

Pannonplast Rt's Flash Report for Q1 of 2005

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## **Pannonplast Rt's Stock-Exchange Flash Report**

For Q1 of 2005

May 04 2005

May 04 2005

Q1 2005

This Flash Report discloses Pannonplast Groups consolidated, non-audited figures as prepared in accordance with the International Financial Reporting Standards (IFRS).

**Pannonplast Rt. has doubled its consolidated EBITDA in comparison with the base period**

**With respect to the influences of the group companies sold and the strong domestic currency, sales revenues have stagnated**

**The Company has been able to compensate for the gross coverage being due to cost-saving operations and base-materials rates**

**Intensified loan repayment has been continued with HUF 659 million**

**Certain difficulties have been posed by base-material rates in consumer packaging, base-material rates and cold weather in construction industry, as well as by outrunning products**

**The outcomes of measures towards restructuring and the enhancement of efficiency at Pannonplast Műszaki Műanyagok Rt. could be perceived in the Q1 results**

**The owner, Pannonplast Rt. has managed to achieve a more cost-saving mode of operation with the related difference in respect to Q1 2004 being HUF 123 million**

Key performance indicators	HUF million			
	Q1 2005	Q1 2004	Index (%)	2004 audited
<b>Net sales revenue</b>	<b>5,409</b>	<b>6,051</b>	<b>89.4</b>	<b>26,561</b>
Direct cost of sales	4,248	4,516	94.1	20,630
Coverage	1,161	1,535	75.6	5,931
<i>Coverage rate</i>	<i>21.5%</i>	<i>25.4%</i>		<i>22.3%</i>
<b>EBITDA</b>	<b>512</b>	<b>251</b>	<b>204</b>	<b>953</b>
<i>EBITDA rate</i>	<i>9.5%</i>	<i>4.1%</i>		<i>3.6%</i>
<b>Operating profit (EBIT)</b>	<b>-39</b>	<b>-375</b>	<b>10.4</b>	<b>-1,497</b>
<b>Net profit</b>	<b>-86</b>	<b>-405</b>	<b>21.2</b>	<b>-1,898</b>
Capital expenditure	263	216	121.7	971
Net loan volume	5,992	7,115	84.2	5,913
<b>Headcount*</b>	<b>1,484</b>	<b>2,028</b>	<b>73.2</b>	<b>1,543</b>
Per capita sales revenue**	14.58	11.93	122.2	17.21
Number of shares at the end of the period	4,210,931	4,210,931		4,210,931
Average number of shares	4,210,931	4,210,931		4,210,931
Per capita***				
EBITDA	121.6	59.6	204.0	226.3
Net profit	-20.4	-96.2	21.2	-450.7
Equity	3,025.7	3,384.5	89.4	3,025.2
Average EUR exchange rate	245.10	260.31		251.37
EUR exchange rate at the end of the period	247.18	248.92		245.93

\*at the end of the period

\*\*consolidated sales revenue, on an annual basis \*\*\* in HUF

*Figures presented for the individual business lines (Section 1) are not consolidated, and do not comprise data in relation to central management.*

## 1. Performance by the individual business lines

### 1.1. Consumer packaging

- ▶ Pannunion Kft.
- ▶ Unical (Romania)
- ▶ Almand Kft.
- ▶ Pannon-Effekt Kft.
- ▶ Interagropack (Ukraine)
- ▶ TU-Plast Kft.

In Q1 of 2005, group companies involved in packaging industry have shown varied sales performance, which in the aggregate has led to a 4% increase in their sales revenue. The moderating influence of the larger increase in the volume on the sales revenue has been caused by the much more stronger exchange rate of the domestic currency as compared to the base period, since the export proportion brought about by this business unit has been 48%. Excellent performance has been reflected by Pannunion and the Romanian Unical, as this latter one have managed to achieve a 57% growth in the Romanian market. On the other hand, Tu-Plast has witnessed considerable decline, and the company is currently taking intensive sales measures to make up this fallback in Q2 of 2005.

