

**Independent Auditors' Report
issued on the 2006 Annual Report
and Business Report
of M6 Duna Autópálya Koncessziós Zrt.**

This is an English translation of the statutory Annual Report and the Business Report, and the Independent Auditors' Report thereon issued in Hungarian. In case of any differences, the Hungarian language original prevails.

Table of Contents

I. Independent Auditors' Report

II. Annual Report

Balance Sheet
Profit and Loss Statement
Supplementary Notes

III. Business Report



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This is an English translation of the Independent Auditor's Report on the 2006 statutory Annual Report of M6 Duna Autópálya Koncessziós Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete statutory Annual Report it refers to.

Independent Auditor's Report

To the shareholders of M6 Duna Autópálya Koncessziós Zrt.

We have audited the accompanying 2006 annual report of Duna Autópálya Koncessziós Zrt. (hereinafter referred to as "the Company"), which comprises the balance sheet as at 31 December 2006, which shows total assets of THUF 131,395,467 and retained profit for the year of THUF 5,421,267, and the income statement for the year then ended, and the supplementary notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the annual report in accordance with the provisions of the Act on Accounting and accounting principles generally accepted in Hungary. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Our work with respect to the business report was limited to the assessment of the consistency of the business report with the annual report, and did not include a review of any information other than that drawn from the audited accounting records of the Company.

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



Opinion

We have audited the annual report of M6 Duna Autópálya Koncessziós Zrt., its components and elements and their accounting and documentary support in accordance with Hungarian National Standards on Auditing and gained sufficient and appropriate evidence that the annual report has been prepared in accordance with the provisions of the Act on Accounting and accounting principles generally accepted in Hungary. In our opinion, the annual report gives a true and fair view of the financial position of M6 Duna Autópálya Koncessziós Zrt. as of 31 December 2006, and of its financial performance and of the result of its operations for the year then ended. The business report is consistent with the disclosures in the annual report.

Budapest, 18 May 2007

KPMG Hungária Kft.
1139 Budapest, Váci út 99.
Chamber registration number: 000202

Kajtár László
Kajtár László
Partner, Registered Auditor
Identification number: 000269

13368254-4523-114-01
Statistical number

Cg.01-10-045198
Registration number

Company name: M6 Duna Autópálya Koncessziós Zrt.

Company address: 1117 Budapest, Fehérvári út 50-52.

ANNUAL REPORT

for the period of 2006.01.01.-2006.12.31.

*This is an English translation of the Annual Report
In case of any differences or controversies, the Hungarian language original prevails*

Date: Budapest, 18 May 2007

13368254-4523-114-01

Statistical number

Cg.01-10-045198

Registration number

11

M6 Duna Autópálya Koncessziós Zrt.

BALANCE SHEET Assets

No.	Description	31.12.2005	Modification(s) of previous year	31.12.2006
a	b	c	d	e
1.	A. Fixed assets (lines 2.+10.+18.)	91 931 280		115 597 744
2.	I. INTANGIBLES (lines 03-09)	2 262		1 383
3.	Capitalised value of establishment and restructuring	-		-
4.	Capitalised value of R&D	-		-
5.	Rights of property value	2 262		1 383
6.	Intellectual property	-		-
7.	Goodwill	-		-
8.	Prepayments for intangibles	-		-
9.	Revaluation of intangibles	-		-
10.	II. TANGIBLES (lines 11-17)	91 929 018		115 596 361
11.	Land and buildings, related rights of property value	-		115 272 697
12.	Production equipment, machines, vehicles	-		315 259
13.	Other equipment, fitting and vehicles	11 628		8 405
14.	Breeding stock	-		-
15.	Assets under construction, reconstruction	91 917 390		-
16.	Prepayments for assets under construction	-		-
17.	Revaluation of tangibles	-		-
18.	III. FINANCIAL INVESTMENTS (lines 19-25)	-		-
19.	Shares for long-term in associated company	-		-
20.	Long-term loan to associated company	-		-
21.	Other long-term shares	-		-
22.	Long-term loan to minority-interest company	-		-
23.	Other long-term loans	-		-
24.	Long-term Securities	-		-
25.	Revaluation of financial investments	-		-

