

Tisza Chemical Group Public Limited Company (TVK Plc) (Reuters: TVKD.BU, website: www.tvk.hu) has published its results for Q1 2010 today. The data presented in the TVK Plc's Q1 2010 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 2009 (M HUF)	Q1 2010 (M HUF)	Var %	Q1 2009 (M EUR)	Q1 2010 (M EUR)	Var %
Net sales	57,587	84,836	47.3	195.5	315.9	61.6
EBITDA	1,849	2,510	35.7	6.3	9.3	48.9
<b>Operating profit/loss (-)</b>	<b>(1,329)</b>	<b>(655)</b>	-	<b>(4.5)</b>	<b>(2.4)</b>	-
Profit/loss of financial transactions (-)	(3,487)	29	-	(11.8)	0.1	-
Tax on profit/loss	(518)	(10)	-	(1.8)	0.0	-
<b>Shareholder's net profit (loss)</b>	<b>(4,298)</b>	<b>(615)</b>	-	<b>(14.6)</b>	<b>(2.3)</b>	-
Operating cash flow	12	(7,406)	-	0.0	(27.6)	-

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

In the first quarter of 2010, the increase of olefin and polymer product prices compared to the previous quarter exceeded the price increase of naphtha meaning an improvement in the integrated petrochemical margin despite the weakening of the euro compared to the dollar. In addition, the reduction of the price of electricity also contributed to the improving operating loss of HUF 655 million against the operating loss of HUF 1.3 billion in the fourth quarter of 2009.

Comparing the results of Q1 2010 y-o-y, the operating profit improved despite the slightly unfavorable change of the integrated petrochemical margin mainly because of the increased sales and production quantities, the favorable changes in the olefin byproduct prices furthermore the decreased natural gas and electricity prices.

- ▶ Overall capacity utilization showed a year on year upturn of 10 percentage points in Q1 2010 and it is higher by 3 percentage points than in the previous quarter due to the smooth feedstock supply and the lack of breakdowns. More favorable specific monomer and by-products recovery ratios were recorded for both olefin plants than in the first quarter of the previous year.
- ▶ Polymer production and sales were higher by 9% and 8% y-o-y, respectively. Due to the final shutdown of the LDPE-1 plant in March, 2009 the share of LDPE dropped but it was accompanied by the growth of HDPE thus on the basis of the Q1 data, 8% of the polymer production is LDPE, 57% is HDPE and 35% is PP type.
- ▶ Foreign exchange loss of HUF 71 million was realized on accounts payable/accounts receivable due to the fluctuation of the HUF rate (it was exchange gain of HUF 2,280 million in the same period of the previous year).
- ▶ The net financial profit of HUF 29 million consists of the realized exchange rate gains of HUF 64 million and the unrealized exchange rate gains of HUF 376 million relating to loans and assets denominated in foreign currency.
- ▶ The operating cash flow of minus HUF 7,406 million show not just the increased inventory level (as a consequence of the turnaround), but the inventories were also appreciated because the feedstock prices increased.
- ▶ As of March 31, 2010 the debt from the revolving loan received from the mother company amounted to EUR 65 million due to the repayments and call downs during the year.
- ▶ The net losses of the group amounted to HUF 615 million in the first quarter of 2010; the TVK mother company only incurred the liability to pay industry tax. The negative deferred tax is mainly due to the growth of the accrued loss that can be taken into account when calculating the tax base.

**Árpád Olvasó, the Chief Executive Officer of TVK Plc., emphasized:**

*"The external economic conditions as well as the expectations and possibilities related to the crisis, which have not yet considerably improved for petrochemical industry, continue to play a determinant role in the performance of TVK. We focus on developing possibilities of cooperation which may result in stable market position both for TVK and our partners alike. The sale of C4 fraction to one of the largest Polish chemical companies, Synthos, proceeds as per the schedule. The sale of ethylene to Borsodchem is in harmony with the 2010 agreement; however the sale is considerably lower than the determined volume in the original framework agreement. Feedstock supply has also been smooth; we cooperate with MOL Group aiming at the exploitation of synergies, according also the material turnover related to the first periodic turnaround of the Olefin-2 plant starting in April. We ensure the availability of the productive plants on the short term as well as on the long term in order to improve our competitiveness which is guaranteed among others also by the tasks performed in the frame of the turnaround maintenance."*

