

This is a translation of the Hungarian Report

Independent Auditor's Report

To the Shareholder of MÁV Zrt.

Opinion

We have audited the accompanying 2018 consolidated annual financial statements of MÁV Zrt. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as at 31 December 2018 - showing a balance sheet total of HUF 1,467,461 million and a profit after tax for the year of HUF 17,890 million -, the related consolidated profit and loss account for the financial year then ended and notes to the consolidated annual financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated annual financial statements give a true and fair view of the consolidated equity and financial position of the Group as at 31 December 2018 and of the consolidated results of its operations for the financial year then ended in accordance with the Act C of 2000 on Accounting ("Hungarian Accounting Law").

Basis for opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated annual financial statements" section of our report.

We are independent of the Group in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and, concerning matters not regulated by any of these, with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Emphasis of matter

We draw attention to note II.3.1, in which it is disclosed that the Group is entitled to cost compensation with respect to its justifiable costs incurred in relation to the public related services which are not covered with related revenues and the Group is entitled to refund of renovation expenses. In 2018, the Group recorded reimbursements of justifiable operating costs totalling HUF 231,288 million and renovation costs of HUF 23,294 million uncovered by revenues. As the settlement process of justifiable costs with the Ministry for 2018 was still in progress at the time when this report was issued, these amounts may be subject to change. It is also presented in note II.1.3 to the financial statements that the Group recorded receivable reimbursement totalling HUF 45,594 million and liabilities totalling HUF 835 million as at 31 December 2018. Of this receivable reimbursement, the timing of the financial settlement of HUF 24,765 million was unknown as at the date of our report. Our opinion is not modified in respect of this matter.

We also draw attention to note II.1.1.1, in which it is disclosed that the ownership status of some of the Group's properties since the time of the foundation of the Group is not yet settled between the Group and the Hungarian State. According to the amendment as at 28 June 2013 on Act CVI of 2007 on State Property the settlement of the ownership of the assets should not have a negative effect on the Group's equity. Our opinion is not modified in respect of this matter.

We also draw attention to note II.1.1.3 which states that as at 31 December 2018 some assets and the relating long term liabilities have not been recorded by the Group which have been already handed over by NIF Zrt. from a technical perspective and are in use by the Group but not yet legally and financially transposed. Due to the lack of information provided by NIF Zrt. the gross value of these assets is not known. The transfer of these assets have not been performed due to the lack of equity to be used for the transaction. Additionally, note II.3.1.1 states that the 2018 depreciation charge and write off expense on treasury assets exceeded the renovation refund by HUF 35,834 million, so the replacement of these assets are not provided. Our opinion is not modified in respect of this matter.

Other matters

The Group's consolidated annual financial statements as at 31 December 2017 were audited by another auditor who expressed an unmodified opinion on those financial statements on 29 May 2018.

Other information

Other information consists of the 2018 consolidated business report of the Group. Management is responsible for the preparation of the consolidated business report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the consolidated annual financial statements does not cover the consolidated business report.

In connection with our audit of the consolidated annual financial statements, our responsibility is to read the consolidated business report and, in doing so, consider whether the consolidated business report is materially inconsistent with the consolidated annual financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Concerning the consolidated business report it is our responsibility also, in accordance with the Hungarian Accounting Law, to consider whether the consolidated business report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any.

In our opinion, the consolidated business report of the Group for 2018 is consistent, in all material respects, with the 2018 consolidated annual financial statements of the Group and the relevant requirements of the Hungarian Accounting Law.

Since no other legal regulations prescribe for the Group further requirements with regard to its consolidated business report, we do not express opinion in this regard.

Further to the above, based on the knowledge we have obtained about the Group and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the consolidated business report, and if so, the nature of the misstatement in question. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated annual financial statements

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

In preparing the consolidated annual financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting. Management is required to apply going concern principle unless the applicability of that principle is precluded by other provisions or there are facts and circumstances that contradict with the continuance of the Group's business activity.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated annual financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial statements.

As part of an audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the consolidated annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the consolidated annual financial statements, including the disclosures, and whether the consolidated annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated annual financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls of the Group that we identify during our audit.

Budapest, 29 May 2019

(The original Hungarian version has been signed.)

Lelkes Tamás
Ernst & Young Kft.
1132 Budapest, Váci út 20.
Registration No. 001165

Lelkes Tamás
Registered auditor
Chamber membership No.: 007349

Statistical code: 10856417-5221-114-01

Company registration number: 01-10-042272

MÁV HUNGARIAN STATE RAILWAYS
Private Company Limited by Shares

1087 Budapest, Könyves Kálmán krt. 54-60.

Consolidated
balance sheet and profit & loss account
2018.12.31

Date: Budapest, 29 May 2019

Director (representative) of the Company

L.S.

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Company registration number

Balance sheet date: 31/12/2018

BALANCE SHEET Version "A" Assets

Figures in million HUF

No.	Line item	Previous year 31/12/2017	Current year 31/12/2018
a	b	c	d
A.	Non-current assets (lines I+II+III)	1 343 932	1 326 015
I.	INTANGIBLE ASSETS	16 181	15 548
1.	Capitalised foundation/restructuring	0	0
2.	Capitalised research and development	229	103
3.	Concessions and similar rights	7 979	6 742
4.	Intellectual property	7 973	8 703
5.	Goodwill	0	0
6.	Advances for intangible assets	0	0
7.	Adjustment of intangible assets	0	0
II.	TANGIBLE ASSETS	1 322 287	1 304 342
1.	Properties and related rights	845 979	825 438
2.	Technical machinery, equipment, vehicles	412 556	403 563
3.	Other equipment, fittings, vehicles	298	288
4.	Livestock	0	0
5.	Capital projects, improvements	25 991	31 204
6.	Advances for capital projects	37 463	43 849
7.	Adjustment of tangible assets	0	0
III.	NON-CURRENT FINANCIAL ASSETS	5 464	6 125
1.	Long-term investments in related parties	109	423
2.	Long-term loans granted to related parties	0	0
3.	Long-term significant investments	3 055	3 245
4.	Long-term loans granted to significant related parties	0	0
5.	Other long-term investments	2 266	2 426
6.	Long-term loans granted to other investments	0	0
7.	Other long-term loans granted	34	31
8.	Long-term debt securities	0	0
9.	Adjustment of non-current financial assets	0	0
10.	Valuation gain or loss on non-current financial assets	0	0
11.	Equity consolidation loss (goodwill)	0	0
	- from subsidiaries	0	0
	- from associates	0	0

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Company registration number

Balance sheet date: 31/12/2018

BALANCE SHEET Version "A" Assets

Figures in million HUF

No.	Line item	Previous year 31/12/2017	Current year 31/12/2018
a	b	c	d
B.	Current assets (lines I+II+III+IV)	130 018	132 944
I.	INVENTORIES	30 171	39 763
1.	Materials	24 479	30 596
2.	Work in progress and semi-finished products	2 420	3 075
3.	Breeding stock	0	0
4.	Finished products	1 809	1 962
5.	Goods	1 081	1 523
6.	Advances for inventories	382	2 607
II.	RECEIVABLES	59 142	67 656
1.	Trade receivables (debtors)	8 931	8 562
2.	Related party receivables	29	135
3.	Receivables from significant investments	111	241
4.	Receivables from other related parties	49	31
5.	Bills of exchange receivables	0	0
6.	Other receivables	50 018	58 680
7.	Valuation gain or loss on receivables	0	0
8.	Revaluation gain on derivatives	0	0
9.	Corporate tax asset (calculated) arising on consolidation	4	7
III.	SECURITIES	0	0
1.	Investments in related parties	0	0
2.	Significant investments	0	0
3.	Other investments	0	0
4.	Treasury shares and quotas	0	0
5.	Securities held for trading	0	0
6.	Valuation gain or loss on securities	0	0
IV.	LIQUID ASSETS	40 705	25 525
1.	Cash, cheques	192	163
2.	Bank deposits	40 513	25 362
C.	Prepaid expenses & accrued income	13 636	8 502
1.	Accrued income	6 019	3 468
2.	Prepaid expenses	826	1 039
3.	Deferred expenses	6 791	3 995
	TOTAL ASSETS (lines A+B+C)	1 487 586	1 467 461

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Company registration number

Balance sheet date: 31/12/2018

BALANCE SHEET Version "A" Liabilities

Figures in million HUF

No.	Line item	Previous year 31/12/2017	Current year 31/12/2018
a	b	c	d
D.	Equity	187 614	205 806
I.	ISSUED CAPITAL	24 500	24 500
	of which: treasury shares redeemed at face value	0	0
II.	ISSUED CAPITAL NOT PAID	0	0
III.	CAPITAL RESERVE	131 684	131 986
IV.	RETAINED EARNINGS/LOSSES	28 824	39 465
V.	NON-DISTRIBUTABLE RESERVE	2 493	1 665
VI.	VALUATION RESERVE	0	0
1.	Valuation reserve of adjustments	0	0
2.	Fair valuation reserve	0	0
VII.	ADJUSTED NET PROFIT/(LOSS) AFTER TAX	11 265	17 890
VIII.	CHANGES IN THE EQUITY OF SUBSIDIARIES	8 619	9 808
VIII./A	CHANGES IN THE INVESTMENT IN ENTITIES TREATED AS ASSOCIATES	2 434	2 352
IX.	CHANGES ARISING ON CONSOLIDATION	-22 205	-21 860
1.	Debt consolidation gain or loss	13	67
2.	Interim profit or loss differences	-22 218	-21 927
X.	THIRD PARTY INTEREST	0	0
E.	Provisions	40 898	37 100
1.	Provisions for expected liabilities	24 753	21 269
2.	Provisions for future expenses	11 432	13 184
3.	Other provisions	4 713	2 647
F.	Liabilities	1 103 436	1 077 550
I.	SUBORDINATED LIABILITIES	100	100
1.	Subordinated liabilities to related parties	0	0
2.	Subordinated liabilities to significant investments	0	0
3.	Subordinated liabilities to other investments	0	0
4.	Subordinated liabilities to third parties	0	0
5.	Equity consolidation gain (negative goodwill) from subsidiaries	100	100

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Company registration number

Balance sheet date: 31/12/2018

BALANCE SHEET Version "A" Liabilities

Figures in million HUF

No.	Line item	Previous year 31/12/2017	Current year 31/12/2018
a	b	c	d
II.	LONG-TERM LIABILITIES	975 437	945 896
1.	Long-term loans	58	0
2.	Convertible bonds	0	0
3.	Bonds payable	0	0
4.	Development loans	29 658	20 272
5.	Other long-term loans	0	6 163
6.	Long-term loans to related parties	0	0
7.	Long-term loans to significant investments	0	0
8.	Long-term loans to other investments	0	0
9.	Other long-term loans	945 721	919 461
III.	CURRENT LIABILITIES	127 899	131 554
1.	Short-term borrowings	234	58
	- of which: convertible bonds	0	0
2.	Short-term loans	21 357	23 459
3.	Advances received from debtors	52	1 000
4.	Trade payables (creditors)	42 175	37 945
5.	Bills of exchange payable	0	0
6.	Current liabilities to related parties	89	41
7.	Current liabilities to significant investments	1 913	2 504
8.	Current liabilities to other investments	59	44
9.	Other current liabilities	62 020	66 503
10.	Valuation gain or loss on liabilities	0	0
11.	Revaluation loss on derivatives	0	0
12.	Corporate tax liability (calculated) arising on consolidation	0	0
G.	Accrued expenses and deferred income	155 638	147 005
1.	Prepaid income	8 250	8 191
2.	Accrued expenses	8 115	4 963
3.	Deferred income	139 273	133 851
	TOTAL EQUITY AND LIABILITIES (lines D+E+F+G)	1 487 586	1 467 461

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Company registration number

Balance sheet date: 31/12/2018

Profit and loss account using the cost by nature method

Figures in million HUF

No.	Line item	Previous year 31/12/2017	Current year 31/12/2018
a	b	c	d
01.	Net domestic sales revenues	122 730	125 602
02.	Net export sales revenues	17 489	16 546
I.	Net sales revenues (lines 01+02)	140 219	142 148
03.	Movements in self-produced inventories	642	808
04.	Capitalised self-produced assets	31 253	33 746
II.	Capitalised own output (lines ±03+04)	31 895	34 554
III.	Other income	315 925	332 383
	of which: reversed impairment loss	452	125
III/A.	Goodwill arising on debt consolidation (profit increasing)	0	0
05.	Material costs	61 574	66 864
06.	Services used	76 680	70 850
07.	Other services	3 889	3 803
08.	Cost of goods sold	9 851	10 674
09.	Services resold (intermediated)	2 804	3 217
IV.	Material-type expenses (lines 05+06+07+08+09)	154 798	155 408
10.	Payroll costs	144 049	162 426
11.	Other payments to personnel	19 821	22 436
12.	Social security and similar charges	37 497	38 373
V.	Payments to personnel (lines 10+11+12)	201 367	223 235
VI.	Depreciation charge	88 100	86 225
VII.	Other expenses	29 743	20 088
	of which: impairment loss	4 786	5 147
VII/A.	Goodwill arising on debt consolidation (profit reducing)	0	0
A.	OPERATING PROFIT/(LOSS) (lines I+II+III+III/A-IV-V-VI-VII-VII/A)	14 031	24 129

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Company registration number

Balance sheet date: 31/12/2018

Profit and loss account using the cost by nature method

Figures in million HUF

No.	Line item	Previous year 31/12/2017	Current year 31/12/2018
a	b	c	d
13/a.	Dividends received from associates	0	0
13/b.	Dividends received from other investments	3	3
14.	Exchange gain on investments disposed of	0	0
	of which: from related parties	0	0
15.	Interest and exchange gain on non-current financial assets (securities, loans)	0	0
	of which: from related parties	0	0
16.	Other interest received (receivable) and similar income	54	45
	of which: from related parties	0	0
17.	Other financial income	1 052	1 395
	of which: valuation gain or loss	0	0
VIII.	Financial income (lines 13/a+13/b+14+15+16+17)	1 109	1 443
18.	Expenses and exchange loss on investments	0	0
	of which: to related parties	0	0
19.	Expenses and exchange losses on non-current financial assets (securities, loans)	0	0
	of which: to related parties	0	0
20.	Interest payable (paid) and similar charges	686	550
	of which: to related parties	0	0
21.	Impairment loss on investments, securities, long-term loans and bank deposits	-42	-33
22.	Other financial expenses	3 140	6 961
	of which: valuation gain or loss	0	0
IX.	Financial expenses (lines 18+19+20+21+22)	3 784	7 478
B.	FINANCIAL PROFIT/(LOSS) (lines VIII-IX)	-2 675	-6 035
C.	PRE-TAX PROFIT/(LOSS) (lines ±A±B)	11 356	18 094
X.	Tax liability	85	206
X/A.	Corporate tax asset/liability (calculated) arising on consolidation	6	-2
D.	AFTER-TAX PROFIT/(LOSS) (lines ±C-X±X/A)	11 265	17 890
23.	Subsidiaries' net profit/loss attributable to third party shareholders	0	0
E.	ADJUSTED NET PROFIT/(LOSS) AFTER TAX (D-23)	11 265	17 890



MÁV HUNGARIAN STATE RAILWAYS PRIVATE COMPANY LIMITED BY SHARES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR 2018

29 MAY 2019

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Director (Representative) of the Company

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I GENERAL PART

I.1 PRESENTATION OF THE GROUP

I.1.1 General information about 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 single member private company limited by shares. MÁV Zrt. was created following a transformation and was responsible for passenger and goods transport. As the goods transport (cargo) activity was outsourced as of 1 January 2006, passenger transport on standard rail tracks was outsourced as of 1 July 2007, and traction as well as tractive and hauled vehicle maintenance were outsourced as of 1 January 2008 to separate entities, these activities no longer form a part of the Company’s operations. Since 2008, rail infrastructure operations has become the Company’s main activity.

The principles of MÁV Zrt.’s operations, organisation and governance structure are set out in the Articles of Incorporation. 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.

Company name in other languages:

English: MÁV Hungarian State Railways Company Private Company by Shares

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

German: MÁV Ungarische Staatseisenbahnen Aktiengesellschaft betreibend in geschlossener Weise.

Abbreviated name:

MÁV Zrt.

In foreign languages:

English: MÁV Co.,

French: MÁV S.A.,

German: MÁV AG.

The Company’s registered office:

1087 Budapest, Könyves Kálmán krt. 54-60.

The Company’s homepage:

www.mavcsoport.hu

The Company’s founder:

The Company's founder is the Hungarian State.

Date of foundation: 30 June 1993

The Company's owner:

The Company's owner is the Hungarian State. As of 26 June 2018, the ownership rights are exercised by the minister without portfolio in charge of national assets.

Further to section 3:109 (4) of the Civil Code, no general meeting operates at the Company, and matters that would otherwise fall within the competence of the general meeting are decided by the Founder in writing.

The Company's share capital:

At 31 December 2018, the Company's share capital was HUF 24,500,000,000, which consisted of 2,450,000 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 principal activity: 52.21 Auxiliary land transportation services

Authorised signatory of the consolidated financial statements:

dr. Homolya Róbert chairman-CEO (domicile: 3300 Eger, Vörösmarty Mihály u. 17. 1/4a.).

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

MÁV Zrt. commissioned MÁV Szolgáltató Központ Zrt. to perform the management and supervision of accounting services and the compilation of the financial statements and of the consolidated financial statements as per Section 150 (2) of Act C of 2000 on Accounting (hereinafter: accounting act).

The person responsible for the management of accounting services: Imrik Márta, MÁV Szolgáltató Központ Zrt. deputy general director, head of business administration (domicile: 1173 Budapest, Vanília u. 46. registered qualified accountant, registration No.: 123386).

Auditors:

The consolidated financial statements are audited by Ernst & Young Könyvvizsgáló Kft.

Statutory signing auditor: Lelkes Tamás (address: 1161 Budapest, Baross u. 152. B épület, chamber membership No.: 007349).

Audit fees charged by the auditor for the reporting year:

- Fee of MÁV Zrt's audit for 2018: HUF 20 million, net.
- Fee of auditing the financial statements of MÁV Zrt's fully consolidated subsidiaries: HUF 43 million, net.

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.

At the balance sheet date, the company's share capital comprised 2,450,000 registered ordinary shares of HUF 10,000 face value each. The shares are non-convertible and non-transferable dematerialised shares.

The company's founder holds all of the shareholders' rights specified by the Hungarian Civil Code.

Based on the company's contract with the government on the management of state-owned assets, managed state-owned assets, as well as the related other non-current liabilities, are presented in the company's books. In relation to the management of state-owned assets, MÁV Zrt.'s asset management practice is oriented towards efficient public services supplied, 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 million HUF):

Item	2017	2018	Change	Index
Balance sheet total	1 296 455	1 256 219	-40 236	97%
Equity	193 951	205 031	11 080	106%
Issued capital	24 500	24 500	0	100%
Net sales revenues	151 835	154 597	2 762	102%
Payroll cost	65 396	73 430	8 034	112%
Pre-tax profit	7 808	10 778	2 970	138%

Table 1: Key figures of the parent company

The company's core activity: railway transport support activities (rail infrastructure operations). With effect from 1 January 2008, the company outsourced its rolling stock maintenance and traction operations to companies within MÁV Group. Since 2008, the company's core activity has been rail infrastructure operations.

I.1.3 Fully consolidated subsidiaries

MÁV Zrt. includes 7 of its subsidiaries fully in its consolidated financial statements for 2018. Key figures of the fully consolidated subsidiaries are presented below.

1. MÁV-START Vasúti Személyszállító Zártkörűen Működő Részvénytársaság

Date of foundation: 15 October 2006

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

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

Item	2017	2018	Change	Index
Balance sheet total	327 648	344 341	16 693	105%
Equity	122 193	126 771	4 578	104%
Issued capital	43 742	43 742	0	100%
Net sales revenues	99 886	100 268	382	100%
Payroll cost	57 314	64 721	7 407	113%
Pre-tax profit	3 210	6 779	3 569	211%

Table 2: Key figures of MÁV-START Zrt.

The company's core activities: passenger transport by rail (mostly on the basis of public service contracts), as well as activities that are essential for passenger transport by rail: railway traction activity; operation of railway vehicles for traction purposes; repair and maintenance of locomotives, passenger cars, freight cars; operation of equipment used to pre-heat carriages; prevention and management of chemical emergencies; and partly the prevention and management of accidents.

2. MÁV Felépítménykarbantartó és Gépjavító Korlátolt Felelősségű Társaság

Date of foundation: 1 January 1994

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

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

Item	2017	2018	Change	Index
Balance sheet total	15 620	16 011	391	103%
Equity	3 867	4 070	203	105%
Issued capital	1 505	1 505	0	100%
Net sales revenues	23 880	22 842	-1 038	96%
Payroll cost	5 201	5 725	524	110%
Pre-tax profit	540	679	139	126%

Table 3: Key figures of MÁV FKG Kft.

