

pannonplast

**Pannonplast plc
interim report for the stock exchange**

2004. 4th quarter

February 12, 2005.

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The flash report contains the Pannonplast Group's consolidated, unaudited data, compiled according to the International Financial Reporting Standards (IFRS)

The net consolidated retained earnings of Pannonplast plc, in line with the profit warning issued on January 22, 2005, is a loss of HUF 1,827 million, to which the technical plastics business line contributed with a loss of HUF 1,847 million

The comprehensive efficiency improvement programme of Pannonplast Technical Plastics Ltd, focusing on the areas of production, logistics and sales, reached its final stage. The implementation shall take place in the first half of 2005.

Major efficiency improvement projects were launched at Pannonpipe Llc.

Centralised sourcing began at the Pannonplast Group, creating the basis for the reduction in direct and indirect costs during 2005.

The reorganisation of the core company, Pannonplast plc has been completed, and is expected to result in savings of approximately HUF 380 million in the year 2005.

The technology and capacity development programme of the consumer packaging business line has been adopted.

A unified management incentive system has been developed for the Pannonplast Group, from which we expect a higher commitment from the management-level employees of the Group in the year 2005.

Key indicators	HUF million					
	2004. 4th quarter	2003. 4th quarter	Index (%)	2004. 1st-4th quarters	2003. 1st-4th quarters	Index (%)
Net sales revenues	6 459	7 494	86.2	26 582	26 375	100.8
Costs of goods sold	5 148	5 353	96.2	20 623	18 476	111.6
Gross profit	1 311	2 141	61.2	5 959	7 899	75.4
<i>Gross margin</i>	<i>20.3%</i>	<i>28.6%</i>		<i>22.4%</i>	<i>29.9%</i>	
EBITDA	266	600	44.3	1 058	2 948	35.9
<i>EBITDA ratio</i>	<i>4.1%</i>	<i>8.0%</i>		<i>4.0%</i>	<i>11.2%</i>	
Operating earnings (EBIT)	-393	-126	311.9	-1 411	344	-410.2
Net Earnings	-820	-1 167	70.3	-1 827	-1 844	99.1
Operating cash-flow	896	835	107.3	1 456	1 927	75.6
Net capital expenditure	-352	468		-60	2 024	
Net debt stock	5 922	7 573	78.2	5 922	7 573	78.2
Headcount *	1 543	2 000	77.2	1 543	2 000	77.2
Net sales per capita **	16.74	14.99	111.7	17.23	13.19	130.6
Number of shares, at the end of the period	4 210 931	4 210 931		4 210 931	4 210 931	
Average number of shares	4 210 931	4 210 931		4 210 931	4 174 973	
Per share indicators ***						
EBITDA	63.2	142.5	44.3	251.3	706.1	35.6
Net earnings	-194.7	-277.1	70.3	-433.9	-441.7	98.2
Equity	3 048.3	3 473.8	87.7	3 048.3	3 473.8	87.7
Operating cash-flow	212.8	198.3	107.3	345.8	461.6	74.9
Average euro exchange rate	246.00	260.20		251.37	253.65	
End-of-period euro exchange rate	245.93	262.23		245.93	262.23	

* at the end of the period

** consolidated net sales, annualised

*** in HUF

Below we present the performance of Pannonplast plc in a breakdown by business line. The figures shown below are not necessarily directly comparable with the business entity-level data published in the past. In this breakdown by business lines (Sections 1-4), the data is not consolidated and does not contain the data of corporate headquarters management.

1. Consumer Packaging Business

- ▶ Pannunion Llc
- ▶ Unical
- ▶ Almand Llc
- ▶ Pannon-Effekt Llc
- ▶ Interagropack
- ▶ TU-Plast Llc

In the relatively stable market of packaging materials, we managed to achieve further volume increase. Net sales were 11.6% above the respective value of the basis period. The share of exports diminished by about one percentage point, in spite of the 6.2% strengthening of the forint (at the closing exchange rate of the reporting period) that exercised an adverse impact on the value of exports in HUF terms.

The share of exports in total sales was 46.6% in the year 2004.

The turnover of the strategic business line in the year 2004 – HUF 11,466 million – increased in the midst of tough competition by HUF 690 million, or 6.4%.

During the quarter, an above-average increase of 69% occurred in the sales revenues of Unical in Romania and 78% in the case of Interagropack, Ukraine. The sales revenues of Pannon-Effekt dropped by 17%, but its performance is not directly comparable with last year's figures, since the basis period includes part of the operations of the acquired Pannon-Tara (partially abandoned in the meantime). At the largest member company, Pannunion the increase was close to the average level for the Group, Almand realised an unchanged turnover. Net sales of TU-Plast dropped by 2.4%, as a consequence of the drop in exports - which representing 89% of total sales.

The headcount of the business line is 39 persons less than in the basis period, mainly due to the efficiency enhancement programme that took place at Pannon-Effekt.