Date: Budapest, 18 May 2007

13368254-4523-114-01

Statistical number

12

Cg.01-10-045198

Registration number

M6 Duna Autópálya Koncessziós Zrt.**BALANCE SHEET Assets**

amounts in THUF

No.	Description	31.12.2005	Modification(s) of previous year	31.12.2006
a	b	c	d	e
26.	B. Current assets (lines 27.+34.+40.+45.)	5 430 956		8 564 084
27.	I. STOCKS (lines 28-33)	-		-
28.	Materials	-		-
29.	Unfinished production, semi-finished products	-		-
30.	Young, fatted and other livestock	-		-
31.	Finished products	-		-
32.	Goods	-		-
33.	Prepayments for stocks	-		-
34.	II. RECEIVABLES (lines 35-39)	5 013 065		3 944 860
35.	Accounts receivables	1 416 833		3 674 202
36.	Receivables from associated company	-		-
37.	Receivables from minority-interest company	-		-
38.	Drafts	-		-
39.	Other receivables	3 596 232		270 658
40.	III. SECURITIES (lines 41-44)	-		-
41.	Shares in associated company	-		-
42.	Other shares	-		-
43.	Own shares, quotashares for sale	-		-
44.	Securities bought for sale	-		-
45.	IV. CASH AND BANK (lines 46-47)	417 891		4 619 224
46.	Cash and cheques	26		119
47.	Bank accounts	417 865		4 619 105
48.	C. Prepayments (lines 49.-51.)	58 122		7 233 639
49.	Prepayments of the incomes/revenues	-		2 526 812
50.	Prepayments of the costs and expenses	58 122		4 706 827
51.	Deferred costs and expenses	-		-
52.	TOTAL ASSETS (lines 1.+26.+48.)	97 420 358	-	131 395 467

Date: Budapest, 18 May 2007

13368254-4523-114-01

Statistical number

13

Cg.01-10-045198

Registration number

M6 Duna Autópálya Koncessziós Zrt.**BALANCE SHEET Liabilities and equity**

amounts in THUF

No.	Description	31.12.2005	Modification(s) of previous year	31.12.2006
a	b	c	d	e
53.	D. Owners equity (lines 54.+56.+57.+58.+59.+60.+61.)	7 292 176		12 713 443
54.	I. ISSUED CAPITAL	7 330 000		7 330 000
55.	from line 54: par value of own shares bought back by the Company	-		-
56.	II. REGISTERED CAPITAL, BUT NOT YET PAID (-)	-		-
57.	III. CAPITAL RESERVE	-		-
58.	IV. PROFIT/LOSS BROUGHT FORWARD	(27 479)		(37 824)
59.	V. TIED UP CAPITAL	-		-
60.	VI. REVALUATION RESERVE	-		-
61.	VII. PROFIT (LOSS) OF THE YEAR	(10 345)		5 421 267
62.	E. Provisions (lines 53.-55.)	-		-
63.	Provisions for expected losses	-		-
64.	Provision for expected liabilities	-		-
65.	Other provisions	-		-
66.	F. Liabilities (lines 67.+71.+80)	88 931 427		113 670 983
67.	I. DEFERRED LIABILITIES (lines 68.-70)	-		4 612 198
68.	Deferred liabilities to associated company	-		-
69.	Deferred liabilities to minority-interest company	-		4 612 198
70.	Deferred liabilities to other parties	-		-

Date: Budapest, 18 May 2007

13368254-4523-114-01

Statistical number

14

Cg.01-10-045198

Registration number

M6 Duna Autópálya Koncessziós Zrt.**BALANCE SHEET** Liabilities and equity

amounts in THUF

No.	Description	31.12.2005	Modification(s) of previous year	31.12.2006
a	b	c	d	e
71.	II. LONG-TERM LIABILITIES (lines 72.- 79)	81 260 310		101 758 139
72.	Long-term loans received	-		-
73.	Convertible bonds	-		-
74.	Liabilities from issue of bonds	-		51 045 249
75.	Investment and development credits	81 260 310		48 155 896
76.	Other long-term credits	-		-
77.	Long-term liabilities to associated company	-		-
78.	Long-term liabilities to minority-interest company	-		-
79.	Other long-term liabilities	-		2 556 994
80.	II. SHORT-TERM LIABILITIES (lines 81.-89)	7 671 117		7 300 646
81.	Short-term loans	-		-
82.	from line 81: convertible bonds	-		-
83.	Short-term credits	2 788 871		4 815 415
84.	Advances from customers	-		-
85.	Accounts payable	3 017 272		30 940
86.	Liabilities on drafts	-		-
87.	Short-term liabilities to associated company	-		-
88.	Short-term liabilities to minority-interest company	1 859 247		110 712
89.	Other short-term liabilities	5 727		2 343 579
90.	G. Accruals (lines 91.-93)	1 196 755		5 011 041
91.	Accruals of incomes	1 112 498		1 217 513
92.	Accruals of costs and expenses	84 257		1 441 786
93.	Deferred incomes	-		2 351 742
94.	TOTAL LIABILITIES AND EQUITY (lines 53+62+66+90)	97 420 358		131 395 467

