

**TISZA CHEMICAL GROUP PUBLIC LIMITED COMPANY
TISZAÚJVÁROS
Cg. 05-10-000065**

**BUSINESS REPORT ON THE YEAR 2009
BASED ON THE TISZA CHEMICAL GROUP
PUBLIC LIMITED COMPANY'S
ANNUAL REPORT PREPARED IN ACCORDANCE
WITH HUNGARIAN ACCOUNTING STANDARDS**



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1 INTRODUCTION

1.1 ECONOMIC ENVIRONMENT

Macroeconomic Processes

A rollercoaster year for the world economy

As far as the global economy is concerned, 2009 was a rollercoaster year. At the beginning of it, the risk of an imminent financial and economic collapse seemed very real. Economic activity, trade and investment were declining steeply. Asset prices were volatile and still on a downward trend. Policymakers globally reacted by an extreme loosening of fiscal and monetary policies and in many countries by de facto guaranteeing the financial system. The result was a turnaround in economic activity after the first quarter, and a spectacular recovery in asset prices. Emerging markets in general led the economic recovery, while (mostly rich) countries burdened with high debt were lagging. Despite the economic upturn, unemployment continued to increase throughout the year in OECD countries, and there is a broad consensus among analysts that the recovery remains fragile as many of the factors behind it are temporary. The extreme monetary loosening has increased inflation risks and may have contributed to incipient new asset price bubbles in some areas. The unprecedented fiscal deficits raised concerns regarding the long-term sovereign solvency of some economies.

Driven by the improving economic climate and receding fears of a double-dip recession, oil prices nearly doubled throughout 2009 surging from around USD 40/bbl in January to just below USD 80/bbl by the year-end.

Economy tendencies in Hungary

Hungary: Export-driven rebound expected

The Hungarian economy experienced a significant GDP drop in 2009 expected at around 6.3%. The large drop in private consumption played a considerable role in the downturn. Fiscal austerity measures reined in government spending and helped to bring the 2009 budget deficit figure to around 3.8% of GDP, which was prescribed by IMF. The economic contraction likely bottomed out in Q3 only, later than in most CEE economies indicating that the massive debt reduction had a negative effect on growth. Weak household demand and high unemployment rate further constrains Hungary's growth prospects, and thus the economic recovery will be fuelled by external rather than domestic demand. Annual GDP growth will likely remain slightly negative in 2010, and return to firm growth in 2011 only.

Petrochemical Trends

In 2009 the average quoted (Naphtha FOB med) price of naphtha (514 USD/t) showed a year on year decrease of 32% whilst the average quoted (CIF med) (518 USD/t) price of atmospheric gas oil was 44% lower than in 2008. (Appendix no. 5)

The prices quoted in the European markets for the polymer products produced by TVK (ICIS' fd nwe low spot, EUR/t) was on the lowest level in December 2008, because due to the economic crisis, the prices dropped significantly in the second half of the year. The average quoted prices of the polymers increased in the first quarter of the year, while the prices remained stable in the second quarter. In the second half of the year the prices increased further, while in the last months the market was characterised by decreasing prices. The annual averages of the quoted prices of polyethylene and of polypropylene – despite the almost continuous increase during the year - were lower by 27-28% and 26% year-on-year. For the year as a whole, the average quoted price of LDPE was 841 EUR/t, that of blown HDPE grade was 834 EUR/t, whilst PP homopolymer raffia and copolymer grades were 781 and 838 EUR/t. (Appendix no. 4)

The HUF weakened by 12% against the EUR and by 18% against the USD, while the EUR decreased by 5% against the USD.

As a consequence of the changes in the feedstock prices, quoted polymer prices and exchange rates (especially EUR/USD), the integrated petrochemical margin declined significantly by 17% in HUF-terms and by 25% in EUR-terms year-on-year.

1.2 STOCK EXCHANGE SITUATION

TVK share on the Budapest Stock Exchange

On the stock exchanges, the first part of the year was determined by the decline of the share prices, caused by the financial crisis started from the United States of America. Majority of the markets, at a global level, reached the bottom line in February or rather in March. Nevertheless there was a significant raise in the share prices, starting from the second quarter of the year, therefore the strengthening prices reached the pre-crisis level.

The BUX index, the normative index of the Budapest Stock Exchange, reached the bottom line on 12 March (9,461 point), down by 25 % comparing to the beginning of the year. The closing value of the index was 21,227 point, which is 68% higher versus the opening value of the year (12,649 point). On the spot market the tendency of the previous years was continued, and the contribution of the equities section to the total turnover was significant (94.6%). Within the equity sector, in line with the tendency of the previous years, the share trade amounted to 99%. In 2009, the decline of the international trades was offset by the raising activity of domestic investors.

During the year of 2009 the share price of TVK raised by 40%. The opening value of the year was HUF 2,450, while the closing value was HUF 3,400. (Appendix no. 3)

The yearly turnover of the TVK shares was HUF 6,031 million and 2,333,282 pcs, while the average daily turnover was HUF 24.1 million. The market capitalization of the TVK shares amounted to HUF 82.6 billion, up by 38% compared to the last year (HUF 60 billion). TVK kept its position in the rank and remained the eighth among the listed companies in terms of market capitalization. The TVK shares did not really belong to the liquid papers, as a consequence of the small fraction of public shares.

Ownership Structure

In 2009 the ownership structure of the company didn't change significantly, as in the person and share of shareholders holding a property of more than 5% a significant change didn't happen. According to MOL Plc.'s shareholder's book, MOL Plc. possesses 86.79% of TVK shares, while MOL Plc.'s subsidiary, Slovnaft a.s. owns 8.07%. MOL Plc's direct and indirect influence over the Company is 94.86%.

During the year, the shareholder stake of the domestic institutional investors was 88.4%, while the stake of the foreign investors was near to 10%. The ownership share of private investors was not significant, reaching barely 1.7%. The company had no treasury shares in 2009 either. According to the resolution of the Annual General Meeting held on 16th April 2009, the company paid HUF 1,991,849,126 as dividend, which amounted to HUF 82 per share. The payment of dividend commenced on 3 June, 2009.

Ownership Structure as per the Share Register

Description of owner	December 31, 2008			December 31, 2009		
	Owner- ship ratio (%)	Voting ratio (%)	Holdings (of shares)	Owner- ship ratio (%)	Voting ratio (%)	Holdings (of shares)
Domestic institutional investors	88.63	88.63	21,530,125	88.44	88.44	21,484,808
Foreign institutional investors	9.95	9.95	2,416,138	9.85	9.85	2,391,740
Domestic private investors	1.40	1.40	339,587	1.67	1.67	406,187
Foreign private investors	0.01	0.01	2,391	0.03	0.03	6,680
Employees, senior officers	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-
Shares held by unidentified parties	0.01	0.01	2,602	0.01	0.01	1,428
TOTAL	100.00	100.00	24,290,843	100.00	100.00	24,290,843

Shareholders with more than 5% interest

On December 31, 2009, as per Share Register

Shareholder	Quantity (of shares)	Interest (%)	Voting ratio (%)
MOL Hungarian Oil and Gas Public Limited Company	21,083,142	86.79	86.79
Slovnaft, a.s.	1,959,243	8.07	8.07

Remark:

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

In accordance with the resolution of 2009 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.

1.3 SUBSIDIARIES

For the detailed list of the associated companies of TVK Plc. see Enclosure no. 13.

Dissolution process of VIBA-TVK Kft. finished on 8 February, 2010.

Dissolution of TVK UK Ltd. started on 1 July, 2009.

2 ANALYSIS OF THE AUDITED BALANCE SHEET AND PROFIT AND LOSS DATA OF TVK PLC. FOR THE YEARS 2008 AND 2009

2.1 STRATEGIC FINANCIAL RATIOS

Financial Ratios	2008	2009
EPS – Earnings per share (HUF/share) (Profit after tax / number of ordinary shares)*	27.79	(407.44)
OCF/Shares – Operating cash-flow per share (HUF/share) (Operating cash flow / number of ordinary shares)*	48.70	185.63
Net debt/equity – Net debt to equity % ((Long-term and short-term loans less cash and bank less securities, except repurchased employee shares) /equity)*100	8.24	3.45

*The total number of ordinary shares was 24,290,843 in 2008 and in 2009.

2.2 PROFITABILITY AND PROFITS

	2008	2009
Net domestic sales	172,119	127,175
Net export sales	154,258	128,562
Net sales	326,377	255,737
Capitalized value of own performance	(3,092)	545
Other income	5,386	5,305
Material type expenses	294,906	244,907
Personnel costs	8,421	8,671
Depreciation	11,157	11,072
Other expenditures	11,797	17,238
Operating profit	2,390	(20,301)
Financial result	(1,716)	919
Ordinary result	674	(19,382)
Extraordinary result	1	9,485
Profit before taxation	675	(9,897)
Profit after taxation	675	(9,897)
Net income	0	(9,897)

In 2009, the net sales of TVK Plc. came to HUF 255,737 million which is 21.6% lower than in the previous year, owing to lower price and sales volumes which was partially mitigated by the increasing HUF rate. Net domestic sales amounted to HUF 127,175 million after an 26.1% decrease. Net export sales amounted to HUF 128,562 million after an 16.7% decrease. Domestic sales represented 49.7% of the net sales of the Company compared to 52.7% a year earlier.

Enclosure no. 8 presents the net sales of the Company by region. In 2009, TVK Plc. realized 50.3% of its sales income from exports.

The capitalised value of own production amounted to HUF 545 million in 2009. The change in self-manufactured inventories was a negative amount of HUF 302 million (that includes HUF 2,838 million negative effect of volume changes, and HUF 2,536 million effect of price changes) as compared to the negative value of HUF 3,993 million a year earlier. The capitalised value of self-manufactured assets was HUF 847 million.

Other income decreased by HUF 81 million as compared the previous year, because the released amount of provisions decreased, which couldn't be counterbalanced by the increase of reversal of impairment.

Material type expenses amounted to HUF 244,907 million, 17.0% lower than in 2008.

Material costs totalled at HUF 215,625 million as opposed to HUF 271,690 million in 2008. The lower cost of feedstock reflects the radical decline of the quoted price of raw materials used for producing monomers but the effect was compensated substantially by the depreciation of HUF against the dollar. In addition to this, the reduced quantity of the utilized feedstock, mainly because of the production losses due to the turnaround, also mitigated the costs. Energy costs declined by 10% despite the increased energy prices mainly because the amount of energy consumed was also lower due to the lower production and energy optimization.

The value of services used fell by HUF 460 million to HUF 12,784 million. The main reason for the decrease is a reduction of freight costs by HUF 458 million due to reduced sales volumes.

In 2009, the value of other services reached HUF 1,366 million, increased by 20.2% compared to the previous year, due to the growth of insurance fees.

The cost of goods sold was HUF 13,116 million compared to the value of HUF 6,038 million in 2008. The cost of services sold was down by HUF 782 million to reach HUF 2,016 million in 2009.

Personnel costs increased by HUF 250 million (3%), due to the implemented wage increases and the accrued items.

Depreciation decreased by HUF 85 million to come to HUF 11,072 million.

Other expenses amounted to HUF 17,238 million, which represent an increase of HUF 5,441 million, year on year. The change is mainly due to the surrender amount of emission quota unit.

Operating loss amounted to HUF 20,301 million in 2009 according to the above, while in the same period of 2008 profit amounted to HUF 2,390 million.

Financial profit amounted to HUF 919 million contrary to a loss of HUF 1,716 million in the preceding year. Financial income of the Company decreased by HUF 646 million, financial expenses fell by HUF 3,281 million as compared to the previous year. The reason for the reduction in both cases is the FX volatility of monetary assets and liabilities denominated in foreign exchange.

Interest income increased by HUF 154 million. Interest expense reduced by HUF 592 million year on year due to the lower average amount of debt on the books.

Loss on ordinary activities reached HUF 19,382 million, which is HUF 20,056 million lower than in 2008.

