

INTERIM MANAGEMENT REPORT ON Q1-3 2011 OF TVK GROUP

Tisza Chemical Group Public Limited Company (TVK Plc) (Reuters: TVKD.BU, website: www.tvk.hu) has published its results for the Q1-3 of 2011 today. The data presented in the TVK Plc's Q1-3 2011 interim management report are not audited and should not be treated as final. The term „TVK Group level data” is used in this flash report to refer to the figures of TVK Plc and its affiliates consolidated in line with the International Financial Reporting Standards (IFRS). 7 subsidiaries, 1 affiliated business and 1 non-participating business were fully consolidated while 1 business was consolidated by the equity method.

TVK Group Financial Overview

	Q2 2011 (M HUF)	Q3 2011 (M HUF)	Q3 2010 (M HUF)	Var %	Q1-3 2010 (M HUF)	Q1-3 2011 (M HUF)	Var %
Net sales	109,873	97,235	97,477	(0.2)	270,035	314,466	16,5
EBITDA	5,350	907	5,671	(84.0)	14,033	10,516	(25,1)
Operating profit/loss (-)	2,063	(2,407)	2,407	-	4,357	643	(85,2)
Profit/loss of financial transactions (-)	(631)	(2,919)	314	-	(2,121)	(2,704)	(27.5)
Shareholder's net profit (loss)	890	(5,056)	1,953	-	1,364	-2,781	-
Operating cash flow	2,866	5,242	2,819	86.0	7,343	-1,327	-

	Q2 2011 (M EUR)	Q3 2011 (M EUR)	Q3 2010 (M EUR)	Var %	Q1-3 2010 (M EUR)	Q1-3 2011 (M EUR)	Var %
Net sales	412.5	353.7	345.1	2.5	981.1	1,159.2	18.2
EBITDA	20.1	3.3	20.1	(83.6)	51.0	38.8	(24.0)
Operating profit/loss (-)	7.7	(8.8)	8.5	-	15.8	2.4	(85.0)
Profit/loss of financial transactions (-)	(2.4)	(10.6)	1.1	-	(7.7)	(10.0)	(29.3)
Shareholder's net profit (loss)	3.3	(18.4)	6.9	-	5.0	(10.3)	-
Operating cash flow	10.8	19.1	10.0	91.1	26.7	(4.9)	-

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

The **operating profit achieved in the 3rd quarter** of 2011 was HUF 4.5 billion lower than in the previous quarter mainly due to the external economic environment changes. Besides the slightly decrease of the naphtha quoted prices and the higher decrease in polymer quoted prices US dollar strengthened against Euro. The reduced production and sales volumes, the higher energy prices and the more energy use due to the shutdowns and restarts at the plants had also a negative impact on the profit; however the changes in the payables/receivables exchange rate had a positive impact.

The decline of the **operating profit in Q1-3 2011** as opposed to the same period of the year before was the result of the unfavourable changes of the integrated petrochemical margin and the olefin by-products, and the significant rose of the energy prices and the transportation fees. The higher production and sales volumes partially compensated the negative effects.

- ▶ **Overall capacity utilization** in Q3 showed a downturn of almost 6 percentage points since Q2 2011 due to the deteriorating market circumstances and the breakdowns. Capacity utilization in Q1-3 2011 showed a year on year increase of over 3 percentage points mainly because there was planned turnaround at several plants in Q2 2010.
- ▶ **Polymer production and sales** were 3% and 4%, respectively, lower than in the previous quarter and were 3% and 1%, respectively, higher in Q1-3 2011 than in the same period of the previous year. Regarding the composition of the polymer sales, ration of polypropylene was up by 2% and that of HDPE was down by the same degree.
- ▶ As regards the sales and purchases in foreign currency in Q1-3 2011, **HUF 501 million realized exchange loss on receivables and payables and HUF 1,027 million non-realized exchange gain was booked** due to the fluctuation of the HUF rate (it was an exchange gain of HUF 644 million in the same period of previous year).
- ▶ The loss of HUF 2,704 million on financial operations includes **realized exchange gain of HUF 186 million and non-realized exchange loss of HUF 1,433 million**. **TVK Group realized a net loss of HUF 2,781 million** in the first three quarter of 2011, it was HUF 4,145 million down compared to the Q1-3 2011.
- ▶ As September 30, 2011 the **debt** from the short and long term loan of the parent company amounted to **EUR 45 million**, increased EUR 13 million compared to the amount on September 30, 2010, and decreased by EUR 27 million compared to June 30, 2011 (the amount on December 31, 2010 was EUR 16 million).
- ▶ In the **negative amount of 1,327 million HUF of the operating cash flow** the positive EBITDA is offset by the accounts receivable and inventories together of -9,398 million. AR increased due to the higher sales prices and the increased olefin products sold. The quantity of self-manufactured stocks

was increased from the extremely low level at the end of the year in order to improve the service offered to clients: the quantitative effect thereof amounts to HUF 5,158 million. The inventory conversion ratio of polymer products continues to be favourable.