## Operating environment

A comparison of Q1 2010 to Q1 2009 shows a rise of 36-53% in average polyethylene prices and a rise of 44-55% in polypropylene prices. (ICI's lor fd NWE). The average quoted price (FOB med) of a ton of naphtha went up by 89% to USD 683 during the quarter. The HUF/EUR rate increased by 9% along with a rise of 14% of the HUF/USD rate, while the EUR/USD cross rate rose by 6%. As the result of this, the average integrated petrochemical margin decreased by 3% in HUF terms and by 11% in EUR terms in the first quarter of 2010 as compared to the first quarter of the previous year. Exchange rate changes practically offset each other on the income and expense sides and had a slight impact on TVK Group level operating profits in the period under review.

A comparison of Q1 2010 to Q4 2009 shows a rise of 10-22% in the average prices (ICI's lor fd NWE) quoted for polyethylene in the European market of polymer products and a simultaneous rise of 16-20% in polypropylene prices. In US dollar terms the price of the naphtha necessary to monomer production went up by 7%. HUF depreciated by 6% against the USD and strengthened by 1 % against the EUR, with the latter depreciating against the dollar by 6%. The afore-mentioned factors increased the integrated petrochemical margin by 11% in EUR terms and 10% in HUF terms compared to the last quarter.

## Financial overview

### Profit and Loss Statement

In the first quarter of 2010, the **consolidated TVK Group total operating income** hiked by 42% year on year and totaled at HUF 84,859 million. Within this, the **other income from operations** was HUF 23 million which is lower by HUF 2,298 million because in the basis period exchange gain was realized on accounts receivable and accounts payable due to the fluctuation of the HUF rate during the year, while in the reporting period exchange loss was recorded among the other expenses.

In Q1 2010, the **consolidated TVK Group net sales** amounted to HUF 84,836 million that is HUF 27,249 million more than in the first three months of 2009 due to the higher prices and sales quantities which was slightly moderated by the impact of exchange rate fluctuations.

Factors influencing product sales of TVK Plc,  
Q1 2010 – Q1 2009 (million HUF)

	Effect of variance in price	Effect of variance in exchange rates	Effect of variance in volume	Total
Olefin	11,399	(1,761)	1,964	11,602
LDPE	1,671	(321)	(43)	1,307
HDPE	8,423	(2,096)	4,110	10,437
PP	5,742	(1,120)	314	4,936
<b>Total</b>	<b>27,235</b>	<b>(5,298)</b>	<b>6,345</b>	<b>28,282</b>

In Q1 2010 TVK Plc. realized 53% of its sales revenues from **export sales**. Germany (18%), Italy (16%), Poland (15%), Austria (4%), France (3%) and the United Kingdom (2%) represented the majority of export sales.

Distribution of TVK Group sales incomes by production units, Q1 2010 (million HUF)

	Domestic sales	Export sales	Total sales
Olefin	23,578	3,349	26,927
LDPE	2,575	2,989	5,564
HDPE	2,670	26,821	29,491
PP	7,584	9,875	17,459
Income from other business activities	2,242	1	2,243
Effect of consolidation	2,922	230	3,152
<b>Total</b>	<b>41,571</b>	<b>43,265</b>	<b>84,836</b>

Due to the growth of the cost of purchased materials and despite the decreasing energy costs, **TVK group level raw material costs** increased by HUF 24,667 million (51%) to HUF 72,621 million. The higher costs reflect the considerable rise of the quoted price of raw materials used for the production of monomers but the effect was compensated substantially by the appreciation of HUF against the dollar. In addition, the growth in used feedstock volume increased the costs as well. The energy costs declined by 32%, mainly as a consequence of the lower prices of electricity and natural

gas. Despite the higher production volumes, the quantity of the energy utilized also reduced slightly because of the smooth operation and the product and energy optimization.

**Variances in key feedstock costs incurred by TVK Plc,  
Q1 2010 – Q1 2009 (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	(2,534)	23,275	(4,886)	15,855
Gas oil	10,555	995	(303)	11,247
<b>Chemical feedstock in total</b>	<b>8,021</b>	<b>24,270</b>	<b>(5,189)</b>	<b>27,102</b>

The value of material type services used increased by HUF 99 million (3%), within this the accounted agency fees and freight costs increased by HUF 12 million and HUF 153 million, respectively, due to the higher sales volumes, however the amount spent on maintenance services and hired labor decreased.

