PannErgy Plc’s half-yearly report

H1 of 2012

I. IFRS
II. Special
III. Declaration

17 August 2012
I.

PannErgy Plc’s IFRS-based, consolidated, non-audited half-yearly report

First half of 2012
1. Executive summary

After the successful sales of the plastics business line at the end of last year, PannErgy Group set out in the year of 2012 with clearly defined operations embracing a nearly pure energy portfolio and geothermal development projects. As a consequence, the financial statements do not include the (consolidated) figures of plastics processing (with the exception of certain databases).

1.1 Operating projects

**Geothermal heating facility of Szentlőrinci** (Szentlőrinci Geotermia Zrt.)

After the first year of successful activities, the facility started the second year of its operations. The quantity of heat sold almost accurately corresponded to the planned volume due to the average weather conditions meeting the expectations. To be more precise, February came to be very cold, whereas March brought about unusually mild weather.

With respect to the fact that the capacity of our heat sources considerably exceeds the current level of demands, the assessment of the options to extend the district heating network and the circle of consumers, as well as preparative planning works have been continued. Our objective is to increase the volume of primary energy fed into the district heating system from the current 23–24,000 GJ p.a. level of consumption. After the expansion of the network, the goal is the sales of an additional volume of 10,000 GJ secondary heat power in a cascade system. The expansion project is foreseen to be launched upon the availability of the associated EU grant application fund.

The company has requested the rise of its sales prices at the Hungarian Energy Office.

**Geothermal methane utilization facility of Berekfürdő** (Berekfürdő Energia Kft.)

In the period, the facility was operated continuously, which was made safer by the comprehensive overhaul and modernization of the large gas engine. In the first quarter of the year, a larger volume of heat energy could be solved owing to the weather conditions of the given seasons, yet the level still did not reach the projected full output, whereas in the second quarter of the year the demands for heat remained small. Unutilized heat energy capacities were also influenced by the fact that some of the "connected" consumers of heat were operated in limited modes (in the lack of guests, sometimes they used heating only for maintaining a basic temperature).

In electric power generation, the loss of sales revenues due to the termination of the electricity Off-Take (KÁT) system clearly surfaced, and therefore we had to make even more efforts to improve the indicators of operating efficiency. We could realize price reductions with our maintenance and other service partners, and entered a new well utilization contract with the local government. The operation of the CHP units was optimized and aligned with the takeover price of the electric power, while in deep valley periods we used only a smaller gas engine to feed MAVIR's electric power grid. At the end of the half-yearly period reviewed, sales to MAVIR's connected balance group were discontinued. We concluded a new commercial agreement with more favourable conditions.

The preparation of feeding the separated methane gas to the nearby natural gas distribution system still has not yielded results. Beyond the heating season, the small volume of industrial and household consumption from the surrounding gas supply network largely restricts the potentials of takeover.

In the reporting period, we made preparations for opening to new heat markets, and the associated investments with the preliminary commitments to be made by the receiving partners will have been implemented by the beginning of the heating season.
1.2 Projects under development (published)

Geothermal project of Miskolc (Miskolci Geotermia Zrt., Kuala Ingatlanhasznosító Kft., DoverDrill Kft.)

In the first quarter of the year, just a little more than a single month was needed for PannErgy to close the drilling works of the second and last production well of the Geothermal Project of Miskolc (MAL-PE-02) with results going beyond the expectations. The fractured water-bearing layer was found to lie shallower than expected, at a depth of 1494 meters. The preliminary results of the compressor-driven extraction activities pointed out that the well was able to provide a very outstanding, nearly 8000 liters/minute water yield, while the temperature of the extracted fluid exceeded 90 degrees Celsius when measured at the well head, reflecting an extremely high temperature gradient.

The drilling works of the second reinjection well of Kistokaj were concluded with a significant success. One month after the commencement of the works, from a depth of 1022 meters starting from the actual drilling length the geologic structure of drilling reflected medium and slate blue characteristics, and then from 1070 meters this layer turned into a grey calcite-dominated field promising a fractured zone. During the exploratory drilling, full sludge loss was experienced at a depth of 1078 meters, which meant that the well reached the hydrodynamic systems of well MAL-PE-01 and MAL-PE-02 that are suitable for reinjection.

July saw the commencement of the general contractor’s works for the geothermal (primary) and secondary heart transmission line (loop) in total a 22-km line to connect Mályi, Kistokaj and Miskolc. During the works lasting for nearly 3–4 months, the activities to lay the transmission line are accompanied by the construction works for the district heating center and the engineering facilities. Under the technical supervision of Miskolc Holding Zrt., the works to lay the transmission line, implement foundation engineering, mechanical engineering, electric and other structures have been started by the general contractor first from the district heating center of Kistokaj and to implement the secondary branch, while in parallel further workforce has been deployed at several locations between Miskolc and Kistokaj.

In relation to their grant application “Economic and social renewal in Miskolc” awarded within the framework of the KEOP - 2010 - 4.7.0 scheme “Support to the preparative and project development activities of geothermal heat energy and electric power production projects” HUF 79 million advance payment was furnished to Miskolci Geotermia Zrt. In connection with the grant application schemes targeted for the Miskolc projects, it was the first payment actually realized.

Geothermal project of Gödöllő (Gödöllői Geotermia Zrt.)

The preparation of the new production well in line with the new geologic concept was continued. In view of the commencement of works in Gödöllő, hardships arise from the fact that the location is surrounded by a lot of wooded and protected areas, and therefore there are a few more aspects to be considered in relation to the designation of the well site. The potential environmental loading caused by the drilling works is continuously consulted with the forest management authority. The obtainment of the authority permits needed for the use of the area is under way. The forest management authority has confirmed that the procedure will likely to be longer due to the nature conservation characteristics of the area.

1.3 Other information / Asset management

Beside the general operating items, the Group’s profit after taxes in the period was materially influenced by the financial profit, which slightly improved the results owing to the combined effect of the strengthening Hungarian forint, interest difference, hedging transactions and the increasing rate of Synergon shares.

Synergon Plc does not belong to the scope of consolidation (as of the accounting date, the 1,164,753 shares held represented 14.96% voting rights modified by treasury shares). As a consequence, this participation is recognized at the stock-exchange rates of Synergon shares. Synergon Plc publishes stock-exchange flash reports and other public information that are all
available at the website of the Budapest Stock Exchange (www.bet.hu) and the company (www.synergon.hu).

2. Financial analysis

For proper comparability, the profit & loss account and the balance sheet also present the values of the base period in a “modified” form, by screening the financial figures of Pannunion Group. When the present/base figures are compared for percentages and in nominal amounts, typically the “modified” data were taken into consideration.

2.1. Profit & loss account

The Company’s consolidated sales revenues amounted to HUF 399 million in the period under review, which is more than the double of the value in the same period of the previous year (HUF 175 million). The principal reason of growth is technical, because the electric power consumptions of the tenants in the real-estate properties under our management just flow through the Company (mediated energy), and therefore they are recognized both as sales revenues and indirect costs. Within the sales revenues, HUF 342 million was associated with the sales revenues from properties and other assets, HUF 33 million and HUF 24 million were connected with sales in Szentlőrinc and operation in Berekfürdő, respectively. From the Group’s total consolidated sales revenues, three customers reached at least 10% of the sales revenues, and their combined spending made up 70% of all the sales.

The level of direct costs remained under the growth rate of sales revenues, yet similarly it almost doubled. While the gross profit in connection with real-estate properties and assets neared the break even, energy-related activities were operated with a considerable level of gross profit. The indirect costs of sales rose to HUF 273 million in the period under review, which was 68.4% of sales revenues and 141.0% of the value in the base period. This growth reflected the increasing operating cost demands of energy-related investments and project management. The headcount of the Group’s full-time employees changed to 44 people from 654 employees at the end of the base period (not including the outsourced and counseling functions) as a result of the sales of Pannunion Group.

In the period under review, the balance of other expenditures and incomes was a positive HUF 31 million amount, mostly because of the incomes from European Union grants after the break even result in the base period.

The operating profit (EBIT) showed a HUF 207 million loss in the period under review after the even worse result – HUF 215 million loss of the base period.

The business cash flow (EBITDA) reflected a HUF 53 million outflow of funds, which is HUF 108 million more favourable than in the base period. In the period under review, a HUF 154 million depreciation was recognized, which exceeded the modified base value by HUF 100 million due to the intensive investment (capitalized) and acquisition activities (DoverDrill acquisition).

