

BUDAPEST STOCK EXCHANGE LTD.

**Financial Statements under IFRS as adopted by the EU and
Independent Auditor's Report**

For the year ended 31 December 2008

Contents

	Page
Independent Auditor's Report	1
Financial Statements	
Balance Sheet as at 31 December 2008	2
Income Statement for the year ended 31 December 2008	3
Statement of Changes in Shareholders' equity for the year ended 31 December 2008	4
Cash Flow Statement for the year ended 31 December 2008	5
Notes to the Financial Statements	6 – 24



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Independent Auditor's Report

To the shareholders of Budapest Stock Exchange Ltd.

We have audited the accompanying financial statements of Budapest Stock Exchange Ltd. (hereinafter referred to as "the Company"), which comprise the balance sheet as at 31 December 2008, and the income statement, statement of changes in shareholders' equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, as adopted by EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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 principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Budapest Stock Exchange Ltd. as at 31 December 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by EU.

Budapest, 25 March 2009

KPMG Hungária Kft.
1139 Budapest, Váci út 99.


Gábor Agócs
Partner



Budapest Stock Exchange Ltd.

Balance sheet
As at 31 December 2008

(in million HUF)

	Notes	2008 HUF million	2007 HUF million
ASSETS			
Property, equipment and intangible assets	11	207	211
Investment in associated company	12	6 638	6 980
<i>Non-current assets</i>		<i>6 845</i>	<i>7 191</i>
Trade and other receivables	13	626	502
Marketable securities available for sale	14	0	322
Cash at bank and in hand	15	2 305	2 475
<i>Current assets</i>		<i>2 931</i>	<i>3 299</i>
TOTAL ASSETS		9 776	10 490
EQUITY AND LIABILITIES			
Share capital	16	541	541
Reserves	17	2 576	2 576
Retained earnings		5 777	6 359
Total shareholder's equity		8 894	9 476
Deferred tax liability (<i>Non-current liabilities</i>)	10	306	375
Trade and other creditors (<i>Current liabilities</i>)	18	575	639
Total liabilities		881	1 014
TOTAL EQUITY AND LIABILITIES		9 776	10 490

The accompanying notes to the financial statements on pages 6 to 24 form an integral part of these financial statements.

Budapest Stock Exchange Ltd.*Income statement**For the year ending 31 December 2008*

(in million HUF)

Income statement

	Notes	2008 HUF million	2007 HUF million
Revenues	6	3 273	3 916
Other income		18	30
Operating expenses	7	-1 913	-2 002
Financial income	9	1 218	1 066
Financial expense		-14	-4
Share of associated company profit/loss	12	-355	149
Net profit before taxation		2 227	3 155
Taxation	10	-237	-451
Net profit for the year		1 989	2 704

The accompanying notes to the financial statements on pages 6 to 24 form an integral part of these financial statements.

Budapest Stock Exchange Ltd.
Statement of changes in Shareholders' equity
For the year ending 31 December 2008

(in million HUF)

	Share capital	Capital reserve	Reserves	Retained earnings	Total equity
		reserve	Revaluation reserve		
HUF million					
Financial Year Ended 31 December 2007					
Balance at 1 January 2007	541	2 576	-50	6 053	9 120
Dividend paid from profit 2006				-2 398	-2 398
<i>Subtotal: Capital transactions with shareholders</i>	0	0	0	-2 398	-2 398
Unrealised loss on financial assets available for sale			50		50
Profit for financial year 2007				2 704	2 704
<i>Subtotal: Recognised income and expense for the year</i>	0	0	50	2 704	2 754
Balance at 31 December 2007	541	2 576	0	6 359	9 476
Financial Year Ended 31 December 2008					
Balance at 1 January 2008	541	2 576	0	6 359	9 476
Dividend paid from profit 2007				-2 571	-2 571
<i>Subtotal: Capital transactions with shareholders</i>	0	0	0	-2 571	-2 571
Profit for financial year 2008				1 989	1 989
<i>Subtotal: Recognised income and expense for the year</i>	0	0	0	1 989	1 989
Balance at 31 December 2008	541	2 576	0	5 777	8 894

The accompanying notes to the financial statements on pages 6 to 24 form an integral part of these financial statements.

