Annual Report **2010**

BKV ZRT

BKV. ÖNNEK JÁR.

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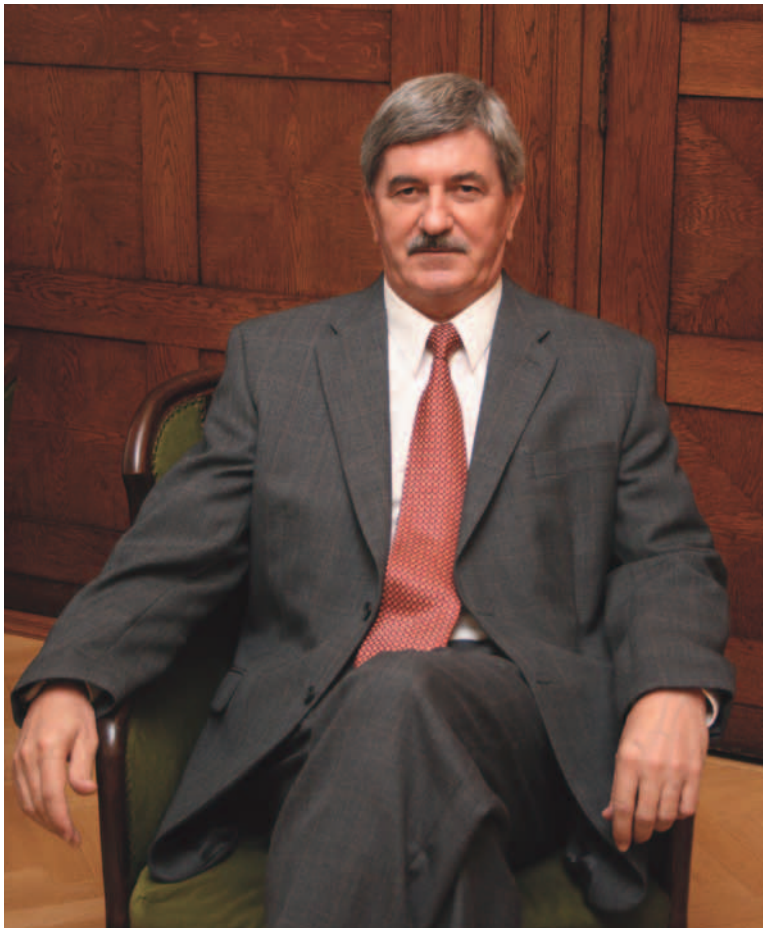
Addres by CEO

BKV Zrt. is the main public passenger transport provider in Budapest and in its region. Its mission and major aim is to be a market leader, providing high quality services, meeting the expectations of the European Union, as well as protecting the environment, furthermore to take part in the integration of public passenger transport in the region of Central-Hungary.

The prerequisite of improving the service level is the continuous and planned fleet renewal and infrastructure development. As the available financial frame did not allow us to purchase new vehicles, BKV Zrt. – being opened to the Hungarian and foreign markets – decided to procure used but good quality buses and trams. In the course of this purchase, the fleet of BKV Zrt. expanded by eight Ikarus IK 260 and five IK 263 buses. The Ganz trams already in service for a long time were replaced by 16 TW6000 trams delivered from Hannover and The Hague.



After some minor transformation works they were put in service on several tram lines where they serve our passengers already on a higher comfort level.

The company started its bus testing program in 2007 recognized by the producers and distributors in the recent years as BKV provides outstanding field and test conditions and well trained staff. Furthermore the feedbacks during the test period – either coming from the passengers, vehicle drivers or maintenance staff – can serve as a guideline for prototype improvement.

In addition to the procurement of used vehicles year 2010 brought progress in other areas as well: Small Boulevard between Szabadság Bridge and Astoria was renewed, linked to the construction of metro line 4 and we completed the reconstruction of the busiest tram track in Europe, i.e. on the Grand Boulevard between Blaha Lujza tér and the South-Buda termini. During the works nearly 3200 m track, three switches and one track crossing were replaced and nine escalators were renovated.

Besides the disciplined and effective management and provision of services, the company's most important economic aspiration is creating a sustainable funding system. However due to the underfunding we have to face serious financial challenges. In 2010 – thanks to the strict management and the previous support – with the help of the government and the capital the HUF 22.5 billion subsidy could alleviate the company's pressing financial situation: in 2010 the pre-tax profit and the operational profit of BKV Zrt. became positive. Neither the pre-tax profit has been positive already for a decade, nor the operational profit for 18 years. We fulfilled our amortisation, leasing and interest payment duties. The receivables improved and in the second half-year an average of 20 per cent higher monthly income was realised. Our commercial activity also changed, we sold a total of 626 thousand litres of diesel fuel in 2010, we increased our incomes from waste utilization, selling of frozen stocks and exploiting the areas to rent. Despite the significant rise in diesel prices we achieved HUF 700 million energy cost saving compared to 2009, thanks primarily to reducing our electricity costs. The aim is of course to continue the ongoing effective cost management. Both the capital and the government are committed to remove the additional barriers so that BKV Zrt. can play its worthy role in running the economy.

BID (Business Initiative Directions) Awards international quality assurance organization acknowledged the company management and business performance of BKV Zrt. with the golden grade of International Quality Summit Award (IQS). Our quality management system has been adapted to the organizational changes and the concerned processes have passed the external audit successfully.

The “FUTÁR” (Traffic Control and Passenger Information System) project brings quality improvements into our services. It is one of the largest and the most spectacular development realized from EU sources. The new GPS based traffic control and passenger information system will make the transport more predictable, reliable and punctual. In 2010 the development of tram lines 1 and 3, the interconnecting tram lines on the Buda side and the modernization of the Danube waterbone transport reached the preparatory phases, also financed from EU funds and we launched the Budapest use case of project EBSF (European Bus System of the Future).

The renewed www.bkv.hu website won the first prize of the Hungarian Association of Content Industry eFestival competition in the category of public information service in 2010, thus also won the prestigious title of “User-friendly Website”. The journey planner renewed on the portal as one of the key features of the website.

Establishing the Centre for Budapest Transport (BKK) means that the ordering and the service providing roles will be separated thus BKV Zrt will operate on the market as a real service provider in the future. It is the uniqueness of BKV Zrt. that beside the bus, trolleybus, tram, metro and suburban railway (HÉV) we operate special services which are exclusively found in Budapest in Hungary. The funicular, the cogwheel railway or small boats on the Danube are deservedly popular not only among the residents but among the tourists, as well.

The company is committed to reduce the environmental pollution and advocates for social responsibility and culture. On the occasion of Hungarian Song Day the music fans could travel on the Melodic Tram, in the meanwhile those longing for the old times could have a special experience to travel on the vintage tramcars with special decoration on the particular days. The Museums of BKV continue to be very popular. It is important to preserve the heritage of the past, to present it to the future generations.

We work on the renewal of the technical conditions and the service level of BKV Zrt. as soon as possible because we want to provide an effective, environmentally friendly high quality services and alternative for the car users too.


Örs vezér tere

Organisation Structure

CEO

- Internal Control Directorate
- Security Directorate
- DBR Metro Project Directorate
- HR Directorate
- IT Directorate
- Legal Directorate
- Communications Directorate
- Secretariat of CEO

Technical Directorate

- Investments Special Directorate
- Quality Management Chief Engineer's Office
- Operational Support Special Directorate
- Technical Operation Special Directorate

Economic Directorate

- Procurement Department
- Sales Department
- Compensation and Benefits Department
- Controlling Department
- Financial Department
- Accounting Department

Transport Directorate

- Traffic Operation Division
- Traffic Control Division
- FUTÁR Project Division
- Service Planning Department
- Customer Service

Management

Dr. István Kocsis
Chief Executive Officer

A certified mechanical engineer, with a PhD degree obtained at Budapest University of Technology and Economics in 1985, where he worked as a tutor for a number of years. Parallel to this job, he was director of a dormitory for six years. Between 1991 and 1993, he was an executive director, then a deputy state secretary at the Ministry of Industry and Trade. Until 1997, he was the deputy CEO and then CEO of the company managing and privatising state-owned assets (ÁV Rt., and ÁPV Rt.). Between 1998 and 2002, he managed energy companies. He then took charge of Paksi Atomerőmű Zrt (Nuclear Power Plant) for three years. Between 2005 and 2008, he was the CEO of the state-owned Magyar Villamos Művek Zrt. (the leading Electricity Company of Hungary). On 1st September 2008, he was appointed the Chief Executive Officer of Budapest Transport Privately Held Corporation. He is also a member of the Board of Directors of the largest Hungarian Bank (OTP Nyrt.) and Paksi Atomerőmű Zrt. as well as a member of the Supervisory Board and Board of Directors of several other companies.

