

This is a translation of the Hungarian Report

Independent Auditors' Report

To the authority exercising Founder's rights over MÁV Magyar Államvasutak Zrt.

Report on consolidated annual financial statements

1.) We have audited the accompanying 2011 consolidated annual financial statements of MÁV Magyar Államvasutak Zrt. ("the Company"), which comprise the consolidated balance sheet as at 31 December 2011 - showing a balance sheet total of HUF 887 445 million and a profit for the year of HUF 17 091 million -, the related consolidated profit and loss account for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditors' responsibility

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

4.) 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 of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

6.) 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 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 2011 and of the results of its operations for the year then ended.

Emphasis of matter

7.) As presented in point II.3.1 of the supplementary notes, the Company's ability to continue its operations, its ability to repay its loans and the recoverability of its assets depends on the continued willingness of the Company's owner to fund operations and on the continued availability of the necessary government funding.

8.) As presented in point II.1.5.3 of the supplementary notes on 1 July 2007, the Company assigned to Nemzeti Infrastruktúra Fejlesztő Zrt. the implementation of EU funded projects related mostly to the development of treasury assets. According to the underlying co-operation agreement and the treasury asset management agreement, Nemzeti Infrastruktúra Fejlesztő Zrt. was to assign the thus developed assets to the owner, MNV Zrt., that then re-assigns the assets received to MÁV Magyar Államvasutak Zrt. for use. Some of the assets developed as part of the projects were technically assigned by Nemzeti Infrastruktúra Fejlesztő Zrt. to MÁV Magyar Államvasutak Zrt. and the assets were taken into use. However, these treasury and own assets have not been assigned from an administrative and financial perspective, and therefore the cost of these assets, the related deferred extraordinary revenues and the long-term liability related to these assets cannot be recognized under the existing legislation in the Company's accounts. The estimated gross value of the assets not presented in the Company's books was HUF 162 190 million at 31 December 2011 (HUF 138 672 million in 2010). The Company made a provision of HUF 15 943 million (HUF 9 364 million in 2010) for the estimated accumulated depreciation of these assets. The provision for annual depreciation recognized in the consolidated income statement for 2011 is HUF 6 579 million (HUF 6 730 million for 2010).

9.) As presented in point II.1.1.3 of the supplementary notes, the ownership status of some of the Company's properties since the time of the foundation of the Company, is not yet settled between the Company and the Founder. The impact of the settlement of the ownership of properties on the Company's assets, if any, is currently unknown and is subject to future arrangements between the Company and the Founder.

10.) As presented in point II.3.1 of the supplementary notes, in 2011, the Company signed the rail infrastructure operating contract with the Minister for National Development. According to this contract, the Company is entitled to cost compensation with respect to its justifiable costs incurred in relation to the contracted services which are not covered with related revenues. Based on its plan figures, the Company was refunded HUF 21 050 million for 2011 which is presented among other revenues in the consolidated annual financial statements. The final

settlement with respect to the year of 2011 is still in ongoing with the Ministry for National Development and therefore the amount refunded may be subject to change.

11.) As presented in point II.3.1 of the supplementary notes, in 2010, MÁV-START Zrt. signed public service contract for passenger transport with the Minister of Transportation, Telecommunication and Energy. According to this contract, the Company is entitled to cost compensation with respect of its justifiable costs incurred in relation to the contracted public services which are not covered with related revenues. Based on its plan figures, the Company was refunded HUF 152 382 million for 2011 based on the clause to the public service contract. In addition HUF 6 545 million was recorded as receivable as refund of justifiable costs incurred in relation to the contracted public services which are not covered with related revenue. Therefore a total of HUF 158 927 million is presented among other revenues in the consolidated annual financial statements. The final settlement with respect to the year of 2011 are still in progress with the Ministry of National Development and therefore the amounts refunded and claimed as refundable in 2011 may be subject to change.

12.) We draw the attention to point II.1.6.3 of the supplementary notes, according to which the Company has to find a solution for the final repayment of EUROFIMA loans being due from 2013 as MÁV-TRAKCIÓ Vasúti Vontatási Zrt. has not had the means to put funds aside for this purpose.

13.) We draw the attention to point III.6 of the Supplementary Notes according to which the Business Misconduct Department of the Metropolitan Police Constabulary is currently leading an investigation against an unidentified offender in relation to MÁV INFORMATIKA Zrt's operations. As the investigation is still in progress it is not possible at this stage to determine whether the outcome of this investigation will have any impact on the consolidated annual financial statements of the Company.

Our opinion is not modified in respect of matters presented in points 7.) - 13.).

Other reporting requirement - The business report

14.) We have reviewed the consolidated business report of MÁV Magyar Államvasutak Zrt. for 2011. Management is responsible for the preparation of the consolidated business report in accordance with the Hungarian Accounting Law and generally accepted accounting principles in Hungary. Our responsibility is to assess whether the consolidated business report is consistent with the consolidated financial statements for the same financial year. Our work regarding the consolidated business report has been restricted to assessing whether the consolidated business report is consistent with the consolidated financial statements and did not include reviewing other information originated from non-audited financial records. In our opinion, the consolidated business report of MÁV Magyar Államvasutak Zrt. for 2011 corresponds to the disclosures in the 2011 consolidated financial statements of MÁV Magyar Államvasutak Zrt.

Budapest, 10 May 2012

Ispánovity Mártonné
Ernst & Young Kft.
Registration No.: 001165

Ispánovity Mártonné
Registered auditor
Chamber membership No.: 003472

Statistical code 10856417-5221-114-01

Company registration 01-10-042272

MÁV HUNGARIAN STATE RAILWAYS
Private Company by Shares

1087 Budapest, Könyves Kálmán krt. 54-60.

Consolidated
Balance Sheet & Profit and Loss Account
2011.12.31

THIS IS A TRANSLATION OF THE HUNGARIAN FINANCIAL STATEMENTS

Date: Budapest, 10 May 2012

Manager (representative) of the Company

P.H.

1	0	8	5	6	4	1	7	5	2	2	1	1	1	4	0	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Statistical code

0	1	-	1	0	-	0	4	2	2	7	2
---	---	---	---	---	---	---	---	---	---	---	---

Company registration No.

Balance Sheet date: 31 December 2011

Balance Sheet version 'A' - Assets

figures in MHUF

Serial No.	Item	Prior year	Prior year(s) adjustments	Reporting year
a	b	c	d	e
A.	FIXED ASSETS (I.+II.+III.)	744 377	-18	744 184
I.	INTANGIBLE ASSETS	2 898	33	2 547
01.	Capitalised foundation/restructuring	153	0	82
02.	Capitalised research and development	80	0	120
03.	Concessions, licenses and similar rights	1 301	39	1 493
04.	Trade-marks, patents and similar assets	1 364	-6	852
05.	Goodwill	0	0	0
06.	Advance payments for intangible assets	0	0	0
07.	Adjusted value of intangible assets	0	0	0
II.	TANGIBLE ASSETS	733 932	-36	734 709
01.	Land and buildings and related property rights	425 825	8	424 379
02.	Plant, machinery, equipment and vehicles	284 296	-39	292 021
03.	Other equipment, fixtures and fitting, vehicles	470	0	494
04.	Breeding stock	0	0	0
05.	Assets in the course of construction	14 983	76	13 233
06.	Advance payments for AICC	8 358	-81	4 582
07.	Adjusted value of tangible assets	0	0	0
III.	LONG-TERM FINANCIAL ASSETS	7 547	-15	6 928
01.	Long-term participations in related parties	5 460	-13	4 593
02.	Long-term loans granted to related parties	0	0	0
03.	Other long-term investments	1 939	0	2 209
04.	Long-term loans granted to other investments	0	0	0
05.	Other long-term loans granted	148	-2	126
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	0
	- Subsidiaries	0	0	0
	- Associates	0	0	0

1	0	8	5	6	4	1	7	5	2	2	1	1	1	4	0	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Statistical code

0	1	-	1	0	-	0	4	2	2	7	2
---	---	---	---	---	---	---	---	---	---	---	---

Company registration No.

Balance Sheet date: 31 December 2011

Balance Sheet version 'A' - Assets

figures in MHUF

Serial No.	Item	Prior year	Prior year(s) adjustments	Reporting year
a	b	c	d	e
B.	CURRENT ASSETS (I.+II.+III.+IV.)	74 571	3 380	95 265
I.	INVENTORIES	15 191	-1	17 042
01.	Raw materials and consumables	11 165	-36	12 960
02.	Work in progress and semi-finished products	2 391	0	1 820
03.	Animals for breeding, fattening and other livestock	0	0	0
04.	Finished products	727	0	863
05.	Goods	620	35	724
06.	Advance payments for inventories	288	0	675
II.	RECEIVABLES	33 060	3 381	54 287
01.	Trade debtors	9 217	211	10 179
02.	Receivables from related parties	430	-28	524
03.	Receivables from other investments	46	0	49
04.	Bills of exchange receivables	0	0	0
05.	Other receivables	21 286	3 198	41 593
06.	Corporate tax asset (calculated) arising on consolidation	2 081	0	1 942
III.	SECURITIES	86	0	0
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	86	0	0
IV.	LIQUID ASSETS	26 234	0	23 936
01.	Cash, cheques	131	0	174
02.	Bank deposits	26 103	0	23 762
C.	PREPAID EXPENSES & OTHER INCOME	56 605	-151	47 996
01.	Accrued income	26 307	-134	21 372
02.	Prepaid expenses	18 660	-17	743
03.	Deferred expenses	11 638	0	25 881
	TOTAL ASSETS (A.+B.+C.)	875 553	3 211	887 445

1	0	8	5	6	4	1	7	5	2	2	1	1	1	4	0	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Statistical code

0	1	-	1	0	-	0	4	2	2	7	2
---	---	---	---	---	---	---	---	---	---	---	---

Company registration No.

Balance Sheet date: 31 December 2011

Balance Sheet version 'A' - Equity&Liabilities

figures in MHUF

Serial No.	Item	Prior year	Prior year(s) adjustments	Reporting year
a	b	c	d	e
D.	EQUITY	28 560	1 416	43 449
I.	ISSUED CAPITAL	21 000	0	21 000
	of which: treasury shares redeemed at face value	0	0	0
II.	ISSUED CAPITAL NOT PAID (-)	0	0	0
III.	CAPITAL RESERVE	110 652	0	107 023
IV.	RETAINED LOSSES	-53 572	-6	-96 879
V.	ALLOCATED RESERVES	10 069	0	17 790
VI.	REVALUATION RESERVE	0	0	0
VII.	LOSS/PROFIT FOR THE YEAR	-30 942	1 416	17 091
VIII.	CHANGES IN THE EQUITY OF SUBSIDIARIES (±)	418	6	1 535
VIII./A	CHANGES IN THE INVESTMENTS IN ASSOCIATES	3 630	0	3 907
IX.	CHANGES DUE TO CONSOLIDATION (±)	-32 695	0	-28 018
	Debt consolidation	1 546	0	3 407
	Intercompany profit or loss	-34 241	0	-31 425
X.	Non-controlling interests	0	0	0
E.	PROVISIONS	43 271	32	55 688
01.	Provisions for contingent liabilities	23 290	32	21 950
02.	Provisions for future commitments	14 639	0	20 855
03.	Other provisions	5 342	0	12 883
F.	LIABILITIES	739 375	2 174	729 686
I.	SUBORDINATED DEBT	98	0	98
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	98	0	98

1	0	8	5	6	4	1	7	5	2	2	1	1	1	4	0	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Statistical code

0	1	-	1	0	-	0	4	2	2	7	2
---	---	---	---	---	---	---	---	---	---	---	---

Company registration No.

Balance Sheet date: 31 December 2011

Balance Sheet version 'A' - Equity&Liabilities

figures in MHUF

Serial No.	Item	Prior year	Prior year(s) adjustments	Reporting year
a	b	c	d	e
II.	LONG-TERM LIABILITIES	644 522	-42	626 345
01.	Long-term borrowings	3 538	0	4 343
02.	Convertible bonds	0	0	0
03.	Debts from the issue of bonds	10 000	0	45 000
04.	Investment and development loans	152 774	0	157 316
05.	Other long-term loans	72 916	0	17 100
06.	Long-term debts to related parties	0	0	0
07.	Long-term debts to other investments	0	0	0
08.	Other long-term liabilities	405 294	-42	402 586
III.	CURRENT LIABILITIES	94 755	2 216	103 243
01.	Short-term borrowings	1 027	0	1 396
	of which: convertible bonds	0	0	0
02.	Other short-term loans	51 073	0	52 247
03.	Prepayments received from debtors	83	0	77
04.	Creditors	23 170	250	27 119
05.	Bills of exchange payable	0	0	0
06.	Short-term debts to related parties	2 599	32	2 667
07.	Short-term debts to other investments	28	0	249
08.	Other current liabilities	16 775	1 934	19 488
09.	Coporate tax payable (calculated) arising on consolidation	0	0	0
G.	ACCRUED EXPENSES & DEFERRED INCOME	64 347	-411	58 622
01.	Deferred income	11 617	-3	11 484
02.	Accrued expenses	10 029	-380	8 683
03.	Deferred extraordinary revenues and negative goodwill	42 701	-28	38 455
	TOTAL EQUITY & LIABILITIES (D.+E.+F.+G.)	875 553	3 211	887 445

1	0	8	5	6	4	1	7	5	2	2	1	1	1	4	0	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Statistical code

0	1	-	1	0	-	0	4	2	2	7	2
---	---	---	---	---	---	---	---	---	---	---	---

Company registration No.

Balance Sheet date: 31 December 2011

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

figures in MHUF

Serial No.	Item	Prior year	Prior year(s) adjustments	Reporting year
a	b	c	d	e
01.	Domestic sales, net	116 326	161	119 318
02.	Export sales, net	10 585	40	12 065
I.	Net sales (01+02)	126 911	201	131 383
03.	Capitalised value of self produced assets	54	0	-434
04.	Movements in self produced inventories	20 017	1	23 095
II.	Capitalised own performance (03+04)	20 071	1	22 661
III.	Other revenues	191 593	857	196 972
	of which: impairment loss reversed	121	0	297
III/A.	Goodwill arising on debt consolidation	0		0
05.	Material cost	55 846	91	60 386
06.	Material type services used	56 094	-558	60 061
07.	Other services	2 502	-1	2 782
08.	Cost of goods sold	862	0	1 544
09.	Cost of (consignment) services	4 517	65	5 201
IV.	Material type expenses (05+06+07+08+09)	119 821	-403	129 974
10.	Payroll cost	104 886	-2	106 385
11.	Other payments to personnel	17 876	13	16 586
12.	Social security and other contributions	34 329	6	35 372
V.	Payments to personnel (10+11+12)	157 091	17	158 343
VI.	Depriciation charge	49 269	31	50 018
VII.	Other expenses	30 758	34	32 666
	of which: impairment loss	3 887		2 374
VII/A.	Negative goodwill arising on debt consolidation	0		0
A.	Operating profit (I+II+III+III/a-IV-V-VI-VII-VII/a)	-18 364	1 380	-19 985

1	0	8	5	6	4	1	7	5	2	2	1	1	1	4	0	1
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Statistical code

0	1	-	1	0	-	0	4	2	2	7	2
---	---	---	---	---	---	---	---	---	---	---	---

Company registration No.

Balance Sheet date: 31 December 2011

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

figures in MHUF				
Serial No.	Item	Prior year	Prior year(s) adjustments	Reporting year
a	b	c	d	e
13.	Dividends (due) received	83	0	82
	of which: from related parties	0	0	0
14.	Foreign exchange gain on disposal of investments	0	0	0
	of which: from related parties	0	0	0
15.	Interest and gains on long-term financial investments	0	0	0
	of which: from related parties	0		0
16.	Other interest received (due) and similar income	989	-53	1 003
	of which: from related parties	1	0	0
17.	Other financial income	1 424	0	1 308
VIII.	Financial revenues (13+14+15+16+17)	2 496	-53	2 393
18.	Foreign exchange loss of financial investments	0	0	0
	of which: to related parties	0		0
19.	Interest payable and similar charges	10 717	0	12 676
	of which: to related parties	0	0	0
20.	Impairment of shares, securities, bank deposits	1	0	0
21.	Other financial expenditures	1 445	13	1 806
IX.	Financial expenses (18+19± 20+ 21)	12 163	13	14 482
B.	FINANCIAL PROFIT (VIII-IX)	-9 667	-66	-12 089
C.	PROFIT FROM ORDINARY ACTIVITIES (±A±B)	-28 031	1 314	-32 074
X.	Extraordinary revenues	116	18	50 776
XI.	Extraordinary expenses	349	-9	1 194
D.	EXTRAORDINARY LOSS/PROFIT (X-XI)	-233	27	49 582
E.	LOSS/PROFIT BEFORE TAX (±C±D)	-28 264	1 341	17 508
XII.	Tax liability	205	-75	278
XII/A.	Deferred tax	2 473	0	139
F.	LOSS/PROFIT AFTER TAX (±E-XII)	-30 942	1 416	17 091
22.	Dividends, profit sharing paid from retained earnings	0	0	0
23.	Dividends, profit sharing paid (approved)	0	0	0
24.	Non-controlling interests	0	0	0
G.	LOSS/PROFIT FOR THE YEAR (±F-F/1)	-30 942	1 416	17 091



MÁV Hungarian State Railways Company Private Company by Shares

NOTES TO THE 2011 CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

(THIS IS A TRANSLATION OF THE HUNGARIAN FINANCIAL STATEMENTS)

10 MAY 2012

STAMP HERE

.....
Head (representative) of the Company

Table of contents

I	GENERAL PART	4
I.1	THE GROUP	4
I.1.1	THE PARENT COMPANY	4
I.1.2	THE PARENT COMPANY	6
I.1.2.1	Services transferred to GYSEV Zrt.	7
I.1.2.2	Assigned debt	7
I.1.3	FULLY CONSOLIDATED ENTITIES	8
I.1.4	CONSOLIDATION SCOPE AND SCOPE CHANGES IN 2011	13
	GROUP ACCOUNTING POLICIES	14
I.1.5	ADDITIONAL PRINCIPLES AND EXPLANATION	14
I.1.6	BALANCE SHEET DATE AND COMPILATION	16
I.1.7	GENERAL ADDITIONAL RULES PERTAINING TO THE COMPILATION OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT	16
I.1.8	METHODS USED TO COMPILE THE CONSOLIDATED BALANCE SHEET AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT	18
I.1.8.1	Consolidation method	18
I.1.8.2	Equity consolidation by netting off quotas held	19
I.1.8.3	Equity consolidation by measuring participations	20
I.1.8.4	Debt consolidation methods	21
I.1.8.5	Consolidation of income and expenses	21
I.1.8.6	Netting off interim profit or loss	22
I.1.8.7	Accounting for deferred tax assets and liabilities	23
II	SPECIFIC PART	25
II.1	NOTES TO THE BALANCE SHEET	25
II.1.1	FIXED ASSET MOVEMENTS	25
II.1.1.1	Movements in tangible and intangible assets	25
II.1.1.2	Assets transferred/received free of charge	27
II.1.1.3	Managed Treasury assets	27
II.1.1.4	MÁV Group's investments	31
II.1.1.5	Goodwill arising on full consolidation	32
II.1.1.6	Negative goodwill arising on full consolidation	33
II.1.1.7	Goodwill arising on equity consolidation	33
II.1.1.8	Negative goodwill arising on equity consolidation	33
II.1.2	RECEIVABLES AND IMPAIRMENT LOSS	34
II.1.3	PREPAID EXPENSES AND ACCRUED INCOME	35
II.1.4	EQUITY	37
II.1.4.1	Movements in equity	37
II.1.5	PROVISIONS MADE AND RELEASED	39
II.1.5.1	Provisions in the balance sheet for 2011	39
II.1.5.2	Provisions for contingent liabilities	39
II.1.5.3	Provisions for future commitments	40
II.1.5.4	Other provisions	41
II.1.6	LIABILITIES	41
II.1.6.1	Liabilities relating to treasury assets and treasury funded projects	41

II.1.6.2	MÁV Group's subordinated debt	43
II.1.6.3	Long-term Group loans	43
II.1.6.4	Leases	44
II.1.6.5	Other current liabilities	45
II.1.7	ACCRUED EXPENSES AND DEFERRED INCOME	46
II.1.8	CONTINGENCIES	47
II.1.8.1	Hedging transactions	47
II.1.8.2	Closed forward and option contracts	47
II.1.8.3	Joint and several liabilities and guarantees given	48
II.1.8.4	Lien	49
II.1.8.5	Long-term loans – draws and repayments	50
II.2	NOTES TO THE PROFIT AND LOSS ACCOUNT	51
II.2.1	NET SALES PER ACTIVITY	51
II.2.2	EXPORT SALES AND IMPORTS	52
II.2.3	MATERIAL-TYPE EXPENSES	53
II.2.4	OTHER REVENUES	54
II.2.5	OTHER EXPENSES	55
II.2.6	FINANCIAL AND EXTRAORDINARY PROFIT OR LOSS	56
II.2.6.1	Financial income	56
II.2.6.2	Financial expenses	56
II.2.6.3	Extraordinary revenues	57
II.2.6.4	Extraordinary expenditures	57
II.2.7	CONSOLIDATED PROFIT AND LOSS	58
II.3	TRUE AND FAIR ASSET, FINANCIAL AND INCOME POSITIONS	59
II.3.1	MÁV GROUP'S LIQUIDITY POSITION	59
II.3.2	CASH-FLOW STATEMENT	60
II.3.3	ASSET RATIOS	61
II.3.4	GROUP ITEMS AFFECTING PREVIOUS YEARS	63
III	INFORMATIVE PART	68
III.1	REMUNERATION TO OFFICERS OF THE PARENT COMPANY	68
III.2	SUBSIDIES RECEIVED	68
III.3	ENVIRONMENT PROTECTION	69
III.3.1	ENVIRONMENTAL LIABILITIES	69
III.3.2	TANGIBLE ASSETS SERVING ENVIRONMENTAL PURPOSES	70
III.3.3	HAZARDOUS WASTE QUANTITIES	71
III.4	AVERAGE NUMBER OF STAFF, PAYROLL COSTS AND OTHER PAYMENTS TO PERSONNEL	72
III.5	RESEARCH AND DEVELOPMENT	72
III.6	ADDITIONAL OTHER INFORMATION	73
IV	SCHEDULES	74
APPENDICES		76

I GENERAL PART

I.1 THE GROUP

I.1.1 The parent company

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

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

The 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:

1087 Budapest, Könyves Kálmán krt. 54-60. tel: 06-1/322-0660

Website:

www.mav.hu

Founder:

Founder: the Hungarian State

Date of foundation: 30 June 1993

Owner:

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

Issued capital:

At 31 December 2011: HUF 21,000 million, consisting of one share of HUF 20,000 million face value, one share of HUF 750 million face value and one share of HUF 250 million face value in joint nomination.

