



**Independent Auditors' Report
issued on the 2011 Annual Report
and Business Report
of Budapesti Értéktőzsde Zrt.**

This is an English translation of the statutory Consolidated Annual Report and the Consolidated 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 2011 statutory Annual Report of Budapesti Értéktőzsde 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 Budapesti Értéktőzsde Zrt.

Report on the Annual Report

We have audited the accompanying 2011 annual report of Budapesti Értéktőzsde Zrt. (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 December 2011, which shows total assets of THUF 6,987,258 and retained profit for the year of THUF 14,983, 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 Budapesti Értéktőzsde Zrt., its components and elements and their accounting and documentary support in accordance with Hungarian National Standards on Auditing and gained sufficient and appropriate evidence that the annual report has been prepared in accordance with the provisions of the Act on Accounting and accounting principles generally accepted in Hungary. In our opinion, the annual report gives a true and fair view of the financial position of Budapesti Értéktőzsde Zrt. as of 31 December 2011, and of its financial performance and of the result of its operations for the year then ended.

Other Matters

We have issued an Auditor's Report dated 3 April 2012 on the annual report submitted to the general meeting for approval and have considered the events after the balance sheet date only up to that date. The general meeting amended the annual report in terms of the amount of dividend payments, which resulted in a decrease in the retained profit for the year of THUF 1,109,764.

Report on the Business Report

We have audited the accompanying 2011 business report of Budapesti Értéktőzsde 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 2011 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 2011 business report of Budapesti Értéktőzsde Zrt. is consistent with the data included in the 2011 annual report of Budapesti Értéktőzsde Zrt.

Budapest, 25 April 2012

KPMG Hungária Kft.

Registration number: 000202

Gábor Agócs
Gábor Agócs
Partner

Dr. Ferenc Eperjesi
Dr. Ferenc Eperjesi
Professional Accountant
Registration number: 003161



**FINANCIAL STATEMENTS OF THE
BUDAPEST STOCK EXCHANGE FOR THE
YEAR 2011**

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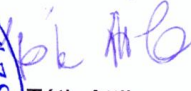
HUF '000

	Denomination	31.12.2010	31.12.2011
a	b	c	d
1	A. LONG-TERM ASSETS	5 239 425	5 314 019
2	I. Intangible assets	40 183	124 970
3	Capitalized value of formation, promotion and restructuring expenses	0	0
4	Capitalized value of research and development	0	0
5	Rights, representing assets	1 164	3 399
6	Intellectual products	39 019	121 571
7	Goodwill	0	0
8	Advances and prepayments on intangible assets	0	0
9	Value correction of intangible assets	0	0
10	II. Tangible assets	83 820	71 430
11	Buildings and related concessions and similar rights	11 790	4 992
12	Plant machinery	20 700	32 744
13	Other equipments and fittings, vehicles	51 330	33 694
14	Assets in course of constructions	0	0
15	Prepayments made on fixed assets	0	0
16	Value correction of tangible assets	0	0
17	III. Invested financial assets	5 115 422	5 117 619
18	Shares	5 115 022	5 115 022
19	Securities	0	0
20	Long term loan	400	2 597
21	Securities signifying a long-term creditor relationship	0	0
22	B. CURRENT ASSETS	1 799 447	1 379 769
23	I. Stocks	7 731	19 107
24	Raw materials and consumable goods	0	0
25	Work in progress	0	0
26	Finished goods	0	0
27	Merchandise	7 731	19 107
28	Prepayments made on stocks	0	0
29	II. Receivables	216 789	317 284
30	Trade debtors	198 330	142 429
31	Receivables from affiliated undertaking	0	0
32	Receivables from independent undertakings	0	0
33	Bills receivable	0	0
34	Other debtors	18 459	174 855
35	III. Securities	0	0
36	Participation in affiliated undertaking	0	0
37	Other participation	0	0
38	Own shares, own partnership shares, re-exchangable shares	0	0
39	Debt securities held for sale	0	0
40	IV. Cash and cash equivalents	1 574 927	1 043 378
41	Cash	145	130
42	Current account	1 574 782	1 043 248
43	C. ACCRUED INCOME AND PREPAYMENTS	320 612	293 470
44	Accrued income	292 985	280 459
45	Prepayments	27 627	13 011
46	Equity and accrued and deferred assets of deferred expenditures	0	0
47	TOTAL ASSETS	7 359 484	6 987 258

Budapest, April 25, 2012


 dr. Mohai György
 CEO




 Tóth Attila
 Deputy CEO


HUF '000

	Denomination	31.12.2010	31.12.2011
a	b	c	d
48	D. SHAREHOLDERS' EQUITY	5 441 874	5 456 857
49	I. Share capital	541 348	541 348
50	thereof: ownership shares repurchased at face value	0	0
51	II. UNPAID ISSUED CAPITAL	0	0
52	III. Capital reserve	2 576 356	2 576 356
53	IV. Retained earnings	2 302 775	2 324 170
54	V. NON DISTRIBUTABLE RESERVES	0	0
55	VI. REVALUATION RESERVE	0	0
56	VII. Net profit for the year	21 395	14 983
57	E. PROVISIONS	0	0
58	Provisions for expected liabilities	0	0
59	Provisions for costs in the future	0	0
60	Other provisions	0	0
61	F. LIABILITIES	1 368 234	1 214 509
62	I. Subordinated liabilities	0	0
63	Subordinated liabilities to affiliated undertaking	0	0
64	Subordinated liabilities to independent undertaking	0	0
65	Subordinated liabilities to other economic entities	0	0
66	II. Long-term liabilities	0	0
67	Long-term loans	0	0
68	Convertible bonds	0	0
69	Debts on the issue of bonds	0	0
70	Investment and development credits	0	0
71	Other long-term credits	0	0
72	Long-term liabilities to affiliated undertaking	0	0
73	Long-term liabilities to independent undertaking	0	0
74	Other long-term liabilities	0	0
75	III. Short term liabilities	1 368 234	1 214 509
76	Short-term loans	0	0
77	thereof: convertible bonds	0	0
78	Prepayments received from customer	0	0
79	Trade accounts payables	31 435	21 711
80	Bills payable	0	0
81	Short-term liabilities to affiliated undertaking	0	0
82	Dividends	1 299 235	1 109 764
83	Other short term liabilities	37 564	83 034
84	G. ACCRUED EXPENSES AND DEFERRED INCOME	549 376	315 892
85	Deferred income	142 663	89 064
86	Accrued expenses	406 713	226 828
87	Deffered revenues	0	0
88	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	7 359 484	6 987 258

Budapest, April 25, 2012


 dr. Mohai György
 CEO

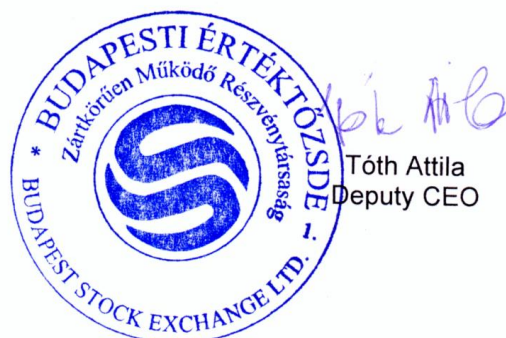



 Tóth Attila
 Deputy CEO

	Denomination	31.12.2010	31.12.2011
a	b	c	d
1	Net domestic sale	2 502 710	2 095 304
2	Net external sale	894 761	978 862
I.	Revenues from stock exchange activities	3 397 471	3 074 166
3	Change in self-manufactured stocks	0	0
4	Own work capitalized	0	0
II.	Own performance capitalized	0	0
III.	Other revenues	12 942	10 392
	thereof: write-back of loss in value	0	0
5	Cost of materials	29 561	29 920
6	Values of services utilized	477 484	422 637
7	Other costs	6 679	7 521
8	Cost of good sold	0	0
9	Sub-contracted services	67 572	113 576
IV.	Material-type costs	581 296	573 654
10	Wages and salaries	669 124	646 972
11	Other employee benefits	37 809	36 410
12	Contributions on wages and salaries	205 791	195 793
V.	Staff costs	912 724	879 175
VI.	Depreciation	65 515	63 952
VII.	Other expenses	345 066	411 258
	thereof: loss in value	1 903	1 830
A.	OPERATING PROFIT (LOSS)	1 505 812	1 156 519
13	Dividend received	0	0
	thereof: from affiliated undertakings	0	0
14	Capital gains on investments	0	0
	thereof: from affiliated undertakings	0	0
15	Interest and capital gains on financial investments	0	0
	thereof: from affiliated undertakings	0	0
16	Interests received	91 892	66 603
	thereof: from affiliated undertakings	0	0
17	Other incomes from financial transactions	13 948	51 761
VIII.	Income from financial operations	105 840	118 364
18	Losses on financial investments	0	0
	thereof: to affiliated undertakings	0	0
19	Interest payable and similar changes	0	0
	thereof: to affiliated undertakings	0	0
20	Losses on shares, securities and bank deposits	0	0
21	Other expenses on financial transactions	8 104	17 261
IX.	Expenses of financial operations	8 104	17 261
B.	FINANCIAL RESULT	97 736	101 103
C.	ORDINARY PROFIT (LOSS)	1 603 548	1 257 622
X.	Extraordinary income	0	0
XI.	Extraordinary expenses	0	0
D.	EXTRAORDINARY PROFIT (LOSS)	0	0
E.	PROFIT BEFORE INCOME TAX	1 603 548	1 257 622
XII.	Income tax	282 918	132 875
F.	PROFIT (LOSS) AFTER INCOME TAX	1 320 630	1 124 747
22	Retained earnings for dividend	0	0
23	Approved dividend	1 299 235	1 109 764
G.	NET PROFIT FOR THE YEAR	21 395	14 983

Budapest, April 25, 2012


 dr. Mohai György
 CEO



BUDAPEST STOCK EXCHANGE PRIVATE COMPANY LIMITED BY SHARES

NOTES TO THE 2011 ANNUAL REPORT

GENERAL COMPANY INFORMATION

Name of Company: Budapesti Értéktőzsde Zártkörűen Működő Részvénytársaság (Budapest Stock Exchange Private Company Limited by Shares)

Address of Company: H-1062 Budapest, Andrásy út 93.