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

3. MÁV Szolgáltató Központ Zártkörűen Működő Részvénytársaság

Date of foundation: 1 November 1996

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

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

Item	2017	2018	Change	Index
Balance sheet total	9 575	10 187	612	106%
Equity	2 523	2 382	-141	94%
Issued capital	801	801	0	100%
Net sales revenues	24 938	28 864	3 926	116%
Payroll cost	9 044	10 117	1 073	112%
Pre-tax profit	286	164	-122	57%

Table 4: Key figures of MÁV Szolgáltató Központ Zrt.

The company's core activities: the establishment and operation of the accounting systems of MÁV Group companies that are party to a service agreement, and the performance of accounting activities; provision of HR administration services and health and safety at work services; provision of centralised services (purchasing and inventory management, logistics services, implementation of public procurements, asset management, inventory taking, energy management related to railway technology, establishment and operation of environmental protection systems); educational activity; administrative and management support tasks. Operating and monitoring the IT systems required for the business and functional processes of companies within and outside MÁV Group; setting up, monitoring, managing and co-ordinating the new systems, and ensuring integration with the IT systems used.

4. MÁV Központi Felépítményvizsgáló Korlátolt Felelősségű Társaság

Date of foundation: 1 September 1996

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

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

Item	2017	2018	Change	Index
Balance sheet total	3 494	4 111	617	118%
Equity	3 063	3 453	390	113%
Issued capital	569	569	0	100%
Net sales revenues	2 338	2 801	463	120%
Payroll cost	601	671	70	112%
Pre-tax profit	535	827	292	155%

Table 5: Key figures of MÁV KfV Kft.

The company's core activities: rail track monitoring, track geometry measurements, 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 million HUF):

Item	2017	2018	Change	Index
Balance sheet total	796	703	-93	88%
Equity	244	111	-133	45%
Issued capital	10	10	0	100%
Net sales revenues	1 860	1 803	-57	97%
Payroll cost	948	1 021	73	108%
Pre-tax loss	-83	-133	-50	160%

Table 6: Key figures of ZÁHONY-PORT Zrt.

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

6. 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 million HUF):

Item	2017	2018	Change	Index
Balance sheet total	2 082	2 167	85	104%
Equity	498	760	262	153%
Issued capital	244	244	0	100%
Net sales revenues	5 715	7 682	1 967	134%
Payroll cost	666	767	101	115%
Pre-tax profit	52	302	250	581%

Table 7: Key figures of MÁV VAGON Kft.

The company's core activities: manufacturing and repairs of fixed-track railway vehicles, and the production and distribution of related spare parts.

7. MÁV-HÉV Helyiérdekű Vasút Zártkörűen Működő Részvénytársaság

Date of foundation: 7 November 2016

The company's registered office: 1087 Budapest, Könyves Kálmán körút 54-60

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

Item	2017	2018	Change	Index
Balance sheet total	23 437	23 585	148	101%
Equity	18 222	18 518	296	102%
Issued capital	11 000	11 000	0	100%
Net sales revenues	2 195	2 297	102	105%
Payroll cost	4 879	5 973	1 094	122%
Pre-tax profit	99	407	308	411%

Table 8: Key figures of MÁV-HÉV Zrt.

The company's core activities: urban and suburban land passenger transport

I.1.4 Changes in the scope of consolidation in the reporting year

Pursuant to the accounting act, MÁV Zrt. has fully included 7 of its subsidiaries in its consolidated financial statements for 2018; it exercises a direct controlling influence in all of these except MÁV VAGON Kft. Compared to the consolidated financial statements for 2017, the number of fully consolidated entities remained unchanged.

As in 2017, 7 companies were equity consolidated in the consolidated financial statements for 2018.

The number of entities consolidated as investments dropped from 8 in 2017 to 7 in 2018. As the involuntary liquidation of Normon-Tool Kft. "f.a." ended in 2018, the company was derecognised from the entities carried at book value.

The indicators considered for identifying the scope of consolidation are shown in Appendix 1.

The allocation of the entities to the consolidation categories and any changes 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 GROUP ACCOUNTING POLICIES

I.2.1 Compilation of the consolidated annual financial statements

The business year of the consolidated financial statements matches the business year of MÁV Zrt., which is the calendar year; that is, the period lasting from 1 January to 31 December. The balance sheet date of the consolidated financial statements is the last day of the business year, i.e. 31 December.

MÁV Zrt. prepares the consolidated balance sheet in accordance with version “A” of Appendix No. 1 and Section I of Appendix No. 6 to the accounting act, with the following additional requirements:

- items denoted with Arabic numerals are not merged or omitted (Section 22 (3) and (5) of the accounting act),
- making use of the opportunity provided under Section 22 (2) of the accounting act, within equity, changes in equity attributable to changes in the value of participating interests in associated companies and constituting a component of retained earnings are recognised as a separate balance sheet line item, with the designation “D/VIII/A Changes in value of investments in associates”.

MÁV Zrt. prepares the consolidated profit and loss account in accordance with Schedule No. 2 and Section II of Appendix No. 6 to the accounting act.

The figures stated in the consolidated financial statements are presented in million forints (HUF M) in accordance with the requirements of Section 20 (2) of the accounting act.

The steps of consolidation must be performed in thousand forints (HUF T), regardless of how (with what number scale) a member company prepares its individual annual financial statements.

For the purposes of the consolidated financial statements, material errors are defined as follows in accordance with Section 3(3)3 of the accounting act: errors are always considered to be material if, in the year when disclosed by different reviews, the total of all errors (whether negative or positive) disclosed for the same financial year and the impacts thereof – increasing or decreasing the profit/loss for the year or equity – exceeds 2% of the consolidated balance sheet total of the reviewed financial year.

Any discrepancies between the financial statements taken into account during the consolidation process and the final individual financial statements are recorded through profit/loss in the consolidation process of the following year, as items affecting the previous year.

I.2.2 Assignment to consolidation categories

For the purpose of assignment to consolidation categories and for the identification of the consolidation technique to be used, the members of MÁV Group must be classified. MÁV Zrt. performs the classification of the companies upon first inclusion in the consolidation or upon management during the consolidation process, i.e. upon acquisition (including the foundation of new entities).

The classification and assignment to a consolidation category performed at the time of acquiring a participating interest also determines the method of consolidation for the following years, which may only be departed from in the event of a material change. A change is considered to be material if:

- a new member is added to or an existing member leaves the group,
- a member goes into voluntary or involuntary liquidation or strike off action (dissolution),
- investment in an existing company increases as a result of acquiring an additional interest, or decreases due to the disposal the investment, and the classification of the entity changes as a result,
- there is a change in the nature or scope of the activities of a group member which makes it necessary to review the classification (in this case, classification is carried out on an individual basis).

Subsidiaries and jointly managed companies are exempt from full consolidation if, at the time of their first consolidation, the provision of the data necessary for consolidation is only possible at disproportionately high expenses and with a delay.

Subsidiaries and jointly managed companies are exempt from full consolidation if MÁV Group acquired the interest in equity for the purpose of resale, and for this reason the equity investment is recognised among current assets in the individual financial statements of the member that acquired them.

Subsidiaries and jointly managed companies are exempt from full consolidation if the MÁV Group is prevented, in the long-term, from exercising its controlling influence in respect of them due to material and long-term (existing for at least one year) legal restrictions or extraordinary circumstances. Such restrictions or extraordinary circumstances include, but are not limited to nationalisation, bringing under direct state control, liquidation proceedings, involuntary liquidation proceedings, etc.

Subsidiaries and jointly managed companies are exempt from full consolidation if, at the time of their first consolidation, any two of the following three conditions are in place in respect of them:

- the balance sheet total is less than 1% of the pre-consolidation aggregated balance sheet total of MÁV Zrt., the subsidiaries and jointly managed companies as at the same balance sheet date,
- the annual net sales revenue is less than 1% of the pre-consolidation aggregated annual net sales revenue of MÁV Zrt., the subsidiaries and jointly managed companies in respect of the same period,
- the annual payroll costs are less than 1% of the pre-consolidation aggregated annual payroll costs of MÁV Zrt., the subsidiaries and jointly managed companies.

For the purposes of examining the above conditions, jointly managed companies must be taken into account according to the extent of the equity stake (quota).

The examined indicators in respect of all the exempted subsidiaries and jointly managed companies together may not exceed 5% of the pre-consolidation aggregate value of the indicator concerned in respect of MÁV Zrt., the subsidiaries and jointly managed companies.

Members that have an equity investment in any other fully consolidated company may not be exempted on the basis of any of the conditions.

Member companies are exempt from first equity consolidation if, by the time of preparation of the consolidated financial statements, the data necessary for equity consolidation is not available.

If the fact or extent of control or controlling influence cannot be clearly determined on the basis of voting rights, then the parent company classifies the status of the member within the group on the basis of an individual assessment.

I.2.3 Preparing for the consolidation

MÁV Zrt., as parent company, prescribes standardised accounting procedures at the consolidated companies, in the framework of a group-level accounting and valuation policy. In this way, MÁV Zrt. ensures the uniformity of the financial statements to be consolidated, and therefore in the case of these member companies there are no tasks to be performed in preparation for the consolidation.

If the consolidated companies, with respect to issues regulated at group level, apply differing settlements or methods on the basis of the options available to them under the accounting act or based on their individual characteristics, this is specified in the group-level accounting policy and valuation regulations in relation to the companies concerned.

With respect to associated companies, the check on compliance with the balance sheet requirements and the valuation is standardised only if the information necessary for these is available during the consolidation process. If this information is not available or is missing, MÁV Zrt. omits these consolidation steps.

The conversion of the balance sheets of consolidated companies prepared in a foreign currency is performed by MÁV Zrt. on the basis of Section 123 (6) b. of the accounting act; that is, every item of the balance sheet is translated at the official exchange rate published by the National Bank of Hungary (MNB) as valid on the balance sheet date.

I.2.4 Rules of equity consolidation by the elimination of participating interests

MÁV Zrt. performs the first equity consolidation at book value on the basis of Section 124 (5) a) of the accounting act in every case.

MÁV Zrt. performs the first equity consolidation in accordance with the values applicable at the time of acquisition if a new company is consolidated upon its foundation, or in other cases if the conditions for performing the consolidation tasks from the date of acquisition are in place. The conditions may be regarded as being in place if the acquired company prepares a financial statement between the date of the acquisition and the following consolidated balance sheet date. In this case, the accounting date of the previous individual financial statements is to be treated as the date of acquisition.

If the conditions for performing the consolidation tasks from the date of acquisition are not in place, then the first equity consolidation is based on the values applicable as at the balance sheet date.

In the event of the removal from the group of companies treated using the equity method, or in the event of the acquisition of further participating interests in a previously consolidated company, the balance sheet date for the purpose of equity consolidation is the balance sheet date of the year preceding the reporting year, which is the same as the first day of the reporting year. In the event of removal from the group of companies treated using the equity method, during the first equity consolidation performed with the elimination of participating interests, the values recognised in connection with the reclassified company – previously treated as an associated company – in the previous years must be taken into account.

During the equity consolidation, goodwill or negative goodwill may arise, which must be broken down into hidden reserves or hidden liabilities in accordance with Section 124 (8) of the accounting act. In

such case, MÁV Zrt. regards the hidden reserves or hidden liabilities as material – and performs the breakdown – if these exceed the book value of the participating interest by at least 10%, or if they fall short of it by at least 10%.

During the equity consolidation MÁV Zrt., making use of the opportunity provided under Section 124 (8) c) of the accounting act, aggregates the goodwill or negative goodwill arising from the consolidation of several subsidiaries.

The ordinary depreciation of the goodwill recognised among non-current financial assets – insofar as the useful life thereof cannot be determined – is accounted for by MÁV Zrt. over a period of 5 years.

Extraordinary depreciation is recognised on goodwill if the book value thereof materially (by 20%, or at least HUF 50 million) and persistently as per Section 46 (4) of the accounting act (for at least one year on the basis of historical facts or future expectations for at least one year, or permanently based on the information available at the time of valuation) exceeds its market value.

I.2.5 Debt consolidation rules

MÁV Zrt. eliminates intragroup receivables and liabilities for fully consolidated companies in accordance with Section 125 of the accounting act, and performs this step in every case regardless of the amount of the assets and liabilities to be eliminated.

When reconciling receivables and liabilities, differences are not classified as material if, at group level, in terms of their absolute value, they do not exceed 0.1% of the lower of receivables and liabilities to be eliminated, or a maximum of HUF 50 million. In such cases, receivables and liabilities are eliminated at the lower amount, which will be regarded as the identical amount.

In the event of a material discrepancy, the reasons for the differences must be established, and based on such reasons receivables or liabilities must be recognised or derecognised against the balance sheet or P&L item to which they were found to relate. If the reason for the discrepancy cannot be detected, receivables or liabilities must be recognised or derecognised against other income or expenses arising from the elimination of intragroup receivables and liabilities.

Differences in an amount equalling that of the previous year are recognised during the next consolidation process without an effect on profit/loss, as a change in equity, against the balance sheet item *D/IX Changes due to consolidation from the elimination of intragroup receivables and liabilities*.

I.2.6 Rules on the consolidation of income and expenses

MÁV Zrt. performs the consolidation of income and expenses for fully consolidated companies in every case, regardless of value threshold.

When reconciling the values of income and expenses, differences are not classified as material if, at group level, in terms of their absolute value, they do not exceed 0.05% of the income to be eliminated, or a maximum of HUF 50 million. In this case, the elimination must be performed at values net of the difference.

Following reconciliation, the elimination of income and expenses must be performed as follows:

- In the case of received own performance charged to profit/loss, revenues/gains recognised by the issuer must be eliminated against the expense recognised at the recipient. In the case of purchased performance, income recognised by the issuer must be eliminated against the cost of goods sold or the cost of sold (intermediated) services, at the lower of the income or expense recognised by the issuer, then the expense recognised by the recipient must be adjusted for the difference (reduced in the event of extra income, or increased in the event of extra expenses).
- In the case of performance received and recognised as an asset, for the elimination of gains and expenses, income recognised by the issuer must be eliminated against the capitalised value of self-produced assets in the case of own performance, or against the cost of goods sold, cost of sold (intermediated) services or other expenses, financial expenses in the case of external performance, at the lower of income or expenses recognised by the issuer.

In the case of unilaterally recognised gains or unilaterally recognised expenses, the unilateral recognition must be cancelled by eliminating the original recognition, and in the following year the balance sheet item 'changes due to consolidation from the elimination of internal profit/loss' within consolidated equity must be adjusted (reduced or increased) for this amount. In later consolidations, if the amount of unilateral settlement remains unchanged, the recognised equity adjustment is maintained in the accounts. If the amount changes because the unilateral settlement was cancelled by the member company concerned, it must be treated as a unilateral settlement arising in the current period. If the asset affected by the settlement ceases to exist or is excluded from full consolidation, the elimination of internal profit/loss due to unilateral accounting must be released. The change arising from the difference of internal profit/loss recognised separately within equity will automatically be settled through the adjusted after-tax profit/loss – as a result of the allocation of the adjusted after-tax profit/loss – on opening the next year.

I.2.7 Rules for the elimination of internal profit/loss

MÁV Zrt. performs the elimination of internal profit/loss among consolidated companies if the value of the received internal performance, with respect to all the relationships of a recipient member company – in aggregate, in the given year – reaches a new acquisition cost of HUF 10 million.

When eliminating internal profit/loss, income recognised by the issuer are adjusted, against the value of the assets received, for an amount equal to the difference between the income and expenses recognised by the issuer.

MÁV Zrt. does not regard the internal profit/loss recorded at year-end as material, and immediately derecognises it against ordinary depreciation, if its amount in the year-end book value of the individual non-current assets is less than HUF 100 thousand. The absolute value of the internal profit/loss classified as immaterial, and consequently derecognised, may not exceed at group level 0.1% of the total accumulated depreciation charge for the reporting year, and a maximum of HUF 50 million. If the aggregate internal profit/loss classified as immaterial exceeds the aforementioned threshold, the internal profit and loss with the lower absolute value is derecognised first.

The path of an asset containing a material internal profit/loss is tracked by MÁV Zrt. in the current period and in subsequent periods, and if it

- appears in the form of a new asset within the given member company, the internal profit/loss is transferred to that asset,
- cancelled or is worn out within the given member company, the internal profit/loss is released in proportion to the wear or cancellation, modifying the expense recognised by the member company,
- flows out of the given member company but remains within the group of consolidated companies, the internal profit/loss is transferred to the asset or expense of the recipient member company,
- flows out of the given member company and the recipient is not a consolidated member company, the internal profit/loss is released against the recognised expense.

The internal profit/loss apportioned to inventories originating from the group of consolidated companies is eliminated and circulated separately for each recipient member company, and within the member company in aggregate for each inventory group (materials, goods net of intermediated services, intermediated services).

The internal profit/loss not realised by the end of the period is eliminated as a consolidation adjustment. Differences in an amount equalling that of the previous year are recognised during the next consolidation process without an effect on profit/loss, as a change in equity, against the balance item *D/IX Changes due to consolidation from the elimination of internal profit/loss*.

If differences arise in an amount that differs from the previous year, the difference from the previous year is recognised in the consolidated profit and loss account.

I.2.8 Rules for the management of deferred tax expense due to consolidation

Pursuant to Section 132 of the accounting act, MÁV Zrt. recognises and releases deferred tax in consolidation if consolidated companies carry out transactions between each other with an effect on profit/loss, and as a consequence of this the consolidated pre-tax profit/loss differs from the pre-tax profit/loss recognised in the individual financial statements, and this difference is reversed within the foreseeable future.

Deferred tax is recognised only if the consolidated member company receiving internal performance incurs a corporate tax liability during the reporting year.

MÁV Zrt. bases the quantification of deferred tax on the tax rate applicable to the member company receiving the asset whose value contains internal profit/loss. If the tax rate changes, the tax effects are recalculated. The effect of recalculation is recognised 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 Act LXXXI of 1996 on Corporate Tax and Dividend Tax as effective in the year in which it is no longer applicable.

The deferred tax for any given period must be stated in the consolidated balance sheet at net amount; a deferred tax receivable and a deferred tax liability may not be stated at the same time.

Transactions giving rise to deferred tax are taken into account during the elimination of the internal profit/loss, whereas the effect of these transactions is not considered to be material when intragroup

receivables and liabilities are eliminated, incomes and expenses are consolidated (except for differences due to unilateral settlements) because all material differences are resolved when balances are reconciled.

The elimination of internal profit/loss results in a change in deferred tax, which MÁV Zrt. – as parent company – accounts in aggregate, on the basis of the posting of internal profit/loss eliminated in the reporting year, and the posting of internal profit/loss eliminated in the reporting year and previous years and released on the basis of the changes in the reporting year.

II SPECIFIC PART

II.1 NOTES TO THE BALANCE SHEET

II.1.1 Changes in non-current assets

II.1.1.1 Movements in tangible and intangible assets

Movements in tangible and intangible assets in the reporting year are presented in the tables below.

Figures in million HUF

ITEM	Capitalised foundation/restructuring	Capitalised research/restructuring	Concessions and similar right	Intellectual property	Goodwill	Advances for intangible assets	Total
1. <i>Cost, opening</i>	2	576	19 787	24 615	0	0	44 980
2. Advances for acquisition, improvement	0	0	803	1 542	0	0	2 345
3. Self-produced assets	0	-19	29	912	0	0	922
4. Asset received free of charge	0	0	0	0	0	0	0
5. Takeover of projects implemented by NIF Zrt. / NISZ Zrt. For asset management	0	0	0	0	0	0	0
6. Inventory surplus	0	0	0	0	0	0	0
7. Assets transferred free of charge	0	0	0	0	0	0	0
8. Contribution in kind	0	0	0	0	0	0	0
9. Disposal	0	0	-15	0	0	0	-15
10. Scrapped	0	0	-61	-39	0	0	-100
11. Missing	0	0	0	0	0	0	0
12. Destroyed	0	0	0	0	0	0	0
13. Foreign exchange revaluation (advance)	0	0	0	0	0	0	0
14. Reclassified (broken down, aggregated, advances considered)	0	0	60	-145	0	0	-85
15. <i>Cost, closing</i>	2	557	20 603	26 885	0	0	48 047
16. <i>Depreciation, opening</i>	2	347	11 808	16 642	0	0	28 799
17. Ordinary charge for the year	0	107	2 129	1 605	0	0	3 841
18. Ordinary charge for the previous year	0	0	0	0	0	0	0
19. Extraordinary charge for the year	0	0	0	0	0	0	0
20. Extraordinary charge for the year, reversed	0	0	0	0	0	0	0
21. Assets received free of charge	0	0	0	0	0	0	0
22. Inventory surplus	0	0	0	0	0	0	0
23. Assets transferred free of charge	0	0	0	0	0	0	0
24. Contribution in kind	0	0	0	0	0	0	0
25. Disposal	0	0	-15	0	0	0	-15
26. Scrapped	0	0	-61	-39	0	0	-100
27. Missing	0	0	0	0	0	0	0
28. Destroyed	0	0	0	0	0	0	0
29. Reclassified (broken down, aggregated)	0	0	0	-26	0	0	-26
30. <i>Depreciation, closing</i>	2	454	13 861	18 182	0	0	32 499
31. <i>Opening balance, net</i>	0	229	7 979	7 973	0	0	16 181
32. <i>Closing balance, net</i>	0	103	6 742	8 703	0	0	15 548

Table 9: Movements in intangible assets

Additions to concessions and similar rights and intellectual property include items related to the capitalisation of the Rail Traffic Information System (FOR), the Infrastructure and rolling stock maintenance software (INKA), “Vontat” software and the “JÉ” application.