Tibor Bolla
Financial deputy CEO

He is a certified financial economist, and a certified corporate managing agricultural engineer. After graduating from the University of Agricultural Sciences in Gödöllő, he also obtained a diploma at the College of Finance and Accountancy. He is also a chartered accountant and has high-level foreign trade qualifications. Between 1993 and 2003, he worked for the company managing and privatising state-owned assets as a manager and director (ÁV Rt. and ÁPV Rt.), then spent nearly 6 years at a financial company as a deputy CEO (Cívis Credit Pénzügyi Szolgáltató Zrt.). Currently he is responsible for managing the economic, financial and sales processes of the company.

Péter Takács
Technical deputy CEO

Mechanical engineer, engineer specified to quality management, engineer specified to economics. He has been working for BKV Zrt. since 14 March 1989. He started his career as a technician in attendance at the Building Engineering Works of the metro; he became the chief of the Works from 1 May 1995. After the merger or Escalator and Mechanical Engineering Services he led the Technical Duty Service from 1 September 1997. He became the head of the Technical and Material Supply Department on 1 May 2003. He was entrusted with the leadership of the Public Procurement Office as from 1 February 2007 and later the Logistics Division from 1 August 2007. He was the assigned Technical Deputy CEO from March to September 2008 and he has been holding this position again since 3 August 2009. He speaks English.

Gábor Mihálszky
Transport deputy CEO

He is a transport engineer who chose BKV to work for in 1987. He worked in traffic control, first as a dispatcher, and then joined the Company's central dispatching service as a chief dispatcher in 1989. In 1996 he was appointed senior dispatcher. He was in charge of operational traffic control tasks in relation to major events for several years. In 1994, he received an award from the Minister of the Interior for his public transport control and organisation activities related to the OSCE (Organisation for Security and Co-operation in Europe) meeting. From March 2007 he managed the traffic control transformation project then in August 2007 he was appointed head of the traffic control department.
In May 2008 he became transport deputy CEO and is currently responsible for the core traffic related services.

Dr. Erzsébet Székelyné Pásztor
Communications director

Having graduated at the College of Foreign Trade, she obtained a Far East Intercultural Management Economist diploma in a post-gradual course. She was the corporate communications manager of OMV oil and gas industry group. Earlier she had been the communications manager at Paksi Atomerőmű Rt. (Nuclear Power Plant). She spent 25 years at the state-owned oil company (MOL Magyar Olaj- és Gázipari Rt.) in various managerial positions, including serving as PR and foreign relations director, marketing PR director and corporate communications officer. She is a member of the National Association of Hungarian Journalists and IPRA (International Public Relations Association), which is based in London. She speaks English, French and Russian.

Dr. István Tomasitz
Legal director

Lawyer, expert of European law. After graduating from Faculty of Law and Political Sciences Pázmány Péter Catholic University he worked for several Hungarian companies and was a PhD student then a tutor.
He started to work for BKV in 2008, and from October 2008 he is the head of the Legal Department, and from September 2009 also of the Secretariat of the CEO. He has been the Legal Director of the Company from the 1st February 2010.

Zoltán Péter Juracsik
HR director

Before his appointment as a HR Director of BKV – between 2007 and 2009 – he led the HR Department of the Adyliget Police Secondary School. Before that, from May 2005 he was the Head of HR Department of the Hungarian Police, later, from 15th March to 31st July he was the appointed Head of HR Division. He worked for 33 years as a professional policeman; he began his career as a police patrol. After graduating from the Police College – from 1981 – he acted as a group leader, a subdivision leader, and then in 1987 he became a HR executive and chief executive at the Police Regiment. Between July 1997 and his retirement on 30th December 2004 he worked on different managerial levels of the HR Services of the Hungarian Police. In 2006, he passed a civil service examination.

József Kiss
IT Director

Graduate electrical engineer, engineer specialized in data teleprocessing. He obtained his degrees at Budapest University of Technology. He started his career in 1974 as a mainframe operator in the Computer Laboratory of the Hámán Kató Technical College of Economics. Later he was a program librarian at Ganz Mávag, then he led the group of operators at VBKM (later Elektroinformatik).
He has been working for BKV Zrt. since 1985, with an interruption of 5 years, as head of Department for Automatic Data Processing, then as deputy head of the IT Department. From 1995, he managed the IT issues of the dm-drogerie markt Magyarország Kft. for two years, then he was project manager at DYNASOFT. He returned to the BKV Zrt. in 2000 after the TransIT project, and he directed the IT outsourcing project, then he became the chief of the IT Office. At present, he is entrusted with the direction of the company's IT processes.

József Lazurán
Internal control director

He is a certified telecommunication engineer and economist and he has another degree, too. He has worked for Orion Rt., MATÁV Zrt. and the Ministry of Internal Affairs. In 2000 he joined BKV Zrt. and became the head of Internal Audit Department, which was transformed into the Division of Internal Audit and Security in 2002. The Internal Control Directorate came into existence in 2008 under his leadership. He regularly takes part in vocational trainings and he is the member of the Hungarian Organisation of Internal Auditors (BEMSZ).

Endre Szűcs
Security director

He graduated from Police College, Criminal Faculty, then he gained further diplomas at the College of Finance and Accountancy and at Pécs University. He speaks English. Before his appointment as a Security Director of BKV – between 2008 and 2010 – he was the Deputy Head of Division for Defence Service of Police Forces in the Ministry of Justice and Police. Before this, after 2005 he held the position of chief executive of Defence Services of Police Forces of the Ministry of Internal Affairs for two years, then from 2007 he was the Head of Investigation Department of the Budapest 13th District Police Station. Between1997-2004 he worked as Head of Criminal Department and Deputy Chief Constable of Budapest 1st District Police Station. He served 28 years as a professional policeman. He began his career as a staff ensign. As recognition of his excellent work and performance, he was promoted exceptionally in every case. The Minister of Justice and Police promoted him to police chief counsellor in 2008 and to police colonel in 2009.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Introduction

BKV – considering its legal predecessors – is a Company with great traditions and expertise of more than 100 years, which has always had a determining role in the transportation of Budapest. The Company operates five branches (bus, tram, metro, suburban railway /HÉV/ and trolleybus) in an integrated system. Beyond this, a cogwheel railway line, a funicular, chairlift and several boat services on the Danube – which are important from the aspect of tourism – are also operated by BKV.

The mission of the Company is to become a market leader quality service provider integrating the personal passenger transport of the Central Hungarian Region solving the transportation tasks of the capital city and the conurbation of Budapest on a high level according to the requirements of the European Union. BKV Zrt. is committed to suppressing environmental and air pollution, the protection of the environment, creating a liveable capital city and to the corporate social responsibility. On the basis of our vision, concerning the technical conditions, service levels and human resources, BKV Zrt. is a competitive company satisfying the requirements of the 21st century.

