

**Independent Auditors' Report
issued on the 2007 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.

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Independent Auditor's Report

To the shareholders of M6 Duna Autópálya Koncessziós Zrt.

We have audited the accompanying 2007 annual report of M6 Duna Autópálya Koncessziós Zrt. (hereinafter referred to as "the Company"), which comprises the balance sheet as at 31 December 2007, which shows total assets of THUF 124,039,122 and retained loss for the year of THUF 1,439,095, 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

This is an English translation of the Independent Auditor's Report on the 2007 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.



of 31 December 2007, 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, 26 February 2008

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 from 2007.01.01.-2007.12.31.

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

Date: Budapest, 26 February 2008

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M6 Duna Autópálya Koncessziós Zrt.

BALANCE SHEET Assets

amounts in THUF

No.	Description	31.12.2006	Modification(s) of previous year	31.12.2007
a	b	c	d	e
1.	A. Fixed assets (lines 2.+10.+18.)	115 597 744		113 496 769
2.	I. INTANGIBLES (lines 03-09)	1 383		931
3.	Capitalised value of establishment and restructuring	-		-
4.	Capitalised value of R&D	-		-
5.	Rights of property value	1 383		931
6.	Intellectual property	-		-
7.	Goodwill	-		-
8.	Prepayments for intangibles	-		-
9.	Revaluation of intangibles	-		-
10.	II. TANGIBLES (lines 11-17)	115 596 361		110 277 741
11.	Land and buildings, related rights of property value	115 272 697		110 000 597
12.	Production equipment, machines, vehicles	315 259		271 802
13.	Other equipment, fitting and vehicles	8 405		5 342
14.	Breeding stock	-		-
15.	Assets under construction, reconstruction	-		-
16.	Prepayments for assets under construction	-		-
17.	Revaluation of tangibles	-		-
18.	III. FINANCIAL INVESTMENTS (lines 19-25)	-		3 218 097
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	-		3 218 097
23.	Other long-term loans	-		-
24.	Long-term Securities	-		-
25.	Revaluation of financial investments	-		-

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

amounts in THUF

No.	Description	31.12.2006	Modification(s) of previous year	31.12.2007
a	b	c	d	e
26.	B. Current assets (lines 27.+34.+40.+45.)	8 564 084		5 720 756
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)	3 944 860		2 597 854
35.	Accounts receivables	3 674 202		2 396 050
36.	Receivables from associated company	-		-
37.	Receivables from minority-interest company	-		-
38.	Drafts	-		-
39.	Other receivables	270 658		201 804
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)	4 619 224		3 122 902
46.	Cash and cheques	119		282
47.	Bank accounts	4 619 105		3 122 620
48.	C. Prepayments (lines 49.-51.)	7 233 639		4 821 597
49.	Prepayments of the incomes/revenues	2 526 812		323 843
50.	Prepayments of the costs and expenses	4 706 827		4 497 754
51.	Deferred costs and expenses	-		-
52.	TOTAL ASSETS (lines 1.+26.+48.)	131 395 467	-	124 039 122

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

amounts in THUF

No.	Description	31.12.2006	Modification(s) of previous year	31.12.2007
a	b	c	d	e
53.	D. Owners equity (lines 54.+56.+57.+58.+59.+60.+61.)	12 713 443		7 600 773
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. RETAINED EARNINGS	(37 824)		1 709 868
59.	V. TIED UP CAPITAL	-		-
60.	VI. REVALUATION RESERVE	-		-
61.	VII. PROFIT (LOSS) OF THE YEAR	5 421 267		(1 439 095)
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)	113 670 983		111 537 076
67.	I. SUBORDINATED LIABILITIES (lines 68.-70)	4 612 198		4 665 250
68.	Subordinated liabilities to associated company	-		-
69.	Subordinated liabilities to related company	4 612 198		4 665 250
70.	Subordinated liabilities to other parties	-		-

