

This is a translation of the Hungarian Report

### **Independent Auditors' Report**

on the annual financial statements of MÁV Magyar Államvasutak Zrt. presented to the shareholders' meeting for approval

To the shareholders of A MÁV Magyar Államvasutak Zrt.

1.) We have audited the accompanying 2008 annual consolidated financial statements of MÁV Magyar Államvasutak Zrt. ("the Company"), which comprises the consolidated balance sheet as at 31 December 2008 - showing a balance sheet total of HUF 938,752 million and a profit for the year of HUF 18,733 million -, the related consolidated profit and loss account for the year then ended and the summary of significant accounting policies and other explanatory notes to the consolidated financial statements.

2.) On 17 June 2008, we issued an unqualified opinion on the Company's annual consolidated financial statements for 2007.

#### **Management's Responsibility for the Financial Statements**

3.) Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Hungarian Accounting Law and generally accepted accounting principles in Hungary. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

4.) Our responsibility is to express an opinion on these consolidated financial statements based on the audit and to assess whether the consolidated business report is consistent with the consolidated financial statements. 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 whether the consolidated financial statements are free from material misstatement.

5.) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 consolidated financial statements. Our work regarding the consolidated business report is restricted to assessing whether the consolidated business report is consistent with the consolidated financial statements and does not include reviewing other information originated from non-audited financial records.

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

## **Opinion**

7.) We have audited the elements of and disclosures in the consolidated annual financial statements, along with underlying records and supporting documentation, of MÁV Magyar Államvasutak Zrt. in accordance with Hungarian National Auditing Standards and have gained sufficient and appropriate evidence that the consolidated annual financial statements have been prepared in accordance with the Hungarian Accounting Law and with generally accepted accounting principles in Hungary. In our opinion, the consolidated annual financial statements give a true and fair view of the equity and financial position of MÁV Magyar Államvasutak Zrt. as at 31 December 2008 and of the results of its operations for the year then ended. The consolidated business report corresponds to the disclosures in the consolidated financial statements.

8.) Without qualifying our opinion, we draw the attention to note II.1.5.3 to the consolidated financial statement which refers to the fact that, on 1 July 2007, the Company assigned the management of capital projects related mostly to treasury assets financed from EU funds to Nemzeti Infrastruktúra Fejlesztő Zrt. Under this arrangement, Nemzeti Infrastruktúra Fejlesztő Zrt. has to hand over these assets to MNV Zrt., the owner of the assets, who then assigns them to MÁV Zrt. within the framework of the asset management contract. A number of the projects under this management contracts have been completed and technically handed over by Nemzeti Infrastruktúrafejlesztő Zrt. to MÁV Zrt. and the Company has put the assets in use. However the administrative and financial handover of these projects has not yet taken place and as a consequence the cost value of the assets, the related deferred income and the related long term liability to the state arising from the asset management of the above referred assets are not reflected in the books of the Company. The estimated value of these assets not yet recorded financially but are in use by the Company is estimated at Huf 18,430 million. The Company has recognised the estimated depreciation charge of these assets at Huf 640 million.

9.) Without qualifying our opinion, we draw the attention to the fact that, according to the Company's current practice, extraordinary depreciation of state owned properties is

recognised only when approval from the responsible minister or MNV Zrt. has been obtained. This practice is not consistent with the provisions of the accounting law. Management believes that based on agreements if any such extraordinary depreciation were charged it would have no effect on the profit and loss statement as it would represent a reduction in liabilities to the state without any adjustment to the net income of the Company.

10.) Without qualifying our opinion, we draw the attention to the fact that MÁV-Start Zrt., a fully consolidated subsidiary of the Company signed a contract with the Ministry of Transport, Communication and Energy for passenger railway transport in 2008. According to this contract, the Company is entitled to reimbursement of its costs attributable to the public services supplied under the contract provided that such costs are not covered by related revenues and are reasonable. According to the financial plan for 2008, such reimbursement to MÁV-Start Zrt. totalled HUF 160,000 million which was recognised as other revenue in its financial statements. Based on the year-end settlement, the Company had been over found with HUF 3,247 million which is presented as deferred income in the annual consolidated financial statements. As the annual reimbursement has not yet been settled with the Ministry of Transport, Communication and Energy, the final amount of the reimbursement may be subject to change.

11.) Without qualifying our opinion we draw the attention to the fact that MÁV-Start Zrt., a fully consolidated subsidiary of the Company and its legal predecessor, issued free rail travel passes to certain MÁV Group employees, their next of kin and to retired staff. Such free journeys had largely qualified as tax free benefit in kind before the restructuring of the MÁV Group. However, the pertaining government decree of 179/1994. (XII. 28.) was not amended after 1 January 1998 in line with the restructuring of the MÁV Group that followed this date. Consequently, unless the government decree changes to suit the new group structure, the Company may incur material tax liabilities with respect to the free travel passes provided in 2008 to private individuals who are no longer entitled to tax free benefits under the aforesaid government decree. No related tax liability has been presented by the Company in its books as, according to information available to the Company, the government decree is expected to be amended with retrospective effect. The final outcome of the issue is presently unpredictable.

12.) Without further qualifying our opinion, we draw the attention to the fact that the Company's ability to continue its operations in the future is subject to continued funding by the shareholders and to the availability of the necessary government funds. At present, neither MÁV Group nor MÁV Magyar Államvasutak Zrt. has a business plan for 2009 as approved by their respective founders. The Company's annual consolidated financial statements as at 31 December 2008 were drawn up on a going concern basis, and the validity of this basis depends on the availability of future funds.

13.) Without further qualifying our opinion, we draw the attention to note II.1.1.3 to the consolidated financial statements which refers to unsettled ownership status over the Company's properties.

Budapest, 26 May 2009

Ernst & Young Kft.  
Registration No.: 001165

Ispánovity Mártonné  
Registered Auditor  
Chamber membership No.: 003472

Statistical code: 10856417-5221-114-01

Company registration No.: 01-10-042272

**MÁV HUNGARIAN STATE RAILWAYS**  
**Private Company by Shares**

**1062 Budapest, Andrásy u. 73-75.**

**Consolidated**  
**Balance sheet and profit & loss account**  
**for 2008**

Date: Budapest, 26 May 2009

head (representative) of the company

P.H.

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Statistical code

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Company registration No.

Balance sheet date: 31 December 2008

BALANCE SHEET VERSION 'A' - Assets

Figures in MHUF

Serial no. a	Item b	Prior year c	Prior year adjust-ments d	Reporting year e
<b>A.</b>	<b>Fixed assets</b>	<b>794 048</b>	<b>-669</b>	<b>754 873</b>
<b>I.</b>	<b>INTANGIBLE ASSETS</b>	<b>5 571</b>	<b>-42</b>	<b>4 449</b>
01.	Capitalised foundation/restructuring	16	0	0
02.	Capitalised research and development	143	0	55
03.	Concessions, licenses and similar rights	2 254	-23	2 233
04.	Trade-marks, patents and similar assets	3 158	-19	2 161
05.	Goodwill	0	0	0
06.	Advance payments for intangible assets	0	0	0
07.	Adjusted value of intangible assets	0	0	0
<b>II.</b>	<b>TANGIBLE ASSETS</b>	<b>777 799</b>	<b>-627</b>	<b>740 611</b>
01.	Land and buildings and related property rights	429 782	-245	436 260
02.	Plant, machinery, equipment and vehicles	281 394	-209	263 205
03.	Other equipment, fixtures and fittings, vehicles	999	-15	706
04.	Breeding stock	0	0	0
05.	Assets in the course of construction	48 926	-158	26 260
06.	Advance payments for AICC	16 698	0	14 180
07.	Adjusted value of tangible assets	0	0	0
<b>III.</b>	<b>LONG-TERM FINANCIAL ASSETS</b>	<b>10 678</b>	<b>0</b>	<b>9 813</b>
01.	Long-term participations in related parties	7 151	0	5 910
02.	Long-term loans granted to related parties	8	0	44
03.	Other long-term investments	1 470	0	3 118
04.	Long-term loans granted to other investments	2	0	0
05.	Other long-term loans granted	2 047	0	716
06.	Long-term debt securities	0	0	0
07.	Adjusted value of financial investments	0	0	0
08.	Gain/loss on the valuation of financial investments	0	0	0
09.	Goodwill arising on equity consolidation	0	0	25
	Subsidiaries	0	0	0
	Associates	0	0	25

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Company registration No.

Balance sheet date: 31 December 2008

BALANCE SHEET VERSION 'A' - Assets

Figures in MHUF

Serial no.	Item	Prior year	Prior year adjustments	Reporting year
a	b	c	d	e
<b>B.</b>	<b>Current assets</b>	<b>92 486</b>	<b>1 466</b>	<b>142 189</b>
<b>I.</b>	<b>INVENTORIES</b>	<b>14 746</b>	<b>-1</b>	<b>13 377</b>
01.	Raw materials and consumables	11 609	-1	10 652
02.	Work in progress and semi-finished products	2 304	0	1 722
03.	Animals for breeding, fattening and other livestock	0	0	0
04.	Finished products	320	0	567
05.	Goods	475	0	378
06.	Advance payments for inventories	38	0	58
<b>II.</b>	<b>RECEIVABLES</b>	<b>43 795</b>	<b>1 423</b>	<b>38 631</b>
01.	Trade debtors	18 260	842	4 912
02.	Receivables from related parties	3 349	239	642
03.	Receivables from other investments	43	104	8 582
04.	Bills of exchange receivables	0	0	0
05.	Other receivables	16 893	238	18 996
06.	Corporate tax asset (calculated) arising on consolidation	5 250	0	5 499
<b>III.</b>	<b>SECURITIES</b>	<b>470</b>	<b>0</b>	<b>60 008</b>
01.	Participations in related parties	0	0	0
02.	Other participations	0	0	0
03.	Treasury shares and own participation	0	0	0
04.	Marketable debt securities	470	0	60 008
<b>IV.</b>	<b>LIQUID ASSETS</b>	<b>33 475</b>	<b>44</b>	<b>30 173</b>
01.	Cash, cheques	86	0	96
02.	Bank deposits	33 389	44	30 077
<b>C.</b>	<b>PREPAID EXPENSES &amp; ACCRUED INCOME</b>	<b>35 051</b>	<b>224</b>	<b>41 690</b>
01.	Accrued income	15 622	224	15 653
02.	Prepaid expenses	17 365	0	19 060
03.	Deferred expenses	2 064	0	6 977
	<b>Total assets</b>	<b>921 585</b>	<b>1 021</b>	<b>938 752</b>

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Company registration No.

Balance sheet date: 31 December 2008

BALANCE SHEET VERSION 'A' - Equity & liabilities

Serial no.	Item	Figures in MHUF		
		Prior year	Prior year adjustments	Reporting year
a	b	c	d	e
<b>D.</b>	<b>Equity</b>	<b>9 888</b>	<b>-1 767</b>	<b>90 519</b>
<b>I.</b>	<b>ISSUED CAPITAL</b>	<b>20 250</b>	<b>0</b>	<b>21 000</b>
	of which: treasury shares redeemed at face value	0	0	0
<b>II.</b>	<b>Issued capital not paid</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>III.</b>	<b>Capital reserve</b>	<b>46 785</b>	<b>0</b>	<b>110 642</b>
<b>IV.</b>	<b>Retained losses</b>	<b>-61 530</b>	<b>404</b>	<b>-62 257</b>
<b>V.</b>	<b>Allocated reserves</b>	<b>13 892</b>	<b>0</b>	<b>17 144</b>
<b>VI.</b>	<b>Revaluation reserve</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII.</b>	<b>LOSS/PROFIT FOR THE YEAR</b>	<b>-12 471</b>	<b>1 767</b>	<b>18 733</b>
<b>VIII.</b>	<b>CHANGES IN THE EQUITY OF SUBSIDIARIES (±)</b>	<b>-1 358</b>	<b>-404</b>	<b>500</b>
<b>VIII./A</b>	<b>CHANGES IN INVESTMENTS IN ASSOCIATES</b>	<b>3 409</b>	<b>141</b>	<b>3 779</b>
<b>IX.</b>	<b>CHANGES DUE TO CONSOLIDATION (±)</b>	<b>155</b>	<b>-141</b>	<b>19 022</b>
	Debt consolidation	80	-141	-444
	Intercompany profit or loss	75	0	-18 578
<b>X.</b>	<b>SHARES HELD BY THIRD PARTIES (NON GROUP MEMBER)</b>	<b>911</b>	<b>0</b>	<b>0</b>
<b>E.</b>	<b>Provisions</b>	<b>30 685</b>	<b>0</b>	<b>39 489</b>
01.	Provisions for contingent liabilities	22 058	0	30 503
02.	Provisions for future commitments	7 454	0	6 802
03.	Other provisions	1 173	0	2 184
<b>F.</b>	<b>Liabilities</b>	<b>798 568</b>	<b>0</b>	<b>727 775</b>
<b>I.</b>	<b>SUBORDINATED DEBT</b>	<b>279</b>	<b>2 192</b>	<b>98</b>
01.	Subordinated debts to related parties	0	0	0
02.	Subordinated debts to other investments	0	0	0
03.	Subordinated debts to third parties	0	0	0
04.	Goodwill arising on the equity consolidation of subsidiaries	279	0	98



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Company registration No.

Balance sheet date: 31 December 2008

BALANCE SHEET VERSION 'A' - Equity & liabilities

Figures in MHUF

Serial no.	Item	Prior year	Prior year adjustments	Reporting year
a	b	c	d	e
<b>II.</b>	<b>LONG-TERM LIABILITIES</b>	<b>716 764</b>	<b>0</b>	<b>658 523</b>
01.	Long-term borrowings	55	0	1 255
02.	Convertible bonds	0	0	0
03.	Debts from the issue of bonds	0	0	0
04.	Investment and development loans	122 328	0	134 707
05.	Other long-term loans	121 528	0	114 043
06.	Long-term debts to related parties	64 600	0	0
07.	Long-term debts to other investments	0	0	0
08.	Other long-term liabilities	408 253	0	408 518
<b>III.</b>	<b>CURRENT LIABILITIES</b>	<b>81 525</b>	<b>2 192</b>	<b>69 154</b>
01.	Short-term borrowings	188	0	11
	- of which: convertible bonds	0	0	0
02.	Other short-term loans	11 087	0	15 572
03.	Prepayments received from debtors	2 941	0	143
04.	Creditors	40 336	1 820	29 360
05.	Bills of exchange payable	3 009	0	0
06.	Short-term debts to related parties	2 291	342	4 733
07.	Short-term debts to other investments	1 045	0	352
08.	Other current liabilities	20 628	30	18 983
09.	Corporate tax payable (calculated) arising on consolidation	0	0	0
<b>G.</b>	<b>Accrued expenses &amp; deferred income</b>	<b>82 444</b>	<b>596</b>	<b>80 969</b>
01.	Deferred income	13 173	0	16 105
02.	Accrued expenses	11 514	609	13 633
03.	Deferred extraordinary revenues and negative goodwill	57 757	-13	51 231
	<b>Total equity &amp; liabilities</b>	<b>921 585</b>	<b>1 021</b>	<b>938 752</b>

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Company registration No.

Balance sheet date: 31 December 2008

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

Figures in MHUF

Serial no.	Item	Prior year	Prior year adjustments	Reporting year
a	b	c	d	e
01.	Domestic sales, net	150 669	742	147 645
02.	Export sales, net	33 164	123	30 866
<b>I.</b>	<b>Net sales (01+02)</b>	<b>183 833</b>	<b>865</b>	<b>178 511</b>
03.	Capitalised value of self produced assets	-261	0	-145
04.	Movement in self produced inventories	26 572	421	27 607
<b>II.</b>	<b>Capitalised own performance (03+04)</b>	<b>26 311</b>	<b>421</b>	<b>27 462</b>
<b>III.</b>	<b>Other revenues</b>	<b>189 360</b>	<b>143</b>	<b>191 413</b>
	Of which: impairment loss reversed	63	0	52
<b>III/A.</b>	<b>Goodwill arising on debt consolidation</b>	<b>5</b>		<b>0</b>
05.	Material cost	68 255	98	73 529
06.	Material type services utilised	52 177	1 860	60 069
07.	Other services	2 210	27	2 098
08.	Cost of goods sold	472	0	1 535
09.	Cost of (consignment) services	26 771	131	23 568
<b>IV.</b>	<b>Material type expenses (05+06+07+08+09)</b>	<b>149 885</b>	<b>2 116</b>	<b>160 799</b>
10.	Payroll cost	112 904	-19	116 352
11.	Other payments to personnel	17 298	-94	17 841
12.	Social security and other contributions	39 197	-5	41 697
<b>V.</b>	<b>Payments to personnel (10+11+12)</b>	<b>169 399</b>	<b>-118</b>	<b>175 890</b>
<b>VI.</b>	<b>Depreciation charge</b>	<b>40 556</b>	<b>465</b>	<b>47 146</b>
<b>VII.</b>	<b>Other expenses</b>	<b>44 943</b>	<b>151</b>	<b>51 350</b>
	Of which: impairment loss	2 016		4 165
<b>VII/A.</b>	<b>Negative goodwill arising on debt consolidation</b>	<b>-13</b>		<b>0</b>
<b>A.</b>	<b>OPERATING PROFIT (I.+II.+III.+III/a.-IV.-V.-VI.-VII.-VII/a.)</b>	<b>-5 261</b>	<b>-1 185</b>	<b>-37 799</b>

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Statistical code

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Company registration No.

Balance sheet date: 31 December 2008

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

Figures in MHUF

Serial no.	Item	Prior year	Prior year adjustments	Reporting year
a	b	c	d	e
13.	Dividends (due) received	151	49	317
	Of 13: from related parties	0	0	171
14.	Foreign exchange gain on disposal of investments	29	0	72 609
	Of 14: from related parties	0	0	0
15.	Interest and gains on long-term financial investments	440	0	6
	Of 15: from related parties	0		0
16.	Other interest received (due) and similar income	1 560	0	2 606
	Of 16: from related parties	31	0	205
17.	Other financial income	3 966	7	6 242
<b>VIII.</b>	<b>Financial revenues (13.+14.+15.+16.+17.)</b>	<b>6 146</b>	<b>56</b>	<b>81 780</b>
18.	Foreign exchange loss of financial investments	0	17	42
	Of 18: towards related parties			0
19.	Interest payable and similar charges	19 471	0	19 447
	Of 19: towards related parties	118	0	170
20.	Impairment of shares, securities, bank deposits	153	0	100
21.	Other financial expenditures	3 160	3	3 645
<b>IX.</b>	<b>Financial expenses (18.+19.+20.+21.)</b>	<b>22 784</b>	<b>20</b>	<b>23 234</b>
<b>B.</b>	<b>FINANCIAL PROFIT (VIII.-IX.)</b>	<b>-16 638</b>	<b>36</b>	<b>58 546</b>
<b>C.</b>	<b>PROFIT FROM ORDINARY ACTIVITIES (±A.±B.)</b>	<b>-21 899</b>	<b>-1 149</b>	<b>20 747</b>
<b>X.</b>	<b>Extraordinary revenues</b>	<b>7 415</b>	<b>138</b>	<b>283</b>
<b>XI.</b>	<b>Extraordinary expenses</b>	<b>1 302</b>	<b>756</b>	<b>419</b>
<b>D.</b>	<b>EXTRAORDINARY LOSS/PROFIT (X.-XI.)</b>	<b>6 113</b>	<b>-618</b>	<b>-136</b>
<b>E.</b>	<b>LOSS/PROFIT BEFORE TAX (±C.±D.)</b>	<b>-15 786</b>	<b>-1 767</b>	<b>20 611</b>
<b>XII.</b>	<b>Tax liability</b>	<b>299</b>	<b>0</b>	<b>2 127</b>
<b>XII/A.</b>	<b>Deferred tax</b>	<b>-3 754</b>	<b>0</b>	<b>-249</b>
<b>F.</b>	<b>LOSS/PROFIT AFTER TAX (±E.-XII.)</b>	<b>-12 331</b>	<b>-1 767</b>	<b>18 733</b>
22.	Dividends, profit sharing paid from retained earnings	0	0	0
23.	Dividends, profit sharing paid (approved)	0	0	0
24.	Profits attributable to minority shareholders	140	0	0
<b>G.</b>	<b>LOSS/PROFIT FOR THE YEAR (±F.-F/1.)</b>	<b>-12 471</b>	<b>-1 767</b>	<b>18 733</b>



**MÁV Hungarian State Railways Private  
Company by Shares**

**MÁV GROUP**

**Notes to the 2008 consolidated annual  
financial statements**

**MAY 2009**

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## I GENERAL PART

### I.1 THE GROUP

#### I.1.1 The parent company

**Company's name (in Hungarian):**

MÁV Magyar Államvasutak Zártkörűen Működő Részvénytársaság.

**The Company's name in various languages:**

English: MÁV Hungarian State Railways Company Private Company 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 (in Hungarian):**

MÁV Zrt.

**In foreign languages:**

English: MÁV Co,

French: MÁV S.A.,

German: MÁV AG.

**Registered seat:**

1062 Budapest, Andrásy út 73-75. tel: 06-1/322-0660

**Website:**

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

**Founder:**

Ministry for Transport, Broadcasting and Water of the Republic of Hungary

Date of foundation: 30 June 1993

Holder of ownership rights: Ministry for Transport, Telecommunications and Water of the Republic of Hungary

**Issued capital:**

At 31 December 2008: HUF 21,000m, consisting of one share of HUF 20,000m face value, one share of HUF 750m face value and one share of HUF 250m face value in joint nomination.

**Company registration number: Cg 01-10-042272**

**Tax ID: 10856417-2-44**

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**Statistical number: 10856417-5221-114-01**

The person authorised to sign the Company's consolidated annual financial statements is Heinczinger István, CEO (domicile: 1036 Budapest, Lajos u. 53-63.).

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

Statutory signing auditor: Ispánovity Mártonné (Ernst & Young Kft., chamber membership number: 003472)

Audit fees charged for 2008:

-  Audit of the consolidated financial statements: HUF 13m
-  Audit of MÁV Zrt's stand-alone financial statements: HUF 20m
-  Additional services other than auditing: HUF 36m.

## I.1.2 The parent company

The parent company (MÁV Zrt.) was transformed into a company limited by shares on 30 Jun 1993 as the legal successor of Hungarian State Railways, a state owned company. The Company's equity upon the foundation was HUF 411,801 million.

The Company's issued capital is HUF 21,000m, consisting of one share of HUF 20,000m face value, one share of HUF 750m face value and one share of HUF 250m face value in joint nomination.

The Company's shares are printed as one share of cumulative denomination in accordance with regulations pertaining to securities. The founder is entitled to all the rights of a shareholder as stipulated in the companies act.

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.

The Company's key balance sheet figures (MHUF):

Item	2007	2008	Index
Balance sheet total	898 114	870 910	97%
Equity	20 617	125 423	608%
Issued capital	20 250	21 000	104%
Sales, net	179 088	199 625	111%
Payroll costs	82 643	50 449	61%
Pre-tax loss/profit	1 320	42 914	3251%

Schedule 1: Parent company key balance sheet figures





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**The Company's main activity** used to be land transport supporting services (railway access services). As of 1 January 2008, railcar maintenance and traction services have been outsourced to other MÁV Group companies. In addition to railway access services, the Company also has material selling, inventory management, passenger railcar rent/leasing, property rent/leasing and property management activities, primarily for its subsidiaries.

### I.1.3 Fully consolidated entities

In 2008, MÁV Zrt. included a total of 10 subsidiaries into full scope consolidation.

#### 1. MÁV-START Vasúti Személyszállító Zártkörűen Működő Részvénytársaság

Date of foundation: 15 October 2006

Seat: 1087 Budapest, Kerepesi út. 1-5.

Main indicators (MHUF):

Item	2007	2008	Index
Balance sheet total	96 696	93 863	97%
Equity	62 651	62 265	99%
Issued capital	10 000	10 000	100%
Sales, net	34 664	64 988	187%
Payroll costs	7 348	15 475	211%
Pre-tax loss/profit	333	57	17%

Schedule 2 : Main figures of MÁV-START Zrt.

**Main activity:** passenger rail transport on regular (non-light) railway (mostly based on a public service agreement)

#### 2. MÁV Vasútépítő-Gépellátó és Szolgáltató Korlátolt Felelősségű Társaság

Date of foundation: 1 January 1994

Seat: 1103, Budapest, Kőér u.2./d

Main indicators (MHUF):

Item	2007	2008	Index
Balance sheet total	5 249	5 027	96%
Equity	-703	-742	N/A
Issued capital	954	11	1%
Sales, net	8 178	8 544	104%
Payroll costs	1 235	1 297	105%
Pre-tax loss/profit	488	-738	N/A

Schedule 3 : Main figures of MÁVGÉP Kft

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**Main activities:** scheduled maintenance and renovation work on the public railtrack network.

### 3. MÁV Felépítménykarbantartó és Gépjavító Korlátolt Felelősségű Társaság

Date of foundation: 1 January 1994

Seat: 5137, Jászkisér, Jászladányi u. 10.

Main indicators (MHUF):

Item	2007	2008	Index
Balance sheet total	5 742	5 738	100%
Equity	822	852	104%
Issued capital	1 505	1 505	100%
Sales, net	9 603	9 714	101%
Payroll costs	1 820	1 735	95%
Pre-tax loss/profit	35	54	154%

Schedule 4 : Main figures of MÁV FKG Kft.