Sales income compensated for the variance in costs of goods sold and in the value of mediated services. The drop of 17% in the mediated services reflects the reduction of the income from the energy services mediated by TVK Erőmű Kft.

The TVK group level personnel expenses dropped by HUF 68 million (3%), which is the joint result of the staff reduction and of the lower wage contributions resulting from changes in the statutory regulations.

The inventory of finished goods and work in progress increased by HUF 2,733 million in Q1 2010. Though level of olefin and polymer inventories was very low in December 2009, inventory building was necessary at the end of March 2010 because of the upcoming maintenance turnaround in order to be able to supply the contractual clients also during the turnaround period. In addition, the fact that the feedstock was more expensive than naphtha in December 2009 boosted the prime costs which entailed the appreciation of inventories.

The Group level consolidated operating losses (EBIT) amounted to HUF 655 million in the first three months of 2010 compared to the loss of HUF 1,329 million in Q1 2009.

As opposed to the loss of HUF 3,487 million in the basis period, the group realized a net financial profit of HUF 29 million. The financial income of the group increased by HUF 286 million in the reporting period compared to the same period of the previous year as HUF 64 million realized and HUF 376 million non-realized exchange gain was generated from the revaluation of the loans and other assets received in foreign currency. Financial expenses dived by HUF 3,230 million mainly because an exchange loss of HUF 3,102 million was accounted on FX loans received and other assets denominated in foreign exchange in the basis period but not in this year. The revolving FX credit received from the mother company amounted to EUR 65 million at the end of the reporting period (EUR 30 million more than on December 31, 2009) due to the loans withdrawn and repaid during the period.

In Q1 2010 TVK Group profit before taxes amounted to a loss of HUF 625 million showing a year on year increase of HUF 4,191 million. The income tax expense was HUF 221 million, the mother company reported only industry tax. Deferred tax amounted to the negative figure of HUF 231 million and is mainly due to the growth of the accrued loss that can be taken into account when calculating the tax base. Consolidated net losses totaled at HUF 615 million.

**Balance sheet figures**

The value of the total assets of TVK Group stood at HUF 218,960 million as at March 31, 2010.

The consolidated value of non-current assets amounted to HUF 134,348 million as at March 31, 2010, 3% lower than on March 31, 2009, mainly due to the lower value - attributable to recognized depreciation - of tangible assets.

The value of current assets went up by 14% to HUF 84,612 million including a 9% year on year decrease in inventories mainly because of the reduced quantity of the self-manufactured polymer finished products and the olefin feedstock purchased which was partly compensated for by the appreciation of inventories due to the higher raw material prices. The much higher selling prices and sales volumes explain the hike of 35% in accounts receivable since the situation at the end of March 2009. The value of other current assets declined by 3% which is attributable mainly to recognizing a revolving facility extended to the mother company at the end of March 2009 (which did not exist at the end of the reporting period) while the amount of refundable VAT surged. The amount of the paid but reclaimable corporate tax was lower than on March 31, 2009.

Shareholder's equity amounted to HUF 136,774 million on March 31, 2010, approximately 5% lower than on March 31, 2009. The decrease is attributable to the variance in the value of the profit/loss after taxation and the dividend paid in 2009.

## INTERIM MANAGEMENT REPORT ON Q1 2010 OF TVK GROUP

The portfolio of **non-current loans** containing only the loans of the subsidiaries dropped by 22% since December 31, 2009 due to the loan reimbursement and the transfer to the short term loans.

The portfolio of other **non-current liabilities** contains mainly the forward transactions.

The value of **current liabilities** rose by 28% to HUF 61,073 million between March 31, 2009 and March 31, 2010. The increase was triggered by the revolving loan received from the mother company and the higher value of accounts payable resulting from the increase of both the price and the volume of feedstock purchased for the olefin plant.

### **Cash flow**

The group level cash flow statement of TVK dated March 31, 2010 shows a decrease in **cash and cash equivalents** of HUF 252 million since the beginning of the year.

