
**REPORT OF THE SUPERVISORY BOARD AND THE AUDIT COMMITTEE ON THE
ANNUAL ACCOUNTS OF THE DUNA HOUSE HOLDING NYRT. MADE UNDER THE
PROVISIONS OF THE ACCOUNTING ACT WITH THE CLOSING DATE OF 31 DECEMBER
2016.**

To the Annual General Meeting (“*General Meeting*”) of the **DUNA HOUSE HOLDING Nyrt.** (registered seat: 1016 Budapest, Gellérthegy u. 17.; comp.reg.no.: 01-10-048384; hereinafter: “*Company*”) on 20 April 2017.

The Supervisory Board and the Audit Committee reviewed the annual accounts of the business year 2016 made under the provisions of the Accounting act and the relevant documents. As the Board regularly presented the quarterly financial reports during the year, the Supervisory Board and the Audit Committee could gain insight into the interim consolidated financial statements.

The Supervisory Board agree with the content of the annual accounts of the business year 2016 made under the provisions of the Accounting act, as well as the assessment findings which are in the audit statements.

Based on the above, the Supervisory Board and the Audit Committee recommended the General Meeting to adopt the 2016 balance sheet, profit and loss account, supplementary appendices and business report of the Company – the authenticity and the regularity of the content are confirmed by audit certificates.

**PROPOSAL OF THE SUPERVISORY BOARD AND THE AUDIT COMMITTEE FOR THE
ADOPTION OF THE
ANNUAL ACCOUNTS OF THE DUNA HOUSE HOLDING NYRT. MADE UNDER THE
PROVISIONS OF THE ACCOUNTING ACT WITH THE CLOSING DATE OF 31 DECEMBER**

Having reviewed the Annual Account of Company for 2016 prepared by the Company and submitted to the Annual General Meeting, the analysis and statement of authentication made by the BDO Magyarország Kft., and the insight gained during the discussion of the Report, the Supervisory Board and the Audit Committee that the distinguished members of the General Meeting approve:

1. The Annual Account for 2016 submitted to the General Meeting (with total assets and total liabilities in the balance sheet being equally HUF 3 202 836 000), duly audited in compliance with the provisions of the Accounting Act.
2. The after-tax profit specified in the audited consolidated income statement for 2016 being HUF 62 850 000 loss.

Budapest, 27 March, 2017

Balázs Sándorfi
Head of the Supervisory Board and the Audit
Committee