

PROFITABLE QUARTER DESPITE THE RECESSION

Tisza Chemical Group Public Limited Company (TVK Plc.) (Reuters: TVKD.BU, web site: www.tvk.hu) has published its results for 2008 today. The data presented in TVK Plc's report on the full year 2008 results are not audited and should not be treated as final. The term 'TVK group-level data' is used in this report to refer to the figures of TVK Plc. and its participations consolidated in line with the International Financial Reporting Standards (IFRS). 7 subsidiaries, 1 affiliated business and 1 non-participating business were fully consolidated while 2 businesses were consolidated by the equity method.

TVK Group financial overview

<i>(IFRS) HUF million</i>	Q4 2007	Q4 2008	Variance %	2007	2008	Variance %
Net sales	92,910	66,814	(28)	337,646	323,405	(4)
EBITDA	7,657	10,995	44	45,921	17,645	(62)
Operating profit / (Loss)	4,323	7,585	75	32,973	4,497	(86)
Profit/(Loss) of Financial Operations	(776)	(2,441)	215	(2,278)	(3,693)	62
Corporate Tax. deferred tax	984	1,161	18	7,011	1,019	(85)
Shareholder's net profit (loss)	2,563	3,983	55	23,684	(215)	n.a.
Operating cash flow	4,848	16,624	243	36,855	14,683	(60)

<i>(IFRS) EUR million</i>	Q4 2007	Q4 2008	Variance %	2007	2008	Variance %
Net sales	367.6	254.7	(31)	1,343.5	1,287.2	(4)
EBITDA	30.3	41.9	38	182.7	70.2	(62)
Operating profit / (Loss)	17.1	28.9	69	131.2	17.9	(86)
Profit/(Loss) of Financial Operations	(3.1)	(9.3)	203	(9.1)	(14.7)	62
Corporate Tax. deferred tax	3.9	4.4	14	27.9	4.1	(85)
Shareholder's net profit (loss)	10.1	15.2	50	94.2	(0.9)	n.a.
Operating cash flow	19.2	63.4	230	146.7	58.4	(60)

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

The price of feedstock reduced more markedly than the rate at which the price of olefin and polymer products declined in Q4 2008. As a result and through the combined effect of more favourable external conditions than in the previous quarter, major increases in production and sales volumes and the cost rationalisation and loss minimisation measures introduced during the first half of the year, operating profits reached HUF 7.6 billion.

Annual operating profits amounted to HUF 4.5 billion in 2008 with EBITDA at HUF 17.6 billion. Integrated petrochemical margin plummeted to an all time low in the second quarter only to rebound near the end of the third quarter in response to collapsing chemical feedstock prices. To avoid additional losses, we refused to process atmospheric gasoil (AGO) due to the high price. Breakdowns due to process failures and the substantial rise of energy prices put downward pressure on our profits.

- ▶ **Overall capacity utilisation fell by 9%** in 2008 year on year. A plant level analysis suggest that utilisation rate was higher in the Olefin-2 plant and in the PP plants, whilst rates recorded for the Olefin-1 plant and polyethylene plants fell short of the reference period. The reduction of average capacity utilisation ratios was owing to our refusal since May to process AGO, which is substantially more expensive than naphtha, to avoid additional losses as product margins continued to narrow. Also we could not replace AGO with substantially less expensive chemical feedstock. In addition to the scarcity of feedstock supply Olefin-1 plant was brought off-line causing production losses repeatedly due to recurring boiler problems during the third quarter. The specific **monomer recovery ratios surpassed** the values recorded for both olefin plants in the reference period.
- ▶ The volume of **producing and selling polymer products** fell by 7% and 6%, respectively, from the reference levels of the preceding year. A breakdown by type shows **an increase of 1% in sales volume of polypropylene**, which offers a larger margin relative to polyethylene along with efforts to **cut polyethylene sales by 11%**.
- ▶ We **incurred account receivable/account payables (AR/AP) FX losses at HUF 636 billion** on the sales denominated in foreign currency due to the appreciation of the HUF as compared to FX gains of HUF 169 billion in the previous year. Also, the accounts show **realized exchange rate gain at HUF 243 million and unrealized exchange rate losses at HUF 1,809 million** as part of the results from financial operations relating to loans and assets denominated in foreign currency.
- ▶ TVK Plc. recorded long term loans at EUR 60 million on 31 December 2008 after **repaying EUR 20 million of debt** in December.
- ▶ The **net losses** of the Group **amounted to HUF 215 million** in 2008. As a parent TVK only incurred the liability to pay local business tax and was not subject to either corporate tax or solidarity tax. The negative amount of deferred tax is due to the accrual of the negative tax base.

