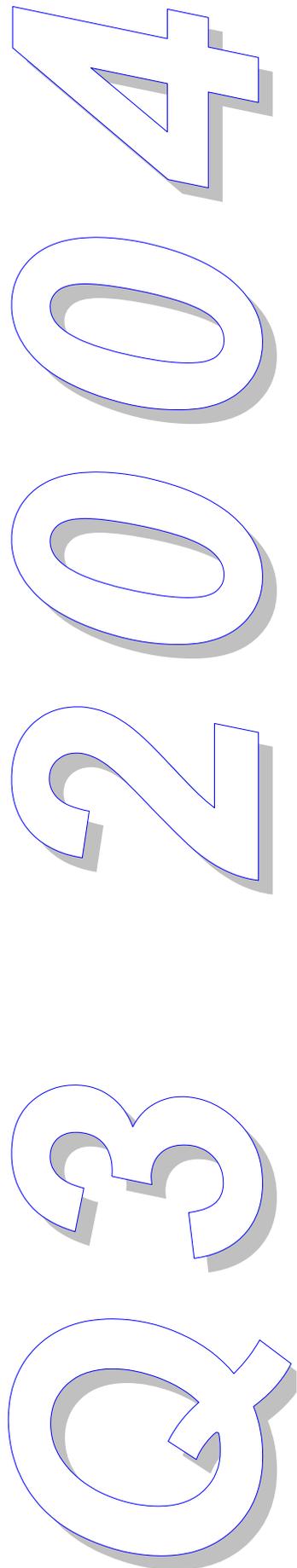




**Pannonplast plc
Flash Report
to the Stock Exchange**

3rd quarter 2004



November 12, 2004

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

The end of the quarter saw resolute steps of the management to eliminate the problems experienced in technical plastics processing

Pannonplast plc's net sales revenues of HUF 6.87 billion in the quarter show, in comparison to the previous quarter, a **stable course of business**, despite the strengthening of the forint affecting exports and the windup of processing technical plastics in Szombathely. The quarterly net earnings of the company represent a **profit** of HUF 2 million.

In terms of the operating result (EBIT), the **loss** of HUF 604 million of the second quarter of the year was **reduced**, to HUF 368 million in the third quarter. The operating loss was caused by the diminution of the gross margin due to the increase in the prices of basic materials, the one-off restructuring costs (HUF 225 million) and the fact that the business line of technical plastics remained in the red. Excluding the loss on the business line of technical plastics, the value of consolidated EBIT is a profit of HUF 62 million.

The **debt stock** of the company group **diminished** during the quarter, by HUF 926 million. The positive operating cash-flow, restricted capital expenditure and the reduction in cash made possible the large-scale loan redemption. As a consequence, the debt/equity ratio improved from 0.64 to 0.57.

On financial operations, the company suffered a moderate HUF 10 million loss, a favourable result from the **exchange rate gain** (HUF 140 million) achieved on euro-denominated borrowings and interest expenses (HUF 136 million).

As a **result of the tax optimisation programme** launched, the company improved its post-tax earnings by almost HUF 400 million, on a one-off basis.

With the balance sheet date of July 15, Moldin Llc merged into Moldin 2000 Ltd, while the latter continues the operations under the name Pannonplast Technical Plastics Ltd, with **two sites instead of the former three**. The losses of the technical plastics business line can be clearly tracked. For the elimination of these losses, the management launched an immediate **programme for the optimisation of manufacturing and logistics** at the end of September. According to our plans, the programme to be adopted in the 2nd quarter of 2005 will eliminate a substantial portion of the losses. If the business line of technical plastics reached **break-even in operation**, the company group could have realised a **net profit of HUF 364 million** in the first nine months of 2004.