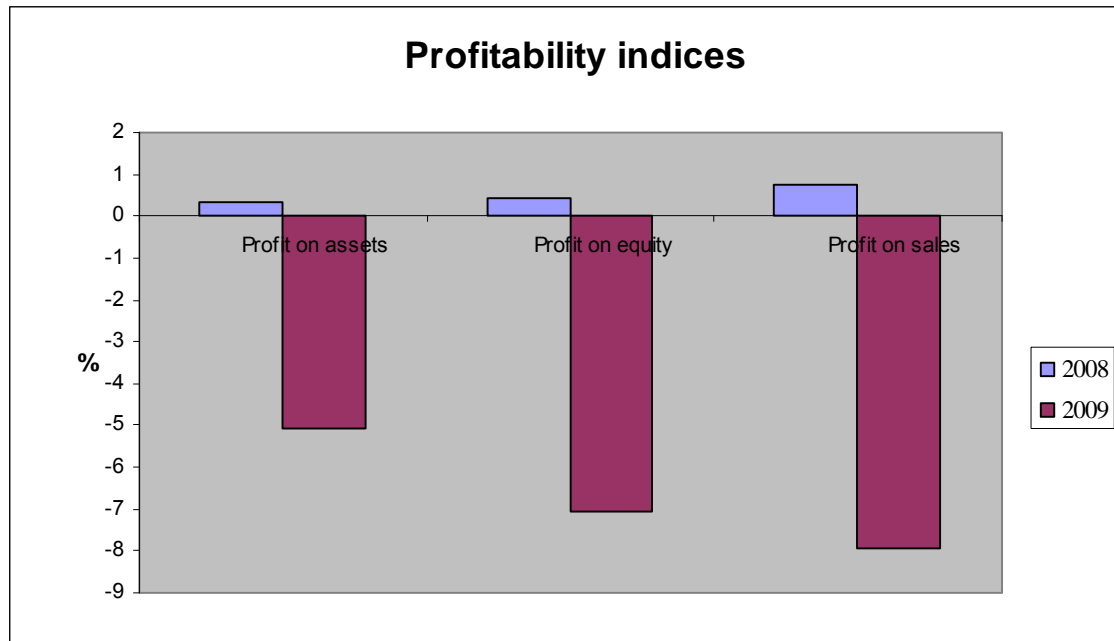
The extraordinary profit amounted to HUF 9,485 million, compared to the value of HUF 1 million in the preceding year.

In 2009, profit before taxation was a negative amount of HUF 9,897 million, which is HUF 10,572 million lower than in the preceding year.

Loss for the period amounted to HUF 9,897 million in 2009.

Ratios that Measure Profitability

	2008	2009
Return on Assets (%) (Profit after tax / Total assets)*100	0.35	(5.07)
Return on Equity (%) (After-tax profit / Equity)*100	0.45	(7.06)
Return on Sales (%) (Operating profit / Net sales income)*100	0.73	(7.94)



The reason for the decrease of all three ratios is the decline of profit before tax in 2009.

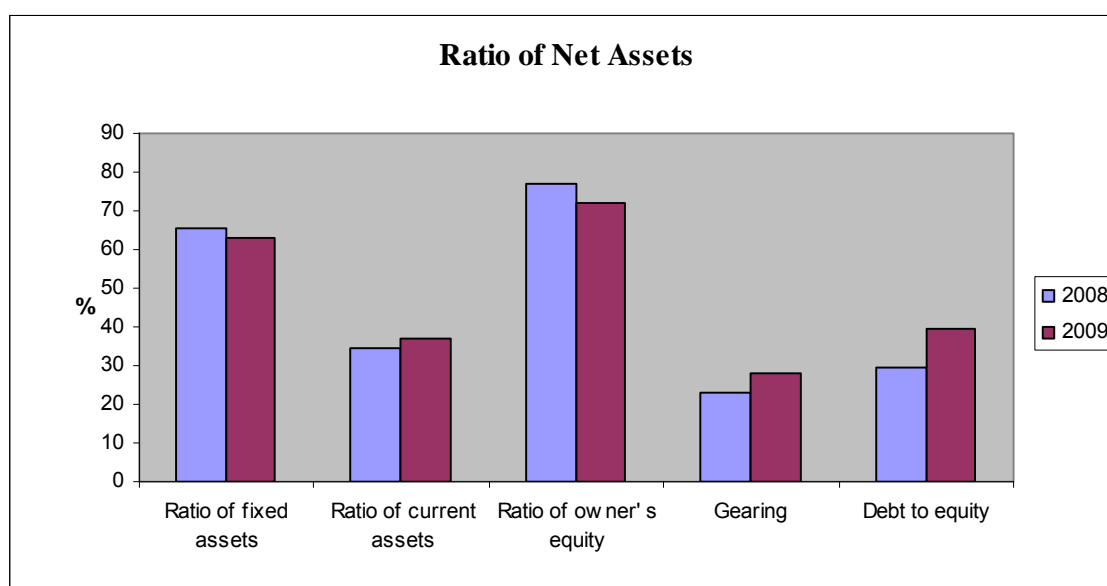
2.3 NET ASSET POSITION

On December 31, 2009, the balance sheet value of assets and liabilities was HUF 195.3 billion, HUF 854 million higher than in preceding year. (Enclosure No. 7)

Ratios that Measure Net Assets

	2008	2009
Ratio of Fixed Assets (%) (Fixed assets/Total assets)*100	65.72	63.19
Ratio of Current Assets (%) (Current assets/Total assets)*100	34.28	36.81
Ratio of Owner' s Equity (%) (Owner' s Equity/Total sources)*100	77.21	71.80
Gearing (%) (Liabilities/Total sources)*100	22.79	28.20
Debt to Equity (%) (Liabilities/Owner' s Equity)*100	29.52	39.28

Current assets include prepayments. Liabilities include provisions and accrued expenses.



Fixed assets decreased by HUF 4,381 million. The net value of intangible assets decreased by HUF 497 million. The net value of tangible assets decreased by HUF 3,720 million due first of all to the lower value of assets attributable to recognized depreciation. The amount of depreciation came to HUF 11,072 million and the amount of investments came to HUF 7,141 million in 2009.

Current assets amounted to HUF 71,568 million by year-end 2009 after increasing by HUF 5,177 million, including a 7% growth of the value of inventories compared to the preceding year. Self-manufactured inventories appreciated because of the purchase costs resulting from high feedstock prices, despite of the significant reduction of polymer finished product inventory, whereas olefin feedstock quantity increased slightly.

The value of accounts receivable increased by 14 % to HUF 42,146 million by year-end 2009. Given loan to mother company was HUF 1,140 million on 31 December, 2009, compared to preceding year's amount of HUF 10,627 million.

Other current assets increased by HUF 7,619 million, due to the increase of amounts receivable on the VAT account. The value of cash and bank amounted to HUF 4,628 million in 2009, exceeded the previous year's same value by HUF 1,107 million.

2.4 CHANGES IN FINANCIAL POSITION

Ratios that Measure Financial Position

	2008	2009
Liquidity ratio		
Current assets/Short term liabilities	1.85	1.61
Acid test ratio		
(Current assets-Stocks)/Short term liabilities	1.60	1.40

The value of short-term liabilities increased by 24% to HUF 44,459 million between December 31, 2008 and December 31, 2009. The variance reflects first of all the increased value of accounts payable as both the price charged for and the volume of olefin plant feedstock purchased in December was higher, which was partially compensated by the reduction of short term loans (HUF 6,418 million). The amount of short term loans amounted to HUF 9,469 million on 31 December, 2009.

Enclosure no. 9 shows the changes in financial assets and loans.

2.5 CHANGES IN THE REGISTERED CAPITAL, CAPITAL RESERVED RETAINED EARNINGS AND ALLOCATED RESERVE

HUF million

	Opening balance	Change	Closing balance
Registered capital	24,534	0	24,534
Capital reserves	4,624	0	4,624
Retained earnings	120,976	(6)	120,970
Allocated reserve	0	0	0

The reduction of retained earnings was caused by the given cash contribution free of charge to VIBA Kft..

3 PRODUCTION AND SALES BY BUSINESS DIVISION

3.1 OLEFIN BUSINESS UNIT

Description	Key figures	Unit	2008	2009	Variance (%) 2009/2008
Use of naphtha*		kt	1,548.1	1,445.2	93.4
Use of gas oil		kt	59.7	52.5	87.9
Ethylene purchase		kt	1.7	0.0	0.0
Propylene purchase		kt	3.5	5.6	160.0
Ethylene production (gross)		kt	606.4	565.5	93.3
Propylene production (gross)		kt	309.5	293.1	94.7
Capacity utilization (for ethylene)		%	91.9	85.7	93.3
Ethylene sales		kt	142.6	98.7	69.2
Propylene sales		kt	22.8	22.9	100.4
Net sales		HUF million	108,843	72,456	66.6
Domestic		HUF million	102,680	67,742	66.0
Export		HUF million	6,163	4,714	76.5

*includes the usage of light hydrocarbons.

The two most important olefin products are ethylene and propylene.

In 2009, despite the shutdown and the reconstruction, the ethylene production of Olefin 1 Plant was less only by 4% compared to previous year. This was due to the unfavourable pyrolysis raw material supply and the shutdowns, which caused lower production in case of normal working method in 2008. Because of the technological failures and the unfavourable pyrolysis raw material supply, Olefin 2 Plant produced less by 10% compared to previous year, when the ethylene production was equal with the plant's rated capacity (290 kt).

Because of the lower BorsodChem demand, the domestic ethylene sales was the 69% of the 2008 year's same value. The export propylene sales reached the level of 2008.

5.6 kt of propylene were purchased to the production of polymer plants, when the Olefin 1 Plant was shut down.

The raw material for pyrolysis was supplied by MOL Group.

3.2 POLYMER BUSINESS UNIT

3.2.1 LDPE

Key figures Description	Unit	2008	2009	Variance 2009/2008 %
Volumes produced	kt	88.9	66.4	74.7
Capacity utilisation	%	91.7	92.7	101.1
Sales*	kt	88.8	79.6	89.6
Domestic	kt	38.8	36.6	94.3
Exports	kt	50.0	43.0	86.0
Net sales revenues*	HUF million	25,822	18,651	72.2
Domestic	HUF million	11,255	8,631	76.7
Exports	HUF million	14,567	10,020	68.8
Sales structure*				
Domestic	HUF million	11,255	8,631	76.7
Europe	HUF million	14,275	9,843	69.0
Outside Europe	HUF million	292	177	60.6

3.2.2 HDPE

Key figures Description	Unit	2008	2009	Variance 2009/2008 %
Volumes produced	kt	361.0	387.5	107.3
Capacity utilisation	%	85.8	92.1	107.3
Sales*	kt	360.8	393.7	109.1
Domestic	kt	36.1	38.9	107.8
Exports	kt	324.7	354.8	109.3
Net sales revenues*	HUF million	103,291	90,179	87.3
Domestic	HUF million	10,475	9,199	87.8
Exports	HUF million	92,816	80,980	87.2
Sales structure*				
Domestic	HUF million	10,475	9,199	87.8
Europe	HUF million	89,872	74,103	82.5
Outside Europe	HUF million	2,944	6,877	233.6

3.2.3 PP

Key figures Description	Unit	2008	2009	Variance 2009/2008 %
Volumes produced	kt	282.7	269.9	95.5
Capacity utilisation	%	101.0	96.4	95.4
Sales*	kt	283.5	275.7	97.2
Domestic	kt	138.0	127.0	92.0
Exports	kt	145.5	148.7	102.2
Net sales revenues*	HUF million	77,864	59,889	76.9
Domestic	HUF million	37,399	27,202	72.7
Exports	HUF million	40,525	32,687	80.7
Sales structure*				
Domestic	HUF million	37,399	27,202	72.7
Europe	HUF million	38,945	30,649	78.7
Outside Europe	HUF million	1,580	2,038	129.0

The total polymer production amounted to 723.8 kt in 2009 that is lower than in the previous year by 8.8 kt. In this year, production was lower in case of LDPE and PP product segment, while in case of HDPE products, the production was higher than in 2008. Because of LDPE1 Plant shutdown, the production of LDPE decreased to the greatest extent. The polymer plants used the available monomers in accordance with the optimisation of customer and product portfolio.

2009 sales amounted to 749.0 kt, which is higher than in the previous year by 15.9 kt. Except for HDPE, sales lessened in each product segment. In case of LDPE products, due to the LDPE-1 Plant shutdown, the sales decreased. The extent of decrease was mitigated by the domestic sales of LDPE goods, which was purchased from Slovnaft Petrochemicals s.r.o. (12.7 kt).

73% of total sales, or 546.5 kt, were realised on export markets, while 27%, or 202.5 kt were sold on domestic markets.

The net income from polymer sales amounted to HUF 169 billion in 2009, which is lower than in 2008 (HUF 207 billion) by HUF 38 billion. Lower quoted polymer prices had an unfavourable impact on the revenue of the Company.

In 2009 export sales continued to focus onto the European markets, which means that 93% of the export sales income was realized in Europe and 7% was realized outside Europe.

Appendix no. 12 gives a comprehensive overview of the production and capacity utilization in the polymer segment furthermore about the sales revenues.

4 CAPITAL AND DEVELOPMENT PROJECTS

4.1 CHANGES IN CAPITAL EXPENDITURE

Changes in capital expenditure of TVK Plc. in 2009.