Company's Registration No.: Cg. 01-10-044764

Data of persons authorised to sign the report on behalf of the Company:

Dr. György Mohai, CEO

Address: H-1029 Budapest, Ábránd u. 10.

Attila Tóth, Deputy CEO

Address: H-1112 Budapest, Rétalja lejtő 14.

Sándor Ferenc Pittner, Deputy CEO

Address: H-1162 Budapest, Ida u. 62.

The person charged with the management of bookkeeping tasks and the preparation of the annual report: Ildikó Auguszt (address: H-1138 Budapest, Róbert Károly krt. 18/C, registration No. 120433).

Data of the Auditor

KPMG Hungary, Audit, Tax and Advisory Services Limited Liability Company
HU-1139 Budapest, Váci út 99.

Company registration No.: 01-09-063183

Data of the person responsible for the audit:

Dr. Ferenc Eperjesi (*mother's maiden name: Erzsébet Kiss*)

H-1039 Budapest, Ady Endre út 20.

Start date of engagement: April 29, 2011

End date of engagement: May 31, 2014

Form of operation:

Private Company Limited by Shares

Foundation

The Budapest Stock Exchange, originally established on 19 June 1990, was registered by the Metropolitan Court of Justice as a Court of Registration on 30 June 2002 under No. 01-10-044764 as a company limited by shares due to general succession.

The subscribed capital of the Company upon the foundation totalled HUF 550 million, which consisted of registered ordinary shares issued in dematerialised form, with a par value of HUF 100 each, all conferring equal and identical membership rights.

With its resolution No. 7/2003 dated 28 April 2003, the General Meeting decreased the share capital of the Budapest Stock Exchange Private Company Limited by Shares by withdrawing the shares of Garmond Capital Hungarian-American Service Providing Company Limited by Shares (i.e. by HUF 8,651,900 that is 86,519 shares with a par value of HUF 100 each). Thus the Company's subscribed capital fell to HUF 541,348,100. (*Order No. 01-10-044764/24 of the Court of Registration, effective from 28 April 2003*)

Scope of activity

Main scope of activity: 6611 '08 Administration of financial markets

Legal framework for the management of the Stock Exchange

The conditions for the management of the Stock Exchange are stipulated in Act CXX of 2001 (hereinafter: "the Act"). Accordingly, "the Stock Exchange may not invest its free funds in the products listed and traded on the given stock exchange, excluding government securities and the shares issued by the Stock Exchange, the clearing house and central depository performing stock exchange settlements, and the financial holding company with a shareholding in the clearing house and the central depository. During its operations, the Stock Exchange may only establish such business associations or companies limited by shares and it can only have a holding in such business associations which have the purpose of promoting exchange activities or any supporting complementary activities."

When the accounting procedures of the Stock Exchange are established, the provisions of Act C of 2000 on Accounting and Government Decree No. 348/2004 (XII.22.) must be taken into consideration. According to the rules on double-entry bookkeeping, the Stock Exchange prepares its annual report for the given business year with the last day of the business year (31 December 2011) as the balance sheet date. According to the Act on Accounting, the economic events that became known after the balance sheet date (31 December) but prior to the compilation of the annual report must be accrued. The last day for the receipt of items coming from external sources – i.e. the balance sheet preparation date – is 15 February 2012.

The Stock Exchange is listed by Section 3 (1) 4 I) of the Act on Accounting under 'other organizations'. The annual reporting and bookkeeping obligation of the Stock Exchange is stipulated by Government Decree No. 348/2004 (XII.22.).

The system of accounts was compiled based on the above decrees and accounting requirements. In our system of accounts, we set out the accounting policy developed and applied by the Budapest Stock Exchange and the evaluation regulations on assets and liabilities.

The 2011 annual balance sheet and income statement of the Budapest Stock Exchange Ltd. will be available on the BSE's website (www.bet.hu) after the Annual General Meeting.

Rules of the Stock Exchange

The essential rules of the organization and operation of the Budapest Stock Exchange Ltd. are included in the Statutes accepted by the General Meeting.

According to the Act, the Budapest Stock Exchange is a self-regulating organization that develops regulations to specify the partial regulations on the operation of the Stock Exchange as well as the rights and obligations of the stock exchange traders and issuers. The Board of Directors is authorized to approve the regulations, which enter into force when ratified by the Hungarian Financial Supervisory Authority.

The regulations of the Stock Exchange are available on the BSE's website (www.bet.hu), under the Markets and Products/Regulations menu item.

As of 15 February 2012, the valid regulations of the Stock Exchange were as follows.

1. REGULATIONS

Regulations of the Budapest Stock Exchange Ltd.	Nr. of the approval by the Board of Directors	Date	Nr. of approval by the Supervisory Authority	Date
for Listing, Continued Trading and Disclosure	32/2011 43/2011	June 7, 2011 September 6, 2011	EN-III-5011/2011	October 21, 2011
on the Operations and Use of Remote Trading	33/2011	June 7, 2011	EN-III-888/2011	August 8, 2011
on the Code of Trading	5/2011 16/2011	February 22, 2011 April 6, 2011	EN-III-422/2011 EN-III-574/2011	July 1, 2011
on Section Membership	4/2011	February 22, 2011	EN-III-597/2011	June 6, 2011
on Exchange Regulation Procedures and on the Rules of Official Publications	34/2011	June 7, 2011	E-III-1008/2011	September 15, 2011
on the Rules of Conflict of Interest of Persons in Management Positions and Employees	43/2010	November 24, 2010	E-III-18/2011	January 13, 2011
on the Operational Risk Management	36/2010	September 15, 2010	EN-III-73/2010	October 28, 2010

Regulations of the Budapest Stock Exchange Ltd.	Nr. Reference no. of CEO resolution(s) to go into	Date	Effective date
Regulations on the Operation of BETA Market	2/BÉTa/2012	January 31, 2012	February 1, 2012
Regulations on the Use of BETA Remote Trading	1/BÉTa/2011	November 3, 2011	November 7, 2011

2. ORDERS

Orders of the Budapest Stock Exchange Ltd.	Nr. of the approval by the Board of Directors	Date	Nr. of approval by the Supervisory Authority	Date
regarding the Professional Representation	28/2011	June 7, 2011	-	16 June, 2011
regarding the Schedule of Fees Applied by the Exchange	34/2011	June 7, 2011	-	January 2, 2012
regarding the Operational and Organizational Rules	49/2011	October 20, 2011	-	November 3, 2011

The Hungarian Financial Supervisory Authority also supervises whether the operation of the Budapest Stock Exchange Ltd. complies with the relevant legal rules and the Exchange's regulations. In order to fulfil this task, the person appointed by the Supervisory Authority is entitled to review and check the stock exchange trading on the terminal placed at the Supervisory Authority as well as to be present at the General Meeting of the Budapest Stock Exchange Ltd. and at the meetings of the Board of Directors and the Advisory Committees and to inspect the records of the Budapest Stock Exchange.

The Board of Directors provides for the following in stock exchange orders: the fees charged by the BSE for those who use the services of the Stock Exchange, the Bylaw of Organization and Operation in respect of the Stock Exchange's work organization, the trading regulation of the free market system and the order of the representation of interest for stock exchange traders, issuers and investors.

The rules of the operation of the multilateral trading facility are governed by a separate regulation adopted by the CEO.

The Budapest Stock Exchange Ltd. has adopted the necessary mandatory regulations prescribed in the Act on Accounting as well as the stocktaking regulation for assets and liabilities and a cash management regulation. The methodology of evaluation assets and liabilities is found in the accounting policy.

ACCOUNTING PRINCIPLES

An **error** is **significant** if the aggregate amount of the errors and the impact of errors established for the same year (meaning that values have to be added up), increasing or decreasing the equity or the results (regardless of their sign), reaches 2% of the balance sheet total for the given year or if 2% of the balance sheet total exceeds HUF 500 million, then their aggregate amount reaches HUF 500 million.

Receivables in foreign funds must be recalculated into HUF at the middle exchange rate published by the account holding bank.

