

Tisza Chemical Group Public Limited Company (TVK Plc) (Reuters: TVKD.BU, website: www.tvk.hu) has published its results for the Q1 2012 today. The data presented in the TVK Plc's Report on the first quarter of 2012 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). 4 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

	Q4 2011* (M HUF)	Q1 2011 (M HUF)	Q1 2012 (M HUF)	Var %	Q4 2011* (M EUR)	Q1 2011 (M EUR)	Q1 2012 (M EUR)	Var %
Net sales	96,996	107,358	102,555	(4.5)	319.5	394.0	345.3	(12.4)
EBITDA	(3,152)	4,283	(961)	-	(10.4)	15.7	(3.2)	-
<b>Operating profit/loss (-)</b>	<b>(6,610)</b>	<b>1,011</b>	<b>(4,351)</b>	-	<b>(21.8)</b>	<b>3.7</b>	<b>(14.7)</b>	-
Profit/loss of financial transactions (-)	(2,212)	822	646	(21.4)	(7.3)	3.0	2.2	(26.7)
<b>Shareholder's net profit (loss)</b>	<b>(8,445)</b>	<b>1,385</b>	<b>(3,014)</b>	-	<b>(27.8)</b>	<b>5.1</b>	<b>(10.1)</b>	-
Operating cash flow	6,643	(9,411)	(15,323)	-	21.9	(34.5)	(51.6)	-

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

\* After disclosing Q1-3 2011 flash report, commitment fee of bank loans were reclassified to financial expenses for the period of the whole year.

The **operating profit** achieved in the first quarter of 2012 was HUF 2.3 billion higher than in the previous quarter due to the increased production volumes and the favourable change of olefin feedstock prices and polymer product prices compared to each other. The unfavourable exchange rate fluctuation led to the significant deterioration of the operating profit, including the difference resulting from the re-valuation of accounts receivable and accounts payable in the previous and the actual quarter.

Comparing the results of **Q1 2012 with the first quarter of the previous year**, the operating profit declined due to the unfavourable change of the integrated petrochemical margin, the increased prices of natural gas, steam and electric energy, and the lower production and sales volumes.

- ▶ **Overall capacity utilization** in Q1 2012 showed an upturn of almost 10 percentage points since Q4 2011 due to the increased inventories necessary for the maintenance works, allowed by the high availability of the plants; however it showed a year on year decrease of about 14 percentage points.
- ▶ **Polymer production** was 13% higher than in the previous quarter and 13% lower than in Q1 2011. **Polymer sales** were 5% lower than in Q4 2011, and 18% lower compared to the same period of the previous year.
- ▶ As regards the sales and purchases in foreign currency HUF 571 million **realized** and HUF 552 million **non-realized exchange loss on receivables and payables** was booked. It was an exchange loss of HUF 1,220 million in Q1 2011.
- ▶ The profit of HUF 646 million on financial operations includes **realized exchange gain** of HUF 351 million and **non-realized exchange gain** of HUF 693 million.
- ▶ The negative amount of HUF 15,323 million of **operating cash flow** was influenced significantly by the negative EBITDA value and the effect of higher polymer product inventories and the higher prices of feedstock and finished goods. During the year we have to increase the quantity of self-manufactured stocks continuously, in order to ensure the continuous supply of our customers – partially serving them from our stores - during the maintenance works planned in the second quarter of the year. Volumetric effect of polymer inventories increase was over HUF 6 billion.
- ▶ As at March 31, 2012 the **debt from the short and long term loan** of MOL Plc. amounted to HUF 28,328 million, increased by HUF 16,187 million compared to the amount on December 31, 2011, and HUF 12,097 million more compared to March 31, 2011.
- ▶ In Q1 2012, **TVK Group net loss** was HUF 3,014 million compared to the profit of HUF 1,385 million in Q1 2011.

**CEO of TVK Plc., Zsolt Pethő, emphasized:**

*"In the first quarter, our business performance was fundamentally formed by those unfavourable economic circumstances that were typical in the last quarter of the previous year. Integrated petrochemical margin showed a decline (2 percent in euro terms and 5 in forint terms) compared to the low level of the last quarter. However the average quoted prices of our products rose in the first three months of the year, the unfavourable effects of feedstock cost increase and exchange rate changes offset these impacts. Despite of the worse situation, operation and net profit shows a significantly lower loss. Improvement in contrary to the declining conditions is a result of the synergies of the harmonised operation at group level.*

*We expect that after the January trough, integrated petrochemical margin will improve slowly in the second quarter. We increase our inventory level for the sake of ensuring continuous supply of our customers during the cyclical maintenance works planned at the second quarter. This inventory growth is the main reason of the cash flow decline in the first quarter.*

*TVK, as a member of Petrochemical segment, participates in the three year efficiency and competitiveness improvement project of MOL Group, named "New DS" program, which results in a USD 60 million savings at company level according to the plans.*

