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Statistical number

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Registration number

**Malév Zrt.**

**Name of the Company**

**1097 Budapest, Könyves K. krt. 12-14.**

**Registered office**

## **ANNUAL REPORT**

As of 12.31.2008

For the period: 01.01.2008 - 12.31.2008

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Registration number

Malév Zrt.

**BALANCE SHEET (assets)**

Thousand HUF

No.	Description	31 December 2007	31 December 2008
a	b	c	d
<b>01</b>	<b>A. Fixed assets</b>	<b>33 649 243</b>	<b>28 539 549</b>
<b>02</b>	<b>I. Intangible assets</b>	<b>924 122</b>	<b>666 225</b>
03	Capitalized value of formation/reorganization expenses	165 060	178 470
04	Capitalized value of research and development	0	0
05	Concessions, licenses and similar rights	382 829	237 418
06	Trade-marks, patents and similar assets	375 978	250 337
07	Goodwill	0	0
08	Advances and prepayments on intangible assets	0	0
09	Adjusting value of intangible assets	255	0
<b>10</b>	<b>II. Tangible assets</b>	<b>16 116 449</b>	<b>13 310 280</b>
11	Land and buildings and rights to immovables	825 092	767 721
12	Plant and machinery, vehicles	13 569 128	11 140 920
13	Other equipment, fixtures and fittings, vehicles	552 799	321 181
14	Breeding stock	0	0
15	Assets in course of construction	95 366	147 902
16	Advances on constructions	0	170 067
17	Adjusting value of tangible assets	1 074 064	762 489
<b>18</b>	<b>III. Financial investments</b>	<b>16 608 672</b>	<b>14 563 044</b>
19	Long-term participations in affiliated undertakings	4 728 494	4 725 394
20	Long-term credit to affiliated undertakings	0	0
21	Other long-term participations	198 900	198 900
22	Long-term loan to independent undertakings	0	0
23	Other long-term loans	19 682	9 331
24	Securities signifying a long-term creditor relationship	142 400	153 088
25	Adjusting value of financial investments	11 519 196	9 476 331

Budapest, 20th of March 2009

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Registration number

Malév Zrt.

**BALANCE SHEET (assets)**

No.	Description	31 December 2007	31 December 2008
a	b	c	d
<b>26</b>	<b>B. Current assets</b>	<b>28 244 057</b>	<b>17 933 166</b>
<b>27</b>	<b>I. Inventories</b>	<b>107 166</b>	<b>98 227</b>
28	Raw materials and consumables	103 593	92 849
29	Work in progress, intermediate and semi-finished products	0	0
30	Animals for breeding and fattening and other livestock	0	0
31	Finished products	0	0
32	Goods	3 573	3 599
33	Advances and prepayments	0	1 779
<b>34</b>	<b>II. Receivables</b>	<b>24 700 332</b>	<b>15 989 506</b>
35	Trade debtors	11 624 030	7 720 959
36	Receivables from affiliated undertakings	10 416 199	4 336 049
37	Receivables from independent undertakings	0	0
38	Bills receivable	0	0
39	Other receivables	2 660 103	3 932 498
<b>40</b>	<b>III. Securities</b>	<b>13 138</b>	<b>14 120</b>
41	Participations in affiliated undertakings	0	0
42	Other participations	0	0
43	Own shares and own partnership shares	0	0
44	Securities signifying a creditor relationship for trading purposes	13 138	14 120
<b>45</b>	<b>IV. Liquid assets</b>	<b>3 423 421</b>	<b>1 831 313</b>
46	Cash, checks	162 467	152 741
47	Bank deposits	3 260 954	1 678 572
<b>48</b>	<b>C. Accrued and deferred assets</b>	<b>1 111 800</b>	<b>1 408 566</b>
49	Accrued income	315 761	670 369
50	Prepaid expenses	796 039	738 197
51	Deferred expenses	0	0
<b>52</b>	<b>TOTAL ASSETS</b>	<b>63 005 100</b>	<b>47 881 281</b>

Budapest, 20th of March 2009

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Registration number

Malév Zrt.

