> IN 2014, NOT ONLY THE GROUP LEVEL DOWNSTREAM PERFORMANCE, BUT ALL MAJOR BUSINESSES WITHIN DOWNSTREAM HAVE INCREASED. I AM CONFIDENT THAT WE ARE ON THE RIGHT PATH, AND KNOW THAT OUR PEOPLE HAVE THE ABILITY TO REACH ALL THE 2017 TARGETS THAT HAVE BEEN SET.

Ferenc Horváth – Executive Vice President, Group Downstream

DOWNSTREAM

Downstream showed outstanding results in 2014, what is your take on this improved performance?

"Especially the second part of the year was quite a robust for MOL Group Downstream. I'm very happy to state that all Refining and Marketing, Retail and Petrochemicals businesses increased their performance last year. We reached USD 870 million of clean EBITDA last year, which is an improvement of over 30% and was supported by the USD 500 m New Downstream Program efficiency improvement. I'm very glad to report today that, based on last year's numbers, we have reached the target we announced, to ourselves, and also to our shareholders, in 2012.
We are aiming to maintain and build further our regional stronghold model, which consists of three main pillars. One is how we are handling and what we are doing with our assets, the second is our markets and the third one is our colleagues."

Ferenc Horváth – Executive Vice President, Group Downstream

COMPETITIVE ADVANTAGE

MOL Group's Downstream division is made up of different business activities that are part of an integrated value chain. This value chain turns crude oil into a range of refined products, which are moved and marketed for domestic, industrial and transport use. The products include, among others, gasoline, diesel, heating oil, aviation fuel, lubricants, bitumen, sulphur and liquefied petroleum gas (LPG). In addition, it produces and sells petrochemicals worldwide and holds a leading position in the petrochemical sector in the Central Eastern Europe region.

Our "Six production unit model", optimised by Supply Chain Management, benefits from the synergistic operations of our complex asset base. Our high net cash margin-producing refineries in Hungary and Slovakia make the most of their geographical locations, as well as their well-balanced product and customer portfolios. MOL Group Petrochemicals brings distinct advantages to MOL Group's refineries whilst delivering high quality products to our customers.
For MOL Group's refineries that can be supplied from the sea, feedstock optimisation ensures that we select the most appropriate raw materials from a wide slate of crude oil types. Based on actual crude oil market trends and, as a result of supply chain optimisation, between 2012 and 2014 we achieved a continuous increase in alternative crude processing in our refineries, compared to the Urals. Crude and raw materials supplies and low-cost product distribution are achieved through our extensive pipeline system and increased storage depot coverage. Our diverse logistics network, combined with well-positioned commercial activities, remains a key advantage in capturing sales margin revenues and reaching end customers.

HIGHLIGHTS

- **MOL Group Downstream is a diverse business with a global portfolio of refining and petrochemical facilities, wholesale and retail operations, including logistics supported by an optimised, integrated supply chain**
- **Six production units with total capacity of 20.9 mtpa refining and 2.1 mtpa petrochemicals per annum**
- **Sales of 16.7 mtpa refined products and 1.1 mtpa petrochemicals to our wholesale customers worldwide**
- **Retail presence with 1,734 service stations in 11 countries**
- **All main Downstream segments improved their contribution in 2014, resulting in a clean CCS EBITDA improvement of 32% overall in 2014**
- **MOL Group Petrochemicals clean EBITDA tripled compared with 2013**
- **Highest organic CAPEX of the last five years in 2014**
- **Strong Downstream results are clear evidence of the successful completion of the New Downstream Program: USD 500-550 m in efficiency improvements realised up to 2014**

KEY ACHIEVEMENTS

COMPLETION OF NEW DOWNSTREAM PROGRAM 2012–2014

MOL Group Downstream successfully completed its New Downstream Program, implemented during 2012-2014, by making significant efficiency improvements across the entire area of operations. A paradigm shift was achieved by making radical changes across all elements of the integrated downstream value chain; from crude selection through Refining and Petrochemicals to Wholesale and Retail. Through more than 300 initiatives, the division managed to improve its efficiency, ensure more flexible operations and maximise its revenues, whilst maintaining strict cost control.