Company registration number: Cg 01-10-042272

Tax ID: 10856417-2-44

Statistical number: 10856417-5221-114-01

Main activity: 52.21 Land transport supporting services

The person authorised to sign the Company's consolidated annual financial statements is: Szarvas Ferenc president-CEO (domicile: 1022 Budapest, Detrekő utca 7/B. I. em. 2.).

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 2011:

- ✚ Audit of MÁV Zrt's stand-alone and consolidated financial statements: HUF 19 million
- ✚ Audits of the financial statements of MÁV Zrt's fully consolidated subsidiaries: HUF 39 million
- ✚ Additional services other than auditing: HUF 16 million

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 consist of one share of HUF 20,000 million total face value, one share of HUF 750 million total face value and one share of HUF 250 million total face value in joint nomination and cannot be converted into another type of share nor assigned to other parties. The Company's shares were printed as one share with aggregate face value in accordance with regulations pertaining to securities. The Company's shares were dematerialised on 30 January 2012. According to a resolution of the founder dated 27 January 2012, MNV Zrt. increased MÁV Zrt's share capital through share premium. The effects of the capital increase will be reflected in the financial statements for 2012.

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	2010	2011	Index
Balance sheet total	797 742	792 468	99%
Equity	52 319	61 840	118%
Issued capital	21 000	21 000	100%
Sales, net	170 428	173 158	102%
Payroll costs	50 417	50 948	101%
Pre-tax loss/profit	-35 828	12 898	-36%

Schedule 1.: Parent company key balance sheet figures

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.

Important information relating to MÁV Zrt's. operations in 2011 are presented below.

I.1.2.1 Services transferred to GYSEV Zrt.

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

As part of the transfer of the lines to GYSEV Zrt., assets formerly owned by MÁV worth HUF 3.6 billion were transferred to GYSEV Zrt. as asset settlement. This transaction reduced MÁV's equity in 2011. According to subsection 106(2) of act CLXXII of 2010 on the amendment of various transportation laws, an asset settlement should not cause loss of equity to MÁV Zrt. Therefore, the founder increased MÁV's share capital by contributing the reimbursement receivable from MÁV at 27 January 2012. The effects of the capital increase by the way of share premium will become apparent in the financial statements for 2012, in which the issued capital will increase by HUF 36.59 million and HUF 3,622.41 million will be recognised in the capital reserve. In relation to the transfer of train services, assets formerly managed by MÁV in a total of HUF 4.9 billion were also transferred to GYSEV, and MÁV's other long-term liabilities were reduced to the same extent.

I.1.2.2 Assigned debt

Further to government decision 1451/2011. (XII. 22.) made based on the Budget Act for 2011, the Hungarian State assumed HUF 50.6 billion of MÁV Zrt's debts as follows:

Loan	Contract date	Matures on	Government guarantee (decision No.)	Original contracted amount	Existing at the time of assignment	Assigned amount	Assigned accumulated interest
				MHUF			
Operational loans							
Konzorcium HUF 10bn	2005.12.27	2012.11.27	1089/2005	10 000	10 000	10 000	126.9
Konzorcium HUF 55bn	2006.10.09	2016.10.09	1075/2006	55 000	40 000	40 000	494.6
Total:						50 000	621.5

Schedule 2: Loans assigned to the government in 2011

These loans were purely operational loans, therefore the result of the above transaction increased the Company's extraordinary profit in 2011.

I.1.3 Fully consolidated entities

In 2011, MÁV Zrt. included a total of 11 subsidiaries into full scope consolidation. The key figures of the consolidated entities are presented below.

1. MÁV-START Vasúti Személyszállító Zártkörűen Működő Részvénytársaság

Date of foundation: 15 October 2006

Seat: 1087 Budapest, Könyves Kálmán krt. 54-60.

Main indicators (MHUF):

Item	2010	2011	Index
Balance sheet total	94 923	107 990	114%
Equity	62 573	64 342	103%
Issued capital	10 000	10 000	100%
Sales, net	68 058	72 252	106%
Payroll costs	17 112	17 807	104%
Pre-tax loss/profit	226	1 235	546%

Schedule 3: Main figures of MÁV-START Zrt.

Core activities: 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

The company merged into MÁV FKG Kft. at 29 February 2012.

Seat: 1103 Budapest, Kőér u.2./d

Main indicators (MHUF):

Item	2010	2011	Index
Balance sheet total	7 187	8 193	114%
Equity	87	443	509%
Issued capital	13	13	100%
Sales, net	9 419	13 045	138%
Payroll costs	1 345	1 461	109%
Pre-tax loss/profit	69	356	516%

Schedule 4: Main figures of MÁVGÉP Kft.

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	2010	2010 final*	2011	Index
Balance sheet total	4 930	4 951	7 706	156%
Equity	1 076	1 097	2 112	193%
Issued capital	1 505	1 505	1 505	100%
Sales, net	8 174	8 174	13 837	169%
Payroll costs	1 736	1 736	2 152	124%
Pre-tax loss/profit	209	209	1 202	575%

Schedule 5: Main figures of MÁV FKG Kft.

*The balance sheet total and equity in 2010 changed after the preparation of the consolidated financial statements for 2010.

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	2010	2010 final*	2011	Index
Balance sheet total	3 334	3 387	3 263	96%
Equity	1 615	1 668	1 672	100%
Issued capital	800	800	800	100%
Sales, net	5 619	5 619	5 097	91%
Payroll costs	2 044	2 044	1 981	97%
Pre-tax loss/profit	602	602	402	67%

Schedule 6: Main figures of MÁV INFORMATIKA Zrt.

* The balance sheet total and equity in 2010 changed after the preparation of the consolidated financial statements for 2010. The amount of equity presented above also reflects the approved dividends.

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: 1087 Budapest Könyves Kálmán Krt. 54-60

Main indicators (MHUF):

Item	2010	2011	Index
Balance sheet total	3 352	3 051	91%
Equity*	1 336	828	62%
Issued capital	399	399	100%
Sales, net	8 358	8 584	103%
Payroll costs	2 100	2 254	107%
Pre-tax loss/profit	584	47	8%

Schedule 7: Main figures of MÁV IK Kft.

* The amount of equity presented above also reflects the approved dividends.

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: 1087 Budapest, Könyves Kálmán krt. 54-60.

Main indicators (MHUF):

Item	2010	2011	Index
Balance sheet total	483	471	98%
Equity*	283	296	105%
Issued capital	244	244	100%
Sales, net	878	824	94%
Payroll costs	403	374	93%
Pre-tax loss/profit	40	48	120%

Schedule 8: Main figures of MÁV Vagyonkezelő Kft.

* The amount of equity presented above also reflects the approved dividends.

Main activities: property trading and asset management.

7. MÁV-TRAKCIÓ Vasúti Vontatási Zártkörűen Működő Részvénytársaság.

Date of foundation: 10 October 2007

Seat: 1087 Budapest, Könyves Kálmán krt. 54-60.

Main indicators (MHUF):

Item	2010	2011	Index
Balance sheet total	111 062	126 260	114%
Equity	41 042	41 523	101%
Issued capital	29 815	29 815	100%
Sales, net	84 534	86 437	102%
Payroll costs	17 717	17 468	99%
Pre-tax loss/profit	461	501	109%

Schedule 9: 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: 1087 Budapest, Könyves Kálmán krt. 54-60.

Main indicators (MHUF):

Item	2010	2011	Index
Balance sheet total	21 849	21 452	98%
Equity	10 995	11 071	101%
Issued capital	3 933	3 933	100%
Sales, net	42 760	41 705	98%
Payroll costs	10 705	10 630	99%
Pre-tax loss/profit	170	91	54%

Schedule 10: 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, Péceli út 2.

Main indicators (MHUF):

Item	2010	2011	Index
Balance sheet total	1 705	2 603	153%
Equity	1 335	2 126	159%
Issued capital	180	569	316%
Sales, net	1 346	1 355	101%
Payroll costs	415	405	98%
Pre-tax loss/profit	394	421	107%

Schedule 11: 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 Európa tér 12.

Main indicators (MHUF):

Item	2010	2011	Index
Balance sheet total	1 404	1 355	97%
Equity	182	368	202%
Issued capital	323	10	3%
Sales, net	2 466	2 894	117%
Payroll costs	893	905	101%
Pre-tax loss/profit	-39	186	-477%

Schedule 12: Main figures of ZÁHONY-PORT Zrt.

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

11. MÁV Koncessziós Korlátolt Felelősségű Társaság

Date of foundation: 13 July 2011

Seat: 1087 Budapest, Könyves Kálmán krt. 54-60.

Main indicators (MHUF):

Item	13 July 2011	2011	Index
Balance sheet total	16 887	15 978	95%
Equity	30	35	117%
Issued capital	30	30	100%
Sales, net	0	957	-
Payroll costs	0	2	-
Pre-tax loss/profit	0	5	-

Schedule 13: Main figures of MÁV Koncessziós Kft.

Main activities: operating concession assets/equipment

I.1.4 Consolidation scope and scope changes in 2011

Compared to the consolidated financial statements for 2010, the scope of fully consolidated entities increased by one company, MÁV Koncessziós Kft., which was created on 13 July 2011 by the way of demerger from VIACOM Hungária Zrt., the first Hungarian-Italian concession private company by Shares, which main activity is railway electrification. As of the same time, VIACOM HUNGÁRIA Zrt. is no longer equity consolidated as an associate.

Of the equity consolidated entities, in addition to the entities referred to in the preceding section, the following related parties were reclassified to investments in 2011: Rákosrendező Pályaudvar Kft. „v.a.”, Józsefváros Pályaudvar Kft. „v.a.”, Kelenföldi Pályaudvar Kft. „v.a.” and DÉLI PÁLYAUDVAR Zrt. „v.a.” as the Companies Court has launched the voluntary liquidation processes.

The indicators considered for determining the consolidation scope are set out in appendix 1.

The Group's organisation chart is included in appendix 4.

Classification of the group companies and their final classification for consolidation purposes are set out in appendix 5.

GROUP ACCOUNTING POLICIES

I.1.5 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.

Decision regarding the inclusion of a related party in the consolidation scope is typically made by MÁV Zrt. upon first consolidation in view of the significance and the impact of the entity to be included on the consolidated financial statements. The factors considered are:

Both the parent company and the subsidiaries are fully consolidated in the consolidated financial statements. Subsidiaries are exempted from full consolidated if they meet at least two of the following three criteria upon their first inclusion in the consolidation:

- the balance sheet total of the subsidiary is below 1% of the aggregate balance sheet total of the parent and the subsidiaries,
- the annual net sales revenues of the subsidiary are below 1% of the aggregate net sales revenues of the parent and the subsidiaries,
- the annual payroll costs of the subsidiary are below 1% of the aggregate annual payroll costs of the parent and the subsidiaries.

These indicators may not exceed 5% on an aggregate basis even for all the non-consolidated subsidiaries.

Companies that belong in MÁV Zrt's basis portfolio and those that hold a stake in any of the fully consolidated entities may not be exempted.

The classification for consolidation purposes can only be changed subject to a material change in the circumstances.

Such material changes include:

- the acquisition of a new group entity or spin-off of a previously existing group entity,
- the group entity undergoes voluntary or imposed liquidation and therefore is reclassified to the outer circle,
- increase in the stake of an already existing investment or decrease due to changes in its portfolio or its value (e.g. disposal) and the classification of the entity changes as a result,
- any change in the nature or size of the operations any of the existing group companies that calls for a reclassification (in this case, reclassification is effected on an individual basis)
- the company's intra-portfolio classification changes as a result of a change in MÁV Zrt's portfolio management strategy.

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, in absolute value, does not exceed the lower of 0.1% of the receivables and liabilities to be eliminated or HUF 50 million.

When **eliminating income and expenses**, immaterial differences arising during netting-off are not settled but their accumulated value, in absolute value, may not exceed 0.05% of the income and expense to be eliminated or HUF 50 million.

MÁV Zrt. has 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 and have been used for fully consolidated subsidiaries 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.

I.1.6 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.1.7 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 non-controlling interests shows the non-controlling shareholders share of the subsidiaries' equity

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 in 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,
- ✚ row 23 reflects the amount of dividends paid or payable from retained earnings,
- ✚ row 24 shows the profit for 2011 attributable to third party shareholders.

The figures in the consolidated financial statements are given in millions of forints. The consolidation itself is done in HUF thousands in view of the fact that the companies in the hard core and the light core of the group compile their financial statements in HUF thousands. 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 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.

I.1.8 Methods used to compile the consolidated balance sheet and the consolidated profit and loss account

I.1.8.1 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 granted 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 1% for at least two 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 95% in any of the indicators,
 - + exemption is granted from quota-based consolidation to associated entities that do not qualify material for the purposes of the true and fair view of the Group as their equity upon their first inclusion in the consolidation does not exceed 5% of the aggregate equity of the associated entities.
- 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.
- 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.

I.1.8.2 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 value of 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. gives 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.

Extraordinary amortisation is recognised on the goodwill arising on equity consolidation if a subsequent review shows that the book value of goodwill significantly (by 20% or at least HUF 50 million) and permanently exceeds the market value of the investment or if the investment is written off from our books.

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.

I.1.8.3 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 other investments) 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. 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).

In addition to the above, for the purposes of measuring investments, the value of an investment presented in the balance sheet prepared for consolidation is increased with the following values of associates:

- ✚ 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,

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,

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. On the other hand, the impacts of revaluation before the reporting year will not affect the profit or loss and will be reflected in the Group's equity in balance sheet line VIII/A Changes in the values of the entities treated as associates.

I.1.8.4 Debt consolidation methods

The debt consolidation (whereby the receivables and liabilities of the individual fully consolidated companies are netted and eliminated) is performed by MÁV Zrt. in line with section 125 of the accounting law.

Any differences arising from the netting of receivables and liabilities are considered immaterial (insignificant) if the difference does not exceed the lower of 0.1% of the receivables and liabilities to be netted off at Group level or maximum HUF 50 million. In this case, receivables and liabilities are eliminated at the lower value.

In the case of a material difference, the reasons for the difference are first explored and then, in view of the identified reasons, an asset or liability should be recorded or written off against the balance sheet or profit and loss item which is attributable to the difference. If no reason for the difference can be identified, the recording or write-off if the related asset or liability should be recognised as other revenues from or other expenses arising from debt consolidation.

Assets and liabilities of matching value that remain after the settlement of differences should be netted off in the relevant balance sheet lines.

Prior year differences do not affect the profit or loss in the opening balance and are reflected as goodwill arising from debt consolidation within equity. However, any change in these differences during the reporting year, i.e. in the year when the difference 'turns round', should be treated in a profit effective manner and is therefore reflected in the profit or loss for the reporting year and will only affect the goodwill arising from debt consolidation within equity in the next financial period, after opening.

Deferred tax is recognised on material differences that affect the profit or loss and are expected to turn around in the foreseeable future.

I.1.8.5 Consolidation of income and expenses

Income and expenses are consolidated by MÁV Zrt. for the fully consolidated companies.

As a result of transactions among the fully consolidated companies, the group incurs and accumulates yields and expenses that cannot be considered the effects of changes in the realised assets further to subsection 120(5) of the accounting law. Therefore, such items should be netted of in line with section 127 of the accounting law.

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.

A difference is not considered material by MÁV Zrt. if it remains, in absolute value, below 0.05% of the revenues to be eliminated at group level or maximum HUF 50 million. In the event of an immaterial difference, the elimination ensues based on figures excluding the difference. If the profit recognised by the issuer of the asset exceeds the value reported by the recipient, then the profit of the issuer and the related expense are reduced to the value at the receiver. Material differences, if any, are settled based on the underlying reasons or items are generated to eliminate the differences.

After reconciliations and the clarification of differences, gains and expenses are eliminated in accordance with the following:

- **Services recorded by the recipient as cost:** net sales and the related recognised costs and expenses are eliminated in the value of the output.
- **Services recorded by the recipient as assets:** net sales are eliminated against capitalised self-produced assets in a value equal to the direct prime cost of the output. The difference between the price and the direct prime cost (margin) is eliminated from the value of the asset as part of the interim profit and loss consolidation whereby net sales are reduced by value of the asset.
- **Assets recorded by the recipient as assets:** the relevant revenue and expense are netted off against each other at the book value recorded by the seller. The difference between the price and the direct prime cost (margin) is eliminated from the value of the asset as part of the interim profit and loss consolidation whereby net sales are reduced by value of the asset.
- **Gains recognised by one of the members and costs expensed by the other member:** the gains and expenses are netted off in the income and expense categories specified by the seller and the recipient for per transaction.
- **In the case of gains or expenses which are accounted for only by one group member,** the settlement is eliminated. This action affects the profit or loss and if it has any deferred tax implications, the deferred tax asset or liability changes accordingly.

The parent company eliminates those transactions which are accounted for only by one group member. 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. If there is a change, because 1) a member discontinued the unilateral settlement method or 2) the asset itself ceased to exist or no longer belongs in the fully consolidated scope, then case 1) should be treated as a unilateral settlement in the reporting period. However, in case 2), the eliminated interim profit or loss from unilateral settlements should be released. These movements all affect the profit or loss in the reporting period and any related deferred tax impact also needs to be addressed. Any change in the interim profit or loss, recorded within equity, is automatically settled upon opening the next financial year as a result of the distribution of the net profit or loss for the year.

I.1.8.6 Netting off interim profit or loss

Interim profit or loss is eliminated by MÁV Zrt. based on section 126 of the accounting law 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.

As a result of this method, the subsequent movements of assets containing interim profit or loss must be monitored and any net off should be released or settled accordingly.

Interim profit or loss may result from recording internal performance among fixed assets or inventories.

Any interim profit or loss eliminated and kept on record in the previous year will be treated by the parent company as follows:

- ✚ interim profit or loss eliminated and kept on record in the previous year should be recorded in the opening balance sheet without any profit or loss impact, i.e. as a separately treated change from the elimination of interim profit or loss within equity (bearing in mind the deferred tax asset or liability from that relates to the elimination),
- ✚ the movements of assets that contain interim profit or loss eliminated in the previous years must be monitored in the reporting year and the inherent interim profit or loss should be rolled forward and/or released in line with the description of the interim profit or loss eliminated in the reporting year.

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

I.1.8.7 Accounting for 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 is expected to turn around 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.

With respect to eliminating interim profit or loss, deferred tax may be made or released during the reporting year based on the rolled forward eliminated interim profit or loss. 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 quantified by MÁV Zrt. based on the tax that incurs to the company which receives the asset that contains an interim profit or loss.

The implications of any changes in tax rates is re-calculated. 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.

The Group may not have deferred tax assets and deferred tax liabilities at the same time, therefore any existing balance needs to be considered and duly netted off before their release.

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:

figures in MHUF

ITEM	Capitalised found./restruct.	Cap. R&D	Concessions and similar rights	Intellectual property	Goodwill	Advances for intangibles	Adjustment of intangibles	Total
1. <i>Gross cost, opening</i>	232	90	5 393	15 149	0	0	0	20 864
2. Acquisition, renewal (capitalised)	0	40	791	234	0	0	0	1 065
3. Asstes received free of charge	0	0	0	0	0	0	0	0
4. Count surplus	0	0	0	0	0	0	0	0
5. Contributed free of charge	0	0	0	0	0	0	0	0
6. Contribution in kind	0	0	0	0	0	0	0	0
7. Disposal	0	0	0	-96	0	0	0	-96
8. Scrapping, obsolescence	-18	0	-41	-9	0	0	0	-68
9. Missing	0	0	0	0	0	0	0	0
10. Destroyed	0	0	0	0	0	0	0	0
11. Reclassified	0	0	-75	-16	0	0	0	-91
12. <i>Closing, gross</i>	214	130	6 068	15 262	0	0	0	21 674
13. <i>Amortisation, opening</i>	79	10	4 092	13 785	0	0	0	17 966
14. Ordinary amortisation in 2011	71	0	610	733	0	0	0	1 414
15. Ordinary amortisation in 2010	0	0	0	2	0	0	0	2
16. Extraordinary amortisation in 2011	0	0	0	0	0	0	0	0
17. Extraordinary amortisation reversed	0	0	0	0	0	0	0	0
18. Received free of charge	0	0	0	0	0	0	0	0
19. Count surplus	0	0	0	0	0	0	0	0
20. Contributed free of charge	0	0	0	0	0	0	0	0
21. Contribution in kind	0	0	0	0	0	0	0	0
22. Disposal	0	0	0	-96	0	0	0	-96
23. Scrapping	-18	0	-41	-9	0	0	0	-68
24. Missing	0	0	0	0	0	0	0	0
25. Destroyed	0	0	0	0	0	0	0	0
26. Reclassified	0	0	-86	-5	0	0	0	-91
27. <i>Amortisation, closing</i>	132	10	4 575	14 410	0	0	0	19 127
28. <i>Opening, net</i>	153	80	1 301	1 364	0	0	0	2 898
29. <i>Closing, net</i>	82	120	1 493	852	0	0	0	2 547

Schedule 14: Movements in intangible assets

figures in MHUF

ITEM	Properties and related rights	Technical equipment	Other equipment, fittings, vehicles	Livestock	Capex, improvements	Advances for capex	Tangible adjustments	Total
1. Gross cost, opening	626 745	527 469	6 055	0	16 161	8 358	0	1 184 788
2. Acquisition, renewal (capitalised)	0	0	0	0	47 959	959	0	48 918
3. Assets received free of charge	6	0	0	0	-3	0	0	3
4. Count surplus	264	1	0	0	0	0	0	265
5. Contributed to GYSEV	-11 680	-1 345	0	0	0	0	0	-13 025
6. Contributed free of charge	-1	-2	0	0	-5	0	0	-8
7. Contribution in kind	0	0	0	0	0	0	0	0
8. Disposal	-342	-123	-24	0	-13	0	0	-502
9. Scrapping, obsolescence	-1 544	-753	-868	0	-8	0	0	-3 173
10. Missing	-976	-23	-5	0	0	0	0	-1 004
11. Destroyed	0	0	0	0	0	0	0	0
12. Assets acquired in 2011 capitalised	15 544	30 947	214	0	-46 705	0	0	0
13. Assets acquired in 2010 capitalised	929	1 858	2	0	-2 789	0	0	0
14. Increase due to increased consolidation scope	12 608	4 249	0	0	0	0	0	16 857
15. Reclassified	-1	-150	39	0	-20	-4 735	0	-4 867
16. Gross cost, closing	641 552	562 128	5 413	0	14 577	4 582	0	1 228 252
17. Amortisation, opening	200 920	243 173	5 585	0	1 178	0	0	450 856
18. Ordinary depreciation in 2011	20 653	27 744	207	0	0	0	0	48 604
19. Ordinary depreciation in 2010	-13	43	1	0	0	0	0	31
20. Extraordinary depreciation in 2011	534	586	9	0	224	0	0	1 353
21. Extraordinary depreciation reversed	0	-176	0	0	-58	0	0	-234
22. Received free of charge	0	0	0	0	0	0	0	0
23. Count surplus	0	0	0	0	0	0	0	0
24. Contributed to GYSEV	-3 903	-586	0	0	0	0	0	-4 489
25. Contributed free of charge	0	0	0	0	0	0	0	0
26. Contribution in kind	0	0	0	0	0	0	0	0
27. Disposal	-174	-99	-21	0	0	0	0	-294
28. Scrapping	-729	-418	-869	0	0	0	0	-2 016
29. Missing	-110	-23	-3	0	0	0	0	-136
30. Destroyed	0	0	0	0	0	0	0	0
31. Reclassified	-5	-137	10	0	0	0	0	-132
32. Depreciation, closing	217 173	270 107	4 919	0	1 344	0	0	493 543
33. Opening, net	425 825	284 296	470	0	14 983	8 358	0	733 932
34. Closing, net	424 379	292 021	494	0	13 233	4 582	0	734 709

Schedule 15: Movements in tangible assets

The net value of tangible assets including capital expenditures and advances for capital projects increased by HUF 777 million on the previous year for the following reasons:

- ✚ The net value of assets assigned to GYSEV, presented in a separate line, reduced tangible assets by HUF 8.5 billion. The details of the settlement are presented in section I.1.2.1.
- ✚ Advance payments for capital projects at MÁV-TRAKCIÓ Zrt. dropped by HUF 3.8 billion, i.e. the projects were completed.
- ✚ Net scrapped assets by MÁV Zrt. totalled HUF 1.1 billion, typically because of asset improvements related to treasury assets.
- ✚ The shortage in properties was another significant change at MÁV Zrt. and represents a net decrease of nearly HUF 0.9 billion in properties.
- ✚ The balance of extraordinary depreciation recognised and released resulted in a HUF 1.1 billion decrease in the net value of tangible assets.
- ✚ As a result of the increased consolidation scope as referred to in section I.1.4, the Group's assets were increased by the assets of MÁV-Koncessziós Kft. in a total of HUF 16.9 billion.

