

SUCCESSFULLY IMPLEMENTED STRATEGIC DEVELOPMENT PROJECT

Tiszai Vegyi Kombinát Company Limited by Shares (TVK Rt.) (Reuters: TVKD.BU, web-site: www.tvk.hu) has published its results for the Q1-3 2005 today. The data presented in TVK Rt.'s Q1-3 2005 flash 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 Rt. and its affiliates consolidated in line with the International Financial Reporting Standards (IFRS). 6 subsidiaries and 1 affiliated businesses were fully consolidated while 6 affiliated businesses were consolidated by the equity method. The flash report presents true and fair figures and statements, and does not withhold any facts that the issuer – to its best knowledge – considers to be of material importance in term of evaluating the issuer's position.

Financial Overview

TVK Group Results (IFRS)	Q3 2004		Q3 2005		Variance %		Q1-3 2004		Q1-3 2005		Variance %	
	M HUF	M EUR	M HUF	M EUR	HUF	EUR	M HUF	M EUR	M HUF	M EUR	HUF	EUR
Net sales	40,164	161.7	60,778	246.4	51.3	52.4	128,109	506.2	174,698	706.8	36.4	39.6
EBITDA	4,652	18.7	2,259	9.2	(51.4)	(51.1)	13,484	53.3	16,229	65.7	20.4	23.2
Operating profit/(loss)	2,963	11.9	(132)	(0.5)	n.a.	n.a.	8,312	32.8	9,153	37.0	10.1	12.8
Profit/(Loss) of Financial Operations	42	0.2	(1,237)	(5.0)	n.a.	n.a.	0	0.0	(3,260)	(13.2)	n.a.	n.a.
Corporate tax, deferred tax	(562)	(2.3)	(1,073)	(4.4)	n.a.	n.a.	(1,586)	(6.3)	(1,446)	(5.9)	n.a.	n.a.
Net profit/(loss)	2,434	9.8	(2,443)	(9.9)	n.a.	n.a.	6,697	26.5	4,448	18.0	(33.6)	(32.0)
Operating cash flow	(4,532)	(18.2)	1,964	8.0	n.a.	n.a.	7,283	28.8	8,002	32.4	9.9	12.5

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

EBIT in Q1-3 2005 grew by 10% compared to Q1-3 2004 and reached HUF 9.2 billion. The improvement in profitability was achieved primarily through the run-up of new production capacities. In Q1-3 2005, the margin environment was slightly improved compared to the reference period in spite of a declining trend in Q2-3. As a result of the considerable increase in chemical feedstock prices, Q3 operating profit was significantly lower than that reached both in the previous quarters and in the comparable period.

Operating environment

The price level of feedstock for pyrolysis has kept rising in the third quarter of this year, by 20% for naphtha and 18% for atmospheric gas oil compared to the average quoted prices of the previous quarter. On average in the first nine months of 2005, naphtha was quoted (FOB med) at a price of USD 438 per ton and atmospheric gas oil (CIF med) at a price of USD 506 per ton, which are 30% and 50% higher respectively compared to the reference period.

The prices quoted for polymer products in the European markets – after a 12-17% decrease in Q2 2005 compared to the previous quarter – (ICIS' fd nwe low spot) also showed a growing tendency in Q3 2005; a rise of 12% and 10% in average quoted prices of polyethylene and polypropylene was seen in comparison to the previous quarter. Nevertheless, the average quoted prices in 1-9 months 2005 exceeded the average quoted prices of 1-9 months of 2004 for polymers by 16-19%.

In the third quarter of 2005, the forint weakened against the USD and strengthened against EUR compared to the previous quarter, however, taking the average of the first nine months into account, the EUR/HUF rate and the USD/HUF rate have dropped by some 3% and 6%, respectively, compared to the average of the reference period. The EUR/USD exchange rate was 1.262 in Q1-3 2005, which is nearly 3% higher than the value in the first nine months of the previous year. The changes in exchange rates compared to the 1-9 months of the previous year negatively influenced TVK Group's profitability, which is fully offset by the positive effect of exchange rates on feedstock costs.

In Q1-3 2005, as a result of the development in quoted feedstock prices for pyrolysis and polymer products and the changes in FX rates, the integrated petrochemical margin calculated in HUF and in EUR increased by 8% and 11% respectively compared to Q1-3 2004. In Q3 2005, the integrated petrochemical margin measured in HUF dropped by nearly 7% compared to the previous quarter due to a further 20% increase in quoted prices of feedstock for pyrolysis, which was only partially offset by the 10-12% increase in the prices of polymer products.

- In Q1-3 2005, the volume of **polymer products** produced in house and sold was 101 kt higher than in Q1-3 2004, of which 108 kt was provided by the new HDPE-2 Plant. The volume of **olefin products** produced in house and sold grew by 212 kt.
- Besides building up working capital required for the normal operation of the new capacities, **operating cash flow** for Q1-3 2005 came to HUF 8,002 million.
- Despite newly introduced capacities and owing to efficient headcount rationalization and internal labour organization, the **headcount** of the TVK Group was 147 down on 30 September 2005 than a year earlier.

Comment from the CEO of TVK Rt.

Árpád Olvasó emphasized:

“By 29 September 2005, following the activation of the new Olefin Plant, all units of the Petrochemical Development Project had been put into operation. The investment project, with a value of more than one hundred billion forints, was completed in record time and below budget. With the new production capacity, TVK has become the largest producer and distributor of plastic feedstock in Central Europe and a significant player in the EU. While industry conditions in the third quarter were particularly challenging, due primarily to high feedstock prices, market conditions have improved since with a continued rise in polymer prices and a moderation of feedstock prices.”