CEO of TVK Plc, Árpád Olvasó emphasized:

"The global financial crisis and the related recessionary expectations coupled with the extreme decrease of quoted prices and the significant depreciation of the HUF influenced our performance in Q4 substantially. Several of our customers responded to the global economic slowdown and the rising volatility of polymer prices by curbing production, which brought the demand for our polymer products under downward pressure. Tight cost management, a variety of profit maximisation measures and substantial improvements in utilising production capacities helped us improve our internal performance in the final quarter."

Operating environment

A comparison of 2008 and 2007 reveals a downturn of 1-2% and 6-7% in the average quoted price of polyethylene and polypropylene, respectively. As regards feedstock prices, the average quoted (FOB med) price of a ton of naphtha was USD 759 against the (CIF med) price of a ton of AGO quoted at USD 922, corresponding to an increase of 17% for naphtha and 39% for AGO. The EUR/HUF rate was almost identical and coupled with a reduction of 6% in the USD/HUF rate and a 7% increase in EUR/USD cross rates. Integrated petrochemical margin responded to the changes listed above by a downturn of 19% in both HUF and EUR terms on average in 2008. Exchange rate changes had a negative bearing on TVK group level operating profits in the period under review.

A comparison of Q4 2008 to Q3 2008 shows a decrease of 36-42% in the average prices (ICI's lor fd NWE) quoted for polyethylene in the European market of polymer products and a simultaneous drop of 30-33% in the price of polypropylene products. In US dollar terms, the price of the naphtha necessary for monomer production fell by 64% and coupled with a 47% downturn in the price of atmospheric gas oil. The HUF depreciated heavily against both the USD and the EUR, with the latter also depreciating against the dollar. The aforementioned factors increased margin generation capacity by 11% in EUR terms and by 24% in HUF terms compared to the level recorded for the previous quarter.

Financial overview

Profit and Loss Statement

In 2008, consolidated TVK Group level operating income fell by 4% from the previous year and amounted to HUF 323,621 million, including other operating income at HUF 216 million. The negative variance of HUF 592 million is due first of all to compensations received during 2007 surpassing this year's figure by HUF 468 million and to recognising the difference between the exchange rate of receivables and payables in the accounts as gains amounting to HUF 169 million in 2007 as opposed to a loss stated under expenses in the period subject to this report.

In 2008, consolidated TVK Group level sales income fell short of the 2007 reference figure by HUF 14,241 million, owing fundamentally to lower volumes sold and the unfavourable turn of exchange rates and polymer prices, which was mitigated partially by the increasing sales price of olefin products.

Factors Influencing TVK Plc's Product Sales, 2008 – 2007 (HUF million)

	Effect of variance in price	Effect of variance in exchange rates	Effect of variance in volume	Total
Olefin	11,323	(2,073)	(4,414)	4,836
LDPE	(279)	(10)	(3,489)	(3,778)
HDPE	(2,327)	26	(12,853)	(15,154)
PP	(2,032)	(111)	965	(1,178)
Total	6,685	(2,168)	(19,791)	(15,274)

In 2008, TVK Plc. realized 48% of its sales income from export sales. Germany (20%), Italy (16%), Poland (15%), Austria (4%), the United Kingdom (4%) and France (3%) represented the majority of exports.