CEO of TVK Plc., Pethő Zsolt, emphasized:

"The currency crisis and the related recessionary expectations typical of euro zone influenced our performance in Q3 substantially. The integrated petrochemical margin ratio, which indicates the margin generation capacity of the business – calculated based on the quoted prices and exchange rates - plummeted to a historical low point, and was close to or a little below the record values of June 2008 during all months of the quarter, resulting in significant loss for the company. West-European polymer processing customers shortened their orders from the formerly normal 2-3 months; therefore we must increase our inventories to meet their demands. As a result, our working capital grew and our cash flow went down."

Operating environment

A comparison of Q1-3 2011 to Q1-3 2010 shows a rise of 10% in LDPE average quoted prices, 19-21% in case of HDPE and 11-13% in case of polypropylene prices (ICI's lor fd NWE). The price (FOB med) of a ton of naphtha went up by almost 40% to average USD 925 during the first nine months of the year. The HUF/EUR rate and the HUF/USD rate rose by almost 1% and 8%, respectively, while the EUR/USD cross rate weakened by 7%. As the result of this, the average integrated petrochemical margin decreased by 10% in HUF terms and by 8% in EUR terms in Q1-3 2011 as compared to Q1-3 2010. Exchange rate changes had an altogether positive impact on TVK Group level operating profits in the period under review.

A comparison of Q3 2011 to Q2 2011 shows a drop of 17% in the average LDPE prices, 11% in case of HDPE and 12-15% 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 decreased by 3%. HUF depreciated by 5% against the USD and by 3% against the EUR, however EUR strengthened against the dollar by 2%. The afore-mentioned factors decreased the integrated petrochemical margin by 39% in EUR terms and 37% in HUF terms compared to the previous quarter.

Financial overview

Profit and Loss Statement

In the first three quarter of 2011, the **total TVK Group level operating income** hiked by 16% year on year compared to the same period of the previous year and totalled at HUF 315,633 million. Within this, the **other operating income** dived only by HUF 7 million to HUF 1,167 million since the basis period. Within other operating income, the income of exchange rate difference of the accounts payable and receivable was down by HUF 118 million, furthermore the income from the CO₂ quota sale reduced by HUF 291 million, while the default interest and compensation received was HUF 372 million higher.

In Q1-3 2011, the **consolidated TVK Group level net sales** amounted to HUF 314,466 million that is HUF 44,431 million more than in the first nine months of 2010 due to the higher prices and sales quantities which was moderated by the impact of exchange rate fluctuations.

**Factors influencing product sales of TVK Plc,
Q1-3 2011 – Q1-3 2010 (million HUF)**

	Effect of variance in price	Effect of variance in exchange rates	Effect of variance in volume	Total
Olefin	22,130	(3,851)	7,282	25,561
LDPE	2,327	(303)	(117)	1,907
HDPE	15,792	(1,194)	(2,268)	12,330
PP	10,195	(1,106)	4,238	13,327
Total	50,444	(6,454)	9,135	53,125

In Q1-3 2011 TVK Plc. realized 49% of its sales revenues from **export sales**. Italy (17%), Germany (16%), Poland (15%), Czech Republic (9%), Slovakia (6%), Austria (5%) represented the majority of export sales.

Distribution of TVK Group sales incomes by production units, Q1-3 2011 (million HUF)

	Domestic sales	Export sales	Total sales
Olefin	100,969	12,346	113,315
LDPE	8,632	12,186	20,818
HDPE	9,950	90,209	100,159
PP	33,496	40,317	73,813
Income from other business activities	8,566	88	8,654
Effect of consolidation	(2,961)	668	(2,293)
Total	158,652	155,814	314,466

TVK Group raw material costs increased by HUF 51,486 million (23%) to HUF 271,802 million year on year mainly due to naphtha cost increase; in addition, energy costs also went up. The higher costs reflect the radical rise of the quoted price of feedstock used for monomer production furthermore the larger quantity of the feedstock processed which were mitigated by the strengthening of the forint against the dollar. Energy costs hiked by 15%, mainly as a result of the increased price of steam, electric energy and natural gas.

**Variances in key feedstock costs incurred by TVK Plc,
Q1-3 2011 – Q1-3 2010 (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	13,612	54,478	(14,463)	53,627
Gas oil	(10,189)	5,826	(503)	(4,866)
Chemical feedstock in total	3,423	60,304	(14,966)	48,761

Value of material type services used increased by HUF 480 million (4%), within this the freight and warehousing costs grew by HUF 330 million due to the higher fuel prices and the increased quantities sold with delivered parity. Maintenance costs went up by HUF 295 million; however the amount spent on, among other things, commission fees, information technology services and on business trips decreased.