Liabilities in foreign funds must be recalculated into HUF at the middle exchange rate published by the account holding financial institution and valid on the date of settlement.

When **evaluating receivables**, in the case of receivables which were not paid by the balance sheet preparation date, the difference between the book value of the receivable and the amount expected to be collected must be determined based on the information available at the balance sheet preparation date. **Impairment must be accounted for the difference but only when it proves to be permanent and is of a significant amount.** In the case of receivables, **impairment is significant** if it exceeds 50% of the book value of the receivables.

EVALUATION METHOD

BALANCE SHEET

Intangible assets

Intangible assets must be recognised in the balance sheet at cost or at the book value less the accounted ordinary and extraordinary depreciation plus the reversed amount of the book value of the extraordinary depreciation, and advance payments made for intangible assets must be recognised at the transferred amount net of the deductible input VAT, at the book value increased by the reversed impairment.

The **purchased software applications** were evaluated at net value.

Tangible assets

Tangible assets must be evaluated at cost **in the balance sheet**, less the applied depreciation, plus the amount of the reversal. **Tangible assets** were evaluated at net value.

Investments were evaluated at the actual acquisition cost.

Investments

BSE has the following investments:

■ **Central Clearing House and Depository (Budapest) Ltd.**

registered office: Budapest, VII. ker. Asbóth u. 9-11.
 number of issued shares: 420
 nominal value of shares: 5.000.000 HUF
 ownership share: 46.67%

KELER Ltd's after-tax profit for 2011 will be HUF 1.8 billion.

3. Ownership structure of Central Clearing House and Depository (Budapest) Ltd. (HUF '000)

Owners	Subscribed capital	Ownership share
Budapest Stock Exchange Ltd.	2 100 000	46,67%
Central Clearing House and Depository Ltd.	2 400 000	53,33%
Total:	4 500 000	100,00%

■ **KELER Central Counterparty Ltd.**

registered office: Budapest, VII. ker. Asbóth u. 9-11.
 ownership share: 11.9%

KELER CCP Ltd's after-tax profit for 2011 will be HUF 195 million.

4. Ownership structure of KELER Central Counterparty Ltd. (HUF '000)

Owners	Subscribed capital	Ownership share	Shareholders' capital
Budapest Stock Exchange Ltd.	2 380	11,90%	3 570
Hungarian National Bank	2 720	13,60%	4 080
Central Clearing House and Depository Ltd.	14 900	74,50%	22 350
Total	20 000	100,00%	30 000

Calculation of depreciation

Fixed assets were **depreciated** with the straight-line method as follows:

The acquisition price of **rights and concessions** are amortized over their estimated useful lives according to the accounting policies of the stock exchange.

Intellectual property and software are written off over **3 years**, with a depreciation rate of **33%**, **except for intangible property received from a legal predecessor** where the time of use at the legal predecessor must be taken into account when defining the period of depreciation. *However, the remaining time of use cannot be shorter than 1 year*, and depreciation must be accounted for the remaining period.

Tangible assets are depreciated with the straight-line method from the date of putting into use, based on the gross value, taking into account the time of use **except for tangible property received from a legal predecessor** where the time of use at the legal predecessor must be taken into account when defining the period of depreciation. *However, the remaining time of use cannot be shorter than 1 year*, and depreciation must be accounted for the remaining period. Depreciation is accounted for on a monthly basis.

Upon the calculation of depreciation, the following rates were applied:

5. Depreciation norms applied for assets capitalised after 1 January 1992

CWIP on rented properties	6,0 %
Technical instruments, machinery, vehicles	14,5 %
IT equipment	33,0 %

Assets with an individual purchase price below HUF 100,000 (i.e. the amount allowed by Section 80 (2) of the Act on Accounting) are depreciated in one amount immediately when put into use.

6. Changes to intangible and tangible assets (HUF '000)

Changes to the gross value of intangible and tangible assets

Denomination	Opening amount	Interim growth	Interim decrease	Reclass.	Closing amount
I. Intangible assets	1 020 678	107 753	209	0	1 128 222
I/1. Concessions and similar rights and assets	10 679	2 453	209		12 923
I/2. Intellectual products	1 009 999	105 300			1 115 299
I/2.1. WIP on intangible assets	0				0
II. Tangible assets	466 966	28 595	12 899	0	482 662
II/1. Real estates	42 395	1 139	0	0	43 534
II/1.1. Buildings	0				0
II/1.2. Buildings and related concessions and similar rights	0				0
II/1.3. CWIP on rented properties	42 395	1 139			43 534
II/2. Cables	0				0
II/3. Technical equipments, machinery	9 718	825	374		10 169
II/4. IT equipments	230 423	24 823	12 073		243 173
II/5. Telecommunication equipments	9 100		100		9 000
II/6 Other equipments and fittings	145 091	1 747	352		146 486
II/7. Securities	343				343
II/8. Vehicles	29 896	61			29 957
II/9. Capital Work in Progress (CWIP)	0				0
II/10. Advance payments on CWIP	0				0
I-II. Total	1 487 644	136 348	13 108	0	1 610 884

Changes to the depreciation of intangible and tangible assets

Denomination	Opening amount	Interim growth	Interim decrease	Reclass.	Closing amount
I. Intangible assets	980 495	22 966	209	0	1 003 252
I/1. Concessions and similar rights and assets	9 515	218	209		9 524
I/2. Intellectual products	970 980	22 748			993 728
I/2.1. WIP on intangible assets					
II. Tangible assets	383 146	40 985	12 899	0	411 232
II/1. Real estates	30 605	7 937	0	0	38 542
II/1.1. Buildings	0				0
II/1.2. Buildings and related concessions and similar rights	0				0
II/1.3. CWIP on rented properties	30 605	7 937			38 542
II/2. Cables	0				0
II/3. Technical equipments, machinery	7 430	1 195	374		8 251
II/4. IT equipments	212 011	12 409	12 073		212 347
II/5. Telecommunication equipments	9 061	39	100		9 000
II/6 Other equipments and fittings	108 875	14 757	352		123 280
II/7. Securities	0				0
II/8. Vehicles	15 164	4 648			19 812
II/9. Capital Work in Progress (CWIP)	0				0
II/10. Advance payments on CWIP	0				0
I-II. Total	1 363 641	63 951	13 108	0	1 414 484

Changes to the net value of intangible and tangible assets

Denomination	Opening amount	Interim growth	Interim decrease	Reclass.	Closing amount
I. Intangible assets	40 183	84 787	0	0	124 970
I/1. Concessions and similar rights and assets	1 164	2 235	0		3 399
I/2. Intellectual products	39 019	82 552	0		121 571
I/2.1. WIP on intangible assets	0				0
II. Tangible assets	83 820	-12 390	0	0	71 430
II/1. Real estates	11 790	-6 798	0	0	4 992
II/1.1. Buildings	0				0
II/1.2. Buildings and related concessions and similar rights	0				0
II/1.3. CWIP on rented properties	11 790	-6 798	0		4 992
II/2. Cables	0	0	0		0
II/3. Technical equipments, machinery	2 288	-370	0		1 918
II/4. IT equipments	18 412	12 414	0		30 826
II/5. Telecommunication equipments	39	-39	0		0
II/6 Other equipments and fittings	36 216	-13 010	0		23 206
II/7. Securities	343	0	0		343
II/8. Vehicles	14 732	-4 587	0		10 145
II/9. Capital Work in Progress (CWIP)	0	0	0		0
II/10. Advance payments on CWIP	0	0	0		0
I-II. Total	124 003	72 397	0	0	196 400

Purchased inventories

Purchased inventories were evaluated at the actual acquisition price except for print forms and other materials.

Forms and **other materials** were fully accounted for as use of materials (cost) at the date of acquisition. Year-end closing inventories were evaluated at the actual acquisition price, based on the stocktaking.

7. Inventories (HUF '000)

Description	2010	2011
PR material	2 147	3 122
Forms, other materials	1 467	2 227
Library books	1 008	1 052
Meal vouchers	5	0
Intermediated services	3 104	12 706
Total inventories	7 731	19 107

Accounts receivable

Trade debtors must be recognised in the balance sheet at the known and accepted amount or at the book value decreased by the accounted impairment and increased by the reversed impairment.

Receivables from **employees** and **tax authorities** were evaluated based on an item-by-item reconciliation with the sub-ledgers.

8. Inventories (HUF '000)

Description	2010	2011
Receivables from goods, delivery and services	198 330	142 429
Corporate tax	2 082	138 774
VAT	12 946	25 941
Local tax	148	7 779
Receivables from employees	3 283	2 361
Total receivables	216 789	317 284

9. Impairment accounted for receivables (HUF '000)

Description	Year of the accounting of impairment	Amount of impairment in %	31 December 2011 Amount of impairment
Kormos Jánosné	2008	100%	12
ULLINK	2008	100%	20
ABN AMRO Bank N.V.	2010	100%	501
ALDBERG Investment Tőzsdeügynöki Kft.	2011	100%	927
STOCKTRADE Szolgáltató és Kereskedelmi Kft.	2011	100%	903
Total impairment on receivables			2 363

Cash

Cash was recognised at the values of the last bank account statements of 2011 and the stocktaking of the cash desk.

