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

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY

1117 Budapest, Október huszonharmadika u. 18.

2010

Annual Report

Budapest, March 24, 2011

ERNST & YOUNG

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Cg. 01-09-267553

This is a translation of the Hungarian Report

Independent Auditors' Report
on the annual financial statements presented to the shareholders' meeting for approval

To the Shareholders of MOL Hungarian Oil and Gas Plc.

1.) We have audited the accompanying 2010 annual financial statements of MOL Hungarian Oil and Gas Plc. ("the Company"), which comprises the balance sheet as at 31 December 2010 - showing a balance sheet total of HUF 2,948,816 million and a profit for the year of HUF 103,195 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 2009 on 25 March 2010.

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.

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 2010 and of the results of its operations for the year then ended. The business report corresponds to the disclosures in the financial statements.

ERNST & YOUNG

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 2000. C. accounting law based on its allowance described in § 4. (4) in order to harmonize field abandonment provisioning with the international industry practice.

9.) Without further qualifying our opinion, we draw attention to the fact that this independent auditor's report has been issued for consideration by the forthcoming shareholders' meeting for decision making purposes and, as such, does not reflect the impact, if any, of the resolutions to be adopted at that meeting. Accordingly, the accompanying annual financial statements and this independent auditor's report are not suitable, nor should be used, for statutory reporting and disclosure purposes.

Budapest, 24 March 2011.

(The original Hungarian language version has been signed.)

Judit Szilágyi
Registered Auditor
Chamber membership No.: 001368

Ernst & Young Kft.
Registration No.: 001165

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

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY

1117 Budapest, Október huszonharmadika u. 18.

2010

Annual Report

Zsolt Hernádi
Chief Executive Officer

József Molnár
Executive Vice President for Finance

Budapest, March 24, 2011

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY
Balance sheet for the year ending on 31 December 2010

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

datas in HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
A.	**NON-CURRENT ASSETS**	**1,972,693**	**(81)**	**2,085,434**
I.	**INTANGIBLE ASSETS**	**72,431**	**21**	**68,876**
1.	Capitalised cost of foundation and restructuring	0	0	0
2.	Capitalised research and development cost	1,437	0	1,962
3.	Property rights	2,059	0	1,889
4.	Intellectual property	11,868	21	11,566
5.	Goodwill	57,067	0	53,459
6.	Advances on intellectual property	0	0	0
7.	Revaluation of intangible assets	0	0	0
II.	**PROPERTY, PLANT AND EQUIPMENT**	**320,834**	**(106)**	**303,944**
1.	Land and building and related property rights	185,034	561	181,255
2.	Plant, machinery and vehicles	91,233	(36)	82,094
3.	Other equipment, fixtures and vehicles	6,800	30	5,718
4.	Livestock	0	0	0
5.	Assets under construction	37,693	(661)	34,759
6.	Advances on assets under construction	74	0	118
7.	Revaluation of property, plant and equipment	0	0	0
III.	**NON-CURRENT FINANCIAL INVESTMENTS**	**1,579,428**	**4**	**1,712,614**
1.	Long-term investments	1,090,286	4	1,104,346
2.	Long-term loans to related parties	366,150	0	473,386
3.	Other long-term investments	110,215	0	118,687
4.	Long-term loans to other investments	12,705	0	16,126
5.	Other long-term loans	72	0	69
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 24, 2011

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 2010

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

datas in HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
B.	**CURRENT ASSETS**	**739,363**	**(199)**	**835,310**
I.	**INVENTORIES**	**114,025**	**4**	**157,108**
1.	Raw materials and consumables	39,878	10	56,791
2.	Unfinished production and semi-finished products	31,887	0	48,774
3.	Grown, fattened and other livestock	0	0	0
4.	Finished products	33,504	0	42,908
5.	Merchandises	8,752	(6)	8,635
6.	Advances on stocks	4	0	0
II.	**RECEIVABLES**	**406,935**	**(203)**	**323,132**
1.	Receivables from the supply of goods and services (customers)	82,307	8	81,006
2.	Receivables from related parties	216,159	(128)	159,724
3.	Receivables from other investments	0	0	58
4.	Receivables from bills of exchange	0	0	0
5.	Other receivables	54,951	(83)	43,642
6.	Fair valuation difference of receivables	0	0	0
7.	Positive valuation difference of derivative transactions	53,518	0	38,702
III.	**SECURITIES**	**122,498**	**0**	**140,063**
1.	Investments in related parties	220	0	6
2.	Other investments	0	0	0
3.	Treasury shares	122,278	0	140,057
4.	Debt securities for trading purposes	0	0	0
5.	Fair valuation difference of securities	0	0	0
IV.	**CASH AND CASH EQUIVALENTS**	**95,905**	**0**	**215,007**
1.	Cash and cheques	1,150	0	1,197
2.	Bank accounts	94,755	0	213,810
C.	**PREPAYMENTS**	**26,185**	**(5)**	**28,072**
1.	Accrued income	4,996	(1)	8,619
2.	Prepaid cost and expenses	21,189	(4)	19,453
3.	Deferred expenses	0	0	0
TOTAL ASSETS		**2,738,241**	**(285)**	**2,948,816**

Budapest, March 24, 2011

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 2010

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datas in HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
D.	**SHAREHOLDERS' EQUITY**	**1,628,365**	**5,903**	**1,735,663**
I.	SHARE CAPITAL	104,519	0	104,519
	Of which: treasury shares at nominal value	7,435	0	7,435
II.	REGISTERED BUT UNPAID CAPITAL (-)	0	0	0
III.	SHARE PREMIUM	223,866	0	223,866
IV.	RETAINED EARNINGS	908,910	0	1,151,167
V.	TIED-UP RESERVE	138,054	0	152,916
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	253,016	5,903	103,195
E.	**PROVISIONS**	**131,802**	**5**	**137,281**
1.	Provisions for expected liabilities	131,802	5	137,281
2.	Provisions for future expenses	0	0	0
3.	Other provisions	0	0	0
F.	**LIABILITIES**	**962,191**	**(6,200)**	**1,046,311**
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**	**581,996**	**0**	**635,419**
1.	Long-term loans	0	0	0
2.	Convertible bonds	0	0	0
3.	Liability from bond issue	203,130	0	423,175
4.	Liabilities from capital investment and development loans	0	0	0
5.	Liabilities from other long-term loans	378,577	0	211,930
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	289	0	314

Budapest, March 24, 2011

Zsolt Hernádi
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József Molnár
Executive Vice President for Finance

MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY
Balance sheet for the year ending on 31 December 2010

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

Code	Description	Previous year	Adjustments for previous years	Current year
III.	**SHORT-TERM LIABILITIES**	**380,195**	**(6,200)**	**410,892**
1.	Short-term borrowings	0	0	0
	Of which: convertible bonds	0	0	0
2.	Short-term loans	98,149	0	56,069
3.	Advances from customers	1,141	0	5,560
4.	Liabilities from the supply of goods and services (suppliers)	104,806	44	127,936
5.	Bills of exchange	0	0	0
6.	Short-term liabilities to related parties	102,623	28	130,910
7.	Short-term liabilities to other investments	3	0	9
8.	Other short-term liabilities	67,816	(6,272)	61,941
9.	Fair valuation difference of liabilities	0	0	0
10.	Negative valuation difference of derivative transactions	5,657	0	28,467
G.	**ACCRUALS**	**15,883**	**7**	**29,561**
1.	Deferred revenues	93	0	3,383
2.	Accrued cost and expenses	8,344	36	21,223
3.	Other deferred income	7,446	(29)	4,955
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,738,241**	**(285)**	**2,948,816**

Budapest, March 24, 2011

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 2010

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

datas in HUF million

Code	Description	Previous year	Adjustments for previous years	Current year
01.	Net domestic sales revenue	1,501,656	(668)	1,641,286
02.	Net export sales revenue	354,645	22	519,792
I.	**NET SALES REVENUES**	**1,856,301**	**(646)**	**2,161,078**
03.	Changes in own produced inventory	(3,751)	0	26,291
04.	Work performed by the enterprise and capitalised	9,056	0	9,753
II.	**CAPITALISED OWN PERFORMANCE**	**5,305**	**0**	**36,044**
III.	**OTHER OPERATING INCOME**	**119,417**	**531**	**44,146**
	of which: reversed impairment	6,283	0	5,593
05.	Raw material costs	737,351	35	1,040,899
06.	Value of services used	88,151	(5)	89,573
07.	Other services	192,687	(6,443)	208,586
08.	Cost of goods sold	243,961	(2)	245,295
09.	Value of services sold (intermediated)	36,526	(2)	17,596
IV.	**MATERIAL EXPENSES**	**1,298,676**	**(6,417)**	**1,601,949**
10.	Wages and salaries	35,959	0	37,681
11.	Other personnel expenses	6,550	51	6,966
12.	Tax and contributions	12,263	2	11,401
V.	**PERSONNEL EXPENSES**	**54,772**	**53**	**56,048**
VI.	**DEPRECIATION**	**57,055**	**131**	**52,000**
VII.	**OTHER OPERATING EXPENSES**	**384,263**	**(26)**	**475,785**
	of which: impairment	12,973	0	47,328
A.	**PROFIT OR LOSS FROM OPERATING ACTIVITIES**	**186,257**	**6,144**	**55,486**

Budapest, March 24, 2011

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 2010

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

Code	Description	Previous year	Adjustments for previous	Current year
13.	Received (due) dividend	51,237	0	33,120
	of which: received from related parties	51,188	0	33,090
14.	Gain from the sale of investments	28,156	0	416
	of which: received from related parties	0	0	0
15.	Interest and exchange rate gains on financial investments	46,479	0	46,047
	of which: received from related parties	46,472	0	46,039
16.	Other received (due) interest and interest-type	12,710	0	9,565
	of which: received from related parties	3,831	0	3,996
17.	Other revenues of financial transactions	193,101	(4)	150,286
	of which: fair valuation difference	118,807	0	35,620
VIII.	**TOTAL FINANCIAL INCOME**	**331,683**	**(4)**	**239,434**
18.	Exchange rate loss on financial investments	841	0	0
	of which: to related parties	0	0	0
19.	Interest and interest-type expenses	20,055	0	27,504
	of which: to related parties	1,904	0	1,419
20.	Impairment on investments, securities, bank deposits	33,373	0	1,386
21.	Other financial expenses	192,780	3	152,465
	of which: fair valuation difference	29,516	0	35,770
IX.	**TOTAL FINANCIAL EXPENSES**	**247,049**	**3**	**178,583**
B.	**FINANCIAL PROFIT OR LOSS**	**84,634**	**(7)**	**60,851**
C.	**ORDINARY BUSINESS PROFIT**	**270,891**	**6,137**	**116,337**
X.	Extraordinary revenues	11,099	37	5,712
XI.	Extraordinary expenses	9,211	3	4,811
D.	**EXTRAORDINARY PROFIT OR LOSS**	**1,888**	**34**	**901**
E.	**PROFIT BEFORE TAXATION**	**272,779**	**6,171**	**117,238**
XII.	Income tax	19,763	268	14,043
F.	**PROFIT AFTER TAXATION**	**253,016**	**5,903**	**103,195**
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**	**253,016**	**5,903**	**103,195**

Budapest, March 24, 2011

Zsolt Hernádi
Chief Executive Officer

József Molnár
Executive Vice President for Finance

Statistical code: 10625790-1920-114-01
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MOL HUNGARIAN OIL AND GAS PUBLIC LIMITED COMPANY

1117 Budapest, Október huszonharmadika u. 18.

2010

Supplementary Notes

Zsolt Hernádi
Chief Executive Officer

József Molnár
Executive Vice President for Finance

Budapest, March 24, 2011

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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 2010 the Hungarian State has 1 "B" series share with a preferential vote and 43 "A" series shares, from 1 January 2008 through Hungarian State Holding Company (Hungarian abbreviation MNV Zrt.).

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

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

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

In 2010, domestic net crude oil production was 647.0 kilotons, and net natural gas production was 2,192 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 Company's refining activities also include the exclusive title to the approximately 848 km long crude oil and 1,356 km long product pipeline.

Duna Refinery processing crude oil and its annual nominal crude oil processing capacity was nearly 8.4 million tons in 2010, the actual distillation raw material refining in 2010 was 6.6 million tons. According to the study of Wood Mackenzie, the acclaimed advisor of the industry, Duna Refinery is one of the most efficient European refineries.

The Company's 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). On 31 December 2010, the Company had 364 fuel stations in Hungary, of which 333 were operated by partners (owned by MOL but operated by contractors selected in tenders), and 31 were operated in franchise system (operated with a MOL logo and product range, but not owned by MOL).

MOL has been included in the Dow Jones Sustainability World Index since September 20, 2010, as the sole company from the region, based on the evaluation of SAM (Sustainable Asset Management), Switzerland, the leading company specialised in global corporate sustainability analysis. In the course of the 2010 review, 112 oil companies were involved in the evaluation process, and MOL Group was among the selected top 12. MOL has been focusing on long term economic sustainability as a strategic issue by developing social and environmental issues that are critical to this sector.

2010 exploration projects

- MOL Plc. has finished the testing of the first well, Bijell-1 in Akri-Bijeel Block in the Kurdistan Region of Iraq. The testing results have proven the validity of our geological model. During the next two years, as a consequence of the results obtained from Bijeel 1 well, we will implement an appraisal program and also continue the exploration of the block potential with appropriate investment.
- MOL Plc. informed the capital market participants in November 2010 that MOL had made a new discovery of oil and gas in KPK Province of Pakistan from its exploratory well, Makori East-1, drilled in TAL Block. The full potential of the discovery is currently being analysed. 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 10% interest in the consortium.
- MOL and its partner, Expert Petroleum won licences for the three blocks they have applied for in the bid of the 10th Bid Round of Romania announced by the Romanian National Agency for Mineral Resources. The recently acquired 3 exploration blocks are together 3,434 square km, located in the western part of Romania, not far from the Hungarian border. The first working phase of the exploration is scheduled to start in 2011, and according to previous calculations, the blocks have very good oil and gas potential.

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*					
	2009.	*2010.*	*2009.*	*2010.*	*2009.*	*2010.*	*2009.*	*2010.*	*2009.*	*2010.*
MNV Zrt.	33	43	1	1	0	0	0	0	*	*
Foreign institutional and private investors	81,633,580	81,990,879	0	0	0	0	81,634	81,991	78.11	78.45
Of which:										
Surgutneftegas OJSC	*22,179,488*	*22,179,488*	*0*	*0*	*0*	*0*	*22,179*	*22,179*	*21.22*	*21.22*
CEZ MH B.V.	*7,677,285*	*7,677,285*	*0*	*0*	*0*	*0*	*7,677*	*7,677*	*7.35*	*7.35*
Oman Oil Budapest Limited	*7,316,294*	*7,316,294*	*0*	*0*	*0*	*0*	*7,316*	*7,316*	*7.00*	*7.00*
Magnolia Finance Ltd	*6,007,479*	*6,007,479*	*0*	*0*	*0*	*0*	*6,007*	*6,007*	*5.75*	*5.75*
*ING Bank N.V.***	*5,220,000*	*5,220,000*	*0*	*0*	*0*	*0*	*5,220*	*5,220*	*4.99*	*4.99*
*Crescent Petroleum Company International ****	*3,161,116*	*3,161,116*	*0*	*0*	*0*	*0*	*3,161*	*3,161*	*3.02*	*3.02*
*Dana Gas PJSC****	*3,161,116*	*3,161,116*	*0*	*0*	*0*	*0*	*3,161*	*3,161*	*3.02*	*3.02*
Domestic institutional and private investors	15,450,134	15,092,825	0	0	0	0	15,450	15,093	14.78	14.44
Of which:										
OTP Bank Plc	*6,707,832*	*6,446,999*	*0*	*0*	*0*	*0*	*6,708*	*6,447*	*6.42*	*6.17*
MOL Plc. treasury shares	7,434,737	7,434,737	0	0	578	578	7,435	7,435	7.11	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.)

* MNV Zrt.'s participation is less than 1%.

** 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 Articles 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.	6.64	6.64
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 accurately 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 Articles 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 Article 155 section (2) of the Accounting Act, the audit of Financial Statements is compulsory for the Company, year-end and interim financial statements are audited.
In 2010 MOL paid HUF 156 million for the audit of the year-end and interim financial statements. Furthermore HUF 31 million for tax advisory services and HUF 38 million for other non audit type services was paid to the Auditor.