Financial overview

Operating profit

The sales revenue of TVK Rt. reached HUF 174,908 million in Q1-3 2005, whilst the consolidated group level sales amounted to HUF 174,698 million, which represent increases of 51% and 36% respectively compared to the sales revenues of the similar period of 2004, despite the fact that reference period data of the trading subsidiaries also represented the polymer sales of Slovnaft products. The increased consolidated group level sales reflect a growth in the volume of the parent company sales, as well as higher prices of polymer and olefin products. The group level sales are given practically by the sales income of the parent company. In 1-9 months 2005, the unconsolidated sales of TVK Rt. rose by HUF 58,826 million compared to the reference period, including increases of HUF 35,837 million and HUF 22,061 million in the polymer and the olefin segments respectively. The increase in polymer sales volume arises mostly from introduction of HDPE-2 products. 86% of the higher sales revenue of the olefin segment derives from the increased volume of products sold.

Factors Influencing TVK Rt.'s Product Sales, Q1-3 2005 – Q1-3 2004 (HUF million)

	Effect of variance in price	Effect of variance in exchange rates	Effect of variance in volume	Total
Olefin	3,833	(848)	19,076	22,061
LDPE	3,513	(572)	(7)	2,934
HDPE	5,491	(793)	20,515	25,213
PP	8,877	(1,323)	136	7,690
Total	21,714	(3,536)	39,720	57,898

During Q1-3 2005, TVK Rt. made 46% of its sales revenue from export sales, which represents a 3% higher portion compared to the Q1-3 2004, due to the increased product sales of the new HDPE-2 Plant. Germany (19%), Italy (15%), Poland (14%), the United Kingdom (6%), France (5%) and Austria (3%) represented the majority of exports.

Distribution of the TVK Group's sales by production unit, Q1-3 2005 (HUF million)

	Domestic sales	Export sales	Total sales
Olefin	47,877	2,167	50,044
LDPE	9,329	10,663	19,992
HDPE	8,330	45,038	53,368
PP	23,279	23,546	46,825
Other sales income	4,632	47	4,679
Effect on consolidation	(859)	649	(210)
Total	92,588	82,110	174,698

The total operating income reached HUF 175,894 million in the first nine months of 2005, representing an increase of 37% over the reference period. This includes other operating income of HUF 1,196 million, which is 81% higher than in the corresponding period a year earlier. A crucial factor to the variance in other income is the HUF 488 million growth of exchange rate profit from accounts receivable and payable on the one hand and the HUF 125 million growth of fines, penalties, damages and default interests received on the other, compared to the reference period.

TVK Group's material costs amounted to HUF 137,819 million in Q1-3 2005, of which the HUF 53,923 million (64%) increase was caused by the rise in costs of feedstock and energy costs. The rise in the quoted price and the volume of feedstock used is seen as the underlying cause of increased feedstock costs, which is partly moderated by the effect of the variance in exchange rate. The quantitative growth of feedstock used for pyrolysis was highly influenced by the use of feedstock in the new Olefin Plant. The rise in energy costs reflects the increased energy consumption due to the new technologies' production and the rise in energy prices.

Variations in key feedstock costs incurred by TVK Rt., Q1-3 2005 – Q1-3 2004 (HUF million)

	Effect of variance in volume	Effect of variance in prices	Effect of variance in exchange rates	Total
Naphtha and light hydrocarbons	24,488	14,826	(3,664)	35,650
AGO	22,120	419	(89)	22,450
Chemical feedstock in total	46,608	15,245	(3,753)	58,100
Purchased propylene	(8,349)	63	(6)	(8,292)
Total	38,259	15,308	(3,759)	49,808

The value of material type services used rose by HUF 3,300 million (57%) mainly because of the increase in the freight related to export sale, agency commissions, and the costs of maintenance services in relation with commencing the new technologies.

COGS decreased by HUF 15,349 million (92%) compared to the reference, as a consequence of the changed sales arrangement of trade subsidiaries as of June 2004, the sale of polymer products produced by Slovnaft was not recorded in TVK Group's reports anymore.

The personnel expenses fell on TVK Group level by HUF 79 million (1%) due to the combined impact staff reduction and wage development.

Depreciation has grown due to the effect of depreciation accounted on the HDPE-2 Plant and off-site facilities.

Other operating costs show an increase by HUF 1,240 million (35%), mainly due to one-off costs related to test operation (insurance, supervision fee).

The change in inventories produced in house amounted to HUF 937 million, due to partly volume increase, partly appreciation of inventories.

The capitalized value of own production amounted to HUF 512 million, which is HUF 1.135 million lower than that in the corresponding period of the previous year. The figures of the reference period include the costs capitalized during implementation of the Petrochemical Development Project.

The consolidated operating profit (EBIT) of the TVK Group reached HUF 9,153 million in Q1-3 2005, as opposed to HUF 8,312 million a year earlier. Within the HUF 841 million rise in the operating profit, the parent company achieved an operating profit HUF 37 million lower than in the corresponding period of the previous year. The subsidiaries contributed HUF 1,466 million to the Group's profit in 1-9 months of 2005, of which HUF 1,188 million was contributed by TVK Power Plant Ltd.

