



# 2014 Fourth Quarter and Annual Results of TVK Group

 **TVK Plc.**  
MEMBER OF THE MOL GROUP

## TVK GROUP INTERIM MANAGEMENT REPORT ON THE THIRD QUARTER OF 2014

Tisza Chemical Group Public Limited Company (TVK Plc.) (Reuters: TVKD.BU, website: www.tvk.hu) today announced its management report on the fourth quarter of 2014. This report contains a set of unaudited, consolidated financial statements for the year ended 31 December 2014 as prepared by the management in accordance with IFRS (International Financial Reporting Standards).

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**TVK Plc.**

MEMBER OF THE MOL GROUP

## TVK Group financial results

Q3 2014	Q4 2014	Q4 2013	YoY %	(IFRS) in HUF million	FY 2013	FY 2014	Ch. %
94,898	105,603	104,717	0.8	Net sales	402,490	400,006	(0.6)
10,069	21,354	3,778	465.2	EBITDA	24,283	50,479	107.9
<b>6,631</b>	<b>17,755</b>	<b>436</b>	<b>3,972.2</b>	<b>Operating profit/loss (-)</b>	<b>10,754</b>	<b>36,898</b>	<b>243.1</b>
(332)	4	(369)	n.a.	Profit/loss of financial transactions (-)	(3,000)	(1,645)	45.2
<b>4,800</b>	<b>14,987</b>	<b>414</b>	<b>3,520.0</b>	<b>Shareholder's net profit (loss)</b>	<b>5,661</b>	<b>28,184</b>	<b>397.9</b>
8,266	24,590	8,896	176.4	Operating cash flow	16,747	53,220	217.8

Q3 2014	Q4 2014	Q4 2013	YoY %	(IFRS) in EUR million	FY 2013	FY 2014	Ch. %
303.9	342.5	351.9	(2.7)	Net sales	1,355.6	1,295.9	(4.4)
32.2	69.3	12.7	445.7	EBITDA	81.8	163.5	99.9
<b>21.2</b>	<b>57.6</b>	<b>1.5</b>	<b>3,740.0</b>	<b>Operating profit/loss (-)</b>	<b>36.2</b>	<b>119.5</b>	<b>230.1</b>
(1.1)	0	(1.2)	n.a.	Profit/loss of financial transactions (-)	(10.1)	(5.3)	47.5
<b>15.4</b>	<b>48.6</b>	<b>1.4</b>	<b>3,371.4</b>	<b>Shareholder's net profit (loss)</b>	<b>19.1</b>	<b>91.3</b>	<b>378.0</b>
26.5	79.7	29.9	166.6	Operating cash flow	56.4	172.4	205.7

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

Note to the report:

Data of the profit and loss statement are reported compared to the same period of the preceding year, while balance sheet and cash flow figures are analysed compared to the end of the last year.

### Mr. Artur Thernesz, TVK CEO commented:

"TVK Group produced and sold its product in a favourable external environment, supported by a disciplined cost control, while our production operated on improving capacity.

Our largest owner made a Public Tender Offer for TVK shares in January, 2015, highlighting its commitment to the petrolchemical industry and our company. The transaction does not affect on our everyday work, which is to operate an added-value generating business with a focus on work safety."

### The HUF 36.9 billion operating profit in 2014 was higher by HUF 26.1 billion year-over-year.

The most important positive factors influencing the profit are the favourable exchange rates, decreasing energy prices and non-recurring incomes. TVK Plc's **margin income** grew by HUF 22.9 billion compared to 2013, which contains the 22% change of integrated margin calculated in euro, it also includes changes of euro-dollar exchange rates and the weakening trend of Hungarian Forint against the euro. Due to maintenance activities in actual year, production volumes and sales decreased. **Energy cost** of TVK Plc. decreased by HUF 3.5 billion due to the savings on energy prices in accordance with the price decrease of natural gas and steam, produced from natural gas and electricity price decline. The decrease of used energy improved results by HUF 3.2 billion. HUF 1.6 billion **non-recurring incomes** was received from the insurance compensation of the fire accident in the LDPE-2 unit during 2012 and land property sale, where the synthetic rubber plant will be constructed.

Besides this favourable effects, **extra costs were incurred** due to the **technology cleaning works** made in the second quarter at the Olefin-1 unit. Contrary to the previous year there was no **income from the CO<sub>2</sub> quota sale** and in 2014 more **provisions for environmental liabilities** were made, while in the last year environmental provisions were released.