Date: Budapest, 18 May 2007

13368254-4523-114-01

Statistical number

21

Cg.01-10-045198

Registration number

M6 Duna Autópálya Koncessziós Zrt.**PROFIT AND LOSS STATEMENT**

Type A (full cost method)

amounts in THUF

No	Description	15.10.2005 31.12.2005	Modification(s) of previous year	01.01.2006 31.12.2006
a	b	c	d	e
1.	Net domestic sales	36 800		7 157 605
2.	Net export sales	-		-
I.	Total sales (01+02)	36 800		7 157 605
3.	Change in self-manufactured stocks.	-		-
4.	Own work capitalised	-		-
II.	Own performance capitalised (03±04.)	-		-
III.	Other revenues	26		1
	from line III. rewrite of impairment loss	-		-
5.	Cost of materials	5 150		13 007
6.	Value of rendered services	121 173		440 989
7.	Value of other services	1 198		148 066
8.	Cost of goods sold	-		-
9.	Value of sold (intermediated) services	35 214		739 157
IV.	Material-type costs (05+06+07+09)	162 735		1 341 219
10.	Wages and salaries	17 882		50 353
11.	Other staff costs	4 796		8 031
12.	Social security contributions	6 848		17 946
V.	Staff costs (10+11+12)	29 526		76 330
VI.	Depreciation	5 025		3 256 363
VII.	Other expenses	69		130 421
	from line VII. impairment loss	-		-
A.	OPERATING PROFIT/LOSS (I±II+III-IV-V-VI-VII)	(160 529)		2 353 273

Date: Budapest, 18 May 2007

13368254-4523-114-01

Statistical number

Cg.01-10-045198

Registration number

22

M6 Duna Autópálya Koncessziós Zrt.**PROFIT AND LOSS STATEMENT**

Type A (full cost method)

amounts in THUF

No	Description	15.10.2005 31.12.2005	Modification(s) of previous year	01.01.2006 31.12.2006
a	b	c	d	e
13.	Received dividend and similar income	-		-
	from line 13. from associated company	-		-
14.	Exchange gain of sold shares	-		-
	from line 14. from associated company	-		-
15.	Interest and exchange gain of financial investments	-		155 954
	from line 15. from associated company	-		-
16.	Other received interest and interest like income	-		-
	from line 16. from associated company	-		-
17.	Other income from financial activities	122 692		7 356 171
VIII.	Income from financial transactions (13+14+15+16+17)	122 692		7 512 125
18.	Exchange loss of financial investments	-		-
	from line 18. to associated company	-		-
19.	Payable interest and interest like expenses	-		2 893 042
	from line 19. to associated company	-		-
20.	Impairment loss of shares, securities and bank deposits	-		-
21.	Other expenses from financial transactions	32 478		1 477 626
IX.	Expenses on financial transactions (18+19+20+21)	32 478		4 370 668
B.	RESULT OF FINANCIAL TRANSACTIONS (VIII-IX)	90 214		3 141 457
C.	PROFIT/LOSS ON ORDINARY ACTIVITIES (±A±B)	(70 315)		5 494 730
X.	Extraordinary income	59 970		-
XI.	Extraordinary expenditure	-		200
D.	EXTRAORDINARY RESULT (X-XI)	59 970		(200)
E.	PROFIT/LOSS BEFORE TAXATION (±C±D)	(10 345)		5 494 530
XII.	Corporation tax	-		73 263
F.	PROFIT/LOSS AFTER TAXATION (±E-XII)	(10 345)		5 421 267
18.	Revenue reserve used for dividend payment	-		-
19.	Dividend accepted by / paid to shareholders	-		-
G.	PROFIT OF THE YEAR (±F+22.-23.)	(10 345)		5 421 267

Date: Budapest, 18 May 2007

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

SUPPLEMENTARY NOTES TO THE ANNUAL REPORT FOR 2006

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2006

1. GENERAL BACKGROUND INFORMATION

M6 Duna Autópálya Koncessziós Rt. (the “Company”), having its legal seat at 1117 Budapest, Irinyi József u.4-20, was founded on 7 October 2004 by the following companies (the „Founders”):

- Bilfinger Berger BOT GmbH (Wiesbaden, Germany)
- Porr Infrastruktur GmbH (Vienna, Austria)
- Swietelsky International Baugesellschaft (Linz, Austria)

The Company has been registered by the Budapest Metropolitan Court on 14 October 2004, so its pre-company period last between 7 and 14 October 2004. Due to the new legal requirements, the Company’s name was changed to M6 Duna Zártkörűen Működő Részvénytársaság (Zrt.) on 15 December 2005 with the decision of Founders.

