

THIS IS THE ENGLISH TRANSLATION OF THE HUNGARIAN ORIGINAL
BUDAPESTI ERŐMŰ ZRT.

BALANCE SHEET AS OF 31 DECEMBER 2015
VERSION "A"

(all amounts in thousands of HUF)

ASSETS

	31 December 2014	31 December 2015
A. FIXED ASSETS AND FINANCIAL INVESTMENTS	29 683 943	18 301 313
I. Intangible assets	98 009	65 484
1. Capitalised costs of foundation and restructuring	18 511	6 781
2. Capitalised costs of research and development	0	0
3. Rights representing money	79 498	58 703
4. Intellectual property	0	0
5. Goodwill	0	0
6. Advance payment on intangible assets	0	0
7. Value adjustment of intangible assets	0	0
II. Tangible assets	29 176 236	17 848 948
1. Land and buildings and related rights representing money	7 238 887	5 325 348
2. Technical equipment, machinery and vehicles	21 767 305	12 249 508
3. Other equipment, fittings and vehicles	82 626	93 766
4. Livestock for breeding	0	0
5. Construction-in-progress, renovation	87 418	180 326
6. Prepayments on construction-in-progress	0	0
7. Value adjustment of tangible assets	0	0
III. Financial investments	409 698	386 881
1. Long-term investments in associated enterprises	281 748	267 038
2. Long-term loans to associated enterprises	0	0
3. Other long-term investments	111 002	111 002
4. Long-term loans to other related enterprises	0	0
5. Other long-term loans	16 948	8 841
6. Securities representing a long-term creditor relationship	0	0
7. Value adjustment of financial investments	0	0
B. CURRENT ASSETS	10 640 172	8 551 617
I. Inventories	3 139 067	3 170 225
1. Raw materials	1 930 693	1 930 745
2. Work in progress and semi-finished goods	0	0
3. Animals for breeding and fattening and other livestock	0	0
4. Finished products	0	0
5. Purchased goods	1 208 374	1 239 480
6. Advances given on inventories	0	0
II. Receivables	7 263 828	5 263 454
1. Accounts receivable	6 210 071	4 348 993
2. Accounts receivable from associated enterprises	14 615	5 710
3. Accounts receivable from other associated enterprises	0	0
4. Bills receivable	0	0
5. Other receivables	1 039 142	908 751
III. Securities	0	0
1. Shares and participations in associated enterprises	0	0
2. Other shares and participations	0	0
3. Own shares, quotas	0	0
4. Securities representing a creditor relationship for trading purposes	0	0
IV. Liquid assets	237 277	117 938
1. Cash and cheques	649	2 087
2. Bank deposits	236 628	115 851
C. PREPAYMENTS	554 107	431 985
1. Accrued income	552 017	431 985
2. Deferred expenses	2 090	0
3. Other deferred expenses	0	0
TOTAL ASSETS	40 878 222	27 284 915

Budapest, 29 April 2016

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(all amounts in thousands of HUF)

LIABILITIES AND OWNERS' EQUITY

	31 December 2014	31 December 2015
D. EQUITY	8 255 263	25 755
I. Issued capital	3 591 628	3 591 628
of which:		
repurchased own shares at face value	0	0
II. Issued unpaid capital (-)	0	0
III. Share premium	43 748	43 748
IV. Retained earnings	5 083 234	4 613 106
V. Tied-up reserve	18 511	6 781
VI. Revaluation reserve	0	0
VII. Balance sheet net profit (loss)	-481 858	-8 229 508
E. PROVISIONS	612 824	1 078 564
1. Provision for expected obligations	612 824	1 078 564
2. Provision for expected expenses	0	0
3. Other provisions	0	0
F. LIABILITIES	29 955 375	24 029 206
I. Subordinated liabilities	0	0
1. Subordinated liabilities to associated enterprises	0	0
2. Subordinated liabilities to other related enterprises	0	0
3. Subordinated liabilities to other enterprises	0	0
II. Long-term liabilities	0	0
1. Long-term loans	0	0
2. Convertible bonds	0	0
3. Debts on the issue of bonds	0	0
4. Investment and development loans	0	0
5. Other long-term bank loans	0	0
6. Long-term liabilities to associated enterprises	0	0
7. Long-term liabilities to other associated enterprises	0	0
8. Other long-term liabilities	0	0
III. Short-term liabilities	29 955 375	24 029 206
1. Short-term debt	0	0
of which: convertible bonds	0	0
2. Short-term bank loans	0	0
3. Advances received	0	0
4. Accounts payable	4 997 400	5 203 144
5. Bills payable	0	0
6. Short-term liabilities to associated enterprises	23 375 449	18 418 620
7. Short-term liabilities to other associated enterprises	0	0
8. Other short-term liabilities	1 582 526	407 442
G. ACCRUED EXPENSES	2 054 760	2 151 390
1. Deferred income	0	110 096
2. Accrued expenses	839 904	1 154 648
3. Other deferred income	1 214 856	886 646

TOTAL EQUITY AND LIABILITIES

40 878 222 **27 284 915**

Budapest, 29 April 2016

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BUDAPESTI ERŐMŰ ZRT.

STATEMENT OF OPERATION FOR THE YEAR ENDED 31 DECEMBER 2015

TOTAL COST METHOD; TYPE "A"

(all amounts in thousands of HUF)

	2014	2015
I. Total sales		
1. Domestic sales	49 653 556	44 927 110
2. Export sales	5 305 818	5 577 956
	<u>54 959 374</u>	<u>50 505 066</u>
II. Capitalised value of own production		
3. Change in self-manufactured inventories	0	0
4. Capitalised value of self-manufactured assets	461 867	307 020
	<u>461 867</u>	<u>307 020</u>
III. Other income	1 405 087	943 490
of which: reversal of loss in value of assets	0	0
IV. Material-type expenditures		
5. Costs of raw material	35 500 407	34 104 395
6. Costs of services	1 965 831	1 797 482
7. Costs of other services	386 864	340 139
8. Cost of goods sold	7 373 403	2 935 977
9. Costs of services sold (intermediated)	0	0
	<u>45 226 505</u>	<u>39 177 993</u>
V. Payroll and related expenditures		
10. Salaries and wages	2 061 196	2 096 166
11. Other payroll related costs	344 733	351 868
12. Payroll related contributions	692 110	703 464
	<u>3 098 039</u>	<u>3 151 498</u>
VI. Depreciation	2 923 640	3 189 502
VII. Other expenditures	1 868 350	12 330 022
of which: loss in value of assets	7 373	36 695
A. PROFIT (LOSS) FROM OPERATING ACTIVITIES	<u>3 709 794</u>	<u>-6 093 439</u>
13. Dividends and profit sharing (received or due)	0	0
of which: received from associated enterprises	0	0
14. Capital gains on the sale of investments	0	0
of which: received from associated enterprises	0	0
15. Interest income and capital gains on financial investments	0	0
of which: received from associated enterprises	0	0
16. Other interest income (received or due)	17 048	25 214
of which: received from associated enterprises	0	0
17. Other income from financial activities	2 994 579	2 513 015
VIII. Revenues from financial activities	<u>3 011 627</u>	<u>2 538 229</u>
18. Capital loss on the sale of financial investments	0	0
of which: related to associated enterprises	0	0
19. Interest expense	1 218 666	1 469 642
of which: related to associated enterprises	1 204 584	121 373
20. Loss in value of participations, securities, and bank deposits	162 331	14 710
21. Other expenses on financial activities	5 815 631	2 663 704
IX. Financial transaction expenditures	<u>7 196 628</u>	<u>4 148 056</u>
B. NET INCOME (LOSS) ON FINANCIAL ACTIVITIES	<u>-4 185 001</u>	<u>-1 609 827</u>
C. NET INCOME (LOSS) BEFORE EXTRAORDINARY ACTIVITIES	<u>-475 207</u>	<u>-7 703 266</u>
X. Extraordinary revenues	2 323	3 302
XI. Extraordinary expenditures	41 855	32 030
D. NET INCOME (LOSS) ON EXTRAORDINARY ACTIVITIES	<u>-39 532</u>	<u>-28 728</u>
E. NET INCOME (LOSS) BEFORE BUSINESS PROFITS TAX	<u>-514 739</u>	<u>-7 731 994</u>
XII. Business profits tax	-32 881	497 514
F. NET INCOME (LOSS)	<u>-481 858</u>	<u>-8 229 508</u>
22. Use of retained earnings for dividends	0	0
23. Dividend approved	0	0
G. BALANCE SHEET NET PROFIT (LOSS) FIGURE	<u>-481 858</u>	<u>-8 229 508</u>

Budapest, 29 April 2016



SUPPLEMENT

2015

B u d a p e s t , 29 April 2016

BUDAPEST POWER PLANT LTD.

SUPPLEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(all amounts in thousands of HUF, unless otherwise indicated)

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BUDAPEST POWER PLANT LTD.

SUPPLEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(all amounts in thousands of HUF, unless otherwise indicated)

1 ORGANISATION AND OPERATIONS

Budapest Power Plant Ltd. (further: the „Company”), as the legal successor of Budapest Thermal Power Plant Company, was transformed into a company limited by shares on 31 December 1991.

The Court of Registration registered the Company on 11 June 1993, with a retroactive effect.

Seat of the Company: 1117 Budapest, Budafoki út 52.

Sites of the Company:

Kelenföld Power Plant	1117 Budapest, Budafoki út 52.
Kispest Power Plant	1183 Budapest, Nefelejcs utca 2.
Újpest Power Plant	1045 Budapest, Tó utca 7.

Changes in ownership:

- On 10 December 2015, the Czech EP HUNGARY A.S. purchased 95.6169% of the Company’s shares from EDFI.

