

TVK-GROUP INTERIM MANAGEMENT REPORT FOR Q1 – Q3 2010

Tisza Chemical Group Public Limited Company (TVK Plc.) (Reuters: TVKD.BU, website: www.tvk.hu) has published its results for the first nine months of 2010 today. The data presented in the TVK Plc's Q1 – Q3 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

	Q3 2009 (M HUF)	Q3 2010 (M HUF)	Var %	Q1-Q3 2009 (M HUF)	Q1-Q3 2010 (M HUF)	Var %
Net sales	76,323	97,477	27.7	186,094	270,035	45.1
EBITDA	5,445	5,671	4.2	3,426	14,033	309.6
Operating profit/loss (-)	2,156	2,407	11.6	(6,223)	4,357	-
Profit/loss of financial transactions (-)	(42)	314	-	(1,243)	(2,121)	-
Shareholder's net profit (loss)	1,387	1,953	40.8	(7,609)	1,364	-
Operating cash flow	(3,254)	2,819	-	210	7,343	-

	Q3 2009 (M EUR)	Q3 2010 (M EUR)	Var %	Q1-Q3 2009 (M EUR)	Q1-Q3 2010 (M EUR)	Var %
Net sales	281.3	345.1	22.7	655.7	981.1	49.6
EBITDA	20.1	20.1	-	12.1	51.0	322.4
Operating profit/loss (-)	7.9	8.5	7.3	(21.9)	15.8	-
Profit/loss of financial transactions (-)	(0.2)	1.1	-	(4.4)	(7.7)	-
Shareholder's net profit (loss)	5.1	6.9	35.3	(26.8)	5.0	-
Operating cash flow	(12.0)	10.0	-	0.7	26.7	-

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

The operating profit of HUF 2,407 million realized in the third quarter of 2010 is only HUF 198 million lower than the operating profit realized in the previous quarter. The increase of the integrated petrochemical margin, the strengthening of the euro to the forint and to the dollar furthermore the margin increasing effect of the higher production and sales volumes had positive impact. The changed price ratio in case of the olefin by-products was adversary and the volume proportionate costs increased as well.

The significant improvement of the operating profit in the first three quarters of 2010 as opposed to the same period of the previous year was the result of the increased integrated petrochemical margin, the growing production and sales quantities, the positive changes in the olefin by-products, the shrinking natural gas and electric energy prices and the efforts made to improve efficiency, whilst the fluctuation of the HUF exchange rate had an adversary impact.

- ▶ Overall capacity utilization showed a year on year upturn of 8 percentage points in Q1-Q3 2010 year-on-year due to the lack of serious breakdowns - despite the periodic turnaround in one of the olefin plants and in several polymer plants in the second quarter of 2009 as well as of 2010. Capacity utilization in Q3 2010 shows a year on year increase of 10 percentage points due to the shutdown for maintenance purposes in the second quarter.
- ▶ Polymer production and sales were 7% and 5%, respectively, higher in the first nine months of 2010 than in the same period of the previous year. 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. On the basis of the Q1-Q3 data 9% of the polymer production is LDPE, 56% is HDPE and 35% is PP type. Polymer production and sales were 13% and 14%, respectively, higher in Q3 2010 than in Q2 because of the periodic maintenance performed in the previous quarter.
- ▶ As regards the sales in foreign currency, HUF 1,114 million realized and HUF 470 million non-realized exchange loss was realized on accounts payable/accounts receivable due to the fluctuation of the HUF rate versus the exchange gain of HUF 343 million realized in the same period of the previous year.
- ▶ The loss on financial operations of HUF 2,121 includes realized exchange loss of HUF 700 million and unrealized exchange loss of HUF 229 million relating to loans and assets denominated in foreign currency.
- ▶ EBITDA played a major role in the fact that the operating cash flow amounted to HUF 7,343 million. The deterioration of the elements of the working capital was basically the result of the increased accounts receivable derived from the higher volumes of olefin sold and the increasing prices.
- ▶ As of September 30, 2010 the debt from the revolving loan received from the mother company amounted to EUR 32 million – EUR 13 million less than on June 30, 2010 (it amounted to EUR 35 million on December 31, 2009).
- ▶ The net profit of TVK Group in Q1-Q3 2010 was HUF 1,364 million, the TVK mother company only incurred the liability to pay local industry tax.

