

GRAPHISOFT PARK SE

Interim Management Report – Third Quarter 2011

November 9, 2011



GRAPHISOFT PARK





Financial highlights

IFRS, consolidated, thousand EUR

	3 months ended		9 months ended	
	Sept. 30,	Sept. 30,	Sept. 30,	Sept. 30,
	2010	2011	2010	2011
Revenue	1,873	2,025	5,531	5,980
Operating expense	(298)	(173)	(832)	(594)
Other income (expense)	32	4	75	67
EBITDA	1,607	1,856	4,774	5,453
Depreciation and amortization	(910)	(948)	(2,691)	(2,764)
Operating profit	697	908	2,083	2,689
Net interest expense	(571)	(502)	(1,722)	(1,529)
Operating profit and net interest	126	406	361	1,160
Exchange rate difference	16	(117)	(30)	20
Profit before tax	142	289	331	1,180
Income tax expense	(117)	84	(245)	(164)
Profit for the period	25	373	86	1,016
EBITDA margin (%)	85.8	91.7	86.3	91.2
Operating profit margin (%)	37.2	44.8	37.7	45.0

	December 31, 2010	September 30, 2011
Assets total	77,509	74,985
Investment property at cost*	67,119	65,503
Bank loans	53,831	52,477
Net debt	45,457	44,815

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



Dear Shareholders,

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

- Financial results for the first nine months of 2011,
- Utilization, occupancy,
- Development activities,
- Other key issues,
- Forecast for the years 2011 and 2012.

Financial results for the first nine months of 2011

The Company closed the first three quarters of 2011 with revenues of 5,980 thousand euros, EBITDA of 5,453 thousand euros, and a net profit of 1,016 thousand euros.

- **Revenue** (5,980 thousand euros, Q1: 1,970 thousand euros, Q2: 1,985 thousand euros, Q3: 2,025 thousand euros) increased by 8% compared to the previous year. The growth in revenue is a result of the continuously increasing general occupancy of the properties, and in particular the lease started in the second quarter of the comprehensively renovated "Administration building", located in the monument development area (see details in the "Utilization, occupancy" section below).
- **Operating expense** (527 thousand euros, Q1: 161 thousand euros, Q2: 197 thousand euros, Q3: 169 thousand euros) decreased by 30% compared to the previous year as a result of strict cost control measures and decreased property related expenses because of the improvement in occupancy.
- **Depreciation** (2,764 thousand euros, Q1: 901 thousand euros, Q2: 915 thousand euros, Q3: 948 thousand euros) increased by 3% compared to the previous year due to the constructions (development, remodeling and renovation of office space) completed on the office buildings of the core area, and the completion of the monument development area's Administration building in the second quarter of 2011.
- **EBITDA** (5,453 thousand euros, Q1: 1,809 thousand euros, Q2: 1,788 thousand euros, Q3: 1,856 thousand euros) increased by 14% and **operating profit** (2,689 thousand euros, Q1: 908 thousand euros, Q2: 873 thousand euros, Q3: 908 thousand euros) increased by 29% compared to the previous year.
- **Net interest expense** (1,529 thousand euros, Q1: 528 thousand euros, Q2: 499 thousand euros, Q3: 502 thousand euros) decreased by 11% compared to the previous year due to decreasing interest expenses of the loans.
- **Net profit** (1,016 thousand euros, Q1: 338 thousand euros, Q2: 305 thousand euros, Q3: 373 thousand euros) increased by 930 thousand euros compared to the previous year.