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

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

3.2. Method and time schedule for report preparation

The preparation of the 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 also the booking tasks of any corrective adjustment necessary pursuant to the consequences of business events incurred between the balance sheet date and the balance sheet preparation date and to the changes in the market conditions.

In line with the scheduling of processes for closing the year of 2010, the date for preparing the balance sheet of the Company was set for *16 January 2011*.

3.3. The form of Balance Sheet and the Income Statement

Form of the balance sheet

In line with Article 20 section (1) of the Accounting Act, MOL Plc. compiles a balance sheet linked to the annual report, according to version "A" 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:
The significant part of the changes made in the Accounting Act in the course of 2009 – for which early implementation was permitted – were already integrated into the Accounting Policy (hereinafter referred to as 'AP') of 2009. The following amendment was introduced in 2010:

- Contrary to the previous regulations, – according to which discounts had to be accounted at the same time when financially settled – following the amendment rebates granted/received shall be included in the balance sheet as receivables or liabilities when the entity becomes eligible for the discount.

Accounting effects of the new systems introduced at the Company

- Handling and accounting rules of the recently introduced zero-balancing cash pool system have been included in the rules applicable to cash and cash equivalents.

Other changes:

- The valuation methodology of assets and liabilities denominated in foreign currency has been reviewed and revised. Some amendments are about changing the formerly used accounting methodology, the main point of which is that in case an existing asset or liability changes category, from accounting aspect it should be evaluated as if it were a new acquisition, and its value in HUF shall be calculated using the official exchange rate published by the National Bank of Hungary (hereinafter NBH).
- Useful time defined in business plans has been included in the definition of depreciation periods applicable for 'Concessions, licences and similar rights' – in line with practice.
- Disposal of shares – in line with the actual practice – has been included in the titles of booking unscheduled depreciation of goodwill.
- Definition of advances given on services and other liabilities has been adjusted.

- The definition of comparative prices applicable for own produced refinery products has been included in the inventory valuation rules.
- Certain fees defined in loan agreements have been included in the titles used for booking prepaid costs and expenses.
- In line with commercial practice, rules for accounting for and release of provisions recognized for covering carbon-dioxide emissions – as defined future commitments – have been detailed.

The amendments made to the Accounting Policy do not have significant effect on the 2010 balance sheet or income statement of MOL Plc.

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 scheduled and unscheduled depreciation and impairment, the recognition and 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 (deposit) 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. Later 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 realisation 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 the sale of redundant inventory when preparing the balance sheet, 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.
  For own produced refinery inventories the comparative price is the market price estimated by the company based on the estimated relevant listed prices, the premium stated in the commercial contracts and established according to trading potential as well as the exchange rate fluctuation premises.
  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* (by item).

  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 is at least *HUF 100 million (by item)*.

  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.

The 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:

- Emission 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 the FIFO method.
Impairment shall be recorded when the 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 NBH's official exchange rate at the end of the year).
Accounted impairment is deemed significant if it 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 NBH 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 NBH 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.

Purchase value of long-term investments acquired for foreign exchange:

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

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

Long-term 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 [Companies Act, Article 127 section (4)],
   - the date of put in possession of shares, in case of purchase of shares, prepared typographically,
   - the date of credit entry on the security account, in case of the purchase of non-material shares

   The point of time when the 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 (e.g., the 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).

Regarding investments in subsidiaries or jointly controlled companies, the value of the participation (adjusted with goodwill and any loan given to them) is compared to the potential realisable value of the investment. If MOL's participation in shareholders' equity is lower than the book value of the investment adjusted with the value of goodwill and loans given, the realizable value of the investment will always be determined.
Impairment will be recognized if:

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

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 long-term loan given will be impaired

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.

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).

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.

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

Repurchased treasury shares are valued at the weighted average price determined by groups. The group includes similar type of repurchased 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.

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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. gearing ratio, 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.

The historic value of receivables and loans in foreign exchange is the HUF value effective on the date of registration, published by NBH.

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.

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

The Company's bank accounts are managed in two different cash pool systems (notional or zero balancing). In both systems the pool main account for limited purposes is owned by the Company, and the transactions of the subsidiaries and the Company as a pool member are managed on the related sub-accounts.

Notional cash pool (NCP) in the accounting practice:
If at the end of the period (month) the cash pool main account

- has negative balance MOL recognizes a bank loan, and any difference between the negative balance of the cash pool main account and the MOL cash pool sub-account is recorded as a loan received from, or given to, the subsidiary,
- has positive balance, MOL indicates the cash pool sub-account balance as a cash or cash equivalent if the figure is positive or as a loan from the subsidiary if it is negative.

MOL accounts the interest settled by the bank based on the cash pool sub-account balance as interest received from/paid to subsidiaries or the bank against financial income or financial expense.

Zero balancing cash pool (ZBCP) in the accounting practice:
The Company reports the positive balance of the main account as cash and cash equivalent, and the negative balance as an overdraft facility.
The Company accounts the interest payable or earned on the basis of the pool main account balance as interest received from or payable to the bank, against financial income or financial expense.
The Company reports the cumulated balance of the amounts transferred from the subsidiary sub-accounts as loans received from or given to subsidiaries.
Any interest paid/received based on the sub-account balances is accounted as interest paid to/received from subsidiaries and banks, against financial income or financial expense.
If the conditions specified in the Zero balancing cash pool agreement prevail, the receivables from/liabilities to subsidiaries will be taken out from the cash pool settlement and will be stated as a loan given to or received from the subsidiary pursuant to the bilateral agreement between MOL and the subsidiaries.

In case of exchange of *liabilities denominated in foreign exchange*, the new liability is converted into HUF by using the NBH official FX rate applicable on the settlement date of the agreement of the new liability.
In case of loan exchange transactions, when only the foreign exchange in which the loan is denominated is modified, the new FX loan is converted into HUF by using NBH 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 into HUF at the book exchange rate of the given asset, while established reversals are converted into HUF at the weighted average exchange rate of impairments, less reversals. Impairment and reversal are accounted for before the year-end total foreign exchange revaluation.

3.4.3. Depreciation policy

Change in depreciation policy:
Regarding the proven and economically recoverable hydrocarbon inventories involved in production, instead of the previously applied SEC (Securities and Exchange Commission) method, MOL Plc. now applies the SPE (Society of Petroleum Engineers) calculation method to determine value of the scheduled and unscheduled depreciation and its reversal of buildings and structures serving one mine (oil and/or natural gas field) and provisions recognised for the abandonment obligations of fields, capitalised as fixed assets.
The effect of the revision on the balance sheet and income statement is disclosed in Note 8 of the Supplementary Notes.

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

In respect of property, plant and equipment, MOL Plc. usually applies *linear depreciation* based on the gross value; with the exception of assets that may be allocated only to one mine (excluding the 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.

LPG 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 LPG 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. The Company deviates from the depreciation rates defined in the regulation on the basis of individual valuation, in case of different usage characteristics, based on written technical qualification.

The economic useful life of assets are as follows: 10-50 years for buildings, 4-12.5 years for refinery 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 2010 is disclosed in Note 9.)

The Company does not recognise scheduled 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, and their depreciation should be accounted by parts, taking their useful life into account. The assets should be divided if the technical useful life of the main parts differs from the useful life of the assets determined by the Company. 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 anymore 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 MOL-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.

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

- any CO2 emission uncovered as a result of the sale of CO2 emission rights, received free of charge, and
- CO2 emission in the current year, not covered by the emission rights received free of charge for the current year (surplus emission).

The amount of provision is assessed based on not covered emission and market price at balance sheet date.
The recognised provisions are proportionately released when the Company fulfils its return obligation arising from the statutory regulations with purchased CO2 emission rights, either in part or in full.

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 Regular Customer point collection scheme and the Multipoint point collection scheme operated with other companies.

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 Article 4 section (4) of the Accounting Law in the Company financial statements for year 2010

In the course of the preparation of the 2005 annual financial statements, the Company departed from Article 41 section (1) of the accounting law based on its allowance described in Article 4 section(4) to give a true and fair view of the equity and financial position of MOL Plc. as at 31 December 2005 and of the results of its operations for the year then ended. Consequently, in order to appropriately match the expenditure with the related revenue, provision for field abandonment in the amount of HUF 50,076 million had been recognised as an increase of property plant and equipment, instead of charging the amount directly to 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 2010 the property plant and equipment is presented with a higher value of HUF 10,397 million. The Company made a capital reserve (in the amount of HUF 10,397 million) corresponding to the capitalised field abandonment provision included in the net balance of property, plant and equipment as of 31 December 2010 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 tables and formula 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	*2009*	*2010*	*Breakdown (%)*		*Change (%)*
			2009	*2010*	
Non-current assets	1,972,693	2,085,434	72.04	70.72	5.72
Current assets	739,363	835,310	27.00	28.33	12.98
Accruals and prepayments	26,185	28,072	0.96	0.95	7.21
Total:	2,738,241	2,948,816	100.00	100.00	7.69

The Company's assets increased to a small extent essentially due to the growth in non-current assets and bank deposits within the current assets.
Within the non-current assets, the biggest change occurred in financial investments (+HUF 133.2 billion). The long-term participations in subsidiaries increased by HUF 18.7 billion, of which HUF 13.3 billion related to capital increases and acquisitions, HUF 20.7 billion was the result of revaluation of the participation, reduced by the rise in impairment accounted on investments in 2010 (HUF 16.4 billion) primarily in relation to foreign exploration subsidiaries. The long-term loans have continued to rise since 2009 (+HUF 110.7 billion). The increase in such loans since 2009 primarily involved the loans extended to the following subsidiaries in 2010: HUF 31.1 billion to foreign subsidiaries of the exploration portfolio and HUF 97.9 billion and 41.4 billion to MMBF Zrt. and FGSZ Zrt. The increase in long-term loans was offset by the restatement of part of the loan into short-term receivables (INA d.d. HUF 35.5 billion, MMBF Zrt. HUF 8.0 billion), and the expansion of the impairment on long-term loans to subsidiaries (HUF 32.9 billion), of which 32.7 billion impairment was recognised on foreign exploration subsidiaries.
The change in current assets resulted primarily from an increase in bank deposits, more specifically, foreign currency deposit balances. The higher deposit portfolio also reflects the Company's successful attempts to retain financial stability and sufficient liquidity despite the extended crisis. The restructuring of assets was another endeavour for the same purpose, as a result of which the ratio of current assets within total assets was higher in 2010 than in 2009.

4.1.2. Capital structure

Liabilities

Description	*2009*	*2010*	*Breakdown (%)*		*Change (%)*
			2009	*2010*	
Shareholders' equity	1,628,365	1,735,663	59.47	58.86	6.59
Provisions	131,802	137,281	4.81	4.66	4.16
Liabilities	962,191	1,046,311	35.14	35.48	8.74
Accruals	15,883	29,561	0.58	1.0	86.12
Total:	2,738,241	2,948,816	100.00	100.00	7.69

There was no significant change in the liability structure between 2009 and 2010. The available funds were higher than in the base year in 2010 owing to the 2010 net profit, which increased the shareholders' equity, and an increase in long-term liabilities, resulting from further diversification of the sources of financing (repayment of long-term loans and bond issue in 2010) and the extension of the average tenor of the loan portfolio.
The short-term liabilities have also gone up since the base year (+HUF 30.7 billion). This was the result of the increase in liabilities to related parties (+HUF 28.3 billion), the supply of goods and the revaluation of hedge transactions, which was slightly offset by the decline in short-term loans (HUF -42.2 billion).
The accruals were higher in the base year because of the interest of the interest on the EUR 750 million Eurobond, issued on 20 April 2010, accrued for 2010.

Internal structure of shareholders' equity

Description	*2009*	*2010*	*Breakdown (%)*		*Change (%)*
			2009	*2010*	
Share capital	104,519	104,519	6.42	6.02	0.00
Share premium	223,866	223,866	13.75	12.90	0.00
Retained earnings	908,910	1,151,167	55.81	66.32	26.65
Tied-up reserve	138,054	152,916	8.48	8.81	10.77
Fair valuation reserve	0	0	0.00	0.00	-
Net income for the period	253,016	103,195	15.54	5.95	(59.21)
Total:	1,628,365	1,735,663	100.00	100.00	6.59

The shareholders' equity rise reflects mainly the effect of the net income of 2010.

4.1.3. Revenues

Description	*2009*	*2010*	*Breakdown (%)*		*Change (%)*
			2009	*2010*	
Net domestic sales revenues	1,501,656	1,641,286	80.90	75.95	9.30
Net export sales revenues	354,645	519,792	19.10	24.05	46.57
Total net sales revenues	1,856,301	2,161,078	100.00	100.00	16.42

In 2010 the net sales revenue increase by 16.4% over the base year. The retail and wholesale revenue from crude oil products and related services - which amounted to 91.4 % from the total net sales revenue - decreased by 21.7 % compared to 2009.
Domestic net sales revenue of crude oil products (including hydrocarbon products, LPG and purchased hydrocarbon product sales) decreased by 13.3 % compared to the basic year, mainly driven by the rise in crude oil products' quoted prices.
The increase of 52.4 % in the export net sales revenue of crude oil products was essentially caused by the volume increase of 23.8 %, but the higher quoted prices of crude oil products took also a part in the increase.
The natural gas sales revenue went down slightly, by 4.3 % since 2009, which was caused mainly by decrease 5.4 % in the sales volume, the negative effect of which was reduced by and by the higher natural gas sales price than in the base year.

4.1.4. Costs, expenditures compared to revenue

Description	*2009*	*2010*	*Breakdown (%)*		*Change (%)*
			2009	*2010*	
Net sales revenues	1,856,301	2,161,078	100.00	100.00	16.42
Raw material costs	737,351	1,040,899	39.72	48.17	41.17
Value of services used	88,151	89,573	4.75	4.14	1.61
Other services	192,687	208,586	10.38	9.65	8.25
Cost of goods sold	243,961	245,295	13.14	11.35	0.55
Value of services sold (intermediated)	36,526	17,596	1.97	0.81	(51.83)
Material type expenses	1,298,676	1,601,949	69.96	74.13	23.35
Payroll expenses	35,959	37,681	1.94	1.74	4.79
Other personnel-type expenses	6,550	6,966	0.35	0.32	6.35
Tax and contributions	12,263	11,401	0.66	0.53	(7.03)
Personnel-type expenses	54,772	56,048	2.95	2.59	2.33
Depreciation	57,055	52,000	3.07	2.41	(8.86)
Other operating expenses	384,263	475,785	20.70	22.02	23.82
Total costs and expenses:	1,794,766	2,185,782	96.69	101.14	21.79

The costs and expenditures in proportion to the net sales revenues showed 21.8 %-point increase compared to 2009, while sales revenues exceeded the level of the base period by 16.4 %.

Increase of material type expenditures (HUF +303.3 billion) was primarily caused by the change of material cost (HUF +303.5 billion) mainly as a result of the costs of purchased production materials, including crude oil purchase prices and the increase in other production material cost related to crude prices. That fact that the services used increased by less than the rate of inflation was also due to the success of strict cost management. The main item in the increase of other services was the HUF 19.5 billion higher mining royalty than 2009, resulting mainly from the natural gas price increase, yet it was significantly reduced by the impact of the lower sales volume.

Personnel type expenditures exceeded the 2009 figure by 2.3 %. Most increase occurred in payroll expenses. The base wages of the staff have gone up by 1.4 % since the base period as an overall result of the savings caused by the 0.7 % reduction in the total headcount and the annual wage increase.

The change in accounted depreciation primarily related to the lower depreciation of the production wells and pipelines related to the increase in the economically recoverable HC reserves, but the decrease became even greater with the depreciation reducing effect of the review in 2010 of the field abandonment provisions, capitalised as assets (HUF -3.2 billion).

The HUF 91.5 billion rise in other expenditures over the base year was due to two 2010 items. One item was the retrospective mining royalty payment obligation, imposed in the European Commission decision (HUF 30.4 billion) and the other was the energy sector extra tax, imposed on the Hungarian energy sector by the state (HUF 25.0 billion). Another factor that gave a significant boost to expenditures was the HUF 29.1 billion increase in impairment recognised on loans to related parties compared to the base year.

4.1.5. Financial indicators

Equity ratio

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

2009	*2010*
$\frac{1,628,365}{2,738,241} = 59.47\ \%$	$\frac{1,735,663}{2,948,816} = 58.86\ \%$

The indicator was close to the base year's figure, and more than 50% of the increase in the total liabilities was the increase of the shareholders' equity.