Overall, the value of intangible assets decreased as a result of ordinary depreciation exceeding additions in the reporting year.

figures in million HUF

	ITEM	Properties and related rights	Technical equipment, machinery, vehicles	Other equipment, fittings, vehicles	Breeding stock	Capital projects, improvements	Advances for capital projects	Total
1.	Cost, opening	1 271 137	898 616	3 972	0	27 285	37 450	2 238 460
2.	Acquisition-improvement, advances given (+)	0	0	0	0	35 712	6 577	42 289
3.	Self-produced (+)	0	0	0	0	27 075	0	27 075
4.	Received free of charge (+)	0	0	0	0	0	0	0
5.	Count surplus (+)	77	10	0	0	0	0	87
6.	Taken into asset management (+)	0	0	0	0	0	0	0
7.	Assets constructed by NIF Zrt. / NISZ Zrt. taken into management (+)	6 893	0	0	0	-6 893	0	0
8.	Assets constructed by NIF Zrt. / NISZ Zrt. capitalised (+)	0	0	0	0	0	0	0
9.	Increase due to asset status settlement (+)	357	0	0	0	0	0	357
10.	Transferred free of charge (-)	0	-12	0	0	0	0	-12
11.	Contribution in kind (-)	0	0	0	0	0	0	0
12.	Disposals (-)	-98	-521	-10	0	0	0	-629
13.	Scrapped (fully and part) (-)	-1 422	-4 306	-156	0	-7	0	-5 891
14.	Missing (-)	-60	-24	-9	0	-2	0	-95
15.	Destroyed (-)	-1	-3	0	0	0	0	-4
16.	Commissioned (+/-)	21 793	28 548	194	0	-50 535	0	0
17.	Decrease due to asset status settlements (-)	-365	0	0	0	-9	0	-374
18.	Asset management right surrendered (-)	-31	0	0	0	0	0	-31
19.	Foreign exchange revaluation (advances) (+/-)	0	0	0	0	0	0	0
20.	Reclassified (broken down, combined, advances considered) (+/-)	-266	219	-30	0	-120	-191	-388
21.	Cost, closing	1 298 014	922 527	3 961	0	32 506	43 836	2 300 844
22.	Depreciation, opening	425 158	486 060	3 674	0	1 294	-13	916 173
23.	Charge for the year (+)	45 060	37 123	201	0	0	0	82 384
24.	Charge for the previous year (+)	0	0	0	0	0	0	0
25.	Extraordinary charge for the year (+)	3 935	509	0	0	15	0	4 459
26.	Extraordinary charge for the year, reversed (-)	-2	-2	0	0	0	0	-4
27.	Assets received free of charge (+)	0	0	0	0	0	0	0
28.	Inventory surplus (+)	0	0	0	0	0	0	0
29.	Transferred free of charge (-)	0	-12	0	0	0	0	-12
30.	Contribution in kind (-)	0	0	0	0	0	0	0
31.	Disposal (-)	-17	-519	-9	0	0	0	-545
32.	Scrapped (-)	-1 364	-4 266	-154	0	-7	0	-5 791
33.	Missing (-)	-8	-20	-9	0	0	0	-37
34.	Destroyed (-)	0	-2	0	0	0	0	-2
35.	Decrease due to asset status settlement (-)	5	0	0	0	0	0	5
36.	Asset management right surrendered (-)	-6	0	0	0	0	0	-6
37.	Reclassified (broken down, combined) (+/-)	-185	93	-30	0	0	0	-122
38.	Depreciation, closing	472 576	518 964	3 673	0	1 302	-13	996 502
39.	Net book value, opening	845 979	412 556	298	0	25 991	37 463	1 322 287
40.	Net book value, closing	825 438	403 563	288	0	31 204	43 849	1 304 342

Table 10: Movements in tangible assets

The ownership status of certain MÁV Zrt. properties has been unresolved between the Company and its Founder since the Company's foundation. In order to clarify the ownership status of its property portfolio, the Company launched a project that involves significant resources. As a result of this project, in an effort to clarify the status of MÁV Zrt.'s land holdings where there is any difference from the official land register, progress was made in the reporting year owing to a land count held in 2018.

Further to act CVI of 2007, the settlement of properties did not cause losses to the Company.

During the course of 2018, the status of assets necessary for railway operations totalling HUF 357 million were also settled in reverse.

Tangible assets totalling HUF 6,893 million constructed by NISZ Zrt. were taken over, in both legal and financial terms, in 2018.

NIF Zrt. is engaged in reconstruction works on the Budapest-Pusztaszabolcs route and extraordinary depreciation of HUF 2,940 million was recognised as a result.

Most of the advances for capital projects relate to major subsidised vehicle acquisitions, including a HUF 31,835 million advance for KISS double-decker trains and HUF 7,954 million for TRAM Train vehicles.

II.1.1.2 Assets transferred/received free of charge

figures in million HUF

Item	Assets transferred free of charge			Received free of charge
	Cost	Accumulated depreciation	Net value	Cost
Intangible assets	0	0	0	0
Tangible assets	0	0	0	0
Capital projects	0	0	0	0
<i>Total:</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

Table 11: Assets transferred/received free of charge

Mobile phones written off to zero by 2018 were granted to employees free of charge.

II.1.1.3 Managed state-owned assets

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

Tangible assets owned by the state and managed by the Company are carried separately in MÁV Zrt.'s books.

The accumulated values of managed state-owned tangible assets and the related liabilities are presented in the tables below.

figures in million HUF

Item	2017.	2018.	Change
Intangible assets	2 228	1 781	-447
Land	24 269	24 297	28
Buildings	43 746	44 680	934
Structures	712 551	690 049	-22 502
Property rights	390	344	-46
Machinery, equipment, vehicles	115 344	109 718	-5 626
Managed assets in the course of construction	17 559	18 808	1 249
Managed state-owned assets, total:	916 087	889 678	-26 409
Managed state-owned (recuperated) materials	1 904	2 191	287
Managed state-owned finished products and work in progress	41	139	98
Managed state-owned inventories, total:	1 945	2 330	385
Managed state-owned assets, total:	918 032	892 008	-26 024
Opening long-term liabilities upon signing the asset management agreement at 30 September 2001:	275 578	275 578	0
Assets constructed by NIF/NISZ Zrt. Taken into asset management	632 508	639 402	6 893
<i>of which - from governmental and EU funds</i>	<i>630 024</i>	<i>636 918</i>	<i>6 893</i>
- from own funds	1 645	1 645	0
- from other (municipal) funds	299	299	0
- from NIF/NISZ Zrt. Funds	540	540	0
Taken into asset management	15 089	15 089	0
Taken into asset management due to status settlement	56 946	56 946	0
Improvement, renovation from renovation reimbursement	111 577	134 013	22 436
Improvement, renovation from other governmental/municipal/EU funds	177 969	181 538	3 568
Acquired from own funds	153 737	153 737	0
Capital projects funded by third parties	7 516	7 516	0
Surplus state-owned assets	2 024	2 090	66
Managed state-owned inventories used for managed state-owned tangible assets	1 483	1 672	190
Funds of managed state-owned tangible assets, total:	1 158 849	1 192 002	33 153
Increase in recuperated materials	4 131	4 667	536
Funds of managed state-owned inventories, total:	4 131	4 667	536
Funds of the increase in managed state-owned assets, total:	1 162 980	1 196 669	33 688
Ordinary depreciation	413 092	467 900	54 808
Extraordinary depreciation charged and reversed	66 746	71 062	4 316
Disposal	57	57	0
Scrapping	17 588	17 647	59
Missing	2 453	2 453	0
Destroyed	3	4	1
Contributed free of charge	1 656	1 656	0
Net value of state-owned assets contributed to MÁV Zrt.	1 819	1 819	0
Status settlement of managed state-owned land	8 970	8 970	0
Redeemed asset manager rights	5 953	6 332	378
Funds of the decrease in managed state-owned assets, total:	518 338	577 900	59 562
Managed state-owned inventories, used	1 745	1 802	57
Managed state-owned inventories, disposed of	241	291	50
Managed state-owned inventories, scrapped	71	71	0
Managed state-owned inventories, impaired	132	175	43
Funds of the decrease in managed state-owned inventories, total:	2 188	2 339	150
Funds of the decrease in managed state-owned assets, total:	520 527	580 239	59 712
Funds of managed state-owned assets, total:	918 032	892 008	-26 024

Table 12: Managed state-owned assets and their funds presented in the balance sheet

Movements in managed state-owned assets in the reporting year and in the basis year is presented in detail in the table below:

figures in million HUF

Changes in managed state-owned assets	2017.	2018.	Change
Managed state-owned assets, net, opening	952 230	918 032	-34 198
Assets constructed by NIF/NISZ Zrt. taken into management	0	6 893	6 893
<i>of which - from governmental and EU funds</i>	0	6 893	6 893
Improvement, renovation from improvement reimbursement from state treasury funds	20 639	22 436	1 797
Managed state-owned assets acquired from government funds	2 374	3 568	1 194
Recuperated (state) materials used for managed assets	143	190	47
Managed state-owned assets surplus	154	66	-88
Increase in managed state-owned tangible assets	23 310	33 153	9 843
Increase in recuperated materials	116	536	420
Increase in managed-state owned inventories	116	536	420
Increase in managed-state owned assets, total	23 426	33 688	10 262
Ordinary depreciation charge	-55 344	-54 808	536
Extraordinary depreciation charged and reversed	-1 152	-4 316	-3 164
Scrapped	-63	-59	4
Missing, destroyed	-345	-1	344
Asset management rights redeemed	-222	-378	-156
Decrease in managed state-owned tangible assets, total	-57 126	-59 562	-2 436
Recuperated (state) materials used	-150	-57	93
Recuperated (state) materials disposed of	-146	-50	96
Recuperated (state) materials scrapped	-71	0	71
Recuperated (state) materials impaired	-132	-43	89
Decrease in managed state-owned inventories, total	-499	-151	348
Decrease in managed state-owned assets, total	-57 625	-59 712	-2 087
Managed state-owned assets, net, closing	918 032	892 008	-26 024

Table 13: Movements in managed state-owned assets in 2018 and 2017

Subsidies related to capital projects and managed state-owned assets are shown in the following table:

figures in million HUF

Use of subsidies received for the renovation and improvement of managed state-owned assets			
Subsidy	2017.	2018.	change
Use of renovation reimbursement in relation to managed state owned assets	19,725	22,501	2,776
of which - Renewal of assets	19,902	22,388	2,486
Advances for assets	-241	6	247
Value adding improvement on inventories	68	106	38
Renovation reimbursement for previous years recognised in the reporting year	-4	0	4
Use of remaining reimbursement	741	39	-702
Budapest-Belgrade railway development	40	62	22
IKOP grant "MÁV Zrt. Traffic safety projects", (IKOP, local percentage 15%)	179	125	-54
IKOP grant "MÁV Zrt. Station improvement and integrated customer service development at 26 locations" (IKOP, local percentage 15%)	31	63	32
Service quality improvement along service track No. 80	4	0	-4
Keleti railway station reconstruction preparation Gov. -15%	2	8	6
Nyugati railway station reconstruction preparation Gov. -15%	1	2	1
Soroksár track adjustment SG370001 (100% Gov.)	0	209	209
Kisköre road and rail bridge (Tisza-híd) renovation ZE170001	0	13	13
"MÁV Zrt. Station improvement and integrated customer service development at 26 locations" (CKTM, KAB function 100%)	0	20	20
Budapest-Belgrade Archaeology ZL680004	0	4	4
Light railways ZV560001	0	71	71
P+R parking at Celldömölk	0	20	20
Government subsidies used, total:	20,723	23,137	2,414
IKOP grant "MÁV Zrt Traffic safety projects" (IKOP, KA 85%)	1,014	708	-306
IKOP grant "MÁV Zrt. Station improvement and integrated customer service development at 26 locations" (IKOP, KA 85%)	177	357	180
Keleti railway station reconstruction preparation EU-85%	9	46	37
Nyugati railway station reconstruction preparation EU-85%	8	12	4
EU funds used, total:	1,208	1,122	-86
Use of subsidies received for the renovation and improvement of managed state-owned assets	21,931	24,259	2,328

Table 14: Use of development subsidies related to managed state-owned assets

II.1.1.4 MÁV Group's investments

The balance sheet value of equity consolidated companies and the gross value of the companies presented at book value in the balance sheet of MÁV Group, and recognised accumulated impairment loss are presented in the following tables.

figures in million HUF

Equity consolidated entities (treated as associates)				
Code	Company	Value in the financial statements		Change
		2017	2018	
15	MÁV NOSZTALGIA Kft.	109	95	-14
27	Dunakeszi Járműjavító Kft.	793	809	16
37	VAMAV Kft.	1 405	1 646	241
38	EURO-METALL Kft.	487	453	-34
116	MÁV-THERMIT Kft	297	264	-33
142	MÁV MULTISZOLG Kft.	23	23	0
193	Kínai-Magyar Vasúti Nonprofit Zrt.	0	328	328
Total:		3 114	3 618	504

Table 15: Equity consolidated entities

The value of equity consolidated companies increased by HUF 504 million compared to the previous year.

Of the profit or loss realised by the companies in the reporting year, the balance of the loss and profit apportioned to MÁV Group reduced the value of investments by HUF 1,277 million, while the recognition as profit or loss of the differences between changes in the companies' initial and final equity available during the consolidation increased it by HUF 66 million.

The elimination of dividends received for the previous year but recognised by MÁV Zrt. in the reporting year reduced the balance sheet value of investments by HUF 585 million.

The balance sheet value of equity consolidated companies was increased by a HUF 2,300 million capital increase via share premium in Kínai-Magyar Vasúti Nonprofit Zrt. as detailed in section *I.1.4 Changes in the scope of consolidation in the reporting year*.

figures in million HUF

Related parties and significant investments presented in the consolidated financial statements at book value								
Code	Company	2017			2018			Change (BV)
		Cost	Accumul. deprec.	BV	Cost	Accumul. deprec.	BV	
22	MÁV VASJÁRMŰ Kft. (f.a.)	158	158	0	158	158	0	0
165	MÁV-REC Kft.	50	0	50	50	0	50	0
191	TS-MÁV Gépészet Services Kft.	0	0	0	0	0	0	0
Total:		208	158	50	208	158	50	0

Table 16: Related parties and significant investments presented in the consolidated financial statements at book value

figures in million HUF

Other investments								
Code	Company	2017			2018			Change (BV)
		Cost	Accumul. deprec.	BV	Cost	Accumul. deprec.	BV	
120	Vasútegészségügyi NK Kft.	100	0	100	100	0	100	0
128	EUROFIMA	2 097	0	2 097	2 255	0	2 255	158
147	BCC	1	0	1	1	0	1	0
169	HIT Rail b.v.	68	0	68	70	0	70	2
172	Normon-Tool Kft. (f.a.)	0	0	0	-	-	-	-
Total:		2 266	0	2 266	2 426	0	2 426	160

Table 17: Other investments

The involuntary liquidation of Normon-Tool Kft. "f.a." ended in 2018 and the company was derecognised from the entities carried at book value.

The year-end revaluation of investments in foreign exchange increased the balance sheet value of other investments by HUF 160 million.

II.1.1.5 Other long-term loans and impairment of long-term debt securities

figures in million HUF

Item	Impairment loss				
	Opening	Recognised in the reporting year	Reversed in the reporting year	Other decrease in the reporting year	Closing
Long-term loans to related parties	0	0	0	0	0
Long-term loans granted to significant related parties	0	0	0	0	0
Long-term loans granted to other related parties	0	0	0	0	0
Other long-term loans granted	630	0	34	0	596
Long-term debt securities	0	0	0	0	0
Total:	630	0	34	0	596

Table 18: Impairment of non-current financial assets

The closing amount of impairment loss on other long-term loans relates to employee housing loans.

II.1.1.6 Goodwill arising on full consolidation

MÁV Group's consolidated financial statements do not show any goodwill arising on full consolidation.

II.1.1.7 Negative goodwill arising on full consolidation

figures in million HUF

Company		Negative goodwill					Closing
Code	Name	Opening	Change				
			from shares purchased	from shares sold	due to merger	due to change in scope	
20	MÁV VAGON 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.	90	0	0	0	0	90
Total:		100	0	0	0	0	100

Table 19: Negative goodwill arising on full consolidation

II.1.1.8 Goodwill arising on equity consolidation

The MÁV group's consolidated financial statements do not show any goodwill related to equity consolidated companies (associates).

II.1.1.9 Negative goodwill arising on equity consolidation

figures in million HUF

Company		Negative goodwill					Closin
Code	Name	Opening	Change				
			from shares purchased	from shares sold	due to merger	due to change in scope	
27	Dunakeszi Járműjavító Kft.	13	0	0	0	0	13
37	VAMAV Kft.	111	0	0	0	0	111
38	EURO-METALL Kft.	121	0	0	0	0	121
116	MÁV-THERMIT Kft.	13	0	0	0	0	13
Total:		258	0	0	0	0	258

Table 20: Negative goodwill arising on equity consolidation

II.1.2 Inventories and impairment loss

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

figures in million HUF

Inventory	Materials	Work in progress	Breeding stock	Finished product	Goods	Advances for inventories	Total
<i>Inventories, opening</i>	25 816	2 425	0	1 867	1 118	382	31 608
Purchase, advances given	75 648	0	0	0	15 202	2 276	93 126
Received free of charge	0	0	0	0	0	0	0
Contribution in kind	0	0	0	0	0	0	0
Reclassified	15	0	0	0	109	0	124
Taken on inventory	0	4 011	0	13 388	0	0	17 399
Surplus	15	0	0	2	0	0	17
Other increase	499	0	0	0	0	0	499
Use (expensed)	-67 569	-3 350	0	-13 080	-3 362	0	-87 361
Reclassified, advance considered	0	0	0	0	0	-37	-37
Disposal	-2 377	0	0	-147	-11 514	-24	-14 062
Transferred free of charge	0	0	0	0	0	0	0
Contributed	-1	0	0	0	0	0	-1
Scrapped	-38	0	0	-2	-4	0	-44
Missing	-51	0	0	-1	-1	0	-53
Other decrease	-165	-6	0	-2	0	10	-163
<i>Inventories, closing, gross</i>	31 792	3 080	0	2 025	1 548	2 607	41 052
<i>Impairment, opening</i>	1 337	5	0	58	37	0	1 437
Impairment loss for the year	366	0	0	15	24	0	405
Written off due to inventory decrease	-398	0	0	-9	-36	0	-443
Impairment reversed	-109	0	0	-1	0	0	-110
Other decrease	0	0	0	0	0	0	0
<i>Impairment, closing</i>	1 196	5	0	63	25	0	1 289
<i>Opening, net</i>	24 479	2 420	0	1 809	1 081	382	30 171
<i>Closing, net</i>	30 596	3 075	0	1 962	1 523	2 607	39 763

Table 21: Inventories and impairment loss

II.1.3 Receivables and impairment loss

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

figures in million HUF

Item	Receivables						Impairment loss							BV of receivables in 2018	BV of receivables in 2017	Changes in book values
	Not overdue	Due over 1-90 days	Due over 91-180 days	Due over 181-365 days	Due over 365 days	Total	Opening	Impairment loss in 2018	Impairment loss reversed	Bad debts collected	Other written off impairment loss	Closing				
Trade receivables (debtors)	8 144	435	78	168	2 682	11 507	3 006	465	6	263	257	2 945	8 562	8 931	-369	
Receivables from related parties:	56	59	20	0	0	135	0	0	0	0	0	0	135	29	106	
of which: from not fully consolidated subsidiaries	43	52	20	0	0	115	0	0	0	0	0	0	115	29	86	
of which: from companies under common control	13	7	0	0	0	20	0	0	0	0	0	0	20	0	20	
Receivables from significant investments	229	13	0	0	30	272	31	0	0	0	0	31	241	111	130	
Receivables from other investments	31	0	0	0	0	31	0	0	0	0	0	0	31	49	-18	
Bills of exchange receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other receivables	58 397	40	241	31	809	59 518	787	74	5	15	3	838	58 680	50 018	8 662	
Deferred tax	7	0	0	0	0	7	0	0	0	0	0	0	7	4	3	
Receivables, total:	66 864	547	339	199	3 521	71 470	3 824	539	11	278	260	3 814	67 656	59 142	8 514	

Table 22: Receivables and impairment loss

The most significant item in other receivables is reimbursement receivable for public passenger transport services totalling HUF 39,389 million. A detailed breakdown of the amount is shown in the table below:

figures in million HUF

Period	Receivables at 1 Jan 2018	Liabilities at 1 Jan 2018	Reasonable profits recognised for 2013 through 2017	Financial settlements in 2018	Receivables, net at 31 Dec 2018
2013	1 907	0	3 320	5 227	0
2014	4 615	0	0	0	4 615
2015	0	0	0	0	0
2016	3 494	0	0	0	3 494
2017	22 370	0	1 699	20 829	3 240
Previous years, total	32 386	0	5 019	26 056	11 349
2018	0	0	0	0	28 040
Grand total	32 386	0	5 019	26 056	39 389

Table 23: Reimbursement receivable for public passenger transport services

For 2018, the Group recorded outstanding receivable reimbursements totalling HUF 45,594 (MÁV Zrt. and MÁV-START Zrt.), and outstanding liabilities totalling HUF 835 million (MÁV-HÉV Zrt.).