The Company is a private company limited by shares established for a fixed term, which is the concession period set out in the Concession Agreement concluded with the Hungarian State. The concession period is 22 years, lasting until 8 October 2026. The rights and obligations set by the Concession Agreement were transferred to the Company via the Transfer Agreement dated 13 October 2004 by the consortium originally obtaining the concession. The consortium and the Founders were the same.

Accordingly, the Company is solely engaged in the design, construction, renovation, operation and maintenance under concession of the section of the M6 Motorway between Érdi tető and the intersection of the M6 and M8 Motorways at Dunaújváros, and the financing of the above activities. The interim completion of the motorway occurred on 11 June 2006. The relevant Traffic Authority issued the final licence to operate for this section of the M6 Motorway on 31 October 2006. The Final Acceptance Certificate issued by the Minister of Economy and Transport –acting on behalf of the Hungarian State – became effective on 13 December 2006.

During the term of the concession, the Company is entitled to possess and utilize certain assets under exclusive state property (e.g. main road) and to receive the benefits deriving from those assets. Accordingly, starting from interim completion, the Company will receive monthly availability fees from the Hungarian State for the use of the motorway. The expected availability fee amounts are determined by the calculation formulae contained in the Concession Agreement.

2. ACCOUNTING POLICY

The books and records of the Company are maintained in accordance with Law C of 2000 on Accounting, as amended (the “Law”) and generally accepted accounting principles in Hungary. The accounting policy, the valuation method and process of the Company with the modifications introduced during this period are as follows:

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2006

Financial statement preparation date

The preparation date of the financial statements for the period ended 31 December 2005 was 9 January 2006, while for the year ended 31 December 2006, the preparation date was 18 May 2007. The change in the financial statement preparation date had no material effect on this annual report.

Intangible fixed assets

Purchased software, included in Rights of property value, are amortised over 3 years. Intangible fixed assets below purchase price of 50,000 HUF are fully depreciated when put into use.

Tangible fixed assets

According to the paragraph 23 (3) of the Law, the Company records the acquisition cost of the assets purchased or created under the Concession Agreement as tangible fixed assets in its books.

The acquisition cost includes:

- upfront fees, commitment fees, handling fees etc. stipulated in the financing contracts directly linked to the design and construction of the motorway
- interest due until the interim completion of the motorway minus interest received on funds dedicated to the project
- banking fees and bank advisors' (technical, financial, legal, etc.) fees directly linked to the project as stipulated by the financing contracts
- insurance costs directly linked to the project, until interim completion
- direct salaries and related taxes of company officers and employees exclusively working on the project, until interim completion
- design, construction, monitoring, environmental, safety, documentation etc. advisory fees, until final completion of the construction contract
- realised and unrealised FX differences on foreign currency liabilities in direct connection with the construction, until project completion

Tangible fixed assets are stated at acquisition costs less accumulated depreciation. Depreciation is calculated on a straight-line basis over the estimated useful life of the related asset. The useful life of the motorway and the ancillary facilities are calculated from the interim completion date (11 June 2006) until the end of the concession period, which is 20.3 years. The depreciation rates applied are as follows:

Motorway and ancillary facilities	4.9%
Vehicles	20.0%
Office and IT equipment	33.3%
Furniture	14.5%

Tangible assets below purchase price of 50,000 HUF are fully depreciated when put into use.

Format of statements of operations

The accompanying statement of operations is prepared according to the "A" version of the Law. Assets and liabilities denominated in foreign currency are valued at the buy rate of the Company's account bank. The consequent valuation gains/losses are recorded gross among Result on financial transactions.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2006

Material errors, significant error

Amounts exceeding 1% of total assets are considered as material errors resulting of tax audits, self-revisions and errors effecting prior years (both in 2005 and 2006 the corresponding figure was 500 mHUF, the maximum amount set by the Law).

If the cumulative effect of material errors exceeds 20% of prior year's equity that is considered as significant error deteriorating the true and fair view provided by the financial statements (regarding 2005 the corresponding figure was 538 mHUF, while for 2006 that was 1,458 mHUF).

3. FINANCIAL POSITION, PROFITABILITY AND LIQUIDITY

In March 2006 the project was successfully refinanced: the previous syndicated long-tem bank loan was replaced by cheaper funds from a new loan from the European Investment Bank („EIB”) and the proceeds of the issuance of floating rate Notes (see Point 9). Due to the refinancing, the project's feasibility and profitability is even more secure and robust, per the underlying Financial Model.