**Main activities:** railtrack renovation and maintenance, operating, repairs and overhaul of special machine chains.

### 4. MÁV INFORMATIKA Kereskedelmi, Szolgáltató és Tanácsadó Zártkörűen Működő Részvénytársaság

Date of foundation: 1 November 1996

Seat: 1012, Budapest, Krisztina krt. 37/a.

Main indicators (MHUF):

Item	2007	2008	Index
Balance sheet total	3 939	3 958	100%
Equity	1 090	1 147	105%
Issued capital	800	800	100%
Sales, net	7 039	6 379	91%
Payroll costs	1 844	1 965	107%
Pre-tax loss/profit	218	99	45%

Schedule 5 : Main figures of MÁV INFORMATIKA Zrt.

**Main activities:** system development, procurement, assembly and installation of IT assets, warranty services, maintenance, repair, provision of special materials and spare parts / components.

## 5. MÁV Ingatlankezelő Korlátolt Felelősségű Társaság

Date of foundation: 30 December 1996

Seat: 1086, Budapest, Fiumei út 22.

Main indicators (MHUF):

Item	2007	2008	Index
Balance sheet total	4 565	5 401	118%
Equity	748	777	104%
Issued capital	399	399	100%
Sales, net	10 398	11 374	109%
Payroll costs	2 658	2 484	93%
Pre-tax loss/profit	114	30	26%

6 Schedule: Main figures of MÁV IK Kft.

**Main activities:** management and operation of MÁV Zrt's properties, addressing technical matters and performance/co-ordination of scheduled renovation work a MÁV Zrt.

## 6. MÁV Vagyonkezelő Zártkörűen Működő Részvénytársaság

Date of foundation: 18 July 1997

Seat: 1136, Budapest, Pannónia u. 11.

Main indicators (MHUF):

Item	2007	2008	Index
Balance sheet total	595	689	116%
Equity	440	476	108%
Issued capital	549	549	100%
Sales, net	566	954	169%
Payroll costs	235	376	160%
Pre-tax loss/profit	4	38	950%

Schedule 7 : Main figures of MÁV Vagyonkezelő Kft.

**Main activities:** property trading and asset management.

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## 7. MÁV-TRAKCIÓ Vasúti Vontatási Zártkörűen Működő Részvénytársaság

Date of foundation: 10 October 2007

Seat: 1062, Budapest, Andrásy út. 73-75.

Main indicators (MHUF):

Item	2007	2008	Index
Balance sheet total	6 020	100 100	1663%
Equity	20	40 494	202470%
Issued capital	20	29 815	149075%
Sales, net	0	93 014	N/A
Payroll costs	0	19 161	N/A
Pre-tax loss/profit	0	187	N/A

8 Schedule: Main figures of MÁV-TRAKCIÓ Zrt.

**Main activities:** rail traction, operating tracting vehicles.

## 8. MÁV-GÉPÉSZET Vasúti jármű Fenntartó és Javító Zártkörűen Működő Részvénytársaság

Date of foundation: 12 November 2007

Seat: 1062, Budapest, Andrásy út. 73-75.

Main indicators (MHUF):

Item	2007	2008	Index
Balance sheet total	92	22 904	24896%
Equity	20	10 793	53965%
Issued capital	20	3 933	19665%
Sales, net	0	39 296	N/A
Payroll costs	0	9 514	N/A
Pre-tax loss/profit	0	603	N/A

9 Schedule: Main figures of MÁV-GÉPÉSZET Zrt.

**Main activities:** repair and maintenance of passenger and freight wagons, passenger car pre-heaters, chemical pollution and partly accident prevention.

## 9. MÁV Központi Felépítményvizsgáló Korlátolt Felelősségű Társaság

Date of foundation: 1 September 1996

Seat: 1097 Budapest, IX. Péceli út 2.

Main indicators (MHUF):



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Item	2007	2008	Index
Balance sheet total	1198	1 388	116%
Equity	768	965	126%
Issued capital	180	180	100%
Sales, net	1278	1 414	111%
Payroll costs	371	395	106%
Pre-tax loss/profit	192	227	118%

Schedule 10 : Main figures of MÁV KfV Kft.

**Main activities:** railtrack monitoring and testing, geometric testing of tracks, developing meters and metering tools.

### 10. ZÁHONY-PORT Záhonyi Logisztikai és Rakománykezelési Szolgáltató Zártkörűen Működő Részvénytársaság

Date of foundation: 31 August 2006

Seat: 4625 Záhony Baross Gábor út 1.

Main indicators (MHUF):

Item	2007	2008	Index
Balance sheet total	1298	1 250	96%
Equity	600	-56	N/A
Issued capital	320	323	101%
Sales, net	1059	2 542	240%
Payroll costs	560	967	173%
Pre-tax loss/profit	-138	-890	N/A

Schedule 11 : Main figures of ZÁHONY-PORT Zrt.

**Main activities:** Cargo handling, warehousing, storage, shipment.

#### 1.1.4 Consolidation scope and scope changes

The following entities were no longer included in the scope of fully consolidated entities in 2008: MÁV Cargo Zrt. and its subsidiaries (MÁV-TISZAVAS Kft., MÁVTRANSSPED Kft., BILK KOMBITERMINÁL Zrt.) due to the successful disposal of MÁV Cargo Zrt.; MÁV Debreceni Járműjavító Kft. and MÁV VASÚTŐR Kft. in view of their indicators; MÁV SZOLNOKI JÁRMŰJAVÍTÓ Kft. and MÁV Északi Járműjavító Kft. due to their merger into MÁV-GÉPÉSZET Zrt.

MÁV KfV Kft. and ZÁHONY-PORT Zrt. were reclassified into MÁV Zrt's basis portfolio and thus both companies have become fully consolidated entities.

The various investments made into other companies, share packages and quotas disposed of, as well as the (voluntary and disposed) liquidation of certain group companies all affected the consolidated scope.

All entities included in the consolidation at 31 December 2008 and changes in the consolidated entities are set out in appendices 2 and 3.

### I.1.5 Disposal of the MÁV-CARGO Group and its treatment during the consolidation

The most important transaction in 2008 was the conclusion of the disposal of MÁV Cargo Zrt. to Rail Cargo Austria AG. (RCA). The transaction started in 2007.

After signing the sale-purchase contract on 2 January 2008, the Competition Directorate of the EU did not approve the merger at first attempt and launched an investigation into possible harmful effects of the merger on an efficient competition. On 25 November, the European Commission finally approved the transaction subject to certain terms and conditions and thus, on 2 December 2008, RCA paid the selling price of 95% of MÁV Cargo's shares net of forfeit and earnest money paid earlier. The total price paid was HUF 97,368m. Once the consideration for the shares was received, the consolidated value of the Cargo group (HUF 75,582m) was written off:

MÁV Zrt's stand-alone financial statements	
Value of investment before disposal	30 741
Value of investment after disposal	1 537
Value of written off investment	29 204
Gains on disposal	97 368
Losses on disposal	29 204
<b>Profit on disposal</b>	<b>68 164</b>
MÁV Vagyonkezelő Zrt's stand-alone financial statements	
Value of investment before disposal	2
Value of investment after disposal	0
Value of written off investment	2
Gains on disposal	7
Losses on disposal	2
<b>Profit on disposal</b>	<b>5</b>
Accumulated profit at group level	68 169
Surplus incurred on the consolidation of the Cargo Group	-1 386
Excess value of equity consolidated entities sold	-249
Aggregate profit of the Cargo Group for 2008 (X02)	5 533
KE profit realised on tangible assets	705
Profits attributable to minority shareholders	-190
<b>Consolidated group profits</b>	<b>72 582</b>

Fiver percent of MÁV Cargo Zrt's share package was offered to buy to MÁV Cargo employees. As the selling process of „employee shares” ended in February 2009, our existing shares have been presented in the annual balance sheet for 2008 among other long-term investments (HUF 1,537m) at book value as other long-term investments. According to our retained 5% share in MÁV Cargo Zrt., this investment has been presented in the 2008 annual consolidated financial statement at its book

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value of HUF 1,537m. In the balance sheet, the book value of the remaining investment has been posted from „long-term investments in related parties” to „other long-term investments”. Concurrently, the 100% subsidiaries of MÁV Cargo Zrt. (MÁVTRANSSPED Kft., BILK KOMBITERMINÁL Zrt. and MÁV-TISZAVAS Kft.) are no longer parts of our fully consolidated scope.

As no financial statements were drawn up as at the disposal date of the Cargo Group (2 December 2008), the profit and loss account of the Cargo Group was fully consolidated up to the date and as at 31 December 2008. As a result, the profit of the Cargo Group up to 31 December 2008 has been presented as part of MÁV Group’s profit for 2008 and the same value has been considered as gains on the Group’s disposal.

The consolidated financial statements of the MÁV Group include the profit and loss account of the MÁV Cargo Group, the main lines of which are as follows:

S. No.	Item	MÁV Cargo Zrt.		MÁV Transsped Kft.		BILK Kombiterminál		MÁV-Tiszavas Kft.		Total	
		2007.12.31	2008.12.31	2007.12.31	2008.12.31	2007.12.31	2008.12.31	2007.12.31	2008.12.31	2007.12.31	2008.12.31
I.	SALES REVENUES, NET	91,027	86,369	16,573	13,965	1,881	1,896	5,532	11,393	115,013	113,624
II.	CAPITALISED SELF OUTPUT	122	0	0	0	0	0	288	-276	410	-276
III.	OTHER REVENUES	2,144	1,646	310	365	14	26	111	195	2,579	2,233
IV.	MATERIAL TYPE EXPENDITURES	73,808	72,127	16,127	13,359	523	510	4,337	8,881	94,795	94,877
V.	PAYMENTS TO PERSONNEL	12,945	14,068	379	394	396	448	1,083	1,347	14,803	16,257
VI.	DEPRECIATION CHARGE	2,036	2,517	24	23	251	267	226	250	2,537	3,057
VII.	OTHER EXPENDITURES	3,996	6,442	115	222	69	73	167	435	4,347	7,172
<b>A</b>	<b>OPERATING PROFIT/LOSS</b>	<b>507</b>	<b>-7,139</b>	<b>237</b>	<b>333</b>	<b>657</b>	<b>624</b>	<b>119</b>	<b>400</b>	<b>1,520</b>	<b>-5,782</b>
VIII.	FINANCIAL REVENUES	1,679	3,870	99	166	47	131	92	116	1,916	4,283
IX.	FINANCIAL EXPENDITURES	935	2,389	76	133	102	184	196	209	1,308	2,916
<b>B</b>	<b>FINANCIAL PROFIT/LOSS</b>	<b>744</b>	<b>1,481</b>	<b>23</b>	<b>32</b>	<b>-55</b>	<b>-53</b>	<b>-104</b>	<b>-94</b>	<b>608</b>	<b>1,367</b>
<b>C</b>	<b>PROFIT/LOSS FROM ORDINARY ACTIVITIES</b>	<b>1,251</b>	<b>-5,659</b>	<b>260</b>	<b>365</b>	<b>602</b>	<b>571</b>	<b>16</b>	<b>306</b>	<b>2,128</b>	<b>-4,416</b>
X.	EXTRAORDINARY REVENUES	659	7	0	0	13	12	2	2	674	21
XI.	EXTRAORDINARY EXPENDITURES	854	59	0	8	1	2	0	0	855	70
<b>D</b>	<b>EXTRAORDINARY PROFIT/LOSS</b>	<b>-195</b>	<b>-52</b>	<b>0</b>	<b>-8</b>	<b>12</b>	<b>10</b>	<b>2</b>	<b>1</b>	<b>-181</b>	<b>-49</b>
<b>E</b>	<b>PRE-TAX PROFIT/LOSS</b>	<b>1,056</b>	<b>-5,711</b>	<b>259</b>	<b>357</b>	<b>614</b>	<b>582</b>	<b>18</b>	<b>308</b>	<b>1,947</b>	<b>-4,465</b>
XII.	TAX LIABILITY	33	0	12	92	98	105	0	12	143	209
<b>F</b>	<b>PROFIT/LOSS AFTER TAX</b>	<b>1,023</b>	<b>-5,711</b>	<b>247</b>	<b>265</b>	<b>516</b>	<b>476</b>	<b>17</b>	<b>296</b>	<b>1,804</b>	<b>-4,674</b>
22.	Dividends, profit sharing paid (approved)	0	0	0	265	258	476	0	118	258	859
<b>G</b>	<b>MÉRLEG SZERINTI EREDMÉNY</b>	<b>1,023</b>	<b>-5,711</b>	<b>247</b>	<b>0</b>	<b>258</b>	<b>0</b>	<b>17</b>	<b>178</b>	<b>1,546</b>	<b>-5,534</b>

Schedule 12 : Main P&L lines of the MÁV Cargo Group for 2008

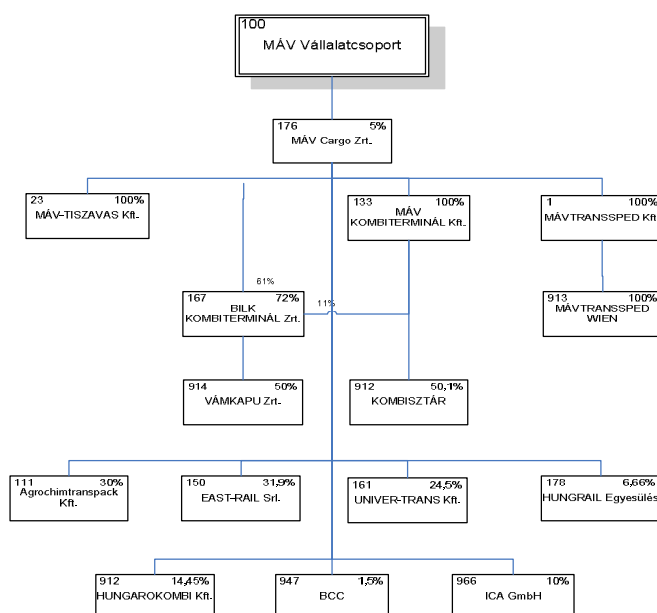
The main balance sheet lines of the MÁV Cargo Group subsidiaries included in the consolidated financial statements for 2007 are presented below:

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Serial No.	Item	MÁV Cargo Zrt.	MÁV Transped Kft.	BILK Kombiterminal Zrt.	MÁV-Tiszavas Kft.	Total
		31/12/2007	31/12/2007	31/12/2007	31/12/2007	31/12/2007
<b>A</b>	<b>FIXED ASSETS</b>	32 698	544	4 076	2 656	39 974
I.	INTANGIBLES ASSETS	1 319	0	17	90	1 426
II.	TANGIBLE ASSETS	27 185	508	4 011	2 563	34 266
III.	LONG-TERM FINANCIAL ASSETS	4 194	35	48	3	4 281
<b>B</b>	<b>CURRENT ASSETS</b>	19 058	4 075	1 015	2 274	26 421
I.	INVENTORIES	280	45	28	1 232	1 584
II.	RECEIVABLES	17 870	3 448	499	812	22 629
III.	SECURITIES	0	0	470	0	470
IV.	LIQUID ASSETS	908	582	18	230	1 738
<b>C</b>	<b>PREPAID EXPENSES AND ACCRUED INCOME</b>	3 058	18	62	29	3 168
	<b>TOTAL ASSETS</b>	54 814	4 636	5 153	4 959	69 562
<b>D</b>	<b>EQUITY</b>	32 926	945	3 087	1 144	38 102
I.	ISSUED CAPITAL	29 533	300	2 754	928	33 515
II.	ISSUED CAPITAL NOT PAID (-)	0	0	0	0	0
III.	CAPITAL RESERVES	1 210	14	0	0	1 224
IV.	RETAINED EARNINGS/(LOSSES)	1 160	120	74	-57	1 298
V.	ALLOCATED RESERVES	0	0	0	255	255
VI.	REVALUATION RESERVES	0	264	0	0	264
VII.	LOSS FOR THE YEAR	1 023	247	258	17	1 546
<b>E</b>	<b>PROVISIONS</b>	143	30	3	89	265
<b>F</b>	<b>LIABILITIES</b>	18 109	3 389	2 002	3 678	27 178
I.	SUBORDINATED DEBT	0	0	0	0	0
II.	LONG-TERM LIABILITIES	139	0	1 276	215	1 630
III.	CURRENT LIABILITIES	17 970	3 389	726	3 463	25 548
<b>G</b>	<b>ACCRUED EXPENSES AND DEFERRED INCOME</b>	3 636	272	62	48	4 018
	<b>TOTAL EQUITY AND LIABILITIES</b>	54 814	4 636	5 153	4 959	69 563

Schedule 13: Main B/S line of the MÁV Cargo Group for 2007

The organisation chart of the disposed of MÁV Cargo group is as follows:



Owing to the disposal of MÁV Cargo Zrt., the second largest buyer of railtrack access and traction services became a third party.



## **I.2 GROUP ACCOUNTING POLICIES**

### **I.2.1 Additional principles and explanation**

The Group's accounting policies are based on act C of 2000 on accounting (accounting law). The Group applies the basic accounting principles in accordance with the provisions of the law. During the consolidation the Group interprets the principle of materiality which is not specified as such in the accounting law but is permitted in the amendment as follows:

- ✚ During equity consolidation by eliminating investments – taking advantage of the options provided by the accounting law – the only subsidiaries fully consolidated are the ones which, apart from the services provided to each other and the long-term investments have a share in excess of 0.5% in at least four of the indicators characterising the Group.
- ✚ During debt consolidation, when differences are eliminated, and depending on the values of the receivables and liabilities, the Group ignores immaterial differences, the accumulated value of which does not exceed 0.1% of the receivables and liabilities to be eliminated;
- ✚ When eliminating income and expenses, immaterial differences arising during netting-off are not settled but their accumulated value may not exceed 0.25% of the income and expense to be eliminated.

In 2008, MÁV Zrt. prepared MÁV Group's consolidation policies. In addition to setting out standard financial statements preparation principles, also contains so called specimen accounting policies and valuation policies which prescribe the mandatory contents of these policies for fully consolidated subsidiaries. As a result, the parent company is able to ensure that financial statements which serve as basis for the preparation of the consolidated financial statements are prepared along the same guidelines and procedures. The standard policies had been completed with company-specific policies by the fully consolidated subsidiaries by the end of 2008 and have been effective as of 1 January 2009.

With the new consolidation policies, new reporting schedules and a specimen set of notes to the financial statements (with standard contents and structure) have been introduced. Contrary to the other new standard documents, the new notes were required to be used for the preparation of the 2008 annual financial statements.

## **I.2.2 Balance sheet date and compilation**

In accordance with the accounting law, the parent company set the reporting date for the consolidated financial statements as 31 December of the reporting year.

## **I.2.3 General additional rules pertaining to the compilation of the consolidated balance sheet and profit and loss account**

MÁV Zrt. compiles the consolidated balance sheet in accordance with the provisions of Section I/A of Schedule 6 to the accounting law, with the additional rules that:

- ✚ items marked with Arabic numerals are not combined or omitted,
- ✚ any equity changes resulting from changes in the quota held of associates and which constitute part of the profit reserve within equity are recognised in a separate balance sheet row marked D/VIII/A,
- ✚ under equity, the external shareholdings row (X) contains the share of external shareholders in the profit or loss for the reporting year.

MÁV Zrt. compiles the consolidated profit and loss account in accordance with the provisions of Section II/2/A of Schedule 6 to the accounting law, with the additional rules that:

- ✚ the figures for rows 13/a and 13/b are not shown separately, they are included in row 13, highlighting the dividends and profit shares received (due) from related companies – including subsidiaries not consolidated fully and joint ventures not consolidated due to the size of their ownership quota held,
- ✚ in the consolidated profit and loss account, row 22 is entitled "Use of profit reserve for dividends and profit shares", which contains the dividend payments made to external shareholders from the profit reserve, if such take place,
- ✚ the figure in row 24 of the consolidated profit and loss account constitutes the portion of the reporting year's retained profit due to external shareholders (this sum is not included in the retained profit).

The figures in the consolidated financial statements are given in millions of forints. The consolidated financial statements of the Group are compiled based on:

- ✚ the annual stand-alone balance sheets, profit and loss accounts and other data tables of the fully consolidated subsidiaries and joint ventures are consolidated based on their ownership percentage, and
- ✚ the stand-alone balance sheets and profit and loss accounts of associates.

The accounting documentation requested and received for consolidation purposes is processed by MÁV Zrt. in a system segregated per consolidation task and designed specifically for this purpose.

MÁV Zrt. compiles the consolidated balance sheet and profit and loss account based on Section 122 (2) of the law to ensure the assertion of the principle of unity. But MÁV Zrt. takes advantage of the option provided in Section 123 (3) of the accounting law and refrains from this standardisation if the

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consolidated companies compiled their balance sheets and profit and loss accounts in accordance with the rules of the accounting law. Accordingly:

- ✚ for domestic entities the classification, recognition and valuation rules applied by the companies may only be changed if such do not comply with the provisions of the accounting law and this is approved by the general or members' meeting. In this case the differences are settled in the preparatory phase for the consolidation – by correcting the stand-alone balance sheets and profit and loss accounts – and presented separately in the notes to the financial statements.
- ✚ for foreign entities any deviations to the accounting law are settled during the balance sheet review and measurement standardisation carried out in the consolidation preparatory phase.

## **1.2.4 Methods used to compile the consolidated balance sheet and the consolidated profit and loss account**

### **1.2.4.1 Consolidation method**

When preparing the consolidation MÁV Zrt. determines the group of consolidated companies and performs the balance sheet reviews, standardised measurements and currency conversions as necessary.

- a) When establishing the consolidation groups and revising such each year, MÁV Zrt. adheres to the rules prescribed in the accounting law, with the following additions:
  - ✚ exemption is given to fully consolidated subsidiaries and joint ventures to be consolidated based on their ownership quota held if the share of their individual values remains below 0.5% for at least four of the key indicators used when assessing exemption, while the exempted companies do not reduce the share of the remaining companies in the gross – accumulated – values of the Group below 97% in three of the indicators,
  - ✚ exemption from consolidation using the equity method is given to subsidiaries, joint ventures and associates whose quota held in the reporting year grew by less than 20% individually and which on aggregate do not exceed 5% of the pre-tax profit in the reporting year of the fully consolidated entities of the Group.
- b) MÁV Zrt. carries out balance sheet reviews and standardised measurements for all foreign subsidiaries and joint ventures which are consolidated fully when establishing and revising the various consolidation groups. In the case of domestic subsidiaries and joint ventures, these reviews are only carried out if it is suspected during the consolidation procedures – based on differences arising from netting figures – that the given company committed an error in measuring its assets and related changes and in compiling its balance sheet and profit and loss account.

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- c) Currency conversions are carried out by MÁV Zrt. for the balance sheets and profit and loss accounts of fully consolidated foreign subsidiaries and joint ventures as well as for changes to the equity of foreign subsidiaries, joint ventures and associates that are consolidated to lesser degrees, if it has such entities.

Fully consolidated entities have their balance sheets converted into HUF based on the rules recorded in Section 123 (6) a) of the accounting law, while their profit and loss accounts are converted in accordance with Subsection (8) of the same section.

When converting the balance sheet the historical exchange rate – for first consolidations – is taken to be the official rate published by the National Bank of Hungary as at the date of full consolidation.

When converting the profit and loss account the retained profit for the year is converted using the official rate published by the National Bank of Hungary, while the items designated in Subsection (8) c) are converted using the official rates published by the National Bank of Hungary for the given dates.

In the case of equity consolidated companies, changes to equity are converted using the official exchange rate published by the National Bank of Hungary as of the reporting date.

#### **1.2.4.2 Equity consolidation by netting off quotas held**

Equity consolidation by netting off quotas held is carried out by MÁV Zrt. for the fully consolidated subsidiaries and joint ventures. During equity consolidation by netting off quotas held, the following applies in respect of changes to the scope of companies consolidated in full or based on ownership ratios:

- ✚ if the scope expands with a company previously not part of the Group (including associates) then the equity pertaining to the quota held to be eliminated is eliminated at the value as at the date of acquisition, if the conditions for this prevail, otherwise the capital is consolidated as of the reporting date; both cases apply the book value,
- ✚ if the scope expands with the reclassification of an associate into the scope of fully consolidated entities then the equity consolidation by eliminating quotas held is carried out as of the first day of the previous year, regardless of when the reason for the reclassification arose in the reporting year; the elimination of the quota held and the equity pertaining to the quota held ensues at book value as well by adding the equity consolidation asset or liability arising as the equity difference pertaining to the growth in the quotas held to the equity consolidation asset or liability recorded for associates.

Given that MÁV Zrt. accords priority to the book value method when consolidating capital by eliminating quotas held, any equity consolidation asset or liability arising upon the elimination of the quota held is not converted into hidden reserves or hidden liabilities, if it proves to be material, i.e. it exceeds 10% of the book value of the quota held, or falls more than 10% short of said value.

The equity consolidation asset is written off over 5 years (i.e. the depreciation rate is 20%). The equity consolidation liability is reversed when the quota held is sold outside the Group, or if a further quota is acquired in the given enterprise and when eliminating the equity pertaining to the growth in the value of the quotas held an equity consolidation asset arises.

When consolidating capital by eliminating quotas held the consolidation may involve several steps if the fully consolidated companies have subsidiaries of their own or these companies have other quotas held. In this case, equity consolidation by eliminating quotas held is expanded with the chain method.