"FROM A PRODUCTION POINT OF VIEW, OUR AIM IS TO OPERATE HIGHLY EFFICIENT, TOP-QUALITY REFINERIES, INCREASE AVAILABILITY BY OVER 1% AND IMPROVE WHITE PRODUCT YIELD BY 2.5%. IN PETROCHEMICALS, WE ARE GOING TO INCREASE, AND DEVELOP FURTHER ALONG THE FULL VALUE CHAIN.

Miika Eerola – Senior Vice President, Group Downstream Production

In line with original plans, USD 150mn, almost 30% of the total target, was delivered during 2012. In 2013, the second year of the programme, USD 400mn CCS EBITDA improvements were achieved compared to 2011. In 2014, the third and final year of the New Downstream Program, USD 500-550mn EBITDA improvement was achieved compared to 2011, with proportional contributions from MOL Group companies. Outstanding results were seen in energy management, saving almost USD 100mn through volume reduction, optimisation of energy sources and better contract management; as well as in production flexibility and yield improvement. This brought in an additional USD 100mn by utilising alternative feedstock and pushing production units of all sites for better yields.
At the same time, we optimised our product and market portfolio, producing more valuable products and placing them on the most profitable markets. We also achieved a significant improvement in retail margin.

Continuing the successful model of the New Downstream Program, the Downstream division is now ready to address the challenges of an economic environment that is still unsettled by implementing a new asset and market efficiency programme which will support the achievement of MOL Group Downstream's strategic goals.

MAPPING AND OPTIMISING OUR STRONG PRODUCTION ASSET PORTFOLIO

All the production-related HSE targets set for 2014 have been achieved. 2014 SD & HSE Action Plan completion was 92% as some of the actions have been rescheduled for 2015. The overall Lost Time Injury Frequency (LTIF) rate decreased dramatically by 68%, from 3.5 in 2010 to 1.12 in 2014.

LEAN operation continued successfully in our Bratislava and Danube refineries and was successfully extended to our TVK site. Since 2013, we have identified slightly over EUR 17mn worth of benefits in the area of yields and energy.

"DOWNSTREAM HAS SET NEW FINANCIAL TARGETS AND WHAT I CAN ANNOUNCE IS THAT, WITH THE SUPPORT OF OUR NEXT DOWNSTREAM PROGRAM, WE WILL ACHIEVE USD 1.3-1.4BN EBITDA BY END OF 2017, WHILST OUR NORMALISED FREE CASH FLOW SHOULD REACH AROUND USD 900MN.

Ferenc Horváth – Executive Vice President, Group Downstream

In 2014, the highest organic CAPEX of the last five years went on key strategic projects and a major turnaround of the Bratislava Refinery. Our streamlined CAPEX not only sustained the operations of our assets, but also ensured that efficiency improvement projects could be implemented.

Regarding CAPEX in 2014, the focus was mainly on growth projects. Part of our petrochemicals business strategy was to strengthen competitiveness through a broader and higher-quality product portfolio, and to increase our market share in captive markets. So the construction of the new 220 kt/year LDPE unit in Bratislava continued on schedule during 2014, with total investment of more than USD 340mn. The new unit will increase production flexibility, improve product quality and ensure higher naphtha off-take from the refinery from the end of 2015 onwards. In late 2014, an outstanding milestone was reached during the project when 1 million man-hours without a Lost Time Injury were completed. At TVK (our petrochemicals company in Hungary), the construction works of a 130 kt/year capacity butadiene extraction unit for a total investment of USD 150 m are on track, and the project reached several major milestones in 2014 as construction of the first storage tank was finished in August, and installation of pipelines and other equipment were completed as planned in December. The unit, which will produce feedstock material for synthetic rubber for car tyres, and further improve the profitability of the petrochemicals business, is expected to reach the commissioning phase in Q2 2015 and start commercial operations during Q3 2015.

FOR WHOLESALE, WE ARE GOING TO INCREASE OUR MARKET SHARE IN CAPTIVE MARKETS AND INCREASE SALES VOLUMES TO 150% OVER OWN-PRODUCED MOTOR FUELS

Ábel Galácz – Senior Vice President, Group Supply & Sales

The mechanical completion of the Friendship I pipeline has been reached, which will be followed by commissioning and subsequent test runs in Q1 2015. The Bratislava refinery may receive the first crude cargo from the Adriatic Sea during 2015.

