

INTERIM MANAGEMENT REPORT ON Q1 2011 OF TVK GROUP

Tisza Chemical Group Public Limited Company (TVK Plc) (Reuters: TVKD.BU, website: www.tvk.hu) has published its results for Q1 2011 today. The data presented in the TVK Plc's Q1 2011 flash report are not audited and should not be treated as final. The term „TVK Group level data” is used in this flash report to refer to the figures of TVK Plc and its affiliates consolidated in line with the International Financial Reporting Standards (IFRS). 7 subsidiaries, 1 affiliated business and 1 non-participating business were fully consolidated while 1 business was consolidated by the equity method.

TVK Group Financial Overview

	Q1 2010 (M HUF)	Q1 2011 (M HUF)	Var %	Q1 2010 (M EUR)	Q1 2011 (M EUR)	Var %
Net sales	84,836	107,358	26.5	315.9	394.0	24.7
EBITDA	2,510	4,259	69.7	9.3	15.6	67.2
Operating profit/loss (-)	(655)	987	-	(2.4)	3.6	-
Profit/loss of financial transactions (-)	29	846	-	0.1	3.1	-
Shareholder's net profit (loss)	(615)	1,385	-	(2.3)	5.1	-
Operating cash flow	(7,406)	(9,435)	-	(27.6)	(34.6)	-

Note: Calculated using the average mid FX rate quoted for the period by the National Bank of Hungary

The operating profit realized in the first quarter of 2011 was HUF 4.7 billion higher **than in the previous quarter** mainly because the increase of olefin and polymer product prices exceeded the price increase of naphtha meaning an improvement in the specific margin generating capacity of the industry line. The increased volume of production as well as of sales and the decreased quantity of the used natural gas and the reduced steam price also had a positive effect. Due to the fluctuation of the HUF rate the difference resulting from the re-valuation of accounts receivable and accounts payable led to the deterioration of the profit.

Comparing the results of Q1 2011 with the **first quarter of the previous year**, the operating profit improved due to the favorable change of the integrated petrochemical margin however the increased steam, electric energy and natural gas prices and the re-valuation of accounts receivable and accounts payable because of exchange rate changes had a reducing effect on profit.

- ▶ **Overall capacity utilization** showed upturn of almost 9 percentage points in Q1 2011 compared to the previous quarter due to the smooth fuel supply and the lack of serious breakdowns and is slightly higher than in the basis period.
- ▶ **Polymer production and sales were 6% and 2%, respectively**, higher than in the previous quarter and about 1 % higher than in the first quarter of the previous year.
- ▶ As regards the sales and purchases in foreign currency, **HUF 1,116 million non-realized and HUF 104 million realized exchange loss was booked on receivables and payables** due to the fluctuation of the HUF rate (it was an exchange loss of HUF 71 million in the same period of previous year).
- ▶ The profit of HUF 846 million on financial operations includes **realized exchange gain of HUF 88 million and unrealized exchange gain of HUF 1,186 million** relating to loans and assets denominated in foreign currency.
- ▶ **The negative amount of 9,435 million HUF of the operating cash flow** – contrary with the positive EBITDA value – includes the effect of higher sales price and sales quantities in the amount of 11,301 million HUF. At the end of the year the quantity of self-manufactured stocks was increased from the extremely low level, in which the volumetric effect is HUF 2,973 million, in order to improve the service offered to clients. The inventory turnover of polymer products continues to be favorable.
- ▶ As at March 31, 2011 the debt from the revolving loan received from the MOL Plc. amounted to **EUR 61 million** compared to the EUR 16 million on December 31, 2010.
- ▶ In Q1 2011, **TVK Group net profit** was HUF 1,385 million compared to the loss of HUF 615 in the basis period.

CEO of TVK Plc., Olvasó Árpád, emphasized:

"The situation of the petrochemical industry line which reacts sensitively to the changes at the crude oil market is not easy: feedstock prices are close to the record values of June 2008 but the prices of polymer products reflect this only to some extent. However the current polymer price level is so high that polymer processing companies – trying to optimize their working capital - are cautious with ordering and stocking polymer products. It follows from this that they typically wait with purchases. As the result of this sales within the month are very variable. However, the availability of our productive equipment as well as feedstock supply are satisfactory, we do not plan a turnaround in this year thus we are in the position to meet the market challenges and exploit the slowly improving possibilities the polymer market offers."