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

amounts in THUF

No.	Description	31.12.2006	Modification(s) of previous year	31.12.2007
a	b	c	d	e
71.	II. LONG-TERM LIABILITIES (lines 72.- 79)	101 758 139		98 514 181
72.	Long-term loans received	-		-
73.	Convertible bonds	-		-
74.	Liabilities from issue of bonds	51 045 249		48 894 824
75.	Investment and development credits	48 155 896		47 087 011
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		2 532 346
80.	II. SHORT-TERM LIABILITIES (lines 81.-89)	7 300 646		8 357 645
81.	Short-term loans	-		-
82.	from line 81: convertible bonds	-		-
83.	Short-term credits	4 815 415		4 360 371
84.	Advances from customers	-		-
85.	Accounts payable	30 940		69 020
86.	Liabilities on drafts	-		-
87.	Short-term liabilities to associated company	-		-
88.	Short-term liabilities to related company	110 712		3 675 854
89.	Other short-term liabilities	2 343 579		252 400
90.	G. Accruals (lines 91.-93)	5 011 041		4 901 273
91.	Accruals of incomes	1 217 513		1 156 554
92.	Accruals of costs and expenses	1 441 786		1 511 525
93.	Deferred incomes	2 351 742		2 233 194
94.	TOTAL LIABILITIES AND EQUITY (lines 53+62+66+90)	131 395 467		124 039 122

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M6 Duna Autópálya Koncessziós Zrt.

PROFIT AND LOSS STATEMENT

Type A (full cost method)

amounts in THUF

No	Description	01.01.2006 31.12.2006	Modification(s) of previous year	01.01.2007 31.12.2007
a	b	c	d	e
1.	Net domestic sales	7 157 605		14 073 863
2.	Net export sales	-		-
1.	Total sales (01+02)	7 157 605		14 073 863
3.	Change in self-manufactured stocks.	-		-
4.	Own work capitalised	-		-
II.	Own performance capitalised (03±04.)	-		-
III.	Other revenues	1		92 247
	from line III. rewrite of impairment loss	-		-
5.	Cost of materials	13 007		18 003
6.	Value of rendered services	440 989		755 824
7.	Value of other services	148 066		189 176
8.	Cost of goods sold	-		-
9.	Value of sold (intermediated) services	739 157		2 849 349
IV.	Material-type costs (05+06+07+09)	1 341 219		3 812 352
10.	Wages and salaries	50 353		48 894
11.	Other staff costs	8 031		6 040
12.	Social security contributions	17 946		17 646
V.	Staff costs (10+11+12)	76 330		72 580
VI.	Depreciation	3 256 363		5 914 342
VII.	Other expenses	130 421		178 430
	from line VII. impairment loss	-		-
A.	OPERATING PROFIT/LOSS (I±II+III-IV-V-VI-VII)	2 353 273		4 188 406

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

Type A (full cost method)

amounts in THUF

No	Description	01.01.2006 31.12.2006	Modification(s) of previous year	01.01.2007 31.12.2007
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		306 052
	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	7 356 171		566 172
VIII.	Income from financial transactions (13+14+15+16+17)	7 512 125		872 224
18.	Exchange loss of financial investments	-		-
	from line 18. to associated company	-		-
19.	Payable interest and interest like expenses	2 893 042		4 797 073
	from line 19. to associated company	-		-
20.	Impairment loss of shares, securities and bank deposits	-		-
21.	Other expenses from financial transactions	1 477 626		1 702 652
IX.	Expenses on financial transactions (18+19+20+21)	4 370 668		6 499 725
B.	RESULT OF FINANCIAL TRANSACTIONS (VIII-IX)	3 141 457		(5 627 501)
C.	PROFIT/LOSS ON ORDINARY ACTIVITIES (±A±B)	5 494 730		(1 439 095)
X.	Extraordinary income	-		-
XI.	Extraordinary expenditure	200		-
D.	EXTRAORDINARY RESULT (X-XI)	(200)		-
E.	PROFIT/LOSS BEFORE TAX (±C±D)	5 494 530		(1 439 095)
XII.	Corporate tax	73 263		-
F.	PROFIT/LOSS AFTER TAX (±E-XII)	5 421 267		(1 439 095)
18.	Revenue reserve used for dividend payment	-		3 673 575
19.	Dividend accepted by / paid to shareholders	-		3 673 575
G.	PROFIT OF THE YEAR (±F+22.-23.)	5 421 267		(1 439 095)