Key indicators	HUF million					
	3Q 2004	3Q 2003	Index (%)	1_3Q 2004	1_3Q2003	Index (%)
Net sales revenues	6,870	7,021	97.8	20,123	18,881	106.6
Costs of goods sold	5,480	4,852	112.9	15,475	13,123	117.9
Gross profit	1,390	2,169	64.1	4,648	5,758	80.7
<i>Gross margin</i>	20.2%	30.9%		23.1%	30.5%	
EBITDA	205	956	21.4	792	2,348	33.7
<i>EBITDA ratio</i>	3.0%	13.6%		4.2%	12.4%	
Operating earnings (EBIT)	(368)	350	(105.1)	(1,018)	470	(216.6)
Net Earnings	2	240	0.8	(1,007)	(677)	148.7
Operating cash-flow	39	828	4.7	560	1,092	51.3
Net capital expenditure	53	644	8.2	292	1,556	18.8
Net debt stock	7,056	7,546	93.5	7,056	7,546	93.5
Headcount *	1,695	2,007	84.5	1,695	2,007	84.5
Net sales per capita **	16.21	13.99	115.9	15.83	12.54	126.2
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	4,162,710	
Per share indicators ***						
EBITDA	48.7	227.0	21.4	188.1	564.1	33.3
Net earnings	0.5	57.0	0.8	(239.1)	(162.6)	147.0
Equity	243.9	3 749.8		3,243.9	3 749.8	86.5
Operating cash-flow	9.3	196.6	4.7	133.0	262.3	50.7
Average euro exchange rate	248.76	259.73		253.16	251.46	
End-of-period euro exchange rate	247.00	255.35		247.00	255.35	

* at the end of the period

** consolidated net sales, annualised

*** in HUF

Below we present the performance of the company group in a breakdown by business line, according to the strategy of Pannonplast plc. The data presented here are not directly comparable with previously published, business unit level data, due to changes in the classification of the member companies. 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, strategic business line

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

In the relatively stable market of consumer packaging, in the third quarter of 2004 we achieved a further increase in volume terms. At the same time, net sales show a stagnation, because the significant strengthening of the forint had an unfavourable effect on the HUF equivalent of exports.

The share of exports in total sales amounted to 47% in the first nine months of 2004.

The aggregated turnover of the strategic business line (HUF 8,411 million) increased in 1_3Q2004, in the midst of strong market competition, by HUF 373 million, or 4.6%.

During the quarter, an above-average increase of 85% occurred in the sales revenues of Unical in Romania and 52% in the case of Interagropack, Ukraine. The sales revenues of Pannon-Effekt dropped by 21%, 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). There was no significant change in the sales revenues at the largest member company, Pannunion and further at Almand and TU-Plast.

The headcount of the business line is 43 persons less than in the basis period, mostly due to the programme carried out at Pannon-Effekt to boost efficiency.

An almost 6 percentage points decrease took place in the gross margin of the business line, as a consequence of the unforwarded increase in the price of basic materials, first of all of PVC, accounting for almost 50% of the total volume of materials used. The other manufacturing costs remained below the planned levels.

The aggregate operating earnings of the business line amounted to only 10.4% of the EBIT in the basis period, which was caused mostly by the deterioration in the results of Pannunion, TU-Plast and Pannon-Effekt.

Despite the 46% drop, the EBITDA output of the consumer packaging strategic business line remains decisive for the Pannonplast Group.

Key indicators

HUF million

	3Q 2004	3Q 2003	Index (%)	1_3Q 2004	1_3Q2003	Index (%)
Net sales revenues	2,854	2,839	100.5	8,411	8,038	104.6
Costs of goods sold	2,131	1,957	108.9	6,192	5,686	108.9
Gross profit	723	2,169	82.0	2,219	2,352	94.3
<i>Gross margin</i>	<i>25.3%</i>	<i>30.9%</i>		<i>26.4%</i>	<i>29.3%</i>	
EBITDA	277	956	54.1	917	1,336	68.6
<i>EBITDA ratio</i>	<i>9.7%</i>	<i>13.6%</i>		<i>10.9%</i>	<i>16.6%</i>	
Operating earnings (EBIT)	25	350	10.4	140	526	26.6
Operating cash-flow	278	828	57.4	665	1,032	64.4
Net capital expenditure	130	644	54.9	358	539	66.4
Headcount	702	2,007	94.2	702	745	94.2
Net sales per capita *	16.26	13.99	106.7	23.96	21.58	111.1

* annualised

2. Technical plastics strategic 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 clearly tracked. For the elimination of these losses the management launched an immediate programme for the optimisation of manufacturing and logistics at the end of September. According to our plans, the programme, to be introduced in the second quarter of 2005, shall eliminate a substantial portion of the losses.

The performance of the technical plastics business line was fundamentally determined by the closing of PMM's Szombathely plant and the reduction in headcount. In the third quarter of the year 2004 the business line realised a sales revenue that was 11% lower than in the corresponding period of 2003. Net sales of PMM decreased by 16%, while the net sales of Dexter were almost doubled in comparison to the basis period.