Scope of activities of Budapest Power Plant Ltd.:

Pursuant to the Deed of Foundation, the Company’s activities are the following:

main activities:

- electricity generation and distribution
- heat generation and supply,

other activities:

- technological erection and repair of power plant machinery and equipment
- other activities.

The Company plays a dominant but not exclusive role in the electricity and heat supply of the Budapest region.

The Company generates energy in gas-fired power plants, located at different sites. As of 31 December 2015, the available capacities for heat and electricity generation were as follows:

- | | |
|---------------|------------|
| – electricity | 371.7 MW |
| – heat | 1 110.2 MW |

In 2009, Budapest Power Plant Ltd. obtained a license also for electricity trading.

BUDAPEST POWER PLANT LTD.

SUPPLEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(all amounts in thousands of HUF, unless otherwise indicated)

2 ACCOUNTING POLICY

From 1 January 2001, the Company has been keeping its books and records on the basis of Act C of 2000, as amended several times.

2.1 Bookkeeping and reporting

The Company keeps its books according to the rules of double-entry book-keeping.

For cost-accounting purposes, costs are primarily posted to cost types, and secondarily to cost centres.

The special rules of bookkeeping are included in the Company's Accounting Policy.

The records kept in the double-entry book-keeping system are closed at the end of the calendar year. At the same time, to meet the owners' expectations, monthly closes are also used, serving also as an inherent process control.

The following dates apply to the preparation of the balance sheet, for closing the business period:

- balance sheet date: 31 December of the current year
- closing date: 15 February of the following year

For presenting its financial and income position, the Company selected the 'A' type balance sheet in Annex No. 1 of Act C of 2000, and primarily the 'A' type statement of operations in Annex No. 2 of Act C of 2000.

Besides this, the Company also prepares balance sheets and statements of operations by business segment, so as to comply with the obligation set out in Articles 103-105 of Act LXXXVI of 2007 on Electricity (hereinafter: Electricity Act) and in Act XVIII of 2005 on District Heating which constitute inseparable parts of the present Supplement.

The annual financial statements can be inspected at the registered seat of the Company: 1117 Budapest, Budafoki út 52.

2.2 Depreciation and amortisation

The depreciation policy determines depreciation rates according to useful lives of assets.

The methods of accounting depreciation:

- for tangible assets above HUF 200,000 of gross value, depreciation is accounted on a straight-line basis
- for tangible assets under HUF 200,000 of individual value, 100% is immediately expensed at the time the asset is put into use.

Depreciation starts on the date the asset is put into use.

The Company

- applies extraordinary depreciation if the value of a tangible asset has permanently decreased, and if, due to strategic decisions, its useful life changes,
- scraps the redundant, damaged, or destroyed tangible assets, which are also removed from the books.

BUDAPEST POWER PLANT LTD.

SUPPLEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(all amounts in thousands of HUF, unless otherwise indicated)

As from 1 January 2010, the Company determined the useful life of its gas turbine power plant main equipment as 20 years.

Depreciation rates used by the Company for the major asset classes are the following:

INTANGIBLE ASSETS

– Rights representing money	25%
– Intellectual property	25%
– Capitalised value of research and development	33%
– Capitalised value of foundation, promotion and restructuring expenses	20%

LAND AND BUILDINGS

– Buildings	1-6%
– Track-line structures	1-6%
– Non-track-line structures	1-6%

TECHNICAL EQUIPMENT

– Power machines, power plant equipment	2.2-34%
– Control and instrumentation equipment	15-33%
– Machine tools	14.5%
– Instruments and measuring devices	14.5-15%
– Other machinery and equipment	3.3-14.5%

OTHER EQUIPMENT

– Computers and data processing equipment	33%
– Office machinery and equipment	33%
– Other machinery and equipment	14.5-33%

The Company determined the residual value of fixed assets, with the exception of passenger cars, as zero HUF, considering the special nature of these assets.

2.3 Principles used for the valuation of balance sheet items

2.3.1 Valuation of assets

A/ Fixed assets

A/1. Intangible assets

Intangible assets include items like rights representing money, intellectual property and the capitalised value of foundation, promotion and restructuring expenses. Their book value is equal to the difference between their purchase price or production cost and their accumulated amortization.

A/2. Tangible assets

Tangible assets include those physical assets, put into regular use or operation (land, buildings, structures, technical equipment, machines, vehicles, other equipment, rights pertaining to real

BUDAPEST POWER PLANT LTD.

SUPPLEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(all amounts in thousands of HUF, unless otherwise indicated)

estates), which serve the activities permanently, either directly or indirectly, as well as advance payments on these assets (investments) and construction in progress.

Tangible assets are stated at net value, which is the difference between gross value and accumulated depreciation. The value of construction in progress is stated at cost. The gross book value consists mainly of invoiced price, interest on the development loans charged by the date of the capitalization of the assets, insurance fee, legal fees, transportation costs and direct wages and taxes on these wages, and items as set out in the Accounting Act and its amendments.

A/3. Investments (financial assets)

Among investments, those assets (shareholdings, securities, extended loans) are recorded in the books, which are allocated to other enterprises for earning permanent revenues (dividends, interests) or for obtaining influencing or controlling rights.

The Company's investments are stated at the value established in the Articles of Association, less any write-downs due to impairment. The extended loans are stated at their contractual value, less any impairments, repayments and reclassifications.

B/ Current assets

B/1. Inventories

Inventories are physical assets directly or indirectly serving the activity, used in the course of manufacturing the products or rendering the services intended for sale. The emission quotas are also stated among inventories, and more specifically as goods.

Inventories are stated at the weighted purchase price. Exception from this is the CO₂ quota in which case the Company has chosen the FIFO principle. In the case of derogation quotas, an individual purchase value is to be applied. The slow moving and obsolete inventories have been evaluated by the Company and have been written off.

B/2. Receivables

Receivables (debtors) include payment demands expressed in currency value, lawfully originating from various sales, delivery and other contracts relating to products, services, bonds, shareholdings, loans and advance payments already fulfilled by the Company and accepted and recognised by the other party, as well as various other receivables (employee debts, reclaimable tax, requested support, etc.).

Trade debtors include receivables accepted by customers. Based on individual consideration, the Company charges impairment to trade debtors.

As trade debtors, the balance sheet shows the balance of the original receivables and the impairments.

Within other debtors, the conformity of state budget debtors with the declarations is of key importance. Employee debtors shall be stated in accordance with the contracts and the repayments made. To other debtors, the Company charges impairment on the basis of individual consideration, and the balance sheet shows the balance of the original amount and the impairment.

B/3. Liquid assets

Liquid assets include the balance of the Company's deposit accounts kept by credit institutes, and the closing cash balance of the cash journal.

BUDAPEST POWER PLANT LTD.

SUPPLEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(all amounts in thousands of HUF, unless otherwise indicated)

C/

Accrued and deferred assets

Among accrued and deferred assets, the Company states the revenues which relate to the year concerned but are not invoiced, and the costs which are invoiced in the year concerned but relate to the following year.

2.3.1.1 Valuation of assets and liabilities

D/

Equity

In the balance sheet, only such a capital part may be shown as equity, which was made available to the Company, or left with the Company from after-tax profit, by the shareholders. Valuation reserve originating from market valuation, equalling value adjustment, shall be stated as part of equity.

Equity consists of issued capital – less issued unpaid capital –, share premium, retained earnings, tied-up reserve, valuation reserve, and the balance sheet result of the year.

Issued capital agrees with the capital registered by the Court of Registration, stated in the foundation document.

Share premium is a balance of the increasing and decreasing items specified in the Accounting Act.

Retained earnings comprise mainly the accumulated balance sheet result of the previous business year or years, combined with the aggregate of the increasing and decreasing items specified in the Accounting Act.

As tied-up reserve, the amounts tied up from share premium or retained earnings and the received supplementary payments are stated.

As valuation reserve, the aggregate of the increasing and decreasing items specified in the Accounting Act are stated.

E/

Provisions

The Company makes provisions for those third party payment liabilities, originating from past or ongoing transactions or contracts (including the sure future liabilities, liabilities for early retirement or severance pay, environmental liabilities, and provision making for CO₂ quota shortage), which will certainly or probably exist on the balance sheet date, but have an uncertain amount or due date, and there is no other way to ensure the necessary coverage for them.

F/

Liabilities

Recognised debts expressed in currency value, originating from sales, delivery, service, loan and other contracts already fulfilled by the supplier, contractor, provider or creditor and recognised by the Company, or related to the use of state budget or municipality owned assets.

Liabilities are classified as long-term, short-term and subordinated.

Long-term liabilities include the loans taken for more than one business year, decreased by the repayments due in the first business year following the balance sheet date.

Short-term liabilities include the loans taken for less than one business year, including the repayment portions of the long-term liabilities due in the first business year following the balance sheet date.

BUDAPEST POWER PLANT LTD.

SUPPLEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(all amounts in thousands of HUF, unless otherwise indicated)

The employee, state budget and municipality accounts, as well as the liabilities prescribed by binding resolutions, are to be stated among other short-term liabilities.

The value of liabilities is determined by the related contracts, rules of law and binding resolutions.

G/

Accrued expenses

This is where all such costs and expenses are recorded, which pertain to the concerned year, but with the accounting documents becoming available only in the following period.

This is also where the revenues received and recorded before the balance sheet date but constituting revenues for the following period are stated.

The third group is constituted by deferred incomes, including non-repayable development supports, costs associated with entrepreneurial objectives, benefits received to compensate expenses, the book value of assets received for free, the amount of relieved liabilities, and the deferred income from CO₂ quotas.

2.4 Consolidation

EP HUNGARY A.S. fully involves the Company in its consolidation.

The Company fully involves BE-Optimum Kft. The consolidated report can be viewed at the Company's seat, as well as at the Company Information Centre of the Ministry of Public Administration and Justice.

