



STRONG RESULTS IN KEY BUSINESSES

MOL Hungarian Oil and Gas plc. (Reuters: MOLB.BU, MOLBq.L, Bloomberg: MOL HB, MOL LI; homepage: www.mol.hu), today announced its 2005 third quarter and first nine months preliminary results. This report contains consolidated financial statements for the period ended 30 September 2005 as prepared by management in accordance with International Financial Reporting Standards (IFRS).

Financial highlights

MOL Group financial results (IFRS)	Q3 2004		Q3 2005		Change %		Q1-3 2004		Q1-3 2005		Change %	
	HUF bn	USD m ¹	HUF bn	USD m ¹	HUF	USD	HUF bn	USD m ¹	HUF bn	USD m ¹	HUF	USD
Net sales revenues	452.4	2,222.0	585.8	2,911.5	29	31	1,349.2	6,521.0	1,702.0	8,697.0	26	33
EBITDA	106.4	522.6	96.6	480.1	(9)	(8)	265.7	1,284.2	320.4	1,637.2	21	27
Operating profit/(loss)	81.6	400.8	70.1	348.4	(14)	(13)	191.1	923.6	237.8	1,215.1	24	32
Net financial expenses/(gain)	(3.9)	(19.2)	8.0	39.8	n.a.	n.a.	2.8	13.5	22.8	116.5	717	761
Net income/(loss)	74.1	363.9	56.7	281.8	(23)	(23)	155.0	749.2	190.6	973.9	23	30
Operating cash flow	23.6	115.9	11.3	56.2	(52)	(52)	194.8	941.5	191.4	978.0	(2)	4

⁽¹⁾ In converting HUF financial data into US Dollars, the following average NBH middle rates were used: for Q3 2004:203.6 HUF/USD, for Q1-3 2004:206.9 HUF/USD, for Q3 2005:201.2 HUF/USD, for Q1-3 2005:195.7 HUF/USD.

In the first nine months of 2005, operating profit increased by HUF 46.7 bn, to HUF 237.8 bn (USD 1,215.1 mn), supported by previous years' investments in quality downstream assets, higher product sales volumes, strong commodity prices and increased international oil production. Net income grew by HUF 35.6 bn to HUF 190.6 bn (USD 973.9 mn), primarily reflecting the strong operating performance, which was partially compensated by higher financial expenses, due to a loss on foreign currency denominated debt in Q1-3 2005, compared to a foreign exchange gain in Q1-3 2004.

Overview of the environment

Global economic growth continued to slow in Q3 2005 after its decline in the 1st half of 2005. Still, it remained over 3%, high by historical standards. The geographical composition remained uneven. The slowdown was most marked in the growth of industrial production and global trade, although overall growth remained well above the historic trend. While high oil prices have created only moderate inflationary pressures, US monetary policy has responded with interest rate rises. Stock markets were nervous due to increasing interest rates in the US and concerns about the effect of the oil shock. Current account imbalances are at record levels with the US deficits financed by surpluses from Asia, the Middle East and Europe. Despite this, the dollar appreciated measurably against the euro and the yen. Perceived fragility is reflected in increasing risk premiums in financial markets.

There is some equalization in the geographical composition of growth. Although noticeably slowing, the US economy continued to grow faster than other industrialized economies. Forward looking indicators point to a further slowdown in the US. In China, an investment boom continues, and growth remains close to double digits. Growth also fell in Russia in spite of high oil prices. While the Japanese economy experienced an upswing the Eurozone continued to disappoint. Although Eurozone growth increased due to higher net exports, growth forecasts are reduced from their already low level. The region suffers from the lack of domestic demand and business confidence.

The oil market witnessed turmoil due to hurricanes in the US in Q3. The global supply-demand balance was already tight due to the slow investment response to the higher demand growth in Asia and the US. As a result, the hurricanes struck in a moment of little spare capacity, especially in refining. The US Gulf Coast is one of the most important clusters of energy facilities in the world. At its most serious point, 1.5% of global crude and 3% of global refinery capacity was knocked out, creating price spikes and temporary shortages. The effect on crude prices was mitigated by sales from strategic reserves and the lack of refinery capacities also cut demand for crude. After peaking at over 70 USD/barrel, the crude price quickly fell back to pre-hurricane levels. The damage on refineries was more extensive, and as a result, refinery margins rose to unprecedented levels. Post disaster reconstruction has been faster than expected, yet the refinery capacity balance is expected to remain tight.

Meanwhile, the slowdown in global oil demand growth continued. In addition to energy efficiency improvements, this is mainly attributable to the global economic slowdown. In China, new power plants substitute diesel generation, leading to a sharp deceleration of Chinese oil consumption growth. In the US, gasoline price spikes, and public awareness to the hurricanes lead to demand destruction.

According to IEA data, Q3 2005 oil demand is up by 1.2% to an average 82.6 mn barrels per day, a sharp deceleration of growth compared to the over 3% experienced in 2004. Demand growth is slowing in every region, most markedly in the US and China. As global energy efficiency is incomparably better than in the 70s and as crude oil's share in primary energy is lower, the negative effect of high oil prices is measurable but limited. However, a risk of higher prices and supply disruptions has already started to dent business confidence, and the longer term effect of high prices is uncertain.

OPEC did not change its quotas in the 3rd quarter. Most OPEC countries operate at almost full capacity, and further quota increases would not have resulted in additional supplies. Most of OPEC spare capacity, in fact most of global spare capacity is Saudi Arabian heavy sour crude for which demand is limited by refinery capacity constraints. As crude oil demand is driven by motor fuels, refinery capacity also reached its constraint. As a result, refinery margins fluctuated in a band which is well above the historical average.



2005 THIRD QUARTER AND FIRST NINE MONTHS PRELIMINARY RESULTS OF MOL HUNGARIAN OIL AND GAS PLC.

In Hungary growth is below the Central European average but its structure remains healthy. As exports are growing more rapidly than import markets, the market share of Hungarian exporters is expanding, the economy is still driven mainly by exports and investment. Growth of domestic consumption slowed to a sustainable level. Inflation convergence seems to be on track which enabled a series of interest rate cuts by the National Bank. However the increase in household savings with strong investment demand and an excessive budget deficit led to a lower, but still high current account deficit. Increased risk perceptions and concerns with EMU entry led to portfolio outflows which resulted in a falling stock market and rising yields towards the end of the period. Due to the strength of the forint compared to the dollar, the real price of fuel in HUF remains below its 2001 peak. As a result, the effect of price increases on demand has been limited. However, gasoline demand decreased in the period. Economic performance remained steady in Q3 2005.

In our other main market, Slovakia, the favourable economic performance continued. Current macroeconomic and monetary data underscore the positive economic developments that have followed structural and pro-business reforms aimed at attracting foreign direct investment. Although the dynamic wage growth is beneficial for customer demand, there are risks stemming from this development. The continued strong wage growth has put pressure on the trade balance and might create inflationary pressures. At the same time, the improvement in the economy and rising purchasing power had a positive impact on new car sales, which rose during the first six months of 2005 in the y-o-y comparison. Although unemployment has fallen measurably, Slovakia still has a high rate of structural unemployment. This tends to depress the growth of consumer demand.

The average CIF Med quoted price of Ural Blend increased by 51% in USD terms and 43% in HUF terms, compared to Q1-3 2004. More importantly for MOL, the Brent-Ural differential grew to 3.9 USD/bbl in Q1-3 2005, due to increasing demand for sweet crude oil and increased sour crude production. Average USD denominated crack spreads of FOB Rotterdam gasoline and gas oil increased by 6% and 66%, compared to Q1-3 2004. The US dollar depreciated by an average of 5% against the Hungarian Forint, while EUR depreciated by an average 3% against Forint in Q1-3 2005. EUR appreciated by 2% from year-end 2004 to 30 September 2005 (from 245.9 to 249.6), while USD appreciated by 15% from year-end 2004 to 30 September 2005 (from 180.3 to 207.6). The USD depreciated by an average of 7% against the Slovak Crown in Q1-3 2005, while EUR depreciated by an average 4% against the Slovak Crown year on year.