## Major developments in 2014:

- ▶ **The high value-added polymer production and sales** performed at the same level compared to the base period, even though there were two week-long technology cleaning works made in the second quarter at the Olefin-1 unit while in this period there were periodical maintenance works in HDPE-2 and PP-4 units. In the previous year there was a reconstruction in LDPE-2 unit due to the fire accident of the end of October, 2012.
- ▶ Due to the volatile but typically weakening Hungarian Forint exchange rates, **realized FX gain** amounted to HUF 1,412 million, while HUF 876 million of **non-realized FX gain** was recorded **on receivables and payables** denominated in foreign currency. In 2013, there were HUF 1,152 million realized gain and HUF 564 million of non-realized loss.
- ▶ Due to the weakened euro at the end of the base period, there were HUF 1,109 million **realized** and HUF 737 million of **non-realized exchange loss** booked on debts, credits and liabilities, denominated in foreign currency. The company also recorded HUF 970 million of realized and HUF 14 million of non-realized exchange losses in 2013.
- ▶ **The total debt** of the company has decreased by HUF 19.9 million since 30 Sept 2014 due to loan repayment and the implementation of Butadiene-extraction unit's was smooth. The EUR denominated debt of TVK Plc decreased by HUF 11,856 million since 31 December 2013, while the HUF denominated debt decreased by 4,178 million. The EUR denominated debt were as follows: loans borrowed from MOL Group Finance SA decreased by EUR 71.0 million, while the loans borrowed from MOL Plc. increased by EUR 12.3 million. The export pre-financing loan with favourable interest rates (amounted EUR 10 million), that was borrowed in October 2013 decreased by EUR 2 million. EUR 2 million was prepayed of the export pre-financing loan, that was borrowed as an export pre-financing loan with EUR 20 million credit limit in April, 2014, with favourable interest rates.
- ▶ The civil construction activities of the new Butadiene-extraction unit are coming to end. The mechanical, electrical works, the control and instrumentation activities and the majority of the auxiliary facilities have been finished. The main aim is to open the facility and to start production in the first half of 2015.

## Financial overview

### Changes in accounting policies and estimates

Obligatory changes in IFRS, effective from 1 January 2014, were adopted by the Group for the purposes of this Report. These changes have no significant effect on the financial statements.

### Profit and Loss Statement

**Consolidated net sales** amounted to HUF 400,006 million, which was at the same level as in the base period.

TVK Plc. realized 48% of its sales revenues from **export sales**. Italy (17%), Poland (16%), Germany (15%), Slovakia (6%), Romania (5%), Austria (5%) and the Czech Republic (4%) representing the majority of export sales.

Polymer production volume was at a similar level compared 2013.

**Other operating income** was up by HUF 972 million (138%), mainly as a result of the incomes occurred from the insurance compensation of the fire accident, which happened in the LDPE-2 unit in October 2012, and from the land property sale income for the sake of construction the synthetic rubber plant. However in the H1 2013 the company had HUF 327 million income from the CO<sub>2</sub> quota sale, while the company did not realized this kind of income in the H1 2014.

**Raw material costs** had 6% decrease year-on-year lead by the significantly lower raw material costs of olefin production, that was offset by declining HUF compared to USD and the higher processing and the higher volume of processed and purchased propylene compared to previous year. The lower costs of major energy types resulted decrease in energy costs, while the energy consumption decreased due to the cleaning-maintenance shutdowns.

**Personnel expenses** remained at a similar level as in the base period due to the downsizing according to efficiency improving activities and the hiring of the future workers of the Butadiene-extraction unit

**Other operating costs and expenses** were higher due to the following factors: provisions were made for CO<sub>2</sub> emission and provisions were made for future obligations.

**Change in inventory of finished goods and work in progress** showed a decrease of HUF 1,176 million, compared to the HUF 4,199 million decrease in 2013. The inventory level was higher than the low inventory level of the beginning of the year, that was compensated by the revaluation of low raw material costs.

The group realized HUF 1,645 million **loss on financial operations**, compared to the HUF 3,000 million loss in 2013. Comparing the two periods, the realized and non-realized FX rate difference accounted after the loans, credits and liabilities denominated in foreign currency generated a HUF 890 million decrease in profit, whilst the revaluation of AR/AP exchange rate difference resulted in a HUF 1,700 million profit increase. The balance of interests paid and received increased by HUF 674 million compared to 2013.

