

GRAPHISOFT PARK SE

Interim Management Report – Third Quarter 2010

November 15, 2010



GRAPHISOFT PARK





Financial highlights

IFRS, consolidated, thousand EUR

	3 months ended		9 months ended	
	September 30,	September 30,	September 30,	September 30,
	2009	2010	2009	2010
Revenue	1,764	1,873	5,108	5,531
Operating expense	(372)	(298)	(802)	(832)
Other income (expense)	57	32	71	75
EBITDA	1,449	1,607	4,377	4,774
Depreciation and amortization	(914)	(910)	(2,362)	(2,691)
Operating profit	535	697	2,015	2,083
Net interest expense	(563)	(571)	(1,501)	(1,722)
Operating profit and net interest	(28)	126	514	361
Exchange rate differences	29	16	(706)	(30)
Profit before tax	1	142	(192)	331
Income tax expense	(105)	(117)	(459)	(245)
Profit (loss) for the period	(104)	25	(651)	86
EBITDA margin (%)	82.1	85.8	85.7	86.3
Operating profit margin (%)	30.3	37.2	39.4	37.7

	December 31, 2009	September 30, 2010
Assets total	79,913	77,591
Investment property at cost*	68,444	67,393
Bank loans	55,441	54,243
Net debt	45,662	45,820

* 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).



Dear Shareholders,

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

- Financial results of the first nine months of 2010,
- Utilization, occupancy,
- Development activities,
- Other key issues,
- Forecast for the year 2010.

Financial results of the first nine months of 2010

The Company's results are in accordance with its plans: with revenues of 5,531 thousand euros, we closed the first three quarters with a net profit of 86 thousand euros.

- **Revenue** (5,531 thousand euros, Q1: 1,836 thousand euros, Q2: 1,822 thousand euros, Q3: 1,873 thousand euros) exceeded the previous year's revenues for the first nine months by 8.3%. This growth is due to additional revenues from Building Hz, completed in April 2009 (generating revenues during 6 months in 2009, and during 9 months in 2010), and to the continuously increasing occupancy (2009 Q3: 75%; 2010 Q3: 80%).
- **Operating expenses** (757 thousand euros, Q1: 207 thousand euros, Q2: 284 thousand euros, Q3: 266 thousand euros) increased by 3.6% compared to the previous year.
- **Depreciation** (2,691 thousand euros, Q1: 880 thousand euros, Q2: 901 thousand euros, Q3: 910 thousand euros) increased by 13.9% compared to the previous year, largely due to the depreciation costs accounted for following the completion of Building H in April 2009 (depreciating during 6 months in 2009, and during 9 months in 2010).
- Due to all of the above, **EBITDA** (4,774 thousand euros, Q1: 1,629 thousand euros, Q2: 1,538 thousand euros, Q3: 1,607 thousand euros) exceeded the previous year's by 9.1%. **Operating profit** (2,083 thousand euros, Q1: 749 thousand euros, Q2: 637 thousand euros, Q3: 697 thousand euros) increased by 3.4% compared to the previous year.
- **Net interest expense** (1,722 thousand euros, of which 2,005 thousand euros interest expense and 283 thousand euros interest income) has, despite the lower interests on bank loans, increased compared to the previous year, because of a significant decrease in interest income. This decrease in interest income is due to the following factors: (1) decreased cash reserves and securities because of development projects undertaken, such as demolition projects, preparatory activities, and renovations (see details in the Development activities section below), as well as payment of dividends; (2) the transfer of cash reserves and securities from forint to euro, which pays lower interests.
- The relatively low **exchange rate difference** (loss of 30 thousand euros, Q1: gain of 22 thousand euros, Q2: loss of 68 thousand euros, Q3: gain of 16 thousand euros) is due to the transfer of the cash reserves into euro, which has significantly reduced the effect of exchange rate fluctuations on the Company's results.

