

GRAPHISOFT PARK SE

Half-year Report – First Half 2011

August 8, 2011



GRAPHISOFT PARK





Financial highlights

IFRS, consolidated, thousand EUR

	3 months ended		6 months ended	
	June 30,	June 30,	June 30,	June 30,
	2010	2011	2010	2011
Revenue	1,822	1,985	3,658	3,955
Operating expense	(311)	(245)	(534)	(421)
Other income (expense)	27	48	43	63
EBITDA	1,538	1,788	3,167	3,597
Depreciation and amortization	(901)	(915)	(1,781)	(1,816)
Operating profit	637	873	1,386	1,781
Net interest expense	(570)	(499)	(1,151)	(1,027)
Operating profit and net interest	67	374	235	754
Exchange rate differences	(68)	26	(46)	137
Profit before tax	(1)	400	189	891
Income tax expense	(59)	(95)	(128)	(248)
Profit (loss) for the period	(60)	305	61	643
EBITDA margin (%)	84.4	90.1	86.6	90.9
Operating profit margin (%)	35.0	44.0	37.9	45.0

	December 31, 2010	June 30, 2011
Assets total	77,509	78,070
Investment property at cost*	67,119	67,787
Bank loans	53,831	52,938
Net debt	45,457	45,744

* Investment properties are shown in the financial statements of the Company at historical cost. Estimates on property fair market values are published annually. The latest valuation is disclosed in the Annual Report for 2010 (www.graphisoftpark.com).



Dear Shareholders,

In this business report, Graphisoft Park presents the progress made toward its goals in the following areas:

- Financial results for the first half 2011,
- Utilization, occupancy,
- Development activities,
- Other key issues,
- Forecast for the year 2011.

Financial results for the first half 2011

The Company closed the first half 2011 with revenues of 3,955 thousand euros, EBITDA of 3,597 thousand euros, and a net profit of 643 thousand euros.

- **Revenue** (3,955 thousand euros, Q1: 1,970 thousand euros, Q2: 1,985 thousand euros) increased by 8% compared to the previous year. The growth in revenue is a result of the continuously increasing general occupancy of the properties, and in particular the lease started in the second quarter of the comprehensively renovated "Administration building", located in the monument development area (see details in the "Utilization, occupancy" section below).
- **Operating expense** (358 thousand euros, Q1: 161 thousand euros, Q2: 197 thousand euros) decreased by 27% compared to the previous year as a result of strict cost control measures and decreased property related expenses because of the improvement in occupancy.
- **Depreciation** (1,816 thousand euros, Q1: 901 thousand euros, Q2: 915 thousand euros) increased by 2% compared to the previous year due to the constructions (development, remodeling and renovation of office space) completed on the office buildings of the core area in the amount of 1 million euros in 2010, and the completion of the monument development area's Administration building in the second quarter of 2011.
- **EBITDA** (3,597 thousand euros, Q1: 1,809 thousand euros, Q2: 1,788 thousand euros) increased by 14% and **operating profit** (1,781 thousand euros, Q1: 908 thousand euros, Q2: 873 thousand euros) increased by 28% compared to the previous year.
- **Net interest expense** (1,027 thousand euros, Q1: 528 thousand euros, Q2: 499 thousand euros) decreased by 11% compared to the previous due to decreasing interest expenses of the loans.
- **Net profit** (643 thousand euros, Q1: 338 thousand euros, Q2: 305 thousand euros) increased by 582 thousand euros compared to the previous year.

Utilization, occupancy

Occupancy rate of Graphisoft Park's 45,000 m² office and laboratory space developed as follows:

2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2
77%	79%	80%	83%	84%	85%

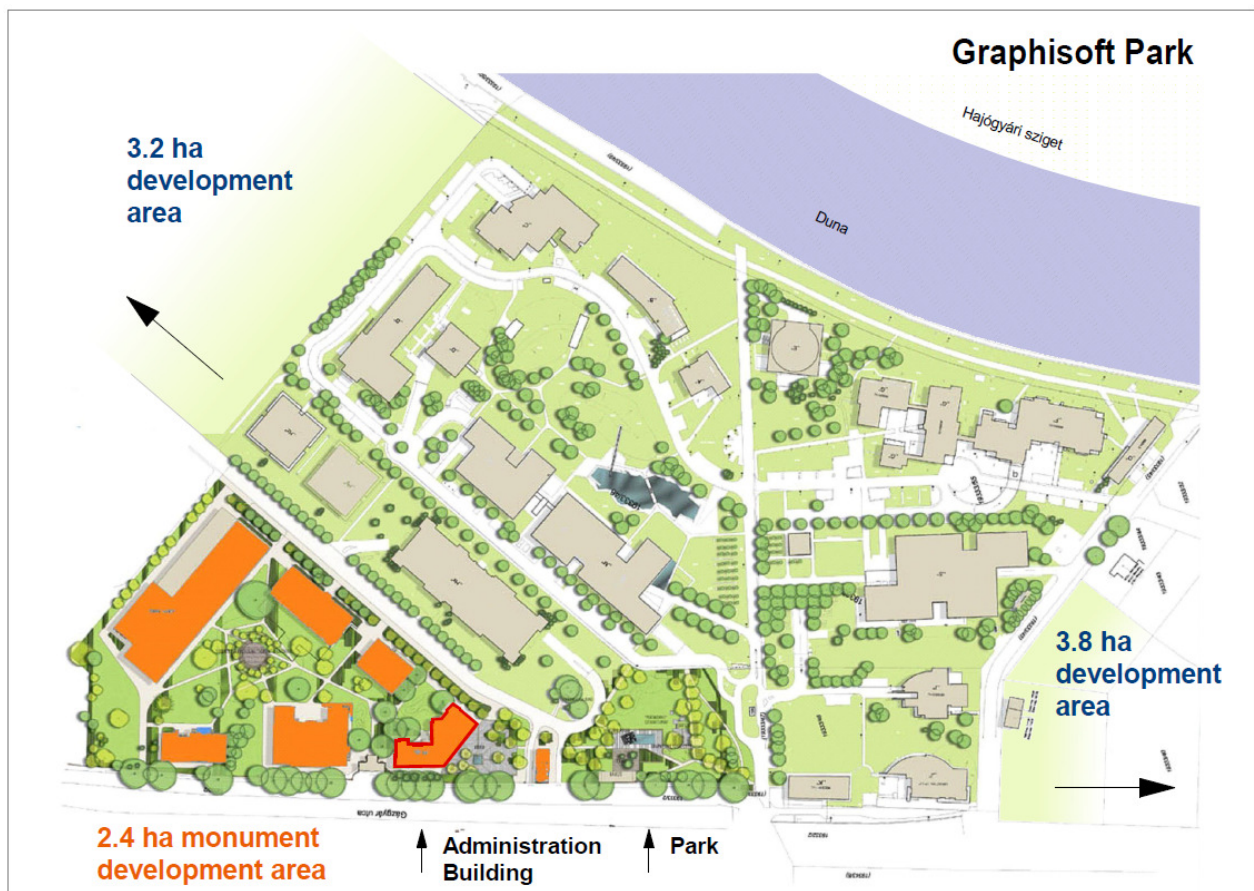
The improvement in occupancy is due to the success of our tenants' businesses and the consequent expansion needs, also to a host of new tenants moving in generally small offices.



Office space occupancy rates in Budapest have been growing continuously since the second half of 2010 - a positive development which is likely to increase occupancy of Graphisoft Park during 2011 as well. Our revenue forecast however, in the "Forecast for the year 2011" section reflects only the signed and valid lease agreements already in effect, and does not reflect this potential development.

Development activities

The total area of Graphisoft Park is nearly 18 hectares. Over the past 12 years 45,000 m² of office and laboratory space covering 8.5 hectares have been developed and occupied. In the remaining area there is a potential for the development of an additional 65,000 m² office space. In addition to this, 14,000 m² of building space in the monument area can be utilized after renovation.



Development of the **core area** of Graphisoft Park is completed. Investments such as development, remodeling and renovation of office space continue here to meet the needs of existing and new tenants. Current forecasts indicate that approximately 800 thousand euros will be spent on office space design and development in 2011.