*Our efficiency improvement actions also result in organisation-personnel changes, which will end in the second quarter. This contains the reorganisation of the activities of the foreign trade subsidiaries at MOL Group level; accounting activity is performed by an external service provider; and reintegrating instrumental maintenance activities to the organisation of the company, that was formerly done by an external business partner.*

*Besides the efficiency improvement actions, it is very important to put new competitive product group on the market. I am glad to inform you, that the Boards of Directors of MOL Plc. and TVK Plc. accepted the proposal of building a butadiene extraction unit with an annual capacity of 130 thousand tons. With a capex of about HUF 30 billion, a HUF 8-15 billion more profit can be reached annually. Therefore, our most important task is to reach that the new butadiene plant, starting its operation at the end of 2014 in Tiszaújváros or Bratislava is able to perform the expected profit and come up to our expectations."*

## Operating environment

**A comparison of Q1 2012 to Q1 2011**, regarding polymer average quoted prices (ICI's lor fd NWE) shows a decline of 12% in case of LDPE, 1% in case of HDPE and 8-9% in case of polypropylene prices. The price (FOB med) of a ton of naphtha went up by 12% to average value of 987 USD/t. The HUF/EUR rate and declined by 9%, the HUF/USD rate weakened by almost 14%, while the EUR/USD cross rate rose by 4%. As a result, the average integrated petrochemical margin fall by 50% in HUF and 54% in EUR terms in Q1 2012.

**A comparison of Q1 2012 to Q4 2011** shows a rose of almost 20% in the average LDPE prices, 16% in case of HDPE and 14-15% in case of PP prices (ICI's lor fd NWE) in the European market of polymer products. In US dollar terms the price of the naphtha necessary to monomer production increased by 16%. HUF strengthened by 2% against the EUR and did not changed against the USD, however USD strengthened against the EUR by near 3%. The afore-mentioned factors decreased the integrated petrochemical margin of Q1 2012 by 2% in EUR terms and 5% in HUF terms compared to the previous quarter.

## Financial overview

### Profit and Loss Statement

In the first quarter of 2012, **TVK Group level total operating income** fall by 4% year on year and totalled at HUF 103,127 million. Within this, the **other operating income** was HUF 572 million, showing a rose of HUF 409 million, mainly due to the income on CO<sub>2</sub> quota sale amounting to HUF 362 million.

In Q1 2012, the **consolidated TVK Group level net sales** amounted to HUF 102,555 million that is HUF 4,803 million less than in the first three months of 2011, due to the lower sales volumes, that were significantly compensated by the higher prices and by the impact of exchange rate fluctuations.

**Factors influencing product sales of TVK Plc,  
Q1 2012 – Q1 2011 (million HUF)**

	Effect of variance in price	Effect of variance in exchange rates	Effect of variance in volume	Total
Olefin	5,203	3,372	(5,165)	3,410
LDPE	(557)	579	(775)	(753)
HDPE	1,240	2,268	(10,887)	(7,379)
PP	(1,920)	2,165	(421)	(176)
<b>Total</b>	<b>3,966</b>	<b>8,384</b>	<b>(17,248)</b>	<b>(4,898)</b>

In Q1 2012, TVK Plc. realized 49% of its sales revenues from **export sales**. Czech Republic (21%), Italy (14%), Germany (14%), Poland (13%), Romania (5%), Austria (5%), Ukraine (4%) and Slovakia (4%) represented the majority of export sales. (In case of Czech Republic the major increase compared to the previous years is due to the export of C4 fraction.)

**Distribution of TVK Group sales incomes by production units Q1 2012 (million HUF)**

	Domestic sales	Export sales	Total sales
Olefin	32,615	7,673	40,288
LDPE	2,806	3,661	6,467
HDPE	3,159	25,628	28,787
PP	10,842	13,856	24,698
Income from other business activities	3,495	51	3,546
Effect of consolidation	(1,272)	41	(1,231)
<b>Total</b>	<b>51,645</b>	<b>50,910</b>	<b>102,555</b>

**TVK Group raw material costs** increased by HUF 5,450 million (6%) to HUF 97,213 million year on year due to purchased feedstock and energy cost increase. The higher feedstock costs reflect the radical rise of the quoted price of feedstock used for producing monomers and the weakening of the forint against the dollar, however costs were decreased by the lower production volumes. Energy costs hiked by 35% mainly as the result of the increased prices of steam, natural gas and electric energy.

**Variances in key feedstock costs incurred by TVK Plc,  
Q1 2012 – Q1 2011 (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	(1,665)	4,649	9,297	12,281
Gas oil	(9,596)	146	230	(9,220)
<b>Chemical feedstock in total</b>	<b>(11,261)</b>	<b>4,795</b>	<b>9,527</b>	<b>3,061</b>

**Value of material type services used** decreased by HUF 210 million (6%), within this transportation costs decreased by HUF 431 million due to the lower volumes sold despite of the higher fuel prices. Commission fees went up by HUF 84 million, mainly as a result of the higher costs occurred in connection with the sales of subsidiaries. Amount spent on maintenance grew by HUF 132 million.

