



TVK Group 2013 third quarter Interim Management Report

TVK GROUP 2013 THIRD QUARTER INTERIM MANAGEMENT REPORT

Tisza Chemical Group Public Limited Company (TVK Plc) (Reuters: TVKD.BU, website: www.tvk.hu) today announced its 2013 third quarter and Q3 interim management report. This report contains a set of unaudited interim condensed consolidated financial statements for the nine month period ended 30 September 2013 as prepared by the management in accordance with IFRS (International Financial reporting Standards) IAS 34 Interim Financial Reporting.

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TVK Plc.

MEMBER OF THE MOL GROUP

TVK Group financial results

Q2 2013	Q3 2013	Q3 2012 restated	YoY %	(IFRS) in HUF million	Q1-Q3 2012 restated	Q1-Q3 2013	YoY %
98,752	101,768	75,716	34	Net sales	274,293	297,773	9
7,209	8,109	(2,075)	n.a	EBITDA	(285)	21,079	n.a
3,859	4,727	(5,501)	n.a	Operating profit/loss (-)	(10,563)	10,892	n.a
(56)	(1,130)	456	n.a	Profit/loss of financial transactions (-)	2,302	(3,205)	n.a
2,656	2,570	(4,098)	n.a	Shareholder's net profit (loss)	(6,923)	5,247	n.a
1,726	6,125	586	n.a	Operating cash flow	(3,467)	7,851	n.a

Q2 2013	Q3 2013	Q3 2012 restated	YoY %	(IFRS) in EUR million	Q1-Q3 2012 restated	Q1-Q3 2013	Ch. %
333.9	341.5	267.4	28	Net sales	941.4	1,003.4	7
24.4	27.2	(7.3)	n.a	EBITDA	(1.0)	71.0	n.a
13.0	15.9	(19.4)	n.a	Operating profit/loss (-)	(36.3)	36.7	n.a
(0.2)	(3.8)	1.6	n.a	Profit/loss of financial transactions (-)	7.9	(10.8)	n.a
9.0	8.7	(14.5)	n.a	Shareholder's net profit (loss)	(23.8)	17.7	n.a
5.8	20.7	2.1	n.a	Operating cash flow	(11.9)	26.5	n.a

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

Mr Zsolt Pethő, TVK CEO commented:

„The results of the third quarter and nine months show that TVK is on the right track. Our profits have been improved significantly compared to the last year and to the years since 2008. Above all, this progress is a consequence of the favourably changing external business environment and the results of our own internal efficiency improvement programs. Among the external circumstances we can find both positive and negative factors, but their overall influence was positive on our profitability. Our efforts are more valuable as the market demand and the realised sales price level of our products are still standing at a moderate level. Accordingly, we continue implementing the MOL Downstream efficiency improvement program. These developments support TVK to maintain its profitability in a less favourable business environment.

The implementation of the butadiene extraction plant is going according to the planned schedule, which will contribute to the stabilization of our long term profitability. Foundation stone-laying ceremony was held on October 15, 2013. We will be able to keep the planned commissioning dates and the pilot production start-up from the beginning of 2015 and the commercial production from the second quarter of 2015, according to the actual schedule.

The strategic cooperation agreement, signed by MOL Group and Tiszaújváros Municipality on October 22, is an important factor to be able to reach our long term operational targets. This agreement creates more favourable circumstances to our ongoing and future developments. ”

In the third quarter of 2013, operating profit (EBIT) was HUF 1 billion higher than in the previous quarter due to the higher production and sales volumes, the lower price of main energy sources and the strengthening of Euro against US dollar. On the other hand, the unfavourable shift in the relative price performance of olefin feedstock and polymer products had negative influence on the operating profit.

In the first nine month of the year, the operating profit improved by HUF 21 million year-over-year and reached HUF 11 billion as a result of the higher integrated petrochemical margin, the favourable changes in the exchange rates and the higher production and sales volumes. The integrated petrochemical margin that is representing the profit generation capacity of the petrochemical sector raised by 27% mainly due to the decreasing naphtha quoted prices.