Operating environment

A comparison of Q1 2011 to Q1 2010 shows a rise of 25-30% in average polyethylene prices and a rise of 30-31% in polypropylene prices (ICI's lor fd NWE). The average quoted price (FOB med) of a ton of naphtha went up by 29% to USD 881 during the quarter. The HUF/EUR rate and the HUF/USD decreased by 1% and 3%, respectively, while the EUR/USD cross rate rose by 1%. As the result of this, the average integrated petrochemical margin improved by 26% in HUF terms and by 25% in EUR terms in the first quarter of 2011 as compared to Q1 2010. Exchange rate changes had an overall adverse impact on TVK Group level operating profits in the period under review.

A comparison of Q1 2011 to Q4 2010 shows a rise of 14-23% in the average prices (ICI's lor fd NWE) quoted for polyethylene in the European market of polymer products and a simultaneous rise of 12-17% in polypropylene prices. In US dollar terms the price of the naphtha necessary to monomer production went up by 14%. HUF appreciated by 2% against the USD and strengthened by 1 % against the EUR, with the latter depreciating against the dollar by 1%. The afore-mentioned factors increased the integrated petrochemical margin by 39% in EUR terms and 37% in HUF terms compared to the previous quarter.

Financial overview

Profit and Loss Statement

In the first quarter of 2011, the **consolidated TVK Group level operating income** hiked by 27% year on year and totaled at HUF 107,521 million. Within this, the **other operating income** was HUF 163 million which is HUF 140 million more because the higher default interest imposed by the mother company.

In Q1 2011, the **consolidated TVK Group level net revenue** of HUF 107,358 million was HUF 22.522 million more than in the first three months of 2010 due to the higher prices and sales quantities as well as to the impact of exchange rate fluctuations.

Factors influencing product sales of TVK Plc.
Q1 2011 – Q1 2010 (million HUF)

	Effect of variance in price	Effect of variance in exchange rates	Effect of variance in volume	Total
Olefin	6,672	627	2,652	9,951
LDPE	1,810	76	(230)	1,656
HDPE	6,268	412	(5)	6,675
PP	6,435	250	730	7,415
Total	21,185	1,365	3,147	25,697

In Q1 2011 TVK Plc. realized 50% of its sales revenues from **export sales**. Italy (18%), Germany (17%), Poland (15%), Czech Republic (8%), Slovakia (7%), Austria (5%), France (3%) represented the majority of export sales.

Distribution of TVK Group sales incomes by production units, Q1 2011 (million HUF)

	Domestic sales	Export sales	Total sales
Olefin	33,248	3,630	36,878
LDPE	3,251	3,969	7,220
HDPE	3,563	32,603	36,166
PP	10,889	13,985	24,874
Income from other business activities	2,342	22	2,364
Effect of consolidation	(370)	226	(144)
Total	52,923	54,435	107,358

The increase by HUF 19,142 million (26%) of the **TVK Group level raw material costs** to HUF 91,763 million compared to basis period was primarily the result of the growing costs of purchased raw materials while energy costs surged as well. The higher feedstock costs reflect the radical rise of the quoted price of feedstock used for producing monomers and the weakening of the forint against the dollar. Energy costs hiked by 22% mainly as the result of the increased price of steam, electric energy and natural gas.

**Variances in key feedstock costs incurred by TVK Plc,
Q1 2011 – Q1 2010 (million HUF)**

	Effect of variance in volume	Effect of variance in price	Effect of variance in exchange rates	Total
Naphtha and light hydrocarbons in total	3,490	13,230	1,374	18,094
Gas oil	(3,613)	2,935	344	(334)
Chemical feedstock in total	(123)	16,165	1,718	17,760

Material type services increased by HUF 233 million (7%), within this the transportation costs increased by HUF 177 million mainly due to the higher fuel prices. HUF 22 million more commissions were accounted due to the bigger revenues resulting from the increased polymer sales prices. Maintenance costs went up by HUF 69 million, however the amount spent on, among other things, information technology services and on technical development decreased.

Cost of goods sold hiked by 211% because of the increased quantity of tar and ethylene purchased and re-sold. The price changes and the variance in exchange rates also increased the purchase value. The bigger sales revenues compensated for the growing costs.

The drop of 97% in **mediated services** reflects the reduction of the income from the energy services mediated by TVK Erőmű Kft.

The TVK Group level **personnel expenses** also rose by HUF 142 million (6%) despite the staff reduction. The salary increase, the variance of the accrual of bonuses furthermore the different schedule of the cafeteria elements during the year caused this increase.

Other operating expenses went up by HUF 1,215 million (124%) due to the exchange loss-difference reported on receivables and liabilities resulting from the fluctuation of the forint.

The change in inventory of finished goods and work in progress showed an increase by HUF 3,175 million in Q1 2011. The level of olefin and polymer inventories was very low in December 2010, inventory building was necessary in order to provide better service to the clients.