**Operating cash flow amounted to minus HUF 7,406 million.** EBITDA increased the cash flow by HUF **2,510** million, while the changes in working capital (inventories, trade accounts receivable and payable, other receivables and current liabilities altogether) decreased the cash flow by HUF **9,321** 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 furthermore the olefin feedstock inventories grew. On top of this, the inventories were modestly up-valued because the olefin feedstock prices – which determine the inventory value - increased since December 2009. The growth of closing inventories at the end of the period was justified by the fact that the contracted clients have to be served also during the turnaround period. The reason of the increase of accounts receivable was that the sales prices were higher in the first quarter of 2010 than in the 4th quarter of 2009 (which determine the year-end accounts receivable). This was mitigated by the lower quantities sold. The higher value of accounts payable was triggered by the higher price paid for and the higher quantities purchased of olefin feedstock in March 2010 than in December 2009, although the reduction in volume of the non-feedstock suppliers partially 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 and of other tax receivables 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 **539** million.

**Investments** decreased the cash flow by HUF 511 million, within this the repayment of a revolving facility extended to the parent company improved the cash flow by HUF 1,113 million while the amounts disbursed to the suppliers reduced the cash flow by HUF 1,671 million. The interests received and the sale of tangible assets improved the cash flow by altogether HUF 46 million.

**Net cash from financial operations** increased the cash flow by HUF 7.665 million in the examined period mainly due to the increased revolving credit from the mother company.

### **Headcount**

The total consolidated headcount of the TVK Group included 1,166 full-time employees on March 31, 2010 that is 26 persons fewer than the closing headcount on March 31, 2009. The reason behind the reduction was mainly related to the shutdown of LDPE-1 and the dissolution of TVK UK Ltd. The employees released from LDPE-1 were employed – after the necessary training - at other areas to make up for the natural fluctuation or were offered early retirement.

### **Capital projects**

In Q1 2010 the total capital expenditure of the TVK Group reached HUF 310 million consisting entirely of expenditure incurred by the mother company.

### **Outlook and expectations for the period after March 31, 2010**

The operating profit/loss in April 2010 is expected to be similar to the Q1 average despite the decreased volume of both monomer and polymer production due to the seasonal maintenances commencing in April. At the same time, the composition of polymer production by product types remains unchanged. In April the integrated petrochemical margin slightly improves compared to Q1 2010 and this offsets the decrease in production and sales quantities.

The turnaround of the Olefin-2 plant started on April 11 and is expected to last 32 days. Parallel with the Olefin-2 plant, the overhauling of the HDPE-2, and PP-4 plants furthermore the annual cleaning halt at the PP-3 plant will also take place. Due to the feedstock supply the stoppages were scheduled on MOL Group level.

In the second quarter, a significant change in the petrochemical margins is not expected, first quarter level is estimated. The sales volumes resulting from the production volumes are significantly affected by the general overhaul in the olefin plant.

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](mailto:tvkinfo@tvk.hu)  
**Reporting period:** Q1 2010 **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 2009	Q1 2010
Net sales	57,587	84,836
Operating profit (EBIT)	(1,329)	(655)
Net income from financial activities	(3,487)	29
Profit before tax	(4,816)	(625)
Profit after tax	(4,298)	(615)

Key Balance Sheet figures

	31.03.2009.	31.03.2010.
Fixed assets	139,072	134,348
Intangible assets	3,357	2,895
Tangible assets	135,338	131,149
Invested financial assets	377	304
Current assets	74,011	84,612
Inventory	12,095	11,005
<b>Total assets</b>	<b>213,083</b>	<b>218,960</b>
Shareholders' equity	144,365	136,774
Share capital	24,534	24,534
Long-term liabilities	20,985	21,113
Short-term liabilities	47,733	61,073
<b>Total liabilities and shareholders' equity</b>	<b>213,083</b>	<b>218,960</b>

**ANNEX 2**  
**Q1 2010 PROFIT AND LOSS STATEMENT**  
**TVK Group consolidated, unaudited figures according to IFRS (HUF million)**

