

REPORT ON THE FULL YEAR 2010 RESULT OF TVK GROUP

Tisza Chemical Group Public Limited Company (TVK Plc) (Reuters: TVKD.BU, website: www.tvk.hu) has published its results for Q4 2010 today. The data in this 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

<i>Million HUF</i>	2009 Q4	2010 Q4	Var. %	2009	2010	Var. %
Net revenue	79,278	95,151	20.0	265,372	365,186	37.6
EBITDA	1,673	(273)	-	5,099	13,760	169.9
Operating profit/loss (-)	(1,287)	(3,617)	-	(7,510)	740	-
Profit/loss of financial transactions (-)	(452)	(572)	-	(1,695)	(2,693)	-
Profit for the year attributable to equity holders	(1,583)	(2,498)	-	(9,192)	(1,134)	-
Operating cash flow	4,645	4,892	5.3	4,855	12,235	152.0
<i>Million Euro</i>	2009 Q4	2010 Q4	Var. %	2009	2010	Var. %
Net revenue	292,6	344,9	17.8	945,8	1.326,0	40.2
EBITDA	6,2	(1,0)	-	18,2	50,0	174.9
Operating profit/loss (-)	(4,8)	(13,1)	-	(26,8)	2,7	-
Profit/loss of financial transactions (-)	(1,7)	(2,1)	-	(6,0)	(9,8)	-
Profit for the year attributable to equity holders	(5,8)	(9,1)	-	(32,8)	(4,1)	-
Operating cash flow	17,1	17,7	3.4	17,3	44,4	156.7

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

The significant improvement of the operating profit in 2010 as opposed to the previous year was the results of the increased integrated petrochemical margin, the positive changes in the olefin by-product prices, the shrinking electric energy prices and the efforts made to improve efficiency whilst the fluctuation of the HUF exchange rate and the special tax imposed on the energy sector had an adversary impact.

The operating loss of HUF 3,617 million realized in Q4 of 2010 decreased by HUF 6,024 million since the previous quarter. The deterioration of the result was primarily caused by the fact that the integrated petrochemical margin - which was continuously increasing since Q4 2009 - dropped in Q4 2010 due to the hiking feedstock prices. In addition to this, the change in the olefin by-product prices, the growing electric energy prices, the decrease of production and sales volumes furthermore the special tax imposed on the consolidated TVK Erőmű Kft. had also negative impacts, which could only partially be mitigated by the beneficiary impact of foreign exchange fluctuations.

- ▶ **Overall capacity utilization showed a year-on-year upturn of 4 percentage points** in 2010 compared to 2009 due to the lack of serious breakdowns in the operation. Periodic turnaround took place in one of the olefin plants and in several polymer plants in Q2 2009 as well as of 2010. Capacity utilization in Q4 2010 shows a year-on-year decrease of **4 percentage points** due to the maintenance works on the raw material feed pipe performed in December.
- ▶ **Polymer production and sales were** higher by 4% and 2%, respectively in 2010 than in the previous year. The HDPE-2 plant reached a record production level of 223 kt. 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 annual data 9% of the polymer production is LDPE, 56% is HDPE and 35% is PP type. **Polymer production was** almost the same while **sales dropped** by 1% in Q4 2010 compared to Q3 2010.
- ▶ As regards the sales and purchases in foreign currency, **HUF 1,174 million realized and HUF 241 million unrealized exchange gains were booked on receivables and payables** due to the fluctuation of the HUF rate (which resulted in an exchange gain of HUF 441 million in the previous year).
- ▶ The loss of HUF 2,693 million on financial operations includes **realized exchange loss of HUF 658 million and unrealized exchange loss of HUF 520 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 12,235 million. The cash flow deteriorating effect of the changes in the elements of the working capital was basically the result of the increased inventories and accounts receivable which followed from the surging prices. The closing polymer stocks volume dropped by 3% compared to the end of 2009 which improved the cash flow.
- ▶ As at December 31, 2010 the **debt** from the short and long term revolving loan received from the parent company amounted to EUR **16 million** - EUR 16 million less than on September 30, 2010 (it amounted to EUR 35 million on December 31, 2009).
- ▶ In 2010, TVK Group realized a net loss of HUF 1,134 million.