TVK Group **profit before tax** amounted to HUF 35,253 million in 2014, representing a HUF 27,499 million year-on-year increase. The **income tax** amounted to HUF 7,069 million. **Consolidated net gain** reached **HUF 28,184 million**.

## **Balance sheet figures**

The consolidated value of **non-current assets** increased by almost 12% compared to December 31, 2013 due to the implemented investments.

The **current assets** value were lower by 18% compared to the beginning of the year. Inventories decreased by 17%, including the value increase of the own produced and purchased inventories, counterbalanced by the lower value of the purchased stock. Accounts receivables remained unchanged, due to the higher sales volume compensated by the effects of weakening Hungarian Forint. Other current assets value went down by 80% as a result of the decrease in VAT reclaim. Cash and cash equivalents decreased by 11%, mainly due to the implementation of Butadiene-extraction unit and loan repayments.

The value of **current liabilities** are lower by 11% compared to 2013, because trade payable decreased due to lower raw material costs of olefin production.

**Long term debt, net of current portion** decreased by 49% compared to December 31, 2013, due to the loan repayments.

## **Cash flow**

**Operating cash flow** was HUF 53,220 million, including HUF 50,479 million EBITDA. The changes in trade receivables, suppliers and inventories altogether decreased the cash flow by HUF 10,744 million, due to the factors mentioned in the balance sheet analysis.

**Net cash provided by investing activities** decreased the cash flow by HUF 26,060 million; within this, the highest amount is the investments value, which decreased the cash flow by HUF 26,756 million, however there was also an income from asset sale. The difference between investment expenditures, that is mentioned in Capital Projects section and in cash flow on investing activities can be explained by an unsettled invoice.

**Net cash from financial operations** decreased the cash flow by HUF 28,109 million, mainly due to the dividend payout, the interests paid and other financial costs.

## **Headcount**

The **total consolidated TVK headcount** was 981 full time employees as of December 31, 2014. The headcount increased by 6 compared to the closing headcount on December 31, 2013, the future workers of the Butadiene-extraction unit were hired.

## **Capital projects**

The **total capital expenditure** of TVK Group amounted to HUF 31,510 million in 2014 including HUF 31,276 million expenditure incurred at TVK Plc. HUF 23,522 million was spent on the Butadiene-extraction unit. HUF 449 million was spent on the periodical maintenance works, and HUF 3,451 million was spent on activities aiming the continuous, smooth operation, while other HUF 3,854 million costs incurred on special corporate projects.

**Tisza Chemical Group Public Limited Company and Subsidiaries**

*Unaudited, Consolidated Financial Statements prepared in accordance with  
International Financial Reporting Standards*

*December 31, 2014*

ANNEXES

ANNEX 1  
**CONSOLIDATED INCOME STATEMENTS FOR TVK GROUP**  
 prepared in accordance with IFRS  
 for the period ended 31 December 2014  
 unaudited figures (in HUF million)