CEO of TVK Plc., Árpád Olvasó, emphasized:

"Starting from the last quarter of 2009 we managed to realize an increasing margin in each quarter which may give reason to confidence nevertheless I must say that the signs of crisis are still present in the industry and the insecurity of the market and financial environment continues to cause us great difficulties. Despite all this we succeeded in ensuring the company's financial stability, we managed to further reduce the revolving credit portfolio and we finance the company with a strict management of working capital."

Operating environment

A comparison of Q3 2010 to Q2 2010 shows a downturn of 1% in the average LDPE prices (ICI's lor fd NWE), a downturn of 1-4% in the average HDPE prices and a simultaneous drop of 4% in polypropylene prices in the European market of polymer products. In US dollar terms the price of the naphtha necessary for monomer production decreased by about 5%. The Hungarian Forint depreciated by 1% against the USD and by 3 % against the EUR, with the latter strengthening against the dollar by 1%. The aforementioned factors increased the integrated petrochemical margin by 9% in EUR terms and 12% in HUF terms in the 3rd quarter compared to the previous quarter.

A comparison of Q1-Q3 2010 to Q1-Q3 2009 shows a rise of 45%, 22-23% and 47-51% in average LDPE prices (ICI's lor fd NWE), HDPE and polypropylene prices, respectively. The average quoted price (FOB med) of a ton of naphtha went up by 41% to USD 663 during the first nine months of the year. The HUF strengthened against the EUR by almost 3% and slightly weakened against USD while the EUR/USD cross rate dropped by almost 4%. As the result of this, the average integrated petrochemical margin increased by 5% in HUF terms and by 8% in EUR terms in the Q1-Q3 2010 as compared to Q1-Q3 2009. Exchange rate changes had a negative impact on TVK Group level operating profits in the period under review.

Financial overview**Profit and Loss Statement**

In Q1-Q3 2010, the consolidated **TVK Group level operating income** hiked by 45% year on year and totaled at HUF 271,209 million. Within this, the **other income from operations** dropped by 13% to HUF 1,174 million compared to the basis period. HUF 301 million more exchange gain was realized on accounts receivable and accounts payable due to the fluctuation of the HUF rate during the year while the income from the sale of the CO2 emission quota was HUF 445 million more a year ago.

In Q1-Q3 2010, the **consolidated TVK Group level sales income** amounted to HUF 270,035 million that is HUF 83,941 million more than in the first nine months of 2009 due to the higher prices and sales quantities which was slightly moderated by the impact of the exchange rate fluctuations.

**Factors influencing product sales of TVK Plc,
Q1-Q3 2010 – Q1-Q3 2009 (million HUF)**

	Effect of variance in price	Effect of variance in exchange rates	Effect of variance in volume	Total
Olefin	23,262	172	14,338	37,772
LDPE	5,435	(271)	291	5,455
HDPE	17,516	(1,795)	8,183	23,904
PP	20,597	(908)	(583)	19,106
Total	66,810	(2,802)	22,229	86,237

In Q1-Q3 2010 TVK Plc. realized 50% of its sales revenues from **export sales**. Germany (18%), Poland (16%), Italy (15%), Slovakia (7%), Czech Republic (5%) Austria, Romania, Ukraine (4-4-4%), France (3%) represented the majority of export sales.

Distribution of TVK Group sales incomes by production units, Q1-Q3 2010 (million HUF)

	Domestic sales	Export sales	Total sales
Olefin	79,417	8,337	87,754
LDPE	8,110	10,801	18,911
HDPE	8,362	79,467	87,829
PP	28,378	32,108	60,486
Income from other business activities	7,403	146	7,549
Effect of consolidation	6,924	582	7,506
Total	138,594	131,441	270,035

Due to the growth of the cost of purchased materials and despite the decreasing energy costs, **TVK group level material costs** increased by HUF 73,117 million (50%) to HUF 220,316 million. The higher material costs reflect the radical rise of the quoted price of feedstock used for producing monomers, the higher quantity of the utilized feedstock and the cost increasing effect of exchange rate fluctuation. Energy costs dropped by 12% mainly as the result of the shrinking electric energy and natural gas prices. The higher production volumes entailed an increase also in the quantity of the energy utilized.

