

# GRAPHISOFT PARK SE

## Interim Management Report – First Quarter 2010

May 17, 2010



GRAPHISOFT PARK





## Financial highlights

IFRS, consolidated, thousand EUR

	3 months ended	3 months ended
	March 31, 2009	March 31, 2010
<b>Revenue</b>	<b>1,597</b>	<b>1,836</b>
Operating expense	(173)	(223)
Other income (expense)	37	16
<b>EBITDA</b>	<b>1,461</b>	<b>1,629</b>
Depreciation and amortization	(610)	(880)
<b>Operating profit</b>	<b>851</b>	<b>749</b>
Net interest expense	(411)	(581)
<b>Operating profit and net interest*</b>	<b>440</b>	<b>168</b>
Exchange rate differences	(1,044)	22
<b>Profit before tax</b>	<b>(604)</b>	<b>190</b>
Income tax expense	(126)	(69)
<b>Profit (loss) for the period</b>	<b>(730)</b>	<b>121</b>
<b>EBITDA margin (%)</b>	<b>91.5</b>	<b>88.7</b>
<b>Operating profit margin (%)</b>	<b>53.3</b>	<b>40.8</b>

	December 31, 2009	March 31, 2010
<b>Assets total</b>	<b>79,913</b>	<b>79,888</b>
<b>Investment property at historical cost*</b>	<b>68,444</b>	<b>68,135</b>
<b>Bank loans</b>	<b>55,441</b>	<b>55,048</b>
<b>Net debt</b>	<b>45,662</b>	<b>44,968</b>

\* 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 2009 ([www.graphisoftpark.com](http://www.graphisoftpark.com)).



## Dear Shareholders,

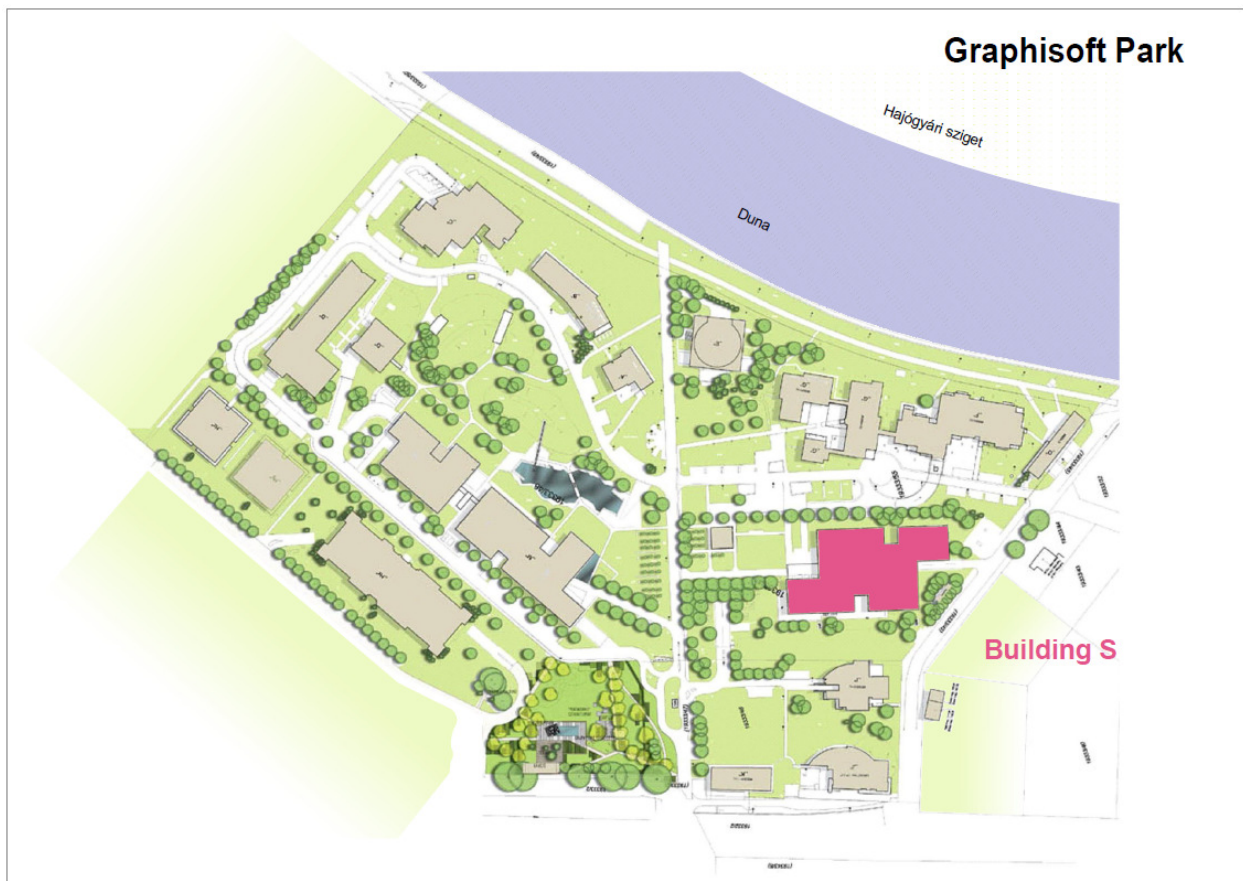
In this business report, Graphisoft Park presents the progress made toward its goals in four areas:

- Development activities,
- Rental results,
- Financial results,
- Other key issues.

### Development Activities

#### *Graphisoft Park*

With the completion of Building H in 2009, the available office and laboratory space within the nearly 8.5 hectare office park increased to 45,000 m<sup>2</sup>. At present, we do not plan any additional development, but we are continuously active in maintaining and modernizing the existing buildings, in order to maintain their outstanding quality and improve their attractiveness for leasing in the future.



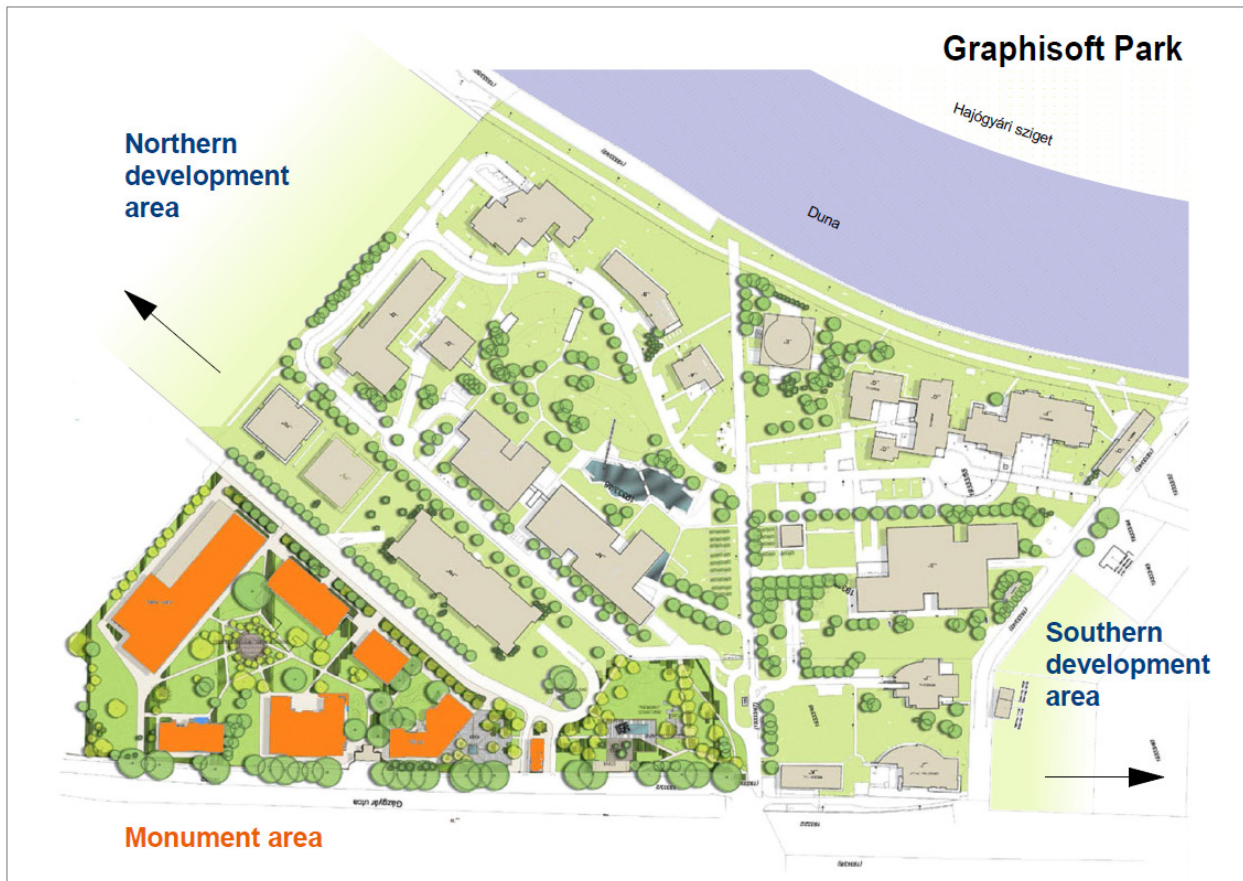
We have begun renovation work connected with the lease renewal for the SAP building; these activities affect approximately 3,000 m<sup>2</sup>, and involve the rearrangement of the workspaces in conformity with a new floor plan.