- **Exploration and Production** operating profit in Q1-3 2005 increased by HUF 30.1 bn, to HUF 73.8 bn (USD 377.1 mn), as a strong increase in international crude production and higher transfer prices could compensate for the lower domestic hydrocarbon production and increasing royalty charges on Hungarian and Russian operations.
- **Refining and Marketing** contributed operating profit of HUF 138.1 bn (USD 705.7 mn), an increase of 20% (in USD terms 27%) over Q1-3 2004, supported by higher sales volumes, the increased Ural to Brent discount, higher diesel crack spreads, benefits from integrated Group operations and the positive effect of inventory holding. Estimated clean USD based CCS profit rose 11%.
- **Natural Gas** operating profit increased by HUF 5.3 bn to HUF 52.2 bn (USD 266.7 mn), in part due to different accounting treatment of cushion gas in storage, compared to the same period of the previous year.
- The **Petrochemical** segment's operating profit increased to HUF 13.5 bn (USD 69.0 mn) in Q1-3 2005, compared to a HUF 11.0 bn (USD 53.2 mn) profit in Q1-3 2004. Higher sales, efficiency improvement measures and improvement in the business environment contributed to the strengthening of operational results.
- We continued our **efficiency improvement** programs and we achieved a USD 278 mn benefit by the end of Q3 2005, which exceeds the USD 260 mn combined efficiency target set for the end of 2005. Group **closing headcount** decreased by 5% y-o-y, from 16,382 to 15,612.
- **Capital expenditure** and investments decreased to HUF 115.2 bn (USD 588.7 million) in Q1-3 2005, compared to HUF 185.6 bn (USD 897.1 million) in Q1-3 2004, due to the lower acquisition expenditure and the completion of the petrochemical development project in TVK in 2004. The Group's main investments included the acquisition of Shell's operation in Romania, the waste water and EU 2005 gasoline projects in the R&M segment. MOL's gearing ratio on September 30, 2005 was 21% (the gearing ratio was 24% on December 31, 2004). Net debt at the end of October 2005 was HUF 266.4 bn.
- **Operating cash flow** before changes in working capital grew by 13% to HUF 295.4 bn (USD 1,509.5 mn). Including working capital changes and corporate tax paid, operating cash flow decreased by 2%, to HUF 191.4 bn (USD 978.0 mn).

Mr Zsolt Hernádi, Executive Chairman of MOL commented:

"Improving profitability in the first 9 months of 2005 reflected the results of our investment decisions and a favourable industry environment, however in the 3rd quarter, due to the high level of regional competition supported by high reference oil product prices, our wholesale margin decreased.

In Upstream, in Kazakhstan the first drill test showed gas, condensate and good quality light oil. In downstream, we participated in the privatisation process of Tüpras in Turkey. Beside strong international competition, MOL was shortlisted in the tender, however our prudent investment policy prevented us from overbidding for the assets.

Our improving financial position and our strategy was well recognised by over 200 accounts from 31 countries who participated in our 750 million Eurobond issue, after receiving an investment grade (BBB-) rating from S&P credit rating agency. MOL's issue represents the largest ever non-sovereign benchmark for Central Europe and the tightest ever spread for a BBB- credit in the 10-year sector."



Exploration and Production

Segment IFRS results

Exploration & Production	Q3 2004		Q3 2005		Change %		Q1-3 2004		Q1-3 2005		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	24.7	121.3	38.3	190.4	55	57	61.0	294.8	92.2	471.1	51	60
Operating profit/(loss)	18.9	92.8	32.9	163.5	74	76	43.7	211.2	73.8	377.1	69	79
CAPEX and investments ¹	7.0	34.4	9.9	49.2	41	43	20.3	98.1	23.8	121.6	17	24

Key segmental operating data

FY 2004	HYDROCARBON PRODUCTION (gross figures before royalty)	Q3 2004	Q3 2005	Change %	Q1-3 2004	Q1-3 2005	Change %
				%			%
	2,225 Crude oil production (kt)	582	577	(1)	1,634	1,722	5
	1,077 Hungary	268	231	(14)	817	713	(13)
	1,148 International	314	346	10	817	1009	24
	2,928 Natural gas production (million m³, net dry)*	667	716	7	2,197	2,083	(5)
	101.3 Group average hydrocarbon prod. (kboe/d)**	97.8	100.0	2	100.8	99.5	(1)

*Domestic production, excluding original cushion gas production from gas storage.

**Calculation method has changed in 2005. Daily production figures of 2004 have been restated accordingly.

In Q1-3 2005, segmental operating profit increased by HUF 30.1 bn compared to Q1-3 2004. The significant increase in international crude production and favourable external factors had a positive effect on segmental profit. The USD denominated average Brent crude oil price increased by 47.4 % compared to Q1-3 2004, while it was only 39.4 % higher in HUF terms, due to the strengthening of the Forint against the USD by 5.4 %. The domestic gas transfer price increased by 32.0 %.

Segmental operating revenues increased by HUF 51.9 bn, mainly due to the increase in international crude oil volumes and transfer prices. Operating expenses increased by HUF 21.8 bn primarily due to the increased production at the ZMB project and the increased domestic royalty. ZMB's operating profit increased by HUF 12.6 bn, as a result of increasing production volume and higher realised crude oil prices. The royalty related to the domestic production increased by HUF 5.5 bn compared to Q1-3 2004, mainly due to higher crude oil and natural gas prices. The supplementary royalty payment increased from HUF 30.8 bn in Q1-3 2004 to HUF 34.2 bn in Q1-3 2005.

Our domestic crude oil production decreased by 12.7 %, due to the natural declining production profile and water intrusion of the fields. This was compensated by a strong, 23.5 %, increase in international crude production due to development work completed in 2004. Domestic natural gas production decreased by 5.2 %, due to natural water intrusion of the fields and a drop in reservoir pressure, caused by production, however new production at the Hosszúpályi gas field starting in Q3 2005 moderated these negative factors.

As a result of the positive effect of international crude oil production and lower domestic gas production costs, and in spite of the strengthening of the HUF, MOL Group's unit cost of hydrocarbon production (including gasoline production) decreased to 3.2 USD/boe in Q1-3 2005, from the 3.4 USD/boe in Q1-3 2004.

Capital expenditure increased by HUF 3.5 bn. Capital expenditure at domestic projects remained at about the same level as in Q1-3 2004, while we increased capital expenditure on our international projects, mainly in Kazakhstan and in Russia, by HUF 3.6 bn. We entered into the Fedorovsky exploration block in Q3 2004 in Kazakhstan, and increased our participation further early this year.

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



Refining and Marketing

Segment IFRS results

Refining & Marketing	Q3 2004		Q3 2005		Change %		Q1-3 2004		Q1-3 2005		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	70.8	347.7	64.5	320.6	(9)	(8)	151.6	732.7	179.2	915.7	18	25
Operating profit/(loss)	59.0	289.8	50.8	252.5	(14)	(13)	114.9	555.3	138.1	705.7	20	27
CAPEX and investments ¹	30.2	148.3	12.3	61.1	(59)	(59)	51.0	246.5	65.9	336.7	29	37

FY 2004		Q3 2004	Q3 2005	Change	Q1-3 2004	Q1-3 2005	Change
HUF bn		HUF bn	HUF bn	%	HUF bn	HUF bn	%
158.9	Reported EBIT	59.0	50.8	(14)	114.9	138.1	20
0.0	One-off items	0.0	8.6	n.a.	0.0	8.6	n.a.
(8.9)	Replacement modification	(8.6)	(12.9)	(50)	(14.3)	(41.3)	(189)
150.0	Estimated clean CCS	50.4	46.5	(8)	100.6	105.4	5

Key segmental operating data

FY 2004	REFINED PRODUCT SALES	Kt	Q3 2004	Q3 2005	Change %	Q1-3 2004	Q1-3 2005	Change %
4,082	Hungary		1,109	1,189	7	2,923	3,035	4
1,411	Slovakia		390	392	1	1,054	1,012	(4)
6,000	Other markets		1,658	1,597	(4)	4,388	4,587	5
11,493	TOTAL CRUDE OIL PRODUCT SALES		3,157	3,178	1	8,365	8,634	3

Segmental operating profit in Q1-3 2005 increased significantly, by HUF 23.2 bn, compared to the same period of the previous year. The growth was supported by increasing sales volumes and advantageous external factors, particularly higher product crack spreads and the favourable Brent-Ural spread. MOL's realised refining margin was higher than the reference margin, due to the more favourable product slate, which is in turn the result of the significant quality improvement investments made in recent years. These favourable factors were partially compensated by the strength of local currencies against USD, and a provision of HUF 8.6 bn made in connection to a fuel pricing fine incurred by Slovnaft in Q3 2005. Operating profit in Q3 2005 was also negatively influenced by a significant reduction in wholesale margins in the period, as a consequence of high quoted product prices and increased competition. Furthermore, while motor fuel crack spreads were very favourable in Q3, we experienced a significant deterioration in other refinery products' prices, especially in other chemical products and bitumens.