Major developments in Q1-Q3 2013:

- ▶ Foundation stone-laying ceremony of the **Butadiene-extraction Unit** was held on October 15, 2013. The Contractor (Lurgi/OTF consortium) continues the preparation of the detailed design and in September the landscaping and groundworks began. The related investments are ongoing as well, construction of the pipelines, the railway loading/unloading unit and the infrastructural connecting units are ongoing. The construction of the most important service unit, the C4/C5 separation, are in progress according to schedule. The implementation of the other service units are in different stages like construction (for example: cooling tower) or even further in engineering phase. The planned commercial operation is still feasible in the second quarter of 2015.
- ▶ **Capacity utilisation rate** in all producing plants of the company increased by 8.1 percentage points to 83.1% year-on-year, and it is still well above the same rate of our regional competitors. Both periods were characterised by moderated production due to the unfavourable polymer market demand circumstances. The main factors influencing the rate were the maintenance shutdown in Q2 2012, and the production shortfall of the LDPE-2 unit in Q1-Q3 2013. In the LDPE-2 plant the production started again on July 22, 2013.
- ▶ **Polymer production** increased by 9%, while our own produced **polymer sales** were higher by 11% year-on-year. Maintenance shutdown in 2012, hectic market demand kept the base period figures under pressure, while in 2013 the fell-out of the LDPE-2 limited the growth potential.
- ▶ HUF 1,241 million **realized exchange gain** and HUF 667 million **non-realized exchange loss** was recorded on **receivables and payables** settled in foreign currencies as a consequence of exchange rate fluctuation of HUF. In Q1-Q3 2012, realized loss was HUF 1,342 million and non-realized loss was HUF 367 million.
- ▶ The total of HUF 3,205 million loss from financial transactions include HUF 634 million **realized** and HUF 205 million **non-realized exchange loss** of currency credits and financial instruments settled in foreign currencies. We recorded HUF 1,101 million realized and HUF 1,446 million non-realized exchange rate gain in Q1-Q3 2012.
- ▶ In April 2013, TVK Plc. concluded a long term revolving credit contract of EUR 100 million with MOL Group Finance SA, at the same time former loan contract concluded with MOL Plc. has been withdrawn. The short term revolving credit facility of EUR 30 million has been renewed with MOL Plc. The **debt from these loans** amounted to HUF 26,864 million as of September 30, 2013; decreased by HUF 3,492 million compared to June 30, 2013.

Financial overview

Changes in accounting policies and estimates

There was no significant change in the accounting policy.

Profit and Loss Statement

Consolidated net sales amounted to HUF 297,773 million that is 9% higher than in Q1-Q3 2012, mainly due to the higher sales volume.

Other operating income was up by HUF 355 million (43%), mainly as a result of the HUF 574 million exchange gain booked on receivables and payables. In the first half of 2012 income was recorded from the sale of trading subsidiaries that did not occur in the reporting period.

TVK Plc. realized 48% of its sales revenues from **export sales**. Italy (15%), Poland (15%), Germany (15%), Ukraine (6%), Czech Republic (6%), Romania (4%), Austria (4%) and Slovakia (2%) represented the majority of export sales.

Raw material costs showed a 2% increase year-on-year. The higher volume of used olefin feedstock increased the costs, while the lower purchase price decreased it. At the same time the energy price grew. The energy costs increased due to the higher feedstock processed and as a consequence of the fact that while in 2012 we used a part of our own produced tar by heat production, in 2013 we sold it and used purchased natural gas for this sake.

Personnel expenses were down by 17%, in accordance with the lower headcount and due to the difference of provisions created and released.

Other operating costs and expenses were down by HUF 2,024 million (39%) compared to Q1-Q3 2012. This change is mainly due to that in Q1-Q3 2012 HUF 1,709 million exchange loss was recorded on account receivables and account payables, while we recorded HUF 574 million gain in Q1-Q3 2013. In Q1-Q3 2013 we released HUF 398 million from the amount of environmental provisions, exceeding the cost spent.