II.1.4 Prepaid expenses and accrued income

figures in million HUF

Item	2017	2018	Change
Accrued income			
Public service reimbursement	0	0	0
RIC car rent	4 033	1 503	-2 530
Accrued sales revenues	1 648	1 915	267
Accrued interest	1	1	0
Unsettled merchandise accounts with Dt balance	66	28	-38
Late payment interest, penalties, damages	21	20	-1
Accrued other income	250	1	-249
Accrued income, total:	6 019	3 468	-2 551
Prepaid expenses			
Prepaid insurance premium	469	587	118
Other prepaid costs and expenses	357	452	95
Prepaid expenses, total:	826	1 039	213
Deferred expenses			
Deferred unrealised foreign exchange loss	6 791	3 995	-2 796
Deferred expenses, total:	6 791	3 995	-2 796
Total:	13 636	8 502	-5 134

Table 24: Prepaid expenses and accrued income

Of current-year settlements with international railway companies, prepayments related to leased RIC railcars and unsettled traffic fell by HUF 2,530 million as the frequency of settlement changed from annual to quarterly in 2018.

The HUF 2,796 million decrease in deferred expenses was due mainly to the derecognised deferral of a bullet paid Eurofima loan as well as to a decrease in loans and lower foreign exchange rates.

II.1.5 Equity

II.1.5.1 Movements in equity

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

figures in million HUF

Item	Issued capital	Capital reserve	Retained earnings/losses	Non-distributable reserves	Adjusted net profit after tax	Changes in subsidiaries' equity	Changes due to consolidation		Changes in value of investments in associate	Third party interest	Total
							from debt consolidation difference	from interim profit/loss difference			
Equity in 2017	24 500	131 684	28 824	2 493	11 265	8 619	13	-22 218	2 434	0	187 614
Adjusted net profit after tax for 2017			9 813		-11 265	1 189	54	291	-82		0
Asset status settlements		302									302
Non-distributable reserve for R&D, released			125	-125							0
Development reserve made			-83	83							0
Development reserve released			56	-56							0
Non-distributable reserve for unrealised FX loss, released			730	-730							0
Adjusted net profit after tax for 2018					17 890						17 890
Equity in 2018	24 500	131 986	39 465	1 665	17 890	9 808	67	-21 927	2 352	0	205 806

Table 25: Movements in equity components

Movements in the Group's non-distributable reserves are presented in the table below.

figures in million HUF

Non-distributable reserves	Opening	Released in 2018	Made in 2018	Closing
Difference between deferred expenses and provisions made for unrealised FX gains/losses on foreign exchange loans	2 078	730	0	1 348
Capitalised R&D not yet written off	229	125	0	104
Development reserve	186	56	83	213
Total:	2 493	911	83	1 665

Table 26: Non-distributable reserves

II.1.6 Provisions made and released

II.1.6.1 Changes in provisions during 2018

At Group level, the balance sheet closing value of provisions was HUF 37,100 million, of which provision for expected liabilities was HUF 21,269 million, provision for future expenses was HUF 13,184 million, and other provisions totalled HUF 2,647 million.

figures in million HUF

Item	Provisions for expected liabilities	Provisions for future expenses	Provision for unrealised FX losses	Total
Provisions, opening	24 753	11 432	4 713	40 898
Released in 2018	8 077	3 454	2 176	13 707
Made in 2018	4 593	5 206	110	9 909
Provisions, closing	21 269	13 184	2 647	37 100

Table 27: Movements in provisions

II.1.6.2 Provision for expected liabilities

In 2018, the closing balance of provisions for expected liabilities was HUF 21,269 million at group level. The most significant items include the provisions for environmental liabilities, for annuity payment obligations and for litigations.

figures in million HUF

Provisions for expected liabilities	Opening	Adjustment due to change in scope	Released in 2018	Made in 2018	Closing
Environmental provision	9 099	0	1 956	285	7 428
Annuity provision	7 240	0	1 150	640	6 730
Provision for litigations	3 372	0	1 507	148	2 013
Provision for employment termination payments	1 126	0	1 028	1 465	1 563
Provision for uniforms	1 368	0	440	460	1 388
Provision for bonuses payable	1 094	0	1 075	989	1 008
Provision for damages	565	0	276	391	680
Provision for late payment interest liabilities	185	0	152	83	116
Provision for contractual guarantee obligations	103	0	103	84	84
Provision for EU penalties	78	0	78	0	0
Other provisions	523	0	312	48	259
Total:	24 753	0	8 077	4 593	21 269

Table 28: Provisions for expected liabilities

The decrease in the provision for environmental liabilities was due to an updated survey of illegal waste dumping at Ferencváros Gubacsi shunting station in Budapest and it found that the volume of waste had significantly decreased. As a result, HUF 1,300 million was released of the previously made provisions. Changes in the environmental provision are discussed in detail in section III.3.1. *Environmental liabilities*.

Since 8 May 2006, MÁV Zrt. has been insured against accidental damage to passengers and accidents suffered by its employees for reasons attributable to the Company. Before the insured years, MÁV Zrt. had been liable for any accident suffered and the damages were paid typically as annuities. As, owing to the nature of annuities, these payments are not precisely quantifiable to MÁV Zrt., yet qualify as certain future liabilities, provision was made for these liabilities amounting to HUF 640 million in 2018, and provision was released in an amount of HUF 1,150 million due to annuity payments.

The decrease in the provision for litigations was due to the payment of HUF 609 million from the provision made for unpaid wages of employees in standby positions.

Pursuant to decrees VFF/27095/2014-NFM and TPF/28503-2/2015-NFM of the Ministry for National Development, bonuses for 2013 and 2014 were not paid to employees subject to Section 208 (1) and (2) of the Labour Code. The provision made earlier for the unpaid portion will be maintained until the period of limitation stipulated by the Labour Code expires. A provision of HUF 989 million was made for work performed in 2018.

II.1.6.3 Provisions for future expenses

The closing balance of provisions for future expenses was HUF 13,184 million at MÁV Group level. The two most significant items were the provisions for maintenance and demolition expenses.

figures in million HUF

Provisions for future expenses	Opening	Released in 2018	Made in 2018	Closing
Provision for priority maintenance costs (overhauls)	6 930	2 718	4 016	8 228
Provision for FLIRT train maintenance costs	1 599	0	677	2 276
Provision for TRAXX locomotives maintenance costs	1 247	384	493	1 356
Provision for other maintenance costs	847	209	20	658
Provision for demolition costs	809	143	0	666
Total:	11 432	3 454	5 206	13 184

Table 29: Provisions for future expenses

The railway infrastructure operated by the MÁV Group comprises in an increasing proportion lines, stations and other infrastructure components that were developed, reconstructed or refurbished from EU funds. Due to the operation of assets providing for advanced and higher quality services, and the special rules pertaining to the use of EU funds, these parts of the infrastructure require higher and cyclically incurred maintenance expenses for a partly different technical content. In order to align the funds provided based on the rail infrastructure operations agreement at nearly the same pace with the cyclical demand for maintenance funds as described above, a provision of HUF 4,016 million was made in 2018, and HUF 2,718 million was released due to completion of work.

Due to their similar nature, railway vehicles also require cyclical maintenance expenses. Therefore, a provision was made, charged to the profit/loss of the reporting year, for the time-proportionate amount of periodically incurred maintenance expenses of TRAXX locomotives and FLIRT multiple-unit trains, in a total amount of HUF 1,170 million. In addition, a provision of HUF 384 million was released due to completion of work.

Provision for demolition costs was made for the demolition of unused and condemned buildings and structures belonging to the Rail Infrastructure Division and other assets involved in railway operations. From this amount, the Company released HUF 143 million for demolition performed in 2018.

II.1.6.4 Other provisions

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

figures in million HUF

Other provision	Opening	Released in 2018	Made in 2018	Closing
Provision for the FX losses on foreign exchange development and improvement loans	4 713	2 176	110	2 647
Total:	4 713	2 176	110	2 647

Table 30: Other provisions

II.1.7 Liabilities

II.1.7.1 Liabilities related to managed state-owned assets

Further to Section 23 (2) of the accounting act, managed state- or municipality-owned assets must be recognised as assets of the asset managing company, while according to Section 42 (5) of the accounting act, liabilities related to managed state-owned assets must be recognised as non-current liabilities. The accounting treatment of changes in state-owned assets is governed by Government Decree No 254/2007 (X. 4.) on the management of state-owned assets as amended by Government Decree 457/2013 (XI. 29.) and by the asset management agreement signed by KVI and MÁV Zrt. as amended several times since.

On 31 December 2018, HUF 892,008 million was recognised as non-current liabilities in relation to managed state-owned assets totalling HUF 919,096 million in MÁV Zrt's balance sheet, and current liabilities of HUF 1,643 million were recognised as presented in the table below:

figures in million HUF

Liabilities related to managed state-owned assets	2017	2018	Change
Long-term liabilities related to managed state-owned assets	918 032	892 008	-26 024
Replenishment obligation	27 088	27 088	- 0
Long-term liabilities related to managed state-owned assets, total	945 120	919 096	-26 024
Balance of settlements with the Hungarian State Treasury related to capital projects	- 743	- 2 592	- 1 849
<i>of which: - treasury capital project invoices submitted to the Treasury in 2018</i>	<i>- 2 374</i>	<i>- 3 568</i>	<i>- 1 194</i>
<i>- payments by the treasury in the reporting year,</i>	<i>1 465</i>	<i>1 719</i>	<i>254</i>
Liabilities from subsidies funded by the beneficiaries	- 232	1 206	1 438
Subsidy agreements with Cr balance, reclassified	1 366	2 929	1 563
Recuperated materials used	190	100	- 90
Current liabilities related to managed state-owned assets, total	581	1 643	1 062
Liabilities related to managed state-owned assets, total	945 701	920 739	-24 962

Table 31: Liabilities related to managed state-owned assets

Liabilities related to the decrease in state-owned assets are detailed in the following table:

figures in million HUF

Replenishment obligation recognised since the amendment of the Act on State Property (28 June 2013)	2017	2018	Change
Replenishment obligation, opening	27 088	27 088	0
Ordinary depreciation charge	0	0	0
Extraordinary depreciation	0	0	0
Self-funded improvement on managed state-owned assets (-)	0	0	0
Replenishment obligation recognised after the amendment of the Act on State Property in accordance with the rules effective before 28 June 2013	0	0	0
Ordinary depreciation charge	55 344	54 808	-536
Extraordinary depreciation	1 152	4 316	3 164
<i>of which - NIF/NISZ projects handed over in 2018</i>	<i>0</i>	<i>539</i>	<i>539</i>
<i>- Capital projects and tangible assets from scrapping</i>	<i>1 152</i>	<i>3 777</i>	<i>2 625</i>
<i>- Extraordinary depreciation of capital projects related to managed state-owned assets</i>	<i>0</i>	<i>0</i>	<i>0</i>
Missing managed state-owned assets, net	345	1	-344
Scrapped managed state-owned assets written off, net	63	59	-4
Materials recuperated from scrapped managed state-owned assets (-)	-49	-428	-379
Forgiven replenishment obligation (-)	-56 855	-58 756	-1 901
Replenishment obligation recognised after the amendment of the railways act in accordance with the rules effective after 27 June 2013	0	0	0
Replenishment obligation, closing	27 088	27 088	0
Recuperated managed state-owned materials used for maintenance, restoration	0	0	0
Liabilities related to decreases in managed state-owned assets, total	27 088	27 088	0

Table 32: Liabilities related to the decrease in state-owned assets

II.1.7.2 MÁV Group's subordinated liabilities

MÁV Group's subordinated liabilities include only the negative goodwill in accordance with Appendix 6 to the accounting act. For details see section II.1.1.7.

II.1.7.3 MÁV Group's long-term loans

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

Loan	Start date	Matures on	State guarantee (government decision No.)	Currency	Total facility (millions, original currency)	Outstanding facility	
						Currency thousands	HUF millions
Development loans							
CA-CIB Konzorcium (30 Flirt units)	22 March 2006	16 June 2020	-	EUR	145	18 861	6 064
Raiffeisen Bank Zrt. (+30 Flirt units)	25 Sept 2007	28 Nov 2021	-	EUR	142	35 536	11 425
KFW (TRAXX)	3 Dec 2009	15 May 2024	-	EUR	41	18 232	5 862
EIB (TRAXX)	3 Dec 2009	15 May 2024	-	EUR	38	16 830	5 411
MFB	27 Oct 2009	30 Sept 2024	-	HUF	2 800	-	1 134
Raiffeisen - H-91/2008.	23 Dec 2008	23 Dec 2018	-	HUF	3 000	-	0
UniCredit - MFB hitel	10 Sept 2008	31 Dec 2023	-	HUF	2 376	-	779
Total:							30 675
Operating and other loans							
MKB	13 Dec 2018	12 Dec 2028	-	HUF	6 848	-	6 848
Total:							6 848
Enterpreneurial loans							
Szegedi köfi - PROLAN	10 Aug 2007	27 June 2019	-	HUF	1 870		58
Total:							58
Grand total:							37 581

Table 33: The Group's long-term loans and borrowings

Of the HUF 10,403 million of development loans shown in the table, HUF 685 million is presented among short-term loans, and of the entrepreneurial loans, HUF 58 million is presented among short-term borrowings in the balance sheet.

figures in million HUF

Loan	2019.	2020.	2021.	2022.	2023 and beyond	Total
Development loans						
CA-CIB Konzorcium (30 Flirt units)	4 042	2 022	0	0	0	6 064
Raiffeisen Bank Zrt. (+30 Flirt units)	3 959	3 959	3 507	0	0	11 425
KFW (TRAXX)	1 066	1 066	1 066	1 066	1 598	5 862
EIB (TRAXX)	984	984	984	984	1 475	5 411
MFB	196	196	196	196	350	1 134
Raiffeisen - H-91/2008.	0	0	0	0	0	0
UniCredit - MFB hitel	156	156	156	156	155	779
Total:	10 403	8 383	5 909	2 402	3 578	30 675
Operating and other loans						
MKB	685	685	685	685	4 108	6 848
Total:	685	685	685	685	4 108	6 848
Entrepreneurial loans						
Szegedi köfi - PROLAN	58	0	0	0	0	58
Total:	58	0	0	0	0	58
Grand total:	11 146	9 068	6 594	3 087	7 686	37 581

Table 34: Repayment schedule of the Group's long-term loans and borrowings

II.1.7.4 Leasing liabilities

MÁV Group has no finance leasing liabilities.

II.1.7.5 Other current liabilities

Other current liabilities are shown below by title:

figures in million HUF

Item	2017		2018		Change
	Amount	%	Amount	%	
Central and municipal taxes and similar charges	9 266	14,9%	8 084	12,2%	-1 182
Wages and salaries	8 671	14,0%	9 683	14,6%	1 012
Other liabilities deducted from employees	346	0,6%	313	0,5%	-33
Repayable over-reimbursement	1 158	1,9%	799	1,2%	-359
Light railways development subsidy not yet used	1 464	2,4%	1 044	1,6%	-420
Liabilities towards the Treasury	3 986	6,4%	3 854	5,8%	-132
Unbilled capital projects delivered, late payment interest and guarantees	119	0,2%	101	0,2%	-18
Other liabilities	37 010	59,7%	42 625	64,1%	5 615
Other current liabilities, total	62 020	100,0%	66 503	100,0%	4 483

Table 35: Details of other current liabilities

The most significant item within other current liabilities is the liability of HUF 42 billion related to the advance payment accounted for subsidised vehicle purchase projects financed by suppliers and software development projects.

II.1.8 Accrued expenses and deferred income

figures in million HUF

Item	2017	2018	Change
Prepaid income			
INVITEL Kft. deferred other income	7 482	7 227	-255
Deferred pre-billed income	102	575	473
Deferred other income	666	389	-277
<i>Deferred income</i>	8 250	8 191	-59
Accrued expenses			
RIC car rent	2 982	1 176	-1 806
Unbilled expenses	3 156	1 685	-1 471
Traction expenses	1 137	1 253	116
Payments to personnel	761	385	-376
Interest	58	52	-6
Unsettled merchandise accounts with Cr balance	8	3	-5
Late payment interest, penalties, damages	9	1	-8
Other accrued expenses	4	408	404
<i>Accrued expenses</i>	8 115	4 963	-3 152
Deferred income			
Deferred development subsidies	129 214	124 858	-4 356
Tangible assets surplus	789	767	-22
Tangible assets received free of charge (as a gift)	907	861	-46
Other deferred extraordinary income related to tangible assets	8 363	7 365	-998
<i>Deferred extraordinary income</i>	139 273	133 851	-5 422
Total	155 638	147 005	-8 633

Table 36: Accrued expenses and deferred income

As a result of beneficial settlements with international railway companies during the year, prepayments (leased RIC railcars) dropped by HUF 1,806 million as the frequency of settlement changed from annual to quarterly in 2018.

The change in deferred income was due to deferrals released in line with the depreciation related to existing subsidies.

II.1.9 Off-balance sheet liabilities

II.1.9.1 Hedging transactions

MÁV Group had no hedging transactions in 2018.

II.1.9.2 Joint and several liability and guarantee contracts

MÁV Group's guarantee contracts in effect as at 31 December 2018 are shown in the table below.

Beneficiary company	Guarantee type	Contractor	Guarantee starts	Guarantee ends	Amount in EUR	Amount in mHUF
Bank guarantees						
Ministry for National Development	Accidental damage	Raiffeisen Bank Zrt.	2019.01.01	2019.12.31	-	1 000
Ministry for National Development	Accidental damage	Raiffeisen Bank Zrt.	2019.01.01	2019.12.31	-	1 000
National Tax Authority	Excise	Raiffeisen Bank	2019.01.01	2019.12.31	-	300
National Tax Authority SZ-SZ-B County Tax and Customs Directorate	Activity based customs bond	K&H Bank Zrt.	2011.03.18	2022.03.16	-	10
National Tax Authority SZ-SZ-B County Tax and Customs Directorate	Endorsement of joint and several liability for goods under customs clearance	K&H Bank Zrt.	2017.03.20	2022.06.01	-	40
Ministry for Innovation and Technology	Accidental damage	KDB Bank Zrt.	2014.01.01	2019.12.31	-	1 100
Ministry for Innovation and Technology	Accidental damage	KDB Bank Zrt.	2013.01.01	2019.12.31	-	150
Ministry for Innovation and Technology	Accidental damage	KDB Bank Zrt.	2013.01.01	2019.12.31	-	5
Ministry for Innovation and Technology	Accidental damage	KDB Bank Zrt.	2011.07.01	2019.12.31	-	10
Metropolitan Government Office for Budapest	Travel organising	KDB Bank Zrt.	2010.10.26	2020.06.30	-	8
Ministry of Innovation and Technology	Maintenance, repairs	Raiffeisen Bank Zrt.	2018.06.30	2019.06.30	-	1 000
Bank guarantees, total:					0	4 623
Performance bonds						
Slovenian Railways	Performance bond	K&H Bank Zrt.	2017.07.31	2021.01.10	70 075	23
Good performance guarantees, total:					70 075	23
Guarantees, total:					70 075	4 646

Table 37: Guarantee contracts in effect at the balance sheet date

II.1.9.3 Lien and other off-balance sheet liabilities

Loan	Outstanding facility at 31 Dec 2018 (mHUF)	Collateral
CA-CIB Konzorcium (Financing 30 Flirt units)	6 064	Rolling stock
Raiffeisen Bank Zrt (Financing +30 Flirt units)	11 425	Rolling stock
EIB (TRAXX)	5 411	Rolling stock
KfW (TRAXX)	5 862	Rolling stock
UniCredit	779	Rolling stock
MFB	1 134	Rolling stock
MKB	6 848	Rolling stock
Total:	37 523	

Table 38: Loans secured by lien

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

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

The EIB and KfW loans relating to the purchase of 25 TRAXX locomotives are secured with liens on the TRAXX locomotives. The new MKB refinancing loan is secured by lien on 20 continuously produced IC+ cars, of which lien on 4 IC+ cars was recorded until the balance sheet date.

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

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

MÁV Zrt. holds CHF 18.2 million (0.7%) of the registered capital of EUROFIMA, of which CHF 14.56 million (80% of the registered 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 Statutes. However, no request for payment has been made yet.

