

MÁV MAGYAR ÁLLAMVASUTAK ZRT.

**Independent auditor's report and Consolidated Financial
Statements**

31 December 2014



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 2014 (in which the balance sheet total is HUF 1,194,737 million, the profit per consolidated balance sheet is HUF 49,127 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

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 2014, 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.2.1 which states that the financing of the Company's operations, the repayment of its loans, and the return on 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.2.1 which states that, in 2011, the Hungarian government and MÁV Zrt. signed a railtrack operation agreement 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, HUF 65.62 billion in 2013 and HUF 66,83 billion in 2014. The reimbursement for 2013 and 2014 has not been settled with the Ministry for National Development, and the amounts might change.
3. We draw attention to note I.2.1 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 from this date, cost compensations are divided into the categories of compensation for operational costs to be accounted in profit/loss and compensation for renovation costs providing funds for capital expenditures on state owned assets. As a result, the railtrack operation agreement between MÁV Zrt. and the Ministry for National Development was amended in 2014. From the compensation available, the compensation used to cover losses amounted to HUF 34.449 million in 2014 (46.761 million in 2013), compensation for renovations amounted to HUF 23.790 million (19.827 million in 2013). The difference of HUF 8.986 million between the compensation available in the state budget and the compensation actually used is presented in the books as a liability to the state (HUF 395 million liability at 31 December 2013).

4. We draw attention to note I.2.2 which states that on 1 July 2007 the Company transferred the implementation of capital projects related to state owned assets and financed from government and EU funds to Nemzeti Infrastruktúra Fejlesztő Zrt. ("NIF Zrt"). NIF Zrt. handed over part 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 until 2013.

In connection with 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") and based on note I.2.2, 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 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. during 2013 in the amount of HUF 151,3 billion, and 9 projects in the amount of HUF 217,2 billion during 2014.

The estimated gross value of assets technically supplied and installed during 2014, but not yet taken over from a legal and financial perspective from NIF Zrt. and therefore not shown in the Company's books as at 31 December 2014 was HUF 51.476 million (HUF 109.854 million at 31 December 2013). The provision made for the estimated accumulated depreciation of these assets was HUF 0 million at 31 December 2014 (HUF 3.686 million at 31 December 2013).

5. We draw attention to note I.2.4 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 loss of capital for the Company.
6. We draw attention to note I.2.1 which states that in 2013 MÁV-START Zrt. concluded a public passenger transport service agreement for the years 2014-2023 with the Ministry for National Development, representing the Hungarian State as the requestor of the public service. 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. MÁV-START Zrt. presents compensation receivable for public service costs in its books of MHUF 7,067 relating to 2011, MHUF 10,163 relating to 2012 and MHUF 6,050 relating to 2013. The amount of compensation recorded as other income in MÁV-START Zrt's financial statements for 2014 was MHUF 146,146, from which MHUF 4,642 is included in the balance sheet among other receivables. The reimbursement for 2014 has not yet been settled with the Ministry for National Development.



Our opinion has not been qualified in respect of matters presented in points 1)-6).

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 2014.

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 2014 consolidated business report is consistent with the disclosures in the consolidated financial statements as of 31 December 2014.

Budapest, 29 June 2015

Éva Barsi
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 MAGYAR ÁLLAMVASUTAK
Zártkörűen Működő Részvénytársaság

1087 Budapest, Könyves Kálmán krt. 54-60.

Consolidated
Balance Sheet and Profit and Loss Statement
2014.12.31

Date: Budapest, 4 June 2015

Director (representative) of the Company

L.S.

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Company registration number

Balance sheet date of the business year: 31.12.2014

BALANCE SHEET version "A" Assets

Figures in MHUF

Serial no.	Description	Previous year 31.12.2013	Adjustments of prior year(s)	Current year 12.31.2014
a	b	c	d	e
A.	Non-current assets (lines I+II+III)	841 044	0	1 046 851
I.	INTANGIBLE ASSETS	4 290	0	5 078
01	Capitalised value of foundation/restructuring	3	0	2
02	Capitalised value of R&D	350	0	562
03	Concessions, licenses and similar rights	2 255	0	2 139
04	Trade-marks, patents and similar assets	1 682	0	2 375
05	Goodwill	0	0	0
06	Advance payments on intangible assets	0	0	0
07	Value adjustment of intangible assets	0	0	0
II.	TANGIBLE ASSETS	830 833	0	1 035 854
01	Land and buildings and related property rights	510 621	0	683 710
02	Plant, machinery, equipment and vehicles	281 430	0	310 587
03	Other equipment, fittings, vehicles	417	0	337
04	Breeding stock	0	0	0
05	Capital WIP, renovations	16 645	0	26 520
06	Advance payments on capital WIP	21 720	0	14 700
07	Value adjustment of tangible assets	0	0	0
III.	FINANCIAL INVESTMENTS	5 921	0	5 919
01	Long-term participation in related parties	3 696	0	3 568
02	Long-term loans granted to related parties	0	0	0
03	Other long-term investments	2 081	0	2 241
04	Long-term loans granted to other investments	0	0	0
05	Other long-term loans granted	144	0	110
06	Long-term debt securities	0	0	0
07	Value adjustment of financial investments	0	0	0
08	Valuation difference of fixed financial assets	0	0	0
09	Equity consolidation difference	0	0	0
	- from subsidiaries	0	0	0
	- from associates	0	0	0

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Company registration number

ance sheet date of the business year: 31.12.2

BALANCE SHEET version "A" Assets

Figures in MHUF

Seria I no.	Description	Previous year 31.12.2013	Adjustments of prior year(s)	Current year 12.31.2014
a	b	c	d	e
B.	Current assets (lines I+II+III+IV)	110 824	0	103 548
I.	INVENTORIES	21 556	0	20 873
01	Raw materials	17 118	0	17 289
02	Work in progress and semi-finished products	3 228	0	1 819
03	Young, fattened and other livestock	0	0	0
04	Finished products	1 064	0	1 023
05	Goods	59	0	734
06	Advance payments on inventories	87	0	8
II.	RECEIVABLES	61 237	0	49 111
01	Trade debtors	11 035	0	10 627
02	Receivables from related companies	1 012	0	461
03	Receivables from other investments	11	0	16
04	Bills of exchange receivable	0	0	0
05	Other receivables	49 044	0	37 878
06	Tax liabilities arising (calculated) from consolidation	135	0	129
III.	SECURITIES	0	0	0
01	Investments in related companies	0	0	0
02	Other investments	0	0	0
03	Treasury shares and own participation	0	0	0
04	Marketable debt securities	0	0	0
IV.	LIQUID ASSETS	28 031	0	33 564
01	Cash, cheques	159	0	175
02	Bank deposits	27 872	0	33 389
C.	PREPAID EXPENSES & ACCRUED INCOME	41 255	0	44 338
01	Accrued income	26 169	0	26 331
02	Prepaid expenses	753	0	643
03	Deferred expenses	14 333	0	17 364
	TOTAL ASSETS (A+B+C)	993 123	0	1 194 737

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Company registration number

Balance sheet date of the business year: 31.12.20

BALANCE SHEET version "A" Liabilities

Figures in MHUF

Seria I no.	Description	Previous year 31.12.2013	Adjustments of prior year(s)	Current year 12.31.2014
a	b	c	d	e
D.	Equity	91 246	0	109 840
I.	SHARE CAPITAL	22 000	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	146 814	0	119 827
IV.	RETAINED EARNINGS	-85 365	0	-86 034
V.	NON-DISTRIBUTABLE RESERVE	12 667	0	10 118
VI.	VALUATION RESERVE	0	0	0
VII.	PROFIT/(LOSS) FOR THE YEAR	4 657	0	49 127
VIII.	CHANGES IN EQUITY OF SUBSIDIARIES (±)	12 075	0	15 955
VIII./A	CHANGE IN VALUATION OF SHARES IN UNDERTAKINGS TREATED AS ASSOCIATES	2 649	0	2 587
IX.	CHANGES DUE TO CONSOLIDATION (±)	-24 251	0	-23 740
	Difference from debt consolidation	1 247	0	2 341
	Difference from internal profit/loss	-25 498	0	-26 081
X.	INVESTMENTS OF EXTERNAL MEMBERS (OTHER OWNERS)	0	0	0
E.	Provisions	42 880	0	41 119
01	Provision for contingent liabilities	26 054	0	26 440
02	Provision for future expenses	9 342	0	5 302
03	Other provisions	7 484	0	9 377
F.	Liabilities	790 522	0	972 290
I.	SUBORDINATED LIABILITIES	100	0	102
01	Subordinated liabilities to related companies	0	0	0
02	Subordinated liabilities to other investments	0	0	0
03	Subordinated liabilities to other entities	0	0	0
04	Equity consolidation difference from subsidiaries	100	0	102

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Company registration number

Balance sheet date of the business year: 31.12.2014

BALANCE SHEET version "A" Liabilities

Figures in MHUF

Seria I no.	Description	Previous year 31.12.2013	Adjustments of prior year(s)	Current year 12.31.2014
a	b	c	d	e
II.	LONG-TERM LIABILITIES	657 843	0	849 439
01	Long-term borrowings	2 151	0	1 212
02	Convertible bonds	0	0	0
03	Debts from issue of bonds	10 000	0	0
04	Investment and development credits	110 674	0	91 921
05	Other long-term credits	21 718	0	8 832
06	Long-term liabilities to related companies	0	0	0
07	Long-term liabilities to other investments	0	0	0
08	Other long-term liabilities	513 300	0	747 474
III	CURRENT LIABILITIES	132 579	0	122 749
01	Short-term borrowings	35 939	0	10 939
	of which: convertible bonds	0	0	0
02	Short-term loans	41 247	0	38 431
03	Advance payments received from customers	52	0	71
04	Creditors	29 776	0	46 787
05	Bills of exchange payable	0	0	0
06	Short-term liabilities to related companies	1 964	0	1 897
07	Short-term liabilities to other investments	17	0	84
08	Other current liabilities	23 584	0	24 540
09	Corporate tax debt arising (calculated) from consolidation	0	0	0
G.	ACCRUED EXPENSES AND DEFERRED INCOME	68 475	0	71 488
01	Deferred income	11 106	0	10 667
02	Accrued expenses	6 387	0	6 070
03	Deferred revenue	50 982	0	54 751
	TOTAL LIABILITIES (D.+E.+F.+G.)	993 123	0	1 194 737

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Statistical code

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Company registration number

Balance sheet date of the business year: 31.12.2014

Profit and loss statement prepared using the total cost method
Version "A"

Figures in MHUF

Seria I no.	Description	Previous year 31.12.2013	Adjustments of prior year(s)	Current year 12.31.2014
a	b	c	d	e
01	Net domestic sales revenues	117 990	0	123 433
02	Net revenue from export sales	16 604	0	17 477
I.	Net sales revenues (01+02)	134 594	0	140 910
03	Change in self-manufactured inventories	1 250	0	-1 595
04	Capitalised value of internally generated assets	26 753	0	25 178
II.	Capitalised value of own performance (±03+04)	28 003	0	23 583
III.	Other revenues	237 511	0	208 056
	From line III reversal of impairment	541	0	2 137
III/A.	Difference – increasing profit/loss – resulting from debt consolidation	0		0
05	Material costs	68 086	0	61 721
06	Material type services utilised	50 750	0	48 407
07	Other services	3 507	0	3 614
08	Cost of goods sold	9 657	0	9 569
09	Cost of (consignment) services	3 118	0	3 595
IV.	Material expenditures (Lines 05+06+07+08+09)	135 118	0	126 906
10	Payroll cost	111 805	0	112 356
11	Other payments to personnel	15 869	0	16 260
12	Social security and other contributions	37 735	0	37 940
V.	Payments to personnel (10.+11.+12.)	165 409	0	166 556
VI.	Depreciation charge	49 814	0	59 723
VII.	Other expenditures	52 931	0	42 215
	From line VII impairment	34 217		19 701
VII/A.	Consolidation difference – reducing profit/loss – resulting from debt consolidation	0		0
A.	OPERATING PROFIT/(LOSS) (I.+II.+III.+III/a.-IV.-V.-VI.-VII.-VII/a.)	-3 164	0	-22 851

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Statistical code

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Company registration number

Balance sheet date of the business year: 31.12.2014

Profit and loss statement prepared using the total cost method
Version "A"

Serial no.	Description	Previous year 31.12.2013	Adjustments of prior year(s)	Current year 12.31.2014
a	b	c	d	e
13	Dividend received (due)	3	0	3
	from line 13: received from related companies	0	0	3
14	Exchange gain on sale of investments	0	0	17
	from line 14: received from related companies	0	0	0
15	Interest and gain on financial investments	0	0	0
	from line 15: received from related companies	0		0
16	Other interest received (due) and similar income	997	0	610
	from line 16: received from related companies	0	0	0
17	Other financial revenues	1 267	0	1 323
VIII.	Revenues from financial transactions (13/a+13/b.+14.+15.+16.+17.)	2 267	0	1 953
18	Loss on financial investments	0	0	0
	from line 18: paid to related companies	0		0
19	Interest payable and similar expenses	8 046	0	4 843
	from line 19: paid to related companies	0	0	0
20	Impairment of investments, securities and bank deposits	3	0	0
21	Other financial expenditures	4 013	0	4 064
IX.	FINANCIAL EXPENSES (18.+19.± 20.+ 21.)	12 062	0	8 907
B.	FINANCIAL PROFIT/(LOSS) (VIII.-IX.)	-9 795	0	-6 954
C.	PROFIT/LOSS FROM ORDINARY ACTIVITIES (±A.±B.)	-12 959	0	-29 805
X.	Extraordinary revenues	19 707	0	80 887
XI.	Extraordinary expenditures	144	0	1 826
D.	PROFIT ON EXTRAORDINARY EVENTS (X.-XI.)	19 563	0	79 061
E.	PROFIT/(LOSS) BEFORE TAX (±C±D)	6 604	0	49 256
XII.	Tax liability	389	0	123
XII/A.	Deferred tax	1 558	0	6
F.	PROFIT/(LOSS) AFTER TAX (±E-XII)	4 657	0	49 127
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)	4 657	0	49 127



**MÁV MAGYAR ÁLLAMVASUTAK ZÁRTKÖRŰEN MŰKÖDŐ
RÉSZVÉNYTÁRSASÁG**

**NOTES TO THE CONSOLIDATED
ANNUAL FINANCIAL STATEMENTS FOR
2014**

04 JUNE 2015

L.S.

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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 of the Company:

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. tel: 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. From 1 January 2014 until 31 December 2017 ownership rights are exercised by the Ministry for National Development. Registered office: 1011 Budapest, Fő utca 44-50.

Pursuant to Article 3:109, paragraph (4) of the Civil Code (Ptk.) the Company has no general meeting; in matters coming under the authority of the general meeting the Founder makes decisions in writing.

The Company's share capital:

At 31 December 2014: 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

The Company's main 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:

MÁV Zrt. has engaged MÁV Szolgáltató Központ Zrt. to coordinate and manage the tasks related to the accounting services described in Article 150, paragraph (2) of Act C of 2000 on Accounting (hereinafter: Accounting Act), and to produce the annual financial statements and the consolidated annual financial statements.

The manager responsible for the coordination of tasks related to accounting services 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 auditing fee for the reporting year at MÁV Zrt. is HUF 15 million (net).
- ✚ The fee for auditing the financial statements of the fully consolidated subsidiaries of MÁV Zrt. is HUF 48 million (net).
- ✚ Other services in addition to audit amounted to HUF 18 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. The Company's founder is vested with all shareholder rights arising under the Companies Act.

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

The company's key figures (in HUF million):

Item	2013	2014	Preparation for consolidation	Data included in consolidation	Index
Balance sheet total	883 343	1 095 271	-19 478	1 075 793	122%
Equity	96 523	127 461	-19 478	107 983	112%
Registered capital	22 000	22 000	0	22 000	100%
Net sales revenues	163 000	159 318	0	159 318	98%
Wages	50 203	47 995	0	47 995	96%
Pre-tax profit	399	61 542	-19 478	42 064	10542%

1. Table: The parent company's main figures

When performing the consolidation we take into account the individual financial statements of the parent company's fully consolidated subsidiaries, reduced by the amount of dividend due in the reporting year; we eliminate the accrued dividend income during the preparation of the data. Accordingly, the data used in the consolidation is exclusive of dividend with respect to the subsidiaries alike.

The company's core activities: railway transport supporting activities (railtrack access services). With effect from 1 January 2008 the company has outsourced its rolling stock and traction operations to companies in the MÁV Group. Since 2008, the Company's main activity has been the operations of the railtrack network.

I.1.3 Fully consolidated companies

In 2014, instead of the previous 11 subsidiaries MÁV Zrt. fully included **7** in its consolidated financial statements.

The reduction in their number is due to the restructuring and group changes described below:

- ✚ MÁV-TRAKCIÓ Zrt. and MÁV-GÉPÉSZET Zrt. merged into the legal successor MÁV-START Zrt. with effect from 1 January 2014.
- ✚ M., MÁV IK Kft. and MÁV VASÚTŐR Kft. merged with the legal successor MÁV KERT Kft., which continues its activities under the name MÁV Létesítményüzemeltető és Vasútőr Kft., with effect from 31 October 2014.
- ✚ MÁV VAGON Kft. has been reclassified in the consolidation process, from among the equity consolidated undertakings (associates) to fully consolidated companies.

The key data of the 7 fully consolidated subsidiaries and the merged companies is presented below.

1. MÁV-START Vasúti Személyszállító Zártkörűen Működő Részvénytársaság

Date of foundation: 15 October 2006

The company's registered office: H-1087 Budapest, Könyves Kálmán krt. 54-60.

The company's key figures (in HUF million):

Item	2013	2014	Index
Balance sheet total	133 348	252 113	189%
Equity*	66 886	129 920	194%
Registered capital	10 000	43 742	437%
Net sales revenues	76 635	103 180	135%
Wages	18 831	45 581	242%
Pre-tax profit	133	4 204	3161%

*The value of equity shown here includes the approved dividend.

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

The company's core activity: long-distance passenger transport by railway (mostly on the basis of a public service agreement), which was expanded following the restructuring. Since 2 January 2014 the company's core activities have included: railway traction activity, the operation of railway traction vehicles; the repair and maintenance of locomotives, carriages, freight wagons and equipment used to pre-heat carriages, the prevention of chemical emergencies and, to a certain extent, accident recovery.

2. MÁV Felépítménykarbantartó és Gépjavító Korlátolt Felelősségű Társaság

Date of foundation: 01 January 1994

The company's registered office: 5137 Jászkísér, Jászladányi u. 10.

The company's key figures (in HUF million):

Item	2013	2014	Index
Balance sheet total	14 544	12 743	88%
Equity*	4 897	3 751	77%
Registered capital	1 505	1 505	100%
Net sales revenues	25 808	22 377	87%
Wages	4 320	4 264	99%
Pre-tax profit	1 918	329	17%

*The value of equity shown here includes the approved dividend.

3. Table: MÁV FKG Kft.'s main 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

Date of foundation: 01 November 1996

The company's registered office: H-1087 Budapest, Könyves Kálmán krt. 54-60.

The company's key figures (in HUF million):

Item	2013	2014	Index
Balance sheet total	8 857	10 372	117%
Equity*	2 349	2 226	95%
Registered capital	801	801	100%
Net sales revenues	14 669	24 074	164%
Wages	4 774	7 742	162%
Pre-tax profit	248	117	47%

*The value of equity shown here includes the approved dividend.

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

The company's core activity: establishing and operating the accounting system of the MÁV Group's companies with a service agreement, and ensuring the provision of accounting services; providing a human resource administration service as well as work safety and health protection services; assurance of the centralised services (procurement and stock management, logistical services, the holding of public procurement tenders, asset management, inventory taking, energy management related to railway technology, establishment and operation of environmental protection systems); training; administration and management support tasks. 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 Központi Felépítményvizsgáló Korlátolt Felelősségű Társaság

Date of foundation: 01 September 1996

The company's registered office: 1097 Budapest, Péceli út 2.

The company's key figures (in HUF million):

Item	2013	2014	Index
Balance sheet total	3 164	3 248	103%
Equity*	2 878	2 895	101%
Registered capital	569	569	100%
Net sales revenues	1 656	1 906	115%
Wages	437	447	102%
Pre-tax profit	496	523	105%

*The value of equity shown here includes the approved dividend.

5. Table: MÁV KFV Kft.'s main figures

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

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

Date of foundation: 31 August 2006

The company's registered office: 4625 Záhony, Európa tér 12.

The company's key figures (in HUF million):

Item	2013	2014	Index
Balance sheet total	755	976	129%
Equity	266	256	96%
Registered capital	244	244	100%
Net sales revenues	1 241	2 053	165%
Wages	393	427	109%
Pre-tax profit	-40	12	-30%

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

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

6. MÁV Létesítményüzemeltető és Vasútór Kft (until 31 October 2014: MÁV KERT Kertészeti Termelő, Szolgáltató és Kereskedelmi Korlátolt Felelősségű Társaság)

Date of foundation: 01 April 1993

The company's registered office: H-1087 Budapest, Könyves Kálmán krt. 54-60.

The company's key figures (in HUF million):

Item	2013	2014	Index
Balance sheet total	627	8 311	1326%
Equity	402	4 020	1000%
Registered capital	46	903	1963%
Net sales revenues	977	4 241	434%
Wages	286	1 056	369%
Pre-tax profit	136	215	158%

*The value of equity shown here includes the approved dividend.