We note that from 2007 onwards, projects financed by the national government and by the EU funds were transferred to Nemzeti Infrastruktúra Fejlesztő Zrt. (National Infrastructure Development company) (NIF Zrt.), hence the significant decrease in grants received for assets recorded in the books of MÁV.

II.1.1.2 Assets transferred/received free of charge

figures in MHUF

Item	Trans.	Receipt	P&L effect
Intangibles	0	0	0
Tangibles	3	6	3
Capex	5	0	-5
Total:	8	6	-2

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

Treasury assets granted and received free of charge are as follows:

figures in MHUF

Asset	AICC	Tangible assets	Other assets	Total
-	0	0	0	0
<i>Received from third parties, total:</i>	0	0	0	0
12311 Treasury structures (catenary wire)	0	1	0	1
<i>Received from MÁV Zrt., total</i>	0	1	0	1
Taken over, total:	0	1	0	1
-	0	0	0	0
<i>Granted to third parties, total:</i>	0	0	0	0
1211 Land (public railway)	0	-9	0	-9
<i>Granted to MÁV Zrt., total:</i>	0	-9	0	-9
Granted, total:	0	-9	0	-9

Schedule 17: Treasury assets granted and received free of charge

II.1.1.3 Managed Treasury assets

Only MÁV Zrt. has state owned 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 2010 was HUF 359,352 million. As a result of changes during 2011, this amount dropped to HUF 349,727 million by 31 December 2011.

figures in MHUF

Item	2 010	2 011	Change
Land, total	15 716	15 515	-201
Buildings, total	6 280	6 276	-4
Structures, total	279 698	273 820	-5 878
Machinery and equipment, total	45 074	42 092	-2 982
AICC	12 584	12 024	-560
Treasury assets, total:	359 352	349 727	-9 625
Long-term liabilities, opening at 30 Sept 2001, upon signing the asset management contract	275 578	275 578	0
Acquisition from treasury funds	139 384	140 847	1 463
Settlement of funds relating to previous years	466	466	0
Acquisition from own funds	115 991	134 499	18 508
Treasury assets received free of charge	7 050	7 494	444
Surplus	536	536	0
Net value of assets taken over from MÁV Rt.	19	19	0
Increase total:	263 446	283 861	20 415
Depreciation	163 659	186 667	23 008
Extraordinary depreciation	0	797	797
Disposal	57	57	0
Scrapped	11 981	13 000	1 019
Shortage	508	688	180
Treasury assets transferred free of charge	1 656	1 656	0
Net value of treasury assets assigned to MÁV Zrt.	1 810	1 819	9
Settlement of treasury land	0	129	129
Relinquished treasury asset manager right	0	4 899	4 899
Total decrease:	179 672	209 712	30 040
Funds of treasury assets, total:	359 352	349 727	-9 625

Schedule 18: Treasury assets and their position in the balance sheet

Changes in treasury assets in 2011 are presented below:

figures in MHUF

Changes in treasury assets in 2011	2010	2011	Change
Treasury assets, net 01 January 2011	370 423	359 352	-11 071
Treasury assets acquired from government grants	936	1 463	527
Settlement of funds relating to previous years	11 654	18 508	6 854
Treasury assets acquired from own funds	99	444	345
Treasury assets received free of charge	19	0	-19
Transferred to Treasury from MAV Zrt's own assets	466	0	-466
Surplus	13 174	20 415	7 241
Total increase in the reporting year	-81	0	81
Treasury assets transferred free of charge	-22 566	-23 017	-451
Annual depreciation	43	9	-34
Depreciation of treasury assets over the years	0	-797	-797
Disposal	-1 615	-1 019	596
Scrapped, destroyed	0	-180	-180
Shortage	-25	-9	16
Transferred by the Treasury to MÁV Zrt.	0	-4 899	-4 899
Asset transfers relating to prev. year found by self-correction	0	-129	-129
Total decrease in the reporting year	-24 245	-30 040	-5 795
Treasury assets, net at 31 December 2011	359 352	349 727	-9 625

Schedule 19: Changes in treasury assets in 2011

The net value of treasury assets decreased by HUF 9,625 million during 2011 owing to a significant drop in capital expenditures in 2011. Capital expenditures were financed from government grants (HUF 1,463 million) and from own funds (HUF 18,508 million). In addition to the depreciation cost in 2011, the net value of treasury assets was reduced by further HUF 7,032 million for other reasons, the largest item being HUF 4,899 million relating to written off assets that were transferred to GYSEV.

Extraordinary depreciation related to treasury assets totalled HUF 224 million based on the underlying project scrapping plan.

The HUF 1,463 million shown in Schedule “Treasury assets and their position in the balance sheet” illustrates the increase in treasury assets from state budget, while Schedule “ Subsidiaries used for capital projects” reflects the HUF 2,196 million received from the Hungarian Treasury and the National Development Agency in 2011. The subsidy of HUF 2,196 million does not reflect purely the financial settlement of the increase in treasury assets in 2011 but also includes invoices relating to 2010 and settled in 2011.

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

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

Treasury assets of HUF 254 million net book value were written off against long-term liabilities to the state. Of the properties owned by MÁV Zrt., HUF 522 million was written off as count shortage against the profit for 2011. Additional properties totalling HUF 89 million were also recognised as count surplus based on the official land register where MÁV Zrt. is indicated as the rightful owner. As the surplus had to be deferred, it did not have any impact on the profit for 2011.

In accordance with the decision of MÁV Zrt’s Board of Directors, properties owned by MÁV Zrt. but their management was assigned to another party by legislation or upon decision of the owner, and where adjustment of the initially incorrect contribution in kind value was necessary, in a total of HUF 1.8 billion, any settlement is subject to the approval of the founder. As such an approval was not available at the balance sheet preparation date, these properties were not recognised in the 2011 annual financial statements and a decision of the founder is still pending. According to section 106 of act CLXXII of 2010 on the amendment of various transport acts, effective as of 1 January 2011, the values of properties that will be written off or taken on MÁV Zrt’s books as a result of the settlement should be recognised in the capital reserve in a way that MÁV Zrt. must not suffer losses of equity as a result of the settlement process.

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

In the case of state owned properties that had to be scrapped or demolished in order to construct or refurbish state owned assets, tHUF 1 billion in 2011 was recognized in the profit and loss account for

2011. In the previous years, MÁV accounted for scrapping or demolishing these assets against long-term liabilities to the state arising from the asset management contract.

Subsidies received for development purposes are presented in the following schedule:

figures in MHUF

Government subsidies for projects	2010	2011	Change
Railway network development	93	1 211	1 118
Free flow traffic	182	153	-29
Cohesion fund - government subsidy	0	118	118
Szajol - Záhony line planning works (TEN-T subsidised tasks) subsidised from the central budget	85	10	-75
Costs not recognised by ISPA	0	11	11
Subsidies total:	360	1 503	1 143
Complex logistic development project at Záhony - development of treasury assets (paid by EU)		0	0
Parking lots and junctions in the area of BKSZ along railway lines No. 70., 100a., and 120a.	0	491	491
P+R and B+R parking at Budapest railway stations	0	111	111
Parking lots (P+R, B+R) and junctions at Tápiószecső Phase II	0	2	2
Parking lots (P+R, B+R) in Albertirsa	0	60	60
Parking lots (P+R, B+R at Süllyáp Phase II	0	29	29
Total: (subsidy+EU funds)	360	2 196	1 836
Of which: - used for treasury assets	110	1989	1 879
- used for MÁV assets	250	207	-43

Schedule 20: Subsidies used for capital projects

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
		2010	2011	
5	MÁVTI Kft.	249	119	-130
15	MÁV NOSZTALGIA Kft.	53	46	-7
20	MÁV VAGON Kft.	301	304	3
22	MÁV VASJÁRMŰ Kft.	227	235	8
27	Bombardier MÁV Kft.	938	1 094	156
37	VAMAV Kft.	1 565	1 710	145
38	EURO-METALL Kft.	284	269	-15
96	MÁV KERT KFT	268	207	-61
116	MÁV-THERMIT Kft	233	260	27
139	MÁV VASÚTŐR Kft.	250	254	4
141	VIACOM HUNGARIA Zrt.	995	0	-995
142	MÁV MULTISZOLG Kft.	23	23	0
181	Rákospuszta Pályaudvar Kft. (v.a.)	1	0	-1
182	Józsefváros Pályaudvar Kft. (v.a.)	2	0	-2
183	PRUDENT-INVEST Zrt.	1	6	5
184	Kelenföldi Pályaudvar Kft. (v.a.)	3	0	-3
185	DÉLI PÁLYAUDVAR Zrt. (v.a.)	1	0	-1
Total:		5 394	4 527	-867

Schedule 21: Equity consolidated entities

The value of equity consolidated entities decreased by HUF 867 million on the previous year.

The value of investments dropped by HUF 714 million due to the realised profit and loss attributable to MÁV Group and by HUF 13 million due to the recognition in prior year's profit and loss of the differences between the final and initial equity movements available for the consolidation and attributable to the Group.

The balance sheet value of investment was reduced by HUF 563 million due to the elimination of dividends due for the prior year but recognised by MÁV Zrt. in the reporting year and by HUF 12 million in relation to settlements with associates without a profit and loss impact (tax audits, self-corrections, additional tax payments).

MÁV Koncessziós Kft. was created via demerger from VIACOM HUNGÁRIA Zrt. and caused a HUF 995 million decrease in long-term investments.

figures in MHUF

Related parties treated as investments for consolidation purposes								
Code	Company	2010			2011			Change (BV)
		Gross value	Accum. Impairm.	Book value	Gross value	Accum. Impairm.	Book value	
4	MÁVFAVÉD Kft. (f.a.)	296	296	0	0	0	0	0
6	MÁV HÍDÉPÍTŐ Kft. (f.a.)	600	600	0	600	600	0	0
8	MÁVÉPSZER Kft. (f.a.)	234	234	0	0	0	0	0
134	MÁV Utasellátó Zrt. (f.a.)	137	137	0	137	137	0	0
152	MÁV RAKTÁR Kft. (f.a.)	138	138	0	138	138	0	0
156	Szombathelyi Vasutas Futball Kft. (f.a.)	10	10	0	0	0	0	0
165	MÁV-REC Kft.	50	0	50	50	0	50	0
174	MÁV LOKOMOTÍV HOTELS Zrt. (f.a.)	27	27	0	0	0	0	0
178	HUNGRAIL Egyesülés	1	0	1	1	0	1	0
181	Rákosrendező Pályaudvar Kft. (v.a.)	0	0	0	88	88	0	0
182	Józsefváros Pályaudvar Kft. (v.a.)	0	0	0	23	23	0	0
184	Kelenföldi Pályaudvar Kft. (v.a.)	0	0	0	27	27	0	0
185	DÉLI PÁLYAUDVAR Zrt. (v.a.)	0	0	0	60	60	0	0
188	MTMG Zrt	15	0	15	15	0	15	0
191	TS-MÁV Gépészet Services Kft.	0	0	0	0	0	0	0
Total:		1 508	1 442	66	1 139	1 073	66	0

Schedule 22: Related parties treated as investments in the consolidation

figures in MHUF

Other related parties								
Code	Company	2010			2011			Change (BV)
		Gross value	Accum., impairm.	Book value	Gross value	Accum., impairm.	Book value	
84	RESTI ZRT.	15	0	15	15	0	15	0
120	Vasutegészségügyi NKK Kft.	100	0	100	100	0	100	0
128	EUROFIMA	1 762	0	1 762	2 025	0	2 025	263
146	Hódiköt Rt. (f.a.)	1	1	0	1	1	0	0
147	BCC	1	0	1	1	0	1	0
162	Bugaci Kisvasút Kht. (v.a.)	1	1	0	1	1	0	0
163	Út és Pályaépítő Rt. (f.a.)	0	0	0	0	0	0	0
166	NGF Kht. (fa.)	0	0	0	0	0	0	0
169	HIT Rail b.v.	61	0	61	68	0	68	7
172	Normon-Tool Kft.	0	0	0	0	0	0	0
Total:		1 941	2	1 939	2 211	2	2 209	270

Schedule 23: Other related parties

The balance sheet value of other related parties increased by HUF 270 million as a result of the year-end revaluation of FX balances (EUROFIMA, BCC, HIT Rail b.v.).

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				
Code	Name	Opening	Change			Closing
			Investment acquisition	Investment disposal	Merger	
101	MÁV FKG Kft.	3	0	0	0	3
102	MÁVGÉP Kft.	2	0	0	0	2
138	MÁV Informatika Zrt.	3	0	0	0	3
187	MÁV-GÉPÉSZET Zrt.	90	0	0	0	90
Total:		98	0	0	0	98

Schedule 24: Negative goodwill arising on full consolidation

II.1.1.7 Goodwill arising on equity consolidation

There was no goodwill arisen on the equity consolidation of MÁV entities.

II.1.1.8 Negative goodwill arising on equity consolidation

figures in MHUF

Company		Negative goodwill				
Code	Name	Opening	Change			
			Investment acquisition	Investment disposal	Merger	
5	MÁVTI Kft.	14	0	0	0	14
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
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
116	MÁV-THERMIT Kft	13	0	0	0	13
141	VIACOM HUNGARIA Zrt.	46	0	0	-46	0
183	PRUDENT-INVEST Zrt.	28	0	0	0	28
Total:		355	0	0	-46	309

Schedule 25: Negative goodwill arising on equity consolidation

MÁV Koncessziós Kft., a fully consolidated subsidiary, was created in 2011 by the way of demerger from VIACOM Hungária Zrt. VIACOM HUGÁRIA Zrt. is no longer a consolidated entity.

II.1.2 Receivables and impairment loss

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

figures in MHUF

Item	Receivables						Impairment						BV of receivable 2011	BV of receivable 2010	Change in BV
	Not overdue	Due over 1-90 days	91-180 days	181-365 days	due over 365 days	Total	Opening	Impairment written off	Impairment loss in 2011	Written off debt recovered	Reversed	Closing			
Debtors	8 251	1 634	273	429	5 979	16 566	6 604	375	699	516	25	6 387	10 179	9 217	962
<i>Related party receivables</i>	241	147	39	64	34	525	1	0	0	0	0	1	524	430	94
not fully consolidated subsidiaries	201	135	39	64	13	452	0	0	0	0	0	0	452	268	184
associates	40	12	0	0	21	73	1	0	0	0	0	1	72	162	-90
<i>Receivables from other investments</i>	38	11	0	0	129	178	131	0	0	2	0	129	49	46	3
<i>Other receivables</i>	41 546	81	58	69	509	42 263	579	153	253	9	0	670	41 593	21 286	20 307
<i>Deferred tax</i>	1 942	0	0	0	0	1 942	0	0	0	0	0	0	1 942	2 081	-139
Receivables, total:	52 018	1 873	370	562	6 651	61 474	7 315	528	952	527	25	7 187	54 287	33 060	21 227

Schedule 26: Receivables and impairment loss

Previous year's debtors of HUF 9,217 million increased to HUF 10,179 million due partly to the sale of assets related to the services granted to GYSEV Zrt. (HUF 783 million) and also to an increase in receivables from Rail Cargo Hungaria Zrt. (HUF 702 million). Apart from these, the total of debtors actually dropped due to our debt management system.

Other receivables increased to HUF 41,593 million from last year's HUF 21,286 million as the amount reclaimable at Group level decreased by HUF 1 billion while the MÁV-START Zrt's state refund requirement increased from HUF 5,728 million last year to HUF 27,334 million in 2011. Of the latter, production compensation increased significantly from HUF 2,778 million to HUF 24,088 million.

II.1.3 Prepaid expenses and accrued income

figures in MHUF

Item	2010	2011	Change
Accrued income			
Accrued sales revenues	450	195	-255
Reimbursement for public services	21 447	16 663	-4 784
Receivables from unsettled deliveries	108	45	-63
RIC wagon rent	3 526	3 838	312
Interest received	76	62	-14
Late payment interest, penalties, damages	130	41	-89
Other accrued income	570	528	-42
<i>Accrued income</i>	26 307	21 372	-4 935
Prepaid expenses			
Prepaid usage fee (debt service part) (VIACOM Zrt.)	17 895	0	-17 895
Prepaid mast usage charge (VIACOM Zrt.)	28	24	-4
Prepaid severance pay and lay-off costs	115	52	-63
Software updates	123	89	-34
Insurance	285	241	-44
Rents	9	4	-5
Utilities	2	0	-2
Subscriptions	4	4	0
Other	199	329	130
<i>Prepaid expenses</i>	18 660	743	-17 918
Deferred expenses			
Deferred unrealised FX losses	11 638	25 881	14 243
<i>Deferred expenses:</i>	11 638	25 881	14 243
<i>Total:</i>	56 605	47 996	-8 609

Schedule 27: Prepaid expenses and accrued income

Accrued income fell by HUF 8.6 billion on 2010 due to the following items:

- ✚ At MÁV-START Zrt., the amount of subsidy for public services at the balance sheet date was below last year's amount by HUF 4.8 billion.
- ✚ Under an agreement between the Ministry for Transport and MÁV Zrt., MÁV Zrt. pays various amounts each year depending on its debt service obligations. The accounting law requires separate records of the debt service obligations and the amounts due to the Concession keeper. In accordance with the underlying agreement between MÁV Zrt. and VIACOM HUNGÁRIA Zrt., this separation is done within prepaid expenses and accrued income the difference between the annual usage fee for the duration of the concession and the debt service obligation is recorded by MÁV Zrt. as prepaid expense and the same is booked as accrued income by VIACOM HUNGÁRIA Zrt. As the loan agreement terminated in April 2010, all previously accrued amounts are proportionately released until the end of the concession agreement. As of 12 July 2011, MÁV Koncessziós Kft. replaced VIACOM HUNGÁRIA Zrt. as legal successor.

As MÁV Koncessziós Kft. became a consolidated entity in 2011, related accrued income of HUF 15,931 million was fully set off during the consolidation.

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		Change in investment in associates	Third party investment	Total
							Goodwill on debt consolidation	Interim profit or loss			
<i>Equity in 2010</i>	21 000	110 652	-53 572	10 069	-30 942	418	1 546	-34 241	3 630	0	28 560
Opening settlement			-1 105	1 105							0
Loss for the previous year			-35 828		30 942	847	1 233	2 504	302		0
Prior year adjustments			219			270	628	312	-13		1 416
Refunded additional capital contribution			23								23
Asset arrangements (related to GYSEV)		-3 629									-3 629
Allocated reserve for foundation/restructuring made											0
Allocated reserve for foundation/restructuring released			71	-71							0
Allocated reserve for R&D made			-40	40							0
Allocated reserve for R&D released											0
Development reserve made			-298	298							0
Development reserve released			353	-353							0
Allocated reserve for unrealised FX losses made			-6 702	6 702							0
Allocated reserve for unrealised FX losses released											0
Adjustment of associates without impact on the profit or loss									-12		-12
Profit for 2011					17 091						17 091
<i>Equity in 2011</i>	21 000	107 023	-96 879	17 790	17 091	1 535	3 407	-31 425	3 907	0	43 449

Schedule 28: Movements in equity

Prior year adjustments include the aggregate of prior year's profit or loss affecting items totalling HUF 1,416 million and the adjustment of the allocation of prior years consolidated profit or loss within equity.