Consolidated Group sales volumes in Q1-3 2005 increased by 3.2% (269 kt) to 8.6 Mt compared to the 8.4 Mt in Q1-3 2004. The main reason for this growth was the higher sales to export markets. In Hungary sales also grew significantly, 4% compared to the previous year. Total sales in Slovakia were 4% lower than in Q1-3 2004, but in Q3 we were able to maintain our sales volumes.

The growth in the Group's Hungarian refinery product sales was the result of higher sales of gas oil and kerosene. At the same time, low price-level fuel oil sales decreased by 32%, resulting in a positive change of our sales product slate.

According to our market assessment, in **Hungary** demand for motor gasoline decreased slightly due to high market prices, and our sales decreased by 1.2%, resulting in the same level of market share. At the same time, the consumption of motor diesel, which is more directly influenced by general economic development than price changes, increased by 9.5%, due to large scale infrastructural investment involving additional transportation needs in the Hungarian economy. Import competition strengthened due to the high crack spreads, nevertheless our motor diesel sales increased by 8%.

A fall in total product sales in **Slovakia** reflected the lower sales of motor gasoline and kerosene. In Slovakia, the trend in the motor gasoline and gas oil market was similar to that of Hungary. Gasoline consumption was lower than in Q1-3 2004, and MOL Group sales decreased by approximately 10%, due primarily to this weakness in retail demand. Demand for gasoil increased by nearly 10%, while our sales increased by 3%, also as a result of the strengthening competition. However, in Q3 y-o-y our market position stabilised.

Total sales **outside** of Hungary and Slovakia increased by 199 kt, from 4388 kt in Q1-3 2004 to 4587 kt in Q1-3 2005, due to optimisation of refinery production and Group level supply chain management, resulting in greater regional competitiveness. Our total regional motor fuel export volume remained unchanged year on year, with sales increasing in Poland, Croatia, Slovenia and slightly in Austria, and a decrease recorded in the Czech Republic and Bosnia.

We also significantly increased the volume of petrochemical feedstock (naphtha and chemical gasoil) supplied to the Petrochemical segment, in line with the recent cracking capacity increase completed last year.

In Q1-3 2005, MOL's Hungarian retail fuel sales volumes decreased by 4.0% compared to Q1-3 2004. The main reason for the decrease was the significant increase in prices, which made motor fuel demand more sensitive, and which encouraged a small part of the customer base to turn to discount retailers. The 9.6% fall in gasoline sales was partially compensated by a 2.6% rise in diesel sales, primarily due to strengthened card sales. Our motor fuel market share according to MASZ (Hungarian Petroleum Association) fell from 43.0% to 41.3% in Q1-3 2005.



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Slovnaft's retail market share in Slovakia, according to SAPPO data, fell from 45.0% to 41.7%. Our gasoline sales decreased by 8.8% y-o-y in Slovakia, as a result of a similar demand shift, as experienced in Hungary. Our diesel sales increased by 3.4% compared to Q1-3 2004.

In Romania, our fuels sales increased by 102.5% in the first nine months, compared to the same period of the previous year, as a result of both network growth (mainly the Shell Romania acquisition) and increased sales volume per site. MOL's retail market share in Romania increased significantly to 12.5% in Q1-3 2005.

As of September 30 2005, the MOL Group had 844 filling stations, out of which 357 were operated in Hungary, 261 in Slovakia, 137 in Romania, and 31 in the Czech Republic.

In 2005 we continued the implementation of our Slovakian retail network efficiency improvement program, which resulted in the closure of 23 lower turnover stations in 2005. In the Czech Republic, within the framework of a similar programme, we sold 11 filling stations in Q3 2005.

In Hungary our shop sales increased by 1.6% in Q1-3 2005, which represented a 5.8% increase in shop sales per litre year-on-year. Our fuel card sales rose further (by 6.1%) compared to the same period of the previous year. On the Slovakian market, our shop sales increased by 41.0% in Q1-3 2005 compared to Q1-3 2004, in large part due to higher sales of tobacco and motorway stickers and the opening of restaurants at two filling stations. Our shop sales in Romania increased by 249.2% in Q1-3 2005 y-o-y, due to both the above mentioned network growth and the fact that from January 1, 2005, the Romanian government introduced the use of motorway stickers.

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



Natural Gas

Gas subsidiary IFRS results (unconsolidated)

Wholesale	Q3 2004		Q3 2005		Change %		Q1-3 2004		Q1-3 2005		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	1.4	6.9	0.5	2.5	(64)	(64)	12.0	58.0	10.3	52.6	(14)	(9)
Operating profit/(loss)	1.4	6.9	0.5	2.5	(64)	(64)	12.0	58.0	10.3	52.6	(14)	(9)
CAPEX and investments	0.0	0.0	0.0	0.0	0	0	0.0	0.0	0.0	0.0	0	0

Transmission	Q3 2004		Q3 2005		Change %		Q1-3 2004		Q1-3 2005		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	7.9	38.8	7.8	38.8	(1)	0	27.7	133.9	30.5	155.9	10	16
Operating profit/(loss)	5.1	25.0	4.8	23.9	(6)	(4)	19.0	91.8	21.8	111.4	15	21
CAPEX and investments	1.2	5.9	2.3	11.4	92	93	1.7	8.2	4.2	21.5	147	162

Storage	Q3 2004		Q3 2005		Change %		Q1-3 2004		Q1-3 2005		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	5.3	26.0	4.9	24.4	(8)	(6)	13.9	67.2	18.9	96.6	36	44
Operating profit/(loss)	3.9	19.2	3.3	16.4	(15)	(15)	9.7	46.9	14.2	72.6	46	55
CAPEX and investments	1.3	6.4	2.1	10.4	62	63	1.8	8.7	9.8	50.1	444	476

Key operating data*

FY 2004	NATURAL GAS BALANCE	Q3 2004	Q3 2005	Change %	Q1-3 2004	Q1-3 2005	Change %
	Million m ³						
2,656	Sales from production	247	279	13	1,769	1,743	(2)
10,635	Sales from import	1,251	1,191	(5)	7,223	7,328	2
13,291	TOTAL SOURCES	1,498	1,470	(2)	8,992	9,071	1
10,535	Sales to Gas Distribution Companies (GDCs)	895	895	0	6,956	7,061	2
2,256	Sales to power sector	483	480	(1)	1,668	1,598	(4)
500	Sales to industrial and other consumers	120	95	(21)	368	412	12
13,291	TOTAL THIRD PARTY SALES	1,498	1,470	(2)	8,992	9,071	1
696	Loss and own consumption**	196	132	(33)	491	593	21
13,987	TOTAL SALES, OWN CONSUMPTIONS AND LOSSES	1,694	1,602	(5)	9,483	9,664	2
2,526	Natural gas transit	379	352	(7)	1,688	1,666	(1)

31 Dec 2004	MOBILE NATURAL GAS INVENTORIES	30 Sept 2004	30 Sept 2005	Change %
	Million m ³			
512.3	From domestic sources (MOL Supply Plc.)	713.2	685.6	(4)
1,889.7	From import sources (MOL Supply Plc.)	2,650.3	2,662.6	0
12.4	From import sources (Third parties)	15.5	38.1	146
2,414.4	TOTAL CLOSING INVENTORIES	3,379.0	3,386.3	0

FY 2004	NATURAL GAS PRICES	Q3 2004	Q3 2005	Change %	Q1-3 2004	Q1-3 2005	Change %
	HUF/m ³						
30.5	Average import price	30.9	44.5	44	30.2	39.7	32
39.1	Average MOL selling price	44.5	52.2	17	39.4	44.8	14
40.0	Public utility wholesale price to GDCs	50.7	58.5	15	40.6	46.0	13
35.4	Public utility wholesale price to industry/power	35.3	41.6	18	35.1	40.3	15

*MOL Group level

**includes the natural gas used by TVK and MOL units

Based on progress in the approval process we expect that two gas subsidiaries, MOL Supply Plc. and MOL Storage Plc. will not be fully consolidated from 2006. As we would like to ensure increased transparency in the gas business, from this point on we will report on the profit and the operations of the three gas subsidiaries separately on an unconsolidated basis.

