasse 5.	100.00	226	112	114	100.00	230	113	117
29.	MOL Reinsurance Ltd. Nicosia, A. Makarias III. Avenue	99.00	84	0	84	99.00	84	0	84
30.	MOL Commodity Trading Kft.**** Budapest, Október huszonharmadika u. 18.	-	-	-	-	100.00	50	0	50
31.	BHM Oil Invest Ltd. (Qatar) Nicosia, Florinis st. 11.	99.99	83	11	72	99.99	42	11	31
32.	HEXAN KFT Százhalombatta, Ipartelep hrsz: 2704/1	100.00	25	0	25	100.00	25	0	25
33.	Tadmor Ltd. (MOL North-Africa Ltd.) Sliema, Bisazza Street, Regent House 52.	100.00	24	0	24	100.00	24	0	24
34.	Alfagas Kft. Záhony, Vasút u. 2.	60.00	186	163	23	60.00	186	163	23
35.	Bravoum Investments Ltd. Nicosia, Florinis st. 11.	99.99	5	0	5	99.99	9	0	9
36.	Hermész Mérnöki Kft. Szolnok, Ady Endre út 26.	98.18	5	0	5	98.18	5	0	5
37.	Ménrót Kft. Szolnok, Ady Endre út 26.	98.18	5	0	5	98.18	5	0	5
38.	MH Oil and Gas B.V. Amsterdam, Herengracht 548.	100.00	5	0	5	100.00	5	0	5
39.	MK Oil and Gas B.V. Amsterdam, Herengracht 548.	100.00	5	0	5	100.00	5	0	5
40.	MOL Yemen Ltd. Nicosia, Florinis st. 11.	99.99	20,685	20,685	0	99.99	20,860	20,860	0

ID	Name of the Company	2008				2009			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
41.	MOL Central Asia B.V. (MOL Syria Ltd.) Amsterdam, P.O. box 990.	100.00	5,084	5,084	0	100.00	5,084	5,084	0
42.	SHM Seven Investments Ltd. Nicosia, Florinis st. 11.	99.99	3,157	3,157	0	99.99	3,611	3,611	0
43.	Lamorak Enterprises Ltd. Nicosia, Florinis st. 11.	99.99	2,549	2,549	0	99.99	2,549	2,549	0
44.	Greentrade Ltd. Nicosia, Florinis st. 11.	100.00	1	0	1	100.00	1,874	1,874	0
45.	Hawasina GmbH. Zug, Bahnhofstr. 21.	100.00	1,483	1,483	0	100.00	1,482	1,482	0
46.	MOL Agram d.o.o.***** Zagreb, Boskovicava 23/a. II.	100.00	1,141	1,141	0	100.00	1,141	1,141	0
47.	UBA Services Ltd. Nicosia, Florinis st. 11.	99.99	383	383	0	99.99	390	390	0
48.	MOL Caspian Ltd. Nicosia, Florinis st. 11.	99.99	12	12	0	99.99	24	24	0
49.	Platounko Investments Ltd. Nicosia, Florinis st. 11.	99.99	9	0	9	99.99	24	24	0
50.	E.M.S. Management Services Ltd. Nicosia, Dervis-Flo.st.C.Th.6.	99.99	15	0	15	99.99	15	15	0
51.	Pyrogol Ltd. Nicosia, Florinis st. 11.	99.99	8	8	0	99.99	8	8	0
52.	Pronodar Ltd. Nicosia, Florinis st. 11.	99.99	8	8	0	99.99	8	8	0
53.	BMN Investment Ltd. Nicosia, Florinis st. 11.	100.00	7	7	0	100.00	7	7	0
54.	RUSI Services Ltd. Nicosia, Florinis st. 11.	99.99	0	0	0	99.99	0	0	0
55.	MOL Libya Ltd. ***** Sliema, Bisazza Street, Regent House 52.	-	-	-	-	99.99	0	0	0
56.	Dunai Gőzfejlesztő Kft.******* Százhalombatta, Olajmunkás út 2.	100.00	2,604	0	2,604	-	-	-	-
57.	MOL Energiakereskedő Kft.******** Budapest, Október huszonharmadika u. 18.	100.00	50	0	50	-	-	-	-
	Total		752,855	42,960	709,895		1,137,010	58,554	1,078,456

The equity participation and voting rights are the same in all companies contained in the table except Alfagas Zrt., where the 60 % equity participation provides 50 % voting rights to MOL Plc, TVK Plc, where 86.79 % direct participation in the Company provides 94.85 % votes due to 8.02 % equity participation of Slovnaft a.s., as well as MOL Reinsurance Ltd, where the 99 % direct equity participation of the Company provides 100 % votes based on the 1 % participation of SHM Seven Ltd.

* In line with the Amendment to the Shareholders' Agreement signed on 30 January 2009 MOL took the control over the operation of INA as a result of the changes in the corporate governance of the company. As a consequence, the full consolidation of INA into MOL's financial statements commences as of 30 June 2009. INA was presented within associated companies in 2008.

** On 20 July 2009 MOL Plc and Slovnaft a.s. bought 24.81 % and 0.2 % participation in Roth Heizöle GmbH, exercising the call option stipulated in the agreement concluded in 2004. As a result of the deal equity participation of MOL increased to 99.8 % and Slovnaft has 0.2 % participation.
*** ENERGOPETROL d.d. was presented within the associated companies in 2008. The indirect ownership of MOL is 67 % passing through his subsidiary INA d.d.
**** MOL Plc established a new company with core activity as non-classified other financial intermediation, electricity trade, wholesale trade of fuel and gas trade. The company was registered on 11 May 2009.
***** MOL Agram d.o.o. is under liquidation.
****** MOL Libya Ltd has been taken over free of charge from Tadmor Ltd; the 100 % owned subsidiary of MOL. Core activity of MOL Libya is production and trade of gaseous and liquid hydrocarbon and other minerals.
******* On 31 March 2009 MOL Plc transferred his 100 % participation in Dunai Gőzfejlesztő Kft. to CM European Power International BV, as in kind contribution.
******** On 31 October 2009 MOL Energiakereskedő Kft. was closed with transformation. The successor company, MOL Energiakereskedő Zrt. is disclosed within associated companies (in section 13.3.) concerning 31 December 2009.

Long-term investments not fully consolidated: MOL Agram d.o.o., Alfagas Kft., Ménrót Kft., Hexán Kft., MH Oil and Gas BV., MK Oil and Gas BV., Bravoum Investments Ltd, MOL Libya Ltd, Tadmor Ltd, MOL Commodity Trading Kft.

Core activities of subsidiaries: *1. INA d.d.:* oil and gas production, exploration, import and sale of natural gas, retail trade of petroleum fractions and other product, crude oil and crude oil product trade, *2. Slovnaft a.s.:* crude oil refining, crude oil and natural gas transportation, storage, retail and wholesale, *3. TVK Plc:* petrochemical, *4. Italiana Energia e Servizi S.p.A.:* crude oil refining, wholesale and retail trade, *5. FGSZ Földgázszállító Zrt.:* natural gas transmission, *6. MOL Romania PP Srl.:* fuel and lubricant retail, *7. MMBF Zrt.:* natural gas storage, transportation, crude oil and natural gas production, *8. TIFON d.o.o.:* retail and wholesale on retail stations, *9 I&C Energo a.s.:* control system and industrial management design, implementation and maintenance, system integration and engineering consultancy, *10. Roth Heizöle GmbH.:* trading of oil products, *11. USI Ltd:* exploration and production of oil and natural gas, *12. Kalegran Ltd:* crude oil and natural gas production and exploration, *13. ENERGOPETROL d.d.:* retail, *14. MOL Slovenija d.o.o.:* trade of crude oil products, *15. Petrolszolg Kft.:* maintenance services, *16. MOL-LUB Kft.:* production and trade of lubricants, *17. MOL CIS Ltd:* exploration and production of oil and natural gas reserves abroad, *18. Geofizikai Szolgáltató Kft.:* geophysical surveying and data processing, *19. MOLTRADE Mineralimpex Zrt.:* trade of energy products, *20. Terméktároló Zrt.:* storage of strategic inventories, *21. Geoinform Kft.:* hydrocarbon drilling exploration, geophysical services, *22. Intermol d.o.o.:* fuel retail, *23. MOL Trans Kft.:* transportation of crude oil product, *24. MOL Pakistan Ltd:* exploration and production of oil and natural gas reserves abroad, *25. FER Tűzoltóság és Szolgáltató Kft.:* not categorised other professional, scientific and technical activities, *26. MOL Austria GmbH.:* wholesale of lubricants and crude oil fractions, *27. MOL RUSS OOO:* management services, *28. MK Mineralkontor GmbH.:* trade of raw materials and crude oil products, *29. MOL Reinsurance Ltd:* reinsurance, *30. MOL Commodity Trading Kft.:* non-classified other financial intermediation, electricity trade, wholesale trade of fuel and gas trade, *31. BHM Oil Invest Ltd:* trading of oil products, *32. HEXAN Kft.:* refinery, fabrication of other organic chemical feedstock and wrapping, *33. Tadmor Ltd:* exploration of oil and natural gas abroad (sleeping company), *34. Alfagas Kft.:* export and import of crude oil, natural gas and chemicals, *35 Bravoum Investment Ltd:* crude oil and natural gas production and exploration, *36. Hermész Mérnöki Kft.:* business and other management consultation, *37. Ménrót Kft.:* natural gas production, *38. MH Oil and Gas BV:* exploration, operation is temporarily abandoned, *39. MK Oil and Gas BV.:* exploration, operation is temporarily abandoned, *40. MOL Yemen Ltd:* exploration of oil and natural gas reserves abroad, *41. MOL Central Asia B.V.:* exploration and production of oil and natural gas reserves abroad, *42. SHM Seven Investments Ltd:* exploration and production of oil and natural gas reserves abroad, *43. Lamorak Enterprises Ltd:* exploration and production of oil and natural gas reserves abroad, *44. Greentrade Ltd:* crude oil and natural production and exploration, *45. Hawasina GmbH.:* exploration and production of oil and natural gas reserves abroad, *46. MOL Agram d.o.o.:* trade of crude oil products, *47. UBA Services Ltd:* management services, *48. MOL Caspian Ltd:* crude oil and gas exploration and production, *49. Platounko Investments Ltd:* crude oil and

natural gas production and exploration, *50. E.M.S Management Services Ltd*: management services, *51. Pyrogol Ltd:* crude oil and natural gas production and exploration, *52. Pronodar Ltd:* crude oil and natural gas production and exploration, *53. BMN Investment Ltd:* crude oil and natural gas production and exploration, *54. RUSI Services Ltd*: exploration and production of oil and natural gas reserves, *55. MOL Libya Ltd:* production and trade of gaseous and liquid hydrocarbon and other minerals, *56. Dunai Gőzfejlesztő Kft.:* steam and hot water supply, electricity production, *57. MOL Energiakereskedő Kft.:* natural gas wholesale

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

HUF million

ID	Name of company	2008				2009			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
1	CM European Power International B.V. Weena 340, Rotterdam	50.00	1,099	0	1,099	50.00	9,834	0	9,834
2.	CEGE Közép-európai Geotermikus Energia Termelő Zrt.* Budapest, Október huszonharmadika u. 18.	33.33	2	0	2	50.00	93	0	93
3.	SEP Company Kft. Budapest, Október huszonharmadika u.18.	50.00	140	87	53	50.00	150	87	63
	Total		1,241	87	1,154		10,077	87	9,990

* On 29 January 2009 MOL Plc. had increased its stake to 50 % in the geothermal energy company, CEGE Zrt. MOL and Green Rock Energy International Pty. Ltd. have each acquired one half of Enex hf's one third interest in CEGE Zrt at the nominal book value, resulting in both MOL and Green Rock having an equal 50 % interest.

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

HUF million

ID	Name of the Company	2008				2009			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
1.	MOL Energiakereskedő Zrt. * Budapest, Október huszonharmadika u.18.	-	-	-	-	50.00	866	0	866
2.	NABUCCO Gas Pipeline International GmbH.** Vienna, Floridsdorfer Hauptstraße 1.	20.00	2	0	2	16.67	536	0	536
3.	Rossi Biofuel Zrt. Komárom, Kőolaj u. 2.	25.00	350	0	350	25.00	350	0	350
4.	MESSER-MOL GAZ Kft. Budapest, Váci u. 17.	25.00	87	1	86	25.00	87	1	86
5.	TOP Finance Kft. Budapest, Batthyány u. 45.	26.00	1	0	1	26.00	1	0	1
6.	Tűzoltó Műszaki és Mentő Kft. Tiszaújváros, Tűzoltó u. 1.	30.00	1	0	1	30.00	1	0	1
7.	INA d.d.*** Zagreb, Avenija Veceslava Holjevca 10.	47.16	344,444	0	344,444	-	-	-	-
8.	ENERGOPETROL d.d. **** Sarajevo, Marsala Tita Street 36	33.50	4,823	0	4,823	-	-	-	-
9.	TURBO Team Kft.***** Beregdaróc, 4934. Pf.6.Hrsz.0128/2	25.00	37	0	37	-	-	-	-
	Total		349,745	1	349,744		1,841	1	1,840

MOL has 25 % plus one voting rights in Rossi Biofuel Zrt. in accordance with the approved co-operation agreement concluded with Rossi Beteiligungs Ltd in 2007. In addition MOL has a call option to acquire a further 24 % stake. In case of other associated companies voting rights are equal with the ownership participation.

* Please see section 13.1. for further details.
MOL Energiakereskedő Zrt. was transformed from MOL Energiakereskedő Kft. on 31 October 2009 and 50 % of which was sold by MOL on 18 December 2009.
** MOL share has been increased to 16.67 percent due to involvement of a new partner (RWE Supply & Trading GmbH).
*** Please see section 13.1. for further details.
**** ENERGOPETROL d.d. was reclassified into the subsidiaries.
***** MOL concluded a contract for the sale of TURBO Team Kft.; therefore the participation was reclassified into investment for sale.

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*	*Reserves*	*Net income for 2009*
	Subsidiaries				
1.	INA d.d.*	437,848	334,170	116,357	(12,679)
2.	Slovnaft a.s.*	388,282	185,460	218,117	(15,295)
3.	TVK Nyrt.	137,387	24,534	122,045	(9,192)
4.	FGSZ Földgázszállító Zrt.	133,937	18,823	95,744	19,370
5.	MOL Romania PP Srl.	38,267	15,483	18,070	4,714
6.	Italiana Energia e Servizi S.p.A.*	33,734	6,771	32,157	(5,194)
7.	MMBF Zrt.	20,090	22,395	(6,938)	4,633
8.	MOL CIS Ltd	19,008	22	9,659	9,327
9.	MOL Yemen Ltd	18,987	555	18,355	77
10.	Intermol d.o.o.	10,742	15,093	(3,134)	(1,217)
11.	Kalegran Ltd	10,001	11	10,001	(11)
12.	MOL Central Asia B.V.	6,032	1,847	4,192	(7)
13.	TIFON d.o.o.	5,579	7,528	(1,497)	(452)
14.	MOL Reinsurance Ltd	4,889	432	4,050	407
15.	MOL Slovenija d.o.o.	4,740	4,457	7	276
16.	Petrolszolg Kft.	4,231	989	2,586	656
17.	I&C Energo a.s.	4,107	1,536	1,529	1,042
18.	Terméktároló Zrt.	3,180	1,620	23	1,537
19.	MOLTRADE-Mineralimpex Zrt.	3,161	1,627	1,484	50
20.	MOL Agram d.o.o.**	2,492	8,662	(7,376)	1,206
21.	Geoinform Kft.	2,370	1,125	892	353
22.	Hawasina GmbH.	2,037	247	1,922	(132)
23.	Geofizikai Szolgáltató Kft.	1,848	1,890	1,182	(1,224)
24.	MOL-LUB Kft.	1,604	2,603	(770)	(229)
25.	Roth Heizöle GmbH.	917	9	233	675
26.	Lamorak Enterprises Ltd	846	874	981	(1,009)
27.	MOL Trans Kft.	690	619	(33)	104
28.	FER Tűzoltóság és Szolgáltató Kft.	508	290	170	48
29.	MOL Pakistan Ltd	268	112	968	(812)
30.	MOL Austria GmbH.	226	98	392	(264)
31.	MK Mineralkontor GmbH.	223	14	81	128
32.	MOL-RUSS OOO	168	121	29	18
33.	Alfagas Kft.***	80	10	32	38
34.	ENERGOPETROL d.d.	79	9,508	(8,427)	(1,002)
35.	MOL Commodity Tading Kft.	51	50	0	1
36.	Hermész Mérnöki Kft.	49	5	40	4

ID	*Name of the Company*	*Shareholders' equity*	*Share capital*	*Reserves*	*Net income for 2009*
37.	HEXÁN Kft.	34	7	23	4
38.	BHM Oil Invest Ltd	29	31	(87)	85
39.	Platounko Investments Ltd	16	2	18	(4)
40.	Ménrót Kft.	6	6	0	0
41.	Bravoum Investments Ltd	2	2	3	(3)
42.	Tadmor Ltd	2	3	20	(21)
43.	MH Oil and Gas B.V.	0	5	1	(6)
44.	MOL Libya Ltd	0	5	6	(11)
45.	MK Oil and Gas B.V.	(10)	5	(13)	(2)
46.	BMN Investment Ltd	(12)	5	(2)	(15)
47.	UBA Services Ltd	(210)	249	(455)	(4)
48.	E.M.S Management Services Ltd	(259)	5	775	(1,039)
49.	Balatongáz Kft.	(361)	50	(411)	0
50.	SHM Seven Investments Ltd	(579)	478	(501)	(556)
51.	RUSI Services Ltd	(1,904)	45	(767)	(1,182)
52.	Pyrogol Ltd	(2,072)	2	(727)	(1,347)
53.	Greentrade Ltd	(2,914)	2	(97)	(2,819)
54.	Pronodar Ltd	(3,074)	2	(987)	(2,089)
55.	USI Ltd	(4,145)	6	62	(4,213)
56.	MOL Caspian Ltd	(4,474)	2	(2,897)	(1,579)
	Joint ventures				
57.	CM European Power International B.V.	9,920	7,656	2,287	(23)
	Associated companies				
58.	ROSSI Biofuel Zrt.	627	350	(10)	287
59.	MOL Energiakereskedő Zrt.	0	50	(5,600)	5,550

* Minority interest is presented under reserves.
** Data presented in the annual report concerning 31 December 2006.
*** Data presented in the annual report concerning 31 December 2008.
Companies having registered office in Hungary are presented according to Hungarian Accounting Act and companies with registered office in abroad are presented according to IFRS.