Owing to the program on the enhancement of efficiency, the business line's headcount is now shorter by 26 employees than in the base period, and the per capita sales revenue has risen by 7%.

The 5.5% decline in the business line's coverage rate has been a consequence of the price increases for base materials that could not be fully taken over to the product prices, and primarily that for PVC constituting nearly 50% of the total base materials used. At the same time, the group companies have been able to buffer the spiraling effect of oil prices exceeding USD 50 in the world markets.

The gross coverage rate of Unical has been limited by the almost 10% strengthening of the Romanian Lei in Q1, as the critical volume of sales revenue has been sold on a Euro basis. Yet, the strengthening of Lei has had a fairly positive influence on the financial profit, where the company has managed to achieve a net HUF 65 million exchange gain due to its formidable volume of payables outstanding in Forint. As concerning future expectations, the improvement of Romanian economic indexes, as well as the strengthening of Lei are viewed to be lasting tendencies.

The aggregate operating profit of the business line has shifted into the negative range because of the deteriorating coverage and administrative expenses retained on the nominal value.

The business line has turned nearly twice as much to investments than in the base period. Such investments are to serve capacity expansions and the acquisition of technologies that are expected to create a basis for the manufacture of products that would entail higher coverages, as well as almost unprecedented quality in the region.

Key performance indicators				Million HUF
Consumer packaging	Q1 2005	Q1 2004	Index (%)	2004 audited
<b>Sales revenue</b>	<b>2,758</b>	<b>2,663</b>	<b>103.6</b>	<b>11,407</b>
Direct cost of sales	2,135	1,916	111.4	8,578
Coverage	623	747	83.4	2,829
Coverage rate	22.6	28.1%		24.8%
<b>EBITDA</b>	<b>192</b>	<b>343</b>	<b>56.0</b>	<b>1,224</b>
EBITDA rate	7.0%	12.9%		10.7%
<b>Operating profit (EBIT)</b>	<b>-57</b>	<b>76</b>	<b>-75.0</b>	<b>199</b>
Capital expenditure	217	113	192	528

<b>Headcount</b>	<b>709</b>	<b>735</b>	<b>96.5</b>	<b>702</b>
Per capita sales revenue*	15.56	14.49	107.4	16.25

\*on an annual basis (except for the flash report for the entire business year)

## 1.2. Technological plastics business line

- ▶ Pannonplast Műszaki Műanyagok Rt. (PMM)
- ▶ Dexter Rt.

The sales revenue of the business line has lagged behind that of the base period by 14%. The roots of such decline can be found in the elimination of certain products generated by the Szombathely plant closed down last year, lower volumes ordered by some costumers, as well as the negative influence of the strengthening Forint on the typically Euro-based sales. On the other hand, Dexter Rt. has been able to increase its sales revenues by 23%, yet due to the small number of individual orders its sales revenue on a quarterly basis may reflect strong volatility.

Trends in the gross coverage across the entire business line is determined by the large-volume PMM. PMM1s gross coverage rate has been 7.4%, which is weaker than that of the earlier periods, though it shows some improvement in the face of the benchmark data established on the basis of the low business intensity.

Outstanding outcomes of the optimization program introduced at PMM include decreases in stoppage times, the generation of injection and painting rejects, as well as in repainting losses. Such improvement is also indicated by the gross coverage rate for the quarter, because the forecast figure for Q1 has been the same as the fact for the year of 2004. In the framework of the program, significant cost-saving potentialities in connection with the number of employees have also been revealed. As foreseen, the major part of the localization and elaboration phase in the optimization program has been completed at the end of Q1 of 2005. A minor part of implementation has also been finished in Q1 of 2005, while the larger phase is to be completed in Q2. As parallel with restructuring, sales activities have been reinforced with the related outcomes expected to show off at the end of Q2 and in Q3.

The business line's operating losses are approximately HUF 200 million smaller than in the base period, which is due to the achievement that administrative expenses have been nearly halved.

Financial burdens on the business line are still material. The volume of bank loans allocated to the business line totals up to HUF 3.5 billion, which is almost 54% of the volume of loans at the entire Group.