As of 2011, capitalised R&D costs not written off and any development reserve made for expected development projects to the extent allowed by the corporate tax law are posted from retained earnings to allocated reserves. As a result, the reserves made by the subsidiaries up to 2010 but eliminated upon equity consolidation in previous years are presented in the opening settlement line.

figures in MHUF

Allocated reserves	Opening	Opening settlement	Released in 2011	Made in 2011	Closing
Environmental restoration reserve	3 617	0	0	0	3 617
Difference between the provision made for unrealised FX gain or loss on FX loans and deferred expenses	6 297	0	0	6 702	12 999
Additional capital contribution payable	2	0	0	0	2
Capitalised foundation/restructuring cost not yet written off	153	0	71	0	82
Capitalised R&D cost not yet written off	0	80	0	40	120
Development reserve	0	1 025	353	298	970
Total:	10 069	1 105	424	7 040	17 790

Schedule 29: Movements in allocated reserves

II.1.5 Provisions made and released

II.1.5.1 Provisions in the balance sheet for 2011

At MÁV Group level, provisions total HUF 55,688 million, of which provisions for contingent liabilities is HUF 21,950 million, for provisions for future obligations is HUF 20,855 million, and other provisions amount to HUF 12,883 million.

II.1.5.2 Provisions for contingent liabilities

Provisions for contingent liabilities total HUF 21,950 million at Group level at the end of 2011. The most significant items include provisions for litigations, contingent environmental liabilities, and for annuities and redundancies.

figures in MHUF

Provisions for contingent liabilities	Opening	Released in 2011	Made in 2011	Closing
Litigations	7 757	965	788	7 580
Environmental liability	6 861	739	42	6 164
Annuities (damages)	1 894	0	1 189	3 083
Lay-offs, early retirement, severance pay	2 930	2 717	1 414	1 627
Working clothes and uniforms	1 038	922	860	976
Provision for damages	502	106	105	501
Competition Authority penalty	0	0	500	500
Maintenance commitment related to the disposal of welfare buildings	574	116	0	458
Because of extreme weather in 2010	795	419	50	426
NKH supervisory charge	531	335	18	214
Late payment penalty	0	0	113	113
Contracted guarantee liabilities	161	121	38	78
Contingent industrial, and construction industry liabilities	170	170	61	61
Other	77	52	144	169
Total:	23 290	6 662	5 322	21 950

Schedule 30: Provisions for contingent liabilities

MÁV Zrt. has had indemnity insurance as an employer since 1 September 2006 and was insured against damage caused to passengers from 8 May 2006 until 30 June 2007, when the passenger transport activity was transferred to another company. In the pre-insurance period, MÁV Zrt. was liable for any accident suffered by its employees or passengers if such accident was attributable to the Company – such damages are typically paid by MÁV Zrt. as annuities.

As, owing to the nature of these payments, the exact amounts payable are not reliably quantifiable but will certainly incur to an extent, a provision of HUF 1.9 billion was accounted for such future payments in 2010 and, based on our experience and on information available, an additional provision of HUF 1.2 billion was made for 2011.

II.1.5.3 Provisions for future commitments

Provisions for future commitments totalled HUF 20,855 million at MÁV Group level. The three most significant items are for demolition costs, maintenance costs and for the depreciation of assets not handed over by NIF.

figures in MHUF

Provisions for future commitments	Opening	Released in 2011	Made in 2011	Closing
Depreciation of assets not contributed by NIF	9 364	0	6 579	15 943
Maintenance	2 468	11	215	2 672
Demolition	2 789	549	0	2 240
Other	18	18	0	0
Total:	14 639	578	6 794	20 855

Schedule 31: Provisions for future commitments

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

figures in MHUF

	Gross	Depr.2007	Depr.2008	Depr.2009	Depr.2010	Depr.2011	Total depr.	Net
Owned by MÁV	3 993	0	12	29	148	156	345	3 648
State owned	158 197	41	587	1 965	6 582	6 423	15 598	142 599
Total:	162 190	41	599	1 994	6 730	6 579	15 943	146 247

Schedule 32: 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 an amount which equals the unrecorded depreciation charge.

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

II.1.5.4 Other provisions

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

figures in MHUF

Other provisions	Opening	Released in 2011	Made in 2011	Closing
Provision for FX losses on investment and development loans	5 342	4	7 545	12 883
Total:	5 342	4	7 545	12 883

Schedule 33: Other provisions

Provisions as presented in the balance sheet for 2011:

figures in MHUF

Item	For contingent liabilities	For future expenses	For unrealised FX losses	Total:
Opening	23 290	14 639	5 342	43 271
Released in 2011	6 662	578	4	7 244
Made in 2011	5 322	6 794	7 545	19 661
Closing:	21 950	20 855	12 883	55 688

Schedule 34: Provisions in the balance sheet

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 Vagyoni 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.

As a result of the differences between movements in treasury asset and in the related liabilities, at 31 December 2011, long-term liabilities related to treasury assets and projects financed from EU funds but assigned to MÁV Zrt. totalled HUF 402,173 million while treasury assets presented in the balance sheet totalled HUF 349,727 million.

Long-term liabilities owed to the government thus exceed the value of managed treasury assets by HUF 52,446 million (of which HUF 52,789 million being subsidy refund liability and the HUF -527 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

<i>Liabilities related to treasury assets</i>	<i>2010</i>	<i>2011</i>	<i>Change</i>
<i>Opening liabilities related to treasury assets</i>	406 001	404 873	-1 128
Opening adjustment	-174	0	174
Additions during the year	13 174	20 415	7 241
Disposals during the year	-24 244	-30 040	-5 796
Increase in mandatory refunding requirement for the reporting year	10 987	6 397	-4 590
Settlements with the Treasury for the year	-871	527	1 398
of which: capex bills submitted to the Treasury in the reporting year	-1 185	-1 669	-484
disbursements by the Treasury in the reporting year	360	2 196	1 836
bills submitted to the Treasury related to 2010 paid by MÁV	-46	0	46
<i>Closing liabilities related to treasury assets</i>	404 873	402 173	-2 700

Schedule 35: Changes in the funding of treasury assets

The refunding obligation related to treasury assets increased by HUF 6,397 million in 2011 due mainly to the fact that the Company recognised a HUF 23,008 million depreciation on treasury assets and treasury assets worth HUF 18,508 million were replaced from MÁV's own funds in 2011.

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

figures in MHUF

<i>Refunding liability from managed assets</i>	<i>2 010</i>	<i>2 011</i>	<i>change</i>
<i>Opening balance</i>	35 556	46 392	10 836
Depreciation of treasury assets in 2011	22 566	23 017	451
Depreciation of treasury assets in previous years	-43	-9	34
Extraordinary depreciation, scrapped, missing	0	1 866	1 866
Materials used from scrapped treasury assets	65	30	-35
Cash received from third parties for treasury projects, used	72	446	374
<i>Increase, total:</i>	22 660	25 350	2 690
Opening adjustment	151	0	-151
Treasury development project from own funds	11 654	18 508	6 854
Cash received from third parties for treasury projects, used	0	444	444
Own assets contributed to the treasury	19	1	-18
<i>Decrease, total:</i>	11 824	18 953	7 129
<i>Closing balance:</i>	46 392	52 789	6 397

Schedule 36: Refunding obligation

The refunding obligation had increased by HUF 6,397 million to HUF 52,789 million by 31 December 2011. Currently, negotiations are ongoing with MNV Zrt. as to the settlement of the repayment obligation.

II.1.6.2 MÁV Group's subordinated debt

MÁV Group's subordinated debts include only negative goodwill in accordance with appendix 6 to the accounting law.

II.1.6.3 Long-term Group loans

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

Hosszú lejáratú hitelek bemutatása							
Loan	Loan agreement date	Maturity	Government guarantee	Currency	Contracted facility (millions, original)	Available facility	
						FX m	MHUF
Development loans							
EIB-ISPA	03.09.2001	15.09.2015	1082/2001	EUR	18	14	4 480
EUROFIMA 10/b	20.08.2003	11.02.2013	1211/2002.	EUR	26	26	8 043
EUROFIMA 11	31.12.2003	17.12.2018	1036/2003	EUR	35	35	10 890
EUROFIMA 12	31.12.2004	12.05.2014	1037/2004.	EUR	25	25	7 778
EUROFIMA 13 a	31.12.2005	06.03.2015	1113/2005	EUR	28	28	8 712
EUROFIMA 13 b	03.10.2006	07.04.2016	1113/2005	EUR	35	35	10 890
EUROFIMA 13 c+e	18.10.2007	28.01.2014	1113/2005	EUR	7	7	2 364
EUROFIMA 13 d	30.11.2007	07.04.2016	1113/2005	EUR	17	17	5 414
Konzorcium HUF 8.133bn	21.04.2006	21.04.2013	1113/2005	HUF	8 133	0	3 506
Raiffeisen Bank Zrt HUF 9.209bn	26.04.2006	21.04.2016	1113/2005	HUF	9 209	0	9 209
MFB Zrt (13 Desiro)	28.01.2002	30.12.2013	-	EUR	31	6	1 860
OTP Bank Nyrt (10 Talent)	23.03.2006	31.12.2016	-	EUR	45	22	6 799
CA-CIB Konzorcium (30 Flirt)	22.03.2006	16.06.2020	-	EUR	145	107	33 253
Raiffeisen Bank Zrt (+30 Flirt)	25.09.2007	28.11.2021	-	EUR	142	122	37 873
KFW -EIB (TRAXX)	03.12.2009	15.05.2024	-	EUR	80	44	13 586
MFB	27.10.2009	30.09.2024	-	HUF	2 800	0	2 506
Raiffeisen loan	26.04.2006	21.04.2016	1113/2005., 1027/2008.	HUF	400	0	400
Consortium loan (Erste-UniCredit-	21.04.2006	21.04.2013	1113/2005., 1027/2008.	HUF	2 824	0	2 118
MFB global development	23.12.2008	23.12.2018	-	HUF	3 000	0	2 636
UniCredit - MFB loan	10.09.2008	31.12.2023	-	HUF	2 376	0	1 870
Total:							174 187
Operational loans, leases							
Raiffeisen Bank Zrt HUF 28.5bn	27.12.2005	27.11.2015	1089/2005	HUF	28 500	0	22 800
Total:							22 800
Entrepreneurial loans							
szegedi köfi - PROLAN	10.08.2007	27.06.2019	-	HUF	1 870	0	1 694
dél-bal. köfi - PROLAN	20.05.2010	31.07.2016	-	HUF	2 260	0	2 260
electricity supply - PQ	08.07.2009	13.12.2015	-	HUF	1 267	0	1 014
UniCredit (Prolan 1.255.110)	25.09.2007	17.12.2013	-	HUF	1 255	0	628
UniCredit (Prolan 1.030.000)	19.05.2008	2012.05.14	-	HUF	1 030	0	143
Total:							5 739
Bonds							
MFB Zrt HUF 10bn	22.12.2010*	21.12.2015	1261/2010	HUF	10 000	0	10 000
CA-CIB-Takszöv. -Gránit HUF 35	07.09.2011*	05.09.2014	1290/2011	HUF	35 000	0	35 000

Of the above presented amount of development loans, HUF 16,871 million and HUF 5,700 million of operational loans are recorded among short-term loans in the balance sheet and entrepreneurial loans of HUF 1,396 million are recorded among short-term borrowings.

*bond start date

Schedule 37: Long-term Group loans and borrowings

figures in MHUF

Loan	2012.	2013.	2014.	2015	2016.	2017 and beyond	Total
Development loans							
EIB-ISPA	1 120	1 120	1 120	1 120	0		4 480
EUROFIMA 10/b	0	8 043	0	0	0	0	8 043
EUROFIMA 11	0	0	0	0	2 507	8 383	10 890
EUROFIMA 12	0	0	7 778	0	0	0	7 778
EUROFIMA 13 a	0	0	0	8 712	0	0	8 712
EUROFIMA 13 b	0	0	0	0	10 890	0	10 890
EUROFIMA 13 c+e	0	0	2 364	0	0	0	2 364
EUROFIMA 13 d	0	0	0	0	5 414	0	5 414
Konzorcium HUF 8.133bn	2 337	1 169	0	0	0	0	3 506
Raiffeisen Bank Zrt HUF 9.209bn	0	2 127	2 837	2 837	1 408	0	9 209
MFB Zrt (13 Desiro)	955	905	0	0	0	0	1 860
OTP Bank Nyrt (10 Talent)	1 411	1 411	1 411	1 411	1 155	0	6 799
CA-CIB Konzorcium (30 Flirt)	3 912	3 912	3 912	3 912	3 912	13 694	33 253
Raiffeisen Bank Zrt (+30 Flirt)	3 831	3 831	3 831	3 831	3 831	18 718	37 873
KfW-EIB (TRAXX)	1 086	1 086	1 086	1 087	1 087	8 154	13 586
MFB	196	196	196	196	196	1 526	2 506
Raiffeisen loan	0	92	123	123	62	0	400
Consortium loan (Erste-UniCredit-K&H)	1 412	706	0	0	0	0	2 118
MFB global development	455	364	363	363	363	728	2 636
UniCredit - MFB loan	156	156	156	156	156	1 090	1 870
Total:	16 871	25 118	25 177	23 748	30 981	52 293	174 188
Operational loans, leases							
Raiffeisen Bank Zrt HUF 28.5bn	5 700	5 700	5 700	5 700	0	0	22 800
Total:	5 700	5 700	5 700	5 700	0	0	22 800
Entrepreneurial loans							
szegedi köfi - PROLAN	234	234	234	234	234	524	1 694
dél-bal. köfi - PROLAN	452	452	452	452	452	0	2 260
electricity supply - PQ	253	253	254	254	0	0	1 014
UniCredit (Prolan 1.255.110)	314	314	0	0	0	0	628
UniCredit (Prolan 1.030.000)	143	0	0	0	0	0	143
Total:	1 396	1 253	940	940	686	524	5 739
Bonds							
MFB Zrt HUF 10bn	0	0	0	10 000	0	0	10 000
CA-CIB-Takszöv. -Gránit HUF 35bn	0	0	35 000	0	0	0	35 000
Total:	0	0	35 000	10 000	0	0	45 000
Grand total:	23 967	32 071	31 817	30 388	31 667	52 817	247 727

Schedule 38: Long-term loans repayment schedule

MÁV-TRAKCIÓ Zrt. needs to find a solution to repay the EUROFIMA and other loans taken over from MÁV Zrt. (totalling nearly HUF 13.5 billion at 31 December 2011 in relation to TRAXX engines) starting as of 2013 as no funds could have been set aside for such purposes.

II.1.6.4 Leases

MÁV Group's the leasing liabilities per maturity are set out below:

figures in MHUF

Lease	Currency	y 2102	y 2013	y 2014	y 2015	y 2016	Total
4 vehicles	HUF	4	0	0	0	0	4
MTZ tractor (1 unit)	EUR	1	1	0	0	0	2
4 Liugong shovel loaders	CHF	15	0	0	0	0	15
Total		20	1	0	0	0	21

Schedule 39: Assets leased by MÁV Group

II.1.6.5 Other current liabilities

Other current liabilities by item are as follows:

figures in MHUF

Item	2 010		2 011		Change
	Amount	%	Amount	%	
Taxes payable	9 585	57.1%	10 120	51.9%	535
Wages and salaries	5 693	33.9%	6 054	31.1%	361
Liability due to extra subsidy received	0	0.0%	2 094	10.7%	2 094
Unbilled compl. projects, late payment penalty, guarantees	83	0.5%	154	0.8%	71
Amounts payable to authorities	0	0.0%	143	0.7%	143
Current part of leasing liability	44	0.3%	20	0.1%	-24
Current part of leasing liability	419	2.5%	0	0.0%	-419
Other liabilities*	951	5.7%	903	4.6%	-48
Total other current liabilities	16 775	100.0%	19 488	100.0%	2 713

*In 2010, ZÁHONY-PORT Zrt's other current liabilities (HUF 248 million) were presented among other liabilities.

Schedule 40: Details of other current liabilities

II.1.7 Accrued expenses and deferred income

figures in MHUF

Item	2010	2011	Change
Deferred income			
Invitel Kft. other deferred income	10 752	10 504	-248
Usage charge of concession assets	0	0	0
Deferred other income	865	980	115
<i>Deferred income</i>	<i>11 617</i>	<i>11 484</i>	<i>-133</i>
Accrued expenses			
Accrued interest	1 334	1 131	-203
Unsettled freight deliveries in cross-border operations (payable balance)	304	21	-283
RIC wagon rent	3 131	3 160	29
Accrued bonus and related social security	2 180	1 664	-516
Accrued expenses	36	4	-32
Early retirement	849	451	-398
Accrued expense related to mutual replacement of motor coach services	137	551	414
Other accrued expenses	2 058	1 701	-357
<i>Accrued expenses</i>	<i>10 029</i>	<i>8 683</i>	<i>-1 346</i>
Deferred extraordinary revenues and subsidies			
Debts arising from asset acquisitions assumed by the government	29 707	26 336	-3 371
EU funds and funds from government schemes	1 932	1 894	-38
Phare aid for development	1 236	1 172	-64
Fixed assets received free of charge and as gifts	970	772	-198
Fixed asset surplus	353	598	245
Amounts received from local government and from businesses free of charge	249	270	21
Other non-refundable government grants	8 175	7 347	-828
Tendering subsidy	79	66	-13
<i>Deferred extraordinary revenues and subsidies</i>	<i>42 701</i>	<i>38 455</i>	<i>-4 246</i>
Total	64 347	58 622	-5 725

Schedule 41: Accrued expenses and deferred income

II.1.8 Contingencies

II.1.8.1 Hedging transactions

Only the parent company had hedging transactions in 2011.

Financial market risks form integral part of MÁV Zrt's normal course of business and such risks are proactively mitigated with hedging contracts.

MÁV Zrt's FX balance at the end of 2011 was EUR 49,305 thousand deficit, which is by 10.5% (EUR 5,163 thousand) behind the plan. No FX based loan was bullet paid. The planned FX transactions were hedged in line with our FX management policies, via future, forward (EUR 23,590 thousand) and spot contracts EUR 22,910 thousand).

The FX hedging contracts ensured the necessary FX cash flows at a rate that exceeded the planned rate but was below the average MNB rate (plan: 274.50 HUF/EUR; weighed average rate: 280.97 HUF/EUR; MNB weighed average rate: 281.37 HUF/EUR).

No hedging contracts were made in 2011 for the risks from changes in interest rates and in bulk commodity rates (mainly gasoline).

The profit and loss and cash flow impacts of hedging contracts closed in 2011 are reflected below.

II.1.8.2 Closed forward and option contracts

figures in MHUF

Contract type		P&L impact	Cash-flow impact
Settlement contracts	Forward	0	0
	Option	0	0
	Total:	0	0
Delivery contracts*	Forward	17	17
	Option	0	0
	Total:	17	17
Grand total:		17	17
of which	Hedging	17	17
	Non hedging	0	0
	Total:	17	17
of which	SE	0	0
	OTC	17	17
	Total:	17	17

*Note.: The profit and loss impact and the cash-flow impact were determined based on the official central bank rates prevailing on the date of maturity

Schedule 42: Closed forwards and options in 2011

II.1.8.3 Joint and several liabilities and guarantees given

The Group's guarantee liabilities existing at 31 December 2011 were as follows:

Entity	Type of guarantee	Contractor	Start date	End date	Amount in EUR	Amount in MHUF
Bank guarantees						
Customs	Excise guarantee	KDB	12.12.2010	11.12.2012	0	60
Regionális Fejlesztési Holding Zrt.	Supervisory	KDB	20.10.2008	31.12.2011	0	2
National Transport Authority	Accidental damage	OTP	27.04.2009	31.12.2012	0	1 000
NHH	warranty	Raiffeisen Bank	04.11.2008	10.08.2013	0	25
Chief Customs Office	Customs guarantee for operations	K&H Bank	18.03.2011	17.03.2012	0	30
Chief Customs Office	Customs guarantee for operations	K&H Bank	18.03.2011	17.03.2012	0	30
Egyéb társaság	Guarantee for damages	Budapest Bank Zrt	31.12.2011	31.12.2012	0	1 100
HEROS Súdosteuroopa GmbH	purchase price payment guarantee	KDB Bank (Magyarország) Zrt.	30.09.2011	31.03.2012	0	46
MOL Magyar Olaj- és Gázipari Nyrt.	guaranteed purchase of 225,000 litres of gasoline	Citibank Europe plc Magyarországi Fióktelepe	30.06.2011	15.05.2014	0	7
Southern Alföld Regional Job Centre	Non-refundable subsidy	Citibank Europe plc Magyarországi Fióktelepe	08.08.2008	31.01.2012	0	10
Southern Alföld Regional Job Centre	Non-refundable subsidy	Citibank Europe plc Magyarországi Fióktelepe	08.08.2008	30.06.2012	0	26
Ministry for National Development and Economy	Non-refundable subsidy	Citibank Europe plc Magyarországi Fióktelepe	14.08.2008	30.09.2012	0	85
Assumed bank guarantees, total:					0	2 421
Good performance guarantees						
Slovenian Railways	for delivery on contract	K&H Bank	24.08.2009	10.01.2014	92 137	28
Good performance guarantees, total:					92 137	28
Guarantees, total:					92 137	2 449

Schedule 43: Guarantee contracts valid at the balance sheet date

II.1.8.4 Lien

Loan	Loan outstanding at 31 Dec 2011 (MHUF)	Security
EUROFIMA 10/b	8 043	Rolling stock
EUROFIMA 11	10 890	Rolling stock
EUROFIMA 12	7 778	Rolling stock
EUROFIMA 13 a	8 712	Rolling stock
EUROFIMA 13 b	10 890	Rolling stock
EUROFIMA 13/c+e	2 364	Rolling stock
EUROFIMA 13 d	5 414	Rolling stock
OTP Bank (10 pcs Talent financing)	6 799	10 pcs Talent engines
Credit Agricole-CIB konz. (30 pcs Firt)	33 253	30 pcs Flirt engines
Raiffeisen Bank (+30 pcs Flirt financing.)	37 873	30 pcs Flirt engines
KFW (TRAXX)	7 064	Rolling stock
EIB (TRAXX)	6 522	Rolling stock
MFB	2 506	Rolling stock
MFB global development (Raiffeisen - H-91/2008.)	2 636	Rolling stock
UniCredit - MFB loan	1 870	Rolling stock
Total:	152 613	

Schedule 44: 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 Crédit Agricole Corporate and Investment Bank and on 30 Flirt coaches for Raiffeisen as lenders.

Many of MÁV's properties (own or managed) have been encumbered on the grounds of permanent environmental damage. These properties are subject to restoration work before the encumbrance can be removed. The number of encumbered properties is 49.