Description	HUF million
	Value of Capital expenditures and Development Projects
Grand total:	7,141
I. Individual projects	4,112
Olefin-1 reconstruction	3,184
Olefin-1 development	277
HDPE-2 Oligomer removing system	5
HDPE-1 revamp	136
The increase of the operation reliability of the electric supply system	272
The preparation of new projects	23
LDPE-2 environment protection improvement	97
Olefin-2, HDPE-2 recirculation cooling circle additional water filter change	89
Purchase of laboratory equipment	14
Wastewater sludge treatment	12
Recovery of hydrocarbon gases – stage 1	3
II. Maintenance projects and refurbishments	2,642
Capital expenditures into and refurbishment of operating assets	1,726
Capital expenditures and refurbishments to support operations	773
Infrastructure projects and renovations	81
Safety engineering development	59
Environmental projects	3
III. Other development projects	387
Purchase of catalyst	260
Information technology and other projects related to the management segment	127

In 2009, the maintenance projects renovations represented efficiency improvement individual projects a value of HUF 4,112 million and the major part of investments in a value of HUF 2,642 million. We spent HUF 387 million on other development projects, within which value of Olefin-1, Olefin-2 and HDPE-2 catalyst purchase was HUF 260 million.

4.2 DETAILS OF INDIVIDUAL PROJECTS IN 2009

The strict cost reduction program launched to compensate the negative impact of the general economic downturn protracting to the year 2009 has basically determined the nature and content of our annual project development and project implementation activities.

Instead of a low number but high-value technology and production development projects (like the processing of olefin by-products) we deliberately concentrated on projects aimed at the efficiency improvement of petrochemical production, at the diversification of our product portfolio, at the management of operational safety and of the risks jeopardizing health and environment. Of course we also had to keep tasks ensuring the fulfilment of authority regulations in mind. In the course of the evaluation of the continuation or re-scheduling of projects launched earlier and before launching new topics we were consequently sticking to the aforementioned principles.

In order to improve the efficiency of the Olefin-1 plant we launched **O-1 Development project**, a capacity enlargement project of the F1009 ethane furnace in the year 2008. The essence of the project is to implement a qualitative shift by the more valuable processing of ethane being used as fuel at the present. Beside the contract concluded earlier for the basic design activities summer 2009 we concluded a further contract with Linde for the detailed design and purchasing activities. We consult with Linde continuously and design activities and the common selection of main suppliers progress as planned.

When we launched the topic **Heat recovery from the flue gases of the F8001 boiler** our goal was to improve the efficiency of the Olefin-1 plant. By involving external specialized companies we examined and compared potential technical solutions, we invited designers to submit their offers and we prepare detailed calculations of profitability.

An approach searching for the reduction of losses and for improvement possibilities is reflected by the **cracked gas pipeline installation project between the O-1 and O-2 plant** launched in the course of the year. Our goal is that after the shutdown of any of the olefin plants, a part of the high quantity of gases that are inevitably diverted to the flare in the start-up phase shall be used in the operating other plant for technological or heating purposes. For this we install an interconnecting pipeline between the two plants, with the necessary fittings and control units. We placed an order with Linde for the elaboration of the technical content and for the preparation of the detailed design we selected a Hungarian partner by calling for bids. As we had to adapt the lead time of the project to the turnaround period planned for the year 2010, after the approval (September 2009) we immediately organized and completed, together with the Purchasing Department, the tendering of suppliers for equipment and materials with long lead time. We have selected the subcontractor as well, and in general we created the preconditions for the successful and on-time implementation of the project.

Based on our commitment for safety and on principles of economic efficiency we initiated also in the course of 2009 the project **Installation of butterfly valves into the cracked gas pipelines of the O-2 plant**. One of the main challenges of the project is also the limited lead time, as the installation of the valves is possible during the turnaround shutdown in 2010 only. We have selected the designer and the valve supplier and concluded a contract for the installation works. The progress realized so far guarantees successful completion.

We continued the project launched in the year 2008 for the **Improvement of the reliability of electricity supply**. This topic is important in terms of operational safety, because due to the significant new production capacities installed during the recent years the energy consumption and the utilization of the electricity supply systems of TVK increased significantly and thus supply-related risk increased. Because of this, in addition to the existing transformers of the receiving stations I. and II. we decided to install one new transformer each. The design, approval, purchasing and on-site preparation activities scheduled for the year 2009 progressed as planned in case of both receiving stations to be extended. The manufacturer manufactured and delivered the transformer No. 1. The erection, test run and final acceptance of the transformer was successful. Transformer No. 2 will be manufactured and installed in the year 2010.

Our commitment for health and environment and obligations specified by authorities are the reason for some important projects.

One of them is the **LDPE-2 environment protection improvement** project launched in 2008 but essentially implemented in 2009. The goal of the project is to neutralize ethylene released from the pellets after the production of LD type polymers. For this we selected a thermo-catalytic burner incineration technology. This technology was delivered, successfully installed and commissioned during the year. With the project implementation we managed to reduce the ethylene content of the gases released close to zero and this by operating a very economical process.

Partially also the **Quench oil preheating and unloading station reconstruction and extension** project is also one project of this kind, which was essentially implemented in 2008, but closed in terms of technical and financial aspects in 2009. In addition to the reconstruction of three older unloading and five preheating stations of railway tank cars and to the construction of two, state-of-the art unloading stations, the project also covers the collection of CH₄ gases released and their incineration in the flare of the unloading station. With this we further reduce the environmental load that was below the limit also up to this date. The project is economically also profitable, as we save steam due to the modernized unloading.

With the **Recovery of hydrocarbon gases** project we pursue similar purposes. In this project we plan to recover gases released during the loading of propylene into railway tank wagons and during unloading LPG products from the tank wagons. These gases are sent to the flare at the present. In 2009 the basic design of the propylene loading was implemented, we called for bids for technical design and selected the design partner. We plan to implement the project, depending on our financial possibilities, in 2011.

We launched the **Wastewater sludge treatment** project on the basis of the mandatory regulations of the environment authority. The goal is the disposal of the sludge resulting from the treatment of industrial water in line with the authority regulations. We ordered the relevant study and principal licensing documentation from the Technical College of Budapest and called for bids for the design and implementation works. At the end of 2009 we had a complete technical documentation and also the delivery of the equipment started. The project will be implemented in the year 2010.

The goal of the topic **HDPE-1 reconstruction and capacity enlargement** is the improvement of the efficiency of polymer production and the diversification of our

product portfolio. The project is of pressing necessity, as the oldest polymer production unit of TVK needs overall reconstruction, at the same time both economic and commercial arguments call for the increase of the HDPE-1 product yield and ethylene utilization. The project is a good chance to modernize the HDPE product portfolio as well.

In 2009 we completed stage 1 of the project. We consulted the licensor Chevron-Phillips Chemicals and requested a PDP (Product Design Package) for the extension of the polymerisation section and asked Coperion GmbH to submit a feasibility study about the extension of the pneumatic conveying system. We initiated the selection procedure of a new, high-capacity extruder for the pelletizing of the planned, among others bimodal grades. The continuation of the project preparation and the project implementation is a priority task of the next period to come.

We continued the projects launched in 2008 in connection with MegaJoule topics: the **installation of a gravel bed water filter for the make-up water supply of the common cooling water system of the Olefin-2 and HDPE-2 plants**. In 2009 specific design, construction, installation, commissioning and final approval activities have been carried out. Following the acceptance in June the system is operating continuously and in a reliable way and ensures as planned that deposits and thus corrosion, the frequency of the cleaning of heat exchangers and the consumption of cleaning agents in the O-2 and HDPE-2 technological systems drop significantly.

The projects and project phases planned and approved for 2009 have been completed within the deadline. The degree of preparation of projects planned and proposed for the next time period is also in accordance with the plans.

4.3 PROJECTS ENSURING CONTINUOUS OPERATION

From among the projects and renovations initiated in 2009 the value of production and production supporting projects was the highest: HUF 2,499 million, which represented almost 95% of the total project value. HUF 81 million was spent on infrastructural projects and HUF 3 million was expenditure on environment projects.

The following major production and production supporting projects were realized in 2009:

Major production, production enhancement works in 2009

- Renewal of Olefin-1 furnace F 1008
- Replacement of Olefin-1 ABC pipe bundle E-1502
- Renewal of Olefin-1 furnace quench coolers F1021
- Renewal of HDPE-1 transportation control equipment of Natur chippings breaker
- Renewal of HDPE-1 extruder driving gear X1502
- Replacement of Olefin-2 reactor fluid-dispenser R-7261B
- Renewal of LDPE-2 hyper-compressor 2KC2
- Renewal of Storage Tanks' water-curtain and flare-line
- Duplication of PP-3 catalyst dispersion D-3106
- Replacement of LDPE-2 primer compressor heat-exchanger pipe bundle 2KC1
- Insurance of HDPE-2 phase-corrector separation
- Renewal of HDPE-1 level-indicator
- Replacement of HDPE-1 radiation source

5 ENVIRONMENT, ENVIRONMENT TECHNOLOGY

5.1 PROTECTION OF THE ELEMENTS OF ENVIRONMENT

Protection of the cleanliness of the air

Emission

The process related pollutant emission of the plants complied with the valid emission limits on the basis of the emission measurements.

We spent HUF 1.85 million on the monitoring of air pollution point sources in 2009.

We check up the static point sources with periodic measurements made according to the legal regulations and with a frequency required by the authorities. We involve accredited laboratories to perform these measurements.

Immission

Our immission was under the given limit value in 2009.

Waste handling

The opening stock of hazardous wastes was 0.3 tons in 2009. The quantity of the hazardous wastes generated in the course of the year was 2,461 tons.

In case of non-hazardous wastes the same indices are: opening inventory 13.1 tons, total annual quantity produced: 4,806 tons.

The quantity of (hazardous and non-hazardous) wastes produced during normal operation was 2,326 tons. The cost of the treatment (decontamination, utilization) of hazardous wastes was HUF 56 million. In the course of the investment, maintenance activities some 4,883 tons of wastes were produced. The majority of these wastes was utilized, resulting in sales amounting to HUF 24.5 million for the Company.

In 2009, a tender was invited for the treatment of hazardous and non-hazardous wastes (decontamination, utilization).

In case of every type of waste, cost-effectiveness and followableness of wastes' course of life were ensured by the requisition of our active and passive partners' services.

No fines can be expected in connection with the waste management activity of TVK Plc. in 2009.

Protection of the water quality

Neither the wastewater tests performed during the year by the authorities nor the self-tests identified higher concentration of pollutants in the treated effluents discharged in River Tisza than allowed therefore no fine is expected regarding the effluents discharged in 2009.

An amount of HUF 331 million was spent on the treatment of contaminated water.

5.2 MANAGEMENT OF ENVIRONMENT PROTECTION OBLIGATIONS RESULTING FROM PAST ACTIVITIES

The Technical Response Plan Documentation submitted in order to meet the requirements of the authority concerned has been prepared in line with the effective legal regulations and included the short- and medium-term practical steps of the strategy and their planned scheduling required for the compliance with environment law and for the standardized management of environment responsibility all over the area of TVK-TIFO. The Company and MOL Plc. provide, within the frame of an integrated project, for the management of obligations resulting from past activities. Joint responsibility has been stipulated by TVK Plc. and MOL Plc. in the Cooperation Agreement signed July 2006.

The followings are the environment protection related obligations that we are aware of:

- ongoing waste treatment tasks,
- ongoing soil and ground water decontamination tasks,
- execution of supplementary tests,
- monitoring activity,
- follow-ups after completed decontamination activities.

5.2.1 Ongoing waste treatment tasks

At present the following waste treatment projects are in process:

- Re-cultivation of caustic sludge storages,
- Re-cultivation of wastewater emergency reservoirs of the Olefin plant and of the paint factory.

The lime sludge storages have been emptied and the industrial utilization of lime sludge has also been finished. The technical part of the project was closed on December 31, 2007.

The closing document of the technical intervention and the recultivation were submitted to the Authority in April, which accepted them with its resolution No. 10605-7/2008.

According to the recultivation plan, on the area located south of the Sajó channel, we have to finish the recultivation of the lime sludge storages and the preliminary activities of integration of the lime sludge storages into the landscape until October, 2011. The implementing activities will have to be started in 2012. For these activities, we have foreseen provisions in the amount of HUF 220 million.

The in-situ handling of the so-called “former paint factory and olefin plant” emergency storages started on the basis of the authority permit for the demolition of these facilities in the year 2006. The project progressed continuously through 2007. The closing documents required for the closing of the task have been prepared and forwarded to Authority. The Authority’s resolution about the approval, which contains that the intervention is finished, was born on April 2009.

5.2.2 Ongoing soil and ground water decontamination tasks

At present the following soil and ground water decontamination tasks are in process:

- Technical response in the area south of the Sajó channel of TVK Plc.
- Decontamination of the tank yard of the olefin plant and of the area of the emergency reservoirs,
- Technical response in the railway loading – unloading area.

On the area situated south of the Sajó channel (area of the tank farm and emergency storages) the decontamination is going on also at the present, with the technical content of the operating instructions accepted by the authority. Safe operation can be ensured along the old pipe routing with a daily water withdrawal of 500-600 m³ /day. The groundwater produced by the decontamination system is drained directly into the wastewater plant of TIFO.

In 2009 the technical intervention was going on as a test of an innovative technology and for the operation of the decontaminating system of the railway loading and unloading station.

