

Hungary: A slight fall in MOL net profit in the first half of the year

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Hungarian oil company MOL operated in the first half of the year with a net profit of 45 billion forints, or 200 million dollars, which is 4 percent less than in the same period last year. As announced today in MOL, net sales revenue in this period fell 10 percent to 2.353 billion forints, or 10.51 billion dollars.

In the manufacturing and research sector, EBITDA excluding special items totaled 139 billion forints in the first half of the year, and it was 46 billion less than the same period last year.

With the natural decline in production due to sitesage, company in this sector was faced with a much lower price of natural gas in the region of Central and Eastern Europe due to regulatory changes. Also, the business was marked by the assetssale in Russia and the purchase of a new property in the North Sea and intensive activitiesdevelopment in the fields of international operations have only partially compensated this effect.

In refining sector excluding special items EBITDA slid 13 percent, to 54 billion forints.

Also was decreased the contribution of the gas business to MOLtotal profit, and to 64 percent compared to last year, to 10.4 billion forints. In MOLattributed itto Croatian "Natural gas", company which reported about loss related to the forced gassale from inventories and related write-downs due to regulatory changes in Croatia.

Organic capital investment in the first six months increased by 68 percent, thanks to the increased focus on implementation projects and 96 billion forints were spent on acquisitions, according to MOL in the report.

"We accelerated our investments in key projectsin the first half of the year, which are supportsof MOL's future. We have taken a further step in the North Sea and continued to accelerate international programs",said Zsolt Hernadi, president in the MOL Board, commenting on the achieved results.

He noted that MOL is in the midst of restructuring its production and explorationportfolio.

"I firmly believe that we will see higher production levels in the coming quarters, and that we will achieve our medium-term objectives in the coming years. In the processing sector, we are faced with weak external conditions, but weare on the way to achieve our strategy. We see good opportunities in expanding our regional retail market that will strengthen our market position",concluded Hernadi.