



**Independent Auditors' Report  
issued on the 2010 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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This is an English translation of the Independent Auditors' Report on the 2010 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 Auditors' Report**

To the shareholders of M6 Duna Autópálya Koncessziós Zrt.

### **Report on the Annual Report**

We have audited the accompanying 2010 annual report of M6 Duna Autópálya Koncessziós Zrt. (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 December 2010, which shows total assets of EUR 418,040,395 and retained profit for the year of EUR 0 and the income statement for the year then ended, and supplementary notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Annual Report*

Management is responsible for the preparation and fair presentation of this annual report in accordance with the provisions of the Act on Accounting and accounting principles generally accepted in Hungary, and for such internal control as management determines is necessary to enable the preparation of annual report are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on this annual report based on our audit. 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the annual report, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the annual report 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 annual report.

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 performance of M6 Duna Autópálya Koncessziós Zrt. as of 31 December 2010, and of its financial performance and of the result of its operations for the year then ended.





## **Report on the Business Report**

We have audited the accompanying 2010 business report of M6 Duna Autópálya Koncessziós Zrt.

Management is responsible for the preparation of the business report in accordance with the provisions of the Act on Accounting and accounting principles generally accepted in Hungary. Our responsibility is to assess whether this business report is consistent with the 2010 annual report. 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.

In our opinion, the 2010 business report of M6 Duna Autópálya Koncessziós Zrt. is consistent with the data included in the 2010 annual report of M6 Duna Autópálya Koncessziós Zrt.

Budapest, 23 February 2011

KPMG Hungária Kft.

Registration number: 000202

*Kajtár László*

Kajtár László

*Partner, Professional Accountant*

Registration 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 2010.01.01.-2010.12.31.**

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

Date: Budapest, 23 February 2011

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Statistical number

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Registration number

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

amounts in EUR

No.	Description	31.12.2009	Modification(s) of previous year	31.12.2010
a	b	c	d	e
<b>1.</b>	<b>A. Fixed assets (lines 2.+10.+18.)</b>	<b>394 015 990</b>		<b>382 539 935</b>
2.	I. INTANGIBLES (lines 03-09)	2 278		3 222
3.	Capitalised value of establishment and restructuring	-		-
4.	Capitalised value of R&D	-		-
5.	Rights of property value	2 278		3 222
6.	Intellectual property	-		-
7.	Goodwill	-		-
8.	Prepayments for intangibles	-		-
9.	Revaluation of intangibles	-		-
10.	II. TANGIBLES (lines 11-17)	389 053 135		365 660 765
11.	Land and buildings, related rights of property value	388 280 258		365 046 549
12.	Production equipment, machines, vehicles	761 441		601 098
13.	Other equipment, fitting and vehicles	11 436		13 118
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)	4 960 577		16 875 948
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	4 960 577		16 875 948
23.	Other long-term loans	-		-
24.	Long-term Securities	-		-
25.	Revaluation of financial investments	-		-

Date: Budapest, 23 February 2011

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

amounts in EUR

No.	Description	31.12.2009	Modification(s) of previous year	31.12.2010
a	b	c	d	e
<b>26.</b>	<b>B. Current assets (lines 27.+34.+40.+45.)</b>	<b>31 353 908</b>		<b>12 340 529</b>
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)	175 770		152 919
35.	Accounts receivable	16 146		56 937
36.	Receivables from associated company	-		-
37.	Receivables from minority-interest company	-		-
38.	Drafts	-		-
39.	Other receivables	159 624		95 982
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)	31 178 138		12 187 610
46.	Cash and cheques	-		-
47.	Bank accounts	31 178 138		12 187 610
<b>48.</b>	<b>C. Prepayments (lines 49.-51.)</b>	<b>24 164 709</b>		<b>23 159 931</b>
49.	Prepayments of the incomes/revenues	8 388 255		8 361 045
50.	Prepayments of the costs and expenses	15 776 454		14 798 886
51.	Deferred costs and expenses	-		-
<b>52.</b>	<b>TOTAL ASSETS (lines 1.+26.+48.)</b>	<b>449 534 607</b>	<b>-</b>	<b>418 040 395</b>