Utilization, occupancy

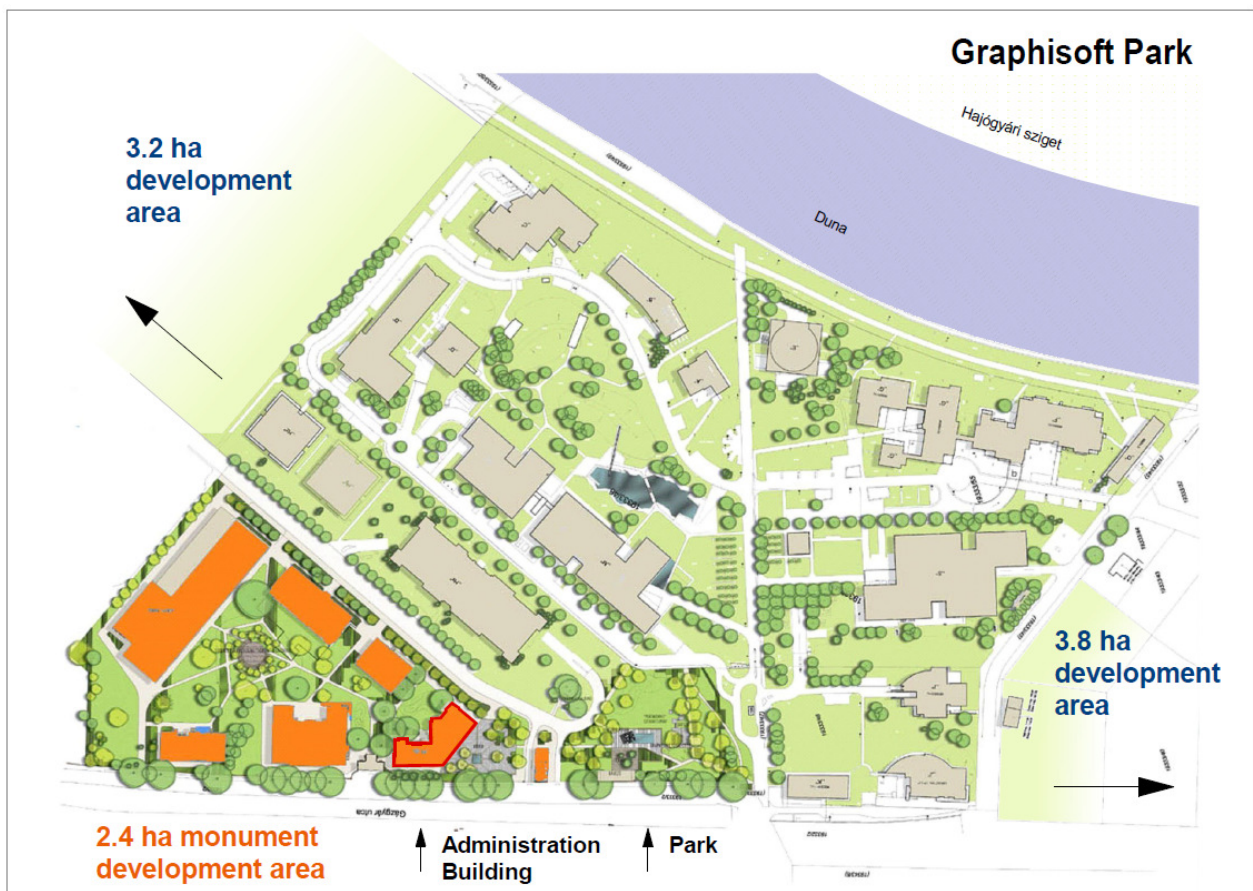
During the third quarter, occupancy of Graphisoft Park's 45,000 m² of office and laboratory space continued to increase. At present, the occupancy rate is 80%, as against 77% at the end of the first half of the year. This increase is primarily due to the success of the businesses run by our existing tenants: to meet their expanding needs, we developed additional office space in Buildings Hx and Hy, which the tenants have already occupied.



Another development has not increased the occupancy rate, but is significant nonetheless: Graphisoft Park's largest tenant, SAP, has moved its commercial services division - which earlier was housed elsewhere - into the Park, and extended its lease for an additional five years.

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, an additional 65,000 m² of office space can be potentially developed. In addition, the 14,000 m² of building space comprising the monument area can be utilized, after its renovation is complete.