Year 2009 audited	Q1 2009	Q1 2010	Change %
265,372 Net Sales	57,587	84,836	47
2,049 Other operating income	2,321	23	(99)
<b>267,421 Total operating income</b>	<b>59,908</b>	<b>84,859</b>	<b>42</b>
211,076 Raw material costs	47,954	72,621	51
14,215 Value of material type services used	3,467	3,566	3
7,497 Cost of goods purchased for resale	1,894	1,963	4
16,826 Mediated services	4,474	3,703	(17)
<b>249,614 Raw materials and consumable used</b>	<b>57,789</b>	<b>81,853</b>	<b>42</b>
6,589 Wages	1,584	1,595	1
1,012 HR related disbursements	282	265	(6)
2,142 Wage benefits	519	457	(12)
<b>9,743 Personnel expenses</b>	<b>2,385</b>	<b>2,317</b>	<b>(3)</b>
<b>12,609 Depreciation and impairment</b>	<b>3,178</b>	<b>3,165</b>	<b>0</b>
<b>3,978 Other operating expenses</b>	<b>993</b>	<b>979</b>	<b>(1)</b>
60 Change in inventory of finished goods and work in progress	(3,107)	(2,733)	-
<b>(1,073) Work performed by the enterprise and capitalised</b>	<b>(1)</b>	<b>(67)</b>	<b>-</b>
<b>274,931 Total operating expenses</b>	<b>61,237</b>	<b>85,514</b>	<b>40</b>
<b>(7,510) Operating profit, EBIT</b>	<b>(1,329)</b>	<b>(655)</b>	<b>-</b>
562 Financial income	201	487	142
2,257 Financial expense	3,688	458	(88)
<b>(1,695) Net financial profit/(loss)</b>	<b>(3,487)</b>	<b>29</b>	<b>-</b>
71 Gain/(Loss) from associates	0	(1)	n.a.
<b>(9,276) Profit before tax</b>	<b>(4,816)</b>	<b>(625)</b>	<b>-</b>
792 Income tax expense	96	221	130
(876) Deferred tax	(614)	(231)	-
<b>(9,192) Net income for the period</b>	<b>(4,298)</b>	<b>(615)</b>	<b>-</b>
<b>(9,192) Net income attributable to equity holders of the parent</b>	<b>(4,298)</b>	<b>(615)</b>	<b>-</b>
0 Minority interest	0	0	n.a.

**ANNEX 3**  
**BALANCE SHEET FOR THE PERIOD ENDED ON MARCH 31, 2010**  
**TVK Group consolidated, unaudited figures according to IFRS (HUF million)**

31.12.2009 audited		31.03.2009.	31.03.2010.	Change %
<b>ASSETS</b>				
<b>136,963</b>	<b>Non-current assets</b>	<b>139,072</b>	<b>134,348</b>	(3)
2,998	Intangible assets	3,357	2,895	(14)
133,660	Property, plant and equipment	135,338	131,149	(3)
114	Investments in associates	178	114	(36)
191	Other non-current assets	199	190	(5)
<b>74,441</b>	<b>Current assets</b>	<b>74,011</b>	<b>84,612</b>	14
7,752	Inventories	12,095	11,005	(9)
43,456	Trade receivables, net	36,350	48,975	35
13,343	Other current assets	15,079	14,672	(3)
2,948	Tax receivables	3,614	3,266	(10)
6,942	Cash and cash equivalents	6,873	6,694	(3)
<b>211,404</b>	<b>TOTAL ASSETS</b>	<b>213,083</b>	<b>218,960</b>	3
<b>EQUITY AND LIABILITIES</b>				
<b>137,387</b>	<b>Shareholders equity</b>	<b>144,365</b>	<b>136,774</b>	(5)
24,534	Share capital	24,534	24,534	0
15,022	Share premium	15,022	15,022	0
106,959	Retained earnings	108,951	97,767	(10)
64	Revaluation difference	156	66	(58)
122,045	Reserves	124,129	112,855	(9)
(9,192)	Net income attributable to equity holders of the parent	(4,298)	(615)	-
<b>137,387</b>	<b>Equity attributable to equity holders of the parent</b>	<b>144,365</b>	<b>136,774</b>	(5)
0	Minority interest	0	0	n.a.
<b>21,763</b>	<b>Non-current liabilities</b>	<b>20,985</b>	<b>21,113</b>	1
11,632	Long-term debt, net of current portion	14,363	11,228	(22)
2,296	Provisions for liabilities and charges	2,797	2,297	(18)
3,547	Deferred tax liabilities	3,809	3,316	(13)
4,288	Other non-current liabilities	16	4,272	n.a.
<b>52,254</b>	<b>Current liabilities</b>	<b>47,733</b>	<b>61,073</b>	28
41,575	Trade and other payables	30,800	42,570	38
0	Tax liabilities	0	0	n.a.
308	Provisions for liabilities and charges	326	288	(12)
9,478	Short-term debt	170	17,323	-
893	Short term part of long term debts	16,437	892	(95)
<b>211,404</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>213,083</b>	<b>218,960</b>	3