The financial result came to be a HUF 12 million loss in the period under review, which was HUF 233 million better than the corresponding value in the same period of 2011. The financial profit was negatively impacted by (as a result of the Company’s FX payment position) the HUF 23 strengthening of the Hungarian forint against the euro, with an individual influence on the profit to an extent of HUF 150 million, while a favourable effect on the financial result was exercised by the nearly HUF 70 rise of the price of Synergon shares, where the overall influence went above HUF 80 million. The remaining part of the result originated from the net interest income positions.
The Company had no extraordinary profit. The Company accounted for tax payment obligations in a total amount of HUF 22 million.

The consolidated half-yearly net result was thus a HUF 239 million loss because of the reasons detailed in the foregoing, still it was more favourable than the HUF 489 million loss in the base period.

2.2. Balance sheet

The volume of fixed assets increased by 50.2%. In comparison with the base value, intangible assets witnessed a growth by HUF 201 million, which primarily covers the intellectual products associated with the geothermal operations and drilling. The volume of tangible assets rose considerably, by HUF 3 billion, which was mostly due to the active investment operations in the field of geothermal energy and the DoverDrill acquisition (involvement of the company in the scope of consolidation). We see the outcomes of the launched investments positively, and therefore the settlement of any impairment loss has not seemed to be justified. A material item was the HUF 577 million deferred tax receivables that did not change. For conservative approach, the Company did not account for deferred tax receivables in a total amount of HUF 97 million.

The volume of current assets substantially increased in view of the part of the purchase price received on the sales of Pannunion shares that had not been used for the implementation of investments until the accounting date herein. This cash amount is recognized in the balance sheet among liquid assets, securities held until expiry and partly other receivables. In addition to receivables from heat sales, there are items of claims, such as advance payments provided for well drilling, VAT receivables, receivables from the sales of thermal pipes, receivables from certain drilling services and other items.

The Company’s equity was rather stagnating in comparison with the base value, which was due to the treasury share transactions and the influence of the retained profits in the interim balance sheet. The per share amount of equity (calculated with a number of shares less treasury shares) increased to HUF 593 (base value: HUF 584).

The increased volume of credits primarily results from the consolidation of the credit volumes of the acquired companies.

The balance of accounts payable typically involves the account payable of geothermal investments, while the balance of other short-term liabilities is associated with the deferrals arising from the maintenance periods of the investments implemented with the use of EU grants.
2.3. Screening

Changes in intra-group, consolidated/screened turnovers and volumes:

<table>
<thead>
<tr>
<th></th>
<th>30.06.2012</th>
<th>30.06.2011</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit &amp; loss account:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales revenues</td>
<td>681</td>
<td>743</td>
</tr>
<tr>
<td>Direct costs of sales</td>
<td>588</td>
<td>719</td>
</tr>
<tr>
<td>Gross profit</td>
<td>93</td>
<td>24</td>
</tr>
<tr>
<td>Indirect costs of sales</td>
<td>86</td>
<td>28</td>
</tr>
<tr>
<td>Other incomes</td>
<td>0</td>
<td>58</td>
</tr>
<tr>
<td>Other expenditures</td>
<td>0</td>
<td>18</td>
</tr>
<tr>
<td>Financial incomes</td>
<td>115</td>
<td>48</td>
</tr>
<tr>
<td>Extraordinary incomes</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Extraordinary expenditures</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Screening of balance sheet items:

<table>
<thead>
<tr>
<th></th>
<th>30.06.2012</th>
<th>30.06.2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tangible assets</td>
<td>115</td>
<td>80</td>
</tr>
<tr>
<td>Inventories</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Accruals</td>
<td>122</td>
<td>0</td>
</tr>
<tr>
<td>Long-term receivables</td>
<td>0</td>
<td>563</td>
</tr>
<tr>
<td>Other receivables</td>
<td>13 036</td>
<td>6 684</td>
</tr>
<tr>
<td>Long-term loans</td>
<td>0</td>
<td>651</td>
</tr>
<tr>
<td>Advances received from customers</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>0</td>
<td>495</td>
</tr>
<tr>
<td>Short-term loans</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>Other short-term liabilities</td>
<td>13 158</td>
<td>6 091</td>
</tr>
</tbody>
</table>

3. Miscellaneous

3.1. Deferred taxes

PannErgy Group has the following deferred tax positions (data in million HUF):

- Loss recognized for future use: 6 735
- Deferred tax incomes: 674
- Settled tax incomes: 577

The Company has not stated HUF 97 million deferred tax revenues for applying a conservative approach. To calculate taxes, the 10% corporate income tax rate has been used with respect to the tax legislations in force.
3.2. Corporate events

The Company held its annual ordinary general meeting on 28 April 2012, and its resolutions were published via the official media of disclosure.

3.3. Employees

<table>
<thead>
<tr>
<th>Own headcount</th>
<th>31 December 2011</th>
<th>30 June 2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>PannErgy Plc</td>
<td>6</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>PannErgy Geotermia</td>
<td>21</td>
<td>36</td>
<td>15</td>
</tr>
</tbody>
</table>

3.4. Changes in the Company’s subscribed capital, management, organization

As of 31 December 2011, the amount of the subscribed capital was HUF 421,093,100, and it has not been changed in 2012 so far. In our financial statements, the amount of the subscribed capital is stated with respect to the total issued volume, while the number of shares is recognized after the deduction of the number of repurchased treasury shares.

As of 30 June 2012, the Company held 3 140 635 PannErgy Plc treasury shares.

Detailed information concerning treasury share transactions can be found in our publicly accessible disclosures.

Detailed information relating to senior officers is provided in datasheet TSZ3.

3.5. Environmental protection

The Company has a priority focus on the high-standard management of environmental protection. In the field of geothermal energy, it is striving for creating grounds for one of the most environmentally friendly ways of renewable energy production in Hungary.

The subsidiaries involved in geothermal operations have complied with the environmental requirements to prepare and execute the necessary effect analyses and studies.

3.6. Major events after the balance sheet date (until 9 August 2012)

After the balance sheet date and before the publication of the report, there were no other major events that are not presented or referred to in this section or any other part of the report.

With respect to the economic environment, it can be claimed that the global economic crisis emerging in 2008 and the unforeseeable fluctuations of the values of various financial instruments continue to burden the Group negatively, to an incalculable and indefinable manner for both the Company and its associated entities.

Budapest, 17 August 2011

PannErgy Plc’s
Board of Directors
Data sheets

Name of the company: PannErgy Nyilvános Működő Részvénytársaság
[Public Company Limited by Shares]
Address of the company: H-1117 Budapest, Budafoki út 56.
Sectoral classification: Energetics, Asset management
Period: H1 of 2012
Telephone: +36 1 323 23 83
Fax: +36 1 323 23 73
E-mail: info@pannergy.com
Investor relations: Valéria Szabó

1.1 Data sheets related to financial statements

PK1. General information on the financial figures

<table>
<thead>
<tr>
<th>Audited</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consolidated</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accounting principles</th>
<th>Hungarian</th>
<th>IFRS</th>
<th>Other</th>
</tr>
</thead>
</table>

PK2. Business entities under consolidation

<table>
<thead>
<tr>
<th>Name</th>
<th>Capital net worth/ Share capital</th>
<th>Share (%)</th>
<th>Voting rights (%)</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>PMM Zrt.</td>
<td>710.0</td>
<td>100.00</td>
<td>100.00</td>
<td>F</td>
</tr>
<tr>
<td>Kuala Ingatlanszn. Kft.</td>
<td>0.5</td>
<td>100.00</td>
<td>100.00</td>
<td>F</td>
</tr>
<tr>
<td>PannErgy G.E. Zrt.</td>
<td>1972.7</td>
<td>93.09</td>
<td>93.09</td>
<td>F</td>
</tr>
<tr>
<td>Csurgói Geotermia Zrt.</td>
<td>5.0</td>
<td>90.00</td>
<td>90.00</td>
<td>F</td>
</tr>
<tr>
<td>Tamási Geotermia Zrt.</td>
<td>5.0</td>
<td>90.00</td>
<td>90.00</td>
<td>F</td>
</tr>
<tr>
<td>SzentiRinci Geotermia Zrt.</td>
<td>5.0</td>
<td>90.00</td>
<td>90.00</td>
<td>F</td>
</tr>
<tr>
<td>Miskolc Geotermia Zrt.</td>
<td>5.0</td>
<td>90.00</td>
<td>90.00</td>
<td>F</td>
</tr>
<tr>
<td>PannTerm Kft</td>
<td>5.0</td>
<td>90.00</td>
<td>90.00</td>
<td>F</td>
</tr>
<tr>
<td>Gödöllő Geotermia Zrt.</td>
<td>5.0</td>
<td>90.00</td>
<td>90.00</td>
<td>F</td>
</tr>
<tr>
<td>Berekfürdő Energia Kft.</td>
<td>24.0</td>
<td>100.00</td>
<td>100.00</td>
<td>F</td>
</tr>
<tr>
<td>DoverDrill Kft.</td>
<td>80.0</td>
<td>100.00</td>
<td>100.00</td>
<td>F</td>
</tr>
</tbody>
</table>