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

HUF million

ID	Name of the Company	2008				2009			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
1.	OTP Bank Plc. * Budapest, Nádor u.61.	-	-	-	-	8.57	55,468	0	55,468
2.	Pearl Petroleum Company Ltd** Flemming House, Wichams Cay, Road Town, Tortola	-	-	-	-	10.00	54,315	0	54,315
3.	Budapesti Értéktőzsde Zrt. Budapest Andrássy út 93.	2.18	431	0	431	2.18	431	0	431
4.	II, Nemzetközi Gazdaság Fejlesztő Közhasznú Társaság Budapest, Lajos u. 160-162	11.49	1	0	1	11.49	1	0	1
	Total		432	0	432		110,215	0	110,215

The equity share and voting rights are identical in the case of the given companies.
* MOL and OTP entered into a share-exchange and share swap agreements. Under the agreements MOL transferred 5,010,501 "A" series MOL ordinary shares to OTP on return for 24,000,000 OTP ordinary shares.
** On 15 May 2009 MOL signed an agreement to acquire 10 % stake in Pearl Petroleum Company Limited (Pearl) from Crescent Petroleum Company International and Dana Gas PJSC. In exchange for a 10 % ownership package of Pearl MOL transferred 6,322,232 "A" series MOL ordinary shares.

13.6. Impairment of long-term investments and its reversal

HUF million

Description	*Subsidiaries*	*Joint venture companies*	*Associated companies*	*Other investments*	*Total*
Closing gross balance of 2008	752,855	1,239	349,747	432	1,104,273
Closing gross balance of 2009	1,132,082	9,984	6,862	110,215	1,259,143
Opening impairment balance of 2008	35,699	15	1	0	35,715
Increase of impairment*	6,813	0	0	0	6,813
Increase of impairment due to reclassification	448	72	0	0	520
Closing impairment balance of 2008	42,960	87	1	0	43,048
Increase of impairment**	15,594	0	0	0	15,594
Closing impairment balance of 2009	58,554	87	1	0	58,642
Closing net balance of 2008	709,895	1,152	349,746	432	1,061,225
Closing net balance of 2009	1,073,528	9,897	6,861	110,215	1,200,501

* Concerning 31 December 2008 impairment was recognised for the following investments in subsidiaries: Intermol d.o.o. HUF 2,280 million, MOL Yemen Ltd HUF 392 million, Hawasina GmbH HUF 822 million, Kalegran Ltd HUF 2,794 million, Petrolszolg Kft. HUF 220 million, BMN Investment Ltd HUF 7 million, Pronodar Ltd HUF 8 million, Lamorak Enterprises Ltd HUF 104 million, Pyrogol Ltd HUF 8 million, MOL Agram d.o.o. HUF 178 million.

** Concerning 31 December 2009 MOL recognised impairment for investments as follows: Intermol d.o.o. HUF 11,539 million, Greentrade Ltd HUF 1,874 million, Kalegran Ltd HUF 1,143 million, SHM Seven Investment Ltd HUF 454 million, Petrolszolg Kft. HUF 351 million, MOL Yemen HUF 175 million, Platounko Investment Ltd HUF 24 million, E.M.S. Management Services Ltd HUF 15 million, MOL Caspian HUF 12 million, UBA Services Ltd HUF 7 million.

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

HUF million

Desription	*2008*	*2009*
HUF loans to related parties	*141,652*	*129,235*
Loans disbursed in EUR	50,788	98,008
Loans disbursed in USD	16,260	77,347
Loans disbursed in RUB	73,495	54,829
Loans disbursed in NOK	5,523	6,731
FX loans to related parties	*146,066*	*236,915*
Total long-term loans to related parties	287,718	366,150
Loans disbursed in USD	0	12,705
Total long-term loans to other investments	0	12,705

15. Impairment on long-term loans

HUF million

Description	*Long-term loans to related parties*	*Long-term loans to other investments*	*Other long-term loans*	*Total*
Gross book value as of 31 December 2008	311,047	0	72	311,119
Gross book value as of 31 December 2009	400,028	12,705	72	412,805
Opening balance of impairment 2008	793	0	501	1,294
Increase of impairment*	22,536	0	0	22,536
Decrease of impairment	0	0	(501)	(501)
Closing balance of impairment 2009	23,329	0	0	23,329
Increase of impairment**	20,805	0	0	20,805
Decrease of impairment**	(10,256)	0	0	(10,256)
Reversal of impairment	0	0	0	0
Closing balance of impairment 2009	33,878	0	0	33,878
Net book value as of 31 December 2008	287,718	0	72	287,790
Net book value as of 31 December 2009	366,150	12,705	72	378,927

* In 2008 impairment increase was recognized for loans given to Intermol d.o.o., Havasina GmbH., Lamorak Enterprises Ltd, SHM Seven Ltd, MOL Caspian Ltd, RUSI Services Ltd, Pronodar Ltd and Pyrogol Ltd.

Furthermore impairment recognised in previous years belonging to loans given to MOL Caspian Ltd and SHM Seven Ltd was reclassified as a result of amendment of loan agreements.
** In 2009 impairment increase was recognized for loans given to Havasina GmbH., SHM Seven ltd, MOL Caspian Ltd, Pronodar Ltd, Greentrade Ltd, BMN Investment Ltd, E.M.S. Management Ltd, Lamorak Enterprises Ltd, RUSI Services Ltd and Pyrogol Ltd. Furthermore impairment recognised in previous years belonging to loans given to Intermol d.o.o. was reclassified from the short-term into the long-term loans. The decrease in impairment was attributable to cash settlement.

16. Inventories

16.1. Inventories

HUF million

Description	*2008*	*2009*
Materials	42,326	39,878
Of which: purchased crude oil	*18,190*	*17,906*
Unfinished production and semi-finished products	39,096	31,887
Finished products	30,046	33,504
Commodities	13,541	8,752
Advances on stocks	0	4
Total	125,009	114,025

16.2. Emission rights

HUF million

Description	Quantity (unit)	Value in HUF million
Closing balance of emission rights 31.12.2008	0	0
Emission rights received for 2008	1,555,002	6,014
Emission rights received for 2009	1,546,389	5,980
Return in 2008 (received free of charge)	(1,526,936)	(5,905)
Return in 2008 (bought)	(155,321)	(536)
Emission rights bought	3,761,700	14,364
Emission rights sold (received free of charge)	(1,566,013)	(6,056)
Emission rights sold (bought)	(3,605,987)	(13,827)
Closing balance of emission rights 31.12.2009	8,834	34

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

HUF million

Non-current assets in 2008	*Gross book value*	*Accumulated depreciation*	*Accumulated impairment*	*Reversal of impairment*	*Net book value*
Land and building and related property rights	436	106	160	0	170
Plant, machinery and vehicles	33	8	6	0	19
Total reclassification in 2008	469	114	166	0	189

HUF million

Non-current assets in 2009	*Gross book value*	*Accumulated depreciation*	*Accumulated impairment*	*Reversal of impairment*	*Net book value*
Land and building and related property rights	570	179	221	0	170
Plant, machinery and vehicles	1	0	0	0	1
Other equipment, fixtures and vehicles	6	1	0	0	5
Assets under construction	339	0	0	0	339
Total reclassification in 2009	916	180	221	0	515

The Company reclassifies those property, plant and equipment to inventories, of which the original intention of use has been changed (disposable within a year, available for in kind contribution).

18. Write-off of inventories

HUF million

Description	*Materials*	*Unfinished production and semi-finished products*	*Finished products*	*Commodi-ties*	*Advances on stocks*	*Total inventories*
Opening balance of 2008	5	0	0	995	0	1,000
Increase of write-off*	0	0	1,380	0	0	1,380
Decrease of write-off	(1)	0	0	(995)	0	(996)
Closing balance of 2008	4	0	1,380	0	0	1,384
Decrease of write-off	0	0	(1,380)	0	0	(1,380)
Closing balance of 2009	4	0	0	0	0	4

* Increase of write-off in 2008 was caused by decrease of market prices.

19. Receivables from supply of goods and services (trade receivables)

HUF million

Description	*2008*	*2009*
Domestic receivables	72,553	72,540
Of which: write off and reversal	*(1,126)*	*(1,110)*
Foreign receivables	4,030	9,767
Of which: write off and reversal	*(7)*	*(7)*
Total receivables from the supply of goods and services	76,583	82,307

20. Receivables from related parties

HUF million

Description	*2008*	*2009*
Receivables from subsidiaries	174,093	215,629
Receivables from short-term loans	119,599	125,300
Receivables from the supply of goods and services	47,851	77,537
Purchased receivables	6,643	12,792
Receivables from joint ventures	3,009	250
Receivables from the supply of goods and services	2,994	250
Receivables from short-term loans	15	0
Receivables from associated companies	327	280
Receivables from the supply of goods and services	327	280
Total	177,429	216,159

21. Other receivables

HUF million

Description	*2008.*	*2009.*
Book value of lent MOL shares	88,874	20,564
Of which: recognised impairment	*84,306*	*12,769*
Tax to be refunded	21,502	18,101
Deposit	22	9,786
Receivables purchased and received	856	1,513
Advance payment for services	325	1,496
Receivables related to financial investments	1,236	1,044
Receivables from joint operation	1,309	989
Of which: recognised impairment	*1,081*	*1,075*
VAT charged by foreign supplier	667	625
Receivables from employees	122	118
Other other receivables	368	715
Total:	115,281	54,951

22. Valuation of receivables

Historical cost

HUF million

Description	*Trade receivables*	*Receivables from related parties*	*Receivables from other investments*	*Receivables from bills of exchange*	*Other receivables*	*Derivative transactions*	*Total receivables*
Closing balance as of 31.12.2008	77,706	187,158	46	0	200,772	27,486	493,168
Of which: receivables impaired	1,552	10,182	0	0	175,181	0	186,915
Closing balance as of 31.12.2009	83,424	217,658	0	0	68,933	53,518	423,533
Of which: receivables impaired	1,558	1,498	0	0	31,564	0	34,620

Impairment HUF million

Description	*Trade receivables*	*Receivables from related parties*	*Receivables from other investments*	*Receivables from bills of exchange*	*Other receivables*	*Derivative transactions*	*Total receivables*
Opening balance as of 01.01.2008	2,091	13,118	0	0	13,369	0	28,578
Impairment recognised in the current period	363	4,221	0	0	85,409*	0	89,993
Decrease due to financial settlement	(89)	(14)	0	0	(7)	0	(110)
Decrease due to written-off receivables	(308)	0	0	0	(4)	0	(312)
Decrease due to sale of receivables	(224)	0	0	0	(256)	0	(480)
Decrease due to other decrease of receivables	0	(7,339)	0	0	(13,017)	0	(20,356)
Closing balance as of 31.12.2008	1,833	9,986	0	0	85,494	0	97,313
Impairment recognised in the current period	289	15	0	0	82	0	386
Other increase of impairment	0	0	0	0	1,116	0	1,116
Decrease due to financial settlement	(73)	(3)	0	0	(30)	0	(106)
Decrease due to written-off receivables	(222)	0	0	0	(3)	0	(225)
Decrease due to other decrease of receivables	0	(8,242)	0	0	(66,366)**	0	(74,608)
Closing balance as of 31.12.2009	1,827	1,756	0	0	20,293	0	23,876

* In connection with share lending transactions HUF 84,306 million was recorded as impairment in 2008.
** Reversal of impairment recorded as other income attributable to the closing of share lending transaction.

Reversal of impairment HUF million

Description	*Trade receivables*	*Receivables from related parties*	*Receivables from other investments*	*Receivables from bills of exchange*	*Other receivables*	*Derivative transactions*	*Total receivables*
Closing balance as of 31.12.2008	710	257	0	0	3	0	970
Reversal of impairment in the period	0	0	0	0	6,283	0	6,283
Other increase in reversal of impairment	0	0	0	0	25	0	25
Closing balance as of 31.12.2009	710	257	0	0	6,311	0	7,278

Net income for the period ended 31.12.2008	76,583	177,429	46	0	115,281	27,486	396,825
Net income for the period ended 31.12.2009	82,307	216,159	0	0	54,951	53,518	406,935

23. Short-term investments

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

HUF million

ID	*Name of the Company*	*2008*				*2009*			
		Share %	*Gross book value*	*Accumulated impairment and reversal*	*Net book value*	*Share %*	*Gross book value*	*Accumulated impairment and reversal*	*Net book value*
1.	Balatongáz Kft. Balatonakali, Kossuth L u.17.	77.22	505	505	0	77.22	505	505	0
Total divested subsidiaries			505	505	0		505	505	0
1.	Villas Hungária Kft. Zalaegerszeg, Zrínyi u. 6.	38.00	183	6	177	38.00	183	6	177
	TURBO Team Kft.* Beregdaróc, 4934 Pf.6.Hrsz.0128/2	-	-	-	-	25.00	37	0	37
	IN-ER Erőmű Kft. Nagykanizsa, Erzsébet tér 22.	30.00	6	0	6	30.00	6	0	6
	MAG Kft. Szolnok, Ady u. 26.	25.00	1	1	0	25.00	1	1	0
2.	Algynvest Kft.** Algyő, Szeged-Algyő Ipartelep	35.00	83	83	0	-	-	-	-
Total divested associates			273	90	183		227	7	220
1.	OMV AG Vienna, Otto-Wagner Platz 5.	-	0	0	0	-	0	0	0
Total divested other investments			0	0	0		0	0	0
Total divested investments			778	595	183		732	512	220

The equity share and voting rights are identical in case of all companies included in the table, except for Turbo Team Kft., when MOL 25 % participation ensures 25 %+1 voting right.

* Please see section 13.3. for further details.

** Algynvest Kft. was liquidated.

23.2. Impairment and reversal of impairment on short-term investments

HUF million

Description	*Subsidiaries*	*Joint ventures*	*Associate companies*	*Other investments*	*Total*
Gross closing balance of 2008	505	0	273	0	778
Gross closing balance of 2009	505	0	227	0	732
Opening impairment balance of 2008	505	0	89	0	594
Increase of impairment	0	0	1	0	1
Closing impairment balance of 2008	505	0	90	0	*595*
Decrease of impairment*	0	0	(83)	0	(83)
Closing impairment balance of 2009	505	0	7	0	*512*
Closing net balance of 2008	*0*	*0*	*183*	*0*	*183*
Closing net balance of 2009	*0*	*0*	*220*	*0*	*220*

*Decrease of impairment attributable to liquidation of Algynvest Kft.

24. Changes of treasury shares in the current year

Description	*Number of shares (pieces)*	*Book value of shares (HUF million)*
Opening balance of treasury shares	8,781,943	103,407
Sale of treasury shares	(10,205,062)	(184,099)
Lend of treasury shares	(4,965,582)	(129,518)
Share-exchange, Share swap*	(5,010,501)	(108,232)
Impairment of treasury shares**	0	(17,779)
Decreases	(20,181,145)	(439,628)
Get back of lent treasury shares	11,281,643	190,577
Exercise option***	7,552,874	142,276
Reversal of impairment	0	125,646
Increases	18,834,517	458,499
Closing total of treasury shares	7,435,315	122,278

* MOL Plc. and OTP Bank Plc. entered into share-exchange and share swap agreements. Under the agreements MOL Plc. transferred 5,010,501 "A" series MOL ordinary shares to OTP on return for 24,000,000 OTP ordinary shares.

** MOL Plc recognized impairment for "A" treasury shares as of 31 December 2009 based on the difference between book value (HUF 18,837 per piece) and weighted average stock exchange share price during 90 stock exchange days prior to the balance sheet preparation date (HUF 16,446 per piece).

*** The call options of MOL Plc. concluded with BNP Paribas S.A. ("BNP") on 7,552,874 Series "A" Ordinary Shares issued by MOL have been exercised with the settlement date of 17 July 2009.