Budapest Stock Exchange Ltd.*Cash Flow Statement**For the year ended 31 December 2008*

(in million HUF)

	Notes	2008 HUF million	2007 HUF million
Cash flows from operating activities			
Net profit for the year		1 989	2 704
Depreciation and amortisation	7	89	121
Share of associated companies profit before taxation		355	-149
Interest income	9	-195	-193
Dividend received	9	-976	-860
Income tax expense	10	237	451
Change in operating assets and liabilities			
Net (increase)/decrease in trade and other receivables	13	-124	277
Net increase/(decrease) in trade and other creditors	18	-64	-22
Income tax paid		-306	-411
Net Cash from Operating Activities		1 006	1 918
Cash flows from investing activities			
Proceeds from disposal of securities		322	2 094
Acquisition of securities		0	-322
Interest received	9	195	193
New acquisitions	12	-13	0
Dividends received	9	976	860
Purchase of intangibles, property, plant and equipment	11	-100	-194
Proceeds from the sale of property, plant and equipment	11	25	0
Sale of intangible, property, plant and equipments	11	-10	46
Net cash flow from investing activities		1 395	2 677
Cash flows from financing activities			
Dividends paid		-2 571	-2 398
Net cash flow from financing activities		-2 571	-2 398
Net increase / (decrease) in cash and cash equivalents		-170	2 197
Cash and Cash Equivalents at Beginning of Year	15	2 475	278
Cash and Cash Equivalents at End of Year	15	2 305	2 475

The accounting policies and explanatory notes on pages 6 to 24 form an integral part of the financial statements.

Budapest Stock Exchange Ltd.

*Notes to the Financial Statement
For the year ended 31 December 2008*

(in million HUF)

1. REPORTING ENTITY

Budapest Stock Exchange Ltd. (the "Company") was founded on 21 June 1990. The four main activities of the Company are listing services, trading services, dissemination of market information and product development. The Company is operating under the relevant Capital Market Act. The Company's registered office is located at Andrásy street 63, Budapest, Hungary. The ownership structure of the Company is presented in Note 16.

The Company's controlling shareholder is Wiener Börse AG (address: Wallnerstraße 8 P.O.Box 192 A-1014 Vienna) from October 2008. The Company's financial statements are consolidated to the IFRS financial statement of Wiener Börse AG.

2. BASIS OF PREPARATION

a) Statement of compliance

These individual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), as adopted by the EU and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), as adopted by EU. These individual financial statements have been prepared for information purposes and are not intended to be filed with local Authorities.

These individual financial statements were approved by the Chief Executive Officer on the basis of the authorization of the Board of Directors on 25 March 2009.

b) Basis of measurement

The individual financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments are measured at fair value
- financial instruments at fair value through profit or loss are measured at fair value
- available-for-sale financial assets are measured at fair value

The methods used to measure fair values are discussed further in note 22.

c) Functional and presentation currency

These individual financial statements are presented in Hungarian Forint ("HUF"), which is the Company's functional currency. All financial information presented in HUF has been rounded to the nearest million („MHUF”).

Budapest Stock Exchange Ltd.

*Notes to the Financial Statement
For the year ended 31 December 2008*

(in million HUF)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

b) Basis of preparation

Associates are those entities in which the Company has significant influence, but no control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. Associate entities are accounted for using the equity method and are initially recognised at cost.

The Company's associate companies, Central Depository and Clearing House (Budapest) Ltd ("KELER") and KELER CCP Ltd. ("KELER CCP") are included in these financial statements using the equity method, whereby the investment was initially recorded at cost and adjusted thereafter for the post acquisition change in the Company's share of net assets. The income statement reflects the Company's share of the results of operations of the investee.

c) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation, or qualifying cash flow hedges, which are recognised directly in equity.

Budapest Stock Exchange Ltd.

*Notes to the Financial Statement
For the year ended 31 December 2008*

(in million HUF)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) *Financial instruments*

i) *Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Held-to-maturity investments

If the Company has the positive intent and ability to hold debt securities to maturity, then they are classified as held-to-maturity. Held-to-maturity investments are measured at amortised cost using the effective interest method, less any impairment losses.