*New Development Areas*

Nearly 9.5 hectares of land purchased in 2008 and 2009 are the focus for our planned new developments. The new development areas are categorized as follows:

- Monument area - 2.38 hectares of land and 14,000 m<sup>2</sup> of monument buildings,
- Northern development area - 3.20 hectares of free development land,
- Southern development area - 3.76 hectares of free development land.



The three areas provide the opportunity to renovate and use 14,000 m<sup>2</sup> of monument buildings and to develop additional usable office space of 65,000 m<sup>2</sup>.

Preparatory activities begun in these areas are a long-term project and will require considerable financial resources.

Before actual construction can begin on these territories, comprehensive archaeological excavations are necessary, which - based on previous experience - may take several years. Associated costs are difficult to budget, since we cannot know the extent of the excavated artifacts.

The planned developments also require the replacement of the existing utilities, the planning of the new utilities in consultation with the service providers and neighboring landowners, and - after completing the plans and obtaining the permits - carrying out the actual construction.

In carrying out these preparations, we must also take into account the environmental clean-up procedures that are underway, whose progress depends on factors outside of our control. In addition, non-landmark buildings on the property must be demolished. We have completed the demolition plans and received the necessary permits. As soon as they are legally valid, we will begin demolition.



We have begun negotiations with the Budapest City Government and the Local Government of Óbuda-Békásmegyér regarding the territorial development agreement and the District Zoning Plan.

Completion of all these preparatory activities may require up to two years. During this time, we will adjust our development planning in accordance with changing market conditions.

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

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

The moratorium on modifications was lifted in February, 2010. The Local Government of Óbuda-Békásmegyér has indicated that it does not intend to extend the moratorium.

### **Rental Activities**

During the first quarter of 2010, no rental activity occurred that significantly affected the office occupancy rate.

In April 2010, we extended our lease agreement with one of our major tenants for an additional five years. As a result of this extension, the weighted average unexpired lease term of our lease agreements increased to 53 months.

### **Financial Results**

#### *First quarter results for 2010*

The Company's results are in accordance with its plans: with revenues of 1,836 thousand EUR, we closed the quarter with a net profit of 121 thousand EUR.

- **Revenue** (1,836 thousand EUR) exceeded the previous year's first quarter revenues by 15% (239 thousand EUR), while **EBITDA** (1,629 thousand EUR) exceeded the previous year's by 12% (168 thousand EUR). This growth is due in large part to additional revenues from Building Hz beginning in April 2009, and in smaller part from increases in occupancy in other buildings (2009: 92%; 2010: 94%).
- **Depreciation** (880 thousand EUR) increased by 44% (270 thousand EUR) compared to the previous year, largely due to the depreciation costs accounted for following the completion of Building H in April 2009.
- **Operating profit** (749 thousand EUR) decreased by 12% (102 thousand EUR) compared to the previous year, because the rental revenues from Building Hz have not offset the depreciation of Building H as a whole.
- **Net interest expense** (581 thousand EUR, based on 679 thousand EUR interest expense and 98 thousand EUR interest income) has increased by 170 thousand EUR compared to the previous year, due to the following factors: decrease in the interest rate on loans (33 thousand EUR) and decreased interest income (203 thousand EUR) as a result of decreasing cash reserves and securities, decreasing interest rates, and the transfer of cash reserves to EUR.
- The low **exchange rate difference** (profit of 22 thousand EUR) is due to the transfer of the Company's cash reserves into EUR. This change caused the Company to incur a significant one-off exchange rate loss in 2009, but has significantly reduced the exposure of the Company's results to exchange rate fluctuation.



