

GRAPHISOFT PARK SE

Half-year Report – First Half 2012

August 6, 2012



GRAPHISOFT PARK





Financial highlights

IFRS, consolidated, thousand EUR

	3 months ended		6 months ended	
	June 30,	June 30,	June 30,	June 30,
	2011	2012	2011	2012
Revenue	1,985	2,129	3,955	4,235
Operating expense	(245)	(294)	(421)	(446)
Other income (expense)	48	25	63	43
EBITDA	1,788	1,860	3,597	3,832
Depreciation and amortization	(915)	(914)	(1,816)	(1,825)
Operating profit	873	946	1,781	2,007
Net interest expense	(499)	(433)	(1,027)	(877)
Exchange rate differences	26	34	137	18
Profit before tax	400	547	891	1,148
Income tax expense	(95)	(113)	(248)	(208)
Profit for the period	305	434	643	940
EBITDA margin (%)	90.1	87.4	90.9	90.5
Operating profit margin (%)	44.0	44.4	45.0	47.4

	December 31, 2011	June 30, 2012
Assets total	72,979	72,048
Investment property at cost*	63,926	62,730
Bank loans	51,988	50,952
Net debt	44,648	43,527

* Investment properties are shown in the financial statements of the Company at historical cost. Estimates on property fair values are published annually. The latest valuation is disclosed in the Annual Report for 2011 (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 of 2012,
- Utilization, occupancy,
- Development activities,
- Other key issues,
- Forecast for the year 2012.

Financial results for the first half of 2012

The Company closed the first half of 2012 with revenues of 4,235 thousand euros, EBITDA of 3,832 thousand euros, and a net profit of 940 thousand euros.

- **Revenue** (4,235 thousand euros, Q1: 2,106 thousand euros, Q2: 2,129 thousand euros) increased by 7% compared to the previous year. The growth is due to the increasing occupancy of the properties (see details in the “Utilization, occupancy” section below).
- **Operating expense** (403 thousand euros, Q1: 134 thousand euros, Q2: 269 thousand euros) increased by 13% compared to the previous year, mostly attributable to significantly increased bonus payments. Furthermore, expenses related to dividend payouts incurred in the second quarter (whereas in 2011, in the third quarter). Savings resulted from the smaller vacant area, which means less operating expenses and utility costs to be covered by the Group. More significant savings resulted from the significant weakening of the HUF exchange rate, approximately 10% compared to the base period, since the majority of operating expenses incur in HUF.
- **Depreciation** (1,825 thousand euros, Q1: 911 thousand euros, Q2: 914 thousand euros) increased by 1% compared to the previous year due to the constructions (development, remodeling and renovation of office space) completed on the buildings of the monument area and the core area.
- **EBITDA** (3,832 thousand euros, Q1: 1,972 thousand euros, Q2: 1,860 thousand euros) increased by 7% and **operating profit** (2,007 thousand euros, Q1: 1,061 thousand euros, Q2: 946 thousand euros) increased by 13% compared to the previous year.
- **Net interest expense** (877 thousand euros, Q1: 444 thousand euros, Q2: 433 thousand euros) decreased by 15% compared to the previous year due to decreasing interest expenses (by 106 thousand euros) and increasing interest income (by 44 thousand euros).
- The Company realized a **net profit** of 940 thousand euros in the first quarter of 2012, 46% (297 thousand euros) higher compared to the previous year.

Utilization, occupancy

Occupancy rate of Graphisoft Park’s 46,000 m2 office and laboratory space developed as follows:

2010 Q1	2010 Q2	2010 Q3	2010 Q4	2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2
77%	79%	80%	83%	84%	85%	85%	85%	87%	88%

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.

In the first quarter of 2012, a lease agreement has been renewed and extended with a tenant further increasing the occupancy rate of the Park by 3% from January, 2013.



In January 2012, Microsoft whose contract was due to expire in July 2012 has extended its lease by 5 years. Nearly 4,000 m² of office space is affected in the lease extension. The remaking of this office space required an approximate 450 thousand euro investment.