25. Cash and cash equivalents

HUF million

Description	*2008*	*2009*
Cash at filling stations	929	915
Other cash in hand, cheques	134	235
Cash in hand, cheques	1,063	1,150
Short-term deposits denominated in HUF and FX*	143,615	66,791
Settlement bank accounts, deposit accounts of sites	18,719	25,361
Bank accounts denominated in FX	4,335	1,365
Other bank accounts	435	1,238
Bank accounts	167,104	94,755
CASH AND CASH EQUIVALENTS	168,167	95,905

* Because of the financial crisis in 2008 position of several global banks have been weaken or become uncertain. MOL withdrew from syndicated loan accounts in order to ensure his financial stability. These withdrawn amounts took a major part of short term deposits in 2008 nevertheless in 2009 there were no such event acting role in the trend of cash and cash equivalents.

26. Prepayments, accruals

Details of prepayments HUF million

Description	*2008*	*2009*
Interest receivable	5,087	4,805
Accrued follow up price adjustment related to the sale of MOL Földgázellátó Zrt.*	6,400	0
Other deferred income	596	191
Accrued income	12,083	4,996
Mining royalty**	13,247	10,707
Deferred loss on MOL shares lent ***	4,862	5,081
Prepaid rent and lease fee	2,640	2,644
Transaction cost due to sale of MOL shares****	1,338	1,179
MSZKSZ fee reclamation	0	567
Issue of long-term zero coupon bonds	589	513
Other prepayments	320	498
Prepaid costs and expenses	22,996	21,189
Total	35,079	26,185

* The deal concluded between MOL Plc and E.ON Ruhrgas International concerning the sale of MOL Földgázellátó Zrt. was closed finally in June 2009, corresponding accruals were eliminated.
** On 22 December 2005 the Company signed an agreement with the Ministry of Economy and Transport on the extension of production licences for 12 mining sites until 2010 and set of fix and declining mining royalty rate for the period of the extension and following 10 years, in exchange MOL made a one-off payment of HUF 20 billion. The one-off payment is recorded as proportional cost to oil and gas production subject to mining royalty during the 15-years period defined by the contract.
*** MOL Plc signed an agreement to lend "A" series MOL shares to OTP Bank Plc and MFB Invest Zrt. in 2007 and 2008. The difference between the book value and the contract value was deferred.
**** On 13 March 2006 MOL Plc signed a share purchase agreement to sell 6,007,479 Series "A" Ordinary Shares of MOL held in treasury to Magnolia Finance Limited ("Magnolia"). Magnolia announced the sale of up to EUR 610 million of perpetual exchangeable capital securities (the "Capital Securities"), exchangeable into the Series "A" Ordinary Shares of MOL in the predetermined exchange period, to international financial investors. MOL has also, concurrently with the sale, entered into a swap agreement in principle with Magnolia that gives MOL a call option to buy back all or some of the Series "A" Ordinary Shares of MOL, in certain limited circumstances. Transaction cost related to dealings is recorded proportionally until the closing date (2016).

Details of accruals

HUF million

Description	*2008*	*2009*
Deferred revenues	110	93
Deferred revenues	110	93
Interest payable to non-financial institutions	1,967	2,046
Accrued personnel expenses	3,942	1,786
Accrues cost of joint operation	3	1,627
Accrued expenses of long-term incentive programmes*	0	1,623
Interest payable to financial institutions	3,411	516
Accrual due to conditional sale price of MOL Földgázellátó Zrt.**	25,000	0
Other accrued costs and expenses	845	746
Accrued costs and expenses	35,168	8,344
Negative goodwill related to acquisition***	6,367	4,350
Received compensation for cost of redeemed production well, caused by motorway constructions	0	2,428
Book value of assets received free of charge, found as a surplus, or received as a gift or legacy	585	457
Other	173	211
Deferred income	7,125	7,446
Total	42,403	15,883

* There was no accrued cost because of share price conditions in 2008. Please see section 52. for further details.

** The deal concluded between MOL Plc and E.ON Ruhrgas International concerning the sale of MOL Földgázellátó Zrt. was closed finally in June 2009, corresponding accruals were eliminated.
*** On 27-28 February 2007 the Company purchased TVK shares representing 42.25 % of TVK's share capital. Following the transaction MOL achieved qualified majority in TVK. Negative goodwill related to the transaction was accounted with the amount of HUF 10,086 million, which will be released during the next 5 years.

27. Changes in equity

HUF million

Description	*Share capital*	*Share premium*	*Retained earnings*	*Tied-up reserve*	*Fair valuation reserve*	*Net income*	*Share-holders' equity*
Balance as of 01.01.2008	109,675	222,354	878,448	260,396	0	131,671	1,602,544
Increase due to convertible bonds*	327	1,512	0	0	0	0	1,839
Share capital reduction**	(5,483)	0	0	0	0	0	(5,483)
Transfer of net income for previous year	0	0	131,671	0	0	(131,671)	0
Profit adjustments to previous years	0	0	1,004	0	0	0	1,004
2008 profit after tax	0	0	0	0	0	(223,007)	(223,007)
Dividend payable	0	0	0	0	0	0	0
Change of tied-up reserve	0	0	129,694	(129,694)	0	0	0
Balance as of 31.12.2008	104,519	223,866	1,140,817	130,702	0	(223,007)	1,376,897
Transfer of net income of previous year	0	0	(223,007)	0	0	223,007	0
Profit adjustments to previous years	0	0	(1,548)	0	0	0	(1,548)
2009 profit after tax	0	0	0	0	0	253,016	253,016
Dividend payable	0	0	0	0	0	0	0
Change of tied-up reserve	0	0	(7,352)	7,352	0	0	0
Balance as of 31.12.2009	104,519	223,866	908,910	138,054	0	253,016	1,628,365

*MOL Plc issued 327,336 "A" Series ordinary shares to participants of the convertible bond programme (share based incentive scheme for members of the Board of Directors and top managers) in exchange for the 184 bonds, presented by them, at an issue price of HUF 5,621 per share.
** On 23 April 2008 the AGM approved the decrease of the share capital by withdrawal of 5,483,775 pieces registered ordinary treasury shares of the series "A", with par value of HUF 1,000.

28. Breakdown of the tied up reserve

HUF million

Description	*2008*	*2009*	*Change*
Book value of treasury shares	103,407	122,278	18,871
Research and development, not yet written off	1,114	1,437	323
Other tied-up reserves*	26,181	14,339	(11,842)
Total tied-up items	130,702	138,054	7,352

* 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. (Please see section 3.4.6. for further details.)

29. Provisions

Provisions for contingent liabilities

HUF million

Description	*2008*					*2009*			
	Opening balance	*Use of provisions*	*Provision recognised against profit*	*Provision capitalised against fixed assets**	*Closing balance*	*Use of provisions*	*Provision recognised against profit*	*Provision capitalised against fixed assets**	*Closing balance*
Provisions for field abandonment	81,807	1,845	5,031	9,377	94,370	594	7,423	(2,845)	98,354
Provisions for environmental liabilities**	15,368	2,799	1,053	-	13,622	4,295	2,637	-	11,964
Provision for Emission rights***	0	0	514	-	514	514	5,243	-	5,243
Provision for probable liabilities due to natural gas price revision	0	0	0	-	0	0	4,309	-	4,309
Provision for performed but not charged subcontractor's services****	8,997	568	397	-	8,826	8,676	3,794	-	3,944
Provisions for retirement liabilities	2,513	157	518	-	2,874	520	273	-	2,627
Provisions for litigation	159	41	20	-	138	55	2,258	-	2,341
Of which: litigation against related party	*80*	*0*	*0*	-	*80*	*0*	*0*	-	*80*
Provision for loyalty bonus	1,813	472	434	-	1,775	266	395	-	1,904
Provisions for the unused points on loyalty and multipoint cards	715	216	237	-	736	389	323	-	670
Provisions for redundancy and early retirement	604	189	22	-	437	326	8	-	119
Other provisions	458	115	(59)	-	284	183	226	-	327
Total provisions for contingent liabilities	112,434	6,402	8,167	9,377	123,576	15,818	26,889	(2,845)	131,802

* Please see section 3.4.6. for further details.
** The environmental expenses recognised were HUF 2,501 million in 2008, and HUF 2,037 million in 2009.
*** Please see section 3.4.4. for further details.
**** MOL Plc recognized provision for contingent liabilities arisen from his general construction activity concerning subcontractors' services performed but not charged during the reporting period. The provision recognised as expense, includes self revision of previous years (with the amount of HUF 20 million).

30. Long-term liabilities

Details of long-term liabilities by maturity HUF million

Balance sheet item 2008	*Within a year*	*Long-term*		
		Between 1 and 5 years	*Over 5 years*	*Total*
Liabilities from bond issue	0	0	198,585	198,585
Other long-term credits*	79,434	512,455	0	512,455
Long-term liabilities to related parties	191	0	0	0
Other long-term liabilities	0	402	0	402
Total	79,625	512,857	198,585	711,442

HUF million

Balance sheet item 2009	*Within a year*	*Long-term*		
		Between 1 and 5 years	*Over 5 years*	*Total*
Liabilities from bond issue	0	0	203,130	203,130
Other long-term credits*	98,149	365,035	13,542	378,577
Long-term liabilities to related parties	197	0	0	0
Other long-term liabilities	19	249	40	289
Total	98,365	365,284	216,712	581,996

*The better financial conditions of the Company allowed to repay revolving credits with considerable amount.

Liabilities secured with a mortgage or similar rights

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

31. Breakdown of long-term liabilities to related parties

MOL Plc did not have long-term liabilities to related parties (long-term credit or liability to suppliers) in 2008 and 2009.

32. Liabilities, where the repayable amount exceeds the amount received

HUF million

Description	*Amount received EUR*	*Amount repayable*		*Maturity*
		EUR	HUF million	
Long-term liabilities from bond issue	746,707,500	750,000,000	203,130	05.10.2015

The Company signed the agreements related to EUR 750 million fixed rate Eurobond notes on 30 September 2005. The notes will pay an annual coupon of 3.875 % and are in the denomination of EUR 50,000 each. The notes were offered as part of a private placement and are listed on the Luxembourg Stock Exchange.
The amount of the liability in the balance sheet as of 2008 was HUF 198,585 million, the difference is attributable to the revaluation in 2009.

33. Short- term loans

MOL did not possess short-term loan against third parties in 2008 and 2009.

34. Short-term credits

HUF million

Description	*2008*	*2009*
Long-term loans repayable within a year	79,434	98,149
Total short-term credits	79,434	98,149

35. Breakdown of short-term liabilities to related parties

HUF million

Description	*2008*	*2009*
Liabilities to subsidiaries	72,006	98,488
Short-term loans	34,966	51,069
Suppliers	30,822	40,131
Other liabilities	6,218	7,288
Liabilities to joint ventures	0	636
Suppliers	0	636
Liabilities to associated companies	3,411	3,499
Suppliers	3,411	3,499
Total	75,417	102,623

36. Other short-term liabilities

HUF million

Description	*2008*	*2009*
Tax and contribution liabilities	43,072	59,976
Of which: VAT liability	*20,926*	*30,542*
Excise duty	*14,776*	*19,112*
Mining royalty	*4,939*	*5,877*
Energy companies' income tax	*0*	*1,690*
Solidarity Surplus tax	*24*	*1,379*
Personal income tax	*1,196*	*1,032*
Liabilities to employees	13	1,575
Price difference of acquisition	1,897	1,500
Liabilities to the social security system	1,115	1,144
Settlements with Magyar Szénhidrogén Készletező Szövetség	1,039	648
Liabilities from filling station cards and services	1,992	623
Liabilities to shareholders	649	421
Of which: dividend payable	*392*	*168*
Liabilities from joint operation	752	94
Fine to be paid*	6,275	4
Other other short-term liabilities	1,129	1,831
Total	57,933	67,816

* The sum in 2008 contains the paraffin fine imposed by the European Commission in the amount of EUR 23.7 million.

37. Net sales revenues by market segments

HUF million

Market segment, region	*2008*			*2009*		
	Product	*Service*	*Total*	*Product*	*Service*	*Total*
European Union	346,265	2,062	348,327	250,705	764	251,469
Of which: Austria	*105,963*	*38*	*106,001*	*52,692*	*58*	*52,750*
Slovakia	*70,395*	*1,073*	*71,468*	*30,773*	*412*	*31,185*
Romania	*31,803*	*226*	*32,029*	*26,523*	*140*	*26,663*
Central-Eastern Europe	110,283	170	110,453	90,939	52	90,991
Of which: Croatia	*67,970*	*156*	*68,126*	*67,653*	*20*	*67,673*
Other Europe	4,747	1	4,748	8,583	16	8,599
Outside Europe	8,559	587	9,146	2,588	998	3,586
Export total	469,854	2,820	472,674	352,815	1,830	354,645
Total domestic	1,665,399	85,098	1,750,497	1,437,455	64,201	1,501,656
Total	2,135,253	87,918	2,223,171	1,790,270	66,031	1,856,301

38. Net sales revenues by core activities

HUF million

Description	*Refining & Marketing*	*Retail services*	*Exploration & Production*	*Gas and Energy*	*Corporate and other**	*Total*
Net domestic sales revenues	984,353	304,164	172,124	187	40,828	1,501,656
Of which: excise duty	*319,168*	*107,832*	*0*	*0*	*0*	*427,000*
Net export sales revenues	333,965	9	443	13	20,215	354,645
Net sales revenues	1,318,318	304,173	172,567	200	61,043	1,856,301

*Services provided by the Company for subsidiaries.

39. Import purchase by market segment

HUF million

Market segment, region	*2008*			*2009*		
	Product	*Service*	*Total*	*Product*	*Service*	*Total*
European Union	501,867	35,916	537,783	220,913	20,468	241,381
Of which: UK	*273,449*	*3,085*	*276,534*	*43,088*	*1,795*	*44,883*
Cyprus	*128,347*	*6,293*	*134,640*	*90,987*	*1,329*	*92,316*
Germany	*25,020*	*7,633*	*32,653*	*6,320*	*6,749*	*13,069*
Slovakia	*51,331*	*1,887*	*53,218*	*64,957*	*4,435*	*69,392*
Austria	*10,438*	*3,926*	*14,364*	*7,221*	*3,895*	*11,116*
Other Europe	453,798	1,014	454,812	452,894	945	453,839
Of which :Switzerland	*453,798*	*997*	*454,795*	*452,891*	*924*	*453,815*
Central-Eastern Europe	10,401	1,028	11,429	10,319	1,041	11,360
Of which: Croatia	*8,233*	*235*	*8,468*	*6,900*	*167*	*7,067*
Outside Europe	23,170	1,420	24,590	78,293	1,473	79,766
Of which: USA	*10,819*	*1,271*	*12,090*	*369*	*1,374*	*1,743*
Kazakhstan	*10,784*	*59*	*10,843*	*7,990*	*28*	*8,018*
Total Import	989,236	39,378	1,028,614	762,419	23,927	786,346

The table does not contain performed but non invoiced deliveries.

40. Other operating income and expenses

HUF million

Other operating income	*2008*	*2009*
Eliminate of write-off of receivables*	512	77,184
Provision used	6,402	15,818
Of which: Release of provision for fulfilled but not charged subcontractor's performance, related to investments	*568*	*8,676*
Release of environmental provision	*2,799*	*4,295*
Release of field abandonment provision	*1,845*	*594*
Reversal of deferred income concerning emission rights** received free of charge	9	11,962
Reversal of write-off for receivables***	0	6,283
Write off of negative goodwill arisen from acquisitions	2,023	2,017
Surplus inventory	1,989	1,857
Reversal of impairment of tangible assets	2,082	1,269
Bank cost reimbursement related to borrowing	0	960
Received penalty, fine, default interest and compensation	1,154	716
Receivables sold	761	628
Incomes from the sale of intangibles and property, plant and equipment	2,625	455
Selling price of Mining Right****	64,839	0
Other	390	268
Total other operating income	82,786	119,417

* The amount presented for 2009 includes eliminated impairment with the amount of HUF 66,366 million, recorded in previous years attributable to repurchase of treasury shares.
** Company sold emission rights received free of charge.
*** Reversal of write off recorded due to lent treasury shares.
**** Strategic and commercial gas storage mining rights sold to MMBF Zrt.

HUF million

Other operating expenses	*2008*	*2009*
Excise duty	290,057	302,604
Provisions recognised	8,226	26,909
Of which: Provision recognised for field abandonment	*5,031*	*7,423*
Provision recognised for carbon dioxide emission surplus	*514*	*5,243*
Provision recognised for natural gas price revision	*0*	*4,309*
Provision recognised for fulfilled but not charged subcontractor's performance, related to investments	*397*	*3,814*
Provision recognised for litigations	*20*	*2,258*
Impairment*	106,632	12,973
Fee to the Magyar Szénhidrogén Készletező Szövetség	12,104	12,246
Extraordinary depreciation and impairment**	2,695	9,852
Tax and duties paid to Government	11,431	9,362
Use of emission rights	9	6,442
Depreciation, scrapping and shortage of stocks	2,205	1,206
Book value of receivables sold	738	625
Grants and benefits	876	561
Cost of intangible assets and property, plant and equipment sold	2,126	314
Fines, penalties and self-revision penalty***	6,106	171
Other	2,266	998
Other operating expenses	445,471	384,263

* The amount of impairment in 2008 includes the impairment recognized for lent MOL shares of HUF 84,306 million.
** The amount of impairment contains impairment of field abandonment provision capitalised in the value of land and buildings. (Please see section 3.4.6. for further details.)
*** The sum in 2008 contains the paraffin fine imposed by the European Commission with the amount of EUR 23.7 million.

