

GRAPHISOFT PARK SE

Interim Management Report – Fourth Quarter 2010

February 21, 2011



GRAPHISOFT PARK





Financial highlights

IFRS, consolidated, thousand EUR

	3 months ended		12 months ended	
	December 31,	December 31,	December 31,	December 31,
	2009	2010	2009	2010
Revenue	1,732	1,873	6,840	7,404
Operating expense	(238)	(195)	(1,040)	(1,027)
Other income (expense)	1	25	72	100
EBITDA	1,495	1,703	5,872	6,477
Depreciation and amortization	(906)	(917)	(3,268)	(3,608)
Operating profit	589	786	2,604	2,869
Net interest expense	(439)	(555)	(1,940)	(2,227)
Operating profit and net interest	150	231	664	592
Exchange rate differences	44	(3)	(662)	(33)
Profit before tax	194	228	2	559
Income tax expense	369	(25)	(90)	(270)
Profit (loss) for the period	563	203	(88)	289
EBITDA margin (%)	86.3	90.9	85.8	87.5
Operating profit margin (%)	34.0	42.0	38.1	38.7

	December 31, 2009	September 30, 2010
Assets total	79,913	77,509
Investment property at cost*	68,444	67,119
Bank loans	55,441	53,831
Net debt	45,662	45,457

* 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 for the year 2010,
- Utilization, occupancy,
- Development activities,
- Other key issues,
- Forecast for the year 2011.

Financial results for the year 2010

The Company closed the year with revenues of 7,404 thousand euros, EBITDA of 6,477 thousand euros, and a net profit of 289 thousand euros.

- **Revenue** (7,404 thousand euros, Q1: 1,836 thousand euros, Q2: 1,822 thousand euros, Q3: 1,873 thousand euros, Q4: 1,873 thousand euros) exceeded the previous year's by 8.2%. This growth is due to additional revenues from Building Hz, completed in April 2009 (generating revenues during 9 months in 2009, and during 12 months in 2010), and to the continuously increasing occupancy (see the "Utilization, occupancy" section).
- **Operating expenses** (927 thousand euros, Q1: 207 thousand euros, Q2: 284 thousand euros, Q3: 266 thousand euros, Q4: 170 thousand euros) decreased by 4.2% compared to the previous year, as a result of strict cost control measures.
- **Depreciation** (3,608 thousand euros, Q1: 880 thousand euros, Q2: 901 thousand euros, Q3: 910 thousand euros, Q4: 917 thousand euros) increased by 10.4% compared to the previous year, largely due to the depreciation costs accounted for following the completion of Building H in April 2009 (depreciating during 9 months in 2009, and during 12 months in 2010).
- Due to all of the above, **EBITDA** (6,477 thousand euros, Q1: 1,629 thousand euros, Q2: 1,538 thousand euros, Q3: 1,607 thousand euros, Q4: 1,703 thousand euros) exceeded the previous year's by 10.3%. **Operating profit** (2,869 thousand euros, Q1: 749 thousand euros, Q2: 637 thousand euros, Q3: 697 thousand euros, Q4: 786 thousand euros) increased by 10.2% compared to the previous year.
- **Net interest expense** (2,277 thousand euros, of which 2,658 thousand euros interest expense and 381 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 demolition projects, preparatory activities, and renovations (see details in the "Development activities" section), as well as payment of dividends; (2) the transfer of cash reserves and securities from forint to euro, which pays lower interest.
- The relatively low **exchange rate difference** (loss of 33 thousand euros, Q1: gain of 22 thousand euros, Q2: loss of 68 thousand euros, Q3: gain of 16 thousand euros, Q4: loss of 3 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 results.

Utilization, occupancy

During the course of 2010, occupancy of Graphisoft Park's 45,000 m² of office and laboratory space developed as follows:

Q1: 77%

Q2: 79%

Q3: 80%

Q4: 83%



The improvement in occupancy 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.

