INDEPENDENT AUDITOR'S REPORT
(Free translation)

To the founder of MÁV Magyar Államvasutak Zrt.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MÁV Magyar Államvasutak Zrt. and its subsidiaries (together "the Group") which comprise the balance sheet as of 31 December 2013 (in which the balance sheet total is HUF 993,123 million, the profit per consolidated balance sheet is HUF 4,657 million, the related consolidated profit and loss account for the year then ended, and the notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the provisions of the Accounting Act 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.

Auditor's Responsibility

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

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

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

Opinion

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In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of MÁV Magyar Államvasutak Zrt. and its subsidiaries as of 31 December 2013, and of the results of its operations for the year then ended in accordance with the provisions of the Accounting Act.

Emphasis of matter

We draw attention to the following matters in connection with the consolidated financial statements of the Company:

1. We draw attention to note I.2.2 which states that the financing of the Company's operations, the repayment of its loans, and the recoverability of its assets depend on whether the owner provides the financial resources for the operation in time and whether resources from the state budget are available to the extent necessary.

2. We draw attention to note I.2.2 which states that the Hungarian government and MÁV Zrt. signed a railtrack operation agreement in 2011 to ensure the funding of the railtrack operation for the period between 2011 and 2015. The Company received a cost compensation amounting to HUF 21.05 billion in 2011, HUF 66.941 billion in 2012 and HUF 65.62 billion in 2013. The reimbursement for 2013 has not been settled with the Ministry for National Development, and the amount may still be subject to change.

3. We draw attention to note I.2.2 which states that, as a result of the amendment of Act CVI of 2007 on State Property as of 28 June 2013 and of the amendment of the Asset Management Agreement, as of this date, cost compensations are divided into two categories: compensation for operational costs to be accounted in profit/loss and compensation providing funds for capital expenditures on railtrack. As a result, the railtrack operation agreement between MÁV Zrt. and the Ministry for National Development was amended after the balance sheet date. From the compensation available, the compensation used to cover losses amounted to HUF 46.761 billion in 2013 including a release of prepaid income from 2012. Compensation for capital expenditure amounted to HUF 19.827 billion. Under the new rules, HUF 395 million is recorded as a liability to the state, representing the difference between the compensation actually used and the amount available under the Act on the State Budget and the amount remaining available for 2012.

4. We draw attention to note I.2.3 which states that, on 1 July 2007, the Company transferred the implementation of capital projects, financed from government and EU funds and mostly related to treasury assets to Nemzeti Infrastruktúra Fejlesztő Zrt. ("NIF Zrt)". Prior to the current year NIF Zrt. handed over from a technical perspective some of the capital projects it implemented after 1 July 2007 to MÁV Zrt, and MÁV Zrt. started using these assets without a legal and financial handover. From the capital projects that were technically handed over by NIF Zrt. and used by the Company, 23 projects were legally and financially handed over and transferred for asset management through MNV Zrt. to MÁV Zrt. until 31 December 2013.

In connection with the capital projects without a legal and financial handover, the Company made provisions for unaccounted depreciation in the amount of depreciation for the period between 2007 and 27 June 2013. Pursuant to the amendment of Act CVI of 2007 on State Property ("State Property Act"), as described in note I.7.3, MÁV Zrt. has not made any provisions after 27 June 2013 for the depreciation of capital projects that have been technically handed over and commissioned but have not been handed over legally and financially. The estimated gross value of assets not yet taken over NIF by 31 December 2013 and therefore not shown in the Company's books was HUF 109,854 million (HUF 236,180 million at 31 December 2012), the provision made for the estimated accumulated depreciation of these assets was HUF 3,686 million (HUF 24,260 million at 31 December 2012). The provision for depreciation in the current period as presented in the Notes to the financial statements for 2013 was HUF 1,900 million (HUF 8,317 million at 31 December 2012).

5. We draw attention to note I.2.6 which states that the ownership status of certain properties is still unresolved between the Company and its Founder. The settlement's potential effect on the assets is at present unclear, and will be subject to future agreements between the Company and its Founder. Under the amendment of Act CVI of 2007 on State Property as of 28 June 2013, the settlement of the ownership status of the real property cannot result in a decrease in equity for the Company.

6. We draw attention to note I.2.2. which states that, in 2010, MÁV-START Zrt. concluded a public passenger transport service agreement with the Ministry of Transport, Telecommunications and Energy. In accordance with the agreement, MÁV-START Zrt. is entitled to reimbursement of reasonable expenses incurred in connection with the supply of public services that are not covered by revenues. The amount of compensation accounted as other revenues in MÁV-START Zrt.'s financial statements for 2013 was HUF 150,143 million. MÁV-START Zrt. presented as other receivables in its books the excess compensation for public service costs in the amounts of HUF 11,516 million for years 2009-2011, HUF 8,101 million for 2012 and HUF 6,050 million for 2013. The amount for years 2009-2011 has been confirmed by the Ministry for National Development, but has not been settled financially. The reimbursements for 2012 and 2013 have not been settled with the Ministry for National Development, and the amounts are still subject to change.

7. We draw attention to note III. 6. which states that the Economic Crime Department of the Budapest Metropolitan Police has initiated an investigation against an unknown suspect in connection with MÁV Szolgáltató Központ Zrt.'s activities, and the Criminal Directorate of the National Tax and Customs Authority has initiated criminal proceedings on the suspicion of budgetary fraud. Since the proceedings have not yet concluded, we cannot establish their effect on the annual financial statements.

Our opinion has not been qualified in respect of matters presented in points 1)-7).

Other Reporting Requirements regarding the Consolidated Business Report

We have examined the accompanying consolidated business report of MÁV Magyar Államvasutak Zrt. and its subsidiaries (together "the Group") for the financial year of 2013.

Management is responsible for the preparation and fair presentation of the consolidated business report in accordance with the provision of the Accounting Act. Our responsibility is to assess whether or not the accounting information disclosed in the consolidated business report is consistent with that contained in the consolidated financial statements. Our work in respect of the consolidated business report was limited to checking it in within the aforementioned scope and did not include a review of any information other than that drawn from the audited accounting records of the Group. In our opinion the 2013 consolidated business report is consistent with the disclosures in the consolidated financial statements as of 31 December 2013.

Budapest, 26 June 2014

Barsi Éva
Partner, Statutory auditor
Licence number:002945
PricewaterhouseCoopers Könyvvizsgáló Kft.
1055 Budapest, Bajcsy-Zsilinszky út 78.
License Number: 001464

Translation note:

Our report has been prepared in Hungarian and in English. In all matters of interpretation of information, views or opinions, the Hungarian version of our report takes precedence over the English version. The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in jurisdictions other than Hungary.

Statistical code: 10856417-5221-114-01

Registration number: 01-10-042272

MÁV HUNGARIAN STATE RAILWAYS
Private Company by Shares

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

Consolidated
balance sheet & profit and loss account
2013.12.31

This is a translation of the Hungarian Consolidated Financial Statements

Date: Budapest, 27 May 2014

Director (representative) of the Company

L.S.

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

Registration number

Balance sheet date: 31/12/2013

BALANCE SHEET Version "A" – Assets

Figures in MHUF

Serial no.	Description	Previous year	Previous year(s) adjustments	Current year
a	b	c	d	e
A.	**Non-current assets (lines I+II+III)**	**718 241**	**0**	**841 044**
I.	**INTANGIBLE ASSETS**	**3 218**	**0**	**4 290**
01	Capitalised foundation/restructuring	11	0	3
02	Capitalised value of research and development	237	0	350
03	Concessions, licenses and similar rights	1 882	0	2 255
04	Trade-marks, patents and similar assets	1 088	0	1 682
05	Goodwill	0	0	0
06	Advance payments on intangible assets	0	0	0
07	Adjusted value of intanible assets	0	0	0
II.	**TANGIBLE ASSETS**	**706 262**	**0**	**830 833**
01	Land and buildings and related property rights	413 374	0	510 621
02	Plant, machinery, equipment and vehicles	277 517	0	281 430
03	Other equipment, fittings, vehicles	480	0	417
04	Breeding stock	0	0	0
05	Assets in the course of construction	13 196	0	16 645
06	Advance payments for AICC	1 695	0	21 720
07	Adjusted value of tangible assets	0	0	0
III.	**LONG-TERM FINANCIAL ASSETS**	**8 761**	**0**	**5 921**
01	Long-term participation in related parties	5 355	0	3 696
02	Long-term loans granted to related parties	0	0	0
03	Other long-term investments	2 072	0	2 081
04	Long-term loans granted to other investments	0	0	0
05	Other long-term loans granted	165	0	144
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	Equity consolidation difference	1 169	0	0
	- from subsidiaries	0	0	0
	- from associated companies	1 169	0	0

Date: Budapest, 27 May 2014

L.S.

Director (representative) of the Company

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 number

Balance sheet date: 31/12/2013

BALANCE SHEET Version “A” – Assets

Figures in MHUF

Serial no.	Description	Previous year	Previous year(s) adjustments	Current year
a	b	c	d	e
B.	**Current assets (lines I+II+III+IV)**	**88 692**	**0**	**110 824**
I.	**INVENTORIES**	**20 602**	**0**	**21 556**
01	Raw materials and consumables	16 115	0	17 118
02	Work in progress and semi-finished products	1 991	0	3 228
03	Young, fattened and other livestock	0	0	0
04	Finished products	1 045	0	1 064
05	Goods	914	0	59
06	Advance payments on inventories	537	0	87
II.	**RECEIVABLES**	**58 503**	**0**	**61 237**
01	Trade debtors	9 586	0	11 035
02	Receivables from related parties	1 134	0	1 012
03	Receivables from other investments	24	0	11
04	Bills of exchange receivable	0	0	0
05	Other receivables	46 066	0	49 044
06	Tax liabilities arising (calculated) from consolidation	1 693	0	135
III.	**SECURITIES**	**0**	**0**	**0**
01	Investments in related parties	0	0	0
02	Other participation	0	0	0
03	Treasury shares and own participation	0	0	0
04	Marketable debt securities	0	0	0
IV.	**LIQUID ASSETS**	**9 587**	**0**	**28 031**
01	Cash, cheques	160	0	159
02	Bank deposits	9 427	0	27 872
C.	**PREPAID EXPENSES & ACCRUED INCOME**	**41 770**	**0**	**41 255**
01	Accrued income	26 154	0	26 169
02	Prepaid expenses	787	0	753
03	Deferred expenses	14 829	0	14 333
	TOTAL ASSETS (A+B+C)	**848 703**	**0**	**993 123**

Date: Budapest, 27 May 2014

L.S.

Director (representative) of the Company

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

Registration number

Balance sheet date: 31/12/2013

BALANCE SHEET Version "A" – Equity and liabilities

Figures in MHUF

Serial no.	Description	Previous year	Previous year(s) adjustments	Current year
a	b	c	d	e
D.	**Equity**	**49 388**	**0**	**91 246**
I.	**SHARE CAPITAL**	**21 037**	**0**	**22 000**
	of which: treasury shares redeemed at face value	0	0	0
II.	**SUBSCRIBED, BUT UNPAID CAPITAL (-)**	**0**	**0**	**0**
III.	**CAPITAL RESERVE**	**110 581**	**0**	**146 814**
IV.	**RETAINED LOSSES**	**-79 008**	**0**	**-85 365**
V.	**ALLOCATED RESERVES**	**12 813**	**0**	**12 667**
VI.	**REVALUATION RESERVE**	**0**	**0**	**0**
VII.	**PROFIT/(LOSS) FOR THE YEAR**	**2 341**	**0**	**4 657**
VIII.	**CHANGES IN EQUITY OF SUBSIDIARIES (±)**	**5 288**	**0**	**12 075**
VIII./A	**CHANGES IN INVESTMENTS IN ASSOCIATES**	**3 082**	**0**	**2 649**
IX.	**CHANGES DUE TO CONSOLIDATION (±)**	**-26 746**	**0**	**-24 251**
	Difference from debt consolidation	2 101	0	1 247
	Difference from internal profit/loss	-28 847	0	-25 498
X.	**INVESTMENTS OF EXTERNAL MEMBERS (OTHER OWNERS)**	**0**	**0**	**0**
E.	**Provisions**	**64 417**	**0**	**42 880**
01	Provision for contingent liabilities	27 594	0	26 054
02	Provision for future expenses	29 319	0	9 342
03	Other provisions	7 504	0	7 484
F.	**Liabilities**	**680 605**	**0**	**790 522**
I.	**SUBORDINATED DEBT**	**98**	**0**	**100**
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	Equity consolidation difference from subsidiaries	98	0	100

Date: Budapest, 27 May 2014

L.S.

Director (representative) of the Company

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

Registration number

Balance sheet date: 31/12/2013

BALANCE SHEET Version "A" – Equity and liabilities

Figures in MHUF

Serial no.	Description	Previous year	Previous year(s) adjustments	Current year
a	b	c	d	e
II.	**LONG-TERM LIABILITIES**	**594 694**	**0**	**657 843**
01	Long-term borrowings	3 090	0	2 151
02	Convertible bonds	0	0	0
03	Debts from the issue of bonds	45 000	0	10 000
04	Investment and development loans	133 401	0	110 674
05	Other long-term loans	11 400	0	21 718
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	401 803	0	513 300
III.	**CURRENT LIABILITIES**	**85 813**	**0**	**132 579**
01	Short-term borrowings	1 253	0	35 939
	of which: convertible bonds	0	0	0
02	Other short-term loans	34 766	0	41 247
03	Prepayments received from debtors	49	0	52
04	Creditors	23 927	0	29 776
05	Bills of exchange payable	0	0	0
06	Short-term debts to related parties	2 391	0	1 964
07	Short-term debts to other investments	92	0	17
08	Other short-term liabilities	23 335	0	23 584
09	Corporate tax liability arising (calculated) from consolidation	0	0	0
G.	**ACCRUED EXPENSES AND DEFERRED INCOME**	**54 293**	**0**	**68 475**
01	Deferred income	12 510	0	11 106
02	Accrued expenses	7 418	0	6 387
03	Deferred extraordinary revenues and negative goodwill	34 365	0	50 982
	TOTAL EQUITY & LIABILITIES (D+E+F+G)	**848 703**	**0**	**993 123**

Date: Budapest, 27 May 2014

L.S.

Director (representative) of the Company

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

Registration number

Balance sheet date: 31/12/2013

Profit and loss account Version "A" (Total cost method)

Figures in MHUF

Serial no.	Description	Previous year	Previous year(s) adjustments	Current year
a	b	c	d	e
01	Net domestic sales revenues	114 488	0	117 990
02	Net export sales revenues	14 983	0	16 604
I.	**Net sales** (01+02)	**129 471**	**0**	**134 594**
03	Change in self-manufactured inventories	353	0	1 250
04	Capitalised value of own-manufactured assets	22 706	0	26 753
II.	**Capitalised value of own performance** (±03+04)	**23 059**	**0**	**28 003**
III.	**Other revenues**	**255 343**	**0**	**237 511**
	III of which:impairment of reversed	227	0	541
III/A.	**Difference from debt consolidation increasing the taxable profit**	**0**		**0**
05	Material costs	62 975	0	68 086
06	Material type services utilised	50 649	0	50 750
07	Other services	2 828	0	3 507
08	Cost of goods sold	8 579	0	9 657
09	Cost of (consignment) services	2 811	0	3 118
IV.	**Material-type expenditures** (05+06+07+08+09)	**127 842**	**0**	**135 118**
10	Payroll cost	108 847	0	111 805
11	Other payments to personnel	15 521	0	15 869
12	Social security and other contributions	37 043	0	37 735
V.	**Payments to personnel** (10+11+12)	**161 411**	**0**	**165 409**
VI.	**Depreciation charge**	**50 901**	**0**	**49 814**
VII.	**Other expenses**	**52 863**	**0**	**52 931**
	VII of which: impairment loss	9 507		34 217
VII/A.	**Consolidation difference decreasing the taxable profit, due to debt consolidation**	**0**		**0**
A.	**OPERATING PROFIT/(LOSS)** (I.+II.+III.+III/a.-IV.-V.-VI.-VII.-VII/a.)	**14 856**	**0**	**-3 164**

Date: Budapest, 27 May 2014

L.S.

Director (representative) of the Company

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

Registration number

Balance sheet date: 31/12/2013

Profit and loss account Version "A" (Total cost method)

Figures in MHUF

Serial no.	Description	Previous year	Previous year(s) adjustments	Current year
a	b	c	d	e
13	Dividend (due) received	11	0	3
	line 13 of which: from related parties	8	0	0
14	Foreign exchange gain on disposal of investments	0	0	0
	line 14 of which: from related parties	0	0	0
15	Interest and gains on long-term financial investments	0	0	0
	line 15 of which: from related parties	0		0
16	Other interest received (due) and similar income	1 350	0	997
	line 16 of which: from related parties	0	0	0
17	Other financial revenues	2 032	0	1 267
VIII.	**Financial revenues** (13/a+13/b+14+15+16+17)	**3 393**	**0**	**2 267**
18	Foreign exchange loss of financial investments	0	0	0
	Line 18 of which: towards to related parties	0		0
19	Interest payable and similar charges	12 716	0	8 046
	Line 19 of which: towards to related parties	1	0	0
20	Impairment of shares, securities, bank deposits	7	0	3
21	Other financial expenditures	2 751	0	4 013
IX.	**Financial expenditures** (18+19±20+21)	**15 474**	**0**	**12 062**
B.	**FINANCIAL PROFIT** (VIII-IX)	**-12 081**	**0**	**-9 795**
C.	**PROFIT FROM ORDINARY ACTIVITIES** (±A±B)	**2 775**	**0**	**-12 959**
X.	**Extraordinary revenues**	**101**	**0**	**19 707**
XI.	**Extraordinary expenditures**	**103**	**0**	**144**
D.	**EXTRAORDINARY PROFIT** (X-XI)	**-2**	**0**	**19 563**
E.	**PROFIT/(LOSS) BEFORE TAX** (±C±D)	**2 773**	**0**	**6 604**
XII.	**Tax liability**	**183**	**0**	**389**
XII/A.	**Deferred tax**	**249**	**0**	**1 558**
F.	**PROFIT/(LOSS) AFTER TAX** (±E-XII)	**2 341**	**0**	**4 657**
22	Dividends, profit sharing paid from retained earnings	0	0	0
23	Dividends and profit-sharings paid (approved)	0	0	0
24	Profit share of minority shareholders	0	0	0
G.	**PROFIT/LOSS FOR THE YEAR** (±F-F/1)	**2 341**	**0**	**4 657**

Date: Budapest, 27 May 2014

L.S.

Director (representative) of the Company

MÁV HUNGARIAN STATE RAILWAYS PRIVATE COMPANY LIMITED BY SHARES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2013

THIS IS A TRANSLATION OF THE HUNGARIAN CONSOLIDATED FINANCIAL STATEMENTS

27 MAY 2014

L.S. ……………………………………..

Director (representative) of the Company

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I GENERAL PART

I.1 THE COMPANY GROUP

I.1.1 General information on 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 (hereinafter: 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 towed vehicle 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 rules pertaining to the Company's operations, organisation and governance system are laid down in MÁV Zrt.'s statutes. The Company's executive body is the Board of Directors; operations are directed by the Company's Chairman and CEO.

Company name:
MÁV Magyar Államvasutak Zártkörűen Működő Részvénytársaság.

In foreign 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:
MÁV Zrt.

In foreign languages:
English: MÁV Co.,
French: MÁV S.A.,
German: MÁV AG.

The Company's registered office:
H-1087 Budapest, Könyves Kálmán krt. 54-60. Phone: 06-1/322-0660

The Company's homepage:
www.mav.hu

The Company's founder:

The Company's founder is the Hungarian State.
Date of foundation: 30 June 1993

Owner of the Company:

The Company's owner is the Hungarian State. Until 31 December 2013, the holder of ownership rights was Magyar Nemzeti Vagyonkezelő Zrt. (Hungarian National Asset Management Zrt.). From 1 January 2014 to 31 December 2017, ownership rights are exercised by the Ministry for National Development.

The Company's share capital:

At 31 December 2013: HUF 22,000,000,000 consisting of 2,200,000 ordinary shares of HUF 10,000 face value each.

Company registration number:	Cg 01-10-042272
Tax number:	10856417-2-44
Statistical code:	10856417-5221-114-01
Core activity:	52.21 Land transport support services

Authorised signatory of the consolidated financial statements:

Ilona Dávid, Chairman and CEO (domicile: 2040 Budaörs, Károly király utca 15-17. II. em. 1.).

The person responsible for the management and supervision of the accounting services and compilation of the financial statements is:

Andrea Kunné Porkoláb, MÁV Szolgáltató Központ Zrt. Accounting Leader (domicile: 2040 Budaörs, Fém utca 5., Chamber membership number/registration number: MKVK 000819).

The person responsible for the statutory audit is:

Éva Barsi (PricewaterhouseCoopers Könyvvizsgáló Kft., chamber membership number: 002945).

The audit fee charged by the auditors:

- The net audit fee for MÁV Zrt. amounted to HUF 15 million in the reporting year and HUF 1 million in the previous year.
- The net fee for the audit of the financial statements of MÁV Zrt.'s fully consolidated subsidiaries amounted to HUF 49 million.
- Other services in addition to audit amounted to HUF 4 million.

I.1.2 The Parent Company

The Parent Company (MÁV Zrt.) transformed into a company limited by shares on 30 June 1993 as a general legal successor of the Hungarian Railways, a state owned company. Upon foundation, the company's equity amounted to HUF 411,801 million.

The Company's share capital comprises 2,200,000 registered ordinary shares of HUF 10,000 face value each. The shares are dematerialised, non-transferable and cannot be converted to any other share types. As required by the companies act, all shareholder rights are attributable to the Company's founder.

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 figures (in HUF million):

Item	2012	2013	Index
Balance sheet total	748 464	883 343	118%
Equity	58 926	96 523	164%
Share capital	21 037	22 000	105%
Net sales	167 313	163 000	97%
Payroll cost	52 419	50 203	96%
Profit/(loss) before tax	-6 504	399	-6%

Table 1: The parent company's main figures:

The company's core activities: railway transport support activities (railtrack access services). From 1 January 2008, the company outsourced its rail vehicle maintenance and traction activities to companies belonging to the MÁV group. Since 2008, the Company's main activity has been the operations of the railtrack network.

I.1.3 Fully consolidated companies

MÁV Zrt. included 11 fully consolidated subsidiaries in its consolidated financial statements for 2013. The figures of these companies are presented below.

1. MÁV-START Vasúti Személyszállító Zártkörűen Működő Részvénytársaság [private company by shares]

Date of foundation: 15 October 2006
The company's registered address: H-1087 Budapest, Könyves Kálmán krt. 54-60.
The company's key figures (in HUF million):

Item	2012	2013	Index
Balance sheet total	111 426	133 348	120%
Equity	66 753	66 886	100%
Share capital	10 000	10 000	100%
Net sales*	72 611	76 635	106%
Payroll cost*	18 172	18 831	104%
Profit/(loss) before tax*	2 411	133	6%

Table 2: MÁV-START Zrt.'s main figures:

* Errors regarding previous years identified during the preparation of the consolidated financial statements for 2012 and the effects of such errors were not considered to be material (as opposed to the individual financial statements, in which they were considered to be material based on the effective accounting policy). Accordingly, the figures in the column "adjustments to prior year(s)" were transferred to the reporting year's figures against retained earnings. No such adjustments the 2013 figures were required.

The company's core activities: regional passenger transport services on railtrack (mainly based on public services contract).

2. MÁV Felépítménykarbantartó és Gépjavító Korlátolt Felelősségű Társaság

Date of foundation: 1 January 1994
The company's registered address: 5137 Jászkísér, Jászladányi u. 10.
The company's key figures (in HUF million):

Item	2012	2013	Index
Balance sheet total	12 945	14 544	112%
Equity	3 143	4 897	156%
Share capital	1 505	1 505	100%
Net sales	20 828	25 808	124%
Payroll cost	3 730	4 320	116%
Profit/(loss) before tax	1 044	1 918	184%

Table 3: MÁV FKG Kft.'s key figures

The company's core activities: railtrack renovation and maintenance, operation, repair and renovation of special complex installations.

3. MÁV Szolgáltató Központ Zártkörűen Működő Részvénytársaság (as of 01.04.2013, earlier: MÁV INFORMATIKA Kereskedelmi, Szolgáltató és Tanácsadó Zártkörűen Működő Részvénytársaság)

Date of foundation: 1 November 1996
The company's registered address: H-1087 Budapest, Könyves Kálmán krt. 54-60.
The company's key figures (in HUF million):

Item	2012	2012 final*	2013	Index
Balance sheet total	2 982	3 007	8 857	295%
Equity	1 675	1 700	2 349	138%
Share capital	800	800	801	100%
Net sales	4 994	4 994	14 669	294%
Payroll cost	1 801	1 801	4 774	265%
Profit/(loss) before tax	305	305	248	81%

Table 4: MÁV Szolgáltató Központ Zrt.'s key figures:

* The balance sheet total and equity figures for 2012 changed after the preparation of the consolidated financial statements for 2012. The equity amount shown here includes the dividend approved.

The company's core activities: setting up and operating the accounting systems for the companies within MÁV Group with a service contract, providing a platform for their accounting activities; providing a platform for human administration services, work safety and health protection services; providing a platform for centralized services (procurement and maintaining stocks, logistics services, managing public procurements, asset management, inventory-taking, railway technology energy management, setting up and operation of environment protection systems); administrative and management support. Operating and monitoring the IT systems required for the business and functional processes of companies within and outside the MÁV group, setting up, monitoring, managing and co-ordinating the new systems, ensuring the integration with the IT systems applied.