In Q1-3 2005, the Group's net financial result was a loss of HUF 3,260 million, as opposed to the value of HUF 0 million in the comparable period. In Q1-3 2004, interest income on cash and exchange rate gains on securities compensated the financial expenditures, as the interest expenses related to the long-term loans were accounted as investments. In Q1-3 2005, interest incomes decreased due to the drop in liquid assets. Besides the mainly unrealised exchange rate gains on FX denominated loans and other FX items, interest on long-term loans related to the capacity increasing investment projects were already considered as financial expenditures. Interest expenses also include the proportional part of the 2005 yield due to the majority owner of TVK Power Plant Ltd, consolidated fully from year 2005.

The profit before taxation, extraordinary items and minority interest of the TVK Group amounted to HUF 5,893 million in Q1-3 2005. The Group's this year statements show a corporate tax liability at HUF 63 million on the subsidiaries' profit while the parent company intends to make use of a tax holiday in respect of the investment projects commissioned in 2004. Deferred tax payable amounts to HUF 1,383 million. Consolidated net profit amounted to HUF 4,448 million.

Balance sheet data

Total assets of the TVK Group increased by 17.1% to HUF 220,742 million between 30 September 2004 and 30 September 2005.

The consolidated long-term assets amounted to HUF 160,322 million on 30 September 2005. This increase was primarily brought about in tangible assets by the implementation of the Petrochemical Development Project.

Following a rise of 35.2%, current assets reached HUF 60,420 million. The 19.1% increase of cash and cash equivalents was attributable mainly to inclusion of the cash and cash equivalents of consolidated TVK Power Plant Ltd. No short-term investment was accounted at the end of the reporting period as the securities were used to finance the investments and TVK Power Plant Ltd. – which was presented within short-term investments in the comparable period – was fully consolidated. Trade accounts receivable were up 47.2% over the corresponding period of the previous year, and amounted to HUF 36,954 million by the end of the reporting period. The increase in trade accounts receivable was attributed to the growth in sales volume and prices. The 11.3% increase in inventories reflects appreciation arising from higher feedstock costs, as well as the lower volume of inventories produced in house. The HUF 3,527 million (111.9%) increase in other current assets is attributable to the higher refundable VAT-amount compared to that as of the balance-sheet date of 30 September 2004 due to the increase in naphtha and gas oil prices.

As of 30 September 2005, the TVK Group recorded HUF 115,874 million in shareholders' equity, which represents a 6.3% increase. The balance-sheet profit fell by HUF 2,249 million and the retained earnings rose by HUF 9,092 million to HUF 4,448 million and HUF 71,851 million respectively, compared to the reference period.

Long-term debts increased by 32.7% to reach HUF 64,575 million by the end of the reporting period. The increase arises mainly from the full consolidation of TVK Power Plant Ltd.

The value of short-term liabilities increased by 24.0% from 30 September 2004 to 30 September 2005 to reach a total of HUF 32,736 million by the end of the reporting period. Accounts payable and other short-term liabilities increased by 50.8% to HUF 31,905 million. The change has come about due to the increased quantity of feedstock used and the higher feedstock prices. Short-term debt decreased by 87.6% to reach a total of HUF 620 million, which is HUF 4,372 million lower than the value in Q1-3 2004. The decrease is attributable to the fact that the portion of syndicated loans granted to financing of the Petrochemical Development Projects and repayable within one year was recognized as short-term loans in September 2004 and it was liquidated by prepayment in December 2004.

Cash flow

According to TVK Group's cash flow statement as of 30 September 2005, cash and cash equivalents have risen by HUF 952 million year since the beginning of the year, as opposed to the drop of HUF 7,685 million recorded in the similar period of 2004.

Besides building up working capital required for the normal operation of the new capacities, operating cash flow for Q1-3 2005 came to HUF 8,002 million. EBITDA amounted to HUF 16,229 million and changes in working capital (inventories, trade accounts receivable and payable, other receivables and other liabilities combined) reduced cash flow by HUF 6,382 million in the reporting period. The increased trade accounts receivable reflect higher prices of products and the growth in the volume of sales. Higher inventories have appeared due to filling up commercial inventories related to sales of products of the new facilities and to the increase in inventories value arising from an increase in feedstock prices. The dominant factors in the rise in trade accounts payable are higher feedstock usage and prices. The changes in other receivables have decreased cash flow due to an increase in VAT receivables and those in other short-term liabilities have decreased it due to higher carry-over of costs.

Investing activities reduced cash flow by HUF 2,292 million. Projects decreased the investment cash flow by HUF 3,063 million, while such decrease amounted to HUF 33,598 million in the reference period. The cash flow from tangible asset sale increased the investment cash flow by HUF 452 million, coming to HUF 218 in Q1-3 last year. Interest received and other financial income added HUF 329 million and HUF 1,058 million to the increase in the investment cash flow in the relevant period and in the reference period, respectively. In the first nine months of 2005 no financial investment was purchased while this item had diminished the cash flow by HUF 92 million in the similar period of 2004.

Cash flow from financial operations increased cash flow by HUF 4,758 million in the period under review, attributable mostly to the HUF 2,213 million increase in interest paid and other financial expenditure in relation to the fact that the interest on loans raised on capacity upgrading projects was recognized as investment increase in the previous year and appears as financial expenditure in 2005.

Headcount

On 30 September 2005, the total consolidated closing headcount of the TVK Group included 1,544 full-time employees, i.e. 147 fewer than a year earlier, besides the operation-headcount of the newly introduced technologies. Additional reduction resulted largely from headcount rationalization at the parent company.