The 8 % points decline in the gross margin of the business line was a consequence of the increases in the prices of basic materials, primarily of PVC, representing almost 50% of total basic materials used. The other manufacturing costs remained below the planned levels.

The aggregate operating result was 63% of EBIT in the basis period, mainly due to the deteriorating margins at Pannunion and TU-Plast.

Despite the 15% drop, the EBITDA output of the consumer packaging strategic business line remains decisive for the Pannonplast Group.

Key indicators	HUF million					
Consumer packaging	2004. 4th quarter	2003. 4th quarter	Index (%)	2004. 1st-4th quarter	2003. 1st-4th quarter	Index (%)
Net sales revenues	3 055	2 738	111.6	11 466	10 776	106.4
Costs of goods sold	2 420	1 939	124.8	8 612	7 625	112.9
Gross profit	635	799	79.5	2 854	3 151	90.6
<i>Gross margin</i>	<i>20.8%</i>	<i>29.2%</i>		<i>24.9%</i>	<i>29.2%</i>	
EBITDA	317	372	85.2	1 234	1 708	72.2
<i>EBITDA ratio</i>	<i>10.4%</i>	<i>13.6%</i>		<i>10.8%</i>	<i>15.9%</i>	
Operating earnings (EBIT)	61	97	62.9	201	623	32.3
Operating cash-flow	-279	98	-284.7	386	1 130	34.2
Investment into tangible assets, net	277	124	223.4	635	663	95.8
Headcount	702	741	94.7	702	741	94.7
Net sales per capita *	17.41	14.78	117.8	16.33	14.54	112.3

* annualised (with the exception of the interim report for the whole of the business year)

2. Technical plastics business line

- ▶ Pannonplast Technical Plastics Ltd. (PMM)
- ▶ Dexter Ltd

With the balance sheet date of July 15, Moldin Llc merged into Moldin 2000 Ltd, to continue the operations under the name of Pannonplast Technical Plastics Ltd, with two sites, instead of the former three. The losses of the technical plastics business line can be seen. For their elimination, the management launched a programme of immediate production and logistics optimisation at the end of September, supplemented by a reconsideration of certain assets of the company in value terms.

One of the main achievements of the optimisation programme is the potential to reduce unproductive times, the potential for less defects in injection-moulding and colouring and in losses from re-colouring. These were partially implemented in January 2005, and their results appeared immediately. The preparatory and development stages of the optimisation programme – in line with previous indications – will be completed by the end of the 1st quarter of 2005. A smaller portion of the implementation shall follow in the 1st quarter of 2005, that of a larger portion in the 2nd quarter of the year.

Due to the re-examination of the Company's assets, important valuation problems have been identified and eliminated, first of all in the case of the inventories. These appear as losses in the 4th quarter. In connection with this, we also reviewed, together with the Supervisory Board, the merger process of Moldin Llc.

A determining factor in the performance of the technical plastics business line was the closing of the Szombathely plant of the former Moldin Llc, with lay-offs. This was partially the reason for the lower net sales, which were 41% below the figure for the same period in 2003.

The net sales revenues of PMM in 2004 were 2.2% lower, the net sales revenues of Dexter were 30.8% lower than in the basis period.

Gross profits dropped radically in the case of both companies. One of the most significant reasons for this was the depressed selling prices on the market of technical plastics, together with production efficiency and an unfavourable change in the product portfolio. Sales activities of both companies remained unsuccessful during the last quarter of the year. At PMM Ltd, therefore, we made efforts to strengthen the sales organisation. As a result of our work, the sales organisation will be reshaped by February 2005.

The aggregate operating loss of the two companies is 392 million forints, which is, in addition to the deterioration in the gross margin, a consequence of the increase observed in other expenses (primarily an impairment loss in debtors and in inventories, and due to redundancy payments).

The financial burdens of the business lines remained significant. The debt stock attributable to the business line is in excess of HUF 4 billion, representing almost 60% of the total debt stock of the company group.

Key indicators	HUF million					
	2004. 4th quarter	2003. 4th quarter	Index (%)	2004. 1st-4th quarter	2003. 1st-4th quarter	Index (%)
Technical plastics						
Net sales revenues	1 670	2 827	59.1	6 849	7 212	95.0
Costs of goods sold	1 507	2 203	68.4	6 287	5 655	111.2
Gross profit	163	624	26.1	562	1 557	36.1
<i>Gross margin</i>	<i>9.8%</i>	<i>22.1%</i>		<i>8.2%</i>	<i>21.6%</i>	
EBITDA	-173	-760	22.8	-768	-411	186.9
<i>EBITDA ratio</i>	<i>-10.4%</i>	<i>26.9%</i>		<i>-11.2%</i>	<i>5.7%</i>	
Operating earnings (EBIT)	-392	-946	41.4	-1 587	-1 123	141.3
Operating cash-flow	442	122	362.3	422	-379	-111.3
Investment into tangible assets, net	74	318	23.3	140	1 265	11.1
Headcount	346	593	58.3	346	593	58.3
Net sales per capita *	19.31	19.07	101.2	19.79	12.16	162.8