**Cost of goods sold** hiked by 9% because of the increased price of tar purchased and sold, the price increase of ethylene and other goods and due to the weakening of HUF, however the quantities decreased. This increase in the costs was offset by the sales revenues.

TVK group level **personnel expenses** was down by HUF 161 million (7%) due to the staff reduction and due to the difference between the two period of the balance of booked and used accruals of bonuses and wages.

**Depreciation, amortization and impairment** increased by 4% (HUF 118 million), mainly as a result of the lifetime revision of the Olefin Plants' tools and equipments.

**Other operating expenses** was up by HUF 34 million (2%) due to the increase of the taxes booked as expenses.

**Change in inventory of finished goods and work in progress** showed an increase of HUF 7,821 million in Q1 2012, mainly as a consequence of the significant rose of the polymer inventories, but higher feedstock prices also affected the stock up-valuation. As a result of the last year cash flow improvement and the severe management with the working capital, the low polymer stock level of the end of 2011 is

necessary to increase continuously in 2012 for the sake of insuring the continuous supply of our customers during the maintenance shutdown planned to carry out in the second quarter of the year.

The Group level **consolidated loss from operation** (EBIT) amounted to HUF 4,351 million in the first three months of 2012 compared to the operating profit of HUF 1,011 million realized in Q1 2011. Despite of the declining circumstances the rose of HUF 2,259 million compared to the fourth quarter of 2011 is a result of the negotiations with feedstock suppliers.

Compared to the profit of HUF 822 million in Q1 2011, the group realized a **profit on financial operations** of HUF 646 million in Q1 2012. The financial revenues of the group decreased by HUF 234 million in the reporting period compared to the same period of the previous year, mainly due to the HUF 263 million more realized and HUF 493 million less non-realized exchange rate gain was generated during the revaluation of the loans and other assets received in foreign currency. Financial expenses declined by HUF 58 million.

In Q1 2012 TVK Group **profit before tax** amounted to a loss of HUF 3,705 million showing a year on year decrease of HUF 5,538 million. The **income tax** was HUF 116 million, deferred tax amounted to a negative amount of HUF 807 million. **Consolidated net loss** totalled at HUF 3,014 million.

### ***Balance Sheet figures***

The value of the **total assets** of TVK Group as at March 31, 2012 stood at HUF 228,585 million.

The consolidated value of **non-current assets** amounted to HUF 122,894 million as at March 31, 2012, 4% lower than on March 31, 2011 mainly due to the lower value of tangible assets attributable to the recognized depreciation.

The value of **current assets** went up by 11% to HUF 105,691 million including a 56% year on year increase in inventories. The growth is basically due to the higher inventory volumes of self-made polymers and to the up-valuation of the inventory resulting from the growing prices of the feedstock purchased (at the Olefin Plants). Accounts receivables changed slightly as the higher selling prices was balanced by lower volumes sold. The value of other current assets surged by 18% which is attributable mainly to the fact that the amount of VAT reclaim at the end of March 2012 went up considerably, mainly as a result of the change of the tax regulations and the significant rise of purchase prices. The increase of tax receivables was caused by the higher amount of the paid but reclaimable tax.

**Shareholder's equity** amounted to HUF 119,923 million on March 31, 2012, reflecting a drop of 13% since March 31, 2011. The decrease is attributable to the variance in the value of the profit/loss after taxation and to the balance sheet loss realized in 2011 and reported in the profit reserve.

The portfolio of **long term debt, net of current portion** did not change considerably year on year, because the items booked in this line compensated each other. Long term loans rose by HUF 4,092 million (15%) due to the parent company loan borrowed. Deferred tax liabilities dropped mainly attributable to the negative tax base. Other non-current liabilities decreased significantly as a result of the part due within the year of the obligations deriving from forward transactions were transferred to the other short term liabilities.

The value of **current liabilities** rose by 42% to HUF 75,702 million from March 31, 2011 to March 31, 2012. The growth reflects the transfer of the part due within the year of the obligations deriving from forward transactions were transferred to the other short term liabilities, as mentioned at other long term liabilities; the higher account payables – due to the price increase of the purchased olefin feedstock; and the growth of the amount of the parent company loan.

## Cash flow

Based on the group level cash flow statement of TVK Group dated March 31, 2012 **liquid assets** have increased by HUF 578 million since the beginning of the year.

