

## 2007: THE YEAR OF RECORDS

Tisza Chemical Group Public Limited Company (TVK Plc.) (Reuters: TVKD.BU, web site: www.tvk.hu) has published its results for 2007 today. The data presented in TVK Plc's 2007 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 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 3 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 terms of evaluating the issuer's position. The issuer is liable for the contents of this flash report. The issuer is also liable for damages arising from a failure to make regular and extraordinary disclosures and any misleading representation in its disclosures.

### Financial Overview

TVK Group highlights (IFRS)	Q4 2006		Q4 2007		Variance %		Year 2006		Year 2007		Variance %	
	M HUF	M EUR	M HUF	M EUR	HUF	EUR	M HUF	M EUR	M HUF	M EUR	HUF	EUR
Net Sales	84,084	323.1	92,884	367.5	10	14	308,736	1,168.3	337,620	1,343.4	9	15
EBITDA	14,699	56.5	7,543	29.8	(49)	(47)	34,463	130.4	45,807	182.3	33	40
<b>Operating Profit / (Loss) - EBIT</b>	<b>11,452</b>	<b>44.0</b>	<b>4,210</b>	<b>16.7</b>	<b>(63)</b>	<b>(62)</b>	<b>22,058</b>	<b>83.5</b>	<b>32,860</b>	<b>130.8</b>	<b>49</b>	<b>57</b>
Profit (Loss) of Financial Operations	4,508	17.3	(793)	(3.1)	n.a.	n.a.	(3,909)	(14.8)	(2,295)	(9.1)	41	38
Income Tax, Deferred Tax	(70)	(0.3)	961	3.8	n.a.	n.a.	878	3.3	6,988	27.8	696	737
<b>Net Profit (Loss)</b>	<b>16,030</b>	<b>61.6</b>	<b>2,456</b>	<b>9.7</b>	<b>(85)</b>	<b>(84)</b>	<b>17,271</b>	<b>65.4</b>	<b>23,577</b>	<b>93.8</b>	<b>37</b>	<b>44</b>
Operating Cash Flow	15,553	59.8	4,847	19.2	(69)	(68)	33,168	125.5	36,854	146.6	11	17

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

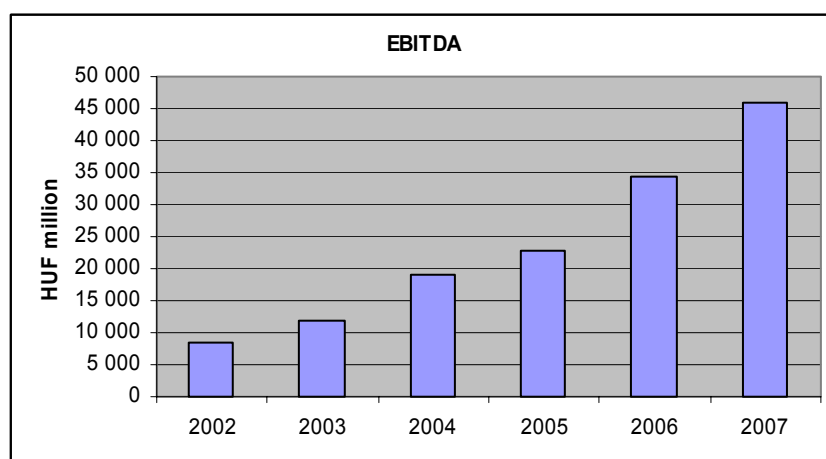
**We have reached yet another all time high in 2007 by increasing TVK group level operating profits by close to one and a half times over the record reached a year earlier to HUF 32.9 billion. This outstanding performance was fuelled first of all by record level output and sales volumes emanating from the further enhancements of internal efficiencies and the continuous improvement of the rate of utilization of our new production capacities, which allowed us to make maximum use of the favourable market environment.**

- In 2007, we managed to increase the **volume of monomer production by 12%** besides reaching a higher rate of monomer recovery. The **volume of ethylene output of our Olefin-2 Plant surpassed** original annual nominal capacity by **10%**. We **increased the volume of polymer production by 7%** year on year, due first of all to a rise in capacity utilization at HDPE-2 Plant.
- Group level **net earnings** – considering the HUF 7.0 billion income and deferred taxes - reached **HUF 23.6 billion**. With net earnings up by HUF 6.3 billion year on year, we accounted an increase of HUF 6.1 billion in income and deferred taxes partly due to the increase of taxable income, partly as a result of in 2007 the opportunity of investment tax allowance has ceased.
- **Net cash from operations amounted to almost HUF 37 billion** on December 31, 2007, showing, that we has surplus cash to cover both the repayment of long term debt and the utilisation of new growth options.
- We spent **EUR 120 million** in 2007 on the early repayment of foreign exchange loans taken out earlier to finance our Petrochemical Development Project. That had reduced TVK group level debt by 60% to HUF 20.5 billion by December 31, 2007.
- We reached our outstanding annual results despite facing a **substantially poorer market environment in the fourth quarter** when the quoted prices of feedstock purchased for our olefin plants surged along with a slight decline in the prices of polymer products quoted in the previous quarter, which cut heavily into the sector's capacity to generate margin in the ultimate quarter of 2007.