*Forecast for the year 2010*

Our forecast for the results in 2010, given the current occupancy rate of 77% (data for 2009 in parentheses):

- 7.2 (6.84) million EUR rental revenue,
- 6.2 (5.87) million EUR EBITDA,
- 3.6 (3.27) million EUR depreciation and amortization,
- 2.2 (1.94) million EUR net interest expense,
- 0.4 (0.66) million EUR operating profit and net interest,
- 0.2 (0.09) million EUR income tax expense,
- 0.2 (- 0.09) million EUR net profit for the year.

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

**Other Key Issues**

On April 30, 2010, the Annual Meeting of Graphisoft Park SE changed an earlier resolution of the Board of Directors, voting unanimously to pay out a dividend of 25 HUF per share (totaling 260,129 thousand HUF). The Annual Meeting did so at the proposal of shareholder Concorde Fund Management, which cited the Company's remarkably stable financial situation.

**Forward-looking statements** - *This Interim Management 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** - *To the best of our knowledge, the Interim Management Report gives a true and fair view of the financial position and performance of Graphisoft Park SE and its controlled undertakings, and contains an explanation of material events and transactions that have taken place during the relevant period and their impact on the financial position of Graphisoft Park SE and its controlled undertakings.*

Budapest, May 17, 2010

Hajba Róbert  
Chief Financial Officer

Kocsány János  
Chief Executive Officer



# GRAPHISOFT PARK SE

## QUARTERLY REPORT

**for the quarter ended March 31, 2010**

in accordance with International Financial Reporting Standards (IFRS)

(unaudited)

Budapest, May 17, 2010

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**  
**QUARTERLY REPORT**  
MARCH 31, 2010

**CONTENTS:**

	<b>Page(s)</b>
<b>Consolidated Balance Sheet</b>	<b>3</b>
<b>Consolidated Statement of Income</b>	<b>4</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>5</b>
<b>Consolidated Statement of Changes in Shareholders' Equity</b>	<b>6</b>
<b>Consolidated Statement of Cash Flows</b>	<b>7</b>
<b>Notes to the Quarterly Report</b>	<b>8-19</b>



**GRAPHISOFT PARK SE**  
**CONSOLIDATED BALANCE SHEET**

AS OF MARCH 31, 2010

(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2009	March 31, 2010
Cash and cash equivalents	3	1,688	1,537
Securities	4	8,022	8,022
Trade receivables	5	444	644
Inventories	6	7	6
Current tax receivable	7	558	601
Other current assets	8	287	517
<b>Current assets</b>		<b>11,006</b>	<b>11,327</b>
Investment property	9	68,444	68,135
Other tangible assets	9	178	172
Intangible assets	9	23	21
Investments	10	100	100
Deferred tax asset	11	162	133
<b>Non-current assets</b>		<b>68,907</b>	<b>68,561</b>
<b>TOTAL ASSETS</b>		<b>79,913</b>	<b>79,888</b>
Short-term loans	12	1,600	1,623
Trade payables	13	473	482
Current tax liability	7	174	137
Other short-term liabilities	14	742	761
<b>Current liabilities</b>		<b>2,989</b>	<b>3,003</b>
Long-term loans	12	53,841	53,425
<b>Non-current liabilities</b>		<b>53,841</b>	<b>53,425</b>
<b>TOTAL LIABILITIES</b>		<b>56,830</b>	<b>56,428</b>
Share capital		213	213
Retained earnings		23,527	23,648
Accumulated translation difference		(657)	(401)
<b>Shareholders' equity</b>		<b>23,083</b>	<b>23,460</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>79,913</b>	<b>79,888</b>

The accompanying notes form an integral part of the quarterly report.