1 Voting rights allowing participation in decision-making at the general meeting of any business entity under consolidation
2 Full (F); Joint management (J); Associated (A)
3 % values to be interpreted indirectly
Consolidated balance sheet under IFRS (HUF million)

<table>
<thead>
<tr>
<th></th>
<th>30.06.2012</th>
<th>30.06.2011</th>
<th>Change %</th>
<th>31.12.2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(adjusted)</td>
<td>(audited)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1 333</td>
<td>1 132</td>
<td>1 636</td>
<td>117.8</td>
</tr>
<tr>
<td>Goodwill</td>
<td>70</td>
<td>247</td>
<td>247</td>
<td>28.3</td>
</tr>
<tr>
<td>Tangible assets</td>
<td>7 272</td>
<td>4 197</td>
<td>10 342</td>
<td>173.3</td>
</tr>
<tr>
<td>Investments</td>
<td>23</td>
<td>23</td>
<td>25</td>
<td>100.0</td>
</tr>
<tr>
<td>Receivables under financial lease</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Receivables from deferred tax</td>
<td>577</td>
<td>577</td>
<td>577</td>
<td>100.0</td>
</tr>
<tr>
<td>Long-term receivables</td>
<td>3</td>
<td>2</td>
<td>5</td>
<td>150.0</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td>9 278</td>
<td>6 178</td>
<td>12 832</td>
<td>150.2</td>
</tr>
<tr>
<td>Inventories</td>
<td>635</td>
<td>456</td>
<td>2 284</td>
<td>139.3</td>
</tr>
<tr>
<td>Accounts receivables</td>
<td>190</td>
<td>135</td>
<td>2 900</td>
<td>140.7</td>
</tr>
<tr>
<td>Other receivables</td>
<td>1 506</td>
<td>1 000</td>
<td>1 659</td>
<td>150.6</td>
</tr>
<tr>
<td>Receivables under financial lease</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Financial assets at FVTPL</td>
<td>348</td>
<td>327</td>
<td>327</td>
<td>106.4</td>
</tr>
<tr>
<td>Securities held to maturity</td>
<td>759</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Liquid assets</td>
<td>509</td>
<td>466</td>
<td>537</td>
<td>109.2</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>3 947</td>
<td>2 384</td>
<td>7 707</td>
<td>165.6</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>13 225</td>
<td>8 562</td>
<td>20 539</td>
<td>154.5</td>
</tr>
<tr>
<td><strong>Equity and liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscribed capital</td>
<td>421</td>
<td>421</td>
<td>421</td>
<td>100.0</td>
</tr>
<tr>
<td>Treasury shares</td>
<td>-3 547</td>
<td>-3 384</td>
<td>-3 384</td>
<td>104.8</td>
</tr>
<tr>
<td>Capital reserves</td>
<td>10 516</td>
<td>10 516</td>
<td>10 516</td>
<td>100.0</td>
</tr>
<tr>
<td>Profit reserve and profit at BS</td>
<td>3 480</td>
<td>-776</td>
<td>2 756</td>
<td>3 719</td>
</tr>
<tr>
<td>Other reserves</td>
<td>-531</td>
<td>-447</td>
<td>-471</td>
<td>118.8</td>
</tr>
<tr>
<td><strong>Equity of the parent company</strong></td>
<td>10 339</td>
<td>6 330</td>
<td>9 838</td>
<td>163.3</td>
</tr>
<tr>
<td>Minority interests</td>
<td>282</td>
<td>493</td>
<td>847</td>
<td>57.2</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>10 621</td>
<td>6 823</td>
<td>10 685</td>
<td>155.7</td>
</tr>
<tr>
<td>Long-term loans</td>
<td>951</td>
<td>584</td>
<td>2 809</td>
<td>162.8</td>
</tr>
<tr>
<td>Provisions</td>
<td>9</td>
<td>4</td>
<td>6</td>
<td>225.0</td>
</tr>
<tr>
<td><strong>Total long-term liabilities</strong></td>
<td>960</td>
<td>588</td>
<td>2 815</td>
<td>163.3</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND EQUITY:</strong></td>
<td>13 225</td>
<td>8 562</td>
<td>20 539</td>
<td>154.5</td>
</tr>
</tbody>
</table>
## Equity for the parent company

<table>
<thead>
<tr>
<th>Consolidated capital movements (million HUF)</th>
<th>Subscribed capital</th>
<th>Treasury shares</th>
<th>Premium</th>
<th>Capital reserve</th>
<th>Profit reserve</th>
<th>Other reserve</th>
<th>Total</th>
<th>Minority participation</th>
<th>Equity total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance as of 31 December 2010</td>
<td>421</td>
<td>-3 611</td>
<td>6 266</td>
<td>4 250</td>
<td>2 705</td>
<td>-347</td>
<td>9 684</td>
<td>810</td>
<td>10 494</td>
</tr>
<tr>
<td>Profit after taxes of H1 2011</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>51</td>
<td>51</td>
<td>37</td>
<td>88</td>
<td></td>
</tr>
<tr>
<td>Changes in the participation of external members</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-32</td>
<td>-32</td>
<td>-32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange rate difference from consolidation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital increase in subsidiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury shares repurchased</td>
<td>227</td>
<td></td>
<td></td>
<td></td>
<td>-92</td>
<td>135</td>
<td>135</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance as of 30 June 2011</td>
<td>421</td>
<td>-3 384</td>
<td>6 266</td>
<td>4 250</td>
<td>2 756</td>
<td>-471</td>
<td>9 839</td>
<td>847</td>
<td>10 685</td>
</tr>
</tbody>
</table>

### Statement of changes in equity H1 2012

<table>
<thead>
<tr>
<th>Balance as of 31 December 2011</th>
<th>421</th>
<th>-3 556</th>
<th>6 266</th>
<th>4 250</th>
<th>3 719</th>
<th>-447</th>
<th>10 653</th>
<th>284</th>
<th>10 937</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit of H1 2012</td>
<td></td>
<td>-239</td>
<td></td>
<td></td>
<td></td>
<td>-239</td>
<td>-2</td>
<td>-2</td>
<td>-241</td>
</tr>
<tr>
<td>Changes in the participation of external members</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exchange rate difference from consolidation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital increase in subsidiaries</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treasury shares repurchased</td>
<td>-225</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-225</td>
</tr>
<tr>
<td>Sale of treasury shares</td>
<td>234</td>
<td>-84</td>
<td>150</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>150</td>
</tr>
<tr>
<td>Balance as of 30 June 2012</td>
<td>421</td>
<td>-3 547</td>
<td>6 266</td>
<td>4 250</td>
<td>3 480</td>
<td>-531</td>
<td>10 339</td>
<td>282</td>
<td>10 621</td>
</tr>
</tbody>
</table>

17 August 2012
## STATEMENT OF GENERAL INCOMES
H1 of 2012
(in million HUF)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2012</th>
<th>Q2 2011</th>
<th>Change %</th>
<th>H1 2012</th>
<th>H1 2011</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profit according to the balance sheet in the period</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>under review</td>
<td>-140</td>
<td>-134</td>
<td>104.5</td>
<td>-239</td>
<td>51</td>
<td>-468.6%</td>
</tr>
<tr>
<td><strong>Other general incomes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conversion difference</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketable financial instruments with deferred taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash flow hedging transactions with deferred taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share from other general incomes of associated companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other general incomes in the period with tax implications</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total general incomes in the period under review</td>
<td>-140</td>
<td>-134</td>
<td>104.5</td>
<td>-239</td>
<td>51</td>
<td>-468.6%</td>
</tr>
</tbody>
</table>

* Fully attributable to the Company’s owners
### Consolidated profit & loss account under IFRS (HUF million)