Utilization, occupancy

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

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

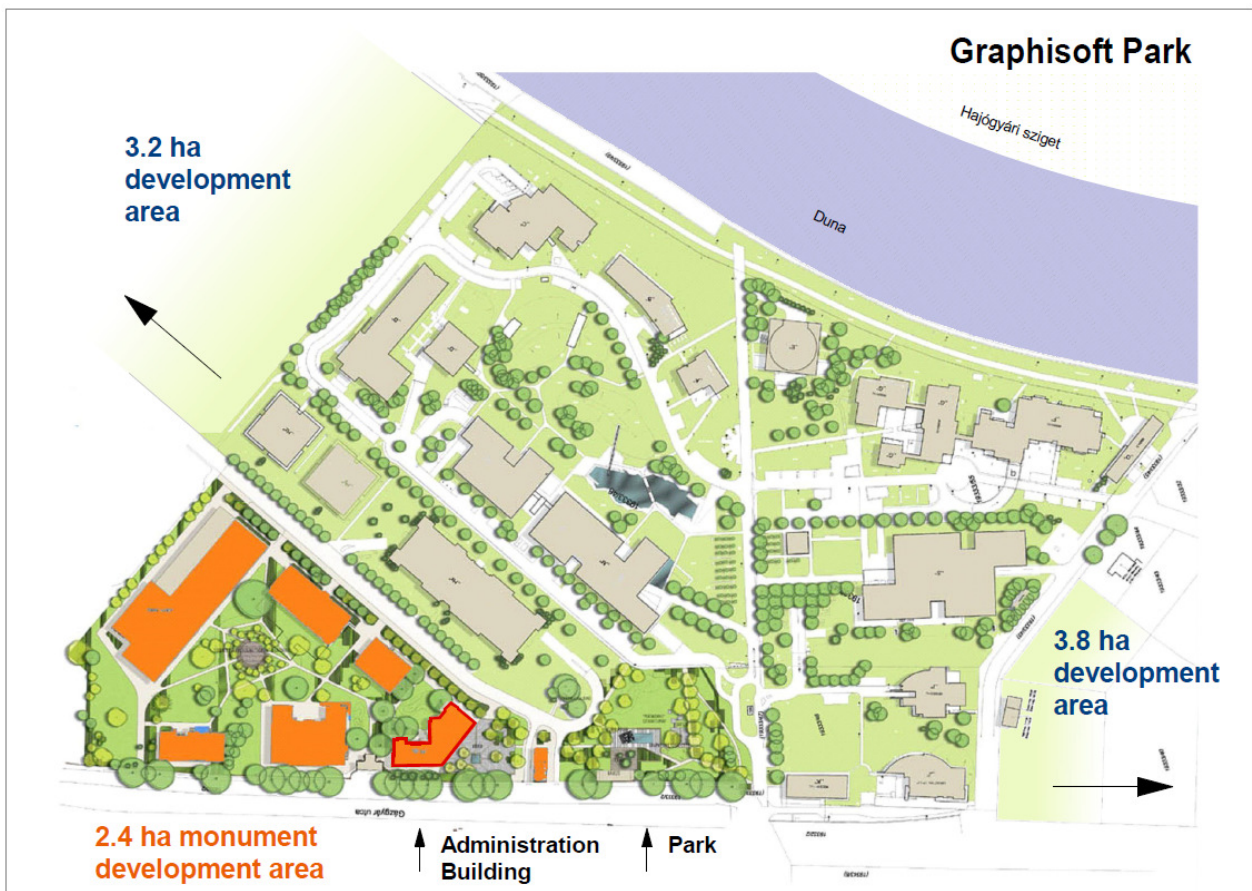
The improvement in occupancy is due to the success of our tenants' businesses and the consequent expansion needs, also to a host of new tenants moving in generally small offices.



In October 2011 a new lease agreement was signed for 1,000 m² office space in Building H, which further increases the occupancy rate of the Park to 87% in the first quarter of 2012.

Development activities

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



Development of the **core area** of Graphisoft Park is completed. Investments such as development, remodeling and renovation of office space continue there to meet the needs of existing and new tenants. Current forecasts indicate that approximately 600 thousand euro will be spent on office space design and development in 2011.

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

Further steps were taken to enhance the infrastructure of this area through the third quarter: planning and preparation were carried out for the installation of gas pressure-reducer and a transformer station for energy self-sufficiency. For these installations the equipment and preparatory works have been ordered. The estimated total cost of the project is 200 thousand euro.



There is no larger scale development planned for this area, however we are going to proceed with the renovation of smaller edifices in the area in accordance with the continued development plan. Because the buildings in this area are protected historical monuments, both the permitting process and the actual construction take longer than ordinary renovations. For this reason we hold it important to obtain the necessary permits in advance that the actual development may start without any delay in case of rising demand for further office capacity. Reconstruction plans for buildings 57 and 58 in the monument area are completed and currently under preliminary review for compliance by the permitting agencies. Permit applications for these plans will be submitted in the fourth quarter.

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

In the **development areas**, we obtained permission for and carried out the demolition of those structures that are not protected landmarks. The planned archeological excavations have been completed. If new demand arises, construction of a new office building could begin in the excavated southern development area. No further preparatory work or development will take place in the northern development area until the clean-up projects planned by the Capital City Gas Works are finished. Total land development costs in these areas have been 3.2 million euros.

