



# Report on the full year 2013 results of TVK Group

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

## REPORT ON THE FULL YEAR 2013 RESULT OF TVK GROUP

Tisza Chemical Group Public Limited Company (TVK Plc.) (Reuters: TVKD.BU, website: www.tvk.hu) today announced its fourth quarter and full year 2013 financial report. This report contains a set of unaudited, consolidated financial statements for the year ended 31 December 2013 as prepared by the management in accordance with IFRS (International Financial reporting Standards).

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**TVK Plc.**

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## TVK Group financial results

Q3 2013 restated	Q4 2013	Q4 2012 restated	YoY %	IFRS, in HUF million	year 2012 restated	year 2013	YoY %
101,768	104,719	100,291	4	Net sales	374,584	402,492	7
7,724	3,753	3,443	9	EBITDA	4,867	24,258	398
<b>4,342</b>	<b>411</b>	<b>(115)</b>	-	<b>Operating profit/loss (-)</b>	<b>(8,969)</b>	<b>10,729</b>	-
(745)	(410)	(881)	(53)	Profit/loss of financial transactions (-)	(288)	(3,041)	956
<b>2,570</b>	<b>381</b>	<b>(656)</b>	-	<b>Shareholder's net profit (loss)</b>	<b>(7,579)</b>	<b>5,628</b>	-
9,318	8,919	1,862	379	Operating cash flow	(1,605)	16,770	-

Q3 2013 restated	Q4 2013	Q4 2012 restated	YoY %	IFRS, in EUR million	year 2012 restated	year 2013	YoY %
341.6	351.9	354.2	(1)	Net sales	1,294.3	1,355.6	5
25.9	12.6	12.2	3	EBITDA	16.8	81.7	386
<b>14.6</b>	<b>1.4</b>	<b>(0.4)</b>	-	<b>Operating profit/loss (-)</b>	<b>(31.0)</b>	<b>36.1</b>	-
(2.5)	(1.4)	(3.1)	(55)	Profit/loss of financial transactions (-)	(1.0)	(10.2)	920
<b>8.6</b>	<b>1.3</b>	<b>(2.3)</b>	-	<b>Shareholder's net profit (loss)</b>	<b>(26.2)</b>	<b>19.0</b>	-
31.3	30.0	6.6	355	Operating cash flow	(5.5)	56.5	-

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

Note: Since December 2013, foreign exchange differences on trade debtors and creditors were reclassified from operating results to financial results. According to this, profits of the comparative periods Q3 2013 and whole year of 2012 were restated.

### Mr. Zsolt Pethő, TVK CEO commented:

„I am glad to report, that TVK reached considerable profit after tax in the year of 2013. The good results are due to many factors. During the whole year, external market environment effects had positive influence on our profitability, from which maybe the near 20% growth of the integrated petrochemical margin is worth to emphasize. The successful execution of our internal efficiency improvement programs, started in 2012, also assisted significantly our very good performance. Our results are more valuable regarding that despite of the favourable external environment, market demand are still not as stable as it was before 2008.

Considering the near future, the most important element of the further improvement of our profit is that the implementation of the Butadiene-extraction unit is going according to the planned schedule, and from 2015, it will significantly contribute to the profitability improvement of TVK.

We expect a slightly improving external environment in Q1 2014, based on the data of first one and a half months, which predicts further profitable performance for the company. For the long-term maintenance of this profitability we will consequently implement our efficiency improvement projects.”

**In the fourth quarter of 2013, operating profit (EBIT) was HUF 3.9 billion lower than in the previous quarter.** The decrease in operating profit is primary due to the unfavourable changes of feedstock and polymer product price compared to each other. At the same time the lower price of used energy sources and the strengthening of Euro against US dollar had a positive influence on the operating profit. Change of production and sales volumes had no relevant impact during the compared periods.