4. MÁV Ingatlankezelő Korlátolt Felelősségű Társaság

Date of foundation: 30 December 1996
The company's registered address: H-1087 Budapest, Könyves Kálmán krt. 54-60.
The company's key figures (in HUF million):

Item	2012	2013	Index
Balance sheet total	3 659	3 165	86%
Equity*	849	843	99%
Share capital	399	399	100%
Net sales	9 661	9 575	99%
Payroll cost	2 703	2 817	104%
Profit/(loss) before tax	71	60	85%

Table 5: MÁV IK Kft.'s key figures

* The equity amount shown here includes the dividend approved.

The company's core activities: managing and operating MÁV Zrt.'s real estate, technical fault clearance, performing and managing scheduled renovation.

5. MÁV Vagyonkezelő Zártkörűen Működő Részvénytársaság

Date of foundation: 18 July 1997
The company's registered address: H-1087 Budapest, Könyves Kálmán krt. 54-60.
The company's key figures (in HUF million):

Item	2012	2013	Index
Balance sheet total	454	2805	618%
Equity*	303	2229	736%
Share capital	244	244	100%
Net sales	821	1383	168%
Payroll cost	347	698	201%
Profit/(loss) before tax	59	12	20%

Table 6: MÁV Vagyonkezelő Kft.'s key figures

* The equity amount shown here includes the dividend approved.

The company's core activities: real estate brokering and asset management.

6. MÁV-TRAKCIÓ Vasúti Vontatási Zártkörűen Működő Részvénytársaság.

Date of foundation: 10 October 2007
The company's registered address: H-1087 Budapest, Könyves Kálmán krt. 54-60.
The company's key figures (in HUF million):

Item	2012	2013	Index
Balance sheet total	124 753	117 544	94%
Equity	44 037	46 051	105%
Share capital	29 815	29 815	100%
Net sales	70 033	66 952	96%
Payroll cost	17 128	16 470	96%
Profit/(loss) before tax	2 515	2 017	80%

Table 7: MÁV-TRAKCIÓ Zrt.'s main figures:

The company's core activities: performing railway traction activities, operating railway traction vehicles.

As of 1 January 2014, MÁV-TRAKCIÓ Zrt. merged into MÁV-START Zrt.

7. MÁV-GÉPÉSZET Vasútijármű Fenntartó és Javító Zártkörűen Működő Részvénytársaság

Date of foundation: 12 November 2007
The company's registered address: H-1087 Budapest, Könyves Kálmán krt. 54-60.
The company's key figures (in HUF million):

Item	2012	2013	Index
Balance sheet total	23 203	24 446	105%
Equity	11 393	12 675	111%
Share capital	3 933	3 933	100%
Net sales	41 281	44 768	108%
Payroll cost	11 031	10 645	97%
Profit/(loss) before tax	328	1 367	417%

Table 8: MÁV-GÉPÉSZET Zrt.'s main figures:

The company's core activities: repair and maintenance of engines, carriages, cargo waggons and equipment used to pre-heat carriages, prevention of chemical emergencies and accidents.

As of 1 January 2014, MÁV-GÉPÉSZET Zrt. merged into MÁV-START Zrt.

8. MÁV Központi Felépítményvizsgáló Korlátolt Felelősségű Társaság

Date of foundation: 1 September 1996
The company's registered address: H-1097 Budapest, Péceli út 2.
The company's key figures (in HUF million):

Item	2012	2013	Index
Balance sheet total	2 748	3 164	115%
Equity*	2 425	2 878	119%
Share capital	569	569	100%
Net sales	1 574	1 656	105%
Payroll cost	409	437	107%
Profit/(loss) before tax	492	496	101%

Table 9: MÁV KFV Kft.'s key figures

* The equity amount shown here includes the dividend approved.

The company's core activities: railtrack monitoring, track geometry measurement, development of measurement tools and devices.

9. ZÁHONY-PORT Záhonyi Logisztikai és Rakománykezelései Szolgáltató Zártkörűen Működő Részvénytársaság

Date of foundation: 31 August 2006
The company's registered address: 4625 Záhony, Európa tér 12.
The company's key figures (in HUF million):

Item	2012	2013	Index
Balance sheet total	1 004	1 118	111%
Equity	503	595	118%
Share capital	10	10	100%
Net sales	2 479	2 439	98%
Payroll cost	874	891	102%
Profit/(loss) before tax	135	93	69%

Table 10: ZÁHONY-PORT Zrt.'s main figures:

The company's core activities: cargo handling, warehousing, storage, forwarding.

10. MÁV VASÚTŐR Vagyonvédelmi és Szolgáltató Korlátolt Felelősségű Társaság

Date of foundation: 30 December 1996
The company's registered address: H-1097 Budapest, Fék utca 8/a.
The company's key figures (in HUF million):

Item	2012	2013	Index
Balance sheet total	965	1 295	134%
Equity	284	451	159%
Share capital	215	215	100%
Net sales	3 504	4 322	123%
Payroll cost	1 192	1 434	120%
Profit/(loss) before tax	47	189	402%

Table 11: MÁV VASÚTŐR Kft.'s main figures:

The company's core activities: personal safety services.

11. MÁV KERT Kertészeti Termelő, Szolgáltató és Kereskedelmi Korlátolt Felelősségű Társaság

Date of foundation: 1 April 1993
The company's registered address: 1102 Budapest, Kőbánya-felső, Kolozsvári utca 39205/3 hrsz.
The company's key figures (in HUF million):

Item	2012	2013	Index
Balance sheet total	564	627	111%
Equity	327	402	123%
Share capital	46	46	100%
Net sales	1 091	977	90%
Payroll cost	590	286	48%
Profit/(loss) before tax	127	136	107%

Table 12: MÁV KERT Kft.'s main figures:

* The equity amount shown here includes the dividend approved.

The company's core activities: landscape activities, plant production services, logging.

I.1.4 Assignment to consolidation categories and movements in the reporting year

In accordance with MÁV Zrt.'s current Consolidation Policy, subsidiaries that have investments in fully consolidated subsidiaries are not exempted from full consolidation. Accordingly, MÁV VASÚTŐR Kft. and MÁV KERT Kft. have been reclassified from the category of equity consolidated companies (associates) to fully consolidated companies.

Voluntary liquidation for MÁV Koncessziós Kft. was initiated in 2013. As a result, the company was reclassified from the category of fully consolidated companies to subsidiaries treated as investments. The Metropolitan Court of Budapest as Court of Registration ordered the removal of MÁV Koncessziós Kft. „v.a." from the Company Register with effect from 18 March 2014. Voluntary liquidation was completed on 19 December 2013.

MÁV Vagyonkezelő Zrt. and Resti Zrt. merged. On 31 December 2013, Resti Zrt. merged into MÁV Vagyonkezelő Zrt., the legal successor, and was terminated by the transformation.

In 2013, voluntary liquidation of PRUDENT-INVEST Zrt. "v.a.", Józsefváros Pályaudvar Kft. "v.a.", Kelenföldi Pályaudvar Kft. "v.a." and DÉLI PÁLYAUDVAR Zrt. "v.a." was terminated, therefore these companies were excluded from the category of subsidiaries treated as investments. The voluntary liquidation of Bugaci Kisvasút Kht."v.a." was terminated and the company was excluded from the category of other related parties.

Indicators considered in the assignment to consolidation categories are shown in Appendix 1.

The assignment of companies to consolidation categories and its movements in the reporting year are shown in Appendices 2 and 3.

The group structure is shown in Appendix 4.

The classification of group companies and their final assignment to consolidation categories are shown in Appendix 5.

I.2 IMPORTANT INFORMATION ON THE GROUP'S OPERATIONS

I.2.1 Transformation of MÁV Zrt. and the MÁV Group

From 1 January 2014 to 31 December 2017, the state's ownership rights over MÁV Zrt. are exercised by the Ministry for National Development. However, the assets are still transferred for management by MNV Zrt.

In order to increase the efficiency of MÁV Group's rail network operations and passenger transport activity and to properly segregate the related processes, MÁV-TRAKCIÓ Zrt. and MÁV-GÉPÉSZET Zrt. merged into MÁV-START Zrt. as of 1 January 2014 and Resti Zrt. merged into MÁV Vagyonkezelő Zrt. as of 31 December 2013.

As of 1 June 2013, accounting, human resources and logistics activities were outsourced from MÁV Zrt. to MÁV SZK Zrt.

I.2.2 Government involvement in the MÁV Group's operations

For the group's liquidity, state funding of reasonable expenses of public services - passenger transportation and railtrack operation - that are not covered by revenues bears special significance, provided by reimbursement and a state guaranteed loan.

Financing the company's operations, the repayment of its loans and the return of its assets are strongly dependent on the availability of state funds.

Government involvement in MÁV-START Zrt.'s public services:

In 2010, the Company concluded a public passenger transport service contract with the Ministry of Transport, Telecommunications and Energy. In accordance with the contract, the Company is entitled to reimbursement of reasonable expenses incurred in connection with the supply of public services that are not covered by revenues.

As the first step of the settlement of an extra reimbursement of HUF 11,516 million approved for 2009-2011, the 2014 state budget provides for the payment of HUF 4,527.55 million based on Section 2 (3) a) of the Government Decree 35/2014. (II.19.).

A maximum compensation of HUF 144,000 million was budgeted for in MÁV-START Zrt.'s public service contract for passenger rail transport with the government for 2012.
A compensation request of an additional HUF 10,162 million was recognised in addition to the budgeted subsidy for a reimbursement of reasonable costs incurred in relation to the ordered and public passenger rail service which are not covered by revenues. Thus a total reimbursement request of HUF 154,162 million was presented in the financial statements.

The financial statements on public services for 2012 have not yet been approved by the ministry. MÁV-START Zrt.'s revised reimbursement request (HUF 154,789 million) for public services in 2012 is pending approval by the Ministry for National Economy because the expenses may only be reimbursed if the restrictions specified in the memorandum of the Public Service Contract for 2012 are waived. For the waiver, the Treasury Minister's approval is required. Therefore, the amount of the reimbursement request specified in the financial statements (HUF 154,162 million) may change.

Based on information provided by the Ministry for National Economy, the company's management believes that from the contractual receivables of HUF 10,162 million disclosed in the company's financial statements to cover the full reimbursement of expenses in 2012, the reimbursement of HUF 2,748.5 million above the threshold specified in point IV. 2 of the 2012 memorandum of the public service contract has become risky. The management believes that this risk is significant and therefore accounted an item with a 75 % negative effect on profit in the financial statements for 2013 for these receivables.

A maximum compensation of HUF 144,092.2 million was budgeted for in MÁV-START Zrt.'s public service contract for passenger rail transport with the government for 2013.
A compensation request of an additional HUF 6,050 million was recognised in addition to the budgeted subsidy for a full reimbursement of reasonable costs incurred in relation to the ordered and public passenger rail service which are not covered by revenues. Thus a total reimbursement request of HUF 150,143 million was presented in the financial statements. According to the public service contract, MÁV-START Zrt. requests the actual reimbursement by submitting the financial statements on public services for 2013, following the preparation of the annual financial statements for 2013.

MÁV Zrt.'s and MÁV-START Zrt.'s long-term business activities are planned on the basis of public service contracts. On 15 November 2013, the Ministry for National Development and MÁV START Zrt. concluded the public services contract with effect from 1 January 2014 to 31 December 2023 in agreement with the Ministry for National Economy.

Government involvement in MÁV Zrt.'s railtrack operation activities:

In 2011, the Hungarian government and MÁV Zrt. signed a public service contract for the rail infrastructure operations for the period between 2011 and 2015 in order to ensure the long term funding of the operation. The Company received a cost compensation of HUF 21,050 million in 2011, HUF 66,941 million in 2012, and HUF 65,620 million in 2013.

In 2012, the Company recognised compensation totalling HUF 65,578 million as other revenue while excess compensation of HUF 1,363 million was deferred. The deferral was released in 2013 based on the Ministry for National Development's letter no. KIF/20735-1/2013-NFM ordering that the difference from 2012 must be used in 2013.

As a result of the amendment of Act CVI of 2007 on State Property as of 28 June 2013 and the railtrack operation agreement signed until the balance sheet preparation date, as of this date, cost compensations are divided into the categories of compensation of operational costs to be accounted in profit/loss and compensation of renovation costs providing funds for capital expenditures on treasury assets and railtrack operation assets. From the compensation available, the compensation used to cover losses amounted to HUF 46,761 million in 2013 accompanied by a release of deferred income from 2012. Cost compensation used for renovations amounted to HUF 19,827 million in line with the capital projects implemented in the second half-year. According to the new rules stipulated by the Act on the State Budget, HUF 395 million representing a difference between the compensation actually used and remaining available for 2012 was accounted as liabilities to the state budget.

According to title groups 3, 4 and 5 of Section 21 (1) of Chapter XVII of the State Budget Act of 2014, HUF 71,680 million has been budgeted to cover the justified costs of rail network operations; HUF 185,509 million to cover the costs of regional rail passenger transport services; and HUF 9,555 million for unpaid reimbursement of costs of regional passenger transport services. Based on the Government Decree 35/2014 (II.19.), MÁV Zrt. budgeted HUF 66,830 million for railtrack operation in 2014.

According to Chapter XVII, section 20, subsection 31, title group 6 of the State Budget Act for 2014, HUF 1,496 million was set aside for the renovation of railway bridges and steel structures.
In addition, according to Section 75 of the Act on the State Budget for 2014, the Parliament approved the assumption of debts from the bonds issued by MÁV Zrt. on 7 September 2011 amounting to HUF 35,000 million to cover railtrack operation expenses and the related contributions by the Hungarian State with effect from 31 August 2014 at the latest without consideration. MÁV Zrt. is not liable to pay duties on the assumption of debt. The assumption is in line with the provisions of Act CLXXXIII of 2005 (Railway Act) and the Railtrack Operation Agreement stipulating that the Hungarian State compensates any funds backed by a government guarantee used to supplement insufficient cost compensations no later than at the due date.

I.2.3 EU grants for capital projects

In 2007, the implementation of capital projects financed from government and EU funds was transferred to Nemzeti Infrastruktúra Fejlesztő Zrt. (National Infrastructure Development company) (NIF Zrt.). Therefore, significantly less grants for development projects are recorded in MÁV's books and capital projects are not shown in MÁV Zrt.'s books until the date of commissioning.

NIF Zrt. handed over part of the capital projects it implemented after 1 July 2007 to MÁV Zrt. MÁV Zrt. started using these assets without a legal and financial handover. To present a true and fair view of the Company's actual asset and financial position for capital projects without a legal and financial handover, the Company made provisions for unaccounted depreciation in the amount of depreciation for the period between 2007 and 27 June 2013. Pursuant to the amendment of Act CVI of 2007 on State Property, MÁV Zrt. did not make any provisions after 27 June 2013 for the depreciation of capital projects that have been technically handed over and commissioned but have not been handed over legally and financially.

From among the capital projects that were technically handed over by NIF Zrt. and used by the Company, 23 projects were legally and financially handed over until 31 December 2013. The assets were accepted under the trilateral agreements between MNV Zrt., NIF Zrt. and MÁV Zrt. For projects handed over, provisions for depreciation for the period between the date of commissioning and 27 June 2013 were released on handover settlement. In addition, the Company accounted extraordinary depreciation in the amount of HUF 27,870 million for the period between the date of commissioning and the date of acceptance. Provisions are shown in the table below:

Figures in MHUF

Provisions made (+) / released (-)	Total historical cost	2007	2008	2009	2010	2011	2012	2013	Balance of provisions 2013
Projects completed in 2013	151 362	41	599	1 994	6 730	6 579	6 531	-22 474	0
Projects in progress in 2013	109 854						1 786	1 900	3 686
Total:	***261 216***	***41***	***599***	***1 994***	***6 730***	***6 579***	***8 317***	***-20 574***	***3 686***
Aggregate balance:		***41***	***640***	***2 634***	***9 364***	***15 943***	***24 260***	***3 686***	***-***

Table 13: Railway capital projects implemented by NIF Zrt.

Capital projects that were not handed over legally and financially but put into technical operation in 2013 will be handed over and provided for management in 2014.

I.2.4 Changes due to the provisions of the Act on State Property and the amendment of the Asset Management Agreement

The provisions of Act CVI of 2007 on State Property concerning asset management were amended with effect from 28 June 2013. According to the amended act, MÁV Zrt. is exempt from the compensation obligation from 28 June 2013.
As a result, the asset management agreement concluded with MNV Zrt. in 2001 was amended, which has a significant impact on MÁV Zrt.'s financial statements for the years 2013 and afterwards.

Major changes:

a) **Ordinary depreciation for the period following 27 June 2013** and **extraordinary depreciation** due to reasons attributable to MÁV Zrt. are charged to the profit/loss by accounting (increasing) the compensation liability, while **MÁV Zrt. recognises the compensation liability as a forgiven liability**.

b) For assets **implemented by NIF Zrt.**, commissioned before 28 June 2013 and **managed by MÁV Zrt.** after 28 June 2013, depreciation **for the period between the date of commissioning to 27 June 2013** is accounted and recorded by MÁV Zrt. **as a compensation liability**.

c) **For the period after 27 June 2013, ordinary and extraordinary depreciation** is accounted as specified under point a), i.e. the compensation liability arising from depreciation is accounted as **forgiven liability**.

The accounting of the compensation liability is presented in the table below:

Figures in MHUF

Compensation liability	2012	2013
Compensation liability accounted before the amendment to the Act on State Property took effect (28 June 2013)		
Opening balance of compensation liability (A)	***52 789***	***47 990***
Total increase in compensation liability for the period before the amendment of the State Property Act (until 27 June 2013) (B)	28 817	11 705
Of which: Depreciation of treasury assets in the reporting year	*22 942*	*11 551*
Total decrease in compensation liability for the period before the amendment of the State Property Act (until 27 June 2013) (C)	33 616	5 059
Of which: Treasury investment, renovation from own funds (-)	*14 856*	*4 151*
Closing balance of compensation liability (27 June 2013) according to the rules in effect during the period before the amendment of the State Property Act (D=A+B-C)	***47 990***	***54 636***
Meeting the compensation obligation as at 27 June 2013 by means of a contribution in kind (-) (E)	0	-54 636
Compensation liability accounted from the date the amendment to the Act on State Property took effect (28 June 2013)		
Balance of compensation liability accounted after the amendment to the Act on State Property took effect, in accordance with the rules in effect before 28 June 2013 (F)	***0***	***22 516***
Of which: Extraordinary depreciation from the NIF transfer	0	24 592
Of which: Meeting the compensation obligation (-)	0	-1 984
Balance of compensation liability accounted after the amendment to the Act on State Property took effect, in accordance with the rules in effect after 27 June 2013 (G)	***0***	***0***
Of which: Compensation liability accounted due to ordinary depreciation	0	12 744
Of which: Compensation liability accounted due to extraordinary depreciation	0	3 440
Of which: Waiving the compensation obligation (-)	0	-17 160
Closing balance of compensation liability (H=D+E+F+G)	***47 990***	***22 516***

Table 14: Compensation obligation

I.2.5 Amendment of the Act on State Property and the related capital increase (in-kind contribution related to the compensation obligation)

As a result of the amendment of the Act on State Property, MNV Zrt. increased the Company's capital with share premium based on the founder's resolution no. 607/2013. (XI.29). in the amount of HUF 54,636 million corresponding to the compensation liability as of 27 June 2013 (see Table 14 (E)). The Company's share capital was increased by HUF 963 million, its capital reserves were increased by HUF 53,673 million. The capital increase was registered at the Court of Registration on 6 December 2013.

The compensation liability to MNV Zrt. arising until 27 June 2013 as a result of the capital increase was derecognised against the receivables from the in-kind contribution by MNV Zrt. (offsetting).

Based on MNV Zrt.'s founder's resolution no. 607/2013. (XI.29), the amount of the compensation liability accounted as capital reserves due to the contribution in kind may be used only for asset settlement purposes.

The amount available from the in-kind contribution for further asset settlement is shown in the following table:

Figures in MHUF

	Item	Amount
A	***Capital increase resulting from in-kind contribution provided as part of the compensation obligation:***	***54 636***
1	Asset value derecognised due to NIF asset settlement	11 922
	Release of deferred income related to assets in NIF asset settlement	-1 965
2	Asset value derecognised due to VÜNSZ asset settlement	5 089
	Release of deferred income related to assets in VÜNSZ asset settlement	-100
B	***Asset value derecognised as asset settlement (1+2)***	***14 946***
	Amount remaining from contribution in kind to be used for further asset settlement (A-B)	***39 690***

Table 15: Amount available from the in-kind contribution for asset settlement as at 31.12.2013:

I.2.6 Unsettled ownership status of properties

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

In accordance with the decision of MÁV Zrt.'s Board of Directors, properties owned by MÁV Zrt. but their management was assigned to another party by legislation or upon decision of the shareholder or where correction 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 the founder's decision was still outstanding at the balance sheet preparation date for 2011, these shortages and value corrections were not recognised in the 2011 annual financial statements. Although MNV Zrt. did not make any decision in this regard in its shareholder capacity in 2012, MNV Zrt. informed MÁV Zrt.'s management in a letter about its inability to compensate the Company for loss of equity. Accordingly, HUF 1,145 billion was accounted for as shortages and HUF 0.6 billion extraordinary depreciation was accounted for against profit and loss in the 2012 annual financial statements.

In 2013, there was a significant progress in settling the ownership status of real property.

MÁV Zrt. concluded an asset settlement agreement with MNV Zrt. for real properties that are not necessary for railway operations ("VÜNSZ") in the amount of HUF 7.244 billion and amended the asset management agreement in the amount of HUF 694 million. Accordingly, assets totalling HUF 7.938 billion were derecognised in MÁV Zrt.'s books and transferred to MNV Zrt.

Under the asset settlement, asset transfer and asset management agreement between NIF Zrt., MNV Zrt. and MÁV Zrt., real properties subject to the capital projects handed over were also settled during the handover of the capital projects implemented by NIF Zrt. in 2013, as presented in section 1.2.3. MÁV Zrt.'s real properties with a total value of HUF 12.261 billion were provided for asset management.

Real properties were settled in accordance with Section 69/A (4) of Act CVI of 2007 on State Property, i.e. the Company accounted assets that were transferred to the state as a decrease in capital reserves.

The decrease in MÁV Zrt.'s equity was compensated
Through a capital increase by MNV Zrt. in MÁV Zrt. based on founder's resolution no. 607/2013 (XI. 29.) as described in section I.2.5 and by forgiving MÁV Zrt.'s compensation liability to MNV Zrt.

The asset settlement and its compensation is summarised for each title in the table below:

Figures in MHUF

Method of compensation for loss of equity			
Reduction of capital reserve	*Contribution in kind due to the compensation liability*	*Compensation liability waived*	*Total*
Asset value derecognised due to VÜNSZ transfer	5 089	2 142	7 231
Release of deferred income due to VÜNSZ transfer	-100	0	-100
Asset value derecognised due to NIF asset settlement	11 922	339	12 261
Release of deferred income related to assets in NIF asset settlement	-1 965	0	-1 965
Total	***14 946***	***2 481***	***17 427***

Table 16: Compensation for capital loss

Apart from certain items settled between 2011 and 2013, the ownership status of some of MÁV Zrt.'s properties is still unresolved.

I.2.7 Scrapping of state owned properties and extraordinary depreciation

The Railtrack Division requested the approval of MNV Zrt., who exercises the ownership rights, over state owned tangible assets managed by MÁV, to scrap certain managed assets that can no longer be used for railway operations due to the fact that they are technically obsolete or physically reached the end of their useful life. MÁV Zrt. had not received the approval by the balance sheet preparation date, therefore extraordinary depreciation of HUF 462 million was recognised for the related assets until they can be scrapped. This extraordinary depreciation has reduced MÁV Zrt.'s profit for 2011. From 2012 on, MNV Zrt.'s approval is no longer required to account for scrapping.

In the case of state owned properties that had to be scrapped or demolished in order to construct or refurbish state owned assets, assets totalling HUF 1.8 billion in 2012 and HUF 1.3 billion in 2013 were scrapped and extraordinary depreciation of HUF 4.0 billion in 2012 and HUF 342 million in 2013 was recognised against MÁV Zrt.'s profit or loss.

From 2013 on, MÁV Zrt. scraps treasury tangible assets under the agreement concluded with MNV Zrt.

I.3 THE COMPANY GROUP'S ACCOUNTING POLICY

I.3.1 Supplementing and interpreting the accounting principles

The company group's accounting policy is based on Act C of 2000 on Accounting. The company group applies the accounting principles in accordance with the relevant provisions of the Act.

MÁV Zrt. will decide on assigning each entity to a consolidation category at the time of first inclusion, depending on the significance of the entity and its effect on the consolidated financial statements, as follows:

The parent company and the subsidiaries are fully included in the consolidated financial statements. However, subsidiaries are exempted if, at the time of their first inclusion, two of the following three conditions are met:

- their balance sheet total is less than 1% of the sum of the balance sheet total of the parent company and the subsidiaries,
- their annual net sales revenue is less than 1% of the total annual net sales revenue of the parent company and the subsidiaries,
- their annual wages are less than 1% of the total annual staff costs of the parent company and the subsidiaries.

The above indicators may not exceed, in total, 5% for all the exempted subsidiaries.

Companies that belong to MÁV Zrt.'s base portfolio and companies that have an investment in a fully consolidated entity are not exempted.

Assignment to consolidation categories can only be changed in the event of a material change.
A change is considered to be material if:

- a new member company is added to the company group, or an existing member company leaves the group,
- a member company is wound up or goes into liquidation, and is reclassified as an external company,
- the investment in an existing company increases as a result of acquiring additional investment, or decreases as a result of a change in the portfolio or value (e.g. sale), or the classification of the entity in question changes as a result of the above,
- there is a change in the nature or scope of the activities of an existing company which makes it necessary to review the classification (in this case, classification is carried out on an individual basis)
- based on MÁV Zrt.'s portfolio management strategy, the entity's classification within the portfolio changes.