CEO of TVK Plc., Árpád Olvasó, emphasized:

„The operating profit improved considerably in 2010 compared to the previous year due to the more favorable external conditions and the efforts made to improve efficiency. The polymer prices - which were gradually increasing in the first half of the year - stabilized in the second half of the year. Olefin feedstock became much more expensive in the last quarter due to the hiking crude oil prices, however as the price of polymer products did not follow this increase the integrated petrochemical margin dived in the last quarter. As regards our internal efficiency, we are proud of the positive results hallmarked by the implementation of actions aiming at improving the EBIT, the successful polymer sales activity, the strict cost management and the decreasing volume of the working capital elements. The periodic turnaround works were performed successfully within deadline and budget and we also managed to reduce our debts significantly.”

Operating environment

A comparison of Q4 2010 to Q3 2010 shows an upturn of over 2% in the average LDPE prices (ICI's for fd NWE), an increase of 1-2% in the average HDPE prices and a slight drop of 1-2% in polypropylene prices at the European market of polymer products. In US dollar terms the price of the naphtha necessary to monomer production increased by around 22%. The HUF strengthened by 7% against the USD and by 2 % against the EUR while, the EUR strengthened against the USD by 5%. The aforementioned factors decreased the integrated petrochemical margin by 27% in EUR terms and 29% in HUF terms in Q4 2010 compared to the previous quarter.

A comparison of 2010 to 2009 shows a rise of 43%, 20% and 44-47% in average LDPE prices (ICI's for fd NWE), HDPE and polypropylene prices, respectively. The annual average quoted price (FOB med) of naphtha went up by 34% to 690 USD/t. The HUF strengthened against the EUR by almost 2% and weakened by almost 3% against USD while the EUR/USD cross rate dropped by approximately 5%. As the result of this, the average integrated petrochemical margin increased by 4% in HUF terms and by 6% in EUR terms during 2010 as compared to 2009. Exchange rate changes had an overall negative impact on TVK Group level operating profits in the period under review.

Financial overview

Profit and Loss Statement

In 2010, the consolidated **TVK Group level total operating income** hiked by 37% year on year and totaled at HUF 367,463 million. Within this, the **other operating income** increased by 11% to HUF 2,277 million compared to the basis period. HUF 974 million more exchange gain was amounted on receivables and payables due to the fluctuation of the HUF rate during the year while the income from the sale of the CO2 emission quota was HUF 821 million more a year ago.

In 2010, the **consolidated TVK Group level net revenue** amounted to HUF 365,186 million that is HUF 99,814 million more than in 2009 due to the higher prices and sales volumes which was slightly moderated by the impact of exchange rate fluctuations.

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

	Effect of variance in price	Effect of variance in exchange rates	Effect of variance in volume	Total
Olefin	27,545	1,472	16,721	45,738
LDPE	7,177	(180)	147	7,144
HDPE	21,244	(1,344)	5,898	25,798
PP	26,150	(597)	(1,348)	24,205
Total	82,116	(649)	21,418	102,885

In 2010 TVK Plc. realized 49% of its sales revenues from **export sales**. Germany (18%), Poland (17%), Italy (15%), Slovakia (7%), Czech Republic (6%) Austria (4%), France (3%) represented the majority of export sales.

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

	Domestic sales	Export sales	Total sales
Olefin	108,159	10,066	118,225
LDPE	11,148	14,625	25,773
HDPE	11,495	105,599	117,094
PP	38,800	44,574	83,374
Income from other business activities	9,998	195	10,193
Effect of consolidation	9,695	832	10,527
Total	189,295	175,891	365,186

Due to the growth of the cost of purchased raw materials and despite the decreasing energy costs, **TVK Group level raw material costs** increased by HUF 88,256 million (42%) to HUF 299,332 million. The higher feedstock 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 4% mainly as the result of the shrinking price of electric energy. The higher production volumes entailed an increase also in the quantity of the energy utilized.

Variances in key feedstock costs incurred by TVK Plc, 2010 – 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	(2,063)	55,074	9,291	62,302
Gas oil	23,525	2,364	561	26,450
Chemical feedstock in total	21,462	57,438	9,852	88,752

The value of material-type services used went up by HUF 526 million (+4%) due to the higher transportation costs and agency commissions incurred as the result of the larger volumes sold, furthermore the increased costs of maintenance services. In addition to this, the amount spent on information technology services and labor hiring decreased.

Sales revenues compensated for the variance in **costs of goods sold** and in the value of **mediated services**. 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 **personnel expenses** fell by HUF 157 million (-2%) which is the joint result of the staff reduction and of the lower wage contributions due to changes in the statutory regulations.

Accounted **depreciation, amortization and impairment** was HUF 411 million higher in 2010 than in 2009 due to the surplus depreciation accounted on the capitalized value of the reconstruction and renovation works realized in the previous year.