**The HUF 10.7 billion operating profit reached in the year of 2013 improved by HUF 20 billion year-over-year.** The main factors supporting the increase were as follows: the higher production and sales volumes, the more favourable integrated petrochemical margin and the better price ratio of olefin by-products and feedstock. Profitability was improved by the favourable, profit increasing effect of changes in the exchange rates and the better performance due to the efficiency-improving projects. The integrated petrochemical margin, representing the profit generation capacity of the industrial sector raised by 19% mainly due to the decreasing naphtha quoted prices and the 3% strengthening of Euro against US dollar.

## Major developments in the year of 2013:

- ▶ We are going on as scheduled with the implementation of our **Butadiene-extraction unit**. In the frame of the related investments sub- projects the C4/C5 fraction separation unit was built, the railway feeding and hobber unit was reconstructed, and now the trial run is going on. The building of pipeline and engineering sub projects are in the final stage. All work phase is going on as scheduled, and the planned commercial operation is still feasible in the end of May, 2015.
- ▶ **Capacity unitisation rate** in all producing plants of the company increased by 5.3 percentage points to 83.4% year-on-year. Both periods were characterised by moderated production due to the external environment, the polymer market demand circumstances, and the feedstock supply optimisation. The main factors influencing this rate were: the maintenance shutdown in Q2 2012, and the production shortfall of the LDPE-2 unit in H1 2013 due to a fire accident. All plants operated during the whole year except the planned and other breakdowns.
- ▶ **Polymer production volume** increased by 4%, while our own produced **polymer sales** were higher by 8% year-on-year. Maintenance shutdown in 2012, hectic market demand kept the Y2012 figures under pressure, while in 2013 the fall-out of the LDPE-2 limited the growth potential.
- ▶ HUF 1,152 million **realized exchange gain** and HUF 564 million **non-realized exchange loss** was recorded on **receivables and payables** settled in foreign currencies. In the year of 2012, realized loss was HUF 1,322 million and non-realized gain was HUF 82 million.
- ▶ Due to the strengthening of the euro, HUF 970 million **realized loss** and HUF 13 million **non-realized exchange gain** were booked of currency credits and financial instruments settled in foreign currencies. We recorded HUF 1,268 million realized and HUF 444 million non-realized exchange gain in Y2012.
- ▶ **The debt** from the MOL Group loans decreased in the fourth quarter. Loan borrowed from MOL Group Finance SA decreased by HUF 3,407 million, revolving loan borrowed from MOL Nyrt. decreased by HUF 1.2 million. At the same time, the Company borrowed an export pre-financing loan with EUR 10 million credit limit, with favourable interest rates. Besides the credit conditions, the company's credit position also improved in absolute value.
- ▶ In the fourth quarter of 2013, some consolidated companies' **registered capital had been changed**. Capital of TVK Ingatlankezelő Kft. decreased to HUF 1,620 million, that of TVK Erőmű Termelő és Szolgáltató Kft. decreased to HUF 2,218.4 million, while the capital of Tisza-WTP Vízelőkészítő és Szolgáltató Kft. was decreased to HUF 405 million.

## *Financial overview*

### *Changes in accounting policies and estimates*

Obligatory changes in IFRS, effective from 1 January 2013, were adopted by the Group for the purposes of this Report.

The Group applies IAS 19 Employee Benefit (revised 2011) effective from 1 January 2013. According to the revised standard unvested past service costs are now recognised in profit or loss at the earlier of when the amendment occurs or when the related restructuring or termination costs are recognised. Until 2012, the Group's unvested past service costs were recognised as an expense on a straight-line basis over the average period until the benefits become vested. Furthermore the re-measurement components of the defined benefit obligation are now recognised as an item of Other comprehensive income and they cannot be recycled to the income statement, where they were recognised until 2012.

The Group elected to reclassify foreign exchange differences on trade debtors and creditors from operating results to financial results since the Group believes that with this amendment operating results more effectively demonstrate the core business performance. Comparative periods are restated, the impact of the amendment on operating results were HUF (588) million and HUF 1,240 million in 2013 and 2012, respectively.

## ***Profit and Loss Statement***

**Consolidated net sales** amounted to HUF 402,492 million that is 8% higher than in the last year, mainly due to the higher sales volume.