7. Table: MÁV Létesítményüzemeltető és Vasútór Kft.'s main figures

The company's core activity: green space management, plant cultivation service, tree felling, which was expanded following the restructuring. Since 1 November 2014 the company's core activities have included: managing and operating the properties of MÁV Zrt., remedying any technical faults that arise and performing and managing the scheduled renovation works; personal security activity; property trading and asset management.

7. MÁV VAGON Vasúti Jármű Gyártó és Javító Korlátolt Felelősségű Társaság

Date of foundation: 30 December 1992

The company's registered office: 8000 Székesfehérvár, Takarodó út 1.

The company's key figures (in HUF million):

Item	2013	2014	Index
Balance sheet total	755	976	129%
Equity	266	256	96%
Registered capital	244	244	100%
Net sales revenues	1 241	2 053	165%
Wages	393	427	109%
Pre-tax profit	-40	12	-30%

8. Table: MÁV VAGON Kft.'s main figures

The company's core activity: manufacturing railway and other fixed-track vehicles.

8. MÁV Ingatlankezelő Korlátolt Felelősségű Társaság

Date of foundation: 30 December 1996

The company's registered office: H-1087 Budapest, Könyves Kálmán krt. 54-60.

The company's key figures (in HUF million):

Item	2013	2014*	Index
Balance sheet total	3 165	2 616	83%
Equity	843	885	105%
Registered capital	399	399	100%
Net sales revenues	9 575	7 319	76%
Wages	2 817	2 374	84%
Pre-tax profit	60	52	87%

*The 2014 column shows the data of the financial statements prepared for the termination of operation on 31.10.2014.

9. Table: MÁV IK Kft.'s key figures

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

9. MÁV Vagyonkezelő Zártkörűen Működő Részvénytársaság

Date of foundation: 18 July 1997

The company's registered office: H-1087 Budapest, Könyves Kálmán krt. 54-60.

The company's key figures (in HUF million):

Item	2013	2014*	Index
Balance sheet total	2 805	2 589	92%
Equity**	2 229	2 124	95%
Registered capital	244	244	100%
Net sales revenues	1 383	1 012	73%
Wages	698	295	42%
Pre-tax profit	12	125	1042%

*The 2014 column shows the data of the financial statements prepared for the termination of operation on 31.10.2014.

**The value of equity shown here includes the approved dividend.

10. Table: Change in the key data of MÁV Vagyonkezelő Zrt.

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

10. MÁV VASÚTŐR Vagyongvédelmi és Szolgáltató Korlátolt Felelősségű Társaság

Date of foundation: 30 December 1996

The company's registered office: 1097 Budapest, Fék utca 8/a.

The company's key figures (in HUF million):

Item	2013	2014*	Index
Balance sheet total	1 295	1 276	99%
Equity**	451	442	98%
Registered capital	215	215	100%
Net sales revenues	4 322	3 655	85%
Wages	1 434	1 240	86%
Pre-tax profit	189	108	57%

*The 2014 column shows the data of the financial statements prepared for the termination of operation on 31.10.2014.

**The value of equity shown here includes the approved dividend.

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

The company's core activities: personal safety services.

11. MÁV-TRAKCIÓ Vasúti Vontatási Zártkörűen Működő Részvénytársaság.

Date of foundation: 10 October 2007

The company's registered office: H-1087 Budapest, Könyves Kálmán krt. 54-60.

The company's key figures (in HUF million):

Item	2013	2014*	Index
Balance sheet total	117 544	117 695	100%
Equity	46 051	46 051	100%
Registered capital	29 815	29 815	100%
Net sales revenues	66 952	181	0%
Wages	16 470	58	0%
Pre-tax profit	2 017	0	0%

*The 2014 column shows the data of the financial statements prepared for the termination of operation on 01.01.2014.

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

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

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

Date of foundation: 12 November 2007

The company's registered office: H-1087 Budapest, Könyves Kálmán krt. 54-60.

The company's key figures (in HUF million):

Item	2013	2014*	Index
Balance sheet total	24 446	24 499	100%
Equity	12 675	12 679	100%
Registered capital	3 933	3 933	100%
Net sales revenues	44 768	55	0%
Wages	10 645	14	0%
Pre-tax profit	1 367	5	0%

*The 2014 column shows the data of the financial statements prepared for the termination of operation on 01.01.2014.

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

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

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

Pursuant to the Accounting Act, MÁV Zrt. includes 7 of its subsidiaries fully in its consolidated financial statements for 2014; it has a direct controlling interest in all of these except for MÁV VAGON Kft. The number of fully consolidated companies decreased in comparison to the consolidated financial statements on the 2013 business year.

The transformation by merger of MÁV-TRAKCIÓ Zrt., MÁV-GÉPÉSZET Zrt. and MÁV-START Zrt. (their merger into the legal successor MÁV-START Zrt.) was registered by the company court with effect from 1 January 2014. MÁV-TRAKCIÓ Zrt. and MÁV-GÉPÉSZET Zrt. ceased to exist after the transformation, and the companies were deleted from the companies register. In the consolidation the items originating from the one-day operation of MÁV-TRAKCIÓ Zrt. and MÁV-GÉPÉSZET Zrt. were eliminated.

The transformation by merger of MÁV Vagyonkezelő Zrt., MÁV IK Kft., MÁV VASÚTŐR Kft. and MÁV KERT Kft. (their merger into the legal successor MÁV KERT Kft., under its new name of MÁV Létesítményüzemeltető és Vasútőr Kft.) was registered by the company court with effect from 31 October 2014. MÁV Vagyonkezelő Zrt., MÁV IK Kft. and MÁV VASÚTŐR Kft. ceased to exist after the transformation, and the companies were deleted from the companies register. During the consolidation the items originating from the operation of the absorbed companies in 2014 were eliminated.

Based on the 20 March 2014 decision of the chairman & CEO of MÁV Zrt., from the year 2014 onwards MÁV VAGON Kft. was reclassified from the “equity consolidated” group to the group of companies that are fully included in MÁV Zrt.’s consolidated financial statements.

The voluntary liquidation of MÁV Koncessziós Kft. (v.a.) was completed and the company was deleted from the companies register with an entry made on 18 March 2014, and thus it was removed from the group of consolidated subsidiaries.

The winding up of NGF Nemzetközi Gazdaságfejlesztési Közhasznú Társaság (f.a.) was completed, and the company was deleted from the companies register on 12 February 2014, and thus it was removed from the group of consolidated subsidiaries.

MÁV Zrt. sold, to Nitrokémia Zrt., its ordinary shares in MTMG Logisztikai Zrt., representing a 25.12% ownership share, with a total nominal value of HUF 10.1 million; the group of associates treated as consolidated entities decreased.

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 Government involvement in the MÁV Group

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 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 cost compensation of HUF 21,050 million in 2011, HUF 66,941 million in 2012, HUF 65,620 million in 2013, and HUF 66,830 million in 2014.

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 for the year and compensation of renovation costs providing funds for capital expenditures on treasury assets and railtrack operation assets. Thus in 2014 MÁV Zrt. received compensation of HUF 42,292 million in operating and HUF 24,538 million in renovation costs.

On 10 June 2014 a HUF 35,000 million bond issued on the basis of the track operation agreement by MÁV Zrt. for the purpose of financing current operations in 2011 was taken over on the basis of a debt assumption agreement signed by the bond-holding banks, the State Debt Management Centre on behalf of the State of Hungary, and MÁV. The bond and the accumulated interest were recognised as extraordinary profit/loss in a value of HUF 35,361 million.

Pursuant to Chapter XVII, section 21, heading 1, subheadings 5, 6 and 8 of Act C of 2014, HUF 72,970 million is budgeted as a compensation to cover the justified costs related to the operation of the railtrack network, HUF 154,400 million to compensate the costs of public service railway passenger transport services, and HUF 12,072 million to compensate for the omission of earlier cost compensation for public service railway passenger transport services. Based on Ministry for National Development Decree 5/2015 (II.9.), MÁV Zrt. may claim HUF 68,032.9 million for railtrack operation in 2015. Based on Govt. Decree 1081/2015. (III.3.) this amount was increased by HUF 2,784 million, and thus HUF 70,816.9 million may be claimed for railtrack operation.

Article 74 of the Budget Act states that by 31 December 2015 at the latest the state shall assume, without recompense, MÁV Zrt.'s debts up to a maximum principal amount of EUR 3.6 million and up to HUF 12,330 million, and the incidental costs thereof, as well as its payment obligation originating from the early redemption of securities in a principal amount of HUF 10,000 million, which had taken place by the time of preparing the balance sheet.

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

According to the public passenger transport service contract between the Company and the Hungarian state, 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 in financial settlement of the HUF 11,595 million additional cost compensation approved for 2008-2011, on the basis of Article 2, paragraph (3), point a) of Government Decree 35/2014. (II.19.), in 2014 a total of HUF 4,528 million was financially settled, which served the payment of the full cost compensation claim for 2008-2010, and part of the recognised cost compensation claim for 2011. The recognised, but not financially settled cost compensation claim for 2011 is HUF 7,067 million.

The position of the Ministry for National Development, as stated in letter no. KSZFO/4559-2/2015-NFM on the settlement of public service activity in 2011-2013, is that in respect of the 2011-2013 period the Company is entitled to HUF 27,227 million in additional cost compensation. According to the above letter, the management will, in line with the principle of prudence, wait until the above are stipulated in respect of 2011-2013 in the memorandum of the public services contract. Accordingly, on the basis of currently available information, for previous years, outstanding receivables related to reimbursement will only be recognised to the extent of the reimbursement of reasonable expenses not covered by revenues.

As the first step in financial settlement of the 2011-2012 cost compensation claim recognised in the above-cited letter, based on Article 2, paragraph (3), point a) of Govt. Decree 5/2015. (II.9.), for 2015 a total of HUF 12,000 million in budgetary funds was allocated, which serves payment of the full HUF 7,067 million recognised compensation claim for 2011, and HUF 4,933 of the recognised cost compensation claim for 2012.

In the 2014 memorandum of the public service agreement, the planned amount of cost compensation claimable in respect of public service activity is HUF 141,504 million. For the full financing of the justified costs, not covered by revenues, of public service activity that has been ordered and certified by the client, in addition to the amount stated in the memorandum a further HUF 4,642 million, making a total of HUF 146,146 million, in cost compensation was recognised in the annual financial statements. According to the public service contract, MÁV-START Zrt. requests the actual reimbursement by submitting the financial statements on public services for 2014, following the preparation of the annual financial statements for 2014.

In the reporting year, based on the cash flow approach, HUF 146,032 million was disbursed. Of this, HUF 20,828 million related to the previous year's public service activity (in January and February HUF 10,414-10,414 was disbursed), the reimbursement of operating costs for the reporting year came out of the HUF 120,676 million disbursed between April and December (In April HUF 36,000 million, in May HUF 18,000 million, in June-September HUF 12,000 million per month, in October HUF 12,338 million, in December HUF 6,338 million). In addition to the cost compensation of the reporting year, the company became entitled to claim a further HUF 4,528 million cost compensation from the settlement of earlier cost compensation, and this was received on 1 August.

Until the payment of the reimbursement related to the reporting year (which constitutes the most significant funds for MÁV-START Zrt.), the Company managed to pay its suppliers by the required deadlines by using the overdraft and MÁV Group's cash pool funds. Continuous reimbursement

payments helped the Company repay these external funds. The Company did not have any outstanding overdrafts at year-end.

As of 1 January 2014, MÁV-TRAKCIÓ Zrt. and MÁV-GÉPÉSZET Zrt. merged into MÁV-START Zrt., which became the legal successor of the absorbed companies. MÁV-START Zrt.'s overdraft of HUF 4.95 billion was not sufficient to finance the activities acquired by the merger, therefore the Company requested an increase of the overdraft by HUF 9.1 billion to HUF 14.05 billion, based on MÁV-TRAKCIÓ Zrt.'s overdraft of HUF 5.1 billion and MÁV-GÉPÉSZET Zrt.'s overdraft of HUF 4 billion. NGM granted the related approval in its letter dated 4 June 2013. MÁV-START Zrt. conducted a successful public procurement procedure in the reporting year, resulting in an overdraft of HUF 14.05 billion at the end of December.

I.2.2 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 Zrt.'s books and capital projects are not shown in MÁV Zrt.'s books until the date of installation.

NIF Zrt. handed over a substantial part of the capital projects that it had implemented after 1 July 2007 to MÁV Zrt., and MÁV Zrt. took these assets into use; however, no legal and financial handover took place prior to the 2013 business year. 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 installed but have not been handed over legally and financially.

In 2014 the legal and financial handover of 9 projects took place, in a value of HUF 217.2 billion. The assets were accepted under the trilateral agreements between MNV Zrt., NIF Zrt. and MÁV Zrt.

With respect to completed projects, the provisions set aside for depreciation in respect of the period between the date of installation and 27 June 2013 were released on the date of handover, and concurrently with this the Company recognised extraordinary depreciation in respect of the period between the date of installation and the date of acceptance.

The change in provisions due to unrecognised depreciation is shown in the following table.

Figures in MHUF

Provisions made (+) / released (-)	Total historical cost	2007	2008	2009	2010	2011	2012	2013	2014	Balance of provisions 2014
Projects completed in 2013	151 362	41	599	1 994	6 730	6 579	6 531	-22 474	0	0
Projects completed in 2014	217 244	0	0	0	0	0	1 786	1 900	-3 686	0
Total:	368 606	41	599	1 994	6 730	6 579	8 317	-20 574	-3 686	0
Cumulative balance:		41	640	2 634	9 364	15 943	24 260	3 686	0	-

14. Table: Change in provisions related to investments technically handed over by NIF Zrt.

1.2.3 Amendment of the Act on State Property and the related capital increase (in-kind contribution related to the compensation obligation), and changes affecting the compensation obligation.

As a result of the 2013 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. 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.

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 the reimbursement of asset settlement.

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

Figures in MHUF

Nr.	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 the 2013 NIF asset settlement	11 922
	Release of deferred income related to assets involved in the 2013 NIF asset settlement	-1 965
2	Asset value derecognised due to the 2013 VÜNSZ asset settlement	5 089
	Release of deferred income related to assets involved in the 2013 VÜNSZ asset settlement	-100
3	Asset value derecognised due to the 2014 NIF asset settlement	31 829
	Release of deferred income related to assets involved in the 2014 NIF asset settlement	-3 671
4	Asset value derecognised due to the 2014 VÜNSZ asset settlement	2 644
	Release of deferred income related to assets involved in the 2014 VÜNSZ asset settlement	-199
5	Modification of the compensation for the 2013 sports real property settlement (compensation obligation contribution in kind instead of compensation obligation forgiveness)	1 609
B	Asset value derecognised as asset settlement (1+2+3+4+5)	47 158
C	Amount remaining from contribution in kind to be used for further asset settlement (A-B)	7 478

15. Table: Amount available from the in-kind contribution for the reimbursement of asset settlement as at 31.12.2014

Due to the 2013 amendment of the Act on State Property, the provisions of Act CVI of 2007 on State Property concerning asset management were amended with effect from 28 June 2013. Under the amended act, MÁV Zrt. is exempt from the compensation obligation from 28 June 2013.

The value of the compensation liability outstanding on 31 December 2014 comprises the total of extraordinary depreciation recognised, in respect of assets made by NIF Zrt. and taken over for asset management in 2013 and 2014, in the period lasting from the date of commissioning up to and including 27 June 2013.

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

Figures in MHUF

Compensation liability	2013	2014
Compensation liability accounted before the amendment to the Act on State Property took effect (28 June 2013)		
Opening balance of compensation liability (A)	47 990	0
Total increase in compensation liability for the period before the amendment of the State Property Act (until 27 June 2013) (B)	11 705	0
Total decrease in compensation liability for the period before the amendment of the State Property Act (until 27 June 2013) (C)	5 059	0
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)	54 636	0
Meeting the compensation obligation as at 27 June 2013 by means of a contribution in kind (-) (E)	-54 636	0
Compensation liability accounted from the date the amendment to the Act on State Property took effect (28 June 2013)		
Opening balance of compensation liability (E)	0	22 516
Ordinary amortisation recognised	7	-2
Extraordinary depreciation	24 592	4 557
Treasury investment, renovation from own funds (-)	27	0
Value of materials recovered from scrapping (-)	-126	0
Meeting the compensation obligation (-)	-1 984	0
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)	22 516	4 555
Ordinary amortisation recognised	12 744	32 733
Extraordinary depreciation	3 440	11 467
Net value of missing treasury assets	0	1 321
Net value of scrapped treasury assets on derecognition	1 258	509
Materials recovered from the scrapping of treasury assets (-)	-282	-607
Of which: Waiving the compensation obligation (-)	-17 160	-45 423
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
Closing balance of compensation liability (H=D+E+F+G)	22 516	27 071

16. Table: Change in the compensation liability

I.2.4 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, considerable progress was achieved in 2014 as well towards resolving the discrepancies between the actual state of MÁV Zrt.'s land assets and land registry records.

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 concurrently with the handover of the capital projects implemented by NIF Zrt. in 2014, as presented in section I.2.2. Properties of MÁV Zrt. properties with a total value of HUF 31,829 million came under state ownership, and then under the asset management of MÁV Zrt.

MÁV Zrt. concluded an asset settlement agreement with MNV Zrt. relating to the portfolio of real properties that are not necessary for railway operations ("VÜNSZ") in an amount of HUF 2,644 million.

Real properties were settled in accordance with Article 69/A, paragraph (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 related to the asset settlement was offset by the capital raise (in-kind contribution related to the compensation obligation) performed by MNV Zrt. in MÁV Zrt. on the basis of Founder's resolution 607/2013. (XI.29).

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

Figures in MHUF

Compensation for capital loss with in-kind contribution provided as part of the compensation obligation	
<i>Reduction of capital reserve</i>	<i>Amount of compensation</i>
Asset value derecognised due to VÜNSZ transfer	2 644
Release of deferred income due to VÜNSZ transfer	-199
Asset value derecognised due to NIF asset settlement*	31 829
Release of deferred income related to assets in NIF asset settlement	-3 671
Total	30 603

*The consolidated net value of the derecognised assets is HUF 31,761 million.

17. Table: Compensation for the capital loss resulting from the asset settlement

I.2.5 2014 real estate inventory

In 2014 MÁV Zrt., on the basis of its prevailing Inventory-Taking Regulations, made an inventory of the properties owned by the State of Hungary and managed by MÁV Zrt, as well as those owned by the company, with the exception of the plots of land.

As a part of the inventory-taking the following tasks were performed:

1. Determination of the actual property portfolio
2. Ensuring the – PÜSZ, VÜSZ and VÜNSZ – classification of the properties, and their accounting separation
3. Linking the assets recorded in the tangible assets module of GIR, the assets recorded in the Geographic Information system, and the structures thereof
4. Checking, and where necessary clarifying and supplementing, the descriptive data of the property records

The effective date of the inventory-taking was 31 May 2014, and the settlement of the results of the inventory-taking took place with an effective date of 31 December 2014, the results of which are shown in the table below:

Figures in MHUF

Legal title	Asset number (number)	Value (million HUF)
Actually missing	379	285
Missing due to administrative error	860	1 068
Derecognised in total	1 239	1 353
Surplus treasury assets	1 795	786

18. Table: Results of the property inventory-take

I.2.6 Settlements related to MÁV Zrt.'s environmental protection activity

Under the Service Agreement between MÁV Zrt. and MÁV SZK Zrt., the Environmental Protection unit of the Procurement and Logistics Division of MÁV SZK Zrt., in the course of the 2014 closing, reviewed the environmental protection liabilities affecting MÁV Zrt., and based on this, of the HUF 9,689 million liability on 31.12.2013, the HUF 3,617 million in non-distributable reserves were transferred to the capital reserves, and of the HUF 6,072 million provisions, having lost its relevance, and due to the already performed works HUF 3,164 million was released.

Figures in MHUF

Item	Opening	Growth	Decrease	Closing
Non-distributable reserve	3 617		3 617	0
Provisions - Railways General Ledger		5 763		5 763
Provisions - Central control and service GL	6 072	19	3 164	2 926
Total provisions	9 689	5 782	6 781	8 689

19. Table: Movements in environmental reserves in 2014

With the amendment of the regulations on the accounting separation of MÁV Zrt.'s railway transport activities (Order no. 12/2015. (III.27. MÁV Ért. 4.) EVIG), the liabilities related to environmental protection were settled between the Railtrack and Central general ledgers in the course of the 2014 annual closing, taking into account the result of the classification performed during the real-estate inventory-take performed in 2014 (PÜSZ, VÜSZ, VÜNSZ), and thus in the Railtrack books at the end of 2014 provisions of HUF 5,782 million were generated, partly due to the revaluation of works in progress, and partly to the newly discovered environmental contamination and damage restoration requirements. Thus the provisions related to environmental protection liabilities, as at 31 December 2014, were HUF 8,689 million.

In 2015 MÁV Group's environmental protection strategy is being reviewed, and this includes the compilation of a detailed, scheduled work plan for the recovery of environmental damage, taking the available resources into consideration, and also bearing in mind that, with respect to the EU-funded railway investments implemented by NIF Zrt., fulfilment of the environmental damage recovery obligations incumbent upon MÁV Zrt. may have a substantial impact on the scheduling of the investments.