REPORT ON THE FULL YEAR 2008 RESULTS OF TVK GROUP

Distribution of TVK Group sales by production unit, 2008 (HUF million)

	Domestic sales	Export sales	Total sales
Olefin	102,680	6,243	108,923
LDPE	10,799	14,718	25,517
HDPE	10,138	93,971	104,109
PP	35,266	41,133	76,399
Income from other business	10,264	186	10,450
Effect of consolidation	(2,854)	861	(1,993)
Total	166,293	157,112	323,405

Rising by HUF 11,164 million (4%), **TVK Group level material costs** reached HUF 267,573 million due to the higher cost of both purchased feedstock and energy. The higher cost of feedstock reflects the higher quoted price of the feedstock used for producing monomers, but the effect was mitigated substantially by the HUF appreciating against the USD and on a smaller scale by the reduction of the volume of feedstock used. Energy costs were up by 26% primarily as a result of the price hike, but the volume consumed dropped slightly due to curbing production.

Variances in key feedstock costs incurred by TVK Plc. 2008 – 2007 (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	9,502	33,455	(21,861)	21,096
AGO	(17,580)	3,069	(812)	(15,323)
Chemical feedstock in total	(8,078)	36,524	(22,673)	5,773

The downturn in **services recognized under materials** amounted to HUF 891 million (-6%) including a reduction of freight costs by HUF 750 million and a decrease of the fee paid for outsourced logistics services by HUF 110 million due to reduced sales volumes.

Sales income compensated for the variance in **costs of goods sold** and in the value of mediated services.

Group level **wage related costs** decreased by HUF 810 million (-8%) despite implemented wage increases. The main item behind the reduction includes the variance of the balance of provisioned amounts and the utilisation of reserves.

Other operating costs rose by HUF 516 million (14%) year on year, as realised and unrealised exchange rate losses were incurred at HUF 636 million on AR/AP due mainly to the appreciation of the HUF against the EUR. At the same time, insurance premium reduced by HUF 195 million due to the lower premium charged for property and business interruption covers.

The **variance of inventories produced in house** shows a reduction of stock levels by HUF 4,204 million in 2008 typically as a result of stock depreciation due to lower feedstock prices.

TVK Group level consolidated operating profit (EBIT) amounted to HUF 4,497 million in 2008, as opposed to HUF 32,973 million worth of profits in 2007.

As opposed to the loss of HUF 2,287 million recorded for the reference period, the Group incurred HUF 3,680 million in **losses on financial operations** in 2008. In the reporting period, Group level financial income dropped by HUF 488 million from the level of the reference period, as interest income subsided due to poorer cash generation capacity. Financial expenditure rose by HUF 905 million. The company took out a loan at EUR 50 million in the course of the year, of which EUR 20 million was repaid in December. Compared to year 2007, unrealised exchange rate losses, recognised on credit received and other assets were up by HUF 1,711 million and realised exchange rate gains were up by HUF 236 million. Interest expense reduced by HUF 303 million year on year due to the lower average amount of debt on the books. The closing balance of the FX denominated shareholder loan remained unchanged and stood at EUR 60 million at the end of reporting period.

In 2008, TVK Group **earnings before taxes** showed a loss of HUF 804 million with corporate **tax liability** sated at HUF 1,270 million. Deferred tax expense amounted to the negative figure of HUF 251 million and essentially includes the accrual of the negative tax base. **Consolidated net losses** were incurred at HUF 215 million.

Balance sheet figures

The value of TVK Group **total assets** stood at HUF 209,780 million on December 31, 2008.

The consolidated value of **invested assets** amounted to HUF 141,701 million on December 31, 2008, or 5% lower than on December 31, 2007 due first of all to the lower value of tangible assets attributable to recognized depreciation.