#### CEO of TVK Plc, Árpád Olvasó emphasized:

*"In 2007, we lived to see our company set new historical records time and time again. We could set records in output volumes coupled with the improvement of our specific ratios not only at our new Olefin-2 and HDPE-2 Plants but at our HDPE-1 Plant as well. The efficiency of our sales organisation helped us reach a new record in volumes sold, which cleared the way for TVK to set all time records in sales, operating profits and net earnings. Moreover, we took an array of efficiency improvement measures, including among others the ones targeted at mitigating the major cost increases triggered by rising energy prices. Taking tally of the records, we also attach great significance to the fact that 2007 passed without a lost time incident."*

TVK Group EBITDA, 2002-2007



## Financial Overview

### Operating environment

In the fourth quarter of 2007, average prices quoted for polymer products in the European market (ICI's lor fd NWE) were down 1-5% on prices quoted for the previous quarter. In 2007, the average quoted prices of polyethylene products were up 8-10% on the year of 2006 whilst polypropylene prices were 6-7% higher.

In US dollar terms, the prices of naphtha necessary for monomer production rose by 18% in Q4 2007 compared to the previous quarter and coupled with an 20% upturn in the price of atmospheric gas oil. In 2007, the average quoted prices of a ton of naphtha (FOB med) and a ton of atmospheric gas oil (CIF med) amounted to USD 647 and USD 663, representing, respectively, an increase of 20% for naphtha and a rise of close to 11% for AGO on the prices quoted in 2006.

In the fourth quarter of 2007, the HUF weakened against the EUR but strengthened against the USD compared to the reference rates of the previous quarter. Simultaneously, the EUR also strengthened against the Dollar, which impacted gross margin favourably. On average in 2007, the EUR/HUF rate dropped by close to 5% and coupled with a reduction of the USD/HUF by about 13% compared to the past year. A comparison of this year's figures to those of 2007 shows a strong positive consolidated effect of exchange rate changes on TVK Group's operating profits.

Calculated in EUR, the integrated petrochemical margin, which is used as an industry benchmark of profitability, dropped by 25% in Q4 2007 from the previous quarter as a result of simultaneous changes in the quoted prices of feedstock and of polymer products and in EUR/HUF cross rates. Calculated on average for 2007, the integrated petrochemical margin rose by 2% in HUF terms and by 7% in EUR terms compared to the average of 2006.

### Operating profit

In 2007, consolidated TVK Group level sales increased by 9% year on year and amounted to HUF 337,620 million. Simultaneously, the sales of TVK Plc. taken separately rose by HUF 28.7 billion owing to increased sales volume of and the higher prices charged for olefin and polymer products, which was, however, counterbalanced mainly by the effect of exchange rate movements.

Factors Influencing TVK Plc's Product Sales, 2007 – 2006 (HUF million)

	Effect of variance in price	Effect of variance in exchange rates	Effect of variance in volume	Total
Olefin	7,007	(7,234)	14,142	<b>13,915</b>
LDPE	1,724	(1,511)	(2,978)	<b>(2,765)</b>
HDPE	11,601	(6,135)	12,573	<b>18,039</b>
PP	4,694	(3,965)	(1,220)	<b>(491)</b>
<b>Total</b>	<b>25,026</b>	<b>(18,845)</b>	<b>22,517</b>	<b>28,698</b>

In 2007, TVK Plc. realized 51% of its sales income from exports. Germany (19%), Italy (17%), Poland (14%), the United Kingdom (5%), France (4%) and Austria (4%) represented the majority of exports.

**Distribution of TVK Group sales by production unit, Year 2007 (HUF million)**

	Domestic sales	Export sales	Total sales
Olefin	94,687	9,400	104,087
LDPE	13,622	15,674	29,296
HDPE	11,136	108,122	119,258
PP	36,472	41,090	77,562
Other sales income	8,290	184	8,474
Effect on consolidation	(2,322)	1,265	(1,057)
<b>Total</b>	<b>161,885</b>	<b>175,735</b>	<b>337,620</b>

The total Group level operating income of TVK was up almost 9% on previous year to reach HUF 338,428 million in 2007, including other operating income at HUF 808 million, showing an increase of HUF 405 million (or 101%) owing to the amount of penalties, late charges, penalty interest and compensation received.

Rising by HUF 28,538 million (13%), TVK group level material costs reached HUF 256,408 million due to the higher cost of purchased feedstock and energy. The higher cost of feedstock reflects the higher volume of feedstock used for producing monomers and the rise in quoted prices, an effect compensated for by shifting exchange rates. Energy costs were up as a result of the price hike and higher volume of energy consumption. In house consumption rose in tandem with higher production volumes and higher volumes were procured for the group based on the requirements of external consumers, which was compensated for by higher sales income.

**Variations in key feedstock costs incurred by TVK Plc. in 2007 – 2006 (HUF million)**

	Effect of variance in volume	Effect of variance in prices	Effect of variance in exchange rates	Total
Naphtha and light hydrocarbons in total	14,273	36,626	(29,488)	21,411
AGO	5,448	1,248	(1,330)	5,366
<b>Chemical feedstock in total</b>	<b>19,721</b>	<b>37,874</b>	<b>(30,818)</b>	<b>26,777</b>

The increase of HUF 1,922 million (14%) in costs incurred in respect of materials related services was due first of all to charging the fees associated with the services received as a result of outsourcing of the Polymer Logistics function in October 2006 only in Q4 2006, whilst the same fees were charged round the year in 2007. Incurring the fees for this service has created savings on other cost items. Another reason for the elevated cost level of purchased services lies in the year-on-year increase of freight and technical development expenses associated with the higher volume of polymer sales.