In October 2013, as a consequence of the negative economic environment that the refining business was facing in Italy, MOL Group announced its decision to convert its Mantua refinery into a product logistics hub in order to maintain efficient and profitable operations in Italy. Progressive transformation of the Mantua refinery was completed in Q3 2014 and operations commenced in line with the new business model in Q4 2014.

UTILISING AND FURTHER EXPANDING OUR REGIONAL WHOLESALE, RETAIL AND LOGISTICS NETWORK

In 2014, we experienced 4% aggregate domestic market (Hungary, Slovakia, Croatia) growth, while the wider CEE motor fuel market remained broadly in line with last year's levels. The increase in demand continued to be driven by a significant uplift in Hungary. Group motor fuel sales dropped both in core markets and in the wider CEE region (excluding Italy) mainly due to the planned Slovnaft major turnaround in Q2 2014 and the limited availability of 0.1 sulphur content imported gasoil.

As part of the MOL Group Downstream strategy, the Supply & Sales business line has "country concepts" for each market we are already present in or plan to build a presence in, setting the pace for the coming three years. The key driver behind these action plans is to maximise our growth potential in each market, either in volume or in margin revenue. The MOL Group sales and marketing strategy focuses on increasing sales in the CEE region, where the Company enjoys major advantages due to its central position in landlocked markets, and its expert understanding of customer requirements.

In line with the conversion of the Mantua refinery into a logistics hub, MOL Group is fully committed to continuing its wholesale activities in the Italian market and working hard on improving its market position. In January 2014, MOL Group Downstream kicked off the transformation of the Mantua refinery and switched operations to third party supply. In October, the first product vessel arrived at the port in Venice to supply this newly transformed Mantua operation.

In May 2014, MOL Group announced the acquisition of ENI's Czech, Slovak and Romanian business, including significant wholesale positions.

In June 2014, we oversaw the arrival of the first product cargo in Constanta port, ensuring our Romanian wholesale activities were supported by more diversified supply lines.

In accordance with MOL Group's growth strategy, we are continuing to optimise our logistics network in Romania. The Tileagd depot storage capacity was upgraded and cross-country deliveries from Hungary were started. In 2013, the first construction phase of the 60 kt/year capacity Giurgiu terminal was completed on the bank of the River Danube. In 2014, MOL Group finalised the third phase of the upgrade.

In 2014, Retail further increased its contribution to Downstream results, generating 35% higher EBITDA compared to the previous year, achieved mainly by fuel margin growth. Total retail sales volumes (including LPG and lubricants volumes) increased by 1% year-on-year due to the expanded service station network in the Czech Republic and strong demand recovery in Hungary and Slovakia. Hungarian and Slovakian improved sales results are balancing the negative impact of an excise duty increase in Romania and decrease in fuel demand in Croatia. Premium fuel share increase in most of our networks significantly contributed to double-digit fuel margin growth.

IN LINE WITH OUR NEW RETAIL STRATEGY, OUR FOCUS IS TO TURN OUR FILLING STATIONS INTO SELLING POINTS. WE WILL PRESENT RELEVANT AND DIFFERENTIATED FUEL AND NON-FUEL OFFERS AND SERVICES BY KNOWING OUR CUSTOMERS BETTER. WE WILL ALSO GROW OUR MARKET PRESENCE THROUGH ADDITIONAL ACQUISITIONS WITHIN CEE.