Capital projects

In Q1-3 2005, the total **capital expenditure** of TVK Group reached HUF 4,105 million, which includes the HUF 420 million loss of the Olefin-2 test production in 2005. In the reporting period, the performance of strategic projects appears due to the carry over effect of the previous year's implementation.

Implementation of the **Petrochemical Development Project** has been accomplished and each unit carries on normal operation. The HDPE-2 Plant and the off-site facilities were activated at the end of last year and Olefin-2 was activated on 29 September 2005.

Sustenance capital expenditures represented a value of HUF 1,460 million, of which HUF 778 million was recognized in the parent company and the remaining sum has incurred mainly in relation to the consolidation of TVK Power Plant Ltd.

Tiszaújváros, 10 November 2005

Árpád Olvasó
Chief Executive Officer

Data sheet header (general)

Company name: Tiszai Vegyi Kombinát Company Limited by Shares
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 Sector group: Chemical industry, petrochemical
 Reporting period: Q1-3 2005

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ANNEX 1

	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 <input type="checkbox"/>	

PK4. Q1-3 2005 PROFIT AND LOSS STATEMENT
Consolidated, un-audited TVK Group data according to IFRS (HUF million)

2004		Q3 2004	Q3 2005	Change	Q1-3 2004	Q1-3 2005	Change
HUF million		HUF million	HUF million	%	HUF million	HUF million	%
175,883	Sales	40,164	60,778	51.3	128,109	174,698	36.4
811	Other operating income	55	125	127.3	662	1,196	80.7
176,694	Total operating income	40,219	60,903	51.4	128,771	175,894	36.6
116,835	Material costs	29,417	54,461	85.1	83,896	137,819	64.3
8,613	Cost of purchased material like services	1,924	3,053	58.7	5,785	9,085	57.0
18,818	COGS	2,449	376	(84.6)	16,756	1,407	(91.6)
688	Mediated services	185	190	2.7	660	652	(1.2)
144,954	Material related expenditure	33,975	58,080	70.9	107,097	148,963	39.1
6,018	Wages	1,421	1,437	1.1	4,602	4,611	0.2
2,450	HR related disbursements	392	387	(1.3)	1,084	1,086	0.2
2,531	Wage benefits	570	514	(9.8)	1,720	1,630	(5.2)
10,999	HR related expenditure	2,383	2,338	(1.9)	7,406	7,327	(1.1)
6,925	Depreciation charge	1,689	2,391	41.6	5,172	7,076	36.8
6,771	Other operating costs	1,378	1,291	(6.3)	3,584	4,824	34.6
809	Change in inventories produced in house	1,353	6	(99.6)	1,153	937	(18.7)
4,438	Capitalized value of assets produced in house	816	3,059	274.9	1,647	512	(68.9)
164,402	Total operating costs	37,256	61,035	63.8	120,459	166,741	38.4
12,292	Operating (trading) profit, EBIT	2,963	(132)	n.a.	8,312	9,153	10.1
1,159	Income from financial operations	170	109	(35.9)	1,079	238	(77.9)
1,383	Costs of financial operations	128	1,346	951.6	1,079	3,498	224.2
(224)	Net financial result	42	(1,237)	n.a.	0	(3,260)	n.a.
12,068	Profit before taxation, extraordinary items and participations	3,005	(1,369)	n.a.	8,312	5,893	(29.1)
1,267	Corporate tax liability	259	22	(91.5)	708	63	(91.1)
1,676	Deferred tax	303	1,051	246.9	878	1,383	57.5
9,125	Profit before minority interest	2,443	(2,442)	n.a.	6,726	4,447	(33.9)
(39)	Minority share of profit after tax	(9)	(1)	n.a.	(29)	1	n.a.
9,086	Net profit	2,434	(2,443)	n.a.	6,697	4,448	(33.6)

ANNEX 2

PK3. BALANCE SHEET FOR THE PERIOD ENDED ON SEPTEMBER 30, 2005
Consolidated, un-audited TVK Group data according to IFRS (HUF million)

31.12.2004		30.09.2004	30.09.2005	Variance
HUF million		HUF million	HUF million	%
153,910	Long-term Assets	143,870	160,322	11.4
3,886	Net Value of Intangible Assets	3,951	4,124	4.4
148,080	Net Value of Tangible Assets	138,109	154,467	11.8
285	Investments	283	297	4.9
1,659	Amounts Receivable	1,527	1,434	(6.1)
48,416	Current Assets	44,681	60,420	35.2
7,375	Inventories	7,617	8,481	11.3
29,703	Accounts Receivable, Net	25,100	36,954	47.2
0	Securities	1,839	0	n.a.
5,115	Prepayments and other	3,152	6,679	111.9
6,223	Cash and Bank	6,973	8,306	19.1
202,326	TOTAL ASSETS	188,551	220,742	17.1
111,421	Shareholder's Equity	109,020	115,874	6.3
24,495	Registered Capital	24,496	24,493	0.0
15,022	Capital Reserves	15,022	15,022	0.0
62,768	Retained Earnings	62,759	71,851	14.5
7	Revaluation difference	12	18	50.0
9,086	Profit Per Balance Sheet	6,697	4,448	(33.6)
43	Minority Interest	34	42	23.5
62,191	Long-term Liabilities	53,131	72,132	35.8
56,576	Long-term Loans	48,669	64,575	32.7
3,437	Provisions for the expected liabilities	3,059	4,060	32.7
1,945	Deferred tax liability	1,147	3,329	190.2
233	Other Long-Term Liabilities	256	168	(34.4)
28,714	Short-term liabilities	26,400	32,736	24.0
26,314	Accounts Payable and Other Short-term Liabilities	21,157	31,905	50.8
2,215	Provisions for the expected liabilities	251	211	(15.9)
185	Short-term Loans	4,992	620	(87.6)
202,326	TOTAL LIABILITIES	188,551	220,742	17.1

PK6. Significant Off-Balance Sheet Items¹

None.

