

**MÁV MAGYAR ÁLLAMVASUTAK ZRT.**

**INDEPENDENT AUDITOR'S REPORT AND CONSOLIDATED  
FINANCIAL STATEMENTS**

**31. December 2015**



## **INDEPENDENT AUDITOR'S REPORT (Free translation)**

**To the founder of MÁV Magyar Államvasutak Zrt.**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of MÁV Magyar Államvasutak Zrt. and its subsidiaries (together "the Group") which comprise the balance sheet as of 31 December 2015 (in which the balance sheet total is HUF 1,314,485 million, the profit per consolidated balance sheet is HUF 39,554 million, the related consolidated profit and loss account for the year then ended, and the notes to the consolidated financial statements including a summary of the significant accounting policies and other explanatory information.

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

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

#### *Auditor's Responsibility*

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

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

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

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### *Opinion*

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of MÁV Magyar Államvasutak Zrt. and its subsidiaries as of 31 December 2015, and of the results of its operations for the year then ended in accordance with the provisions of the Accounting Act.

### *Emphasis of matter*

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

1. We draw attention to note II.3.1.1. which states that the financing of the Company's operations, the repayment of its loans, and the return on its assets depend on whether the owner provides the financial resources for the operation in time and whether resources from the state budget are available to the extent necessary.
2. We draw attention to note II.3.1.1. which states that, in 2015, the Hungarian government and MÁV Zrt. signed a railtrack operation agreement to ensure the funding of the railtrack operation for the period between 2016 and 2025. The Company received a cost compensation amounting to HUF 70,81 billion in 2015. The reimbursement for 2015 has not been settled with the Ministry for National Development, and the amount is still subject to change.
3. We draw attention to note II.3.1.1. which states that, as a result of the amendment of Act CVI of 2007 on State Property as of 28 June 2013 and the amendment of the Asset Management Agreement, as of this date, cost compensations are divided into the categories of compensation of operational costs to be accounted in profit/loss and compensation of renovation costs providing funds for capital expenditures on treasury assets. As a result, the railtrack operation agreement between MÁV Zrt. and the Ministry for National Development was amended in 2014. From the compensation available, the compensation used to cover losses amounted to HUF 38.180 million in 2015 (34.449 million in 2014), compensation for renovations amounted to HUF 25.227 million (23.790 million in 2014). According to the rules stipulated by the Act on the State Budget, HUF 12.681 million representing a difference between the compensation actually used and remaining available was recorded as a liability to the state budget (HUF 8.986 million liability in 2014).
4. We draw attention to note II.1.1.1. which states that, on 1 July 2007, the Company transferred the implementation of capital projects related to treasury assets and financed from government and EU funds to Nemzeti Infrastruktúra Fejlesztő Zrt. ("NIF Zrt").

The estimated gross value of assets technically supplied and installed by NIF Zrt. in 2015 but not yet legally and financially transferred by 31 December 2015 and therefore not shown in the Company's books was HUF 179.095 million (HUF 51.476 million at 31 December 2014).

5. We draw attention to note II.1.1.1. which states that the ownership status of certain properties is still unresolved between the Company and its Founder. The settlement's potential effect on the assets is at present unclear, and will be subject to future agreements between the Company and its Founder. Under the amendment of Act CVI of 2007 on State Property as of 28 June 2013, the settlement of the ownership status of the real property cannot result in property loss for the Company.



6. We draw attention to note II.3.1.1. which states that in 2013 the MÁV-START Zrt. concluded a public passenger transport service agreement for the years 2014-2023 with the Ministry for National Development, representing the Hungarian State as the requestor of the public service. In accordance with the agreement, the MÁV-START Zrt. is entitled to reimbursement of reasonable expenses incurred in connection with the supply of public services that are not covered by revenues. The MÁV-START Zrt. presents compensation receivable for public service costs in its books of HUF 5.230 million relating to 2012, HUF 6.050 million relating to 2013 and HUF 4.615 million relating to 2014. The amount of compensation recorded as other income in the MÁV-START Zrt's financial statements for 2015 was HUF 125.339 million, from which HUF 1.103 million is included in the balance sheet among other liabilities due to overpayment. Furthermore HUF 20.829 million income is presented as accrued income, hence the total reimbursement accounted as other income was HUF 145.065 million. HUF 125.339 million has been disbursed from the claimed reimbursement during 2015. The reimbursement for 2015 has not yet been settled with the Ministry for National Development.

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

### **Other Reporting Requirements regarding the Consolidated Business Report**

We have examined the accompanying consolidated business report of MÁV Magyar Államvasutak Zrt. and its subsidiaries (together "the Group") for the financial year of 2015.

Management is responsible for the preparation and fair presentation of the consolidated business report in accordance with the provision of the Accounting Act. Our responsibility is to assess whether or not the accounting information disclosed in the consolidated business report is consistent with that contained in the consolidated financial statements. Our work in respect of the consolidated business report was limited to checking it in within the aforementioned scope and did not include a review of any information other than that drawn from the audited accounting records of the Group. In our opinion the 2015 consolidated business report is consistent with the disclosures in the consolidated financial statements as of 31 December 2015.

Budapest, 2 June 2016

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

#### *Translation note:*

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

Statistical code: 10856417-5221-114-01

Company registration 01-10-042272

**MÁV HUNGARIAN STATE RAILWAYS**  
**Private Company Limited By Shares**

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

**Consolidated**  
**Balance Sheet and Profit & Loss Account**  
**2015.12.31**

Date: Budapest, 26 April 2016

Manager (representative) of the company

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Company registration number

Balance sheet date of the business year: 31.12.2015

## BALANCE SHEET Version "A" Assets

Data in MHUF

Item No.	Description	Previous year 31.12.2014	Adjustments to previous years	Reporting year 31.12.2015
a	b	c	d	e
<b>A.</b>	<b>Non-current assets (lines I+II+III)</b>	<b>1 046 851</b>	<b>0</b>	<b>1 162 156</b>
<b>I.</b>	<b>INTANGIBLE ASSETS</b>	<b>5 078</b>	<b>0</b>	<b>8 084</b>
01.	Capitalised cost of foundation/restructuring	2	0	1
02.	Capitalised cost of development	562	0	459
03.	Concessions, licenses and similar rights	2 139	0	2 992
04.	Intellectual property	2 375	0	4 632
05.	Goodwill	0	0	0
06.	Advance payments for intangible assets	0	0	0
07.	Revaluation of intangible assets	0	0	0
<b>II.</b>	<b>TANGIBLE ASSETS</b>	<b>1 035 854</b>	<b>0</b>	<b>1 148 178</b>
01.	Land and buildings and related property rights	683 710	0	758 904
02.	Plant, machinery, equipment and vehicles	310 587	0	355 274
03.	Other equipment, fixtures and fittings, vehicles	337	0	236
04.	Breeding stock	0	0	0
05.	Tangible assets under construction	26 520	0	31 039
06.	Advance payments for assets under construction	14 700	0	2 725
07.	Revaluation of tangible assets	0	0	0
<b>III.</b>	<b>LONG-TERM FINANCIAL ASSETS</b>	<b>5 919</b>	<b>0</b>	<b>5 894</b>
01.	Long-term investments in related parties	3 568	0	3 390
02.	Long term loans granted to related parties	0	0	0
03.	Other long-term investments	2 241	0	2 459
04.	Long-term loans granted to other investments	0	0	0
05.	Other long-term loans granted	110	0	45
06.	Long term debt securities	0	0	0
07.	Revaluation of financial investments	0	0	0
08.	Fair value adjustment of financial investments	0	0	0
09.	Difference from the consolidation of equity	0	0	0
	- from subsidiaries	0	0	0
	- from associates	0	0	0

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Company registration number

Balance sheet date of the business year: 31.12.2015

## BALANCE SHEET Version "A" Assets

Data in MHUF

Item No.	Description	Previous year 31.12.2014	Adjustments to previous years	Reporting year 31.12.2015
a	b	c	d	e
<b>B.</b>	<b>Current assets (lines I+II+III+IV)</b>	<b>103 548</b>	<b>0</b>	<b>111 368</b>
<b>I.</b>	<b>INVENTORIES</b>	<b>20 873</b>	<b>0</b>	<b>23 471</b>
01.	Raw materials and consumables	17 289	0	18 305
02.	Work in progress and semi-finished products	1 819	0	2 587
03.	Animals for breeding, fattening and other livestock	0	0	0
04.	Finished products	1 023	0	1 173
05.	Goods	734	0	1 182
06.	Advance payments for inventories	8	0	224
<b>II.</b>	<b>RECEIVABLES</b>	<b>49 111</b>	<b>0</b>	<b>34 865</b>
01.	Accounts receivable	10 627	0	8 016
02.	Receivables from related parties	461	0	148
03.	Receivables from other investments	16	0	8
04.	Notes receivable	0	0	0
05.	Other receivables	37 878	0	26 682
06.	Deferred tax assets arising from consolidation	129	0	11
<b>III.</b>	<b>SECURITIES</b>	<b>0</b>	<b>0</b>	<b>0</b>
01.	Investments in related parties	0	0	0
02.	Other investments	0	0	0
03.	Treasury shares and interests repurchased	0	0	0
04.	Marketable debt securities	0	0	0
<b>IV.</b>	<b>CASH AND BANK</b>	<b>33 564</b>	<b>0</b>	<b>53 032</b>
01.	Cash, cheques	175	0	151
02.	Bank deposits	33 389	0	52 881
<b>C.</b>	<b>Prepaid expenses &amp; accrued income</b>	<b>44 338</b>	<b>0</b>	<b>40 961</b>
01.	Accrued income	26 331	0	27 039
02.	Prepaid expenses	643	0	603
03.	Deferred expenses	17 364	0	13 319
	<b>TOTAL ASSETS (A+B+C)</b>	<b>1 194 737</b>	<b>0</b>	<b>1 314 485</b>

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Company registration number

Balance sheet date of the business year: 31.12.2015

## BALANCE SHEET Version "A" Liabilities

Data in MHUF

Item No.	Description	Previous year 31.12.2014	Adjustments to previous years	Reporting year 31.12.2015
a	b	c	d	e
<b>D.</b>	<b>Equity</b>	<b>109 840</b>	<b>0</b>	<b>147 260</b>
<b>I.</b>	<b>REGISTERED CAPITAL</b>	<b>22 000</b>	<b>0</b>	<b>22 000</b>
	of which: treasury shares redeemed at face value	0	0	0
<b>II.</b>	<b>REGISTERED CAPITAL NOT PAID (-)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>III.</b>	<b>CAPITAL RESERVE</b>	<b>119 827</b>	<b>0</b>	<b>119 155</b>
<b>IV.</b>	<b>RETAINED EARNINGS</b>	<b>-86 034</b>	<b>0</b>	<b>-23 000</b>
<b>V.</b>	<b>NON-DISRIBUTABLE RESERVE</b>	<b>10 118</b>	<b>0</b>	<b>6 405</b>
<b>VI.</b>	<b>REVALUATION RESERVE</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII.</b>	<b>PROFIT/LOSS FOR THE YEAR</b>	<b>49 127</b>	<b>0</b>	<b>39 554</b>
<b>VIII.</b>	<b>CHANGES IN EQUITY OF SUBSIDIARIES (±)</b>	<b>15 955</b>	<b>0</b>	<b>2 361</b>
<b>VIII./A</b>	<b>CHANGES IN VALUE OF INVESTMENTS IN ASSOCIATES</b>	<b>2 587</b>	<b>0</b>	<b>2 754</b>
<b>IX.</b>	<b>CHANGES DUE TO CONSOLIDATION (±)</b>	<b>-23 740</b>	<b>0</b>	<b>-21 969</b>
	Difference from the elimination of intragroup receivables and liabilities	2 341	0	54
	Difference from the elimination of intragroup unrealised profit or loss	-26 081	0	-22 023
<b>X.</b>	<b>INVESTMENTS OF EXTERNAL MEMBERS (NON-CONTROLLING INTEREST)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>E.</b>	<b>Provisions</b>	<b>41 119</b>	<b>0</b>	<b>45 919</b>
01.	Provision for expected liabilities	26 440	0	28 356
02.	Provision for future costs	5 302	0	9 501
03.	Other provisions	9 377	0	8 062
<b>F.</b>	<b>Liabilities</b>	<b>972 290</b>	<b>0</b>	<b>990 865</b>
<b>I.</b>	<b>SUBORDINATED LIABILITIES</b>	<b>102</b>	<b>0</b>	<b>100</b>
01.	Subordinated liabilities to related parties	0	0	0
02.	Subordinated liabilities to other investments	0	0	0
03.	Subordinated liabilities to third parties	0	0	0
04.	Difference from the consolidation of the equity of subsidiaries	102	0	100

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Company registration number

Balance sheet date of the business year: 31.12.2015

## BALANCE SHEET Version "A" Liabilities

Data in MHUF

Item No.	Description	Previous year 31.12.2014	Adjustments to previous years	Reporting year 31.12.2015
a	b	c	d	e
<b>II.</b>	<b>LONG-TERM LIABILITIES</b>	<b>849 439</b>	<b>0</b>	<b>892 275</b>
01.	Long-term borrowings	1 212	0	526
02.	Convertible and revertible bonds	0	0	0
03.	Bonds payable	0	0	0
04.	Loans received for investment and development	91 921	0	61 983
05.	Other long-term loans	8 832	0	1 647
06.	Long-term liabilities to related parties	0	0	0
07.	Long-term liabilities to other investments	0	0	0
08.	Other long-term liabilities	747 474	0	828 119
<b>III.</b>	<b>SHORT-TERM LIABILITIES</b>	<b>122 749</b>	<b>0</b>	<b>98 490</b>
01.	Short-term borrowings	10 939	0	686
	of which: Convertible and revertible bonds	0	0	0
02.	Short-term loans	38 431	0	34 513
03.	Advance payments received from customers	71	0	72
04.	Accounts payable	46 787	0	29 488
05.	Notes payable	0	0	0
06.	Short-term liabilities to related parties	1 897	0	1 639
07.	Short-term liabilities to other investments	84	0	47
08.	Other short-term liabilities	24 540	0	32 045
09.	Deferred tax liability arising from consolidation	0	0	0
<b>G.</b>	<b>Accrued expenses and deferred income</b>	<b>71 488</b>	<b>0</b>	<b>130 441</b>
01.	Prepaid income	10 667	0	10 251
02.	Accrued expenses	6 070	0	6 811
03.	Deferred income	54 751	0	113 379
	<b>TOTAL EQUITY &amp; LIABILITIES (D+E+F+G)</b>	<b>1 194 737</b>	<b>0</b>	<b>1 314 485</b>

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Statistical code

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Company registration number

Balance sheet date of the business year: 31.12. 2015

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

Data in MHUF

Item No.	Description	Previous year 31.12.2014	Adjustments to previous years	Reporting year 31.12.2015
a	b	c	d	e
01.	Domestic sales revenue, net	123 433	0	120 383
02.	Export sales revenue, net	17 477	0	18 056
I.	<b>Net sales revenues (01+02)</b>	<b>140 910</b>	<b>0</b>	<b>138 439</b>
03.	Changes in self-manufactured inventories	-1 595	0	918
04.	Capitalised value of self produced assets	25 178	0	28 787
II.	<b>Capitalised own performance (±03+04)</b>	<b>23 583</b>	<b>0</b>	<b>29 705</b>
III.	<b>Other gains</b>	<b>208 056</b>	<b>0</b>	<b>206 252</b>
	of which: impairment reversed	2 137	0	1 015
III/A.	<b>Difference increasing profit/loss arising from the elimination of intragroup receivables and liabilities</b>	<b>0</b>		<b>0</b>
05.	Raw materials and consumables used	61 721	0	60 791
06.	Services purchased	48 407	0	55 227
07.	Other services	3 614	0	3 457
08.	Cost of goods sold	9 569	0	10 038
09.	Cost of sold (intermediated) services	3 595	0	2 830
IV.	<b>Material-type expenses (05+06+07+08+09)</b>	<b>126 906</b>	<b>0</b>	<b>132 343</b>
10.	Payroll cost	112 356	0	118 552
11.	Other employee benefits	16 260	0	17 571
12.	Social security and other contributions	37 940	0	36 380
V.	<b>Personnel related expenses (10+11+12)</b>	<b>166 556</b>	<b>0</b>	<b>172 503</b>
VI.	<b>Depreciation expense</b>	<b>59 723</b>	<b>0</b>	<b>72 106</b>
VII.	<b>Other expenses</b>	<b>42 215</b>	<b>0</b>	<b>25 273</b>
	of which: impairment loss	19 701		6 030
VII/A.	<b>Difference decreasing profit/loss arising from the elimination of intragroup receivables and liabilities</b>	<b>0</b>		<b>0</b>
A.	<b>OPERATING PROFIT/(LOSS) (I+II+III+III/a-IV-V-VI-VII-VII/a)</b>	<b>-22 851</b>	<b>0</b>	<b>-27 829</b>

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Company registration number

Balance sheet date of the business year: 31.12. 2015

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

Item No.	Description	Previous year 31.12.2014	Adjustments to previous years	Reporting year 31.12.2015
a	b	c	d	e
13.	Dividends (due) received	3	0	3
	of which: from related parties	3	0	0
14.	Gain on disposal of investments	17	0	0
	of which: from related parties	0	0	0
15.	Interest and gains on long-term financial investments	0	0	0
	of which: from related parties	0		0
16.	Other interest received (due) and similar income	610	0	725
	of which: from related parties	0	0	0
17.	Other financial gains	1 323	0	2 050
<b>VIII.</b>	<b>Financial gains (13+14+15+16+17)</b>	<b>1 953</b>	<b>0</b>	<b>2 778</b>
18.	Losses of long-term financial investments	0	0	0
	of which: to related parties	0		0
19.	Interest payable and similar charges	4 843	0	2 113
	of which: to related parties	0	0	0
20.	Impairment of shares, securities, bank deposits	0	0	0
21.	Other financial expenses	4 064	0	4 285
<b>IX.</b>	<b>Financial expenses (18+19+20+21)</b>	<b>8 907</b>	<b>0</b>	<b>6 398</b>
<b>B.</b>	<b>FINANCIAL PROFIT/LOSS (VIII-IX)</b>	<b>-6 954</b>	<b>0</b>	<b>-3 620</b>
<b>C.</b>	<b>PROFIT/LOSS FROM ORDINARY ACTIVITIES (±A±B)</b>	<b>-29 805</b>	<b>0</b>	<b>-31 449</b>
<b>X.</b>	<b>Extraordinary gains</b>	<b>80 887</b>	<b>0</b>	<b>71 502</b>
<b>XI.</b>	<b>Extraordinary expenses</b>	<b>1 826</b>	<b>0</b>	<b>112</b>
<b>D.</b>	<b>EXTRAORDINARY PROFIT/LOSS (X-XI)</b>	<b>79 061</b>	<b>0</b>	<b>71 390</b>
<b>E.</b>	<b>PROFIT/LOSS BEFORE TAX (±C±D)</b>	<b>49 256</b>	<b>0</b>	<b>39 941</b>
<b>XII.</b>	<b>Tax expense</b>	<b>123</b>	<b>0</b>	<b>269</b>
<b>XII/A.</b>	<b>Deferred tax expense</b>	<b>6</b>	<b>0</b>	<b>118</b>
<b>F.</b>	<b>PROFIT/LOSS AFTER TAX (± E-XII)</b>	<b>49 127</b>	<b>0</b>	<b>39 554</b>
22.	Dividends, profit sharing paid from retained earnings	0	0	0
23.	Dividends and profit-sharings approved	0	0	0
24.	Profit share of minority shareholders	0	0	0
<b>G.</b>	<b>PROFIT/LOSS FOR THE YEAR (±F+22-23)</b>	<b>49 127</b>	<b>0</b>	<b>39 554</b>



**MÁV HUNGARIAN STATE RAILWAYS PRIVATE COMPANY LIMITED BY  
SHARES**

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**NOTES TO THE  
CONSOLIDATED ANNUAL FINANCIAL  
STATEMENTS FOR 2015**

**26 APRIL 2016**

**L.S.**

.....  
Manager (representative) of the company



## Table of Contents

<b>I</b>	<b>GENERAL PART</b>	<b>5</b>
I.1	<b>THE GROUP</b>	<b>5</b>
I.1.1	ABOUT THE PARENT COMPANY IN GENERAL	5
I.1.2	THE PARENT COMPANY	8
I.1.3	THE GROUP'S FULLY CONSOLIDATED SUBSIDIARIES	9
I.1.4	FORMATION OF THE CONSOLIDATION CIRCLES AND CHANGES DURING THE REPORTING YEAR	13
I.2	<b>THE GROUP'S ACCOUNTING POLICIES</b>	<b>14</b>
I.2.1	SUPPLEMENTATION AND INTERPRETATION OF THE BASIC PRINCIPLES	14
I.2.2	THE BALANCE SHEET DATE AND THE RULES OF THE PREPARATION OF FINANCIAL STATEMENTS	15
I.2.3	GENERAL SUPPLEMENTARY RULES ON THE PREPARATION OF THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS STATEMENT	15
I.2.4	METHODS APPLIED IN WORKING OUT THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS STATEMENT	16
I.2.4.1	Methods applied in the preparation for consolidation	16
I.2.4.2	Methods applied in the course of equity consolidation by way of investment elimination	18
I.2.4.3	Methods applied in the course of equity consolidation by way of the equity method	18
I.2.4.4	Methods applied in the course of consolidation of debts	19
I.2.4.5	Methods applied in the course of the consolidation of income and expenses	21
I.2.4.6	Methods applied in the course of the elimination of the intragroup unrealised profit or loss	22
I.2.4.7	Methods applied in the generation and release of deferred taxes	23
<b>II</b>	<b>SPECIFIC PART</b>	<b>24</b>
II.1	<b>SUPPLEMENTS TO THE BALANCE SHEET</b>	<b>24</b>
II.1.1	CHANGES IN THE PORTFOLIO OF NON-CURRENT ASSETS	24
II.1.1.1	Changes in the portfolio of tangible and intangible assets	24
II.1.1.2	Assets contributed/received free of charge	26
II.1.1.3	State-owned assets managed by the Company	26
II.1.1.4	Changes in the MÁV Group's investments	31
II.1.1.5	Changes in the active equity consolidation difference in the case of fully consolidated companies	33
II.1.1.6	Changes in the passive equity consolidation difference in the case of fully consolidated companies	33
II.1.1.7	Changes in the active equity consolidation difference in the case companies consolidated with the equity method	33
II.1.1.8	Changes in the passive equity consolidation difference in the case companies consolidated with the equity method	34
II.1.2	INVENTORIES AND THE RELATED IMPAIRMENT LOSS	34
II.1.3	RECEIVABLES AND THE RELATED IMPAIRMENT LOSS	35
II.1.4	PREPAID EXPENSES & ACCRUED INCOME	36
II.1.5	EQUITY	37
II.1.5.1	Changes in equity	37
II.1.6	PROVISIONS MADE AND PROVISIONS RELEASED	38
II.1.6.1	Changes in provisions during 2015	38
II.1.6.2	Provision made for contingent liabilities	38
II.1.6.3	Provision made for future costs	40
II.1.6.4	Other provisions	40
II.1.7	LIABILITIES	41

II.1.7.1	Liabilities related to managed state-owned assets	41
II.1.7.2	The MÁV Group's subordinated liabilities	42
II.1.7.3	The MÁV Group's long-term loans	42
II.1.7.4	Lease liabilities	43
II.1.7.5	Other short-term liabilities	44
II.1.8	ACCRUED EXPENSES AND DEFERRED INCOME	44
II.1.9	OFF-BALANCE SHEET LIABILITIES	45
II.1.9.1	Hedging transactions	45
II.1.9.2	Forward and option contracts closed	46
II.1.9.3	Forward, swap and option contracts in 2015	47
II.1.9.4	Joint and several liability and guarantee contracts	48
II.1.9.5	Lien and other off-balance sheet liabilities	49
II.1.9.6	Interests and similar charges payable in the future	50
II.1.9.7	Major operating lease contracts concluded by the Group, in effect at the cut-off date	51
II.2	<b>SUPPLEMENTS TO THE PROFIT AND LOSS STATEMENT</b>	<b>52</b>
II.2.1	NET SALES REVENUE BROKEN DOWN BY ACTIVITY	52
II.2.2	EXPORT AND IMPORT SALES REVENUE	53
II.2.3	CHANGES IN MATERIAL-TYPE EXPENSES	54
II.2.4	CHANGES IN OTHER GAINS	55
II.2.5	CHANGES IN OTHER EXPENSES	56
II.2.6	CHANGES IN THE FINANCIAL AND EXTRAORDINARY PROFIT OR LOSS	58
II.2.6.1	Financial gains	58
II.2.6.2	Financial expenses	58
II.2.6.3	Extraordinary gains	59
II.2.6.4	Extraordinary expenses	59
II.2.7	CALCULATION OF THE CONSOLIDATED PROFIT/LOSS OF THE GROUP	60
II.3	<b>ACTUAL ASSET, FINANCIAL AND INCOME POSITIONS</b>	<b>61</b>
II.3.1.1	Government involvement in the MÁV Group	61
II.3.2	CASH FLOW STATEMENT	63
II.3.3	CHANGES IN THE VALUE AND COMPOSITION OF ASSETS, LIABILITIES AND EQUITY	64
<b>III</b>	<b>SUPPLEMENTARY NOTES</b>	<b>66</b>
III.1	DATA CONCERNING THE ELECTED OFFICERS OF THE PARENT COMPANY	66
III.2	SUBSIDIES RECEIVED	66
III.3	ENVIRONMENTAL PROTECTION	67
III.3.1	ENVIRONMENTAL PROTECTION LIABILITIES	67
III.3.2	TANGIBLE ASSETS USED FOR THE PURPOSES OF ENVIRONMENTAL PROTECTION	68
III.3.3	CHANGES IN THE QUANTITIES OF HAZARDOUS WASTE	69
III.4	CHANGES IN PERSONNEL EXPENSES AND THE AVERAGE STATISTICAL HEADCOUNT	70
III.5	RESEARCH AND DEVELOPMENT	71
<b>IV</b>	<b>LIST OF TABLES</b>	<b>72</b>
	<b>ANNEXES</b>	<b>74</b>

## I GENERAL PART

### I.1 THE GROUP

#### I.1.1 About the parent company in general

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

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; its working organisation is directed by its President and Chief Executive Officer.