In the case of **debt consolidation**, when remedying discrepancies and depending on the value of the liability, we will not deal with non-material differences whose aggregate value – in absolute value – does not exceed 0.1% or HUF 50 million of the liabilities or receivables to be eliminated, whichever is lower.
When **eliminating revenues and expenditures**, we will not settle differences related to data conflicts considered to be non-material; however, their aggregate value – in absolute value – may not exceed 0.05%, or HUF 50 million, of the revenues to be eliminated.

MÁV Zrt. has prepared the MÁV group's consolidation policy, which, in addition to setting out unified principles for preparing the financial statements, contains sample policies for accounting and valuation that require fully consolidated entities to adhere to most of the accounting policy and valuation rules. As a result, the parent company can ensure that the annual financial statements that serve as the basis for the consolidation is prepared based on the same principles and using uniform valuation methods. Fully consolidated entities have applied the policies (which are mostly uniform, but also take individual characteristics into account) since 1 January 2009.

When the consolidation policy was issued, new reporting tables were also introduced, together with a set of sample notes to the financial statements with uniform content and structure.

I.3.2 Rules related to the accounting date and preparation of the financial statements

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

I.3.3 Additional rules on preparing the consolidated balance sheet and the profit and loss statement

MÁV Zrt. prepares the consolidated balance sheet in accordance with the provisions of Section I/1/A of Schedule No. 6 to the Accounting Act, with the addition of the following:

- MÁV Zrt. does not use the option of merging or omitting lines marked with Arabic numerals,
- within equity, movements in equity attributable to changes in the value of investments in associates and constituting a component of retained earnings are recognised as separate balance sheet line items, with the designation D/VIII/A,
- within equity, the investments of external owners from the equity of fully consolidated entities are shown in the line Investments of external members (other owners).

MÁV Zrt. prepares the consolidated profit and loss statement in accordance with the provisions of Section II/2/A of Schedule No. 6 to the Accounting Act, with the addition of the following:

- the amounts in lines 13/a and 13/b are not shown separately, as they are included in the amount in line 13, and the values of dividend received (due) from related companies and the profit share (including not fully consolidated subsidiaries and jointly managed companies not consolidated based on quota) are highlighted,
- the amount of dividend paid or payable to external owners charged to retained earnings is shown in line 23,
- the share of external owners from the profit or loss for the reporting year is shown in line 24.

Amounts in the consolidated financial statements are shown in million HUF (MHUF). Consolidation takes place in thousand HUF (THUF), as the majority of companies in the internal and external circles of the company group prepare their financial statements in thousand HUF. The company group's consolidated financial statements are consolidated on the basis of:

- the balance sheets, profit and loss statements and data reporting tables of the fully consolidated subsidiaries and jointly managed companies consolidated on a quota basis (ownership share), and
- the balance sheets and profit and loss statements of associates.

The documents requested and received for the consolidation are processed by MÁV Zrt. separately by consolidation task in a system designated for this purpose.
In accordance with Section 122 (2) of the Accounting Act, MÁV Zrt. prepares the consolidated balance sheet and profit and loss statement based on the principle of unity. This means that the classification, recognition and valuation of assets and movements in assets are carried out uniformly across the company group. Taking advantage of the option provided in Section 123 (3) of the Accounting Act,

MÁV Zrt. will not enforce the principle of unity if the consolidated entities have prepared their balance sheet and profit and loss statement in accordance with the provisions of the Accounting Act. As a result:

- in the case of Hungarian companies, changes in classification, recognition and valuation are only possible if they do not comply with the Accounting Act's provisions and have been approved by the general meeting or members' meeting. In such cases, the differences are settled (by correcting the individual balance sheets and profit and loss statements) in the preparatory phase of the consolidation and are presented separately in the notes to the financial statements;
- in the case of foreign companies, differences from the Accounting Act are settled in the preparatory phase of the consolidation, as part of checking compliance with the balance sheet requirements and applying the same valuation principles.

I.3.4 Description of methods used in preparing the consolidated balance sheet and profit and loss statement

I.3.4.1 Methods used when preparing the consolidation

When preparing the consolidation, MÁV Zrt. sets up the consolidation categories and carries out tasks related to checking compliance with the balance sheet requirements as necessary.

a) MÁV Zrt. sets up and annually revises the consolidation categories in accordance with the Accounting Act. as follows:

- it exempts fully consolidated subsidiaries and jointly managed companies to be included in the consolidation on the basis of quota if, in the case of priority indicators used when deciding on the exemption, the ratio of their individual values is below 1% for at least two indicators, and exempted companies do not reduce below 95% the ratio of the remaining companies in the company group's gross – aggregate – values for any indicator,
- it exempts associates from consolidation on the basis of investment valuation that are not significant in terms of giving a true and fair view of the company group because at the time of first inclusion their equity does not exceed 5% of the total equity of associates.

b) MÁV Zrt. checks compliance with the balance sheet requirements and makes sure that the same valuation principles are applied for every foreign subsidiary and jointly managed company that will be fully consolidated when the consolidation categories are set up or reviewed. In the case of Hungarian subsidiaries and jointly managed companies, these checks can only be carried out if it can be assumed when carrying out the consolidation tasks that, based on the discrepancies due to data conflicts, the entity in question made a mistake in evaluating the asset items and changes in wealth, or in preparing the balance sheet or the profit and loss statement.

c) MÁV Zrt. uses foreign currency exchange for the balance sheets and profit and loss statements of foreign subsidiaries and jointly managed foreign companies classified as fully consolidated, as well as in connection with movements in the equity items of foreign subsidiaries and jointly managed and associated companies consolidated using the equity method (associates), if it has such companies.

When converting the balance sheets of companies classified as fully consolidated, MÁV Zrt. acts in accordance with Section 123 (6) a) of the Accounting Act; when converting the profit and loss statements, it applies the provisions of Section 123 (8).

When converting the balance sheet, MÁV Zrt. applies the Hungarian National Bank's ("MNB") official exchange rate valid on the date of full consolidation as the exchange rate at acquisition (in the case of first consolidation).

When converting the profit and loss statement, MÁV Zrt. converts the balance sheet profit/(loss) at the MNB's official exchange rate, and the items specified in section (8) c) at the official exchange rate quoted by the MNB at the given dates.
Changes in equity of companies classified as equity consolidated (associates) are converted at the official MNB exchange rates quoted on the balance sheet date.

I.3.4.2 Methods used for equity consolidation by investment elimination

MÁV Zrt. uses equity consolidation by investment elimination for subsidiaries and jointly managed companies to be fully consolidated. During equity consolidation by investment elimination, if the scope of companies to be fully consolidated or consolidated on a quota basis:

- is extended through the addition of a new company to the company group (including other related companies), the value of equity related to the investment to be eliminated is excluded at the value valid at the time of acquisition, if the necessary conditions are met, otherwise equity consolidation is performed at values prevailing at the balance sheet date sheet, at book value in both cases;
- in the case of reclassification from equity consolidated companies, when equity consolidation is first performed using investment elimination, one must take into account the values established in earlier years relating to the company to be reclassified (and previously treated as an associate); also in this case, the investment and the equity attributable to that investment are eliminated at book value in such a way that the goodwill or negative goodwill for associates is increased by the goodwill or negative goodwill arising as an equity difference from the investment increment.

Given that MÁV Zrt. gives priority to the book value method in capital consolidation by elimination of the investments held, any goodwill or negative goodwill arising upon the elimination of the investments 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 depreciation is recognised on goodwill 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 derecognised in our books.

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

I.3.4.3 Methods used for equity consolidation by investment valuation

MÁV Zrt. consolidates associates by measuring the investment in associates. Investments are measured based on the equity attributable to the investments.

MÁV Zrt. performs the first equity consolidation by investment valuation:

- at carrying amount as of the balance sheet date if a new company is classified as an associate,
- at carrying amount as of the acquisition date in all other cases. In these cases, however, the first day of the business year, which is identical with the last day of the previous business year, is considered to be the acquisition date.

Considering that the equity consolidation by investment valuation is always performed at the carrying amount, either goodwill or negative goodwill may arise on the measurement of the first and any following acquisition of investments. In order to present a true and fair view and to ensure a clear treatment, the parent company includes the goodwill in the consolidated balance sheet against the reduction of the investment value. However, the negative goodwill and its movements are presented only in the notes to the financial statements in accordance with the Accounting Act.

In the case of a first equity consolidation as at the acquisition date, the investment value:

- must be increased by the reporting year's equity increase attributable to the investment and the dividend payable but not accounted by the investor for the reporting year attributable to the investment,
- must be decreased by the reporting year's equity reduction attributable to the investment and the dividend received during consolidation in the prior year and included in the investment value.

The parent company recognises the effects of investment valuation on the reporting year against other financial revenues or expenses. Therefore, these items also appear in the company group's balance sheet profit/loss. However, the effects of valuations performed prior to the reporting year will not affect profit/loss and will be shown in the balance sheet line item VIII/A Movements in the value of associates, as part of the group's equity.

I.3.4.4 Methods used for debt consolidation

MÁV Zrt. consolidates debts (eliminates receivables and liabilities by offsetting) for fully consolidated companies in accordance with Section 125 of the Accounting Act.

In offsetting receivables and liabilities, differences are not considered material if they do not exceed 0,1% of the lower of receivables and liabilities to be eliminated, with HUF 50 million as the maximum for the whole group. In this case, receivables and liabilities are eliminated at the lower amount, which will constitute the identical value.

If material differences are found, the company will detect the reason for the difference. Based on the reasons, the receivables or liabilities must be derecognised against the balance sheet line item to which they are related. If the reason for the difference cannot be detected, receivables or liabilities must be recognised or derecognised against other revenues or expenses arising on debt consolidation.

Receivables and liabilities of the same amount remaining after the settlement of differences must be eliminated by offsetting the corresponding balance sheet line items.

On opening, differences from prior years are recorded without an effect on profit/loss, against the balance sheet line item showing the consolidation difference from debt consolidation and recognised as a component of equity. The reporting year movements of these differences must be treated to have an effect on profit/loss in the year in which the difference "reversed". Therefore, it appears in the balance sheet profit/loss of the business year and will affect the debt consolidation difference included in equity only during next year's consolidation, following the opening.

The company accounts deferred tax on material differences that modify the profit/loss and will expectedly reverse within a foreseeable time.

I.3.4.5 Methods used for consolidating earnings and expenditures

MÁV Zrt. consolidates earnings and expenditures for fully consolidated companies.

As a result of transactions between fully consolidated companies, the company group generates and accumulates earnings and expenditures that cannot be regarded as effects of realized changes in the company's assets in accordance with Section 120 (5) of the Accounting Act and must therefore be eliminated against each other in accordance with Section 127 of the Accounting Act.

To prepare the elimination of earnings and expenditures from internal transactions, MÁV Zrt. offsets receipts and issuances reported by internal companies first. Differences arising on offsetting are cancelled by reconciliation and using the principle of materiality.

MÁV Zrt. does not consider the differences material if their absolute value for the whole group does not exceed 0.05%, maximum HUF 50 million of the revenues to be eliminated. For non-material differences, items are eliminated at values excluding differences. If the issuer's earnings exceed the value reported by the recipient, the issuer's earnings and related expenditures are reduced proportionately to the value received. In case of material differences, the company rearranges or generates items that will cancel the differences by taking the reasons for differences into consideration.

Following the reconciliations and cancellation of differences, earnings and expenditures are eliminated as follows:

- **In the case of services received and expensed**, earnings and expenditures are eliminated by offsetting net revenues and accounted costs and expenses at the price of the services rendered.
- **In the case of services received on assets**, earnings and expenditures are eliminated by offsetting the accounts of net sales revenues and capitalised value of own-manufactured assets at the direct costs of the services rendered. The difference between the price and the direct costs as margin is eliminated from the asset value within the consolidation of the internal profit/loss by reducing net revenues against the asset value.
- In the case of the supply of assets **received on assets**, earnings and expenditures are eliminated by offsetting revenues and expenditures at the carrying amount recorded by the issuer. The difference between the sales price and the carrying amount as margin is accounted in the consolidation of the internal profit/loss by reducing revenues by the asset value.
- **In the case of earnings accounted by one of the members and expenditures accounted by the other member**, earnings and expenditures are eliminated on an item by item basis to the account of earnings or expenditures specified by the issuer or the recipient.
- **In the case of earnings or expenditures accounted only by one of the members**, unilateral accounting is cancelled, which will result in a change of profit/loss. In this case, if deferred tax arises the company accounts a change in deferred tax or related receivables or liabilities due to deferred tax

If earnings or expenditures are accounted by one of the members, although unilateral accounting is cancelled by eliminating earnings and expenditures, the internal profit/loss is basically eliminated. Therefore, such eliminations must be included in next year's balance sheet without an effect on profit/loss (against the line item of movements due to consolidation from the difference of internal profit/loss within equity) and its development must be monitored in the reporting period. If there are no movements, the item is kept on record and will appear as an opening item in the following consolidation. Movements - due to cancellation of unilateral accounting by the member concerned, termination of the asset or its exclusion from full consolidation - must be treated as unilateral accounting in the reporting period in the first case and must be released as the elimination of internal profit/loss arising on unilateral accounting in the second case. These movements affect profit/loss in the reporting period. Therefore, if they are associated with deferred tax, their effect on deferred tax must also be settled. The value of the line item of movements due to consolidation from the difference of internal profit/loss recognised separately within equity will automatically be settled through the balance sheet profit/loss - as a result of the allocation of the balance sheet profit/loss - on opening the next year.

I.3.4.6 Methods used for eliminating the internal profit/loss

MÁV Zrt. eliminates the internal profit/loss in accordance with Section 126 of the Accounting Act when compiling the consolidated financial statements if the fully consolidated companies concluded and implemented transactions with the group companies that affected the profit/loss in their individual financial statements. When eliminating the internal profit/loss, revenues accounted by the recipient are reduced, against the value of the assets received, by the difference between the revenues and expenditures accounted by the issuer.

Based on the method applied, the movements in the value of the asset producing the internal profit/loss must be monitored in the reporting year and afterwards and the elimination must be released or rearranged accordingly.

Internal profit/loss may be generated as a result of the receipt of internal services on non-current assets or inventories.

During consolidation in the reporting year:

- the internal profit/loss eliminated in the previous years and kept on record must be recorded on opening without an effect on profit/loss against the balance sheet line item of movements due to consolidation from the difference of internal profit/loss recognised separately within equity (remembering that the elimination is associated with receivables due to active deferred tax or liabilities due to passive deferred tax) and
- the movement of assets producing internal profit/loss eliminated in prior years must be monitored and the internal profit/loss produced must be carried forward and/or released according to the instructions for internal profit/loss eliminated in the reporting year.

Profit/loss generated from internal transactions in the reporting year are eliminated against the asset received or expenses accounted, then they are transferred and/or released while monitoring the movements in the value of the asset or the expense, or are kept on record. The eliminated internal profit/loss is finally released if the asset involving the eliminated internal profit/loss is transferred to outside the company group because it is sold or written off and charged to profit/loss.

I.3.4.7 Methods used for recognising and releasing deferred tax

MÁV Zrt. recognises and releases deferred tax in consolidation if fully consolidated companies or companies consolidated on a quota basis implement transactions whose effect on profit/loss will reverse within a foreseeable time. Deferred tax is recognised only if the consolidated recipient is liable to pay corporate income tax. Such transactions are taken into account in the elimination of the internal profit/loss, whereas the effect of these transactions is not considered to be material when earnings and expenditures are consolidated (except for differences due to unilateral accounting) because all material differences are accounted when balances are reconciled.

Deferred tax may be recognised and released within the reporting year based on the carry-forward of the eliminated internal profit/loss. In the case of debt consolidation, the settlement of real differences may lead to the recognition and subsequent release of deferred tax. In the consolidation of earnings and expenditures, the elimination of unilateral accounting of earnings and expenditures may result in the recognition and subsequent release of deferred tax.

MÁV Zrt. bases the quantification of deferred tax on the tax rate applicable to the company receiving the asset producing the internal profit/loss.

If the tax rate changes, tax effects are recalculated. The effect of recalculation is accounted with an effect on profit/loss credited or charged to the reporting year. As a result of recalculation, deferred tax is released at the tax rate applicable according to the corporate tax act effective in the year of release.

The company group is not allowed to have deferred tax assets and liabilities at the same time, therefore, the existing items must be taken into consideration and offset in elimination.

II SPECIFIC PART

II.1 NOTES TO THE BALANCE SHEET

II.1.1 Movements in non-current assets

II.1.1.1 Movements in intangible and tangible assets

Significant movements in tangible and intangible assets are presented in the tables below:

Figures in MHUF

	ITEM	Capitalised foundation/restructuring	Capitalised value of R&D	Concessions, licences and similar rights	Trade-marks, patents and similar assets	Goodwill	Advances payments on intangible assets	Adjusted value of intangible assets	Total
1	***Cost, opening gross***	***214***	***292***	***6 867***	***15 741***	***0***	***0***	***0***	***23 114***
1.a	***Changes in scope of consolidation***	***5***	***5***	***16***	***8***	***0***	***0***	***0***	***34***
1.b	***Cost, adjusted opening gross***	***219***	***297***	***6 883***	***15 749***	***0***	***0***	***0***	***23 148***
2	Additions in the reporting year (+)	3	114	769	404	0	0	0	**1 290**
3	Self-produced inventories (+)	0	0	147	574	0	0	0	**721**
4	Assets received free of charge (+)	0	0	0	0	0	0	0	**0**
5	Assets received (in return for receivables or ownership share) (+)	0	0	0	0	0	0	0	**0**
6	Count surplus (+)	0	0	0	0	0	0	0	**0**
7	Increase from contribution in kind (+)	0	0	0	0	0	0	0	**0**
8	RESTI Zrt.'s merger on 31/12/2013 (+)	0	0	0	0	0	0	0	**0**
9	Disposal (-)	0	0	0	0	0	0	0	**0**
10	Transferred free of charge (-)	0	0	-1	0	0	0	0	**-1**
11	Scrapped (-)	-215	-49	-22	-63	0	0	0	**-349**
12	Missing (-)	0	0	0	0	0	0	0	**0**
13	Destroyed (-)	0	0	0	0	0	0	0	**0**
14	Provided as contribution in kind (-)	0	0	0	0	0	0	0	**0**
15	Reclassified (decrease in prepayment) (+/-)	0	0	-3	-152	0	0	0	**-155**
16	***Cost, closing gross***	***7***	***362***	***7 773***	***16 512***	***0***	***0***	***0***	***24 654***
17	***Amortisation, opening***	***203***	***55***	***4 985***	***14 653***	***0***	***0***	***0***	***19 896***
17.a	***Changes in scope of consolidation***	***5***	***4***	***15***	***8***	***0***	***0***	***0***	***32***
17.b	***Amortisation, adjusted opening***	***208***	***59***	***5 000***	***14 661***	***0***	***0***	***0***	***19 928***
18	Ordinary amortisation in reporting year (+)	11	2	544	380	0	0	0	**937**
19	Extraordinary amortisation (impairment) in the reporting year (+)	0	0	0	0	0	0	0	**0**
20	Extraordinary depreciation Reversal (of impairment) (-)	0	0	0	0	0	0	0	**0**
21	Disposal (-)	0	0	0	0	0	0	0	**0**
22	Transferred free of charge (-)	0	0	-1	0	0	0	0	**-1**
23	Scrapped (-)	-215	-49	-22	-63	0	0	0	**-349**
24	Missing (-)	0	0	0	0	0	0	0	**0**
25	Destroyed (-)	0	0	0	0	0	0	0	**0**
26	Provided as contribution in kind (-)	0	0	0	0	0	0	0	**0**
27	Reclassification (+/-)	0	0	-3	-148	0	0	0	**-151**
28	***Amortisation, closing***	***4***	***12***	***5 518***	***14 830***	***0***	***0***	***0***	***20 364***
29	***Opening, net***	***11***	***237***	***1 882***	***1 088***	***0***	***0***	***0***	***3 218***
30	***Closing, net***	***3***	***350***	***2 255***	***1 682***	***0***	***0***	***0***	***4 290***

Table 17: Movements in intangible assets

Figures in MHUF

	ITEM	Land and buildings and related property rights	Plant machinery, equipment and vehicles	Other equipment, fittings, vehicles	Breeding stock	Assets in the course of construction	Advance payments for AICC	Adjusted value of tangible assets	Total
1	*Cost, opening gross*	*651 479*	*574 314*	*5 359*	*0*	*15 053*	*1 695*	*0*	*1 247 900*
1.a	*Changes in scope of consolidation*	*63*	*368*	*82*	*0*	*1*	*0*	*0*	*514*
1.b	*Cost, adjusted opening gross*	*651 542*	*574 682*	*5 441*	*0*	*15 054*	*1 695*	*0*	*1 248 414*
2	Additions in the reporting year (+)	0	0	0	0	17 896	21 465	0	**39 361**
3	Self-produced (+)	0	0	0	0	20 861	0	0	**20 861**
4	Assets received free of charge (+)	0	0	0	0	0	0	0	**0**
5	Assets received (in return for receivables or ownership share	0	0	0	0	0	0	0	**0**
6	Count surplus (+)	353	1	0	0	0	0	0	**354**
7	Increase from contribution in kind (+)	0	0	0	0	0	0	0	**0**
8	Asset management of projects carried out by NIF Zrt. (+)	123 085	28 277	0	0	0	0	0	**151 362**
9	Increase due to asset settlement (+)	14 949	0	0	0	0	0	0	**14 949**
10	RESTI Zrt.'s merger on 31/12/2013 (+)	1 662	0	7	0	0	0	0	**1 669**
11	Disposal (-)	-305	-143	-12	0	0	0	0	**-460**
12	Transferred free of charge (-)	0	-35	-2	0	0	0	0	**-37**
13	Scrapped (-)	-9 621	-5 186	-1 255	0	-437	0	0	**-16 499**
14	Missing (-)	-2	-48	-35	0	0	0	0	**-85**
15	Destroyed (-)	0	0	-1	0	0	0	0	**-1**
16	Provided as contribution in kind (-)	0	0	0	0	0	0	0	**0**
17	Decrease due to asset settlement (-)	-25 359	0	-111	0	0	0	0	**-25 470**
18	Waiver of asset management rights (-)	-874	-14	0	0	0	0	0	**-888**
19	Capitalised acquisitions in current year (+/-)	21 875	10 327	122	0	-32 324	0	0	**0**
20	Capitalised acquisitions in previous year (+/-)	1 531	1 553	25	0	-3 109	0	0	**0**
21	Reclassified (decrease in prepayment) (+/-)	-160	-135	-4	0	4	-1 440	0	**-1 735**
22	*Cost, closing gross*	*778 676*	*609 279*	*4 175*	*0*	*17 945*	*21 720*	*0*	*1 431 795*
23	*Amortisation, opening*	*238 105*	*296 797*	*4 879*	*0*	*1 857*	*0*	*0*	*541 638*
23.a	*Changes in scope of consolidation*	*40*	*255*	*75*	*0*	*0*	*0*	*0*	*370*
23.b	*Amortisation, adjusted opening*	*238 145*	*297 052*	*4 954*	*0*	*1 857*	*0*	*0*	*542 008*
24	Ordinary amortisation in reporting year (+)	21 373	27 297	207	0	0	0	0	**48 877**
25	Extraordinary amortisation (impairment) in the reporting yea	20 501	9 059	0	0	70	0	0	**29 630**
26	Extraordinary depreciation Reversal (of impairment) (-)	-85	-127	0	0	-190	0	0	**-402**
27	Count surplus (+)	0	0	0	0	0	0	0	**0**
28	Taken into management (+)	131	0	0	0	0	0	0	**131**
29	Disposal (-)	-54	-124	-11	0	0	0	0	**-189**
30	Transferred free of charge (-)	0	-35	-2	0	0	0	0	**-37**
31	Scrapped (-)	-8 430	-4 961	-1 255	0	-437	0	0	**-15 083**
32	Missing (-)	0	-44	-35	0	0	0	0	**-79**
33	Destroyed (-)	0	0	-1	0	0	0	0	**-1**
34	Provided as contribution in kind (-)	0	0	0	0	0	0	0	**0**
35	Decrease due to asset settlement (-)	-3 303	0	-101	0	0	0	0	**-3 404**
36	Waiver of asset management rights (-)	-178	-12	0	0	0	0	0	**-190**
37	Reclassification (+/-)	-45	-256	2	0	0	0	0	**-299**
38	*Amortisation, closing*	*268 055*	*327 849*	*3 758*	*0*	*1 300*	*0*	*0*	*600 962*
39	*Opening, net*	*413 374*	*277 517*	*480*	*0*	*13 196*	*1 695*	*0*	*706 262*
40	*Closing, net*	*510 621*	*281 430*	*417*	*0*	*16 645*	*21 720*	*0*	*830 833*

Table 18: Movements in tangible assets

The net value of tangible assets including capital expenditures and advance payments on assets in the course of construction increased by HUF 124,571 million on the previous year. The main reasons are as follows:

- increase of HUF 151,362 million (+) due to the asset management of capital projects implemented by NIF Zrt. presented in section I.2.3, extraordinary depreciation of HUF 27,871 million (-),
- as a result of RESTI Zrt.'s merger described in chapter I.1.4, the group's tangible assets increased by HUF 1,669 million, however, the value of real estate also included the beneficial ownership right of a significant value provided by MÁV Zrt. to RESTI Zrt. As this does not have an impact on consolidation, it was accounted as extraordinary depreciation charged to profit/loss (HUF -1,144 million),
- Ordinary and extraordinary depreciation accounted - not including the items presented above - amounted to HUF -49,492 million. The group accounted related renovations and procurement with a total value of HUF 38,757 million,
- transfer of assets in connection with the asset settlement of VÜNSZ properties specified in section I.2.6. amounting to HUF 7,244 million (-),
- Advance payments on capital work in progress include the advance of HUF 21,387 million paid by MÁV-START Zrt. to STADLER Bussnang AG, which relates to the procurement of multiple-unit trains financed from KÖZOP subsidies;
- MÁV Zrt. scrapped HUF 1,429 million worth of assets calculated at net value.