Q3 2014	Q4 2014	Q4 2013	YoY Ch. %		FY2013	FY 2014	Ch. %
94,898	105,603	104,717	0.8	Net revenue	402,490	400,006	(0.6)
46	46	100	(54.0)	Other operating income	704	1,676	138.1
<b>94,944</b>	<b>105,649</b>	<b>104,817</b>	<b>0.8</b>	<b>Total operating revenues</b>	<b>403,194</b>	<b>401,682</b>	<b>(0.4)</b>
77,585	70,147	88,416	(20.7)	Material costs	331,834	311,684	(6.1)
3,189	3,820	3,833	(0.3)	Material type services	14,717	13,983	(5.0)
1,714	1,174	4,398	(73.3)	Cost of goods sold	16,216	7,530	(53.6)
29	73	11	563.6	Cost of services sold	99	124	25.3
<b>82,517</b>	<b>75,214</b>	<b>96,658</b>	<b>(22.2)</b>	<b>Raw materials and consumable used</b>	<b>362,866</b>	<b>333,321</b>	<b>(8.1)</b>
<b>1,959</b>	<b>2,033</b>	<b>2,156</b>	<b>(5.7)</b>	<b>Personnel expenses</b>	<b>8,167</b>	<b>8,236</b>	<b>0.8</b>
<b>3,438</b>	<b>3,599</b>	<b>3,342</b>	<b>7.7</b>	<b>Depreciation, amortization and impairment</b>	<b>13,529</b>	<b>13,581</b>	<b>0.4</b>
<b>1,455</b>	<b>4,855</b>	<b>1,984</b>	<b>144.7</b>	<b>Other operating expenses</b>	<b>5,096</b>	<b>9,351</b>	<b>83.5</b>
<b>(876)</b>	<b>2,598</b>	<b>1,023</b>	<b>154.0</b>	<b>Change in inventory of finished goods and work in progress</b>	<b>4,199</b>	<b>1,176</b>	<b>(72.0)</b>
<b>(180)</b>	<b>(405)</b>	<b>(782)</b>	<b>48.2</b>	<b>Work performed by the enterprise and capitalised</b>	<b>(1,417)</b>	<b>(881)</b>	<b>37.8</b>
<b>88,313</b>	<b>87,894</b>	<b>104,381</b>	<b>(15.8)</b>	<b>Total operating expenses</b>	<b>392,440</b>	<b>364,784</b>	<b>(7.0)</b>
<b>6,631</b>	<b>17,755</b>	<b>436</b>	<b>3,972.2</b>	<b>Profit from operation</b>	<b>10,754</b>	<b>36,898</b>	<b>243.1</b>
23	976	54	1,707.4	Financial income	685	2,392	249.2
355	972	423	129.8	Financial expense	3,685	4,037	9.6
<b>(332)</b>	<b>4</b>	<b>(369)</b>	<b>n.a.</b>	<b>Financial (expense) / gain, net</b>	<b>(3,000)</b>	<b>(1,645)</b>	<b>45.2</b>
0	0	0	-	Income from associates	0	0	-
<b>6,299</b>	<b>17,759</b>	<b>67</b>	<b>26,406.0</b>	<b>Profit before tax</b>	<b>7,754</b>	<b>35,253</b>	<b>354.6</b>
1,499	2,772	(347)	n.a.	Income tax expense	2,093	7,069	237.7
<b>4,800</b>	<b>14,987</b>	<b>414</b>	<b>3,520.0</b>	<b>Profit for the period</b>	<b>5,661</b>	<b>28,184</b>	<b>397.9</b>
4,800	14,987	414	3,520.0	<b>Profit attributable to equity holders of the parent</b>	<b>5,661</b>	<b>28,184</b>	<b>397.9</b>
0	0	0	-	Non-controlling interest	0	0	-

**ANNEX 2**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR TVK GROUP**  
**prepared in accordance with IFRS**  
**for the period ended 31 December 2014**  
**unaudited figures (in HUF million)**

Q3 2014	Q4 2014	Q4 2013	YoY Ch. %		FY 2013	FY 2014	Ch. %
4,800	14,987	414	3,520	<b>Profit for the year</b>	5,661	28,184	398
				Other comprehensive income			
14	1	0	n.a.	Exchange differences on translating foreign operations	(12)	3	n.a.
(1)	(142)	3	n.a.	Actuarial gain /( loss) on provisions for retirement benefit obligations, net of tax	11	(142)	n.a.
13	(141)	3	n.a.	<b>Other comprehensive income for the year, net of tax</b>	(1)	(139)	(13,800)
4,813	14,846	417	3,460	<b>Total comprehensive income for the year</b>	5,660	28,045	395
				<i>Attributable to:</i>			
4,813	14,846	417	3,460	Equity holders of the parent	5,660	28,045	395
0	0	0	-	Non-controlling interest	0	0	-



**ANNEX 3**  
**CONSOLIDATED BALANCE SHEETS FOR TVK GROUP**  
**prepared in accordance with IFRS**  
**for the period ended 31 December 2014**  
**unaudited figures (in HUF million)**