The **Group level consolidated operating profit** (EBIT) amounted to HUF 987 million in the first three months of 2011 compared to the loss of HUF 655 million in Q1 2010.

As opposed to the profit of HUF 29 million in the basis period, the group realized a **profit on financial operations** of HUF 846 million. The financial revenues of the group increased by HUF 826 million in the reporting period compared to the same period of the previous year as a result of HUF 24 million realized and HUF 810 million non-realized exchange gain difference was generated from the revaluation of the loans and other assets received in foreign currency. Financial expenses grew by HUF 9 million: within this interest expenses went up by HUF 82 million and the discount due to the payment period dropped by HUF 63 million.

In Q1 2011 TVK Group **earnings before taxes** amounted to a profit of HUF 1,833 million showing a year on year increase of HUF 2,458 million. The **corporate tax liability was HUF 347 million**, deferred tax amounted to HUF 101 million. **Consolidated net profit** totaled at HUF 1,385 million.

Balance Sheet figures

The value of the **total assets** of TVK Group stood at HUF 223,714 million as at March 31, 2011.

The consolidated value of **non-current assets** amounted to HUF 128,505 million as at March 31, 2011, 4% lower than on March 31, 2010, mainly due to the lower value - attributable to recognized depreciation - of tangible assets.

The value of **current assets** went up by 13% to HUF 95,209 million including an 18% year on year increase in inventories basically due to the appreciation of the inventory resulting from the growing feedstock prices for the self-manufactured olefin and polymer finished products and the olefin feedstock purchased. The quantity of purchased olefin feedstock reduced however the quantity of self-manufactured stocks hardly changed. The significantly higher selling prices and sales volumes explain the hike of 23% in accounts receivable since the

situation at the end of March 2010. The value of other current assets grew by 13% which is attributable mainly to the fact that the amount of VAT reclaim was considerably higher at the end of March 2011. The significant drop in tax receivables is explained by the fact that while paid but reclaimable corporate tax was reported on March 31, 2010 the amount thereof was minimal on March 31, 2011.

Shareholder's equity amounted to HUF 137,575 million on March 31, 2011, approximately 1% higher than on March 31, 2010. The increase is attributable to the variance in the value of the profit/loss after taxation and to the 2010 balance sheet loss which appears in the profit reserve.

The value of **long-term debt** went up by HUF 15,293 million (136%) since March 31, 2010. The increase results from the fact that a short term revolving loan operated at the mother company in the previous year which has been replaced by a long term one.

Deferred tax liability shows a year on year drop of HUF 1,794 million (54%).

The portfolio of **other non-current liabilities** decreased by HUF 1,802 million (42%) as the part due within the year of the obligations deriving from forward transactions were transferred to the other short term liabilities.

The value of **short term liabilities** dropped by 13% to HUF 53,321 million from March 31, 2010 to March 31, 2011. The decrease was caused by the already mentioned change in the mother company loan construction which was mitigated by the transfer of the part of the long term liabilities due within the year to the short term liabilities and by the higher value of accounts payable resulting from the changed price and quantity composition of feedstock purchased for the olefin plant.

Cash flow

The group level cash flow statement of TVK dated March 31, 2011 shows an increase in **cash and cash equivalents** of HUF 641 million since the beginning of the year.

Operating cash flow amounted to minus HUF 9,435 million. EBITDA increased the cash flow by HUF **4,259** million, while the changes in working capital (inventories, trade accounts receivable and payable, other receivables and other liabilities altogether) decreased the cash flow by HUF **14,320** million. The cash flow deteriorating effect of the changes in the inventory follows from the fact that the inventory of self-manufactured olefin and polymer products grew. The growth of closing inventories volume at the end of the period was justified by the fact that the level of polymer inventories - which was extremely low at the end of 2010 - was increased so that we could provide better service to the clients. The reason of the increase of accounts receivable was that the sales prices and the sold quantities were higher in the first quarter of 2011 than in the 4th quarter of 2010 (which determine the year-end accounts receivable). The higher value of accounts payable was triggered by the higher price paid for and the higher quantities purchased of olefin feedstock in March 2011 than in December 2010, although the reduction in volume of the non-feedstock suppliers compensated for this as most suppliers sent the invoices at the end of the year then the inventory reduced back to normal level during the year. The growth of VAT is reflected in the increased amount of other receivables. Other short term liabilities also went up due to the increased balance of accrued costs. Taxes paid against the profit/loss further reduced the cash flow by HUF **242** million. The adjustment due to the non-cash effects included in the EBIT improved the operating cash flow by HUF **868** million. Within this, the unrealized exchange gain on payables/ receivables, the impairment of inventories and the change of provisions amounted to 1,117 million, -118 million and -125 million forint, respectively.