**Significant Off-Balance Sheet Items<sup>1</sup>**

None.

<sup>1</sup> 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 2010**  
**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
<b>Opening balance on January 1, 2009</b>	24,534	109,097	15,022	34	(146)	0	148,541
Transfer of 2008 profits		(146)			146		0
Bought employee shares							0
Payment from the retained earnings							0
Revaluation difference				30			30
Reclassification of negative goodwill							0
Year 2009 profits					(9,192)		(9,192)
Minority interest							0
Other							0
Change due to dividend payment		(1,992)					(1,992)
<b>Balance on December 31, 2009</b>	<b>24,534</b>	<b>106,959</b>	<b>15,022</b>	<b>64</b>	<b>(9,192)</b>	<b>0</b>	<b>137,387</b>
Transfer of 2009 profits		(9,192)			9,192		0
Bought employee shares							0
Payment from the retained earnings							0
Revaluation difference				2			2
Profit of Q1 2010					(615)		(615)
Other							0
Change due to dividend payment							0
<b>Closing balance on March 31, 2010</b>	<b>24,534</b>	<b>97,767</b>	<b>15,022</b>	<b>66</b>	<b>(615)</b>	<b>0</b>	<b>136,774</b>

**ANNEX 5**  
**STATEMENT OF COMPREHENSIVE INCOME IN Q1 2010**  
**TVK Group consolidated, unaudited figures according to IFRS (HUF million)**

Statement of comprehensive income	31.03.2009.	31.03.2010.
<i>Profit for the year</i>	(4,298)	(615)
<i>Other comprehensive income</i>		
Exchange differences on translating foreign operations	122	2
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	122	2
<b>Total comprehensive income for the year</b>	<b>(4,176)</b>	<b>(613)</b>
<i>Total comprehensive income attributable to:</i>		
Equity holders of the parent	(4,176)	(613)
Non-controlling interest	0	0



**ANNEX 6**  
**CASH FLOW STATEMENT ON MARCH 31, 2010**  
**TVK Group consolidated, unaudited figures according to IFRS (HUF million)**

Description	31.03.2009.	31.03.2010.
<i>Profit before tax</i>	(4,816)	(625)
<i>Adjustments to reconcile profit before tax to net cash provided by operating activities</i>		
Depreciation and impairment	3,178	3,165
Write-off of inventories	(391)	8
Increase / (Decrease) in environmental provisions	(1)	40
Increase / (Decrease) in other provisions	6	(55)
Loss/ (Profit) on the sale of tangible assets	(1)	(2)
Write-off of receivables	23	(75)
Unrealised foreign exchange (gain) / loss on receivables and payables	(1,228)	62
Interest income	(195)	(43)
Interest on borrowings	489	337
Net foreign exchange gain on excluding foreign exchange differences on receivables and payables	3,102	(440)
Other financial gain, loss, net	47	83
Share of net (profit) / loss of associates	0	(1)
<b><i>Operating cash flow before changes in working capital</i></b>	<b>213</b>	<b>2,454</b>
Increase /decrease in inventories	(4,632)	(3,261)
Increase /decrease in trade accounts receivable	1,907	(5,512)
(Increase) /decrease in other receivables	(2,867)	(2,435)
Increase /(decrease) in trade accounts payable	6,140	832
Increase in other current liabilities	931	1,055
Income taxes paid	(1,680)	(539)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>12</b>	<b>(7,406)</b>
Purchase of property, plant and equipments	(1,475)	(1,671)
Proceeds from disposals of fixed assets	145	3
Loans and long-term bank deposits provided	4,382	1,113
Increase / (decrease) in short term investments	0	0
Cash provided by sale, termination financial investments	0	1
Interest received and other financial income	317	43
Dividend received	0	0
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>3,369</b>	<b>(511)</b>
Proceeds from issue of new debts	0	0
Repayments of long-term debt	(7)	8
Changes of short-term debts	(2,920)	7,818
Other long-term liabilities	0	1
Interest paid and other financial costs	(351)	(162)
Dividends paid to minority interest and payment on liquidation	0	0
<b>NET CASH PROVIDED BY (AND DISBURSED FOR) FINANCING OPERATIONS</b>	<b>(3,278)</b>	<b>7,665</b>
<b>NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS</b>	<b>103</b>	<b>(252)</b>
Opening value of cash and cash equivalents	6,545	6,942
Closing value of cash and cash equivalents	6,648	6,690