**GRAPHISOFT PARK SE**  
**CONSOLIDATED STATEMENT OF INCOME**  
 FOR THE QUARTER ENDED MARCH 31, 2010  
 (all amounts in thousands EUR unless otherwise stated)

	Notes	3 months ended March 31, 2009	3 months ended March 31, 2010
Property rental revenue	15	1,597	1,836
<b>Revenue</b>		<b>1,597</b>	<b>1,836</b>
Property related expense	16	(18)	(48)
Employee related expense	16	(97)	(101)
Other operating expense	16	(58)	(74)
Depreciation and amortization	16, 9	(610)	(880)
<b>Operating expense</b>		<b>(783)</b>	<b>(1,103)</b>
Other income (expense)	17	37	16
<b>OPERATING PROFIT</b>		<b>851</b>	<b>749</b>
Interest income	18	301	98
Interest expense	18	(712)	(679)
Exchange rate difference	19	(1,044)	22
<b>Financial expense</b>		<b>(1,455)</b>	<b>(559)</b>
<b>PROFIT BEFORE TAX</b>		<b>(604)</b>	<b>190</b>
Income tax expense	20	(126)	(69)
<b>PROFIT (LOSS) FOR THE PERIOD</b>		<b>(730)</b>	<b>121</b>
Attributable to equity holders of the parent		(730)	121
Basic earnings (loss) per share (EUR)	21	(0.07)	0.01
Diluted earnings (loss) per share (EUR)	21	(0.07)	0.01

*The accompanying notes form an integral part of the quarterly report.*

**GRAPHISOFT PARK SE**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
 FOR THE QUARTER ENDED MARCH 31, 2010  
 (all amounts in thousands EUR unless otherwise stated)

	Notes	3 months ended March 31, 2009	3 months ended March 31, 2010
<b>Profit (loss) for the period</b>		<b>(730)</b>	<b>121</b>
Translation difference		(1,544)	256
<b>Other comprehensive income</b>		<b>(1,544)</b>	<b>256</b>
<b>COMPREHENSIVE INCOME</b>		<b>(2,274)</b>	<b>377</b>

*The accompanying notes form an integral part of the quarterly report.*

**GRAPHISOFT PARK SE**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
 FOR THE QUARTER ENDED MARCH 31, 2010  
 (all amounts in thousands EUR unless otherwise stated)

	Share capital	Retained earnings	Accumulated translation difference	Total equity
<b>January 1, 2009</b>	<b>213</b>	<b>23,613</b>	<b>(630)</b>	<b>23,196</b>
Loss for the period	-	(730)	-	<b>(730)</b>
Other compr. income	-	-	(1,544)	<b>(1,544)</b>
Share-based payment	-	-	-	-
<b>March 31, 2009</b>	<b>213</b>	<b>22,883</b>	<b>(2,174)</b>	<b>20,922</b>
<b>January 1, 2010</b>	<b>213</b>	<b>23,527</b>	<b>(657)</b>	<b>23,083</b>
Profit for the period	-	121	-	<b>121</b>
Other compr. income	-	-	256	<b>256</b>
Share-based payment	-	-	-	-
<b>March 31, 2010</b>	<b>213</b>	<b>23,648</b>	<b>(401)</b>	<b>23,460</b>

*The accompanying notes form an integral part of the quarterly report.*

**GRAPHISOFT PARK SE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
 FOR THE QUARTER ENDED MARCH 31, 2010  
 (all amounts in thousands EUR unless otherwise stated)

	<b>3 months ended</b>	<b>3 months ended</b>
	<b>March 31, 2009</b>	<b>March 31, 2010</b>
<b>OPERATING ACTIVITIES</b>		
Income before tax	(604)	190
Depreciation and amortization	610	880
Interest expense	712	679
Interest income	(301)	(98)
Unrealized foreign exchange (gains) / losses	749	(11)
Changes in working capital:		
Increase in receivables and other current assets	(90)	(358)
(Increase) / decrease in inventory	(1,293)	1
Increase in payables and accruals	1,138	18
Corporate income tax paid	(117)	(72)
<b>Net cash from operating activities</b>	<b>804</b>	<b>1,229</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of investment property, other tangible assets and intangibles	(2,580)	(324)
Interest paid (capitalized)	(53)	-
Interest received	333	15
<b>Net cash used in investing activities</b>	<b>(2,300)</b>	<b>(309)</b>
<b>FINANCING ACTIVITIES</b>		
Loan repayments	(322)	(393)
Interest paid	(764)	(680)
<b>Net cash used in financing activities</b>	<b>(1,086)</b>	<b>(1,073)</b>
Decrease in cash and cash equivalents	(2,582)	(153)
Cash and cash equivalents at beginning of period	18,528	1,688
Exchange differences on cash and cash equivalents	(1,229)	2
<b>Cash and cash equivalents at end of period</b>	<b>14,717</b>	<b>1,537</b>