Lars Höglund – Senior Vice President, Group Retail

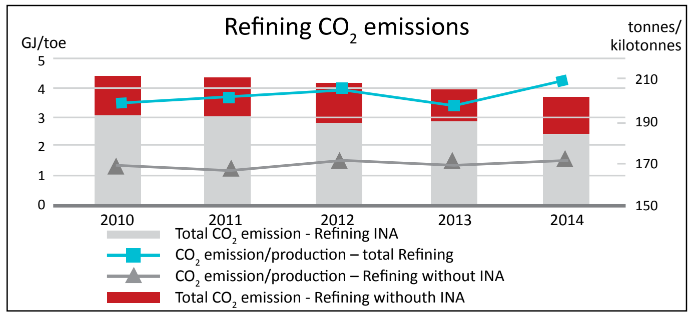
Our regional Retail market coverage and customer base has been further extended by acquisition projects: (1) A purchase agreement has been signed with ENI for its downstream businesses in the Czech Republic, Slovakia and Romania, including retail networks and (2) the Lukoil retail network was acquired in the Czech Republic. In 2015, as a result of integrating the acquired network, MOL Ceska will become the third largest player on the Czech market.

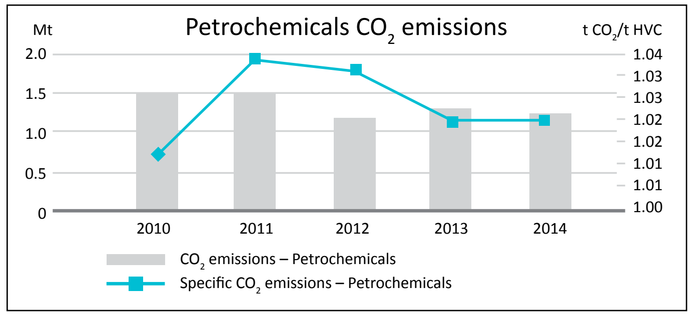
A New Retail Strategic Direction has been set down for the 2015-2017 period in line with our Downstream Strategy. Retail aims to be the customer's first choice in fuel and convenience retailing and be a power brand in our core markets. The initiatives outlined in the strategy have been included in the 2015-2017 business plan, and our plans for capital expenditure mean fundamental changes in our offering, design, operation and marketing communications. The retail organisation has also been strengthened by several key recruitments during 2014, increasing our ability to deliver on our new strategic direction and priorities.

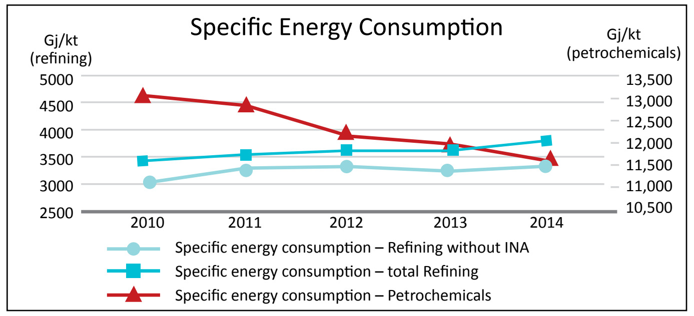
SUSTAINABILITY SUMMARY

- Energy efficiency improvements are of key importance both to business success and to reducing the ecological footprint of operations. With the New Downstream Program's energy efficiency projects, significant achievements have been made in this field. The most important 35 projects saved an estimated 230 thousand tons in CO_2 emissions per year by the end of 2014 compared to the baseline year 2011. The financial savings generated by these projects alone amounts to more than HUF 10bn, while the improvement over 2013 figures is also significant. Total CO_2 footprint is, of course, affected by other factors, such as changes in production and portfolio.
- Air emissions have been further decreased across refining operations as a result of both technology improvements and operational changes. Emissions of nitrogen-oxides (NO_x) across MOL Group refining operations amounted to 3.4 thousand tonnes in 2014, while these emissions were as much as 5.3 thousand tons per year before 2013. Projects resulting in this decrease include technology improvements and also the enhancement of monitoring and control systems.
- There were no LTIs (Lost Time Injuries) during the year at major construction sites (Low-density polyethylene project in Slovnaft and the Butadiene Extraction project in TVK). Sadly one contractor fatality did occur at the Duna Refinery during lifting operations.
- Achieving and maintaining a positive Safety Culture is one of the main goals for MOL Downstream business. To this end, several programs were introduced in 2014. One example is the Perfect Day Program in Refining and Petrochemicals businesses that tracks and monitors safety performance without using any defined targets, in the positive spirit of creating a best-in-class competition between operational sites, and celebrating milestones that are achieved. Another example is the behaviour-based 'Program Zer0' safety program in the Logistics division, as part of which a safety culture assessment was undertaken at five companies in 2014.
- The Technical Capability Development (Petroskills) program continued in 2014. More than 950 employees were covered by the program in the Refining, Petrochemicals and Logistics divisions. The competency-based development process results in targeted training and development investments. The ultimate objective is to enhance operational excellence and operational safety.
- The Bratislava Refinery of Slovnaft started a community engagement program called 'Responsible Neighbour'. The program involves publishing a series of leaflets about refinery operations for neighbouring communities. These contain information related to refinery processes and their impact that may concern local residents who live around Slovnaft, such as flaring, water pollution, odours, smoke and noise. The documents have also been sent to local authorities and NGOs and are available on the public website of the company.