Cost of goods sold hiked by 109% because of the increased quantity and price of tar and ethylene purchased and sold. At the same time, the variance in exchange rates had a decreasing effect on the purchase value. This increase in the costs was offset by the sales revenues.

The drop of 97% in **mediated services** reflects the reduction of the income from the energy services mediated by TVK Erőmű Kft.

TVK group level **personnel expenses** was down by HUF 122 million (2%) despite the salary increase, due to the staff reduction and the variance of the accrual of bonuses and wages.

Depreciation, amortization and impairment increased by 2% due to the surplus depreciation accounted on the renovation works realized during the turnaround in the previous year.

Other operating expenses was up by HUF 246 million (8%); the most important element of this increase is the HUF 241 million higher environment clean-up expenses. Furthermore, tax payables booked as expenses rose by HUF 105 million; at the same time the regulatory fees, bank expenses, public sanitation fee, insurance fee and educational costs decreased.

Change in inventory of finished goods and work in progress increased by HUF 5,674 million in Q1-3 2011. The level of olefin and polymer inventories was very low in December 2010 and inventory building in this year has aimed at providing better services to the clients. Altogether HUF 509 million depreciation was accounted at the end of June because of the polymer goods the prime cost of which was higher than the expected sales price. This year, until the end of September inventory write-offs and rebooking balance was HUF 423 million.

The **Group level consolidated operating profit** (EBIT) amounted to HUF 643 million in the first nine months of 2011 showing a decrease of 85% compared to the operating profit of HUF 4,357 million realized in Q1-3 2010.

Compared to the loss of HUF 2,121 million in Q1-3 2010, the group realized a **loss on financial operations** of HUF 2,704 million in the first three quarter of 2011. The financial revenues of the group decreased by HUF 46 million in the reporting period compared to the same period of the previous year mainly because of the lower amount of the interest incomes. Financial expenses rose by HUF 537 million mainly because HUF 886 million more realized exchange rate gain and HUF 1,204 million more non-realized exchange loss was generated during the revaluation of the loans and other assets received in foreign currency. Interest expenses grew by HUF 424 million due to the higher loan amount, while the discount due to the payment period dropped by HUF 170 million.

In Q1-3 2011 TVK Group **profit before tax** amounted to a loss of HUF 2,061 million showing a year on year decrease of HUF 4,298 million. The **income tax expenses** were HUF 805 million, deferred tax amounted to a negative amount of HUF 85 million. **Consolidated net loss** totalled at HUF 2,781 million.

Balance Sheet figures

The value of the **total assets** of TVK Group as at September 30, 2011 stood at HUF 216,763 million.

The consolidated value of **non-current assets** amounted to HUF 124,090 million as at September 30, 2011, 7% lower than on September 30, 2010 mainly due to the lower value - attributable to recognized depreciation - of tangible and intangible assets.

The value of **current assets** went up by 11% to HUF 92,673 million including a 61% year on year increase in inventories. The growth is basically due to the up-valuation (resulting from the growing feedstock prices) of the inventory of the self-manufactured olefin and polymer finished products and of the olefin feedstock purchased furthermore to the increased quantity of polymer stocks. The higher selling prices explain the increase of 3% in accounts receivable since the end of September 2010. The value of other current assets surged by 15% which is attributable mainly to the fact that the amount of VAT reclaim went up considerably. The drop in tax receivables is explained by the fact that paid but reclaimable corporate tax was HUF 114 million more than reported on September 30, 2010.

Shareholder's equity amounted to HUF 131,460 million on September 30, 2011, reflecting a drop of 5% since September 30, 2010. The decrease is attributable to the variance in the value of the profit/loss after taxation furthermore to the paid dividend and to the balance sheet loss realized in 2010 and reported in the profit reserve.

The portfolio of **long term debt, net of current portion** decreased by HUF 1,338 million (7%) year on year, mainly because the HUF 1,013 million which was falling due within the year was transferred to the short term loans and to the fact that HUF 626 million realized and HUF 1,390 million non-realized exchange gain was booked in the period. The change in the loan construction also had a decreasing effect because TVK Plc. did not have short term loan facilities at the end of September 2010 only long term ones. In 2011, the loan portfolio is divided between long and short term loans.

Deferred tax liabilities shows a year on year drop of HUF 2,186 million (62%). The decrease is attributable to the lower tax rate resulting from the regulations.

The portfolio of **other non-current liabilities** decreased by HUF 1,779 million (39%) as 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 27% to HUF 59,906 million from September 30, 2010 to September 30, 2011. The growth reflects mainly the increase of accounts payable and of other liabilities furthermore of short term loans. Within this, the higher amount of accounts payable reflects the price increase of purchased olefin feedstock in September compared to September 2010, however the quantity of the purchased feedstock reduced. Other liabilities rose due to the transfer of the part of the long term liabilities due within the year to the short term liabilities. The change in the loan construction also had an increasing effect on the short term loans because the TVK Plc. did not have short term loan facilities at the end of September 2010. The increased working capital and the dividend payment triggered the growth of the short term loan portfolio.