* annualised (except for the interim report for the whole of the business year)

3. Financial investments

► Pannonpipe Llc

- ▶ Polifoam Llc
- ▶ FCI Llc

During this quarter, the net sales of companies qualified as equity investments decreased by 6% to the value of the basis period. There was an increase in the sales revenues of Pannonpipe and of Pipelife Romania, a decrease in the turnover of Polifoam and of FCI. But the expansion of net sales was not followed by an increase in earnings, the companies together made a significantly lower margin (5 percentage points lower) in comparison with the previous year. In the case of Pannonpipe and of Pipelife Romania the drop in the margins occurred due to the increase in PVC prices, the strong competition in the pipe market and certain efficiency problems.

Initiated by Pannonplast and with the consent of the co-owner, Pannonpipe started the implementation of the comprehensive set of measures to improve efficiency. The results therefrom are expected to appear from the first quarter of 2005. The programme covers both the improvement in trading operations and in production efficiency. Parallel to this, Pannonplast plc is investigating the possibilities for disposing of its 50% stake in Pannonpipe.

Polifoam has performed in a balanced way, similarly to the results of the basis period. The performance of FCI in 2004 was substantially inferior, in respect of all margins, to its performance in 2003. First of all, the intensity of sales lagged behind the level of the year 2003. Net sales of 2004 amounted to 76% of the figure for the basis period.

The aggregate operating result of the companies was a loss of 6 million forints, their performance in EBITDA terms decreased by 64% to the basis period. The unfavourable result is mainly due to the drop in gross margins.

Key indicators

HUF million

Financial investments	2004. 4th quarter	2003. 4th quarter	Index (%)	2004. 1st-4th quarter	2003. 1st-4th quarter	Index (%)
Net sales revenues	1 742	1 852	94.1	7 881	7 526	104.7
Costs of goods sold	1 255	1 241	101.1	5 649	4 873	115.9
Gross profit	487	611	79.7	2 232	2 653	84.1
<i>Gross margin</i>	<i>28.0%</i>	<i>33.0%</i>		<i>28.3%</i>	<i>35.3%</i>	
EBITDA	79	217	36.4	657	1 002	65.6
<i>EBITDA ratio</i>	<i>4.5%</i>	<i>11.7%</i>		<i>8.3%</i>	<i>13.3%</i>	
Operating earnings (EBIT)	-6	130	-4.6	296	661	44.8
Operating cash-flow	246	110	223.6	602	473	127.3
Investment into tangible assets, net	107	127	84.3	189	317	59.6
Headcount	428	440	97.3	428	440	97.3
Net sales per capita *	16.28	16.84	96.7	18.41	17.10	107.7

* annualised (except for the interim report for the whole of the business year)

4. Companies in the divestiture process

- ▶ Kaposplast Llc
- ▶ Multicard Llc
- ▶ MÜKI Llc (*plastics processing R&D*)
- ▶ Pannonplast Maintenance Llc
- ▶ Recyclen Llc

Pannonplast plc selected the companies listed above for short-term divestiture. With the exception of Müki Llc, their sale was completed in Q4 of 2004. The final settlement of Müki Llc has started and is expected to be completed in the 1st quarter of 2005. The consolidated net sales of the five companies represented about 5% of the Pannonplast Group. The headcount of the companies was 170 persons as of September 30, 2004, representing approximately 10% of the total number of the employees. Revenues from the sales of these companies were approximately at the level of the value of their net assets. Interim reports of Pannonplast plc will not cover these companies in the future in terms of a business line, due to the completion of the sales transaction and the size of Müki Llc, not being material.

Pannonplast plc. Interim report for Q4, 2004.

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5. Financial analysis

5.1. Income Statement

The Company's consolidated net sales amounted to 6,459 million forints in the fourth quarter of 2004, or 13.8% lower than the value of the same period of the previous year. The value of exports was 2,759 million forints, representing 42.7% of total sales, equal to an increase of 1.3% in comparison with the basis period.

In the fourth quarter of the year, the turnover was 2% lower than the average for the year. **The annual net sales were 26,582 million forints**, almost the same as the value for 2003. Taking account of the strengthening of the forint and the decline in the value of exports in HUF terms in 2004, there was an expansion in sales in 2004.