The interim completion of the motorway occurred on 11 June 2006, that is with 71 days of delay compared to the target interim completion date of 31 March 2006. Since the Company was not responsible for that delay, therefore the budgeted Availability fees for such „deemed operation” period will be fully reimbursed (see Point 6) by the Ministry of Economy and Transport („GKM”). It is in accordance with the amicable solution, which is based on the Technical Panel's decision.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2006

4. TANGIBLE FIXED ASSETS

The changes in tangible fixed assets during 2005 and 2006 are detailed as follows (in thousands of HUF):

	<u>Real property</u>	<u>Production vehicles and equipment</u>	<u>Other vehicles and equipment</u>	<u>Construction- in-progress</u>	<u>Total</u>
<u>Gross value</u>					
Opening balance at 31 December 2004	0	0	0	15 780 272	15 780 272
Additions	0	0	15 647	76 137 118	76 152 765
Closing balance at 31 December 2005	0	0	15 647	91 917 390	91 933 037
Additions	0	0	0	26 922 753	26 922 753
Aktiválás	118 477 984	362 105	54	-118 840 143	0
Closing balance at 31 December 2006	<u>118 477 984</u>	<u>362 105</u>	<u>15 701</u>	<u>0</u>	<u>118 855 790</u>
<u>Accumulated depreciation</u>					
Opening balance at 31 December 2004	0	0	0	0	0
Depreciation-straight line method	0	0	4 019	0	4 019
Closing balance at 31 December 2005	<u>0</u>	<u>0</u>	<u>4 019</u>	<u>0</u>	<u>4 019</u>
Depreciation-straight line method	3 205 287	46 846	3 277	0	3 255 410
Closing balance at 31 December 2006	<u>3 205 287</u>	<u>46 846</u>	<u>7 296</u>	<u>0</u>	<u>3 259 429</u>
Net Book Value at 31 December 2005	<u>0</u>	<u>0</u>	<u>11 628</u>	<u>91 917 390</u>	<u>91 929 018</u>
Net Book Value at 31 December 2006	<u>115 272 697</u>	<u>315 259</u>	<u>8 405</u>	<u>0</u>	<u>115 596 361</u>

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2006

The above gross value of Real property includes the following items directly related to the construction of the motorway as of 31 December 2006 (in thousands of HUF):

	<u>2006.12.31</u>
Construction invoiced by main contractor	100 747 665
Capitalized foreign exchange loss	6 041 336
Capitalized interest	4 461 401
Bank & insurance fees, advisory fees	4 427 432
Financial advisory costs	1 718 500
Independent Engineer's fee	<u>1 081 650</u>
Total	<u>118 477 984</u>

5. RECEIVABLES

The balance of Accounts Receivables as of 31 December 2006 includes receivables of 3,652,679 tHUF from GKM.

Other receivables as of 31 December 2005 and 2006 include VAT reclaimable by the Company.

6. PREPAYMENTS

As of 31 December 2006 deferred income items were as follows (in thousands of HUF):

	<u>2006.12.31</u>
Amicable solution with GKM	2 417 855
Interest on current account	98 302
Interest on bank deposit	7 069
Variable leaseholding fee of 2006	<u>3 586</u>
Total	<u>2 526 812</u>

As of 31 December 2006 prepayments of costs were as follows (in thousands of HUF):

	<u>2006.12.31</u>
Deferred concession fee	4 585 848
Prepaid operations fee	118 951
Insurance premium paid for 2007	1 873
Others	<u>155</u>
Total	<u>4 706 827</u>

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2006

The deferred part of the additional concession fee to be charged by GKM (see Point 9) in accordance with the second amendment of Concession Agreement is recorded among Prepayments. This concession fee is deferred over the concession period (until 2026) and charged as an expense on a straight line basis.

Prepayments as of 31 December 2005 and 2006 included the pre-operation fees invoiced by Duna-Intertoll Zrt., the subcontractor for the operation and maintenance of the motorway, in accordance with the underlying contract, before the commencement of the operations. These fees are charged to the profit and loss account over 5 years, which is the minimum guaranteed term of the operation and maintenance contract.

7. ISSUED CAPITAL

The Company's issued capital consists of 73,300 registered shares with a face value of 100,000 HUF each, granting equal and identical rights to the shareholders. The Founders respective shareholdings as of 31 December 2006 were as follows (in thousands of HUF):

<u>Founder</u>	<u>Amount</u>	<u>Portion</u>
Bilfinger Berger BOT GmbH	2,932,000	40%
Porr Infrastruktur GmbH	2,932,000	40%
Swietelsky International Baugesellschaft	1,466,000	20%
Total	<u>7,330,000</u>	<u>100%</u>

On 2 December 2004 the Founders decided to increase the Company's original share capital of 741,500 tHUF by 6,588,500 tHUF. The prescribed capital injections were duly made in two steps by December 2005. The withdrawal of interim shares and the issuance of final shares have been executed during 2006.