Variances in key feedstock costs incurred by TVK Plc, Q1-Q3 2010 – Q1-Q3 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	3,121	44,800	4,194	52,115
Gas oil	21,319	1,530	132	22,981
Chemical feedstock in total	24,440	46,330	4,326	75,096

Material type services went up by HUF 591 million (+6%) due to the higher transportation costs and agency commissions incurred as the result of the larger volumes sold furthermore to the increased costs of maintenance services. In addition to this, the amount spent on information technology services and labor hiring decreased.

The **costs of goods sold** and the value of **mediated services** compensated with sales incomes. The drop of 21% in mediated services reflects the reduction of the income from the energy services mediated by TVK Erőmű Kft.

The TVK group level **costs of staff** fell by HUF 209 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 **other operating costs** dropped by HUF 437 million because the expense of HUF 471 million booked in connection with the accounting of the 2008 emission quota due to the swap of EUA (European Union Allowance) – CER (Certified Emission Reduction) increased the costs incurred Q1-Q3 2009.

The **change in inventory of self manufactured assets** rose by HUF 1,460 million in Q1-Q3 2010. The main reason was the increased prime cost, which derived from the growing feedstock costs and the resulted the appreciation of the inventory. In addition to this, the volume of self-manufactured olefin and polymer inventories modestly increased at the end of September 2010 compared to the extremely low level in December 2009.

Capitalized own performances totaled at HUF 739 million, the difference from the basis period is related to the olefin reconstruction work realized in the last year.

The **Group level consolidated operating profit** (EBIT) amounted to HUF 4,357 million in the first nine months of 2010 compared to the loss of HUF 6,223 million in the Q1-Q3 2009.

As opposed to the loss of HUF 1,243 million in the basis period, the group realized a **net financial loss** of HUF 2,121 million in Q1-Q3 2010. Interest incomes of the group and paid interest decreased by HUF 327 million and HUF 171 million, respectively. HUF 837 million more realized exchange loss and HUF 131 million less non-realized exchange loss was accounted on FX loans received and other assets denominated in foreign exchange. The revolving FX credit received from the mother company amounted to EUR 32 million at the end of the reporting period (EUR 13 million less than at the end of June 2010) due to the loans drawn down and repaid during the period.

In Q1-Q3 2010 TVK Group **profit before taxes** amounted to a profit of HUF 2,237 million showing a year-on-year increase of HUF 9,724 million. The **tax liability** was HUF 898 million, the mother company reported only industry tax. Deferred tax amounted to the negative figure of HUF 25 million. **Consolidated net income for the period** totaled at HUF 1,364 million.

Balance Sheet figures

The value of the **total assets** of TVK Group as at September 30, 2010 stood at HUF 216,455 million.

The consolidated value of **non-current assets** amounted to HUF 132,651 million as at September 30, 2010, 4% lower than on September 30, 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 83,804 million including a 15% year on year increase in inventories basically due to the appreciation of the inventory resulting from the growing feedstock prices. This increase was partly mitigated by the quantity reduction of polymer stocks. The much higher selling prices and sales volumes explain the hike of 26% in accounts receivable since the end of September 2009. The value of other current assets practically remained unchanged due to the effects offsetting each other: at the end of September 2009 there was a revolving facility extended to the mother company which was paid back by the end of the reporting period while the amount of refundable VAT surged. However, the amount of the tax receivables was 93% lower than a year ago.

Shareholder's equity amounted to HUF 138,772 million on September 30, 2010 - it hardly decreased since September 30, 2009 due to the variance in the value of the profit/loss after taxation.

The portfolio of **long term debts** has increased by 70% since September 30, 2009. This is due to the fact that the maturity of the foreign currency loan received from the mother company was within the year in 2009 and was thus registered as a short term loan – in 2010, however, the revolving loan of the mother company also appeared among the long term debts in addition to the subsidiary loans.

