

This is a translation of the Hungarian Report

Independent Auditors' Report

To the Founder of MÁV Magyar Államvasutak Zrt.

Report on financial statements

1.) We have audited the accompanying 2012 annual financial statements of MÁV Magyar Államvasutak Zrt. ("the Company"), which comprise the balance sheet as at 31 December 2012 - showing a balance sheet total of HUF 748,464 million and a loss for the year of HUF 6,504 million -, the related profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

2.) Management is responsible for the preparation and presentation of financial statements that give a true and fair view in accordance with the Hungarian Accounting Law, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

3.) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5.) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6.) In our opinion the annual financial statements give a true and fair view of the equity and financial position of MÁV Magyar Államvasutak Zrt. as at 31 December 2012 and of the results of its operations for the year then ended in accordance with the Hungarian Accounting Law.

Emphasis of matter

7.) As presented in point I.7.2 of the supplementary notes, the Company's ability to continue its operations, its ability to repay its loans and the recoverability of its assets depends on the continued willingness of the Company's owner to fund operations and on the continued availability of the necessary government funding.

8.) As presented in point I.7.3 of the supplementary notes on 1 July 2007, the Company assigned to Nemzeti Infrastruktúra Fejlesztő Zrt. the implementation of EU funded projects related mostly to the development of treasury assets, and also some own assets. According to the underlying co-operation agreement and the treasury asset management agreement, Nemzeti Infrastruktúra Fejlesztő Zrt. was to assign the thus developed assets to the owner, MNV Zrt., that then re-assigns the assets received to MÁV Magyar Államvasutak Zrt. for use. Some of the assets developed as part of the projects were technically assigned by Nemzeti Infrastruktúra Fejlesztő Zrt. to MÁV Magyar Államvasutak Zrt. and the assets were taken into use. However, these treasury and own assets have not been assigned from an administrative and financial perspective, and therefore the cost of these assets, the related deferred extraordinary revenues and the long-term liability related to these assets cannot be recognized under the existing legislation in the Company's accounts. The estimated gross value of the assets not presented in the Company's books was HUF 236,180 million at 31 December 2012 (HUF 162,190 million in 2011). The Company made a provision of HUF 24,260 million (HUF 15,943 million in 2011) for the estimated accumulated depreciation of these assets. The provision for annual depreciation recognized in the income statement for 2012 is HUF 8,317 million (HUF 6,579 million for 2011).

9.) As presented in point 1.7.6 of the supplementary notes, the ownership status of some of the Company's properties since the time of the foundation of the Company, is not yet settled between the Company and the Founder. The impact of the settlement of the ownership of properties on the Company's assets, if any, is currently unknown and is subject to future arrangements between the Company and the Founder.

10.) As presented in point 1.7.2 of the supplementary notes, in 2011, the Company signed the rail infrastructure operating contract for 5 years with the Minister for National Development. According to this contract, the Company is entitled to cost compensation with respect to its justifiable costs incurred in relation to the contracted services which are not covered with related revenues. Based on the clause to the rail infrastructure operating contract the Company was compensated HUF 21,050 million for 2011 which is presented among other revenues in the 2011 annual financial statements. Based on the clause to the rail infrastructure operating contract the Company was compensated HUF 66,941 million for 2012 of which HUF 65,578 million is presented among other revenues in the 2012 annual financial statements. Based on the justifiable costs recorded in the 2012 annual financial statement and not covered with related revenues the Company has received surplus cost compensation of HUF 1,363 million, which is presented as accrual in the annual

financial statement. The final settlement with respect to the years of 2011 and 2012 is still in ongoing with the Ministry for National Development and therefore the amount compensated may be subject to change.

Our opinion is not modified in respect of matters presented in points 7.) - 10.).

Other reporting requirement- Report on the business report

11.) We have reviewed the business report of MÁV Magyar Államvasutak Zrt. for 2012. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Law. Our responsibility is to assess whether the business report is consistent with the financial statements for the same financial year. Our work regarding the business report has been restricted to assessing whether the business report is consistent with the financial statements and did not include reviewing other information originated from non-audited financial records. In our opinion, the business report of MÁV Magyar Államvasutak Zrt. for 2012 corresponds to the disclosures in the 2012 financial statements of MÁV Magyar Államvasutak Zrt..

Budapest, 09 May 2013

Ispánovity Mártonné
Ernst & Young Kft.
Registration No. 001165

Ispánovity Mártonné
Registered auditor
Chamber membership No.: 003472

Statistical code 10856417-5221-114-01

Company registration 01-10-042272

MÁV HUNGARIAN STATE RAILWAYS
Private Company by Shares

1087 Budapest, Könyves Kálmán Krt 54-60.

Balance Sheet & Profit and Loss Account
31 December 2012

THIS IS A TRANSLATION OF THE HUNGARIAN FINANCIAL STATEMENTS

Date: Budapest, 09 May 2013

Manager (representative) of the Company

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Statistical code 10856417-5221-114-01

Company registration 01-10-042272

Balance Sheet version 'A' - Assets

figures in MHUF

| Serial No. | Item | Prior year | Prior year(s) adjustments | Reporting year |
|------------|---|----------------|---------------------------|----------------|
| a | b | c | d | e |
| 1 | A. FIXED ASSETS | 706 614 | 0 | 703 160 |
| 2 | I. INTANGIBLE ASSETS | 1 625 | 0 | 1 868 |
| 3 | Capitalised foundation/restructuring | 0 | 0 | 0 |
| 4 | Capitalised research and development | 82 | 0 | 37 |
| 5 | Concessions, licenses and similar rights | 1 014 | 0 | 1 351 |
| 6 | Trade-marks, patents and similar assets | 529 | 0 | 480 |
| 7 | Goodwill | 0 | 0 | 0 |
| 8 | Advance payments for intangible assets | 0 | 0 | 0 |
| 9 | Adjusted value of intangible assets | 0 | 0 | 0 |
| 10 | II. TANGIBLE ASSETS | 585 184 | 0 | 578 858 |
| 11 | Land and buildings and related property rights | 413 450 | 0 | 414 786 |
| 11/b | of which Managed state owned properties and related rights | 295 611 | 0 | 300 529 |
| 12 | Plant, machinery, equipment and vehicles | 157 634 | 0 | 149 603 |
| 12/b | of which: managed state owned technical equipment, machinery and vehicles | 42 092 | 0 | 40 061 |
| 13 | Other equipment, fixtures and fitting, vehicles | 83 | 0 | 66 |
| 14 | Breeding stock | 0 | 0 | 0 |
| 15 | Assets in the course of construction | 12 403 | 0 | 12 820 |
| 15/b | of which: managed state owned capital projects | 12 024 | 0 | 11 713 |
| 16 | Advance payments for AICC | 1 614 | 0 | 1 583 |
| 17 | Adjusted value of tangible assets | 0 | 0 | 0 |
| 18 | III. LONG-TERM FINANCIAL ASSETS | 119 805 | 0 | 122 434 |
| 19 | Long-term participations in related parties | 117 529 | 0 | 120 255 |
| 20 | Long-term loans granted to related parties | 0 | 0 | 0 |
| 21 | Other long-term investments | 2 208 | 0 | 2 071 |
| 22 | Long-term loans granted to other investments | 0 | 0 | 0 |
| 23 | Other long-term loans granted | 68 | 0 | 108 |
| 24 | Long-term debt securities | 0 | 0 | 0 |
| 25 | Adjusted value of financial investments | 0 | 0 | 0 |
| 26 | Gain/Loss on the valuation of financial investments | 0 | 0 | 0 |

Date: Budapest, 09 May 2013

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Statistical code 10856417-5221-114-01

Company registration 01-10-042272

Balance Sheet version 'A' - Assets

figures in MHUF

| Serial No. | Item | Prior year | Prior year(s) adjustments | Reporting year |
|------------|--|----------------|---------------------------|----------------|
| a | b | c | d | e |
| 27 | B. CURRENT ASSETS | 52 582 | 0 | 36 211 |
| 28 | I. INVENTORIES | 5 708 | 0 | 6 810 |
| 29 | Raw materials and consumables | 5 593 | 0 | 6 700 |
| 29/b | of which: Managed treasury assets | 0 | 0 | 1 240 |
| 30 | Work in progress and semi-finished products | 5 | 0 | 0 |
| 30/b | of which: Managed treasury work in progress and semi-finished products | 0 | 0 | 0 |
| 31 | Animals for breeding, fattening and other livestock | 0 | 0 | 0 |
| 32 | Finished products | 89 | 0 | 77 |
| 32/b | of which: Managed treasury finished products | 0 | 0 | 3 |
| 33 | Goods | 21 | 0 | 33 |
| 34 | Advance payments for inventories | 0 | 0 | 0 |
| 35 | II. RECEIVABLES | 30 669 | 0 | 27 508 |
| 36 | Trade debtors | 3 595 | 0 | 3 221 |
| 37 | Receivables from related parties | 23 233 | 0 | 19 197 |
| 38 | Receivables from other investments | 49 | 0 | 16 |
| 39 | Bills of exchange receivables | 0 | 0 | 0 |
| 40 | Other receivables | 3 792 | 0 | 5 074 |
| 41 | Revaluation difference of receivables | 0 | 0 | 0 |
| 42 | Positive valuation difference of derivative transactions | 0 | 0 | 0 |
| 43 | III. SECURITIES | 0 | 0 | 0 |
| 44 | Participations in related parties | 0 | 0 | 0 |
| 45 | Other participations | 0 | 0 | 0 |
| 46 | Treasury shares and own participation | 0 | 0 | 0 |
| 47 | Marketable debt securities | 0 | 0 | 0 |
| 48 | Revaluation difference of securities | 0 | 0 | 0 |
| 49 | IV. LIQUID ASSETS | 16 205 | 0 | 1 893 |
| 50 | Cash, cheques | 6 | 0 | 6 |
| 51 | Bank deposits | 16 199 | 0 | 1 887 |
| 52 | C. PREPAID EXPENSES & OTHER INCOME | 33 272 | 0 | 9 093 |
| 53 | Accrued income | 517 | 0 | 340 |
| 54 | Prepaid expenses | 16 370 | 0 | 532 |
| 55 | Deferred expenses | 16 385 | 0 | 8 221 |
| 56 | TOTAL ASSETS | 792 468 | 0 | 748 464 |

Date: Budapest, 09 May 2013

Manager (representative) of the Company

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Statistical code 10856417-5221-114-01

Company registration 01-10-042272

Balance Sheet version 'A' - Equity&Liabilities

figures in MHUF

| Serial No. | Item | Prior year | Prior year(s) adjustments | Reporting year |
|------------|---|----------------|---------------------------|----------------|
| a | b | c | d | e |
| 57 | D. EQUITY | 61 840 | 0 | 58 926 |
| 58 | I. ISSUED CAPITAL | 21 000 | 0 | 21 037 |
| 59 | of which: treasury shares redeemed at face value | 0 | 0 | 0 |
| 60 | II. ISSUED CAPITAL NOT PAID | 0 | 0 | 0 |
| 61 | III. CAPITAL RESERVE | 107 023 | 0 | 110 581 |
| 62 | IV. RETAINED LOSSES | -92 133 | 0 | -75 264 |
| 63 | V. ALLOCATED RESERVES | 13 052 | 0 | 9 076 |
| 64 | VI. REVALUATION RESERVE | 0 | 0 | 0 |
| 65 | Revaluation reserve on value adjustments | 0 | 0 | 0 |
| 66 | Revaluation reserve on fair value | 0 | 0 | 0 |
| 67 | VII. LOSS/PROFIT FOR THE YEAR | 12 898 | 0 | -6 504 |
| 68 | E. PROVISIONS | 47 135 | 0 | 55 157 |
| 69 | Provisions for contingent liabilities | 19 833 | 0 | 24 091 |
| 70 | Provisions for future commitments | 20 350 | 0 | 28 267 |
| 71 | Other provisions | 6 952 | 0 | 2 799 |
| 72 | F. LIABILITIES | 651 450 | 0 | 603 840 |
| 73 | I. SUBORDINATED DEBT | 0 | 0 | 0 |
| 74 | Subordinated debts to related parties | 0 | 0 | 0 |
| 75 | Subordinated debts to other investments | 0 | 0 | 0 |
| 76 | Subordinated debts to third parties | 0 | 0 | 0 |
| 77 | II. LONG-TERM LIABILITIES | 566 471 | 0 | 539 722 |
| 78 | Long-term borrowings | 4 029 | 0 | 3 090 |
| 79 | Convertible bonds | 0 | 0 | 0 |
| 80 | Debts from the issue of bonds | 45 000 | 0 | 45 000 |
| 81 | Investment and development loans | 97 899 | 0 | 78 555 |
| 82 | Other long-term loans | 17 100 | 0 | 11 400 |
| 83 | Long-term debts to related parties | 0 | 0 | 0 |
| 84 | Long-term debts to other investments | 0 | 0 | 0 |
| 85 | Other long-term liabilities | 402 443 | 0 | 401 677 |
| 85/b | of which: Liabilities related to managed state owned assets | 402 173 | 0 | 401 370 |

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Balance Sheet version 'A' - Equity&Liabilities

figures in MHUF

| Serial No. | Item | Prior year | Prior year(s) adjustments | Reporting year |
|------------|--|----------------|---------------------------|----------------|
| a | b | c | d | e |
| 86 | III. CURRENT LIABILITIES | 84 979 | 0 | 64 118 |
| 87 | Short-term borrowings | 939 | 0 | 939 |
| 88 | of which: convertible bonds | 0 | 0 | 0 |
| 89 | Other short-term loans | 45 380 | 0 | 20 895 |
| 90 | Prepayments received from debtors | 77 | 0 | 49 |
| 91 | Creditors | 14 959 | 0 | 14 082 |
| 92 | Bills of exchange payable | 0 | 0 | 0 |
| 93 | Short-term debts to related parties | 16 825 | 0 | 19 020 |
| 94 | Short-term debts to other investments | 139 | 0 | 79 |
| 95 | Other current liabilities | 6 660 | 0 | 9 054 |
| 96 | Revaluation difference of liabilities | 0 | 0 | 0 |
| 97 | Negative valuation difference on derivative transactions | 0 | 0 | 0 |
| 98 | G. ACCRUED EXPENSES & DEFERRED INCOME | 32 043 | 0 | 30 541 |
| 99 | Deferred income | 11 118 | 0 | 12 053 |
| 100 | Accrued expenses | 2 551 | 0 | 1 437 |
| 101 | Deferred extraordinary revenues and negative goodwill | 18 374 | 0 | 17 051 |
| 102 | TOTAL EQUITY&LIABILITIES | 792 468 | 0 | 748 464 |

Date: Budapest, 09 May 2013

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Company registration 01-10-042272

PROFIT & LOSS ACCOUNT VERSION 'A' (total cost method)

figures in MHUF

| Serial No. | Item | Prior year | Prior year(s) adjustments | Reporting year |
|-------------|---|----------------|---------------------------|----------------|
| a | b | c | d | e |
| 01. | Domestic sales, net | 172 593 | 0 | 165 977 |
| 02. | Export sales, net | 565 | 0 | 1 336 |
| I. | Net sales (01+02) | 173 158 | 0 | 167 313 |
| 03. | Movements in self produced inventories | 63 | 0 | -17 |
| 04. | Capitalised value of self produced assets | 2 760 | 0 | 3 843 |
| II. | Capitalised own performance (03+04) | 2 823 | 0 | 3 826 |
| III. | Other revenues | 33 811 | 0 | 82 199 |
| | of which: impairment loss reversed | 58 | 0 | 139 |
| 05. | Material cost | 11 937 | 0 | 13 875 |
| 06. | Material type services used | 49 088 | 0 | 45 910 |
| 07. | Other services | 1 104 | 0 | 1 075 |
| 08. | Cost of goods sold | 21 609 | 0 | 43 509 |
| 09. | Cost of (consignment) services | 21 799 | 0 | 2 450 |
| IV. | Material type expenses (05+06+07+08+09) | 105 537 | 0 | 106 819 |
| 10. | Payroll cost | 50 948 | 0 | 52 419 |
| 11. | Other payments to personnel | 8 241 | 0 | 7 778 |
| 12. | Social security and other contributions | 15 707 | 0 | 16 669 |
| V. | Payments to personnel (10+11+12) | 74 896 | 0 | 76 866 |
| VI. | Depreciation charge | 34 421 | 0 | 33 409 |
| VII. | Other expenses | 23 447 | 0 | 33 376 |
| | of which: impairment loss | 995 | 0 | 8 709 |
| A. | Operating loss/profit (I+II+III-IV-V-VI-VII) | -28 509 | 0 | 2 868 |

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Company registration 01-10-042272

PROFIT & LOSS ACCOUNT VERSION 'A' (total cost method)

figures in MHUF

| Serial No. | Item | Prior year | Prior year(s) adjustments | Reporting year |
|--------------|---|----------------|---------------------------|----------------|
| a | b | c | d | e |
| 13. | Dividends (due) received | 1 577 | 0 | 1 092 |
| | of which: from related parties | 1 495 | 0 | 1 089 |
| 14. | Foreign exchange gain on disposal of investments | 0 | 0 | 0 |
| | of which: from related parties | 0 | 0 | 0 |
| 15. | Interest and gains on long-term financial investments | 0 | 0 | 0 |
| | of which: from related parties | 0 | 0 | 0 |
| 16. | Other interest received (due) and similar income | 800 | 0 | 1 007 |
| | of which: from related parties | 104 | 0 | 113 |
| 17. | Other financial income | 233 | 0 | 2 261 |
| | of which: revaluation difference | 0 | 0 | 0 |
| VIII. | Financial revenues (13+14+15+16+17) | 2 610 | 0 | 4 360 |
| 18. | Foreign exchange loss of financial investments | 0 | 0 | 0 |
| | of which: to related parties | 0 | 0 | 0 |
| 19. | Interest payable and similar charges | 10 706 | 0 | 10 168 |
| | of which: to related parties | 24 | 0 | 35 |
| 20. | Impairment of shares, securities, bank deposits | 0 | 0 | -681 |
| 21. | Other financial expenditures | 1 121 | 0 | 4 139 |
| | of which: revaluation difference | 0 | 0 | 0 |
| IX. | Financial expenses (18+19± 20+ 21) | 11 827 | 0 | 13 626 |
| B. | FINANCIAL LOSS (VIII-IX) | -9 217 | 0 | -9 266 |
| C. | LOSS ON ORDINARY ACTIVITIES (±A±B) | -37 726 | 0 | -6 398 |
| X. | Extraordinary revenues | 51 501 | 0 | 132 |
| XI. | Extraordinary expenses | 877 | 0 | 238 |
| D. | EXTRAORDINARY PROFIT/LOSS (X-XI) | 50 624 | 0 | -106 |
| E. | PROFIT/LOSS BEFORE TAX (±C±D) | 12 898 | 0 | -6 504 |
| XII. | Tax liability | 0 | 0 | 0 |
| F. | PROFIT/LOSS AFTER TAX (±E-XII) | 12 898 | 0 | -6 504 |
| 22. | Dividends, profit sharing paid from retained earnings | 0 | 0 | 0 |
| 23. | Dividends, profit sharing paid (approved) | 0 | 0 | 0 |
| G. | PROFIT/LOSS FOR THE YEAR (±F+22-23) | 12 898 | 0 | -6 504 |

Date: Budapest, 09 May 2013

Manager (representative) of the Company

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THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS

MÁV Hungarian State Railways Company Private Company by Shares



**MÁV HUNGARIAN STATE RAILWAYS COMPANY
PRIVATE COMPANY BY SHARES**

**NOTES TO THE 2012
ANNUAL FINANCIAL STATEMENTS**

(THIS IS A TRANSLATION OF THE HUNGARIAN FINANCIAL STATEMENTS)

Budapest, 9 May 2013

(stamp)

.....
Manager (representative) of the Company

THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS



MÁV Hungarian State Railways Company Private Company by Shares

Table of contents

| | | |
|------------|--|-----------|
| I | General part | 6 |
| I.1 | The company | 6 |
| I.2 | Accounting policies | 8 |
| I.3 | Amendments to the accounting policies in 2012 and 2013 with retrospective effect | 10 |
| I.4 | Measurement processes | 11 |
| I.5 | Changes to our measurement policies | 14 |
| I.6 | Accounting separation of the various railway activities pursued by the Company | 14 |
| I.7 | Important information regarding the Company's operations | 15 |
| I.7.1 | MÁV Zrt's transformation | 15 |
| I.7.2 | Government involvement in MÁV Zrt's operations | 16 |
| I.7.3 | Government grants for assets | 16 |
| I.7.4 | Provisions for accidental damages and indemnity | 17 |
| I.7.5 | Changes in deferred expenses, in provisions and in allocated reserves due to changes to the accounting law | 18 |
| I.7.6 | Unsettled ownership status of properties | 18 |
| I.7.7 | Scrapping state owned properties and extraordinary depreciation | 19 |
| I.7.8 | Capital increase due to railway lines transferred to GYSEV Zrt. | 19 |
| I.7.9 | MÁV Koncessziós Kft's assets taken under management | 20 |
| I.8 | Notes to the balance sheet | 21 |
| I.8.1.1 | Movements in intangible assets | 21 |
| I.8.1.2 | Movements in tangible assets | 23 |
| I.8.1.3 | Treasury assets managed by MÁV Zrt. | 24 |
| I.8.1.4 | Capital expenditures | 27 |
| I.8.1.5 | The effect of depreciation in 2012 | 27 |
| I.8.1.6 | Assets contributed free of charge | 28 |
| I.8.1.7 | Managed treasury assets | 28 |
| I.8.1.8 | MÁV Zrt's investments | 31 |
| I.8.1.9 | Impairment loss of long-term financial assets | 32 |
| I.8.2 | Current assets | 33 |
| I.8.2.1 | Movements in inventories | 33 |
| I.8.2.2 | Impairment loss on inventories | 33 |
| I.8.2.3 | Receivables | 34 |
| I.8.2.3.1 | Reclassification of receivables and liabilities | 34 |
| I.8.2.3.2 | Receivables and impairment loss | 35 |
| I.8.2.3.3 | Receivables in FX per currency | 36 |
| I.8.2.4 | Related party receivables | 36 |
| I.8.2.5 | Prepaid expenses and accrued income | 37 |
| I.8.3 | Equity | 38 |
| I.8.3.1 | Movements in equity | 38 |
| I.8.3.2 | Equity movements and their basis | 38 |
| I.8.4 | Provisions | 39 |
| I.8.4.1 | Provisions for contingent liabilities | 39 |
| I.8.4.2 | Provisions for future commitments | 41 |
| I.8.4.3 | Provisions for FX losses | 41 |
| I.8.4.4 | Other provisions | 42 |
| I.8.4.5 | Provisions in the balance sheet for 2012 | 42 |

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STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

| | | |
|-------------|---|-----------|
| 1.8.5 | Liabilities | 42 |
| 1.8.5.1 | Liabilities related to Treasury assets and Treasury funded projects | 42 |
| 1.8.5.2 | Subordinated debt | 44 |
| 1.8.5.3 | Long-term liabilities | 44 |
| 1.8.5.3.1 | Long-term loans | 45 |
| 1.8.5.3.2 | Other long-term liabilities | 46 |
| 1.8.5.3.3 | Long-term liabilities in foreign exchange | 47 |
| 1.8.5.4 | Current liabilities | 47 |
| 1.8.5.4.1 | Short-term loans and borrowings | 47 |
| 1.8.5.4.2 | Current liabilities | 47 |
| 1.8.5.4.3 | Current liabilities by currency | 48 |
| 1.8.5.4.4 | Payables to related parties | 48 |
| 1.8.5.5 | Contingent liabilities | 48 |
| 1.8.5.5.1 | Hedging transactions | 48 |
| 1.8.5.5.2 | Closed forward and option contracts | 49 |
| 1.8.5.5.3 | Forward, swap and option contracts in 2012 | 50 |
| 1.8.5.5.4 | Guarantees | 51 |
| 1.8.5.5.5 | Lien and other non-contingent liabilities | 51 |
| 1.8.5.5.6 | Contingent interests and similar charges | 53 |
| 1.8.5.5.7 | Long-term loans and borrowings and repayment schedule | 54 |
| 1.8.5.5.8 | Operating leases – where the Company's is the lessee | 55 |
| 1.8.6 | Accrued expenses and deferred income | 55 |
| 1.8 | Notes to the profit and loss account | 56 |
| 1.8.1 | Comparability | 56 |
| 1.8.2 | Sales, net | 57 |
| 1.8.2.1 | Net sales per activity | 57 |
| 1.8.2.2 | Export and import | 59 |
| 1.8.3 | Costs by type | 60 |
| 1.8.3.1 | Material-type expenses | 60 |
| 1.8.3.2 | Payments to personnel | 63 |
| 1.8.3.3 | Depreciation charge | 63 |
| 1.8.4 | Other revenues | 64 |
| 1.8.5 | Other expenses | 66 |
| 1.8.6 | Financial and extraordinary profit or loss | 68 |
| 1.8.6.1 | Financial income | 68 |
| 1.8.6.2 | Financial expenses | 69 |
| 1.8.6.3 | Extraordinary revenues | 69 |
| 1.8.6.4 | Extraordinary expenditures | 70 |
| 1.8.7 | Related party revenues and expenses | 70 |
| 1.8.8 | Profit and loss account based on the turnover cost method | 71 |
| 1.9 | Actual asset, financial and income positions | 72 |
| 1.9.1 | Assets | 72 |
| 1.9.1.1 | Fixed asset ratio | 72 |
| 1.9.1.2 | Tangible asset margin | 73 |
| 1.9.1.3 | Fixed asset margin | 73 |
| 1.9.1.4 | Current assets per fixed assets | 73 |
| 1.9.2 | Equity and liabilities | 74 |
| 1.9.2.1 | Capitalisation | 74 |
| 1.9.2.2 | Gearing | 74 |
| 1.9.2.3 | Indebtedness | 75 |
| 1.9.2.4 | Long-term liabilities ratio | 75 |
| 1.9.2.5 | Equity increase ratio | 75 |
| 1.9.2.6 | Income ratios | 75 |
| 1.9.3 | Financial position | 76 |
| 1.9.3.1 | Working capital and liquidity | 76 |
| 1.9.3.2 | Financial position | 77 |
| 1.10 | Report to the supervision | 78 |
| 1.10.1 | Railtrack operations | 79 |

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MÁV Hungarian State Railways Company Private Company by Shares



| | | |
|--------------|--|------------|
| I.10.2 | Area passenger transport | 88 |
| I.10.3 | Area passenger transport as a public service | 95 |
| I.10.4 | Other activities | 100 |
| I.10.5 | Activities presented in a joint schedule | 109 |
| II | Informative part | 111 |
| II.1 | Environment protection | 111 |
| II.1.1 | Environmental liabilities | 111 |
| II.1.2 | Assets directly serving environmental purposes | 113 |
| II.1.3 | Waste – values and quantities | 114 |
| II.2 | Research and development | 116 |
| II.3 | Subsidies received | 116 |
| II.4 | Average number of staff, payroll costs and other payments to personnel | 117 |
| II.5 | Payments to senior officers, Board and Supervisory Board members, Audit | 118 |
| II.5.1 | Remuneration paid to senior officers, Board and Supervisory Board members | 118 |
| II.5.2 | Loans granted to senior officers, Board and Supervisory Board members and guarantees assumed | 118 |
| II.5.3 | Pensions to former officers, Board and Supervisory Board members | 118 |
| II.5.4 | Audit cost for 2012 | 118 |
| II.6 | MÁV Zrt's investments | 120 |
| II.7 | Significant transactions with related parties under special terms and conditions | 123 |
| II.8 | MÁV Zrt's shares | 123 |
| II.9 | Tax liability and tax base | 124 |
| II.9.1 | Corporate tax | 124 |
| II.10 | A Balance sheet and profit and loss account of MÁV Zrt's items affecting previous years | 125 |
| III | Schedules | 127 |



I General part

I.1 The company

Further to act LIII of 1992 on the management of permanent government businesses and their assets and to act XVI of 1991 on concessions, on 30 June 1993, the Ministry for Transport, Telecommunications and Water of the Republic of Hungary, representing the government as owner (the Founder), founded Magyar Államvasutak Részvénytársaság (hereafter: MÁV Zrt., or the Company), as a one-man private company limited by shares. MÁV Zrt. was created following a transformation and was in charge of passenger and goods transport. As the goods transport (cargo) activity was outsourced as of 1 January 2006, passenger transport on standard railtracks was outsourced as of 1 July 2007, traction and tracted car maintenance were outsourced as of 1 January 2008 to separate entities, these activities no longer form part of the Company's operations. Since 2008, the Company's main activity has been the operations of the railtrack network.

The Company's deed of foundation contains the basic rules of MÁV Zrt's operations, organisation and management system. The Company's executive body is the Board of Directors; the work organisation is lead by the president-CEO.

The person authorised to sign off the Company's annual financial statements is: Dávid Ilona, domicile: 2040 Budaörs, Károly király utca 15-17. II. em. 1.

Head of Accounting: Kunné Porkoláb Andrea (domicile: 2040 Budaörs, Fém utca 5.), chamber membership registration number: MKVK 000819.

Further to subsection 155(2) of the accounting law, MÁV Zrt. has to have its annual financial statements audited. The company's auditors are **Ernst & Young Kft.**

The auditor responsible for the audit is: Ispánovity Mártonné, registered auditor (chamber membership No.: 003472)

Company name:

MÁV Magyar Államvasutak Zártkörűen Működő Részvénytársaság.

In foreign languages:

English: MÁV Hungarian State Railways Private Company Limited by Shares

French: MÁV Chemins de Fer de l'Etat Hongrois Société Anonyme privée

German: MÁV Ungarische Staatseisenbahnen Aktiengesellschaft betreibend in geschlossener Weise;

Abbreviated name:

MÁV Zrt.

Foreign abbreviations:

English: MÁV Co,

French: MÁV S.A.,

German: MÁV AG.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



Seat:

1087 Budapest, Könyves Kálmán krt. 54-60. tel: 322-0660

Website:

www.mav.hu

Founder:

Founder: the Hungarian State

Date of foundation: 30 June 1993

Owner:

The Company's owner is the State of Hungary. Holder of ownership rights: Magyar Nemzeti Vagyonkezelő Zrt. (Hungarian National Asset Management Zrt.)

Issued capital:

At 31 December 2012: HUF 21,036,590,000 consisting 2,103,659 ordinary shares of HUF 10,000 face value each.

Company reg. No.: Cg 01-10-042272

Tax ID: 10856417-2-44

Statistical code: 10856417-5221-114-01

Core activity:

52.21 Land transport supporting services

The Company's activities include railway network operations, railway passenger transport (including public transport services) and other services supporting rail transport. The substance of each activity is set out in the accounting separation policies.

Based on the company's contract with the government on the management of treasury assets, treasury assets, as well as the related long-term liabilities, are presented in the company's books. In relation to the management of treasury assets, MÁV Zrt's asset management practice is oriented towards efficient services supplied on behalf of the government, protection of the condition and value of the managed assets and to increasing the value of the managed assets.

I.2 Accounting policies

In addition to the accounting law, MÁV Zrt's accounting policies also comply with the railways act and with the joint decree of the Transport Ministry and the Ministry of Finance on the separation of the accounting for various railway activities within railway companies.

Standard use of the accounting policies is essential to ensure that MÁV Zrt's annual financial statements give a true and fair view not only of MÁV Zrt. as a whole but also of each separated activity.

According to effective regulations, MÁV Zrt. has to prepare a set of financial statements and consolidated financial statements of each calendar year ending 31 December, including the preparation of a version 'A' balance sheet and a version 'A' profit and loss account.

The following sublines have been added to the balance sheet lines:

- Under „A/II. Tangible assets”, below line „1. Land and buildings and related property rights” we have added the following line: „of which: Managed state owned properties and related property rights”.
- Under „A/II. Tangible assets”, below line „2. Plant, machinery, equipment and vehicles” we have added the following line: „of which: Managed state owned technical equipment, machinery and vehicles”.
- Under „A/II. Tangible assets”, below line „5. Assets in the course of construction” we have added the following line: „of which: Managed state owned capital projects”.
- Under „B/I. Inventories”, below line „1. Materials” we have added the following line: „of which: Managed state owned materials.
- Under „B/I. Inventories, below line „2. Work in progress and semi finished products” we have added the following line: „of which: Managed state owned work in progress and semi finished products.
- Under „B/I. Inventories, below line „4. Finished products” we have added the following line: „of which: Managed state owned finished products.
- Under „F/II. Long-term liabilities”, and „8. Other long-term liabilities” we have added the following line: „of which: Liabilities related to managed treasury assets”.

The profit and loss account (version 'A') is prepared based on the total cost method. This format does not include added or merged lines but the profit and loss account based on the turnover cost method is also presented in the notes.

The figures in the financial statements are expressed in HUF millions (MHUF). Bookkeeping is based on the double-entry bookkeeping method.

The balance sheet preparation date of MÁV Zrt. is 20 April the year following the reporting year. The last day when third party documents relating the reporting year are last accepted for booking was 8 February 2013.

Material items for accounting purposes:

THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS

MÁV Hungarian State Railways Company Private Company by Shares



- In relation to **unbilled fixed asset and inventory acquisitions**, the difference between the historic cost identified based on documents and the actual (invoice based) value may **significantly** affect the historic cost of the asset if this difference exceeds **1%** of the historic cost.
- For the purposes of the **extraordinary depreciation and amortisation** of tangible and intangible assets, the difference between the book value and the fair value of an asset is considered material if it exceeds **5%** of the book value of the asset.
- A residual value is established only for assets with an initial cost over HUF 10 million. The residual value is considered material if it exceeds 5% of the net book value of the asset at the time when the residual value is identified. In all other cases, residual value is considered to be zero.
- For the purposes of subsection 52(3) of the accounting law, for annual depreciation calculation purposes, a movement is considered material if its impact on the annual depreciation equals or exceeds **1%** of the gross value of the asset.
- With respect to the impairment/impairment reversal of equity **investments** and **debt securities**, the difference between the book value and the market value is always **tested for materiality on an individual basis** irrespective of whether or not these items are presented under long-term financial assets or current assets.
- Any impairment loss recognised on outstanding receivables at the balance sheet date or reversed impairment loss is considered significant if the amount of such impairment loss or the reversal affects the book value of the related receivable by at least 10%.
- Outstanding receivables from not trustworthy debtors over HUF 1 million and over one year are considered material debtors due over one year.
- For the **impairment of inventories** (and the reversal of any impairment loss), the difference between the cost and the fair value of the asset is assessed on an individual basis.
- Invoice based prepayments and accruals, typically items affecting revenues and expenses, are considered material and accrued/deferred only if exceed HUF 1 million. In this respect, an item is an identifiable amount incurred for a certain accounting period (contracted billing period). With respect to fully consolidated subsidiaries, all items should be cut off at the year-end. In this respect, an item is an amount under a certain title relating to a certain billing period (typically a month). Other billed items that relate to more than one period (e.g. public utilities), the net billed amounts of invoices over HUF 1 million gross are considered material. In the case of other, unbilled items (i.e. where the payment is based on a documents other than an invoice such as a resolution, payment notice etc.) each item is considered material.
- With respect to provisions to be made, expected liabilities over HUF 3 million related to legal cases are considered material.
- **Each deferred income item is considered material** and are recognised against other revenues, financial income or extraordinary revenues depending on the related compensated cost or expense.

- **Extraordinary revenues and expenditures are always considered material** and are presented in the notes by title.
- Services other than track network access and regional passenger transport are considered material as set out in our service separation policy which forms part of our accounting policies.

I.3 Amendments to the accounting policies in 2012 and 2013 with retrospective effect

The amendments of the accounting law effective as of 1 January 2012 and 1 January 2013 contain alternative treatments the companies can opt for at their discretion. Accordingly, the following changes are reflected in our accounting policies.

Changes based on amendments effective as of 2012:

- As opposed to the earlier treatment of receivables overdue at the balance sheet date, impairment loss is now recognised or reversed if such recognition or reversal increases or reduces the receivable amount by at least 10% (previously 50%).
- There was a significant change in the calculation of provisions for FX losses on development loans. Previously, the amount of provision was calculated based on FX losses presented as deferred expense apportioned to the period between the start date of the loan and the remaining term. From now on, the start date is the date when the project was capitalised.

Further to changes in legislation in 2013, the limits of material error were amended with retrospective effect to 2012 according to the following:

- As of 1 January 2013, the previously used HUF 500 million absolute error limit has been abolished from the accounting law. As of 1 January 2013, an error should be considered material, irrespective of its impact on the profit or loss, if the aggregate value (whether positive or negative) of errors identified in one year for the same year affecting the profit or loss or equity exceeds 2% of the balance sheet total of the audited financial year. Besides, an error identified for a year by an external audit or self-audit is considered material if the effect of such an error on the comprehensive income or equity exceeds 5% of the equity in the audited financial year.

The amendments that took effect in 2012 only required clarifications and additions to the already existing accounting policies of MÁV Zrt.:

- Owing to a change in the accounting law, the wording „electronic money” has replaced „electronic liquid asset”.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



- In line with the changes to the accounting law, we have amended the deadline by which the annual financial statements should be disclosed.
- Presentation of the effects of procedures differing from those used in the previous year on the equity and financial positions and on profit or loss is now specified as new mandatory contents of the notes to the financial statements.
- In line with the cost-benefit principle, confirmation letters are mandatory only for debtor balances over HUF 10 thousand. Confirmation letters are mandatory to be sent to all creditors except if turnover with a creditor was below HUF 3 million in the reporting year.
- In order to ensure standard accounting treatment on group level, policies applicable to provisions for guarantee liabilities have been added to the accounting policies. The amount of provision for guarantee liabilities is always calculated based on actual guarantee liabilities incurred in the reporting year as apportioned to prior year's net sales that involved guarantee liabilities.
- The policies on late payment interest left unchanged by creditors were also amended.
- In the chapter on costs and expenses, we have presented the segregation of material costs and services used in detail.
- The Company's annual financial statements along with the business report and all supporting documents (inventory list, measurements, trial balance or journal ledger or other records) should be archived in a readable manner for only 8 years as opposed to the previous 10 years.
- The issued capital should be reduced by an amount equivalent to the face value of redeemed treasury shares, quotas and withdrawn convertible shares and the difference between the face value and the redemption (carrying) value should be recognised in retained earnings as at the date when the change in the issued capital (reduction or increase) was registered by the companies court.

I.4 Measurement processes

Fixed assets are classified, recognised and measured in accordance with the accounting law. Tangible and intangible assets are recorded at purchase or production cost in accordance with sections 47 to 51 of the accounting law.

The cost of tangible and intangible assets less their residual value is apportioned over the years, in view of subsections 52(5)-(6) of the accounting law, when the asset is expected to be used. Ordinary depreciation is charged monthly on a straight line basis over the expected useful life of the asset.

Tangibles and intangibles that costs **below HUF 100,000** are **immediately expensed** upon commissioning, except properties and related property rights.

MÁV Zrt. does not use the option of recognising adjustments as provided in subsection 58(5) of the accounting law.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

Impairment loss in accordance with section 53 of the accounting law is recognised if the book value of tangible and intangible assets and if the book value of goodwill or capitalised foundation/restructuring permanently and materially exceeds their fair value (i.e. their expected recoverable value) as a result of changes in circumstances that affect the expectations of future economic benefits.

Where the carrying value of an asset (cost less any already recognised depreciation charge) is reduced below its initial cost due to extraordinary depreciation and the reason for the extraordinary depreciation no longer prevail, the extraordinary depreciation should be eliminated and the value of the affected tangible or intangible asset should be reversed to its fair value or cost net of any ordinary depreciation. Extraordinary depreciation may only be reversed on assets that are carried in the Company's records at the balance sheet date, i.e. no reversal is recognised upon the write-off of assets during the year.

Tangible and intangible assets are presented in the balance sheet at cost less ordinary and extraordinary depreciation plus any reversed impairment loss.

If re-establishing the ordinary depreciation, the expected useful lives and residual values changes as a result of procedures difference from those applied in the previous financial year, the underlying causes should be justified and the changes the effect of such changes on the Company's assets and profit or loss should be presented in the notes to the financial statements.

In addition to other relevant regulations, the accounting rules pertaining to treasury assets are also set out in the asset management agreement signed with the National Treasury Board and the related Asset Management Policies.

MÁV Zrt. does not apply the fair value method set out in sections 59/A-F of the accounting law.

Current assets are classified and valued in accordance with the following:

- Inventories held in warehouses including any movements are carried at weighed average cost (standard cost). The standard cost used is the weighted average of the opening balance of inventories and monthly additions of the relevant article supported by invoices. If the acquisition cost or the book value of inventories permanently exceed their actual fair value known at the preparation of the balance sheet, then the actual fair value should be presented in the balance sheet. Inventories, the use of which is uncertain (obsolete and slow moving items) are measured based on the following obsolescence monitoring approach. The impairment loss percentages of articles classified based on inventory information for the past five years are as follows:
 - within 1 year => no impairment loss is recognised
 - within 2-3 years => 20 % impairment loss
 - within 4-5 years => 50 % impairment loss
 - over 6 years => 90 % impairment loss
 - did not move => 90 % impairment loss
- Further to subsection 47(4)e) of the accounting law, the initial cost of natural gas, electricity and drinking water also includes all the statutory mandatory fees charged by the universal natural gas provider, electricity provider or drinking water provider in the invoice raised to the end user (consumer).
- Self-produced inventories are presented at direct prime cost that are directly attributable to the product or asset and based on relevant indicators.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



- Based on the **rating of a debtor**, every amount receivable at the balance sheet date and still outstanding on the balance sheet preparation date is **impaired** to the extent of the difference between the book value of the receivable and the expected recoverable amount if such a difference is permanent and is assessed to be material.

Impairment loss is recognised **based on the following principles**:

Recognition of impairment loss on debtors as at the balance sheet date:

a) receivables from related parties:

- 100% impairment loss is recognised if the debtor is under liquidation or solvency proceedings,
- in all other cases, debtors are rated individually and impaired accordingly.

b) other debtors:

- 100% impairment loss is recognised on debtors under liquidation or in administration,
- 100% impairment loss is recognised on material debtors owing more than HUF 1 million due over one year and the debtor is not classified reliable,
- 100% impairment loss is recognised on debtors due over one year but do not belong to the above category and the debtor is not classified reliable,
- 50% impairment loss is recognised on debtors due over 180 to 365 days and do not belong to any of the above categories and the debtor is not classified reliable.

c) in the case of other debtors:

- impairment loss is assessed on an individual basis upon preparation of the balance sheet.

Receivables and debtors are **always rated** on an individual basis and any related impairment loss is presented in the debtor subledger by debtor.

For impairment purposes, a debtor is classified reliable if it has a creditor balance with MÁV and typically classified securely solvent. No impairment loss is recognised on receivables received by the balance sheet preparation date.

If information or documents available upon the balance sheet preparation enable a more exact approximation of the expected recoverable value of a receivable, any impairment loss should be recognised in view of such information and documents.

If, based on the debtor rating, the expected recoverable amount significantly exceeds the book value, any previously recognised impairment loss should be reduced accordingly up to the original receivable amount recorded upon initial recognition.

Amounts receivable in foreign currencies:

- are revalued in the confirmed amount at the central bank's FX rate prevailing at the balance sheet date, irrespective of the materiality of such revaluation on the profit or loss;
- if impaired, impairment loss is recognised before the year-end revaluation at its carrying value translated at the FX rate prevailing on the date of impairment;

- if impairment loss is reversed, the reversed amount should be determined in FX and added to the receivable amount at the standard FX rate prior to any revaluation.

before the preparation of the year-end balance sheet.

Any FX gain/ loss on amounts payable in foreign currencies directly related to a capital project or property rights but not covered with foreign currency held on account and **incurred until the underlying asset is commissioned** should be included in the historic cost of the asset if attributable to the acquired individual asset.

I.5 Changes to our measurement policies

- In line with the amendment of section 47 of the accounting law, it is clarified that the acquisition cost of natural gas, electricity and drinking water shall include any other statutory extra fees charged by the provider on a mandatory basis even if such resources are acquired from a trader.
- Our measurement policies now specify that where ordinary depreciation is recognised based on various depreciation methods, the amounts of depreciation charge per each such method should be disclosed in the notes.
- If the book value of an assets significantly and permanently exceeds its fair value, extraordinary depreciation should be recognised also for capital projects and capitalised foundation/restructuring costs.
- If there are changes in the ordinary depreciation, in the expected useful life of an asset or its residual value as a result of changes in related procedures compared to the previous financial year, such changes should be justified in the notes along with a presentation of the effect of the changes on the assets and on the profit or loss.
- The following wording has been added to our impairment policies applicable to receivables: „if information or documents available upon the preparation of the balance sheet enable a better approximation of the expected recoverable value of receivables, the amount of any impairment loss to be recognised should also be determined in view of such information and documents.”

I.6 Accounting separation of the various railway activities pursued by the Company

Further to section 7 of decree 50/2007.(IV.26.) GKM-PM of the Ministry of Transport and the Ministry of Finance on the separation of railway activities, MÁV Zrt. has a set of separate accounting policies for 2011 as part of its accounting policies. The principles of separate accounting are as follows:

The following activities are separated:

- Rail network operations,

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



- Passenger transport, including passenger transport done as a public service,
- Other activities

Separation is done in a way that management/control (over activities, divisions and corporate) is equally allocated among the activities. Control over only one separable activity is recognised for that activity.

All assets and funds that relate to resources (assets, staff) are separated based on their classification in the GL of the relevant division and the central GL. In the case of base transactions (contracts, decisions, resolutions etc.), the GL unit where the transaction was launched is the basis of allocation. In all other cases, where the transaction relates to future transactions (e.g. provisions, operational loan), it should be allocated to the GL unit which will be affected by such future transaction. Costs, expenses and revenues are recognised in the GL based on the entities pursuing separable activities for the relevant entity and in the relevant GL account and activity line (in the case of railtrack activities based on the relevant stretch of track). The settlements between MÁV Zrt. as owner and the companies that belong to the railtrack portfolio (participations, dividends etc.) are recognised in the railtrack general ledger.

Internal settlements among MÁV Zrt's separable activities are accounted for in accordance with the internal settlement policies (BTSZ): cost is recognised on the part of the separable activity which requested the other's service, and revenue is recognised on the part of the delivering activity. During the year, the charges applied are those set out in BTSZ (in the case of open track access services, Network Statement (HÜSZ) tariffs). At year-end, transactions based on HÜSZ tariffs are recognised at HÜSZ tariffs while business activities (profit oriented activities) are recognised at the lower of the BTSZ charge and the fair value. Internal services are not considered profit oriented where their budgeted external sales revenues remain below 10% of the Company's total budgeted annual sales revenues. In the case of these services, the difference between the actual calculated direct cost and the BTSZ tariff is recognised.

The cost of central management relating to a number of various separable activities (including the internal costs of central services used) is allocated based on the extrapolation bases for the various activities. An extrapolation basis is the average statistical number of staff in the separable activities.

The number of staff attributable to each separable activity is calculated based on the annual average statistical number of staff allocated to units and teams in IHIR.

As part of the notes to the annual financial statements, an annual supervisory report also has to be prepared per separated activity. This report includes the following: the balance sheets, profit and loss accounts, cash flow statements and activity statements of each separated activity along with explanations, annual staff figures, subsidies per title, related party balances and any accumulation due to internal settlements.

I.7 Important information regarding the Company's operations

I.7.1 MÁV Zrt's transformation

In order to increase the efficiency of MÁV Group's rail network operations and passenger transport activity and to properly segregate the related processes, railtrack operations are expected to be gradually transferred to Nemzeti Vasúti Pályaműködtető Zrt. (National Railtrack Operations Zrt.) in various steps over the course of 2013 and 2014 along with an integration of



the operations of MÁV-START Zrt., MÁV-TRAKCIÓ Zrt. and MÁV-GÉPÉSZET Zrt. The exact timing of the transfer of operations and the integration as well as the operational – structural form will be decided on by the Company's owner after the balance sheet preparation date based on a due consideration of both internal and external factors.

I.7.2 Government involvement in MÁV Zrt's operations

In 2011, the Hungarian government and MÁV Zrt. signed a public service contract for the rail infrastructure operations for the period of 2011 to 2015 in order to ensure the long term funding of the operation. Related costs totalling HUF 21,050 million were compensated in 2011 and HUF 66,941 million was compensated in 2012.

In 2012, the Company recognised compensation totalling to HUF 65,578 million as other revenue while excess compensation of HUF 1,363 million was deferred. The annual compensation settlement process for 2011 and 2012 with the Ministry for National Development is still in progress and the amounts involved may change accordingly.