In addition to CHF 18.2 million of EUROFIMA's registered share capital held by MÁV Zrt., MÁV guarantees in an additional amount equalling the share capital holding of CHF 18.2 million the rolling stock financing arrangement in accordance with Article 26 of EUROFIMA's Statutes. This guarantee can only be called if both the railway company and the shareholder state guaranteeing the loan fail to pay, and the guarantee fund specified in Article 29 of EUROFIMA's Statutes (CHF 726.5 million according to the 2017 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.

II.1.9.4 Interest and similar charges payable in the future

figures in million HUF

Loan	2019	2020	2021	2022	2023 and beyond	Total
Development loans						
CA-CIB Konzorcium (Financing 30 Flirt units)	34	0	0	0	0	34
Raiffeisen Bank Zrt. Konzorcium (Financing +30 Flirt units)	73	63	23	0	0	159
EIB	72	69	59	41	27	268
KfW	231	206	154	106	70	767
UniCredit	20	23	20	12	5	80
MFB	47	49	42	30	23	191
Total:	477	410	298	189	125	1 499
Operating and other loans						
MKB	91	157	176	153	426	1 003
Total:	91	157	176	153	426	1 003
Contractor loans						
Szegedi kövi - PROLAN	0	0	0	0	0	0
Total:	0	0	0	0	0	0
Grand total:	568	567	474	342	551	2 502

Table 39: Interest and similar charges payable in the future

II.1.9.5 Significant operating lease contracts signed by the Group and in effect at the balance sheet date

Contracting party (renter)	Subject matter	Contract date	Matures on	Amount (mHUF/month)	Not recognised by the balance sheet date (mHUF)
Mercarius Flottakező Kft.	Vehicle rent MÁV	19 Oct 2017	30 Sep 2021	252	8 314
Raiffeisen Ingatlan Alap	Property rent	6 May 2013	6 May 2021	89	2 493
Mercarius Flottakező Kft.	Rental and operating agreement for 212 road vehicles	20 May 2016	20 May 2020	57	961
Mercarius Flottakező Kft.	Vehicle rent	2017.11.01	2021.11.01	22	758
Mercarius Flottakező Kft.	Vehicle rent	19 July 2017	19 July 2021	22	682
Deutsche Leasing Hungaria Kft.	8 Desiro trains	24 Sep 2008	28 Feb 2029	20	2 440
Magyar Telekom Nyrt.	mutual infrastructure and service general contract No.: 67103-743999/2004.	30 Sep 2004	indefinite	19	n/a
Forse Kft.	Worker accommodation	7 Apr 2012	7 Apr 2019	10	30
Raiffeisen Ingatlan Alap	Property rent	1 Apr 2016	6 May 2019	3	14
DIO IMMO Kft.	employee flat rent	1 March 2017	1 March 2020	3	45
Máriássy Ház	Property rent	3 Apr 2017	3 Apr 2022	3	123
DIO IMMO Kft.	management flat rent	1 March 2017	1 March 2020	3	39
Invitech Zrt.	Invitel internet service No.: 275165/2014	26 June 2014	indefinite	2	n/a
Mercarius Flottakező Kft.	Vehicle fleet management (operating lease) general agreement	19 July 2017	31 Oct 2021	2	77
Invitech Zrt.	Mutual infrastructure agreement No.: IR/1089-05/2005.	26 June 2005	indefinite	1	n/a
Mercarius Flottakező Kft.	Vehicle rent MÁV	2015.12.01	1 Dec 2019	1	15
Merkantil	Vehicle rent MÁV	15 Sep 2014	indefinite	1	n/a
BKV Zrt.	optical cable rent	2016.01.29	2030.12.31	1	94
Other contracts		several contracts	definite/ indefinite	9	102
Total:				520	16 187

Table 40: Significant operating lease contracts at the balance sheet date

II.2 NOTES TO THE PROFIT AND LOSS ACCOUNT

II.2.1 Net sales revenues by activity

figures in million HUF

Activity	2017		2018		Change
	Amount	%	Amount	%	
Passenger transport	61 828	44,1%	61 929	43,6%	101
Railway infrastructure operation	37 064	26,4%	38 789	27,3%	1 725
Subsidy passenger transport fares	19 343	13,8%	18 615	13,1%	-728
Traction, shunting	13 260	9,5%	13 917	9,8%	657
Property renting, operating, supervision, deconstruction	1 305	0,9%	1 285	0,9%	-20
Machinery and vehicle repairs, production, operating, maintenance and records keeping	2 017	1,4%	2 604	1,8%	587
Freight transport, loading and logistics service	1 653	1,2%	1 673	1,2%	20
Materials, goods and finished products sold	549	0,4%	668	0,5%	119
Security services	152	0,1%	154	0,1%	2
Machinery and vehicles rented out	190	0,1%	198	0,1%	8
Other services	2 858	2,0%	2 316	1,6%	-542
Total:	140 219	100%	142 148	100%	1 929

Table 41: Details of net sales revenues

Net sales revenues increased by HUF 1,929 million in total in the reporting year, primarily due to an increase in revenues from rail infrastructure operation (HUF 1,725 million).

As a result of more orders placed by business partners, revenues from traction and shunting services and from engineering services also increased significantly (by HUF 657 million and HUF 587 million, respectively).

This increase was partly set off by a HUF 728 million decrease in subsidy passenger fares.

II.2.2 Export and import sales revenues

Exports and imports by geographical segment are shown in the table below.

figures in million HUF

Country	2017				2018			
	Export		Import		Export		Import	
	Goods	Services	Goods	Services	Goods	Services	Goods	Services
Austria	0	6 489	5 133	3 767	0	6 564	2 283	3 631
Belgium	0	8	0	26	0	7	0	1 250
Bulgaria	0	11	0	0	0	-3	0	0
Czech Republic	8	1 475	1 486	58	0	1 067	687	73
Denmark	0	2	5	0	0	1	5	3
Estonia	0	0	0	0	0	26	13	0
France	0	542	0	135	0	16	178	147
Greece	2	4	0	0	0	376	3	36
Holland	0	697	3	109	0	0	0	13
Croatia	0	269	0	14	0	614	71	91
Ireland	0	0	1	0	0	222	0	11
Poland	52	400	968	16	0	1	18	24
Latvia	0	0	0	0	1	252	1 208	35
Luxembourg	0	1	0	0	0	0	0	0
Malta	0	0	0	0	0	1	0	0
UK	0	23	47	1	0	0	0	0
Germany	0	1 938	1 537	1 536	0	1 621	1 434	738
Italy	0	22	4	33	0	52	7	9
Romania	0	1 580	0	298	0	1 256	16	398
Spain	0	1	0	1	0	1	0	7
Sweden	0	142	12	14	0	163	12	15
Slovakia	0	2 074	317	570	1	2 499	577	258
Slovenia	0	263	3	16	0	295	3	19
EU countries, total:	62	15 941	9 516	6 594	2	15 031	6 515	6 758
Bosnia-Herzegovina	0	0	0	0	0	0	0	4
USA	0	0	0	28	0	0	0	25
Norway	0	1	0	0	0	0	0	0
Russia	0	0	57	7	0	0	0	8
Switzerland	0	990	122	92	0	1 080	19	108
Serbia	0	311	100	34	0	255	175	11
Turkey	8	0	0	0	0	0	0	0
Ukraine	0	62	0	6	0	104	0	25
Vietnam	0	0	0	0	0	0	0	1
Other	98	16	0	1	74	0	0	0
Non-EU countries, total:	106	1 380	279	168	74	1 439	194	182
Total:	168	17 321	9 795	6 762	76	16 470	6 709	6 940

Table 42: Exports and imports by geographical segment

II.2.3 Material-type expenses

figures in million HUF

Item	2017		2018		Change
	Amount	%	Amount	%	
Material costs					
Operating, maintenance and other materials	35 402	22,9%	36 552	23,5%	1 150
Traction electricity	10 809	7,0%	13 485	8,7%	2 676
Fuel	8 498	5,5%	9 279	6,0%	781
Public utilities (energy, gas, water)	6 638	4,3%	6 958	4,5%	320
Uniforms, protective clothing, protecting beverage	227	0,1%	590	0,4%	363
Material costs, total:	61 574	39,8%	66 864	43,0%	5 290
Services used					
Rail infrasturcture, vehicle maintenance and related other services	30 835	19,9%	26 150	16,8%	-4 685
Rents	13 096	8,5%	13 923	9,0%	827
Public hygiene costs	7 579	4,9%	8 124	5,2%	545
Transport and loading costs	3 690	2,4%	3 154	2,0%	-536
IT services	4 188	2,7%	3 823	2,5%	-365
Traction	2 587	1,7%	1 933	1,2%	-654
Post, advertising, market survey	1 939	1,3%	1 239	0,8%	-700
Other services used	12 766	8,2%	12 504	8,0%	-262
Services used, total:	76 680	49,5%	70 850	45,6%	-5 830
Other services					
Insurance	1 463	0,9%	1 567	1,0%	104
Fees paid to authorities	1 669	1,1%	1 448	0,9%	-221
Bank charges	757	0,5%	788	0,5%	31
Other non-specified services	0	0,0%	0	0,0%	0
Other services, total:	3 889	2,51%	3 803	2,4%	-86
Cost of goods sold:	9 851	6,4%	10 674	6,9%	823
Services resold (intermediated):	2 804	1,8%	3 217	2,1%	413
Material-type expenses, total:	154 798	100,0%	155 408	100,0%	610

Table 43: Material-type expenses

Material costs increased mostly as a result of increased volumes and prices.

The HUF 4,685 million decrease in railtrack maintenance costs relates to a decline in demand for heavy machine rail grinding.

II.2.4 Other income

figures in million HUF

Item	2017		2018		Change
	Amount	%	Amount	%	
Disposal of tangible and intangible assets	1 023	0,3%	532	0,2%	-491
Reversed extraordinary depreciation of tangible and intangible assets	0	0,0%	4	0,0%	4
Impairment loss on inventories, reversed	452	0,1%	110	0,0%	-342
Factored receivables	225	0,1%	0	0,0%	-225
Reversed impairment loss on receivables	0	0,0%	11	0,0%	11
Written off bad debts collected	132	0,0%	279	0,1%	147
Damages received	460	0,1%	486	0,1%	26
Late payment interest received	49	0,0%	81	0,0%	32
Penalties received	396	0,1%	556	0,2%	160
Provision made for expected liabilities, released	6 373	2,0%	8 077	2,4%	1 704
Provision made for future expenses, released	4 792	1,5%	3 454	1,0%	-1 338
Provision for unrealised foreign exchange loss, released	504	0,2%	2 176	0,7%	1 672
Deferred income released to set off operating costs and expenses	14 380	4,6%	2 935	0,9%	-11 445
Rail infrastructure operating cost reimbursement and reasonable profits	54 649	17,3%	65 485	19,7%	10 836
Reimbursement of public passenger transport services	155 414	49,2%	175 020	52,7%	19 606
Non-refundable grants received to compensate for other costs and expenses	19 893	6,3%	11 769	3,5%	-8 124
Bonds and related interest paying obligation assumed by the government	0	0,0%	0	0,0%	0
Loans and related interest paying obligation assumed by the government	0	0,0%	0	0,0%	0
Forgiven replenishment obligation	56 856	18,0%	58 756	17,7%	1 900
Income recognised in relation to assets received free of charge and surplus assets	34	0,0%	37	0,0%	3
Subsidy received for capital increase	0	0,0%	1 865	0,6%	1 865
Miscellaneous other income	293	0,1%	750	0,2%	457
Total:	315 925	100,0%	332 383	100,0%	16 458

Table 44: Other income

Main changes in other income:

- In connection with rail infrastructure operations, the reimbursement and reasonable profit recognised in 2018 was HUF 10,836 million more than in 2017.
- In connection with the passenger transport activity, the amount of reimbursement recognised as other income increased by HUF 19,606 million, of which HUF 18,130 million relates to passenger transport by MÁV-START Zrt. and HUF 1,476 million relates to passenger transport by MÁV-HÉV Zrt.

- In 2017, based on the authorisation granted by Government Resolution No. 1160/2017 (III. 22.) on the effects of the increase of the minimum wage and the guaranteed minimum wage on certain companies with majority state ownership and ownership rights exercised directly or indirectly by the Ministry for National Development, the Ministry issued a subsidy decree, as a result of which, HUF 12,924 million subsidy for wage increase was recognised at group level. The wage increase was funded by the Ministry for Innovation and Technology, the entity that orders railtrack operations, as reimbursement of operating expenses.
- The term of the agreement with the relevant authority to employ public workers was from 8 March 2017 to 28 February 2018, under which MÁV Zrt. agreed to employ an average of 1,371 public workers. Effective as of 1 September 2017, the agreement was amended to an average of 1,239 public workers and a commitment of 80%. The agreement with the authority was prolonged on 8 March 2018 until 30 June 2018, in which MÁV Zrt. agreed to employ 860 public workers. In the period between 1 July 2018 and 28 February 2019, a new public worker employment programme was launched (No. BM/3887-57/2018) to employ 540 public workers on average. Of the subsidies received from public workers, HUF 692 million was used in 2018 and recognised as other income.

II.2.5 Other expenses

figures in million HUF

Item	2017		2018		Change
	Amount	%	Amount	%	
Cost of disposed tangible and intangible assets	224	0,8%	84	0,4%	-140
Cost of scrapped and missing tangible and intangible assets	219	0,7%	-300	-1,5%	-519
Extraordinary depreciation of tangible and intangible assets	3 178	10,7%	4 459	22,2%	1 281
Inventories impaired, scrapped	1 111	3,7%	449	2,2%	-662
Missing inventories	75	0,3%	53	0,3%	-22
Impairment of receivables	278	0,9%	539	2,7%	261
Bad debts written off	13	0,0%	15	0,1%	2
Book value of disposed receivables	0	0,0%	0	0,0%	0
Losses due to damages	665	2,2%	629	3,1%	-36
Late payment interest paid	37	0,1%	67	0,3%	30
Damages paid	259	0,9%	70	0,3%	-189
Extra tax due to self-correction	42	0,1%	7	0,0%	-35
Taxes and similar charges	2 881	9,7%	3 047	15,2%	166
Penalties	55	0,2%	83	0,4%	28
Provision for expected liabilities	6 798	22,9%	4 593	22,9%	-2 205
Provision for future expenses	4 909	16,5%	5 206	25,9%	297
Provision for unrealised foreign exchange losses	141	0,5%	110	0,5%	-31
Amounts granted free of charge	332	1,1%	539	2,7%	207
Expenses on assets assigned and services provided free of charge	6 738	22,7%	383	1,9%	-6 355
Miscellaneous other expenses	1 788	6,0%	55	0,3%	-1 733
Total:	29 743	100%	20 088	100%	-9 655

Table 45: Other expenses

Main components of other expenses:

- In 2018, tangible assets totalling HUF 6,893 million from projects carried out by NISZ Zrt. were taken over in both legal and financial terms. The related extraordinary depreciation charge of HUF 539 million equals the amount of depreciation for the period between the commissioning and the actual take-over of the assets.
- NIF Zrt. is engaged in reconstruction works on the Budapest-Pusztaszabolcs route and extraordinary depreciation of HUF 2,940 million was recognised as a result.

- Other expenses recognised in the reporting year for assets transferred or services supplied free of charge were HUF 6,355 million less than in the previous year. The reason for the decrease was the handover of the capital project Child Victims of the Holocaust Memorial – European Educational Centre (HUF 6,576 million) in 2017.

II.2.6 Financial profit/(loss)

II.2.6.1 Financial income

figures in million HUF

Item	2017		2018		Change
	Amount	%	Amount	%	
Dividends received (receivable)	3	0,3%	3	0,2%	0
Proceeds from and gains on equity investments	0	0,0%	0	0,0%	0
Proceeds from and gains on non-current financial assets (securities, loans)	0	0,0%	0	0,0%	0
Bank interest received (receivable) and similar income	42	3,8%	22	1,5%	-20
Other interest received (receivable) and similar income	12	1,1%	23	1,6%	11
Net profit of equity consolidated subsidiaries attributable to the Group	550	49,6%	809	56,1%	259
Realised foreign exchange gains on receivables and liabilities in foreign exchange	413	37,2%	468	32,4%	55
Foreign exchange gains on forward and future contracts	0	0,0%	0	0,0%	0
Foreign exchange gains on the year-end revaluation of foreign exchange items	0	0,0%	0	0,0%	0
Other financial income	89	8,0%	118	8,2%	29
Total:	1 109	100%	1 443	100%	334

Table 46: Details of financial income

II.2.6.2 Financial expenses

figures in million HUF

Item	2017		2018		Change
	Amount	%	Amount	%	
Expenses and exchange losses on equity investments	0	0,0%	0	0,0%	0
Expenses and exchange losses on non-current financial assets (securities, loans)	0	0,0%	0	0,0%	0
Bank interest paid (payable) and similar charges	679	17,9%	546	7,3%	-133
Other interest paid (payable) and similar charges	7	0,2%	4	0,1%	-3
Impairment loss on investments, securities and bank deposits	-42	-1,1%	-33	-0,4%	9
Net loss of equity consolidated subsidiaries attributable to the Group	1 200	31,7%	2 021	27,0%	821
Realised foreign exchange losses on receivables and liabilities in foreign exchange	334	8,8%	2 600	34,8%	2 266
Release of deferred foreign exchange losses on loans for capital projects	1 486	39,3%	2 294	30,7%	808
Foreign exchange losses on forward and future contracts	0	0,0%	0	0,0%	0
Foreign exchange losses on the year-end revaluation of foreign exchange items	60	1,6%	9	0,1%	-51
Other financial expenses	60	1,6%	37	0,5%	-23
Total:	3 784	100%	7 478	100%	3 694

Table 47: Details of financial expenses

II.2.7 Calculation of the Group's consolidated profit or loss

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

figures in million HUF

<i>Item</i>	<i>Amount</i>
Aggregated net profit or loss of fully consolidated entities	19 598
<i>Adjusted pre-consolidation net profit or loss, total</i>	<i>19 598</i>
Eliminated dividends from subsidiaries	-3 365
Eliminated impairment loss on equity investments	145
<i>Profit or loss effect of equity consolidation through eliminating equity investments</i>	<i>-3 220</i>
Eliminated dividends from associates	-585
Eliminated impairment loss on equity investments	1 760
Profit of associates for the reporting year	809
Loss of associates for the reporting year	-2 021
<i>Profit or loss effect of equity consolidation</i>	<i>-36</i>
Eliminated late payment interest, penalties and damages paid recognised unilaterally on a prudent basis	-12
Profit or loss effect of the treatment of other differences	-14
<i>Profit or loss effect of eliminating receivables and liabilities</i>	<i>-26</i>
Eliminated provision made for intra-group expected liabilities and future expenses	427
Eliminated released provision for intra-group expected liabilities and future expenses	-206
<i>Profit or loss effect of eliminating gains and expenses</i>	<i>221</i>
Profit and loss effect of eliminated interim profit/loss realised on the intra-group performance of non-current assets	-455
Profit and loss effect of eliminated interim profit/loss realised on the intra-group disposal of tangible assets	-12
Adjustment of ordinary depreciation charged on assets with an interim profit and loss effect	1 017
Adjustment of extraordinary depreciation charged/reversed on assets with an interim profit and loss effect	60
Adjustment of other profit reducing/loss increasing items realised on assets with an interim profit and loss effect (disposal, scrapping, missing etc.)	4
Deferred income reversed upon consolidation released in line with the depreciation charge for the year	886
Adjustment of deferred foreign exchange losses on foreign currency loans released due to repayments	-714
Adjustment of unrealised deferred foreign exchange losses on foreign currency loans	-1
Adjustment of other provisions made for the deferred foreign exchange losses on foreign currency loans	565
Profit and loss effect of eliminated and released interim profit/loss realised on inventories	1
<i>Effect of eliminated and released interim profits and losses on the consolidated profit or loss for the year</i>	<i>1 351</i>
Profit or loss effect of deferred tax as a result of consolidation entries for the reporting year	2
<i>Profit or loss effect of deferred tax</i>	<i>2</i>
<i>Adjusted net profit for the year</i>	<i>17 890</i>

Table 48: Calculation of the Group's consolidated profit or loss

II.3 ACTUAL FINANCIAL POSITION, LIQUIDITY AND PROFITABILITY

II.3.1 State participation in MÁV Group's operations

For the Group's liquidity, state funding of reasonable expenses of rail infrastructure operations and public service passenger transport that are not covered by revenues bears special significance, which can be provided by expense reimbursement and state guaranteed borrowing.

Financing the Group's operations, the repayment of its loans and the return on its assets depend significantly on the availability of state funds.

MÁV Group is entitled to be reimbursed for eligible expenses relating to the public services and rail infrastructure operations defined in the contract and not covered by revenues and reimbursement of renovation expenses.

Justified operating costs not covered by revenues totalling HUF 233,767 million were reimbursed to MÁV Group in 2018, of which HUF 231,288 million was used. Reimbursement of renovation expenses totalling HUF 15,169 million were also disbursed in 2018, of which, after a re-allocation of the budget limits, HUF 23,294 million was used. The annual settlement process with the Ministry was still ongoing at the time when these financial statements were issued.