Economy of BKV Zrt. in 2010

BKV operates in the legal form of a privately held company, its owner is the Municipality of Budapest

The Company fulfilled its business plan satisfying the expectations of the owner in 2010, met its capital reimbursement, leasing and interest payment obligations. Operational income in 2010 approached HUF 134.9 billion, operational costs totalled HUF 133.9 billion, the net profit for the year was HUF 1 billion. Statistical number of passengers calculated from the sold tickets and passes was 1.37 billion, passenger kilometres were 5.1 billion, and 21.46 billion place kilometres were at the disposal of the passengers. Our vehicles ran 176 million kilometres. The average vehicle fleet consisted of 2820 vehicles, out of which an average of 2167 vehicles ran in daily traffic, so the rate of availability was 76.8 per cent. From the quality indicators of transport the average saturation of the vehicles was 23.8 per cent, the average circulation speed was 16.24 km/h. The Municipality of Budapest gave priority to the development of public transport. The capital value of investments financed by the Municipality of Budapest was HUF 36.36 billion and the capital value of investments financed by our company was HUF 12.46 billion. The average headcount of the full time employees of Company was 12 082 persons in the year of 2010.

Fare revenues

The prices of public transport are maximised by the regulatory authorities, therefore the Company cannot decide on its ticket and pass types alone: the fares are decided by the Budapest Municipality.

The fares existing from 1st February, 2010 were decided by the Municipal Assembly on 16th December, 2009. The average 4.0 per cent tariff increase had to be completed in one phase from 1st February, 2010.

Also from 1st February, 2010 the nationally unified intercity fares, that is the competence of the minister of transport, so the price of the distance based suburban (HÉV) and Budapest surrounding tickets increased by 15 per cent and the price of the passes increased by 10 per cent.

In terms of revenues the year 2010 didn't come up to expectations. The Business Plan originally budgeted HUF 53.58 billion net fare revenue from the passenger transport of maximised prices and HUF 16.546 billion price supplement. The strike at the beginning of the year, the economic trends defined by the crisis and other external conditions did not allow the fulfilment of this, so we had 3.9 per cent less fare revenue, i.e. HUF 2 billion less than planned.

The state price supplement for the preferential tickets and passes was unchanged during the whole year. In case of local passes on the gross level of 2006, in case of regional fares the items defined in 2007 remained valid. The amount disbursed to fund free trips was raised by 4.1 per cent. The state price supplement closed the year 2010 with 3.4 per cent deficit, i.e. HUF 564 million.

The Company did its best to extend the ticket- and pass selling facilities. 62 ticket offices operated in 2010, out of which 6 were open only periodically. Parallel to this 260 ticket vendor machines (out of which 105 pieces are touch screen machines), 1340 resellers and 12 major partners also selling passes served our passengers. 48 ticket offices with 78 service windows and 24 ticket vendor machines provided the possibility of paying by credit card. We delivered the passes free of charge to the customers who bought 10 or more passes by bank transfer.

Commercial activities

In 2010 we purchased 626 000 litre gasoline for HUF 153.5 million (net income). The profit of gasoline purchasing reached almost HUF 7 million.

We had HUF 4.5 million incomes from souvenir-purchasing, HUF 69 million from waste sales and HUF 4.7 million from excess inventory. The incomes of the company from sales kit totalled HUF 232 million.

The hiring of the areas for film shooting and events resulted in HUF 3 million incomes. From commercial activities the total incomes during the whole year amounted to HUF 280 million, which is 18 per cent higher than originally budgeted.

Surcharge claims and incomes

The rate of the surcharge and its settling method is determined by the Municipal Assembly. As a passenger-friendly action the processing fee of HUF 3000 reduced to HUF 2000 for all passengers who settle their fine by presenting their 14-day or monthly Budapest pass. All of our passengers who settle their fine by presenting their annual, quarterly or semester pass should pay HUF 1000 processing fee. Still a lot of our passengers did use the possibility introduced in 2009 that the surcharge to be paid on the spot (HUF 6000) can be paid afterwards, within 2 working days. Every tenth of the passengers paid their surcharge at the BKV Surcharge office this way.

During this difficult period the Company tried to collect its surcharges effectively, out of court or on the court, adhering to the rules of data protection, with the help of lawyer offices and with receivable collection companies cooperating with lawyer offices.

By the end of the year the annual surcharge income plan performed 73 per cent (HUF 730 million). Through the new measures (the accuracy of data recording, monitoring, data / address clarifications, detect forgeries) the composition of the claims improved, the monthly incomes were 20 per cent higher in the second half of the year.

Ticket office audit

Our ticket office audit group made 3 944 examinations in 2010 on the ticket and pass purchasing activity. As a result 4 cases were found, when the cashier did not pay off with the income from purchasing, with a total amount of HUF 2.8 million. The Company reported these cases to the police.

Transport

The rubber-tyred vehicles (buses and trolleybuses) represent the largest proportion of the company's fleet.
Out of the 1371 buses, the number of buses of the modern type Volvo 7700A amounts to 150 pieces, there are 32 Van Hool buses made in Belgium and the rest of the fleet is composed of buses of type Ikarus. The bus branch heads the list in other regards as well. The 239 bus routes transported 548.6 million passengers in 2010, which represents 40% of the total number of passengers. 51% of the vehicles used in traffic are buses.

Trams come in second place in traffic volume. 20% of the vehicles used in traffic are trams and they serve 31 lines. The 604 trams (including 40 modern Siemens Combinos, the older German DÜVAG, the Czech Tátra and the Hungarian Ganz trains and the cogwheel rail trains made in Austria) carry 386 million passengers a year, which is 25% of the total number of passengers.

The third largest division is the metro and the Millennium underground railway. The total length of the three lines is 31.4 km. The 381 carriages operating on these lines carried 300 million passengers in 2010; however the metro represents only 13% of the vehicles put in circulation. Russian rolling stock run on the M2 and M3 lines, Ganz articulated vehicles operate on the M1 underground railway line.

The proportion of transport in Budapest performed by trolleybuses is relatively modest, given that the 160 trolleybuses running on a line length of 73 km merely amount to 5% of the vehicles put in circulation. This vehicle type represents the same proportion in terms of the number of passengers. 68 million passengers used this vehicle type in 2010.
Some lines are still served by old Russian ZIU type trolleybuses, beside them the fleet is composed by Ikarus, Ganz and Skoda state-of-the-art vehicles.

The total length of the five suburban railway (HÉV) lines is 103 km. The HÉV trains were manufactured in the German Democratic Republic; apart from a few Hungarian MIXA trains running on the Csepel line.
The suburban railway represents 10.6% of the vehicles put in circulation. 69.5 million passengers used the 'green' trains in 2010. The suburban railway had a significant role in connection with the highly frequented events in Budapest. In this way, the nonstop HÉV operation during the Sziget Festival (as well as the extension of the operating time of the metro after the large concerts) contributed to the high-standard implementation of the events.

Major traffic events in 2010

Introduction of first-door-boarding system
We introduced the first-door boarding system on bus service No. 88 (partially operated by a subcontractor) on 1st February 2010 as well as on bus lines Nos. 65, 118, 126, 126A, 134, 134A, 137 and 165 on 29th March 2010.

Traffic modification in connection with the Heart of Budapest Program
In the frame of the Heart of Budapest program the Károly körút is reconstructed between Deák tér and Astoria, the tram terminus at Deák Ferenc tér and the tram track-zone up to Dohány utca.
The reconstruction started on 8th October 2010 from the night operation time and will be completed in 2011. During this period the tram runs to Astoria stop.

Tasks relating to the reconstruction of Margaret Bridge
Because of the bridge renovation neither the South ramp nor the roadway leading to the bridge from Tölgyfa utca could be used from 10th July 2010 till 15th November 2010. The bus stop of the bridgehead was temporarily moved to the platform of the tram. Bus Nos.109, 206 and 923 drove to the bridge on a modified route.

In October the bridge structure was being welded longitudinally for seven days, therefore neither buses nor trams were allowed to run through the bridge. During this period the trams were running between the South-Buda termini and Jászai Mari tér. The tram replacement buses and the buses running through the bridge were operating on a modified route through the Chain Bridge.

Ensuring of closing back the doors

In order to improve the comfort of passengers, after the positive experiences with Combino trams we introduced the automatic door-closing system on vehicles of T5C5K2 and TW6000 series. The doors of the vehicles close back after 4 seconds if the driver uses the closing-back mode.