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

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

Other key issues

Dividend

On April 28, 2011, the Annual General Meeting of Graphisoft Park SE approved dividend distribution of 25 forints per share (totaling 260,129 thousand forints and 985,785 euros as of April 28, 2011). The starting date for dividend payments was September 5, 2011. The Company paid out the dividends to the shareholders identified by shareholder's registration.

Realization of the educational function

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

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



partner institutions. Including these recent additions a total of 15 North-American universities have sent students to participate in the program and recognized the credits issued by AIT with BME's accreditation.

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

Forecast for the years 2011 and 2012

Our forecast for the years 2011 and 2012 is summarized in the following table. It is based exclusively on signed, valid lease agreements and the resulting occupancy rate of 85% currently and 87% from the first quarter of 2012. (The first two columns show 2010 actual results and 2011 plans.)

(million euros)	2010 actual	2011 plan	2011 forecast	2012 plan
Rental revenue	7.40	7.8	8.0	8.2
Operating expenses	- 0.93	- 0.9	- 0.7	-0.7
EBITDA	6.47	6.9	7.3	7.5
Depreciation and amortization	- 3.60	- 3.8	- 3.7	-3.8
Operating profit	2.87	3.1	3.6	3.7
Net interest expense	- 2.28	- 2.1	- 1.9	-1.7
Exchange rate difference	- 0.03	-	-	-
Income tax expense	- 0.27	- 0.3	- 0.3	-0.4
Net profit	0.29	0.7	1.4	1.6

The expected significant increase in 2011 net profit is based on increasing occupancy rates on one hand and decreasing interest and operating expenses on the other.

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

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

Other factors affecting results are changes in the EUR/HUF exchange rate, the EURIBOR interest rate and the regulatory, especially the tax, environment. Changes in these factors are expected, but some extents and effects cannot be estimated reliably at the time of writing this report thus those are not included in the forecast.

It is important to emphasize the possible effects of the 2012 changes in the tax code (submitted for review but not adopted by the legislators at the time of writing this report) allowing for a significant increase in taxes levied and collected by local municipalities. It is essential to note that a contingent increase in property taxes may significantly reduce the profit forecasts for the company in 2012.



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

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

Budapest, November 9, 2011

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer



GRAPHISOFT PARK SE

QUARTERLY REPORT

for the quarter ended September 30, 2011

in accordance with International Financial Reporting Standards (IFRS)

(unaudited)

Budapest, November 9, 2011

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE
QUARTERLY REPORT
SEPTEMBER 30, 2011

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GRAPHISOFT PARK SE
CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 30, 2011

(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2010	September 30, 2011
Cash and cash equivalents	3	723	3,919
Securities	4	8,000	3,883
Trade receivables	5	362	600
Inventories	6	-	8
Current tax receivable	7	380	151
Other current assets	8	517	530
Current assets		9,982	9,091
Investment property	9	67,119	65,503
Other tangible assets	9	222	209
Intangible assets	9	10	1
Investments	10	100	100
Deferred tax asset	11	76	81
Non-current assets		67,527	65,894
TOTAL ASSETS		77,509	74,985
Short-term loans	12	1,692	2,025
Trade payables	13	667	345
Current tax liability	7	180	228
Other short-term liabilities	14	837	937
Current liabilities		3,376	3,535
Long-term loans	12	52,139	50,452
Non-current liabilities		52,139	50,452
TOTAL LIABILITIES		55,515	53,987
Share capital		213	213
Retained earnings		22,856	22,886
Valuation reserve	4	-	(184)
Accumulated translation difference		(1,075)	(1,917)
Shareholders' equity		21,994	20,998
TOTAL LIABILITIES & EQUITY		77,509	74,985

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2011
(all amounts in thousands EUR unless otherwise stated)