The level of gross margin dropped in the case of both companies at the level of the business line, and was hardly in the black, as opposed to 20% in the basis period. The most important reason for this represented the depressed sales prices observed in the technical plastics market and the production efficiency of PMM. Dexter achieved a gross margin of 11%.

The aggregate operating loss of the two companies increased to HUF 430 million, which is a consequence, in addition to the deterioration in gross margins, of an increase in undistributed costs and in other expenses (impairment of trade receivables and inventories, as well as redundancy payments).

The financial burdens of the business lines remained significant. The debt stock attributable to the business line is in excess of HUF 4.5 billion, representing almost 60% of the total debt stock of the company group.

Key indicators

HUF million

Technical plastics	3Q 2004	3Q 2003	Index (%)	1_3Q 2004	1_3Q2003	Index (%)
Net sales revenues	1,627	1,838	88.5	5,197	4,385	118.1
Costs of goods sold	1,611	1,474	109.3	4,780	3,452	138.5
Gross profit	16	364	4.4	399	933	42.8
<i>Gross margin</i>	<i>1.0%</i>	<i>19.8%</i>		<i>7.7%</i>	<i>21.3%</i>	
EBITDA	(220)	103	(213,6)	(595)	349	(170.5)
<i>EBITDA ratio</i>						
Operating earnings (EBIT)	(430)	(64)	671.9	(1,195)	(177)	675.1
Operating cash-flow	(189)	(40)	472.5	(20)	(501)	4.0
Investment into tangible assets, net	17	395	4.3	66	947	7.0
Headcount	358	598	59.9	358	598	59.9
Net sales per capita *	18.18	12.29	147.9	28.93	14.67	197.3

* annualised

3. Financial investments

- Pannonpipe Llc
- Polifoam Llc
- FCI Llc

During the quarter, the sales revenues of companies qualified as financial investments increased by 2% to the values of the basis period. There was an increase in the sales of Pannonpipe and of Pipelife Romania, a stagnation in the turnover of Polifoam, and a decrease at FCI. The expansion in net sales, however, was not followed by an increase in profits, the gross margin achieved by the companies altogether was lower than in the previous year. In the case of Pannonpipe and Pipeline Romania, the decrease in the gross margin level occurred due to the increase in the price of PVC and the strong competition in the pipe market.

Pannonplast, in order to increase operating profits, started the planning of a series of measures to improve overall efficiency. The launch of the programme is expected in the fourth quarter of the year. The aggregate operating result of the companies for the quarter decreased by 66%, their EBITDA performance by 50% in a comparison with the basis period. The unfavourable result is mainly due to the drop in gross margins.

Key indicators	HUF million					
	3Q 2004	3Q 2003	Index (%)	1_3Q 2004	1_3Q2003	Index (%)
Financial investments						
Net sales revenues	2,241	2,202	101.8	6,139	5,674	108.2
Costs of goods sold	1,664	1,392	119.5	4,394	3,632	121.0
Gross profit	577	810	71.2	1,745	2,042	85.5
<i>Gross margin</i>	25.7%	36.8%		28.4%	36.0%	
EBITDA	200	396	50.5	578	785	73.6
<i>EBITDA ratio</i>	8.9%	18.0%		9.4%	13.8%	
Operating earnings (EBIT)	106	310	34.2	302	531	56.9
Operating cash-flow	92	437	21.1	356	363	98.1
Investment into tangible assets, net	35	0	???	82	190	43.2
Headcount	434	437	99.3	434	437	99.3
Net sales per capita *	20.65	20.16	102.5	28.29	25.97	108.9

* annualised

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 above-listed companies for divestiture. The non consolidated sales revenues of the companies together in the 1-3 quarters of 2004 amounted to HUF 1,134 million. With the elimination of intra-group turnover, their total turnover remained below 5% of the consolidated sales revenues, therefore, if these were sold, there would be no major change in the consolidated financial and economic indicators of the corporate group. The number of the employees of these companies was 170 persons as at September 30, 2004, representing about 10% of the total headcount of the corporate group.

The sale of these companies is in process, the proceeds from the respective considerations is expected in 2004. In the case of MÜKI Llc, the management of Pannonplast decided to wind it up, keeping the professional skills accumulated at that company.