8. SUBORDINATED LIABILITIES

In October 2006 the Company has received subordinated loans totalling to 18,420,792 EUR from the Founders. The loans expire in October 2026. The interest on these loans is linked to the Company's EBIT and payable semi-annually.

9. LONG-TERM LIABILITIES

Besides the Founders' capital contributions, the project was previously financed by an international bank consortium (the „Consortium”),

The funds were available through various facilities for the construction phase.

As of 31 December 2005, the actual drawn amounts from the available facilities were as follows:

<u>Lender</u>	<u>Type of facility</u>	<u>Expiry date</u>	<u>Total facility</u>	<u>Drawn amount</u>	<u>Value per balance sheet</u>
Consortium	Term facility	2025/04/08	410,850,881€	307,000,000 €	77,465,310
Consortium	VAT facility	2007/04/30	5,500,000 tHUF	3,795,000 tHUF	3,795,000
Total					<u>81,260,310</u>

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2006

The actual drawn amounts had mainly 1 month maturity, and their interest rates were linked to the applicable interbank rates (Euribor or Bubor).

Following the complete refinancing of the project, as of 31 December 2006, the available facilities and the actual drawn amounts with maturity over one year were as follows:

<u>Lender</u>	<u>Type of facility</u>	<u>Expiry date</u>	<u>Total facility</u>	<u>Drawn amount LT portion</u>	<u>Value per balance sheet</u>
					tHUF
EIB	Loan	2025/03/31	200,000,000 €	192,331,240 €	48,155,896
Noteholders	Notes	2025/03/31	212,000,000 €	203,871,110 €	51,045,249
Total					<u>99,201,145</u>

Interest and principal repayments on the EIB loan and the Notes are due semi-annually on each 31 March and 30 September, starting in 2007. Accordingly, the repayments due from the EIB loan and the Notes in 2007 have been reclassified to Short-term credits (see Point 10). The floating interest rates of the EIB loan and the Notes are linked to the applicable interbank rate (6M Euribor).

The entire debt service under the EIB loan and the Notes is guaranteed by the monoline insurer Financial Security Assurance UK Ltd.

However, the effective interest charge on the EIB loan and the Notes are fixed for the whole term via swap deals concluded with BNP Paribas SA (Paris). The notional amounts of the swaps follow the repayment profile of the loan and the Notes. During 2006, the Company paid in total 536,646 tHUF and accrued 94,812 tHUF as difference between the fixed and floating rates of these swaps.

The EIB loan and the Notes are guaranteed by the Company's shares held in custody. All the assets and future receivables of the Company are pledged as security for these borrowings as well.

Upon refinancing, the Company made a new obligation to pay in total 19,013,067 EUR of additional concession fee to GKM at predetermined dates, ending on 30 September 2024. The scheduled payments for 2006 and 2007 totalling to 8,800,617 EUR (2,203,498 tHUF), have been reclassified to Other short-term liabilities in the accompanying Balance Sheet.

10. SHORT-TERM CREDITS

The short-term credits as of 31 December 2005 were as follows (in thousands of HUF):

<u>Lender</u>	<u>Type of facility</u>	<u>Expiry date</u>	<u>Total facility</u>	<u>Drawn amount</u>	<u>Value per balance sheet</u>
				EUR	tHUF
Consortium	Equity Bridge	2006/09/30	11,052,475 €	11,052,475	2,788,871
Bilfinger Berger BOT	Mezzanine	2006/09/30	7,368,317 €	7,368,317	1,859,247
Total				<u>18,420,792</u>	<u>4,648,118</u>

These loans were fully repaid during 2006.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2006

The short-term credits as of 31 December 2006 were as follows (in thousands of HUF):

<u>Lender</u>	<u>Type of facility</u>	<u>Expiry date</u>	<u>Total facility</u>	<u>Drawn amount ST portion</u>	<u>Value per balance sheet tHUF</u>
EIB	Loan	2025/03/31	200,000,000 €	7,668,760 €	1,920,104
Noteholders	Notes	2025/03/31	212,000,000 €	8,128,890 €	2,035,311
VAT-Consortium	VAT-facility	2007/03/31	3,200,000 tHUF	860,000 tHUF	860,000
Total					<u>4,815,415</u>

The VAT-Consortium included Kereskedelmi és Hitelbank Rt., MKB Bank Rt. and the German bank of KfW. The actual interest rate of the VAT-facility is linked to the applicable interbank rate (2 weeks or 1M Bubor).