Net cash used in investing activities decreased the cash flow by HUF 1,860 million, within this the revolving facility extended to the MOL parent company reduced the cash flow by HUF 497 million and the amounts disbursed to the suppliers reduced it by HUF 1,401 million. The interests received and the sale of tangible assets improved the cash flow by altogether HUF 38 million.

Net cash from financial operations increased the cash flow by HUF 11,936 million in the examined period mainly due to the increased revolving credit from the MOL Nyrt.

Headcount

The total consolidated headcount of the TVK Group included 1,135 full-time employees on March 31, 2011 that is 31 persons fewer than the closing headcount on March 31, 2010. The reason behind the reduction was mainly related to the more efficient employment of the staff at the mother company because instead of recruiting new employees to replace a part of those leaving due to early retirement and old age pension the performance of the tasks was ensured by reorganizing the fields of work.

Capital projects

In Q1 2011 the total capital expenditure of the TVK Group reached HUF 96 million of an amount if HUF 92 million of which is due to expenditure incurred by the mother company.

Outlook and expectations for the period after March 31, 2011

The operating profit/loss in April 2011 is expected to be similar to the Q1 average. The utilization of both monomer and polymer production capacities is in harmony with the Q1 average. The composition of polymer production by product types remains unchanged. In April the integrated petrochemical margin slightly decreases compared to Q1 2011.

We calculate with the slow narrowing of the petrochemical margin while in the 2nd quarter the level of production and sale is forecast at the Q1 level.

Major events until the publication date

TVK Plc. held its Annual General Meeting on April 14, 2011. The AGM had a quorum where the shareholders present were entitled to cast 23,274,535 votes all together represented 94.87% of the Company's shares.

The AGM accepted:

- ▶ the Annual reports, the related business reports, and the proposal of the Shareholder to pay HUF 1,991,849,126 as dividend in 2011 connected to the year ended 31 December 2010, and
- ▶ decided on the election of some members of the Board of Directors and Supervisory Board.

ANNEXES

Company name: Tisza Chemical Group Public Limited Company **Phone:** +36 1 464 1163
Company address: H-3581 Tiszaújváros, P.O.Box 20. **Fax:** +36 1 464 1335
Sector group: Chemical industry, petrochemical **E-mail address:** tvkinfo@tvk.hu
Reporting period: Q1 2011 **Investors' contact person:** Attila Czafit

	Yes	No		
Audited	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Consolidated	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Accounting principles		Hungarian <input type="checkbox"/>	IFRS <input checked="" type="checkbox"/>	Other <input type="checkbox"/>
Currency	HUF	X	EUR	
Unit	1,000		1,000,000	X

ANNEX 1
KEY FINANCIAL DATA

TVK Group consolidated unaudited figures according to IFRS (HUF million)

Key Profit and Loss figures

	Q1 2010	Q1 2011
Net revenue	84,836	107,358
Operating profit (EBIT)	(655)	987
Financial expenses, net	29	846
Profit before tax	(625)	1,833
Profit for the year	(615)	1,385

Key Balance Sheet figures

	31.03.2010.	31.03.2011.
Non-current assets	134,348	128,505
Intangible assets	2,895	2,545
Property, plant and equipment	131,149	125,626
Financial investments	304	334
Current assets	84,612	95,209
Inventories	11,005	12,990
Total assets	218,960	223,714
Equity attributable to equity holders of the parent	136,774	137,575
Share capital	24,534	24,534
Non-current liabilities	21,113	32,818
Current liabilities	61,073	53,321
Total equity and liabilities	218,960	223,714

ANNEX 2
Q1 2011 PROFIT AND LOSS STATEMENT
TVK Group consolidated, unaudited figures according to IFRS (HUF million)

2010	Q1 2010	Q1 2011	Change %
365,186 Net revenue	84,836	107,358	26.5
2,277 Other operating income	23	163	608.7
367,463 Total operating income	84,859	107,521	26.7
299,332 Raw material costs	72,621	91,763	26.4
14,741 Value of material-type services used	3,566	3,799	6.5
14,786 Cost of goods sold	1,963	6,097	210.6
13,290 Mediated services	3,703	127	(96.6)
342,149 Raw materials and consumables used	81,853	101,786	24.4
6,545 Wages	1,595	1,607	0.8
1,080 HR related disbursements	265	345	30.2
1,961 Wage benefits	457	507	10.9
9,586 Personnel expenses	2,317	2,459	6.1
13,020 Depreciation, amortization and impairment	3,165	3,272	3.4
4,473 Other operating expenses	979	2,194	124.1
(1,461) Change in inventory of finished goods and work in progress	(2,733)	(3,175)	(16.2)
(1,044) Work performed by the enterprise and capitalized	(67)	(2)	97.0
366,723 Total operating expenses	85,514	106,534	24.6
740 Operating profit (EBIT)	(655)	987	n.a.
225 Financial income	487	1,313	169.6
2,918 Financial expense	458	467	2.0
(2,693) Financial expenses, net	29	846	2.817.2
(18) Income from associates	(1)	0	n.a.
(1,935) Profit before tax	(625)	1,833	n.a.
1,324 Income tax expense	221	347	57.0
(2,125) Deferred tax	(231)	101	n.a.
(1,134) Profit for the year	(615)	1,385	n.a.
(1,134) Equity holders of the parent	(615)	1,385	n.a.
0 Non-controlling interest	0	0	n.a.