The value of **current assets** fell by 20% to HUF 68,079 million; including a 42% reduction of the value of inventories as inventory depreciated due to lower feedstock prices. The reduction was mitigated by the slight increase of olefin products and goods on hand. The value of accounts receivable shows a year-on-year increase of 33% due to the lower selling price of polymer products. Other current assets increased by 269%, which is attributable to the rollover facility extended to the parent company at the end of the year. The increase of amounts receivable on the VAT account was influenced heavily by the modification of VAT return rules. The value of current assets rose at the end of the reporting period in response to a rise in the value of company tax transferred with the option to reclaim. The underlying reason for the lower value of group level cash and bank is the downturn of cash generation capacity since the reference period.

The value of **owner's equity** amounted to HUF 148,471 million on December 31, 2008, or roughly 6% lower than on December 31, 2007 due to the variance in the value of profit after tax and the distribution of dividends.

The **portfolio of long-term debt** decreased by 39% and amounted to HUF 12,586 million on December 31, 2008. The reduction reflects the repayment of EUR 20 million in December from the EUR 50 million shareholder loan taken out in June and the reclassification of the remaining portion as a short term loan.

The value of **short-term liabilities** fell by 15% to HUF 41,526 million between December 31, 2007 and December 31, 2008. The variance reflects first of all the reduced value of accounts payable as both the price charged for and the volume of olefin plant feedstock purchased in December was lower, which was partially compensated for by the reclassification of the current portion of long term loans under short term liabilities.

Cash flow

The group level cash flow statement of TVK dated December 31, 2008 shows a reduction in **cash and cash equivalents** at HUF 6,732 million since the beginning of the year.

Operating cash flow amounted to HUF 14,683 million. EBITDA increased cash flow by HUF 17,645 million and changes in working capital (inventories, trade accounts receivable and payable, other receivables and other liabilities combined) increased cash flow by HUF 339 million, whilst the revaluation of inventories and receivables added HUF 605 million to operating cash flow. On the other hand, items reducing cash flow included the payment of taxes charged to earnings at HUF 2,534 million and the balance of amounts provisioned and released at HUF 647 million. The variance of inventories on hand improved cash flow because the prices of olefin plant feedstock fell heavily, which led to inventory depreciation. Moreover, there was a slight increase in the volume of inventories produced in house by and purchased for the olefin plants. The decreased value of trade accounts receivable originates from the downturn of sales prices due to lower main market quoted prices in Q4 2008 compared to the level of prices determining the end-of-year value of trade accounts receivable during Q4 2007. The reduced value of accounts payable emanates from the lower price and volume of cracker feedstock purchases in December 2008 than in December 2007. As regards other amounts receivable, cash was reduced mainly by the higher amount of refundable VAT. Other short-term liabilities reduced operating cash flow due to the accrual of quantity discounts and the reduced value of accrued costs.

Investments decreased cash flow by HUF 15,549 million, including the effect of a revolving facility extended to the parent company at HUF 9,779 million and amounts disbursed to the suppliers of capital goods at HUF 6,260 million.

Net cash from financial operations decreased cash flow by HUF 5,866 million in the reporting period, including cash outflows associated with the repayment of borrowings as well as with interest and dividend payments, which compensated for the positive cash flow effect of borrowing.

Headcount

The total consolidated headcount of the TVK Group included 1,170 full-time employees on December 31, 2008, representing a year on year reduction of 9 people.

Capital Projects

In 2008, the total capital expenditure of the TVK Group reached HUF 4,539 million, including CAPEX and refurbishment projects at the parent company at HUF 4,434 million.

Major events after December 31, 2008

In the first quarter 2009, TVK group level operating profit is likely to be lower than in the last quarter of 2008. The unfavourable change is due partly to the reduction of integrated margin and partly to the slight downturn of production and sales volumes.

TVK Plc. repaid EUR 10 million of its long term shareholder loan before maturity on January 29, 2009, hence EUR 50 million is stated as the remainder of the loan in the accounts of January 31, 2009.

Based on a resolution of the General Meeting of VIBA-TVK Kft., the dissolution process of the limited liability company started on January 1, 2009 upon the initiative of the VIBA spa, the holder of 60% of its quota. TVK holds 40% of the company, which had been formed by investing registered capital at HUF 205 million in 1993. The core business of VIBA-TVK Kft. involved the production of black master batch used mainly for the production of plastics for the automotive and construction sectors. The company exported two thirds of its annual output of about 5,000 tons to Western Europe. The transaction does not influence the accounts of TVK Plc. materially.