4.1.6. Current and non-current assets ratio

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

2009	*2010*
$\frac{765,548}{1,972,693} = 38.81\ \%$	$\frac{863,382}{2,085,434} = 41.40\ \%$

This indicator was influenced primarily by the expansion of current assets, driven mainly by the deposit balances which were higher than in the base year, reflecting the Company's endeavours to retain financial stability.

4.2. Financial position

Acid liquidity ratio

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

2009	*2010*
$\frac{625,338}{388,539} = 1.61$	$\frac{678,202}{432,115} = 1.57$

The liquidity ratio of the Company decreased slightly compared to the previous year, which even so exceeds the minimum acceptable level (1.0) The total amount of the cash and cash equivalents, receivables and securities increased by 8.5 % year-on-year mainly as a result of a considerable rise in cash equivalents, more specifically bank deposits. On the other hand, the 11.2 % growth in short-term liabilities and accrued costs and expenses had an unfavourable impact on the indicator. The short-term liabilities were higher (+HUF 30.7 billion) primarily in relation to the higher liabilities to related parties (+HUF 28.3 billion) and higher accounts payable (caused primarily by the higher price of purchased oil than in the base year) as well as the increase in liabilities arising from the revaluation of hedge transactions. This impact was slightly offset by a decline in short-term loans (HUF - 42.1 billion). The accrued costs and expenses have gone up because the accrued interests were also higher than in the base year.

Debtor's days

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

2009	*2010*
$\frac{141{,}906}{5{,}086} = 27.90$	$\frac{192{,}555}{5{,}921} = 32.52$

In 2010, the debtor's days were higher than in the base period. This change was caused by the faster increase of the average trade debtors/one-day revenues, and reflected the impact of the crisis in the increase of overdue receivables.

4.3. Profitability indicators

Asset efficiency

$$\frac{\text{Profit before tax + interests and interest-type expenses}}{\text{Chronological average of assets}} * 100$$

2009	*2010*
$\frac{292{,}834}{2{,}834{,}937} = 10.33\ \%$	$\frac{144{,}742}{2{,}942{,}723} = 4.92\ \%$

In 2010, the indicator dropped because of the lower profit before taxation (from HUF 272.8 billion to HUF 117.2 billion) and the 3.8 % increase in the chronological average of assets. The main factor in the considerable drop in profits was the lower operating profit, which was influenced also by payments including the retrospective mining royalty, imposed pursuant to a EU decision (HUF 30.4 billion) and the energy sector extra tax, introduced in 2010 (HUF 25.0 billion). The gap between the two periods was increased by the derecognition of impairment upon the return of the lent shares from the other expenditures, where it was accounted previously, causing a HUF 66.4 billion rise among the other revenues in 2009, and the significantly higher impairment recognised on long-term loans to foreign subsidiaries in 2010 (+HUF 29.1 billion). The increase of the chronological average of assets was mainly the result of the increase of the 2010 opening balance and cash and cash equivalents (bank deposits) over the base year.

4.4. Return and performance indicators

Return on assets

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

2009	*2010*
$\frac{253{,}016}{2{,}738{,}241} = 9.24\ \%$	$\frac{103{,}195}{2{,}948{,}816} = 3.50\ \%$

The significantly lower indicator reflects the overall impact of the lower operating profit, caused by the reasons described above, and the higher asset value than in the base year. The increase of the asset value was mainly due to more financial investments (+HUF 133.2 billion) and higher deposit balances than in the base year (+HUF 119.1 billion), of which the latter contributed to stronger financial stability.

ROACE (Return on Average Capital Employed)

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

2009		*2010*	
$\frac{139,432}{618,976}$	=22.53 %	$\frac{42,203}{533,293}$	=7.91 %

The considerable decrease of 14.62 % point in the indicator value was basically driven by the 69.7 % decrease in operating profit after tax. The decline of the operating profit over the base year was caused mainly by the payment of the retrospective mining royalty (HUF 30.4 billion), the energy sector extra tax, introduced in 2010 (HUF 25.0 billion) and the higher impairment on receivables (+HUF 34.4 billion). The gap was further increased by the derecognition in 2009 of the impairment recognised on lent shares and accounted among the other expenditures in the previous periods, which drove up the other revenues in 2009 by HUF 66.4 billion.
The 13.8 % drop in fixed capital slightly offset the reduction of this indicator. However, the lower average fixed capital was primarily the result of the lower short-term loan demand, triggered by the improving liquidity position and the lower fixed assets, which decreased parallel to a temporary reduction in capital investments.

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

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

2009		*2010*	
$\frac{243,312}{1,856,301}$	= 13.11 %	$\frac{107,486}{2,161,078}$	= 4.97 %

The EBITDA ratio decreased in 2010 as a result of the HUF 135.8 billion (+ 55.8 %) drop in EBITDA, which also included HUF 304.8 billion (16.4 %) increase in net sales revenues. The data of the income statement show that the majority of the net sales revenues were used for the operating expenses, the profit adjustments of one-off items (retrospective mining royalty payment, HUF 30.4 billion, introduced crisis tax in 2010, HUF 25.0 billion, and the impact of the derecognition in 2009 of the impairment upon the return the lent shares, accounted previously, HUF66.4 billion).

Gearing ratio

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

2009		*2010*	
$\frac{512,522}{2,140,887}$	= 23.94 %	$\frac{380,684}{2,116,347}$	=17.99 %

The gearing ratio showed an improvement compared to the last year, in which mainly the decrease in liabilities and, to a lesser extent, the Shareholders' equity increase took a part. The main factor of the net loan portfolio being lower than in the base year was the bank deposit balance reported among the cash and cash equivalents, which was significantly higher than in the base year (HUF 119.1 billion), and reflected the attempts towards financial stability. Another cause of the further reduction of the net debt was the higher securities portfolio (HUF 17.6 billion) which was slightly offset by the slight increase in short and long-term loans, bonds and credits (HUF 4.8 billion). The shareholders' equity was HUF 107.3 billion higher than in the base year, mainly as a result of the HUF 103.2 billion net profit, earned in 2010.

5. Cash Flow Statement

HUF million

Description	*2009*	*2010*
Profit before taxation	272,779	117,238
Dividend received	(51,237)	(33,120)
Research expenses	11,494	14,384
Exchange rate difference	204	(13,369)
Fair valuation difference	(33,351)	10,234
Profit without cash flow	51,846	0
Final (not revocable) asset transfer	(195)	(891)
Adjusted profit before taxation	251,540	94,476
Depreciation and impairment	65,638	56,585
Write off and reversal	(37,768)	30,450
Provision recognition and release, net	11,050	8,715
Gain or loss, realised on sale of non-current assets	(141)	(436)
Change of liabilities to suppliers	(7,164)	25,837
Change of other short-term liabilities	(21,025)	27,412
Change of accruals	(1,099)	13,672
Change of trade receivables	(33,020)	(11,275)
Change of current assets (excluding trade receivables and cash)	(92,744)	119,898
Change of prepayments	(7,202)	(1,798)
Change of reserves	(3,097)	(1,800)
Corporate tax paid, payable, energy companies' income tax, solidarity surplus	(11,451)	(17,291)
Dividend paid, payable	(224)	(19)
Operating cash flow	113,293	344,426
Purchase of non-current assets	(33,052)	(35,263)
Purchase of non-current financial investments	(94,966)	(184,310)
Sale of non-current assets	455	615
Final (not repayable) cash and cash equivalent given	(141)	(1,144)
Research expenses	(11,494)	(14,384)
Dividend received	51,237	33,120
Investment cash flow	(87,961)	(201,366)
Bonds and debt securities	0	203,913
Long-term loans received	499,016	353.070
Non repayable cash received	18	498
Repayment of long-term credits and loans	(613,101)	(575,147)
Change of short-term credits and loans	16,473	(6,292)
Financing cash flow	(97,594)	(23,958)
Change of cash	(72,262)	119,102

* The solidarity surplus tax imposed on the company was eliminated on 1 January 2011.

6. Intangible assets

Gross book value HUF million

Movements	*Capitalised research and development cost*	*Property rights*	*Intellectual property*	*Goodwill*	*Total intangible assets*
Opening balance 01.01.2009	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 scrapping, damages and 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
Increase due to purchases	872	2,239	843	0	3,954
Increase due to reclassification	0	4	3,079	0	3,083
Other increase	0	0	51	0	51
Decrease due to sales	0	(14)	(789)	0	(803)
Decrease due to scrapping, damages and shortages	(10)	(12)	(1,410)	0	(1,432)
Decrease due to reclassification	(337)	(1,602)	0	0	(1,939)
Other decrease	0	0	0	-2,759**	(2,759)
Closing balance 31.12.2010	1,962	5,133	46,242	57,920	111,257

* Goodwill recognised at the time when the Company acquired qualified majority of Roth Heizöle GmbH.
** The goodwill capitalised on Roth Heizöle GmbH was derecognised when the participation was used as contribution in kind.

Depreciation HUF million

Movements	*Capitalised research and development cost*	*Property rights*	*Intellectual property*	*Goodwill*	*Total intangible assets*
Opening balance of 01.01.2009	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 and 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*
Increase of depreciation	0	806	4,150	0	4,956
Increase of impairment based on market valuation	0	0	8	849*	857
Increase of impairment	10	0	29	2,759**	2,798
Increase due to reclassification	0	1	2	0	3
Other increase	0	0	23	0	23
Decrease due to sales	0	(8)	(726)	0	(734)
Decrease due to scrapping, damages and shortages	(10)	(12)	(1,410)	0	(1,432)
Decrease due to reclassification	0	(2)	0	0	(2)
Other decrease	0	0	0	-2,759**	(2,759)
Closing balance 31.122010	0	3,244	34,676	4,461	42,381
Of which: Depreciation	*0*	*3,189*	*34,350*	*0*	*37,539*
Impairment	*0*	*55*	*326*	*4,461*	*4,842*

Net book value as of 31.12.2009	1,437	2,059	11,868	57,067	72,431
Net book value as of 31.12.2010	1,962	1,889	11,566	53,459	68,876

* Extraordinary depreciation recognised on the goodwill of TIFON d.o.o. based on the valuation on the cut-off date.

** Accounting of extraordinary depreciation of the goodwill capitalised on Roth Heizöle GmbH and its derecognition, as the investment was used as contribution in kind.

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 01.01.2009	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
Increase due to capital expenditure	0	0	0	34,202	34,202
Capitalisation	20,555	13,630	1,284	(35,469)	0
Increase due to reclassification	61	52	14	354	481
Other increase	8	6	13	412	439
Decrease due to sales	(133)	(435)	(500)	0	(1,068)
Decrease due to scrapping, damages and shortages	(193)	(3,132)	(490)	(346)	(4,161)
Decrease due to contribution in kind or transfers free of charge	0	(87)	(92)	(340)	(519)
Decrease due to reclassification	(1,162)	(18)	0	(1,156)	(2,336)
Other decrease	(1,285)*	0	(13)	(481)	(1,779)
Closing balance 31.12.2010	488,786	384,582	43,780	34,943	952,091

Items marked with * contain changes in field abandonment provisions capitalised in the value of mining properties. See section 3.4.6. for further details.

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 01.012009	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*
Increase of depreciation	22,588	22,200	2,256	0	47,044
Increase of impairment based on market valuation	2,210*	10	0	66	2,286
Increase of impairment due to scrapping, damages and shortages	29	542	5	346	922
Increase due to reclassification	14	45	12	0	71
Other increase	18	73	48	0	139
Reversal of impairment	(2,188)*	(89)	(1)	0	(2,278)
Decrease due to sales	(111)	(401)	(446)	0	(958)
Decrease due to scrapping, damages and shortages	(193)	(3,132)	(490)	(346)	(4,161)
Decrease due to contributions in kind and transfers free of charge	0	(86)	(71)	0	(157)
Decrease due to reclassification	(701)	(7)	(4)	0	(712)
Other decrease	(36)	0	(11)	0	(47)
Closing balance 31.12.2010	307,531	302,488	38,062	66	648,147
Of which: Depreciation	*286,492*	*301,250*	*37,990*	*1*	*625,733*
Impairment	*21,039*	*1,238*	*72*	*65*	*22,414*

Net book value as of 31.12.2009	185,034	91,233	6,800	37,767	320,834
Net book value as of 31.12.2010	181,255	82,094	5,718	34,877	303,944

Items marked with * contain the extraordinary depreciation of the impairment field abandonment provision capitalised in the value of mining properties, or rather the reverse of previous years' impairment. See also section 3.4.6.

8. Depreciation

Depreciation HUF million

Description	*Straight-line*		*Unit of production*		*Lump sum*		*Total value*	
	2009	*2010*	*2009*	*2010*	*2009*	*2010*	*2009*	*2010*
Capitalised research and development costs	0	0	0	0	0	0	0	0
Property rights	703	742	0	0	19	64	722	806
Intellectual property	3,457	4,149	0	0	1	1	3,458	4,150
Intangible assets	4,160	4,891	0	0	20	65	4,180	4,956
Land and building and related property rights	11,448	11,577	14,337	11,011	0	0	25,785	22,588
Plant, machinery and vehicles	21,850	19,856	2,299	2,340	9	4	24,158	22,200
Other equipment, fixtures and vehicles	2,798	2,104	0	0	134	152	2,932	2,256
Property, plant and equipment	36,096	33,537	16,636	13,351	143	156	52,875	47,044
Total:	40,256	38,428	16,636	13,351	163	221	57,055	52,000

Extraordinary depreciation, impairment and reversal HUF million

Description	*Impairment based on market valuation*		*Impairment due to scrapping, damages and shortages*		*Reversal of impairment*		*Total value*	
	2009	*2010*	*2009*	*2010*	*2009*	*2010*	*2009*	*2010*
Capitalised research and development costs	0	0	13	10	0	0	13	10
Property rights	0	0	1	0	0	0	1	0
Intellectual property	10	8	617	29	0	0	627	37
Goodwill	3,612	849	0	2,759	0	0	3,612	3,608
Intangible assets	3,622	857	631	2,798	0	0	4,253	3,655
Land and building and related property rights	4,254	2,210	54	29	1,227	2,188	3,081	51
Plant, machinery and vehicles	38	10	1,174	542	41	89	1,171	463
Other equipment, fixtures and vehicles	9	0	16	5	1	1	24	4
Assets under construction	0	66	54	346	0	0	54	412
Property, plant and equipment	4,301	2,286	1,298	922	1,269	2,278	4,330	930
Total:	7,923	3,143	1,929	3,720	1,269	2,278	8,583	4,585

Depreciation policy

HUF million

Description	*Depreciation*		*Impairment*		*Reversal of impairment*		*Effect on profit*	*Effect on non-current assets' value*
	SEC	*SPE*	*SEC*	*SPE*	*SEC*	*SPE*		
	method		*method*		*method*			
Buildings and structures serving oil and natural gas fields	8,227	8,134	359	359	238	306	161	161
Field abandonment provisions, capitalised under fixed assets	2,978	2,938	1,374	1,295	1,731	1,731	119	119
Land and buildings and related property rights	*11,205*	*11,072*	*1,733*	*1,654*	*1,969*	*2,037*	*280*	*280*

(See section 3.4.3. for further details.)

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

HUF million

Description	*Gross book value*	*Depreciation of 2010*		*Effect on profit*	*Effect on non-current assets' value*
		Without revision	*As a result of the revision*		
Land and building and related property rights	1,683	57	177	(120)	(120)
Plant, machinery and vehicles	3,856	215	300	(85)	(85)
Other equipment, fixtures and vehicles	129	10	3	7	7
Property, plant and equipment	5,668	282	480	(198)	(198)
Total	5,668	282	480	(198)	(198)

(See: 3.4.3 Depreciation policy, annual review of economic useful life.)