**Company name:**

MÁV Magyar Államvasutak Zártkörűen Működő Részvénytársaság

**In foreign languages:**

English: MÁV Hungarian State Railways Company Private Company by Shares

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

German: MÁV Ungarische Staatseisenbahnen Aktiengesellschaft betreibend in geschlossener Weise.

**Abbreviated name:**

MÁV Zrt.

**In foreign languages:**

English: MÁV Co.

French: MÁV S.A.,

German: MÁV AG.

**The Company's registered office:**

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

**The Company's website:**

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

**The Company's founder:**

The Company was founded by the Hungarian State.

Date of foundation: 30 June 1993.

**The Company's owner:**

The company's owner is the Hungarian State. From 1 January 2014 until 31 December 2017 ownership rights are exercised by the Ministry of National Development. Registered address: 1011 Budapest, Fő utca 44-50.

Based on Section 3:109 (4) of the Civil Code, no general assembly operates at the Company, and matters that would otherwise fall to the competence of the general assembly are decided on by the Founder in writing.

**The Company's share capital:**

At 31 December 2015: HUF 22,000,000,000 consisting of 2,200,000 ordinary shares of HUF 10,000 face value each.

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

**Tax number:** 10856417-2-44

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

**The Company's core operation:** 52.21 Service activities incidental to land transportation

**Authorised signatory of the consolidated financial statements:**

Ilona Dávid President and Chief Executive Officer (address of residence: 2120 Dunakeszi, Baross Gábor utca 11.).

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

MÁV Zrt. commissioned MÁV Szolgáltató Központ Zrt. to perform the management and supervision of the 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 manager responsible for the coordination of tasks related to accounting services is: Dr. Nándor Kaliczka, MÁV Szolgáltató Központ Zrt. Head of Accounting Unit, (address of residence: 1204 Budapest, Bethlen utca 11., certified public accountant registration number: 189604).

**The person responsible for the audit of the report is:**

The consolidated report is audited by PricewaterhouseCoopers Könyvvizsgáló Kft.

The person responsible for the audit is: Éva Barsi (permanent address: 1163 Budapest, Tiszakömlő utca 45.), chamber membership number: 002945).

**The fees charged by the auditor in regard to the reporting year:**

- The auditing fee for the reporting year at MÁV Zrt. is HUF 11 million (net).
- The fee for auditing the financial statements of the fully consolidated subsidiaries of MÁV Zrt. is HUF 27 million (net).
- The fee payable for services rendered in addition to auditing amounted to HUF 1 million.

**I.1.2 The parent company**

The parent company – MÁV Zrt. – was transformed into a company limited by shares as a general legal successor to the state-owned Magyar Államvasutak (Hungarian Railways Company).

The company's share capital comprises 2,200,000 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 provided for by the Hungarian Civil Code.

Under the company's contract with the government on the management of state-owned (treasury) assets, the company recognises treasury assets as well as their sources presented as other long-term liabilities in the company's books. In relation to its asset management function MÁV Zrt's asset management business activities are aimed at efficiently and effectively providing services supplied on behalf of the government, protecting the condition and value of the managed assets and increasing the value of the managed assets.

**Key figures of the company (in million HUF [MHUF])**

Description	2014	2015	Change	Index
Balance sheet total	1 095 271	1 177 557	82 286	108%
Equity	127 461	159 080	31 619	125%
Registered capital	22 000	22 000	0	100%
Net sales revenue	159 318	153 025	-6 293	96%
Payroll cost	47 995	50 651	2 656	106%
Profit/loss before tax	61 542	33 700	-27 842	55%

1. Table: Key figures of the Parent Company

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

### I.1.3 The Group's fully consolidated subsidiaries

In 2015 MÁV Zrt. involved only 6 subsidiaries – in contrast to the 7 subsidiaries in earlier years – fully in its consolidated financial statements because the subsidiary MÁV Létesítményüzemeltető és Vasútör Kft. – together with MÁVTI Kft. (managed with the equity method) and its solely owned subsidiary VITECO Kft. – merged into the parent company MÁV Zrt. with the merger cut-off date of 31 December 2015.

The key figures of the 6 fully consolidated subsidiaries and the most recently merged MÁV Létesítményüzemeltető és Vasútör Kft. are presented below.

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

Date of foundation: 15 October 2006

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

Key figures of the company (in MHUF)

Description	2014	2015	Change	Index
Balance sheet total	252 113	271 625	19 512	108%
Equity	113 939	115 662	1 723	102%
Registered capital	43 742	43 742	0	100%
Net sales revenue	103 180	101 581	-1 599	98%
Payroll cost	45 581	48 094	2 513	106%
Profit/loss before tax	4 204	2 476	-1 728	59%

2. Table: Key figures of MÁV-START Zrt.

**The company's core operations:** long-distance passenger transport by rail (mostly on the basis of a public service agreement), along with operations that are indispensable for railway passenger transport , such as: railway traction activity, the operation of railway traction vehicles; the repair and maintenance of locomotives, carriages, freight wagons and equipment used to pre-heat carriages, the prevention of chemical emergencies and partly accident recovery.

## 2. MÁV Felépítménykarbantartó és Gépjavító Korlátolt Felelősségű Társaság

Date of foundation: 01 January 1994

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

Key figures of the company (in MHUF)

Description	2014	2015	Change	Index
Balance sheet total	12 743	14 269	1 526	112%
Equity	2 851	3 146	295	110%
Registered capital	1 505	1 505	0	100%
Net sales revenue	22 377	21 323	-1 054	95%
Payroll cost	4 264	4 264	0	100%
Profit/loss before tax	329	621	292	189%

3. Table: Key figures of MÁV FKG Kft.

**The company's core operations:** refurbishment and maintenance of railway tracks, operation, repairs and refurbishment of special machine chains.

## 3. MÁV Szolgáltató Központ Zártkörűen Működő Részvénytársaság

Date of foundation: 01 November 1996

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

Key figures of the company (in MHUF)

Description	2014	2015	Change	Index
Balance sheet total	10 372	10 218	-154	99%
Equity	1 926	1 947	21	101%
Registered capital	801	801	0	100%
Net sales revenues	24 074	23 288	-786	97%
Payroll cost	7 742	8 427	685	109%
Profit/loss before tax	117	27	-90	23%

4. Table: Key figures of MÁV Szolgáltató Központ Zrt.

**The company's core operations:** establishment and operation of the accounting system of MÁV Group's companies with a service agreement, and ensuring the provision of accounting services; providing a human resource administration service as well as work safety and health protection services; provision of the centralised services (procurement and stock management, logistical services, the holding of public procurement tenders, asset management, inventory taking, energy management related to railway technology, establishment and operation of environmental protection systems); training; administration and management support tasks. Operation and supervision of the IT systems required for the business and functional processes of the enterprises belonging to the MÁV Group as well as external partners, installation, management and coordination of new systems and integration of the applied IT systems.

#### 4. MÁV Központi Felépítményvizsgáló Korlátolt Felelősségű Társaság

Date of foundation: 1 September 1996

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

Key figures of the company (in MHUF)

Description	2014	2015	Change	Index
Balance sheet total	3 248	3 117	-131	96%
Equity	1 995	2 378	383	119%
Registered capital	569	569	0	100%
Net sales revenue	1 906	2 354	448	124%
Payroll cost	447	505	58	113%
Profit/loss before tax	523	818	295	156%

5. Table: Key figures of MÁV KFV Kft.

**The company's core operations:** track supervisory inspections of rail tracks, taking track geometry measurements, development of metering tools and instruments used in performing such measurements.

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

Date of foundation: 31. August 2006

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

Key figures of the company (in MHUF)

Description	2014	2015	Change	Index
Balance sheet total	1 126	935	-191	83%
Equity	629	388	-241	62%
Registered capital	10	10	0	100%
Net sales revenue	2 436	1 740	-696	71%
Payroll cost	861	856	-5	99%
Profit/loss before tax	37	-241	-278	-651%

6. Table: Key figures of ZÁHONY-PORT Zrt.

**The company's core operations:** cargo manipulation, 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: H-8000 Székesfehérvár, Takarodó út 1.

Key figures of the company (in MHUF)

Description	2014	2015	Change	Index
Balance sheet total	976	1 345	369	138%
Equity	256	391	135	153%
Registered capital	244	244	0	100%
Net sales revenue	2 053	3 814	1 761	186%
Payroll cost	427	540	113	126%
Profit/loss before tax	12	150	138	1250%

7. Table: Key figures of MÁV VAGON Kft.

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

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

Date of foundation: 01 April 1993

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

Key figures of the company (in MHUF)

Description	2014	2015*	Change	Index
Balance sheet total	8 311	9 853	1 542	119%
Equity	2 620	3 385	765	129%
Registered capital	903	903	0	100%
Net sales revenues	4 241	17 991	13 750	424%
Payroll cost	1 056	5 217	4 161	494%
Profit/loss before tax	215	926	711	431%

\*The 2015 column shows the figures of the financial statements prepared for the termination of operation on 31.12.2015.

8. Table: Key figures of MÁV Létesítményüzemeltető és Vasútór Kft.

**The Company's core operations:** management of green areas, plant cultivation service, logging, management and operation of the properties of MÁV Zrt., remedying any technical faults that arise and performing and managing the scheduled refurbishment works; personal security activity; property trading and asset management.

#### **I.1.4 Formation of the consolidation circles and changes during the reporting year**

Pursuant to the Accounting Act, MÁV Zrt. fully consolidates 6 subsidiaries in its 2015 annual financial statements; in which it has a direct controlling interest except for MÁV VAGON Kft. In comparison to the consolidated financial statements for 2014, the number of fully consolidated entities decreased.

The reason for the decrease is that subsidiary MÁV Létesítményüzemeltető és Vasútőr Kft. – together with MÁVTI Kft. (managed with the equity method) and its solely owned subsidiary VITECO Kft. – merged into the parent company MÁV Zrt. with the merger cut-off date of 31 December 2015. As a consequence of the merger MÁVTI Kft. has been dropped from the list of enterprises taken into account in the consolidation process with the equity method (as associates).

Owing to the commencement of its liquidation MÁV Vasjármű Kft. was transferred from the list of the enterprises taken into account using the equity method to the group of enterprises whose data are stated at carrying amount in the consolidated accounts.

The liquidation of MÁV RAKTÁR KFT. "f.a." was completed, the company was deleted from the trade registry as from 30 January 2015, therefore it was removed from the group of enterprises whose data are stated in the consolidated accounts at carrying amount.

The liquidation of Út és Pályaépítő Rt. "f.a." was completed, the company was deleted from the trade registry as from 21 September 2015, therefore it was removed from the group of enterprises whose data are stated in the consolidated accounts at carrying amount.

For the indicators taken into account in setting out the circles of consolidation see Annex 1.

For the consolidation circles to which the various companies are assigned and the changes that took place in the reporting year, see Annexes 2 and 3.

For the organisation structure of the Group see Annex 4.

For the ratings of the companies belonging to the Group and the final method of consolidation applied, see Annex 5.

## I.2 THE GROUP'S ACCOUNTING POLICIES

### I.2.1 Supplementation and interpretation of the basic principles

The fundamentals of the Group's accounting policies are determined by Act C of 2000 on Accounting. The Group applies the accounting principles in accordance with their respective definitions in the Accounting Act.

MÁV Zrt. determines the consolidation circle to which each company is assigned when the given company is first involved in consolidation, in view of its significance and its impact on the consolidated financial statements, as detailed below:

The parent company and the subsidiaries are fully consolidated. However, subsidiaries that meet any two of the following three conditions are exempted from full consolidation:

- its balance sheet total is below 1% of the aggregated balance sheet total of the parent company and its subsidiaries,
- its annual net sales revenue is below 1% of the aggregated total annual net sales revenue of the parent company and the subsidiaries,
- its annual payroll cost is below 1% of the aggregated total payroll cost of the parent company and its subsidiaries.

The aggregate of all of the exempted subsidiaries' indicators must not exceed 5%.

Companies belonging to MÁV Zrt's basis portfolio are not exempted and neither are those companies that have investments in fully consolidated companies.

A company's assignment to a given consolidation circle may only be modified in the case of a material change.

A change qualifies as material, if:

- a new company joins the Group or a group member Company ceases to be a member of the Group,
- a company belonging to the Group comes under liquidation or winding-up; in this case it is assigned to the "outer circle",
- an investment in an existing company increases through new acquisition or it decreases as a consequence of changes in the relevant portfolio or value (e.g. sale), resulting in a change in the categorisation of the company concerned,
- change justifying a revision of the categorisation occurs in the nature or scale of the operations of a given company (in which case categorisation takes place on an individual basis)
- the category of a company within the Company's portfolio is changed in accordance with the portfolio management strategy adopted by MÁV Zrt.

**Concerning debt consolidation** the elimination of immaterial differences whose accumulated value does not, in absolute value, exceed 0.1% of the lower of the receivables or liabilities to be eliminated, or a maximum of HUF 50 million, are not dealt with

**In eliminating income and expenses** differences qualifying as immaterial, identified in the course of the reconciliation of data, are not settled, but their accumulated value must not – in absolute value – exceed 0.05% of the income to be eliminated, or a maximum of HUF 50 million.

MÁV Zrt. drew up the MÁV Group's consolidation regulations, which, in addition to the standardisation of the principles of financial statement preparation, make a substantial part of the accounting policies and valuation regulations to be applied by the fully consolidated subsidiaries on a mandatory basis, through releasing template accounting policies and valuation regulations. Consequently, the parent company can ensure that an annual report underlying consolidation is worked out on the basis of identical basic principles and the same standard valuation techniques. The regulations that are, for the most part, standardised across the Group – but taking individual specifics also into account – have been used by the fully consolidated subsidiaries since 1 January 2009.

The issuance of the consolidation regulation was accompanied by the introduction of new data supply tables as well, along with a template of standardised contents and structure for the notes to the financial statements.

## **I.2.2 The balance sheet date and the rules of the preparation of financial statements**

The parent company has identified 31 December of the reporting year as the balance sheet date of the consolidated financial statements, in accordance with the relevant provisions of the Accounting Act.

## **I.2.3 General supplementary rules on the preparation of the consolidated balance sheet and profit and loss statement**

MÁV Zrt. compiles the consolidated balance sheet in accordance with the provisions set out in Section I/1/A of Annex 6 to the Accounting Act, with the following additions:

- it does not aggregate or skip line items marked with Arab numbers,
- it presents changes in the value of investments in associates within the equity as part of retained earnings – as separate balance sheet line item marked D/VIII/A,
- within the equity it presents the investments of external shareholders in the equity of each of the fully consolidated companies, in the “Investments of external member (non-controlling interest)” line.

MÁV Zrt. compiles the consolidated profit and loss statement in accordance with the provisions set out in Section II/2/A of Annex 6 to the Accounting Act, with the following additions:

- the amounts in lines 13/a and 13/b are not presented separately; they are presented in lines 13, of which it highlights the amount of dividends and profit sharing, received from related parties (including those received from not fully consolidated subsidiaries or joint ventures not subject to quota consolidation),
- amounts of dividends paid or payable to external owners to the debit of the retained earnings are presented under line item number 23,
- the share of external owners of the reporting year's profit is presented under line item number 24.

The amounts in the consolidated annual report are expressed in millions of forints (MHUF). Consolidation itself is carried out in thousands of forints (THUF), since the majority of the companies belonging to the inner and outer circle of the Group compile their annual reports in thousands of forints. The Group's consolidated report is compiled in the consolidation process on the basis of:

- the unconsolidated balance sheet and the profit and loss statement of each of the fully consolidated subsidiaries and the jointventures involved using quota consolidation (ownership interest) as well as the data supply tables introduced, along with
- the unconsolidated balance sheet and profit and loss statement of each of the companies treated as associates.

The business documents called for and received, for the purposes of consolidation are processed by MÁV Zrt. in the system created for this purpose, separated for each consolidation task.

MÁV Zrt. compiles the consolidated balance sheet and profit and loss statement, applying the principle of uniformity, pursuant to Section 122 (2) of the Accounting Act. Accordingly, net assets and changes in net assets are assessed, involved and valued in the same way by each entity belonging to the Group. Nonetheless, MÁV Zrt. – taking the option provided for in Section 123 (3) of the Accounting Act – declines to apply the principle of uniformity in the case of each consolidated company that compiled its own balance sheet and profit and loss statement in accordance with the rules of the Accounting Act. Consequently:

- in the case of domestic enterprises the assessment, involvement and valuation of items as applied by the company concerned, may only be modified if these are not in line with the provisions of the Accounting Act and it has already been approved by the annual general meeting of shareholders or the meeting of the members. In this case differences are settled during the preliminary phase of consolidation by the adjustment of the unconsolidated balance sheet and profit and loss statement – and separately presented in the notes to the financial statements,
- in the case of foreign companies deviances from the provisions of the Accounting Act are settled in the course of the assessment of each item's suitability to be recognised in the balance sheet during the preliminary phase of consolidation.

## **I.2.4 Methods applied in working out the consolidated balance sheet and profit and loss statement**

### **I.2.4.1 Methods applied in the preparation for consolidation**

In the course of the preparation of consolidation MÁV Zrt. performs the tasks of forming the various consolidation circles and the assessment of items' suitability to be recognised in the balance sheet, if it becomes necessary.

- a) In the forming of the consolidation circles and in the annual reviews of the consolidation circles MÁV Zrt. observes the rules set out in the Accounting Act, along with the following supplementary rules:

- it provides exemption to subsidiaries to be fully consolidated as well as joint ventures that are to be consolidated using quota consolidation, provided the individual shares of at least two of their prioritised indicators applied in the assessment of eligibility for exemption are below 1% and in the case of none of the indicators do the exempted companies reduce the share of the remaining enterprises to below 95% of the Group's gross – accumulated – values,
  - it provides exemption from the application of the equity method to such associates that are of no material relevance from the aspect of presenting a true and fair view of the Group because upon the first consolidation, the amount the equity of each does not exceed 5% of the aggregated equity of the associates.
- b) MÁV Zrt. performs the task of assessing suitability to be recognised in the balance sheet and it harmonises valuation in regard to each foreign company and jointly controlled company that is fully involved in consolidation in the course of the forming of the consolidation circles and the reviewing of the consolidation circles. In the case of domestic subsidiaries and jointly controlled companies such assessments are only carried out when in the course of the performance of the tasks of consolidation – based on differences resulting from data reconciliation – it may be assumed that the company concerned made an error or errors in the valuation of asset elements and changes in assets and/or in compiling the balance sheet and the profit and loss statement.
- c) MÁV Zrt. applies currency conversions on the one hand in relation to the balance sheets and profit and loss statements of fully consolidated foreign subsidiaries and jointly controlled companies, and on the other hand, in relation to changes in the equity elements of foreign subsidiaries and jointly controlled companies and associates consolidated using the equity method, in case such companies belong to MÁV Zrt.

For the conversion of the balance sheets of fully consolidated companies MÁV Zrt. proceeds in accordance with the rule laid down in Section 123 (6) a) of the Accounting Act, while in the conversion of their profit and loss statements it applies the rules laid down in (8) of the same.

For the conversion of a balance sheet MÁV Zrt. applies – in the case of the first consolidation – the official currency exchange rate published by the Hungarian National Bank (hereinafter MNB) on the day of the involvement of the company in full consolidation.

In the conversion of the profit or loss for the year the amount of the profit or loss for the year is converted at the official exchange rate published by MNB, while the items referred to in paragraph (8) c) are converted at the official exchange rates published by MNB for the relevant dates.

Changes in equity elements of companies treated (as associates) in the consolidation process with the equity method are converted at the official exchange rate published by MNB for the cut-off date.

#### **I.2.4.2 Methods applied in the course of equity consolidation by way of investment elimination**

MÁV Zrt. applies the method of equity consolidation by investment elimination in relation to fully consolidated subsidiaries and jointly controlled companies. If in the course of equity consolidation by elimination of investments the list of companies to be fully consolidated or to be involved using quota consolidation:

- is expanded by a company that has not so far been part of the Group (including former other investments as well), the amount of equity corresponding to the investment is eliminated at a value corresponding to the value relations at the time of acquisition if its requisites are available, otherwise equity consolidation is carried out based on value relations at the cut-off date, in both cases at book value.
- in the case of reclassification out of the group of equity-consolidated companies, during the first consolidation of equity by investment elimination, the values that emerged in previous years in connection with the reclassified companies – previously treated as associates – must be taken into account; the elimination of the investment and the equity allocated to the investment, in this case too, takes place at book value, in such a way that the active or passive equity consolidation difference is supplemented with the active or passive equity consolidation difference arising as the equity difference apportioned to the growth in the investment.

Since in the course of equity consolidation by investment elimination MÁV Zrt. attaches priority to the book value based method, the active or passive equity consolidation difference resulting from investment elimination is not converted into hidden reserves or hidden liabilities unless it is found to be material, i.e. if it exceeds or falls short of the value of the investment by more than 10%.

Extraordinary depreciation of the active equity consolidation difference is booked if its assessment shows that the book value of the goodwill or the hidden reserve has significantly (by 20% but at least by HUF 50 million) and permanently exceeded its market value or the investment is derecognised in our books.

In the course of equity consolidation by investment elimination a process of consolidation by multiple steps may also be applied if the list of fully consolidated companies comprises subsidiaries of MÁV Zrt's subsidiaries or their companies. In this case equity consolidation by investment elimination is supplemented by the application of the so-called chain method.

#### **I.2.4.3 Methods applied in the course of equity consolidation by way of the equity method**

MÁV Zrt. carries out the consolidation of companies treated as associates through the valuation of the investment held in the related associated undertaking concerned. An investment is valued on the basis of the amount of equity falling associated with it.

MÁV Zrt. carries out the first equity consolidation using the equity method as follows:

- at book value on the basis of the value relationships at the cut-off date in case of the adding of a new company to the list of companies treated as associates,

- in all other cases at book value in accordance with the value relationships at the time of acquisition, but in such cases the first day of the business year concerned is taken into account as the time of acquisition, which is, of course, the same as the last day of the preceding business year.

Since equity consolidation using the equity method always involves the book value method, an active or a passive equity consolidation difference may equally appear upon the valuation of the first and any additional investment acquisitions. In order to provide for a reliable, fair view and unambiguous accounting treatment the parent company recognises the active equity consolidation difference in the consolidated balance sheet as well, against the decrease in the value of the investment. By contrast, the passive equity consolidation difference and any change in it is presented only in the notes to the financial statements, in accordance with the relevant provisions of the Accounting Act.

In the case of equity consolidation carried out on the basis of the value relationships at the time of acquisition the value of the investment:

- shall be increased by the amount of that part of the increase in the equity in the year concerned which is related to the investment, and by the amount of that part of the dividend which is payable for the year concerned but that is not recognised by the investor in the year concerned,
- shall be decreased by the amount of that part of the decrease in the equity in the year concerned which is related to the investment, and by the amount of dividend added in the course of consolidation (imputed in the value of the investment) in the previous year.

The parent company recognises the effects of the valuation of the investment in the reporting year against the other gains from or expenses on financial transactions, therefore they appear in the group's profit or loss for the year. By contrast, effects of valuations carried out before the current year will appear – without an effect on profit/loss – as part of the Group's equity in balance sheet line item VIII/A Changes in value of investments in associates.

#### **1.2.4.4 Methods applied in the course of consolidation of debts**

MÁV Zrt. carries out debt consolidation (netting of receivables and liabilities) among the fully consolidated companies, pursuant to Section 125 of the Accounting Act.

In the course of offsetting receivables against liabilities the difference is not regarded as material if it does not, at the level of the Group, exceed 0.1% of the lower of the receivables or liabilities to be eliminated, with HUF 50 million as the maximum for the whole group. In this case the receivable and liability is eliminated in the amount of the lower of the two, which amount constitutes the same value.

The cause(s) of any material difference is explored and identified and then in view of such cause or causes the value of the receivable or liability must be recognised or derecognised against the balance sheet or profit and loss statement item it is associated with according to the findings of the examination. If the difference cannot be identified, the receivable or liability must be recognised or derecognised against some other gain or expense stemming from debt consolidation.

Any receivables and liabilities of the same amount remaining in place after the settlement of differences must be offset against each other by opposing against each other the balance sheet line items corresponding to their existence.

Previous year's differences are recognised without an effect on profit/loss – against the balance sheet item referred to as consolidation difference resulting from debt consolidation as an equity element – but their changes during the reporting year must be treated as items affecting the profit/loss in the year in which the difference “turns over”, therefore it appears in the profit or loss for the business year and it affects the value of the debt consolidation difference in the equity only in the course of the consolidation of the next year after opening.

Deferred tax is recognised for the material differences affecting the profit/loss, that are expected to turn over within a foreseeable period of time.

#### I.2.4.5 Methods applied in the course of the consolidation of income and expenses

MÁV Zrt. consolidates income and expenses of the fully consolidated companies.

As a result of transactions among fully consolidated companies such income and expenses accumulate within the Group that cannot be regarded as results of realised changes in net assets as specified in Section 120 (5) of the Accounting Act therefore they have to be offset against each other pursuant to Section 127 of the Accounting Act.

To prepare the elimination of the income and expenses resulting from intra-group transactions MÁV Zrt. offsets the receipts and issues noted by members of the inner circle first. The differences identified by offsetting are eliminated by reconciliation and by applying the principle of materiality.