<table>
<thead>
<tr>
<th></th>
<th>Q2 2012</th>
<th>Q 2 2011</th>
<th>Q2 2011</th>
<th>Change %</th>
<th>H1 2012</th>
<th>H1 2011</th>
<th>Change %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenues</td>
<td>223</td>
<td>97</td>
<td>4349</td>
<td>229.9</td>
<td>399</td>
<td>175</td>
<td>8349</td>
</tr>
<tr>
<td>Direct costs of sales</td>
<td>-209</td>
<td>-119</td>
<td>-3354</td>
<td>175.6</td>
<td>-364</td>
<td>-198</td>
<td>-6488</td>
</tr>
<tr>
<td>Gross profit</td>
<td>14</td>
<td>-22</td>
<td>995</td>
<td>8.8%</td>
<td>35</td>
<td>-23</td>
<td>1861</td>
</tr>
<tr>
<td>Gross profit rate %</td>
<td>6.3%</td>
<td>-22.7%</td>
<td>22.9%</td>
<td></td>
<td>8.8%</td>
<td>-13.1%</td>
<td>22.3%</td>
</tr>
<tr>
<td>Indirect costs of sales</td>
<td>-153</td>
<td>-88</td>
<td>-747</td>
<td>173.9</td>
<td>-273</td>
<td>-193</td>
<td>-1503</td>
</tr>
<tr>
<td>Other incomes</td>
<td>11</td>
<td>38</td>
<td>88</td>
<td>28.9%</td>
<td>53</td>
<td>52</td>
<td>124</td>
</tr>
<tr>
<td>Other expenditures</td>
<td>-12</td>
<td>-38</td>
<td>-89</td>
<td>31.6%</td>
<td>-22</td>
<td>-51</td>
<td>-147</td>
</tr>
<tr>
<td>Operating profit</td>
<td>-140</td>
<td>-110</td>
<td>247</td>
<td>127.3%</td>
<td>-207</td>
<td>-215</td>
<td>335</td>
</tr>
<tr>
<td>Operating profit rate (%)</td>
<td>-62.8%</td>
<td>-113.4%</td>
<td>5.7%</td>
<td>-51.9%</td>
<td>-122.9%</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>-64</td>
<td>-73</td>
<td>551</td>
<td>87.7%</td>
<td>-53</td>
<td>-161</td>
<td>924</td>
</tr>
<tr>
<td>EBITDA rate (%)</td>
<td>-28.7%</td>
<td>-75.3%</td>
<td>12.7%</td>
<td>-13.28%</td>
<td>-92.0%</td>
<td>11.1%</td>
<td></td>
</tr>
<tr>
<td>Financial incomes</td>
<td>133</td>
<td>8</td>
<td>72</td>
<td></td>
<td>354</td>
<td>67</td>
<td>499</td>
</tr>
<tr>
<td>Financial expenditures</td>
<td>-127</td>
<td>-227</td>
<td>-396</td>
<td>55.9%</td>
<td>-366</td>
<td>-312</td>
<td>-704</td>
</tr>
<tr>
<td>Financial profit</td>
<td>6</td>
<td>-219</td>
<td>-324</td>
<td>-12</td>
<td>-245</td>
<td>-205</td>
<td>4.9</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>-134</td>
<td>-329</td>
<td>-77</td>
<td>40.7%</td>
<td>-219</td>
<td>-460</td>
<td>130</td>
</tr>
<tr>
<td>Corporate income tax</td>
<td>-10</td>
<td>-5</td>
<td>-33</td>
<td>200.0%</td>
<td>-22</td>
<td>-11</td>
<td>-42</td>
</tr>
<tr>
<td>Profit after taxes</td>
<td>-144</td>
<td>-334</td>
<td>-110</td>
<td>43.1%</td>
<td>-241</td>
<td>-471</td>
<td>88</td>
</tr>
<tr>
<td>Minority shareholding</td>
<td>4</td>
<td>-9</td>
<td>-24</td>
<td></td>
<td>2</td>
<td>-18</td>
<td>-37</td>
</tr>
<tr>
<td>Net profit of the period</td>
<td>-140</td>
<td>-343</td>
<td>-134</td>
<td>40.8%</td>
<td>-239</td>
<td>-489</td>
<td>51</td>
</tr>
<tr>
<td>From the profit after taxes:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>To capital shareholders of the parent company</td>
<td>-140</td>
<td>-343</td>
<td>-134</td>
<td>40.8%</td>
<td>-239</td>
<td>-489</td>
<td>51</td>
</tr>
<tr>
<td>To minority shareholders</td>
<td>4</td>
<td>9</td>
<td>24</td>
<td>-2</td>
<td>18</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Profit per equity share (HUF)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base</td>
<td>-7.8</td>
<td>-18.71</td>
<td>-7.32</td>
<td>41.7%</td>
<td>-13.34</td>
<td>-26.81</td>
<td>2.81</td>
</tr>
<tr>
<td>Diluted</td>
<td>-7.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Consolidated cash flow statement under IFRS (HUF million)

### Liquid assets from operations

<table>
<thead>
<tr>
<th></th>
<th>30.06.2012</th>
<th>30.06.2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit after taxes</td>
<td>-239</td>
<td>51</td>
</tr>
</tbody>
</table>

Adjustments relation to the profit before taxes and operating cash flow

<table>
<thead>
<tr>
<th>Description</th>
<th>30.06.2012</th>
<th>30.06.2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation of tangible and intangible assets</td>
<td>154</td>
<td>589</td>
</tr>
<tr>
<td>Effect of deferred taxes</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Real value difference</td>
<td>-81</td>
<td>227</td>
</tr>
<tr>
<td>Exchange gains on credits</td>
<td>-114</td>
<td>-62</td>
</tr>
<tr>
<td>Impairment losses of participations</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Extraordinary depreciation of tangible assets, goodwill</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Impairment losses and shortage of inventories</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Provisions released</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Increase in provisions for doubtful receivables</td>
<td>0</td>
<td>-4</td>
</tr>
<tr>
<td>Interest (gain) loss, net</td>
<td>24</td>
<td>145</td>
</tr>
<tr>
<td>Profit on the sales of tangible assets</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Profit on the sales of investments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Changes in minority participations</td>
<td>-2</td>
<td>37</td>
</tr>
</tbody>
</table>

Changes in working capital elements

<table>
<thead>
<tr>
<th>Description</th>
<th>30.06.2012</th>
<th>30.06.2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase/decrease of inventories</td>
<td>-86</td>
<td>-46</td>
</tr>
<tr>
<td>Increase/decrease of receivables</td>
<td>470</td>
<td>-549</td>
</tr>
<tr>
<td>Increase/decrease of liabilities</td>
<td>-428</td>
<td>450</td>
</tr>
<tr>
<td>Interests received</td>
<td>12</td>
<td>9</td>
</tr>
<tr>
<td>Interests paid</td>
<td>-36</td>
<td>-154</td>
</tr>
</tbody>
</table>

Net liquid assets originating from / utilized in operations

<table>
<thead>
<tr>
<th></th>
<th>30.06.2012</th>
<th>30.06.2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-321</td>
<td>701</td>
</tr>
</tbody>
</table>

Liquid assets from investments

<table>
<thead>
<tr>
<th>Description</th>
<th>30.06.2012</th>
<th>30.06.2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition of investments in private companies</td>
<td>0</td>
<td>-90</td>
</tr>
<tr>
<td>Increase of existing investments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Sales of investments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Acquisition of tangible and intangible assets</td>
<td>-1 065</td>
<td>-1 553</td>
</tr>
<tr>
<td>Sales of tangible and intangible assets</td>
<td>0</td>
<td>96</td>
</tr>
<tr>
<td>Increase/decrease of long-term receivables</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Liquid assets for investment activities

<table>
<thead>
<tr>
<th></th>
<th>30.06.2012</th>
<th>30.06.2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-1 065</td>
<td>-1 547</td>
</tr>
</tbody>
</table>

Financial operations
PK6. Material off-balance-sheet items, liabilities:

As of 30 June 2012, the Company was holding forward net positions for purchasing € 500,000 to be realized within the year;

As of the accounting date herein, the Company had the following considerable pending liabilities towards external parties:
- HUF 4,742 th, with expiry within the year;

Within the framework of the managerial share option program, Balázs Bokorovics and Dénes Gyimóthy have acquired conditional call options for a total number of 1,250,000 PannErgy shares (in equal proportions) against PannErgy Plc. (the set of relevant conditions is described at the Company’s website) for the exercise of which they have appointed a third party with signing the relative option agreements;

Within the framework of the share option program, three external partners have acquired conditional call options for a total number of 150,000 PannErgy shares against PannErgy Plc. (the set of relevant conditions is described at the Company’s website);

In the form of security deposits for the non-repayable grants awarded to the entities of PannErgy Group (e.g. Transport and Energy Operational Programme, KEOP), PannErgy Plc offers its securities and other assets from time to time, with respect to the associated requirements of the given grant application programs and the executing authorities so as to cover various cases of non-performance.
1.2 Data sheets on the share structure and owners