10. Cash (HUF '000)

Description	2010	2011
Cash desk	145	130
HUF accounts	33 595	35 370
Fixed HUF deposits	1 328 791	723 860
EUR accounts	35 022	1 668
Fixed EUR deposits	177 374	282 350
Total cash	1 574 927	1 043 378

Prepaid expenses and accrued income

Expenses incurred before the balance sheet date which can only be accounted as cost for the period following the balance sheet date, and income which is only due after the balance sheet date but that should be accounted for the period closed by the balance sheet, as well as the amount not yet accounted for as an item decreasing the profit from the difference defined in Section 68 (1) of the Act on Accounting, must be recognised separately as prepaid expenses and accrued income.

11. Prepayments and accrued income (HUF '000)

Description	2010	2011
Interest on tied-up deposits and bank accounts due for the reporting period but not yet realised	28 623	10 475
Transaction fee for December, 2010/2011	85 737	91 804
Fee for continued trading for the 4th quarter, 2010/2011	120 601	118 663
Vendor fees for 2010/2011	51 046	51 450
Other income	6 978	8 067
Total accrued income	292 985	280 459
Accrued VAT on investments	25	0
Insurance	1 782	1 034
Newspaper subscriptions	1 309	915
Annual membership dues for international organisations 2011/2012	47	611
Registered office rental and operation fee for January 2011	15 043	0
IBM IFX maintenance fee for 2012		5 113
Other	9 421	5 338
Total prepayments	27 627	13 011
Total prepayments and accrued income	320 612	293 470

Equity

Equity is recognised at book value.

12. Changes to equity (HUF '000)

Denomination	2010	Additions	Disposals	2011
Share capital	541 348			541 348
Capital reserve	2 576 356			2 576 356
Retained earnings	2 302 775			2 324 170
Net profit for the year 2010	21 395			
Net profit for the year 2011		14 983		14 983
Total shareholder's equity	5 441 874	14 983	0	5 456 857

The subscribed capital of the Company upon the foundation totalled HUF 550 million which consisted of registered ordinary shares issued in a dematerialised form, with a par value of HUF 100 each, all conferring equal and identical membership rights. With its resolution No. 7/2003 dated 28 April 2003, the General Meeting decreased the share capital of the Budapest Stock Exchange Private Company Limited by Shares by withdrawing the shares of Garmond Capital Hungarian-American Service Providing Company Limited by Shares (i.e. by HUF 8,651,900 that is 86,519 shares with a par value of HUF 100 each). Thus the Company's subscribed capital fell to HUF 541,348,100.

Based on the resolution No. 9/2012 of the Annual General Meeting of the Budapest Stock Exchange Ltd. which was held on 25 April of 2012, AGM approved a payment in dividend in the amount of HUF 1 109 763 605 (HUF 205 /share) following the financial year 2011.

Liabilities

Out of current liabilities

- trade creditors including VAT were evaluated at the acknowledged, invoiced amount;
- liabilities to employees and tax authorities were recognised in the balance sheet based on a reconciliation with the sub-ledgers.

13. Current liabilities (HUF '000)

Description	2010	2011
Liabilities on delivery of goods and services	31 435	21 711
Taxes and contributions payable:		
Personal income tax	16 301	27 961
Rehabilitation contribution	712	699
Vocational contribution	17	3 518
Car tax	146	162
Innovation contribution	776	72
Social security contribution (to the Pension Insurance and Health Insurance funds)	19 367	48 513
Healthcare contribution	91	706
Pension funds	0	1 231
Health funds	154	164
Dividends paid from the 2010/2011 profit	1 299 235	1 109 764
Other		8
Total liabilities	1 368 234	1 214 509

Accrued expenses and deferred income

The following must be recognised separately as accrued expenses and deferred income:

- income received before the balance sheet date which will form the sales revenue of the period after the balance sheet date;
- costs and expenses for the period before the balance sheet date which will only be incurred and invoiced in the period after the balance sheet date;
- compensation claims, default interest and court costs enforced and submitted against the Stock Exchange between the balance sheet date and the balance sheet preparation date.

The amounts of the accruals must be supported by accounting records (invoices, calculations, resolutions issued by the competent persons, etc.) which prove the legal nature and justification of such accruals.

14. Accrued expenses and deferred income (HUF '000)

Description	2010	2011
2010/2011 minimum section fees invoiced in 2011/2012	92 500	89 000
Other income for 2012	50 163	64
Total deferred income	142 663	89 064
Audit	3 547	3 619
MMTS licence fee	65 885	32 445
Other	34 522	46 653
Bonus accrued to the debit of the 2010/2011 profit (with contributions)	302 759	144 111
Total accrued expenses	406 713	226 828
Total accrued expenses and deferred income	549 376	315 892

INCOME STATEMENT

The results of the stock exchange activity were defined with the **total cost method** (version A) by decreasing the income in the business year by material-type, personnel and other expenses as well as depreciation.

The annual reporting and bookkeeping obligation of the Stock Exchange is stipulated by Government Decree No. 348/2004 (XII.22.). In accordance with the government decree, the fees charged for the services recorded in the Fee Schedule were recognised as "Income from exchange activities" instead of "Net sales".

15. Revenues (HUF '000)

Description	2010	2011
Revenues from listing fees	624 728	637 845
Revenues from trading fees	1 994 052	1 498 368
Revenues from information services	711 119	824 377
Sub-contracted services	67 572	113 576
Total revenues from stock exchange activities	3 397 471	3 074 166

Description	2010	2011
Domestic revenue from exchange activities	2 502 710	2 095 304
Export		
USA	261 166	327 641
Switzerland	12 119	26 012
Japan	1 043	1 117
Guernsey	1 724	63
Hong Kong	0	600
Israel	0	1 003
Norway	0	8 866
European Union	618 709	613 560
Export revenues from exchange activities	894 761	978 862
Total net sales from exchange activities	3 397 471	3 074 166

Description	2010	2011
Revenue from the sales of tangible assets	18	16
Income from training	2 965	2 063
Other income	9 415	6 728
Default interest	544	1 585
Total other income	12 942	10 392

Description	2010	2011
Interest on fixed deposits	91 129	65 767
Other interest	763	836
Exchange gains	13 948	51 761
Income from financial transactions	105 840	118 364
Exchange loss	8 104	17 261
Expenses of financial transactions	8 104	17 261
Profit/loss from financial activities	97 736	101 103

Material-type expenses

As of 2001, if Section 123 (2) of the VAT Act requires that the input VAT of the service be divided proportionally, the non-deductible VAT must be accounted for under other expenses rather than as a cost.

16. Material-type expenses (HUF '000)

Description	2010	2011
Intermediated services	67 572	113 576
Material costs	29 561	29 920
Travel costs	13 209	11 300
Repair, maintenance costs	23 865	24 505
Communication and mail costs, newspapers	33 547	36 463
Other rentals	9 571	14 876
K2 licence fee	17 917	25 398
Trading system licence fee	52 708	25 956
Expert fees	91 700	94 924
Training costs	7 960	5 963
PR expenses	44 955	22 532
Membership fees in international organisations	784	891
Other services	24 008	29 028
Internet access	3 563	3 336
Deutsche Börse technical connection fees	9 978	10 106
Costs related to the rented Andrásy út property:		
Rental	120 981	92 207
Operating expenses	22 738	25 152
Insurance premiums, duties, banking fees	6 679	7 521
Total material-type expenses	581 296	573 654

17. Fees paid to KPMG for the audit and other services (HUF '000)

Description	2010	2011
Audit of the HAL annual report	3 180	3 240
Audit of the IFRS financial statements	1 550	820
Audit of consolidated reports	0	765
Self-assessment report	510	520
Valuation comfort letter	1 393	0
Tax advisory	400	400
Total fees paid to KPMG	7 033	5 745

Personnel costs

In 2010, the average number of staff at the Budapest Stock Exchange was 59 and in 2011, 59. The average statistical staff number and wage costs did not include those on maternity leave or on unpaid leave.