**Operating cash flow** amounted to HUF -15,323 million. EBITDA amounted to HUF -961 million. The changes in working capital (inventories, trade accounts receivable and payable, other receivables and other liabilities altogether) decreased the cash flow by HUF 13,716 million. The cash flow deteriorating effect of the changes in the inventory follows from the fact that stock volumes of the self-manufactured polymer product increased, while due to the olefin feedstock price increase inventory up-valuation was booked. The high closing value of the polymer stock at the end of the period means the preparation for the periodic maintenance works, beginning from May, when as a consequence of the significantly decreased production, our customers will be served partially from our stocks. The reason of the increase of accounts receivable was that sales prices were higher in Q1 2012 than during the sales in Q4 2011 that determines the year end value; at the same time polymer product volumes sold decreased. The growth of accounts payables is a consequence of the higher volumes and prices of olefin feedstock purchased in March 2012, compared to December 2011, although the reduction in volume of the non-feedstock suppliers compensated for this as most suppliers sent the invoices at the end of the year, and after that the inventory reduced back to normal level during the year. The growth of VAT is reflected in the increased amount of other receivables. Other short term liabilities also went up due to the increased balance of accrued costs. Taxes paid against the profit/loss further reduced the cash flow by HUF 441 million. The adjustment due to the non-cash effects included in the EBIT reduced the operating cash flow by HUF 205 million. Within this the sale of CO<sub>2</sub> emission quota was HUF -362 million, the change of provisions was HUF 115 million.

**Net cash provided by investing activities** decreased cash flow by HUF 2,770 million, within this the amounts disbursed to the suppliers amounted to HUF 3,194 million, while the HUF 362 million income on sale CO<sub>2</sub> quota improved the cash flow.

**Net cash from financial operations** increased the cash flow by HUF 18,671 million in the period under review, mainly due to the revolving short-term and long-term loans granted by MOL Plc.

## Headcount

As at March 31, 2012 the total consolidated headcount of TVK included 1,118 full time employees which is 17 persons less than the closing headcount on March 31, 2011, mainly as a result of selling the subsidiaries that affected 15 employees on group level.

## Capital projects

In Q1 2012 the total capital expenditure of TVK Group amounted to HUF 664 million. HUF 610 million of which is due to expenditure incurred by TVK Plc. Within this HUF 341 million was spent on sustain capital expenditures and HUF 269 million on individual projects.

## Outlook and expectations for the period after March 31, 2012

The operating profit/loss in April 2012 is expected to be more favourable than Q1 average, due to the significant improvement of the integrated petrochemical margin. The utilization of both monomer and polymer production capacities and the composition of polymer production by product types in April remain in harmony with the Q1 average.

During the second quarter, periodical maintenance works will be done in Olefin-1, LDPE-2, HDPE-1, PP-3 Plants, therefore we calculate with significant production reduction. In the aforementioned plants, the last cyclical maintenance breakdown was carried out in 2009. Expectedly the production of Olefin-1 Plant will be stopped for 45 days.

In the second quarter we expect that polymer prices will decline slightly besides the moderation of olefin feedstock prices; and as USD will expectedly weaken against EUR, we forecast the continuous progress of integrated petrochemical margin.

MOL Group level optimisation of foreign trade channels continues; foreign trade subsidiaries are merged at group level.

As from May 3, 2012, in the organisation of TVK Plc. the accounting, booking and taxation activities, made in accordance with the Hungarian Accounting Law was terminated and these functions are performed by an external service provider. The reorganisation resulted in a group rationalisation that affected 44 employees.

### ***Major events until the publication date***

TVK Plc. held its Annual General Meeting on April 17, 2012. The AGM had a quorum where the shareholders present were entitled to cast 23,274,364.25 votes all together represented 94.87% of the Company's shares. The AGM accepted the Annual Financial Reports (IFRS consolidated and HAS unconsolidated) and the related Business Reports, and decided to pay no dividend in 2012 connected to the year ended 31 December 2011 and the total net loss shall be booked as retained earnings.

The AGM re-elected Mr. György Mosonyi, Chairman of the Board, commencing with the date of the AGM for a period of five years till the day of the annual ordinary general meeting in 2017, as a member of the Board of Directors of TVK Plc. THE AGM elected Mr. Zsolt Pethő, CEO of TVK Plc. as a new Board member a period of five years. The AGM re-elected Dr. Gyula Bakacsi, Dr. György Bíró Mr. László Gyurovszky as members of the Supervisory Board until the day of the annual ordinary general meeting in 2017, and also elected them as members of the Audit Committee.

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

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

*31 March, 2012*

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:** Q1 2012

**Phone:** +36 49/522-377  
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**Investors' contact person:** Vanda Haisz

	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
Currency	HUF	<input checked="" type="checkbox"/>	EUR	<input type="checkbox"/>
Unit	1,000	<input type="checkbox"/>	1,000,000	<input checked="" type="checkbox"/>

ANNEX 1  
KEY FINANCIAL DATA

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

Key Profit and Loss figures

	Q1 2011	Q1 2012
Net revenue	107,358	102,555
Operating profit	1,011	-4,351
Financial expenses, net	822	646
Profit before tax	1,833	-3,705
Profit for the year	1,385	-3,014