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SUPPLEMENTARY NOTES TO THE ANNUAL REPORT FOR 2007

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2007

I. GENERAL BACKGROUND INFORMATION

M6 Duna Autópálya Koncessziós Rt. (the "Company"), having its legal seat at 1117 Budapest, Fehérvári út 50-52, 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 Dunaujváros, 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.

On 7 February 2007 the Company established a branch office in the building of the Operation & Maintenance Center (at 2454 Ivánca, Kilenredi utca 1., hrsz: 067/17). The control and monitoring of the operation of the motorway - which is the Company's main commercial activity in the operation phase - is conducted in the branch office.

The registered seat in Budapest serves only for administration purposes in order to fulfil the reporting and other administrative obligations set in the Concession Agreement, the financing contracts and required by the Founders as well.

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.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2007

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:

Financial statement preparation date

The preparation date of the financial statements for the year ended 31 December 2006 was 18 May 2007, while for the year ended 31 December 2007, the preparation date was 3 January 2008 (except for the declared dividend, for which the respective date is 26 February 2008). 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 100,000 HUF are fully depreciated when put into use.

Tangible fixed assets

According 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 live 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 100,000 HUF are fully depreciated when put into use.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2007

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.

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 2006 and 2007 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 2006 the corresponding figure was 1,458 mHUF, while for 2007 that was 2,543 mHUF).

3. FINANCIAL POSITION, PROFITABILITY AND LIQUIDITY

In March 2006 the project was successfully refinanced: the previous syndicated long-term 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 11). Due to the refinancing, the project's feasibility and profitability is even more secure and robust, per the underlying Financial Model. The Company has fulfilled its debt service obligations in 2007 as well, in full compliance with the credit agreements.

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 have been fully reimbursed (see Point 8) by the Ministry of Economy and Transport („GKM”), in accordance with the agreement dated 17 May 2007.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2007

4. INTANGIBLE FIXED ASSETS

The changes in intangibles during 2007 are detailed as follows (in thousands of HUF):

	<u>Rights of property value</u>
<u>Gross value</u>	
Opening balance at 1 January 2007	2 934
Additions	625
Disposals	0
Closing balance at 31 December 2007	<u>3 559</u>
<u>Accumulated depreciation</u>	
Opening balance at 1 January 2007	1 551
Depreciation-straight line method	1 077
Closing balance at 31 December 2007	<u>2 628</u>
Net Book Value at 31 December 2007	<u>931</u>

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2007

5. TANGIBLE FIXED ASSETS

The changes in tangible fixed assets during 2006 and 2007 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 1 January 2006	0	0	15 647	91 917 390	91 933 037
Additions	0	0	0	26 922 753	26 922 753
Put into use	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>
Additions	594 354	0	3 372	0	597 726
Disposals	0	0	-4 067	0	-4 067
Closing balance at 31 December 2007	<u>119 072 338</u>	<u>362 105</u>	<u>15 006</u>	<u>0</u>	<u>119 449 449</u>
<u>Accumulated depreciation</u>					
Opening balance at 1 January 2006	0	0	4 019	0	4 019
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>
Depreciation-straight line method	5 866 454	43 457	3 354	0	5 913 265
Disposals	0	0	-986	0	-986
Closing balance at 31 December 2007	<u>9 071 741</u>	<u>90 303</u>	<u>9 664</u>	<u>0</u>	<u>9 171 708</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>
Net Book Value at 31 December 2007	<u>110 000 597</u>	<u>271 802</u>	<u>5 342</u>	<u>0</u>	<u>110 277 741</u>