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

amounts in EUR

No.	Description	31.12.2009	Modification(s) of previous year	31.12.2010
a	b	c	d	e
<b>53.</b>	<b>D. Owners equity (lines 54.+56.+57.+58.+59.+60.+61.)</b>	<b>28 932 310</b>		<b>28 932 310</b>
54.	I. ISSUED CAPITAL	28 932 310		28 932 310
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	-		-
59.	V. TIED UP CAPITAL	-		-
60.	VI. REVALUATION RESERVE	-		-
61.	VII. PROFIT (LOSS) OF THE YEAR	-		-
<b>62.</b>	<b>E. Provisions (lines 53.-55.)</b>	<b>-</b>		<b>-</b>
63.	Provisions for expected losses	-		-
64.	Provision for expected liabilities	-		-
65.	Other provisions	-		-
<b>66.</b>	<b>F. Liabilities (lines 67.+71.+80)</b>	<b>401 495 352</b>		<b>372 987 785</b>
67.	I. DEFERRED LIABILITIES (lines 68.-70)	18 420 792		18 420 792
68.	Deferred liabilities to associated company	-		-
69.	Deferred liabilities to minority-interest company	18 420 792		18 420 792
70.	Deferred liabilities to other parties	-		-

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

amounts in EUR

No.	Description	31.12.2009	Modification(s) of previous year	31.12.2010
a	b	c	d	e
71.	<b>II. LONG-TERM LIABILITIES (lines 72.- 79)</b>	<b>351 468 858</b>		<b>331 761 967</b>
72.	Long-term loans received	-		-
73.	Convertible bonds	-		-
74.	Liabilities from issue of bonds	166 260 456		151 885 740
75.	Investment and development credits	175 654 832		170 708 966
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	9 553 570		9 167 261
80.	<b>II. SHORT-TERM LIABILITIES (lines 81.-89)</b>	<b>31 605 702</b>		<b>22 805 026</b>
81.	Short-term loans	-		-
82.	from line 81: convertible bonds	-		-
83.	Short-term credits	29 079 341		19 320 576
84.	Advances from customers	-		-
85.	Accounts payable	284 734		3 420
86.	Liabilities on drafts	-		-
87.	Short-term liabilities to associated company	1 010 283		2 086 266
88.	Short-term liabilities to minority-interest company	-		-
89.	Other short-term liabilities	1 231 344		1 394 764
90.	<b>G. Accruals (lines 91.-93)</b>	<b>19 106 945</b>		<b>16 120 300</b>
91.	Accruals of incomes	4 119 048		3 873 050
92.	Accruals of costs and expenses	7 084 816		4 836 374
93.	Deferred incomes	7 903 081		7 410 876
94.	<b>TOTAL LIABILITIES AND EQUITY (lines 53+62+66+90)</b>	<b>449 534 607</b>		<b>418 040 395</b>

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

Type A (full cost method)

amounts in EUR

No	Description	amounts in EUR		
		01.01.2009 31.12.2009	Modification(s) of previous year	01.01.2010 31.12.2010
a	b	e	d	e
1.	Net domestic sales	48 634 546		49 351 637
2.	Net export sales	-		-
<b>I.</b>	<b>Total sales (01+02)</b>	<b>48 634 546</b>		<b>49 351 637</b>
3.	Change in self-manufactured stocks.	-		-
4.	Own work capitalised	-		-
<b>II.</b>	<b>Own performance capitalised (03±04.)</b>	<b>-</b>		<b>-</b>
<b>III.</b>	<b>Other revenues</b>	<b>94 810</b>		<b>128 015</b>
	from line III. rewrite of impairment loss	-		-
5.	Cost of materials	74 686		119 112
6.	Value of rendered services	1 539 421		2 104 823
7.	Value of other services	542 678		481 748
8.	Cost of goods sold	-		-
9.	Value of sold (intermediated) services	3 045 648		3 169 727
<b>IV.</b>	<b>Material-type costs (05+06+07+09)</b>	<b>5 202 433</b>		<b>5 875 410</b>
10.	Wages and salaries	205 387		209 994
11.	Other staff costs	22 904		22 116
12.	Social security contributions	67 638		58 716
<b>V.</b>	<b>Staff costs (10+11+12)</b>	<b>295 929</b>		<b>290 826</b>
<b>VI.</b>	<b>Depreciation</b>	<b>23 415 149</b>		<b>23 415 466</b>
<b>VII.</b>	<b>Other expenses</b>	<b>964 303</b>		<b>976 152</b>
	from line VII. impairment loss	-		-
<b>A.</b>	<b>OPERATING PROFIT/LOSS (I±II+III-IV-V-VI-VII)</b>	<b>18 851 542</b>		<b>18 921 798</b>