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

ANNEX 3

CHANGES IN SHAREHOLDER'S EQUITY IN Q1-3 2005
Consolidated, un-audited TVK Group data according to IFRS (HUF million)

	Registered Capital	Retained Earnings	Capital Reserves	Revaluation difference	Profit Per B/S	Minority interest	Shareholder's Equity
Balance on January 1, 2004	24,501	57,543	15,022	19	5,278	38	102,401
Transfer of 2003 profits	0	5,278	0	0	(5,278)	0	0
Repurchased employee shares	(6)	0	0	0	0	0	(6)
Disbursements charged to retained earnings	0	(53)	0	0	0	0	(53)
Revaluation difference	0	0	0	(12)	0	0	(12)
2004 profits	0	0	0	0	9,086	0	9,086
Minority interest	0	0	0	0	0	5	5
Balance on December 31, 2004	24,495	62,768	15,022	7	9,086	43	111,421
Transfer of 2004 profits	0	9,086	0	0	(9,086)	0	0
Repurchased employee shares	(2)	0	0	0	0	0	(2)
Disbursements charged to retained earnings	0	(3)	0	0	0	0	(3)
Revaluation difference	0	0	0	11	0	0	11
Profit of Q1-3 2005	0	0	0	0	4,448	0	4,448
Minority interest	0	0	0	0	0	(1)	(1)
Balance on September 30, 2005	24,493	71,851	15,022	18	4,448	42	115,874

ANNEX 4

PK5. CASH FLOW STATEMENT FOR Q1-3 2005
Consolidated, un-audited TVK Group data according to IFRS (HUF million)

	30.09.2004	30.09.2005
	HUF million	HUF million
1. NET CASH FROM OPERATIONS		
Operating (trading) profit (EBIT)	8,312	9,153
Depreciation charge	5,172	7,076
Impairment of inventories	(4)	72
Profit/loss on the disposal of tangible assets	(95)	(91)
Impairment of receivables	2	105
Due date revaluation difference of trade accounts receivable and accounts payable	75	(301)
Change in environmental protection provisions	(235)	(245)
Change in other provisions	(121)	(1,385)
Change in inventories	(680)	(1,107)
Change in trade accounts receivable	342	(7,083)
Change in other receivables	3,036	(1,578)
Change in trade accounts payable	(8,473)	982
Change in other short term liabilities	(48)	2,404
1. NET CASH FROM OPERATIONS	7,283	8,002
2. INVESTING		
Capital projects	(33,598)	(3,063)
Proceeds from the disposal of fixed assets	218	452
Acquisition of financial investments	(92)	0
Changes in loans extended, long-term bank deposits and receivables	1,793	(10)
Changes in short-term securities held	7,711	0
Interest received and other financial income	1,058	329
Dividend received	118	0
2. NET CASH USED IN INVESTING	(22,792)	(2,292)
3. NET CASH PROVIDED BY (AND DISBURSED FOR) FINANCING OPERATIONS		
Issuing of long-term debt	13,265	0
Repayment of long-term debt	0	(2,459)
Changes of long-term debt	0	443
Other long-term liabilities	(87)	(65)
Changes in short-term loans	(3,168)	(462)
Interest paid and other financial expenditure	(2,152)	(2,213)
Dividend paid to minority shareholders	(29)	0
Repurchased treasury shares	(5)	(2)
3. NET CASH PROVIDED BY (AND DISBURSED FOR) FINANCING OPERATIONS	7,824	(4,758)
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS		
Opening value of cash and cash equivalents	14,658	6,223
Effect of consolidating a subsidiary on cash	0	1,131
Closing value of cash and cash equivalents	6,973	8,306
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	(7,685)	952

ANNEX 5

PK2. CONSOLIDATED COMPANIES

Name	Equity/Registered Capital*	Interest held (%)	Ratio of votes ¹	Classification ²
TVK Ingatlankezelő Kft.	2 970 000	100.00%	L	L
TVK Inter-Chemol GmbH (EUR 000)	615	100.00%	L	L
VIBA-TVK Termelő és Kereskedelmi Kft.	205 000	40.00%	T	T
TVK UK Ltd. (GBP 000)	200	100.00%	L	L
TVK Polisec Vagyonvédelmi Szolg. és Tanácsadó Kft.**	14 300	100.00%	L	T
TVK Italia S.r.l. (EUR 000)	100	100.00%	L	L
Tiszai Hulladékégető Kft.	25 000	49.96%	T	T
TVK FRANCE S.a.r.l. (EUR)	76 225	100.00%	L	L
Chemopetrol Termelő és Kereskedelmi Kft.***	30 000	66.66%	L	T
TVK Austria GmbH (EUR) **	36 336	51.00%	L	L
TVK Polska Spzoo (PLN 000)	109	100.00%	L	T
Tűzoltó és Műszaki Mentő Kft.	3 000	30.00%	T	T
TVK Erőmű Term. Szolg. Kft.	3 298 000	26.00%	T	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,

* Equity/registered capital is expressed in HUF 000, unless otherwise indicated, when registered capital is denominated in a foreign currency,