The comprehensive renovation of the first building ("Administration building") in the **monument development area** has been completed in April 2011 with guidance and recognition from the National Office of Cultural Heritage. This development included the restoration of the original secession-style façade into its historical state, as well as the replacement of the building machinery, insulation and other equipment to bring them up to 21st century standards. The entire development cost - including demolition and landscaping - stayed within the planned budget of 1.5 million euros.



There is no larger scale development planned for this area for 2011. We are proceeding with the preparatory works for planning and gathering the documentation for the permitting procedures of two more buildings so that the actual development may start without any delay in case of rising demand for further office capacity.

In the long term the monument development area will be used primarily for educational purposes and it will also house the Aquincum Institute of Technology (AIT).

In the **development areas**, we obtained permission for and carried out the demolition of those structures that are not protected landmarks. The planned archeological excavations have been completed. If new demand arises, construction of a new office building could begin in the excavated southern development area. No further preparatory work or development will take place in the northern development area until the clean-up projects planned by the Capital City Gas Works are finished. Total land development costs in these areas were 3.1 million euros.

The main risk factors and limitations associated with these areas remain as follows:

- no valid zoning plan is in effect,
- significant risk of environmental pollution,
- regulations protecting landmark buildings limit the land's usability.

Other key issues

Dividend

On April 28, 2011, the Annual General Meeting of Graphisoft Park SE approved dividend distribution of 25 forints per share (totaling 260,129 thousand forints and 985,785 euros as of April 28, 2011). The starting date for dividend payments is September 5, 2011.

Realization of the educational function

In order to further strengthen Graphisoft Park's "science park" features we have concluded an agreement with Aquincum Institute of Technology (AIT) to create and run international higher education functions in the Park. AIT does this in close cooperation with Budapest University of Technology and Economics (BME) operating as an independent, specialized program of that institution.

The Aquincum Institute of Technology (AIT) was launched with a successful inaugural summer session in June and July of 2010. The program hosted students from top U.S. universities (e.g. Princeton, Williams, Olin, RPI, Smith) at Graphisoft Park. International response to the summer session can be found at AIT's website: ait-budapest.com. The first regular semester started in February 2011, hosting students from many more excellent North-American universities (Skidmore, Swarthmore, Pomona). Besides the international students, AIT provides high level education in small classes for selected students from BME as well. To them, the personal relations with the foreign students may prove to be an invaluable asset for their careers further on. AIT's curriculum uniquely blends IT education in line with Graphisoft Park's professional orientation with business instructions. This is complemented by courses highlighting the riches of Hungarian culture (language, literature, film, music and architecture) tailored for the needs of the international students. At the time of writing this report, the application period for the Fall semester of 2011 concluded successfully. The number of paying students doubled and additional prestigious North-American institutions decided to participate in the program (Carleton, University of Washington).

This new educational institution, whose presence further increases the attractiveness of Graphisoft Park, is leasing a total of 550 m² of space during 2011 for educational purposes, further increasing the Park's occupancy rate.



Forecast for the year 2011

Our forecast for the year 2011 is summarized in the following table. It is based exclusively on signed, valid lease agreements and the resulting occupancy rate of 85%. (The first two columns show 2010 actual results and 2011 plans.)

(million euros)	2010 actual	2011 plan	2011 forecast
Rental revenue	7.40	7.8	7.9
Operating expenses	- 0.93	- 0.9	- 0.8
EBITDA	6.47	6.9	7.1
Depreciation and amortization	- 3.60	- 3.8	- 3.7
Operating profit	2.87	3.1	3.4
Net interest expense	- 2.28	- 2.1	- 2.1
Exchange rate difference	- 0.03	-	-
Income tax expense	- 0.27	- 0.3	- 0.3
Net profit	0.29	0.7	1.0

The expected significant increase in net profit is based on increasing occupancy rates on one hand and decreasing interest and operating expenses on the other. Operating expenses are expected to be lower due to strict cost control measures, and also because last years' extensive marketing campaign and the resulting increase in occupancy allows reducing the continuing marketing investments. Also the delay in further constructions eliminates the need to hire new staff as planned earlier.

We emphasize that the actual results may differ significantly from this forecast, especially if the occupancy rate should change. Other factors that can significantly affect the results are: market rates for office space rental; the EUR/HUF exchange rate; the EURIBOR, BUBOR and loan interest rates and the regulatory environment.

Forward-looking statements - This Half-year Report contains forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.