**RS1. Ownership structure, shareholdings and voting rights**

<table>
<thead>
<tr>
<th>Classification of shareholders</th>
<th>Share capital total = Introduced series</th>
<th>1 January 2012</th>
<th>30 June 2012</th>
<th>1 January 2012</th>
<th>30 June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>pcs</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Domestic institution</td>
<td>39.70</td>
<td>46.37</td>
<td>8358856</td>
<td>39.21</td>
<td>46.09</td>
</tr>
<tr>
<td>Foreign institution</td>
<td>12.38</td>
<td>14.46</td>
<td>2606565</td>
<td>12.82</td>
<td>15.06</td>
</tr>
<tr>
<td>Domestic private person</td>
<td>22.97</td>
<td>26.83</td>
<td>4836482</td>
<td>22.48</td>
<td>26.42</td>
</tr>
<tr>
<td>Foreign private person</td>
<td>0.16</td>
<td>0.18</td>
<td>33240</td>
<td>0.16</td>
<td>0.19</td>
</tr>
<tr>
<td>Employees, senior officers</td>
<td>2.43</td>
<td>2.84</td>
<td>512725</td>
<td>2.43</td>
<td>2.86</td>
</tr>
<tr>
<td>Own holding *</td>
<td>14.38</td>
<td>-</td>
<td>3027542</td>
<td>14.92</td>
<td>-</td>
</tr>
<tr>
<td>Shareholder belonging to the central budget ¹</td>
<td>7.98</td>
<td>9.32</td>
<td>1679245</td>
<td>7.98</td>
<td>9.38</td>
</tr>
<tr>
<td>International Development Institutions ³</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>100.00</td>
<td>100.00</td>
<td>21054655</td>
<td>100.00</td>
<td>100.00</td>
</tr>
</tbody>
</table>

¹ Administrative body  
² Ownership rate  
³ Voting rights allowing participation in decision-making at the general meeting of the issuing entity.  
*: Own property: The property of the Company or its 100 % subsidy.

**RS2. Changes in the number of shares (pcs) in own holding in the year under review**

<table>
<thead>
<tr>
<th>At company level</th>
<th>1 January 2012</th>
<th>31 March 2012</th>
<th>30 June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsidiaries *</td>
<td>1135203</td>
<td>1135203</td>
<td>1135203</td>
</tr>
<tr>
<td>Total</td>
<td>3027542</td>
<td>3139235</td>
<td>3140635</td>
</tr>
</tbody>
</table>

*: The volume of PMM Zrt. treasury shares in the 100% ownership of the Company.

**RS3. List and particulars of Shareholders with stakes over 5%**

<table>
<thead>
<tr>
<th>Name</th>
<th>Nationality</th>
<th>Activity</th>
<th>Number (pcs)</th>
<th>Stake (%)</th>
<th>Voting right (%)</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benji Invest Kft.</td>
<td>D</td>
<td>I</td>
<td>2405010</td>
<td>11.42</td>
<td>13.43</td>
<td>P</td>
</tr>
<tr>
<td>Lazarus</td>
<td>D</td>
<td>I</td>
<td>2026500</td>
<td>9.62</td>
<td>11.31</td>
<td>P</td>
</tr>
<tr>
<td>Vagyonkezelő Zrt.</td>
<td>D</td>
<td>I</td>
<td>1675745</td>
<td>7.96</td>
<td>9.35</td>
<td>P</td>
</tr>
</tbody>
</table>
1. Domestic (D), Foreign (F)
2. Trustee (T), Budget (B), International Development Institution (ID), Institutional (I), Business Entity (BE), Private (P), Employee, Senior Officer (E)
3. To be specified as rounded to two decimals
4. Voting rights allowing participation in decision-making at the general meeting of the issuing entity
5. E.g.: professional investor, financial investor, etc.

1.3 Data sheets on the organization and operations of the issuing entity

**TSZ1. Changes in the headcount of full-time employees (pers.)**

<table>
<thead>
<tr>
<th></th>
<th>End of base period</th>
<th>End of period under review</th>
</tr>
</thead>
<tbody>
<tr>
<td>PannErgy Nyrt.</td>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>PannErgy Geotermia</td>
<td>17</td>
<td>36</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>22</strong></td>
<td><strong>44</strong></td>
</tr>
</tbody>
</table>

**TSZ2. Senior officers and (strategic) employees controlling operations of the Issuing entity**

<table>
<thead>
<tr>
<th>Type 1</th>
<th>Name</th>
<th>Position</th>
<th>Starting date of commission</th>
<th>End/termination date of the commission</th>
<th>Shareholding (pcs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BD</td>
<td>Balázs Bokorovics</td>
<td>Chairman</td>
<td>31.08.2007</td>
<td>for an undefined period of time</td>
<td>-</td>
</tr>
<tr>
<td>BD</td>
<td>Dénes Gyimóthy</td>
<td>Member, Acting CEO and CFO</td>
<td>31.08.2007</td>
<td>for an undefined period of time</td>
<td>170,000</td>
</tr>
<tr>
<td>BD</td>
<td>Gábor Briglovics</td>
<td>Member</td>
<td>31.08.2007</td>
<td>for an undefined period of time</td>
<td>2,600</td>
</tr>
<tr>
<td>BD</td>
<td>Attila Juhász</td>
<td>Member</td>
<td>31.08.2007</td>
<td>for an undefined period of time</td>
<td>-</td>
</tr>
<tr>
<td>BD</td>
<td>Zsolt Perlaky</td>
<td>Member</td>
<td>30.04.2010</td>
<td>for an undefined period of time</td>
<td>-</td>
</tr>
<tr>
<td>BD</td>
<td>István Töröcskei</td>
<td>Member</td>
<td>31.08.2007</td>
<td>for an undefined period of time</td>
<td>326,000</td>
</tr>
<tr>
<td>Shareholding (pcs) T O T A L:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>498,600</td>
</tr>
</tbody>
</table>

1. Employee in strategic position (SP), Member of the Board of Directors (BD)
### 1.4 Datasheets concerning extraordinary information

#### ST1. Extraordinary information within the period under review

<table>
<thead>
<tr>
<th>Date</th>
<th>Type</th>
<th>Place of publication</th>
<th>Subject-matter, short contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>08.08.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td>31.07.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Number of voting rights at PannErgy Plc</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td>31.07.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Successful drilling of the second reinjection well in Kistokaj (KIS-PE-01B)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td>27.07.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td>24.07.2012</td>
<td>Other information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>The construction works of the heat transmission line for the Geothermal Project of Miskolc have been commenced</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td>22.07.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td>17.07.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Type</td>
<td>Links</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>--------------------------</td>
<td>--------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Date</td>
<td>Type</td>
<td>Website</td>
<td>Announcement</td>
</tr>
<tr>
<td>------------</td>
<td>-----------------------------</td>
<td>----------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>25.06.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a> <a href="http://www.pannergy.hu">www.pannergy.hu</a> <a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td>The drilling works for the second reinjection well (KIS-PE-01B) of Kistokaj have been commenced</td>
</tr>
<tr>
<td>12.06.2012</td>
<td>Other information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a> <a href="http://www.pannergy.hu">www.pannergy.hu</a> <a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td>The drilling works for the second reinjection well (KIS-PE-01B) of Kistokaj are now under way</td>
</tr>
<tr>
<td>06.06.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a> <a href="http://www.pannergy.hu">www.pannergy.hu</a> <a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>06.06.2012</td>
<td>Other information 1 2 3</td>
<td><a href="http://www.bet.hu">www.bet.hu</a> <a href="http://www.pannergy.hu">www.pannergy.hu</a> <a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td>PannErgy Plc’s support for social commitment</td>
</tr>
</tbody>
</table>

17 August 2012
<table>
<thead>
<tr>
<th>Date</th>
<th>Information Type</th>
<th>Websites</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>05.06.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a> <a href="http://www.pannergy.hu">www.pannergy.hu</a> <a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>03.06.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a> <a href="http://www.pannergy.hu">www.pannergy.hu</a> <a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>31.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a> <a href="http://www.pannergy.hu">www.pannergy.hu</a> <a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td>Number of voting rights at PannErgy Plc</td>
</tr>
<tr>
<td>22.05.2012</td>
<td>Other information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a> <a href="http://www.pannergy.hu">www.pannergy.hu</a> <a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td>The works of the Miskolc Geothermal Project continued</td>
</tr>
<tr>
<td>21.05.2012</td>
<td>Other information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a> <a href="http://www.pannergy.hu">www.pannergy.hu</a> <a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td>Preliminary operations for the drilling works of the production well in Gödöllő</td>
</tr>
<tr>
<td>Date</td>
<td>Description</td>
<td>Website</td>
<td>Additional Information</td>
</tr>
<tr>
<td>------------</td>
<td>--------------------------------------------------</td>
<td>--------------------------------------</td>
<td>-------------------------------------------------------------</td>
</tr>
<tr>
<td>21.05.2012</td>
<td>Other information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>PannErgy management’s breakfast with individual investors</td>
</tr>
<tr>
<td>18.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>17.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>16.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>15.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>14.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>13.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>11.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Interim management report for Q I of 2012</td>
</tr>
<tr>
<td>10.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>09.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>08.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>07.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>05.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td>Date</td>
<td>Type</td>
<td>Website</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>----------------------------------</td>
<td>----------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>03.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Treasury share transaction</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td>01.05.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Number of voting rights at PannErgy Plc</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td>06.04.2012</td>
<td>Extraordinary information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a></td>
<td>Proposals to the General Meeting</td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.pannergy.hu">www.pannergy.hu</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>Extraordinary Information</td>
<td>Websites</td>
<td>Description</td>
</tr>
<tr>
<td>------------</td>
<td>------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------</td>
<td>-------------------------------------------------</td>
</tr>
<tr>
<td>Date</td>
<td>Type of Information</td>
<td>Website Links</td>
<td>Description</td>
</tr>
<tr>
<td>--------------</td>
<td>----------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>17.02.2012</td>
<td>Other information</td>
<td><a href="http://www.bet.hu">www.bet.hu</a>, <a href="http://www.pannergy.hu">www.pannergy.hu</a>, <a href="http://www.kozzetetelek.hu">www.kozzetetelek.hu</a></td>
<td>The drilling of the production well in Mályi (MAL-PE-02) has been closed</td>
</tr>
<tr>
<td>Date</td>
<td>Information Type</td>
<td>Websites</td>
<td>Details</td>
</tr>
<tr>
<td>------------</td>
<td>--------------------------</td>
<td>----------------------------------------------</td>
<td>------------------------------</td>
</tr>
</tbody>
</table>