The details of reimbursements are presented below.

II.3.1.1 State participation in MÁV Group's rail infrastructure operations

On 21 December 2015, the Hungarian State and MÁV Zrt. signed a public service contract for operating the rail infrastructure in the period between 2016 and 2025. Based on this contract, the funding of rail infrastructure operations is now assured for the long-term.

Further to the annual cost settlement clause for 2017, MÁV Zrt. is entitled to extra renovation reimbursement totalling HUF 3,939 million, additional efficiency incentive of HUF 127 million and a reasonable profit of HUF 3,764 million for 2017. The funds for these subsidies are not included in the budget act for 2019.

According to the annual cost reimbursement clause for 2018, MÁV Zrt. has received a total reimbursement of HUF 86,469 million, of which HUF 71,300 million is for operating costs to be recognised in profit or loss, HUF 15,169 million is for the renovation of treasury assets and railtrack operating assets. Details of the allocation of reimbursements received are presented in the table below.

figures in million HUF

Ref.	Reimbursement item	2017	2018
A	Unused reimbursement/extra reimbursement need, opening	7 473	-3 718
B	Amount remained from the previous year, used for development-improvement from allocated reimbursement	-3 548	-176
C	Reasonable profit recognised in the reporting year, cost efficiency incentive	-3 705	-3 840
I.	Unused reimbursement remained from previous years/extra reimbursement need (I.=A+B+C)	220	-7 734
D	Reimbursement of operating costs disbursed in the reporting year	52 357	71 300
E	Reimbursement of operating costs recognised in the reporting year	-50 944	-61 645
II.	Unused reimbursement of operating costs/extra reimbursement need in the reporting year (II.=D+E)	1 413	9 655
F	Reimbursement of renovation expenses disbursed in the reporting year	17 387	15 169
G	Reimbursement of renovation expenses used in the reporting year	-22 738	-23 294
III.	Unused reimbursement of improvement costs/extra reimbursement need in the reporting year (III.=F+G)	-5 351	-8 125
IV.	Reimbursement, closing (IV= I.+II.+III.)	-3 718	-6 205
(+/-) liability/unused reimbursement, (-) receivable/extra reimbursement need			

Table 49: Use of reimbursement for operating and renovation/improvement costs

The extra funds necessary for minimum wage increase, guaranteed wage minimum increase, for the elimination of wage overlaps and for gradual pay increases to reach competitive wage levels are all included in the reimbursement.

In Hungary's budget act for 2019 (act L of 2018 on the national budget), HUF 98,113 million is allocated to reimburse the justified expenses related to railtrack operations, of which HUF 91,308 million is payable to MÁV Zrt. The reimbursement clause for 2019 was signed on 7 February 2019 and the first instalment was received on 14 February 2019.

Government subsidy (reimbursement) of HUF 96,888 million was considered in the calculation of the rail network access charge for 2018/2019 in view of the underlying ministerial instruction (VIF/80980/2017-NFM) and the same amount was considered for the Company's business plan for 2019. The minister without portfolio in charge of national assets has issued Shareholder's Statement No. 11/2019. (III.25.) on approving MÁV Zrt's business plan for 2019.

In the Company's balance sheet, the gross value of managed state-owned tangible assets has been increasing significantly for years. The Company is able to carry out the renovation of managed state-owned assets from and to the extent of the subsidies provided and the reimbursement of renovation expenses. In 2018, the reimbursement of renovation expenses provided to the Company was by HUF 43,959 million less (used renovation reimbursement was by HUF 35,834 million less) than the ordinary and extraordinary depreciation recognised on state-owned assets, and was therefore not sufficient to replenish these assets.

II.3.1.2 State participation in MÁV Group's public service passenger transport activity

In 2013, MÁV-START Zrt. signed a railway public service passenger transport contract with the Ministry for National Development acting on behalf of the Hungarian State as principal, for the years 2014-2023. According to this contract, the Company is entitled to reimbursement of reasonable expenses incurred in connection with the supply of public services that are not covered by revenues

According to the clause of the public service contract for 2018, the planned expense reimbursement available for public services is HUF 153,659 million. The reasonable expenses of ordered public services approved by the principal (Ministry for Innovation and Technology) but not covered by revenues were HUF 7,211 million higher than specified in the clause. As a result, a total reimbursement of HUF 160,871 million was recognised in the annual financial statements. Settlement of the actual reimbursement is subject to submitting the financial statements of public services for 2018, following preparation of the annual financial statements for 2018.

In 2018, other income also included extra reimbursement related to previous years as approved by the Principal (reasonable profit): HUF 3,320 million for 2013 and HUF 1,699 million for 2017. As a result a total reimbursement of HUF 165,890 million was recognised in 2018.

Details of the Group's receivables from the government stated under the heading of public service expense reimbursements are given in section II.1.3.

In terms of payments, the government disbursed reimbursement totalling HUF 153,659 million in the reporting year. Of this, HUF 20,829 million related to the previous year's public service activity (the amount disbursed in January and February), while compensation for operating expenses in the reporting year was provided by the HUF 132,830 million disbursed between March and December. The Company, in addition to the expense reimbursement for the reporting year, further to government decision No. 1167/2016. (IV.6.), became entitled to draw additional HUF 5,227 million from the expense reimbursement settlements of previous years, which was received in February. The drawn amount settled the Company's total expense reimbursement demand for 2013.

The HUF 28,040 million claim recorded for 2018 as at the balance sheet preparation date was reduced by the HUF 20,829 million received for 2018 in January 2019. As a result, the Company had a total expense reimbursement claim of HUF 18,560 million from the state for 2013-2018.

II.3.1.3 State involvement in MÁV Group's public service transport services on the HÉV network

A fixed-term public service agreement was signed for passenger transport and rail infrastructure operation services to be provided by MÁV-HÉV Zrt. on HÉV's network for the period 7 November 2016 to 31 December 2023. In the Agreement, the Ministry for National Development (as principal) undertook to reimburse the service provider for all eligible expenses relating to public services not covered by revenues.

According to the reimbursement clause of the Rail Infrastructure Operation Agreement for 2018 signed with the Ministry for National Development on 21 February 2018, the amount of reimbursement available for 2018 totalled HUF 8,808 million. The reimbursable justified costs not covered with revenues in 2018 totalled HUF 8,772 million. As a result, a related liability of HUF 36 million was recorded by the Company among current liabilities at 31 December 2018. The public cost reimbursement for 2018 includes the subsidy for wage increases.

The reimbursement of public service costs disbursed by the Ministry for National Development in 2016 totalled HUF 2,284 million, of which HUF 1,158 million was still unused at the end of 2017. Further to the approval of the Ministry for Innovation and Technology (letter No. KSZFO/18710-5/2018-ITM), additional HUF 359 million was used in 2018 upon recognition of the reasonable profit for 2017. As a result, HUF 799 million yet unused public service reimbursement was carried among the Company's current liabilities at 31 December 2018.

Movements in the reimbursement of public service costs disbursed in 2016 and still unused at 31 December 2018 are presented in the table below.

figures in million HUF

Item	Amount
Reimbursement disbursed in 2016	2 284
Reimbursement of justifiable costs not covered with revenues in 2016	-882
Residual amount for 2016 at 31 December 2016	1 402
Amount used for reasonable profit for 2016	-32
Amount used for wheel rim replacement and related repairs	-22
Amount used in relation to the implemented new corporate governance system	-190
Residual amount for 2016 at 31 December 2017	1 158
Reasonable profit for 2017	-359
Residual amount for 2016 at 31 December 2018	799

Table 50: in the reimbursement of MÁV-HÉV Zrt's public service costs disbursed in 2016

In 2017, the Company was authorised to use the reimbursement remained from 2016 to fund the unforeseen extra costs of integrating MÁV-HÉV into MÁV Group and the implementation of the new corporate governance system totalling HUF 409 million as well as the necessary wheel rim replacements and the related wheel repairs totalling HUF 260 million. The Company had planned such extra costs for 2017. However, only HUF 212 million of the reimbursement remained from 2016 was used in 2017. An additional HUF 341 million expense incurred in 2018, but it was settled from the reimbursement for 2018 and not from reimbursement remained from 2016 as planned initially.

The Municipality of Budapest provides a subsidy for public services within Budapest's administrative boundary, which amounted to HUF 4,420 million in 2018.

MÁV-HÉV Zrt. is entitled to receive a social fare subsidy for fare revenues from service outside the administrative boundary.

The fares and discounts are specified by law; they are not determined on a market basis. As a result of mandatory discounts, fares not paid by passengers are reimbursed by the state partially through social fare subsidies, so the Company recognises the net value of these fares as net sales revenue. In 2018 the amount of subsidised fares was HUF 765 million.

II.3.2 Cash flow statement

figures in million HUF

Serial No.	Item	2017	2018
I.	Operating cash flows	81 590	38 952
1.	Pre-tax profit or loss	11 353	18 091
2.	Ordinary depreciation charge	88 100	86 225
2/b	Amortisation for previous years	0	0
3.	Recognised impairment loss	4 292	4 989
4.	Changes in provisions	185	-3 798
5.	Gains on non-current asset disposals	-799	-448
5/b.	Gains or losses on changes in investments	0	0
6.	Movements in accounts payable	-2 142	-4 230
7.	Movements in other current liabilities	28 016	5 959
7/b.	Reclassified from other long-term liabilities	0	0
8.	Movements in accruals	4 767	-8 633
8/b.	Deferred income released in connection with asset settlements	-189	-31
8/c.	Deferred income from assets received free of charge and surplus assets	-47	-21
9.	Movements in accounts receivable	-1 419	-90
10.	Movements in current assets (less accounts receivable and liquid assets)	-25 040	-18 318
11.	Movements in prepaid expenses and accrued income	21 830	5 134
12.	Income tax paid, payable	-91	-204
13.	Dividends payable	0	0
13/b.	Assets received/transferred free of charge, and surplus assets	-12 306	-16 484
13/c.	Movements in liabilities related to managed state-owned assets	-34 131	-32 604
13/d.	Prior years' adjustments	0	0
13/e.	Changes in deferred tax assets arising upon consolidation	6	-3
13/f.	Adjustments upon consolidation with no cash movement	83	1 796
13/g.	Realised and unrealised foreign exchange gain or loss	-21	1 622
13/h.	Debts assumed by the government	0	0
13/i.	Interest on debts assumed by the government	0	0
13/j.	Movements in assets and liabilities due to merger and changes in the consolidation scope	-857	0
II.	Investing cash flows	-91 067	-67 312
14.	Non-current asset additions	-58 633	-59 161
15.	Non-current asset disposals	1 023	532
15/b.	Movements in non-current financial assets	0	-2 300
15/c.	Movements in advances for capital projects	-33 460	-6 386
16.	Dividends received	3	3
III.	Financing cash flows	4 679	13 180
17.	Income from shares issued, capital injection	0	0
18.	Income from bonds issued	0	0
19.	Loans and borrowings taken	0	19 219
20.	Repayment of long-term borrowings granted and bank deposits	79	72
21.	Amounts received free of charge	19 551	17 184
22.	Withdrawal of shares, capital reduction	0	0
23.	Repayment of bonds and debt securities	0	0
24.	Loans and borrowings repaid	-14 252	-22 356
25.	Long-term loans granted and bank deposits	-10	-3
26.	Amounts transferred free of charge	-669	-700
27.	Changes in liabilities to founders and in other long-term liabilities	-20	-236
IV.	Changes in cash and cash equivalents (lines ±I±II±III)	-4 798	-15 180

Table 51: Cash flow statement

II.3.3 Changes in the indicators used for analysing the financial position, liquidity and profitability

figures in million HUF

Asset values and ratios

Fixed asset ratio

$$\frac{\text{Non-current assets}}{\text{Total assets}} = \frac{1\,326\,015}{1\,467\,461} = 90,36\% \quad (\text{basis: } 90,34\%) \quad 0,90343$$

Tangible asset margin

$$\frac{\text{Equity}}{\text{Own tangible assets}} = \frac{205\,806}{412\,334} = 49,91\% \quad (\text{basis: } 46,41\%) \quad 0,4641$$

$$\frac{\text{Equity + Government funds}}{\text{Tangible assets}} = \frac{1\,126\,097}{1\,304\,342} = 86,33\% \quad (\text{basis: } 85,71\%) \quad 0,85709$$

Non-current asset margin

$$\frac{\text{Equity}}{\text{Own non-current assets}} = \frac{205\,806}{434\,007} = 47,42\% \quad (\text{basis: } 44,05\%) \quad 0,44051$$

$$\frac{\text{Equity + Government funds}}{\text{Non-current assets}} = \frac{1\,126\,097}{1\,326\,015} = 84,92\% \quad (\text{basis: } 84,33\%) \quad 0,84328$$

Current assets to non-current assets

$$\frac{\text{Current assets}}{\text{Non-current assets}} = \frac{132\,944}{1\,326\,015} = 10,03\% \quad (\text{basis: } 9,67\%) \quad 0,09674$$

Equity and liabilities

Capital strength

$$\frac{\text{Equity}}{\text{Equity \& liabilities}} = \frac{205\,806}{1\,467\,461} = 14,02\% \quad (\text{basis: } 12,61\%) \quad 0,12612$$

$$\frac{\text{Equity}}{\text{Equity \& liabilities - Government funds}} = \frac{205\,806}{547\,170} = 37,61\% \quad (\text{basis: } 34,62\%) \quad 0,34622$$

Gearing ratio

$$\frac{\text{Borrowed capital}}{\text{Equity}} = \frac{1\,077\,550}{205\,806} = 523,58\% \quad (\text{basis: } 588,14\%) \quad 5,88142$$

$$\frac{\text{Borrowed capital - Government funds}}{\text{Equity}} = \frac{157\,259}{205\,806} = 76,41\% \quad (\text{basis: } 84,07\%) \quad 0,84074$$

Indebtedness

$$\frac{\text{Borrowed capital}}{\text{Equity \& liabilities}} = \frac{1\,077\,550}{1\,467\,461} = 73,43\% \quad (\text{basis: } 74,18\%) \quad 0,74176$$

Long-term liabilities ratio

$$\frac{\text{Long-term liabilities}}{\text{Long-term liabilities + Equity}} = \frac{945\,896}{1\,151\,702} = 82,13\% \quad (\text{basis: } 83,87\%) \quad 0,83869$$

$$\frac{\text{Long-term liabilities - State liability}}{\text{Long-term liabilities - State liability + Equity}} = \frac{25\,605}{231\,411} = 11,06\% \quad (\text{basis: } 13,68\%) \quad 0,13681$$

Equity growth ratio

$$\frac{\text{Equity}}{\text{Issued capital}} = \frac{205\,806}{24\,500} = 840,02\% \quad (\text{basis: } 765,77\%) \quad 7,65771$$

Non-current asset margin

$$\frac{\text{Equity}}{\text{Non-current assets}} = \frac{205\,806}{1\,326\,015} = 15,52\% \quad (\text{basis: } 13,96\%) \quad 0,1396$$

$$\frac{\text{Equity}}{\text{Own non-current assets}} = \frac{205\,806}{434\,007} = 47,42\% \quad (\text{basis: } 44,05\%) \quad 0,44051$$

Profitability ratios

$$\text{EBITDA (Operating profit/loss + depreciation)} = 24\,129 + 86\,225 = 110\,354 \quad (\text{basis: } 102\,131) \quad 102\,131$$

$$\text{EBITDA rate} = \frac{\text{EBITDA}}{\text{Sales revenues, net}} = \frac{110\,354}{142\,148} = 77,63\% \quad (\text{basis: } 72,84\%) \quad 0,72837$$

$$\text{Return on Sales (RC)} = \frac{\text{Operating profit/loss}}{\text{Sales revenues, net}} = \frac{24\,129}{142\,148} = 16,97\% \quad (\text{basis: } 10,01\%) \quad 0,10006$$

Financial position

Working capital and liquidity

Net working capital

Current assets – Current liabilities	=	132 944	-	131 554	=	1 390	(basis: 2 119)	2 119
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Liquidity ratio

Current assets	=	132 944	=	101,06%	(basis: 101,66%)	1,01657
Current liabilities	=	131 554				

Quick ratio

Current assets - Inventories	=	93 181	=	70,83%	(basis: 78,07%)	0,78067
Current liabilities	=	131 554				

Cash liquidity ratio

Cash	=	25 525	=	19,40%	(basis: 31,83%)	0,31826
Current liabilities	=	131 554				

III SUPPLEMENTARY NOTES

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

figures in million HUF

Category	2017	2018	Change
Senior officers	72	98	26
Supervisory Board	15	14	-1
Total:	87	112	25

Table 52: Remuneration of the parent company's officers

No advance payments, loans were disbursed to, or guarantees were assumed on behalf of, senior officers and members of the Board of Directors and Supervisory Board in 2018.

III.2 Subsidies received

figures in million HUF

Subsidy	Amount received (approved)	2018						2017					
		Amounts recognised from subsidies in previous years	Amounts recognised from subsidies in the reporting year	Yet unused subsidies	Subsidies disbursed/ refunded	Payments made from subsidies	Cash available from disbursed subsidies at the balance sheet date	Amounts recognised from subsidies in previous years	Amounts recognised from subsidies in the reporting year	Yet unused subsidies	Subsidies disbursed/ refunded	Payments made from subsidies	Cash available from disbursed subsidies at the balance sheet date
Amounts recognised from reimbursements of public service costs received in previous years	37 405	32 386	5 019	0	26 056	0	-11 349	0	2 218	0	26 829	2 218	-10 015
Public service cost reimbursement for the reporting year	179 373	1 126	170 002	835	141 638	9 131	-27 206	882	153 196	1 158	130 581	153 196	-21 213
Reimbursement of improvements/renovation (reporting year)	15 169	0	23 294	-8 125	15 169	23 294	-8 125	0	22 738	-5 351	17 387	22 738	-5 351
Reimbursement of operating costs (reporting year)	71 300	0	61 645	9 655	71 300	61 645	9 655	0	50 944	1 413	52 357	50 944	1 413
Capital increase subsidy	1 865	0	1 865	0	0	1 865	0	0	0	0	0	0	0
Subsidised passenger transport fares	19 793	1 178	18 615	0	17 285	765	-1 330	0	19 343	0	18 165	19 343	-1 178
Tavel cost allowance	4 420	0	4 420	0	4 420	4 420	0	0	4 420	0	4 420	4 420	0
Reimbursed excise tax on traction gasoline*	5 210	788	4 422	0	3 659		-763	0	4 409	0	3 621	4 409	-788
Subsidy for wage increase	12 487	11 652	213	409	-194	213	1	99	11 652	719	12 273	11 751	-184
Public work subsidy for the settlement period of 8 March 2017 - 28 February 2018	1 933	910	277	746	248	448	-2	0	910	1 023	704	704	0
Public work subsidy for the settlement period of 12 March 2018 - 30 June 2018	331	0	219	112	219	219	0	0	0	0	0	0	0
Public work subsidy for the settlement period of 11 July 2018 - 28 February 2019	434	0	233	201	233	233	0	0	0	0	0	0	0
Station development and integrated customer service development programme at 25 locations	9 965	6 063	522	3 381	14	64	-177	4 761	1 302	3 815	315	87	-128
Budapest-Belgrade railway development	2 097	765	62	1 270	-54	62	-1	724	41	1 332	0	41	115
Holocaust Child Victims' Memorial - European Training Centre foundation	7 315	6 675	0	640	-640	0	0	6 675	0	640	1	1	640
INKA Project	3 302	2 448	0	853	116	0	-28	2 295	153	853	268	8	-144
Keleti railway station building reconstruction	988	14	72	903	24	72	-62	0	14	974	0	14	-14
MÁV Zrt. traffic safety projects	10 858	7 289	1 311	2 258	0	22	-176	5 742	1 547	3 569	0	22	-154
Nyugati railway station building reconstruction	1 068	14	51	1 003	24	51	-41	0	14	1 054	0	14	-14
P+R parking at Celldömök	20	20	0	0	0	20	0	0	20	0	20	0	20
Soroksár route adjustment	1 200	0	1 104	96	991	209	991	0	0	1 200	209	0	209
Kisköre road and railway bridge (Tisza-híd) renovation	34	0	33	0	34	13	20	0	0	0	0	0	0
Kenderes reception building renovation	404	0	0	404	394	0	394	0	0	0	0	0	0
INKA 2	1 129	0	42	1 087	0	15	-15	0	0	0	0	0	0

Subsidy	Amount received (approved)	2018						2017					
		Amounts recognised from subsidies in previous years	Amounts recognised from subsidies in the reporting year	Yet unused subsidies	Subsidies disbursed/ refunded	Payments made from subsidies	Cash available from disbursed subsidies at the balance sheet date	Amounts recognised from subsidies in previous years	Amounts recognised from subsidies in the reporting year	Yet unused subsidies	Subsidies disbursed/ refunded	Payments made from subsidies	Cash available from disbursed subsidies at the balance sheet date
Tüskevár junction improvement in Kaposvár	65	0	65	0	65	0	65	0	0	0	0	0	0
Budapest-Belgrade independent engineer	6 139	0	92	6 047	0	0	0	0	0	0	0	0	0
Budapest-Belgrade archeology	202	0	4	198	0	12	-12	0	0	0	0	0	0
Rákosrendező property utilisation project	450	0	0	450	450	0	450	0	0	0	0	0	0
Sárvár footbridge (flyover) renovation, maintenance	20	0	20	0	20	20	0	0	0	0	0	0	0
GINOP (Integrated Intelligent Railway Supervision System dev.)	464	0	0	464	136	0	136	0	0	0	0	0	0
RFC 7 PSA	154	0	13	141	77	1	75	0	0	0	0	0	0
Subsidy for light railway developments	1 464	0	419	1 044	1 464	246	1 218	0	0	0	0	0	0
TEB Project	472	0	0	472	0	0	0	0	0	0	0	0	0
GOP IC subsidy	398	363	0	35	0	0	0	363	0	35	0	0	0
KÖZOP-IKOP INKA	671	524	105	42	105	0	0	455	69	147	5	5	0
KDOP ticket machines	395	7	0	388	0	0	0	7	0	388	0	0	0
KÖZOP 42 trains	73 091	72 398	0	693	0	0	0	72 398	0	693	0	0	0
KÖZOP 6 trains	11 005	10 886	0	119	0	0	0	10 886	0	119	0	0	0
KÖZOP ticket machines	685	674	0	11	0	0	0	674	0	11	0	0	0
KÖZOP ticket sales	1 599	1 407	0	192	0	0	0	1 407	0	192	0	0	0
KÖZOP passenger information	1 536	1 426	0	110	0	0	0	1 426	0	110	0	0	0
IKOP 6 trains	10 872	10 871	0	1	0	0	0	9 674	1 197	1	1 197	1 197	0
IKOP 9 trains	16 292	16 293	0	-1	0	0	0	6 474	9 819	-1	106	106	0
IKOP 11 high capacity trains	60 550	27 965	0	32 585	0	0	0	0	27 965	32 585	0	0	0
IKOP Tram Train	17 623	7 954	0	9 669	0	0	0	0	7 954	9 669	0	0	0
ETCS 59 trains	8 974	44	2 926	6 004	86	0	-44	0	44	8 930	44	44	-44
IKOP 8 high capacity trains	39 000	0	3 870	35 130	0	0	0	0	0	0	0	0	0
IKOP- INKA2	3 600	0	597	3 003	0	0	0	0	0	0	0	0	0
Total:	643 819	222 140	301 532	112 523	283 337	103 039	-36 325	124 942	319 969	65 278	268 502	271 262	-36 829

Table 53: Details of subsidies received

In addition to the subsidies presented above, the parent company was the recipient of subsidies received from the Ministry for National Development acting on behalf of the Hungarian State (succeeded by the Ministry for Innovation and Technology as of May 2018) for wage increases at MÁV Nosztalgia Kft., an equity consolidated subsidiary. The received subsidy was duly transferred to the subsidiary in 2018.