**Other operating income** was down by HUF 1,484 million (68%), mainly as a result of that the income from CO<sub>2</sub> quota sale decreased by HUF 1,262 million compared to Y2012, and in the last year income was recorded from the sale of trading subsidiaries that did not occur in 2013.

TVK Plc. realized 48% of its sales revenues from **export sales**. Italy (15%), Poland (15%), Germany (14%), Ukraine (8%), Czech Republic (5%), Romania (4%), Austria (4%) and Slovakia (3%) represented the majority of export sales.

**Raw material costs** showed a 1% 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 value of used, purchased propylene also decreased significantly. 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 for heat production, in 2013 we sold it and used purchased natural gas for this sake.

**Personnel expenses** were down by 14%, 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 115 million (2%) compared to Y2012. The balance of created and released environmental provisions and environmental costs went down by HUF 438 million year on year. At the same time we spent HUF 711 million more to sponsorship. However, other factors also decreased our costs as termination of sector surplus tax or the more moderate penalties and default interest.

**Change in inventory of finished goods and work in progress** showed a decrease of HUF 4,199 million, compared to the HUF 4,699 million increase in 2012. Feedstock, olefin and polymer stock levels significantly decreased as a result of the optimisation of the production and sales structure.

The group realized a **loss on financial operations** of HUF 3,041 million, compared to the loss of HUF 288 million in 2012. HUF 2,477 million realized and non-realized exchange rate loss was generated during the revaluation of the loans and other assets received in foreign currency. Revaluation of AR/AP exchange rate difference resulted in a HUF 1,828 million profit increase. Balance of interests paid and received was more unfavourable by HUF 720 million in 2013 than in 2012. 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. Besides these, exchange rate gain of the revaluation of CO<sub>2</sub> quota was HUF 193 million in 2012, while 2013 we did not booked this kind of effect. Exchange rate loss on the sales of the interest in TMM Tűzoltó és Műszaki Mentő Kft. amounted to HUF 121 million.

TVK Group **profit before tax** amounted to HUF 7,688 million in 2013, showing a year-on-year increase of HUF 16,945 million. The **income tax** was HUF 2,060 million, deferred tax amounted to HUF 38 million. **Consolidated net gain** were HUF 5,628 million.

## ***Balance sheet figures***

The consolidated value of **non-current assets** increased by 2% compared to December 31, 2012 due to the advanced payment for investments, included in other non-current assets.

The value of **current assets** went down by 1% compared to the beginning of the year. It includes 24% 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 7% compared to the value at the beginning of the year, caused mainly by the 20% higher olefin volumes sold in the actual period and by the weakening of HUF against EUR and US dollar. The value of other current assets decreased by 11% which is attributable mainly to the lower amount of VAT reclaims, while cash and cash equivalents were 35% higher.

**Long term debt, net of current portion** grew by 12% compared to December 31, 2012. Long term loans grew by 14%.

The value of **current liabilities** decreased by 11% compared to the beginning of the year. The main reason of the change is the lower account payables, due 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 16,770 million and the EBITDA was HUF 24,258 million. The changes of trade receivables, inventories and suppliers altogether decreased the cash flow by HUF 8,148 million. The lower account payables is caused by the above mentioned rescheduled feedstock invoice. Olefin sales volume was higher compared to the end of the last year, and at the same time Hungarian forint also weakened against euro and US dollar. The lower inventory is due to 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 14,025 million. Within this, investments decreased the cash flow by HUF 14,769 million, while it was improved by HUF 377 million due to the sale of saved CO<sub>2</sub> quota.

**Net cash from financial operations** decreased cash flow by HUF 476 million in the period under review, mainly due to the fact that paid interests and other financial expenses were higher than loans borrowed.

## **Headcount**

The **total consolidated TVK headcount** was 975 full time employees as of December 31, 2013. The headcount decreased by 63 compared to the closing headcount on December 31, 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 12,129 million in the year 2013, including HUF 11,705 million expenditure, incurred at TVK Plc. HUF 5,535 million was spent on the Butadiene Extraction Unit. HUF 3,277 million was spent on activities aiming the continuous, smooth operation, and other costs occur on special corporate projects.