Other operating expenses surged by HUF 495 million. Costs of environment clean-up and the joint balance of the provision generation and release which resulted an amount of HUF 620 million less year-on-year. The cost incurred in connection with the local tax and special tax on the energy sector, insurance fees, fees to the authorities were higher by HUF 239 million, HUF 101 million, HUF 53 million, respectively. On the other hand, the impairment of receivables was lower by HUF 86 million.

The **inventory of finished goods and work in progress** rose by HUF 1,461 million in 2010. The main reason was the increased prime cost, which derives from the growing feedstock costs and the resulting appreciation of the inventory. The volume of self-manufactured olefin and polymer inventories modestly decreased further at the end of 2010 compared to the extremely low level thereof in December 2009.

Work performed by the enterprise and capitalized totaled at HUF 1,044 million – a similar value as in 2009 – due to the works related to the periodic turnarounds realized in both years.

The **Group level consolidated operating profit (EBIT)** amounted to HUF 740 million in 2010 compared to the loss of HUF 7,510 million in 2009.

TVK Group realized a **loss on financial operations** of HUF 2,693 million in 2010 (it was a loss of HUF 1,695 million in the basis period). Interest incomes of the group and interests on borrowings decreased by HUF 343 million and HUF 196 million, respectively. HUF 323 million more realized and HUF 550 million more unrealized

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exchange losses were accounted on FX loans received and other assets denominated in foreign exchange. The long term FX loan received from the parent company amounted to HUF 15 million while the revolving FX credit received from the parent company amounted to EUR 1 million at the end of the reporting period. The total short and long term loan portfolio as at the last day of the year was EUR 19 million less than on the last day of the previous year.

In 2010 TVK Group **profit before taxes** was a negative amount of HUF 1,935 million - showing a year-on-year improvement of HUF 7,341 million. The **income tax expenses** was HUF 1,324 million, deferred tax amounted to the negative figure of HUF 2,125 million. **Consolidated net profit of the year** was a loss of HUF 1,134 million.

Balance Sheet figures

The value of the **total assets** of TVK Group as at December 31, 2010 stood at HUF 210,650 million.

The consolidated value of **non-current assets** amounted to HUF 131,454 million as at December 31, 2010, , which was lower by 4% than on December 31, 2009, mainly due to the lower value - attributable to recognized depreciation - of tangible assets.

The value of **current assets** went up by 6% to HUF 79,196 million including a 31% year-on-year increase in inventories basically due to the positive impact of the inventory valuation resulting from the growing feedstock prices. This increase was partly mitigated by the quantity reduction of olefin and polymer inventories. The much higher selling prices explain the hike of 15% in accounts receivable since the end of December 2009; however the sales volumes that can be included in the accounts receivables decreased. The value of other current assets grew by almost 5% due to the higher amount of VAT refund. However, the amount of the reclaimable tax was 97% lower than a year ago because of the refund of the corporate tax and special tax paid in former years.

Equity attributable to equity holders of the parent amounted to HUF 136,277 million on December 31, 2010 - the decrease since December 31, 2009 is due to the value of the profit/loss after taxation.

The portfolio of **long term debts, net of current portion** has increased by 31% since December 31, 2009. This is due to the fact that the maturity of the foreign currency loan received from the parent company was within the year in 2009 and was thus registered as a short term loan – in 2010, however, the revolving loan of the parent company was also reported among the long term debts in addition to the subsidiary loans. **Deferred tax liabilities** decreased by 60% (HUF 2,125 million) as a consequence of the lower corporate income tax rate. **Other non-current liabilities** decreased 40% (HUF 1,730 million) as the part of the forward transaction, which expires within a year, was registered as other current liabilities.

The value of **current liabilities** went up by 1% to HUF 52,850 million from December 31, 2009 to December 31, 2010. The increase is mostly the result of the fact that the accounts payable are higher in consequence of the growing price of feedstock purchased for the olefin plant, and the part of the forward transaction, which expires within a year, was registered as other current liabilities. The **short-term debt** decreased by HUF 9,192 million year-on-year, due to the fact that the revolving loan of the parent company is reported among the long term debts.

Cash flow

Based on the group level cash flow statement of TVK dated December 31, 2010 **cash and cash equivalents** decreased by HUF 1,888 million since the beginning of the year.