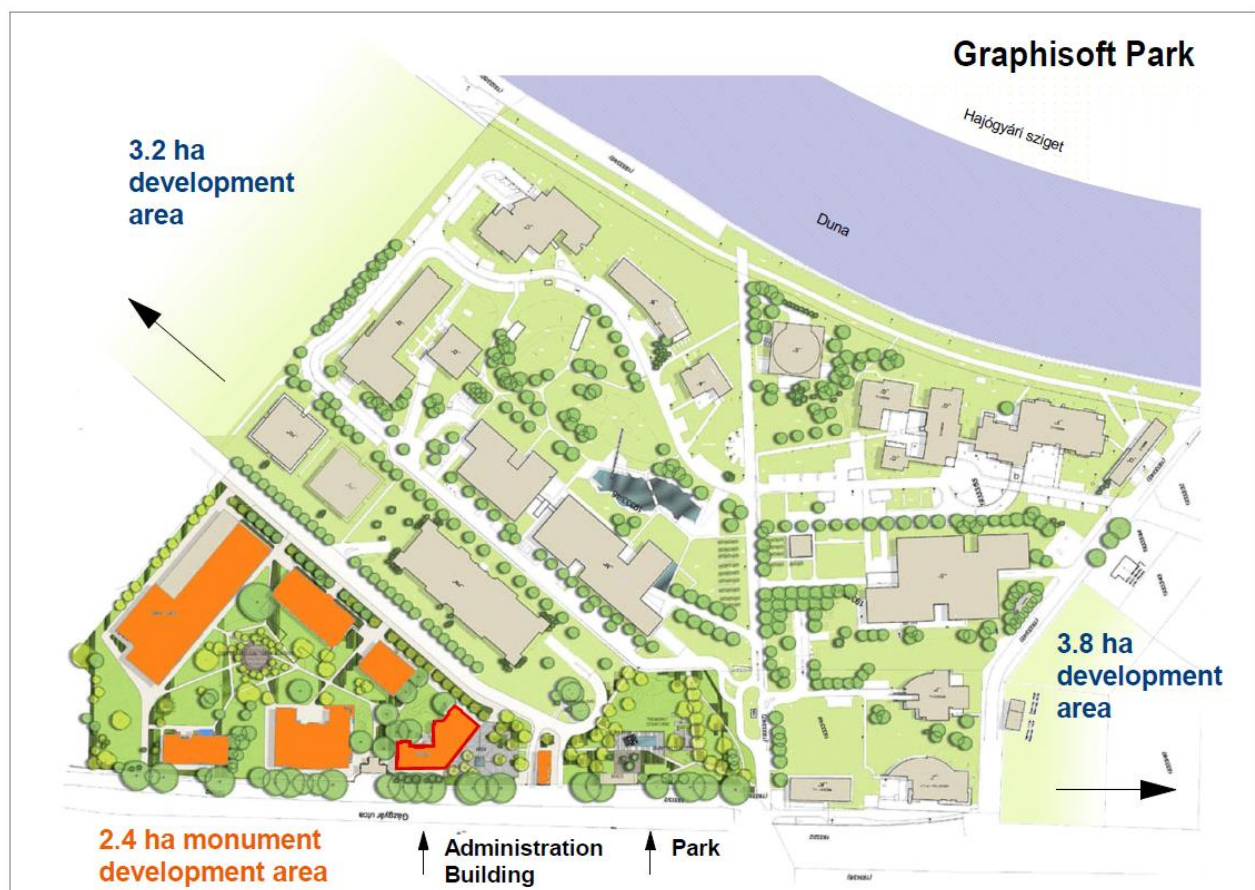
In accordance with earlier statements, AMRI Hungary Zrt. has filed for voluntary winding up with the court of registration, effective on July 19, 2012. With regards to the winding up process, and in accordance with its terms, Graphisoft Park has given a notice of termination of the lease contract, effective on August 31, 2012. Lessee shall surrender the leased premises by that date. AMRI Hungary Zrt. leased approximately 7% of the rentable space in Graphisoft Park (3,200 m² laboratory and office space together).

Consequently, with the rendition of the space occupied by AMRI, Graphisoft Park's current 88% occupancy rate will drop to 81% by September 2012, and will grow to 84% by January 2013, based on the leases concluded.