#### **1.2.4.3 Equity consolidation by measuring participations**

Associates are consolidated by MÁV Zrt. by measuring the quota held in the associate. In this case the quota held is valued based on the equity pertaining to the quota held.

In the event of changes in the scope of associates the quota held is measured as follows:

- ✚ if the scope is expanded by a company not previously part of the Group (including associates) the valuation ensues using the book value method as of the reporting date,
- ✚ if the scope changes with the reclassification of a fully consolidated subsidiary into the associated scope (because part of the quota held – influencing the rating – was sold outside of the Group for example), then the quota held is valued as of the beginning of the reporting period and using the book value method, taking into account any equity consolidation asset or liability recorded in the fully consolidated scope.

Given that consolidating capital using the equity method always ensues using the book value method, when the initial and subsequent quota held acquisitions are measured an equity consolidation asset or liability may arise. The parent company includes the equity consolidation asset in the consolidated balance sheet with a parallel reduction in the value of the quota held to ensure a true and fair view and clear procedures. It is written off over 5 years. In this way the annual write-off of the equity consolidation asset does not ensue against the quota held but against the profit/loss in the balance sheet. On the other hand, negative goodwill and its changes are presented only in the notes to the financial statements (as required by the accounting law).

By contrast, the equity consolidation liability and any changes thereto are only presented in the notes to the financial statements in accordance with the provisions of the accounting law. In addition to the above, the values of investments in associates presented in the consolidated balance sheet were increased with the following:

- ✚ portion pertaining to the quota held in the reporting year equity growth at the associate,
- ✚ portion pertaining to the quota held of dividends payable on the reporting year but not accounted for by the investor,
- ✚ impairment allocated during the reporting year on the quota held.

The value of the quota held is reduced with the:

- ✚ decrease in the associate's equity attributable to the quota held in the reporting year,
- ✚ the dividend consolidated in the previous year and included in the value of the quota held,
- ✚ any amount reversed in the reporting year from the impairment loss of the quota held.

The reporting year impacts of the quota held valuation are accounted by the parent company under other income from or other expenses on financial transactions, thus these are included in the Group's profit or loss for the year.

#### **1.2.4.4 Debt consolidation methods**

The debt consolidation is performed by MÁV Zrt. for companies fully consolidated and those consolidated based on their quotas held . During the debt consolidation the receivables and liabilities of the individual fully consolidated companies are netted and eliminated.

Any differences arising from the netting of receivables and liabilities are initially classified in terms of whether they are material or immaterial (insignificant). In the case of immaterial differences, MÁV Zrt. refrains from examining the cause of the difference and does not carry out any eliminations. Thus, in these cases, receivables and liabilities are eliminated at lower value. Material differences are rated during the elimination preparation process in terms of whether they are genuine or fictitious differences. Fictitious differences are settled when preparing the stand-alone balance sheets and profit and loss accounts for consolidation. To settle the given item it is first of all determined what the reason for the difference is, and if:

- ✚ it can be determined clearly then the missing item is recognised or the superfluous item is derecognised on the appropriate balance sheet and profit and loss account rows,
- ✚ it cannot be clearly determined then the difference is accounted for against other income from debt consolidation or other expenses from debt consolidation.

During the reporting year consolidation, differences from the previous year are released based on figures for the reporting year, or are left unchanged, depending on whether or not such differences are recurring. After the settlement of the differences the receivables and liabilities to be netted are of the same value and the elimination proceeds at this value.

#### **1.2.4.5 Consolidation of income and expenses**

Income and expenses are consolidated by MÁV Zrt. for the companies fully consolidated and those consolidated based on the ownership quota held.

To prepare the elimination of income and expenses derived from internal transactions, MÁV Zrt. – as the parent company – first of all nets the income and expenses reported by the individual fully consolidated companies. Any differences arising during this process are removed through reconciliation and by applying the principle of materiality. In the event of an immaterial difference, the elimination ensues based on figures excluding the difference. If the return of the transferring party exceeds the received value reported by the recipient, then the transferring party reduces its return and related expense proportionately to the received value.

During the consolidation of income and expenses different procedures are used for:

- ✚ self-manufactured inventories and the provision of services accounted as assets or cost,
- ✚ the transfer of purchased assets accounted as assets or cost,
- ✚ expense accounted by one member and the contrasting income accounted by another member, and
- ✚ expense accounted unilaterally or income accounted unilaterally.



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In the case of self-manufactured inventories and services accounted for as assets or cost, when compiling the consolidated financial statements, the parent company eliminates income in conformity with expense by reclassifying net sales revenue to the capitalised value of self-manufactured assets, in light of the fact it uses a profit and loss statement in the consolidation that is based on the total-cost method. Thereafter it monitors what happens with the received asset in the reporting period, and if this was transferred out from the core group then the capitalised value of self-manufactured assets is eliminated against the expense accounted upon the transfer. Incomes from the exchange of intra-group self-produced inventories and services are automatically set off against the costs of such inventories and services recognised by the receiving entity as the inventories and services thus received relate to services and administrative activities which technically never appear among receivables.

For purchased assets accounted for as assets or cost the income and expense elimination ensues by eliminating the income and expense accounted by the transferring entity, in conformity with the level of expense. In the case of internal transactions causing one member to account an expense and the other member to account income – since the values are identical – the elimination occurs by derecognising the accounted expense and the accounted income against each other.

The parent company eliminates unilaterally accounted income or unilaterally accounted expense by cancelling the unilateral entry. Such cases exert an impact on the reporting year profit. For this reason:

- ✚ the impacts of previous year eliminations are included in the balance sheet as part of equity – not influencing the profit – against the consolidation induced changes row – and within that the changes from interim results row, then
- ✚ monitoring the changes in value of previous year eliminations these are released or left unchanged in accordance with movements in the reporting year.

#### **1.2.4.6 Netting off interim profit or loss**

Interim profit or loss is eliminated by MÁV Zrt. during the compilation of the consolidated financial statements if fully consolidated companies have concluded transactions between each other which have an impact on the profit in their stand-alone statements. When eliminating interim profit or loss, the income accounted by the transferring party is reduced by the value of the received asset or the cost, if it can be considered material.

Interim results eliminated in the previous year and remaining in the consolidation are accounted for as follows by the parent company:

- ✚ they are recognised in the balance sheet as part of equity – not affecting the profit – against the consolidation induced changes row, and within that the changes from interim result differences row, then
- ✚ they are released based on asset changes in the reporting year or left in the consolidation depending on whether the asset reduced by the interim result remains within the core group or is transferred out.

Interim profit or loss based on internal transactions in the reporting year are eliminated against the received asset or accounted cost, then monitoring the asset or the cost they are transferred to profit/loss

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and/or reversed, or left in the consolidation. Eliminated interim profit or loss is definitively released if the asset causing the eliminated interim result is transferred outside of the fully consolidated group because it was sold, or if it was written off against the profit.

#### **1.2.4.7 Deferred tax assets and liabilities**

Deferred tax is allocated and reversed by MÁV Zrt. during consolidation if the fully consolidated companies or those consolidated based on their ownership quota held execute internal transactions whose impact on the profit shall arise in the foreseeable future. Such transactions are considered during the elimination of interim results. For debt consolidation purposes (yield and expenses consolidation), these transactions are only considered if their impact is material.

During the preparation of the consolidated financial statements for 2008, the a completely new approach was used for the recognition of deferred tax. While, in previous years, corporate tax was recognised at the applicable tax rate upon the elimination of interim profit and loss, for 2008, deferred tax was calculated based on the tax payable by the company that received the asset attributable to the interim profit or loss.

As a result of this new method, deferred taxes significantly counterbalanced the effect of interim profit and loss eliminations on the corporate tax base.

In the case of debt consolidation the settlement of genuine differences may trigger the allocation and then reversal of deferred tax. In the case of debt consolidation the settlement of genuine differences may trigger the allocation and then reversal of deferred tax. During the consolidation of income and expenses the elimination of unilateral income or unilateral expense can have implications resulting in the allocation and then reversal of deferred tax. Deferred tax is always allocated and reversed during the consolidation tasks which triggered it.

The implications of any changes in tax rates are re-calculated from the 2006 financial year. The result of such re-calculation is accounted through profit or loss. Deferred taxes are reversed using the rates in the corporate tax law valid in the year they are reversed.



## II SPECIFIC PART

### II.1 NOTES TO THE BALANCE SHEET

#### II.1.1 Fixed asset movements

##### II.1.1.1 Movements in tangible and intangible assets

Major movements in tangible and intangible assets:

ITEM	Figures in MHUF							
	Foundatio n, restructur ing	Capitalise d R&D	Porperty rights	Software	Good will	Advances for intangibles	Adjustmen ts of intangibles	Total
<b>1. Cost, opening</b>	<b>75</b>	<b>253</b>	<b>3 744</b>	<b>14 085</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18 157</b>
2. Acquisitions, improvements (capitalised)	0	0	2 547	331	0	0	0	2 878
3. Other increase	0	0	79	6	0	0	0	85
4. Disposals	-58	-107	-1 660	208	0	0	0	-1 617
5. Capitalised from previous year	0	0	-31	-294	0	0	0	-325
6. Reclassification (breakdown, aggregat	0	0	-254	244	0	0	0	-10
<b>7. Cost, closing</b>	<b>17</b>	<b>146</b>	<b>4 425</b>	<b>14 580</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19 168</b>
<b>8. Amortisation, opening</b>	<b>58</b>	<b>110</b>	<b>1 490</b>	<b>10 927</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12 585</b>
9. Ordinary amortisation	0	0	978	893	0	0	0	1 871
10. Extraordinary amortisation	0	0	1	628	0	0	0	629
11. Other increase	0	0	28	18	0	0	0	46
12. Extraordinary amortisation reversed	0	0	0	0	0	0	0	0
13. Other decrease	-41	-19	-299	-43	0	0	0	-402
14. Reclassification (breakdown, aggregat	0	0	-6	-4	0	0	0	-10
<b>15. Amortisation, closing</b>	<b>17</b>	<b>91</b>	<b>2 192</b>	<b>12 419</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>14 719</b>
<b>16. Opening, net</b>	<b>17</b>	<b>143</b>	<b>2 254</b>	<b>3 158</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5 572</b>
<b>17. Closing, net</b>	<b>0</b>	<b>55</b>	<b>2 233</b>	<b>2 161</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4 449</b>

Schedule 14 : Movements in intangible assets

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Figures in MHUF

ITEM	Properties and related rights	Technical equipment	Other equipment, fittings, vehicles	Livestock	Capex, improvements	Advances for capex	Tangible adjustments	Total
<b>1. Cost, opening</b>	577 367	444 554	6 794	0	51 193	16 698	0	1 096 606
2. Acquisitions, improvements (capitalised)	30 670	128 236	339	0	50 764	1 701	0	211 710
3. Received free of charge, surplus, etc.	1 043	34 502	0	0	50 412	396	0	86 353
4. Disposal, scrapped, shortage, cap.in prog.	-4 118	-119 679	-411	0	-123 698	-4 615	0	-252 521
5. Change in scope	-4 349	-35 349	-520	0	-281	0	0	-40 499
6. Reclassification (breakdown, aggregation)	3	-18	-23	0	0	0	0	-38
<b>7. Cost, closing</b>	600 616	452 246	6 179	0	28 390	14 180	0	1 101 611
<b>8. Depreciation, opening</b>	147 585	163 160	5 795	0	2 267	0	0	318 807
9. Ordinary depreciation	17 906	23 872	433	0	0	0	0	42 211
10. Extraordinary depreciation	725	10 673	1	0	183	0	0	11 582
11. Prev. year depr., other	235	239	17	0	0	0	0	491
12. Extraordinary depreciation reversed	0	0	0	0	-320	0	0	-320
13. Disposal, scrapped, shortage etc.	-1 574	-2 415	-397	0	0	0	0	-4 386
14. Change in scope	-523	-6 463	-361	0	0	0	0	-7 347
15. Reclassification (breakdown, aggregation)	2	-25	-15	0	0	0	0	-38
<b>16. Depreciation, closing</b>	164 356	189 041	5 473	0	2 130	0	0	361 000
<b>17. Opening, net</b>	429 782	281 394	999	0	48 926	16 698	0	777 799
<b>18. Closing, net</b>	436 260	263 205	706	0	26 260	14 180	0	740 611

Schedule 15: Movements in tangible assets

### II.1.1.2 Assets transferred/received free of charge

At MÁV Group level, asset transfers free of charge total HUF 35m, of which HUF 34m includes assets transferred by MÁV Zrt. to the National Treasury. Assets received free of charge in 2008 total HUF 936m, of which HUF 23m relates to own tangible assets and HUF 913m to treasury assets.

The total profit and loss impact is HUF +22 million, and the impact on equity and liabilities is HUF 947 million.

Figures in MHUF

Item	Transf.	Rec.	P&L impact
Intangibles	0	0	0
Tangibles	1	23	22
Capex	0	0	0
<b>Total:</b>	<b>1</b>	<b>23</b>	<b>22</b>

Schedule 16 : Assets transferred/received free of charge (own assets)

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Treasury assets received free of charge are as follows:

Asset	Transferer	AICC	Figures in MHUF	
			Tangibles	Total
Restructured line: Bp-Cegléd-Lökösháza	Municipality of Békéscsaba	34	0	34
Restructured line: Bp-Cegléd-Lökösháza	Municipality of Békéscsaba	11	0	11
Zalaegerszeg Malom utca . Zala-bridge restructuring	Municipality of Zalaegerszeg	77	0	77
Balatonszepezd station - stairs covering	Municipality of Balatonszepezd	2	0	2
Culvert	Municipality of Győr	0	22	22
Concrete bridge	Municipality of Gödöllő	0	729	729
Level crossing	Municipality of Nyergesújfalu	0	8	8
AS 261 bar lights	Municipality of Nyergesújfalu	0	27	27
AS 86 bar lights	Mátrai Erőmű Zrt.	0	3	3
<b>From other companies:</b>		<b>124</b>	<b>789</b>	<b>913</b>
LAN network	MÁV Zrt.	0	1	1
Unbuilt land	MÁV Zrt.	0	30	30
Public railway	MÁV Zrt.	0	2	2
Watchman's house	MÁV Zrt.	0	1	1
<b>Received from MÁV Zrt.:</b>		<b>0</b>	<b>34</b>	<b>34</b>
<b>Grand total:</b>		<b>124</b>	<b>823</b>	<b>947</b>

Schedule 17: Treasury assets received free of charge

### II.1.1.3 Treasury assets

Only MÁV Zrt. has treasury assets within the Group.

In accordance with the railways act, tangible assets that qualify as treasury assets are carried separately in MÁV Zrt's books. The net value of treasury assets at 31 December 2007 was HUF 379,058 million which increased to HUF 379,658 million by the end of 2008 due to changes during the year.

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	Figures in MHUF		
	2007	2008	Change
Land, total	15 157	15 314	157
Buildings, total	5 911	6 212	301
Structures, total	280 030	288 536	8 506
Machinery and equipment, total	42 270	48 523	6 253
AICC	35 690	21 073	-14 617
<b>Treasury assets, total:</b>	<b>379 058</b>	379 658	600
<b>Long-term liabilities, opening at 30 Sept 2001, upon signing the asset management contract</b>	<b>275 578</b>	<b>275 578</b>	
Acquisition from treasury funds	136 388	138 123	1 735
Acquisition from own funds	68 502	89 638	21 136
Treasury assets received free of charge	5 962	6 909	947
Surplus	412	412	0
<b>Total increase:</b>	<b>211 264</b>	<b>235 082</b>	<b>23 818</b>
Depreciation	97 568	118 804	21 236
Disposal	59	57	-2
Scrapped	6 487	8 277	1 790
Shortage	479	508	29
Treasury assets transferred free of charge	3 191	3 356	165
<b>Total decrease:</b>	<b>107 784</b>	<b>131 002</b>	<b>23 218</b>
<b>Funds of treasury assets, total:</b>	<b>379 058</b>	<b>379 658</b>	<b>600</b>

Schedule 18: Treasury assets

Changes in treasury assets in 2008 are presented below:

	Figures in MHUF		
	2007	2008	Change
<b>Treasury assets, net</b>	<b>367 507</b>	<b>379 058</b>	<b>11 551</b>
Treasury assets acquired from government grants	16 497	1 735	-14 762
Treasury assets acquired from own funds	16 312	21 136	4 824
Treasury assets received free of charge	117	913	796
Transferred to Treasury from MÁV Zrt's own assets	131	34	-97
Surplus	312	0	-312
<b>Total increase in the reporting year</b>	<b>33 369</b>	<b>23 818</b>	<b>-9 551</b>
Treasury assets transferred free of charge	-8	-7	1
Annual depreciation	-19 746	-21 063	-1 317
Depreciation of treasury assets over the years	-92	-173	-81
Disposal	-22	2	24
Scrapped, destroyed	-1 781	-1 790	-9
Shortage	-169	-29	140
Asset transfers relating to prev. year found by self-correction	0	-158	-158
Transferred by the Treasury to MAV Zrt.	0	0	0
<b>Total decrease in the reporting year</b>	<b>-21 818</b>	<b>-23 218</b>	<b>-1 400</b>
<b>Treasury assets, net at 31 December 2008</b>	<b>379 058</b>	<b>379 658</b>	<b>600</b>

Schedule 19 : Changes in treasury assets in 2008



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The net value of treasury assets increased by HUF 600m during 2008 owing to capital expenditures well over the depreciation of HUF 21,236m in 2008. Capital expenditures were financed from government grants (HUF 1,735m) and from own funds (HUF 21,136m). The net value of treasury assets reduced by further HUF 1,982m for other reasons, the major reason being scrapping in a total of HUF 1,790m.

In the absence of permission from the owner, treasury assets that did not relate to capital projects could not be scrapped between 2004 and 2007. In 2008, 753 pieces of treasury assets were scrapped in relation to capital projects.

Uncertainties as to the ownership of treasury assets and our own properites remain an unresolved issue.

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		Figures in MHUF	
<b>Treasury assets</b>		<b>Gross</b>	<b>Net</b>
<b>Land</b>		<b>15 314</b>	<b>15 314</b>
12201	Administrative buildings – listed	275	251
12411	Traffic buildings – listed	6643	5899
12415	Scale house	74	62
<b>Buildings</b>		<b>6 992</b>	<b>6 212</b>
21211	National railway network main structure	209 167	144 867
21212	National railway network sub-structure, ancillary structures, track blocks	69 316	45 872
212127	Loading stations in the national railway network	693	508
212129	Other ancillary buildings of the national railway network	23 200	17 082
212131	Middle (1-35 kv) and high voltage wiring of the national railway network	1 648	711
212132	Low voltage (below 1 kv) wiring of the national railway network	8 217	3 120
2121331100	Communication air cables and poles of the national railway network	138	46
212133	Telecom cables of the national railway network	25 548	13 150
2121332	Other data cables of the national railway network	352	199
212134	Electric air wires of the national railway network	32 038	20 508
212135	Traction transformer station	4 963	4 038
212136	High and low voltage and air wires of the Ministry of Defence	6	5
2122	Main and substructure of industrial tracks of the Ministry of Defence	264	158
21412	Bridges	43 547	29 455
2142	Culverts, subways, tunnels	11 567	8 779
242003	Air raid shelter	78	38
<b>Structures</b>		<b>430 742</b>	<b>288 536</b>
42	Loaders	21	3
442	Transformers and electric switchboards	2 105	1 440
443	Accumulators over 100 A/h	229	182
444	Telecommunication equipment	24 101	8 603
447	Meters	155	70
448566	IT equipment	3 077	917
4486	Rail traffic safety equipment	58 453	37 308
<b>Machinery, equipment, vehicles</b>		<b>88 141</b>	<b>48 523</b>
<b>Assets in the course of construction</b>		<b>21 073</b>	<b>21 073</b>
<b>Total</b>		<b>562 262</b>	<b>379 658</b>

Schedule 20: Treasury assets

This is a translation of the Hungarian Financial Statement

MÁV Zrt's own assets necessary for the operations of treasury assets are presented below.

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.)	1 470	1 311
1211, 1212 (1230)	Commercial and service buildings	72	62
1220	Administrative buildings	2 021	1 789
12411	Station receiving buildings	23 898	21 604
124121	Telecom equipment buildings	2 259	2 011
124122	Controls and track brake buildings at junction stations	307	278
124123	Tramway traction substation buildings	260	232
124124	Track maintenance buildings	1 331	1 179
124125	Telegraph and telephone main buildings	215	193
124126,-27,-29	Traction and traffic operations buildings	2 595	2 347
12413	Motor coach and wagon barns	537	483
1242	Garages	156	137
12511, 12512	Operating buildings and workshops	1553	1295
12513	Engine room, boiler rooms	744	615
12515	Pump stations	219	163
12516	Fuel metering and filling station building	16	9
12517	Electric exchange transformation equipment building	1 211	1097
12521	Commercial warehouse	46	39
125213	Warehouses (at stations, railway terminals)	641	526
125214	Other warehouse	34	30
12526	Material barns	184	148
12527	Containers	62	52
1261-1263	Cultural and education buildings	911	757
1264, -65	Social and hostel-like buildings	244	215
1271	Farming buildings	12	10
1274	Other buildings	2 405	2 128
<b>Buildings</b>		<b>43 403</b>	<b>38 710</b>
2112	Roads, squares	5 741	4 510
21221	Industrial tracks (main network)	9 640	5 871
212221, -25	Industrial tracks (sub-network)	1 530	863
212226	Breast wall, footwall	53	33
212227	Railway loaders	5 453	3 960
212229	Railway crossing approach	529	398
21223	Industrial tracks – wires and cables	185	123
214124	Industrial tracks – bridges	853	557
214203	Industrial tracks – arches and culverts	62	27
21421	Tunnels, shafts and underground chambers	37	29
2221	Oil, gas and other pipelines	826	678
2222	Water supply structures	2 909	2 081
2223	Sewage and rain receivers	3 996	2 963
2304,2412, 2420	Other structures	2 085	1 601
2920	Property rights	59	17
<b>Structures</b>		<b>33 958</b>	<b>23 711</b>
4 ...	Other machinery, equipment	9 390	3 076
4485,8...	IT equipment	3 356	320
<b>Machinery, equipment</b>		<b>12 746</b>	<b>3 396</b>
6411,-12	Railway vehicles	5 033	3 307
6413,-15	Road vehicles	157	4
<b>Vehicles</b>		<b>5 190</b>	<b>3 311</b>
<b>78-,79,797,8KF Intangibles</b>		<b>1468</b>	<b>523</b>
<b>Capital work in progress</b>		<b>1 135</b>	<b>1 135</b>
<b>Grand total</b>		<b>97 900</b>	<b>70 786</b>

Schedule 21: Own assets necessary for the operations of treasury assets

This is a translation of the Hungarian Financial Statement

#### II.1.1.4 MÁV Group's investments

The gross values of investments presented in MÁV Group's balance sheet and any related accumulated impairment loss are presented in the schedules below:

Figures in MHUF

Equity consolidated companies (associates)				
Code	Company	Value in F/S		Change
		2007	2008	
5	MÁVTI Kft.	70	326	256
15	MÁV NOSZTALGIA Kft.	27	22	-5
16	MÁV Jegynyomda	77	0	-77
20	MÁV VAGON Kft.	298	313	15
22	MÁV VASJÁRMŰ Kft.	242	251	9
27	Bombardier MÁV Kft.	846	1 030	184
34	MÁV Debreceni Járműjavító Kft.	0	608	608
37	VAMAV Kft.	1 488	1 613	125
38	EURO-METALL Kft.	297	222	-75
96	MÁV KERT KFT	67	163	96
111	AGROCHIMTRANSPACK Kft.	83	0	-83
113	MÁV INTEL-TEAM Kft.	3	0	-3
116	MÁV-THERMIT Kft	165	199	34
131	MÁV KFV Kft.	809		-809
133	MÁV KOMBITERMINÁL Kft.	1 065	0	-1 065
139	MÁV VASÚTŐR Kft.	0	244	244
141	VIACOM HUNGARIA Zrt.	767	730	-37
142	MÁV MULTISZOLG Kft.	0	18	18
144	Záhonyi HŐTÁV Kft.	82	45	-37
152	MÁV RAKTÁR Kft.	0	0	0
170	Ferihegy Express Kft.	25	26	1
174	MÁV LOKOMOTÍV HOTELS ZRT.	0	0	0
177	Carpathian Cargo s.r.o.	3	0	-3
179	ZÁHONY-PORT Zrt.	600		-600
181	Rákosrendező Pályaudvar Kft.	0	0	0
182	Józsefváros Pályaudvar Kft.	0	0	0
183	PRUDENT-INVEST Zrt.	23	33	10
184	Kelenföld Pályaudvar Kft.	13	0	-13
185	DÉLI PÁLYAUDVAR Zrt.	16	0	-16
913	MÁVTRANSSPED WIEN	11	0	-11
914	VÁMKAPU Zrt.	74	0	-74
<b>Total:</b>		<b>7 151</b>	<b>5 843</b>	<b>-1 308</b>

Schedule 22: Equity consolidated entities

The value of equity consolidated entities fell by HUF 1,308m on the previous year and is due to reduced income attributable to the MÁV Group from the profits of these entities, to former MÁV Cargo Group entities written off and to changes in the consolidation scope.