*The accompanying notes form an integral part of the quarterly report.*

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
FOR THE QUARTER ENDED MARCH 31, 2010  
(all amounts in thousands EUR unless otherwise stated)

**1. General information**

**1.1. Graphisoft Park Group**

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 March 31, 2010.

**1.2. Governance**

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

<b>Name</b>	<b>Position</b>	<b>From</b>	<b>Until</b>
Bojár Gábor	Chairman	August 21, 2006	May 31, 2011
Hornung Péter	Member	August 21, 2006	May 31, 2011
Moskovits Péter	Member	April 30, 2008	May 31, 2011
Vásárhelyi István	Member	August 21, 2006	May 31, 2011
Dr. Kálmán János	Member	August 21, 2006	May 31, 2011

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

**1.3. 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.

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
FOR THE QUARTER ENDED MARCH 31, 2010  
(all amounts in thousands EUR unless otherwise stated)

The ownership structure is the following:

Name	Title	December 31, 2009		March 31, 2010	
		Shares (pcs)	Share (%)	Shares (pcs)	Share (%)
<b>Directors and management</b>		<b>3,899,114</b>	<b>36.69</b>	<b>3,899,114</b>	<b>36.69</b>
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	CEO	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
<b>Shareholders over 5% share</b>		<b>1,992,122</b>	<b>18.73</b>	<b>2,005,527</b>	<b>18.86</b>
Tari István Gábor		1,074,329	10.10	1,074,329	10.10
Concorde Alapkezelő Zrt.		917,793	8.63	931,198	8.76
<b>Other shareholders</b>		<b>4,513,924</b>	<b>42.45</b>	<b>4,500,519</b>	<b>42.32</b>
<b>Treasury shares**</b>		<b>226,514</b>	<b>2.13</b>	<b>226,514</b>	<b>2.13</b>
<b>Total</b>		<b>10,631,674</b>	<b>100.00</b>	<b>10,631,674</b>	<b>100.00</b>

\* Graphisoft Park Services Kft.

\*\* Treasury share details are disclosed in Note 22.

## 2. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year, 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 March 31, 2009	3 months ended March 31, 2010
EUR/HUF opening:	264.78	270.84
EUR/HUF closing:	309.22	266.39
EUR/HUF average:	294.57	268.57

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
 FOR THE QUARTER ENDED MARCH 31, 2010  
 (all amounts in thousands EUR unless otherwise stated)

**3. Cash and cash equivalents**

	December 31, 2009	March 31, 2010
Cash in hand	8	2
Cash at banks	1,680	1,535
<b>Cash and bank</b>	<b>1,688</b>	<b>1,537</b>

The components of changes in cash are detailed in the statement of cash flows.

**4. Securities**

	December 31, 2009	March 31, 2010
Bonds	8,022	8,022
<b>Securities</b>	<b>8,022</b>	<b>8,022</b>

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, 2009	March 31, 2010
Trade receivables	444	644
Provision for doubtful debts	-	-
<b>Trade receivables</b>	<b>444</b>	<b>644</b>

Trade receivables are on 8-15 day payment terms.



**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
 FOR THE QUARTER ENDED MARCH 31, 2010  
 (all amounts in thousands EUR unless otherwise stated)

**6. Inventories**

	December 31, 2009	March 31, 2010
Expenses to be recharged	7	6
<b>Inventories</b>	<b>7</b>	<b>6</b>

The value of inventories consists solely of expenses to be recharged to subcontractors.