CLIMATE CHANGE

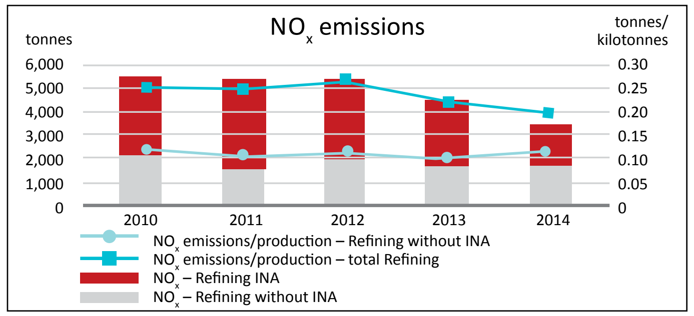


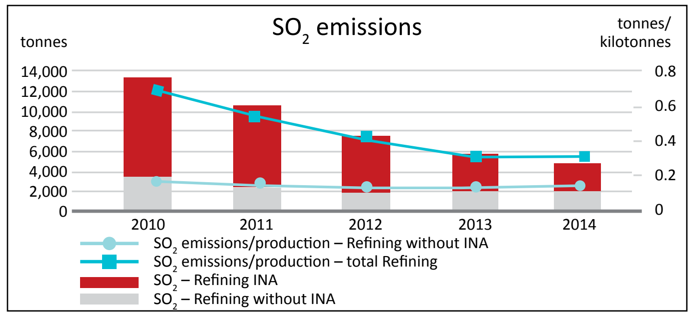


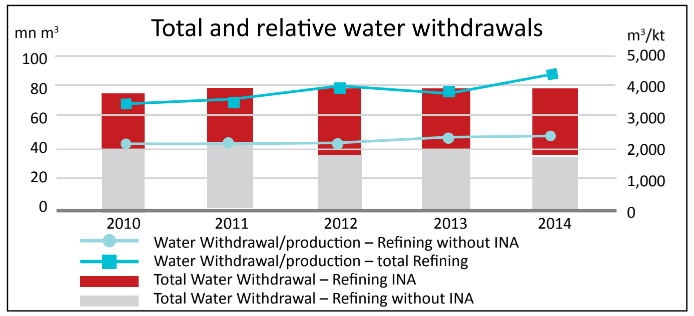


*According to Solomon definitions

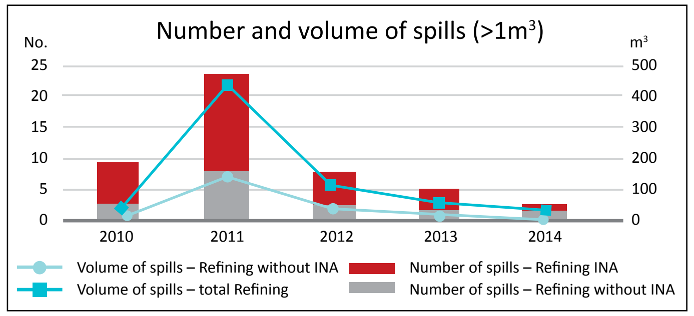
ENVIRONMENT



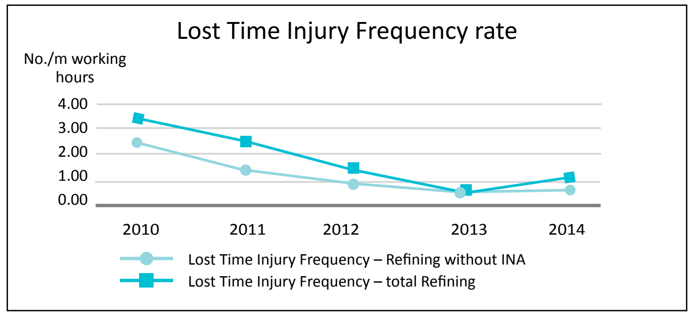




ENVIRONMENT



HEALTH AND SAFETY



ENVIRONMENT

REFINING	2010	2011	2012	2013	2014
Hazardous waste (t)	42,142	43,163	45,036	42,215	50,075
Hazardous waste/production (t/kt)	1.9	2.0	2.2	2.1	2.9
Non-hazardous waste (t)	25,862	27,184	19,547	92,639	56,649
Non-hazardous waste/production (t/kt)	1.2	1.2	1.0	4.5	3.2
Waste re-used/recycled (t)	41,846	45,730	42,222	114,403	85,346
Re-use/recycle ratio (%)	62	65	65	85	80

HEALTH AND SAFETY

REFINING	2010	2011	2012	2013	2014
Fatalities - own staff	1	0	0	0	0
Fatalities – contractors	0	0	0	0	1

HUMAN CAPITAL

DOWNSTREAM (incl. Petchem and Retail)	2010*		2011		2012		2013	2014
Headcount	9.055		15.785		15.398		15.027	15.292
Male (%)	75.8		79.2		79.7		79.6	79.9
Female (%)	23.4		20.8		20.3		20.4	20.1
Turnover rate (%)	7.3		6.0		8.8		7.0	6.5
	Petchem	Refining	Petchem	Refining	Petchem	Refining	Petchem+Refining	Petchem+Refining
Training cost per capita (HUF th)	9	68	56	54	44	63	44	42
Training hours per capita (hours)	4	25	36	22	40	26	21	27

*Without INA in 2010.

ECONOMIC SUSTAINABILITY

	2010	2011	2012	2013	2014
Wholesale customer satisfaction – MOL Plc. (%)	88	86	88	86	86