Group level HR expenses increased by HUF 365 million (4%) as a result of a wage increase, the extraordinary bonuses awarded at the end of the year, the higher amount of accrued items and the variance of amounts provisioned against and used for early retirement and severance pay.

The amount of depreciation charged was up HUF 542 million in part due to the capitalization of the cost of maintenance jobs completed during the scheduled turnaround of the Olefin-1 Plant in the previous quarter and to recognizing the pro rata portion of the same as depreciation and also to the extra depreciation charged in respect of the LDPE-1 plant.

Other operating costs dropped by HUF 748 million (16%), including the lower insurance premium, the cost savings on environmental expenses, the mitigating effect of releasing amounts provisioned against environmental costs and the reduction of amounts written off.

The change in inventories produced in house amounted to HUF 3,197 million, reflecting the increase in products on stock and the inventory appreciation arising from higher feedstock prices.

In 2007, TVK Group consolidated earnings before interest and taxes (EBIT) amounted to HUF 32,860 million as opposed to HUF 22,058 million in 2006. The subsidiaries contributed HUF 2,692 million to group level earnings. As IFRS accounting rules were modified in 2007, local business tax was not be offset against EBIT any longer and was recognized instead as a income tax liability. This modification was also recognised as an adjustment of the data shown for 2006 in the P&L statement attached to this report.

In 2007 the Group incurred HUF 2,295 million in losses on financial operations, compared to the loss of HUF 3,909 million in the reference year. In the reporting period, Group level financial income was HUF 263 million higher than in the preceding year, typically owing to the higher interest received due to improved cash generation capacity. Financial expenses decreased by HUF 1,340 million mainly because the repayment of FX denominated loans diminished the interest burden. In 2007, TVK Group repaid EUR 120 million of the loan taken out earlier to finance the Petrochemical Development Project. Curbing the realised and unrealised exchange rate losses of FX borrowings and other assets in the course of the year was another factor that contributed to the reduction of financial expenses.

In 2007, TVK Group profit before taxes amounted to HUF 30,565 million. The financial statements of the Group show income tax liability at HUF 5,340 million for the reporting period, which includes local business tax at HUF 687 million due to the IFRS modification introduced in November 2007. According to the new IFRS standard, local business tax is treated as and charged with income tax. Deferred tax expense amounts to HUF 1,648 million and includes first of all the recognition of the deferred tax component of the depreciation charge. Consolidated net profit amounted to HUF 23,577 million in 2007.

### ***Balance sheet data***

The value of TVK Group total assets stood at HUF 234,978 million on December 31, 2007.

The value of consolidated fixed assets amounted to HUF 149,676 million on December 31, 2007, or about 4% lower than on December 31, 2006 due first of all to the lower value of assets attributable to recognized depreciation.

Following a rise of close to 14%, the value of current assets reached HUF 85,302 million. The variance includes an increase of inventories, due to the higher cost of production due to the higher feedstock prices, and due to an increase in the volume of produced polymer inventories on hand compared to the lower level recorded for December 31, 2006. The higher value of accounts receivable results from selling olefin and polymer products at a higher price in Q4 2007 than in the fourth quarter of the previous year. The higher value of other current assets is attributable first of all to that the corporate and local business tax liability was receivable-type. The underlying reason for the lower value of group level cash and bank is the repayment of debt by the parent company due to its substantially improved capacity to generate cash.

Long-term debt on hand reduced by 60% to reach HUF 20,489 million on December 31, 2007. The fall reflects the repayment of credit by the parent company.

The value of short-term liabilities increased by 29% between December 31, 2006 and December 31, 2007 to reach a total of HUF 49,201 million by the end of the period. The variance reflects the consolidated effect of the larger amount of trade accounts payable due to rising feedstock prices and the increase in accrued costs.

### ***Cash flow***

The group level cash flow statement of TVK dated December 31, 2007 shows a reduction in cash and cash equivalents at HUF 2,368 million since the beginning of the year.

Operating cash flow amounted to HUF 36,854 million on December 31, 2007. EBITDA increased cash flow by HUF 45,807 million and changes in working capital (inventories, trade accounts receivable and payable, other receivables and other liabilities combined) reduced cash flow all in all by HUF 1,404 million. The main reason behind the higher inventory value is the higher cost of production and the higher volume of produced polymer inventories on hand compared to the level recorded for the preceding year. The higher value of trade accounts receivable is attributable to the fact that sales prices and volumes associated with the end of 2006 sales were lower than those in December 31, 2007. A key contributor to the increase of trade accounts payable involves the increased amount payable to the suppliers of feedstock due to higher prices. The variance of other short term liabilities reduced cash flow through the variance of accrued costs.

Investments decreased cash on hand by HUF 5,307 million. Capital expenditure, which also includes the variance of accounts payable to suppliers of capital expenditure projects, reduced the value of investment cash flow by HUF 6,310 million, whilst other financial income added HUF 942 million to the same.