Operating cash flow amounted to HUF 12,235 million. EBITDA increased the cash flow by HUF **13,760** 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 **2,283** 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 revalued because the olefin feedstock prices - which determine the inventory value - increased since December 2009, the self-manufactured olefin and polymer product inventory volume and the olefin feedstock inventory volume slightly decreased. The reason of the increase of accounts receivable was that the sales prices were higher in the Q4 2010 than in the Q4 2009 (which determines the year-end accounts receivable). At the same time, the quantity of the sold olefin and polymer products – affecting accounts receivable - declined. The higher value of accounts payable was triggered by the higher price paid for olefin feedstock in December 2010 than in December 2009, although the reduction in volume of the olefin feedstock purchased mitigated this. Mainly the growth of VAT receivables is reflected in the cash flow deteriorating effect of the other receivables compared to December 2009. Other short term liabilities also

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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 **1,534 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 **776 million** within this the unrealized exchange gain on payables/ receivables amounted to HUF - 242 million and the profit from the CO2 quota sales amounted to HUF -612 million.

Investing activities decreased the cash flow by HUF 5,796 million, the amounts disbursed to the project suppliers reduced the cash flow by HUF 7,594 million. The change in loans given and long term bank deposits, the profit from CO2 quota sales and the interests received furthermore the other financial income improved the cash flow by HUF 894 million, by HUF 612 million and by HUF 206 million, respectively.

Net cash from financing activities decreased the cash flow by HUF 8,327 million in the period under review mainly due to the repayment of the revolving credit received from the mother company and the interests paid.

Headcount

As of December 31, 2010, the total consolidated headcount of TVK Group included 1,140 full time employees or 27 persons fewer than the closing headcount on December 30, 2009. The reason behind the reduction was mainly related to the more efficient employment of the staff at the parent 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 2010 the total capital expenditure of TVK Group amounted to HUF 7,033 million. An amount of HUF 1,473 million, HUF 3,926 million and HUF 1,577 million was spent on periodic maintenance, replacement maintenance projects and individual projects realized at the parent company, respectively.

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ANNEXES

Company name: Tisza Chemical Group Public Limited Company
Company address: H-3581 Tiszaújváros, P.O.Box 20.
Sector group: Chemical industry, petrochemical
Reporting period: Q4 2010 / FY 2010

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	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

	2009	2010
Net revenue	265.372	365.186
Operating profit (EBIT)	(7.510)	740
Financial expenses, net	(1.695)	(2.693)
Profit before tax	(9.276)	(1.935)
Profit for the year	(9.192)	(1.134)

Key Balance Sheet figures

	31.12.2009.	31.12.2010.
Non-current assets	136,963	131,454
Intangible assets	2,998	2,648
Property, plant and equipment	133,660	128,472
Financial investments	305	334
Current assets	74,441	79,196
Inventories	7,752	10,136
Total assets	211,404	210,650
Equity attributable to equity holders of the parent	137,387	136,277
Share capital	24,534	24,534
Non-current liabilities	21,763	21,523
Current liabilities	52,254	52,850
Total equity and liabilities	211,404	210,650

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

	Q4 2009	Q4 2010	Change %	2009	2010	Change %
Net revenue	79,278	95,151	20.0	265,372	365,186	37.6
Other operating income	700	1,103	57.6	2,049	2,277	11.1
Total operating income	79,978	96,254	20.4	267,421	367,463	37.4
Raw material costs	63,877	79,016	23.7	211,076	299,332	41.8
Value of material-type services used	3,954	3,889	(1.6)	14,215	14,741	3.7
Cost of goods sold	2,185	6,412	193.5	7,497	14,786	97.2
Mediated services	4,624	3,654	(21.0)	16,826	13,290	(21.0)
Raw materials and consumables used	74,640	92,971	24.6	249,614	342,149	37.1
Wages	1,615	1,640	1.5	6,589	6,545	(0.7)
HR related disbursements	248	301	21.4	1,012	1,080	6.7
Wage benefits	528	502	(4.9)	2,142	1,961	(8.5)
Personnel expenses	2,391	2,443	2.2	9,743	9,586	(1.6)
Depreciation, amortization and impairment	2,960	3,344	13.0	12,609	13,020	3.3
Other operating expenses	487	1,419	191.4	3,978	4,473	12.4
Change in inventory of finished goods and work in progress	953	(1)	n.a.	60	(1,461)	n.a.
Work performed by the enterprise and capitalized	(166)	(305)	(83.7)	(1,073)	(1,044)	2.7
Total operating expenses	81,265	99,871	22.9	274,931	366,723	33.4
Operating profit (EBIT)	(1,287)	(3,617)	(181.0)	(7,510)	740	n.a.
Financial income	68	60	(11.8)	562	225	(60.0)
Financial expense	520	632	21.5	2,257	2,918	29.3
Financial expenses, net	(452)	(572)	(26.5)	(1,695)	(2,693)	(58.9)
Income from associates	50	(17)	n.a.	71	(18)	n.a.
Profit before tax	(1,789)	(4,172)	(133.2)	(9,276)	(1,935)	79.1
Income tax expense	254	426	67.7	792	1,324	67.2
Deferred tax	(460)	(2,100)	(356.5)	(876)	(2,125)	(142.6)
Profit for the year	(1,583)	(2,498)	(57.8)	(9,192)	(1,134)	87.7
Equity holders of the parent	(1,583)	(2,498)	(57.8)	(9,192)	(1,134)	87.7
Non-controlling interest	0	0	n.a.	0	0	n.a.