In chapter XVII of the national budget act 2013 (section 21, subsection 1, title groups 3 and 4) HUF 70,000 million has been set aside compensation to cover the justified costs of rail infrastructure operations and HUF 190,492 million has been set aside to compensate the costs of rail passenger transport services. The railways cost compensation decree (66/2013) was announced on 8 March 2013 and contains the following compensations: for MÁV Zrt's rail infrastructure operation costs: HUF 65,620 million; for MÁV-START Zrt's passenger rail transport services: after blocking 10% of the initial plan, HUF 129,683 million until the block is released.

The availability and the timing of compensation impacts on the liquidity positions of MÁV Zrt. and MÁV-START Zrt. and hence on the liquidity of MÁV Group.

In addition to the above, further to subsection 39(2) of the national budget act 2013, the government may approve the involvement of further funds totalling HUF 50,000 million for the year of 2013 subject to government guarantee under section 28/A of the railways act (act CLXXXIII of 2005). Further to chapter XVII (section 20, subsection 31, title group 6) of the same act, HUF 5,814 million has been set aside for the refurbishment of railway bridges and steel structures.

I.7.3 Government grants for assets

In 2007, projects financed by the national government and by the EU funds were transferred to Nemzeti Infrastruktúra Fejlesztő Zrt. (National Infrastructure Development company) (NIF Zrt.), hence the significant decrease in grants received for assets recorded in the books of MÁV. Also, as a result, capital projects are not recorded in MÁV's books until the resulting assets are not put in use. Government and EU funded projects relating to rail network development had not been transferred to the Company or assigned to asset management. This fact has a significant impact on the Company's equity and financial position. According to information available by the balance sheet date, the following material balances are not presented in MÁV's balance sheet and profit and loss account.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



figures in MHUF

| | Gross value 2011 | Gross value 2012 | Dpn for 2007 | Dpn for 2008 | Dpn for 2009 | Dpn for 2010 | Dpn for 2011 | Dpn for 2012 | Total dpn | Net value |
|---------------|------------------------|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|---------------|----------------|
| Owned by MÁV | 3 993 | 3 968 | 0 | 12 | 29 | 148 | 156 | 143 | 488 | 3 480 |
| State owned | 158 197 | 232 212 | 41 | 587 | 1 965 | 6 582 | 6 423 | 8 174 | 23 772 | 208 440 |
| Total: | 162 190 | 236 180 | 41 | 599 | 1 994 | 6 730 | 6 579 | 8 317 | 24 260 | 211 920 |

Schedule 1: Capital projects funded by the government and the EU, not taken over

In order to present a true and fair view of the Company's asset and financial position, provisions have been made for an amount which equals the unrecorded depreciation charge.

The assets will be taken over subject to an agreement among MÁV, National Asset Management Zrt. (MNV) and NIF Zrt. The main reason for the delays in project take-overs is the unsettled ownership status of the properties contributed to MÁV upon its foundation in 1993 and properties taken over for asset management since 2001.

1.7.4 Provisions for accidental damages and indemnity

From 8 May 2006 to 30 June 2007, when rail passenger transport was outsourced, MÁV Zrt. had been insured against accidental damages to passengers, and has had indemnity insurance as an employer since 1 September 2006. Before the insured years, MÁV Zrt. had been liable for any accident suffered by either employees or passengers and damages were paid typically as annuities. Damages uncovered by MÁV Zrt's insurance policies are also settled in a similar manner while the Company consistently aims to settle for a one-off payment of damages.

As these payments cannot be precisely quantified, owing to the nature of annuities, yet are nearly certain future commitments, a provision of HUF 1.9 billion was made for such commitments and contingencies in 2010, further HUF 1.2 billion was made in 2011 and additional HUF 5.042 billion was provided for in 2012.

In the past years, the discount rate used to calculate the present value of commitments equalled the interest rates payable by MÁV for borrowed capital. However, the planned restructuring of MÁV Zrt. may bring substantial changes to its operations and this has called for a review of the discount rates used. MÁV Zrt's revenues are expected to come from a different structure in the future (as opposed to the current structure of compensation and extraordinary refunds/capital injections based on underlying public service contracts). Therefore, the Company took a prudent approach and made a provision equalling the nominal value of the annuities, i.e. HUF 8.1 billion in 2012.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

1.7.5 Changes in deferred expenses, in provisions and in allocated reserves due to changes to the accounting law

As a result of changes to the accounting law as of 1 January 2012, the method used to calculate provision for deferred FX losses on FX loans has also changed. Before 2012, provision had been made for the remaining term of the loans (i.e. the difference between the time elapsed since the loan was disbursed and when it will mature) items that were recognised as deferred expenses in 2012 (presented among prepayments and accrued income). The start date of the reconciliation had to be restated from 2012 to the dates when the related capital projects were put in use.

As part of the reconciliation process, the loans were also matched to the relevant assets funded from the loans and, as a result, deferred expenses attributable to assets written off in the previous years had to be reduced by HUF 1,633 million, provisions were reduced by HUF 1,149 million and allocated reserves were also reduced by HUF 484 million.

The effects of the above changes are presented below:

figures in THUF

| Period | Movements in provisions (HUF thousands) | Movements in prepayments and accrued income (HUF thousand) | Movements in retained earnings-allocated reserves (HUF thousand) | Comment |
|------------------|---|--|--|--|
| 31 December 2006 | -2 759 | -16 425 | -13 666 | Adjustment due to assets written off in previous years |
| 31 December 2007 | -113 297 | -298 135 | -184 838 | |
| 31 December 2008 | -250 769 | -617 360 | -366 591 | |
| 31 December 2009 | -118 325 | -62 574 | 55 751 | |
| 31 December 2010 | -85 877 | 95 689 | 181 566 | |
| 31 December 2011 | -577 982 | -734 719 | -156 737 | |
| 31 December 2012 | 1 597 820 | -6 530 787 | -3 526 755 | Changes in methods applied |
| | -4 601 852 | | | Changes in FX rates |
| Total: | -4 153 041 | -8 164 311 | -4 011 270 | - |

Schedule 2: Effect of changes in methods, FX rates and prior year adjustments

1.7.6 Unsettled ownership status of properties

In order to clarify the ownership status of its property portfolio, MÁV Zrt. has launched a robust project that involves significant resources. As a result of this project, further to a decision of MÁV Zrt's Board of Directors No. 39/2012. (03.08.) regarding the clarification of status of the Company's plots of land where there is any difference from the official land register, shortages and surpluses were recognised in 2011 with respect to land owned by MÁV and the Treasury, respectively.

In accordance with the decision of MÁV Zrt's Board of Directors, properties owned by MÁV Zrt. but their management was assigned to another party by legislation or upon decision of the shareholder or where adjustment of the initially incorrect contribution in kind value was

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



necessary, in a total of HUF 1.8 billion, any settlement is subject to the approval of the founder. As decision by the founder was still outstanding at the balance sheet preparation date for 2011, these shortages and value adjustments were not recognised in the 2011 annual financial statements.

Although no decision was made in this regard by MNV Zrt., in its shareholder capability in 2012 either, MNV Zrt. informed MÁV Zrt's management in a letter about its inability to compensate the Company for loss of equity. Accordingly, HUF 1,145 billion was accounted for as shortages and HUF 0.6 billion extraordinary depreciation was accounted for against profit and loss in the 2012 annual financial statements.

Apart from certain items settled in 2011 and in 2012, the ownership status of some of MÁV Zrt's properties is still unresolved.

I.7.7 Scrapping state owned properties and extraordinary depreciation

The Railtrack Division requested the approval of MNV Zrt., who exercises the ownership rights, over state owned tangible assets managed by MÁV, to scrap certain managed assets that can no longer be used for railway operations due to the fact that they are technically obsolete or physically reached the end of their useful life. MÁV Zrt. had not received the approval by the balance sheet preparation date, therefore extraordinary depreciation of HUF 462 million was recognised for the related assets until they can be scrapped. This extraordinary depreciation has reduced MÁV Zrt's profit for 2011.

In the case of state owned properties that had to be scrapped or demolished in order to construct or refurbish state owned assets, assets totalling HUF 1.8 billion were scrapped and extraordinary depreciation of HUF 4.0 billion was recognised against MÁV Zrt's profit or loss for 2012.

In the years before 2011, MÁV had accounted for scrapping or demolishing these assets against long-term liabilities to the state arising from the asset management contract. As of 2011, the scrapping and extraordinary depreciation method of applied to state owned assets was changed upon approval of MNV Zrt.

I.7.8 Capital increase due to railway lines transferred to GYSEV Zrt.

Further to a decision of the Ministry for National Development included in memorandum NFM/16391/2/2011 and to MNV Zrt's decision No. 258/2011. (IX.08) in its capacity as Founder, MÁV Zrt. transferred railway lines on 214 km in the West Transdanubia area to GYSEV Zrt. GYSEV Zrt. has been the operator of the railway lines in this area as of 1 October 2011 based on a contract for train operations signed with MÁV Zrt. and, as of 1 January 2012, based on an asset management agreement signed with MNV Zrt.

As part of the transfer of certain railway lines to GYSEV Zrt., assets formerly owned by MÁV worth HUF 3.6 billion were transferred to GYSEV Zrt. as asset settlement. This transaction reduced MÁV's equity in 2011. According to subsection 106(2) of act CLXXII of 2010 on the



amendment of various transportation loans, an asset settlement should not cause loss of equity to MÁV Zrt. Therefore, the founder increased MÁV's share capital by the same amount by contribution of the the long-term liabilities to the state arising from the asset management contract at 27 January 2012. The effects of the capital increase with share premium are accounted for in the financial statements for 2012, in which the issued capital is increased by HUF 36.59 million and HUF 3,622.41 million is recognised in the capital reserve.

I.7.9 MÁV Koncessziós Kft's assets taken under management

At 28 December 2012, further to an agreement made by the Ministry for National Development, MNV Zrt., MÁV Zrt. and MÁV Koncessziós Kft., the concession agreement signed on 18 December 1996 on reconstructing 3 lines as electronic lines was terminated.

Accordingly, the state owned assets produced as a result of the concession agreement, in a value of HUF 12 billion, were given for asset management to MÁV Zrt. as of 31 December 2012.

MÁV Koncessziós Kft. assigned to MÁV Zrt. the debt of HUF 17.7 billion owed by MNV Zrt. in return for the terminated concession right. Of this amount, HUF 13.8 billion (net of VAT) was set off by MÁV Zrt. against its long term liabilities to the state arising from the asset management contract.

Upon the termination of the concession right, MÁV Koncessziós Kft. issued a corrective invoice to MÁV Zrt. on pre-paid concession usage charge for the remaining concession period from 31 December 2012 to 31 December 2020. At the same time, the related accrued income carried in MÁV Zrt's book was released to the extent of the invoice amount (HUF 14 billion, net).

I.8 Notes to the balance sheet

The assets, equity and liabilities have been presented in the balance sheet based on year-end asset and inventory counts and on individual valuation. The last day when accounting documents were accepted from third parties was 8 February 2013.

Fixed assets dropped by 0.49% (HUF 3,454 million) on the previous year as a result of a HUF 6,326 million decrease in the net value of tangible assets and a HUF 243 million increase in the book value of intangibles plus a HUF 2,629 million increase in long-term financial assets.

With respect to tangible assets, the decrease is due to a HUF 8,031 million decrease in the net value of technical equipment, machinery and vehicles, a HUF 17 million drop in other equipment, fittings and vehicles and to a HUF 31 million fall in advance payments for capital projects. At the same time, properties and related rights increased by HUF 1,336 million and refurbishments also increased by HUF 417 million.

Other long-term investments in related parties increased by HUF 2,726 million, other long-term loans increased by HUF 40 million, while other long-term investments fell by HUF 137 million. The details are explained in section 'MÁV Zrt's investments'.

I.8.1.1 Movements in intangible assets

Movements in the cost and the net value of tangible and intangible assets are set out below:

The net value of intangible assets increased by HUF 243 million compared to the previous year. Against an amortisation charge of HUF 536 million, the overall effect of capitalised assets and projects in progress was a HUF 824 million increase.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

figures in MHUF

| ITEM | Capita- lised found/ restruct. | Cap. R&D | Concess- ions and similar rights | Intel- lectual property | Good- will | Advan-ces for intan- gibles | Adjust- ment of intan- gibles | Total |
|--|---|-------------|---|-------------------------------|---------------|-----------------------------------|--|---------------|
| 1. Cost, opening | | 90 | 4 428 | 14 262 | 0 | 0 | 0 | 18 780 |
| 2. Acquisition, renewal (capitalised) | | 0 | 328 | 96 | 0 | 0 | 0 | 424 |
| 3. Changes in AICC | | 0 | 265 | 135 | 0 | 0 | 0 | 400 |
| 4. Count surplus | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 5. Contributed free of charge | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6. Contribution in kind | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 7. Disposal | | 0 | -9 | -189 | 0 | 0 | 0 | -198 |
| 8. Scrapping, obsolescence | | 0 | -43 | -2 | 0 | 0 | 0 | -45 |
| 9. Missing | | 0 | -9 | 0 | 0 | 0 | 0 | -9 |
| 10. Destroyed | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11. Reclassified (break-down, aggregated) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12. Cost, closing | 0 | 90 | 4 960 | 14 302 | 0 | 0 | 0 | 19 352 |
| 13. Amortisation, opening | 0 | 8 | 3 414 | 13 733 | 0 | 0 | 0 | 17 155 |
| 14. Ordinary amortisation in current year | | 0 | 256 | 280 | 0 | 0 | 0 | 536 |
| 15. Ordinary amortisation in prior year | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 16. Extraordinary amortisation in current year | | 45 | 0 | 0 | 0 | 0 | 0 | 45 |
| 17. Extraordinary amortisation reversed | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. Received free of charge | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19. Count surplus | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 20. Contributed free of charge | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 21. Contribution in kind | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. Disposal | | 0 | -9 | -189 | 0 | 0 | 0 | -198 |
| 23. Scrapping | | 0 | -43 | -2 | 0 | 0 | 0 | -45 |
| 24. Missing | | 0 | -9 | 0 | 0 | 0 | 0 | -9 |
| 25. Destroyed | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 26. Reclassified (break-down, aggregated) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 27. Amortisation, closing | 0 | 53 | 3 609 | 13 822 | 0 | 0 | 0 | 17 484 |
| 28. Opening, net | 0 | 82 | 1 014 | 529 | 0 | 0 | 0 | 1 625 |
| 29. Closing, net | 0 | 37 | 1 351 | 480 | 0 | 0 | 0 | 1 868 |

Schedule 3: Movements in intangible assets in 2012

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



I.8.1.2 Movements in tangible assets

The main factors that affected the net value of tangible assets in 2012 are presented below:

figures in MHUF

| | ITEM | Properties and related rights | Technical equipment | Other equipment, fittings, vehicles | Live-stock | Capex, improvements | Advances for capex | Tangible adjustments | Total |
|-----|--|-------------------------------|---------------------|-------------------------------------|------------|---------------------|--------------------|----------------------|----------------|
| 1. | Cost, opening | 629 400 | 287 804 | 3 797 | 0 | 13 126 | 1 614 | 0 | 935 741 |
| 2. | Acquisition, renewal (capitalised) | 0 | 0 | 0 | 0 | 19 896 | -31 | 0 | 19 865 |
| 3. | Additions in reporting year, capitalised | 15 647 | 2 997 | 0 | 0 | -18 644 | 0 | 0 | 0 |
| 4. | Additions in previous year, capitalised | 74 | 124 | 0 | 0 | -198 | 0 | 0 | 0 |
| 5. | Assets taken into management | 12 997 | 2 078 | 0 | 0 | 0 | 0 | 0 | 15 075 |
| 6. | Count surplus | 43 | 2 | 0 | 0 | 0 | 0 | 0 | 45 |
| 7. | Asset settlement | -69 | 0 | 0 | 0 | 0 | 0 | 0 | -69 |
| 8. | Contributed free of charge | -2 | -120 | -58 | 0 | 0 | 0 | 0 | -180 |
| 9. | Received free of charge | 0 | 0 | 0 | 0 | 22 | 0 | 0 | 22 |
| 10. | Sold | -663 | -357 | -1 | 0 | -55 | 0 | 0 | -1 076 |
| 11. | Scrapped | -3 296 | -710 | -189 | 0 | 0 | 0 | 0 | -4 195 |
| 12. | Missing | -1 711 | -28 | -9 | 0 | -91 | 0 | 0 | -1 839 |
| 13. | Destroyed | -5 | -1 | 0 | 0 | 0 | 0 | 0 | -6 |
| 14. | Reclassified (break-down, aggregated) | -25 | 25 | 0 | 0 | 0 | 0 | 0 | 0 |
| 14. | Cost, closing | 652 390 | 291 814 | 3 540 | 0 | 14 056 | 1 583 | 0 | 963 383 |
| 15. | Depreciation, opening | 215 950 | 130 170 | 3 714 | 0 | 723 | 0 | 0 | 350 557 |
| 16. | Ordinary depreciation in current year | 20 069 | 12 787 | 17 | 0 | 0 | 0 | 0 | 32 873 |
| 17. | Ordinary depreciation in prior year | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 18. | Extraordinary depreciation in current year | 4 040 | 264 | 0 | 0 | 601 | 0 | 0 | 4 905 |
| 20. | Extraordinary depreciation reversed | -92 | 0 | 0 | 0 | -88 | 0 | 0 | -180 |
| 21. | Received free of charge | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 22. | Count surplus | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 23. | Asset settlement | -4 | 0 | 0 | 0 | 0 | 0 | 0 | -4 |
| 24. | Contributed free of charge | -1 | -121 | -58 | 0 | 0 | 0 | 0 | -180 |
| 25. | Disposal | -296 | -303 | -1 | 0 | 0 | 0 | 0 | -600 |
| 26. | Scrapping | -1 596 | -569 | -189 | 0 | 0 | 0 | 0 | -2 354 |
| 27. | Missing | -452 | -28 | -9 | 0 | 0 | 0 | 0 | -489 |
| 28. | Destroyed | -2 | -1 | 0 | 0 | 0 | 0 | 0 | -3 |
| 29. | Reclassified (break-down, aggregated) | -12 | 12 | 0 | 0 | 0 | 0 | 0 | 0 |
| 30. | Depreciation, closing | 237 604 | 142 211 | 3 474 | 0 | 1 236 | 0 | 0 | 384 525 |
| 31. | Opening, net | 413 450 | 157 634 | 83 | 0 | 12 403 | 1 614 | 0 | 585 184 |
| 32. | Closing, net | 414 786 | 149 603 | 66 | 0 | 12 820 | 1 583 | 0 | 578 858 |

Schedule 4: Movements in tangible assets in 2012

The net value of tangible assets including capital expenditures and advances for capital projects decreased by HUF 6,326 million on the previous year for the following reasons:

- Ordinary and extraordinary depreciation totalled HUF 37,778 million, while asset improvements and acquisitions totalled only HUF 19,865 million.
- Net scrapped assets totalled HUF 1,841 million, typically because of asset improvements and refurbishments related to treasury assets.

During 2012, as part of the settlement of properties, MÁV Zrt. transferred its sport site at Dunakeszi to MNV Zrt. (i.e. to the government) and wrote off the related assets from capital reserve in a total of HUF 65 million.

We note that, due to the reasons detailed in section I.7.3., the value of projects implemented by NIF Zrt. is not presented in MÁV Zrt's books.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

I.8.1.3 Treasury assets managed by MÁV Zrt.

figures in MHUF

| | ITEM | Properties and related rights | Technical equipment | Other equipment, fittings, vehicles | Capex, improve- ments | Total |
|------------|--|-------------------------------------|------------------------|--|-----------------------------|----------------|
| 1. | Cost, opening | 484 282 | 96 850 | 0 | 12 248 | 593 380 |
| 2. | Acquisition, renewal (capitalised) | 0 | 0 | 0 | 16 109 | 16 109 |
| 3. | Additions in reporting year, capitalised | 14 596 | 1 044 | 0 | -15 640 | 0 |
| 4. | Additions in previous year, capitalised | 74 | 124 | 0 | -198 | 0 |
| 5. | Assets taken into management | 12 997 | 2 078 | 0 | 0 | 15 075 |
| 6. | Count surplus | 0 | 0 | 0 | 0 | 0 |
| 7. | Received free of charge | 0 | 0 | 0 | 22 | 22 |
| 8. | Contributed free of charge | 0 | 0 | 0 | 0 | 0 |
| 9. | Contribution in kind | 0 | 0 | 0 | 0 | 0 |
| 10. | Scrapped | -3 313 | -570 | 0 | 0 | -3 883 |
| 11. | Missing | -87 | 0 | 0 | -91 | -178 |
| 12. | Asset settlement | 0 | 0 | 0 | 0 | 0 |
| 13. | Destroyed | 0 | 0 | 0 | 0 | 0 |
| 14. | Reclassified (break-down, aggregated) | 0 | 0 | 0 | 0 | 0 |
| 15. | Cost, closing | 508 549 | 99 526 | 0 | 12 450 | 620 525 |
| 16. | Depreciation, opening | 188 671 | 54 758 | 0 | 224 | 243 653 |
| 17. | Ordinary depreciation in current year | 18 007 | 4 879 | 0 | 0 | 22 886 |
| 18. | Ordinary depreciation in prior year | 0 | 0 | 0 | 0 | 0 |
| 19. | Extraordinary depreciation in current year | 3 209 | 257 | 0 | 585 | 4 051 |
| 20. | Extraordinary depreciation reversed | -90 | 0 | 0 | -72 | -162 |
| 21. | Received free of charge | 0 | 0 | 0 | 0 | 0 |
| 22. | Count surplus | 0 | 0 | 0 | 0 | 0 |
| 23. | Contributed to GYSEV | 0 | 0 | 0 | 0 | 0 |
| 24. | Contributed free of charge | 0 | 0 | 0 | 0 | 0 |
| 25. | Contribution in kind | 0 | 0 | 0 | 0 | 0 |
| 26. | Sold | 0 | 0 | 0 | 0 | 0 |
| 27. | Scrapped | -1 690 | -429 | 0 | 0 | -2 119 |
| 28. | Missing | -87 | 0 | 0 | 0 | -87 |
| 29. | Asset settlement | 0 | 0 | 0 | 0 | 0 |
| 30. | Destroyed | 0 | 0 | 0 | 0 | 0 |
| 31. | Reclassified (break-down, aggregated) | 0 | 0 | 0 | 0 | 0 |
| 32. | Depreciation, closing | 208 020 | 59 465 | 0 | 737 | 268 222 |
| 33. | Opening, net | 295 611 | 42 092 | 0 | 12 024 | 349 727 |
| 34. | Closing, net | 300 529 | 40 061 | 0 | 11 713 | 352 303 |

Schedule 5: Managed treasury assets

The schedules below present treasury assets and assets that serve the operations of treasury assets.

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



figures in MHUF

| Treasury assets | | Gross | Net |
|---|--|----------------|----------------|
| <i>Areas</i> | | <i>15 697</i> | <i>15 697</i> |
| 12201 | Administrative buildings – listed | 275 | 248 |
| 12411 | Traffic buildings – listed | 6842 | 6014 |
| <i>Buildings, total</i> | | <i>7 117</i> | <i>6 262</i> |
| 2112 | Roads and squares | 547 | 518 |
| 21211 | National railway network main structure | 240 614 | 142 983 |
| 21212 | National railway network sub-structure, ancillary structures, track blocks | 72 052 | 38 394 |
| 212127 | Loading stations in the national railway network | 693 | 438 |
| 212129 | Other ancillary buildings of the national railway network | 26 841 | 17 015 |
| 212131 | Middle (1-35 kv) and high voltage wiring of the national railway network | 1 582 | 579 |
| 212132 | Low voltage (below 1 kv) wiring of the national railway network | 8 881 | 3 225 |
| 2121331100 | Communication air cables and poles of the national railway network | 144 | 13 |
| 212133 | Telecom cables of the national railway network | 26 828 | 11 541 |
| 2121332 | Other data cables of the national railway network | 582 | 229 |
| 212134 | Electric air wires of the national railway network | 38 776 | 22 338 |
| 212135 | Traction transformer station | 7 447 | 5 994 |
| 212136 | High and low voltage and air wires of the Ministry of Defence | 1 | 1 |
| 2122 | Main and substructure of industrial tracks of the Ministry | 542 | 381 |
| 21412 | Bridges | 48 218 | 27 157 |
| 2142 | Culverts, subways, tunnels | 11 708 | 7 559 |
| 242003 | Air raid shelter | 78 | 36 |
| 2221 | Local gas pipeline | 2 | 2 |
| 222231 | Flood and fire prevention pipe | 1 | 1 |
| 2223 | Sewage and precipitation structures | 107 | 90 |
| 2420 | Other structures | 91 | 76 |
| <i>Structures, total</i> | | <i>485 735</i> | <i>278 570</i> |
| 442 | Transformers and electric switchboards | 2 989 | 1 810 |
| 443 | Accumulators over 100 A/h | 258 | 177 |
| 444 | Telecommunication equipment | 17 035 | 1 960 |
| 447 | Meters | 20 | 5 |
| 448566 | IT equipment | 4 533 | 1 198 |
| 43278 | Containers, bulk chests | 4 | 4 |
| 44721211,2 | Weigh-bridge | 29 | 29 |
| 41366 | Metal structures and metal hardware | 21 | 0 |
| 884405 | Explosion engines, boilers, pumps | 2 | 2 |
| 928995 | Receivers, recorders and power packs | 10 107 | 3 433 |
| 4486 | Rail traffic safety equipment | 64 528 | 31 443 |
| <i>Machinery, equipment, vehicles</i> | | <i>99 526</i> | <i>40 061</i> |
| <i>Assets in the course of construction</i> | | <i>12 450</i> | <i>11 713</i> |
| <i>Total</i> | | <i>620 525</i> | <i>352 303</i> |

Schedule 6: Assets belonging to state ownership (treasury assets)

State owned assets are reflected in the above schedule.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

| | | figures in MHUF | |
|---|---|-----------------|---------------|
| Assets owned by MÁV Zrt. necessary for the operations of treasury assets | | Gross | Net |
| 111, 112, 113 | Community buildings (worker's hostel, barracks etc.) | 1 347 | 1 150 |
| 1211, 1212 (1230) | Commercial and service buildings | 30 | 22 |
| 1220 | Administrative buildings | 1 853 | 1 567 |
| 12411 | Station receiving buildings | 23 150 | 19 801 |
| 124121 | Telecom equipment buildings | 2 138 | 1 807 |
| 124122 | Controls and track brake buildings at junction stations | 267 | 233 |
| 124123 | Tramway traction substation buildings | 319 | 273 |
| 124124 | Track maintenance buildings | 1 294 | 1 100 |
| 124125 | Telegraph and telephone main buildings | 217 | 186 |
| 124126,-27,-29 | Traction and traffic operations buildings | 2 585 | 2 230 |
| 12413 | Motor coach and wagon barns | 537 | 462 |
| 1242 | Garages | 147 | 124 |
| 12511, 12512 | Operating buildings and workshops | 1436 | 1125 |
| 12513 | Engine room, boiler rooms | 715 | 507 |
| 12515 | Pump stations | 207 | 142 |
| 12516 | Fuel metering and filling station building | 16 | 8 |
| 12517 | Electric exchange transformation equipment building | 1 188 | 1028 |
| 12521 | Commercial warehouse | 52 | 41 |
| 125213 | Warehouses (at stations, railway terminals) | 627 | 486 |
| 125214 | Other warehouse | 32 | 26 |
| 12526 | Material barns | 183 | 130 |
| 12527 | Containers | 29 | 12 |
| 1261-1263 | Cultural and education buildings | 912 | 724 |
| 1264,-65 | Social and hostel-like buildings | 244 | 205 |
| 1271 | Farming buildings | 11 | 8 |
| 1274 | Other buildings | 2 378 | 1 988 |
| Buildings, total | | 41 914 | 35 385 |
| 2112 | Roads, squares | 5 463 | 3 663 |
| 21221 | Industrial tracks (main network) | 16 972 | 9 559 |
| 21223 | Industrial tracks – wires and cables | 229 | 127 |
| 21412 | Bridges | 840 | 419 |
| 214203 | Industrial tracks – arches and culverts | 85 | 44 |
| 2221 | Tunnels, shafts and underground chambers | 808 | 575 |
| 2222 | Oil, gas and other pipelines | 2 830 | 1 757 |
| 2223 | Water supply structures | 4 009 | 2 579 |
| 2304,2412, 2420 | Other structures | 2 488 | 1 807 |
| 2920 | Property rights | 1589 | 202 |
| Structures, total | | 35 313 | 20 732 |
| 4... | Other machinery, equipment | 10 474 | 2 308 |
| 4485,8... | IT equipment | 5 263 | 866 |
| Machinery, equipment | | 15 737 | 3 174 |
| 6411,-12 | Railway vehicles | 4 463 | 2 416 |
| 6413,-15 | Road vehicles | 191 | 59 |
| Vehicles | | 4 654 | 2 475 |
| 78-,79,797,8KF | Intangibles | 2 177 | 600 |
| Capital work in progress | | 769 | 681 |
| Grand total | | 100 564 | 63 047 |

Schedule 7: Own assets necessary for the operations of treasury assets

The above schedule reflects the assets necessary for operating the state owned assets that are carried among non-treasury assets in the railtrack GL.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



I.8.1.4 Capital expenditures

MÁV Zrt's capital expenditures are presented as follows:

figures in MHUF

| Item | AICC | |
|----------------------------|---------------|---------------|
| | 2011 | 2012 |
| Opening | 14 105 | 12 403 |
| Reporting year expenditure | 21 768 | 19 896 |
| Capitalised | -23 284 | -18 842 |
| Extra deprec. | -224 | -601 |
| Reverse extra depr. | 58 | 88 |
| Disposal | -15 | -55 |
| Scrapped | 0 | -91 |
| Received free of charge | 0 | 22 |
| Given free of charge | -5 | 0 |
| Closing | 12 403 | 12 820 |

Schedule 8: Capital expenditures

I.8.1.5 The effect of depreciation in 2012

The amortisation/depreciation of intangible and tangible assets is presented below:

figures in MHUF

| Depreciation | | | | | |
|----------------------------|----------------|---------------|--------------|-----------------|----------------|
| Item | Cost | Ordinary | Extra | Acc. law, total | Tax law, total |
| Land | 39 132 | | 0 | 0 | |
| Properties (less land) | 613 258 | 20 069 | 4 040 | 24 109 | 22 028 |
| Machinery, equipment | 291 814 | 12 786 | 264 | 13 050 | 21 893 |
| Other machinery, equipment | 3 540 | 18 | 0 | 18 | 8 |
| AICC | 14 056 | | 513 | 513 | |
| Tangibles, total: | 961 800 | 32 873 | 4 817 | 37 690 | 43 929 |
| Intangibles | 19 352 | 536 | 45 | 581 | 577 |
| Grand total: | 981 152 | 33 409 | 4 862 | 38 271 | 44 506 |

Schedule 9: Amortisation/Depreciation of intangibles and tangibles in 2012

Impairment loss fell by HUF 1,012 million on the previous year, of which HUF 693 million was due to a decrease in the ordinary depreciation of tangible assets, while the ordinary amortisation of intangibles decreased by HUF 315 million on 2011.

An extraordinary depreciation of HUF 4,304 million was recognised for properties and technical equipment to be scrapped/disassembled.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

I.8.1.6 Assets contributed free of charge

figures in MHUF

| Item | Given | Received | P&L impact |
|---------------|--------------|-----------------|-----------------------|
| Intangibles | 0 | 0 | 0 |
| Tangibles | 0 | 0 | 0 |
| AICC | 0 | 22 | 22 |
| Total: | 0 | 22 | 22 |

Schedule 10: Assets contributed/received free of charge

I.8.1.7 Managed treasury assets

In accordance with the railways act, tangibles owned by the national treasury are carried separately in MÁV Zrt's books.

The total net value of treasury assets was HUF 349,727 million at 31 December 2011 and increased to HUF 352,303 million by 31 December 2012 as a result of movements during the year. The value of state owned assets was also increased HUF 1,243 million, which is the value of the materials gained from the disassembly of treasury assets.

The net value of treasury assets increased by HUF 3,819 million during 2012 owing mainly to the value of assets received for management, namely: HUF 3,078 million for building connecting railway from the Győr-Gönyű harbour to the national and international rail network and the net value of assets taken over from MÁV Koncessziós Kft. (HUF 11,997 million). The value of materials gained from the scrapping and disassembly of state owned assets carried as MÁV Zrt. inventories is carried separately from MÁV Zrt's own inventories and are presented as state owned materials as of 30 November 2012.

Capital projects were financed from government grants (HUF 1,460 million) and from own funds (HUF 14,856 million).

The net value of treasury assets was reduced by ordinary depreciation and other events such as extraordinary depreciation, scrapping and shortage, totalling HUF 5,906 million.

Extraordinary depreciation increased by HUF 513 million recognised based on the assets recommended for scrapping in relation to an asset development project.

The HUF 1,460 million presented in Schedule 11 above (Treasury assets and their funds in the balance sheet) shows an increase in treasury assets funded from subsidies, while Schedule 13 (Subsidies used for capital projects) shows government and EU grants received from the National Treasury in 2012 (HUF 1,658 million) upon instruction by the Ministry for National Development and the National Development Agency. Based on an agreement signed with the Ministry for National Development in 2012, HUF 1,543 million was drawn in 2012 from the subsidy available for the „Refurbishment of railway bridges and steel structures” project and reflects the assets recorded in 2011 but the related invoices were recognised only 2012.

The subsidy of HUF 1,658 million is not fully attributable to asset additions in 2012 and also includes payments related to 2011 but made in 2012.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



| figures in MHUF | | | |
|---|----------------|----------------|---------------|
| Item | 2011 | 2012 | Change |
| Land, total | 15 515 | 15 697 | 182 |
| Buildings, total | 6 276 | 6 262 | -14 |
| Structures, total | 273 820 | 277 951 | 4 131 |
| Property rights related to treasury properties | 0 | 619 | 619 |
| Machinery and equipment, total | 42 092 | 40 061 | -2 031 |
| Extraordinary depreciation of improvements and refurbishment of treasury assets and properties | 12 024 | 11 713 | -311 |
| Treasury assets, total: | 349 727 | 352 303 | 2 576 |
| Materials from the disassembly of treasury assets | 0 | 1 240 | 1 240 |
| Warehouse inventory account of self-produced treasury materials (from disassembly of assets) | 0 | 3 | 3 |
| <i>Treasury inventories, total:</i> | <i>0</i> | <i>1 243</i> | <i>1 243</i> |
| Treasury assets, total: | 349 727 | 353 546 | 3 819 |
| <i>Long-term liabilities, opening at 30 Sept 2001, upon signing the asset management contract</i> | <i>275 578</i> | <i>275 578</i> | <i>0</i> |
| Acquisition from treasury funds | 140 847 | 142 307 | 1 460 |
| Acquisition from own funds | 134 499 | 149 355 | 14 856 |
| Improvements from borrowed capital | 7 494 | 7 516 | 22 |
| Surplus treasury assets | 536 | 536 | 0 |
| Net value of assets taken over from MÁV Zrt. | 19 | 19 | 0 |
| Materials from disassembly of treasury assets used to produce treasury assets | 0 | 25 | 25 |
| Settlement of funds related to previous years | 466 | 242 | -224 |
| Assets taken into management | 0 | 15 075 | 15 075 |
| Increase in materials from disassembly of treasury assets | 0 | 1 417 | 1 417 |
| Total increase: | 283 861 | 316 492 | 32 631 |
| Depreciation | 186 667 | 209 553 | 22 886 |
| Extraordinary depreciation | 797 | 4 848 | 4 051 |
| Disposal | 57 | 57 | 0 |
| Scrapping | 13 000 | 14 764 | 1 764 |
| Shortage | 688 | 787 | 99 |
| Treasury assets transferred free of charge | 1 656 | 1 656 | 0 |
| Net value of assets contributed to MÁV Zrt | 1 819 | 1 819 | 0 |
| Settlement of state owned land | 129 | 129 | 0 |
| Relinquished treasury asset management right | 4 899 | 4 899 | 0 |
| Settlement of last year's shortage of treasury assets | 0 | -8 | -8 |
| Settlement of extra depreciation recognised in 2011 | 0 | -155 | -155 |
| Materials from the disassembly of treasury assets used | 0 | 175 | 175 |
| Total decrease: | 209 712 | 238 524 | 28 812 |
| Funds of treasury assets, total: | 349 727 | 353 546 | 3 819 |

Schedule 11: Treasury assets and their funds in the balance sheet

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

Movements in treasury assets in 2012:

figures in MHUF

| Movements in Treasury assets in 2012 | 2011 | 2012 | Change |
|--|-----------------------|-----------------------|----------------------|
| <i>Treasury assets, net (opening)</i> | <i>359 352</i> | <i>349 727</i> | <i>-9 625</i> |
| Treasury assets acquired from government grants | 1 463 | 1 460 | -3 |
| Treasury assets acquired from own funds | 18 508 | 14 856 | -3 652 |
| AICC from borrowed capital | 444 | 22 | -422 |
| Materials from disassembly of treasury assets used to produce trea | 0 | 25 | 25 |
| Settlement of funds relating to previous years | 0 | -224 | -224 |
| Assets taken into management | 0 | 15 075 | 15 075 |
| Increase in materials from the disassembly of treasury assets | 0 | 1 417 | 1 417 |
| <i>Total increase in the reporting year</i> | <i>20 415</i> | <i>32 631</i> | <i>12 216</i> |
| Annual depreciation of treasury assets | -23 017 | -22 942 | 75 |
| Depreciation of treasury assets over the years | 9 | 56 | 47 |
| Extraordinary depreciation | -797 | -4 051 | -3254 |
| Scrapped, destroyed | -1 019 | -1 764 | -745 |
| Shortage | -180 | -99 | 81 |
| Transferred by the Treasury to MÁV Zrt. | -9 | 0 | 9 |
| Settlement of state owned land | -129 | 0 | 129 |
| Relinquished treasury asset management right | -4 899 | 0 | 4899 |
| Settlement of last year's shortage of treasury assets | 0 | 8 | 8 |
| Settlement of last years' extra depreciation | 0 | 155 | 155 |
| Materials from the disassembly of treasury assets used | 0 | -175 | -175 |
| <i>Total decrease in the reporting year</i> | <i>-30 040</i> | <i>-28 812</i> | <i>1 228</i> |
| <i>Treasury assets, net (closing)</i> | <i>349 727</i> | <i>353 546</i> | <i>3 819</i> |

Schedule 12: Movements in treasury assets in 2012

Reclassification of assets between the treasury and MÁV Zrt. no longer possible as of 2012 nor was any state owned asset taken over from third parties.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



Subsidies for development purposes are presented in the following schedule:

| | figures in MHUF | | |
|---|-----------------|--------------|---------------|
| Subsidised developments | 2011 | 2012 | Change |
| Railway network development | 1 211 | 1 543 | 332 |
| Disabled access | 153 | 0 | -153 |
| Cohesion Fund - state subsidy | 118 | 0 | -118 |
| Subsidy for the planning of the Szajol - Záhony project (TEN-T related tasks) | 10 | 0 | -10 |
| Costs not recognised by ISPA | 11 | 0 | -11 |
| Studies for priority project No. 22 (TEN-T project, government funding) | 0 | 3 | 3 |
| Government funding, total: | 1 503 | 1 546 | 43 |
| Parking lots and junctions in the area of BKSZ next to railway lines No. 70., No. 100a. and No. 120a. | 491 | 0 | -491 |
| P+R and B+R developments at railway stations in Budapest | 111 | 0 | -111 |
| P+R and B+R developments at railway station in Cegléd Phase II | 0 | 41 | 41 |
| P+R and B+R developments and junctions | 2 | 1 | -1 |
| P+R and B+R developments at Albertirsa | 60 | 2 | -58 |
| P+R and B+R developments at Süllyáp, Phase II | 29 | 0 | -29 |
| P+R and B+R developments at Gödöllő | 0 | 64 | 64 |
| Studies for priority project No. 22 (TEN-T project, TEN-T funding) | 0 | 4 | 4 |
| Total: (government+EU funds) | 2 196 | 1 658 | -538 |
| Of which: - treasury | 1989 | 1658 | -331 |
| - non-treasury | 207 | 0 | -207 |

Schedule 13: Use of subsidies received for development

1.8.1.8 MÁV Zrt's investments

MÁV Zrt's long-term investments and movements in the reporting year are set out as follows:

| | figures in MHUF | | | | |
|---------------------------------|-----------------|-----------------|-----------------|----------------|------------------|
| Investment | 2011 | Increase | Decrease | 2012 | Index (%) |
| Fully consolidated subsidiaries | 116 079 | 718 | 0 | 116 797 | 100,62 |
| Consolidated associates | 509 | 2 015 | 23 | 2 501 | 491,36 |
| Associates | 941 | 0 | 7 | 934 | 99,26 |
| Other investments | 2 208 | 23 | 137 | 2 094 | 94,84 |
| Total: | 119 737 | 2 756 | 167 | 122 326 | 102,16 |

Schedule 14: MÁV Zrt's investments at book value per category

Further to the accounting law, MÁV Zrt. fully included 10 of its subsidiaries in its consolidated financial statements for 2012 (each under direct controlling influence). Compared to the consolidated financial statements for 2011, the scope of fully consolidated entities decreased as a result of the merger of MÁVGÉP Kft. and MÁV FKG Kft.

Of the fully consolidated subsidiaries, the book value of MÁV FKG Kft. increased by HUF 718 million, of which HUF 30 million was due to the merger of MÁVGÉP Kft. and HUF 688 million was due to the reversal of impairment loss on FKG Kft. recognised in 2006.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

The book value of equity consolidated subsidiaries increased by HUF 1,992 million as a result of two factors: the acquisition and subsequent reclassification of 85.52% in Resti Zrt. increased the value of these subsidiaries by HUF 2,015 million, and was reduced by HUF 23 million owing to the reclassification of PRUDENT-INVEST Zrt. "v.a." to participations for consolidation purposes.

The carrying value of associates was reduced by HUF 7 million due to an impairment of our investment in MTMG Logisztikai Zrt.

The book value of other investments treated as participation for consolidation purposes fell by HUF 122 million as a result of FX losses on our investments in Eurofima, BCC and HIT Rail. The reclassification of Resti Zrt. reduced the book value of Other investments by HUF 15 million, the reclassification of PRUDENT-INVEST Zrt. "v.a." increased it by HUF 23 million.

During the course of 2012, the liquidation of Rákospuszta Pályaudvar Kft. "v.a.", and Hódikört Rt."f.a." ended. In the previous year, 100% impairment loss was recognised on both investments, therefore their write off did not have any effect on the profit or loss.

In order to execute the concession ending agreement No. SZT-39.023 made in order to comply with decision No. NFM 5/2012 (III. 12.) RJGY, the Company's Founder decided to wind up one of MÁV Zrt's fully owned entities, MÁV Koncessziós Kft. without a legal successor. The voluntary liquidation process started at 1 February 2013.

Details of MÁV Zrt's long-term investments and their impairment are set out in section II.6.

I.8.1.9 Impairment loss of long-term financial assets

figures in MHUF

| Item | Impairment loss | | | | | |
|--|-----------------|---------------|----------|--------------|------------|------------------|
| | Open. value | Open. adj. | Increase | Decrease | Reversed | Closing value |
| Long-term investment in associates | 5 773 | 0 | 7 | 3 123 | 688 | 1 969 |
| Long-term loans to associates | 0 | 0 | 0 | 0 | 0 | 0 |
| Other long-term investments | 1 | 0 | 0 | 0 | 0 | 1 |
| Long-term loans to other related parties | 0 | 0 | 0 | 0 | 0 | 0 |
| Other long-term loans granted | 1 225 | 0 | 0 | 132 | 115 | 978 |
| Long-term debt securities | 0 | 0 | 0 | 0 | 0 | 0 |
| Total: | 6 999 | 0 | 7 | 3 255 | 803 | 2 948 |

Schedule 15: Impairment loss of long-term financial assets

The derecognition of impairment loss on long-term investment in a related party (HUF 3,035 million) was due to the merger of MÁVGÉP Kft. and MÁV FKG Kft. and further HUF 7 million impairment loss had to be recognised for the acquisition of the Company's investment in MTMG Logisztikai Zrt. As the voluntary liquidation of Rákospuszta Pályaudvar Kft. v.a. terminated, the previously recognised impairment loss of HUF 88 million was written off.

Previously recognised impairment loss of HUF 688 million on MÁV FKG Kft. was reversed.

With respect to other long-term loans granted, impaired loans receivable from Debreceni Járműjavító totalling HUF 132 million was derecognised as the loan had been repaid. In the case of Previously recognised impairment loss of HUF 115 million (HUF 85 million due to changes in

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



the recognition method) on housing and employee loans which were fully impaired in previous years but are still valid was reversed in 2012.

I.8.2 Current assets

I.8.2.1 Movements in inventories

figures in MHUF

| Inventories | Materials | Work in progress | Breeding stock | Finished products | Goods | Advances for inventories |
|-------------------------------------|------------------|-------------------------|-----------------------|--------------------------|--------------|---------------------------------|
| <i>Opening, gross</i> | 5 798 | 5 | 0 | 89 | 21 | 0 |
| Purchase | 27 102 | 0 | 0 | 0 | 25 323 | 0 |
| Received free of charge | 0 | 0 | 0 | 0 | 0 | 0 |
| Contribution in kind | 0 | 0 | 0 | 0 | 0 | 0 |
| Reclassified | 0 | 0 | 0 | 0 | 0 | 0 |
| Taken to inventories | 0 | 0 | 0 | 524 | 0 | 0 |
| Surplus | 17 | 0 | 0 | 0 | 0 | 0 |
| Materials from disassembled assets | 88 | 0 | 0 | 0 | 0 | 0 |
| Other increase | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Increase, total</i> | 27 207 | 0 | 0 | 524 | 25 323 | 0 |
| Use (expensed) | 5 406 | 5 | 0 | 284 | 24 | 0 |
| Reclassified | 0 | 0 | 0 | 0 | 0 | 0 |
| Disposal | 20 671 | 0 | 0 | 252 | 25 287 | 0 |
| Granted free of charge | 0 | 0 | 0 | 0 | 0 | 0 |
| Contributed | 0 | 0 | 0 | 0 | 0 | 0 |
| Scrapped | 1 | 0 | 0 | 0 | 0 | 0 |
| Missing | 14 | 0 | 0 | 0 | 0 | 0 |
| Other decrease | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Decrease, total</i> | 26 093 | 5 | 0 | 536 | 25 311 | 0 |
| <i>Closing, gross</i> | 6 912 | 0 | 0 | 77 | 33 | 0 |
| <i>Impairment, opening</i> | 205 | 0 | 0 | 0 | 0 | 0 |
| Impairment loss in 2012 | 7 | 0 | 0 | 0 | 0 | 0 |
| Written off due to low stock levels | 0 | 0 | 0 | 0 | 0 | 0 |
| Impairment loss reversed | 0 | 0 | 0 | 0 | 0 | 0 |
| <i>Impairment, closing</i> | 212 | 0 | 0 | 0 | 0 | 0 |
| <i>Opening, net</i> | 5 593 | 5 | 0 | 89 | 21 | 0 |
| <i>Closing, net</i> | 6 700 | 0 | 0 | 77 | 33 | 0 |

Schedule 16: Movements in inventories

I.8.2.2 Impairment loss on inventories

HUF 7 million impairment loss was recognised in 2012 on MÁV Zrt's inventories and reflects impairment loss on general materials (prints and spare parts).



I.8.2.3 Receivables

I.8.2.3.1 Reclassification of receivables and liabilities

The following items have been reclassified in the balance sheet:

- An overdraft of HUF 986 million was posted from bank deposits to current liabilities.
- HUF 14210 million of development loans repayable in 2013 and HUF 5,700 million of other long-term loan repayable in 2013 were reclassified to current liabilities; from long-term borrowings, HUF 939 million payable in 2013 was reclassified to short-term borrowings; from the other long-term loans granted line, HUF 122 million was reclassified to other receivables
- From debtors, receivables from entities with participation in MÁV were reclassified with the value of HUF 2 million to receivables from related parties and HUF 42 million was reclassified other current liabilities.
- HUF 4 million was reclassified from creditors to debtors owing to overpayments and HUF 185 million was reclassified from debtors to creditors for the same reason.
- A loan of HUF 3,153 million granted to MÁV FKG Kft. via the cash-pool system was reclassified from current liabilities to receivables from related parties.
- Other current liabilities of HUF 6 million were reclassified to current liabilities to related parties.