**ANNEX 7  
CONSOLIDATED COMPANIES**

Name	Equity/ Registered Capital*	Interest held (%)	Ratio of votes <sup>1</sup>	Classification <sup>2</sup>
TVK Ingatlankezelő Kft.	2,970,000	100.00%	L	L
TVK Erőmű Termelő és Szolgáltató Kft.	2,963,100	26.00%	T	L
TVK Inter-Chemol GmbH (EUR thousand)	615	100.00%	L	L
TVK UK Ltd. (GBP thousand) **	200	100.00%	L	L
TVK Italia S.r.l. (EUR thousand)	100	100.00%	L	L
TVK FRANCE S.a.r.l. (EUR)	76,225	100.00%	L	L
TVK Ukrajna tov (hrivnya)	33,996	100.00%	L	L
TVK Polska Spzoo (PLN thousand)	109	100.00%	L	L
TMM Tűzoltó és Műszaki Mentő Kft.	3,000	30.00%	T	T
Tisza-WTP Vízelőkészítő és Szolgáltató Kft.***	495,000	0.00%	-	L

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

<sup>2</sup> Full (L); Jointly managed (K); Associated (T)

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

\* Equity/registered capital is expressed in HUF 000, unless otherwise indicated, when registered capital is denominated in a foreign currency.

\*\* Dissolution made on July 1, 2009

\*\*\* Non-participating business with full consolidation.

**ANNEX 8  
MAJOR EXTERNAL FACTORS**

	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Change % Q1 2010/ Q1 2009	Change % Q1 2010/ Q4 2009
Naphtha FOB med USD/t	362	472	580	640	683	88.6	6.6
AGO CIF med (0.2) USD/t	409	491	559	614		n.a.	n.a.
AGO CIF med (0.1) USD/t					638	n.a.	n.a.
Ethylene ICI's lor fd NEW contract EUR/t	595	688	818	844	917	54.1	8.6
Propylene ICI's lor fd NWE contract EUR/t	461	527	704	747	858	86.3	15.0
LDPE Film ICI's lor fd NWE low EUR/t	719	791	951	902	1,100	53.0	22.0
HDPE Film ICI's lor fd NWE low EUR/t	710	774	953	903	989	39.4	9.5
HDPE Blow ICI's lor fd NWE low EUR/t	721	787	938	889	978	35.7	10.1
PP Homo raffia ICI's lor fd NWE low EUR/t	661	705	903	855	1,024	54.9	19.7
PP Homo Injection ICI's lor fd NWE low EUR/t	662	705	903	860	1,024	54.7	19.1
PP Copolymer ICI's lor fd NWE low EUR/t	738	751	947	917	1,060	43.6	15.6
EUR/HUF	294.24	285.86	271.27	270.90	269	(8.7)	(0.8)
USD/HUF	226.19	210.18	189.73	183.25	194	(14.2)	5.9
EUR/USD	1.301	1.362	1.430	1.478	1.385	6.4	(6.3)