Serving programs and events

Night of the Museums was held on the night of 19th to 20th June 2010. We operated five bus routes in the course of the program on the basis of previous order.
The Swimming European Championships was organized on Margaret Island in 2010. BKV operated special services from the Airport to various hotels in the city and between the hotels and Hajós Alfréd National Sport Swimming Pool, while bus services No. 26 and No.134 were running with articulated vehicles more frequently for the order of the event organizers.

During the Hungarian Formula One Grand Prix the trains of suburban railway to Gödöllő had 6 carriages, while we launched bus services to the venue.
In order to serve the visitors of Sziget Festival each train were running with 6 carriages on the Szentendre Suburban Railway line more frequently during the event and they were running non-stop at two nights between Batthyány tér and Békásmegyer. Tram No.1 was running with increased headways and the concerned night bus routes were served with articulated buses.

We served the events relating to the 20th of August (national holiday) with route changes, increased schedules and longer operating hours as usual.

Test operations:

Our company tested several different types of buses and trolleybuses in 2010.

- Testing a MERCEDES-BENZ Capacity type, 19.54m long, low-floor articulated city bus on the route of bus No. 86 (not involved in passenger transport)
- Joint test operation of Ikarus 187V and Credo Citadell 19
- Testing IKARUS 134V on bus lines No. 22 and No. 5
- Testing Scania Omnicity on line No. 5
- Testing CREDO EN 9.5 type vehicle on route No. 39
- Test operation of the articulated trolleybus manufactured by Szeged Public Transport Company.

Other major traffic changes

- Reconstruction of the terminus of Rákoskeresztúr city centre.
- Articulated buses operate on route No. 276E instead of single buses as from August, therefore less departures are scheduled on this line.
- New bus service of No.197 launched between Rákoskert railway station and Rákoskert on 23rd August 2010 in a circle route. The new service runs only on weekdays, in line with the timetable of the passenger train services and provides direct link to the rails at its terminus.

Priority investments

Metro line 4

In summer 2010 both tunnel boring shields reached the Keleti pályaudvar station, thus the tunnel construction by boring shields came to an end. Following the disassembling and the removal of the shields, the structural engineering works of the connecting tunnels and of the track connections at Szent Gellért tér were continued and the works reached almost full completion by the end of the year.

At Szent Gellért tér station the external structure of the entrance hall and the slope shaft are brought to completion.

The internal installation, the building equipment works and the electric installation assembling works were continued at the stations Tétényi út, Bocskai út and Móricz Zsigmond körtér. At Tétényi út station, the first phase of the surface works was completed, along with the road, pavement and park construction works, the provisional traffic in Bocskai út was re-established. The road traffic could be launched in Fehérvári út and on Móricz Zsigmond körtér, in front of the so-called arched houses.

At Fővám tér, the final stage of the structural engineering works had started. At Kálvin tér station, the final structural engineering works had been continued and the connection to the metro line 3 was built further as well. At Rákóczi tér station, besides the structural engineering works, the first phase of the canalization works on the surface had also been brought to completion. The structural engineering works also showed significant progress at the stations Népszínház utca and Keleti pályaudvar, and at the latter one the works were completed as the shield chamber was taken out.

The completion level of the internal installation came at 10% by the end of the year. The final mechanical, electric, structural and the first phase architectural plans were completed for all the ten stations.

The structural engineering works of the depot also made notable progress, in the case of the interconnecting tracks, in a length of 400 m, the superstructure became finished, too.

Among the major related investments, the construction works at Fővám tér, Kálvin tér and on the Small Boulevard, along with the playground at Fővám tér were completed by the deadline, end of September, as stipulated in the contract, except for the areas currently occupied by the temporary construction site facilities of the two metro stations.

The completion level of the underground parking garage at Rákóczi tér exceeded 50%. In autumn 2010, the open public procurement procedure of the related surface works at Baross tér began. All in all, the investment reached a technical completion level of more than 65%. The structural engineering works could be finished in a way that subsidences and damages have nowhere exceeded the expected level. Approximately HUF 206 billion were spent so far out of the overall budget of HUF 373 billion. For the realization of the first phase, HUF 210 billion is at disposal, including the contribution of the state and

the resources from the Hungarian Transport Operational Programme, out of which nearly HUF 63 billion were approved for metro 4, in conjunction with the process of the works.

FUTÁR Project

The FUTÁR (the Hungarian acronym stands for Traffic Control and Passenger Information System) project is an integrated public transport-related IT system which will come into existence with a HUF 4 billion funding from the New Hungary Development Plan. The project will implement state-of-the-art GPS-based vehicle tracking and positioning, standardised traffic control and troubleshooting and real-time passenger information in the bus, trolleybus and tram branches, on 2295 vehicles, at 257 stops and traffic junctions, on mobile devices (SMS) and on the web. The system will give priority to the public transport vehicles in 30 junctions with traffic lights, shortening the travel time for our passengers and enabling significant savings for our Company as well. In addition, the project will comprise the establishment of a communication system, which has to be set up by BKV Zrt. in any case due to the relevant European Union regulations.

FUTÁR project is going to entirely replace the existing passenger information and traffic control systems of BKV and will facilitate largely reliable, passenger-focused, modern public transport services keeping the timetable more accurately and providing passengers real-time information. The public procurement procedure related to the implementation of the project and the 5-year operation of the project product was won by Synergon Rendszerintegrátor Kft, with whom the contract was signed on 27 October 2010. By signing the supply contract, the project shifted from the preparation to the realization phase. The project is expected to be completed by mid 2012.

Replacement of the vehicle fleet on metro line 2

In connection with the acquisition of the metro trains, in accordance with the resolution of the Municipal Assembly of Budapest, in October 2010 the BKV Zrt. denounced the supply contract. The denouncement and conducting negotiations simultaneously can affect the final deadline of the entire metro 4 project.

Corporate investments, improvements

Investments

In recent years, the Company's economic conditions did not allow the provision of own financial resources for investments any longer, except for some vehicle renewals and procurement of small value assets, work clothing and uniform.

Similar to the practice of the past years, the Municipality of Budapest financed the public transport-related priority investments directly in 2010, while the corporate investments and the value-adding renewals required for the operation of BKV Zrt. were funded by target subsidy compensating the depreciation.


IVECO

Technical performance of the priority investments financed by the Municipality of Budapest amounted to HUF 36.36 billion and the financial performance was HUF 35.06 billion at the end of the year.

The Municipality handed over HUF 10 billion to our Company, as a target subsidy for the year 2010, compensating the depreciation, within the framework of a so called money instrument transfer agreement, subject to a subsequent accounting.

Vehicle renewal, vehicle acquisition and modernization

The buses and trolleybuses were renewed on schedule. In the case of 54 buses and 4 trolleybuses, a value-adding chassis renewal was performed. The tramcar fleet was renewed according to the prescribed cyclic order technology. Value-adding renewal works were performed on 49 trams, 47 metro and Millennium Underground trains, 42 HÉV (suburban railway) trains and 2 cogwheel trains.

Our Company acquired 13 used single buses of the Ikarus series 200 in order to relieve the daily problems of putting the vehicles into circulation. After painting they were put into traffic.

On the north-south metro line, the security reconstruction of the vehicles was continued, by installation of new bogie truck chases. 150 digital speedometers were purchased for 75 trams of type TW6000.

Renewal of trams of the series T5C5 K

After 10 years operation the first general overhaul became due for the trams of the series T5C5 K. The vehicles are successively being renewed by BKV Vasúti Járműjavító Szolgáltató (VJSZ) Kft. In the case of the renewed vehicles, primarily the door operation and the arrangement of the driver's cabin were modified, rendering the drivers' work more comfortable.