Development of the **core area** of Graphisoft Park is essentially complete, although investments (development, remodeling and renovation of office space) continue here, to meet the needs of existing and new tenants. For this purpose, we spent a total of 920 thousand euros during the first nine months of 2010. Of this total, the largest outlay was for remodeling the SAP building (a project affecting 3,000 m²), which was needed due to the arrival of SAP's commercial services division. To meet the expansion needs of other existing clients, we developed 1,000 m² of additional office space in Building Hx, and 2,500 m² in Building Hy. In addition, we renovated approximately 1,200 m² in the other buildings of the Park to accommodate the tenants' growing businesses and reorganizations.



In the **monument development area**, two large-scale developments were completed in 2010:

(1) We completed the demolition and landscaping activities at the entrance to Graphisoft Park. As part of this project, and in part for public use, we created a park and playground which includes a sculpture representing Rubik's Cube - a symbol of Hungarian creativity, which serves to emblematically emphasize and introduce the mission of Graphisoft Park. In view of future developments of the Park, we created a new entrance, whose reception building was created out of the former 'Weighing Station', an industrial monument. This building was completely renovated, in harmony with its historical landmark character, and a new security guard system was instituted. Total development costs were 270 thousand euros.

(2) We have begun the complete renovation of the 'Administration Building', which earlier served as management headquarters of the Óbuda Gas Works. The project involves the historically accurate reconstruction of the original secession-style façade, as well as the renovation of the mechanical, insulation and other building systems to bring them up to 21st century standards. All of these tasks are carried out in close cooperation with the Hungarian National Office of Cultural Heritage. The entire project is expected to be completed by the end of the first quarter of 2011, at a total cost of 1.5 million euros, including the demolition and landscaping of the area surrounding the building. In the long term, the building will be used by the Aquincum Institute of Technology (AIT) (which will lease the space at market rates to ensure the return on investment). In the short term, as long as the size of AIT's student body does not yet warrant its use, we plan to lease this exceptional building as office space.

In the **development areas**, we obtained permission for and carried out the demolition of the area's buildings that are not protected landmarks. The archeological excavations have been completed. If warranted, construction of a new office building could begin immediately in the excavated, southern development area. No further preparatory work or developments are planned 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 nearly 2.5 million euros, of which 750 thousand euros were incurred in 2010.

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.

The moratorium on modifications was lifted in February, 2010. The Local Government of Óbuda-Békásmegyer did not extend the moratorium.

Other key issues

The Aquincum Institute of Technology (AIT) was launched, holding a successful inaugural summer session in June and July. The program hosted students from top U.S. universities (e.g. Princeton, Williams, Smith) at Graphisoft Park. Feedback on the summer session can be found at AIT's website: <http://ait-budapest.com>. The first regular semester will begin in February 2011. This new educational institution, whose presence will further increase the attractiveness of Graphisoft Park, will be leasing a total of 550 m² of space during 2011 for educational purposes, increasing the Park's occupancy rate.



Forecast for the year 2010

Our forecast for the year 2010 is summarized in the following table:

(million euros)	2009 actual	2010 estimate
Rental revenue	6.84	7.4
Operating expenses	0.97	1.0
EBITDA	5.87	6.4
Depreciation and amortization	3.27	3.6
Net interest expense	1.94	2.3
Exchange rate loss	0.66	0.0
Income tax expense	0.09	0.3
Net profit	-0.09	0.2

As reflected in this forecast, based on the lease agreements concluded since our earlier forecasts, we expect rental revenues to be 200 thousand euros greater than forecast earlier. However, decreasing cash reserves as a result of development expenditures are resulting in lower interest income (and thus higher net interest expense) than earlier forecast. In sum, therefore, the final forecast remains the same as in our earlier reports: an approximate after-tax profit of 200 thousand euros.

***Declaration** - We declare that the attached Quarterly 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.*

Budapest, November 15, 2010

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer



GRAPHISOFT PARK SE

QUARTERLY REPORT

for the quarter ended September 30, 2010

in accordance with International Financial Reporting Standards (IFRS)

(unaudited)

Budapest, November 15, 2010

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE
QUARTERLY REPORT
SEPTEMBER 30, 2010

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GRAPHISOFT PARK SE
CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 30, 2010

