

NATIONAL REPORT 2007***Hungary*****The Network (under the operation of AKA, ÁAK and DAK)****AKA:**Network length:

M5 between sections 17+400 – 173 + 895

M43 between 00 + 770 – 03 + 200

No more sections are foreseeable in the Concession.

Openings in 2008:

No more openings, no new section under construction in year 2008.

Investments in 2007: 2.68 m€

Foreseeable investment amount in 2008: 4.78 m€

Received revenues in 2007: 124 m€

Safety:

M5 17+400 – 173 + 895	In number for one billion kilometres travelled in 2007	Variation in % in 2006/2007
Personal injury rate	1,496	-35.9 (0.538/1.496=0,359)
Fatal accident rate	0,126	-55 (0.7/1,26)
Rate of dead	8,42% (FAR/PIR)	-4.58

DAK:Network length:

M6 between sections 22+150 – 76+200 and

M8 between sections 5+750 – 10+300 were opened to traffic on 11 June 2006.

No more sections are foreseen at the moment to be included in this Concession.

Openings in 2008:

No openings of the M6+M8 are foreseeable in the Concession, otherwise the M6 motorway is under construction in further sections southward by the State.

Investments in 2007: 2.3 m€

Foreseeable investment amount in 2008: 0.6 m€

Received revenues in 2007: 60.9 m€

Safety:

M6 22+150 – 76+200	In number for one billion kilometres travelled in 2007	Variation in % in 2006/2007
Personal injury rate	0,05	-49
Fatal accident rate	0,007	+0,35
Rate of dead	0,007	+0,35

M8 5+750 – 10+300	In number for one billion kilometres travelled in 2007	Variation in % in 2006/2007
Personal injury rate	0	0
Fatal accident rate	0	0
Rate of dead	0	0

Number of personal injury accidents has increased in total comparing to the 2006 year's figures, but as the year 2006 was only a half year operation in M6, the rate of such accident has finally decreased by 49%.

There was only one fatal accident on the M6 motorway, with one dead person in 2007. As the year 2006 was only a half year operation, the rate is calculated accordingly.

There were no accidents on the M8 motorway, so rates can not be calculated.

Long-term forecasts and tendencies:

The Concession Period lasts 22 years plus 11 years in option starting from 2004. The Concessionaire has no plan at the moment - beyond the normal Operation and Maintenance works - for developing the motorway.

Being the Concessionaire of the M6 between sections 22+150 – 76+200 and the M8 between sections 5+750 – 10+300, that is not the scope of our duties to report such tendencies.

ÁAK:

The following new sections were opened in 2007:

Motorway section	length (km)
M3 between Görbeháza and Nyíregyháza	39
M7 between Zamárdi and Balatonszárszó	14
M7 between Nagykanizsa and Somás	12
M8 Danube bridge	5
Total length	70

The M3 and M7 are managed by ÁAK Zrt. (State Motorway Management Co. Ltd.), the M8 and the Danube bridge have been leased by ÁAK Zrt. (State Motorway Management Co. Ltd.) to Magyar Közút Kht.

A partially electronically managed vignette system – a time related user charge – covers the whole motorway network, so as a nationwide system it is operational:

	Tolled network	Non-tolled network	Total motorway network
2005.	536 km	108 km	644 km
2006.	667.7 km	132.7 km	800.4 km
2007.	717.9 km	132.7 km	850.6 km
March 2008	Toll for 3.5 T every < category 727.3 103.3 km km	27.7 km	858.3 km

Openings in 2008

Road no.	Name	length (km)	Technical opening
M0	East, between Route 4 – Route 31	6	31.07.2008
M0	East, between Route 31 – Route 3	11	31.07.2008
M0	East, between Route 3 – M3	9	31.07.2008
M7	Balatonkeresztúr-Nagykanizsa	35.5	2 nd half of 2008
M7	Letenye – State border	1	30.06.2008
M0	Northern bridge (between M2 and Route 11)	3	27.08.2008
M6	M0 – Érd peak	11	30.11.2008
M7	Mura bridge	0.5	12.09.2008
M70	Border crossing connection (technically ready)	1.3	17.08.2008
M7	Bridge engineer's bureau Köröshegy	-	30.06.2008
Total length 2008		69.3	-

Motorway construction financed by ÁAK in 2007

Compared to the previous year, ÁAK's scope of activity has been modified slightly as of 1 January 2007. In 2006, besides taking care of the operation and maintenance of motorways, ÁAK was also responsible for financing the construction work of certain new sections involving private capital: this task was cancelled in 2007.

To finance the construction works, ÁAK took loans from commercial banks and intended to issue company bonds.

Later on, the Government cancelled the bond issue.

According to the Hungarian Central Statistics Office the targeted GDP growth was 1.3% p.a. for fiscal year 2007 (Y/Y). Adjusting with the calendar effect it was 1.3% p.a.

The average traffic growth on the ÁAK motorways was 12.4% p.a. for 2007.

The kilometric intensity on the ÁAK motorways was $5010 \cdot 10^6$ vehicles/km in 2006, and $6567 \cdot 10^6$ in 2007. The growth is 31 %.