The development of direct costs was unfavourable in comparison with the basis period. As a result of the lower sales and the smaller decrease in direct costs, the value of the gross profit was 1,311 million forints in the fourth quarter of the year, 830 million forints or 38,8% less than in the last quarter of 2003. The gross margin dropped from 28.6% to 20.3%. The drop in the margins was substantial in the business line of technical plastics and in the case of equity investments. One of the external reasons for the drop in margins was a further increase in the price of the basic materials that the business line of consumer packaging and Pannonpipe could charge to their customers only partially, and with some time lag. The price of PVC increased by more than 30% in 2004, by more than 5% in Q4. Unfortunately, the price increases in the supply were similar in the case of the other basic materials (PE, PP, PS) of our member companies. In the case of Pannunion, the gross profit dropped by approximately 189 million forints, while in the case of Pannonpipe, by 668 million forints in the year of 2004. The price level of the basic materials is determined basically by the price level of crude oil on the world market, where the developments were not favourable during this quarter of the year either. Another significant factor for the decline in margins was the intensive price competition in the market of plastic foils and pipes/ tubes. The consolidated gross margin for 2004 was 1,940 million forints lower than a year ago.

Indirect costs of sales amounted to 1,752 million forints in the fourth quarter, representing 27.1% in total net sales and 92% of the same figure for the basis period. For the whole of the year, costs incurred were 6,972 million forints, implying approximately the maintaining of the previous year's level. During the quarter, further projects were launched to reduce indirect costs. The results of the measures imposed as a result of these programmes could be hardly seen, due to the one-off items incurred. The headcount of the Group decreased by 457 persons, partly because of the reorganisations for the purpose of savings, and partly because of the sale of some companies. The headcount at the parent company decreased from 34 persons in early 2004 to 15 actually employed persons by February 2005 (20 persons at the end of 2004). The corporate headquarters moved to a new office in January 2005, where the size and the maintenance costs represent only a fragment of those of the previous location. These measures will bring about savings in the order of almost 380 million forints per annum.

One-off items in 2004 exceeded one billion forints, and half a billion forints in the fourth quarter alone. Unfortunately, the one-off costs in the fourth quarter are not exclusively reorganisation costs to be recovered, but also one-off costs attributable to previous reporting periods, discovered in the framework of the projects of the reorganisation process. The most important portion of the one-off costs is connected with the business line of technical plastics. The two most important groups of costs incurred during the year are the payments in connection with the layoffs and the impairment losses recognised on certain assets.

The balance of other expenses and income was a 48 million forints addition to the profits in the fourth quarter, while for the whole of the year, a loss of 398 million forints was generated on the other items. The negative result of the one-off items could be diminished only slightly by the profit of 218 million forints net for the year on the disposal of assets.

The operating result (EBIT) was a loss of 393 million forints in the fourth quarter of 2004, and a loss of 1,411 million forints for the year 2004. At a quarterly level, the earnings were 267 million forints less than in the basis of period of the fourth quarter of 2003, while the annual EBIT was 1,755 million forints below the level of the basis period. The main factors behind the operating loss represented the weak performance of the technical plastics business line, deteriorating the consolidated EBIT by its loss of 1,587 million forints in 2004. Excluding the EBIT of the technical

plastics business line, the performance of the Pannonplast Group in EBIT terms was a profit of 176 million forints.

The operating cash flow (EBITDA) was 266 million forints in the fourth quarter of 2004 and 1,058 million forints in the year 2004. The result for the quarter is 334 million forints lower than the basis value for the fourth quarter of 2003, at the same time, the annual EBITDA is 1,890 million forints lower than in the basis period. In 2004, the depreciation and amortisation charged were 135 million forints less than in 2003.

The result of the financial operations was a net expense of 390 million forints in the fourth quarter of 2004 and a net expense of 636 million forints for the year 2004. Most of the loss comes from interest expenses, foreign exchange operations and impairment loss on debt. The earnings for the quarter are almost the same as the value of the basis period, the fourth quarter of 2003, but the figure for the whole of the year was 389 million forints above the level of the basis period.

In 2004, the items that follow the earnings on ordinary business give a total income of 220 million forints, consisting of an extraordinary expense of 29 million forints, a (mostly deferred) tax income of 353 million forints and a negative minority interest of 104 million forints.

Consolidated net earnings were a loss of 820 million forints in the fourth quarter of 2004, and a loss of 1,827 million forints for the year 2004. The earnings for the quarter exceeded the basis figure of the fourth quarter of 2003 by 347 million forints, while the annual earnings were 17 million forints better than in the basis period.

If the business line of the technical plastics could have achieved a breakeven, the company group could have realised a net profit of HUF 20 million in the year 2004, as opposed to the consolidated loss of 1,827 million forints.

5.2. Balance Sheet

In general terms, we can state that the asset stocks in the consolidated balance sheet decreased because of the disposal of some member companies. In 2004, the company group implemented capital expenditures to the value of 1,072 million forints, as opposed to charging 2,469 million forints for depreciation, resulting in a decrease in the stock of the intangible assets and of the tangible fixed assets.

In the stock of the intangibles, there were no outstanding changes in addition to those listed above.