The cash effect of financial operations decreased cash flow by HUF 33,915 million in the reporting period, attributable largely to the repayment of long-term loans and to the payment of interest. The variance in long term loans reflects loan repayments effected by the company. The new value of short term loans reflects the repayments effected by the subsidiaries after long term loans were reclassified as short term debt during the previous year.

### ***Headcount***

The total consolidated headcount of the TVK Group closed at 1,179 full-time employees on December 31, 2007, i.e. 52 fewer than on December 31, 2006. The variance shows the effect of staff rationalization measures at the parent company.

### ***Capital Projects***

In 2007, the total capital expenditure of TVK Group reached HUF 7,251 million, including capital expenditures and revamp projects at the parent company at HUF 6,950 million.

Tiszaújváros, February 14, 2008

**Árpád Olvasó**  
Chief Executive Officer

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

**Data sheet header (general)**

Company name: Tisza Chemical Group Public Limited Company  
 Company address: H-3581 Tiszaújváros, P.O.Box 20.  
 Sector group: Chemical industry, petrochemical  
 Reporting period: Year 2007

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 E-mail address: [tvkinfo@tvk.hu](mailto:tvkinfo@tvk.hu)  
 Investors' contact person: Vanda Haisz

**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. YEAR 2007 PROFIT AND LOSS STATEMENT**  
**Consolidated, un-audited TVK Group data according to IFRS (HUF million)**

	Q4 2006	Q4 2007	Change	Y2006	Y2007	Change
	HUF million	HUF million	%	HUF million	HUF million	%
Net Sales	84.084	92.884	10,5	308,736	337,620	9.4
Other operating income	(866)	287	n.a.	403	808	100.5
<b>Total operating income</b>	<b>83.218</b>	<b>93.171</b>	<b>12,0</b>	<b>309,139</b>	<b>338,428</b>	<b>9.5</b>
Raw material costs	57.829	75.974	31,4	227,870	256,408	12.5
Value of material type services used	4.129	4.632	12,2	13,787	15,709	13.9
Cost of goods purchased for resale	3.027	1.746	(42,3)	17,375	9,803	(43.6)
Mediated services	145	91	(37,2)	761	472	(38.0)
<b>Raw materials and consumable used</b>	<b>65.130</b>	<b>82.443</b>	<b>26,6</b>	<b>259,793</b>	<b>282,392</b>	<b>8.7</b>
Wages	1.502	1.846	22,9	6,251	6,661	6.6
HR related disbursements	567	315	(44,4)	1,480	1,252	(15.4)
Wage benefits	535	642	20,0	2,035	2,218	9.0
<b>Personnel expenses</b>	<b>2.604</b>	<b>2.803</b>	<b>7,6</b>	<b>9,766</b>	<b>10,131</b>	<b>3.7</b>
<b>Depreciation and impairment</b>	<b>3.247</b>	<b>3.333</b>	<b>2,6</b>	<b>12,405</b>	<b>12,947</b>	<b>4.4</b>
<b>Other operating expenses</b>	<b>886</b>	<b>838</b>	<b>(5,4)</b>	<b>4,664</b>	<b>3,916</b>	<b>(16.0)</b>
<b>Change in inventory of finished goods and work in progress</b>	<b>83</b>	<b>(164)</b>	<b>n.a.</b>	<b>897</b>	<b>(3,197)</b>	<b>n.a.</b>
<b>Work performed by the enterprise and capitalised</b>	<b>(184)</b>	<b>(292)</b>	<b>58,7</b>	<b>(444)</b>	<b>(621)</b>	<b>39.9</b>
<b>Total operating expenses</b>	<b>71.766</b>	<b>88.961</b>	<b>24,0</b>	<b>287,081</b>	<b>305,568</b>	<b>6.4</b>
<b>Operating profit, EBIT</b>	<b>11.452</b>	<b>4.210</b>	<b>(63,2)</b>	<b>22,058</b>	<b>32,860</b>	<b>49.0</b>
Financial income	330	26	(92,1)	645	908	40.8
Financial expense	(4.178)	828	n.a.	4,552	3,212	(29.4)
Gain/(Loss) from associates	0	(9)	n.a.	2	(9)	n.a.
<b>Net financial profit/(loss)</b>	<b>4.508</b>	<b>(793)</b>	<b>n.a.</b>	<b>(3,909)</b>	<b>(2,295)</b>	<b>(41.3)</b>
<b>Profit before tax</b>	<b>15.960</b>	<b>3.417</b>	<b>(78,6)</b>	<b>18,149</b>	<b>30,565</b>	<b>68.4</b>
Income tax expense	568	750	32,0	1,297	5,340	311.7
Deferred tax	(638)	211	n.a.	(419)	1,648	n.a.
<b>Net income for the period</b>	<b>16.030</b>	<b>2.456</b>	<b>(84,7)</b>	<b>17,271</b>	<b>23,577</b>	<b>36.5</b>
Minority interest	0	0	n.a.	0	0	n.a.
<b>Net income attributable to equity holders of the parent</b>	<b>16.030</b>	<b>2.456</b>	<b>(84,7)</b>	<b>17,271</b>	<b>23,577</b>	<b>36.5</b>

## Key Profit and Loss figures

Currency	HUF	X	EUR	
Unit	1 000		1 000 000	X
	Q4 2006		Q4 2007	
	HUF million		HUF million	
Net sales	84,084		92,884	
Operating profit (EBIT)	11,452		4,210	
Net income from financial activities	4,508		(793)	
Profit before tax	15,960		3,417	
Profit after tax	16,030		2,456	