BUDAPEST POWER PLANT LTD.

SUPPLEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(all amounts in thousands of HUF, unless otherwise indicated)

3 FINANCIAL POSITION, LIQUIDITY AND PROFITABILITY

The Company's financial position and liquidity as of 31 December 2014 and 2015 is represented by the following financial ratios and the following cash flow statement:

3.1 Indicators

			2014		2015
<u>Indicators of property status</u>					
Fixed assets ratio	Fixed assets		0,73		0,67
	Total assets				
Equity ratio	Equity		0,20		0,00
	Total liabilities				
<u>Indicators of income status</u>					
Operating profit margin	Operating profit		0,07		-0,12
	Net sales revenue				
Return on equity (ROE)	Profit after taxation		-0,06		-319,53
	Equity				
<u>Indicators of financial status</u>					
Debt to equity ratio	Long term liabilities		0,00		0,00
	Long term liabilities + Equity				
Current ratio	Current assets		0,36		0,36
	Current liabilities				

The extraordinary depreciation allocated to tangible assets caused a considerable change in the Company's property and income status. The value of the fixed assets decreased, and the loss of the year had a negative impact on owners' equity.

The indicators of financial status did not change. The Company has no long-term liabilities. The continuing low value of the current assets and short-term liabilities is owed to the mother company loan.

BUDAPEST POWER PLANT LTD.

SUPPLEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(all amounts in thousands of HUF, unless otherwise indicated)

3.2 Cash-flow statement

Cash-flow statement for the years ended 31 December 2014 and 2015:

	2014	2015
Operating cash flow	5 324 676	6 683 782
Income before tax	-514 739	-7 731 994
Foreign exchange difference of loans	1 330 520	0
Dividends received	0	0
Cash contribution paid	41 855	32 030
Assets transferred for free	0	0
Depreciation and amortisation	2 923 640	3 189 502
Write off and write up of receivables	17 487	10 096 721
Change in provisions	-352	465 740
Profit on sale of fixed assets	-745	-1 885
Change in accounts payable	336 235	132 154
Change in other short-term liabilities	79 413	-1 175 084
Change in accruals	-306 441	96 630
Change in accounts receivable	125 448	1 866 374
Change in current assets	1 458 313	88 986
Change in prepayments	-198 839	122 122
Income tax paid	32 881	-497 514
Dividend paid	0	0
Cash flow from investing activities	-1 045 648	-1 897 257
Acquisition of investments and fixed assets	-1 046 743	-1 901 219
Sales of investments and fixed assets	1 095	3 962
Dividends received	0	0
Cash flow from financial activities	-4 649 408	-4 905 864
Share capital increase	0	0
Issue of bonds	0	0
Loans obtained	0	23 084 070
Repayment of long-term loans	9 844	17 613
Cash contributions received	0	0
Share capital decrease	0	0
Repayment of bonds	0	0
Repayment of loans	-4 602 126	-27 967 310
Long-term loans and bank deposits	-15 271	-8 207
Cash contribution paid	-41 855	-32 030
Change in cash and cash equivalents	-370 380	-119 339
Balance, beginning of period	607 657	237 277
Balance, end of period	237 277	117 938

Decrease in cash and cash equivalents based on the cash flow: -119,339 thousands of HUF.

BUDAPEST POWER PLANT LTD.

SUPPLEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(all amounts in thousands of HUF, unless otherwise indicated)

4 SUPPLEMENTATIONS TO THE BALANCE SHEET

4.1 Intangible assets

The following is a summary of the movements in intangible assets during the year ended 31 December 2015:

		Capitalised value of foundation promotion and restructuring	Rights representin g money	Intellectua l property	Capitalised costs of research and developme nt	Total
GROSS VALUE						
Opening balances as of 1 January 2015		175 756	2 144 822	28 791	1 070	2 350 439
Additions		0	68 013	0	0	68 013
Disposals		0	10 130	0	1 070	11 200
Closing balances as of 31 December 2015		175 756	2 202 705	28 791	0	2 407 252
ACCUMULATED AMORTISATION						
Opening balances as of 1 January 2015		157 245	2 065 324	28 791	1 070	2 252 430
Accounted amortisation		11 730	88 635	0	0	100 366
Disposals		0	9 958	0	1 070	11 028
Closing balances as of 31 December 2015		168 975	2 144 001	28 791	0	2 341 767
NET VALUE						
Net value as of 1 January 2015		18 511	79 498	0	0	98 009
Net value as of 31 December 2015		6 781	58 704	0	0	65 485

BUDAPEST POWER PLANT LTD.

SUPPLEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(all amounts in thousands of HUF, unless otherwise indicated)

4.2 Tangible assets

The following is a summary of the movements in tangible assets during the year ended 31 December 2015:

	Land and buildings	Technical equipment, machinery and vehicles	Other equipment, fittings and vehicles	Construction in progress	Total
GROSS VALUE					
Opening balances as of 1 January 2015	17 829 730	85 480 638	835 780	87 418	104 233 566
Additions				1 909 326	1 909 326
Capitalisation	19 323	1 669 613	59 470	0	1 748 406
Disposals	0	0	17 587	0	17 587
Scrapping and other decreases	0	365 330	840	1 816 418	2 182 588
Closing balances as of 31 December 2015	17 849 053	86 784 921	876 823	180 326	105 691 123
					0
ACCUMULATED AMORTISATION					0
Opening balances as of 1 January 2015	10 590 843	63 713 333	753 154	0	75 057 330
Accounted amortisation	218 031	2 824 856	46 249	0	3 089 136
Disposals	1 714 831	8 362 554	0	0	10 077 385
Scrapping and other decreases	0	0	15 511	0	15 511
Closing balances as of 31 December 2015	0	365 330	835	0	366 165
	12 523 705	74 535 413	783 057	0	87 842 175
					0
NET VALUE					0
Net value as of 1 January 2015	7 238 887	21 767 305	82 626	87 418	29 176 236
Net value as of 31 December 2015	5 325 348	12 249 508	93 766	180 326	17 848 948

The gross value of tangible assets increased mainly due to capitalisations

The repairs of the power plant equipment were completed within deadline and without retarding the scheduled operation of the plants.

The Company recorded 10,077,385 th HUF impairment on its tangible assets in 2015 because their return did not seem to be ensured.

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4.3 Investments

4.3.1 Shareholdings

As of 31 December 2014 and 2015, the Company's long-term investments are as follows:

	Ownership share			Amount		
	2014		2015	2014		2015
<u>Long-term shares in affiliated companies</u>						
BE-OPTIMUM Kft	100%		100%	281 748		267 038
<u>Other long-term shares</u>						
Erőművek Független Egyesülete	17%		17%	200		200
Kőbányahő Kft.	25,1%		25,1%	110 802		110 802
Total	-		-	392 750		378 040

Budapest Power Plant Ltd consolidates BE-Optimum Kft by applying the full consolidation method.

The registered seat of BE-Optimum Kft is: 1117 Budapest, Budafoki út 52.

Equity structure of BE-Optimum Kft in 2014 and in 2015:

	2014		2015
Issued capital	3 000		3 000
Share premium	0		0
Retained earnings	413 748		278 748
Tied-up reserve	0		0
Valuation reserve	0		0
Result of the year	-135 000		-14 710
Total	281 748		267 038

In the possession of a combined small power plant license, BE-Optimum Kft, a fully owned subsidiary of Budapest Power Plant Ltd, generates electricity and heat, and holds also a trading license. Due to the loss-making operation, Budapest Power Plant Ltd recorded an impairment of 14,710 thousands of HUF with respect to this shareholding during the year. So, the accumulated impairment amounts to 1,280,462 thousands of HUF.

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Registered seat of Kőbányahő Kft: 1107, Budapest Fertő u. 2.

Issued capital of Kőbányahő Kft based on the accepted reports:

	2013		2014
Issued capital	828 000		828 000
Share premium	0		0
Retained earnings	388 178		142 981
Tied-up reserve	0		0
Valuation reserve	0		0
Result of the year	-245 197		-527 770
Total	970 981		443 211

The Company holds a share of 25.1% in Kőbányahő Kft. Due to the losses of the previous years, the issued capital of the company decreased below the book value of the shareholding, and therefore an impairment of 96,988 thousands of HUF was recorded in 2014. The preliminary results of 2015 did not require the recording of any impairment.

4.3.2 Long-term loans extended

	2014		2015
Employee loans	16 948		8 841

The long term loans extended include the housing loans given to the employees through a financial institution.

4.4 Inventories

As of 31 December 2014 and 2015 the Company's inventories are as follows:

	2014		2015
Fuels	1 095 466		1 086 441
Other materials	835 227		844 304
Goods	1 208 374		1 239 480
- returnable packaging	325		375
- Co2 quota	1 208 049		1 239 105
Advance payment on inventories	0		0
Total	3 139 067		3 170 225

The value of inventories has not changed considerably in comparison to the previous year.

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Information related to the impairment and scrapping of inventories:

	2014		2015
Impairment and scrapping of inventories	9 102		1

4.5 Receivables

4.5.1 Trade debtors

The change in trade debtors was caused by the change in the payment conditions:

	2014		2015
Trade debtors	6 210 071		4 348 993

4.5.2 Receivables from affiliated companies

Receivables from affiliated companies were as follows:

	2014		2015
EDF SA - translation costs	9 816		0
Kőbányahő Kft - re-invoiced utility costs	4 223		4 560
BE-Optimum Kft - office admin. rental fee	575		1 151
Total	14 614		5 711

4.5.3 Other receivables

Other receivables as of 31 December 2014 and 2015 are summarised as follows:

	2014		2015
Energy tax	636 149		672 736
Other tax receivables	196 892		127 757
Collateral (electricity trade)	127 283		78 236
Trade debtors	72 235		18 441
Loans given to employees	5 250		3 952
Other	1 333		7 629
Total	1 039 142		908 751

The reasons for the changes in the other receivables were the following:

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- the advance payments for local trade tax, corporate tax, energy suppliers' income tax and innovation contribution during the year exceeded the amount of the year's tax liability. These receivables will be received after the submission of the tax returns due until 31 May.
- due to changes in trading on the electricity exchange, a lower bank collateral had to be isolated
- the electricity market trading items delivered day by day are be invoiced by the partner after the balance sheet date, therefore, they are included in the accrued expenses. Due to the advance payments, the suppliers' account shows a debit balance on 31 December.