In its public procurement contracts, MÁV Zrt. grants a collection order right to its still existing contractors from the period of 15 September 2010 and 31 December 2011 in accordance with the public procurement act.

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

The Group's mortgaged properties are as follows:

figures in THUF

Location	Topographic number	Topographic number	Amount	Owner
Hetvehely	61/1	OTP Bank Nyrt.	36	HUNGARIAN GOV:
Küngös	1101	K&H Bank Zrt.	31 000	HUNGARIAN GOV:
Záhony	600/9	K&H Bank Zrt.	65 000	MÁV Zrt.

Schedule 45: Mortgaged properties

II.1.8.5 Long-term loans – draws and repayments

The planned disbursement and repayment schedules of MÁV Group's long-term loans and borrowings are presented in the following schedules:

figures in MHUF

Loan	2012	2013	2014	2015	2016	2017 and beyond	Total
HUF 27,22bn with gov. guarantee	27 220	0	0	0	0	0	27 220
HUF 36,314bn with gov. guarantee	36 314	0	0	0	0	0	36 314
KFW (TRAXX)	5 827	0	0	0	0	0	5 827
EIB (TRAXX)	5 379	0	0	0	0	0	5 379
Total:	74 740	0	0	0	0	0	74 740

Schedule 46: Disbursement schedule of long-term loans

figures in MHUF

Loan	2012	2013	2014	2015	2016	2017 and beyond	Total
HUF 27,22bn with gov. guarantee	0	0	0	27 220	0	0	27 220
HUF 36,314bn with gov. guarantee	0	0	0	36 314	0	0	36 314
KFW (TRAXX)	467	467	466	466	466	3 497	5 827
EIB (TRAXX)	430	430	430	430	430	3 227	5 379
Total:	897	897	896	64 430	896	6 724	74 740

Schedule 47: Repayment schedule of long-term loans

II.2 NOTES TO THE PROFIT AND LOSS ACCOUNT

II.2.1 Net sales per activity

figures in MHUF

Activity	2010		2011		Change
	Amount	%	Amount	%	
Passenger transport	47 867	38%	50 808	39%	2 941
Railtrack operations	30 109	24%	27 823	21%	-2 286
Rail ticket subsidy	20 106	16%	21 234	16%	1 128
Traction, towing	15 082	12%	17 513	13%	2 431
Property rent and management, supervision, demolition	4 609	4%	4 984	4%	375
Machinery and vehicle repairs, production, operations and n	2 163	2%	2 296	2%	133
IT services	2 094	2%	1 772	1%	-322
Rail cargo	1 928	2%	2 173	2%	245
Materials and goods sold	967	1%	880	1%	-87
Other services	1 986	2%	1 900	1%	-86
Total:	126 911	100%	131 383	100%	4 472

Schedule 48: Details of net sales

- ✚ In 2011, the Group's revenues from both public and private passenger services increased in a total of HUF 2,941 million. Of this amount, the increase from ticket sales (journey and seat) totalled HUF 1.5 billion. The sales revenues thus achieved in 2011 totalled HUF 43,127 million. The increase was typically from passenger ticket sales (journey and seat). The reason for the increase in the case of public domestic services is the fact that all domestic ticket types (except the business politics ticket type) journey ticket sales increased on both last year and the plan owing to both the growing number of passengers and an increase in the number of full fare tickets. Petrol prices also had an impact on the growth as spiralling petrol prices make an increasing number of motorists to re-think what means of transport to use. An increase in the number of passengers was also apparent in 2011.
- ✚ The Group revenues from railtrack operations declined significantly compared to 2010 owing to the fact that the percentage of Group member customers that used the rail network operated by MÁV Zrt. increased in 2011 on the previous year.
- ✚ However the reason for the HUF 2.4 billion increase in towing and shunting services was not an increase in the number of customers but purely to increased sales.

II.2.2 Export sales and imports

Exports and import by country are presented below:

figures in MHUF

Country	2010		2011	
	Export	Import	Export	Import
Austria	3 395	6 172	4 177	5 619
Belgium	12	29	17	30
Bulgaria	0	42	8	40
Cyprus	0	0	0	0
Czech Republic	1 087	2 343	1 109	2 398
Denmark	15	256	15	58
Estonia	0	0	0	0
Finland	10	3	10	3
France	312	160	377	212
Greece	0	1	1	1
Holland	144	21	121	23
Ireland	0	0	7	2
Poland	175	179	160	340
Latvia	0	0	0	0
Lithuania	2	0	0	0
Luxemburg	2	0	1	1
Malta	0	0	0	0
UK	68	20	61	66
Germany	1 376	2 788	1 434	2 462
Italy	338	537	366	889
Portugal	5	0	5	1
Romania	1 339	1 362	1 587	1 658
Spain	16	43	26	146
Sweden	33	11	52	17
Slovakia	854	1 230	1 110	1 287
Slovenia	409	484	396	443
EU total:	9 592	15 681	11 040	15 696
Albania	0	0	0	0
Australia	2	0	2	0
Bosnia-Hecegovina	37	25	42	31
USA	0	56	0	27
Belorussia	0	0	1	1
Croatia	354	298	362	325
Canada	14	0	12	0
Kazakhstan	0	0	0	0
Macedonia	1	1	1	0
Moldavia	0	0	0	0
Montenegro	0	0	1	3
Norway	12	2	9	3
Russia	79	68	108	85
Switzerland	102	10 661	136	136
Serbia	301	391	273	226
Turkey	13	1	7	3
Turkeminstan	0	0	0	0
Ukraine	78	81	71	111
Uzbekistan	0	0	0	0
Other	0	1	0	0
Non-EU total:	993	11 585	1 025	951
Grand total:	10 585	27 266	12 065	16 647

Schedule 49: Export sales and imports per market segment

II.2.3 Material-type expenses

figures in MHUF

Item	2010		2011		Change
	Amount	%	Amount	%	
Material costs					
Maintenance and operational materials	19 134	15.9%	23 127	17.8%	3 993
Traction electricity	17 406	14.5%	16 917	13.0%	-489
Traction fuel	10 540	8.8%	12 622	9.7%	2 082
Public utilities	8 337	7.0%	6 899	5.3%	-1 438
Protective clothing, beverages	429	0.4%	821	0.6%	392
Total:	55 846	46.6%	60 386	46.4%	4 540
Services used					
Track operations	28 420	23.7%	29 912	23.0%	1 492
Rents	13 558	11.3%	13 576	10.4%	18
Other services used	5 968	5.0%	6 526	5.0%	558
Public sanitation	2 763	2.3%	2 864	2.2%	101
Public utilities (not consumption based)	0	0.0%	1 799	1.4%	1 799
IT services	1 276	1.1%	1 262	1.0%	-14
Specialists, advisory costs, membership	672	0.6%	1 181	0.9%	509
Traction	1 144	1.0%	934	0.7%	-210
Post, advertising, market survey	906	0.8%	925	0.7%	19
Transport and loading	558	0.5%	558	0.4%	0
Training	652	0.5%	357	0.3%	-295
R&D	157	0.1%	145	0.1%	-12
Health care services	20	0.0%	22	0.0%	2
Total:	56 094	46.8%	60 061	46.2%	3 967
Other services					
Tolls and duties	1 233	1.0%	1 499	1.2%	266
Insurance	869	0.7%	839	0.6%	-30
Bank costs and charges	376	0.3%	407	0.3%	31
Other non-specified services	24	0.0%	37	0.0%	13
Total other services:	2 502	2.1%	2 782	2.1%	280
COGS:	862	0.7%	1 544	1.2%	682
Consignment services:	4 517	3.8%	5 201	4.0%	684
Total material-type expenses:	119 821	100.0%	129 974	100.0%	10 153

Schedule 50: Material-type expenses

The Group's material-type expenses increased by 8.47% in 2011 as a result of the following:

- ✚ The use of operating and maintenance materials used by the Group increased significantly in 2011 as result of the increased volume of railtrack maintenance and construction services.
- ✚ The increase in operating materials and fuels was the combined effect of increased fuel prices and increased use.
- ✚ The decrease in public utility costs is due to a reclassification compared to 2010: not consumption related charges, as well as sewage and remote heating costs were reclassified from material costs to services used.
- ✚ Railtrack maintenance was not only done by group entities but also by third party contractors. The cost of such services increased by HUF 1,492 million in 2011.

II.2.4 Other revenues

figures in MHUF

Item	2010		2011		Change
	Amount	%	Amount	%	
Fixed asset and intangible asset disposals	587	0.3%	698	0.4%	111
Reversed impairment losses (tangibles and intangibles)	75	0.0%	235	0.1%	160
Reversed impairment losses (inventories and debtors)	927	0.5%	874	0.4%	-53
Profit increasing items	1 675	0.9%	1 879	1.0%	204
<i>of which: Late payment penalty received</i>	712	0.4%	268	0.1%	-444
<i>Penalties received</i>	482	0.3%	89	0.0%	-393
Use of provisions	8 362	4.4%	7 276	3.7%	-1 086
<i>Of which: for contingencies</i>	7 530	3.9%	6 662	3.4%	-868
<i>for penalties</i>	0	0.0%	0		
<i>for unrealised FX losses</i>	375	0.2%	4	0.0%	-371
<i>for future expenses</i>	457	0.2%	610	0.3%	153
Debtors sold	0	0.0%	1	0.0%	1
Miscellaneous other income	399	0.2%	318	0.2%	-81
Reversed deferred income due to costs and expenses reducing the operating profit*	4 879	2.5%	4 705	2.4%	-174
<i>Of which: reversed deferred subsidy</i>	340	0.2%	681	0.3%	341
<i>reversed deferred PHARE aid</i>	164	0.1%	64	0.0%	-100
<i>reversed debt owed to government, forgiven</i>	4 076	2.1%	3 532	1.8%	-544
Non-refundable subsidies	174 689	91.2%	180 986	91.9%	6 297
<i>Of which: for public services</i>	173 781	90.7%	179 977	91.4%	6 196
<i>for redundancies</i>	0	0.0%	1 000	0.5%	1 000
<i>compensation for lost passenger service earnings</i>	856	0.4%	0	0.0%	-856
<i>damages for floods</i>	0	0.0%	0	0.0%	0
Total:	191 593	100.0%	196 972	100.0%	5 379

Schedule 51: Other revenues

II.2.5 Other expenses

figures in MHUF

Item	2010		2011	
	Amount	%	Amount	%
Disposals, scraping and missing assets	585	1.9%	1 999	6.1%
Extraordinary depreciation of tangibles and intangibles	2 210	7.2%	1 353	4.1%
Impairment of inventories and receivables, inventory shortage, scrapping	1 844	6.0%	2 038	6.2%
<i>Of which: Inventory write offs</i>	757	2.5%	866	2.7%
<i>Impairment of debtors</i>	918	3.0%	952	2.9%
Profit reducing items	6 158	20.0%	4 546	13.9%
<i>Of which: Late payment interest, penalties, damages paid</i>	460	1.5%	749	2.3%
<i>Losses on damages</i>	3 562	11.6%	2 419	7.4%
<i>Tax identified by self-correction</i>	58	0.2%	44	0.1%
Provisions made	16 955	55.1%	19 661	60.2%
<i>Of which: for early retirement, severance pay</i>	1 781	5.8%	1 398	4.3%
<i>for environmental liabilities</i>	83	0.3%	42	0.1%
<i>for litigations</i>	1 119	3.6%	788	2.4%
<i>for late payment penalties</i>	0	0.0%	113	0.3%
<i>for liabilities related to subsidiaries</i>	0	0.0%	0	0.0%
<i>for working clothes and uniforms</i>	1 038	3.4%	860	2.6%
<i>for annuity liabilities</i>	1 894	6.2%	1 189	3.6%
<i>for the extreme weather conditions in 2010</i>	795	2.6%	50	0.2%
<i>for the penalty charged by the Competition Office</i>			500	1.5%
<i>for NKH supervision charge</i>	531	1.7%	18	0.1%
<i>for the unrealised FX loss on development loans</i>	1 908	6.2%	7 545	23.1%
<i>for the depreciation of assets not contributed by NIF</i>	6 730	21.9%	6 579	20.1%
<i>for demolition costs</i>	354	1.2%	0	0.0%
<i>for maintenance costs</i>	0	0.0%	215	0.7%
BV of debtors sold	0	0.0%	0	0.0%
Taxes, duties and VAT	2 270	7.4%	2 458	7.5%
Contributions to government funds	529	1.7%	561	1.7%
<i>or which: environmental charge (in product prices)</i>	0	0.0%	0	0.0%
<i>Innovation contribution</i>	426	1.4%	540	1.7%
Expenses on other liabilities	207	0.7%	50	0.2%
Total:	30 758	100.0%	32 666	100.0%

Schedule 52: Other expenses

Other expenses at group level exceeded prior year's other expenses by HUF 1,908 million. Other expenses related to intangible and to tangible assets are presented separately as opposed to last year.

II.2.6 Financial and extraordinary profit or loss

II.2.6.1 Financial income

figures in MHUF

Item	2010		2011		Change
	Amount	%	Amount	%	
Dividends, profit sharing received	83	3.3%	82	3.4%	-1
Of which: Resti Zrt.	80	3.2%	80	3.3%	0
HIT Rail b.v.	3	0.1%	2	0.1%	-1
Gain on the disposal of investments	0	0.0%	0	0.0%	0
Interest received and similar income	989	39.6%	1 003	41.9%	14
Of which: bank interest	940	37.7%	934	39.0%	-6
interest from third parties	30	1.2%	0	0.0%	-30
interest from private persons	7	0.3%	69	2.9%	62
interest on securities	12	0.5%	0	0.0%	-12
Other financial revenues	1 424	57.1%	1 308	54.7%	-116
Of which: Profit of equity consolidated entities attributable to the Group	969	38.8%	808	33.8%	-161
realised FX gain on FX balances	412	16.5%	426	17.8%	14
Total:	2 496	100.0%	2 393	100.0%	-103

Schedule 53: Financial income

II.2.6.2 Financial expenses

figures in MHUF

Item	2010		2011		Change
	Amount	%	Amount	%	
FX losses on interest paid and on long-term financial assets	0	0.0%	0	0.0%	0
Interest paid	10 717	88.1%	12 676	87.5%	1 959
Of which: bank interest	10 357	85.2%	11 135	76.9%	778
interest on bonds	0	0.0%	1 167	8.1%	1 167
Impairment loss on shares, securities and bank deposits	1	0.0%	0	0.0%	-1
Other financial expenditures	1 445	11.9%	1 806	12.5%	361
Of which: Loss of equity consolidated entities attributable to the Group	33	0.3%	92	0.6%	59
FX loss from the year-end revaluation of receivables and payables	1 353	11.1%	1 481	10.2%	128
Total:	12 163	100.0%	14 482	100.0%	2 319

Schedule 54: Financial expenses

II.2.6.3 Extraordinary revenues

figures in MHUF

Item	2010		2011		Change
	Amount	%	Amount	%	
Debts assumed by the government	0	0.0%	50 621	99.7%	50 621
Forgiven and lapsed debt	29	25.0%	65	0.1%	36
Revenues from assets received free of charge and from surplus assets	71	61.2%	47	0.1%	-24
Difference of assets and liabilities received for operations discontinued upon transformation*	0	0.0%	30	0.1%	30
Work place creation subsidy for the reporting period	15	12.9%	13	0.0%	-2
Amounts received free of charge	1	0.9%	0	0.0%	-1
Total:	116	100.0%	50 776	100.0%	50 660

Schedule 55: Extraordinary revenues

The dramatic increase in the group's extraordinary revenues was due to the debts assumed by the government as detailed in section I.1.2.2.

II.2.6.4 Extraordinary expenditures

figures in MHUF

Item	2010		2011		Change
	Amount	%	Amount	%	
BV of investment (operations) discontinued due to transformation*	0	0.0%	995	83.3%	995
Expenses on assets contributed and services provided free of charge	156	44.7%	109	9.1%	-47
Amounts transferred free of charge	45	12.9%	43	3.6%	-2
Forgiven debts (domestic)	5	1.4%	24	2.0%	19
Non-refundable employee housing grant	138	39.5%	19	1.6%	-119
Liabilities of third parties assumed	5	1.4%	4	0.3%	-1
Other extraordinary expenses	0	0.0%	0	0.0%	0
Total:	349	100.0%	1 194	100.0%	845

Schedule 56: Extraordinary expenditures

*As a result of the demerger of MÁV Koncessziós Kft. from VIACOM HUNGÁRIA Zrt., the book value of MÁV Zrt's share in VIACOM HUNGÁRIA Zrt. (HUF 30 million) was recognised as extraordinary expense. On the other hand, as MÁV Zrt. owns 100% of the equity of MÁV Koncessziós Kft., it was recognised as extraordinary revenue.

The book value of the Group's share in VIACOM HUNGÁRIA Zrt. was HUF 995 million in the consolidated financial statements, therefore a loss of HUF 965 million was realised on the demerger transaction.

As the transaction was a demerger and not disposal, the related loss is presented among extraordinary expenses and not among other financial expenses in the consolidated financial statements.

II.2.7 Consolidated profit and loss

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

figures in MHUF

<i>Item</i>	<i>Amount</i>
Aggregate group loss of fully consolidated subsidiaries	17 115
Total pre-consolidation loss for the year	17 115
Elimination of dividends received from subsidiaries	-932
Profit and loss impact of equity net-offs	-932
P&L impact of the demerger of MÁV Koncessziós Kft. from VIACOM HUNGÁRIA Zrt.	-965
Dividends from associates eliminated	-563
Profits of associates for 2011	808
Losses of associates for 2011	-93
Profit and loss impact of equity consolidation	-813
Reversed impairment loss on debtors	-60
Unilaterally recognised late payment interest, penalty and damages netted off on a prudent basis	98
Unilaterally recognised other items eliminated on a prudent basis	-24
Profit from netted off receivables and payables	14
Treatment of differences due to bookings in differing periods	-866
Profit and loss impact of the treatment of other differences	-6
Eliminated intra-group provisions made for contingencies and future commitments	803
Eliminated intra-group provisions for contingencies and future commitments released	-291
Loss from the consolidation of yields and expenses	-360
Interim profit or loss effect of disposals of other tangibles	-1 829
P&L effect of offset intercompany profit or loss due to intra-group disposal of tangibles	-11
P&L effect of offset intercompany profit or loss due to intra-group contribution of tangibles	162
Reversed deferred income released in the stand-alone FS due to intra-group contribution of tangibles	-392
Adjustment of ordinary depreciation of assets containing intra-group profit or loss	2 148
Adjustment of extraordinary depreciation recognised and reversed on assets containing intra-group profit or loss	-205
Other profit reducing items due to items (disposal, scrapped, missing etc.) containing intra-group profit or loss	-7
Deferred income reversed in consolidation released in line with ordinary depreciation for the year	2 809
Adjustment of deferred expenses released as a result of intercompany FX loans assumed	2
Other provisions made for intercompany FX loans assumed	-479
Reversed intercompany year-end revaluation with profit and loss impact (due to FX loans)	-35
P&L impact of netting off and releasing interim gains and losses recognised in inventories	43
Impact of interim profits and losses netted off on the consolidated loss for the year	2 206
Profit or loss impact of deferred tax due to consolidation entries in the reporting year	-139
Deferred tax impact on the profit or loss	-139
Consolidated loss for 2011	17 091

Schedule 57: Consolidated Group profit

II.3 TRUE AND FAIR ASSET, FINANCIAL AND INCOME POSITIONS

II.3.1 MÁV Group's liquidity position

From the perspective of the Group's liquidity, the compensation granted by the state to cover cost incurred in discharging public service obligations (passenger transport and railtrack operation) but not covered by revenues is critical. Such compensation is ensured by loan guaranteed by the state.

Based on a clause in the passenger transport public service contract for 2010-2012, MÁV Group was entitled to a government compensation of HUF 152,382 million for 2011. In the 2011 annual consolidated financial statements of MÁV Zrt. an additional compensation need of HUF 6,545 million was presented in addition to the amount stipulated in the aforesaid clause to cover justifiable costs.

In relation to passenger transport services, the public service reports for 2009 and 2010 were approved by the Ministry for National Development according to the following:

As opposed to the compensation of HUF 163,448 million included in the report for 2009, HUF 2,094 million excess compensation was identified. With respect to 2010, in addition to the total available compensation of HUF 144,756 million set out in the report for 2010, the Ministry approved further compensation of HUF 3,247 (in relation to 2008) plus HUF 5,650 million.

In relation to the light railway operations in 2010, the Ministry approved a compensation request of HUF 79 million.

In 2011, the Hungarian government and MÁV Zrt. signed a railtrack infrastructure operations contract for the period of 2011 to 2015 in order to ensure the long term funding of the operation

A material event in terms of MÁV Group's liquidity position was the issue of bonds totalling HUF 35 billion in 2011 to fund continuous operations. The bonds will be redeemable in 2014.

Based on the railtrack infrastructure operations contract for 2011-2015, MÁV Group received a total compensation of HUF 21,050 million in 2011.

Further to the budget act for 2012, government decree No. 15/2012. (II.16.) ensured compensation of MÁV Zrt's justifiable costs incurred in relation to railtrack operations totalling HUF 41,882 million, and HUF 144,000 million with respect to MÁV-START Zrt's costs incurred in relation to passenger transport activities by rail.

The Company's Public Service Report for 2011 is yet unapproved by the Ministry, therefore the amount of compensation claim may be subject to change.