10. Property, plant and equipment used for environmental protection

Gross book value

HUF million

Movements	*Land and building and related property rights*	*Plant, machinery and vehicles*	*Other equipment, fixtures and vehicles*	*Assets under construction*	*Total property, plant and equipment*
Opening balance 01.01.2009	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
Increase due to capital expenditure	0	0	0	1,252	1,252
Capitalisation	770	670	0	(1,440)	0
Increase due to reclassification	0	300	0	365	665
Other increase	0	0	0	1	1
Decrease due to scrapping, damages and shortages	(4)	0	0	(10)	(14)
Decrease due to reclassification	0	0	0	(183)	(183)
Other decrease	0	0	(35)	0	(35)
Closing balance 31.12.2010	18,347	5,755	985	167	25,254

Depreciation HUF million

Movements	*Land and building and related property rights*	*Plant, machinery and vehicles*	*Other equipment, fixtures and vehicles*	*Assets under construction*	*Total property, plant and equipment*
Opening balance 01.01.2009	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
Increase of depreciation	908	417	33	0	1,358
Increase of impairment due to scrapping, damages and shortages	0	0	0	11	11
Increase due to reclassification	0	288	0	0	288
Decrease due to scrapping, damages and shortages	(5)	0	0	(11)	(16)
Other decrease	0	0	(27)	0	(27)
Closing balance 31.12.2010	8,299	4,019	898	0	13,216
Net book value as of 31.12.2009	10,185	1,471	128	182	11,966
Net book value as of 31.12.2010	10,048	1,736	87	167	12,038

11. Research and development

HUF million

Research and development areas	*2009*			*2010*		
	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	10,347	0	10,347	13,613	0	13,613
Foreign HC exploration	465	0	465	358	0	358
Technology and asset development	1,150	750	400	974	820	154
Product development	218	17	201	178	12	166
Environmental protection	77	32	45	90	27	63
Other (studies)	89	53	36	43	13	30
Total:	12,346	852	11,494	15,256	872	14,384

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	375	375	0
05 01	Wastes from petroleum refining (sludge, acid tars, bitumen, coke, sulphur containing wastes from petroleum desulphurisation)	0	5,426	3,752	1,674
06 05	Sludge from on-site effluent treatment	0	1	1	0
06 06	Wastes from the MFSU of sulphur chemicals, sulphur chemical processes and desulphurisation processes	0	1	1	0
07 01	Wastes from the manufacture, formulation, supply and use (MFSU) of basic organic chemicals	0	126	126	0
07 02	Wastes from the MFSU of plastics, synthetic rubber and man-made fibres	0	8	8	0
07 07	Wastes from the MFSU of fine chemicals and chemical products not otherwise specified	0	377	377	0
08 03	Wastes from MFSU of printing inks	0	2	2	0
10 10	Wastes from casting of non-ferrous pieces	0	29	29	0
13 02	Waste engine, gear and lubricating oils (waste oil)	1,533	8,168	8,344	1,357
13 03	Insulating and heat transmission oils	11	375	386	0
13 05	Waste from oil/water separators	3,077	10,585	10,502	3,160
13 07	Wastes of liquid fuels	8	160	157	11
13 08	Oil wastes not otherwise specified	0	161	161	0
14 06	Organic solvents, coolants and foam/aerosol waste	0	5	5	0
15 01	Packaging waste	7	63	64	6
15 02	Absorbents, filter materials, wiping cloths and protective clothing	43	111	110	44
16 01	End-of-life vehicles from different means of transport, wastes from dismantling of end-of-life vehicles and vehicle maintenance	0	2	2	0
16 02	Wastes from electrical and electronic equipment	5	10	15	0
16 03	Off-specification batches and unused products	0	7	7	0
16 05	Gases in pressure containers and discarded chemicals	0	64	64	0
16 06	Batteries and accumulators	0	3	3	0

EWC category	*Title of hazardous waste group*	*Adjusted opening quantity**	*Increase in current year*	*Decrease in current year*	*Closing quantity*
16 07	Wastes from transport tank, storage tank and drum cleaning	4	2,208	2,212	0
16 08	Exhausted catalysts	54	69	1	122
16 10	Aqueous liquid wastes destined for off-site treatment	0	4,296	4,296	0
16 11	Waste linings and refractories	28	0	0	28
17 01	Concrete, bricks, tiles and ceramics	230	427	657	0
17 04	Metals (including their alloys)	4	96	100	0
17 05	Soil (including excavated soil from contaminated sites), stones and dredging spoil	0	17,164	17,102	62
17 06	Insulation materials and asbestos-containing construction materials	5	146	148	3
17 09	Other construction and demolition waste	0	20	20	0
19 01	Wastes from incineration or pyrolysis of waste	677	1,877	1,806	748
19 02	Waste from physical-chemical treatment (e.g., dechromamation	0	601	601	0
19 08	Wastes from waste water treatment plants	253	2,790	2,770	273
19 13	Wastes from soil and groundwater remediation	0	6	6	0
20 01	Separately collected fractions (batteries, accumulators, discarded electronic and electrical equipment)	0	42	42	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. Long-term investments

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

HUF million

ID	Name of the company	2009				2010			
		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	47.16	362,431	0	362,431
2.	Slovnaft a.s. Bratislava, Vlčie hrdlo 1.	98.41	328,632	0	328,632	98.41	338,230	0	338,230
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	86,060	0	86,060	100.00	88,606	0	88,606
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. Cluj-Napoca, Dorobantilor st. 14-16	100.00	24,587	0	24,587	100.00	25,022	0	25,022
7.	MMBF Zrt. Budapest, Budafoki út 79.	72.46	18,608	0	18,608	72.46	19,152	0	19,152
8.	TIFON d.o.o. Zagreb, Marticeva 75.	100.00	11,086	0	11,086	100.00	10,371	0	10,371
9.	I&C Energo a.s. Trebic, Prazská 684/49	99.00	6,791	0	6,791	99.00	7,374	0	7,374
10.	Kalegran Ltd Nicosia, Acropolis Avenue 59-61.	99.99	9,215	3,937	5,278	99.99	12,461	6,334	6,127
11.	MOL Austria GmbH. Vienna, Gartenbaupromenade 2.	100.00	152	0	152	100.00	4,749	0	4,749
12.	MOL Slovenija d.o.o. Murska Sobota, Lendavska 5.	100.00	4,461	5	4,456	100.00	4,591	5	4,586
13.	Roth Heizöle GmbH.* Graz, Conrad-von-Hötzendorferstraße 160.	99.80	6,310	0	6,310	49.80	3,247	0	3,247
14.	Petrolszolg Kft. Százhalombatta, Olajmunkás út 2.	100.00	5,126	1,997	3,129	100.00	5,126	1,997	3,129
15.	MOL-LUB Kft. Almásfűzítő, Fő út 21.	100.00	2,603	0	2,603	100.00	2,603	0	2,603
16.	MOL CIS Ltd Nicosia, Spyrou Kyrpianou Avenue 20.	99.99	1,925	0	1,925	99.99	2,121	0	2,121
17.	Geofizikai Szolgáltató Kft. Budapest, Szántóföld u. 7-9.	100.00	1,890	0	1,890	100.00	1,890	0	1,890

ID	Name of the company	2009				2010			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
18.	ENERGOPETROL d.d. Sarajevo, Marsala Tita Street 36	33.50	4,928	0	4,928	33.50	4,970	3,263	1,707
19.	MOLTRADE- Mineralimpex Zrt. Budapest, Budafoki út 79.	100.00	1,340	0	1,340	100.00	1,340	0	1,340
20.	Terméktároló Zrt. Budapest, Montevideo u. 16/B	74.07	1,200	0	1,200	74.07	1,200	0	1,200
21.	Geoinform Kft. Szolnok, Kőrösi út 43.	100.00	1,125	0	1,125	100.00	1,125	0	1,125
22.	FER Tűzoltóság és Szolgáltató Kft.** Százhalombatta, Olajmunkás u. 2.	82.00	343	0	343	91.84	693	0	693
23.	Intermol d.o.o. Belgrade, Omladinskih Brigada 88/V	100.00	15,921	15,251	670	100.00	15,872	15,251	621
24.	MOL Trans Kft. Budapest, Petróleumkikötő u. 5-7.	100.00	619	0	619	100.00	619	0	619
25.	MOL Pakistan Ltd Amsterdam, Hemonystraat 11.	100.00	487	0	487	100.00	540	0	540
26.	UBA Services Ltd Nicosia, Acropolis Avenue 59-61.	99.99	390	390	0	99.99	639	390	249
27.	MOL-RUSS OOO Moscow, Kosmodamianskaya nab., d. 52. str. 3.	100.00	121	0	121	100.00	133	0	133
28.	MK Mineralkontor GmbH. Munich, Otto Strasse 5.	100.00	230	113	117	100.00	234	113	121
29.	MOL Reinsurance Company Ltd.*** Nicosia, Arch.Makariou III. Avenue & Evagorou	99.00	84	0	84	100.00	98	0	98
30.	Hawasina GmbH. Zug, Bundesstrasse 3.	100.00	1,482	1,482	0	100.00	3,568	3,476	92
31.	MOL Commodity Trading Kft. Budapest, Október huszonharmadika u. 18.	100.00	50	0	50	100.00	50	0	50
32.	Tadmor Ltd Sliema, Bisazza Street, Regent House 52.	100.00	24	0	24	100.00	27	0	27
33.	HEXÁN Kft. Százhalombatta, Ipartelep topographic lot number: 2704/1	100.00	25	0	25	100.00	25	0	25
34.	Alfagas Kft. Záhony, Ady E. út 17. I/1.	60.00	186	163	23	60.00	186	163	23
35.	Bravoum Investments Ltd Nicosia, Acropolis Avenue	99.99	9	0	9	99.99	13	0	13

ID	Name of the company	2009				2010			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
	59-61.								
36.	BHM Oil Invest Ltd Nicosia, Acropolis Avenue 59-61.	99.99	42	11	31	99.99	43	37	6
37.	Hermész Mérnöki Kft. Szolnok, Ady Endre út 26.	98.18	5	0	5	98.18	5	0	5
38.	Ménrót Kft. Szolnok, Ady Endre út 26.	98.18	5	0	5	98.18	5	0	5
39.	MH Oil and Gas B.V. Amsterdam, Hemonystraat 11.	100.00	5	0	5	100.00	5	0	5
40.	MK Oil and Gas B.V. Amsterdam, Hemonystraat 11.	100.00	5	0	5	100.00	5	0	5
41.	MOL Libya Ltd Sliema, Bisazza Street, Regent House 52.	99.99	0	0	0	99.99	1	0	1
42.	Tűzoltó és Műszaki Mentő Kft.**** Tiszaújváros, Tűzoltó u. 1.	-	-	-	-	30.00	1	0	1
43.	MOL Yemen Ltd Nicosia, Acropolis Avenue 59-61.	99.99	20,860	20,860	0	99.99	20,860	20,860	0
44.	USI Ltd Nicosia, Acropolis Avenue 59-61.	100.00	5,491	0	5,491	100.00	5,491	5,491	0
45.	Greentrade Ltd Nicosia, Acropolis Avenue 59-61.	100.00	1,874	1,874	0	100.00	5,086	5,086	0
46.	MOL Central Asia B.V. Amsterdam, Hemonystraat 11.	100.00	5,084	5,084	0	100.00	5,084	5,084	0
47.	SHM Seven Investments Ltd Nicosia, Acropolis Avenue 59-61.	99.99	3,611	3,611	0	99.99	3,611	3,611	0
48.	Lamorak Enterprises Ltd Nicosia, Acropolis Avenue 59-61.	99.99	2,549	2,549	0	99.99	2,553	2,553	0
49.	MOL Agram d.o.o.***** Zagreb, Fallerovo šetalište 22.	100.00	1,141	1,141	0	100.00	1,141	1,141	0
50.	Platounko Investments Ltd Nicosia, Acropolis Avenue 59-61.	99.99	24	24	0	99.99	28	28	0
51.	MOL Caspian Ltd Nicosia, Acropolis Avenue 59-61.	99.99	24	24	0	99.99	24	24	0
52.	E.M.S. Management Services Ltd. Nicosia, Bouboulinas st. 11.	99.99	15	15	0	99.99	15	15	0
53.	Pyrogol Ltd Nicosia, Acropolis Avenue 59-61.	99.99	8	8	0	99.99	8	8	0

ID	Name of the company	2009				2010			
		Share %	Gross book value	Accumulated impairment and reversal	Net book value	Share %	Gross book value	Accumulated impairment and reversal	Net book value
54.	Pronodar Ltd Nicosia, Acropolis Avenue 59-61.	99.99	8	8	0	99.99	8	8	0
55.	BMN Investment Ltd Nicosia, Acropolis Avenue 59-61.	100.00	7	7	0	100.00	7	7	0
56.	RUSI Services Ltd Nicosia, Acropolis Avenue 59-61.	99.99	0	0	0	99.99	2	2	0
	Total:		1,137,010	58,554	1,078,456		1,167,141	74,947	1,092,194

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 Nyrt, where 86.79 % direct participation in the Company provides 94.85 % votes due to 8.06 % equity participation of Slovnaft a.s.

* MOL Austria GmbH's capital was increased with the 50.003 % contribution in kind of Roth Heizöle GmbH.

** As a result of the capital increase with contribution in kind, MOL Plc.'s equity participation equals 91.84% of the capital of FER Tűzoltóság és Szolgáltató Kft.

*** MOL Plc. acquired 1% participation in MOL Reinsurance Company Ltd. from SHM Seven Investments Ltd.

**** Tűzoltó és Műszaki Mentő Kft. was reclassified from associated companies into subsidiaries because of the TVK Nyrt's 30 % share.

***** MOL Agram d.o.o. is under liquidation.

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, Tűzoltó és Műszaki Mentő Kft.

Core activities of subsidiaries: *1. INA d.d.:* oil and gas production, exploration, import and sale of natural gas, retail trade of petroleum derivatives and other products, 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 Nyrt:* petrochemicals, *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, 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. Kalegran Ltd:* crude oil and natural gas production and exploration, *11. MOL Austria GmbH.:* wholesale of lubricants and crude oil derivatives, *12. MOL Slovenija d.o.o.:* trade of crude oil products, *13. Roth Heizöle GmbH.:* trading of fuels, *14. Petrolszolg Kft.:* maintenance services, *15. MOL-LUB Kft.:* production and trade of lubricants, *16. MOL CIS Ltd:* exploration and production of oil and natural gas reserves abroad, *17. Geofizikai Szolgáltató Kft.:* geophysical surveying and data processing, *18. ENERGOPETROL d.d.:* retail, *19. MOLTRADE Mineralimpex Zrt.:* trade of energy products, *20. Terméktároló Zrt.:* storage of strategic reserves and stockpiling, *21. Geoinform Kft.:* hydrocarbon drilling exploration, geophysical services, 22. *FER Tűzoltóság és Szolgáltató Kft.:* not categorised other professional, scientific and technical activities, *23. Intermol d.o.o.:* fuel retail, *24. MOL Trans Kft.*: transportation of crude oil products, *25. MOL Pakistan Ltd:* exploration and production of oil and natural gas reserves abroad, *26. UBA Services Ltd*: management services, *27. MOL RUSS OOO:* management services, *28. MK Mineralkontor GmbH.:* trade of raw materials and crude oil products, *29. MOL Reinsurance Company Ltd:* reinsurance, *30. Hawasina GmbH.:* exploration and production of oil and natural gas reserves abroad, *31. MOL Commodity Trading Kft.:* non-classified other financial intermediation, electricity trade, wholesale trade of fuel and gas trade, *32. Tadmor Ltd:* exploration of oil and natural gas abroad (sleeping company), *33. HEXAN Kft.:* refinery, fabrication of other organic chemical feedstock and wrapping, *34.* Alfagas Kft.: export and import of crude oil, natural gas and chemicals, *35 Bravoum Investments Ltd:* crude oil and natural gas production and exploration, *36. BHM Oil Invest Ltd:* trading of oil products, *37. Hermész Mérnöki Kft.:* business and other management consultancy, *38. Ménrót Kft.:* natural gas production, *39. MH Oil and Gas BV*: exploration

(operation is currently abandoned) *40. MK Oil and Gas BV.:* exploration (operation is currently abandoned) *41. MOL Libya Ltd:* production and trade of gaseous and liquid hydrocarbon and other minerals, *42. Tűzoltó és Műszaki Mentő Kft.:* other supplementary business services not listed elsewhere, engineering services, technical consultancy, repair of industrial machines and equipment, *43. MOL Yemen Ltd:* exploration of oil and natural gas reserves abroad, *44. USI Ltd:* exploration and production of oil and natural gas, *45. Greentrade Ltd:* crude oil and natural gas production and exploration, *46. MOL Central Asia B.V.:* exploration and production of oil and natural gas reserves abroad, *47. SHM Seven Investments Ltd:* exploration and production of oil and natural gas reserves abroad, *48. Lamorak Enterprises Ltd:* exploration and production of oil and natural gas reserves abroad, *49. MOL Agram d.o.o.:* trade of crude oil products, *50. Platounko Investments Ltd:* crude oil and natural gas production and exploration, *51. MOL Caspian Ltd:* crude oil and gas exploration and production, *52. E.M.S Management Services Ltd*: management services, *53. Pyrogol Ltd:* crude oil and natural gas production and exploration, *54. Pronodar Ltd:* crude oil and natural gas production and exploration, *55. BMN Investment Ltd:* crude oil and natural gas production and exploration, *56. RUSI Services Ltd*: exploration and production of oil and natural gas reserves.

