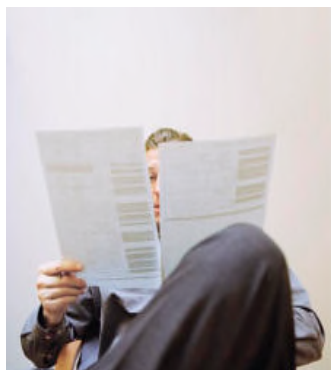


Have you thought of keeping your books in euro?



The Hungarian Act of Accounting enables – after fulfilment of the required conditions – companies to prepare their financial statements in foreign currency.

Many companies face significant problems due to movements of exchange rates. This includes wide fluctuation of monthly results, unpredictability of profit forecasts which causes many problems for CFOs and CEOs in explaining variances between actual and forecasted profits, and managing stakeholder expectations. The liberalisation of the accounting law is an opportunity to eliminate these issues.

In addition to solving the issue of fluctuating results conversion of books and records from HUF to EURO now would eliminate the hurdle of the conversion upon EURO adoption in Hungary. This would provide your Company a real competitive advantage. However, the change in the currency is not necessarily a straightforward exercise.

Are you ready for the euro?

Did you think of...

Strategy

- The long term implications of the changeover including the impact on meeting shareholder and stakeholder expectations, reporting on compliance with covenants and financial ratios, etc?
- The long term impact on your balance sheet, income statement and cash flow projections?
- The impact on the tax strategy of the Company?

Information technology, operation

- The challenges of managing the changeover in your system on Day1?
- How to manage the transition period in systems and operations before Day 1?
- The issues associated with using two currencies on your system and processes?
- How to ensure the completeness and correctness of converted data related to the past?

Accounting and taxation

- Whether your company is eligible for applying the foreign currency bookkeeping?
- If it is possible to make the retrospective change once your company has started its tax year?
- What are the implications on reporting and other frameworks applied by your Company?
- What is the impact on your registered capital?
- The issues associated with converting your assets and liabilities (face value of shares, calculation of production cost, write-offs, fixed asset schedule, inventory valuation, accruals, customs duties, etc)?
- What impact on the tax returns the conversion has and how to report it to the tax authority?

How can PricewaterhouseCoopers help you?

Feasibility Study

We can assist you to assess if your company meets the necessary requirements for the changeover.

Business Impact Assessment/Pre Implementation Review

We will perform an in-depth analysis of the operational and financial aspects of the foreign exchange (FX) conversion.

Project Health Check

This service is offered for businesses that have already completed their impact assessment, and are about to begin the implementation process. We can provide you an independent assessment of your FX changeover plan to assess its completeness and feasibility.

Project Management (Implementation)

We can help you co-ordinating the implementation of the planning of your business's FX changeover, by providing expert advice and quality assurance during the process.

Post Implementation Review

After go-live with the foreign currency we will perform a compliance check, whether the company followed all necessary requirements and still complies with the Act of Accounting and Taxation. We will also perform a migration review of general ledger and open items.

Professional Assistance

In performing complex projects such as FX changeover, expert advice and a review by an independent third party can often be of great assistance. If your business does not have the expertise or time to handle such a project, using an external advisor should be seriously considered.

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