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, 2010)			Period closing (March 31, 2010)			Year opening (January 1, 2010)			Period closing (March 31, 2010)		
	% <sup>2</sup>	% <sup>3</sup>		% <sup>2</sup>	% <sup>3</sup>		% <sup>2</sup>	% <sup>3</sup>		% <sup>2</sup>	% <sup>3</sup>	
Domestic institution/company	88.44	same	21,484,808	87.90	same	21,350,673	88.44	same	21,484,808	87.90	same	21,350,673
Foreign institution/company	9.85	same	2,391,740	8.15	same	1,980,133	9.85	same	2,391,740	8.15	same	1,980,133
Domestic individual	1.67	same	406,187	0.93	same	225,804	1.67	same	406,187	0.93	same	225,804
Foreign individual	0.03	same	6,680	0.02	same	5,472	0.03	same	6,680	0.02	same	5,472
Employees, senior officers	-		-	-		-	-		-	-		-
Treasury shares	-		-	-		-	-		-	-		-
Government owner*	0.00	same	0	0.00	same	0	0.00	same	0	0.00	same	0
International Development Institutions	-		-	-		-	-		-	-		-
Shares held by unidentified parties	0.01	same	1,428	3.00	same	728,761	0.01	same	1,428	3.00	same	728,761
<b>TOTAL</b>	<b>100</b>	<b>same</b>	<b>24,290,843</b>	<b>100</b>	<b>same</b>	<b>24,290,843</b>	<b>100</b>	<b>same</b>	<b>24,290,843</b>	<b>100</b>	<b>same</b>	<b>24,290,843</b>

\* Also included under domestic institutions

<sup>2</sup> Ownership ratio

<sup>3</sup> 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**

	1 January	31 March	18 May
Corporate level	0	0	0
Subsidiaries	0	0	0
<b>Grand total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**List and Description of Shareholders with more than 5% of the listed Series (on March 31, 2010)**

Name	Nationality <sup>1</sup>	Activity <sup>2</sup>	Quantity (of shares)	Interest (%)	Voting ratio (%) <sup>3,4</sup>	Remark
MOL Hungarian Oil and Gas Public Limited Company	B (HU)	T	21,083,142	86.79	86.79	Strategic investor
Slovnaft, a.s.	K (SK)	T	1,959,243	8.07	8.07	Strategic investor

**List and Description of Shareholders with more than 5% of Equity Total (on March 31, 2010)**

Name	Nationality <sup>1</sup>	Activity <sup>2</sup>	Quantity (of shares)	Interest (%)	Voting ratio (%) <sup>3,4</sup>	Remark
MOL Hungarian Oil and Gas Public Limited Company	B (HU)	T	21,083,142	86.79	86.79	Strategic investor
Slovnaft, a.s.	K (SK)	T	1,959,243	8.07	8.07	Strategic investor

<sup>1</sup> Domestic (B), Foreign (K)

<sup>2</sup> Corporate (T)

<sup>3</sup> Figure rounded to two decimal points

<sup>4</sup> 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, 2009	Year Opening January 1, 2010	Period Closing March 31, 2010
Corporate level	1,161	1,139	1,139
Group level	1,192	1,167	1,166

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

Type <sup>1</sup>	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	19.04.2012	0
BoD	Gyula Gansperger	Board member	20.04.2006	20.04.2011	0
BoD	Vratko Kassovic	Board member	28.04.2005	19.04.2012	0
BoD	Dr. Péter Medgyessy	Board member	20.04.2006	20.04.2011	0
BoD	József Molnár	Board member	20.04.2001	19.04.2012	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. 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	Ildikó Keményné Újvári	SB member, employee representative	28.04.2000	28.04.2010	0
SB	László Réti	SB member, employee representative	29.04.2010	29.04.2015	
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

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

**During the first quarter of 2010 there was no significant change in company structure.**

**During the first quarter of 2010 there was no change in the senior management,** however the mandate of Keményné Újvári Ildikó, the employees' delegate on the Supervisory Board, expired on April 28, 2010. The Works Council, having listened to the opinion of the interest representation organizations, nominated Mr. László Réti for this position and the shareholders elected Mr. László Réti as the employees' representative on the Supervisory Board at the ordinary general assembly of April 15, 2010.

## INTERIM MANAGEMENT REPORT ON Q1 2010 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 Interim Management Report on the Q1 2010 results 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 position, development and performance of TVK Plc. (and its consolidated businesses) through a description of key risks and factors of uncertainty.

Tiszaújváros, May 18, 2010

**Árpád Olvasó**  
Chief Executive Officer

**Gyula Hodossy**  
Chief Financial Officer  
Deputy CEO