Unconsolidated operating profit of **MOL Supply Plc.** in Q1-3 2005 decreased by HUF 1.7bn year-on-year, to HUF 10.3 bn. The decrease in unconsolidated operating profit, is due to the fact that in the Q1-3 2005 period, the actual import purchase price exceeded the import purchase price acknowledged in the regulated price. In Q1-3 2004, a HUF 15.2 bn payment obligation was recognised as an accrual, as the actual import price was lower than the import price recognized in the regulation. However, in Q1-3 2005, the full

release of the HUF 9.5 bn accrual established in Q1, was not sufficient to compensate for the actual import price development in Q2 and Q3.

In Q1-3 2005 the HUF denominated import purchase price increased by 31.5%, as the 37.5% increase of the USD based import price was partly compensated by the 5.4% strengthening of HUF against USD. The public utility sales price increased by 13.6% on average in Q1-3 2005 compared to Q1-3 2004, as a consequence of the official price increases (of 13% from January 15th 2005 and 7% from August 1st). Competitive trade prices increased by 17.4% compared to 2004 Q1-3. In Q4 we forecast that MOL Supply Plc. will incur around HUF 1 bn loss on gas sales, as a result of the expected development of the actual import gas price.

In Q1-3 2005 7.3 bn m³ of natural gas was sold from import and 1.7 bn m³ from domestic production. Total sales increased by 0.9%. Sales to gas suppliers grew by 1.5% due to the cooler weather. Power plant sales decreased by 4.2%, partly because the domestic power plants produced less electricity due to the availability of cheaper import electricity, and also because the consumption of TVK Power Plant was booked as sales in 2004, but as own consumption in 2005. Industrial and other gas sales increased by 12.0% y-o-y, due to successful marketing on the competitive market. Mobile natural gas closing inventory volume was 0.5% lower at the end of September 2005 compared to the closing volume of September 2004.

Pursuant to the new gas business regulation of January 1st 2004 all non residential consumers are entitled to leave public utility supply. Several consumers have already entered the competitive market. Competitive trade sales represented 3.1% of the total natural gas sold by MOL Group in Q1-3 2005 compared with 2.4% for Q1-3 2004.

Unconsolidated operating profit of **MOL Transmission Plc.** in Q1-3 2005 increased by HUF 2.8 bn to HUF 21.8 bn compared to Q1-3 2004. Unconsolidated revenues increased significantly compared to the base period due to both a tariff increase on regulated transmission and an increase in the transmitted volume of natural gas. Non-regulated transit revenues increased by 7.4% compared to the base period, due to higher transit fees, in spite of a 1.3% decrease in transit volumes. In 2005 Q1-3 transit revenue increased to HUF 7.3 bn from HUF 6.8 bn in the same period last year. However these positive factors were partly compensated by a 2.0% increase in operating costs.

Investment in Q1-3 2005 increased by HUF 2.5 bn compared to the HUF 1.7 bn of the base period, as a result of increased reconstruction work.

Unconsolidated operating profit of **MOL Storage Plc.** in Q1-3 2005 increased by HUF 4.5 bn to HUF 14.2 bn compared to Q1-3 2004, as a consequence of an increase in the production of state-owned cushion gas at Zsana-North belonging to storage, and the change of cushion gas supplement accounting (in Q1-3 2004 a cost, but in Q1-3 2005 capitalization as an asset). Fee revenue increased to HUF 21.0 bn in Q1-3 2005 from the HUF 20.2 bn of Q1-3 2004. Injection into domestic storage continued in Q3, and the mobile closing inventory was 3.4 bn m³ at the end of September. Mobile natural gas closing inventory volume was 0.2% higher at the end of September 2005 compared to the closing volume of September 2004. Gas injection for traders other than MOL Supply Plc. increased significantly in 2005.

Investments in Storage grew significantly in 2005, due to the aforementioned capitalization of supplementary cushion gas.



Petrochemicals

Segment IFRS results

Petrochemicals	Q3 2004		Q3 2005		Change %		Q1-3 2004		Q1-3 2005		Change %	
	HUF bn	USD m	HUF bn	USD m	HUF	USD	HUF bn	USD m	HUF bn	USD m	HUF	USD
EBITDA	6.9	33.9	4.1	20.4	(41)	(40)	19.8	95.7	24.5	125.2	24	31
Operating profit/(loss)	3.9	19.2	0.2	1.0	(96)	(95)	11.0	53.2	13.5	69.0	22	30
CAPEX and investments ¹	9.0	44.2	5.4	26.8	(40)	(39)	46.7	225.7	6.4	32.7	(86)	(86)

Key segmental operating data

FY 2004 PETROCHEMICAL SALES BY PRODUCT GROUP Kt	Q3 2004	Q3 2005	Change %	Q1-3 2004	Q1-3 2005	Change %
185 Olefin products	34	59	74	135	170	26
872 Polymer products	211	274	30	653	770	18
FY 2004 PETROCHEMICAL SALES (external) Kt	Q3 2004	Q3 2005	Change %	Q1-3 2004	Q1-3 2005	Change %
430 Hungary	97	128	32	319	349	9
77 Slovakia	20	21	5	56	54	(4)
550 Other markets	128	184	44	413	537	30
1,057 TOTAL PETROCHEMICAL PRODUCT SALES	245	333	36	788	940	19

In Q1-3 2005, the operating profit of the Petrochemical segment was HUF 13.5 billion, which represents a 23% increase y-o-y. The profit development was influenced by the combined effect of increasing sales volumes from new capacities, developing commercial performance, continuously improving operational efficiency and the favourable external environment (the integrated margin in Q1-3 2005 was 11% higher y-o-y), in spite of the negative margin development in the second and third quarters. However, the operating result in Q3 2005 deteriorated significantly y-o-y, due to the major increase in the price of petrochemical feedstock and a consequent margin squeeze. Continuing efficiency improvement is demonstrated by the 144 person decrease in headcount, in spite of major capacity growth.

The performance of the segment in the period was significantly influenced by external factors. After the favourable tendencies in the first half, the integrated petrochemical margin fell by 14% in Q3 2005 compared to Q3 2004, due to a 29% increase in the USD denominated quoted naphtha price, which was only partly compensated by an 8-12% increase in Euro based polymer quotations.

In the first three quarters, polymer sales volumes reached 770 kt, which represents an 18% increase compared to the same period of last year. The most significant growth was in HDPE and PP products, mainly as a result of the start up of the new HDPE plant in TVK, and to a lesser extent the new PP plant in SN. The proportion of HDPE sales grew to 33%, beside LDPE (28%) and PP (39%) products. The start-up of new PP plant in Slovnaft had a limited effect on sales figures, compared to the base period, because of operational tests, the guarantee test and the filling up of commercial stocks.

Hungarian petrochemical product sales increased by 9% in the first 9 months, while in Slovakia product sales decreased by 2 kt (4%). The weight of export sales increased in our sales portfolio due to both the new capacities and improving commercial efficiency, as a result of the single channel sales activity, mainly in Italian, French and German markets. Export polymer sales increased by 124 kt.

Total sales of olefin products increased, by 26% y-o-y, due to the start-up of the new olefin plant in TVK.

Capital expenditure in Q1-3 2005 decreased compared to 2004, due to the earlier completion of the plant construction. At the end of Q3 2005, the test run of the Olefin 2 plant in TVK was completed. The HDPE 2 plant has been in operation since Q4 2004. At Slovnaft, the new PP plant was mechanically completed in the first quarter, and the guarantee test closed. Through these projects MOL Group's ethylene capacity has increased by 42% to 839 kt per annum, while total polymer capacity has increased by 41% to 1,281 kt per annum.

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



Financial overview

MOL has applied IFRS / IAS since the first stage of its privatisation in 1995.

Changes in accounting policies and estimates

Changes in IFRS effective from 1 January 2005 were adopted by the Group and their impact is reflected in the Q1-3 Flash Report. Apart from some minor modifications in the current policies and disclosures, major changes are summarized as follows.

IFRS 2 –Share-based Payment requires an expense to be recognised where the Group buys goods or services in exchange for shares or rights over shares, or in exchange for other assets equivalent in value to a given number of shares or rights over shares. The main impact of IFRS 2 on the Group is the expensing of directors' share conversion rights included in the convertible bond program, being a long-term incentive (qualifying as an equity-settled transaction). The negative effect of the adoption of IFRS 2 on the current nine month net profit of the Group is HUF 0.8 bn. Prior periods have been restated as required by the standard, with a negative impact of HUF 0.6 bn and HUF 0.9 bn on the comparative net profit of 2004 Q1-3 and 2004 full year, respectively.