4.5.4 Impairment of receivables

In 2014 and 2015 no impairment of receivables was recorded.

4.6 Securities

As of 31 December 2014 and 2015, the Company did not have any securities.

4.7 Liquid assets

In 2014 and 2015, the balance of the Company's liquid assets was as follows:

	2014		2015
Cash	649		2 087
Bank deposits	236 628		115 851
Total	237 277		117 938

4.8 Prepayments

Prepayments as of 31 December 2014 and 2015 are summarised as follows:

	2014		2015
Electricity sales revenues	552 017		431 985
Insurance	2 090		0
Total:	554 107		431 985

The reason for the considerable change in prepayments was that until the accounting closing date the Company did not issue its last electricity invoice of the year to MAVIR yet.

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4.9 Owner's equity

As of 31 December 2014 and 2015, the numbers and values and the percentage breakdown of the shares constituting the issued capital were the following:

Shareholder	Number of shares			Total nominal value thHUF			Ownership share %	
	2014		2015	2014		2015	2014	2015
EDFI	1 373 681		0	3 434 203		0	95,62	0,00
EP Hungary A.S.	0		1 373 681	0		3 434 203	0,00	95,62
Municipalities	56 323		56 323	140 808		140 808	3,92	3,92
Small investors	6 460		6 460	16 150		16 150	0,45	0,45
Private individuals	187		187	467		467	0,01	0,01
Total ordinary shares	1 436 651		1 436 651	3 591 628		3 591 628	100,00	100,00

The shares have a face value of HUF 2,500 each.

The following is a summary of the movements in owners' equity during the periods ended 31 December 2014 and 2015:

	Issued capital	Share premium	Retained earnings	Tied-up reserve	Result of the year	Owners' equity
Balance as of 31 December 2014	3 591 628	43 748	5 083 234	18 511	- 481 858	8 255 263
Reversal of tied	0	0	11 730	-11 730	0	0
Appropriation of 2013's result	0	0	-481 858	0	481 858	0
Profit of the year 2015	0	0	0	0	-8 229 508	- 8 229 508
Balance as of 31 December 2015	3 591 628	43 748	4 613 106	6 781	-8 229 508	25 755

Due to the loss of the year, the owners' equity decreased below two third of the issued capital. Decision on securing the share capital shall be made by the General Meeting in accordance with the statutory provisions.

The tied-up reserve reflects the capitalised value of formation, promotion and restructuring expenses being proportional to the accounted depreciation recorded for the year.

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4.10 Provisions

As of 31 December 2014 and 2015, the provisions for future liabilities and costs consisted of the following:

	2014	Provision making	Reversal	2015
Asbestos remediation	81 832	0		81 832
Oil contamination cleanup	152 995	0	0	152 995
Other liabilities	30 059	6 000	12 000	24 059
Staff reduction, early retirement	48 428	177 546	38 365	187 609
Lawsuits	3 245	0	3 245	0
Actuarial	45 047	13 965	0	59 012
Stack demolition	251 218	0	0	251 218
Demolitions	0	59 200	0	59 200
Co2 shortage	0	262 639	0	262 639
Total	612 824	519 350	53 610	1 078 564

During the year, considerable provision was made for staff reduction and early retirement.

As the emission quota allocated by the state does not cover the Company's emissions as from 2015, provision was made for the amount of the shortage.

4.11 Long term liabilities

4.11.1 Long term liabilities to related companies

As of 31 December 2014 and 2015, the Company did not have any long term liability.

4.12 Short term liabilities

4.12.1 Trade creditors

The balance of trade creditors did not considerably change from 2014 to 2015:

	2014	2015
Trade creditors	4 997 400	5 203 144

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4.12.2 Short term liabilities to affiliated companies

Liabilities to the affiliated companies on the 2014 and 2015 balance sheet dates are the following:

	2014		2015
EDF IG - loan	23 301 860		0
EDF - management service fee	73 367		0
BE-Optimum Kft - hot water and electricity	222		0
EP Hungary loan	0		18 418 620
Total	23 375 449		18 418 620

In 2014, a considerable part of the existing liabilities was constituted by the loan taken from EDF IG. The Company repaid this loan on 30 January 2015, and on the same day, it took a loan of 18,418,620 th HUF and 15,000,000 EUR from EDF International. On 10 December 2015 both loans were assigned by EDF International to EPH. The Company fully repaid the EUR loan 29 December 2015. The outstanding HUF loan will expire on 31 July 2016, and the interest rate is 6.81%. Repayment is due in a single amount upon maturity, without any scheduled instalments.

4.12.3 Other liabilities

As of 31 December 2014 and 2015, the other liabilities were the following:

		2014		2015
Cash-pool		1 048 364		0
VAT		309 990		207 137
Wages		96 373		97 818
Social contribution tax		43 783		38 824
Personal income tax		29 820		23 485
Pension contribution		16 567		14 764
Other		37 629		25 414
Total		1 582 526		407 442

With the ownership change, the Company left the cash-pool system operated by EDF, and in connection with this, it had neither any receivable nor any liability on the balance sheet date.

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4.13 Accrued expenses

As of 31 December 2014 and 2015, the Company's accrued expenses are summarised as follows:

	2014		2015
Deferred income from CO ₂ quota	1 205 765		880 857
Interests on loans	99 794		525 778
Expected loss on forward transactions	0		229 356
Wages and wage contributions	114 763		202 862
Deferred income	0		110 096
Purchased electricity	376 178		50 781
Water and sewage fee	30 673		34 122
Maintenance invoices	38 747		33 385
Balancing energy	8 021		18 062
Audit fee	5 340		13 271
Housekeeping, cleaning	8 362		7 918
Materials received for free	9 092		5 790
Electricity fee discount	3 000		3 000
Management services	98 910		0
Cash-pool interests for the year	2 965		0
Other cost invoices	53 150		36 112
Total	2 054 760		2 151 390

Accrued expenses comprise the following items:

- Due to the reduced CO₂ quota allocation of the year, the amount of the related deferred income is also lower.
- The reason for the higher accrued interests on the mother company loan is that the next interest payment is due in January, while before the 2014 balance sheet date, the interests were paid together with the loan prepayment in December.
- In connection with the Company's gas swap transactions, expenses were accrued in December which the partner did not invoice until the closing date.
- The other accrued expenses are typically due to performances not invoiced.

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5 SUPPLEMENTATIONS TO THE STATEMENT OF OPERATIONS

5.1 Net sales revenues

The following is a breakdown of the net sales revenues by main activity:

		2014		2015
Electricity sales		22 459 534		20 839 585
Heat sales		24 089 517		23 805 402
Other sales		3 104 505		282 123
Net domestic sales revenues		49 653 556		44 927 110
Net export sales revenues		5 305 818		5 577 956
Total		54 959 374		50 505 066

The decrease in the electricity sales revenues is caused by the lower sales price to MVM.

The reason for the lower heat sales is the lower authority price of the hot water product.

The slight increase in the export sales revenues is caused by the higher share of the export customers within electricity customers, while the domestic and export electricity sales revenues decreased in the aggregate.

The export sales revenues typically represent the electricity sales incomes received from foreign based traders.

In 2014 and 2015, the breakdown of exports was the following:

		2014		2015
To the European Union		4 305 308		4 750 893
To outside the European Union		1 000 510		827 063
Total:		5 305 818		5 577 956

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5.2 Other revenues

Other revenues for the years ended 31 December 2014 and 2015 are as follows:

		2014		2015
Reversal of deferred income from CO2 quota		1 338 474		885 532
Reversal of provision		62 926		53 610
Penalty received		2 461		137
Sale of fixed assets		1 095		3 962
Other		131		249
Total:		1 405 087		943 490

Compared to the previous year, the other revenues decreased for the following reasons:

- In connection with its carbon dioxide emissions of 2014, the Company rendered account with less and lower priced quota in 2015, so the related reversal of deferred income was also lower.
- In 2015, the Company reversed provisions in a lower amount. The details of this are provided in point 4.10.

5.3 Material costs

Material costs for the years ended 31 December 2014 and 2015 are as follows:

		2014		2015
Gas fee		34 417 414		33 342 560
Distillate oil		192 359		8 216
Spare parts		493 606		314 176
Purchased electricity		241 695		247 386
Water fee and related costs		81 386		82 283
Other		73 947		109 774
Total		35 500 407		34 104 395

The decrease in the gas costs, which are dominant within the material costs, occurred basically due to the lower gas price caused by the decreasing international market quotation prices.