Key Balance Sheet figures

	31.03.2011.	31.03.2012.
<b>Non-current assets</b>	<b>128,505</b>	<b>122,894</b>
Intangible assets	2,545	2,284
Property, plant and equipment	125,626	120,241
Invested financial assets	334	369
<b>Current assets</b>	<b>95,209</b>	<b>105,691</b>
Inventories	12,990	20,272
<b>Total assets</b>	<b>223,714</b>	<b>228,585</b>
<b>Equity attributable to equity holders of the parent</b>	<b>137,575</b>	<b>119,923</b>
Share capital	24,534	24,534
<b>Non-current liabilities</b>	<b>32,818</b>	<b>32,960</b>
<b>Current liabilities</b>	<b>53,321</b>	<b>75,702</b>
<b>Total equity and liabilities</b>	<b>223,714</b>	<b>228,585</b>



**ANNEX 2**  
**Q1 2012 PROFIT AND LOSS STATEMENT**  
**TVK Group consolidated, unaudited figures according to IFRS (HUF million)**

Y 2011 (audited)		Q1 2011	Q1 2012	Change %
411,462	Net revenue	107,358	102,555	(4.5)
3,364	Other operating income	163	572	250.9
<b>414,826</b>	<b>Total operating income</b>	<b>107,521</b>	<b>103,127</b>	<b>(4.1)</b>
356,885	Material costs	91,763	97,213	5.9
15,462	Material type services	3,799	3,589	(5.5)
24,554	Cost of goods sold	6,097	6,624	8.6
399	Cost of services sold	127	46	(63.8)
<b>397,300</b>	<b>Raw materials and consumable used</b>	<b>101,786</b>	<b>107,472</b>	<b>5.6</b>
6,284	Wages and salaries	1,607	1,479	(8.0)
1,179	Other personnel expenses	345	369	7.0
1,941	Social security	507	450	(11.2)
<b>9,404</b>	<b>Personnel expenses</b>	<b>2,459</b>	<b>2,298</b>	<b>(6.5)</b>
<b>13,331</b>	<b>Depreciation, amortization and impairment</b>	<b>3,272</b>	<b>3,390</b>	<b>3.6</b>
<b>4,170</b>	<b>Other operating expenses</b>	<b>2,170</b>	<b>2,204</b>	<b>1.6</b>
<b>(2,092)</b>	<b>Change in inventory of finished goods and work in progress</b>	<b>(3,175)</b>	<b>(7,821)</b>	<b>(146.3)</b>
<b>(1,385)</b>	<b>Work performed by the enterprise and capitalised</b>	<b>(2)</b>	<b>(65)</b>	<b>-</b>
<b>420,728</b>	<b>Total operating expenses</b>	<b>106,510</b>	<b>107,478</b>	<b>0.9</b>
<b>(5,902)</b>	<b>Profit from operation</b>	<b>1,011</b>	<b>(4,351)</b>	<b>-</b>
276	Financial income	1,313	1,079	(17.8)
(5,257)	Financial expense	(491)	(433)	(11.8)
<b>(4,981)</b>	<b>Financial expenses, net</b>	<b>822</b>	<b>646</b>	<b>(21.4)</b>
0	Income from associates	0	0	-
<b>(10,883)</b>	<b>Profit before tax</b>	<b>1,833</b>	<b>(3,705)</b>	<b>-</b>
903	Income tax expense	347	116	(66.6)
(560)	Deferred tax	101	(807)	-
<b>(11,226)</b>	<b>Profit for the year</b>	<b>1,385</b>	<b>(3,014)</b>	<b>-</b>
<b>(11,226)</b>	<b>Profit attributable to equity holders of the parent</b>	<b>1,385</b>	<b>(3,014)</b>	<b>-</b>
0	Non(controlling interest)	0	0	-

**ANNEX 3**  
**BALANCE SHEET FOR THE PERIOD ENDED ON MARCH 31, 2012**  
**TVK Group consolidated, unaudited figures according to IFRS (HUF million)**

31.12.2011. (audited)		31.03.2011.	31.03.2012.	Change %
	<b>ASSETS</b>			
	<b>Non-current assets</b>			
2,351	Intangible assets	2,545	2,284	(10.3)
122,465	Property, plant and equipment	125,626	120,241	(4.3)
132	Investments in associated companies	132	132	0.0
238	Other non-current assets	202	237	17.3
<b>125,186</b>	<b>Total non-current assets</b>	<b>128,505</b>	<b>122,894</b>	<b>(4.4)</b>
	<b>Current assets</b>			
11,848	Inventories	12,990	20,272	56.1
50,881	Trade receivables, net	59,991	59,114	(1.5)
15,246	Other current assets	16,570	19,559	18.0
154	Prepaid taxes	2	453	-
5,715	Cash and cash equivalents	5,656	6,293	11.3
<b>83,844</b>	<b>Total current assets</b>	<b>95,209</b>	<b>105,691</b>	<b>11.0</b>
<b>209,030</b>	<b>TOTAL ASSETS</b>	<b>223,714</b>	<b>228,585</b>	<b>2.2</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity attributable to equity holders of the parent</b>			
24,534	Share capital	24,534	24,534	0.0
109,644	Reserves	111,656	98,403	(11.9)
(11,226)	Profit for the year attributable to equity holders of the parent	1,385	(3,014)	-
<b>122,952</b>	<b>Equity attributable to equity holders of the parent</b>	<b>137,575</b>	<b>119,923</b>	<b>(12.8)</b>
0	Non-controlling interest	0	0	-
<b>122,952</b>	<b>Total equity</b>	<b>137,575</b>	<b>119,923</b>	<b>(12.8)</b>
	<b>Non-current liabilities</b>			
16,248	Long-term debt, net of current portion	26,521	30,613	15.4
2,312	Provisions for liabilities and charges	2,305	2,288	(0.7)
862	Deferred tax liabilities	1,522	54	(96.5)
5	Other non-current liabilities	2,470	5	(99.8)
<b>19,427</b>	<b>Total non-current liabilities</b>	<b>32,818</b>	<b>32,960</b>	<b>0.4</b>
	<b>Current liabilities</b>			
58,411	Trade and other payables	52,015	63,758	22.6
0	Tax liabilities	0	0	-
458	Provisions	309	627	102.9
6,623	Short-term debt	53	10,199	-
1,159	Current portion of long term debt	944	1,118	18.4
<b>66,651</b>	<b>Total current liabilities</b>	<b>53,321</b>	<b>75,702</b>	<b>42.0</b>
<b>209,030</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>223,714</b>	<b>228,585</b>	<b>2.2</b>