Capital expenditure has been moderate due to the modern and sound assets used.

Key performance indicators				Million HUF
Technological plastics	Q1 2005	Q1 2004	Index (%)	2004 audited
<b>Sales revenue</b>	<b>1,474</b>	<b>1,719</b>	<b>85.7</b>	<b>6,899</b>
Direct cost of sales	1,343	1,499	89.6	6,343
Coverage	131	220	59.5	556
<i>Coverage rate</i>	<i>8.9%</i>	<i>12.8%</i>		<i>8.1%</i>
<b>EBITDA</b>	<b>62</b>	<b>-122</b>	<b>-50.8</b>	<b>-850</b>
<i>EBITDA rate</i>	<i>4.2%</i>	<i>-7.1%</i>		<i>-12.3</i>
<b>Operating profit (EBIT)</b>	<b>-130</b>	<b>-319</b>	<b>40.8</b>	<b>-1,661</b>
Capital expenditure	5	47	10.6	145
<b>Headcount</b>	<b>328</b>	<b>633</b>	<b>51.8</b>	<b>346</b>
Per capita sales revenue*	17.98	10.86	165.5	19.94

\*on an annual basis (except for the flash report for the entire business year)

**1.3. Other corporate investments (formerly "financial investments")**

- ▶ Pannonpipe Kft.
- ▶ Pipelife România
- ▶ Polifoam Kft.
- ▶ FCI Kft.

As compared to the corresponding value in the base period, the sales revenues of other corporate investments have decreased by 15%. Except for Pipelife Romania, the sales figures of all the group companies have declined. The primary reason of the drop-back has been the delay of infrastructural investments because of the enduring cold weather, which affected the demand both for pipes and heat-insulation products. Some delay has also been witnessed in occurrence of the wholesale demand for leisure and sports products, which could be also attributed to the lasting winter climate.

In the aggregate, coverage rates have been retained on the level of the base period. In the case of Pannonpipe and its Romanian subsidiary, some improvement has been achieved in spite of high PVC prices, while for Polifoam and FCI certain decline has been seen.

As initiated by Pannonplast and agreed with the co-owner, Pannonpipe has commenced the effectuation of a comprehensive set of measures for the improvement of efficiency in order to increase operating profits. As a result, coverage rates have somewhat bettered in Q1 of 2005, yet further considerable improvement is to be achieved in the remaining part of 2005. The program aims at the enhancement of both commercial activities and the efficiency of production. Simultaneously, Pannonplast Rt. continuously on the lookout for potentialities to sell its 50% share in Pannonpipe.

In the aggregate, the companies' quarterly business profit has turned out to be similar to that of the base period.

**Key performance indicators****Million HUF**

Financial investments	Q1 2005	Q1 2004	Index (%)	2004 audited
<b>Sales revenue</b>	<b>1,315</b>	<b>1,541</b>	<b>85.3</b>	<b>7,882</b>
Direct cost of sales	916	1,055	86.8	5,649
Coverage	399	486	82.1	2,233
<i>Coverage rate</i>	<i>30.3%</i>	<i>31.5%</i>		<i>28.3%</i>
<b>EBITDA</b>	<b>51</b>	<b>107</b>	<b>47.7</b>	<b>657</b>
<i>EBITDA rate</i>	<i>3.9%</i>	<i>6.9%</i>		<i>8.3%</i>
<b>Operating profit (EBIT)</b>	<b>-6</b>	<b>18</b>	<b>-33.3</b>	<b>296</b>
Capital expenditure	34	16	212.5	189
<b>Headcount</b>	<b>429</b>	<b>437</b>	<b>98.2</b>	<b>428</b>
Per capita sales revenue*	12.26	14.11	86.9	18.42

\*on an annual basis (except for the flash report for the entire business year)

## 2. Financial analysis

### 2.1. Profit and loss account

**The Company's consolidated sales revenue for Q1 of 2005 has amounted to HUF 5,409 million**, which is 10.6% smaller than the corresponding value in the same period of the previous year. The underlying reason for such a decrease is the gap left behind by the sales revenues of the four group companies having been sold (almost 5% of the consolidated sales revenue) and the strengthening domestic currency (with its nearly 3% effect). As concerning the volume of sales, it has been the technological plastics business line and group companies belonging to the scope of other corporate investments that have brought about poorer results than those in the base period. The value of export has been HUF 2,683 million, 49.6% of the total sales revenue, which indicates a 7.9% increase as compared to the base period.