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

Type A (full cost method)

amounts in EUR

No	Description	01.01.2009 31.12.2009	Modification(s) of previous year	01.01.2010 31.12.2010
a	b	e	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	595 920	-	449 752
	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	383 970	-	196 398
<b>VIII.</b>	<b>Income from financial transactions (13+14+15+16+17)</b>	<b>979 890</b>		<b>646 150</b>
18.	Exchange loss of financial investments	-	-	-
	from line 18. to associated company	-	-	-
19.	Payable interest and interest like expenses	18 368 321	-	17 194 415
	from line 19. to associated company	-	-	-
20.	Impairment loss of shares, securities and bank deposits	-	-	-
21.	Other expenses from financial transactions	410 733	-	286 570
<b>IX.</b>	<b>Expenses on financial transactions (18+19+20+21)</b>	<b>18 779 054</b>		<b>17 480 985</b>
<b>B.</b>	<b>RESULT OF FINANCIAL TRANSACTIONS (VIII-IX)</b>	<b>(17 799 164)</b>		<b>(16 834 835)</b>
<b>C.</b>	<b>PROFIT/LOSS ON ORDINARY ACTIVITIES (±A±B)</b>	<b>1 052 378</b>		<b>2 086 963</b>
X.	Extraordinary income	-	-	-
XI.	Extraordinary expenditure	-	-	697
<b>D.</b>	<b>EXTRAORDINARY RESULT (X-XI)</b>	<b>-</b>		<b>(697)</b>
<b>E.</b>	<b>PROFIT/LOSS BEFORE TAXATION (±C±D)</b>	<b>1 052 378</b>		<b>2 086 266</b>
XII.	Corporation tax	42 095	-	-
<b>F.</b>	<b>PROFIT/LOSS AFTER TAXATION (±E-XII)</b>	<b>1 010 283</b>		<b>2 086 266</b>
18.	Revenue reserve used for dividend payment	-	-	-
19.	Dividend accepted by / paid to shareholders	1 010 283	-	2 086 266
<b>G.</b>	<b>PROFIT OF THE YEAR (±F+22.-23.)</b>	<b>-</b>		<b>-</b>

Date: Budapest, 23 February 2011

M6 Duna Autópálya Koncessziós Zrt.  
 1117 Budapest, Fehérvári út 50-52.  
 13368254-4523-114-01

Cash flow - statement	amounts in EUR	
	2009.01.01.-2009.12.31.	2010.01.01.-2010.12.31.
<b>I. cash-flow of ordinary activities</b> (Operational cash flow, lines 1-13)	<b>25 566 053</b>	<b>22 417 828</b>
1. Profit before tax	1 052 378	2 086 266
2. Depreciation	23 415 149	23 415 466
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	3 795	3 289
6. Change of accounts payable	284 734	-281 314
7. Change of other short term liabilities	65 399	1 239 403
8. Change of accruals	-249 973	-2 986 645
9. Change of accounts receivable	-16 146	-40 791
10. Change in current assets (excl. Cash and acc. receivable)	72 883	63 642
11. Change of prepayments	1 990 212	1 004 778
12. Tax paid on result	-42 095	0
13. Dividend paid	-1 010 283	-2 086 266
<b>II. Cash flow of investment activities</b> (Investment cash flow, lines 14-16)	<b>-292 816</b>	<b>-27 329</b>
14. Purchase of fixed assets	-296 473	-31 492
15. Sale of fixed assets	3 657	4 163
16. Dividend received	0	0
<b>III. Cash flow on financial transactions</b> (Financing cash flow, lines 17-27)	<b>-7 207 131</b>	<b>-41 381 027</b>
17. Issuing of shares, capital inflow	0	0
18. Cash from issue of bonds, credit letters	0	0
19. Loan, credit received	19 000 000	0
20. Repayments of long-term loans and bank deposits.	991 760	-11 915 371
21. Cash received	0	0
22. Decrease of registered capital	0	0
23. Repayments of bonds, credit letters	-12 086 574	-14 714 741
24. Repayments of loan, credit	-14 904 167	-14 364 606
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.	-208 150	-386 309
28. Change in the amount of registered, but unpaid capital	0	0
<b>IV. Change in the amount of cash (lines I. + II. + III.)</b>	<b>18 066 106</b>	<b>-18 990 528</b>

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

SUPPLEMENTARY NOTES TO THE ANNUAL REPORT FOR 2010

# M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

## Supplementary Notes for 2010

### 1. GENERAL BACKGROUND INFORMATION

M6 Duna Autópálya Koncessziós Zrt. (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)

During 2008 Bilfinger Berger BOT GmbH transferred its shares in M6 Duna to Bilfinger Berger Project Investments S.C.A. SICAR (Luxemburg), while Porr Infrastruktur GmbH merged into Porr Solutions Immobilien- und Infrastrukturprojekte GmbH. In 2009 the latter company further transferred its shares in M6 Duna to Porr Infrastruktur Investment AG.