5. Financial analysis

5.1. Income Statement

The **consolidated net sales of the company amounted to HUF 6,870 million in the third quarter of 2004**, that is, 2.2% less than the value of the previous year. The value of exports was HUF 2,642 million, or 38.5% of total sales, corresponding to an increase of 3.2% to the basis period.

The development of direct costs was unfavourable in comparison with the basis period. As a result of the lower sales and a 12.9% increase in the costs of goods sold, the value of the gross profit amounted to HUF 1,390 million in the third quarter of the year, HUF 779 million or 35.9% less than the value in the third quarter of the year 2003. The gross margin dropped from 30.9% to 20.2%. The most important decrease in the margin was in the strategic business line of technical plastics and in financial investments. One of the external reasons for the reduction in the margins was a continuous increase in the prices of basic materials that could be forwarded to the customers only partially, and with a time lag. Especially significant was the increase in PVC prices, which reduced the consolidated margin in the third quarter by HUF 80 million at Pannunion and HUF 330 million in the case of Pannonpipe. The price level of the basic materials is determined mainly by the world market price of the crude, where the increase continued during the quarter. As long as the pol price and the prices of the basic materials for plastics processing are increasing, the company can only produce at low margins. The other significant factor for the squeeze in the margins was price competition in the markets of plastic foils and of pipes, due to which, in the presence of the rising oil prices, the margins drastically decreased.

The indirect costs of sales amounted to HUF 1,584 million in the third quarter of the year, representing 23.1% of total sales and 90.5% of the basis period's figure. Recently, the issue of reducing indirect costs was given special attention, but the results of the measures taken and of the programmes, due to the non-recurring items, exercised only a partial effect. The most important effect of such measures was the reduction of the headcount, by 312 persons.

Among the non-recurring items, the payments in connection with redundancies and changes in the management stand out, at Pannonplast plc and Pannon-Effekt (a total of HUF 85 million), with the costs of the merger at PMM Ltd for the third quarter (almost HUF 140 million). The balance of the other expenses and income in the third quarter was almost identical with the value in the basis period after the deduction of the abovementioned one-off items.

The **operating result (EBIT) was HUF (368) million** in the third quarter of 2004, or HUF 718 million less than the basis value in the third quarter of 2003. The main factor behind the operating losses was the weak performance of the technical plastics business line, having deteriorated the consolidated EBIT figure by HUF 430 million.

The value of the consolidated EBITDA – HUF 205 million – dropped, due to the substantial operating loss, to 21% of the basis period figure. The business line of technical plastics has shown, also at the EBITDA level, a loss of HUF 220 million, without which, the quarterly EBITDA figure for the group would have reached HUF 425 million.

The result of the financial operations was HUF 205 million lower in the third quarter of 2004 than in the corresponding period of 2003, where the main reason is the exchange rate differential from the revaluation of the currency-denominated borrowings. In September 2003, the Company accounted for an exchange rate loss of HUF 377 million on its currency-denominated borrowings, but after the HUF 679 million accounted for in the first half of the year, in the third quarter, an exchange rate gain of HUF 302 million followed. In September 2004, we can calculate with an unrealised exchange rate gain of HUF 330 million, of which HUF 137 million applies to the third quarter.

The profit/loss on ordinary business, incorporating financial expenses was a loss of HUF 378 million in the third quarter of the year, while the earnings in the year 2003 amounted to HUF 496 million.

The balance of non-operating items was HUF 1 million. As a result of the tax optimisation programme, a corporate tax income of HUF 409 million was generated. The sum of the minority interests from the earnings for the period was HUF 30 million, a little lower than the basis value.

The Company's consolidated net earnings were, as a resultant of the above, a **profit of HUF 2 million**. If the business line of technical plastics were to break even, the company group could have reached a net profit of HUF 364 million in the first nine months of 2004, instead of a consolidated loss of HUF 1,007 million.

5.2. Balance Sheet

The major drop in intangible assets in a comparison with the end of the basis period was the result of an extraordinary impairment loss at the end of 2003, due to the termination of metal technology activities at Moldin 2000 Ltd. Until September 2004, there were no significant changes.

The HUF 1,980 million decrease in the tangible assets to the basis period was caused partly because of the impairment in connection with the extraordinary writedowns due to the merger of Pannon-Tara with Pannon-Effekt and of Moldin Llc with Moldin 2000 Ltd, partly because of the size of the depreciation, exceeding capital expenditure. Until September 30, 2004, the stock of tangible assets dropped by HUF 1,462 million, which can be explained by the significantly lower value of investments in comparison with depreciation and amortisation.