As provisioned in the acceleration clause of the lease contract between AMRI Hungary Zrt. and Graphisoft Park, the effect of voluntary winding up makes all rental fees for the remaining 79 months due and payable in the sum of 4,783 thousand euro. Net revenues from leasing the vacated premises to new tenants may reduce this amount, for which we will exercise our best effort to fulfill our mitigation duties. Our claim has been duly filed with the liquidator, and we believe it is enforceable against the AMRI group. The effect on the results is predictable only after the transaction is finished, therefore the revenues expected from the enforcement of our claim will be omitted from result forecasts until that time.

Development activities

The total area of Graphisoft Park is nearly 18 hectares. Over the past 15 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, of which 1,000 m² had been already renovated and in use since 2011.





Development of the **core area** of Graphisoft Park is completed. Investments such as development, remodeling and renovation of office space and infrastructure development continue there to meet the needs of existing and new tenants. The expenditures for these activities are estimated at 800 euro in 2012 (including the remaking of Microsoft's offices).

Reconstruction plans for buildings 57 and 58 in the **monument development area** had been completed and submitted for permitting in the fourth quarter of 2011. The permits have been issued and the renovation works begun in April, 2012. The completed buildings will provide 1.400 m² of rentable office space. The planned total cost of renovation is 2.5 million euro including the ground works for public utilities and landscaping.

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 have been 3.2 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 26, 2012, the Annual General Meeting of Graphisoft Park SE approved dividend distribution of 35 forints per share (totaling 355,341 thousand forints, which is 1,237 thousand euros on the exchange rate of April 26, 2012). The starting date for dividend payments was June 4, 2012. The Company paid out the dividends to the shareholders identified by shareholder's registration.

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). In the Fall semester of 2011 AIT received students from Carleton College and the University of Washington, and in the Spring semester of 2012, students from Harvard University, Dartmouth College and Grinnell College arrived along others from the schools mentioned above. Besides catering to 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 invaluable assets 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. To this date a total of



15 North American universities have sent students to participate in the program and recognized the credits issued by AIT with BME's accreditation.

This new educational institution, whose presence further increases the attractiveness of Graphisoft Park, is leasing a total of 550 m² of space for educational purposes.

Forecast for the year 2012

AMRI Hungary Zrt. is undergoing voluntary winding up effective from the date of July 19, 2012. With regards to the winding up process, and in accordance with its terms, Graphisoft Park has given a notice of termination of the lease contract effective on August 31, 2012, therefore no rental revenues are expected from those premises for the remaining 4 months of this year.

As provisioned in the acceleration clause of the lease contract between AMRI Hungary Zrt. and Graphisoft Park, the effect of voluntary winding up makes all rental fees for the remaining 79 months due and payable in the sum of 4,783 thousand euro. Net revenues from leasing the vacated premises to new tenants may reduce this amount, for which we will exercise our best effort to fulfill our mitigation duties. Our claim has been duly filed with the liquidator, and we believe it is enforceable against the AMRI group. The effect on the results is predictable only after the transaction is finished, therefore the revenues expected from the enforcement of our claim will be omitted from result forecasts until that time.

The following forecast is identical to the one published in the previous quarterly report, because developments since then have opposite effects to the same extent on the results for 2012. Rental revenues forecast was raised by 200 thousand euros to reflect higher occupancy (for details, see "Utilization, occupancy" section), while with regards to the winding up of AMRI Hungary Zrt., and the subsequent termination of the lease, the figure has been lowered by the same amount (for details, see "Utilization, occupancy" section and above). Forecast for 2013 will be published first in the third quarterly report.

Our forecast for the year 2012 is summarized in the following table, based exclusively on signed, valid lease agreements, with the current occupancy rate of 88%, and expected occupancy rate from September at 81%. (The first column shows 2011 actual results.)

(million euros)	2011 actual	2012 forecast
Rental revenue	8.04	8.3
Operating expenses	- 0.69	-0.7
EBITDA	7.35	7.6
Depreciation and amortization	- 3.70	-3.8
Operating profit	3.65	3.8
Net interest expense	- 2.00	-1.7
Exchange rate difference	-0.06	-
Income tax expense	- 0.15	-0.4
Net profit	1.44	1.7

Forecasts published here are based solely on the valid lease contracts in effect at the time of writing this report. At previous times actual revenues were repeatedly higher than forecasted, due to new leases concluded after the publication of reports. Despite this past pattern, it is not in our intention to change the forecasting methods. We will not try to predict the number or value of new lease contract on one hand, nor will we account for the scenario of current tenants not prolonging their leases after expiration on the other.