ANNEX 3
BALANCE SHEET FOR THE PERIOD ENDED ON MARCH 31, 2011
TVK Group consolidated, unaudited figures according to IFRS (HUF million)

	31.03.2010.	31.03.2011.	Change %
ASSETS			
Non-current assets	134,348	128,505	(4.3)
Intangible assets	2,895	2,545	(12.1)
Property, plant and equipment	131,149	125,626	(4.2)
Investments in associated companies	114	132	15.8
Other non-current assets	190	202	6.3
Current assets	84,612	95,209	12.5
Inventories	11,005	12,990	18.0
Trade receivables, net	48,975	59,991	22.5
Other current assets	14,672	16,570	12.9
Prepaid taxes	3,266	2	(99.9)
Cash and cash equivalents	6,694	5,656	(15.5)
TOTAL ASSETS	218,960	223,714	2.2
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	136,774	137,575	0.6
Share capital	24,534	24,534	0.0
Share premium	15,022	15,022	0.0
Retained earnings	97,767	96,597	(1.2)
Revaluation difference	66	37	(43.9)
Reserves	112,855	111,656	(1.1)
Profit for the year attributable to equity holders of the parent	(615)	1,385	
Equity attributable to equity holders of the parent	136,774	137,575	0.6
Non-controlling interest	0	0	0
Non-current liabilities	21,113	32,818	55.4
Long-term debt, net of current portion	11,228	26,521	136.2
Provisions for liabilities and charges	2,297	2,305	0.3
Deferred tax liabilities	3,316	1,522	(54.1)
Other non-current liabilities	4,272	2,470	(42.2)
Current liabilities	61,073	53,321	(12.7)
Trade and other payables	42,570	52,015	22.2
Provisions	288	309	7.3
Short-term debt	17,323	53	(99.7)
Current part of long term debts	892	944	5.8
TOTAL EQUITY AND LIABILITIES	218,960	223,714	2.2

Significant Off-Balance Sheet Items¹

None.

¹ Any financial liabilities of material importance in respect of financial evaluation not reflected in the balance sheet (e.g. surety, guarantees given, liabilities under lien, etc.)

ANNEX 4
CHANGES IN SHAREHOLDER'S EQUITY IN Q1 2011
 TVK Group consolidated, unaudited figures according to IFRS (HUF million)

	Share capital	Retained earnings	Share premium	Revaluation difference	Net income attributable to equity holders of the parent	Minority interest	Share-holders' equity
Opening balance on January 1, 2010	24,534	106,959	15,022	64	(9,192)	0	137,387
Transfer of 2009 profits		(9,192)			9,192		0
Revaluation difference				24			24
Reclassification of negative goodwill							0
Year 2010 profits					(1,170)		(1,170)
Change due to dividend payment							0
Balance on December 31, 2010	24,534	97,767	15,022	88	(1,170)	0	136,241
Transfer of 2010 profits		(1,170)			1,170		0
Revaluation difference				(51)			(51)
Profit of Q1 2011					1,385		1,385
Change due to dividend payment							0
Closing balance on March 31, 2011	24,534	96,597	15,022	37	1,385	0	137,575

ANNEX 5
STATEMENT OF COMPREHENSIVE INCOME IN Q1 2011
 TVK Group consolidated, unaudited figures according to IFRS (HUF million)

Statement of comprehensive income	31.03.2010.	31.03.2011.
<i>Profit for the year</i>	(615)	1,385
<i>Other comprehensive income</i>		
Exchange differences on translating foreign operations	2	(51)
Available-for-sale financial assets, net of deferred tax	0	0
Cash-flow hedges, net of deferred tax	0	0
Share of other comprehensive income of associates	0	0
Other comprehensive income for the year, net of tax	2	(51)
Total comprehensive income for the year	(613)	1,334
Equity holders of the parent	(613)	1,334
Non-controlling interest	0	0