II.1.1.2 Assets contributed/received free of charge

Assets contributed and received free of charge did not affect profit/loss at the MÁV group in 2013.

II.1.1.3 Managed treasury assets

Within the group, only MÁV Zrt. has state owned treasury assets.

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

In 2013, the net value of treasury assets increased by 136,775 million due to the asset management of capital projects implemented by NIF Zrt. detailed in section I.2.3. The cost of assets received from NIF Zrt. is HUF 151,362 million. The Company accounted extraordinary depreciation amounting to HUF 27,871 million for these assets. The value of state owned assets received for management as a result of the asset settlement described in section I.2.6 amounted to HUF 12,261 million.

In 2013, for treasury capital projects HUF 4,178 million was financed from the state budget, HUF 4,151 million from own funds and HUF 18,717 million from reimbursement for renovations from the effective date of the amendment to the State property Act.

The net value was significantly reduced by the ordinary depreciation of HUF 24,302 million and the extraordinary depreciation of HUF 28,260 million accounted in the reporting year.

Uncertainties as to the ownership of treasury assets and our own assets remain an outstanding issue (see chapters I.2.6 and I.2.7).

Treasury tangible assets and their balance sheet funds are presented in the tables below.

Figures in MHUF

Item	2 012	2 013	Change
Land, total	15 697	17 987	2 290
Buildings, total	6 262	17 362	11 100
Structures, total	277 951	383 638	105 687
Property rights related to treasury properties	619	573	-46
Machinery, equipment and vehicles, total	40 061	56 943	16 882
Capital WIP and renovations related to treasury assets and properties	11 713	12 575	862
Treasury assets, total:	**352 303**	**489 078**	**136 775**
Materials from the disassembly of treasury assets	1 240	1 607	367
Expected value, at year end, of materials from state-owned assets to be disassembled	0	31	31
Self-produced treasury materials (from disassembly of assets)	3	1	-2
Treasury inventories, total:	**1 243**	**1 639**	**396**
Treasury assets, total:	**353 546**	**490 717**	**137 171**
Long-term liabilities, opening at 30 September 2001, upon signing the asset management contract	**275 578**	**275 578**	**0**
Asset management of projects carried out by NIF Zrt.	0	151 362	151 362
of which: - State and EU funds	*0*	*148 878*	*148 878*
- Own funds	*0*	*1 645*	*1 645*
- Other (local government) funds	*0*	*299*	*299*
- Funds provided by NIF	*0*	*540*	*540*
Assets taken into management	15 075	15 075	0
Asset settlement (revenue)	0	14 818	14 818
Investment, renovation from government funds (reimbursement for renovation)	0	18 717	18 717
Investment, renovation from EU funds/other budgetary resources	142 307	146 485	4 178
Acquisition from own funds	149 355	153 506	4 151
Improvements from borrowed capital	7 516	7 516	0
Surplus treasury assets	536	889	353
Net value of assets taken over from MÁV Zrt.	19	19	0
Materials form disassembly of treasury assets used to produce treasury assets	25	308	283
Settlement of funds related to previous years	242	211	-31
Increases in treasury assets	**315 075**	**508 906**	**193 831**
Increase in materials from disassembly of treasury assets	1 417	2 205	788
Increases in treasury inventories	**1 417**	**2 205**	**788**
Increase in long-term liabilities, total:	**316 492**	**511 111**	**194 619**
Ordinary depreciation	209 553	233 855	24 302
Extraordinary depreciation	4 848	33 021	28 173
Sale	57	57	0
Disposal	14 764	16 084	1 320
Missing	787	787	0
Treasury assets transferred free of charge	1 656	1 656	0
Net value of assets contributed to MÁV Zrt.	1 819	1 819	0
Settlement of state owned land	129	2 690	2 561
Relinquished treasury asset management right	4 899	5 598	699
Settlement of previous year’s shortage of treasury assets	-8	-8	0
Settlement of extraordinary depreciation recognised in the previous year	-155	-155	0
Decreases in treasury assets	**238 349**	**295 404**	**57 055**
Materials from the disassembly of treasury assets used	175	568	393
Decreases in treasury inventories	**175**	**568**	**393**
Decrease in long-term liabilities, total:	**238 524**	**295 972**	**57 448**
Funds of treasury assets, total:	**353 546**	**490 717**	**137 171**

Table 19: Treasury assets and their balance sheet funds

Movements in treasury assets in 2013 are presented in the following table.

Figures in MHUF

Changes in treasury assets	2 012	2 013	Change
Opening balance of treasury assets	**349 727**	**353 546**	**3 819**
Asset management of projects carried out by NIF Zrt.	0	151 362	151 362
of which: - State and EU funds	*0*	*148 878*	*148 878*
- Own funds	*0*	*1 645*	*1 645*
- Other (local government) funds	*0*	*299*	*299*
- Funds provided by NIF	*0*	*540*	*540*
Investment, renovation from government funds (reimbursement for renovation)	0	18 717	*18 717*
Other assets taken into management	15 075	*0*	-15 075
Asset settlement (revenue)	0	14 818	14 818
Treasury assets acquired from government subsidies	1 460	4 178	2 718
Treasury assets acquired from own funds	14 856	4 151	-10 705
Liquid assets received from external parties for treasury investments	22	0	-22
Materials from disassembly of treasury assets used to produce treasury	25	283	258
Settlement of funds related to previous years	-224	-31	193
Surplus treasury assets	0	353	353
Increase in tangible treasury assets, total	**31 214**	**193 831**	**162 617**
Increase in materials from disassembly of treasury assets	1 417	788	-629
Increase in treasury inventories, total	**1 417**	**788**	**-629**
Increase of treasury assets, total	**32 631**	**194 619**	**161 988**
Ordinary depreciation of treasury assets in the reporting year	-22 942	-24 302	-1 360
Depreciation of treasury assets in previous years	56	0	-56
Extraordinary depreciation in the reporting year	-4 051	-28 173	-24 122
Scrapped, destroyed	-1 764	-1 320	444
Missing	-99	0	99
Settlement of state owned land	0	-2 561	-2 561
Relinquished treasury asset management right	0	-699	-699
Settlement of previous year's shortage of treasury assets	8	0	-8
Settlement of extraordinary depreciation recognised in the previous year	155	0	-155
Decrease in tangible treasury assets, total	**-28 637**	**-57 055**	**-28 418**
Materials from the disassembly of treasury assets used	-175	-393	-218
Decrease in treasury inventories, total	**-175**	**-393**	**-218**
Decrease of treasury assets, total	**-28 813**	**-57 448**	**-28 636**
Closing balance of treasury assets	**353 546**	**490 717**	**137 171**

Table 20: Movements in treasury assets in 2013

Subsidies for development purposes are presented in the following table.

Figures in MHUF

Subsidy	2012	2013	Change
Use of subsidies received for the renovation/investment of treasury assets			
Use of reimbursement for renovation related to treasury assets, funds	0	18 735	18 735
of which: - Renovation of treasury assets	0	18 706	18 706
Advances on treasury assets	0	10	10
Preliminary financing of treasury assets	0	11	11
Value-added activities of treasury assets	0	8	8
Refurbishment of railway bridges and steel structures (Bridge project)	1 543	3 396	1 853
KÖZOP subsidy for the implementation of "MÁV Zrt. Traffic safety projects," from the central budget (15%) – development of state assets	0	4	0
KÖZOP subsidy for "MÁV Zrt. Traffic safety projects (preparatory project)," from the central budget (15%) – development of state assets	0	6	0
Improvement of public transport in Balatonfüred (15%)	0	8	8
Studies for the development of priority project no. 22 (TEN-T project) (50%)	3	42	39
Use of central subsidies, total:	**1 546**	**22 191**	**20 645**
KÖZOP subsidy for the implementation of "MÁV Zrt. Traffic safety projects," from EU funds (85%) – development of state assets	0	24	24
KÖZOP subsidy for the implementation of "MÁV Zrt. Traffic safety projects (preparatory project)," from EU funds (85%) – development of state assets	0	35	35
Improvement of public transport in Balatonfüred (85%)	0	45	45
Studies for the development of priority project no. 22 (TEN-T) (50%)	4	43	39
Establishing P+R and B+R parking facilities in Gödöllő	64	36	-28
Establishing P+R and B+R parking facilities in Cegléd	41	0	-41
Establishing P+R and B+R parking facilities in Albertirsa	2	0	-2
Establishing P+R and B+R parking facilities in Tápiószecső	1	0	-1
Use of EU subsidies in total:	**112**	**183**	**71**
Use of subsidies received for the renovation of treasury assets in total	**1 658**	**22 374**	**20 716**
Use of subsidies received for the renovation/investment of assets owned by MÁV Zrt.			
Use of reimbursement for renovation of assets owned by MÁV	0	1 092	1 092
Memorial Centre for the Child Victims of the Holocaust investment project	0	119	119
KÖZOP subsidy for the implementation of "MÁV Zrt. Station development and integrated customer service development programme at 26 locations," KÖZOP 0003 - MÁV Zrt. asset development (domestic part)	0	25	25
Use of central subsidies, total:	**0**	**1 236**	**1 236**
KÖZOP subsidy for the implementation of "MÁV Zrt. Station development and integrated customer service development programme at 26 locations," KÖZOP 0003 - MÁV Zrt. asset development	0	143	143
Use of EU subsidies in total:	**0**	**143**	**143**
Use of subsidies received for the renovation/investment of assets owned by MÁV Zrt. in total	**0**	**1 379**	**1 379**

Table 21: Subsidies for development purposes

II.1.1.4 The 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	Item	Value in the financial statements 2012	Value in the financial statements 2013	Change
5	MÁVTI Kft.	117	102	-15
15	MÁV NOSZTALGIA Kft.	67	122	55
20	MÁV VAGON Kft.	323	264	-59
22	MÁV VASJÁRMŰ Kft.	153	17	-136
27	Bombardier MÁV Kft.	853	782	-71
37	VAMAV Kft.	1 731	1 693	-38
38	EURO-METALL Kft.	287	337	50
84	RESTI Zrt.	846	0	-846
96	MÁV KERT KFT	326	0	-326
116	MÁV-THERMIT Kft	259	275	16
139	MÁV VASÚTŐR Kft.	285	0	-285
142	MÁV MULTISZOLG Kft.	26	25	-1
Total:		5 273	3 617	-1 656

Table 22: Equity consolidated

The value of equity consolidated entities decreased by HUF 1,656 million on the previous year.

The value of investments increased by HUF 613 million due to the realised profit and loss of the consolidated entities attributable to MÁV Group and decreased by HUF 108 million due to the recognition in 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 708 million due to the elimination of dividends due for the prior year but recognised by MÁV Zrt. in the reporting year and by HUF 18 million in relation to settlements with associates without a profit and loss impact (tax audits, self-revisions, additional tax payments).

RESTI Zrt. merged into MÁV Vagyonkezelő Zrt. on 31.12.2013, as a result of which the value of investments decreased by HUF 824 million.

MÁV KERT Kft. and MÁV VASÚTŐR Kft. were reclassified to fully consolidated companies. Accordingly, the value of equity consolidated companies (associates) decreased by a total of HUF 611 million.

Figures in MHUF

Related companies treated as investments in consolidation								
		2012			2013			
Code	**Item**	**Gross value**	**Accumulated impairment loss**	**Carrying value**	**Gross value**	**Accumulated impairment loss**	**Carrying value**	**Change (carrying value)**
6	MÁV HÍDÉPÍTŐ Kft. (f.a.)	600	600	0	600	600	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
165	MÁV-REC Kft.	50	0	50	50	0	50	0
178	HUNGRAIL Egyesülés (v.a.)	1	0	1	1	0	1	0
182	Józsefváros Pályaudvar Kft. (v.a.)	23	23	0	0	0	0	0
183	PRUDENT INVEST Zrt.	23	0	23	0	0	0	-23
184	Kelenföldi Pályaudvar Kft. (v.a.)	27	27	0	0	0	0	0
185	DÉLI PÁLYAUDVAR Zrt. (v.a.)	60	60	0	0	0	0	0
188	MTMG Zrt	15	7	8	15	10	5	-3
190	MÁV Koncessziós Kft.	0	0	0	30	7	23	23
191	TS-MÁV Gépészet Services Kft.	0	0	0	0	0	0	0
Total:		1 074	992	82	971	892	79	-3

Table 23: Related parties treated as investments for consolidation purposes

Figures in MHUF

Other related parties								
		2012			2013			
Code	**Item**	**Gross value**	**Accumulated impairment loss**	**Carrying value**	**Gross value**	**Accumulated impairment loss**	**Carrying value**	**Change (carrying value)**
120	Vasutegészségügyi NKK Kft.	100	0	100	100	0	100	0
128	EUROFIMA	1 907	0	1 907	1 915	0	1 915	8
147	BCC	1	0	1	1	0	1	0
162	Bugaci Kisvasút Kht. (v.a.)	1	1	0	0	0	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.	64	0	64	65	0	65	1
172	Normon-Tool Kft.	0	0	0	0	0	0	0
Total:		2 073	1	2 072	2 081	0	2 081	9

Table 24: Other related parties

The balance sheet value of other related parties increased by HUF 9 million as a result of the year-end revaluation of foreign exchange investments (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 the MÁV group's consolidated financial statements.

II.1.1.6 Negative goodwill arising on full consolidation

Figures in MHUF

Company		Negative goodwill					
			Change				
Code	Item	Opening value	Investment acquisition	Investment disposal	Due to merger	Change in scope	Closing
96	MÁV KERT Kft.	0	0	0	0	2	2
101	MÁV FKG Kft.	5	0	0	0	0	5
138	MÁV Szolgáltató Központ Zrt.	3	0	0	0	0	3
187	MÁV-GÉPÉSZET Zrt.	90	0	0	0	0	90
Total:		98	0	0	0	2	100

Table 25: Negative goodwill arising on full consolidation

MÁV KERT Kft. was reclassified from equity consolidated companies (associates) to fully consolidated companies. Accordingly, the negative goodwill presented only in the notes until the change was included in the balance sheet.

II.1.1.7 Goodwill arising on equity consolidation

Figures in MHUF

Company		Goodwill					
			Change				
Code	Item	Opening value	Investment acquisition	Investment disposal	Due to depreciation	Due to merger	Closing
84	RESTI Zrt.	1 169	0	0	-25	-1 144	0
Total:		1 169	0	0	-25	-1 144	0

Table 26: Goodwill arising on equity consolidation

RESTI Zrt. merged into MÁV Vagyonkezelő Zrt. with the transformation date of 31.12.2013. The merger was accounted at market value. According to the final transformation balance sheet of RESTI Zrt. as legal predecessor, the revaluation difference of the company's equity is HUF 1,144 million. Accordingly, the company's goodwill was modified to the value of the revaluation difference by accounting extraordinary depreciation amounting to HUF 25 million. Then, considering that RESTI Zrt. merged into a fully consolidated company, the goodwill of HUF 1,144 million was derecognised against the value of the investment.

II.1.1.8 Negative goodwill arising on equity consolidation

Figures in MHUF

Company		Negative goodwill				
			Change			
Code	**Item**	**Opening value**	Investment acquisition	Investment disposal	Change in scope	**Closing**
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	-2	0
116	MÁV-THERMIT Kft	13	0	0	0	13
Total:		281	0	0	-2	279

Table 27: Negative goodwill arising on equity consolidation

MÁV KERT Kft. has been reclassified to fully consolidated companies, and the negative goodwill has been reclassified accordingly.

II.1.2 Inventories and their impairment loss

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

Figures in MHUF

Inventories	Raw materials and consumables	WIP and semi-finished products	Young, fattened and other livestock	Finished products	Goods	Advance payments on inventories
Opening, gross	*17 317*	*1 999*	*0*	*1 144*	*914*	*556*
Change in scope of consolidation	*23*	*5*	*0*	*1*	*3*	*0*
Opening, gross - adjusted	17 340	2 004	0	1 145	917	556
Purchase	71 227	0	0	0	21 015	0
Assets received free of charge	0	0	0	0	0	0
Contribution in kind	0	0	0	0	0	0
Reclassification	0	0	0	0	0	0
Taken to inventories	0	1 993	0	7 661	0	0
Surplus	15	0	0	0	0	0
Other increase	297	0	0	0	0	87
Use (expensed)	-68 854	-756	0	-7 165	-10 826	0
Reclassification	0	0	0	0	0	0
Sale	-1 731	0	0	-468	-11 044	0
Transferred free of charge	0	0	0	0	0	0
Contributed	0	0	0	0	0	0
Disposal	-50	0	0	-25	-3	0
Missing	-17	0	0	0	0	0
Other decrease	1	-13	0	-8	0	-547
Closing, gross	18 228	3 228	0	1 140	59	96
Impairment, opening	*1 202*	*8*	*0*	*99*	*0*	*19*
Change in scope of consolidation	*0*	*0*	*0*	*0*	*0*	*0*
Opening impairment, adjusted	1 202	8	0	99	0	19
Impairment loss for the reporting year	342	0	0	1	0	0
Written off due to low stock levels	-389	-8	0	-8	0	-10
Reversed impairment	-45	0	0	-16	0	0
Impairment, closing	1 110	0	0	76	0	9
Opening, net	**16 115**	**1 991**	**0**	**1 045**	**914**	**537**
Closing, net	**17 118**	**3 228**	**0**	**1 064**	**59**	**87**

Table 28: Inventories and their impairment loss

II.1.3 Receivables and their impairment loss

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

Figures in MHUF

Item	Receivables						Impairment						Book value of receivables 2013	Book value of receivables 2012	Change in the book value of debtors
	Not overdue	1-90 days	91-180 days	181-365 days	over 365 days	Total	Opening	Reversed impairment loss	Impairment in the reporting year	Written off debt collected	Reversal	Closing			
Receivables from supply of goods and services (trade debtors)	*9 912*	*1 085*	*192*	*380*	*5 736*	**17 305**	*6 065*	*215*	*657*	*195*	*42*	*6 270*	**11 035**	**9 586**	**1 449**
Receivables from related companies	*386*	*198*	*119*	*181*	*264*	**1 148**	*134*	*0*	*3*	*0*	*1*	*136*	**1 012**	*1 134*	*-122*
not fully consolidated subsidiary	67	34	110	159	257	**627**	130	0	0	0	0	*130*	497	450	47
associate	319	164	9	22	7	**521**	4	0	3	0	1	*6*	515	684	-169
Receivables from other associated parties	*11*	*0*	*0*	*0*	*0*	**11**	*0*	*0*	*0*	*0*	*0*	*0*	**11**	**24**	**-13**
Other receivables	*51 013*	*78*	*71*	*209*	*928*	**52 299**	*959*	*8*	*2 333*	*29*	*0*	*3 255*	**49 044**	**46 066**	**2 978**
Deferred tax	*135*	*0*	*0*	*0*	*0*	**135**	*0*	*0*	*0*	*0*	*0*	*0*	**135**	**1 693**	**-1 558**
Total receivables:	**61 457**	**1 361**	**382**	**770**	**6 928**	**70 898**	**7 158**	**223**	**2 993**	**224**	**43**	**9 661**	**61 237**	**58 503**	**2 734**

Table 29: Receivables and their impairment loss

Trade receivables totalling HUF 9,586 million in 2012 increased to HUF 11,035 million in 2013. The increase in outstanding receivables is mainly due to the increase in MÁV Zrt.'s receivables from Rail Cargo Hungaria Zrt. (HUF 660 million).

Other receivables increased to HUF 49,044 million last from HUF 46,066 million in 2013, and include the following key items:

- Compensation receivable for public services: HUF 27,840 million,
- VAT receivable: HUF 9,746 million,
- Ticket price subsidies receivable: HUF 3,239 million,
- Receivables from the waived compensation obligation related to the asset settlement of VÜNSZ properties amount to HUF 1,595 million.

The compensation receivable for public services amounting to HUF 27,840 million includes the compensation established for the years 2010-2011, approved by the ministry but not yet paid (HUF 13,689 million), a further reimbursement claim for reasonable expenses over the amount specified in the memorandum of the public services contract for 2012 not covered by revenues (HUF 10,162 million), a reimbursement claim for reasonable expenses of HUF 6,050 million over the amount specified for full financing in the memorandum of the public services contract for 2013 not covered by revenues, and an item with a negative effect on profit/loss of 2,061 million accounted for the reimbursement claim for 2012 (for details see I.2.2).
The compensation receivable for public services is reduced by the liability resulting from the overpayment for 2009 (HUF 2,094 million) recorded among other short-term liabilities.
From the amount specified in the memorandum of the public services contract for 2013, the amount that was not settled in 2013 (HUF 20,829 million) is recognised among prepayments.

Based on the above, the receivables from the compensation for passenger transport amounts to HUF 46,575 million in the consolidated financial statements for 2013.

As of 1 January 2014, MÁV-TRAKCIÓ Zrt. and MÁV-GÉPÉSZET Zrt. merged into MÁV-START Zrt. Therefore, the company revised the deferred tax assets related to the internal profit/loss generated on the assets of the two merging companies. Considering that, in the case of the assets planned to be implemented for the following periods from capital projects already started, the depreciation to be accounted according to the CDTA will probably exceed the depreciation to be accounted according to the Accounting Act, the Company is not expected to have a corporate income tax liability within a foreseeable time. Accordingly, the Company released the deferred tax assets recognised for the two merging companies amounting to HUF 1,529 million.

II.1.4 Prepaid expenses and accrued income

Figures in MHUF

Item	2012	2013	Change
Accrued income			
Public service cost compensation	20 829	20 829	0
RIC carriage rent	4 643	4 580	-63
Accrued sales revenue	563	570	7
Receivables from unsettled deliveries	67	54	-13
Interest received	20	25	5
Late-payment interest, penalties, damages	11	14	3
Other accrued income	21	97	76
Accrued income, total:	26 154	26 169	15
Prepaid expenses			
Insurance fees	375	356	-19
Software updates	75	81	6
Prepaid dismissal wage and severance pay costs	53	71	18
Rental fees	4	43	39
Newspaper, journal subscriptions	5	1	-4
Other prepayments	275	201	-74
Prepaid expenses, total	787	753	-34
Deferred expenses			
Deferred unrealised FX losses	14 829	14 333	-496
Deferred expenses, total	14 829	14 333	-496
Total:	41 770	41 255	-515

Table 30: The composition of prepaid expenses and accrued income

The group's prepayments decreased by HUF 515 million compared to 2012, the largest part (HUF 496 million) of which is related to unrealised exchange loss.

The public service cost compensation of HUF 20,829 million was accrued for the compensation of public passenger railway transport service costs due for 2013 but received in 2014.

II.1.5 Equity

II.1.5.1 Movements in equity

Movements in the company group's equity components are shown in the table below by category:

Figures in MHUF

Item	Share capital	Capital reserve	Retained earnings	Allocated reserves	Profit/(loss) for the year	Changes in equity of subsidiaries	Changes due to consolidation: Difference from debt consolidation	Changes due to consolidation: Difference from internal profit/loss	Changes in investments in associates	Third-party investments	Total
Equity in 2012	**21 037**	**110 581**	**-79 008**	**12 813**	**2 341**	**5 288**	**2 101**	**-28 847**	**3 082**	**0**	**49 388**
Balance sheet profit/loss for the previous year			-6 504		-2 341	6 458	-897	3 349	-65		0
Changes in scope of consolidation			-147	147		304	43		-350		-3
Prior-year adjustments			-152	152		25					25
Release of non-distributable reserve allocated for additional capital contribution			1	-1							0
Additional capital contribution received			1								1
Capital increase with share premium in 2013 - VPK contribution in kind - 06.12.2013	963	53 673									54 636
Asset settlement		-17 440									-17 440
Non-distributable reserves provided for foundation/restructuring			-4	4							0
Non-distributable reserves released for foundation/restructuring			12	-12							0
Non-distributable reserves provided for experimental development			-112	112							0
Development reserve provided			-184	184							0
Development reserve released			256	-256							0
Allocated reserve related to unrealised FX losses, reversed			476	-476							0
Modification of the value of associates without an effect on profit/loss									-18		-18
Profit/(loss) per balance sheet for the year					4 657						4 657
Equity in 2013	**22 000**	**146 814**	**-85 365**	**12 667**	**4 657**	**12 075**	**1 247**	**-25 498**	**2 649**	**0**	**91 246**

Table 31: Equity

The line of prior year adjustments shows the difference between the data available during the preparation of MÁV Szolgáltató Központ Zrt.'s (previously: MÁV INFORMATIKA Zrt.) final financial statements for 2012 and consolidated financial statements for 2012. The difference is due to the fact that the decision about using the development tax allowance and making a non-distributable reserve for this purpose was made after the preparation of the Company's consolidated financial statements.

MNV Zrt. increased MÁV Zrt.'s capital with share premium in the amount of HUF 54,636 million, registered in the company register on 6 December 2013. The details of the capital increase are presented in section I.2.5.

The 2013 asset settlement decreased the MÁV group's equity by HUF 17,440 million, and – in accordance with the provisions of Act CVI of 2007 on State Property – the Company accounted the assets that were transferred to the state as a decrease in capital reserves. The details of the asset settlement are presented in section I.2.6.

