‘FOR THE NEIGHBOURS OF BUDAPEST AIRPORT’ PUBLIC BENEFIT FOUNDATION

PUBLIC BENEFIT REPORT
2011

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[Signatures]

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I. General description of the public benefit activity

'For the neighbours of Budapest Airport' Public Benefit Foundation ('the Foundation') aims to improve and support the circumstances of living, social status and living standards of those living in the vicinity of the Airport.

The Foundation seeks to achieve its goals by

(i) supporting the noise insulation of the residential buildings and community institutions located in the vicinity of the Airport;

(ii) supporting the programmes organized or financed by the neighbouring municipalities, aimed at improving the social status or circumstances of living of those living in the vicinity of the Airport;

(iii) supporting the civil organizations serving the interests of those living in the vicinity of the Airport;

(iv) providing social benefits (e.g. firewood, etc.) to those living in the vicinity of the Airport;

(v) supporting the education and foreign study trips of those in need and living in the vicinity of the Airport;

(vi) contributing to the provision of social allowances to those in social need and living in the vicinity of the Airport;

(vii) supporting those in social need and living in the vicinity of the Airport in participating in student and leisure sports;

(viii) in accordance with the goals of the Foundation, providing benefits in kind to those in social need and living in the vicinity of the Airport.

The Foundation shall realize the above goals by the following public benefit activities, as specified in Act CLVI of 1997 on Public Benefit Organizations (hereinafter: Ksztv.): maintenance of health, prevention of illness, medical care and health rehabilitation activities, social activities, family aid, care of elderly people (Ksztv. Article 26 c, Clauses 1, 2).

II. Information on the use of supports, grants received

The Foundation was registered on 20 November 2010 with the initial capital of HUF 500,000.

The Foundation received a support of EUR 100,000 from its founder, Budapest Airport Zrt., from which it provided a subsidy of HUF 20,000,000 to the Vecsés City Municipality. The municipality can use the subsidy for the following purposes:

- pavement construction and meteoric water drainage construction at Sándor Petőfi Primary and High School;
- window replacement and outdoor insulation at Halmi Neighbourhood Primary School;
- total renovation of changing rooms, toilets at Sándor Petőfi Primary and High School;
- via color covering of the area between the two building of Sándor Petőfi Primary and High School;
- construction of the exit of the gymnasium at Antal Grassalkovich German Nationality and Bilingual Primary School - Anton Grassalkovich Grunshche Wetschesch to enable the institution to hold events;
- insulation and painting of the outdoor facade of Mosolyország Nursery School’s building, roof renovation of Tompa street Nursery School.
In addition, in 2011 the Foundation started the fourth phase of the noise insulation program initiated by Budapest Airport Zrt. during which noise insulation for the bedroom windows and ventilators were provided for at the most noise-exposed properties of Budapest district XVII. to ensure a supply of fresh air, even with the windows closed.

The application form regarding the noise insulation program was delivered to 150 properties out of those the Foundation have received applications from 31 households. 1 resident cancelled the request and out of the remaining 30 buildings during the calendar year 2011 the company Siegenia-Aubi completed 23 ventilator installations, while Duplo-Duplexed finished noise insulation in 12. The rest of the works have been completed in January-March 2012. In addition to these, in 2011 two unique requests were received from district XVIII, where the launch of the installation was approved by the Board of Trustees in November 2011. These works have been completed in May 2012.

The Foundation incurred HUF 9,955,871 in 2011 in connection with the program in district XVII.

In 2011 the Foundation did not receive budgetary support, targeted grants, and it did not receive any support from the central budgetary body, the separate state funds, the local government, the local minority government, the association of the municipal governments and from all organisations thereof.

The members of the Board of Trustees and the members of the Supervisory Board of the Foundation did not receive any compensation during 2011.

In 2011 the shareholders’ equity of the Foundation was negative. In order to restore the equity of the Foundation the Founder of the organisation transferred EUR 10,000 to the Foundation on 8 May 2012.

III. Financial statements

The Foundation prepares simplified public benefit financial statements based on the Government Decree No 224/2000 (XII. 19.). The simplified public benefit financial statements for the year 2011 forms the appendix of this public benefit report.