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

	31.12.2009.	31.12.2010.	Change %
ASSETS			
Non-current assets	136,963	131,454	(4.0)
Intangible assets	2,998	2,648	(11.7)
Property, plant and equipment	133,660	128,472	(3.9)
Investments in associated companies	114	132	15.8
Other non-current assets	191	202	5.8
Current assets	74,441	79,196	6.4
Inventories	7,752	10,136	30.8
Trade receivables, net	43,456	49,942	14.9
Other current assets	13,343	13,946	4.5
Prepaid taxes	2,948	90	(96.9)
Cash and cash equivalents	6,942	5,082	(26.8)
TOTAL ASSETS	211,404	210,650	(0.4)
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	137,387	136,277	(0.8)
Share capital	24,534	24,534	0.0
Share premium	15,022	15,022	0.0
Retained earnings	106,959	97,767	(8.6)
Revaluation difference	64	88	37.5
Reserves	122,045	112,877	(7.5)
Profit for the year attributable to equity holders of the parent	(9,192)	(1,134)	87.7
Equity attributable to equity holders of the parent	137,387	136,277	(0.8)
Non-controlling interest	0	0	n.a.
Non-current liabilities	21,763	21,523	(1.1)
Long-term debt, net of current portion	11,632	15,191	30.6
Provisions for liabilities and charges	2,296	2,352	2.4
Deferred tax liabilities	3,547	1,422	(59.9)
Other non-current liabilities	4,288	2,558	(40.3)
Current liabilities	52,254	52,850	1.1
Trade and other payables	41,575	51,213	23.2
Provisions	308	375	21.8
Short-term debt	9,478	286	(97.0)
Current part of long term debts	893	976	9.3
TOTAL EQUITY AND LIABILITIES	211,404	210,650	(0.4)

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 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				24			24
Profit of Q1-Q3 2010					(1,134)		(1,134)
Change due to dividend payment							0
Closing balance on September 30, 2010	24,534	97,767	15,022	84	(1,134)	0	136,277

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

Statement of comprehensive income	31.12.2009.	31.12.2010.
<i>Profit for the year</i>	(9,192)	(1,134)
<i>Other comprehensive income</i>		
Exchange differences on translating foreign operations	30	24
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	30	24
Total comprehensive income for the year	(9,162)	(1,110)
Equity holders of the parent	(9,162)	(1,110)
Non-controlling interest	0	0