	31.12.2013	31.12.2014	Ch. %
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>126,091</b>	<b>140,862</b>	<b>11.7</b>
Intangible assets	2,081	1,804	(13.3)
Property, plant and equipment	118,331	137,197	15.9
Investments in associated companies	0	0	-
Deferred tax asset	1,536	0	(100.0)
Other non-current assets	4,143	1,861	(55.1)
<b>Current assets</b>	<b>92,078</b>	<b>75,381</b>	<b>(18.1)</b>
Inventories	13,341	11,114	(16.7)
Trade receivables, net	52,921	52,900	0.0
Securities	0	0	-
Other current assets	16,831	3,397	(79.8)
Prepaid taxes	285	187	(34.4)
Cash and cash equivalents	8,700	7,783	(10.5)
<b>TOTAL ASSETS</b>	<b>218,169</b>	<b>216,243</b>	<b>(0.9)</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>	<b>121,047</b>	<b>142,891</b>	<b>18.0</b>
Share capital	24,534	24,534	0.0
Reserves	90,852	90,173	(0.7)
Profit for the year attributable to equity holders of the parent	5,661	28,184	397.9
<b>Equity attributable to equity holders of the parent</b>	<b>121,047</b>	<b>142,891</b>	<b>18.0</b>
Non-controlling interest	0	0	-
<b>Non-current liabilities</b>	<b>33,680</b>	<b>17,163</b>	<b>(49.0)</b>
Long-term debt, net of current portion	31,508	13,718	(56.5)
Provisions	2,140	2,556	19.4
Deferred tax liabilities	0	878	-
Other non-current liabilities	32	11	(65.6)
<b>Current liabilities</b>	<b>63,442</b>	<b>56,189</b>	<b>(11.4)</b>
Trade and other payables	53,472	44,503	(16.8)
Taxes payable	0	0	-
Provisions	676	2,001	196.0
Short-term debt	5,668	4,812	(15.1)
Current portion of long-term debt	3,626	4,873	34.4
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>218,169</b>	<b>216,243</b>	<b>(0.9)</b>

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

The total value of capital commitments as of 31 December 2014 is HUF 10,288 million, which is fully attributable to TVK Plc.

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

**ANNEX 4**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR TVK GROUP**  
 prepared in accordance with IFRS  
 for the period ended 31 December 2014  
 unaudited figures (in HUF million)

	Share capital	Share premium	Translation reserve	Retained earnings	Profit for the year attributable to equity holders of the parent	Non controlling interest	Total equity
<b>Opening balance 1 January 2013 (restated)</b>	24,534	15,022	17	83,393	(7,579)	-	115,387
Retained profit of the reporting period	-	-	-	-	5,661	-	5,661
Other comprehensive income of the reporting period together with tax effect	-	-	(12)	11	-	-	(1)
<b>Total comprehensive income of the reporting period</b>	-	-	(12)	11	5,661	-	5,660
Transfer of retained profit of the previous period	-	-	-	(7,579)	7,579	-	0
Dividend paid to shareholders	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Closing balance 31 Dec 2013</b>	24,534	15,022	5	75,825	5,661	-	121,047
<b>Opening balance 1 January 2014</b>	24,534	15,022	5	75,825	5,661	-	121,047
Retained profit of the reporting period	-	-	-	-	28,184	-	28,184
Other comprehensive income of the reporting period together with tax effect	-	-	3	(142)	-	-	(139)
<b>Total comprehensive income of the reporting period</b>	-	-	3	(142)	28,184	-	28,045
Transfer of retained profit of the previous period	-	-	-	5,661	(5,661)	-	0
Dividend paid to shareholders	-	-	-	(6,201)	-	-	(6,201)
Other	-	-	-	-	-	-	-
<b>Closing balance 31 Dec 2014</b>	24,534	15,022	8	75,143	28,184	-	142,891

**ANNEX 5**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS FOR TVK GROUP**  
**prepared in accordance with IFRS**  
**for the period ended 31 December 2014**  
**unaudited figures (in HUF million)**