Available-for-sale financial assets

The Company's investments in equity securities and certain debt securities are classified as available-for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, and foreign exchange gains and losses on available-for-sale monetary items are recognised directly in equity. When an investment is derecognised, the cumulative gain or loss in equity is transferred to profit or loss.

Financial assets at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

e) *Derivative financial instruments*

The Company does not hold any derivative financial instruments.

Budapest Stock Exchange Ltd.

Notes to the Financial Statement
For the year ended 31 December 2008

(in million HUF)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f) *Property, plant and equipment*

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The annual rates used for this purpose, which are consistent with those of the prior years, are:

Leasehold premises and related expenditure	6%
General electrical equipment	14.5% - 20%
Computer systems	33%
Office furniture, fittings and other equipment	14.5% - 20%
Motor vehicles	20%

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Residual values are considered to be nil. Depreciation is not charged on tangible fixed assets which have not yet been brought into use and on land. Depreciation methods, useful lives and residual values are reassessed at the reporting date. Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amount and are taken into account in determining other income.

g) *Intangible assets*

Software costs for the development and implementation of systems which enhance the services provided by the Company are capitalised and amortised straight line over their estimated useful lives, which is an average of three years.

Budapest Stock Exchange Ltd.

*Notes to the Financial Statement
For the year ended 31 December 2008*

(in million HUF)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Impairment

i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

In respect of assets other than goodwill, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Budapest Stock Exchange Ltd.

*Notes to the Financial Statement
For the year ended 31 December 2008*

(in million HUF)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

i) Employee benefits

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

Wages and salaries include contributions to defined contribution schemes, on the basis of the decision of the employees. There are no defined benefit schemes.

j) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

k) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Company and the revenue can be reliably measured. Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. The following specific recognition criteria must also be met before revenue is recognised:

- Annual fees are recognised straight line over the 12 month period to which the fee relates.
- Admission fees are recognised at the time of admission to trading.
- Data, transaction, information and exchange charges are recognised in the month in which the data is provided or the transaction is effected.

Operating revenue comprises membership and other fees receivable from stockbrokers together with fees receivable in respect of the listing, clearing, registration and trading of quoted securities and related services.

l) Finance income

Finance income comprises interest income on funds invested (including available-for-sale financial assets), dividend income, gains on the disposal of available-for-sale financial assets. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Company's right to receive payment is established.

Budapest Stock Exchange Ltd.

*Notes to the Financial Statement
For the year ended 31 December 2008*

(in million HUF)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

n) Events after the balance sheet date

Events after the balance sheet date are those events, favourable and unfavourable, that occur between the balance sheet date and the date when the financial statements are authorised for issue. These events are adjusting and non-adjusting events according to IAS 10.

All adjusting events after balance sheet date have been taken into account in the preparation of the individual financial statements of the Company.

Budapest Stock Exchange Ltd.

*Notes to the Financial Statement
For the year ended 31 December 2008*

(in million HUF)

4. FINANCIAL RISK MANAGEMENT

a) *Overview*

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further disclosures are included throughout these individual financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board has established the risk management policies, which describes the responsibilities for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

b) *Credit risk*

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Consumer's receivables from customers and investment securities

The Company has no significant concentrations of credit risk. It has policies in place to ensure that sales are made to customers with an appropriate credit history. The Company has policies that limit the amount of credit exposure to any individual customer or financial institution other than the State.

c) *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Cash and available for sale security portfolio held by the Company are considered to be sufficient for liquidity management purposes.

Budapest Stock Exchange Ltd.

*Notes to the Financial Statement
For the year ended 31 December 2008*

(in million HUF)

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

c) Liquidity risk (continued)

In accordance with legal provisions, Company invests its free liquid assets as a deposit in the case of a period of less than a month, for a period of over a month it invests them in government securities or time deposits. The company's liquid assets are stable, and the Company believes its liquidity risk is low.

d) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company operates domestically only and is not exposed to significant foreign exchange risk. The Company prices are set by internal rules as authorized by the Board or by the Members. Financial assets are not exposed to interest rate risk with the exception of the investments as disclosed in Note 14.

e) Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital. The Board of Directors also monitors the level of dividends to ordinary shareholders.

There were no changes in the Group's approach to capital management during the year.

The Company is not subject to externally imposed capital requirements.

Budapest Stock Exchange Ltd.