17 August 2012
II.

PannErgy Plc’s non-consolidated and non-audited half-yearly report under the Hungarian Accounting Standards

First half of 2012
Introduction

Registered seat of the Company: H-1117 Budapest, Budafoki út 56.

Business sites: H-1221 Budapest, Dunalejáró u. 1.
H-4031 Debrecen, Kishegyesi út 263.

Name of the person signing the report: Dénes Gyimóthy, Member of the Board of Directors

1. Accomplishment of the key objectives

PannErgy Plc’s fundamental objective was to continue the strategy of the Company and its subsidiaries relating to geothermal energy resources, and as a result the subsidiaries should be in possession of considerable geothermal energy production capacities by the end of the year under review. Another key objective of the Company was to conclude such participation and asset transactions (asset management deals) that could give rise to material shareholder value, and serve as further sources of geothermal operations. This objective may be associated with all and any asset elements not belonging to geothermal operations.

Towards the accomplishment of these objectives, the Company made its financial resources available to its entities involved in geothermal developments in an ongoing manner, primarily to the support of the Miskolc project regarded to be huge even in international comparison, as well as its connection to the consumers for the upcoming heating season. The Miskolc project proved to be capable of using the available resources successfully, as all the geothermal drilling operations were concluded efficiently, and the surface construction works could be commenced.

To assess the Company’s economic environment, it is important to look back at and examine the past. The global economic crisis having broken out in 2008 and still persisting today, as well as the local economic difficulties do harm the market (stock exchange) appreciation of our shares and investments, the operating and market environment of our Group companies. The banks and the financing market have shrunk and partly collapsed. Although the European Investment Bank (EIB) has turned the status of a nearly EUR 100 million credit line accepted for the geothermal project, under the current circumstances its drawdown calls for strong efforts. The first associated agreements and drawdown will be made in the remaining part of the year towards the financing of the Miskolc project. Due to the slow access to the credits, as well as EU and governmental grants, subsidies (e.g. KEOP), the Company (and its subsidiaries) have so far been forced to rely solely on its short internal resources and funding from the Group.

Formerly aimed to be sold for the acquisition of further funding, some of PannErgy Plc’s treasury shares could be actually sold to investors, while for the major part of these shares the process to involve further investors is still under way.

Historic overview of the geothermal strategy:

In 2007, PannErgy set the challenging objective to utilize the long-known Hungarian geothermal resources for the generation of considerable volumes of heat and electric power, thereby creating value for the inhabitants and institutions of the country, as well as PannErgy’s shareholders. Demands for energy seem to increase unstoppably, while on the other hand both domestic and
global resources are limited, meaning that they are inefficiently available. There may be many who do not know that professional and effective geothermal energy production does not only mean the utilization of an enormous source of energy that has been just minimally exploited to this date, but is one of the most environmentally friendly and cleanest way to generate energy. Nowadays, the European Union does not simply welcome these techniques of energy production, but employs a strict program and set of objectives to orient member states, for instance Hungary. We have forged various cooperation agreements with dozens of local governments primarily to reach the heat market, but our most recent strategy for the upcoming 5 years focuses solely on the most favourable locations. The fundamental objective of our strategy is the sales of at least 2.4 to 2.6 PJ green heat and 120 to 160 GWh green electric power annually, which means steady profit, cash flow and most importantly an increasing shareholder value on the long run. Since the end of 2008, PannErgy Plc’s subsidiary, Pannergy Polifin Zrt. has founded a number of companies focusing on geothermal energy with 90% own participations and 10% typically municipal shares. In the meantime, the small power plant utilizing dissolved methane in the geothermal source of Berekfürdő and a deep-drilling company founded for the construction of geothermal wells were fully acquired.

### 2. PannErgy Plc’s retained profit and balance sheet figures

### Figures of the Company’s profit

In H1 of 2012, the Company’s net sales revenues amounted to HUF 328,599 th with the majority of these incomes realized on various services provided by the headquarters and the Debrecen site. In comparison with the amount in H1 of the previous year, the volume of sales revenues increased by 261.16%; this substantial change originated from the considerable growth of the amounts of re-invoiced costs and services.

**Distribution of net sales revenues:**

- subsidiaries: HUF 992 th
- other participations: HUF 0 th
- other (external) entities: HUF 327,607 th

**Total:** HUF 328,599 th

No sales revenue has been realized on export service activities in 2012.

The new financial profit came to be HUF 10 million, including without limitations the profit arising from the changes of FX rates, interest incomes and expenditures, the results of treasury share transactions, etc.
### Report for H1 of 2012

**Investor relations:** Valéria Szabó  
Tel: +36 1 323-2383 Fax: +36 1 323-2373  
E-mail: info@pannergy.com

<table>
<thead>
<tr>
<th>No. of item</th>
<th>Item</th>
<th>30.06.2011</th>
<th>Modifications of the previous year</th>
<th>30.06.2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>01.</td>
<td>Net domestic sales</td>
<td>90 984</td>
<td>-</td>
<td>328 599</td>
</tr>
<tr>
<td>02.</td>
<td>Net export sales</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>I.</td>
<td><strong>Net sales (01.+02.)</strong></td>
<td>90 984</td>
<td>-</td>
<td>328 599</td>
</tr>
<tr>
<td>03.</td>
<td>Prime cost of sales accounted</td>
<td>35 531</td>
<td>-</td>
<td>46 095</td>
</tr>
<tr>
<td>04.</td>
<td>Original cost of goods sold</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>05.</td>
<td>Values of services sold (intermediated)</td>
<td>39 823</td>
<td>-</td>
<td>263 211</td>
</tr>
<tr>
<td>II.</td>
<td><strong>Direct cost of sales (03.+04.+05.)</strong></td>
<td>75 354</td>
<td>-</td>
<td>309 306</td>
</tr>
<tr>
<td>III.</td>
<td><strong>Gross profit of sales (I.-II.)</strong></td>
<td>15 630</td>
<td>-</td>
<td>19 293</td>
</tr>
<tr>
<td>06.</td>
<td>Costs of sales and marketing</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>07.</td>
<td>Administration costs</td>
<td>141 931</td>
<td>169 921</td>
<td></td>
</tr>
<tr>
<td>08.</td>
<td>Other general costs</td>
<td>14 884</td>
<td>27 657</td>
<td></td>
</tr>
<tr>
<td>IV.</td>
<td><strong>Indirect costs of sales (06.+07.+08.)</strong></td>
<td>156 815</td>
<td>-</td>
<td>197 578</td>
</tr>
<tr>
<td>V.</td>
<td><strong>Other income</strong></td>
<td>6 863</td>
<td>209</td>
<td></td>
</tr>
<tr>
<td></td>
<td>including: loss in value marked back</td>
<td>4 180</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>VI.</td>
<td><strong>Other expenditure(s)</strong></td>
<td>14 615</td>
<td>19 217</td>
<td></td>
</tr>
<tr>
<td></td>
<td>including: loss in value</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>A.</td>
<td>Income from operations (III.-IV.+V.-VI.)</td>
<td>- 148 937</td>
<td>-</td>
<td>197 293</td>
</tr>
<tr>
<td>13.</td>
<td>Dividends and profit-sharing received (due)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>including: from affiliated undertakings</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>14.</td>
<td>Capital gains on investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>including: from affiliated undertakings</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>15.</td>
<td>Interest and capital gains on financial investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>including: from affiliated undertakings</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>16.</td>
<td>Other interest and similar income (received or due)</td>
<td>130 104</td>
<td>274 495</td>
<td></td>
</tr>
<tr>
<td></td>
<td>including: from affiliated undertakings</td>
<td>126 908</td>
<td>265 112</td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>Other income from financial transactions</td>
<td>7 762</td>
<td>22 326</td>
<td></td>
</tr>
<tr>
<td></td>
<td>including: valuation difference</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>VIII.</td>
<td><strong>Income from financial transactions (13.+14.+15.+16.+17.)</strong></td>
<td>131 866</td>
<td>-</td>
<td>296 821</td>
</tr>
<tr>
<td>18.</td>
<td>Losses on financial investments</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>including: to affiliated undertakings</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>19.</td>
<td>Interest payable and similar charges</td>
<td>10 429</td>
<td>10 313</td>
<td></td>
</tr>
<tr>
<td></td>
<td>including: to affiliated undertakings</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>20.</td>
<td>Losses on futures shares</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>21.</td>
<td>Other expenses on financial transactions</td>
<td>15 416</td>
<td>276 432</td>
<td></td>
</tr>
<tr>
<td></td>
<td>including: valuation difference</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>IX.</td>
<td><strong>Expenses on financial transactions (18.+19.+20.+21.)</strong></td>
<td>25 845</td>
<td>-</td>
<td>286 745</td>
</tr>
<tr>
<td>B.</td>
<td>Profit or loss from financial transactions (VIII.-IX.)</td>
<td>106 021</td>
<td>-</td>
<td>10 076</td>
</tr>
<tr>
<td>C.</td>
<td>Profit or loss of ordinary activities (A+B)</td>
<td>- 42 916</td>
<td>-</td>
<td>187 217</td>
</tr>
<tr>
<td>X.</td>
<td>Extraordinary income</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>XI.</td>
<td>Extraordinary expenses</td>
<td>4 039</td>
<td>881</td>
<td></td>
</tr>
<tr>
<td>D.</td>
<td>Extraordinary profit or loss (X.-XI.)</td>
<td>- 4 039</td>
<td>-</td>
<td>881</td>
</tr>
<tr>
<td>E.</td>
<td>Profit before taxes (C.+D.)</td>
<td>- 46 955</td>
<td>-</td>
<td>188 098</td>
</tr>
<tr>
<td>XII.</td>
<td>Tax payable</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>F.</td>
<td>Profit after taxes (E.-XII.)</td>
<td>- 46 955</td>
<td>-</td>
<td>188 098</td>
</tr>
<tr>
<td>22.</td>
<td>Profit reserves used for dividends and profit-sharing</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>23.</td>
<td>Dividends and profit-sharing paid (payable)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>G.</td>
<td>Retained profit (F.+22.-23.)</td>
<td>- 46 955</td>
<td>-</td>
<td>188 098</td>
</tr>
</tbody>
</table>