Significant Off-Balance Sheet Items and contingency liabilities

Capital and contractual commitments - The total value of capital commitments as of September 30, 2011 was HUF 2,870 million, which is fully attributable to TVK Plc.

Cash flow

Based on the group level cash flow statement of TVK dated September 30, 2011 **liquid assets** have increased by HUF 1,165 million since the beginning of the year.

Operating cash flow amounted to minus HUF 1,327 million. EBITDA increased the cash flow by HUF 10,516 million, while the changes in working capital (inventories, trade accounts receivable and payable, other receivables and other liabilities altogether) decreased the cash flow by HUF 10,544 million. The cash flow deteriorating effect of the changes in the inventory follows from the fact that the inventory of self-manufactured olefin and polymer products grew, and the olefin feedstock prices – which determine the inventory value – increased. The growth of closing inventories at the end of the period was the result of the fact that the level of polymer inventories - which was extremely low at the end of 2010 - was increased so that we could provide better service to the clients. The reason of the increase of accounts receivable was that olefin products sold at the end of Q3 2011 increased and the sales prices of olefin and polymer products were higher than in Q4 2010. At the same time, the quantity of polymer sales decreased. It led to the growth of the accounts payable that the price and volumes of purchased olefin feedstock in September 2011 was higher than in December 2010. The reduction in volume of the non-feedstock suppliers had a decreasing effect as most suppliers sent the invoices at the end of the year and then the inventory reduced back to the normal level during the year. The increase of other receivables reflects mainly the growth of VAT receivables. Other short term liabilities grew due to the changes in the balance of accrued costs. Taxes paid against the profit/loss further reduced the cash flow by HUF 809 million. The adjustment due to the non-cash effects included in the EBIT reduced the operating cash flow by HUF 490 million. Within this, the unrealized exchange gain on payables/ receivables, the impairment of inventories and receivables, the change of provisions and the sale of CO₂ emission quota amounted to HUF -1,027 million, HUF 450 million, HUF 175 million and -73 million, respectively.

Net cash provided by investing activities decreased the cash flow by HUF 2,078 million, within this the revolving facility repaid by MOL Plc. increased and the amounts disbursed to the suppliers reduced the cash flow by HUF 693 million by HUF 2,980 million, respectively. The interests received and the sale of tangible assets improved the cash flow by altogether HUF 203 million; the CO₂ quota sale represents HUF 73 million within this.

Net cash from financial operations increased the cash flow by HUF 4,570 million in the examined period mainly due to the revolving loan granted by MOL Plc. At the same time, the disbursement of dividends in the amount of HUF 1,991 million decreased the cash flow.

Headcount

As at September 30, 2011 the total consolidated headcount of TVK included 1,156 full time employees or 10 persons less than the closing headcount on September 30, 2010. The reason behind the reduction was mainly related to the more efficient employment of the staff at the mother company because instead of recruiting new employees to replace a part of those leaving due to early retirement and old age pension the performance of the tasks was ensured by reorganizing the fields of work.

Capital projects

In Q1-3 2011 the total capital expenditure of TVK group amounted to HUF 2,211 million - an amount of HUF 2,189 million of which is due to expenditure incurred by the parent company. Within this HUF 1,620 was spent on sustain capex and HUF 569 million on individual projects.

Outlook /expectations for the period after September 30, 2011

The quoted price of naphtha starts to decrease in October compared to the average figure of Q3, at the same time the quoted price of polymers continued to decrease; consequently the average integrated petrochemical margin in October may stay near at the current record low levels. Polymer processing companies are waiting for their purchase; therefore we are not expecting significant increases in orders. Our Company uses this period, that can be characterised by cutting production back, to accomplish cleaning and maintenance works – that needs breakdowns - at some plants. As regards the composition of production, the proportion of HDPE types will decrease temporarily.

We calculate with a slightly improving but typically low petrochemical margin in the fourth quarter. We expect lower production and sale quantities.

Tisza Chemical Group Public Limited Company and Subsidiaries

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

30 September, 2011

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: Q1-3 2011

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	Yes	No		
Audited	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Consolidated	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Accounting principles		Hungarian <input type="checkbox"/>	IFRS <input checked="" type="checkbox"/>	Other
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

	Q1-3 2010	Q1-3 2011
Net sales	270,035	314,466
Operating profit (EBIT)	4,357	643
Net income from financial activities	(2,121)	(2,704)
Profit before tax	2,237	(2,061)
Profit after tax	1,364	(2,781)