5.2.3 Implementation of the complementary examinations

The main emphasis was on the localization of the groundwater contamination: within the battery limits of the Company, on the south, the prevention of the propagation of further contamination is being prevented.

The establishment of a risk-based strategic concept, required because of the dimensions of the contaminated area and the dimension of the problem, for the standardized management of the environment responsibility of the industrial sites of TVK-TIFO continued with the involvement of an external expert. Significant steps have been made in order to get to know further quantitative and qualitative parameters of the contamination, its geographic propagation, the dynamics of the dissolved plume.

December 2006 the Authority issued, in connection with the complex Technical Response Plan, a resolution to be executed by putting TVK-MOL under joint obligation, covering the whole territory of TVK-TIFO. The Resolution approved the short- and medium term work plan of the two companies with the principal objective of the management of obligations on risk basis. The work plan continuously optimizes environment expenditures, contamination management solutions and will create as one of the first significant milestones a complete risk map by the beginning of 2009.

The TVK-TIFO site's exploration of facts and its complementary information were prepared and submitted to ÉMIKÖTEVIFE by BGT Hungária Kft in 2009. On the basis of these documents, the Authority, with its resolution No. 9582-24/2009 prescribed the continuation of exploration and the actual technical tasks of restoration with joint responsibility. The lodging deadline of the exploration's closing documents is on December, 2012.

The quantitative risk assessment has been carried out during 2008 and on the basis of the momentary findings agricultural, ecological and human exposure-related risks which could be traced back to the contamination of the subsurface medium on the area of the industrial complex cannot be anticipated. Nevertheless it is necessary to update the input information of the risk assessment continuously, therefore, as of 2009, the chemical analytic monitoring program was supplemented with a soil-gas part being significant for human health and a biological monitoring part in order to map the long term impact on the fauna and flora.

During 2009, the Company continued the mapping up of the resources, geological structure of the site and the water streams and it started to integrate them into the hydrodynamic transport model. On the basis of surveys, the original extension of environmental pollution was determined. In case of areas, which are between TVK's and TIFO's sites, we will start the treatment actions of wastes after the closing of exploration. By reason of joint responsibility, on these areas the extent of liability was revised.

TVK Nyrt, in order to select potential technical interventions has set up a research project and TVK Nyrt, as a consortium member, successfully participated in the tender "For a Liveable Environment" published by the National Technological Research Agency. In the research program our target was to prevent the transport of contamination in the 16-32 m deep water bearing zone and to investigate methods that can be used for the reduction of the concentration of contamination.

With the information being updated continuously environmental goals and the priorities of their implementation can be re-defined in the medium term. The figures of our obligations will, like in the past, reflect all new or modified information resulting from the implementation of the work schedule.

In the year 2009 the following soil and groundwater decontamination tasks were in progress:

- Technical intervention on the area located south of the TVK Sajó channel
 1. Decontamination of the area of the tank farm and emergency storages of the Olefin plant,
- Technical intervention and testing of the innovative technology in the area of the railway loading and unloading station
- Other projects planned in connection with the implementation of the TRP:
 - Investigation of possibilities to utilize hydrocarbon phase that is more heavy than water
 - Building and calibration of the numeric water streaming and transport model
 - Review and identification of innovative environmental remediation technologies
 - Technical inspection of decontamination projects by external experts
 - Identification, design and testing of potential methods of recultivation in the area of the emergency storages, and lime-sludge storages
- Monitoring activity
 1. Plume dynamics monitoring
 2. Monitoring of the area of the railway loading-unloading station and of the north-west plume
 3. Monitoring of the tank yard of the Olefin plant and of the emergency storage area

5.2.4 Follow-ups after completed decontamination activities

- Follow-up of the area of the new water softener,
- Inspection of the area of AKZO Nobel

We have received the resolution about the approval of the area of the new water softening plant. The follow-up monitoring program specified in the resolution was integrated into the monitoring program.

The monitoring program applying to the area of AKZO Nobel was implemented according to the schedule, we have submitted the documents evaluating the years 2007-2008 to the Authority in November. The Authority prescribed the continuation of follow-up monitoring.

6 QUALITY MANAGEMENT

QUALITY is more for us than the quality of our products. Our goals are to satisfy the requirements of our clients (e.g. transportation, service-department), establish close cooperation with our suppliers, and develop continuously our intern processes.

New challenges, like changes caused by globalization, sustainable development request the quality management organization to live up to new requirements, therefore we worded the quality aspect as one of the most important core values in the management and operation and in the relationship of our Company with its societal and economic environment.

In line with the new, process-oriented expectations we modify, actualize continuously our regulation system. We endeavour to ensure the measurability and verifiability. The transformation took place in accordance with a strictly supervised schedule that helps us to keep up the continuity of operation and control. The conversion makes possible:

- the further development of the control systems ,
- the deepening of integration,
- the application of key-efficiency indicator,
- the taking into consideration of new requirements.

In March 2009, SGS Hungária Kft. successfully audited the integrated management system operating at our company (In case of ISO 9001 this audit was a supervisory audit, while in case of ISO 14001 and OHSAS 18001 it was a novatory audit).

We endeavor to establish and maintain good relationship. We build on the remarks, opinion, proposals of our clients and suppliers. We made questionnaires to estimate the claims of our customers, who operate on the field of automotive industry and it's relating sectors. This survey helped us to improve our integrated control system. The most important inputs of our development projects were the information provided by these projects.

We continuously keep track of changes happening in the area of quality management and are applying the instruments and technologies (8D, SPC) available on a broad scale.

Process-safety Management System (PMS) of the Company was established, whose full documentation is integrated part of our regulation system.

In the course of the operation of our accredited laboratories the monitoring audit of the Testing Laboratory of the Technical Inspectorate and the monitoring audit of the Central Laboratory according to standard MSZ EN ISO/IEC 17025:2005 performed by NAT was a significant taks. The audit was successful in both cases. We continuously make sure that our laboratories are independent and impartial.

The integrated management system furthermore the operation of the accredited laboratories in accordance with the requirements of the standard was regularly checked by internal integrated system audits. At the audits prevention and the propagation of "best practices" were emphasized. We monitored the implementation of outsourced activities related to the operation of the Company by means of planned and if necessary, by means of ad hoc audits. We have checked the implementation and introduction of the actions taken for the elimination of the non-conformities found.

TVK Plc. has been measuring customer satisfaction for years consciously. In the frame of this almost 500 partners were interviewed at the end of 2009. The purpose of the survey was to identify the strong areas as well as the areas needing development and to

monitor the effects of the corrective measures taken as the result of the survey. After the analysis of the information new action plans will be prepared.

The Company still considers the maintenance of innovative approach and the involvement of employees and workers into development projects a task of priority. The Support System for Ideas has been operating successfully since ten years at our Company with the main objective to recognize, unveil ideas, proposals of employees, workers for a more efficient and safe operation. Resulting from the system we realized significant savings in 2009 as well.

7 HUMAN RESOURCES MANAGEMENT

In order to improve the efficiency of the Company and in line with the regulations of integrated operation we have implemented the following changes in the organization of the Company, and simultaneously also the Operational and Organisational Rules was modified:

As from February 1, under the Business Management and Financial Directorate the organizational unit Corporate Services has been created, in accordance with the integrated group-level structure. Under Corporate Services further organizations have been created - Asset and Service Management, Facility Management and Property Management. At the same time Warehousing and Stock Management was renamed (new name: Stock and Warehouse Management), Passenger Traffic (new name: Transportation) and Administration (new name: Information and Document Services) and the renamed units were subordinated to Asset and Service Management and their respective organizational descriptions were modified accordingly. The organisational change resulted in the increase of the headcount of TVK Plc. by 7 persons.

In line with the practice of previous years the company maintained the **HAY** job evaluation system also in the year 2009, which ensures on corporate and MOL Group level the evaluation and classification of jobs on the basis of identical criteria.

In the year 2009 the top management of the company dedicated special attention to the career management system (**CMS**) among managers and specialists.

The main objectives of the career management system are formal, targeted succession planning repeated on annual basis, the determination of development needs on individual and organizational level and the planning of rotations. Accordingly assessments and career planning were carried out in 2009 as well, with the involvement of 176 employees and workers in that year. Superiors examined the following aspects in the course of the process: the performance of the employees, their professional and other competences, and the job the colleague concerned would be eligible for in the short-, medium- and long-run and who could substitute her/him on the same time horizon and what kind of trainings colleagues need for further development. Assessments and succession candidates were reviewed and harmonized by top managers both in the Business and Functional fields.

Continued also this year the STAFÉTA program, aiming at ensuring the accorded succession of foremen and leading system operators, was launched in the polymer and olefin plants. The system operators and leading system operators participating in the program are rotated in the various plants of the TVK Plc. and take part in trainings which help them in their carrier advancement. At the present 11 people take part in the program. In the first three class of STAFÉTA totally 64 people finished their studies.

In 2009 the first evaluation of the Performance Evaluation System introduced in 2008 embracing all employees and workers and the related payment based on 9% of the annual base wage of the employees and workers was carried out and paid, respectively.

After the payment the team participating in the creation of the system made proposals regarding minor modifications of the system approved by the management.

In 2009, within the frame of the MOL Group level program (**Growww**) 5 new university graduates started to work in the trainee program running at the Company and three new graduates were awarded specific jobs by job application. Coaches help their integration, who follow and support their personal and professional development in the course of the year. In the year 2009 the Group level "Induction days" program was organized again, where program participants had the chance to become familiar with

the divisions, managers of the MOL Group, and with other new colleagues who just graduated from the university.

At the same time career starters had the chance to participate in the "Business Education Program" as well, where they could listen to presentations given in English about the function, results, vision and strategy of various divisions. Young professionals could become familiar with the processes, organizational units and function of the company in rotation. As the closure of rotations they report about the solution of the tasks defined for them.

From the new university graduates joining the company in 2008 all eight of them remained at the company also after the expiry of their one year work contract.

In 2009, the average wage growth of the employees shows an increase of 1.4% compared to the previous year. The employer raised basic wage two times in accordance with the wage agreement concluded in 2006 and covering three years (2007-2009): as of January 1, 2009 a wage raise of 1.9% and as of November 1, 2009 a wage increase of 1.8%. In the benefit package the ratio of benefits related to performance increased further, compared to non-performance based elements. In the light of the difficult economic situation in 2009 we used our best efforts to utilize wages costs in an efficiency way and thus we reduced our spending on extraordinary work and on other occasional bonuses significantly. Consequently the extent of the average wage rise was lower than the extent of the base wage rise realized.

The payment of optional fringe benefits was effected in accordance with the stipulations of the wage agreement covering the period of the years 2007 to 2009.

As regards training, our strategic aim continues to be to ensure skilled staff. In line with the strategic focal points professional trainings and trainings required by the authorities complement complex training programs created according to the target groups, supporting competence development and knowledge sharing. Rotations and specific case studies presented by the members of the management facilitate the cooperation of colleagues and the sharing of experiences.

More than 500 employees participated at the training-development programs, and we spent altogether HUF 75 million thereon.

In cooperation with the Erdey-Grúz Tibor Chemical Secondary School the education of general chemical technicians continued. At the present 40 MOL Group employee attend a training. Theoretical training and the practical training takes at the Company.

TVK wishes to make sure that there is a sufficient number of young professionals in the long run and therefore we founded together with the University of Miskolc and Debrecen a TVK Department each, on January 2009. The target of cooperation agreements is to develop and facilitate the university-level education of professionals for the chemical industry in the region and to support chemical research and development.

To the debit of the contribution for vocational education, we provided development support to universities, colleges and secondary schools.

Like in former years, the Company concluded a collective life and accident insurance covering every employee.

The average full-time corporate headcount was in the year 2009 (1,153 people in 2008) 1,158 people, and the closing headcount was 1,139 people on December 31, 2009.

8 MARKETING COMMUNICATION AND SOCIAL PRESENCE

Our Company as member of the MOL Group pays special attention to familiarizing our actions and programs in the field of corporate social responsibility with the inhabitants of the country and of our region and with professionals. Our integrated communication strategy embraces liaising with the representatives of the media, sponsoring and facilitation, supporting professional and training programs and the organization of our presence there, publications, the operation of our website and of our intranet platform and the application of other communication tools that are most expedient for the purpose in order to stay continuously in touch and to promote efficient information flow. In order to demonstrate our efforts in terms of sustainable development, in accordance with the long-term succession objectives of the Company, we used new methods and solutions in the communication with the pupils of the region who were to decide about their profession to choose.

For the sake of supporting the group-level integrated operation and to ensure the continuous improvement of the efficiency ratios we support with enhanced attention the activities of Human Resource with the internal communication. We promote the development of a multicultural company atmosphere and the multi-directional communication with our internal communication tools and practices while – in addition to supporting the operation of the organization – we supplement the activity of Human Resources aiming at increasing the satisfaction of employees by the organization of company events.