Figures in MHUF

Allocated reserves	Opening balance	Increase due to change in scope	Prior-year adjustments	Released in 2013	Accounted in 2013	Closing balance
Reserves for environmental damages	3 617	0	0	0	0	3 617
Difference between provisions for unrealised FX losses on FX loans and deferred expenses	7 326	0	0	-476	0	6 850
Additional capital contribution payable	1	0	0	-1	0	0
Amount not yet written off from the capitalised value of foundation and restructuring	11	0	0	-12	4	3
Amount not yet written off from the capitalised value of experimental development	238	0	0	0	112	350
Development reserve	1 620	147	152	-256	184	1 847
Total:	***12 813***	***147***	***152***	***-745***	***300***	***12 667***

Table 32: Allocated reserves

II.1.6 Provisions made and released

II.1.6.1 Movements in provisions presented in the balance sheet in 2013

At group level, the closing balance of provisions is HUF 42,880 million as of the balance sheet date, of which the provision for contingent liabilities is HUF 26,054 million, the provision for future expenses is HUF 9,342 million, and other provisions are HUF 7,484 million.

II.1.6.2 Provision for contingent liabilities

The closing balance of provisions for contingent liabilities at group level was HUF 26,054 million in 2013. The most significant items were the provision for allowances, the provision for environmental liabilities, the provision for litigation costs and the provision for severance pay liabilities.

Figures in MHUF

Provision for contingent liabilities	Opening	Change in scope	Released in 2013	Made in 2013	Closing
Provision for annuity liabilities	8 125	0	765	597	7 957
Provision for environmental liabilities	6 233	0	180	19	6 072
Provision for litigation	5 493	0	435	543	5 601
Provision for termination liabilities	2 937	0	1 715	1 104	2 326
Provision premiums payable	1 382	118	1 477	1 338	1 361
Provision for working clothes and uniforms	1 234	0	569	288	953
Damages	627	0	242	113	498
Provision for maintenance obligation related to welfare real estate sale	428	0	20	0	408
Provision for late payment interest liability	56	0	36	249	269
Provision made for extreme weather conditions in 2010	312	0	73	0	239
Provision for expected liabilities from industrial and construction activities	194	0	194	122	122
Provision made for extreme weather conditions in 2013	0	0	0	60	60
Provision for contractual guarantee obligations	80	0	50	26	56
NKH supervision charge	229	0	229	0	0
Provision for liabilities from water right penalty payable	84	0	84	0	0
Provisions for other liabilities	180	0	112	64	132
Total:	**27 594**	**118**	**6 181**	**4 523**	**26 054**

Table 33: Provisions for contingent liabilities

Since 8 May 2006, MÁV Zrt. has been insured against accidental damages to passengers and accidents suffered by its employees for reasons attributable to the Company. Before the insured years, MÁV Zrt. had been liable for any accident suffered and the damages were paid typically as annuities. As, owing to the nature of annuities, these payments are not precisely quantifiable to MÁV Zrt., yet qualify as certain future commitments, provisions were made for these liabilities amounting to HUF 1,894 million in 2010, HUF 1,189 million in 2011 and HUF 5,042 million in 2012 and HUF 597 million in 2013. In addition, we released a provision of HUF 765 million for allowances.

In connection with the Holocaust proceeding, a provision was made only for litigation costs. There is still no binding decision, and the case against the defendant was closed at first instance.

The fully consolidated companies made a provision for the bonus liability and the related taxes and contributions (in line with Sections 41 (1), 44 (1) and 79 (2) of the Accounting Act) as the bonus amount for the reporting year had not been formally determined by the date on which their annual financial statements were approved.

II.1.6.3 Provision for future expenses

The closing balance of provisions for future penses is HUF 9,342 million at MÁV group level.
The three most important items are the provision for demolition costs, the provision for maintenance costs and the provision for the depreciation of assets not contributed by NIF described in point I.2.3.

Figures in MHUF

Provisions for future expenses	Opening	Change in scope	Released in 2013	Made in 2013	Closing
Maintenance	2 947	0	59	879	3 767
Depreciation of assets not contributed by NIF	24 260	0	22 474	1 900	3 686
Demolition	2 044	0	261	0	1 783
Provisions for other liabilities	68	0	58	96	106
Total:	**29 319**	**0**	**22 852**	**2 875**	**9 342**

Table 34: Provisions for future expenses

II.1.6.4 Other provisions

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

Figures in MHUF

Other provisions	Opening	Change in scope	Released in 2013	Made in 2013	Closing
Provision for exchange loss on project and development loans	7 504	0	1 750	1 730	7 484
Total:	**7 504**	**0**	**1 750**	**1 730**	**7 484**

Table 35: Other provisions

Provisions as shown in the balance sheet are presented in the table below.

Figures in MHUF

Item	Provision for contingent liabilities	Provision for future expenses	Provision for unrealised FX losses	Total
Opening provisions	**27 594**	**29 319**	**7 504**	**64 417**
Change in scope	118	0	0	118
Provisions used in 2013	6 181	22 852	1 750	30 783
Made in 2013	4 523	2 875	1 730	9 128
Closing provisions	**26 054**	**9 342**	**7 484**	**42 880**

Table 36: Movements in provisions presented in the balance sheet

II.1.7 Liabilities

II.1.7.1 Liabilities related to treasury assets and treasury funded projects

Further to Section 23 (2) of the Accounting Act, managed government or municipality assets (treasury assets) are to be shown under the assets of the asset manager, while according to Section 42 (5), liabilities related to treasury assets should be shown under long-term liabilities. The accounting treatment of treasury assets is governed by Government Decree No 254/2007 (X. 4.) on the management of treasury assets, Government Decree 457/2013 (XI. 29.) amending the latter, and by the asset management agreement between KVI and MÁV Zrt. as amended with effect from 13 December 2013.

In accordance with the asset management agreement, details of the settlement can be found in point I.2.4.

On 31 December 2013, HUF 512,528 million was recognised as long-term liabilities against HUF 490,717 million of treasury assets shown in MÁV Zrt.'s balance sheet; in addition, HUF 386 million in short-term liabilities and HUF 69 million in receivables were recognised, as presented in the table below:

Figures in MHUF

Treasury liabilities			
Treasury liabilities	**2012**	**2013**	**Change**
Long-term liabilities related to treasury assets	353 546	490 717	137 171
Compensation obligation	47 990	22 516	-25 474
Balance of settlement against the Hungarian State Treasury related to treasury investments	-166	-705	-539
of which: treasury investment invoices submitted to the treasury in the reporting year	*-1 460*	*-4 178*	*-2 718*
payments made by the treasury in the reporting year,	*1 658*	*3 639*	*1 981*
Long-term liabilities related to treasury assets, in total	**401 370**	**512 528**	**111 158**
Use of materials from the disassembly of treasury assets for maintenance and repair	0	58	58
Liabilities from the refurbishment of railway bridges and steel structures (Bridge project)	0	319	319
Advance provided for the renovation of treasury assets from the renovation reimbursement		9	9
Short-term liabilities related to treasury assets, in total	**0**	**386**	**386**
Liabilities related to treasury assets, in total	**401 370**	**512 914**	**111 544**
Treasury receivables			
Treasury receivables	**2012**	**2013**	**Change**
Receivables from the settlement of projects funded by KÖZOP subsidies (ex-post financing)	0	69	69
of which: for the implementation of "MÁV Zrt. Traffic safety projects" – development of state assets – ex-post financing	0	28	28
For "MÁV Zrt. Traffic safety projects (preparatory project)" – development of state assets – ex-post financing	0	41	41
Receivables related to treasury assets, in total	**0**	**69**	**69**

Table 37: Liabilities related to treasury assets

Details of MÁV Zrt.'s liabilities related to the decrease in treasury assets, as shown in MÁV Zrt.'s books, are as follows:

Figures in MHUF

Liabilities related to the decrease in treasury assets	2 012	2 013	Change
Compensation liability accounted before the amendment to the Act on State Property took effect (28 June 2013)			
Opening balance of compensation liability (A)	52 789	47 990	-4 799
Opening adjustment	16	0	-16
Depreciation of treasury assets in the reporting year (+)	22 942	11 551	-11 391
Extraordinary depreciation (+)	4 051	92	-3 959
Depreciation of treasury assets in previous years	-56	0	56
Net value of scrapped treasury assets (+)	1 764	62	-1 702
Net value of missing treasury assets (+)	99	0	-99
Cash received from external parties for treasury investments (+)	1	0	-1
Total increase in compensation liability for the period before the amendment of the State Property Act (until 27 June 2013) (B)	28 817	11 705	-17 112
Treasury investment, renovation from own funds (-)	14 856	4 151	-10 705
Use of cash received from external parties for treasury investments (-)	22	-3	-25
Use of materials from the scrapping of treasury assets (-)	1 193	364	-829
Reporting-year adjustment of the compensation liability for previous years	20	0	-20
Meeting the compensation obligation (-)	17 525	547	-16 978
of which: - Setting off MNV claims assigned by MÁV Koncesszós Kft.	*13 831*	*0*	*-13 831*
- Due to capital increase resulting from GYSEV transfer	*3 659*	*0*	*-3 659*
- Due to compensation for asset settlement of sports facilities	*35*	*547*	*512*
Total decrease in compensation liability for the period before the amendment of the State Property Act (until 27 June 2013) (C)	33 616	5 059	-28 557
Closing balance of compensation liability (27 June 2013) according to the rules in effect during the period before the amendment of the State Property Act (D=A+B-C)	**47 990**	**54 636**	**6 646**
Meeting the compensation obligation as at 27 June 2013 by means of a contribution in kind (-) (E)	0	-54 636	-
Compensation liability accounted from the date the amendment to the Act on State Property took effect (28 June 2013)			
Ordinary amortisation recognised	0	7	7
Extraordinary depreciation	0	24 592	24 592
of which: - due to 22 projects taken over from NIF	*0*	*23 209*	*23 209*
- due to the Cegléd pilot project taken over from NIF	*0*	*1 432*	*1 432*
Treasury investment, renovation from own funds (-)	0	27	27
Value of materials recovered from scrapping (-)	0	-126	-126
Meeting the compensation obligation (-)	0	-1 984	-1 984
of which: - Setting off MNV claims assigned by NIF Zrt.	*0*	*-1 645*	*-1 645*
- compensation for asset settlement due to the Cegléd pilot project taken over from NIF	*0*	*-339*	*-339*
Balance of compensation liability accounted after the amendment to the Act on State Property took effect, in accordance with the rules in effect before 28 June 2013 (F)	**0**	**22 516**	**22 516**
Ordinary amortisation recognised	0	12 744	12 744
Extraordinary depreciation	0	3 440	3 440
of which: - due to 22 projects taken over from NIF	*0*	*3 178*	*3 178*
- due to the Cegléd pilot project taken over from NIF	*0*	*52*	*52*
- from scrapping	*0*	*210*	*210*
Net value of scrapped treasury assets on derecognition	0	1 258	1 258
Materials recovered from the scrapping of treasury assets (-)	0	-282	-282
Waiving the compensation obligation (-)	0	-17 160	-17 160
Balance of compensation liability accounted after the amendment to the Act on State Property took effect, in accordance with the rules in effect after 27 June 2013 (G)	**0**	**0**	**0**
Closing balance of compensation liability (H=D+E+F+G)	**47 990**	**22 516**	**-25 474**
Use of materials from the disassembly of treasury assets for maintenance and repair (I)	0	58	58
Total liabilities related to the decrease in state assets (J=H+I)	**47 990**	**22 574**	**-25 416**

Table 38: Liabilities related to the decrease in treasury assets

The compensation obligation has decreased by HUF 25,474 million to HUF 22,516 million by 31 December 2013.

Financial settlement of the compensation obligation by main legal title:

- The loss of equity resulting from VÜNSZ real properties (sports real properties) was compensated by means of waiving the compensation obligation, in the amount of HUF 547 million (see section I.2.6.).
- According to the founder's resolution no. MNV 607/2013.(XI.29.), MNV Zrt. carried out a capital increase in the amount of HUF 54,636 million to the extent of the compensation liability outstanding at 27 June 2013. (Section I.2.5.)
- As a result of the asset transfer, settlement and management contract concluded by NIF Zrt., MNV Zrt. and MÁV Zrt., NIF Zrt. assigned its claims against MNV Zrt. to MÁV Zrt. in the amount of HUF 1,645 million, which was set off against the compensation liability.
- The loss of equity resulting from the asset settlement related to the Cegléd pilot project implemented by NIF Zrt. was compensated by means of waiving the compensation obligation, in the amount of HUF 339 million (see section I.2.6.).
- The compensation liability incurred in relation to the period following 27 June 2013 was waived due to the ordinary and extraordinary depreciation recognised in the amount of HUF 17,160 million, in accordance with the Act on State Property and the Asset Management Agreement (section I.2.4.).

II.1.7.2 The MÁV group's subordinated debts

The MÁV group's subordinated debts only include the negative goodwill in accordance with Appendix 6 of the Accounting Act. This is detailed in section II.1.1.6.

II.1.7.3 The MÁV group's long-term loans

The MÁV group's long-term loans and borrowings, and the repayment schedules are presented in the tables below.

Loan	Loan agreement dated at	Matures on	Government guarantee (no. of	Currency	Amount per loan agreement	Available facility (31.12.2013)	
						TFOREX	MHUF
Investment and development loans							
EIB-ISPA	03.09.2001	15.09.2015	1082/2001	EUR	18	7 200	2 138
EUROFIMA 11	31.12.2003	17.12.2018	1036/2003	EUR	35	35 000	10 391
EUROFIMA 12	31.12.2004	12.05.2014	1037/2004,2017/2008	EUR	25	25 000	7 423
EUROFIMA 13 a	31.12.2005	06.03.2015	1113/2005	EUR	28	28 000	8 314
EUROFIMA 13 b	03.10.2006	07.04.2016	1113/2005	EUR	35	35 000	10 392
EUROFIMA 13 c+e	18.10.2007	28.01.2014	1113/2005	EUR	7	7 600	2 256
EUROFIMA 13 d	30.11.2007	07.04.2016	1113/2005	EUR	17	17 400	5 166
Raiffeisen Bank Zrt. HUF 9.209 bn	26.04.2006	21.04.2016	1113/2005	HUF	9 209	0	7 082
OTP Bank Nyrt. (10 Talent)	23.03.2006	31.12.2016	-	EUR	45	12 782	3 796
CA-CIB Consortium (30 Flirt)	22.03.2006	16.06.2020	-	EUR	145	81 730	24 266
Raiffeisen Bank Zrt. (+30 Flirt)	25.09.2007	28.11.2021	-	EUR	142	97 101	28 830
KFW (Traxx)	03.12.2009	15.05.2024		EUR	41	34 808	10 334
EIB (Traxx)	03.12.2009	15.05.2024		EUR	38	32 130	9 540
MFB	27.10.2009	30.09.2024		HUF	2 800	0	2 114
UniCredit-MFB loan	10.09.2008	31.12.2023		HUF	2 376	0	1 558
Raiffeisen loan H-23/2008	26.04.2006	21.04.2016	1113/2005,1027/2008	HUF	400	0	308
MFB global development (Raiffeisen H-91/2008)	23.12.2008	23.12.2018		HUF	3 000	0	1 818
Total:							*135 726*
Operational loans							
OTP Bank Nyrt. HUF 5 bn	28.12.2012	28.12.2016	1546/2012	HUF	5 000	0	4 615
MFB Zrt. HUF 6.2 bn	27.12.2012	27.12.2016	1546/2012	HUF	6 200	0	5 723
MFB Zrt. HUF 6.8 bn	27.12.2012	27.12.2016	1546/2012	HUF	6 800	0	6 277
MFB Zrt. HUF 7.0 bn	27.12.2012	27.12.2017	1546/2012	HUF	7 000	0	6 588
Raiffeisen Bank Zrt. HUF 28.5 bn	27.12.2005	27.11.2015	1089/2005	HUF	28 500	0	11 400
Total:							*34 603*
Entrepreneurial loans							
Central traffic coordination system in Szeged - PROLAN	10.08.2007	27.06.2019	-	HUF	1 870	0	1 227
Central traffic coordination system in the South-Balaton area - PROLAN	20.05.2010	18.11.2016	-	HUF	2 260	0	1 356
Supply of electricity - PQ	08.07.2009	13.12.2015	-	HUF	1 267	0	507
Total:							*3 090*
Bonds							
MFB Zrt. HUF 10 bn	22/12/2010*	21.12.2015	1261/2010	HUF	10 000	0	10 000
Magyar Takszöv. - Gránit Bank Zrt. HUF 35 bn	07/09/2011*	05.09.2014	1290/2011	HUF	35 000	0	35 000
Total:							*45 000*
Grand total:							*218 419*

HUF 25,052 million from the amount of development loans in the table and HUF 12,885 million from operational loans are shown under short-term loans, while HUF 939 million of entrepreneurial loans is shown among short-term borrowings.
*origination date

Table 39: The group's long-term loans and borrowings

Figures in MHUF

Loan	2014	2015	2016	2017	2018 and after	Total
Investment and development loans						
EIB-ISPA	1 069	1 069				2 138
EUROFIMA 11	0	0	0	0	10 391	10 391
EUROFIMA 12	7 423	0	0	0	0	7 423
EUROFIMA 13 a	0	8 314	0	0	0	8 314
EUROFIMA 13 b	0	0	10 392	0	0	10 392
EUROFIMA 13 c+e	2 256	0	0	0	0	2 256
EUROFIMA 13 d	0	0	5 166	0	0	5 166
Raiffeisen Bank Zrt. HUF 9.209 bn	2 837	2 837	1 408			7 082
OTP Bank Nyrt. (10 Talent)	1 347	1 347	1 102			3 796
CA-CIB Consortium (30 Flirt)	3 733	3 733	3 733	3 733	9 334	24 266
Raiffeisen Bank Zrt. (+30 Flirt)	3 656	3 656	3 656	3 656	14 206	28 830
KFW (Traxx)	984	984	984	984	6 398	10 334
EIB (Traxx)	909	909	909	909	5 904	9 540
MFB	196	196	196	196	1 330	2 114
UniCredit-MFB loan	156	156	156	156	934	1 558
Raiffeisen loan H-23/2008	122	123	63			308
MFB global development (Raiffeisen H-91/2008)	364	364	273	364	453	1 818
Total:	***25 052***	***23 688***	***28 038***	***9 998***	***48 950***	***135 726***
Operational loans						
OTP Bank Nyrt. HUF 5 bn	1 538	1 539	1 538			4 615
MFB Zrt. HUF 6.2 bn	1 908	1 908	1 907			5 723
MFB Zrt. HUF 6.8 bn	2 092	2 092	2 093			6 277
MFB Zrt. HUF 7.0 bn	1 647	1 647	1 647	1 647		6 588
Raiffeisen Bank Zrt. HUF 28.5 bn	5 700	5 700				11 400
Total:	***12 885***	***12 886***	***7 185***	***1 647***	***0***	***34 603***
Entrepreneurial loans						
Central traffic coordination system in Szeged - PROLAN	234	234	234	234	291	1 227
Central traffic coordination system in the South-Balaton area - PROLAN	452	452	452			1 356
Electricity supply - PQ	253	254				507
Total:	***939***	***940***	***686***	***234***	***291***	***3 090***
Bonds						
MFB Zrt. HUF 10 bn		10 000				10 000
Magyar Takszöv. - Gránit Bank Zrt. HUF 35 bn	35 000					35 000
Total:	***35 000***	***10 000***	***0***	***0***	***0***	***45 000***
Grand total:	***73 876***	***47 514***	***35 909***	***11 879***	***49 241***	***218 419***

Table 40: Repayment schedule of the group's long-term loans and borrowings

II.1.7.4 Leasing liabilities

The MÁV group did not have any liabilities from financial leases in 2013.

II.1.7.5 Other short-term liabilities

Other short-term liabilities are shown below by category:

Figures in MHUF

Item	2012		2013		Change
	Amount	Distribution (%)	Amount	Distribution (%)	
Taxes (incl. local taxes) payable	13 707	58,7%	12 809	54,3%	-898
Wages and salaries	6 258	26,8%	6 538	27,7%	280
Liabilities from overpayment of compensation	2 094	9,0%	2 489	10,6%	395
Liabilities to the treasury	0	0,0%	386	1,6%	386
Uninvoiced capital projects received, late-payment interest, security provided	164	0,7%	247	1,1%	83
Liabilities payable based on authority decisions	44	0,2%	32	0,1%	-12
Leasing liabilities payable within a year	1	0,0%	0	0,0%	-1
Other liabilities from services	55	0,2%	0	0,0%	-55
Other liabilities	1 012	4,3%	1 083	4,6%	71
Other short-term liabilities, total	*23 335*	*100,0%*	*23 584*	*100,0%*	*249*

Table 41: Composition of other short-term liabilities:

Of the liabilities from the overpayment of public services compensation HUF 2,094 million is related to public passenger transport services and HUF 395 million is related to railtrack operation.

II.1.8 Accrued expenses and deferred income

Figures in MHUF

Item	2012	2013	Change
Deferred income			
INVITEL Kft. other deferred income	10 255	9 963	-292
Other deferred income	2 255	1 143	-1 112
Deferred income	12 510	11 106	-1 404
Accrued expenses			
RIC carriage rent	3 272	3 359	87
Accrued in relation to mutual exchange of engine services	540	741	201
Accrued interest	718	530	-188
Payables from unsettled deliveries	196	272	76
Accrual of premium and related contributions	133	258	125
Late-payment interest, penalties, damages	7	131	124
Other accrued expenses	2 552	1 096	-1 456
Accrued expenses	7 418	6 387	-1 031
Deferred extraordinary revenues and negative goodwill			
EU funds and government subsidies	1 857	22 348	20 491
Accrual of debts arising from asset acquisitions assumed by the government	22 782	19 159	-3 623
Other cash received from the government	7 090	6 176	-914
Reimbursement for renovation - assets owned by MÁV	0	1 092	1 092
Phare aid for development	1 122	969	-153
Fixed and tangible assets surplus	627	552	-75
Fixed assets received free of charge and as gifts	598	445	-153
Amounts received from local governments and from businesses free of charge	258	172	-86
Grants	30	69	39
Other deferred income	1	0	-1
Deferred extraordinary revenues and negative goodwill	34 365	50 982	16 617
Total	***54 293***	***68 475***	***14 182***

Table 42: The composition of accrued expenses and deferred income

MÁV-START Zrt. concluded a subsidy agreement with KIKSZ Közlekedésfejlesztési Zrt. on 19 March 2013 (KÖZOP-2.5.0-09-11-2013-00008) for the procurement of 42 multiple-unit trains. Total project costs amount to HUF 75,437 million, financed to 85% from EU funds and to 15% from state funds. For the project, subsidies amounting to HUF 21,434 million were granted in 2013, which was fully accounted as deferred income.

II.1.9 Off-balance sheet liabilities

II.1.9.1 Hedging transactions

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

MÁV Zrt.'s FX balance at the end of 2013, expressed in both EUR and in HUF on an EUR basis, was EUR -13,714 thousand, which is slightly less (by EUR 192 thousand) than planned.
The total FX loss expressed in EUR was EUR 55,030 million, including the FX debt service related to the motor coaches, which the Company invoices to MÁV START Zrt. in HUF as part of the rental fee.
The budgeted FX loss was hedged, in line with our FX management policies, with spot contracts totalling EUR 47,555 thousand. No forward delivery transactions due in 2013 were concluded this year. (The rest of the loss was due to other FX fluctuations.)

With the above transactions, the necessary FX cash flow was provided at 298.15 HUF/EUR (weighted average), which is close to the MNB exchange rate (298.03 HUF/EUR).

During the financial year, two FX hedges were made totalling EUR 420 thousand to mitigate the Company's EUR-based exposure (office rent). Both hedges were closed and accounted in 2014.

No hedge contracts were made in 2013 for the risks of changes in interest rates and in commodities (mainly gasoline) quotes.

The profit and loss and cash flow effect of hedging contracts concluded in 2013 and known until the balance sheet preparation are shown in the table below.

II.1.9.2 Closed forward and option contracts

Figures in MHUF

Transaction type		Effect on profit/loss	Effect on cash flow
Clearing transactions	Forward	3,0	3,0
	Option	0,0	0,0
	Total:	***3,0***	***3,0***
Delivery transactions	Forward	1,0	1,0
	Option	0,0	0,0
	Total:	***1,0***	***1,0***
Grand total:		**4,0**	**4,0**
of which:	Hedging	4,0	4,0
	Non-hedging	0,0	0,0
	Total	***4,0***	***4,0***
of which:	Stock exchange	0,0	0,0
	OTC	4,0	4,0
	Total	***4,0***	***4,0***

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

Table 43: Closed forwards and options in 2013

II.1.9.3 Joint and several liability and guarantee contracts

MÁV Zrt.'s guarantee contracts as at 31 December 2013 are shown in the table below.

Company name:	Type of guarantee	Contracting party	Start date	End date	Amount of guarantee in EUR	Amount of guarantee in million HUF
Bank guarantee						
National Tax and Customs Authority	excise guarantee	Gránitbank	12.12.2012	11.12.2014		120
Ministry of National Development	budgeted and for the use of the residual value for the purposes of the TEN-T project	K&H Bank Zrt.	30.10.2013	31.10.2014		1 830
National Transport Authority	accident	OTP	27.04.2009	31.12.2014		1 000
National Media and Infocommunications Authority	bank guarantee	Raiffeisen Bank Zrt	11.08.2013	10.08.2015		25
General Customs Authority	customs duty security specified in the operation permit	K&H Bank Zrt.	18.03.2011	19.05.2014		30
N/A	payment bank guarantee	KDB Bank	01/01/2013*	31.12.2013		148
N/A	payment bank guarantee	KDB Bank	01/01/2013*	31.12.2013		5
N/A	payment bank guarantee	KDB Bank	01.07.2011	02.01.2014		10
N/A	payment bank guarantee	KDB Bank	26.10.2010	30.06.2014		6
MOL Nyrt	payment guarantee for buying 225,000 litres of diesel gasoline	Hungarian Branch of Citibank Europe plc	30.06.2011	15.05.2014		7
CAF Construcciones y Auxiliar de Ferrocarriles S.A.	bank guarantee for payment of purchase price	KDB Bank Magyarország Zrt.	18.06.2012	30.09.2014	681 000	202
NAV Customs Directorate for Exclusive Matters and Taxpayers	For excise licensing	KDB Bank (Magyarország) Zrt.	03.01.2013	31.12.2013		0
Geislinger GMBH	bank guarantee for payment of purchase price	Hungarian Branch of Citibank Europe plc	16.09.2013	31.12.2013		2
N/A	for damages	Budapest Bank Zrt.	27.05.2010	31.12.2013		1 100
Bank guarantees, total:					***681 000***	***4 485***
Good performance guarantees						
Slovenian Railways	Good performance	K&H Bank	24.08.2009	10.01.2014	92 137	27
Good performance guarantees, total:					***92 137***	***27***
Guarantees, total:					***773 137***	***4 512***

*The marked KDB guarantees were also in effect at the balance sheet date, but they were renewed due to their nature.