The proportion of direct costs in relation to the base has taken an unfavourable course. Due to the declining sales revenue and the slower decrease of the direct costs, the rate of gross coverage has mounted to HUF 1,161 million in Q1, which is 24.4% lower than the corresponding value in Q1 of 2004. The gross coverage rate has dropped back from 25.4% to 21.5%. The fall of the coverage rate has been significant in the technological plastics business line and the consumer packaging business line. An external reason for such a decrease in the coverage rates has been the rising base-material prices, which can be devolved on the customers just partially and with some time delay by the consumer packaging business line. Since the base period, the price of PVC has increased by over 30%. Unfortunately, the group companies have suffered from similar increases as considering the purchase prices of other base-material types. Polyethylene, polypropylene and polystyrene have all become more expensive by 20%, 24% and 39%, respectively. On the other hand, the group companies have been able to buffer the spiraling effect of oil prices exceeding USD 50 in the world markets by finding new base-material suppliers.

Direct costs of sales have reached up to HUF 1,339 million in Q1, as being 24.8% of the sales revenue and 74.6% of the corresponding value in the base period. The main root of the decrease has been more cost-saving operations in the technological plastics business unit and at the owner, Pannonplast Rt. Pannonplast Rt. alone has been able to operate on a HUF 123 million lower cost level than in Q1 of 2004. In the quarter, projects towards the reduction of indirect costs have been continued to be commenced. The headcount of the Group has fallen under 1,500 employees, partly due to cost-saving restructuring measures and the sale of companies. The central active headcount of Pannonplast has recently been cut back from 40 to 10 employees. Central activities were moved to a new office in January 2005 with the related size and running expenses being much more lower than those in the previous site.

In Q4, the balance of other expenditure and income increased the Group's profit by HUF 139 million. A major part in other profits is constituted by the earnings realized on the sale of certain non-current assets, typically of real-estate properties.

**The operating profit (EBIT) has been HUF –39 million in Q1 of 2005, and HUF –405 million in the base period.**

**Operating cash flow (EBITDA) has been HUF 512 million** in Q1 of 2005, which reaches up to almost the half of the EBITDA in the entire year of 2004, and more than the double of the value for Q1 of last year. In the period under review, HUF 551 million depreciation has been recorded, which is HUF 75 million less than the base value.

In Q1 of 2005, the total of financial transactions has been HUF 39 million expenses, which is HUF 75 million smaller than the corresponding value in 2004. The outstanding value in the base period was a result of the massive strengthening of the domestic currency last year. Yet, the financial result in the period under review can also be regarded as remarkably positive, as interest expenses have been almost fully compensated for by the management of the Company's foreign-exchange position.

The EBET has been HUF –78 million, which is much more favourable than the HUF –339 million base value.

No material extraordinary profit, obligation to pay taxes or to record results on minority shares have occurred.

**The consolidated net result has been a HUF 86 million loss for Q1 of 2005, which indicates significant improvement in the face of the HUF 405 million loss in the base period.**

## **2.2. Balance sheet**

In general, it can be claimed that the volume of assets in the consolidated balance sheet has declined due to the sales of group companies. In addition, the value of investments last year, the depreciation recorded has been approximately 40%, which has caused decreases in intangible and tangible assets.

The volume of net current assets – receivables as considering inventories and trade receivables – has slightly been under the base value. Decreases in the volume of cash and cash equivalents have been mainly induced by loan repayments. The balance of other receivables has practically remained unchanged. The majority of other receivables has comprised various tax receivables (VAT, corporate income tax).

The decrease in the owner's equity of the Company is a consequence of the net results achieved in the period under review.