** Under liquidation

*** Liquidation has been closed

ANNEX 6

MAJOR EXTERNAL FACTORS

	Q3 2004	Q1-3 2004	Q2 2005	Q3 2005	Q1-3 2005	Variance % Q3 2005/ Q3 2004	Variance % Q3 2005/ Q2 2005	Variance % Q1-3 2005/ Q1-3 2004
Naphtha FOB med USD/t	385	337	416	499	438	29.4	20	30.2
AGO CIF med USD/t	391	337	492	579	506	48.1	17.6	50.3
Ethylene ICI's lor fd NWE contract EUR/t	635	607	750	640	710	0.8	(14.7)	16.9
Propylene ICI's lor fd NWE contract EUR/t	585	528	705	640	677	9.4	(9.2)	28.1
LDPE Film ICI's lor fd NWE low EUR/t	929	850	896	1,002	988	7.8	11.9	16.3
HDPE Film ICI's lor fd NWE low EUR/t	814	742	781	877	868	7.7	12.3	16.9
HDPE Blow ICI's lor fd NWE low EUR/t	814	732	782	876	868	7.7	12.1	18.6
PP Homo raffia ICI's lor fd NWE low EUR/t	851	785	863	945	930	11.1	9.5	18.5
PP Homo Injection ICI's lor fd NWE low EUR/t	851	785	871	953	937	12.0	9.4	19.4
PP Copolymer ICI's lor fd NWE low EUR/t	895	832	915	994	980	11.1	8.6	17.8
EUR/HUF	248.80	253.74	249.74	245.58	246.81	(1.29)	(1.66)	(2.7)
USD/HUF	203.62	207.00	198.23	201.30	195.50	(1.14)	1.55	(5.6)
EUR/USD	1.222	1.226	1.261	1.220	1.262	(0.2)	(3.2)	3.0

ANNEX 7

ST1. EXTRAORDINARY ANNOUNCEMENT IN 2005 UNTIL PREPARING THE REPORT

Date	Published in	Subject Matter, Brief Contents
Jan 01, 2005 Jan 01, 2005	Magyar Tőkepiac Napi Gazdaság	Hermész Mérnöki Tanácsadó és Nagykereskedelmi Kft.'s stake in TVK decreased from 8.02 % to 0 % as of January 04, 2005 Slovnaft A.S. was registered with a 8.02 % stake in TVK's Share Register as of January 04, 2005.
Jan 26, 2005 Jan 26, 2005	Magyar Tőkepiac Napi Gazdaság	The liquidation process of TVK's consolidated subsidiary, TVK Austria Kunststoff. Vertriebs GmbH was started.
Feb 11, 2005 Feb 11, 2005	Magyar Tőkepiac Napi Gazdaság	Communication on completing the TVK Rt. Annual Flash Report for 2004 and the site where it is accessible.
Feb 11, 2005 Feb 11, 2005	Magyar Tőkepiac Napi Gazdaság	TVK Rt. Annual Flash Report for 2004.
March 03, 2005 March 03, 2005	Magyar Tőkepiac Napi Gazdaság	The shareholding of CE Oil & Gas Beteiligung und Verwaltung AG (A-1010 Wien, Annagasse 6, Austria) in TVK increased from 15.99% to 31,39% as of March 2, 2005.
March 10, 2005 March 10, 2005	Magyar Tőkepiac Napi Gazdaság	On March 8, 2005 there was a breakdown in TVK Rt.'s Olefin-2 Plant.
March 11, 2005 March 11, 2005	Magyar Tőkepiac Napi Gazdaság	On March 10, 2005 TVK Rt.'s Olefin-2 Plant was restarted.
March 25, 2005 March 25, 2005	Magyar Tőkepiac Napi Gazdaság	Announcement of the Board of Directors of TVK Rt. on the convocation the 2005 Annual General Meeting.
Apr 13, 2005 Apr 13, 2005	Magyar Tőkepiac Napi Gazdaság	Communication of the key figures of managing the business of TVK Rt. in 2004.
Apr 20, 2005	BSE web site	The proposed resolutions of the Board of Directors of TVK Rt. to the 2005 Annual General Meeting.
Apr 27, 2005	BSE web site	Shareholder structure according to the shareholder identification prepared in connection with the ordinary General Meeting of the company, to be held on April 28, 2005.
Apr 28, 2005 Apr 28, 2005	Magyar Tőkepiac Napi Gazdaság	The following members of the Board of Directors and the Supervisory Board resigned from membership with effect from the date of the Annual General Meeting, to be held on April 28, 2005: members of the Board: Zoltán Áldott, Zalán Bács, Michel-Marc Delcommune, Zoltán Horváth, József Molnár, Árpád Olvasó, and dr. Ilona Bánhegyi, the chairwoman of the Supervisory Board, and Simola József, member of the Supervisory Board, with effect from the close of the Annual General Meeting.
Apr 28, 2005	BSE website	TVK Rt's declaration on corporate governance practices.
Apr 29, 2005 Apr 29, 2005	Magyar Tőkepiac Napi Gazdaság	<p>Disclosure of the resolutions of the 2005 Annual General Meeting of TVK Rt. The General Meeting:</p> <ul style="list-style-type: none"> - accepted the reports by the Board of Directors (Business Report on the year 2004) by a 62.51% majority of the votes; - accepted by a 62.51% majority of the votes; the consolidated financial statement of TVK Group prepared according to international financial reporting standards; the financial statement of Tiszai Vegyi Kombinát Részvénytársaság prepared according to international financial reporting standards; the consolidated annual report of TVK Group prepared according to the requirements of the Hungarian Accounting Law; the annual report of Tiszai Vegyi Kombinát Részvénytársaság prepared according to the Hungarian Accounting Law for the year ending as of December 31, 2004. The General Meeting acknowledged that the Company's profit before tax for the year 2004 is HUF 11,807 million and its net retained earnings are HUF 10,634 million, taking into consideration the dividends payable upon the retained earnings for the year 2004, the General Meeting determines that the financing requirements for the strategic development project are 0 HUF per share with the profit after tax to be transferred into the profit reserve. - amended of item 33. of the Articles of Association by a 99.95% majority of the votes; - elected Ernst & Young Könyvvizsgáló Kft to the part of Auditor of the Company (appointed Auditor: Judit Szilágyi) for the business year of 2005 until the time of adjourning the Annual General Meeting of 2006, until 30 April, 2006, by a 62.55% majority of the votes; and determined the Auditor's fee (HUF 30,986,460 + VAT) for the whole period of the appointment, and authorised the Board of Directors to conclude the commission contract. - Amended the item 13.e.; 14.b. 14.c.; 14.d.; 26.b.; 30.; and a subtitle of the Articles of Association by a 100% majority of the votes;