Acquisition of further trams of the series TW6000

Purchase contract was signed in 2010 on 16 used trams of the series TW6000, being in the ownership of the Hague Transport Company. After arriving in Budapest, the tramcars were successively localized and the reconstruction has been performed jointly by VJSZ Kft. and the Technical Directorate of BKV Zrt. By putting the new vehicles into operation, we can compensate the vehicle drop-out resulting from the general overhaul of the trams acquired in 2000 and the vehicles can be replaced on the tram line No. 21.

Final tram track on the Margaret Bridge

The traffic was launched on 9 November on the new tram track of the renewed Margaret Bridge. The track geometry has changed on the bridge, the bearing columns of the overhead wires were positioned in the middle. During the renewal, a new track connection was established at Jászai Mari tér. Thanks to the new connection, the troubleshooting of traffic problems became easier and the access also became possible from tram line 2 to both tracks of the Grand Boulevard service.

Track reconstruction

The second phase of the replacement of the arch tracks on the sections Móricz Zsigmond körtér – Blaha Lujza tér and Fehérvári út – Blaha Lujza tér of the tram lines Nos. 4 and 6 on the Grand Boulevard started on 24th June and lasted until 19th August. In

the course of the reconstruction replacement of almost 3 200 metres track, three track points and one track crossing was made. Beside this a new track crossing was set at the Üllői út tram stop, so in the future in case of a traffic disruption tram replacement by bus will only be needed in shorter sections. The arc and the road crossing at Rákóczi tér, the arcs and crossing at Mester utca, the inverts at Goldmann György tér, the crossing at Karinthy Frigyes út and the track of the road crossing at Budafoki út were also renewed.

The laminated tracks at the tram stop Madridi utca were renewed, the road crossing was rebuilt and the lightning of the underpass and the connecting power supply work was done at Gyöngyösi út during the autumn school holiday. As the result of the track reconstruction the 10 km/h speed limit was cancelled.

The authority certificates of the Ráckeve, Gödöllő and Szentendre suburban railways has expired. As a result of the consultation with the National Transport Authority a nine-year reconstruction plan has been elaborated. The first phase of the reconstruction started in August 2010. The works lasted usually during the night operation breaks and the weekend track closures.

In the course of the track reconstruction the following works have been completed: change of tracks and by-passes, rails, concrete sleepers, sleepers and alternate timbers; grinding of rails, eliminating of waterbags, cleaning of track ballasts, reconstruction of track breaks and rail flaws, repairing of the concrete base, the mainframe platform control and the reconstruction of the stops' platform edge and coverings. In the course of the power supply works the reconstruction or replacement of the columns and cables, repairing of rail and track connectivity and lamp replacement have been made. In the course of the signalling- and safety works, batteries were added to signalling devices, the photocell sensitivity was reduced, the control panels and circuits were renovated, the barriers were modified and the light circuit parallel cables were separated.

On the cogwheel railway, the replacement of the sleepers and alternate timbers continued. On the planned section all together 2000 pieces of 2.4 metre long sleepers have been replaced. The track quality improvement resulted in a significant decrease in travel time and a higher traffic safety.

Escalator renewal

The renewal of 7 high-lift escalators and 2 low-lift escalators was completed by the end of the year, according to schedule.

The main investments realized in the field of infrastructure

- Chairlift renewal, to get the authority permission for further operation
- Pavement construction at the Orgonás station of the cogwheel railway, renewal of buildings and stations.
- Installation of a vehicle washing facility at Kőbánya depot.
- Installation of a wastewater treatment system in the accumulator workshop at the South-Pest depot.
- Reconstruction of the inverter at the depot in Fehér út.
- The investment of the filling station No. II. in South-Pest was completed in September; refuelling has been possible here since October.
- By the construction of the vehicle washing facility, also the external washing of the buses is ensured at the South Pest and Kelenföld bus depots.

EU Projects

EU Projects

In the course of 2010, the preparation, planning and authorization of the projects were continued.

• Further development of tram lines Nos. 1 and 3, phase I.
The purpose of this project is to modernize these tram lines and to extend the tram line No. 1 to Fehérvári út (extension of 3,2 km).

• Establishment of an interconnecting tram network in Buda, phase I.
The basic purpose of this project is to form a completely permeable tram network in Buda and to reduce the number of transfers and travel time.

• Establishment of an interconnecting tram network in Buda, phase II.
The purpose of this project is to establish a quayside tram line on the quay in front of the Budapest University of Technology and Economics to the traffic junction Budafoki út – Dombóvári út. This new line section would give public transport service coverage to the area in the neighbourhood of Infopark and the southern blocks of the University previously served by means of public transport to a limited extent only.

• Extension of tram line No. 42
The purpose of this project is to improve and extend this line by 2,4 km.

• Acquisition of low-floor tramcars and trolleybuses
The purpose of this project is to acquire tramcars and trolleybuses funded by European Union resources, as a supplement to the infrastructure improvements and to largely implement an accessible public transport in Budapest.

• Establishment of public transport service on the Budapest section of the Danube for commuters
The purpose of this project is to enhance the rate of passenger transportation on the Danube, by the construction of 3 new ports and the modernization of the 5 existing ports.

• EBSF (European Bus System of the Future)
The purpose of this project is to develop a high-quality bus system which integrates the existing developments of the major bus manufacturers in order to render the urban bus transport more attractive and to improve the operational parameters. Budapest hosts a 9-month use case of the demonstrator bus manufactured by MAN.

Operation

Technical operation

Related to the technical operation tasks, the biggest professional challenge is the quality of the operated fleet and infrastructure which reached its limit of performance and usability. This status is the result of a long process that last for decades and BKV Zrt. could still handle for a long time. Earlier the technical conditions could be managed in a way that impacts on the traffic were not relevant. Unexpected technical events attracting major public attention only recently appeared.

The problem is complicated, a significant proportion of the fleet and the infrastructure are already over their planned lifetime, therefore purchasing and/or upgrading became undoubtedly necessary. The financial framework for the operations did not change by the actual inflation rate in the recent years, so the real terms of the operation sources decreased constantly.

Technical conditions involve high operational risks. The most important principle in risk management is that a vehicle cannot be put in traffic, and an infrastructure device cannot be in operation if it involves traffic safety risk. Therefore all decisions made during technical operations have been based on risk analysis for years. The operation's main and continuous task is to solve the inconsistencies between the technical needs and the available resources by task prioritization.

Operation support

Operation support is a centralised activity at our company and covers environmental management, fire protection, labour safety, internal car fleet and

connected HR services, preparation of technical procurements and maintenance of non-operational buildings.
The vehicles used for internal services are operated in a unified approach system. The fleet covered 273 pieces of vehicles in 2010, which ensure mainly freight, technical, traffic disturbance relief and maintenance tasks.

5 pieces of Renault Master buses were put into service on 12th April 2010 for transport of disabled passengers which buses were purchased from the offering of the BKV Zrt's management. The transport service is available with the assistance of MEOSZ (National Federation of Disabled Associations).
The total office real estate area is 31,000 m^2 of the company, the number of stores is 24, the number of apartments is 176 and the area of social real estates is 7,700 m^2.

Quality management

The company applied the quality management system based on the standard of MSZ EN ISO 9001:2009 on several areas in 2010: technical and environmental examinations of vehicles, preparation and conduct of public procurement procedures and competitions, contracting preparations, supply of materials and storage.

The quality management system adapted to the organizational changes, the new Quality Management Manuals and the associated documents have been completed.

Energy

The Company considers energy saving and exploration of alternative energy applications as priority issues. At our depot in Kőér utca a lighting modernization project was launched, whereby the resulting energy saving will cover the modernization's costs. A model project of a heat pump system has been realized on the North-South metro line at Nagyvárad tér.

The Company achieved approximately HUF 700 million energy cost saving compared to 2009 in the following composition:
The use of traction energy power increased 1.9% but due to the favourable electricity prices the costs were only 79.4% of the previous year's level. This resulted in HUF 1.76 billion saving.

The increase of the traction diesel costs was HUF 1.4 billion (18.8%) which came from the higher purchase price.