In the course of renewing (for at least 5 years) the Railtrack Operation Agreement, furthermore, in line with the Recast guiding principles, environmental protection, and fulfilment of the related obligations, will have a prominent role.

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 staff costs 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), and 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 receivable or the liability, we will not deal with non-material differences whose aggregate value – in absolute value – does not exceed 0.1% or maximum 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 maximum HUF 50 million, of the revenues to be eliminated.

MÁV Zrt. drew up the MÁV Group's consolidation regulations, which, in addition to the standardisation of the principles of financial statement preparation, make a substantial part of the accounting policy and valuation regulations compulsory for the fully consolidated subsidiaries, through the publication of template accounting policies and valuation regulations. 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 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 Article 122, paragraph (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 Article 123, paragraph (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 are 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 Article 123, paragraph (6), point a) of the Accounting Act; when converting the profit and loss statements, it applies the provisions of Article 123, paragraph (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 paragraph (8), point 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 out of the group of equity-consolidated companies, during the first consolidation of capital through investment elimination, the values that emerged in previous years in connection with the reclassified undertakings – previously treated as associated

undertakings – must be taken into account; the elimination of the investment and the equity allocated to the investment, in this case too, takes place at book value, in such a way that the goodwill or negative goodwill is supplemented with the goodwill or negative goodwill arising as the equity difference apportioned to the growth in the investment.

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, except 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 Article 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 or Profit or Loss statement 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 Article 120, paragraph (5) of the Accounting Act and must therefore be eliminated against each other in accordance with Article 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 treat the difference as material if, at group level, in absolute terms it does not exceed 0.05% of the earnings to be eliminated, or a maximum of HUF 50 million. 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 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 balance sheet 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 Article 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 year and kept on record must, at opening, be recorded without an effect on profit/loss, against the balance sheet item, managed separately as a component of equity, resulting from the internal profit/loss due to consolidation (including the obligation due to active deferred tax or passive deferred tax related to the elimination).
-  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 fixed 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 value of foundation/restructuring	Capitalised value of R&D	Intangible property rights	Intellectual property	Goodwill	Advances paid on intangible assets	Adjustment of intangible assets	Total
1. Cost, opening	7	362	7 773	16 512	0	0	0	24 654
1.a Changes in scope of consolidation	0	0	0	5	0	0	0	5
1.b Cost, adjusted opening gross	7	362	7 773	16 517	0	0	0	24 659
2 Additions in the reporting year (+)	0	1	440	365	0	0	0	806
3 Self-produced inventories (+)	0	242	8	597	0	0	0	847
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 Disposal (-)	0	0	0	0	0	0	0	0
9 Transferred free of charge (-)	0	0	0	0	0	0	0	0
10 Scrapped (-)	-5	-5	-329	-572	0	0	0	-911
11 Missing (-)	0	0	0	0	0	0	0	0
12 Destroyed (-)	0	0	0	0	0	0	0	0
13 Provided as contribution in kind (-)	0	0	0	0	0	0	0	0
14 Reclassified (decrease in prepayment) (+/-)	0	0	114	-114	0	0	0	0
15. Cost, closing gross	2	600	8 006	16 793	0	0	0	25 401
16. Amortisation, opening	4	12	5 518	14 830	0	0	0	20 364
16.a Changes in scope of consolidation	0	0	0	4	0	0	0	4
16.b Amortisation, adjusted opening	4	12	5 518	14 834	0	0	0	20 368
17 Ordinary amortisation in reporting year (+)	1	31	567	266	0	0	0	865
18 Extraordinary amortisation (impairment) in the reporting year (+)	0	0	0	0	0	0	0	0
19 Reversal of extraordinary depreciation (impairment) (-)	0	0	0	0	0	0	0	0
20 Disposal (-)	0	0	0	0	0	0	0	0
21 Transferred free of charge (-)	0	0	0	0	0	0	0	0
22 Scrapped (-)	-5	-5	-328	-572	0	0	0	-910
23 Missing (-)	0	0	0	0	0	0	0	0
24 Destroyed (-)	0	0	0	0	0	0	0	0
25 Provided as contribution in kind (-)	0	0	0	0	0	0	0	0
26 Reclassification (+/-)	0	0	110	-110	0	0	0	0
27 Amortisation, closing	0	38	5 867	14 418	0	0	0	20 323
28 Opening, net	3	350	2 255	1 682	0	0	0	4 290
29 Closing, net	2	562	2 139	2 375	0	0	0	5 078

20. Table: Movements in intangible assets

Figures in MHUF

ITEM	Real property and related rights	Technical equipment, machinery, vehicles	Other equipment, fittings, vehicles	Breeding stock	Capital WIP, renovations	Advance payments on capital WIP	Value adjustment of tangible assets	Total
1. Cost, opening gross	778 676	609 279	4 175	0	17 945	21 720	0	1 431 795
1.a Changes in scope of consolidation	132	722	28	0	8	0	0	890
1.b Cost, adjusted opening gross	778 808	610 001	4 203	0	17 953	21 720	0	1 432 685
2 Additions in the reporting year (+)	0	0	0	0	60 659	632	0	61 291
3 Self-produced (+)	0	0	0	0	13 318	0	0	13 318
4 Assets received free of charge (+)	20	3	0	0	2	0	0	25
5 Assets received (in return for receivables or ownership share) (+)	0	0	0	0	0	0	0	0
6 Count surplus (+)	914	8	0	0	0	0	0	922
7 Increase from contribution in kind (+)	0	0	0	0	0	0	0	0
8 Asset management of projects carried out by NIF Zrt. (+)	193 370	22 922	0	0	952	0	0	217 244
9 Other assets taken into management	14	0	0	0	0	0	0	14
10 Increase due to asset settlement (+)	38 084	5	0	0	0	0	0	38 089
11 Disposal (-)	-364	-191	-21	0	0	0	0	-576
12 Transferred free of charge (-)	0	-67	-20	0	0	0	0	-87
13 Scrapped (-)	-1 299	-2 636	-570	0	-1	0	0	-4 506
14 Missing (-)	-3 736	-216	-144	0	0	0	0	-4 096
15 Destroyed (-)	-13	-1	-5	0	0	0	0	-19
16 Provided as contribution in kind (-)	0	0	0	0	0	0	0	0
17 Decrease due to asset settlement (-)	-54 104	-7	0	0	0	0	0	-54 111
18 Waiver of asset management rights (-)	-20	0	0	0	0	0	0	-20
19 Capitalised acquisitions in current year (+/-)	25 635	39 039	128	0	-64 802	0	0	0
20 Reclassified (decrease in prepayment) (+/-)	-36	-296	-18	0	16	-7 652	0	-7 986
21. Cost, closing gross	977 273	668 564	3 553	0	28 097	14 700	0	1 692 187
22. Amortisation, opening	268 055	327 849	3 758	0	1 300	0	0	600 962
22.a Changes in scope of consolidation	65	549	27	0	0	0	0	641
22.b Amortisation, adjusted opening	268 120	328 398	3 785	0	1 300	0	0	601 603
23 Ordinary amortisation in reporting year (+)	27 331	31 348	179	0	0	0	0	58 858
24 Extraordinary amortisation (impairment) in the reporting year (+)	14 489	1 596	0	0	318	0	0	16 403
25 Reversal of extraordinary depreciation (impairment) (-)	0	0	0	0	-43	0	0	-43
26 Count surplus (+)	77	0	0	0	0	0	0	77
27 Taken into management (+)	0	0	0	0	0	0	0	0
28 Disposal (-)	-122	-188	-17	0	0	0	0	-327
29 Transferred free of charge (-)	0	-67	-20	0	0	0	0	-87
30 Scrapped (-)	-766	-2 568	-569	0	0	0	0	-3 903
31 Missing (-)	-2 097	-209	-144	0	0	0	0	-2 450
32 Destroyed (-)	-10	-1	-5	0	0	0	0	-16
33 Provided as contribution in kind (-)	0	0	0	0	0	0	0	0
34 Decrease due to asset settlement (-)	-13 424	-2	0	0	0	0	0	-13 426
35 Waiver of asset management rights (-)	-20	0	0	0	0	0	0	-20
36 Reclassification (+/-)	-15	-330	7	0	2	0	0	-336
37. Amortisation, closing	293 563	357 977	3 216	0	1 577	0	0	656 333
38. Opening, net	510 621	281 430	417	0	16 645	21 720	0	830 833
39. Closing, net	683 710	310 587	337	0	26 520	14 700	0	1 035 854

21. Table: Movements in tangible assets

The net value of tangible assets including capital expenditures and advance payments for capital projects increased by HUF 205,021 million relative to the previous year. The main reasons are as follows:

- ✚ Increase of HUF 217,244 million (+) due to the asset management of capital projects implemented by NIF Zrt. presented in section I.2.2., extraordinary depreciation of HUF 15,519 million (-),
- ✚ The recognised ordinary and – excluding the amount described in the above point – extraordinary depreciation was HUF -59,742 million, against which the company group settled refurbishment and procurement in a value of HUF 73,977 million.
- ✚ Transfer of assets in connection with the asset settlement of VÜNSZ properties specified in section I.2.4. amounting to HUF 2,644 million (-) for MNV Zrt,
- ✚ The consolidated net value of the tangible assets derecognised on the basis of the asset settlement, asset transfer and asset management agreement between NIF Zrt., MNV Zrt. and MÁV Zrt. was HUF 31,761 million (-).
- ✚ The largest item stated among the advance payments given for capital projects is the HUF 13,767 million given to STADLER Bussnang AG, which is related to the procurement of the multiple unit financed from KÖZOP subsidies.

II.1.1.2 Assets contributed/received free of charge

Item	Supplying the products	Receipt	Effect on profit/loss
Intangible assets	0	0	0
Tangible assets	0	25	25
Capital investments	0	0	0
<i>Total:</i>	0	25	25

22. Table: Change in assets contributed/received free of charge (own assets)

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.

The total net value of treasury assets was HUF 489,078 million at 31 December 2013 and increased to HUF 717,847 million by 31 December 2014 as a result of movements during the year.

In 2014, the net value of treasury tangible assets increased by HUF 228,769 million, a change that was principally due to the asset management of capital projects implemented by NIF Zrt. detailed in section I.2.2. The cost of assets received from NIF Zrt. is HUF 217,244 million. The Company accounted extraordinary depreciation amounting to HUF 15.5 million for these assets. The value of state owned assets received for management as a result of the asset settlement described in section I.2.4. amounted to HUF 31,829 million.

In 2014, for treasury capital projects HUF 5,412 million was financed from the state budget, and HUF 24,538 million from cost compensation for renovations from the date of the amendment to the State property Act. (Section I.2.1.).

The net value was significantly reduced by the ordinary depreciation of HUF 32,731 million and the extraordinary depreciation of HUF 16,024 million accounted in the reporting year.

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

Figures in MHUF

Item	2013	2014	Change
Land, total	17 987	22 469	4 482
Buildings, total	17 362	35 065	17 703
Structures, total	383 638	570 669	187 031
Property rights related to treasury properties	573	533	-40
Machinery, equipment and vehicles, total	56 943	77 600	20 657
Capital WIP and renovations related to treasury assets and properties	12 575	11 511	-1 064
Treasury assets, total:	489 078	717 847	228 769
Materials from the disassembly of treasury assets	1 607	1 897	290
Expected value, at year end, of materials from state-owned assets to be disassembled	31	20	-11
Self-produced treasury materials (from disassembly of assets)	1	18	17
Treasury inventories, total:	1 639	1 935	296
Treasury assets, total:	490 717	719 782	229 065
Long-term liabilities, opening at 30 September 2001, upon signing the	275 578	275 578	0
Asset management of projects carried out by NIF Zrt.	151 362	368 606	217 244
<i>Of which - State and EU funds</i>	<i>148 878</i>	<i>366 122</i>	<i>217 244</i>
- <i>EQUITY</i>	<i>1 645</i>	<i>1 645</i>	<i>0</i>
- <i>Other (local government) funds</i>	<i>299</i>	<i>299</i>	<i>0</i>
- <i>Funds provided by NIF</i>	<i>540</i>	<i>540</i>	<i>0</i>
Assets taken into management	15 075	15 089	14
Asset settlement (revenue)	14 818	52 907	38 089
Investment, renovation from government funds (reimbursement for renovation)	18 717	42 432	23 715
<i>of which pertaining to the previous year</i>	<i>0</i>	<i>4</i>	<i>4</i>
Investment, renovation from EU funds/other budgetary resources	146 485	151 897	5 412
Acquisition from own funds	153 506	153 506	0
Improvements from borrowed capital	7 516	7 516	0
Surplus treasury assets	889	1 527	638
Net value of assets taken over from MÁV Zrt.	19	19	0
Materials from disassembly of treasury assets used to produce treasury assets	308	830	522
Settlement of funds related to previous years	211	211	0
Increases in treasury assets	508 906	794 540	285 634
Increase in materials from disassembly of treasury assets	2 205	2 970	765
Increases in treasury inventories	2 205	2 970	765
Increase in long-term liabilities, total:	511 111	797 510	286 399
Ordinary depreciation	233 855	266 586	32 731
Extraordinary depreciation	33 021	49 045	16 024
Sale	57	57	0
Scrapping	16 084	16 593	509
Missing	787	2 105	1 318
Net value of missing treasury assets (+)	0	3	3
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	2 690	8 970	6 280
Relinquished treasury asset management right	5 598	5 598	0
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	295 404	352 269	56 865
Materials from the disassembly of treasury assets used	568	1 037	469
Decreases in treasury inventories	568	1 037	469
Decrease in long-term liabilities, total:	295 972	353 306	57 334
Funds of treasury assets, total:	490 717	719 782	229 065

23. Table: Treasury assets and their balance sheet funds

Movements in treasury assets in 2014 are presented in the following table:

Figures in MHUF			
Changes in treasury assets	2013	2014	Change
Opening balance of treasury assets	353 546	490 717	137 171
Asset management of projects carried out by NIF Zrt.	151 362	217 244	65 882
Of which - State and EU funds	148 878	217 244	68 366
- EQUITY	1 645	0	-1 645
- Other (local government) funds	299	0	-299
- Funds provided by NIF	540	0	-540
Investment, renovation from government funds (reimbursement for renovation)	18 717	23 711	4 994
Other assets taken into management	0	14	14
Asset settlement (revenue)	14 818	38 089	23 271
Treasury assets acquired from government subsidies	4 178	5 412	1 234
Treasury assets acquired from own funds	4 151	0	-4 151
Liquid assets received from external parties for treasury investments	0	0	0
Materials from disassembly of treasury assets used to produce treasury assets	283	522	239
Settlement of funds related to previous years	-31	4	35
Surplus treasury assets	353	638	285
Increase in tangible treasury assets, total	193 831	285 634	91 803
Increase in materials from disassembly of treasury assets	788	765	-23
Increase in treasury inventories, total	788	765	-23
Increase of treasury assets, total	194 619	286 399	91 780
Ordinary depreciation of treasury assets in the reporting year	-24 302	-32 731	-8 429
Depreciation of treasury assets in previous years	0	0	0
Extraordinary depreciation in the reporting year	-28 173	-16 024	12 149
Scrapped, destroyed	-1 320	-509	811
Missing	0	-1 321	-1 321
Settlement of state owned land	-2 561	-6 280	-3 719
Relinquished treasury asset management right	-699	0	699
Settlement of previous year's shortage of treasury assets	0	0	0
Settlement of extraordinary depreciation recognised in the previous year	0	0	0
Decrease in tangible treasury assets, total	-57 055	-56 865	190
Materials from the disassembly of treasury assets used	-393	-469	-76
Decrease in treasury inventories, total	-393	-469	-76
Decrease of treasury assets, total	-57 448	-57 334	114
Closing balance of treasury assets	490 717	719 782	229 065

24. Table: Movements in treasury assets in 2014

Subsidies for development purposes are presented in the following table:

Figures in
MHUF

Subsidy	2013	2014	Change
Use of subsidies received for the renovation/investment of treasury assets			
Use of reimbursement for renovation related to treasury assets, funds	18 735	23 790	5 055
of which: reconstruction of treasury assets	18 706	23 701	4 995
Advances on treasury assets	10	0	-10
Preliminary financing of treasury assets	11	0	-11
Value-added activities of treasury assets	8	85	77
Reporting-year adjustment of the compensation liability for previous years	0	4	4
Refurbishment of railway bridges and steel structures (Bridge project)	3 396	4 926	1 530
KÖZOP subsidy for the implementation of "MÁV Zrt. Traffic safety projects," from the central budget (15%) – development of state assets	4	163	159
KÖZOP subsidy for "MÁV Zrt. Traffic safety projects (preparatory project)," from the central budget (15%) – development of state assets	6	1	-5
KÖZOP subsidy for the implementation of "MÁV Zrt. Station development and integrated customer service development programme at 26 locations" from the central budget (15%) - development of state-owned property (domestic part)	0	2	2
Improvement of public transport in Balatonfüred (15%)	8	12	4
Studies for the development of priority project no. 22 (TEN-T project) (50%)	42	28	-14
Use of central subsidies, total:	22 191	28 922	6 731
KÖZOP subsidy for the implementation of "MÁV Zrt. Traffic safety projects," from EU funds (85%) – development of state assets	24	925	901
KÖZOP subsidy for the implementation of "MÁV Zrt. Traffic safety projects (preparatory project)," from EU funds (85%) – development of state assets	35	4	-31
KÖZOP subsidy for the implementation of "MÁV Zrt. Station development and integrated customer service development programme at 26 locations" (ERFA/KA 85%) - development of state-owned property	0	8	8
Electrification of railway - E - development of state-owned property (ERFA - 85%)	0	1	1
Renovation of night track Nagyút-Mezőkeresztes-Mezőnyárád (KÖZOP) - development of state-owned property (ERFA - 85%)	0	2	2
Improvement of public transport in Balatonfüred (85%)	45	65	20
Studies for the development of priority project no. 22 (TEN-T) (50%)	43	28	-15
Establishing P+R and B+R parking facilities in Gödöllő	36	-3	-39
Use of EU subsidies in total:	183	1 030	847
Use of subsidies received for the renovation of treasury assets in total	22 374	29 952	7 578
Use of subsidies received for the renovation/investment of assets owned by the MÁV Group			
Use of reimbursement for renovation of assets owned by MÁV	1 092	0	-1 092
Memorial Centre for the Child Victims of the Holocaust investment project	119	3 584	3 465
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)	25	93	68
KÖZOP subsidy for the implementation of the project "Procurement of 42 multiple-unit trains for suburban passenger transport for MÁV-START" - from the state budget (15%)	3 215	676	-2 539
GOP subsidy for the implementation of the project "Design and development of domestic Intercity railway carriages capable of international traffic at speeds up to 200 km/h" - from the state budget (15%)	0	33	33
New Széchenyi plan tender no. GOP-3.2.1-11-2012-0021 project subsidy	56	0	-56
New Széchenyi plan tender no. GOP-3.2.1-11-2013-0009 project subsidy	0	74	74
Asset purchases associated with public employment program	0	29	29
Use of central subsidies, total:	4 507	4 489	-18
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	143	525	382
Improvement of Communal Transportation conditions in Sárovar and the surrounding settlements (NYDOP progr.) - subsidy for developing MÁV Zrt. assets	0	21	21
KÖZOP subsidy for the implementation of the project "Procurement of 42 multiple-unit trains for suburban passenger transport for MÁV-START" - EU portion (85%)	18 219	3 830	-14 389
GOP subsidy for the implementation of the project "Design and development of domestic Intercity railway carriages capable of international traffic at speeds up to 200 km/h" - EU portion (85%)	0	188	188
Use of EU subsidies in total:	18 362	4 564	-13 798
Use of subsidies received for the renovation/investment of assets owned by the MÁV Group Total	22 869	9 053	-13 816

25. Table: Subsidies for development purposes

II.1.1.4 Change in 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		Change
		2013	2014	
5	MÁVTI Kft.	102	0	-102
15	MÁV NOSZTALGIA Kft.	122	116	-6
20	MÁV VAGON Kft.	264	0	-264
22	MÁV VASJÁRMŰ Kft.	17	0	-17
27	Dunakeszi Járműjavító Kft.*	782	784	2
37	VAMAV Kft.	1 693	1 858	165
38	EURO-METALL Kft.	337	405	68
116	MÁV-THERMIT Kft	275	328	53
142	MAV MULTISZOLG Kft.	25	26	1
Total:		3 617	3 517	-100

*In 2013: Bombardier MÁV Kft.

26. Table: Undertakings consolidated using the equity method

The value of undertakings consolidated using the equity method decreased by HUF 100 million compared to the previous year.

Of the profit/loss realised by the companies in the reporting year, the balance of the loss and profit apportioned to the MÁV Group increased the value of the investments by HUF 805 million, while the recognition of the differences between changes in the undertakings' final equity and equity available during the consolidation as profit/loss increased it by HUF 5 million.

The balance sheet value of investment was reduced by HUF 642 million due to the elimination of dividends due for the prior year but recognised by MÁV Zrt. in the reporting year and by HUF 3 million in relation to settlements with associates without a profit and loss impact (tax audits, self-revisions, additional tax payments).

MÁV VAGON Kft. was reclassified among the fully consolidated companies, and accordingly the value of undertakings consolidated with the equity method (as associates) decreased by a total of HUF 264 million.