41. Other services

HUF million

Description	*2008*	*2009*
Other tax and tax-type payments recognised as an expense	219,059	184,921
Of which: Excise duty	*109,700*	*114,690*
Mining royalty	*108,801*	*69,745*
Bank expenses	832	3,769
Insurance fees	2,705	2,387
Authority charges, duties	1,301	1,396
Environmental levy	271	206
Other	0	8
Total other services	224,168	192,687

42. Dividend received (due)

HUF million

Description	*2008*	*2009*
Dividend received (due) from subsidiaries	63,958	50,830
Dividend received (due) from associated companies	1,662	358
Received (due) dividend from related parties	65,620	51,188
Received (due) dividend from other investments	81	49
Other received (due) dividend	81	49
Total received (due) dividend	65,701	51,237

43. Sold and liquidated companies

HUF million

Name of the Company	*Date of divestment*	*Book value*	*Revenue recorded*	*Effect on profit*
Algynvest Kft.*	31.10.2009	0	7	7
MOL Energiakereskedő Zrt.**	18.12.2009	866	25	(841)
MOL Földgázellátó Zrt.***	31.03.2006	-	28,156	28,156
Total		866	28,188	27,322

* Algynvest Kft was liquidated.
** Company sold his 50 % participation in MOL Energiakereskedő Zrt.
*** The sale of 100 % stake of MOL Natural Gas Supply Plc and MOL Natural Gas Storage Plc to E.ON Ruhrgas International was closed on 31 March 2006. The final purchase price of MOL Natural Gas Supply Plc was dependent on the actual level of debt and working capital on the date of the closing and was subject to a number of price adjustment items. The settlement of these price adjustments took place semi-annually until the end of June 2009. As a result of the deal HUF 28,156 million was recorded as financial revenue in 2009, due to the gain realised on the investment sold.

44. Other financial income and expenses

HUF million

Other financial income	*2008*	*2009*
Gain on non-hedge-type derivative transactions	30,765	118,807
FX gain on monetary assets and liabilities denominated in foreign exchange	188,114	73,489
Of which: realised FX gain of loans and borrowings denominated in foreign exchange	*42,465*	*26,155*
realised FX gain of trade payables denominated in foreign exchange	*25,223*	*18,424*
realised FX gain of trade receivables denominated in foreign exchange	*20,703*	*14,141*
realised FX gain of other receivables denominated in foreign exchange	*61,136*	*8,486*
realised FX gain of other payables denominated in foreign exchange	*24,986*	*524*
unrealised FX gain at year-end valuation	*2,629*	*256*
Loss given due to joint operation	276	186
FX gain realised on sold treasury shares*	31,119	0
Other, not specified financial income	1,298	619
Total other financial income	251,572	193,101

* The share purchase agreement as part of MOL-CEZ strategic alliance was financially closed and settled on 23 January 2008. MOL sold 7,677,285 pieces of „A" series MOL shares to CEZ at HUF 30,000 per share. MOL has an American call option for the shares with a strike price of HUF 20,000 per share which can be exercised within 3 years. In 2009 the parties amended the agreement and the option period was prolonged until 2014.

HUF million

Other financial expenses	*2008*	*2009*
FX loss realised on sold treasury shares	26,288	83,118
FX loss on monetary assets and liabilities denominated in foreign exchange	150,178	73,529
Of which: FX loss on credits and loans denominated in foreign currency	*58,189*	*20,633*
FX loss on suppliers denominated in foreign currency	*40,672*	*17,622*
FX loss on other receivables denominated in foreign currency	*32,402*	*16,959*
FX loss on trade receivables denominated in foreign currency	*14,237*	*11,875*
FX loss on other payables denominated in foreign currency	*2,009*	*246*
Loss on non-hedge-type derivative transactions	233,872	29,516
Take over loss due to joint operation	5,679	6,215
Other, not specified financial expense	632	402
Total other financial expenses	416,649	192,780

45. Extraordinary revenues and expenditure

HUF million

Extraordinary revenues	*2008*	*2009*
In kind contribution value determined by the Article of Association*	5,229	9,083
Extraordinary revenues from terminated investments**	0	1,780
Extraordinary revenues from assets received free of charge	307	206
Grant received	16	18
Face value of treasury shares repurchased and withdrawn***	5,483	0
Other extraordinary revenues	355	12
Total extraordinary revenues	11,390	11,099

HUF million

Extraordinary expenses	*2008*	*2009*
Book value of in kind contribution*	5,095	8,878
Final transfer of cash and cash equivalents	105	141
Book value and non-deductible VAT of assets given free of charge	135	102
Extraordinary expenses from terminated investments	0	90
Book value of treasury shares repurchased and withdrawn****	122,727	0
Other extraordinary expenses	3	0
Total extraordinary expenses	128,065	9,211

* The Company transferred assets to FGSZ Földgázszállító Zrt. and Dunai Gőzfejlesztő Kft. as in kind contribution in 2008. MOL Plc transferred his 100 % participation in Dunai Gőzfejlesztő Kft. and in CM European Power Slovakia s.r.o. (acquired on 27 November 2009) to CM European International B.V, as in kind contribution in 2009.

** MOL Energiakereskedő Zrt. was transformed from MOL Energiakereskedő Kft. on 31 October 2009. The transformed company is disclosed with the amount of HUF 1,732 million in MOL books based on its final asset and liability statement.

*** Please see section 27. for further details.

46. Grant received for development purposes

HUF million

Title of subsidy	*2008*			*2009*		
	Amount received	*Amount used*	*Available amount*	*Amount received*	*Amount used*	*Available amount*
Development of new generation bio-fuel (primarily bio-diesel)	85	85	0	0	0	0
Waste cracking pilot plant development	6	1	5	0	5	0
Innovative technology development in environmental protection	0	0	0	64	21	43

47. Revenues from related parties

HUF million

Description	*2008*	*2009*
Net revenues from related parties	701,399	479,455
Net revenues from subsidiaries	594,215	447,521
Net revenues from associated companies	44,509	29,633
Net revenues from joint ventures	9,039	2,301
Net revenues from other investments	53,636	0
Other revenues from related parties	69,681	13,452
Other revenues from subsidiaries*	69,680	13,439
Other revenues from associated companies	1	13

* The increase of other revenues from subsidiaries was caused by the mining rights sold to MMBF Zrt. in 2008 (with the amount of HUF 64,839 million).

48. Permanent establishment in Slovakia

MOL Plc owns permanent establishment in Slovakia. 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 modernized 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.

Major data of the permanent establishment

HUF million

Description	*2009.*
Trade receivables	4,694
Advance payment to suppliers	1,274
Advances from customers	1,346
Suppliers	4,242
Other payables	276
Of which: VAT payable	*246*
Income tax payable	*30*

Result of the permanent establishment

HUF million

Description	*2009.*
Net sales revenue	4,105
Value of services used	6
Other services	2
Value of services sold (intermediated)	3,931
Profit or loss from operating activities	166
Other financial income	56
Other financial expense	49
Financial profit or loss	7
Ordinary business profit	173
Profit before taxation	173
Income tax (payable in abroad)	30
Profit after taxation	143

Tax base of the permanent establishment

HUF million

Description	*2009.*
Profit before taxation	173
Items increasing the tax base	0
Items reducing the tax base	0
Tax base	173
Income tax payable abroad	30
Profit after taxation	143

49. Reconciliation of corporate tax base, solidarity surplus tax, energy companies' income tax

Tax base

HUF million

Description	*2008*	*2009*
Profit before taxation	(223,007)	272,779
Temporary tax base adjustments		
Tax base adjustment of provisions made and used	(10,812)	6,836
Tax base adjustment of impairment and reversal based on market valuation	(235)	6,653
Tax base adjustment of depreciation	1,965	6,483
Tax base adjustment of impairment	104,452	(71,222)
Other tax base adjustments		
Tax base adjustments of non-repayable grants and benefits given	1,200	871
Accounted costs and expenses not relating to business activities	905	638
Tax base adjustment of tax penalty	5,910	114
Non-repayable grants received as revenue	(53)	(36)
50 % of received royalty revenues	0	(238)
Other tax base adjustment	157	(421)
100 % of research and development costs	(1,212)	(1,423)
Tax base adjustment of the sale, contribution in kind, destruction or shortage of intangible assets and property, plant and equipment	(1,442)	(1,532)
Not realised FX difference due to not covered derivative transaction and long-term liabilities	1,753	(2,188)
Local tax recognised as an expense	0	(8,416)
Interest in connection with related parties	0	(12,747)
Dividend received	(65,701)	(51,237)
Deferred loss from previous years	0	(144,741)
Tax base of permanent establishment	0	(173)
Tax base	(186,120)	0

Summary of tax base adjustments

HUF million

Description	*2008*	*2009*	*Change*
Items increasing the tax base	191,304	134,703	(56,601)
Items reducing the tax base	(154,417)	(407,309)	(252,892)
Tax base of permanent establishment	0	(173)	(173)
Change of tax base	36,887	(272,779)	(309,666)

Solidarity surplus tax

HUF million

Description		2008	2009
1.	Profit before taxation	(223,007)	272,779
2.	Reduction items	67,308	64,902
	Dividend received	65,701	51,237
	Received subsidy and allowance, assets received free of charge, assumed liability	394	12,242
	Direct cost of basic research and applied research and development	1,213	1,423
3.	Increasing items	1,271	951
	Given subsidy and allowances, assets given free of charge, assumed liability	1,116	802
	Tax paid in abroad	155	148
	Historical value of services provided free of charge	0	1
4.	Tax base	(289,044)	208,828
5.	Tax base of permanent establishment	0	173
6.	Corrected tax base	(289,044)	208,655
7.	Solidarity surplus tax	0	8,346

Temporary surplus tax (Energy companies' income tax)

HUF million

Description		2009.
1.	Profit before tax	272,779
2.	Reduction items	51,312
	Dividend received	51,237
	Received subsidy and allowance, assets received free of charge, assumed liability	75
3.	Increasing items	850
	Given subsidy and allowances, assets given free of charge, assumed liability	702
	Tax paid in abroad	148
4.	Tax base	222,317
	Revenue based taxable part (%)	64.19
5.	Corrected Tax base	142,705
7.	Temporary surplus tax	11,417

Company is subject to the income tax, as it is a mining proposition doing hydrocarbon exploration activities, crude oils product producer and crude oil product wholesale dealer with mining tax licensee. MOL Plc owns several licensees and has activities out of the force of the income tax law, therefore the Company is entitled to split its tax base between taxable (64.19 %) and non-taxable (35.81 %) activities based on its sales revenue defined by the Corporate income tax law.

50. Material errors of the previous years and their impact

HUF million

Balance Sheet	*Original amounts of previous year*	*Adjustments of current year*						*Adjusted amounts of previous year*
		For years						
		2004	*2005*	*2006*	*2007*	*2008*	*Total*	
NON-CURRENT ASSETS	1,766,645	8	(21)	(285)	(475)	(420)	(1,193)	1,765,452
Intangible assets	73,363	19	(6)	(6)	(17)	(11)	(21)	73,342
Property, plant and equipment	344,267	(11)	(15)	(279)	(458)	(411)	(1,174)	343,093
Non-current financial assets	1,349,015	0	0	0	0	2	2	1,349,017
CURRENT ASSETS	793,591	34	1	12	39	(439)	(353)	793,238
Inventories	125,009	0	0	0	1	132	133	125,142
Receivables	396,825	34	1	12	38	(571)	(486)	396,339
Securities	103,590	0	0	0	0	0	0	103,590
Cash and cash equivalents	168,167	0	0	0	0	0	0	168,167
PREPAYMENTS	35,079	0	0	11	(2)	1,040	1,049	36,128
TOTAL ASSETS	2,595,315	42	(20)	(262)	(438)	181	(497)	2,594,818
SHAREHOLDERS' EQUITY	1,376,897	4	(49)	(290)	(367)	(846)	(1,548)	1,375,349
Share capital	104,519	0	0	0	0	0	0	104,519
Share premium	223,866	0	0	0	0	0	0	223,866
Retained Earnings	1,140,817	0	0	0	0	0	0	1,140,817
Tied-up reserve	130,702	0	0	0	0	0	0	130,702
Fair valuation reserve	0	0	0	0	0	0	0	0
Net income for the period	(223,007)	4	(49)	(290)	(367)	(846)	(1,548)	(224,555)
PROVISIONS	123,576	0	0	0	0	(20)	(20)	123,556
LIABILITIES	1,052,439	38	29	28	(71)	626	650	1,053,089
Long-term liabilities	711,442	0	0	0	(4)	0	(4)	711,438
Short-term liabilities	340,997	38	29	28	(67)	626	654	341,651
ACCRUALS	42,403	0	0	0	0	421	421	42,824
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,595,315	42	(20)	(262)	(438)	181	(497)	2,594,818

HUF million

Income Statement	*Adjustments of current year*					*Total*
	For years					
	2004	*2005*	*2006*	*2007*	*2008*	
Net sales revenue	102	94	8	23	59	286
Capitalised own performance	0	0	0	0	1	1
Other operating income*	0	0	0	3	12,499	12,502
Material-type expenses	(53)	(43)	13	7	454	378
Personal-type expenses	73	87	8	10	40	218
Depreciation	0	6	283	(4)	452	737
Other expenditures*	10	0	0	472	1,051	1,533
PROFIT OR LOSS OF OPERATING ACTIVITIES	72	44	(296)	(459)	10,562	9,923
FINANCIAL PROFIT OR LOSS*	(3)	1	2	8	(11,407)	(11,399)
ORDINARY BUSINESS PROFIT	69	45	(294)	(451)	(845)	(1,476)
EXTRAORDINARY PROFIT OR LOSS	(49)	(94)	0	0	(1)	(144)
PROFIT BEFORE TAXATION	20	(49)	(294)	(451)	(846)	(1,620)
Income tax	16	0	(4)	(84)	0	(72)
PROFIT AFTER TAXATION	4	(49)	(290)	(367)	(846)	(1,548)
Use of retained earnings for dividend	0	0	0	0	0	0
Approved dividend and profit share	0	0	0	0	0	0
NET INCOME FOR THE PERIOD	4	(49)	(290)	(367)	(846)	(1,548)

* The correction in lent treasury shares' accounting caused increase in other revenues with the amount of HUF 12,496 million and in other expenditures with the amount of HUF 1,112 million meanwhile the financial profit was decreased by HUF 11,384 million.

51. Employees

HUF million

Staff categories	*2008*			*2009*		
	Average statistical staff (persons)	*Wages and salaries (HUF million)*	*Personnel type expenses (HUF million)*	*Average statistical staff (persons)*	*Wages and salaries (HUF million)*	*Personnel type expenses (HUF million)*
Full-time employees	5,384	33,776	7,008	5,345	35,077	6,332
- blue-collar	2,575	10,588	2,452	2,549	10,302	2,252
- white-collar	2,809	23,188	4,556	2,796	24,775	4,080
Other	58	1,313	466	61	882	218
Total	5,442	35,089	7,474	5,406	35,959	6,550

52. Board of Directors, Supervisory Board and top management

Remuneration paid to members of Board of Directors and Supervisory Board

HUF million

Description	*2008*			*20098*		
	Board of Directors	*Supervisory Board*	*Total*	*Board of Directors*	*Supervisory Board*	*Total*
Interest on bonds	29	0	29	0	0	0
Honorarium	115	76	191	122	84	206
Compensation for interest on bonds	16	0	16	0	0	0
Bond programme compensation	323	0	323	0	0	0
Total remuneration in the year	483	76	559	122	84	206

The table only includes remuneration to non-executive members of the Board of Directors. The executive members employed by MOL Plc do not receive any additional remuneration for their participation in the Board.

Fix remuneration to non-executive Board members (net 25,000 or 31,250 EUR/head/year) is paid after the Annual General meeting.(In case the position of the Chairman is not occupied by non-executive director, it is the non-executive Vice Chairman who is entitled for this payment.)
Board members who are not Hungarian citizens and do not have permanent address in Hungary are provided with 1,500 EUR on each Board meeting (maximum 15 times per year) when travelling to Hungary.

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

Description	*Number of shares held*	
	2008	*2009*
Board of Directors	466,441	421,490
Supervisory Board	891	547
Total	467,332	422,037

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 2008 and 2009 and has no pension liabilities to its former responsible executive officers either.

Incentives provided for directors

To ensure uniformity and transparency, in addition to fixed remuneration, MOL operates an incentive scheme for directors, which supports commitment of the participants and by taking the Company's profitability into consideration can ensure that the interests of the participants in the compensation program can coincide with those of the shareholders.
The basis of the effective incentive scheme for directors was approved by the Annual General Meeting (AGM) on 23rd April 2009.

Elements of the incentive scheme:
Profit sharing incentive system (based on Value added methodology)
Convertible bond program is replaced by a value added methodology based profit sharing incentive from 1 January 2009. The annual incentive of the Board Members – defined based on the Company's efficiency - will be determined according to an economic value added methodology. The Economic Value Added will recognise performance as a result realized in the excess of cost of capital invested.
The incentive consists of two parts: an absolute part (recognising the performance only of the given year) and an incremental part (recognising the performance of the given year compared to the average of the previous years).
This methodology will increase commitment of participants thus reward the Board Members for increasing shareholder value on long-term and as a sustainable improvement.
The new incentive system applies to non-executive and executive Board members as well.