The stock of current assets is HUF 169 million, 1.4% lower than the figure at the end of September 2003. Within current assets, the stock of receivables increased by 7.6%, inventories decreased by 7.6% to the basis, a favourable development in the light of the increase in sales revenues. The amount of other receivables increased by 5.3%. At the end of September 2004, a large part of the other receivables represented different tax receivables (VAT, corporate tax).

The equity of the Company decreased by HUF 2,130 million, 13.5%. The decrease was due to a large-size loss realised during the last 12 months. The shareholders' fund of the Company on September 30, 2004 was HUF 13,660 million. Minority interests remained inferior to the figure of the basis period, the value was HUF 1,459 million.

The sum of the long-term liabilities increased from HUF 1,676 million to HUF 5,130 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 912 million, to HUF 7,854 million. The decrease reflects the redemption in the third quarter. The debt/equity ratio diminished from 0.64 in June to 0.57.

Trade payables increased by 4.5% to the basis, in line with the increase in sales and in the volume of purchases. From January 2004, however, there was an increase of HUF 77 million in the stock of creditors.

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. The largest part of the accruals make the deferred amounts of investment assistance.

5.3. Cash-flow

There was a decrease in the cash flow of the company in Q1-3 of 2004. The value of cash originating from operations was, with the significant accounting loss, HUF 560 million. In the positive operating cash flow, the favourable change in working capital represents 30%. The aggregate amount of new investments was HUF 550 million, at the same time, the sale of tangible assets no longer required for the production amounted to HUF 256 million, that is, the net cash needed for the investments was merely HUF 292 million. The consequence of the positive operating cash flow, the low level of net capital expenditure and of the redemption of debt was a decrease of HUF 460 million in cash. Cash at Pannonplast on September 30, 2004 (adjusted for bank overdrafts) was HUF 340 million.

6. Miscellaneous

6.1 Financing 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 agreement is almost HUF 8.5 billion. The Company pay particular attention to the issue of reducing its indebtedness, therefore, during the quarter in question, no further borrowings were made.

6.2 Investments, development projects

During this quarter, the Company spent HUF 169 million on capital expenditure. The amount invested is inferior to the levels of previous years and covers maintenance investments at the different member companies. Restricted investment activity (representing about 30% of the depreciation charges) is part of the programme for an intensive reduction of gearing.

6.3 Corporate events

On September 10, 2004, Pannonplast plc held an extraordinary general meeting. The extraordinary general meeting decided to amend the management share option programme, called back some members of the Board and elected new members to the Board of Directors. The resolutions of the general meeting and other documentation can be found on the web site of Pannonplast plc (www.pannonplast.hu).

6.4 Employees

The total number of the Group's employees was 1,695 persons as at September 30, 2004, representing a decrease of 305 persons (15.3%) to December 31, 2003 and 312 persons less to the basis period. The reason for the decrease were the measures aimed at shaping a more efficient organisation, including redundancy measures.

The company employs a significant number of hired workforce. The costs of hired workforce amount to 8.4% of the wage costs.

In order to ensure comparability, in the table below we present the changes in the number of the Company's own employees and in the hired workforce in the first half of the year. The total stock (employees + hired workers) dropped by 428 persons, or 19%, as compared to December 31, 2003. The headcount of the employees at the foreign subsidiaries was 214 persons on September 30, 2004.

	December 31, 2003			September 30, 2004			Change		
	Own	Hired	Total	Own	Hired	Total	Own	Hired	Total
Pannonplast plc	34	0	34	31	0	31	(3)	0	(3)
Pannonplast Group	2,000	303	2,303	1,695	180	1,875	(305)	(123)	(428)

6.5 Changes in the issued capital, management, organisational setup of the Company

On December 31, 2003, the issued capital was HUF 421,093,100 and there were no changes during the first three quarters of the year.

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

3rd Quarter Flash Report of Pannonplast plc



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On the extraordinary general meeting in September 2004, the shareholders appointed new members to the Board. Information on the new management officers is outlined in data sheet TSZ3.