Statement of responsibility - We declare that the Half-year Report which have been prepared in accordance with the applicable accounting standards and to the best of our knowledge, give a true and fair view of the assets, liabilities, financial position and profit or loss of Graphisoft Park SE and its undertakings included in the consolidation, and the Business Report gives a fair view of the position, development and performance of Graphisoft Park SE and its undertakings included in the consolidation, together with a description of the principal risks and uncertainties of its business.

Budapest, August 8, 2011

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer



GRAPHISOFT PARK SE

HALF-YEAR REPORT

for the half-year ended June 30, 2011

in accordance with International Financial Reporting Standards (IFRS)

(unaudited)

Budapest, August 8, 2011

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE
HALF-YEAR REPORT
JUNE 30, 2011

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GRAPHISOFT PARK SE
CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 2011

(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2010	June 30, 2011
Cash and cash equivalents	3	723	715
Securities	4	8,000	8,000
Trade receivables	5	362	278
Inventories	6	-	1
Current tax receivable	7	380	176
Other current assets	8	517	717
Current assets		9,982	9,887
Investment property	9	67,119	67,787
Other tangible assets	9	222	217
Intangible assets	9	10	4
Investments	10	100	100
Deferred tax asset	11	76	75
Non-current assets		67,527	68,183
TOTAL ASSETS		77,509	78,070
Short-term loans	12	1,692	1,875
Trade payables	13	667	578
Current tax liability	7	180	128
Other short-term liabilities	14	837	1,919
Current liabilities		3,376	4,500
Long-term loans	12	52,139	51,063
Deferred tax liability	11	-	143
Non-current liabilities		52,139	51,206
TOTAL LIABILITIES		55,515	55,706
Share capital		213	213
Retained earnings		22,856	22,513
Accumulated translation difference		(1,075)	(362)
Shareholders' equity		21,994	22,364
TOTAL LIABILITIES & EQUITY		77,509	78,070

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF INCOME
 FOR THE HALF-YEAR ENDED JUNE 30, 2011
 (all amounts in thousands EUR unless otherwise stated)

	Notes	3 months ended		6 months ended	
		June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011
Property rental revenue	15	1,822	1,985	3,658	3,955
Revenue		1,822	1,985	3,658	3,955
Property related expense	16	(67)	(30)	(115)	(59)
Employee related expense	16	(151)	(138)	(252)	(232)
Other operating expense	16	(93)	(77)	(167)	(130)
Depreciation and amortization	16, 9	(901)	(915)	(1,781)	(1,816)
Operating expense		(1,212)	(1,160)	(2,315)	(2,237)
Other income (expense)	17	27	48	43	63
OPERATING PROFIT		637	873	1,386	1,781
Interest income	18	97	92	195	185
Interest expense	18	(667)	(591)	(1,346)	(1,212)
Exchange rate difference	19	(68)	26	(46)	137
Financial expense		(638)	(473)	(1,197)	(890)
PROFIT BEFORE TAX		(1)	400	189	891
Income tax expense	20	(59)	(95)	(128)	(248)
PROFIT (LOSS) FOR THE PERIOD		(60)	305	61	643
Attributable to equity holders of the parent		(60)	305	61	643
Basic earnings (loss) per share (EUR)	21	(0.01)	0.03	0.01	0.06
Diluted earnings (loss) per share (EUR)	21	(0.01)	0.03	0.01	0.06

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE HALF-YEAR ENDED JUNE 30, 2011
 (all amounts in thousands EUR unless otherwise stated)

	Notes	3 months ended		6 months ended	
		June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011
Profit (loss) for the period		(60)	305	61	643
Translation difference		(1,062)	8	(806)	713
Other comprehensive income		(1,062)	8	(806)	713
COMPREHENSIVE INCOME		(1,122)	313	(745)	1,356

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE HALF-YEAR ENDED JUNE 30, 2011
 (all amounts in thousands EUR unless otherwise stated)