Q3 2014	Q4 2014	Q4 2013	YoY Ch. %		FY 2013	FY 2014	Ch. %
6,299	17,759	67	26,406.0	<b>Profit before tax</b>	<b>7,754</b>	<b>35,253</b>	<b>354.6</b>
				<i>Adjustments to reconcile profit before tax to net cash provided by operating activities</i>			
3,438	3,599	3,342	7.7	Depreciation, amortisation and impairment	13,529	13,581	0.4
6	35	40	(12.5)	Write-off / reversal of write(off) of inventories, net	139	(3)	n.a.
55	1,694	225	652.9	Increase/(decrease) in provisions	(967)	1,580	n.a.
(1)	(2)	(1)	(100.0)	Net (gain)/loss on sale of property, plant and equipment	(379)	(665)	(75.5)
(1)	94	17	452.9	Impairment / reversal of write(off) of receivables	50	113	126.0
0	0	0	-	Profit on the sales of subsidiaries	0	0	-
(4)	(13)	(34)	61.8	Interest income	(81)	(38)	53.1
327	405	564	(28.2)	Interest on borrowings	2,439	1,751	(28.2)
(50)	(628)	(207)	(203.4)	Net foreign exchange (gain) / loss on foreign currency loan and other financial items	368	(442)	n.a.
40	212	19	1,015.8	Other financial (gain)/ loss, net	167	296	77.2
(1)	0	(1)	n.a.	Other non cash items	547	457	(16.5)
<b>10,108</b>	<b>23,155</b>	<b>4,031</b>	<b>474.4</b>	<b>Operating cash flow before changes in working capital</b>	<b>23,566</b>	<b>51,883</b>	<b>120.2</b>
(96)	2,223	1,574	41.2	(Increase) / decrease in inventories	3,980	2,230	(44)
(565)	1,785	3,737	(52.2)	(Increase) / decrease in trade receivables	(3,186)	1,674	n.a.
(26)	9,852	679	1,351.0	(Increase) / decrease in other current assets	1,876	13,460	617.5
(1,476)	(9,600)	1,275	n.a.	Increase / (decrease) in trade payables	(8,963)	(14,648)	(63.4)
1,472	539	(636)	n.a.	Increase / (decrease) in other payables	1,650	3,314	100.8
(1,151)	(3,364)	(1,764)	(90.7)	Income taxes paid	(2,176)	(4,693)	(115.7)
<b>8,266</b>	<b>24,590</b>	<b>8,896</b>	<b>176.4</b>	<b>Net cash provided (used in) by operating activities</b>	<b>16,747</b>	<b>53,220</b>	<b>217.8</b>
(5,861)	(9,533)	(8,166)	(16.7)	Capital expenditures	(14,770)	(26,756)	(81.2)
1	4	1	300.0	Proceeds from disposals of property, plant and equipment	590	679	15.1
0	0	230	n.a.	Proceeds from disposal / withdrawal of financial investments	241	0	n.a.
(48)	(21)	396	n.a.	Changes in loans given and long-term bank deposits	(184)	(60)	67.4
0	0	0	-	Changes in short-term investments	0	0	-
(41)	(14)	41	n.a.	Interest received and other financial income	97	77	(20.6)
0	0	0	-	Dividend received	0	0	-
<b>(5,949)</b>	<b>(9,564)</b>	<b>(7,498)</b>	<b>27.6</b>	<b>Net cash flows used in investing activities</b>	<b>(14,026)</b>	<b>(26,060)</b>	<b>(85.8)</b>
27,133	22,130	30,332	(27.0)	Long-term debt drawn down	59,137	96,325	62.9
(24,284)	(43,335)	(30,909)	(40.2)	Repayments of long-term debt	(54,105)	(114,748)	(112.1)
0	0	(6)	n.a.	Changes in other long-term liabilities	(5)	0	n.a.
1,047	750	201	273.1	Changes of short-term debt	(3,205)	(871)	72.8
(404)	(556)	(658)	15.5	Interest paid and other financial costs	(2,274)	(2,618)	(15.1)
(6,196)	(1)	0	n.a.	Dividend paid to shareholders	0	(6,197)	n.a.
<b>(2,704)</b>	<b>(21,012)</b>	<b>(1,040)</b>	<b>(1,920.4)</b>	<b>Net cash (used in) / provided by financing activities</b>	<b>(452)</b>	<b>(28,109)</b>	<b>(6,118.8)</b>

Q3 2014	Q4 2014	Q4 2013	YoY Ch. %		FY 2013	FY 2014	Ch. %
(387)	(5,986)	358	n.a.	Increase / (decrease) in cash and cash equivalents	2,269	(949)	n.a.
14,165	13,736	8,363	64.2	Cash and cash equivalents at the beginning of the period	6,440	8,700	35.1
15	0	0	-	Exchange differences of cash and cash equivalents of consolidated foreign subsidiaries	3	3	-
(57)	33	(21)	n.a.	Unrealized foreign exchange difference on cash and cash equivalents	(12)	29	n.a.
13,736	7,783	8,700	(10.5)	Cash and cash equivalents at the end of the period	8,700	7,783	(10.5)