It is our intention to maintain the price structure designed to match the high value services provided by Graphisoft Park in order to be able to preserve the level of service provided in the long run. As the current office rental market in Budapest is in the state of oversupply, very low prices can be observed at some places, with which Graphisoft Park has no intention to compete. Loosing tenants for this reason is not unthinkable, even though this has not happened until now. Occupancy rates - which are the primary factor in determining revenue forecasts - may significantly differ, favorably or unfavorably from the forecasted values.

Other factors affecting results are changes in the EUR/HUF exchange rate, the EURIBOR interest rate and the regulatory, especially the tax, environment.

Forward-looking statements - *The forward-looking statements contained in this Half-year Report involve inherent risks and uncertainties, may be determined by additional factors, other than the ones mentioned above, therefore the actual results may differ materially from those contained in any forecast.*

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, 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 6, 2012

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer



GRAPHISOFT PARK SE

HALF-YEAR REPORT

for the half-year ended June 30, 2012

in accordance with International Financial Reporting Standards (IFRS)

(unaudited)

Budapest, August 6, 2012

A handwritten signature in purple ink, reading "Hajba Róbert", positioned above a horizontal line.

Hajba Róbert
Chief Financial Officer

A handwritten signature in purple ink, reading "Kocsány János", positioned above a horizontal line.

Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE
HALF-YEAR REPORT
JUNE 30, 2012

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GRAPHISOFT PARK SE
CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 2012

(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2011	June 30, 2012
Cash and cash equivalents	3	3.777	3.768
Securities	4	3.798	4.202
Trade receivables	5	381	441
Inventories	6	-	9
Current tax receivable	7	169	62
Other current assets	8	450	484
Current assets		8.575	8.966
Investment property	9	63.926	62.730
Other tangible assets	9	221	217
Intangible assets	9	-	1
Investments	10	100	100
Deferred tax asset	11	157	34
Non-current assets		64.404	63.082
TOTAL ASSETS		72.979	72.048
Short-term loans	12	2.064	2.165
Trade payables	13	426	424
Current tax liability	7	159	259
Other short-term liabilities	14	807	892
Current liabilities		3.456	3.740
Long-term loans	12	49.924	48.787
Non-current liabilities		49.924	48.787
TOTAL LIABILITIES		53.380	52.527
Share capital		213	213
Retained earnings		23.332	23.035
Valuation reserve	4, 11	(339)	(126)
Treasury shares	22	(669)	(669)
Accumulated translation difference		(2.938)	(2.932)
Shareholders' equity		19.599	19.521
TOTAL LIABILITIES & EQUITY		72.979	72.048

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF INCOME
FOR THE HALF-YEAR ENDED JUNE 30, 2012
(all amounts in thousands EUR unless otherwise stated)

	Notes	3 months ended		6 months ended	
		June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012
Property rental revenue	15	1,985	2,129	3,955	4,235
Revenue		1,985	2,129	3,955	4,235
Property related expense	16	(30)	(24)	(59)	(35)
Employee related expense	16	(138)	(194)	(232)	(278)
Other operating expense	16	(77)	(76)	(130)	(133)
Depreciation and amortization	16, 9	(915)	(914)	(1,816)	(1,825)
Operating expense		(1,160)	(1,208)	(2,237)	(2,271)
Other income (expense)	17	48	25	63	43
OPERATING PROFIT		873	946	1,781	2,007
Interest income	18	92	112	185	229
Interest expense	18	(591)	(545)	(1,212)	(1,106)
Exchange rate difference	19	26	34	137	18
Financial expense		(473)	(399)	(890)	(859)
PROFIT BEFORE TAX		400	547	891	1,148
Income tax expense	20	(95)	(113)	(248)	(208)
PROFIT FOR THE PERIOD		305	434	643	940
Attributable to equity holders of the parent		305	434	643	940
Basic earnings per share (EUR)	21	0.03	0.04	0.06	0.09
Diluted earnings per share (EUR)	21	0.03	0.04	0.06	0.09

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, 2012
 (all amounts in thousands EUR unless otherwise stated)