Key Balance Sheet figures

	30.09.2010.	30.09.2011.
Fixed assets	132,651	124,090
Intangible assets	2,698	2,373
Tangible assets	129,636	121,377
Invested financial assets	317	340
Current assets	83,804	92,673
Inventory	9,709	15,673
Total assets	216,455	216,763
Shareholders' equity	138,772	131,460
Share capital	24,534	24,534
Long-term liabilities	30,538	25,397
Short-term liabilities	47,145	59,906
Total liabilities and shareholders' equity	216,455	216,763

ANNEX 2
Q1-3 2011 PROFIT AND LOSS STATEMENT
TVK Group consolidated, unaudited figures according to IFRS (HUF million)

Year 2010 audited		Q3 2010	Q3 2011	Change %	Q1-3 2010	Q1-3 2011	Change %
365,185	Net Sales	97,477	97,235	(0,2)	270,035	314,466	16.5
2,279	Other operating income	(345)	831	-	1,174	1,167	(0.6)
367,464	Total operating income	97,132	98,066	1,0	271,209	315,633	16.4
299,332	Raw material costs	76,944	88,903	15,5	220,316	271,802	23.4
14,742	Value of material type services used	3,927	3,620	(7,8)	10,852	11,332	4.4
14,786	Cost of goods sold	3,629	5,587	54,0	8,374	17,530	109.3
13,290	Mediated services	2,786	59	(97,9)	9,636	257	(97.3)
342,150	Raw materials and consumable used	87,286	98,169	12,5	249,178	300,921	20.8
6,590	Wages	1,596	1,513	(5,2)	4,905	4,701	(4.2)
1,081	HR related disbursements	303	268	(11,6)	779	875	12.3
1,975	Wage benefits	473	437	(7,6)	1,459	1,445	(1.0)
9,646	Personnel expenses	2,372	2,218	(6,5)	7,143	7,021	(1.7)
13,012	Depreciation, amortization and impairment	3,264	3,314	1,5	9,676	9,873	2.0
4,474	Other operating expenses	1,188	(209)	-	3,054	3,300	8.1
(1,461)	Change in inventory of finished goods and work in progress	664	(2,730)	-	(1,460)	(5,674)	(288.6)
(1,044)	Work performed by the enterprise and capitalised	(49)	(289)	(489,8)	(739)	(451)	39.0
366,777	Total operating expenses	94,725	100,473	6,1	266,852	314,990	18.0
687	Operating profit, EBIT	2,407	(2,407)	-	4,357	643	(85.2)
225	Financial income	58	(1,072)	-	165	119	(27.9)
(2,919)	Financial expense	256	(1,847)	-	(2,286)	(2,823)	23.5
(2,694)	Net financial profit/(loss)	314	(2,919)	-	(2,121)	(2,704)	(27.5)
18	Gain/(Loss) from associates	0	0	-	1	0	-
(1,989)	Profit before tax	2,721	(5,326)	-	2,237	(2,061)	-
1,307	Income tax expense	415	110	(73,5)	898	805	(10.4)
(2,126)	Deferred tax	353	(380)	-	(25)	(85)	(240.0)
(1,170)	Net income for the period	1,953	(5,056)	-	1,364	(2,781)	-
(1,170)	Net income attributable to equity holders of the parent	1,953	(5,056)	-	1,364	(2,781)	-
0	Minority interest	0	0	-	0	0	-

ANNEX 3
BALANCE SHEET FOR THE PERIOD ENDED ON SEPTEMBER 30, 2011
TVK Group consolidated, unaudited figures according to IFRS (HUF million)

31.12.2010 audited		30.09.2010.	30.09.2011.	Change %
ASSETS				
Non-current assets				
2,648	Intangible assets	2,698	2,373	(12.0)
128,480	Property, plant and equipment	129,636	121,377	(6.4)
132	Investments in associates	114	132	15.8
202	Other non-current assets	203	208	2.5
131,462	Total Non-current assets	132,651	124,090	(6.5)
Current assets				
10,136	Inventories	9,709	15,673	61.4
49,942	Trade receivables, net	53,141	54,527	2.6
13,945	Other current assets	13,996	16,075	14.9
107	Tax receivables	225	111	(50.7)
5,080	Cash and cash equivalents	6,733	6,287	(6.6)
79,210	Total Current assets	83,804	92,673	10.6
210,672	TOTAL ASSETS	216,455	216,763	0.1
EQUITY AND LIABILITIES				
Shareholders equity				
24,534	Share capital	24,534	24,534	0.0
112,877	Reserves	112,874	109,707	(2.8)
(1,170)	Net income attributable to equity holders of the parent	1,364	(2,781)	-
136,241	Equity attributable to equity holders of the parent	138,772	131,460	(5.3)
0	Minority interest	0	0	-
136,241	Total Shareholders equity	138,772	131,460	(5.3)
Non-current liabilities				
15,191	Long-term debt, net of current portion	20,118	18,780	(6.7)
2,321	Provisions for liabilities and charges	2,336	2,498	6.9
1,421	Deferred tax liabilities	3,522	1,336	(62.1)
2,558	Other non-current liabilities	4,562	2,783	(39.0)
21,491	Total Non-current liabilities	30,538	25,397	(16.8)
Current liabilities				
51,271	Trade and other payables	45,773	53,381	16.6
0	Tax liabilities	0	0	-
407	Provisions for liabilities and charges	302	494	63.6
286	Short-term debt	113	4,961	4 290.3
976	Short term part of long term debts	957	1,070	11.8
52,940	Total Current liabilities	47,145	59,906	27.1
210,672	TOTAL EQUITY AND LIABILITIES	216,455	216,763	0.1