## ANNEX 2

**PK3. BALANCE SHEET FOR THE PERIOD ENDED ON DECEMBER 31, 2007**  
 Consolidated, un-audited TVK Group data according to IFRS (HUF million)

	31.12.2006.	31.12.2007.	Change
	HUF million	HUF million	%
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>155,266</b>	<b>149,676</b>	<b>(3.6)</b>
Intangible assets	4,001	3,807	(4.8)
Property, plant and equipment	150,836	145,467	(3.6)
Investments	194	203	4.6
Other non-current assets	235	199	(15.3)
<b>Current assets</b>	<b>74,732</b>	<b>85,302</b>	<b>14.1</b>
Inventories	8,361	12,229	46.3
Trade receivables, net	46,293	54,867	18.5
Other current assets	4,457	4,965	11.4
Cash and cash equivalents	15,621	13,241	(15.2)
<b>TOTAL ASSETS</b>	<b>229,998</b>	<b>234,978</b>	<b>2.2</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders equity</b>	<b>133,959</b>	<b>157,533</b>	<b>17.6</b>
Share capital	24,534	24,534	0.0
Share premium	15,022	15,022	0.0
Retained earnings	77,106	94,376	22.4
Revaluation difference	26	24	(7.7)
Reserves	92,154	109,422	18.7
Net income attributable to equity holders of the parent	17,271	23,577	36.5
<b>Equity attributable to equity holders of the parent</b>	<b>133,959</b>	<b>157,533</b>	<b>17.6</b>
Minority interest	0	0	n.a.
<b>Non-current liabilities</b>	<b>58,021</b>	<b>28,244</b>	<b>(51.3)</b>
Long-term debt, net of current portion	51,551	20,489	(60.3)
Provisions for liabilities and charges	3,423	3,069	(10.3)
Deferred tax liabilities	3,038	4,686	54.2
Other non-current liabilities	9	0	(100.0)
<b>Current liabilities</b>	<b>38,018</b>	<b>49,201</b>	<b>29.4</b>
Trade and other payables	36,473	47,836	31.2
Provisions for liabilities and charges	754	575	(23.7)
Short-term debt	791	790	(0.1)
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>229,998</b>	<b>234,978</b>	<b>2.2</b>



## ANNEX 4

**PK5. CASH FLOW STATEMENT ON DECEMBER 31, 2007**  
**Consolidated, un-audited TVK Group data according to IFRS (HUF million)**

	31.12.2006.	31.12.2007.
	HUF million	HUF million
<b>1. NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
<b>Operating (trading) profit (EBIT)</b>	<b>22,058</b>	<b>32,860</b>
Depreciation charge	12,405	12,947
Impairment of inventories	(2)	18
(Profit)/loss on the disposal of tangible assets	(136)	(3)
Share of profit of associates	2	0
Impairment of receivables	151	16
Revaluation difference of trade accounts receivable and accounts payable	554	(456)
Change in environmental protection provisions	(503)	(859)
Change in other provisions	141	89
Change in inventories	1,066	(3,886)
Change in trade accounts receivable	(3,642)	(8,042)
Change in other receivables	2,410	240
Change in trade accounts payable	(1,958)	9,978
Change in other short term liabilities	1,508	306
Income tax paid	(886)	(6,354)
<b>1. NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>33,168</b>	<b>36,854</b>
<b>2. NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		
Capital projects	(6,709)	(6,310)
Proceeds from the disposal of fixed assets	465	37
Changes in loans extended, long-term bank deposits and receivables	15	0
Change in short term securities	13	24
Interest received and other financial income	556	942
<b>2. NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>(5,660)</b>	<b>(5,307)</b>
<b>3. NET CASH PROVIDED BY (AND DISBURSED FOR) FINANCING OPERATIONS</b>		
Repayment of long-term debt and loans	(15,376)	(30,092)
Other long-term liabilities	(13)	(10)
Changes in short-term loans	(687)	(694)
Interest paid and other financial expenditure	(3,590)	(3,119)
Dividend paid to shareholders	(1,157)	0
<b>3. NET CASH PROVIDED BY (AND DISBURSED FOR) FINANCING OPERATIONS</b>	<b>(20,823)</b>	<b>(33,915)</b>
<b>NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS</b>		
Opening value of cash and cash equivalents	8,713	15,621
Effect of consolidating a subsidiary on cash	223	0
Closing value of cash and cash equivalents	15,621	13,253
<b>NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS</b>	<b>6,685</b>	<b>(2,368)</b>

## ANNEX 5

## PK2. CONSOLIDATED COMPANIES

Name	Equity/ Registered Capital*	Interest held (%)	Ratio of votes <sup>1</sup>	Classifica tion <sup>2</sup>
TVK Ingatlankezelő Kft.	2,970,000	100.00%	L	L
TVK Erőmű Termelő és Szolgáltató Kft.	3,298,000	26.00%	T	L
TVK Inter-Chemol GmbH (EUR thousand)	615	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 tov (hrivnya)	33,996	100.00%	L	L
TVK Polska Spzoo (PLN thousand)	109	100.00%	L	L
Tűzoltó és Műszaki Mentő Kft.	3,000	30.00%	T	T
VIBA-TVK Termelő és Kereskedelmi Kft.	205,000	40.00%	T	T
Tiszai Hulladékégető Kft.	25,000	49.96%	T	T
Tisza-WTP Vízelőkészítő és Szolgáltató Kft.**	535,000	0.00%	-	L

<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.