18. Personnel-type expenses (HUF '000)

Description	2010	2011
Wage costs for full-time employees	639 545	621 811
Honoraria for Board members	16 080	14 541
Honoraria for Supervisory Board members	7 800	5 295
Wage costs for off-payroll staff	5 699	5 325
Wages for sick leave	3 115	3 121
Other personnel-type expenses (contributions, fringe benefits, representation costs)	240 485	229 082
Total personnel costs	912 724	879 175

Honoraria to the officers of the Budapest Stock Exchange Private Company Limited by Shares

In accordance with resolution No. 13/2011 of the General Meeting held on 29 April 2011, the honoraria were as follows:

19. Honoraria of elected officers

■ Board of Directors

- Chairman HUF 290 000 /month
- Deputy Chairman HUF 250 000 /month
- Members HUF 200 000 /month

■ Supervisory Board

- Chairman HUF 200 000 /month
- Deputy Chairmen HUF 150 000 /month
- Members of the SB HUF 100 000 /month

20. Other expenses (HUF '000)

Description	2010	2011
Derecognition due to scrapping/Impairment/Lending losses	1 903	1 830
Other	3 386	1 428
Tax obligation regarding the previous years	0	11 946
Late payment and self-revision penalty, tax penalty	0	7 342
Subsidies of certain team sports	0	59 982
Innovation contribution	9 646	8 508
Bank tax	179 263	179 263
Local taxes and local business tax	64 352	56 722
Supervisory Authority fee	1 672	1 597
Non-deductible VAT on fixed assets	7 572	22 544
Non-deductible VAT on costs	77 272	60 096
Total other expenses	345 066	411 258

TRANSACTIONS WITH RELATED PARTIES

Related party

Name:	CEESEG Aktiengesellschaft
Registered office:	1014. WIEN WALLNERSTRASSE 8. ÖSTERREICH
Tax number:	EU Tax No: ATU43751-3-01
Company registration No.:	FN 161826 f
Court of registration:	Commercial Court of Vienna
Registered office of court of registration:	Marxergasse 1a, 1030 Vienna
Ownership share:	50.45251%

Name:	WIENER BÖRSE AG
Registered office:	1014. WIEN WALLNERSTRASSE 8. ÖSTERREICH
Tax number:	EU Tax No: ATU65295-2-45

21. Transactions with related parties

Description	Amount €
Technical accession fee after FIDESSA PLC	10 000,00 €
Technical accession fee after SIX Telekurs Ltd.	10 000,00 €
Technical accession fee after Sungard Financial System (France) SAS	10 000,00 €
Technical accession fee after Interactive Data (Europe) Ltd	10 000,00 €
Technical accession fee after VWD.	5 000,00 €
Technical accession fee after NYSE Technologies SAS	3 333,00 €
Manager liability insurance (BSE master D&O insurance)	3 150,00 €
XETRA CR	336 000,00 €
Miss Values links	1 200,00 €
Expenses	388 683,00 €

CORPORATE TAX

In accordance with the obligation to file a returns, we have adjusted the tax base as follows:

22. Calculation of corporate tax (HUF '000)

Description	2011
Items increasing pre-tax profits:	
Amount accounted for as depreciation in the tax year in accordance with the Act on Accounting	63 952
Impairment loss recognized for receivables in the tax year	1 830
Not recognized costs/Annex 3 (entertainment, business gifts, assets transferred free of charge)	14 876
Imposition of tax penalty, late payment penalty in final resolution	7 312
Amounts accounted for as expenses and assessed as a result of the self-revision, tax audit	11 946
Total items increasing the tax base	99 916
Items decreasing pre-tax profits:	
Depreciation in accordance with tax law	56 856
50% of revenues accounted among pre-tax results in the tax year based on the royalty received	48 808
Total items decreasing the tax base	105 664
Corporate tax	
Profit/loss before taxation	1 257 622
Total items decreasing pre-tax profits	105 664
Items increasing pre-tax profits	99 916
Tax base	1 251 874
Corporate tax	
till HUF 500 million (10%)	50 000
from HUF 500 million (19%)	142 856
Calculated corporate tax	192 856
Tax benefit for the subsidy of certain team sports	59 981
Total corporate tax	132 875
Corporate tax prepayment in 2011	271 647

SECTION MEMBERSHIP

The number of section members at the Budapest Stock Exchange Ltd. totalled 39 as of 31 December 2011. At the end of 2011, 27 members in the equities section, 21 members in the debt securities section, and 21 members in the derivatives section (futures market - 21 members, options market - 13 members) and 6 members in the commodities section had trading rights.

The BÉTa Market has been launched on 15th November 2011 and at the end of the year there were 16 members in it.

Granting Section Memberships in 2011

- To Societe Generale AG in the Debt Section (12 September 2011)
- To Jefferies International Limited in the Debt Section (1 November 2011)

Termination of section membership in 2011

- The termination of section membership of the Stocktrade Szolgáltató és Kereskedelmi Kft. in the Commodities Section (21 February 2011)
- The termination of section membership of the Cashline Értékpapír Zrt. in the Equities, Debt and Derivatives Sections (30 March 2011)

Succession in 2011

Granting Section Membership by succession to the Deutsche Bank GmbH Magyarországi Fióktelepe in the Debt Section

BÉTa Market Granting right to trade

15 November 2011

- Buda-Cash Brókerház Zrt.
- Hungarograin Tőzsdeügynöki Szolgáltató Zrt
- OTP Bank Nyrt.
- Reálszisztéma Értékpapír-forgalmazó és Befektető Zrt
- ERSTE Befektetési Zrt.
- QUAESTOR Értékpapírkereskedelmi és Befektetési Nyrt
- KBC Securities Magyarországi Fióktelepe
- Equilor Befektetési Zrt
- RANDOM Capital Zrt.
- SPB Befektetési Zrt.
- SOLAR Capital Markets Értékpapírkereskedelmi Zrt.
- CODEX Tőzsdeügynökség és Értéktár Zrt.

18 November 2011

- MKB Bank Zrt.
- Hungária Értékpapír Befektetési és Értékpapírkereskedelmi Zrt.

22 November 2011

- Raiffeisen Bank Zrt.

5 December 2011

- CIB Bank Zrt.

23. List of section members

Section member	Equities section	Debt Securities Section	Derivatives section		Commodity section	BÉT a market
			Futures	Options		
1 Agribroker Tőzsdeügynöki Kft.	-	-	-	-	X	-
2 Agrokont Brókerház Részvénytársaság	-	-	-	-	X	-
3 BNP Paribas S.A.	-	X	-	-	-	-
4 BUDA-CASH Brókerház Zártkörűen Működő Részvénytársaság	X	-	X	X	-	X
5 CASHLINE Értékpapír ZRt.	-	X	-	-	-	-
6 Citibank Europe plc Magyarországi Fióktelepe	X	X	X	X	-	X
7 CIB Bank Zrt.	X	-	X	-	-	X
8 CODEX Értéktár és Értékpapír Zártkörűen működő Részvénytársaság	X	X	X	X	-	-
9 CONCORDE Értékpapír ZRt.	X	-	-	-	-	-
10 DB Securities Spółka Akcyjna	-	X	-	-	-	-
11 Deutsche Bank ZRt.	X	X	X	X	X	X
12 EQUILOR Befektetési Zártkörűen Működő Részvénytársaság	X	X	X	X	-	X
13 ERSTE Befektetési Zrt.	X	X	-	-	-	-
14 FHB Kereskedelmi Bank Zártkörűen Működő Részvénytársaság	-	X	-	-	-	-
15 Goldman Sachs International	X	-	X	X	X	X
16 Hungarograin Tőzsdeügynöki Szolgáltató Zrt.	X	-	X	-	X	X
17 HUNGÁRIA ÉRTÉKPAPÍR Befektetési és Értékpapírkereskedelmi Zrt.	X	-	-	-	-	-
18 iFOREX Befektetési Szolgáltató Zrt.	-	-	-	-	X	-
19 IKR-Broker Tőzsdeügynöki Kft.	X	X	X	-	-	-
20 ING Bank N.V. Magyarországi Fióktelepe	X	-	-	-	-	-
21 IPOPEMA Securities Spółka Akcyjna	-	©	-	-	-	-
22 KBC Securities Magyarországi Fióktelepe	X	X	X	-	-	X
23 Kereskedelmi és Hitelbank Zrt.	-	X	-	-	-	-
24 Magyar Külkereskedelmi Bank Zrt.	X	X	X	F	-	X
25 Magyar Takarékszövetkezeti Bank Zrt.	X	X	X	X	-	-
26 Nomura International Plc	-	X	-	-	-	-
27 OTP Bank Nyrt.	X	X	X	X	-	X
28 QUAESTOR Értékpapírkereskedelmi és Befektetési Nyrt.	X	-	X	X	-	X
29 Raiffeisen Centrobank AG	X	-	X	X	-	-
30 Random Capital Broker Zártkörűen Működő Részvénytársaság	X	-	X	-	-	X
31 RAIFFEISEN BANK Zrt.	X	X	X	X	-	X
32 REÁLSZISZTÉMA Értékpapír-forgalmazó és Befektető Zrt.	X	-	X	-	-	X
33 Solar Capital Markets Értékpapír Kereskedelmi Zártkörűen Működő Rt.	-	©	-	-	-	-
34 SPB Befektetési zRt.	X	-	X	-	-	X
35 STOCKTRADE Szolgáltató és Kereskedelmi Kft.	X	-	-	-	-	X
36 STRATEGON Értékpapír Zártkörűen Működő Részvénytársaság	X	-	X	-	-	-
37 The Royal Bank of Scotland plc	-	X	-	-	-	-
38 UniCredit Bank Hungary Zártkörűen Működő Részvénytársaság	X	X	X	X	-	-
39 WOOD & Company Financial Services a.s.	X	-	-	-	-	-

F: Suspended the right to trade

X: It has the right to trade

-: It has not the right to trade

©: It is a section member without the right to trade

				1		
27	19	21	12	6	16	
		2				

24. Shareholders exceeding 5% stake

Serial No.	Shareholder	Ownership ratio	
		%	Nr of shares
1	CEESEG AG	50,45%	2 731 237
2	ÖSTERREICHISCHE Kontrollbank AG.	18,35%	993 106
3	Magyar Nemzeti Bank	6,95%	376 204
4	KBC Securities Mo. Fióktelepe	5,20%	281 667
5	Total	80,95%	4 382 214

25. Equity and profit per share (HUF '000)

Description	2010	2011
Shareholders' equity	5 441 874	5 456 857
Share capital	541 348	541 348
Capital reserve	2 576 356	2 576 356
Retained earnings	2 302 775	2 324 170
Net profit for the year	21 395	14 983
Profit after taxation	1 320 630	1 124 747
Number of issued shares	5 413 481	5 413 481
Nominal value of share (HUF/share)	100	100
Price per share at issue (HUF/share)	854	854
Capital resources per share (HUF/share)	1 005	1 008
Dividend (HUF/share)	240	205
EPS (net profit / number of shares) HUF	243,95	207,73
ROE (profit after tax / (average of opening and closing value of the shareholders' equity)	24,32%	20,64%

26. The financial, asset and income position

The following indices show the development of the financial, asset and income situation of the Stock Exchange.