ANNEXES

ANNEX 1
KEY FINANCIAL DATA

TVK Group consolidated unaudited figures according to IFRS (HUF million)

Key Profit and Loss figures

	Year 2007	Year 2008
Net sales	337,646	323,405
Operating profit (EBIT)	32,973	4,497
Net income from financial activities	(2,278)	(3,693)
Profit before tax	30,695	804
Profit after tax	23,684	(215)

Key Balance Sheet figures

	31.12.2007.	31.12.2008.
Fixed assets	149,677	141,701
Intangible assets	3,807	3,492
Tangible assets	145,467	137,835
Invested financial assets	403	374
Current assets	85,286	68,079
Inventory	12,220	7,072
Total assets	234,963	209,780
Shareholders' equity	157,642	148,471
Share capital	24,534	24,534
Long-term liabilities	28,215	19,783
Short-term liabilities	49,106	41,526
Total liabilities and shareholders' equity	234,963	209,780

ANNEX 2
Y2008 PROFIT AND LOSS STATEMENT

TVK Group consolidated, unaudited figures according to IFRS (HUF million)

	Q4 2007	Q4 2008	Change %	Year 2007	Year 2008	Change %
Net Sales	92,910	66,814	(28.1)	337,646	323,405	(4.2)
Other operating income	287	99	(65.5)	808	216	(73.3)
Total operating income	93,197	66,913	(28.2)	338,454	323,621	(4.4)
Raw material costs	75,975	45,561	(40.0)	256,409	267,573	4.4
Value of material type services used	4,633	3,642	(21.4)	15,710	14,819	(5.7)
Cost of goods purchased for resale	1,742	1,702	(2.3)	9,799	5,976	(39.0)
Mediated services	91	137	50.5	472	417	(11.7)
Raw materials and consumable used	82,441	51,042	(38.1)	282,390	288,785	2.3
Wages	1,846	1,671	(9.5)	6,661	6,291	(5.6)
HR related disbursements	315	210	(33.3)	1,252	1,038	(17.1)
Wage benefits	645	562	(12.9)	2,221	1,995	(10.2)
Personnel expenses	2,806	2,443	(12.9)	10,134	9,324	(8.0)
Depreciation and impairment	3,334	3,410	2.3	12,948	13,148	1.5
Other operating expenses	741	(99)	n.a.	3,819	4,335	13.5
Change in inventory of finished goods and work in progress	(156)	3,035	n.a.	(3,189)	4,204	n.a.
Work performed by the enterprise and capitalised	(292)	(503)	72.3	(621)	(672)	8.2
Total operating expenses	88,874	59,328	(33.2)	305,481	319,124	4.5
Operating profit, EBIT	4,323	7,585	75.5	32,973	4,497	(86.4)
Financial income	26	(370)	n.a.	908	420	(53.7)
Financial expense	811	2,058	153.8	3,195	4,100	28.3
Net financial profit/(loss)	(785)	(2,428)	209.3	(2,287)	(3,680)	60.9
Gain/(Loss) from associates	(9)	13	n.a.	(9)	13	n.a.
Profit before tax	3,547	5,144	45.0	30,695	804	(97.4)
Income tax expense	765	422	(44.8)	5,355	1,270	(76.3)
Deferred tax	219	739	237.4	1,656	(251)	n.a.
Net income for the period	2,563	3,983	55.4	23,684	(215)	n.a.
Net income attributable to equity holders of the parent	2,563	3,983	55.4	23,684	(215)	n.a.
Minority interest	0	0	n.a.	0	0	n.a.