ANNEX 6
CASH FLOW STATEMENT ON MARCH 31, 2011
TVK Group consolidated, unaudited figures according to IFRS (HUF million)

Description	31.03.2010.	31.03.2011.
<i>Profit before tax</i>	(625)	1,833
<i>Adjustments to reconcile profit before tax to net cash provided by operating activities</i>		
Depreciation, amortisation and impairment	3,165	3,272
Write-off of inventories, net	8	(118)
Increase / (Decrease) in environmental provisions	40	39
Increase / (Decrease) in other provisions	(55)	(140)
Net (gain) / loss on the sale property, plant and equipment	(2)	(3)
Write-off / (reversal of write-off) of receivables	(75)	(3)
Unrealised foreign exchange (gain) / loss on receivables and payables	62	1,117
Interest income	(43)	(37)
Interest on borrowings	337	419
Net foreign exchange (gain) / loss on excluding foreign exchange differences on receivables and payables	(440)	(1,076)
Other financial (gain), loss, net	83	(176)
Share of net (profit) / loss of associates	(1)	0
Operating cash flow before changes in working capital and paid taxes	2,454	5,127
(Increase) / decrease in inventories	(3,261)	(2,736)
(Increase) / decrease in trade receivables	(5,512)	(11,301)
(Increase) / decrease in other current assets	(2,435)	(2,082)
Increase / (decrease) in trade payables	832	2,498
Increase / (decrease) in other payables	1,055	(699)
<i>Income taxes paid</i>	(539)	(242)
NET CASH PROVIDED BY OPERATING ACTIVITIES	(7,406)	(9,435)
Capital expenditures	(1,671)	(1,401)
Proceeds from disposals of property, plant and equipment	3	3
Proceeds from disposal of other investments	1,113	(497)
Changes in loans given and long-term bank deposits	0	0
Change in short term investments	1	0
Interest received and other financial income	43	35
Dividends received	0	0
NET CASH USED IN INVESTING ACTIVITIES	(511)	(1,860)
long-term debt drawn down	0	12,706
Repayments of long-term debt	8	(155)
Change in other long-term liabilities	7,818	(274)
Changes in short-term debt	1	(1)
Interest paid and other financial costs	(162)	(340)
Dividends paid to shareholders	0	0
NET CASH (USED IN) / PROVIDED BY FINANCING ACTIVITIES	7,665	11,936
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(252)	641
Cash and cash equivalents at the beginning of the period	6,942	5,080
Cash and cash equivalents at the end of the period	6,690	5,721

**ANNEX 7
CONSOLIDATED COMPANIES**

Name	Equity/ Registered Capital*	Interest held (%)	Ratio of votes ¹	Classification ²
TVK Ingatlankezelő Kft.	2,070,000	100.00%	F	F
TVK Erőmű Termelő és Szolgáltató Kft.	2,963,100	26.00%	A	F
TVK Inter-Chemol GmbH (EUR thousand)	615	100.00%	F	F
TVK UK Ltd. (GBP thousand) **	200	100.00%	F	F
TVK Italia S.r.l. (EUR thousand)	100	100.00%	F	F
TVK FRANCE S.a.r.l. (EUR)	76,225	100.00%	F	F
TVK Ukrajna tov (hrivnya)	33,996	100.00%	F	F
TVK Polska Spzoo (PLN thousand)	109	100.00%	F	F
TMM Tűzoltó és Műszaki Mentő Kft.	3,000	30.00%	A	A
Tisza-WTP Vízéltékészítő és Szolgáltató Kft.***	495,000	0.00%	-	F

¹ Voting rights entitling the holder to participate in decision making at the general meetings of consolidated companies

² Full (F); Jointly managed (J); Associated (A)

*The ratio of votes corresponds to the ratio of ownership in each case.