MÁV Zrt. does not treat the difference as material if, at group level, in absolute terms it does not exceed 0.05% of the earnings to be eliminated, or a maximum of HUF 50 million. In the case of non-material differences elimination is carried out in view of items without difference. If the yield of the issuer exceeds the received value reported by the recipient, the issuer's yield and the related expense are proportionately reduced to the received value. In the case of material differences it rearranges or generates the items (in view of the causes of the differences) eliminating the differences.

Following the reconciliation operations and the elimination of the differences, income and expenses are offset against each other as detailed below:

- **In the case of services recognised as cost** the income and expenses are offset against each other by offsetting the net sales revenue and the recognised costs and expenses against each other, in accordance with the price of the released performance.
- **In the case of services recognised as assets** the income and expenses are offset against each other by offsetting the net sales revenue and the capitalised value of self produced assets account against each other, in accordance with the direct cost of the released performance. The difference between the price and the direct cost as margin, is eliminated from the asset value through intragroup unrealised profit or loss consolidation by reducing the net sales revenue against the asset value.
- In the case of the sale of assets **recognised as assets** the income and expenses are offset against each other by offsetting revenues and expenses against each other, at the book value of the asset registered by the issuer. The difference between the selling price and the book value – as margin – is realised through the intragroup unrealised profit or loss consolidation by reducing the revenue against the asset value.
- **In the case of income recognised by one member and expense recognised by another** the yield and the expense are offset against each other on an item by item basis at the yield and expense positions specified by the issuer and the recipient, respectively.
- **In the case of unilaterally recognised income or unilaterally recognised expense** the unilateral recognition is terminated which results in a change in the profit; in this case, if it entails a deferred tax implication it generates a deferred tax change and relating receivable or liability resulting from the deferred tax.

In the case of the recognition of unilateral income or unilateral expense – though it is terminated in the framework of income and expense offsetting – the intragroup unrealised profit or loss is eliminated in essence, therefore such eliminations must be added to the balance sheet next year without an effect on

profit/loss (against the balance sheet item referred to as changes from intragroup unrealised profit or loss difference owing to consolidation within the equity), and then what happens to it in the reporting period must be monitored. If it remained unchanged it remains in the portfolio and it also appears as an opening item of the next consolidation. If it changes – since the member concerned has terminated the unilateral recognition or the asset itself no longer exists or is removed from the full circle – then it must be treated in the first case as a unilateral recognition in the reporting period but in the second case the elimination of the intragroup unrealised profit or loss resulting from the unilateral recognition must be released. During the reporting period such movements affect the profit therefore if they are accompanied by deferred taxes, their impacts on the deferred tax must also be settled. The value of the balance sheet line of changes owing to consolidation separately recognised within the equity from the intragroup unrealised profit or loss's difference is automatically settled at the time of the opening in the next year through the profit or loss for the year, as a result of the distribution of the profit or loss for the year.

#### **I.2.4.6 Methods applied in the course of the elimination of the intragroup unrealised profit or loss**

MÁV Zrt. applies the method of eliminating the intragroup unrealised profit or loss – pursuant to Section 126 of the Accounting Act – in the course of the preparation of the consolidated statements when the fully consolidated companies concluded and effected – within the circle – transactions with each other that appear in their individual unconsolidated reports in a way affecting the profit or loss. In the course of the elimination of the intragroup unrealised profit or loss the revenue recognised by the issuer is reduced against the value of the received asset, by the amount of the difference between the revenue and expense recognised by the issuer.

As a consequence of the nature of the method the changes to the asset comprising the intragroup unrealised profit or loss during the reporting year and thereafter must be monitored and the elimination must be released or rearranged accordingly.

Intragroup unrealised profit or loss may be generated as a consequence of the receipt of internal performance as fixed asset or inventory.

In the course of consolidation for the reporting year:

- the intragroup unrealised profit or loss eliminated in the previous year and kept on record must, at opening, be recorded without an effect on profit/loss, against the balance sheet item, managed separately as a component of equity, resulting from the intragroup unrealised profit or loss due to consolidation (including the obligation due to active deferred tax or passive deferred tax related to the elimination).
- changes to assets comprising intragroup unrealised profit or loss eliminated during the preceding years must be monitored and the intragroup unrealised profit or loss comprised in them must be carried over and/or released in accordance with the write-off relating to the intragroup unrealised profit or loss eliminated during the reporting year.

The intragroup unrealised profit or loss generated on the basis of intra-group transactions during the reporting year are offset against the asset received or the cost recognised, and then they are carried on and/or released in view of changes to assets and costs, or they are kept in the portfolio. An eliminated intragroup unrealised profit or loss item is finally released when the asset carrying the eliminated intragroup unrealised profit or loss is transferred outside the list of the companies making up the Group's inner circle through sale or write-off against the profit.

#### **I.2.4.7 Methods applied in the generation and release of deferred taxes**

MÁV Zrt. applies the method of generation and release of deferred taxes in performing consolidation tasks when fully consolidated companies or companies involved in consolidation using quota consolidation effect such intra-group transactions whose impact on the profit is expected to turn around within a foreseeable period of time. Deferred taxes are generated only when the consolidated recipient company incurs a corporate tax payment obligation. Transactions of this type are taken into account in the elimination of the intragroup unrealised profit or loss, while in the course of debt consolidation, income and expense consolidation the impacts of such transactions are not regarded as significant (except for differences resulting from unilateral settlements) because all material differences are booked in the course of balance reconciliation.

Regarding the elimination of the intragroup unrealised profit or loss even interim deferred tax expense items may be generated and released on the basis of the carrying over of the eliminated intragroup unrealised profit or loss. In the case of debt consolidation the settlement of actual differences may result in the generation of deferred tax expenses and then the release of the same, while in the course of the consolidation of income and expenses it is the elimination of the unilateral income or the unilateral expense may entail the generation and release of deferred tax expenses.

For the quantification of the deferred tax expense MÁV Zrt. takes into account the tax rate applying to the company receiving the asset comprising intragroup unrealised profit or loss.

Upon any change in the tax rate the tax implications are recalculated. The impact of recalculation is recognised in the profit/loss of the year. Deferred tax expenses are released – as a consequence of the recalculation – at the tax rate in place as specified in the corporate income tax act in force in the year of the release.

The Group cannot have a receivable resulting from the deferred tax expense and a liability resulting from the deferred tax expense simultaneously as a result of the management of the deferred tax expense, therefore in releasing them the existing portfolio must be taken into account and they must also be offset against each other.

## II SPECIFIC PART

### II.1 SUPPLEMENTS TO THE BALANCE SHEET

#### II.1.1 Changes in the portfolio of non-current assets

##### II.1.1.1 Changes in the portfolio of tangible and intangible assets

The most important changes in the portfolios of intangible and tangible assets are presented in the tables below:

Data in MHUF								
DESCRIPTION	Capitalised value of foundation/restructuring	Capitalised cost of development	Concessions, licenses and similar rights	Intellectual property	Goodwill	Advance payments on intangible assets	Revaluation of intangible assets	Total
1. <b>Gross value, opening</b>	2	600	8 006	16 793	0	0	0	25 401
2. Additions in the reporting year (+)	0	0	1 405	1 706	0	0	0	3 111
3. Self-produced inventories (+)	0	0	114	1 032	0	0	0	1 146
4. Assets received free of charge (+)	0	0	0	0	0	0	0	0
5. Assets received (in return for receivables or ownership share) (+)	0	0	0	0	0	0	0	0
6. Count surplus (+)	0	0	0	0	0	0	0	0
7. Increase from contribution in kind (+)	0	0	0	0	0	0	0	0
8. Disposal (-)	0	0	0	0	0	0	0	0
9. Transferred free of charge (-)	0	0	-1	0	0	0	0	-1
10. Scrapped (-)	0	0	-178	-344	0	0	0	-522
11. Missing (-)	0	0	0	0	0	0	0	0
12. Destroyed (-)	0	0	0	0	0	0	0	0
13. Provided as contribution in kind (-)	0	0	0	0	0	0	0	0
14. Reclassified (decrease in prepayment) (+/-)	0	0	-220	-22	0	0	0	-242
15. <b>Gross value, closing</b>	2	600	9 126	19 165	0	0	0	28 893
16. <b>Amortisation, opening</b>	0	38	5 867	14 418	0	0	0	20 323
17. Ordinary amortisation in the current year (+)	1	103	647	498	0	0	0	1 249
18. Extraordinary amortisation in the current year (+)	0	0	0	0	0	0	0	0
19. Reversal of extraordinary depreciation (-)	0	0	0	0	0	0	0	0
20. Disposal (-)	0	0	0	0	0	0	0	0
21. Transferred free of charge (-)	0	0	-1	0	0	0	0	-1
22. Scrapped (-)	0	0	-176	-344	0	0	0	-520
23. Missing (-)	0	0	0	0	0	0	0	0
24. Destroyed (-)	0	0	0	0	0	0	0	0
25. Provided as contribution in kind (-)	0	0	0	0	0	0	0	0
26. Reclassified (broken down, combined) (+/-)	0	0	-203	-39	0	0	0	-242
27. <b>Amortisation, closing</b>	1	141	6 134	14 533	0	0	0	20 809
28. <b>Opening, net</b>	2	562	2 139	2 375	0	0	0	5 078
29. <b>Closing, net</b>	1	459	2 992	4 632	0	0	0	8 084

9. Table: Changes in intangible assets

## Data in MHUF

DESCRIPTION	Land and buildings and related property rights	Plant, machinery, equipment and vehicles	Other equipment, fixtures and fittings, vehicles	Breeding stock	Tangible assets under construction	Advance payments for assets under construction	Revaluation of tangible assets	Total
1. <b>Gross value, opening</b>	<b>977 273</b>	<b>668 564</b>	<b>3 553</b>	<b>0</b>	<b>28 097</b>	<b>14 700</b>	<b>0</b>	<b>1 692 187</b>
2. Additions in the reporting year (+)	0	0	0	0	180 671	1 768	0	182 439
3. Self-produced (+)	0	0	0	0	20 534	0	0	20 534
4. Assets received free of charge (+)	0	1	0	0	0	0	0	1
5. Assets received (in return for receivables or ownership share) (+)	0	0	0	0	0	0	0	0
6. Count surplus (+)	367	5	0	0	0	0	0	372
7. Increase from contribution in kind (+)	0	0	0	0	0	0	0	0
8. Asset management of projects carried out by NIF Zrt. (+)	82 112	1 014	0	0	-83 126	0	0	0
9. Increase due to merger (non-consolidated company)	0	0	0	0	0	0	0	0
10. Increase due to asset settlement (+)	0	0	0	0	0	0	0	0
11. Disposal (-)	-494	-34	-15	0	-1	0	0	-544
12. Transferred free of charge (-)	0	-52	-3	0	0	0	0	-55
13. Scrapped (-)	-1 849	-1 351	-123	0	-9	0	0	-3 332
14. Missing (-)	-109	-47	-7	0	0	0	0	-163
15. Destroyed (-)	0	-2	0	0	-3	0	0	-5
16. Provided as contribution in kind (-)	0	0	0	0	0	0	0	0
17. Decrease due to asset settlement (-)	-2 478	0	0	0	0	0	0	-2 478
18. Relinquished asset management rights (-)	-103	0	0	0	0	0	0	-103
19. Commissioning (+/-)	35 179	78 311	59	0	-113 549	0	0	0
20. Reclassified (decrease in prepayment) (+/-)	-115	-279	127	0	-17	-13 743	0	-14 027
21. <b>Gross value, closing</b>	<b>1 089 783</b>	<b>746 130</b>	<b>3 591</b>	<b>0</b>	<b>32 597</b>	<b>2 725</b>	<b>0</b>	<b>1 874 826</b>
22. <b>Depreciation, opening</b>	<b>293 563</b>	<b>357 977</b>	<b>3 216</b>	<b>0</b>	<b>1 577</b>	<b>0</b>	<b>0</b>	<b>656 333</b>
23. Ordinary depreciation in the current year (+)	36 262	34 434	161	0	0	0	0	70 857
24. Extraordinary depreciation in the current year (+)	4 169	200	0	0	7	0	0	4 376
25. Reversal of extraordinary depreciation (-)	-891	0	0	0	-6	0	0	-897
26. Count surplus (+)	1	0	0	0	0	0	0	1
27. Taken into management (+)	0	0	0	0	0	0	0	0
28. Disposal (-)	-144	-28	-15	0	0	0	0	-187
29. Transferred free of charge (-)	0	-52	-3	0	0	0	0	-55
30. Scrapped (-)	-1 458	-1 313	-123	0	-7	0	0	-2 901
31. Missing (-)	-70	-46	-7	0	0	0	0	-123
32. Destroyed (-)	0	-2	0	0	-3	0	0	-5
33. Provided as contribution in kind (-)	0	0	0	0	0	0	0	0
34. Decrease due to asset settlement (-)	-465	0	0	0	0	0	0	-465
35. Relinquished asset management rights (-)	-9	0	0	0	0	0	0	-9
36. Reclassification (+/-)	-79	-314	126	0	-10	0	0	-277
37. <b>Depreciation, closing</b>	<b>330 879</b>	<b>390 856</b>	<b>3 355</b>	<b>0</b>	<b>1 558</b>	<b>0</b>	<b>0</b>	<b>726 648</b>
38. <b>Opening, net</b>	<b>683 710</b>	<b>310 587</b>	<b>337</b>	<b>0</b>	<b>26 520</b>	<b>14 700</b>	<b>0</b>	<b>1 035 854</b>
39. <b>Closing, net</b>	<b>758 904</b>	<b>355 274</b>	<b>236</b>	<b>0</b>	<b>31 039</b>	<b>2 725</b>	<b>0</b>	<b>1 148 178</b>

10. Table: Changes in tangible assets

During year 2007 the task of the administration of investment projects financed from government and EU funds was transferred to Nemzeti Infrastruktúra Fejlesztő Zrt. as a consequence of which the projects do not appear in the books of the MÁV Group before their legal and financial delivery. Out of the capital projects implemented by NIF Zrt. in the reporting year, 2 projects in an amount of HUF 83,126 million were accepted in legal and financial terms. The estimated gross value of the assets which were delivered and commissioned by NIF Zrt. during the reporting year technically but not delivered according to the relevant legal regulations and in financial terms, was HUF 179,095 million as at 31 December 2015.

There are issues concerning the ownership status of certain MÁV Zrt. properties between the Company and its Founder that have not been resolved ever since the Company's foundation. In order to clarify the ownership status of its property portfolio, MÁV Zrt. has launched a robust project that involves significant resources as a result of which progress was made during the reporting year as well in eliminating differences between the actual portfolio of lands owned by the Company and the data pertaining to such pieces of land as recorded in the land register. The ownership status of assets not required for railway operation (VÜNSZ) worth HUF 2,013 million was clarified in 2015.

Decision No. 13/2015. (02.03.) adopted by MÁV Zrt's Board of Directors called for inventory of land holdings. Accordingly, an inventory was taken on 31/10/2015. As a result, 119 land holdings worth HUF 225 million were recognised.

A total of 33 FLIRT motor coaches were purchased during the reporting year for HUF 56,653 million along with 55 used ÖBB passenger carriages for HUF 2,057 million, as a consequence of which the amount spent makes up a significant part of the amount recognised during the reporting year as the costs of tangible asset procurement.

**II.1.1.2 Assets contributed/received free of charge**

<b>Description</b>	<b>Transferred</b>	<b>Taken over</b>	<b>Effect on profit/loss</b>
Intangible assets	0	0	0
Tangible assets	0	1	1
Capital investments	0	0	0
<i>Total:</i>	0	1	1

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

**II.1.1.3 State-owned assets managed by the Company**

MÁV Zrt. is the only member of the Group in possession of assets owned by the state.

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

The accumulated values of state-owned tangible assets and their funds are presented in the tables below.

Data in MHUF

Description	2014	2015	Change
Land, total	22 469	22 671	202
Buildings, total	35 065	35 663	598
Structures, total	570 669	645 925	75 256
Properties and related rights	533	481	-52
Machinery, equipment and vehicles, total	77 600	76 582	-1 018
Construction in progress related to managed assets	11 511	16 724	5 213
<b>Total managed state-owned assets:</b>	<b>717 847</b>	<b>798 046</b>	<b>80 199</b>
Managed state-owned raw materials and consumables (from disassembly of state-owned assets)	1 897	2 350	453
Expected value, at year end, of materials from state-owned assets to be disassembled	20	6	-14
Managed state-owned finished products and work in progress	18	13	-5
<b>Total managed state-owned inventories:</b>	<b>1 935</b>	<b>2 369</b>	<b>434</b>
<b>Total managed state-owned assets:</b>	<b>719 782</b>	<b>800 416</b>	<b>80 634</b>
<b>Long-term liabilities, opening at 30 September 2001, upon signing the asset management contract</b>	<b>275 578</b>	<b>275 578</b>	<b>0</b>
Asset management of projects carried out by NIF Zrt.	368 606	451 732	83 126
<i>Of which - State and EU funds</i>	<i>366 122</i>	<i>449 248</i>	<i>83 126</i>
- Own funds	1 645	1 645	0
- Other (local government) funds	299	299	0
- Funds provided by NIF	540	540	0
Assets taken into management	15 089	15 089	0
Assets taken into management due to asset settlement	52 907	52 907	0
Capital projects, renovation from reimbursement for renovation	42 432	65 491	23 059
<i>of which pertaining to the previous year</i>	<i>4</i>	<i>0</i>	<i>-4</i>
Investment, renovation from EU funds/other budgetary resources	151 897	173 851	21 954
<i>of which pertaining to the previous year</i>	<i>0</i>	<i>3</i>	<i>3</i>
Acquisition from own funds	153 717	153 729	12
<i>of which pertaining to the previous year</i>	<i>0</i>	<i>12</i>	<i>12</i>
Capital projects financed from borrowed capital	7 516	7 521	5
State-owned assets identified as surplus	1 527	1 797	270
Net value of assets taken over from MÁV Zrt.	19	19	0
Use of managed state-owned inventories for managed state-owned tangible assets	830	1 070	240
<b>Total increase in managed state-owned tangible assets:</b>	<b>794 540</b>	<b>923 206</b>	<b>128 666</b>
Increase in materials from disassembly of state-owned assets	2 970	3 621	651
<b>Total increase in managed state-owned inventories:</b>	<b>2 970</b>	<b>3 621</b>	<b>651</b>
<b>Total increase in managed state-owned assets:</b>	<b>797 510</b>	<b>926 827</b>	<b>129 317</b>
Ordinary depreciation	266 586	310 288	43 702
Extraordinary depreciation and reversal	48 890	53 162	4 272
Disposal	57	57	0
Scrapping	16 593	16 979	386
Missing	2 097	2 108	11
Destroyed	3	3	0
Transferred free of charge	1 656	1 656	0
Net value of state-owned assets contributed to MÁV Zrt.	1 819	1 819	0
Settlement of managed state-owned land	8 970	8 970	0
Relinquished asset management rights	5 598	5 692	94
Relinquished asset management rights	5 598	5 692	94
<b>Source of total decrease in managed state-owned tangible assets:</b>	<b>352 269</b>	<b>400 735</b>	<b>48 466</b>
Use of managed state-owned inventories	1 037	1 230	193
Disposal of managed state-owned inventories	0	24	24
<b>Source of total decrease in managed state-owned inventories:</b>	<b>1 037</b>	<b>1 254</b>	<b>217</b>
<b>Source of total decrease in managed state-owned assets:</b>	<b>353 306</b>	<b>401 989</b>	<b>48 683</b>
<b>Total funds used for managed state-owned assets:</b>	<b>719 782</b>	<b>800 416</b>	<b>80 634</b>

12. Table: State-owned assets and their balance sheet funds

Movements in managed state-owned assets in the current year and in the base year are described in detail in the table below:

Data in MHUF			
Changes in managed state-owned assets	2014	2015	Change
<b>Opening balance of managed state-owned assets</b>	<b>490 717</b>	<b>719 782</b>	<b>229 065</b>
Asset management of projects carried out by NIF Zrt.	217 244	83 126	-134 118
<i>Of which - State and EU funds</i>	217 244	83 126	-134 118
Investment, renovation from government funds (reimbursement for renovation)	23 711	23 059	-652
Other assets taken into management	14	0	-14
Asset settlement (revenue)	38 089	0	-38 089
Managed state-owned assets acquired from government subsidies	5 412	21 951	16 539
Managed state-owned assets acquired from own funds	0	12	12
Capital projects and renovations from liquid assets received from external parties	0	5	5
Materials from disassembly of state-owned assets used to produce managed assets	522	240	-282
Settlement of funds related to previous years	4	3	-1
Managed state-owned assets identified as surplus	638	270	-368
<b>Total increase in managed state-owned tangible assets</b>	<b>285 634</b>	<b>128 666</b>	<b>-156 968</b>
Increase in materials from disassembly of state-owned assets	765	651	-114
<b>Total increase in managed state-owned inventories</b>	<b>765</b>	<b>651</b>	<b>-114</b>
<b>Total increase in managed state-owned assets</b>	<b>286 399</b>	<b>129 317</b>	<b>-157 082</b>
Ordinary depreciation of assets in the current year	-32 731	-43 702	-10 971
Extraordinary depreciation and reversal in the current year	-16 024	-4 272	11 752
Scrapping	-509	-386	123
Missing, destroyed	-1 321	-11	1 310
Settlement of managed state-owned land	-6 280	0	6 280
Relinquished asset management rights	0	-94	-94
<b>Total decrease in managed state-owned tangible assets</b>	<b>-56 865</b>	<b>-48 466</b>	<b>8 399</b>
Materials from the disassembly of treasury assets used	-469	-193	276
Disposal of materials from the disassembly of state-owned assets	0	-24	-24
<b>Total decrease in managed state-owned inventories</b>	<b>-469</b>	<b>-217</b>	<b>252</b>
<b>Total decrease in managed state-owned assets</b>	<b>-57 334</b>	<b>-48 683</b>	<b>8 651</b>
<b>Closing balance of managed state-owned assets</b>	<b>719 782</b>	<b>800 416</b>	<b>80 634</b>

13. Table: Changes in state-owned assets in 2015

Government subsidies for development purposes are presented in the following table:

Legal title of subsidy	Data in MHUF		
	2014	2015	Change
<b>Use of subsidies received for the renovation/construction of managed state-owned assets</b>			
Use of reimbursement for renovation related to managed state-owned assets	23 790	23 120	-670
of which: - Renovation of assets	23 701	23 059	-642
Advances on assets	0	0	0
Preliminary financing of assets	0	0	0
Value-added activities of inventories	85	62	-23
Recognition of reimbursement for renovations for previous years in reporting year	4	0	-4
Refurbishment of railway bridges and steel structures (Bridge project)	4 926	217	-4 709
Development of the Budapest-Belgrade line	0	644	644
Development of public transport in the Balaton region (DDOP programme) – budget funding for development of state-owned assets	0	53	53
Development of public transport in Keszthely and the Zalakáros micro-region (NYDOP programme), state funds for the development of state-owned assets	0	4	4
KÖZOP subsidy for the implementation of “MÁV Zrt. Traffic safety projects,” from the central budget (15%) – development of state assets	163	680	517
KÖZOP subsidy for “MÁV Zrt. Traffic safety projects (preparatory project),” from the central budget (15%) – development of state assets	1	0	-1
Electrification of railway line 2 Rákospuszta-Esztergom (KÖZOP) - development of state-owned assets (domestic part)	0	273	273
KÖZOP subsidy for the implementation of “MÁV Zrt. Station development and integrated customer service development programme at 26 locations,” KÖZOP 0003 - MÁV Zrt. asset development (domestic part)	2	95	93
Renovation of right track Nagyút - Mezőkeresztes - Mezőnyárad (KÖZOP) - development of state-owned assets (domestic part)	0	2 085	2 085
IKOP preparatory project for the period 2014-2020 - state funds for the development of state-owned assets (15%)	0	1	1
Improvement of public transport in Balatonfüred (15%)	12	6	-6
Studies for the development of priority project no. 22 (TEN-T project) (50%)	28	31	3
IKOP subsidy for “MÁV Zrt. Traffic safety projects” from the central budget (IKOP domestic part: 15%) – development of state-owned assets	0	1	1
<b>Use of central subsidies in total:</b>	<b>28 922</b>	<b>27 210</b>	<b>-1 712</b>
KÖZOP subsidy for the implementation of “MÁV Zrt. Traffic safety projects,” from EU funds (85%) – development of state assets	925	3 849	2 924
KÖZOP subsidy for the implementation of “MÁV Zrt. Traffic safety projects (preparatory project),” from EU funds (85%) – development of state assets	4	-4	-8
KÖZOP subsidy for the implementation of “MÁV Zrt. Station development and integrated customer service development programme at 26 locations,” KÖZOP 0003 - MÁV Zrt. asset development	8	538	530
Electrification of railway line 2 Rákospuszta-Esztergom (KÖZOP) - development of state-owned assets (ERFA - 85%)	1	1 550	1 549
Renovation of right track Nagyút - Mezőkeresztes - Mezőnyárad (KÖZOP) - development of state-owned assets (ERFA - 85%)	2	11 781	11 779
Improvement of public transport in Balatonfüred (85%)	65	33	-32
Development of public transport in the Balaton region (DDOP programme) – EU support for development of state-owned assets	0	298	298
Improvement of public transport conditions in Sárvár and the surrounding settlements (NYDOP programme) – support for development of state-owned assets	0	38	38
Improvement of public transport conditions in the Western Transdanubian region - NYDOP Celldömölk - ERFA subsidies for the development of state-owned assets	0	68	68
Development of public transport in Keszthely and the Zalakáros micro-region (NYDOP programme), ERFA subsidies for the development of state-owned assets	0	34	34
IKOP preparatory project for the period 2014-2020 - state funds for the development of state-owned assets (85%)	0	5	5
Studies for the development of priority project no. 22 (TEN-T) (50%)	28	31	3
Establishing P+R and B+R parking facilities in Gödöllő	-3	0	3
Protection of the embankment wall Balatonkenese - Balatonakaratya (providing for the resistance of embankment walls at risk of falling debris and slipping) (KDOP programme) – EU support for development of state-owned assets	0	289	289
IKOP subsidy for the implementation of “MÁV Zrt. Traffic safety projects” (IKOP, KA 85%) – development of state-owned assets	0	5	5
<b>Use of EU subsidies in total:</b>	<b>1 030</b>	<b>18 515</b>	<b>17 485</b>
<b>Use of subsidies received for the renovation of managed state-owned assets in total</b>	<b>29 952</b>	<b>45 725</b>	<b>15 773</b>