Figures in MHUF

Related companies treated as investments in consolidation								
Code	Item	2013			2014			Change (carrying value)
		Gross value	Accumulated impairment loss	Book value	Gross value	Accumulated impairment loss	Book value	
6	MAV HIDEPITO 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 RAKTAR 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
188	MTMG Zrt	15	10	5	0	0	0	-5
190	MÁV Koncessziós Kft.	30	7	23	0	0	0	-23
191	TS-MAV Gépészet Services Kft.	0	0	0	0	0	0	0
Total:		971	892	79	926	875	51	-28

Table 27: Related parties treated as investments for consolidation purposes

The balance sheet value of undertakings also exempted from equity consolidation during the consolidation process decreased by HUF 28 million in the reporting year.

The existing 25% stake in MTMG Zrt. was sold for HUF 22 million by the MÁV Group, which – given the HUF 5 million book value – represents the realisation of a HUF 17 million capital gain.

The voluntary liquidation of MÁV Koncessziós Kft. was completed in the reporting year, with the consequence that concurrently with the recognition of the HUF 19 million in remaining assets as extraordinary income, we recognised the HUF 23 million book value as an extraordinary expenditure.

Figures in MHUF

Other related parties								
Code	Item	2013			2014			Change (carrying value)
		Gross value	Accumulated impairment loss	Book value	Gross value	Accumulated impairment loss	Book value	
120	Vasutegészségügyi NK Kft.	100	0	100	100	0	100	0
128	EUROFIMA	1 915	0	1 915	2 071	0	2 071	156
147	BCC	1	0	1	1	0	1	0
163	Út- és Pályaépítő Rt. f.a. (under liquidation)	0	0	0	0	0	0	0
169	HIT Rail b.v.	65	0	65	69	0	69	4
172	Normon-Tool Kft.	0	0	0	0	0	0	0
Total:		2 081	0	2 081	2 241	0	2 241	160

28 Table: Other related parties

The balance sheet value of other related parties increased by HUF 160 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					Closing
Code	Item	Opening value	Change				
			Investment acquisition	Investment disposal	Due to merger	Change in scope	
20	MÁV VAGON Kft.	0	0	0	0	2	2
96	MÁV LV Kft.	2	0	0	0	0	2
101	MÁV FKG Kft.	5	0	0	0	0	5
138	MÁV Szolgáltató Központ Zrt.	3	0	0	0	0	3
180	MÁV-START Zrt.	0	0	0	90	0	90
187	MÁV-GÉPÉSZET Zrt.	90	0	0	-90	0	0
Total:		100	0	0	0	2	102

29. Table: Negative goodwill arising on full consolidation

MÁV VAGON Kft. was removed from the group of undertakings consolidated with the equity method (as associates) and reclassified among the fully consolidated companies, and accordingly the HUF 2 million negative goodwill, which until the reclassification had only been recorded in the notes to the financial statements, was stated in the balance sheet.

MÁV-GÉPÉSZET Zrt. was merged into MÁV-START Zrt. with effect from 1 January 2014, and consequently the HUF 90 million negative goodwill recorded in respect of MÁV-GÉPÉSZET Zrt. was transferred to MÁV-START Zrt.

II.1.1.7 Goodwill arising on equity consolidation

No goodwill arising from the consolidation of subsidiaries consolidated using the equity method (as associates) is presented in the MÁV group's consolidated financial statements.

II.1.1.8 Negative goodwill arising on equity consolidation

Figures in MHUF

Figures in million

Company		Negative goodwill				
Code	Item	Opening value	Change			Closing
			Investment acquisition	Investment disposal	Change in scope	
5	MÁVTI Kft.	14	0	0	0	14
20	MÁV VAGON Kft.	2	0	0	-2	0
22	MÁV VASJÁRMŰ Kft.	5	0	0	0	5
27	Dunakeszi Járműjavító Kft.	13	0	0	0	13
37	VAMAV Kft.	111	0	0	0	111
38	EURO-METALL Kft.	121	0	0	0	121
116	MÁV-THERMIT Kft	13	0	0	0	13
Total:		279	0	0	-2	277

30. Table: Negative goodwill arising on equity consolidation

MÁV VAGON 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	WIP and semi-finished products	Young, fattened and other livestock	Finished products	Goods	Advance payments on inventories
Opening, gross	18 228	3 228	0	1 140	59	96
Change in scope of consolidation	92	84	0	61	0	0
Opening, gross - adjusted	18 320	3 312	0	1 201	59	96
Purchase	55 869	0	0	0	12 161	0
Assets received free of charge	0	0	0	0	0	0
Contribution in kind	0	0	0	0	0	0
Reclassification	5	0	0	0	0	0
Taken to inventories	53	1 204	0	7 225	0	0
Surplus	24	0	0	0	0	0
Other increase	633	0	0	0	0	13
Use (expensed)	-54 335	-2 532	0	-6 856	-50	0
Reclassification	-7	0	0	0	0	0
Sale	-1 730	0	0	-386	-11 434	0
Transferred free of charge	0	0	0	0	-1	0
Contributed	0	0	0	0	0	0
Scrapping	-125	0	0	-43	-1	0
Missing	-25	0	0	0	0	0
Other decrease	-177	0	0	-45	0	-92
Closing, gross	18 505	1 984	0	1 096	734	17
Impairment, opening	1 110	0	0	76	0	9
Change in scope of consolidation	0	0	0	0	0	0
Opening impairment, adjusted	1 110	0	0	76	0	9
Impairment for the reporting year	337	165	0	7	0	0
Written off due to low stock levels	-219	0	0	-10	0	0
Reversed impairment	-12	0	0	0	0	0
Impairment, closing	1 216	165	0	73	0	9
Opening, net	17 118	3 228	0	1 064	59	87
Closing, net	17 289	1 819	0	1 023	734	8

31. Table: 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 2014	Book value of receivables 2013	Change in the book value of debtors
	Not overdue	1-90 days	91-180 days	181-365 days	over 365 days	Total	Opening	Opening correction due to reclassification	Reversed impairment loss	Impairment in the reporting year	Written off debt collected	Reversal	Closing			
Accounts receivable from supply of goods and services (trade debtors)	9 957	414	160	527	5 897	16 955	6 270	2	274	561	231	0	6 328	10 627	11 035	-408
Receivables from related companies	432	26	14	38	285	795	136	0	0	204	6	0	334	461	1 012	-551
not fully consolidated subsidiary	31	12	6	31	281	361	130	0	0	176	0	0	306	55	497	-442
associate	401	14	8	7	4	434	6	0	0	28	6	0	28	406	515	-109
Receivables from other associated companies	7	9	0	0	0	16	0	0	0	0	0	0	0	16	11	5
Other receivables	37 839	68	64	123	1 139	39 233	3 255	0	14	190	15	2 061	1 355	37 878	49 044	-11 166
Deferred tax	129	0	0	0	0	129	0	0	0	0	0	0	0	129	135	-6
Total receivables:	48 364	517	238	688	7 321	57 128	9 661	2	288	955	252	2 061	8 017	49 111	61 237	-12 126

32. Table: Receivables and their impairment loss

The value of trade receivables fell from HUF 11,035 million in the previous year, to HUF 10,627 million. The decrease in outstanding receivables is mainly due to the decrease in receivables from Rail Cargo Hungaria Zrt. (HUF 561 million).

One of the largest items among other receivables is the claim for passenger transport public service cost compensation (section I.2.1), which amounts to HUF 27,922 million. A detailed breakdown of the amount is shown in the table below:

Period	Amount of receivables	Amount received in 2014	Receivables amount 31.12.2014	Accrued amount carried over from 2014 to 2015	Total receivables and accruals 31.12.2014	Amount received in 2015 until the balance sheet preparation
Year 2011	11 595	4 528	7 067	0	7 067	7 067
Year 2012	10 163	0	10 163	0	10 163	4 933
Year 2013	6 050	0	6 050	0	6 050	0
Previous years in total	27 808	4 528	23 280	0	23 280	12 000
Year 2014	4 642	0	4 642	20 829	25 471	20 829
Grand total:	32 450	4 528	27 922	20 829	48 751	32 829

33 Table: Passenger transport public service cost compensation claims

A significant factor contributing to the decrease in other receivables was the derecognition of the HUF 1,595 million claim resulting from the waiving of the compensation obligation for 2013 due to the asset settlement relating to sports properties, which under the agreement concluded with MNV Zrt. was settled against the profit/loss for the reporting year among extraordinary expenses. Under the agreement the capital loss was offset by a compensation obligation contribution-in-kind instead of compensation obligation waiver.

II.1.4 Prepaid expenses/accrued income

Figures in MHUF

Item	2013	2014	Change
Accrued income			
Public service cost compensation	20 829	20 829	0
RIC carriage rent	4 580	4 651	71
Accrued sales revenue	570	455	-115
Receivables from unsettled deliveries	54	65	11
Late-payment interest, penalties, damages	14	25	11
Interest received	25	19	-6
Other accrued income	97	287	190
<i>Accrued income, total:</i>	26 169	26 331	162
Prepaid expenses			
Insurance fees	356	297	-59
Software updates	81	58	-23
Prepaid dismissal wage and severance pay costs	71	39	-32
Rents	43	24	-19
Newspaper, journal subscriptions	1	3	2
Other prepayments	201	222	21
<i>Prepaid expenses, total</i>	753	643	-110
Deferred expenses			
Deferred unrealised FX losses	14 333	17 364	3 031
<i>Deferred expenses, total</i>	14 333	17 364	3 031
<i>Total:</i>	41 255	44 338	3 083

34. Table: The composition of prepayments

The company group's deferred expenses/accrued income grew by HUF 3,083 million compared to the figure for 2013, with the bulk of this increase (HUF 3,031 million) related to the deferral of unrealised FX losses.

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	Registered capital	Capital reserve	RETAINED EARNINGS	Non-distributable reserve	Net profit/loss	Changes in equity of subsidiaries	Changes due to consolidation		Changes in investments in associates	Third-party investments	Total
							Difference from debt consolidation	Difference from internal profit/loss			
Equity in 2013	22 000	146 814	-85 365	12 667	4 657	12 075	1 247	-25 498	2 649	0	91 246
Balance sheet profit/loss for the previous year			399		-4 657	3 787	1 167	-650	-46		0
Changes in scope of consolidation						-5	22		-13		4
Asset settlement		-30 604						70			-30 534
Release of reserves generated from the capital reserve for the purpose of remedying environmental		3 617		-3 617							0
Non-distributable reserves released for foundation/restructuring			1	-1							0
Non-distributable reserves provided for experimental development			-243	243							0
Release of non-distributable reserves provided for experimental development			31	-31							0
Consolidation correction, settlement between equity components, due to STG merger						98	-95	-3			0
Development reserve provided			-433	433							0
Development reserve released			713	-713							0
Generation of non-distributable reserve related to unrealised FX losses			-1 137	1 137							0
Modification of the value of associates without an effect on profit/loss									-3		-3
Net profit/loss for the year					49 127						49 127
Equity in 2014	22 000	119 827	-86 034	10 118	49 127	15 955	2 341	-26 081	2 587	0	109 840

35. Table: Change in the balance sheet equity data

The equity of the MÁV Group was decreased to the tune of HUF 30,534 million by the asset settlement of 2014, during which – in accordance with Act CVI of 2007 on State Property – the value of asset items transferred to state ownership was recognised as a decrease in capital reserves. The details of the asset settlement are given in section I.2.4.

Figures in MHUF

Non-distributable reserve	Opening balance	Increase due to change in scope	Prior-year adjustments	Released in 2014	Accounted in 2014	Closing balance
Reserves for environmental damages	3 617	0	0	-3 617	0	0
Difference between provisions for unrealised FX losses on FX loans and deferred expenses	6 850	0	0	0	1 137	7 987
Additional capital contribution payable	0	0	0	0	0	0
Amount not yet written off from the capitalised value of foundation and restructuring	3	0	0	-1	0	2
Amount not yet written off from the capitalised value of experimental development	350	0	0	-31	243	562
Development reserve	1 847	0	0	-713	433	1 567
Total:	12 667	0	0	-4 362	1 813	10 118

36. Table: Non-distributable reserve

The details of the release of the reserve generated for the restoration of environmental damage (HUF 3,617 million) are given in section I.2.6.

II.1.6 Provisions made and released

II.1.6.1 Movements in provisions presented in the balance sheet in 2014

At group level, the closing value of provisions in the balance sheet is HUF 41,119 million, of which provisions for contingent liabilities were HUF 26,440 million, provisions for future expenses were HUF 5,302 million, and other provisions were HUF 9,377 million.

II.1.6.2 Provision for contingent liabilities

The closing volume in 2014 of provisions for contingent liability was HUF 26,440 million at the level of the MÁV Group. The most substantial items included the provisions for environmental protection liabilities, annuity payment liabilities, liabilities resulting from the termination of employment relationships, and for cases under litigation.

Figures in MHUF

Provision for contingent liabilities	Opening	Change in scope	Released in 2014	Made in 2014	Closing
Provision for environmental liabilities	6 072	0	3 165	5 808	8 715
Provision for annuity liabilities	7 957	0	876	232	7 313
Provision for termination liabilities	2 326	0	1 212	2 601	3 715
Provision for litigation	5 601	0	3 829	563	2 335
Provision premiums payable	1 361	0	803	1 448	2 006
Provision for working clothes and uniforms	953	0	353	555	1 155
Damages	498	0	110	135	523
Provision for late payment interest liability	269	0	188	167	248
Provision for contractual guarantee obligations	56	0	15	127	168
Provision made for extreme weather conditions in 2010	239	0	186	0	53
NKH supervision charge	0	0	0	49	49
Provision for expected liabilities from industrial and construction activities	122	0	122	0	0
Provision made for extreme weather conditions in 2013	60	0	60	0	0
Provision for maintenance obligation related to welfare real estate sale	408	0	408	0	0
Provisions for other liabilities	132	0	36	64	160
Total:	26 054	0	11 363	11 749	26 440

37. Table: Provisions for expected 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. Because, owing to the nature of annuities, these payments are not precisely quantifiable for MÁV Zrt., yet they nevertheless qualify as certain future commitments, provisions were made for these liabilities in the amount of HUF 1,894 million in 2010, HUF 1,189 million in 2011, HUF 5,042 million in 2012, HUF 597 million in 2013 and HUF 232 million in 2014. In addition, we released a provision of HUF 876 million for allowances.

In connection with the Holocaust legal proceeding, we only set aside provisions for litigation costs, in a total of HUF 29 million. The court of first instance terminated the lawsuit against the defendants. The court of second instance upheld the ruling on termination of the lawsuit, passed by the court of first instance. The plaintiffs have filed a claim for legal remedy to the US Supreme Court.

Following a review of environmental protection tasks to be performed, in addition to the release of the non-distributable reserve, a further HUF 3,156 million in provision was released partly because of completed work and partly because the reason for them had ceased to exist, while due to a more precise recognition of future obligations resulting from works in progress, environmental provisions of HUF 5,808 million were generated.

The approving committee had not determined the amount of bonuses for the reporting year by the time of approval of the annual financial statements of the fully consolidated companies, and accordingly with this – in line with the provisions of Articles 41 (1) and 44 (1), as well as 79 (2) of the Accounting Act – the fully consolidated companies set aside their provisions on the basis of the preliminary calculation of the amount of payable bonuses and the related taxes.

II.1.6.3 Provision for future expenses

The closing volume of provisions set aside for future expenses was HUF 5,302 million at the level of the MÁV Group. The two largest items were the provisions set aside for demolition costs and maintenance costs. MÁV Zrt. has not made any provisions since 27 June 2013 for the depreciation of capital projects that have not been handed over legally and financially by NIF (section I.2.2).

Figures in MHUF

Provisions for future commitments	Opening	Change in scope	Released in 2014	2014 made	Closing
Maintenance	3 767	0	630	474	3 611
Demolition	1 783	0	120	28	1 691
Depreciation of assets not contributed by NIF	3 686	0	3 686	0	0
Provisions for other liabilities	106	0	106	0	0
Total:	9 342	0	4 542	502	5 302

38. Table: Provisions for future commitments

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 2014	2014 made	Closing
Provision for exchange loss on project and development loans	7 484	0	1 237	3 130	9 377
Total:	7 484	0	1 237	3 130	9 377

39. Table: 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	26 054	9 342	7 484	42 880
Change in scope	0	0	0	0
Provisions used in 2014	11 363	4 542	1 237	17 142
Made in 2014	11 749	502	3 130	15 381
Closing provisions	26 440	5 302	9 377	41 119

40. Table: 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 Article 23, paragraph (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 Article 42, paragraph (5), liabilities related to treasury assets should be shown under long-term liabilities. The accounting treatment of changes in the assets is governed by Government Decree No 254/2007 (X. 4.) on the management of government assets, Government Decree 457/2013 (XI. 29.) on the amendment thereof, and by the asset management agreement concluded between KVI and MÁV Zrt. as amended with effect from 13 December 2013.

On 31 December 2014, HUF 746,853 million was recognised as long-term liabilities against HUF 719,782 million of treasury assets shown in MÁV Zrt.'s balance sheet; in addition, HUF 64 million in short-term liabilities and HUF 82 million in receivables were recognised, as presented in the table below:

Figures in MHUF

Treasury liabilities			
Treasury liabilities	2013	2014	Change
Long-term liabilities related to treasury assets	490 717	719 782	229 065
Compensation obligation	22 516	27 071	4 555
Long-term liabilities related to treasury assets, in total	513 233	746 853	233 620
Balance of settlement against the Hungarian State Treasury related to treasury investments	-705	45	750
of which: treasury investment invoices submitted to the treasury in the current year	-4 178	-5 412	-1 234
payments made by the treasury in the reporting year,	3 639	6 162	2 523
Use of materials from the disassembly of treasury assets for maintenance and repair	58	-70	-128
Liabilities from the refurbishment of railway bridges and steel structures (Bridge project)	319	89	-230
Advance provided for the renovation of treasury assets from the renovation reimbursement	9	0	-9
Total short-term liabilities associated with treasury assets	-319	64	383
Liabilities related to treasury assets, in total	512 914	746 917	234 003
Treasury receivables			
Treasury receivables	2013	2014	Change
Receivables from the settlement of projects funded by KÖZOP subsidies (ex-post financing)	69	82	13
of which: for the implementation of "MÁV Zrt. Traffic safety projects" – development of state assets – ex-post financing	28	23	-5
For "MÁV Zrt. Traffic safety projects (preparatory project)" – development of state assets – ex-post financing	41	46	5
and integrated customer service development programme at 26 locations" - development of state-owned property	0	10	10
Receivables related to treasury assets, in total	69	82	13

41. Table: Change in liabilities related to treasury assets

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

Figures in MHUF

Liabilities related to the decrease in treasury assets	2013	2014	Change
Compensation liability accounted before the amendment to the Act on State Property took effect (28 June 2013)			
Opening balance of compensation liability (A)	47 990	0	-47 990
Depreciation of treasury assets in the reporting year (+)	11 551	0	-11 551
Extraordinary depreciation (+)	92	0	-92
Net value of scrapped treasury assets (+)	62	0	-62
Total increase in compensation liability for the period before the amendment of the State Property Act (until 27 June 2013) (B)	11 705	0	-11 705
Treasury investment, renovation from own funds (-)	4 151	0	-4 151
Use of cash received from external parties for treasury investments (-)	-3	0	3
Use of materials from the scrapping of treasury assets (-)	364	0	-364
Meeting the compensation obligation (-)	547	0	-547
- Due to compensation for asset settlement of sports facilities	547	0	-547
Total decrease in compensation liability for the period before the amendment of the State	5 059	0	-5 059
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)	54 636	0	-54 636
Meeting the compensation obligation as at 27 June 2013 by means of a contribution in	-54 636	0	-54 636
Compensation liability accounted from the date the amendment to the Act on State Property took effect (28 June 2013)			
Opening balance of compensation liability (E)	0	22 516	22 516
Ordinary amortisation recognised	7	-2	-9
Extraordinary depreciation	24 592	4 557	-20 035
of which: - due to 22 projects taken over from NIF	23 209	0	-23 209
- due to the Cegléd pilot project taken over from NIF	1 432	0	-1 432
- Takeover in 2014 of NIF projects	0	4 557	4 557
Treasury investment, renovation from own funds (-)	27	0	-27
Value of materials recovered from scrapping (-)	-126	0	126
Meeting the compensation obligation (-)	-1 984	0	1 984
of which: - Setting off MNV claims assigned by NIF Zrt.	-1 645	0	1 645
- compensation for asset settlement due to the Cegléd pilot project taken	-339	0	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)	22 516	4 555	-17 961
Ordinary amortisation recognised	12 744	32 733	19 989
Extraordinary depreciation	3 440	11 467	8 027
of which: - due to 22 projects taken over from NIF	3 178	0	-3 178
- due to the Cegléd pilot project taken over from NIF	52	0	-52
- Takeover in 2014 of NIF projects	0	10 962	10 962
- From Investment and Scrapping of tangible assets	210	505	295
Net value of missing treasury assets	0	1 321	1 321
Net value of scrapped treasury assets on derecognition	1 258	509	-749
Materials recovered from the scrapping of treasury assets (-)	-282	-607	-325
Waiving the compensation obligation (-)	-17 160	-45 423	-28 263
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)	22 516	27 071	4 555
Use of materials from the disassembly of treasury assets for maintenance and repair	58	0	-58
Total liabilities related to the decrease in state assets (J=H-I)	22 574	27 071	4 566

42. Table: Liabilities related to the decrease in treasury assets

The compensation obligation had increased by HUF 22,516 million to HUF 27,071 million by 31 December 2014, due to the takeover of NIF assets.