The decrease in the stock of the tangible assets was justified, in addition to the effects above, also to the impairment loss relating to extraordinary write-offs at the companies Moldin Llc and Moldin 2000 Ltd (after the merger, PMM Ltd). The stock of the tangible assets as at December 31, 2004 diminished by 765 million forints as a consequence of the company divestitures.

The stock of current assets was 250 million forints or 2.1% higher than at the end of the year 2003. Within the current assets, the increase in the stock of accounts receivable was 3.7%, inventories dropped by 2.4% in a comparison to the basis. The amount of the other receivables decreased by 7%. A large portion of the other receivables consisted of different tax receivables (VAT, corporate tax).

The Company's equity decreased by 1,792 million forints, as a result of the net earnings for the year and the change in minority interests.

The sum of the long-term liabilities increased from HUF 1,066 million to HUF 3,165 million, the reason for this was that based on the maturities fixed in the medium-term financing agreement concluded in June 2004, a significant portion of the former short-term loans was reclassified to long-term liabilities.

The stock of short-term and long-term loans together decreased by HUF 1,591 million, to HUF 7,022 million. The decrease was caused by the redemptions in the third and fourth quarters of the year. The debt /equity ratio dropped (from 0.64 in June) to 0.55. Taking account of our cash positions, the indicator was 0.46.

Trade payables increased by 1,205 million forints, as compared to the basis. The primary reason for the increase was the seasonally strong activity of the technical plastics business line.

There was no significant change in other current liabilities. The most important items are wages, social security contributions and accruals, in connection with current operations.

5.3. Cash-flow

There was no significant change in the closing stock of cash to the closing stock of the basis year. Cash flow from operations amounted to 1,456 million forints, in spite of the substantial accounting loss recognised. A major role in the positive operating cash flow was played by the advantageous changes in working capital. The amount of new investments was a cumulative 1,072 million forints, at the same time, the sale of investments and the proceeds from the sale of tangible assets taken out from production amounted to 1,130 million forints, therefore, the change in net cash from investments was a positive figure.

Cash flow from operation and investments was used for the redemption of the loans of the Pannonplast Group.

The stock of cash of the Group remained stable, in spite of the loan redemption, at the level of year-end 2003.

6. Miscellaneous

6.1 Funding issues

The club loan facility signed by the Company on October 9, 2000, with a credit line of EUR 17.1 million, expired on October 9, 2003. The banks participating in the financing extended the credit line agreement on May 7, 2004, until June 30, 2004. The Company signed on June 21, 2004 its new, medium-term loan agreement with CIB Bank, K&H Bank and OTP Bank. The total amount of the loan contract was nearly 8.5 billion forints. During the quarter, there was no change in the structure of funding.

6.2 Capital expenditure

The group invested 1,072 million forints in 2004. The largest part of this investment amount, which was lower than that of previous years, The reduced investment activities were a part of the intensive debt reduction program. In 2004 the group closed the so-called „Investment Stop” program, and in 2005 - within a strongly controlled framework - will again concentrate on investments aimed at development.

6.3 Corporate events

There were no corporate events during the quarter.

6.4 Employees

The total number of the Group's own employees was 1,543 persons on December 31, 2004, representing a decrease of 457 persons (22.9%), as compared to December 31, 2003. The reason for the decrease was the closing of the Szombathely plant of Moldin Llc, the sale of member companies, as well as some other measures to improve efficiency (such as rationalisation carried out at the corporate headquarters and layoffs at Pannon-Effekt Llc).

The Company also reduced the number of hired employees substantially in comparison with the basis period.

For comparability, we summarise in the following table the changes in the number of the employees and of hired manpower during the last year. The total stock (employees + hired workers) dropped by 602 persons, or 26%, as compared to December 31, 2003. The number of the employees at the foreign member companies was 229 persons on December 31, 2004.

	December 31, 2003			2004. December 31, 2004			Change		
	Own	Hired	Total	Own	Hired	Total	Own	Hired	Total
Pannonplast plc	34	0	34	20	0	20	-14	0	-14
Pannonplast	2 000	303	2 303	1 543	158	1 701	-457	-145	-602

Group									
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6.5 Changes in the issued capital, management and organisation of the Company

On December 31, 2003, the issued capital was 421,093,100 forints, and there were no changes during 2004.

The company held no treasury shares during the period in question.

During the quarter, there were no changes in the membership of the Board and of the Supervisory Board. From among employees in strategic positions, Investments Director László Blága left the Company on December 23, 2004. Detailed information on management officers are provided in the data sheet TSZ3.

In line with the provisions of the law, we hereby declare that the report does not contain any material errors that would imply the presentation of an untrue image in the interim report for the stock exchange on the equity, financial and income situation of the Company as at December 31, 2004.

Budapest, February 14, 2005.