**ANNEX 4**  
**CHANGES IN SHAREHOLDER'S EQUITY IN Q1 2012**  
**TVK Group consolidated, unaudited figures according to IFRS (HUF million)**

	Share capital	Retained earnings	Share premium	Translation reserve	Profit for the year attributable to equity holders of the parent	Non controlling interest	Total equity
<b>Opening balance 1 January 2011</b>	24,534	97,767	15,022	88	(1,170)	0	136,241
Transfer to reserves of retained profit for 2010	0	(1,170)	0	0	1,170	0	0
Translation reserve	0	0	0	(66)	0	0	(66)
Retained profit for the year of 2011	0	0	0	0	(11,226)	0	(11,226)
Other	0	(5)	0	0	0	0	(5)
Dividends	0	(1,992)	0	0	0	0	(1,992)
<b>Closing balance 31 December 2011</b>	24,534	94,600	15,022	22	(11,226)	0	122,952
Transfer to reserves of retained profit for 2011	0	(11,226)	0	0	11,226	0	0
Translation reserve	0	0	0	(15)	0	0	(15)
Retained profit for Q1 2012	0	0	0	0	(3,014)	0	(3,014)
Other	0	0	0	0	0	0	0
Dividends	0	0	0	0	0	0	0
<b>Closing balance 31 March 2012</b>	24,534	83,374	15,022	7	(3,014)	0	119,923

**ANNEX 5**  
**STATEMENT OF COMPREHENSIVE INCOME IN Q1 2012**  
**TVK Group consolidated, unaudited figures according to IFRS (HUF million)**

Statement of comprehensive income	31.03.2011.	31.03.2012.
<i>Profit for the year</i>	1,385	(3,014)
<i>Other comprehensive income</i>		
Exchange differences on translating foreign operations	(51)	(15)
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	(51)	(15)
<b>Total comprehensive income for the year</b>	1,334	(3,029)
<i>Attributable to:</i>	1,334	(3,029)
Equity holders of the parent	0	0
Non-controlling interest	1,385	(3,014)

**ANNEX 6**  
**CASH FLOW STATEMENT ON MARCH 31, 2012**  
**TVK Group consolidated, unaudited figures according to IFRS (HUF million)**

Description	31.03.2011.	31.03.2012.
<i>Profit before tax</i>	1,833	(3,705)
<i>Adjustments to reconcile profit before tax to net cash provided by operating activities</i>		
Depreciation, amortisation and impairment	3,272	3,390
Write-off of inventories, net	(118)	(485)
Increase/(decrease) in environmental provisions	39	36
Increase/(decrease) in other provisions	(140)	109
Net (gain)/loss on sale of property, plant and equipment	(3)	(362)
Profit on the sales of subsidiaries	0	(24)
Impairment of receivables	(3)	0
Unrealised foreign exchange (gain) / loss on trade receivables and trade payables	1,117	551
Interest income	(37)	(33)
Interest on borrowings	419	383
Net foreign exchange gain on foreign currency loan and other financial items	(1,076)	(914)
Other financial (gain)/ loss, net	(152)	(112)
<b>Operating cash flow before changes in working capital</b>	<b>5,151</b>	<b>(1,166)</b>
(Increase) /decrease in inventories	(2,736)	(7,939)
(Increase) /decrease in trade receivables	(11,301)	(8,552)
Increase /(decrease) in other payables	(2,082)	(4,302)
Increase /(decrease) in trade payables	2,498	6,067
Increase /(decrease) in other payables	(699)	1,010
<i>Income taxes paid</i>	(242)	(441)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>(9,411)</b>	<b>(15,323)</b>
Purchase of property, plant and equipment	(1,401)	(3,194)
Proceeds from disposals of property, plant and equipment	3	362
Net cash income from sales of a subsidiary	0	63
Changes in loans given and long-term bank deposits	(497)	(34)
Interest received and other financial income	35	32
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(1,860)</b>	<b>(2,770)</b>
Long term debt drawn down	12,706	15,276
Repayments of long-term debt	(179)	(24)
Changes in the other long-term liabilities	(1)	(1)
Changes of short-term debt	(274)	3,742
Interest paid and other financial costs	(340)	(323)
<b>NET CASH (USED IN) / PROVIDED BY FINANCING ACTIVITIES</b>	<b>11,912</b>	<b>18,671</b>
<b>INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>641</b>	<b>578</b>
Cash and cash equivalents at the beginning of the period	5,080	5,715
Cash and cash equivalents at the end of the period	5,721	6,293