Change in inventory of finished goods and work in progress showed a decrease of HUF 3,176 million, compared to the HUF 2,259 million increase in Q1-Q3 2012. This is the reason of lower olefin and polymer stock level compared to December 2012 as a consequence of the more efficient current assets management and the prime cost also decreased due to the lower olefin feedstock price.

The group realized a **loss on financial operations** of HUF 3,205 million, compared to the profit of HUF 2,302 million in Q1-Q3 2012. HUF 3,386 million realized and non-realized exchange rate loss was generated during the revaluation of the loans and other assets received in foreign currency. Interests paid in the current period were higher by HUF 570 million compared to the prior period. In the last year, HUF 687 million gain was recorded on non hedging transaction, and HUF 383 million incurred on a successful collection of a loan, recorded as bad debt in the previous years, and these items did not occur in the actual period.

TVK Group **profit before tax** amounted to HUF 7,687 million showing a year-on-year increase of HUF 15,948 million. The **income tax** was HUF 2,060 million, deferred tax amounted to HUF 380 million. **Consolidated net gain** were HUF 5,247 million.

Balance sheet figures

The consolidated value of **non-current assets** decreased by 5% compared to December 31, 2012 due to the recognized depreciation.

The value of **current assets** went up by 6% compared to the beginning of the year. It includes 14% decrease in inventories, due to the lower inventory level of own produces olefin and polymer products compared to the beginning of the year, as well as the lower prime cost of Olefin Plant representing the lower naphtha price purchased. Accounts receivables was up by almost 14% compared to the value at the beginning of the year, caused mainly by the higher olefin and polymer volumes sold in the actual period and by the weakening of HUF against EUR. The value of other current assets decreased by 5% which is attributable mainly to the lower amount of VAT reclaims.

Long term debt, net of current portion grew by 17% compared to December 31, 2012. Long term loans grew by 20%.

The value of **current liabilities** decreased by 16%, compared to the beginning of the year, mainly as a result of the lower account payables, due to the feedstock purchase price decrease at the end of the period and to the rescheduled payment of the December end invoice of the feedstock supplier. At the same time short-term loans also reduced.

Cash flow

Operating cash outflow amounted to HUF 7,851 million and the EBITDA was HUF 21,079 million. The changes of trade receivables, inventories and suppliers altogether decreased the cash flow by HUF 15,996 million. The lower account payables is caused partially by the fact that at the end of Q1-Q3 2013 there was no rescheduled feedstock invoice that amounted to HUF 11,356 million in December 2012. Moreover this was affected by the higher polymer and olefin sales volume compared to the end of the east year, and the weakening of Hungarian forint against euro. The lower inventory is the consequence of the lower own produced olefin and polymer inventories compared to last December, and the lower prime cost of the Olefin Plants due to the naphtha price decrease.

Net cash provided by investing activities decreased the cash flow by HUF 6,528 million. Within this, investments decreased the cash flow by HUF 6,604 million, while cash flow was improved by HUF 377 million due to the sale of saved CO₂ quota.

Net cash from financial operations increased the cash flow by HUF 588 million in the period under review, mainly due to the new loans borrowed.

Headcount

The **total consolidated TVK headcount** was 972 full time employees as of September 30, 2013. The headcount decreased by 128 compared to the closing headcount on September 30, 2012, in accordance with the headcount rationalisation target of the announced efficiency improvement program.

Capital projects

The **total capital expenditure** of TVK Group amounted to HUF 4,019 million in the Q1-Q3 2013 period, including HUF 3,932 million expenditure, incurred at TVK Plc. In the first nine months, HUF 2,427 million was spent on the Butadiene Extraction Unit. The project implementation is progressing according the schedule.

Outlook/ expectations and major events for the period between September 30 and November 15, 2013

We expect heavily fluctuating market environment in the next quarter. If the positive tendencies of the third quarter will continue, we can maintain our favourable margin generation potential and the operating profit generation potential, consequently. In October, polymer production volume is expectedly to be lower than the third quarter average. As far as the product mix is concerned, the ratio of polypropylene products will slightly increase.