ANNEX 3
BALANCE SHEET FOR THE PERIOD ENDED ON DECEMBER 31, 2008
TVK Group consolidated, unaudited figures according to IFRS (HUF million)

	31.12.2007.	31.12.2008.	Change %
ASSETS			
Non-current assets	149,677	141,701	(5.3)
Intangible assets	3,807	3,492	(8.3)
Property, plant and equipment	145,467	137,835	(5.2)
Investments in associates	204	183	(10.3)
Other non-current assets	199	191	(4.0)
Current assets	85,286	68,079	(20.2)
Inventories	12,220	7,072	(42.1)
Trade receivables, net	54,875	37,009	(32.6)
Other current assets	4,184	15,429	268.8
Tax receivables	766	2,030	165.0
Cash and cash equivalents	13,241	6,539	(50.6)
TOTAL ASSETS	234,963	209,780	(10.7)
EQUITY AND LIABILITIES			
Shareholders equity	157,642	148,680	(5.7)
Share capital	24,534	24,534	0.0
Share premium	15,022	15,022	0.0
Retained earnings	94,376	109,097	15.6
Revaluation difference	26	33	26.9
Reserves	109,424	124,152	13.5
Net income attributable to equity holders of the parent	23,684	(215)	n.a
Equity attributable to equity holders of the parent	157,642	148,471	(5.8)
Minority interest	0	0	n.a.
Non-current liabilities	28,215	19,783	(29.9)
Long-term debt, net of current portion	20,489	12,586	(38.6)
Provisions for liabilities and charges	3,032	2,740	(9.6)
Deferred tax liabilities	4,694	4,443	(5.3)
Other non-current liabilities	0	14	n.a.
Current liabilities	49,106	41,526	(15.4)
Trade and other payables	47,741	24,424	(48.8)
Tax liabilities	0	0	n.a.
Provisions for liabilities and charges	575	393	(31.7)
Short-term debt	0	0	n.a.
Short term part of long term debts	790	16,709	2,015.1
TOTAL EQUITY AND LIABILITIES	234,963	209,780	(10.7)

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 4.
CHANGES IN SHAREHOLDER'S EQUITY IN YEAR 2008
TVK Group consolidated, unaudited figures according to IFRS (HUF million)

	Share capital	Retained earnings	Share premium	Revaluation difference	Net income attributable to equity holders of the parent	Minority interest	Share-holders' equity
Opening balance on January 1, 2007	24,534	77,106	15,022	26	17,271	0	133,959
Transfer of 2006 profits	0	17,271	0	0	(17,271)	0	0
Revaluation difference	0	0	0	0	0	0	0
Reclassification of negative goodwill	0	0	0	0	0	0	0
Year 2007 profits	0	0	0	0	23,684	0	23,684
Other	0	(1)	0	0	0	0	(1)
Balance on December 31, 2007	24,534	94,376	15,022	26	23,684	0	157,642
Transfer of 2007 profits	0	23,684	0	0	(23,684)	0	0
Revaluation difference	0	0	0	7	0	0	7
Profit of year 2008	0	0	0	0	(215)	0	(215)
Change due to dividend payment	0	(8,963)	0	0	0	0	(8,963)
Closing balance on December 31, 2008	24,534	109,097	15,022	33	(215)	0	(48,471)

ANNEX 5.
CASH FLOW STATEMENT ON DECEMBER 31, 2008
TVK Group consolidated, unaudited figures according to IFRS (HUF million)