Legal title of subsidy	2014	2015	Change
<b>Use of subsidies received for the renovation/investment of assets owned by the MÁV Group</b>			
Use of reimbursement for renovation of assets owned by MÁV	0	294	294
Use of reimbursement for renovation to fund advances on assets owned by MÁV	0	176	176
Memorial Centre for the Child Victims of the Holocaust investment project	3 584	2 714	-870
KÖZOP subsidy for the implementation of "MÁV Zrt. Station development and integrated customer service development programme at 26 locations;" KÖZOP 0003 - MÁV Zrt. asset development (domestic part)	93	274	181
Asset purchases associated with public employment programme	29	0	-29
Development of public transport in the Balaton region (DDOP programme) – budget funding for development of assets owned by MÁV Zrt.	0	6	6
Consolidation of software and IT application for the maintenance of infrastructure and rolling stock (INKA) (KÖZOP) - Development of assets owned by MÁV Zrt. (domestic part: 15%)	0	174	174
Consolidation of software and IT application for the maintenance of infrastructure and rolling stock (INKA) (IKOP, domestic part: 15%) - Development of assets owned by MÁV Zrt.	0	4	4
KÖZOP subsidy for the implementation of the project "Procurement of 42 electrical motor coaches for suburban rail passenger transport for MÁV-START" – from domestic budget funds (15%).	676	6 887	6 211
GOP subsidy for the implementation of the project "Design and development of domestic Intercity railway carriages for the 200 km/h maximum permitted speed, suitable for operation in international traffic as well" – from domestic budget funds (15%)	33	13	-20
KDOP subsidy for the implementation of the project "Improvement of public transport in Balatonfüred" – from domestic budget funds (15%)	0	1	1
Consolidation of software and IT application for the maintenance of infrastructure and rolling stock (INKA) (KÖZOP) – (domestic share 15%)	0	56	56
KÖZOP subsidy for the implementation of the project "Procurement of 6 electrical motor coaches for suburban rail passenger transport for MÁV-START" – from domestic budget funds (15%).	0	1 631	1 631
New Széchenyi Plan EDOP-3.2.1-11-2013-0009 tender investment subsidy	74	0	-74
<b>Use of central budgetary subsidies, total:</b>	<b>4 489</b>	<b>12 229</b>	<b>7 740</b>
KÖZOP subsidy for the implementation of "MÁV Zrt. Station development and integrated customer service development programme at 26 locations;" KÖZOP 0003 - MÁV Zrt. asset development	525	1 550	1 025
Improvement of public transport conditions in Sárvár and the surrounding settlements (NYDOP programme) – support for development of assets owned by MÁV Zrt.	21	22	1
KÖZOP subsidy for the implementation of "MÁV Zrt. Traffic safety projects" (ERFA/KA 85%) – development of assets owned by MÁV Zrt.	0	1	1
Consolidation of software and IT application for the maintenance of infrastructure and rolling stock (INKA) (KÖZOP) - Development of assets owned by MÁV Zrt. (ERFA - 85%)	0	983	983
Development of public transport in the Balaton region (DDOP programme) – EU support for development of assets owned by MÁV Zrt.	0	35	35
Consolidation of software and IT application for the maintenance of infrastructure and rolling stock (INKA) (IKOP, KA - 85%) - Development of assets owned by MÁV Zrt.	0	24	24
KÖZOP subsidy for the implementation of the project "Procurement of 42 electrical motor coaches for suburban rail passenger transport for MÁV-START" – EU share (85%)	3 830	39 361	35 531
GOP subsidy for the implementation of the project "Design and development of domestic Intercity railway carriages for the 200 km/h maximum permitted speed, suitable for operation in international traffic as well" – EU share (85%)	188	72	-116
KDOP subsidy for the implementation of the project "Improvement of public transport in Balatonfüred" – E (85%)	0	6	6
Consolidation of software and IT application for the maintenance of infrastructure and rolling stock (INKA) (KÖZOP) – (ERFA – 85%)	0	316	316
KÖZOP subsidy for the implementation of the project "Procurement of 6 electrical motor coaches for suburban rail passenger transport for MÁV-START" – EU share (85%)	0	9 237	9 237
<b>Use of EU supports in total:</b>	<b>4 564</b>	<b>51 608</b>	<b>47 044</b>
<b>Use of subsidies received for the renovation/investment of assets owned by the MÁV Group, total</b>	<b>9 053</b>	<b>63 837</b>	<b>54 784</b>

14. Table: Subsidies from the central budget for development purposes

#### II.1.1.4 Changes in the MÁV Group's investments

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

Data in MHUF

<b>Companies taken into account in the consolidation process with the equity method (as associates)</b>				
<b>Code</b>	<b>Description</b>	<b>Value stated in the report</b>		<b>Change</b>
		<b>2014</b>	<b>2015</b>	
5	MÁVTI Kft.	0	0	0
15	MÁVNOSZTALGIA Kft.	116	131	15
22	MÁV VASJÁRMŰ Kft. (f.a.)	0	0	0
27	Dunakeszi Járműjavító Kft.	784	785	1
37	VAMAV Kft.	1 858	1 558	-300
38	EURO-METALL Kft.	405	466	61
116	MÁV-THERMIT Kft	328	377	49
142	MÁV MULTISZOLG Kft.	26	22	-4
<b>Total:</b>		<b>3 517</b>	<b>3 339</b>	<b>-178</b>

15. Table: Companies consolidated using the equity method

The value of companies consolidated using the equity method decreased by HUF 178 million compared to the previous year.

Of the profit/loss realised by the companies in the reporting year, the balance of the loss and profit apportioned to the MÁV Group increased the value of the investments by HUF 805 million, while the recognition of the differences between changes in the companies' final equity and equity available during the consolidation as profit/loss reduced it by HUF 4 million.

The elimination of the dividend revenue recognised by MÁV Zrt. in the reporting year (for the preceding year) contributed to the reduction of the value of the investments as stated in the balance sheet, by HUF 851 million.

As a consequence of the merger of MÁVTI Kft. into MÁV Zrt. the value of enterprises consolidated with the equity method (as associates) dropped by HUF 128 million.

Data in MHUF

Related enterprises consolidated as investments								
Code	Description	2014			2015			Change (book value)
		Gross value	Accumulated impairment loss	Book value	Gross value	Accumulated impairment loss	Book value	
6	MÁV HÍDÉPÍTŐ Kft. (f.a.)	600	600	0	600	600	0	0
22	MÁV VASJÁRMŰ Kft. (f.a.)	0	0	0	158	158	0	0
134	MÁV Utasellátó Zrt. (f.a.)	137	137	0	137	137	0	0
152	MÁV RAKTÁR Kft. (f.a.)	138	138	0	138	138	0	0
165	MÁV-REC Kft.	50	0	50	50	0	50	0
178	HUNGRAIL Egyesülés (v.a.)	1	0	1	1	0	1	0
191	TS-MÁV Gépészet Services Kft.	0	0	0	0	0	0	0
<b>Total:</b>		926	875	51	1 084	1 033	51	0

16. Table: Related enterprises consolidated as investments

In the course of the consolidation process the value of the related enterprises exempted even from consolidation with the equity method and thus stated at book value, remained unchanged during the reporting year.

Data in MHUF

Other long-term investments								
Code	Description	2014			2015			Change (book value)
		Gross value	Accumulated impairment loss	Book value	Gross value	Accumulated impairment loss	Book value	
120	Vasutegészségügyi NK Kft.	100	0	100	100	0	100	0
128	EUROFIMA	2 071	0	2 071	2 289	0	2 289	218
147	BCC	1	0	1	1	0	1	0
163	Út és Pályaépítő Rt. (f.a.)	0	0	0	0	0	0	0
169	HIT Rail b.v.	69	0	69	69	0	69	0
172	Normon-Tool Kft.	0	0	0	0	0	0	0
<b>Total:</b>		2 241	0	2 241	2 459	0	2 459	218

17. Table: Other long-term investments

The balance sheet value of other investments was increased by the revaluation at the end of the year of the investments in foreign currencies (EUROFIMA) by HUF 218 million.

### II.1.1.5 Changes in the active equity consolidation difference in the case of fully consolidated companies

No active equity consolidation difference relating to fully consolidated subsidiaries is recognised in the consolidated report of the MÁV Group.

### II.1.1.6 Changes in the passive equity consolidation difference in the case of fully consolidated companies

Data in MHUF

Company		Passive difference from the consolidation of equity					Closing value
Code	Description	Opening value	Change				
			Investment from acquisition	Investment from disposal	Owing to merger	Change in circle	
20	MÁV VAGON Kft.	2	0	0	0	0	2
96	MÁV LV Kft.	2	0	0	-2	0	0
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:		102	0	0	-2	0	100

18. Table: Changes in the passive equity consolidation difference in the case of fully consolidated companies

MÁV LV Kft. merged into MÁV Zrt. at 31.12.2015, so the passive equity consolidation difference relating to the company terminated was derecognised.

### II.1.1.7 Changes in the active equity consolidation difference in the case companies consolidated with the equity method

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

### II.1.1.8 Changes in the passive equity consolidation difference in the case companies consolidated with the equity method

Data in MHUF

Company		Passive difference from the consolidation of equity					
Code	Description	Opening value	Change				Closing value
			Investment from acquisition	Investment from disposal	Owing to merger	Change in circle	
5	MÁVTI Kft.	14	0	0	-14	0	0
22	MÁV VASJÁRMŰ Kft.	5	0	0	0	-5	0
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
<b>Total:</b>		<b>277</b>	<b>0</b>	<b>0</b>	<b>-14</b>	<b>-5</b>	<b>258</b>

19. Table: Changes in the passive equity consolidation difference in the case companies consolidated with the equity method

MÁVTI Kft. merged into MÁV Zrt. at 31.12.2015, therefore no passive equity consolidation difference relating to the company terminated is shown in the accounts.

Owing to the commencement of its liquidation MÁV VASJÁRMŰ Kft. was transferred to the category of companies stated at book value therefore the passive equity consolidation difference relating to the company was derecognised.

### II.1.2 Inventories and the related impairment loss

Changes in inventories during the reporting year and the impairment losses recognised concerning inventories are presented in aggregate in the following table.

Data in MHUF

Inventory	Raw materials and consumables	WIP and semi-finished products	Animals for breeding, fattening and other livestock	Finished products	Goods	Advance payments for inventories	Total
<b>Opening inventory, gross value</b>	18 505	1 984	0	1 096	734	17	22 336
Purchases, advance payments	62 920	0	0	0	11 527	848	75 295
Assets received free of charge	0	0	0	0	0	0	0
Contribution in kind	0	0	0	0	0	0	0
Reclassification	7	0	0	18	0	0	25
Added to inventories	0	3 020	0	8 266	0	0	11 286
Surplus	15	0	0	0	0	0	15
Other increase	602	0	0	0	1	45	648
Use (expensed)	-59 623	-2 413	0	-8 079	-42	0	-70 157
Reclassification, offsetting of advance payment	-13	0	0	0	0	-677	-690
Disposal	-1 843	0	0	0	-11 025	0	-12 868
Transferred free of charge	0	0	0	0	0	0	0
Contribution in-kind	0	0	0	0	0	0	0
Scrapping	-64	0	0	-7	-2	0	-73
Missing	-25	0	0	0	-6	0	-31
Other decrease	-203	-4	0	-10	-3	0	-220
<b>Closing inventory, gross value</b>	<b>20 278</b>	<b>2 587</b>	<b>0</b>	<b>1 284</b>	<b>1 184</b>	<b>233</b>	<b>25 566</b>
<b>Impairment, opening</b>	<b>1 216</b>	<b>165</b>	<b>0</b>	<b>73</b>	<b>0</b>	<b>9</b>	<b>1 463</b>
Impairment for the reporting year	1 037	0	0	48	2	0	1 087
Derecognition due to stock disposal	-253	-165	0	-10	0	0	-428
Reversed impairment	-27	0	0	0	0	0	-27
Other decrease	0	0	0	0	0	0	0
<b>Impairment, closing</b>	<b>1 973</b>	<b>0</b>	<b>0</b>	<b>111</b>	<b>2</b>	<b>9</b>	<b>2 095</b>
<b>Opening inventory, net value</b>	<b>17 289</b>	<b>1 819</b>	<b>0</b>	<b>1 023</b>	<b>734</b>	<b>8</b>	<b>20 873</b>
<b>Closing inventory, net value</b>	<b>18 305</b>	<b>2 587</b>	<b>0</b>	<b>1 173</b>	<b>1 182</b>	<b>224</b>	<b>23 471</b>

20. Table: Inventories and the related impairment loss

## II.1.3 Receivables and the related impairment loss

Receivables relating to the during the reporting year and the impairment losses recognised such receivables are presented in aggregate in the following table.

Data in MHUF

Description	Receivables						Impairment loss							Book value of receivables 2015	Book value of receivables 2014	Change in the book value of receivables
	Not overdue	1-90 days	91-180 days	181-365 days	over 365 days	Total	Opening	Merger of non-consolidated company	Derecognition of impairment	Impairment in the reporting year	Amount received in respect of reduced receivables	Reversal	Closing			
Accounts receivable from supply of goods and services (trade debtors)	7 563	384	101	218	4 028	12 294	6 328	15	2 388	438	114	1	4 278	8 016	10 627	-2 611
Receivables from related parties	119	30	2	23	8	182	334	0	220	21	101	0	34	148	461	-313
subsidiary excluded from full consolidation	8	26	0	0	2	36	306	0	220	0	84	0	2	34	55	-21
associated companies	111	4	2	23	6	146	28	0	0	21	17	0	32	114	406	-292
Receivables from other associated companies	7	1	0	0	0	8	0	0	0	0	0	0	0	8	16	-8
Other receivables	26 533	59	82	114	1 310	28 098	1 355	0	79	172	32	0	1 416	26 682	37 878	-11 196
Deferred tax expense	11	0	0	0	0	11	0	0	0	0	0	0	0	11	129	-118
Total receivables:	34 233	474	185	355	5 346	40 593	8 017	15	2 687	631	247	1	5 728	34 865	49 111	-14 246

21. Table: Receivables and the related impairment loss

One of the largest items among other receivables is the claim for passenger transport public service cost compensation (section II.3.1), the amount of which – without the reasonable profit – is HUF 15,895 million in contrast to the previous year's HUF 27,922 million. A detailed breakdown of the amount is shown in the table below:

Data in MHUF

Period	Amount of receivables 01.01.2015	Amount received in 2015	Receivables net amount 31.12.2015	Liabilities net amount 31.12.2015	Deferred amount carried over from 2015 to 2016	Receivable and deferral, total, 31.12.2015	Amount received in 2016 by the cut-off date
2012	10 163	4 933	5 230	0	0	5 230	0
2013	6 050	0	6 050	0	0	6 050	0
2014	4 642	0	4 615	0	0	4 615	0
Earlier years, total	20 855	4 933	15 895	0	0	15 895	0
2015	0	0	0	1 103	20 829	20 829	20 829
Overall	20 855	4 933	15 895	1 103	20 829	36 724	20 829

22. Table: Passenger transport public service cost compensation claims

## II.1.4 Prepaid expenses & accrued income

Data in MHUF

Item	2014	2015	Change
<b>Accrued income</b>			
Public service cost compensation	20 829	20 829	0
RIC carriage rental	4 651	4 738	87
Accrued sales revenue	455	700	245
Trade debtor type account of transports of commodities not settled for	65	278	213
Late-payment interest, penalty and damages	25	57	32
Interest revenue	19	40	21
Other accrued income	287	397	110
<i>Accrued income, total:</i>	26 331	27 039	708
<b>Prepaid expenses</b>			
Advance payment of insurance premiums	297	155	-142
Prepaid dismissal wage and severance payment	39	40	1
Software upgrade fee	58	27	-31
Rental fees	24	2	-22
Newspaper and periodical subscriptions	3	2	-1
Other prepaid expenses	222	377	155
<i>Prepaid expenses, total:</i>	643	603	-40
<b>Deferred expenses</b>			
Deferred unrealised FX losses	17 364	13 319	-4 045
<i>Deferred expenses, total</i>	17 364	13 319	-4 045
<i>Total:</i>	44 338	40 961	-3 377

23. Table: Breakdown of prepaid expenses &amp; accrued income

The Group's prepaid expenses and accrued income decreased by HUF 3,377 million in comparison to the figure posted in 2014 primarily owing to the decrease in the amount of deferred unrealised FX losses (- HUF 4,045 million) resulting from a decrease in the loan portfolio and the drop in the exchange rate.

## II.1.5 Equity

### II.1.5.1 Changes in equity

Changes in the Group's equity elements during the reporting year are presented in a breakdown by legal title in the following table.

Data in MHUF

Description	Registered capital	Capital reserve	Retained earnings	Non-distributable reserve	Profit/loss for the year	Change in subsidiaries' equity	Changes due to consolidation		Changes in value of investments in associates	Investments of external members	Total
							From debt consolidation difference	From intragroup profit/loss difference			
<i>Equity in 2014</i>	22 000	119 827	-86 034	10 118	49 127	15 955	2 341	-26 081	2 587	0	109 840
Prior year's profit/loss for the previous year			61 542		-49 127	-13 876	-2 287	3 581	167		0
Merger of consolidated subsidiary into parent company		1 268	-2 027			282		477			0
Merger of non-consolidated subsidiary into parent company			-194								-194
Asset settlement		-1 940									-1 940
Non-distributable reserves related to formation-reorganisation, reversed			1	-1							0
Non-distributable reserves related to research and development, reversed			103	-103							0
Development reserve created			-408	408							0
Development reserve released			1 287	-1 287							0
Allocated reserve related to unrealised FX losses, released			2 730	-2 730							0
Profit/loss for the year					39 554						39 554
<i>Equity in 2015</i>	22 000	119 155	-23 000	6 405	39 554	2 361	54	-22 023	2 754	0	147 260

24. Table: Changes in equity

The equity of the MÁV Group was decreased to the tune of HUF 1,940 million by the asset settlement of 2015, during which – in accordance with Act CVI of 2007 on State Property – the value of asset items transferred to state ownership was recognised as a decrease in capital reserves.

Data in MHUF

Title of allocated reserve	Opening balance	Increase owing to change in circle	Adjustments to previous years	Released in the reporting year	Created in the reporting year	Closing balance
Reserve for remediation of environmental damage	0	0	0	0	0	0
Difference between provisions for unrealised FX losses on FX loans and deferred expenses	7 987	0	0	-2 730	0	5 257
Amount not yet written off of capitalised value of foundation/restructuring	2	0	0	-1	0	1
Amount not yet written off of capitalised value of research and development	562	0	0	-103	0	459
Development reserve	1 567	0	0	-1 287	408	688
<i>Total:</i>	<i>10 118</i>	<i>0</i>	<i>0</i>	<i>-4 121</i>	<i>408</i>	<i>6 405</i>

25. Table: Changes in the non-distributable reserve

## II.1.6 Provisions made and provisions released

### II.1.6.1 Changes in provisions during 2015

At group level, the closing value of provisions on the balance sheet is HUF 45,919 million, of which provisions for contingent liabilities were HUF 28,356 million, provisions for future costs were HUF 9,501 million, and other provisions were HUF 8,062 million.

Data in MHUF

Description	Provision for expected liabilities	Provision for future costs	Provision for unrealised FX losses	Total
<b>Opening provisions</b>	<b>26 440</b>	<b>5 302</b>	<b>9 377</b>	<b>41 119</b>
Merger of non-consolidated company	127	0	0	127
Released in 2015	6 509	795	1 481	8 785
Made in 2015	8 298	4 994	166	13 458
<b>Closing provisions</b>	<b>28 356</b>	<b>9 501</b>	<b>8 062</b>	<b>45 919</b>

26. Table: Changes in provisions shown in the balance sheet

### II.1.6.2 Provision made for contingent liabilities

The closing volume in 2015 of provisions for contingent liability was HUF 28,356 million at the level of the MÁV Group. The most substantial items included the provisions for environmental protection liabilities, annuity payment liabilities, liabilities resulting from the termination of employment, and for cases under litigation.

Data in MHUF

Provision for contingent liabilities	Opening	Merger of non-consolidated company	Released in 2015	Made in 2015	Closing
Provisions for environmental liabilities	8 715	0	1 389	3 181	10 507
Provisions for contribution liabilities	7 313	0	517	524	7 320
Provisions for cases under litigation	2 335	0	518	1 966	3 783
Provisions for liabilities relating to termination of employment	3 715	0	2 565	1 392	2 542
Provisions for liabilities relating to uniforms	1 155	0	157	831	1 829
Provisions for premiums payable	2 006	0	833	15	1 188
Provisions for loss occurrences	523	0	131	90	482
Provisions for late payment interest liabilities	248	0	120	215	343
Provisions for guarantee obligations provided for in contracts	168	0	158	77	87
Provisions for extraordinary weather conditions in 2010	53	0	53	0	0
Provisions for NKH supervisory fee	49	0	49	0	0
Provisions generated under other legal titles	160	127	19	7	275
<b>Total:</b>	<b>26 440</b>	<b>127</b>	<b>6 509</b>	<b>8 298</b>	<b>28 356</b>

27. Table: Provisions made for expected liabilities

Changes in the provisions made for environmental liabilities are discussed in detail in section “III.3.1. *Environmental liabilities*”.

MÁV Zrt. has been insured against accidental damages to passengers and accidents suffered by its employees for reasons attributable to the Company since 8 May 2006. Before the insured years, MÁV Zrt. had been liable for any accident suffered and the damages were paid typically as annuities. Because, owing to the nature of annuities, these payments are not precisely quantifiable for MÁV Zrt., yet they nevertheless qualify as certain future commitments, provisions were made for these liabilities in the amount of HUF 1,894 million in 2010, HUF 1,189 million in 2011, HUF 5,042 million in 2012, HUF 597 million in 2013, HUF 232 million in 2014 and HUF 524 million in 2015. Moreover, with a view to annuity payments an amount of HUF 517 million was reused from provisions.

According to a decision delivered on 29 January 2016, the appellate court (DC Circuit) referred the Holocaust case back to the District Court. The plaintiffs did not quantify their claims, expenses may be estimated following the status conference, therefore, making a provision is not justified. The defendants submitted a response deed in relation to the plaintiffs’ request for a repeated trial on 21 March 2016. On 24 March 2016 DC Circuit brought its order refusing to accept the plaintiffs’ petition for repeated trial.

Pursuant to decrees issued by the Ministry of National Development part of the premium for years 2013 and 2014 was paid to employees not covered by the provisions of Section 208 (1)-(2) of the Labour Code while the provision made for the unpaid part remained in the portfolio of provisions. The performance in 2015 was not rewarded by bonuses, therefore, no provisions were made.

### II.1.6.3 Provision made for future costs

The closing volume of provisions set aside for future costs was HUF 9,501 million at the level of the MÁV Group. The two largest items were the provisions set aside for demolition costs and maintenance costs.

Data in MHUF

Provisions for future expenses	Opening	Merger of non-consolidated company	Released in 2015	Made in 2015	Closing
Provisions for maintenance costs	3 611	0	272	4 570	7 909
Provisions for demolition costs	1 691	0	523	424	1 592
<b>Total:</b>	<b>5 302</b>	<b>0</b>	<b>795</b>	<b>4 994</b>	<b>9 501</b>

28. Table: Provisions made for future costs

The railway network operated by 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 network parts require higher and cyclically incurred maintenance expenses for a partly different technical content. In order to align the funds provided based on the rail track operation agreement at nearly the same pace with the cyclical demand for maintenance funds, the Company made a provision at the end of 2015.

Similarly to the railway track network the rolling stock also requires maintenance at regular intervals; accordingly provision was set aside from the reporting year's profit in a total amount of HUF 859 million to cover the (time-) proportionate part of the periodically incurred maintenance costs for the TRAXX locomotives and the FLIRT motor coaches.

During the reporting year the Company reviewed the assets for which provisions for demolition were made in previous years. As a result of the review, provisions were released in the amount of HUF 473 million for assets that cannot be demolished for various reasons, and used in the amount of HUF 50 million for work already performed. Provision was made in an amount of HUF 424 million for the disassembly of carriages withdrawn from service.