Incentive system for the top management

The incentive system for the top management in 2009 included the following elements:

Incentive (bonus)
The maximum bonus amount is 40-100% of the annual base salary, paid in cash on the basis of the evaluation following the Annual General Meeting.
The elements of the incentive system include:

1. Identification and evaluation of corporate and Group level key financial indicators (e.g. ROACE, operating cash-flow, Lost time injury frequency, CAPEX efficiency),
2. Identification and evaluation of particular individual targets related to the responsibilities of the particular manager in the given year.

Relative performance incentive
The basis of the relative incentive is 10% of the annual base salary, and is determined on the basis of rank of manager-specific performance ratings.

Complex long-term managerial incentive system
The complex long-term managerial incentive system which changes and supplements the previous, solely stock option based system, has been implemented uniformly in the Company (Group) as of 1st January 2010. Purpose of the new incentive system is implementation of a new incentive system for key managers which corresponds to the incentive system of the members of the Board of Directors of MOL Plc and keeps MOL group management's long-term interest in the increase of the MOL stock price.
Two incentives are employed parallelly in the new system, 50 % Incentive based on option + 50 % Profit-sharing incentive.
Year 2009 was a transition period of time, when managers could decide between the previous incentive based on option and the new complex incentive system. As of 2010 the long-term incentive should be determined for all entitled managers according to the rules of the new system.

Main characteristics of the two incentives:

1. Incentive stock option
   Purpose of the incentive is to create the interest of MOL Group management in the increase of MOL stock price.
   The incentive stock option is a material incentive disbursed in cash, defined based on the realised profit arisen from the increase of MOL share stock price, calculated based on call options concerning MOL shares; it is determined as a gross benefit. The cycle time is 5 year periods starting annually.
   The new system identifies the previous one. There was a modification only regarding the length of the waiting and redemption period: while in the old system a 2 year long redemption period followed the 3 year long waiting period, in the new system the option can be called after 2 year waiting period.

2. Profit sharing incentive
   The Profit-sharing incentive incites the long-term, sustainable increase of profitability, based on the value added methodology, thus ensuring that the interest of the participants of the incentive system corresponds with that of shareholders of MOL Plc.
   The Profit-sharing incentive is a cash-paid annual net bonus calculated on the basis of the increase of the value added. (Value added: recognises a profit performance generated in excess of the cost of capital invested)
   Since the base of the determination of one unit of the profit-sharing incentive for the given year is the audited financial statement for the given year approved by the AGM (MOL Plc), the incentive should be disbursed following the Annual General Meeting (MOL Plc) summoned to close the given year.

Other Fringe Benefits
These include company cars (also used for private purposes), life insurance, accident insurance, travel insurance, liability insurance, and an annual medical check up.

Remuneration of the members of the Supervisory Board

The General Meeting held on 27 April 2005 approved a new remuneration scheme for the Supervisory Board. Under the new scheme, the members of the Supervisory Board receive remuneration of EUR 3,000/month, while the Chairman of the Supervisory Board receives remuneration of EUR 4,000/month. In addition to this monthly fee, the Chairman of the Supervisory Board is entitled to receive EUR 1,500 for participation in each Board of Directors or Board Committee meeting, up to 15 times per annum.

Transactions with officers and management of the Company

Mr. Csányi, deputy chairman of the Board of Directors is also the Chairman-CEO of OTP Bank Plc. MOL Plc. and some of its subsidiaries have contractual relationship with the members of OTP Group, including having bank accounts and deposits, using credit card and brokerage services and obtaining loan financing. No transactions out of the usual conduct of business has been concluded with OTP in 2009 or 2008. All of these transactions are on an arm's-length basis.

A close family member of Mr. Miklós Kamarás, member of the Board of Directors, has direct control over Roff-Petrol Bt., an operator of four fuel stations, which had HUF 84 million and HUF 78 million income from this service in 2009 and 2008, respectively.

The brother of Mr. János Major - former member of the Supervisory Board - is the managing director of CSÚCS 94 Kft. which provided maintenance services to Petrolszolg Kft. amounting to HUF 20 million during 2008. In 2008 there was rental service provided by MOL Plc. to CSÚCS 94 Kft. amounting to HUF 1 million. There was no transaction in 2009.

Mr. Hatina, member of the Supervisory Board has an indirect interest of a Slovakian company Granitol a.s. through Slovintegra a.s. The Group has sold polyethylene to this company in 2009 and 2008 amounted to HUF 3,153 million and HUF 193 million respectively, carried out on usual commercial terms and market prices. Additionally, Mr. Hatina has an indirect interest of a Slovakian company Real–H.M. s.r.o. through BAITEC Group a.s. The Group has sold goods to this company in amount of HUF 2,614 million and HUF 5,170 million carried out on usual commercial terms and market prices during 2009 and 2008, respectively.

Mr. József Molnár, Executive Vice President for Finance and his close family members are the owners of MoNa - Arbor Kft. The close family members are managing directors of the Kft, which provided services Petroszolg Kft. In 2008 the Group has purchased services from the company in an amount of HUF 2.4 million carried out on usual commercial terms and market prices.

A close family member of Ms. Tünde Tóth-Zsiga, Company's Head of Internal Audit is the majority shareholder of Landimpex Kft, which provided services to MOL Plc. In 2009 the Group has purchased services from the company in an amount of HUF 1.2 million carried out on usual commercial terms and market prices.

53. Commitments and contingent liabilities

Capital and contractual commitments

The total value of capital commitments as of 31 December 2009 was HUF 19,132 million, of which HUF 7,890 million is expected to incur in 2010, HUF 2,123 million in 2011, HUF 7,160 million in 2012 and HUF 1,959 million in 2013.
Capital commitments relate to obligations to purchase of tangible and intangible assets, of which HUF 17,133 million relates to the following project:

- Improvement of diesel production (major facilities are as follows: build hydrocrack unit; and hydration plant-3 , AV plant transformation, capacity increase in coke unit)

Operating lease liabilities are as follows

HUF million

Description	*31 December 2008*	*31 December 2009*
Liabilities due within one year	111	51
Liabilities due within 2-5 years	80	29
Liabilities due over 5 years	0	0
Total	191	80

Authority procedures, litigation

EU investigation on paraffin cartel activity

The European Commission started an investigation in April 2005, based upon the alleged cartel activity of paraffin producers and traders in Europe. The investigation affected some ten major paraffin producers and traders throughout Europe. The decision was given in October 2008 and stated that the companies had harmonised their commercial activities on the European (European Economic Area) paraffin market and participated in a continuous cartel infringement. In case of MOL the fine was set at EUR 23.7 million which was paid by MOL in early 2009.

In relation to the above described EU Commission decision the former paraffin customers may have the right to claim private damages from the paraffin cartel participants, which could affect MOL. Other paraffin producers that were also subject to the investigation are currently appealing against the decision of the European Commission before the European Court of Justice. For the time being MOL is currently not able to make any legal or fiscal estimation about potential claims, if any.

Proceedings initiated by Surgutneftegas OJSC ("Surgutneftegas")

Surgutneftegas brought four legal proceedings against MOL, two litigations in the Budapest Municipal Court and two judicial reviews in the Municipal Court of Budapest acting as Court of Registration.

In the first claim Surgutneftegas alleges that the Resolution of the Board of Directors which in the absence of the acknowledgement of notice of the Hungarian Energy Office prevented the incorporation of Surgutneftegas into the share register violates the provisions of relevant laws. The first hearing was held on 11 November 2009 but the court has not yet examined the case on its merits. The next hearing is set for 5 May 2010.

In the second proceeding Surgutneftegas is primarily seeking for the repeal of all the resolutions of the AGM held on 23 April 2009 and alternatively for the repeal of the resolutions of the same AGM amending the Articles of Association of MOL Plc. The first hearing was held before the Budapest Municipal Court on 13 November 2009, but the court has not yet examined the case on its merits. The next hearing is scheduled for 7 May 2010.

Surgutneftegas has initiated a judicial review before the Municipal Court of Budapest, acting as Court of Registration in order to investigate the lawfulness of the resolution of the Board of Directors which in the absence of the acknowledgement of notice of the Hungarian Energy Office refused the incorporation of the Surgutneftegas in the share register. The Municipal Court of Budapest, acting as Court of Registration refused the claim of Surgutneftegas at first instance with its resolution issued on 26 January 2010. Surgutneftegas did not appeal the decision.

In the second judicial review before the same court Surgutneftegas supplemented its motion specified above (investigation of the lawfulness of the resolution of the Board of Directors when refusing the incorporation of the Surgutneftegas in the share register) claiming the Municipal Court of Budapest, acting as Court of Registration, should repeal all the resolutions of the annual general meeting held on 23 April 2009. The Municipal Court of Budapest, acting as Court of Registration refused the claim of Surgutneftegas at first instance with its resolution issued on 02 February 2010.

Proceedings initiated by OMV Treasury and Clearing GmbH ("OMV")

One judicial review has been initiated by OMV against MOL in the Municipal Court of Budapest, acting as Court of Registration. OMV claims that the provisions of the Articles of Association of MOL regarding its "B" shares and the 10 % voting limitation breach the requirements of Act XXVI of 2007 on golden shares and Act IV of 2006 (Corporate Law). Furthermore, OMV states that it is discriminatory to waive certain entities (Magyar Nemzeti Vagyonkezelő Zrt. and its legal successors) from the 10 % voting limitation imposed by the Articles of

Association. The court of first instance has rejected OMV's request. OMV has filed an appeal against the decision.

One further legal issue brought by OMV against MOL relates to a claim by OMV that a resolution approved by the AGM of MOL, which resolved to limit the number of recallable members of the Board of Directors to three members at any one time, is contradictory to the Hungarian Corporate Act.

On this basis, OMV requested that the courts allow MOL's AGM to take the necessary measures to correct these issues. MOL stated that the 30-day non-extendable time period available for OMV as a shareholder present at the AGM to initiate any procedure against the resolutions of the AGM referred to above had already elapsed, and that OMV had no other legal basis to proceed against these resolutions. The Court of First Instance accepted these arguments and dismissed OMV's claim. The plaintiff filed an appeal against this judgement. The Court of Second Instance set aside the appealed judgement and referred the case back to the Court of First Instance. The Court of First Instance has held two hearings but has not yet reached a decision. The next hearing before this court is scheduled for 1 June 2010.

Environmental liabilities

MOL's operations are subject to the risk of liability arising from environmental damage or pollution and the cost of any associated remedial work. MOL is currently responsible for significant remediation of past environmental damage relating to its operations. Accordingly, MOL has established a provision of HUF 11,964 million for the estimated cost as at 31 December 2009 for probable and quantifiable costs of rectifying past environmental damage. Although the management believes that these provisions are sufficient to satisfy such requirements to the extent that the related costs are reasonably estimable, future regulatory developments or differences between known environmental conditions and actual conditions could cause a revaluation of these estimates.

Furthermore, the technology applied in oil and gas exploration and development activities by MOL's Hungarian predecessor before 1976 (being the year when the act on environmental protection and hazardous waste has become effective) may give rise to future remediation of drilling mud produced. This waste material has been treated and disposed of in line with environmental regulations ruling at that time, however, subsequent changes in legal definitions may result in further re-location and remediation requirements. The existence of such obligation, and consequently the potential expenditure associated with it is dependent on the extent, volume and composition of drilling mud left behind at the numerous production sites, which cannot be estimated currently, but is not expected to exceed HUF 3-5 billion.

54. Effect of fair valuation

Fair valuation differences in assets and liabilities subject to fair valuation

HUF million

Description	2008 Closing balance	Changes of historical value	P & L impacts		2009 Closing balance
			Financial income	Financial expenses	
Option for MOL share	26,787	0	25,413	0	52,200
Share swap	0	0	496	0	496
FX transactions	328	0	192	0	520
Commodity transactions	371	0	0	69	302
Non-hedge derivative transactions	27,486	0	26,101	69	53,518
Positive valuation difference of derivative transactions	27,486	0	26,101	69	53,518
Liability from Swap Agreement	0	(6,874)	0	12,276	5,402
Fair valuation difference of other long-term liabilities	0	(6,874)	0	12,276	5,402
Option for MOL share	14,796	0	14,796	0	0
Commodity transactions	125	0	0	130	255
Non-hedge derivative transactions	14,921	0	14,796	130	255
Negative valuation difference of derivative transactions	14,921	(6,874)	14,796	12,406	5,657

Derivatives are valuated by third party (main bank).

Financial instruments subject to fair valuation

HUF million

Description	*Purchase value*	*Valuation difference*	*Fair value*
Option for MOL shares	98,073	(45,873)	52,200
Share swap	0	496	496
FX transactions	0	520	520
Commodity transaction	0	302	302
Non-hedge derivative transactions	98,073	(44,555)	53,518
Positive valuation difference of derivative transactions	98,073	(44,555)	53,518
Liabilities from Swap Agreement	12,438	(7,036)	5,402
Other long-term liabilities	12,438	(7,036)	5,402
Commodity transactions	0	255	255
Non-hedge derivative transactions	0	255	255
Negative valuation difference of derivative transactions	12,438	(6,781)	5,657

Open derivatives on the balance sheet date

HUF million

Description	*Subject of transaction*	*Transaction value /volume*	*Maturity date*	*Result not settled **	*Total effect on profit*	*Expected effect on Cash flow*
Option for MOL shares Tranche A**	Call and put option to MOL shares	5,220,000 pc.	19.03.2010	48,210	48,210	(43,805)
Option for MOL shares Tranche B***	Call option to MOL shares	7,677,285 pc.	23.01.2014	(3,745)	(3,745)	0
Share swap ****	MOL share swap	5,010,501 pc.	11.07.2012	496	496	0
Liability from Swap Agreement *****		-	2016	(12,276)	(12,276)	0
FX transactions	Exchange rate hedging	37,739,019 EUR	January 2010 - September 2010	520	520	520
Commodity transactions	Commodity price risk hedge	-	January 2010 – June 2010	48	48	48
Non-hedge derivative transactions		-	-	33,253	33,253	(43,237)
Total derivative transactions		-	-	33,253	33,253	(43,237)

* The column presents changes of fair valuation difference.

** The put option of the option agreement signed on 14 March 2008 with ING Bank N.V. ("ING") regarding 1,404,217 Series "A" Ordinary shares was cash-settled on 19 March 2009, based on the strike price of USD 107.90586. On 16 March 2009 MOL and ING signed a share purchase and a share option agreement. As a result of the transactions on 19 March 2009 ING Bank N.V. became the owner of 5,220,000 "A" series MOL ordinary shares and ING received a European put option from MOL and MOL received an American call option from ING for these shares. The maturity is 1 year and the strike price is EUR 30.9841 per share for both options.

*** The share purchase agreement as part of MOL-CEZ strategic alliance was financially closed and settled on 23 January 2008. MOL sold 7,677,285 pieces of „A" series MOL shares to CEZ. MOL has an American call option for the shares with a strike price of HUF 20,000 per share which can be exercised within 3 years. In 2009 the parties amended the agreement and the option period was prolonged until 2014.

**** On 16 April 2009 MOL and OTP entered into share-exchange and share swap agreements. Under the agreements MOL transferred 5,010,501 "A" series MOL ordinary shares to OTP on return for 24,000,000 OTP ordinary shares. The expiration of the share swap agreement is 11 July 2012 until that time each party can initiate a cash or physical settlement of the deal.

***** On 13 March 2006, MOL signed a share purchase agreement to sell 6,007,479 Series "A" Ordinary Shares to Magnolia Finance Limited ("Magnolia"). Magnolia announced the sale of up to EUR 610 million of perpetual exchangeable capital securities, exchangeable into the Series "A" Ordinary Shares of MOL during the exchange period to international financial investors. MOL, concurrently with the sale of ordinary shares, entered into a swap agreement in principle with Magnolia that gave MOL a call option to buy back the Series "A" Ordinary Shares of MOL. Present value of expected cash flow effect in the table above, is equal with the fair value of liability at the balance sheet date.

Derivative transactions closed in the current year

HUF million

Description	*Subject of transaction*	*Current year*		*Total effect on profit*	*Effect on Cash flow*
		Results settled financially	*Results not settled financially**		
Option for MOL share**	Call and put option to MOL shares	58,723	0	58,723	(71,503)
FX transactions	Exchange rate hedging	(1,365)	0	(1,365)	(1,365)
Commodity transactions	Commodity price risk hedge	(1,418)	98	(1,320)	(1,320)
Non-hedge derivative transactions		55,940	98	56,038	(74,188)
Total derivative transactions		55,940	98	56,038	(74,188)

* 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.
** The call options of MOL concluded with BNP Paribas S.A. ("BNP") on 7,552,874 Series "A" Ordinary Shares issued by MOL have been exercised with the settlement date of 17 July 2009.
The put option of the option agreement signed on 14 March 2008 with ING Bank N.V. ("ING") regarding 1,404,217 MOL Series "A" Ordinary shares was cash-settled on 19 March 2009, based on the strike price of USD 107.90586. On 16 March 2009 MOL and ING signed a share purchase and a share option agreement. As a result of the transactions on 19 March 2009 ING Bank N.V. became the owner of 5,220,000 "A" series MOL ordinary shares and ING received a European put option from MOL and MOL received an American call option from ING for these shares. The maturity is 1 year and the strike price is EUR 30.9841 per share for both options.