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



I.8.2.3.2 Receivables and impairment loss

Impairment loss recognised in the reporting year (less advances for tangibles, intangibles and inventories) is summarised below:

figures in MHUF

| Debtor | Receivables | | | | | | Impairment | | | | | BV of receivable 2012 | BV of receivable 2011 | Change in the BV of debtors |
|---|-------------|-----------|-------------|--------------|---------------|--------|------------|------------------------|--|--|---------|-----------------------|-----------------------|-----------------------------|
| | Not overdue | 1-90 days | 91-180 days | 181-365 days | over 365 days | Total | Opening | Written off impairment | Impairment loss in 2012 (862,2; 862,4) | Written off bad debts collected (962,3; 962,5) | Closing | | | |
| <i>Debtors</i> | | | | | | | | | | | | | | |
| | 2 862 | 331 | 145 | 313 | 5 399 | 9 050 | 5 945 | 171 | 581 | 526 | 5 829 | 3 221 | 3 595 | -374 |
| <i>Receivables from related parties</i> | | | | | | | | | | | | | | |
| | 16 425 | 2 714 | 83 | 11 | 131 | 19 364 | 374 | 3 | 0 | 220 | 151 | 19 213 | 23 282 | -4 069 |
| fully consolidated | 16 174 | 2 510 | 56 | 6 | 0 | 18 746 | 244 | 3 | 0 | 220 | 21 | 18 725 | 22 783 | -4 058 |
| equity consolidated | 175 | 181 | 27 | 4 | 0 | 387 | 0 | 0 | 0 | 0 | 0 | 387 | 376 | 11 |
| associates | 61 | 3 | 0 | 0 | 0 | 64 | 0 | 0 | 0 | 0 | 0 | 64 | 71 | -7 |
| <i>Other receivables</i> | | | | | | | | | | | | | | |
| | 5 050 | 12 | 11 | 16 | 157 | 5 246 | 162 | 20 | 36 | 6 | 172 | 5 074 | 3 792 | 1 282 |
| <i>Total receivables:</i> | 24 337 | 3 057 | 239 | 340 | 5 687 | 33 660 | 6 481 | 194 | 617 | 752 | 6 152 | 27 508 | 30 669 | -3 161 |

Schedule 17: Receivables and impairment losses

Debtors totalling HUF 3,595 million in 2011 dropped to HUF 3,221 million in 2012 as debtors' payment integrity had improved as a result of our new collection system which includes sending regular payment notices to our debtors.

Receivables from related parties fell by a total of HUF 4,069 million on 2011 as receivables dropped by HUF 2,874 million from MÁV Trakció Zrt., and by HUF 230 million from MÁV Gépészet Zrt.

The HUF 5,074 million total of other receivables included the HUF 3,734 million VAT on the terminated concession right invoiced by MÁV Koncessziós Kft. to MNV Zrt. (as MÁV Koncessziós Kft. has assigned the debt owed by MNV Zrt. to MÁV Zrt.). The reclaimed amount (net of VAT) was set off against the mandatory statutory compensation.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

I.8.2.3.3 Receivables in FX per currency

figures in HUF

| FX | Receivable in FX | FX rate | Receivable in HUF | Year-end FX difference in HUF |
|---------------|-----------------------------|----------------|--------------------------|--|
| EUR | 3 889 098,77 | 291,29 | 1 132 855 580,71 | -70 352 535,00 |
| USD | -12,40 | 220,93 | -2 739,53 | 245,47 |
| CHF | 59 660,30 | 241,06 | 14 381 711,92 | -791 879,08 |
| Total: | | | 1 147 234 553,10 | -71 144 168,61 |

Schedule 18: Receivables in FX

I.8.2.4 Related party receivables

figures in MHUF

| Item | Parent | Fully consolidated subsidiary | Equity consolidated subsidiary | Associates | Total |
|-----------------------------------|---------------|--|---|-------------------|---------------|
| Advances for intangibles | 0 | 0 | 0 | 0 | 0 |
| Advances for capital projects | 0 | 656 | 6 | 0 | 662 |
| Long-term loan to related parties | 0 | 0 | 0 | 0 | 0 |
| Advances for inventories | 0 | 0 | 0 | 0 | 0 |
| Receivables from related parties | 0 | 18 725 | 451 | 37 | 19 213 |
| Total: | 0 | 19 381 | 457 | 37 | 19 875 |

Schedule 19: Related party receivables

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



1.8.2.5 Prepaid expenses and accrued income

Prepaid expenses and accrued income decreased by HUF 24,179 million (72.67 %) on the previous year.

Movements in prepaid expenses and deferred income are presented below:

| GL account No. | GL account | figures in MHUF | | | | | |
|-------------------|---|-----------------|--------------------------|---------------|----------------|--------------------------|--------------|
| | | over 1 year | 2011 within 1 year | Total | over 1 year | 2012 within 1 year | Total |
| 393 | Accrued unsettled transactions | 0 | 20 | 20 | 0 | 0 | 0 |
| 397,1 | Accrued income from completed but not invoiced services | 0 | 255 | 255 | 0 | 261 | 261 |
| 397,21 | Accrued interest income (less later payment interest) | 0 | 110 | 110 | 0 | 3 | 3 |
| 397,22 | Accrued cash pool interest (internal and external) | 0 | 3 | 3 | 0 | 20 | 20 |
| 397,23 | Accrued bank interest for the reporting period | 0 | 0 | 0 | 0 | 0 | 0 |
| 397,3 | Accrued late payment interest and penalties | 0 | 53 | 53 | 0 | 8 | 8 |
| 397,4 | Accrued public service subsidy | | | 0 | | | 0 |
| 397,6 | Accrued unbilled income | 0 | 30 | 30 | 0 | 0 | 0 |
| 397,7 | Accrued income booked for the next period (based on GIR list) | | | 0 | | | 0 |
| 397,8 | Accrued cash and bank income | | | 0 | | | 0 |
| 397,9 | Accrued other income | 0 | 46 | 46 | 0 | 48 | 48 |
| Total | Accrued income | 0 | 517 | 517 | 0 | 340 | 340 |
| 391,2 | Other prepaid costs | 0 | 305 | 305 | 0 | 356 | 356 |
| 391,31 | Prepaid debt service (Viacom) | 13 931 | 2 000 | 15 931 | 0 | 0 | 0 |
| 391,32 | Prepaid mast use cost (Viacom) | 20 | 4 | 24 | 0 | 0 | 0 |
| 391,4 | Prepaid redundancy costs | 0 | 51 | 51 | 0 | 38 | 38 |
| 391,6 | Prepaid unbilled expenses (credit) (year-end, as posted by controlling) | 0 | 59 | 59 | 0 | 138 | 138 |
| Total | Prepaid expenses | 13 951 | 2 419 | 16 370 | 0 | 532 | 532 |
| 394,311 | Deferred unrealised FX loss on EUR 30.7m loan | 413 | 0 | 413 | 0 | 0 | 0 |
| 394,321 | Deferred unrealised FX loss on an EUR 45352822.58 loan | 1 217 | 0 | 1 217 | 673 | 0 | 673 |
| 394,331 | Deferred unrealised FX loss on EUR 144.6m development loan | 5 943 | 0 | 5 943 | 3 641 | 0 | 3 641 |
| 394,3623 | Deferred unrealised FX loss on Eurofima contract 10/a. (Nr. 2576) | | | 0 | | | 0 |
| 394,3624 | Deferred unrealised FX loss on Eurofima contract 10/b. (Nr. 2576) | | | 0 | | | 0 |
| 394,3625 | Deferred unrealised FX loss on Eurofima contract 11. (Nr. 2582) | 527 | 0 | 527 | 0 | 0 | 0 |
| 394,3626 | Deferred unrealised FX loss on Eurofima contract 12. (Nr. 2604) | | | 0 | | | 0 |
| 394,3627 | Deferred unrealised FX loss on Eurofima contract 13/a. (Nr. 2649) | 230 | 0 | 230 | 619 | 0 | 619 |
| 394,3628 | Deferred unrealised FX loss on Eurofima contract 13/b. (Nr. 2662) | 889 | 0 | 889 | 0 | 0 | 0 |
| 394,3629 | Deferred unrealised FX loss on Eurofima contract 13/c. (Nr. 2673) | | | 0 | | | 0 |
| 394,3629 | Deferred unrealised FX loss on Eurofima contract 13/c+e. (Nr. 2673) | 67 | 0 | 67 | 0 | 0 | 0 |
| 394,3630 | Deferred unrealised FX loss on Eurofima contract 13/d. (Nr. 2672) | 963 | 0 | 963 | 0 | 0 | 0 |
| 394,381 | Deferred unrealised FX loss on an EUR 60m EIB development loan | 860 | 0 | 860 | 395 | 0 | 395 |
| 394,3911 | Deferred unrealised FX loss on EUR 141.6m development loan | 5 276 | 0 | 5 276 | 2 893 | 0 | 2 893 |
| Total | Deferred expenses | 16 385 | 0 | 16 385 | 8 221 | 0 | 8 221 |
| Total: | | 30 336 | 2 936 | 33 272 | 8 221 | 872 | 9 093 |

Schedule 20: Prepaid expenses and accrued income

Accrued income fell by HUF 177 million on 2011 as interests, penalty interest, other penalties and damages dropped by HUF 135 million, and accrued unbilled revenues dropped by HUF 30 million.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

Prepaid expenses reduced significantly mainly as a result of the termination of MÁV Koncessziós Kft's concession agreement (by HUF 15,955 million).

Prepaid expenses decreased by HUF 8,164 million as a result of a decrease in unrealised FX losses on loans due to the following:

- a HUF 746 million decrease owing to changes in the accounting law and to offsetting development loans against the resulting developments (assets);
- better FX rates reduced prepaid expenses by HUF 7,418 million.

I.8.3 Equity

I.8.3.1 Movements in equity

Equity movements in 2012 are set out in the schedule below:

figures in MHUF

| Item | Issued capital | Capital reserve | Retained losses/earnings | Allocated reserve | Gain/loss for the year | Equity |
|---|----------------|-----------------|--------------------------|-------------------|------------------------|---------------|
| Opening, 2012 | 21 000 | 107 023 | -92 133 | 13 052 | 12 898 | 61 840 |
| Profit for 2011 posted | | | 12 898 | | -12 898 | 0 |
| Capital increase in 2012 - to make up for lost equity as assets were transferred to GySEV | 37 | -65 | | | | -28 |
| Allocated reserve related to unrealised FX losses | | | 4 011 | -4 011 | | 0 |
| Capital increase in 2012 - to make up for lost equity as assets were transferred to GySEV - share premium | | 3 622 | | | | 3 622 |
| Settlement of assets | | | | | | 0 |
| Effect of tax audit, self audit, middle column | | | | | | 0 |
| Unexpensed R&D posted to allocated reserves | | | -37 | 37 | | 0 |
| Capital contribution to _Rákosrendező Pályaudvar Kft. "v.a." | | | -1 | | | -1 |
| Capital contribution to _DÉLI PÁLYAUDVAR Zrt. "v.a." | | | -2 | | | -2 |
| Capital contribution to Józsefvárosi Pályaudvar Kft. (not yet paid) | | | | -1 | | -1 |
| Loss for 2012 | | | | | -6 504 | -6 504 |
| Closing, 2012 | 21 037 | 110 581 | -75 265 | 9 077 | -6 504 | 58 926 |

Schedule 21: Equity movements

I.8.3.2 Equity movements and their basis

- Equity is reduced by the HUF 6,504 loss for 2012.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



- Further to subsection 38(3)d of the accounting law, an allocated reserve should be made for the difference between any deferred unrealised foreign exchange loss and the amount of provision made in accordance with subsection 41(4) of the accounting law. However, owing to changes in the accounting law and to setting off loans and the related assets, MÁV Zrt. released retained earnings of HUF 4,011 million in 2012.
- Dunakeszi sport grounds were nationalised and transferred to MNV Zrt and the value of the sport grounds was written off from capital reserve (HUF -65 million). The actual resulting lost equity of HUF 35 million was set off from the compensation obligation payable to (and forgiven by) MNV Zrt.

figures in MHUF

| Item | Opening | Decrease | Increase | Closing |
|---|---------------|--------------|-----------|--------------|
| environmental damages | 3 617 | 0 | 0 | 3 617 |
| difference btwn. unrealised FX losses and the related provision | 9 433 | 4 011 | 0 | 5 422 |
| Unexpensed part of R&D posted to allocated reserves | 0 | | 37 | 37 |
| additional capital contribution payable | 2 | 1 | 0 | 1 |
| Closing at the end of 2012 | 13 052 | 4 012 | 37 | 9 077 |

Schedule 22: Allocated reserves

I.8.4 Provisions

I.8.4.1 Provisions for contingent liabilities

MÁV Zrt. made the following provisions for liabilities that are likely or sure to incur by the balance sheet date and the amounts of such liabilities had not been established by the balance sheet preparation date, nor did the company provide the necessary funds for such in any other way (expected liabilities):

figures in MHUF:

| Provisions for liabilities | Opening | Released in 2012 | Made in 2012 | Closing |
|---|---------------|------------------|--------------|---------------|
| Redundancies | 1 431 | 1 064 | 2 302 | 2 669 |
| Guarantee liabilities (environmental) | 6 164 | 271 | 340 | 6 233 |
| Guarantees for Máv Kft's | 26 | 26 | 0 | 0 |
| Litigations | 7 034 | 2 676 | 416 | 4 774 |
| Maintenance of disp. welfare building | 458 | 30 | 0 | 428 |
| Damages | 59 | 17 | 93 | 135 |
| Owing to excentric weather in 2010 | 426 | 114 | 0 | 312 |
| Disaster in the Ajka area | 71 | 11 | 0 | 60 |
| Working clothes and uniforms | 456 | 255 | 304 | 505 |
| Annuities payable | 3 083 | 0 | 5 042 | 8 125 |
| Late payment penalty | 125 | 125 | 48 | 48 |
| Penalties | 500 | 500 | 0 | 0 |
| Amounts paid to LeasePlan Zrt. | 0 | 0 | 60 | 60 |
| Water right penalty payable | 0 | 0 | 84 | 84 |
| Bonus liability | 0 | 0 | 658 | 658 |
| Total: | 19 833 | 5 089 | 9 347 | 24 091 |
| of which: existing liabilities to related parties | 63 | 45 | 33 | 51 |

Schedule 23: Provisions for contingent liabilities

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

Based on the liabilities expected in 2012, a provision of HUF 2,302 million was made for redundancy costs in 2013 for which no government subsidy is expected.

HUF 340 million provision was made for environmental liabilities for a total of 7 recovery cases (1 in monitoring status, 2 in fact assessment status and 4 in technical recovery status).

A total provision of HUF 243 million was made for 17 new litigations and further HUF 173 million was set aside for legal cases for which provision had already been made. Provisions for legal cases were also released, the most significant items including HUF 975 million released based on an agreement between MÁV Zrt. and MÁV Általános Biztosító Egyesület (MÁV Insurance Society) and HUF 715 million which had been provided for a case won with final ruling against K&H Bank Zrt.

Back in 2007, a claim for damages totalling HUF 40 billion was raised against MÁV Zrt. in relation to properties sold and is recorded as a contingent liability. Although MÁV Zrt. disputes and has challenged the legal ground of the claim, a HUF 3 billion provision was made for it on a prudent basis and prevails.

A provision of HUF 26 million made earlier for contingent liabilities to subsidiaries was reversed.

A provision of HUF 304 million was made for working clothes and uniforms undistributed in 2012.

Since 8 May 2006 MÁV Zrt. has been insured against accidental damages to passengers. Before the insured years, MÁV Zrt. had been liable for any accident suffered and the damages were paid typically as annuities. As, owing to the nature of annuities, these payments are not precisely quantifiable to MÁV Zrt, yet qualify as certain future commitments, provisions were made for these liabilities as follows: HUF 1.9 billion in 2010, HUF 1.2 billion in 2011 and HUF 5.04 billion in 2012.

In 2012, the Lower River Tisza Area Environmental Authority imposed a water right maintenance penalty on MÁV Zrt., against which the Company lodged an appeal. As the appeal process was still in progress at the balance sheet preparation date, a provision of HUF 84 million was made for the contingent penalty.

As opposed to the previous years, management bonus was not accrued in 2012 but a provision of HUF 658 million was made for the liability and the related taxes and contributions (in line with subsection 41(1), 44(1) and 79(2) of the accounting law) as the amount of bonus had not been formally approved by the approval of the Company's annual financial statements.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



I.8.4.2 Provisions for future commitments

Provisions are made for expected and periodically recurring future expenses that will surely incur but their exact amount or the date when they will incur is uncertain at the time when the balance sheet is prepared (future liabilities). Provisions thus made by MÁV Zrt. are presented as follows:

figures in MHUF

| Provisions for future commitments | Opening | Released in 2012 | Made in 2012 | Closing |
|---|----------------|-------------------------|---------------------|----------------|
| Demolition | 1 950 | 269 | 0 | 1 681 |
| Maintenance | 2 457 | 199 | 0 | 2 258 |
| Depreciation of assets not contributed by NIF | 15 943 | 0 | 8 317 | 24 260 |
| Commissioned but not capitalised assets | 0 | 0 | 68 | 68 |
| Total: | 20 350 | 468 | 8 385 | 28 267 |

Schedule 24: Provisions for future commitments

Provision has been made for demolition costs: typically for the demolition of unused and dangerous buildings and structures belonging to the Railtrack Division and other assets involved in railway operations. Another significant item is the provision for assets technically completed by the balance sheet date but not clarified for accounting purposes.

Another material item is the amount of provision made for the yet unrecognised but technically effected assignment of assets and equals the calculated - uncharged – depreciation. For details see note I.7.3.

I.8.4.3 Provisions for FX losses

MÁV Zrt. makes provisions for unrealised accrued FX losses resulting from the year-end revaluation of long-term FX debts relating to fixed assets acquisitions and not covered with sufficient FX gains.

Other provisions include the provision for FX losses on project and development loans as presented below:

| Item | Closing balance TEUR | Closing Balance MHUF | Accum.d eferr. MHUF | Start date | End date | Prov. MHUF opening | Released in 2012 MHUF | Made in 2012 MHUF | Prov. MHUF closing |
|------------------|-----------------------------|-----------------------------|----------------------------|-------------------|-------------------|---------------------------|------------------------------|--------------------------|---------------------------|
| MFB 30,7 M | 4 445 | 1 295 | 0 | 15 July 2002 | 31 December 2013 | 341 | 341 | 0 | 0 |
| OTP (Talent) | 17 317 | 5 044 | 673 | 11 April 2006 | 31 December 2016 | 650 | 398 | 31 | 283 |
| Calyon 144,6 M | 94 304 | 27 470 | 3641 | 22 March 2006 | 16 June 2020 | 2411 | 1202 | 116 | 1325 |
| Eurofina 11 | 8 057 | 2 347 | 0 | 05 November 2003 | 17 December 2018 | 284 | 284 | 0 | 0 |
| Eurofina 13* | 38 500 | 11 215 | 619 | 19 December 2005 | 07 April 2016 | 1170 | 886 | 13 | 297 |
| EIB 18 M | 10 800 | 3 146 | 395 | 29 March 2005 | 15 September 2015 | 555 | 386 | 13 | 182 |
| Caylon II. 141,6 | 109 414 | 31 871 | 2893 | 28 November 2007 | 28 November 2021 | 1541 | 933 | 104 | 712 |
| Total: | 282 837 | 82 388 | 8 221 | | | 6 952 | 4 430 | 277 | 2 799 |

Note: FX loans were converted at a 291.29 HUF/EUR rate (year-end central bank rate); the above balances do not reflect the reclassification of instalments payable within one year to current liabilities.

*Eurofina loan No. 13 contains four loan agreements ; hence the start date is that of the first agreement and the end date is that of the last agreement.

Schedule 25: Provisions for FX losses

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

The accumulated FX loss is HUF 8,221 million. The amount of provision for the FX loss dropped by HUF 4,153 million compared to 2011 as a result of changes in the accounting law, the reconciliation of development loans and the related assets, and favourable year-end FX rates as presented in section I.7.5 in detail.

I.8.4.4 Other provisions

There were no other provisions.

I.8.4.5 Provisions in the balance sheet for 2012

Provisions as presented in the balance sheet for 2012:

figures in MHUF

| Item | For expected liabilities | For future expenses | For unrealised FX losses | Total: |
|---------------------------|---------------------------------|----------------------------|---------------------------------|---------------|
| <i>Opening provisions</i> | <i>19 833</i> | <i>20 350</i> | <i>6952</i> | <i>47 135</i> |
| Released in 2012 | 5089 | 468 | 4430 | 9 987 |
| Made in 2012 | 9347 | 8385 | 277 | 18 009 |
| <i>Closing provisions</i> | <i>24 091</i> | <i>28 267</i> | <i>2 799</i> | <i>55 157</i> |

Schedule 26: Provisions in the balance sheet

I.8.5 Liabilities

I.8.5.1 Liabilities related to Treasury assets and Treasury funded projects

Further to subsection 23(2) of the accounting law, managed government or municipality assets (Treasury assets) are to be disclosed among the assets of the asset manager, while, according to subsection 42(5), liabilities related to treasury assets should be disclosed among long-term liabilities. The accounting treatment of treasury assets is governed by government decree 254/2007. (X. 4.) on the management of treasury assets and by the asset management agreement between KVI and MÁV Zrt.

In accordance with the asset management agreement, certain changes cause movements in long-term liabilities, while other changes should not result in movements in long-term liabilities.

As a result of different movements in treasury assets and the related liabilities, long-term liabilities totalling HUF 401,370 million (related to projects owned by MÁV Zrt. but financed from subsidies and EU funds) are connected to the HUF 353,564 million balance of treasury assets at 31 December 2012.

Long-term liabilities towards the government exceed the managed treasury asset portfolio by HUF 47,824 million (including HUF 47,990 million compensation obligation and HUF -166 million accumulated balance of settlements with the National Treasury).

Changes in treasury assets are presented as follows:

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



figures in MHUF

| Liabilities related to treasury assets | 2011 | 2012 | Change |
|---|----------------|----------------|---------------|
| <i>Liabilities related to treasury assets</i> | 404 873 | 402 173 | -2 700 |
| Increase in treasury assets | 20 415 | 32 632 | 12 217 |
| Decrease in treasury assets | -30 040 | -28 813 | 1 227 |
| Increase in mandatory refunding liability | 6 397 | -4 799 | -11 196 |
| MÁK settlements in 2011 | 527 | 177 | -350 |
| of which: project invoices submitted to te Treasury | -1 669 | -1 460 | 209 |
| payments by the Treasury | 2 196 | 1 658 | -538 |
| bills rel. to 2010 submitted to Treasury paid by MÁV | 0 | -21 | -21 |
| <i>Liabilities related to treasury assets (closing)</i> | 402 173 | 401 370 | -802 |

Schedule 27: Liabilities related to treasury assets

Details of MÁV Zrt's mandatory compensation liability are as follows:

figures in MHUF

| <i>Subsidy refunding obligation from asset management</i> | 2011 | 2012 | Change |
|---|---------------|---------------|---------------|
| <i>Opening liability</i> | 46 392 | 52 789 | 6 397 |
| Extraordinary depreciation | 685 | 4 051 | 3 366 |
| Net value of scrapped treasury assets | 1 019 | 1 764 | 745 |
| Net value of missing treasury assets | 162 | 99 | -63 |
| Depreciation of treasury assets | 23 017 | 22 942 | -75 |
| Depreciation of treasury assets in previous years | -9 | -56 | -47 |
| Re-used materials from scrapped treasury assets | 30 | 0 | -30 |
| Amounts received from third parties for treasury projects | 446 | 1 | -445 |
| Opening adjustment | 0 | 16 | 16 |
| <i>Increase, total:</i> | 25 350 | 28 817 | 3 467 |
| Treasury project funded from own funds | 18 508 | 14 856 | -3 652 |
| Third party funds used for treasury projects | 444 | 22 | -422 |
| Assets contributed to the Treasury | 1 | 0 | -1 |
| Subsidy refunding obligation paid (-) | 0 | 17 525 | 17 525 |
| <i>of which: amounts receivable from MNV assigned by MÁV Koncessziós Kft.</i> | <i>0</i> | <i>13 831</i> | <i>13 831</i> |
| <i>due to capital increase after transferring assets to GYSEV</i> | <i>0</i> | <i>3 659</i> | <i>3 659</i> |
| <i>due to the transfer of the Dunakeszi sport site</i> | <i>0</i> | <i>35</i> | <i>35</i> |
| Materials gained from scrapped treasury assets (-) | 0 | 1 193 | 1 193 |
| Adjustment to subsidy refunding obligations of previous years | 0 | 20 | 20 |
| <i>Decrease, total:</i> | 18 953 | 33 616 | 14 663 |
| <i>Closing liability</i> | 52 789 | 47 990 | -4 799 |

Schedule 28: Mandatory refunds

The refunding obligation had increased by HUF 4,799 million to HUF 47,990 m by 31 December 2012.

Further to section III.5 of the concession ending agreement No. SZT-39.023, HUF 13,831 million of the net amount invoiced by MÁV Koncessziós Kft. to MNV Zrt. for the terminated concession right and assigned to MÁV Zrt. was set off against the compensation receivable by MÁV Zrt. from MNV Zrt. For more details, refer to chapter I.7.9.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

The loss of assets (HUF 3,629 million) suffered in 2011 as a result of assigning 214 kms of railways to GYSEV, and hence the lost equity, was set off, based on decision of the Founder, MNV Zrt., with a capital injection of HUF 3,659 million from MNV Zrt's compensation obligation.

The HUF 35 million difference between the resulting HUF 29 million surplus and the loss in equity due to the derecognition of the sport club at Dunakeszi (HUF -65 million), which was nationalised and thus returned to MNV Zrt. was set off from the reimbursement obligation to MNV Zrt.

I.8.5.2 Subordinated debt

MÁV Zrt. does not have any subordinated debt.

I.8.5.3 Long-term liabilities

Long-term liabilities, including those related to treasury assets, totalled HUF 539,722 million at the end of 2012, which is a HUF 26,749 million (4.72%) decrease on the previous year. Long-term liabilities account for 72.11% of total equity and liabilities and 89.38% of liabilities.

Net of treasury liabilities, the year-end balance of long-term liabilities is HUF 138,352 million, which is a HUF 25,946 million (15.79%) decrease on 2011. There have been no significant changes in long-term liabilities.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



1.8.5.3.1 Long-term loans

MÁV Zrt's long-term loans and borrowings at the end of 2012 were as follows:

| Long-term funds in 2012 | | | | | | | | |
|--|-------------------------|------------|----------------------|-------------------|----------|---|----------------------------------|---------|
| Loan | Loan agreement dated at | Matures on | Government guarantee | Secured by assets | Currency | Amount per loan agreement (millions, original currency) | Available facility (31 Dec 2012) | |
| | | | | | | | FX m | HUF m |
| Project loans | | | | | | | | |
| EIB-ISPA | 2001.09.03 | 2015.09.15 | 1082/2001 | - | EUR | 18,00 | 10,8 | 3 146 |
| EUROFIMA 11 | 2003.12.31 | 2018.12.17 | 1036/2003 | yes | EUR | 8,06 | 8,057 | 2 347 |
| EUROFIMA 13 a | 2005.12.31 | 2015.03.06 | 1113/2005 | yes | EUR | 4,00 | 4 | 1 165 |
| EUROFIMA 13 b | 2006.10.03 | 2016.04.07 | 1113/2005 | yes | EUR | 15,90 | 15,9 | 4 632 |
| EUROFIMA 13 c | 2007.10.18 | 2014.01.28 | 1113/2005 | yes | EUR | 1,20 | 1,2 | 350 |
| EUROFIMA 13 d | 2007.11.30 | 2016.04.07 | 1113/2005 | yes | EUR | 17,40 | 17,4 | 5 068 |
| Konzorcium 8.133 HUFbn | 2006.04.21 | 2013.04.21 | 1113/2005 | - | HUF | 8 133,00 | | 1 168 |
| Raiffeisen Bank Zrt 9.209 HUFbn | 2006.04.26 | 2016.04.21 | 1113/2005 | - | HUF | 9 209,00 | | 9 209 |
| MFB Zrt (13 Desiro) | 2002.01.28 | 2013.12.30 | - | - | EUR | 30,70 | 4,445 | 1 295 |
| OTP Bank Nyrt (10 Talent) | 2006.03.23 | 2016.12.31 | - | yes | EUR | 45,35 | 17,317 | 5 044 |
| CA-CIB Konzorcium (30 Flirt) | 2006.03.22 | 2020.06.16 | - | yes | EUR | 144,60 | 94,304 | 27 470 |
| Raiffeisen Bank Zrt (+30 Flirt) | 2007.09.25 | 2021.11.28 | - | yes | EUR | 141,60 | 109,414 | 31 871 |
| Total: | | | | | | | | 92 765 |
| Operational loans: | | | | | | | | |
| Raiffeisen Bank Zrt 28,5 HUFbn | 2005.12.27 | 2015.11.27 | 1089/2005 | - | HUF | 28 500 | | 17 100 |
| Total: | | | | | | | | 17 100 |
| Entrepreneurial loans: | | | | | | | | |
| Szegedi köfi - PROLAN | 2007.08.10 | 2019.06.27 | - | - | HUF | 1 870 | | 1 461 |
| Dél-balatoni köfi - PROLAN | 2010.05.20 | 2016.11.18 | - | - | HUF | 2 260 | | 1 808 |
| electricity supply - PQ | 2009.07.08 | 2015.12.13 | - | - | HUF | 1 267 | | 760 |
| Total: | | | | | | | | 4 029 |
| Bonds | | | | | | | | |
| MFB Zrt 10 HUFbn | 2010.12.22* | 2015.12.21 | 1261/2010 | - | HUF | 10 000 | | 10 000 |
| Magyar Takszöv. - Gránit Bank 35 HUFbn | 2011.09.07* | 2014.09.05 | 1290/2011 | - | HUF | 35 000 | | 35 000 |
| Total: | | | | | | | | 45 000 |
| Grand total: | | | | | | | | 158 894 |

Note: FX loans were converted at a 291.29 HUF/EUR rate (MNB rate at the balance sheet date). Reclassified to short-term loans: HUF 14,210 million from development loans and HUF 5,700 million from operating loans. Reclassified to short-term borrowings: HUF 939 million from entrepreneurial loans.

* date of bond issue

Schedule 29: MÁV Zrt's long-term loans and borrowings

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

Loans assumed by the government in 2012 are presented in the schedule below:

figures in MHUF

| Loan | 2013 | 2014 | 2015 | 2016 | 2017 and beyond | Total |
|--|---------------|---------------|---------------|---------------|-----------------------|----------------|
| Investment and development loans | | | | | | |
| EIB-ISPA | 1 049 | 1 049 | 1 048 | 0 | 0 | 3 146 |
| EUROFIMA 11 | 0 | 0 | 0 | 0 | 2 347 | 2 347 |
| EUROFIMA 13 a | 0 | 0 | 1 165 | 0 | 0 | 1 165 |
| EUROFIMA 13 b | 0 | 0 | 0 | 4 632 | 0 | 4 632 |
| EUROFIMA 13 c | 0 | 350 | 0 | 0 | 0 | 350 |
| EUROFIMA 13 d | 0 | 0 | 0 | 5 068 | 0 | 5 068 |
| Konzorcium 8.133 HUFbn | 1 168 | 0 | 0 | 0 | 0 | 1 168 |
| Raiffeisen Bank Zrt 9.209 HUFbn | 2 127 | 2 837 | 2 837 | 1 408 | 0 | 9 209 |
| MFB Zrt (13 Desiro) | 1 295 | 0 | 0 | 0 | 0 | 1 295 |
| OTP Bank Nyrt (10 Talent besz.) | 1 321 | 1 321 | 1 321 | 1 081 | 0 | 5 044 |
| CA-CIB Konzorcium (30 Flirt) | 3 663 | 3 663 | 3 663 | 3 663 | 12 818 | 27 470 |
| Raiffeisen Bank Zrt (+30 Flirt motorvonat) | 3 588 | 3 586 | 3 587 | 3 587 | 17 523 | 31 871 |
| Total | 14 211 | 12 806 | 13 621 | 19 439 | 32 688 | 92 765 |
| Operational loans | | | | | | |
| Raiffeisen Bank Zrt 28.5 HUFbn | 5 700 | 5 700 | 5 700 | 0 | 0 | 17 100 |
| Total | 5 700 | 5 700 | 5 700 | 0 | 0 | 17 100 |
| Entrepreneurial loans | | | | | | |
| Szegedi köfi - PROLAN | 234 | 234 | 234 | 234 | 525 | 1 461 |
| Dél-balatoni köfi - PROLAN | 452 | 452 | 452 | 452 | 0 | 1 808 |
| electricity supply- PQ | 253 | 253 | 254 | 0 | 0 | 760 |
| Total | 939 | 939 | 940 | 686 | 525 | 4 029 |
| Bonds | | | | | | |
| MFB Zrt 10 HUFbn | 0 | 0 | 10 000 | 0 | 0 | 10 000 |
| Magyar Takszöv. - Gránit Bank 35 HUFbn | 0 | 35 000 | 0 | 0 | 0 | 35 000 |
| Total | 0 | 35 000 | 10 000 | 0 | 0 | 45 000 |
| Grand total | 20 850 | 54 445 | 30 261 | 20 125 | 33 213 | 158 894 |

Note: FX loans were converted at a 291.29 HUF/EUR rate (MNB rate at the balance sheet date). Reclassified to short-term loans: HUF 14,210 million from development loans and HUF 5,700 million from operating loans. Reclassified to short-term borrowings: HUF 939 from entrepreneurial loans.

Schedule 30: Long-term loans repayment schedule

I.8.5.3.2 Other long-term liabilities

MÁV has a material balance of other long-term liabilities. These relate almost exclusively to the management of treasury assets. Liabilities from treasury asset management are detailed in section I.8.5.1.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



I.8.5.3.3 Long-term liabilities in foreign exchange

Long-term liabilities held in foreign exchange include FX loans and FX based financial leases and are detailed in sections 0.

I.8.5.4 Current liabilities

I.8.5.4.1 Short-term loans and borrowings

Nest year's instalment of entrepreneurial loans (HUF 939 million) was reclassified to short-term borrowings. Short-term loans include the current part of long-term loans (HUF 19,910 million) and the year-end balance of overdrafts (HUF 985 million).

I.8.5.4.2 Current liabilities

The year-end balance of current liabilities is HUF 64,118 million, which is by HUF 20,861 million (24.55 %) less than in the previous year. Current liabilities make up for 8.57% of equity and liabilities and 10.62% of liabilities.

The nearly HUF 21 billion decrease was due to the combined effect of a HUF 24,485 million decrease in short-term loans and a HUF 877 million drop in creditors and to a HUF 2,195 million liabilities towards related parties and a HUF 2,394 million increase in other liabilities.

The balance sheet line 'Other current liabilities' contains the following items:

figures in MHUF

| Item | 2011 | 2012. | Change |
|---|--------------|--------------|---------------|
| Taxes payable | 3 341 | 5 574 | 2 233 |
| Wages and salaries | 2 773 | 2 936 | 163 |
| Other liabilities deducted from employees | 311 | 392 | 81 |
| Liabilities incurred but not yet invoiced | 0 | 54 | 54 |
| Other liabilities from services | 0 | 45 | 45 |
| Amounts payable based on decisions of authorities | 143 | 0 | -143 |
| Late payment penalty payable | 48 | 25 | -23 |
| Other payables | 44 | 28 | -16 |
| Total other liabilities | 6 660 | 9 054 | 2 394 |

Schedule 31: Other current liabilities

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

I.8.5.4.3 Current liabilities by currency

| Currency | Amount in FX | FX rate (FX/HUF) | Amount in MHUF | FX diff. at year-end |
|---------------|--------------|---------------------|-----------------------|----------------------|
| EUR | 920 296,60 | 291,29 | 268 073 198,61 | 14 560 001,00 |
| USD | 1 769,98 | 241,06 | 426 671,38 | 6 468,38 |
| Total: | | | 268 499 869,99 | 14 566 469,38 |

Schedule 32: Current liabilities in FX

I.8.5.4.4 Payables to related parties

figures in MHUF

| Item | Parent | Fully consolidated | Equity consolidated | Associates | Total |
|--|--------|-----------------------|------------------------|------------|---------------|
| Subordinated related party loan | 0 | 0 | 0 | 0 | 0 |
| Long-term liab. toward related parties | 0 | 0 | 0 | 0 | 0 |
| Current liab. toward related parties | 0 | 17 952 | 1 068 | 79 | 19 099 |
| Total: | 0 | 17 952 | 1 068 | 79 | 19 099 |

Schedule 33: Payables to related parties

I.8.5.5 Contingent liabilities

I.8.5.5.1 Hedging transactions

Financial market risks are part of MÁV Zrt's business operations. Such risks are actively mitigated by hedging transactions.

MÁV Zrt's FX balance at the end of 2012, expressed in both EUR and in HUF on an EUR basis, was EUR -13,216 thousand, which is by 32% (EUR 6,356 thousand) below the plan. The loss is due predominantly to less acquisitions than budgeted.

The gross FX loss expressed in EUR was EUR 51,064 thousand, which, over the net FX loss of EUR 13.2 million, represents the FX part of the debt service related to the motor coaches. This was invoiced to MÁV START Zrt. in HUF hence the related FX risk is recharged.

The budgeted FX loss was hedged, in line with our FX management policies, with forward and future contracts totalling EUR 11,835 thousand and spot contracts totalling EUR 35,826 thousand. (The rest of the loss was due to other FX fluctuations.)

FX rate hedging transactions were made above the plan rate (290.00 HUF/EUR) on 289.84 HUF/EUR (weighted average).

In FY2012, four FX hedges were made totalling EUR 840 thousand to mitigate the Company's EUR based exposure (office rent). One hedge of EUR 201 thousand was closed in 2013.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



No hedge contracts were made in 2012 for the risks of changes in interest rates and in commodities (mainly gasoline) quotes.

The profit and loss and cash flow effect of hedging contracts closed in 2012 are shown in the schedule below.

I.8.5.5.2 Closed forward and option contracts

| | | figures in MHUF | |
|----------------------|---------------|-----------------------|-------------------------|
| Contract type | | P&L impact | Cash-flow impact |
| Settlement contracts | Forward | -1,5 | -1,5 |
| | Option | 0 | 0 |
| | Total: | -1,5 | -1,5 |
| Delivery contracts* | Forward | -10,5 | -10,5 |
| | Option | 0 | 0 |
| | Total: | -10,5 | -10,5 |
| Grand total: | | -12,0 | -12,0 |
| of which | Hedging | -12,0 | -12,0 |
| | Non hedging | 0 | 0 |
| | Total: | -12,0 | -12,0 |
| of which | SE | 0 | 0 |
| | OTC | -12,0 | -12,0 |
| | Total: | -12,0 | -12,0 |

*Note: The profit and loss impact and the cash flow impact were identified based on the official central bank rate prevailing at the date of maturity

Schedule 34: Closed forwards and options in 2012

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

1.8.5.5.3 Forward, swap and option contracts in 2012

| No. | Purchase part | Sales part | Value date | Forward rate | Closing rate | Gain or loss (HUF)* | Settlement method | Note |
|-----|----------------|-----------------|-------------------|--------------|--------------|---------------------|-------------------|----------------|
| 1. | 500 000 EUR | 149 360 000 HUF | 28 February 2012 | 297,5 | 290,38 | -4 170 000 | delivery | |
| 2. | 500 000 EUR | 149 475 000 HUF | 28 February 2012 | 297,8 | 290,38 | -4 285 000 | delivery | |
| 3. | 500 000 EUR | 148 150 000 HUF | 28 February 2012 | 295,2 | 290,38 | -2 960 000 | delivery | |
| 4. | 500 000 EUR | 147 685 000 HUF | 28 February 2012 | 294,23 | 290,38 | -2 495 000 | delivery | |
| 5. | 500 000 EUR | 147 550 000 HUF | 28 February 2012 | 294,1 | 290,38 | -2 360 000 | delivery | |
| 6. | 500 000 EUR | 147 395 000 HUF | 13 March 2012 | 293,29 | 293,71 | -540 000 | delivery | |
| 7. | 500 000 EUR | 145 665 000 HUF | 13 March 2012 | 289,95 | 293,71 | 1 190 000 | delivery | |
| 8. | 500 000 EUR | 146 505 000 HUF | 13 March 2012 | 291,64 | 293,71 | 350 000 | delivery | |
| 9. | 500 000 EUR | 146 655 000 HUF | 19 March 2012 | 291,76 | 290,2 | -1 555 000 | delivery | |
| 10. | 500 000 EUR | 146 045 000 HUF | 19 March 2012 | 290,55 | 290,2 | -945 000 | delivery | |
| 11. | 500 000 EUR | 145 535 000 HUF | 19 March 2012 | 289,55 | 290,2 | -435 000 | delivery | |
| 12. | 500 000 EUR | 145 745 000 HUF | 28 February 2012 | 290,95 | 290,38 | -555 000 | delivery | |
| 13. | 500 000 EUR | 146 000 000 HUF | 19 March 2012 | 290,67 | 290,2 | -900 000 | delivery | |
| 14. | 500 000 EUR | 144 920 000 HUF | 19 March 2012 | 288,5 | 290,2 | 180 000 | delivery | |
| 15. | 500 000 EUR | 144 925 000 HUF | 19 March 2012 | 288,55 | 290,2 | 175 000 | delivery | |
| 16. | 450 000 EUR | 129 564 000 HUF | 16 May 2012 | 287 | 295,81 | 3 550 500 | delivery | |
| 17. | 450 000 EUR | 129 510 000 HUF | 16 May 2012 | 287,1 | 295,81 | 3 604 500 | delivery | |
| 18. | 760 000 EUR | 220 400 000 HUF | 27 June 2012 | 289,7 | 286,08 | -2 979 200 | delivery | |
| 19. | 150 000 EUR | 43 467 000 HUF | 09 July 2012 | 288,93 | 289,35 | -64 500 | delivery | |
| 20. | 140 000 EUR | 40 420 800 HUF | 10 July 2012 | 287,9 | 287,23 | -208 600 | delivery | |
| 21. | 500 000 EUR | 140 015 000 HUF | 13 September 2012 | 278 | 284,02 | 1 995 000 | delivery | |
| 22. | 100 000 EUR | 28 110 000 HUF | 15 August 2012 | 280,5 | 279,05 | -205 000 | delivery | |
| 23. | 500 000 EUR | 141 185 000 HUF | 13 September 2012 | 280,58 | 284,02 | 825 000 | delivery | |
| 24. | 300 000 EUR | 84 195 000 HUF | 13 September 2012 | 278,88 | 284,02 | 1 011 000 | delivery | |
| 25. | 200 000 EUR | 55 640 000 HUF | 13 September 2012 | 276,54 | 284,02 | 1 164 000 | delivery | |
| 26. | 140 000 EUR | 39 139 800 HUF | 21 August 2012 | 279,35 | 276,07 | -490 000 | delivery | |
| 27. | 85 000 EUR | 23 706 500 HUF | 23 August 2012 | 278,8 | 276,45 | -208 250 | delivery | |
| 28. | 210 000 EUR | 58 724 400 HUF | 01 October 2012 | 277,98 | 284,86 | 1 096 200 | delivery | |
| 29. | 210 000 EUR | 59 898 300 HUF | 05 November 2012 | 283,35 | 282,13 | -651 000 | - | |
| 30. | 200 000 EUR | 56 734 000 HUF | 08 October 2012 | 283,2 | 284,21 | 108 000 | delivery | |
| 31. | 150 000 EUR | 42 823 500 HUF | 11 October 2012 | 285,08 | 282,53 | -444 000 | delivery | |
| 32. | 210 000 EUR | 59 894 100 HUF | 03 December 2012 | 282,69 | 281,55 | -768 600 | - | |
| 33. | 59 188 500 HUF | 210 000 EUR | 05 November 2012 | 281,85 | 282,13 | - | settlement | line 29 closed |
| 34. | 59 104 500 HUF | 210 000 EUR | 03 December 2012 | 281,45 | 281,55 | - | settlement | line 32 closed |

Note.: The P&L effect was calculated based on the official year-end central bank rates

Schedule 35: Swap and option contracts in 2012

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



I.8.5.5.4 Guarantees

MÁV Zrt's joint and several and guarantee liabilities at 31 December 2012:

figures in MHUF

| Company | Type of guarantee | Contractor | Start date | End date | Amount in MHUF |
|-----------------------------------|--|----------------------|------------------|------------------|----------------|
| Bank guarantees | | | | | |
| NAV | excise | Gránitbank | 12 December 2012 | 11 December 2013 | 120 |
| Ministry for National Development | budgeted and for the use of the residual value for the purposes of the TEN-T project | Raiffeisen Bank Zrt. | 3 May 2012 | 31 October 2013 | 1830 |
| Nemzeti Közlekedési Hatóság | accident | OTP | 27 April 2009 | 31 December 2013 | 1 000 |
| Total bank guarantees: | | | | | 2 950 |

Schedule 36: Guarantee contracts at 31 December 2012

I.8.5.5.5 Lien and other non-contingent liabilities

Other liabilities related to mortgages are presented in detail below. The assessment of other encumbrances on properties and the rights to public utilities (electric cables, water and gas pipelines) and access rights, rights to place geodesic signs etc. started in the earlier years in line with relevant legislation. Cable and pipeline rights for the land beneath previously laid cables and pipelines is currently in progress.

| Loan | Loan outstanding at 31 Dec 2012 (MHUF) | Security |
|---|--|----------------------|
| EUROFIMA 11 | 2 347 | rolling stock |
| EUROFIMA 13 a | 1 165 | rolling stock |
| EUROFIMA 13 b | 4 632 | rolling stock |
| EUROFIMA 13 c | 350 | rolling stock |
| EUROFIMA 13 d | 5 068 | rolling stock |
| OTP Bank Nyrt (10 Talent financing) | 5 044 | 10 db Talent engines |
| CA-CIB Konzorcium (30 Flirt financing) | 27 470 | 30 db Flirt engines |
| Raiffeisen Bank Zrt (+30 Flirt financing) | 31 871 | 30 db Flirt engines |
| Total: | 77 947 | |

Schedule 37: Loans secured with lien

Lien has been placed on 10 Talent motor coaches for OTP, on 30 Flirt coaches for Crédit Agricole Corporate and Investment Bank and on 30 Flirt coaches for Raiffeisen as lenders.

Many of MÁV's properties (own or managed) have been encumbered on the grounds of permanent environmental damage. These properties are subject to restoration work before the encumbrance can be removed. The number of encumbered properties is 33.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

Further to the public procurement act, MÁV Zrt. ensured direct collection rights for contractors under existing contracts signed between 15 September 2010 and 31 December 2011.

MÁV Zrt. issued a parent company comfort letter to Kreditanstalt für Wiederaufbau and to the European Development Bank as the funders of 25 TRAXX engines for MÁV-TRAKCIÓ Zrt.

MÁV Zrt. holds CHF 18,2 million (0,7 %) of the registered share capital of EUROFIMA. CHF 14,56 million (80 %) of the registered share capital of EUROFIMA is not yet paid which becomes payable based on the resolution of the Board of Directors of EUROFIMA in line with EUROFIMA's articles of incorporation paragraph 5 and paragraph 21 subsection 3(6). No request have been made yet for payment.

In addition to CHF 18,2 million of EUROFIMA's the registered share capital held by MÁV Zrt., MÁV guarantees in an additional amount equalling to the share capital holding of CHF 18,2 million the rolling stock financing arrangement in accordance with paragraph 26 of the articles of incorporation of EUROFIMA. This guarantee might be called in case both the railway company and the shareholder state guaranteeing the loan failed to pay and the guarantee fund of EUROFIMA set up in accordance with the articles of incorporation 29. (CHF 590,5 million in the 2011 annual financial statements) does not cover the financing losses suffered. Amounts drawn from the shareholders' guarantee are refunded by EUROFIMA to the extent of the recoverable value from the disposal of the underlying rolling stock or from other receivables associated with the loan agreement.