Meeting the compensation obligation



The compensation liability incurred due to the ordinary and extraordinary depreciation recognised in the reporting year in accordance with the rules valid after 28 June 2013 was waived in an amount of HUF 45,423 million, based on the Act on State Property and the Asset Management Agreement (section I.2.3).

II.1.7.2 The MÁV Group's subordinated liabilities

The MÁV group's subordinated liabilities 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 decree)	Currency	Amount per loan agreement	Available facility	
						TFOREX	Million HUF
Investment loans							
EIB-ISPA	2001.09.03	2015.09.15	1082/2001	EUR	18	3 600	1 134
EUROFIMA 11	2003.12.31	2018.12.17	1036/2003.,1027/2008.	EUR	35	35 000	11 021
EUROFIMA 13 a	2005.12.31	2015.03.06	1113/2005.,1027/2008.	EUR	28	28 000	8 818
EUROFIMA 13 b	2006.10.03	2016.04.07	1113/2005.,1027/2008.	EUR	35	35 000	11 021
EUROFIMA 13 d	2007.11.30	2016.04.07	1113/2005	EUR	17	17 400	5 479
Raiffeisen Bank Zrt. HUF 9,209 bn	2006.04.26	2016.04.21	1113/2005	HUF	9 209	0	4 245
OTP Bank Nyrt. (10 Talents)	2006.03.23	2016.12.31	-	EUR	45	8 247	2 597
CA-CIB Consortium (30 Flirt)	2006.03.22	2020.06.16	-	EUR	145	69 157	21 777
Raiffeisen Bank Zrt. (+30 Flirt)	2007.09.25	2021.11.28	-	EUR	142	84 788	26 699
Raiffeisen H-23/2008.	2006.04.26	2016.04.21	1113/2005.,1027/2008.	HUF	400	0	184
Raiffeisen H-91/2008.	2008.12.23	2018.12.23	-	HUF	3 000	0	1 455
Unicredit-MFB loan	2008.09.10	2023.12.31	-	HUF	2 376	0	1 402
KFW (TRAXX)	2009.12.03	2024.05.15	-	EUR	41	31 493	9 917
EIB (TRAXX)	2009.12.03	2024.05.15	-	EUR	38	29 070	9 154
MFB	2009.10.27	2024.09.30	-	HUF	2 800	0	1 918
Total:							116 821
Operational loans							
OTP Bank Nyrt. HUF 5 billion	2012.12.28	2016.12.28	1546/2012	HUF	5 000	0	3 077
MFB Zrt. HUF 6.2 bn	2012.12.27	2016.12.27	1546/2012	HUF	6 200	0	3 815
MFB Zrt. HUF 6.8 bn	2012.12.27	2016.12.27	1546/2012	HUF	6 800	0	4 185
MFB Zrt. HUF 7.0 bn	2012.12.27	2017.12.27	1546/2012	HUF	7 000	0	4 941
Raiffeisen Bank Zrt. HUF 28.5 bn	2005.12.27	2015.11.27	1089/2005	HUF	28 500	0	5 700
Total:							21 718
Entrepreneurial loans							
Central traffic coordination system in Szeged - PROLAN	2007.08.10	2019.06.27	-	HUF	1 870	0	994
Central traffic coordination system in the South-Balaton area - PROLAN	2010.05.20	2016.11.18	-	HUF	2 260	0	904
Supply of electricity - PQ	2009.07.08	2015.12.13	-	HUF	1 267	0	253
Total:							2 151
Bonds							
MFB Zrt. HUF 10 bn	22.12.2010*	2015.12.21	1261/2010	HUF	10 000	0	10 000
Total:							10 000
Grand total:							150 690

Of the amount shown in the table of investment loans, HUF 24,900 million in operational credit facilities, HUF 12,886 million in long-term credit facilities, and HUF 939 million in entrepreneurial loans are shown among short-term borrowings.

*origination date

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

Figures in MHUF

Loan	2015	2016	2017	2018 and after	Total
Investment loans					
EIB-ISPA	1 134	0	0	0	1 134
EUROFIMA 11	0	0	0	11 021	11 021
EUROFIMA 13 a	8 818	0	0	0	8 818
EUROFIMA 13 b	0	11 021	0	0	11 021
EUROFIMA 13 d	0	5 479	0	0	5 479
Raiffeisen Bank Zrt. HUF 9.209 bn	2 837	1 408	0	0	4 245
OTP Bank Nyrt. (10 Talents)	1 428	1 169	0	0	2 597
CA-CIB Consortium (30 Flirt)	3 959	3 959	3 959	9 900	21 777
Raiffeisen Bank Zrt. (+30 Flirt)	3 877	3 877	3 877	15 068	26 699
Raiffeisen H-23/2008.	123	61	0	0	184
Raiffeisen H-91/2008.	364	273	364	454	1 455
Unicredit-MFB loan	156	156	156	934	1 402
KfW (TRAXX)	1 044	1 044	1 044	6 785	9 917
EIB (TRAXX)	964	964	964	6 262	9 154
MFB	196	196	196	1 330	1 918
Total:	24 900	29 607	10 560	51 754	116 821
Operational loans					
OTP Bank Nyrt. HUF 5 billion	1 538	1 539	0	0	3 077
MFB Zrt. HUF 6.2 bn	1 908	1 907	0	0	3 815
MFB Zrt. HUF 6.8 bn	2 093	2 092	0	0	4 185
MFB Zrt. HUF 7.0 bn	1 647	1 647	1 647	0	4 941
Raiffeisen Bank Zrt. HUF 28.5 bn	5 700	0	0	0	5 700
Total:	12 886	7 185	1 647	0	21 718
Entrepreneurial loans					
Central traffic coordination system in Szeged - PROLAN	234	234	234	292	994
Central traffic coordination system in the South-Balaton area - PROLAN	452	452	0	0	904
Supply of electricity - PQ	253	0	0	0	253
Total:	939	686	234	292	2 151
Bonds					
MFB Zrt. HUF 10 bn	10 000	0	0	0	10 000
Total:	10 000	0	0	0	10 000
Grand total:	48 725	37 478	12 441	52 046	150 690

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

II.1.7.4 Leasing liabilities

The MÁV Group has no finance leasing liabilities.

II.1.7.5 Other current liabilities

Other short-term liabilities are shown below by category:

Figures in MHUF

Item	2013		2014		Change
	Amount	Distribution	Amount	Distribution	
Taxes (incl. local taxes) payable	12 809	54,3%	6 505	26,5%	-6 304
Wages and salaries	6 538	27,7%	6 373	26,0%	-165
Other liabilities deducted from employees	418	1,8%	290	1,2%	-128
Liabilities from overpayment of compensation	2 489	10,6%	8 986	36,6%	6 497
Liabilities to the treasury	386	1,6%	1 786	7,3%	1 400
Uninvoiced capital projects received, late-payment interest, security provided	247	1,0%	196	0,8%	-51
Liabilities payable based on authority decisions	32	0,1%	1	0,0%	-31
Other liabilities	665	2,8%	403	1,6%	-262
Other current liabilities, total	23 584	100,0%	24 540	100,0%	956

45. Table: Composition of other short-term liabilities

II.1.8 Accrued expenses and deferred income:

Figures in MHUF

Item	2013	2014	Change
Deferred income			
INVITEL Kft. other deferred income	9 963	9 738	-225
Deferral of pre-invoiced revenues	149	202	53
Other deferred income	994	727	-267
Deferred income	11 106	10 667	-439
Accrued expenses			
RIC carriage rent	3 359	3 126	-233
Traction charges of international railways	867	881	14
Accrual of uninvoiced costs	431	615	184
Accrual of invoices pending confirmation	148	439	291
Payables from unsettled deliveries	272	312	40
Accrued interest	530	267	-263
Accrual of premium and related contributions	258	0	-258
Late-payment interest, penalties, damages	131	0	-131
Other accrued expenses	391	430	39
Accrued expenses	6 387	6 070	-317
Deferred revenue			
EU funds and government subsidies	22 348	27 414	5 066
Accrual of debts arising from asset acquisitions assumed by the government	19 159	15 106	-4 053
Cash received from the government	6 176	9 724	3 548
Reimbursement for renovation - assets owned by MÁV	1 092	1 092	0
Phare aid for development	969	450	-519
Surplus of fixed assets	552	548	-4
Fixed assets received free of charge and as gifts	445	173	-272
Amounts received from local governments and from businesses free of charge	172	127	-45
Grants	69	116	47
Other deferred income	0	1	1
Deferred revenue	50 982	54 751	3 769
Total	68 475	71 488	3 013

46. Table: The composition of accruals

Deferred income of HUF 26,122 million was recognised by MÁV-START Zrt, mainly in connection with the procurement of Flirt multiple units.

Other liquid assets received from the budget increased by HUF 3,539 million compared to the previous year at MÁV Zrt.

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 2014, expressed in EUR and in HUF based on EUR, showed a deficit of EUR 12,579 thousand, which is EUR 1,957 thousand less than planned.

The total FX loss expressed in EUR was EUR 45,683 thousand, 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 with forward contracts totalling EUR 3,720 thousand (of which EUR 660 thousand was closed) and spot purchases totalling EUR 39,600 thousand. In addition to this, a EUR 210 thousand transaction concluded in 2013 was also delivered. We concluded no transactions that carry over into 2015. (The rest of the loss was due to other FX fluctuations.)

With the above transactions, the necessary FX cash flow was provided at a more favourable exchange rate (weighted average exchange rate: 309.32 HUF/EUR) than the MNB exchange rate (weighted average exchange rate: 310.41 HUF/EUR).

During the financial year two FX hedge transactions were concluded in a total value of EUR 660 thousand to mitigate the Company's EUR-based exposure (office rent). Both of the hedge transactions were closed and accounted for in 2014.

No hedge contracts were made in 2014 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 2014 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	6,3	6,3
	Option	0,0	0,0
	Total:	6,3	6,3
Delivery transactions	Forward	18,3	18,3
	Option	0,0	0,0
	Total:	18,3	18,3
Grand total:		24,6	24,6
of which:	Hedging	24,6	24,6
	Non-hedging	0,0	0,0
	Total	24,6	24,6
of which:	Stock exchange	0,0	0,0
	OTC	24,6	24,6
	Total	24,6	24,6

*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.

47. Table: Closed forwards and options in 2014

II.1.9.3 Forward, swap and option contracts in 2014

	Purchase part	Sales part	Value date	Forward rate	Closing rate	Profit or loss (HUF)	Settlement method	Comments
1	210 000 EUR	61 769 400 HUF	2014.01.02	294,14	297,79	766 500	Recognised	Settlement of 2013 deal
2	210 000 EUR	61 929 000 HUF	2014.02.03	294,90	311,50	3 486 000	Recognised	closed with the deal on line 3
3	65 331 000 HUF	210 000 EUR	2014.02.03	311,10	311,50	0		
4	110 000 EUR	33 768 900 HUF	2014.05.05	306,99	307,58	64 900	Recognised	closed with the deal on line 7
5	110 000 EUR	33 768 900 HUF	2014.06.02	306,99	302,79	-462 000	Recognised	closed with the deal on line 11
6	110 000 EUR	33 768 900 HUF	2014.07.01	306,99	309,83	312 400	Recognised	closed with the deal on line 14
7	33 816 200 HUF	110 000 EUR	2014.05.05	307,42	307,58	0		
8	110 000 EUR	33 709 500 HUF	2014.08.01	306,45	314,07	838 200	Recognised	closed with the deal on line 15
9	110 000 EUR	33 767 800 HUF	2014.09.01	306,98	314,51	828 300	Recognised	closed with the deal on line 16
10	110 000 EUR	33 709 500 HUF	2014.10.01	306,45	310,45	440 000	Recognised	closed with the deal on line 17
11	33 292 600 HUF	110 000 EUR	2014.06.02	302,66	302,79	0		
12	330 000 EUR	100 296 900 HUF	2014.06.16	303,93	307,48	1 171 500	delivery	
13	210 000 EUR	63 609 000 HUF	2014.06.20	302,90	305,99	648 900	delivery	
14	34 061 500 HUF	110 000 EUR	2014.07.01	309,65	309,83	0		
15	34 496 000 HUF	110 000 EUR	2014.08.01	313,60	314,07	0		
16	34 592 800 HUF	110 000 EUR	2014.09.01	314,48	314,51	0		
17	34 111 000 HUF	110 000 EUR	2014.10.01	310,10	310,45	0		
18	200 000 EUR	61 544 000 HUF	2014.10.17	307,72	307,36	-72 000	delivery	
19	720 000 EUR	220 413 600 HUF	2014.12.31	306,13	314,89	6 307 200	delivery	
20	800 000 EUR	246 608 000 HUF	2014.12.31	308,26	314,89	5 304 000	delivery	
21	800 000 EUR	246 968 000 HUF	2014.12.31	308,71	314,89	4 944 000	delivery	

Note: The profit and loss impact was identified at the official central bank (MNB) rate as at the date of maturity.

48 Table: Forward, swap and option contracts in 2014

II.1.9.4 Joint and several liability and guarantee contracts

MÁV Zrt.'s guarantee contracts as at 31 December 2014 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	K&H Bank Zrt.	2014.12.12	2015.12.11	0	60
Ministry of National Development	budgeted and for the use of the residual value for the purposes of the TEN-T project	KDB Bank Európa Zrt.	2013.11.01	2015.10.30	0	948
National Transport Authority	accident	OTP	2009.04.27	2015.12.31	0	1 000
NAV Szabolcs-Szatmár-Bereg County Customs and Finance Guard Directorate	customs duty security specified in the operation permit	K&H Bank Zrt.	2011.03.18	2015.05.17	0	30
NA	payment bank guarantee	KDB Bank Zrt.	2014.01.01	2016.12.31	0	1 100
NA	payment bank guarantee	KDB Bank Zrt.	2013.01.01	2015.12.31	0	150
NA	payment bank guarantee	KDB Bank Zrt.	2013.01.01	2015.12.31	0	5
NA	payment bank guarantee	KDB Bank Zrt.	2011.07.01	2016.12.31	0	10
NA	payment bank guarantee	KDB Bank Zrt.	2010.10.26	2016.06.30	0	6
NA	payment bank guarantee	KDB Bank Zrt.	2014.12.16	2015.06.16	234 490	74
Bank guarantees, total:					234 490	3 383
Good performance guarantees						
Slovenian Railways	Good performance	K&H Bank	2014.07.14	2018.01.10	80 000	25
Good performance guarantees, total:					80 000	25
Guarantees, total:					314 490	3 408

49. Table: Guarantee contracts in effect at the balance sheet date

II.1.9.5 Lien and other off-balance sheet liabilities

Loan	Available facility 31.12.2014 (million HUF)	Security
EUROFIMA 11	11 021	Rolling stock
EUROFIMA 13 a	8 818	Rolling stock
EUROFIMA 13 b	11 021	Rolling stock
EUROFIMA 13 d	5 479	Rolling stock
OTP Bank Nyrt (10 Talent financing)	2 597	10 Talent multiple-unit trains
CA-CIB Consortium (30 Flirt financing)	21 777	30 Flirt multiple-unit trains
Raiffeisen Bank Zrt. (+30 Flirt financing)	26 699	30 Flirt multiple-unit trains
EIB (TRAXX)	9 154	Rolling stock
KFW (TRAXX)	9 917	Rolling stock
Raiffeisen H-91/2008.	1 455	Rolling stock
Unicredit - MFB	1 402	Rolling stock
MFB	1 918	Rolling stock
Total:	111 258	

50. Table: Loans secured with lien

On the basis of loan agreements concluded with OTP Bank for the procurement of 10 Talent multiple units, and with a consortium led by Crédit Agricole Corporate and Investment Bank for the procurement of 30 Flirt multiple units, and with Raiffeisen Bank for the procurement of 30 Flirt multiple units, liens in favour of the banks have been established on the procured assets.

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 Zrt. 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 647 million according to the 2013 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.

In the case of MÁV-START Zrt., the locomotives received upon the takeover of the EUROFIMA loans were encumbered with a lien. The EIB and KFW loans for the procurement of the 25 TRAXX locomotives are secured with a lien.

II.1.9.6 Future payable interest and incidental liabilities

Loan	2015	2016	2017	2018 and after	Total
Investment loans					
EIB-ISPA *	1				1
EUROFIMA 11	28	34	40	57	159
EUROFIMA 13 a	13	0	0	0	13
EUROFIMA 13 b	24	18	0	0	42
EUROFIMA 13 d	10	7	0	0	17
Raiffeisen Bank Zrt. HUF 9.209 bn**	76	11	0	0	87
OTP Bank Nyrt. (10 Talent acquired)	23	9	0	0	32
CA-CIB Consortium (30 Flirt)	249	211	168	224	852
Raiffeisen Bank Zrt. (+30 Flirt motor coaches)	307	274	236	531	1 348
KFW	438	398	352	1 234	2 422
Raiffeisen - H-23/2008	3	1	0	0	4
UniCredit - MFB	58	52	48	163	321
Raiffeisen - H-91/2008.	65	50	34	18	167
MFB	109	97	90	335	632
EIB	168	155	139	555	1 017
Investment loans, total:	1 573	1 317	1 107	3 117	7 114
Operational loans					
Raiffeisen Bank Zrt. HUF 28.5 bn	96				96
OTP Bank Nyrt. HUF 5 billion*	214	103			317
MFB Zrt. HUF 6.2 bn	154	65			219
MFB Zrt. HUF 6.8 bn	166	68			234
MFB Zrt. HUF 7.0 bn	208	131	52		391
Operational loans, total:	838	367	52	0	1 257
Entrepreneurial loans					
Central traffic coordination system in Szeged - PROLAN	31	24	17	10	82
Central traffic coordination system in the South-Balaton area - PROLAN	58	22		0	80
Supply of electricity - PQ	11			0	11
Entrepreneurial loans, total:	100	46	17	10	173
Bonds					
MFB Zrt. HUF 10 bn	659				659
Bonds total:	659	0	0	0	659
Grand total:	3 170	1 730	1 176	3 127	9 203

Note: translation of foreign currency interest at the 2014 year-end registered exchange rate (HUF/EUR 314.89)

*assumed pursuant to the 2015 budget act (with the exception of the interest in January and February).

**83.71% assumed pursuant to the 2015 budget act.

51 Table: Payment schedule of future liabilities (interest and related charges)

II.1.9.7 Significant operating lease contracts concluded by the company group in effect at the balance sheet date

Contracting partner (lessor)	Subject matter	Agreement dated at	Matures on	Contracted amount Million HUF/month	Amount not recognised until the B/S date (million HUF)
Porsche Lízing és Szolg. Kft.	Passenger car lease and fleet operation	2012.08.13	2015.08.13	0	3
Győr-Sopron-Ebenfurti-Vasút Zrt	Telecom assets, equipment and premises commissioned	2013.09.30	2015.09.30	2	18
MKB Eurolizing	Vehicle rent	2012.02.06	2016.02.05	10	128
Forse	Real property lease fee (worker accommodation)	2012.04.07	2016.04.06	7	104
Porsche Lízing és Szolg. Kft.	Vehicle rent	2011.10.03	2016.10.03	87	1 822
Porsche Lízing és Szolg. Kft.	Passenger car lease and fleet operation	2011.10.03	2016.10.03	1	33
Porsche Lízing és Szolg. Kft.	Goods vehicle lease and fleet operation	2011.10.03	2016.10.03	3	68
Porsche Lízing és Szolg. Kft.	Passenger car lease and fleet operation	2011.10.03	2016.10.03	1	25
Porsche Lízing és Szolg. Kft.	Goods vehicle lease and fleet operation	2011.10.03	2016.10.03	2	52
Porsche Lízing és Szolg. Kft.	Vehicle rent	2011.10.04	2016.10.04	11	282
Raiffeisen Real Property Fund	Office rent	2009.02.28	2017.05.06	84	2 341
Deutsche Leasing Hungaria Kft.	8 Desiro multiple-unit trains	2008.09.24	2029.02.28	20	3 318
Magyar Telekom Nyrt	Number of reciprocal infrastructure service framework agreement: 67103- 743999/2004.	2004.09.30	indefinite	30	n/a
Invitel Zrt.	Invitel internet service number: 275165/2014	2014.06.26	indefinite	2	n/a
Invitel Zrt.	Number of mutual infrastructure contract: IR/1089-05/2005.	2005.06.26	indefinite	1	n/a
Other contracts in total		multiple contracts from 26.03.1969	definite/ indefinite	7	113
Total:				268	8 307

52 Table: 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	2013		2014		Change
	Amount	Distribution	Amount	Distribution	
Passenger transport	56 845	42%	59 909	43%	3 064
Railtrack operations	30 488	23%	31 255	22%	767
Passenger ticket subsidies	18 325	14%	19 946	14%	1 621
Traction, shunting	15 409	11%	15 746	11%	337
Property lease and management, supervision, demolition	4 650	3%	4 691	3%	41
Repair, manufacture, operation, maintenance and registration of vehicles and machinery	2 823	2%	2 825	2%	2
Goods transport, loading and logistics services	2 180	2%	2 208	2%	28
Sale of materials, goods and finished products	554	0%	1 284	1%	730
Security	823	1%	879	1%	56
Renting out of machinery, vehicles	405	0%	493	0%	88
IT services	811	1%	488	0%	-323
Other services	1 281	1%	1 186	1%	-95
Total:	134 594	100%	140 910	100%	6 316

53. Table: Net sales revenues

In 2014 the MÁV Group's sales revenue from passenger transport increased further. At consolidated value the sales revenue of public service passenger transport grew by HUF 3,083 million, and the sales revenue of non-public service passenger transport by HUF 1,602 million. These revenues also contain the revenues from ticket price subsidies.