- elected Vratko Kassovic, as a Member of the Board, with the effect from the adjourning of the GM for a 2 year period, by a 62,51% majority of the votes; and accepted, that Vratko Kassovic upholds Board and Supervisory Board memberships in other companies by a 62,50% majority of the votes;
- elected József Simola, as a Member of the Board, with the effect from the adjourning of the GM for a 2 year period, by a 62,51% majority of the votes; and accepted that József Simola József upholds Board memberships in Slovnaft S.A. by a 62,50% majority of the votes;
- elected Árpád Olvasó, as a Member of the Board, with the effect from the adjourning of the GM for a 2 year period, by a 62,51% majority of the votes;
- elected Michel-Marc Delcommune, as a Member of the Board, with the effect from the adjourning of the GM for a 2 year period, accepted, that Michel-Marc Delcommune upholds Board membership in MOL Rt. by a 62,51% majority of the votes;
- elected József Molnár, as a Member of the Board, with the effect from the adjourning of the GM for a 2 year period and accepted, that József Molnár József upholds Board membership in Slovnaft S.A. by a 62,51% majority of the votes;
- elected Ildikó Keményné Újvári, as a Member of the Supervisory Board, with the effect from the adjourning of the GM for a 5 year period. by a 62,55% majority of the votes;
- elected dr. Ilona Bánhegyi, as a Member of the Supervisory Board, with the effect from the adjourning of the GM for a 5 year period, and accepted, that dr. Ilona Bánhegyi upholds Supervisory Board membership in Slovnaft S.A. by a 62,51% majority of the votes;
- elected Krisztina Dorogházi, as a Member of the Supervisory Board, on, with the effect from the adjourning of the GM for a 5 year period. and accepted, that Krisztina Dorogházi upholds Supervisory Board membership in Slovnaft S.A. by a 62,50% majority of the votes;
- accepted to define as follows the scope of employees considered managers according to Section 188/A paragraph (1) of the Labour Code as follows: “As managers shall be regarded the following leaders who fill in such jobs as have a determining significance for the operations of the Company and manage organisation units published in the Operating Rules of the Company: directors, deputy directors, factory managers, project managers and heads of “organisational units”.

Apr 29, 2005 Apr 29, 2005	Magyar Tőkepiac Napi Gazdaság	Disclosure on completing the annual report of TVK Rt. on the 2004 business year and the site where it is accessible.
Apr 29, 2005 Apr 29, 2005	Magyar Tőkepiac Napi Gazdaság	TVK Rt. Annual Report for the business year of 2004
May 11, 2005 May 11, 2005	Magyar Tőkepiac Napi Gazdaság	The liquidation process of TVK’s not fully consolidated subsidiary, CHEMOPETROL Ltd. has commenced.
May 13, 2005 May 13, 2005	Magyar Tőkepiac Napi Gazdaság	Notice on completing the TVK Rt. Flash Report for Q1 2005 and the site where it is accessible.
May 13, 2005 May 13, 2005	Magyar Tőkepiac Napi Gazdaság	TVK Rt. Flash Report for Q1 2005.
May 27, 2005	BSE website	Minutes of the Annual General Meeting, hold on April 28, 2005
June 8, 2005	BSE website	TVK Rt.’s Articles of Association
August 12, 2005 August 12, 2005	Magyar Tőkepiac Napi Gazdaság	Notice on completing the TVK Rt. Flash Report for H1 2005 and the site where it is accessible.
August 12, 2005 August 12, 2005	Magyar Tőkepiac Napi Gazdaság	TVK Rt. Flash Report for H1 2005.
Sept. 1, 2005 Sept. 1, 2005	Magyar Tőkepiac Napi Gazdaság	Notice on the announcement channels of TVK Rt.
Oct. 19, 2005	Magyar Tőkepiac	Notice on the inauguration ceremony of the units of the Petrochemical Development Project
Oct. 28, 2005	Magyar Tőkepiac	Extraordinary notice on closing the liquidation process of Chemopetrol Ltd.
Nov. 2, 2005	Magyar Tőkepiac	Declaration on the disclosure language
Nov. 2, 2005	Magyar Tőkepiac	Extraordinary notice on starting the liquidation process of TVK Polisec Kft.
Nov. 4, 2005	Magyar Tőkepiac	Extraordinary notice on changes of the senior management: the number of members of the Board of Directors decreased from 7 to 6, as the mandate of Mr. Fred Faiz, who was elected the member of the Board on 3 rd November 2000, has expired on 3 rd November 2005.