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

HUF million

ID	*Name of the company*	*2009*				*2010*			
		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. Rotterdam, Weena 340.	50.00	9,834	0	9,834	50.00	10,189	0	10,189
2.	CEGE Közép-európai Geotermikus Energia Termelő Zrt. Budapest, Október huszonharmadika u. 18.	50.00	93	0	93	50.00	350	0	350
3.	Rossi Biofuel Zrt.* Komárom, Kőolaj u. 2.	-	-	-	-	25.00	350	0	350
4.	Pusztaföldvár Földgáztároló Zrt. Budapest, Október huszonharmadika u. 18.	-	-	-	-	50.00	247	0	247
5.	SEP Company Kft. Budapest, Október huszonharmadika u. 18.	50.00	150	87	63	50.00	150	87	63
	Total:		10,077	87	9,990		11,286	87	11,199

MOL has 25 % plus one voting rights in ROSSI Biofuel Zrt. in accordance with the approved co-operation agreement concluded with ROSSI Beteiligungs GmbH in 2007. In addition, MOL Plc. has a call option to acquire a further 24 % stake in Rossi Biofuel Zrt..

* In 2009, Rossi Biofuel Zrt. was included among the associated companies.

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

HUF million

ID	Name of the company	2009				2010			
		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, Benczúr u. 13.	50.00	866	0	866	50.00	866	0	866
2.	MESSER MOL Gáz Kft. Budapest, Váci u. 17.	25.00	87	1	86	25.00	87	1	86
3.	TOP Finance Számviteli Szolgáltató Kft. Budapest, Batthyány u. 45.	26.00	1	0	1	26.00	1	0	1
4.	NABUCCO Gas Pipeline International GmbH.* Vienna, Floridsdorfer Hauptstraße 1.	16.67	536	0	536	-	-	-	-
5.	Rossi Biofuel Zrt.** Komárom, Kőolaj u. 2.	25.00	350	0	350	-	-	-	-
6.	Tűzoltó és Műszaki Mentő Kft.*** Tiszaújváros, Tűzoltó u. 1.	30.00	1	0	1	-	-	-	-
	Total:		1,841	1	1,840		954	1	953

The equity share and voting rights are identical in the case of the given companies.
* NABUCCO Gas Pipeline International GmbH. was transferred into Other investments.
** A Rossi Biofuel Zrt. was transferred into Joint ventures.
*** Tűzoltó és Műszaki Mentő Kft. was transferred into Subsidiaries.

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

Unaudited data for informational purposes

HUF million

ID	Name of the company	Shareholders' equity	Share capital	Share premium, retained earnings, tied-up reserve and fair valuation reserve	Net income for 2010
	Subsidiaries:				
1.	INA d.d.	473,196	339,750	74,707	58,739
2.	Slovnaft a.s.	416,400	190,877	214,395	11,128
3.	FGSZ Földgázszállító Zrt.	139,862	18,823	95,714	25,325
4.	TVK Nyrt.	134,735	24,534	115,697	(5,496)
5.	MOL Romania PP Srl.	39,731	15,757	18,562	5,412
6.	MMBF Zrt.	27,961	23,049	(2,373)	7,285
7.	Italiana Energia e Servizi S.p.A.	21,180	6,969	19,650	(5,439)
8.	MOL Yemen Ltd	21,067	616	20,448	3
9.	Kalegran Ltd	12,978	14	13,361	(397)
10.	MOL CIS Ltd	11,243	24	(4,558)	15,777
11.	Intermol d.o.o.	8,575	13,979	(4,357)	(1,047)
12.	MOL Reinsurance Company Ltd.	7,154	479	4,945	1,730

ID	*Name of the company*	*Shareholders' equity*	*Share capital*	*Share premium, retained earnings, tied-up reserve and fair valuation reserve*	*Net income for 2010*
13.	MOL Central Asia B.V.	6,677	2,049	4,643	(15)
14.	I&C Energo a.s.	5,981	1,668	2,714	1,599
15.	MOL Slovenija d.o.o.	4,909	4,586	27	296
16.	MOLTRADE-Mineralimpex Zrt.	4,490	1,627	1,533	1,330
17.	Hawasina GmbH.	4,475	315	4,209	(49)
18.	MOL Austria GmbH.	3,488	102	4,796	(1,410)
19.	Petrolszolg Kft.	3,376	989	2,586	(199)
20.	Terméktároló Zrt.	3,146	1,620	51	1,475
21.	Geofizikai Szolgáltató Kft.	2,442	1,890	1,758	(1,206)
22.	Geoinform Kft.	2,369	1,125	1,045	199
23.	MOL-LUB Kft.	2,282	2,603	(999)	678
24.	TIFON d.o.o.	1,366	7,654	(4,933)	(1,355)
25.	FER Tűzoltóság és Szolgáltató Kft.	937	640	218	79
26.	MOL Trans Kft.	783	619	71	93
27.	Roth Heizöle GmbH.	520	10	99	411
28.	Tűzoltó és Műszaki Mentő Kft.	439	3	405	31
29.	MOL Agram d.o.o.*	373	1,296	(1,103)	180
30.	MK Mineralkontor GmbH.	259	15	89	155
31.	MOL-RUSS OOO	192	133	52	7
32.	MOL Commodity Trading Kft.	158	50	1	107
33.	Alfagas Kft.	78	10	25	43
34.	Hermész Mérnöki Kft.	51	5	44	2
35.	HEXÁN Kft.	46	7	25	14
36.	UBA Services Ltd	17	525	(510)	2
37.	BHM Oil Invest Ltd	16	34	(1)	(17)
38.	Platounko Investments Ltd	16	3	20	(7)
39.	Ménrót Kft.	6	6	0	0
40.	Bravoum Investments Ltd.	1	3	4	(6)
41.	MH Oil and Gas B.V.	1	5	2	(6)
42.	MK Oil and Gas B.V.	1	5	(1)	(3)
43.	Tadmor Ltd.	(2)	3	(2)	(3)
44.	MOL Libya Ltd.	(3)	6	(5)	(4)
45.	E.M.S Management Services Ltd	(257)	5	(179)	(83)
46.	BMN Investment Ltd	(289)	5	(18)	(276)
47.	Balatongáz Kft. "under liquidation"	(361)	50	(411)	0
48.	Lamorak Enterprises Ltd	(463)	973	(689)	(747)
49.	Pyrogol Ltd	(618)	2	(3,180)	2,560
50.	MOL Pakistan Ltd	(621)	124	173	(918)
51.	RUSI Services Ltd	(706)	52	(2,909)	2,151
52.	SHM Seven Investments Ltd	(789)	530	(539)	(780)
53.	ENERGOPETROL d.d.	(1,656)	9,786	(9,704)	(1,738)
54.	Greentrade Ltd	(3,928)	2	(46)	(3,884)

ID	*Name of the company*	*Shareholders' equity*	*Share capital*	*Share premium, retained earnings, tied-up reserve and fair valuation reserve*	*Net income for 2010*
55.	USI Ltd	(5,481)	6	(69)	(5,418)
56.	Pronodar Ltd	(6,182)	2	(3,413)	(2,771)
57.	MOL Caspian Ltd	(6,878)	2	(4,965)	(1,915)
	Joint ventures:				
58.	CM European Power International B.V.	10,411	7,880	2,393	138
59.	ROSSI Biofuel Zrt.	832	350	136	346
60.	CEGE Közép-európai Geotermikus Energia Termelő Zrt.	423	89	443	(109)
61.	Pusztaföldvár Földgáztároló Zrt.**	216	493	125	(32)
	Associated companies:				
62.	MOL Energiakereskedő Zrt.	18,665	50	3,169	15,446

* Data presented in the Annual Report as at 31 December 2006.
** The amount of the registered capital contains the amount of registered but unpaid capital (HUF 370 million).
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*	*2009*				*2010*			
		Share %	*Gross book value*	*Accumulated impairment and reversal*	*Net book value*	*Share %*	*Gross book value*	*Accumulated impairment and reversal*	*Net book value*
1.	Pearl Petroleum Company Ltd. Flemming House, Wichams Cay, Road Town, Tortola	10.00	54,315	0	54,315	10.00	60,259	0	60,259
2.	OTP Bank Plc Budapest, Nádor u. 61.	8.57	55,468	0	55,468	8.57	55,468	0	55,468
3.	NABUCCO Gas Pipeline International GmbH.* Vienna, Floridsdorfer Hauptstraße 1.	-	-	-	-	16.67	2,488	0	2,488
4.	Budapesti Értéktőzsde Zrt. Budapest Andrássy út 93.	2.18	431	0	431	2.18	431	0	431
5.	OVERDOSE Vagyonkezelő Kft.** Budapest, Acélcső u. 20-22	-	-	-	-	10.00	40	0	40
6.	II. Nemzetközi Gazdaság Fejlesztő Közhasznú Társaság Budapest, Lajos u. 160-162	11.49	1	0	1	11.49	1	0	1
7.	Nabucco Doğal Gaz Boru hatti İnşaati ve İşletmeciliği Limited Şirketi*** Ankara, Bilkent Plaza A-2 Blok Kat:6	-	-	-	-	0.50	0	0	0
	Total:		110,215	0	110,215		118,687	0	118,687

The equity share and voting rights are identical in the case of the given companies.
* In 2009, NABUCCO Gas Pipeline International GmbH. was classified among the associated companies.
** MOL Plc. acquired 10 % participation in Overdose Vagyonkezelő Kft. on 17 March 2010.
*** a Nabucco Doğal Gaz Boru hatti İnşaati ve İşletmeciliği Limited Şirketi, the Nabucco subsidiary in Turkey, was registered on 18 June 2010.

13.6. Impairment of long-term investments and its reversal

HUF million

Description	*Subsidiaries*	*Joint ventures*	*Associated companies*	*Other investments*	*Total*
Closing gross balance of 2009	1,137,010	10,077	1,841	110,215	1,259,143
Closing gross balance of 2010	1,167,141	11,286	954	118,687	1,298,068
Opening impairment balance of 2009	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
Increase of impairment**	16,393	0	0	0	16,393
Closing impairment balance of 2010	74,947	87	1	0	75,035
Closing net balance of 2009	1,078,456	9,990	1,840	110,215	1,200,501
Closing net balance of 2010	1,092,194	11,199	953	118,687	1,223,033

* On the cut-off date of date of December 31, 2009 impairment was recognised on the following equity participations: Intermol d.o.o. HUF 11,539 million, Greentrade Ltd. HUF 1,874 million, Kalegran Ltd. HUF 1,143 million, SHM Seven Investments Ltd. HUF 454 million, Petrolszolg Kft. HUF 351 million, MOL Yemen Ltd. HUF 175 million, Platounko Investments Ltd. HUF 24 million, E.M.S. Management Services Ltd. HUF 15 million, MOL Caspian Ltd. HUF 12 million, UBA Services Ltd. HUF 7 million.
* On the cut-off date of date of December 31, 2010 impairment was recognised on the following equity participations: USI Ltd HUF 5,491 million, ENERGOPETROL d.d. HUF 3,263 million, Greentrade Ltd. HUF 3,212 million, Kalegran Ltd. HUF 2,397 million, Hawasina GmbH. HUF 1,994 million, BHM Oil Invest Ltd. HUF 26 million, Platounko Investments Ltd. HUF 4 million, Lamorak Enterprises Ltd. HUF 4 million, RUSI Services Ltd. HUF 2 million.

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

HUF million

Description	*2009*	*2010*
HUF loans to related parties	*129,235*	*127,849*
Loans disbursed in EUR	98,008	192,495
Loans disbursed in USD	77,347	97,379
Loans disbursed in RUB	54,829	55,654
Loans disbursed in NOK	6,731	9
FX loans to related parties	*236,915*	*345,537*
Total long-term loans to related parties	366,150	473,386
Loans disbursed in USD	12,705	16,126
Total long-term loans to other investments	12,705	16,126

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*
Closing gross balance of 2009	400,028	12,705	72	412,805
Closing gross balance of 2010	540,151	16,126	69	556,346
Opening 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)
Closing impairment balance of 2009	33,878	0	0	33,878
Increase of impairment**	41,686	0	0	41,686
Decrease of impairment**	(8,799)	0	0	(8,799)
Closing impairment balance of 2010	66,765	0	0	66,765
Closing net balance of 2009	366,150	12,705	72	378,927
Closing net balance of 2010	473,386	16,126	69	489,581

* In 2009 the impairment figure increased due to the impairment recognised for loans given to Hawasina GmbH., SHM Seven Investments Ltd., MOL Caspian Ltd., Pronodar Ltd., Greentrade Ltd., BMN Investment Ltd., E.M.S. Management Services Ltd., Lamorak Enterprises Ltd., RUSI Services Ltd. and a Pyrogol Ltd. as well as the impairment transferred in relation to the reclassification of the loan receivable from Intermol d.o.o. from short-term into long-term receivables. The decrease in impairment was attributable to cash settlement.

** In 2010 impairment was recognised on Hawasina GmbH., SHM Seven Investments Ltd., MOL Caspian Ltd., Pronodar Ltd., Greentrade Ltd., BMN Investment Ltd., E.M.S. Management Services Ltd., Lamorak Enterprises Ltd., RUSI Services Ltd., Pyrogol Ltd., and USI Ltd. The decrease in impairment was attributable to loan repayments.

16. Inventories

16.1. Inventories

HUF million

Description	*2009*	*2010*
Materials	39,878	56,791
Of which: Purchased crude oil	*17,906*	*32,435*
Unfinished production and semi-finished products	31,887	*48,774*
Finished products	33,504	42,908
Commodities	8,752	8,635
Advances on stocks	4	0
Total:	114,025	157,108

16.2. Emission rights

Discription	Quantity (unit)	Value (in HUF million)
Closing balance of emission rights 31.12.2009	8,834	34
Emission rights received for 2010	1,546,389	5,437
Return in 2009 (emission rights received free of charge)	(1,546,389)	(5,437)
Bought CO_2 emission rights	25,500	98
Return in 2009 (bought emission rights)	(25,228)	(97)
Closing balance of emission rights 31.12.2010	9,106	35

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

HUF million

2009 Non-current assets	*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

HUF million

2010 Non-current assets	*Gross book value*	*Accumulated depreciation*	*Accumulated impairment*	*Reversal of impairment*	*Net book value*
Land and building and related property rights	1,607	856	183	0	568
Plant, machinery and vehicles	0	0	0	0	0
Other equipment, fixtures and vehicles	0	0	0	0	0
Assets under construction	0	0	0	0	0
Total reclassification in 2010	1,607	856	183	0	568

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*	*Commodities*	*Advances on stocks*	*Total inventories*
Opening balance of 2009	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
Decrease of write-off	(1)	0	0	0	0	(1)
Closing balance of 2010	3	0	0	0	0	3

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

HUF million

Description	*2009*	*2010*
Domestic receivables	72,540	75,722
Of which: Write off and reversal	*(1,110)*	*(1,217)*
Foreign receivables	9,767	5,284
Of which: Write off and reversal	*(7)*	*(7)*
Total receivables from the supply of goods and services:	82,307	81,006

20. Receivables from related parties

HUF million

Description	*2009*	*2010*
Receivables from subsidiaries	215,629	158,383
Receivables from the supply of goods and services	77,537	89,866
Receivables from short-term loans	125,300	50,989
Purchased receivables	12,792	17,528
Receivables from joint ventures	250	1,085
Receivables from the supply of goods and services	250	1,085
Receivables from associated companies	280	256
Receivables from the supply of goods and services	280	256
Total:	216,159	159,724

21. Other receivables

HUF million

Description	*2009*	*2010*
Book value of lent MOL shares	20,564	26,158
Of which: recognised impairment	*12,769*	*7,176*
Deposit	9,786	10,637
Tax to be refunded	18,101	2,011
Receivables from joint operation	989	1,282
Of which: recognised impairment	*1,075*	*1,075*
Advance VAT from trade receivables	323	1,245
Receivables purchased and received	1,513	1,158
VAT charged by foreign supplier	625	259
Advance payment for services	1,496	168
Receivables from employees	118	109
Receivables related to financial investments	1,044	4
Other other receivables	392	611
Total:	54,951	43,642

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*
31.12.2009 Closing balance	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
31.12.2010 Closing balance	82,231	161,017	58	0	57,290	38,702	339,298
Of which: receivables impaired	1,751	1,292	0	0	36,776	0	39,819

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*
01.01.2009 Opening balance	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)
31.12.2009 Closing balance	1,827	1,756	0	0	20,293	0	23,876
Impairment recognised in the current period	337	0	0	0	5,294	0	5,631
Decrease due to financial settlement	(96)	0	0	0	(12)	0	(108)
Decrease due to written-off receivables	(133)	(206)	0	0	(23)	0	(362)
31.12.2010 Closing balance	1,935	1,550	0	0	25,552	0	29,037

* Reversal of impairment recorded as other income attributable to the closing of lending transactions.