	Notes	3 months ended		6 months ended	
		June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012
Profit for the period		305	434	643	940
Valuation reserve	4, 11	-	(12)	-	213
Translation difference		8	-	713	6
Other comprehensive income		8	(12)	713	219
COMPREHENSIVE INCOME		313	422	1,356	1,159
Attributable to equity holders of the parent		313	422	1,356	1,159

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, 2012
(all amounts in thousands EUR unless otherwise stated)

	Share capital	Retained earnings	Valuation reserve	Treasury shares	Accum. translation difference	Total equity
December 31, 2010	213	22,856	-	-	(1,075)	21,994
Profit for the period	-	643	-	-	-	643
Translation difference	-	-	-	-	713	713
Dividend	-	(986)	-	-	-	(986)
June 30, 2011	213	22,513	-	-	(362)	22,364
December 31, 2011	213	23,332	(339)	(669)	(2,938)	19,599
Profit for the period	-	940	-	-	-	940
Valuation reserve	-	-	213	-	-	213
Translation difference	-	-	-	-	6	6
Dividend	-	(1,237)	-	-	-	(1,237)
June 30, 2012	213	23,035	(126)	(669)	(2,932)	19,521

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, 2012
(all amounts in thousands EUR unless otherwise stated)

	3 months ended		6 months ended	
	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012
OPERATING ACTIVITIES				
Income before tax	400	547	891	1.148
Depreciation and amortization	915	914	1.816	1.825
Interest expense	591	545	1.212	1.106
Interest income	(92)	(112)	(185)	(229)
Unrealized foreign exchange (gains) / losses	(6)	(12)	(91)	23
Changes in working capital:				
(Increase) / decrease in receivables and other current assets	348	(156)	233	(217)
Increase in inventory	(1)	(9)	(1)	(9)
Increase / (decrease) in payables and accruals	(158)	252	56	134
Corporate income tax paid	6	1	(81)	(87)
Net cash from operating activities	2.003	1.970	3.850	3.694
INVESTING ACTIVITIES				
Purchase of tangible assets and intangibles	(938)	(425)	(1.705)	(452)
Interest paid (capitalized)	(17)	-	(30)	-
Interest received	8	29	17	57
Net cash used in investing activities	(947)	(396)	(1.718)	(395)
FINANCING ACTIVITIES				
Loan repayments	(460)	(525)	(893)	(1.036)
Interest paid	(610)	(543)	(1.247)	(1.100)
Dividend paid	-	(1.167)	-	(1.167)
Net cash used in financing activities	(1.070)	(2.235)	(2.140)	(3.303)
Decrease in cash and cash equivalents	(14)	(661)	(8)	(4)
Cash and cash equivalents at beginning of period	735	4.427	723	3.777
Exchange rate (gain) / loss on cash and cash equivalents	(6)	2	-	(5)
Cash and cash equivalents at end of period	715	3.768	715	3.768

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, 2012
(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 subsidiary, Graphisoft Park Kft. Graphisoft Park Kft's subsidiary, Graphisoft Park Services Kft. is responsible for property operation tasks.

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, 2012.

1.2. Properties

The total area of Graphisoft Park is nearly 18 hectares. Over the past 15 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	modern 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, out of which 1,000 m ² has been renovated in 2011 and the renovation of further 1,400 m ² has begun in 2012
Development areas	7.0 hectares of free development land

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE HALF-YEAR ENDED JUNE 30, 2012
 (all amounts in thousands EUR unless otherwise stated)

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
Gáthy Tibor	Member	April 26, 2012	May 31, 2013
Dr. Kálmán János	Member	August 21, 2006	May 31, 2013
Kocsány János	Member	April 28, 2011	May 31, 2013