**7. Current tax receivables and liabilities**

	December 31, 2009	March 31, 2010
Current tax receivables	558	601
Current tax liabilities	(174)	(137)
<b>Current tax (net)</b>	<b>384</b>	<b>464</b>

**8. Other current assets**

	December 31, 2009	March 31, 2010
Accrued income	272	469
Prepaid expense	7	24
Other receivables	8	24
<b>Other current assets</b>	<b>287</b>	<b>517</b>

Accrued income consists of the following as at the balance sheet date: revenues of 290 thousand EUR and interest income of 179 thousand EUR.

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
 FOR THE QUARTER ENDED MARCH 31, 2010  
 (all amounts in thousands EUR unless otherwise stated)

**9. Tangible and intangible assets – book values**

	December 31, 2009	March 31, 2010
Investment property	68,444	68,135
Other tangible assets	178	172
Intangible assets	23	21
<b>Tangible and intangible assets</b>	<b>68,645</b>	<b>68,328</b>

The table shows movements of investment property during the period:

	Land and buildings	Construction in progress	Investment property
<b>Net value:</b>			
<b>December 31, 2009</b>	<b>53,700</b>	<b>14,744</b>	<b>68,444</b>
<b>Gross value:</b>			
December 31, 2009	66,860	14,744	81,604
Additions	-	309	309
Capitalizations	112	(112)	-
Translation difference	1	248	249
<b>March 31, 2010</b>	<b>66,973</b>	<b>15,189</b>	<b>82,162</b>
<b>Depreciation:</b>			
December 31, 2009	13,160	-	13,160
Additions	876	-	876
Translation difference	-	-	-
<b>March 31, 2010</b>	<b>14,027</b>	<b>-</b>	<b>14,027</b>
<b>Net value:</b>			
<b>March 31, 2010</b>	<b>52,946</b>	<b>15,189</b>	<b>68,135</b>

The growth in investments during the first quarter, of 309 thousand EUR, comprised the following:

- preparatory activities in the development areas (161 thousand EUR); and
- development activities involving the Park's office buildings (148 thousand EUR, of which 112 thousand EUR is completed).

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
 FOR THE QUARTER ENDED MARCH 31, 2010  
 (all amounts in thousands EUR unless otherwise stated)

Assets in course of construction, totaling 15,189 EUR at the end of the quarter, comprise the following:

- the historical cost of the development areas (15,153 thousand EUR) and
- development activities in progress involving the Park's office buildings (36 thousand EUR).

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

**10. Investments**

	December 31, 2009	March 31, 2010
AIT-Budapest Kft.	100	100
<b>Investments</b>	<b>100</b>	<b>100</b>

In April, 2009, the Group acquired a 10 % ownership share in AIT-Budapest Aquincum Institute of Technology Kft.

**11. Deferred tax**

	December 31, 2009	March 31, 2010
Development reserve	(330)	(336)
Foreign exchange revaluation	1	-
Depreciation	50	42
Loss carried forward	441	427
<b>Deferred tax asset (liability)</b>	<b>162</b>	<b>133</b>

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
 FOR THE QUARTER ENDED MARCH 31, 2010  
 (all amounts in thousands EUR unless otherwise stated)

**12. Loans**

	December 31, 2009	March 31, 2010
Short-term	1,600	1,623
Long-term	53,841	53,425
<b>Loans</b>	<b>55,441</b>	<b>55,048</b>

Property developments are financed from bank loans. The total original capital amount of these loans is 58 million EUR. Loans are denominated and due in EUR, are subject to fixed (3-5 years fixed period from start of term) interest rates, except 9 million EUR which is subject to floating rate calculated based on EURIBOR plus margin interest formula. The Group had no undrawn borrowing facilities as of the balance sheet date. Collaterals provided for the bank are: mortgage on real estate, revenue assignment and bank account pledge.

**13. Trade payables**

	December 31, 2009	March 31, 2010
Trade payables – domestic	473	482
<b>Trade payables</b>	<b>473</b>	<b>482</b>

The Company settles trade payables within the payment term, and had no overdue payables as of the balance sheet date.