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*
31.12.2009 Closing balance	710	257	0	0	6,311	0	7,278
Reversal of impairment in the period	0	0	0	0	5,593**	0	5,593
31.12.2010 Closing balance	710	257	0	0	11,904	0	12,871

Net income for the period ended 31.12.2009	82,307	216,159	0	0	54,951	53,518	406,935
Net income for the period ended 31.12.2010	81,006	159,724	58	0	43,642	38,702	323,132

** Reversal of write off recorded due to lent treasury shares.

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	2009				2010			
		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. "under liquidation" Monostorapáti, Iskola u. 1.	77.22	505	505	0	77.22	505	505	0
Total divested subsidiaries			505	505	0		505	505	0
1.	IN-ER Erőmű Kft. Nagykanizsa, Kölcsey F. u. 13/A	30.00	6	0	6	30.00	6	0	6
2.	Magyar-Amerikai Geotermia Kft. Budapest, Október huszonharmadika u. 18.	25.00	1	1	0	25.00	1	1	0
3.	Villas Hungária Kft. * Zalaegerszeg, Zrínyi u. 6.	38.00	183	6	177	-	-	-	-
4.	TURBO Team Kft.* Beregdaróc, Pf. 6. Topographic lot number: 0128/2	25.00	37	0	37	-	-	-	-
Total divested associates			227	7	220		7	1	6
Total divested investments			732	512	220		512	506	6

The equity share and voting rights are identical in the case of the companies listed above.
* The investments in Villas Hungária Kft and TURBO Team Kft. were sold.

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

HUF million

Description	Subsidiaries	Joint ventures	Associated companies	Other investments	Total
Gross closing balance of 2009	505	0	227	0	732
Gross closing balance of 2010	505	0	7	0	512
Opening impairment balance of 2009	505	0	90	0	595
Decrease of write-off	0	0	(83)	0	(83)
Closing impairment balance of 2009	505	0	7	0	512
Decrease of write-off due to derecognition*	0	0	(6)	0	(6)
Closing impairment balance of 2010	505	0	1	0	506
Closing net balance of 2009	0	0	220	0	220
Closing net balance of 2010	0	0	6	0	6

* Parallel with the sale of Villas Hungária Kft., the impairment on the investment was derecognised in MOL Plc's books.

24. Changes of treasury shares in the current year

Description / Title	*Number of shares (pieces)*	*Book value of shares (HUF million)*
Opening balance of treasury shares	7,435,315	122,278
Decreases	0	0
Reversal of impairment	0	17,779
Increases	0	17,779
Closing total of treasury shares	7,435,315	140,057

25. Cash and cash equivalents

HUF million

Description	*2009*	*2010*
Cash at filling stations	915	1,050
Other cash in hand, cheques	235	147
Cash in hand, cheques	1,150	1,197
Short-term deposits denominated in HUF and FX	66,791	206,847
Bank accounts denominated in FX	1,365	6,434
Other bank accounts	1,238	350
Settlement bank accounts, deposit accounts of sites	25,361	179
Bank accounts	94,755	213,810
Cash and cash equivalents	95,905	215,007

26. Prepayments, accruals

Details of prepayments

HUF million

Description	*2009*	*2010*
Interest receivable	4,805	8,245
Other deferred income	191	374
Accrued income	4,996	8,619
Mining royalty*	10,707	8,498
Deferred loss on MOL shares lent **	5,081	5,081
Prepaid rent and lease fee	2,644	2,550
Issue of long-term zero coupon bonds	513	1,954
Transaction cost due to sale of MOL shares***	1,179	1,015
Other	1,065	355
Prepaid costs and expenses	21,189	19,453
Total:	26,185	28,072

* 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 of a one-off payment of HUF 20 billion. The Company records the one-off payment as proportional cost to oil and gas production subject to mining royalty during the 15-years period defined by the contract.
** The Company 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 of the shares 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 announced the sale of up to EUR 610 million of perpetual exchangeable capital securities, exchangeable into the Series "A" Ordinary Shares of MOL in the predetermined exchange period, to international financial investors. MOL Plc. has also, concurrently with the sale, entered into a swap agreement in principle with Magnolia that gives MOL a call option to buy back MOL shares, in certain limited circumstances. Transaction cost related to dealings is recorded proportionally until the closing date (2016).

Details of accruals

HUF million

Description	*2009*	*2010*
Deferred revenues*	93	3,383
Deferred revenues	93	3,383
Interest payable to non-financial institutions**	2,046	10,731
Accrued personnel expenses	1,786	3,682
Accrued expenses of long-term incentive programmes	1,623	3,289
Accrued cost of joint operation	1,627	1,940
Interest payable to financial institutions	516	1,175
Other accrued costs and expenses	746	406
Accrued costs and expenses	8,344	21,223
Negative goodwill related to acquisition	4,350	2,332
Received compensation for cost of redeemed production well, caused by motorway constructions	2,428	2,091
Book value of assets received free of charge, found as a surplus, or received as a gift or legacy	457	374
Other	211	158
Deferred income	7,446	4,955
Total:	15,883	29,561

* HUF 2,739 million discount was deferred in 2010 due to the natural gas price review.
** The increase was caused by the interest payable (HUF 8,614 million) on the EUR 750 million face value bond issued in April 2010.

27. Changes in equity

HUF million

Description	*Share capital*	*Share premium*	*Retained earnings*	*Tied-up reserve*	*Valuation reserve*	*Net income*	*Shareholders' equity*
Balance as of 01.01.2009	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
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
Transfer of net income of previous year	0	0	253,016	0	0	(253,016)	0
Profit adjustments to previous years	0	0	5,903	0	0	0	5,903
2010 profit after tax	0	0	0	0	0	103,195	103,195
Decrease in retained earnings (additional contribution)	0	0	(1,800)	0	0	0	(1,800)
Change of tied-up reserve	0	0	(14,862)	14,862	0	0	0
Balance as of 31.12.2010	104,519	223,866	1,151,167	152,916	0	103,195	1,735,663

28. Breakdown of the tied up reserve

HUF million

Description	*2009*	*2010*	*Change*
Book value of treasury shares	122,278	140,057	17,779
Research and development, not yet written off	1,437	1,962	525
Development reserve	0	500	500
Other tied-up reserves*	14,339	10,397	(3,942)
Total tied-up items	138,054	152,916	14,862

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

29. Provisions

Provisions for contingent liabilities

HUF million

Description	*2009*					*2010*			
	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	94,370	594	7,423	(2,845)	98,354	3,587	6,585	(1,250)	100,102
Provisions for environmental liabilities**	13,622	4,295	2,637	-	11,964	1,426	980	-	11,518
Provisions recognised on pending return claims***	0	0	0	-	0	0	7,201	-	7,201
Provisions for emission rights****	514	514	5,243	-	5,243	0	837	-	6,080
Provisions for litigation, liabilities	138	55	2,258	-	2,341	1,135	3,637	-	4,843
Of which: Litigation against related parties	*80*	*0*	*0*	-	*80*	*0*	*0*	-	*80*
Provisions for retirement liabilities	2,874	520	273	-	2,627	499	442	-	2,570
Provisions for loyalty bonus	1,775	266	395	-	1,904	238	285	-	1,951
Provision recognised for fulfilled but not charged subcontractor's performance, related to investments*****	8,826	8,676	3,794	-	3,944	2,870	0	-	1,074
Provisions for the unused points on loyalty and multipoint cards	736	389	323	-	670	220	200	-	650
Provisions for redundancy and early retirement	437	326	8	-	119	119	0	-	0
Provisions for contingent liabilities due to natural gas price revision******	0	0	4,309	-	4,309	4,309	0	-	0
Other provisions	284	183	226	-	327	164	1,129	-	1,292
Total provisions for contingent liabilities:	123,576	15,818	26,889	(2,845)	131,802	14,567	21,296	(1,250)	137,281

* See section 3.4.6.

** The environmental expenses recognised were HUF 2,037 million in 2009, and HUF 1,915 million in 2010.

*** Mining royalty refund claim due to changes in the classification of the mining site.

*** See section 3.4.4.

***** MOL Plc. recognised provision for contingent liabilities arisen from his general construction activity concerning subcontractors' services performed but not charged during the reporting period. The provisions reversed as revenues, include impacts of revised tax returns related to the previous year (with the amount of HUF 5 million).

****** The natural gas price was revised in 2010. The related liabilities are reported among the accruals.

30. Long-term liabilities

Details of long-term liabilities by maturity

HUF million

Balance sheet item 2009	*Within a year*	*Long-term*		
		Between one and five years	*Over five years*	*Total*
Liabilities from bond issue	0	0	203,130	203,130
Liabilities from other long-term loans	98,149	365,035	13,542	378,577
Long-term liabilities to related parties	197	0	0	0
Other long-term liabilities	0	249	40	289
Total:	98,346	365,284	216,712	581,996

HUF million

Balance sheet item 2010	*Within a year*	*Long-term*		
		Between one and five years	*Over five years*	*Total*
Liabilities from bond issue	0	214,113	209,062	423,175
Liabilities from other long-term loans	56,069	176,239	35,691	211,930
Long-term liabilities to related parties	204	0	0	0
Other long-term liabilities	0	301	13	314
Total:	56,273	390,653	244,766	635,419

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 in 2009 and 2010.

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

Description	*Amount received EUR*	*Amount repayable*		*Maturity*
		EUR	HUF million	
Long-term liabilities from bond issue	746,707,500	750,000,000	209,062	05.10.2015
Long-term liabilities from bond issue	743,977,500	750,000,000	209,062	20.04.2017

Description	*Amount received* HUF million	*Amount repayable* HUF million	*Maturity*
Long-term liabilities from bond issue	5,043	5,051	26.04.2012

Apart from the EUR 750 million Eurobonds with fix 3.875 % interest p.a., issued on 5 October 2005, the company issued another EUR 750 million Eurobond with 5.875 % fixed interest rate p.a. on 20 April 2010. The bonds are in the denomination of EUR 50,000 each. The notes were offered as part of a private placement in both cases and are listed on the Luxembourg Stock Exchange.
In the framework of the MOL Bond Scheme 2010-2011, MOL issued bonds, in the form of public placement, of HUF 5,050,560,000 total face value on 26 October 2010; the bonds were listed on Budapest Stock Exchange. The face value of each bond is HUF 10,000, and the interest rate is fixed 6 % p.a.

33. Short-term loans

MOL did not possess short-term loan against third parties in 2009 and 2010.

34. Short-term credits

HUF million

Description	*2009*	*2010*
Long-term loans repayable within a year	98,149	56,069
Total short-term credits:	98,149	56,069

35. Breakdown of short-term liabilities to related parties

HUF million

Description	*2009*	*2010*
Liabilities to subsidiaries	98,488	121,042
Short-term loans	51,069	44,580
Suppliers	40,131	44,306
Other liabilities	7,288	32,156
Liabilities to joint ventures	636	3,775
Suppliers	636	3,775
Liabilities to associated companies	3,499	6,093
Suppliers	3,499	2,693
Other liabilities	0	3,400
Total:	102,623	130,910

36. Other short-term liabilities

HUF million

Description	*2009*	*2010*
Tax and contribution liabilities	59,976	51,621
Of which: VAT	*30,542*	*31,704*
Excise duty	*19,112*	*13,955*
Energy companies' extra tax	*0*	*3,329*
Mining royalty	*5,877*	*1,391*
Personal income tax	*1,032*	*881*
*Energy companies' income tax**	*1,690*	*0*
Advances related to the sale of investments**	0	2,957
Liabilities to employees	1,575	1,533
Liabilities to the social security system	1,114	1,160
Settlements with Magyar Szénhidrogén Készletező Szövetség	648	963
Fair valuation difference of derivative transactions	100	570
Liabilities from filling station cards and services	623	546
Liabilities to shareholders	421	390
Of which: Dividend payable	*168*	*150*
Price difference of acquisition	1,500	340
Deposit, forfeit money	338	323
Liabilities from joint operation	94	186
Other other short-term liabilities	1,397	1,352
Total:	67,816	61,941

* The energy companies' income tax for 2010 is reported among the other receivables.
** Advance purchase price from the sale of the equity participation in I&C Energo a.s.

37. Net sales revenues by market segments

HUF million

Market segment, region	*2009*			*2010*		
	Product	*Service*	*Total*	*Product*	*Service*	*Total*
European Union	251,177	292	251,469	416,012	9,526	425,538
Of which: Austria	*52,692*	*58*	*52,750*	*95,376*	*80*	*95,456*
Slovakia	*30,773*	*412*	*31,185*	*77,264*	*9,142*	*86,406*
Romania	*26,525*	*138*	*26,663*	*59,187*	*77*	*59,264*
Central-Eastern Europe	90,944	47	90,991	87,770	83	87,853
Of which: Croatia	*67,653*	*20*	*67,673*	*46,467*	*62*	*46,529*
Other Europe	8,583	16	8,599	2,359	0	2,359
Outside Europe	2,588	998	3,586	3,355	687	4,042
Export total	353,292	1,353	354,645	509,496	10,296	519,792
Total domestic	1,437,455	64,201	1,501,656	1,605,526	35,760	1,641,286
Total	1,790,747	65,554	1,856,301	2,115,022	46,056	2,161,078

38. Net sales revenues by core activities

HUF million

Description	Refining & Marketing	Retail services	Exploration and Production	Gas and Energy	Corporate and other*	Total
Net domestic sales revenues	1,152,654	313,018	162,837	336	12,441	1,641,286
Of which: Excise duty	*319,845*	*106,636*	*0*	*0*	*0*	*426,481*
Net export sales revenues	509,083	9	1,112	0	9,588	519,792
Net sales revenues	1,661,737	313,027	163,949	336	22,029	2,161,078

* Services provided by the Company for subsidiaries.

39. Import purchase by market segment

HUF million

Market segment, region	*2009*			*2010*		
	Product	*Service*	*Total*	*Product*	*Service*	*Total*
European Union	220,913	20,468	241,381	340,693	27,347	368,040
Of which: UK	*43,088*	*1,795*	*44,883*	*113,926*	*1,027*	*114,953*
Cyprus	*90,987*	*1,329*	*92,316*	*148,851*	*3,178*	*152,029*
Germany	*6,320*	*6,749*	*13,069*	*1,785*	*3,430*	*5,215*
Slovakia	*64,957*	*4,435*	*69,392*	*53,692*	*6,995*	*60,687*
Austria	*7,221*	*3,895*	*11,116*	*9,119*	*8,425*	*17,544*
Other Europe	452,894	945	453,839	382,043	979	383,022
Of which: Switzerland	*452,891*	*924*	*453,815*	*382,043*	*961*	*383,004*
Central-Eastern Europe	10,319	1,069	11,388	18,225	1,146	19,371
Of which: Croatia	*6,900*	*167*	*7,067*	*15,774*	*147*	*15,921*
Outside Europe	78,293	1,445	79,738	306,319	679	306,998
Of which: USA	*369*	*1,374*	*1,743*	*16*	*647*	*663*
Kazakhstan	*7,990*	*28*	*8,018*	*13,948*	*1*	*13,949*
Belize	*0*	*0*	*0*	*291,280*	*0*	*291,280*
Total import	762,419	23,927	786,346	1,047,280	30,151	1,077,431

The table does not contain performed but non invoiced deliveries.

40. Other operating income and expenses

HUF million

Other operating income	*2009*	*2010*
Provision used	15,818	14,572
*Of which: Provisions recognised for natural gas price revision**	*0*	*4,309*
Release of provision for fulfilled but not charged performance, related to investments	*8,676*	*2,875*
Release of field abandonment provision	*594*	*3,587*
Release of environmental provision	*4,295*	*1,426*
Derecognition of impairment on receivables**	77,184	9,506
Reversal of impairment recognised on receivables	6,283	5,593
Reversal of deferred income concerning emission rights received free of charge	11,962	5,437
Reversal of impairment of tangible assets	1,269	2,278
Surplus inventory	1,857	2,163
Write off of negative goodwill arisen from acquisitions	2,017	2,017
Receivables sold	628	989
Incomes from the sale of intangibles and property, plant and equipment	455	615
Received penalty, fine, default interest and compensation	716	614
Other	1,228	362
Total other operating income	119,417	44,146

* The natural gas price was revised in 2010. The related liabilities are reported among the accruals.
** 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.