(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2009	September 30, 2010
Cash and cash equivalents	3	1,688	881
Securities	4	8,022	8,000
Trade receivables	5	444	278
Inventories	6	7	2
Current tax receivable	7	558	345
Other current assets	8	287	348
Current assets		11,006	9,854
Investment property	9	68,444	67,393
Other tangible assets	9	178	179
Intangible assets	9	23	13
Investments	10	100	100
Deferred tax asset	11	162	52
Non-current assets		68,907	67,737
TOTAL ASSETS		79,913	77,591
Short-term loans	12	1,600	1,684
Trade payables	13	473	441
Current tax liability	7	174	126
Other short-term liabilities	14	742	916
Current liabilities		2,989	3,167
Long-term loans	12	53,841	52,559
Non-current liabilities		53,841	52,559
TOTAL LIABILITIES		56,830	55,726
Share capital		213	213
Retained earnings		23,527	22,653
Accumulated translation difference		(657)	(1,001)
Shareholders' equity		23,083	21,865
TOTAL LIABILITIES & EQUITY		79,913	77,591

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2010
(all amounts in thousands EUR unless otherwise stated)

	Notes	3 months ended		9 months ended	
		Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Property rental revenue	15	1,764	1,873	5,108	5,531
Revenue		1,764	1,873	5,108	5,531
Property related expense	16	(102)	(34)	(126)	(149)
Employee related expense	16	(98)	(91)	(354)	(343)
Other operating expense	16	(172)	(173)	(322)	(340)
Depreciation and amortization	16, 9	(914)	(910)	(2,362)	(2,691)
Operating expense		(1,286)	(1,208)	(3,164)	(3,523)
Other income (expense)	17	57	32	71	75
OPERATING PROFIT		535	697	2,015	2,083
Interest income	18	128	88	595	283
Interest expense	18	(691)	(659)	(2,096)	(2,005)
Exchange rate difference	19	29	16	(706)	(30)
Financial expense		(534)	(555)	(2,207)	(1,752)
PROFIT BEFORE TAX		1	142	(192)	331
Income tax expense	20	(105)	(117)	(459)	(245)
PROFIT (LOSS) FOR THE PERIOD		(104)	25	(651)	86
Attributable to equity holders of the parent		(104)	25	(651)	86
Basic earnings (loss) per share (EUR)	21	(0.01)	0.00	(0.06)	0.01
Diluted earnings (loss) per share (EUR)	21	(0.01)	0.00	(0.06)	0.01

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE QUARTER ENDED SEPTEMBER 30, 2010
 (all amounts in thousands EUR unless otherwise stated)

	Notes	3 months ended		9 months ended	
		Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Profit (loss) for the period		(104)	25	(651)	86
Translation difference		94	462	16	(344)
Other comprehensive income		94	462	16	(344)
COMPREHENSIVE INCOME		(10)	487	(635)	(258)

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE QUARTER ENDED SEPTEMBER 30, 2010
 (all amounts in thousands EUR unless otherwise stated)

	Share capital	Retained earnings	Accumulated translation difference	Total equity
December 31, 2008	213	23,613	(630)	23,196
Loss for the period	-	(651)	-	(651)
Other compr. income	-	-	16	16
Share-based payment	-	2	-	2
Dividend	-	-	-	-
September 30, 2009	213	22,964	(614)	22,563
December 31, 2009	213	23,527	(657)	23,083
Profit for the period	-	86	-	86
Other compr. income	-	-	(344)	(344)
Share-based payment	-	-	-	-
Dividend	-	(960)	-	(960)
September 30, 2010	213	22,653	(1,001)	21,865

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2010
(all amounts in thousands EUR unless otherwise stated)