	31.12.2007.	31.12.2008.
<i>Profit before tax</i>	30,695	804
<i>Adjustments to reconcile profit before tax to net cash provided by operating activities</i>		
Depreciation and impairment	12,533	12,645
Impairment and amortisation	415	503
Write-off of inventories	18	403
Increase / (Decrease) in environmental provisions	(666)	(430)
Increase / (Decrease) in other provisions	97	(44)
Loss/ (Profit) on the sale of tangible assets	(3)	(47)
Write-off of receivables	42	64
Unrealised foreign exchange (gain) / loss on receivables and payables	(456)	138
Interest income	(884)	(377)
Interest on borrowings	2,274	1,971
Net foreign exchange gain on excluding foreign exchange differences on receivables and payables	91	1,566
Other financial gain, loss, net	587	347
Share of net (profit) / loss of associates	(9)	13
<i>Operating cash flow before changes in working capital</i>	44,734	17,556
Increase /decrease in inventories	(3,877)	4,745
Increase /decrease in trade accounts receivable	(8,076)	17,671
(Increase) /decrease in other receivables	239	(625)
Increase /(decrease) in trade accounts payable	9,976	(21,802)
Increase in other current liabilities	212	(328)
<i>Income taxes paid</i>	(6,353)	(2,534)
NET CASH PROVIDED BY OPERATING ACTIVITIES	36,855	14,683
Purchase of property, plant and equipments	(6,309)	(6,260)
Proceeds from disposals of fixed assets	37	64
Loans and long-term bank deposits provided	0	(9,779)
Increase / (decrease) in short term investments	23	0
Cash provided by sale, termination financial investments	0	6
Interest received and other financial income	942	404
Dividend received	0	16
NET CASH PROVIDED BY INVESTING ACTIVITIES	(5,307)	(15,549)
Proceeds from issue of new debts	0	12,078
Repayments of long-term debt	(30,092)	(5,372)
Other long-term liabilities	(704)	(719)
Interest paid and other financial costs	(3,120)	(2,893)
Dividends paid to minority interest and payment on liquidation	0	(8,960)
NET CASH PROVIDED BY (AND DISBURSED FOR) FINANCING OPERATIONS	(33,916)	(5,866)
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	(2,368)	(6,732)
Opening value of cash and cash equivalents	15,621	13,241
Closing value of cash and cash equivalents	0	0
NET INCREASE (DECREASE) OF CASH AND CASH EQUIVALENTS	13,253	6,509

REPORT ON THE FULL YEAR 2008 RESULTS OF TVK GROUP

ANNEX 6. 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 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
TMM Tűzoltó és Műszaki Mentő Kft.	3.000	30,00%	T	T
VIBA-TVK Termelő és Kereskedelmi Kft.***	205.000	40,00%	T	T
Tisza-WTP Vízelőkészítő és Szolgáltató Kft.**	495.000	0,00%	-	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.

** Non-participating business with full consolidation.

*** Dissolution process begin on January 1, 2009

ANNEX 7. MAJOR EXTERNAL FACTORS

	Q4 2007	year 2007	Q3 2008	Q4 2008	year 2008	Change % Q4 2008/ Q4 2007	Change % Q4 2008/ Q3 2008	Change % year 2008/ year 2007
Naphtha FOB med USD/t	774	647	927	335	759	(56.8)	(63.9)	17.3
AGO CIF med USD/t	811	663	1,069	567	922	(30.1)	(47.0)	39.0
Ethylene ICI's lor fd NEW contract EUR/t	945	904	1,228	1,120	1,102	18.5	(8.8)	22.0
Propylene ICI's lor fd NWE contract EUR/t	888	859	1,015	953	960	7.3	(6.1)	11.8
LDPE Film ICI's lor fd NWE low EUR/t	1,211	1,182	1,409	816	1,165	(32.6)	(42.1)	(1.4)
HDPE Film ICI's lor fd NWE low EUR/t	1,179	1,168	1,342	854	1,141	(27.6)	(36.4)	(2.3)
HDPE Blow ICI's lor fd NWE low EUR/t	1,164	1,168	1,347	866	1,141	(25.6)	(35.7)	(2.4)
PP Homo raffia ICI's lor fd NWE low EUR/t	1,139	1,133	1,206	806	1,062	(29.2)	(33.2)	(6.3)
PP Homo Injection ICI's lor fd NWE low EUR/t	1,137	1,143	1,211	807	1,065	(29.0)	(33.3)	(6.9)
PP Copolymer ICI's lor fd NWE low EUR/t	1,222	1,202	1,283	891	1,131	(27.1)	(30.5)	(5.9)
EUR/HUF	252.83	251.31	236.17	262.42	251.47	3.8	11.1	0.1
USD/HUF	174.43	183.63	157.32	199.41	172.11	14.3	26.8	(6.3)
EUR/USD	1.450	1.370	1.504	1.317	1.471	(9.2)	(12.5)	7.3