	Share capital	Retained earnings	Accumulated translation difference	Total equity
December 31, 2009	<u>213</u>	<u>23,527</u>	<u>(657)</u>	<u>23,083</u>
Profit for the period	-	61	-	61
Other comprehensive income	-	-	(806)	(806)
Dividend	-	(960)	-	(960)
June 30, 2010	<u>213</u>	<u>22,628</u>	<u>(1,463)</u>	<u>21,378</u>
December 31, 2010	<u>213</u>	<u>22,856</u>	<u>(1,075)</u>	<u>21,994</u>
Profit for the period	-	643	-	643
Other comprehensive income	-	-	713	713
Dividend	-	(986)	-	(986)
June 30, 2011	<u>213</u>	<u>22,513</u>	<u>(362)</u>	<u>22,364</u>

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED JUNE 30, 2011
(all amounts in thousands EUR unless otherwise stated)

	3 months ended		6 months ended	
	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011
OPERATING ACTIVITIES				
Income before tax	(1)	400	189	891
Depreciation and amortization	901	915	1,781	1,816
Interest expense	667	591	1,346	1,212
Interest income	(97)	(92)	(195)	(185)
Unrealized foreign exchange (gains) / losses	15	(6)	4	(91)
Changes in working capital:				
(Increase) / decrease in receivables and other current assets	235	348	(123)	233
(Increase) / decrease in inventory	6	(1)	7	(1)
Increase / (decrease) in payables and accruals	170	(158)	188	56
Corporate income tax paid	(51)	6	(123)	(81)
Net cash from operating activities	1,845	2,003	3,074	3,850
INVESTING ACTIVITIES				
Purchase of tangible assets and intangibles	(866)	(938)	(1,190)	(1,705)
Interest paid (capitalized)	(1)	(17)	(1)	(30)
Interest received	12	8	27	17
Net cash used in investing activities	(855)	(947)	(1,164)	(1,718)
FINANCING ACTIVITIES				
Loan repayments	(399)	(460)	(792)	(893)
Interest paid	(729)	(610)	(1,409)	(1,247)
Dividend paid	(908)	-	(908)	-
Net cash used in financing activities	(2,036)	(1,070)	(3,109)	(2,140)
Decrease in cash and cash equivalents	(1,046)	(14)	(1,199)	(8)
Cash and cash equivalents at beginning of period	1,537	735	1,688	723
Exchange rate loss on cash and cash equivalents	(7)	(6)	(5)	-
Cash and cash equivalents at end of period	484	715	484	715

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE HALF-YEAR ENDED JUNE 30, 2011
(all amounts in thousands EUR unless otherwise stated)

1. General information

1.1. Business activities

Graphisoft Park SE was established through a demerger from Graphisoft SE on August 21, 2006. The purpose of the restructuring was to spin off a new company, dedicated to real estate development and management. Graphisoft Park SE operates as a holding and provides management, financial and administrative services to its subsidiaries. The real estate development is performed by Graphisoft Park SE's main subsidiary, Graphisoft Park Kft. and its two subsidiaries, Graphisoft Park Universitas Kft. and GP3 Kft. Graphisoft Park Kft's third subsidiary, Graphisoft Park Services Kft. is responsible for property operation tasks from January 1, 2009.

Graphisoft Park SE and subsidiaries are incorporated under the laws of Hungary. Court registration number of Graphisoft Park SE is CG 01-20-000002. Registered address of the Group is H-1031 Budapest, Záhony utca 7., Hungary. Headcount was 12 on June 30, 2011.

1.2. Properties

The total area of Graphisoft Park is nearly 18 hectares. Over the past 12 years 45,000 m² of office and laboratory space, covering 8.5 hectares, have been developed and occupied. The remaining area provides the opportunity to develop an additional 65,000 m² of office space and utilize 14,000 m² of building space comprising the monument area, after its renovation. The real estate is categorized as follows:

Area	Property
Core area	business park spreading over 8,5 hectares of land, comprising 9 office buildings with over 45,000 m ² office and laboratory space, 1 storage warehouse with supporting office space, 2 restaurants and 1 service building
Monument development area	2.4 hectares of development land comprising 14.000 m ² of monument buildings
Development areas	7.0 hectares of free development land

1.3. Governance

The governing body of Graphisoft Park SE, Board of Directors (single-tier system) is composed of the following:

Name	Position	From	Until
Bojár Gábor	Chairman	August 21, 2006	May 31, 2013
Hornung Péter	Member	August 21, 2006	May 31, 2013
Vásárhelyi István	Member	August 21, 2006	May 31, 2013
Dr. Kálmán János	Member	August 21, 2006	May 31, 2013
Kocsány János	Member	April 28, 2011	May 31, 2013

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE HALF-YEAR ENDED JUNE 30, 2011
 (all amounts in thousands EUR unless otherwise stated)

The Audit Committee comprises 3 independent members of the Board: Dr. Kálmán János (chairman), Hornung Péter and Vásárhelyi István. The Chief Executive Officer of Graphisoft Park SE is Kocsány János.