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

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

## ANNEX 6

## MAJOR EXTERNAL FACTORS

	Q4 2006	Year 2006	Q3 2007	Q4 2007	Year 2007	Change % Q4 2007/ Q4 2006	Change % Q4 2007/ Q3 2007	Change % Year 2007/ Year 2006
Naphtha FOB med USD/t	498	537	654	774	647	55,3	18,3	20,4
AGO CIF med USD/t	559	597	678	811	663	45,0	19,6	11,1
Ethylene ICI's lor fd NWE contract EUR/t	900	863	925	945	904	5,0	2,2	4,8
Propylene ICI's lor fd NWE contract EUR/t	865	826	878	888	859	2,7	1,1	4,0
LDPE Film ICI's lor fd NWE low EUR/t	1,088	1,095	1,228	1,211	1,182	11,3	-1,4	7,9
HDPE Film ICI's lor fd NWE low EUR/t	1,102	1,076	1,206	1,179	1,168	7,0	-2,2	8,6
HDPE Blow ICI's lor fd NWE low EUR/t	1,100	1,066	1,210	1,164	1,168	5,8	-3,8	9,6
PP Homo raffia ICI's lor fd NWE low EUR/t	1,056	1,067	1,191	1,139	1,133	7,9	-4,4	6,1
PP Homo Injection ICI's lor fd NWE low EUR/t	1,072	1,071	1,199	1,137	1,143	6,1	-5,2	6,8
PP Copolymer ICI's lor fd NWE low EUR/t	1,162	1,131	1,255	1,222	1,202	5,2	-2,6	6,3
EUR/HUF	260.08	264.14	251.81	252.83	251.31	-2,8	0,4	-4,9
USD/HUF	201.64	210.39	183.24	174.43	183.63	-13,5	-4,8	-12,7
EUR/USD	1.291	1.256	1.374	1.450	1.370	12,3	5,5	9,1

## ANNEX 7

### ST1. EXTRAORDINARY ANNOUNCEMENT IN 2007 UNTIL PREPARING THE REPORT

Date	Published in	Subject Matter, Brief Contents
12.01.2007. 15.01.2007. 15.01.2007.	BSE website Magyar Tőkepiac Napi Gazdaság	Announcement of TVK Plc. on the payment of the countervalue of the invalidated employee's shares which were not submitted for conversion.
09.02.2007. 09.02.2007.	BSE website Magyar Tőkepiac	Notice on completing the TVK Plc. Flash Report for Q4 and the year of 2006 and the site where it is accessible.
10.02.2007. 12.02.2007.	BSE website Magyar Tőkepiac	TVK Plc. Flash Report for Q4 and the year of 2006.
01.03.2007. 02.03.2007.	BSE website Magyar Tőkepiac	Notice on the application in connection with registration to the Share Register (MOL Plc. Application to register in the Share Register)
01.03.2007. 02.03.2007.	BSE website Magyar Tőkepiac	Notice on the Shareholder's Announcement (The announcement of CE Oil & Gas Beteiligung und Verwaltung AG on its influence in TVK Nyrt.)
02.03.2007.	TVK website	Notice on the Shareholder's Announcement (Change in influence of MOL in TVK)
05.03.2007. 06.03.2007.	BSE website Magyar Tőkepiac	Extraordinary announcement on changes of the shareholders owned more than 5% stake
14.03.2007. 14.03.2007. 14.03.2007.	BSE website Magyar Tőkepiac Napi Gazdaság	Announcement by the Board of Directors of TVK Plc. on the convocation of the company's ordinary general meeting in 2007.
04.04.2007. 05.04.2007.	BSE website Magyar Tőkepiac	Announcement on TVK Plc's most important financial figures for 2006.
04.04.2007.	BSE website	Proposals of the Board of Directors of TVK Plc. to the 2007 ordinary general meeting of the company.
18.04.2007.	BSE website	Shareholder structure according to the shareholder identification prepared in connection with the ordinary General Meeting of the company, to be held on April 19, 2007.
19.04.2007. 20.04.2007.	BSE website Magyar Tőkepiac	<p>Disclosure of the resolutions of the Annual General Meeting of TVK Plc. held on April 19, 2007. The General Meeting:</p> <ul style="list-style-type: none"> <li>- 100% majority accepted the proposal of the Board on the order of the debate the Agenda items.</li> <li>- 99,99% majority accepted the reports by the Board of Directors on the statutory financial reports for 2006 (that of the mother company and the one consolidated in compliance with the international accounting standards) on the activities of the Company in the year 2006.</li> <li>- 99,98% majority accepted: the consolidated financial statement of TVK Plc. and TVK's subsidiary companies prepared according to the international financial reporting standards for the year ending as of December 31, 2006 with the balance sheet total amounting to HUF 229.998 million and the net profit amounting to HUF 17.271 million; the annual report of TVK Plc. prepared according to the Hungarian Accounting Law for the year ending as of December 31, 2006 with the balance sheet total amounting to HUF 212.302 million and the after tax profit amounting to HUF 15.895 million. The GM acknowledged that the Company's profit before tax for the year 2006 is HUF 16.104 million and its net profit is HUF 15.895 million, the dividends payable upon the profit for the year 2006 are HUF 0 per share and HUF 15.895 million shall be transferred into the retained earnings with that the Company shall use its free monetary assets for future acquisition aims and the repayment of its long-term loan.</li> <li>- 99,98% majority accepted the Declaration regarding corporate governance practices of TVK Plc. for the business year of 2006.</li> <li>- 99,99% majority elected Ernst &amp; Young Könyvvizsgáló Kft. to the Auditor of the Company (appointed Auditor: Judit Szilágyi) for the business year of 2007 until the time of adjourning the Annual General Meeting of 2008, until 30 April, 2008.</li> <li>- 99,98% majority determined the Auditor's fee for the whole period of the appointment, and authorised the Board of Directors to conclude the commission contract with the appointed Auditor</li> <li>- 100% majority elected György Mosonyi, Michel-Marc Delcommune, Vratko Kassovic, József Molnár and József Simola as a Member of the Board, with the effect from the adjourning of the GM until April 19, 2012.</li> <li>- 99,99% majority elected Árpád Olvasó as a Member of the Board, with the effect from the adjourning of the GM until April 19, 2012.</li> <li>- 99,99% majority accepted the remuneration of the Board members for the next year.</li> <li>- 100% majority elected dr. Gyula Bakacsi, dr. György Bíró and László Gyurovsky, as a Member of the Supervisory Board, with the effect from the adjourning of the GM until April 19, 2012.</li> <li>- 100% majority accepted the net remuneration per months of the Supervisory Board members.</li> <li>- 99,93% majority accepted the amendment of Article 2 of the Articles of Association as follows: The seat of the Company: 3581 Tiszaújváros, TVK-lpartelep, TVK Central Office Building (building</li> </ul>