11. ACCRUALS

As of 31 December 2005 and 2006 accruals included the following items (in thousands of HUF):

	<u>2005.12.31</u>	<u>2006.12.31</u>
Accrued income from "deemed operation"	0	2 351 742
Accrued interest costs and guarantee fee	26 913	1 259 221
Accrued income from petrol station leaseholding contracts	1 112 498	1 217 513
Insurance fee	33 581	93 822
Motorway operation & maintenance cost	0	55 830
Advisory costs	3 785	8 337
Audit fee	2 725	5 007
Commitment fees	6 804	3 536
Seconded officers' fees	3 139	1 627
Other	7 310	14 406
Total	<u>1 196 755</u>	<u>5 011 041</u>

The above accrued leaseholding income and the accrued income from "deemed operation" is being released to profit and loss on a straight line basis over the remaining part of the concession period.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2006

12. NET SALES

Net sales in 2006 consisted of the following items (in thousands of HUF):

	<u>2006</u>
Availability fee income	6 738 115
Reinvoiced items	274 465
Leaseholding income	63 182
Released income of "deemed operation"	66 113
Compensation from contractor	8 896
Other operational income	<u>6 834</u>
Total	<u>7 157 605</u>

13. VALUE OF RENDERED SERVICES

The value of rendered services included the following items in 2005 and 2006 (in thousands of HUF):

	<u>2005</u>	<u>2006</u>
Concession fee	5 028	190 142
Legal, technical & financial advisory cost	34 965	121 499
Seconded officers' fees	27 466	34 868
PR, marketing costs	8 111	25 225
Office rent	17 329	18 860
Commitment fee	0	12 047
Vehicle rental	9 358	7 611
Audit fee	4 596	5 501
Bookkeeping, payroll calculation etc.	5 120	4 864
Other	<u>9 200</u>	<u>20 372</u>
Total	<u>121 173</u>	<u>440 989</u>

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2006

14. VALUE OF OTHER SERVICES

Other services in 2006 included the following items (in thousands of HUF):

	<u>2006</u>
Insurance premiums	147 222
Bank charges	822
Other	<u>22</u>
Total	<u>148 066</u>

15. OTHER EXPENSES

In 2006 the largest item of other expenses is the local business tax charge of 128,109 tHUF.

16. EXTRAORDINARY INCOME

The HUF equivalent of the capital contributions made by the Founders in December 2005 exceeded the HUF values set in the Founders' original resolution. Therefore the Founders confirmed in writing that the consequent surplus has been given to the Company definitively and without the obligation of repayment. Accordingly, such surplus was recorded as extraordinary income in the income statement for 2005.

17. STAFF

The average statistical staff number for 2005 was 5, while for 2006 that was 7 persons. At the end 2005, the Company had 6 employees, while at the end of 2006 there were 7 employees working in intellectual jobs.

18. BOARD OF DIRECTORS, SUPERVISORY BOARD

No remuneration, advances or loan were provided by the company to the members of the Board of Directors or the Supervisory Board in 2005 and 2006.

The original Hungarian version of this annual report has been signed by:

Fáskerti Zsolt – Member of the Board of Directors

Derzsi András – Member of the Board of Directors

Their business address is 1117 Budapest, Fehérvári út 50-52. (see Point 20).

The person in charge of bookkeeping is Szabó Brigitta, who is a registered accountant at the Ministry of Finance under reg. number 142373.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2006

19. CORPORATE TAX

The following is the calculation of the corporate tax charge for the year of 2005 and 2006 (in thousands of HUF):

	<u>2005</u>	<u>2006</u>
Profit/Loss before tax	-10 345	5 494 530
<u>Tax base adjusting items:</u>		
Unrealised FX gain	0	-6 615 372
Local business tax	0	-128 109
Received without repayment obligation (see Point 16)	-59 970	0
Penalty, other	57	801
	<u>-70 258</u>	<u>-1 248 150</u>
Corporate tax base for 16% normal rate	-70 258	-1 248 150
Corporate tax charge at 16% normal rate	<u>-</u>	<u>-</u>
Corporate tax base for 4% supplementary	-	5 494 730
Corporate tax charge at 4% supplementary	<u>-</u>	<u>73 263</u>

The newly introduced 4% supplementary tax is effective from 1 September 2006. In the calculation of this tax, no tax base adjusting items can be taken into account. Therefore the Company has a corporate tax charge of 73,263 tHUF for 2006.

20. POST BALANCE SHEET EVENTS

From 7 February 2007, the Company's legal seat is at 1117 Budapest, Fehérvári út 50-52. The Company established a branch at the same time at 2454 Ivánca, Kilenredi utca 1, which is the Operation & Maintenance Centre of the motorway.

As of the preparation date of these financial statements, the registration of the new seat and the branch by the Court of Registry is in progress.