### II.1.6.4 Other provisions

The balance sheet line item "other provisions" shows the provision for FX losses on project and development loans as presented below:

Data in MHUF

Other provisions	Opening	Merger of non-consolidated company	Released in 2015	Made in 2015	Closing
Provisions for FX loss on currency loans for investment and development	9 377	0	1 481	166	8 062
<b>Total:</b>	<b>9 377</b>	<b>0</b>	<b>1 481</b>	<b>166</b>	<b>8 062</b>

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

On 31 December 2015, HUF 827,475 million was recognised as long-term liabilities against HUF 800,416 million of treasury assets shown in MÁV Zrt.'s balance sheet; in addition, HUF 1.124 million in short-term liabilities were recognised, as presented in the table below:

Data in MHUF

<b>Liabilities related to managed state-owned assets</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>
Long-term liabilities related to managed state-owned assets	719 782	800 416	80 634
Compensation obligation	27 071	27 059	- 12
<b>Long-term liabilities related to managed state-owned assets, in total</b>	<b>746 853</b>	<b>827 475</b>	<b>80 622</b>
Balance of settlement against the Hungarian State Treasury related to capital projects	45	696	651
of which: - treasury investment invoices submitted to the treasury in the current year	- 5 412	- 21 954	- 16 542
- payments made by the treasury in the current year,	6 162	22 605	16 443
Liabilities from subsidies funded by the beneficiary	7	543	536
Use of materials from the disassembly of managed state-owned assets for maintenance and reconstruction	- 70	- 115	- 45
<b>Short-term liabilities related to managed state-owned assets, in total</b>	<b>- 18</b>	<b>1 124</b>	<b>1 142</b>
<b>Liabilities related to managed state-owned assets, in total</b>	<b>746 835</b>	<b>828 599</b>	<b>81 764</b>

30. Table: Changes in liabilities relating to managed state-owned assets

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

Data in MHUF

<b>Compensation liability accounted from the date the amendment to the Act on State Property took effect (28 June 2013)</b>	<b>2014</b>	<b>2015</b>	<b>Change</b>
<b>Opening balance of compensation liability</b>	<b>22 516</b>	<b>27 071</b>	<b>4 555</b>
Ordinary amortisation recognised	-2	0	2
Extraordinary depreciation	4 557	0	-4 557
of which - NIF projects taken over in 2014	4 557	0	-4 557
Capital projects and renovations related to managed state-owned assets financed from own funds (-)	0	-12	-12
<b>Balance of compensation liability accounted after the amendment to the Act on State Property took effect, in accordance with the rules in effect before 28 June 2013</b>	<b>4 555</b>	<b>-12</b>	<b>-4 567</b>
Recognised budgeted depreciation	32 733	43 702	10 969
Extraordinary depreciation	11 467	4 272	-7 195
of which - NIF projects transferred in 2014	10 962	0	-10 962
- from scrapped capital project assets and tangible assets	505	4 277	3 772
- extraordinary depreciation of capital projects related to managed state-owned assets	0	-5	-5
Net value of missing managed state-owned assets	1 321	1	-1 320
Net value of scrapped managed state-owned assets when derecognised	509	386	-123
Materials recovered from the scrapping of managed state-owned assets (-)	-607	-591	16
Waiving the compensation obligation (-)	-45 423	-47 770	-2 347
<b>Balance of compensation liability accounted after the amendment to the Act on State Property took effect, in accordance with the rules in effect after 27.06.2013</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Closing balance of compensation liability</b>	<b>27 071</b>	<b>27 059</b>	<b>-12</b>
Use of materials from the disassembly of managed state-owned assets for maintenance and reconstruction	0	0	0
<b>Liabilities related to the decrease in managed state-owned assets, in total</b>	<b>27 071</b>	<b>27 059</b>	<b>-12</b>

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

## II.1.7.2 The MÁV Group's subordinated liabilities

Only the passive equity consolidation difference is presented among MÁV Group's subordinated liabilities, as prescribed in Annex 6 to the Accounting Act. For details see subsection II.1.1.6.

## II.1.7.3 The MÁV Group's long-term loans

The Group's long term credits and loans as well as their repayment schedule are presented in the following tables.

Description of loan	Date of agreement	Agreement expiry date	Government guarantee (No. of Govt. Decr.)	Currency	Amount of loan agreement	Outstanding loan portfolio	
						in Th FX	HUF million
Investment loans							
EUROFIMA 11	12.31.2003	12.17.2018	1036/2003.,1027/2008.	EUR	35	35 000	10 959
EUROFIMA 13 b	10.3.2006	4.7.2016	1113/2005.,1027/2008.	EUR	35	35 000	10 960
EUROFIMA 13 d	11.30.2007	4.7.2016	1113/2005	EUR	17	17 400	5 449
Raiffeisen Bank Zrt. HUF 9.209 billion	4.26.2006	4.21.2016	1113/2005	HUF	9 209	0	229
OTP Bank Nyrt. (10 Talent units)	3.23.2006	12.31.2016	-	EUR	45	3 711	1 162
CA-CIB Konzorcium (30 Flirt units)	3.22.2006	6.16.2020	-	EUR	145	56 583	17 717
Raiffeisen Bank Zrt. (+30 Flirt units)	9.25.2007	11.28.2021	-	EUR	142	72 475	22 693
Raiffeisen H-23/2008.	4.26.2006	4.21.2016	1113/2005.,1027/2008.	HUF	400		61
Raiffeisen H-91/2008.	12.23.2008	12.23.2018	-	HUF	3 000		1 091
Unicredit-MFB loan	9.10.2008	12.31.2023	-	HUF	2 376		1 246
KFW (TRAXX)	12.3.2009	5.15.2024	-	EUR	41	28 178	8 823
EIB (TRAXX)	12.3.2009	5.15.2024	-	EUR	38	26 010	8 144
MFB	10.27.2009	9.30.2024	-	HUF	2 800		1 722
Total:							90 256
Operating loans							
MFB Zrt. HUF 6.2 billion	12.27.2012	12.27.2016	1546/2012	HUF	6 200		1 908
MFB Zrt. HUF 6.8 billion	12.27.2012	12.27.2016	1546/2012	HUF	6 800		2 092
MFB Zrt. HUF 7.0 billion	12.27.2012	12.27.2017	1546/2012	HUF	7 000		3 294
Total:							7 294
Entrepreneurial loans							
Central traffic coordination system in Szeged - PROLAN	8.10.2007	6.27.2019	-	HUF	1 870		760
Central traffic coordination system in the South-Balaton area - PROLAN	5.20.2010	11.18.2016	-	HUF	2 260		452
Total:							1 212
Grand total:							98 762

Of the amount shown in the table of investment loans HUF 28 273 million, of operational credit facilities HUF 5 647 million is presented as short-term credit, , and HUF 686 million of entrepreneurial loans are presented as short-term loans in the balance sheet.

32. Table: The Group's long term credits and loans

Data in MHUF

Description of loan	2016	2017	2018	2019 and after	Total
<b>Investment loans</b>					
EUROFIMA 11	0	0	10 959	0	10 959
EUROFIMA 13 b	10 960	0	0	0	10 960
EUROFIMA 13 d	5 449	0	0	0	5 449
Raiffeisen Bank Zrt. HUF 9.209 billion	229	0	0	0	229
OTP Bank Nyrt. (10 Talent units)	1 162	0	0	0	1 162
CA-CIB Konzorcium (30 Flirt units)	3 937	3 937	3 937	5 906	17 717
Raiffeisen Bank Zrt. (+30 Flirt units)	3 855	3 855	3 855	11 128	22 693
Raiffeisen H-23/2008.	61	0	0	0	61
Raiffeisen H-91/2008.	273	364	454	0	1 091
Unicredit-MFB hitel	155	156	157	778	1 246
KFW (TRAXX)	1 038	1 038	1 038	5 709	8 823
EIB (TRAXX)	958	958	958	5 270	8 144
MFB	196	196	196	1 134	1 722
<b>Total:</b>	<b>28 273</b>	<b>10 504</b>	<b>21 554</b>	<b>29 925</b>	<b>90 256</b>
<b>Operating loans</b>					
MFB Zrt. HUF 6.2 billion	1 908	0	0	0	1 908
MFB Zrt. HUF 6.8 billion	2 092	0	0	0	2 092
MFB Zrt. HUF 7.0 billion	1 647	1 647	0	0	3 294
<b>Total:</b>	<b>5 647</b>	<b>1 647</b>	<b>0</b>	<b>0</b>	<b>7 294</b>
<b>Entrepreneurial loans</b>					
Central traffic coordination system in Szeged - PROLAN	234	234	234	58	760
Central traffic coordination system in the South-Balaton area - PROLAN	452	0	0	0	452
<b>Total:</b>	<b>686</b>	<b>234</b>	<b>234</b>	<b>58</b>	<b>1 212</b>
<b>Grand total:</b>	<b>34 606</b>	<b>12 385</b>	<b>21 788</b>	<b>29 983</b>	<b>98 762</b>

33. Table: The schedule of the repayment of the Group's long term credits and loans

## II.1.7.4 Lease liabilities

The MÁV Group has no finance lease liabilities.

## II.1.7.5 Other short-term liabilities

Other short-term liabilities are presented in the following table in a breakdown by legal title.

Description	2014		2015		Change
	Amount	Distribution	Amount	Distribution	
Amounts payable to central budget and local governments	6 505	26.5%	9 125	28.5%	2 620
Wages and salaries	6 373	26.0%	6 490	20.3%	117
Other liabilities deducted from employees	290	1.2%	331	1.0%	41
Cost reimbursement residue	8 986	36.6%	13 784	43.0%	4 798
Liabilities to the Treasury	1 786	7.3%	1 410	4.4%	-376
Received investments not invoiced, late penalty, collaterals provided	196	0.8%	292	0.9%	96
Liabilities based on authorities' decisions	1	0.0%	0	0.0%	-1
Other liabilities	403	1.6%	613	1.9%	210
<b>Other short-term liabilities, total</b>	<b>24 540</b>	<b>100.0%</b>	<b>32 045</b>	<b>100.0%</b>	<b>7 505</b>

34. Table: The composition of other short-term liabilities

## II.1.8 Accrued expenses and deferred income

Data in MHUF			
Description	2014	2015	Change
Prepaid income			
INVITEL Kft. other prepaid income	9 738	9 444	-294
Prepaid income invoiced in advance	202	137	-65
Other prepaid income	727	670	-57
Prepaid income	10 667	10 251	-416
Accrued expenses			
RIC carriage rental	3 126	3 241	115
International railways traction cost	881	609	-272
Accrued expenses not invoiced for	615	1 004	389
Accrued amounts of invoices under certification	439	877	438
Trade creditor type account of transports of commodities not settled for	312	476	164
Accrued interests	267	42	-225
Late-payment interest, penalty and damages	0	122	122
Accrued other expense	430	440	10
Accrued expenses	6 070	6 811	741
Deferred income			
EU funds and government subsidies	27 414	86 198	58 784
Accrued liabilities arising from asset acquisitions assumed by the government	15 106	12 239	-2 867
Other non-repayable cash received from the government	9 724	10 447	723
Reimbursement for renovation of assets owned by MÁV	1 092	3 116	2 024
Surplus of tangible and intangible assets	548	623	75
Phare aid for development	450	440	-10
Non-repayable amounts received from local governments and from businesses	127	123	-4
Subsidy won in application schemes	116	102	-14
Tangible and intangible assets received free of charge and as gifts	173	90	-83
Other deferred income	1	1	0
Deferred income	54 751	113 379	58 628
Total	71 488	130 441	58 953

35. Table: Breakdown of accrued expenses and deferred income

The main reason for the HUF 58,953 million increase of accrued expenses and deferred income, nearly exclusively in the deferred income category, was the closure of MÁV-START Zrt's motor coach Projects in 2015 and the receipt of the relevant amounts of subsidies (HUF 55,686 million).

## **II.1.9 Off-balance sheet liabilities**

### **II.1.9.1 Hedging transactions**

Financial market risks related to MÁV Group's activity are part of the Group's business operations. Such risks are actively mitigated by hedging transactions.

MÁV Zrt.'s FX balance at the end of 2015, expressed in EUR and in HUF based on EUR, showed a deficit of EUR 57,666 thousand.

The Group's total FX deficit denominated in euros amounted to EUR 111,998 thousand – including the FX debt service relating to the motor coaches.

The budgeted FX loss was hedged by forward transactions in the amount of EUR 3,060 thousand, swap transactions in the amount of EUR 5,000 thousand and spot purchases in the amount of EUR 84,220 thousand. The Group arranged for the conclusion of one transaction in the amount of EUR 120 thousand that spanned over to 2016. The transaction was closed in January 2016. (The rest of the loss was financed by other FX inflows.)

The necessary FX cash flow was secured through the above transactions at exchange rates more favourable than the MNB exchange rate (of 310.64 HUF/EUR, weighted average).

A total of eleven FX hedge transactions were concluded during the business year up to a total amount of EUR 1,280 thousand with the aim of mitigating the Group's EUR-based risk exposure (in essence: office block rental). All but one items were closed and settled in 2015.

In response to the plummeting gasoline prices the MÁV Group concluded commodity hedging transactions for an amount of 4.6 million litres, covering 17% of its total exposure. The purpose of the conclusion of the transactions was to protect the year 2015 price assumed in the budget (197.9 HUF/l net purchase price of gasoline), against a potential increase in gasoline prices. A total of 17% of the exposure was successfully covered by the transactions below the assumed budget price, nonetheless, a loss was made from the aspect of financial settlement as a consequence of the trends dominating the oil market (falling oil prices). As a result of the low oil prices the Group saved funds on the cost side of gasoline procurement prices, consequently the break-even price level secured by the transactions was realised.

During the business year the Group concluded thirteen commodity hedging transactions in a total amount of HUF 503.4 million with the aim of mitigating the risk stemming from changes (increase) in the gasoline prices. Each of the items was closed and settled in 2015.

To provide for the hedging of gasoline prices next year, in November 2015 the Group concluded further commodity hedging transactions, covering 65% of its budgeted gasoline exposure. The transactions mitigate the risks stemming from gasoline price increases in 2016, with equal monthly transaction quantities and forward prices.

No hedging transactions were concluded by the Group in 2015 for risks stemming from changes in interest rates.

The profit and loss and cash flow effect of hedging contracts concluded in 2015 and known until the balance sheet preparation date are shown in the table below.

## II.1.9.2 Forward and option contracts closed

		Data in MHUF	
Transaction type		Effect on profit/loss*	Effect on cash flow*
Clearing transactions	Forward	8	8
	Swap	-7	-7
	Option	-33	-33
	<b>Total:</b>	<b>-31</b>	<b>-31</b>
Delivery transactions	Forward	-1	-1
	Swap	16	16
	Option	0	0
	<b>Total:</b>	<b>15</b>	<b>15</b>
<b>Grand total:</b>		<b>-16</b>	<b>-16</b>
of which	Hedging	-16	-16
	Non-hedging	0	0
	<b>Total</b>	<b>-16</b>	<b>-16</b>
of which	Stock exchange	0	0
	OTC	-16	-16
	<b>Total</b>	<b>-16</b>	<b>-16</b>

\*Note: The profit/loss and cash-flow impact of the FX transactions were calculated on the basis of the bank's settlement rate applied at maturity, while in the case of commodity transactions the same is calculated on the basis of the settlement price.

36. Table: Forwards and options closed in 2015

### II.1.9.3 Forward, swap and option contracts in 2015

Ser. No.	Transaction price	Quantity (mt)*	Period	Date of settlement	Closing price**	Profit (MHUF)***	Settlement method	Comment
1.	143 150 HUF	1 750	01.01.2016 – 31.01.2016	2.5.2016	82 470 Ft	-106	Clearing	Forward transaction
2.	143 150 HUF	1 750	01.02.2016 – 29.02.2016	3.7.2016	84 153 Ft	-103	Clearing	Forward transaction
3.	143 150 HUF	1 750	01.03.2016 – 31.03.2016	4.7.2016	98 400 Ft	-78	Clearing	Forward transaction
4.	143 150 HUF	1 750	01.04.2016 – 30.04.2016	5.6.2016	-	-	Clearing	Forward transaction
5.	143 150 HUF	1 750	01.05.2016 – 31.05.2016	6.7.2016	-	-	Clearing	Forward transaction
6.	143 150 HUF	1 750	01.06.2016 – 30.06.2016	7.7.2016	-	-	Clearing	Forward transaction
7.	143 150 HUF	1 750	01.07.2016 – 31.07.2016	8.5.2016	-	-	Clearing	Forward transaction
8.	143 150 HUF	1 750	01.08.2016 – 31.08.2016	9.7.2016	-	-	Clearing	Forward transaction
9.	143 150 HUF	1 750	15.09.2016 – 30.09.2016	10.7.2016	-	-	Clearing	Forward transaction
10.	143 150 HUF	1 750	01.10.2016 – 31.10.2016	11.8.2016	-	-	Clearing	Forward transaction
11.	143 150 HUF	1 750	01.11.2016 – 30.11.2016	12.7.2016	-	-	Clearing	Forward transaction
12.	143 150 HUF	1 750	01.12.2016 – 31.12.2016	1.6.2017	-	-	Clearing	Forward transaction

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

\*Quantities in metric tons: 1 metric ton = 1184 litres

\*\*Arithmetic average of the daily settlement prices of the given period

\*\*\*Difference between the rate upon closure and the rate applied at the time of the transaction, times the quantity of the Period concerned.

37. Table: Forward, swap and option contracts in 2015

Item No.	Transaction	Purchase leg	Currency	Selling leg	Currency	Settlement date	Transaction price	Forward transaction price	Profit or loss (HUF)
1.	3.26.2015	120 000	EUR	36 414 000	HUF	1.4.2016	299,67	303,45	1 160 400

38. Table: FX forward deals open at the cut-off date

## II.1.9.4 Joint and several liability and guarantee contracts

The MÁV Group's guarantee contracts as at 31 December 2015 are shown in the table below.

Company name	Type of guarantee	Contracting party	Guarantee start date	Guarantee end date	Amount of guarantee in EUR	Amount of guarantee in MHUF
<b>Bank guarantees</b>						
National Tax And Customs Administration SZ-SZ-B County Customs and Excise Guard Directorate	payment bank guarantee	K&H Bank Zrt.	3.18.2011	5.17.2016	-	30
Ministry of National Development	payment bank guarantee	OTP Bank Nyrt.	11.2.2015	10.31.2016	-	1 198
National Tax And Customs Administration	payment bank guarantee	OTP Bank Nyrt.	12.12.2015	12.11.2016	-	300
National Transport Authority	payment bank guarantee	OTP Bank Nyrt.	4.27.2009	12.31.2016	-	1 000
National Transport Authority	payment bank guarantee	KDB Bank Zrt.	1.1.2013	12.31.2016	-	150
National Transport Authority	payment bank guarantee	KDB Bank Zrt.	1.1.2013	12.31.2016	-	5
Hungarian Trade Licensing Office	payment bank guarantee	KDB Bank Zrt.	10.26.2010	6.30.2017	-	6
National Transport Authority	payment bank guarantee	KDB Bank Zrt.	1.1.2014	12.31.2017	-	1 100
National Transport Authority	payment bank guarantee	KDB Bank Zrt.	7.1.2011	12.31.2017	-	10
<b>Bank guarantees provided, total:</b>					<b>0</b>	<b>3 799</b>
<b>Good performance guarantees</b>						
Slovenian Railways	Good performance	K&H Bank Zrt.	7.14.2014	1.10.2018	80 000	25
<b>Good performance guarantees, total:</b>					<b>80 000</b>	<b>25</b>
<b>Grand total of guarantees provided:</b>					<b>80 000</b>	<b>3 824</b>

39. Table: Guarantee contracts in effect at the cut-off date

## II.1.9.5 Lien and other off-balance sheet liabilities

Description of loan	Available facility as at 31.12.2015 (MHUF)	Collateral
EUROFIMA 11	10 959	Rolling stock
EUROFIMA 13 b	10 960	Rolling stock
EUROFIMA 13 d	5 449	Rolling stock
OTP Bank Nyrt (10 units of Talent financing)	1 162	Rolling stock
CA-CIB Konzorcium (30 units of Flirt financing)	17 717	Rolling stock
Raiffeisen Bank Zrt. (+30 units of Flirt financing)	22 693	Rolling stock
EIB (TRAXX)	8 144	Rolling stock
KFW (TRAXX)	8 823	Rolling stock
UniCredit - MFB	1 246	Rolling stock
Raiffeisen - H-91/2008.	1 091	Rolling stock
MFB	1 722	Rolling stock
<b>Total:</b>	<b>89 967</b>	

40. Table: Loans secured with lien

Lien has been placed on 10 Talent motor coaches for OTP Bank, on 30 Flirt coaches for Crédit Agricole Corporate and Investment Bank, and on 30 additional Flirt coaches for Raiffeisen as lenders on the basis of the loan agreements concluded with each of these banks.

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

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

In addition to CHF 18.2 million of EUROFIMA's registered share capital held by MÁV Zrt., EUROFIMA guarantees in an additional amount equalling the share capital holding of CHF 18.2 million the rolling stock financing arrangement in accordance with Article 26 of EUROFIMA's Articles of Incorporation. This guarantee can only be called if both the railway company and the shareholder state guaranteeing the loan fails to pay, and the guarantee fund specified in Article 29 of EUROFIMA's Articles of Incorporation (CHF 673,5 million according to the 2014 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.

The engines relating to the EUROFIMA loans are encumbered with a lien. The EIB and KFW loans for the procurement of the 25 TRAXX locomotives are secured with a lien on the TRAXX locomotives.

## II.1.9.6 Interests and similar charges payable in the future

Data in MHUF

Description of loan	2016	2017	2018	2019 and after	Total
<b>Investment loans</b>					
EUROFIMA 11	15	34	34	0	83
EUROFIMA 13 b	2	0	0	0	2
EUROFIMA 13 d *	-1	0	0	0	-1
Raiffeisen Bank Zrt. HUF 9.209 billion	1	0	0	0	1
OTP Bank Nyrt. (10 Talent units)	7	0	0	0	7
CA-CIB Konzorcium (30 Flirt units)	190	158	108	66	522
Raiffeisen Bank Zrt. (+30 Flirt units)	247	222	173	223	865
Raiffeisen H-23/2008.	0	0	0	0	0
Raiffeisen H-91/2008.	42	32	17	0	91
Unicredit-MFB hitel	46	46	44	102	238
KFW (TRAXX)	387	349	302	783	1 821
EIB (TRAXX)	143	136	118	311	708
MFB	89	87	83	225	484
<b>Total:</b>	<b>1 168</b>	<b>1 064</b>	<b>879</b>	<b>1 710</b>	<b>4 821</b>
<b>Operating loans</b>					
MFB Zrt. HUF 6.2 billion	56	0	0	0	56
MFB Zrt. HUF 6.8 billion	59	0	0	0	59
MFB Zrt. HUF 7.0 billion	115	49	0	0	164
<b>Total:</b>	<b>230</b>	<b>49</b>	<b>0</b>	<b>0</b>	<b>279</b>
<b>Entrepreneurial loans</b>					
Central traffic coordination system in Szeged - PROLAN	22	17	9	1	49
Central traffic coordination system in the South-Balaton area - PROLAN	21	0	0	0	21
<b>Total:</b>	<b>43</b>	<b>17</b>	<b>9</b>	<b>1</b>	<b>70</b>
<b>Grand total:</b>	<b>1 441</b>	<b>1 130</b>	<b>888</b>	<b>1 711</b>	<b>5 170</b>

\* negative interest

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

## II.1.9.7 Major operating lease contracts concluded by the Group, in effect at the cut-off date

Contracting party (lessor)	Subject of the contract	Date of contract	Expiry of contract	Contracted amount (MHUF/month)	Amount not recognised until the cut-off date (million HUF)
Forse Kft.	Providing accommodation for workers	4.7.2012	4.6.2016	7	22
MKB Euroleasing	Vehicle lease MÁV	2.6.2012	6.5.2016	10	50
Porsche Lízing és Szolgáltató Kft.	Long term lease of (6+2 units of) light commercial vehicles not exceeding 3.5 t total weight and operation of the fleet system	04.10.2011	10.4.2016	1	10
Porsche Lízing és Szolgáltató Kft.	Vehicle lease	04.10.2011	10.4.2016	12	101
Raiffeisen Real Estate Fund	Budapest, Könyves K.54-60	2.28.2009	5.6.2017	89	1 691
Porsche Lízing és Szolgáltató Kft.	Long term lease of passenger cars and freight vehicles	03.10.2011	10.3.2017	10	204
Porsche Lízing és Szolgáltató Kft.	Vehicle lease MÁV	10.3.2011	10.3.2017	78	1 638
Deutsche Leasing Hungaria Kft.	8 units of Desiro motor coaches	24.09.2008	2.28.2029	19	3 050
Magyar Telekom Nyrt	Mutual infrastructure service provider master agreement No.: 67103-743999/2004.	9.30.2004	indefinite period of time	25	n/a
SIPOS CAR Kft.	Long term lease of passenger cars and freight vehicles	04.01.2010	indefinite period of time	13	n/a
Invitel Zrt.	Mutual infrastructure contract, No.: IR/1089-05/2005.	6.26.2005	indefinite period of time	3	n/a
GYŐR-SOPRON-ÉBENFURTI VASÚT ZRT.	Telecom assets, equipment and premises commissioned	9.30.2013	indefinite period of time	1	n/a
Other contracts in total		26.03.1969 more than one contract	definite/ indefinite period of time	6	24
<b>Total:</b>				274	6 790

42. Table: Major operating lease contracts in effect at the cut-off date

## II.2 SUPPLEMENTS TO THE PROFIT AND LOSS STATEMENT

### II.2.1 Net sales revenue broken down by activity

Data in MHUF

Activity	2014		2015		Change
	Amount	Distribution	Amount	Distribution	
Passenger transport	59 909	43%	60 187	43%	278
Railtrack operations	31 255	22%	34 396	25%	3 141
Passenger transport ticket subsidy	19 946	14%	19 128	14%	-818
Traction, shunting	15 746	11%	14 584	11%	-1 162
Property lease and management, supervision and demolition	4 691	3%	1 822	1%	-2 869
Repair, manufacture, operation, maintenance and keeping records of machines and vehicles	2 825	2%	2 992	2%	167
Freight transport, loading and logistics service	2 208	2%	1 532	1%	-676
Sale of materials, goods and finished products	1 284	1%	1 019	1%	-265
Security service	879	1%	860	1%	-19
Machinery, equipment, vehicles rental	493	0%	397	0%	-96
IT services	488	0%	0	0%	-488
Other services	1 186	1%	1 522	1%	336
<b>Total:</b>	<b>140 910</b>	<b>100%</b>	<b>138 439</b>	<b>100%</b>	<b>-2 471</b>

43. Table: Changes in net sales revenue

In 2015 the MÁV Group's sales revenue from passenger transport remained at the base level. The downward trend of the recent years in consumer price subsidies has continued.