## **Outlook/ expectations and major events for the period between December 31, 2013 and February 24, 2014**

We expect slightly **increasing market environment** in the next quarter. The integrated petrochemical margin, representing the profit generation capacity, will rise, and as a result, we will be able to maintain our positive operating profit. In the first two months of 2014, polymer production volume is expectedly to be at the same level of the last year's average. As far as the product mix is concerned, the ratio of polyethylene products will slightly increase.

The implementation of the **Butadiene-extraction unit** is on the rails, it is assisted by the good weather conditions. Currently the building works are going on, which will be finished expectedly on March 31, 2014. After that the local construction of the technological buildings and equipment of Butadiene-extraction unit will began. The implementation of the supplementary infrastructure of the unit (roads, tanks, public utility pipelines, etc.) is going as scheduled. The implementation of the buildings will be finished as scheduled and the planned commercial operation is still feasible in the end of May, 2015.

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

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

*December 31, 2013*

## ANNEXES

<b>Company name:</b>	Tisza Chemical Group Public Limited Company	<b>Phone:</b> +36 49/522-377
<b>Company address:</b>	H-3581 Tiszaújváros, P.O.Box 20.	<b>Fax:</b> +36 49/886-495
<b>Sector group:</b>	Chemical industry, petrochemical	<b>E-mail address:</b> <a href="mailto:bki@tvk.hu">bki@tvk.hu</a>
<b>Reporting period:</b>	year 2013	<b>Investors' contact person:</b> 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

	year 2012 restated	year 2013
Net revenue	374,584	402,492
Operating profit	(8,969)	10,729
Financial expenses, net	(288)	(3,041)
Profit before tax	(9,257)	7,688
Profit for the year	(7,579)	5,628

#### Key Balance Sheet figures

	31.12.2012 restated	31.12.2013
<b>Non-current assets</b>	123,573	126,094
Intangible assets	2,194	2,081
Property, plant and equipment	119,643	118,307
Invested financial assets*	1,736	5,706
Current assets	92,760	92,078
Inventories	17,461	13,341
<b>Total assets</b>	<b>216,333</b>	<b>218,172</b>
Equity attributable to equity holders of the parent	115,387	121,014
Share capital	24,534	24,534
Non-current liabilities	31,724	35,437
Current liabilities	69,222	61,721
<b>Total equity and liabilities</b>	<b>216,333</b>	<b>218,172</b>

\* Contains deferred tax receivables also.



**ANNEX 2**  
**CONSOLIDATED INCOME STATEMENTS FOR TVK GROUP**  
prepared in accordance with IFRS  
for the period ended 31 December 2013  
unaudited figures (in HUF million)