Like in the previous years, also in the year 2009 we played an outstanding role in the support of the actors of our society. Last year we supported numerous events, programs, associations, organizations, institutions and individuals in the fields of education, culture, arts, sport and sciences to achieve their goals. An important feature of these supports is that we maintain a long-term relationship with those achieving outstanding results. The management of our company handed over in the year 2009 for the first time the service recognition awards to the workers of TVK on the occasion of a formal dinner.

Despite the hard economic situation, we kept traditional internal corporate programs in 2009, - June program and Autumn Sport Day (this time it was called STEP Day) -, hereinafter our employees will have the possibility to attend MOL-Group programs (MOL-Group Summer party, visit to the Museum of Fine Arts, Christmas concert) as well.

Among the sponsorship programs the XIII. jubilee TVK Triathlon World Cup and the related XI. jubilee TVK Triathlon Grand Week were the most important. Other sponsorships: TVSE Canoeing Association, TVK-MALI Triathlon Club and Sebestyén Júlia.

By supporting the Miskolc National Theater, the Piano Festival of Tiszadob and the International Opera Festival of Miskolc the Company contributes to the organization of quality programs in the region year by year. As a devoted sponsor of sciences we support the operation of the Hungarian Museum of Chemistry and of the Herman Ottó Museum.

The cooperation with educational institutes and supporting their activity shall also be mentioned here. The information program launched at the schools of the region within the project "Within one day around TVK" might considerably improve the image of our Company in terms of environment. At the same time the project might also contribute to the mitigation of the problems of the Company related to the recruitment of new, young professionals. Due to the favourable results of this program, we plan to continue it in 2010, as well.

The „For the Future of Tiszaújváros” Foundation supported the outstanding programs and personalities having a major role in the life and adding to the reputation of the town together with the local government. The „TVK For the Development of the Dél-Borsod Region” Foundation aims at promoting the closing up of the Dél-Borsod region basically in the field of welfare, education and health care.

ELECTED OFFICERS OF TVK Plc.

Board of Directors

MOSONYI, György (61)

Chairman of the Board since April 26, 2002

CEO of MOL Group

Qualified Chemical Engineer

Mr. Mosonyi graduated from the Faculty of Chemical Engineering of University of Veszprém in 1972. Starting 1974, worked for the Hungarian representation of Shell International Petroleum Co. (SIPC), where he was appointed commercial director in 1986. In 1991, he worked at the London head office of Shell. Between 1992 and 1993, he was the managing director of Shell Interag Kft. Between 1994-1999 he was President-Chief Executive Officer of Shell Hungary Rt. During the same period he became the Chairman of Shell's Central and Eastern European Region and also, in 1998, the Chief Executive Officer of Shell Czech Republic. He is the CEO and member of the Board of MOL Plc. since July 1, 1999. He is the Chairman of TVK Plc. Honorary President of the Association of Joint Ventures and vice chairman of the Hungarian Chamber of Commerce and Industry, as well as the Confederation of Hungarian Employers and Industrialists.

OLVASÓ, Árpád (51)

Deputy Chairman of the Board since April 26, 2002; Member of the Board since August 29, 2000

CEO of TVK Plc.

Qualified Chemical Engineer, MBA

Mr. Olvasó qualified as chemical engineer at the Chemical University Veszprém in 1983 and was awarded a Diploma in Management Studies at Buckinghamshire College – SZÁMALK in 1992. He received post-graduate degree at the College of Petroleum and Energy Studies in 1993 and an MBA degree at Brunel University – SZÁMALK in 1995. Worked for Dunai Kőolajipari Vállalat as plant engineer, operator, shift manager and as deputy plant manager between 1983 and 1992 to move on to the positions of plant manager and later project manager at Danube Refinery of MOL Rt. between 1992 and 1995; he acted as first consultant and project manager for Oracle Hungary from 1995 to 1997. Starting 1997, he worked as manager for partner relations at MOL Group DS until his appointment as head of the Chemical Division in 1999 and in turn as Director of Chemical Portfolio Management in 2001. The CEO of TVK Plc since July 1, 2003. The director of the Petrochemical Division of MOL Group since March 8, 2006. Since 1997, Mr. Olvasó has been member of the Presidium of the Hungarian Chemical Industry Association where he has acted as president since December 15, 2004. The General Assembly of APPE elected Mr. Olvasó a Member of the Board on 2nd June 2005. Mr. Olvasó was a Member of the Board by the General Assembly of CEFIC between August 2006 and October 2008. As of September 12, 2008 he is honorary associate professor at Pannon University of Veszprém.

DELCOMMUNE, Michel-Marc (62)

Member of the Board since November 3, 2000

Chief Advisor to the President of MOL Group since July 1, 2006

Qualified Chemical Engineer, MBA

MOL Group Chief Financial Officer since 11 October 1999, Director of Strategy, MOL Group since September 2, 2004 until July 1, 2006. Member of the Board of Directors of MOL Group since 28 April 2000 until 24 April 2008. Took a degree in Chemical Engineering at the University of Liege, Belgium and holds an MBA from Cornell University, New York. Mr Delcommune joined the PetroFina Group in 1972. Since 1990 he has been CFO. From 1999 he served in addition as human resources director and handled the successful merger of Fina and Total. He is a member of the International Advisory Board of Cornell University Business School and also a member of the Board of Directors of TVK Plc., Slovnaft a. s. and JKC Oil and Gaz. He is a Belgian citizen.

GANSPERGER, Gyula (47)

Member of the Board since April 20, 2006.

Deputy chairman of KÉSZ Holding Zrt.

Qualified economist.

Mr. Gansperger graduated in 1986 from University of Economics Budapest, Department of Finance. He obtain his professional expertises between 1986-1987. at Elektrocoop Company as Executive Officer, between 1987-1990. at CET Budapest Tervező Rt. as Chief accountant, between 1990-1998. at TAXORG Könyvelő és Adótanácsadó Kft. as Managing Director, between 1998-2001. at Hungarian Privatization and State Holding Company as Chairman and CEO, between 2001-2002. at Budapest Airport Pte. Ltd. as Chairman and CEO, between 2003-2005. at Wallis Plc. as CFO. He was the Chief Executive Officer of Wallis Ltd. between 2006-2007 and then, until December 2008 the Vice President of KÉSZ Holding Private Limited Company, member of the Board of Directors. At the present he is the managing director of Constans Invest Ltd.

Titles:

2009-	MORANDO Kockázati Tőkealap-kezelő Plc., member of the Board of Directors
2008-	Constans Invest Kft., Managing Director
2006-	TVK Plc., member of the Board of Directors
2007-2008	Kész Holding Plc., member of the Board of Directors
2005-2007	Wallis Plc., member of the Board of Directors
2005-2007	Graboplast Plc., member of the Board of Directors
2001-2003.	MATÁV Ltd., member of the Board of Directors
1998-2000.	Hungarian Post Co. Ltd., member of the Board of Directors
1995-1998.	Hungarian Privatization and State Holding Company, member of the Supervisory Board

KASSOVIC, Vratko (66)

Member of the Board since April 28, 2005

CEO, Slovnaft a.s. until March 6, 2006

Qualified Chemical Engineer

Mr. Kassovic graduated as a chemical engineer from the technical university of Bratislava in 1967. He joined Slovnaft in 1969 and filled several positions until he was appointed as CEO in January 2002. Mr. Kassovic has been the director of the Petrochemical Division of the MOL Group since October 2003. On March 6, 2006, Mr. Kassovic has retired.

Dr. MEDGYESSY, Péter (68)

Member of the Board since April 20, 2006.

Former prime minister, Extraordinary and Plenipotentiary Ambassador of Hungarian Republic since October 14, 2004.

Qualified economist

Mr. Medgyessy graduated from Budapest University of Technology and Economics, Department of Theoretical Politics and Economy in 1966. Between 1966-1982 he worked at the Ministry of Finance in different positions. Between 1982-1986 Deputy Minister of Finance. In 1987 Minister of Finance. Between 1988-1990 Deputy Prime Minister, responsible of economic affairs in the government at the time of the change of regime. Between 1990-1994 President and Director General of the French Paribas Bank Ltd. in Hungary. Between 1994-1996 President and Director General of the Hungarian Investment and Development Bank Ltd. Between 1996-1998. Minister of Finance in the Social Democratic-Liberal government. Between 1998-2001 Chairman of the Board of Directors of Inter Európa Bank and Vice President of Atlasz Insurance Ltd. Between 2002-2004 Prime Minister of the Hungarian Republic in the Social Democratic-Liberal government. On August 25, 2004 he resigns for the sake of maintaining the coalition. Extraordinary and Plenipotentiary Ambassador of the Republic of Hungary since October 14, 2004 until May 31, 2008.

Other professional and public activities:

1973-1977.	Member of the Board of the International Institute for State Finance
1994-1996.	Chairman of the Hungarian Society of Economics
1994-1996.	Member of the Counsellors' Committee of the World Economic Forum in Davos
1995-1996.	Member of the Board of Directors of the Hungarian Banking Association
1998-2000.	Member of the Hungarian Atlantic Council
1998-2000.	Vice President of the Commercial, Industrial and Cultural Chamber of Central European and Gulf Countries
2006-	Member of Comité Européen d'Orientation founded by Jacques Delors
2008-	Chairman of Hungarian-Hong Kong Partner Association
February 2009-	Honorary chairman of Hungarian-Hong Kong Partner Association

MOLNÁR, József (54)

Member of the Board since April 20, 2001

Group Chief Financial Officer, MOL Group since September 3, 2004

Qualified Economist

From 1978 to 2001, Mr. Molnár held various management positions at BorsodChem Plc., including Pricing Department Head from 1982 to 1987, and Economics Department Head from 1987 to 1991. Between 1991 and 2001, as Chief Financial Officer and first deputy to the CEO, he contributed to the crisis management and reorganisation of the company, and later to the creation of its vision, and subsequent privatisation. He played a key role in the stock exchange listing of BorsodChem shares. He was CEO of TVK Plc. between 2001 and 2003, and MOL Group Planning & Controlling Director until his appointment as Group CFO in September 2004. Since April 2001, he has been a Board member of TVK Plc., and between 2004 and 2008, a Board member of Slovnaft a. s.

Supervisory Board Members

GYUROVSZKY, László (51)

Chairperson of the Supervisory Board since June 22, 2007

Member of the Supervisory Board since April 19, 2007

Financial consultant, crisis-manager,

Engineer

He is graduated as an engineer from the Slovakian Technical University of Bratislava in 1983. Between 1983 and 1990 he worked as electrical engineer at Duslo Sala – Slovakian chemical company. Between 1990 and 1992, as a journalist he published political and economical articles. Between 1992 and 1998, as a businessman, he dealt with the sale of sport and mobile communication articles. Between 1998 and 2002 as a Member of the Parliament of the Slovak Republic, took part in implementing the reforms of the Slovakian Economy and in the work of the Budget and Finance Committee of the Parliament. From 2002 until 2006 he was a minister of the Regional Development and Construction of the Slovak Government. He is a member of TVK Plc's Supervisory Board since April 19, 2007 and Chairman of it since June 22, 2007.

He is the Chairman of the Audit Committee since June 22, 2007.

MAGYAR, Tamás (41)

Deputy Chair of the Supervisory Board since June 22, 2007

Member of the Supervisory Board after March 13, 1998

Manager TVK Plc. Energy Supply, Contract Management

Electric Product Engineer

Mr. Magyar graduated as electric product engineer from Kandó Kálmán Technical College for the Electric Industry in 1989. He worked for TVK at the Electricity Division and at the Electric Network Plant between 1989 and 1993 to move on to the post of product engineer at the Technical Department where he worked between 1993 and 1994 and to service manager at the High Voltage Unit between 1994 and May 1997. He acted as head of the Electric Maintenance Unit of the Energy Supply Division between 1997 and 2000. Mr. Magyar was service manager and service technologist at the Electricians Service Unit between 2000 and 2008. He was the expert of Energy Supply between 2008 and 2009., and from January 1, 2010 he became the Manager of Energy Supply Contract Management. Mr. Magyar is the member of TVK Plc's Supervisory Board since March 13, 1998. He was the Deputy Chairman of TVK Plc's Supervisory Board between August 29, 2000 and November 18, 2003. He is the Deputy Chairman of TVK Plc's Supervisory Board since June 22, 2007.

dr. BAKACSI, Gyula (51)

Member of the Supervisory Board since April 19, 2007

Head of department, professor, at the Corvinus University of Budapest

Head of department, professor of the Sapientia Hungarian University of Transylvania

Economist, doctorate degree, candidate for Economics

Dr. Gyula Bakacsi is the head of department, professor, at the Corvinus University of Budapest, Faculty of Economics, Faculty of Organisational Theory. He is the head of department, professor of the Sapientia Hungarian University of Transylvania, the Faculty of Economics and Human Sciences, Business Sciences.