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.

On 7 February 2007 the Company established a branch office in the building of the Operation & Maintenance Centre (at 2454 Ivánca, Kilencedi utca 1, hrsz: 067/17).

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 derived from those assets. Accordingly, starting from interim completion, the Company is receiving monthly availability fees from the Hungarian State for the use of the motorway. The availability fee amounts are determined by the calculation formulae contained in the Concession Agreement.

# M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

## Supplementary Notes for 2010

### 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. In accordance with the requirements of the Law, from 1 January 2008 the books and records of the Company are maintained in EUR.

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 2009 was 4 January 2010 (except for the declared dividend, for which the respective date is 30 April 2010), while for the year ended 31 December 2010, the preparation date was 4 January 2011 (except for the declared dividend, for which the respective date is 23 February 2011).

#### 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 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 lives 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%

# M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

## Supplementary Notes for 2010

Tangible assets below purchase price of 100,000 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 HUF are valued at the daily FX rates set by the National Bank of Hungary. The consequent valuation gains/losses are recorded net as 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 2009 and 2010 the corresponding figure was 500 mHUF or its equivalent in EUR, 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 2009 and 2010 as well the corresponding figure was 5.8 mEUR).

### 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 2009 and 2010 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 13 and 14) by the Ministry of Economy and Transport („GKM”), in accordance with the agreement dated 17 May 2007.

In accordance with the finance documents, due the downgrade of the credit rating of Dexia Credit Local-t („Dexia”), the provider of the Debt Service Letter of Credit („DSLCL”), in March 2009 the lenders requested Dexia to advance 19 mEUR to the Company under the DSLCL facility. This amount was kept on the dedicated Debt Service Reserve Account of the Company, which explains the substantial increase of the cash balance in 2009.

In accordance with the finance documents, repayments under this DSLCL facility were made semi-annually (on the normal debt service payment dates) by the Company from the cash flows of the project in 2009.

In May 2010 the Company came to an agreement with its lenders and Banco Bilbao Vizcaya Argentaria („BBVA”) regarding a new letter of credit backing Dexia. The financing documents were amended to implement the backing letter of credit issued by BBVA, which enabled the Company to fully repay the outstanding DSLCL amount with the 19 m EUR released from Debt Service Reserve Account. This explains the substantial decrease in the cash balance in 2010.

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2010

4. INTANGIBLE FIXED ASSETS

The changes in intangibles during 2009 and 2010 are detailed as follows (in EUR):

	<u>Rights of property value</u>
<u>Gross value</u>	
Opening balance at 1 January 2009	14 529
Additions	2 656
Disposals	0
Closing balance at 31 December 2009	<u>17 185</u>
Additions	2 189
Disposals	-6 603
Closing balance at 31 December 2010	<u>12 771</u>
<u>Accumulated depreciation</u>	
Opening balance at 1 January 2009	12 600
Depreciation-straight line method	2 307
Closing balance at 31 December 2009	<u>14 907</u>
Depreciation-straight line method	1 245
Disposals	-6 603
Closing balance at 31 December 2010	<u>9 549</u>
<b>Net Book Value at 31 December 2009</b>	<b><u>2 278</u></b>
<b>Net Book Value at 31 December 2010</b>	<b><u>3 222</u></b>

M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

Supplementary Notes for 2010

5. TANGIBLE FIXED ASSETS

The changes in tangible fixed assets during 2009 and 2010 are detailed as follows (in EUR):