	Q4 2012 restated	Q3 2013	Change %	year 2012 audited restated	year 2013	Change %
Net revenue	100,291	104,719	4.4	374,584	402,492	7.5
Other operating income	1,369	104	(92.4)	2,192	708	(67.7)
<b>Total operating revenues</b>	<b>101,660</b>	<b>104,823</b>	<b>3.1</b>	<b>376,776</b>	<b>403,200</b>	<b>7.0</b>
Material costs	89,416	88,416	(1.1)	328,544	331,834	1.0
Material type services	3,448	3,833	11.2	13,595	14,717	8.3
Cost of goods sold	3,932	4,398	11.9	21,678	16,216	(25.2)
Cost of services sold	72	11	(84.7)	167	99	(40.7)
<b>Raw materials and consumable used</b>	<b>96,868</b>	<b>96,658</b>	<b>(0.2)</b>	<b>363,984</b>	<b>362,866</b>	<b>(0.3)</b>
<b>Personnel expenses</b>	<b>2,253</b>	<b>2,164</b>	<b>(4.0)</b>	<b>9,482</b>	<b>8,175</b>	<b>(13.8)</b>
<b>Depreciation, amortization and impairment</b>	<b>3,558</b>	<b>3,342</b>	<b>(6.1)</b>	<b>13,836</b>	<b>13,529</b>	<b>(2.2)</b>
<b>Other operating expenses</b>	<b>1,807</b>	<b>2,007</b>	<b>11.1</b>	<b>5,234</b>	<b>5,119</b>	<b>(2.2)</b>
<b>Change in inventory of finished goods and work in progress</b>	<b>(2,440)</b>	<b>1,023</b>	<b>-</b>	<b>(4,699)</b>	<b>4,199</b>	<b>-</b>
<b>Work performed by the enterprise and capitalised</b>	<b>(271)</b>	<b>(782)</b>	<b>188.6</b>	<b>(2,092)</b>	<b>(1,417)</b>	<b>(32.3)</b>
<b>Total operating expenses</b>	<b>101,775</b>	<b>104,412</b>	<b>2.6</b>	<b>385,745</b>	<b>392,471</b>	<b>1.7</b>
<b>Profit from operation</b>	<b>(115)</b>	<b>411</b>	<b>-</b>	<b>(8,969)</b>	<b>10,729</b>	<b>-</b>
Financial income	(815)	54	-	2,934	685	(76.7)
Financial expense	66	464	603.0	3,222	3,726	15.6
<b>Financial /expense) / gain, net</b>	<b>(881)</b>	<b>(410)</b>	<b>(53.5)</b>	<b>(288)</b>	<b>(3,041)</b>	<b>955.9</b>
Income from associates	0	0	-	0	0	-
<b>Profit before tax</b>	<b>(996)</b>	<b>1</b>	<b>-</b>	<b>(9,257)</b>	<b>7,688</b>	<b>-</b>
Income tax expense	(340)	(380)	11.8	(1,678)	2,060	-
<b>Profit for the period</b>	<b>(656)</b>	<b>381</b>	<b>-</b>	<b>(7,579)</b>	<b>5,628</b>	<b>-</b>
<b>Profit attributable to equity holders of the parent</b>	<b>(656)</b>	<b>381</b>	<b>-</b>	<b>(7,579)</b>	<b>5,628</b>	<b>-</b>
Non-controlling interest	0	0	-	0	0	-

**ANNEX 3**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR TVK GROUP**  
prepared in accordance with IFRS  
for the period ended 31 December 2013  
unaudited figures (in HUF million)

Statement of comprehensive income	year 2012 audited restated	year 2013
<b>Profit for the year</b>	<b>(7,579)</b>	<b>5,628</b>
Other comprehensive income		
Exchange differences on translating foreign operations	(5)	(12)
Actuarial gain /( loss) on provisions for retirement benefit obligations, net of tax	19	11
<b>Other comprehensive income for the year, net of tax</b>	<b>14</b>	<b>(1)</b>
<b>Total comprehensive income for the year</b>	<b>(7,565)</b>	<b>5,627</b>
<i>Attributable to:</i>		
Equity holders of the parent	(7,565)	5,627
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 31 December 2013  
 unaudited figures (in HUF million)

**Factors influencing product sales of TVK Plc.**  
**year 2013 – year 2012 (HUF million)**

	Effect of variance in price	Effect of variance in exchange rates	Effect of variance in volume	Total
Olefin	(6,528)	2,137	13,715	9,324
LDPE	(379)	644	(6,946)	(6,681)
HDPE	(4,799)	3,378	18,879	17,458
PP	390	2,596	5,316	8,302
<b>Total</b>	<b>(11,316)</b>	<b>8,755</b>	<b>30,964</b>	<b>28,403</b>

**Distribution of TVK Group sales incomes by production units year 2013 (HUF million)**

	Domestic sales	Export sales	Total sales
Olefin	134,628	12,981	147,609
LDPE	6,487	7,799	14,286
HDPE	12,112	119,545	131,657
PP	44,247	56,415	100,662
Income from other business activities	12,533	313	12,846
Effect of consolidation	(4,645)	77	(4,568)
<b>Total</b>	<b>205,362</b>	<b>197,130</b>	<b>402,492</b>