The foundation stone-laying ceremony of TVK's Butadiene Extraction Unit was held on October 15, 2013. This symbolic act proves that the MOL Group is committed to implement its investment program in Hungary. This HUF 35 billion investment plan – including incremental developments – is an important part of the program. During the one and half year construction, hundreds of people will be employed at the site by contractors and subcontractors. By the start up of commercial production from the second quarter in 2015, the TVK – and as well the MOL Downstream Division –profitability will improve by billions of HUF annually. The plant will create 32 new positions and it creates the possibility to start producing brand new products in the MOL Group by the extension of the petrochemical value chain.

On October 22, 2013 MOL Group and Tiszaújváros Municipality concluded a strategic cooperation agreement. As part of the industrial development strategy announced by Tiszaújváros, the municipality will support the future industrial investments in the administrative area with tax allowance. Therefore they will reduce the actual 2% rate of local business tax step by step in line with the implementation of the investments. The minimal tax was fixed at 1.3% rate. As the first stage, the tax rate will be reduced by 0.1% down to 1.9% from January 1, 2015. In addition, the Municipality will reduce the property-tax rate to 900 HUF/m².

Since October 1 in 2013, the activities of TVK's Information and Document Service department were outsourced. So, TVK will acquire these services in the future.

Tisza Chemical Group Public Limited Company and Subsidiaries

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

September 30, 2013

ANNEXES

Company name:	Tisza Chemical Group Public Limited Company	Phone: +36 49/522-377
Company address:	H-3581 Tiszaújváros, P.O.Box 20.	Fax: +36 49/521-903
Sector group:	Chemical industry, petrochemical	E-mail address: bki@tvk.hu
Reporting period:	Q1-Q3 2013	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-Q3 2012 restated	Q1-Q3 2013
Net revenue	274,293	297,773
Operating profit	(10,563)	10,892
Financial expenses, net	2,302	(3,205)
Profit before tax	(8,261)	7,687
Profit for the year	(6,923)	5,247

Key Balance Sheet figures

	Q1-Q3 2012 restated	Q1-Q3 2013
Non-current assets	124,834	117,555
Intangible assets	2,089	1,960
Property, plant and equipment	121,227	113,986
Invested financial assets*	1,518	1,609
Current assets	79,663	98,338
Inventories	14,647	14,955
Total assets	204,497	215,893
Equity attributable to equity holders of the parent	116,015	120,630
Share capital	24,534	24,534
Non-current liabilities	31,291	37,184
Current liabilities	57,191	58,079
Total equity and liabilities	204,497	215,893

* Contains deferred tax receivables also.

ANNEX 2
INTERIM CONSOLIDATED INCOME STATEMENTS FOR TVK GROUP
prepared in accordance with IFRS
for the period ended 30 September 2013
unaudited figures (in HUF million)

FY 2012 audited restated		Q3 2012 restated	Q3 2013	Change %	Q1-Q3 2012 restated	Q1-Q3 2013	Change %
374,584	Net revenue	75,716	101,768	34.4	274,293	297,773	8.6
2,192	Other operating income	50	440	780.0	823	1,178	43.1
376,776	Total operating revenues	75,766	102,208	34.9	275,116	298,951	8.7
328,544	Material costs	68,468	84,364	23.2	239,128	243,418	1.8
13,595	Material type services	3,264	3,788	16.1	10,147	10,884	7.3
21,678	Cost of goods sold	4,980	3,921	(21.3)	17,746	11,818	(33.4)
167	Cost of services sold	13	9	(30.8)	95	88	(7.4)
363,984	Raw materials and consumable used	76,725	92,082	20.0	267,116	266,208	(0.3)
9,482	Personnel expenses	2,642	1,923	(27.2)	7,229	6,011	(16.8)
13,836	Depreciation, amortization and impairment	3,426	3,382	(1.3)	10,278	10,187	(0.9)
6,474	Other operating expenses	1,267	1,019	(19.6)	5,136	3,112	(39.4)
(4,699)	Change in inventory of finished goods and work in progress	(2,258)	(798)	(64.7)	(2,259)	3,176	-
(2,092)	Work performed by the enterprise and capitalised	(535)	(127)	(76.3)	(1,821)	(635)	(65.1)
386,985	Total operating expenses	81,267	97,481	20.0	285,679	288,059	0.8
(10,209)	Profit from operation	(5,501)	4,727	-	(10,563)	10,892	-
2,943	Financial income	928	16	(98.3)	3,741	57	(98.5)
1,991	Financial expense	472	1,146	142.8	1,439	3,262	126.7
952	Financial /expense) / gain, net	456	(1,130)	-	2,302	(3,205)	-
0	Income from associates	0	0	-	0	0	-
(9,257)	Profit before tax	(5,045)	3,597	-	(8,261)	7,687	-
(1,678)	Income tax expense	(947)	1,027	-	(1,338)	2,440	-
(7,579)	Profit for the period	(4,098)	2,570	-	(6,923)	5,247	-
(7,579)	Profit attributable to equity holders of the parent	(4,098)	2,570	-	(6,923)	5,247	-
0	Non-controlling interest	0	0	-	0	0	-