17 August 2012
Changes in the Company’s balance sheet

The 2.13 % drop in the balance sheet total was triggered by a 0.13% decrease in fixed assets and the 2.33 % decrease of current assets.

Within current assets, the amount of inventories decreased by 100 %, the value of receivables grew by 21.85 %, whereas the total amount of liquid assets and securities decreased by 39.62 %. In this respect, the amount of repurchased treasury shares rose by 5.5 %, the volume of the securities held for trading dropped by 52.26 %, while the volume of liquid assets decreased by 69.1 %.

Due to the interim loss for first half of the year, the Company’s equity decreased by HUF 188,098 th.
PannErgy Plc

report for H1 of 2012

Investor relations: Valéria Szabó
Tel: +36 1 323-2383 Fax: +36 1 323-2373 E-mail: info@pannergy.com

17 August 2012

<table>
<thead>
<tr>
<th>No. of item</th>
<th>Item</th>
<th>31.12.2011</th>
<th>Modifications of the previous year</th>
<th>30.06..2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>b</td>
<td>c</td>
<td>d</td>
<td>e</td>
</tr>
<tr>
<td>01.</td>
<td>A. Fixed assets</td>
<td>(02.+10.+17.)</td>
<td></td>
<td>3 270 704</td>
</tr>
<tr>
<td></td>
<td>02.</td>
<td>I. INTANGIBLE ASSETS (03.-09.)</td>
<td></td>
<td>600</td>
</tr>
<tr>
<td></td>
<td>03.</td>
<td>Capitalized value of formation/reorganization</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>04.</td>
<td>Capitalized value of research and development</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>05.</td>
<td>Concessions, licenses and similar rights</td>
<td></td>
<td>600</td>
</tr>
<tr>
<td></td>
<td>06.</td>
<td>Trade marks, patents and similar assets</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>07.</td>
<td>Goodwill</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>08.</td>
<td>Advances and prepayments on intangible assets</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>09.</td>
<td>Adjusted value of intangible assets</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>10.</td>
<td>II. TANGIBLE ASSETS (11.-16.)</td>
<td></td>
<td>491 969</td>
</tr>
<tr>
<td></td>
<td>11.</td>
<td>Land and buildings and rights to immovables</td>
<td></td>
<td>394 891</td>
</tr>
<tr>
<td></td>
<td>12.</td>
<td>Plant and machinery, vehicles</td>
<td></td>
<td>97 078</td>
</tr>
<tr>
<td></td>
<td>13.</td>
<td>Other equipment, fixtures and fittings, vehicles</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>14.</td>
<td>Investments, renovations</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>15.</td>
<td>Advance payments for investments</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>16.</td>
<td>Adjusted value of tangible assets</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>17.</td>
<td>III. FINANCIAL INVESTMENTS (18.-24.)</td>
<td></td>
<td>2 782 135</td>
</tr>
<tr>
<td></td>
<td>18.</td>
<td>Long-term participations in affiliated undertakings</td>
<td></td>
<td>2 782 135</td>
</tr>
<tr>
<td></td>
<td>19.</td>
<td>Long-term credit to affiliated undertakings</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>20.</td>
<td>Other long-term participations</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>21.</td>
<td>Long-term loan to independent undertakings</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>22.</td>
<td>Other long-term loans</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>23.</td>
<td>Securities signifying a long-term creditor relationship</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>24.</td>
<td>Adjusted value of financial investments</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>25.</td>
<td>B. Current assets</td>
<td>(26.+32.+40.+46.)</td>
<td>9 858 713</td>
</tr>
<tr>
<td></td>
<td>26.</td>
<td>I. INVENTORIES (27.-31.)</td>
<td></td>
<td>518</td>
</tr>
<tr>
<td></td>
<td>27.</td>
<td>Raw materials and (cons)mat.;es</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>28.</td>
<td>Work in progress, intermediate and semi-finished products</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>29.</td>
<td>Finished product(s)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>30.</td>
<td>Goods</td>
<td></td>
<td>518</td>
</tr>
<tr>
<td></td>
<td>31.</td>
<td>Advances and prepayments</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>32.</td>
<td>II. RECEIVABLES (33.-39.)</td>
<td></td>
<td>5 918 067</td>
</tr>
<tr>
<td></td>
<td>33.</td>
<td>Trade debtors</td>
<td></td>
<td>81 521</td>
</tr>
<tr>
<td></td>
<td>34.</td>
<td>Receivables from affiliated undertakings</td>
<td></td>
<td>5 582 505</td>
</tr>
<tr>
<td></td>
<td>35.</td>
<td>Receivables from independent undertakings</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>36.</td>
<td>Bills receivable</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>37.</td>
<td>Other receivables</td>
<td></td>
<td>254 041</td>
</tr>
<tr>
<td></td>
<td>38.</td>
<td>Valuation difference of receivables</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>39.</td>
<td>Positive valuation difference of derivative transactions</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>40.</td>
<td>III.SECURITIES (41.-45.)</td>
<td></td>
<td>2 859 273</td>
</tr>
<tr>
<td></td>
<td>41.</td>
<td>Participations in affiliated undertakings</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>42.</td>
<td>Other participations</td>
<td></td>
<td>258 122</td>
</tr>
<tr>
<td></td>
<td>43.</td>
<td>Treasury shares and own partnership shares</td>
<td></td>
<td>1 011 932</td>
</tr>
<tr>
<td></td>
<td>44.</td>
<td>Securities signifying a creditor relationship for trading purposes</td>
<td></td>
<td>1 589 219</td>
</tr>
<tr>
<td></td>
<td>45.</td>
<td>Valuation difference of securities</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>46.</td>
<td>IV. LIQUID ASSETS (47.-48.)</td>
<td></td>
<td>1 080 855</td>
</tr>
<tr>
<td></td>
<td>47.</td>
<td>Cash, checks</td>
<td></td>
<td>2 396</td>
</tr>
<tr>
<td></td>
<td>48.</td>
<td>Bank deposits</td>
<td></td>
<td>1 078 459</td>
</tr>
<tr>
<td></td>
<td>49.</td>
<td>C. ACCRUALS (50.-52.)</td>
<td></td>
<td>77 932</td>
</tr>
<tr>
<td></td>
<td>50.</td>
<td>Accrued income</td>
<td></td>
<td>71 447</td>
</tr>
<tr>
<td></td>
<td>51.</td>
<td>Accrued expenses</td>
<td></td>
<td>6 485</td>
</tr>
<tr>
<td></td>
<td>52.</td>
<td>Deferred expenses</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>53.</td>
<td>TOTAL ASSETS (01.+25.+49.)</td>
<td></td>
<td>13 211 349</td>
</tr>
</tbody>
</table>

