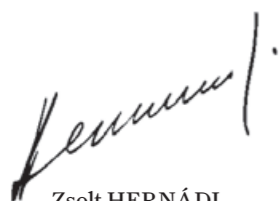


# MOL HUNGARIAN OIL AND GAS PLC.

## CONSOLIDATED FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

31 December 2015

Budapest, 17 March 2016



Zsolt HERNÁDI  
Chairman of the Board of Directors  
Chief Executive Officer



József SIMOLA  
Group Chief Financial Officer

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2015

	NOTES	2015	2014
		HUFmillion	HUFmillion
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	4	235,412	371,236
Property, plant and equipment	5	2,229,059	2,513,014
Investments in associated companies and joint ventures	10	189,969	165,776
Available-for-sale investments	11	28,103	20,796
Deferred tax assets	30	113,467	75,000
Other non-current assets	12	64,687	101,692
<b>Total non-current assets</b>		<b>2,860,697</b>	<b>3,247,514</b>
<b>Current assets</b>			
Inventories	13	349,177	364,591
Trade receivables	14	378,749	450,985
Securities	33	63,147	222,467
Other current assets	15	137,967	144,252
Income tax receivable	30	6,051	15,973
Cash and cash equivalents	16,36	132,214	203,743
<b>Total current assets</b>		<b>1,067,305</b>	<b>1,402,011</b>
<b>TOTAL ASSETS</b>		<b>3,928,002</b>	<b>4,649,525</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital	17	79,241	79,229
Reserves		1,634,082	1,666,438
Profit/(loss) for the year attributable to equity holders of the parent		(256,554)	4,078
<b>Equity attributable to equity holders of the parent</b>		<b>1,456,769</b>	<b>1,749,745</b>
Non-controlling interests		364,349	445,993
<b>Total equity</b>		<b>1,821,118</b>	<b>2,195,738</b>
<b>Non-current liabilities</b>			
Long-term debt	19	461,681	455,039
Provisions	20	415,974	393,192
Deferred tax liabilities	30	67,209	49,820
Other non-current liabilities	21	30,633	28,637
<b>Total non-current liabilities</b>		<b>975,497</b>	<b>926,688</b>
<b>Current liabilities</b>			
Trade and other payables	22	857,201	969,738
Income tax payable	30	15,258	5,542
Provisions	20	52,947	44,703
Short-term debt	19, 23	205,981	507,116
<b>Total current liabilities</b>		<b>1,131,387</b>	<b>1,527,099</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>3,928,002</b>	<b>4,649,525</b>

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

31 DECEMBER 2015

	NOTES	2015	2014
		HUF million	HUF million
Net revenue	3, 24	4,102,578	4,866,607
Other operating income	25	87,000	26,598
<b>Total operating income</b>		<b>4,189,578</b>	<b>4,893,205</b>
Raw materials and consumables used		3,032,450	3,910,598
Personnel expenses	26	267,271	260,242
Depreciation, depletion, amortisation and impairment	3, 4, 5	863,464	368,284
Other operating expenses	27	258,286	288,681
Change in inventories of finished goods and work in progress		41,022	73,533
Work performed by the enterprise and capitalized		(56,917)	(48,213)
<b>Total operating expenses</b>		<b>4,405,576</b>	<b>4,853,125</b>
<b>Operating (loss)/profit</b>		<b>(215,998)</b>	<b>40,080</b>
Finance income	28	19,772	35,300
Finance expense	28	112,646	139,764
<b>Finance expense, net</b>		<b>92,874</b>	<b>104,464</b>
Income from associates	10	5,773	18,902
<b>Loss before tax</b>		<b>(303,099)</b>	<b>(45,482)</b>
Income tax expense	30	21,857	5,384
<b>Loss for the year</b>		<b>(324,956)</b>	<b>(50,866)</b>
<b>Attributable to:</b>			
Equity holders of the parent		(256,554)	4,078
Non-controlling interests		(68,402)	(54,944)
<b>Basic earnings per share</b>			
<b>Attributable to ordinary equity holders of the parent (HUF)</b>	31	<b>(2,877)</b>	<b>(39)</b>
<b>Diluted earnings per share</b>			
<b>Attributable to ordinary equity holders of the parent (HUF)</b>	31	<b>(2,877)</b>	<b>(39)</b>