	3 months ended		9 months ended	
	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
OPERATING ACTIVITIES				
Income before tax	1	142	(192)	331
Depreciation and amortization	914	910	2,362	2,691
Interest expense	691	659	2,096	2,005
Interest income	(128)	(88)	(595)	(283)
Change in provision for bad debts	3	-	3	-
Unrealized foreign exchange (gains) / losses	(749)	(34)	119	(30)
Changes in working capital:				
(Increase) / decrease in receivables and other current assets	125	464	(274)	341
(Increase) / decrease in inventory	21	(2)	984	5
Increase / (decrease) in payables and accruals	2,301	18	(116)	206
Corporate income tax paid	(92)	(102)	(278)	(225)
Net cash from operating activities	3,087	1,967	4,109	5,041
INVESTING ACTIVITIES				
Purchase of tangible assets and intangibles	(4,799)	(868)	(9,593)	(2,058)
Interest paid (capitalized)	(1)	(5)	(56)	(6)
Purchase of investment	-	-	(100)	-
Purchase of securities	-	-	(8,022)	-
Interest received	172	345	643	372
Net cash used in investing activities	(4,628)	(528)	(17,128)	(1,692)
FINANCING ACTIVITIES				
Loan repayments	(373)	(406)	(1,055)	(1,198)
Interest paid	(695)	(605)	(2,157)	(2,014)
Dividend paid	-	(38)	-	(946)
Net cash used in financing activities	(1,068)	(1,049)	(3,212)	(4,158)
Increase / (decrease) in cash and cash equivalents	(10,631)	390	(16,231)	(809)
Cash and cash equivalents at beginning of period	12,544	484	18,528	1,688
Exchange differences on cash and cash equivalents	9	7	(375)	2
Cash and cash equivalents at end of period	1,922	881	1,922	881

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 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 as of 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 September 30, 2010.

1.2. Governance

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

Name	Position	From	Until
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 have been publicly traded on the Budapest Stock Exchange since 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 SEPTEMBER 30, 2010
(all amounts in thousands EUR unless otherwise stated)

The ownership structure is the following:

Name	Title	December 31, 2009		September 30, 2010	
		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	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
Shareholders over 5% share		1,992,122	18.73	2,036,264	19.15
Tari István Gábor		1,074,329	10.10	1,074,329	10.10
Concorde Alapkezelő Zrt.		917,793	8.63	961,935	9.05
Other shareholders		4,513,924	42.45	4,469,782	42.03
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.

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		9 months ended	
	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
EUR/HUF opening:	272.43	286.46	264.78	270.84
EUR/HUF closing:	270.36	277.33	270.36	277.33
EUR/HUF average:	271.36	282.46	283.82	275.25

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2010
 (all amounts in thousands EUR unless otherwise stated)

3. Cash and cash equivalents

	December 31, 2009	September 30, 2010
Cash in hand	8	8
Cash at banks	1,680	873
Cash and bank	1,688	881

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

4. Securities

	December 31, 2009	September 30, 2010
Bonds	8,022	8,000
Securities	8,022	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. Following the interest payment in August 2010, the book value of the bonds decreased by the amount of the interest accrued in the purchase price. Fair value of the bonds equals their book value.

5. Trade receivables

	December 31, 2009	September 30, 2010
Trade receivables	444	278
Provision for doubtful debts	-	-
Trade receivables	444	278

Trade receivables are on 8-30 day payment terms.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2010
 (all amounts in thousands EUR unless otherwise stated)

6. Inventories

	December 31, 2009	September 30, 2010
Expenses to be recharged	7	2
Inventories	7	2

7. Current tax receivables and liabilities

	December 31, 2009	September 30, 2010
Current tax receivables	558	345
Current tax liabilities	(174)	(126)
Current tax (net)	384	219

8. Other current assets

	December 31, 2009	September 30, 2010
Accrued income	272	341
Prepaid expense	7	7
Other receivables	8	-
Other current assets	287	348

Accrued income consists of the following as at the balance sheet date: revenues of 312 thousand EUR and interest income of 29 thousand EUR.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2010
(all amounts in thousands EUR unless otherwise stated)

9. Tangible and intangible assets – book values

	December 31, 2009	September 30, 2010
Investment property	68,444	67,393
Other tangible assets	178	179
Intangible assets	23	13
Tangible and intangible assets	68,645	67,585

The table shows movements of investment property during the period:

	Land and buildings	Construction in progress	Investment property
Net value:			
December 31, 2009	53,700	14,744	68,444
Gross value:			
December 31, 2009	66,860	14,744	81,604
Additions	-	1,946	1,946
Capitalizations	1,127	(1,127)	-
Translation difference	(3)	(351)	(354)
September 30, 2010	67,984	15,212	83,196
Depreciation:			
December 31, 2009	13,160	-	13,160
Additions	2,644	-	2,644
Translation difference	(1)	-	(1)
September 30, 2010	15,803	-	15,803
Net value:			
September 30, 2010	52,181	15,212	67,393

The growth in investments of 1,946 thousand EUR comprises the following:

- development and preparatory activities in the development areas (1,026 thousand EUR, of which 215 thousand EUR is completed); and
- development activities involving the Park's office buildings (920 thousand EUR, of which 912 thousand EUR is completed).