ANNEX 4
CHANGES IN SHAREHOLDER'S EQUITY IN Q1-3 2011
 TVK Group consolidated, unaudited figures according to IFRS (HUF million)

	Share capital	Retained earnings	Share premium	Revaluation difference	Net income attributable to equity holders of the parent	Minority interest	Shareholders' equity
Opening balance on January 1, 2010	24,534	106,959	15,022	64	(9,192)	0	137,387
Transfer of 2009 profits	0	(9,192)	0	0	9,192	0	0
Revaluation difference	0	0	0	24	0	0	24
Reclassification of negative goodwill	0	0	0	0	0	0	0
Year 2010 profits	0	0	0	0	(1,170)	0	(1,170)
Change due to dividend payment	0	0	0	0	0	0	0
Balance on December 31, 2010	24,534	97,767	15,022	88	(1,170)	0	136,241
Transfer of 2010 profits	0	(1,170)	0	0	1,170	0	0
Revaluation difference	0	0	0	(3)	0	0	(3)
Profit of Q1-3 2011	0	0	0	0	(2,781)	0	(2,781)
Other	0	(5)	0	0	0	0	(5)
Change due to dividend payment	0	(1,992)	0	0	0	0	(1,992)
Closing balance on September 30, 2011	24,534	94,600	15,022	85	(2,781)	0	131,460

ANNEX 5
STATEMENT OF COMPREHENSIVE INCOME IN Q1-3 2011
 TVK Group consolidated, unaudited figures according to IFRS (HUF million)

Statement of comprehensive income	30.09.2010.	30.09.2011.
<i>Profit for the year</i>	1,364	-2,781
<i>Other comprehensive income</i>		
Exchange differences on translating foreign operations	21	-3
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	21	-3
Total comprehensive income for the year	1,385	-2,784
<i>Total comprehensive income attributable to:</i>	1,385	-2,784
Equity holders of the parent	0	0
Non-controlling interest	1,364	-2,781

ANNEX 6
CASH FLOW STATEMENT ON SEPTEMBER 30, 2011
TVK Group consolidated, unaudited figures according to IFRS (HUF million)

Description	30.09.2010.	30.09.2011.
<i>Profit before tax</i>	2,237	(2,061)
<i>Adjustments to reconcile profit before tax to net cash provided by operating activities</i>		
Depreciation and impairment	9,676	9,873
Write-off of inventories	16	423
Increase / (Decrease) in environmental provisions	103	327
Increase / (Decrease) in other provisions	(74)	(73)
Loss/ (Profit) on the sale of tangible assets	(426)	(88)
Write-off of receivables	5	27
Unrealised foreign exchange (gain) / loss on receivables and payables	470	(1,027)
Interest income	(143)	(102)
Interest on borrowings	1,018	1,442
Net foreign exchange gain on excluding foreign exchange differences on receivables and payables	929	1,247
Other financial gain, loss, net	204	38
Share of net (profit) / loss of associates	(1)	0
<i>Operating cash flow before changes in working capital and paid taxes</i>	14,014	10,026
Increase /decrease in inventories	(1,973)	(5,960)
Increase /decrease in trade accounts receivable	(10,247)	(3,438)
(Increase) /decrease in other receivables	(1,589)	(2,877)
Increase /(decrease) in trade accounts payable	2,581	1,331
Increase in other current liabilities	2,732	400
<i>Income taxes paid</i>	1,825	(809)
NET CASH PROVIDED BY OPERATING ACTIVITIES	7,343	(1,327)
Purchase of property, plant and equipments	(6,007)	(2,980)
Proceeds from disposals of fixed assets	451	92
Loans and long-term bank deposits provided	975	699
Increase / (decrease) in short term investments	0	0
Cash provided by sale, termination financial investments	1	0
Interest received and other financial income	148	111
Dividend received	0	0
NET CASH PROVIDED BY INVESTING ACTIVITIES	(4,432)	(2,078)
Proceeds from issue of new debts	30,338	17,862
Repayments of long-term debt	(38,701)	(14,258)
Changes in the other long-term liabilities	2	(1)
Changes of short-term debts	6,706	3,758
Other long-term liabilities	(1,499)	(795)
Interest paid and other financial costs	0	(1,991)
Dividends paid to minority interest and payment on liquidation	0	(5)
NET CASH PROVIDED BY (AND DISBURSED FOR) FINANCING OPERATIONS	(3,154)	4,570
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	(243)	1,165
Opening value of cash and cash equivalents	6,942	5,080
Closing value of cash and cash equivalents	6,699	6,245