	<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 2009	470 286 836	1 429 269	61 684	0	471 777 789
Additions	254 523	36 933	2 361	0	293 817
Disposals	0	-18 840	0	0	-18 840
Closing balance at 31					
December 2009	<u>470 541 359</u>	<u>1 447 362</u>	<u>64 045</u>	<u>0</u>	<u>472 052 766</u>
Additions	3 108	18 366	7 829	0	29 303
Disposals	0	-18 840	-14 042	0	-32 882
Closing balance at 31					
December 2010	<u>470 544 467</u>	<u>1 446 888</u>	<u>57 832</u>	<u>0</u>	<u>472 049 187</u>
<u>Accumulated depreciation</u>					
Opening balance at 1					
January 2009	59 024 215	528 028	45 934	0	59 598 177
Depreciation-straight					
line method	23 236 886	169 281	6 675	0	23 412 842
Disposals	0	-11 388	0	0	-11 388
Closing balance at 31					
December 2009	<u>82 261 101</u>	<u>685 921</u>	<u>52 609</u>	<u>0</u>	<u>82 999 631</u>
Depreciation-straight					
line method	23 236 817	171 257	6 147	0	23 414 221
Disposals	0	-11 388	-14 042	0	-25 430
Closing balance at 31					
December 2010	<u>105 497 918</u>	<u>845 790</u>	<u>44 714</u>	<u>0</u>	<u>106 388 422</u>
<u>Net Book Value at 31</u>					
December 2009	<u>388 280 258</u>	<u>761 441</u>	<u>11 436</u>	<u>0</u>	<u>389 053 135</u>
December 2010	<u>365 046 549</u>	<u>601 098</u>	<u>13 118</u>	<u>0</u>	<u>365 660 765</u>

## M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

### Supplementary Notes for 2010

#### 6. FINANCIAL INVESTMENTS

In line with its Financial Model, the Company is providing a loan facility to its Shareholders from its surplus cash, in proportion to their shareholdings.

Any amount (interest plus principal) payable under this upstream loan facility may, at the election of either party, be offset against any dividend which is declared to the borrower in its capacity as Shareholder of the Company.

Accordingly, the changes in long-term loans during 2009 and 2010 were as follows (in EUR):

Opening balance at 1 January 2009	5 952 337
Offset against dividend payable on 26 Febr 2008	<u>-991 760</u>
Closing balance at 31 December 2009	<u>4 960 577</u>
Offset against dividend payable on 1 June 2010	-757 384
New loans advanced in June 2010	5 719 653
New loans advanced in December 2010	<u>6 953 102</u>
Closing balance at 31 December 2010	<u>16 875 948</u>

As a consequence of the Dexia downgrade described in Point 3, the Company had no surplus cash to advance new loans in 2009.

The final maturity of the facilities is the date on which the Concession Agreement expires, i.e. in October 2026. The floating interest rates of the loans are linked to the applicable interbank rate (12M Euribor) (see Point 8).

#### 7. RECEIVABLES

As of 31 December 2009 and 31 December 2010 as well, Accounts Receivable included items recharged to the contractor, while Other receivables included overpayments of local business tax.

#### 8. PREPAYMENTS

As of 31 December 2009 and 31 December 2010 not invoiced income items were as follows (in EUR):

	2009.12.31	2010.12.31
Availability fee from NFM	8 038 114	8 118 154
Interest on upstream loan	201 896	154 829
Leaseholding fee and overweight fee	123 135	64 807
Interest on current account and bank deposit	<u>25 110</u>	<u>23 255</u>
Total	<u>8 388 255</u>	<u>8 361 045</u>

In accordance with the VAT law, receivables from the legal successor of GKM, the Ministry of National Development („NFM”) as of 31 December 2009 and 31 December 2010 are not recorded as Accounts Receivable, but included as deferred income.

## M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

### Supplementary Notes for 2010

As of 31 December 2009 and 31 December 2010 prepayments of costs were as follows (in EUR):

	2009.12.31	2010.12.31
Deferred concession fee	15 533 094	14 607 299
Insurance premium	106 044	117 499
BBVA LC commitment fee	0	38 260
Prepaid operations fee	<u>137 316</u>	<u>35 828</u>
Total	<u>15 776 454</u>	<u>14 798 886</u>

The deferred part of the additional concession fee paid to NFM (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 2009 and 31 December 2010 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 General Meeting held on 26 February 2008 made a resolution on the redenomination of the issued capital of the Company to EUR. Consequently, since then the Company's issued capital consists of 28,932,310 registered shares with a face value of 1 EUR each, granting equal and identical rights to the shareholders.