Profit effect of derivative transactions in the current year

HUF million

Description	*Results settled in the current year*	*Result not settled*	*Total profit effect*
Open derivative transactions	0	33,253	33,253
Closed derivative transactions	55,940	98	56,038
Total	55,940	33,351	89,291
Of which: other financial income			*118,807*
other financial expense			*(29,516)*

55. Off-balance sheet joint and several liability

Type of liability	*Amount*	*Currency*	*Starting date*	*Maturity date*	*Company*
Joint and several liability	-	-	31.03.2009	31.03.2010 + 15 calendar days	MOL Energiakereskedő Zrt.
Joint and several liability	-	-	17.12.2009	15.12.2012	MOL Energiakereskedő Zrt.
Comfort letter	216,225	EUR	11.02.2002	-	MOL Romania PP Srl.
Comfort letter	-	-	30.11.2009	26.11.2012 + 15 calendar days	MOLTRADE-Mineralimpex Zrt.

Note: If the amounts or maturity dates are not indicated, the guarantee is not specified in terms of an amount or maturity.

56. Guarantees of MOL Plc, not included in the balance sheet

Type of liability	*Amount*	*Currency*	*Starting date*	*Maturity date*	*Company*
Parent company guarantee	1,300,000,000	CZK	21.02.2009	20.02.2010	Slovnaft Ceska Republika s.r.o.
Parent company guarantee	50,140,673.35	USD	04.12.2009	04.03.2010 or until contractual liabilities cease	Italiana Energia e Servizi S.p.A.
Parent company guarantee	50,000,000	CHF	01.07.2009	30.09.2011	Italiana Energia e Servizi S.p.A.
Parent company guarantee	49,000,000	USD	05.11.2007	05.11.2012 or when Pronodar pays the purchase price	Pronodar Ltd
Parent company guarantee	48,277,218.02	USD	26.10.2009	20.01.2010	Italiana Energia e Servizi S.p.A.
Parent company guarantee	30,800,000	EUR	22.01.2009	31.03.2011	MOL Energiakereskedő Zrt.
Parent company guarantee	15,000,000	EUR	01.01.2009	31.01.2010	Italiana Energia e Servizi S.p.A.
Parent company guarantee	10,000,000	EUR	30.06.2009	30.04.2010	MOL Energiakereskedő Zrt.
Parent company guarantee	8,568,199	EUR	31.10.2008	31.12.2010	MOL Energiakereskedő Zrt.
Parent company guarantee	5,000,000	USD	06.11.2007	31.12.2032 or until the contract ceases	Kalegran Ltd
Parent company guarantee	1,000,000 5,632,882	USD RON	14.05.2007	-	MOL Romania PP Srl.
Parent company guarantee	1,500,000	EUR	17.01.2008	31.07.2010 or until contractual liabilities cease	Intermol d.o.o.
Parent company guarantee	1,500,000	EUR	14.05.2009	31.10.2011 or until contractual liabilities cease	Intermol d.o.o.
Parent company guarantee	1,300,000	EUR	24.07.2009	24.07.2011	Geoinform Kft.
Parent company guarantee	1,000,000	USD	06.11.2007	31.12.2032 or until the contract ceases	Kalegran Ltd
Parent company guarantee	1,000,000	USD	06.11.2007	06.11.2010	Kalegran Ltd
Parent company guarantee	500,000	USD	15.09.2000	-	MOL Romania PP Srl.
Parent company guarantee	400,000	USD	16.11.2009	30.06.2010	Geofizikai Szolgáltató Kft.
Parent company guarantee	31,500	EUR	27.03.2009 date, when rental agreement comes into force	27.06.2024	MOL Romania PP Srl.
Parent company guarantee	-	-	18.12.2001	-	MOL Reinsurance Ltd

Parent company guarantee	-	CZK*	08.02.2006	-	Slovnaft Ceska Republika s.r.o.
Parent company guarantee	-	CZK*	08.02.2006	-	Slovnaft Ceska Republika s.r.o.
Parent company guarantee	-	-	27.07.2009	Until the contract ceases	BMN Investment Ltd

Note: If the amounts or maturity dates are not indicated, the guarantee is not specified in terms of an amount or maturity.

* Foreign currency is not determined in the guarantee but subsidiary concluded Individual Bilateral Loan Agreement denominated in CZK with the bank.

57. MOL Plc's securities offered as security deposit on 31 December 2009

On 31 December 2009, MOL Plc did not have any shares placed as a security deposit.

58. Evens after the preparation of Balance Sheet

On 11 March 2010 MOL exercised its American call option with cash-settlement method under the option agreement signed on 16 March 2009 with ING Bank N.V. ("ING") regarding 5,220,000 MOL Series "A" Ordinary shares. The settlement occured on 16 March 2010 and the strike price was EUR 30.97 per share.
At the same time, MOL and ING signed a share option agreement and as a result of these transactions, ING received a European put option with respect to its 5,220,000 'A' series MOL shares and MOL received an American call option regarding those shares. The maturity for both options is 1 year. The strike price for the call and put options is EUR 75.36 per share.

Business report on MOL Plc activity of 2009

MOL Plc's business report includes the short analysis of the company's financial statements and other operational information (according to the Hungarian Accounting Regulations). The business report does not include such information, which is presented in MOL Plc's supplementary notes, such as the list of the events happened after the balance sheet date. Beside this, it gives an overview about the forecasted changes of the company's profitability. Furthermore, the report contains information, which is crucial from the company's operational aspect, such as the financial risk management policy of the company, shareholder structure and the analysis of the main, determining financial ratios.

Financial ratios in 2009

HUF bn

	2008	2009	2009/2008 %
Operating profit	102.3	186.3	82.1
Net income	(223.0)	253.0	-
Investment and CAPEX	353.6	152.6	(56.8)
ROACE%	9.1	21.7	138.5
Operating cash flow	480.8	113.3	(76.4)
Gearing %	28.7	23.9	(16.7)

Despite the unfavourable external economic environment, the **realised profit of MOL Plc was HUF 186.3 bn in 2009**. Operating profit improvement was caused by the considerable impairment accounted for in 2008 in connection with the treasury shares lent, the higher other revenues in 2009, the implementation of the cost efficiency measures and the positive effect of the change in inventory of finished goods and work in progress compared to the base period.

Net income shows considerable improvement compared to the significant loss realised in 2008, basically as a result of higher operating profit contribution and the favourable change in financial result. The main factors for the improvement in financial result were the positive effect of FX rates on option revaluation in 2009 and the significant impairment on treasury shares accounted for in 2008. The latter was influenced by the financial crisis, (starting from October) which affected stock exchange prices, including MOL shares, unfavourably. Further net income decreasing factor was the extraordinary loss realised in 2008 as a consequence of the capital decrease (share cancellation) in 2008.

MOL Plc spent HUF 152.6 bn on **investments and CAPEX** (including exploration spending accounted as costs), which decreased compared to the base period. This was basically driven by the realised acquisition of INA in 2008. Within the total equity and liabilities the share of equity increased from 53.1% to 59.5% due to the favourable effect of net income.

The considerable improvement of 12.6 percentage point in the **ROACE** value was basically driven by the 63.9 % growth in operating profit after tax caused by the factors detailed under Net income. The more favourable change in profit after tax improved the ratio by 5.8 %-point. Further improvement was fuelled by the drop in average capital employed by 31.5 %. The lower average capital employed was mainly caused by the decrease in receivables of 2008 year, which was not reflected fully in 2008 yearly average capital employed due to the high closing value of 2007.

Our **gearing ratio** improved from 28.7% in 2008 to 23.9%, which was caused by the decrease in liabilities and the increase in Shareholders' equity. The net debts declined by HUF 41.2 bn as a joint effect of the lower level of the long term loans and borrowings and cash and cash equivalents, while the Shareholders' equity was higher by HUF 251.5 bn than in 2008 due to the change in net income.

Significant **operating cash flow** was realised in 2009. However, it was below the base year level due to the repurchase of lent treasury shares in 2008, influencing positively the 2008 cash flow via the decrease in other receivables.

Overview of the Business Environment

Changes in the domestic and regional economic environment significantly affected the business processes and financial performance of MOLPlc in 2009. The worldwide financial crisis, which started in October, 2008 and has been continuing so far, influenced negatively the profitability of economic operators including MOL Plc. GDP fall has slowed, from 0.6% in 2008 to (6.3)% in 2009. Average consumer-price inflation was 4.2% in 2009, compared to 6.1% in 2008.

Average FX rates significantly increased compared to 2008. The Hungarian Forint weakened by 17.7% against the US Dollar and by 11.7% against the EUR.

In 2009 the average crude oil price increased compared to the level of 2008 year-end, the average price reached the 61.7 USD/barrel, but lagged behind the average base year level by 36.6 % (Brent Dtd). The yearly average Ural Blend oil price FOB Med (the determinant type in the oil purchases of MOL Plc) was 61.2 USD/bbl, lower by 35.4 % compared to the year 2008 (94.8 USD/bbl).
The prices of the main oil products - similarly to the oil price – decreased significantly. Crack spreads, which determine the profitability of refinery, changed differently in case of the different products. The gasoline crack spread was higher by 11.3 % than in previous year, while Crack spread of gasoil FOB Rotterdam decreased by 67.8%. The yearly average crack spread (FOB Rot vs. Brent) was lower by USD 85.6 USD /t in comparison to 2008.
The motor fuel consumption in Hungary decreased by 0.4% in 2009, which was driven by the lower diesel consumption (down by 0.6 %). Demand for gasoline increased by 0.2 %.

Contribution of business to operating profit

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.

Exploration and production activity includes producing oil and gas fields, and gas plants.

MOL Plc operates two refineries in Hungary. The biggest one – Duna Refinery – is processing crude oil and its annual nominal crude oil processing capacity was nearly 8.4 million tons in 2009, the actual distillation raw material refining in 2009 was 6.5 million tons. On 1 July 2001 in Tisza Refinery crude oil refining process ceased because of closing down the distilling plant with capacity of 3 million tons. The core activities of this refinery are diesel oil desulphurisation and mixing gasoline. The Duna and Tisza Refineries are connected directly to the crude oil and product pipelines of the Company. MOL Nyrt also operates a bitumen manufacturing plant in Zalaegerszeg.

The **retail activities** of refined products are based on filling stations and network operated under MOL brand name. Apart from motor fuel retail, the filling stations also sell non-fuel goods (food, car care articles, top-up mobile phone cards, motorway stickers, etc.) and provide other services (automated and manual car wash, etc.). On 31 December 2009, the

Company had 365 fuel stations in Hungary, of which 331 were operated by partners (owned by MOL but operated by contractors selected in tenders), and 34 were operated in franchise system (operated with a MOL logo and product range, but not owned by MOL).

The company operates via managing businesses, which are developed on the basis of value-chain.

A MOL Plc operating profit was HUF 186.3 bn in 2009 compared to HUF 102.3 bn in 2008. Changes of the world economic and domestic regulatory environment influenced the operating profit of MOL Plc and business areas.

Exploration and Production

HUF bn

Financial ratios

	2008	2009	2009/2008 %
Operating profit	174.6	85.5	(51.0)
Operating profit (without Szőreg 1 sales)	109.3	85.5	(21.8)
EBITDA	193.1	104.4	(45.9)
Investment and CAPEX	30.8	104.1	238.0

Key operating data

	2008	2009	2009/2008 %
Crude oil production (kt)	743	715	(3.8)
Natural gas production (m cm, net dry)	2.480	2.280	(8.1)
Condensate production (kt)	163	146	(10.4)
LPG and other gas products (kt)	166	154	(7.2)

In 2009 the divisional profit (excluding the one-off effect of Szőreg-1 reservoir sale) decreased, mainly as a result of lower crude oil price (lower by 37 % Brent price) and lower natural gas average price in USD terms (by 25 %). The favourable effect of FX movement partly decreased by the above mentioned negative impacts.
The annual natural gas production lagged behind the previous year level by 8%, due to the weaker demand in Hungary and natural production decrease.
The reason for the drop of 4% in domestic crude oil production was the natural output decrease from matured fields. MOL Plc tries to compensate decreasing domestic production with the help of intensive exploration activity and international acquisitions.
In 2009, in Hungary we classified 4 exploratory wells (Jánoshalma-D-1, Kunágota-4, Vízvár-Sekély-1and Zsáka-1) as gas producers, and 2 wells (Magyarbánhegyes-K-1, Ócsa-2) as oil producing. 2 wells were classified as dry (Karcag-ÉK-2, Komádi-K-7). Well-test is in progress in case of Dombegyház-DNy-8 well, and Dravica-1, Potony-1 wells (drilled by co-operation with INA). Further one unconventional well (Szabadkígyós-1) waiting for well-test.

Significant CAPEX spending showed the effect of PEARL acquisition (gas and condensate fields in Curdistan).

Refining & Marketing

HUF bn

Financial ratios

	2008	2009	2009/2008 %
Operating profit	29.0	26.8	(7.6)
EBITDA	58.0	55.2	(4.8)
Investment and CAPEX	35.8	24.3	(32.1)

Key operating data*

	2008	2009	2009/2008 %
Total sales (kt)	9,164.0	8,552.7	(6.7)
o/w: motor gasoline (kt)	1,394.6	1,370.9	(1.7)
Diesel and heating oil (kt)	3,734.4	3,434.6	(8.0)
naphtha (kt)	1,361.8	1,251.8	(8.1)
other (kt)	2,673.2	2,495.4	(6.7)

*with Retail transfer sales

The division operating profit, reflecting the unfavourable effect of economic environment, was nearly on the level of 2008. The low-level profit realisation was basically driven by the lower crack-spreads, Ural-Brent spread, crude oil discount and sales volumes, which negative effects were significantly compensated by the positive effect of inventory storage costs, FX rates and the lower operating cost compared to the base period.
Refinery product sales volume amounted to 8.6 Mt which was lower by 6.7 % in 2009 than last year. Domestic sales amounted to 6.3 Mt, slightly lagged behind the base volume, while export sales dropped by 18.8 % to 2.3 Mt.
Despite the recession we maintained our position regarding domestic sales, while the drop in gasoil and bitumen sales are reflected in the decrease in export sales.

- The motor fuel consumption in Hungary decreased by 0.4 %, but the motor fuel sales of MOL Plc increased by 2%. Increase of our motor gasoline sales was higher by 3.0% despite the stagnating domestic market (0.2 %). Diesel consumption increased on the Hungarian market, our sales exceeded the market growth by 1.1 % (26.5 kt).

- Domestic and export sales of Jet A-1 amounted to 234.5 kt lagged behind the base level by 37.1 kt. The drop essentially occurred in domestic sales.

- Total fuel oil sales was 141.8 kt in 2009, almost remained on base level (+1.5 kt), reflecting the favourable low proportion (similarly to the former period) in the total sales.

- Bitumen sales went down both on the domestic and foreign markets by 7.4 % (-43.4 kt) on the whole.

- The sales of PB and gas products amounted to 473.2 kt in 2009, which was near base level.

Lower CAPEX spending in 2009 reflects the limited CAPEX use as it was targeted.

Retail Services

Financial ratios HUF bn

	2008	2009	2009/2008 %
Operating profit	10.7	5.6	(47.7)
EBITDA	13.8	9.0	(34.8)
Investments and CAPEX	10.4	11.8	13.5

Key operating data

	2008	2009	2009/2008 %
Total sales (kt)	876.7	911.6	4,0
o/w: motor gasoline (kt)	375.0	374.0	(0.3)
Diesel and heating oil (kt)	488.0	523.0	7.2
Other (kt)	13.7	14.6	6.6

Retail division's operating profit showed significant decrease compared to the base period despite MOL managed to achieve higher sales volumes and higher margin revenue in the strong competitive environment. The positive effect of the margin revenue on operating profit was offset by the impairment of goodwill (Tifon) accounted for as other expenditure and the increase of internal service costs in connection with sales volumes.
In Hungary (MOL Plc) our retail fuel sales volumes increased by 4% year-on-year in 2009 in spite of the economic downturn and the strong competitive environment. Gasoline sales remained stable, while diesel and LPG sales increased by 7% and 6%, respectively. The retail market was still characterised with strong competition. Our retail fuel market share, according to MÁSZ (Hungarian Petroleum Association), increased to 36.5% in 2009 from 35.7% in 2008. The ratio of fleet card sales to our total fuel sales remained stable in 2009 vs. 2008. Our shop sales revenues remained stable in 2009 as the increasing sales of tobacco (14%) and pharmacy products (5%) almost offset the decrease in mobile recharges, lower highway-ticker sales, lower food and non food revenues.

Slightly higher CAPEX spending, despite the limited CAPEX use, was due to the further TIFON acquisition in 2009.