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2010
 (all amounts in thousands EUR unless otherwise stated)

Assets in course of construction, totaling 15,212 EUR at the end of the third quarter, comprise the following:

- the historical cost of the development areas (15,204 thousand EUR) and
- development activities in progress involving the Park's office buildings (8 thousand EUR).

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

10. Investments

	December 31, 2009	September 30, 2010
AIT-Budapest Kft.	100	100
Investments	100	100

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

11. Deferred tax

	December 31, 2009	September 30, 2010
Development reserve	(330)	(170)
Foreign exchange revaluation	1	-
Depreciation	50	22
Loss carried forward	441	200
Deferred tax asset (liability)	162	52

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2010
 (all amounts in thousands EUR unless otherwise stated)

12. Loans

	December 31, 2009	September 30, 2010
Short-term	1,600	1.684
Long-term	53,841	52,559
Loans	55,441	54,243

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	September 30, 2010
Trade payables – domestic	473	441
Trade payables	473	441

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	September 30, 2010
Amounts due to employees	11	11
Deposits from tenants	215	313
Other payables and accruals	516	592
Other short-term liabilities	742	916

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2010
(all amounts in thousands EUR unless otherwise stated)

15. Revenue

	3 months ended		9 months ended	
	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Property rental	1,764	1,873	5,108	5,531
Revenue	1,764	1,873	5,108	5,531

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

16. Operating expense

	3 months ended		9 months ended	
	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Property related expense	102	34	126	149
Employee related expense	98	91	354	343
Other operating expense	172	173	322	340
Depreciation and amortization	914	910	2,362	2,691
Operating expense	1,286	1,208	3,164	3,523

Other operating expense consists of the following items:

	3 months ended		9 months ended	
	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Office and telecommunication	5	4	14	12
Legal and administration	17	27	70	89
Marketing	139	127	202	190
Other	11	15	36	49
Other operating expense	172	173	322	340

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17. Other income (expense)

	3 months ended		9 months ended	
	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Income from recharged construction expenses	(71)	61	3,274	264
Recharged construction expenses	58	(53)	(3,246)	(253)
Income from recharged operation expenses	685	605	1,887	1,890
Recharged operation expenses	(612)	(580)	(1,814)	(1,820)
Others	(3)	(1)	(30)	(6)
Other income (expense)	57	32	71	75

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

18. Interests

	3 months ended		9 months ended	
	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Bank interest received	128	88	595	283
Interest income	128	88	595	283
Interest paid on loans	(692)	(662)	(2,143)	(2,000)
Other interest paid	-	(2)	(9)	(11)
Borrowing cost capitalized	1	5	56	6
Interest expense	(691)	(659)	(2,096)	(2,005)
Net interest expense	(563)	(571)	(1,501)	(1,722)

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19. Other financial gains and losses

	3 months ended		9 months ended	
	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Exchange rate differences realized	(720)	(25)	(587)	(62)
Exchange rate differences not realized	749	41	(119)	32
Other financial gains and (losses)	29	16	(706)	(30)

20. Income taxes

	3 months ended		9 months ended	
	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Current income tax	(48)	(49)	(227)	(136)
Deferred income tax	(57)	(68)	(232)	(109)
Income tax expense	(105)	(117)	(459)	(245)

Applicable tax rates are as follows:

- from second half 2010: income tax 10%, local business tax 2%,
- first half 2010: income tax 19%, local business tax 2%,
- 2009: income tax 16%, solidarity tax 4%, 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		9 months ended	
	Sept. 30, 2009	Sept. 30, 2010	Sept. 30, 2009	Sept. 30, 2010
Net profit (loss) attrib. to equity holders of the parent	(104)	25	(651)	86
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)	0.00	(0.06)	0.01
Share options	-	-	-	-
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)	0.00	(0.06)	0.01

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	September 30, 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. Holders of treasury shares are not entitled to dividends.

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. Approval of financial statements, dividend

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). The Company paid out the dividends to the shareholders identified by shareholder's registration.

25. Declaration

We declare that the Quarterly 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.