HUF million

Other operating expenses	*2009*	*2010*
Excise duty	302,604	311,008
Recognised impairment	12,973	47,328*
Tax and duties paid to Government	9,362	34,663
Of which: Energy companies' extra tax	*0*	*25,003*
Mining royalty**	0	30,387
Provisions recognised	26,909	21,296
Of which: Provisions recognised on the revised mining royalty declaration	*0*	*7,201*
Provision recognised for field abandonment	*7,423*	*6,585*
Provision recognised for environmental obligations	*2,638*	*980*
Provision recognised for carbon dioxide emission surplus	*5,243*	*837*
Provision recognised for natural gas price revision	*4,309*	*0*
Provision recognised for fulfilled but not charged performance, related to investments	*3,814*	*0*
Fee to the Magyar Szénhidrogén Készletező Szövetség	12,246	13,066
Extraordinary depreciation and impairment***	9,852	6,863
Use of emission rights	6,442	5,534

Other operating expenses	*2009*	*2010*
Depreciation, scrapping and shortage of stocks	1,206	1,770
Paid penalty, fine, default interest and compensation	345	1,382
Book value of receivables sold	625	989
Grants and benefits	561	688
Cost of intangible assets and property, plant and equipment sold	314	179
Other	824	632
Other operating expenses	384,263	475,785

* HUF 41,686 million impairment, recognised on long-term lending. See also section 15.
** The European Commission decision imposed HUF 30.4 billion additional mining royalty payment on the Company as a result of the review of the agreement with the Hungarian Government, concluded in 2005.
*** The amount of impairment contains impairment of field abandonment provision capitalised in the value of land and buildings. (See section 3.4.6.)

41. Other services

HUF million

Description	*2009*	*2010*
Other tax and tax-type payments recognised as an expense	184,921	200,242
Of which: Excise duty	*114,690*	*110,441*
Mining royalty	*69,745*	*89,210*
Bank expenses	3,769	4,420
Insurance fees	2,387	2,305
Authority charges, duties	1,396	1,444
Environmental levy	206	148
Other	8	27
Total other services	192,687	208,586

42. Dividend received (due)

HUF million

Description	*2009*	*2010*
Dividend received (due) from subsidiaries	50,830	32,592
Dividend received from jointly controlled companies	0	142
Dividend received (due) from associated companies	358	356
Received (due) dividend from related parties	51,188	33,090
Received (due) dividend from other investments	49	30
Other received (due) dividend	49	30
Total received (due) dividend	51,237	33,120

43. Sold and liquidated companies

HUF million

Name of the Company	*Date of divestment*	*Book value*	*Revenue recorded*	*Effect on profit*
TURBO Team Kft.	15.02.2010	37	350	313
Villas Hungária Kft.	29.11.2010	177	280	103
Total		214	630	416

44. Other financial income and expenses

HUF million

Other financial income	*2009*	*2010*
FX gain on monetary assets and liabilities denominated in foreign exchange	73,489	113,437
Of which: Realised FX gain on cash and cash equivalents	*5,364*	*38,168*
Realised FX gain of loans and borrowings denominated in foreign exchange	*26,155*	*21,651*
Realised FX gain of trade payables denominated in foreign exchange	*18,424*	*19,654*
Realised FX gain of trade receivables denominated in foreign exchange	*14,141*	*15,977*
Realised FX gain of other receivables denominated in foreign exchange	*8,486*	*4,190*
Realised FX gain of other payables denominated in foreign exchange	*663*	*320*
Unrealised FX gain at year-end valuation	*256*	*13,477*
Gain on non-hedge-type derivative transactions	118,807	35,620
Loss given due to joint operation	186	141
Other, not specified financial income	619	1,088
Total other financial income	193,101	150,286

HUF million

Other financial expenses	*2009*	*2010*
FX loss on monetary assets and liabilities denominated in foreign exchange	73,529	109,772
Of which: Realised FX loss on cash and cash equivalents	*6,014*	*39,470*
Realised FX loss on suppliers denominated in foreign currency	*17,622*	*30,476*
Realised FX loss of loans and borrowings denominated in foreign exchange	20,633	*24,368*
Realised FX loss on trade receivables denominated in foreign currency	*11,875*	*12,033*
Realised FX loss on other receivables denominated in foreign currency	*16,959*	*3,003*
Realised FX loss on other payables denominated in foreign currency	*426*	*422*
Loss on non-hedge-type derivative transactions	29,516	35,770
Take over loss due to joint operation	6,215	6,910
FX loss realised on sold treasury shares	83,118	0
Other, not specified financial expenses	402	13
Total other financial expenses	192,780	152,465

45. Extraordinary revenues and expenditure

HUF million

Extraordinary revenues	*2009*	*2010*
In kind contribution value determined by the Articles of Association*	9,083	5,108
Non repayable cash received	18	498
Extraordinary revenues from assets received free of charge	206	86
Extraordinary revenues from terminated investments**	1,780	0
Other extraordinary revenues	12	20
Total extraordinary revenues	11,099	5,712

HUF million

Extraordinary expenses	*2009*	*2010*
Book value of in kind contribution*	8,878	3,522
Final transfer of cash and cash equivalents	141	1,144
Book value and non-deductible VAT of assets given free of charge	102	144
Extraordinary expenses from terminated investments	90	0
Other extraordinary expenses	0	1
Total extraordinary expenses	9,211	4,811

* 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.

In 2010, 50.003 % of the equity participation in ROTH Heizöle GmbH was contributed to MOL Austria GmbH as contribution in kind; fixed assets and inventories were contributed to FER Tűzoltóság és Szolgáltató Kft. in the same year.
** Revenues related to the transformation of MOL Energiakereskedő Kft. (HUF 1,732 million), the capital decrease at BHM Oil Invest Ltd. and the winding up of Algynvest Kft.

46. Grant received for development purposes

HUF million

Title of subsidy	*2009*			*2010*		
	Amount received	*Amount used*	*Available amount*	*Amount received*	*Amount used*	*Available amount*
Waste cracking pilot plant development	0	5	0	9	9	0
Innovative technology development in environmental protection	64	21	43	0	41	2

47. Revenues from related parties

HUF million

Description	*2009*	*2010*
Net revenues from related parties	479,455	728,200
Net revenues from subsidiaries	447,521	697,027
Net revenues from associated companies	29,633	18,824
Net revenues from joint ventures	2,301	12,349
Other revenues from related parties	13,452	12,997
Other revenues from subsidiaries	13,439	12,997
Other revenues from associated companies	13	0

48. Permanent establishment abroad

MOL Plc. owns permanent establishment in Slovakia. The name of permanent establishment is MOL Hungarian Oil and Gas Public Limited Company, MOL Plc, address: Vlčie hrdlo 1, 82107 Bratislava, Slovak Republic.
MOL concluded an agreement with CM European Power Slovakia s.r.o. for engineering and construction activities; during the implementation in Bratislava the current thermal plant will be modernised and its capacity will be increased. The permanent establishment as a part of MOL Plc. is presented within the Company's balance sheet and income statement. MOL Plc.'s corporate income tax base has been adjusted with the tax based on the permanent establishment.

Major data of the permanent establishment

HUF million

Description	*2009*	*2010*
Suppliers	4,242	888
Advance payment to suppliers	1,274	0
Trade receivables	4,694	0
Advances from customers	1,346	1,150
Other receivables	0	147
Of which: VAT receivable	0	83
Income tax receivable	0	64
Other payables	276	0
Of which: VAT payable	246	0
Income tax payable	30	0

Result of the permanent establishment

HUF million

Description	*2009*	*2010*
Net sales revenue	4,105	8,853
Value of services used	6	13
Other services	2	30
Value of services sold (intermediated)	3,931	8,291
Other expenses	0	308
Profit or loss from operating activities	166	211
Other financial income	56	119
Other financial expenses	49	181
Financial profit or loss	7	(62)
Ordinary business profit	173	149
Profit before taxation	173	149
Income tax (payable in abroad)	30	0
Profit after taxation	143	149

Corporate tax base of establishment abroad

HUF million

Description	*2009*	*2010*
Profit before taxation	173	149
Items increasing the tax base	0	0
Items reducing the tax base	0	0
Tax base	173	149
Income tax payable abroad	30	0
Profit after taxation	143	149

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

Corporate tax base

HUF million

Titles	*2009*	*2010*
Profit before taxation	272,779	117,238
Temporary tax base adjustments:		
Tax base adjustment of impairment	(71,222)	31,260
Tax base adjustment of provisions made and used	6,836	6,724
Tax base adjustment of depreciation	6,483	3,447
Tax base adjustment of impairment and reversal based on market valuation	6,653	865
Other tax base adjustments:		
Accounted costs and expenses not relating to business activities	638	1,767
Tax base adjustments of non-repayable grants and benefits given	871	894
Other tax base adjustment	(307)	47
50 % of received royalty revenues	(238)	(222)
Non-repayable grants received as revenue	(36)	(480)
Development reserve	0	(500)
100 % of research and development costs	(1,423)	(1,204)
Tax base adjustment of the sale, contribution in kind, destruction or shortage of intangible assets and property, plant and equipment	(1,532)	(1,330)
Not realised FX difference due to not covered derivative transaction and long-term liabilities	(2,188)	(15,708)
Dividend received	(51,237)	(33,120)
Deferred loss from previous years	(144,741)	(52,336)
Local tax recognised as an expense	(8,416)	-
Interest in connection with related parties	(12,747)	-
Tax base of the permanent establishment	(173)	(149)
Tax base of interest income abroad	0	389
Tax base	0	57,582

Variance of the corporate tax

HUF million

Description	*2009*	*2010*	*Change*
Profit before taxation	272,779	117,238	(155,541)
Items increasing the profit before taxation	134,703	163,963	29,260
Items decreasing the profit before taxation	(407,309)	(223,859)	183,450
Tax base of permanent establishment	(173)	(149)	24
Tax base of interest income abroad	0	389	389
Change of tax base	(272,779)	(59,656)	213,123
Corrected tax base	0	57,582	57,582
Calculated tax	0	10,918	10,918
Tax credit	0	(1,085)	(1,085)
Corporate tax	0	9,833	9,833

Energy sector extra tax

HUF million

Name of the Company	2010
Retail sales revenues of Mol Plc.	313,027
Retail sales revenue of related parties	59
Retail services sales revenues	313,086
Payable energy sector extra tax on retail services	5,636
Net sales revenue of Mol Plc. less retail sales revenue	1,848,051
Payable energy sector extra tax on energy supply services	19,367
Total energy sector extra tax:	25,003

MOL Plc., as an enterprise engaged in retail trade and as an energy supplier, falls within the scope of Act XCIV of 2010.

Temporary surplus tax

The solidarity surplus tax, imposed on the company, was eliminated on 1 January 2010. The solidarity surplus tax in 2009 amounted to HUF 8,346 million.

District heating tax

HUF million

Description		2009	2010	Change
1.	Profit before taxation	272,779	117,238	(155,541)
2.	Reduction items	51,312	33,730	(17,582)
	Dividend received (due)	51,237	33,120	(18,117)
	Received subsidy and allowance, assets received free of charge, assumed liability	75	610	535
3.	Increasing items	850	1,913	1,063
	Given subsidy and allowances, assets given free of charge, assumed liability	702	1,832	1,130
	Tax paid (payable) abroad	148	81	(67)
4.	Tax base	222,317	85,421	(136,896)
	Tax base of permanent establishment	0	149	149
5.	Tax base total	222,317	85,272	(137,045)
	Revenue based taxable part (%)	64.19	61.72	(2.47)
6.	Corrected tax base	142,705	52,630	(90,075)
7.	Temporary surplus tax	11,417	4,210	(7,207)

The Company is subject to the income tax, as it is a mining undertaking involved in hydrocarbon exploration activities, crude product producer and crude product wholesaler with excise duty license. 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 and non-taxable 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 (2009)*	*Adjustments of current year*						*Adjusted amounts of previous year*
		until 2005	*2006*	*2007*	*2008*	*2009*	*Total*	
		Years						
NON-CURRENT ASSETS	1,972,693	2	0	(23)	(45)	(15)	(81)	1,972,612
Intangible assets	72,431	0	0	0	(5)	26	21	72,452
Property, plant and equipment	320,834	2	0	(23)	(40)	(45)	(106)	320,728
Non-current financial assets	1,579,428	0	0	0	0	4	4	1,579,432
CURRENT ASSETS	739,363	0	(28)	(56)	(362)	247	(199)	739,164
Inventories	114,025	0	7	0	52	(55)	4	114,029
Receivables	406,935	0	(35)	(56)	(414)	302	(203)	406,732
Securities	122,498	0	0	0	0	0	0	122,498
Cash and cash equivalents	95,905	0	0	0	0	0	0	95,905
PREPAYMENTS	26,185	0	0	0	0	(5)	(5)	26,180
TOTAL ASSETS	2,738,241	2	(28)	(79)	(407)	227	(285)	2,737,956
SHAREHOLDERS' EQUITY	1,628,365	1,211	1,855	1,154	1,067	616	5,903	1,634,268
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	908,910	0	0	0	0	0	0	908,910
Tied-up reserve	138,054	0	0	0	0	0	0	138,054
Fair valuation reserve	0	0	0	0	0	0	0	0
Net income for the period	253,016	1,211	1,855	1,154	1,067	616	5,903	258,919
PROVISIONS	131,802	0	0	0	0	5	5	131,807
LIABILITIES	962,191	(1,209)	(1,883)	(1,233)	(1,068)	(807)	(6,200)	955,991
Long-term liabilities	581,996	0	0	0	0	0	0	581,996
Short-term liabilities	380,195	(1,209)	(1,883)	(1,233)	(1,068)	(807)	(6,200)	373,995
ACCRUALS	15,883	0	0	0	(406)	413	7	15,890
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,738,241	2	(28)	(79)	(407)	227	(285)	2,737,956

HUF million

Income statement	*Adjustments of current year*					*Total*
	until 2005	*2006*	*2007*	*2008*	*2009*	
	Years					
Net sales revenue	0	0	2	(48)	(600)	(646)
Capitalised own performance	0	0	0	48	(48)	0
Other income	3	0	0	0	528	531
Material-type expenses	(1,211)	(1,883)	(1,408)	(1,074)	(841)	(6,417)
Personnel-type expenses	0	0	1	2	50	53
Depreciation	0	0	20	42	69	131
Other expenses	0	0	3	(1)	(28)	(26)
PROFIT OR LOSS OF OPERATING ACTIVITIES	1,214	1,883	1,386	1,031	630	6,144
FINANCIAL PROFIT OR LOSS	(3)	0	0	(1)	(3)	(7)
ORDINARY BUSINESS PROFIT	1,211	1,883	1,386	1,030	627	6,137
EXTRAORDINARY PROFIT OR LOSS	0	0	0	37	(3)	34
PROFIT BEFORE TAXATION	1,211	1,883	1,386	1,067	624	6,171
Income tax	0	28	232	0	8	268
PROFIT AFTER TAXATION	1,211	1,855	1,154	1,067	616	5,903
Use of retained earnings for dividend	0	0	0	0	0	0
Paid (approved) dividend and profit share	0	0	0	0	0	0
NET INCOME FOR THE PERIOD	1,211	1,855	1,154	1,067	616	5,903

51. Employees

HUF million

Staff categories	*2009*			*2010*		
	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	5,345	35,077	6,332	5,306	36,549	6,739
- blue-collar	2,549	10,302	2,252	2,525	11,636	2,509
- white-collar	2,796	24,775	4,080	2,781	24,913	4,230
Other	61	882	218	60	1,132	227
Total:	5,406	35,959	6,550	5,366	37,681	6,966

52. Board of Directors, Supervisory Board and top management

Remuneration paid to members of Board of Directors and Supervisory Board

HUF million

Description	*2009*			*2010*		
	Board of Directors	*Supervisory Board*	*Total*	*Board of Directors*	*Supervisory Board*	*Total*
Honorarium	122	84	206	158	81	239

For the year 2009 the table only includes remuneration to non-executive members of the Board of Directors. In 2009 the executive members employed by the Company did not receive any additional remuneration for their participation in the Board.
Fix remuneration to Board members (net 25,000 or 31,250 EUR/head/year) is paid after the Annual General meeting.
Board members who are not Hungarian citizens and do not have permanent address in Hungary are provided with gross EUR 1,500 on each Board meeting (maximum 15 times per year) when travelling to Hungary. Monthly remuneration of EUR 1,000/head is paid to Board members who are heads of committees.