II.3.2 Cash-Flow statement

figures in MHUF

No.	Item	2010	2011
I.	Cash-flows from ordinary activities (Operating cash-flows)	27 832	19 552
1.	Profit before tax	-28 347	17 426
2.	Ordinary depreciation	49 269	50 018
2/b	Depreciation on previous years	177	31
3.	Recognised and reversed impairment loss	5 036	4 089
4.	Movements in provisions	8 573	12 417
4/b	Forgiven debt	0	0
5.	Gains on fixed asset disposals	-250	-490
6.	Movements in creditors	-7 145	3 949
7.	Movements in current liabilities	-7 230	2 996
8.	Movements in accruals	-9 745	-5 725
9.	Movements in debtors	1 317	-1 120
10.	Current asset movements (less debtors and liquid assets)	20 579	-23 229
11.	Movements in prepayments and accrued income	-2 256	8 609
12.	Income taxes paid (payable)	-2 678	-417
13.	Dividends and profit-sharing paid or payable	0	0
13/b	Assets transferred/received free of charge	33	-275
13/c	Capitalised interest	0	0
13/d	Prior year adjustments	-326	1 416
13/e	Changes in deferred tax arising on consolidation	-2 473	139
13/f	Adjustment arising on consolidation without actual money movement	-672	825
13/g	FX gains at year-end	3 970	15 720
13/h	Assigned debt	0	-50 621
13/i	Interest on assigned debt	0	621
13/j	Increase in assets due to the demerger of MÁV Koncessziós Kft.	0	-16 827
II.	Investment cash-flows	-32 836	-42 259
14.	Fixed asset additions	-30 832	-46 815
15.	Fixed asset disposals	662	698
15/b	Movements in long-term financial assets	0	0
15/c	Movements in prepayments for capital expenditures	-2 749	3 776
16.	Dividends received	83	82
III.	Financing cash-flows	8 280	20 409
17.	Revenues from the issue or redemption of shares	0	0
18.	Revenues from the issue of bonds and debt securities	10 000	35 000
19.	Borrowings	22 077	35 227
20.	Movements in long-term borrowings	335	302
21.	Assets received free of charge	12	38
22.	Redemption of shares, capital reduction	0	0
23.	Repayment of bonds and debt securities	0	0
24.	Loan repayment	-24 066	-50 143
25.	Long-term borrowings and bank deposits	0	-7
26.	Assets transferred free of charge	-65	0
27.	Movements in payable to founders and in other long-term liabilities	-13	-8
IV.	Change in cash and cash equivalents ($\pm I \pm II \pm III$)	3 276	-2 298

Schedule 58: Cash-flow statement

II.3.3 Asset ratios

<u>Fixed asset ratio</u>									
	<i>Fixed assets</i>	=	744 184	=	83.86%				(basis: 85.02%)
	<i>Total assets</i>		887 445						
<u>Tangible asset margin</u>									
	<i>Equity</i>	=	43 449	=	11.29%				(basis: 7.62%)
	<i>Own tangibles</i>		384 982						
	<i>Equity + Treasury funds</i>	=	445 622	=	60.65%				(basis: 59.06%)
	<i>Tangible assets</i>		734 709						
<u>Fixed asset margin</u>									
	<i>Equity</i>	=	43 449	=	11.01%				(basis: 7.42%)
	<i>Owned fixed assets</i>		394 457						
	<i>Equity + Treasury funds</i>	=	445 622	=	59.88%				(basis: 58.23%)
	<i>Fixed assets</i>		744 184						
<u>Current assets per fixed assets</u>									
	<i>Current assets</i>	=	95 265	=	12.80%				(basis: 10.02%)
	<i>Fixed assets</i>		744 184						
<u>Equity and liabilities rates</u>									
<u>Capitalisation</u>									
	<i>Equity</i>	=	43 449	=	4.90%				(basis: 3.26%)
	<i>Total liabilities</i>		887 445						
	<i>Equity</i>	=	43 449	=	8.95%				(basis: 6.07%)
	<i>Total liabilities - Treasury funds</i>		485 272						
<u>Gearing</u>									
	<i>Borrowed capital</i>	=	729 686	=	1679.41%				(basis: 2588.85%)
	<i>Equity</i>		43 449						
	<i>Borrowed capital - Treasury funds</i>	=	327 513	=	753.79%				(basis: 1171.23%)
	<i>Equity</i>		43 449						

Indebtedness									
	<i>Borrowed capital</i>		=	729 686	=	82.22%			(basis: 84.45%)
	<i>Total assets</i>			887 445					
Long-term liabilities ratio									
	<i>Long-term liabilities</i>		=	626 345	=	93.51%			(basis: 95.76%)
	<i>Long-term liabilities + Equity</i>			669 794					
	<i>Long-term liabilities - Treasury bonds</i>		=	224 172	=	83.76%			(basis: 89.35%)
	<i>Long-term liabilities - Treasury bonds + Equity</i>			267 621					
Equity increase ratio									
	<i>Equity</i>	=	43 449	=	206.90%				(basis: 136.00%)
	<i>Issued capital</i>		21 000						
Fixed asset margin									
	<i>Equity</i>	=	43 449	=	5.84%				(basis 3.84%)
	<i>Fixed assets</i>		744 184						
	<i>Equity</i>	=	43 449	=	11.01%				(basis: 7.42%)
	<i>Owned fixed assets</i>		394 457						
Income ratios									
	<i>EBITDA = Operating loss + depreciation=</i>			-19 985	+	50 018	=	30 033	(basis: 30 905)
	<i>EBITDA rate =</i>		<i>EBITDA</i>	=	30 033	=	22.86%		(basis 24.35%)
			<i>Net sales</i>		131 383				
	<i>Operational rate=</i>		<i>Operating loss</i>	=	-19 985	=	-15.21%		(basis: -14.47%)
			<i>Net sales</i>		131 383				
Financial position									
Working capital and liquidity									
Net working capital									
	<i>Current assets - Current liabilities</i>	=	95 265	-	103 243	=	-7 978		(basis: -20 184)
Liquidity ratio									
	<i>Current assets</i>	=	95 265	=	92.27%				(basis: 78.70%)
	<i>Current liabilities</i>		103 243						
Quick ratio									
	<i>Current assets - Inventories</i>	=	78 223	=	75.77%				(basis: 62.67%)
	<i>Current liabilities</i>		103 243						
Cash liquidity ratio									
	<i>Liquid assets</i>	=	23 936	=	23.18%				(basis: 27.69%)
	<i>Current liabilities</i>		103 243						

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 MHUF

No.	Item	2006	2007	2008	2009	2010	Total
01.	A. FIXED ASSETS	-24	15	16	23	-48	-18
02.	I. INTANGIBLE ASSETS	-1	0	1	2	31	33
3.	Capitalised foundation/restructuring	-1	0	1	2	-2	0
4.	Capitalised research and development	0	0	0	0	0	0
5.	Concessions, licenses and similar rights	0	0	0	0	39	39
6.	Trade marks, patents and similar assets	0	0	0	0	-6	-6
7.	Goodwill	0	0	0	0	0	0
8.	Advance payments for intangible assets	0	0	0	0	0	0
9.	Adjusted value of intangible assets	0	0	0	0	0	0
10.	II. TANGIBLE ASSETS	-23	15	15	23	-66	-36
11.	Land and buildings and related property rights	3	22	22	33	-72	8
12.	Plant, machinery, equipment and vehicles	-27	-7	-7	-7	9	-39
13.	Other equipment, fixtures and fittings, vehicles	0	0	0	0	0	0
14.	Breeding stock	0	0	0	0	0	0
15.	Assets in the course of construction	82	0	0	-3	-3	76
16.	Prepayments for capital expenditures	-81	0	0	0	0	-81
17.	Adjusted value of tangible assets	0	0	0	0	0	0
18.	III. LONG TERM FINANCIAL ASSETS	0	0	0	-2	-13	-15
19.	Long-term participations in related-parties	0	0	0	0	-13	-13
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	-2	0	-2
24.	Long-term debt securities	0	0	0	0	0	0
25.	Adjusted value of financial investments	0	0	0	0	0	0
26.	B. CURRENT ASSETS	16	37	69	60	3 198	3 380
27.	I. STOCKS	1	0	1	6	-9	-1
28.	Raw materials and consumables	0	0	0	0	-36	-36
29.	Work in progress and semi-finished products	0	0	0	0	0	0
30.	Animals for breeding, flattening and other livestock	0	0	0	0	0	0
31.	Finished products	0	0	0	0	0	0
32.	Goods	1	0	1	6	27	35
33.	Advance payments for stocks	0	0	0	0	0	0
34.	II. RECEIVABLES	15	37	68	54	3 207	3 381
35.	Trade debtors	11	38	38	-49	173	211
36.	Receivables from related parties	0	0	0	-31	3	-28
37.	Receivables from other investments	0	0	0	0	0	0
38.	Bills of exchange receivables	0	0	0	0	0	0
39.	Other receivables	4	-1	30	134	3 031	3 198
40.	III. SECURITIES	0	0	0	0	0	0
41.	Participation in related parties	0	0	0	0	0	0
42.	Other participations	0	0	0	0	0	0
43.	Treasury shares and own participations	0	0	0	0	0	0
44.	Marketable debt securities	0	0	0	0	0	0
45.	IV. LIQUID ASSETS	0	0	0	0	0	0
46.	Cash, cheques	0	0	0	0	0	0
47.	Bank deposits	0	0	0	0	0	0
48.	C. PPREFPAID EXPENSES AND OTHER INCOME	-40	0	0	-36	-75	-151
49.	Accrued income	-40	0	0	-36	-58	-134
50.	Prepaid expenses	0	0	0	0	-17	-17
51.	Deferred expenses	0	0	0	0	0	0
52.	TOTAL ASSETS	-48	52	85	47	3 075	3 211

Schedule 59: Asset side of the balance sheet of prior year adjustments

figures in MHUF

No.	Item	2006	2007	2008	2009	2010	Total
53.	D EQUITY	-44	42	127	-1 889	3 180	1 416
54.	I. ISSUED CAPITAL	0	0	0	0	0	0
55.	<i>of which: treasury shares redeemed at face value</i>	0	0	0	0	0	0
56.	II. ISSUED CAPITAL NOT PAID	0	0	0	0	0	0
57.	III. CAPITAL RESERVE	0	0	0	0	0	0
58.	IV. RETAINED EARNINGS	0	0	0	0	-6	-6
59.	V. ALLOCATED RESERVES	0	0	0	0	0	0
60.	VI. REVALUATION RESERVES	0	0	0	0	0	0
61.	VII. PROFIT OR LOSS FOR THE YEAR	-44	42	127	-1 889	3 180	1 416
62.	VIII. CHANGES IN THE EQUITY OF SUBSIDIARIES	0	0	0	0	6	6
	IX. CHANGES DUE TO CONSOLIDATION	0	0	0	0	0	0
	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
	Deferred tax	0	0	0	0	0	0
63.	E PROVISIONS	0	0	0	0	32	32
64.	1. Provisions for contingent liabilities	0	0	0	0	32	32
65.	2. Provisions for future commitments	0	0	0	0	0	0
66.	3. Other provisions	0	0	0	0	0	0
67.	F LIABILITIES	13	11	-10	1 945	215	2 174
68.	I. SUBORDINATED DEBTS	0	0	0	0	0	0
69.	Subordinated debts to related parties	0	0	0	0	0	0
70.	Subordinated debts to other investments	0	0	0	0	0	0
71.	Subordinated debts to third parties	0	0	0	0	0	0
72.	Amount owned to founders	0	0	0	0	0	0
73.	Other subordinated debts	0	0	0	0	0	0
74.	II. LONG-TERM LIABILITIES	-41	0	0	0	-1	-42
75.	Long-term borrowings	0	0	0	0	0	0
76.	Convertible bonds	0	0	0	0	0	0
77.	Debts from the issue of bonds	0	0	0	0	0	0
78.	Investment and development loans	0	0	0	0	0	0
79.	Other long-term loans	0	0	0	0	0	0
80.	Long-term debts to related parties	0	0	0	0	0	0
81.	Long-term debts to other investments	0	0	0	0	0	0
82.	Other long-term liabilities	-41	0	0	0	-1	-42
83.	III. CURRENT LIABILITIES	54	11	-10	1 945	216	2 216
84.	Short-term borrowings	0	0	0	0	0	0
85.	<i>of which: convertible bonds</i>	0	0	0	0	0	0
86.	Other short-term loans	0	0	0	0	0	0
87.	Prepayments received from debtors	0	0	0	0	0	0
88.	Creditors	43	4	5	0	198	250
89.	Bills of exchange payable	0	0	0	0	0	0
90.	Short-term debts to related parties	0	2	-13	-29	72	32
91.	Short-term debts to other investments	0	0	0	0	0	0
92.	Other current liabilities	11	5	-2	1 974	-54	1 934
93.	G ACCRUED EXPENSES AND DEFERRED INCOME	-17	-1	-32	-9	-352	-411
94.	Deferred income	0	0	0	0	-3	-3
95.	Accrued expenses	0	0	-30	-9	-341	-380
96.	Deferred extraordinary revenues and negative goodwill	-17	-1	-2	0	-8	-28
97.	TOTAL EQUITY & LIABILITIES	-48	52	85	47	3 075	3 211

Schedule 60: Equity and liabilities side of the balance sheet of prior year adjustments

figures in MHUF

	Description	2006	2007	2008	2009	2010	Total
01.	Domestic sales, net	10	9	26	0	116	161
02.	Export sales, net	-41	27	23	-7	38	40
	Settled intra-group income	0	0	0	0	0	0
	I. TOTAL SALES, NET	-31	36	49	-7	154	201
03.	Movements in self-produced stocks	0	0	0	0	0	0
04.	Capitalised self-manufactured assets	0	0	0	0	1	1
	II. CAPITALISED OWN PREFORMANCE	0	0	0	0	1	1
	III. OTHER INCOME	3	1	8	-2 089	2 934	857
	<i>of which: reversed diminution in value</i>	0	0	0	0	0	0
05.	Material cost	0	0	1	0	90	91
06.	Services used	9	7	-46	-196	-332	-558
07.	Other services	0	2	0	-9	6	-1
08.	Cost of goods sold	0	0	0	0	0	0
09.	Provision of consignment services	0	0	0	-2	67	65
	Recognised internal expenditures	0	0	0	0	0	0
	IV. MATERIAL-TYPE EXPENDITURES	9	9	-45	-207	-169	-403
10.	Payroll	0	0	0	-1	-1	-2
11.	Other payments to personnel	0	0	0	4	9	13
12.	Social security and similar deductions	0	3	-6	2	7	6
	V. PAYMENTS TO PERSONNEL	0	3	-6	5	15	17
	VI. DEPRECIATION	24	-16	-16	-30	69	31
	VII. OTHER EXPENDITURES	-1	0	-3	1	37	34
	<i>of which: diminution in value</i>	0	0	0	0	0	0
	A OPERATING PROFIT/LOSS	-60	41	127	-1 865	3 137	1 380
13.	Dividends and profit-sharing (received or due)	0	0	0	0	0	0
	<i>of which: dividends from related parties</i>	0	0	0	0	0	0
14.	Exchange gains from disposal of shares	0	0	0	0	0	0
	<i>of which: from related parties</i>	0	0	0	0	0	0
15.	Interest and capital gains on long-term financial assets	0	0	0	0	0	0
	<i>of which: from related parties</i>	0	0	0	0	0	0
16.	Other interest and similar income (received or due)	0	0	0	-25	-28	-53
	<i>of which: from related parties</i>	0	0	0	0	0	0
17.	Other revenues from financial transactions	0	0	0	0	0	0
	VIII. FINANCIAL REVENUES	0	0	0	-25	-28	-53
18.	Exchange losses on long-term financial assets	0	0	0	0	0	0
	<i>of which: to related parties</i>	0	0	0	0	0	0
19.	Interest payable and similar charges	0	0	0	0	0	0
	<i>of which: to related parties</i>	0	0	0	0	0	0
20.	Diminution in the value of shares, securities and bank deposits	0	0	0	0	0	0
	<i>of which: to related parties</i>	0	0	0	0	0	0
21.	Other expenditures on financial transactions	0	0	0	0	13	13
	IX. FINANCIAL EXPENDITURES	0	0	0	0	13	13
	B FINANCIAL PROFIT OR LOSS	0	0	0	-25	-41	-66
	C PROFIT OR LOSS OF ORDINARY ACTIVITIES	-60	41	127	-1 890	3 096	1 314
X.	EXTRAORDINARY REVENUES	16	1	0	0	1	18
XI.	EXTRAORDINARY EXPENDITURES	0	0	0	0	-9	-9
	D EXTRAORDINARY PROFIT OR LOSS	16	1	0	0	10	27
	E PROFIT BEFORE TAX	-44	42	127	-1 890	3 106	1 341
XII.	TAX PAYABLE	0	0	0	-1	-74	-75
	TAX DIFFERENCE ±	0	0	0	0	0	0
	F PROFIT AFTER TAX	-44	42	127	-1 889	3 180	1 416
	Dividends and profit-sharing paid from retained earnings	0	0	0	0	0	0
22.	Dividends and profit-sharing paid (payable)	0	0	0	0	0	0
23.	Dividends and profit-sharing paid from retained earnings	0	0	0	0	0	0
24.	Non-controlling interests	0	0	0	0	0	0
	G PROFIT OR LOSS FOR THE YEAR	-44	42	127	-1 889	3 180	1 416

Schedule 61: Profit or loss for previous years

The most important items that affect prior years' profit or loss are as follows:

- ✚ Further to a decision of the Ministry for National Development, in relation to the settlement of public services in 2009 and 2010, an excess compensation of HUF 2,094 million was recognised for 2009 and an excess compensation of HUF 2,951million was booked for 2010. As a result, other revenues of HUF 857 million were recognised with respect to previous years.
- ✚ After signing the agreement of the resolution of settlement disputes at 13 December 2011, the invoices of Leaseplan Hungária Zrt. (J/20090347, J/20090348) that contain the disputed retrospective discount of the leasing fee for 2010 were settled and had a profit improving effect of HUF 291 million.
- ✚ Raiffeisen Ingatlan Üzemeltető Kft. issued the invoice (2011/00037/PW) on the public utilities costs of Parkway Offices for 2010 in April 2011. The related office rent had been prepaid in 2010 (HUF 36 million), thus prior year items only reflect the difference between the total billed amount of HUF 53 million and the prepaid amount of HUF 36 million. This invoice had a profit reducing effect of HUF 17 million, while the absolute value remained unchanged.
- ✚ Further to an agreement between Raiffeisen Ingatlan Alap and MÁV Zrt. on the operating costs of Parkway Offices, Raiffeisen bills a lump sum on a monthly basis. The actual costs should be settled by April the following year. Raiffeisen's settlement invoice for 2010 (No. 2011/00041/PW) was received in April 2011 and improved the annual profit by HUF 16 million.
- ✚ Gas services supplied in the second half of 2010 were billed late by Fővárosi Gázművek Zrt. and the invoices were received after 21 January 2011 when public utility invoices were closed in the IKRSZ accounting system. Accordingly, these invoices were recorded for 2011. These late invoices reduced the profit by HUF 376 million (HUF 497 million in absolute value). Concurrently, an IKSZR system error generated a profit increasing item of HUF 282 million in absolute terms.
- ✚ Invoices issued to AUDI HUNGARIA MOTOR Kft. with respect to previous years (201002044502, 201002044516, 201002044517) related to previously unbilled service charges for the period between 1 April 2008 and 31 December 2010 in accordance with an agreement between MÁV Zrt. and Audi Kft. One invoice was issued to AUDI Kft. for each year and improved the annual profit by HUF 40 million.
- ✚ Erroneously booked consignment services for 2011 had an absolute value of HUF 71 million that reduced the annual profit by HUF 64 million.
- ✚ Invoice No. 17452SZC11 of the Metropolitan Sewage Works company (Fővárosi Csatornázási Művek Zrt.) for the periods of October, November and December 2010 plus January 2011 was issued only on 21 February 2011. The absolute value of this late invoice that affects 2010 was HUF 22 million and reduced the annual profit by HUF 22 million. Of the invoiced amount, HUF 1 million has been accrued.
- ✚ Based on the decision on a comprehensive tax audit carried out by the Tax Authority (NAV) in 2011, rental fees accrued for Prekop Kft. in 2008 were not accepted by the tax audit due to the lack of an underlying agreement. This was recognised as a HUF 30 million improving adjustment.
- ✚ Taxes and profit or loss related to international operations were settled by submitting the relevant tax returns to the Austrian and German tax authorities. This had a profit increasing effect of HUF 132 million.
- ✚ International passenger transport settlements take place two months following the relevant period, therefore some items related to 2010 were recorded only in 2011. The difference

between the settlements and the actual figures improved the profit by HUF 163 million. Sales commissions were also recognised and reduced the profit by HUF 62 million, while the related revenues improved the profit by HUF 28 million.

- ✚ The retrospective settlement of domestic fares reduced the profit by HUF 14 million.
- ✚ Invoices issued in 2011 but related to previous years as a result of signing contracts and agreements with retrospective effect totalled HUF 179 million (Trenitalia Gruppo: HUF 110 million, Zeleznice Srbije: HUF 69 million) and improved the profit accordingly.
- ✚ A credit note on rental fees was issued to Eurail Group GIE with respect to 2010 and reduced the profit by HUF 45 million.
- ✚ Insurance fee settlements resulted in a HUF 11 million increase in profit in aggregate (asset insurance with Allianz Hungária Zrt. HUF 26 million improvement and indemnity insurance with Generáli Biztosító Zrt. reduced the profit by HUF 15 million).
- ✚ A Deutsche Leasing credit note No. 513449/11 was recorded twice and the adjustment reduced the profit by HUF 17 million.
- ✚ An invoice issued to DB Autozug GMBH on the operating costs of international trains abroad in December 2010 improved the profit by HUF 11 million.
- ✚ A retrospective settlement of RIC car rentals for 2008-2010 reduced the profit by HUF 31 million.
- ✚ Contributions related to fringe benefits in previous years reduced the profit by HUF 21 million.
- ✚ In the stand alone financial statements of MÁV FKG Kft. and MÁV INFORMATIKA Zrt. for 2010, the corporate income tax liability was adjusted (reduced) after the consolidated financial statements for 2010 were prepared. This adjustment improved the consolidated profit for 2010 by HUF 74 million.

III INFORMATIVE PART

III.1 Remuneration to officers of the parent company

figures in MHUF

Category	2010	2011	Change
Board	17	14	-3
Supervisory Board	16	21	5
Total:	33	35	2

Schedule 62: Remuneration of parent company officers

No loan was granted or disbursed to Board and Supervisory Board members in 2011 and no pension liability incurred.

III.2 Subsidies received

figures in MHUF

Item	2010			2011		Change
	Amount	%		Amount	%	
Production subsidy (public service refunds)	173 781	86.8%	✓	179 977	86.0%	6 196
Ticket subsidy	20 106	10.0%	✓	21 233	10.1%	1 127
Refunded excise tax	5 050	2.5%	✓	4 933	2.4%	-117
Project subsidy	360	0.2%	✓	2 195	1.0%	1 835
Incentive scheme for MÁV workers in 2011-2013	0	0.0%	✓	1 000	0.5%	1 000
Compensation for lost earnings on passenger transport(B	856	0.4%	✓	0	0.0%	-856
Other subsidies	52	0.0%	✓	7	0.0%	-45
Total:	200 205	100.0%		209 345	100.0%	9 140

Schedule 63: Subsidies received

figures in MHUF

Item	2010			2011		Change
	Amount	%		Amount	%	
50%	5 445	27.1%	✓	5 510	25.9%	65
90%	4 177	20.8%	✓	4 469	21.0%	292
Pupils and students	6 619	32.9%	✓	7 255	34.2%	636
OAPS over 70 (65)	3 872	19.3%	✓	4 008	18.9%	136
Total:	20 113	100.0%		21 242	100.0%	1 129

Schedule 64: Ticket compensation

86% of subsidies received by the Group are compensated public service costs related to passenger transport.