Mortgaged properties are as follows:

figures in THUF

| Township | area | Topographical No. | Inventory No. | Serial No. | Encumbrance | Beneficiary | Benef. Address | Amount | Owner |
|----------|------------|-------------------|---------------|------------|-------------|---------------|------------------------------|--------|----------|
| Küngös | outskirts | 1101 | 5350297 | 3 | Mortgage | K&H Bank Zrt. | Bp. Pozsonyi út 77-79 | 31 000 | HUNGARY |
| Záhony | inner area | 600/9 | 4990024 | 1 | Mortgage | K&H Bank Zrt. | 1133 Bp. Pozsonyi utca 77-79 | 65 000 | MÁV Zrt. |

Schedule 38: Mortgaged properties

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



I.8.5.5.6 Contingent interests and similar charges

MÁV Zrt's contingent interests and similar charges relating to long-term liabilities are as follows:

figures in MHUF

| Loan | 2013 | 2014 | 2015 | 2016 | 2017 and beyond | Total |
|---|--------------|--------------|--------------|------------|-----------------------|---------------|
| Development loans | | | | | | |
| EIB-ISPA | 20 | 20 | 9 | 0 | 0 | 49 |
| EUROFIMA 11 | 11 | 15 | 15 | 15 | 45 | 101 |
| EUROFIMA 13 a | 7 | 7 | 4 | 0 | 0 | 18 |
| EUROFIMA 13 b | 24 | 28 | 28 | 16 | 0 | 96 |
| EUROFIMA 13 c | 2 | 1 | 0 | 0 | 0 | 3 |
| EUROFIMA 13 d | 27 | 31 | 31 | 17 | 0 | 106 |
| Konzorcium HUF 8.133bn | 13 | 0 | 0 | 0 | 0 | 13 |
| Raiffeisen Bank Zrt HUF 9.209bn | 558 | 388 | 205 | 27 | 0 | 1 178 |
| MFB Zrt (13 Desiro motor coaches) | 15 | 0 | 0 | 0 | 0 | 15 |
| OTP Bank Nyrt (10 Talent motor coaches) | 59 | 47 | 29 | 11 | 0 | 146 |
| CA-CIB Konzorcium (30 Flirt) | 377 | 349 | 292 | 236 | 488 | 1 742 |
| Raiffeisen Bank Zrt (+30 Flirt motor coaches) | 439 | 417 | 361 | 307 | 949 | 2 473 |
| Development loans, total: | 1 552 | 1 303 | 974 | 629 | 1 482 | 5 940 |
| Operational loans | | | | | | |
| Raiffeisen Bank Zrt HUF 28.5bn | 1 000 | 623 | 253 | 0 | 0 | 1 876 |
| Operational loans, total: | 1 000 | 623 | 253 | 0 | 0 | 1 876 |
| Entrepreneurial loans | | | | | | |
| Szegedi köfi - PROLAN | 101 | 85 | 68 | 51 | 49 | 354 |
| Dél-balatoni köfi - PROLAN | 71 | 44 | 17 | 0 | 0 | 132 |
| Electricity supply - PQ | 194 | 140 | 87 | 33 | 0 | 454 |
| Entrepreneurial loans, total: | 366 | 269 | 172 | 84 | 49 | 940 |
| Bonds | | | | | | |
| MFB Zrt HUF 10bn | 659 | 659 | 659 | 0 | 0 | 1 977 |
| CA-CIB -Takszöv. -Gránit HUF 35bn | 2 569 | 1 969 | 0 | 0 | 0 | 4 538 |
| Bonds total: | 3 228 | 2 628 | 659 | 0 | 0 | 6 515 |
| Grand total: | 6 146 | 4 823 | 2 058 | 713 | 1 531 | 15 271 |

Note: FX loans were converted at a 285 HUF/EUR rate

Schedule 39: MÁV Zrt's contingent interests and similar charges relating to long-term liabilities

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

I.8.5.5.7 Long-term loans and borrowings and repayment schedule

The disbursement schedule of development and current asset replacement loan agreements signed but not disbursed in 2012 is as follows:

figures in MHUF

| Loan | 2013 | 2014 | 2015 | Total |
|-----------------------|---------------|-------------|-------------|---------------|
| OTP Bank Nyrt 5 HUFbn | 5 000 | 0 | 0 | 5 000 |
| MFB Zrt 6.2 HUFbn | 6 200 | 0 | 0 | 6 200 |
| MFB Zrt 6.8 HUFbn | 6 800 | 0 | 0 | 6 800 |
| MFB Zrt 7.0 HUFbn | 7 000 | 0 | 0 | 7 000 |
| Total: | 25 000 | 0 | 0 | 25 000 |

Schedule 40: Drawing schedule of development and current asset replacement loans signed in 2012

figures in MHUF

| Loan | 2013 | 2014 | 2015 | 2016 | 2017 | Total |
|-----------------------|--------------|--------------|--------------|--------------|--------------|---------------|
| OTP Bank Nyrt 5 HUFbn | 385 | 1 538 | 1 538 | 1 539 | 0 | 5 000 |
| MFB Zrt 6.2 HUFbn | 477 | 1 908 | 1 908 | 1 907 | 0 | 6 200 |
| MFB Zrt 6.8 HUFbn | 523 | 2 092 | 2 092 | 2 093 | 0 | 6 800 |
| MFB Zrt 7.0 HUFbn | 412 | 1 647 | 1 647 | 1 647 | 1 647 | 7 000 |
| Total: | 1 797 | 7 185 | 7 185 | 7 186 | 1 647 | 25 000 |

Schedule 41: Repayment schedule of development and current asset replacement loans signed in 2012

The planned disbursement and repayment schedule of a current asset loan expected to be taken out in 2013 are presented in the following schedules:

figures in MHUF

| Loan | 2013 | 2014 | 2015 | Total |
|------------------------------------|---------------|-------------|-------------|---------------|
| HUF 12 bn loan with gov. guarantee | 12 000 | 0 | 0 | 12 000 |
| Total: | 12 000 | 0 | 0 | 12 000 |

Schedule 42: Drawing schedule of development and current asset replacement loans to be signed in 2013

figures in MHUF

| Loan | 2013 | 2014 | 2015 | 2016 | 2017 | Total |
|-----------------------------------|-------------|--------------|--------------|--------------|--------------|---------------|
| HUF 12bn loan with gov. guarantee | 0 | 1 846 | 3 692 | 3 692 | 2 770 | 12 000 |
| Total: | 0 | 1 846 | 3 692 | 3 692 | 2 770 | 12 000 |

Schedule 43: Repayment schedule of development and current asset replacement loans to be signed in 2013

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



I.8.5.5.8 Operating leases – where the Company's is the lessee

figures in HUF

| Lessor | Subject matter | Date of agreement | Matures on | Monthly instalment | Outstanding at the year-end |
|---------------------------------|--|-------------------------------------|---------------------|---------------------------|------------------------------------|
| Raiffeisen Ingatlan Alap | office rent | 28 February 2009 | 28 February 2014 | 115 290 135 | 1 614 061 890 |
| PLS Kft. | car rent | 3 October 2011 | 2 October 2017 | 96 407 172 | 5 591 615 976 |
| MKB Kft. | car rent | 6 February 2012 | 6 June 2016 | 7 648 004 | 313 568 164 |
| LPHU Zrt. | car rent | 27 December 2004 | indefinite | 2 761 570 | n/a |
| GYŐR-SOPRON-ÉBENFURTI VASÚT ZRT | Telecom assets and equipment and premises commissioned | 17 may 2012 | 30 September 2013 | 2 450 000 | 22 050 000 |
| Műszer Automatika Kft | Rental of VEM-02 power exchange meters and devices | 10 November 2006 | indefinite | 1 026 667 | n/a |
| VASÚTÉPÍTŐK KFT | machine rent | 1 January 2001 | indefinite | 1 025 417 | n/a |
| Other contracts, total | | from 26.03.1969 different contracts | indefinite/definite | 5 932 006 | 85 239 361 |
| Total: | | | | | 7 626 535 391 |

Schedule 44: Operating lease contracts over HUF 1m at 31 December 2012

I.8.6 Accrued expenses and deferred income

Accrued expenses and deferred income dropped by 4.69% (HUF 1,502 million) on the previous year.

Deferred income increased by HUF 935 million in 2011 mostly as the result of deferred public service cost refunds (HUF 1,363 million) and decreases in other deferred income related to Invitel Kft. (HUF 249 million) and in deferred railtrack access charge revenues and traction electricity revenues (HUF 227 million).

Accrued expenses declined by HUF 1,114 million due to factors such as a HUF 167 million drop in accrued early retirement payments and a HUF 336 million reduction in accrued public utility costs not billed in the relevant period.

While accrued bonuses fell by HUF 584 million on the previous year, the bonuses had not been approved formally by the approval of the annual financial statements. Accordingly, a provision was made for the calculated liability and the related taxes and contributions in line with subsection 41(1), 44(1) and 79(2) of the accounting law, as presented in section 1.8.4.1. in detail.

Deferred extraordinary income dropped by HUF 1,323 million recognised in line with the depreciation of the underlying assets.

Movements in accrued expenses and deferred income are presented below:

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

figures in MHUF

| GL account No. | GL account | 2011 | | | 2012 | | |
|--|---|----------------|------------------|---------------|----------------|------------------|---------------|
| | | over 1 year | within 1 year | Total | over 1 year | within 1 year | Total |
| 481,5 | Public service cost compensation | 0 | 0 | 0 | 0 | 1363 | 1363 |
| 481,6 | Unbilled income | 0 | 74 | 74 | 0 | 18 | 18 |
| 481,7 | Pre-billed income | 0 | 20 | 20 | 0 | 22 | 22 |
| 481,8 | Invitel Kft. other deferred income | 10 214 | 290 | 10 504 | 9 963 | 292 | 10 255 |
| 481,9 | Deferred other income | 298 | 222 | 520 | 341 | 54 | 395 |
| Deferred income | | 10 512 | 606 | 11 118 | 10 304 | 1 749 | 12 053 |
| 475,21 | Calculated early retirement | 0 | 167 | 167 | 0 | 0 | 0 |
| 482,1 | Unbilled costs | 0 | 196 | 196 | 0 | 440 | 440 |
| 482,6 | Accrued incoming invoices to be approved | 0 | 15 | 15 | 0 | 21 | 21 |
| 482,9 | Other accrued expenses | 0 | 21 | 21 | 0 | 17 | 17 |
| 486,10 | Accrued calculated unbilled utilities costs related to 2010 | 0 | 52 | 52 | 0 | 29 | 29 |
| 486,11 | Accrued calculated unbilled utilities costs related to 2011 | 0 | 667 | 667 | 0 | 30 | 30 |
| 486,12 | Accrued calculated unbilled utilities costs related to 2012 | 0 | 0 | 0 | 0 | 323 | 323 |
| 487,1 | Accrued interest | 0 | 847 | 847 | 0 | 522 | 522 |
| 487,21 | Accrued internal and external interest on Cash-pool-Citibank | 0 | 1 | 1 | 0 | 0 | 0 |
| 487,22 | Accrued internal and external interest on Cash-pool-K&H bank | 0 | 0 | 0 | 0 | 18 | 18 |
| 487,3 | Late payment interest, penalty and damages receivable in the reporting period | 0 | 0 | 0 | 0 | 36 | 36 |
| 488 | Accrued bonuses and contributions | 0 | 585 | 585 | 0 | 1 | 1 |
| Accrued expenses | | 0 | 2 551 | 2 551 | 0 | 1 437 | 1 437 |
| 481,11 | Fixed assets received free of charge and as gifts | 597 | 175 | 772 | 424 | 174 | 598 |
| 481,21 | Surplus of fixed assets | 588 | 10 | 598 | 611 | 16 | 627 |
| 481,3112 | Other cash received from the government | 7 053 | 294 | 7 347 | 6 895 | 195 | 7 090 |
| 481,3113 | Phare aid for development | 1 108 | 64 | 1 172 | 1 072 | 50 | 1 122 |
| 481,3114 | EU funds and funds from government schemes | 1 856 | 38 | 1 894 | 1 788 | 69 | 1 857 |
| 481,312 | Amounts received from local government and from businesses free of charge | 256 | 14 | 270 | 246 | 12 | 258 |
| 481,4 | Debts arising from asset acquisitions assumed by the government | 5 454 | 867 | 6 321 | 4 678 | 821 | 5 499 |
| Deferred extraordinary revenues and subsidies | | 16 912 | 1 462 | 18 374 | 15 714 | 1 337 | 17 051 |
| Total | | 27 424 | 4 619 | 32 043 | 26 018 | 4 523 | 30 541 |

Schedule 45: Accrued expenses and deferred income

I.8 Notes to the profit and loss account

I.8.1 Comparability

The government took over some of MÁV Zrt's operating loans taken out in 2005 and in 2006. The compensation of regional passenger transport costs that was due to MÁV Zrt. based on its passenger transport public service contracts for 2009 and 2010 was transferred by MÁV Start Zrt. in one sum in November 2011. The compensation for 2011 was transferred in July 2012.

As one-off settlements have a material impact on the profit or loss, their impact is presented in the financial statements separately as well.

In 2012, we reviewed the rolling stock lease agreement signed with MÁV-START Zrt. on 20 June 2007 and the related calculations were changed. The most significant change was in the

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



calculation of refinancing interest on the passenger trains leased to MÁV-START Zrt. and held in MÁV Zrt's book.

As a result of the re-calculation of the lease fee for 2011 and for 2012, unpaid leases of HUF 1,064 million and HUF 758 million, respectively were established for 2011 and for 2012. Accordingly, we issued correcting invoices for both periods which improved the profit or loss for the reporting year.

I.8.2 Sales, net

I.8.2.1 Net sales per activity

Net sales are presented as follows:

figures in MHUF

| Operations | Sales, net | | |
|---|-------------------|----------------|---------------|
| | 2011 | 2012 | Change |
| Railtrack management | 139 890 | 133 500 | -6 390 |
| Of which: Transport service lines and transport | 41 833 | 39 846 | -1 987 |
| Traction energy and fuel supply | 36 179 | 36 531 | 352 |
| Station use | 42 252 | 38 741 | -3 511 |
| Upper cables | 3 827 | 3 737 | -90 |
| Cargo car towing, arrangement* | 9 632 | 6 137 | -3 495 |
| Other railtrack management | 6 167 | 8 508 | 2 341 |
| Passenger transport | 105 | 117 | 12 |
| Other activities | 33 163 | 33 696 | 533 |
| Of which: Selling materials, inventory management | 6 223 | 6 303 | 80 |
| Railcar lease | 10 009 | 11 887 | 1 878 |
| Property lease/rent and management | 10 336 | 9 295 | -1 041 |
| Other services (central services etc.) | 6 595 | 6 211 | -384 |
| Total: | 173 158 | 167 313 | -5 845 |

* In 2011 sales revenues of HUF 5,561 million from making traction staff available are reflected within other categories

Schedule 46: Net sales per main activity

As a result of the new tariffs valid as of 11 December 2011, access charges changed significantly in some of the main revenue segments (e.g. traction staff, traction vehicle availability, filling station availability). Besides, the types and substance of the services provided also changes, although to a lesser extent. The railway lines assigned to GySEV and the cuts in train services both contributed to declining sales revenues. As a result, the overall volume of revenues dropped especially revenues earned from MÁV START Zrt. and Rail Cargo Hungary Zrt. from station use, traffic control and traction services.

From 2012 onwards, traction electricity is settled with the line owners directly by the Railtrack Division rather through MÁV-TRAKCIÓ Zrt. The largest customer is MÁV Start Zrt. Specific electricity fees increased by 12% on the previous year (2011: 22.9 HUF/kWh, actual average: 25.7 HUF/kWh). Despite a slight drop in traction fuel used, the specific traction fuel charge increased by 6.5% on the previous year (2011: 306 HUF/l, actual average: 326 HUF/l).

Invoiced revenues from the previously outsourced catenary wire maintenance and planning services, which were resumed in 2012, also contributed to the increase in revenues from other railtrack operations.

THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS



MÁV Hungarian State Railways Company Private Company by Shares

In 2012, railtrack operation revenues were recognised from three railway companies: MÁV START Zrt. (HUF 87,262 million), MÁV-TRAKCIÓ Zrt. (HUF 17,367 million) and Rail Cargo Hungary Zrt. (HUF 17,756 million).

Lease revenues from Flirt motor coaches leased out to MÁV START Zrt. increased by HUF 1,867 million as a result of the aforesaid review of the underlying leasing agreement.

Revenues from property management and from property letting to third parties and to MÁV-GÉPÉSZET Zrt. fell compared to 2011. Property rental and management revenues in 2012 included: HUF 3,850 million from third parties; HUF 2,260 million from MÁV-GÉPÉSZET Zrt. and HUF 1,519 million from MÁV Start Zrt.

The most significant components of revenues from other central operations included, in both 2011 and 2012, human services, training, accounting services and consignment security and railcar maintenance services.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



I.8.2.2 Export and import

Exports and imports by country are presented below:

figures in MHUF

| Country | 2011 | | | | | 2012 | | | | |
|----------------------|-----------------|--------------|-----------------|-----------------|--------------|-----------------|--------------|-----------------|-----------------|--------------|
| | Export services | Total export | Import products | Import services | Import total | Export services | Total export | Import products | Import services | Import total |
| Germany | 0 | 0 | 145 | 12 | 157 | 1 | 1 | 372 | 0 | 372 |
| Austria | 124 | 124 | 0 | 21 | 21 | 638 | 638 | 66 | 18 | 84 |
| Italy | 0 | 0 | 0 | 7 | 7 | 1 | 1 | 0 | 0 | 0 |
| Slovakia | 441 | 441 | 0 | 2 | 2 | 690 | 690 | 0 | 1 | 1 |
| Czech Republic | 0 | 0 | 820 | 0 | 820 | 0 | 0 | 1 016 | 0 | 1 016 |
| Slovenia | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Poland | 0 | 0 | 118 | 0 | 118 | 0 | 0 | 0 | 0 | 0 |
| France | 0 | 0 | 50 | 61 | 111 | 5 | 5 | 8 | 32 | 40 |
| UK | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| Sweden | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Belgium | 0 | 0 | 0 | 16 | 16 | 6 | 6 | 0 | 18 | 18 |
| The Netherlands | 0 | 0 | 0 | 9 | 9 | 0 | 0 | 0 | 10 | 10 |
| Romania | 0 | 0 | 0 | 1 | 1 | 6 | 6 | 0 | 1 | 1 |
| Total EU: | 565 | 565 | 1 133 | 129 | 1 262 | 1 347 | 1 347 | 1 462 | 82 | 1 544 |
| Croatia | 0 | 0 | 0 | 5 | 5 | 0 | 0 | 0 | 0 | 0 |
| Serbia | 0 | 0 | 0 | 0 | 0 | -11 | -11 | 0 | 0 | 0 |
| Ukraine | 0 | 0 | 0 | 4 | 4 | 0 | 0 | 0 | 9 | 9 |
| Switzerland | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| USA | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 0 |
| Russia | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 2 | 2 |
| Total Non-EU: | 0 | 0 | 0 | 13 | 13 | -11 | -11 | 0 | 11 | 11 |
| Grand total: | 565 | 565 | 1 133 | 142 | 1 275 | 1 336 | 1 336 | 1 462 | 93 | 1 555 |

Schedule 47: Export and import

Imports totalling HUF 1,016 million included “48-system” steel tracks purchased mainly from Moravia Steel, Czech Republic. Exported services of HUF 638 million and HUF 690 million include railtrack usage and related traction electricity, respectively.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

I.8.3 Costs by type

MÁV Zrt's costs in 2012 were as follows:

figures in MHUF

| Item | 2011 | | 2012 | |
|------------------------|----------------|---------------|----------------|---------------|
| | Amount | % | Amount | % |
| Material-type expenses | 105 537 | 49,12 | 106 819 | 49,20 |
| Payments to personnel | 74 896 | 34,86 | 76 866 | 35,41 |
| Depreciation charge | 34 421 | 16,02 | 33 409 | 15,39 |
| Total: | 214 854 | 100,00 | 217 094 | 100,00 |

Schedule 48: Movements in costs and expenses

Both the amount and the percentage of material-type expenses increased as the increase in costs (such as re-sold and used electricity, property management and maintenance and traction costs) exceeded the reduction in railtrack maintenance costs. Payments to personnel increased mainly due to salary increases, the resumption of previously outsourced railtrack activities and to the incentive scheme of MÁV Zrt. employees. The decrease in depreciation charge was due to the life of the leased out wagons and the write-off of IT assets.

I.8.3.1 Material-type expenses

Material-type expenditures increased by 1.21% on the previous year due to the following:

- Railtrack maintenance services decreased by 32.38 % as the previously outsourced catenary wire maintenance services were taken back.
- At the same time, the cost of re-sold and used electricity, property management and maintenance, as well as traction and shunting costs increased in excess of the above decrease.

The most significant material-type expenses in 2012 were: re-sold traction electricity (10.16%), traction fuel (7.02%), railtrack maintenance, property management and maintenance services used (5.09 – 5.04%).

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



The movements in material-type expenditures are set out below:

figures in MHUF

| Item | amount 2011 | amount 2012 | change | Index (%) | Compared to total costs in 2012 (%) |
|--|----------------|----------------|----------------|---------------|--|
| Electricity | 2 949 | 3 746 | 797 | 127,03 | 1,73 |
| Gas | 2 321 | 2 829 | 508 | 121,89 | 1,30 |
| Water and sewage | 637 | 496 | -141 | 77,86 | 0,23 |
| Fuel | 1 472 | 1 567 | 95 | 106,45 | 0,72 |
| Railtrack materials | 2 632 | 3 143 | 511 | 119,41 | 1,45 |
| Clothes | 592 | 462 | -130 | 78,04 | 0,21 |
| Other materials | 1 334 | 1 632 | 298 | 122,34 | 0,75 |
| Material costs | 11 937 | 13 875 | 1 938 | 116,24 | 6,39 |
| Track maintenance | 16 327 | 11 040 | -5 287 | 67,62 | 5,09 |
| Traction, shunting | 4 458 | 5 225 | 767 | 117,21 | 2,41 |
| Catenary cable usage charge | 2 262 | 1 744 | -518 | 77,10 | 0,80 |
| Track metering, cleaning, welding | 1 826 | 2 334 | 508 | 127,82 | 1,08 |
| Leased wagons and cars | 543 | 1 401 | 858 | 258,01 | 0,65 |
| Other railway services (wagon maintenance, cleaning, emergency service, ticket control etc.) | 604 | 722 | 118 | 119,54 | 0,33 |
| Building operations and maintenance | 9 701 | 10 934 | 1 233 | 112,71 | 5,04 |
| Public utilities (not consumption dependent) | 1 799 | 987 | -812 | 0,00 | 0,45 |
| Property rental | 1 486 | 1 535 | 49 | 103,30 | 0,71 |
| Property utilisation services | 802 | 801 | -1 | 99,88 | 0,37 |
| IT services | 3 244 | 3 093 | -151 | 95,35 | 1,42 |
| Security service | 1 565 | 1 819 | 254 | 116,23 | 0,84 |
| Post and phone | 660 | 716 | 56 | 108,48 | 0,33 |
| Training, health care and other human actvts. | 74 | 43 | -31 | 58,11 | 0,02 |
| Specialist tender charges | 110 | 104 | -6 | 94,55 | 0,05 |
| Legal services | 180 | 66 | -114 | 36,67 | 0,03 |
| Other material-type services | 3 447 | 3 346 | -101 | 97,07 | 1,54 |
| Services used | 49 088 | 45 910 | -3 178 | 93,53 | 21,15 |
| Duties and charges | 668 | 744 | 76 | 111,38 | 0,34 |
| Bank costs | 190 | 114 | -76 | 60,00 | 0,05 |
| Insurance | 246 | 217 | -29 | 88,21 | 0,10 |
| Other services | 1 104 | 1 075 | -29 | 97,37 | 0,50 |
| Cost of sold traction gasoline | 15 398 | 15 250 | -148 | 99,04 | 7,02 |
| Traction energy sold (not consumption depende | 1 111 | 22 067 | 20 956 | 0,00 | 10,16 |
| Cost of other goods sold | 5 100 | 6 192 | 1 092 | 121,41 | 2,85 |
| COGS | 21 609 | 43 509 | 21 900 | 201,35 | 20,04 |
| Traction energy sold | 18 855 | 0 | -18 855 | 0,00 | 0,00 |
| Other consignment services | 2 944 | 2 450 | -494 | 83,22 | 1,13 |
| Consignment services | 21 799 | 2 450 | -19 349 | 11,24 | 1,13 |
| Total material-type expenditures | 105 537 | 106 819 | 1 282 | 101,21 | 49,20 |

Schedule 49: Material-type expenses

In 2012, those public utility costs (electricity, gas and water) that are not related to consumption were posted back from services to material costs. Electricity costs increased as the unit price of other electricity grew by 6.1 HUF/kWh and traction electricity rose by 2.7 HUF/kWh. Of railtrack materials, the cost of materials used for railtrack maintenance and renewals increased by HUF 511 million in total.

Of electricity costs in 2012, HUF 2,056 million incurred in relation to railtrack operations (lighting, switch heating, bar lights and other safety equipment, transformers) and HUF 1,690 million related to electricity used in buildings. Gas costs incurred mostly in relation to use in buildings.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

The increase in services used was due partly to an increase in not consumption-related public utility costs and mainly to railtrack maintenance services (resumed catenary wire management services) (In 2011, VASÚTVILL. Kft. billed HUF 3,402 million for catenary wire maintenance.) as well as to the merger of the railway construction companies, which resulted in a HUF -5,287 million decrease in services used. Other movements included a HUF -518 million drop in catenary wire use charge; a HUF 1,233 million increase in property management and maintenance; car rental revenues of HUF 858 million; and an increase traction and shunting (HUF 767 million). The favourable change in catenary wire usage charge was due to a change in the service company and a reduced service scope as well as to costs re-charged to GySEV in relation to the assignment of the railway lines. The cleaning cost and other overhead of passenger areas, and the costs of reception and control buildings and other buildings increased in 2012 compared to 2011. The retrospective discount received for 2011 with respect to overserved vehicles contributed to an increase in car and other road vehicle rents as a result of a fleet change. Revenues from traction related network access charges dropped as a result of tariff changes, but traction costs invoiced by MÁV-Trakció Zrt. increased as the volume of services used and re-sold by MÁV Zrt. in 2012 increased by 2.1%.

The three key components of material-type expenses in 2012 were: track maintenance (HUF 11,040 million), property management and maintenance (HUF 10,934 million), and traction and shunting (HUF 5,225 million). Other components were: IT services (HUF 3,093 million), railtrack cleaning, metering and welding by third party contractors (HUF 2,334 million), catenary wire usage charge (HUF 1,744 million), security services used (HUF 1,819 million) and property rents paid (HUF 1,535 million).

Other services in 2012 included HUF 646 million payable to VPE Kft. further to government decree 269/2009.(XII.1.).

Cost of goods sold (COGS) increased by HUF 21,900 million due to the following:

- Re-sold traction electricity costs were reclassified in 2012 to cost of goods sold thereby resulting in an increased of HUF 20,956 million.
- As the MÁV group companies used more materials through MÁV Zrt. for their operations (including railtrack work), the cost of goods sold increased by HUF 413 million accordingly. The consumption-related cost of other electricity and water sold was reclassified from consignment services to cost of goods sold in 2012.

Consignment services decreased by HUF 19,349 million in 2012 compared to 2011, primarily due to changes in the settlement of consignment electricity costs.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



I.8.3.2 Payments to personnel

figures in MHUF

| Item | amount 2011 | amount 2012 | change | Index (%) | Compared to total costs (%) |
|--------------------------|----------------|----------------|--------------|---------------|-----------------------------------|
| Payroll | 50 948 | 52 419 | 1 471 | 102,89 | 24,15 |
| Social security | 8 241 | 7 778 | -463 | 94,38 | 3,58 |
| Other payments personnel | 15 707 | 16 669 | 962 | 106,12 | 7,68 |
| Total | 74 896 | 76 866 | 1 970 | 102,63 | 35,41 |

Schedule 50: Payments to personnel

The increase in payroll costs and related contributions was due to a salary increase effected in order to maintain the nominal level of staff earnings, to an increase in the number of staff as a result of the resumed previously outsourced activities and to the payment of the HUF 1.1 billion subsidy received from government based on government decision No. 1447/2011.(XII.21.) for an incentive programme of MÁV Zrt. employees in 2012 (by HUF 603 million more than paid in 2011). This increase was reduced by the number of leavers (less the impact of the resumed outsourced activities) and differences in the settlement of bonuses: the full amount was recorded in 2011 while only the amount involved in the final bonus settlement related to 2011 was recorded in 2012. As of 2012, a provision is made for bonuses.

The main changes in payroll costs in 2012 compared to 2011 were as follows:

- early retirement decreased by HUF 223 million in 2012 (as early retirement was discontinued),
- employment termination benefits (severance pay, social aid to retirement incentive programme participants) dropped by HUF 114 million,
- The holiday voucher system was discontinued as of 31 December 2011, therefore this benefit can no longer be provided to MÁV Zrt. pensioners (HUF -98 million).

I.8.3.3 Depreciation charge

figures in MHUF

| Item | amount 2011 | amount 2012 | change | Index (%) | Compared to total costs (%) |
|----------------------------|----------------|----------------|---------------|--------------|-----------------------------------|
| Treasury assets | 23 017 | 22 886 | -131 | 99,43 | 10,54 |
| MÁV Zrt's assets | 11 404 | 10 523 | -881 | 92,27 | 4,85 |
| Depreciation, total | 34 421 | 33 409 | -1 012 | 97,06 | 15,39 |

Schedule 51: Depreciation

Assets owned by MÁV Zrt. were the most affected by the decrease in depreciation as follows: HUF 309 million relating to leased out railcars, HUF 127 million to centrally managed IT assets, HUF 62 million to the continuous depreciation of storage and warehouse assets, and HUF 74 million was due to the write-off of the GIR system in 2011.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

I.8.4 Other revenues

Other revenues of HUF 82,199 million recognised in 2012 represent a HUF 48,388 million increase on 2011.

The differences between the two periods are presented below:

figures in MHUF

| Item | Amount 2011 | Amount 2012 | Change | Index (%) |
|--|----------------|----------------|---------------|---------------|
| Fixed asset disposals | 670 | 856 | 186 | 127,76 |
| Of which: MÁV Zrt's own fixed assets sold | 612 | 839 | 227 | 137,09 |
| Reversed impairment losses (inventories and debtors) | 829 | 1 007 | 178 | 121,47 |
| Profit increasing items | 2 255 | 2 142 | -113 | 94,99 |
| of which: Damages received | 1 086 | 252 | -834 | 23,20 |
| Other late payment penalties received | 803 | 1 815 | 1 012 | 226,03 |
| Damages received for MÁV properties | 311 | 25 | -286 | 8,04 |
| Penalties received | 22 | 72 | 50 | 327,27 |
| Use of provisions | 4 867 | 9 987 | 5 120 | 205,20 |
| Of which: for expected liabilities | 4 371 | 5 089 | 718 | 116,43 |
| use of provision for unrealised FX losses. | 0 | 4 430 | 4 430 | 0,00 |
| for future expenses | 496 | 468 | -28 | 94,35 |
| Miscellaneous other income | 894 | 83 | -811 | 9,28 |
| Reversed deferred income due to costs and expenses reducing the operating profit* | 1 891 | 1 367 | -524 | 72,29 |
| Of which: reversed deferred subsidy | 681 | 294 | -387 | 43,17 |
| reversed deferred PHARE aid | 223 | 190 | -33 | 85,20 |
| reversed debt owed to government, forgiven | 909 | 821 | -88 | 90,32 |
| Non-refundable subsidies | 22 402 | 66 756 | 44 354 | 297,99 |
| of which: for public services (railtrack operations) | 21 050 | 65 578 | 44 528 | 311,53 |
| for public services (regional pass transport) | 854 | 72 | -782 | 8,43 |
| Subsidised incentive scheme for MÁV Zrt. Employees | 497 | 1 101 | 604 | 221,53 |
| Other revenues | 3 | 1 | -2 | 33,33 |
| of which: tax refunds related to previous years | 0 | 0 | 0 | 0,00 |
| Total: | 33 811 | 82 199 | 48 388 | 243,11 |

Schedule 52: Other revenues

Major differences between the two periods:

- Refunded restoration costs received by MÁV Zrt. after acts of force majeure (floods, heavy rainfall, storm and sludge disaster) primarily from insurers totalled HUF 710 million in 2011; damages received for damages in engines and railcars dropped by HUF 125 million.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



- Late payments interest received from MÁV START Zrt. in 2012 increased by HUF 808 million and the late payment interest charged on railtrack maintenance companies also increased.
- Damages received from MNV Zrt. in 2011 totalled HUF 240 million with respect to the transfer to a third party of land usage rights under MÁV Zrt's management. This event is behind most of the decrease in property related damages received in 2012.
- Further to decision VII-B-003/474-4/2012 of the Fejér County Government Agency, a number of NIF (national infrastructure supervision) invoices related to 2010 were credited totalling HUF 100 million. Hence the HUF 97 million decrease in access right revenues in 2012.
- Based on an agreement with EGUT Egri Útépítő Zrt. signed in 2012, warranty liability of HUF 54 million was redeemed.
- Provisions used increased by HUF 718 million on the previous year according to the following:

figures in MHUF

| Provisions for liabilities | Used in 2011 | Used in 2012 | Change |
|--|---------------------|---------------------|---------------|
| Staff, early retirement, severance pay | 1 832 | 1 064 | -768 |
| Environmental liability | 739 | 271 | -468 |
| Related to subsidiaries | 0 | 26 | 26 |
| Litigations | 756 | 2 676 | 1 920 |
| Welfare building maintenance | 116 | 30 | -86 |
| Damages | 64 | 17 | -47 |
| Due to freak weather in 2010 | 419 | 114 | -305 |
| Red sludge disaster in the Ajka area | 5 | 11 | 6 |
| Working clothes, uniforms | 440 | 255 | -185 |
| Late payment interest | 0 | 125 | 125 |
| Penalty | 0 | 500 | 500 |
| Total: | 4 371 | 5 089 | 718 |

Schedule 53: Provisions for contingent liabilities

- HUF 4,430 million of provision made for unrealised FX losses was released in 2012.
- Government grants received to compensate for costs increased three times with respect to railtrack operations (HUF +44,528 million) and two times for employee incentive programmes (HUF +604 million). The government subsidy for railtrack operations was HUF 21,050 million in 2011. According to the subsidy clause of the railtrack operations agreement for 2012, HUF 41,882 million was due for 2012. As a result of an amendment to the subsidy clause during the year, and together with HUF 25,059 million extraordinary subsidy, the Company received a total subsidy of HUF 66,941 million for 2012. Of this annual subsidy, HUF 1,363 million was accrued for 2013 during the year-end close of 2012 as MÁV Zrt. had applied for a permit to use the amount received in 2012 by the Company. The request was justified by the fact that the HUF 65.62 billion subsidy approved for 2013 is not sufficient to cover the costs of railtrack operations as a public service. Indeed, the business plan approved by the Company's owner projected a HUF 9 billion shortage in funds for infrastructure operations.
- Further to section 3 of government decision No. 1440/2012.(X.11.) on the incentive scheme of MÁV rail workers, as amended with government decision No. 1550/2012 (XII.6.), MÁV

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

Zrt, MÁV Start Zrt., MÁV-Trakció Zrt., MÁV Gépészet Zrt. and Gysev Zrt. all received subsidy for 2012 double the subsidy they received in 2011.

- MÁV Zrt. received from MÁV START Zrt. the approved compensation of HUF 854 million for 2009 and 2010 only in 2011. The compensation of HUF 72 million for 2011 was received in 2012. The compensation relating to the first eight months of 2012 will be transferred by MÁV Start Zrt. to MÁV Zrt. in 2013, once the public service report for 2012 is approved.

I.8.5 Other expenses

Other expenses totalled HUF 33,376 million in 2012 (a HUF 9,929 million increase on 2011).

Reasons for the change:

In relation to MÁV Zrt's envisaged restructuring, significant items were recognised in 2012 further to a decision of MNV. Some of MÁV Zrt's valuable plots of land totalling HUF 1,144 million had to be derecognised as shortage due to differences between MÁV Zrt's records and the official property register. Additional impairment loss of HUF 645 million was recognised because of the related incorrect contribution in kind value. In addition, treasury assets related to capital projects were scrapped by HUF 794 million more than in 2011 and by HUF 3,099 million more extraordinary depreciation was recognised on treasury assets no longer in use against MÁV Zrt's profit or loss.

There were only immaterial changes to damages paid in 2012: HUF 747 million for force majeure, HUF 512 million for railway accidents, HUF 341 million for environmental damage and HUF 539 million included annuities for accidents, cost refunds and other damages.

In 2012, penalties paid to the Fair Competition Office (GVH) totalled HUF 100 million for our formerly outsourced cargo shipping operations and late payment interest totalling HUF 293 million was paid to MÁV FKG Kft.

The decrease in sundry other expenses was due to the rehauled public work system, as a result of which the financial support paid by MÁV Zrt. in 2012 to municipalities decreased by HUF 130 million compared to 2011.

Provision expense increased by HUF 3,067 million on 2011 as the underlying liabilities were determined in 2012 based on the nominal values of the benefits. As a result, we provisions for benefits increased by HUF 3,853 million as set out in section I.7.4. in detail. In connection with our efficiency improving efforts, provisions made for employment termination benefits increased by HUF 979 million and the provision made for the depreciation of assets not received from NIF Zrt. increased by 1,738 million. However, the provision made for FX losses on development loans fell by HUF 3,946 million and a provision of HUF 500 million made for the contingent penalty from competition proceedings by the Fair Competition Office was expensed.

Unlike in the previous years, MÁV Zrt. incurred HUF 809 million property tax in 2012 with respect to non-public services.

Changes between the two periods are set out below:

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



figures in MHUF

| Item | Amount 2011 | Amount 2012 | Change | Index (%) |
|--|----------------|----------------|--------------|-----------------|
| <i>Disposals, scrapped and missing assets</i> | 2 927 | 8 750 | 5 823 | 298,94 |
| of which: Costs of disposed of tangibles, projects and intangibles | 207 | 474 | 267 | 228,99 |
| Expenses of scrapped treasury tangible assets, constructions and intangible assets | 1 043 | 1 764 | 721 | 169,13 |
| Costs of scrapped tangibles, projects and intangibles | 137 | 265 | 128 | 193,43 |
| Net value of missing fixed assets | 551 | 1 260 | 709 | 228,68 |
| Impairment loss on treasury assets, projects and intangibles | 797 | 4 051 | 3 254 | 508,28 |
| Impairment loss of own tangibles, projects and intangibles | 133 | 910 | 777 | 684,21 |
| <i>Impairment of inventories and receivables, inventory shortage, scrapping</i> | 871 | 639 | -232 | 73,36 |
| Of which: Impairment of inventories | 154 | 7 | -147 | 4,55 |
| Impairment of receivables | 708 | 617 | -91 | 87,15 |
| <i>Profit reducing items</i> | 4 458 | 4 666 | 208 | 104,67 |
| Of which: Bad debts written off | 61 | 6 | -55 | 9,84 |
| Losses on damages | 2 589 | 2 682 | 93 | 103,59 |
| Penalties | 14 | 134 | 120 | 957,14 |
| Late payment penalty | 288 | 544 | 256 | 188,89 |
| Damages paid | 486 | 398 | -88 | 81,89 |
| Tax identified by self-correction | 22 | 16 | -6 | 72,73 |
| Various other expenses | 951 | 814 | -137 | 85,59 |
| <i>Provisions</i> | 14 942 | 18 009 | 3 067 | 120,53 |
| Of which: for early retirement, severance pay | 1 323 | 2 302 | 979 | 174,00 |
| for environmental obligations | 42 | 340 | 298 | 809,52 |
| for litigations | 477 | 416 | -61 | 87,21 |
| for damage claims | 32 | 93 | 61 | 290,63 |
| due to extreme weather conditions in 2010 | 50 | 0 | -50 | 0,00 |
| for working clothes and uniforms | 402 | 304 | -98 | 75,62 |
| for annuity payment obligations | 1 189 | 5 042 | 3 853 | 424,05 |
| for late payment penalties | 125 | 48 | -77 | 38,40 |
| for penalties | 500 | 84 | -416 | 16,80 |
| for bonus liability | 0 | 658 | 658 | 0,00 |
| for unrealised FX losses on development loans | 4 223 | 277 | -3 946 | 6,56 |
| for the depreciation of assets not contributed by NIF | 6 579 | 8 317 | 1 738 | 126,42 |
| <i>BV of debtors sold</i> | 0 | 0 | 0 | - |
| <i>Taxes, duties and VAT</i> | 18 | 986 | 968 | 5 477,78 |
| Building and land tax | 0 | 809 | 809 | - |
| <i>Contributions to government funds</i> | 231 | 326 | 95 | 141,13 |
| Innovation contribution | 226 | 322 | 96 | 142,48 |
| Total: | 23 447 | 33 376 | 9 929 | 142,35 |

Schedule 54: Other expenses

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

I.8.6 Financial and extraordinary profit or loss

I.8.6.1 Financial income

Financial revenues totalled HUF 4,360 million in 2012 – a HUF 1,750 million increase on the previous year. The differences between the two periods are presented below:

figures in MHUF

| Item | Amount 2011 | Amount 2012 | Change | Index (%) |
|--|----------------|----------------|--------------|---------------|
| <i>Dividends, profit sharing received</i> | <i>1 577</i> | <i>1 092</i> | <i>-485</i> | <i>69,25</i> |
| <i>Gain on the disposal of marketable investments</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0,00</i> |
| <i>Gain on investments and long-term financial assets</i> | <i>0</i> | <i>0</i> | <i>0</i> | <i>0,00</i> |
| <i>Interest received and similar income</i> | <i>800</i> | <i>1 007</i> | <i>207</i> | <i>125,88</i> |
| Of which: bank interest | 627 | 869 | 242 | 138,60 |
| interest from third parties | 91 | 0 | -91 | 0,00 |
| <i>Other financial revenues</i> | <i>233</i> | <i>2 261</i> | <i>2 028</i> | <i>970,39</i> |
| Of which: realised FX gain on FX balances | 231 | 1 730 | 1 499 | 748,92 |
| FX gain on the year-end revaluation of receivables and liabilities | 0 | 531 | 531 | - |
| Total: | 2 610 | 4 360 | 1 750 | 167,05 |

Schedule 55: Financial income

Dividends received: Dividends received from the MÁV companies decreased in 2012 by HUF 485 million compared to 2011 further to a decision of the owner. Significant dividends received in 2012 included: VAMAV Kft. HUF 470 million, MÁV Informatika Zrt. HUF 249 million and MÁV KfV Kft. HUF 150 million.

Interest received and similar income:

- Bank interest received increased by HUF 242 million as part of the cash inflows from the bonds issued in 2011 (HUF 35 billion) were deposited.
- Interest on member's loans received was recognised only in 2011.
- Other financial revenues included: revenues from development and similar loans for our leased out trains (HUF 1,487 million); FX gains of HUF 531 million on the year-end revaluation of a receivables and payables.

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



I.8.6.2 Financial expenses

Financial expenses totalled HUF 13,626 million in 2012 – a HUF 1,799 million increase on 2011.

Changes between the two periods are set out below:

| Item | figures in MHUF | | | |
|--|-----------------|---------------|--------------|---------------|
| | Amount 2011 | Amount 2012 | Change | Index (%) |
| <i>FX losses on interest paid and on long-term financial assets</i> | 10 706 | 10 168 | -538 | 94,97 |
| Of which: bank interest | 9 227 | 6 202 | -3 025 | 67,22 |
| interest on bonds | 1 167 | 3 437 | 2 270 | 295 |
| interest paid to third parties | 295 | 496 | 201 | 168,14 |
| <i>Impairment loss on shares, securities and bank deposits</i> | 0 | -681 | -681 | - |
| <i>Other financial expenditures</i> | 1 121 | 4 139 | 3 018 | 369,22 |
| Of which: realised FX loss on FX receivables and payables | 1 121 | 4 137 | 3 016 | 369,05 |
| Total: | 11 827 | 13 626 | 1 799 | 115,21 |

Schedule 56: Financial expenses

Bank interest paid fell by HUF 3,025 in 2011 predominantly as a result of the debts assumed by the government. However, the positive effect of this was somewhat set off by a HUF 2,270 million increase in interest expense incurred on bonds in 2012.

The realised FX loss on the repayment of FX development loans in 2012 totalled HUF 4,121 million.

I.8.6.3 Extraordinary revenues

Extraordinary revenues totalled HUF 51,501 million in 2011, of which HUF 50,621 million reflects debts assumed by the government. Less this extraordinary item, extraordinary revenues fell by HUF 748 million on 2011.

The changes between the two periods are set out below:

| Item | figures in MHUF | | | |
|--|-----------------|-------------|----------------|--------------|
| | Amount 2011 | Amount 2012 | Change | Index (%) |
| <i>Revenues from assets received free of charge and from surplus assets</i> | 21 | 16 | -5 | 76,19 |
| <i>Gains on contributed assets</i> | 419 | 31 | -388 | 7,40 |
| Of which: Contracted value of tangibles contributed to the Company | 389 | 0 | -389 | - |
| Assets received for shares | 30 | 31 | 1 | 103,33 |
| <i>Other extraordinary revenues</i> | 51 061 | 85 | -50 976 | |
| Of which: Subsidies used | 392 | 0 | -392 | - |
| Forgiven and lapsed liabilities | 48 | 83 | 35 | 172,92 |
| Debts assumed by government | 50 621 | 0 | -50 621 | - |
| Total: | 51 501 | 132 | -51 369 | 0,26 |
| Total net of restructured loans | 880 | 132 | -748 | 15,00 |

Schedule 57: Extraordinary revenues

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

I.8.6.4 Extraordinary expenditures

Extraordinary expenditures totalled HUF 238 million in 2012, which is a HUF 639 million decrease on the previous year. The changes between the two periods are set out below:

figures in MHUF

| Item | Amount 2011 | Amount 2012 | Change | Index (%) |
|---|----------------|----------------|-------------|--------------|
| <i>Expenditures on asset received free of charge and surplus assets</i> | 232 | 144 | -88 | 62,07 |
| <i>Losses on contributed assets</i> | 582 | 0 | -582 | - |
| Of which: Net tangibles contributed to the Company | 552 | 0 | -552 | - |
| Shares written off due to capital reduction and liquidation | 30 | 0 | -30 | - |
| <i>Other extraordinary expenditures</i> | 63 | 94 | 31 | 149,21 |
| Of which: Non-refundable employee housing grant | 19 | 11 | -8 | 57,89 |
| Forgiven debts (domestic) | 40 | 83 | 43 | - |
| Total: | 877 | 238 | -639 | 27,14 |

Schedule 58: Extraordinary expenditures

The book value of dynamometer cars contributed to MÁV KfV Kft. in 2011 was HUF 552 million. Extraordinary expenses in 2012 included the free of charge contribution of on-board deck radio equipment worth HUF 88 million to MÁV-Trakció Zrt. and late payment interest of HUF 77 million forgiven to MÁV Start Zrt.

I.8.7 Related party revenues and expenses

figures in MHUF

| Item | Parent | Fully consolidated | Equity consolidated | Associate | Total related parties | Grand total | % of relation |
|----------------------------|----------|--------------------|---------------------|--------------|-----------------------|----------------|---------------|
| Revenues | | | | | | | |
| Sales, net | | 134 320 | 703 | 343 | 135 366 | 167 313 | 80,91 |
| Other income | | 2 135 | 2 | 1 | 2 138 | 82 199 | 2,60 |
| Financial income | | 597 | 5 | 601 | 1 203 | 4 360 | 27,59 |
| Extraordinary revenues | | 47 | 0 | 0 | 47 | 132 | 35,61 |
| Revenues, total | 0 | 137 099 | 710 | 945 | 138 754 | 254 004 | 54,63 |
| Expenses | | | | | | | |
| Material-type expenses | | 66 720 | 2 886 | 1 439 | 71 045 | 106 819 | 66,51 |
| Other expenses | | 1 017 | 2 | 28 | 1 047 | 33 376 | 3,14 |
| Financial expenses | | -654 | 0 | 7 | -647 | 13 626 | -4,75 |
| Extraordinary expenditures | | 166 | 0 | 0 | 166 | 238 | 69,75 |
| Expenses, total | 0 | 67 249 | 2 888 | 1 474 | 71 611 | 154 059 | 46,48 |

Schedule 59: Related party revenues (less restructured debt) and expenses

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



MÁV Zrt's related party transactions:

- 54.63% of revenues (MÁV START Zrt: 41.60%, MÁV-TRAKCIÓ Zrt: 7.57%)
- 46.48% of specified expenses (MÁV-TRAKCIÓ Zrt: 12.94%, MÁV START Zrt: 11.03%, MÁV FKG Kft: 7.6%).