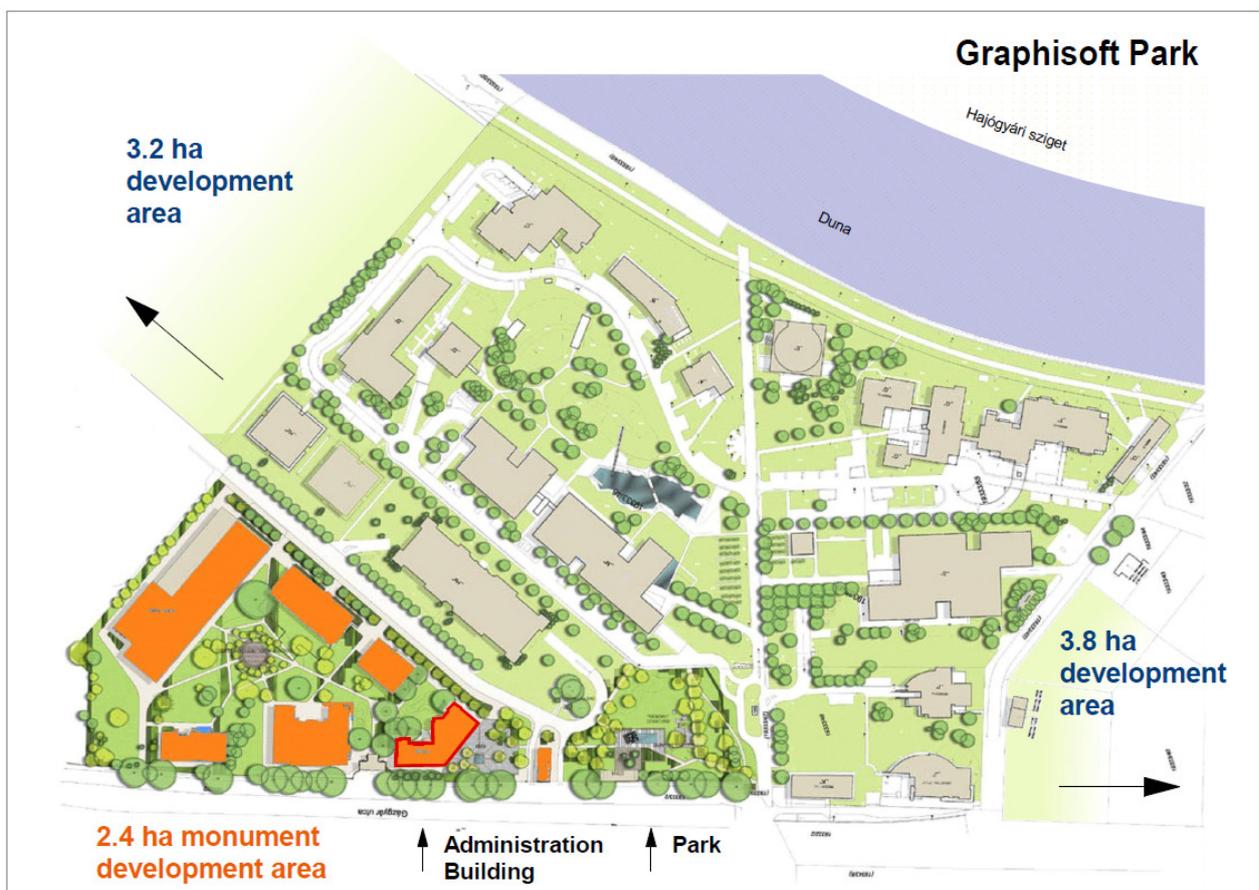
In another significant development, Graphisoft Park's largest tenant, SAP, has moved its commercial services division - which earlier was housed elsewhere - into the Park, and extended its lease for an additional five years.

As a result of renovation activities begun in the second half of 2010, we have signed an agreement to lease 1,000 m² of the "Administration Building", located in the Park's monument development area, beginning in the second quarter of 2011.

Office space occupancy rates in Budapest have been growing continuously since the second half of 2010, a positive development which will likely also increase office space occupancy of Graphisoft Park during 2011. However, our revenue forecast set out in the "Forecast for the year 2011" section reflects only the already signed and valid lease agreements, and does not reflect this potential development.

Development activities

The total area of Graphisoft Park is nearly 18 hectares. Over the past 12 years, 45,000 m² of office and laboratory space, covering 8.5 hectares, have been developed and occupied. In the remaining area, 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 1 million euros during the year 2010. Of this total, the largest expense was for remodeling the SAP building (a project affecting 3,000 m²), which was needed due to the relocation of SAP's commercial services division to Graphisoft Park. 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 first building of the former Óbuda Gas Works, a historical monument. 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 monument development area will be used primarily for educational purposes, and will also house the Aquincum Institute of Technology (AIT).