	Notes	3 months ended		9 months ended	
		Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011
Property rental revenue	15	1,873	2,025	5,531	5,980
Revenue		1,873	2,025	5,531	5,980
Property related expense	16	(34)	(14)	(149)	(73)
Employee related expense	16	(91)	(84)	(343)	(316)
Other operating expense	16	(173)	(75)	(340)	(205)
Depreciation and amortization	16, 9	(910)	(948)	(2,691)	(2,764)
Operating expense		(1,208)	(1,121)	(3,523)	(3,358)
Other income (expense)	17	32	4	75	67
OPERATING PROFIT		697	908	2,083	2,689
Interest income	18	88	101	283	286
Interest expense	18	(659)	(603)	(2,005)	(1,815)
Exchange rate difference	19	16	(117)	(30)	20
Financial expense		(555)	(619)	(1,752)	(1,509)
PROFIT BEFORE TAX		142	289	331	1,180
Income tax expense	20	(117)	84	(245)	(164)
PROFIT FOR THE PERIOD		25	373	86	1,016
Attributable to equity holders of the parent		25	373	86	1,016
Basic earnings per share (EUR)	21	0.00	0.04	0.01	0.10
Diluted earnings per share (EUR)	21	0.00	0.04	0.01	0.10

The accompanying notes form an integral part of the report.

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

	Notes	3 months ended		9 months ended	
		Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011
Profit for the period		25	373	86	1,016
Valuation reserve		-	(184)	-	(184)
Translation difference		462	(1,555)	(344)	(842)
Other comprehensive income		462	(1,739)	(344)	(1,026)
COMPREHENSIVE INCOME		487	(1,366)	(258)	(10)

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, 2011
 (all amounts in thousands EUR unless otherwise stated)

	Share capital	Retained earnings	Valuation reserve	Accumulated translation difference	Total equity
December 31, 2009	<u>213</u>	<u>23,527</u>	-	<u>(657)</u>	<u>23,083</u>
Profit for the period	-	86	-	-	86
Other compr. income	-	-	-	(344)	(344)
Dividend	-	(960)	-	-	(960)
September 30, 2010	<u>213</u>	<u>22,653</u>	-	<u>(1,001)</u>	<u>21,865</u>
December 31, 2010	<u>213</u>	<u>22,856</u>	-	<u>(1,075)</u>	<u>21,994</u>
Profit for the period	-	1,016	-	-	1,016
Other compr. income	-	-	(184)	(842)	(1,026)
Dividend	-	(986)	-	-	(986)
September 30, 2011	<u>213</u>	<u>22,886</u>	<u>(184)</u>	<u>(1,917)</u>	<u>20,998</u>

The accompanying notes form an integral part of the report.

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

	3 months ended		9 months ended	
	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011
OPERATING ACTIVITIES				
Income before tax	142	289	331	1,180
Depreciation and amortization	910	948	2,691	2,764
Interest expense	659	603	2,005	1,815
Interest income	(88)	(101)	(283)	(286)
Unrealized foreign exchange (gains) / losses	(34)	50	(30)	(41)
Changes in working capital:				
(Increase) / decrease in receivables and other current assets	464	(427)	341	(194)
(Increase) / decrease in inventory	(2)	(7)	5	(8)
Increase in payables and accruals	18	192	206	248
Corporate income tax paid	(102)	(100)	(225)	(181)
Net cash from operating activities	1,967	1,447	5,041	5,297
INVESTING ACTIVITIES				
Purchase of tangible assets and intangibles	(868)	(484)	(2,058)	(2,189)
Interest paid (capitalized)	(5)	(8)	(6)	(38)
Purchase of securities	-	(4,075)	-	(4,075)
Sales of securities	-	8,000	-	8,000
Interest received	345	369	372	386
Net cash from (used in) investing activities	(528)	3,802	(1,692)	2,084
FINANCING ACTIVITIES				
Loan repayments	(406)	(461)	(1,198)	(1,354)
Interest paid	(605)	(604)	(2,014)	(1,851)
Dividend paid	(38)	(950)	(946)	(950)
Net cash used in financing activities	(1,049)	(2,015)	(4,158)	(4,155)
Increase / (decrease) in cash and cash equivalents	390	3,234	(809)	3,226
Cash and cash equivalents at beginning of period	484	715	1,688	723
Exchange rate gain / (loss) on cash and cash equivalents	7	(30)	2	(30)
Cash and cash equivalents at end of period	881	3,919	881	3,919

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2011
(all amounts in thousands EUR unless otherwise stated)

1. General information

1.1. Business activities

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

On October 28, 2011, Graphisoft Park Kft. made the decision to merge two of its subsidiaries, Graphisoft Park Universitas Kft. and GP3 Kft. The reason behind the transaction is to make the Group structure simpler and more transparent. The planned date for the merger is December 31, 2011.

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, 2011.