The aggregate of long-term liabilities has risen from the base HUF 1,063 million value to HUF 1,570 million with the underlying reason that in accordance with the maturities specified in the medium-term financing agreement concluded in June 2004 a significant proportion of former medium-term loans has been reclassified as long-term loans.

The aggregate volume of short-term and long-term loans has been cut back to HUF 6,617 million as compared to the base value of HUF 1,529 million. Such a decrease is a consequence of loan repayments in recent years. The ratio of loans/owner's equity has been reduced to 0.52 (after 0.57 in June). With regard to the volume of cash and cash equivalents, this index is 0.47. In Q1 of 2005, a net amount of HUF 659 million has been turned to loan repayment.

The balance of other short-term liabilities has practically remained unchanged. The largest single items include wages and salaries in current operations, social security contributions, as well as accruals and deferred income.

## **2.3. Cash flow**

Liquid assets from operations have reflected a HUF 239 million outflow with the primary reason being the preparation for the strong seasonality of Q2.

New investments have amounted to HUF 263 million, and at the same time HUF 354 million has been realized by the sales of non-current assets – primarily real-estate properties –, consequently the net balance of investments has turned out to be positive.

Due to the formidable loan repayment activities, the cash flow of financing transactions has been negative.

In spite of the intermittent rise in the working-capital demand and intensive loan repayments, the volume of the Group's cash and cash equivalents has remained steady by the end of the period under review.

## **3. Miscellaneous**

### **3.1. Investments and developments**

In the year of 2004, the Company tuned almost HUF 1 billion to capital expenditure. The majority of this sum covered investments into maintaining the operational level. These moderate investment activities have been a part of the program towards the intensive reduction of indebtedness. With the year of 2004, the Company did complete the so-called "investment stop" program, and in 2005 it has concentrated again – though in a heavily controlled way – on developmental investments. In Q1 of 2005, the Pannonplast Group has turned HUF 263 million on investments.

### 3.2. Corporate events

After the quarter, but still before the preparation of this Flash Report Pannonplast Rt. held its Ordinary General Meeting for the year of 2005. Resolution made by the General Meeting are available in the website of BÉT [Budapest Stock Exchange] and Pannonplast Rt.

[www.bet.hu](http://www.bet.hu)

[www.pannonplast.hu](http://www.pannonplast.hu)

### 3.3. Employees

The total headcount of the Group's own employees was 2,028 at the end of the base period, 1,543 on December 31 2004, and 1,484 at the end of the period under review, which means a 4% reduction in the period alone. The underlying reason for the 2004 decreases was especially the close-down of Moldin Kft. in Szombathely, the sales of group companies, as well as certain measures towards the enhancement of efficiency (e.g. headcount rationalization at the central organization and Pannon-Effekt Kft.), which have also been continued in Q1 of 2005.

	March 31 2004			March 31 2005			Change		
	Own	Lease	Total	Own	Lease	Total	Own	Lease	Total
Pannonplast Rt.	30	0	30	15	0	15	- 15	0	- 12
Pannonplast Group	2 028	162	2 190	1 481	101	1 582	- 547	-61	- 605

### 3.4 Changes in the Company's share capital, management and organization

As of December 31 2004, share capital amounted to HUF 421,093,100, which still has not changed in 2005.

In the period under review, the Company has not held any own shares.

On April 29 2005, Dr. Gyula Pázmándi resigned from his membership to the Board of Directors, and thereafter the General Meeting elected him to be a member to the Supervisory Board. Gábor Újlaki's mandate to be a member of the Board of Directors expired as of April 30 2005. The General Meeting held on April 29 2005 recalled Gyula Bakacsi and Dr. Gábor Győző from their position in the Supervisory Board.

Information concerning senior officers is detailed in Data Sheet TSZ3.

In accordance with the related legal regulations, we hereby declare that this Report does not present any material errors that would cause this quarterly stock-exchange flash report to reflect an unrealistic view on the Company's property, financial and income conditions as of March 31 2005.