A significant internal re-structuring of revenues resulted from the rental and operation of real properties that serve rail track operations. Therefore, a large portion of the revenues from property rentals and intermediated energy services appears as an increase in the operation of the track network – in an amount of HUF 3,141 million after consolidation – and as a decrease in the revenue from real property rentals, in an amount of HUF 2,869 million.

The consolidated sales revenue from traction and shunting services dropped by HUF 1,162 million as a consequence of the loss of performance resulting from the emergency actions relating to railway terminal *Déli pályaudvar* between 31.01.2015 and 03.04.2015.

## II.2.2 Export and import sales revenue

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

Data in MHUF

Country	2014				2015			
	Export		Import		Export		Import	
	Product	Service	Product	Service	Product	Service	Product	Service
Austria	34	5 937	4 864	2 897	18	5 923	5 071	2 571
Belgium	0	17	7	28	0	19	41	20
Bulgaria	0	35	13	0	0	24	17	0
Cyprus	0	0	0	0	0	0	0	0
Czech Republic	0	1 785	3 501	37	15	1 875	4 036	53
Denmark	0	10	27	11	0	11	3	0
Estonia	0	0	0	0	0	0	0	0
Finland	0	10	3	0	0	9	1	0
France	0	501	121	103	0	526	79	68
Greece	0	0	0	0	0	0	8	27
Netherlands	0	455	8	42	0	535	1	11
Croatia	0	183	190	0	0	201	193	0
Ireland	0	4	1	1	0	4	0	3
Poland	0	193	496	3	0	146	361	0
Latvia	0	0	0	0	0	0	0	0
Lithuania	0	0	0	0	0	0	1	0
Luxembourg	0	2	0	8	0	2	1	0
Malta	0	0	0	0	0	0	0	0
Great Britain	0	14	134	0	0	20	37	0
Germany	0	2 442	1 660	1 320	0	2 414	2 522	1 378
Italy	0	23	19	14	37	10	16	12
Portugal	0	8	2	0	0	5	6	2
Romania	0	2 067	1 883	680	0	1 934	1 771	370
Spain	0	23	16	24	0	18	10	40
Sweden	0	56	16	0	0	99	48	0
Slovakia	380	2 025	1 227	345	345	2 154	1 394	13
Slovenia	0	204	51	22	0	273	100	26
<b>EU countries total:</b>	<b>414</b>	<b>15 994</b>	<b>14 239</b>	<b>5 535</b>	<b>415</b>	<b>16 202</b>	<b>15 717</b>	<b>4 594</b>
Albania	0	0	0	0	0	0	0	0
Australia	0	0	0	0	0	0	0	0
Bosnia and Herzegovina	0	2	1	0	0	0	0	0
United States	0	0	0	28	0	0	0	27
Belarus	0	0	0	0	0	0	2	0
Canada	0	0	0	0	0	0	0	0
Kazakhstan	0	0	0	0	0	0	0	0
Macedonia	0	1	0	0	0	2	0	0
Moldova	0	0	0	0	0	0	71	0
Montenegro	0	0	1	0	0	1	3	0
Norway	0	10	3	0	0	9	3	0
Russia	0	12	23	4	0	6	94	3
Switzerland	0	747	340	14	0	1 045	358	9
Serbia	0	225	373	27	0	193	296	13
Turkey	0	15	2	0	88	9	1	0
Turkmenistan	0	0	0	0	0	0	0	0
Ukraine	0	57	62	8	0	39	34	13
Uzbekistan	0	0	0	0	0	0	0	0
Other	0	0	0	0	47	0	0	1
<b>Non-EU Member States, total:</b>	<b>0</b>	<b>1 069</b>	<b>805</b>	<b>81</b>	<b>135</b>	<b>1 304</b>	<b>862</b>	<b>66</b>
<b>Grand total:</b>	<b>414</b>	<b>17 063</b>	<b>15 044</b>	<b>5 616</b>	<b>550</b>	<b>17 506</b>	<b>16 579</b>	<b>4 660</b>

44. Table: Changes in export and import by market segment

## II.2.3 Changes in material-type expenses

Data in MHUF

Description	2014		2015		Change
	Amount	Distribution	Amount	Distribution	
Material cost					
Operation, maintenance and other raw materials and consumables	26 418	20.8%	29 316	22.2%	2 898
Electricity for traction	14 822	11.7%	14 263	10.8%	-559
Fuel (for motors and heating)	11 405	9.0%	9 142	6.9%	-2 263
Public utility services (energy, gas, water)	7 764	6.1%	7 607	5.7%	-157
Working and protective clothing, mineral water	1 312	1.0%	463	0.3%	-849
Material costs, total:	61 721	48.6%	60 791	45.9%	-930
Services used					
Track operation and vehicle maintenance, other related services	16 648	13.1%	21 300	16.1%	4 652
Rental fees	14 823	11.7%	13 972	10.6%	-851
Sanitation costs	2 803	2.2%	2 469	1.9%	-334
Shipping and loading costs	2 646	2.1%	4 190	3.2%	1 544
IT service	2 256	1.8%	2 420	1.8%	164
Traction	2 032	1.6%	1 795	1.4%	-237
Postal, advertisement and market research costs	1 065	0.8%	1 353	1.0%	288
Other services used	6 134	4.8%	7 728	5.8%	1 594
Services used, total:	48 407	38.1%	55 227	41.7%	6 820
Other services					
Insurance premiums	1 157	0.9%	1 273	1.0%	116
Administrative fees, duties	1 621	1.3%	1 485	1.1%	-136
Banking charges, contributions	810	0.6%	696	0.5%	-114
Other services not specifically listed	26	0.0%	3	0.0%	-23
Other services, total:	3 614	2.8%	3 457	2.6%	-157
Cost of goods sold	9 569	7.5%	10 038	7.6%	469
Cost of services sold (intermediated)	3 595	2.8%	2 830	2.1%	-765
Material expenses in total:	126 906	100.0%	132 343	100.0%	5 437

45. Table: Changes in material-type expenses

## II.2.4 Changes in other gains

Data in MHUF

Description	2014		2015		Change
	Amount	Distribution	Amount	Distribution	
Income from intangible assets and tangible assets disposed	569	0.3%	1 261	0.6%	692
Reversed extraordinary depreciation of intangible and tangible assets	43	0.0%	897	0.4%	854
Reversal of impairment of long-term loans given	22	0.0%	90	0.0%	68
Reversal of impairment of inventories	11	0.0%	27	0.0%	16
Income from receivables sold	21	0.0%	1	0.0%	-20
Reversal of impairment on receivables	2 061	1.0%	1	0.0%	-2 060
Amounts received in respect of reduced receivables	285	0.1%	247	0.1%	-38
Damages received	447	0.2%	326	0.2%	-121
Late-payment interest received	167	0.1%	-45	0.0%	-212
Penalties received	628	0.3%	194	0.1%	-434
Release of provision for expected liabilities	11 363	5.5%	6 509	3.2%	-4 854
Release of provision for future costs	4 542	2.2%	795	0.4%	-3 747
Provision for unrealised FX losses	1 237	0.6%	1 481	0.7%	244
Release of deferred income due to costs and expenses reducing the operating profit	3 828	1.8%	5 096	2.5%	1 268
Non-refundable subsidies and transfers received to cover costs and expenses	182 001	87.5%	188 918	91.6%	6 917
Miscellaneous other income	831	0.4%	454	0.2%	-377
<b>Total:</b>	<b>208 056</b>	<b>100.0%</b>	<b>206 252</b>	<b>100.0%</b>	<b>-1 804</b>

46. Table: Changes in other gains

Main components of changes in other gains:

- As a consequence of the merger of MÁV LV Kft. into MÁV Zrt., in 2015 MÁV Zrt. carried out the task of assigning the rights taken over as a consequence of the merger to the relevant pieces of real property in its books and then it carried out an impairment loss test. The results of the test lead to the conclusion that there was no reason for recognising any extraordinary depreciation. Consequently, adequate returns from the usufruct rights are ensured even at a consolidated level, i.e. the reasons for the earlier recognition of extraordinary depreciation no longer exist and thus the HUF 891 million so recognised was reversed.
- In 2015, the release of provisions for future costs decreased by a significant extent because the provision for the depreciation of assets from capital projects implemented by Nemzeti Infrastruktúra Fejlesztő Zrt. was fully released in 2014 in the amount of HUF 3,686 million as the Company took over these assets for management. Therefore, no provisions were released in the current year under this title. For a detailed presentation of the release of provisions see subsection II.1.6.
- The amount of railtrack operation cost compensation recognised in respect of 2015 increased by HUF 3,731 million, while the amount of passenger transport cost compensation dropped by HUF 1,109 million compared to the basis period.

- Based on the accepted settlement of the railtrack operation cost compensation, the amount of reasonable profit is recognised in the reporting year as other gain, in an amount of HUF 3,716 million.
- In accordance with decision no. BM/762-8/2015. of the Interior Ministry and in line with Government Decree no. 375/2010. (XII. 31.), the authority agreement on subsidising the employment of 1,574 persons under the national public employment programme was signed in 2015 for the period between 09 March 2015 and 29 February 2016. The MÁV Group receives a subsidy of HUF 2 billion to implement the programme. Out of this amount, HUF 1,548 billion was used and accounted as other gain in the current period, HUF 340 million in excess of the corresponding figure of the basis period.

## II.2.5 Changes in other expenses

Data in MHUF

Description	2014		2015		Change
	Amount	Distribution	Amount	Distribution	
Expenses on intangible and tangible assets disposed	249	0.6%	357	1.4%	108
Expenses on intangible and tangible assets scrapped or missing	1 640	3.9%	-131	-0.5%	-1 771
Extraordinary depreciation of intangible and tangible assets	16 403	38.9%	4 376	17.3%	-12 027
Impairment of long-term loans granted	25	0.1%	0	0.0%	-25
Impairment and scrapping of inventories	678	1.6%	1 154	4.6%	476
Inventory deficits	25	0.1%	31	0.1%	6
Impairment of receivables	955	2.3%	631	2.5%	-324
Bad debts written off	23	0.1%	11	0.0%	-12
Book value of receivables sold	0	0.0%	0	0.0%	0
Losses from damages	2 545	6.0%	797	3.2%	-1 748
Late-payment penalty paid	-34	-0.1%	47	0.2%	81
Damages	79	0.2%	180	0.7%	101
Self-revision surcharge	19	0.0%	24	0.1%	5
Taxes and similar charges	3 485	8.3%	3 718	14.7%	233
Penalties	94	0.2%	80	0.3%	-14
Provision for expected liabilities	11 749	27.8%	8 298	32.8%	-3 451
Provision for future costs	2 039	4.8%	4 994	19.8%	2 955
Provision for unrealised FX losses	1 593	3.8%	166	0.7%	-1 427
Non-refundable subsidies and transfers provided to cover costs and expenses	440	1.0%	408	1.6%	-32
Various other expenses	208	0.5%	132	0.5%	-76
<b>Total:</b>	<b>42 215</b>	<b>100.0%</b>	<b>25 273</b>	<b>100.0%</b>	<b>-16 942</b>

47. Table: Changes in other expenses

### Main components of changes in other expenses

- In 2015, in relation to the handover of capital projects implemented by NIF Zrt., extraordinary depreciation of HUF 2,316 million was accounted for the period between the commissioning and actual acceptance of the assets. This amount is by HUF 13,203 million less than in the previous year. The reason for the decrease is that railway infrastructure accepted by MÁV Zrt. for asset management amounted to HUF 217,244 million in 2014 and HUF 83,126 million in 2015.
- Other expenses from damages decreased by HUF 1,394 million, mainly due to changes in the settlement method. In 2015, recovery of damages performed by an external contractor was accounted for as expenses of services used, rather than other expenses. Activities performed for the own enterprise were still accounted for as material costs and payments to personnel. Expenses arising from the landslide at Budapest Déli pályaudvar railway tunnel (HUF 112 million) and the migrant crisis (HUF 19 million) represent significant items as compared to the previous year.
- The expenses relating to provisioning for expected liabilities and future costs increased by HUF 496 million compared to the basis period. For a detailed presentation of the release of provisions see subsection II.1.6.
- Provision was set aside in relation to the deferred unrealised FX losses on investment loans in an amount of HUF 1,427 million below the amount of provision made during the basis period, thanks to the loan repayments, loan debt assumption and the favourable changes in the EUR exchange rates during the reporting year.

## II.2.6 Changes in the financial and extraordinary profit or loss

### II.2.6.1 Financial gains

Data in MHUF

Description	2014		2015		Change
	Amount	Distribution	Amount	Distribution	
<b>Dividends and profit sharing received (due)</b>	<b>3</b>	<b>0.2%</b>	<b>3</b>	<b>0.1%</b>	<b>0</b>
Of which: HIT Rail b.v.	3	0.2%	3	0.1%	0
<b>Gain on disposal of investments</b>	<b>17</b>	<b>0.9%</b>	<b>0</b>	<b>0.0%</b>	<b>-17</b>
<b>Interest received and similar income</b>	<b>610</b>	<b>31.2%</b>	<b>725</b>	<b>26.1%</b>	<b>115</b>
Of which: Interest from credit institutions	562	28.8%	648	23.3%	86
Interest received from third parties	0	0.0%	45	1.6%	45
Interest from private individuals	22	1.1%	29	1.0%	7
Interest received on the basis of securities	0	0.0%	0	0.0%	0
<b>Other financial gains</b>	<b>1 323</b>	<b>67.7%</b>	<b>2 050</b>	<b>73.8%</b>	<b>727</b>
Of which: The part of the profit for the year of companies consolidated using the equity method	926	47.4%	806	29.0%	-120
Realised FX gain on FX receivables and liabilities	347	17.8%	698	25.1%	351
<b>Total:</b>	<b>1 953</b>	<b>100.0%</b>	<b>2 778</b>	<b>100.0%</b>	<b>825</b>

48. Table: Changes in financial gains

### II.2.6.2 Financial expenses

Data in MHUF

Description	2014		2015		Change
	Amount	Distribution	Amount	Distribution	
<b>Losses of long-term financial investments</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
<b>Interest payable and similar expenses</b>	<b>4 843</b>	<b>54.4%</b>	<b>2 113</b>	<b>33.0%</b>	<b>-2 730</b>
Of which: Interest payable to credit institutions	3 387	38.0%	1 896	29.6%	-1 491
Interest payable on bonds	1 295	14.5%	0	0.0%	-1 295
<b>Impairment of investments, securities, bank deposits</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>	<b>0.0%</b>	<b>0</b>
<b>Other financial expenses</b>	<b>4 064</b>	<b>45.6%</b>	<b>4 285</b>	<b>67.0%</b>	<b>221</b>
Of which: The part of the loss for the year of companies consolidated using the equity method	116	1.3%	4	0.1%	-112
Realised FX loss on FX receivables and liabilities	3 923	44.0%	2 597	40.6%	-1 326
<b>Total:</b>	<b>8 907</b>	<b>100.0%</b>	<b>6 398</b>	<b>100.0%</b>	<b>-2 509</b>

49. Table: Changes in financial expenses

The decrease in financial expenses resulted from a drop in the interests payable, caused primarily by the state's assumption of the Group's bonds and loan debts.

### II.2.6.3 Extraordinary gains

Data in MHUF

Description	2014		2015		Change
	Amount	Distribution	Amount	Distribution	
Debt from bonds and interest thereon, assumed by the state	35 361	43.7%	10 162	14.2%	-25 199
Debt from loans and interest thereon, assumed by the state	0	0.0%	13 552	19.0%	13 552
Compensation liability forgiven as a consequence of amendment to the Act on State Property	45 459	56.2%	47 770	66.8%	2 311
Assets received in exchange for shares	19	0.0%	1	0.0%	-18
Gains from assets received free of charge and from surplus assets	27	0.0%	16	0.0%	-11
Other forgiven and lapsed liabilities	15	0.0%	0	0.0%	-15
Other extraordinary gains	6	0.0%	1	0.0%	-5
<b>Total:</b>	<b>80 887</b>	<b>100.0%</b>	<b>71 502</b>	<b>100.0%</b>	<b>-9 385</b>

50. Table: Changes in extraordinary gains

In 2015, HUF 71,502 million was recognised as extraordinary gain, down by HUF 9,385 million year-on-year.

According to the act on the Hungarian state budget for 2015, the state would, with effect from 31 December 2015 at the latest, assume without consideration MÁV Zrt.'s debt in the principal amounts of up to EUR 3.6 million and up to HUF 12.33 billion and the related taxes and contributions, as well as its payment liabilities resulting from redemption of securities before maturity in a maximum amount of HUF 10 billion. Therefore, the Company had extraordinary gains in the amount of HUF 23,714 million from liabilities assumed by the government.

### II.2.6.4 Extraordinary expenses

Data in MHUF

Description	2014		2015		Change
	Amount	Distribution	Amount	Distribution	
Receivables from state not qualifying as bad receivables, forgiven	1 630	89.3%	0	0.0%	-1 630
Expenses recognised for assets transferred and services provided free of charge	129	7.1%	108	96.4%	-21
Liabilities taken over from other businesses	29	1.6%	0	0.0%	-29
Book value of investments derecognised on account of winding up	23	1.3%	0	0.0%	-23
Non-repayable subsidy to employees for the acquisition of dwellings	4	0.2%	2	1.8%	-2
Other receivables forgiven	4	0.2%	2	1.8%	-2
Non-refundable amounts granted	0	0.0%	0	0.0%	0
Other extraordinary expenses	7	0.4%	0	0.0%	-7
<b>Total:</b>	<b>1 826</b>	<b>100.0%</b>	<b>112</b>	<b>100.0%</b>	<b>-1 714</b>

51. Table: Changes in extraordinary expenses

## II.2.7 Calculation of the consolidated profit/loss of the Group

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

Data in MHUF	
Description	Amount
Aggregated profit or loss for the year of fully consolidated subsidiaries	36 780
<b>Profit/loss for the year before consolidation, total</b>	<b>36 780</b>
Elimination of dividends received from subsidiaries	-3
Elimination of impairment loss recognised for investments	203
Elimination of reversal of impairment loss recognised for investments	-765
<b>Effect on profits of equity consolidation with elimination of investments</b>	<b>-565</b>
Elimination of dividends received from associates	-851
The effect on the profit of the difference between the reports of associates used in the 2014 consolidation and their final reports for 2014.	-4
Elimination of reversal of impairment loss recognised for investments	-80
Profit for the year of the associated companies	806
Loss for the year of the associated companies	0
<b>Effect on profits of equity consolidation with the equity method</b>	<b>-129</b>
Elimination of late-payment interest, penalty and damages recognised unilaterally based on the principle of prudence	-82
Effect on the profit/loss of the accounting treatment of other differences	55
<b>Effect on the profit/loss of the elimination of receivables and liabilities</b>	<b>-27</b>
Effect on the profit/loss of the accounting treatment of differences resulting from mergers	5
Elimination of provisioning for expected intragroup liabilities and future expenses	127
Elimination of release of provisions for expected intragroup liabilities and future expenses	-306
<b>Effect on the profit/loss of the elimination of income and expenses</b>	<b>-174</b>
Effect on the profit/loss of intragroup profit realised on internal performance received for non-current assets	-802
Effect on the profit/loss of the elimination of intragroup profit/loss resulting from the sale of tangible assets within the inner circle	-12
Adjustment of budgeted depreciation recognised for assets comprising intragroup profit/loss	1 721
Adjustment of extraordinary depreciation and reversal recognised for assets comprising intragroup profit/loss	907
Adjustment of other items reducing the profit (disposal, scrapping, deficit/missing etc.) recognised for assets comprising intragroup	0
Release of deferred revenue retained in consolidation, in proportion to depreciation	2 234
Adjustment of release of deferred FX loss as a result of repayment in relation to currency loans	-51
Adjustment of unrealised deferred FX loss on currency loans	-48
Adjustment of other provisions set aside for deferred loss on currency loans	-255
Effect on the profit/loss of the elimination and release of intragroup profit received on inventory	93
<b>Effect on the reporting year's consolidated profit/loss of the elimination and release of intragroup profits/losses</b>	<b>3 787</b>
Effect on the profit/loss of deferred tax expenses as a consequence of consolidation accounting in the reporting year	-118
<b>Effect on the profit/loss of deferred tax expense</b>	<b>-118</b>
<b>Consolidated profit/loss for the reporting year</b>	<b>39 554</b>

52. Table: Calculation of the consolidated profit/loss of the Group

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

### II.3.1.1 Government involvement in the MÁV Group

State financing – in the form of cost compensation and borrowing secured by state guarantee – of the justified costs of the railtrack operations and the passenger transport services performed by the Group as public service, that are not covered by revenues, is key to the Group's liquidity.

The financing of the operations of the Group and the repayment of its loans, as well as the recovery of the investments in its assets, depend heavily on the availability of budgetary funding.

#### Government involvement in the railtrack operation activities of the MÁV Group

The Ministry for National Development accepted the aggregated accounts of reimbursement for 2011-2014 (prepared by MÁV Zrt. in accordance with the Railtrack Operation Agreement, on the basis of the annual accounts for 2011-2014 previously submitted by the respective deadlines). The Ministry for National Development approved MÁV Zrt.'s annual accounts for 2013 and 2014, while not establishing any residual amounts in the annual accounts for 2011-2012, in agreement with the Ministry for National Economy. Of the HUF 8,986 million residual amount established for 2011-2014, HUF 5,270 million must be used for recovering the costs of acquiring machines for the maintenance of catenary wires and track facilities, and HUF 3,716 million must be spent on recovering the costs of rail operation services, in accordance with Directive 2012/34/EU of the European Parliament and of the Council establishing a single European railway area. In accordance with the approved accounts, a reasonable profit of HUF 3,716 million was recognised in Q4.

HUF 44,745 million and HUF 26,072 million was disbursed in 2015 for operating and renovation cost compensation respectively, the utilisation of which is detailed in the table below.

Data in MHUF

Title of reimbursement	Reimbursement amount
Operational reimbursement disbursed	44 745
Operational reimbursement available from residual amounts from previous periods if customer's statement is provided	3 716
Reasonable profit accounted in 2015 based on the settlement in 2013 and 2014	-3 716
Operational reimbursement accounted in the current year	-38 180
<b>Unused operational cost reimbursement</b>	<b>6 565</b>
Reimbursement disbursed for renovation	26 072
Reimbursement for renovation available from residual amounts from previous periods if customer's statement is provided	5 271
Reimbursement accounted for renovation in the current year	-25 227
of which accounted from residual amounts of previous periods	-1 636
<b>Unused reimbursement for renovation</b>	<b>6 116</b>
<b>Unused reimbursement, in total</b>	<b>12 681</b>
of which unused from amounts disbursed in the current year	9 046
of which the amount that can be used from the residues of the preceding periods on the basis of principal's declaration after the reporting year	3 635

53. Table: Use of the operation and renovation cost compensation

On 21 December 2015, MÁV Zrt. and the minister for national development (acting on behalf of the Hungarian government, an in agreement with the minister for national economy) signed a contract for rail infrastructure operations for the period between 2016 and 2025. The contract provides for the financing of the costs of railtrack operations in the long run.

Government involvement in the passenger transport public service providing activities of the MÁV Group:

For and on behalf of the Hungarian State as principal MÁV-START Zrt. concluded a public service contract in 2013 with the Ministry for National Development for the provision of passenger transport by rail during the period between 2014 and 2023. Under the contract the Company is entitled to reimbursement for its costs relating to the public services specified in the contract, not covered by revenues from such services.

In the 2015 memorandum of the public service agreement, the planned amount of cost compensation claimable in respect of public service activity is HUF 146,168 million. An amount of HUF 145,065 million – HUF 1,103 million below the amount specified in the clause for the full coverage of the justified costs of the public service activity ordered and certified by the principal – was recognised in the annual financial statements as cost compensation. The actual cost compensation is settled upon the submission of the year 2015 public service report, following the preparation of the year 2015 annual report.

For the details of the Group's receivables from the state recognised as public cost compensation see subsection II.1.3.

In the reporting year, based on the cash flow approach, HUF 146,168 million was disbursed. HUF 20,829 million of the above amount related to the public service providing activities carried out in the preceding year (the amounts disbursed in January and February), while the costs of operation during the year under review were covered by the HUF 125,339 million disbursed during the period between March and December. In addition to the cost compensation of the reporting year, the company became entitled to claim a further HUF 12,000 million cost compensation from the settlement of earlier cost compensation, and this was received in March, of which HUF 7,067 million related to year 2011, while HUF 4,933 million reduced the claim for cost compensation concerning year 2012.