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

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

The amendments required by the IAS 16 – Property, Plant and Equipment have a positive HUF 4.4 bn impact on 2005 Q1-3 reported Group net income, primarily due to the capitalization of periodic maintenance costs which previously have been expensed and the revision of useful lives of major assets. The implementation of these changes is prospective, as required by the revised standard. In 2005 the Group performed a complex review of domestic field abandonment liabilities and the related provision increased to HUF 81 bn. The increase was capitalized to upstream assets and will be expensed as unit-of-production amortization in the future, as required by IAS 16.

Operations

In Q1-3 2005, Group net sales revenues increased by 26% to HUF 1,702.0 bn, primarily reflecting increased average selling prices and sales volumes of refining products and natural gas. Group sales to customers outside Hungary reached HUF 839.5 bn, representing 49% of total sales. The value of raw materials and consumables used increased by 33%, above the growth rate of sales. Within this, raw material costs increased by 40%, primarily as a result of the sharp increase in crude oil import prices and the increased quantity of crude oil processed. Cost of goods sold increased by 27%, mainly as a consequence of the higher import prices and higher volume of gas sold from import, representing HUF 39.7 bn. The value of material-type services used increased by 13% to HUF 85.5 bn. Other operating expenses increased by 20% to HUF 154.1 bn, mainly due to HUF 8.6 bn Slovnaft fine in Q3 2005 and an increase in royalty payment. Personnel expenses for the period increased by 11%, reflecting an additional HUF 2.5 bn severance payment redemption charge, and the average salary increase of 7% which was compensated by a 4% decrease in the MOL Group average headcount. Out of the production costs incurred in the current period, HUF 66.7 bn is attributable to the increase in the level of finished goods inventory and work in progress, as opposed to the HUF 31.5 bn in Q1-3 2004.

A net financial expense of HUF 22.8 bn was recorded in Q1-3 2005 compared to a net financial expense of HUF 2.8 bn in the same period of 2004, due to the combined effect of interest payable, which amounted to HUF 9.3 bn, and a foreign exchange loss of HUF 13.0 bn incurred in the period compared to the interest payable of HUF 13.1 bn and foreign exchange gain of HUF 13.4 bn recognised in Q1-3 2004. Income from associates was HUF 3.8 bn, including INA's Q1-3 2005 contribution.

Corporate tax expense decreased by HUF 8.3 bn to HUF 26.2 bn in Q1-3 2005, primarily as a result of 100% tax holiday of MOL Rt. in 2005. Current tax expense is the result of the contribution of Slovnaft (at 19%) and the gas companies (at 16%), of HUF 9.7 bn and HUF 5.0 bn respectively, as well as the corporate tax payable on the profit of the ZMB project (HUF 4.9 bn). In 2005 MOL Rt. and TVK Rt. enjoy a 100% tax holiday.



Balance sheet

Total assets amounted to HUF 1,917.8 bn at the end of September 2005, representing an increase of 17%, compared to 31 December 2004. Within this, Property, plant and equipment increased by 11%, reflecting petrochemical capital expenditure at TVK and Slovnaft, EU-2005 quality investment in refining and the field abandonment provision recorded against fixed assets, in line with the requirements of the revised IAS 16. Intangible assets include goodwill of HUF 9.8 bn arising from the acquisitions of Roth Group (HUF 5.9 bn) and the Romanian operation of Shell (HUF 3.4 bn). As a consequence of the transitional requirements of IFRS 3 (see above), HUF 27.6 bn negative goodwill has been reclassified into Reserves, recognised on the acquisition of remaining Slovnaft shares, following the completion of the public offer in early 2004. Inventories increased by 76% to HUF 304.2 bn due to the higher purchase price of crude oil at the refineries and natural gas in storage. Trade and other payables increased by 33% to HUF 423.5 bn, reflecting primarily our working capital needs. Additionally, the option structure connected to the "A" shares transferred as a consideration for the shares of Slovnaft in Q2 2003 will expire within a year, consequently the relevant liability has been reclassified from Other non-current liabilities to Trade and other payables. The total amount of provisions was HUF 127.9 bn at the end of Q3 2005 representing an increase compared to 2004 year-end combining the result of revision of field abandonment liability in accordance with IAS 37, and the release of provisions for the redemption of extra severance payments, as well as the favourable closing of certain litigation in which MOL Group acted as defendant. Short-term debt (excluding the current portion of long-term debt) was HUF 7.8 bn, a decrease of 86% over the year, reflecting our improved liquidity. As at 30 September 2005, 67% of the MOL Group's total debt was denominated in Euro, 28% in USD and 5% in HUF. The currency composition of debt is determined considering both the operating currency exposure of the Group and the expected cash income at the closing of the gas partnership transaction. At the end of September 2005, MOL's gearing (net debt to net debt plus shareholders' equity plus minority interests) was 21% compared with 31% at the end of September 2004.

Changes in contingencies and commitments

The capital contractual commitments of the Group were HUF 29.9 bn compared with HUF 32.4 bn at the end of 2004. Our other contingencies and commitments (operating lease liabilities, obligations resulting from litigation in which the Group acts as defendant, and those cases in which MOL Group has filed suits) did not change significantly in Q1-Q3 2005 compared to the amounts reported in the 2004 Annual Report of MOL Group.

As a consequence of the second instance decision of the Slovak Ministry of Finance in the procedure against Slovnaft in respect of the fuel price audit performed last year, Slovnaft recognized the corresponding liability against other operating expenses in Q3 2005 (which was subsequently paid in October, 2005). The Group continues its appeal at all available forums.

The tax investigation carried out in respect of the ZMB project has been closed by the Russian authorities with no findings.

Cash flow

Operating cash flow in Q1-3 2005 was HUF 191.4 bn, a 2% decrease compared to the Q1-3 2004 figure. Operating cash flow before movements in working capital increased by 13%. The change of working capital position decreased funds by HUF 80.8 bn, arising from an increase in inventories (particularly due to the higher purchase price of crude oil at the refineries and natural gas in storage), other receivables, accounts payables and other current liabilities (of HUF 131.7 bn, HUF 17.5 bn, HUF 24.7 bn and HUF 39.1 bn) and a decrease in accounts receivable (of HUF 4.5 bn). Corporate taxes paid amounted to HUF 23.2 bn related to cash outflow of Slovnaft's corporate tax liabilities arising in 2004 and prepayments for 2005.

Net cash used in investing activities was HUF 124.4 bn compared with HUF 163.4 bn in Q1-3 2004, from which organic CAPEX decreased compared to the Q1-3 2004 due the finalization of the strategic petrochemical project at Slovnaft and TVK. The Q1-3 2005 cash spent also includes the consideration paid for Shell Romania, while the comparative figure of 2004 contains our further acquisition of shares in Slovnaft and TVK. Net financing cash outflows amounted to HUF 76.4 bn, being mainly the result of the net repayment of short-term debt and the HUF 21.9 bn buyback of treasury shares on the Budapest Stock Exchange. The share buyback from Slovintegra-Slovbena is shown in the item of Acquisition of subsidiaries.



APPENDIX I

**CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE MOL GROUP PREPARED
IN ACCORDANCE WITH IFRS
FOR THE PERIOD ENDED 30 SEPTEMBER 2005**

Unaudited figures (in HUF millions)