Costs of other energy uses (industry and social purpose electricity, natural gas, district heating, petrol, etc.) reduced to 91%, i.e. HUF 322 million.

Security

The company continued to make its internal and external safety system more efficient. Significant problem is the cable theft on our network, in this case 29 actions were organized on the concerned areas, in addition, we took such actions 15 times jointly with the Police. The Company acts against the pass-forgery, as well.

Communications

The beginning of the year was determined by crisis-communication in the external communication activities of BKV. First a 'slowdown' in the beginning of January, later the BKV-strike marked out the direction of communications: the company successfully met its duty in providing information as a priority. The main task was to inform the passengers (Traffic Control Office, Szabó Ervin tér) and the media in 0-24h. Activities of crisis-communication were ended with a successful wage negotiation.

BKV offered its passengers a special opportunity in the summer, since we tested two buses produced in Hungary at a time as from 17th May. The two test buses carried passengers in the same time and on the same route with a significant and favourable media interest.
The BKV website has been redesigned and won the prize of "Excellent Hungarian Content" of the Hungarian Association of Content Providers.

Christmas tram ran on several lines connected to the year-end celebrations.

The company fulfilled its obligation of giving information with continuous, updated, credible and proactive communications.

The internal communication activities were also diverse in 2010. The primary information means about the events taking place within the company were the weekly e-newsletter, the monthly renewed Mozgásban Magazine and the intranet portal.

The corporate social responsibility (CSR) is an important value in the life of the BKV. The company reacted sensitively for the problems of the areas experienced disasters in the past year and tried to help, in cooperation with the trade unions. The relief team of volunteers participated to rescue residents on the flooded areas. In addition they supported the victims with donations and sponsor the recreation of the kids of flood victims. BKV Zrt organized a fundraising to help the victims of the other major natural disaster, the red mud spill – the collected money has been drip to the Hungarian Rescue Fund.

Nostalgia services of BKV run continuously from early spring time, which are popular among the residents and tourists, as well. The company celebrated the Tátra trams running for 35 years, the Chairlift operating for 40 years and the 40-year anniversary of Óbuda Bus Garage.

BKV Zrt always struggles with graffiti. Avoiding this, young artists designed and painted art drawings on the walls at Moszkva tér area and at the HÉV stops of Kaszásdűlő and Aquincum.

In the interest of increasing revenue the company tried to encourage passengers to buy tickets or passes regularly by organizing a marketing campaign against fare-dodging.

The Company is committed to culture, therefore we were partners of many cultural events in 2010.

The Museums of BKV (Urban Public Transport Museum and Millennium Underground Museum) took part in the biggest museum events with success in 2010, i.e. Museum's Festival, Night of Museums, Museum's Autumn Festival and the days of Cultural Heritage.

The Museums welcomed visitors with temporary exhibitions and interactive educational activities.
In autumn a poem-train ran on the Szentendre Suburban Railway line where passengers could read the poems by young artists' of Szentendre. On the occasion of the Hungarian Song Day the Melodic Tram was running.

In the spirit of environmental awareness the Company took part in the car-fee day organized on Andrássy út together with other public utility companies.


POLICE
POLICE
POLICE

International Relations

The Company has a good relationship with other urban public transport companies in Europe, the exchange of specific knowledge as well as the information base and the promising network of the International Association of Public Transport (UITP) are of a great help in the operations. Exchange and analysis of economic and operational data of urban public transport networks were going on, initiated either by BKV, or by the foreign partners. The company's current position determined the way in the field of international relations as well: we had continuous cooperation with operators, agents and carriers during the procurement of used vehicles.

Profit and Loss Account

Profit and Loss Account

(million HUF)

Description	2009 fact	2010 fact	Index to base
Income from fares	50 551	49 541	98.0%
Price supplement	16 863	15 983	94.8%
Contribution from municipality	0	0	-
Income from regional and district public transport	523	518	99.0%
Income from contracted and other services	709	874	123.3%
Total income from passenger transport services	**68 646**	**66 916**	**97.5%**
Income from other activities	3 040	2 670	87.8%
Other income from operations	6 068	7 133	117.6%
Subsidy from municipality for operations	0	5 000	-
Non-repayable state subsidy	0	17 500	-
Normative state subsidy	32 198	32 198	100.0%
Total income from operations	**109 952**	**131 417**	**119.5%**
Material costs	9 356	10 033	107.2%
Diesel fuel for operation	7 661	9 098	118.8%
Traction power	8 545	6 783	79.4%
Other energy	3 593	3 271	91.0%
Value of services used	16 434	17 352	105.6%
Value of other services	1 223	1 504	123.0%
Purchase price of goods sold	121	210	173.6%
Value of services sold (sold as an intermediary)	5 140	5 130	99.8%
Material-type costs	**52 073**	**53 381**	**102.5%**
Wage costs	40 043	39 320	98.2%
Other staff remuneration	**5 931**	**6 173**	**104.1%**
Wage contribution	14 709	13 496	91.8%
Staff remuneration	60 683	58 989	97.2%
Depreciation and amortisation	15 465	15 587	100.8%
Other operating expenses	**2 316**	**2 427**	**104.8%**
Own work capitalised	-3 904	-4 167	106.7%
Total operating expenses	**126 633**	**126 217**	**99.7%**
Income from operations	-16 681	5 200	-
Financial income	864	1 080	125.0%
Financial costs	7 445	5 008	67.3%
Net financial costs	-6 581	-3 928	59.7%
Profit on regular activities	-23 262	1 272	-
Extraordinary income	12	2 383	19 858.3%
Extraordinary expenses	275	2 637	958.9%
Extraordinary profit	-263	-254	96.6%
Profit before tax	-23 525	1 018	-

Balance Sheet

Assets

(million HUF)

Number	Description	31.12.2009	31.12.2010
A.	**Long term assets**	**498 309**	**527 512**
I.	**Intangible assets**	**967**	**1 367**
1.	Property rights	875	1 307
2.	Goodwill	92	60
II.	**Tangible assets**	**496 230**	**524 499**
1.	Real estates and connecting property rights	148 610	147 695
2.	Technical machinery, equipments, vehicles	129 117	127 011
3.	Other machinery, equipments, vehicles	3 256	2 938
4.	Investments, renovations	171 410	204 789
5.	Advances given for investments	43 837	42 066
III.	**Financial investments**	**1 112**	**1 646**
1.	Long-term interest in affiliated company	864	1 375
2.	Other long-term interest	19	19
3.	Other long-term loans	229	252
B.	**Current assets**	**11 859**	**11 643**
I.	Inventories	3 073	2 916
1.	Materials	2 990	2 838
2.	Incomplete production and semi-finished products	9	15
3.	Goods	74	63
II.	**Receivables**	**8 433**	**8 404**
1.	Receivables from goods transport and services (customers)	3 061	4 158
2.	Receivables against affiliated companies	189	170
3.	Receivables against other shared companies	3	1
4.	Other receivables	5 180	4 075
III.	**Securities**	**0**	**0**
IV.	**Liquid assets**	**353**	**323**
1.	Petty cash	78	81
2.	Bank deposit	275	242
C.	**Prepaid expenses**	**154**	**182**
1.	Prepaid expenses of incomes	45	112
2.	Prepaid expenses of costs	109	70
TOTAL ASSETS		**510 322**	**539 337**

Liabilities

(million HUF)