Components of MOL Plc's operating profit change

As a result of the changes in revenues and costs, operating profit was HUF 186.3 bn, higher by HUF 84.0 bn compared to the previous year, reflecting the still significant profit realisation possibilities of the oil industry.
Net sales revenue was HUF 1,856.3 bn, which decreased by 16.5% compared to 2008. The difference was caused by the followings:

- Gas sales revenue was HUF 166.5 bn in 2009, which was lower by 9.7% compared to 2008. The decrease was driven by sales prices which were lower by 8.6% in HUF term

compared to the base level, which was further decreased by the drop in sales volumes by 1.1%.

- Revenue of main refinery products with taxes were as follows: gasolines (without naphtha) HUF 377.6 bn (-6.4 %), gas- and heating oils (without chemical gasoil) HUF 713.3 bn (-23.6 %), fuel oils HUF 11.4 bn (-20.2 %), lubricants HUF 17.9 bn (-37.2%), bitumen HUF 47.5 bn (-16.7%), kerosene HUF 27.2 bn (-45.4%), secondary products HUF 54.2 bn (-26.1%), naphtha and chemical gasoil HUF 141.3 bn (-23.6%), other refinery products HUF 27.5 bn (-29.7 %). The drop was caused by the significantly lower quoted prices and the lower sales volumes compared to 2008

Operating costs (adjusted with capitalised own performance) decreased by HUF 414.2 bn compared to 2008 mainly due to the decrease of material type and other expenditures and favourable change of capitalised own performance.

- The lower level of **material type expenditures** (HUF -334.8 bn) was primarily caused by the decrease of material cost (HUF -307.0 bn) mainly as a result of the lower costs of purchased production materials (basically due to the lower crude oil purchase prices and lower other production material cost related to crude prices). The cost of goods sold slightly went up by HUF 25.7 bn, mainly as a result of the higher purchase price of crude oil (HUF+32.9 bn) and GHG (HUF +19.9 bn).The increase was significantly reduced by the lower purchase proce of naphtha (HUF -8.7 bn) and gas products (HUF -7.5 bn) compared to the basic period. Further decreasing effect was the drop in value of services used – mainly due to lower cost of railway transport (due to lower transportation volumes), maintenance and management cost. The cost of other services also decreased basically as a consequence of lower by HUF 39.1 bn mining royalty caused by lower natural gas prices.

- **Personnel type expenditures** lagged behind the previous year level to a small extent (by 0.3 %) despite the salary increase of 3.7 %. Cost increasing effect of salary rise was significantly reduced by the cost decreasing impact of lower average headcount as a result of cost efficiency measures and the cost saving on other personnel- type expenses.

- Changes among **amortisation and depreciation** basically reflected the lower amortisation of the producing wells and pipelines related to the economically recoverable HC reserves. This drop was compensated by the amortisation increasing effect of the revision on the field abandonment provision capitalisation (HUF +1.8 bn) in 2009.

- **Other expenditures** were lower by HUF 61.2 bn compared to 2008. The main reason for the decrease was the recorded impairment on the lent treasury shares in 2008 (HUF -84.3 bn). The latter positive effect was reduced by HUF 10.5 bn higher taxes and duties (o/w: excise duty liability HUF +12.5 bn) and the change in provision for the future liabilities (HUF +18.7 bn).

- **Value of the capitalised own performance** improved our results by HUF 17.8 bn, basically as a result of the favourable changes in own produced inventories.

Result on financial operation was considerably influenced by the change in external environment. The significant profit realization was driven by the received dividend (HUF 51.2 bn), gain on the sales of interest (HUF 28.2 bn), interest on non-current assets (HUF 46.5 bn) and option revaluation (HUF 114.1 bn). These favourable effects exceeded the profit reducing impact of other factors. As opposed to the financial gain realised in 2009, in 2008

there was a financial loss mainly caused by the impairment on treasury shares, interests and securities (HUF 132.5 bn) and loss on fair valuation regarding BNP, CEZ, ING and Magnólia options (HUF 205.3 bn).

The loss booked among the **extraordinary results** was HUF 1.9 bn, compared to the loss of HUF 116.7 bn in 2008. Extraordinary result of 2008 was caused by the redeemed and cancelled treasury shares that increased our expenditures by HUF 117.2 bn.

Due to the profit before taxation, **net income** of the company was HUF 253.0 bn in 2009, compared to the HUF 223.0 bn loss realised in 2008 as a result of the above mentioned factors.

Main changes in Balance sheet

Total assets amounted to HUF 2,738.2 bn as at 31 December 2009, representing an increase of 5.5% since 31 December 2008. The Company's assets increased to a small extent essentially due to acquisitions.
Within the **non-current assets** the main increase occurred in financial investments (HUF 230.4 bn) driven by the change in long-term investments in related entities (HUF+29.5 bn) and in other long-term participation (value of PEARL acquisition without loan assumed of HUF 54.3 bn, OTP share purchase price of HUF 55.5 bn related to share – exchange). Further increase of HUF 78.4 bn occurred in case of long-term loans to subsidiaries compared to 2008, of which main items are: loans to subsidiaries of the international exploration portfolio (HUF 34.1 bn) and the loan given to INA of HUF 39.9 bn in 2009. In 2009, the increase of HUF 12.7 bn in long-term loan to other investments was caused by the effect of loan assumed in line with PEARL acquisition.

The decrease in the **current assets** compensated by the asset increasing effect of long-term investments. The drop in current assets was basically influenced by the fall in cash and cash equivalents (HUF -72.3 bn), which was compensated by the impact of receivable rise (HUF +10.1 bn) compared to the previous year. In the receivable rise, in excess of the option revaluation (HUF +25.9 bn), trade receivables (HUF + 5.7 bn), and receivables from related parties (HUF + 38.7 bn, of which the trade receivable increase was HUF 29.7 bn) were the determinants. The increase was considerably moderated by the lower other receivables generated from the decrease of HUF 68.3 bn in booked value of lent treasury shares. The inventory level was lower by HUF 11.0 bn compared to the basic year which was essentially driven by the lower inventory volume.
The change in the **prepayments** basically reflects the difference in deferred income related to the subsequent settlement in connection with gas business sale between 2008 and 2009. (2008: HUF +6.4 bn, 2009: there was not any deferred income)
The **shareholders' equity** went up basically as a result of the net profit for 2009. The drop in **liabilities** moderated the effect of shareholders' equity increase. Within the liabilities the long-term debts amounted to HUF 378.6 bn in 2009 compared to value of HUF 512.5 bn in 2008 reflecting the impact of repayments. This decrease was reduced by the increase in short-term debts (HUF +18.7 bn), short-term loan from subsidiaries (HUF 16.1 bn), VAT (HUF+9.6 bn) and excise duty (HUF +4.3 bn). The provision increase basically reflects the rise of HUF 4.1 bn in provision for field abandonment and field suspension(beyond a year) besides the provision for GHG emission (HUF +4.7 bn).

The company's expectations in the following period

2010 will still be effected by the financial/economic crises. The hectic changes of the external environment increased the uncertainties further. MOL Group was able to respond quickly to the environmental challenges and crisis in October 2008, made decisions and with these

ensured its financial stability and cash-flow position in 2009. The main purpose also for 2010 is to maintain financial stability and cash-flow position beside the changing environment and volatile presumptions. The achievement of this target requires huge effort from the company since it is difficult to keep up the level of sales volumes in 2010 as a result of the economic crisis and the possible increase in sales volumes means considerable challenge. The launched cost decreasing actions and efficiency improvement projects contributes significantly to the achievement of our purpose.
In the framework of the related strategy revision, we'll emphasise the optimization of the business portfolio, considering the INA partnership and its integration to MOL Group.

Cash flow

Operating cash flow of the company amounted to HUF 113.3 bn versus the 2008 base value of HUF 480.8 bn. The considerable drop was driven by the adjusted profit which was lowerthan the base by HUF 88.1 bn. The adjustments related to non-cash items (depreciation, reserve change, impairment change) and non-operating cash flow items (gain from sold non-current assets).
However, the significant change in current assets (without debtors, cash and cash equivalents) had a key effecton the cash flow decrease. This change was basically caused by the cash flow improving effect of the reversal of treasury shares lent, which were accounted for as other receivables in 2008. Further fall in cash flow was caused by the negative effect (HUF 71.5 bn) of the change in working capital (inventories, debtors, creditors) compared to the base period. The latest was impacted by the higher debtors due to the greater product sales price, which was compensated by the cash flow improving effect of the lower inventory level.

Investments and CAPEX

Capital expenditures of MOL Plc (including exploration costs) were HUF 152,6 bn in year 2009 versus HUF 353.6 bn in 2008. The lower spending compared to the previous year – of which the determinant factor was the INA acquisition - is detailed segments by segments as follows:

- At Exploration and Production division, CAPEX spending was HUF 104.1 bn that is higher than previous year by HUF 73.3 bn due to the acquisition in Kurdistan (Pearl Co. HUF 72.6 bn).
- At Refining and Marketing division's expenditures (HUF 24.3 bn) were lower than last year's by HUF 11.5 bn because the Refinery key-project (VGO Hydrocrack) was postponed and other maintenance type works were rescheduled in line with the strict CAPEX program in 2009.
- At Retail division CAPEX spending in 2009 (HUF 11.8 bn) was higher than last year by HUF 1.4 bn due to two opposite effects: Croatian acquisition of TIFON (HUF 8.1 bn) which was offset by the reduction in network development and reconstruction works in 2009.
- At Management and Sevices division CAPEX was HUF 4.9 bn which was lower than in 2008 by HUF 261.1 bn due to last year's acquisitions (e.g. INA HUF 227.3 bn). This trend is reinforced by the strict CAPEX program in 2009.

The principles of fair valuation on financial instruments

The Company applies the principle of fair valuation on financial instruments for trading purposes and derivatives for hedging and trading (non-hedging) purposes in order to

harmonise its practice with regulations of the European Community. The Act allows the application of fair valuation to financial instruments available for sale, but the Company does not make use of this opportunity.

Financial instruments are categorized based on the intention of the management taking into consideration the requirements of the Accounting Act.

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.

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,
- 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,
- 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.

If it is not possible to determine the fair value based on the above methods, than fair value should be measured using other valuation techniques. In this case the company should demonstrate that the valuation method used for calculating the fair value is suitable for this purpose.

In case of deliverable derivative transactions, the subject of the deal different from financial instruments (goods, PP&E) the accounting treatment of sale of goods shall be applied. All settlement transactions and transactions closing with delivery of financial instruments are measured at fair value either they were designated as hedging or individual derivative transaction.

Derivative transaction should be accounted as hedge if the conditions of the transaction meet the requirements of Accounting Act and also in line with the provisions of IAS 39 (there is designated hedging relationship, hedge documentation exists, hedge effectiveness can be demonstrated). Transactions with characteristics of hedging instruments but without meeting the requirements of IAS 39 are accounted as standalone derivatives.

Hedging instruments are designated at inception and matched with the hedged item and associated risks.

Financial instruments in the Balance Sheet

Financial instruments in the balance sheet include investments, other non-current assets, trade receivables, securities, other current assets based on contractual rights, cash and cash equivalents, short-term and long-term debt, other long-term liabilities, trade and other payables also based on contractual commitments. Derivatives are presented as positive or negative valuation difference of derivative transactions.

Carrying amounts and fair values of the financial instruments as of 31 December 2009 and 2008 are the following:

	Carrying amount	
	2008 HUF million	2009 HUF million
Financial assets		
Non-current financial investments	*1,349,015*	*1,579,428*
Long-term investments	1,060,793	1,090,286
Long-term loans to related parties	287,718	366,150
Other long-term investments	432	110,215
Long-term loans to other investments	-	12,705
Other long-term loans	72	72
Receivables	*374,656*	*388,209*
Trade receivables	76,583	82,307
Receivables from related parties	177,429	216,159
Receivables from other investments	46	-
Other receivables (excluding receivables against tax and other authorities)	93,112	36,225
Positive valuation difference of derivative transactions	27,486	53,518
Securities	*103,590*	*122,498*
From which: Treasury shares	103,407	122,278
Cash and cash equivalents	*168,167*	*95,905*
Financial liabilities		
Long-term liabilities	*711,442*	*581,996*
Liabilities from bonds issued	198,585	203,130
Liabilities from other long-term loans	512,455	378,577
Other long-term liabilities	402	289
Short-term liabilities	*289,496*	*318,423*
Short-term borrowings	-	-
Short-term loans	79,434	98,149
Advances from costumers	1,572	1,141
Trade payables	111,575	104,806
Short-term liabilities to related parties	75,417	102,623
Short-term liabilities to other investments	145	3
Other short-term liabilities (excluding payables to tax and other authorities)	6,432	6,044
Negative valuation difference of derivative transactions	14,921	5,657

Financial instruments presented at fair value are the following:

31 December 2009	Initial value HUF million	Valuation difference HUF million	Fair value HUF million
Option for treasury shares (1)	-	48,210	48,210
Option for treasury shares (2)	98,073	(94,083)	3,990
Share swap (3)	-	496	496
Foreign exchange forward transactions	-	520	520
Commodity price transactions	-	302	302
Positive valuation difference of derivative transactions			**53,518**
Liability from swap agreement (4)	12,438	(7,036)	5,402
Other long-term liabilities			**5,402**
Commodity price transactions	-	255	255
Negative valuation difference of derivative transactions			**5,657**

(1) Options on treasury shares

On 14 March 2008 MOL, BNP Paribas SA ("BNP") and ING Bank N.V. ("ING") signed an agreement whereby MOL has appointed ING to exercise its call option on 1,404,217 "A" series MOL ordinary shares held by BNP, pursuant to which ING purchased these shares from BNP. Following completion of the transaction, MOL received an American call option on 1,404,217 "A" series MOL shares from ING, and ING received a European put option on the same number of MOL shares from MOL. The maturity for both options is 1 year and the exercise price is USD 107.91 per share.
On 19 March 2009 the European put option was cash-settled, with conditions specified in the agreement. In parallel MOL and ING signed a share purchase and share option agreement on 5,220,000 "A" series MOL shares. As a result of the transaction MOL received an American call option and ING received a European put option on the same number of MOL shares. The maturity for both options is 1 year and the exercise price is EUR 30.98 per share.

(2) Options on treasury shares

To strengthen the strategic alliance between MOL and CEZ, CEZ purchased 7,677,285 pieces of "A" series MOL shares on 23 January 2008 from MOL. MOL also purchased an American call option for the shares with a strike price of HUF 20,000 per share which can be exercised within 3 years. In 2009 the terms of the call option has been renegotiated by the parties, extending it to 2014.

(3) Share swap

On 16 April 2009 MOL and OTP entered into a share-exchange and share-swap agreements. Under the agreements MOL transferred 5,510,501 "A" series MOL ordinary shares to OTP on return for 24,000,000 OTP ordinary shares. The expiration of the share-swap agreement is in 11 July 2012 until that time each party can initiate a cash or physical settlement of the deal.

(4) Liability from swap agreement

On 13 March 2006, MOL Plc signed a share purchase agreement to sell 6,007,479 Series “A” Ordinary Shares to Magnolia Finance Limited (“Magnolia”). Magnolia announced the sale of up to EUR 610 million of perpetual exchangeable capital securities, exchangeable into the Series “A” Ordinary Shares of MOL during the exchange period to international financial investors. MOL, concurrently with the sale of ordinary shares, entered into a swap agreement in principle with Magnolia that gave MOL a call option to buy back the Series “A” Ordinary Shares of MOL.

Financial risk management policies

Risks are not identified for MOL Plc itself, but for the MOL Group as a whole, hence the financial risk management tasks are centralized at MOL Group level. iThe measurement of risks are performed by using the Monte Carlo simulation model. A monthly Financial Risk Report is submitted to the senior management.

As a general approach, risk management considers the business as a well-balanced integrated portfolio and does not hedge particular elements of its commodity exposure. Therefore, MOL actively manages its commodity exposures for the following purposes only:

- Corporate Level Objectives – maintenance of financial ratios, protection against large cash transaction exposures etc.

- Business Unit Objectives – To reduce the exposure of a Business Unit’s Cash-Flow to market price fluctuations in case of changes from the normal course of business (ex: planned refinery shutdowns)

MOL follows two different strategies based on the level of Net Gearing. In the two scenarios, Risk Management focuses on the followings:

- In a High Gearing situation, the prime objective of risk management is to reduce the probability of breaching debt covenants, where a breach would seriously impair the company’s ability to fund its operations.

- In Low Gearing status, the focus of risk management shall be directed more toward guarding of shareholder value by maintaining discipline in CAPEX spending, ensuring risk-aware project selection.

In line with MOL’s risk management policy, no speculative transactions are allowed. Any derivative transaction the company may enter is under ISDA (International Swaps and Derivatives Association) agreements.

Key Exposures

Group Risk Management identifies and measures the key risk drivers and quantifies their impact on the group’s performance. MOL uses a bottom-up model for monitoring the key exposures. According to the model, the diesel crack spread, the dated Brent price and gasoline crack spread have the biggest contribution to the cash-flow volatility. The impact of

the FX rates through the key refined and petrochemical products on the cash-flow volatility is also significant. The top 10 risk drivers explain cca 80% of the total cash-flow volatility.

Commodity Price Risk Management

MOL Group as an integrated oil and gas company is exposed to commodity price risk on both the purchasing sales sides. The main commodity risks stem from long crude oil position to the extent of its group level production, long refinery margin position to the extent of the refined product volumes and long petrochemical margin position.

