

## **BUSINESS REPORT FOR 2016**

M6 Duna Autópálya Koncessziós Zrt. (the “Company”) was founded on 7 October 2004. The Company is a private company limited by shares, established for a fixed term of 22 years, which is the concession period as set out in the Concession Agreement concluded with the Hungarian State.

In accordance with the Concession Agreement, the Company is engaged in the design, construction, renovation, operation and maintenance of the 58.6 km long section of the M6 Motorway between Érdi tető and the intersection of the M6 and M8 Motorways at Dunaújváros, and the financing of the above activities.

The construction works started in October 2004. The interim completion – so the opening of the motorway – took place on 11 June 2006. The relevant Traffic Authority issued the final licence to operate on 31 October 2006. The Final Acceptance Certificate issued by the Minister of Economy and Transport –acting on behalf of the Hungarian State – became effective on 13 December 2006. On 31 March 2010 the further sections of the M6 Motorway has been opened for traffic. Consequently, the M6 Motorway gives direct access to the city of Pécs.

In the 10.5 years that elapsed since the opening, the motorway has been operated in an orderly manner, without significant performance point events or unavailability incidents. The motorway is properly operated, maintained etc., in accordance with the routine maintenance plans and Hungarian road standards, by our operation subcontractor, Duna-Intertoll Zrt. The contract with Duna-Intertoll Zrt. is valid until the end of 2020.

The operation of the motorway is regularly checked by the relevant Hungarian authorities.

During the term of the concession, the Company is entitled to possess and utilize certain assets under exclusive state property (e.g. main road) and to receive the benefits deriving from those assets. Accordingly, the Company receives revenues starting from 11 June 2006, in the form of monthly availability fees paid by the Hungarian State, calculated with the formulas set out in the Concession Agreement. These fees have been fully received and in time in 2016 as well.

In addition, the ancillary facilities of the motorway also generate revenues for the Company. Accordingly, 2\*2 petrol stations are operated by MOL and OMV, respectively, in the Complex Rest Areas at km 30 and 70 of the motorway.

The Company has fulfilled its debt service obligations in 2016 as well, in full compliance with the credit agreements.

In October 2016 the previous minority owner, Swietelsky International Baugesellschaft has sold its shares in M6 Duna to the Aberdeen investment group.

The Hungarian State and the lenders of the project have approved this share purchase transaction.

The Aberdeen investment group and EBRD are committed to the long-term successful operation of the Company and already in 2016 they took various measures to increase the efficiency of the project.

Budapest, 6 February 2017