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 Sub-programme of the National Restoration Programme (OKKP). The related deadlines were initially set by the Ministry for Transport and Water to 2010. However, later these deadlines were adjusted to the National Programme and the deadlines set for 2010 no longer apply and the final deadline to implement the national restoration programme has been cancelled.

Environmental provisions have been made based on the following principles:

- ✚ We assessed the status of environmental liabilities at the year-end and identified the difference between already made and the necessary provision, which amount is the provision to be made in 2011.
- ✚ The underlying liabilities were unidentified based on environmental surveys and in view of mandatory work imposed by environmental authorities plus estimated expected environmental obligations.
- ✚ Only costs that are not funded from other resources have been provided for.

To cover ERP expenses, upon transformation into a private limited company by shares, HUF 5.4 billion was set aside by MÁV Zrt. from capital reserve based on initial estimates, which was posted to allocated reserves on 1 January 2001. This reserve has been gradually phased out by the amounts used and the currently available reserve is HUF 3,617 million. Based on previous estimates, we made a HUF 6,533 million provision in 2002, further HUF 7,805 million in 2006, HUF 1,911 million in 2008 and HUF 388 million in 2009, HUF 83 million in 2010 and HUF 42 million was made in 2011. The available amount less used and released amounts is HUF 9,781 million.

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	6 861	42	739	6 164
<i>Total:</i>	10 478	42	739	9 781

Schedule 65: Environmental reserves (allocated and provisions)

Environmental expenses, provisions and allocated reserves in 2010 and in 2011 are presented below:

figures in MHUF

Item	2010	2011	Change
Environmental expenses	753	585	-168

Schedule 66: Environmental expenses

III.3.2 Tangible assets serving environmental purposes

Movements in tangible assets serving environmental purposes:

figures in MHUF

Item	Opening	Additions	Disposals	Closing
Cost	2 860	13	0	2 873
Depreciation	530	65	0	595
<i>Net</i>	2 330			2 278
<i>AICC</i>	2	0	2	0
<i>Total:</i>	2 332			2 278

Schedule 67: Movements in environmental assets

III.3.3 Hazardous waste quantities

EWC code	Item	2010 (kg)	2011 (kg)
050103*	Tank bottom sludge	1 200	0
060101*	Sulphuric acid and similar acids	40	120
060106*	Other acids	24	0
060203*	Ammonium-hydroxide	0	92
060404*	Mercurial waste	9	0
060405*	Other heavy metal containing waste	27	2
061301*	Inorganic herbicides	0	0
061302*	Depleted activated carbon (except 06 07 02)	1 470	0
070214*	Hazardous auxiliary materials	1 699	0
070610*	Oil stained wood sprinkle	179	0
070107*	Other organic dilutants, detergents and mother lye	0	7
080111*	Stained packaging	1 666	4 392
080312*	waste toner (hazardous paint)	3	4
080317*	Office technical waste	3 442	1 385
080409*	Organic and other hazardous adhesive and luting waste	0	0
120109*	Non-halogenous cooling and lubricant emulsions and solutions	0	12
120112*	Used wax and grease	180	0
130205*	Non-chloride engine lubricants, oils and grease	10 485	21 124
130206*	Synthetic oils and lubricants	0	27
130208*	other lubricants	0	1 000
130305*	Exhaust oil	0	30
130307*	Minreal oil based, non-chloride insulators and heat transmitting oils	350	9 374
130502*	Separator sludge	123 286	7 385
130506*	sludge from oil/water separator	4 017	0
130507*	Oily water from oil/water separator	85 580	1 880
130508*	Waste from desander and oil/ater separator	126 448	300
130701*	heating oil and diesel oil	8 344	0
130899*	Other non-specified waste	1 790	610
150110*	Hazardous packaging materials	26 120	5 011
150111*	Hazardous solid matrix (e.g. asbestos) containing metal packaging, including empty spray c	421	57
150202*	Stained absorbents, filters, cloths, protective clothing	28 094	11 079
160107*	Oil filters	147	3 262
160111*	Items containing asbestos	0	120
160114*	hazardous antifreeze	82	90
160121*	Oil stained tyres	964	356
160209*	PCB containing transformers and condensers	1 475	0
160213*	Equipment no longer in use	49 955	0
160303*	Hazardous inorganic waste	41	9
160305*	Hazardous organic waste	2 510	824
160403*	Other explosive waste	6	0
160410*	Oil, carbonolite containing and other hazardous cables	310	660
160506*	Laboratory chemicals	6	20
160507*	Inorganic hazardous chemicals and polluted chemicals no longer in use	33	1
160508*	Organic hazardous chemicals and polluted chemicals	2 445	0
160601*	Used batteries	19 194	16 943
160707*	Nickel, kadmium batteries	125	0
160708*	Oil filters	0	6
161001*	hazardous fluids	19 380	0
170106*	stained concrete, brick, ceramics	160 100	100 797
170201*	waste wood	0	592
170204*	Contaminated plastic, glass or wood	1 481 109	1 147 011
170405*	iron waste, portioned iron waste	0	29 787
170410*	Oil, carbonolite containing and other hazardous cables	880	420
170503*	stained soil and stone	2 027 684	600 714
170507*	Track ballast containing hazardous materials	297 437	30
170601*	Asbestos containing insulators	288	50
190813*	Industrial sewage sludge	0	159 120
200121*	Neon lights and other mercury containing materials	556	411
200133*	Batteries, including those under 16 06 01, 16 06 02 or 16 06 03	5 912	1 932
200135*	Hazardous electric and electronic equipment	42 091	4 678
Total:		4 537 604	2 131 724

Schedule 68: Closing quantities of hazardous waste at the end of 2011

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

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

figures in MHUF

Item	2010					2011				
	Payroll costs	Payments to personnel	Social security and similar	Total	%	Payroll costs	Payments to personnel	Social security and similar	Total	%
Blue collar	67 684	11 852	22 682	102 218	65.07%	68 550	10 849	23 413	102 812	64.93%
White collar	36 357	5 876	11 381	53 614	34.13%	37 104	5 605	11 711	54 420	34.37%
Inactive	845	148	266	1 259	0.80%	731	132	248	1 111	0.70%
Total:	104 886	17 876	34 329	157 091	100.00%	106 385	16 586	35 372	158 343	100.00%

Schedule 69: Group staff costs

Item	2010		2011	
	Average statistical number of staff	%	Average statistical number of staff	%
Blue collar	25 323	66.9%	24 927	67.1%
White collar	12 535	33.1%	12 249	32.9%
Total:	37 858	100.0%	37 176	100.0%

Schedule 70: Average number of staff at Group level

III.5 Research and development

MÁV Group's research and development costs recognised in 2011 are set out in the schedule below:

figures in MHUF

Item	2010	2011	Change
R&D costs	334	285	-49
Of which: To be capitalised for own purposes	1	0	-1
For own purposes, expensed	190	187	-3
R&D for third parties	143	98	-45
Other direct costs of technical development	117	121	4
Of which: Cost of development arrangements, management and testing	56	46	-10
Technical information, propaganda and production management	49	60	11
Type classification, standardisation, industrial design	11	15	4
Technical tenders	0	0	0
Non-capitalised or unused innovation	1	0	-1
Non-capitalised, used innovation	0	0	0
Non-capitalised, used other intellectual output	0	0	0
Total:	451	406	-45

Schedule 71: Costs of research and development in 2011

The main purposes of the research and development activity of the MÁV Group are to raise traffic safety and service quality standards, to improve cost efficiency and protection of the environment.

R&D costs for MÁV Zrt. in 2011 totalled HUF 406 million for the following purposes:

- + Traffic safety (HUF 23 million), service quality improvement (HUF 32 million) and environment protection (HUF 11million).
- + Other technological, quality control, reconstructing and business management etc. improvements necessary to retain operations (HUF 103 million).
- + A detailed study prepared by KTI Közlekedéstudományi Intézet Nonprofit Kft.: „Development of an integrated timetable planning methodology for country-wide services for the timetable year of 2011/2012” for MÁV-START Zrt. (HUF 15 million).
- + R&D activity carried out by UNIVERSITAS-Győr Nonprofit Kft. to support the reformation of passenger services (HUF 37 million) and research report (HUF 4 million).
- + Further development of M47 series diesel engines (remote radio control) in order to improve the safety and efficiency of shunting.
- + Improving engine board equipment communication via the remote channels of railcars.
- + Study into the possible full scale rehaul of the M41 series diesel engine (in line with relevant UIC requirements).
- + Possible ways of transforming the V46 series electric engines into a hybrid (electric and diesel).
- + Methodological survey to optimise cargo train traction operations.
- + Analysis of the efficiency of engine driver training courses from the perspective of employer needs and compliance with current and future market and business expectations.
- + Compliance testing of M41 series engines with emission laws as well as with Stage IIIB emission standards while maintaining efficiency.
- + Studies aimed at improving ZÁHONY-PORT’s organisation structure and possible restructuring (HUF 6 million).

III.6 Additional other information

The business crimes department of the Metropolitan Police has launched an investigation at MÁV INFORMATIKA Zrt. against unknown suspects. The investigation was still ongoing at the time of closing and preparing the financial statements and the end of the proceedings is currently unknown.

IV SCHEDULES

Schedule 1.: Parent company key balance sheet figures.....	6
Schedule 2: Loans assigned to the government in 2011	7
Schedule 3: Main figures of MÁV-START Zrt.....	8
Schedule 4: Main figures of MÁVGÉP Kft.....	8
Schedule 5: Main figures of MÁV FKG Kft.	9
Schedule 6: Main figures of MÁV INFORMATIKA Zrt.....	9
Schedule 7: Main figures of MÁV IK Kft.	10
Schedule 8: Main figures of MÁV Vagyonkezelő Kft.	10
Schedule 9: Main figures of MÁV-TRAKCIÓ Zrt.....	11
Schedule 10: Main figures of MÁV-GÉPÉSZET Zrt.....	11
Schedule 11: Main figures of MÁV KfV Kft.	12
Schedule 12: Main figures of ZÁHONY-PORT Zrt.....	12
Schedule 13: Main figures of MÁV Koncessziós Kft.	13
Schedule 14: Movements in intangible assets.....	25
Schedule 15: Movements in tangible assets.....	26
Schedule 16: Assets transferred/received free of charge (own assets)	27
Schedule 17: Treasury assets granted and received free of charge.....	27
Schedule 18: Treasury assets and their position in the balance sheet.....	28
Schedule 19: Changes in treasury assets in 2011	28
Schedule 20: Subsidies used for capital projects	30
Schedule 21: Equity consolidated entities	31
Schedule 22: Related parties treated as investments in the consolidation	32
Schedule 23: Other related parties	32
Schedule 24: Negative goodwill arising on full consolidation	33
Schedule 25: Negative goodwill arising on equity consolidation.....	33
Schedule 26: Receivables and impairment loss	34
Schedule 27: Prepaid expenses and accrued income	35
Schedule 28: Movements in equity.....	37
Schedule 29: Movements in allocated reserves	38
Schedule 30: Provisions for contingent liabilities.....	39
Schedule 31: Provisions for future commitments.....	40
Schedule 32: Outstanding state and EU funded projects	40
Schedule 33: Other provisions	41
Schedule 34: Provisions in the balance sheet.....	41
Schedule 35: Changes in the funding of treasury assets	42
Schedule 36: Refunding obligation.....	42
Schedule 37: Long-term Group loans and borrowings	43
Schedule 38: Long-term loans repayment schedule	44
Schedule 39: Assets leased by MÁV Group.....	44
Schedule 40: Details of other current liabilities.....	45
Schedule 41: Accrued expenses and deferred income	46
Schedule 42: Closed forwards and options in 2011	47
Schedule 43: Guarantee contracts valid at the balance sheet date	48
Schedule 44: Loans encumbered with lien	49
Schedule 45: Mortgaged properties	50

Schedule 46: Disbursement schedule of long-term loans	50
Schedule 47: Repayment schedule of long-term loans	50
Schedule 48: Details of net sales.....	51
Schedule 49: Export sales and imports per market segment.....	52
Schedule 50: Material-type expenses.....	53
Schedule 51: Other revenues.....	54
Schedule 52: Other expenses	55
Schedule 53: Financial income	56
Schedule 54: Financial expenses.....	56
Schedule 55: Extraordinary revenues	57
Schedule 56: Extraordinary expenditures	57
Schedule 57: Consolidated Group profit.....	58
Schedule 58: Cash-flow statement.....	60
Schedule 59: Asset side of the balance sheet of prior year adjustments.....	63
Schedule 60: Equity and liabilities side of the balance sheet of prior year adjustments	64
Schedule 61: Profit or loss for previous years	65
Schedule 62: Remuneration of parent company officers	68
Schedule 63: Subsidies received.....	68
Schedule 64: Ticket compensation	68
Schedule 65: Environmental reserves (allocated and provisions)	69
Schedule 66: Environmental expenses.....	70
Schedule 67: Movements in environmental assets	70
Schedule 68: Closing quantities of hazardous waste at the end of 2011	71
Schedule 69: Group staff costs.....	72
Schedule 70: Average number of staff at Group level.....	72
Schedule 71: Costs of research and development in 2011	72

APPENDICES

Appendix 1 – Key indicators for non-inclusion in the consolidation

Appendix 2 – Consolidated entities

Appendix 3 – Changes in the scope of consolidation

Appendix 4 – Relationship chart of the consolidated entities

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

Appendix 6 – Items posted as part of the consolidation

Appendix 1
Key indicators for non-inclusion in the consolidation

No.	Company		Assets		Total sales, net		Payroll	
	Code	Name	Value	%	Value	%	Value	%
1	100	MÁV Zrt.	792 468	72.40%	173 158	40.49%	50 948	46.74%
2	101	MÁV FKG Kft.	7 706	0.70%	13 837	3.24%	2 152	1.97%
3	102	MÁVGÉP Kft.	8 193	0.75%	13 045	3.05%	1 461	1.34%
4	131	MÁV KfV Kft.	2 603	0.24%	1 355	0.32%	405	0.37%
5	136	MÁV IK Kft.	3 051	0.28%	8 584	2.01%	2 254	2.07%
6	138	MÁV INFORMATIKA Zrt.	3 263	0.30%	5 097	1.19%	1 981	1.82%
7	149	MÁV Vagyonkezelő Zrt.	471	0.04%	824	0.19%	374	0.34%
8	179	ZÁHONY-PORT Zrt.	1 355	0.12%	2 894	0.68%	905	0.83%
9	180	MÁV-START Zrt.	107 990	9.87%	72 252	16.89%	17 807	16.34%
10	186	MÁV-TRAKCIÓ Zrt.	126 260	11.54%	86 437	20.21%	17 468	16.02%
11	187	MÁV-GÉPÉSZET Zrt.	21 452	1.96%	41 705	9.75%	10 630	9.75%
12	190	MÁV KONCESSZIÓS Kft.	15 978	1.46%	957	0.22%	2	0.00%
Fully consolidated subsidiaries, Total			1 090 790	99.66%	420 145	98.23%	106 387	97.60%
12	005	MÁVTI Kft.	1 197	0.11%	1 185	0.28%	504	0.46%
13	015	MÁV NOSZTALGIA Kft.	351	0.03%	835	0.20%	161	0.15%
14	020	MÁV VAGON Kft.	834	0.08%	1 615	0,38%	367	0.34%
15	096	MÁV KERT KFT	436	0.04%	797	0.19%	484	0.44%
16	139	MÁV VASÚTŐR Kft.	839	0.08%	3 119	0.73%	1 105	1.01%
19	183	PRUDENT-INVEST Zrt.	70	0.01%	1	0.00%	0	0.00%
Equity consolidated subsidiaries (Treated as associates)			3 727	0.34%	7 552	1.77%	2 621	2.40%
Total			1 094 517	100.00%	427 697	100.00%	109 008	100.00%

Appendix 2

Consolidated entities

Fully consolidated subsidiaries			
Parent company		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.
		190	MÁV Koncessziós Kft.

Equity consolidated entities (treated as associates)			
Subsidiaries		Associates	
005	MÁVTI Kft.	022	MÁV VASJÁRMŰ Kft.
015	MÁV NOSZTALGIA Kft.	027	Bombardier MÁV Kft.
020	MÁV VAGON Kft.	037	VAMAV Kft.
096	MÁV KERT Kft.	038	EURO-METALL Kft.
139	MÁV VASÚTŐR Kft.	116	MÁV-THERMIT Kft.
183	PRUDENT INVEST Zrt.	142	MÁV MULTISZOLG Kft.

Entities treated as investments					
Subsidiaries		Associates		Other investments	
006	MÁV HÍDÉPÍTŐ Kft. (f.a.)	165	MÁV-REC Kft.	084	RESTI Zrt.
134	MÁV Utasellátó Zrt. (f.a.)	178	HUNGRAIL Egyesülés	120	Vasutegészségügyi NKK Kft.
152	MÁV RAKTÁR Kft. (f.a.)	188	MTMG Zrt.	128	EUROFIMA
181	Rákosrendező Pályaudvar Kft. (v.a.)	191	TS-MÁV Gépészet Services Kft.	146	Hódiköt Zrt. (f.a.)
182	Józsefváros Pályaudvar Kft. (v.a.)			147	BCC
184	Kelenföldi Pályaudvar Kft. (v.a.)			162	Bugaci Kisvasút Kht. (v.a.)
185	DÉLI PÁLYAUDVAR Zrt. (v.a.)			163	Út és Pályaépítő Rt. (f.a.)
				166	NGF Kht. (f.a.)
				169	HIT Rail b.v.
				172	Normon-Tool Kft.

Appendix 3

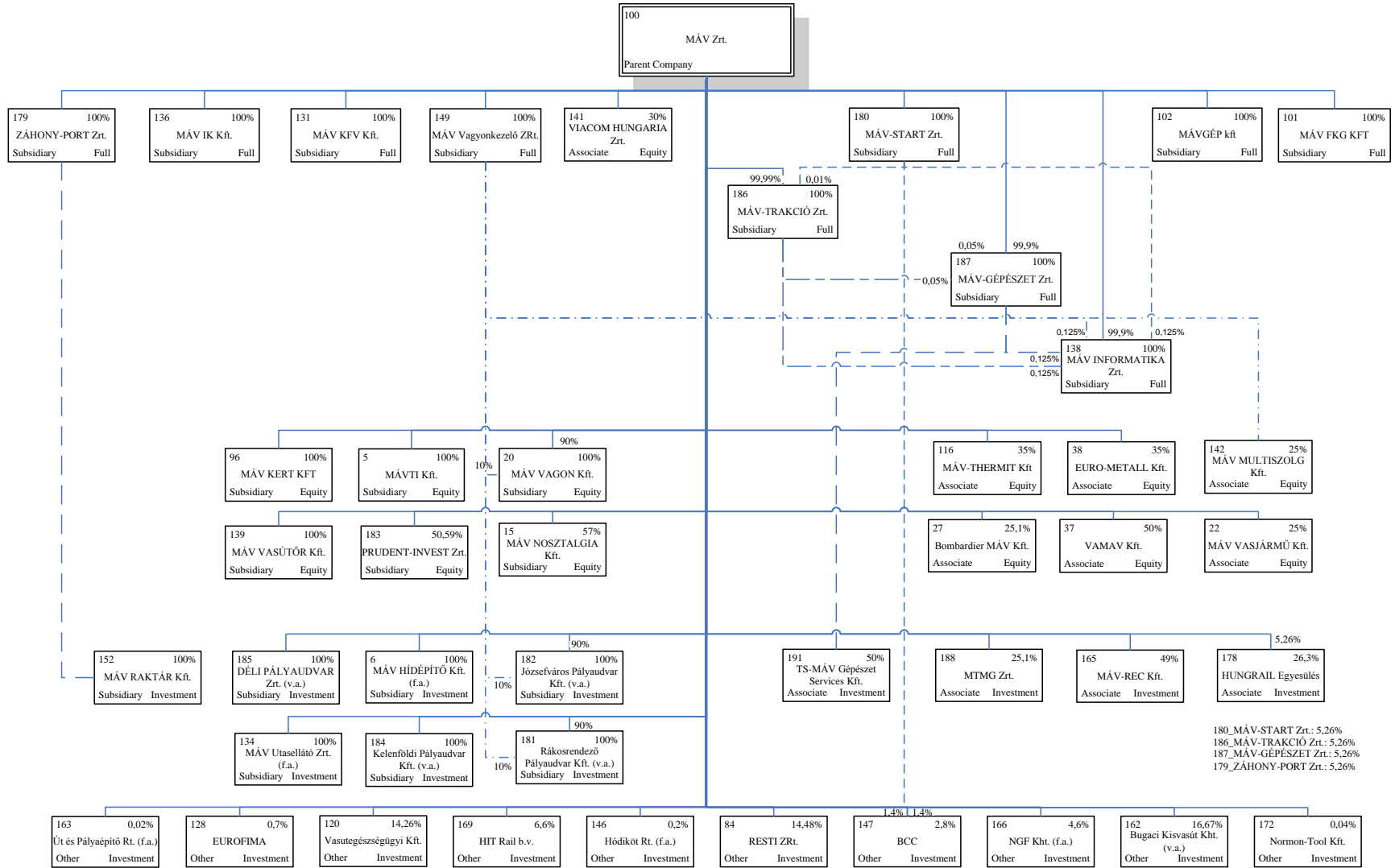
Changes in the scope of consolidation

Changes in the scope of fully-consolidated subsidiaries					
Added		Reason	Excluded		Reason
190	MÁV Koncessziós Kft.	MÁV Koncessziós Kft. was demerged from Viacom Hungária Zrt.			