1.4. Stock information

Graphisoft Park SE shares are publicly traded at Budapest Stock Exchange from August 28, 2006. The share capital (authorized and fully paid) of the Company is 212,633 EUR comprising 10,631,674 Series A stocks of 0.02 EUR face value each.

The ownership structure is the following:

Name	Title	December 31, 2010		June 30, 2011	
		Shares (pcs)	Share (%)	Shares (pcs)	Share (%)
Directors and management		3,899,114	36.69	3,899,114	36.69
Bojár Gábor	BD Chairman	3,185,125	29.96	3,185,125	29.96
Hornung Péter	BD Member	530,426	5.00	530,426	5.00
Dr. Kálmán János	BD Member	13,500	0.13	13,500	0.13
Kocsány János	BD Member	168,913	1.59	168,913	1.59
Hajba Róbert	CFO	1,000	0.01	1,000	0.01
Szűcs Tibor	MD*	150	0.00	150	0.00
Shareholders over 5% share		2,030,634	19.10	2,262,897	21.28
Tari István Gábor		1,074,329	10.10	1,074,329	10.10
Concorde Alapkezelő Zrt.		956,305	9.00	1,188,568	11.18
Other shareholders		4,475,412	42.08	4,243,149	39.90
Treasury shares**		226,514	2.13	226,514	2.13
Total		10,631,674	100.00	10,631,674	100.00

* Graphisoft Park Services Kft.

** Treasury share details are disclosed in Note 22.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE HALF-YEAR ENDED JUNE 30, 2011
(all amounts in thousands EUR unless otherwise stated)

2. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year (see in Notes to the Consolidated Financial Statements for 2010), with the following differences:

The Company's business activities are neither seasonal nor cyclical; revenues and expenses generally accrue at a constant rate during the course of the financial year. Certain one-off transactions may affect the results from one quarter to the next.

Exchange rates used were as follows:

	3 months ended		6 months ended	
	June 30,	June 30,	June 30,	June 30,
	2010	2011	2010	2011
EUR/HUF opening:	266.39	265.78	270.84	278.75
EUR/HUF closing:	286.46	265.61	286.46	265.61
EUR/HUF average:	274.38	266.33	271.50	269.38

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE HALF-YEAR ENDED JUNE 30, 2011
 (all amounts in thousands EUR unless otherwise stated)

3. Cash and cash equivalents

	December 31, 2010	June 30, 2011
Cash in hand	5	2
Cash at banks	718	713
Cash and bank	723	715

4. Securities

	December 31, 2010	June 30, 2011
Bonds	8,000	8,000
Securities	8,000	8,000

The securities statement consists solely of EUR-based bank bonds. The bonds are classified as available-for-sale financial assets. The bonds were purchased in one transaction in September, 2009. The bonds are of fixed interest (4.25 effective interest rate), and will expire in August 2011. Fair value of the bonds equals their book value.

5. Trade receivables

	December 31, 2010	June 30, 2011
Trade receivables	363	279
Provision for doubtful debts	(1)	(1)
Trade receivables	362	278

Trade receivables are on 8-30 day payment terms.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE HALF-YEAR ENDED JUNE 30, 2011
 (all amounts in thousands EUR unless otherwise stated)

6. Inventories

	December 31, 2010	June 30, 2011
Expenses to be recharged	-	1
Inventories	-	1

7. Current tax receivables and liabilities

	December 31, 2010	June 30, 2011
Current tax receivables	380	176
Current tax liabilities	(180)	(128)
Current tax receivable (net)	200	48

8. Other current assets

	December 31, 2010	June 30, 2011
Accrued income	458	681
Prepaid expense	6	8
Other receivables	53	28
Other current assets	517	717