1.8.8 Profit and loss account based on the turnover cost method

Further to the Company's accounting policies, a profit and loss account has been prepared both under the total cost and the turnover cost methods. The latter is presented below:

figures in MHUF

| line | Item | 2011 | 2012 | Change | Index (%) |
|-------------|---|----------------|----------------|----------------|-----------------|
| 01. | Domestics sales, net | 172 593 | 165 977 | -6 616 | 96,17 |
| 02. | Export sales, net | 565 | 1 336 | 771 | - |
| <i>I.</i> | <i>Sales, net</i> | <i>173 158</i> | <i>167 313</i> | <i>-5 845</i> | <i>96,62</i> |
| 03. | Direct cost of sales | 130 021 | 130 247 | 226 | 100,17 |
| 04. | COGS | 21 609 | 43 509 | 21 900 | 201,35 |
| 05. | Cost of services sold | 21 799 | 2 450 | -19 349 | 11,24 |
| <i>II.</i> | <i>Direct costs of sales</i> | <i>173 429</i> | <i>176 206</i> | <i>2 777</i> | <i>101,60</i> |
| <i>III.</i> | <i>Gross profit on sales (I-II.)</i> | <i>-271</i> | <i>-8 893</i> | <i>-8 622</i> | <i>3281,55</i> |
| 06. | Selling costs | 4 | 5 | 1 | 125,00 |
| 07. | Administrative costs | 16 082 | 15 312 | -770 | 95,21 |
| 08. | Other general costs | 22 516 | 21 745 | -771 | 96,58 |
| <i>IV.</i> | <i>Indirect costs of sales</i> | <i>38 602</i> | <i>37 062</i> | <i>-1 540</i> | <i>96,01</i> |
| <i>V.</i> | <i>Other revenues</i> | <i>33 811</i> | <i>82 199</i> | <i>48 388</i> | <i>243,11</i> |
| <i>VI.</i> | <i>Other expenditures</i> | <i>23 447</i> | <i>33 376</i> | <i>9 929</i> | <i>142,35</i> |
| A. | Operating loss | -28 509 | 2 868 | 31 377 | -10,06 |
| VII. | Financial revenues | 2 610 | 4 360 | 1 750 | 167,05 |
| VIII. | Financial expenditures | 11 827 | 13 626 | 1 799 | 115,21 |
| B. | Financial loss | -9 217 | -9 266 | -49 | 100,53 |
| C. | Loss on ordinary activities | -37 726 | -6 398 | 31 328 | 16,96 |
| IX. | Extraordinary revenues | 51 501 | 132 | -51 369 | 0,26 |
| IX. | Restructured extraordinary revenues | 50 621 | 0 | -50 621 | 0,00 |
| X. | Extraordinary expenditures | 877 | 238 | -639 | 27,14 |
| D. | Extraordinary loss/profit | 50 624 | -106 | -50 730 | -0,21 |
| | <i>Extraordinary loss/profit net of restructuring</i> | <i>3</i> | <i>-106</i> | <i>-109</i> | <i>-3533,33</i> |
| E. | Pre-tax loss/profit | 12 898 | -6 504 | -19 402 | -50,43 |
| | <i>Pre-tax loss/profit net of restructuring</i> | <i>-37 723</i> | <i>-6 504</i> | <i>31 219</i> | <i>17,24</i> |
| XI. | Tax payable | 0 | 0 | 0 | 0,00 |
| F. | Net loss/profit | 12 898 | -6 504 | -19 402 | -50,43 |
| | <i>Net loss/profit net of restructuring</i> | <i>-37 723</i> | <i>-6 504</i> | <i>31 219</i> | <i>17,24</i> |

Schedule 60: P&L – turnover cost method

In 2012, MÁV Zrt. had losses of HUF 6,504 million compared to a loss of HUF 37,723 million for 2011 net of the effect of the assigned debt. This change was due to a combined effect of a HUF 44,527 million increase in the reimbursement of public service costs, a HUF 5,845 million decline in net sales revenues and to an increase in other expenses.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

Sales revenues from railtrack access services, other than traction electricity, dropped as a result of tariff changes, reduced services and railway lines assigned to GySEV Zrt.

The increased consignment electricity tariffs contributed to a growth in both domestic sales revenues and cost of goods sold. The decrease in consignment service costs was due to changes in our energy settlement method as of 2012, as a result of which all energy costs were reclassified from consignment services to cost of goods sold.

Other expenses increased as a result of increases in the extraordinary depreciation of treasury and own assets and in provisions made.

Recognised direct costs of sales increased only slightly by 1.60%, while indirect costs of sales dropped by 3.99%.

Administration related payments to personnel decreased owing to a positive trend in one-off redundancy costs and certain benefits (holiday vouchers to pensioners, aids etc.). Other factors that contributed to a drop in other general expenses included staff rationalisation and reduced depreciation charge on centrally managed IT assets.

I.9 Actual asset, financial and income positions

I.9.1 Assets

The balance sheet value of MÁV Zrt's assets at 31 December 2012 was HUF 748,464 million, which is a HUF 44,044 million (5.55%) decrease on the previous year. The overall HUF 3,454 million (0.49%) drop in the book value of fixed assets was due to a HUF 6,326 million (1.08%) drop in tangible assets and a HUF 2,629 million (2.19%) increase in fixed assets.

Current assets decreased by HUF 16,371 million on 2011 due to a HUF 3,161 million drop in receivables and a HUF 14,312 million decline in liquid assets.

The total HUF 24,179 million decrease in prepaid expenses and accrued income was due predominantly to a HUF 15,838 million decrease in costs and expenses and a HUF 8,164 million drop in deferred expenses and relates to the release of mast usage rights of HUF 15,931 million as a result of the termination of the concession agreement between MÁV Zrt. and MÁV Koncessziós Kft. as of 31 December 2012 and to reduced deferred unrealised FX losses on loans.

MÁV Zrt's actual asset, financial and income positions are illustrated by the indicators presented on the following pages.

I.9.1.1 Fixed asset ratio

The year-end balance of fixed assets is HUF 703,160 million, representing 93.95% of the assets disclosed in MÁV Zrt's balance sheet.

$$\frac{\text{Fixed assets}}{\text{Total assets}} = \frac{703,160}{748,464} = 93.95 \% \quad (\text{basis } 89.17 \%)$$

A change in this indicator is not quantifiable from the perspective of MÁV Zrt's operations.

I.9.1.2 Tangible asset margin

Equity, including treasury funds, covers 79.52% of long-term tangible assets directly used in production, including treasury assets. MÁV Zrt's equity covers 26.15% of its own tangible assets. Both indicators improved compared to 2011 but the current ratio (which should be around 100-150% at best) is still not satisfactory.

$$\frac{\text{Equity}}{\text{Own tangibles}} = \frac{58,926}{226,555} = 26.01\% \quad (\text{basis } 26.26\%)$$

$$\frac{\text{Equity} + \text{Treasury funds}}{\text{Tangible assets}} = \frac{460,296}{578,858} = 79.52\% \quad (\text{basis } 79.29\%)$$

I.9.1.3 Fixed asset margin

What applies to tangibles also applies to fixed assets.

$$\frac{\text{Equity}}{\text{Own tangibles}} = \frac{58,926}{350,857} = 16.79\% \quad (\text{basis } 17.33\%)$$

$$\frac{\text{Equity} + \text{Treasury funds}}{\text{Fixed assets}} = \frac{460,296}{703,160} = 65.46\% \quad (\text{basis } 65.67\%)$$

I.9.1.4 Current assets per fixed assets

$$\frac{\text{Current assets}}{\text{Fixed assets}} = \frac{36,211}{703,160} = 5.15\% \quad (\text{basis } 7.44\%)$$

The indicator of the most important asset groups increased compared to the previous year but the index is still low. This, however, is absolutely normal for a service provider.



I.9.2 Equity and liabilities

At 31 December 2012, equity and liabilities totalled HUF 748,464 million (equalling total assets), which represents a HUF 44,044 million decrease on the previous year. This decrease is due to the combined effect of a HUF 47,610 million decrease in liabilities, a HUF 1,502 drop in accruals and a HUF 2,914 million drop in equity and to a HUF 8,022 million increase in provisions.

Of equity components, capital reserve increased by HUF 3,558 million, retained earnings by HUF 16,823 million, while allocated reserves dropped by HUF 3,930 million and the loss for the year improved by 19,402 million. The increase in retained earnings was due to the higher threshold of material error. The aggregate of prior year errors identified in 2012 remained below the threshold set out in the accounting policies for 2013 with a retrospective effect for 2012, hence the errors identified were recognised in the profit or loss for 2012 rather than presented in a third column. Overall, all these changes increased equity by HUF 133 million.

The HUF 47,610 million decrease in liabilities was due to a 4.72% drop in long-term liabilities (by HUF 26,749 million) and a 24.55% decline in current liabilities (by HUF 20,861 million).

The HUF 1,502 million (4.69%) drop in accruals was due to a HUF 1,323 million decrease in deferred income and a HUF 1,114 million drop in accrued expenses, and to a HUF 935 million (8.4%) increase in revenues.

I.9.2.1 Capitalisation

$$\frac{\text{Equity}}{\text{Equity \& liabilities}} = \frac{58,926}{748,464} = 7.87\% \text{ (basis 7.8\%)}$$

$$\frac{\text{Equity}}{\text{Equity \& liabilities - Treasury funds}} = \frac{58,926}{347,094} = 16.98\% \text{ (basis 15.84\%)}$$

Both indicators have been on the decline despite some improvement in 2011. These indicators are still critical and, along with the other indicators, demonstrate a significantly high level of indebtedness.

I.9.2.2 Gearing

$$\frac{\text{Borrowed capital}}{\text{Equity}} = \frac{603,840}{58,926} = 1024.74\% \text{ (basis 1053.44\%)}$$

$$\frac{\text{Borrowed capital - Treasury funds}}{\text{Equity}} = \frac{202,470}{58,926} = 343.60\% \text{ (basis 403.10\%)}$$

I.9.2.3 Indebtedness

$$\frac{\text{Borrowed capital}}{\text{Total assets}} = \frac{603,840}{748,464} = 80.68\% \text{ (basis 82.21\%)}$$

The indicator shows that liabilities take up 80.68% of assets. Although indebtedness improved compared to 2011, the indicator remains extremely poor.

I.9.2.4 Long-term liabilities ratio

$$\frac{\text{Long-term liabs.}}{\text{Long-term liabs. + Equity}} = \frac{539,722}{598,648} = 90.16\% \text{ (basis 90.16\%)}$$

$$\frac{\text{Long-term liabs. - Treasury liabs}}{\text{Long-term liabs. - Treasury liabs + Equity}} = \frac{138,352}{197,278} = 70.13\% \text{ (basis 72.65 \%)}$$

This indicator shows the long-term indebtedness of a company. The lower the indicator, the better is the company's reputation. With respect to MÁV Zrt. long-term indebtedness remains highly significant.

I.9.2.5 Equity increase ratio

$$\frac{\text{Equity}}{\text{Issued capital}} = \frac{58,926}{21,037} = 280.11\% \text{ (basis 294.476\%)}$$

I.9.2.6 Income ratios

$$\text{EBITDA} = \text{Operating loss} + \text{depreciation} = 2,868 + 33,409 = 36,277 \text{ (basis 5,912)}$$

$$\text{EBITDA rate} = \frac{\text{EBITDA}}{\text{Sales, net}} = \frac{36,277}{167,313} = 21.68\% \text{ (basis 3.41\%)}$$

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

$$\text{Operational rate} = \frac{\text{Operating profit}}{\text{Sales, net}} = \frac{2,868}{167,313} = 1.71\% \text{ (basis -16.46\%)}$$

I.9.3 Financial position

I.9.3.1 Working capital and liquidity

Net working capital

Probably the net working capital is the most important indicator of the financial position as it shows the company's short-term solvency position.

$$\begin{aligned} \text{Current assets} - \text{Current liabilities} &= 36,211 \text{ M Ft} - 64,118 \text{ M Ft} \\ &= -27,907 \text{ M Ft} \text{ (basis -32,397 M Ft)} \end{aligned}$$

This indicator slightly improved compared to the previous year.

The liquidity position as at 31 December 2012 is illustrated by the following indicators:

Liquidity ratio

$$\frac{\text{Current assets}}{\text{Current liabilities}} = \frac{36,211}{64,118} = 56.48\% \text{ (basis 61.88\%)}$$

This indicator improved on the previous year but is still below 150% which is perceived as safe.

Quick ratio

$$\frac{\text{Current assets} - \text{Inventories}}{\text{Current liabilities}} = \frac{29,401}{64,118} = 45.85\% \text{ (basis 55.16\%)}$$

The quick ratio shows the ability of liquid and movable assets to cover current liabilities. This indicator improved on the previous year but is still below 100% which is perceived as safe.

Cash liquidity ratio

$$\frac{\text{Liquid assets}}{\text{Current liabilities}} = \frac{1,893}{64,118} = 2.95\% \text{ (basis 19.07\%)}$$

This indicator increased on the previous year and is in the range of 10-50% which is considered the safe zone by professionals.

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



I.9.3.2 Financial position

The cash flow statement in accordance with subsection 51(8) of the accounting law is presented below.

| | | figures in MHUF | |
|-------------|--|-----------------|----------------|
| Line | Item | 31/12/2011 | 31/12/2012 |
| I. | Operating cash-flows (1-16) | 9 236 | 50 250 |
| 1. | Profit before tax ± | 12 898 | -6 504 |
| | assigned debt | -50 621 | 0 |
| | interest on assigned debt | 621 | 0 |
| | amounts received free of charge | 0 | 0 |
| | amounts granted free of charge, expensed | -14 | -12 |
| | dividends received | -1 577 | -1 092 |
| | dividends on prev. year profit | 0 | 0 |
| | debts assumed | 0 | -31 |
| 2. | Previous years' profits/losses | 230 | 0 |
| 3. | Revalued loans (base figure is for information only) | 10 120 | -6 282 |
| 4. | Ordinary depreciation + | 34 421 | 33 409 |
| 4/a. | Depreciation on previous year | -36 | 0 |
| 5. | Recognised and reversed impairment loss ± | 2 611 | 6 814 |
| 6. | Changes in provisions ± | 10 075 | 8 022 |
| 7. | Fixed asset disposals ± | -207 | -395 |
| 8. | Movements in treasury asset related liabilities | -2 700 | -12 285 |
| 9. | Movements in creditors ± | 1 455 | -877 |
| 10. | Movements in other current liabilities ± | 4 585 | 4 501 |
| 11. | Movements in accruals ± | -3 482 | -1 502 |
| 12. | Movements in debtors ± | -1 870 | 313 |
| 13. | Current asset movements (less debtors and liquid assets) ± | -3 139 | 1 991 |
| | <i>of which: movements in balance of business line operations</i> | -962 | -1 124 |
| | <i>other receivables</i> | -2 176 | 3 114 |
| | <i>securities for sale</i> | 0 | 0 |
| 14. | Movements in prepayments and accrued income ± | -6 834 | 24 179 |
| 15. | Income taxes paid (payable) - | 0 | 0 |
| 16. | Dividends and profit-sharing paid or payable - | 0 | 0 |
| II. | Investing cash flows (17-20) | -18 452 | -20 759 |
| 17. | Fixed assets additions - | -17 946 | -22 721 |
| 18. | Fixed asset disposals + | 616 | 840 |
| 19. | Capital withdrawn from existing investment (subsidiary) | 0 | 31 |
| 20. | Dividends received + | 1 577 | 1 092 |
| III. | Financing cash flows (21-31) | 15 058 | -43 804 |
| 21. | Revenues from the issue of shares (capital withdrawal) + | 0 | 0 |
| 22. | Issue of bonds + | 35 000 | 0 |
| 23. | Loans taken + | 27 260 | 0 |
| 24. | Repayment, cancellation of long-term loan and bank deposits + | 141 | 214 |
| 25. | Assets received free of charge + | 37 | 12 |
| 26. | Redemption of shares, capital reduction - | 0 | 0 |
| 27. | Repayment of bonds - | 0 | 0 |
| 28. | Repayment of loans - | -47 386 | -44 064 |
| 29. | Long-term loans granted and bank deposits - | 0 | 0 |
| 30. | Assets transferred free of charge - | 0 | -3 |
| 31. | Movements in payables to founders and in other long-term liabilities + | 7 | 37 |
| IV. | Change in cash and cash equivalents (±I±II±III) ± | 5 842 | -14 312 |

Schedule 61: Cash-flow statement

The HUF -6,504 million pre-tax loss was adjusted with amounts received free of charge (presented as part of financing cash flows) and dividends received (presented within investing cash flows).

The Company generated significant negative cash flows due to negative investing cash flows (significant asset acquisitions) and financial cash flows (repayment of loans and borrowings).



I.10 Report to the supervision

In this chapter, we present required information on the separated railway activities as required by the joint decree of the Transport Ministry and the Ministry of Finance (50/2007. (IV.26.) GKM-PM) as based on MÁV Zrt's accounting separation policies for 2011 (B/S, P&L, Cash flow statement, activity statement with narrative explanations, revenues from and costs of related parties, average annual statistical number of staff, subsidies by title, accumulated figures due to the separated activities).

The activity statements are prepared in accordance with the pertaining decree in HUF thousands. All other statements (except staff numbers) are prepared in accordance with the accounting policies based on the accounting law and in HUF millions (MHUF/HUFm).

Further to MÁV Zrt's accounting separation policies effective as of 2011:

- The balance sheets, cash flow statements, and profit and loss accounts per activity as well as revenues from and payables to related parties are recorded by related party correspond to the following records:
 - the railtrack GL for railtrack operations,
 - the regional light railways GL for passenger transport,
 - the central GL for other activities.
- In the case of public service passenger transport
 - the operating entity's tangible assets are presented in the balance sheet based on the tangible asset subledger; its profit or loss for the year is based on the profit and loss account; and its liabilities from inter-business line settlements equal the difference of the above two items,
 - the cash-flow statement cannot be interpreted based on a balance sheet with the above contents,
 - the profit and loss account, the statement of activities and the related party balances correspond to the GL of the entity that pursues the relevant activity.
- The average annual statistical number of staff is identified on the basis of staff employed by the various divisions in the reporting year.

MÁV Zrt. had the following separable activities under the railways act in 2012:

- Railtrack operations
- Passenger transport
- Passenger transport as a public service
- Other activities

The organisational structure of rail network operations changed in 2012: as of 1 January 2012, catenary wire maintenance staff and assets, and then as of 1 April 2012, planning staff and assets were resumed to MÁV Zrt.; development and capital project management were transferred from the headquarters to railtrack operations. The accrued effect of the railways assigned to GYSEV Zrt. on 1 October 2011 was still felt in 2012.

Passenger services provided by MÁV Zrt. in 2012 included the following:

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



- *Balatonfenyves GV*: public service passenger transport – the service was ordered by the Ministry from MÁV-START Zrt. and is a feature of MÁV-START Zrt's public service contract. On 1 September 2012, the area passenger service provided by Balatonfenyves GV was transferred to MÁV-START Zrt. Accordingly, MÁV-START Zrt. was awarded a licence from the National Transport Authority and MÁV Zrt's similar licence was revoked.
- *Children's railway*: scheduled passenger service but is no longer a public service since the train schedule change of 13 December 2009.
- *Nyíregyháza Nyk és Kecskemét Kk*: in the absence of a public service order, passenger service has been suspended since 13 December 2009. On 19 November 2012 the National Transport Authority revoked MÁV Zrt's licence for passenger rail transport in the Nyíregyháza and Kecskemét areas upon MÁV Zrt's request.

Of these four lines, the Children's Railway was operated continuously in 2012 and the Balatonfenyves business railway line operated until September 2012. The other two services did not run in 2011, yet passenger transport costs incurred in relation to ensuring railway service as required by regulations and in relation to the relevant railcars. (The railtrack costs of unused services are presented under railtrack operations without any corresponding railtrack access revenues.)

As ordered by the Ministry, passenger transport was provided as a public service in 2012 on the Balatonfenyves business railway line. Based on its approved passenger transport public service contracts for 2009 and for 2010, MÁV Start Zrt. transferred to MÁV Zrt. the compensation of area passenger transport costs in one sum in November 2011. The compensation for 2011 was transferred in 2012 to MÁV Zrt. The effect is presented separately for passenger transport services and for public transport services. The compensation relating to the first eight months of 2012 will be transferred by MÁV Start Zrt. to MÁV Zrt. in 2013, once the public service report for 2012 is approved.

In 2011, the government took over some of MÁV Zrt's operating loans taken out in 2005 and in 2006. The effect of this was recognised in the profit or loss of railtrack operations and other operations. The effect of this one-off settlement is also presented in the basis figures of the financial statements for each activity.

I.10.1 Railtrack operations

The balance sheet for the railtrack operations activity is set out in schedules „62.: Side of the balance sheet based on the Railtrack GL” and „63: Equity and liabilities side of the BS prepared based on the Railtrack GL”. The related profit and loss account is presented in schedule „64: Profit and loss account prepared based on the Railtrack GL”, and the cash flow statement is set out in schedule „65.: Cash-flow statement based on the railtrack GL”.

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

figures in MHUF

| Line | Item | 31/12/2011 | 31/12/2012 | Change |
|-----------|---|----------------|----------------|----------------|
| 01 | A. Fixed assets (02.+10.+18.) | 417 290 | 420 180 | 2 890 |
| 02 | I. INTANGIBLE ASSETS (03.+...09.) | 1 182 | 1 189 | 7 |
| 03 | Capitalised foundation/restructuring | 0 | 0 | 0 |
| 04 | Capitalised research and development | 37 | 37 | 0 |
| 05 | Concessions, licenses and similar rights | 817 | 740 | -77 |
| 06 | Trade-marks, patents and similar assets | 328 | 412 | 84 |
| 07 | Goodwill | 0 | 0 | 0 |
| 08 | Advance payments for intangible assets | 0 | 0 | 0 |
| 09 | Adjusted value of intangible assets | 0 | 0 | 0 |
| 10 | II. TANGIBLE ASSETS (11.+...17.) | 414 117 | 416 282 | 2 165 |
| 11 | Land and buildings and related property rights | 352 774 | 356 648 | 3 874 |
| 11/b | of which Managed state owned properties and related rights | 295 611 | 300 528 | 4 917 |
| 12 | Plant, machinery, equipment and vehicles | 47 430 | 45 685 | -1 745 |
| 12/b | of which: managed state owned technical equipment, machinery and vehicles | 42 092 | 40 061 | -2 031 |
| 13 | Other equipment, fixtures and fittings, vehicles | 27 | 26 | -1 |
| 14 | Breeding stock | 0 | 0 | 0 |
| 15 | Assets in the course of construction | 12 323 | 12 393 | 70 |
| 15/b | of which: managed state owned capital projects | 12 024 | 11 713 | -311 |
| 16 | Advance payments for AICC | 1 563 | 1 530 | -33 |
| 17 | Adjusted value of tangible assets | 0 | 0 | 0 |
| 18 | III. LONG-TERM FINANCIAL ASSETS (19.+...25.) | 1 991 | 2 709 | 718 |
| 19 | Long-term participations in related parties | 1 991 | 2 709 | 718 |
| 20 | Long-term loans granted to related parties | 0 | 0 | 0 |
| 21 | Other long-term investments | 0 | 0 | 0 |
| 22 | Long-term loans granted to other investments | 0 | 0 | 0 |
| 23 | Other long-term loans granted | 0 | 0 | 0 |
| 24 | Long-term debt securities | 0 | 0 | 0 |
| 25 | Adjusted value of financial investments | 0 | 0 | 0 |
| 26 | B. Current assets (27.+34.+40.+45.) | 20 409 | 17 128 | -3 281 |
| 27 | I. INVENTORIES (28.+...33.) | 184 | 1 491 | 1 307 |
| 28 | Raw materials and consumables | 183 | 1 482 | 1 299 |
| 28/b | of which: Managed treasury materials | 0 | 1 240 | 1 240 |
| 29 | Work in progress and semi-finished products | 0 | 0 | 0 |
| 29/b | of which: Managed treasury WIP and semin-finished products | 0 | 0 | 0 |
| 30 | Animals for breeding, fattening and other livestock | 0 | 0 | 0 |
| 31 | Finished products | 0 | 3 | 3 |
| 31/b | of which: Managed treasury finished products | 0 | 3 | 3 |
| 32 | Goods | 1 | 6 | 5 |
| 33 | Advance payments for stocks | 0 | 0 | 0 |
| 34 | II. RECEIVABLES (35.+...39/A.) | 17 761 | 15 496 | -2 265 |
| 35 | Trade debtors | 1 804 | 2 360 | 556 |
| 36 | Receivables from related parties | 14 762 | 8 343 | -6 419 |
| 37 | Receivables from other investments | 0 | 0 | 0 |
| 38 | Bills of exchange receivables | 0 | 0 | 0 |
| 39 | Other receivables | 1 195 | 4 793 | 3 598 |
| 39/A. | Receivables from division settlements | 0 | 0 | 0 |
| 40 | III. SECURITIES (41.+...44.) | 0 | 0 | 0 |
| 41 | Participations in related parties | 0 | 0 | 0 |
| 42 | Other participations | 0 | 0 | 0 |
| 43 | Treasury shares and own participation | 0 | 0 | 0 |
| 44 | Marketable debt securities | 0 | 0 | 0 |
| 45 | IV. LIQUID ASSETS (46.+47.) | 2 464 | 141 | -2 323 |
| 46 | Cash, cheques | 0 | 0 | 0 |
| 47 | Bank deposits | 2 464 | 141 | -2 323 |
| 48 | C. PREPAID EXPENSES & ACCRUED INCOME (49.+...51.) | 17 107 | 563 | -16 544 |
| 49 | Accrued income | 193 | 40 | -153 |
| 50 | Prepaid expenses | 16 054 | 128 | -15 926 |
| 51 | Deferred expenses | 860 | 395 | -465 |
| 52 | TOTAL ASSETS (01.+26.+48.) | 454 806 | 437 871 | -16 935 |

Schedule 62: Asset side of the balance sheet based on the Railtrack GL

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



figures in MHUF

| Line | Item | 31/12/2011 | 31/12/2012 | Change |
|------------|--|------------------------|------------------------|-----------------------|
| 53. | <i>D. EQUITY (54.+...61.)</i> | <i>-116 238</i> | <i>-114 012</i> | <i>2 226</i> |
| 54. | I. Issued Capital | 4 897 | 4 920 | 23 |
| | of which: treasury shares redeemed at face value | 0 | 0 | 0 |
| 55 | II. Issued capital not paid (-)/ | 0 | 0 | 0 |
| 56 | III. Capital reserve | 15 033 | 17 236 | 2 203 |
| 57 | IV. Retained earnings/(losses) | -121 953 | -136 418 | -14 465 |
| 58 | V. Allocated reserves | 305 | 250 | -55 |
| 59 | VI. Revaluation reserve | 0 | 0 | 0 |
| 60 | VII. Profit or loss for the year | -14 520 | 0 | 14 520 |
| 61 | <i>E. PROVISIONS (62.+...65.)</i> | <i>22 979</i> | <i>31 769</i> | <i>8 790</i> |
| 62 | Provisions for contingent liabilities | 2 074 | 3 320 | 1 246 |
| 63 | Provisions for future commitments | 20 350 | 28 267 | 7 917 |
| 64 | Other provisions | 555 | 182 | -373 |
| 65 | <i>F. LIABILITIES (67.+71.+80.)</i> | <i>524 870</i> | <i>496 943</i> | <i>-27 927</i> |
| 66 | <i>I. SUBORDINATED DEBT 68+..70.)</i> | <i>0</i> | <i>0</i> | <i>0</i> |
| 67 | Subordinated debts to related parties | 0 | 0 | 0 |
| 68 | Subordinated debts to other investments | 0 | 0 | 0 |
| 69 | Subordinated debts to third parties | 0 | 0 | 0 |
| 70 | <i>II. LONG-TERM LIABILITIES (72.+...79.)</i> | <i>467 903</i> | <i>461 041</i> | <i>-6 862</i> |
| 71 | Long-term borrowings | 4 029 | 3 090 | -939 |
| 72 | Convertible bonds | 0 | 0 | 0 |
| 73 | Debts from the issue of bonds | 45 000 | 45 000 | 0 |
| 74 | Investment and development loans | 11 457 | 8 025 | -3 432 |
| 75 | Other long-term loans | 5 130 | 3 420 | -1 710 |
| 76 | Long-term debts to related parties | 0 | 0 | 0 |
| 77 | Long-term debts to other investments | 0 | 0 | 0 |
| 78 | Other long-term liabilities | 402 287 | 401 506 | -781 |
| 78/b | of which: Liabilities related to managed state owned assets | 402 173 | 401 370 | -803 |
| 79 | <i>III. CURRENT LIABILITIES (81-89)</i> | <i>56 967</i> | <i>35 902</i> | <i>-21 065</i> |
| 80 | Short-term borrowings | 939 | 939 | 0 |
| 81 | - of which: convertible bonds | 0 | 0 | 0 |
| 82 | Other short-term loans | 10 105 | 4 927 | -5 178 |
| 83 | Prepayments received from debtors | 3 | 5 | 2 |
| 84 | Creditors | 7 588 | 6 949 | -639 |
| 85 | Bills of exchange payable | 0 | 0 | 0 |
| 86 | Short-term debts to related parties | 12 979 | 10 553 | -2 426 |
| 87 | Short-term debts to other investments | 6 | 7 | 1 |
| 88 | Other current liabilities | 2 293 | 1 803 | -490 |
| 88/A. | Amounts payable to divisions | 23 054 | 10 719 | -12 335 |
| 89 | <i>G.ACCRUED EXPENSES AND DEFERRED INCOME (91.+..93.)</i> | <i>23 195</i> | <i>23 171</i> | <i>-24</i> |
| 90 | Deferred income | 10 731 | 11 631 | 900 |
| 91 | Accrued expenses | 821 | 457 | -364 |
| 92 | Deferred extraordinary revenues and negative goodwill | 11 643 | 11 083 | -560 |
| 93 | <i>EQUITY & LIABILITIES. (53.+61.+66.+90.)</i> | <i>454 806</i> | <i>437 871</i> | <i>-16 935</i> |

Schedule 63: Equity and liabilities side of the BS prepared based on the Railtrack GL

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

figures in MHUF

| Line | Item | 2011 | 2012 |
|--------------|---|---------|---------|
| .01. | Domestic sales, net | 139 324 | 132 153 |
| .02. | Export sales, net | 565 | 1 347 |
| <i>I.</i> | <i>Sales, net (01.+02.)</i> | 139 889 | 133 500 |
| I/A 1. | Internal revenues from passenger transport | 0 | 0 |
| I/A 2. | Internal revenues from engineering services | 0 | 0 |
| I/A 3. | Internal revenues from central services | 0 | 0 |
| I/A 4. | Internal revenues from railtrack services | 803 | 757 |
| I/A 5. | Revenues from direct internal services | 669 | 761 |
| I/A 6. | Revenues from central administration and property management | 0 | 0 |
| <i>I/A</i> | <i>Internal revenues: (I/A 1+I/A 2+I/A 3+I/A 4+I/A 5)</i> | 1 472 | 1 518 |
| .03. | Changes in self-produced inventories | -102 | -259 |
| .04. | Capitalised self-produced inventories | 2 611 | 3 735 |
| <i>II.</i> | <i>Capitalised self-performance (03.+04.)</i> | 2 509 | 3 476 |
| <i>III.</i> | <i>Other revenues</i> | 26 595 | 70 542 |
| | <i>of which: reversed impairment loss (962,1-962,2)</i> | 30 | 7 |
| | <i>Operating yields (I+I/A +II+III)</i> | 170 465 | 209 036 |
| .05. | Materials | 7 294 | 8 420 |
| .06. | Services used | 32 981 | 29 215 |
| .07. | Other services | 940 | 850 |
| .08. | COGS | 16 511 | 37 319 |
| .09. | Consignment services | 19 137 | 368 |
| <i>IV.</i> | <i>Material-type expenditures (05.+06.+07.+08.+09.)</i> | 76 863 | 76 172 |
| IV/A 1. | Internal costs of passenger transport | 0 | 0 |
| IV/A 2. | Internal costs of engineering services | 0 | 0 |
| IV/A 3. | Internal costs of central services | 14 356 | 16 602 |
| IV/A 4. | Internal costs of railtrack services | 0 | 0 |
| IV/A 5. | Costs of direct internal services | 312 | 314 |
| IV/A 6. | Costs of central administration and property management | 4 146 | 2 585 |
| <i>IV/A</i> | <i>Internal expenditures: (IV/A 1+IV/A 2+IV/A 3+IV/A 4+IV/A 5+IV/A 6)</i> | 18 814 | 19 501 |
| .10. | Payroll costs | 40 538 | 43 226 |
| .11. | Other payments to personnel | 6 762 | 6 653 |
| .12. | Social security | 12 599 | 13 956 |
| <i>V.</i> | <i>Payments to personnel (10.+11.+12.)</i> | 59 899 | 63 835 |
| <i>VI.</i> | <i>Depreciation</i> | 26 070 | 25 698 |
| <i>VII.</i> | <i>Other expenditures</i> | 12 476 | 19 328 |
| | <i>of which: impairment loss (862)</i> | 145 | 185 |
| | <i>Operating expenses: (IV+IV/A +V+VI+VII)</i> | 194 122 | 204 534 |
| <i>A.</i> | <i>OPERATING PROFIT/LOSS</i> | -23 657 | 4 502 |
| .13. | Dividends received | 517 | 672 |
| | <i>from related parties</i> | 517 | 672 |
| .14. | Gains on share disposals | 0 | 0 |
| | <i>from related parties</i> | 0 | 0 |
| .15. | Interest and FX gains on fixed assets | 0 | 0 |
| | <i>from related parties</i> | 0 | 0 |
| .16. | Interest received and similar income | 362 | 75 |
| | <i>from related parties</i> | 64 | 51 |
| .17. | Other financial income | 17 | 127 |
| <i>VIII.</i> | <i>Financial revenues (13.+14.+15.+16.+17.)</i> | 896 | 874 |
| .18. | FX losses on fixed assets | 0 | 0 |
| | <i>to related parties</i> | 0 | 0 |
| .19. | Interest paid and similar charges | 3 654 | 5 639 |
| | <i>to related parties</i> | 0 | 0 |
| .20. | Impairment loss on shares and securities | 0 | -688 |
| .21. | Other financial expenses | 124 | 322 |
| <i>IX.</i> | <i>Financial expenses (18.+19.+20.+21.)</i> | 3 778 | 5 273 |
| <i>B.</i> | <i>FINANCIAL LOSS (VIII-IX)</i> | -2 882 | -4 399 |
| <i>C.</i> | <i>LOSS ON ORDINARY ACTIVITIES (A+B)</i> | -26 539 | 103 |
| <i>X.</i> | <i>Extraordinary revenues</i> | 12 758 | 66 |
| <i>XI.</i> | <i>Extraordinary expenditures</i> | 739 | 169 |
| <i>D.</i> | <i>EXTRAORDINARY PROFIT (X-XI)</i> | 12 019 | -103 |
| <i>E.</i> | <i>PRE-TAX LOSS (C+D)</i> | -14 520 | 0 |
| <i>XII.</i> | <i>TAX PAYABLE</i> | 0 | 0 |
| <i>F.</i> | <i>LOSS AFTER TAX (E-XII)</i> | -14 520 | 0 |
| .22. | Dividends paid from retained earnings | 0 | 0 |
| .23. | Dividends (paid) approved | 0 | 0 |
| <i>G.</i> | <i>GAIN/LOSS FOR THE YEAR (F+22.-23.)</i> | -14 520 | 0 |

Schedule 64: Profit and loss account prepared based on the Railtrack GL

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



| | | figures in MHUF | |
|-------------|--|-----------------|----------------|
| Line | Item | 31/12/2011 | 31/12/2012 |
| I. | Operating cash-flows (1-16) | -19 672 | 26 714 |
| 1. | Profit before tax ± | -14 520 | 0 |
| | assigned debt | -11 947 | 0 |
| | interest on assigned debt | 147 | 0 |
| | amounts received free of charge | -7 | -8 |
| | amounts granted free of charge, expensed | 0 | 0 |
| | dividends received | -517 | -672 |
| | dividends on prev. year profit | 0 | 0 |
| | debts assumed | 0 | -31 |
| 2. | Previous years' profits/losses | 217 | 0 |
| 3. | Revalued loans (base figure is for information only) | 454 | -299 |
| 4. | Ordinary depreciation + | 26 070 | 25 698 |
| 4/a. | Depreciation on previous year | -7 | 0 |
| 5. | Recognised and reversed impairment loss ± | 2 039 | 5 340 |
| 6. | Changes in provisions ± | 6 200 | 8 790 |
| 7. | Fixed asset disposals ± | 122 | -50 |
| 8. | Movements in treasury asset related liabilities | -2 700 | -13 653 |
| 9. | Movements in creditors ± | 1 031 | -639 |
| 10. | Movements in other current liabilities ± | 3 219 | -2 915 |
| 11. | Movements in accruals ± | -1 734 | -24 |
| 12. | Movements in debtors ± | -1 198 | -546 |
| 13. | Current asset movements (less debtors and liquid assets) ± | -30 985 | -10 821 |
| | <i>of which: movements in balance of business line operations</i> | -29 992 | -12 335 |
| 14. | Movements in prepayments and accrued income + | 1 744 | 16 544 |
| 15. | Income taxes paid (payable) - | 0 | 0 |
| 16. | Dividends and profit-sharing paid or payable - | 0 | 0 |
| II. | Investing cash flows (17-20) | -20 864 | -18 107 |
| 17. | Fixed assets additions - | -18 820 | -18 895 |
| 18. | Fixed asset disposals + | 139 | 85 |
| 19. | Capital withdrawn from existing investment (subsidiary) | 0 | 31 |
| 20. | Dividends received + | 517 | 672 |
| III. | Financing cash flows (21-31) | 32 996 | -10 930 |
| 21. | Revenues from the issue of shares (capital withdrawal) + | -26 | 0 |
| 22. | Issue of bonds + | 35 000 | 0 |
| 23. | Loans taken + | 8 760 | 0 |
| 24. | Repayment, cancellation of long-term loan and bank deposits + | 0 | 0 |
| 25. | Assets received free of charge + | 7 | 8 |
| 26. | Redemption of shares, capital reduction - | 0 | 0 |
| 27. | Repayment of bonds - | 0 | 0 |
| 28. | Repayment of loans | -10 745 | -10 959 |
| 29. | Long-term loans granted and bank deposits - | 0 | 0 |
| 30. | Assets transferred free of charge - | 0 | 0 |
| 31. | Movements in payables to founders and in other long-term liabilities + | 1 | 22 |
| IV. | Change in cash and cash equivalents (±I±II±III) ± | -7 541 | -2 323 |

Schedule 65: Cash-flow statement based on the railtrack GL

The profit and loss account of the railtrack operations activity is presented below (in HUF thousands) including and also net of the effect of the assigned debt in 2011.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

| figures in THUF | | | |
|-----------------|---|--------------------|--------------------|
| Line | Item | 2011 | 2012 |
| 1 | Net sales | 139 889 918 | 133 499 603 |
| | tickets | 139 889 918 | 133 499 603 |
| | subsidy (compensation) | 0 | 0 |
| | paid by government | 0 | 0 |
| 2 | Internal revenues | 1 471 648 | 1 518 055 |
| 3 | Capitalised own performance | 2 509 163 | 3 476 496 |
| 4 | Other revenues | 26 594 763 | 70 542 060 |
| | gov. refund | 21 050 000 | 65 577 561 |
| | gov. subsidy | 1 193 115 | 1 285 869 |
| 5 | TOTAL BUSINESS YIELD | 170 465 492 | 209 036 214 |
| 6 | Material-type expenditures | 76 863 279 | 76 171 749 |
| | track network access charge | 0 | 0 |
| 7 | Internal expenses | 18 814 525 | 19 501 077 |
| | track network access charge | 0 | 78 |
| | traction | 0 | 0 |
| | other railway services | 312 257 | 314 153 |
| | central services | 14 356 526 | 16 601 899 |
| | central administration | 4 145 742 | 2 584 947 |
| 8 | Payments to personnel | 59 899 073 | 63 834 693 |
| 9 | Depreciation | 26 069 661 | 25 698 405 |
| 10 | Other expenses | 12 475 625 | 19 328 471 |
| 11 | TOTAL BUSINESS EXPENDITURE | 194 122 163 | 204 534 395 |
| 12 | OPERATING PROFIT/LOSS | -23 656 671 | 4 501 819 |
| 13 | Financial income | 895 989 | 874 278 |
| 14 | Financial expenses | 3 779 126 | 5 273 009 |
| 15 | FINANCIAL LOSS | -2 883 137 | -4 398 731 |
| 16 | Extraordinary revenues | 12 758 123 | 66 449 |
| | gov. subsidy | 391 622 | 0 |
| 17 | Extraordinary expenditures | 738 359 | 169 537 |
| 18 | EXTRAORDINARY PROFIT OR LOSS | 12 019 764 | -103 088 |
| 19 | Tax | | |
| 20 | LOSS AFTER TAX | -14 520 044 | 0 |
| | Assigned debt as extraordinary revenue | 11 946 885 | 0 |
| 20 | NET LOSS WITHOUT THE EFFECT OF ASSIGNED DEBT | -26 466 929 | 0 |

Schedule 66: P&L of the railtrack operations division

Railtrack operations had a profit of HUF 0.0 billion in 2012. The loss for 2011 was affected by HUF 11.9 billion extraordinary revenues recognised with respect to the operational loans for 2005 and 2006 assumed by the government and attributable to railtrack operations. The loss suffered by railtrack operations in 2011 totalled HUF 26.5 billion net of the impact of the extraordinary revenue (HUF 14.5 billion inclusive of the extraordinary revenue).

Revenues from reimbursed railtrack operating costs increased by HUF 44.5 billion. However, this was set off by a HUF 6.4 billion fall in sales revenues, a HUF 10.4 billion increase in operating expenses and a HUF 1.5 billion increase in financial expenses.

A predominant part of **net sales** in 2012 includes railtrack access revenues and is presented separately from traction electricity and fuel sale:

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



figures in bnHUF

| Debtor | 2011 | 2012 | Change |
|--|--------------|--------------|-------------|
| Network access net of traction electricity and fuel | | | |
| MÁV-START Zrt. | 76,9 | 71,7 | -5,2 |
| MÁV-TRAKCIÓ Zrt. | 1,2 | 3,0 | 1,8 |
| Rail Cargo Hungary Zrt. | 16,7 | 12,2 | -4,5 |
| Private railways | 3,6 | 4,5 | 0,9 |
| Traction electricity | | | |
| MÁV-START Zrt. | 0,8 | 14,9 | 14,1 |
| MÁV-TRAKCIÓ Zrt. | 16,2 | 0,3 | -15,9 |
| Private railways | 2,8 | 6,6 | 3,8 |
| Traction fuel | | | |
| MÁV-TRAKCIÓ Zrt. | 15,2 | 13,7 | -1,5 |
| Private railways | 1,2 | 1,0 | -0,2 |
| Total | 134,6 | 127,9 | -6,7 |

Schedule 67: Revenues from track access charges

Rail network access charges changed in most of the key revenue segments as a result of new fares introduced in 11 December 2011. In some cases (e.g. shunting staff, traction engine availability) this change proved significant compared to 2011 while the type and substance of the services provided also changed, though to a lesser extent than previously. The railways assigned to GySEV and the service cuts both contributed to falling sales volumes compared to 2011. In 2012, 73.1% (HUF 12.2 billion) of the revenues from private railway companies less traction electricity and fuel came from Rail Cargo Hungary Zrt. the rest (HUF 4.5 billion) is from other private companies. Lower traffic control and shunting fares also contributed to the decrease in these revenues.

The settlement of traction electricity changed in 2012 in that the electricity charge is settled with the relevant service owners directly by Railtrack Operations rather than by MÁV-Trakció Zrt.; the largest owner is MÁV Start Zrt. The specific electricity cost increased by 12% on the previous year (basis: 22.9 HUF/kWh, actual average: 25.7 HUF/kWh). While there was a slight drop in the volume of traction fuel used, the specific charge increased by 6.5% (2011: 306.0 HUF/l, actual average: 326.0 HUF/l) The HUF 1.7 billion decline in gasoline sales was also due to the fact that gasoline management costs were recognised among other rail access charged in 2012 (HUF 1.9 billion). In 2011, these costs were included in the unit price of gasoline.

Internal revenues from core activities in 2012 included railtrack access charge for light railways recognised at prime cost (HUF 0.4 billion) as well as railtrack access services to other service providers (storage of scrapped trains) and internal revenues from re-charges and other railtrack services (telecom and transmission services, electricity grid/wiring and training).

The capitalised value of self-completed developments and refurbishments (mainly improvements on buildings and structures and related planning) was the most significant item within capitalised own output in 2012 (HUF 2.7 billion) and contributed to the increase by HUF +0.8 billion.

The most significant other income item in both years was the reimbursement of public service costs (2011: HUF 21.1 billion; 2012: HUF 65.6 billion). (MÁV Zrt. received a total reimbursement of HUF 66.9 billion in 2012, of which HUF 1.4 billion has been deferred for 2013 as it equalled the excess subsidy compensation received for 2012. The use of the excess subsidy deferred to 2013 is subject to decision of the Ministry for National Development. MÁV Zrt. will propose the approval of the deferred amount as part of the settlement of subsidy for 2012.) Retrospective discount of HUF 0.7 billion was received for railtrack maintenance costs which were recognised in 2012. Other key items in 2012:

- government subsidy for the incentive scheme of MÁV employees (HUF 1.0 billion);

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

- late payment interest received from MÁV Start Zrt. (HUF 0.8 billion);
- provisions released: employment termination costs (HUF 0.7 billion), maintenance and disassembly costs (HUF 0.5 billion), FX loss on development loans (HUF 0.4 billion).

Material-type expenses dropped by HUF 0.7 billion in 2012 compared to 2011. This decrease included a HUF 5.3 billion decrease in third party railtrack maintenance (as the formerly outsourced catenary wire maintenance service was resumed) and a HUF 0.1 billion drop in traction fuel costs (which reflects a similar drop in sales revenues). At the same time, re-charged traction and pre-heating/pre-cooling electricity costs increased by HUF 2.1 billion in line with the increase in specific charges and re-charge shunting costs invoiced by MÁV-Trakció Zrt. also increased by HUF 0.8 billion. In addition, the resumption of previously outsourced services (catenary wire management, planning) also contributed to a decrease in material-type expenses.

The key material-type expense items in 2012 were: invoiced traction electricity (HUF 22.1 billion) and traction fuel (HUF 15.2 billion); shunting and traction services purchased from MÁV-Trakció Zrt. (HUF 5.2 billion). Maintenance by third parties - mainly track maintenance and low voltage equipment by outsourced contractors (HUF 11.8 billion). Asset usage charge (HUF 1.8 billion) billed to MÁV Koncessziós Kft. rather than to Viacom Zrt. for the use of equipment installed along the electric railway lines. Other items included HUF 4.4 billion maintenance and operating costs; HUF 3.4 billion fuel and electricity cost; HUF 4.0 billion miscellaneous material costs (other materials, shipping, herbicides, rail welding, maintenance and rent of railtrack management assets etc.), and HUF 4.4 billion non-material type services (IT services, security, track diagnostics, training etc.).

As in 2011, internal expenses included mostly central services and central management costs also in 2012.

The most significant item of central services in 2012 included property related internal settlements (property management and energy supply, supervision, rents) totalling an aggregate of HUF 9.1 billion. Central services in 2012 included: acquisitions of inventories and materials (HUF 3.0 billion); human services used on a headcount basis (HUF 2.8 billion); accounting services (HUF 0.5 billion); and other central services (administration, environment protection, work safety) (HUF 1.2 billion).

The improvement in central management costs attributable to railtrack operations in 2012 was due to the factors detailed in the section on internal revenues from other activities.

The increase in payments to personnel was due to salary increases and the extra subsidy received for the expansion of the railtrack division (catenary wire maintenance, development and capital projects management) and the incentive of employees. However, this increase was reduced by the prolonged effect of the railway lines assigned to GYSEV Zrt. at 1 October 2011.

Of the annual depreciation charge, HUF 22.9 billion was recognised on treasury assets. The slight drop in depreciation expense related to the assignment of railtracks to GySEV Zrt.

Other expenses increased by HUF 6.9 billion on 2011 due to the following scrapped treasury and own assets in relation to development projects in the reporting period (HUF +0.6 billion) and impairment losses recognised (HUF +3.4 billion). As MNV Zrt. held MÁV Zrt. responsible for the scrapping of assets as part of the development projects, the value of the scrapped/disassembled assets increased other expenses. Extraordinary depreciation was recognised on assets demolished or disassembled as part of development projects but not yet scrapped.

Besides, provisions for employment termination costs in relation to redundancies planned in 2013 increased by HUF 0.5 billion and provisions for the depreciation of assets not received

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



from NIF Zrt. increased by HUF 1.7 billion. At the same time, provisions for FX losses on development loans dropped by HUF 0.3 billion as a result of better HUF rates than in 2011.

In both years, scrapped and impaired treasury assets as well as provisions made for employment termination costs and for assets not received from NIF Zrt. were the most significant other expense items.

In both 2011 and 2012, financial revenues included dividends received from the subsidiaries and interest on temporary cash deposits from the earnings from bonds issued to cover railtrack development projects. In 2012, the FX gain on development loans was another significant financial revenue item.