The Audit Committee comprises of 3 independent members of the Board: Dr. Kálmán János (chairman), Hornung Péter and Gáthy Tibor. 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, 2011		June 30, 2012	
		Shares (pcs)	Share (%)	Shares (pcs)	Share (%)
Directors and management		4,074,464	38.33	4,075,664	38.34
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
Gáthy Tibor	BD Member	160,000	1.50	160,000	1.50
Dr. Kálmán János	BD Member	13,500	0.13	13,500	0.13
Kocsány János	BD Member, CEO	180,913	1.70	180,913	1.70
Hajba Róbert	CFO	3,000	0.03	4,200	0.04
Szűcs Tibor	MD*	1,500	0.01	1,500	0.01
Shareholders over 5% share		2,265,744	21.31	2,245,828	21.12
Tari István Gábor		1,074,329	10.10	1,074,329	10.10
Concorde Alapkezelő Zrt.		1,191,415	11.21	1,171,499	11.02
Other shareholders		3,812,390	35.85	3,831,106	36.03
Treasury shares**		479,076	4.51	479,076	4.51
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, 2012
(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 2011), 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, 2011	June 30, 2012	June 30, 2011	June 30, 2012
EUR/HUF opening:	265.78	295.60	278.75	311.13
EUR/HUF closing:	265.61	288.22	265.61	288.22
EUR/HUF average:	266.33	294.26	269.38	295.64

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE HALF-YEAR ENDED JUNE 30, 2012
(all amounts in thousands EUR unless otherwise stated)

3. Cash and cash equivalents

	December 31, 2011	June 30, 2012
Cash in hand	1	1
Cash at banks	3,776	3,767
Cash and bank	3,777	3,768

4. Securities

	December 31, 2011	June 30, 2012
Bonds	3,798	4,202
Securities (available-for-sale financial assets)	3,798	4,202

The bonds were issued by the Hungarian State Holding Company, are guaranteed by the Hungarian State and are exchangeable to ordinary shares of Gedeon Richter Plc. The bonds are denominated in EUR and are of fixed interest rate (4.40% p.a.). The issue date is September 25, 2009; the maturity date is September 25, 2014. Face value total is 4,500 thousand EUR.

Valuation of the bonds is disclosed in the following table:

	December 31, 2011	June 30, 2012
Net purchase price (31.08.2011)	4,075	4,075
Accrued interest	99	267
Valuation difference	(376)	(140)
Bonds (at fair value)	3,798	4,202

Accrued interest is stated in the Income statement (Interest income), while valuation difference is stated in the Equity (Valuation reserve). Valuation reserve comprises solely of the valuation difference of securities and the related deferred tax effect.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE HALF-YEAR ENDED JUNE 30, 2012
 (all amounts in thousands EUR unless otherwise stated)

5. Trade receivables

	December 31, 2011	June 30, 2012
Trade receivables	381	441
Provision for doubtful debts	-	-
Trade receivables	381	441

Trade receivables are on 8-30 day payment terms.

6. Inventories

	December 31, 2011	June 30, 2012
Expenses to be recharged	-	9
Inventories	-	9

7. Current tax receivables and liabilities

	December 31, 2011	June 30, 2012
Current tax receivables	169	62
Current tax liabilities	(159)	(259)
Current tax receivable / (liability) – net	10	(197)

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8. Other current assets

	December 31, 2011	June 30, 2012
Accrued income	441	470
Prepaid expense	8	6
Other receivables	1	8
Other current assets	450	484

9. Tangible and intangible assets – book values

	December 31, 2011	June 30, 2012
Investment property	63,926	62,730
Other tangible assets	221	217
Intangible assets	-	1
Tangible and intangible assets (net)	64,147	62,948

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The table shows movements of investment property during the period:

	Land and buildings	Construction in progress	Investment property
Net value:			
December 31, 2011	61,587	2,339	63,926
Gross value:			
December 31, 2011	81,914	2,339	84,253
Additions	-	608	608
Capitalizations	87	(87)	-
Translation difference	-	-	-
June 30, 2012	82,001	2,860	84,861
Depreciation:			
December 31, 2011	20,327	-	20,327
Additions	1,804	-	1,804
Translation difference	-	-	-
June 30, 2012	22,131	-	22,131
Net value:			
June 30, 2012	59,870	2,860	62,730

The growth in investment property of 608 thousand EUR comprises the following:

- development and preparatory activities in the Development areas (304 thousand EUR); and
- development activities in the Core area (304 thousand EUR).

Construction in progress, totaling 2,860 thousand EUR, comprise the following:

- the cost of the Monument development area's buildings standing before renovation (2,558 thousand EUR);
- development activities in progress involving the Core area's office buildings (302 thousand EUR).