**ANNEX 7  
CONSOLIDATED COMPANIES**

Name	Equity/ Registered Capital	Interest held (%)	Ratio of votes <sup>1</sup>	Classification <sup>2</sup>
TVK Ingatlankezelő Kft. (HUF thousand)	2,070,000	100.00%	L	L
TVK Erőmű Termelő és Szolgáltató Kft. (HUF thousand)	2,630,100	26.00%	T	L
TVK FRANCE S.a.r.l. (EUR)	76,225	100.00%	L	L
TVK Polska Spzoo (PLN thousand)	109	100.00%	L	L
TMM Tűzoltó és Műszaki Mentő Kft. (HUF thousand)	3,000	30.00%	T	T
Tisza-WTP Vízelőkészítő és Szolgáltató Kft. (HUF thousand)***	455 000	-	-	L
TVK UK Ltd. (GBP thousand) **	200	100.00%	L	L
TVK Ukrajna (UAH)*	-	-	-	-

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

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

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

\* Dissolution process begin on July 1, 2009

\*\* Company has been sold on March 26, 2012

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

**ANNEX 8  
MAJOR EXTERNAL FACTORS**

	Q1 2011	Q4 2011	Q1 2012	Change % Q1 2012/ Q1 2011	Change % Q1 2012/ Q4 2011
Naphtha FOB med USD/t	881	849	987	12.1	16.2
AGO 0.1 CIF med USD/t	886	948	995	12.3	4.9
Ethylene ICI's lor fd NEW contract EUR/t	1,147	1,097	1,215	5.9	10.8
Propylene ICI's lor fd NWE contract EUR/t	1,120	1,025	1,105	-1.3	7.8
LDPE Film ICI's lor fd NWE low EUR/t	1,434	1,053	1,259	-12.2	19.6
HDPE Film ICI's lor fd NWE low EUR/t	1,232	1,055	1,223	-0.7	15.9
HDPE Blow ICI's lor fd NWE low EUR/t	1,246	1,059	1,229	-1.4	16.0
PP Homo raffia ICI's lor fd NWE low EUR/t	1,336	1,058	1,218	-8.9	15.1
PP Homo Injection ICI's lor fd NWE low EUR/t	1,343	1,059	1,218	-9.3	14.9
PP Copolymer ICI's lor fd NWE low EUR/t	1,374	1,108	1,261	-8.2	13.8
EUR/HUF	272.45	303.51	296.73	8.9	-2.2
USD/HUF	199.38	225.33	226.20	13.5	0.4
EUR/USD	1.367	1.347	1.312	-4.0	-2.6

Note:

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

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

**ANNEX 9  
STRUCTURE OF OWNERSHIP - % AND TREASURY SHARES**

**Ownership Structure, Ratio of Holdings and Votes**

Description of owner	Total equity and Listed series					
	2012. 01. 01.			2012. 04. 17.		
	% <sup>2</sup>	% <sup>3</sup>	No of shares	% <sup>2</sup>	% <sup>3</sup>	No of shares
Domestic institution/company	88.10	88.10	21,401,032	87.51	87.51	21,257,791
Foreign institution/company	9.20	9.20	2,231,796	9.20	9.20	2,235,479
Domestic individual	1.29	1.29	314,443	1.36	1.36	331,322
Foreign individual	0.03	0.03	7,227	0.03	0.03	6,107
Treasury shares	-	-	-	0.00	0.00	0
Shares held by unidentified parties	1.38	1.38	336,345	1.90	1.90	460,144
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>24,290,843</b>	<b>100</b>	<b>100</b>	<b>24,290,843</b>

<sup>2</sup> Ownership ratio

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

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

	January 1	17 April
Corporate level	0	0
Subsidiaries	0	0
<b>Grand total</b>	<b>0</b>	<b>0</b>

**List and Description of Shareholders with more than 5% of the listed Series and of Equity total (on April 17, 2012)**

Name	Depository (yes/no)	Quantity (No. of shares)	Shareholding (%) (up to 2 decimal places)
MOL Hungarian Oil and Gas Public Limited Company	yes	21,083,142	86.79
Slovnaft, a.s.	yes	1,959,243	8.07

According to the Share Register, MOL Plc. shareholding in TVK Plc. is 86.79%. The stake of Slovnaft, a.s. (subsidiary of MOL Plc) is 8.07%. The direct and indirect influence of MOL Plc. in TVK Plc. is 94.86%.

