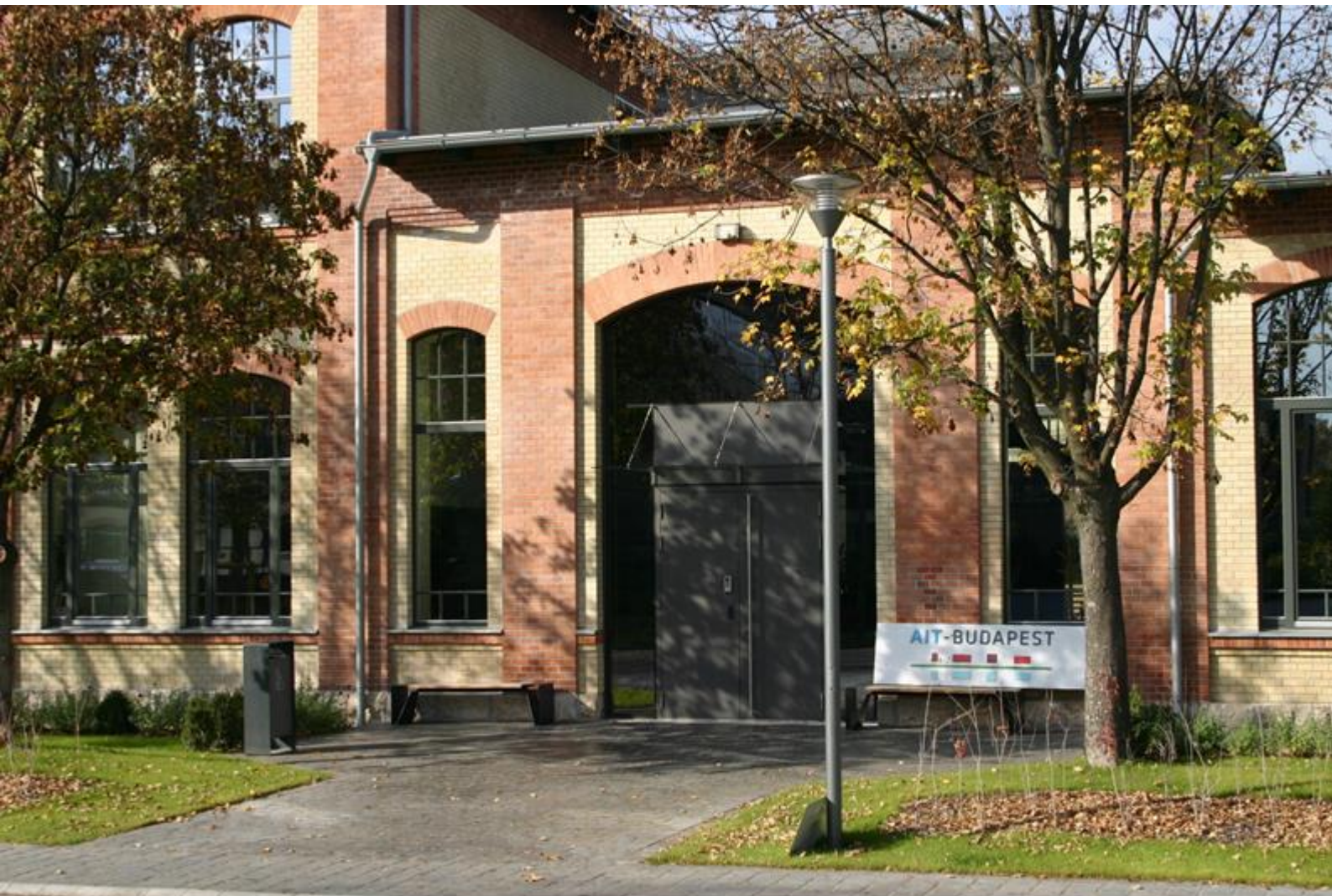




GRAPHISOFT PARK SE

Interim Management Report – Third Quarter of 2013

November 6, 2013





Financial highlights

IFRS, consolidated, thousand EUR

	3 months ended		9 months ended	
	September 30,	September 30,	September 30,	September 30,
	2012	2013	2012	2013
Revenue	2,069	2,017	6,304	6,072
Operating expense*	(151)	37	(597)	(780)
Other income (expense)	(90)	1,982	(47)	2,045
EBITDA	1,828	4,036	5,660	7,337
Depreciation and amortization	(929)	(932)	(2,754)	(2,801)
Operating profit	899	3,104	2,906	4,536
Net interest expense	(379)	(307)	(1,256)	(947)
Exchange rate differences	(1)	(15)	17	(62)
Profit before tax	519	2,782	1,667	3,527
Income tax expense	(44)	(271)	(252)	(418)
Profit for the period	475	2,511	1,415	3,109
EBITDA margin (%)	88.4	200.1	89.8	120.8
Operating profit margin (%)	43.5	153.9	46.1	74.7

* In the financial reports for the year 2012 and for the first two quarters of 2013 expenses related to the law suit were presented in operating expense. However, in order to match compensation income with relevant expenses related to the termination of the contract with AMRI Hungary Zrt., in this Management Report we represent these items in the line „Other income (expense) both in 2012 and 2013.



Financial highlights – pro forma

(financial data for the period ended September 30, 2012 and 2013 without the effects of the compensation received and the related expenses)

IFRS, consolidated, thousand EUR

	3 months ended		9 months ended	
	September 30,	September 30,	September 30,	September 30,
	2012	2013	2012	2013
Revenue	2,069	2,017	6,304	6,072
Operating expense	(151)	37	(597)	(780)
Other income (expense)	26	(264)	69	54
EBITDA	1,944	1,790	5,776	5,346
Depreciation and amortization	(929)	(932)	(2,754)	(2,801)
Operating profit	1,015	858	3,022	2,545
Net interest expense	(379)	(307)	(1,256)	(947)
Exchange rate differences	(1)	(15)	17	(62)
Profit before tax	635	536	1,783	1,536
Income tax expense	(56)	(46)	(264)	(219)
Profit for the period	579	490	1,519	1,317
EBITDA margin (%)	94.0	88.7	91.6	88.0
Operating profit margin (%)	49.1	42.5	47.9	41.9

	December 31, 2012	September 30, 2013
Assets total	71,893	72,405