**ANNEX 7
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 Inter-Chemol GmbH (EUR thousand)	165	100.00%	L	L
TVK UK Ltd. (GBP thousand) *	200	100.00%	L	L
TVK Italia S.r.l. (EUR thousand)	100	100.00%	L	L
TVK FRANCE S.a.r.l. (EUR)	76,225	100.00%	L	L
TVK Ukrajna (UAH)	33,996	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)***	2,070,000	100.00%	L	L

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.

* Dissolution process begin on July 1, 2009

** Non-participating business with full consolidation.

**ANNEX 8
MAJOR EXTERNAL FACTORS**

	Q3 2010	Q1-3 2010	Q2 2011	Q3 2011	Q1-3 2011	Ch (%) Q3 2011/ Q3 2010	Ch (%) Q3 2011/ Q2 2011	Ch (%) Q1-3 2011/ Q1-3 2010
Naphtha FOB med USD/t	635	663	962	932	925	46.7	(3.2)	39.5
AGO 0.1 CIF med USD/t	655	656	965	948	933	44.8	(1.8)	42.3
Ethylene ICI's lor fd NEW contract EUR/t	949	943	1,207	1,108	1,154	16.7	(8.1)	22.3
Propylene ICI's lor fd NWE contract EUR/t	949	934	1,220	1,108	1,149	16.7	(9.2)	23.1
LDPE Film ICI's lor fd NWE low EUR/t	1,224	1,187	1,356	1,129	1,306	(7.8)	(16.8)	10.0
HDPE Film ICI's lor fd NWE low EUR/t	984	998	1,240	1,108	1,193	12.6	(10.7)	19.5
HDPE Blow ICI's lor fd NWE low EUR/t	1,003	997	1,254	1,118	1,206	11.5	(10.8)	21.0
PP Homo raffia ICI's lor fd NWE low EUR/t	1,169	1,138	1,323	1,120	1,260	(4.2)	(15.4)	10.7
PP Homo Injection ICI's lor fd NWE low EUR/t	1,177	1,141	1,342	1,171	1,285	(0.5)	(12.8)	12.6
PP Copolymer ICI's lor fd NWE low EUR/t	1,260	1,198	1,393	1,223	1,330	(3.0)	(12.2)	11.0
EUR/HUF	282,44	275,14	266,31	274,83	271,19	(2.7)	3.2	(1.4)
USD/HUF	218,74	209,58	184,92	194,59	192,96	(11.0)	5.2	(7.9)
EUR/USD	1,291	1,317	1,440	1,413	1,407	9.5	(1.8)	6.9

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					
	Year opening (January 1, 2011)			Period closing (September 30, 2011)		
	% ²	% ³		% ²	% ³	
Domestic institution/company	89.30	89.30	21,690,707	89.32	89.32	21,697,064
Foreign institution/company	9.21	9.21	2,237,133	9.20	9.20	2,234,767
Domestic individual	1.19	1.19	288,245	1.44	1.44	350,299
Foreign individual	0.02	0.02	6,190	0.03	0.03	7,324
Treasury shares	-	-	-	-	-	-
Shares held by unidentified parties	0.28	0.28	68,568	0.01	0.01	1,389
TOTAL	100	100	24,290,843	100	100	24,290,843

² Ownership ratio

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

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

	January 1	31 March	16 April	30 June	30 September
Corporate level	0	0	0	0	0
Subsidiaries	0	0	0	0	0
Grand total	0	0	0	0	0

List and Description of Shareholders with more than 5% of the listed Series and of Equity total (on September 30, 2011)

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 September 30, 2010	Year Opening January 1, 2011	Period Closing September 30, 2011
Corporate level	1,138	1,112	1,129
Group level	1,166	1,140	1,156