In the **development areas**, we obtained permission for and carried out the demolition of the area's buildings that are not protected landmarks. The planned 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 2.6 million euros, of which 900 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. International response to the summer session can be found at AIT's website: <http://ait-budapest.com>. As of the writing of this report, the Institute has already begun its first regular semester. 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 2011

Our forecast for the year 2011 is summarized in the following table. It is based exclusively on already signed, valid lease agreements, and the resulting occupancy rate of 83%. (The first two columns show results for the two previous years.)

(million euros)	2009 actual	2010 actual	2011 forecast
Rental revenue	6.84	7.40	7.8
Operating expenses	- 0.97	- 0.93	- 0.9
EBITDA	5.87	6.47	6.9
Depreciation and amortization	- 3.27	- 3.60	- 3.8
Operating profit	2.60	2.87	3.1
Net interest expense	- 1.94	- 2.28	- 2.1
Exchange rate difference	- 0.66	- 0.03	-
Income tax expense	- 0.09	- 0.27	- 0.3
Net profit	-0.09	0.29	0.7

The expected significant increase in net profit is based partly on the increase of the occupancy rate and partly on the decrease in interest expenses.

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

***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, February 21, 2011

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer



GRAPHISOFT PARK SE

QUARTERLY REPORT

for the quarter ended December 31, 2010

in accordance with International Financial Reporting Standards (IFRS)

(unaudited)

Budapest, February 21, 2011

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE
QUARTERLY REPORT
DECEMBER 31, 2010

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GRAPHISOFT PARK SE
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2010
(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2009	December 31, 2010
Cash and cash equivalents	3	1,688	723
Securities	4	8,022	8,000
Trade receivables	5	444	362
Inventories	6	7	-
Current tax receivable	7	558	380
Other current assets	8	287	517
Current assets		11,006	9,982
Investment property	9	68,444	67,119
Other tangible assets	9	178	222
Intangible assets	9	23	10
Investments	10	100	100
Deferred tax asset	11	162	76
Non-current assets		68,907	67,527
TOTAL ASSETS		79,913	77,509
Short-term loans	12	1,600	1,692
Trade payables	13	473	667
Current tax liability	7	174	180
Other short-term liabilities	14	742	837
Current liabilities		2,989	3,376
Long-term loans	12	53,841	52,139
Non-current liabilities		53,841	52,139
TOTAL LIABILITIES		56,830	55,515
Share capital		213	213
Retained earnings		23,527	22,856
Accumulated translation difference		(657)	(1,075)
Shareholders' equity		23,083	21,994
TOTAL LIABILITIES & EQUITY		79,913	77,509

The accompanying notes form an integral part of the report.

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

	Notes	3 months ended		12 months ended	
		Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
Property rental revenue	15	1,732	1,873	6,840	7,404
Revenue		1,732	1,873	6,840	7,404
Property related expense	16	(7)	(27)	(133)	(176)
Employee related expense	16	(106)	(95)	(460)	(438)
Other operating expense	16	(125)	(73)	(447)	(413)
Depreciation and amortization	16, 9	(906)	(917)	(3,268)	(3,608)
Operating expense		(1,144)	(1,112)	(4,308)	(4,635)
Other income (expense)	17	1	25	72	100
OPERATING PROFIT		589	786	2,604	2,869
Interest income	18	210	98	805	381
Interest expense	18	(649)	(653)	(2,745)	(2,658)
Exchange rate difference	19	44	(3)	(662)	(33)
Financial expense		(395)	(558)	(2,602)	(2,310)
PROFIT BEFORE TAX		194	228	2	559
Income tax expense	20	369	(25)	(90)	(270)
PROFIT (LOSS) FOR THE PERIOD		563	203	(88)	289
Attributable to equity holders of the parent		563	203	(88)	289
Basic earnings (loss) per share (EUR)	21	0.05	0.02	(0.01)	0.03
Diluted earnings (loss) per share (EUR)	21	0.05	0.02	(0.01)	0.03

The accompanying notes form an integral part of the report.