Budapest, May 04, 2005

***Pannonplast Rt's  
 Board of Directors***



## Data sheets

Name of the Company: PANNONPLAST Műanyagipari Részvénytársaság  
[PANNONPLAST Plastic Industry Private Limited Company]

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Sectoral classification: Plastics processing

Period: Quarter I of 2005

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### 1.1 Data sheets related to the financial statements

#### **PK1. General information on the financial figures**

	Yes	No		
Audited	<input type="checkbox"/>	<input checked="" type="checkbox"/>		
Consolidated	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
Accounting standards	Hungarian	<input type="checkbox"/>	IFRS	<input checked="" type="checkbox"/>
			Other	<input type="checkbox"/>

#### **PK2. Business entities under consolidation**

Name	Share capital	Share (%)	Voting rights <sup>1</sup>	Classification <sup>2</sup>
Pannonpipe Kft.	2873.5	50.0	50.0	J
Pipeline Romania	683.5	50.0	50.0	J
Pannunion Kft.	2220.7	100.0	100.0	F
Tu-Plast Kft.	931.8	60.0	60.0	F
Dexter Rt.	124.0	94.0	94.0	F
Polifoam Kft.	754.1	51.0	51.0	F
Pannonplast Műszaki Műanyagok Rt.	710.0	100.0	100.0	F
Almand Kft.	512.7	100.0	100.0	F
FCI Kft.	420.0	58.0	58.0	F
Unical Kft.	265.5	100.0	100.0	F
Interagropak Kft.	223.7	51.0	51.0	F
Pannon-Effekt Kft.	311.0	100.0	100.0	F
Kuala Ingtatlanhaszn. Kft.	179.2	100.0	100.0	F
MÜKI Kft. (va)	40.0	100.0	100.0	F

<sup>1</sup> Voting rights allowing participation in decision-making at the general meeting of any business entity under consolidation

<sup>2</sup> Full (F); Joint management (J); Associated (A)

**PK3. Consolidated balance sheet according to IFRS (HUF million)**

	31/03/2005	31/03/2004	Index (%)
<b>A. Non-current assets</b>	<b>14,522</b>	<b>17,053</b>	<b>85.2</b>
Intangible assets	928	1,003	92.5
Tangible assets	13,567	16,036	84.6
Investments	27	14	192.9
<b>B. Current assets total</b>	<b>11,098</b>	<b>11,269</b>	<b>98.5</b>
Inventories	3,567	3,783	94.3
Receivables	6,906	6,455	107.0
Securities, Cash and cash equivalents	625	1,031	60.6
<b>ASSETS TOTAL</b>	<b>25,620</b>	<b>28,322</b>	<b>90.5</b>
<b>D. Equity total</b>	<b>12,741</b>	<b>14,252</b>	<b>89.4</b>
Share capital	421	421	100.0
Additional paid-in capital, reserves from retained earnings	12,406	14,236	87.1
Retained earnings	-86	-405	21.2
Minority share	1,421	1516	93.7
Accrued profit	0	0	
<b>F. Liabilities total</b>	<b>11,458</b>	<b>12,554</b>	<b>91.3</b>
Long-term liabilities	1,570	1,063	147.7
Short-term liabilities	9,888	11,491	86.0
- Trade payables	3,819	3,351	114.0
- Short-term payables	5,047	7,083	71.3
- Other short-term payables	1,022	1,057	96.7
<b>LIABILITIES TOTAL</b>	<b>25,620</b>	<b>28,322</b>	<b>90.5</b>

