

REPORT OF THE SUPERVISORY BOARD ON THE 2015 FINANCIAL STATEMENTS AND ON THE PROPOSAL FOR THE DISTRIBUTION OF PROFIT AFTER TAXATION, AND ITS OPINION ON THE BOARD OF DIRECTORS' PROPOSALS TO BE SUBMITTED TO THE GENERAL MEETING

The Supervisory Board and the Audit Committee performed their duties in full accordance with their statutory obligations; 5 meetings were held jointly during the year to review various agenda points in common. Regular agenda points of these meetings included quarterly reports of the Board of Directors on Company operations as well as reports by Internal Audit, Group Compliance and Ethics and the Audit Committee itself. In addition, the Supervisory Board reviewed proposals for the Annual General Meeting. The report of the Supervisory Board was prepared pursuant to the report of the Board of Directors, the opinions of the auditors, scheduled regular mid-year reviews and the work of the Audit Committee. At its meetings during 2015, the Supervisory Board dealt in detail with MOL Group's business situation and the strategic development of the Group and its Divisions. The Supervisory Board regularly received information on the decisions of the Board of Directors and issues concerning the Company.

MOL, with a market capitalization of USD 5.1 billion at end of 2015, is one of the leading integrated companies in the CEE region.

The Company's 2015 financial statements - in accordance with Accounting Act - provide a true and fair picture of its economic activities and were audited by Ernst & Young Kft. The accounting methods applied in developing these financial reports are supported by the report of the Audit Committee, comply with the provisions of the Accounting Act and the IFRS rules as adopted by the EU and are consistent with the accounting policies of the Company. All figures in the balance sheet are supported by analytical registration. Assessment and payment of tax obligations were implemented as prescribed by law.

A total of 133 companies were fully, and a further 9 companies partially, consolidated in MOL Group, using the equity method. Last year, the ownership structure changed to a limited extent: at the end of 2015, compared to the end of the prior year, the shareholding of foreign institutional investors increased to some extent, whereas the ownership of both domestic insti-

tutional investors and domestic private investors decreased slightly during the year, while Dana Gas sold its entire holding. According to requests for the registration of shares received and published shareholder notifications, the Company had six shareholders or shareholder groups that held more than 5% voting rights on 31 December 2015. MOL's largest shareholder is the Hungarian State which holds 24.7% of MOL shares. The Company held 1.46% treasury shares at the end of December 2015, almost halving its size compared to the year before.

Despite a challenging external environment, MOL Group delivered a strong performance in 2015 and reported a HUF 648 billion EBITDA, a substantially higher figure (up 59%) compared to 2014 despite the falling oil price. Additionally, MOL generated operating cash flows greatly in excess of its capital expenditures, while keeping gearing and indebtedness at relatively low levels. These results are the reflection of the strength and resilience of the integrated business model, having managed to strike the right balance between Upstream and Downstream. Sizeable impairments totaling HUF 525 billion, mostly driven by the low oil price, did however negatively affect the reported net profit for the group.

The Upstream division financial results decreased compared to 2014, as oil prices continued their slide during the year. EBITDA amounted to HUF 245 billion while operating losses reached HUF 468 billion on the back of the impairment charges. Despite the lower financial performance, there were several key positive results achieved during the year, including an increase in hydrocarbon production of 7% and lower unit operating expense by 7% compared to the previous year.

As for Downstream, it delivered very strong financial and operational performance. Full year EBITDA more than tripled compared to 2014 as it reached HUF 375 billion, with Petrochemicals and Retail contributing with over half of the total. The overall improvement was attributed to a favorable external environment, as well as the contribution of internal efficiency measures. The Next Downstream Program, which started in



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Chairman of the Supervisory Board



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2015, successfully closed the first of its three year program with a contribution ahead of the plans.

Overall in 2015 MOL managed to maintain its strong financial position due to its resilient integrated business model, supported by a high quality, low-cost asset base. Looking forward, despite all the difficulties faced by the current external environment, MOL remains committed to maintain its strong cash flow generating ability to be able to cover organic investment needs as well as the dividends for shareholders, whilst maintaining a strong balance sheet, the latter being a key priority. Although the combination of a low oil price and a normalization of the downstream macro environment pose a considerable challenge, MOL is confident that the company is going to successfully navigate through the challenges supported by the resilience of the integrated business model and the strong financial discipline pursued during the last years.

The Supervisory Board proposes that the General Meeting approve the audited financial statements of MOL Plc. for 2015, with a balance-sheet total of HUF 2,794 billion, net loss of HUF 190 billion and tied-up reserve of HUF 8 billion and the audited consolidated financial statements of MOL Group for 2015, with

a balance sheet total of HUF 3,928 billion and loss attributable to equity holders of HUF 257 billion.

The Supervisory Board endorses the recommendation of the Board of Directors to pay out HUF 55 billion dividend in 2016 based on the year ended 31 December 2015. The proposed amount represents the continuation of the last years' gradually increasing payout trend of the regular dividend payment.

The Supervisory Board has reviewed and supports all proposals and materials of the Board of Directors to be submitted to the General Meeting and recommends to the General Meeting to approve the proposals.

The Audit Committee provided assistance to the Supervisory Board in supervising the financial report regime and the 2015 financial statements and supported the report of the Supervisory Board.

Budapest, 23 March 2016

For and on behalf of the Supervisory Board and Audit Committee of MOL Plc.:

György Mosonyi
Chairman of the Supervisory Board

Dr. Attila Chikán
Chairman of the Audit Committee