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

	Notes	3 months ended		12 months ended	
		Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
Profit (loss) for the period		563	203	(88)	289
Translation difference		(43)	(74)	(27)	(418)
Other comprehensive income		(43)	(74)	(27)	(418)
COMPREHENSIVE INCOME		520	129	(115)	(129)

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
 FOR THE QUARTER ENDED DECEMBER 31, 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	-	(88)	-	(88)
Other compr. income	-	-	(27)	(27)
Share-based payment	-	2	-	2
Dividend	-	-	-	-
December 31, 2009	213	23,527	(657)	23,083
Profit for the period	-	289	-	289
Other compr. income	-	-	(418)	(418)
Share-based payment	-	-	-	-
Dividend	-	(960)	-	(960)
December 31, 2010	213	22,856	(1,075)	21,994

The accompanying notes form an integral part of the report.

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

	3 months ended		12 months ended	
	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
OPERATING ACTIVITIES				
Income before tax	194	228	2	559
Depreciation and amortization	906	917	3,268	3,608
Interest expense	649	653	2,745	2,658
Interest income	(210)	(98)	(805)	(381)
Change in provision for bad debts	7	1	10	1
Unrealized foreign exchange (gains) / losses	(44)	12	75	(18)
Changes in working capital:				
(Increase) / decrease in receivables and other current assets	349	(228)	75	113
(Increase) / decrease in inventory	(2)	2	982	7
Increase / (decrease) in payables and accruals	(1,515)	280	(1,631)	486
Corporate income tax paid	(9)	(24)	(287)	(249)
Net cash from operating activities	325	1,743	4,434	6,784
INVESTING ACTIVITIES				
Purchase of tangible assets and intangibles	(120)	(843)	(9,713)	(2,901)
Interest paid (capitalized)	-	(6)	(56)	(12)
Purchase of investment	-	-	(100)	-
Purchase of securities	-	-	(8,022)	-
Interest received	133	12	776	384
Net cash from (used in) investing activities	13	(837)	(17,115)	(2,529)
FINANCING ACTIVITIES				
Loan repayments	(392)	(412)	(1,447)	(1,610)
Interest paid	(531)	(644)	(2,688)	(2,658)
Dividend paid	-	(3)	-	(949)
Net cash used in financing activities	(923)	(1,059)	(4,135)	(5,217)
Increase / (decrease) in cash and cash equivalents	(585)	(153)	(16,816)	(962)
Cash and cash equivalents at beginning of period	1,922	881	18,528	1,688
Exchange differences on cash and cash equivalents	351	(5)	(24)	(3)
Cash and cash equivalents at end of period	1,688	723	1,688	723

The accompanying notes form an integral part of the report.

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

The ownership structure is the following:

Name	Title	December 31, 2009		December 31, 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	2,030,634	19.10
Tari István Gábor		1,074,329	10.10	1,074,329	10.10
Concorde Alapkezelő Zrt.		917,793	8.63	956,305	9.00
Other shareholders		4,513,924	42.45	4,475,412	42.08
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		12 months ended	
	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
EUR/HUF opening:	270.36	277.33	264.78	270.84
EUR/HUF closing:	270.84	278.75	270.84	278.75
EUR/HUF average:	270.90	275.90	280.58	275.41

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

3. Cash and cash equivalents

	December 31, 2009	December 31, 2010
Cash in hand	8	5
Cash at banks	1,680	718
Cash and bank	1,688	723

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

4. Securities

	December 31, 2009	December 31, 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	December 31, 2010
Trade receivables	444	363
Provision for doubtful debts	-	(1)
Trade receivables	444	362

Trade receivables are on 8-30 day payment terms.

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

6. Inventories

	December 31, 2009	December 31, 2010
Expenses to be recharged	7	-
Inventories	7	-

7. Current tax receivables and liabilities

	December 31, 2009	December 31, 2010
Current tax receivables	558	380
Current tax liabilities	(174)	(180)
Current tax (net)	384	200

8. Other current assets

	December 31, 2009	December 31, 2010
Accrued income	272	458
Prepaid expense	7	6
Other receivables	8	53
Other current assets	287	517

Accrued income consists of the following as at the balance sheet date: revenues of 343 thousand EUR and interest income of 115 thousand EUR.