ANNEX 3
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR TVK GROUP
prepared in accordance with IFRS
for the period ended 30 September 2013
unaudited figures (in HUF million)

Statement of comprehensive income	Q1-Q3 2012 restated	Q1-Q3 2013
Profit for the year	(6,923)	5,247
Other comprehensive income		
Exchange differences on translating foreign operations	(19)	(12)
Actuarial gain /(loss) on provisions for retirement benefit obligations, net of tax	5	8
Other comprehensive income for the year, net of tax	(14)	(4)
Total comprehensive income for the year	(6,937)	5,243
<i>Attributable to:</i>		
Equity holders of the parent	(6,937)	5,243
Non-controlling interest	0	0

ANNEX 4
OTHER FACTORS AND COSTS INFLUENCING PROFIT AND LOSS STATEMENT DATA
 prepared in accordance with IFRS
 for the period ended 30 September 2013
 unaudited figures (in HUF million)

Factors influencing product sales of TVK Plc.
Q1-Q3 2013 – Q1-Q3 2012 (HUF million)

	Effect of variance in price	Effect of variance in exchange rates	Effect of variance in volume	Total
Olefin	(3,880)	928	6,256	3,304
LDPE	8	314	(9,376)	(9,054)
HDPE	(2,395)	1,870	23,561	23,036
PP	554	1,333	4,446	6,333
Total	(5,713)	4,445	24,887	23,619

Distribution of TVK Group sales incomes by production units Q1-Q3 2013 (HUF million)

	Domestic sales	Export sales	Total sales
Olefin	97,889	7,946	105,835
LDPE	4,410	3,455	7,865
HDPE	9,270	93,652	102,922
PP	32,698	42,176	74,874
Income from other business activities	9,449	253	9,702
Effect of consolidation	(3,482)	57	(3,425)
Total	150,234	147,539	297,773

Variances in key feedstock costs incurred by TVK Plc.
Q1-Q3 2013 – Q1-Q3 2012 (HUF million)

	Effect of variance in price	Effect of variance in exchange rates	Effect of variance in volume	Total
Naphtha and light hydrocarbons in total	(12,786)	(1,225)	14,371	360
Gas oil	0	0	3,986	3,986
Chemical feedstock in total	(12,786)	(1,225)	18,357	4,346

ANNEX 5
INTERIM CONSOLIDATED BALANCE SHEETS FOR TVK GROUP
prepared in accordance with IFRS
for the period ended 30 September 2013
unaudited figures (in HUF million)