**ANNEX 6**  
**SALES AND PRODUCTION DATA OF TVK GROUP**

**Distribution of TVK Group's own production by product types (kt)**

Q3 2014	Q4 2014	Q4 2013	YoY Ch. %		FY 2013	FY 2014	Ch. %
110	154	155	(0,6)	Olefin products	555	530	(4.5)
159	186	162	14.8	Polymer products	656	665	1.4
1	1	1	-	Other products	3	3	-
<b>270</b>	<b>341</b>	<b>318</b>	<b>7.2</b>	<b>Total</b>	<b>1,214</b>	<b>1,198</b>	<b>(1.3)</b>

**Distribution of TVG Group production by product types (kt)**

Q3 2014	Q4 2014	Q4 2013	YoY Ch. %		FY 2013	FY 2014	Ch. %
274	347	319	8.8	Olefin products (for sale)	1,218	1,216	(0.2)
165	188	160	17.5	Polymer products	649	670	3.2
15	16	14	14.3	o/w LDPE	26	61	134.6
87	101	77	31.2	o/w HDPE	351	349	(0.6)
63	71	69	2.9	o/w PP	272	260	(4.4)
1	1	1	0.0	Other products	3	3	0.0
<b>440</b>	<b>536</b>	<b>480</b>	<b>11.7</b>	<b>Total</b>	<b>1,870</b>	<b>1,889</b>	<b>1.0</b>

**ANNEX 7**  
**MAIN EXTERNAL FACTORS**

Q3 2014	Q4 2014	Q4 2013	YoY Ch. %		FY 2013	FY 2014	Ch. %
860	580	903	(35.8)	Naphtha FOB med USD/t	875	809	(7.6)
869	686	932	(26.6)	AGO 0.1 CIF NWE USD/t*	924	845	(8.9)
1,194	1,079	1,215	(11.2)	Ethylene ICI's lor fd NEW contract EUR/t	1,230	1,162	(5.5)
1,147	1,031	1,100	(6.3)	Propylene ICI's lor fd NWE contract EUR/t	1,091	1,114	2.1
1,314	1,232	1,288	(4.3)	LDPE Film ICI's lor fd NWE low EUR/t	1,295	1,277	(1.3)
1,271	1,246	1,219	2.3	HDPE Film ICI's lor fd NWE low EUR/t	1,241	1,238	(0.2)
1,240	1,215	1,218	(0.3)	HDPE Blow ICI's lor fd NWE low EUR/t	1,240	1,222	(1.4)
1,292	1,190	1,209	(1.6)	PP Homo raffia ICI's lor fd NWE low EUR/t	1,217	1,249	2.6
1,289	1,190	1,210	(1.6)	PP Homo Injection ICI's lor fd NWE low EUR/t	1,218	1,250	2.6
1,332	1,235	1,247	(1.0)	PP Copolymer ICI's lor fd NWE low EUR/t	1,253	1,294	3.3
312.24	308.36	297.61	3.6	EUR/HUF	296.92	308.66	4.0
235.54	246.77	218.73	12.8	USD/HUF	223.70	232.52	3.9
1.326	1.250	1.361	(8.2)	EUR/USD	1.327	1.327	0.0
348	556	<b>286</b>	<b>94.7</b>	<b>Integrated petrochemical margin</b>	<b>310</b>	<b>378</b>	<b>21.9</b>

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

\* In the Q3 2014 report contained 871 for gasoil in Q3 2014

**ANNEX 8**  
**STRUCTURE OF OWNERSHIP AND TREASURY SHARES**

**Shareholder structure, ownership and voting right**

Description of owner	31.12.2012	30.06.2013	31.12.2013	30.06.2014	31.12.2014.
	Ownership and voting rights %	Ownership and voting rights %	Ownership and voting rights %	Ownership and voting rights %	Ownership and voting rights %
MOL Magyar Olaj- és Gázipari Nyilvánosan Működő Részvénytársaság	94.86	94.86	94.86	94.86	94.86
Other domestic institution/company	1.07	0.79	2.56	1.40	0.96
Foreign institution/company	1.13	1.13	1.12	1.11	1.55
Domestic individual	1.21	1.13	1.23	2.59	2.59
Foreign individual	0.02	0.02	0.02	0.03	0.03
Treasury shares	-	-	-	-	-
Shares held by unidentified parties	1.71	2.07	0.21	0.01	0.01
<b>TOTAL</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Notes: Please note that in Hungary, the Share Register does not fully reflect the ownership structure, as registration is not mandatory. 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 9**  
**EMPLOYEES**