The value of **current liabilities** dropped by 4% to HUF 47,145 million from September 30, 2009 to September 30, 2010. The decrease is mostly the result of the fact that the short term part of long term loans dived by 93% since September 30, 2009 due to the repayment effected. Trade payable however are higher resulting from the increase of both the price and the volume of feedstock purchased for the olefin plant.

Cash flow

Based on the group level cash flow statement of TVK dated September 30, 2010 **liquid assets** have decreased by HUF 243 million since the beginning of the year.

Net cash provided by operating activities amounted to HUF 7,343 million. EBITDA increased the cash flow by HUF 14,033 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 8,496 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 was up-valued because the olefin feedstock prices - which determine the inventory value - increased since December 2009, the self-manufactured olefin and polymer product inventories and the olefin feedstock inventories grew modestly. The reason of the increase of trade accounts receivable was that the sales prices and quantity of sold olefin products were higher in the 3rd quarter of 2010 than in the 4th quarter of 2009 (which determine the year-end accounts receivable). At the same time, the quantity of the sold polymer products – affecting trade accounts receivable - declined. The higher value of trade accounts payable was triggered by the higher price paid for and the higher quantities purchased of olefin feedstock in September 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 and then the inventory reduced back to the normal level during the year. Mainly the growth of VAT receivables is reflected in the cash flow deteriorating effect of the increased amount of other receivables compared to December 2009. Other current liabilities also went up due to the increased balance of accrued costs. The adjustment of the taxes paid against the profit/loss increased the cash flow by HUF 1,825 million because of the refund of the corporate tax and special tax paid in former years. The adjustment due to the non-cash effects included in the EBIT decreased the operating cash flow by HUF 19 million within this the non-realized exchange gain on trade accounts payable/accounts receivable amounted to HUF 470 million and the income from the CO2 quota sales amounted to HUF -365 million.

Investments decreased the cash flow by HUF 4,432 million, within this the amounts disbursed to the project suppliers reduced the cash flow by HUF 6,007 million. The change in loans and long term bank deposits provided, the CO2 quota sales and the interests received and the other financial income improved the cash flow by HUF 975 million, by HUF 367 million and by HUF 148 million, respectively.

Net cash from financial operations decreased the cash flow by HUF 3,154 million in the period under review mainly due to the repayment of the revolving credit received from the mother company.

Headcount

As at September 30, 2010, the total consolidated headcount of TVK included 1,166 full time employees or 17 persons fewer than the closing headcount on September 30, 2009. 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-Q3 2010 the total capital expenditure of TVK group amounted to HUF 5,193 million. An amount of HUF 1,473 million, HUF 2,267 million and HUF 1,448 million was spent on periodic maintenance realized at the mother company, replacement maintenance projects and individual projects, respectively.

Outlook /expectations for the period after September 30, 2010

The operating profit in October 2010 is expected to be substantially lower than the Q3 average despite the modestly increased volume of both monomer and polymer production and the unchanged composition of polymer production by product types. In October, the integrated petrochemical margin slightly deteriorates compared to Q3 2010 and this offsets the positive effect of the increase in production and sales quantities.

Petrochemical margins are expected to deteriorate in the fourth quarter. The sales volume resulting from the production volumes is estimated to remain at the same level as in the third quarter.

ANNEXES

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 Company
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-Q3 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-Q3 2009	Q1-Q3 2010
Net sales	186,094	270,035
Operating profit (EBIT)	(6,223)	4,357
Net income from financial activities	(1,243)	(2,121)
Profit before tax	(7,487)	2,237
Profit after tax	(7,609)	1,364

Key Balance Sheet figures

	30.09.2009.	30.09.2010.
Non-current assets	138,132	132,651
Intangible assets	3,089	2,698
Tangible assets	134,649	129,636
Invested financial assets	394	317
Current assets	73,316	83,804
Inventory	8,482	9,709
Total assets	211,448	216,455
Shareholders' equity	138,967	138,772
Share capital	24,534	24,534
Non-current liabilities	23,378	30,538
Current liabilities	49,103	47,145
Total liabilities and shareholders' equity	211,448	216,455

ANNEX 2
Q1-Q3 2010 PROFIT AND LOSS STATEMENT
TVK Group consolidated, unaudited figures according to IFRS (HUF million)