1.2. Properties

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

The real estate is categorized as follows:

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

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2011
(all amounts in thousands EUR unless otherwise stated)

1.3. Governance

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

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

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

1.4. Stock information

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

The ownership structure is the following:

Name	Title	December 31, 2010		September 30, 2011	
		Shares (pcs)	Share (%)	Shares (pcs)	Share (%)
Directors and management		3,899,114	36.69	3,899,114	36.69
Bojár Gábor	BD Chairman	3,185,125	29.96	3,185,125	29.96
Hornung Péter	BD Member	530,426	5.00	530,426	5.00
Dr. Kálmán János	BD Member	13,500	0.13	13,500	0.13
Kocsány János	BD Member	168,913	1.59	168,913	1.59
Hajba Róbert	CFO	1,000	0.01	1,000	0.01
Szűcs Tibor	MD*	150	0.00	150	0.00
Shareholders over 5% share		2,030,634	19.10	2,263,994	21.29
Tari István Gábor		1,074,329	10.10	1,074,329	10.10
Concorde Alapkezelő Zrt.		956,305	9.00	1,189,665	11.19
Other shareholders		4,475,412	42.08	4,242,052	39.89
Treasury shares**		226,514	2.13	226,514	2.13
Total		10,631,674	100.00	10,631,674	100.00

* Graphisoft Park Services Kft.

** Treasury share details are disclosed in Note 22.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2011
(all amounts in thousands EUR unless otherwise stated)

2. Accounting policies

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

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

Exchange rates used were as follows:

	3 months ended		9 months ended	
	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011
EUR/HUF opening:	286.46	265.61	270.84	278.75
EUR/HUF closing:	277.33	292.12	277.33	292.12
EUR/HUF average:	282.46	274.90	275.25	271.28

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2011
 (all amounts in thousands EUR unless otherwise stated)

3. Cash and cash equivalents

	December 31, 2010	September 30, 2011
Cash in hand	5	4
Cash at banks	718	3,915
Cash and bank	723	3,919

4. Securities (available-for-sale financial assets)

	December 31, 2010	September 30, 2011
Bank bonds	8,000	-
Corporate bonds	-	3,883
Securities (available-for-sale financial assets)	8,000	3,883

Securities' details and valuation as of the balance sheet date are disclosed in the following table:

	Bank bonds	Corporate bonds
<i>Issue date</i>	28.08.2009	25.09.2009
<i>Maturity date</i>	30.08.2011	25.09.2014
<i>Currency</i>	EUR	EUR
<i>Interest rate (p.a.)</i>	4.25%	4.40%
Date of purchase	21.09.2009	31.08.2011
Face value	8,000	4,500
Net purchase price (%)	100.00%	90.56%
Net purchase price	8,000	4,075
Maturity / sales	(8,000)	-
Accrued interest	-	12
Valuation difference	-	(204)
Fair value (30.09.2011)	-	3,883

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2011
 (all amounts in thousands EUR unless otherwise stated)

Corporate bonds are guaranteed by the Hungarian State and exchangeable into ordinary shares of the issuer.

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

5. Trade receivables

	December 31, 2010	September 30, 2011
Trade receivables	363	600
Provision for doubtful debts	(1)	-
Trade receivables	362	600

Trade receivables are on 8-30 day payment terms.

6. Inventories

	December 31, 2010	September 30, 2011
Expenses to be recharged	-	8
Inventories	-	8

7. Current tax receivables and liabilities

	December 31, 2010	September 30, 2011
Current tax receivables	380	151
Current tax liabilities	(180)	(228)
Current tax receivable (liability), net	200	(77)

GRAPHISOFT PARK SE
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8. Other current assets

	December 31, 2010	September 30, 2011
Accrued income	458	417
Prepaid expense	6	94
Other receivables	53	19
Other current assets	517	530

Accrued income consists of the following as at the balance sheet date: revenues of 414 thousand EUR and interest income of 3 thousand EUR.