Indices	2010		2011		Index
	HUF'000		HUF'000		
Income to equity <i>(retained earnings for the year / equity)</i>	$\frac{21\,395}{5\,441\,874}$	= 0,39%	$\frac{14\,983}{5\,456\,857}$	= 0,27%	-30,16%
Income to sales <i>(retained earnings for the year / revenues from exchange activities)</i>	$\frac{21\,395}{3\,397\,471}$	= 0,63%	$\frac{14\,983}{3\,074\,166}$	= 0,49%	-22,60%
Liquidity ratio <i>(current assets – inventories/ liabilities)</i>	$\frac{1\,791\,716}{1\,368\,234}$	= 130,95%	$\frac{1\,360\,662}{1\,214\,509}$	= 112,03%	-14,45%
Capital adequacy <i>Equity</i> <i>Balance sheet total</i>	$\frac{5\,441\,874}{7\,359\,484}$	= 73,94%	$\frac{5\,456\,857}{6\,987\,258}$	= 78,10%	5,62%
Assets to income <i>(retained earnings for the year / balance sheet total)</i>	$\frac{21\,395}{7\,359\,484}$	= 0,29%	$\frac{14\,983}{6\,987\,258}$	= 0,21%	-26,24%
Ratio of tangible assets <i>Tangible assets</i> <i>Balance sheet total</i>	$\frac{83\,820}{7\,359\,484}$	= 1,14%	$\frac{71\,430}{6\,987\,258}$	= 1,02%	-10,24%
Ratio of current assets <i>Current assets</i> <i>Balance sheet total</i>	$\frac{1\,799\,447}{7\,359\,484}$	= 24,45%	$\frac{1\,379\,769}{6\,987\,258}$	= 19,75%	-19,24%
Ratio of equity and liabilities <i>Liabilities</i> <i>Equity</i>	$\frac{1\,368\,234}{5\,441\,874}$	= 25,14%	$\frac{1\,214\,509}{5\,456\,857}$	= 22,26%	-11,48%

27. EBITDA statement HUF'000

Denomination	2010	2011
Operating revenues + transferred service	3 397 471	3 074 166
Other income	12 942	10 392
Extraordinary profit	0	0
Total revenue	3 410 413	3 084 558
Operating costs and expenses without depreciation	1 595 471	1 568 120
Earnings before interest and taxes	1 814 942	1 516 438
Depreciation	65 515	63 952
Subsidies of certain team sports	0	59 982
Income from financial activities	97 736	101 103
Bank tax	179 263	179 263
Corporate tax	282 918	132 875
Local community business tax	64 352	56 722
PROFIT AFTER INCOME TAX	1 320 630	1 124 747
Dividend	1 299 235	1 109 764
NET PROFIT FOR THE YEAR	21 395	14 983

28. Development expenses (HUF '000)

No.	Denomination	2010	2011
1.	Trading system	25 406	105 340
1.1	Hardware	6 673	4 268
1.2	Software	18 733	101 072
2.	Security system basic investments	0	18 076
3.	Data sales	2 648	1 024
5.	BSE internal developments	10 079	7 718
6.	Non-IT investments	3 105	4 191
	TOTAL	41 238	136 349

Development expenses do not include VAT.


29. Cash flow (HUF '000)

No.	Description	31.12.2010	31.12.2011
I.	Cash flows from ordinary activities (<i>Operating cash flow, rows 1-15</i>)	24 145	-391 281
1	Profit/loss before taxation	1 603 548	1 257 622
2	Booked amortisation	65 515	63 952
3	Booked impairment and reversal	1 903	1 830
4	Difference between the allocation and use of provisions	0	0
5	Income from the sales of fixed assets	0	0
6	Changes to trade payables	-4 047	-9 724
7	Changes to other current liabilities	-166 158	-144 001
8	Changes to accrued expenses and deferred income	200 022	-233 484
9	Changes to trade debtors	-121 169	55 901
10	Changes to current assets (excluding trade debtors, cash and securities)	26 944	-167 772
11	Overdue written off receivables	0	0
12	Securities	0	0
13	Changes to prepaid expenses and accrued income	-260	27 034
14	Taxes paid and payable	-282 918	-132 875
15	Dividends approved	-1 299 235	-1 109 764
II.	Cash flows from investment activities (<i>rows 16-17</i>)	-41 220	-136 349
16	Acquisition of fixed assets	-41 238	-136 349
17	Sales of fixed assets	18	0
III.	Cash flows from financial activities (<i>rows 18-23</i>)	200	-3 918
18	Loans drawn	0	0
19	Cash received definitively	0	0
20	Bond repayment	0	0
21	Loan repayment	0	0
22	Cash transferred definitively	0	0
23	Housing loan repayment	200	-3 918
IV.	Changes to cash flows (<i>rows +-,I. +-,II. +- III.</i>)	-16 875	-531 548
	Opening	1 591 801	1 574 926
	Closing	1 574 926	1 043 378
	Securities at the end of the year (in HUF)	0	0
	Cash at the end of the year (in HUF)	1 574 926 260	1 043 378 071
		1 574 926 260	1 043 378 071

Budapest, April 25, 2012



dr. Mohai György
CEO

Tóth Attila
Deputy CEO

BUDAPEST STOCK EXCHANGE PRIVATE COMPANY LIMITED BY SHARES

BUSINESS REPORT FOR THE YEAR 2011

Overview of 2011

Changes related to the Budapest Stock Exchange in 2011

The main feature of the year 2011 was the innovation, which resulted in the launch of BETa Market in November due to the cooperation with market participants. The new market – operating as MTF – gives opportunity to trade with foreign shares while the trading is conducted in HUF. The figures related to BETa Market are a clear indication of its possible future success: a turnover of HUF 1,314 million was generated in the 10 foreign shares during 1.5 months, which also meant 1,050 transactions. In 2012 BSE intends to enlarge the range of foreign shares on the BETa Market.

Another highlight of the year is the continuation of the tendency that domestic companies are more in favour of seeking listing on the exchange. In 2011 there were six new share listings in a value of HUF 8 billion: BIOMEDICAL Plc., FuturAqua Plc., MASTERPLAST Plc., OPTISOFT Plc., PLOTINUS Plc. and VISONKA Plc. In addition four companies issued seven new series of bonds in a total nominal value of HUF 17 billion. Certificates were also popular among domestic retail investors, of which 116 new securities were listed; their turnover increased by more than 40%.

Not only did the product range widen in 2011 but also new members joined the stock exchange: one domestic and one foreign member obtained trading right while two further foreign firms became section members.

A new law regarding REITs (Real Estate Investment Trust) came into effect on 27 July 2011. Based on that, these types of companies being established from now on, have to be listed on the exchange, which may further widen the range of tradable instruments.

Another notable modification is that as of 1 January 2012 securities denominated in foreign currency can be deposited on long-term investment accounts (TBSZ), which is advantageous for listed certificates and shares denominated in foreign currency.

Market tendencies

Regarding the domestic market's performance the picture is not positive. The BUX index value decreased by 21.9% compared to the previous year, it reached its peak at 24,451 points on 7 April 2011. The index performance is similar to that of international movements which were mainly determined by the euro crisis. International difficulties were exacerbated by the uncertainty around the Hungarian economy, which also contributed to the bearish movement of BUX index. Losing confidence was not only reflected in prices but also in turnover figures of both the cash and the derivatives market.

Nevertheless, the order book liquidity of the market did not fall in general. Based on BLM (Budapest Liquidity Measure) values, blue-chips, certificates and BUX futures contract expiring in December are the most liquid products.