The Board meeting subsequent to the extraordinary general meeting of September 10, 2004 decided to separate the function of the Chairman and of the Chief Executive Officer. The new Chairman of the Company is, from September 10, 2004, Balázs Bokorovics, CEO of Lazarus Ltd. The tasks of the CEO have been entrusted to Balázs Szabó. Csaba Zoltán has been relieved from his membership in the Board by the September 10, 2004 extraordinary general meeting and his employment contract was terminated on October 9, 2004.

On September 30, 2004, Strategic Director Krisztián Orbán, on October 11, 2004, Sales and Marketing Director Roland Palkó left the company.

In accordance with the legal requirements, we hereby declare that the report does not contain any material mistakes, as a consequence of which the third-quarter flash report for the stock exchange would provide an untrue picture on the existing equity, financial and income situation of the company, as at September 30, 2004.

Budapest, November 12, 2004

***Pannonplast plc
Board of Directors***

Data Sheets

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 Sector classification: Plastic processing
 Period: 3rd quarter of 2004
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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"/>

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	92.7	92.7	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	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	310.0	100.0	100.0	S
Recyclen Llc	216.8	100.0	100.0	S
Kuala Property Management. Llc	179.2	100.0	100.0	S
MÜKI Llc ³	40.0	100.0	100.0	S
Maintenance Llc	41.2	100.0	100.0	S

3rd Quarter Flash Report of Pannonplast plc



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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 In the process of windup

PK3. IFRS consolidated balance sheet (HUF million)

	30-09-2004	30-09-2003	Index (%)
A. Long-term,assets	15,975	18,665	85.6
Intangible assets	934	1,624	57.4
Tangible assets	15,028	17,008	88.4
Long-term investments	13	33	39.4
B. Total current assets	12,045	12,214	98.6
Inventories	3,549	3,840	92.4
Receivables	7,698	7,145	107.6
Securities, liquid assets	,798	1,220	65.4
TOTAL ASSETS	28,020	30,879	90.7
D. Shareholders' fund, total	13,660	15,790	86.5
Issued capital	421	100,0	
Capital reserve, profit reserve	14,246	16,046	88.8
Retained earnings	(1,007)	(677)	148.7
Minority interests	1,459	1,507	96.8
Deferred income	0	0	0
F. Liabilities, total	12,901	13,582	95.0
Long-term liabilities	5,130	1,676	306.1
Current liabilities	7,771	11,906	65.3
- Trade payables	3,875	3,708	104.5
- Short-term payables	2,724	7,090	38.4
- Other current liabilities	1,172	1,108	105.8
TOTAL SOURCES	28,020	30,879	90.7

PK4. IFRS consolidated profit and loss statement (HUF million)

	30-09-2004	30-09-2003	Index (%)
Net sales revenues	20,123	18,881	106.6
Costs of goods sold	(15,475)	(13,123)	117.9
Gross profit	4,648	5,758	80.7
Indirect costs of goods sold	(5,220)	(5,150)	101.4
Other expenses	(696)	(403)	172.7
Other income	250	265	94.3
A. Operating profit/ loss	(1,018)	470	
Income from financial operations	567	206	275.2
Expenses of financial operations	(813)	(866)	93.9
B. Profit/ loss on financial operations	(246)	(660)	37.3
C. Profit/ loss on ordinary business	(1,264)	(190)	665.3
D. Extraordinary profit/ loss	9	(75)	
E. Profit/ loss before taxation	(1,255)	(265)	473.6
Corporate tax	352	(272)	(129.4)
F. Post-tax profit/ loss	(903)	(537)	168.2
Minority interests	104	(140)	74.3
G. Net earnings for the period	(1,007)	(677)	148.7

PK5. IFRS consolidated cash flow statement (HUF million)

	30-09-2004	30-09-2003
Net earnings	(1,007)	(677)
Depreciation and amortisation	1,810	1,878
Change in working capital	219	-286
Other adjustments	-462	177
Cash flow from operations	560	1,092
Acquisition of long-term assets	(550)	(2,022)
Sale of long-term assets	256	473
Other cash from investments	2	(7)
Cash flow from investments	(292)	(1,556)
Change in the stock of long-term debt ¹	134	827
Change in the stock of short-term debt ¹	(781)	(91)
Dividend	(120)	(152)
Other cash from financing	39	144
Cash flow from financing	(728)	728
Net change in cash	(460)	264
Opening stock of cash on January 1	800	956
Closing stock of cash on March 31	340	1 220

¹ Due to the extension of the loan on June 21, 2004, a transfer of HUF 4,454 million has been made from short-term loans to long-term loans, not indicated in the cash flow statement