**PK4. Consolidated profit and loss account according to IFRS (HUF million)**

	31/03/2005	31/03/2004	Index (%)
Sales revenue	5,409	6,051	89.4
Direct cost of sales	-4,248	-4,516	94.1
<b>Gross coverage</b>	<b>1,161</b>	<b>1,535</b>	<b>75.6</b>
Indirect costs of sales	-1339	-1,795	74.6
Other expenses	-94	-160	58.8
Other income	233	45	517.8
<b>A. Operating profit</b>	<b>-39</b>	<b>-375</b>	<b>10.4</b>
Financial income	181	333	54.4
Financial expenses	-220	-297	74.1
<b>B. Result on financial transactions</b>	<b>-39</b>	<b>36</b>	<b>-108.3</b>
<b>C. EBET</b>	<b>-78</b>	<b>-339</b>	<b>23</b>
<b>D. Extraordinary result</b>	<b>0</b>	<b>4</b>	<b>0</b>
<b>E. Profit before tax</b>	<b>-78</b>	<b>-335</b>	<b>23.3</b>
Corporate income tax	-7	-30	23.3
<b>F. Profit after tax</b>	<b>-85</b>	<b>-365</b>	<b>23.3</b>
Minority interest	-1	-40	2.5

<b>G. Net profit of the period under review</b>	<b>-86</b>	<b>-405</b>	<b>21.2</b>
<b>EBITDA</b>	<b>512</b>	<b>251</b>	<b>204</b>

**PK5. Consolidated cash flow statement according to IFRS (HUF million)**

	31/03/2005	31/03/2004
Profit after tax	-86	-405
Depreciation	551	626
Changes in working capital	-499	301
Other adjustments	-205	-236
<b>Liquid assets from operations</b>	<b>-239</b>	<b>286</b>
Acquisition of non-current assets	-263	-216
Sale of non-current assets	354	78
Liquid assets from other investments	0	1
<b>Liquid assets from investments</b>	<b>91</b>	<b>-137</b>
Revenues from share issue	0	0
Changes in long-term loans	-441	0
Changes in short-term loans	-218	-319
Dividends	0	0
Liquid assets from other financing transactions	88	29
<b>Liquid assets from financing transactions</b>	<b>-571</b>	<b>-290</b>
Net changes in liquid assets	-719	-141
Opening value of liquid assets as of January 01	754	800
<b>Closing value of liquid assets</b>	<b>35</b>	<b>659</b>
Isolated deposit accounts	152	152
Credit line	438	220
<b>Balance-sheet value of liquid assets</b>	<b>625</b>	<b>1,031</b>

**PK6. Material off-balance-sheet items:**

On the accounting date of March 31 2005, the Company had a forward purchase arrangement in an amount of EUR 2 million against HUF with the maturity of June 03 2005 at an exchange rate of HUF 250.5. The Company closed these foreign-exchange positions as realizing the related profit during April.

## 1.2 Data sheets on the share structure and the owners

### **RS1. Ownership structure, holdings and voting rights**

Classification of owners	Share capital total					
	At the beginning of the period under review			At the end of the period		
	% <sup>2</sup>	% <sup>3</sup>	pc	% <sup>2</sup>	% <sup>3</sup>	pc
Domestic institution	42.50	42.50	1,789,563	43.56	43.56	1,834,223
Foreign institution	27.11	27.11	1,141,748	29.16	29.16	1,227,963
Domestic private person	29.12	29.12	1,226,336	25.93	25.93	1,091,826
Foreign private person	0.20	0.20	8,321	0.19	0.19	8,200
Employees, senior officers	0.93	0.93	39,254	1.05	1.05	44,194
Own holding	0.00	0.00	0	0.00	0.00	0
Owner belonging to the central budget <sup>1</sup>	0.14	0.14	5,709	0.11	0.11	4,525
International Developmental Institutions	-	-		-	-	
Other	-	-	-	-	-	-
Total	100.00	100.00	4,210,931	100.00	100.00	4,210,931

<sup>1</sup> Administrative body

<sup>2</sup> Proportionate holding

<sup>3</sup> Voting rights allowing participation in decision-making at the general meeting of the issuing entity.