This is a translation of the Hungarian Financial Statement

Figures in MHUF

Related parties treated as investments for consolidation purposes								
Code	Company	2007			2008			Change (BV)
		Gross value	Accum. Impairm.	Book value	Gross value	Accum. Impairm.	Book value	
4	MÁVFAVÉD Kft. (f.a.)	296	296	0	296	296	0	0
6	MÁV HÍDÉPÍTŐ Kft. (f.a.)	600	600	0	600	600	0	0
8	MÁVÉPSZER Kft. (f.a.)	234	234	0	234	234	0	0
13	MÁV Egressy Garázs Kft. (v.a.)	59	59	0	0	0	0	0
29	MÁVAUT Kft. (v.a.)	42	42	0	0	0	0	0
31	ÉSZAK-TRANS Kft. (v.a.)	26	26	0	0	0	0	0
90	MÁV LIÁN Kertészeti Kft. (f.a.)	4	4	0	0	0	0	0
97	MÁV ÉK Kft. (f.a.)	43	43	0	43	43	0	0
130	MÁV RakSzer Kft. (v.a.)	22	22	0	22	22	0	0
132	MÁV-SIN Kft. (f.a.)	200	200	0	200	200	0	0
134	MÁV Utasellátó Zrt. (f.a.)	137	137	0	137	137	0	0
145	MM Cargo Kft. (f.a.)	43	43	0	0	0	0	0
150	EAST Rail SRL	9	0	9	0	0	0	-9
156	Szombathelyi Vasutas Futball Kft. (f.a.)	10	10	0	10	10	0	0
158	VBSZ Vasutas Kft.	1	0	1	1	0	1	0
161	UniverTrans Kft.	23	0	23	0	0	0	-23
165	MÁV-REC Kft.	25	0	25	50	0	50	25
178	HUNGRAIL Egyesülés	0	0	0	1	0	1	1
188	MTMG Zrt	0	0	0	15	0	15	15
916	HUNGARO-RAIL Kft.	1	0	1	0	0	0	-1
<b>Total:</b>		<b>1 775</b>	<b>1 716</b>	<b>59</b>	<b>1 609</b>	<b>1 542</b>	<b>67</b>	<b>8</b>

Schedule 23: Related parties treated as investments in the consolidation

Figures in MHUF

Other related parties								
Code	Company	2007			2008			Change (BV)
		Gross value	Accum., impairm.	Book value	Gross value	Accum., impairm.	Book value	
7	AUTORAIL Kft.	0	0	0	0	0	0	0
58	TÉKISZ Zrt.	5	0	5	0	0	0	-5
60	HUNGAROKOMBI Kft.	1	0	1	0	0	0	-1
84	RESTI Zrt.	15	0	15	15	0	15	0
120	Vasutegészségügyi Kht	100	0	100	100	0	100	0
128	EUROFIMA	1 206	0	1 206	1 406	0	1 406	200
146	Hódiköt Rt.	1	1	0	1	1	0	0
147	BCC	1	0	1	1	0	1	0
151	ZTF Kft.	15	0	15	0	0	0	-15
162	Bugaci Kisvasút Kht.	1	0	1	1	0	1	0
164	ICA GmbH	11	0	11	0	0	0	-11
166	NGF Kht.	0	0	0	0	0	0	0
169	HIT Rail b.v.	55	0	55	58	0	58	3
171	Balaton-Boronka Kisvasút Kht.	1	0	1	0	0	0	-1
172	Normon-Tool Kft.	0	0	0	0	0	0	0
176	MÁV Cargo Zrt.	30 741	0	30 741	1 537	0	1 537	-29 204
<b>Total:</b>		<b>32 153</b>	<b>1</b>	<b>32 152</b>	<b>3 119</b>	<b>1</b>	<b>3 118</b>	<b>-29 034</b>

Schedule 24: Other related parties

This is a translation of the Hungarian Financial Statement

### II.1.1.5 Goodwill arising on full consolidation

No goodwill arising on the consolidation of fully consolidated subsidiaries is presented in MÁV Group's consolidated financial statements.

### II.1.1.6 Negative goodwill arising on full consolidation

Figures in MHUF

Company		Negative goodwill					Closing
Code	Name	Opening	Change			Change in scope	
			Investment acquisition	Investment disposal	Other		
1	MÁVTRANSSPED Kft.	152	0	-152	0	0	0
23	MÁV-TISZAVAS Kft.	25	0	-25	0	0	0
28	MÁV SZOLNOKI JÁRMŰJAVÍTÓ Kft.	49	0	0	-49	0	0
33	MÁV Északi Járműjavító Kft.	41	0	0	-41	0	0
34	MÁV Debreceni Járműjavító Kft.	4	0	0	0	-4	0
101	MÁV FKG Kft.	3	0	0	0	0	3
102	MÁVGÉP Kft.	2	0	0	0	0	2
138	MÁV Informatika Zrt.	3	0	0	0	0	3
187	MÁV-GÉPÉSZET Zrt.	0	0	0	90	0	90
<b>Total:</b>		279	0	-177	0	-4	98

Schedule 25: Negative goodwill arising on full consolidation

### II.1.1.7 Goodwill arising on equity consolidation

Figures in MHUF

Company		Goodwill				Closing
Code	Name	Opening	Change		Write off	
			Investment acquisition	Investment disposal		
152	MAV RAKTAR Kft.	0	25	0	0	25
<b>Total:</b>		0	25	0	0	25

Schedule 26: Goodwill arising on equity consolidation

This is a translation of the Hungarian Financial Statement

**II.1.1.8 Negative goodwill arising on equity consolidation**

Figures in MHUF

Company		Negative goodwill				Closing
Code	Name	Opening	Change			
			Investment acquisition	Investment disposal	Other	
5	MÁVTI Kft.	14	0	0	0	14
15	MÁV NOSZTALGIA Kft.	0	0	0	0	0
16	MÁV Jegynyomda	12	0	-12	0	0
20	MÁV VAGON Kft.	2	0	0	0	2
22	MÁV VASJÁRMŰ Kft.	5	0	0	0	5
27	Bombardier MÁV Kft.	13	0	0	0	13
34	MÁV Debreceni Járműjavító Kft.	0	0	0	0	0
37	VAMAV Kft.	111	0	0	0	111
38	EURO-METALL Kft.	121	0	0	0	121
96	MÁV KERT KFT	2	0	0	0	2
111	AGROCHIMTRANSPACK Kft.	24	0	-24	0	0
113	MÁV INTEL-TEAM Kft.	0	0	0	0	0
116	MÁV-THERMIT Kft	13	0	0	0	13
131	MÁV KFV Kft.	8	0	0	-8	0
133	MÁV KOMBITERMINÁL Kft.	4	0	-4	0	0
139	MÁV VASÚTŐR Kft.	0	0	0	0	0
141	VIACOM HUNGARIA Zrt.	46	0	0	0	46
142	MÁV MULTISZOLG Kft.	0	0	0	0	0
144	Záhonyi HŐTÁV Kft.	0	0	0	0	0
152	MÁV RAKTÁR Kft.	0	0	0	0	0
170	Ferihegy Express Kft.	0	0	0	0	0
174	MÁV LOKOMOTÍV HOTELS ZRt.	30	0	0	0	30
177	Carpathian Cargo s.r.o.	0	0	0	0	0
179	ZÁHONY-PORT Zrt.	0	0	0	0	0
181	Rákosrendező Pályaudvar Kft.	0	0	0	0	0
182	Józsefváros Pályaudvar Kft.	0	0	0	0	0
183	PRUDENT-INVEST Zrt.	28	0	0	0	28
184	Kelenföld Pályaudvar Kft.	0	0	0	0	0
185	DÉLI PÁLYAUDVAR Zrt.	0	0	0	0	0
913	MÁVTRANSSPED WIEN	0	0	0	0	0
914	VÁMKAPU Zrt.	2	0	-2	0	0
<b>Total:</b>		<b>435</b>	<b>0</b>	<b>-42</b>	<b>-8</b>	<b>385</b>

Schedule 27: Negative goodwill arising on equity consolidation

This is a translation of the Hungarian Financial Statement

## II.1.2 Receivables and impairment loss

Receivables and impairment loss recognised in the reporting year are summarised below:

Figures in MHUF

Debtor	Receivables					Total	Opening	Impairment			Closing	BV of receivables	
	Not due	due over 1-90 days	due over 91-180 days	due over 181-365 days	due over 365 days			Impairment w/o	Impairment loss for 2008 (862,2; 862,4)	Bad debts received (962,3; 962,5)			Rewritten (962,2; 962,4)
<b>Debtors</b>	3 244	1 205	334	486	5 953	11 222	6 716	382	810	833	1	6 310	4 912
<b>Related parties</b>	2 746	6 163	217	170	824	10 120	1 222	651	341	14	2	896	9 224
Of which: from MÁV Cargo Zrt	2 452	5 910	97	1	7	8 467	0	0	0	0	0	0	8 467
equity consolidated entities	167	120	87	111	660	1 145	1 105	613	225	3	0	714	431
associates	126	40	18	26	2	212	2	0	1	0	2	1	211
<b>Other receivables</b>	18 521	155	60	160	363	19 259	191	28	115	15	0	263	18 996
<b>Deferred tax</b>	5 499	0	0	0	0	5 499	0	0	0	0	0	0	5 499
<b>Total:</b>	<b>30 010</b>	<b>7 523</b>	<b>611</b>	<b>816</b>	<b>7 140</b>	<b>46 100</b>	<b>8 129</b>	<b>1 061</b>	<b>1 266</b>	<b>862</b>	<b>3</b>	<b>7 469</b>	<b>38 631</b>

Schedule 28: Receivables and impairment loss

The majority of the material impairment loss on debtors relates to receivables from foreign entities in relation to MÁV Zrt's previous rail cargo and passenger transport activities.

The significant change is due to the disposal of the MÁV Cargo Group. In previous years, balances with the MÁV Cargo Group were netted off. However, as a result of the disposal of the Group in 2008, and due to the immaterial remaining ownership of the MÁV Group, receivables from the MÁV Cargo Group are presented among receivables from other related parties.

This is a translation of the Hungarian Financial Statement

## II.1.3 Prepaid expenses and accrued income

Item	Figures in MHUF		
	2007	2008	Change
<b>Accrued income</b>			
Accrued sales revenues	2 765	3 348	583
Reimbursement for public services	8 334	8 334	0
Receivables from unsettled deliveries	2 159	120	-2 039
RIC wagon rent	2 035	3 794	1 759
Other rents	22	0	-22
RO-LA subsidy	150	0	-150
Expected income for 2007	70	0	-70
Damages	28	49	21
FX gain	45	0	-45
Utilities	5	0	-5
Recharged revenues	5	4	-1
Interest received	4	2	-2
Other rents	0	2	2
<i>Accrued income</i>	15 622	15 653	31
<b>Prepaid expenses</b>			
Prepaid usage fee (debt servcie part) (VIACOM Zrt.)	16 230	18 483	2 253
Other prepayments	568	208	-360
Prepaid severance pay and lay-off costs	328	97	-231
Software monitoring	104	82	-22
Prepaid mast usage charge (VIACOM Zrt.)	38	35	-3
Insurance	30	103	73
Rents	26	45	19
Utilities	16	0	-16
Subscriptions	15	7	-8
Other	10	0	-10
<i>Prepaid expenses</i>	17 365	19 060	1 695
<b>Deferred expenses</b>			
<i>Deferred unrealised FX losses</i>	2 064	6 977	4 913
<i>Deferred expenses:</i>	2 064	6 977	4 913
<i>Total:</i>	35 051	41 690	6 639

Schedule 29: Prepaid expenses and accrued income

This is a translation of the Hungarian Financial Statement

## II.1.4 Equity

### II.1.4.1 Movements in equity

Equity movements within the group are presented as follows:

Figures in MHUF

Item	Issued capital	Capital reserve	Retained losses	Allocated reserve	Loss/Profit for the year	Change in subsidiaries' equity	Changes due to consolidation		Change in investment in associates	Third party investment	Total
							Goodwill on debt consolidation	Interim profit or loss			
<i>Equity in 2007</i>	<b>20 250</b>	<b>46 785</b>	<b>-61 530</b>	<b>13 892</b>	<b>-12 471</b>	<b>-1 358</b>	<b>80</b>	<b>75</b>	<b>3 254</b>	<b>911</b>	<b>9 888</b>
Profit for the previous year			1 320		12 471	3 998	-668	-17 458	337		0
Prior year adjustments			-1 363			-404	-141		141		-1 767
Capital increase	750	63 850									64 600
Additional capital paid in			-24								-24
Released amount from vocational training reserve		7		-7							0
Released allocated reserve (R&D)			1	-1							0
Change due to the disposal of the MÁV Cargo Group			2 599			-2 180	285	-704		-911	-911
Change in consolidation scope (MÁV Debreceni Jt. Kft.)								-491	491		0
Change in consolidation scope (MÁV VASÚTŐR Kft.)						-47			47		0
Change in consolidation scope (MÁV KfV Kft.)						629			-629		0
Change in consolidation scope (ZÁHONY-PORT Zrt.)						-138			138		0
Provisions made/released for unrealised FX losses			-3 260	3 260							0
Profit for the year					18 733						18 733
<i>Equity in 2008</i>	<b>21 000</b>	<b>110 642</b>	<b>-62 257</b>	<b>17 144</b>	<b>18 733</b>	<b>500</b>	<b>-444</b>	<b>-18 578</b>	<b>3 779</b>	<b>0</b>	<b>90 519</b>

Schedule 30: Movements in equity

## II.1.5 Provisions

### II.1.5.1 Provisions in the balance sheet for 2008

At MÁV Group level, provisions total HUF 39,489 million, of which provisions for contingent liabilities is HUF 30,503 million, for provisions for future obligations is HUF 6,802 million, and other provisions amount to HUF 2,184 million.

### II.1.5.2 Provisions for contingent liabilities

Provisions for contingent liabilities total HUF 30,503 million at Group level. The most significant items include provisions for guarantee obligations, litigations and for severance pay.

Provisions for liabilities	Figures in MHUF			
	Opening	Released in 2008	Made in 2008	Closing
Environmental liability	7 780	1 119	1 910	8 571
Litigations	7 705	756	1 855	8 804
Lay-offs, early retirement, severance pay	5 543	3 747	8 404	10 200
Contingent liabilities to subsidiaries	0	0	1 540	1 540
Maintenance commitment related to the disposal of welfare buildings	449	46	150	553
Provision for damages	413	413	218	218
Guarantees assumed towards related parties	26	0	0	26
Contingent industrial, and construction industry liabilities			233	233
Contracted guarantee liabilities			315	315
Other	142	142	43	43
<b>Total:</b>	<b>22 058</b>	<b>6 223</b>	<b>14 668</b>	<b>30 503</b>

Schedule 31: Provisions for contingent liabilities

A claim was placed against MÁV Zrt. for damages in relation to properties sold for a total of HUF 40 billion, which is recorded as contingent liability. We dispute the legal basis of the claim and no litigation has been launched as yet. However, on a prudent basis, we made and maintain a HUF 3 billion provision for this case.

### II.1.5.3 Provisions for future commitments

Provisions for future commitments totalled HUF 6,802 million at MÁV Group level. The three most significant items are demolition costs, maintenance costs and the lay-off costs at the subsidiaries.

This is a translation of the Hungarian Financial Statement

Provisions for future commitments	Figures in MHUF			
	Opening	Released in 2008	Made in 2008	Closing
Demolition	3 515	613	179	3 081
Maintenance	2 765	297	0	2 468
Redundancies at subsidiaries	1 054	646	0	408
Depreciation of assets not contributed by NIF	0	0	640	640
MVH penalty	100	100	0	0
Late payment penalties for 2008 expected from creditors	0	0	6	6
Late payment penalty for 2008 expected from the Tax Authority	0	0	3	3
Work in progress	16	16	122	122
Future legal costs	4	3	8	9
Self-correction for 2008	0	0	2	2
Expected engineering cost of metering trains*	0	0	63	63
<b>Total:</b>	<b>7 454</b>	<b>1 676</b>	<b>1 024</b>	<b>6 802</b>

Schedule 32: Provisions for future commitments

In 2007, project funded by the government and by the EU were transferred to Nemzeti Infrastruktúra Fejlesztő Zrt., hence the significant decrease in development subsidies recorded by MÁV. Also, as a result, capital projects are not recorded in MÁV's books until the resulting asset is put in use commissioned. Government and EU funded projects relating to rail network development had not been transferred into the Company's ownership or assigned to asset management. This fact has a significant impact on the Company's income and net asset 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.

	Figures in MHUF				
	Gross	Deprec.2007	Deprec.2008	Total depr.	Net
Owned by MÁV	1 008	0	12	<b>12</b>	<b>996</b>
State owned	17 422	41	587	<b>628</b>	<b>16 794</b>
<b>Total:</b>	<b>18 430</b>	<b>41</b>	<b>599</b>	<b>640</b>	<b>17 790</b>

Schedule 33: Outstanding state and EU funded projects

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

The assets will be commissioned to MÁV on the basis of a trilateral agreement among Magyar Nemzeti Vagyonkezelő Zrt. (MNV), NIF and MÁV. The main reason for the delays in project take-overs is the serious uncertainties regarding the ownership of most of the properties contributed to MÁV upon its foundation in 1993 and properties taken over for asset management since 2001



#### II.1.5.4 Other provisions

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

Other provisions	Figures in MHUF			
	Opening	Released in 2008	Made in 2008	Closing
Provision for FX losses on investment and development loans	799		1 385	2 185
Provision for the warranty costs of locomotives	358	358	0	0
Other	16	16	0	0
<b>Total:</b>	<b>1 173</b>	<b>374</b>	<b>1 385</b>	<b>2 184</b>

Schedule 34: Provisions for future commitments

Provisions as presented in the balance sheet for 2008:

Item	Figures in MHUF			
	For contingent liabilities	For future expenses	For unrealised FX losses	Total:
Opening	22 058	7 454	1 173	30 685
Released in 2008	6 223	1 676	374	8 273
Made in 2008	14 668	1 024	1 385	17 077
<b>Closing:</b>	<b>30 503</b>	<b>6 802</b>	<b>2 184</b>	<b>39 489</b>

Schedule 35: Provisions in the balance sheet

Changes in the scope of consolidation are also reflected in provisions made and released.

#### II.1.6 Liabilities

##### II.1.6.1 Liabilities relating to treasury assets and treasury funded projects

Further to subsection 23(2) of the accounting law, managed treasury assets (assets owned by the central government or by local governments assigned for management to MÁV) should be recorded among the asset manager's own assets, while, further to subsection 42(5) of the law, the related liabilities should be recorded among long-term liabilities. The accounting treatment of treasury assets is governed by Government decree 254/2007. (X.4.) on the management, disposal of treasury assets and on other related liabilities and obligations, and by an Asset Management Contract drawn up between the Treasury Asset Management Directorate (Kincstári Vagyon Igazgatóság [KVI]) and MÁV Zrt.

The Asset Management Contract defines the types of asset movements that affect the related long-term liabilities and those movements that should leave the related long-term liabilities unaffected.

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As a result of the differences between movements in treasury asset and in the related liabilities, at 31 December 2008, long-term liabilities related to treasury assets and projects financed from EU funds but assigned to MÁV Zrt. totalled HUF 408,142 million while treasury assets presented in the balance sheet totalled HUF 379,658 million.

Long-term liabilities owed to the government thus exceed the value of managed treasury assets by HUF 28,484 million (of which HUF 28,486 million being subsidy refund liability) and the HUF -2 million difference is due to the accumulated balance of settlements (receivables vs. payables) towards the Hungarian National Treasury.

The movements in treasury assets are presented below:

Figures in MHUF

<b>Liabilities related to treasury assets</b>	<b>2007</b>	<b>2008</b>	<b>Change</b>
<b>Opening liabilities related to treasury assets</b>	<b>396 752</b>	<b>406 766</b>	<b>10 014</b>
Additions during the year	33 369	23 818	-9 551
Disposals during the year	-21 818	-23 218	-1 400
Increase in mandatory refunding requirement for 2008	1 405	111	-1 294
Settlements with the Treasury for the year	-2 942	665	3 607
of which: capex bills submitted to the Treasury in 2008	-17 115	-3 182	13 933
disbursements by the Treasury in 2008	13 985	3 847	-10 138
bills submitted to the Treasury related to 2007 paid by MÁV	188	0	-188
<b>Closing liabilities related to treasury assets</b>	<b>406 766</b>	<b>408 142</b>	<b>1 376</b>

Schedule 36: Changes in the funding of treasury assets

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**II.1.6.2 Long-term Group loans**

The Group's long-term loans and borrowings as well as their repayment schedule are presented as follows

Loan	Loan agreement dated at	Matures on	Government guarantee	Currency	Amount per loan agreement (millions, original currency)	Available facility (31 Dec 2008)	
						FX m	HUF m
<b>Capital project loans</b>							
EIB-ISPA	2001.09.03	2015.09.15	1082/2001	EUR	18	18	4 766
EUROFIMA 10/a	2003.02.11	2010.03.25	1211/2002.	EUR	9	9	2 423
EUROFIMA 10/b	2003.02.11	2013.02.11	1211/2002.	EUR	26	26	6 845
EUROFIMA 11	2003.11.05	2018.12.17	1036/2003	EUR	35	35	9 267
EUROFIMA 12	2004.11.02	2014.05.12	1037/2004.	EUR	25	25	6 620
EUROFIMA 13 a	2005.12.22	2015.03.06	1113/2005	EUR	28	28	7 414
EUROFIMA 13 b	2006.07.07	2016.04.07	1113/2005	EUR	35	35	9 267
EUROFIMA 13 c+e	2007.07.30	2014.01.28	1113/2005	EUR	8	8	2 012
EUROFIMA 13 d	2007.11.30	2016.04.07	1113/2005.	EUR	17	17	4 607
Konzorcium HUF 8.133b	2006.04.21	2013.04.21	1027/2008. 1113/2005.	HUF	10 957	0	10 957
Raiffeisen HUF 9.209b	2006.04.26	2016.04.21	1027/2008.	HUF	9 609	0	9 609
MFB (13 Desiros)	2002.01.28	2014.06.30	-	EUR	31	15	4 022
OTP (10 Talents)	2006.03.23	2016.12.31	-	EUR	45	35	9 389
Calyon-CIB (30 Firts)	2006.03.22	2020.06.16	-	EUR	145	145	38 287
Raiffeisen (+30 Flirts)	2007.09.25	2021.11.28	-	EUR	142	47	12 363
E-ticket infrastructure FX loan	2008.09.08	2013.09.01	nincs	CHF	1	1	96
Citibank project loan	2008.09.26	2010.12.31		EUR	0		49
Erste Bank project loan	2006.09.26	2009.01.30		EUR	0		7
UniCredit - MFB loan	2008.09.10	2023.12.31	-	HUF	2 376		2 337
<b>Total:</b>							<b>140 337</b>
<b>Operational loans</b>							
ERSTE HUF 8b	2003.03.28	2009.06.30	1211/2002	HUF	8 000		8 000
KDB HUF 4b	2005.12.27	2010.11.27	1089/2005	HUF	4 000		4 000
M.Takarékszöv. HUF 10b	2005.12.27	2011.11.27	1089/2005	HUF	10 000		10 000
CIB HUF 6b	2005.12.27	2010.11.27	1089/2005	HUF	6 000		6 000
Konzorcium HUF 10b	2005.12.27	2012.11.27	1089/2005	HUF	10 000		10 000
Raiffeisen HUF 28.5b	2005.12.27	2015.11.27	1089/2005	HUF	28 500		28 500
Konzorcium HUF 55b	2006.10.09	2016.10.09	1075/2006	HUF	55 000		55 000
IP project funding FX loan	2008.05.18	2012.06.30	nincs	CHF	4	4	646
<b>Total:</b>							<b>122 146</b>
<b>Grad total:</b>							<b>262 483</b>

Schedule 37: Long-term Group loans and borrowings

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Loan	Figures in MHUF						Total
	2009	2010	2011	2012	2013	2014 and beyond	
<b>Capital project loans</b>							
EIB-ISPA	0	0	953	953	953	1 906	4 766
EUROFIMA 10/a	0	2 423	0	0	0	0	2 423
EUROFIMA 10/b	0	0	0	0	6 845	0	6 845
EUROFIMA 11	0	0	0	0	0	9 267	9 267
EUROFIMA 12	0	0	0	0	0	6 620	6 620
EUROFIMA 13 a	0	0	0	0	0	7 414	7 414
EUROFIMA 13 b	0	0	0	0	0	9 267	9 267
EUROFIMA 13 c+e	0	0	0	0	0	2 012	2 012
EUROFIMA 13 d	0	0	0	0	0	4 607	4 607
Konzorcium HUF 8.133b	0	0	5 334	3 749	1 874	0	10 957
Raiffeisen HUF 9.209b	0	0	0	0	2 219	7 390	9 609
MFB (13 motor coaches)	813	813	813	813	771	0	4 022
OTP (10 Talent coaches)	1 201	1 201	1 201	1 201	1 201	3 384	9 389
Calyon (30 Flirt motor coaches)	3 329	3 329	3 329	3 329	3 329	21 641	38 287
Raiffeisen (+30 Flirt motor coaches)*		538	1 075	1 075	1 075	8 600	12 363
E-ticket infrastructure FX loan	21	21	21	21	11	0	96
Citibank project loan	25	24	0	0	0	0	49
Erste Bank project loan	7	0	0	0	0	0	7
UniCredit - MFB loan	158	156	156	156	156	1 555	2 337
<b>Total</b>	<b>5 554</b>	<b>8 505</b>	<b>12 883</b>	<b>11 298</b>	<b>18 434</b>	<b>83 664</b>	<b>140 337</b>
<b>Operational loans</b>							
ERSTE HUF 8b	8 000	0	0	0	0	0	8 000
KDB HUF 4b	0	4 000	0	0	0	0	4 000
M.Takarékszöv. HUF 10b	0	0	10 000	0	0	0	10 000
CIB HUF 6b	0	6 000	0	0	0	0	6 000
Konzorcium HUF 10b	0	0	0	10 000	0	0	10 000
Raiffeisen HUF 28.5b	0	0	5 700	5 700	5 700	11 400	28 500
Konzorcium HUF 55b	0	1 000	14 000	14 000	14 000	12 000	55 000
IP project funding FX loan	184	184	184	94	0	0	646
<b>Total</b>	<b>8 184</b>	<b>11 184</b>	<b>29 884</b>	<b>29 794</b>	<b>19 700</b>	<b>23 400</b>	<b>122 146</b>
<b>Grand total</b>	<b>13 737</b>	<b>19 689</b>	<b>42 767</b>	<b>41 092</b>	<b>38 134</b>	<b>107 064</b>	<b>262 483</b>