Budapest, 18 May 2007

Cash flow - statement	2005.01.01.-2005.12.31.	2006.01.01.-2006.12.31.
I. cash-flow of ordinary activities	-9 124 091	3 987 589
(Operational cash flow, lines 1-13)		
1. Profit before tax	-10 345	5 494 530
2. Depreciation	5 025	3 256 363
3. Impairment loss and rewrite of impairment loss	0	0
4. Change in the amount of provision	0	0
5. Result of sale of fixed assets	0	0
6. Change of accounts payable	-8 064 305	-2 986 332
7. Change of other short term liabilities	1 852 880	589 317
8. Change of accruals	1 103 945	3 814 286
9. Change of accounts receivable	-1 416 833	-2 257 369
10. Change in current assets (excl. Cash and acc. receivable)	-2 537 129	3 325 574
11. Change of prepayments	-57 329	-7 175 517
12. Tax paid on result	0	-73 263
13. Dividend paid	0	0
II. Cash flow of investment activities	-76 156 033	-26 922 827
(Investment cash flow, lines 14-16)		
14. Purchase of fixed assets	-76 156 033	-26 922 827
15. Sale of fixed assets	0	0
16. Dividend received	0	0
III. Cash flow on financial transactions	83 053 901	27 136 571
(Financing cash flow, lines 17-27)		
17. Issuing of shares, capital inflow	0	0
18. Cash from issue of bonds, credit letters	0	51 045 249
19. Loan, credit received	80 684 843	-31 077 870
20. Repayments of long-term loans and bank deposits.	0	0
21. Cash received	0	0
22. Decrease of registered capital	0	0
23. Repayments of bonds, credit letters	0	0
24. Repayments of loan, credit	0	0
25. Given loans, bankdeposits for long-term	0	0
26. Cash given	0	0
27. Change of liabilities to shareholders and other long term liab.	-2 242 892	7 169 192
28. Change in the amount of registered, but unpaid capital	4 611 950	0
IV. Change in the amount of cash (lines I. + II. + III.)	-2 226 223	4 201 333

Date: Budapest, 18 May 2007

BUSINESS REPORT FOR 2006

M6 Duna Autópálya Koncessziós Zrt. (the “Company”) was founded on 7 October. The Company is a private company limited by shares, established for a fixed term of 22 years, which is the concession period as set out in the Concession Agreement concluded with the Hungarian State.

In accordance with the Concession Agreement, the Company is engaged in the design, construction, renovation, operation and maintenance of the 58.6 km long section of the M6 Motorway between Érdi tető and the intersection of the M6 and M8 Motorways at Dunaújváros, and the financing of the above activities. The construction works started in October 2004. The interim completion – so the opening of the motorway – took place on 11 June 2006. When construction works got completed, the relevant Traffic Authority issued the final licence to operate on 31 October 2006. The Final Acceptance Certificate issued by the Minister of Economy and Transport –acting on behalf of the Hungarian State – became effective on 13 December 2006.

Since its opening, the motorway is operated in an orderly manner, without performance point events or substantial unavailability incidents. The motorway is properly operated, maintained etc., in accordance with the routine maintenance plans and manuals, by our operation subcontractor, Duna-Intertoll Zrt. The operation of the motorway is regularly checked by the relevant Hungarian authorities.

During the term of the concession, the Company is entitled to possess and utilize certain assets under exclusive state property (e.g. main road) and to receive the benefits deriving from those assets. Accordingly, the Company receives revenues starting from 11 June 2006, being the monthly availability fees paid by the Hungarian State, calculated with the formulas as set out in the Concession Agreement.

The budgeted availability fees for the period between the target interim completion date (31 March 2006) and 11 June 2006 will be fully reimbursed by the Ministry of Economy and Transport, as the Company was not responsible for that delay. This is in accordance with the amicable solution, which is based on the Technical Panel’s decision.

In addition, the ancillary facilities of the motorway also generate revenues for the Company. In 2006, 2*2 petrol stations were put into operation by MOL and OMV, respectively, in the Complex Rest Areas at km 30 and 70 of the motorway. Our plan is to contract with leasehold partners during 2007 to build and operate restaurants and motels as well in these Complex Rest Areas.

The Company - with the valuable professional support of the Founders - has successfully completed the refinancing of the project in March 2006. The previous syndicated bank loan was replaced by a new loan from the European Investment Bank and the issuance of floating rate Notes, which was a unique financing tool in this region. The Notes are traded on the Luxembourg Stock Exchange. The entire debt service under the EIB loan and the Notes is guaranteed by the monoline insurer, Financial Security Assurance UK Ltd. Due to this innovative structure, financing costs are significantly reduced and the profitability of the Company is even more robust.

In the operation phase of the project, the Company operates with a reduced staff of 6-7 persons. In line with that, the Company moved to a smaller office located at 1117 Budapest, Fehérvári út 50-52 in February 2007.

Budapest, 18 May 2007