**Variances in key feedstock costs incurred by TVK Plc.**  
**year 2013 – year 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	(15,294)	(1,136)	15,721	(709)
Gas oil	0	0	4,589	4,589
<b>Chemical feedstock in total</b>	<b>(15,294)</b>	<b>(1,136)</b>	<b>20,310</b>	<b>3,880</b>

**ANNEX 5**  
**CONSOLIDATED BALANCE SHEETS FOR TVK GROUP**  
**prepared in accordance with IFRS**  
**for the period ended 31 December 2013**  
**unaudited figures (in HUF million)**

	31.12.2012. audited restated	31.12.2013.	Change %
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>123,573</b>	<b>126,094</b>	<b>2.0</b>
Intangible assets	2,194	2,081	(5.2)
Property, plant and equipment	119,643	118,307	(1.1)
Investments in associated companies	132	0	-
Deferred tax asset	1,603	1,563	(2.5)
Other non-current assets	1	4,143	-
<b>Current assets</b>	<b>92,760</b>	<b>92,078</b>	<b>(0.7)</b>
Inventories	17,461	13,341	(23.6)
Trade receivables, net	49,683	52,929	6.5
Securities	222	0	-
Other current assets	18,819	16,823	(10.6)
Prepaid taxes	135	285	111.1
Cash and cash equivalents	6,440	8,700	35.1
<b>TOTAL ASSETS</b>	<b>216,333</b>	<b>218,172</b>	<b>0.9</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>	<b>115,387</b>	<b>121,014</b>	<b>4.9</b>
Share capital	24,534	24,534	-
Reserves	98,432	90,852	(7.7)
Profit for the year attributable to equity holders of the parent	(7,579)	5,628	-
<b>Equity attributable to equity holders of the parent</b>	<b>115,387</b>	<b>121,014</b>	<b>4.9</b>
Non-controlling interest	0	0	-
<b>Non-current liabilities</b>	<b>31,724</b>	<b>35,437</b>	<b>11.7</b>
Long-term debt, net of current portion	29,265	33,265	13.7
Provisions	2,422	2,141	(11.6)
Other non-current liabilities	37	31	(16.2)
Deferred tax liabilities	0	0	-
<b>Current liabilities</b>	<b>69,222</b>	<b>61,721</b>	<b>(10.8)</b>
Trade and other payables	58,667	53,532	(8.8)
Current taxes payable	0	0	-
Provisions	1,373	676	(50.8)
Short-term debt	8,030	5,668	(29.4)
Current portion of long-term debt	1,152	1,845	60.2
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>216,333</b>	<b>218,172</b>	<b>0.9</b>

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

The total value of capital commitments as of 31 December 2013 is HUF 30,361 million, which is fully attributable to TVK Plc.

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

**ANNEX 6**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR TVK GROUP**  
 prepared in accordance with IFRS  
 for the period ended 31 December 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
<b>Opening balance 1 January 2012</b>	24,534	15,022	22	94,600	(11,226)	-	122,952
Retained profit of the reporting period	-	-	-	-	(7,579)	-	(7,579)
Other comprehensive income of the reporting period together with tax effect	-	-	(5)	19	-	-	14
<b>Total comprehensive income of the reporting period</b>	-	-	(5)	19	(7,579)	-	(7,565)
Transfer of retained profit of the previous period	-	-	-	(11,226)	11,226	-	-
Dividend paid to shareholders	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Closing balance 31 December 2012 (restated)</b>	24,534	15,022	17	83,393	(7,579)	-	115,387
<b>Opening balance 1 January 2013 (restated)</b>	24,534	15,022	17	83,393	(7,579)	-	115,387
Retained profit of the reporting period	-	-	-	-	5,628	-	5,628
Other comprehensive income of the reporting period together with tax effect	-	-	(12)	11	-	-	(1)
<b>Total comprehensive income of the reporting period</b>	-	-	(12)	11	5,628	-	5,627
Transfer of retained profit of the previous period	-	-	-	(7,579)	7,579	-	-
Dividend paid to shareholders	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Closing balance 31 December 2013</b>	24,534	15,022	5	75,825	5,628	-	121,014