17 August 2012
## PannErgy Plc

**Investor relations:** Valéria Szabó
Tel: +36 1 323-2383 Fax: +36 1 323-2373 E-mail: info@pannergy.com

---

### Report for H1 of 2012

**Valuation reserve of value adjustment**

- **2011:** 95
- **2012:** 95

---

### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td></td>
<td>b</td>
<td>c</td>
<td>d</td>
</tr>
<tr>
<td>54</td>
<td>D. Shareholders' equity (55.+57.+59.+60.+61.+64.)</td>
<td>12 604 030</td>
<td>-</td>
<td>12 415 932</td>
</tr>
<tr>
<td>55</td>
<td>I. SUBSCRIBED CAPITAL</td>
<td>421 093</td>
<td>421 093</td>
<td></td>
</tr>
<tr>
<td>56</td>
<td>including: ownership shares repurchased at face value</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>57</td>
<td>II. SUBSCRIBED CAPITAL UNPAID ()</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>58</td>
<td>III. CAPITAL RESERVE</td>
<td>9 705 191</td>
<td>9 705 191</td>
<td>9 705 191</td>
</tr>
<tr>
<td>59</td>
<td>IV. ACCUMULATED PROFIT RESERVE</td>
<td>1 059 741</td>
<td>1 053 453</td>
<td>1 053 453</td>
</tr>
<tr>
<td>60</td>
<td>V. TIED-UP RESERVE</td>
<td>1 388 418</td>
<td>1 424 293</td>
<td>1 424 293</td>
</tr>
<tr>
<td>61</td>
<td>VI. REVALUATION RESER</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>62</td>
<td>1. Valuation reserve of value adjustment</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>63</td>
<td>2. Valuation reserve of actual valuation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>64</td>
<td>VII. RETAINED PROFIT</td>
<td>29 587</td>
<td>-</td>
<td>18 098</td>
</tr>
<tr>
<td>65</td>
<td>E. Provisions (66-68)</td>
<td>-</td>
<td>-</td>
<td>66-68</td>
</tr>
<tr>
<td>66</td>
<td>Provisions for forward liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>67</td>
<td>Provisions for forward expenses</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>68</td>
<td>Other provisions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>69</td>
<td>F. Liabilities (70.+74.+83.)</td>
<td>600 852</td>
<td>-</td>
<td>506 742</td>
</tr>
<tr>
<td>70</td>
<td>I. SUBORDINATED LIABILITIES (71.-73.)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>71</td>
<td>Subordinated liabilities to affiliated undertakings</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>72</td>
<td>Subordinated liabilities to independent undertakings</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>73</td>
<td>Subordinated liabilities to other economic entities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>74</td>
<td>II. LONG-TERM LIABILITIES (75.-92.)</td>
<td>54 549</td>
<td>-</td>
<td>50 398</td>
</tr>
<tr>
<td>75</td>
<td>Long-term loans</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>76</td>
<td>Convertible bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>77</td>
<td>Debts on issue of bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>78</td>
<td>Investment and development credits</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>79</td>
<td>Other long-term credits</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>80</td>
<td>Long-term liabilities to affiliated undertakings</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>81</td>
<td>Long-term liabilities to independent undertakings</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>82</td>
<td>Other long-term liabilities</td>
<td>54 549</td>
<td>50 398</td>
<td>50 398</td>
</tr>
<tr>
<td>83</td>
<td>III. CURRENT LIABILITIES (84.+86.+94.)</td>
<td>546 303</td>
<td>-</td>
<td>456 344</td>
</tr>
<tr>
<td>84</td>
<td>Short-term bank loans</td>
<td>453 410</td>
<td>420 023</td>
<td>420 023</td>
</tr>
<tr>
<td>85</td>
<td>including: convertible bonds</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>86</td>
<td>Short-term loans</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>87</td>
<td>Advances received from customers</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>88</td>
<td>Accounts payable</td>
<td>68 946</td>
<td>17 400</td>
<td>17 400</td>
</tr>
<tr>
<td>89</td>
<td>Bills payable</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>90</td>
<td>Short-term liabilities to affiliated undertakings</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>91</td>
<td>Short-term liabilities to independent undertakings</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>92</td>
<td>Other short-term liabilities</td>
<td>23 947</td>
<td>18 878</td>
<td>18 878</td>
</tr>
<tr>
<td>93</td>
<td>Valuation difference of liabilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>94</td>
<td>Negative valuation difference of derivative transactions</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>95</td>
<td>G. Deferrals (96.-98.)</td>
<td>6 467</td>
<td>-</td>
<td>6 279</td>
</tr>
<tr>
<td>96</td>
<td>Deferred income</td>
<td>518</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>97</td>
<td>Deferred expenses</td>
<td>5 949</td>
<td>6 279</td>
<td>6 279</td>
</tr>
<tr>
<td>98</td>
<td>Accrued income</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>99</td>
<td>TOTAL LIABILITIES (54.+65.+69.+95.)</td>
<td>13 211 349</td>
<td>-</td>
<td>12 928 953</td>
</tr>
</tbody>
</table>

---

**Editors:** Zsolt PETŐ, Frigyes LUKÁCS, Noémi TIHANYI

**Printed by:** PannErgy Plc

**Address:** No. 1, Zichy u. 13-15., 1051 Budapest, Hungary

**Telephone:** +36 1 323-2383

**Fax:** +36 1 323-2373

**E-mail:** info@pannergy.com

**Website:** www.pannergy.com

---

**17 August 2012**  

**Page 32**
3. Environmental protection

The Company attaches priority importance to the high-level consideration of environmental protection, though the Company’s mainly asset management operations do not represent significant environmental risks. In 2012, PannErgy Plc has not performed production activities.

4. Shares, changes in rates, dividend policy

The Company’s share capital amounts to HUF 421,093,100.

The Company’s subscribed capital consists of 4,210,931 registered shares of an individual face value of HUF 100, carrying equal and identical shareholding rights.

Printed shares were converted into dematerialized shares in 2004. Accordingly, Pannonplast Rt. invalidated its printed, registered ordinary shares (ISIN: HU0000010376) with the effective date of 6 August 2004.

New ISIN ID of the dematerialized shares: HU0000089867

Dematerialized shares replacing shares that have not been validly submitted for conversion were sold by the Company in compliance with the relevant legal regulations, within 6 months at the Budapest Stock Exchange, with the assistance of an investment service provider, at stock-exchange rates.

After the sales of the dematerialized shares replacing shares that have not been submitted for conversion, PannErgy Plc have paid the counter-values of these securities to the last confirmable owner of the shares provided that the invalidated shares are delivered.

On 31 August 2007, the annual General Meeting approved the 1:5 splitting of PannErgy equity shares, and thus instead of 4,210,931 shares of an individual face value of HUF 100 the Company came to hold 21,054,655 shares of an individual face value of HUF 20.

As of 30 June 2012, the Company was in possession of 3,140,635 shares.

As of 30 June 2012, the share rate was HUF 586.

Information concerning the ownership structure and treasury shares is provided in Chapter I.

5. Utilization of financial instruments

PannErgy Plc concluded ad hoc FX forward transactions and stock-exchange futures transactions in relation to treasury shares in order to hedge PannErgy Group’s FX and other exposures, as well as to realize exchange gains. The Company has no risk management or hedging policy. The decisions needed for these transactions are made by the Company’s specialists on the basis of the evaluation of the Company’s situation and the conditions prevailing in its environment.

6. Major events after the balance sheet date

They are detailed in the relevant sections of Chapter I.
III.

DECLARATIONS

This report consists of PannErgy Group’s consolidated, non-audited data prepared in conformance to the requirements of the International Financial Reporting Standards (IFRS), as well as the non-audited data of PannErgy Plc prepared in accordance with the non-consolidated, Hungarian accounting regulations.

As required in the relevant legal regulations, it is hereby represented that this report has been made to the best of our knowledge, and does not contain such material errors that would make this presentation of the Company’s asset, financial and income situation as of 30 June 2012 unrealistic.

It is further represented that the report is not audited.

Budapest, 17 August 2012

PannErgy Plc’s
Board of Directors