Notes to the Financial Statement
For the year ended 31 December 2008

(in million HUF)

5. PRESENTATION OF FINANCIAL INSTRUMENTS

a) *Interest rate sensitivity analysis for variable rate instruments*

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables (if any) remain constant. The analysis is performed on the same basis for 2007.

<i>Effect in HUF million</i>	Profit or loss		Equity	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
31 December 2008				
Variable rate instruments	5	5	5	5
Interest rate sensitivity	5	5	5	5
31 December 2007				
Variable rate instruments	8	8	8	8
Interest rate sensitivity	8	8	8	8

b) *Foreign exchange sensitivity*

The Company operates domestically only and is not exposed to significant foreign exchange risk.

c) *Basis of determining fair value*

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments.

Marketable securities available for sale

The fair value of marketable securities available for sale is determined by reference to their quoted bid price at the reporting date.

Other financial instruments

The fair value of all other financial instruments is estimated to be equal to the carrying amount of these assets. These assets include cash, trade and other receivable and payables.

Budapest Stock Exchange Ltd.

*Notes to the Financial Statement
For the year ended 31 December 2008*

(in million HUF)

6. REVENUES

	2008	2007
	HUF million	HUF million
Revenues from trading fees	2,026	2,773
Revenues from listing fees	613	591
Revenues from sale of information	540	467
Revenues from services purchased	94	85
Total	3,273	3,916

7. OPERATING EXPENSES

	Note	2008	2007
		HUF million	HUF million
Staff costs	8	972	945
PR, marketing costs		86	62
Non-deductible VAT		87	125
Local community business tax		61	75
Strategy development services		121	133
Licence fees		60	127
Maintenance costs		23	16
Rental		147	115
Depreciation of property, equipment and intangibles		89	121
Services utilised		94	85
Communication expenses		36	34
Material costs		29	25
Travelling expenses		13	19
Other administration expenses		95	120
Total		1 913	2 002

Other administration expenses include service expenses incurred in the normal course of the business.

Budapest Stock Exchange Ltd.

*Notes to the Financial Statement
For the year ended 31 December 2008*

(in million HUF)

8. EMPLOYEE INFORMATION

	2008	2007
	HUF million	HUF million
Wages and salaries	687	673
Social security costs	251	240
Other personnel type expenses	34	32
Total	972	945

The average number of employees during the year was 65 (2007: 68).

9. FINANCIAL INCOME

	2008	2007
	HUF million	HUF million
Interest income from securities	7	90
Interest income from banks	188	103
Dividend income	976	860
Foreign currency gains	45	13
Other financial income	2	0
Total	1 218	1 066

10. TAXATION

	2008	2007
	HUF million	HUF million
<i>Current tax expense</i>		
Corporate tax	241	325
Solidarity tax	65	86
	<u>306</u>	<u>411</u>
<i>Deferred tax expense/reversal</i>		
Origination and reversal of temporary differences	-69	40
	<u>-69</u>	<u>40</u>
Total income tax expense	237	451

Budapest Stock Exchange Ltd.

*Notes to the Financial Statement
For the year ended 31 December 2008*

(in million HUF)

10. TAXATION (CONTINUED)

Deferred tax is calculated at a rate of 20% (16% corporate income tax and 4% solidarity tax) that is applicable to the Company from 1 January 2008.

The reconciliation between the average effective tax rate and the applicable tax rate is as follows:

	2008		2007	
	%	HUF million	%	HUF million
Net profit before taxation		2 227		3 155
Applicable tax rate	20,0%	445	20,0%	631
Tax effect of				
- dividend received	-8,8%	-195	-4,8%	-138
- others	2,5%	56	-2,9%	-82
Deferred tax effect of equity accounting for associate Keler	-3,1%	-69	1,4%	40
Total income tax expense / benefit	10,7%	237	15,8%	451

The provision for deferred taxation (liability) for the year is analysed as follows:

	2008	2007
	HUF million	HUF million
At beginning of the year	375	335
Debited in equity	0	0
Debited/(Credited) in net profit	-69	40
At end of the year	306	375

Deferred income taxes are calculated on all temporary differences under the balance sheet liability method using a principal tax rate of 20% (2007: 20%). The balance at 31 December mainly represents the untaxed gain of investments in associated companies..