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5.4 Services consumed

Costs of services consumed for the years ended 31 December 2014 and 2015 are as the follows:

		2014		2015
Repair and maintenance costs of tangible assets		643 674		522 450
Expert fees		203 564		205 837
Sewage fee and related costs		221 037		205 099
Operating services		87 212		108 549
Cleaning, park maintenance		90 860		97 080
Security service costs		52 185		75 279
Condition inspection, laboratory test		68 823		71 849
Inspection of fire extinguishers		61 171		70 838
Balancing energy		49 611		60 554
Other repair and maintenance		56 104		53 588
Legal representation costs		26 946		46 310
IT equipment support		30 667		40 892
Product pipeline fee (MOL)		27 562		27 563
Translation fees		26 882		26 232
Training fees paid		28 290		25 399
Inspection of other technical equipment		16 363		24 725
Measuring technique services		19 728		17 666
Audit fees		8 900		16 831
Mobile phone costs		12 476		13 286
Travel abroad		20 304		11 963
Computerised data processign costs		42 680		9 742
Railway side track		5 504		5 776
Tank and sewage canal cleaning, boiler washing		743		2 730
Environmental remediation		5 587		1 425
Advertisement and publicity		4 338		1 257
Rental fees		15 605		120
Demolition costs		53 915		0
Other unspecified costs		85 100		54 442
Total		1 965 831		1 797 482

The main reasons for the decrease in services consumed is the considerably less maintenance cost.

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5.5 Other services

In 2014 and 2015, the value of other services was the following:

	2014	2015
Sales commissions	35 221	0
Other banking costs	38 059	45 996
Authority fees	46 002	38 041
Insurance premiums	267 582	256 102
Total	386 864	340 139

5.6 Import purchases

The import purchases of the Company in 2014 and 2015 were the following:

	2014	2015
Product import	435 651	1 233 721
From the European Union	393 283	971 349
From outside the European Union	42 368	262 372
Service import	8 560 383	5 059 184
From the European Union	8 376 073	5 035 557
From outside the European Union	184 310	23 627

5.7 Cost of goods sold

Cost of goods sold was the following:

	2014	2015
Cost of goods sold - electricity	4 525 676	2 839 869
Cost of goods sold - CO ₂	1 071 022	96 108
Cost of goods sold - oil	1 078 910	0
Cost of goods sold - hot water	697 795	0
Total	7 373 403	2 935 977

- In 2014, the redundant oil stocks having a book value of more than 1 billion forints were sold.
- Due to the considerable decrease in the price and quantity of electricity, the cost of goods sold related to this product decreased.
- In 2014, the Company purchased hot water from BE-Optimum and resold it without any change. In 2015, no such transaction occurred.
- In 2015, the Company rendered account with less and lower priced purchased carbon dioxide allowances, so the related costs were also lower than in 2014.

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5.8 Payroll and related expenditures

Payroll and related expenditures in 2014 and 2015 were the following:

	2014	2015
Wage costs	2 061 196	2 096 166
Other payments to personnel	344 733	351 868
Wage contributions	692 110	703 464
Total	3 098 039	3 151 498

The average numbers of employees in 2014 and up to 31 December 2015 categorised by functional areas were as follows:

	2014	2015
Blue-collar workers	101	101
White-collar workers	165	164
Total	266	265
Part-time employees	1	1
Pensioners	0	0
Grand total	267	266

The difference between the wages paid and the wage costs included in the statement of operations is caused by accrued expenses:

Wages paid until December 2015	2 026 136
Accrued wages in 2014:	-85 396
Accrued wages in 2015:	155 426
2015 wage costs:	2 096 166

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5.9 Other expenditures

Other expenditures in 2014 and 2015 were as follows:

	2014	2015
Extraordinary depreciation	0	10 077 384
CO2 quota accounting	1 257 510	885 531
Provision making	62 574	519 350
Local trading tax	228 022	596 872
Other municipal taxes	181 055	184 723
Innovation contribution	33 446	40 045
Environmental load charge	16 338	15 278
Interest and penalty paid	53 991	2 839
Intangible and tangible assets	1 723	2 253
Scrapping and write-off of inventories	9 102	841
Other taxes accounted with state budget	1 427	806
Fines	3 052	173
Self-revision surcharge	9 978	49
Other	10 132	3 878
Total	1 868 350	12 330 022

- In 2015, the Company rendered account with less and lower priced allowances for its carbon dioxide emissions of 2014, so the related expenses were also lower.
- In 2015, the Metropolitan Municipality carried out a comprehensive local trading tax audit, and in the framework of this, they made an imposition in the amount of 329,900 thousands of HUF.
- In 2014, provision making was higher than in the previous year. For the details see point 4.10.
- In 2014, the Company paid penalties according to the valid contracts. In 2015, the company did not incur such a high penalty liabilities.
- The Company recorded 10,077,385 th HUF impairment on its tangible assets in 2015 because their return did not seem to be ensured.

5.10 Result on financial activities

Result on financial activities in 2014 and 2015 was as follows:

	2014	2015
Interest income	17 048	25 214
Other income from financial activities	2 994 579	2 513 015
Revenues from financial activities	3 011 627	2 538 229
Interest paid, payable	1 218 666	1 469 642
Impairment of investments	162 331	14 710
Other expenses on financial activities	5 815 631	2 663 704
Financial transaction expenditures	7 196 628	4 148 056
Net income on financial activities	-4 185 001	-1 609 827

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In 2014, Budapest Power Plant Ltd recorded an unrealised foreign exchange loss of 1,330,520 thousands of HUF on the EUR loan received from the parent company..

The impairment of investments was a consequence of the lossmaking operation of BE-Optimum Kft.

For hedging purposes, the Company made EUR/HUF and USD/HUF forward and gas price (fixed for floating) swap transactions off the stock market. Information related to the hedging transactions closed in 2015:

Transaction type	Impact on profit	Impact on cash-flow
forex forward, deliverable	1 894 077	1 894 077
gas swap, non-deliverable	-2 357 778	-2 357 778

Information related to the forward hedging transactions open on 31 December 2015:

Transaction type	Maturity	Expected impact on profit / CF
EUR forward buy	01.01.2016-15.07.2016	27 924
gas swap USD	01.01.2016-30.06.2016	-1 293 883

5.11 Extraordinary result

Extraordinary result in 2014 and 2015 was as follows:

	2014	2015
Extraordinary revenue	2 323	3 302
Extraordinary expenditure	41 855	32 030
Extraordinary result	-39 532	-28 728

The extraordinary expenditure consists of financial supports given to different associations and foundations.

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5.12 Corporate tax

The following is the reconciliation of the tax base to the pre-tax profit for the years ended 31 December 2014 and 2015:

	2014		2015
Profit before taxation	-514 739		-7 731 994
<u>Items decreasing profit before taxation</u>			
use of loss brought forward from previous years	-		2 907 967
use of provisions	62 926		53 610
depreciation and removal according to the tax law	2 943 118		1 991 303
other	7 322		
Total	3 013 366		4 952 880
<u>Items increasing profit before taxation</u>			
Extraordinary depreciation	0		10 077 384
provision making	62 574		519 350
depreciation and removal according to the accounting law	2 925 363		3 191 755
thin capitalisation	0		0
audit, self-revision	9 978		330 122
remitted receivable	0		0
Non-realised foreign exchange gain	307 520		1 468 160
other	9 222		6 070
Total	3 314 657		15 592 841
Tax base	-213 447		2 907 968
Tax (10/19%)	0		507 514
Tax correction for the previous year	-8 287		0
Corporate tax total	-8 287		507 514
Tax allowance	0		10 000
Tax payment liability	0		497 514

As of the balance sheet date of 31 December 2015, Budapest Power Plant Ltd recorded an extraordinary depreciation of 10,077,384 thousands of HUF, however, this amount was re-added to the tax base when the corporate tax base was calculated.

Another major increasing item is the 1,468,160 thousands of HUF originating from the foreign exchange gain recorded in 2012. As the loan was fully repaid, the Company re-added this former tax base decreasing item to the tax base of 2015.

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5.13 Energy suppliers' income tax

For the years 2014 and 2015, the energy suppliers' income tax was as follows:

	2014		2015
Profit before taxation	-514 739		-7 731 994
Increasing items	51 833		881 279
Decreasing item: Dividends received	0		0
Total	-462 906		-6 850 715
Electricity sales revenues	27 765 352		26 417 541
BERT's total sales revenues	54 959 374		50 505 066
Ratio	51%		52%
Tax base X ratio	-233 859		-3 562 372
Tax	0		0
Tax correction for the previous year	-24 594		
Tax total	-24 594		0

Due to the negative profit before taxation for the year, no tax payment liability was incurred.

The difference between the Company's energy suppliers' income tax calculated on 31 December 2014 and declared in the tax return submitted in May is corrected in the amount of 24,594 thousands of HUF in 2015.

5.14 Use of the net profit

From its 2015 result, the Company will not pay any dividends.

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6 OTHER SUPPLEMENTATIONS

6.1 Board of Directors, Supervisory Board

The remuneration of the members of the Board of Directors and the Supervisory Board during the periods ended 31 December 2014 and 2015 was as follows:

	Board of Directors		Supervisory Board		Total	
	2014	2015	2014	2015	2014	2015
Remune	0	0	0	0	0	0

In 2015, the Company did not pay any advances or give loans to members of the Board of Directors, Management, and the Supervisory Board.

6.2 Revenues from related parties

In connection with the affiliated companies, the following revenues were recorded in 2014 and 2015:

	EPH Hungary		BE-Optimum Kft		Kőbányahő Kft	
	2014	2015	2014	2015	2014	2015
Net sales revenues	0	0	5 436	21 575	90 745	76 810
Other revenues	0	0	0	0	0	0
Extraordinary revenues	0	0	0	0	0	0

6.3 Environmental protection, remediation

For the energy generation activities, the limit values and requirements set out in the various laws and power plant licenses (integrated environmental license, water licenses, and greenhouse gas emission license) must be kept in mind. Compliance with them has to be presented and proved to the experts of the authorities and to external auditors in the form of data supplies and annual reports and on the occasion of site inspections.

In the previous years, the quantitative details of the dangerous wastes produced at the sites and given for disposal or utilisation were the following:

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		2014		2015
		kg		kg
Materials contaminated with oil and tar		48 353		64 531
Electronic wastes, materials contaminated with asbestos and		5 342		554
Contaminated soil		59		0
Other contaminated materials		28 198		7 476
Total		81 952		72 561

Of the wastes given for disposal, the quantity of oil wastes increased in comparison to 2014.