31.12.2012. audited restated		30.09.2012. restated	30.09.2013.	Change %
ASSETS				
123,573	Non-current assets	124,834	117,555	(5.8)
2,194	Intangible assets	2,089	1,960	(6.2)
119,643	Property, plant and equipment	121,227	113,986	(6.0)
132	Investments in associated companies	132	0	-
1,603	Deferred tax asset	1,166	1,223	4.9
1	Other non-current assets	220	386	75.5
92,760	Current assets	79,663	98,338	23.4
17,461	Inventories	14,647	14,955	2.1
49,683	Trade receivables, net	44,972	56,872	26.5
222	Securities	0	229	-
18,819	Other current assets	14,420	17,913	24.2
135	Prepaid taxes	0	6	-
6,440	Cash and cash equivalents	5,624	8,363	48.7
216,333	TOTAL ASSETS	204,497	215,893	5.6
EQUITY AND LIABILITIES				
115,387	Equity attributable to equity holders of the parent	116,015	120,630	4.0
24,534	Share capital	24,534	24,534	0.0
98,432	Reserves	98,404	90,849	(7.7)
(7,579)	Profit for the year attributable to equity holders of the parent	(6,923)	5,247	-
115,387	Equity attributable to equity holders of the parent	116,015	120,630	4.0
0	Non-controlling interest	0	0	-
31,724	Non-current liabilities	31,291	37,184	18.8
29,265	Long-term debt, net of current portion	28,821	35,018	21.5
2,422	Provisions	2,452	2,128	(13.2)
0	Deferred tax liabilities	0	0	-
37	Other non-current liabilities	18	38	111.1
69,222	Current liabilities	57,191	58,079	1.6
58,667	Trade and other payables	50,828	49,578	(2.5)
0	Current taxes payable	19	1,519	7,894.7
1,373	Provisions	856	469	(45.2)
8,030	Short-term debt	4,382	5,273	20.3
1,152	Current portion of long-term debt	1,106	1,240	12.1
216,333	TOTAL EQUITY AND LIABILITIES	204,497	215,893	5.6

Significant Off-Balance Sheet Items¹

None.

¹ 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 6
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR TVK GROUP
 prepared in accordance with IFRS
 for the period ended 30 September 2013
 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
Opening balance 1 January 2012	24,534	15,022	22	94,600	(11,226)	0	122,952
Retained profit of the reporting period	-	-	-	-	(6,923)	-	(6,923)
Other comprehensive income of the reporting period together with tax effect	-	-	(19)	5	-	-	(14)
Total comprehensive income of the reporting period	-	-	(19)	5	(6,923)	-	(6,937)
Transfer of retained profit of the previous period	-	-	-	(11,226)	11,226	-	-
Dividend paid to shareholders	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Closing balance 30 September 2012	24,534	15,022	3	83,379	(6,923)	0	116,015
Opening balance 1 January 2013	24,534	15,022	17	83,393	(7,579)	0	115,387
Retained profit of the reporting period	-	-	-	-	5,247	-	5,247
Other comprehensive income of the reporting period together with tax effect	-	-	(12)	8	-	-	(4)
Total comprehensive income of the reporting period	-	-	(12)	8	5,247	-	5,243
Transfer of retained profit of the previous period	-	-	-	(7,579)	7,579	-	-
Dividend paid to shareholders	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Closing balance 30 September 2013	24,534	15,022	5	75,822	5,247	0	120,630

ANNEX 7
INTERIM CONSOLIDATED STATEMENTS CASH FLOWS FOR TVK GROUP
prepared in accordance with IFRS
for the period ended 30 September 2013
unaudited figures (in HUF million)