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2007

6. FINANCIAL INVESTMENTS

In line with its Financial Model, the Company is providing a loan facility to its Founders from its surplus cash, in proportion to their shareholdings. Under this upstream loan facility, the Company advanced to its Founders in total 12,706,692 EUR during 2007. The final maturity of the facility is the date on which the Concession Agreement expires, i.e. in October 2026. The floating interest rate of the loans are linked to the applicable interbank rate (12M Euribor) (see Point 8). Any amount (interest plus principal) payable by the Founders under this upstream loan facility may, at the election of either party, be offset against any future dividend which is declared to the Founder in its capacity as shareholder of the Company.

7. RECEIVABLES

The balance of Accounts Receivables as of 31 December 2007 includes receivables of 2,388,176 tHUF from GKM.

Other receivables as of 31 December 2006 included VAT reclaimable by the Company, while as of 31 December 2007 these included overpayments of local business tax and supplementary tax.

8. PREPAYMENTS

As of 31 December 2006 and 31 December 2007 deferred income items were as follows (in thousands of HUF):

	2006.12.31	2007.12.31
Receivable under Swap agreements	0	221 166
Interest on upstream loan	0	71 789
Interest on current account and bank deposit	105 371	19 559
Leaseholding fee and overweight fee	3 586	11 329
Amicable solution with GKM	2 417 855	0
Total	<u>2 526 812</u>	<u>323 843</u>

As of 31 December 2006 and 31 December 2007 prepayments of costs were as follows (in thousands of HUF):

	2006.12.31	2007.12.31
Deferred concession fee	4 585 848	4 404 130
Prepaid operations fee	118 951	92 984
Insurance premium paid for 2007	2 028	640
Total	<u>4 706 827</u>	<u>4 497 754</u>

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2007

The deferred part of the additional concession fee to be charged by GKM (see Point 11) 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 2006 and 2007 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.

9. 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 and 31 December 2007, as well, 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.

10. SUBORDINATED LIABILITIES

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

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Supplementary Notes for 2007

11. LONG-TERM LIABILITIES

As of 31 December 2006, the outstanding debts with maturity over one year were as follows:

<u>Lender</u>	<u>Type of debt</u>	<u>Expiry date</u>	<u>Total original facility</u>	<u>Outstanding amount LT portion</u>	<u>Value per balance sheet t HUF</u>
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>99201 145</u>

As of 31 December 2007, the outstanding debts with maturity over one year were as follows:

<u>Lender</u>	<u>Type of debt</u>	<u>Expiry date</u>	<u>Total original facility</u>	<u>Outstanding amount LT portion</u>	<u>Value per balance sheet tHUF</u>
EIB	Loan	2025.03.31	200 000 000 €	185 923 599 €	47 087 011
Noteholders	Notes	2025.03.31	212 000 000 €	193 061 771 €	48 894 824
Total					<u>95 981 835</u>

Interest and principal repayments (starting from 2007) on the EIB loan and the Notes are due semi-annually on each 31 March and 30 September. Accordingly, the repayments due on the EIB loan and the Notes in 2008 have been reclassified to Short-term credits (see Point 12).

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.

In 2006 the Company paid in total 536,646 tHUF on these swaps and incurred a loss of 631,458 tHUF as difference between the fixed and floating rates of these swaps.

In 2007 the Company paid a net 120,455 tHUF on the interest swaps and enjoyed a gain of 195,524 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. Up to 31 December 2007, 8,800,617 EUR of that has been paid to GKM in total. Of the remaining 10,212,450 EUR liability, the scheduled payment for 2008 of 213,458 EUR (54,060 tHUF) has been reclassified to Other short-term liabilities in the accompanying Balance Sheet.

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Supplementary Notes for 2007

12. SHORT-TEM CREDITS

The short-tem credits as of 31 December 2006 were as follows:

<u>Lender</u>	<u>Type of debt</u>	<u>Expiry date</u>	<u>Total facility</u>	<u>Outstanding 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					4 815 415

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). The above VAT-facility was fully repaid during 2007.