Year 2009 audited		Q3 2009	Q3 2010	Change %	Q1-Q3 2009	Q1-Q3 2010	Change %
265,372	Net Sales	76,323	97,477	27.7	186,094	270,035	45.1
2,049	Other operating income	(164)	(345)	(110.4)	1,349	1,174	(13.0)
267,421	Total operating income	76,159	97,132	27.5	187,443	271,209	44.7
211,076	Raw material costs	59,868	76,944	28.5	147,199	220,316	49.7
14,215	Value of material type services used	3,097	3,927	26.8	10,261	10,852	5.8
7,497	Cost of goods sold	1,679	3,629	116.1	5,312	8,374	57.6
16,826	Mediated services	3,745	2,786	(25.6)	12,202	9,636	(21.0)
249,614	Raw materials and consumable used	68,389	87,286	27.6	174,974	249,178	42.4
6,589	Wages	1,635	1,596	(2.4)	4,974	4,905	(1.4)
1,012	HR related disbursements	261	303	16.1	764	779	2.0
2,142	Wage benefits	512	473	(7.6)	1,614	1,459	(9.6)
9,743	Personnel expenses	2,408	2,372	(1.5)	7,352	7,143	(2.8)
12,609	Depreciation and impairment	3,289	3,264	(0.8)	9,649	9,676	0.3
3,978	Other operating expenses	926	1,188	28.3	3,491	3,054	(12.5)
60	Change in inventory of finished and semi-finished products	(984)	664	-	(893)	(1,460)	(63.5)
(1,073)	Capitalised own performances	(25)	(49)	(96.0)	(907)	(739)	18.5
274,931	Total operating expenses	74,003	94,725	28.0	193,666	266,852	37.8
(7,510)	Operating profit, EBIT	2,156	2,407	11.6	(6,223)	4,357	-
562	Financial income	150	58	(61.3)	494	165	(66.6)
2,257	Financial expense	192	(256)	-	1,737	2,286	31.6
(1,695)	Net financial profit/(loss)	(42)	314	-	(1,243)	(2,121)	(70.6)
71	Gain/(Loss) from associates	8	0	-	21	(1)	-
(9,276)	Profit before tax	2,106	2,721	29.2	(7,487)	2,237	-
792	Income tax expense	286	415	45.1	538	898	66.9
(876)	Deferred tax	433	353	(18.5)	(416)	(25)	94.0
(9,192)	Net income for the period	1,387	1,953	40.8	(7,609)	1,364	-
(9,192)	Net income attributable to equity holders of the parent	1,387	1,953	40.8	(7,609)	1,364	-
0	Minority interest	0	0	-	0	0	-

ANNEX 3
BALANCE SHEET FOR THE PERIOD ENDED ON September 30, 2010
TVK Group consolidated, unaudited figures according to IFRS (HUF million)

31.12.2009 audited		30.09.2009.	30.09.2010.	Change %
ASSETS				
136,963	Non-current assets	138,132	132,651	(4.0)
2,998	Intangible assets	3,089	2,698	(12.7)
133,660	Tangible assets	134,649	129,636	(3.7)
114	Investments in associates	157	114	(27.4)
191	Other non-current assets	237	203	(14.3)
74,441	Current assets	73,316	83,804	14.3
7,752	Inventories	8,482	9,709	14.5
43,456	Trade receivables, net	42,090	53,141	26.3
13,343	Other current assets	13,988	13,996	0.1
2,948	Tax receivables	3,270	225	(93.1)
6,942	Cash and cash equivalents	5,486	6,733	22.7
211,404	TOTAL ASSETS	211,448	216,455	2.4
EQUITY AND LIABILITIES				
137,387	Shareholders equity	138,967	138,772	(0.1)
24,534	Share capital	24,534	24,534	0.0
15,022	Share premium	15,022	15,022	0.0
106,959	Retained earnings	106,959	97,767	(8.6)
64	Revaluation difference	61	85	39.3
122,045	Reserves	122,042	112,874	(7.5)
(9,192)	Net income attributable to equity holders of the parent	(7,609)	1,364	-
137,387	Equity attributable to equity holders of the parent	138,967	138,772	(0.1)
0	Minority interest	0	0	(0.0)
21,763	Non-current liabilities	23,378	30,538	30.6
11,632	Long-term debt, net of current portion	11,846	20,118	69.8
2,296	Provisions for liabilities and charges	2,752	2,336	(15.1)
3,547	Deferred tax liabilities	4,006	3,522	(12.1)
4,288	Other non-current liabilities	4,774	4,562	(4.4)
52,254	Current liabilities	49,103	47,145	(4.0)
41,575	Trade and other payables	34,252	45,773	33.6
0	Tax liabilities	0	0	-
308	Provisions for liabilities and charges	305	302	(1.0)
9,478	Short-term debt	150	113	(24.7)
893	Short term part of long term debts	14,396	957	(93.4)
211,404	TOTAL EQUITY AND LIABILITIES	211,448	216,455	2.4