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

Description	31.12.2009.	31.12.2010.
<i>Profit before tax</i>	(9,276)	(1,935)
<i>Adjustments to reconcile profit before tax to net cash provided by operating activities</i>		
Depreciation, amortisation and impairment	12,609	13,020
Write-off of inventories, net	(394)	151
Increase / (Decrease) in environmental provisions	(592)	59
Increase / (Decrease) in other provisions	75	57
Net (gain) / loss on the sale property, plant and equipment	(965)	(673)
Assigned receivables	0	1
Write-off / (reversal of write-off) of receivables	112	22
Unrealised foreign exchange (gain) / loss on receivables and payables	(84)	(242)
Interest income	(535)	(192)
Interest on borrowings	1,486	1,290
Net foreign exchange (gain) / loss on excluding foreign exchange differences on receivables and payables	305	1,178
Other financial (gain), loss, net	264	266
Share of net (profit) / loss of associates	71	(18)
Operating cash flow before changes in working capital and paid taxes	3,076	12,984
(Increase) / decrease in inventories	(286)	(2,535)
(Increase) / decrease in trade receivables	(6,447)	(6,244)
(Increase) / decrease in other current assets	(6,718)	(1,465)
Increase / (decrease) in trade payables	18,528	5,205
Increase / (decrease) in other payables	(1,588)	2,756
<i>Income taxes paid</i>	(1,710)	1,534
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,855	12,235
Capital expenditures	(8,639)	(7,594)
Proceeds from disposals of property, plant and equipment	1,582	698
Proceeds from disposal of other investments	13,554	894
Changes in loans given and long-term bank deposits	0	0
Change in short term investments	(7)	0
Interest received and other financial income	584	206
Dividends received	0	0
NET CASH USED IN INVESTING ACTIVITIES	7,074	(5,796)
long-term debt drawn down	0	42,995
Repayments of long-term debt	(333)	(56,291)
Change in other long-term liabilities	(7,840)	6,827
Changes in short-term debt	(3)	0
Interest paid and other financial costs	(1,379)	(1,858)
Dividends paid to shareholders	(1,991)	0
Dividends paid to non-controlling interest	7,074	(5,796)
NET CASH (USED IN) / PROVIDED BY FINANCING ACTIVITIES	(11,546)	(8,327)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	383	(1,888)
Cash and cash equivalents at the beginning of the period	6,545	6,942
Unrealised foreign exchange difference on cash and cash equivalents	0	0
Cash and cash equivalents at the end of the period	6,928	5,054

**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**

	Q4 2009	Q3 2010	Q4 2010	Ch (%) Q4 2010/ Q3 2010	Ch (%) Q4 2010/ Q4 2009	2009	2010	Ch (%) 2010/2009
Naphtha FOB med USD/t	640	635	772	21.6	20.5	514	690	34.3
AGO 0.2 CIF med USD/t	614					518		
AGO 0.1 CIF med USD/t		655	734	12.2			675	
Ethylene ICI's lor fd NEW contract EUR/t	844	949	978	3.0	15.8	737	952	29.2
Propylene ICI's lor fd NWE contract EUR/t	747	949	939	(1.1)	25.8	610	935	53.4
LDPE Film ICI's lor fd NWE low EUR/t	902	1,224	1,253	2.4	39.0	841	1,204	43.2
HDPE Film ICI's lor fd NWE low EUR/t	903	984	1,003	2.0	11.1	835	1,000	19.7
HDPE Blow ICI's lor fd NWE low EUR/t	889	1,003	1,018	1.4	14.5	834	1,002	20.2
PP Homo raffia ICI's lor fd NWE low EUR/t	855	1,169	1,146	(2.0)	34.0	781	1,140	45.9
PP Homo Injection ICI's lor fd NWE low EUR/t	860	1,177	1,169	(0.6)	36.0	782	1,148	46.7
PP Copolymer ICI's lor fd NWE low EUR/t	917	1,260	1,231	(2.3)	34.2	838	1,206	43.8
EUR/HUF	270.9	282.4	275.9	(2.3)	1.8	280.6	275.3	(1.9)
USD/HUF	183.3	218.7	203.0	(7.2)	10.8	202.3	207.9	2.8
EUR/USD	1.48	1.29	1.36	5.3	(8.1)	1.39	1.33	(4.7)

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 (December 31, 2010)			Year opening (January 1, 2010)			Period closing (December 31, 2010)		
	% ²	% ³		% ²	% ³		% ²	% ³		% ²	% ³	
Domestic institution/company	88.44	Same	21,484,808	89.30	Same	21,690,707	88.44	Same	21,484,808	89.30	Same	21,690,707
Foreign institution/company	9.85	Same	2,391,740	9.21	Same	2,237,133	9.85	Same	2,391,740	9.21	Same	2,237,133
Domestic individual	1.67	Same	406,187	1.19	Same	288,245	1.67	Same	406,187	1.19	Same	288,245
Foreign individual	0.03	Same	6,680	0.02	Same	6,190	0.03	Same	6,680	0.02	Same	6,190
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	0.28	Same	68,568	0.01	Same	1,428	0.28	Same	68,568
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	30 June	30 September	31 December
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 December 31, 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 December 31, 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 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 December 31, 2009	Year Opening January 1, 2010	Period Closing December 31, 2010
Corporate level	1,139	1,139	1,112
Group level	1,167	1,167	1,140

**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 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 2010 there was no significant change in company structure.

During 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.

REPORT ON THE FULL YEAR 2010 RESULT 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 the full year results of 2010 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, February 14, 2011

Árpád Olvasó
Chief Executive Officer

Gyula Hodossy
Chief Financial Officer