**BALANCE SHEET (Liabilities)**

Thousand HUF

No.	Description	31 December 2007	31 December 2008
a	b	c	d
<b>53</b>	<b>D. Shareholders' equity</b>	<b>2 482 308</b>	<b>-14 409 498</b>
54	I. Subscribed capital	3 600 000	3 600 000
55	including: ownership shares repurchased at face value	0	0
56	II. Subscribed capital unpaid (-)	0	0
57	III. Capital reserve	22 511 197	22 511 197
58	IV. Accumulated profit reserve	-37 090 744	-36 400 875
59	V. Tied-up reserve	165 060	178 470
60	VI. Revaluation reserve	12 593 515	10 238 820
61	VII. Profit or loss for the year	703 280	-14 537 110
<b>62</b>	<b>E. Provisions</b>	<b>1 705 161</b>	<b>4 581 196</b>
63	Provisions for future liabilities	1 705 161	4 581 196
64	Provisions for future expenses	0	0
65	Other provisions	0	0

Budapest, 20th of March 2009

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Statistical number

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Registration number

Malév Zrt.

**BALANCE SHEET (Liabilities)**

No.	Description	31 December 2007	31 December 2008
a	b	c	d
<b>66</b>	<b>F. Liabilities</b>	<b>57 061 084</b>	<b>54 711 757</b>
<b>67</b>	<b>I. Subordinated liabilities</b>	<b>0</b>	<b>0</b>
68	Subordinated liabilities to affiliated undertakings	0	0
69	Subordinated liabilities to independent undertakings	0	0
70	Subordinated liabilities to other economic entities	0	0
<b>71</b>	<b>II. Long-term liabilities</b>	<b>4 561 587</b>	<b>10 081 763</b>
72	Long-term loans	0	0
73	Convertible bonds	0	0
74	Debts on issue of bonds	0	0
75	Investment and development credits	0	0
76	Other long-term credits	0	0
77	Long-term liabilities to affiliated undertakings	4 560 300	10 081 763
78	Long-term liabilities to independent undertakings	0	0
79	Other long-term liabilities	1 287	0
<b>80</b>	<b>III. Current liabilities</b>	<b>52 499 497</b>	<b>44 629 994</b>
81	Short-term bank loans	4 144 221	3 821 689
82	including: Convertible bonds	0	0
83	Other short-term loans	8 394 768	3 958 309
84	Advances received from customers	685 571	97 531
85	Accounts payable	14 955 239	20 479 942
86	Bills payable	0	0
87	Short-term liabilities to affiliated undertakings	7 171 728	3 833 990
88	Short-term liabilities to independent undertakings	0	0
89	Other short-term liabilities	17 147 970	12 438 533
<b>90</b>	<b>G. Accrued and deferred liabilities</b>	<b>1 756 547</b>	<b>2 997 826</b>
91	Deferred income	55 053	93 459
92	Accrued expenses	1 694 229	2 900 857
93	Deferred income	7 265	3 510
<b>94</b>	<b>TOTAL LIABILITIES</b>	<b>63 005 100</b>	<b>47 881 281</b>

Budapest, 20th of March 2009

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Registration number

Malév Zrt.