***Pannonplast plc
Board of Directors***

Data Sheets

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1.1 Data Sheets concerning the financial statements

PK1. General information on the financial data

	Yes	No
Audited	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consolidated	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Accounting principles:	Hungarian <input type="checkbox"/>	IFRS <input checked="" type="checkbox"/>	Other <input type="checkbox"/>
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PK2. Business associations in the scope of consolidation

Name	Registered/ Issued capital	Ownership stake (%)	Voting rights ¹	Classification ²
Pannonpipe Llc	2873.5	50.0	50.0	J
Pannunion Llc	2220.7	100.0	100.0	S
Tu-Plast Llc	931.8	60.0	60.0	S
Dexter Ltd	868.0	94.0	94.0	S
Polifoam Llc	754.1	51.0	51.0	S
Pannonplast Technical Plastics Ltd	710.0	100.0	100.0	S
Almand Llc	512.7	100.0	100.0	S
FCI Llc	420.0	58.0	58.0	S
Multicard Llc ³	400.0	100.0	100.0	S
Unical Llc	245.2	100.0	100.0	S
Interagropak Llc	242.6	51.0	51.0	S
Pannon-Effekt Llc	311.0	100.0	100.0	S
Kaposplast Llc ³	310.0	100.0	100.0	S
Recyclen Llc ³	216.8	100.0	100.0	S
Kuala Property Management Llc	179.2	100.0	100.0	S
MÜKI Llc (under final settlement)	40.0	100.0	100.0	S
Maintenance Llc ³	41.2	100.0	100.0	S

¹ Voting powers, ensuring participation in the decision-making on the general meeting of the business association belonging to the scope of consolidation ² Fully consolidated (S); Joint venture (J); Associated (A)

³ Sold during the course of the quarter

PK3. Consolidated balance sheet under IFRS (million forints)

	2004.XII.30	2003.XII.30.	Index (%)
A. Long-term,assets	15 040	17 544	85.7
Intangible assets	920	1 039	88.5
Tangible assets	14 096	16 490	85.5
Long-term investments	24	15	160.0
B. Total current assets	12 401	12 151	102.1
Inventories	3 569	3 656	97.6
Receivables	7 732	7 455	103.7
Securities, liquid assets	1 100	1 040	105.8
TOTAL ASSETS	27 444	29 695	92.4
D. Shareholders' fund, total	12 836	14 628	87.7
Issued capital	421	421	100.0
Capital reserve, profit reserve	14 242	16 051	88.7
Retained earnings	-1 827	-1 844	99.1
Minority interests	1 427	1 476	96.7
Deferred income	0	0	0
F. Liabilities, total	13 181	13 591	97.0
Long-term liabilities	3 165	1 066	296.9
Current liabilities	10 016	12 525	80.0
- Trade payables	5 157	3 952	130.5
- Short-term payables	3 857	7 547	51.1
- Other current liabilities	1 002	1 026	97.7
TOTAL SOURCES	27 444	29 695	92.4

PK4. Consolidated Income Statement under IFRS (million forints)

	2004.XII.30.	2003.XII.30.	Index (%)
Net sales revenues	26 582	26 375	100.8
Costs of goods sold	-20 623	-18 476	111.6
Gross profit	5 959	7 899	75.4
Indirect costs of goods sold	-6 972	-7 052	98.9
Other expenses	-944	-1 049	90.0
Other income	546	546	100.0
A. Operating profit/ loss	-1 411	344	
Income from financial operations	627	291	215.5
Expenses of financial operations	-1 263	-1 316	96.0
B. Profit/ loss on financial operations	-636	-1 025	62.0
C. Profit/ loss on ordinary business	-2 047	-681	300.6
D. Extraordinary profit/ loss	-29	-932	
E. Profit before taxation	-2 076	-1 613	128.7
Corporate tax	353	-85	
F. Post-tax profit	-1 723	-1 698	101.5
Minority interests	-104	-146	71.2
G. Net earnings for the period	-1 827	-1 844	99.1

PK5. Cash flow statement, under IFRS (million forints)

	2004.XII.30.	2003.XII.30.
Net earnings	-1 827	-1 844
Depreciation and amortisation	2 469	2 604
Change in working capital	1 098	-371
Other adjustments	-284	1 538
Cash flow from operations	1 456	1 927
Acquisition of long-term assets	-1 072	-2 623
Sale of long-term assets	1 130	597
Other cash from investments	2	2
Cash flow from investments	60	-2 024
Proceeds from share issue	0	0
Change in the stock of long-term debt	134	288
Change in the stock of short-term debt	-1 595	-316
Dividend	-152	-180
Other cash from financing	35	149
Cash flow from financing	-1 578	-59
Net change in cash	-62	-156
Opening stock of cash on January 1	800	956
Closing stock of net cash, on December 31 *	738	800

*The difference to the stock of cash and cash equivalents recognised in the balance sheet is due to separately recognised deposits (152 million forints) and the sum of bank overdrafts (210 million forints).