		no. 136., topographical lot number: 2119/3); modified the Article 14 and 32 of the Articles of Association.
		- 99,92% majority supplemented Article 13.17., 22.1., 24.1 of the Articles of Association; supplemented the Articles of Association with the Article 7.9, 8.11, 16.6, és 22.1 (q); modified the Articles 8.3., 15., 16.1., 17.2, 17.6, 25., 27., 28. and 36. of the Articles of Association; deleted the first paragraph of Article 8.6, and deleted the Articles 11. and 24.1. e.).
		- 99,91 majority deleted the Article 21. and modified the Articles 7.8, 8.9., 16.2. and 17.5. of the Articles of Association .
		- 99,92% majority approved the Supervisory Board's rules of procedure.
		- 100% majority elected dr. Gyula Bakacsi, dr. György Bíró and László Gyurovszky as a Member of the Audit Committee, with the effect from the adjourning of the GM until April 19, 2012.
19.04.2007.	BSE website	TVK Plc's declaration on corporate governance practices.
19.04.2007.	BSE website	Disclosure on completing the annual report of TVK Plc. on the 2006 business year and the site where it is accessible.
19.04.2007.	BSE website	TVK Plc. Annual Report for the business year of 2006.
19.04.2007.	BSE website	TVK Plc. Summary Report for the business year of 2006.
19.04.2007. 20.04.2007.	BSE website Magyar Tőkepiac	Announcement on changes of the disclosure channels.
09.05.2007. 09.05.2007.	BSE website TVK website	Consolidated Financial Statement of TVK Plc. prepared according to the international financial reporting standards for the year 2006 and Financial Statements of TVK Plc. prepared according to the Hungarian Accounting Law for the year 2006 modified according to the resolutions of the 2007 Annual General Meeting.
14.05.2007. 14.05.2007. 14.05.2007.	BSE website TVK website LSE website	Notice on completing the TVK Plc. Flash Report for Q1 2007 and the site where it is accessible.
15.05.2007. 15.05.2007. 15.05.2007.	BSE website TVK website LSE website	TVK Plc. Flash Report for Q1 2007.
21.05.2007. 21.05.2007. 22.05.2007.	BSE website TVK website LSE website	Minutes of the 2007 Annual General Meeting of TVK Plc. (abstract)
22.06.2007. 22.06.2007. 22.06.2007.	BSE website TVK website LSE website	Extraordinary Notice on the Resolution of the Supervisory Board, the members elected Mr. László Gyurovszky to be the Chairman of the Supervisory Board, and Mr. Tamás Magyar to be the Deputy Chairman of the Supervisory Board.
22.06.2007. 22.06.2007. 22.06.2007.	BSE website TVK website LSE website	Extraordinary announcement about changes in management as from July 1, 2007.
04.07.2007. 04.07.2007. 04.07.2007.	BSE website TVK website LSE website	The Articles of Association of TVK Plc, consolidated with the amendments accepted by the AGM held on April 19, 2007.
01.08.2007. 01.08.2007. 01.08.2007.	BSE website TVK website LSE website	Extraordinary announcement about change in management.
09.08.2007. 09.08.2007. 09.08.2007.	BSE website TVK website LSE website	TVK Plc. Flash Report for H1 2007.
14.11.2007. 14.11.2007. 14.11.2007.	BSE website TVK website LSE website	TVK Plc. Flash Report for Q1-3 2007.