Chart 1: Relative performance of indices in 2011 (EUR)

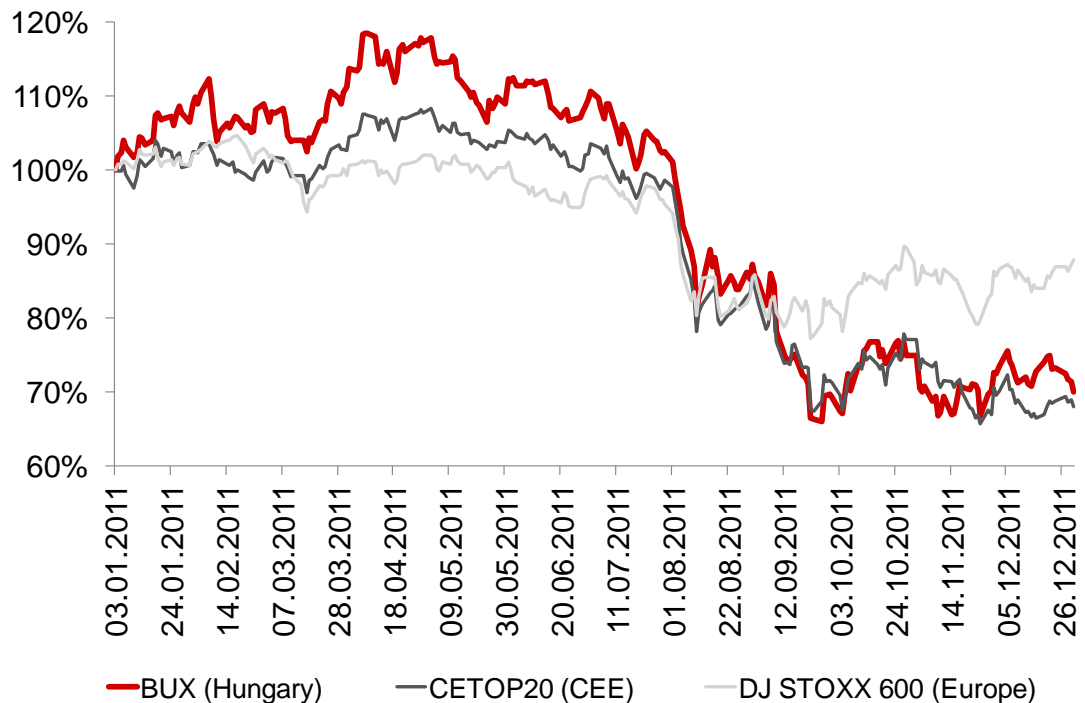
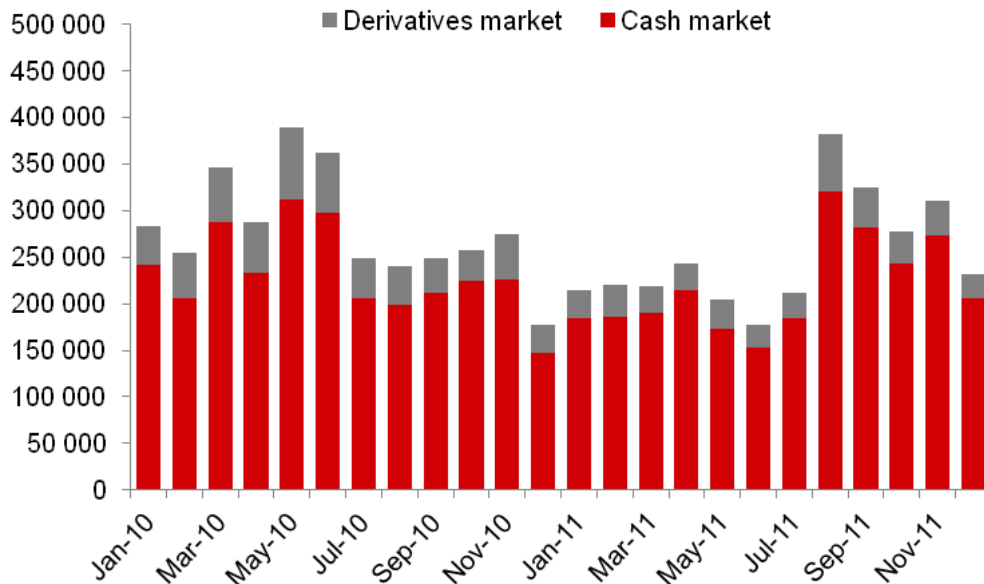


Table 1: Main indicators 2005-2011

	2005	2006	2007	2008	2009	2010	2011
Average daily turnover in equities (HUFbn)	19.1	25.8	35.5	21.1	20.5	21.7	15.2
Equity market capitalisation (HUFbn)	6 971.9	7 994.6	8 239.3	3 553.7	5 712.9	5 816.1	4 583.2
Equity market capitalisation/GDP	31.7%	33.8%	33.0%	13.4%	22.3%	21.7%	17.1%
Share turnover velocity*	69.3%	81.3%	105.5%	148.7%	90.0%	95.0%	83.9%

* Calculation of share turnover velocity: Annual market turnover / market capitalization as at the end of the year

Chart 2: Monthly market turnover (number of trades) 2010-2011

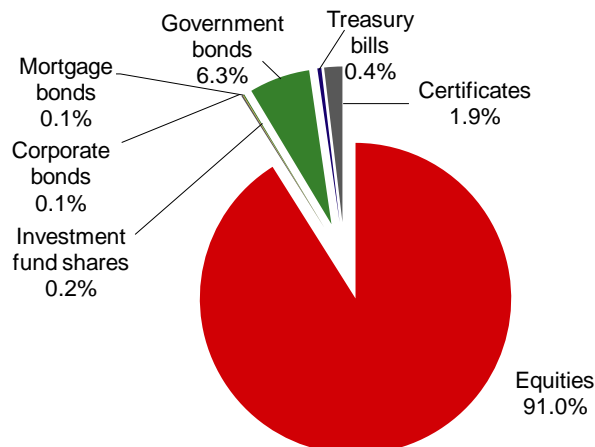


Cash market

The cash market's capitalisation amounted to HUF 15 605 billion by the end of 2011, of which the equities market was HUF 4 583 billion. The later dropped by 21.2% compared to 2010.

BSE's turnover on the cash market was HUF 4,224 billion (daily average was HUF 16.7 billion), which is 27.5% less than in the previous year. Cash market transactions gave more than half (60.4%) of the total exchange turnover in 2011. Daily average turnover of the Equities Section was HUF 15.5 billion, meaning a 29.6% drop in comparison with 2010, Debt Securities Section showed a 24.9% increase. The latter was due to the growth of activity in government bonds' trading but corporate bonds' market also boosted, even if its proportion is not significant in the whole debt section.

Chart 3: Breakdown of the cash market turnover in 2011



A -6.5% decrease characterised the number of transactions as well, in average 217 thousand transactions were concluded per month. Lower figures than in 2010 are also mainly explained by the performance of the Equities Section. Certificates are an exception though, as number of transactions more than doubled in this case.

Equity market concentration remained at previous year's level; turnover of OTP, MOL, Richter, Magyar Telekom and Egis gave 97.5% of total equity turnover. The only substantial change in the composition was the decrease of OTP's proportion (-4.4 percentage points) while share of MOL grew (+5.4 percentage points).

Chart 4: Concentration in equity turnover in 2010

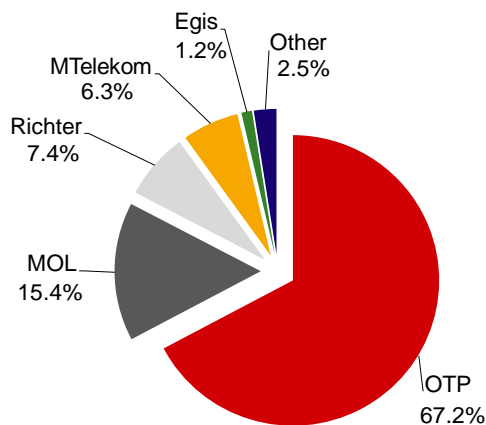
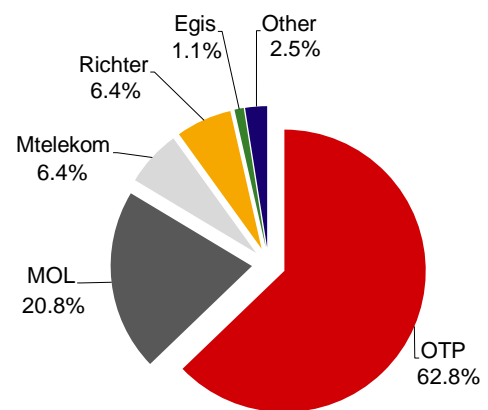


Chart 5: Concentration in equity turnover in 2011



There was a shift in investor structure as well: the share of domestic retail investors fell by 3 percentage points (28% in the first 10 months of 2011), the same for domestic institutional investors decreased by 2 percentage points (10% in the first 10 months of 2011), while the weight of foreign investors increased 5 percentage points (45% in the first 10 months of 2011). The proportion of proprietary trading was 17%, which is equal to the previous year's figure. Almost half of the turnover related to orders given by households was generated via internet.

Derivatives market

The turnover on the BSE's derivatives market decreased to HUF 2,734 billion or by 30.7% compared to 2010, showing a slightly larger drop than the turnover of cash market. Decrease can be mainly explained by the turnover figures of futures contracts: index based contracts fell by 53.5%, that of single equity based contracts by 35.3%, and that of foreign currency based contracts by 17.7% compared to the previous year. The same tendency could be perceived in the number of contracts. Composition of turnover changed conversely compared to the previous year as share of currency based contracts grew by 56.4%, while mainly index based but also single equity based contracts' proportion dropped in the total derivatives market turnover.