The sales revenue from operation of the railtrack network, in contrast to the decrease observed in the individual financial statements overall, rose by HUF 767 million as a greater proportion of the revenues – compared to last year – derived from non-consolidated companies.

The sales revenue from traction and shunting, at consolidated value, grew by HUF 337 million, and sales of materials, goods and finished products by HUF 730 million, while the sales revenue from IT services was HUF 323 million lower than one year previously.

II.2.2 Export and import sales revenues

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

Figures in MHUF

Country	2013		2014	
	Export	Import	Export	Import
Austria	5 370	7 085	5 971	7 761
Belgium	17	32	17	35
Bulgaria	33	6	35	13
Cyprus	0	0	0	0
Czech Republic	1 730	3 684	1 785	3 538
Denmark	11	34	10	38
Estonia	0	0	0	0
Finland	12	4	10	3
France	388	209	501	224
Greece	1	1	0	0
Netherlands	336	42	455	50
Croatia	214	218	183	190
Ireland	3	2	4	2
Poland	167	789	193	499
Latvia	0	0	0	0
Lithuania	0	0	0	0
Luxembourg	2	1	2	8
Malta	0	0	0	0
Great Britain	13	36	14	134
Germany	2 305	3 586	2 442	2 980
Italy	55	17	23	33
Portugal	4	1	8	2
Romania	1 824	1 875	2 067	2 563
Spain	20	120	23	40
Sweden	61	25	56	16
Slovakia	2 681	1 421	2 405	1 572
Slovenia	165	122	204	73
Total EU member states:	15 412	19 310	16 408	19 774
Albania	0	0	0	0
Australia	0	0	0	0
Bosnia and Herzegovina	28	22	2	1
United States	0	32	0	28
Belarus	1	1	0	0
Canada	0	0	0	0
Kazakhstan	0	0	0	0
Macedonia	1	0	1	0
Moldova	0	0	0	0
Montenegro	20	4	0	1
Norway	10	3	10	3
Russia	96	104	12	27
Switzerland	688	467	747	354
Serbia	249	328	225	400
Turkey	18	2	15	2
Turkmenistan	0	0	0	0
Ukraine	80	128	57	70
Uzbekistan	0	0	0	0
Other	1	0	0	0
Total non-EU member states:	1 192	1 091	1 069	886
Grand total:	16 604	20 401	17 477	20 660

54. Table: Export and import by market segments

II.2.3 Other material expenditures

Figures in MHUF

Item	2013		2014		Change
	Amount	Distribution	Amount	Distribution	
Material costs					
Operation, maintenance and other materials	29 407	21,8%	26 418	20,8%	-2 989
Traction electricity	15 992	11,8%	14 822	11,7%	-1 170
Fuel	12 008	8,9%	11 405	9,0%	-603
Public utilities (energy, gas, water)	8 733	6,5%	7 764	6,1%	-969
Working clothes, uniforms, protective equipment	1 946	1,4%	1 312	1,0%	-634
Material costs, total:	68 086	50,4%	61 721	48,6%	-6 365
Services used					
Track operation, facility management and vehicle maintenance, other related services	18 048	13,4%	16 648	13,1%	-1 400
Lease fees	15 101	11,2%	14 823	11,7%	-278
Public hygiene costs	2 321	1,7%	2 803	2,2%	482
Transportation and loading costs	2 902	2,1%	2 646	2,1%	-256
IT services	2 179	1,6%	2 256	1,8%	77
Traction	839	0,6%	2 032	1,6%	1 193
Postage, advertisement, market research	941	0,7%	1 065	0,8%	124
Professional, advisory and membership fees	415	0,3%	476	0,4%	61
Training costs	284	0,2%	285	0,2%	1
Health services	219	0,2%	128	0,1%	-91
Public utility services (fees not based on consumption)	49	0,0%	88	0,1%	39
Other services used	7 452	5,5%	5 157	4,1%	-2 295
Total value of services used:	50 750	37,6%	48 407	38,1%	-2 343
Other services					
Insurance fees	1 170	0,9%	1 157	0,9%	-13
Authority fees	1 517	1,1%	1 621	1,3%	104
Bank charges, incidental payments	802	0,6%	810	0,6%	8
Costs of other unspecified services	18	0,0%	26	0,0%	8
Total costs of other services:	3 507	2,6%	3 614	2,8%	107
Cost of goods sold:	9 657	7,1%	9 569	7,5%	-88
Value of resold services:	3 118	2,3%	3 595	2,8%	477
Material expenses in total:	135 118	100,0%	126 906	100,0%	-8 212

55. Table: Other material expenditures

II.2.4 Other revenues

Figures in MHUF

Item	2013		2014		Change
	Amount	Distribution	Amount	Distribution	
Intangible assets and tangible assets disposals	1 114	0,5%	569	0,3%	-545
Reversal of extraordinary depreciation of intangible and tangible assets	402	0,2%	43	0,0%	-359
Reversal of impairment on inventories	139	0,1%	2 094	1,0%	1 955
Written off debt collected	356	0,1%	285	0,1%	-71
Profit increasing items	1 363	0,6%	1 841	0,9%	478
Of which: Late payment penalty	291	0,1%	167	0,1%	-124
Penalties received	669	0,3%	628	0,3%	-41
Use of provisions	30 783	13,0%	17 142	8,2%	-13 641
Of which: Provision for expected liabilities used	6 181	2,6%	11 363	5,5%	5 182
Use of provision for unrealised exchange losses	1 750	0,7%	1 237	0,6%	-513
Use of provision for future expenses	22 852	9,6%	4 542	2,2%	-18 310
Revenue from accounts receivable sold	0	0,0%	21	0,0%	21
Miscellaneous other income	148	0,1%	232	0,1%	84
Reversed deferred income due to costs and expenses reducing the operating profit*	3 973	1,7%	3 828	1,8%	-145
Of which: reversed deferred subsidy	395	0,2%	369	0,2%	-26
reversed deferred PHARE aid	42	0,0%	34	0,0%	-8
Reversed debt owed to government, forgiven	3 362	1,4%	3 223	1,5%	-139
Non-refundable subsidies	199 233	83,9%	182 001	87,5%	-17 232
Of which: Public service refunds	196 904	82,9%	180 595	86,8%	-16 309
Incentive scheme for MÁV workers, 2011-2013	1 966	0,8%	0	0,0%	-1 966
Memorial Centre for the Child Victims of the Holocaust	197	0,1%	28	0,0%	-169
public works	99	0,0%	1 207	0,6%	1 108
Total:	237 511	100,0%	208 056	100,0%	-29 455

56. Table: Other revenues

Composition of other revenues:

- ✚ As a result of the takeover of capital projects implemented by NIF Zrt. for asset management, the provision made in previous years to cover the depreciation charges for these assets was released in 2013, in an amount of HUF 22,474 million, while in 2014 we released HUF 3,686 million in provisions under this heading. The details are given in section I.2.2.
- ✚ Following a review of environmental protection tasks to be performed HUF 3,156 million in provision was released partly because of work that had been completed and partly because the reason for them had ceased to exist.
- ✚ The amount of railtrack operation cost compensation recognised in respect of 2014 decreased by HUF 12,312 million, and the amount of passenger transport cost compensation by HUF 3,997 million compared to the base period.
- ✚ Based on Govt. Resolution 1447/2011. (XII: 21.) on the financial incentives payable to the railway workers of MÁV in the years 2011-2013, the MÁV Group received subsidy in the years concerned; however, the 3-year agreement between the government and MÁV expired in 2013.

II.2.5 Other expenditures

Figures in MHUF

Item	2013		2014		Change
	Amount	Distribution	Amount	Distribution	
Expenses on intangible and tangible assets sold	271	0,5%	249	0,6%	-22
Expenses on scrapped and missing intangible and tangible assets	1 145	2,2%	1 640	3,9%	495
Extraordinary depreciation of intangible and tangible assets	29 630	56,0%	16 403	38,9%	-13 227
Extraordinary depreciation of goodwill	25	0,0%	0	0,0%	-25
Impairment of inventories and receivables, inventory shortage, scrapping	3 417	6,5%	1 683	4,0%	-1 734
Of which: Depreciation, scrapping of stocks	343	0,6%	678	1,6%	335
Impairment of receivables	932	1,8%	980	2,3%	48
Accounting settlement with a negative effect on profit	2 061	3,9%	0	0,0%	-2 061
Profit decreasing items	3 708	7,0%	3 239	7,7%	-469
Of which: Late-payment interest, penalties, damages paid	407	0,8%	104	0,2%	-303
Losses from damages	2 434	4,6%	2 545	6,0%	111
Self-revision fee	111	0,2%	19	0,0%	-92
Provisions	9 128	17,2%	15 381	36,4%	6 253
Of which: Set aside for contingent liabilities provisions	4 523	8,5%	11 749	27,8%	7 226
Provision for unrealised FX losses on development loans	1 730	3,3%	3 130	7,4%	1 400
Provisions for future commitments	2 875	5,4%	502	1,2%	-2 373
Carrying amount of trade receivables sold	0	0,0%	0	0,0%	0
Taxes, duties and VAT	3 719	7,0%	2 024	4,8%	-1 695
Contributions to government funds	1 728	3,3%	1 461	3,5%	-267
Of which: Public utility tax	915	1,7%	870	2,1%	-45
R&D contribution	801	1,5%	584	1,4%	-217
Other liabilities	160	0,3%	135	0,3%	-25
Total:	52 931	100,0%	42 215	100,0%	-10 716

57. Table: Other expenditures

Composition of other expenditures:

- ✚ Concurrently with the handover of the capital projects implemented by NIF Zrt., we recognised HUF 27,871 million extraordinary depreciation in 2013, while in 2014 we recognised HUF 12,352 million less, at HUF 15,519 million.
- ✚ The expenditures related to the provisioning increased by HUF 6,253 million compared to 2013. The provisions set aside to cover environmental protection liability increased by HUF 5,789 million in 2014 relative to the base year.
- ✚ It was not necessary to set aside provisions for the depreciation of assets that had not yet been handed over by NIF Zrt., which resulted in a decrease of HUF 1,900 million.
- ✚ In 2014 we set aside HUF 1,400 million more in provisions, relative to the base year, due to the FX loss on investment loans.

II.2.6 Financial and extraordinary profit or loss

II.2.6.1 Revenues from financial transactions

Figures in MHUF

Item	2013		2014		Change
	Amount	Distribution	Amount	Distribution	
Dividend received (due)	3	0,1%	3	0,2%	0
Of which: HIT Rail b.v.	3	0,1%	3	0,2%	0
Exchange gain on sale of investments	0	0,0%	17	0,9%	17
Interest and similar income received	997	44,0%	610	31,2%	-387
Of which: bank interest	983	43,4%	562	28,8%	-421
Interest received from third parties	9	0,4%	0	0,0%	-9
Interest received from private individuals	5	0,2%	22	1,1%	17
Interest income received from securities	0	0,0%	0	0,0%	0
Other financial revenues	1 267	55,9%	1 323	67,7%	56
Of which: Part of the balance sheet profit of equity consolidated entities attributable to the company group	838	37,0%	926	47,4%	88
Realised FX gain on FX balances	415	18,3%	347	17,8%	-68
Total:	2 267	100,0%	1 953	100,0%	-314

58. Table: Composition of revenues from financial transactions

II.2.6.2 Financial expenses

Figures in MHUF

Item	2013		2014		Change
	Amount	Distribution	Amount	Distribution	
Loss on financial investments	0	0,0%	0	0,0%	0
Interest payable and similar expenses	8 046	82,2%	4 843	54,4%	-3 203
Of which: Interest payable to credit institutions	5 085	56,5%	3 387	38,0%	-1 698
Interest payable on bonds	2 656	22,2%	1 295	14,5%	-1 361
Impairment of investments, securities and bank deposits	3	0,0%	0	0,0%	-3
Other financial expenditures	4 013	17,8%	4 064	45,6%	51
Of which: Part of the balance sheet losses of equity consolidated entities attributable to the company group	334	1,7%	116	1,3%	-218
Realised FX loss on FX receivables/payables	3 641	16,0%	3 923	44,0%	282
Total:	12 062	100,0%	8 907	100,0%	-3 155

59. Table: Composition of expenditures of financial transactions

II.2.6.3 Extraordinary revenues

Figures in MHUF

Item	2013		2014		Change
	Amount	Distribution	Amount	Distribution	
Government assumption of bond debts and interest	0	0,0%	35 361	43,7%	35 361
Waiver of compensation liability due to changes to the Act on State Property	19 640	99,7%	45 459	56,2%	25 819
Assets received for shares	34	0,2%	19	0,0%	-15
Revenues from assets received free of charge and from surplus assets	16	0,1%	27	0,0%	11
Other forgiven and lapsed liabilities	6	0,0%	15	0,0%	9
Other extraordinary revenues	11	0,1%	6	0,0%	-5
Total:	19 707	100,0%	80 887	100,0%	61 180

60. Table: Allocation of extraordinary revenues

In 2014, HUF 80,887 million was recognised as extraordinary revenues, which exceeded the amount in the base period by HUF 61,180 million.

The bulk of the growth in extraordinary revenues is caused by the State of Hungary's assumption of the HUF 35 billion MÁV Zrt. bond and pro-rata accumulated interest thereon, and the waiving of the compensation obligation related to the 2013 change in the Act on State Property, in connection with the assets taken over from NIF. (Section 1.2.3).

II.2.6.4 Extraordinary expenditures

Figures in MHUF

Item	2013		2014		Change
	Amount	Distribution	Amount	Distribution	
Forgiving of claims from the government that are not classed as unrecoverable	0	0,0%	1 630	89,3%	1 630
Expenditures on assets and services provided free of charge	76	52,8%	129	7,1%	53
Liabilities assumed from other companies	5	3,5%	29	1,6%	24
Carrying amount of investments derecognised due to voluntary liquidation	23	16,0%	23	1,3%	0
Non-refundable housing grant to employees	4	2,8%	4	0,2%	0
Other forgiven claims	3	2,1%	4	0,2%	1
Cash transferred	3	2,1%	0	0,0%	-3
Other extraordinary expenditures	30	20,8%	7	0,4%	-23
Total:	144	100,0%	1 826	100,0%	1 682

61. Table: Distribution of extraordinary expenses

The primary cause of the growth in the reporting year was the HUF 1.6 billion claim resulting from the waiving of the compensation obligation for 2013 due to the asset settlement relating to sports properties, which under the agreement concluded with MNV Zrt. was settled against the profit/loss for the reporting year among extraordinary expenses. Based on the agreement the capital loss was offset by a compensation obligation contribution-in-kind instead of a compensation obligation waiver.

II.2.7 Calculation of the Group's consolidated profit

A breakdown of the MÁV Group's consolidated profit/loss is shown in the table below.

Figures in MHUF

<i>Item</i>	<i>Amount</i>
Aggregated balance sheet profit/loss of fully consolidated subsidiaries	47 668
Balance sheet profit/loss before consolidation	47 668
Elimination of dividends received from subsidiaries	-2 291
Elimination of the reversed impairment loss on investments	7 971
Elimination of the effect of the merge on the income	-8 452
Effect of the capital consolidation by elimination of the investments held on profit/loss	-2 772
Elimination of dividends received from associates	-642
Effect of the difference between the financial statements of associates used for consolidation purposes for 2013 and their final financial statements for 2013 on profit/loss	5
Profit of associates in the reporting year	921
Loss of associates in the reporting year	-116
Effect of the capital consolidation by investment valuation (using the equity method) on profit/loss	168
Elimination of late-payment interest, penalty, compensation accounted unilaterally according to the principle of prudence	44
Effect of the treatment of other differences on profit/loss	-29
Effect of the elimination of receivables and liabilities on profit/loss	15
Effect of the treatment of other minor differences on profit/loss	-13
Elimination of provisions made for expected liabilities and future expenses within the group	258
Elimination of provisions released for expected liabilities and future expenses within the group	-430
Effect of the elimination of earnings and expenditures on profit/loss	-185
Effect of the elimination of internal profit/loss realised on internal services received for non-current assets on profit/loss	-302
Effect of the elimination of internal profit/loss generated from the sale of tangible assets to group companies	-66
Effect of the elimination of internal profit/loss generated from the in-kind contribution of tangible assets to group companies	29
Adjustment of ordinary depreciation of assets producing internal profit/loss	1 935
Adjustment of extraordinary depreciation and write back of assets producing internal profit/loss	15
Adjustment of other items decreasing the profit (sale, scrapping, shortfall, etc.) accounted in relation to assets producing the internal profit/loss	7
Release of deferred income reinvested in the consolidation in proportion to depreciation for the year	2 559
Adjustment of release of deferred FX loss related to FX loans due to repayment	-138
Adjustment of deferral of unrealised FX losses on FX loans	421
Adjustment of other provisions made for deferred losses on FX loans	-139
Effect of eliminating and releasing internal profit/(loss) from the receipt of internal services on inventories	-82
Effect of eliminating and releasing internal profit/(loss) on the consolidated profit/(loss) for the year	4 239
Effect of deferred tax on profit/loss as a result of consolidation accounting	-6
Effect of deferred tax on profit/loss	-6
Consolidated profit/(loss) for the year	49 127

62. Table: Calculation of the Group's consolidated profit

II.3 ACTUAL ASSET, FINANCIAL AND INCOME POSITIONS

II.3.1 Cash flow statement

Figures in MHUF			
No.	Item	2013	2014
I.	Operating cash-flows	87 588	115 785
1	Profit/loss before taxation	6 601	49 253
2	Ordinary depreciation charge	49 814	59 723
2/b	Amortisation charged to previous years	0	0
3	Impairment loss recognised	33 968	17 564
3/b	Amount realised in excess of the book value of loan given	-132	-33
4	Changes in provisions	-21 537	-1 761
5	Proceeds from/(loss on) sale of non-current assets	-843	-337
5/b	Profit/(loss) from changes in investments	-11	4
6	Changes in trade payables	5 849	17 011
7	Change in other short-term liabilities	-250	975
7/b	Reclassification from other long-term liabilities	0	1 945
8	Changes in accruals	14 182	3 013
8/b	Released deferred income related to asset settlement	2 064	3 870
8/c	Accrued income associated with fixed assets received without compensation	0	-25
9	Changes in trade receivables	-2 064	-153
10	Change in current assets (net of trade accounts receivable and liquid assets)	-6 507	14 005
11	Movements in prepayments and accrued income	515	-3 083
12	Corporate tax paid, payable (on profit)	-1 947	-129
13	Dividend and profit share payable	0	0
13/b	Assets transferred or received free of charge, and surplus assets	-14	55
13/c	Change in liabilities related to managed state-owned assets	2 723	-17 732
13/d	Prior-year adjustments	0	0
13/e	Change in deferred tax assets due to consolidation	1 558	6
13/f	Adjustments not involving cash movements due to consolidation	230	-166
13/g	Exchange difference at year-end	2 654	6 760
13/h	Bond debt assumed by the government	0	-35 361
13/i	Bond debt interest assumed by the government	0	361
13/j	Changes in assets and liabilities due to change of scope	735	20
II.	Changes in liquid assets resulting from investment activities	-59 642	-67 997
14	Purchase of non-current assets	-40 768	-75 630
15	Sale of non-current assets	1 114	569
15/b	Movements in long-term financial assets	34	41
15/c	Movements in advances for capital WIP	-20 025	7 020
16	Dividend received	3	3
III.	Financing cash flows	-9 502	-42 255
17	Proceeds from issue of shares, capital increase	0	0
18	Proceeds from bond issue	0	0
19	Borrowings	25 702	519
20	Repayment of long-term loans and bank deposits	192	69
21	Amounts received free of charge	12	6
22	Share withdrawal (capital reduction)	0	0
23	Redemption of bonds and debt securities	0	0
24	Loan repayment	-35 547	-42 835
25	Long-term loans granted and bank deposits	-1	0
26	Cash transferred	0	-61
27	Movements in payables to founders and in other long-term liabilities	140	47
IV.	Change in cash and cash equivalents (Lines ±I±II±III)	18 444	5 533

63. Table: Cash flow statement

II.3.2 Value and composition of assets

Value and composition of assets

Non-current assets ratio

$$\frac{\text{Non-current assets}}{\text{Total assets}} = \frac{1\,046\,851}{1\,194\,737} = 87,62\% \quad (\text{base: } 84.69\%)$$

Coverage of tangible assets

$$\frac{\text{Equity}}{\text{Own tangible assets}} = \frac{109\,840}{316\,072} = 34,75\% \quad (\text{base: } 26.83\%)$$

$$\frac{\text{Equity} + \text{Treasury funds}}{\text{Tangible assets}} = \frac{856\,757}{1\,035\,854} = 82,71\% \quad (\text{base: } 72.72\%)$$

Coverage of tangible assets

$$\frac{\text{Equity}}{\text{Own tangible assets}} = \frac{109\,840}{327\,069} = 33,58\% \quad (\text{base: } 26.05\%)$$

$$\frac{\text{Equity} + \text{Treasury funds}}{\text{Non-current assets}} = \frac{856\,757}{1\,046\,851} = 81,84\% \quad (\text{base: } 71.83\%)$$