There are no unrecognised tax assets or liabilities.

Budapest Stock Exchange Ltd.

Notes to the Financial Statement
For the year ended 31 December 2008

(in million HUF)

11. PROPERTY, EQUIPMENT AND INTANGIBLE ASSETS

year 2008	Computer softwares and other intangible assets	Leasehold premises and related expenditure	IT equipment	Office furniture fixtures and other equipment	Motor vehicles	Total
HUF million						
Cost						
1 January 2008	940	34	206	157	31	1 368
Additions	33	7	16	28	16	100
Disposals and charge offs	0	0	0	-8	-17	-25
31 December 2008	973	41	222	177	30	1 443
Depreciation						
1 January 2008	917	7	146	79	8	1 157
Charge for the year	24	7	35	19	4	89
Eliminated on disposals	0	0	0	-3	-7	-10
31 december 2008	941	14	181	95	5	1 236
Net book value						
1 January 2008	23	27	60	78	23	211
31 December 2008	32	27	41	82	25	207
year 2007						
HUF million						
Cost						
1 January 2007	938	92	162	92	25	1 309
Additions	2	29	54	103	6	194
Disposals and charge offs		-87	-10	-38		-135
31 December 2007	940	34	206	157	31	1 368
Depreciation charge						
1 January 2007	895	56	114	56	4	1 125
Charge for the year	22	8	42	45	4	121
Eliminated on disposals		-57	-10	-22		-89
31 December 2007	917	7	146	79	8	1 157
Net book value						
1 January 2007	43	36	48	36	21	184
31 December 2007	23	27	60	78	23	211

There are no restrictions on title, and no property, plant and equipment is pledged as security for liabilities.

Budapest Stock Exchange Ltd.

Notes to the Financial Statement
For the year ended 31 December 2008

(in million HUF)

12. INVESTMENT IN ASSOCIATED COMPANY

The Company holds an investment of 46,7% (2007: 46.7%) in KELER and an investment of 25.5% (2007:0%) in KELER CCP. KELER CCP was established in 2008 with to purpose to provide risk management services on the market.

	2008 HUF million	2007 HUF million
Opening balance	6 980	6 831
Foundation of KELER CCP	13	0
Share of post acquisition reserves	621	1 009
Dividend received	-976	-860
Closing balance	6 638	6 980

The financial year for KELER and KELER CCP is 31 December. The aggregated IFRS consolidated financial information of KELER is as follows:

	2008 HUF million	2007 HUF million
Assets	36,039	39,073
Liabilities	21,830	24,116
Shareholder's equity	14,209	14,957
Revenues	6,472	6,339
Net profit for the year	1,330	1,884

13. TRADE AND OTHER RECEIVABLES

	2008 HUF million	2007 HUF million
Fees receivable	267	99
Prepayments and accrued income	346	375
Other assets	13	28
Total	626	502

14. MARKETABLE SECURITIES AVAILABLE FOR SALE

	2008 HUF million	2007 HUF million
Hungarian Government treasury bills at cost	0	322
Unrealised gain/-loss recognised in equity	0	0
Total	0	322

Budapest Stock Exchange Ltd.

Notes to the Financial Statement
For the year ended 31 December 2008

(in million HUF)

15. CASH AT BANK AND IN HAND

	2008 HUF million	2007 HUF million
Deposit and current accounts	12	49
Short term bank deposits	2 293	2 426
Total	2 305	2 475

16. SHARE CAPITAL

The Company's authorised, issued, called up and fully paid share capital comprises 5,413,481 (2007: 5,413,481) ordinary shares with par value of HUF 100. All shares rank pari passu in the event of a winding up. The share capital represents shares held by the following shareholders:

	2008 %	2007 %
WIENER BÖRSE AG.	50,5%	12,5%
ÖSTERREICHISCHE KONTROLLBANK AG.	18,3%	12,5%
Hungarian National Bank	6,9%	6,9%
CONCORDE Értékpapír Zrt.	4,2%	5,1%
KBC Securities Mo. Fióktelepe	5,2%	5,2%
URBANA Corporation	3,1%	0,0%
ING Bank Zrt.	2,3%	2,3%
OTP Bank Nyrt.	2,7%	2,7%
MOL	2,2%	2,2%
UniCredit Bank Hungary Zrt.	0,0%	25,2%
RAIFFEISEN ZENTRALBANK AG.	0,0%	6,4%
ERSTE BANK VIENNA AG.	0,0%	6,4%
ERSTE Befektetési Zrt.	0,0%	5,8%
Others (all under 2% share individually)	4,6%	6,8%
Total	100,0%	100,0%

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company.