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

9. Tangible and intangible assets – book values

	December 31, 2009	December 31, 2010
Investment property	68,444	67,119
Other tangible assets	178	222
Intangible assets	23	10
Tangible and intangible assets	68,645	67,351

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	-	2,662	2,662
Capitalizations	1,390	(1,390)	-
Translation difference	(7)	(433)	(440)
December 31, 2010	68,243	15,583	83,826
Depreciation:			
December 31, 2009	13,160	-	13,160
Additions	3,548	-	3,548
Translation difference	(1)	-	(1)
December 31, 2010	16,707	-	16,707
Net value:			
December 31, 2010	51,536	15,583	67,119

The growth in investments of 2,662 thousand EUR comprises the following:

- development and preparatory activities in the development areas (1,599 thousand EUR, of which 346 thousand EUR is completed); and
- development activities involving the Park's office buildings (1,063 thousand EUR, of which 1,044 thousand EUR is completed).

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

Assets in course of construction, totaling 15,583 thousand EUR at the end of the year, comprise the following:

- the historical cost of the development areas (15,563 thousand EUR), and
- development activities in progress involving the Park's office buildings (20 thousand EUR).

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

10. Investments

	December 31, 2009	December 31, 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	December 31, 2010
Development reserve	(330)	(180)
Foreign exchange revaluation	1	-
Depreciation	50	22
Loss carried forward	441	234
Deferred tax asset (liability)	162	76

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

12. Loans

	December 31, 2009	December 31, 2010
Short-term	1,600	1.692
Long-term	53,841	52,139
Loans	55,441	53.831

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. Part of the loans are subject to fixed interest rates (3-5 years fixed period from start of term) and part to a floating rate calculated based on EURIBOR plus margin interest formula. The Company 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	December 31, 2010
Trade payables – domestic	473	667
Trade payables	473	667

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	December 31, 2010
Amounts due to employees	11	26
Deposits from tenants	215	360
Other payables and accruals	516	451
Other short-term liabilities	742	837

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15. Revenue

	3 months ended		12 months ended	
	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
Property rental	1,732	1,873	6,840	7,404
Revenue	1,732	1,873	6,840	7,404

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

16. Operating expense

	3 months ended		12 months ended	
	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
Property related expense	7	27	133	176
Employee related expense	106	95	460	438
Other operating expense	125	73	447	413
Depreciation and amortization	906	917	3,268	3,608
Operating expense	1,144	1,112	4,308	4,635

Other operating expense consists of the following items:

	3 months ended		12 months ended	
	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
Office and telecommunication	5	4	19	16
Legal and administration	23	26	93	115
Marketing	32	31	234	221
Other	65	12	101	61
Other operating expense	125	73	447	413

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17. Other income (expense)

	3 months ended		12 months ended	
	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
Income from recharged construction expenses	51	102	3,325	366
Recharged construction expenses	(46)	(104)	(3,292)	(357)
Income from recharged operation expenses	526	783	2,413	2,673
Recharged operation expenses	(524)	(756)	(2,338)	(2,576)
Others	(6)	-	(36)	(6)
Other income (expense)	1	25	72	100

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

18. Interests

	3 months ended		12 months ended	
	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
Bank interest received	210	98	805	381
Interest income	210	98	805	381
Interest paid on loans	(649)	(657)	(2,792)	(2,657)
Other interest paid	-	(2)	(9)	(13)
Borrowing cost capitalized	-	6	56	12
Interest expense	(649)	(653)	(2,745)	(2,658)
Net interest expense	(439)	(555)	(1,940)	(2,277)

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19. Other financial gains and losses

	3 months ended		12 months ended	
	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
Exchange rate differences realized	-	14	(587)	(48)
Exchange rate differences not realized	44	(17)	(75)	15
Other financial gains and (losses)	44	(3)	(662)	(33)

20. Income taxes

	3 months ended		12 months ended	
	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
Current income tax	58	(50)	(169)	(186)
Deferred income tax	311	25	79	(84)
Income tax expense	369	(25)	(90)	(270)

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		12 months ended	
	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010
Net profit (loss) attr. to equity holders of the parent	563	203	(88)	289
Weighted average number of ordinary shares	10,405,160	10,405,160	10,405,160	10,405,160
Basic earnings (loss) per share (EUR)	0.05	0.02	(0.01)	0.03
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)	0.05	0.02	(0.01)	0.03

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	December 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. 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.