He is graduated in 1983 at the Faculty of Industry of the Marx Károly University of Economics in Budapest. He got his doctorate degree in 1988, candidate for Economics degree in 1994. Between 1983 and 1985 he worked at the MTA-MKKE (Marx Károly University of Economics) as science associate at the Coordination Secretary of Faculty „Socialist Company” National Perspective Scientific Research. Between 1985 and 1990, he was assistant lecturer at the Faculty of Industrial Business Organisation at MKKE. Between 1990 and 2004 he was adjunct, from 1994 docent at the Faculty of Organisation and Management Theory at the University of Economics, Budapest. Between 2000 and 2002 he was deputy rector of the Faculty of University Politics and Development at the University of Economics and State Administration, Budapest. From 2003 he is a head of department of the Business Sciences at the Csíkszereda Unit of the Sapientia Hungarian University of Transylvania. In 2004, he was the deputy rector of the University, between 2004 and 2008, he was the rector of the Faculty of Economics and Human Sciences. From 2005, he is the head of department, professor, at the Corvinus University of Budapest, Faculty of Organisational Theory, and deputy director of the Management Sciences Institution. From 2003, he is the chairman of the Economics Sciences Professional Committee of the National Scientific Student Association. He was a corporate member of the Local Government of Martonvásár between 2004 and 2006. From 2005, he is the Chairman of the Supervisory Board of the PEMŰ Zrt.

dr. BÍRÓ, György (55)

Member of the Supervisory Board since April 19, 2007

Director and head of department, professor of Civil Sciences Institution of the Faculty of Law, at the University of Miskolc

Lawyer

He graduated as lawyer at the Faculty of Law at the József Attila University of Sciences in 1978. From 1978 he worked at the Diósgyőri Gépgyár as legal advisor. He works at the University of Miskolc, between 1982 and 1984 he was assistant, and until 1993 adjunct. Between 1993 and 1999 he was professor, head of department. Since July 1, 1999, he is head of department of the Faculty of Civil Law, at the University of Miskolc. Since 1989 he works as a lawyer, since 1997 he is the deputy chairman of the Bar of Borsod-Abaúj-Zemplén County.

KEMÉNYNÉ ÚJVÁRI, Ildikó (57)

Member of the Supervisory Board since October 10, 1996

Laboratory engineer in the Polymer Quality Control Department of of TVK Plc

Chemical engineer

Mrs. Kemény graduated as chemical engineer from the University of Light Industrial Technology in Kiev 1976. She joined the Pigment Plant of TVK in 1976. Worked at the LDPE plant between 1986 and 1995 and as senior quality controller in the QC department of the HDPE Business Unit starting 1995. She acted as engineer and unit manager at the PE laboratory of the Polymer Business Unit between 2001 and 2003. Mrs. Kemény has been working as laboratory engineer in the Quality Control Department of the Polymer Production since 2003.

Top Management

OLVASÓ, Árpád (51)

Deputy Chairman of the Board since April 26, 2002; Member of the Board since August 29, 2000

Chief Executive Officer

Qualified Chemical Engineer, MBA

See CV in the section on the Board of Directors

PIRY, László (43)

Deputy CEO, Polymer Marketing and Sales until September 30, 2009

Mechanical engineer, DMS

Mr. Piry graduated from the Budapest Technical University as a mechanical engineer in 1991 and obtained a diploma in management studies at Euro Contact Business School in 1998. Worked for Dow Chemicals as an engineer and sales executive to move on to regional sales and marketing positions after 1991. He was appointed as director responsible for sales of the Diversey Lever Division of Unilever in 1998. He acted as managing director at the same company starting 2001. In 2002 he took over the position of managing director at the Sloven subsidiary of Unilever and was in charge of the Croatian market starting 2003. Mr. Piry was appointed deputy CEO responsible for Polymer Marketing and Sales at TVK Plc. on June 7, 2004.

PETRÉNYINÉ SZABÓ, Krisztina (32)

Deputy CEO, Polymer Marketing and Sales as from October 1, 2009

qualified economist

Mrs. Petrényi graduated from the University of Economics Miskolc as a qualified economist in 2000 and obtained a professional economist diploma in Foreign Trade Management at Budapest Business School in 2003. She has started her carrier in 2000 at Sales Department of TVK. From 2002 she has acted as a senior sales executive of polyethylene export sales. She was appointed as a senior sales executive of polymer export sales starting 2003.

In February 2006 she took over the position of head of Polymer Sales. Mrs. Petrenyi was appointed deputy CEO responsible for Polymer Marketing and Sales at TVK Plc. on October 1, 2009.

HODOSSY, Gyula (39)

Deputy CEO, Management and Finance since July 1, 2007

Qualified economist

Mr Hodossy started his career in 1989 at TVK's Customs and Material Acceptance. Graduated from the Budapest College of Finance and Accounting in 1995 and obtained a Diploma in Management studies at Euro Contact Business School in 2002. From 1995 continued his work as an analysing economist at the Controlling Office. He was appointed the group leader of Inventory Management in 1997. From January 2001, he acted as the economic manager at the Olefin Business Unit. In July 2002 he took over the position of the head of the Internal Audit, then from January 2004 he was appointed the head of Energy Supply and Maintenance Management. Since July 1, 2007 he has been acting as Deputy CEO, Chief Financial Officer of TVK Plc.

BÓTA, János (48)

Director of Petrochemical Technology and Product Development since August 1, 2007

Chemical engineer

Mr. Bóta graduated as chemical engineer from the Process Control Faculty of the University of Veszprém in 1985. In 1994 he has received engineer-manager degree at the University of Miskolc. He worked at TVK since 1985. For ten years he worked in various positions at the Production Unit (HDPE-1 and PP-3 Plants), between 1989 and 1995 he was plant manager. From 1995 he was the sales manager of the HDPE Business Unit, from 1998 worked as PP business unit director. From 2000 he was in the position of marketing and sales manager, from 2002 he held the post of technology development manager. From August 1, 2006 for one year he worked at the Netherlands office of Fluor Company, as process engineering manager. Since August 1, 2007 he is the Director of Petrochemical Technology and Project Development.

PÉNZES, Tamás (39)

Human Resources Manager

Psychologist

Mr. Péntzes graduated from the faculty of psychology of the University of Debrecen as a psychologist specializing in labour and organization psychology and mathematical modelling. During his academic years, he researched corporate cultures, performed statistical analyses and worked for an HR consulting company as a specialist of recruitment and selection. He has been member of the TVK HR team since 2002 and was appointed HR manager in July, 2004. Mr. Péntzes teaches at the psychology department of the University of Debrecen. He received MBA degree at Durham University in 2008.

VÁLYI NAGY, Tivadar (54)

Director, Production since July 1, 2007

Qualified Chemical Engineer

Mr. Vályi Nagy graduated as a chemical engineer at the Mineral Oil and Coal Technology faculty of the University of Chemical Engineering in Veszprém in 1982. He joined TVK in 1978 and worked as plant engineer in various polymerisation plants of the Company before 1994. He acted as project manager in the implementation jobs of the ERP application to move on to managing the economics of a business unit starting 1995. Later on was in charge of planning an analysis in the Petrochemical Division. Mr Vályi Nagy has been chief controller of the Company since 2000. He worked as Deputy CEO, Chief Financial Officer between January 1, 2005 and June 30, 2007. He was appointed TVK's Production Director on July 1, 2007.

**Shares held by the members of the Board of Directors, Supervisory Board and Top Management
(December 31, 2009)**

BOARD OF DIRECTORS

Name	Number of Shares Registered (pcs)
Mosonyi György	0
Olvasó Árpád	0
Delcommune, Michel Marc	0
Gansperger Gyula	0
Kassovic, Vratko	0
Dr. Medgyessy Péter	0
Molnár József	0