Budapest Stock Exchange Ltd.

Notes to the Financial Statement
For the year ended 31 December 2008

(in million HUF)

17. RESERVES

Capital reserve:

The balance on this reserve represents share premium and recognized mark to market valuation of certain assets at the transformation of the exchange in 2002.

Revaluation reserve:

The balance on this reserve represents unrealised gains, net of losses, arising from the revaluation at fair value of financial assets classified as "available-for-sale", net of deferred taxation.

18. TRADE AND OTHER CREDITORS

	2008 HUF million	2007 HUF million
Accruals, prepaid listing fees	286	297
Accrued salaries and bonuses	157	180
Taxes and social security payable	109	170
Trade and other creditors	23	32
Total	575	679

19. RELATED PARTY INFORMATION

	Management		Shareholders with significant influence	
	2008	2 007	2008	2 007
	HUF million			
ASSETS				
Loans	0	0	0	0
Other	0	0	0	0
LIABILITIES				
Borrowed funds	0	0	0	0
Other	0	0	0	0
INCOME STATEMENT				
Income	6	4	123	241
Expense	379	347	7	10
-from which: management remuneration (salaries)	317	263		

Management includes members of the Board of Directors and the members of the Supervisory Board. Shareholders with significant influence include UniCredit Bank Hungary Zrt., Österreichische Kontrollbank AG., Wiener Börse AG.

Budapest Stock Exchange Ltd.

*Notes to the Financial Statement
For the year ended 31 December 2008*

(in million HUF)

20. EVENTS AFTER BALANCE SHEET DAY

At the annual general meeting of the company on 02 April 2009, the shareholders declared a dividend of HUF 2,3 million.

21. FORTHCOMING IFRS-S

Standards and interpretations issued but effective only for annual reporting periods beginning after 1 January 2009.

Amended IFRS 1 and IAS 27	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards and IAS 27 Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate Effective date: 1 January 2009
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The Company is not a first-time adopter of IFRS, the amendments are not relevant to the unconsolidated financial statements.

Amended IFRS 2	Amendment to IFRS 2 Share-based Payment – Vesting Conditions and Cancellations Effective date: 1 January 2009
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The amendment is not relevant to the Company's operations.

Revised IFRS 3	Business Combinations Effective date: 1 July 2009
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The amendment is not relevant to the Company's individual financial statements.

IFRS 8	Operating Segments Effective date: 1 January 2009
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The Company is currently in the process of evaluating the potential effect of this standard.

Revised IAS 1	Presentation of Financial Statements Effective date: 1 January 2009
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The Company is currently in the process of evaluating the potential effect of this amendment.

Revised IAS 23	Borrowing Costs Effective date: 1 January 2009
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The Company is currently in the process of evaluating the potential effect of this amendment.

Budapest Stock Exchange Ltd.

*Notes to the Financial Statement
For the year ended 31 December 2008*

(in million HUF)

21. FORTHCOMING IFRS-s (CONTINUED)

Amended IAS 27	Consolidated and Separate Financial Statements Effective date: 1 July 2009
Amended IAS 32 and IAS 1	The amendment is not relevant to the individual financial statements. Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation Effective date: 1 January 2009 The amendments are not expected to have any significant impact on the individual financial statements.
Amended IAS 39	Eligible Hedged Items – Amendment to IAS 39 Financial Instruments: Recognition and Measurement Effective date: 1 July 2009
IFRIC 13	The amendment is not relevant to the individual financial statements. Customer Loyalty Programmes Effective date: 1 July 2009 IFRIC 13 is not relevant to the Company's operations.
IFRIC 15	Agreements for the Construction of Real Estate Effective date: 1 January 2009 IFRIC 15 is not relevant to the Company's operations.
IFRIC 16	Hedges of a Net investment in a Foreign Operation Effective date: 1 October 2009 IFRIC 16 is not relevant to the Company's operations.