In both 2011 and 2012, financial expenses included primarily the interest on centrally managed liquidity and development loans and on the HUF 10 million bond. Besides, the interest paid on bonds worth HUF 35 billion issued to cover railtrack development and operating costs was also recognised in 2012.

Extraordinary revenues totalled HUF 11.9 billion and related to the operating loans taken in 2005 and 2006, as apportioned to railtrack operations, and assumed by the government in 2011.

With respect to a dynamometer car contributed to MÁV Központi Felépítményvizsgáló Kft. HUF 0.4 billion contracted amount and HUF 0.4 billion reversed government grant was recognised as extraordinary revenue (released deferred income) and HUF 0.6 billion extraordinary expense was recognised in 2011.

Overall, while railtrack operations remained a loss making activity, owing to compensation received from government for costs not covered with revenues, the overall annual result if a profit of HUF 0.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

Related party balances (revenues and liabilities) of the railtrack operations activity are presented below.

figures in MHUF

| Related party | Revenues | | | Expenses | | | Grand total |
|---------------------------|----------------|--------------|----------------|---------------|------------|---------------|---------------|
| | Net sales | Other rev. | Total | Costs | Other exp. | Total | |
| 005 MÁVTI Kft | 305 | 0 | 305 | 10 | 0 | 10 | 295 |
| 015 MÁV Nosztalgia Kft | 140 | 0 | 140 | 92 | 0 | 92 | 48 |
| 020 MÁV VAGON Kft | 1 | 0 | 1 | 0 | 0 | 0 | 1 |
| 022 MÁV Vasjármű Kft | 2 | 0 | 2 | 3 | 0 | 3 | -1 |
| 027 Bombardier MÁVKft | 16 | 0 | 16 | 0 | 0 | 0 | 16 |
| 037 VAMAV Kft | 2 | 470 | 472 | 434 | 0 | 434 | 38 |
| 038 EURO-METALL Kft | 13 | 0 | 13 | 0 | 0 | 0 | 13 |
| 084 RESTI ZRT | 6 | 0 | 6 | 0 | 0 | 0 | 6 |
| 096 MÁVKERT Kft | 3 | 0 | 3 | 987 | 2 | 989 | -986 |
| 101 MÁV FKG Kft | 781 | 172 | 953 | 8 229 | -171 | 8 058 | -7 105 |
| 102 MÁV GÉP Kft | 17 | 74 | 91 | 88 | 0 | 88 | 3 |
| 116 MÁV THERMIT Kft | 1 | 52 | 53 | 787 | 23 | 810 | -757 |
| 131 MÁVKFVKft | 28 | 150 | 178 | 1 098 | 1 | 1 099 | -921 |
| 132 MÁV-SIN Kft | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 136 MÁV IK Kft | 15 | 0 | 15 | 1 603 | 172 | 1 775 | -1 760 |
| 138 MÁV INFORMATIKA Kft | 40 | 5 | 45 | 1 123 | 0 | 1 123 | -1 078 |
| 139 MÁV Vasútör Kft | 3 | 0 | 3 | 935 | 0 | 935 | -932 |
| 141 VIACOM Rt | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 142 MÁV MULTISZOLG Kft | 1 | 0 | 1 | 58 | 1 | 59 | -58 |
| 149 MÁV Vagyonkezelő Zrt. | 17 | 0 | 17 | 7 | 0 | 7 | 10 |
| 152 MÁV Raktár Kft | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 165 MÁV RECKft. | 11 | 0 | 11 | 0 | 1 | 1 | 10 |
| 179 ZÁHONY-PORT Zrt. | 156 | 3 | 159 | 141 | 2 | 143 | 16 |
| 180 MÁV-START Zrt. | 87 261 | 826 | 88 087 | 15 206 | 97 | 15 303 | 72 784 |
| 186 MÁV-TRAKCIÓ Zrt. Zrt. | 17 367 | 51 | 17 418 | 19 413 | 158 | 19 571 | -2 153 |
| 187 MÁV-GÉPÉSZET Zrt. | 338 | 4 | 342 | 384 | 57 | 441 | -99 |
| 190 MÁV Koncessziós Kft | 7 | 0 | 7 | 2 018 | 0 | 2 018 | -2 011 |
| 917 VTECO Kft | 13 | 0 | 13 | 0 | 0 | 0 | 13 |
| Grand total: | 106 544 | 1 807 | 108 351 | 52 616 | 343 | 52 959 | 55 392 |

Schedule 68: Related party balances – railtrack operations

I.10.2 Area passenger transport

The balance sheet of the area passenger transport activity (including the GL of the light railway activity) is set out in schedules „69: Asset side of the BS based on the area passenger transport GL” and „70: Equity & liabilities side of the BS based on the area passenger transport GL”, the related profit and loss account is in schedule „71: P&L based on the area passenger transport GL”, cash-flow statement is in schedule „72: Cash-flow statement based on the area passenger transport GL”. and the statement of area passenger transport (light railway) activities is set out in schedule „73: Area passenger transport P&L”.

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



figures in MHUF

| Line | Item | 31/12/2011 | 31/12/2012 | Change |
|-----------|---|------------|------------|-----------|
| 01 | A. Fixed assets (02.+10.+18.) | 90 | 88 | -2 |
| 02 | I. INTANGIBLE ASSETS (03.+...09.) | 0 | 0 | 0 |
| 03 | Capitalised foundation/restructuring | 0 | 0 | 0 |
| 04 | Capitalised research and development | 0 | 0 | 0 |
| 05 | Concessions, licenses and similar rights | 0 | 0 | 0 |
| 06 | Trade-marks, patents and similar assets | 0 | 0 | 0 |
| 07 | Goodwill | 0 | 0 | 0 |
| 08 | Advance payments for intangible assets | 0 | 0 | 0 |
| 09 | Adjusted value of intangible assets | 0 | 0 | 0 |
| 10 | II. TANGIBLE ASSETS (11.+...17.) | 90 | 88 | -2 |
| 11 | Land and buildings and related property rights | 0 | 0 | 0 |
| 11/b | of which Managed state owned properties and related rights | 0 | 0 | 0 |
| 12 | Plant, machinery, equipment and vehicles | 51 | 82 | 31 |
| 12/b | of which: managed state owned technical equipment, machinery and vehicles | 0 | 0 | 0 |
| 13 | Other equipment, fixtures and fittings, vehicles | 0 | 0 | 0 |
| 14 | Breeding stock | 0 | 0 | 0 |
| 15 | Assets in the course of construction | 39 | 0 | -39 |
| 15/b | of which: managed state owned capital projects | 0 | 0 | 0 |
| 16 | Advance payments for AICC | 0 | 6 | 6 |
| 17 | Adjusted value of tangible assets | 0 | 0 | 0 |
| 18 | III. LONG-TERM FINANCIAL ASSETS (19.+...25.) | 0 | 0 | 0 |
| 19 | Long-term participations in related parties | 0 | 0 | 0 |
| 20 | Long-term loans granted to related parties | 0 | 0 | 0 |
| 21 | Other long-term investments | 0 | 0 | 0 |
| 22 | Long-term loans granted to other investments | 0 | 0 | 0 |
| 23 | Other long-term loans granted | 0 | 0 | 0 |
| 24 | Long-term debt securities | 0 | 0 | 0 |
| 25 | Adjusted value of financial investments | 0 | 0 | 0 |
| 26 | B. Current assets (27.+34.+40.+45.) | 3 | 18 | 15 |
| 27 | I. INVENTORIES (28.+...33.) | 0 | 0 | 0 |
| 28 | Raw materials and consumables | 0 | 0 | 0 |
| 28/b | of which: Managed treasury materials | 0 | 0 | 0 |
| 29 | Work in progress and semi-finished products | 0 | 0 | 0 |
| 29/b | of which: Managed treasury WIP and semi-finished products | 0 | 0 | 0 |
| 30 | Animals for breeding, fattening and other livestock | 0 | 0 | 0 |
| 31 | Finished products | 0 | 0 | 0 |
| 31/b | of which: Managed treasury finished products | 0 | 0 | 0 |
| 32 | Goods | 0 | 0 | 0 |
| 33 | Advance payments for stocks | 0 | 0 | 0 |
| 34 | II. RECEIVABLES (35.+...39/A.) | 0 | 15 | 15 |
| 35 | Trade debtors | 0 | 0 | 0 |
| 36 | Receivables from related parties | 0 | 15 | 15 |
| 37 | Receivables from other investments | 0 | 0 | 0 |
| 38 | Bills of exchange receivables | 0 | 0 | 0 |
| 39 | Other receivables | 0 | 0 | 0 |
| 39/A. | Receivables from division settlements | 0 | 0 | 0 |
| 40 | III. SECURITIES (41.+...44.) | 0 | 0 | 0 |
| 41 | Participations in related parties | 0 | 0 | 0 |
| 42 | Other participations | 0 | 0 | 0 |
| 43 | Treasury shares and own participation | 0 | 0 | 0 |
| 44 | Marketable debt securities | 0 | 0 | 0 |
| 45 | IV. LIQUID ASSETS (46.+47.) | 3 | 3 | 0 |
| 46 | Cash, cheques | 1 | 1 | 0 |
| 47 | Bank deposits | 2 | 2 | 0 |
| 48 | C. PREPAID EXPENSES & ACCRUED INCOME (49.+...51.) | 0 | 0 | 0 |
| 49 | Accrued income | 0 | 0 | 0 |
| 50 | Prepaid expenses | 0 | 0 | 0 |
| 51 | Deferred expenses | 0 | 0 | 0 |
| 52 | TOTAL ASSETS (01.+26.+48.) | 93 | 106 | 13 |

Schedule 69: Asset side of the BS based on the area passenger transport GL

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

figures in MHUF

| Line | Item | 31/12/2011 | 31/12/2012 | Change |
|------------|---|---------------|---------------|-------------|
| 53. | <i>D. EQUITY (54.+...60.)</i> | -2 083 | -2 485 | -402 |
| 54. | I. Issued Capital | 0 | 0 | 0 |
| | of which: treasury shares redeemed at face value | 0 | 0 | 0 |
| 55 | II. Issued capital not paid (-)/ | 0 | 0 | 0 |
| 56 | III. Capital reserve | 0 | 0 | 0 |
| 57 | IV. Retained earnings/(losses) | -2 463 | -2 083 | 380 |
| 58 | V. Allocated reserves | 0 | 0 | 0 |
| 59 | VI. Revaluation reserve | 0 | 0 | 0 |
| 60 | VII. Profit or loss for the year | 380 | -402 | -782 |
| 61 | <i>E. PROVISIONS (62.+...65.)</i> | 0 | 0 | 0 |
| 62 | Provisions for contingent liabilities | 0 | 0 | 0 |
| 63 | Provisions for future commitments | 0 | 0 | 0 |
| 64 | Other provisions | 0 | 0 | 0 |
| 65 | <i>F. LIABILITIES (67.+71.+80.)</i> | 2 176 | 2 591 | 415 |
| 66 | <i>I. SUBORDINATED DEBT</i> | 0 | 0 | 0 |
| 67 | Subordinated debts to related parties | 0 | 0 | 0 |
| 68 | Subordinated debts to other investments | 0 | 0 | 0 |
| 69 | Subordinated debts to third parties | 0 | 0 | 0 |
| 70 | <i>II. LONG-TERM LIABILITIES (72.+...79.)</i> | 0 | 0 | 0 |
| 71 | Long-term borrowings | 0 | 0 | 0 |
| 72 | Convertible bonds | 0 | 0 | 0 |
| 73 | Debts from the issue of bonds | 0 | 0 | 0 |
| 74 | Investment and development loans | 0 | 0 | 0 |
| 75 | Other long-term loans | 0 | 0 | 0 |
| 76 | Long-term debts to related parties | 0 | 0 | 0 |
| 77 | Long-term debts to other investments | 0 | 0 | 0 |
| 78 | Other long-term liabilities | 0 | 0 | 0 |
| 78/b | of which: Liabilities related to managed state owned assets | 0 | 0 | 0 |
| 79 | <i>III. CURRENT LIABILITIES (81-89)</i> | 2 176 | 2 591 | 415 |
| 80 | Short-term borrowings | 0 | 0 | 0 |
| 81 | - of which: convertible bonds | 0 | 0 | 0 |
| 82 | Other short-term loans | 0 | 0 | 0 |
| 83 | Prepayments received from debtors | 0 | 0 | 0 |
| 84 | Creditors | 11 | 1 | -10 |
| 85 | Bills of exchange payable | 0 | 0 | 0 |
| 86 | Short-term debts to related parties | 44 | 23 | -21 |
| 87 | Short-term debts to other investments | 0 | 0 | 0 |
| 88 | Other current liabilities | 4 | 3 | -1 |
| 88/A. | Amounts payable to divisions | 2 117 | 2 564 | 447 |
| 89 | <i>G. ACCRUED EXPENSES AND DEFERRED INCOME (91.</i> | 0 | 0 | 0 |
| 90 | Deferred income | 0 | 0 | 0 |
| 91 | Accrued expenses | 0 | 0 | 0 |
| 92 | Deferred extraordinary revenues and negative goodwill | 0 | 0 | 0 |
| 93 | <i>EQUITY & LIABILITIES. (53.+61.+66.+90.)</i> | 93 | 106 | 13 |

Schedule 70: Equity & liabilities side of the BS based on the area passenger transport GL

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



figures in MHUF

| Line | Item | 31/12/2011 | 31/12/2012 |
|--------------|---|------------|-------------|
| .01. | Domestic sales, net | 105 | 117 |
| .02. | Export sales, net | 0 | 0 |
| I. | Sales, net (01.+02.) | 105 | 117 |
| I/A 1. | Internal revenues from passenger transport | 0 | 0 |
| I/A 2. | Internal revenues from engineering services | 0 | 0 |
| I/A 3. | Internal revenues from central services | 0 | 0 |
| I/A 4. | Internal revenues from railtrack services | 0 | 0 |
| I/A 5. | Revenues from direct internal services | 0 | 0 |
| I/A 6. | Revenues from central administration and property management | 0 | 0 |
| I/A | Internal revenues: (I/A 1+I/A 2+I/A 3+I/A 4+I/A 5) | 0 | 0 |
| .03. | Changes in self-produced inventories | 0 | 0 |
| .04. | Capitalised self-produced inventories | 0 | 0 |
| II. | Capitalised self-performance (03.+04.) | 0 | 0 |
| III. | Other revenues | 854 | 85 |
| | <i>of which: reversed impairment loss (962,1-962,2)</i> | 0 | 0 |
| | Operating yields (I+I/A +II+III) | 959 | 202 |
| .05. | Materials | 44 | 53 |
| .06. | Services used | 63 | 78 |
| .07. | Other services | 1 | 1 |
| .08. | COGS | 0 | 0 |
| .09. | Consignment services | 0 | 0 |
| IV. | Material-type expenditures (05.+06.+07.+08.+09.) | 108 | 132 |
| IV/A 1. | Internal costs of passenger transport | 0 | 0 |
| IV/A 2. | Internal costs of engineering services | 0 | 0 |
| IV/A 3. | Internal costs of central services | 3 | 4 |
| IV/A 4. | Internal costs of railtrack services | 379 | 372 |
| IV/A 5. | Costs of direct internal services | 0 | 2 |
| IV/A 6. | Costs of central administration and property management | 3 | 2 |
| IV/A | Internal expenditures: (IV/A 1+IV/A 2+IV/A 3+IV/A 4+IV/A 5+IV/A 6) | 385 | 380 |
| .10. | Payroll costs | 59 | 60 |
| .11. | Other payments to personnel | 5 | 5 |
| .12. | Social security | 18 | 18 |
| V. | Payments to personnel (10.+11.+12.) | 82 | 83 |
| VI. | Depreciation | 3 | 8 |
| VII. | Other expenditures | 1 | 1 |
| | <i>of which: impairment loss (862)</i> | 0 | 0 |
| | Operating expenses: (IV+IV/A+V+VI+VII) | 579 | 604 |
| A. | OPERATING PROFIT OR LOSS | 380 | -402 |
| .13. | Dividends received | 0 | 0 |
| | from related parties | 0 | 0 |
| .14. | Gains on share disposals | 0 | 0 |
| | from related parties | 0 | 0 |
| .15. | Interest and FX gains on fixed assets | 0 | 0 |
| | from related parties | 0 | 0 |
| .16. | Interest received and similar income | 0 | 0 |
| | from related parties | 0 | 0 |
| .17. | Other financial income | 0 | 0 |
| VIII. | Financial revenues (13.+14.+15.+16.+17.) | 0 | 0 |
| .18. | FX losses on fixed assets | 0 | 0 |
| | to related parties | 0 | 0 |
| .19. | Interest paid and similar charges | 0 | 0 |
| | to related parties | 0 | 0 |
| .20. | Impairment loss on shares and securities | 0 | 0 |
| .21. | Other financial expenses | 0 | 0 |
| IX. | Financial expenses (18.+19.+20.+21.) | 0 | 0 |
| B. | FINANCIAL LOSS (VIII-IX) | 0 | 0 |
| C. | LOSS OR PROFIT ON ORDINARY ACTIVITIES (A+B) | 380 | -402 |
| X. | Extraordinary revenues | 0 | 0 |
| XI. | Extraordinary expenditures | 0 | 0 |
| D. | EXTRAORDINARY PROFIT (X-XI) | 0 | 0 |
| E. | PRE-TAX LOSS OR PROFIT (C+D) | 380 | -402 |
| XII. | TAX PAYABLE | 0 | 0 |
| F. | LOSS OR PROFIT AFTER TAX (E-XII) | 380 | -402 |
| .22. | Dividends paid from retained earnings | 0 | 0 |
| .23. | Dividends (paid) approved | 0 | 0 |
| G. | LOSS OR PROFIT FOR THE YEAR (F+22.-23.) | 380 | -402 |

Schedule 71: P&L based on the area passenger transport GL

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

figures in MHUF

| Line | Item | 31/12/2011 | 31/12/2012 |
|-------------|--|------------|------------|
| I. | Operating cash-flows (1-16) | 31 | -5 |
| 1. | Profit before tax ± | 380 | -402 |
| | assigned debt | 0 | 0 |
| | interest on assigned debt | 0 | 0 |
| | amounts received free of charge | 0 | 0 |
| | amounts granted free of charge, expensed | 0 | 0 |
| | dividends received | 0 | 0 |
| | dividends on prev. year profit | 0 | 0 |
| | debts assumed | 0 | 0 |
| 2. | Previous years' profits/losses | 0 | 0 |
| 3. | Revalued loans (base figure is for information only) | 0 | 0 |
| 4. | Ordinary depreciation + | 3 | 8 |
| 4/a. | Depreciation on previous year | 0 | 0 |
| 5. | Recognised and reversed impairment loss ± | 0 | 0 |
| 6. | Changes in provisions ± | 0 | 0 |
| 7. | Fixed asset disposals ± | 0 | -11 |
| 8. | Movements in treasury asset related liabilities | | |
| 9. | Movements in creditors ± | 0 | -10 |
| 10. | Movements in other current liabilities ± | 24 | -22 |
| 11. | Movements in accruals ± | 0 | 0 |
| 12. | Movements in debtors ± | 0 | 0 |
| 13. | Current asset movements (less debtors and liquid assets) ± | -376 | 432 |
| | <i>of which: movements in balance of business line operations</i> | -376 | 447 |
| 14. | Movements in prepayments and accrued income + | 0 | 0 |
| 15. | Income taxes paid (payable) - | 0 | 0 |
| 16. | Dividends and profit-sharing paid or payable - | 0 | 0 |
| II. | Investing cash flows (17-20) | -41 | 5 |
| 17. | Fixed assets additions - | -41 | -7 |
| 18. | Fixed asset disposals + | 0 | 12 |
| 19. | Capital withdrawn from existing investment (subsidiary) | 0 | 0 |
| 20. | Dividends received + | 0 | 0 |
| III. | Financing cash flows (21-31) | 0 | 0 |
| 21. | Revenues from the issue of shares (capital withdrawal) + | 0 | 0 |
| 22. | Issue of bonds + | 0 | 0 |
| 23. | Loans taken + | 0 | 0 |
| 24. | Repayment, cancellation of long-term loan and bank deposits + | 0 | 0 |
| 25. | Assets received free of charge + | 0 | 0 |
| 26. | Redemption of shares, capital reduction - | 0 | 0 |
| 27. | Repayment of bonds - | 0 | 0 |
| 28. | Repayment of loans - | 0 | 0 |
| 29. | Long-term loans granted and bank deposits - | 0 | 0 |
| 30. | Assets transferred free of charge - | 0 | 0 |
| 31. | Movements in payables to founders and in other long-term liabilities + | 0 | 0 |
| IV. | Change in cash and cash equivalents (±I±II±III) ± | -11 | 0 |

Schedule 72: Cash-flow statement based on the area passenger transport GL

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



The statement of the area passenger transport activity is set out below (in THUF):
figures in THUF

| line | Item | 2011 | 2012 |
|-----------|---|-----------------|-----------------|
| 1 | Net sales | 104 713 | 116 748 |
| | tickets | 99 401 | 108 810 |
| | subsidy (compensation) | 5 312 | 7 937 |
| | paid by government | 0 | 0 |
| 2 | Internal revenues | 5 | 0 |
| 3 | Capitalised own performance | 29 | 237 |
| 4 | Other revenues | 854 237 | 84 691 |
| | gov. refund | 853 565 | 72 000 |
| | gov. subsidy | 316 | 526 |
| 5 | TOTAL BUSINESS YIELD | 958 984 | 201 676 |
| 6 | Material-type expenditures | 108 467 | 131 967 |
| | track network access charge | 0 | 0 |
| 7 | Internal expenses | 385 316 | 379 452 |
| | track network access charge | 379 532 | 372 015 |
| | traction | 0 | 0 |
| | other railway services | 0 | 1 659 |
| | central services | 2 827 | 4 251 |
| | central administration | 2 957 | 1 527 |
| 8 | Payments to personnel | 82 195 | 83 320 |
| 9 | Depreciation | 2 914 | 7 639 |
| 10 | Other expenses | 619 | 1 288 |
| 11 | TOTAL BUSINESS EXPENDITURE | 579 511 | 603 666 |
| 12 | OPERATING LOSS | 379 473 | -401 990 |
| 13 | Financial income | 100 | 75 |
| 14 | Financial expenses | 0 | 0 |
| 15 | FINANCIAL LOSS | 100 | 75 |
| 16 | Extraordinary revenues | 0 | 0 |
| | gov. subsidy | 0 | 0 |
| 17 | Extraordinary expenditures | 0 | 0 |
| 18 | EXTRAORDINARY PROFIT OR LOSS | 0 | 0 |
| 19 | Tax | 0 | 0 |
| 20 | LOSS AFTER TAX | 379 573 | -401 915 |
| | Assigned debt as extraordinary revenue | 853 565 | 72 000 |
| 20 | NET LOSS WITHOUT THE EFFECT OF ASSIGNED DEBT | -473 992 | -473 915 |

Schedule 73: Area passenger transport P&L

MÁV Zrt's passenger transport services changed according to the following in the basis timetable period of 2009/2010 and in the reporting timetable period of 2010/2011:

- *Balatonfenyves business railway*: public service passenger transport as part of MÁV-START Zrt's public service contract and was taken over by MÁV START Zrt. as of September 2012;
- *Children's Railway*: regular passenger transport but no longer as a public service as of the timetable change on 13 December 2009;
- *Nyíregyháza and Kécskemét light railways*: in the absence of an order for public services, passenger transport has been suspended as of 13 December 2009.

Thus MÁV Zrt. operated both the Children's Railway and the Balatonfenyves business railway lines in both 2011 and 2012 for regional passenger transport. MÁV Zrt. holds passenger

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

transport licences also for the suspended lines and incurred costs and expenses in the reporting year in this regard.

Area passenger transport in 2012 appeared to be profitable owing to the fact that MÁV Zrt. received from MÁV Start Zrt. the compensation for area passenger transport due based on the public passenger transport contracts for 2009 and 2010 (2009: HUF 775 million, 2010: HUF 79 million) only in November 2011 in one sum. The reimbursement for the cost of the Balatonfenyves GV incurred in 2011 (HUF 72 million) was received from MÁV START Zrt. in 2012.

Most of the loss net of any previous compensation, related to the Children's Railway (2012: HUF 435 million; 2011: HUF 398 million).

The number of paying passengers on light railways totalled 307,968 people in 2012 which represents an output of 2,286 thousand passenger kilometres. Of the paying passengers, 89.4% used the Children's Railway. Overall, there was a 4.7% increase in the number of paying passengers in 2012 compared to 2011 and was due to an increase of more than 12 thousand passengers on the Children's Railway.

Light railway fares increased as of 1 January 2012 only as a result of the higher VAT rate (from 25% to 27%).

The indicators of our traction activity were as follows:

| Item | 2011 | | 2012 | |
|--------------------|-----------|---------------|-----------|---------------|
| | train kms | no. of trains | train kms | no. of trains |
| Children's Railway | 75 167,40 | 6 712 | 76 959,40 | 6 872 |
| Balatonfenyves | 44 623,60 | 3 658 | 31 362,60 | 2 572,0 |

Schedule 74: Traction operations indicators

The number of paying passengers on the Children's Railway increased by 4.7% on 2011 while gross revenues from fares increased by 8.6%. Besides the changes in passenger numbers, revenues from fares increased year by year as passenger preferences change. The number of passengers travelling with a family ticket significantly increased also in 2012 (3128 db ~ + 90%). The steam locomotive led nostalgia train is also very popular and the number of full fare paying customers (over 14 years of age) increased by 20%.

As for passenger mix, 32% of the passengers paid discounted fares, while full fare payers were 68% (a 5% drop on the previous year). Nearly 45% of the passengers bought section tickets and 55% bought single tickets.

During 2012, the Children's Railway was used for 10 regional or national explorer tours (mainly in the lower seasons). Besides promoting the Children's Railway, these events also increased the number of passengers. In 2013, we aim our marketing efforts at foreign visitors to Budapest (flyers will be placed in hotels and tourist information points). To this end, we will also update our English and German leaflets and flyers. Our on-board multi-language passenger information system will be re-launched during spring (the necessary voice recording works are already in progress).

The most significant material-type expenses (132 M Ft) in 2012 were: train maintenance services (HUF 58 million) and materials used (HUF 9 million); traction fuel (HUF 24 million); ticket rolls (HUF 10 million) and railway station cleaning (HUF 6 million). The reason for the increase was the fact that 2012 was the first year when we managed to go ahead with some of the maintenance works skipped in previous years, mainly in the Children's Railway.

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



The HUF 372 million drop in the cost of internal railtrack services used by the light railways in 2012 was due to the assignment of Balatonfenyves GV to MÁV-START Zrt.

The use of incentive subsidies disbursed to MÁV Zrt. employees also contributed to an increase in payments to personnel despite the assignment of the light railway operations.

Depreciation charge increased by HUF 5 million on 2011 mainly as a result of the depreciation of refurbished assets.

The austerity measures of the past years combined with a delay in the subsidy for 2009 and the discontinuation of the subsidy for the Children's Railway as of 2010, have had a negative impact on the rolling stock of the Children's Railway:

- Out of 6 diesel motorcars, only three was fit for unlimited use in daily operations, two other motorcars could cope with only two railcars and the remaining one was unfit for service and needed engine replacement. This causes great difficulties on busy weekend days and results in crowded trains and missed passengers.
- The situation somewhat improved due to the engine replacement in two of the motorcars in 2010 and in 2011. Obtaining the final licences is currently in progress.

Related party balances (revenues and liabilities) related to public passenger transport services are presented below.

figures in MHUF

| Related party | Revenues | | | Expenditures | | | Grand total |
|---------------------------|-----------|------------|-----------|--------------|----------------|-----------|-------------|
| | Net sales | Other rev. | Total | Costs | Other expenses | Total | |
| 015 MÁV Nosztalgia Kft | 0 | 0 | 0 | 12 | 0 | 12 | -12 |
| 022 MÁV Vasjármű Kft | 0 | 0 | 0 | 37 | 0 | 37 | -37 |
| 139 MÁV Vasútőr Kft | 0 | 0 | 0 | 5 | 0 | 5 | -5 |
| 180 MÁV-START Zrt. | 0 | 12 | 12 | 0 | 1 | 1 | 11 |
| 186 MÁV-TRAKCIÓ Zrt. Zrt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 187 MÁV-GÉPÉSZET Zrt. | 0 | 0 | 0 | 1 | 0 | 1 | -1 |
| Total | 0 | 12 | 12 | 55 | 1 | 56 | -44 |

Schedule 75: Related party balances related to area public passenger transport services

I.10.3 Area passenger transport as a public service

The balance sheet of public service passenger transport is set out in Schedules „76: Asset side of the BS based on the public service area passenger transport GL” and „77: Equity & liabilities side of the BS based on the public service area passenger transport GL”, the related profit and loss account is presented in Schedule „78: P&L based on the public service area passenger transport GL”, the statement of activity is in Schedule „79: Public service area passenger transport P&L”. The figures included in these statements reflect the area passenger GL and the Balatonfenyves light railway passenger transport activity records.

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

figures in MHUF

| Line | Item | 31/12/2011 | 31/12/2012 | Change |
|-----------|---|------------|------------|-------------|
| 01 | A. Fixed assets (02.+10.+18.) | 1 | 0 | -1 |
| 02 | I. INTANGIBLE ASSETS (03.+...09.) | 0 | 0 | 0 |
| 03 | Capitalised foundation/restructuring | 0 | 0 | 0 |
| 04 | Capitalised research and development | 0 | 0 | 0 |
| 05 | Concessions, licenses and similar rights | 0 | 0 | 0 |
| 06 | Trade-marks, patents and similar assets | 0 | 0 | 0 |
| 07 | Goodwill | 0 | 0 | 0 |
| 08 | Advance payments for intangible assets | 0 | 0 | 0 |
| 09 | Adjusted value of intangible assets | 0 | 0 | 0 |
| 10 | II. TANGIBLE ASSETS (11.+...17.) | 1 | 0 | -1 |
| 11 | Land and buildings and related property rights | 0 | 0 | 0 |
| 11/b | of which Managed state owned properties and related rights | 0 | 0 | 0 |
| 12 | Plant, machinery, equipment and vehicles | 1 | 0 | -1 |
| 12/b | of which: managed state owned technical equipment, machinery and vehicles | 0 | 0 | 0 |
| 13 | Other equipment, fixtures and fittings, vehicles | 0 | 0 | 0 |
| 14 | Breeding stock | 0 | 0 | 0 |
| 15 | Assets in the course of construction | 0 | 0 | 0 |
| 15/b | of which: managed state owned capital projects | 0 | 0 | 0 |
| 16 | Advance payments for AICC | 0 | 0 | 0 |
| 17 | Adjusted value of tangible assets | 0 | 0 | 0 |
| 18 | III. LONG-TERM FINANCIAL ASSETS (19.+...25.) | 0 | 0 | 0 |
| 19 | Long-term participations in related parties | 0 | 0 | 0 |
| 20 | Long-term loans granted to related parties | 0 | 0 | 0 |
| 21 | Other long-term investments | 0 | 0 | 0 |
| 22 | Long-term loans granted to other investments | 0 | 0 | 0 |
| 23 | Other long-term loans granted | 0 | 0 | 0 |
| 24 | Long-term debt securities | 0 | 0 | 0 |
| 25 | Adjusted value of financial investments | 0 | 0 | 0 |
| 26 | B. Current assets (27.+34.+40.+45.) | 776 | 33 | -743 |
| 27 | I. INVENTORIES (28.+...33.) | 0 | 0 | 0 |
| 28 | Raw materials and consumables | 0 | 0 | 0 |
| 28/b | of which: Managed treasury materials | 0 | 0 | 0 |
| 29 | Work in progress and semi-finished products | 0 | 0 | 0 |
| 29/b | of which: Managed treasury WIP and semi-finished products | 0 | 0 | 0 |
| 30 | Animals for breeding, fattening and other livestock | 0 | 0 | 0 |
| 31 | Finished products | 0 | 0 | 0 |
| 31/b | of which: Managed treasury finished products | 0 | 0 | 0 |
| 32 | Goods | 0 | 0 | 0 |
| 33 | Advance payments for stocks | 0 | 0 | 0 |
| 34 | II. RECEIVABLES (35.+...39/A.) | 776 | 19 | -757 |
| 35 | Trade debtors | 0 | 0 | 0 |
| 36 | Receivables from related parties | 0 | 15 | 15 |
| 37 | Receivables from other investments | 0 | 0 | 0 |
| 38 | Bills of exchange receivables | 0 | 0 | 0 |
| 39 | Other receivables | 0 | 0 | 0 |
| 39/A. | Receivables from division settlements | 776 | 4 | -772 |
| 40 | III. SECURITIES (41.+...44.) | 0 | 0 | 0 |
| 41 | Participations in related parties | 0 | 0 | 0 |
| 42 | Other participations | 0 | 0 | 0 |
| 43 | Treasury shares and own participation | 0 | 0 | 0 |
| 44 | Marketable debt securities | 0 | 0 | 0 |
| 45 | IV. LIQUID ASSETS (46.+47.) | 0 | 14 | 14 |
| 46 | Cash, cheques | 0 | 0 | 0 |
| 47 | Bank deposits | 0 | 14 | 14 |
| 48 | C. PREPAID EXPENSES & ACCRUED INCOME (49.+...51.) | 0 | 0 | 0 |
| 49 | Accrued income | 0 | 0 | 0 |
| 50 | Prepaid expenses | 0 | 0 | 0 |
| 51 | Deferred expenses | 0 | 0 | 0 |
| 52 | TOTAL ASSETS (01.+26.+48.) | 777 | 33 | -744 |

Schedule 76: Asset side of the BS based on the public service area passenger transport GL

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



| | | figures in MHUF | | |
|------------|---|-----------------|------------|-------------|
| Line | Item | 31/12/2011 | 31/12/2012 | Change |
| 53. | D. EQUITY (54.+...61.) | 777 | 33 | -744 |
| 54. | I. Issued Capital | 0 | 0 | 0 |
| | of which: treasury shares redeemed at face value | 0 | 0 | 0 |
| 55 | II. Issued capital not paid (-)/ | 0 | 0 | 0 |
| 56 | III. Capital reserve | 0 | 0 | 0 |
| 57 | IV. Retained earnings/(losses) | 0 | 0 | 0 |
| 58 | V. Allocated reserves | 0 | 0 | 0 |
| 59 | VI. Revaluation reserve | 0 | 0 | 0 |
| 60 | VII. Profit or loss for the year | 777 | 33 | -744 |
| 61 | E. PROVISIONS (62.+...65.) | 0 | 0 | 0 |
| 62 | Provisions for contingent liabilities | 0 | 0 | 0 |
| 63 | Provisions for future commitments | 0 | 0 | 0 |
| 64 | Other provisions | 0 | 0 | 0 |
| 65 | F. LIABILITIES (67.+71.+80.) | 0 | 0 | 0 |
| 66 | I. SUBORDINATED DEBT (68+..70) | 0 | 0 | 0 |
| 67 | Subordinated debts to related parties | 0 | 0 | 0 |
| 68 | Subordinated debts to other investments | 0 | 0 | 0 |
| 69 | Subordinated debts to third parties | 0 | 0 | 0 |
| 70 | II. LONG-TERM LIABILITIES (72.+...79.) | 0 | 0 | 0 |
| 71 | Long-term borrowings | 0 | 0 | 0 |
| 72 | Convertible bonds | 0 | 0 | 0 |
| 73 | Debts from the issue of bonds | 0 | 0 | 0 |
| 74 | Investment and development loans | 0 | 0 | 0 |
| 75 | Other long-term loans | 0 | 0 | 0 |
| 76 | Long-term debts to related parties | 0 | 0 | 0 |
| 77 | Long-term debts to other investments | 0 | 0 | 0 |
| 78 | Other long-term liabilities | 0 | 0 | 0 |
| 78/b | of which: Liabilities related to managed state owned assets | 0 | 0 | 0 |
| 79 | III. CURRENT LIABILITIES (81-89) | 0 | 0 | 0 |
| 80 | Short-term borrowings | 0 | 0 | 0 |
| 81 | - of which: convertible bonds | 0 | 0 | 0 |
| 82 | Other short-term loans | 0 | 0 | 0 |
| 83 | Prepayments received from debtors | 0 | 0 | 0 |
| 84 | Creditors | 0 | 0 | 0 |
| 85 | Bills of exchange payable | 0 | 0 | 0 |
| 86 | Short-term debts to related parties | 0 | 0 | 0 |
| 87 | Short-term debts to other investments | 0 | 0 | 0 |
| 88 | Other current liabilities | 0 | 0 | 0 |
| 88/A. | Amounts payable to divisions | 0 | 0 | 0 |
| 89 | G. ACCRUED EXPENSES AND DEFERRED INCOME (91. | 0 | 0 | 0 |
| 90 | Deferred income | 0 | 0 | 0 |
| 91 | Accrued expenses | 0 | 0 | 0 |
| 92 | Deferred extraordinary revenues and negative goodwill | 0 | 0 | 0 |
| 93 | EQUITY & LIABILITIES. (53.+61.+66.+90.) | 777 | 33 | -744 |

Schedule 77: Equity & liabilities side of the BS based on the public service area passenger transport
GL

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

figures in MHUF

| <i>Line</i> | <i>Item</i> | <i>31/12/2011</i> | <i>31/12/2012</i> |
|--------------|---|-------------------|-------------------|
| .01. | Domestic sales, net | 6 | 5 |
| .02. | Export sales, net | 0 | 0 |
| I. | Sales, net (01.+02.) | 6 | 5 |
| I/A 1. | Internal revenues from passenger transport | 0 | 0 |
| I/A 2. | Internal revenues from engineering services | 0 | 0 |
| I/A 3. | Internal revenues from central services | 0 | 0 |
| I/A 4. | Internal revenues from railtrack services | 0 | 0 |
| I/A 5. | Revenues from direct internal services | 0 | 0 |
| I/A 6. | Revenues from central administration and property management | 0 | 0 |
| I/A | Internal revenues: (I/A 1 + I/A 2 + I/A 3 + I/A 4 + I/A 5) | 0 | 0 |
| .03. | Changes in self-produced inventories | 0 | 0 |
| .04. | Capitalised self-produced inventories | 0 | 0 |
| II. | Capitalised self-performance (03.+04.) | 0 | 0 |
| III. | Other revenues | 854 | 84 |
| | <i>of which: reversed impairment loss (962,1-962,2)</i> | 0 | 0 |
| | Operating yields (I+I/A +II+III) | 860 | 89 |
| .05. | Materials | 4 | 3 |
| .06. | Services used | 5 | 1 |
| .07. | Other services | 0 | 0 |
| .08. | COGS | 0 | 0 |
| .09. | Consignment services | 0 | 0 |
| IV. | Material-type expenditures (05.+06.+07.+08.+09.) | 9 | 4 |
| IV/A 1. | Internal costs of passenger transport | 0 | 0 |
| IV/A 2. | Internal costs of engineering services | 0 | 0 |
| IV/A 3. | Internal costs of central services | 1 | 1 |
| IV/A 4. | Internal costs of railtrack services | 57 | 40 |
| IV/A 5. | Costs of direct internal services | 0 | 0 |
| IV/A 6. | Costs of central administration and property management | 1 | 0 |
| IV/A | Internal expenditures: (IV/A 1 + IV/A 2 + IV/A 3 + IV/A 4 + IV/A 5 + IV/A 6) | 59 | 41 |
| .10. | Payroll costs | 9 | 6 |
| .11. | Other payments to personnel | 2 | 1 |
| .12. | Social security | 3 | 3 |
| V. | Payments to personnel (10.+11.+12.) | 14 | 10 |
| VI. | Depreciation | 0 | 0 |
| VII. | Other expenditures | 1 | 1 |
| | <i>of which: impairment loss (862)</i> | 0 | 0 |
| | Operating expenses: (IV+IV/A+V+VI+VII) | 83 | 56 |
| A. | OPERATING PROFIT OR LOSS | 777 | 33 |
| .13. | Dividends received | 0 | 0 |
| | <i>from related parties</i> | 0 | 0 |
| .14. | Gains on share disposals | 0 | 0 |
| | <i>from related parties</i> | 0 | 0 |
| .15. | Interest and FX gains on fixed assets | 0 | 0 |
| | <i>from related parties</i> | 0 | 0 |
| .16. | Interest received and similar income | 0 | 0 |
| | <i>from related parties</i> | 0 | 0 |
| .17. | Other financial income | 0 | 0 |
| VIII. | Financial revenues (13.+14.+15.+16.+17.) | 0 | 0 |
| .18. | FX losses on fixed assets | 0 | 0 |
| | <i>to related parties</i> | 0 | 0 |
| .19. | Interest paid and similar charges | 0 | 0 |
| | <i>to related parties</i> | 0 | 0 |
| .20. | Impairment loss on shares and securities | 0 | 0 |
| .21. | Other financial expenses | 0 | 0 |
| IX. | Financial expenses (18.+19.+20.+21.) | 0 | 0 |
| B. | FINANCIAL PROFIT OR LOSS (VIII-IX) | 0 | 0 |
| C. | LOSS OR PROFIT ON ORDINARY ACTIVITIES (A+B) | 777 | 33 |
| X. | Extraordinary revenues | 0 | 0 |
| XI. | Extraordinary expenditures | 0 | 0 |
| D. | EXTRAORDINARY PROFIT (X-XI) | 0 | 0 |
| E. | PRE-TAX LOSS OR PROFIT (C+D) | 777 | 33 |
| XII. | TAX PAYABLE | 0 | 0 |
| F. | LOSS OR PROFIT AFTER TAX (E-XII) | 777 | 33 |
| .22. | Dividends paid from retained earnings | 0 | 0 |
| .23. | Dividends (paid) approved | 0 | 0 |
| G. | LOSS OR PROFIT FOR THE YEAR (F+22.-23.) | 777 | 33 |

Schedule 78: P&L based on the public service area passenger transport GL

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STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



The statement of public services area passenger transport activities is set out below in THUF:

figures in THUF

| line | Item | 2011 | 2012 |
|-----------|---|----------------|----------------|
| 1 | Net sales | 5 457 | 5 445 |
| | tickets | 4 370 | 4 538 |
| | subsidy (compensation) | 1 087 | 907 |
| | paid by government | 0 | 0 |
| 2 | Internal revenues | 5 | 0 |
| 3 | Capitalised own performance | 0 | 0 |
| 4 | Other revenues | 853 828 | 83 700 |
| | gov. refund | 853 565 | 72 000 |
| | gov. subsidy | 105 | 0 |
| 5 | TOTAL BUSINESS YIELD | 859 290 | 89 145 |
| 6 | Material-type expenditures | 9 022 | 3 998 |
| | track network access charge | 0 | 0 |
| 7 | Internal expenses | 58 725 | 40 915 |
| | track network access charge | 56 580 | 39 717 |
| | traction | 0 | 0 |
| | other railway services | 0 | 0 |
| | central services | 983 | 750 |
| | central administration | 1 162 | 448 |
| 8 | Payments to personnel | 14 070 | 9 897 |
| 9 | Depreciation | 121 | 98 |
| 10 | Other expenses | 0 | 776 |
| 11 | TOTAL BUSINESS EXPENDITURE | 81 938 | 55 684 |
| 12 | OPERATING PROFIT OR LOSS | 777 352 | 33 461 |
| 13 | Financial income | 8 | 0 |
| 14 | Financial expenses | 0 | 0 |
| 15 | FINANCIAL LOSS | 8 | 0 |
| 16 | Extraordinary revenues | 0 | 0 |
| | gov. subsidy | 0 | 0 |
| 17 | Extraordinary expenditures | 0 | 0 |
| 18 | EXTRAORDINARY PROFIT OR LOSS | 0 | 0 |
| 19 | Tax | 0 | 0 |
| 20 | LOSS OR PROFIT AFTER TAX | 777 360 | 33 461 |
| | Assigned debt as extraordinary revenue | 853 565 | 72 000 |
| 20 | NET LOSS WITHOUT THE EFFECT OF ASSIGNED DEBT | -76 205 | -38 539 |

Schedule 79: Public service area passenger transport P&L

In both years, area public transport service was provided only along the Balatonfenyves business railway line upon an order by MÁV START Zrt. Area passenger transport appears to be **profitable** owing to the fact that MÁV Zrt. received from MÁV Start Zrt. the compensation for area passenger transport due based on the passenger transport public service contracts for 2009 and 2010 (the compensation for 2011 was transferred in November 2012). Receipt of the reimbursement for the costs incurred in the first eight months of 2012 and the one-off gains on the disposal of railway assets also contributed to the profits.

Passenger turnover figures for the **Balatonfenyves** service are measurable for January to August 2012. There was no significant increase in the number of passengers, a net sales revenues (fares + compensation) dropped by 0.3% in 2012. In the summer, the light railway was popular with tourists and holidaymakers in the Lake Balaton area. In the periods between January and May, passenger service in the Balatonfenyves area is used mostly by the inhabitants and pupils of

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MÁV Hungarian State Railways Company Private Company by Shares

Balatonfenyves-Imremajor and a few schoolchildren in Somogyzentpál. From spring to autumn, there would be demand for passenger cars that can carry bicycles, but our current trains are not suited to carry foreign tourist groups of 20 – 30 people and their bicycles.

In both 2011 and 2012, the main components of the related **costs** were railtrack use internal railtrack charge and payments to personnel.

The movements in costs reflect the effect of the assigned services during the year in both periods. Non-recurring items include the sale of railway assets to MÁV START Zrt. which resulted in HUF 12 million other income versus a carrying value of nearly HUF 1 million.

Related party balances (revenues and liabilities) related to public passenger transport services are presented below.

figures in MHUF

| Related party | Revenues | | | Expenditures | | | Grand total |
|-------------------------|-----------|------------|-----------|--------------|----------------|----------|-------------|
| | Net sales | Other rev. | Total | Costs | Other expenses | Total | |
| 015 MÁV Nosztalgia Kft. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 022 MÁV Vasjármű Kft. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 139 MÁV Vasútőr Kft. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 180 MÁV-START Zrt. | 0 | 12 | 12 | 0 | 1 | 1 | 11 |
| 186 MÁV-TRAKCIÓ Zrt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 187 MÁV-GÉPÉSZET Zrt. | 0 | 0 | 0 | 1 | 0 | 1 | -1 |
| Total | 0 | 12 | 12 | 1 | 1 | 2 | 10 |

Schedule 80: Related party balances related to public service area passenger transport

I.10.4 Other activities

The balance sheet as compiled based on the central GL (including temporary passenger transport and engineering balances) is shown in schedules „81: Asset side of the BS for other activities” and „82: Equity and liabilities side of the BS for other activities”; the profit and loss account of other activities is shown in schedule „83: Profit and loss account of other activities”, while the cash flow statements based on the central GL is shown in schedule „85: Other activities”.