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

Description	*Number of shares held*	
	2009	*2010*
Board of Directors	421,490	306,017
Supervisory Board	547	380
Total:	422,037	306,397

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 2009 and 2010 and has no pension liabilities to its former responsible executive officers either.

Incentives provided for the members of the Board of 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 should coincide with those of the shareholders.
The basis of the incentive scheme for directors effective from 2009 was approved by the Annual General Meeting on 23 April 2008.

Elements of the incentive scheme:
Profit sharing incentive system based on value added methodology
The convertible bond program is replaced by a value added methodology based, so-called profit sharing incentive from 1 January 2009.
The annual incentive of the members of the Board of Directors – 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 realised 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).
The incentive system based on profit sharing will increase commitment of participants, thus rewards the Board members for increasing shareholder value on long-term and as a sustainable improvement.

The new incentive system applies to all non-executive and executive Board members as well.

Incentive system for the top management

The incentive system for the top management in 2010 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 1 January 2010.
The purpose of the new incentive system is implementation of a new incentive system for the members of the Board of Directors 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.

1. Incentive stock option
   The 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 for 5 years (2-year waiting period and a 3-year redemption 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, the incentive should be disbursed following the Annual General Meeting closing the specific 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 fifteen (15) times per annum.

Transactions with the Officers and Management of the Company

Mr. Sándor 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 have been concluded with OTP in 2009 or 2010. All of these transactions are on an arm's-length basis.

Mr. Martin Roman, a member of the Board of Directors of the Company, is the Chairman of the Board of directors and CEO of CEZ, a.s. MOL and CEZ have established a JV which operates the boiler park at the Danube Refinery and the thermo-power plant at the Bratislava refinery and through which the preparatory work of planned construction of CCGTs at the refineries of the Group in Bratislava and Százhalombatta is carried out.

Mr. Miklós Dobák, a member of the Board of Directors of the Company is an international partner in consulting company IFUA Horváth & Partners Kft. In 2010 the company provided consulting services to the Group in the value of HUF 6 million.

Mr. László Parragh, a member of the Board of Directors of the Company is also a member in Board of Directors of Malév Magyar Légiközlekedési Zrt. and GYSEV Zrt. In 2010 the Group has sold goods to Malév and GYSEV in the value of HUF 80 million and 6,154 million, respectively.

Mr. Slavomír 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 2010 and 2009 amounted to HUF 4,668 million and HUF 3,153 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 31 million and HUF 2,614 million carried out on usual commercial terms and market prices during 2010 and 2009, respectively.

Mr. Oszkár Világi, a member of the Executive Board of the Company and Slovnaft's Chief Executive Officer is a partner in legal firm Ruzicka Csekes s.r.o. The company and its predecessor CVD s.r.o provided legal services to the Group in the value of HUF 48 million and HUF 104 million in 2010 and 2009, respectively.

53. Commitments and contingent liabilities

Capital and contractual commitments

The total value of capital commitments as of 31 December 2010 was HUF 2,501 million, of which HUF 15 million is expected to incur in 2012.
Capital commitments relate to obligations to purchase of tangible and intangible assets.

Operating lease liabilities

HUF million

Description	*2009*	*2010*
Liabilities due within one year	51	23
Liabilities due within 2-5 years	29	21
Liabilities due over 5 years	0	0
Total:	80	44

Authority procedures, litigation

Legal proceedings by Surgutneftegas

Surgutneftegas has brought five legal proceedings against MOL Plc., three of which are litigations initiated before the Metropolitan Court of Budapest and the other two are judicial reviews initiated before the Metropolitan Court of Budapest acting as Court of Registration.

In the first claim Surgutneftegas alleged 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 in 2009 violates the provisions of relevant laws. On 16 November 2010 the Metropolitan Court of Appeal as court of second instance confirmed the decision of the Metropolitan Court dismissing the claim of Surgutneftegas.

In the second proceeding Surgutneftegas was seeking primarily 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 Metropolitan Court as court of first instance dismissed the claim of Surgutneftegas on 5 November 2010, but the legal proceedings will continue before the Metropolitan Court of Appeal.

In the third litigation Surgutneftegas claimed that the Resolution of the Board of Directors refusing the incorporation of the Company into the share register in 2010 violates the provisions of respective laws. The first hearing was held on 3 December 2010 and the next hearing is set for 6 April 2011.

Surgutneftegas has also initiated a judicial review before the Metropolitan 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 into the share register. The Metropolitan Court of Budapest, acting as Court of Registration terminated the judicial review proceedings with its resolution issued on 26 January 2010 and dismissed the motion of Surgutneftegas for initiating judicial review procedure parallel with the civil law suit. Surgutneftegas did not appeal against the decision.

In the second judicial review before the same court Surgutneftegas supplemented its motion specified above (requesting the investigation of the lawfulness of the resolution of the Board of Directors when refusing the incorporation of the Surgutneftegas into the share register) by requesting at the same time the Metropolitan Court of Budapest, acting as Court of Registration to repeal all the resolutions of the annual general meeting held on 23 April 2009. The Metropolitan Court of Budapest, acting as Court of Registration terminated the second judicial review procedure - similar to the first one - with its resolution issued on 2 February 2010. Surgutneftegas did not appeal against this decision either.

Paraffin cartel infringement

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 10 major paraffin producers and traders throughout Europe. The decision was adopted in October 2008 and stated that the companies harmonized their commercial activities on the European (European Economic Area) paraffin market and participated in a continuous

cartel infringement. In case of MOL the amount of fine was set in 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, i.e. from MOL, too. Currently a proceeding is going on against the decision of the European Commission before the European Court of Justice; accordingly for the time being and in the current phase MOL is not in the position to make any legal or fiscal estimation about the potential claims, if any.

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. The Company is currently responsible for significant remediation of past environmental damage relating to its operations. Accordingly, MOL has established a provision of HUF 11.518 million for the estimated cost as at 31 December 2010 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 the Company'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	*2009 Closing balance*	*Cash flow*		P & L impacts		*2010 Closing balance*
		Changes of historical value	*Exercise option*	Revenues from financial transactions	Expenses of financial transactions	
Option for MOL shares	52,200	14,720	(58,992)	30,766	0	38,694
Share swap	496	0	0	0	496	0
FX transactions	520	0	0	8	520	8
Commodity transaction	302	0	0	0	302	0
Non-hedge derivative transactions	53,518	14,720	(58,992)	30,774	1,318	38,702
Positive valuation difference of derivative transactions	53,518	14,720	(58,992)	30,774	1,318	38,702
Liabilities from Swap Agreement	5,402	(6,608)	0	0	16,259	15,053
Fair valuation difference of other long-term liabilities	5,402	(6,608)	0	0	16,259	15,053
Option for MOL shares	0	0	0	0	13,187	13,187
Share swap	0	0	0	0	227	227
Commodity transaction	255	0	0	255	0	0
Non-hedge derivative transactions	255	0	0	255	13,414	13,414
Negative valuation difference of derivative transactions	5,657	(6,608)	0	255	29,673	28,467

Derivatives are valuated by a third party (account keeping bank).

Financial instruments subject to fair valuation

HUF million

Description	*Purchase value*	*Valuation difference*	*Fair value*
Option for MOL shares	112,793	(74,099)	38,694
FX transactions	0	8	8
Non-hedge derivative transactions	112,793	(74,091)	38,702
Positive valuation difference of derivative transactions	112,793	(74,091)	38,702
Liabilities from Swap Agreement	5,830	9,223	15,053
Other long-term liabilities	5,830	9,223	15,053
Option for MOL shares	0	13,187	13,187
Share swap	0	227	227
Non-hedge derivative transactions	0	13,414	13,414
Negative valuation difference of derivative transactions	5,830	22,637	28,467

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.	16.03.2011	(3,349)	(3,349)	(109,659)
Option for MOL shares (Tranche B)***	Call option to MOL shares	7,677,285 pc.	23.01.2014	10,149	10,149	0
Share swap ****	MOL share swap	5,010,501 pc.	11.07.2012	(724)	(724)	0
Liability from Swap Agreement *****		-	2016	(16,259)	(16,259)	0
FX transactions	Exchange rate hedging	EUR 70,000,000	24.01.2011	8	8	0
Non-hedge derivative transactions		-	-	(10,175)	(10,175)	(109,659)
Total derivative transactions		-	-	(10,175)	(10,175)	(109,659)

* The column presents changes of fair valuation difference.

** The put option of the option agreement signed on 16 March 2009 with ING Bank N.V. regarding 5,220,000 Series “A” ordinary shares was cash-settled on 16 March 2010, based on the strike price of EUR 30.9709. At the same time, MOL and ING signed a share option agreement on 11 March 2010 and as a result of these transactions ING received a European put option with respect to its 5,220,000 ’A’ series MOL shares owned by ING Bank N.V. 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 75.3628 per share.

* As the confirmation of the share purchase agreement of the MOL-CEZ strategic alliance, 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, based on which MOL transferred 5,010,501 “A” series MOL ordinary shares to OTP in return of 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 Plc. signed a share purchase agreement to sell 6,007,479 Series “A” ordinary shares to Magnolia Finance Limited. 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 Plc, 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 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	10,782	0	10,782	(58,992)
FX transactions	Exchange rate hedging	89	0	89	89
Commodity transaction	Commodity price risk hedge	(741)	(105)	(846)	(741)
Non-hedge derivative transactions		10,130	(105)	10,025	(59,644)
Total derivative transactions		10,130	(105)	10,025	(59,644)

* 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 put option of the option agreement signed on 16 March 2009 with ING Bank N.V. regarding 5,220,000 Series "A" ordinary shares was cash-settled on 16 March 2010, based on the strike price of EUR 30.9709. At the same time, MOL and ING signed a share option agreement and as a result of the transactions on 11 March 2010 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 for both options is 1 year. The strike price for the call and put options is EUR 75.3628 per share.

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	(10,175)	(10,175)
Closed derivative transactions	10,130	(105)	10,025
Total	10,130	(10,280)	(150)
Of which: Other financial income			*35,620*
Other financial expense			*35,770*

55. Off-balance sheet joint and several liability

Type of liability	*Amount*	*Currency*	*Starting date*	*Maturity date*	*Company*
Joint and several liability	-	-	17.12.2009	15.12.2012	MOL Energiakereskedő Zrt.
Guarantee	6,000,000	EUR	19.02.2010	31.12.2014	Slovnaft a.s.
Guarantee	5,136,667	USD	20.05.2010	30.11.2011	BaiTex LLC
Guarantee	2,400,000,000	HUF	30.06.2010	30.06.2013	FGSZ Földgázszállító Zrt.
Comfort letter	-	-	30.11.2009	26.11.2012 + 15 calendar days	MOLTRADE-Mineralimpex Zrt.
Comfort letter	-	-	27.04.2010	30.04.2011 + 15 calendar days	MOLTRADE-Mineralimpex Zrt.
Comfort letter	3,000,000	EUR	23.07.2010	31.08.2012 + 15 calendar days	MOLTRADE-Mineralimpex Zrt.
Comfort letter	-	-	13.08.2010	01.09.2015	MOL Commodity Trading Kft.

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

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

Type of liability	*Amount*	*Currency*	*Starting date*	*Maturity date*	*Company*
Parent company guarantee	-	-	18.12.2001	-	MOL Reinsurance Company Ltd.
Parent company guarantee	1,000,000 5,632,882	USD RON	14.05.2007	-	MOL Romania PP Srl.
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	49,000,000	USD	05.11.2007	05.11.2012 or when Pronodar pays the purchase price	Pronodar Ltd
Parent company guarantee	1,000,000	USD	06.11.2007	31.12.2032 or until the contract ceases	Kalegran Ltd
Parent company guarantee	5,000,000	USD	06.11.2007	31.12.2032 or until the contract ceases	Kalegran Ltd
Parent company guarantee	30,800,000	EUR	22.01.2009	31.03.2011	MOL Energiakereskedő Zrt.
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	31,500	EUR	27.03.2009, date when rental agreement comes into force	27.06.2024	MOL Romania PP Srl.
Parent company guarantee	50,000,000	CHF	01.07.2009	30.09.2011	Italiana Energia e Servizi S.p.A.

Type of liability	*Amount*	*Currency*	*Starting date*	*Maturity date*	*Company*
Parent company guarantee	-	-	27.07.2009	Until the contract ceases	BMN Investment Ltd
Parent company guarantee	250,000	EUR	11.01.2010	31.01.2011	MOL Commodity Trading Kft.
Parent company guarantee	250,000	EUR	18.01.2010	31.01.2011	MOL Commodity Trading Kft.
Parent company guarantee	4,800,000	EUR	01.03.2010	31.03.2011	MOL Energiakereskedő Zrt.
Parent company guarantee	250,000	EUR	01.01.2011	31.01.2012	MOL Commodity Trading Kft.
Parent company guarantee	500,000	EUR	01.01.2011	31.01.2012	MOL Commodity Trading Kft.
Parent company guarantee	1,500,000	EUR	27.04.2010	30.06.2012 or until contractual liabilities cease	Intermol d.o.o.
Parent company guarantee	750,000	EUR	28.04.2010	31.01.2012	MOL Commodity Trading Kft.
Parent company guarantee	500,000	EUR	01.01.2011	31.01.2012	MOL Commodity Trading Kft.
Parent company guarantee	250,000	EUR	01.01.2011	31.01.2012	MOL Commodity Trading Kft.
Parent company guarantee	100,000	EUR	04.10.2010	04.10.2011	MOL Commodity Trading Kft.
Parent company guarantee	600,000	EUR	27.10.2010	31.01.2012	MOL Commodity Trading Kft.
Parent company guarantee	53,845,007.33	USD	11.11.2010	13.01.2011	Italiana Energia e Servizi S.p.A.
Parent company guarantee	54,233,828	USD	01.12.2010	02.02.2011	Italiana Energia e Servizi S.p.A.
Parent company guarantee	56,599,582	USD	10.12.2010	11.02.2011	Italiana Energia e Servizi S.p.A.
Parent company guarantee	8,000,000	USD	24.12.2010	14.02.2011	Italiana Energia e Servizi S.p.A.
Parent company guarantee	66,600,000	USD	27.12.2010	25.02.2011	Italiana Energia e Servizi S.p.A.

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 2010

On 31 December 2010, MOL Plc. did not have any shares placed as a security deposit.

58. Evens after the preparation of balance sheet

Exercise of call option and share option agreement with ING

On 4 January 2011 MOL exercised its American call option right arising from the share option agreement signed on 11 March 2010 with ING Bank N.V. ("ING") regarding 5,220,000 MOL Series "A" Ordinary shares with cash-settlement method, in respect of all shares. The strike price was EUR 75.3628 per share. Settlement took place on 7 January 2011.

Simultaneously, MOL and ING signed a share option agreement on 4 January 2011. As a result of the transactions, MOL received an American call option and ING received a European put option regarding 5,220,000 MOL Series "A" Ordinary shares owned by ING. The maturity for both options is one year. The strike price for both call and put options is EUR 78.60228 per share.

General offer on INA freefloat shares

On 14 December, 2010, MOL has announced on the Zagreb Stock Exchange a general offer to the shareholders of INA, d.d., not acting in concert with MOL, to purchase not more than the total of 800,910 un-encumbered and fully paid off INA d.d. ordinary shares, each in nominal value of HRK 900 for the price of HRK 2,800 per share. Such a General offer was not subject to provisions of the Croatian Takeover Act. The shareholders offered altogether 10,082 INA shares. The financial settlement of the transaction was on 31 January 2011.

Share sale and option agreement with UniCredit

MOL entered into a share sale and a share option agreement with UniCredit Bank A.G. („UniCredit") on 8 February 2011. As a result of this transaction, UniCredit owns a total number of 2,914,692 MOL Series "A" Ordinary shares. Under the share option agreement MOL has an American call option and UniCredit a European put option in relation to such shares. Both options mature in one year, such maturity being subject to yearly extensions with one year, up to a maximum total tenor of three years. The strike price for both the call and the put options is EUR 85.8 per share. Due to the attached option structure, the transaction has been recorded as a non-current financial liability.