Table 44: Guarantee contracts in effect at the balance sheet date

II.1.9.4 Lien and other off-balance sheet liabilities

Loan	Available credit facility as at 31/12/2013 (million HUF)	Security
EUROFIMA 11	10 391	Rolling stock
EUROFIMA 12	7 423	Rolling stock
EUROFIMA 13 a	8 314	Rolling stock
EUROFIMA 13 b	10 392	Rolling stock
EUROFIMA 13 c	2 256	Rolling stock
EUROFIMA 13 d	5 166	Rolling stock
OTP Bank Nyrt (10 Talent financing)	3 796	Rolling stock
CA-CIB Consortium (30 Flirt financing)	24 266	Rolling stock
Raiffeisen Bank Zrt. (+30 Flirt financing)	28 830	10 Talent multiple-unit trains
KFW (TRAXX)	10 334	Rolling stock
EIB (TRAXX)	9 540	Rolling stock
MFB	2 114	Rolling stock
MFB global development (Raiffeisen - H-91/2008.)	1 818	Rolling stock
UniCredit - MFB loan	1 558	Rolling stock
Total:	**126 198**	

Table 45: Loans secured with lien

Lien has been placed on 10 Talent motor coaches for OTP Bank, on 30 Flirt coaches for Crédit Agricole Corporate and Investment Bank, and on 30 additional 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 65.

Further to the public procurement act, MÁV Zrt. ensured direct collection rights for contractors under existing contracts signed between 15 September 2010 and 31 December 2012.

MÁV Zrt. issued a parent company comfort letter to Kreditanstalt für Wiederaufbau and to the European Investment Bank as the funders of 25 TRAXX engines for MÁV-TRAKCIÓ Zrt. (from 1 January 2014, MÁV-START Zrt.).

MÁV Zrt. holds CHF 18.2 million (0,7%) of the registered share capital of EUROFIMA, of which CHF 14.56 million (80% of the registered share capital) is not yet paid. It becomes payable based on the resolution of the Board of Directors of EUROFIMA in line with Article 5 and Article 21 paragraph 3 (6) of EUROFIMA's Articles of Incorporation. However, no request for payment has been made yet.

In addition to CHF 18.2 million of EUROFIMA's registered share capital held by MÁV Zrt., MÁV guarantees in an additional amount equalling the share capital holding of CHF 18.2 million the rolling stock financing arrangement in accordance with Article 26 of EUROFIMA's Articles of Incorporation. This guarantee can only be called if both the railway company and the shareholder state guaranteeing the loan fails to pay, and the guarantee fund specified in Article 29 of EUROFIMA's Articles of Incorporation (CHF 590.5 million according to the 2011 annual financial statements) does not cover the losses suffered. Amounts drawn from the shareholders' guarantee are refunded by EUROFIMA to the extent of the recoverable value from the disposal of the underlying rolling stock or from other receivables associated with the loan agreement.

Mortgaged properties are as follows:

Figures in MHUF

Township	Topographical lot no.	Beneficiary	Amount	Owner
Küngös	1101	K&H Bank Zrt.	31	HUNGARY
Záhony	600/9	K&H Bank Zrt.	65	MÁV Zrt.

Table 46: Mortgaged properties

II.1.9.5 Significant operating lease contracts concluded by the company group in effect at the balance sheet date

Contracting party (lessor)	Subject matter	Agreement dated at	Matures on	Contracted amount HUF/month	Amount not recognised until the B/S date (million HUF)
Porsche Lízing és Szolg. Kft.	vehicle rent	13.08.2012	13.08.2015	431 259	9
MKB Kft.	vehicle rent	06.02.2012	05.02.2016	9 850 000	246
Porsche Lízing és Szolg. Kft.	vehicle rent	03.10.2011	03.10.2016	78 000 000	2 574
Porsche Lízing és Szolg. Kft.	vehicle rent	03.10.2011	03.10.2016	8 089 489	275
Porsche Lízing és Szolg. Kft.	vehicle rent	04.10.2011	04.10.2016	1 735 957	59
Raiffeisen Ingatlan Alap	office rent	28.02.2009	06.05.2017	95 002 547	3 800
Porsche Lízing és Szolg. Kft.	vehicle rent	03.10.2011	05.10.2017	563 390	77
Porsche Lízing és Szolg. Kft.	lease of passenger cars	01.11.2011	01.11.2017	5 466 802	251
Deutsche Leasing Hungaria Kft.	8 Desiro Classic multiple-unit trains	24.09.2008	28.02.2029	-	3 394

Table 47: Significant operating lease contracts in effect at the balance sheet date

II.2 NOTES TO THE PROFIT AND LOSS ACCOUNT

II.2.1 Net sales revenues per activity

Figures in MHUF

Activity	2012		2013		Change
	Amount	Distribution (%)	Amount	Distribution (%	
Passenger transport	54 304	42%	56 845	42%	2 541
Railtrack operations	27 854	21%	30 488	23%	2 634
Passenger ticket subsidies	18 003	14%	18 325	14%	322
Traction, shunting	16 366	13%	15 409	11%	-957
Property lease and management, supervision, demolition	4 487	3%	4 650	3%	163
Repair, manufacture, operation, maintenance and registrati	2 273	2%	2 823	2%	550
Transport of goods	2 170	2%	2 180	2%	10
Security	0	0%	823	1%	823
IT services	1 213	1%	811	1%	-402
Sale of materials, goods and finished products	1 025	1%	554	0%	-471
Other services	1 776	1%	1 686	1%	-90
Total:	**129 471**	**100%**	**134 594**	**100%**	**5 123**

Table 48: Net sales revenues

The Group's sales revenues from passenger services continued to grow in 2013. The increase of HUF 3,480 million in the revenues from public passenger services was slightly offset by the decrease of HUF 617 million in the revenues from non-public passenger transportation. These revenues also contain the revenues from ticket price subsidies.

As opposed to the decrease shown in MÁV Zrt.'s financial statements, railtrack operation revenues increased by HUF 2,634 million, because, compared to the previous year, a larger proportion of the revenues came from companies not included in the consolidation.

The consolidated revenues from traction and shunting services were lower by HUF 957 million compared to the previous year.

Due to the larger scope of consolidation, the Group's revenues from security services is HUF 823 million in the consolidated net sales revenue for 2013.

II.2.2 Export and import sales revenues

Exports and imports by country are shown in the table below.

Figures in MHUF

Country	2012		2013	
	Export	Import	Export	Import
Austria	5 489	6 330	5 370	7 085
Belgium	23	31	17	32
Bulgaria	31	13	33	6
Cyprus	0	0	0	0
Czech Republic	1 671	3 352	1 730	3 684
Denmark	16	30	11	34
Estonia	0	0	0	0
Finland	10	3	12	4
France	374	128	388	209
Greece	0	1	1	1
The Netherlands	301	38	336	42
Croatia	262	223	214	218
Ireland	3	1	3	2
Poland	166	466	167	789
Latvia	0	0	0	0
Lithuania	0	0	0	0
Luxembourg	2	1	2	1
Malta	0	0	0	0
Great Britain	19	93	13	36
Germany	2 236	1 541	2 305	3 586
Italy	50	316	55	17
Portugal	4	1	4	1
Romania	1 494	1 573	1 824	1 875
Spain	17	156	20	120
Sweden	63	20	61	25
Slovakia	1 816	3 062	2 681	1 421
Slovenia	171	144	165	122
EU countries total:	***14 218***	***17 523***	***15 412***	***19 310***
Albania	0	0	0	0
Australia	0	0	0	0
Bosnia and Herzegovina	42	38	28	22
United States	0	28	0	32
Belarus	1	1	1	1
Canada	0	0	0	0
Kazakhstan	0	0	0	0
Macedonia	1	0	1	0
Moldova	0	0	0	0
Montenegro	2	3	20	4
Norway	9	3	10	3
Russia	103	93	96	104
Switzerland	224	210	688	467
Serbia	300	275	249	328
Turkey	6	2	18	2
Turkmenistan	0	0	0	0
Ukraine	77	109	80	128
Uzbekistan	0	0	0	0
Other	0	0	1	0
Non-EU countries total:	***765***	***762***	***1 192***	***1 091***
Grand total:	**14 983**	**18 285**	**16 604**	**20 401**

Table 49: Export and import by market segments

II.2.3 Material-type expenditures

Figures in MHUF

Item	2012 Amount	2012 Distribution (%)	2013 Amount	2013 Distribution (%)	Change
Material costs					
Operation, maintenance and other materials	25 400	19,9%	29 407	21,8%	4 007
Traction electricity	15 220	11,9%	15 992	11,8%	772
Fuel	13 437	10,5%	12 008	8,9%	-1 429
Public utilities (energy, gas, water)	8 103	6,3%	8 733	6,5%	630
Working clothes, uniforms, protective equipment	815	0,7%	1 946	1,4%	1 131
Material costs, total:	*62 975*	*49,3%*	*68 086*	*50,4%*	*5 111*
Material type services utilised					
Railtrack operations and maintenance	20 506	16,0%	18 048	16,3%	-2 458
Lease fees	13 119	10,3%	15 101	9,2%	1 982
Other services used	6 482	5,1%	7 434	5,4%	952
Transportation and loading costs	2 068	1,6%	2 902	2,2%	834
Public hygiene costs	3 673	2,9%	2 321	1,7%	-1 352
IT services	1 289	1,0%	2 179	1,0%	890
Postage, advertisement, market research	1 006	0,8%	941	0,6%	-65
Traction	1 075	0,8%	839	0,6%	-236
Professional, advisory and membership fees	392	0,3%	415	0,3%	23
Training costs	434	0,3%	284	0,2%	-150
Health services	84	0,1%	219	0,1%	135
Public utility services (fees not based on consumption)	494	0,4%	49	0,0%	-445
R&D costs	27	0,0%	18	0,0%	-9
Total material type services utilised:	*50 649*	*39,6%*	*50 750*	*37,6%*	*101*
Other services					
Authority fees	1 262	1,0%	1 517	1,1%	255
Insurance fees	1 133	0,9%	1 229	0,9%	96
Bank charges, incidental payments	407	0,3%	743	0,6%	336
Costs of other unspecified services	26	0,0%	18	0,0%	-8
Total costs of other services:	*2 828*	*2,2%*	*3 507*	*2,6%*	*679*
Cost of goods sold	*8 579*	*6,7%*	*9 657*	*7,1%*	*1 078*
Cost of (consignement) services	*2 811*	*2,2%*	*3 118*	*2,3%*	*307*
Material-type expenditures in total:	***127 842***	***100,0%***	***135 118***	***100,0%***	***7 276***

Table 50: Material-type expenditures

The Group’s material expenses increased by HUF 7,276 million in 2013. The reasons are as follows:

- The amount of operation, maintenance and other materials used by the Group increased significantly in 2013.
- Railtrack operation and maintenance costs decreased significantly (HUF -2,458 million). This due by the cost of services directly used by MÁV Zrt. (HUF -1,011 million) and the cost of railtrack operation services used by MÁV Zrt. indirectly (HUF -4,377 million), through its subsidiaries (MÁV FKG Kft., MÁV-GÉPÉSZET Zrt.), which was offset by the value of services provided to subsidiaries by companies outside the group.
- The significant decrease in public hygiene costs is due to the fact that a larger proportion (50.7%) of these services was provided by consolidated companies to MÁV-START Zrt. than in the previous year (5.0%).

II.2.4 Other revenues

Figures in MHUF

Item	2012 Amount	2012 Distribution (%)	2013 Amount	2013 Distribution (%)	Change
Intangible assets and tangible assets disposals	**14 720**	**5,8%**	**1 114**	**0,5%**	**-13 606**
Reversal of extraordinary depreciation of intangible and tangible assets	**62**	**0,0%**	**402**	**0,2%**	**340**
Reversed impairment loss on inventories	**165**	**0,1%**	**139**	**0,1%**	**-26**
Written off debt collected	**700**	**0,3%**	**356**	**0,1%**	**-344**
Profit increasing items	**514**	**0,2%**	**1 363**	**0,6%**	**849**
Of which: Late payment penalty	184	0,1%	291	0,1%	107
Penalties received	32	0,0%	669	0,3%	637
Use of provisions	**11 682**	**4,6%**	**30 783**	**13,0%**	**19 101**
Of which: Use of provision for contingent liabilities	5 812	2,3%	6 181	2,6%	369
use of provision for unrealised FX losses	5 379	2,1%	1 750	0,7%	-3 629
Use of provision for future expenses	491	0,2%	22 852	9,6%	22 361
Debtors sold	**1**	**0,0%**	**0**	**0,0%**	**-1**
Miscellaneous other income	**227**	**0,1%**	**148**	**0,1%**	**-79**
Reversed deferred income due to costs and expenses reducing the operating profit*	**4 134**	**1,6%**	**3 973**	**1,7%**	**-161**
Of which: reversed deferred subsidy	337	0,1%	395	0,2%	58
reversed deferred PHARE aid	50	0,0%	42	0,0%	-8
Reversed debt owed to government, forgiven	3 510	1,4%	3 362	1,4%	-148
Non-refundable subsidies	**223 138**	**87,4%**	**199 233**	**83,9%**	**-23 905**
Of which: Public service refunds	221 155	86,6%	196 904	82,9%	-24 251
Incentive scheme for MÁV workers, 2011-2013	1 974	0,8%	1 966	0,8%	-8
Memorial Centre for the Child Victims of the Holocaust	0	0,0%	197	0,1%	197
public works	0	0,0%	99	0,0%	99
Total:	**255 343**	**100,0%**	**237 511**	**100,0%**	**-17 488**

Table 51: Other revenues

Composition of other revenues:

- The amount of HUF 13,831 million that MÁV Koncessziós Kft. accounted as other revenue from the consideration for the termination of the concession year in 2012 – and showed under revenues from the sale of tangible assets – was a "one-off item" due to which revenues from the sale of tangible and intangible assets decreased by HUF 13,606 million compared to the previous year.
- As a result of taking the capital projects implemented by NIF Zrt. into asset management, the provision made in previous years to cover the depreciation charges for these assets was released, in the amount of HUF 22,474 million.
- The use of provision for unrealised exchange losses decreased by HUF 3,629 million compared to the previous financial year.
- Of the amount of non-refundable subsidies to offset the costs, the amount of subsidies for railtrack operation decreased by HUF 18,817 million compared to the base period, which was the result of changes to Act CVI of 2007 on State Property and the cancellation of the compensation liability, and the amount used by the Group from the statutory compensation for public services decreased by HUF 5,434 million compared to 2012.

II.2.5 Other expenses

Figures in MHUF

Item	2012		2013		Change
	Amount	Distribution (%)	Amount	Distribution (%)	
Expenses on intangible and tangible assets sold	**14 528**	**27,5%**	**271**	**0,5%**	**-14 257**
Expenses on scrapped and missing intangible and tangible assets	**3 142**	**5,9%**	**1 145**	**2,2%**	**-1 997**
Extraordinary depreciation of intangible and tangible assets	**5 068**	**9,6%**	**29 630**	**56,0%**	**24 562**
Extraordinary depreciation of goodwill	**0**	**0,0%**	**25**	**0,0%**	**25**
Impairment of inventories and receivables, inventory shortage, scrapping	**1 242**	**2,3%**	**3 417**	**6,5%**	**2 175**
Of which: Impairment of inventories	75	0,1%	343	0,6%	268
Impairment of receivables	969	1,8%	932	1,8%	-37
Accounting settlement with a negative effect on profit	0	0,0%	2 061	3,9%	2 061
Profit decreasing items	**4 313**	**8,2%**	**3 708**	**7,0%**	**-605**
Of which: Late-payment interest, penalties, damages paid	843	1,6%	407	0,8%	-436
Losses from damages	2 430	4,6%	2 434	4,6%	4
Self-revision fee	38	0,1%	111	0,2%	73
Provisions	**20 411**	**38,6%**	**9 128**	**17,2%**	**-11 283**
Of which: Provision for contingent liabilities	11 456	21,7%	4 523	8,5%	-6 933
Provision for unrealised FX losses on development loans	0	0,0%	1 730	3,3%	1 730
Provision made for future commitments	8 955	16,9%	2 875	5,4%	-6 080
Carrying amount of trade receivables sold	**0**	**0,0%**	**0**	**0,0%**	**0**
Taxes, duties and VAT	**3 315**	**6,3%**	**3 719**	**7,0%**	**404**
Contributions to government funds	**806**	**1,5%**	**1 728**	**3,3%**	**922**
Of which: Public utility tax	0	0,0%	915	1,7%	915
R&D contribution	799	1,5%	801	1,5%	2
Other liabilities	**38**	**0,1%**	**160**	**0,3%**	**122**
Total:	**52 863**	**100,0%**	**52 931**	**100,0%**	**68**

Table 52: Other expenses

Composition of other expenses:

- The amount of HUF 13,831 million that MÁV Koncessziós Kft. accounted as other expenses due the derecognition of assets related to the termination of the concession year in 2012 – and showed under revenues from the sale of tangible assets – was a “one-off item” due to which revenues from the sale of tangible and intangible assets decreased by HUF 14,257 million compared to the previous year.
- An extraordinary depreciation of HUF 27,871 million was recognised related to the handover of capital projects implemented by NIF.
- As a result of RESTI Zrt.’s merger into MÁV Vagyonkezelő Zrt., the beneficial ownership right provided by MÁV Zrt. to RESTI Zrt. was shown under the Group’s tangible assets in the amount of HUF 1,144 million. Since this cannot be interpreted at consolidated level, the amount was charged to the profit/loss as extraordinary depreciation.
- The provision for allowances decreased by HUF 4,445 million compared to the base period. The reason for the decrease was that, in 2012, contingent liabilities for allowances were calculated at face value rather than at the earlier discounted value, and the change of method resulted in a significant decrease compared the base period.
- Provisions for termination liabilities decreased by HUF 1,443 million compared to the previous year.
- The most significant change in making provisions for the reporting year was the HUF 6,417 million reduction in the amount of provisions for the depreciation of assets not handed over by NIF Zrt., which was partly due to changes to the State Property Act, and partly due to the completion in 2013 of 23 projects implemented by NIF Zrt.

- While no provision was made for foreign exchange losses on development loans in 2012, a provision of HUF 1,730 million was made in 2013.

II.2.6 Financial and extraordinary profit or loss

II.2.6.1 Financial revenues

Figures in MHUF

Item	2012		2013		Change
	Amount	Distribution (%)	Amount	Distribution (%)	
Dividends (due) received	**11**	**0,3%**	**3**	**0,1%**	**-8**
Of which: HIT Rail b.v.	3	0,0%	3	0,1%	0
MÁV-REC Kft.	8	0,2%	0	0,0%	-8
Foreign exchange gain on disposal of investments	**0**	**0,0%**	**0**	**0,0%**	**0**
Interest and similar income received	**1 350**	**39,8%**	**997**	**44,0%**	**-353**
Of which: bank interest	1 326	39,1%	983	43,4%	-343
Interest received from third parties	0	0,0%	9	0,4%	9
Interest received from private individuals	25	0,7%	5	0,2%	-20
Interest income received from securities	0	0,0%	0	0,0%	0
Other financial income	**2 032**	**59,9%**	**1 267**	**55,9%**	**-765**
Of which: Part of the balance sheet profit of equity consolidated entities attributable to the company group	800	23,6%	838	37,0%	38
Realised FX gain on FX balances	574	16,9%	415	18,3%	-159
Total:	**3 393**	**100,0%**	**2 267**	**100,0%**	**-1 126**

Table 53: Composition of financial revenues

II.2.6.2 Financial expenditures

Figures in MHUF

Item	2012		2013		Change
	Amount	Distribution (%)	Amount	Distribution (%)	
Foreign exchange loss on financial investments	**0**	**0,0%**	**0**	**0,0%**	**0**
Interest payable and similar charges	**12 716**	**82,2%**	**8 046**	**66,7%**	**-4 670**
Of which: Interest payable to credit institutions	8 740	56,5%	5 085	42,2%	-3 655
Interest payable on bonds	3 437	22,2%	2 656	22,0%	-781
Impairment of shares, securities, bank deposits	**7**	**0,0%**	**3**	**0,0%**	**-4**
Other financial expenditures	**2 751**	**17,8%**	**4 013**	**33,3%**	**1 262**
Of which: Part of the balance sheet losses of equity consolidated entities attributable to the company group	267	1,7%	334	2,8%	67
Realised FX loss on FX receivables/payables	2 480	16,0%	3 641	30,2%	1 161
Total:	**15 474**	**100,0%**	**12 062**	**100,0%**	**-3 412**

Table 54: Composition of financial expenditures

II.2.6.3 Extraordinary revenues

Figures in MHUF

Item	2012		2013		Change
	Amount	Distribution (%)	Amount	Distribution (%)	
Waiver of compensation liability due to changes to the Act on State Property	0	0,0%	17 160	87,0%	17 160
Waiver of compensation liability due to asset settlement	0	0,0%	2 480	12,6%	2 480
Assets received for shares	0	0,0%	34	0,2%	34
Revenues from assets received free of charge and from surplus assets	24	23,8%	16	0,1%	-8
Forgiven and lapsed liabilities	70	69,3%	6	0,0%	-64
Other extraordinary revenues	7	6,9%	11	0,1%	4
Total:	**101**	**100,0%**	**19 707**	**100,0%**	**19 606**

Table 55: Allocation of extraordinary revenues

In 2013, HUF 19,707 million was recognised as extraordinary revenues, which exceeded the amount in the base period by HUF 19,606 million.

The most significant part of this increase is the HUF 17,160 million in compensation liability waived as a result of changes to the State Property Act, and the HUF 2,480 million waived compensation liability recognised in connection with assets (e.g. sports real properties) handed over as part of the asset settlement.

The revenue of HUF 34 million from contributed assets is the amount remaining after the voluntary liquidation of PRUDENT-INVEST Zrt. “v.a.”.

II.2.6.4 Extraordinary expenditures

Figures in MHUF

Item	2012		2013		Change
	Amount	Distribution (%)	Amount	Distribution (%)	
Expenditures on assets and services provided free of charge	60	58,3%	76	52,8%	16
Carrying amount of investments derecognised due to voluntary liquidation	0	0,0%	23	15,9%	23
Liabilities assumed from other companies	18	17,5%	5	3,5%	-13
Non-refundable housing grant to employees	11	10,7%	4	2,8%	-7
Cash transferred	5	4,9%	3	2,1%	-2
Forgiven debt	7	6,8%	3	2,1%	-4
Other extraordinary expenditures	2	1,9%	30	20,8%	28
Total:	**103**	**100,0%**	**144**	**100,0%**	**41**

Table 56: Distribution of extraordinary expenditures

II.2.7 Calculation of the Group's consolidated result

The calculation of the Group's consolidated result is presented in the table below.