The wastes are taken away from each site at least once a year. The wastes are given only to licensed transporters and treaters.

In 2015, no soil or ground water contamination happened on the premises of the power plants. The ground water quality inspections following the former remediations are carried out according to the relating directions, and based on the results of the inspections, there will be no need for any further technical intervention in any of the cases.

The ground water monitoring wells located on the power plant premises are operated by an accredited laboratory, and the Company complies with the reporting obligations prescribed by the authority.

6.4 Emission trading

In carbon dioxide trading, 2015 was the third year of the third trading period between 2013 and 2020. The difference between this trading period and the previous ones is that according to the relating law, free emission allowances are due only for heat and not for electricity generation. So, the allocation of the free emission allowances for 2015 according to the Allocation Table took place in the first quarter of 2015.

The carbon dioxide emissions of the Company's facilities in 2015 were 671,173 thousand tons. The emissions will be certified by an independent expert and will be reported to the Authority until the end of March 2016, while the emission allowances corresponding to the emission quantities will be returned to the Authority until the end of April 2016, as required by the applicable statutory provisions.

6.5 Termination of the long term contracts

Act LXX of 2008 terminated the long-term Power Purchase Agreements as from 31 December 2008.

According to the provisions of the law, the Hungarian Energy Office made calculations with regard to the illegal state aid repayment obligations and the value of the unreturned investments.

However, the Directorate-General Competition of the EU ordered the preparation of new calculations according to a new methodology. As a result, it was established that the Company does not have any repayment obligation because the value of the unreturned investments considerably exceeds the amount of the possible illegal state aid.

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In its resolution No. 344/2010, the Hungarian Energy Office obliged the Company to present in detail the net cash flows of the PPA investments together with the principles and values of the division of the accounting items determining the cash flows, and to submit it to the Office until 31 March in each year. The Hungarian Energy Office will calculate the value of the stranded costs according to the decree and the value of the eligible stranded costs every year, and prepare a summary account at the end of the compensation period. If, according to the summary account, the eligible stranded costs calculated on the basis of the actual data are less than the maximum stranded costs defined, then the Hungarian Energy Office will decide about the repayment of the state aid in a resolution.

In 2015, Budapest Power Plant Ltd. fully met its data supply obligations. Similarly to the modifications of the previous years, the calculation was updated with the actual data of 2014. The difference between the stranded costs according to the decree (initial and periodic investments) and the eligible stranded costs (past and future cash flows) (stranded costs) considerably exceeds the state aid. The amount of the state aid is 44 billion HUF, and the stranded costs are almost 2.3 times as high as this, so no state aid will be repaid either in the future.

6.6 Off balance sheet items

Guarantees extended 2015	Amount (th HUF)	Expiry	Objective
UNICREDIT	50 000	2016.11.30	excise guarantee
UNICREDIT	15 000	2016.01.30	bid bond
UNICREDIT	15 000	2016.01.30	bid bond
UNICREDIT	15 000	2016.01.30	bid bond
UNICREDIT	15 000	2016.01.30	bid bond
UNICREDIT	15 000	2016.01.30	bid bond
UNICREDIT	15 000	2016.01.30	bid bond
UNICREDIT	13 282	2016.01.31	performance bond
UNICREDIT	14 755	2016.01.31	performance bond
UNICREDIT	3 003	2016.01.31	performance bond
UNICREDIT	15 164	2016.01.31	performance bond
UNICREDIT	9 088	2016.01.31	performance bond
UNICREDIT	17 783	2016.01.31	performance bond
UNICREDIT	6 836	2016.05.01	performance bond
UNICREDIT	10 895	2016.05.01	performance bond
UNICREDIT	1 784	2016.05.01	performance bond
UNICREDIT	8 655	2016.05.01	performance bond
UNICREDIT	6 444	2016.05.01	performance bond
UNICREDIT	31 536	2016.05.01	performance bond
UNICREDIT	12 091	2016.05.01	performance bond
UNICREDIT	8 289	2016.05.01	performance bond
UNICREDIT	4 770	2016.05.01	performance bond
UNICREDIT	4 469	2016.05.01	performance bond
Total	308 845		

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6.7 Statutory audit obligation

Based on Section 155, Article 2 of Act C of 2000, the Company is obliged to have its books audited. For 2015, Budapest Power Plant Ltd signed a contract with KPMG Hungária Kft, 1134 Budapest Váci út 31, whose auditor to sign is Dr Ferenc Eperjesi (Chamber of Hungarian Auditors membership number: 003161) The amount of the auditing fees for 2015 is 16 831 thousands of HUF.

In 2015, KPMG Hungária Kft did not provide any other service to the Company.

6.8 Bookkeeping service

Based on Section 151, Article 1 of Act C of 2000, the Company, for managing its accounting activities and for the preparation of its Annual Report, can employ only an entitled person.

At the Company, the person in charge of these activities is:

Zsuzsanna Csillag-Nagy

Ministry of National Economy registration number: 180891

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7 REPORTS BY ACTIVITY

Based on Act LXXXVI of 2007 on Electricity and Act XVIII of 2005 on District Heat Supply, Budapest Power Plant Ltd is obliged for accounting unbundling. In accordance with the provisions of the laws, the unbundling regulation was prepared as part of the cost accounting regulation, based on which the following reports by activity were prepared for 2015:

- Electricity generation licence holder's report
- Electricity trading licence holder's report
- Újpest site, district heat generation license holder's report
- Újpest site, electricity cogeneration license holder's report
- Kíspeszt site, district heat generation license holder's report
- Kíspeszt site, electricity cogeneration license holder's report
- Kelenföld site, district heat generation license holder's report
- Kelenföld site, electricity cogeneration license holder's report
- Other activities report according to the District Heat Supply Act

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BUDAPESTI ERŐMŰ ZRT. 31.12.2014		Electricity generation	Electricity trade	Other activities	Company total
BALANCE SHEET Assets					
A.	Fixed assets and financial investments	22 864 341	0	6 819 602	29 683 943
I.	Intangible assets	81 802	0	16 207	98 009
II.	Tangible assets	22 782 538	0	6 393 698	29 176 236
III.	Financial investments	0	0	409 698	409 698
B.	Current assets	4 002 653	352 918	6 284 601	10 640 172
I.	Inventories	870 807	0	2 268 260	3 139 067
II.	Receivables	3 035 672	352 918	3 875 238	7 263 828
III.	Securities	0	0	0	0
IV.	Liquid assets	96 174	0	141 103	237 277
C.	Prepayments	552 017	0	2 090	554 107
Total assets:		27 419 011	352 918	13 106 293	40 878 222
BALANCE SHEET Liabilities and owners' equity					
D.	Equity	5 418 823	-551 629	3 388 069	8 255 263
I.	ISSUED CAPITAL	2 766 486	0	825 142	3 591 628
II.	Issued unpaid capital (-)	0	0	0	0
III.	SHARE PREMIUM	33 697	0	10 051	43 748
IV.	RETAINED EARNINGS	3 888 136	-1 376 702	2 571 800	5 083 234
V.	Tied-up reserve	23 294	0	-4 783	18 511
VI.	Revaluation reserve	0	0	0	0
VII.	Balance sheet net profit (loss)	-1 292 790	825 073	-14 141	-481 858
E.	Provisions	58 600	0	554 224	612 824
F.	Liabilities	21 769 796	528 369	7 657 210	29 955 375
I.	Subordinated liabilities (subordinated loans)	0	0	0	0
II.	Long-term liabilities	0	0	0	0
III.	Short-term liabilities	21 769 796	528 369	7 657 210	29 955 375
G.	Accrued expenses	171 792	376 178	1 506 790	2 054 760
Total equity and liabilities		27 419 011	352 918	13 106 293	40 878 222
STATEMENT OF OPERATIONS					
I.	Total sales	22 276 372	5 490 285	27 192 717	54 959 374
II.	Capitalised value of own production	460 553	0	1 314	461 867
III.	Other income	24 138	677	1 380 272	1 405 087
IV.	Material-type expenditures	17 561 493	4 525 676	23 139 336	45 226 505
V.	Payroll and related expenditures	1 942 164	0	1 155 875	3 098 039
VI.	Depreciation	2 187 320	0	736 320	2 923 640
VII.	Other expenditures	217 168	148 064	1 503 118	1 868 350
A.	Profit (loss) from operating activities (I+II+III-IV-V-VI-VII)	852 918	817 222	2 039 654	3 709 794
VIII.	Revenues from financial activities	1 840 802	2 989	1 167 836	3 011 627
IX.	Financial transaction expenditures	4 006 251	0	3 190 377	7 196 628
B.	Net income (loss) on financial activities (VIII-IX)	-2 165 449	2 989	-2 022 541	-4 185 001
C.	Net income (loss) before extraordinary activities (A+B)	-1 312 531	820 211	17 113	-475 207
X.	Extraordinary revenues	0	0	2 323	2 323
XI.	Extraordinary expenditures	0	0	41 855	41 855
D.	Net income (loss) on extraordinary activities (X-XI)	0	0	-39 532	-39 532
E.	Net income (loss) before business profits tax (C+D)	-1 312 531	820 211	-22 419	-514 739
XII.	Business profits tax	-19 741	-4 862	-8 278	-32 881
F.	Net income (loss) (E-XII)	-1 292 790	825 073	-14 141	-481 858
G.	Balance sheet net profit (loss)	-1 292 790	825 073	-14 141	-481 858