Current assets to non-current assets

$$\frac{\text{Current assets}}{\text{Non-current assets}} = \frac{103\,548}{1\,046\,851} = 9,89\% \quad (\text{base: } 13.18\%)$$

Value and composition of equity

Capitalisation

$$\frac{\text{Equity}}{\text{Total liabilities}} = \frac{109\,840}{1\,194\,737} = 9,19\% \quad (\text{base: } 9.19\%)$$

$$\frac{\text{Equity}}{\text{Equity and liabilities} - \text{Treasury funds}} = \frac{109\,840}{447\,820} = 24,53\% \quad (\text{base: } 19.00\%)$$

Gearing ratio

$$\frac{\text{Debt}}{\text{Equity}} = \frac{972\,290}{109\,840} = 885,19\% \quad (\text{base: } 866.36\%)$$

$$\frac{\text{Borrowed capital} - \text{Treasury funds}}{\text{Equity}} = \frac{225\,373}{109\,840} = 205,18\% \quad (\text{base: } 304.24\%)$$

Indebtedness ratio

$$\frac{\text{Debt}}{\text{Total assets}} = \frac{972\,290}{1\,194\,737} = 81,38\% \quad (\text{base: } 79.60\%)$$

Ratio of long-term liabilities

$\frac{\text{Non-current liabilities}}{\text{Long-term liabilities} + \text{Equity}}$	=	$\frac{849\,439}{959\,279}$	=	88,55%	(base: 87.82%)
$\frac{\text{Long-term liabilities} - \text{Treasury liabilities}}{\text{Long-term liabilities} - \text{Treasury liabilities} + \text{Equity}}$	=	$\frac{102\,522}{212\,362}$	=	48,28%	(base: 61.37%)

Equity increase ratio

$\frac{\text{Equity}}{\text{Registered capital}}$	=	$\frac{109\,840}{22\,000}$	=	499,27%	(base: 414.75%)
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Non-current assets coverage

$\frac{\text{Equity}}{\text{Non-current assets}}$	=	$\frac{109\,840}{1\,046\,851}$	=	10,49%	(base: 10.85%)
$\frac{\text{Equity}}{\text{Own tangible assets}}$	=	$\frac{109\,840}{327\,069}$	=	33,58%	(base: 26.05%)

Profitability indicators

<i>EBITDA (Operating profit + depreciation)</i>	=	-22 851	+	59 723	=	36 872	(base: 46,650)
<i>EBITDA rate</i>	=	$\frac{\text{EBITDA}}{\text{Net sales revenues}}$	=	$\frac{36\,872}{140\,910}$	=	26,17%	(base: 34.66%)
<i>Operational rate</i>	=	$\frac{\text{Operating profit or loss}}{\text{Net sales revenues}}$	=	$\frac{-22\,851}{140\,910}$	=	-16,22%	(base: -2.35%)

Financial Position
Working capital and liquidity

Net working capital

$\text{Current assets} - \text{Current liabilities}$	=	103 548	-	122 749	=	-19 201	(base: -21,755)
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Liquidity ratio

$\frac{\text{Current assets}}{\text{CURRENT LIABILITIES}}$	=	$\frac{103\,548}{122\,749}$	=	84,36%	(base: 83.59%)
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Quick ratio

$\frac{\text{Current assets} - \text{Inventories}}{\text{CURRENT LIABILITIES}}$	=	$\frac{82\,675}{122\,749}$	=	67,35%	(base: 67.33%)
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Cash liquidity ratio

$\frac{\text{Liquid assets}}{\text{CURRENT LIABILITIES}}$	=	$\frac{33\,564}{122\,749}$	=	27,34%	(base: 21.14%)
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III SUPPLEMENTARY NOTES

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

Figures in MHUF

Item	2013	2014	Change
Board of Directors	13	13	0
Supervisory Board	17	20	3
Total:	30	33	3

64. Table: 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 2014.

III.2 Subsidies received

Figures in MHUF

Item	2013		2014		Change
	Amount	Distribution	Amount	Distribution	
Public service cost compensation	196 904	73,6%	180 595	73,6%	-16 309
Project subsidy	45 243	16,9%	39 005	15,9%	-6 238
of which: reimbursement for renovation	19 827	7,4%	23 790	9,7%	3 963
Ticket price subsidies	18 325	6,9%	19 946	8,1%	1 621
Refunded excise tax	4 635	1,7%	4 457	1,8%	-178
Support for public employment	99	0,0%	1 207	0,5%	1 108
Support for the Memorial Centre for the Child Victims of the Holocaust	197	0,1%	28	0,0%	-169
Incentive scheme for MÁV workers, 2011-2013	1 966	0,7%	0	0,0%	-1 966
Other subsidies	61	0,0%	162	0,1%	101
Total:	267 430	100,0%	245 400	100,0%	-22 030

65. Table: Subsidies received

Figures in MHUF

Item	2013		2014		Change
	Amount	Distribution	Amount	Distribution	
50% discount	3 764	20,5%	3 724	18,7%	-40
90% discount	2 947	16,1%	2 685	13,5%	-262
Student discount	5 940	32,4%	7 713	38,7%	1 773
Discount for OAPS over 70 (65)	5 677	31,0%	5 826	29,2%	149
Total:	18 328	100,0%	19 948	100,0%	1 620

66. Table: Ticket price subsidies used

73.6% of the subsidies received by the group comprise public service cost compensation, which is related to railtrack operation as well as to the passenger transport activity.

III.3 Environmental protection

III.3.1 Environmental protection 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/released in the reporting year.
- ✚ The liabilities serving as the basis for the provisioning underlying liabilities consist partly of liabilities expected on the basis of works that have documented survey results, and partly on the basis of mandatory work imposed by authorities and the expected environmental obligations, the amount of which has been estimated.

To cover ERP expenses, upon transformation into a private limited company by shares, HUF 5.4 billion was set aside from capital reserve based on initial estimates, which was posted to allocated reserves on 1 January 2001. The non-distributable reserve has been gradually decreased with the amounts utilised, and thus the amount still available was HUF 3,617 million at the end of 2013. Following a review of the environmental protection tasks to be performed, HUF 3,617 million of the non-distributable reserve was transferred to the capital reserve.

Based on previous estimates, the Company set aside provisions of HUF 6,533 million 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, HUF 19 million in 2013 and HUF 5,808 million in 2014 for newly discovered tasks, and also due to the more accurate specification of the foreseeable obligations resulting from works in progress.

Following a review of environmental protection tasks to be performed, besides the release of the non-distributable reserve, HUF 3,165 million in provisions was released partly because of work that had been completed and partly because the reason for them had ceased to exist.

The provisions set aside for the restoration of environmental damage, less used and released amounts, is HUF 8,715 million.

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

Figures in MHUF

Item	Opening balance	Growth	Decrease	Closing balance
Non-distributable reserve	3 617	0	3 617	0
Provisions	6 072	5 808	3 165	8 715
<i>Total:</i>	9 689	5 808	6 782	8 715

67. Table: Allocated reserves for environmental purposes and provisions for environmental liabilities

The environmental protection costs incurred in 2013 and 2014 are shown in the following table:

Figures in MHUF

Item	Previous year	Current year	Change
Environmental expenses	363	726	363

68. Table: Environmental expenses

III.3.2 Tangible assets serving environmental protection purposes

Figures in MHUF

Item	Opening	Increase in 2014	Decrease in 2014	Closing
Gross value of tangible assets	2 937	2	0	2 939
Depreciation of tangible assets	751	64	0	815
<i>Net value of tangible assets</i>	2 186			2 124
<i>Construction in progress</i>	0	0	0	0
<i>Total:</i>	2 186			2 124

69. Table: Movements in tangible assets used for environmental purposes

III.3.3 Quantities of hazardous waste

EWG code	Item	2013 (kg)	2014 (kg)
060101*	Sulphuric acid and similar acids	10	0
060106*	Other acids	40	17
060204*	Sodium and potassium hydroxide	0	205
060404*	Wastes containing mercury	0	1
070104*	Other organic solvents, cleansers and alkali substances	167	70
070107*	Other organic solvents, washing liquids and mother liquors	11	0
080111*	Waste paint and varnish containing organic solvents or other dangerous substances	876	2 655
080117*	Wastes from paint or varnish removal containing organic solvents or other dangerous substances	2 240	4 298
080312*	Waste ink containing dangerous substances	4	0
080317*	Waste toner (hazardous paint)	2 157	1 791
080409*	Waste adhesives and fillers containing organic solvents or other dangerous substances	25	888
100101*	Boiler slag	9 500	0
100402*	Blast furnace slag and skinning from primary and secondary production	0	250
101007*	Casting cores and moulds containing dangerous substances	0	40
120101*	Metal shavings	0	0
120105*	Plastic shavings	0	0
120109*	Machining emulsions and solutions free of halogens	402	6
120112*	Used wax and grease	307	1 561
120116*	Sandblasting wastes containing dangerous substances	2 065	2 212
120118*	Grinding sludge	686	8 122
130205*	Waste oil	36 149	42 175
130206*	Synthetic lubricants	0	36
130208*	Other lubricants	43	9
130307*	Mineral oil based, non-chloride insulation and heat transmission lubricants	3 430	5 015
130501*	Mixed waste from oil/water separator	600	600
130502*	Sludge from oil/water separator	2 959	26 392
130506*	Oil from oil/water separator	350	670
130507*	Oil/water from oil/water separator	2 564	1 900
130508*	Mixed waste from oil/water separator	550	68 429
130701*	Heating and diesel oil	2 760	3 770
140603*	Other solvent mixes	1 870	1 747
150101*	Paper packaging waste	5	0
150102*	Plastic waste packaging	6	0
150110*	Packaging containing residues of or contaminated by dangerous substances	7 651	14 308
150111*	Metallic packaging containing a dangerous solid porous matrix (e.g. asbestos)	679	677
150202*	Absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances	20 553	29 250
160103*	Rubber waste	40	0
160107*	Oil filters	1 695	1 947
160110*	Lead battery	0	0
160114*	Waste antifreeze containing hazardous materials	180	470
160121*	Hazardous spare parts	0	59
160213*	Equipment no longer in use	1 165	108
160303*	Inorganic wastes containing dangerous substances	33	34
160305*	Organic wastes containing dangerous substances	4 206	2 957
160506*	Laboratory chemicals, consisting of or containing dangerous substances	51	23
160507*	Discarded inorganic chemicals consisting of or containing dangerous substances	30	13
160601*	Lead batteries	30 588	30 354
160606*	Separately collected electrolyte from batteries	7 100	4 774
160708*	Wastes containing oil	60	20
160709*	Wastes containing other dangerous substances	338	0
161001*	Aqueous liquid waste containing dangerous substances	0	5 744
170106*	Fractions of concrete, bricks, tiles and ceramics containing dangerous substances	0	680
170201*	Wood waste	502	0
170204*	Glass, plastic and wood containing or contaminated with dangerous substances	740 303	250 489
170405*	Ferrous scrap, added	20	275 650
170410*	Cables containing oil, coal tar and other dangerous substances	160	175
170503*	Soil and stones containing dangerous substances	2 552	5 861
170507*	Track ballast containing dangerous substances	20	0
170601*	Insulation materials containing asbestos	16	0
170603*	Other insulation materials consisting of or containing dangerous substances	8	344
170605*	Waste containing asbestos	130	0
180104*	blood donation box	8	0
190813*	Sludge containing dangerous substances from other treatment of industrial waste water	70 000	71 390
200102*	Glass /kitchen/	60	0
200108*	Biodegradable edible fat waste	200	0
200121*	Fluorescent light bulbs and other mercury-containing wastes	702	861
200133*	Batteries and accumulators included in 16 06 01, 16 06 02 or 16 06 03 and unsorted batteries	4 411	3 042
200135*	Discarded electrical and electronic equipment other than those mentioned in 20 01 21 and 20 01 23 containing hazardous components	6 357	12 189
200301*	Mixed municipal waste	30	0
200307*	Bulky waste	30	0
Total:		969 654	884 278

70. Table: The closing balance of hazardous waste quantities in 2014

III.4 Average statistical headcount and wages

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

Figures in MHUF

Item	2013					2014				
	Wages	Other payments to personnel	Contributions on wages	Total	Distribution (%)	Wages	Other payments to personnel	Contributions on wages	Total	Distribution (%)
Blue collar	72 590	10 443	24 740	107 773	65,16%	74 081	10 927	25 154	110 162	66,14%
White collar	38 781	5 349	12 840	56 970	34,44%	37 769	5 269	12 616	55 654	33,41%
Inactive	434	77	155	666	0,40%	506	64	170	740	0,44%
Total:	111 805	15 869	37 735	165 409	100,00%	112 356	16 260	37 940	166 556	100,00%

71. Table: The group's personnel-related expenditures

Item	Year 2013		Year 2014	
	Average statistical headcount	Distribution (%)	Average statistical headcount	Distribution (%)
Blue-collars	25 083	67,2%	25 917	68,5%
White-collars	12 228	32,8%	11 895	31,5%
Total staff employed:	37 311	100,0%	37 812	100,0%

72. Table: The group's average statistical headcount

III.5 Research and experimental development

The MÁV group's research and experimental development costs in 2014 are presented in the tables below.

Figures in MHUF

Item	2013	2014	Change
R&D costs	378	275	-103
Of which: Own R&D to be capitalised	0	242	242
Own R&D expensed in the reporting year	196	0	-196
R&D by third parties	182	33	-149
Other indirect costs of technical development	47	11	-36
Of which: Cost of development arrangements, management and testing	0	0	0
Technical information, propaganda and production management	33	8	-25
Type classification, standardisation, industrial design	14	0	-14
Technical tenders	0	0	0
Non-capitalised or unused innovation	0	0	0
Non-capitalised, used innovation	0	3	3
Other non-capitalised, used intellectual property	0	0	0
Total:	425	286	-139

73. Table: Costs of research and experimental development in 2014

The primary objectives of the MÁV Group's research and development activity are to raise the standards of transportation safety and service, to improve cost-effectiveness and to protect the environment.

In 2014, R&D costs related to the development of IC+ vehicles, started by MÁV-GÉPÉSZET Zrt., were capitalised, amounting to nearly HUF 516 million. The engine conversion of the M41 series diesel locomotives aimed at reducing their harmful emissions is in progress, and this accounts for HUF 40 million of the R&D works in progression.

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Attachment No. 6 – Consolidation postings

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

Nr.	Company		Balance sheet total		Net sales revenues		Wages	
	Code	Item	Value	%	Value	%	Value	%
1	100	MÁV Zrt.	1 075 793	78,78%	159 318	49,58%	47 995	44,16%
2	020	MÁV VAGON Kft.	976	0,07%	2 053	0,64%	427	0,39%
3	096	MÁV LV Kft.	8 311	0,61%	4 241	1,32%	1 056	0,97%
4	101	MÁV FKG Kft.	12 743	0,93%	22 377	6,96%	4 264	3,92%
5	131	MÁV KfV Kft.	3 248	0,24%	1 906	0,59%	447	0,41%
6	138	MÁV Szolgáltató Központ Zrt.	10 372	0,76%	24 074	7,49%	7 742	7,12%
7	179	ZÁHONY-PORT Zrt.	1 126	0,08%	2 436	0,76%	861	0,79%
8	180	MÁV-START Zrt.	252 113	18,46%	103 180	32,11%	45 581	41,94%
Fully consolidated companies, total:			1 364 683	99,94%	319 585	99,45%	108 373	99,72%
9	005	MÁV TI Kft.	227	0,02%	146	0,05%	15	0,01%
10	015	MÁV NOSZTALGIA Kft.	573	0,04%	1 629	0,51%	288	0,27%
Equity consolidated subsidiaries (associates), total:			800	0,06%	1 775	0,55%	303	0,28%
Subsidiaries total:			1 365 483	100,00%	321 360	100,00%	108 676	100,00%

Attachment No. 2
Consolidated entities

Fully consolidated entities		
	Parent	Subsidiary
100	MÁV Zrt.	20 MÁV VAGON Kft.
		096 MÁV LV Kft.
		101 MÁV FKG Kft.
		131 MÁV KfV Kft.
		138 MÁV Szolgáltató Központ Zrt.
		179 ZÁHONY-PORT Zrt.
		180 MÁV-START Zrt.

Equity consolidated companies (associates)		
	Subsidiary	Associate
005	MÁV TI Kft.	022 MÁV Vasjármű Kft. (cs.a.)
015	MÁV NOSZTALGIA Kft.	027 Dunakeszi Járműjavító Kft.
		037 VAMAV Kft.
		038 EURO-METALL Kft.
		116 MÁV-THERMIT Kft.
		142 Multiszoig 97 Hídmérleg Kft.

Companies treated as investments					
Subsidiary		Associate		Other related parties	
006	MÁV HÍDÉPÍTŐ Kft. (f.a.)	165	MÁV-REC Kft.	120	Vasutegészségügyi Nonprofit Kft.
134	MÁV Utas ellátó Zrt. (f.a.)	178	HUNGRAIL Egyesülés (v.a.)	128	EUROFIMA
152	MÁVRAKTÁR Kft. (f.a.)	191	TS-MÁV Gépészet Services Kft.	147	BCC
				163	Út- és Pályaépítő Rt. f.a. (under liquidation)
				169	HIT Rail b.v.
				172	Normon-Tool Kft.

Appendix No. 3

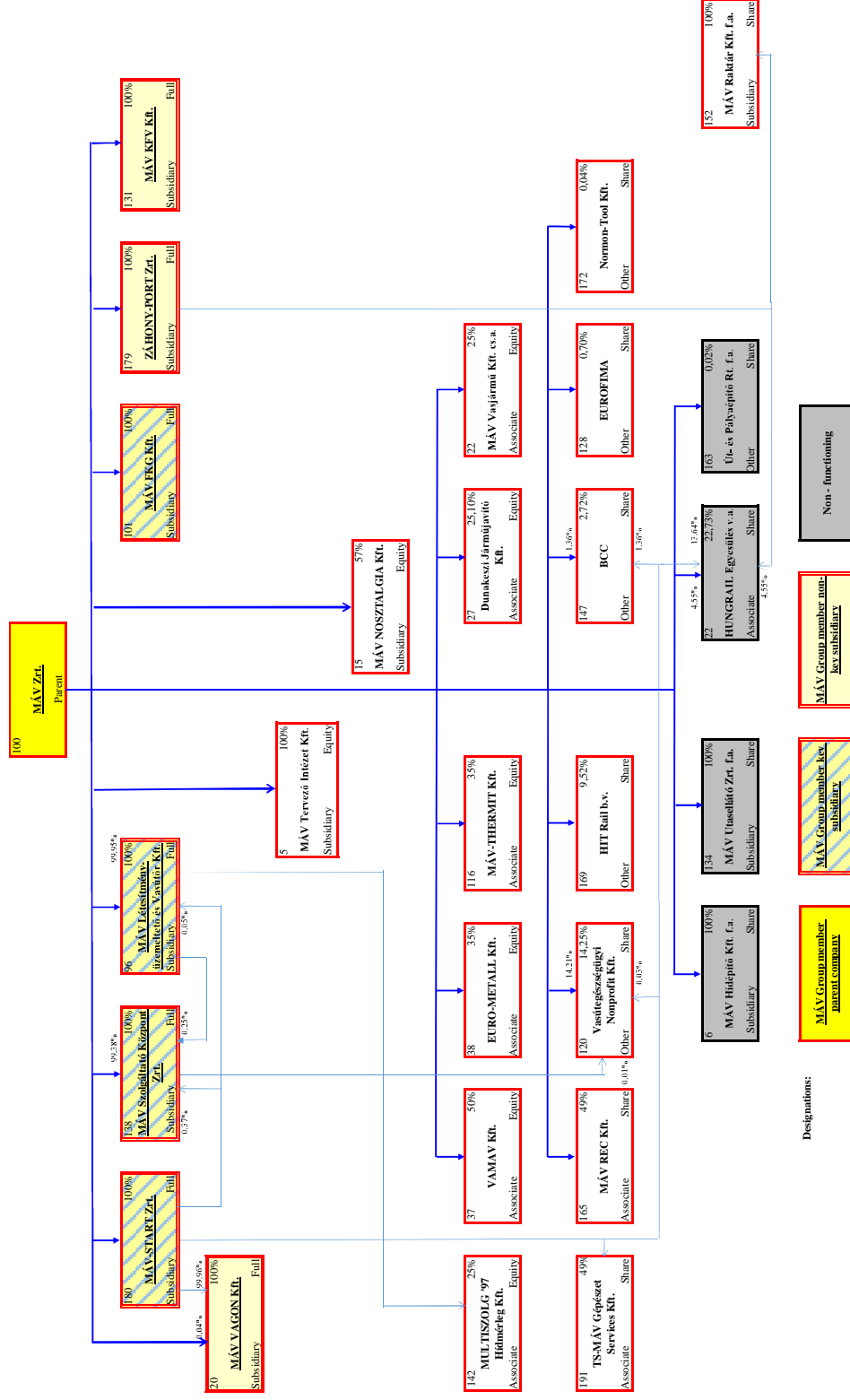
Changes in the scope of consolidation

Changes in the scope of fully consolidated companies			
Growth	Reason for increase	Decrease	Reason for decrease
020 MÁV VAGON Kft.	Reclassified from the "equity" group	136 MÁV IK Kft.	Merged into MÁV LV Kft.
		139 MÁV VASÚTŐR Kft.	Merged into MÁV LV Kft.
		149 MÁV Vagy.önkezelő Zrt.	Merged into MÁV LV Kft.
		186 MÁV-TRAKCIÓ Zrt.	Merged into MÁV-START Zrt.
		187 MÁV-GÉPÉSZET Zrt.	Merged into MÁV-START Zrt.