Schedule 38: Long-term loans repayment schedule

### II.1.6.3 Leases

The leasing liabilities of the MÁV Group per maturity are set out below:

Item	Currency	2009.	2010.	2011.	2012.	2013.	Total
EUR leases	TEUR	4 373	655				5 028
HUF amount of EUR lease	MHUF	1 158	173				1 331
CHF lease	TCHF	183					183
HUF amount of CHF lease	MHUF	32					32
HUF lease	MHUF	34	29	22	5	5	95
<b>Total</b>	<b>MHUF</b>	<b>1 224</b>	<b>202</b>	<b>22</b>	<b>5</b>	<b>5</b>	<b>1 458</b>

Schedule 39: Assets leased by the MÁV Group



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#### II.1.6.4 Other current liabilities

Other current liabilities by item are as follows:

Item	Figures in MHUF			
	2007		2008	
	amount	%	amount	%
Taxes payable	7 867	38%	9 358	49%
Wages and salaries	6 218	30%	5 447	29%
Current part of leasing liability	1 034	5%	1 224	6%
Unbilled compl. projects, late payment penalty, guarantees	0	0%	1 252	7%
Other liabilities from services	0	0%	295	2%
Development subsidy repayable to NÜF	0	0%	141	1%
Other liabilities	5 509	27%	1 266	7%
<b>Total other liabilities</b>	<b>20 628</b>	<b>100%</b>	<b>18 983</b>	<b>100%</b>

Schedule 40: Details of other current liabilities

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## II.1.7 Accrued expenses and deferred income

Item	Figures in MHUF	
	2007	2008
<b>Deferred income</b>		
PanTel Kft. other deferred income	11 606	11 317
Deferred other income	1 567	4 788
<i>Deferred income</i>	<b>13 173</b>	<b>16 105</b>
<b>Accrued expenses</b>		
Accrued interest	2 618	2 630
Unsettled freight deliveries in cross-border operations (payable balance)	2 220	789
RIC wagon rent	1 890	3 602
Accrued bonus and related social security	498	1 813
Accrued expenses	3 017	3 922
Early retirement	995	388
Unassessed damage claims	219	219
Payments to personnel, bank interest	57	253
Penalties	0	17
<i>Accrued expenses</i>	<b>11 514</b>	<b>13 633</b>
<b>Deferred extraordinary revenues and subsidies</b>		
Debts arising from asset acquisitions assumed by the government	44 816	37 554
EU funds and funds from government schemes	2 281	2 516
Phare aid for development	1 016	1 477
Fixed assets received free of charge and as gifts	584	557
Fixed asset surplus	378	355
Amounts received from local government and from businesses free of charge	300	287
Other non-refundable government grants	8 382	8 379
Tendering subsidy	0	106
<i>Deferred extraordinary revenues and subsidies</i>	<b>57 757</b>	<b>51 231</b>
<b>Total</b>	<b>82 444</b>	<b>80 969</b>

Schedule 41: Accrued expenses and deferred income

Other deferred income includes HUF 3,247m profits from public services deferred as excess funds from the HUF 160,000m government subsidy received in 2008. However, this amount may change upon approval of the public service report to be submitted to the Ministry.

## II.1.8 Contingencies

### II.1.8.1 Hedging transactions

Only the parent company had hedging transactions in 2008.

MÁV Zrt's budgeted FX balance for 2008 showed a deficit of EUR 67,059 thousand, which is by 3.6% (EUR 2,403 thousand) over the budget. Early repayment was not used for FX loans. To hedge for FX transactions, MÁV Zrt. entered into a forward contract to buy EUR 5.8m and spot contracts (in

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compliance with the Company's foreign exchange transactions policy). Overall, the FX rate hedging transactions have achieved their goal and the necessary FX cash flows are now available at rates (251.47 HUF/EUR) that approximate the plan (253.35 HUF/EUR).

No hedging transactions were settled for interest rate risks in 2008. The profit and loss and cash flow effects of hedging transactions closed in 2008 are as follows:

figures in MHUF

Contract type		P&L impact	Cash-flow impact
Settlement contracts	Forward	0	0
	Option	0	0
	<b>Total:</b>	<b>0</b>	<b>0</b>
Delivery contracts*	Forward	2	2
	Option	0	0
	<b>Total:</b>	<b>2</b>	<b>2</b>
<b>Grand total:</b>		<b>2</b>	<b>2</b>
of which	Hedging	2	2
	Non hedging	0	0
	<b>Total:</b>	<b>2</b>	<b>2</b>
of which	SE	0	0
	OTC	2	2
	<b>Total:</b>	<b>2</b>	<b>2</b>

\*Note: The impacts on the P&L and on the cash flows are based on central bank rates prevailing on the date of maturity  
Schedule 42: Closed forwards and options in 2008

At 31 December 2008, MÁV Zrt. had four open interest collar contracts totalling EUR 75m (the last interest settlement had been done earlier). Interest collar contracts hedge the interest risk of FX development and project loans and are adjusted to the interest payment periods of the related loans. The hedged percentage was between 39% and 96% in 2008.

No.	Bank	Principal (M EUR)	Floor	Cap	Result
1.	KHB	18,5	3,00%	5,86%	0
2.	Citibank	21	3,00%	6,65%	0
3.	Citibank	7,5	3,00%	6,80%	0
4.	WestLB	28	3,00%	6,40%	0
<b>Total:</b>		<b>75</b>			<b>0</b>

Schedule 43: Interest collar contracts in 2008

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## II.1.8.2 Joint and several liabilities and guarantees given

The Group's guarantee liabilities at 31 December 2008 were as follows:

					Figures in MHUF	
Company	Guarantor	Start date	End date	Contract value	Guarantee at 31 Dec 2008	
MÁV Tiszavas Kft.*	Kereskedelmi és Hitelbank Nyrt.	1998. július 27.	2009. augusztus 31.	3 059	225	
<b>Guarantees total:</b>				<b>3 059</b>	<b>225</b>	

\*Note: Guarantees apply to outstanding contractual amounts only.

Schedule 44: Guarantees at 31 December 2008

Company	Type of guarantee	Contractor	Start date	End date	Amount in EUR	Amount in HUFm
<b>Bank guarantees</b>						
VEG Südost GmbH	payment	MKB	2006.04.19	2010.07.31	13 739 569	3 481
VPOP	secured income	KDB	2008.11.24	2009.11.21	0	1
VPOP	secured income	KDB	2008.12.11	2009.12.11	0	120
Regionális Fejlesztési Holding Zrt.	supervisory	KDB	2008.10.20	2011.12.31	0	2
CAF Construcciones y Auxiliar de Ferrocarriles S.A.	Purchase price payment (EUR 262,000)	KDB Bank (Magyarország) Zrt.	2009.02.16	2009.09.15	0	69
Gazdasági és Közlekedési Minisztérium	Non-refundable subsidy	K&H Bank	2009.01.26	2011.11.30	0	15
Nemzeti Fejlesztési és Gazdasági Minisztérium	Non-refundable subsidy	Citibank Zrt.	2008.08.14	2012.09.30	0	85
Dél-alföldi Regionális Munkaügyi Központ	Non-refundable subsidy	Citibank Zrt.	2008.08.08	2012.01.31	0	10
Dél-alföldi Regionális Munkaügyi Központ	Non-refundable subsidy	Citibank Zrt.	2008.08.08	2012.06.30	0	26
Dél-alföldi Regionális Munkaügyi Központ	Non-refundable subsidy	Citibank Zrt.	2008.08.08	2011.12.31	0	19
Önkormányzati és Területfejlesztési Minisztérium	Non-refundable subsidy	Erste Bank Hungary Rt.	2006.07.20	2012.09.30	0	85
Békés Megyei Munkaügyi Központ	Non-refundable subsidy	Erste Bank Hungary Rt.	2006.10.09	2012.01.31	0	10
Békés Megyei Munkaügyi Központ	Non-refundable subsidy	Erste Bank Hungary Rt.	2007.08.28	2012.06.30	0	26
Macedonian Railway Transport JSC	Purchase price payment (EUR 180,000)	Citibank Zrt.	2008.12.05	2009.03.10	0	48
Nemzeti Hírközlési Hatóság	Bank guarantee	Raiffeisen Bank Zrt.	2008.11.04	2009.11.03	0	25
<b>Assumed bank guarantees, total:</b>					<b>13 739 569</b>	<b>4 022</b>
<b>Good performance guarantees</b>						
UAB "VILNIUS LOKOMOTYVU REMONTO DEPAS"	for delivery on contract	MKB Bank	2007.11.21	2010.12.31	0	51
<b>Good performance guarantees, total:</b>					<b>0</b>	<b>51</b>
<b>Guarantees, total:</b>					<b>13 739 569</b>	<b>4 073</b>

Schedule 45: Guarantee contracts valid at the balance sheet date



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### II.1.8.3 Lien

Loan	Loan outstanding at 31 Dec 2008 (MHUF)	Security
EUROFIMA 10/a	2 423	tracting and tracted railcars
EUROFIMA 10/b	6 845	tracting and tracted railcars
EUROFIMA 11	9 267	tracting and tracted railcars
EUROFIMA 12	6 620	tracting and tracted railcars
EUROFIMA 13/a	7 414	tracting and tracted railcars
EUROFIMA 13/b	9 267	tracting and tracted railcars
EUROFIMA 13/c+e	2 012	tracting and tracted railcars
EUROFIMA 13/d	4 607	tracting and tracted railcars
OTP Bank (10 db Talent financing)	9 389	10 Talent engines (all)
Calyon-CIB konz. (30 db Firt financing)	38 287	30 Flirt engines (all)
Raiffeisen Bank (+30 db Flirt financing)	12 363	30 Flirt engines (all)
<b>Total:</b>	<b>108 494</b>	

Schedule 46: Loans encumbered with lien

The loans taken from EUROFIMA are secured by lien on the vehicles renovated from the loan until the loan is repaid. The same applies to loans assumed by the government but not yet repaid.

Lien has been placed on 10 Talent motor coaches for OTP, on 30 Flirt coaches for Calyon and on 30 Flirt coaches for Raiffeisen as lenders.

A HUF 23m mortgage has been recorded for the building of the Railtrack division at Kmetty u. 3., Budapest in connection with a government subsidy received on 27 July 1987 for the development of the metering system. The beneficiary of the mortgage is the Ministry for Transport, Communications and Water.

Based on the Environmental Fund agreement, HUF 2.5 billion mortgage was placed on the Company's property at Budapest, X. Kőbányai út 24. (hrsz: 38920) for the Ministry of Environment as beneficiary. Although the project was concluded in 2007, the mortgage has not been cancelled yet as the follow-up surveys are still in progress.

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 54 on an affected area of land of 137 hectares (BV: HUF 71m, of which treasury properties: HUF 16m).

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## II.1.8.4 Long-term loans – draws and repayments

The planned disbursement and repayment schedules of MÁV Group's long-term loans and borrowings are as follows:

Figures in MHUF

Loan	2009	2010	2011	2012	2013	2014 and beyond	Total
OTP (10 db Talent coaches)	218	0	0	0	0	0	218
Raiffeisen (+30 motor coaches)	18 082	7 048	0	0	0	0	25 130
EUROFIMA loan	13 000	0	0	0	0	0	13 000
HUF 5b own risk project loan	5 000	0	0	0	0	0	5 000
Rehauling used locomotives	3 464	0	0	0	0	0	3 464
Acquisition of 25 TRAXX motor coaches	7 172	9 563	7 172	0	0	0	23 907
Entrepreneurial loan (Szeged reg. traffic control)	1 870	0	0	0	0	0	1 870
Entrepreneurial loan (Automation of mechanic traffic bars)	900	880	0	0	0	0	1 780
Entrepreneurial loan (South Balaton KÖFI)	900	1 350	0	0	0	0	2 250
Entrepreneurial loan (electricity supply modernisation)	700	600	0	0	0	0	1 300
<b>Összesen:</b>	<b>51 306</b>	<b>19 441</b>	<b>7 172</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>77 919</b>

Schedule 47: Disbursement schedule of long-term loans

Figures in MHUF

Loan	2009	2010	2011	2012	2013	2014 and beyond	Total
OTP (10 db Talent coaches)	0	0	0	0	0	218	218
Raiffeisen (+30 motor coaches)	0	1 092	2 185	2 185	2 185	17 483	25 130
EUROFIMA loan	0	0	0	0	0	13 000	13 000
HUF 5b own risk project loan	0	0	0	0	0	5 000	5 000
Rehauling used locomotives	173	346	346	346	346	1 907	3 464
Acquisition of 25 TRAXX motor coaches	0	0	0	956	956	21 995	23 907
Entrepreneurial loan (Szeged reg. traffic control)	0	0	117	234	234	1 285	1 870
Entrepreneurial loan (Automation of mechanic traffic bars)	0	268	356	356	356	444	1 780
Entrepreneurial loan (South Balaton KÖFI)	0	315	450	450	450	585	2 250
Entrepreneurial loan (electricity supply modernisation)	0	200	260	260	260	320	1 300
<b>Total:</b>	<b>173</b>	<b>2 221</b>	<b>3 714</b>	<b>4 787</b>	<b>4 787</b>	<b>62 237</b>	<b>77 919</b>

Schedule 48: Repayment schedule of long-term loans

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## II.2 NOTES TO THE PROFIT AND LOSS ACCOUNT

### II.2.1 Net sales per activity

Figures in MHUF

Activity	2008
Rail cargo	87 316
Passenger transport	41 323
Ticket subsidy (passenger transport)	20 088
Railtrack operations	5 445
Railcar maintenance	4 311
Property rent, management, supervision, demolition	3 577
Railcar rent (RIC rent)	3 437
Consignment services (Cargo)	2 904
Selling materials, inventory management	2 831
Other industrial services	1 968
Traction	1 945
Construction services	509
IT services	388
Other services	2 469
<b>Total:</b>	<b>178 511</b>

Schedule 49: Details of net sales

### II.2.2 Export sales and imports

Exports and import by country are presented below:

This is a translation of the Hungarian Financial Statement

Country	Figures in MHUF			
	2007		2008	
	Export	Import	Export	Import
Germany	4 963		2 969	2 117
Austria	8 491		9 516	4 072
Italy	1 480		1 780	246
Slovakia	2 174		1 873	907
Czech Republic	2 233		1 720	1 634
Slovenia	1 502		2 005	157
Poland	633		607	308
France	668		401	115
UK	13		30	11
Sweden	264		98	9
Belgium	460		11	9
Denmark	17		17	13
Finland	9		11	4
Greece	136		219	12
Holland	536		443	37
Ireland	8		6	2
Latvia	0		0	0
Lithuania	1 868		1 552	3
Luxembourg	16		1	0
Portugal	5		5	1
Spain	100		133	77
Romania	2 523		3 048	1 420
Bulgaria	210		173	51
<b>EU total</b>	<b>28 310</b>	<b>0</b>	<b>26 618</b>	<b>11 205</b>
Croatia	666		626	214
Serbia	973		1 258	318
Ukraine	426		481	75
Switzerland	1 823		1 109	582
Turkey	84		55	2
Belorussia	1		6	4
Bosnia-Herzegovina	292		391	28
Montenegro	28		9	0
Macedonia	57		99	2
Russia	84		91	76
Norway	9		11	3
US	43		41	23
Albania	4		51	0
Turkmenistan	0		0	0
Usbegistan	0		0	0
Moldavia	2		1	0
Kazahstan	2		3	0
Canada	15		10	1
Australia	7		6	0
Other	338		0	0
<b>Non-EU</b>	<b>4 854</b>	<b>0</b>	<b>4 248</b>	<b>1 328</b>
<b>Total:</b>	<b>33 164</b>	<b>0</b>	<b>30 866</b>	<b>12 533</b>

Schedule 50: Export sales per market segment

This is a translation of the Hungarian Financial Statement

**II.2.3 Material-type expenses**

Item	Figures in MHUF	
	Amount	%
<b>Material costs</b>		
Traction electricity	22 555	14%
Maintenance and operational materials	13 033	8%
Raw materials	11 858	7%
Fuel	10 217	6%
Traction fuel	9 875	6%
Utilities (energy, gas, water)	1 913	1%
Protective clothing, beverages	987	1%
Other materials	3 091	2%
<b>Total:</b>	<b>73 529</b>	<b>46%</b>
<b>Services used</b>		
Rents	17 697	11%
Track operations	16 253	10%
Maintenance	11 183	7%
Specialists, advisory costs, membership	4 539	3%
Public sanitation	2 696	2%
Post, advertising, market survey	2 363	1%
Traction	1 629	1%
Training	770	0%
IT services	682	0%
R&D	298	0%
Transport and loading	36	0%
Health care services	21	0%
Other services used	1 902	1%
<b>Total:</b>	<b>60 069</b>	<b>37%</b>
<b>Other services used</b>		
Tolls and duties	1 018	1%
Insurance	498	0%
Bank costs and charges	275	0%
Other non-specified services	307	0%
<b>Total other services:</b>	<b>2 098</b>	<b>1%</b>
<b>COGS:</b>	<b>1 535</b>	<b>1%</b>
<b>Consignment services:</b>	<b>23 568</b>	<b>15%</b>
<b>Total material-type expenses:</b>	<b>160 799</b>	<b>100%</b>

Schedule 51: Material-type expenses

This is a translation of the Hungarian Financial Statement

## II.2.4 Other revenues

Item	Figures in MHUF					
	2007		2008		Change	
	Amount	%	Amount	%		
Fixed asset disposals	10 542	6%	2 371	1%	-8 171	
Reversed impairment losses (inventories and debtors)	11	0%	910	0%	899	
Profit increasing items	908	0%	925	0%	17	
<i>of which: Late payment penalty received</i>	386	0%	676	0%	290	
<i>Penalties received</i>	91	0%	0	0%	-91	
Use of provisions	11 382	6%	7 740	4%	-3 642	
Debtors sold	13	0%	2 122	1%	2 109	
Miscellaneous other income	4 375	2%	1 065	1%	-3 310	
Reversed deferred income due to costs and expenses reducing the operating profit*	0	0%	7 812	4%	7 812	
<i>Of which: reversed deferred subsidy</i>	0	0%	406	0%	406	
<i>reversed deferred PHARE aid</i>	0	0%	75	0%	75	
<i>reversed debt owed to government, forgiven</i>	0	0%	8 719	5%	8 719	
Non-refundable subsidies	162 129	86%	168 468	88%	6 339	
<i>Of which: for public services</i>	160 712	85%	165 859	87%	5 147	
<i>for redundancies</i>	0	0%	0	0%	0	
<i>compensation for lost passenger service earnings</i>	1 051	1%	1 785	1%	734	
<i>damages for floods</i>	352	0%	0	0%	-352	
<b>Total:</b>	<b>189 360</b>	<b>100%</b>	<b>191 413</b>	<b>100%</b>	<b>2 053</b>	

Schedule 52: Other revenues

## II.2.5 Other expenses

Item	Figures in MHUF	
	2008	
	Amount	%
<b>Disposals, scraping and missing assets</b>	<b>15 227</b>	<b>30%</b>
<b>Impairment of inventories and receivables, inventory shortage, scrapping</b>	<b>4 061</b>	<b>8%</b>
<b>Profit reducing items</b>	<b>6 088</b>	<b>12%</b>
<i>Of which: Late payment interest, penalties, damages paid</i>	<i>1 141</i>	<i>2%</i>
<i>Losses on damages</i>	<i>4 047</i>	<i>8%</i>
<i>Tax identified by self-correction</i>	<i>615</i>	<i>1%</i>
<b>Provisions</b>	<b>18 746</b>	<b>37%</b>
<i>Of which: for the depreciation of assets not contributed by NIF</i>	<i>640</i>	<i>1%</i>
<b>BV of debtors sold</b>	<b>1 946</b>	<b>4%</b>
<b>Taxes, duties and VAT</b>	<b>4 056</b>	<b>8%</b>
<b>Contributions to government funds</b>	<b>239</b>	<b>0%</b>
<i>or which: environmental charge (in product prices)</i>	<i>25</i>	<i>0%</i>
<i>Innovation contribution</i>	<i>188</i>	<i>0%</i>
<b>Expenses on other liabilities</b>	<b>987</b>	<b>2%</b>
<b>Total:</b>	<b>51 350</b>	<b>100%</b>

Schedule 53: Other expenses

This is a translation of the Hungarian Financial Statement

## II.2.6 Financial and extraordinary profit or loss

### II.2.6.1 Financial income

Item	Figures in MHUF			
	2007		2008	
	Amount	%	Amount	%
Dividends, profit sharing received	151	2%	317	0%
Gain on the disposal of investments	29	0%	72 609	89%
Interest received and similar income	2 000	33%	2 612	3%
<i>Of which: bank interest</i>	1 031	17%	1 886	2%
<i>interest from third parties</i>	529	9%	560	1%
Other financial revenues	3 966	65%	6 242	8%
<i>Of which: Profit of equity consolidated entities attributable to the Group</i>	1 264	21%	1 151	1%
<i>realised FX gain on FX balances</i>	928	15%	1 123	1%
<b>Total:</b>	<b>6 146</b>	<b>100%</b>	<b>81 780</b>	<b>100%</b>

Schedule 54: Financial income

The most significant element of financial income is the FX gain on the disposal of shares which equals nearly 100% of the consolidated profits from the disposal of the MÁV Cargo Group.

### II.2.6.2 Financial expenses

Item	Figures in MHUF				
	2007		2008		Change
	Amount	%	Amount	%	
FX losses on interest paid and on long-term financial assets	19 471	85%	19 489	84%	18
<i>Of which: bank interest</i>	18 712	82%	19 034	82%	322
Impairment loss on shares, securities and bank deposits	153	1%	100	0%	-53
Other financial expenditures	3 160	14%	3 645	16%	485
<i>Of which: Loss of equity consolidated entities attributable to the Group</i>	336	1%	385	2%	49
<i>FX loss from the year-end revaluation of receivables and payables</i>	1 990	9%	2 316	10%	326
<b>Total:</b>	<b>22 784</b>	<b>100%</b>	<b>23 234</b>	<b>100%</b>	<b>450</b>

Schedule 55: Financial expenses

This is a translation of the Hungarian Financial Statement

### II.2.6.3 Extraordinary revenues

Item	Figures in MHUF				
	2007		2008		Change
	Amount	%	Amount	%	
Revenues from assets received free of charge and from surplus assets	418	6%	234	83%	-184
Gains on contributed assets	893	12%	25	9%	-868
Other extraordinary revenues	6 104	82%	24	8%	-6 080
Of which: Subsidy used	463	6%	5	2%	-458
PHARE aid	182	2%	0	0%	-182
Amounts received free of charge	2 136	29%	0	0%	-2 136
Forgiven debt	3 510	47%	0	0%	-3 510
<b>Total:</b>	<b>7 415</b>	<b>100%</b>	<b>283</b>	<b>100%</b>	<b>-7 132</b>

Schedule 56: Extraordinary revenues

### II.2.6.4 Extraordinary expenditures

Item	Figures in MHUF				
	2007		2008		Change
	Amount	%	Amount	%	
Expenditures on assets contributed free of charge	183	14%	305	73%	122
Losses on contributed assets	793	61%	0	0%	-793
Other extraordinary expenditures	326	25%	114	27%	-212
Of which: Non-refundable employee housing grant	80	6%	62	15%	-18
Forgiven debts (domestic)	12	1%	103	25%	91
Amounts transferred free of charge	68	5%	96	23%	28
<b>Total:</b>	<b>1 302</b>	<b>100%</b>	<b>419</b>	<b>100%</b>	<b>-883</b>

Schedule 57: Extraordinary expenditures



This is a translation of the Hungarian Financial Statement

## II.2.7 Consolidated profit and loss

The details of MÁV Group's consolidated profit are presented below:

<i>Item</i>	Figures in MHUF
	<b>Amount</b>
Aggregate group profit	40 788
MÁV Cargo Group's loss for the year	-5 533
<b>Total pre-consolidation profit for the year</b>	<b>35 255</b>
<b>Opening items (netted of last year) written off</b>	<b>38</b>
Dividens from associates	-412
Profits of associates for 2008	1 151
Losses of associates for 2008	-385
Rewritten impairment loss of associates	203
<b>Profits from associates for 2008</b>	<b>557</b>
Rewritten impairment loss of subsidiaries	1 409
Dividens from subsidiaries	-249
Netted of interim profit/loss on the merger of Szolnoki and Északi Járműjavító into MÁV-GÉPÉSZET Zrt.	-1 868
Deferred tax	249
Write off increased capital due to the disposal of the Cargo Group	2 881
<b>Profits from subsidiaries for 2008</b>	<b>2 422</b>
<b>Profit from equity consolidation for 2008</b>	<b>2 979</b>
<b>Loss from netted off receivables and payables</b>	<b>-49</b>
Financial transactions netted off	24
Intra-group services supplied free charge	24
Eliminated intra-group provisions	800
Effect of non deductible intra-group VAT	98
Interim profits on inventory acquisitions, netted off	-334
<b>Profit from the consolidation of yields and expenses</b>	<b>612</b>
Interim profit or loss effect of disposals of other tangibles	-11
Interim profit or loss effect of services received for tangibles	578
Effect of outsourced tractions activity (foundation of TRAKCIÓ)	-22 971
Effect of outsourced engineering activity (foundation of GÉPÉSZET)	-433
Effect of outsourced loading activity (foundation of Záhony-Port)	-60
Effect of reversed interim profit on START assets, netted off	2 090
Reversed interim profit on Cargo Group disposal	705
<b>Interim profit/loss netted off</b>	<b>-20 102</b>
<b>Consolidated Group profit</b>	<b>18 733</b>

Schedule 58: Consolidated Group profit

## **II.3 ACTUAL ASSET, FINANCIAL AND INCOME POSITIONS**

### **II.3.1 Going concern principle**

In 2008, the parent company received reimbursement of cost of public services totalling HUF 165,859 million and HUF 20,088 million of consumer price compensation.