Figures in MHUF

Item	Amount
Aggregated balance sheet profit/loss of fully consolidated subsidiaries	6 671
Balance sheet profit/loss before consolidation	***6 671***
Elimination of dividends received from subsidiaries	-555
Elimination of (formally approved) dividends payable and reducing the reporting year profit/loss	8
Elimination of the reversed impairment loss on investments	-571
Removal of MÁV Koncessziós Kft. from the group of fully consolidated companies (due to voluntary liquidation)	7
Effect of the capital consolidation by elimination of the investments held on profit/loss	***-1 111***
Elimination of dividends received from associates	-708
Effect of the difference between the financial statements of associates used for consolidation purposes for 2012 and their final financial statements for 2012 on profit/loss	-108
Elimination of the impairment loss on investments	136
Elimination of the effect of RESTI Zrt.'s merger into MÁV Vagyonkezelő Zrt. on profit/loss	47
Profit of associates in the reporting year	838
Loss of associates in the reporting year	-226
Extraordinary depreciation of goodwill	-25
Effect of the capital consolidation by investment valuation (using the equity method) on profit/loss	***-46***
Correction of the reversed impairment loss on receivables	-20
Elimination of late-payment interest, penalty, compensation accounted unilaterally according to the principle of prudence	-741
Effect of the treatment of other differences on profit/loss	-18
Effect of the elimination of receivables and liabilities on profit/loss	***-779***
Effect of the treatment of other minor differences on profit/loss	1
Elimination of provisions made for expected liabilities and future expenses within the group	397
Elimination of provisions released for expected liabilities and future expenses within the group	-287
Effect of the elimination of earnings and expenditures on profit/loss	***111***
Effect of the elimination of internal profit/loss realised on internal services received for non-current assets on profit/loss	-2 032
Effect of the elimination of internal profit/loss generated from the sale of tangible assets to group companies	-59
Effect of the elimination of internal profit/loss generated from the in-kind contribution of tangible assets to group companies	-8
Reversal of deferred income released in the individual financial statements due to in-kind contribution of tangible assets to group companies	0
Adjustment of ordinary depreciation of assets producing internal profit/loss	1 816
Adjustment of other items decreasing the profit (sale, scrapping, shortfall, etc.) accounted in relation to assets producing the internal profit/loss	10
Release of deferred income reinvested in the consolidation in proportion to depreciation for the year	2 608
Elimination of asset valuation due to merger at market value	-1 144
Adjustment of release of deferred FX loss related to FX loans due to repayment	-762
Adjustment of release of deferred FX loss related to FX loans due to reversal of assets	1
Adjustment of deferral of unrealised FX losses on FX loans	176
Of which: Cancellation of distributed FX gain by MÁV-TRAKCIÓ Zrt. (at group level, consolidated FX difference: loss)	*6*
Deferral of FX losses not deferred by MÁV Zrt. due to lack of asset coverage	*170*
Adjustment of other provisions made for deferred losses on FX loans	737
Effect of eliminating and releasing internal profit/(loss) from the receipt of internal services on inventories	26
Effect of eliminating and releasing internal profit/(loss) on the consolidated profit/(loss) for the year	***1 369***
Effect of deferred tax on profit/loss as a result of consolidation accounting	-1 558
Effect of deferred tax on profit/loss	***-1 558***
Consolidated profit/(loss) for the year	***4 657***

Table 57: Calculation of the Group's consolidated result

II.3 ACTUAL ASSET, FINANCIAL AND INCOME POSITIONS

II.3.1 Cash flow statement

Figures in MHUF

No.	Item	2012	2013
I.	*Operating cash-flows*	*55 916*	*87 588*
1	Profit/loss before taxation	2 762	6 601
2	Ordinary depreciation charge	50 901	49 814
2/b	Amortisation charged to previous years	0	0
3	Impairment loss recognised	9 147	33 836
4	Changes in provisions	8 729	-21 537
4/b	Cancelled receivables	0	0
5	Proceeds from/(loss on) sale of fixed assets	-192	-843
5/b.	Profit/(loss) from changes in investments	0	-11
6	Change in trade accounts payable	-3 192	5 849
7	Change in other short-term liabilities	3 386	-250
8	Change in accruals	-4 329	14 182
8/b.	Released deferred income related to asset settlement	0	2 064
9	Change in trade accounts receivable	-21	-2 064
10	Change in current assets (net of trade accounts receivable and liquid assets)	-9 204	-6 507
11	Change in prepayments	6 226	515
12	Corporate tax paid, payable (on profit)	-432	-1 947
13	Dividend and profit share payable	0	0
13/b	Assets transferred or received free of charge, and surplus assets	-78	-14
13/c	Change in liabilities related to managed state-owned assets	1 612	2 723
13/d	Prior-year adjustments	0	0
13/e	Change in deferred tax assets due to consolidation	249	1 558
13/f	Adjustments not involving cash movements due to consolidation	84	230
13/g	Exchange difference at year-end	-9 732	2 654
13/h	Assigned debt	0	0
13/i	Interest on assigned debt	0	0
13/j	Changes in assets and liabilities due to change of scope	0	735
II.	*Change in liquid assets resulting from investing activities*	*-31 866*	*-59 642*
14	Purchase of non-current assets	-33 653	-40 768
15	Disposal of non-current assets	889	1 114
15/b	Movements in financial investments	-2 000	34
15/c	Movements in advances for capital WIP	2 887	-20 025
16	Dividend received	11	3
III.	*Financing cash flows*	*-38 399*	*-9 502*
17	Proceeds from issue of shares (capital increase)	0	0
18	Proceeds from bond issue	0	0
19	Borrowings	13 298	25 702
20	Repayment of long-term loans and bank deposits	220	192
21	Amounts received free of charge	12	12
22	Share withdrawal (capital reduction)	0	0
23	Redemption of bonds and debt securities	0	0
24	Loan repayment	-51 936	-35 547
25	Long-term loans given and bank deposits	-4	-1
26	Cash transferred	-9	0
27	Movements in payables to founders and in other long-term liabilities	20	140
IV.	*Change in cash and cash equivalents (Lines ±I±II±III)*	*-14 349*	*18 444*

Table 58: Cash flow statement

II.3.2 Value and composition of assets

Value and composition of assets

Non-current assets ratio

Non-current assets / Total assets	=	841 044 / 993 123	=	84,69%	(base: 84.63%)

Coverage of tangible assets

Equity / Own tangible assets	=	91 246 / 340 116	=	26,83%	(base: 13.95%)
Equity + Treasury funds / Tangible assets	=	604 160 / 830 833	=	72,72%	(base: 63.82%)

Coverage of non-current assets

Equity / Own tangible assets	=	91 246 / 350 327	=	26,05%	(base: 13.50%)
Equity + Treasury funds / Non-current assets	=	604 160 / 841 044	=	71,83%	(base: 62.76%)

Current assets to non-current assets

Current assets / Non-current assets	=	110 824 / 841 044	=	13,18%	(base: 12.35%)

Value and composition of liabilities

Capitalisation

Equity / Total liabilities	=	91 246 / 993 123	=	9,19%	(base: 5.82%)
Equity / Total liabilities - Treasury funds	=	91 246 / 480 209	=	19,00%	(base: 11.04%)

Gearing ratio

Debt / Equity	=	790 522 / 91 246	=	866,36%	(base: 1378.08%)
Borrowed capital - Treasury funds / Equity	=	277 608 / 91 246	=	304,24%	(base: 565.39%)

Indebtedness ratio

Debt / Total assets			=	790 522 / 993 123	=	79,60%		(base: 80.19%)

Ratio of long-term liabilities

Long-term liabilities / Long-term liabilities + Equity			=	657 843 / 749 089	=	87,82%		(base: 92.33%)
Long-term liabilities - Treasury liabilities / Long-term liabilities - Treasury liabilities + Equity			=	144 929 / 236 175	=	61,37%		(base: 79.65%)

Equity increase ratio

Equity / Share capital			=	91 246 / 22 000	=	414,75%		(base: 234.77%)

Non-current assets coverage

Equity / Non-current assets			=	91 246 / 841 044	=	10,85%		(base: 6.88%)
Equity / Non-current assets			=	91 246 / 350 327	=	26,05%		(base: 13.50%)

Profitability indicators

EBITDA (Trading profit/(loss) + depreciation charge			=	-3 164	+	49 814	=	46 650	(base: 65,757)
EBITDA rate	=	EBITDA / Net sales revenues	=			46 650 / 134 594	=	34,66%	(base: 50.79%)
Operational rate	=	Trading profit/(loss) / Net sales revenues	=			-3 164 / 134 594	=	-2,35%	(base: 11.47%)

Financial position

Working capital and liquidity

Net working capital

Current assets - Current liabilities	=	110 824	-	132 579	=	-21 755	(base: 2,879)

Liquidity ratio

Current assets / Short-term liabilities	=	110 824 / 132 579	=	83,59%	(base: 103.35%)

Quick ratio

Current assets - Inventories / Short-term liabilities	=	89 268 / 132 579	=	67,33%	(base: 79.35%)

Cash liquidity ratio

Liquid assets / Short-term liabilities	=	28 031 / 132 579	=	21,14%	(base: 11.17%)

III SUPPLEMENTARY NOTES

III.1 Information about the parent company's elected officers

Figures in MHUF

Item	2012	2013	Change
Board of Directors	15	13	-2
Supervisory Board	19	17	-2
Total:	*34*	*30*	*-4*

Table 59: Remuneration paid to the parent company's officers

No loan was disbursed to or guarantees were assumed on behalf of Board and Supervisory Board members in 2013.

III.2 Subsidies received

Figures in MHUF

Item	2012		2013		Change
	Amount	Distribution (%	Amount	Distribution (%	
Public service cost compensation	221 155	89,2%	196 904	80,1%	-24 251
Project subsidy	1 658	0,7%	23 809	9,7%	22 151
Ticket price subsidies	18 003	7,3%	18 325	7,4%	322
Refunded excise tax	5 062	2,0%	4 635	1,9%	-427
Incentive scheme for MÁV workers, 2011-2013	1 974	0,8%	1 966	0,8%	-8
Support for the Memorial Centre for the Child Victims of the Holocaust	0	0,0%	197	0,1%	197
Support for public employment	0	0,0%	99	0,0%	99
Other subsidies	8	0,0%	61	0,0%	53
Total:	**247 860**	**100,0%**	**245 996**	**100,0%**	**-1 864**

Table 60: Subsidies received

Figures in MHUF

Item	2012		2013		Change
	Amount	Distribution (%	Amount	Distribution (%	
50% discount	4 027	22,4%	3 764	20,5%	-263
90% discount	3 304	18,4%	2 947	16,1%	-357
Student discount	5 496	30,6%	5 940	32,4%	444
Discount for OAPS over 70 (65)	5 140	28,6%	5 677	31,0%	537
Total:	**17 967**	**100,0%**	**18 328**	**100,0%**	**361**

Table 61: Ticket price subsidies used

Within subsidies received, public service cost compensation related to passenger transport services comprises 80% .

MÁV-START Zrt. concluded a subsidy agreement with KIKSZ Közlekedésfejlesztési Zrt. on 19 March 2013 (KÖZOP-2.5.0-09-11-2013-00008) for the procurement of 42 multiple-unit trains. Total project costs amount to HUF 75,437 million, financed to 85% from EU funds and to 15% from state funds. For the project, subsidies amounting to HUF 21,434 million were granted in 2013, which was fully accounted as deferred income.

III.3 **Environmental 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 (ERP) [Környezeti Károk Rendezési Terve] was prepared based on the results of an environmental survey of the railways. The Plan has since been used as the basis of the Railways Sub-programme of the National Restoration Programme (OKKP). The related deadlines were initially set by the Ministry for Transport and Water to 2010. However, these deadlines were later adjusted to the National Programme and the deadlines set for 2010 no longer apply. The final deadline to implement the national restoration programme has been lifted.

Environmental provisions have been made based on the following principles:

- The Company assessed the status of environmental liabilities at the year-end and identified the difference between the provision already made and the required provision, which amount is the provision to be made in 2013.
- The underlying liabilities were unidentified based on environmental surveys and in view of mandatory work imposed by environmental authorities plus estimated expected environmental obligations.
- Only costs that are not funded from other resources have been provided for.

To cover ERP expenses, upon transformation into a private limited company by shares, HUF 5.4 billion was set aside from capital reserve based on initial estimates, which was posted to non-distributable 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, the Company made a HUF 6,533 million provision in 2002, HUF 7,805 million in 2006, HUF 1,911 million in 2008, HUF 388 million in 2009, HUF 83 million in 2010, HUF 42 million in 2011, HUF 340 million in 2012 and HUF 19 million in 2013. The available amount less used and released amounts is HUF 9,689 million.

Non-distribuatble reserves for environmental purposes and provisions for environmental liabilities are presented in the table below.

Figures in MHUF

Item	Opening balance	Increase	Decrease	Closing balance
Non-distributable reserves	3 617	0	0	3 617
Provisions	6 233	19	180	6 072
Total:	9 850	19	180	9 689

Table 62: Non-distributabla reserves for environmental purposes and provisions for environmental liabilities

Environmental expenses in 2012 and in 2013 are presented in the table below:

Figures in MHUF

Item	Prior year	Reporting year	Change
Environmental expenses	464	363	-101

Table 63: Environmental expenses

III.3.2 Tangible assets serving environment purposes

The following table shows the movements in tangible assets used for environmental purposes.

Figures in MHUF

Item	Opening	Increase in 2013	Decrease in 2013	Closing
Gross value of tangible assets	2 955	0	18	2 937
Depreciation of tangible assets	697	66	12	751
Net value of tangible assets	2 258			2 186
Construction in progress	0	0	0	0
Total:	2 258			2 186

Table 64: Movements in tangible assets used for environmental purposes

III.3.3 Quantities of hazardous waste

EWC code	Item	2012 (kg)	2013 (kg)
060101*	Sulphuric acid and similar acids	0	10
060106*	Other acids	0	40
060405*	Wastes containing other heavy metals	26	0
070104*	Other organic solvents, cleansers and alkali substances	0	167
070107*	Other organic solvents, washing liquids and mother liquors	11	11
080111*	Paint and varnish containing organic solvents or other dangerous substances	1 439	876
080117*	Wastes from paint or varnish removal containing organic solvents or other dangerous substances	2 520	2 240
080312*	Waste ink containing dangerous substances	9	4
080317*	Waste toner (hazardous paint)	1 702	2 157
080409*	Waste adhesives and fillers containing organic solvents or other dangerous substances	818	25
100101*	Boiler slag	1 000	9 500
120109*	Machining emulsions and solutions free of halogens	712	402
120112*	Used wax and grease	50	307
120116*	Sandblasting wastes containing dangerous substances	185	2 065
120118*	Oily metal sludge (from grinding, honing and lapping)	590	686
130205*	Non-chloride lubricants	33 846	36 149
130206*	Synthetic lubricants	217	0
130208*	Other lubricants	43	43
130307*	Mineral oil based, non-chloride insulation and heat transmission lubricants	6 251	3 430
130501*	Mixed waste from oil/water separator	0	600
130502*	Sludge from oil/water separator	3 260	2 959
130506*	Oil from oil/water separator	247	350
130507*	Oily water from oil/water separator	20	2 564
130508*	Mixed waste from oil/water separator	900	550
130701*	Heating and diesel oil	1 281	2 760
130899*	Other non-specified waste	610	0
140603*	Other solvent mixes	360	1 870
150101*	Paper waste packaging	0	5
150102*	Plastic waste packaging	0	6
150110*	Packaging containing residues of or contaminated by dangerous substances	6 475	7 651
150111*	Metallic packaging containing a dangerous solid porous matrix (e.g. asbestos)	1 243	679
150202*	Absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances	26 951	20 553
160103*	Rubber waste	0	40
160107*	Oil filters	4 072	1 695
160114*	Waste antifreeze containing hazardous materials	500	180
160213*	Equipment no longer in use	8	1 165
160303*	Inorganic wastes containing dangerous substances	18	33
160403*	Other waste explosives	5	0
160305*	Organic wastes containing dangerous substances	2 654	4 206
160506*	Laboratory chemicals, consisting of or containing dangerous substances	12	51
160507*	Discarded inorganic chemicals consisting of or containing dangerous substances	0	30
160601*	Lead batteries	50 097	30 588
160602*	Batteries and accumulators	1	0
160606*	Separately collected electrolyte from batteries	4 000	7 100
160708*	Wastes containing oil	0	60
160709*	Wastes containing other dangerous substances	360	338
161001*	aqueous liquid waste containing dangerous substances	2 360	0
170201*	Wood waste	502	502
170204*	Glass, plastic and wood containing or contaminated with dangerous substances	603 632	740 303
170405*	Ferrous scrap, added	820	20
170410*	Cables containing oil, coal tar and other dangerous substances	160	160
170503*	Soil and stones containing dangerous substances	1 136	2 552
170507*	Track ballast containing dangerous substances	0	20
170601*	Insulation materials containing asbestos	15	16
170603*	Other insulation materials consisting of or containing dangerous substances	0	8
170605*	Waste containing asbestos	0	130
190813*	Sludge containing dangerous substances from other treatment of industrial waste water	190 000	70 000
180104*	blood donation box	0	8
200102*	Glass /kitchen/	0	60
200108*	Biodegradable food-grade grease	0	200
200121*	Fluorescent light bulbs and other mercury-containing wastes	628	702
200133*	Batteries and accumulators included in 16 06 01, 16 06 02 or 16 06 03 and unsorted batteries	4 011	4 411
200135*	Discarded electrical and electronic equipment other than those mentioned in 20 01 21 and 20 01 23 containing hazardous components	7 658	6 357
200136*	Discarded electrical and electronic equipment other than those mentioned in 20 01 21, 20 01 23 and 20 01 35	75	0
200301*	Mixed municipal waste	0	30
200307*	Bulky waste	0	30
Total:		**963 490**	**969 654**

Table 65: The closing balance of hazardous waste quantities in 2013

III.4 **Average statistical headcount and payroll costs**

The MÁV group's average statistical headcount and payments to personnel are presented in the tables below.

Figures in MHUF

Item	2012					2013				
	Wages	Other payments to personnel	Contributions on wages and salaries	Total	Distribution (%)	Wages	Other payments to personnel	Contributions on wages and salaries	Total	Distribution (%)
Blue collar	70 371	10 019	24 300	104 690	64,86%	72 590	10 443	24 740	107 773	65,16%
White collar	37 954	5 420	12 561	55 935	34,65%	38 781	5 349	12 840	56 970	34,44%
Inactive	522	82	182	786	0,49%	434	77	155	666	0,40%
Total:	**108 847**	**15 521**	**37 043**	**161 411**	**100,00%**	**111 805**	**15 869**	**37 735**	**165 409**	**100,00%**

Table 66: the Group's payments to personnel

Item	Year 2012		Year 2013	
	Average statistical headcount	Distribution (%)	Average statistical headcount	Distribution (%)
Blue-collars	24 864	66,5%	25 083	67,2%
White-collars	12 503	33,5%	12 228	32,8%
Total staff employed:	**37 367**	**100,0%**	**37 311**	**100,0%**

Table 67: average statistical headcount of the company group

III.5 **Research and experimental development**

The MÁV group's research and experimental development costs in 2013 are presented in the tables below.

Figures in MHUF

Item	2012	2013	Change
R&D costs	***243***	***378***	***135***
Of which: Own R&D to be capitalised	0	0	0
Own R&D expensed in the reporting year	217	196	-21
R&D by third parties	26	182	156
Direct costs of technical development	***82***	***47***	***-35***
Of which: Cost of development arrangements, management and testing	0	0	0
Technical information, propaganda and production management	65	33	-32
Type classification, standardisation, industrial design	17	14	-3
Technical tenders	0	0	0
Non-capitalised or unused innovation	0	0	0
Non-capitalised, used innovation	0	0	0
Other non-capitalised, used intellectual property	0	0	0
Total:	**325**	**425**	**100**

Table 68: Costs of research and experimental development in 2013

The main purposes of the MÁV group’s research and development activities are to enhance transport safety and service quality, improve cost efficiency and strengthen environmental protection.

In 2013, HUF 245 million was accounted for the following topics:

- MÁV-GÉPÉSZET Zrt.’s project to develop and manufacture two Intercity carriage prototypes. The development activities related to the prototype included: computer modelling, development database, an air tunnel system, including an air pump-back solution. The innovative content of the project is a maximum speed of 200 km/h, extra seats and special services.
- MÁV Zrt.’s R&D activities in 2013 cost HUF 227 million, which is more than three times more than the amount accounted in the base year (HUF 68 million).
- The development of M41 series diesel engines to comply with the laws pertaining to emissions, and ensure compliance with Stage IIIB emission standards while maintaining efficiency.
- Other technological, quality control, restructuring tasks, development of business management, etc.

III.6 **Further information**

The Economic Crime Department of the Budapest Metropolitan Police has initiated an investigation against an unknown suspect in connection with MÁV Szolgáltató Központ Zrt.’s (previously: MÁV INFORMATIKA Zrt.) activities. The investigation was still ongoing at the time of closing and preparing the financial statements, and the end and result of the proceedings is currently unknown.

On 8 August 2012, under ref. no. 60100/41/2010/bü., the Criminal Directorate of the National Tax and Customs Authority informed MÁV Szolgáltató Központ Zrt. that it had issued a search warrant for evidence to be gathered at the company’s premises to a criminal case launched on the suspicion of budgetary fraud. Two searches had been conducted at the company’s premises before the preparation of the balance sheet. The Company has no further information about the case.

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APPENDICES

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Appendix No. 1
Key indicators for non-inclusion in the consolidation

No.	Company		Balance sheet total		Net sales revenues		Wages	
	Code	Item	Value	%	Value	%	Value	%
1	100	MÁV Zrt.	883 343	73,86%	163 000	39,26%	50 203	44,65%
2	096	MÁV KERT KFT	627	0,05%	978	0,24%	286	0,25%
3	101	MÁV FKG Kft.	14 545	1,22%	25 808	6,22%	4 320	3,84%
4	131	MÁV KFV Kft.	3 164	0,26%	1 656	0,40%	437	0,39%
5	136	MÁV IK Kft.	3 165	0,26%	9 575	2,31%	2 817	2,51%
6	138	MÁV Szolgáltató Központ Zrt.	8 857	0,74%	14 669	3,53%	4 773	4,24%
7	139	MÁV VASÚTŐR Kft.	1 295	0,11%	4 322	1,04%	1 434	1,28%
8	149	MÁV Vagyonkezelő Zrt.	2 805	0,23%	1 383	0,33%	698	0,62%
9	179	ZÁHONY-PORT Zrt.	1 118	0,09%	2 439	0,59%	891	0,79%
10	180	MÁV-START Zrt.	133 349	11,15%	76 635	18,46%	18 831	16,75%
11	186	MÁV-TRAKCIÓ Zrt.	117 544	9,83%	66 952	16,12%	16 470	14,65%
12	187	MÁV-GÉPÉSZET Zrt.	24 446	2,04%	44 768	10,78%	10 645	9,47%
Fully consolidated companies, total:			1 194 258	99,86%	412 185	99,27%	111 805	99,44%
13	005	MÁV TI Kft.	484	0,04%	347	0,08%	19	0,02%
14	015	MÁV NOSZTALGIA Kft.	468	0,04%	1 438	0,35%	223	0,20%
15	020	MÁV VAGON Kft.	755	0,06%	1 241	0,30%	393	0,35%
Equity consolidated subsidiaries (associates), total:			1 707	0,14%	3 026	0,73%	635	0,56%
Subsidiaries total:			1 195 965	100,00%	415 211	100,00%	112 440	100,00%

Appendix No. 2
Consolidated entities

Fully consolidated entities			
Parent		Subsidiary	
100	MÁV Zrt.	096	MÁV KERT Kft.
		101	MÁV FKG Kft.
		131	MÁV KFV Kft.
		136	MÁV IK Kft.
		138	MÁV Szolgáltató Központ Zrt.
		139	MÁV VASÚTŐR Kft.
		149	MÁV Vagyonkezelő Zrt.
		179	ZÁHONY-PORT Zrt.
		180	MÁV-START Zrt.
		186	MÁV-TRAKCIÓ Zrt.
		187	MÁV-GÉPÉSZET Zrt.

Equity consolidated companies (associates)			
Subsidiary		Associate	
005	MÁVTI Kft.	022	MÁV VASJÁRMŰ Kft.
015	MÁV NOSZTALGIA Kft.	027	Bombardier MÁV Kft.
020	MÁV VAGON Kft.	037	VAMAV Kft.
		038	EURO-METALL Kft.
		116	MÁV-THERMIT Kft.
		142	Multiszolg 97 Hídmérleg Kft.

Companies treated as investments					
Subsidiary		Associate		Other related parties	
006	MÁV HÍDÉPÍTŐ Kft. (f.a.)	165	MÁV-REC Kft.	120	Vasutegészségügyi NKK Kft.
134	MÁV Utasellátó Zrt. (f.a.)	178	HUNGRAIL Egyesülés (v.a.)	128	EUROFIMA
152	MÁV RAKTÁR Kft. (f.a.)	188	MTMG Zrt.	147	BCC
190	MÁV Koncessziós Kft.	191	TS-MÁV Gépészet Services Kft.	163	Út és Pályaépítő Rt. (f.a.)
				166	NGF Kht. (f.a.)
				169	HIT Rail b.v.
				172	Normon-Tool Kft.

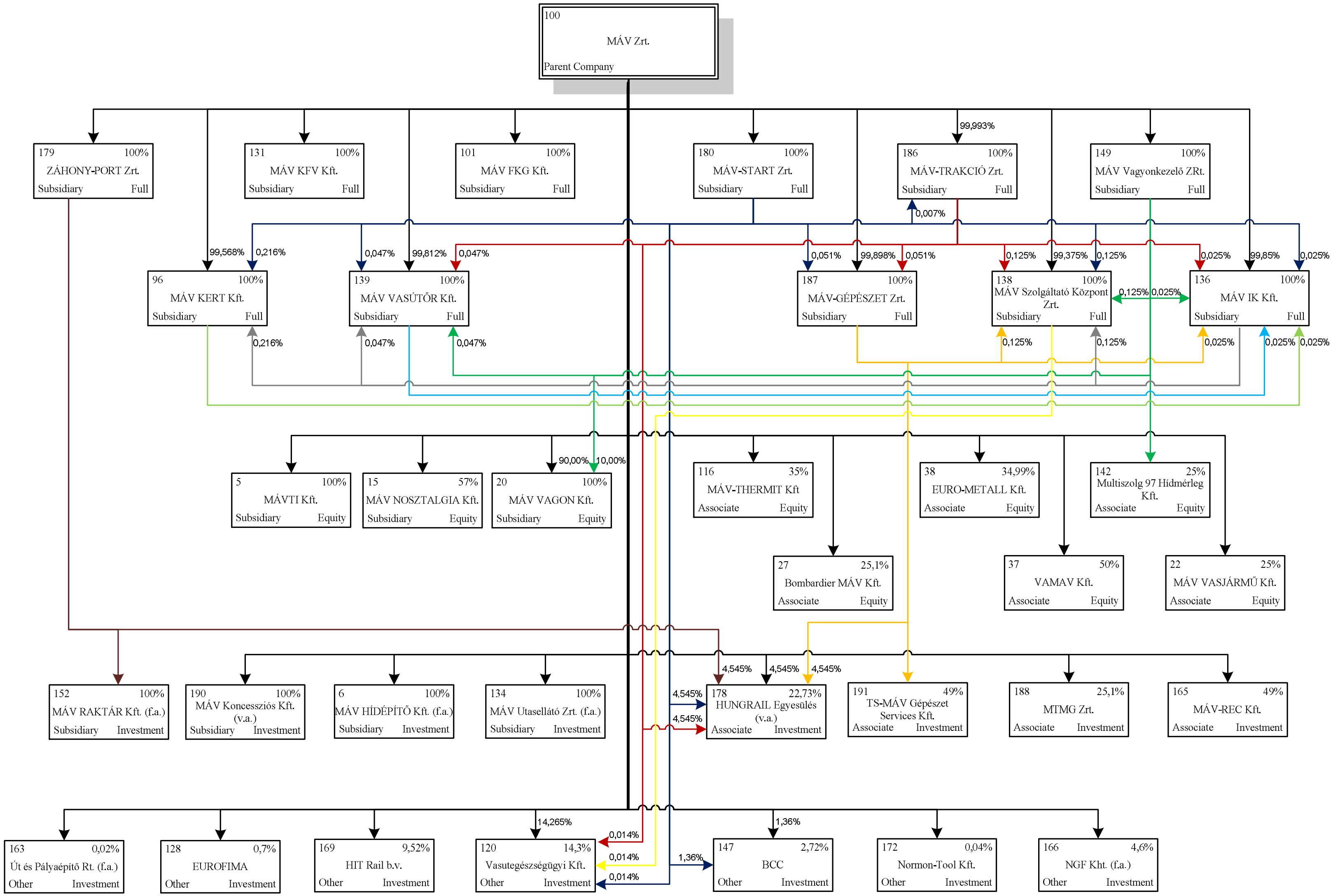
Appendix No. 3
Changes in the scope of consolidation

Changes in the scope of fully consolidated companies					
Increase		Reason for increase	Decrease		Reason for decrease
096	MÁV KERT Kft.	Acquired a quota in a fully consolidated subsidiary, and was therefore reclassified from "equity"	190	MÁV Koncessziós Kft.	Under voluntary liquidation.
139	MÁV VASÚTŐR Kft.	Acquired a quota in a fully consolidated subsidiary, and was therefore reclassified from "equity"			

Changes in the circle of equity consolidated companies (associates)					
Increase		Reason for increase	Decrease		Reason for decrease
			096	MÁV KERT Kft.	Acquired a quota in a fully consolidated subsidiary, and was therefore reclassified to fully consolidated entities
			139	MÁV VASÚTŐR Kft.	Acquired a quota in a fully consolidated subsidiary, and was therefore reclassified to fully consolidated entities
			084	RESTI Zrt.	Merged into MÁV Vagyonkezelő Zrt.