FY 2004 restated	Q3 2004 restated	Q3 2005	Change %	Q1-3 2004 restated	Q1-3 2005	Change %
1,955,830 Net sales	452,351	585,759	29	1,349,185	1,702,042	26
16,126 Other operating income	2,467	3,680	49	8,755	13,200	51
1,971,956 Total operating revenues	454,818	589,439	30	1,357,940	1,715,242	26
734,969 Raw material costs	198,732	306,369	54	533,325	744,558	40
107,538 Value of material-type services used	24,442	28,840	18	75,639	85,541	13
503,424 Cost of goods purchased for resale	77,912	111,911	44	330,346	418,293	27
<i>1,345,931 Raw material and consumables used</i>	<i>301,086</i>	<i>447,120</i>	<i>49</i>	<i>939,310</i>	<i>1,248,392</i>	<i>33</i>
123,295 Personnel expenses	22,848	28,744	26	73,976	81,764	11
108,559 Depreciation, depletion, amortisation and impairment	24,738	26,501	7	74,510	82,584	11
191,748 Other operating expenses	35,012	58,285	66	128,667	154,083	20
(18,994) Change in inventory of finished goods and work in progress	(4,546)	(27,690)	509	(31,497)	(66,729)	112
(27,283) Work performed by the enterprise and capitalised	(5,963)	(13,664)	129	(18,174)	(22,619)	24
1,723,256 Total operating expenses	373,175	519,296	39	1,166,792	1,477,475	27
248,700 Operating profit	81,643	70,143	(14)	191,148	237,767	24
4,147 Interest received	890	623	(30)	3,010	2,304	(23)
260 Dividends received	112	20	(82)	282	25	(91)
32,078 Exchange gains and other financial income	10,103	595	(94)	15,907	2,530	(84)
36,485 Total financial income	11,105	1,238	(89)	19,199	4,859	(75)
16,784 Interest on borrowings	4,004	3,190	(20)	13,140	9,283	(29)
4,988 Interest on provisions	1,204	1,214	1	3,801	3,674	(3)
403 Write-off of financial investments	1	(36)	n.a.	150	(18)	n.a.
9,155 Exchange losses and other financial expenses	2,007	4,864	142	4,900	14,722	200
31,330 Total financial expense	7,216	9,232	28	21,991	27,661	26
(5,155) Financial expense/(gain), net	(3,889)	7,994	n.a.	2,792	22,802	717
7,985 Income from associates	(3,385)	(2,251)	(34)	(5,731)	(3,804)	(34)
261,840 Profit before tax	88,917	64,400	(28)	194,087	218,769	13
47,817 Income tax expense	13,524	9,509	(30)	34,538	26,249	(24)
214,023 Profit after tax	75,393	54,891	(27)	159,549	192,520	21
(5,589) Minority interests ¹	(1,331)	1,831	n.a.	(4,522)	(1,882)	(58)
208,434 Net income	74,062	56,722	(23)	155,027	190,638	23
2,021 Basic earnings per share (HUF)	720	560	(22)	1,503	1,867	24
1,997 Diluted earnings per share (HUF)	710	554	(22)	1,487	1,847	24

¹ MOL's share in TVK's profits was calculated observing the 44.3% shareholding in the first quarter of 2004. Following the exercise of an option for a further 8.0% stake in TVK at the end of March 2004, MOL's shareholding in TVK increased to 52.3%. MOL's share in TVK's profits is calculated observing a 52.3% shareholding from the second quarter of 2004. Minority interest at Slovnaft was calculated at 30.0% until the end of January 2004 and at 1.6% thereafter, when public bid for remaining Slovnaft shares was successfully completed.



APPENDIX II

**CONSOLIDATED BALANCE SHEETS FOR THE MOL GROUP
PREPARED IN ACCORDANCE WITH IFRS**

AS AT 30 SEPTEMBER 2005

Unaudited figures (in HUF millions)

31 Dec 2004 restated		30 September 2004 restated	30 September 2005	Change %
Assets				
Non-current assets				
5,401	Intangible assets	(1,206)	33,810	n.a.
925,069	Property, plant and equipment	887,300	1,024,509	15
118,167	Investments	123,841	124,127	-
36,210	Deferred tax asset	40,222	33,804	(16)
16,538	Other non-current assets	10,765	17,620	64
1,101,385	Total non-current assets	1,060,922	1,233,870	16
Current assets				
172,450	Inventories	212,655	304,161	43
218,950	Trade receivables, net	176,751	223,860	27
-	Marketable securities	2,339	364	(84)
53,969	Other current assets	58,418	74,323	27
88,126	Cash and cash equivalents	58,544	81,251	39
533,495	Total current assets	508,707	683,959	34
1,634,880	Total assets	1,569,629	1,917,829	22
Liabilities and shareholders' equity				
Shareholders' equity				
94,634	Share capital ¹	94,243	94,009	-
431,749	Reserves	422,299	642,470	52
208,434	Net income for the period	155,027	190,638	23
734,817	Equity attributable to shareholders	671,569	927,117	38
68,020	Minority interest	66,884	68,959	3
802,837	Total equity	738,453	996,076	35
Non-current liabilities				
199,893	Long-term debt, net of current portion	235,896	151,214	(36)
53,647	Provisions for liabilities and charges	50,099	112,579	125
12,995	Deferred tax liability	12,909	16,904	31
53,181	Other non-current liabilities	52,197	5,475	(90)
319,716	Total non-current liabilities	351,101	286,172	(18)
Current liabilities				
318,918	Trade and other payables	295,514	423,472	43
46,038	Provisions for liabilities and charges	24,892	15,352	(38)
54,384	Short-term debt	118,490	7,767	(93)
92,987	Current portion of long-term debt	41,179	188,990	359
512,327	Total current liabilities	480,075	635,581	32
1,634,880	Total liabilities and shareholders' equity	1,569,629	1,917,829	22

¹ Compared to HAS, registered share capital in IFRS does not include issued MOL shares owned by Slovintegra-Slovbena (treated as liability due to the connecting option structure) and is decreased by the face value of treasury shares.



APPENDIX III
MOVEMENTS IN SHAREHOLDERS' EQUITY FOR THE MOL GROUP
FOR THE PERIOD ENDED 30 SEPTEMBER 2005
 Unaudited figures (in HUF millions)

	Share capital	Share premium	Fair valuation reserve	Translation reserve	Equity component of compound debt instruments	Retained earnings	Total reserves	Net income	Total	Minority interest
Opening balance 1 January 2004	93,128	145,157	7,832	8,606	2,857	166,308	330,760	99,981	523,869	155,752
Effect of IFRS 2 - Cost of share-based payment	-	-	-	-	234	-	234	(234)	-	-
Restated opening balance 1 January 2004	93,128	145,157	7,832	8,606	3,091	166,308	330,994	99,747	523,869	155,752
Transfer to reserves of retained profit for the previous year	-	-	-	-	-	99,747	99,747	(99,747)	-	-
Dividends	-	-	-	-	-	(5,952)	(5,952)	-	(5,952)	(787)
Net change in balance of treasury shares held	131	674	-	-	-	-	674	-	805	-
Cash flow hedges	-	-	(3,488)	-	-	-	(3,488)	-	(3,488)	-
Currency translation differences	-	-	-	(15,061)	-	-	(15,061)	-	(15,061)	(281)
Cost of share-based payment	-	-	-	-	609	-	609	-	609	-
Slovnaft acquisition	984	4,124	-	-	10,652	-	14,776	-	15,760	-
Business combinations	-	-	-	-	-	-	-	-	-	(92,322)
Retained profit for the period	-	-	-	-	-	-	-	155,027	155,027	4,522
Closing balance 30 September 2004	94,243	149,955	4,344	(6,455)	14,352	260,103	422,299	155,027	671,569	66,884
Opening balance 1 January 2005	94,634	151,764	8,387	(3,184)	14,679	260,103	431,749	208,434	734,817	68,020
Effect of IFRS 3 -Transfer of previously recorded negative goodwill to retained earnings	-	-	-	-	-	27,634	27,634	-	27,634	-
Effect of IFRS 3 – Associates	-	-	-	-	-	352	352	-	352	-
Restated opening balance 1 January 2005	94,634	151,764	8,387	(3,184)	14,679	288,089	459,735	208,434	762,803	68,020
Transfer to reserves of retained profit for the previous year	-	-	-	-	-	208,434	208,434	(208,434)	-	-
Dividends	-	-	-	-	-	(16,998)	(16,998)	-	(16,998)	(1,038)
Net change in balance of treasury shares held	(1,319)	(19,553)	-	-	-	-	(19,553)	-	(20,872)	-
Cash flow hedges	-	-	(2,925)	-	-	-	(2,925)	-	(2,925)	-
Fair value changes of financial instruments – Associates	-	-	(645)	-	-	-	(645)	-	(645)	-
Currency translation reserve	-	-	-	17,488	-	-	17,488	-	17,488	95
Cost of share-based payment	-	-	-	-	787	-	787	-	787	-
Slovnaft acquisition	327	1,569	-	-	(7,116)	-	(5,547)	-	(5,220)	-
Redemption of convertible bonds	367	1,694	-	-	-	-	1,694	-	2,061	-
Retained profit for the period	-	-	-	-	-	-	-	190,638	190,638	1,882
Closing balance 30 September 2005	94,009	135,474	4,817	14,304	8,350	479,525	642,470	190,638	927,117	68,959



APPENDIX IV

**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE MOL GROUP PREPARED IN
ACCORDANCE WITH IFRS
FOR THE PERIOD ENDED 30 SEPTEMBER 2005
Unaudited figures (in HUF millions)**