Accrued income consists of the following as at the balance sheet date: revenues of 397 thousand EUR and interest income of 284 thousand EUR.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE HALF-YEAR ENDED JUNE 30, 2011
 (all amounts in thousands EUR unless otherwise stated)

9. Tangible and intangible assets – book values

	December 31, 2010	June 30, 2011
Investment property	67,119	67,787
Other tangible assets	222	217
Intangible assets	10	4
Tangible and intangible assets (net)	67,351	68,008

The table shows movements of investment property during the period:

	Land and buildings	Construction in progress	Investment property
Net value:			
December 31, 2010	51,536	15,583	67,119
Gross value:			
December 31, 2010	68,243	15,583	83,826
Additions		1,661	1,661
Capitalizations	15,248	(15,248)	-
Translation difference	62	733	795
June 30, 2011	83,553	2,729	86,282
Depreciation:			
December 31, 2010	16,707	-	16,707
Additions	1,786	-	1,786
Translation difference	2	-	2
June 30, 2011	18,495	-	18,495
Net value:			
June 30, 2011	65,058	2,729	67,787

The growth in investment property of 1,661 thousand EUR comprises the following:

- development and preparatory activities in the Development areas (1,547 thousand EUR); and
- development activities involving the Core area's office buildings (114 thousand EUR).

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE HALF-YEAR ENDED JUNE 30, 2011
 (all amounts in thousands EUR unless otherwise stated)

Assets in course of construction, totaling 2,729 EUR, comprise the following:

- the cost of the Monument development area's buildings standing before renovation (2,689 thousand EUR);
- development activities in progress involving the Core area's office buildings (40 thousand EUR).

Estimates on investment property **fair values** are disclosed annually, in the Annual Report.

10. Investments

	December 31, 2010	June 30, 2011
AIT-Budapest Kft.	100	100
Investments	100	100

The Company acquired a 10 % ownership share in AIT-Budapest Aquincum Institute of Technology Kft in 2009.

11. Deferred tax

	December 31, 2010	June 30, 2011
Development reserve	(180)	(272)
Depreciation	22	22
Loss carried forward	234	182
Deferred tax asset (liability)	76	(68)

12. Loans

	December 31, 2010	June 30, 2011
Short-term	1,692	1,875
Long-term	52,139	51,063
Loans	53,831	52,938

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE HALF-YEAR ENDED JUNE 30, 2011
 (all amounts in thousands EUR unless otherwise stated)

The total original capital amount of these loans is 58 million EUR. Loans are denominated and due in EUR. Part of the loans is subject to fixed interest rates (3-5 years fixed period from start of term) and part to a floating rate. Collaterals provided for the bank are: mortgage on real estate, revenue assignment and bank account pledge. The Company had no undrawn borrowing facilities as of the balance sheet date.

13. Trade payables

	December 31, 2010	June 30, 2011
Trade payables – domestic	667	578
Trade payables	667	578

14. Other short-term liabilities

	December 31, 2010	June 30, 2011
Amounts due to employees	26	29
Deposits from tenants	360	472
Other payables and accruals	451	1,418
Other short-term liabilities	837	1,919

15. Revenue

	3 months ended		6 months ended	
	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011
Property rental	1,822	1,985	3,658	3,955
Revenue	1,822	1,985	3,658	3,955

Revenue solely consist of rental fees coming from the lease of investment properties.

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16. Operating expense

	3 months ended		6 months ended	
	June 30,	June 30,	June 30,	June 30,
	2010	2011	2010	2011
Property related expense	67	30	115	59
Employee related expense	151	138	252	232
Other operating expense	93	77	167	130
Depreciation and amortization	901	915	1,781	1,816
Operating expense	1,212	1,160	2,315	2,237

Other operating expense consists of the following items:

	3 months ended		6 months ended	
	June 30,	June 30,	June 30,	June 30,
	2010	2011	2010	2011
Office and telecommunication	4	3	8	5
Legal and administration	38	31	62	54
Marketing	31	5	63	10
Other	20	38	34	61
Other operating expense	93	77	167	130

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17. Other income (expense)