## 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, 2007)			Period closing (December 31, 2007)			Year opening (January 1, 2007)			Period closing (December 31, 2007)		
	% <sup>2</sup>	% <sup>3</sup>	Pc	% <sup>2</sup>	% <sup>3</sup>	Pc	% <sup>2</sup>	% <sup>3</sup>	Pc	% <sup>2</sup>	% <sup>3</sup>	Pc
Domestic institution/company	46.16	same	11,214,683	87.09	same	21,154,466	46.16	same	11,214,683	87.09	same	21,154,466
Foreign institution/company	52.80	same	12,824,697	8.14	same	1,976,426	52.80	same	12,824,697	8.14	same	1,976,426
Domestic individual	0.77	same	185,847	0.27	same	65,711	0.77	same	185,847	0.27	same	65,711
Foreign individual	0.02	same	4,376	0.00	same	941	0.02	same	4,376	0.00	same	941
Employees, senior officers	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Government held owner*	0.04	same	9,899	0.00	same	0	0.04	same	9,899	0.00	same	0
International Development Institutions	-	-	-	-	-	-	-	-	-	-	-	-
Shares held by unidentified parties	0.25	same	61,240	4.50	same	1,093,299	0.25	same	61,240	4.50	same	1,093,299
<b>TOTAL</b>	<b>100</b>	<b>same</b>	<b>24,290,843</b>	<b>100</b>	<b>same</b>	<b>24,290,843</b>	<b>100</b>	<b>same</b>	<b>24,290,843</b>	<b>100</b>	<b>same</b>	<b>24,290,843</b>

\* Also included under domestic institutions

<sup>2</sup> Ownership ratio<sup>3</sup> Voting right entitling the holder to participate in decision making at the general meetings of consolidated companies. If the ownership ratio and the voting ratio are identical, only the column for the ownership ratio should be filled in and submitted (published) along with mentioning that the two are the same.**RS2. Volume (Qty) of Treasury Shares Held in the Period Under Review**

	January 1	March 31	April 19	June 30	September 30	December 31
Corporate level	0	0	0	0	0	0
Subsidiaries	0	0	0	0	0	0
<b>Grand total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**RS3/1. List and Description of Shareholders with more than 5% of the listed Series (on 31 December 2007)**

Name	Nationality <sup>1</sup>	Activity <sup>2</sup>	Quantity (of shares)	Interest (%)	Voting ratio (%) <sup>3,4</sup>	Remark
MOL Hungarian Oil and Gas Public Limited Company	B (HU)	T	21,083,142	86.79	86.79	Strategic investor
Slovnaft, a.s.	K (SK)	T	1,959,243	8.07	8.07	Strategic investor

**RS3/2. List and Description of Shareholders with more than 5% of Equity Total (on 31 December 2007)**

Name	Nationality <sup>1</sup>	Activity <sup>2</sup>	Quantity (of shares)	Interest (%)	Voting ratio (%) <sup>3,4</sup>	Remark
MOL Hungarian Oil and Gas Public Limited Company	B (HU)	T	21,083,142	86.79	86.79	Strategic investor
Slovnaft, a.s.	K (SK)	T	1,959,243	8.07	8.07	Strategic investor

<sup>1</sup> Domestic (B), Foreign (K)<sup>2</sup> Corporate (T)<sup>3</sup> Figure rounded to two decimal points<sup>4</sup> Voting right entitling the holder to participate in decision making at the general meetings of consolidated companies

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.

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 December 31, 2006	Year Opening January 1, 2007	Period Closing December 31, 2007
Corporate level	1,200	1,200	1,147
Group level	1,231	1,231	1,179

**TSZ3. Senior Officers and (Strategic) Employees Influencing the Operations of the Issuer**

Type <sup>1</sup>	Name	Position	Beginning of assignment	End /termination/ term of assignment	Shares held (qty)
BoD	György Mosonyi	Chairman of the Board	26.04.2002	19.04.2012	0
BoD	Árpád Olvasó	Deputy Chairman of the Board	29.08.2000	19.04.2012	0
BoD	Michel-Marc Delcommune	Board member	03.11.2000	19.04.2012	0
BoD	Gyula Gansperger	Board member	20.04.2006	20.04.2011	0
BoD	Vratko Kassovic	Board member	28.04.2005	19.04.2012	0
BoD	Dr. Péter Medgyessy	Board member	20.04.2006	20.04.2011	0
BoD	József Molnár	Board member	20.04.2001	19.04.2012	0
BoD	József Simola	Board member	28.04.2005	19.04.2012	0
SB	László Gyurovszky	SB chairperson SB member	22.06.2007 19.04.2007	19.04.2012 19.04.2012	0
SB	Tamás Magyar	SB deputy chair SB member, employee representative	22.06.2007 20.04.2001	20.04.2011 20.04.2011	0
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	Ildikó Keményiné Újvári	SB member, employee representative	28.04.2000	28.04.2010	0
SP	Árpád Olvasó	Chief Executive Officer	01.07.2003	Indefinite term	0
SP	Gyula Hodossy	Chief Financial Officer, Deputy CEO	01.07.2007	Indefinite term	0
SP	László Piry	Director of Polymer Marketing and Sales, Deputy CEO	07.06.2004	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

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

During the fourth quarter of 2007 there was no significant change in company structure.

During the fourth quarter of 2007 there was no significant change in the senior management.