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

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

**ANNEX 10  
EMPLOYEES**

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

	Reference Period Ended March 31, 2011	Year Opening January 1, 2011	Period Closing March 31, 2012
Corporate level	1,107	1,099	1,105
Group level	1,135	1,116	1,118

## ANNEX 11

## SENIOR OFFICERS AND STRATEGIC EMPLOYEES INFLUENCING THE OPERATIONS OF THE ISSUER

Type <sup>1</sup>	Name	Position	Beginning of assignment	End /termination/ term of assignment	Shares held (qty)
BoD	György Mosonyi	Chairman of the Board	26.04.2002	1704.2017	0
BoD	Gyula Gansperger	Board member	20.04.2006	20.04.2016	0
BoD	Dr. Péter Medgyessy	Board member	20.04.2006	20.04.2016	0
BoD	Dr. Zoltán Nagy	Board member	01.05.2011	30.04.2016	0
BoD	Miklós Kamarás	Board member	01.05.2011	30.04.2016	0
BoD	Ferenc Horváth	Board member	01.05.2011	30.04.2016	0
BoD	Zsolt Pethő	Board member	17.04.2012	17.04.2017	
SB	László Gyurovsky	SB chairperson	22.06.2007	17.04.2017	0
		SB member	19.04.2007	17.04.2017	
SB	Judit Turóczy	SB member	21.04.2011	20.04.2016	
SB	dr. Gyula Bakacsi	SB member	19.04.2007	17.04.2017	0
SB	dr. György Bíró	SB member	19.04.2007	17.04.2017	0
SB	László Réti	SB member, employee representative	29.04.2010	29.04.2015	0
SP	Zsolt Pethő	Chief Executive Officer	01.06.2011	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	Adrienn Ráczné Bodnár	Human Resources Manager	03.01.2012	Indefinite term	0

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

**Changes in company structure:**

As from May 3, 2012, in the organisation of TVK Plc. the accounting, booking and taxation activities, made in accordance with the Hungarian Accounting Law was terminated and these functions are performed by an external service provider.

**Changes in the senior management:**

As from January 3, 2012 TVK Plc's Human Resources Manager is Adrienn Ráczné Bodnár.

The AGM, hold on April 17, 2012, re-elected Mr. György Mosonyi, Chairman of the Board, commencing with the date of the AGM for a period of five years till the day of the annual ordinary general meeting in 2017, as a member of the Board of Directors of TVK Plc. THE AGM elected Mr. Zsolt Pethő, CEO of TVK Plc. as a new Board member a period of five years. The AGM re-elected Dr. Gyula Bakacsi, Dr. György Bíró Mr. László Gyurovsky as members of the Supervisory Board until the day of the annual ordinary general meeting in 2017, and also elected members of the Audit Committee.

**ANNEX 12  
REGULATED INFORMATION IN 2012**

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)).

Announcement date	Content
2 January, 2012	Extraordinary notice on change of the management (HR manager)
31 January, 2012	Number of voting rights at TVK Plc.
24 February, 2012	Report on the Full Year 2011 Result of TVK Group
29 February, 2012	Number of voting rights at TVK Plc.
14 March, 2012	Announcement by the Board of Directors of TVK Plc. on the convocation of the Company's Ordinary General Meeting in 2012
14 March, 2012	Remuneration statement - Remuneration of members of the Board of Directors and of the Supervisory Board in 2011 as cash and non-cash benefit.
27 March, 2012	Documents for the Annual General Meeting of TVK Plc. to be held on April 17, 2012
30 March, 2012	Number of voting rights at TVK Plc.
3 April, 2012	Extraordinary announcement on changes in the organisation
17 April, 2012	2012 Annual General Meeting resolutions of TVK Plc.
17 April, 2012	TVK Group Corporate Governance Report for 2011 in accordance with Budapest Stock Exchange Corporate Governance Recommendations
17 April, 2012	Annual Report of TVK Plc. prepared on the business year 2011
17 April, 2012	Summary report of TVK Plc. on the business year 2011
17 April, 2012	Financial Statements and Business Reports of TVK Plc. prepared on the business year 2011
2 May, 2012	Extraordinary announcement about signing a long term ethylene delivery contract
2 May, 2012	Number of voting rights at TVK Plc.



We the undersigned representatives authorized to sign on behalf of Tisza Chemical Group Public Limited Company (TVK Plc.), the issuer of TVK ordinary shares, hereby declare that TVK Plc. accepts full liability for having prepared the disclosed Interim Management Report on the first quarter of 2012 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, May 14, 2012

**Zsolt Pethő**  
Chief Executive Officer

**Gyula Hodossy**  
Chief Financial Officer,  
Deputy CEO