ANNEX 8.
STRUCTURE OF OWNERSHIP - % AND TREASURY SHARES

Ownership Structure, Ratio of Holdings and Votes

Description of owner	Total equity						Listed series					
	Year opening (January 1, 2008)			Period closing (December 31, 2008)			Year opening (January 1, 2008)			Period closing (December 31, 2008)		
	% ²	% ³		% ²	% ³		% ²	% ³		% ²	% ³	
Domestic institution/company	87.09	same	21,154,466	88.63	same	21,530,125	87.09	same	21,154,466	88.63	same	21,530,125
Foreign institution/company	8.14	same	1,976,426	9.95	same	2,416,138	8.14	same	1,976,426	9.95	same	2,416,138
Domestic individual	0.27	same	65,711	1.40	same	339,587	0.27	same	65,711	1.40	same	339,587
Foreign individual	0.00	same	941	0.01	same	2,391	0.00	same	941	0.01	same	2,391
Employees, senior officers	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-
Government held owner*	0.00	same	0	0.00	same	0	0.00	same	0	0.00	same	0
International Development Institutions	-	-	-	-	-	-	-	-	-	-	-	-
Shares held by unidentified parties	4.50	same	1,093,299	0.01	same	2,602	4.50	same	1,093,299	0.01	same	2,602
TOTAL	100	same	24,290,843	100	same	24,290,843	100	same	24,290,843	100	same	24,290,843

* Also included under domestic institutions

² Ownership ratio

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

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

	March 31	May 29	June 30	September 30	December 31
Corporate level	0	0	0	0	0
Subsidiaries	0	0	0	0	0
Grand total	0	0	0	0	0

List and Description of Shareholders with more than 5% of the listed Series (on December 31, 2008)

Name	Nationality ¹	Activity ²	Quantity (of shares)	Interest (%)	Voting ratio (%) ^{3,4}	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

List and Description of Shareholders with more than 5% of Equity Total (on December 31, 2008)

Name	Nationality ¹	Activity ²	Quantity (of shares)	Interest (%)	Voting ratio (%) ^{3,4}	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

¹ Domestic (B), Foreign (K)

² Corporate (T)

³ Figure rounded to two decimal points

⁴ 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.

ANNEX 9. EMPLOYEES

Changes in the Number of Full Time Employees

	Reference Period Ended December 31, 2007	Year Opening January 1, 2008	Period Closing December 31, 2008
Corporate level	1,147	1,147	1,139
Group level	1,179	1,179	1,170

ANNEX 10. SENIOR OFFICERS AND STRATEGIC EMPLOYEES INFLUENCING THE OPERATIONS OF THE ISSUER

Type ¹	Name	Position	Beginning of assignment	End /termination/ term of assignment	Shares held (qty)
BoD	György Mosonyi	Chairman of the Board	26.04.2002	19.04.2012	0
BoD	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	17.04.2008	0
SB	László Gyurovszky	SB chairperson	22.06.2007	19.04.2012	0
		SB member	19.04.2007	19.04.2012	
SB	Tamás Magyar	SB deputy chair	22.06.2007	20.04.2011	0
		SB member, employee representative	20.04.2001	20.04.2011	
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

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

During the fourth quarter of 2008 there was no significant change in company structure.

During the fourth quarter of 2008 there was no significant change in the senior management:

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 2008 results on the basis of the applicable accounting standards and to the best knowledge of the company, and it offers a true and fair picture of the assets, liabilities, financial position, profits and losses of TVK Plc. (and its consolidated businesses); and the reliable account of the position, development and performance of TVK Plc. (and its consolidated businesses) through a description of key risks and factors of uncertainty.

Tiszaújváros, February 26, 2009

Árpád Olvasó
Chief Executive Officer

Gyula Hodossy
Chief Financial Officer,
Deputy CEO