The group's ability to continue operating as a going concern depends on whether or not the owners ensure the necessary funds for continued operations (as referred to above or, for example, with a contract for public services). The consolidated financial statements as at 31 December 2008 were drawn up on the going concern basis assuming that the owners will make the funds necessary for continued operations available.

This is a translation of the Hungarian Financial Statement

## II.3.2 Cash flow statement

No.	Item	Figures in MHUF	
		2007	2008
<b>I.</b>	<b>Cash flows from ordinary activities</b>	<b>33 733</b>	<b>-60 415</b>
1.	Pre-tax profit	-15 786	20 293
2.	Ordinary depreciation charge	40 556	47 146
2/b	Depreciation relating to previous years	0	465
3.	Impairment loss, obsolescence, scrapping	13 158	4 113
4.	Movements in provisions	4 031	8 804
4/b	Forgiven debt	0	0
5.	Gains on fixed asset disposals	-4 050	-59 764
6.	Creditor movements	2 277	-10 976
7.	Changes in other current liabilities	3 289	-5 385
8.	Changes in accruals	-13 521	-1 474
9.	Debtor movements	938	13 753
10.	Movements in current assets (less debtors and liquid assets)	-532	-70 365
11.	Changes in prepayments and accrued income	-2 426	-6 639
12.	Income tax paid, payable	-299	-1 878
13.	Dividends paid, payable	0	0
13/b	Assets transferred/received free of charge	-173	-221
13/c	Capitalised interest	0	0
13/d	Prior year adjustments	6 608	-1 767
13/e	Changes in deferred tax arising on consolidation	0	249
13/f	Adjustments arising on consolidation without actual money movement	-337	-557
13/g	FX gains at year-end	0	3 788
<b>II.</b>	<b>Cash flows from investing activities</b>	<b>-68 858</b>	<b>49 029</b>
14.	Fixed asset additions	-58 241	-53 679
15.	Fixed asset disposals	6 357	99 748
15/b	Movements in long-term financial assets	-1 262	125
15/c	Movements in advance payments for capital projects	-15 712	2 518
16.	Dividends received	0	317
<b>III.</b>	<b>Cash flows from financing activities</b>	<b>44 352</b>	<b>8 084</b>
17.	Income from the issue of shares or capital withdrawal	111 600	-959
18.	Income from the issue of bonds	0	0
19.	Loans taken	49 361	17 433
20.	Changes in long-term loans granted	423	570
21.	Amounts received free of charge	2 513	247
22.	Shares withdrawn	0	0
23.	Bonds and other debt securities repaid	0	0
24.	Loans repaid	-119 545	-6 224
25.	Loans granted and bank deposits	0	-4 622
26.	Amounts given free of charge	0	-2
27.	Changes in liabilities to founders and in other long-term liabilities	0	1 641
<b>IV.</b>	<b>Change in cash and cash equivalents (<math>\pm I \pm II \pm III.</math>)</b>	<b>9 227</b>	<b>-3 302</b>

Schedule 59: Cash flow statement

This is a translation of the Hungarian Financial Statement

## II.3.3 Asset ratios

### Assets ratios

#### Fixed assets ratio

$$\frac{\text{Fixed .assets}}{\text{Total .assets}} = \frac{754,873}{938,752} = 80.41\% \quad (\text{basis: } 86,16\%)$$

#### Fixed assets margin

$$\frac{\text{Equity}}{\text{Own.Fixed .assets}} = \frac{90,519}{360,953} = 25.08\% \quad (\text{basis: } 2,48\%)$$

$$\frac{\text{Equity} + \text{Treasury.liabilities}}{\text{Tangibleassets}} = \frac{498,661}{740,611} = 67.33\% \quad (\text{basis: } 53,57\%)$$

#### Tangible asset margin

$$\frac{\text{Equity}}{\text{Owne .tan gibles}} = \frac{90,519}{375,215} = 24.12\% \quad (\text{basis: } 2,38\%)$$

$$\frac{\text{Equity} + \text{Treasury .funds}}{\text{Tangible .assets}} = \frac{498,661}{754,873} = 66.06\% \quad (\text{basis: } 52,47\%)$$

#### Current assets per fixed assets

$$\frac{\text{Current .assets}}{\text{Fixed .assets}} = \frac{142,189}{754,873} = 18.84\% \quad (\text{basis: } 11,65\%)$$

### Equity and liabilities ratios

#### Capitalisation ratio

$$\frac{\text{Equity}}{\text{Equity\&liabilitis}} = \frac{90,519}{938,752} = 9.64\% \quad (\text{basis: } 1,07\%)$$

$$\frac{\text{Equity}}{\text{Equity \& liabilities - Treasury.funds}} = \frac{90,519}{530,610} = 17.06\% \quad (\text{basis: } 1,92\%)$$

#### Gearing ratio

$$\frac{\text{Borrowed .capital}}{\text{Equity}} = \frac{727,775}{90,519} = 804.00\% \quad (\text{basis: } 8.076,13\%)$$

$$\frac{\text{Borrowed .capital - Treasury.funds}}{\text{Equity}} = \frac{319,633}{90,519} = 353.11\% \quad (\text{basis: } 3.962,39\%)$$

#### Indebtness

This is a translation of the Hungarian Financial Statement

**II.3.4 Group items affecting previous years**

MÁV Group's balance sheet and profit and loss account affecting previous years are presented below:

Figures in THUF

No.	Item	2003	2004	2005	2006	2007	Total
<b>.01.</b>	<b>A. FIXED ASSETS</b>	<b>-191 381</b>	<b>-55 089</b>	<b>-83 466</b>	<b>-93 953</b>	<b>-245 069</b>	<b>-668 958</b>
.02.	<i>I. INTANGIBLE ASSETS</i>	-55	-2 058	-4 806	-6 361	-28 498	-41 778
.03.	Capitalised foundation/restructuring	0	0	0	0	0	0
.04.	Capitalised research and development	0	0	0	0	0	0
.05.	Concessions, licenses and similar rights	0	0	0	-282	-22 694	-22 976
.06.	Trade-marks, patents and similar assets	-55	-2 058	-4 806	-6 079	-5 804	-18 802
.07.	Goodwill	0	0	0	0	0	0
.08.	Advance payments for intangible assets	0	0	0	0	0	0
.09.	Adjusted value of intangible assets	0	0	0	0	0	0
<b>.10</b>	<b>II. TANGIBLE ASSETS</b>	<b>-191 326</b>	<b>-53 031</b>	<b>-78 660</b>	<b>-87 434</b>	<b>-216 571</b>	<b>-627 022</b>
.11.	Land and buildings and related property rights	-26 750	-13 720	-46 470	-40 659	-117 646	-245 245
.12.	Plant, machinery, equipment and vehicles	-12 441	-36 208	-21 812	-43 011	-95 115	-208 587
.13.	Other equipment, fixtures and fittings, vehicles	-504	-3 103	-3 672	-3 764	-3 810	-14 853
.14.	Breeding stock	0	0	0	0	0	0
.15.	Assets in the course of construction	-151 631	0	-6 706	0	0	-158 337
.16.	Prepayments for capital expenditures	0	0	0	0	0	0
.17.	Adjusted value of tangible assets	0	0	0	0	0	0
<b>.18</b>	<b>III. LONG TERM FINANCIAL ASSETS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-158</b>	<b>0</b>	<b>-158</b>
.19.	Long-term participations in related parties	0	0	0	0	0	0
.20.	Long-term loans granted to related parties	0	0	0	0	0	0
.21.	Other long-term investments	0	0	0	0	0	0
.22.	Long-term loans granted to other investments	0	0	0	0	0	0
.23.	Other long-term loans granted	0	0	0	-158	0	-158
.24.	Long-term debt securities	0	0	0	0	0	0
.25.	Adjusted value of financial investments	0	0	0	0	0	0
<b>.26</b>	<b>B. CURRENT ASSETS</b>	<b>37 550</b>	<b>10 850</b>	<b>174 792</b>	<b>55 347</b>	<b>1 188 081</b>	<b>1 466 620</b>
<b>.27</b>	<b>I. INVENTORIES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1 905</b>	<b>-3 012</b>	<b>-1 107</b>
.28.	Raw materials and consumables	0	0	0	1 905	-2 945	-1 040
.29.	Work in progress and semi-finished products	0	0	0	0	0	0
.30.	Animals for breeding, fattening and other livestock	0	0	0	0	0	0
.31.	Finished products	0	0	0	0	0	0
.32.	Goods	0	0	0	0	-67	-67
.33.	Advance payments for stocks	0	0	0	0	0	0
<b>.34</b>	<b>II. RECEIVABLES</b>	<b>54 936</b>	<b>10 850</b>	<b>175 231</b>	<b>53 442</b>	<b>1 128 743</b>	<b>1 423 202</b>
.35.	Trade debtors	54 936	-38 142	175 213	93 123	556 670	841 800
.36.	Receivables from related parties	0	0	18	-43 058	282 410	239 370
.37.	Receivables from other investments	0	48 992	0	3 722	51 252	103 966
.38.	Bills of exchange receivables	0	0	0	0	0	0
.39.	Other receivables	0	0	0	-345	238 411	238 066
<b>.40</b>	<b>III. SECURITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
.41.	Participations in related parties	0	0	0	0	0	0
.42.	Other participations	0	0	0	0	0	0
.43.	Treasury shares and own participation	0	0	0	0	0	0
.44.	Marketable debt securities	0	0	0	0	0	0
<b>.45</b>	<b>IV. LIQUID ASSETS</b>	<b>-17 386</b>	<b>0</b>	<b>-439</b>	<b>0</b>	<b>62 350</b>	<b>44 525</b>
.46.	Cash, cheques	0	0	0	0	454	454
.47.	Bank deposits	-17 386	0	-439	0	61 896	44 071
<b>.48</b>	<b>C. PREPAID EXPENSES &amp; ACCRUED INCOME</b>	<b>131 452</b>	<b>0</b>	<b>8 215</b>	<b>64 251</b>	<b>20 123</b>	<b>224 041</b>
.49.	Accrued income	131 452	0	8 215	64 251	20 123	224 041
.50.	Prepaid expenses	0	0	0	0	0	0
.51.	Deferred expenses	0	0	0	0	0	0
<b>.52</b>	<b>TOTAL ASSETS</b>	<b>-22 379</b>	<b>-44 239</b>	<b>99 541</b>	<b>25 645</b>	<b>963 135</b>	<b>1 021 703</b>

Schedule 60: Asset side of previous years' balance sheet

This is a translation of the Hungarian Financial Statement

Figures in THUF

No.		2 003	2 004	2 005	2 006	2 007	Total
57.	<b>D. EQUITY</b>	<b>-303 113</b>	<b>-118 047</b>	<b>-254 006</b>	<b>-383 719</b>	<b>-708 917</b>	<b>-1 767 802</b>
58.	<i>I. ISSUED CAPITAL</i>	0	0	0	0	0	0
59.	of which: treasury shares redeemed at face value	0	0	0	0	0	0
60.	<i>II. ISSUED CAPITAL NOT PAID (-)</i>	0	0	0	0	0	0
61.	<i>III. CAPITAL RESERVES</i>	0	0	0	0	0	0
62.	<i>IV. RETAINED EARNINGS/(LOSSES)</i>	0	0	0	0	0	0
63.	<i>V. ALLOCATED RESERVES</i>	0	0	0	0	-8	-8
64.	<i>VI. REVALUATION RESERVES</i>	0	0	0	0	0	0
65.	<i>VII. PROFIT FOR THE PERIOD</i>	-303 113	-118 047	-254 006	-383 719	-708 909	-1 767 794
66.	<i>VIII. CHANGE IN THE EQUITY OF SUBSIDIARY</i>	0	0	0	0	0	0
67.	<i>IX. CHANGES DUE TO CONSOLIDATION</i>	0	0	0	0	0	0
68.	Debt consolidation difference	0	0	0	0	0	0
	Interim profit or loss difference	0	0	0	0	0	0
	Impairment loss of goodwill on consolidation	0	0	0	0	0	0
	Valuation of investments in associates	0	0	0	0	0	0
69.	Deferred tax	0	0	0	0	0	0
70.	<i>X. THIRD PARTY INVESTMENTS</i>	0	0	0	0	0	0
71.	<b>E. PROVISIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
72.	Provisions for contingent liabilities	0	0	0	0	0	0
73.	Provisions for future commitments	0	0	0	0	0	0
74.	Other provisions	0	0	0	0	0	0
75.	<b>F. LIABILITIES</b>	<b>283 774</b>	<b>76 279</b>	<b>144 459</b>	<b>181 476</b>	<b>1 506 945</b>	<b>2 192 933</b>
76.	<i>I. SUBORDINATED DEBT</i>	0	0	0	0	0	0
77.	Subordinated debt towards related party	0	0	0	0	0	0
78.	Subordinated debt towards other investments	0	0	0	0	0	0
79.	Subordinated debt towards third parties	0	0	0	0	0	0
80.	Amounts owed to founders	0	0	0	0	0	0
81.	Other long-term liabilities	0	0	0	0	0	0
82.	Negative goodwill on the consolidation of subsidiaries	0	0	0	0	0	0
83.	<i>II. LONG-TERM LIABILITIES</i>	0	0	0	165	-165	0
84.	Long-term borrowings	0	0	0	0	0	0
85.	Convertible bonds	0	0	0	0	0	0
86.	Debts from the issue of bonds	0	0	0	0	0	0
87.	Investment and development loans	0	0	0	0	0	0
88.	Other long-term loans	0	0	0	0	0	0
89.	Long-term debts to related parties	0	0	0	0	0	0
90.	Long-term debts to other investments	0	0	0	0	0	0
	Other long-term liabilities	0	0	0	165	-165	0
	Corporate tax payable due to consolidation	0	0	0	0	0	0
	<i>III. CURRENT LIABILITIES</i>	283 774	76 279	144 459	181 311	1 507 110	2 192 933
91.	Short-term borrowings	0	0	0	0	0	0
92.	Of line 81: convertible bonds	0	0	0	0	0	0
93.	Short-term loans	0	0	0	0	0	0
94.	Prepayments received from debtors	0	0	0	0	0	0
95.	Creditors	283 741	76 140	145 513	178 087	1 138 079	1 821 560
96.	Bills of exchange payable	0	0	0	0	0	0
97.	Short-term debts to related parties	0	0	0	0	341 606	341 606
98.	Short-term debts to other investment	0	0	0	0	0	0
99.	Other current liabilities	33	139	-1 054	3 224	27 425	29 767
100.	<b>G. ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>-3 040</b>	<b>-2 471</b>	<b>209 088</b>	<b>227 888</b>	<b>165 107</b>	<b>596 572</b>
101.	Deferred income	0	0	0	0	403	403
102.	Accrued expenses	0	0	211 559	230 359	167 175	609 093
103.	Deferred extraordinary revenues and negative goodwill	-3 040	-2 471	-2 471	-2 471	-2 471	-12 924
104.	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>-22 379</b>	<b>-44 239</b>	<b>99 541</b>	<b>25 645</b>	<b>963 135</b>	<b>1 021 703</b>

Schedule 61: Equity and liabilities side of previous years' balance sheet



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		Figures in THUF					
No.	Item	2003	2004	2005	2006	2007	Total
01.	Domestic sales, net	-2 856	1 431	9 905	13 365	719 846	741 691
02.	Export sales, net	-185 951	-77 526	113 634	110 709	162 443	123 309
	Settled intra-group income	0	0	0	0	0	0
<b>I.</b>	<b>SALES, NET</b>	<b>-188 807</b>	<b>-76 095</b>	<b>123 539</b>	<b>124 074</b>	<b>882 289</b>	<b>865 000</b>
03.	Change in self-produced inventories	0	0	0	0	0	0
04.	Capitalised self-produced assets	250	862	957	140 591	278 517	421 177
<b>II.</b>	<b>CAPITALISED SELF OUTPUT</b>	<b>250</b>	<b>862</b>	<b>957</b>	<b>140 591</b>	<b>278 517</b>	<b>421 177</b>
<b>III.</b>	<b>OTHER REVENUES</b>	<b>6 472</b>	<b>7 724</b>	<b>10 733</b>	<b>18 606</b>	<b>99 184</b>	<b>142 719</b>
	Of which: reversed impairment loss	0	0	0	0	147	147
III/A.	DIFFERENCE ARISING ON CONSOLIDATION DUE TO DEBT CONSOLIDATION (PROFIT INCREASING)	0	0	0	0	0	0
05.	Materials	951	1 435	1 234	19 186	75 503	98 309
06.	Services used	41 854	42 733	306 626	383 567	1 085 553	1 860 333
07.	Other services	13	3	161	-47	27 106	27 236
08.	Cost of goods sold	0	0	0	0	95	95
09.	Cost of consignment services	0	0	0	0	130 595	130 595
	Intra-group costs recognised	0	0	0	0	0	0
<b>IV.</b>	<b>MATERIAL TYPE EXPENDITURES</b>	<b>42 818</b>	<b>44 171</b>	<b>308 021</b>	<b>402 706</b>	<b>1 318 852</b>	<b>2 116 568</b>
10.	Payroll	0	0	0	75	-19 040	-18 965
11.	Other payments to personnel	0	0	-1 199	-2 180	-91 038	-94 417
12.	Social security	0	0	0	156	-4 752	-4 596
<b>V.</b>	<b>PAYMENTS TO PERSONNEL</b>	<b>0</b>	<b>0</b>	<b>-1 199</b>	<b>-1 949</b>	<b>-114 830</b>	<b>-117 978</b>
<b>VI.</b>	<b>DEPRECIATION CHARGE</b>	<b>32 723</b>	<b>55 089</b>	<b>44 258</b>	<b>88 272</b>	<b>245 070</b>	<b>465 412</b>
<b>VII.</b>	<b>OTHER EXPENDITURES</b>	<b>25 032</b>	<b>-726</b>	<b>41 571</b>	<b>7 559</b>	<b>77 583</b>	<b>151 019</b>
	Of which: impairment	0	-82	354	-82	-15 714	-15 524
VII/A.	DIFFERENCE ARISING ON CONSOLIDATION DUE TO DEBT CONSOLIDATION (PROFIT REDUCING)	0	0	0	0	0	0
<b>A</b>	<b>OPERATING PROFIT /LOSS</b>	<b>-282 658</b>	<b>-166 043</b>	<b>-257 422</b>	<b>-213 317</b>	<b>-266 685</b>	<b>-1 186 125</b>
13.	Dividends received	0	48 992	0	0	0	48 992
	Of which: from related parties	0	0	0	0	0	0
13/a.	Dividends received from associates	0	0	0	0	0	0
13/b.	Dividends received from other investments	0	0	0	0	0	0
14.	Foreign exchange gain on disposal of investments	0	0	0	0	0	0
	Of which: from related parties	0	0	0	0	0	0
15.	Interest and foreign exchange gain on financial investments (TE profit technical)	0	0	0	0	0	0
	Of which: from related parties	0	0	0	0	0	0
16.	Other interest received and similar income	0	0	0	0	79	79
	Of which: from related parties	0	0	0	0	0	0
17.	Other financial income	4	8	4 291	1 302	1 475	7 080
<b>VIII.</b>	<b>FINANCIAL REVENUES</b>	<b>4</b>	<b>49 000</b>	<b>4 291</b>	<b>1 302</b>	<b>1 554</b>	<b>56 151</b>
18.	Foreign exchange loss of financial investments	0	0	0	0	16 520	16 520
	Of which: to related parties	0	0	0	0	0	0
19.	Interest payable and similar charges	0	0	0	0	0	0
	Of which: to related parties	0	0	0	0	0	0
20.	Impairment loss on shares, securities, bank deposits	0	0	0	0	0	0
	Of which: to related parties	0	0	0	0	0	0
21.	Other financial expenditures	0	13	-305	3 029	677	3 414
<b>IX.</b>	<b>FINANCIAL EXPENDITURES</b>	<b>0</b>	<b>13</b>	<b>-305</b>	<b>3 029</b>	<b>17 197</b>	<b>19 934</b>
<b>B</b>	<b>FINANCIAL PROFIT/LOSS</b>	<b>4</b>	<b>48 987</b>	<b>4 596</b>	<b>-1 727</b>	<b>-15 643</b>	<b>36 217</b>
<b>C</b>	<b>PROFIT/LOSS FROM ORDINARY ACTIVITIES</b>	<b>-282 654</b>	<b>-117 056</b>	<b>-252 826</b>	<b>-215 044</b>	<b>-282 328</b>	<b>-1 149 908</b>
X.	EXTRAORDINARY REVENUES	131 452	0	6 626	0	0	138 078
XI.	EXTRAORDINARY EXPENDITURES	151 911	991	7 806	168 675	426 581	755 964
<b>D</b>	<b>EXTRAORDINARY PROFIT/LOSS</b>	<b>-20 459</b>	<b>-991</b>	<b>-1 180</b>	<b>-168 675</b>	<b>-426 581</b>	<b>-617 886</b>
<b>E</b>	<b>PRE-TAX PROFIT/LOSS</b>	<b>-303 113</b>	<b>-118 047</b>	<b>-254 006</b>	<b>-383 719</b>	<b>-708 909</b>	<b>-1 767 794</b>
XII.	TAX LIABILITY	0	0	0	0	0	0
XII/A.	(CALCULATED) CORPORATE TAX DIFFERENCE ARISING ON TAX DIFFERENCE ±	0	0	0	0	0	0
<b>F</b>	<b>PROFIT/LOSS AFTER TAX</b>	<b>-303 113</b>	<b>-118 047</b>	<b>-254 006</b>	<b>-383 719</b>	<b>-708 909</b>	<b>-1 767 794</b>
22.	Dividends, profit sharing paid (approved)	0	0	0	0	0	0
23.	Dividends, profit sharing paid from retained earnings	0	0	0	0	0	0
24.	Minority interest	0	0	0	0	0	0
<b>G</b>	<b>PROFIT OR LOSS</b>	<b>-303 113</b>	<b>-118 047</b>	<b>-254 006</b>	<b>-383 719</b>	<b>-708 909</b>	<b>-1 767 794</b>
		0	0	0	0	0	0

Schedule 62: P&Ls of previous years

The most important items that affect prior year's loss are as follows:

- HUF 801m of net sales is due to performance invoiced with delays
- Depreciation charge of assets recognised in 2008 but commissioned in previous years totalling HUF 465 million,
- Other expenses also include fixed asset disposals of HUF 45m, prior year tax liabilities of HUF 53m, and the net value of penalties, reimbursement and damages totalling HUF 46m.
- Dividends received include HUF 49m received from Resti Zrt. with respect to 2004.
- An agreement was drawn up in 2002 between ELMŰ and MÁV Zrt. on the development of the electricity network of the Budapesti Intermodális Logisztikai Központ (Budapest Intermodal Logistics Centre). In the agreement, MÁV agreed to build and commission the cable network necessary to replace the disassembled Csepel remote cable network. The cables were granted to ELMŰ free of charge in 2002 and 2003. However, the related settlements remained outstanding, hence the HUF 158m extraordinary expenditure and HUF 131m extraordinary revenue (released deferred income).
- Extraordinary expenditures are affected by the HUF 325m VAT on telecom services supplied to MÁV Cargo Zrt. in 2006 and 2007 free of charge, the differences between actual contracted charges and arm's length prices and the related paid VAT of HUF 168m, and debts of HUF 95m of MÁV Raktár Kft. owed to MÁV Cargo Zrt. assumed by MÁV Zrt. which was recognised only in 2008.
- Retrospective (post-balance sheet) settlements with other railway companies are also material.



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### III INFORMATIVE PART

#### III.1 Remuneration to officers of the parent company

Figures in MHUF

Category	2007	2008	Change
Board	49	51	2
Supervisory Board	33	46	13
<b>Total:</b>	<b>82</b>	<b>97</b>	<b>15</b>

Schedule 63: Remuneration of parent company officers

No loan was granted or disbursed to Board and Supervisory Board members in 2008.