The short-tem credits as of 31 December 2007 were as follows:

<u>Lender</u>	<u>Type of debt</u>	<u>Expiry date</u>	<u>Total original facility</u>	<u>Outstanding amount ST portion</u>	<u>Value per balance sheet tHUF</u>
EIB	Loan	2025.03.31	200 000 000 €	6 407 637 €	1 622 798
Noteholders	Notes	2025.03.31	212 000 000 €	10 809 339 €	2 737 573
Total					4 360 371

13. ACCRUALS

As of 31 December 2006 and 2007 accruals included the following items (in thousands of HUF):

	2006.12.31	2007.12.31
Accrued income from "deemed operation"	2 351 742	2 233 194
Accrued interest costs and guarantee fee	1 259 221	1 440 859
Accrued income from petrol station leaseholding contracts	1 217 513	1 155 918
Motorway operation & maintenance cost	55 830	57 147
Advisory costs and other items	22 743	4 997
Commitment fees	3 536	3 428
Audit fee	5 007	3 039
Seconded officers' fees	1 627	2 691
Insurance fee	93 822	0
Total	5 011 041	4 901 273

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.

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Supplementary Notes for 2007

14. NET SALES

Net sales in 2006 and 2007 consisted of the following items (in thousands of HUF):

	2006	2007
Availability fee income	6 738 115	11 707 310
Reinvoiced items	274 465	2 139 750
Released income of "deemed operation"	66 113	118 548
Leaseholding income	63 182	77 503
Other operational income from the motorway	6 834	30 752
Compensation from contractor	8 896	0
Total	<u>7 157 605</u>	<u>14 073 863</u>

15. OTHER REVENUES

Other revenues in 2006 and 2007 consisted of the following items (in thousands of HUF):

	2006	2007
Late payment interest received	0	75 219
Fee from overweight vehicles	0	13 360
Proceeds from sales of fixed assets	0	1 896
Other	1	1 772
Total	<u>1</u>	<u>92 247</u>

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Supplementary Notes for 2007

16. VALUE OF RENDERED SERVICES

The value of rendered services included the following items in 2006 and 2007 (in thousands of HUF):

	2006	2007
Legal, technical & financial advisory cost	121 499	414 255
Concession fee	190 142	237 371
Seconded officers' fees	34 868	48 946
Commitment fee	12 047	14 179
Office rent	18 860	8 768
Vehicle rental	7 611	8 070
Bookkeeping, payroll calculation etc.	4 864	5 543
Audit fee	5 501	5 095
PR, marketing costs	25 225	1 291
Other	20 372	12 306
Total	440 989	755 824

17. VALUE OF OTHER SERVICES

Other services in 2006 and 2007 included the following items (in thousands of HUF):

	2006	2007
Insurance premiums	147 222	188 584
Bank charges	822	584
Other	22	8
Total	148 066	189 176

18. OTHER EXPENSES

In 2006 and 2007 the largest item of other expenses was the local business tax charge of 128,109 tHUF and 174,176 tHUF, respectively.

19. STAFF

The average statistical staff number for 2006 was 7, while for 2007 that was 6 persons. At the end 2006, the Company had 7 employees, while at the end of 2007 there were 6 employees working in intellectual jobs.

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Supplementary Notes for 2007

20. 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 2006 and 2007.

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.

The person in charge of bookkeeping is Boldizsár Richárd, who is a registered accountant at the Ministry of Finance under registration number 172687.