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BUDAPESTI ERŐMŰ ZRT. 31.12.2015		Electricity generation	Electricity trade	Other activities	Company total
BALANCE SHEET Assets					
A.	Fixed assets and financial investments	13 814 519	0	4 486 794	18 301 313
I.	Intangible assets	54 150	0	11 334	65 484
II.	Tangible assets	13 760 369	0	4 088 579	17 848 948
III.	Financial investments	0	0	386 881	386 881
B.	Current assets	4 040 290	29 965	4 481 362	8 551 617
I.	Inventories	781 174	0	2 389 051	3 170 225
II.	Receivables	3 205 220	29 965	2 028 269	5 263 454
III.	Securities	0	0	0	0
IV.	Liquid assets	53 896	0	64 042	117 938
C.	Prepayments	431 985	0	0	431 985
Total assets:		18 286 794	29 965	8 968 156	27 284 915
BALANCE SHEET Liabilities and owners' equity					
D.	Equity	856 942	-404 867	-426 319	25 756
I.	ISSUED CAPITAL	2 711 096	0	880 532	3 591 628
II.	Issued unpaid capital (-)	0	0	0	0
III.	SHARE PREMIUM	33 023	0	10 725	43 748
IV.	RETAINED EARNINGS	4 548 035	-828 891	893 963	4 613 107
V.	Tied-up reserve	22 828	0	-16 047	6 781
VI.	Revaluation reserve	0	0	0	0
VII.	Balance sheet net profit (loss)	-6 458 040	424 024	-2 195 492	-8 229 508
E.	Provisions	162 315	0	916 249	1 078 564
F.	Liabilities	17 074 331	384 051	6 570 824	24 029 206
I.	Subordinated liabilities (subordinated loans)	0	0	0	0
II.	Long-term liabilities	0	0	0	0
III.	Short-term liabilities	17 074 331	384 051	6 570 824	24 029 206
G.	Accrued expenses	193 206	50 781	1 907 403	2 151 390
Total equity and liabilities		18 286 794	29 965	8 968 157	27 284 916
STATEMENT OF OPERATIONS					
I.	Total sales	23 079 755	3 337 740	24 087 571	50 505 066
II.	Capitalised value of own production	280 919	0	26 101	307 020
III.	Other income	26 810	36	916 644	943 490
IV.	Material-type expenditures	15 210 705	2 839 869	21 127 419	39 177 993
V.	Payroll and related expenditures	2 074 173	0	1 077 325	3 151 498
VI.	Depreciation	2 451 576	0	737 926	3 189 502
VII.	Other expenditures	8 777 919	30 230	3 521 873	12 330 022
A.	Profit (loss) from operating activities (I+II+III-IV-V-VI-VII)	-5 126 889	467 677	-1 434 227	-6 093 439
VIII.	Revenues from financial activities	441 950	3 770	2 092 509	2 538 229
IX.	Financial transaction expenditures	1 365 150	0	2 782 906	4 148 056
B.	Net income (loss) on financial activities (VIII-IX)	-923 200	3 770	-690 397	-1 609 827
C.	Net income (loss) before extraordinary activities (A+B)	-6 050 089	471 447	-2 124 624	-7 703 266
X.	Extraordinary revenues	0	0	3 302	3 302
XI.	Extraordinary expenditures	0	0	32 030	32 030
D.	Net income (loss) on extraordinary activities (X-XI)	0	0	-28 728	-28 728
E.	Net income (loss) before business profits tax (C+D)	-6 050 089	471 447	-2 153 352	-7 731 994
XII.	Business profits tax	407 951	47 422	42 141	497 514
F.	Net income (loss) (E-XII)	-6 458 040	424 025	-2 195 493	-8 229 508
G.	Balance sheet net profit (loss)	-6 458 040	424 025	-2 195 493	-8 229 508

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BUDAPEST POWER PLANT LTD 31.12.2014		Other activities according to the District Heating Act												Company total
According to the Electricity Act		Újpest site		Kispest site		Kelenföld site		Non-combined electricity generation				Electricity trade	Other non-licensable business segment activities	
		Combined electricity generation	District heat generation	Combined electricity generation	District heat generation	Combined electricity generation	District heat generation	Part of electricity generation		Kelenföld generation				
								Part of other activities	Part of other activities					
											Újpest			
Part of electricity generation	Part of other activities	Part of electricity generation	Part of other activities	Part of electricity generation	Part of other activities	Part of electricity generation	Part of other activities	Part of electricity generation	Part of other activities	Part of electricity generation	Part of other activities	Part of electricity trade	Part of other activities	
A.	Fixed assets and financial investments	9 746 416	1 844 656	10 432 301	3 812 266	574 309	245 324	707 199	1 308 151	95 965	0	917 355	29 683 943	
I.	Intangible assets	4 654	6 531	44 868	3 981	22 548	5 418	338	5 626	3 768	0	277	98 009	
II.	Tangible assets	9 741 762	1 838 126	10 387 433	3 808 285	551 761	239 907	706 861	1 302 525	92 197	0	507 380	29 176 236	
III.	Financial investments	0	0	0	0	0	0	0	0	0	0	409 698		
B.	Current assets	1 300 944	1 653 091	1 229 844	1 250 771	1 186 382	1 767 232	68 737	89 073	127 673	352 918	1 613 507	10 640 172	
I.	Inventories	315 096	354 702	275 200	305 819	191 193	476 869	22 863	34 508	31 947	0	317 907	409 698	
II.	Receivables	950 999	1 262 265	925 443	918 181	972 969	1 252 842	43 345	50 903	92 013	352 918	441 950	7 263 828	
III.	Securities	0	0	0	0	0	0	0	0	0	0	0	0	
IV.	Liquid assets	34 849	36 124	29 201	26 771	22 220	37 521	2 529	3 662	3 713	0	40 687	237 277	
C.	Prepayments	110 706	0	157 775	0	219 107	0	8 033	19 784	36 612	0	2 000	554 107	
Total assets:		11 158 066	3 497 747	11 819 920	5 063 037	1 979 798	2 012 556	783 969	1 417 008	260 250	352 918	2 532 952	40 878 222	
BALANCE SHEET Liabilities and owners' equity														
D.	Equity	11 655	1 436 254	3 504 982	1 636 053	1 462 168	1 059 054	-12 746	311 543	141 221	-551 629	-743 293	8 255 263	
I.	ISSUED CAPITAL	1 179 274	223 195	1 262 263	461 268	69 489	29 683	85 568	158 281	11 611	0	110 996	3 591 628	
II.	Issued unpaid capital (-)	0	0	0	0	0	0	0	0	0	0	0	0	
III.	SHARE PREMIUM	14 364	2 719	15 375	5 618	847	362	1 042	1 928	141	0	1 352	43 748	
IV.	RETAINED EARNINGS	270 498	866 160	2 903 194	2 391 437	1 212 419	796 855	-681 343	255 841	-72 473	-1 376 702	-1 482 653	5 083 234	
V.	Tied-up reserve	9 990	1 879	10 628	3 884	585	250	720	1 333	98	0	-10 796	18 511	
VI.	Revaluation reserve	0	0	0	0	0	0	0	0	0	0	0	0	
VII.	Balance sheet net profit (loss)	-1 462 411	342 301	-686 478	-1 226 154	178 828	231 904	581 267	-105 840	201 844	825 073	637 808	-481 858	
E.	Provisions	15 883	11 122	15 794	10 830	20 384	11 445	1 153	1 980	3 406	0	520 827	612 824	
F.	Liabilities	11 075 731	1 998 476	8 248 986	3 369 846	448 773	885 304	791 586	1 097 196	107 524	528 369	1 403 584	29 955 375	
I.	Subordinated liabilities (subordinated loans)	0	0	0	0	0	0	0	0	0	0	0	0	
II.	Long-term liabilities	0	0	0	0	0	0	0	0	0	0	0	0	
III.	Short-term liabilities	11 075 731	1 998 476	8 248 986	3 369 846	448 773	885 304	791 586	1 097 196	107 524	528 369	1 403 584	29 955 375	
G.	Accrued expenses	54 797	51 895	50 158	46 308	48 473	56 753	3 976	6 289	8 099	376 178	1 351 834	2 054 760	
Total equity and liabilities		11 158 066	3 497 747	11 819 920	5 063 037	1 979 798	2 012 556	783 969	1 417 008	260 250	352 918	2 532 952	40 878 222	
STATEMENT OF OPERATIONS														
I.	Total sales	7 538 879	8 367 198	6 282 570	6 200 779	4 749 452	8 690 749	1 118 922	1 329 348	1 257 201	5 490 285	3 933 991	54 959 374	
II.	Capitalised value of own production	31 122	1 314	372 103	0	7 207	0	2 258	46 659	1 204	0	461 867	1 405 871	
III.	Other income	7 049	5 101	7 079	5 678	7 378	6 157	511	888	1 233	677	1 363 336	1 405 087	
IV.	Material-type expenditures	6 337 649	6 790 914	4 919 295	5 855 351	3 833 506	7 588 735	350 648	1 185 380	935 015	4 525 676	2 904 336	45 226 505	
V.	Payroll and related expenditures	526 434	368 626	523 441	358 949	675 571	379 327	38 198	65 636	112 884	0	48 973	3 098 039	
VI.	Depreciation	994 592	207 850	920 629	465 277	72 394	18 687	72 167	115 441	12 097	0	44 506	2 923 640	
VII.	Other expenditures	68 624	76 210	68 285	33 102	57 165	73 305	4 979	8 563	9 552	1 084 064	1 320 501	1 868 350	
A.	Profit (loss) from operating activities (I+II+III-V+VI-VII)	-350 249	930 013	230 102	-506 222	125 401	636 852	655 699	1 875	190 090	817 222	979 011	3 709 794	
B.	Revenues from financial activities	665 244	405 988	512 931	372 257	471 289	378 528	48 270	64 319	78 749	2 989	11 153	3 011 627	
C.	Financial transaction expenditures	1 777 406	995 627	1 429 511	1 092 189	420 801	785 012	128 968	179 522	70 313	0	317 549	7 196 628	
D.	Net income (loss) on financial activities (VII+IX)	-1 112 162	-589 729	-916 580	-719 932	50 488	-406 484	-114 933	8 436	2 989	0	-306 396	-4 185 001	
E.	Net income (loss) before extraordinary activities (A+B)	-1 462 411	340 284	-686 478	-1 226 154	175 889	230 368	575 001	-113 098	198 526	820 211	-475 207	-481 858	
F.	Extraordinary revenues	0	0	0	0	0	0	0	0	0	2 323	0	2 323	
G.	Extraordinary expenditures	0	0	0	0	0	0	0	0	0	0	41 855	41 855	
H.	Net income (loss) on extraordinary activities (X-IX)	0	0	0	0	0	0	0	0	0	0	-39 532	-39 532	
I.	Net income (loss) before business profits tax (C+D)	-1 462 411	340 284	-686 478	-1 226 154	175 889	230 368	575 001	-113 098	198 526	820 211	633 083	-514 739	
J.	Business profits tax	0	-2 017	0	-1 536	-2 939	-7 218	-6 266	-7 218	-4 725	-8 862	-32 881	-481 858	
K.	Net income (loss) (E-XII)	-1 462 411	342 301	-686 478	-1 226 154	178 828	231 904	581 267	-105 840	201 844	825 073	637 808	-481 858	
L.	Balance sheet net profit (loss)	-1 462 411	342 301	-686 478	-1 226 154	178 828	231 904	581 267	-105 840	201 844	825 073	637 808	-481 858	