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-Q3 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
Opening balance on January 1, 2009	24,534	109,097	15,022	34	(146)	0	148,541
Transfer of 2008 profits		(146)			146		0
Revaluation difference				30			30
Reclassification of negative goodwill							0
Year 2009 profits					(9,192)		(9,192)
Change due to dividend payment		(1,992)					(1,992)
Balance on December 31, 2009	24,534	106,959	15,022	64	(9,192)	0	137,387
Transfer of 2009 profits		(9,192)			9,192		0
Revaluation difference				21			21
Profit of Q1-Q3 2010					1,364		1,364
Change due to dividend payment							0
Closing balance on September 30, 2010	24,534	97,767	15,022	85	1,364	0	138,772

ANNEX 5
STATEMENT OF COMPREHENSIVE INCOME IN Q1-Q3 2010
 TVK Group consolidated, unaudited figures according to IFRS (HUF million)

Statement of comprehensive income	30.09.2009.	30.09.2010.
<i>Profit for the year</i>	(7,609)	1,364
<i>Other comprehensive income</i>		
Exchange differences on translating foreign operations	27	21
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	27	21
Total comprehensive income for the year	(7,582)	1,385
Equity holders of the parent	(7,582)	1,385
Non-controlling interest	0	0

ANNEX 6
CASH FLOW STATEMENT ON SEPTEMBER 30, 2010
TVK Group consolidated, unaudited figures according to IFRS (HUF million)

Description	30.09.2009.	30.09.2010.
<i>Profit before tax</i>	(7,487)	2,237
<i>Adjustments to reconcile profit before tax to net cash provided by operating activities</i>		
Depreciation and impairment	9,649	9,676
Write-off of inventories	(394)	16
Increase / (Decrease) in environmental provisions	(35)	103
Increase / (Decrease) in other provisions	(28)	(74)
Loss/ (Profit) on the sale of tangible assets	(344)	(426)
Write-off of receivables	38	5
Unrealised foreign exchange (gain) / loss on receivables and payables	(47)	470
Interest income	(470)	(143)
Interest on borrowings	1,189	1,018
Net foreign exchange gain on excluding foreign exchange differences on receivables and payables	223	929
Other financial gain, loss, net	169	204
Share of net (profit) / loss of associates	21	(1)
Operating cash flow before changes in working capital and paid taxes	2,484	14,014
Increase /decrease in inventories	(1,016)	(1,973)
Increase /decrease in trade accounts receivable	(5,094)	(10,247)
(Increase) /decrease in other receivables	(5,038)	(1,589)
Increase /(decrease) in trade accounts payable	10,154	2,581
Increase in other current liabilities	498	2,732
Income taxes paid	(1,778)	1,825
NET CASH PROVIDED BY OPERATING ACTIVITIES	210	7,343
Purchase of property, plant and equipments	(7,639)	(6,007)
Proceeds from disposals of fixed assets	958	451
Loans and long-term bank deposits provided	11,746	975
Increase / (decrease) in short term investments	0	0
Cash provided by sale, termination financial investments	0	1
Interest received and other financial income	496	148
Dividend received	0	0
NET CASH PROVIDED BY INVESTING ACTIVITIES	5,561	(4,432)
Proceeds from issue of new debts	0	30,338
Repayments of long-term debt	(327)	(38,701)
Changes of short-term debts	(3,377)	6,706
Other long-term liabilities	0	2
Interest paid and other financial costs	(1,156)	(1,499)
Dividends paid to minority interest and payment on liquidation	(1,990)	0
NET CASH PROVIDED BY (AND DISBURSED FOR) FINANCING OPERATIONS	(6,850)	(3,154)
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	(1,079)	(243)
Opening value of cash and cash equivalents	6,545	6,942
Closing value of cash and cash equivalents	5,466	6,699