**Changes in the Number of Full Time Employees**

	Reference Period Ended December 31, 2013	Year Opening January 1, 2014	Period Closing December 31, 2014
<b>Corporate level</b>	969	969	975
<b>Group level</b>	975	975	981

**ANNEX 10**  
**REGULATED INFORMATION IN 2014**

The Company information mentioned below is available at the website of the Company ([www.tvk.hu](http://www.tvk.hu)) below the Investor Relations item. Places of the disclosures are: the websites of TVK ([www.tvk.hu](http://www.tvk.hu)), of the Budapest Stock Exchange ([www.bse.hu](http://www.bse.hu)), the Capital Market Disclosure website ([www.kozzetetelek.hu](http://www.kozzetetelek.hu)) and the website of the London Stock Exchange ([www.londonstockexchange.com](http://www.londonstockexchange.com)).

<b>Announcement date</b>	<b>Content</b>
2 January, 2014	Number of voting rights at TVK Plc.
31 January, 2014	Number of voting rights at TVK Plc.
18 February, 2014	Extraordinary announcement about change in the senior management of the company (Production manager)
25 February, 2014	Report on the full year 2013 results of TVK Group
3 March, 2014	Number of voting rights at TVK Plc.
14 March, 2014	Remuneration of members of the Board of Directors and of the Supervisory Board in 2013 as cash and non-cash benefit
14 March, 2014	Announcement by the Board of Directors of TVK Plc. on the convocation of the company's ordinary general meeting in 2014
24 March, 2014	TVK – AGM documents
31 March, 2014	Number of voting rights at TVK Plc.
14 April, 2014	Extraordinary announcement about change in the senior management of the company (CFO)
15 April, 2014	2014 Annual General Meeting resolutions of TVK Plc.
15 April, 2014	TVK Group Corporate Governance Report for 2013 in accordance with Budapest Stock Exchange Corporate Governance Recommendations
15 April, 2014	Annual Report of TVK Plc. prepared on the business year 2013
16 April, 2014	Summary report of TVK Plc. on the business year 2013
30 April, 2014	Number of voting rights at TVK Plc.
30 April, 2014	Financial Statements and Business Reports of TVK Plc. prepared on the business year 2013
8 May, 2014	TVK Group Interim Management Report on the Q1 2014
30 May, 2014	Announcement of the Board of Directors of TVK Plc. regarding the dividend payment for the financial year of 2013
2 June, 2014	Number of voting rights at TVK Plc.
2 June, 2014	Articles of Association of TVK Plc. (15.04.2014)
1 July, 2014	Number of voting rights at TVK Plc.
31 July, 2014	Number of voting rights at TVK Plc.
1 August, 2014	2014 first half year report of TVK Group
4 August, 2014	Extraordinary announcement on change in the senior management of the Company
1 September, 2014	Number of voting rights at TVK Plc.
30 September, 2014	Number of voting rights at TVK Plc.
30 September, 2014	ANNOUNCEMENT ON CHANGE IN INVESTOR RELATIONS OFFICER
31 October, 2014	Number of voting rights at TVK Plc.
6 November, 2014	TVK Group 2014. III. Quarter Interim management report
1 December, 2014	Number of voting rights at TVK Plc.
19 December, 2014	Purchase of the 74% of the TVK-ERŐMŰ (TVK-POWER PLANT)
31 December, 2014	Number of voting rights at TVK Plc.
13 January, 2015	MOL made a Public Tender Offer for TVK shares
28 January, 2015	The opinion of the TVK Workers Council regarding MOL's Voluntary Public Tender Offer
2 February, 2015	Number of voting rights at TVK Plc.
3 February, 2015	The MNB approved MOL Public Tender Offer's for TVK shares

## **STATEMENT OF RESPONSIBILITY**

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 Management Report on the fourth quarter of 2014 of TVK Group 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 24, 2015

**Artur Thernesz**  
**Chief Executive Officer**

**Ákos Székely Ph.D.**  
**Chief Financial Officer**