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

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10. Investments

	December 31, 2011	June 30, 2012
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, 2011	June 30, 2012
Development reserve	(163)	(232)
Depreciation	22	22
Securities*	37	14
Loss carried forward	261	230
Deferred tax asset	157	34

* Securities' deferred tax asset was directly stated in the statement of comprehensive income.

12. Loans

	December 31, 2011	June 30, 2012
Short-term	2,064	2,165
Long-term	49,924	48,787
Loans	51,988	50,952

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.

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13. Trade payables

	December 31, 2011	June 30, 2012
Trade payables - domestic	426	424
Trade payables	426	424

14. Other short-term liabilities

	December 31, 2011	June 30, 2012
Amounts due to employees	24	31
Deposits from tenants	434	508
Other payables and accruals	349	353
Other short-term liabilities	807	892

15. Revenue

	3 months ended		6 months ended	
	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012
Property rental	1,985	2,129	3,955	4,235
Revenue	1,985	2,129	3,955	4,235

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, 2011	June 30, 2012	June 30, 2011	June 30, 2012
Property related expense	30	24	59	35
Employee related expense	138	194	232	278
Other operating expense	77	76	130	133
Depreciation and amortization	915	914	1,816	1,825
Operating expense	1,160	1,208	2,237	2,271

Other operating expense consists of the following items:

	3 months ended		6 months ended	
	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012
Office and telecommunication	3	1	5	5
Legal and administration	31	45	54	74
Marketing	5	13	10	25
Other	38	17	61	29
Other operating expense	77	76	130	133

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17. Other income (expense)

	3 months ended		6 months ended	
	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012
Income from recharged construction expenses	66	26	104	45
Recharged construction expenses	(47)	(23)	(85)	(41)
Income from recharged operation expenses	674	685	1,435	1,520
Recharged operation expenses	(646)	(655)	(1,393)	(1,474)
Others	1	(8)	2	7
Other income (expense)	48	25	63	43

18. Interest

	3 months ended		6 months ended	
	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012
Interest received	92	112	185	229
Interest income	92	112	185	229
Interest paid on loans	(603)	(539)	(1,234)	(1,095)
Other interest paid	(5)	(6)	(8)	(11)
Borrowing cost capitalized	17	-	30	-
Interest expense	(591)	(545)	(1,212)	(1,106)
Net interest expense	(499)	(433)	(1,027)	(877)

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19. Exchange rate difference

	3 months ended		6 months ended	
	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012
Exchange rate gain realized	26	20	46	46
Exchange rate gain (loss) not realized	-	14	91	(28)
Exchange rate gain	26	34	137	18

20. Income tax

	3 months ended		6 months ended	
	June 30, 2011	June 30, 2012	June 30, 2011	June 30, 2012
Current income tax	(53)	(57)	(100)	(108)
Deferred income tax	(42)	(56)	(148)	(100)
Income tax expense	(95)	(113)	(248)	(208)

Applicable tax rates are: corporate income tax 10%, 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, 2011	June 30, 2012	June 30, 2011	June 30, 2012
Net profit attributable to equity holders	305	434	643	940
Weighted average number of ordinary shares	10,405,160	10,152,598	10,405,160	10,152,598
Basic earnings per share (EUR)	0.03	0.04	0.06	0.09
Weighted average number of ordinary shares	10,405,160	10,152,598	10,405,160	10,152,598
Diluted earnings per share (EUR)	0.03	0.04	0.06	0.09

The weighted average number of ordinary shares does not take into account treasury shares. There are no share option schemes in place.

22. Treasury shares

Graphisoft Park SE treasury share details are as follows:

	December 31, 2011	June 30, 2012
Number of shares	479,076	479,076
Face value per share (EUR)	0.02	0.02
Total face value (EUR)	9,582	9,582
Treasury shares (at historical cost)	669	669

23. Commitments, contingencies

The Company 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 Company 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 26, 2012, approved the 2011 consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS) showing a balance sheet total of 72,979 thousand EUR and a profit for the year of 1,441 thousand EUR. Together with the approval of the consolidated financial statements for issue, the Annual General Meeting approved dividend distribution of 35 HUF per share, 355,341 thousand HUF in total (1,237 thousand EUR on the exchange rate of April 26, 2012). The starting date for dividend payments was June 4, 2012. The Company paid out the dividends to the shareholders identified by shareholder's registration.

25. Declaration

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.*