Change in the circle of companies treated as investments for consolidation purposes					
Increase		Reason for increase	Decrease		Reason for decrease
190	MÁV Koncessziós Kft. (v.a.)	Under voluntary liquidation.	182	Józsefváros Pályaudvar Kft. (v.a.)	Liquidation procedure closed
			183	PRUDENT-INVEST Zrt. (v.a.)	Liquidation procedure closed
			184	Kelenföldi Pályaudvar Kft. (v.a.)	Liquidation procedure closed
			185	DÉLI PÁLYAUDVAR Zrt. (v.a.)	Liquidation procedure closed
			162	Bugaci Kisvasút Kht. (v.a.)	Liquidation procedure closed

Appendix No. 4
Organisational chart



Appendix No. 5
Required level of consolidation and actual method of consolidation applied

No.	Company		Classification	Basis of classification	Consolidation requirement arising from classification	Method of actual consolidation
	Code	Item				
1	100	MÁV Zrt.	parent	voting rights	full	full
2	096	MÁV KERT Kft.	subsidiary	voting rights	full	full
3	101	MÁV FKG Kft.	subsidiary	voting rights	full	full
4	131	MÁV KFV Kft.	subsidiary	voting rights	full	full
5	136	MÁV IK Kft.	subsidiary	voting rights	full	full
6	138	MÁV Szolgáltató Központ Zrt.	subsidiary	voting rights	full	full
7	139	MÁV VASÚTŐR Kft.	subsidiary	voting rights	full	full
8	149	MÁV Vagyonkezelő Zrt.	subsidiary	voting rights	full	full
9	179	ZÁHONY-PORT Zrt.	subsidiary	voting rights	full	full
10	180	MÁV-START Zrt.	subsidiary	voting rights	full	full
11	186	MÁV-TRAKCIÓ Zrt.	subsidiary	voting rights	full	full
12	187	MÁV-GÉPÉSZET Zrt.	subsidiary	voting rights	full	full
13	005	MÁVTI Kft.	subsidiary	voting rights	full	equity
14	015	MÁV NOSZTALGIA Kft.	subsidiary	voting rights	full	equity
15	020	MÁV VAGON Kft.	subsidiary	voting rights	full	equity
16	022	MÁV VASJÁRMŰ Kft.	associate	voting rights	equity	equity
17	027	Bombardier MÁV Kft.	associate	voting rights	equity	equity
18	037	VAMAV Kft.	associate	voting rights	equity	equity
19	038	EURO-METALL Kft.	associate	voting rights	equity	equity
20	116	MÁV-THERMIT Kft.	associate	voting rights	equity	equity
21	142	Multiszolg 97 Hídmérleg Kft.	associate	voting rights	equity	equity
22	006	MÁV HÍDÉPÍTŐ Kft. (f.a.)	subsidiary	voting rights	full	investment
23	134	MÁV Utasellátó Zrt. (f.a.)	subsidiary	voting rights	full	investment
24	152	MÁV RAKTÁR Kft. (f.a.)	subsidiary	voting rights	full	investment
25	190	MÁV Koncessziós Kft. (v.a.)	subsidiary	voting rights	full	investment
26	165	MÁV-REC Kft.	associate	voting rights	equity	investment
27	178	HUNGRAIL Egyesülés (v.a.)	associate	voting rights	equity	investment
28	188	MTMG Zrt.	associate	voting rights	equity	investment
29	191	TS-MÁV Gépészet Services Kft.	associate	voting rights	equity	investment
30	120	Vasutegészségügyi NKK Kft.	ther associate	voting rights	investment	investment
31	128	EUROFIMA	ther associate	voting rights	investment	investment
32	147	BCC	ther associate	voting rights	investment	investment
33	163	Út és Pályaépítő Rt. (f.a.)	ther associate	voting rights	investment	investment
34	166	NGF Kht. (v.a.)	ther associate	voting rights	investment	investment
35	169	HIT Rail b.v.	ther associate	voting rights	investment	investment
36	172	Normon-Tool Kft.	ther associate	voting rights	investment	investment

Appendix No. 6
Items posted as part of the consolidation

No.		Item	Aggregate financial statement data for the reporting year		Opening total	Effects of consolidation tasks for 2013					Total consolidation for 2013		Consolidated data for 2013		Comparison	
			Prior-year adjustments	Reporting year		Total opening settlement	Total equity consolidation	Total debt consolidation	Consolidation of earnings and expenditure	Elimination of internal profit/loss in total	Elimination of prior years	Elimination for the reporting ye	Prior-year adjustments	Reporting year	Consolidated financial statements for 2012	Change (reporting year - prior year)
01	A	**NON-CURRENT ASSETS**	**0**	**973 340**	**-126 704**	**0**	**-4 954**	**-366**	**0**	**-272**	**0**	**-5 592**	**0**	**841 044**	**718 241**	**122 803**
02	I.	INTANGIBLE ASSETS	0	4 396	-67	0	0	0	0	-39	0	-39	0	4 290	3 218	1 072
03		Capitalised foundation/restructuring	0	3	0	0	0	0	0	0	0	0	0	3	11	-8
04		Capitalised value of research and development	0	350	0	0	0	0	0	0	0	0	0	350	237	113
05		Concessions, licenses and similar rights	0	2 285	-8	0	0	0	0	-22	0	-22	0	2 255	1 882	373
06		Trade-marks, patents and similar rights	0	1 758	-59	0	0	0	0	-17	0	-17	0	1 682	1 088	594
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	0	845 424	-12 848	0	-1 144	-366	0	-233	0	-1 743	0	830 833	706 262	124 571
11		Land and buildings and related property rights	0	516 804	-3 646	0	-1 144	0	0	-1 393	0	-2 537	0	510 621	413 374	97 247
12		Plant, machinery, equipment and vehicles	0	289 374	-9 106	0	0	0	0	1 162	0	1 162	0	281 430	277 517	3 913
13		Other equipment, fittings, vehicles	0	418	-2	0	0	0	0	1	0	1	0	417	480	-63
14		Breeding stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15		Assets in the course of construction	0	16 742	-94	0	0	0	0	-3	0	-3	0	16 645	13 196	3 449
16		Advance payments on capital WIP	0	22 086	0	0	0	-366	0	0	0	-366	0	21 720	1 695	20 025
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	0	123 520	-113 789	0	-3 810	0	0	0	0	-3 810	0	5 921	8 761	-2 840
19		Long-term participation in related parties	0	121 295	-114 958	0	-2 641	0	0	0	0	-2 641	0	3 696	5 355	-1 659
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	2 081	0	0	0	0	0	0	0	0	0	2 081	2 072	9
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	0	144	0	0	0	0	0	0	0	0	0	144	165	-21
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		Equity consolidation difference	0	0	1 169	0	-1 169	0	0	0	0	-1 169	0	0	1 169	-1 169
27		from subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28		from associates	0	0	1 169	0	-1 169	0	0	0	0	-1 169	0	0	1 169	-1 169
29	B	**CURRENT ASSETS**	**0**	**178 230**	**1 655**	**0**	**0**	**-67 529**	**0**	**-1 532**	**0**	**-69 061**	**0**	**110 824**	**88 692**	**22 132**
30	I.	INVENTORIES	0	21 589	-59	0	0	0	0	26	0	26	0	21 556	20 602	954
31		Raw materials and consumables	0	17 151	-59	0	0	0	0	26	0	26	0	17 118	16 115	1 003
32		Work in progress and semi-finished products	0	3 228	0	0	0	0	0	0	0	0	0	3 228	1 991	1 237
33		Young, fattened and other livestock	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34		Finished products	0	1 064	0	0	0	0	0	0	0	0	0	1 064	1 045	19
35		Goods	0	59	0	0	0	0	0	0	0	0	0	59	914	-855
36		Advance payments for inventories	0	87	0	0	0	0	0	0	0	0	0	87	537	-450
37	II.	RECEIVABLES	0	128 610	1 714	0	0	-67 529	0	-1 558	0	-69 087	0	61 237	58 503	2 734
38		Trade debtors	0	11 033	0	0	0	2	0	0	0	2	0	11 035	9 586	1 449
39		Receivables from related parties	0	68 550	21	0	0	-67 559	0	0	0	-67 559	0	1 012	1 134	-122
40		Receivables from other investments	0	11	0	0	0	0	0	0	0	0	0	11	24	-13
41		Bills of exchange receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42		Other receivables	0	49 016	0	0	0	28	0	0	0	28	0	49 044	46 066	2 978
43		Tax liabilities arising (calculated) from consolidation	0	0	1 693	0	0	0	0	-1 558	0	-1 558	0	135	1 693	-1 558
44	III.	SECURITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45		Participation 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 participation	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	28 031	0	0	0	0	0	0	0	0	0	28 031	9 587	18 444
50		Cash, cheques	0	159	0	0	0	0	0	0	0	0	0	159	160	-1
51		Bank deposits	0	27 872	0	0	0	0	0	0	0	0	0	27 872	9 427	18 445
52	C	**PREPAID EXPENSES & ACCRUED INCOME**	**0**	**42 688**	**1 858**	**0**	**0**	**-2 706**	**0**	**-585**	**0**	**-3 291**	**0**	**41 255**	**41 770**	**-515**
53		Accrued income	0	28 634	0	0	0	-2 465	0	0	0	-2 465	0	26 169	26 154	15
54		Prepaid expenses	0	998	-4	0	0	-241	0	0	0	-241	0	753	787	-34
55		Deferred expenses	0	13 056	1 862	0	0	0	0	-585	0	-585	0	14 333	14 829	-496
56		**TOTAL ASSETS**	**0**	**1 194 258**	**-123 191**	**0**	**-4 954**	**-70 601**	**0**	**-2 389**	**0**	**-77 944**	**0**	**993 123**	**848 703**	**144 420**

No.		Item	Aggregate financial statement data for the reporting year		Opening total	Effects of consolidation tasks for 2013					Total consolidation for 2013		Consolidated data for 2013		Comparison	
			Prior-year adjustments	Reporting year		Total opening settlement	Total equity consolidation	Total debt consolidation	Consolidation of earnings and expenditure	Elimination of internal profit/loss in total	Elimination of prior years	Elimination for the reporting ye	Prior-year adjustments	Reporting year	Consolidated financial statements for 2012	Change (reporting year - prior year)
57	D	**EQUITY**	**0**	**236 559**	**-140 643**	**0**	**-4 956**	**-779**	**110**	**955**	**0**	**-4 670**	**0**	**91 246**	**49 388**	**41 858**
58	I.	SHARE CAPITAL	0	69 537	-47 305	0	-232	0	0	0	0	-232	0	22 000	21 037	963
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.	SUBSCRIBED, BUT UNPAID CAPITAL (-)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
61	III.	CAPITAL RESERVE	0	217 064	-68 356	0	-1 894	0	0	0	0	-1 894	0	146 814	110 581	36 233
62	IV.	RETAINED EARNINGS	0	-68 848	-9 078	0	-7 287	0	0	-152	0	-7 439	0	-85 365	-79 008	-6 357
63	V.	ALLOCATED RESERVES	0	12 135	380	0	0	0	0	152	0	152	0	12 667	12 813	-146
64	VI.	REVALUATION RESERVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65	VII.	PROFIT/(LOSS) FOR THE YEAR	0	6 671	0	0	-2 301	-779	111	955	0	-2 014	0	4 657	2 341	2 316
66	VIII.	CHANGES IN EQUITY OF SUBSIDIARIES +-	0	0	5 287	0	6 788	0	0	0	0	6 788	0	12 075	5 288	6 787
67	IX.	CHANGES DUE TO CONSOLIDATION +-	0	0	-21 571	0	-30	0	-1	0	0	-31	0	-21 602	-23 664	2 062
68		difference from debt consolidation	0	0	910	0	338	0	-1	0	0	337	0	1 247	2 101	-854
		difference from internal profit/loss	0	0	-25 498	0	0	0	0	0	0	0	0	-25 498	-28 847	3 349
		Depreciation of goodwill	0	0	0	0	0	0	0	0	0	0	0	0	0	0
		Valuation of investments in associates	0	0	3 017	0	-368	0	0	0	0	-368	0	2 649	3 082	-433
69		Deferred tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70	X.	INVESTMENTS OF EXTERNAL MEMBERS (OTHER OWNERS)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
71	E	**PROVISIONS**	**0**	**42 763**	**964**	**0**	**0**	**0**	**-110**	**-737**	**0**	**-847**	**0**	**42 880**	**64 417**	**-21 537**
72	1	Provision for contingent liabilities	0	26 681	-517	0	0	0	-110	0	0	-110	0	26 054	27 594	-1 540
73	2	Provision for future expenses	0	9 342	0	0	0	0	0	0	0	0	0	9 342	29 319	-19 977
74	3	Other provisions	0	6 740	1 481	0	0	0	0	-737	0	-737	0	7 484	7 504	-20
75	F	**LIABILITIES**	**0**	**858 742**	**-544**	**0**	**2**	**-67 678**	**0**	**0**	**0**	**-67 676**	**0**	**790 522**	**680 605**	**109 917**
76	I.	SUBORDINATED LIABILITIES	0	0	98	0	2	0	0	0	0	2	0	100	98	2
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		Liabilities to the owners	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 from subsidiaries	0	0	98	0	2	0	0	0	0	2	0	100	98	2
83	II.	LONG-TERM LIABILITIES	0	657 843	0	0	0	0	0	0	0	0	0	657 843	594 694	63 149
84		Long-term borrowings	0	2 151	0	0	0	0	0	0	0	0	0	2 151	3 090	-939
85		Convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
86		Debts from issue of bonds	0	10 000	0	0	0	0	0	0	0	0	0	10 000	45 000	-35 000
87		Investment and development credits	0	110 674	0	0	0	0	0	0	0	0	0	110 674	133 401	-22 727
88		Other long-term credits	0	21 718	0	0	0	0	0	0	0	0	0	21 718	11 400	10 318
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	0	513 300	0	0	0	0	0	0	0	0	0	513 300	401 803	111 497
		Corporate tax due arising from the consolidation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	III.	CURRENT LIABILITIES	0	200 899	-642	0	0	-67 678	0	0	0	-67 678	0	132 579	85 813	46 766
91		Short-term borrowings	0	35 939	0	0	0	0	0	0	0	0	0	35 939	1 253	34 686
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	41 247	0	0	0	0	0	0	0	0	0	41 247	34 766	6 481
94		Prepayments received from debtors	0	52	0	0	0	0	0	0	0	0	0	52	49	3
95		Creditors	0	29 780	0	0	0	-4	0	0	0	-4	0	29 776	23 927	5 849
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	0	70 280	-642	0	0	-67 674	0	0	0	-67 674	0	1 964	2 391	-427
98		Short-term debts to other investments	0	17	0	0	0	0	0	0	0	0	0	17	92	-75
99		Other short-term liabilities	0	23 584	0	0	0	0	0	0	0	0	0	23 584	23 335	249
100	G	**ACCRUED EXPENSES AND DEFERRED INCOME**	**0**	**56 194**	**17 032**	**0**	**0**	**-2 144**	**0**	**-2 607**	**0**	**-4 751**	**0**	**68 475**	**54 293**	**14 182**
101		Deferred income	0	11 284	0	0	0	-178	0	0	0	-178	0	11 106	12 510	-1 404
102		Accrued expenses	0	8 604	-251	0	0	-1 966	0	0	0	-1 966	0	6 387	7 418	-1 031
103		Deferred extraordinary revenues and negative goodwill	0	36 306	17 283	0	0	0	0	-2 607	0	-2 607	0	50 982	34 365	16 617
104		**TOTAL EQUITY & LIABILITIES**	**0**	**1 194 258**	**-123 191**	**0**	**-4 954**	**-70 601**	**0**	**-2 389**	**0**	**-77 944**	**0**	**993 123**	**848 703**	**144 420**

No.	Item	Aggregate financial statement data for the reporting year		Opening total	Effects of consolidation tasks for 2013					Total consolidation for 2013		Consolidated data for 2013		Comparison	
		Prior-year adjustments	Reporting year		Total opening settlement	Total equity consolidation	Total debt consolidation	Consolidation of earnings and expenditure	Elimination of internal profit/loss in total	Elimination of prior years	Elimination for the reporting ye	Prior-year adjustments	Reporting year	Consolidated financial statements for 2012	Change (reporting year - prior year)
01	Net domestic sales revenues	0	395 581	0	0	0	1	-244 708	-32 884	0	-277 591	0	117 990	114 488	3 502
02	Net export sales revenues	0	16 604	0	0	0	0	0	0	0	0	0	16 604	14 983	1 621
	Total internal revenues	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I.	NET SALES	0	412 185	0	0	0	1	-244 708	-32 884	0	-277 591	0	134 594	129 471	5 123
03	Capitalised value of self produced assets	0	1 250	0	0	0	0	0	0	0	0	0	1 250	353	897
04	Movement in self produced inventories	0	4 784	0	0	0	0	-65	22 034	0	21 969	0	26 753	22 706	4 047
II.	CAPITALISED VALUE OF OWN PERFORMANCE	0	6 034	0	0	0	0	-65	22 034	0	21 969	0	28 003	23 059	4 944
III.	OTHER REVENUES	0	236 715	0	0	0	-911	-1 602	3 309	0	796	0	237 511	255 343	-17 832
	line III of which: impairment of reversed	0	543	0	0	0	0	0	-2	0	-2	0	541	227	314
III/A.	ARISING DUE TO DEBT CONSOLIDATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	CONSOLIDATION DIFFERENCE INCREASING THE TAXABLE PROFIT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
05	Material costs	0	69 233	0	0	0	0	-519	-628	0	-1 147	0	68 086	62 975	5 111
06	Material type services utilised	0	251 825	0	0	0	-3	-201 151	79	0	-201 075	0	50 750	50 649	101
07	Other services	0	3 512	0	0	0	0	-5	0	0	-5	0	3 507	2 828	679
08	Cost of goods sold	0	49 193	0	0	0	0	-31 676	-7 860	0	-39 536	0	9 657	8 579	1 078
09	Cost of consignement services	0	13 358	0	0	0	0	-9 805	-435	0	-10 240	0	3 118	2 811	307
	Internal expenses accounted	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IV.	MATERIAL-TYPE EXPENDITURES (05+06+07+08+09)	0	387 121	0	0	0	-3	-243 156	-8 844	0	-252 003	0	135 118	127 842	7 276
10	Payroll cost	0	111 805	0	0	0	0	0	0	0	0	0	111 805	108 847	2 958
11	Other payments to personnel	0	15 922	0	0	0	0	-53	0	0	-53	0	15 869	15 521	348
12	Social security and other contributions	0	37 735	0	0	0	0	0	0	0	0	0	37 735	37 043	692
V.	PAYMENTS TO PERSONNEL (10+11+12)	0	165 462	0	0	0	0	-53	0	0	-53	0	165 409	161 411	3 998
VI.	DEPRECIATION CHARGE	0	51 630	0	0	0	0	0	-1 816	0	-1 816	0	49 814	50 901	-1 087
VII.	OTHER EXPENSES	0	55 066	0	0	1 169	-128	-3 189	13	0	-2 135	0	52 931	52 863	68
	line VII of which: impairment loss	0	33 063	0	0	1 169	0	0	-15	0	1 154	0	34 217	9 507	24 710
VII/A	ARISING DUE TO DEBT CONSOLIDATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	CONSOLIDATION DIFFERENCE DECREASING THE TAXABLE PROFIT	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A	**OPERATING PROFIT/(LOSS)**	**0**	**-4 345**	**0**	**0**	**-1 169**	**-779**	**23**	**3 106**	**0**	**1 181**	**0**	**-3 164**	**14 856**	**-18 020**
13	Dividends (due) received	0	1 266	0	0	-1 263	0	0	0	0	-1 263	0	3	11	-8
	line 13 of which: from related parties	0	1 263	0	0	-1 263	0	0	0	0	-1 263	0	0	8	-8
13/a.	Dividend received from associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13/b.	Dividend received from related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Foreign exchange gain on disposal of investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	line 14 of which: from related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Interest and gains on long-term financial investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	line 15 of which: from related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Other interest received (due) and similar income	0	1 314	0	0	0	0	-317	0	0	-317	0	997	1 350	-353
	line 16 of which: from related parties	0	317	0	0	0	0	-317	0	0	-317	0	0	0	0
17	Other financial revenues	0	437	0	0	838	0	0	-8	0	830	0	1 267	2 032	-765
VIII.	FINANCIAL REVENUES	0	3 017	0	0	-425	0	-317	-8	0	-750	0	2 267	3 393	-1 126
18	Foreign exchange loss of financial investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	line 18 of which: towards related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Interest payable and similar charges	0	8 363	0	0	0	0	-317	0	0	-317	0	8 046	12 716	-4 670
	line 19 of which: towards related parties	0	317	0	0	0	0	-317	0	0	-317	0	0	1	-1
20	Impairment of shares, securities, bank deposits	0	-425	0	0	428	0	0	0	0	428	0	3	7	-4
21	Other financial expenditures	0	3 102	0	0	334	0	0	577	0	911	0	4 013	2 751	1 262
IX.	FINANCIAL EXPENDITURES	0	11 040	0	0	762	0	-317	577	0	1 022	0	12 062	15 474	-3 412
B	**FINANCIAL PROFIT**	**0**	**-8 023**	**0**	**0**	**-1 187**	**0**	**0**	**-585**	**0**	**-1 772**	**0**	**-9 795**	**-12 081**	**2 286**
C	**PROFIT FROM ORDINARY ACTIVITIES**	**0**	**-12 368**	**0**	**0**	**-2 356**	**-779**	**23**	**2 521**	**0**	**-591**	**0**	**-12 959**	**2 775**	**-15 734**
X.	EXTRAORDINARY REVENUES	0	22 302	0	0	-1 968	0	-1	-626	0	-2 595	0	19 707	101	19 606
XI.	EXTRAORDINARY EXPENDITURES	0	2 866	0	0	-2 015	0	-89	-618	0	-2 722	0	144	103	41
D	**EXTRAORDINARY PROFIT**	**0**	**19 436**	**0**	**0**	**47**	**0**	**88**	**-8**	**0**	**127**	**0**	**19 563**	**-2**	**19 565**
E	**PROFIT/(LOSS) BEFORE TAX**	**0**	**7 068**	**0**	**0**	**-2 309**	**-779**	**111**	**2 513**	**0**	**-464**	**0**	**6 604**	**2 773**	**3 831**
XII.	TAX LIABILITY	0	389	0	0	0	0	0	0	0	0	0	389	183	206
XII/A	DEFERRED TAX	0	0	0	0	0	0	0	1 558	0	1 558	0	1 558	249	1 309
	TAX DIFFERENCE ±	0	0	0	0	0	0	0	0	0	0	0	0	0	0
F	**PROFIT/LOSS AFTER TAX**	**0**	**6 679**	**0**	**0**	**-2 309**	**-779**	**111**	**955**	**0**	**-2 022**	**0**	**4 657**	**2 341**	**2 316**
22	Dividends, profit sharing paid from retained earnings	0	209	0	0	-209	0	0	0	0	-209	0	0	0	0
23	Dividends and profit-sharings paid (approved)	0	217	0	0	-217	0	0	0	0	-217	0	0	0	0
24	Shares of minority shareholders	0	0	0	0	0	0	0	0	0	0	0	0	0	0
G	**PROFIT/(LOSS) FOR THE YEAR**	**0**	**6 671**	**0**	**0**	**-2 301**	**-779**	**111**	**955**	**0**	**-2 014**	**0**	**4 657**	**2 341**	**2 316**