**ANNEX 7**  
**CONSOLIDATED STATEMENTS CASH FLOWS FOR TVK GROUP**  
**prepared in accordance with IFRS**  
**for the period ended 31 December 2013**  
**unaudited figures (in HUF million)**

Description	year 2012 audited restated	year 2013
<b>Profit before tax</b>	<b>(9,257)</b>	<b>7,688</b>
<i>Adjustments to reconcile profit before tax to net cash provided by operating activities</i>		
Depreciation, amortisation and impairment	13,836	13,529
Write-off / reversal of write(off) of inventories, net	(546)	139
Increase/(decrease) in provisions	1,045	(966)
Net (gain)/loss on sale of property, plant and equipment	(1,797)	(379)
Impairment / reversal of write(off) of receivables	45	50
Profit on the sales of subsidiaries	(24)	0
Interest income	(138)	(81)
Interest on borrowings	1,785	2,480
Net foreign exchange (gain) / loss on foreign currency loan and other financial items	(280)	368
Other financial (gain)/ loss, net	(1,218)	167
Other non cash items	272	548
<b>Operating cash flow before changes in working capital</b>	<b>3,723</b>	<b>23,543</b>
(Increase) / decrease in inventories	(5,067)	3,980
(Increase) / decrease in trade receivables	(660)	(3,194)
(Increase) / decrease in other current assets	(3,622)	1,884
Increase / (decrease) in trade payables	6,332	(8,934)
Increase / (decrease) in other payables	(1,517)	1,664
Income taxes paid	(794)	(2,173)
<b>Net cash provided (used in) by operating activities</b>	<b>(1,605)</b>	<b>16,770</b>
Capital expenditures	(11,693)	(14,769)
Proceeds from disposals of property, plant and equipment	1,846	590
Net cash income from sales of a subsidiaries and associated companies	63	241
Changes in loans given and long-term bank deposits	(2,222)	(184)
Interest received and other financial income	151	97
Dividend received	0	0
<b>Net cash flows used in investing activities</b>	<b>(11,855)</b>	<b>(14,025)</b>
Long-term debt drawn down	31,622	59,137
Repayments of long-term debt	(16,397)	(54,105)
Changes in other long-term liabilities	33	(5)
Changes of short-term debt	872	(3,229)
Interest paid and other financial costs	(1,881)	(2,274)
Dividend paid to shareholders	0	0
<b>Net cash (used in) / provided by financing activities</b>	<b>14,249</b>	<b>(476)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>789</b>	<b>2,269</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>5,715</b>	<b>6,440</b>
Exchange differences of cash and cash equivalents of consolidated foreign subsidiaries	1	3
Unrealized foreign exchange difference on cash and cash equivalents	(65)	(12)
<b>Cash and cash equivalents at the end of the period</b>	<b>6,440</b>	<b>8,700</b>

**ANNEX 8**  
**CONSOLIDATED COMPANIES**

Name	Equity/ Registered Capital	Interest held (%)	Ratio of votes <sup>1</sup>	Classification <sup>2</sup>
TVK Ingatlankezelő Kft. (HUF thousand)	1,620,000	100.00%	L	L
TVK Erőmű Termelő és Szolgáltató Kft. (HUF thousand)	2,218,400	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)*	405,000	-	-	L
TMM Tűzoltó és Műszaki Mentő Kft. (HUF thousand)**	-	-	-	-

<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.

\* Non-participating business with full consolidation.