21. CORPORATE TAX

The following is the calculation of the corporate tax charge for the year of 2006 and 2007 (in thousands of HUF):

	2006	2007
Profit/(Loss) before tax	5 494 530	-1 439 095
<u>Adjusting items:</u>		
Unrealised FX gain and its release	-6 615 372	263 573
Local business tax	-128 109	0
Penalty, other	801	190
	<u>-1 248 150</u>	<u>-1 175 332</u>
Corporate tax base for 16% normal rate	-1 248 150	-1 175 332
Corporate tax charge at 16% normal rate	<u>-</u>	<u>-</u>
Corporate tax base for 4% supplementary rate	5 494 730	-1 439 095
Corporate tax charge at 4% supplementary rate	<u>73 263</u>	<u>-</u>

In the calculation of the 4% supplementary tax, introduced on 1 September 2006, no tax base adjusting items can be taken into account. Therefore the Company had a corporate tax charge of 73,263 tHUF for 2006.

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Supplementary Notes for 2007

22. POST BALANCE SHEET EVENTS

On 26 February 2008, the Annual General Meeting of the Company has declared a dividend of 3,673,575 tHUF from the available Retained Earnings. This amount is recorded as Short-term liabilities to related company in the accompanying Balance sheet as of 31 December 2007.

Budapest, 26 February 2008

Cash flow - statement	2006.01.01.-2006.12.31.	2007.01.01.-2007.12.31.
I. cash-flow of ordinary activities (Operational cash flow, lines 1-13)	3 987 589	5 963 572
1. Profit before tax	5 494 530	-1 439 095
2. Depreciation	3 256 363	5 914 342
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	577
6. Change of accounts payable	-2 986 332	38 080
7. Change of other short term liabilities	589 317	1 473 963
8. Change of accruals	3 814 286	-109 768
9. Change of accounts receivable	-2 257 369	1 278 152
10. Change in current assets (excl. Cash and acc. receivable)	3 325 574	68 854
11. Change of prepayments	-7 175 517	2 412 042
12. Corporate tax paid	-73 263	0
13. Dividend declared	0	-3 673 575
II. Cash flow of investment activities (Investment cash flow, lines 14-16)	-26 922 827	-595 847
14. Purchase of fixed assets	-26 922 827	-598 351
15. Sale of fixed assets	0	2 504
16. Dividend received	0	0
III. Cash flow on financial transactions (Financing cash flow, lines 17-27)	27 136 571	-6 864 047
17. Issuing of shares, capital inflow	0	0
18. Cash from issue of bonds, credit letters	51 045 249	0
19. Loan, credit received	-31 077 870	0
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	-1 448 163
24. Repayments of loan, credit	0	-2 226 191
25. Given loans, bankdeposits for long-term	0	-3 218 097
26. Cash given	0	0
27. Change of liabilities to shareholders and other long term liabilities	7 169 192	28 404
28. Change in the amount of registered, but unpaid capital	0	0
IV. Change in the amount of cash (lines I. + II. + III.)	4 201 333	-1 496 322

BUSINESS REPORT FOR 2007

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. 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 has been operated in an orderly manner, without significant performance point events or substantial unavailability incidents. The motorway is properly operated, maintained etc., in accordance with the routine maintenance plans and Hungarian road standards, 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, in the form of monthly availability fees paid by the Hungarian State, calculated with the formulas 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 have been fully reimbursed by the Ministry of Economy and Transport, as the Company was not responsible for that delay. This was in accordance with the agreement signed by the parties on 17 May 2007.

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. The Company intends to find leasehold partners to build and operate restaurants and motels as well in these Complex Rest Areas, preferably during 2008.

The Company 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 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. The Company has fulfilled its debt service obligations in 2007 as well, in full compliance with the credit agreements.

In the operation phase of the project, the Company operates with a reduced staff of 6-7 persons, split between Budapest and Iváncsa. On 7 February 2007 the Company established a branch office in the Operation & Maintenance Center at Iváncsa. The control and monitoring of the operation of the motorway - which is the Company's main commercial activity in the operation phase - is conducted in the branch office.

The registered seat in Budapest serves only for administration purposes in order to fulfil the reporting and other administrative obligations towards the Ministry of Economy and other Hungarian authorities, the Lenders and the Founders as well.

On 10 August 2007, Mr. Marc Hörnig replaced Mr. Arne Speer as Chairman of the Board of Directors.

Budapest, 26 February 2008