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

	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	53.54	53.54	2,254,403
Foreign institutional	14.95	14.95	629,727	21.95	21.95	924,437
Domestic private	18.03	18.03	759,065	23.59	23.59	993,562
Foreign private	0.22	0.22	9,440	0.19	0.19	7,880
Employees, top managers	1.14	1.14	47,976	0.62	0.62	26,124
Treasury shares	0.00	0.00	0	0.00	0.00	0
Government-related ¹	0.09	0.09	3,825	0.11	0.11	4,525
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	
Subsidiaries	0	0	0	0	
Total	0	0	0	0	

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

	Nationality ¹	Activities ²	Quantity (number)	Stake (%) ³	Voting power (%) ^{3,4}	Note ⁵
Benji Clothing Llc	D	F	470,061	11.16	11.16	
Lazarus Asset Management Ltd.	D	F	215,200	5.11	5.11	

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 To be indicated rounded up to two decimals

⁴ Voting right ensuring participation in decision-making on the Issuer's general meeting

⁵ Such as trade 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 the basis period	Beginning of the current year	End of the reporting period
Pannonplast plc	37	34	31
Group level	1,949	2,000	1,695

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

On February 3, 2004, Dr János Illéssy resigned from his membership in the Board. Three former members of the Supervisory Board, Mrs Dr Csaba Martényi, József Maros and Antal Monostori also resigned, with effect from the day of the general meeting to approve the annual results. The annual general meeting elected Attila Chikán and Péter Kaderják to the Board of Directors. The six members of the Board, with the exception of Csaba Zoltán, Chairman and CEO are qualified as independent directors. The five members of the Supervisory Board, elected by the general meeting are: Gyula Bakacsi, Klára Deák, Dr Gábor Győző, Eszter Kiss and Géza Lenk. The new Supervisory Board elected Klára Deák to be the Chairperson.

From May 10, 2004, Roland Palkó works at the Company as Sales and Marketing Director. Balázs Szabó was appointed to become the Chief Operating Officer from May 10, 2004.

During the second quarter of 2004, from among the former strategic employees, Árpád Veress left the Company upon mutual consent, while Gyula László és Erika Jilling are no longer qualified as strategic staff in their new positions.

The extraordinary general meeting of September 2004 called back from their positions Board members Csaba Zoltán, Péter Kaderják, Attila Chikán and Dr László Molnár. The extraordinary general meeting elected Balázs Bokorovics, István Töröcskei, Géza Somogyvári, Balázs Szabó and Dénes Gyimóthy, to be members of the Board. As a result of the Board meeting held after the extraordinary general meeting, the functions of the Chairman of the Board and that of the CEO were separated. The new Chairman of the Company became, with effect from September 10, 2004, Balázs Bokorovics. For the tasks of the CEO, with effect from September 10, 2004, Balázs Szabó was appointed. Csaba Zoltán was called back from the Board of Directors by the general meeting of September 10, 2004 and his employment terminated on October 9, 2004. On September 30, 2004, Krisztián Orbán, Strategic Director, on October 11, 2004, Roland Palkó, Sales and Marketing Director left our Company.

The table below shows the situation as at November 9, 2004.

Character ¹	Name	Position	Beginning of assignment	End/termination of assignment	Shares owned (number)
Board	Balázs Bokorovics	Chairman	10-09-2004	September 10, 2007	3,505
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	The AGM for 2006	0
Board	István Töröcskei	Member	10-09-2004	September 10, 2007	9,300
Board	Gábor Ujlaki	Member	29-04-2002	The AGM for 1995	3,000
SB	Klára Deák	Chairwoman	29-04-2004	The AGM for 2007	10,000
SB	Gyula Bakacsi	Member	29-04-2004	The AGM for 2007	0
SB	Dr Gábor	Member	29-04-2004	The AGM for 2007	0

	Győző				
SB	Eszter Kiss	Member	29-04-2004	The AGM for 2007	0
SB	Géza Lenk	Member	29-04-2004	The AGM for 2007	0
SB	László Blága	Investment Director	01-03-2004	permanent	0
Shares owned (number) T O T A L:					28,805

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
20-02-2004	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	Registration by the Court of Registration of the resolutions of Pannonplast's AGM, held on April 29, 2004
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

Regular announcement	
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
15-04-2004	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