Number	Description	31.12.2009	31.12.2010
D.	**Equity**	**103 574**	**114 706**
I.	**Issued capital**	**127 000**	**127 000**
	of this: repurchased ownership share at face value	0	0
II.	**Subscribed but unpaid capital (-)**	**0**	**0**
III.	**Capital reserve**	**138 193**	**148 311**
IV.	**Revenue reserve**	**-138 094**	**-161 623**
V.	**Earmarked reserves**	**0**	**0**
VI.	**Valuation reserves**	**0**	**0**
VII.	**Retained profit**	**-23 525**	**1 018**
E.	**Special provisions**	**2 332**	**955**
1.	Special provisions for expected liabilities	2 332	955
F.	**Liabilities**	**124 501**	**118 261**
I.	**Subordinated liabilities**	**0**	**0**
II.	**Long-term liabilities**	**44 837**	**39 641**
1.	Investment and development loans	0	0
2.	Other long-term loans	40 690	36 290
3.	Other long-term liabilities	4 147	3 351
III.	**Short-term liabilities**	**79 664**	**78 620**
1.	Short-term loans	32 839	27 520
2.	Deposits paid by customers	0	0
3.	Liabilities from goods transport and services (suppliers)	36 123	39 772
4.	Short-term liabilities against affiliated companies	1 465	2 240
5.	Short-term liabilities against other shared companies	495	531
6.	Other short-term liabilities	8 742	8 557
G.	**Accruals**	**279 915**	**305 415**
1.	Accruals of incomes	10 501	8 046
2.	Accruals of costs, expenses	814	946
3.	Delayed incomes	268 600	296 423
TOTAL LIABILITIES		**510 322**	**539 337**

Cash Flow

Cash-flow

(million HUF)

Number	Description	2009	2010
1.	Profit before taxation (without dividend)	-23 525	1 018
2.	Depreciation and amortisation	15 465	15 587
3.	Write-out value of long term assets	248	2 758
4.	Loss of value and write-back of financial investments	4	-511
5.	Other loss of value and write-back	118	178
6.	Difference between provisions created and used	80	-1 377
7.	Income from the sale of invested assets	222	17
8.	Changes in trade payables and bill of exchange obligations	1 028	1 539
9.	Changes in other short-term liabilities	524	631
10.	Changes in accruals	-42	-9 350
11.	Changes in trade receivables and promissory note receivables	-1 744	-1 245
12.	Changes in current assets (without trade receivables and liquid assets)	-870	1 253
13.	Changes in prepaid expenses	95	-28
I.	**Operating cash flow**	**-8 397**	**10 470**
14.	Acquisition of invested assets	-59 326	-44 948
15.	Changes in the stock of financial investments	23	-23
16.	Sale of invested assets	95	27
II.	**Cash flow of investments**	**-59 208**	**-44 944**
17.	Taking out bank credits	26 279	10 000
18.	Non-repayable assets received	55 875	44 968
19.	Additional capital contribution for capital	0	-4
20.	Finance lease repayments	-801	-801
21.	Loan repayment	-13 666	-19 719
III.	**Cash flow from financial activities**	**67 687**	**34 444**
IV.	**CHANGES IN FINANCIAL ASSETS**	**82**	**-30**
22.	Financial assets opening stock	271	353
23.	Financial assets closing stock	353	323

Statistical Data

Statistical Data

Investments of BKV Zrt.

(million HUF)

Description	2010 Technical plan	2010 Financial plan	2010 fact Technical performance	Corporate resource	Targeted support 2009	Targeted support 2010
Major projects financed by the Municipality*						
Construction of metro line 4	70755	70 755	34 801			33 822
Reconstruction of metro line 2	3 901	2 300	1 491			1 122
Replacement of the vehicle stock of metro line 2	36 003	15 177	25			118
Extension and development of tram lines 1 and 3, Phase I.	8 342	8 342	47	47		0
Total major investments financed by the Municipality	**119 001**	**96 574**	**36 364**	**47**		**35 062**
Corporate investments						
Vehicle procurement, reconstruction and modernisation	5 370	5 298	5 465	1 324	1 206	2 768
Refurbishment of escalators	717	717	708	2	315	391
Track refurbishment	3 059	3 107	2 523	0	412	2 141
European Union projects	4 687	651	247	33	74	112
Reconstruction of infrastructure	1 518	1 646	479	0	444	159
Total corporate investments	**15 351**	**11 419**	**9 422**	**1 359**	**2 451**	**5 571**
Procurement of low value assets, working clothes and uniforms	3 403	3 403	1 729	1 718	0	11
and other items for purposes other than transport (Financed by the Company)						
Intangible assets			997	995	0	2
Vocational training			0,3	0,3	0	0
Taking over without payment			0	0	0	0
Other investments not planned in the investment plan			315	315	0	0
Total corporate	18 754	14 822	12 463	4 387	2 451	5 584
Total investment	**137 755**	**111 396**	**48 827**	**4 434**	**2 451**	**40 646**

Outcome of BKV Zrt.'s debt

(million HUF)

Description	2009 fact BKV Zrt.	Subsidiaries	BKV Group	2010 fact BKV Zrt.	Subsi-diaries	BKV Group
Bank credits and loan	73 529	130	73 659	63 810	357	64 167
Financial leasing	4 948	0	4948	4 147	0	4 147
Letter of credit, bank guarantee, any other transactions with commercial effect similar to loan, expired suppliers' liabilities (not paid till deadline)	805	0	805	4 831	0	4 831
TOTAL	**79 282**	**130**	**79 412**	**72 788**	**357**	**73 145**

Business development of BKV Zrt., 2006-2010

Description	Unit of measure	2006 fact	2007 fact	2008 fact	2009 fact	2010 fact	Index to 2006
Number of passengers	Million passengers	1 461	1 472	1 481	1 435	1 374	94.0%
Passenger kilometre	million passenger km	5 440	5 469	5 501	5 320	5 100	93.8%
Space kilometre	million space km	21 249	21 308	21 375	21 552	21 458	101.0%
Useful vehicle kilometre	thousand vehicle km	179 000	176 225	175 669	177 415	175 899	98.3%
Hours of operation of vehicles	thousand hours	11 367	11 020	10 776	10 961	10 828	95.3%
Average vehicle fleet	items	3 007	2 959	2 869	2 841	2 820	93.8%
Vehicle fleet in operation	items	2 330	2 250	2 202	2 200	2 167	93.0%
Space utilization	%	25,6	25,7	25,7	24,7	23,8	93.0%
Average number of personnel (total full-time employees)	person	12 817	12 423	11 839	11 930	12 082	94.3%
of that: public transport drivers	person	4 818	4 873	4 888	4 980	5 179	107.5%
Loans (closing)	million HUF	62 752	67 186	60 915	73 529	63 810	101.7%
Total revenue	million HUF	107 287	106 443	120 953	110 828	134 880	125.7%
Total expenditure	million HUF	118 309	123 273	126 695	134 353	133 862	113.1%
Retained profit	million HUF	-11 022	-16 830	-5 742	-23 525	1 018	-

Passenger transport performance

Description	Type of vehicle	2009 fact	2010 fact	Index to base
Number of passengers	Tram	395 624	386 411	97.7%
(thousand passengers)	Trolleybus	70 809	67 840	95.8%
	Bus total	579 719	548 621	94.6%
	Suburban Railway	73 433	69 505	94.7%
	Metro	285 410	273 263	95.7%
	Millennium Underground	29 519	28 293	95.8%
Total		**1 434 514**	**1 373 933**	**95.8%**
Passenger kilometre	Tram	1 021 659	997 793	97.7%
(thousand passenger km)	Trolleybus	133 510	127 801	95.7%
	Bus total	2 271 450	2 166 492	95.4%
	Suburban Railway	494 394	469 401	94.9%
	Metro	1 342 102	1 283 763	95.7%
	Millennium Underground	57 170	54 779	95.8%
Total		**5 320 285**	**5 100 029**	**95.9%**
Average travel distance	Tram	2,58	2,58	100.0%
(km)	Trolleybus	1,89	1,88	99.5%
	Bus average	3,92	3,95	100.8%
	Suburban Railway	6,73	6,75	100.3%
	Metro	4,70	4,70	100.0%
	Millennium Underground	1,94	1,94	100.0%
	Average	**3,71**	**3,71**	**100.0%**

Passenger numbers and passenger-km data are different than those published in Annual Report 2009 because calculation method of passenger numbers has changed from 2010. Boarding passengers are counted instead of passengers of transport modes, consequently base data are corrected.