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



figures in MHUF

| Line | Item | 31/12/2011 | 31/12/2012 | Change |
|-----------|---|----------------|----------------|----------------|
| 01 | A. Fixed assets (02.+10.+18.) | 289 234 | 282 892 | -6 342 |
| 02 | I. INTANGIBLE ASSETS (03.+...09.) | 443 | 679 | 236 |
| 03 | Capitalised foundation/restructuring | 0 | 0 | 0 |
| 04 | Capitalised research and development | 45 | 0 | -45 |
| 05 | Concessions, licenses and similar rights | 197 | 611 | 414 |
| 06 | Trade-marks, patents and similar assets | 201 | 68 | -133 |
| 07 | Goodwill | 0 | 0 | 0 |
| 08 | Advance payments for intangible assets | 0 | 0 | 0 |
| 09 | Adjusted value of intangible assets | 0 | 0 | 0 |
| 10 | II. TANGIBLE ASSETS (11.+...17.) | 170 977 | 162 488 | -8 489 |
| 11 | Land and buildings and related property rights | 60 676 | 58 138 | -2 538 |
| 11/b | of which Managed state owned properties and related rights | 0 | 0 | 0 |
| 12 | Plant, machinery, equipment and vehicles | 110 153 | 103 836 | -6 317 |
| 12/b | of which: managed state owned technical equipment, machinery and vehicles | 0 | 0 | 0 |
| 13 | Other equipment, fixtures and fittings, vehicles | 56 | 40 | -16 |
| 14 | Breeding stock | 0 | 0 | 0 |
| 15 | Assets in the course of construction | 41 | 427 | 386 |
| 15/b | of which: managed state owned capital projects | 0 | 0 | 0 |
| 16 | Advance payments for AICC | 51 | 47 | -4 |
| 17 | Adjusted value of tangible assets | 0 | 0 | 0 |
| 18 | III. LONG-TERM FINANCIAL ASSETS (19.+...25.) | 117 814 | 119 725 | 1 911 |
| 19 | Long-term participations in related parties | 115 538 | 117 546 | 2 008 |
| 20 | Long-term loans granted to related parties | 0 | 0 | 0 |
| 21 | Other long-term investments | 2 208 | 2 071 | -137 |
| 22 | Long-term loans granted to other investments | 0 | 0 | 0 |
| 23 | Other long-term loans granted | 68 | 108 | 40 |
| 24 | Long-term debt securities | 0 | 0 | 0 |
| 25 | Adjusted value of financial investments | 0 | 0 | 0 |
| 26 | B. Current assets (27.+34.+40.+45.) | 57 341 | 32 348 | -24 993 |
| 27 | I. INVENTORIES (28.+...33.) | 5 524 | 5 319 | -205 |
| 28 | Raw materials and consumables | 5 410 | 5 218 | -192 |
| 28/b | of which: Managed treasury materials | 0 | 0 | 0 |
| 29 | Work in progress and semi-finished products | 5 | 0 | -5 |
| 29/b | of which: Managed treasury WIP and semi-finished products | 0 | 0 | 0 |
| 30 | Animals for breeding, fattening and other livestock | 0 | 0 | 0 |
| 31 | Finished products | 89 | 74 | -15 |
| 31/b | of which: Managed treasury finished products | 0 | 0 | 0 |
| 32 | Goods | 20 | 27 | 7 |
| 33 | Advance payments for stocks | 0 | 0 | 0 |
| 34 | II. RECEIVABLES (35.+...39/A.) | 38 079 | 25 280 | -12 799 |
| 35 | Trade debtors | 1 791 | 861 | -930 |
| 36 | Receivables from related parties | 8 471 | 10 839 | 2 368 |
| 37 | Receivables from other investments | 49 | 16 | -33 |
| 38 | Bills of exchange receivables | 0 | 0 | 0 |
| 39 | Other receivables | 2 597 | 281 | -2 316 |
| 39/A. | Receivables from division settlements | 25 171 | 13 283 | -11 888 |
| 40 | III. SECURITIES (41.+...44.) | 0 | 0 | 0 |
| 41 | Participations in related parties | 0 | 0 | 0 |
| 42 | Other participations | 0 | 0 | 0 |
| 43 | Treasury shares and own participation | 0 | 0 | 0 |
| 44 | Marketable debt securities | 0 | 0 | 0 |
| 45 | IV. LIQUID ASSETS (46.+47.) | 13 738 | 1 749 | -11 989 |
| 46 | Cash, cheques | 5 | 5 | 0 |
| 47 | Bank deposits | 13 733 | 1 744 | -11 989 |
| 48 | C. PREPAID EXPENSES & ACCRUED INCOME (49.+...51.) | 16 165 | 8 530 | -7 635 |
| 49 | Accrued income | 324 | 300 | -24 |
| 50 | Prepaid expenses | 316 | 404 | 88 |
| 51 | Deferred expenses | 15 525 | 7 826 | -7 699 |
| 52 | TOTAL ASSETS (01.+26.+48.) | 362 740 | 323 770 | -38 970 |

Schedule 81: Asset side of the BS for other activities

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

figures in MHUF

| Line | Item | 31/12/2011 | 31/12/2012 | Change |
|------------|---|-----------------------|-----------------------|-----------------------|
| 53. | <i>D. EQUITY (54.+...60.)</i> | <i>180 161</i> | <i>175 423</i> | <i>-4 738</i> |
| 54. | I. Issued Capital | 16 103 | 16 117 | 14 |
| | of which: treasury shares redeemed at face value | 0 | 0 | 0 |
| 55 | II. Issued capital not paid (-)/ | 0 | 0 | 0 |
| 56 | III. Capital reserve | 91 990 | 93 345 | 1 355 |
| 57 | IV. Retained earnings/(losses) | 32 283 | 63 191 | 30 908 |
| 58 | V. Allocated reserves | 12 747 | 8 872 | -3 875 |
| 59 | VI. Revaluation reserve | 0 | 0 | 0 |
| 60 | VII. Profit or loss for the year | 27 038 | -6 102 | -33 140 |
| 61 | <i>E. PROVISIONS (62.+...65.)</i> | <i>24 156</i> | <i>23 388</i> | <i>-768</i> |
| 62 | Provisions for contingent liabilities | 17 759 | 20 771 | 3 012 |
| 63 | Provisions for future commitments | 0 | 0 | 0 |
| 64 | Other provisions | 6 397 | 2 617 | -3 780 |
| 65 | <i>F. LIABILITIES (67.+71.+80.)</i> | <i>149 575</i> | <i>117 589</i> | <i>-31 986</i> |
| 66 | <i>I. SUBORDINATED DEBT (68+..70)</i> | <i>0</i> | <i>0</i> | <i>0</i> |
| 67 | Subordinated debts to related parties | 0 | 0 | 0 |
| 68 | Subordinated debts to other investments | 0 | 0 | 0 |
| 69 | Subordinated debts to third parties | 0 | 0 | 0 |
| 70 | <i>II. LONG-TERM LIABILITIES (72.+...79.)</i> | <i>98 568</i> | <i>78 681</i> | <i>-19 887</i> |
| 71 | Long-term borrowings | 0 | 0 | 0 |
| 72 | Convertible bonds | 0 | 0 | 0 |
| 73 | Debts from the issue of bonds | 0 | 0 | 0 |
| 74 | Investment and development loans | 86 442 | 70 530 | -15 912 |
| 75 | Other long-term loans | 11 970 | 7 980 | -3 990 |
| 76 | Long-term debts to related parties | 0 | 0 | 0 |
| 77 | Long-term debts to other investments | 0 | 0 | 0 |
| 78 | Other long-term liabilities | 156 | 171 | 15 |
| 78/b | of which: Liabilities related to managed state owned assets | 0 | 0 | 0 |
| 79 | <i>III. CURRENT LIABILITIES (81-89)</i> | <i>51 007</i> | <i>38 908</i> | <i>-12 099</i> |
| 80 | Short-term borrowings | 0 | 0 | 0 |
| 81 | - of which: convertible bonds | 0 | 0 | 0 |
| 82 | Other short-term loans | 35 275 | 15 968 | -19 307 |
| 83 | Prepayments received from debtors | 74 | 44 | -30 |
| 84 | Creditors | 7 360 | 7 132 | -228 |
| 85 | Bills of exchange payable | 0 | 0 | 0 |
| 86 | Short-term debts to related parties | 3 802 | 8 444 | 4 642 |
| 87 | Short-term debts to other investments | 133 | 72 | -61 |
| 88 | Other current liabilities | 4 363 | 7 248 | 2 885 |
| 88/A. | Amounts payable to divisions | 0 | 0 | 0 |
| 89 | <i>G. ACCRUED EXPENSES AND DEFERRED INCOME (91.</i> | <i>8 848</i> | <i>7 370</i> | <i>-1 478</i> |
| 90 | Deferred income | 387 | 422 | 35 |
| 91 | Accrued expenses | 1 730 | 980 | -750 |
| 92 | Deferred extraordinary revenues and negative goodwill | 6 731 | 5 968 | -763 |
| 93 | <i>EQUITY & LIABILITIES. (53.+61.+66.+90.)</i> | <i>362 740</i> | <i>323 770</i> | <i>-38 970</i> |

Schedule 82: Equity and liabilities side of the BS for other activities

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



figures in MHUF

| Line | Item | 31/12/2011 | 31/12/2012 |
|--------------|---|----------------|---------------|
| .01. | Domestic sales, net | 33 164 | 33 707 |
| .02. | Export sales, net | 0 | -11 |
| I. | Sales, net (.01.+02.) | 33 164 | 33 696 |
| I/A 1. | Internal revenues from passenger transport | 0 | 0 |
| I/A 2. | Internal revenues from engineering services | 0 | 0 |
| I/A 3. | Internal revenues from central services | 24 768 | 31 128 |
| I/A 4. | Internal revenues from railtrack services | 0 | 0 |
| I/A 5. | Revenues from direct internal services | 311 | 38 |
| I/A 6. | Revenues from central administration and property management | 4 596 | 2 848 |
| I/A | Internal revenues: (I/A 1+I/A 2+I/A 3+I/A 4+I/A 5) | 29 675 | 34 014 |
| .03. | Changes in self-produced inventories | 165 | 242 |
| .04. | Capitalised self-produced inventories | 149 | 108 |
| II. | Capitales self-performance (.03.+04.) | 314 | 350 |
| III. | Other revenues | 6 362 | 11 572 |
| | of which: reversed impairment loss (962,1-962,2) | 28 | 132 |
| | Operating yields (I+I/A +II+III) | 69 515 | 79 632 |
| .05. | Materials | 4 599 | 5 402 |
| .06. | Services used | 16 044 | 16 617 |
| .07. | Other services | 163 | 224 |
| .08. | COGS | 5 098 | 6 190 |
| .09. | Consignment services | 2 662 | 2 082 |
| IV. | Material-type expenditures (.05.+06.+07.+08.+09.) | 28 566 | 30 515 |
| IV/A 1. | Internal costs of passenger transport | 0 | 0 |
| IV/A 2. | Internal costs of engineering services | 0 | 0 |
| IV/A 3. | Internal costs of central services | 10 409 | 14 522 |
| IV/A 4. | Internal costs of railtrack services | 424 | 385 |
| IV/A 5. | Costs of direct internal services | 668 | 483 |
| IV/A 6. | Costs of central administration and property management | 447 | 261 |
| IV/A | Internal expenditures: (IV/A 1+IV/A 2+IV/A 3+IV/A 4+IV/A 5+IV/A 6) | 11 948 | 15 651 |
| .10. | Payroll costs | 10 351 | 9 133 |
| .11. | Other payments to personnel | 1 474 | 1 120 |
| .12. | Social security | 3 090 | 2 695 |
| V. | Payments to personnel (.10.+11.+12.) | 14 915 | 12 948 |
| VI. | Depreciation | 8 348 | 7 703 |
| VII. | Other expenditures | 10 970 | 14 047 |
| | of which: impairment loss (862) | 850 | 1 349 |
| | Operating expenses: (IV+IV/A+V+VI+VII) | 74 747 | 80 864 |
| A. | OPERATING LOSS | -5 232 | -1 232 |
| .13. | Dividends received | 1 060 | 420 |
| | from related parties | 978 | 417 |
| .14. | Gains on share disposals | 0 | 0 |
| | from related parties | 0 | 0 |
| .15. | Interest and FX gains on fixed assets | 0 | 0 |
| | from related parties | 0 | 0 |
| .16. | Interest received and similar income | 438 | 932 |
| | from related parties | 40 | 62 |
| .17. | Other financial income | 216 | 2 134 |
| VIII. | Financial revenues (.13.+14.+15.+16.+17.) | 1 714 | 3 486 |
| .18. | FX losses on fixed assets | 0 | 0 |
| | to related parties | 0 | 0 |
| .19. | Interest paid and similar charges | 7 052 | 4 529 |
| | to related parties | 24 | 35 |
| .20. | Impairment loss on shares and securities | 0 | 7 |
| .21. | Other financial expenses | 997 | 3 817 |
| IX. | Financial expenses (.18.+19.+20.+21.) | 8 049 | 8 353 |
| B. | FINANCIAL LOSS (VIII-IX) | -6 335 | -4 867 |
| C. | LOSS OR PROFIT BEFORE ORDINARY ACTIVITIES (A+B) | -11 567 | -6 099 |
| X. | Extraordinary revenues | 38 743 | 66 |
| XI. | Extraordinary expenditures | 138 | 69 |
| D. | EXTRAORDINARY PROFIT (X-XI) | 38 605 | -3 |
| E. | PRE-TAX LOSS OR PROFIT (C+D) | 27 038 | -6 102 |
| XII. | TAX PAYABLE | 0 | 0 |
| F. | LOSS OR PROFIT AFTER TAX (E-XII) | 27 038 | -6 102 |
| .22. | Dividends paid from retained earnings | 0 | 0 |
| .23. | Dividends (paid) approved | 0 | 0 |
| G. | LOSS OR PROFIT FOR THE YEAR (F+22.-23.) | 27 038 | -6 102 |

Schedule 83: Profit and loss account of other activities

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STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

figures in MHUF

| Line | Item | 31/12/2011 | 31/12/2012 |
|-------------|--|----------------|----------------|
| I. | Operating cash-flows (1-16) | 28 879 | 23 541 |
| 1. | Profit before tax ± | 27 038 | -6 102 |
| | assigned debt | -38 675 | 0 |
| | interest on assigned debt | 475 | 0 |
| | amounts received free of charge | -7 | -4 |
| | amounts granted free of charge, expensed | 0 | 0 |
| | dividends received | -1 060 | -420 |
| | dividends on prev. year profit | 0 | 0 |
| | debts assumed | 0 | 0 |
| 2. | Previous years' profits/losses | 13 | 0 |
| 3. | Revalued loans (base figure is for information only) | 9 666 | -5 982 |
| 4. | Ordinary depreciation + | 8 348 | 7 703 |
| 4/a. | Depreciation on previous year | -29 | 0 |
| 5. | Recognised and reversed impairment loss ± | 572 | 1 474 |
| 6. | Changes in provisions ± | 3 875 | -768 |
| 7. | Fixed asset disposals ± | -329 | -335 |
| 8. | Movements in treasury asset related liabilities | 0 | 1 368 |
| 9. | Movements in creditors ± | 424 | -228 |
| 10. | Movements in other current liabilities ± | 1 342 | 7 436 |
| 11. | Movements in accruals ± | -1 749 | -1 478 |
| 12. | Movements in debtors ± | -672 | 860 |
| 13. | Current asset movements (less debtors and liquid assets) ± | 28 226 | 12 383 |
| | <i>of which: movements in balance of business line operations</i> | 30 368 | 11 888 |
| 14. | Movements in prepayments and accrued income + | -8 578 | 7 635 |
| 15. | Income taxes paid (payable) - | 0 | 0 |
| 16. | Dividends and profit-sharing paid or payable - | 0 | 0 |
| II. | Investing cash flows (17-20) | 2 453 | -2 657 |
| 17. | Fixed assets additions - | 916 | -3 819 |
| 18. | Fixed asset disposals + | 477 | 743 |
| 19. | Capital withdrawn from existing investment (subsidiary) | 0 | 0 |
| 20. | Dividends received + | 1 060 | 419 |
| III. | Financing cash flows (21-31) | -17 938 | -32 874 |
| 21. | Revenues from the issue of shares (capital withdrawal) + | 26 | 0 |
| 22. | Issue of bonds + | 0 | 0 |
| 23. | Loans taken + | 18 500 | 0 |
| 24. | Repayment, cancellation of long-term loan granted and bank deposits + | 141 | 214 |
| 25. | Assets received free of charge + | 30 | 4 |
| 26. | Redemption of shares, capital reduction - | 0 | 0 |
| 27. | Repayment of bonds - | 0 | 0 |
| 28. | Repayment of loans - | -36 641 | -33 104 |
| 29. | Long-term loans granted and bank deposits - | 0 | 0 |
| 30. | Assets transferred free of charge - | 0 | -3 |
| 31. | Movements in payables to founders and in other long-term liabilities + | 5 | 15 |
| IV. | Change in cash and cash equivalents (±I±II±III) ± | 13 394 | -11 989 |

Schedule 84: Cash-flow statement of other activities based on the Central GL

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STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



The statement of other activities is presented in HUF thousands below:

figures in THUF

| line | Item | 2011 | 2012 |
|-----------|---|--------------------|-------------------|
| 1 | Net sales | 33 163 722 | 33 696 256 |
| | tickets | 33 163 722 | 33 696 256 |
| | subsidy (compensation) | 0 | 0 |
| | paid by government | 0 | 0 |
| 2 | Internal revenues | 29 675 548 | 34 013 655 |
| 3 | Capitalised own performance | 313 773 | 349 542 |
| 4 | Other revenues | 6 361 822 | 11 572 197 |
| | gov. refund | 0 | 0 |
| | gov. subsidy | 958 671 | 979 828 |
| 5 | TOTAL BUSINESS YIELD | 69 514 865 | 79 631 650 |
| 6 | Material-type expenditures | 28 565 710 | 30 515 485 |
| | track network access charge | 0 | 0 |
| 7 | Internal expenses | 11 947 360 | 15 651 181 |
| | track network access charge | 423 677 | 385 314 |
| | traction | 0 | 0 |
| | other railway services | 667 253 | 482 951 |
| | central services | 10 408 960 | 14 521 754 |
| | central administration | 447 470 | 261 162 |
| 8 | Payments to personnel | 14 914 701 | 12 947 992 |
| 9 | Depreciation | 8 348 329 | 7 702 845 |
| 10 | Other expenses | 10 970 112 | 14 046 029 |
| 11 | TOTAL BUSINESS EXPENDITURE | 74 746 212 | 80 863 532 |
| 12 | OPERATING LOSS | -5 231 347 | -1 231 882 |
| 13 | Financial income | 1 714 063 | 3 485 572 |
| 14 | Financial expenses | 8 049 317 | 8 352 816 |
| 15 | FINANCIAL LOSS | -6 335 254 | -4 867 244 |
| 16 | Extraordinary revenues | 38 743 037 | 65 675 |
| | gov. subsidy | 38 674 614 | 0 |
| 17 | Extraordinary expenditures | 138 273 | 68 400 |
| 18 | EXTRAORDINARY PROFIT OR LOSS | 38 604 764 | -2 725 |
| 19 | Tax | 0 | 0 |
| 20 | LOSS OR PROFIT AFTER TAX | 27 038 163 | -6 101 851 |
| | Assigned debt as extraordinary revenue | 38 674 614 | 0 |
| 20 | NET LOSS WITHOUT THE EFFECT OF ASSIGNED DEBT | -11 636 451 | -6 101 851 |

Schedule 85: Other activities

MÁV Zrt's other activities of include primarily the following activities (in order of significance based on net sales): wagon lease/rent out, property lease out, materials sold and inventory management, human and accounting services, central administration.

MÁV Zrt's other activities made a profit of HUF 27.0 billion in 2011 and losses of HUF 6.1 billion in 2012. The profits in 2011 were due to extraordinary revenues of HUF 38.7 billion earned from the debts related to 2005 and 2006 and assumed by the government in 2011 and attributable to outsourced passenger transport. Without the effect of this one-off event, other activities would have had a loss of HUF 11.6 billion.

The decrease in losses was due to a combined effect of an increased use of provisions (by HUF 4.0 billion more for unrealised FX losses, HUF 1.8 billion more for litigations, HUF 0.5 billion

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

more for penalties and by HUF 0.7 billion less provision was released for liabilities related to terminated employment), increased internal revenues (HUF -4.3 billion), increased operating expenses (HUF +6.1 billion) and improved financial losses (HUF -1.5 billion).

The main components of the loss for 2012 included: a provision of HUF 5.0 billion was made for annuities and HUF 1.8 billion was made for write offs of differences in MÁV Zrt's large value properties and the land register and incorrect contribution in kind value.

The main components of net sales revenues are as follows:

figures in HUF billions

| Activity | 2011 | 2012 |
|---|-------------|-------------|
| Materials sold, inventory management | 6,2 | 6,3 |
| Railcar lease, rent | 10,0 | 11,9 |
| Property lease, rent and operating | 10,3 | 9,1 |
| Other services (human, training, accounting, other central service) | 6,7 | 6,4 |
| Total | 33,2 | 33,7 |

Schedule 86: Net sales revenues from other activities

The increase in materials sold was due to the fact that more materials were sold to MÁV companies for railtrack works.

Sales revenues in 2012 included mostly sales to railtrack maintenance companies (HUF 4.2 billion) and materials worth HUF 1.0 billion sold to MÁV-GÉPÉSZET Zrt.

Passenger transport vehicle leasing for MÁV-START Zrt. brought revenues of HUF 11.9 billion in 2012.

In 2012, property leasing produced revenues of HUF 5.2 billion, related public utility services HUF 2.1 billion and other property management services brought revenues HUF 1.8 billion.

Internal revenues per activity:

figures in HUF billions

| Internal activity | 2011 | 2012 |
|---|-------------|-------------|
| Central administration | 4,6 | 2,8 |
| Property management and supervision | 18,0 | 22,2 |
| Inventory management, purchase and other corporate services | 1,9 | 3,4 |
| Human services | 2,5 | 3,0 |
| Accounting | 1,5 | 1,4 |
| Administrative services | 0,5 | 0,7 |
| Other internal services | 0,7 | 0,5 |
| Total | 29,7 | 34,0 |

Schedule 87: Internal revenues from other activities

As in 2011, internal revenues in 2012 were predominantly from the internal use of properties and this area experienced the most growth, especially in terms of property management as overhead and maintenance costs also increased.

Internal revenues from central administration dropped from HUF 4.6 billion in 2011 to HUF 2.8 billion in 2012 and reflect the aggregate of the costs of central administration and expenses not

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STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



offset by revenues. The decrease was due to the following factors: revenues attributable to controlling activities and interest on fixed deposits increased by HUF 0.5 billion; the year-end FX gain on receivables and payables increased by HUF 0.5 billion; late payment interest increased by HUF 0.3 billion; interest on short-term loans dropped by HUF 0.2 billion; impairment loss on receivables also dropped by HUF 0.1 billion. This favourable effect was also due to the fact that the accounting treatment of provisions for litigations changed with a view to the envisaged restructuring of MÁV Zrt.: as a result, provisions for litigations have been allocated to the relevant activities; in the case of litigations started before 2011, to central activities.

The most significant other revenue items in the two periods were:

- provisions used in 2012: HUF 7.9 billion (HUF 2.5 billion for litigations; HUF 4.0 billion for FX losses; and HUF 0.5 billion for penalties); in 2011: HUF 2.7 billion
- reversed impairment loss on receivables in 2012: HUF 1.0 billion; in 2011: HUF 0.8 billion
- late payment interest received in 2012: HUF 0.8 billion; in 2011: HUF 0.6 billion
- revenues from amounts released from accrued debts forgiven by government in line with the depreciation of the underlying leased out railcars: HUF 0.7 billion in both years

Significant material-type expenditures in 2012:

- railtrack technical materials sold (HUF 3.8 billion), materials sold to MÁV-GÉPÉSZET Zrt. (HUF 0.9 billion),
- property management (energy, maintenance, rent/lease, cleaning and other communal services, heating improvement, utilities operation, security services) totalling HUF 18.3 billion, and billed outsourced property utilisation costs of HUF 0.8 billion,
- other expenses incurred in relation to central activities: IT services (HUF 1.7 billion), consignment maintenance of lease-out railcars (HUF 1.4 billion) and car rental (HUF 0.3 billion).

The increase in material-type expenditures compared to 2011 was due to among others: a HUF 0.7 billion increase in billed building maintenance and management costs, a HUF 0.4 billion increase in cleaning costs and to a HUF 0.4 billion increase in the cost of materials sold.

Internal expenses related to other activities in 2012 included mostly central services (HUF 14.5 billion): of which management and energy costs of leased-out properties represented HUF 10.1 billion; central administration and accounting services used for other activities totalled HUF 1 billion.

Central services used by other activities decreased by HUF 0.2 billion as internal revenues dropped.

Wagons to be disassembled are stored on tracks, hence the internal track usage charge on other activities. The cost of trainers and examiners provided by railtrack operations for training purposes as well as telecom costs supplied to central organisations were settled in 2011, hence appear railtrack access service expenses among other activities.

Payments to personnel (HUF 12.9 billion) in 2012 included central services (HUF 8.7 billion) and central administration (HUF 2.4 billion), group management (HUF 1.8 billion), and other central activities (HUF 0.1 billion). One-off costs related to layoffs dropped by HUF 0.5 billion compared to 2011. Holiday vouchers were discontinued as of 2012, hence 2011 the last year when this type of benefit was disbursed to pensioners (HUF -0.1 billion).

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

The depreciation charge related to other activities related to leased out railcars in both 2011 (HUF 6.4 billion) and 2012 (HUF 6.1 billion). Other cost reducing items were the useful lives of railcars (HUF -0.3 billion) and the terminated depreciation of GIR in 2011 (THUF -0.1 billion).

Other expenses increased from HUF 11.0 billion in 2011 to HUF 14.0 billion in 2012. Properties owned by MÁV Zrt. and disposed of totalling HUF 0.4 billion were written off and HUF 1.8 billion shortage and impairment loss was recognised on certain large value properties. In 2012, HUF 0.6 billion impairment loss on receivables was recognised mostly on long-term receivables and competition penalty of HUF 0.1 billion was paid with respect to outsourced goods shipping. Late payment penalties paid increased by HUF 0.2 billion. Provisions made in 2012 include: HUF 5 billion for annuities and HUF 0.8 billion for employment termination liabilities. Property tax for structures and land has been paid since 2012 and increased expenses by HUF 0.9 billion compared to 2011.

Financial income from other activities in 2012 included FX gains of HUF 2.1 billion, HUF 0.8 billion interest on deposited available cash and HUF 0.4 billion of dividends received. The HUF 1.8 billion increase included: FX gains (HUF +1.9 billion), interest on deposits (HUF +0.5 billion) and dividends received (HUF -0.6 billion).

Financial expenses on other activities included HUF 1.3 billion interest payable and FX losses on operational loans related remained with MÁV Zrt. after outsourcing the passenger transport activity and HUF 6.8 billion interest paid and foreign exchange loss on leased out trains. The decrease in interest paid as the interest on loans assumed in 2011 was no longer payable in 2012 (HUF -3.2 billion) and an increase in interest on short-term loans (HUF +1.5 billion) both reduced financial expenses.

Extraordinary revenues from other activities in 2011 included the HUF 38.7 billion from the operational loans for 2005 and 2006 assumed by the government and attributable to outsourced passenger transport.

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



Related party balances (revenues and liabilities) related to other activities are presented below.

figures in MHUF

| Related party | Revenues | | | Expenditures | | | Grand total |
|---|---------------|--------------|---------------|---------------|------------------------|---------------|---------------|
| | Net sales | Other rev. | Total | Costs | Other, Fin. Extr. exp. | Total | |
| 005 - MÁVTI Kft. | 18 | 0 | 18 | 3 | 0 | 3 | 15 |
| 015 - MÁVNOSZTALGIA Kft. | 20 | 7 | 27 | 6 | 0 | 6 | 21 |
| 020 - MÁVVAGON Kft. | 103 | 0 | 103 | 17 | 0 | 17 | 86 |
| 022 - MÁVVASJÁRMŰ Kft. | 22 | 0 | 22 | 19 | 0 | 19 | 3 |
| 027 - Bombardier MÁVKft. | 90 | 47 | 137 | 28 | 3 | 31 | 106 |
| 037 - VAMAV Kft. | 43 | 0 | 43 | 0 | 0 | 0 | 43 |
| 038 - EURO-METALL Kft. | 124 | 24 | 148 | 69 | 0 | 69 | 79 |
| 084 - RESTI Zrt. | 30 | 0 | 30 | 20 | 0 | 20 | 10 |
| 096 - MÁVKERT KFT | 46 | 0 | 46 | 3 | 0 | 3 | 43 |
| 101 - MÁVFKG KFT | 4 120 | 534 | 4 654 | 3 653 | 0 | 3 653 | 1 001 |
| 102 - MÁVGÉP kft | 159 | 144 | 303 | 137 | 0 | 137 | 166 |
| 116 - MÁV-THERMIT Kft | 12 | 0 | 12 | 0 | 0 | 0 | 12 |
| 131 - MÁVKFVKft. | 18 | 0 | 18 | 5 | 17 | 22 | -4 |
| 136 - MÁVIK Kft. | 166 | 41 | 207 | 7 562 | 121 | 7 683 | -7 476 |
| 138 - MÁVINFORMATIKA Zrt. | 248 | 249 | 497 | 1 244 | 9 | 1 253 | -756 |
| 139 - MÁVVASÚTŐR Kft. | 17 | 0 | 17 | 799 | 0 | 799 | -782 |
| 142 - Multiszo lg 97 Hidmérleg Kft. | 2 | 0 | 2 | 2 | 0 | 2 | 0 |
| 149 - MÁV Vagyonkezelő Zrt. | 82 | 60 | 142 | 823 | 25 | 848 | -706 |
| 152 - MÁVRAKTÁRKFT. "f.a." | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 165 - MÁV-REC Kft. | 3 | 9 | 12 | 0 | 0 | 0 | 12 |
| 178 - HUNGRAIL Egyesülés "v.a." | 0 | 0 | 0 | 2 | 0 | 2 | -2 |
| 179 - ZÁHONY-PORT Zrt. | 233 | 236 | 469 | 54 | 1 | 55 | 414 |
| 180 - MÁV-START Zrt. | 17 407 | 156 | 17 563 | 2 067 | 31 | 2 098 | 15 465 |
| 184 - Kelenföldi Pályaudvar Kft. "v.a." | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 186 - MÁV-TRAKCIÓ Zrt. | 1 803 | 4 | 1 807 | 355 | 11 | 366 | 1 441 |
| 187 - MÁV-GÉPÉSZET Zrt. | 4 052 | 58 | 4 110 | 1 509 | 0 | 1 509 | 2 601 |
| 188 - MTMG Zrt | 0 | 0 | 0 | 0 | 7 | 7 | -7 |
| 190 - MÁV Koncessziós Kft. | 2 | 0 | 2 | 0 | 0 | 0 | 2 |
| 917 - VITECO Kft. | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Grand total: | 28 820 | 1 569 | 30 389 | 18 377 | 225 | 18 602 | 11 787 |

Schedule 88: Related party balances (revenues and expenditures) related to other activities

I.10.5 Activities presented in a joint schedule

The average statistical number of employees per staff category and per activity are presented as follows:

| Activity | No. of staff |
|--------------------------|-----------------|
| Railtrack | 16 034,0 |
| Passenger transport | 11,4 |
| Of which: public service | 3,3 |
| Other activities | 2 428,1 |
| MÁV Zrt. total | 18 473,5 |

Schedule 89: Average annual statistical number of employees per activity in 2012

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

Government grants used for operations per purpose:

figures in MHUF

| Grants recognised as revenue | | | | | |
|--|------------------|---------------------------------|---------------------------------|--------------|-----------------------|
| <i>Item</i> | <i>Railtrack</i> | <i>Passenger transport</i> | <i>Public passenger service</i> | <i>Other</i> | <i>MÁV ZRt. total</i> |
| Gov. Refund for public services | 65 578 | 72 | 72 | 0 | 65 650 |
| Debts forgiven by government | 67 | 0 | 0 | 754 | 821 |
| Subsidies for own assets | 207 | 0 | 0 | 87 | 294 |
| MÁV railway workers incentive scheme for 2011 - 2013 | 968 | 1 | 0 | 132 | 1 101 |
| Phare aid used | 43 | 0 | 0 | 7 | 50 |
| Government grants | 66 863 | 73 | 72 | 980 | 67 916 |
| Development funds | | | | | |
| <i>Item</i> | <i>Railtrack</i> | <i>Public passenger service</i> | <i>Public passenger service</i> | <i>Other</i> | <i>MÁV ZRt. total</i> |
| Railway network development | 1 543 | 0 | 0 | 0 | 1 543 |
| Parking lots (P+R, B+R) | 108 | 0 | 0 | 0 | 108 |
| TEN-T government subsidy for treasury assets | 7 | 0 | 0 | 0 | 7 |
| Total development funds | 1 658 | 0 | 0 | 0 | 1 658 |

Schedule 90: Government grants used for operations per purpose

Accumulation due to the per-activity breakdown:

figures in MHUF

| Internal service providers and users | Internal services | | | | | | | | Total |
|--------------------------------------|-------------------|--------|----------------|--------|------------------|---------|-------------------|--------|---------|
| | Railtrack | | Public service | | Other activities | | | | |
| | | | | | Central services | | Corporate govern. | | |
| | cost | income | cost | income | cost | income | cost | income | |
| Railtrack | 276 | -1518 | 0 | 0 | 16 641 | 0 | 2 585 | 0 | 17 984 |
| Public service transport | 374 | 0 | 0 | 0 | 4 | 0 | 2 | 0 | 380 |
| Other activities | 868 | 0 | 0 | 0 | 14 521 | -31 166 | 261 | -2 848 | -18 364 |
| TOTAL | 1 518 | -1 518 | 0 | 0 | 31 166 | -31 166 | 2 848 | -2 848 | 0 |

Schedule 91: Accumulation due to the per-activity breakdown

The columns refer to internal service providers, the rows refer to the separable activities that use the internal services. The negative numbers refer to internal revenues, the positive numbers refer to internal costs. Correspondence between internal costs and internal revenues is indicated by zero in the bottom line and by the matching revenue and expense figures. The figures in the 'Total' column show the differences between the internal revenues and internal expenses of the separated activities.

Other services (central services and control) deliver higher value internal services than they use (including central services), hence the negative numbers in the Total column for these activities.

Railtrack operations use all the internal services as indicated by the significant positive numbers of the 'Total' column.

II Informative part

II.1 Environment protection

II.1.1 Environmental liabilities

Further to act LIV of 1992 and in line with the requirements of the Environmental Ministry, the Environmental Restoration Plan (ERP) [„Környezeti Károk Rendezési Terve”] was prepared based on the results of an environmental survey of the railways. The Plan has since been used as the basis of the Railways Sub-programme of the National Restoration Programme (OKKP). The related deadlines were initially set by the Ministry for Transport and Water to 2010, However, later these deadlines were adjusted to the National Programme and the deadlines set for 2010 no longer apply. The final deadline to implement the national restoration programme has been cancelled.

Environmental provisions have been made based on the following principles:

- We assessed the status of environmental liabilities at the year-end and identified the difference between already made and the necessary provision, which amount is the provision to be made in 2012.
- The underlying liabilities were unidentified based on environmental surveys and in view of mandatory work imposed by environmental authorities plus estimated expected environmental obligations.
- Only costs that are not funded from other resources have been provided for.

To cover ERP expenses, upon transformation into a private limited company by shares, HUF 5.4 billion was set aside from capital reserve based on initial estimates, which was posted to allocated reserves on 1 January 2001. This reserve has been gradually phased out by the amounts used and the currently available reserve is HUF 3,617 million. Based on previous estimates, we made a HUF 6,533 million provision in 2002, further HUF 7,805 million in 2006, HUF 1.911 million in 2008 and HUF 388 million in 2009, HUF 83 million in 2010, HUF 42 million in 2011 and HUF 340 million in 2012. The available amount less used and released amounts is HUF 9,850 million.

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STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

Allocated reserves for environmental purposes and provisions for environmental liabilities are presented below:

figures in MHUF

| | |
|---|---------------------|
| <i>Allocated reserves</i> | <i>3 617</i> |
| Provision made in 2002 | 6 533 |
| Provision used in 2003 | -1 093 |
| Provision released in 2003 due to Havária | -700 |
| Provision used in 2004 | -1 087 |
| Provision used in 2005 | -1 112 |
| Provision used in 2006 | -1 517 |
| Provision made in 2006 | 7 805 |
| Provision used in 2007 | -1 049 |
| Provision used in 2008 | -1 119 |
| Provision made in 2008 | 1 911 |
| Provision used in 2009 | -1 544 |
| Provision made in 2009 | 388 |
| Provision used in 2010 | -637 |
| Provision made in 2010 | 83 |
| Provision used in 2011 | -739 |
| Provision made in 2011 | 42 |
| Provision used in 2012 | -271 |
| Provision made in 2012 | 340 |
| <i>Total provisions at 31 Dec 2012</i> | <i>6 233</i> |
| <i>Total environmental reserves</i> | <i>9 850</i> |

Schedule 92: Environmental reserves

Environmental expenses, provisions and allocated reserves in 2011 and in 2012 are presented below:

figures in MHUF

| Period | 2011 | 2012 |
|------------------------|-------------|-------------|
| Environmental expenses | 459 | 324 |

Schedule 93: Environmental expenses

figures in MHUF

| Item | Opening | Increase | Decrease | Closing |
|------------------------|----------------|-----------------|-----------------|----------------|
| Allocated reserves | 3 617 | 0 | 0 | 3 617 |
| Provisions | 6 164 | 340 | 271 | 6 233 |
| Reserves, total | 9 781 | 340 | 271 | 9 850 |

Schedule 94: Movements in environmental reserves in 2012

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STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



Existing environmental liabilities:

figures in MHUF

| Item | Liability |
|--|---------------------|
| Soil and soil water pollution | 5 037 |
| Environment restoration at abandoned sites | 2 015 |
| Abandoned polluting heating systems | 1 422 |
| Eliminating pollution caused by transformers | 569 |
| Illegal waste | 257 |
| Water and sewage network assessment, mapping | 400 |
| Dead sewage branch assessment, mapping | 150 |
| <i>Environmental liabilities, total</i> | <i>9 850</i> |

Schedule 95: Existing environmental liabilities

II.1.2 Assets directly serving environmental purposes

Movements in assets directly serving environmental purposes:

figures in MHUF

| Item | Opening | Increase/ Decrease | Closing |
|---|---------------------|-------------------------------|---------------------|
| Cost | 2 776 | 11 | 2 787 |
| Depreciation on opening | 560 | 50 | 610 |
| Depreciation of additions in the reporting year | 1 | 1 | 2 |
| <i>Net</i> | <i>2 215</i> | | <i>2 175</i> |
| AICC | 0 | 0 | 0 |
| <i>Total:</i> | <i>2 215</i> | | <i>2 175</i> |

Schedule 96: Assets directly serving environmental purposes

In 2011, an equipment acquisition project of HUF 11 million and a hazardous waste container planning and building project totalling HUF 38 million were approved on the sites at Győr, Záhony and Pécs TLK. Both the acquisition and the building process started in 2011, involving a Dutch auction for the equipment and a public procurement process plus a Dutch auction for the construction project. The acquired equipment was capitalised in 2012. The designs for the VH plant collectors have been prepared. The design fee of HUF 2.4 million will be paid to the designer in the first half of 2013 due to a protracted licensing process.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

II.1.3 Waste – values and quantities

figures in THUF

| EWC code | Item | Opening | Increase | Decrease | Closing |
|-----------------|-------------------------|----------------|-----------------|-----------------|----------------|
| 130205* | non-chloride lubricants | 102 | 257 | 348 | 11 |
| 160601* | lead battery | 875 | 468 | 100 | 1 243 |
| Total | | 977 | 725 | 448 | 1 254 |

Schedule 97: Dangerous and hazardous waste

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



| EWC | Item | 2012 | | | |
|---------|---|------------------|------------------|----------------|------------------|
| | | Opening | Made | Closing | Total |
| 050103* | Tank bottom sludge | 0 | 0 | 0 | 0 |
| 060101* | Sulphuric acid and similar acids | 120 | 400 | 0 | 520 |
| 060106* | Other acids | 0 | 80 | 0 | 80 |
| 60203* | Ammonium-hydroxid | 92 | 0 | 0 | 92 |
| 060204* | Sodium-hydroxid and potassium-hydroxid | 0 | 0 | 0 | 0 |
| 060404* | Mercurial waste | 0 | 0 | 0 | 0 |
| 060405* | Other heavy metal containing waste | 2 | 162 | 26 | 138 |
| 061301* | Inorganic pesticides | 0 | 0 | 0 | 0 |
| 061302* | Depleted activated carbon (except 06 07 02) | 0 | 0 | 0 | 0 |
| 070107* | Other organic diluents, detergents and alkali materials | 7 | 11 | 11 | 7 |
| 070214* | Hazardous auxiliary materials | 0 | 0 | 0 | 0 |
| 080111* | Paint and varnish containing detergents and similar hazardous materials | 61 | 239 | 33 | 267 |
| 080317* | Waste toner (hazardous paint) | 1 112 | 3 013 | 1 184 | 2 941 |
| 080409* | Waste adhesives and fillers with organic dilutant content | 0 | 0 | 0 | 0 |
| 120109* | Non-halogenous lubricants and emulsions, solutions | 12 | 5 | 5 | 12 |
| 120112* | Used wax and grease | 0 | 0 | 0 | 0 |
| 130205* | Non-chloride lubricants | 2 031 | 5 131 | 197 | 6 965 |
| 130206 | Synthetic lubricants | 27 | 0 | 27 | 0 |
| 130208* | Other lubricants | 0 | 0 | 0 | 0 |
| 130506* | Oil from oil/water separators | 0 | 841 | 0 | 841 |
| 130307* | mineral oil based, non-chloride insulation and heat transmission lubricants | 3 716 | 1 638 | 806 | 4 548 |
| 130501* | Solid particles from sand reservoirs and from oil/water separators | 0 | 0 | 0 | 0 |
| 130502* | sludge from oil/water separator | 0 | 49 143 | 0 | 49 143 |
| 130506* | Oil from oil-water separators | 0 | 841 | 247 | 594 |
| 130507* | Water from oil/water separators | 260 | 31 642 | 20 | 31 882 |
| 130508* | mixed waste from oil/water separator | 0 | 13 880 | 0 | 13 880 |
| 130701* | heating fuel and diesel | 0 | 347 | 347 | 0 |
| 130899* | Other non-specified waste | 0 | 0 | 0 | 0 |
| 140601* | HCFC, HFC | 0 | 0 | 0 | 0 |
| 140603* | Other dilutant mixes | 0 | 0 | 0 | 0 |
| 150110* | stained packaging | 328 | 8 349 | 2 109 | 6 568 |
| 150111* | asbestos containing metal packaging, including empty gas cylinders | 41 | 445 | 276 | 210 |
| 150202* | Stained absorbents, filters, cloths, protective clothing | 4 745 | 22 821 | 11 053 | 16 513 |
| 160107* | Oil filters | 0 | 14 | 0 | 14 |
| 160111* | Asbestos containing friction disks | 0 | 0 | 0 | 0 |
| 160114* | hazardous antifreeze | 0 | 0 | 0 | 0 |
| 160121* | Hazardous spare parts | 0 | 0 | 0 | 0 |
| 160209* | PCB containing transformers and condensers | 0 | 0 | 0 | 0 |
| 160213* | Equipment no longer in use | 0 | 1 268 | 8 | 1 260 |
| 160303* | Hazardous inorganic waste | 9 | 126 | 18 | 117 |
| 160403* | Other explosive waste | 0 | 5 | 5 | 0 |
| 160305* | Organic hazardous waste | 42 | 1 683 | 597 | 1 128 |
| 160410* | Oil, carbonolite containing and other hazardous cables | 660 | 0 | 0 | 660 |
| 160506* | Laboratory chemicals | 0 | 0 | 0 | 0 |
| 160507* | Inorganic hazardous chemicals and polluted chemicals no longer in use | 1 | 0 | 0 | 1 |
| 160508* | Organic hazardous chemicals and polluted chemicals | 0 | 0 | 0 | 0 |
| 160601* | Lead battery | 5 991 | 32 034 | 31 192 | 6 833 |
| 160606* | Separately collected electrolyte from batteries | 0 | 0 | 0 | 0 |
| 160708 | Oil stained waste | 0 | 0 | 0 | 0 |
| 160709* | Other waste with hazardous contents | 0 | 70 | 0 | 70 |
| 161001* | Hazardous fluids | 0 | 2 000 | 0 | 2 000 |
| 170106* | Stained concrete, brick, ceramics | 100 797 | 0 | 0 | 100 797 |
| 170204* | Contaminated glass, plastic, wood | 1 140 819 | 1 141 592 | 602 123 | 1 680 288 |
| 170410* | Oil, carbonolite containing and other hazardous cables | 420 | 1 465 | 160 | 1 725 |
| 170503* | Stained soil and stone | 600 714 | 886 744 | 106 | 1 487 352 |
| 170507* | Track ballast containing hazardous materials | 30 | 0 | 0 | 30 |
| 170601* | Asbestos containing insulators | 20 | 5 | 0 | 25 |
| 170603* | Other insulation materials made of or containing hazardous materials | 0 | 0 | 0 | 0 |
| 190813* | Toxic sludge | 0 | 7 980 | 0 | 7 980 |
| 180103* | Infectious waste | 0 | 0 | 0 | 0 |
| 200121* | Neon lights and other mercury containing materials | 143 | 601 | 241 | 503 |
| 200133* | Batteries including those under 16 06 01, 16 06 02 or 16 06 03 | 1 068 | 6 514 | 3 045 | 4 537 |
| 200135* | Scrapped electric and electronic equipment other than those under 20 01 21 and 20 01 23 | 1 451 | 13 198 | 5 841 | 8 808 |
| | Total | 1 864 719 | 2 234 287 | 659 677 | 3 439 329 |

Schedule 98: Quantities of dangerous and hazardous waste (kg)

II.2 Research and development

The costs of R&D and other technical development are presented below:

figures in MHUF

| Item | 2011 | 2012 | Change |
|--|------------|-----------|-------------|
| R&D gross value | 169 | 68 | -101 |
| Of which: own R&D to be capitalised | 0 | 0 | 0 |
| own R&D expensed in the reporting period | 169 | 68 | -101 |
| R&D for third parties | 0 | 0 | 0 |
| Direct costs of technical development | 108 | 82 | -26 |
| Of which: cost of development arrangements, management and testing | 33 | 0 | -33 |
| technical information, propaganda and production management | 60 | 65 | 5 |
| type classification, standardisation, industrial design | 15 | 17 | 2 |
| technical tenders | 0 | 0 | 0 |
| non-capitalised or unused innovation | 0 | 0 | 0 |
| non-capitalised, used innovation | 0 | 0 | 0 |
| non-capitalised, used other intellectual output | 0 | 0 | 0 |

Schedule 99: R&D costs

R&D costs for MÁV Zrt. in 2012 totalled HUF 68 million for the following purposes:

- traffic safety (HUF 11 million),
- service quality improvement (HUF 24 million)
- environment protection (HUF 12 million),
- technological, quality control, reconstructing and business management etc. (HUF 20 million).

R&D capitalised and in progress in 2012 are presented as follows:

figures in MHUF

| Item | Opening | Increase | Decrease | Closing |
|------------------|---------|----------|----------|---------|
| Gross value | 9 | 0 | 0 | 9 |
| Amortisation | 9 | 0 | 0 | 9 |
| Net value | 0 | 0 | 0 | 0 |
| R&D in progress* | 82 | 0 | 45 | 37 |

Schedule 100: Capitalised R&D

II.3 Subsidies received

Subsidies and grants received to fund project and expenses including details of the consumer price subsidy are presented in the two schedules below:

figures in MHUF

| Item | 2011 | 2012 | Change |
|---|---------------|---------------|---------------|
| Ticket subsidy | 5 | 8 | 3 |
| Refunded excise tax | 12 | 12 | 0 |
| Project subsidy* | 2 196 | 1 658 | -538 |
| Production subsidy (public service refunds) | 21 904 | 65 649 | 43 745 |
| Incentive scheme for MÁV workers 2011-2013 | 497 | 1 101 | 604 |
| Other subsidy | 1 | 6 | 5 |
| Total: | 24 615 | 68 434 | 43 819 |

* Note: Project subsidies are detailed in Schedule

Schedule 101: Subsidies recognised in the reporting year

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



figures in MHUF

| Ticket compensation per category | 2011 | 2012 | Change |
|----------------------------------|----------|-----------|----------|
| 50% | 4 | 8 | 4 |
| 90% | 2 | 1 | -1 |
| Pupils and students | 1 | 1 | 0 |
| Total: | 7 | 10 | 3 |

Schedule 102: Use of ticket compensation

II.4 Average number of staff, payroll costs and other payments to personnel

| Staff | 2011 | | 2012 | |
|----------------|-------------------------------------|--------------|-------------------------------------|--------------|
| | Average statistical number of staff | % | Average statistical number of staff | % |
| - blue collar | 12 239,9 | 66,4 | 12 126,1 | 65,6 |
| - white collar | 6 181,5 | 33,6 | 6 347,4 | 34,4 |
| Total | 18 421,4 | 100,0 | 18 473,5 | 100,0 |

Schedule 103: Average number of staff

| Staff | Average pay (HUF/p/month) | | Average pay for the category (HUF/p/month)* | |
|------------------|---------------------------|----------------|---|----------------|
| | 2011 | 2012 | 2011 | 2012 |
| - blue collar | 184 119 | 197 580 | 137 456 | 145 698 |
| - white collar | 305 414 | 303 498 | 265 902 | 269 725 |
| Full-time | 224 844 | 233 907 | 180 553 | 188 235 |

* The average pay of white collar staff increased as a result of bonus payments in 2011 for 2011 and bonus advances for 2012 were also paid in 2011 whereas the expense was recognised in 2012.