\*\* The company was sold on June 18, 2013

**ANNEX 9**  
**MAJOR EXTERNAL FACTORS**

	Q4 2012	Q3 2013	Q4 2013	Ch. % Q4 2013/ Q4 2012	Ch. % Q4 2013/ Q3 2013	year 2012	year 2013	Ch. % Y2013 / Y2012
Naphtha FOB med USD/t	910	881	903	(0.7%)	2.5%	909	875	(3.7%)
AGO 0.1 CIF med USD/t	954	932	932	(2.2%)	0.0%	956	924	(3.3%)
Ethylene ICI's lor fd NEW contract EUR/t	1,280	1,213	1,215	(5.1%)	0.1%	1,239	1,230	(0.7%)
Propylene ICI's lor fd NWE contract EUR/t	1,121	1,093	1,100	(1.9%)	0.6%	1,117	1,091	(2.3%)
LDPE Film ICI's lor fd NWE low EUR/t	1,275	1,337	1,288	1.1%	(3.6%)	1,259	1,295	2.8%
HDPE Film ICI's lor fd NWE low EUR/t	1,303	1,237	1,219	(6.5%)	(1.5%)	1,262	1,241	(1.7%)
HDPE Blow ICI's lor fd NWE low EUR/t	1,310	1,235	1,218	(7.0%)	(1.4%)	1,269	1,240	(2.3%)
PP Homo raffia ICI's lor fd NWE low EUR/t	1,210	1,252	1,209	(0.1%)	(3.4%)	1,209	1,217	0.7%
PP Homo Injection ICI's lor fd NWE low EUR/t	1,216	1,252	1,210	(0.5%)	(3.4%)	1,211	1,218	0.6%
PP Copolymer ICI's lor fd NWE low EUR/t	1,257	1,285	1,247	(0.8%)	(3.0%)	1,258	1,253	(0.4%)
EUR/HUF	283.11	297.88	297.61	5.1%	(0.1%)	289.42	296.92	2.6%
USD/HUF	218.54	224.97	218.73	0.1%	(2.8%)	225.37	223.70	(0.7%)
EUR/USD	1.295	1.324	1.361	5.0%	2.8%	1.284	1.327	3.4%
<b>Integrated petrochemical margin</b>	<b>295</b>	<b>310</b>	<b>286</b>	<b>(3.2%)</b>	<b>(7.7%)</b>	<b>262</b>	<b>310</b>	<b>18.5%</b>

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.		31.12.2013.	
	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	2.56	620,701
Foreign institution/company	1.13	275,353	1.12	271,670
Domestic individual	1.21	294,718	1.23	299,364
Foreign individual	0.02	4,571	0.02	5,735
Treasury shares	-	-	-	-
Shares held by unidentified parties	1.71	414,724	0.21	50,988
<b>TOTAL</b>	<b>100.00</b>	<b>24,290,843</b>	<b>100.00</b>	<b>24,290,843</b>

Notes: Please note that in Hungary, the Share Register does not fully reflect the ownership structure, as registration is not mandatory. Every ordinary share with a par value of HUF 1,010 (i.e. one thousand ten forint) entitles the holder thereof to have one and one hundredth vote.

**ANNEX 11  
EMPLOYEES**

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

	Reference Period Ended December 31, 2012	Year Opening January 1, 2013	Period Closing December 31, 2013
<b>Corporate level</b>	1,032	1,036	969
<b>Group level</b>	1,038	1,042	975

**ANNEX 12  
CHANGES IN ORGANISATION AND SENIOR MANAGEMENT**

Changes in the organisational structure of the Company in the fourth quarter:

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](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, 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.
November 15, 2013	Interim Management Report on the Q1-Q3 2013 of TVK Group
December 2, 2013	Number of voting rights at TVK Plc.
January 2, 2014	Number of voting rights at TVK Plc.
January 31, 2014	Number of voting rights at TVK Plc.
February 18, 2014	Extraordinary announcement on change in the top management (Production Director)



We the undersigned representatives authorized to sign on behalf of Tisza Chemical Group Public Limited Company (TVK Plc.), the issuer of TVK ordinary shares, hereby declare that TVK Plc. accepts full liability for having prepared the disclosed Report on the full year 2013 results of TVK Group on the basis of the applicable accounting standards and to the best knowledge of the company, and it offers a true and fair picture of the assets, liabilities, financial position, profits and losses of TVK Plc. (and its consolidated businesses); and the reliable account of the position, development and performance of TVK Plc. (and its consolidated businesses) through a description of key risks and factors of uncertainty.

Tiszaújváros, February 24, 2014

**Zsolt Pethő**  
**Chief Executive Officer**

**Balázs Sándor**  
**Chief Financial Officer,**  
**Deputy CEO**