#### III.2 Subsidies received

Figures in MHUF

Item	2007		2008		Change
	Amount	%	Amount	%	
Ticket subsidy	20 468	10%	20 088	10%	-380
Refunded excise tax	5 714	3%	5 322	3%	-392
Project subsidy*	13 985	7%	3 847	2%	-10 138
Production subsidy (public service refunds)	160 712	79%	165 859	84%	5 147
Compensation for lost earnings on passenger transport(BEB)	1 051	1%	1 784	1%	733
Force majeure (fire, flood)	352	0%	0	0%	-352
NFI subsidy for language training	0	0%	0	0%	0
Support received from job centres	0	0%	0	0%	0
Redundancy subsidy	0	0%	205	0%	205
Other subsidies	890	0%	869	0%	-21
<b>Total:</b>	<b>203 172</b>	<b>100%</b>	<b>197 974</b>	<b>100%</b>	<b>-5 198</b>

Schedule 64: Subsidies received

Figures in MHUF

Passenger ticket compensation per category	2007	2008
50%	6 106	6 499
67,50%	3 597	0
90%	3 919	3 839
Pupils and students	5 120	6 085
OAPS over 70 (65)	3 835	3 708
<b>Total:</b>	<b>22 577</b>	<b>20 131</b>

Schedule 65: Ticket compensation

Nearly 85% of subsidies received by the Group are reimbursed public service costs related to passenger transport.

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### III.3 Environment protection

#### III.3.1 Environmental liabilities

Further to act LIV of 1992 and in line with the requirements of the Environmental Ministry, the Environmental Restoration Plan („Környezeti Károk Rendezési Terve” (KKRT)) 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 Subprogramme of the National Restoration Programme. The deadline for the restoration has been set by the Ministry for Transport and Water to 2010.

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 2008.
- 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.

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

Figures in MHUF				
Item	Opening	Increase	Decrease	Closing
Allocated reserves	3 617	0	0	3 617
Provisions	7 780	1 910	1 119	8 571
<i>Total:</i>	11 397	1 910	1 119	12 188

Schedule 66: Environmental reserves (allocated and provisions)

Environmental expenses, provisions and allocated reserves in 2007 and in 2008 are presented below:

Figures in MHUF			
Item	2007	2008	Change
Environmental expenses	1 164	839	-325

Schedule 67: Environmental expenses

### III.3.2 Assets serving environmental purposes

Movements in tangible assets serving environmental purposes:

	Figures in MHUF			
<b>Item</b>	<b>Opening</b>	<b>Additions</b>	<b>Disposals</b>	<b>Closing</b>
Cost	2 242	555	0	2 797
Depreciation	334	123	0	457
<b>Net</b>	<b>2 576</b>	<b>678</b>	<b>0</b>	<b>3 254</b>
AICC	0	22	0	22
<b>Total:</b>	<b>2 576</b>	<b>700</b>	<b>0</b>	<b>3 276</b>

Schedule 68: Movements in environmental assets

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### III.3.3 Hazardous waste quantities

EWC code	Item	2007 (kg)	2008 (kg)
020108	Chemical waste	0	35
020317	Paint container	0	70
030104	Contaminated wood chipping, sawn goods, wooden panels and veneers, sawing by-products	0	80
060204	Battery acid	1 250	0
070610	Oily chipping	26	80
080111	Paint stained package	4 717	61
080113	Paint and varnish sludge containing organic dilutants and other hazardous pollutants	300	159
080117	Waste from the removal of paint and varnish containing organic dilutants and other hazardous waste	0	230
080121	Waste materials used to remove paint and varnish	0	15
080317	Office waste	90	3 145
100402	Blast furnace slag from primary and secondary production	208	208
101007	Cores and moulds used for metal moulding containing hazardous materials	431	0
120109	Non-halogenous cooling and lubricant agents and fluids	2 640	0
120112	Waste grease	1 803	706
120114	Grinding sludge	0	150
120116	Polluted waste from sand blasting	9 420	0
120118	Oily metal sludge	1 755	1 148
130205	Used oil	26 705	15 304
130213	Used oil	0	1 400
130307	Mineral oil based, non-chlorine insulation and heat transmission oils	260	1 786
130501	Oily sludge	579	0
130502	Parting sludge	450	8 426
130701	Heating fuel and gasoline	10 150	6 195
130703	Other fuel (incl. mixes)	0	540
130899	Unspecified waste	45	0
140603	Other dilutants	0	615
140604	Halogenous content sludge and solid waste	497	144
150110	Waste packaging containing hazardous materials	7 809	4 275
150111	Empty spray bottles	0	229
150202	Stained protective clothing	16 376	22 668
160107	Oil filter	469	948
160114	Hazardous antifreeze	30	30
160121	Olajos gumi	1 158	983
160209	PCB containing condenser	300	0
160213	Electronic waste	920	0
160305	Hazardous organic waste	0	752
160506	Laboratory chemicals	0	4 730
160601	Used battery	13 856	21 760
160602	Nickel and cadmium batteries	3	0
160604	Alkali batteries (except 16 06 03)	9 763	2 524
160606	Separately collected battery electrolyte	0	1 254
160707	Oil filter	520	52
161001	Contaminated water and fluids	0	37
170204	Stained wood	0	46 545
170503	Contaminated stone	1 858	110
170601	Insulators containing asbestos	0	491
170603	Other insulation material with hazardous content	0	2 509
190813	Industrial sewage	160 150	96 854
200121	Light tubes and other mercury containing waste	45	541
200123	Equipment with chloride-fluoride-CH content	0	220
200127	Office equipment waste	0	5
200133	Dry battery	313	2 898
200135	Electric equipment containing hazardous materials	852	5 346
<b>Total:</b>		<b>275 748</b>	<b>256 258</b>

Schedule 69: Closing quantities of hazardous waste at the end of 2008

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

The payroll costs and average statistical numbers of staff of the MÁV Group are set out below.

Figures in MHUF

Item	Prior year					Reporting year				
	Payroll costs	Payments to personnel	Social security and similar	Total	%	Payroll costs	Payments to personnel	Social security and similar	Total	%
Blue collar	54 947	10 599	19 540	85 086	50,23%	56 371	9 587	20 864	86 822	49,36%
White collar	56 983	6 301	19 281	82 565	48,74%	58 778	7 794	20 469	87 041	49,49%
Inactive	974	398	376	1 748	1,03%	1 203	460	364	2 027	1,15%
<b>Total:</b>	<b>112 904</b>	<b>17 298</b>	<b>39 197</b>	<b>169 399</b>	<b>100,00%</b>	<b>116 352</b>	<b>17 841</b>	<b>41 697</b>	<b>175 890</b>	<b>100,00%</b>

Schedule 70: Group staff costs

Item	Prior year		Rep. year	
	Average statistical number of staff	%	Average statistical number of staff	%
Blue collar	27 722	57,93%	25 484	56,97%
White collar	19 489	40,72%	19 027	42,54%
Inactive	647	1,35%	220	0,49%
<b>Total:</b>	<b>47 858</b>	<b>100,00%</b>	<b>44 732</b>	<b>100,00%</b>

Schedule 71: Average number of staff at Group level

### III.5 Research and development

MÁV Group's research and development costs recognised in 2008 are set out in the schedule below:

Figures in MHUF

Item	2007	2008	Change
<b>R&amp;D costs</b>	<b>282</b>	<b>907</b>	<b>625</b>
Of which: To be capitalised for own purposes	0	72	72
For own purposes, expensed	282	629	347
R&D for third parties	0	206	206
<i>Other direct costs of technical development</i>	<b>207</b>	<b>165</b>	<b>-42</b>
Of which: Cost of development arrangements, management and testing	105	93	-12
Technical information, propaganda and production management	56	49	-7
Type classification, standardisation, industrial design	23	23	0
Technical tenders	0	0	0
Non-capitalised or unused innovation	22	0	-22
Non-capitalised, used innovation	1	0	-1
Non-capitalised, used other intellectual output	0	0	0
<b>Total:</b>	<b>489</b>	<b>1 072</b>	<b>583</b>

Schedule 72: Costs of research and development in 2008

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The main purposes of the research and development activity of the MÁV Group is to raise traffic safety and service quality standards. Over HUF 300m was spent on R&D in 2008.

As part of the Group's BPR (Business Process Reengineering), HUF 185m was spent in 2008 on the preparation four priority projects and on research necessary for a well-founded start of the projects. The four priority projects are as follows:

- ✚ Expansion of the MB.Rail traction planning and control system,
- ✚ Increasing the time efficiency of engine drivers,
- ✚ Increasing energy efficiency,
- ✚ Integrated billing system.

Another material item is HUF 67m recognised as part of vehicle maintenance and served the following purposes:

- ✚ Testing dynamic effects on the steering bogies, wheels and tyres of V43 series electric engines,
- ✚ Electric braking possibilities for electric power transmission traction vehicles; improvement of the SW7309 traction engine,
- ✚ Maintenance strategic development of the railcar testing basis system.

R&D done for third parties included mainly a contractual research project for Universitas-Győr Nonprofit KHT. regarding the development of the prototype of a four-cylinder, heavy load, high wall-sided, open cargo wagon.

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## Key indicators for non-inclusion in the consolidation

### Appendix 1

Serial No.	Company		B/S total		Equity		Issued capital		Sales revenues, net		Payroll cost		Pre-tax profit/loss	
	Code	Name	Value	%	Value	%	Value	%	Value	%	Value	%	Value	%
1	100	MÁV Zrt.	870 910	74,74%	125 423	48,95%	21 000	28,90%	199 625	41,07%	50 449	44,74%	41 550	95,97%
2	101	MÁV FKG Kft.	5 738	0,49%	852	0,33%	1 505	2,07%	9 714	2,00%	1 735	1,54%	54	0,12%
3	102	MÁVGÉP Kft.	5 027	0,43%	-742	-0,29%	11	0,02%	8 544	1,76%	1 297	1,15%	-738	-1,70%
4	131	MÁV KFV Kft.	1 388	0,12%	965	0,38%	180	0,25%	1 414	0,29%	395	0,35%	227	0,52%
5	136	MÁV IK Kft.	5 401	0,46%	777	0,30%	399	0,55%	11 374	2,34%	2 484	2,20%	30	0,07%
6	138	MÁV INFORMATIKA Zrt.	3 958	0,34%	1 147	0,45%	800	1,10%	6 379	1,31%	1 965	1,74%	99	0,23%
7	149	MÁV Vagyonkezelő Zrt.	689	0,06%	476	0,19%	549	0,76%	954	0,20%	376	0,33%	38	0,09%
8	179	ZÁHONY-PORT Zrt.	1 250	0,11%	-56	-0,02%	323	0,44%	2 542	0,52%	967	0,86%	-890	-2,06%
9	180	MÁV-START Zrt.	93 863	8,06%	62 266	24,30%	10 000	13,76%	64 988	13,37%	15 475	13,72%	58	0,13%
10	186	MÁV-TRAKCIÓ Zrt.	100 100	8,59%	40 494	15,80%	29 815	41,03%	93 014	19,13%	19 161	16,99%	187	0,43%
11	187	MÁV-GÉPÉSZET Zrt.	22 904	1,97%	10 793	4,21%	3 933	5,41%	39 296	8,08%	9 514	8,44%	603	1,39%
Total fully consolidated:			1 111 228	95,37%	242 395	94,60%	68 515	94,28%	437 844	90,07%	103 818	92,07%	41 218	95,20%
12	005	MÁV TI Kft.	1 587	0,14%	340	0,13%	80	0,11%	2 565	0,53%	671	0,60%	274	0,63%
13	015	MÁV NOSZTALGIA Kft.	386	0,03%	40	0,02%	10	0,01%	1 003	0,21%	144	0,13%	20	0,05%
14	020	MÁV VAGON Kft.	880	0,08%	315	0,12%	244	0,34%	1 834	0,38%	441	0,39%	33	0,08%
15	034	MÁV Debreceni Járműjavító Kft.	1 629	0,14%	606	0,24%	5	0,01%	2 832	0,58%	636	0,56%	122	0,28%
16	096	MÁV KERT Kft.	297	0,03%	164	0,06%	46	0,06%	725	0,15%	151	0,13%	102	0,24%
17	139	MÁV VASÚTŐR Kft.	756	0,06%	243	0,09%	215	0,30%	2 954	0,61%	1 098	0,97%	4	0,01%
18	144	Záhonyi HŐTÁV Kft.	95	0,01%	46	0,02%	87	0,12%	195	0,04%	59	0,05%	-36	-0,08%
19	152	MÁV RAKTÁR Kft.	160	0,01%	-69	-0,03%	71	0,10%	504	0,10%	191	0,17%	-97	-0,22%
20	170	Ferihegy Express Kft.*	n.a.	n.a.	49	0,02%	81	0,11%	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
21	174	MÁV LOKOMOTÍV HOTELS Zrt.*	150	0,01%	-7	0,00%	20	0,03%	467	0,10%	205	0,18%	-146	-0,34%
22	181	Rákosrendező Pályaudvar Kft.	36	0,00%	-42	-0,02%	20	0,03%	8	0,00%	29	0,03%	-43	-0,10%
23	182	Józsefváros Pályaudvar Kft.	5	0,00%	-19	-0,01%	1	0,00%	4	0,00%	9	0,01%	-20	-0,05%
24	183	PRUDENT INVEST Zrt.	251	0,02%	121	0,05%	85	0,12%	236	0,05%	44	0,04%	21	0,05%
25	184	Kelenföldi Pályaudvar Kft.	8	0,00%	-5	0,00%	20	0,03%	11	0,00%	4	0,00%	-18	-0,04%
26	185	DÉLI PÁLYAUDVAR Zrt.	26	0,00%	-18	-0,01%	20	0,03%	0	0,00%	16	0,01%	-34	-0,08%
27	022	MÁV VASJÁRMŰ Kft.	3 516	0,30%	932	0,36%	632	0,87%	5 833	1,20%	1 471	1,30%	35	0,08%
28	027	Bombardier MÁV Kft.	10 501	0,90%	4 157	1,62%	772	1,06%	15 464	3,18%	2 157	1,91%	772	1,78%
29	037	VAMAV Kft.	4 282	0,37%	2 745	1,07%	1 400	1,93%	6 494	1,34%	1 001	0,89%	858	1,98%
30	038	EURO-METALL Kft.	1 294	0,11%	979	0,38%	51	0,07%	2 250	0,46%	191	0,17%	-92	-0,21%
31	116	MÁV-THERMIT Kft.	993	0,09%	605	0,24%	138	0,19%	1 759	0,36%	307	0,27%	112	0,26%
32	141	VIACOM HUNGÁRIA Zrt.	26 929	2,31%	2 588	1,01%	100	0,14%	2 881	0,59%	78	0,07%	208	0,48%
33	142	MÁV MULTISZOLG Kft.*	212	0,02%	72	0,03%	61	0,08%	256	0,05%	37	0,03%	4	0,01%
Total equity consolidated (associates):			53 993	4,63%	13 842	5,40%	4 159	5,72%	48 275	9,93%	8 940	7,93%	2 079	4,80%
Grand total:			1 165 221	100,00%	256 237	100,00%	72 674	100,00%	486 119	100,00%	112 758	100,00%	43 297	100,00%

\* Based on prior year figures

**Consolidated entities**  
**Appendix 2**

Fully consolidated subsidiaries*			
Parent		Subsidiaries	
100	MÁV Zrt.	101	MÁV FKG Kft.
		102	MÁVGÉP Kft.
		131	MÁV KFV Kft.
		136	MÁV IK Kft.
		138	MÁV INFORMATIKA Zrt.
		149	MÁV Vagyonkezelő Zrt.
		179	ZÁHONY-PORT Zrt.
		180	MÁV-START Zrt.
		186	MÁV-TRAKCIÓ Zrt.
		187	MÁV-GÉPÉSZET Zrt.

The P&Ls of MÁV Cargo Zrt., MÁVTRANSSPED Kft., MÁV-TISZAVAS Kft. and BILK KOMBITERMINÁL Zrt. have also been fully consolidated

Equity consolidated entities (associates)			
Parents		Associates	
005	MÁVTI Kft.	022	MÁV VASJÁRMŰ Kft.
015	MÁV NOSZTALGIA Kft.	027	Bombardier MÁV Kft.
020	MÁV VAGON Kft.	037	VAMAV Kft.
034	MÁV Debreceni Járműjavító Kft.	038	EURO-METALL Kft.
096	MÁV KERT Kft.	116	MÁV-THERMIT Kft.
139	MÁV VASÚTŐR Kft.	141	VIACOM HUNGÁRIA Zrt.
144	Záhonyi HŐTÁV Kft.	142	MÁV MULTISZOLG Kft.
152	MÁV RAKTÁR Kft.		
170	Ferihegy Express Kft.		
174	MÁV LOKOMOTÍV HOTELS Zrt.		
181	Rákosrendező Pályaudvar Kft.		
182	Józsefváros Pályaudvar Kft.		
183	PRUDENT INVEST Zrt.		
184	Kelenföldi Pályaudvar Kft.		
185	DÉLI PÁLYAUDVAR Zrt.		

Entities treated as investments					
Subsidiaries		Associates		Other investments	
004	MÁVFAVÉD Kft. (f.a.)	156	Szombathelyi Vasutas Futball Kft. (f.a.)	084	RESTI Zrt.
006	MÁV HÍDÉPÍTŐ Kft. (f.a.)	158	VBSZ Vasutas Kft.	120	Vasutegészségügyi Kht.
008	MÁVÉPSZER Kft. (f.a.)	165	MÁV-REC Kft.	128	EUROFIMA
097	MÁV ÉK Kft. (f.a.)	178	HUNGRAIL Egyesülés	146	Hódiköt Zrt. (f.a.)
130	MÁV RakSzer Kft. (f.a.)	188	MTMG Zrt.	147	BCC
132	MÁV-SÍN Kft. (f.a.)			162	Bugaci Kisvasút Kht.
134	MÁV Utasellátó Zrt. (f.a.)			166	NGF Kht.
				169	HIT Rail b.v.
				172	Normon-Tool Kft.
				176	MÁV Cargo Zrt.

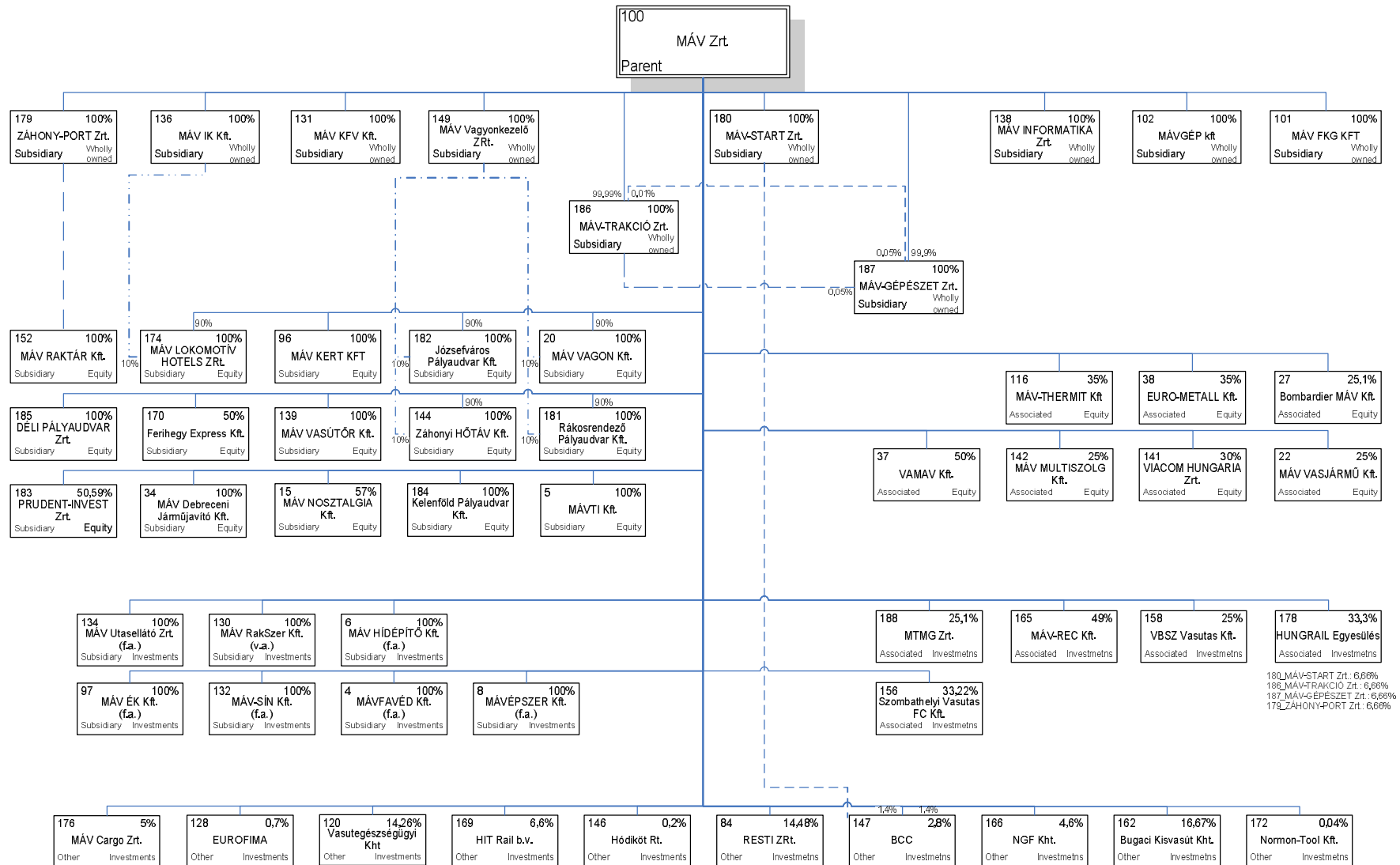
**Changes in the consolidated entities**  
**Appendix 3**

Changes in the scope of fully consolidated entities					
Added		Reason	Excluded		Reason
131	MÁV KFV Kft.	Reclassified from associates	001	MÁVTRANSSPED Kft.	Disposed to third party
179	ZÁHONY-PORT Zrt.	Reclassified from associates	023	MÁV-TISZAVAS Kft.	Disposed to third party
			028	MÁV SZOLNOLI JÁRMŰJAVÍTÓ Kft.	Merged into MÁV-GÉPÉSZET Zrt.
			033	MÁV Északi Járműjavító Kft.	Merged into MÁV-GÉPÉSZET Zrt.
			034	MÁV Debreceni Járműjavító Kft.	Reclassified to associates
			139	MÁV VASÚTŐR Kft.	Reclassified to associates
			167	BILK KOMBITERMINÁL Zrt.	Disposed to third party
			176	MÁV Cargo Zrt.	Disposed to third party (95%)

Changes in the scope of equity consolidated entities (associates)					
Added		Reason	Excluded		Reason
034	MÁV Debreceni jj.	Reclassified from fully consolidated	016	MÁV Jegynyomda Kft.	Disposed to third party
139	MÁV Vasútőr	Reclassified from fully consolidated	111	AGROCHIMTRANSPACK Kft.	Disposed to third party
152	MÁV RAKTÁR Kft.	Parent reclassified to fully consolidated	113	MÁV INTEL-TEAM Kft.	Disposed to third party
			131	MÁV KFV Kft.	Reclassified to fully consolidated
			133	MÁV KOMBITERMINÁL Kft.	Disposed to third party
			177	Carpathian Cargo s.r.o.	Disposed to third party
			179	ZÁHONY-PORT Zrt.	Reclassified to fully consolidated
			913	MÁVTRANSSPED WIEN	Disposed to third party
			914	VÁMKAPU Zrt.	Disposed to third party

Changes in the scope of entities consolidated as investments					
Added		Reason	Excluded		Reason
176	MÁV Cargo Zrt.	Reclass. from fully cons. (95% disposed)	007	AUTORAIL Kft.	Disposed to third party
188	MTMG Zrt.	Acquisition	013	MÁV Egressy Garázs Kft. (v.a.)	Voluntary liquidation ended
			029	MÁVAUT Kft. (v.a.)	Voluntary liquidation ended
			031	ÉSZAK-TRANS Kft. (v.a.)	Voluntary liquidation ended
			058	TÉKISZ Zrt.	Disposed to third party
			060	HUNGAROKOMBI Kft.	Disposed to third party
			090	MÁV LIÁN Kertészeti Kft. (f.a.)	Imposed liquidation ended
			145	MM Cargo Kft. (f.a.)	Imposed liquidation ended
			150	EAST Rail SRL	Disposed to third party
			151	ZTF Kft.	Disposed to third party
			161	UniverTrans Kft.	Disposed to third party
			164	ICA GmbH	Disposed to third party
			171	Balaton-Boronka Kisvasút Kht.	Disposed to third party
			916	HUNGARO RAIL Kft.	Disposed to third party