PK6. Major off-balance-sheet items:

There are no such items.

1.2 Data sheets on the ownership structure, on the shareholders

RS1. Ownership structure, stakes and voting powers

Denomination of ownership	Total share capital					
	Beginning of the period			End of the period		
	% ²	% ³	Number	% ²	% ³	Number
Domestic institutional	65.57	65.57	2.760.898	42.50	42.50	1.789.563
Foreign institutional	14.95	14.95	629.727	27.11	27.11	1.141.748
Domestic private	18.03	18.03	759.065	29.12	29.12	1.226.336
Foreign private	0.22	0.22	9.440	0.20	0.20	8.321
Employees, top managers	1.14	1.14	47.976	0.93	0.93	39.254
Treasury shares	0.00	0.00	0	0.00	0.00	0
Public sector entity ¹	0.09	0.09	3.825	0.14	0.14	5.709
International development organisations	-	-		-	-	
Other	-	-	-	-	-	-
Total	100.00	100.00	4.210.931	100.00	100.00	4.210.931

¹ Public administration body

² Ownership stake

³ Voting right ensuring participation in decision-making on the Issuer's general meeting.

RS2. Changes in treasury shares in the reporting period (number)

	January 1	March 31	June 30	September 30	December 31
Pannonplast plc	0	0	0	0	0
Subsidiaries	0	0	0	0	0
Total	0	0	0	0	0

RS3. List of shareholders with more than 5%, their presentation (at the end of the period)

Name	Nationality ¹	Activity ²	Quantity (number)	Stake (%) ³	Voting rights (%) ^{3,4}	Notes ⁵
Benji Clothing Llc	D	F	470 061	11.16	11.16	
Lazarus Asset Management Ltd.	D	F	233 250	5.54	5.54	
Berenberg Global Opportunity – Hungarian Fund	J	F	216 263	5.14	5.14	

¹ Domestic (D), Foreign (F)

² Custodian (C), Government (G), International financial institution (F), Institutional (I), Business Association (B), Private (P), Employee, management officer (E)

³ The figure is to be rounded up, to two decimals

⁴ Voting rights entitled to participate in the decision-making at the general meeting of the issuer

⁵ E.g.: strategic investor, financial investor, etc.

1.3 Data sheets on the organisation, operation of the Issuer

TSZ2/1. Changes in the number of the full-time employees (persons)

	End of base period/ start of reporting period	End of the reporting period
Pannonplast plc	34	20
Group level	2 000	1 543

TSZ3. Persons in top management positions and (strategic) employees who influence the operation of the Issuer

There was no change in the members of the Board and of the Supervisory Board since the publication of the interim report for the 3rd quarter of 2004. From among employees in strategic positions, Investments Director László Blága left the Company on December 23, 2004. Information on the management officers is available in the following table.

Nature ¹	Name	Position	Beginning of assignment	End of assignment	Shares owned (number)
Board	Balázs Bokorovics	Chairwoman	10/09/2004	September 10, 2007	13 505
Board, SP	Balázs Szabó	Member, CEO	10/09/2004	September 10, 2007	40
Board, SP	Dénes Gyimóthy	Member	10/09/2004	September 10, 2007	3 000
Board	Dr Gyula Pázmándi	Member	30/04/2003	Until the 2006 AGM	0
Board	Géza Somogyváry	Member	10/09/2004	September 10, 2007	0
Board	István Töröcskei	Member	10/09/2004	September 10, 2007	9 300
Board	Gábor Újlaki	Member	29/04/2002	Until the 2005 AGM	3 000
SB	Klára Deák	Chairwoman	29/04/2004	Until the 2007 AGM	10 000
SB	Gyula Bakacsi	Member	29/04/2004	Until the 2007 AGM	0
SB	Dr Gábor Győző	Member	29/04/2004	Until the 2007 AGM	0
SB	Eszter Kiss	Member	29/04/2004	Until the 2007 AGM	0
SB	Géza Lenk	Member	29/04/2004	Until the 2007 AGM	0
Shares owned (number) T O T A L:					38 845

¹ Staff in a strategic position (SP), Member of the Board of Directors (Board), Member of SB (SB)

1.4 Data Sheets on Extraordinary Announcements

ST1. Extraordinary announcements published in the reporting period

Date	Published in	Topic, short summary
07/01/2004	BSE Gazette	On decisions of the Court of Registration
09/01/2004	BSE Gazette	Technical extension of Pannonplast plc's club loan
03/02/2004	BSE Gazette	Profit warnings, personal change
04/02/2004	BSE Gazette	Resignation of a Board member
05/02/2004	BSE Gazette	Dr. János Illéssy purchased Pannonplast shares
09/02/2004	BSE Gazette	Appointment of a Strategic Director at Pannonplast plc