Schedule 104: Average and category based wages and salaries

| Category | 2011 | % | 2012 | % | Index 2012/2011 (%) |
|------------------------|---------------|--------------|---------------|--------------|---------------------|
| Full-time | 17 937 | 99,7 | 18 169 | 99,8 | 101,3 |
| blue collar | 11 881 | 66,1 | 11 929 | 65,5 | 100,4 |
| white collar | 6 056 | 33,7 | 6 240 | 34,3 | 103,0 |
| Part-time | 48 | 0,3 | 35 | 0,2 | 72,9 |
| blue collar | 22 | 0,1 | 16 | 0,1 | 72,7 |
| white collar | 26 | 0,1 | 19 | 0,1 | 73,1 |
| Total employees | 17 985 | 100,0 | 18 204 | 100,0 | 101,2 |

Schedule 105: MÁV Zrt's closing number of staff at the end of 2012

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STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

Payments and other allowances/contributions payable by the employer with respect to the statistical number of staff are presented below:

| Staff | 2011 | | | | | 2012 | | | | |
|---------------|---------------|-------------------------|-----------------|---------------|-------------|---------------|-------------------------|-----------------|---------------|-------------|
| | Payroll | Other payments to staff | Social security | Total | % | Payroll | Other payments to staff | Social security | Total | % |
| Blue collar | 33 548 | 5 388 | 10 323 | 49 259 | 66% | 34 199 | 5 059 | 10 861 | 50 119 | 65% |
| White collar | 16 976 | 2 727 | 5 223 | 24 926 | 33% | 17 901 | 2 648 | 5 685 | 26 234 | 34% |
| Inactive | 424 | 126 | 161 | 711 | 1% | 319 | 71 | 123 | 513 | 1% |
| Total: | 50 948 | 8 241 | 15 707 | 74 896 | 100% | 52 419 | 7 778 | 16 669 | 76 866 | 100% |

Schedule 106: Payments to personnel in 2012

II.5 Payments to senior officers, Board and Supervisory Board members, Audit

II.5.1 Remuneration paid to senior officers, Board and Supervisory Board members

| Category | figures in MHUF | | |
|-------------------|-----------------|-----------|-----------|
| | 2011 | 2012 | Change |
| Board | 14 | 15 | 1 |
| Supervisory Board | 21 | 19 | -2 |
| Total: | 35 | 34 | -1 |

Schedule 107: Remunerations paid in 2012

II.5.2 Loans granted to senior officers, Board and Supervisory Board members and guarantees assumed

No loan was disbursed to or guarantees were assumed on behalf of Board and Supervisory Board members in 2012.

II.5.3 Pensions to former officers, Board and Supervisory Board members

No pension liabilities to former Board and Supervisory Board members exist.

II.5.4 Audit cost for 2012

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



The cost of the annual audit was HUF 17 million, the cost of the audit for the previous year was HUF 2 million. Other advisory services provided by the auditors totalled HUF 5 million.

**THIS IS A TRANSLATION OF THE HUNGARIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

II.6 MÁV Zrt's investments

figures in HUF

| Scope of consolidation | Internal code | Company | CHANGE | MÁV % a Jan 2012 | MÁV % 31 Dec 2012 | Founded at | Postcode | Seat | Address |
|---|---------------|---|--------|---------------------|----------------------|------------------|-----------|----------------|------------------------------------|
| TK | 180 | MÁV-START Zrt. | 0,00% | 100,00% | 100,00% | 11 January 2007 | 1087 | Budapest | Könyves Kálmán körút 54-60. |
| TK | 186 | MÁV-TRAKCIÓ Zrt. | 0,00% | 99,99% | 99,99% | 10 October 2007 | 1087 | Budapest | Könyves Kálmán körút 54-60. |
| TK | 187 | MÁV-GÉPÉSZET Zrt. | 0,00% | 99,90% | 99,90% | 12 November 2007 | 1087 | Budapest | Könyves Kálmán körút 54-60. |
| TK | 101 | MÁV VKG Kft. | 0,00% | 100,00% | 100,00% | 31 December 1993 | 5137 | Jászkisér | Jászládányi út 10. |
| TK | 131 | MÁV KfV Kft. | 0,00% | 100,00% | 100,00% | 1 September 1996 | 1097 | Budapest | Péceli út 2. |
| TK | 102 | MÁV GÉP Kft. | 0,00% | 100,00% | 100,00% | 31 December 1993 | 1103 | Budapest | Köőr utca 2/d. |
| TK | 179 | ZÁHONY-PORT Zrt. | 0,00% | 100,00% | 100,00% | 31 August 2006 | 4625 | Záhony | Európa tér 12. |
| TK | 138 | MÁV INFORMATIKA Zrt. | 0,00% | 99,50% | 99,50% | 1 November 1996 | 1012 | Budapest | Krisztina körút 37/a. |
| TK | 136 | MÁV Ingatlankezelő Kft. | 0,00% | 100,00% | 100,00% | 30 December 1996 | 1087 | Budapest | Könyves Kálmán körút 54-60. |
| TK | 149 | MÁV Vágyonkezelő Zrt. | 0,00% | 100,00% | 100,00% | 18 July 1997 | 1087 | Budapest | Könyves Kálmán körút 54-60. |
| TK | 190 | MÁV Koncessziós Kft. | 0,00% | 100,00% | 100,00% | 13 July 2011 | 1087 | Budapest | Könyves Kálmán körút 54-60. |
| Fully consolidated subsidiaries | | | | | | | | | |
| EQL | 015 | MÁV NOSZTALGIA Kft. | 0,00% | 57,00% | 57,00% | 30 December 1992 | 1142 | Budapest | Tatai út 95. |
| EQL | 005 | MÁV Tervező Intézet Kft. | 0,00% | 100,00% | 100,00% | 01 July 1992 | 1016 | Budapest | Mészáros utca 19. |
| EQL | 020 | MÁV VAGON Kft. | 0,00% | 90,00% | 90,00% | 30 December 1992 | 8000 | Székesfehérvár | Takarodó utca 1. |
| EQL | 139 | MÁV VASÚTŐR Kft. | -0,09% | 100,00% | 99,91% | 30 December 1996 | 1097 | Budapest | Fék utca 8/a. |
| RL | 183 | PRUDENT-INVEST Zrt. v.a. | 0,00% | 50,59% | 50,59% | 25 July 2007 | 1122 | Budapest | Széll Kálmán tér 15. |
| EQL | 096 | MÁV KERT Kft. | 0,00% | 100,00% | 100,00% | 01 April 1993 | 1102 | Budapest | Kolozsvári utca 39/205/3 hrsz. |
| EQL | 084 | Resti Zrt. | 85,52% | 14,48% | 100,00% | 01 January 1994 | 1087 | Budapest | Könyves Kálmán körút 54-60. 1. em. |
| Equity consolidated subsidiaries | | | | | | | | | |
| EQV | 027 | Bombardier MÁV Kft. | 0,00% | 25,10% | 25,10% | 30 December 1992 | 2120 | Dunakeszi | Állomás sétány 19. |
| EQV | 116 | MÁV-THERMIT Kft. | 0,00% | 35,00% | 35,00% | 28 February 1995 | 2030 | Érd | Tolmács utca 18. |
| EQV | 022 | MÁV VASJÁRMŰ Kft. | 0,00% | 25,00% | 25,00% | 30 December 1992 | 9700 | Szombathely | Szövő utca 85. |
| EQV | 037 | VAMÁV Kft. | 0,00% | 50,00% | 50,00% | 26 November 1991 | 3200 | Gyöngyös | Gyártelep utca 1. |
| EQV | 038 | EURO-METALL Kft. | 0,00% | 34,99% | 34,99% | 23 January 1991 | 1045 | Budapest | Elem utca 5-7. |
| Equity consolidated associates | | | | | | | | | |
| RL | 185 | DÉLI PÁLYAUDVAR Zrt. v.a. | 0,00% | 100,00% | 100,00% | 16 October 2007 | 1013 | Budapest | Krisztina körút 37/a. |
| RL | 182 | Józsefvárosi Pályaudvar Kft. v.a. | 0,00% | 90,00% | 90,00% | 14 February 2007 | 1087 | Budapest | Könyves Kálmán körút 54-60. |
| RL | 184 | Kelenföldi Pályaudvar Kft. v.a. | 0,00% | 100,00% | 100,00% | 16 July 2007 | 1013 | Budapest | Krisztina körút 37/a. |
| RL | 181 | Rákosszentimre Pályaudvar Kft. v.a. | 0,00% | 90,00% | 90,00% | 14 February 2007 | 1136 | Budapest | Pannónia utca 11. |
| RL | 134 | MÁV Utasellátó Zrt. f.a. | 0,00% | 100,00% | 100,00% | 01 December 1996 | 1053 | Budapest | Veres Pálné utca 9. |
| RL | 006 | MÁV HÍDÉPÍTŐ Kft. f.a. | 0,00% | 100,00% | 100,00% | 01 August 1992 | 1142 | Budapest | Mezőkői út 71. |
| RL | 183 | PRUDENT-INVEST Zrt. v.a. | 0,00% | 50,59% | 50,59% | 25 July 2007 | 1122 | Budapest | Széll Kálmán tér 15. |
| Subsidiaries consolidated as investments | | | | | | | | | |
| RV | 178 | HUNGARAIL Magyar Vasúti Egyesülés v.a. | -0,71% | 5,26% | 4,55% | 24 March 2006 | 1066 | Budapest | Teréz krt. 38. |
| RV | 165 | MÁV-REC Kft. | 0,00% | 49,00% | 49,00% | 11 October 2001 | 1097 | Budapest | Könyves Kálmán körút 16. |
| RV | 188 | MTMG Logisztikai Zrt. | 0,00% | 25,12% | 25,12% | 02 March 2006 | 1012 | Budapest | Logodói utca 34/A. |
| Associates consolidated as investments | | | | | | | | | |
| RE | 147 | Bureau Central de Clearing s.c.fl. (BCC) | 0,00% | 1,36% | 1,36% | 28 January 1997 | 40-B-1060 | Bruxelles | Avenue de la Porte de Hal |
| RE | 128 | Eurofima Societe Europeenne Pour Le Financement de Material Ferroviaire (Vasúti Gőrdőanyag-finanszírozási Európai Zrt.) | 0,00% | 0,70% | 0,70% | 01 June 1992 | CH4001 | Basel | Rittergasse 20. |
| RE | 120 | Vasútegészségügyi Szolgáltató Nonprofit Kiemelten Közhatalmi Kft. | 0,00% | 14,26% | 14,26% | 31 July 1997 | 1062 | Budapest | Podmaniczky utca 109. |
| RE | 162 | Bugaci Kisvasút Kht. v.a. | 0,00% | 16,67% | 16,67% | 18 May 2001 | 6114 | Bugac | Béke utca 10. |
| RE | 169 | HIT Rail B.V. (Informatikai Szolgáltató) | 0,00% | 9,52% | 9,52% | 26 November 2001 | 3511 ER | Utrecht | Laan van Puntenburg 100 |
| RE | 166 | NGF Nemzetközi Gazdaságfejlesztési Kht. f.a. | 0,00% | 4,60% | 4,60% | 25 March 2003 | 1036 | Budapest | Lajos u 160-162. |
| RE | 172 | Normon-Tool Kft. | 0,00% | 0,04% | 0,04% | 14 March 2002 | 5600 | Békéscsaba | Ipari út 1. |
| EQL | 084 | Resti Zrt. | 85,52% | 14,48% | 100,00% | 01 January 1994 | 1087 | Budapest | Könyves Kálmán körút 54-60. 1. em. |
| RE | 146 | Hódiköt Rt. f.a. | 0,00% | 0,20% | 0,20% | 14 February 1997 | 4024 | Debrecen | Piac utca 22. 2. emelet 6. |
| RE | 163 | Út- és Pályaépítő Rt. f.a. | 0,00% | 0,02% | 0,02% | 11 June 1991 | 1131 | Budapest | Jász utca 156-158. |

Schedule 108: MÁV Zrt's investments I.

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



figures in HUF

| Scope of consolidation | Internal code | Company | Issued capital 31 December 2012 | Issued capital MÁV 31 December 2012 | Recorded capital (GIR) 1 January 2012. - 161 - | Accumulated impairment loss (GIR) 1 January 2012 - 169 - | Recorded value (GIR) 1 January 2012 - 16 - |
|--|---------------|---|------------------------------------|---|---|--|---|
| TK | 180 | MÁV-START Zrt. | 10 000 000 000 | 10 000 000 000 | 62 320 000 000 | 0 | 62 320 000 000 |
| TK | 186 | MÁV-TRAKCIÓ Zrt. | 29 814 674 000 | 29 812 674 000 | 40 312 111 000 | 0 | 40 312 111 000 |
| TK | 187 | MÁV-GÉPÉSZET Zrt. | 3 932 840 000 | 3 928 840 000 | 10 610 464 000 | 0 | 10 610 464 000 |
| TK | 101 | MÁV FKG Kft. | 1 504 760 000 | 1 504 760 000 | 1 504 760 000 | -687 868 000 | 816 892 000 |
| TK | 131 | MÁV KfV Kft. | 569 400 000 | 569 400 000 | 569 400 000 | 0 | 569 400 000 |
| TK | 102 | MÁV GÉP Kft. | 13 000 000 | 13 000 000 | 3 034 510 000 | -3 034 510 000 | 0 |
| TK | 179 | ZÁHONY-PORT Zrt. | 10 000 000 | 10 000 000 | 975 617 000 | -959 303 000 | 16 314 000 |
| TK | 138 | MÁV INFORMATIKA Zrt. | 800 000 000 | 796 000 000 | 796 000 000 | 0 | 796 000 000 |
| TK | 136 | MÁV Ingatlankezelő Kft. | 398 960 000 | 398 960 000 | 398 960 000 | 0 | 398 960 000 |
| TK | 149 | MÁV Vagyonkezelő Zrt. | 243 902 000 | 243 902 000 | 261 223 777 | -52 846 495 | 208 377 282 |
| TK | 190 | MÁV Koncessziós Kft. | 30 000 000 | 30 000 000 | 30 000 000 | 0 | 30 000 000 |
| Fully consolidated subsidiaries | | | 0 | 0 | 117 778 535 777 | -4 734 527 495 | 116 078 518 282 |
| EQL | 015 | MÁV NOSZTALGIA Kft. | 10 000 000 | 5 700 000 | 5 700 000 | 0 | 5 700 000 |
| EQL | 005 | MÁV Tervező Intézet Kft. | 80 000 000 | 80 000 000 | 80 000 000 | -80 000 000 | 0 |
| EQL | 020 | MÁV VAGON Kft. | 243 980 000 | 219 582 000 | 219 582 000 | 0 | 219 582 000 |
| EQL | 139 | MÁV VASÚTŐR Kft. | 214 760 000 | 214 560 000 | 214 760 000 | 0 | 214 760 000 |
| RL | 183 | PRUDENT-INVEST Zrt. v.a. | 0 | 0 | 22 816 090 | 0 | 22 816 090 |
| EQL | 096 | MÁV KERT Kft. | 46 270 000 | 46 270 000 | 46 270 000 | 0 | 46 270 000 |
| EQL | 084 | Resti Zrt. | 104 112 000 | 104 112 000 | 0 | 0 | 0 |
| Equity consolidated subsidiaries | | | 699 122 000 | 670 224 000 | 589 128 090 | -80 000 000 | 509 128 090 |
| EQV | 027 | Bombardier MÁV Kft. | 772 000 000 | 193 750 000 | 193 770 000 | 0 | 193 770 000 |
| EQV | 116 | MÁV-THERMIT Kft. | 138 000 000 | 48 300 000 | 48 300 000 | 0 | 48 300 000 |
| EQV | 022 | MÁV VASJÁRMŰ Kft. | 631 990 000 | 158 000 000 | 158 000 000 | -22 463 000 | 135 537 000 |
| EQV | 037 | VAMAV Kft. | 1 400 000 000 | 700 000 000 | 480 000 000 | 0 | 480 000 000 |
| EQV | 038 | EURO-METALL Kft. | 50 590 000 | 17 700 000 | 17 700 000 | 0 | 17 700 000 |
| Equity consolidated associates | | | 0 | 0 | 897 770 000 | -22 463 000 | 875 307 000 |
| RL | 185 | DÉLI PÁLYAUDVAR Zrt. v.a. | 6 000 000 | 6 000 000 | 60 000 000 | -60 000 000 | 0 |
| RL | 182 | Józsefváros Pályaudvar Kft. v.a. | 1 000 000 | 900 000 | 23 400 000 | -23 400 000 | 0 |
| RL | 184 | Kelenföldi Pályaudvar Kft. v.a. | 1 000 000 | 1 000 000 | 26 500 000 | -26 500 000 | 0 |
| RL | 181 | Rákosszentpál Pályaudvar Kft. v.a. | 2 000 000 | 1 800 000 | 88 200 000 | -88 200 000 | 0 |
| RL | 134 | MÁV Utasellátó Zrt. f.a. | 137 000 000 | 137 000 000 | 137 000 000 | -137 000 000 | 0 |
| RL | 006 | MÁV HÍDÉPÍTŐ Kft. f.a. | 3 100 000 | 3 100 000 | 600 000 000 | -600 000 000 | 0 |
| RL | 183 | PRUDENT-INVEST Zrt. v.a. | 5 000 000 | 2 529 500 | 0 | 0 | 0 |
| Subsidiaries consolidated as investments | | | 153 100 000 | 150 529 500 | 846 900 000 | -935 100 000 | 0 |
| RV | 178 | HUNGRAIL Magyar Vasúti Egyesülés v.a. | 4 400 000 | 200 000 | 200 000 | 0 | 200 000 |
| RV | 165 | MÁV-REC Kft. | 50 000 000 | 24 500 000 | 50 500 000 | 0 | 50 500 000 |
| RV | 188 | MTMG Logisztikai Zrt. | 40 200 000 | 10 100 000 | 15 150 000 | 0 | 15 150 000 |
| Associates consolidated as investments | | | 0 | 0 | 65 850 000 | 0 | 65 850 000 |
| RE | 147 | Bureau Central de Clearing s.c.f.l. (BCC) | 0 | 0 | 465 140 | 0 | 465 140 |
| RE | 128 | Eurofima Societe Europeenne Pour Le Financement de Material Ferroviaire (Vasúti Gördülőanyag-finanszírozási Európai Zrt.) | 0 | 0 | 2 024 104 790 | 0 | 2 024 104 790 |
| RE | 120 | Vasúteg és szolgáltató Nonprofit Kiemelten Közhatalmi Kft. | 701 020 000 | 100 000 000 | 100 000 000 | 0 | 100 000 000 |
| RE | 162 | Bugaci Kisvasút Kht. v.a. | 3 000 000 | 500 000 | 500 000 | -500 000 | 0 |
| RE | 169 | HIT Rail B.V. (Informatikai Szolgáltató) | 0 | 0 | 67 770 025 | 0 | 67 770 025 |
| RE | 166 | NGF Nemzetközi Gazdaságfejlesztési Kht. f.a. | 4 350 000 | 200 000 | 200 000 | -200 000 | 0 |
| RE | 172 | Normon-Tool Kft. | 363 000 000 | 132 200 | 132 200 | 0 | 132 200 |
| EQL | 084 | Resti Zrt. | 0 | 0 | 15 077 000 | 0 | 15 077 000 |
| RE | 146 | Hódiköt Rt. f.a. | 284 000 000 | 568 000 | 605 000 | -605 000 | 0 |
| RE | 163 | Út- és Pályaépítő Rt. f.a. | 2 000 000 000 | 336 000 | 336 000 | -336 000 | 0 |
| Other investments consolidated as investments | | | 3 071 370 000 | 101 168 200 | 2 208 585 155 | -1 036 000 | 2 207 549 155 |
| | | | 3 923 592 000 | 921 921 700 | 122 386 769 022 | -5 773 126 495 | 119 736 352 527 |

Schedule 109: MÁV Zrt's investments II.

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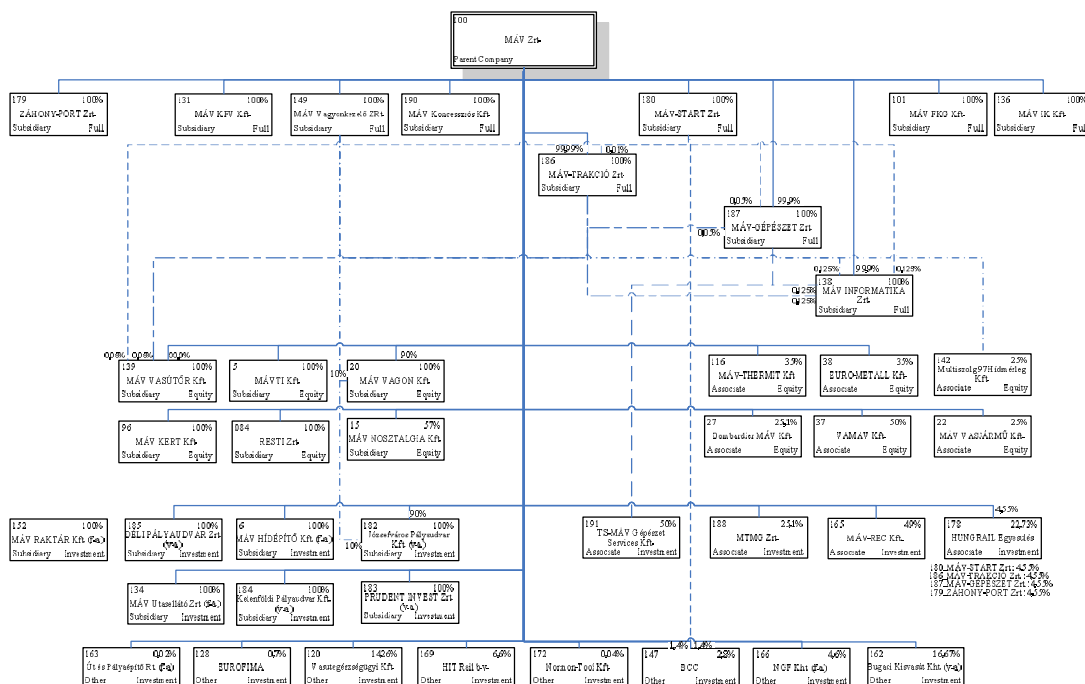


MÁV Hungarian State Railways Company Private Company by Shares

figures in HUF

| Scope of consolidation | Internal code | Company | Acquired 2012 - 16112 - | Change in equity due to the merger of MÁVGP Kft. and MÁV PEG Kft. 2012 - 16114 - 16124 - | Sold 2012 - 16122 - | Written off due to liquidation 2012 - 16124 - | FX difference 31 December 2012 - 16123 - | Reclass 2012. (PRUDENT-INVEST Zrt. v.a., Resti Zrt.) ^a | Recorded capital 31 December 2012 - 161 - | Impairment loss 2012 - 1691 - | Impairment loss reversed, written off 2012 - 1698 - | Impairment loss written off due to disposal and merger 2012 - 1695 - | Impairment loss written off due to liquidation 2012 - 1695 - | Accumulated impairment loss 31 December 2012 - 169 - | Recorded value 2012.12.31. - 16 - |
|-----------------------------------|---------------|--|-------------------------|--|---------------------|---|--|---|---|-------------------------------|---|--|--|--|-----------------------------------|
| TK | 180 | MAV-START Zrt. | | | | | | | 62 320 000 000 | | | | | 0 | 62 320 000 000 |
| TK | 186 | MAV-TRAKCIÓ Zrt. | | | | | | | 40 312 111 000 | | | | | 0 | 40 312 111 000 |
| TK | 187 | MAV-GEPIZS/ET Zrt. | | | | | | | 10 610 464 000 | | | | | 0 | 10 610 464 000 |
| TK | 191 | MAV-PRUKE | | 30 508 428 | | | | | 1 535 288 428 | | 687 868 000 | | | 0 | 15 35 288 428 |
| TK | 131 | MAV-KV Kft. | | | | | | | 569 400 000 | | | | | 0 | 569 400 000 |
| TK | 102 | MAVGEPI Kft. | | -3 034 510 000 | | | | | 0 | | | 3 034 510 000 | | 0 | 0 |
| TK | 179 | ZAHONY-PORT Zrt. | | | | | | | 975 617 000 | | | | | -979 310 000 | 96 314 000 |
| TK | 138 | MAV INFORMATIKA Zrt. | | | | | | | 796 000 000 | | | | | 0 | 796 000 000 |
| TK | 136 | MAV Ingatlankezelő Kft. | | | | | | | 398 960 000 | | | | | 0 | 398 960 000 |
| TK | 149 | MAV Vagyongérendő Zrt. | | | | | | | 261 223 777 | | | | | -52 846 495 | 208 377 282 |
| TK | 190 | MAV Koncessziós Kft. | | | | | | | 30 000 000 | | | | | 0 | 30 000 000 |
| Fully consolidated subsidiaries | | | 0 | -3 004 001 572 | 0 | 0 | 0 | 0 | 117 809 044 205 | 0 | 687 868 000 | 3 034 510 000 | 0 | -1 012 149 495 | 116 796 894 710 |
| HQL | 015 | MÁVNOSZTALGA Kft. | | | | | | | 5 700 000 | | | | | 0 | 5 700 000 |
| HQL | 005 | MAV Tervező Intézet Kft. | | | | | | | 80 000 000 | | | | | -80 000 000 | 0 |
| HQL | 020 | MÁV VAGON Kft. | | | | | | | 219 582 000 | | | | | 0 | 219 582 000 |
| HQL | 139 | MÁV VASÚTOR Kft. | | | | -200 000 | | | 214 560 000 | | | | | 0 | 214 560 000 |
| RL | 183 | PRUDENT-INVEST Zrt. v.a. | | | | | | -22 816 090 | 0 | | | | | 0 | 0 |
| HQL | 096 | MÁV KERET Kft. | | | | | | | 46 270 000 | | | | | 0 | 46 270 000 |
| HQL | 084 | Resti Zrt. | | | | | | 2 014 977 000 | 2 014 977 000 | | | | | 0 | 2 014 977 000 |
| Equity consolidated subid. | | | 0 | 0 | -200 000 | 0 | 0 | 1 992 160 910 | 2 581 089 000 | 0 | 0 | 0 | 0 | -80 000 000 | 2 501 089 000 |
| HQV | 027 | Bonhantler MÁV Kft. | | | | | | | 193 770 000 | | | | | 0 | 193 770 000 |
| HQV | 116 | MAV-THERMIT Kft. | | | | | | | 48 300 000 | | | | | 0 | 48 300 000 |
| HQV | 022 | MÁV VASÁRMŰ Kft. | | | | | | | 158 000 000 | | | | | -22 461 000 | 135 537 000 |
| HQV | 037 | VAMAV Kft. | | | | | | | 480 000 000 | | | | | 0 | 480 000 000 |
| HQV | 038 | EURO-METALL Kft. | | | | | | | 17 700 000 | | | | | 0 | 17 700 000 |
| Equity consolidated associates | | | 0 | 0 | 0 | 0 | 0 | 0 | 897 770 000 | 0 | 0 | 0 | 0 | -22 461 000 | 875 307 000 |
| RL | 185 | DELI PÁLYAUDVAR Zrt. v.a. | | | | | | | 60 000 000 | | | | | -60 000 000 | 0 |
| RL | 182 | József város Pályaudvar Kft. v.a. | | | | | | | 23 400 000 | | | | | -23 400 000 | 0 |
| RL | 184 | Kelenföldi Pályaudvar Kft. v.a. | | | | | | | 26 500 000 | | | | | -26 500 000 | 0 |
| RL | 181 | Bákosrendező Pályaudvar Kft. v.a. | | | | -88 200 000 | | | 0 | | | 88 200 000 | | 0 | 0 |
| RL | 134 | MÁV Utasellátó Zrt. fa. | | | | | | | 137 000 000 | | | | | -137 000 000 | 0 |
| RL | 006 | MÁV HÍDÉPÍTŐ Kft. fa. | | | | | | | 600 000 000 | | | | | -600 000 000 | 0 |
| RL | 183 | PRUDENT-INVEST Zrt. v.a. | | | | | | 22 816 090 | 22 816 090 | | | | | 0 | 22 816 090 |
| Subsidiaries consolidated as | | | 0 | 0 | 0 | -88 200 000 | 0 | 22 816 090 | 869 716 090 | 0 | 0 | 0 | 88 200 000 | -846 900 000 | 22 816 090 |
| RV | 178 | HUNGARAIL Magyar Vasúti Egyesülés v.a. | | | | | | | 200 000 | | | | | 0 | 200 000 |
| RV | 165 | MÁV-REC Kft. | | | | | | | 50 500 000 | | | | | 0 | 50 500 000 |
| RV | 188 | NTMG Logisztikai Zrt. | | | | | | | 15 150 000 | -7 005 845 | | | | -7 005 845 | 8 144 155 |
| Associates consolidated as | | | 0 | 0 | 0 | 0 | 0 | 0 | 65 850 000 | -7 005 845 | 0 | 0 | 0 | -7 005 845 | 58 844 155 |
| RE | 147 | Bureau Central de Clearing s.c.f.l. (BCC) | | | | | -29 660 | | 435 480 | | | | | 0 | 435 480 |
| RE | 128 | Eurofina Societe Europeenne Pour Le Financement de Matériel Ferroviaire (Vasúti Gépjárműanyag-finanszírozási Európai Zrt.) | | | | | -17 455 184 | | 1 906 649 606 | | | | | 0 | 1 906 649 606 |
| RE | 120 | Vasúti Gépjármű Szolgáltatón Nonprofit Kiemelt közhasznú Kft. | | | | | | | 100 000 000 | | | | | 0 | 100 000 000 |
| RE | 162 | Bogacsi Kővasút Kft. v.a. | | | | | | | 500 000 | | | | | -500 000 | 0 |
| RE | 169 | HIT Rail B.V. (Informatikai Szolgáltatón) | | | | | -4 321 529 | | 63 448 496 | | | | | 0 | 63 448 496 |
| RE | 166 | NCF Nemzetközi Kereskedelmi és Szolgáltató Kft. fa. | | | | | | | 200 000 | | | | | -200 000 | 0 |
| RE | 172 | Neumon-Tool Kft. | | | | | | | 132 200 | | | | | 0 | 132 200 |
| HQL | 084 | Resti Zrt. | 1 999 900 000 | | | | | -2 014 977 000 | 0 | | | | | 0 | 0 |
| RE | 146 | Hídépítő Rt. fa. | | | | -605 000 | | | 0 | | | | 605 000 | 0 | 0 |
| RE | 163 | Új- és Pályacéprő Rt. fa. | | | | | | | 336 000 | | | | | -336 000 | 0 |
| Other investments consolidated as | | | 1 999 900 000 | 0 | 0 | -605 000 | -121 806 373 | -2 014 977 000 | 2 071 701 782 | 0 | 0 | 0 | 605 000 | -1 036 000 | 2 070 665 782 |
| | | | 1 999 900 000 | -3 004 001 572 | -200 000 | -88 805 000 | -121 806 373 | 0 | 124 295 171 077 | -7 005 845 | 687 868 000 | 3 034 510 000 | 88 805 000 | -1 969 854 340 | 122 325 616 737 |

Schedule 110: MÁV Zrt's investments III.



II.9 Tax liability and tax base

II.9.1 Corporate tax

The following tax base adjusting items have been considered for corporate tax purposes:

figures in MHUF

| Item | increasing | decreasing | tax base change |
|--|----------------------|----------------------|----------------------|
| <i>Pre-tax profit</i> | | | <i>-6 504</i> |
| Adjustment due to provisions | 17 732 | 5 557 | 12 175 |
| Adjustments due to depreciation | 42 057 | 48 029 | -5 972 |
| Dividends received | | 1 092 | -1 092 |
| Trainees and interns employed | | 106 | -106 |
| Costs and expenses incurred beyond the company's revenue generating operations | 234 | | 234 |
| Penalties and fines | 134 | | 134 |
| Impairment loss of debtors / reversed | 617 | 884 | -267 |
| Forgiven debt | 78 | | 78 |
| Expenses/revenues identified by tax audit or self-correction | 786 | 919 | -133 |
| Research and development | | 18 | -18 |
| Adjustment due to transfer price other than the arm's length price | 306 | 0 | 306 |
| <i>Adjusting items, total</i> | <i>61 944</i> | <i>56 605</i> | <i>5 339</i> |
| <i>Losses carried forward</i> | | | <i>0</i> |
| <i>Tax base</i> | | | <i>-1 165</i> |

Schedule 112: Corporate tax base calculation

The basis of the corporate tax calculation is the pre-tax profit or loss as adjusted for tax base increasing and reducing items.

At MÁV Zrt., the following significant items affected the pre-tax profit:

- the balance of provisions made and released increase the tax base;
- if the depreciation calculated in accordance with the corporate tax act significantly exceeds the depreciation recognised based on the accounting law;
- tax base increasing items include costs incurred outside the normal course of business such as lapsed receivables, entertainment and business gift costs, as well as donations and free of charge services to foundations, alliances and sport clubs;
- the balance of impairment loss on debtors recognised and reversed reduce the tax base;
- the tax base is also reduced by the balance of revenues, costs and expenses recognised in previous years as immaterial errors.

The scope of material and immaterial prior year items is defined in MÁV Zrt's accounting policies. According to the corporate tax act, each item that relate to a prior period or periods qualifies material. The balance sheet and profit and loss account included in the corporate tax return for the reporting year are the same as the balance sheet and profit and loss account prepared in accordance with the accounting law and included in the notes to the financial statements as immaterial prior year items will be adjusted among the corporate tax base adjusting items (immaterial GL account 9, tax base reducing as per subsection 7.§u. of the tax law;

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STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



immaterial GL accounts 5 and 8, tax base increase as per subsection 8.§p. of the tax law). As a result, the corporate tax return for 2010 will contain items that relate to the tax year only and a self-corrected return will be filed with respect to prior years' material and immaterial items.

As the aggregate effect of MÁV Zrt's pre-tax loss and the loss adjusting items, no corporate tax liability has incurred to MÁV Zrt for 2012.

II.10A Balance sheet and profit and loss account of MÁV Zrt's items affecting previous years

The effect of previous years' errors identified in 2012 remained below the materiality threshold set in the accounting policies amended for 2013 with retrospective effect for 2012. As a result, the errors identified are recognised in the profit or loss for the reporting year rather than in a separate column in the financial statements. Had MÁV Zrt. used the policies that applied for 2011, the following balance sheet and profit and loss account should have been disclosed to reflect the effects of material errors identified by self-correction:

figures in MHUF

| Line | Item | Errors affecting previous years |
|-------------|--|--|
| .01. | <i>A. Fixed assets (02.+10.+18.)</i> | 55 |
| .02. | <i>I. INTANGIBLE ASSETS (03.+...09.)</i> | -1 |
| .10 | <i>II. TANGIBLE ASSETS (11.+...17.)</i> | 57 |
| .18 | <i>III. LONG-TERM FINANCIAL ASSETS (19.+...25.)</i> | 0 |
| .26 | <i>B. Current assets (27.+34.+40.+45.)</i> | 973 |
| .27 | <i>I. INVENTORIES (28.+...33.)</i> | -75 |
| .34 | <i>II. RECEIVABLES (35.+...39/A.)</i> | 1 048 |
| .40 | <i>III. SECURITIES (41.+...44.)</i> | 0 |
| .45 | <i>IV. LIQUID ASSETS (46.+47.)</i> | 0 |
| .48 | <i>C. PREPAID EXPENSES & ACCRUED INCOME (49.+...51.)</i> | -1 660 |
| .52 | <i>TOTAL ASSETS (01.+26.+48.)</i> | -632 |

Schedule 113: Asset side side of MÁV Zrt's B/S affecting previous years

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STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

figures in MHUF

| Line | Item | Errors affecting previous years |
|------|---|---------------------------------|
| .53 | <i>D. EQUITY (54.+...61.)</i> | 523 |
| .54 | I. Issued Capital | 0 |
| .55 | of which: treasury shares redeemed at face value | 0 |
| .56 | II. Issued capital not paid (-)/ | 0 |
| .57 | III. Capital reserve | 0 |
| .58 | IV. Retained earnings/(losses) | 485 |
| .59 | V. Allocated reserves | -485 |
| .60 | VI. Revaluation reserve | 0 |
| .61 | VII. Profit or loss for the year | 523 |
| .62 | <i>E. PROVISIONS (62.+...65.)</i> | -1 150 |
| .66 | <i>F. LIABILITIES (67.+71.+80.)</i> | 271 |
| .67 | <i>I. SUBORDINATED DEBT</i> | 0 |
| .71 | <i>II. LONG-TERM LIABILITIES (72.+...79.)</i> | -21 |
| .80 | <i>III. CURRENT LIABILITIES (81-89)</i> | 292 |
| .90 | <i>G. ACCRUED EXPENSES AND DEFERRED INCOME (91.+...93.)</i> | -276 |
| .94 | <i>EQUITY & LIABILITIES. (53.+61.+66.+90.)</i> | -632 |

Schedule 114: Equity and liabilities side of MÁV Zrt's B/S affecting previous years

figures in MHUF

| Line | Item | Errors affecting previous years |
|-------|---|---------------------------------|
| I. | <i>Sales, net (01.+02.)</i> | 869 |
| II | <i>Capitals self-performance (03.+04.)</i> | -1 |
| III. | <i>Other revenues</i> | -60 |
| IV. | <i>Material-type expenditures (05.+06.+07.+08.+09.)</i> | 114 |
| V. | <i>Payments to personnel (10.+11.+12.)</i> | -4 |
| VI. | <i>Depreciation</i> | 5 |
| VII. | <i>Other expenditures</i> | 1 210 |
| A. | <i>OPERATING PROFIT OR LOSS</i> | 2 134 |
| VIII. | <i>Financial revenues (13.+14.+15.+16.+17.)</i> | 21 |
| IX. | <i>Financial expenses (18.+19.+20.+21.)</i> | -1 633 |
| B. | <i>FINANCIAL PROFIT OR LOSS (VIII-IX)</i> | -1 613 |
| C. | <i>LOSS OR PROFIT ON ORDINARY ACTIVITIES (A+B)</i> | 521 |
| D. | <i>EXTRAORDINARY PROFIT OR LOSS (X-XI)</i> | 2 |
| E. | <i>PRE-TAX PROFIT OR LOSS (C+D)</i> | 523 |
| XII. | <i>TAX PAYABLE</i> | 0 |
| F. | <i>PROFIT OR LOSS AFTER TAX (E-XII)</i> | 523 |
| G. | <i>PROFIT OR LOSS FOR THE YEAR (F+22.-23.)</i> | 523 |

Schedule 115: MÁV Zrt's P&L affecting previous years

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**

MÁV Hungarian State Railways Company Private Company by Shares



III Schedules

| | |
|--|-----------|
| <i>Schedule 1: Capital projects funded by the government and the EU, not taken over</i> | <i>17</i> |
| <i>Schedule 2: Effect of changes in methods, FX rates and prior year adjustments</i> | <i>18</i> |
| <i>Schedule 3: Movements in intangible assets in 2012</i> | <i>22</i> |
| <i>Schedule 4: Movements in tangible assets in 2012</i> | <i>23</i> |
| <i>Schedule 5: Managed treasury assets</i> | <i>24</i> |
| <i>Schedule 6: Assets belonging to state ownership (treasury assets)</i> | <i>25</i> |
| <i>Schedule 7: Own assets necessary for the operations of treasury assets</i> | <i>26</i> |
| <i>Schedule 8: Capital expenditures</i> | <i>27</i> |
| <i>Schedule 9: Amortisation/Depreciation of intangibles and tangibles in 2012</i> | <i>27</i> |
| <i>Schedule 10: Assets contributed/received free of charge</i> | <i>28</i> |
| <i>Schedule 11: Treasury assets and their funds in the balance sheet</i> | <i>29</i> |
| <i>Schedule 12: Movements in treasury assets in 2012</i> | <i>30</i> |
| <i>Schedule 13: Use of subsidies received for development</i> | <i>31</i> |
| <i>Schedule 14: MÁV Zrt's investments at book value per category</i> | <i>31</i> |
| <i>Schedule 15: Impairment loss of long-term financial assets</i> | <i>32</i> |
| <i>Schedule 16: Movements in inventories</i> | <i>33</i> |
| <i>Schedule 17: Receivables and impairment losses</i> | <i>35</i> |
| <i>Schedule 18: Receivables in FX</i> | <i>36</i> |
| <i>Schedule 19: Related party receivables</i> | <i>36</i> |
| <i>Schedule 20: Prepaid expenses and accrued income</i> | <i>37</i> |
| <i>Schedule 21: Equity movements</i> | <i>38</i> |
| <i>Schedule 22: Allocated reserves</i> | <i>39</i> |
| <i>Schedule 23: Provisions for contingent liabilities</i> | <i>39</i> |
| <i>Schedule 24: Provisions for future commitments</i> | <i>41</i> |
| <i>Schedule 25: Provisions for FX losses</i> | <i>41</i> |
| <i>Schedule 26: Provisions in the balance sheet</i> | <i>42</i> |
| <i>Schedule 27: Liabilities related to treasury assets</i> | <i>43</i> |
| <i>Schedule 28: Mandatory refunds</i> | <i>43</i> |
| <i>Schedule 29: MÁV Zrt's long-term loans and borrowings</i> | <i>45</i> |
| <i>Schedule 30: Long-term loans repayment schedule</i> | <i>46</i> |
| <i>Schedule 31: Other current liabilities</i> | <i>47</i> |
| <i>Schedule 32: Current liabilities in FX</i> | <i>48</i> |
| <i>Schedule 33: Payables to related parties</i> | <i>48</i> |
| <i>Schedule 34: Closed forwards and options in 2012</i> | <i>49</i> |
| <i>Schedule 35: Swap and option contracts in 2012</i> | <i>50</i> |
| <i>Schedule 36: Guarantee contracts at 31 December 2012</i> | <i>51</i> |
| <i>Schedule 37: Loans secured with lien</i> | <i>51</i> |
| <i>Schedule 38: Mortgaged properties</i> | <i>52</i> |
| <i>Schedule 39: MÁV Zrt's contingent interests and similar charges relating to long-term liabilities</i> | <i>53</i> |
| <i>Schedule 40: Drawing schedule of development and current asset replacement loans signed in 2012</i> | <i>54</i> |
| <i>Schedule 41: Repayment schedule of development and current asset replacement loans signed in 2012</i> | <i>54</i> |
| <i>Schedule 42: Drawing schedule of development and current asset replacement loans to be signed in 2013</i> | <i>54</i> |
| <i>Schedule 43: Repayment schedule of development and current asset replacement loans to be signed in 2013</i> | <i>54</i> |
| <i>Schedule 44: Operating lease contracts over HUF 1m at 31 December 2012</i> | <i>55</i> |
| <i>Schedule 45: Accrued expenses and deferred income</i> | <i>56</i> |
| <i>Schedule 46: Net sales per main activity</i> | <i>57</i> |
| <i>Schedule 47: Export and import</i> | <i>59</i> |
| <i>Schedule 48: Movements in costs and expenses</i> | <i>60</i> |
| <i>Schedule 49: Material-type expenses</i> | <i>61</i> |
| <i>Schedule 50: Payments to personnel</i> | <i>63</i> |
| <i>Schedule 51: Depreciation</i> | <i>63</i> |
| <i>Schedule 52: Other revenues</i> | <i>64</i> |
| <i>Schedule 53: Provisions for contingent liabilities</i> | <i>65</i> |
| <i>Schedule 54: Other expenses</i> | <i>67</i> |
| <i>Schedule 55: Financial income</i> | <i>68</i> |
| <i>Schedule 56: Financial expenses</i> | <i>69</i> |

**THIS IS A TRANSLATION OF THE HUNGRAIAN
STATUTORY FINANCIAL STATEMENTS**



MÁV Hungarian State Railways Company Private Company by Shares

| | |
|---|------------|
| <i>Schedule 57: Extraordinary revenues</i> | <i>69</i> |
| <i>Schedule 58: Extraordinary expenditures</i> | <i>70</i> |
| <i>Schedule 59: Related party revenues (less restructured debt) and expenses</i> | <i>70</i> |
| <i>Schedule 60: P&L – turnover cost method.....</i> | <i>71</i> |
| <i>Schedule 61: Cash-flow statement</i> | <i>77</i> |
| <i>Schedule 62: Asset side of the balance sheet based on the Railtrack GL</i> | <i>80</i> |
| <i>Schedule 63: Equity and liabilities side of the BS prepared based on the Railtrack GL.....</i> | <i>81</i> |
| <i>Schedule 64: Profit and loss account prepared based on the Railtrack GL</i> | <i>82</i> |
| <i>Schedule 65: Cash-flow statement based on the railtrack GL</i> | <i>83</i> |
| <i>Schedule 66: P&L of the railtrack operations division</i> | <i>84</i> |
| <i>Schedule 67: Revenues from track access charges</i> | <i>85</i> |
| <i>Schedule 68: Related party balances – railtrack operations</i> | <i>88</i> |
| <i>Schedule 69: Asset side of the BS based on the area passenger transport GL.....</i> | <i>89</i> |
| <i>Schedule 70: Equity & liabilities side of the BS based on the area passenger transport GL</i> | <i>90</i> |
| <i>Schedule 71: P&L based on the area passenger transport GL.....</i> | <i>91</i> |
| <i>Schedule 72: Cash-flow statement based on the area passenger transport GL.....</i> | <i>92</i> |
| <i>Schedule 73: Area passenger transport P&L</i> | <i>93</i> |
| <i>Schedule 74: Traction operations indicators.....</i> | <i>94</i> |
| <i>Schedule 75: Related party balances related to area public passenger transport services.....</i> | <i>95</i> |
| <i>Schedule 76: Asset side of the BS based on the public service area passenger transport GL</i> | <i>96</i> |
| <i>Schedule 77: Equity & liabilities side of the BS based on the public service area passenger transport GL</i> | <i>97</i> |
| <i>Schedule 78: P&L based on the public service area passenger transport GL.....</i> | <i>98</i> |
| <i>Schedule 79: Public service area passenger transport P&L</i> | <i>99</i> |
| <i>Schedule 80: Related party balances related to public service area passenger transport.....</i> | <i>100</i> |
| <i>Schedule 81: Asset side of the BS for other activities.....</i> | <i>101</i> |
| <i>Schedule 82: Equity and liabilities side of the BS for other activities.....</i> | <i>102</i> |
| <i>Schedule 83: Profit and loss account of other activities.....</i> | <i>103</i> |
| <i>Schedule 84: Cash-flow statement of other activities based on the Central GL</i> | <i>104</i> |
| <i>Schedule 85: Other activities.....</i> | <i>105</i> |
| <i>Schedule 86: Net sales revenues from other activities</i> | <i>106</i> |
| <i>Schedule 87: Internal revenues from other activities</i> | <i>106</i> |
| <i>Schedule 88: Related party balances (revenues and expenditures) related to other activities</i> | <i>109</i> |
| <i>Schedule 89: Average annual statistical number of employees per activity in 2012.....</i> | <i>109</i> |
| <i>Schedule 90: Government grants used for operations per purpose</i> | <i>110</i> |
| <i>Schedule 91: Accumulation due to the per-activity breakdown</i> | <i>110</i> |
| <i>Schedule 92: Environmental reserves</i> | <i>112</i> |
| <i>Schedule 93: Environmental expenses</i> | <i>112</i> |
| <i>Schedule 94: Movements in environmental reserves in 2012</i> | <i>112</i> |
| <i>Schedule 95: Existing environmental liabilities.....</i> | <i>113</i> |
| <i>Schedule 96: Assets directly serving environmental purposes.....</i> | <i>113</i> |
| <i>Schedule 97: Dangerous and hazardous waste.....</i> | <i>114</i> |
| <i>Schedule 98: Quantities of dangerous and hazardous waste (kg).....</i> | <i>115</i> |
| <i>Schedule 99: R&D costs.....</i> | <i>116</i> |
| <i>Schedule 100: Capitalised R&D.....</i> | <i>116</i> |
| <i>Schedule 101: Subsidies recognised in the reporting year</i> | <i>116</i> |
| <i>Schedule 102: Use of ticket compensation</i> | <i>117</i> |
| <i>Schedule 103: Average number of staff.....</i> | <i>117</i> |
| <i>Schedule 104: Average and category based wages and salaries</i> | <i>117</i> |
| <i>Schedule 105: MÁV Zrt's closing number of staff at the end of 2012</i> | <i>117</i> |
| <i>Schedule 106: Payments to personnel in 2012</i> | <i>118</i> |
| <i>Schedule 107: Remunerations paid in 2012</i> | <i>118</i> |
| <i>Schedule 108: MÁV Zrt's investments I.....</i> | <i>120</i> |
| <i>Schedule 109: MÁV Zrt's investments II.....</i> | <i>121</i> |
| <i>Schedule 110: MÁV Zrt's investments III.....</i> | <i>122</i> |
| <i>Schedule 111: MÁV Group organisation chart.....</i> | <i>123</i> |
| <i>Schedule 112: Corporate tax base calculation</i> | <i>124</i> |
| <i>Schedule 113: Asset side side of MÁV Zrt's B/S affecting previous years.....</i> | <i>125</i> |
| <i>Schedule 114: Equity and liabilities side of MÁV Zrt's B/S affecting previous years</i> | <i>126</i> |
| <i>Schedule 115: MÁV Zrt's P&L affecting previous years.....</i> | <i>126</i> |