FY 2004 restated	Q3 2004 restated	Q3 2005	Ch. %	Q1-3 2004 restated	Q1-3 2005	Ch. %
248,700 Profit from operations	81,643	70,143	(14)	191,148	237,767	24
<i>Adjustments to reconcile operating profit to net cash provided by operating activities</i>						
107,244 Depreciation, depletion, amortisation and impairment	24,387	26,501	9	73,552	82,584	12
400 Net unrealised loss recorded on financial instruments	163	72	(56)	315	1,349	328
1,062 Write-off of inventories	91	125	37	164	428	161
139 Damages and reversal of impairment losses on PP&E	(973)	(189)	(81)	(334)	(777)	133
12,445 Increase / (decrease) in provisions	(100)	905	n.a.	(9,809)	(30,757)	214
(875) Net (gain) / loss on sale of fixed assets	(88)	709	n.a.	(650)	116	n.a.
10,118 Write-off / (reversal of write-off) of receivables	(27)	(1,719)	6,267	514	(4,773)	n.a.
(2,289) Unrealised foreign exchange (gain) / loss on receivables and payables	(488)	1,839	n.a.	(1,092)	1,299	n.a.
8,547 Exploration and development costs expensed during the year	2,298	2,892	26	8,612	8,056	(6)
891 Cost of share-based payment	259	223	(14)	609	787	29
(559) Other non cash items	(235)	(218)	(7)	(516)	(667)	29
385,823 Operating cash flow before changes in working capital	106,930	101,283	(5)	262,513	295,412	13
(16,281) Increase in inventories	(47,756)	(100,897)	111	(59,539)	(131,657)	121
(57,758) (Increase) / decrease in accounts receivable	(21,321)	(17,888)	(16)	(12,679)	4,528	n.a.
(5,284) Increase in other receivables	(1,426)	(15,806)	1,008	(12,273)	(17,451)	42
21,735 Increase / (decrease) in accounts payable	(5,760)	25,401	n.a.	(11,996)	24,715	n.a.
14,433 Increase / (decrease) in other current liabilities	(5,749)	24,224	n.a.	32,037	39,081	22
(18,287) Corporate taxes paid	(1,331)	(5,025)	278	(3,278)	(23,216)	608
324,381 Net cash provided by operating activities	23,587	11,292	(52)	194,785	191,412	(2)
(185,336) Capital expenditures, exploration and development costs	(45,941)	(29,317)	(36)	(119,051)	(94,340)	(21)
2,947 Proceeds from disposals of fixed assets	99	644	551	1,931	2,517	30
(71,701) Acquisition of subsidiaries, net cash	(5,545)	(3,113)	(44)	(73,312)	(31,392)	(57)
(507) Acquisition of joint ventures, net cash	(627)	-	-	(627)	(712)	14
(1,987) Acquisition of other investments	(490)	-	-	(490)	-	-
13,956 Proceeds from disposal of investments	979	-	-	12,640	58	(100)
586 Changes in loans given and long-term bank deposits	178	36	(80)	1,451	(4,198)	n.a.
9,111 Changes in short-term investments	2	(2)	n.a.	7,711	(3)	n.a.
6,283 Interest received and other financial income	1,757	648	(63)	5,564	2,919	(48)
1,837 Dividends received	259	589	127	751	767	2
(224,811) Net cash used in investing activities	(49,329)	(30,515)	(38)	(163,432)	(124,384)	(24)
2,600 Issuance of long-term notes	2,250	-	-	2,250	-	-
(800) Repayment of long-term notes	(800)	(360)	(55)	(800)	(360)	(55)
(33,000) Repayment of zero coupon notes	-	-	-	(33,000)	(15,000)	(55)
195,476 Long-term debt drawn down	48,226	106,361	121	91,339	334,899	267
(238,272) Repayments of long-term debt	(30,809)	(58,853)	91	(159,088)	(291,332)	83
71 Changes in other long-term liabilities	(52)	(245)	371	383	(849)	n.a.
23,845 Changes in short-term debt	519	1,412	172	85,149	(50,512)	n.a.
(19,577) Interest paid and other financial costs	(6,998)	(3,522)	(50)	(17,017)	(13,254)	(22)
(5,954) Dividends paid to shareholders	(68)	(1,275)	1,775	(5,938)	(16,903)	185
(814) Dividends paid to minority interest	-	13	-	(606)	(1,239)	104
936 Sale of treasury shares	30	-	-	936	38	(96)
(168) Repurchase of treasury shares	(1)	-	-	(167)	(21,866)	12,993
(75,657) Net cash provided by financing activities	12,297	43,531	254	(36,559)	(76,378)	109
23,913 Increase / (decrease) in cash and cash equivalents	(13,445)	24,308	n.a.	(5,206)	(9,350)	80
62,841 Cash at the beginning of the period	72,369	56,780	(22)	62,841	88,126	40
1,185 Cash effect of consolidation of subsidiaries previously accounted for as other investment	-	-	-	1,185	1,131	(5)
187 Exchange differences on the consolidation of foreign subsidiaries	(380)	163	n.a.	(276)	1,344	n.a.
88,126 Cash at the end of the period	58,544	81,251	39	58,544	81,251	39



APPENDIX V

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

FY 2004 restated	NET EXTERNAL SALES REVENUES ¹	Q3 2004 restated	Q3 2005	Ch. %	Q1-3 2004 restated	Q1-3 2005	Ch. %
40,328	Exploration and Production	12,750	8,814	(31)	28,204	20,977	(26)
1,183,106	Refining and Marketing	328,188	430,870	31	815,614	1,070,596	31
530,344	Natural Gas	68,957	78,806	14	361,935	414,264	14
197,539	Petrochemicals	47,120	64,871	38	140,465	191,747	37
4,513	Corporate and other	(4,664)	2,398	n.a.	2,967	4,458	50
1,955,830	TOTAL	452,351	585,759	29	1,349,185	1,702,042	26

FY 2004 restated	OPERATING PROFIT ¹	Q3 2004 restated	Q3 2005	Ch. %	Q1-3 2004 restated	Q1-3 2005	Ch. %
54,144	Exploration and Production	18,915	32,854	74	43,725	73,815	69
158,857	Refining and Marketing	59,047	50,768	(14)	114,861	138,072	20
64,838	Natural Gas *	12,887	9,844	(24)	46,887	52,234	11
18,911	Petrochemicals	3,899	166	(96)	11,031	13,483	22
(52,087)	Corporate and other	(8,447)	(12,529)	48	(24,520)	(34,603)	41
4,037	Intersegment transfers ²	(4,658)	(10,960)	135	(836)	(5,234)	526
248,700	TOTAL	81,643	70,143	(14)	191,148	237,767	24

*Gas segment operating profit, in addition to subsidiary results, includes segment level consolidation effects.

FY 2004 restated	PROPERTY, PLANT, EQUIPMENT AND INTANGIBLES ACQUIRED	Q3 2004 restated	Q3 2005	Ch. %	Q1-3 2004 restated	Q1-3 2005	Ch. %
22,820	Exploration and Production	6,131	10,027	64	12,024	18,021	50
71,729	Refining and Marketing	23,545	7,352	(69)	44,707	40,829	(9)
13,982	Natural Gas	2,523	4,396	74	3,427	13,440	292
57,834	Petrochemicals	9,580	4,347	(55)	47,406	5,273	(89)
9,676	Corporate and other	2,049	3,863	89	3,667	6,147	68
176,041	TOTAL	43,828	29,985	(32)	111,231	83,710	(25)

FY 2004 restated	DEPRECIATION	Q3 2004 restated	Q3 2005	Ch. %	Q1-3 2004 restated	Q1-3 2005	Ch. %
22,581	Exploration and Production	5,802	5,428	(6)	17,238	18,335	6
56,173	Refining and Marketing	11,800	13,734	16	36,715	41,119	12
6,594	Natural Gas	1,360	1,648	21	4,261	4,749	11
12,292	Petrochemicals	2,979	3,951	33	8,728	11,047	27
10,919	Corporate and other	2,797	1,740	(38)	7,568	7,334	(3)
108,559	TOTAL	24,738	26,501	7	74,510	82,584	11

31/12/2004	TANGIBLE ASSETS	30/09/2004	30/09/2005	Ch. %
92,917	Exploration and Production	90,881	153,574	69
465,134	Refining and Marketing	443,465	494,361	11
112,095	Natural Gas	104,415	120,692	16
193,538	Petrochemicals	193,133	200,305	4
61,385	Corporate and other	55,406	55,577	-
925,069	TOTAL	887,300	1,024,509	15

¹ Net external sales revenues include only sales to third parties outside the MOL Group; operating profit includes the profit arising both from sales to third parties and transfers to the other business segments. Exploration and Production transfers domestically produced crude oil, condensates and LPG to Refining and Marketing and natural gas to the Natural Gas segment. Refining and Marketing transfers chemical feedstock, propylene and isobutane to Petrochemicals and Petrochemicals transfers various by-products to Refining and Marketing. The internal transfer prices used are based on prevailing market prices. The gas transfer price equals the average import price. Divisional figures contain the results of the fully consolidated subsidiaries engaged in the respective divisions.