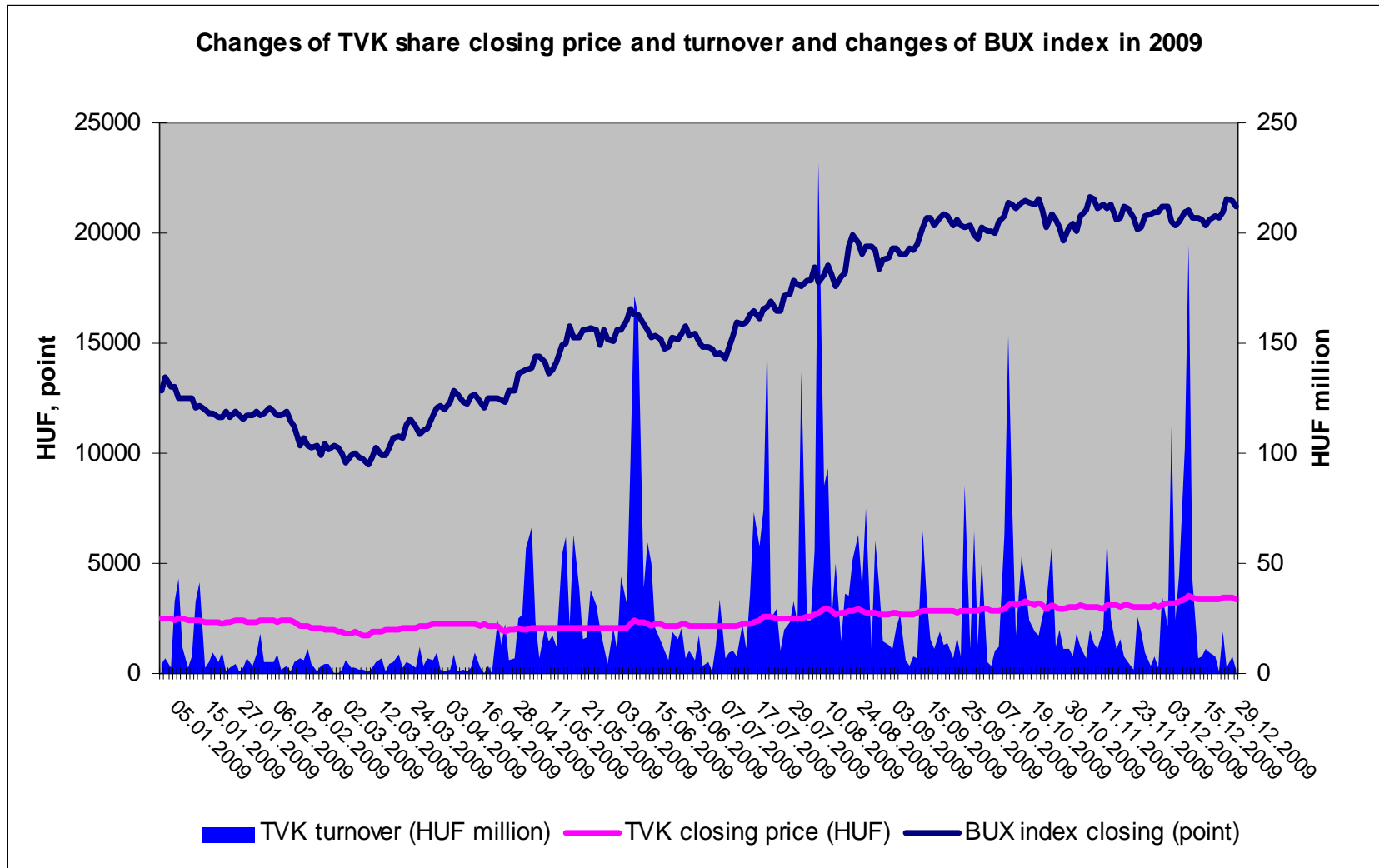
SUPERVISORY BOARD

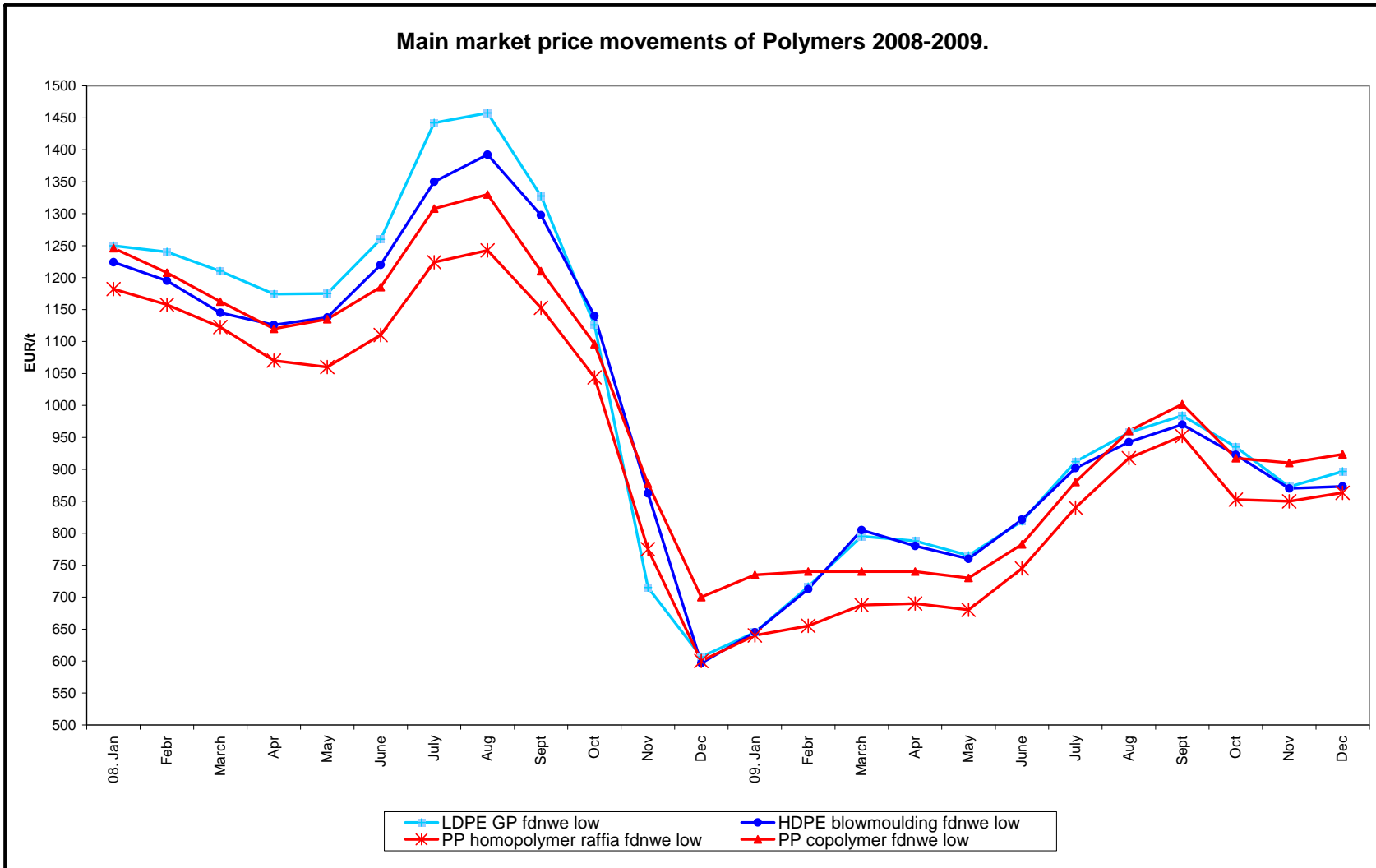
Name	Number of Shares Registered (pcs)
Gyurovszky László	0
Magyar Tamás	0
Dr. Bakacsi Gyula	0
Dr. Bíró György	0
Keményné Újvári Ildikó	0

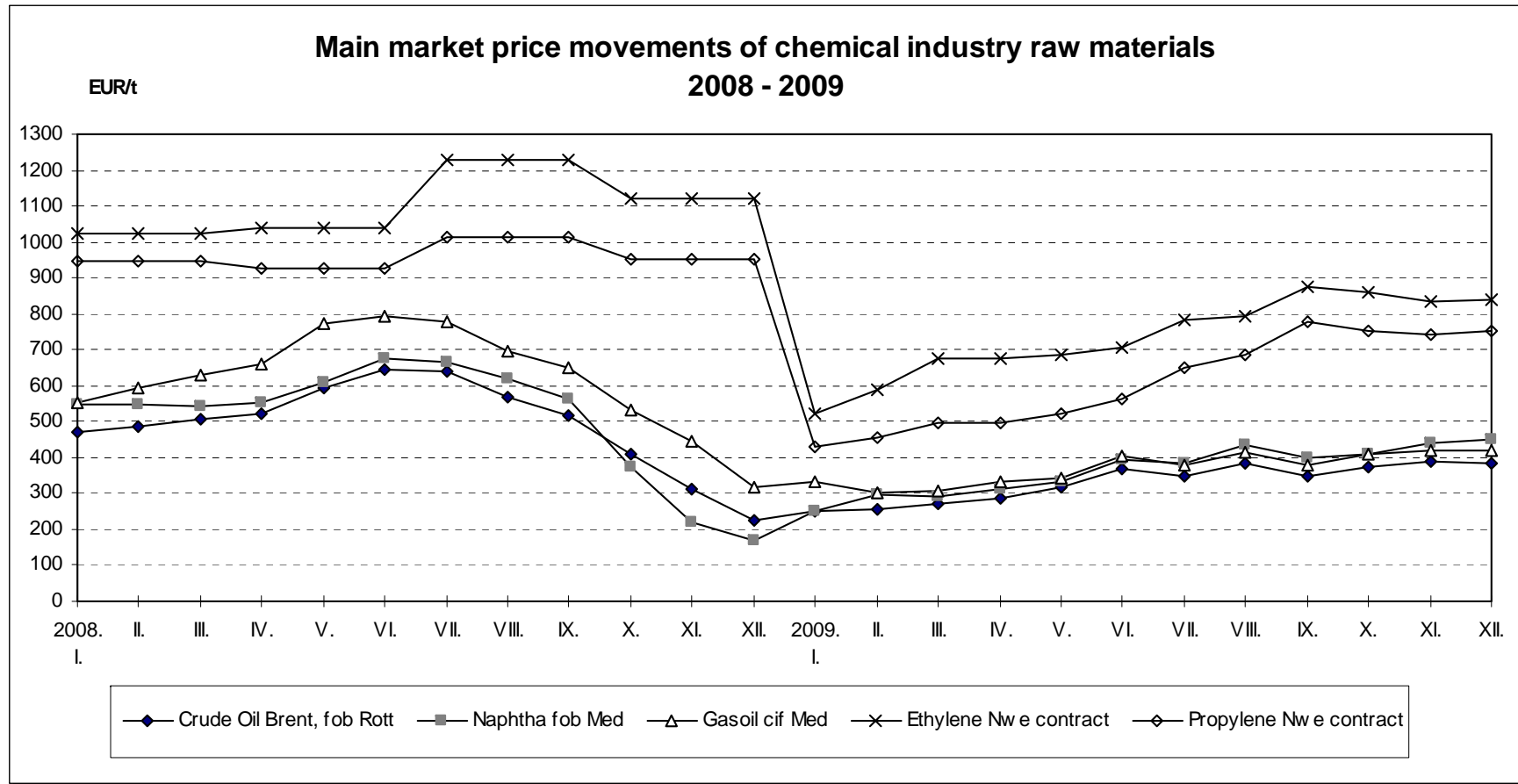
MANAGEMENT

Name	Number of Shares Registered (pcs)
Olvasó Árpád	0
Petrényiné Szabó Krisztina*	0
Hodossy Gyula	0
Bóta János	0
Pénzes Tamás	0
Vályi Nagy Tivadar	0

*Piry, László was the deputy CEO, Polymer Marketing and Sales between June 7, 2004 and September 30, 2009.







Income statement type "A"

in HUF million

	Description	TVK Plc.	
		2008	2009
01.	Net domestic sales	172 119	127 175
02.	Net export sales	154 258	128 562
	I. NET SALES	326 377	255 737
03.	Change in self-produced stocks	-3 993	-302
04.	Capitalised value of self-produced assets	901	847
	II. CAPITALIZED VALUE OF OWN PERFORMANCE	-3 092	545
	III. OTHER INCOME	5 386	5 305
05.	Material costs	271 690	215 625
06.	Material type services	13 244	12 784
07.	Other services	1 136	1 366
08.	Cost of goods sold	6 038	13 116
09.	Cost of services sold	2 798	2 016
	IV. MATERIAL TYPE EXPENSES	294 906	244 907
10.	Wages and salaries	5 456	5 828
11.	Other personnel expenses	1 070	888
12.	Payroll related contributions	1 895	1 955
	V. PERSONNEL COSTS	8 421	8 671
	VI. DEPRECIATION	11 157	11 072
	VII. OTHER EXPENDITURES	11 797	17 238
	A. OPERATING PROFIT	2 390	-20 301
13.	Dividend received	1 004	817
14.	Capital gain on financial investments sold	0	0
15.	Interest income and capital gains on financial investments	19	19
16.	Other received interest and similar income	279	433
17.	Other financial income	9 464	8 851
	VIII. FINANCIAL INCOME	10 766	10 120
18.	Foreign exchange loss on financial investments	2	0
19.	Interest payable	979	387
20.	Impairment loss of participations, securities and bank deposits	-4	69
21.	Other financial expenditures	11 505	8 745
	IX. FINANCIAL EXPENDITURES	12 482	9 201
	B. FINANCIAL PROFIT / LOSS (-)	-1 716	919
	C. PROFIT FROM ORDINARY ACTIVITIES	674	-19 382
X.	EXTRAORDINARY PROFIT	4	9 582
XI.	EXTRAORDINARY EXPENDITURES	3	97
	D. EXTRAORDINARY PROFIT / LOSS (-)	1	9 485
	E. PROFIT BEFORE TAXATION	675	-9 897
XII.	Taxation	0	0
	F. PROFIT AFTER TAXATION	675	-9 897
22.	Retained earnings used for dividends	1 317	0
23.	Dividends approved, paid	1 992	0
	G. PROFIT FOR THE PERIOD	0	-9 897

BALANCE SHEETS
Assets

in HUF million

	Description	TVK Plc.	
		31.12.2008	31.12.2009
01.	A. FIXED ASSETS	127 806	123 425
02.	I. INTANGIBLE ASSETS	3 400	2 903
03.	Capitalized value of foundation and restructuring	0	0
04.	Capitalized value of research and development	0	0
05.	Property rights	0	0
06.	Intellectual property	3 400	2 903
07.	Goodwill	0	0
08.	II. TANGIBLE ASSETS	120 028	116 308
09.	Real estate and related property rights	28 698	28 503
10.	Technical machines and equipment	84 193	81 483
11.	Other machines and equipment	4 858	4 329
12.	Assets in the course of construction	2 279	1 992
13.	Advances for construction	0	1
14.	III. FINANCIAL INVESTMENTS	4 378	4 214
15.	Long-term investments in associates	4 190	3 977
16.	Long-term loans to associates	0	0
17.	Other long-term investments	0	0
18.	Other long-term loans	13	6
19.	Long-term debt securities	175	231
20.	B. CURRENT ASSETS	66 391	71 568
21.	I. INVENTORIES	8 773	9 385
22.	Materials	3 326	4 273
23.	Work in process	667	1 041
24.	Finished products	4 599	3 923
25.	Merchandises	165	129
26.	Advances for inventories	16	19
27.	Livestock	0	0
28.	II. RECEIVABLES	54 097	57 555
29.	Trade receivables	33 624	35 587
30.	Receivables from associates	13 823	7 699
31.	Receivables from other related parties	0	0
32.	Bill receivables	0	0
33.	Other receivables	6 650	14 269
34.	III. MARKETABLE SECURITIES	0	0
35.	Securities in related parties	0	0
36.	Other securities	0	0
37.	Treasury shares, participations	0	0
38.	Debt securities held for trading	0	0
39.	IV. CASH AND BANK	3 521	4 628
40.	Petty cash	2	3
41.	Bank accounts	3 519	4 625
42.	C. PREPAYMENTS	259	317
43.	Accrued income	171	245
44.	Prepaid expenses	88	72
45.	TOTAL ASSETS	194 456	195 310