The respective shareholdings as of 31 December 2009 and 31 December 2010 were as follows (in EUR):

<u>"Shareholder"</u>	<u>Amount</u>	<u>Portion</u>
Bilfinger Berger Project Investments S.C.A. SICAR	11,572,924	40%
Porr Infrastruktur Investment AG	11,572,924	40%
Swietelsky International Baugesellschaft	<u>5,786,462</u>	<u>20%</u>
Total	<u>28,932,310</u>	<u>100%</u>

The Company issued one cumulative share denominated in EUR for each shareholder in 2008.

#### 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 (10.1% until 30 September 2010 and 6% after that date) and payable semi-annually. These loans were transferred to the respective new Shareholders upon the share transfers explained under Point 1.

## M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

### Supplementary Notes for 2010

#### 11. LONG-TERM LIABILITIES

As of 31 December 2009, the outstanding debts with maturity over one year were as follows:

Lender	Type of debt	Expiry date	Total original facility	Outstanding amount LT portion
EIB	Loan	2025.03.31	200 000 000 €	175 654 832 €
Noteholders	Notes	2025.03.31	212 000 000 €	166 260 456 €
<b>Total</b>				<b>341 915 288 €</b>

As of 31 December 2010, the outstanding debts with maturity over one year were as follows:

Lender	Type of debt	Expiry date	Total original facility	Outstanding amount LT portion
EIB	Loan	2025.03.31	200 000 000 €	170 708 966 €
Noteholders	Notes	2025.03.31	212 000 000 €	151 885 740 €
<b>Total</b>				<b>322 594 706 €</b>

Interest and principal repayments 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 2011 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 Assured Guaranty (Europe) Ltd. (formerly called: 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 2010 the Company paid a net amount of 10,581,537 EUR on the interest swaps and incurred a net loss of 10,332,903 EUR 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 an 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 2010, 9,459,497 EUR of that has been paid to GKM in total. Of the remaining 9,553,570 EUR liability, the scheduled payment in 2011 of 386,309 EUR is reclassified to Other short-term liabilities as of 31 December 2010.

## M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

### Supplementary Notes for 2010

#### 12. SHORT-TERM CREDITS

The short-term credits as of 31 December 2009 were as follows:

Lender	Type of debt	Expiry date	Total original facility	Outstanding amount ST portion
EIB	Loan	2025.03.31	200 000 000 €	4 094 600 €
Noteholders	Notes	2025.03.31	212 000 000 €	14 714 741 €
DSLC	Loan	2025.03.31	19 000 000 €	10 270 000 €
<b>Total</b>				<b>29 079 341 €</b>

The short-term credits as of 31 December 2010 were as follows:

Lender	Type of debt	Expiry date	Total original facility	Outstanding amount ST portion
EIB	Loan	2025.03.31	200 000 000 €	4 945 860 €
Noteholders	Notes	2025.03.31	212 000 000 €	14 374 716 €
DSLC	Loan	2025.03.31	19 000 000 €	0 €
<b>Total</b>				<b>19 320 576 €</b>

Interest payments and principal repayments from the project's cash flows on the DSLC facility were due semi-annually on each 31 March and 30 September.

The floating interest rate of this facility is linked to the applicable interbank rate (6M Euribor). The entire debt service under the DSLC facility as well is guaranteed by the monoline insurer Assured Guaranty (Europe) Ltd.

#### 13. ACCRUALS

As of 31 December 2009 and 31 December 2010 accruals included the following items (in EUR):

	<b>2009.12.31</b>	<b>2010.12.31</b>
Accrued income from "deemed operation"	7 903 081	7 410 876
Accrued interest & swap costs and guarantee fee	6 508 023	4 083 782
Accrued income from petrol station leaseholding contracts	4 119 048	3 873 050
Motorway operation & maintenance cost	506 156	504 063
Legal advisory costs	14 800	137 811
Seconded officers' fees	9 000	46 200
Other advisory costs and other items	27 847	38 065
Commitment fees	6 090	13 253
Audit fee	12 900	13 200
<b>Total</b>	<b>19 106 945</b>	<b>16 120 300</b>

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 2010

#### 14. NET SALES

Net sales in 2009 and 2010 consisted of the following items (in EUR):

	<b>2009</b>	<b>2010</b>
Availability fee income	47 687 870	48 381 701
Released income of "deemed operation"	471 969	470 881
Leaseholding income	329 986	335 912
Secondment fee income	67 200	67 200
Reinvoiced items	20 277	56 332
Other operational income from the motorway	57 244	39 611
<b>Total</b>	<b>48 634 546</b>	<b>49 351 637</b>