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	According to the Electricity Act	Újpest site			Kispest site			Kelenföld site			Other activities according to the District Heating Act				Company total
		Combined electricity generation	District heat generation	Part of other activities	Combined electricity generation	District heat generation	Part of other activities	Combined electricity generation	District heat generation	Part of other activities	Non-combined electricity generation			Electricity trade	Other non-licensable business segment activities
											Újpest	Kispest	Kelenföld		
		Part of electricity generation	Part of electricity generation	Part of electricity generation	Part of electricity generation	Part of electricity generation	Part of electricity generation	Part of electricity generation	Part of electricity generation	Part of electricity generation	Part of electricity generation	Part of electricity generation	Part of electricity generation	Part of electricity generation	Part of other activities
BALANCE SHEET Assets															
A. Fixed assets and financial investments		4 461 534	1 098 950		6 986 274	2 366 185		1 237 648	248 910		330 192	689 242	99 629	0	771 749
I. Intangible assets		7 159	4 141		30 423	2 947		12 071	4 014		529	2 997	971	0	232
II. Tangible assets		4 454 375	1 094 809		6 965 851	2 363 238		1 225 577	245 896		329 663	686 245	98 658	0	384 636
III. Financial investments			0		0	0		0	0		0	0	0	0	386 881
B. Current assets		1 318 106	922 670		1 161 146	1 152 957		1 225 745	1 004 778		76 831	132 859	125 603	29 965	1 400 957
I. Inventories		272 123	378 154		251 309	317 798		196 987	414 181		20 140	24 758	15 857	0	1 278 918
II. Receivables		1 026 893	525 542		892 614	820 546		1 015 363	575 554		55 278	106 404	108 668	29 965	111 627
III. Securities		0	0		0	0		0	0		0	0	0	0	0
IV. Liquid assets		19 090	18 974		17 223	14 613		13 395	20 043		1 413	1 697	1 078	0	10 412
C. Prepayments		30 849			62 423	0		99 676	0		36 898	110 720	91 419	0	431 985
Total assets:		5 810 489	2 021 620		8 219 843	3 519 142		2 563 069	1 254 688		443 921	932 821	316 651	29 965	2 172 706
BALANCE SHEET Liabilities and owners' equity															
D. Equity		2 852 695	90 646		1 533 483	615 710		1 923 632	158 285		-201 168	198 506	235 184	-404 867	-1 290 961
I. ISSUED CAPITAL		875 574	215 669		1 373 017	464 363		242 888	49 045		64 801	135 264	19 552	0	151 465
II. Issued unpaid capital (-)		0	0		0	0		0	0		0	0	0	0	0
III. SHARE PREMIUM		10 665	2 627		16 724	5 656		2 959	597		789	1 648	238	0	1 845
IV. RETAINED EARNINGS		485 981	262 233		2 715 225	2 033 372		1 226 075	-268 573		-354 219	453 192	22 781	-828 891	-1 103 130
V. Tied-up reserve		7 372	1 816		11 561	3 910		2 045	413		546	1 139	165	0	-22 186
VI. Revaluation reserve		0	0		0	0		0	0		0	0	0	0	0
VII. Balance sheet net profit (loss)		-4 232 287	-391 759		-2 563 017	-1 861 591		449 665	376 803		86 915	-391 737	192 448	424 024	-318 945
E. Provisions		45 869	27 907		44 169	26 062		59 723	28 905		3 395	4 351	4 808	0	833 375
F. Liabilities		8 559 336	1 853 516		6 567 017	2 833 503		514 627	1 014 866		637 403	724 528	71 420	384 051	868 939
I. Subordinated liabilities (subordinated loans)		0	0		0	0		0	0		0	0	0	0	0
II. Long-term liabilities		0	0		0	0		0	0		0	0	0	0	0
III. Short-term liabilities		8 559 336	1 853 516		6 567 017	2 833 503		514 627	1 014 866		637 403	724 528	71 420	384 051	868 939
G. Accrued expenses		57 979	49 551		55 174	43 867		65 087	52 632		4 291	5 436	5 239	50 781	1 761 353
Total equity and liabilities		5 810 489	2 021 620		8 219 843	3 519 142		2 563 069	1 254 688		443 921	932 821	316 651	29 965	2 172 706
STATEMENT OF OPERATIONS															
I. Total sales		7 640 406	8 125 227		6 826 936	6 257 641		5 338 676	8 582 810		1 139 483	1 274 968	839 286	3 337 740	1 121 893
II. Capitalised value of own production		2 529	767		18 116	431		239 658	21 338		187	1 785	19 244	0	307 020
III. Other income		8 772	3 712		7 595	4 425		8 372	4 435		649	748	674	36	904 072
IV. Material-type expenditures		5 161 602	6 919 766		4 292 562	5 827 531		3 805 729	7 512 043		411 626	1 005 992	532 194	2 839 869	868 079
V. Payroll and related expenditures		586 153	356 611		564 413	333 041		763 186	369 364		43 381	55 604	61 436	0	18 309
VI. Depreciation		1 016 348	212 649		976 111	448 435		216 299	32 362		75 219	96 162	21 437	0	44 480
VII. Other expenditures		4 646 351	830 556		3 254 254	1 260 240		196 900	97 558		343 872	320 595	15 857	30 230	1 333 519
A. Profit (loss) from operating activities (I+II-III-IV-V+VI-VII)		-3 758 747	-189 876		-2 234 693	-1 606 750		573 902	597 256		266 221	-201 852	228 280	467 677	-234 857
VIII. Revenues from financial activities		222 361	678 391		194 363	632 912		-9 606	744 295		16 457	19 148	-773	3 770	38 911
IX. Financial transaction expenditures		695 901	880 274		522 714	887 753		40 293	920 607		51 503	51 496	3 243	0	4 148 056
B. Net income (loss) on financial activities (VIII-IX)		-473 540	-201 883		-328 351	-254 841		-48 899	-178 312		-35 046	-32 348	-4 016	3 770	-55 361
C. Net income (loss) before extraordinary activities (A+B)		-4 232 287	-391 759		-2 563 044	-1 861 591		524 003	418 944		231 175	-234 200	224 264	471 447	-290 218
X. Extraordinary revenues		0	0		0	0		0	0		0	0	0	0	3 302
XI. Extraordinary expenditures		0	0		0	0		0	0		0	0	0	0	32 030
D. Net income (loss) on extraordinary activities (X-XI)		-4 232 287	-391 759		-2 563 044	-1 861 591		524 003	418 944		231 175	-234 200	224 264	471 447	-28 728
E. Net income (loss) before business profits tax (C+D)		-4 232 287	-391 759		-2 563 044	-1 861 591		524 003	418 944		231 175	-234 200	224 264	471 447	-318 946
F. Business profits tax		0	0		0	0		74 338	42 141		144 260	157 537	31 816	0	497 514
F. Net income (loss) (E-XII)		-4 232 287	-391 759		-2 563 044	-1 861 591		449 665	376 803		86 915	-391 737	192 448	424 025	-318 946
G. Balance sheet net profit (loss)		-4 232 287	-391 759		-2 563 044	-1 861 591		449 665	376 803		86 915	-391 737	192 448	424 025	-318 946

BUDAPEST POWER PLANT LTD.

SUPPLEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

(all amounts in thousands of HUF, unless otherwise indicated)

Result by business segment

Effects influencing the profitability of the business segments compared to 2014:

A generally negative effect was the depreciation of the assets due to the inferior business opportunities of the future.
A generally positive effect was the steady decrease in the gas prices during the year.

Combined and non-combined electricity generation

- Efficiency was higher due to the higher heat demand.

District heat generation

- The heat demand increased in comparison to the very low demand of 2014.
- As from 1 October 2015, the regulated heat prices decreased by 8%.
- The lower gas price increased the result from the beginning of the year until the regulated heat price change on 1 October 2015.

Electricity trade

- With almost identical prices, the margin decreased due to decreasing volume.

Other non-licensable business segment activities

- In 2015, a foreign exchange loss was incurred on CO₂ trade while the EUR value was unchanged.
- The result of the steam business segment was negative in both years.