M1 motorway

The average traffic in 2007 was

- by light vehicles: 24 872
- by heavy vehicles : 10 111
- total: 34 983

M3 motorway

The average traffic in 2007 was

- by light vehicles: 22 861
- by heavy vehicles : 5 235
- total: 28 096

M30 motorway

The average traffic in 2007 was

- by light vehicles: 8 677
- by heavy vehicles : 2 508
- total: 11 185

M5 motorway

The average traffic in 2007 was

- by light vehicles: 43 499
- by heavy vehicles : 10 478
- total: 53 977

M7 motorway

The average traffic in 2007 was

- by light vehicles: 23 779
- by heavy vehicles : 4 569
- total: 28 348

User Charges (including 20% VAT)

Valid on: M1, M3, M30, M43, M5, M6, M7 motorways (800,4 km)

	2006	2007
€/HUF average	264.27	251.32
€/HUF end of year	252.30	253.35

- Light vehicles (max. permissible gross laden weight ≤ 3,5 tons)**

	HUF	€	€	HUF	€	€	HUF	€	€
	Vignette, end 2006			Vignette, end 2007			Index		
Annual	37 000	140	147	37 200	148	147	0,5%	5,7%	0,1%
31 days	4 200	16	17	4 200	17	17	0,0%	5,2%	-0,4%
10 days	2 500	9	10	2 550	10	10	2,0%	7,3%	1,6%
4 days	1170-1520	4,4-5,8	4,6-6,0	1170/1530	4,7-6,1	4,6-6,0	0-0,6%	0,7-0,5%	0,0%

- Light goods vehicles (3,5 t < max. permissible gross laden weight ≤ 7,5 t)**

	Vignette, end 2006			Vignette, end 2007			Index		
Annual	106 000	401	420	106 500	424	420	0,5%	5,6%	0,1%
31 days	12 500	47	50	12 600	50	50	0,8%	6,0%	0,4%
10 days	6 500	25	26	6 600	26	26	1,5%	6,8%	1,1%

- Middle goods vehicles (7,5 t < max. permissible gross laden weight ≤ 12 t)**

	Vignette, end 2006			Vignette, end 2007			Index		
Annual	158 000	598	626	159 000	633	628	0,6%	5,8%	0,2%
31 days	18 000	68	71	18 000	72	71	0,0%	5,2%	-0,4%
10 days	10 000	38	40	10 200	41	40	2,0%	7,3%	1,6%

- **Heavy goods vehicles (max. permissible gross laden weight > 12 t)**

	Vignette, end 2006			Vignette, end 2007			Index		
	Annual	190 000	719	753	219 000	871	864	15,3%	21,2%
31 days	22 500	85	89	22 500	90	89	0,0%	5,2%	-0,4%
10 days	13 000	49	52	13 200	53	52	1,5%	6,8%	1,1%
1 day	2000-2750	7,6-10,4	7,9-10,9	3 000	12	12	9,1%	15,4%	8,6%

User Charge Revenues (net)

Generated on: M1, M3, M30, M43, M5, M6, M7 motorways (800,4 km)

Net revenue	2006	2007	06/07
bn. HUF	28.7	39.4	38 %
million €	113.6	155.6	38 %

The 38 % increase in income is characteristically a consequence of:

- 1/ significant increase in completed roads (which are payable by the road users);
- 2/ increase in price of vignette in 2007;
- 3/ rising vehicle traffic.

4/ The Ministry of Economy and Transport has widened the sphere of the compulsory usage of vignette in its decree becoming effective as of 1 April 2007.

According to this decree, vehicles with a higher maximum gross weight than 3.5 tons (categories D2 – D4) must pay toll also on motorways and expressways, which were previously toll free. The only exemptions from this rule are the M0 motorway and end sections of some of the roads arriving in Budapest.

Safety

	In number per one billion kilometres travelled in 2007	Variation in % in 2006/2007
Personal injury rate	67.3	96.2 %
Fatal accident rate	5.5	77.4 %
Number of deaths	10.0	97 %

Long term forecasts and tendencies

As of March 2004 there is no direct manual toll collection in Hungary.

Prior to the new system ÁAK collected money from vignette sales, which was used to cover the operation and maintenance of the motorway section under its supervision. The situation has changed completely: ÁAK is acting only as a contracted agent in collecting money from vignette sales, transferring the money to the Road Budget. Throughout the years 2006 and 2007 ÁAK has been continuously expanding the options for purchasing a vignette. As a consequence, besides the regular sales points (client service offices, petrol stations), the vignette now can be purchased via the internet, phone, sms or bank card. As of 1 January 2008 there will be no more vignettes to put on the windshield; a so-called e-vignette will be introduced instead. This was made possible by possible by the system operating in Hungary for several years, which automatically checks road use authorisations by car registration numbers.

The Ministry of Economy and Transport approved the final goal: to have a uniform interoperable ETC system in Hungary as soon as it is technically and legally possible. After a withdrawn international tender exercise in spring 2006, some more financial and social feasibility studies, as well as traffic and revenue forecasts, were made. Due to the drastically increasing international heavy goods vehicle traffic the target has been changed: for lorries; not only the expressway network but the major TEN-T network elements are considered as subject to charges. In 2007 the national assembly has approved the resolution on the introduction of an electronic toll collection system, where the toll is determined according to the distance of driving.

The Hungarian motorway managing and operating companies agreed to form a national motorway association. Hopefully this co-operation can become official in 2007 which will enable them to work with ASECAP through this joint organisation.

The Government plans to privatize ÁAK's shares up to 49 %, in late 2008 or in the first quarter of 2009.

Budapest, March 2007

Note: ÁAK zRt. (State Motorway Management Co. Ltd.) compiled this report for general information only, using its own and AKA Rt's. (Alföld Concession Motorway Co. Ltd.) and NA zRt's. (National Motorway Co. Ltd.) data.