MOL can enter into hedging transactions for the above mentioned Corporate Level Objectives and Business Unit Objectives purposes only.

In 2008 MOL concluded short term commodity swap transactions for inventory hedging purposes. These transactions are initiated to reduce exposure to potential price movements during the refinery maintenance periods.

As of 31 December 2009 the fair value of the open commodity derivative transactions were HUF 302 million asset and HUF 255 million liability.

As of 31 December 2008 the fair value of the open commodity derivative transactions were HUF 371 million asset and HUF 125 million liability.

Foreign Currency Risk Management

The Company's oil business results in a long USD cash flow exposure, while its petrochemical business in a long EUR cash flow exposure. At group level, the Company has a net long USD, long EUR and short HUF, short SKK, short RUB, short HRK, short RON operating cash flow position.

When MOL is in high gearing status, the Company follows the basic economic currency risk management principle that the currency mix of the debt portfolio should reflect the net operating cash flow position of the Group.

The Company may use cross currency swaps to adjust the currency mix of the debt portfolio. As of 31 December 2008 and 2009 there were no open cross currency transactions.

The Company classifies its forward exchange contracts and currency exchange options either as fair value hedges, in case of debts, as cash-flow hedges in case a designated hedging relationship exists or as stand-alone derivatives and carries them at fair value.

As of 31 December 2009 the fair value of open currency exchange forwards was an asset of HUF 520 million.

As of 31 December 2008 the fair value of open currency exchange options was an asset of HUF 328 million.

Interest rate risk management

As an energy company, MOL has limited interest rate exposure. The ratio of fix/floating interest debt is determined by the Board of Directors on the basis of the suggestion of Group Risk Management from time to time, based on international best practice.

As result of the successful 750M EUR Bond transaction, the fixed portion of the total debt increased substantially. As of 31 December 2009 and 2008, 27.9% and 24.1% of the Company's debt was at fixed rates respectively.

The Company may use interest rate swaps to manage the relative level of the interest rate risk effect on its cash flow associated with floating interest-bearing borrowings.

As of 31 December 2009 and 2008, there was no open interest rate swap transaction.

Sensitivity analysis for key exposures

In line with the international practice, Group Risk Management prepares sensitivity analysis. According to the Financial Risk Management Model, the key sensitivities on MOL Group level are the following:Brent crude oil price, HUF/USD and HUF/EUR exchange rates, refining crack spread.

Other Exposures

Credit risk

The Company provides a variety of customers with products and services, none of whom, based on volume and creditworthiness, present significant credit risk. Company procedures ensure that sales are made to customers with appropriate credit history and do not exceed an acceptable credit exposure limit.

Liquidity risk

The Company policy is to maintain sufficient cash and cash equivalents or have available funding through an adequate amount of committed credit facilities to cover the liquidity risk in accordance with its financing strategy. The amount of undrawn credit facilities of the Company as of 31 December 2009 consists of the following:

	HUF million
Long - term loan facilities available (general corporate purpose loan facilities)	393,801
Short - term facilities available	21,683
Total loan facilities available	**415,484**

The main pillars of MOL Group's long-term funds are as follows, the EUR 1.5 billion, EUR 825 million and EUR 700 million syndicated multi-currency revolving loan facility, and the EUR 750 million Eurobond raised by MOL Plc. and USD 1 billion syndicated multi-currency revolving loan facility taken by INA.

Tanking into account the financial market situation MOL started its refinancing process of the EUR 2.1 billion syndicated multi-currency revolving loan facility maturing in 2010. In November, 2009 MOL signed a EUR 450 million forward start revolving facility agreement, which was increased to EUR 525 million in December. The facility will be available for the Company from 1 October 2010.

The tenor of the Forward Start Loan is 18 months which can be extended by 6 months upon to MOL's request. As part of this transaction EUR 600 million was cancelled out of the EUR 2.1 billion facility agreement, because it was largely undrawn.

As the diversification of funding is a high priority for MOL, it initiated negotiations with alternative lenders about raising further funding.

On 17 June 2009 MOL signed an 8 year, EUR 200 million loan agreement with EBRD (European Bank for Reconstruction and Development) to finance the strategic and commercial gas storage project.

The existing bank facilities ensure both sufficient level of liquidity and financial flexibility for the Group.

The system of the company's internal audit

The Financial and Risk-management Committee of the Board is responsible for the company's risk management and its supervision by receiving regular information on the efficiency of the risk management processes, making the necessary steps to determine the key risk areas, and determining the principles on the internal control systems.

In 2006 the General Assembly formed an Audit Committee from the independent members of the Supervisory Board. The Audit Committee performs its tasks as it is required by the corporate law.

The internal control system created by the management and described in Operational & Organisational Rules ensures the handling of the risks associated with the company's activities and achieving the corporate goals. It is the management's responsibility to create and maintain the control system.

The company formed an independent internal audit function that reports to the Financial and Risk-management Committee of the Board and informs the Audit Committee at the same time. The Internal Audit function reports the Financial and Risk-management Committee and the Audit Committee at least quarterly on the application of the internal controls. The Board identifies the potential control weaknesses and revises the related control activities using the reports submitted by Internal Audit. Internal Audit operates by an approved audit plan. The audit plan is proposed by the Financial and Risk-management Committee and it is approved by the Board.

Research and development

MOL Plc deals with technology and asset development, product development, environmental protection, and patent - invention development within the frameworks of research and development. MOL Plc spent HUF 1.5 bn on these developments in 2009. (2008 yearly spending amounted to HUF 1.4 bn)

Sustainable Development (SD) & Health, Safety and Environment (HSE)

Two years ago our Company successfully and organically integrated the principles of Sustainable Development into its operations, and these requirements are present in the corporate processes, targets, decision-making mechanism, and last but not least there is a professional team in our organisational structure that can coordinate and support these activities. Every business unit has now its own annual sustainability action plan as a clear result of the enhanced practice in this field. We have been participating in the SAM Benchmarking program for years, and we have been reporting our performance in

accordance with the so-called GRI (Global Reporting Initiative) standard. The Swiss SAM (Sustainable Asset Management) prepares the analysis relating to the Dow Jones Sustainability Index, and it has recently published its 2010 Sustainability Yearbook where MOL was the sole company from Central and Eastern Europe listed among the leading global companies and, based on its results, won the „Best Developing Company" award in the field of sustainability. Our report can meet the criteria for „B+" category according to GRI, and we have set the target to reach the „A+" level for 2010.

In addition to integrating SD into our operations our key priority in the recent years has been the HSE cultural change program, eliminating chances for default or error due to human factors in order that unwanted events can be avoided or prevented. We have closed the „Safe Workplaces" project specifically designed for this area, and we, of course, maintain and further develop the results using our own internal resources. 2009 and rather 2010 was and will be dedicated to implement standardised HSE risk management and the relevant methodologies. We have specifically designed and launched the COMPASS (Comprehensive Risk Assessment) project where we have developed ten internationally recognised methodologies that can cover all risk assessment areas related to workplaces, technologies, processes and the environment. Based on the identified HSE risks we will prepare a so-called risk map, which will present the most significant HSE risks with a list of priority. With the help of this map we will be able to plan our projects and maintenance operations related to safety, environment and health protection along a structure.
Simultaneously we continued implementing the „Process Safety Management" project also in 2009, and as a result detailed technological risk assessments were prepared in several operating units also in technologies, which are not subject to the SEVESO directive, and this is also a complex management system aiming at keeping the high-risk processes under control and managing eventually occurred changes, etc.

Analysis has clearly proved that the HSE risk of our employees can emerge not only in connection with the conditions at workplaces, but inappropriate way-of-life can also and organically contribute to unfavourable effects. In 2006 we launched the „Take a Step for your Health - STEP" health promotion program with the purpose to reduce the relevant risk factors based on voluntary participation. As a result of introducing new and new program elements we reached 56.4 % participation rate by 2009 and we could detect some improvements also in the absentee rate. We have received several awards and prizes with this health promotion program or its various elements in 2008 and 2009.

As a result of our environmental protection programs we could reach a level in 2009 when there was no overrun in legal requirements of emission into the air or effluents into surface waters, and we could minimise the risk of polluting the soil and groundwater as a result of ongoing storage tank reconstruction projects. Our responsibility also covers the protection of the global environment when we implement various actions in order to ensure compliance with the laws and regulations for reducing carbon dioxide emission with the purpose to mitigate the so-called greenhouse effect, as widely known in the society. We have spent significant funds for implementing the system for measuring the carbon dioxide emission, and thus we could secure the basic conditions for a certified CO2 report.

We carried on the elimination of cases of past pollution also in 2009, and we terminated deposits of hazardous wastes and went on in our operations to remediate pollution to soil and groundwater. MOL spent 1.25 bn HUF in 2009 for environmental liabilities arising from past operation.

Our responsibility also covers the range of our products, as implementation of the REACH program can guarantee a safer utilisation or consumption of such products, and it also helps us in better understanding of parameters, qualities and hazards embedded in these products.

In 2008 we renewed the basis of the corporate HSE management system, and the new structure can better fit to MOL new regulatory concept, and its revised content can better present and follow the requirements applied in the major global oil companies. In 2008 we also prepared MOL HSE Guideline, offering comprehensive expectations for the entire Group, as well as we identified 21 HSE topics described in details in the relevant specific group level procedures. In 2009 we issues and introduced the said 21 group-level regulations, and every business unit annually measures its compliance applying a self assessment method.

HSE performance in figures:

We are happy and proud to report that there was no fatal accident involving either MOL or sub-contractor's employees, and the sub-contractor pre-qualification audit system introduced in MOL could obviously contributed to this result.

Despite the tendency improving for some years the Lost Time Injury Frequency (LTIF) was less favourable in 2009, as in 2008 we had 1.08 accident per one million working hours, this index increased to 1.73 in 2009. However, most of the accidents were not of technology origin as a result of the continuous audits and corrective actions. In 2010 we dedicated special attention to these events, and we are striving for preventing and avoiding such events by improving the employees' awareness and organising safety campaigns.

At the same time we were successful in reducing the Road Accident Rate (RAR) and the index was 0.72, outstanding in benchmarking.

The number of occupational health diseases in 2009 dropped to zero versus one (1) in 2008 figure, and this is fully in line with the relevant corporate target. We maintain high level of occupational health system through preparing professional protocols and ensuring regular professional supervision for the doctors employed for such services.

The number of fire events showed stagnation in 2009 as we reported 8 fires in 2008 versus 7 in 2008, nevertheless the value involved in these events was significantly higher. We reviewed the status of fire protection actions in Hungary and identified the need for further local fire brigades in addition to the existing units in Százhalombatta and Tiszaújváros. Thus we established new fire fighting units at Algyő and Komárom controlled and operated by FER Fire Protection Ltd. (a MOL subsidiary), which are capable of providing adequate fire protection for our facilities located in the relevant regions.

The number of effluents exceeding 1 m3 increased, as we had 17 events in 2009 versus 11 in 2008. We, of course, always start remediation actions immediately following the event (mostly leakage of pipeline) in order that any eventual load onto the environment can be minimised.

Information on shareholders structure, treasury shares

Shareholder structure

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

Owner	*Number of shares (pcs.)*						*Total nominal value (HUF mn)*		*Share of ownership (%)*	
	"A" series shares		*"B" series shares*		*"C" series shares*					
	2008	*2009*	*2008*	*2009*	*2008*	*2009*	*2008*	*2009*	*2008*	*2009*
MNV Zrt.	33	33	1	1	0	0	*	*	*	*
Foreign institutional and private investors	76,134,650	81,633,580	0	0	0	0	76,135	81,634	72.84	78.10
Of which:										
Surgutneftegas OJSC	*	*22,179,488*	*0*	*0*	*0*	*0*	*	*22,179*	*	*21.22*
Bayericshe Hypo-und Vereinsbank AG.	*17,007,802*	*	*0*	*0*	*0*	*0*	*17,008*	*	*16.27*	*
Societe Generale	*4.601.059*	*	*0*	*0*	*0*	*0*	*4.601*	*	*4.40*	*
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*
BNP Paribas Arbitrage S.N.C.	*7,600,583*	*	*0*	*0*	*0*	*0*	*7,601*	*	*7.27*	*
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*		*4.99*
*Crescent Petroleum International****		*3,161,116*						*3,161*		*3.02*
*Dana gas PJSC****		*3,161,116*						*3,161*		*3.02*
Domestic institutional and private investors	19,602,436	15,450,134	0	0	0	0	19,602	15,450	18.76	14.76
Of which:										
OTP Bank Nyrt.	*8,857,438*	*6,707,832*	*0*	*0*	*0*	*0*	*8,857*	*6,708*	*8.47*	*6.42*
MOL Nyrt treasury shares	8,781,365	7,434,737	0	0	578	578	8,782	7,435	8.40	7.11
Total	**104,518,484**	**104,518,484**	**1**	**1**	**578**	**578**	**104,519**	**104,519**	**100.00**	**100.00**

The nominal value of series "A" and "B" shares is HUF 1,000, and of series "C" shares is HUF 1,001. Due to the higher nominal value, series "C" shares entitle their holders to 1.001 (one point one thousandth) of the 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 series "B", to which preferential voting right is attached. (MNV Zrt.'s registered office: 1133 Budapest, Pozsonyi út 56.)

* The owners had 0 % or less than 5 % interest in the given period.

** According to the announcement of ING Bank N.V. because of its indirect ownerships its controlled voting rights are above 5 percent.
*** Crescent Petroleum Company International and Dana Gas PJSC announced that they are parties acting in concern.

Data of accentuated investors with ownership above 5% in 31 December 2009

Name of the Company	Seat	Voting rights (%)	Corrected ownership due to Article of Association (%)
Surgutneftegas OJSC	628415 Surgut, Tyumenskaya Oblast Ul. Kukuyevitskogo 1.	22.85	10.00
CEZ MH B.V.	Veena 340, 3012NJ Rotterdam, The Netherlands	7.91	7.91
Oman Oil Budapest Limited	Ugland House, Grand Cayman, KYI-1104	7.54	7.54
OTP Bank Plc	1051 Budapest, Nádor utca 16.	6.91	6.91
Magnolia Finance Ltd.	22 Grenville Street, St Heiler, Jersey, Channel Islands, JE4 8PX	6.19	6.19
ING Bank N.V.	Bijlmerplein 888, Amsterdam Zuidoost, 1102 MG, The Netherlands	5.38	5.38
Crescent Petroleum Company International*	Crescent Tower, Buhaira, 20th. Sharjah, United Arab Emirates	3.26	3.26
Dana Gas PJSC*	Crescent Tower, Buhaira, 20th. Sharjah, United Arab Emirates	3.26	3.26

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

The statement above has been prepared on the basis of registration request and shareholder's announcements and does not reflect the ownership structure registered in the Share Registrar. The registration is not mandatory. Shareholder may exercise his voting right only if he is registered in the Share Registrar. Based on MOL's Articles of Association neither individual shareholder nor a group of shareholders may exercise voting rights above 10 percent

Information on treasury shares

Number of treasury shares held by MOL Plc 31 December 2008 and on 31 December 2009:

	"A"	"C"
31.12.2008	**8,781,365**	**578**
Settlement of ING option	1,404,217	
New option agreement with ING bank N.V.	(5,220,000)	
New treasury share lending agreement with MFB Invest Zrt	(4,965,582)	
Modification of the treasury share lending agreement with OTP Bank Plc.	5,010,501	
Share-exchange and shareswap agreements with OTP Bank Plc.	(5,010,501)	
Modification of the share lending agreement with OTP Bank Plc.	1,605,560	
Modification of the share lending agreement with MFB Invest Zrt.	4,665,582	
MOL paid 6,271,142 "A" series MOL shares for a 10% ownership package of Pearl	(6,271,142)	

Exercise of the call options regarding MOL shares held at BNP Paribas S.A.	7,552,874	
Sale of share on BSE to finance the share of MOL from the 2009 work program of Pearl project	(67,047)	
Share transfer to Dana Gas and Crescent Petroleum to finance the share of MOL from the 2009 work program of Pearl project	(51,090)	
31.12.2009	**7,434,737**	**578**

Changes in organisation and senior management:

The AGM approved the election of Dr. Sándor Csányi as a member of the Board of Directors from 29th April 2009 until 29th April 2014.
The AGM approved the election of Dr. Miklós Dobák as a member of the Board of Directors from 29th April 2009 until 29th April 2014.
The AGM dismissed Mr János Major from his position as employee member of the Supervisory Board from May 1, 2009.
The AGM elected Mr József Kohán as employee member of the Supervisory Board from May 1, 2009 to October 11, 2012.

Supply and Trading division has been set up as a result of restructuring the Gas and Power division from 1 July 2009. As a consequence of the successful aquisitions ofINA and IES, it is reasonable to establish an efficient, hydrocarbon and energy supply and trading division at a group level which is in line with the international oil companies' practice.

Sándor Fasimon was delegated to lead the new division, while Lajos Alács the former leader of the Gas and Power division became the director of Supply Chain Management and was elected to the Board of Directors of INA .

Mr László Geszti, the Chairman of the Board of Directors of INA, focuses on developments at INA, therefore, Mr László Piry was delegated to be the Executive Vice President of Retail of MOL Plc as of 1 October 2009. Mr Piry has worked as Polymer Marketing and Sales Manager of TVK Plc. since 7 June 2004.