Subsidised fares are shown by type of discount in the following table:

figures in million HUF

Category	2017		2018		Change
	Amount	%	Amount	%	
50% discount	3 588	18,5%	3 446	18,5%	-142
90% discount	2 729	14,1%	2 648	14,2%	-81
Students	6 904	35,7%	6 370	34,2%	-534
OAPS over 70 (65) years	6 122	31,6%	6 152	33,0%	30
Total:	19 343	100%	18 616	100%	-727

Table 54: Breakdown of subsidised fares

III.3 Environment protection

III.3.1 Environmental liabilities

The change in the balance sheet value of provision for environmental liabilities is presented in the table below.

figures in million HUF

Item	Opening	Increase	Decrease	Closing
Provision	9 099	284	1 955	7 428

Table 55: Environmental provision

Changes in environmental provision, broken down by item are shown in the table below.

figures in million HUF

Category	Provisions			
	2017	Released	Made	2018
Illegal waste	3 701	1 321	2	2 382
Liabilities related to soil and soil pollution	1 998	248	65	1 815
Protection of gasoline feeder and unloading systems	1 480	0	0	1 480
Elimination of wooden cross sleepers	1 272	385	210	1 097
Hazardous waste containers and lubricant containers - leak surveys and coating repairs	400	0	0	400
Technological sewer system survey, cleaning, coating	175	0	0	175
Dead channel surveys, utilities mapping	67	1	0	66
Environment control system implementation	6	0	7	13
Liabilities, total:	9 099	1 955	284	7 428

Table 56: Use of the environmental provision per purpose

Changes in environmental expenses incurred in 2017 and 2018 are shown in the following table:

figures in million HUF

Item	2017	2018	Change
Environmental expenses	1 165	1 850	685

Table 57: Environmental expenses recognised

III.3.2 Tangible assets serving environmental protection purposes

The reporting year's changes in tangible assets used directly for environment protection are shown in the table below.

figures in million HUF

No.	ITEM	Properties and related rights	Technical machinery, equipment, vehicles	Other equipment, fittings, vehicles	Capital projects, improvements	Total
1.	<i>Cost, opening</i>	8 691	520	25	0	9 236
2.	Additions	126	105	0	0	231
3.	Disposals	0	0	0	0	0
4.	Reclassified	0	0	0	0	0
5.	<i>Cost, closing</i>	8 817	625	25	0	9 467
6.	<i>Depreciation, opening</i>	2 362	445	17	0	2 824
7.	Ordinary depreciation for the year	338	33	1	0	372
8.	Extraordinary depreciation for the year	41	0	0	0	41
9.	Extraordinary depreciation reversed	0	0	0	0	0
10.	Depreciation derecognised	0	0	0	0	0
11.	Other increase	0	0	0	0	0
12.	Other decrease	0	0	0	0	0
13.	Reclassified	0	0	0	0	0
14.	<i>Depreciation, closing</i>	2 741	478	18	0	3 237
15.	<i>Opening balance, net</i>	6 329	75	8	0	6 412
16.	<i>Closing balance, net</i>	6 076	147	7	0	6 230

Table 58: Movements in environmental assets

III.3.3 Quantities of hazardous waste

EW C code	Item	2017 (kg)	2018 (kg)
060101*	Sulphuric acid and sulphurous acid	60	315
060102*	Hydrochlorid acid	0	120
060106*	Other acids	0	212
060204*	Sodium and potassium hydroxide	370	0
060404*	Mercury stained waste	51	11
070104*	Other organic solvents, detergents and waste liquor	84	216
070603*	Halogenous organic solvents and detergents	193	193
080111*	Organic solvent or other hazardous stain containing waste paint and varnish	2 801	3 003
080117*	Organic solvent containing hazardous waste from the removal of paint and varnish	6 263	6 280
080317*	Hazardous waste toner	5 528	4 985
080409*	Organic solvent or other hazardous material containing waste adhesives and fillers/sealers	1 778	2 590
090106*	Argentiferous waste from the on-site treatment of photographic waste	9	9
110198*	Other hazardous waste	1 348	1 348
120109*	Non-halogenous coolers, lubricants and solutions	506	508
120112*	Used wax and grease	1 018	1 405
120118*	Grinding sludge	4 538	4 538
130105*	Non-chlorinated waste	0	178
130113*	Other hydraulic oils	1 549	1 879
130205*	Used oil	23 798	27 171
130307*	Mineral oil based, non-chlorinated insulating and heat transmitting oils	2 200	5 171
130502*	Sludge from oil/water separators	2 766	3 166
130506*	Oil from oil/water separators	828	0
130507*	Oil containing water from oil/water separators	24 110	81 285
130508*	Waste mix from degitters and from oil/water separators	7 628	350 868
130701*	Heating oil and diesel oil	1 676	1 402
130703*	Other fuel (including mixtures)	680	680
140601*	Chlorine-fluorine-hydrocarbons, HCFC, HFC	0	80
140603*	Other solvent mixtures	140	386
150110*	Hazardous stained or polluted packaging materials	14 841	14 009
150111*	Waste packaging materials with hazardous, solid porous matrix content (e.g. asbestos), including empty spray cans	1 097	1 636
150202*	Polluted and stained absorbents, filters (including non-specified oil filters), cloths and protective clothing	40 702	36 653
160104*	Vehicles no longer fit for use as products	0	6 000
160107*	Oil filters	2 020	2 658
160114*	Antifreeze solutions with hazardous components	2 685	2 975
160121*	Hazardous spare parts	252	3 929
160211*	Decommissioned equipment with chlorine-fluorine-hydrocarbon (HCFC, HFC) contents	0	25
160213*	Decommissioned equipment	2 737	3 809
160303*	Hazardous inorganic waste	8 055	270
160305*	Hazardous organic waste	3 332	7 329
160506*	Hazardous laboratory chemicals (stains and components)	71	129
160507*	Decommissioned hazardous chemicals (stains and components)	244	386
160601*	Lead batteries	45 927	41 983
160606*	Separately collected electrolytes from batteries	1 000	1 000
160708*	Oil containing waste	1 182	1 782
161001*	Hazardous liquids and fluids	0	60
170106*	Concrete, bricks, tiles and ceramic fractions with hazardous contents	1 150	335
170204*	Stained or hazardous waste containing glass, plastic and wood	227 120	114 187
170301*	Asphalt mixtures with carbonized tar contents	0	234
170405*	Broken iron, fine scrap	211 280	0
170409*	Metal waste with hazardous stains	135	287
170410*	Cables stained/polluted with oil, carbonized tar or other hazardous materials	3 711	25 782
170503*	Soil and stones with hazardous stains	8 334	7 450
170601*	Asbestos containing insulation materials	0	510
170603*	Other insulators with hazardous material contents	50	196
170605*	Asbestos containing building materials	500	492
180103*	Infectious waste	20	16
190813*	Sludge from industrial sewage treatment and containing other hazardous pollutants	11 460	11 460
200121*	Light tubes and other mercury containing waste	2 188	1 514
200129*	Hazardous detergents	208	78
200133*	Batteries including those coded 16 06 01, 16 06 02 and 16 06 03	3 230	1 921
200135*	Hazardous scrapped electric and electronic equipment other than waste coded 20 01 21 and 20 01 23	38 439	29 279
200137*	Timber containing hazardous materials	500	500
Total		722 392	816 873

Table 59: Closing quantities of hazardous waste

III.4 Payments to personnel and average statistical headcount

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

figures in million HUF

Category	2017				2018			
	Payroll cost	Other payments to personnel	Total	%	Payroll cost	Other payments to personnel	Total	%
Blue collar	88 111	12 811	100 922	62%	99 389	14 361	113 750	62%
White collar	55 418	6 939	62 357	38%	62 512	7 993	70 505	38%
Inactive	520	71	591	0%	525	82	607	0%
Total:	144 049	19 821	163 870	100%	162 426	22 436	184 862	100%

Table 60: MÁV Group payroll costs and other payments to personnel

figures in million HUF

Payroll taxes	2017		2018	
	Amount	%	Amount	%
Social contribution tax	30 654	82%	30 886	80%
Health care contribution	2 728	7%	2 919	8%
Vocational training contribution	2 037	5%	2 333	6%
Rehabilitation contribution	2 078	6%	2 235	6%
Total:	37 497	100%	38 373	100%

Table 61: Payroll taxes and social security

Category	2017		2018	
	Average statistical number of staff	%	Average statistical number of staff	%
Blue collar	25 676	68%	25 046	67%
White collar	12 361	32%	12 377	33%
Number of staff	38 037	100,0%	37 423	100,0%

Table 62: MÁV Group's average statistical number of staff

III.5 Research and experimental development

MÁV Group's research and experimental development expenses in the reporting year are shown in the table below.

figures in million HUF

Item	2017	2018
Research activities	18	0
of which: basic research	0	0
applied research	18	0
Experimental development	19	0
Production development	19	0
of which: capitalised	0	0
Product development	0	0
of which: capitalised	0	0
Total:	37	0

Table 63: Research and experimental development costs incurred in 2018

The main purposes of MÁV Group's research and development activities are to enhance transport safety and service quality, improve cost-efficiency and to protect the environment.

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- Appendix 3 – Changes in consolidation groups
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- Appendix 6 – Items posted as part of the consolidation

Appendix 1

Key indicators of subsidiaries and jointly managed companies for non-inclusion in the consolidation

figures in million HUF

Serial No.	Company		BS total		Net sales revenues		Payroll cost	
	Code	Name	Value	%	Value	%	Value	%
1	100	MÁV Zrt.	1 256 219	75,76%	154 597	47,84%	73 430	45,03%
2	020	MÁV VAGON Kft.	2 167	0,13%	7 682	2,38%	767	0,47%
3	101	MÁV FKG Kft.	16 011	0,97%	22 842	7,07%	5 725	3,51%
4	131	MÁV KfV Kft.	4 111	0,25%	2 801	0,87%	671	0,41%
5	138	MÁV Szolgáltató Központ Zrt.	10 187	0,61%	28 864	8,93%	10 117	6,20%
6	179	ZÁHONY-PORT Zrt.	703	0,04%	1 803	0,56%	1021	0,63%
7	180	MÁV-START Zrt.	344 341	20,77%	100 268	31,03%	64 721	39,69%
8	194	MÁV-HÉV Zrt.	23 585	1,42%	2 297	0,71%	5 973	3,66%
Fully consolidated entities, total:			1 657 324	99,95%	321 154	99,38%	162 425	99,60%
9	015	MÁV NOSZTALGIA Kft.	719	0,04%	2 008	0,62%	559	0,34%
Equity consolidated subsidiaries (treated as associates), total:			719	0,04%	2 008	0,62%	559	0,34%
10	193	Kínai-Magyar Vasúti Nonprofit Zrt.*	111	0,01%	1	0,00%	91	0,06%
Equity consolidated companies under common control (treated as associates), total:			111	0,01%	1	0,00%	91	0,06%
Subsidiaries, companies under common control and parent company, total:			1 658 154	100,00%	323 163	100,00%	163 075	100,00%
* apportioned to the equity investment								*

figures proportionate to equity investment

Appendix 2

Consolidated entities

Fully consolidated			
Parent		Subsidiary	
100	MÁV Zrt.	020	MÁV VAGON Kft.
		101	MÁV FKG Kft.
		131	MÁV KfV Kft.
		138	MÁV Szolgáltató Központ Zrt.
		179	ZÁHONY-PORT Zrt.
		180	MÁV-START Zrt.
		194	MÁV-HÉV Zrt.

Equity consolidated entities (associates)					
Subsidiary		Common control		Associate	
015	MÁV NOSZTALGIA Kft.	193	Kínai-Magyar Vasúti Nonprofit Zrt.	027	Dunakeszi Járműjavító Kft.
				037	VAMAV Kft.
				038	EURO-METALL Kft.
				116	MÁV-THERMIT Kft.
				142	Multiszolg 97 Hidmérleg Kft.

Entities treated as investments					
Subsidiary		Associate		Other investment	
		022	MÁV Vasjármű Kft. (f.a.)	120	Vasutegészségügyi Nonprofit Kft.
		165	MÁV-REC Kft.	128	EUROFIMA
		191	TS-MÁV Gépészet Services Kft.	147	BCC
				169	HIT Rail b.v.

Appendix 3

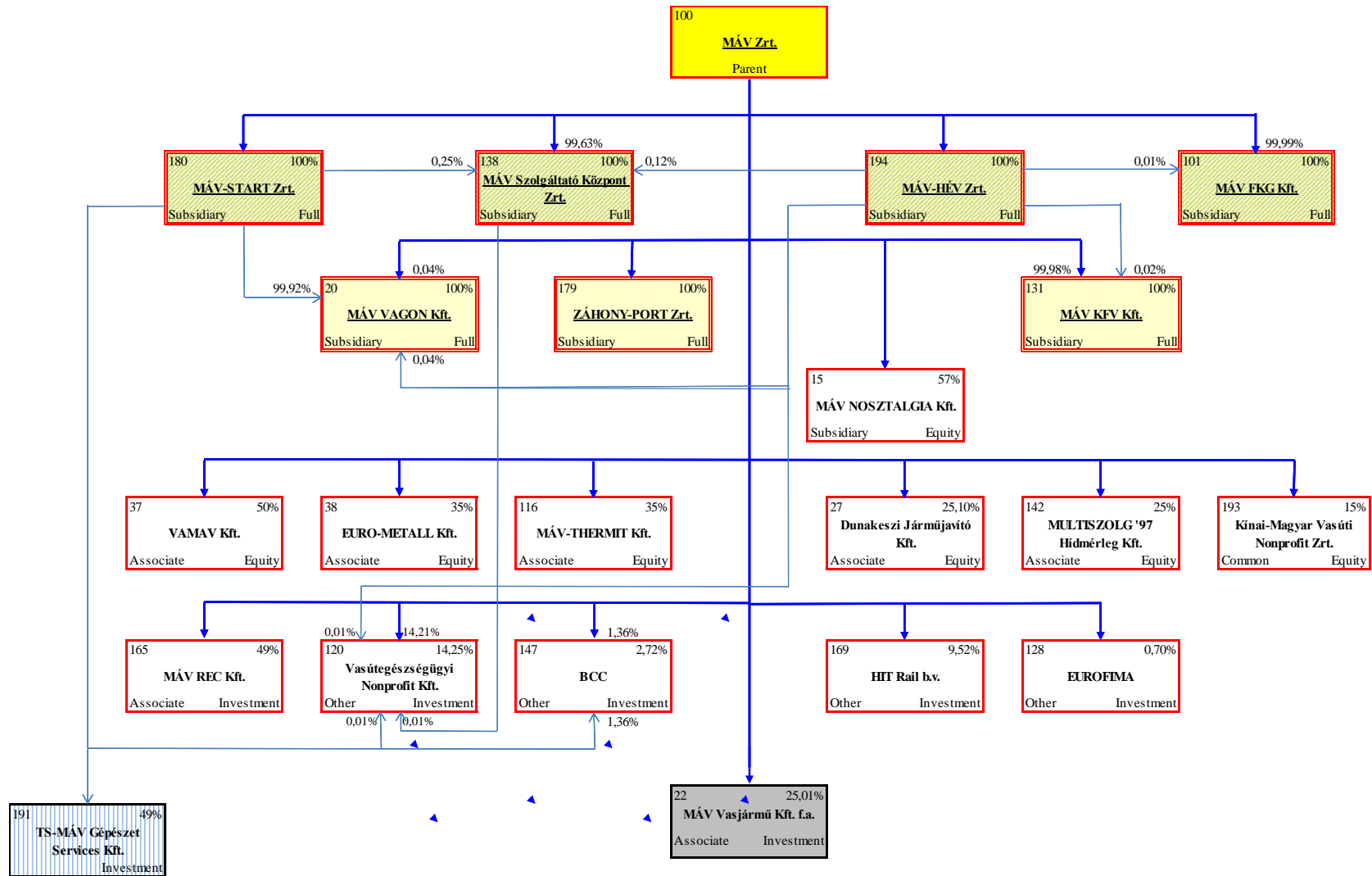
Changes in the scope of consolidation

Changes in fully consolidated entities					
Increase		Reason	Decrease		Reason
-	-	-	-	-	-

Changes in equity consolidated entities (associates)					
Increase		Reason	Decrease		Reason
-	-	-	-	-	-

Changes in entities consolidated as other investments					
Increase		Reason	Decrease		Reason
-	-	-	172	Normon-Tool Kft. (f.a.)	Voluntary liquidation ended

Appendix 4 Organisational chart



Appendix 5

Required level of consolidation and applied consolidation method

Serial No.	Company		Class.	Class. basis	Consequent degree of consolidation	Actual degree of consolidation
	Code	Name				
1	100	MÁV Zrt.	parent	voting right	full	full
2	020	MÁV VAGON Kft.	subsidiary	voting right	full	full
3	101	MÁV FKG Kft.	subsidiary	voting right	full	full
4	131	MÁV KfV Kft.	subsidiary	voting right	full	full
5	138	MÁV Szolgáltató Központ Zrt.	subsidiary	voting right	full	full
6	179	ZÁHONY-PORT Zrt.	subsidiary	voting right	full	full
7	180	MÁV-START Zrt.	subsidiary	voting right	full	full
8	194	MÁV-HÉV Zrt.	subsidiary	voting right	full	full
9	015	MÁV NOSZTALGIA Kft.	subsidiary	voting right	full	equity
10	193	Kínai-Magyar Vasúti Nonprofit Zrt.	common control	voting right	proportionate to equity investment	equity
11	027	Dunakeszi Járműjavító Kft.	associate	voting right	equity	equity
12	037	VAMAV Kft.	associate	voting right	equity	equity
13	038	EURO-METALL Kft.	associate	voting right	equity	equity
14	116	MÁV-THERMIT Kft.	associate	voting right	equity	equity
15	142	Multiszolg 97 Hidmérleg Kft.	associate	voting right	equity	equity
16	022	MÁV Vasjármű Kft. (f.a.)	associate	voting right	equity	investment
17	165	MÁV-REC Kft.	associate	voting right	equity	investment
18	191	TS-MÁV Gépészet Services Kft.	associate	voting right	equity	investment
19	120	Vasutegészségügyi Nonprofit Kft.	other investment	voting right	investment	investment
20	128	EUROFIMA	other investment	voting right	investment	investment
21	147	BCC	other investment	voting right	investment	investment
22	169	HIT Rail b.v.	other investment	voting right	investment	investment

