

EXTRAORDINARY INFORMATION

27 July 2007

Strategic decision on the future and introduction of Pannunion Group (plastic packaging activities) to the stock exchange

Pannonplast Plc's extraordinary General Meeting summoned for 19 December 2006 launched a process of quest for partners towards the more efficient implementation of Pannunion Group's regional strategy. In the course of the process, Pannonplast has conducted negotiations with several potential investors.

As considering the experience earned from this process of quest for partners and the future of Pannunion Group, Pannonplast's Board of Directors has decided to take the following actions.

Pannunion Ltd. will be transformed into a private company limited by shares alongside with the start of the processes of preparations for and introduction to the Budapest Stock Exchange. As a part of the procedure, the Company will affiliate to the Club of Quotables, and at the same time it intends to apply for the support announced by the Ministry of Economy and Transport for the encouragement of listing at the Stock Exchange. After the conversion into a private company limited by shares, but still before introduction to the Stock Exchange, Pannunion will expand its corporate portfolio, and acquire the 100% business share of the Debrecen-based Pannon Effekt Ltd. from Pannonplast. In 2008, the consolidated turnover of the new group may exceed HUF 12.5 billion, while its consolidated EBITDA is foreseen to be over HUF 1.6 million.

Pannonplast wishes to delegate Mr. Balázs Szabó, Mr. Géza Somogyváry, Mr. Nándor Czabán (Pannon-Effekt Ltd's Managing Director) and Mr. Balázs Bokorovics (current Chairman of Pannonplast Plc's Board of Directors) to Pannunion's Board of Directors upon the foundation of the private company limited by shares. The office of Pannunion's Chief Executive Officer will be occupied by Mr. Balázs Szabó. Mr. Balázs Szabó has expressed his intent to acquire an approximately 2.5% portion of Pannunion shares. Pannonplast is preparing an incentive share option program for the future Board of Directors and other managers of Pannunion.

Pannunion Group continues to regard it as a strategic objective to become the most dominant regional actor of the plastics industry segment.

Pannonplast Plc.
Board of Directors