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

31 DECEMBER 2015

	NOTES	2015	2014
		HUF million	HUF million
<b>Loss for the year</b>		<b>(324,956)</b>	<b>(50,866)</b>
<b>Other comprehensive income</b>			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translating foreign operations, net of tax	29	10,375	144,208
Net investment hedge, net of tax	29	(13,113)	(42,249)
Available-for-sale financial assets, net of deferred tax	29	3,881	4,788
Cash-flow hedges, net of deferred tax	29	(3,136)	(2,088)
Share of other comprehensive income for associates	29	14,589	24,168
<b>Net other comprehensive income to be reclassified to profit or loss in subsequent periods</b>		<b>12,596</b>	<b>128,827</b>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Equity recorded for actuarial gain/loss on provision for retirement benefit obligation	29	1,248	(1,541)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods</b>		<b>1,248</b>	<b>(1,541)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>13,844</b>	<b>127,286</b>
<b>Total comprehensive income for the year</b>		<b>(311,112)</b>	<b>76,420</b>
<b>Attributable to:</b>			
Equity holders of the parent		(254,394)	91,507
Non-controlling interest		(56,718)	(15,087)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

31 DECEMBER 2015

	SHARE CAPITAL	SHARE PREMIUM	FAIR VALUATION RESERVE	TRANSLATION RESERVE	EQUITY COMPONENT OF DEBT AND DIFFERENCE IN BUY-BACK PRICES	RETAINED EARNINGS	TOTAL RESERVES	PROFIT/(LOSS) FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	NON-CONTROLLING INTERESTS	TOTAL EQUITY
	HUF million	HUF million	HUF million	HUF million	HUF million	HUF million	HUF million	HUF million	HUF million	HUF million	HUF million
<b>Closing balance 31 December 2013 – Restated</b>	<b>79,215</b>	<b>(325,669)</b>	<b>2,563</b>	<b>159,724</b>	<b>(8,074)</b>	<b>1,776,343</b>	<b>1,604,887</b>	<b>21,901</b>	<b>1,706,003</b>	<b>473,517</b>	<b>2,179,520</b>
Retained profit for the year							-	4,078	4,078	(54,944)	(50,866)
Other comprehensive income for the year			269	82,280		4,880	87,429		87,429	39,857	127,286
Total comprehensive income for the year	-	-	269	82,280	-	4,880	87,429	4,078	91,507	(15,087)	76,420
Transfer to reserves of retained profit for the previous year						21,901	21,901	(21,901)	-		-
Dividends						(49,710)	(49,710)		(49,710)	(11,852)	(61,562)
Dividends to non-controlling interests											-
Equity recorded for share based payments	14					152	152		166		166
Net change in balance of treasury shares held, net of tax						1,693	1,693		1,693		1,693
Disposal of subsidiaries										(413)	(413)
Transactions with non-controlling interests						86	86		86	(172)	(86)
<b>Closing balance 31 December 2014</b>	<b>79,229</b>	<b>(325,669)</b>	<b>2,832</b>	<b>242,004</b>	<b>(8,074)</b>	<b>1,755,345</b>	<b>1,666,438</b>	<b>4,078</b>	<b>1,749,745</b>	<b>445,993</b>	<b>2,195,738</b>
Retained profit for the year								(256,554)	(256,554)	(68,402)	(324,956)
Other comprehensive income for the year			(1,586)	1,573		2,173	2,160		2,160	11,684	13,844
Total comprehensive income for the year	-	-	(1,586)	1,573	-	2,173	2,160	(256,554)	(254,394)	(56,718)	(311,112)
Transfer to reserves of retained profit for the previous year						4,078	4,078	(4,078)	-		-
Dividends						(40,903)	(40,903)		(40,903)		(40,903)
Dividends to non-controlling interests										(16,613)	(16,613)
Equity recorded for share based payments	12					148	148		160		160
Net change in balance of treasury shares held, net of tax											-
Disposal of subsidiaries											-
Transactions with non-controlling interests						2,161	2,161		2,161	(8,313)	(6,152)
Reclassification				2,299	8,074	(10,373)	-		-		-
<b>Closing balance 31 December 2015</b>	<b>79,241</b>	<b>(325,669)</b>	<b>1,246</b>	<b>245,876</b>	<b>-</b>	<b>1,712,629</b>	<b>1,634,082</b>	<b>(256,554)</b>	<b>1,456,769</b>	<b>364,349</b>	<b>1,821,118</b>