## II.3.2 Cash flow statement

Data in MHUF

No.	Description	2014	2015
<b>I.</b>	<b>Change in cash flow from operations (Operational cash-flow)</b>	<b>115 785</b>	<b>156 543</b>
1.	Profit before taxes	49 253	39 938
2.	Depreciation recognised	59 723	72 106
2/b.	Depreciation recognised for preceding years	0	0
3.	Impairment loss recognised	17 564	5 015
3/b.	Amount realised in excess of the book value of loan granted	-33	0
4.	Changes in provisions	-1 761	4 800
5.	Profit/loss from non-current asset disposals	-337	-904
5/b.	Profit/(loss) from changes in investment	4	0
6.	Changes in accounts payable	17 011	-17 299
7.	Changes in other short-term liabilities	975	7 211
7/b.	Reclassification from other long-term liabilities	1 945	0
8.	Changes in accrued expenses and deferred income	3 013	58 953
8/b.	Released deferred income related to asset settlement	3 870	73
8/c.	Accrued income associated with non-current assets received without compensation, identified as surplus	-25	-102
9.	Changes in trade debtors	-153	2 174
10.	Changes in current assets (net of debtors and liquid assets)	14 005	8 184
11.	Changes in prepaid expenses and accrued income	-3 083	3 377
12.	Tax paid or payable (on profit)	-129	-387
13.	Dividend and profit sharing payable	0	0
13/b.	Assets transferred and received on a permanent basis and assets found as surplus	55	500
13/c.	Changes in liabilities related to managed state-owned assets	-17 732	-2 673
13/d.	Adjustments to previous years	0	0
13/e.	Change in deferred tax expense resulting from consolidation	6	118
13/f.	Modification entailing no cash movements resulting from consolidation	-166	48
13/g.	Exchange rate difference at year-end	6 760	-1 059
13/h.	Debts assumed by the government	-35 361	-23 548
13/i.	Interest on debts assumed by the government	361	84
13/j.	Change in portfolio of assets and liabilities as a consequence of mergers and/or changes in circle	20	-66
<b>II.</b>	<b>Investment cash flows</b>	<b>-67 997</b>	<b>-109 097</b>
14.	Acquisition of non-current assets	-75 630	-122 336
15.	Disposal of non-current assets	569	1 261
15/b.	Changes in financial investments	41	0
15/c.	Changes in amounts paid in advance for investments	7 020	11 975
16.	Dividend received	3	3
<b>III.</b>	<b>Financing cash flows</b>	<b>-42 255</b>	<b>-27 978</b>
17.	Receipts from shares issue (capital influx)	0	0
18.	Gains from bond issues	0	0
19.	Borrowing	519	0
20.	Repayment of long-term loans and bank deposits	69	169
21.	Non-repayable liquid assets received	6	0
22.	Cancellation of shares, disinvestment (capital reduction)	0	0
23.	Repayment of bonds and debt securities	0	0
24.	Loan repayment	-42 835	-27 675
25.	Long-term loans and bank deposits	0	0
26.	Non-repayable liquid assets transferred	-61	-500
27.	Changes in payables to founders and in other long-term liabilities	47	28
<b>IV.</b>	<b>Changes in cash and bank (lines ±I±II±III)</b>	<b>5 533</b>	<b>19 468</b>

54. Table: Cash flow statement

## II.3.3 Changes in the value and composition of assets, liabilities and equity

### Changes in the value and composition of assets

#### Non-current assets' ratio

$$\frac{\text{Non-current assets}}{\text{Total assets}} = \frac{1\,162\,156}{1\,314\,485} = 88.41\% \quad (\text{base: } 87.62\%)$$

#### Coverage of tangible assets

$$\frac{\text{Equity}}{\text{Own tangible assets}} = \frac{147\,260}{347\,762} = 42.35\% \quad (\text{base: } 34.75\%)$$

$$\frac{\text{Equity} + \text{Treasury funds}}{\text{Tangible assets}} = \frac{975\,859}{1\,148\,178} = 84.99\% \quad (\text{base: } 82.71\%)$$

#### Coverage of non-current assets

$$\frac{\text{Equity}}{\text{Own non-current assets}} = \frac{147\,260}{361\,740} = 40.71\% \quad (\text{base: } 33.58\%)$$

$$\frac{\text{Equity} + \text{Treasury funds}}{\text{Non-current assets}} = \frac{975\,859}{1\,162\,156} = 83.97\% \quad (\text{base: } 81.84\%)$$

#### Ratio of current assets to non-current assets

$$\frac{\text{Current assets}}{\text{Non-current assets}} = \frac{111\,368}{1\,162\,156} = 9.58\% \quad (\text{base: } 9.89\%)$$

### Changes in the value and composition of liabilities

#### Capitalisation

$$\frac{\text{Equity}}{\text{Total liabilities and equity}} = \frac{147\,260}{1\,314\,485} = 11.20\% \quad (\text{base: } 9.19\%)$$

$$\frac{\text{Equity}}{\text{Total liabilities and equity} - \text{Treasury funds}} = \frac{147\,260}{485\,886} = 30.31\% \quad (\text{base: } 24.53\%)$$

#### Gearing ratio

$$\frac{\text{Liabilities}}{\text{Equity}} = \frac{990\,865}{147\,260} = 672.87\% \quad (\text{base: } 885.19\%)$$

$$\frac{\text{Liabilities} - \text{Treasury funds}}{\text{Equity}} = \frac{162\,266}{147\,260} = 110.19\% \quad (\text{base: } 205.18\%)$$

#### Indebtedness ratio

$$\frac{\text{Liabilities}}{\text{Total assets}} = \frac{990\,865}{1\,314\,485} = 75.38\% \quad (\text{base: } 81.38\%)$$

#### Ratio of long-term liabilities

$$\frac{\text{Long-term liabilities}}{\text{Long term liabilities + Equity}} = \frac{892\,275}{1\,039\,535} = 85.83\% \quad (\text{base: } 88.55\%)$$

$$\frac{\text{Long-term liabilities - Treasury liabilities}}{\text{Long term liabilities - Treasury liabilities + Equity}} = \frac{63\,676}{210\,936} = 30.19\% \quad (\text{base: } 48.28\%)$$

#### Equity increase ratio

$$\frac{\text{Equity}}{\text{Registered capital}} = \frac{147\,260}{22\,000} = 669.36\% \quad (\text{base: } 499.27\%)$$

#### Non-current assets coverage

$$\frac{\text{Equity}}{\text{Non-current assets}} = \frac{147\,260}{1\,162\,156} = 12.67\% \quad (\text{base: } 10.49\%)$$

$$\frac{\text{Equity}}{\text{Own non-current assets}} = \frac{147\,260}{361\,740} = 40.71\% \quad (\text{base: } 33.58\%)$$

#### Profitability indicators

$$\text{EBITDA (Operating profit + depreciation)} = -27\,829 + 72\,106 = 44\,277 \quad (\text{base: } 36\,872)$$

$$\text{EBITDA rate} = \frac{\text{EBITDA}}{\text{Net sales revenue}} = \frac{44\,277}{138\,439} = 31.98\% \quad (\text{base: } 26.17\%)$$

$$\text{Operational rate} = \frac{\text{Operating profit}}{\text{Net sales revenue}} = \frac{-27\,829}{138\,439} = -20.10\% \quad (\text{base: } -16.22\%)$$

#### Financial position

##### Working capital and liquidity

##### Net working capital

$$\text{Current assets - Short-term liabilities} = 111\,368 - 98\,490 = 12\,878 \quad (\text{base: } -19\,201)$$

##### Liquidity ratio

$$\frac{\text{Current assets}}{\text{Short-term liabilities}} = \frac{111\,368}{98\,490} = 113.08\% \quad (\text{base: } 84.36\%)$$

##### Quick ratio

$$\frac{\text{Current assets - Inventories}}{\text{Short-term liabilities}} = \frac{87\,897}{98\,490} = 89.24\% \quad (\text{base: } 67.35\%)$$

##### Cash liquidity ratio

$$\frac{\text{Cash and bank}}{\text{Short-term liabilities}} = \frac{53\,032}{98\,490} = 53.85\% \quad (\text{base: } 27.34\%)$$

### III SUPPLEMENTARY NOTES

#### III.1 Data concerning the elected officers of the parent company

Data in MHUF

Description	2014	2015
Senior officers	44	41
Supervisory Board	20	15
<b>Total:</b>	<b>64</b>	<b>56</b>

55. Table: Remunerations of the officers of the parent company

Neither loans were disbursed to, nor guarantees assumed on behalf of the Chief Officers and the Supervisory Board members in 2015.

#### III.2 Subsidies received

Data in MHUF

Description	2014		2015		Change
	Amount	Distribution	Amount	Distribution	
Track operation's reimbursement for renovation	23 790	9.7%	23 590	7.4%	-200
Other subsidies for development*	15 215	6.2%	85 972	27.0%	70 757
<b>Subsidies for development, total:</b>	<b>39 005</b>	<b>16%</b>	<b>109 562</b>	<b>34%</b>	<b>70 557</b>
Passenger transport public service cost reimbursement	146 146	59.6%	145 037	45.6%	-1 109
Track operation cost reimbursement	34 449	14.0%	38 180	12.0%	3 731
Consumer price subsidy	19 946	8.1%	19 128	6.0%	-818
Refunded excise tax	4 457	1.8%	4 499	1.4%	42
Support for public employment	1 207	0.5%	1 548	0.5%	341
Subsidies received for establishing the Memorial Centre for the Child Victims of the Holocaust	28	0.0%	17	0.0%	-11
Other subsidies	162	0.1%	405	0.1%	243
<b>Subsidies to compensate for costs and expenses, total:</b>	<b>206 395</b>	<b>84%</b>	<b>208 814</b>	<b>66%</b>	<b>2 419</b>
<b>Grand total:</b>	<b>245 400</b>	<b>100%</b>	<b>318 376</b>	<b>100%</b>	<b>72 976</b>

\*For details on investment subsidies see Table 14.

56. Table: Subsidies received

Data in MHUF

Description	2014		2015		Change
	Amount	Distribution	Amount	Distribution	
50%	3 724	18.7%	3 536	18.5%	-188
90%	2 685	13.5%	2 458	12.8%	-227
Student discount	7 713	38.7%	7 411	38.7%	-302
Discount for OAPS over 70 (65)	5 826	29.2%	5 728	29.9%	-98
<b>Total:</b>	<b>19 948</b>	<b>100%</b>	<b>19 133</b>	<b>100%</b>	<b>-815</b>

57. Table: Ticket subsidy usage

A total of 57.5% of the subsidies received by the group comprise public service cost compensation, which is related to railtrack operation as well as to the passenger transport activity.

The proportion of investment subsidies within the total amount of subsidies received increased to a significant 34.4%, in connection, for the most part, with the procurement of 48 FLIRT motor coaches.

### III.3 Environmental protection

#### III.3.1 Environmental protection liabilities

The Company did not account for any non-distributable reserves for environmental obligations in 2015. The disposal of a high amount of railway sleepers removed from the line rail as a result of rail track capital projects and renovations, and the required treatment of these sleepers as hazardous waste appeared as new items in 2015. Considering the amount of sleepers to be disposed of, provisions of HUF 886 million were made. Provisions were released in the amount of HUF 1,031 million following a review of the expenses of removing illegally deposited waste from railway territories in the Budapest region.

Non-distributable reserves for environmental purposes and provisions for environmental liabilities are presented in the table below:

data in MHUF

Description	Opening portfolio	Increase	Decrease	Closing portfolio
Non-distributable reserve	0	0	0	0
Specific provisions	8 715	3 181	1 389	10 507
<b>Total:</b>	8 715	3 181	1 389	10 507

58. Table: Changes in the non-distributable reserves and the provisions relating to environmental protection

Changes in the provisions for environmental protection broken down by legal title are presented in the following table.

data in MHUF

Legal title	Amount of provision			
	2014	Released	Made	2015
Owing to illegal waste	5 101	1 031	0	4 070
Liabilities arising from soil and groundwater contamination	3 514	310	240	3 444
Protection of facilities for storing and draining gasoline	0	0	1 480	1 480
Disposal of railway sleepers	0	0	886	886
Testing hazardous waste and lubricant containers for leakproofness, improvement of coatings	0	0	400	400
Surveying, cleaning and coating technological sewage network	0	0	175	175
Decommissioned sewer network assessment, mapping	100	48	0	52
<b>Total liabilities:</b>	<b>8 715</b>	<b>1 389</b>	<b>3 181</b>	<b>10 507</b>

59. Table: Changes in the provisions relating to environmental protection broke down by legal title

The environmental protection costs incurred in 2014 and 2015 are shown in the following table:

Data in MHUF

Description	Previous year	Current year	Change
Environmental expenses	726	740	14

60. Table: Costs in relation to environmental protection

### III.3.2 Tangible assets used for the purposes of environmental protection

Tangible assets directly serving environmental purposes were reviewed during the current year. The results of the review are already reflected in the current year's figures and opening balances shown in the table.

Data in MHUF

Ser. No.	DESCRIPTION	Land and buildings and related property rights	Plant, machinery, equipment and vehicles	Other equipment, fixtures and fittings, vehicles	Tangible assets under construction	Total
1.	<i>Gross value, opening</i>	8 476	444	0	0	8 920
2.	Increase in the reporting year	325	11	0	0	336
3.	Decrease in the reporting year	-35	0	0	0	-35
4.	Reclassification	0	0	0	0	0
5.	<i>Gross value, closing</i>	8 766	455	0	0	9 221
6.	<i>Depreciation, opening</i>	1 424	263	0	0	1 687
7.	Ordinary depreciation in the current year	339	53	0	0	392
8.	Extraordinary depreciation in the current year	5	0	0	0	5
9.	Extraordinary depreciation reversed	0	0	0	0	0
10.	Depreciation derecognised	-25	0	0	0	-25
11.	Other increase	1	0	0	0	1
12.	Other decrease	0	0	0	0	0
13.	Reclassification	0	0	0	0	0
14.	<i>Depreciation, closing</i>	1744	316	0	0	2 060
15.	<i>Opening, net</i>	7 052	181	0	0	7 233
16.	<i>Closing, net</i>	7 022	139	0	0	7 161

61. Table: Changes in the portfolio of environmental assets

### III.3.3 Changes in the quantities of hazardous waste

EW code	Description	2014 (kg)	2015 (kg)
060106*	Other acids	17	0
060204*	Sodium and potassium hydroxide	205	0
060404*	Waste containing mercury	1	1
070104*	Other organic solvents, washing liquids and mother liquors	70	0
080111*	Waste paint and varnish containing organic solvents or other dangerous substances	2 655	3 444
080117*	Wastes from paint or varnish removal containing organic solvents or other dangerous substances	4 298	5 057
080317*	Waste printing toner containing dangerous substances	1 791	3 063
080409*	Waste adhesives and sealants containing organic solvents or other dangerous substances	888	0
100402*	Dross and skimmings	250	0
101007*	Casting molds and cores containing dangerous substances	40	0
120109*	Machining emulsions and solutions free of halogens	6	0
120112*	Used wax and grease	1 561	686
120116*	Waste blasting material containing dangerous substances	2 212	0
120118*	Metal sludge (grinding, honing and lapping sludge) containing oil	8 122	0
130205*	Waste oil	42 175	38 847
130206*	Synthetic engine, gear and lubricating oils	36	0
130208*	Other engine, gear and lubricating oils	9	0
130307*	Mineral oil based, non-chloride insulation and heat transmission lubricants	5 015	5 703
130501*	Oil/water separator solids	600	0
130502*	Sludge from oil/water separator	26 392	8 924
130506*	Oil from oil/water separator	670	904
130507*	Oily water from oil/water separator	1 900	0
130508*	Mixed waste from oil/water separator	68 429	11 242
130701*	Heating and diesel oil	3 770	642
140603*	Other solvents and solvent mixtures	1 747	705
150110*	Packaging containing residues of or contaminated by dangerous substances	14 308	15 973
150111*	Metallic packaging containing a dangerous solid porous matrix (e.g. asbestos)	677	838
150202*	Absorbents, filter materials (including oil filters not otherwise specified), wiping cloths, protective clothing contaminated by hazardous substances	29 250	39 555
160107*	Oil filters	1 947	3 244
160114*	Antifreeze fluids containing dangerous substances	470	560
160121*	Dangerous components	59	309
160213*	Discarded equipment	108	3 871
160303*	Inorganic wastes containing dangerous substances	34	84
160305*	Organic wastes containing dangerous substances	2 957	5 165
160506*	Laboratory chemicals, consisting of or containing dangerous substances	23	88
160507*	Discarded inorganic chemicals consisting of or containing dangerous substances	13	0
160601*	Lead batteries	30 354	58 555
160606*	Electrolyte from batteries and accumulators	4 774	3 774
160708*	Oil-containing waste	20	1 261
161001*	Aqueous liquid waste containing dangerous substances	5 744	6 734
170106*	Mixtures of, or separate fractions of concrete, bricks, tiles and ceramics containing dangerous substances	680	0
170204*	Glass, plastic and wood containing or contaminated with dangerous substances	250 489	176 222
170405*	Iron and steel	275 650	211 280
170409*	Metal waste contaminated with dangerous substances	0	45
170410*	Cables containing oil, coal tar and other dangerous substances	175	665
170503*	Soil and stones containing dangerous substances	5 861	3 293
170603*	Other insulation materials consisting of or containing dangerous substances	344	80
170901*	Construction and demolition wastes containing mercury	0	7
190813*	Sludges containing dangerous substances from other treatment of industrial waste water	71 390	0
200121*	Fluorescent light bulbs and other mercury-containing wastes	861	1 430
200133*	batteries and accumulators included in sections 160601, 160602 or 160603 and unsorted batteries and accumulators containing these batteries	3 042	2 295
200135*	Discarded electrical and electronic equipment other than those mentioned in 200121 200123	12 189	12 869
<b>Total:</b>		<b>884 278</b>	<b>627 415</b>

62. Table: Closing portfolio of the quantity of hazardous waste

### III.4 Changes in personnel expenses and the average statistical headcount

Changes in the personnel expenses and the average statistical headcount of the MÁV Group are presented in the tables below:

Data in MHUF

Description	2014					2015				
	Payroll cost	Other employee benefits	Social security contributions	Total	Distribution (%)	Payroll cost	Other employee benefits	Social security contributions	Total	Distribution (%)
Blue collar	74 081	10 927	25 154	110 162	66.14%	78 940	11 774	24 200	114 914	66.62%
White collar	37 769	5 269	12 616	55 654	33.41%	39 187	5 728	12 030	56 945	33.01%
Inactive	506	64	170	740	0.44%	425	69	150	644	0.37%
<b>Total:</b>	<b>112 356</b>	<b>16 260</b>	<b>37 940</b>	<b>166 556</b>	<b>100.00%</b>	<b>118 552</b>	<b>17 571</b>	<b>36 380</b>	<b>172 503</b>	<b>100.00%</b>

63. Table: Personnel expenses of the Group

Description	2014		2015	
	Average statistical headcount	Distribution (%)	Average statistical headcount	Distribution (%)
Blue collar	25 917	68.5%	25 755	68.3%
White collar	11 895	31.5%	11 927	31.7%
<b>Total headcount</b>	<b>37 812</b>	<b>100.0%</b>	<b>37 682</b>	<b>100.0%</b>

64. Table: The average statistical headcount of the Group

### III.5 Research and development

The costs recognised in the books of the MÁV Group for research and development during the reporting year are presented in the following table:

Data in MHUF			
Description	2014	2015	Change
<b>Research costs</b>	<b>33</b>	<b>40</b>	<b>7</b>
Of which: basic research	0	0	0
applied research	33	40	7
<b>Costs of experimental development</b>	<b>253</b>	<b>8</b>	<b>-245</b>
Production development	242	0	-242
Of which: capitalised	242	0	-242
Product development	11	8	-3
Of which: capitalised	0	0	0
<b>Total:</b>	<b>286</b>	<b>48</b>	<b>-238</b>

65. Table: Costs of research and development during the reporting year

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

Research and development relating to the IC+ carriages and the engine conversion of the M41 series diesel locomotives aimed at reducing their harmful emissions account for HUF 40 million of the R&D works in progress.

## IV LIST OF TABLES

1. Table: Key figures of the Parent Company.....	8
2. Table: Key figures of MÁV-START Zrt. ....	9
3. Table: Key figures of MÁV FKG Kft. ....	10
4. Table: Key figures of MÁV Szolgáltató Központ Zrt. ....	10
5. Table: Key figures of MÁV KfV Kft. ....	11
6. Table: Key figures of ZÁHONY-PORT Zrt. ....	11
7. Table: Key figures of MÁV VAGON Kft. ....	12
8. Table: Key figures of MÁV Létesítményüzemeltető és Vasútőr Kft. ....	12
9. Table: Changes in intangible assets .....	24
10. Table: Changes in tangible assets .....	25
11. Table: Change in assets contributed/received free of charge (own assets).....	26
12. Table: State-owned assets and their balance sheet funds.....	27
13. Table: Changes in state-owned assets in 2015.....	28
14. Table: Subsidies from the central budget for development purposes .....	30
15. Table: Companies consolidated using the equity method.....	31
16. Table: Related enterprises consolidated as investments .....	32
17. Table: Other long-term investments .....	32
18. Table: Changes in the passive equity consolidation difference in the case of fully consolidated companies.....	33
19. Table: Changes in the passive equity consolidation difference in the case companies consolidated with the equity method.....	34
20. Table: Inventories and the related impairment loss .....	34
21. Table: Receivables and the related impairment loss.....	35
22. Table: Passenger transport public service cost compensation claims.....	35
23. Table: Breakdown of prepaid expenses & accrued income .....	36
24. Table: Changes in equity.....	37
25. Table: Changes in the non-distributable reserve.....	37
26. Table: Changes in provisions shown in the balance sheet .....	38
27. Table: Provisions made for expected liabilities .....	38
28. Table: Provisions made for future costs.....	40
29. Table: Other provisions.....	40
30. Table: Changes in liabilities relating to managed state-owned assets .....	41
31. Table: Liabilities related to the decrease in state-owned assets .....	41
32. Table: The Group's long term credits and loans.....	42
33. Table: The schedule of the repayment of the Group's long term credits and loans .....	43
34. Table: The composition of other short-term liabilities .....	44
35. Table: Breakdown of accrued expenses and deferred income .....	44
36. Table: Forwards and options closed in 2015 .....	46
37. Table: Forward, swap and option contracts in 2015 .....	47
38. Table: FX forward deals open at the cut-off date .....	47
39. Table: Guarantee contracts in effect at the cut-off date .....	48
40. Table: Loans secured with lien .....	49
41. Table: Payment schedule of future liabilities (interest and related charges) .....	50
42. Table: Major operating lease contracts in effect at the cut-off date.....	51
43. Table: Changes in net sales revenue .....	52

44. Table: Changes in export and import by market segment .....	53
45. Table: Changes in material-type expenses .....	54
46. Table: Changes in other gains .....	55
47. Table: Changes in other expenses .....	56
48. Table: Changes in financial gains .....	58
49. Table: Changes in financial expenses .....	58
50. Table: Changes in extraordinary gains .....	59
51. Table: Changes in extraordinary expenses .....	59
52. Table: Calculation of the consolidated profit/loss of the Group .....	60
53. Table: Use of the operation and renovation cost compensation .....	61
54. Table: Cash flow statement .....	63
55. Table: Remunerations of the officers of the parent company .....	66
56. Table: Subsidies received .....	66
57. Table: Ticket subsidy usage .....	66
58. Table: Changes in the non-distributable reserves and the provisions relating to environmental protection .....	67
59. Table: Changes in the provisions relating to environmental protection broke down by legal title ..	67
60. Table: Costs in relation to environmental protection .....	68
61. Table: Changes in the portfolio of environmental assets .....	68
62. Table: Closing portfolio of the quantity of hazardous waste .....	69
63. Table: Personnel expenses of the Group .....	70
64. Table: The average statistical headcount of the Group .....	70
65. Table: Costs of research and development during the reporting year .....	71

## **ANNEXES**

- Annex 1 – Key indicators taken into account in decision making concerning exemption of the subsidiaries
- Annex 2 – Consolidated companies
- Annex 3 – Changes in the consolidation circles
- Annex 4 – Tree diagram of consolidated enterprises
- Annex 5 – Involvement obligation relating to the rating of the companies and the way of actual involvement
- Annex 6 – Consolidation postings

**Annex 1**  
**Key indicators taken into account in decision making concerning exemption of the subsidiaries**

Data in MHUF

Ser. No.	Company		Balance sheet total		Net sales revenue		Payroll cost	
	Code	Description	Value	%	Value	%	Value	%
1	100	MÁV Zrt.	1 177 557	79.59%	153 025	49.54%	50 651	44.54%
2	20	MÁV VAGON Kft.	1 345	0.09%	3 814	1.23%	540	0.47%
3	101	MÁV FKG Kft.	14 269	0.96%	21 323	6.90%	4 264	3.75%
4	131	MÁV KfV Kft.	3 117	0.21%	2 354	0.76%	505	0.44%
5	138	MÁV Szolgáltató Központ Zrt.	10 218	0.69%	23 288	7.54%	8 427	7.41%
6	179	ZÁHONY-PORT Zrt.	935	0.06%	1 740	0.56%	856	0.75%
7	180	MÁV-START Zrt.	271 625	18.36%	101 581	32.89%	48 094	42.29%
Fully consolidated subsidiaries, total:			1 479 066	99.97%	307 125	99.43%	113 337	99.66%
8	15	MÁV NOSZTALGIA Kft.	506	0.03%	1 768	0.57%	388	0.34%
Subsidiaries consolidated using the equity method (as associates), total:			506	0.03%	1 768	0.57%	388	0.34%
Subsidiaries and parent company total:			1 479 572	100.00%	308 893	100.00%	113 725	100.00%

## Annex 2

### Consolidated companies

Fully consolidated subsidiaries, total:			
Parent		Subsidiary	
100	MÁV Zrt.	20	MÁV VAGON Kft.
		101	MÁV FKG Kft.
		131	MÁV KfV Kft.
		138	MÁV Szolgáltató Központ Zrt.
		179	ZÁHONY-PORT Zrt.
		180	MÁV-START Zrt.

Companies taken into account in the consolidation process with the equity method (as associates)			
Subsidiary		Associate	
15	MÁVNOSZTALGIA Kft.	27	Dunakeszi Járműjavító Kft.
		37	VAMAV Kft.
		38	EURO-METALL Kft.
		116	MÁV-THERMIT Kft.
		142	Multiszolg 97 Hídmérleg Kft.

Companies presented at book value					
Subsidiary		Associate		Other investments	
6	MÁV HÍDÉPÍTŐ Kft. (f.a.)	22	MÁV Vasjármű Kft. (f.a.)	120	Vasutegészségügyi Nonprofit Kft.
134	MÁV Utasellátó Zrt. (f.a.)	165	MÁV-REC Kft.	128	EUROFIMA
		178	HUNGRAIL Egyesülés (v.a.)	147	BCC
		191	TS-MÁV Gépészet Services Kft.	169	HIT Rail b.v.
				172	Normon-Tool Kft.