Changes in the scope of equity consolidated entities (treated as associates)					
Added		Reason	Excluded		Reason
			181	Rákosrendező Pályaudvar Kft.	Liquidation process launched
			182	Józsefváros Pályaudvar Kft.	Liquidation process launched
			184	Kelenföldi Pályaudvar Kft.	Liquidation process launched
			185	DÉLI PÁLYAUDVAR Zrt.	Liquidation process launched
			141	VIACOM HUNGÁRIA Zrt.	MÁV Koncessziós Kft. Demerged from VIACOM HUNGÁRIA Zrt.

Changes in the scope of entities treated as investments					
Added		Reason	Excluded		Reason
181	Rákosrendező Pályaudvar Kft. (v.a.)	Liquidation process launched	004	MÁVFAVÉD Kft. (f.a.)	Liquidation process completed
182	Józsefváros Pályaudvar Kft. (v.a.)	Liquidation process launched	008	MÁVÉPSZER Kft. (f.a.)	Liquidation process completed
184	Kelenföldi Pályaudvar Kft. (v.a.)	Liquidation process launched	174	MÁV LOKOMOTÍV HOTELS Zrt. (f.a.)	Liquidation process completed
185	DÉLI PÁLYAUDVAR Zrt. (v.a.)	Liquidation process launched	156	Szombathelyi Vasutas Futball Kft. (f.a.)	Liquidation process completed
191	TS-MÁV Gépészet Services Kft.	Founded in 2011 by ÖBB and MÁVGÉPÉSZET Zrt.			

Appendix 4 Organisation chart



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

No.	Entity		Classification	Basis of classification	Consolidation method based on classification	Actual method of consolidation
	Code	Name				
1	100	MÁV Zrt.	parent company	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	190	MÁV Koncessziós Kft.	subsidiary	voting right	full	full
13	005	MÁVTI Kft.	subsidiary	voting right	full	equity
14	015	MÁV NOSZTALGIA Kft.	subsidiary	voting right	full	equity
15	020	MÁV VAGON 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	183	PRUDENT INVEST Zrt.	subsidiary	voting right	full	equity
19	022	MÁV VASJÁRMŰ Kft.	associate	voting right	equity	equity
20	027	Bombardier MÁV Kft.	associate	voting right	equity	equity
21	037	VAMAV Kft.	associate	voting right	equity	equity
22	038	EURO-METALL Kft.	associate	voting right	equity	equity
23	116	MÁV-THERMIT Kft.	associate	voting right	equity	equity
24	142	MÁV MULTISZOLG Kft.	associate	voting right	equity	equity

No.	Entity		Classification	Basis of classification	Consolidation method based on classification	Actual method of consolidation
	Code	Name				
25	006	MÁV HÍDÉPÍTŐ Kft. (f.a.)	subsidiary	voting right	full	investment
26	134	MÁV Utasellátó Zrt. (f.a.)	subsidiary	voting right	full	investment
27	152	MÁV RAKTÁR Kft. (f.a.)	subsidiary	voting right	full	investment
28	181	Rákosrendező Pályaudvar Kft. (v.a.)	subsidiary	voting right	full	investment
29	182	Józsefváros Pályaudvar Kft. (v.a.)	subsidiary	voting right	full	investment
30	184	Kelenföldi Pályaudvar Kft. (v.a.)	subsidiary	voting right	full	investment
31	185	DÉLI PÁLYAUDVAR Zrt. (v.a.)	subsidiary	voting right	full	investment
32	165	MÁV-REC Kft.	associate	voting right	equity	investment
33	178	HUNGRAIL Egyesülés	associate	voting right	equity	investment
34	188	MTMG Zrt.	associate	voting right	equity	investment
35	191	TS-MÁV Gépészet Services Kft.	associate	voting right	equity	investment
36	084	RESTI Zrt.	other investment	voting right	investment	investment
37	120	Vasutegészségügyi NKK Kft.	other investment	voting right	investment	investment
38	128	EUROFIMA	other investment	voting right	investment	investment
39	146	Hódiköt Zrt. (f.a.)	other investment	voting right	investment	investment
40	147	BCC	other investment	voting right	investment	investment
41	162	Bugaci Kisvasút Kht. (v.a.)	other investment	voting right	investment	investment
42	163	Út és Pályaépítő Rt. (f.a.)	other investment	voting right	investment	investment
43	166	NGF Kht. (v.a.)	other investment	voting right	investment	investment
44	169	HIT Rail b.v.	other investment	voting right	investment	investment
45	172	Normon-Tool Kft.	other investment	voting right	investment	investment

Appendix 6

Items posted for consolidation

No.	Item	Aggregate BS figure for 2011			Effects of consolidation posting 2011					Total consolidation in 2011		Consolidated amount 2011		Comparison	
		Prior year adjustment	Reporting year	Total opening	Reclassified opening balance	Total equity consolidati	Total debt consolidati	Gains and expenses consolidatio	Interim profits net off	Prior year net off	Reporting year net of	Prior year adjustment	Reporting year	Consolidated FS 2010	Change (2011-2010)
01. A	FIXED ASSETS	-12	871 951	-125 827	0	-1 257	-948	0	265	-6	-1 940	-18	744 184	0	744 184
02. I.	INTANGIBLE ASSETS	32	2 592	-76	0	0	0	0	31	1	31	33	2 547	0	2 547
03.	Capitalised foundation/restructuring	0	82	0	0	0	0	0	0	0	0	0	82	0	82
04.	Capitalised research and development	0	120	0	0	0	0	0	0	0	0	0	120	0	120
05.	Concessions, licenses and similar rights	38	1 507	-37	0	0	0	0	23	1	23	39	1 493	0	1 493
06.	Trade-marks, patents and similar assets	-6	883	-39	0	0	0	0	8	0	8	-6	852	0	852
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	-42	749 437	-14 014	0	0	-948	0	234	6	-714	-36	734 709	0	734 709
11.	Land and buildings and related property rights	6	427 285	-1 386	0	0	0	0	-1 520	2	-1 520	8	424 379	0	424 379
12.	Plant, machinery, equipment and vehicles	-49	302 868	-12 623	0	0	0	0	1 776	10	1 776	-39	292 021	0	292 021
13.	Other equipment, fixtures and fittings, vehicles	0	498	-4	0	0	0	0	0	0	0	0	494	0	494
14.	Breeding stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15.	Assets in the course of construction	82	13 256	-1	0	0	0	0	-22	-6	-22	76	13 233	0	13 233
16.	Prepayments for capital expenditures	-81	5 530	0	0	0	-948	0	0	0	-948	-81	4 582	0	4 582
17.	Adjusted value of tangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18. III.	LONG-TERM FINANCIAL ASSETS	-2	119 922	-111 737	0	-1 257	0	0	0	-13	-1 257	-15	6 928	0	6 928
19.	Long-term participations in related parties	0	117 587	-111 737	0	-1 257	0	0	0	-13	-1 257	-13	4 593	0	4 593
20.	Long-term loans granted to related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21.	Other long-term investments	0	2 209	0	0	0	0	0	0	0	0	0	2 209	0	2 209
22.	Long-term loans granted to other investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23.	Other long-term loans granted	-2	126	0	0	0	0	0	0	0	0	-2	126	0	126
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	0	0	0	0	0	0	0	0	0	0
27.	from subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28.	from associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29. B	CURRENT ASSETS	3 311	153 709	2 297	0	-139	-60 634	-5	37	69	-60 741	3 380	95 265	0	95 265
30. I.	STOCKS	-1	17 091	-86	0	0	0	0	37	0	37	-1	17 042	0	17 042
31.	Raw materials and consumables	-36	13 009	-86	0	0	0	0	37	0	37	-36	12 960	0	12 960
32.	Work in progress and semi-finished products	0	1 820	0	0	0	0	0	0	0	0	0	1 820	0	1 820
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	863	0	0	0	0	0	0	0	0	0	863	0	863
35.	Goods	35	724	0	0	0	0	0	0	0	0	35	724	0	724
36.	Advance payments for stocks	0	675	0	0	0	0	0	0	0	0	0	675	0	675
37. II.	RECEIVABLES	3 312	112 682	2 383	0	-139	-60 634	-5	0	69	-60 778	3 381	54 287	0	54 287
38.	Trade debtors	211	10 179	0	0	0	0	0	0	0	0	211	10 179	0	10 179
39.	Receivables from related parties	-23	61 041	302	0	0	-60 819	0	0	-5	-60 819	-28	524	0	524
40.	Receivables from other investments	0	49	0	0	0	0	0	0	0	0	0	49	0	49
41.	Bills of exchange receivables	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42.	Other receivables	3 124	41 413	0	0	0	185	-5	0	74	180	3 198	41 593	0	41 593
43.	(Calculated) corporate tax arising on consolidation	0	0	2 081	0	-139	0	0	0	0	-139	0	1 942	0	1 942
44. III.	SECURITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45.	Participations 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 participations	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48.	Marketable debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49. IV.	LIQUID ASSETS	0	23 936	0	0	0	0	0	0	0	0	0	23 936	0	23 936
50.	Cash, cheques	0	174	0	0	0	0	0	0	0	0	0	174	0	174
51.	Bank deposits	0	23 762	0	0	0	0	0	0	0	0	0	23 762	0	23 762
52. C	PREPAID EXPENSES AND ACCRUED INCOME	-154	65 130	1 282	0	0	-18 383	0	-33	3	-18 416	-151	47 996	0	47 996
53.	Accrued income	-137	23 088	25	0	0	-1 741	0	0	3	-1 741	-134	21 372	0	21 372
54.	Prepaid expenses	-17	17 386	-1	0	0	-16 642	0	0	0	-16 642	-17	743	0	743
55.	Deferred expenses	0	24 656	1 258	0	0	0	0	-33	0	-33	0	25 881	0	25 881
56.	TOTAL ASSETS	3 145	1 090 790	-122 248	0	-1 396	-79 965	-5	269	66	-81 097	3 211	887 445	0	887 445

No.	Item	Aggregate BS figure for 2011		Total opening	Effects of consolidation posting 2011					Total consolidation in 2011		Consolidated amount 2010		Comparison	
		Prior year adjustment	Reporting year		Reclassified opening balance	Total equity consolidati	Total debt consolidati	Gains and expenses consolidatio	Interim profits net off	Prior year net off	Reporting year net off	Prior year adjustment	Reporting year	Consolidated FS 2010	Change 2011-2010
57.	D SHAREHOLDER'S EQUITY	744	186 657	-144 283	0	-1 396	-226	476	2 221	672	1 075	1 416	43 449	0	43 449
58.	I ISSUED CAPITAL	0	68 318	-47 212	0	-106	0	0	0	0	-106	0	21 000	0	21 000
59.	of which: 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	177 379	-70 356	0	0	0	0	0	0	0	0	107 023	0	107 023
62.	IV. RETAINED EARNINGS (LOSSES)	0	-94 611	436	-729	-2 487	0	0	512	-6	-2 704	-6	-96 879	0	-96 879
63.	V. ALLOCATED RESERVES	0	18 456	-881	727	0	0	0	-512	0	215	0	17 790	0	17 790
64.	VI. REVALUATION RESERVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65.	VII. PROFIT OR LOSS FOR THE YEAR	744	17 115	0	0	-1 884	14	-360	2 206	672	-24	1 416	17 091	0	17 091
66.	VIII. CHANGE IN THE EQUITY OF SUBSIDIARY	0	0	-312	-327	2 174	0	0	0	6	1 847	6	1 535	0	1 535
67.	IX. CHANGES DUE TO CONSOLIDATION	0	0	-25 958	329	907	-240	836	15	0	1 847	0	-24 111	0	-24 111
68.	debt consolidation difference	0	0	1 847	0	932	-240	868	0	0	1 560	0	3 407	0	3 407
	interim profit or loss difference	0	0	-31 737	329	0	0	-32	15	0	312	0	-31 425	0	-31 425
	impairment loss of goodwill on consolidation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	valuation of associates in investments	0	0	3 932	0	-25	0	0	0	0	-25	0	3 907	0	3 907
69.	deferred tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70.	X. NON-CONTROLLING INTERESTS	0	0	0	0	0	0	0	0	0	0	0	0	0	0
71.	E PROVISIONS	0	54 675	1 014	0	0	0	-480	479	32	-1	32	55 688	0	55 688
72.	1. Provisions for contingent liabilities	0	22 823	-335	0	0	0	-538	0	32	-538	32	21 950	0	21 950
73.	2. Provisions for future commitments	0	20 855	-58	0	0	0	58	0	0	58	0	20 855	0	20 855
74.	3. Other provisions	0	10 997	1 407	0	0	0	0	479	0	479	0	12 883	0	12 883
75.	F LIABILITIES	3 013	792 635	-745	0	0	-62 202	-2	0	-839	-62 204	2 174	729 686	0	729 686
76.	I. SUBORDINATED DEBTS	0	0	98	0	0	0	0	0	0	0	0	98	0	98
77.	Subordinated debts to related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
78.	Subordinated debts to other investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
79.	Subordinated debts to third parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
80.	Amount owned 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	98	0	0	0	0	0	0	0	0	98	0	98
83.	II. LONG-TERM LIABILITIES	-42	626 345	0	0	0	0	0	0	0	0	-42	626 345	0	626 345
84.	Long-term borrowings	0	4 343	0	0	0	0	0	0	0	0	0	4 343	0	4 343
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	45 000	0	0	0	0	0	0	0	0	0	45 000	0	45 000
87.	Investments and development loans	0	157 316	0	0	0	0	0	0	0	0	0	157 316	0	157 316
88.	Other long-term loans	0	17 100	0	0	0	0	0	0	0	0	0	17 100	0	17 100
89.	Long-term debts to related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	-42	402 586	0	0	0	0	0	0	0	-42	402 586	0	402 586	0
	Corporate tax payable due to consolidation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	III. CURRENT LIABILITIES	3 055	166 290	-843	0	0	-62 202	-2	0	-839	-62 204	2 216	103 243	0	103 243
91.	Short-term borrowings	0	1 396	0	0	0	0	0	0	0	0	0	1 396	0	1 396
92.	of which: convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
93.	Other short-term loans	0	52 247	0	0	0	0	0	0	0	0	0	52 247	0	52 247
94.	Prepayments received from debtors	0	733	0	0	0	-656	0	0	0	-656	0	77	0	77
95.	Creditors	250	27 119	0	0	0	0	0	0	0	0	250	27 119	0	27 119
96.	Bills of exchange payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
97.	Short-term debts to related parties	869	65 058	-845	0	0	-61 546	0	0	-837	-61 546	32	2 667	0	2 667
98.	Short-term debts to other investments	0	249	0	0	0	0	0	0	0	0	0	249	0	249
99.	Other current liabilities	1 936	19 488	2	0	0	0	-2	0	-2	-2	1 934	19 488	0	19 488
100.	G ACCRUED EXPENSES AND DEFERRED INCOME	-612	56 823	21 766	0	0	-17 537	1	-2 431	201	-19 967	-411	58 622	0	58 622
101.	Deferred income	-3	27 767	0	0	0	-16 283	0	0	0	-16 283	-3	11 484	0	11 484
102.	Accrued expenses	-589	10 616	-679	0	0	-1 254	0	0	209	-1 254	-380	8 683	0	8 683
103.	Deferred extraordinary revenues and negative goodwill	-20	18 440	22 445	0	0	0	1	-2 431	-8	-2 430	-28	38 455	0	38 455
104.	TOTAL EQUITY & LIABILITIES	3 145	1 090 790	-122 248	0	-1 396	-79 965	-5	269	66	-81 097	3 211	887 445	0	887 445

No.	Item	Aggregate BS figure for 2011		Total opening	Effects of consolidation posting 2011					Total consolidation in 2011		Consolidated amount in 2011		Comparison	
		Prior year adjustment	Reporting year		Reclassified opening balance	Total equity consolidation	Total debt consolidation	Gains and expenses consolidation	Interim profits net off	Prior year net off	Reporting year net off	Prior year adjustments	Reporting year	Consolidated FS 2010	Change (2011-2010)
01.	Domestic sales, net	158	408 080	0	0	0	-21	-261 944	-26 797	3	-288 762	161	119 318	0	119 318
02.	Export sales, net	40	12 065	0	0	0	0	0	0	0	0	40	12 065	0	12 065
	Settled intra-group income	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I.	TOTAL SALES, NET	198	420 145	0	0	0	-21	-261 944	-26 797	3	-288 762	201	131 383	0	131 383
03.	Movements in self-produced stocks	0	-434	0	0	0	0	0	0	0	0	0	-434	0	-434
04.	Capitalised self-manufactured assets	0	3 377	0	0	0	0	-105	19 823	1	19 718	1	23 095	0	23 095
II.	CAPITALISED OWN PERFORMANCE	0	2 943	0	0	0	0	-105	19 823	1	19 718	1	22 661	0	22 661
III.	OTHER INCOME	886	197 688	0	0	0	-672	-2 715	2 671	-29	-716	857	196 972	0	196 972
	of which: reversed diminution in value	0	308	0	0	0	0	0	-11	0	-11	0	297	0	297
III/A.	DIFFERENCE ARISING CONSOLIDATION DUE TO	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	-DEBT CONSOLIDATION (PROFIT INCREASING)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
05.	Material cost	91	63 066	0	0	0	0	-2 476	-204	0	-2 680	91	60 386	0	60 386
06.	Service used	-557	272 278	0	0	0	3	-212 220	0	-1	-212 217	-558	60 061	0	60 061
07.	Other services	-1	3 258	0	0	0	0	-476	0	0	-476	-1	2 782	0	2 782
08.	Cost of goods sold	0	21 892	0	0	0	0	-16 284	-4 064	0	-20 348	0	1 544	0	1 544
09.	Provision of (consignment) services	65	35 375	0	0	0	0	-29 263	-911	0	-30 174	65	5 201	0	5 201
	Intra-group cost recognised	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IV.	MATERIAL TYPE EXPENDITURES	-402	395 869	0	0	0	3	-260 719	-5 179	-1	-265 895	-403	129 974	0	129 974
10.	Payroll	-2	106 385	0	0	0	0	0	0	0	0	-2	106 385	0	106 385
11.	Other payments to personnel	13	16 600	0	0	0	0	-14	0	0	-14	13	16 586	0	16 586
12.	Social security and similar deductions	6	35 372	0	0	0	0	0	0	0	0	6	35 372	0	35 372
V.	PAYMENTS TO PERSONNEL	17	158 357	0	0	0	0	-14	0	0	-14	17	158 343	0	158 343
VI.	DEPRECIATION	38	52 166	0	0	0	0	-1	-2 147	-7	-2 148	31	50 018	0	50 018
VII.	OTHER EXPENDITURES	662	36 579	0	0	0	-934	-3 533	554	-628	-3 913	34	32 666	0	32 666
	of which: diminution in value	0	2 175	0	0	0	0	5	194	0	199	0	2 374	0	2 374
III/A.	DIFFERENCE ARISING CONSOLIDATION DUE TO	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	-DEBT CONSOLIDATION (PROFIT REDUCING)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A.	OPERATING PROFIT/LOSS	769	-22 195	0	0	0	238	-497	2 469	611	2 210	1 380	-19 985	0	-19 985
13.	Dividends and profit sharing (received or due)	0	1 577	0	0	-1 495	0	0	0	0	-1 495	0	82	0	82
	of which : dividends from related parties	0	1 495	0	0	-1 495	0	0	0	0	-1 495	0	0	0	0
13/a.	Dividends (received or due) from associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13/b.	Dividends (received or due) from investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14.	Exchange gain from disposal of shares	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	of which: from related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15.	Interest and capital gains on long term financial assets	0	7	0	0	0	0	-7	0	0	-7	0	0	0	0
	of which: from related parties	0	7	0	0	0	0	-7	0	0	-7	0	0	0	0
16.	Other interest and similar income	-53	1 124	0	0	0	0	-121	0	0	-121	-53	1 003	0	1 003
	of which: from related parties	0	121	0	0	0	0	-121	0	0	-121	0	0	0	0
17.	Other revenues from financial transaction	0	591	0	0	807	0	0	-90	0	717	0	1 308	0	1 308
VIII.	Financial revenues	-53	3 299	0	0	-688	0	-128	-90	0	-906	-53	2 393	0	2 393
18.	Exchange losses on long term financial assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	of which: from related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19.	Interest payable and similar charges	0	12 804	0	0	0	0	-128	0	0	-128	0	12 676	0	12 676
	of which: from related parties	0	128	0	0	0	0	-128	0	0	-128	0	0	0	0
20.	Diminution int the value of shares, securities and bank deposits	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21.	Other expenditures on financial transactions	0	1 771	0	0	92	0	0	-57	13	35	13	1 806	0	1 806
IX.	FINANCIAL EXPENDITURES	0	14 575	0	0	92	0	-128	-57	13	-93	13	14 482	0	14 482
B.	FINANCIAL PROFIT OR LOSS	-53	-11 276	0	0	-780	0	0	-33	-13	-813	-66	-12 089	0	-12 089
C.	PROFIT OR LOSS FOR ORDINARY ACTIVITIES	716	-33 471	0	0	-780	238	-497	2 436	598	1 397	1 314	-32 074	0	-32 074
X.	EXTRAORDINARY REVENUES	18	51 801	0	0	0	-224	-20	-781	0	-1 025	18	50 776	0	50 776
XI.	EXTRAORDINARY EXPENDITURES	-9	937	0	0	965	0	-157	-551	0	257	-9	1 194	0	1 194
D.	EXTRAORDINARY PROFIT OR LOSS	27	50 864	0	0	-965	-224	137	-230	0	-1 282	27	49 582	0	49 582
E.	PROFIT BEFORE TAX	743	17 393	0	0	-1 745	14	-360	2 206	598	115	1 341	17 508	0	17 508
XII.	TAX PAYABLE	-1	278	0	0	0	0	0	0	-74	0	-75	278	0	278
III/A.	(CALCULATED) CORPORATE TAX DIFFERENCE	0	0	0	0	139	0	0	0	0	139	0	139	0	139
	TAX DIFFERENCE ±	0	0	0	0	0	0	0	0	0	0	0	0	0	0
F.	PROFIT AFTER TAX	744	17 115	0	0	-1 884	14	-360	2 206	672	-24	1 416	17 091	0	17 091
22.	Dividends and profit sharing from retained earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23.	Dividends and profit sharing paid (payable)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24.	Non-controlling interests	0	0	0	0	0	0	0	0	0	0	0	0	0	0
G.	PROFIT OR LOSS FOR THE YEAR	744	17 115	0	0	-1 884	14	-360	2 206	672	-24	1 416	17 091	0	17 091