Statistical Data

Main data of the network

Description		Bus	Tram	Trolleybus	Suburban rail	Metro	Boat
Number of lines	2009	245	31	15	8	3	2
(pieces)	2010	239	31	15	8	3	1
	difference	-6	0	0	0	0	-1
Total lenght of lines	2009	2683,60	240,40	72,95	145,50	30,80	1,20
(km)	2010	2633,00	240,40	73,55	145,50	30,80	0,15
	difference	-53,60	0	+0,60	0	0	-1,05
Network length	2009	1005,25	156,85	55,10	97,90	34,60	1,20
(km)	2010	998,25	156,85	56,70	97,90	34,60	0,15
	difference	-7,00	0	+1,60	0	0	-1,05
Number of stops	2009	3841	677	276	139	78	4
(pieces)	2010	3819	677	283	139	78	2
	difference	-22	0	+7	0	0	-2

Vehicle management

Description	Type of vehicle	2009 fact	2010 fact	Index to base
Average vehicle fleet	Tram	605	604	99.8%
(pieces)	Trolleybus	161	160	99.4%
	Bus total	1 389	1 371	98.7%
	Suburban Railway	294	294	100.0%
	Metro	369	368	99.7%
	Millennium Underground	23	23	100.0%
	Total	**2 841**	**2 820**	**99.3%**
Vehicle fleet in operation	Tram	432	437	101.2%
(pieces)	Trolleybus	111	110	99.1%
	Bus total	1 141	1 109	97.2%
	Suburban Railway	234	230	98.3%
	Metro	265	264	99.6%
	Millennium Underground	17	17	100.0%
	Total	**2 200**	**2 167**	**98.5%**
Rate of availability	Tram	71,4%	72,4%	1.0%
(%)	Trolleybus	68,9%	68,8%	-0.1%
	Bus average	82,1%	80,9%	-1.2%
	Suburban Railway	79,6%	78,2%	-1.4%
	Metro	71,8%	71,7%	-0.1%
	Millennium Underground	73,9%	73,9%	0.0%
	Average	**77,4%**	**76,8%**	**-0.6%**

Quality-efficiency (traffic) indicators of the passenger transport

Description	Type of vehicle	2009 fact	2010 fact	Index to base
Space kilometre	Tram	4 193 041	4 265 369	101.7%
(thousand space km)	Trolleybus	582 517	584 737	100.4%
	Own bus performance	7 801 470	7 750 014	99.3%
	Outsourced bus performance	671 181	632 515	94.2%
	Bus total	8 472 651	8 382 529	98.9%
	Suburban Railway	2 743 368	2 688 884	98.0%
	Metro	5 344 349	5 319 662	99.5%
	Millennium Underground	216 314	216 401	100.0%
	Total	**21 552 240**	**21 457 582**	**99.6%**
Useful vehicle kilometre	Tram	28 531	28 820	101.0%
(thousand km)	Trolleybus	5 950	5 970	100.3%
	Own bus performance	84 947	83 844	98.7%
	Outsourced bus performance	8 883	8 661	97.5%
	Bus total	93 830	92 505	98.6%
	Suburban Railway	18 673	18 301	98.0%
	Metro	29 287	29 158	99.6%
	Millennium Underground	1 144	1 145	100.1%
	Total	**177 415**	**175 899**	**99.1%**
Hours of operation	Tram	2 124 631	2 124 031	100.0%
(hour)	Trolleybus	526 898	534 413	101.4%
	Own bus performance	5 606 703	5 505 383	98.2%
	Outsourced bus performance	549 646	529 947	96.4%
	Bus total	6 156 349	6 035 330	98.0%
	Suburban Railway	845 610	833 698	98.6%
	Metro	1 234 134	1 226 822	99.4%
	Millennium Underground	73 406	73 350	99.9%
	Total	**10 961 028**	**10 827 644**	**98.8%**
Train-km	Tram	18 221	18 529	101.7%
(thousand km)	Suburban railway	4 257	4 193	98.5%
	Metro	5 213	5 190	99.6%
	Millennium Underground	1 144	1 145	100.1%
	Total	**28 835**	**29 057**	**100.8%**

Average Personnel Headcount

Description	2009 fact	2010 fact	Index to base	Headcount 31.12.2010
1. Economic managers	320	325	101.6%	330
2. Employees with university or college degree	318	318	100.0%	314
3. Employees with other higher and secondary education	1 092	1 085	99.4%	1 057
4. Administrative office employees	494	471	95.3%	465
Total white collars (1+2+3+4)	**2 224**	**2 199**	**98.9%**	**2 166**
5. Employees working in the service (without assistant drivers)	942	961	102.0%	1 001
6. Agricultural employees	0	0	0.0%	0
7. Industrial, construction employees	3 024	3 018	99.8%	3 046
8. Machine operators	569	544	95.6%	539
9. Employees without training	191	181	94.8%	188
Total blue collars (without drivers and assistant drivers)	**4 726**	**4 704**	**99.5%**	**4 774**
Total full-time employees (without drivers and assistant drivers)	**6 950**	**6 903**	**99.3%**	**6 940**
Drivers — Tram drivers	895	913	102.0%	918
Trolleybus drivers	322	319	99.1%	311
Bus drivers	3 238	3 400	105.0%	3 298
Suburban Railway drivers	132	139	105.3%	132
Mill. Underground drivers	64	70	109.4%	67
Metro drivers	254	260	102.4%	254
Total public transport drivers	**4 905**	**5 101**	**104.0%**	**4 980**
Metro assistant drivers	75	78	104.0%	75
Total public transport drivers and assistant drivers:	4 980	5 179	104.0%	5 055
Total blue collar workers (5+6+7+8+9)	9 706	9 883	101.8%	9 829
TOTAL FULL-TIME EMPLOYEES	**11 930**	**12 082**	**101.3%**	**11 995**
TOTAL NOT FULL-TIME EMPLOYEES	347	296	85.3%	118
of that learner driver	109	82	75.2%	52
Other physical workers over 60 hours	171	143	83.6%	0
Other white collars over 60 hours	7	6	85.7%	0
Apprentices	221	238	107.7%	262
Pensioners	150	129	86.0%	101
TOTAL	**12 648**	**12 745**	**100.8%**	**12 476**

Fares

(HUF)

Description	From 01.01.2009 (20% VAT)	From 01.07.2009 (25% VAT)	From 01.02.2010 (25% VAT)
Single ticket	290	300	320
Transfer ticket	450	470	490
Discount coupon book (10 pieces of single tickets)	2 600	2 700	2 800
Short section metro ticket	240	250	260
24-hour travel card	1 500	1 550	1 550
72-hour travel card	3 700	3 850	3 850
Seven-day travel card	4 400	4 600	4 600
Family ticket (for 48 hours)	2 100	2 200	2 200
Two-Week Budapest Pass	5 950	6 200	6 500
Monthly Budapest pass	9 000	9 400	9 800
Monthly Budapest student pass	3 550	3 700	3 850
Monthly Budapest pensioner pass	3 550	3 700	3 700
Quarterly Budapest pass for 100 days	27 000	28 200	29 400
Quarterly Budapest student pass for 100 days	10 650	11 100	11 550
Quarterly Budapest pensioner pass for 100 days	10 650	11 100	11 100
Semester pass (for students)	-	-	18 000
Yearly pass at a discount price	99 000	103 400	107 000
Yearly student pass at a discount price	39 050	40 700	42 000
Yearly pensioner pass at a discount price	39 050	40 700	40 700

Available since 1 January 2010. Its price was HUF 17,500 in January.

Data of the Ticket and Pass Controls

Description	2009	2010
Inspected number of passengers (persons)	16 500 000	16 900 000
Checked number of vehicles (cars)	1 594 000	1 610 000
Number of surcharge process reports (pieces)	358 171	320 729
Number of on-the-spot surcharges (pieces)	29 254	29 528
Number of subsequent pass-shows (pieces)	40 627	41 467
Surcharge revenue (HUF)	996 455 441	729 756 441
Commercial revenue of the Ticket Conductor Services of Suburban Railway (HUF)	489 769 265	539 687 560

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