FY 2012 audited restated	Description	Q1-Q3 2012 restated	Q1-Q3 2013
(9,257)	Profit before tax	(8,261)	7,687
	<i>Adjustments to reconcile profit before tax to net cash provided by operating activities</i>		
13,836	Depreciation, amortisation and impairment	10,278	10,187
(546)	Write(off (reversal of write(off) of inventories, net	(351)	99
1,045	Increase/(decrease) in provisions	543	(1,192)
(1,797)	Net (gain)/loss on sale of property, plant and equipment	(520)	(378)
45	Impairment / reversal of write(off) of receivables	34	33
(82)	Unrealised foreign exchange (gain) / loss on trade receivables and trade payables	368	668
(24)	Profit on the sales of subsidiaries	(24)	-
(138)	Interest income	(107)	(47)
1,785	Interest on borrowings	1,281	1,875
(1,520)	Net foreign exchange (gain) / loss on foreign currency loan and other financial items	(2,317)	1,148
(1,218)	Other financial (gain)/ loss, net	(1,263)	148
272	Other non cash items	(1)	548
2,401	Operating cash flow before changes in working capital	(340)	20,776
(5,067)	(Increase) / decrease in inventories	(2,448)	2,406
1,248	(Increase) / decrease in trade receivables	5,197	(8,148)
(3,622)	(Increase) / decrease in other current assets	740	1,197
5,746	Increase / (decrease) in trade payables	(6,983)	(10,254)
(1,517)	Increase / (decrease) in other payables	910	2,286
(794)	Income taxes paid	(543)	(412)
(1,605)	Net cash provided (used in) by operating activities	(3,467)	7,851
(11,693)	Capital expenditures	(9,212)	(6,604)
1,846	Proceeds from disposals of property, plant and equipment	569	589
63	Net cash income from sales of a subsidiaries and associated companies	63	11
(2,222)	Changes in loans given and long(term bank deposits	608	(580)
151	Interest received and other financial income	110	56
-	- Dividend received	-	-
(11,855)	Net cash flows used in investing activities	(7,862)	(6,528)
31,622	Long term debt drawn down	28,087	28,805
(16,397)	Repayments of long(term debt	(12,844)	(23,196)
33	Changes in other long(term liabilities	14	1
872	Changes of short(term debt	(2,422)	(3,406)
(1,881)	Interest paid and other financial costs	(1,524)	(1,616)
14,249	Net cash (used in) / provided by financing activities	11,311	588
789	Increase / (decrease) in cash and cash equivalents	(18)	1,911
5,715	Cash and cash equivalents at the beginning of the period	5,715	6,440
1	Exchange differences of cash and cash equivalents of consolidated foreign subsidiaries	(13)	3
(65)	Unrealized foreign exchange difference on cash and cash equivalents	(60)	9
6,440	Cash and cash equivalents at the end of the period	5,624	8,363

ANNEX 8
CONSOLIDATED COMPANIES

Name	Equity/ Registered Capital	Interest held (%)	Ratio of votes ¹	Classification ²
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
Tisza-WTP Vízelőkészítő és Szolgáltató Kft. (HUF thousand)*	455,000	-	-	L
TMM Tűzoltó és Műszaki Mentő Kft. (HUF thousand)**	-	-	-	-

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

² Full (L); Jointly managed (K); Associated (T)

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

* Non-participating business with full consolidation.

** The company was sold on June 18, 2013

ANNEX 9
MAJOR EXTERNAL FACTORS

	Q3 2012	Q1-Q3 2012	Q2 2013	Q3 2013	Q1-Q3 2013	Ch. % Q3 2013/ Q3 2012	Ch. % Q3 2013/ Q2 2013	Ch. % Q1-Q3 2013/ Q1-Q3 2012
Naphtha FOB med USD/t	885	909	804	881	866	(0.4%)	9.6%	(4.7%)
AGO 0.1 CIF med USD/t	948	956	872	932	922	(1.6%)	6.9%	(3.6%)
Ethylene ICI's lor fd NEW contract EUR/t	1,170	1,225	1,200	1,213	1,235	3.7%	1.1%	0.8%
Propylene ICI's lor fd NWE contract EUR/t	1,050	1,116	1,057	1,093	1,088	4.1%	3.5%	(2.5%)
LDPE Film ICI's lor fd NWE low EUR/t	1,267	1,254	1,241	1,337	1,297	5.5%	7.7%	3.4%
HDPE Film ICI's lor fd NWE low EUR/t	1,264	1,249	1,196	1,237	1,249	(2.2%)	3.4%	0.0%
HDPE Blow ICI's lor fd NWE low EUR/t	1,277	1,256	1,197	1,235	1,247	(3.3%)	3.2%	(0.7%)
PP Homo raffia ICI's lor fd NWE low EUR/t	1,194	1,209	1,186	1,252	1,220	4.9%	5.6%	0.9%
PP Homo Injection ICI's lor fd NWE low EUR/t	1,195	1,210	1,187	1,252	1,221	4.8%	5.5%	0.9%
PP Copolymer ICI's lor fd NWE low EUR/t	1,246	1,258	1,224	1,285	1,255	3.1%	5.0%	(0.3%)
EUR/HUF	283	291	296	298	297	5.2%	0.7%	1.8%
USD/HUF	226	227	226	225	225	(0.6%)	(0.6%)	(0.9%)
EUR/USD	1.252	1.282	1.306	1.324	1.317	5.8%	1.4%	2.7%
Integrated petrochemical margin	260	249	332	309	317	18.9%	(6.9%)	27.6%