9. Tangible and intangible assets – book values

	December 31, 2010	September 30, 2011
Investment property	67,119	65,503
Other tangible assets	222	209
Intangible assets	10	1
Tangible and intangible assets (net)	67,351	65,713

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The table shows movements of investment property during the period:

	Land and buildings	Construction in progress	Investment property
Net value:			
December 31, 2010	51,536	15,583	67,119
Gross value:			
December 31, 2010	68,243	15,583	83,826
Additions		1,940	1,940
Capitalizations	15,292	(15,292)	-
Translation difference	(1,085)	239	(846)
September 30, 2011	82,450	2,470	84,920
Depreciation:			
December 31, 2010	16,707	-	16,707
Additions	2,715	-	2,715
Translation difference	(5)	-	(5)
September 30, 2011	19,417	-	19,417
Net value:			
September 30, 2011	63,033	2,470	65,503

The growth in investment property of 1,940 thousand EUR comprises the following:

- development and preparatory activities in the Development areas (1,592 thousand EUR); and
- development activities involving the Core area's office buildings (348 thousand EUR).

Assets in course of construction, totaling 2,470 thousand EUR, comprise the following:

- the cost of the Monument development area's buildings standing before renovation (2,464 thousand EUR);
- development activities in progress involving the Core area's office buildings (6 thousand EUR).

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

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10. Investments

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

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

11. Deferred tax

	December 31, 2010	September 30, 2011
Development reserve	(180)	(190)
Depreciation	22	22
Valuation reserve	-	20
Loss carried forward	234	229
Deferred tax asset (liability)	76	81

12. Loans

	December 31, 2010	September 30, 2011
Short-term	1,692	2,025
Long-term	52,139	50,452
Loans	53,831	52,477

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

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13. Trade payables

	December 31, 2010	September 30, 2011
Trade payables - domestic	667	345
Trade payables	667	345

14. Other short-term liabilities

	December 31, 2010	September 30, 2011
Amounts due to employees	26	37
Deposits from tenants	360	467
Other payables and accruals	451	433
Other short-term liabilities	837	937

15. Revenue

	3 months ended		9 months ended	
	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011
Property rental	1,873	2,025	5,531	5,980
Revenue	1,873	2,025	5,531	5,980

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

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16. Operating expense

	3 months ended		9 months ended	
	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011
Property related expense	34	14	149	73
Employee related expense	91	84	343	316
Other operating expense	173	75	340	205
Depreciation and amortization	910	948	2,691	2,764
Operating expense	1,208	1,121	3,523	3,358

Other operating expense consists of the following items:

	3 months ended		9 months ended	
	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011
Office and telecommunication	4	3	12	8
Legal and administration	27	45	89	99
Marketing	127	15	190	25
Other	15	12	49	73
Other operating expense	173	75	340	205

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17. Other income (expense)

	3 months ended		9 months ended	
	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011
Income from recharged construction expenses	61	44	264	148
Recharged construction expenses	(53)	(48)	(253)	(133)
Income from recharged operation expenses	605	679	1,890	2,114
Recharged operation expenses	(580)	(664)	(1,820)	(2,057)
Others	(1)	(7)	(6)	(5)
Other income (expense)	32	4	75	67

18. Interest

	3 months ended		9 months ended	
	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011
Interest received	88	101	283	286
Interest income	88	101	283	286
Interest paid on loans	(662)	(606)	(2,000)	(1,840)
Other interest paid	(2)	(5)	(11)	(13)
Borrowing cost capitalized	5	8	6	38
Interest expense	(659)	(603)	(2,005)	(1,815)
Net interest expense	(571)	(502)	(1,722)	(1,529)

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19. Exchange rate difference

	3 months ended		9 months ended	
	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011
Exchange rate gains (losses) realized	(25)	(37)	(62)	9
Exchange rate gains (losses) not realized	41	(80)	32	11
Exchange rate gains (losses)	16	(117)	(30)	20

20. Income tax

	3 months ended		9 months ended	
	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011
Current income tax	(49)	(50)	(136)	(150)
Deferred income tax	(68)	134	(109)	(14)
Income tax expense	(117)	84	(245)	(164)

Applicable tax rates are as follows:

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

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21. Earnings per share

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

	3 months ended		9 months ended	
	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011
Net profit attributable to equity holders	25	373	86	1,016
Weighted average number of ordinary shares	10,405,160	10,405,160	10,405,160	10,405,160
Basic earnings per share (EUR)	0.00	0.04	0.01	0.10
Weighted average number of ordinary shares	10,405,160	10,405,160	10,405,160	10,405,160
Diluted earnings per share (EUR)	0.00	0.04	0.01	0.10

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

22. Treasury shares

Graphisoft Park SE treasury share details are as follows:

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

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

23. Commitments, contingencies

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

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

24. Approval of financial statements, dividend

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

25. Declaration

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