Chart 6: Breakdown of derivatives market turnover by underlying products in 2010

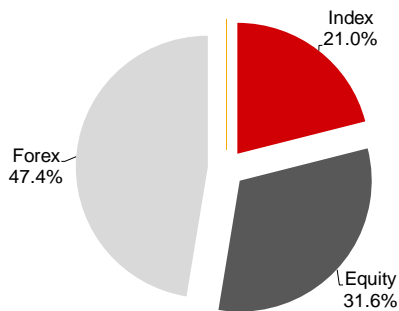
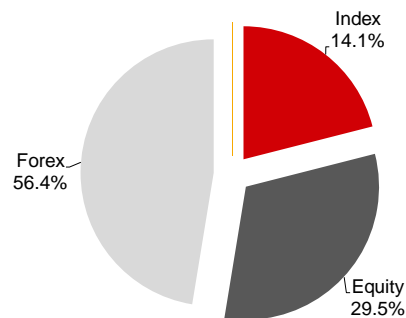


Chart 7: Breakdown of derivatives market turnover by underlying products in 2011



Commodities market

Turnover in commodities trading fell by 3.9% and the number of contracts by 30.8% in comparison with 2010.

BETa Market

BETa Market's performance in its first 1.5 months was already partly detailed above. New shares' daily average turnover amounted to HUF 39.8 million. More than half (54.5%) of the market's turnover was generated by Commerzbank shares.

New listings and products on BSE's markets

In the Equities Section the product range was enlarged by listing the securities of six domestic issuers. As from 2011, the shares of PLOTINUS Plc. (asset management), VISONKA Plc. (animal forage), BIOMEDICAL Plc. (pharmaceutical, and pharmaceutical products wholesale), FuturAqua Plc. (mineral water production and asset management), MASTERPLAST Plc. (manufacturing and sales of construction materials) and OPTISOFT Plc. (information technology) can be traded on BSE's equity market. In addition to the aforementioned new listings, there were four delistings in 2011. BNP Paribas Agribusiness Preference Share was delisted because it reached maturity. In the case of Linamar Hungary, a volunteer takeover bid followed by a squeeze-out procedure, and in that of Pannunion, an obligatory takeover bid followed by a squeeze-out procedure resulted in delisting. Finally, ORCO left the parquet due to a translisting procedure.

On the investment notes market, the number of listings decreased by nearly 27% compared to the last year; during the year, the investment notes of 19 investment funds were listed. Due to the three-year maturity that characterizes closed-end investment funds, 26 funds expired and were delisted in 2011; in addition, five open-end funds were delisted at the request of the fund manager.

On the debt securities market, as regards government debt securities, both the number of listings and the size of the securities series decreased. In the case of mortgage bonds, however, the number of listings increased, offsetting repurchases and delistings. The corporate bonds market became livelier in 2011, with the bond issuances of OTP Bank Plc. contributing to this process. By continuing the previous years' tendency, several companies (not as financial institutions) opted for the public issuance and listing of their corporate bonds (ALTEO Plc., BUSINESS TELECOM Plc., E-STAR Plc., and MOL Plc.).

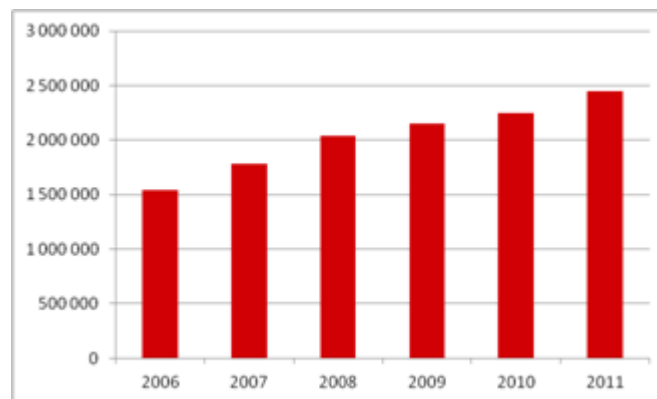
In 2011, the selection of underlying products of certificates issued by Erste AG widened, and the popularity of certificates increased as well. The number of listings increased dynamically: compared to 100 listings in 2010, 116 certificates were introduced into trading in 2011. However, year-end data do not reflect the entire amount of certificates listed because of the irregular frequency of turbo certificate listings and delistings.

The launch of the BETa Market on November 15, 2011 was one of the most significant events of the year. From that day, the shares of ten European large companies can also be traded on this MTF platform operated by the Budapest Stock Exchange Ltd.

Information services

The Market Data revenue of BSE increased by 16.6% to 2.8M EUR in 2011. The number of overall Market Data partners reached 62, including 17 new partners contracted during the year.

**Chart 8: Annual revenue 2006-2011
(excluding audit revenue)**



The number of end users declined by an average of 5%. The number of the non-professionals could not reach the previous year's level, however the professional end user number increased and compensated on this occasion.

The executed audits during 2011 will contribute to a long term impact on licensing and ongoing, i.e. end user revenues.

Number of staff

At the Budapest Stock Exchange on December 31, 2011 the number of staff was 58. The number of active staff was 58, of which 53 persons are in full time and 5 persons work 6 hours a day. The number of full-time equivalents were 57. The number of employees leaving company was 3 and the number of joining was 1.

Organization

BSE is subsidiary of CEESEG AG from January, 2010 similarly to the Ljubljana, Prague and Vienna Stock Exchange.

Financial investments

In accordance with legal provisions, BSE invests its free liquid assets to deposit and government securities. In the balance sheet, investments were capitalised on historic costs. BSE does not have loan debt, the company's liquid assets are stable, and liquidity risks are not to be reckoned with.

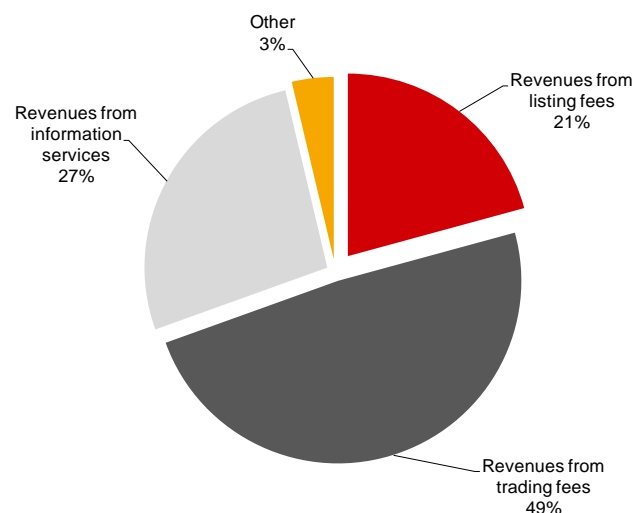
The BSE in 2011

The revenues of the BSE amounted to HUF 3.1 billion forints, 9.5% lower than revenues last year. EBITDA reached 1.5 billion forints, falling by 16.5% compared to 2010. Due to stricter cost management the operating expenses remained the same as in 2010. The net profit –1.1 billion forints – is 14.8% less than that figure in 2010, primarily attributable to lower levels of trading revenues.

Table 2: Revenue and earnings of BSE, 2005-2011

('000 HUF)	2005	2006	2007	2008	2009	2010	2011
Revenues	2 636 943	3 570 364	3 947 479	3 292 346	3 201 130	3 410 413	3 084 558
EBITDA	1 264 284	1 742 106	2 056 146	1 467 980	1 612 002	1 814 942	1 516 438
Net profit	2 364 113	2 400 491	2 586 054	2 276 106	1 390 772	1 320 630	1 124 747

Chart 9: Revenues breakdown, 2011



Business relations

Small and Midcap conference organised in cooperation with KBC Securities by the Budapest Stock Exchange drew a large audience on 13 September 2011. The event provided the possibility of informal meeting for issuers, companies preparing to be listed on the stock exchange and domestic investment fund managers. It was also an occasion for the leaders of aspiring companies to gain a deeper knowledge of the advantages and the process of becoming listed on the exchange, and to get better acquainted with the institutions and services providers cooperating in this process.

In 2011, the BSE continued its series of free courses that offer current and potential investors the chance to learn first-hand from experts of the exchange about the basic principles and operation of the exchange. These free courses held on Budapest, Eger, Gödöllő, Győr, Miskolc, Pécs, Sopron and Szeged were attended by nearly 2000 participants. In order to strengthen the relationship between higher educational institutes BSE held 50 lectures and presentations to school-age and adult persons interested in the capital markets.

On 11 May 2011, a professional day, named Meeting of University Ambassador was held which included professors of the finance faculties of Hungarian universities and colleges. 13 institutions were represented at the event. The meeting aimed to provide an overview of the options for closer cooperation between universities, colleges and players on the stock exchange.

In the 2010-2011 academic year, the Exchange announced its Kochmeister Prize, which ended with an awards ceremony held on 14 June 2011. Altogether, 18 contestants submitted papers covering six different topics which were rated by external consultants working with experts from the Exchange.

Budapest, April 25, 2012



dr. Mohai György
CEO



Tóth Attila
Deputy CEO