## Relationship chart of consolidated entities Appendix 4





**Required level of consolidation and actual method of consolidation applied**  
**Appendix 5**

Serial No.	Company		Class.	Basis of classification	Class. based consolidation	Actual consolidation
	Code	Name				
1	100	MÁV Zrt.	parent	voting right	full	full
2	101	MÁV FKG Kft.	subsidiary	voting right	full	full
3	102	MÁVGÉP Kft.	subsidiary	voting right	full	full
4	131	MÁV KFV Kft.	subsidiary	voting right	full	full
5	136	MÁV IK Kft.	subsidiary	voting right	full	full
6	138	MÁV INFORMATIKA Zrt.	subsidiary	voting right	full	full
7	149	MÁV Vagyonkezelő Zrt.	subsidiary	voting right	full	full
8	179	ZÁHONY-PORT Zrt.	subsidiary	voting right	full	full
9	180	MÁV-START Zrt.	subsidiary	voting right	full	full
10	186	MÁV-TRAKCIÓ Zrt.	subsidiary	voting right	full	full
11	187	MÁV-GÉPÉSZET Zrt.	subsidiary	voting right	full	full
12	005	MÁVTI Kft.	subsidiary	voting right	full	equity
13	015	MÁV NOSZTALGIA Kft.	subsidiary	voting right	full	equity
14	020	MÁV VAGON Kft.	subsidiary	voting right	full	equity
15	034	MÁV Debreceni Járműjavító Kft.	subsidiary	voting right	full	equity
16	096	MÁV KERT Kft.	subsidiary	voting right	full	equity
17	139	MÁV VASÚTŐR Kft.	subsidiary	voting right	full	equity
18	144	Záhonyi HŐTÁV Kft.	subsidiary	voting right	full	equity
19	152	MÁV RAKTÁR Kft.	subsidiary	voting right	full	equity
20	170	Ferihegy Express Kft.	subsidiary	voting right	full	equity
21	174	MÁV LOKOMOTÍV HOTELS Zrt.	subsidiary	voting right	full	equity
22	181	Rákosrendező Pályaudvar Kft.	subsidiary	voting right	full	equity
23	182	Józsefváros Pályaudvar Kft.	subsidiary	voting right	full	equity
24	183	PRUDENT INVEST Zrt.	subsidiary	voting right	full	equity
25	184	Kelenföldi Pályaudvar Kft.	subsidiary	voting right	full	equity
26	185	DÉLI PÁLYAUDVAR Zrt.	subsidiary	voting right	full	equity
27	022	MÁV VASJÁRMŰ Kft.	associate	voting right	equity	equity
28	027	Bombardier MÁV Kft.	associate	voting right	equity	equity
29	037	VAMAV Kft.	associate	voting right	equity	equity
30	038	EURO-METALL Kft.	associate	voting right	equity	equity
31	116	MÁV-THERMIT Kft.	associate	voting right	equity	equity
32	141	VIACOM HUNGÁRIA Zrt.	associate	voting right	equity	equity
33	142	MÁV MULTISZOLG Kft.	associate	voting right	equity	equity

Serial No.	Company		Class	Basis of classification	Class. based consolidation	Actual consolidation
	Code	Name				
34	004	MÁVFAVÉD Kft. (f.a.)	subsidiary	voting right	full	investment
35	006	MÁV HÍDÉPÍTŐ Kft. (f.a.)	subsidiary	voting right	full	investment
36	008	MÁVÉPSZER Kft. (f.a.)	subsidiary	voting right	full	investment
37	097	MÁV ÉK Kft. (f.a.)	subsidiary	voting right	full	investment
38	130	MÁV RakSzer Kft. (f.a.)	subsidiary	voting right	full	investment
39	132	MÁV-SÍN Kft. (f.a.)	subsidiary	voting right	full	investment
40	134	MÁV Utasellátó Zrt. (f.a.)	subsidiary	voting right	full	investment
41	156	Szombathelyi Vasutas Futball Kft. (f.a.)	subsidiary	voting right	equity	investment
42	158	VBSZ Vasutas Kft.	subsidiary	voting right	equity	investment
43	165	MÁV-REC Kft.	subsidiary	voting right	equity	investment
44	178	HUNGRAIL Egyesülés	subsidiary	voting right	equity	investment
45	188	MTMG Zrt.	subsidiary	voting right	equity	investment
46	084	RESTI Zrt.	other investment	voting right	investment	investment
47	120	Vasutegészségügyi Kht.	other investment	voting right	investment	investment
48	128	EUROFIMA	other investment	voting right	investment	investment
49	146	Hódiköt Zrt. (f.a.)	other investment	voting right	investment	investment
50	147	BCC	other investment	voting right	investment	investment
51	162	Bugaci Kisvasút Kht.	other investment	voting right	investment	investment
52	166	NGF Kht.	other investment	voting right	investment	investment
53	169	HIT Rail b.v.	other investment	voting right	investment	investment
54	172	Normon-Tool Kft.	other investment	voting right	investment	investment
55	176	MÁV Cargo Zrt.	other investment	voting right	investment	investment

**Items posted as part of the consolidation**  
**Appendix 6**

No.	Item	Aggregate BS figures for 2008		Total opening	Effects of consolidation posting 2008.					Total consolidation in 2008.		Consolidated amount 2008.		Comparison	
		Prior year adjustments	Reporting year		Reclassified opening balance	Total equity consolidation	Total debt consolidation	Gains and expenses consolidation	Interim profit net offs	Reporting year affecting	Report/ reported	Prior year adjustments	Reporting year	Consolidated financial statement 2007	Change (current year-prior year)
01.	<b>A FIXED ASSETS</b>	-669	885 100	-111 440	0	-13 833	-453	47	-4 548	0	-18 787	-669	754 873	794 048	-39 175
02.	I. INTANGIBLE ASSETS	-42	4 538	-474	0	0	0	0	385	0	385	-42	4 449	5 571	-1 122
03.	Capitalised foundation/restructuring	0	0	0	0	0	0	0	0	0	0	0	0	16	-16
04.	Capitalised research and development	0	55	0	0	0	0	0	0	0	0	0	55	143	-88
05.	Concessions, licenses and similar rights	-23	2 183	0	0	0	0	0	50	0	50	-23	2 233	2 254	-21
06.	Trade-marks, patents and similar assets	-19	2 300	-474	0	0	0	0	335	0	335	-19	2 161	3 158	-997
07.	Goodwill	0	0	0	0	0	0	0	0	0	0	0	0	0	0
08.	Advance payments for intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
09.	Adjusted value of intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10.	II. TANGIBLE ASSETS	-627	758 783	-13 453	0	264	-50	0	-4 933	0	-4 719	-627	740 611	777 799	-37 188
11.	Land and buildings and related property rights	-245	437 137	-876	0	0	0	0	-1	0	-1	-245	436 260	429 782	6 478
12.	Plant, machinery, equipment and vehicles	-209	279 932	-12 062	0	0	0	0	-4 665	0	-4 665	-209	263 205	281 394	-18 189
13.	Other equipment, fixtures and fittings, vehicles	-15	705	0	0	0	0	0	1	0	1	-15	706	999	-293
14.	Breeding stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15.	Assets in the course of construction	-158	26 779	-251	0	0	0	0	-268	0	-268	-158	26 260	48 926	-22 666
16.	Prepayments for capital expenditures	0	14 230	0	0	0	-50	0	0	0	-50	0	14 180	16 698	-2 518
17.	Adjusted value of tangible assets	0	0	-264	0	264	0	0	0	0	264	0	0	0	0
18.	III. BEFEKTELT PENZÜGYI ESZKOZOK	0	121 779	-97 513	0	-14 097	-403	47	0	0	-14 453	0	9 813	10 678	-865
19.	Long-term participations in related parties	0	117 498	-97 513	0	-14 122	0	47	0	0	-14 075	0	5 910	7 151	-1 241
20.	Long-term loans granted to related parties	0	447	0	0	0	-403	0	0	0	-403	0	44	8	36
21.	Other long-term investments	0	3 118	0	0	0	0	0	0	0	0	0	3 118	1 470	1 648
22.	Long-term loans granted to other investments	0	0	0	0	0	0	0	0	0	0	0	0	2	-2
23.	Other long-term loans granted	0	716	0	0	0	0	0	0	0	0	0	716	2 047	-1 331
24.	Long-term debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.	Adjusted value of financial investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26.	Goodwill arising on consolidation	0	0	0	0	25	0	0	0	0	25	0	25	0	25
27.	From subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28.	From associates	0	0	0	0	25	0	0	0	0	25	0	25	0	25
29.	<b>B CURRENT ASSETS</b>	1 466	183 410	6 103	-821	249	-46 540	-212	0	0	-47 324	1 466	142 189	92 486	49 703
30.	I. INVENTORIES	-1	13 543	20	12	0	136	-334	0	0	-186	-1	13 377	14 746	-1 369
31.	Materials	-1	10 804	20	12	0	136	-320	0	0	-172	-1	10 652	11 609	-957
32.	Work in progress and semi-finished products	0	1 585	0	0	0	0	137	0	0	137	0	1 722	2 304	-582
33.	Animals for breeding, fattening and other livestock	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34.	Finished products	0	567	0	0	0	0	0	0	0	0	0	567	320	247
35.	Goods	0	529	0	0	0	0	-151	0	0	-151	0	378	475	-97
36.	Advance payments for inventories	0	58	0	0	0	0	0	0	0	0	0	58	38	20
37.	II. RECEIVABLES	1 423	79 686	6 083	-833	249	-46 676	122	0	0	-47 138	1 423	38 631	43 795	-5 164
38.	Trade debtors	842	4 912	0	0	0	0	0	0	0	842	4 912	18 260	-13 348	
39.	Receivables from related parties	239	47 226	833	-833	0	-46 584	0	0	0	-47 417	239	642	3 349	-2 707
40.	Receivables from other investments	104	8 582	0	0	0	0	0	0	0	104	8 582	43	8 539	
41.	Bills of exchange receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42.	Other receivables	238	18 966	0	0	0	-92	122	0	0	30	238	18 996	16 893	2 103
43.	(Calculated) corporate tax difference arising on consolidation	0	0	5 250	0	249	0	0	0	0	249	0	5 499	5 250	249
44.	III. SECURITIES	0	60 008	0	0	0	0	0	0	0	0	0	60 008	470	59 538
45.	Quotas held in related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46.	Other participations	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47.	Treasury shares and own quota	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48.	Marketable debt securities	0	60 008	0	0	0	0	0	0	0	0	0	60 008	470	59 538
49.	IV. LIQUID ASSETS	44	30 173	0	0	0	0	0	0	0	44	30 173	33 475	-3 302	
50.	Cash, cheques	0	96	0	0	0	0	0	0	0	0	0	96	86	10
51.	Bank deposits	44	30 077	0	0	0	0	0	0	0	44	30 077	33 389	-3 312	
52.	<b>C PREPAYMENTS AND ACCRUED INCOME</b>	224	42 717	0	0	0	-2 399	0	1 372	0	-1 027	224	41 690	35 051	6 639
53.	Accrued income	224	17 619	0	0	0	-1 966	0	1 372	0	-1 966	224	15 653	15 622	31
54.	Prepaid expenses	0	19 493	0	0	0	-433	0	0	0	-433	0	19 060	17 365	1 695
55.	Deferred expenses	0	5 605	0	0	0	0	0	1 372	0	1 372	0	6 977	2 064	4 913
56.	<b>TOTAL ASSETS</b>	<b>1 021</b>	<b>1 111 227</b>	<b>-105 337</b>	<b>-821</b>	<b>-13 584</b>	<b>-49 392</b>	<b>-165</b>	<b>-3 176</b>	<b>0</b>	<b>-67 138</b>	<b>1 021</b>	<b>938 752</b>	<b>921 585</b>	<b>17 167</b>

No.	Item	Aggregate BS figures for 2008		Total opening	Effects of consolidation posting 2008.					Total consolidation in 2008.		Consolidated amount 2008.		Comparison	
		Prior year adjustments	Reporting year		Reclassified opening balance	Total equity consolidation	Total debt consolidation	Gains and expenses consolidation	Interim profit net offs	Reporting year affecting	Report/ reported	Prior year adjustments	Reporting year	Consolidated financial statement 2007	Change (current year- prior year)
57	<b>D EQUITY</b>	-1 767	242 396	-118 180	-821	-13 299	-46	635	-20 166	0	-33 697	-1 767	90 519	9 888	80 631
58	I. ISSUED CAPITAL	0	68 515	-50 149	0	2 634	0	0	0	0	2 634	0	21 000	20 250	750
59	of line 58: treasury shares redeemed at face value	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60	II. ISSUED CAPITAL NOT PAID	0	0	0	0	0	0	0	0	0	0	0	0	0	0
61	III. CAPITAL RESERVE	0	179 440	-55 757	-6	-13 035	0	0	0	0	-13 041	0	110 642	46 785	63 857
62	IV. RETAINED EARNINGS	0	-63 548	-92	2 854	-1 086	0	23	-408	404	1 383	404	-62 257	-61 530	-727
63	V. ALLOCATED RESERVE	0	17 201	-630	0	226	3	0	344	0	573	0	17 144	13 892	3 252
64	VI. REVALUATION RESERVE	0	0	-264	0	264	0	0	0	0	264	0	0	0	0
65	VII PROFIT FOR THE PERIOD	-1 767	40 788	601	-833	-2 284	-49	612	-20 102	0	-22 656	-1 767	18 733	-12 471	31 204
66	VIII CHANGE IN THE EQUITY OF SUBSIDIARY	0	0	-1 358	39	1 819	0	0	0	-404	1 858	-404	500	-1 358	1 858
67	IX. CHANGES DUE TO CONSOLIDATION	0	0	-11 409	-2 875	-959	0	0	0	0	-3 834	0	-15 243	3 409	-18 652
68	Debt consolidation difference	0	0	-669	225	0	0	0	0	-141	225	-141	-444	80	-524
	Interim profit or loss difference	0	0	-14 153	-3 378	-1 047	0	0	0	0	-4 425	0	-18 578	75	-18 653
	Impairment loss of goodwill on consolidation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Valuation of investments in associates	0	0	3 413	278	88	0	0	0	141	366	141	3 779	3 254	525
69	Deferred tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70	X. THIRD PARTY INVESTMENTS	0	0	878	0	-878	0	0	0	0	-878	0	0	911	-911
71	<b>E PROVISIONS</b>	0	39 261	0	0	0	0	-800	1 028	0	228	0	39 489	30 685	8 804
72	1. Provisions for contingent liabilities	0	31 303	0	0	0	0	-800	0	0	-800	0	30 503	22 058	8 445
73	2. Provisions for future commitments	0	6 802	0	0	0	0	0	0	0	0	0	6 802	7 454	-652
74	3. Other provisions	0	1 156	0	0	0	0	0	1 028	0	1 028	0	2 184	1 173	1 011
75	<b>F LIABILITIES</b>	2 192	774 665	383	0	-285	-46 988	0	0	0	-47 273	2 192	727 775	798 568	-70 793
76	I. SUBORDINATED DEBT	0	0	275	0	-177	0	0	0	0	-177	0	98	279	-181
77	Subordinated debt towards related party	0	0	0	0	0	0	0	0	0	0	0	0	0	0
78	Subordinated debt towards other investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
79	Subordinated debt towards third parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
80	Amounts owed to founders	0	0	0	0	0	0	0	0	0	0	0	0	0	0
81	Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
82	Negative goodwill on the consolidation of subsidiaries	0	0	275	0	-177	0	0	0	0	-177	0	98	279	-181
83	II. LONG-TERM LIABILITIES	0	658 926	366	0	-366	-403	0	0	0	-769	0	658 523	716 764	-58 241
84	Long-term borrowings	0	1 658	0	0	0	-403	0	0	0	-403	0	1 255	55	1 200
85	Convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
86	Debts from the issue of bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
87	Investment and development loans	0	134 707	0	0	0	0	0	0	0	0	0	134 707	122 328	12 379
88	Other long-term loans	0	114 043	0	0	0	0	0	0	0	0	0	114 043	121 528	-7 485
89	Long-term debts to related parties	0	0	366	0	-366	0	0	0	0	-366	0	0	64 600	-64 600
90	Long-term debts to other investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other long-term liabilities	0	408 518	0	0	0	0	0	0	0	0	0	408 518	408 253	265
	Corporate tax payable due to consolidation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	III. CURRENT LIABILITIES	2 192	115 739	-258	0	258	-46 585	0	0	0	-46 327	2 192	69 154	81 525	-12 371
91	Short-term borrowings	0	441	0	0	0	-430	0	0	0	-430	0	11	188	-177
92	Of line 81: convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
93	Short-term loans	0	15 572	0	0	0	0	0	0	0	0	0	15 572	11 087	4 485
94	Prepayments received from debtors	0	143	0	0	0	0	0	0	0	0	0	143	2 941	-2 798
95	Creditors	1 820	30 679	0	0	0	-1 319	0	0	0	-1 319	1 820	29 360	40 336	-10 976
96	Bills of exchange payable	0	0	0	0	0	0	0	0	0	0	0	0	3 009	-3 009
97	Short-term debts to related parties	342	49 508	-258	0	258	-44 775	0	0	0	-44 517	342	4 733	2 291	2 442
98	Short-term debts to other investment	0	388	0	0	0	-36	0	0	0	-36	0	352	1 045	-693
99	Other current liabilities	30	19 008	0	0	0	-25	0	0	0	-25	30	18 983	20 628	-1 645
100	<b>G Accrued expenses and deferred income</b>	596	54 905	12 460	0	0	-2 358	0	15 962	0	13 604	596	80 969	82 444	-1 475
101	Deferred income	0	16 530	0	0	0	-425	0	0	0	-425	0	16 105	13 173	2 932
102	Accrued expenses	609	15 566	0	0	0	-1 933	0	0	0	-1 933	609	13 633	11 514	2 119
103	Deferred extraordinary revenues and negative goodwill	-13	22 809	12 460	0	0	0	0	15 962	0	15 962	-13	51 231	57 757	-6 526
104	<b>TOTAL EQUITY AND LIABILITIES</b>	1 021	1 111 227	-105 337	-821	-13 584	-49 392	-165	-3 176	0	-67 138	1 021	938 752	921 585	17 167

No.	Item	Aggregate BS figures for 2008		Total opening	Effects of consolidation posting 2008.					Total consolidation in 2008.		Consolidated amount 2008.		Comparison	
		Prior year adjustments	Reporting year		Reclassified opening balance	Total equity consolidation	Total debt consolidation	Gains and expenses consolidation	Interim profit net offs	Reporting year affecting	Report/ reported	Prior year adjustments	Reporting year	Consolidated financial statement 2007	Change (current year- prior year)
01.	Domestic sales, net	742	530 620	242	0	0	-208	-357 034	-25 975	0	-383 217	742	147 645	150 669	-3 024
02.	Export sales, net	123	30 866	0	0	0	0	0	0	0	0	123	30 866	33 164	-2 298
	Settled intra-group income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I.	SALES, NET	865	561 486	242	0	0	-208	-357 034	-25 975	0	-383 217	865	178 511	183 833	-5 322
03.	Change in self-produced inventories	0	-282	0	0	0	0	137	0	0	137	0	-145	-261	116
04.	Capitalised self-produced assets	421	4 080	0	0	0	0	-94	23 621	0	23 527	421	27 607	26 572	1 035
II.	CAPITALISED SELF OUTPUT	421	3 798	0	0	0	0	43	23 621	0	23 664	421	27 462	26 311	1 151
III.	OTHER REVENUES	143	238 549	110	0	0	0	-6 999	-40 247	0	-47 246	143	191 413	189 360	2 053
	Of which: reversed impairment loss	0	52	0	0	0	0	0	0	0	0	0	52	63	-11
II/A	DIFFERENCE ARISING ON CONSOLIDATION DUE TO	0	0	0	0	0	0	0	0	0	0	0	0	5	-5
	DEBT CONSOLIDATION (PROFIT INCREASING)	0	0	0	0	0	0	0	0	0	0	0	0	5	-5
05.	Materials	98	76 593	-108	0	0	0	-2 956	0	0	-2 956	98	73 529	68 255	5 274
06.	Services used	1 860	343 482	46	0	0	0	-283 459	0	0	-283 459	1 860	60 069	52 177	7 892
07.	Other services	27	2 324	0	0	0	0	-226	0	0	-226	27	2 098	2 210	-112
08.	Cost of goods sold	0	28 200	0	0	0	-136	-26 529	0	0	-26 665	0	1 535	472	1 063
09.	Cost of consignment services	131	66 354	0	0	0	0	-41 553	-1 233	0	-42 786	131	23 568	26 771	-3 203
	Intra-group costs recognised	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IV.	MATERIAL TYPE EXPENDITURES	2 116	516 953	-62	0	0	-136	-354 723	-1 233	0	-356 092	2 116	160 799	149 885	10 914
10.	Payroll	-19	116 352	0	0	0	0	0	0	0	0	-19	116 352	112 904	3 448
11.	Other payments to personnel	-94	17 841	0	0	0	0	0	0	0	0	-94	17 841	17 298	543
12.	Social security	-5	41 697	0	0	0	0	0	0	0	0	-5	41 697	39 197	2 500
V.	PAYMENTS TO PERSONNEL	-118	175 890	0	0	0	0	0	0	0	0	-118	175 890	169 399	6 491
VI.	DEPRECIATION CHARGE	465	49 999	0	0	0	0	0	-2 853	0	-2 853	465	47 146	40 556	6 590
VII.	OTHER EXPENDITURES	151	89 085	459	453	-270	-23	-9 737	-28 617	0	-38 194	151	51 350	44 943	6 407
	Of which: impairment	-16	3 566	189	453	0	0	-43	0	0	410	-16	4 165	2 016	2 149
VII/A	DIFFERENCE ARISING ON CONSOLIDATION DUE TO	0	0	0	0	0	0	0	0	0	0	0	0	-13	13
	DEBT CONSOLIDATION (PROFIT REDUCING)	0	0	0	0	0	0	0	0	0	0	0	0	-13	13
A	OPERATING PROFIT /LOSS	-1 185	-28 094	-45	-453	270	-49	470	-9 898	0	-9 660	-1 185	-37 799	-5 261	-32 538
13.	Dividends received	49	2 647	266	-935	-1 661	0	0	0	0	-2 596	49	317	151	166
	Of which: from related parties	0	1 501	266	-935	-661	0	0	0	0	-1 596	0	171	0	171
13/a	Dividends received from associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13/b	Dividends received from other investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14.	Foreign exchange gain on disposal of investments	0	73 718	0	76	-1 652	0	-238	705	0	-1 109	0	72 609	29	72 580
	Of which: from related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15.	Interest and foreign exchange gain on financial investments (TE profit technical)	0	34	0	0	0	0	-28	0	0	-28	0	6	440	-434
	Of which: from related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16.	Other interest received and similar income	0	2 743	0	0	0	0	-137	0	0	-137	0	2 606	1 560	1 046
	Of which: from related parties	0	205	0	0	0	0	0	0	0	0	0	205	31	174
17.	Other financial income	7	5 101	0	0	1 151	0	-10	0	0	1 141	7	6 242	3 966	2 276
VIII.	FINANCIAL REVENUES	56	84 243	266	-859	-2 162	0	-413	705	0	-2 729	56	81 780	6 146	75 634
18.	Foreign exchange loss of financial investments	17	42	0	0	0	0	0	0	0	0	17	42	0	42
	Of which: to related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19.	Interest payable and similar charges	0	19 879	0	0	0	0	-432	0	0	-432	0	19 447	19 471	-24
	Of which: to related parties	0	170	0	0	0	0	0	0	0	0	0	170	118	52
20.	Impairment loss on shares, securities, bank deposits	0	1 712	0	0	-1 612	0	0	0	0	-1 612	0	100	153	-53
21.	Other financial expenditures	3	4 637	0	0	385	0	-5	-1 372	0	-992	3	3 645	3 160	485
IX.	FINANCIAL EXPENDITURES	20	26 270	0	0	-1 227	0	-437	-1 372	0	-3 036	20	23 234	22 784	450
B	FINANCIAL PROFIT/LOSS	36	57 973	266	-859	-935	0	24	2 077	0	307	36	58 546	-16 638	75 184
C	PROFIT/LOSS FROM ORDINARY ACTIVITIES	-1 149	29 879	221	-1 312	-665	-49	494	-7 821	0	-9 353	-1 149	20 747	-21 899	42 646
X.	EXTRAORDINARY REVENUES	138	54 834	380	-380	-4 033	0	0	-50 518	0	-54 931	138	283	7 415	-7 132
XI.	EXTRAORDINARY EXPENDITURES	756	40 939	0	0	-2 165	0	-118	-38 237	0	-40 520	756	419	1 302	-883
D	EXTRAORDINARY PROFIT/LOSS	-618	13 895	380	-380	-1 868	0	118	-12 281	0	-14 411	-618	-136	6 113	-6 249
E	PRE-TAX PROFIT/LOSS	-1 767	43 774	601	-1 692	-2 533	-49	612	-20 102	0	-23 764	-1 767	20 611	-15 786	36 397
XII.	TAX LIABILITY	0	2 127	0	0	0	0	0	0	0	0	0	2 127	299	1 828
XII/A	(CALCULATED) CORPORATE TAX DIFFERENCE ARISING ON	0	0	0	0	-249	0	0	0	0	-249	0	-249	-3 754	3 505
	TAX DIFFERENCE ±	0	0	0	0	0	0	0	0	0	0	0	0	0	0
F	PROFIT/LOSS AFTER TAX	-1 767	41 647	601	-1 692	-2 284	-49	612	-20 102	0	-23 515	-1 767	18 733	-12 331	31 064
22.	Dividends, profit sharing paid from retained earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23.	Dividends, profit sharing paid (approved)	0	859	0	-859	0	0	0	0	0	-859	0	0	0	0
24.	Minority interest	0	0	0	0	0	0	0	0	0	0	0	0	140	-140
G	PROFIT/LOSS FOR THE YEAR	-1 767	40 788	601	-833	-2 284	-49	612	-20 102	0	-22 656	-1 767	18 733	-12 471	31 204