Wholesale customer satisfaction – INA* (%)	84	84	83	82	80
Wholesale customer satisfaction – Slovnaft (%)**	90	90	82	82	82

* INA in 2013 restated.
** New measurement not made in Slovnaft in 2014, values reported are from 2013.

	2010	2011	2012	2013	2014
Total Downstream Research and Development expenditures (HUF mn)	1,626.2	1,467.7	1,380.0	1,604.5	1,306.0
Research and Development expenditures on renewables (HUF mn)	572.5	622.8	515.4	656.7	267.9

Downstream

PORTFOLIO ELEMENTS

REFINING

	CAPACITY IN MT/Y	NCI INDEX
Duna Refinery	8.1	10.6
Bratislava Refinery	6.1	11.5
Rijeka Refinery	4.5	9.1
Sisak refinery	2.2	6.1

LOGISTICS

CRUDE PIPELINES	CAPACITY IN MT/Y
Friendship (Slovakian part, owned by Transpetrol)	22.0
Friendship I (bidirectional – total 129 km)	3.5
Friendship II	7.9
Adria (Hungarian part)	10.0
Algyő	2.0
Porto Marghera – Mantova	2.6
Adria – JANAF (12% owned by INA)	20.0
Product depots (units)	36
Product Pipeline system:	
MOL – 1,356 km	8.2
SN – 484 km	2.5

RETAIL

	NUMBER OF FILLING STATIONS
Hungary	364
Croatia	434
Italy	129
Slovakia	214
Romania	159
Bosnia and Herzegovina	102
Austria	57
Serbia	42
Czech Republic	192
Slovenia	40
Montenegro	1
Total	**1734**

PETROCHEMICALS

PRODUCTION	CAPACITY IN KT/Y
TVK - Ethylene	660
TVK - Polyolefin	765
SPC- Ethylene	220
SPC - Polyolefin	435
Pipelines	capacity in kt/y
Feedstock and product pipelines	2,700
Ethylene (Kazincbarcika)	160
Ethylene (Kalush)	100

OUR FILLING STATIONS