## CONSOLIDATED STATEMENT OF CASH FLOW

31 DECEMBER 2015

		2015	2014 RESTATED
	Notes	HUF million	HUF million
Loss before tax		(303,099)	(45,482)
Depreciation, depletion, amortisation and impairment		863,464	368,284
Write-off of inventories, net		15,611	25,907
Increase / (decrease) in provisions		18,893	4,796
Net (gain) / loss on sale of property, plant and equipment		(2,150)	(1,394)
Write-off / (reversal of write-off) of receivables		9,302	3,596
Net (gain) / loss on sale of subsidiaries		(1,301)	(12,679)
Release of translation reserves	25	(27,794)	-
Interest income		(7,858)	(10,788)
Interest on borrowings		39,521	42,433
Net foreign exchange (gain) / loss		41,372	65,120
Fair valuation difference of conversion option	28	(2,431)	(601)
Other financial (gain) / loss, net		9,217	(2,333)
Share of net profit of associate and a joint venture	10	(5,773)	(18,902)
Other non cash items		(3,006)	3,896
Operating cash flow before changes in working capital		643,968	421,853
Decrease in inventories		4,359	90,903
Decrease in trade receivables		76,990	96,594
Decrease in other receivables		20,282	7,043
Decrease in trade payables		(75,351)	(181,447)
(Decrease) / increase in other payables		(53,717)	34,023
Total working capital adjustments		(27,437)	47,116
Income taxes paid		(24,347)	(34,441)
<b>Net cash provided by operating activities</b>		<b>592,184</b>	<b>434,528</b>
Capital expenditures	36	(378,426)	(478,334)
Proceeds from disposals of property, plant and equipment		4,790	3,423
Acquisition / sale of subsidiaries (net of cash) and other financial investments	8, 36	(58,404)	37,317
Changes in loans given and long-term bank deposits		32,760	55,914
Purchase / sale of financial investments held for sale	32	163,131	(202,385)
Interest received and other financial income		9,207	15,815
Dividends received		8,643	9,791
<b>Net cash used in investing activities</b>		<b>(218,299)</b>	<b>(558,459)</b>

## CONSOLIDATED STATEMENT OF CASH FLOW

31 DECEMBER 2015

		2015	2014 RESTATED
	Notes	HUF million	HUF million
Issuance of notes		-	-
Repayment of long-term notes		(234,908)	(33,487)
Long-term debt drawn down		693,246	228,149
Repayments of long-term debt		(772,086)	(266,594)
Changes in short-term debt		(35,322)	(60,642)
Interest paid and other financial costs		(30,602)	(62,425)
Dividends paid to shareholders		(40,837)	(49,685)
Dividends paid to non-controlling interest		(17,941)	(11,854)
Acquisition of non-controlling interests		(6,282)	(86)
Equity withdrawn by non-controlling interest		-	(412)
<b>Net cash used in financing activities</b>		<b>(444,732)</b>	<b>(257,036)</b>
<b>Decrease in cash and cash equivalents</b>		<b>(70,847)</b>	<b>(380,967)</b>
Foreign exchange differences related to cash and cash equivalents		(682)	20,540
Cash and cash equivalents at the beginning of the year		203,743	564,170
Cash and cash equivalents at the end of the year		132,214	203,743