### **RS2. Changes in the number of shares in own holding in the year under review**

	January 01	March 31	June 30	September 30	December 31
Pannonplast Rt.	0	0	0	0	0
Subsidiaries	0	0	0	0	0
Total	0	0	0	0	0

### **RS3. List and particulars of owners holding shares over 5% (at the end of the period)**

Name	Nationality <sup>1</sup>	Activity <sup>2</sup>	Number (pc)	Share (%) <sup>3</sup>	Voting rights (%) <sup>3,4</sup>	Notes <sup>5</sup>
Benji Ruhairpari Kft	D	I	470,061	11.16	11.16	
Berenberg Global Opportunity – Magyar Fund	F	I	260,782	6.19	6.19	
Lazarus Vagyonkezelő Rt.	D	I	233,250	5.54	5.54	
Portfolio Kft.	D	I	217,300	5.16	5.16	

<sup>1</sup> Domestic (D), Foreign (F)

<sup>2</sup> Trustee (T), Budget (B), International Developmental Institution (ID), Institutional (I), Business Entity (BE), Private (P), Employee, Senior Officer (E)

<sup>3</sup> To be specified as rounded to two decimals

<sup>4</sup> Voting rights allowing participation in decision-making at the general meeting of the issuing entity

<sup>5</sup> E.g.: professional investor, financial investor, etc.

### **1.3 Data sheets on the organization and operations of the issuing entity**

#### ***TSZ2/1. Changes in the headcount of full-time employees (pers.)***

	At the end of the base period	At the end of the period under review
Pannonplast Rt.	30	15
Group level	2,028	1,481

#### ***TSZ3. Senior officers and (strategic) employees controlling operations of the issuing entity***

Type <sup>1</sup>	Name	Position	Starting date of commission	End/termination of the commission	Own share holding (pc)
BD	Balázs Bokorovics	President	10/09/2004	September 10 2007	18,505
BD, SP	Balázs Szabó	Member, CEO	10/09/2004	September 10 2007	40
BD, SP	Dénes Gyimóthy	Member, Finance Director	10/09/2004	September 10 2007	3,000
BD	Dr. Gyula Pázmándi	Member	30/04/2003	Year-end General Meeting 2006	0
BD	Géza Somogyváry	Member	10/09/2004	September 10 2007	0
BD	István Töröcskei	Member	10/09/2004	September 10 2007	9,300
BD	Gábor Ujlaki	Member	29/04/2002	Year-end General Meeting 2005	3,000
SB	Klára Deák	President	29/04/2004	Year-end General Meeting 2007	10,000
SB	Gyula Bakacsi	Member	29/04/2004	Year-end General Meeting 2007	0
SB	Dr. Gábor Győző	Member	29/04/2004	Year-end General Meeting 2007	0
SB	Eszter Kiss	Member	29/04/2004	Year-end General Meeting 2007	0
SB	Géza Lenk	Member	29/04/2004	Year-end General Meeting 2007	0
Own share holding (pc) T O T A L:					43,845

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

On April 29 2005, Dr. Gyula Pázmándi resigned from his membership to the Board of Directors, and thereafter the General Meeting elected him to be a member to the Supervisory Board. Gábor Ujlaki's mandate to be a member of the Board of Directors expired as of April 30 2005. The General Meeting held on April 29 2005 recalled Gyula Bakacsi and Dr. Gábor Győző from their position in the Supervisory Board.

### **1.4 Data sheets on extraordinary disclosures**

#### ***ST1. extraordinary disclosures published in the period under review***

## Pannonplast Rt's Flash Report for Q1 of 2005

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Date	Publication	Subject, short contents
22/01/2005	BÉT, Magyar Tőkepiac [Budapest Stock Exchange, Hungarian Capital Market]	Profit warning for Q4 of 2004 and other information
04/02/2005	BÉT, Magyar Tőkepiac [Budapest Stock Exchange, Hungarian Capital Market]	Pannonplast Rt's disclosure on the payment of the cash consideration of printed shares

### Regular disclosures

14/02/2005	Pannonplast Rt's consolidated, non-audited flash report for Q4 of 2004 as in accordance with IFRS
29/03/2005	Pannonplast Műanyagipari Rt's letter of invitation to the General Meeting

### Other disclosures

03/01/2005	The President of the Board of Directors has purchased Pannonplast shares
31/01/2005	New Managing Director at the steer of Pannonplast Műszaki Műanyagok Rt.
21/03/2005	New owner over 5% Pannonplast Rt.