² This line shows the effect on operating profit of the change in the amount of unrealised profit deferred in respect of transfers between segments. Unrealised profits arise where the item transferred is held in inventory by the receiving segment and a third party sale takes place only in a subsequent quarter. For segmental reporting purposes the transferor segment records a profit immediately at the point of transfer. However, at the company level profit is only reported when the related third party sale has taken place. In previous years this unrealised profit effect was not shown separately, but was included in the reported segmental result of the receiving segment. Unrealised profits arise principally in respect of transfers from Exploration & Production to Natural Gas and from Refining & Marketing to Petrochemicals.



APPENDIX VI

MAIN EXTERNAL PARAMETERS

	Q3 2004	Q3 2005	Change %	Q1-3 2004	Q1-3 2005	Change %
Brent dated (USD/bbl)	41.5	61.6	48	36.4	53.7	48
Ural Blend (USD/bbl)	37.4	57.4	53	33.0	49.8	51
Premium unleaded gasoline 50 ppm (USD/t)*	427.3	638.9	50	387.6	527.6	36
Gas oil - ULSD (USD/t)*	411.2	600.4	46	349.7	530.7	52
Naphtha (USD/t)*	400.7	518.9	29	356.4	462.0	30
Ethylene (EUR/t)	635	640	1	607	710	17
Integrated petrochemical margin (EUR/t)	385	330	(14)	365	404	11
HUF/USD average	203.6	201.2	(1)	206.9	195.7	(5)
SKK/USD average	32.8	31.7	(3)	32.8	30.6	(7)
3m USD LIBOR (%)	1.73	3.71	114	1.35	3.27	142
3m EURIBOR (%)	2.12	2.13	-	2.09	2.13	2
3m BUBOR (%)	11.19	6.31	(44)	11.75	7.33	(38)
	Q2 2005	Q3 2005	Change %	Q4 2004	Q3 2005	Change %
HUF/USD closing	204.8	207.6	1	180.3	207.6	15
HUF/EUR closing	247.4	249.6	1	245.9	249.6	2

* FOB Rotterdam parity



APPENDIX VII

EXTRAORDINARY ANNOUNCEMENTS IN Q1-Q3 2005

Announcement date	
4 January	MOL signed a purchase agreement to increase its ownership to 100% in MOL Austria Handels GmbH
6 January	Mr Ray Leonard has joined MOL to lead its international upstream activities
10 January	New oil and gas discovery in Pakistan
18 January	Alliance Capital Management L.P. change in influence
20 January	MOL has concluded a long-term supply agreement with Lukoil
31 January	Material factors affecting MOL Group earnings
23 February	MOL increased stake in prospective Kazakh exploration block and takes over operations for the exploration phase
24 February	Sale of treasury share
25 February	Purchase of treasury shares
3 March	Organisational changes in MOL Exploration and Production Division
17 March	Order to purchase treasury shares
17,21,22,23,29,30 and 31 March	Purchase of treasury shares
29 March	Personnel change at MOL
1 April	Redemption of MOL 2005/A notes at maturity
6,8,12,14,15,18,22,28 and 29 April	Purchase of treasury shares
11 April	MOL and INA submitted binding bid for the acquisition of Energopetrol
28 April	Personnel changes at Slovnaft
29 April	MOL has new partners in the ZMB project
2,4,5,6,9,10,11,12,13, 19,23 and 25 May	Purchase of treasury shares
13 May	MOL's Board of Directors has decided on the dividend payment date
17 and 18 May	Share transactions of MOL managers
23 May	MOL signs a EUR 700 million revolving facility agreement, the largest bank facility to date in Hungary
25 May	Share distribution for the MOL management
27 May	Dividend announcement of the Board of Directors of MOL Plc. dividend for the 2004 financial year
21 and 27 June	Share transactions of MOL managers
28 June	Purchase of treasury shares
28 June	The Hungarian Energy Office approved the partial sale of MOL's gas business
1 and 14 July	Share transactions of MOL managers
12 July	Purchase of treasury shares
28 July	MOL mandate for eurobond transaction
25 August	MOL plc. announcement channels
31 August	Current status of exploration in Federovskoye Block
1 September	The Board of Directors of MOL decided on the capital increase of the company
2 September	MOL submitted a binding bid for the 51 per cent stake in Tüpras
14 September	MOL has new partner in the ZMB project
15 September	The Court of Registration has registered the capital increase of MOL
16 September	Credit rating publication
26 September	Change in the share ownership of senior executives
27 September	Slovnaft received fine from the Slovak Finance Minister
27 September	MOL issues Eurobond
28 September	MOL divests its Polish retail network
29 September	Confirmation of the acting managing director of the Retail Services division of MOL Group



APPENDIX VIII

SHAREHOLDER STRUCTURE (%) AND TREASURY SHARES

Shareholder groups	31 Dec 2003	30 Sept 2004	31 Dec 2004	31 March 2005	30 June 2005	30 Sept 2005
Foreign investors (mainly institutional)	36.4	56.2	56.0	56.6	56.6	58.3
OMV	9.1	9.1	10.0	10.0	10.0	10.0
Slovbena, Slovintegra	9.8	8.0	8.0	7.7	7.3	6.9
ÁPV Rt. (Hungarian State Privatisation and Holding Company)	22.7	11.8	11.8	11.8	11.8	11.7
Hungarian institutional investors	9.5	4.1	4.2	4.0	3.3	2.7
Depositories (mainly Hung. private investors)	8.4	5.9	5.1	4.6	4.4	3.6
MOL Rt. (treasury shares)	4.0	4.9	4.9	5.3	6.6	6.8
Unregistered shares	0.1	0.0	0.0	0.0	0.0	0.0

On 1 September 2005, the Board of Directors passed a resolution on the increase of the share capital of the company from HUF 108,618,776,578 to HUF 108,985,250,578 as part of the convertible bond programme approved by the EGM held on 1 September 2003. On 15 September 2005, the Court of Registration registered the capital increase.

According to the Share Register, beside ÁPV Rt. with 12.7%, only 3 shareholders had more than 5% influence over MOL Rt. At 30 September 2005: JP Morgan Chase Bank, the depository bank for MOL's GDR programme, which had 13.9%, Slovintegra-Slovbena having 7.5 %, and OMV having 10 % influence over MOL. Please note that influence is calculated as the number of shares held to total shares less treasury stock. Furthermore, according to the Articles of Association, influence is limited at 10% for any single shareholder group, with the exception of ÁPV Rt., as the representative of the Hungarian State. JP Morgan Chase Bank, as the depository bank for MOL's GDR programme does not qualify as a shareholder group for the purpose of influence.

On 13 September 2004 "The Capital Group Companies, Inc." announced that it owned 5,713,830 ordinary shares. On 16 December 2004 FMR Corporation (Fidelity) announced that its influence increased to 5.06%. On 18 January 2005 "Alliance Capital Management L.P." announced that its ownership decreased to 4,211,208 shares. These changes have not been registered in the share register.

The number of "A" series treasury shares held by MOL at the end of the period increased by 216,000 from 7,195,696 to 7,411,696 as a result of purchasing shares from Slovintegra-Slovbena on the Budapest Stock Exchange. There was no change in the number of "C" series Treasury shares held by MOL (369).

Please note that in Hungary, the Share Register does not fully reflect the ownership structure, as registration is not mandatory.

Changes in organisation and senior management:

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

From 1 April 2005, Dr. József Szórád relinquished his position as Managing Director of the Retail Services division. Dr Szórád continues his work at MOL as a chief advisor to the Chairman-CEO. Mr. Slavomir Jankovic, previously the manager of MOL's retail business in the Southern Region, was appointed to the position of acting Managing Director of the Retail Services division from 1 April, 2005. In September 2005 the Board of Directors confirmed the appointment of Mr Slavomir Jankovic as Managing Director of the Retail Division as of 3rd of October 2005.