10/02/2004	BSE Gazette	Resignation of the Chairman of Pannonplast's SB
02/03/2004	BSE Gazette	Personal changes at Pannonplast
09/03/2004	BSE Gazette	Technical extension of Pannonplast plc's club loan
12/03/2004	BSE Gazette	Closing of the Pannonplast treasury shares transaction, 2003
18/03/2004	BSE Gazette	Reduction of the headcount at Pannonplast
24/03/2004	BSE Gazette	The new strategy of Pannonplast and plan figures for this year
22/04/2004	BSE Gazette	Acceleration in the reorganisation at Pannonplast
07/05/2004	BSE Gazette	Technical extension of Pannonplast plc's club loan
12/05/2004	BSE Gazette	Election of the Chairman of the Supervisory Board
13/05/2004	BSE Gazette	Production stopped at the Szombathely plant of Moldin
21/06/2004	BSE Gazette	Three-year loan contract successfully renewed at Pannonplast
15/07/2004	BSE Gazette	Record of the decisions of Pannonplast plc's AGM of April 29, 2004 by the Court of Registration
10/08/2004	BSE Gazette	Announcement of call for Pannonplast plc's extraordinary general meeting
18/08/2004	BSE Gazette	Supplement to the agenda of the extraordinary general meeting
10/09/2004	BSE Gazette	Resolutions of the extraordinary general meeting
14/09/2004	BSE Gazette	Supplement to the resolutions of the extraordinary general meeting
17/09/2004	BSE Gazette	Shareholdings of new Board members
20/09/2004	BSE Gazette	Purchase of shares by a Board member
22/09/2004	BSE Gazette	Purchase of shares by a Supervisory Board member
27/09/2004	BSE Gazette	Purchase of shares by a Board member
30/09/2004	BSE Gazette	Purchase of shares by a Board member
02/12/2004	BSE Gazette	Disposal of companies, assets and properties at Pannonplast
29/12/2004	BSE Gazette	Purchase of shares by a Board member
03/01/2005	BSE Gazette	Purchase of shares by a Board member
22/01/2005	BSE Gazette	Profit warning

Regular announcements

16/02/2004	Flash report of Pannonplast plc for the year 2003
26/03/2004	Invitation to general meeting of shareholders of Pannonplast Plastics Processing plc
09/04/2004	Supplement to the invitation to the general meeting of Pannonplast plc
14/04/2004	Documents for the general meeting of Pannonplast plc
15/04/2004	Draft proposals for the general meeting: consolidated annual report and independent auditor's report
19/04/2004	Draft proposals for the general meeting: Information on the dematerialisation of Pannonplast plc's shares
22/04/2004	On the completion of the annual report
27/04/2004	Resolutions of the annual general meeting of Pannonplast plc held on April 29, 2004
30/04/2004	Abstract from the annual report of Pannonplast plc for the year 2003
06/05/2004	Annual report of Pannonplast plc for the year 2003
13/05/2004	Flash report of Pannonplast plc for the first quarter of 2004
03/06/2004	Minutes of the general meeting of Pannonplast plc, April 29, 2004
15/07/2004	Statutes of Pannonplast plc, in effect from July 2, 2004

Other Disclosures

28/01/2004	Change in the ownership stake of Karsai Plastic Processing Holding Ltd. in Pannonplast plc
03/02/2004	Change in the person of the Chief Executive Officer at Pannonplast plc
16/02/2004	Announcement of Pannonplast on the results of the Company in the year 2003 and the short-term programme of the management
01/04/2004	Statement regarding the Corporate Governance Recommendations
14/04/2004	New owner with more than 5% in Pannonplast plc
22/04/2004	Decrease in ownership stake: Karsai Holding Ltd.

26/04/2004	Information on negotiations in process with banks
28/04/2004	Statement of the Board of Pannonplast plc on the nominations to the Board and Supervisory Board of the Company
29/04/2004	Information on the annual general meeting
05/05/2004	Group-level sales manager, strengthening controlling organisation at Pannonplast
14/05/2004	Notice of PANNONPLAST plc on the transformation of the shares issued by the Company into dematerialised securities
18/05/2004	Notice of PANNONPLAST plc on the transformation of the shares issued by the Company into dematerialised securities (correction)
21/05/2004	Change in ownership (Benji Clothing Llc.)
30/06/2004	Statement of Pannonplast plc on corporate governance practice
11/08/2004	Draft proposal for resolution for the extraordinary general meeting
23/08/2004	Appointment of Gyula László to the position of the CEO of Pannonplast Technical Plastics Ltd.
01/09/2004	Information of Pannonplast plc on the terms and conditions of exercising the voting rights on the general meeting of shareholders
06/09/2004	International recognition for Pannonplast
07/09/2004	New HR manager at Pannonplast
17/09/2004	Accelerated restructuring at Pannonplast
20/12/2004	Other information
31/01/2005	New Executive at PMM Ltd.