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

ANNEX 10
STRUCTURE OF OWNERSHIP AND TREASURY SHARES

Description of owner	Total equity and Listed series			
	31.12.2012.		30.09.2013.	
	Ownership and Voting rights %	No of shares	Ownership and Voting rights %	No of shares
MOL Magyar Olaj- és Gázipari Nyilvánosan Működő Részvénytársaság	94.86	23,042,385	94.86	23,042,385
Other domestic institution/company	1.07	259,092	1.11	269,973
Foreign institution/company	1.13	275,353	1.12	273,679
Domestic individual	1.21	294,718	1.15	279,223
Foreign individual	0.02	4,571	0.02	4,065
Treasury shares	-	-	-	-
Shares held by unidentified parties	1.71	414,724	1.74	421,518
TOTAL	100.00	24,290,843	100.00	24,290,843

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 11
EMPLOYEES

Changes in the Number of Full Time Employees

	Reference Period Ended September 30, 2012	Year Opening January 1, 2013	Period Closing September 30, 2013
Corporate level	1,094	1,036	966
Group level	1,100	1,042	972

ANNEX 12
CHANGES IN ORGANISATION AND SENIOR MANAGEMENT

Changes in the organisational structure of the Company:

As from October 1, 2013, TVK's Information and Document Service department operative activities were outsourced to the Top Shared Corporate Services Kft. (Top SCS).

ANNEX 13
REGULATED INFORMATION IN 2013

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

Announcement date	Content
2 January, 2013	Extraordinary announcement on change in the top management (Petrochemical Technology and Project Development Manager)
2 January, 2013	Number of voting rights at TVK Plc.
31 January, 2013	Number of voting rights at TVK Plc.
7 February, 2013	Extraordinary announcement on change in the top management (Polymer Marketing and Sales Manager)
26 February, 2013	Report on the Full Year 2012 Result of TVK Group
28 February, 2013	Number of voting rights at TVK Plc.
14 March, 2013	Announcement by the Board of Directors of TVK Plc. on the convocation of the Company's Ordinary General Meeting in 2013
14 March, 2013	Remuneration statement - Remuneration of members of the Board of Directors and of the Supervisory Board in 2012 as cash and non-cash benefit.
27 March, 2013	Documents for the Annual General Meeting of TVK Plc. to be held on April 18, 2013
2 April, 2013	Number of voting rights at TVK Plc.
18 April, 2013	2013 Annual General Meeting resolutions of TVK Plc.
18 April, 2013	TVK Group Corporate Governance Report for 2012 in accordance with Budapest Stock Exchange Corporate Governance Recommendations
18 April, 2013	Annual Report of TVK Plc. prepared on the business year 2012
18 April, 2013	Summary report of TVK Plc. on the business year 2012
30 April, 2013	Number of voting rights at TVK Plc.
2 May, 2013	Financial Statements and Business Reports of TVK Plc. prepared on the business year 2012
May 14, 2013	Interim Management Report on the first quarter of 2013 of TVK Group
May 28, 2013	Articles of Association of TVK Plc. (18.04.2013.)
May 31, 2013	Number of voting rights at TVK Plc.
July 1, 2013	Number of voting rights at TVK Plc.
July 31, 2013	Number of voting rights at TVK Plc.
August 13, 2013	2013 first half report of TVK Group
September 2, 2013	Number of voting rights at TVK Plc.
September 2, 2013	Extraordinary announcement on change in the top management (Polymer Marketing and Sales Manager)
September 30, 2013	Number of voting rights at TVK Plc.
October 31, 2013	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 third quarter 2013 Interim Management Report 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, November 14, 2013

Zsolt Pethő
Chief Executive Officer

Balázs Sándor
Chief Financial Officer,
Deputy CEO