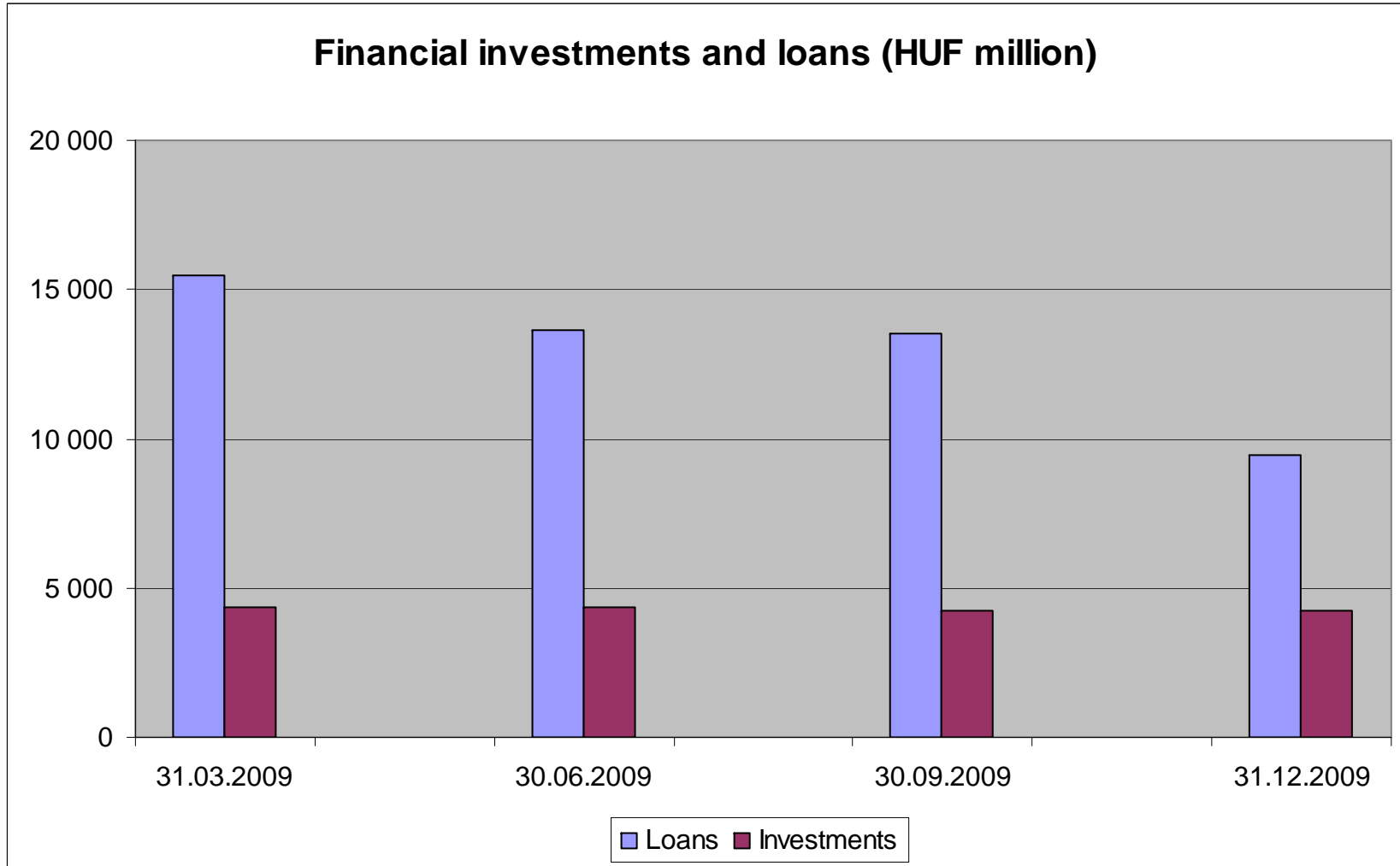
BALANCE SHEETS
Liabilities

in HUF million

	Description	TVK Plc.	
		31.12.2008	31.12.2009
46.	D. SHAREHOLDERS' EQUITY	150 134	140 231
47.	I. Share capital	24 534	24 534
48.	II. Issued unpaid capital	0	0
49.	III. Capital reserve	4 624	4 624
50.	IV. Retained earnings	120 976	120 970
51.	V. Allocated reserve	0	0
52.	VI. Revaluation reserve	0	0
53.	VII. Profit for the year	0	-9 897
54.	E. PROVISIONS	6 611	9 108
55.	1. Provision for expected liabilities	6 611	9 098
56.	2. Other provisions	0	10
57.	F. LIABILITIES	35 952	44 459
58.	I. SUBORDINATED LIABILITIES	0	0
59.	II. LONG TERM LIABILITIES	0	0
60.	Long term loans	0	0
61.	Investment and development loans	0	0
62.	Other long term loans	0	0
63.	Long-term liabilities to associates	0	0
64.	Other long-term liabilities	0	0
65.	III. SHORT TERM LIABILITIES	35 952	44 459
66.	Short term debt	0	0
67.	Short term loans	0	0
68.	Advances from customers	204	129
69.	Trade payable	5 418	6 076
70.	Bill of exchange	0	0
71.	Current liabilities to associates	29 844	37 877
72.	Current liabilities to other associates	2	0
73.	Other current liabilities	484	377
74.	G. ACCRUED EXPENSES	1 759	1 512
75.	Deferred income	0	40
76.	Accrued expenses	1 736	1 449
77.	Deferred negative goodwill and extraordinary	23	23
78.	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	194 456	195 310

**Net Sales by regions
2008-2009**

Region	TVK Plc.			
	2008		2009	
	in HUF million	%	in HUF million	%
Europe	149 442	46	119 489	47
- Germany	30 858	10	23 013	9
- Italy	24 828	8	20 877	8
- Poland	23 049	7	20 924	8
- Slovakia	8 098	2	6 361	3
- Romania	7 439	2	4 515	2
- Austria	6 208	2	4 139	2
- United Kingdom	5 456	2	2 855	1
- France	4 679	1	3 666	1
- Other Europe	38 827	12	33 139	13
America	3 396	1	7 641	3
Asia	1 098	0	1 068	0
Africa	0	0	3	0
Other areas	322	0	361	0
Export sales revenue	154 258	47	128 562	50
Domestic sales revenue	172 119	53	127 175	50
Total sales revenue	326 377	100	255 737	100



Headcount and wages of TVK Plc.

Headcount

Description	Unit	2008 actual	2009 actual	Index %
· Yearly average number of fulltime employees	person	1153	1158	100.4
· Yearly average number of part-time employees	person	2	2	100.0
· Yearly average number of all employees	person	1157	1162	100.4

Wage Bill

· Wage bill of full time employees and accruals	HUF million	5,262.8	5,647.6	107.3
· Wage bill of other employees	HUF million	193.6	180.8	93.4
· Total wages and salaries	HUF million	5,456.4	5,828.4	106.8

Average Wages

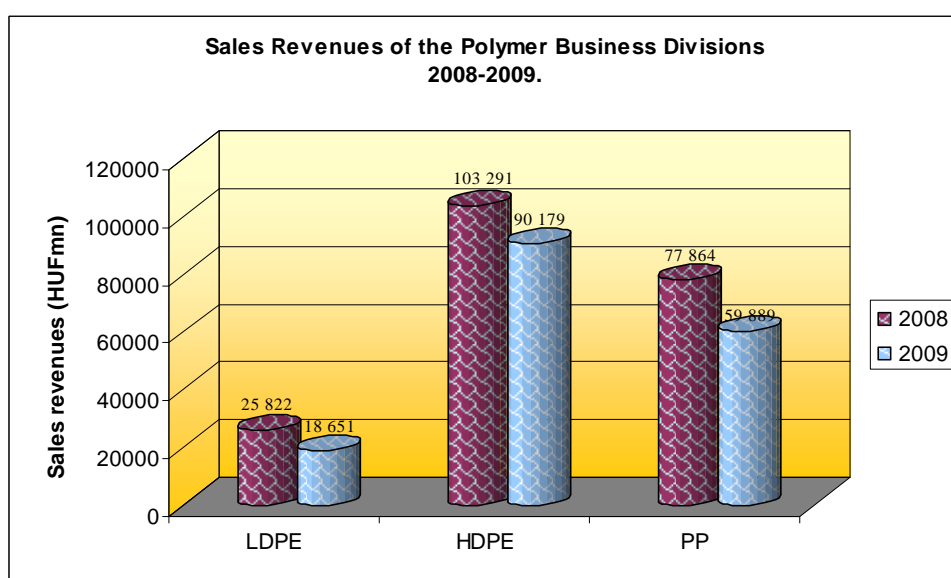
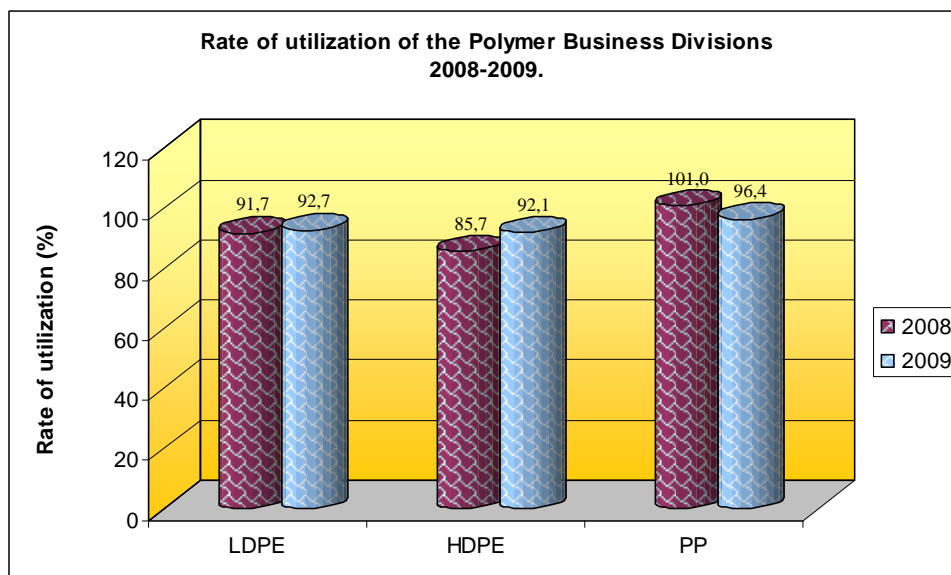
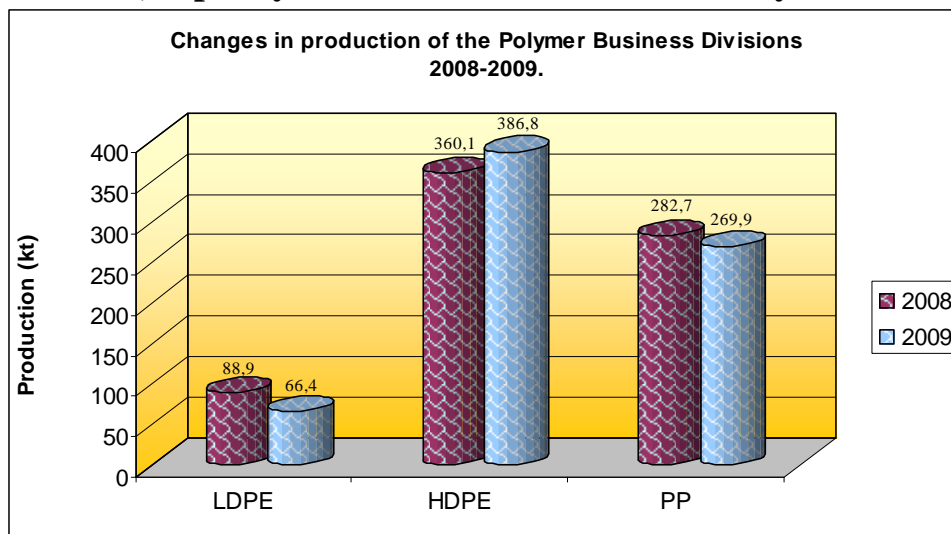
· Average wage	HUF/person/year	4,751,446	4,817,813	101.4
· Monthly average wage	HUF/person/month	395,954	401,484	101.4

Fringe Benefits

HUF thousand

Title	2008 Actual	2009 Actual
May be granted to those in social need		
Financial assistance	2 000	2 400
Funeral costs	288	107
Total	2 288	2 507
Fringe benefits for all employees		
Group Life & Accident Insurance	3 493	3 516
Present vouchers	24 928	24 612
Total	28 421	28 128
Other available benefits		
Work clothing	679	679
Transportation to/from work	58 959	60 642
Transportation of workers	10 223	7 054
Primary healthcare	47 984	43 309
Cultural expenditures	6 715	6 093
Total	124 560	117 777
Optional fringe benefits HUF thousand/person/year (OFF)	420+3,5% of basic wage	420+2,5% of basic wage
OFF purchase value	630 454	564 366
Social Insurance	5 037	7 780
OFF Personal Income Tax	4 040	5 908
Employer's fee	521	328
Total	640 052	578 382
Granted by employer to certain job categories		
Education, training	177 262	87 644
Protective clothing	61 421	53 956
Prophylactic beverages	30 114	21 492
Total	268 797	163 092
GRAND TOTAL	1 064 118	889 886

Production, capacity utilisation and sales of the Polymer Divisions



**TVK PLC'S ASSOCIATES
2009**

	Name of Company	Net book value (HAS)		Equity/Registered Capital *	Ownership	Status
		31.12. 2008	31.12. 2009		31.12. 2009	
		HUF 000	HUF 000	(%)		
Investments						
1	TVK Ingatlankezelő Kft	2 970 000	2 970 000	2 970 000	100,00%	L
2	TVK Inter-Chemol GmbH (th EUR)	151 247	151 247	615	100,00%	L
3	VIBA-TVK Termelő és Kereskedelmi Kft.**	82 000	-	205 000	40,00%	T
4	TVK UK Ltd. (th GBP)***	74 132	31 211	200	100,00%	L
5	TVK Italia S.r.l. (th EUR)	26 223	26 223	100	100,00%	L
6	TVK -France S.a.r.l. (th EUR)	19 929	19 929	76	100,00%	L
7	TVK Polska Spzoo. (th PZL)	6 058	6 058	109	100,00%	L
8	TMM Tűzoltó és Műszaki Mentő Kft.	900	900	3 000	30,00%	T
9	TVK Erőmű Term. Szolg. Kft.	857 480	770 406	2 963 100	26,00%	T
10	TVK Ukraina tov (th Hryvna)	1 457	1 457	34	100,00%	L

Status:

L: Subsidiaries

T: Associated

Note:

* The registered capital/share capital is expressed in ths HUF; otherwise in the currency indicated

** Dissolution process finished on 8 February, 2010

*** Dissolution started on 1 July, 2009