Appendix 6

Items posted as part of the consolidation

figures in HUF millions

Serial No.	Item	Accumulated FS figures for 2018		Opening, total	Effects of consolidation in 2018						Consolidation in 2018, total		Consolidated figures for 2018		Comparison	
		Prior year adjustments	2018		Opening settlements, total	Equity consolidation, total	Debt consolidation, total	Consolidation of gains and expenses	Eliminated interim profit or loss, total		Eliminations in prior years	Eliminations in 2018	Prior years' adjustments	2018	Consolidated FS 2017	Change (2018-2017)
01.	A NON-CURRENT ASSETS	0	1 476 333	-150 503	0	109	-537	0	613		0	185	0	1 326 015	1 343 932	-17 917
02.	I. INTANGIBLE ASSETS	0	15 705	-107	0	0	0	0	-50		0	-50	0	15 548	16 181	-633
03.	Capitalised foundation/restructuring	0	0	0	0	0	0	0	0		0	0	0	0	0	0
04.	Capitalised research and development	0	103	0	0	0	0	0	0		0	0	0	103	229	-126
05.	Concessions and similar rights	0	6 748	-4	0	0	0	0	-2		0	-2	0	6 742	7 979	-1 237
06.	Intellectual property	0	8 854	-103	0	0	0	0	-48		0	-48	0	8 703	7 973	730
07.	Goodwill	0	0	0	0	0	0	0	0		0	0	0	0	0	0
08.	Advances for intangible assets	0	0	0	0	0	0	0	0		0	0	0	0	0	0
09.	Adjustment of intangible assets	0	0	0	0	0	0	0	0		0	0	0	0	0	0
10.	II. TANGIBLE ASSETS	0	1 313 688	-9 472	0	0	-537	0	663		0	126	0	1 304 342	1 322 287	-17 945
11.	Properties and related rights	0	830 880	-5 461	0	0	0	0	19		19	0	0	825 438	845 979	-20 541
12.	Technical machinery, equipment, vehicles	0	406 890	-3 961	0	0	0	0	634		634	0	0	403 563	412 556	-8 993
13.	Other equipment, fittings, vehicles	0	289	-1	0	0	0	0	0		0	0	0	288	298	-10
14.	Livestock	0	0	0	0	0	0	0	0		0	0	0	0	0	0
15.	Capital projects, improvements	0	31 243	-49	0	0	0	0	10		10	0	0	31 204	25 991	5 213
16.	Advances for capital projects	0	44 386	0	0	0	-537	0	0		0	-537	0	43 849	37 463	6 386
17.	Adjustment of tangible assets	0	0	0	0	0	0	0	0		0	0	0	0	0	0
18.	III. NON-CURRENT FINANCIAL ASSETS	0	146 940	-140 924	0	109	0	0	0		109	0	0	6 125	5 464	661
19.	Long-term investments in related parties	0	143 676	-143 173	0	-80	0	0	0		0	-80	0	423	109	314
20.	Long-term loans granted to related parties	0	0	0	0	0	0	0	0		0	0	0	0	0	0
21.	Long-term significant investments	0	807	2 249	0	189	0	0	0		189	0	0	3 245	3 055	190
22.	Long-term loans granted to significant related parties	0	0	0	0	0	0	0	0		0	0	0	0	0	0
23.	Other long-term investments	0	2 426	0	0	0	0	0	0		0	0	0	2 426	2 266	160
24.	Long-term loans granted to other investments	0	0	0	0	0	0	0	0		0	0	0	0	0	0
25.	Other long-term loans granted	0	31	0	0	0	0	0	0		0	0	0	31	34	-3
26.	Long-term debt securities	0	0	0	0	0	0	0	0		0	0	0	0	0	0
27.	Adjustment of non-current financial assets	0	0	0	0	0	0	0	0		0	0	0	0	0	0
28.	Valuation gain or loss on non-current financial assets	0	0	0	0	0	0	0	0		0	0	0	0	0	0
29.	Equity consolidation gain or loss	0	0	0	0	0	0	0	0		0	0	0	0	0	0
30.	from subsidiaries	0	0	0	0	0	0	0	0		0	0	0	0	0	0
31.	from associates	0	0	0	0	0	0	0	0		0	0	0	0	0	0
32.	B CURRENT ASSETS	0	164 439	-2	0	0	-31 497	0	4		0	-31 493	0	132 944	130 018	2 926
33.	I. INVENTORIES	0	39 791	-1	0	0	-29	0	2		0	-27	0	39 763	30 171	9 592
34.	Materials	0	30 599	-1	0	0	-4	0	2		0	-2	0	30 596	24 479	6 117
35.	Work in progress and semi-finished products	0	3 075	0	0	0	0	0	0		0	0	0	3 075	2 420	655
36.	Breeding stock	0	0	0	0	0	0	0	0		0	0	0	0	0	0
37.	Finished products	0	1 962	0	0	0	0	0	0		0	0	0	1 962	1 809	153
38.	Goods	0	1 523	0	0	0	0	0	0		0	0	0	1 523	1 081	442
39.	Advances for inventories	0	2 632	0	0	0	-25	0	0		0	-25	0	2 607	382	2 225
40.	II. RECEIVABLES	0	99 123	-1	0	0	-31 468	0	2		0	-31 466	0	67 656	59 142	8 514
41.	Trade receivables (debtors)	0	8 562	0	0	0	0	0	0		0	0	0	8 562	8 931	-369
42.	Related party receivables	0	31 541	-6	0	0	-31 400	0	0		0	-31 400	0	135	29	106
43.	Receivables from significant investments	0	241	0	0	0	0	0	0		0	0	0	241	111	130
44.	Receivables from other related parties	0	31	0	0	0	0	0	0		0	0	0	31	49	-18
45.	Bills of exchange receivables	0	0	0	0	0	0	0	0		0	0	0	0	0	0
46.	Other receivables	0	58 748	0	0	0	-68	0	0		0	-68	0	58 680	50 018	8 662
47.	Valuation gain or loss on receivables	0	0	0	0	0	0	0	0		0	0	0	0	0	0
48.	Revaluation gain on derivatives	0	0	0	0	0	0	0	0		0	0	0	0	0	0
49.	Corporate tax asset (calculated) arising on consolidation	0	0	5	0	0	0	0	2		0	2	0	7	4	3
50.	III. SECURITIES	0	0	0	0	0	0	0	0		0	0	0	0	0	0
51.	Investments in related parties	0	0	0	0	0	0	0	0		0	0	0	0	0	0
52.	Significant investments	0	0	0	0	0	0	0	0		0	0	0	0	0	0
53.	Other investments	0	0	0	0	0	0	0	0		0	0	0	0	0	0
54.	Treasury shares and quotas	0	0	0	0	0	0	0	0		0	0	0	0	0	0
55.	Securities held for trading	0	0	0	0	0	0	0	0		0	0	0	0	0	0
56.	Valuation gain or loss on securities	0	0	0	0	0	0	0	0		0	0	0	0	0	0
57.	IV. LIQUID ASSETS	0	25 525	0	0	0	0	0	0		0	0	0	25 525	40 705	-15 180
58.	Cash, cheques	0	163	0	0	0	0	0	0		0	0	0	163	192	-29
59.	Bank deposits	0	25 362	0	0	0	0	0	0		0	0	0	25 362	40 513	-15 151
60.	C PREPAID EXPENSES AND ACCRUED INCOME	0	16 552	534	0	0	-7 869	0	-715		0	-8 584	0	8 502	13 636	-5 134
61.	Accrued income	0	7 703	0	0	0	-4 235	0	0		0	-4 235	0	3 468	6 019	-2 551
62.	Prepaid expenses	0	4 658	15	0	0	-3 634	0	0		0	-3 634	0	1 039	826	213
63.	Deferred expenses	0	4 191	519	0	0	0	0	-715		0	-715	0	3 995	6 791	-2 796
64.	ASSETS, TOTAL	0	1 657 324	-149 971	0	109	-39 903	0	-95		0	-39 892	0	1 467 461	1 487 586	-20 125

figures in HUF millions

Serial No.	Megacszek	Accumulated FS figures for 2018		Opening, total	Effects of consolidation in 2018					Consolidation in 2018, total		Consolidated figures for 2018		Comparison	
		Prior year adjustments	2018		Opening settlements, total	Equity consolidation n. total	Debt consolidation n. total	Consolidation of gains and expenses	Eliminated interim profit/loss	Eliminations in prior years	Eliminations in 2018	Prior years' adjustments	2018	Consolidated FS 2017	Change (2018 - 2017)
65. D	EQUITY	0	361 096	-156 947	0	109	-26	221	1 353	0	1 657	0	205 806	187 614	18 192
66. I	ISSUED CAPITAL	0	82 371	-37 871	0	0	0	0	0	0	0	0	24 500	24 500	0
67.	Of which: treasury shares redeemed at face value	0	0	0	0	0	0	0	0	0	0	0	0	0	0
68. II	ISSUED CAPITAL NOT PAID	0	0	0	0	0	0	0	0	0	0	0	0	0	0
69. III	CAPITAL RESERVE	0	200 999	-69 013	0	0	0	0	0	0	0	0	131 986	131 684	302
70. IV	RETAINED EARNINGS/LOSSES	0	56 404	-19 267	0	2 178	0	0	150	0	2 328	0	39 465	38 824	10 641
71. V	NON-DISTRIBUTABLE RESERVES	0	1 724	91	0	0	0	0	-150	0	-150	0	1 665	2 493	-828
72. VI	VALUATION RESERVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
73.	1. Valuation reserve of adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
74.	2. Fair valuation reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0
75. VII	ADJUSTED PROFIT OR LOSS AFTER TAX	0	19 598	0	0	-3 256	-26	221	1 353	0	-1 708	0	17 890	11 265	6 625
76. VIII	CHANGES IN THE EQUITY OF SUBSIDIARIES	0	0	8 621	0	1 187	0	0	0	0	1 187	0	9 808	8 619	1 189
77. VIII A	CHANGES IN THE INVESTMENT IN ENTITIES TREATED AS ASSOCIATES	0	0	2 352	0	0	0	0	0	0	0	0	2 352	2 434	-82
78. IX	CHANGES ARISING ON CONSOLIDATION	0	0	-21 860	0	0	0	0	0	0	0	0	-21 860	-22 205	345
79.	debt consolidation gain or loss	0	0	67	0	0	0	0	0	0	0	0	67	13	54
80.	interim profit or loss differences	0	0	-21 927	0	0	0	0	0	0	0	0	-21 927	-22 218	291
81. X	THIRD PARTY INTEREST	0	0	0	0	0	0	0	0	0	0	0	0	0	0
82. E	PROVISIONS	0	37 967	-81	0	0	0	-221	-565	0	-786	0	37 180	40 898	-3 798
83. 1.	Provisions for expected liabilities	0	21 999	-509	0	0	0	-221	0	0	-221	0	21 269	24 753	-3 484
84. 2.	Provisions for future expenses	0	13 184	0	0	0	0	0	0	0	0	0	13 184	11 432	1 752
85. 3.	Other provisions	0	2 784	428	0	0	0	0	-565	0	-565	0	2 647	4 713	-2 066
86. F	LIABILITIES	0	1 110 835	85	0	0	-33 370	0	0	0	-33 370	0	1 077 550	1 103 436	-25 886
87. I	SUBORDINATED LIABILITIES	0	0	100	0	0	0	0	0	0	0	0	100	100	0
88.	to related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
89.	to significant investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
90.	to other investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
91.	to third parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
92.	Equity consolidation gain or loss on subsidiaries	0	0	100	0	0	0	0	0	0	0	0	100	100	0
93. II	LONG-TERM LIABILITIES	0	945 896	0	0	0	0	0	0	0	0	0	945 896	975 437	-29 541
94.	Long-term loans	0	0	0	0	0	0	0	0	0	0	0	0	58	-58
95.	Convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
96.	Bonds payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
97.	Development loans	0	20 272	0	0	0	0	0	0	0	0	0	20 272	29 658	-9 386
98.	Other long-term loans	0	6 163	0	0	0	0	0	0	0	0	0	6 163	0	6 163
99.	Long-term loans to related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
100.	Long-term loans to significant investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
101.	Long-term loans to other investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
102.	Other long-term loans	0	919 461	0	0	0	0	0	0	0	0	0	919 461	945 721	-26 260
104. III	CURRENT LIABILITIES	0	164 939	-15	0	0	-33 370	0	0	0	-33 370	0	131 554	127 899	3 655
105.	Short-term borrowings	0	58	0	0	0	0	0	0	0	0	0	58	234	-176
106.	-of which: convertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
107.	Short-term loans	0	23 459	0	0	0	0	0	0	0	0	0	23 459	21 357	2 102
108.	Advances received from debtors	0	1 000	0	0	0	0	0	0	0	0	0	1 000	52	948
109.	Trade payables (creditors)	0	37 945	0	0	0	0	0	0	0	0	0	37 945	42 175	-4 230
110.	Bills of exchange payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
111.	Current liabilities to related parties	0	33 426	-15	0	0	-33 370	0	0	0	-33 370	0	41	89	-48
112.	Current liabilities to significant investments	0	2 504	0	0	0	0	0	0	0	0	0	2 504	1 913	591
113.	Current liabilities to other investments	0	44	0	0	0	0	0	0	0	0	0	44	59	-15
114.	Other current liabilities	0	66 503	0	0	0	0	0	0	0	0	0	66 503	62 020	4 483
115.	Valuation gain or loss on liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
116.	Revaluation loss on derivatives	0	0	0	0	0	0	0	0	0	0	0	0	0	0
117.	Corporate tax liability (calculated) arising on consolidation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
118. G	ACCRUED EXPENSES AND DEFERRED INCOME	0	147 426	6 972	0	0	-6 597	0	-886	0	-7 393	0	147 005	155 638	-8 633
119.	Prepaid income	0	10 571	0	0	0	-2 380	0	0	0	-2 380	0	8 191	8 250	-59
120.	Accrued expenses	0	9 132	-42	0	0	-4 127	0	0	0	-4 127	0	4 963	8 115	-3 152
121.	Deferred income	0	127 723	7 014	0	0	0	0	-886	0	-886	0	133 851	139 273	-5 422
122.	EQUITY AND LIABILITIES, TOTAL	0	1 657 324	-149 971	0	109	-33 983	0	-98	0	-33 892	0	1 467 461	1 487 586	-20 125

figures in HUF millions

Serial No.	Item	Accumulated FS figures for 2018		Opening, total	Effects of consolidation in 2018					Consolidation in 2018, total		Consolidated figures for 2018		Comparison	
		Prior year adjustments	2018		Opening settlements, total	Equity consolidation n. total	Debt consolidation n. total	Consolidation of gains and expenses	Eliminated interim profit/loss	Eliminations in prior years	Eliminations in 2018	Prior years' adjustments	2018	Consolidated FS 2017	Change (2018 - 2017)
01.	Domestic sales revenues, net	0	304 610	0	0	0	0	-158 161	-20 847	0	-179 008	0	125 602	123 730	2 872
02.	Export sales revenues, net	0	16 546	0	0	0	0	0	0	0	0	0	16 546	17 489	-943
I.	SALES REVENUES, NET	0	321 156	0	0	0	0	-158 161	-20 847	0	-179 008	0	142 148	140 219	1 929
03.	Movements in self-produced inventories	0	809	0	0	0	0	0	0	0	0	0	808	642	166
04.	Capitalised self-produced assets	0	20 990	0	0	0	0	-412	13 167	0	12 755	0	33 746	31 353	2 493
II.	CAPITALISED OWN OUTPUT	0	21 799	0	0	0	0	-412	13 167	0	12 755	0	34 554	31 995	2 659
III.	OTHER INCOME	0	332 074	0	0	0	-11	-1 063	1 383	0	309	0	332 383	315 925	16 458
	Of which: reversed impairment loss	0	125	0	0	0	0	0	0	0	0	0	125	452	-327
III/A.	GOODWILL ARISING ON DEBT CONSOLIDATION (PROFIT INCREASING)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
05.	Material costs	0	69 453	0	0	0	-2	-1 124	-1 463	0	-2 589	0	66 864	61 574	5 290
06.	Services used	0	197 392	0	0	0	19	-126 557	-4	0	-126 542	0	70 830	76 680	-5 850
07.	Other services	0	3 952	0	0	0	-4	-145	0	0	-149	0	3 803	3 389	414
08.	Cost of goods sold	0	44 270	0	0	0	0	-27 936	-5 660	0	-33 596	0	10 674	9 351	1 323
09.	Services sold (intermediated)	0	6 078	0	0	0	0	-2 763	-98	0	-2 861	0	3 217	3 804	-587
IV.	MATERIAL-TYPE EXPENSES	0	321 145	0	0	0	13	-158 525	-7 225	0	-165 737	0	155 408	154 798	610
10.	Payroll costs	0	162 426	0	0	0	0	0	0	0	0	0	162 426	144 049	18 377
11.	Other payments to personnel	0	22 574	0	0	0	-8	-130	0	0	-138	0	22 436	19 821	2 615
12.	Social security and similar charges	0	38 373	0	0	0	0	0	0	0	0	0	38 373	37 497	876
V.	PAYMENTS TO PERSONNEL	0	223 373	0	0	0	-8	-130	0	0	-138	0	223 235	201 367	21 868
VI.	DEPRECIATION CHARGE	0	87 242	0	0	0	0	0	-1 017	0	-1 017	0	86 225	88 100	-1 875
VII.	OTHER EXPENSES	0	21 401	0	0	0	10	-1 202	-121	0	-1 313	0	20 088	20 743	-655
	Of which: impairment loss	0	5 211	0	0	0	0	0	-64	0	-64	0	5 147	4 786	361
VII/A.	GOODWILL ARISING ON DEBT CONSOLIDATION (PROFIT REDUCING)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A.	OPERATING PROFIT OR LOSS	0	21 868	0	0	0	-26	221	2 866	0	2 261	0	24 129	14 831	10 898
13.	Dividends received	0	3 950	0	0	-3 950	0	0	0	0	-3 950	0	0	0	0
	Of which: from related parties	0	3 377	0	0	-3 377	0	0	0	0	-3 377	0	0	0	0
13/a.	Dividends received from associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13/b.	Dividends received from other investments	0	3	0	0	0	0	0	0	0	0	0	3	3	0
14.	Exchange gain or loss on investments disposed of	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Of which: from related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15.	Interest and exchange gains/losses on non-current financial assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Of which: from related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16.	Other interest received (receivable) and similar income	0	48	0	0	0	0	-3	0	0	-3	0	45	54	-9
	Of which: from related parties	0	3	0	0	0	0	-3	0	0	-3	0	0	0	0
17.	Other financial income	0	586	0	0	810	0	0	-1	0	809	0	1 395	1 052	343
	Of which: valuation gain or loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VIII.	FINANCIAL INCOME	0	4 557	0	0	-3 140	0	-3	-1	0	-3 144	0	1 443	1 109	334
18.	Expenses and exchange loss on investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Of which: to related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19.	Expenses and exchange loss on non-current financial assets (securities, loans)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Of which: to related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20.	Interest payable (paid) and similar charges	0	553	0	0	0	0	-3	0	0	-3	0	550	686	-136
	Of which: to related parties	0	3	0	0	0	0	-3	0	0	-3	0	0	0	0
21.	Impairment loss on investments, securities, long-term loans granted, bank deposits	0	1 872	0	0	-1 905	0	0	0	0	-1 905	0	-33	-42	9
22.	Other financial expenses	0	4 226	0	0	2 021	0	0	714	0	2 735	0	6 961	3 140	3 821
	Of which: valuation gain or loss	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IX.	FINANCIAL EXPENSES	0	6 651	0	0	116	0	-3	714	0	827	0	7 478	3 784	3 694
B.	FINANCIAL PROFIT/LOSS	0	-2 864	0	0	-3 256	0	0	-715	0	-3 971	0	-6 035	-2 675	-3 360
C.	PRE-TAX PROFIT OR LOSS	0	19 894	0	0	-3 256	-26	221	1 353	0	-1 710	0	18 894	11 356	6 738
X.	TAX LIABILITY	0	206	0	0	0	0	0	0	0	0	0	206	85	121
X/A.	CORPORATE TAX ASSET/LIABILITY (CALCULATED) ARISING ON CONSOLIDATION	0	0	0	0	0	0	0	-2	0	-2	0	-2	6	-8
D.	AFTER TAX PROFIT OR LOSS	0	19 598	0	0	-3 256	-26	221	1 353	0	-1 708	0	17 890	11 265	6 625
23.	Subsidiaries' net profit or loss attributable to third party shareholders	0	0	0	0	0	0	0	0	0	0	0	0	0	0
E.	ADJUSTED NET PROFIT OR LOSS AFTER TAX	0	19 598	0	0	-3 256	-26	221	1 353	0	-1 708	0	17 890	11 265	6 625