**PROFIT AND LOSS ACCOUNT Type "A"**  
(Total cost method)

Thousand HUF

No.	Description	2007	2008
a	b	c	d
01	Net domestic sales	33 880 147	33 006 863
02	Net external sales	88 184 787	88 307 281
<b>I.</b>	<b>Total sales (revenues) (01+02)</b>	<b>122 064 934</b>	<b>121 314 144</b>
03	Variations in self-manufactured stocks	0	0
04	Own work capitalized	6 033	4 348
<b>II.</b>	<b>Own performance capitalized (03+04)</b>	<b>6 033</b>	<b>4 348</b>
<b>III.</b>	<b>Other income</b>	<b>11 921 188</b>	<b>13 380 215</b>
	including: impairment written back	41 601	432 609
05	Raw materials and consumables	29 858 610	36 165 484
06	Contracted services	77 890 780	73 255 328
07	Other service activities	1 528 440	1 139 243
08	Original cost of goods sold	272 830	203 056
09	Value of services sold (intermediated)	2 646 517	3 363 094
<b>IV.</b>	<b>Material costs (05+06+07+08+09)</b>	<b>112 197 177</b>	<b>114 126 205</b>
10	Wages and salaries	7 799 572	7 011 366
11	Other employee benefits	7 561 700	6 918 694
12	Contributions on wages and salaries	3 842 917	3 697 329
<b>V.</b>	<b>Staff costs (10+11+12)</b>	<b>19 204 189</b>	<b>17 627 389</b>
<b>VI.</b>	<b>Depreciation</b>	<b>4 053 346</b>	<b>2 433 705</b>
<b>VII.</b>	<b>Other operating charges</b>	<b>13 217 581</b>	<b>11 261 137</b>
	including: impairment charged	5 109 921	1 727 469
<b>A.</b>	<b>INCOME FROM OPERATIONS (I+II+III-IV-V-VI-VII)</b>	<b>-14 680 138</b>	<b>-10 749 729</b>

Budapest, 20th of March 2009

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Statistical number

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Registration number

Malév Zrt.

**PROFIT AND LOSS ACCOUNT Type "A"**  
(Total cost method)

No.	Description	2007	2008
a	b	c	d
13	Dividends and profit-sharing (received or due)	65 412	23 389
	including: from affiliated undertakings	53 066	9 619
14	Capital gains on investments	0	99 953
	including: from affiliated undertakings	0	0
15	Interest and capital gains on financial investments	11 620	13 077
	including: from affiliated undertakings	0	0
16	Other interest and similar income (received or due)	667 068	659 285
	including: from affiliated undertakings	562 854	596 440
17	Other income from financial transactions	8 451 599	13 889 560
<b>VIII.</b>	<b>Income from financial transactions (13+14+15+16+17)</b>	<b>9 195 699</b>	<b>14 685 264</b>
18	Losses on financial investments	0	0
	including: to affiliated undertakings	0	0
19	Interest payable and similar charges	2 195 780	2 419 015
	including: to affiliated undertakings	575 226	1 751 512
20	Losses on shares, securities and bank deposits	0	0
21	Other expenses on financial transactions	7 478 644	16 213 860
<b>IX.</b>	<b>Expenses on financial transactions (18+19+20+21)</b>	<b>9 674 424</b>	<b>18 632 875</b>
<b>B.</b>	<b>Profit or loss from financial transactions (VIII-IX)</b>	<b>-478 725</b>	<b>-3 947 611</b>
<b>C.</b>	<b>Profit or loss of ordinary activities (+A+B)</b>	<b>-15 158 862</b>	<b>-14 697 340</b>
<b>X.</b>	<b>Extraordinary income</b>	<b>16 314 526</b>	<b>226 066</b>
<b>XI.</b>	<b>Extraordinary expenses</b>	<b>452 385</b>	<b>2 616</b>
<b>D.</b>	<b>Extraordinary profit or loss (X-XI)</b>	<b>15 862 142</b>	<b>223 450</b>
<b>E.</b>	<b>Income before taxes (+C+D)</b>	<b>703 280</b>	<b>-14 473 890</b>
<b>XII.</b>	<b>Tax payable</b>	<b>0</b>	<b>63 220</b>
<b>F.</b>	<b>Profit after taxes (+E-XII)</b>	<b>703 280</b>	<b>-14 537 110</b>
22	Profit reserves used for dividends and profit-sharing	0	0
23	Dividends and profit-sharing paid (payable)	0	0
<b>G.</b>	<b>Profit or loss for the year (+F+22-23)</b>	<b>703 280</b>	<b>-14 537 110</b>

Budapest, 20th of March 2009