ANNEX 7 CONSOLIDATED COMPANIES

Name	Equity/ Registered Capital*	Interest held (%)	Ratio of votes ¹	Classification ²
TVK Ingatlankezelő Kft.	2.970,000	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 Vízélőkészítő 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

	Q3 2009	Q1-Q3 2009	Q2 2010	Q3 2010	Q1-Q3 2010	Ch (%) Q3 2010/ Q3 2009	Ch (%) Q3 2010/ Q2 2010	Ch(%) Q1-Q3 2010 /Q1-Q3 2009
Naphtha FOB med USD/t	580	472	671	635	663	9.4	(5.4)	40.6
AGO 0.2 CIF med USD/t	559	486				n.a.	n.a.	n.a.
AGO 0.1 CIF med USD/t			674	655	656	n.a.	(2.9)	n.a.
Ethylene ICI's lor fd NEW contract EUR/t	818	701	963	949	943	16.0	(1.5)	34.6
Propylene ICI's lor fd NWE contract EUR/t	704	564	993	949	934	34.8	(4.4)	65.5
LDPE Film ICI's lor fd NWE low EUR/t	951	820	1,238	1,224	1,187	28.7	(1.2)	44.8
HDPE Film ICI's lor fd NWE low EUR/t	953	812	1,022	984	998	3.2	(3.7)	22.9
HDPE Blow ICI's lor fd NWE low EUR/t	938	815	1,009	1,003	997	6.9	(0.6)	22.2
PP Homo raffia ICI's lor fd NWE low EUR/t	903	756	1,220	1,169	1,138	29.4	(4.2)	50.4
PP Homo Injection ICI's lor fd NWE low EUR/t	903	757	1,223	1,177	1,141	30.3	(3.8)	50.8
PP Copolymer ICI's lor fd NWE low EUR/t	947	812	1,273	1,260	1,198	33.0	(1.0)	47.4
EUR/HUF	271.27	283.79	274.31	282.44	275.14	4.1	3.0	(3.0)
USD/HUF	189.73	208.70	215.90	218.74	209.58	15.3	1.3	0.4
EUR/USD	1.430	1.364	1.274	1.291	1.317	(9.7)	1.4	(3.5)

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 (September 30, 2010)			Year opening (January 1, 2010)			Period closing (September 30, 2010)		
	% ²	% ³		% ²	% ³		% ²	% ³		% ²	% ³	
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	227,096	1.67	Same	406,187	0.93	Same	227,096
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	-	-	-	-	-	-	-	-	-	-	-	-
<i>Government held owner*</i>	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	727,469	0.01	Same	1,428	3.00	Same	727,469
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 ratio³ 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	16 April	30 June	30 September
Corporate level	0	0	0	0	0
Subsidiaries	0	0	0	0	0
Grand total	0	0	0	0	0

List and Description of Shareholders with more than 5% of the listed Series (on September 30, 2010)

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 September 30, 2010)

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 points⁴ 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 September 30, 2009	Year Opening January 1, 2010	Period Closing September 30, 2010
Corporate level	1,155	1,139	1,138
Group level	1,183	1,167	1,166

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	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	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 Petrényné 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 the first nine month of 2010 there was no significant change in company structure.

During the first nine month of 2010 the following change was in the senior management: 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.

TVK-GROUP INTERIM MANAGEMENT REPORT FOR Q1 – Q3 2010

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 Report on Q1-Q3 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 the position, development and performance of TVK Plc. (and its consolidated businesses) through a description of key risks and factors of uncertainty.

Tiszaújváros, November 16, 2010



Árpád Olvasó
Chief Executive Officer



Gyula Hodossy
Chief Financial Officer