ANNEX 11

SENIOR OFFICERS AND STRATEGIC EMPLOYEES INFLUENCING THE OPERATIONS OF THE ISSUER

Type ¹	Name	Position	Beginning of assignment	End /termination/ term of assignment	Shares held (qty)
BoD	György Mosonyi	Chairman of the Board	26.04.2002	19.04.2012	0
BoD	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	Árpád Olvasó	Deputy Chairman of the Board	29.08.2000	31.05.2011	0
BoD	Michel-Marc Delcommune	Board member	03.11.2000	30.04.2011	0
BoD	József Molnár	Board member	20.04.2001	30.04.2011	0
BoD	Vratko Kassovic	Board member	28.04.2005	30.04.2011	0
SB	László Gyurovszky	SB chairperson	22.06.2007	19.04.2012	0
		SB member	19.04.2007	19.04.2012	
SB	Judit Turóczy	SB member	21.04.2011	20.04.2016	
SB	dr. Gyula Bakacsi	SB member	19.04.2007	19.04.2012	0
SB	dr. György Bíró	SB member	19.04.2007	19.04.2012	0
SB	László Réti	SB member, employee representative	29.04.2010	29.04.2015	0
SB	Tamás Magyar	SB deputy chair	22.06.2007	20.04.2011	0
		SB member, employee representative	20.04.2001	20.04.2011	
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	Tamás Péntes	Human Resources Manager	01.07.2004	Indefinite term	0
SP	Árpád Olvasó	Chief Executive Officer	01.07.2003	31.05.2011	0

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

During the third quarter of 2011 there was no significant change in company structure.

During the third quarter of 2011 there was no significant change in the senior management.

As of 30 April, 2011, Mr. József Molnár, Mr. Michel-Marc Delcommune and Mr. Vratko Kassovic, the members of the Board of Directors resigned from membership. The GM elected dr. Péter Medgyessy and Gyula Gansperger for a period of five (5) years – but latest till the day of the annual ordinary general meeting in 2016 – commencing with 21 April 2011 as a member of the Board of Directors of TVK Plc. GM elected Zoltán dr. Nagy, Miklós Kamarás and Ferenc Horváth for a period of five (5) years – but latest till the day of the annual ordinary general meeting in 2016 – commencing with 1 May 2011 as a member of the Board of Directors of TVK Plc. The GM elected Judit Turóczy the employee of TVK Plc. for a period of five (5) years – but latest till the day of the annual ordinary general meeting in 2016 – commencing with 21 April 2011 as a member of the Supervisory Board of TVK Plc.

Árpád Olvasó resigned as of 31st of May, 2011 as TVK Plc's Chief Executive Officer and as member of the Board of Directors. As of 1st of June, 2011 Zsolt Pethő is the Chief Executive Officer of TVK Plc.

**ANNEX 1
REGULATED INFORMATION IN 2011**

Announcement date	Content
31 January, 2011	Number of voting rights at TVK Plc.
15 February, 2011	Report on the Full Year 2010 Result of TVK Group
28 February, 2011	Number of voting rights at TVK Plc.
11 March, 2011	Announcement by the Board of Directors of TVK Plc. on the convocation of the Company's Ordinary General Meeting in 2011
24 March, 2011	Documents for the Annual General Meeting of TVK Plc. to be held on April 14, 2011
31 March, 2011	Number of voting rights at TVK Plc.
4 April, 2011	Nomination of the employees' representative member of the Supervisory Board
12 April, 2011	Change in the resolution proposal to Item 2 of the Agenda of the AGM documents
14 April, 2011	2011 Annual General Meeting resolutions of TVK Plc.
14 April, 2011	TVK Group Corporate Governance Report in accordance with Budapest Stock Exchange Corporate Governance Recommendations
14 April, 2011	Annual Report, Financial Statements and Business Reports of TVK Plc. prepared on the business year 2010
2 May, 2011	Number of voting rights at TVK Plc.
2 May, 2011	Summary report of TVK Plc. on the business year 2010
18 May, 2011	Dividend announcement of the Board of Directors of TVK Plc. - Dividends for the 2010 financial year
19 May, 2011	Interim Management Report on Q1 2011 of TVK Group
20 May, 2011	Extraordinary announcement about change in management
23 May, 2011	Extraordinary announcement about change in member of Board of Directors
31 May, 2011	Number of voting rights at TVK Plc.
30 June, 2011	Number of voting rights at TVK Plc.
1 August, 2011	Number of voting rights at TVK Plc.
16 August, 2011	TVK Group Half Year Report for H1 2011
29 August, 2011	Breakdown at TVK due to electrical failure
31 August, 2011	Number of voting rights at TVK Plc.
30 September, 2011	Announcement on change in Investor Relations Contact
30 September, 2011	Number of voting rights at TVK Plc.

INTERIM MANAGEMENT REPORT ON Q1-3 2011 OF TVK GROUP

We the undersigned representatives authorized to sign on behalf of Tisza Chemical Group Public Limited Company (TVK Plc.), the issuer of TVK ordinary shares, hereby declare that TVK Plc. accepts full liability for having prepared the disclosed Interim Management Report for Q1-3 2011 results on the basis of the applicable accounting standards and to the best knowledge of the company, and it offers a true and fair picture of the assets, liabilities, financial position, profits and losses of TVK Plc. (and its consolidated businesses); and the reliable account of the position, development and performance of TVK Plc. (and its consolidated businesses) through a description of key risks and factors of uncertainty.

Tiszaújváros, November 14, 2011

Zsolt Pethő
Chief Executive Officer

Gyula Hodossy
Chief Financial Officer,
Deputy CEO