ANNEX 8

STRUCTURE OF OWNERSHIP - % AND TREASURY SHARES

RS1. Ownership Structure, Ratio of Holdings and Votes

Description of owner	Total equity						Listed series					
	Year opening (January 1, 2005)			Period closing (September 30, 2005)			Year opening (January 1, 2005)			Period closing (September 30, 2005)		
	% ²	% ³	Pc	% ²	% ³	Pc	% ²	% ³	Pc	% ²	% ³	Pc
Domestic institution/company	45.10	id.	11 013 985	44.34	id.	10 830 252	45.45	id.	11 013 985	44.69	id.	10 830 252
Foreign institution/company	34.79	id.	8 495 832	39.48	id.	9 642 266	35.06	id.	8 495 832	39.79	id.	9 642 266
Domestic individual	0.96	id.	235 378	0.01	id.	3 200	0.97	id.	235 378	0.01	id.	3 200
Foreign individual	0.02	id.	5 067	0.00	id.	0	0.02	id.	5 067	0.00	id.	0
Employees, senior officers	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Government held owner*	0.007	id.	1 750	0.03	id.	8 149	0.007	id.	1 750	0.03	id.	8 149
International Development Institutions	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
TVK Rt. employee shares	0.77	id.	189 000	0.77	id.	189 000		id.			id.	
Ordinary shares held by unidentified parties	18.36	id.	4 484 581	15.40	id.	3 759 125	18.5	id.	4 484 581	15.51	id.	3 759 125
TOTAL	100	id.	24 423 843	100	id.	24 423 843	100	id.	24 234 843	100	id.	24 234 843

* Also included under domestic institutions

² Ownership ratio³ 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.**RS2. Volume (Qty) of Treasury Shares Held in the Period Under Review**

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

RS3/1. List and Description of Shareholders with more than 5% of the listed Series (at the end of the period)

Name	Nationality ¹	Activity ²	Quantity (of shares)	Interest (%)	Voting ratio (%) ^{3,4}	Remark
Magyar Olaj- és Gázipari Rt.	B (HU)	T	10 821 029	44.65	44.65	Strategic investor
CE Oil & Gas Beteiligung und Verwaltung AG	K (AT)	T	7 666 850	31.64	31.64	n.a.
Slovnaft A.S.	K (SK)	T	1 958 743	8.08	8.08	Strategic investor

RS3/2. List and Description of Shareholders with more than 5% of Equity Total (at the end of the period)

Name	Nationality ¹	Activity ²	Quantity (of shares)	Interest (%)	Voting ratio (%) ^{3,4}	Remark
Magyar Olaj- és Gázipari Rt.	B (HU)	T	10 821 029	44.31	44.31	Strategic investor
CE Oil & Gas Beteiligung und Verwaltung AG	K (AT)	T	7 666 850	31.39	31.39	n.a.
Slovnaft A.S.	K (SK)	T	1 958 743	8.02	8.02	Strategic investor

¹ Domestic (B), Foreign (K)² Corporate (T)³ Figure rounded to two decimal points⁴ Voting right entitling the holder to participate in decision making at the general meetings of consolidated companies

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

TSZ2. Changes in the Number of Full Time Employees

	Reference Period Ended September 30, 2004	Year Opening January 1, 2005	Period Closing September 30, 2005
Corporate level	1 661	1 571	1 514
Group level	1 691	1 602	1 544

TSZ3. 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)
IT	György Mosonyi	Chairman of the Board	26.04.2002	26.04.2007	0
IT	Árpád Olvasó	Deputy Chairman of the Board	29.08.2000	28.04.2007	0
IT	Michel-Marc Delcommune	Board member	03.11.2000	28.04.2007	0
IT	Fred Faiz	Board member	03.11.2000	03.11.2005	0
IT	József Molnár	Board member	20.04.2001	28.04.2007	0
IT	József Simola	Board member	28.04.2005	28.04.2007	0
IT	Vratko Kassovic	Board member	28.04.2005	28.04.2007	0
FB	Dr. Ilona Bánhegyi	SB chairperson	29.08.2000	28.04.2010	0
FB	Dr. András Huszár	SB deputy chair	24.04.2003	24.04.2008	0
FB	Ildikó Keményné Újvári	SB member, employee representative	28.04.2000	28.04.2010	0
FB	Tamás Magyar	SB member, employee representative	20.04.2001	20.04.2006	0
FB	Krisztina Dorogházi	SB member	28.04.2005	28.04.2010	0
SP	Árpád Olvasó	Chief Executive Officer	01.07.2003	Indefinite term	0
SP	Tivadar Vályi Nagy	Chief Financial Officer, Deputy CEO	01.01.2005	Indefinite term	0
SP	László Piry	Director of Polymer Marketing and Sales, Deputy CEO	07.06.2004	Indefinite term	0
SP	Árpád Deák	Petrochemical Technology and Project Development Director	01.06.2001	Indefinite term	0
SP	Tamás Péntes	Human Resources Manager	01.07.2004	Indefinite term	0
SP	László Sebestyén	Production Director	01.01.2004	Indefinite term	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 2005 there was no significant change in the organisation of the company and in the senior management.

Changes after the end of the reporting period and before the disclosure of the report:

The number of members of the Board of Directors decreased from 7 to 6, as the mandate of Mr. Fred Faiz, who was elected the member of the Board on 3rd November 2000, has expired on 3rd November 2005.