** Dissolution process begin on July 1, 2009

*** Non-participating business with full consolidation.

**ANNEX 8
MAJOR EXTERNAL FACTORS**

	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Ch (%) Q1 2011 / Q1 2010	Ch (%) Q1 2011 / Q4 2010
Naphtha FOB med USD/t	683	671	635	772	881	29.0	14.1
AGO 0.1 CIF med USD/t	638	674	655	734	886	38.9	20.6
Ethylene ICI's lor fd NEW contract EUR/t	917	963	949	978	1,147	25.1	17.3
Propylene ICI's lor fd NWE contract EUR/t	858	993	949	939	1,120	30.5	19.2
LDPE Film ICI's lor fd NWE low EUR/t	1,100	1,238	1,224	1,253	1,434	30.4	14.4
HDPE Film ICI's lor fd NWE low EUR/t	989	1,022	984	1,003	1,232	24.5	22.7
HDPE Blow ICI's lor fd NWE low EUR/t	978	1,009	1,003	1,018	1,246	27.4	22.5
PP Homo raffia ICI's lor fd NWE low EUR/t	1,024	1,220	1,169	1,146	1,336	30.5	16.6
PP Homo Injection ICI's lor fd NWE low EUR/t	1,024	1,223	1,177	1,169	1,343	31.1	14.8
PP Copolymer ICI's lor fd NWE low EUR/t	1,060	1,273	1,260	1,231	1,374	29.6	11.7
EUR/HUF	268.67	274.31	282.44	275.88	272.45	1.4	(1.2)
USD/HUF	194.10	215.90	218.74	203.03	199.38	2.7	(1.8)
EUR/USD	1.385	1.274	1.291	1.359	1.367	(1.3)	0.6

Note:

1. Data in the table are rounded, but changes are calculated without rounding.

2. Exchange rates are the period average of the monthly average mid rates announced by the Hungarian National Bank.

ANNEX 9
STRUCTURE OF OWNERSHIP - % AND TREASURY SHARES

Ownership Structure, Ratio of Holdings and Votes

Description of owner	Total equity						Listed series					
	Year opening (January 1, 2011)			Period closing (March 31, 2011)			Year opening (January 1, 2011)			Period closing (March 31, 2011)		
	% ²	% ³		% ²	% ³		% ²	% ³		% ²	% ³	
Domestic institution/company	89.30	same	21,690,707	87.88	same	21,346,601	89.30	same	21,690,707	87.88	same	21,346,601
Foreign institution/company	9.21	same	2,237,133	8.11	same	1,969,323	9.21	same	2,237,133	8.11	same	1,969,323
Domestic individual	1.19	same	288,245	0.78	same	190,741	1.19	same	288,245	0.78	same	190,741
Foreign individual	0.02	same	6,190	0.02	same	4,788	0.02	same	6,190	0.02	same	4,788
Employees, senior officers	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
<i>Government held owner*</i>	<i>0.00</i>	<i>same</i>	<i>0</i>	<i>0.00</i>	<i>same</i>	<i>0</i>	<i>0.00</i>	<i>same</i>	<i>0</i>	<i>0.00</i>	<i>same</i>	<i>0</i>
International Development Institutions	-	-	-	-	-	-	-	-	-	-	-	-
Shares held by unidentified parties	0.28	same	68,568	3.21	same	779,390	0.28	same	68,568	3.21	same	779,390
TOTAL	100	same	24,290,843	100	same	24,290,843	100	same	24,290,843	100	same	24,290,843

* Also included under domestic institutions

² Ownership ratio

³ Voting right entitling the holder to participate in decision making at the general meetings of consolidated companies. If the ownership ratio and the voting ratio are identical, only the column for the ownership ratio should be filled in and submitted (published) along with mentioning that the two are the same.

Volume (Qty) of Treasury Shares Held in the Period Under Review

	January 1	31 March	18 May
Corporate level	0	0	0
Subsidiaries	0	0	0
Grand total	0	0	0

List and Description of Shareholders with more than 5% of the listed Series (on March 31, 2011)

Name	Nationality ¹	Activity ²	Quantity (of shares)	Interest (%)	Voting ratio (%) ^{3,4}	Remark
MOL Hungarian Oil and Gas Public Limited Company	D (HU)	C	21,083,142	86.79	86.79	Strategic investor
Slovnaft, a.s.	F (SK)	C	1,959,243	8.07	8.07	Strategic investor

List and Description of Shareholders with more than 5% of Equity Total (on March 31, 2011)

Name	Nationality ¹	Activity ²	Quantity (of shares)	Interest (%)	Voting ratio (%) ^{3,4}	Remark
MOL Hungarian Oil and Gas Public Limited Company	D (HU)	C	21,083,142	86.79	86.79	Strategic investor
Slovnaft, a.s.	F (SK)	C	1,959,243	8.07	8.07	Strategic investor

¹ Domestic (D), Foreign (F)

² Corporate (C)

³ Figure rounded to two decimal points

⁴ Voting right entitling the holder to participate in decision making at the general meetings of consolidated companies

Please note that in Hungary, the Share Register does not fully reflect the ownership structure, as registration is not mandatory.

Note: In accordance with the resolution of 2007 Annual General Meeting, every ordinary share with a par value of HUF 1,010 (i.e. one thousand ten forint) entitles the holder thereof to have one and one hundredth vote.