#### 15. OTHER REVENUES

Other revenues in 2009 and 2010 consisted of the following items (in EUR):

	<b>2009</b>	<b>2010</b>
Compensation from contractor	17 380	80 188
Fee from overweight vehicles	73 630	43 618
Proceeds from sales of fixed assets	3 657	4 163
Other	143	46
<b>Total</b>	<b>94 810</b>	<b>128 015</b>

#### 16. VALUE OF RENDERED SERVICES

The value of rendered in 2009 and 2010 consisted of the following items (in EUR):

	<b>2009</b>	<b>2010</b>
Concession fee	951 200	948 376
Legal, technical & financial advisory cost	244 734	694 292
Seconded officers' fees	126 000	155 400
Commitment fee	19 991	99 215
Travel costs	35 166	44 939
Vehicle rental	45 441	41 302
Office rent	40 793	36 086
Audit fee	21 837	22 393
Bookkeeping, payroll calculation etc.	17 636	17 192
PR, marketing costs	3 843	6 316
Other	32 780	39 312
<b>Total</b>	<b>1 539 421</b>	<b>2 104 823</b>

## M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

### Supplementary Notes for 2010

#### 17. VALUE OF OTHER SERVICES

Other services in 2009 and 2010 consisted of the following items (in EUR):

	2009	2010
Insurance premiums	540 714	479 837
Bank charges	1 748	972
Other	216	939
Total	<u>542 678</u>	<u>481 748</u>

#### 18. OTHER EXPENSES

Other expenses in 2009 and 2010 consisted of the following items (in EUR):

	2009	2010
Local business tax	819 201	829 070
Innovation contribution	136 543	138 188
Book of value of sold fixed assets	7 452	7 452
Other	1 107	1 442
Total	<u>964 303</u>	<u>976 152</u>

#### 19. STAFF

The average statistical staff number for 2009 and 2010 as well was 5 persons. At the end 2009, the Company had 4 employees, while at the end of 2010 there were 5 employees working in intellectual jobs.

#### 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 2009 and 2010.

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

Fáskerti Zsolt – Member of the Board of Directors

Belle Örs – Member of the Board of Directors

Their business address is 1117 Budapest, Fehérvári út 50-52.

The person in charge of bookkeeping is Szabó Krisztina Henrietta, who is a registered accountant at the Ministry of Finance under registration number 181355.

## M6 DUNA AUTÓPÁLYA KONCESSZIÓS ZRT.

### Supplementary Notes for 2010

#### 21. CORPORATE TAX

The following is the calculation of the corporate tax charge for 2009 and 2010 (in EUR):

	2009	2010
Profit/Loss before tax	1 052 378	2 086 266
<u>Adjusting items:</u>		
Proportional part of previous year's unrealised FX gain	1 054 172	1 063 181
Non-deductible expenses	0	9 843
Tax loss carried forward from previous years	-1 287 349	-3 159 290
Local business tax 100% & 0%	<u>-819 201</u>	<u>0</u>
Corporate tax base for 16% & 19% normal rate	0	0
Corporate tax charge at 16%& 19% normal rate	<u>0</u>	<u>0</u>
Corporate tax base for 4% supplementary rate	1 052 378	-
Corporate tax charge at 4% supplementary rate	<u>42 095</u>	<u>-</u>

#### 22. POST BALANCE SHEET EVENTS

On 23 February 2011, the Annual General Meeting of the Company has declared a dividend of 2,086,266 EUR being the full Profit after tax for the year. This amount is recorded as Short-term liabilities to associated company in the accompanying Balance sheet as of 31 December 2010.

Budapest, 23 February 2011

## BUSINESS REPORT FOR 2010

M6 Duna Autópálya Koncessziós Zrt. (the "Company") was founded on 7 October 2004.

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.

In the 4.5 half years that elapsed since the opening, the motorway has been operated in an orderly manner, without significant performance point events or 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. In 2010 we extended the contract with Duna-Intertoll Zrt. until 2016.

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. These fees have been fully received, always in time, in 2010 as well.

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. Due to the current economic situation, this project had to be postponed.

The Company has fulfilled its debt service obligations in 2010 as well, in full compliance with the credit agreements.

On 31 March 2010 the further sections of the M6 Motorway has been opened for traffic. Consequently, the M6 Motorway now leads directly to Pécs, the European Capital of Culture in 2010.

Budapest, 23 February 2011