Changes in the circle of equity consolidated companies (associates)			
Growth	Reason for increase	Decrease	Reason for decrease
		020 MÁV VAGON Kft.	Reclassified to fully consolidated undertakings

Change in the circle of companies treated as investments for consolidation purposes			
Growth	Reason for increase	Decrease	Reason for decrease
		190 MÁV Koncessziós Kft.	Liquidation procedure closed
		188 MTMG Zrt.	Sale of total investment
		166 NGF Kht.	Liquidation procedure has been completed

Attachment No. 4



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

Nr.	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	020	MÁV VAGON Kft.	subsidiary	voting rights	full	full
3	096	MÁV LV Kft.	subsidiary	voting rights	full	full
4	101	MÁV FKG Kft.	subsidiary	voting rights	full	full
5	131	MÁV KfV Kft.	subsidiary	voting rights	full	full
6	138	MÁV Szolgáltató Központ Zrt.	subsidiary	voting rights	full	full
7	179	ZÁHONY-PORT Zrt.	subsidiary	voting rights	full	full
8	180	MÁV-START Zrt.	subsidiary	voting rights	full	full
9	005	MÁV TI Kft.	subsidiary	voting rights	full	equity
10	015	MÁV NOSZTALGIA Kft.	subsidiary	voting rights	full	equity
11	022	MÁV Vasjármű Kft. (cs.a.)	associate	voting rights	equity	equity
12	027	Dunakeszi Járműjavító Kft.	associate	voting rights	equity	equity
13	037	VAMÁV Kft.	associate	voting rights	equity	equity
14	038	EURO-METALL Kft.	associate	voting rights	equity	equity
15	116	MÁV-THERMIT Kft.	associate	voting rights	equity	equity
16	142	Multiszolg 97 Hídmérleg Kft.	associate	voting rights	equity	equity
17	006	MÁV HÍDÉPÍTŐ Kft. (f.a.)	subsidiary	voting rights	full	shareholding
18	134	MÁV Utasellátó Zrt. (f.a.)	subsidiary	voting rights	full	shareholding
19	152	MÁV RAKTÁR Kft. (f.a.)	subsidiary	voting rights	full	shareholding
20	165	MÁV-REC Kft.	associate	voting rights	equity	shareholding
21	178	HUNGRAIL Egyesülés (v.a.)	associate	voting rights	equity	shareholding
22	191	TS-MÁV Gépszet Services Kft.	associate	voting rights	equity	shareholding
23	120	Vasutegészségügyi Nonprofit Kft.	ther associate	voting rights	shareholding	shareholding
24	128	EUROFIMA	ther associate	voting rights	shareholding	shareholding
25	147	BCC	ther associate	voting rights	shareholding	shareholding
26	163	Út- és Pályacépitő Rt. f.a. (under liquidation)	ther associate	voting rights	shareholding	shareholding
27	169	HTT Rail b.v.	ther associate	voting rights	shareholding	shareholding
28	172	Normon-Tool Kft.	ther associate	voting rights	shareholding	shareholding

Attachment 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 2014					Total consolidation for 2014			Consolidated data for 2014			Comparison
		Prior-year adjustments	Current year	Opening total		Total opening settlement	Total equity consolidation	Total debt consolidation	Consolidation of earnings and expenditure	Elimination of internal profits in total	Elimination of prior years	Elimination for the reporting year	Prior-year adjustments	Current year	Consolidated financial statements for 2014	Change (reporting year - prior year)	
1		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
01	A	NON-CURRENT ASSETS	0	1 178 276	-431 930	0	-574	-530	0	1 609	0	505	0	1 146 851	841 644	205 807	
02	I	INTANGIBLE ASSETS	0	5 193	-106	0	0	0	0	-91	0	-91	0	5 078	4 290	788	
03		Capitalized value of foundation restructuring	0	2	0	0	0	0	0	0	0	0	0	2	3	-1	
04		Capitalized value of R&D	0	562	0	0	0	0	0	0	0	0	0	562	350	212	
05		Intangible property rights	0	2 164	-20	0	0	0	0	0	0	0	0	2 139	2 255	-116	
06		Intellectual property	0	2 465	-26	0	0	0	0	-141	0	-141	0	2 375	1 682	693	
07		Goodwill	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
08		Advance payments on intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
09		Value adjustment of intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	II	TANGIBLE ASSETS	0	1 048 991	-44 225	0	0	-530	0	1 618	0	1 088	0	1 035 854	830 833	205 021	
11		Real property and related rights	0	689 690	-6 183	0	0	0	0	205	0	205	0	683 710	510 021	173 689	
12		Technical equipment, machinery, vehicles	0	317 174	-7 944	0	0	0	0	1 357	0	1 357	0	310 367	281 430	29 157	
13		Other equipment, fittings, vehicles	0	339	-1	0	0	0	0	-1	0	-1	0	337	417	-80	
14		Breeding stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15		Capital WIP renovations	0	26 588	-297	0	0	0	0	59	0	59	0	26 520	16 645	9 875	
16		Advance payments on capital WIP	0	15 230	0	0	0	-530	0	0	0	-530	0	14 700	21 720	-7 020	
17		Value adjustment of tangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18	III	FINANCIAL INVESTMENTS	0	124 092	-117 599	0	-574	0	0	0	0	-574	0	5 919	5 921	-2	
19		Long-term investments in related companies	0	121 741	-117 599	0	-574	0	0	0	0	-574	0	3 568	3 096	572	
20		Long-term loans to related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21		Other long-term investments	0	2 241	0	0	0	0	0	0	0	0	0	2 241	2 081	160	
22		Long-term loans given to other related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23		Other long-term loans given	0	110	0	0	0	0	0	0	0	0	0	110	144	-34	
24		Long-term debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
25		Value adjustment of financial investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
26		Goodwill	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
27		from subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
28		from associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
29	B	CURRENT ASSETS	0	135 665	102	0	0	-32 128	0	-91	0	-32 128	0	103 548	110 824	-7 276	
30	I	INVENTORIES	0	20 997	-53	0	0	-85	0	-85	0	-91	0	20 875	21 566	-683	
31		Raw materials	0	17 413	-53	0	0	-6	0	-85	0	-91	0	17 289	17 118	171	
32		Work in progress and semi-finished products	0	1 819	0	0	0	0	0	0	0	0	0	1 819	3 228	-1 409	
33		Young, fattened and other livestock	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34		Finished products	0	1 023	0	0	0	0	0	0	0	0	0	1 023	1 064	-41	
35		Goods	0	734	0	0	0	0	0	0	0	0	0	734	59	675	
36		Advance payments on inventories	0	8	0	0	0	0	0	0	0	0	0	8	87	-79	
37	II	RECEIVABLES	0	81 104	135	0	0	-32 122	0	-6	0	-32 128	0	49 111	61 237	-12 126	
38		Accounts receivable from supply of goods and services (trade debtors)	0	10 027	0	0	0	0	0	0	0	0	0	10 027	11 035	-1 008	
39		Receivables from related companies	0	32 492	0	0	0	-32 031	0	0	0	-32 031	0	461	1 102	-551	
40		Receivables from other associated companies	0	16	0	0	0	0	0	0	0	0	0	16	11	5	
41		Bills of exchange receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
42		Other receivables	0	37 569	0	0	0	-91	0	0	0	-91	0	37 878	49 044	-11 166	
43		Corporate tax liabilities (calculated from consolidation)	0	0	135	0	0	0	0	-6	0	-6	0	129	135	-6	
44	III	SECURITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
45		Investments in related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
46		Other investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
47		Treasury shares, own quotas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
48		Debt securities held for sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
49	IV	LIQUID ASSETS	0	33 564	0	0	0	0	0	0	0	0	0	33 564	28 031	5 533	
50		Cash in hand, cheques	0	175	0	0	0	0	0	0	0	0	0	175	159	16	
51		Bank deposits	0	33 389	0	0	0	0	0	0	0	0	0	33 389	27 872	5 517	
52	C	ASSET ACCRUALS	0	50 742	1 269	0	0	-7 956	0	283	0	-7 673	0	44 336	41 545	2 791	
53		Accrued income	0	26 943	-413	0	0	-2 599	0	0	0	-2 599	0	26 331	26 169	162	
54		Prepaid expenses	0	5 995	5	0	0	-5 357	0	0	0	-5 357	0	643	751	-108	
55		Debited expenses	0	15 804	1 277	0	0	0	0	283	0	283	0	17 364	14 333	3 031	
56	TOTAL ASSETS		0	1 364 683	-130 559	0	-574	-40 614	0	1 801	0	-39 387	0	1 194 737	993 123	201 614	

No.	Item	Aggregate financial statement data for the reporting year		Opening total	Effects of consolidation tasks for 2014					Total consolidation for 2014			Consolidated data for 2014		Comparison (reporting year - prior year)
		Prior-year adjustments	Current year		Total opening settlement	Total equity consolidation	Total debt consolidation	Consolidation of earnings and expenditures	Elimination of internal profit/loss in total	Elimination of prior years	Elimination for the reporting year	Prior-year adjustments	Current year	Consolidated financial statements for 2013	
57	D EQUITY	0	251 682	-145 313	0	-576	-80	-175	4 302	0	3 471	0	109 840	91 246	18 594
58	I RESETERED CAPITAL	0	69 774	-47 537	0	-237	0	0	0	0	-237	0	22 000	22 000	0
59	Of Line 58: repurchased treasury shares 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	190 109	-70 231	0	-31	0	0	0	0	-31	0	119 827	146 814	-26 987
62	IV RETAINED EARNINGS	0	-65 312	-16 539	0	-4 059	0	0	-144	0	-4 203	0	-86 034	-85 365	-669
63	V NON-DISTRIBUTABLE RESERVE	0	9 443	531	0	0	0	0	144	0	144	0	10 118	12 667	-2 549
64	VI VALUATION RESERVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65	VII NET PROFIT/LOSS	0	47 668	0	0	-2 604	15	-185	4 233	0	1 459	0	49 127	4 657	44 470
66	VIII CHANGES IN EQUITY OF SUBSIDIARIES	0	0	11 874	0	4 081	0	0	0	0	4 081	0	15 955	12 075	3 880
67	IX CHANGES DUE TO CONSOLIDATION	0	0	-23 411	0	2 274	-95	10	69	0	2 258	0	-21 153	-21 602	449
68	difference from debt consolidation	0	0	133	0	2 290	-95	13	69	0	2 208	0	2 341	1 247	1 094
	difference from internal profit loss	0	0	-26 147	0	0	0	-3	69	0	66	0	-26 081	-25 498	-583
	Depreciation of goodwill	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Valuation of investments in associates	0	0	2 603	0	-16	0	0	0	0	-16	0	2 587	2 669	-62
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	40 688	117	0	0	0	175	139	0	314	0	41 119	42 880	-1 761
72	I Provision for contingent liabilities	0	26 893	-628	0	0	0	175	0	0	175	0	26 440	26 054	386
73	2 Provision for future expenses	0	5 302	0	0	0	0	0	0	0	0	0	5 302	9 342	-4 040
74	3 Other provisions	0	8 493	745	0	0	0	0	139	0	139	0	9 377	7 484	1 893
75	F LIABILITIES	0	1 005 466	55	0	2	-33 233	0	0	0	-33 231	0	972 290	790 522	181 768
76	I SUBORDINATED LIABILITIES	0	0	100	0	2	0	0	0	0	2	0	102	100	2
77	Subordinated liabilities to related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
78	Subordinated liabilities to other related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
79	Subordinated liabilities to other entities	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	100	0	2	0	0	0	0	2	0	102	100	2
83	II LONG-TERM LIABILITIES	0	849 439	0	0	0	0	0	0	0	0	0	849 439	657 843	191 596
84	Long-term borrowings	0	1 212	0	0	0	0	0	0	0	0	0	1 212	2 151	-939
85	Convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
86	Debt from issue of bonds	0	0	0	0	0	0	0	0	0	0	0	0	10 000	-10 000
87	Investment and development credits	0	91 921	0	0	0	0	0	0	0	0	0	91 921	110 674	-18 753
88	Other long-term credits	0	8 532	0	0	0	0	0	0	0	0	0	8 532	21 718	-12 886
89	Long-term liabilities to related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
90	Long-term liabilities to other related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other long-term liabilities	0	747 474	0	0	0	0	0	0	0	0	0	747 474	513 300	234 174
	Corporate tax due arising from the consolidation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
91	III CURRENT LIABILITIES	0	156 027	-45	0	-33 233	0	0	0	0	-33 232	0	122 249	132 579	-9 330
92	Short-term borrowings	0	10 939	0	0	0	0	0	0	0	0	0	10 939	35 959	-25 000
	from line 81: Convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
93	Short-term loans	0	38 431	0	0	0	0	0	0	0	0	0	38 431	41 247	-2 816
94	Advance payments received from customers	0	71	0	0	0	0	0	0	0	0	0	71	52	19
95	Liabilities from the transportation of goods and from services (accounts pay)	0	46 287	0	0	0	0	0	0	0	0	0	46 287	29 776	17 011
96	Bills of exchange payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
97	Current liabilities to related companies	0	35 174	-45	0	0	-33 232	0	0	0	-33 232	0	1 897	1 964	-67
98	Short-term liabilities to other related parties	0	84	0	0	0	0	0	0	0	0	0	84	17	67
99	Other current liabilities	0	24 541	0	0	0	-1	0	0	0	-1	0	24 540	23 584	956
100	G LIABILITY ACCRUALS	0	66 847	14 582	0	0	-7 301	0	-2 640	0	-9 941	0	71 488	68 475	3 013
101	Deferred income	0	13 681	0	0	0	-3 044	0	0	0	-3 044	0	10 657	11 106	-439
102	Accrued expenses	0	10 851	-94	0	0	-4 287	0	0	0	-4 287	0	6 000	6 387	-387
103	Deferred income	0	42 715	14 676	0	0	0	0	-2 640	0	-2 640	0	54 751	50 982	3 769
104	TOTAL LIABILITIES	0	1 364 683	-130 559	0	-574	-40 614	0	1 801	0	-39 387	0	1 194 737	993 123	201 614

No.	Item	Aggregate financial statement data for the reporting year		Opening total	Effects of consolidation tasks for 2014					Total consolidation for 2014			Consolidated data for 2014		Comparison	
		Prior-year adjustments	Current year		Total opening settlement	Total equity consolidation	Total debt consolidation	Consolidation of earnings and expenditures	Elimination of internal profits/losses in total	Elimination of prior years	Elimination for the reporting year	Prior-year adjustments	Current year	Consolidated financial statements for 2013	Change (reporting financial statements for year - prior year)	
01	Net domestic sales revenues	0	314,129	0	0	0	-8	-165,652	-25,236	0	-190,896	0	123,433	117,990	5,443	
02	Net export sales revenues	0	17,477	0	0	0	0	0	0	0	0	0	17,477	16,604	873	
	Total internal revenues	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
03	Change in revaluation differences in currencies	0	331,896	0	0	0	-8	-165,652	-25,236	0	-190,896	0	140,910	134,904	6,316	
04	Capitalised value of internally generated assets	0	-1,595	0	0	0	0	0	-49	13,898	0	0	-1,595	1,250	-2,845	
05	Change in revaluation differences in currencies	0	11,319	0	0	0	0	-29	13,898	0	13,899	0	25,178	20,753	-1,573	
06	Capitalised value of internally generated assets	0	9,724	0	0	0	0	-49	13,898	0	13,899	0	25,383	20,603	-4,420	
07	Other revenues	0	206,769	0	0	0	-103	-755	2,145	0	1,287	0	208,556	237,511	-29,455	
	Of which: impairment reversed	0	2,137	0	0	0	0	0	0	0	0	0	2,137	541	1,596	
III A	ARISING DUE TO DEBT CONSOLIDATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
05	Material costs	0	63,883	0	0	0	5	-1,288	-2,799	0	-1,862	0	61,721	68,086	-4,365	
06	Value of services used	0	175,235	0	0	0	-5	-126,637	-186	0	-126,828	0	48,407	50,750	-2,543	
07	Value of other services used	0	3,636	0	0	0	0	-42	0	-22	0	0	3,614	3,307	107	
08	Cost of goods sold	0	47,323	0	0	0	0	-28,181	-9,573	0	-37,754	0	9,569	9,657	-88	
09	Value of rec'd services	0	13,335	0	0	0	0	-9,126	-614	0	-9,740	0	3,595	3,118	477	
	Internal expenses accounted	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
IV	MATERIAL TYPE EXPENDITURE	0	303,142	0	0	0	0	-165,254	-40,952	0	-176,206	0	126,906	135,118	-8,212	
10	Wages	0	112,586	0	0	0	0	0	0	0	0	0	112,586	111,805	551	
11	Other payments to personnel	0	16,807	0	0	0	0	-47	0	-47	0	0	16,260	15,869	391	
12	Contributions on wages and salaries	0	37,940	0	0	0	0	0	0	0	0	0	37,940	37,715	205	
V	PAYMENTS TO PERSONNEL	0	166,603	0	0	0	0	-47	0	-47	0	0	166,556	165,409	1,147	
VI	DEPRECIATION CHARGE	0	61,658	0	0	0	0	0	-1,935	0	-1,935	0	59,723	49,814	9,909	
VII	OTHER EXPENDITURES	0	43,884	0	0	0	-126	-911	-232	0	-1,269	0	42,215	52,931	-10,716	
	Of which: impairment	0	19,724	0	0	0	0	0	-23	0	-23	0	19,701	34,217	-14,516	
20	CONSOLIDATION DUE TO DEBT CONSOLIDATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
III A	CONSOLIDATION DIFFERENCE DECREASING THE TAXABLE PROFIT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
A	TRADING PROFIT(LOSS)	0	-26,558	0	0	15	-15	-214	3,926	0	3,707	0	-22,851	-3,164	-19,687	
13	Dividends, profit share received	0	2,936	0	0	-2,933	0	0	0	-2,933	0	0	0	3	0	
	Of which: received from related companies	0	2,936	0	0	-2,933	0	0	0	-2,933	0	0	0	3	0	
13.1	Dividend received from associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13.2	Dividend received from related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14	Exchange gain on sale of investments	0	17	0	0	0	0	0	0	0	0	0	17	0	17	
	Of which: received from related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15	Interest and gain on financial investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Of which: received from related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16	Other interest received (due) and similar income	0	683	0	0	0	0	-73	0	-73	0	0	610	997	-387	
	Of which: received from related companies	0	74	0	0	0	0	-74	0	0	-74	0	0	0	0	
17	Other financial income	0	406	0	0	926	0	0	-9	917	0	0	1,323	1,267	56	
XII	REVENUES FROM FINANCIAL TRANSACTIONS	0	4,042	0	0	-2,107	0	-23	-9	-2,089	0	1,953	2,267	-311		
18	Loss on financial investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	Of which: paid to related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	Interest payable and similar expenses	0	4,916	0	0	0	0	-73	0	-73	0	0	4,843	8,046	-3,203	
	Of which: paid to related companies	0	73	0	0	0	0	-73	0	-73	0	0	0	0	0	
20	Impairment of investments, securities and bank deposits	0	7,971	0	0	-7,971	0	0	0	0	-7,971	0	0	0	0	
21	Other financial expenses	0	4,340	0	0	116	0	0	-292	0	-176	0	4,064	4,013	51	
IX	FINANCIAL EXPENSES	0	17,127	0	0	-7,855	0	-23	-292	0	-8,220	0	3,907	12,062	-2,155	
B	FINANCIAL PROFIT(LOSS)	0	-13,085	0	0	5,948	0	-7	283	0	6,131	0	-4,954	-2,795	2,841	
C	PROFIT(LOSS) FROM ORDINARY ACTIVITIES	0	-39,643	0	0	5,948	15	-214	4,209	0	9,838	0	-29,805	-12,959	-16,846	
X	EXTRAORDINARY REVENUES	0	143,054	0	0	0	0	-1	-1	0	-92,167	0	80,887	19,707	61,180	
XI	EXTRAORDINARY EXPENDITURES	0	55,620	0	0	-53,711	0	-53	-30	0	-53,794	0	1,826	144	1,682	
D	PROFIT ON EXTRAORDINARY EVENTS	0	87,434	0	0	-8,452	0	49	30	0	-8,473	0	79,061	19,563	59,498	
E	PREF-TAX PROFIT(LOSS)	0	-47,791	0	0	-2,604	15	-185	4,239	0	1,665	0	-49,256	-6,804	-42,652	
XII	TAX LIABILITY	0	123	0	0	0	0	0	0	0	0	0	123	389	-266	
III A	TAX DIFFERENCE ARISING (CALCULATED) FROM CONSOLIDATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	TAX DIFFERENCE ±	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
F	AFTER-TAX PROFIT(LOSS)	0	-47,668	0	0	-2,604	15	-185	4,233	0	1,459	0	-49,127	-4,657	-44,470	
22	Dividend paid out of retained earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	Dividend, profit share approved	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24	Shares of minority shareholders	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
G	NET PROFIT(LOSS)	0	-47,668	0	0	-2,604	15	-185	4,233	0	1,459	0	-49,127	-4,657	-44,470	