**14. Other short-term liabilities**

	December 31, 2009	March 31, 2010
Amounts due to employees	11	26
Deposits from tenants	215	228
Other payables and accruals	516	507
<b>Other short-term liabilities</b>	<b>742</b>	<b>761</b>

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
 FOR THE QUARTER ENDED MARCH 31, 2010  
 (all amounts in thousands EUR unless otherwise stated)

**15. Revenue**

	March 31, 2009	March 31, 2010
Property rental	1,597	1,836
<b>Revenue</b>	<b>1,597</b>	<b>1,836</b>

Revenue solely consist of rental fees coming from the lease of real estate of Graphisoft Park.

**16. Operating expense**

	March 31, 2009	March 31, 2010
Property related expense	18	48
Employee related expense	97	101
Other operating expense	58	74
Depreciation and amortization	610	880
<b>Operating expense</b>	<b>783</b>	<b>1,103</b>

Other operating expense consists of the following items:

	March 31, 2009	March 31, 2010
Office and telecommunication	5	4
Legal and administration	27	24
Marketing	14	32
Other	12	14
<b>Other operating expense</b>	<b>58</b>	<b>74</b>

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
 FOR THE QUARTER ENDED MARCH 31, 2010  
 (all amounts in thousands EUR unless otherwise stated)

**17. Other income (expense)**

	March 31, 2009	March 31, 2010
Income from recharged construction expenses	-	34
Recharged construction expenses	-	(33)
Income from recharged operation expenses	649	654
Recharged operation expenses	(619)	(634)
Others	7	(5)
<b>Other income (expense)</b>	<b>37</b>	<b>16</b>

According to agreements with the tenants, operation and construction expenses are recharged. The Company acts as an agent.

**18. Interests**

	March 31, 2009	March 31, 2010
Bank interest received	301	98
<b>Interest income</b>	<b>301</b>	<b>98</b>
Interest paid on loans	(762)	(674)
Other interest paid	(3)	(5)
Borrowing cost capitalized	53	-
<b>Interest expense</b>	<b>(712)</b>	<b>(679)</b>
<b>Net interest expense</b>	<b>(411)</b>	<b>(581)</b>

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
 FOR THE QUARTER ENDED MARCH 31, 2010  
 (all amounts in thousands EUR unless otherwise stated)

**19. Other financial gains and losses**

	March 31, 2009	March 31, 2010
Exchange rate differences realized	(295)	11
Exchange rate differences not realized	(749)	11
<b>Other financial gains and (losses)</b>	<b>(1,044)</b>	<b>22</b>

**20. Income taxes**

	March 31, 2009	March 31, 2010
Current income tax	(123)	(40)
Deferred income tax	(3)	(29)
<b>Income tax expense</b>	<b>(126)</b>	<b>(69)</b>

Tax rates are as follows:

- 2010: income tax 19%, local business tax 2% ,
- 2009: income tax 16%, solidarity tax 4%, local business tax 2%.

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
FOR THE QUARTER ENDED MARCH 31, 2010  
(all amounts in thousands EUR unless otherwise stated)

**21. Earnings per share**

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

	March 31, 2009	March 31, 2010
Net profit (loss) attributable to equity holders of the parent	(730)	121
Weighted average number of ordinary shares	10,404,160	1,405,160
<b>Basic earnings (loss) per share (EUR)</b>	<b>(0.07)</b>	<b>0.01</b>
Share options	-	-
Weighted average number of ordinary shares	10,404,160	1,405,160
<b>Diluted earnings (loss) per share (EUR)</b>	<b>(0.07)</b>	<b>0.01</b>

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, 2009	March 31, 2010
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 Company has a contractual commitment to development for education purposes, which shall result in the set-up of an educational campus and the start-up of a program of higher education within 5 years from the final approval of the zoning plan for the area purchased in 2008 (not yet approved).

In accordance with our project to develop a part of the property for educational purposes, we 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. Once the educational program begins, AIT will pay 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. Events after the balance sheet date**

Following the recommendation of the Board of Directors, the Annual General Meeting on April 30, 2010, approved the 2009 consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS) showing a balance sheet total of 79,913 thousand EUR and a loss for the year of 88 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 (960,453 EUR).

### **25. Declarations**

**Forward-looking statements** - The Quarterly 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** - To the best of our knowledge, the Quarterly Report gives a true and fair view of the financial position and performance of Graphisoft Park SE and its controlled undertakings, and contains an explanation of material events and transactions that have taken place during the relevant period and their impact on the financial position of Graphisoft Park SE and its controlled undertakings.