### Annex 3

#### Changes in the consolidation circles

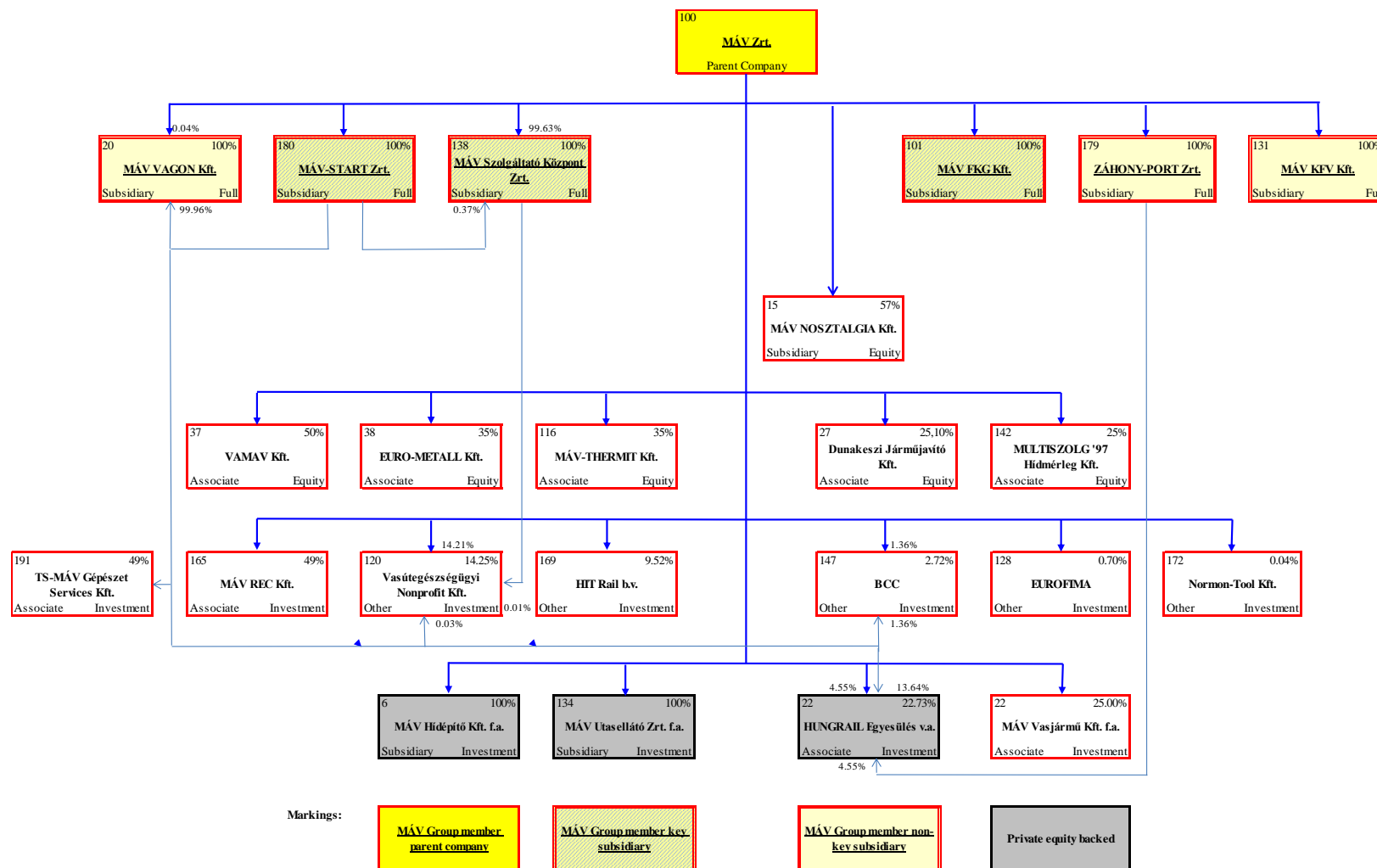
Changes in the circle of fully consolidated subsidiaries					
Increase		Reason for increase	Decrease		Reason for decrease
-	-	-	96	MÁV LV Kft.	Merged into MÁV Zrt.

Changes in the circle of companies taken into account in the consolidation process with the equity method (as associates)					
Increase		Reason for increase	Decrease		Reason for decrease
-	-	-	22	MÁV Vasjármű Kft.	Liquidation procedure has got underway
-	-	-	5	MÁVTI Kft.	Merged into MÁV Zrt.

Change in the circle of companies stated in consolidation at book value					
Increase		Reason for increase	Decrease		Reason for decrease
22	MÁV Vasjármű Kft.	Liquidation procedure has got underway	152	MÁVRAKTÁR Kft. (f.a.)	Liquidation procedure has been finished
			163	Út és Pályaépítő Rt. (f.a.)	Liquidation procedure has been finished

## Annex 4

### Tree diagram of consolidated enterprises



## Annex 5

### Involvement obligation relating to the rating of the companies and the way of actual involvement

Ser. No.	Company		Rating	Basis of rating	Involvement obligation resulting from rating	Actual way of involvement
	Code	Description				
1	100	MÁV Zrt.	parent	voting right	full	full
2	20	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	15	MÁV NOSZTALGIA Kft.	subsidiary	voting right	full	equity
9	27	Dunakeszi Járműjavító Kft.	associate	voting right	equity	equity
10	37	VAMAV Kft.	associate	voting right	equity	equity
11	38	EURO-METALL Kft.	associate	voting right	equity	equity
12	116	MÁV-THERMIT Kft.	associate	voting right	equity	equity
13	142	Multiszolg 97 Hídmérleg Kft.	associate	voting right	equity	equity
14	6	MÁV HÍDÉPÍTŐ Kft. (f.a.)	subsidiary	voting right	full	investment
15	22	MÁV Vasjármű Kft. (f.a.)	associate	voting right	equity	investment
16	134	MÁV Utasellátó Zrt. (f.a.)	subsidiary	voting right	full	investment
17	165	MÁV-REC Kft.	associate	voting right	equity	investment
18	178	HUNGRAIL Egyesülés (v.a.)	associate	voting right	equity	investment
19	191	TS-MÁV Gépészet Services Kft.	associate	voting right	equity	investment
20	120	Vasútegészségügyi Nonprofit Kft.	other investment	voting right	investment	investment
21	128	EUROFIMA	other investment	voting right	investment	investment
22	147	BCC	other investment	voting right	investment	investment
23	169	HIT Rail b.v.	other investment	voting right	investment	investment
24	172	Normon-Tool Kft.	other investment	voting right	investment	investment

## Annex 6 Consolidation postings

Data in MHUF

No.	Description	Accumulated reporting data for the reporting year		Opening total:	Effects of consolidation tasks in 2015					Consolidation in 2015, total		2015 consolidated data		Comparison	
		Adjustments to previous years	Reporting year		Opening settlements, total	Equity consolidation, total	Debt consolidation, total	Consolidation of yields and expenses	Elimination of intragroup profits/losses, total	Eliminations affecting the preceding years	Eliminations in the reporting year	Adjustments to previous years	Reporting year	Consolidated report 2014	Change (reporting year – previous year)
01. A	NON-CURRENT ASSETS	0	1 288 986	-130 895	0	2 645	-406	0	1 826	0	4 065	0	1 162 156	1 046 851	115 305
02. I.	INTANGIBLE ASSETS	0	8 186	-114	0	0	0	0	12	0	12	0	8 084	5 078	3 006
03.	Capitalised value of foundation/restructuring	0	1	0	0	0	0	0	0	0	0	0	1	2	-1
04.	Capitalised cost of development	0	459	0	0	0	0	0	0	0	0	0	459	562	-103
05.	Concessions, licenses and similar rights	0	3 003	-25	0	0	0	0	14	0	14	0	2 992	2 139	853
06.	Intellectual property	0	4 723	-89	0	0	0	0	-2	0	-2	0	4 632	2 375	2 257
07.	Goodwill	0	0	0	0	0	0	0	0	0	0	0	0	0	0
08.	Advance payments on intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
09.	Revaluation of intangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10. II.	TANGIBLE ASSETS	0	1 159 378	-12 608	0	0	-406	0	1 814	0	1 408	0	1 148 178	1 035 854	112 324
11.	Land and buildings and related property rights	0	764 204	-5 981	0	0	0	0	681	0	681	0	758 904	683 710	75 194
12.	Plant, machinery, equipment and vehicles	0	360 639	-6 587	0	0	0	0	1 222	0	1 222	0	355 274	310 587	44 687
13.	Other equipment, fixtures and fittings, vehicles	0	238	-2	0	0	0	0	0	0	0	0	236	337	-101
14.	Breeding stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15.	Tangible assets under construction	0	31 166	-38	0	0	0	0	-89	0	-89	0	31 039	26 520	4 519
16.	Advance payments for assets under construction	0	3 131	0	0	0	-406	0	0	0	-406	0	2 725	14 700	-11 975
17.	Revaluation of tangible assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18. III.	LONG-TERM FINANCIAL ASSETS	0	121 422	-118 173	0	2 645	0	0	0	0	2 645	0	5 894	5 919	-25
19.	Long-term investments in related parties	0	118 918	-118 173	0	2 645	0	0	0	0	2 645	0	3 390	3 568	-178
20.	Long-term loans granted to related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21.	Other long-term investments	0	2 459	0	0	0	0	0	0	0	0	0	2 459	2 241	218
22.	Long-term loans granted to other investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23.	Other long-term loans granted	0	45	0	0	0	0	0	0	0	0	0	45	110	-65
24.	Long-term debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
25.	Revaluation of financial investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26.	Active equity consolidation difference	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27.	from subsidiaries	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28.	from associates	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29. B	CURRENT ASSETS	0	143 981	-37	0	0	-32 537	0	-39	0	-32 576	0	111 368	103 548	7 820
30. I.	INVENTORIES	0	23 495	-118	0	0	3	0	91	0	94	0	23 471	20 873	2 598
31.	Raw materials and consumables	0	18 329	-118	0	0	3	0	91	0	94	0	18 305	17 289	1 016
32.	Work in progress and semi-finished products	0	2 587	0	0	0	0	0	0	0	0	0	2 587	1 819	768
33.	Animals for breeding, fattening and other livestock	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34.	Finished products	0	1 173	0	0	0	0	0	0	0	0	0	1 173	1 023	150
35.	Goods	0	1 182	0	0	0	0	0	0	0	0	0	1 182	734	448
36.	Advance payments for inventory	0	224	0	0	0	0	0	0	0	0	0	224	8	216
37. II.	RECEIVABLES	0	67 454	81	0	0	-32 540	0	-130	0	-32 670	0	34 865	49 111	-14 246
38.	Accounts receivable from supply of goods and services (trade debtors)	0	8 016	0	0	0	0	0	0	0	0	0	8 016	10 627	-2 611
39.	Receivables from related parties	0	32 992	-48	0	0	-32 796	0	0	0	-32 796	0	148	461	-313
40.	Receivables from other investments	0	8	0	0	0	0	0	0	0	0	0	8	16	-8
41.	Notes receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42.	Other receivables	0	26 438	0	0	0	256	0	-12	0	244	0	26 682	37 878	-11 196
43.	Calculated corporate tax receivable resulting from consolidation	0	0	129	0	0	0	0	-118	0	-118	0	11	129	-118
44. III.	SECURITIES	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45.	Investments in related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46.	Other investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47.	Treasury shares and interests repurchased	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48.	Marketable debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49. IV.	LIQUID ASSETS	0	53 032	0	0	0	0	0	0	0	0	0	53 032	33 564	19 468
50.	Cash, cheques	0	151	0	0	0	0	0	0	0	0	0	151	175	-24
51.	Bank deposits	0	52 881	0	0	0	0	0	0	0	0	0	52 881	33 389	19 492
52. C	PREPAID EXPENSES & ACCRUED INCOME	0	46 100	1 552	0	0	-6 592	0	-99	0	-6 691	0	40 961	44 338	-3 377
53.	Accrued income	0	32 178	-8	0	0	-5 131	0	0	0	-5 131	0	27 039	26 331	708
54.	Prepaid expenses	0	2 064	0	0	0	-1 461	0	0	0	-1 461	0	603	643	-40
55.	Deferred expenses	0	11 858	1 560	0	0	0	0	-99	0	-99	0	13 319	17 364	-4 045
56.	TOTAL ASSETS	0	1 479 067	-129 380	0	2 645	-39 535	0	1 688	0	-35 202	0	1 314 485	1 194 737	119 748

## Data in MHUF

No.	Description	Accumulated reporting data for the reporting year		Opening total:	Effects of consolidation tasks in 2015					Consolidation in 2015, total		2015 consolidated data		Comparison	
		Adjustments to previous years	Reporting year		Opening settlements, total	Equity consolidation, total	Debt consolidation, total	Consolidation of yields and expenses	Elimination of intragroup profits/losses, total	Eliminations affecting the preceding years	Eliminations in the reporting year	Adjustments to previous years	Reporting year	Consolidated report 2014	Change (reporting year – previous year)
57.	D EQUITY	0	282 992	-141 842	0	2 647	-27	-179	3 669	0	6 110	0	147 260	109 840	37 420
58.	I. REGISTERED CAPITAL	0	68 871	-47 774	0	903	0	0	0	0	903	0	22 000	22 000	0
59.	of which: treasury shares redeemed at face value	0	0	0	0	0	0	0	0	0	0	0	0	0	0
60.	II. SUBSCRIBED, BUT UNPAID CAPITAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0
61.	III. CAPITAL RESERVE	0	188 168	-70 282	0	1 269	0	0	0	0	1 269	0	119 155	119 827	-672
62.	IV. RETAINED EARNINGS	0	-16 911	-20 722	0	14 283	0	-5	355	0	14 633	0	-23 000	-86 034	63 034
63.	V. ALLOCATED RESERVES	0	6 084	676	0	0	0	0	-355	0	-355	0	6 405	10 118	-3 713
64.	VI. REVALUATION RESERVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0
65.	VII. PROFIT/LOSS FOR THE YEAR	0	36 780	0	0	-694	-27	-174	3 669	0	2 774	0	39 554	49 127	-9 573
66.	VIII. CHANGES IN EQUITY OF SUBSIDIARIES	0	0	15 955	0	-13 594	0	0	0	0	-13 594	0	2 361	15 955	-13 594
67.	IX. CHANGES DUE TO CONSOLIDATION	0	0	-19 695	0	480	0	0	0	0	480	0	-19 215	-21 153	1 938
68.	from debt consolidation difference	0	0	51	0	3	0	0	0	0	3	0	54	2 341	-2 287
	from intragroup profit or loss	0	0	-22 500	0	477	0	0	0	0	477	0	-22 023	-26 081	4 058
	Impairment of active equity consolidation difference	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Valuation of associated investments	0	0	2 754	0	0	0	0	0	0	0	0	2 754	2 587	167
69.	Deferred tax expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0
70.	X. INVESTMENTS OF EXTERNAL MEMBERS (NON-CONTROLLING INTEREST)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
71.	E PROVISIONS	0	45 054	431	0	0	0	179	255	0	434	0	45 919	41 119	4 800
72.	1. Provision for expected liabilities	0	28 630	-453	0	0	0	179	0	0	179	0	28 356	26 440	1 916
73.	2. Provision for future expenses	0	9 501	0	0	0	0	0	0	0	0	0	9 501	5 302	4 199
74.	3. Other provisions	0	6 923	884	0	0	0	0	255	0	255	0	8 062	9 377	-1 315
75.	F. LIABILITIES	0	1 025 824	96	0	-2	-35 053	0	0	0	-35 055	0	990 865	972 290	18 575
76.	I. SUBORDINATED DEBT	0	0	102	0	-2	0	0	0	0	-2	0	100	102	-2
77.	Subordinated liabilities to related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
78.	Subordinated liabilities to other investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
79.	Subordinated liabilities to third parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
80.	Liabilities to founders	0	0	0	0	0	0	0	0	0	0	0	0	0	0
81.	Other long-term liabilities	0	0	0	0	0	0	0	0	0	0	0	0	0	0
82.	Passive equity consolidation difference from subsidiaries	0	0	102	0	-2	0	0	0	0	-2	0	100	102	-2
83.	II. LONG-TERM LIABILITIES	0	892 275	0	0	0	0	0	0	0	0	0	892 275	849 439	42 836
84.	Long-term borrowings	0	526	0	0	0	0	0	0	0	0	0	526	1 212	-686
85.	Convertible and revertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
86.	Bonds payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
87.	Loans received for investment and development	0	61 983	0	0	0	0	0	0	0	0	0	61 983	91 921	-29 938
88.	Other long-term loans	0	1 647	0	0	0	0	0	0	0	0	0	1 647	8 832	-7 185
89.	Long-term liabilities to related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
90.	Long-term liabilities to other investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other long-term liabilities	0	828 119	0	0	0	0	0	0	0	0	0	828 119	747 474	80 645
	Corporate tax liability resulting from consolidation	0	0	0	0	0	0	0	0	0	0	0	0	0	0
III.	SHORT-TERM LIABILITIES	0	133 549	-6	0	0	-35 053	0	0	0	-35 053	0	98 490	122 749	-24 259
91.	Short-term borrowings	0	686	0	0	0	0	0	0	0	0	0	686	10 939	-10 253
92.	of which: Convertible and revertible bonds	0	0	0	0	0	0	0	0	0	0	0	0	0	0
93.	Short-term loans	0	34 513	0	0	0	0	0	0	0	0	0	34 513	38 431	-3 918
94.	Prepayments received from debtors	0	72	0	0	0	0	0	0	0	0	0	72	71	1
95.	Creditors	0	29 488	0	0	0	0	0	0	0	0	0	29 488	46 787	-17 299
96.	Notes payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0
97.	Short-term liabilities to related companies	0	36 693	-6	0	0	-35 048	0	0	0	-35 048	0	1 639	1 897	-258
98.	Short-term liabilities to other investments	0	47	0	0	0	0	0	0	0	0	0	47	84	-37
99.	Other short-term liabilities	0	32 050	0	0	0	-5	0	0	0	-5	0	32 045	24 540	7 505
100.	G. ACCRUED EXPENSES AND DEFERRED INCOME	0	125 197	11 935	0	0	-4 455	0	-2 236	0	-6 691	0	130 441	71 488	58 953
101.	Prepaid income	0	11 198	0	0	0	-947	0	0	0	-947	0	10 251	10 667	-416
102.	Accrued expenses	0	10 420	-101	0	0	-3 508	0	0	0	-3 508	0	6 811	6 070	741
103.	Deferred income	0	103 579	12 036	0	0	0	0	-2 236	0	-2 236	0	113 379	54 751	58 628
104.	TOTAL LIABILITIES	0	1 479 067	-129 380	0	2 645	-39 535	0	1 688	0	-35 202	0	1 314 485	1 194 737	119 748

## Data in HUF

No.	Description	Accumulated reporting data for the reporting year		Opening total:	Effects of consolidation tasks in 2015					Consolidation in 2015, total		2015 consolidated data		Comparison	
		Adjustments to previous years	Reporting year		Opening settlements, total	Equity consolidation, total	Debt consolidation, total	Consolidation of yields and expenses	Elimination of intragroup profits/losses, total	Eliminations affecting the preceding years	Eliminations in the reporting year	Adjustments to previous years	Reporting year	Consolidated report 2014	Change (reporting year – previous year)
01.	Domestic sales revenue, net	0	307 060	0	0	0	16	-166 713	-19 980	0	-186 677	0	120 383	123 433	-3 050
02.	Export sales revenues, net	0	18 056	0	0	0	0	0	0	0	0	0	18 056	17 477	579
	Total internal revenues	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I.	NET SALES REVENUE	0	325 116	0	0	0	16	-166 713	-19 980	0	-186 677	0	138 439	140 910	-2 471
03.	Changes in self-manufactured inventories	0	918	0	0	0	0	0	0	0	0	0	918	-1 595	2 513
04.	Capitalised value of self produced assets	0	13 843	0	0	0	0	-93	15 037	0	14 944	0	28 787	25 178	3 609
II.	OWN PERFORMANCE CAPITALISED	0	14 761	0	0	0	0	-93	15 037	0	14 944	0	29 705	23 583	6 122
III.	OTHER REVENUES	0	204 578	0	0	0	-107	-886	2 667	0	1 674	0	206 252	208 056	-1 804
	Of which: reversal of impairment	0	124	0	0	0	0	0	891	0	891	0	1 015	2 137	-1 122
III/A.	CONSOLIDATION DIFFERENCE INCREASING THE PROFIT, RESULTING FROM DEBT CONSOLIDATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0
05.	Raw materials and consumables used	0	63 046	0	0	0	0	-1 382	-873	0	-2 255	0	60 791	61 721	-930
06.	Services purchased	0	190 158	0	0	0	-8	-134 925	2	0	-134 931	0	55 227	48 407	6 820
07.	Other services	0	3 467	0	0	0	0	-10	0	0	-10	0	3 457	3 614	-157
08.	Cost of goods sold	0	40 277	0	0	0	0	-26 908	-3 331	0	-30 239	0	10 038	9 569	469
09.	Cost of services sold (intermediated)	0	6 014	0	0	0	0	-3 131	-53	0	-3 184	0	2 830	3 595	-765
	Recognised internal expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0
IV.	MATERIAL TYPE EXPENSES	0	302 962	0	0	0	-8	-166 356	-4 255	0	-170 619	0	132 343	126 906	5 437
10.	Payroll cost	0	118 552	0	0	0	0	0	0	0	0	0	118 552	112 356	6 196
11.	Other employee benefits	0	17 675	0	0	0	0	-104	0	0	-104	0	17 571	16 260	1 311
12.	Social security and other contributions	0	36 380	0	0	0	0	0	0	0	0	0	36 380	37 940	-1 560
V.	PERSONNEL RELATED EXPENSES	0	172 607	0	0	0	0	-104	0	0	-104	0	172 503	166 556	5 947
VI.	DEPRECIATION EXPENSE	0	73 827	0	0	0	0	0	-1 721	0	-1 721	0	72 106	59 723	12 383
VII.	OTHER EXPENSES	0	26 455	0	0	0	-56	-940	-186	0	-1 182	0	25 273	42 215	-16 942
	Of which: impairment loss	0	6 045	0	0	0	0	0	-15	0	-15	0	6 030	19 701	-13 671
VII/A.	CONSOLIDATION DIFFERENCE DECREASING THE PROFIT, RESULTING FROM DEBT CONSOLIDATION	0	0	0	0	0	0	0	0	0	0	0	0	0	0
A	INCOME FROM OPERATIONS	0	-31 396	0	0	0	-27	-292	3 886	0	3 567	0	-27 829	-22 851	-4 978
13.	Dividends, profit share received	0	2 285	0	0	-2 282	0	0	0	0	-2 282	0	3	3	0
	Of which: received from related parties	0	2 282	0	0	-2 282	0	0	0	0	-2 282	0	0	3	-3
13/a.	Dividends from related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13/b.	Dividends from other investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14.	Gain on disposal of investments	0	0	0	0	0	0	0	0	0	0	0	0	17	-17
	Of which: received from related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15.	Interest and gains on long-term financial investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Of which: received from related parties	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16.	Other interest received (due) and similar income	0	800	0	0	0	0	-75	0	0	-75	0	725	610	115
	Of which: received from related parties	0	75	0	0	0	0	-75	0	0	-75	0	0	0	0
17.	Other financial gains	0	1 263	0	0	806	0	0	-19	0	787	0	2 050	1 323	727
VIII.	FINANCIAL GAINS	0	4 348	0	0	-1 476	0	-75	-19	0	-1 570	0	2 778	1 953	825
18.	Losses of long-term financial investments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Of which: granted to related companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19.	Interest payable and similar expenses	0	2 188	0	0	0	0	-75	0	0	-75	0	2 113	4 843	-2 730
	Of which: paid to related companies	0	75	0	0	0	0	-75	0	0	-75	0	0	0	0
20.	Impairment of investments, securities, bank deposits	0	-642	0	0	642	0	0	0	0	642	0	0	0	0
21.	Other financial expenses	0	4 201	0	0	4	0	0	80	0	84	0	4 285	4 064	221
IX.	FINANCIAL EXPENSES	0	5 747	0	0	646	0	-75	80	0	651	0	6 398	8 907	-2 509
B	FINANCIAL PROFIT/LOSS	0	-1 399	0	0	-2 122	0	0	-99	0	-2 221	0	-3 620	-6 954	3 334
C	PROFIT/LOSS FROM ORDINARY ACTIVITIES	0	-32 795	0	0	-2 122	-27	-292	3 787	0	1 346	0	-31 449	-29 805	-1 644
X.	EXTRAORDINARY GAINS	0	71 502	0	0	0	0	0	0	0	0	0	71 502	80 887	-9 385
XL	EXTRAORDINARY EXPENSES	0	230	0	0	0	0	-118	0	0	-118	0	112	1 826	-1 714
D	EXTRAORDINARY PROFIT/LOSS	0	71 272	0	0	0	0	118	0	0	118	0	71 390	79 061	-7 671
E	PROFIT/LOSS BEFORE TAX	0	38 477	0	0	-2 122	-27	-174	3 787	0	1 464	0	39 941	49 256	-9 315
XII.	TAX EXPENSE	0	269	0	0	0	0	0	0	0	0	0	269	123	146
XII/A.	DEFERRED TAX LIABILITY ARISING FROM CONSOLIDATION	0	0	0	0	0	0	0	118	0	118	0	118	6	112
F.	PROFIT/LOSS AFTER TAX	0	38 208	0	0	-2 122	-27	-174	3 669	0	1 346	0	39 554	49 127	-9 573
22.	Dividends, profit sharing paid from retained earnings	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23.	Dividends and profit-sharings approved	0	1 428	0	0	-1 428	0	0	0	0	-1 428	0	0	0	0
24.	Share of minority shareholders	0	0	0	0	0	0	0	0	0	0	0	0	0	0
G.	PROFIT/LOSS FOR THE YEAR	0	36 780	0	0	-694	-27	-174	3 669	0	2 774	0	39 554	49 127	-9 573