	3 months ended		6 months ended	
	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011
Income from recharged construction expenses	169	66	203	104
Recharged construction expenses	(167)	(47)	(200)	(85)
Income from recharged operation expenses	631	674	1,285	1,435
Recharged operation expenses	(606)	(646)	(1,240)	(1,393)
Others	-	1	(5)	2
Other income (expense)	27	48	43	63

18. Interest

	3 months ended		6 months ended	
	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011
Interest received	97	92	195	185
Interest income	97	92	195	185
Interest paid on loans	(664)	(603)	(1,338)	(1,234)
Other interest paid	(4)	(5)	(9)	(8)
Borrowing cost capitalized	1	17	1	30
Interest expense	(667)	(591)	(1,346)	(1,212)
Net interest expense	(570)	(499)	(1,151)	(1,027)

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19. Exchange rate difference

	3 months ended		6 months ended	
	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011
Exchange rate gains (losses) realized	(48)	26	(37)	46
Exchange rate gains (losses) not realized	(20)	-	(9)	91
Exchange rate gains (losses)	(68)	26	(46)	137

20. Income tax

	3 months ended		6 months ended	
	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011
Current income tax	(47)	(53)	(87)	(100)
Deferred income tax	(12)	(42)	(41)	(148)
Income tax expense	(59)	(95)	(128)	(248)

Applicable tax rates are as follows:

- 2011: income tax 10%, local business tax 2%,
- second half 2010: income tax 10%, local business tax 2%,
- first half 2010: income tax 19%, local business tax 2%.

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21. Earnings per share

Basic and diluted earnings per share amounts are calculated as follows:

	3 months ended		6 months ended	
	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011
Net profit (loss) attributable to equity holders	(60)	305	61	643
Weighted average number of ordinary shares	10,405,160	10,405,160	10,405,160	10,405,160
Basic earnings (loss) per share (EUR)	(0.01)	0.03	0.01	0.06
Weighted average number of ordinary shares	10,405,160	10,405,160	10,405,160	10,405,160
Diluted earnings (loss) per share (EUR)	(0.01)	0.03	0.01	0.06

The weighted average number of ordinary shares does not take into account treasury shares.

22. Treasury shares

Graphisoft Park SE treasury share details are as follows:

	December 31, 2010	June 30, 2011
Number of shares	226,514	226,514
Face value per share (EUR)	0.02	0.02
Total face value (EUR)	4,530	4,530
Total book value (EUR)	0	0

The Company obtained treasury shares in pursuance of the demerger from Graphisoft SE. The historical cost (book value) of the shares is 0. Treasury shares are not entitled to dividend.

23. Commitments, contingencies

The Group has a contractual commitment to development for education purposes, which shall result in the set-up of an educational campus on a portion of the area purchased in 2008 (the Monument development area) and the start-up of a program of higher education within 5 years from the final approval of the zoning plan for the area. The zoning plan is not yet approved, but the education program started already in the core area of Graphisoft Park.

In accordance with the project to develop a part of the property for educational purposes, the Group signed a cooperation agreement with AIT-Budapest Aquincum Institute of Technology Kft. According to this agreement, development of the educational infrastructure is the responsibility of Graphisoft Park, while organizing the educational program and operating the institute are the responsibility of AIT. AIT pays a market-rate rent for its use of the real estate. The cooperation also covers the issue of the parties' coordinated appearance on the market and joint marketing activities.

24. Approval of financial statements, dividend

Following the recommendation of the Board of Directors, the Annual General Meeting on April 28, 2011, approved the 2010 consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS) showing a balance sheet total of 77,509 thousand EUR and a profit for the year of 289 thousand EUR. Together with the approval of the consolidated financial statements for issue, the Annual General Meeting approved dividend distribution of 25 HUF per share, 260,129 thousand HUF in total (985,785 EUR as of April 28, 2011). The starting date for dividend payments is September 5, 2011.

25. Declarations

Forward-looking statements - *This Half-year Report contains forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.*

Statement of responsibility - *We declare that the Half-year Report which has been prepared in accordance with the applicable accounting standards and to the best of our knowledge, gives a true and fair view of the assets, liabilities, financial position and profit or loss of Graphisoft Park SE and its undertakings included in the consolidation, and the Business Report gives a fair view of the position, development and performance of Graphisoft Park SE and its undertakings included in the consolidation, together with a description of the principal risks and uncertainties of its business.*