ANNEX 10 EMPLOYEES

Changes in the Number of Full Time Employees

	Reference Period Ended March 31, 2010	Year Opening January 1, 2011	Period Closing March 31, 2011
Corporate level	1,139	1,112	1,107
Group level	1,166	1,140	1,135

ANNEX 11 SENIOR OFFICERS AND STRATEGIC EMPLOYEES INFLUENCING THE OPERATIONS OF THE ISSUER

Type ¹	Name	Position	Beginning of assignment	End /termination/ term of assignment	Shares held (qty)
BoD	György Mosonyi	Chairman of the Board	26.04.2002	19.04.2012	0
BoD	Árpád Olvasó	Deputy Chairman of the Board	29.08.2000	19.04.2012	0
BoD	Michel-Marc Delcommune	Board member	03.11.2000	30.04.2011	0
BoD	Gyula Gansperger	Board member	20.04.2006	20.04.2016	0
BoD	Vratko Kassovic	Board member	28.04.2005	30.04.2011	0
BoD	Dr. Péter Medgyessy	Board member	20.04.2006	20.04.2016	0
BoD	József Molnár	Board member	20.04.2001	30.04.2011	0
BoD	Dr. Zoltán Nagy	Board member	01.05.2011.	30.04.2016.	0
BoD	Miklós Kamarás	Board member	01.05.2011.	30.04.2016.	0
BoD	Ferenc Horváth	Board member	01.05.2011.	30.04.2016.	0
SB	László Gyurovszky	SB chairperson	22.06.2007	19.04.2012	0
		SB member	19.04.2007	19.04.2012	
SB	Tamás Magyar	SB deputy chair	22.06.2007	20.04.2011	0
		SB member, employee representative	20.04.2001	20.04.2011	
SB	dr. Judit Túróczy	SB member	21.04.2011	20.04.2016	
SB	dr. Gyula Bakacsi	SB member	19.04.2007	19.04.2012	0
SB	dr. György Bíró	SB member	19.04.2007	19.04.2012	0
SB	László Réti	SB member, employee representative	29.04.2010	29.04.2015	0
SP	Árpád Olvasó	Chief Executive Officer	01.07.2003	Indefinite term	0
SP	Gyula Hodossy	Chief Financial Officer, Deputy CEO	01.07.2007	Indefinite term	0
SP	Krisztina Petrényiné Szabó	Director of Polymer Marketing and Sales, Deputy CEO	01.10.2009	Indefinite term	0
SP	Tivadar Vályi Nagy	Production Director	01.07.2007	Indefinite term	0
SP	János Bóta	Petrochemical Technology and Project Development Director	01.08.2007	Indefinite term	0
SP	Tamás Péntes	Human Resources Manager	01.07.2004	Indefinite term	0

¹ Employee in strategic position (SP), Member of the Board of Directors (BoD), Member of the Supervisory Board (SB)

During Q1 2011 there was no significant change in company structure.

During Q1 2011 there was no significant change in the senior management. As of 30 April, 2011, Mr. József Molnár, Mr. Michel-Marc Delcommune and Mr. Vratko Kassovic, the members of the Board of Directors resigned from membership. The GM elected dr. Péter Medgyessy and Gyula Gansperger for a period of five (5) years – but latest till the day of the annual ordinary general meeting in 2016 – commencing with 21 April 2011 as a member of the Board of Directors of TVK Plc. and the GM elected Zoltán dr. Nagy, Miklós Kamarás and Ferenc Horváth for a period of five (5) years – but latest till the day of the annual ordinary general meeting in 2016 – commencing with 1 May 2011 as a member of the Board of Directors of TVK Plc. The GM elected Judit Turóczy the employee of TVK Plc. based on the nomination of the Works Council of TVK Plc. and pursuant to Section 39 of the Companies Act for a period of five (5) years – but latest till the day of the annual ordinary general meeting in 2016 – commencing with 21 April 2011 as a member of the Supervisory Board of TVK Plc.

INTERIM MANAGEMENT REPORT ON Q1 2011 OF TVK GROUP

We the undersigned representatives authorized to sign on behalf of Tisza Chemical Group Public Limited Company (TVK Plc.), the issuer of TVK ordinary shares, hereby declare that TVK Plc. accepts full liability for having prepared the disclosed Report on Q1 2011 on the basis of the applicable accounting standards and to the best knowledge of the company, and it offers a true and fair picture of the assets, liabilities, financial position, profits and losses of TVK Plc. (and its consolidated businesses); and the reliable account of the position, development and performance of TVK Plc. (and its consolidated businesses) through a description of key risks and factors of uncertainty.

Tiszaújváros, May 19, 2011



Arpád Olvasó
Chief Executive Officer



Gyula Hodossy
Chief Financial Officer