Investment property at cost*	62,254	60,950
Bank loans	49,870	47,836
Net debt	41,908	38,864

* Investment properties are shown in the financial statements of the Company at historical cost. Estimates on property fair values are published annually. The latest valuation is disclosed in the Annual Report for 2012 (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 three quarters of 2013,
- Utilization, occupancy,
- Development activities,
- Other key issues,
- Legal proceedings,
- Forecast for the years 2013 and 2014.

Financial results for the first three quarters of 2013

The Company closed the first three quarters of 2013 with revenues of 6,072 thousand euros, EBITDA of 7,337 thousand euros, and a net profit of 3,109 thousand euros.

- **Revenue** decreased by 4% compared to the previous year to 6,072 thousand euros. Proceedings from new rental contracts increased revenue by 154 thousand euros that is 3%, however the cancellation of the lease contract with AMRI Hungary Zrt. and the subsequent loss in rental fees decreased it by 386 thousand euros, 7% (see details in the “Utilization, occupancy” and “Legal proceedings” sections below). Revenue income solely consists of rental fees coming from the lease of investment properties.
- **Operating expenses** increased by 31%, 183 thousand euros compared to the previous year to 780 thousand euros. Development activities starting this year (see details in section „Development activities” below) made changes necessary in the engineering personnel causing an increase in personnel related expenses. Expenses related to legal proceedings commenced against AMRI Hungary Zrt. (see details in the “Legal proceedings” section) were presented in operating expense in all financial reports in 2012 and the first two quarters of 2013. In order to match compensation income with relevant expenses related to the termination of the contract with AMRI Hungary Zrt., in this Management Report we present these items in the line „Other income (expense) both in 2012 and 2013. Also, we present Pro Forma data that do not include these income and expenses. In order to make a comparison possible, we present 2012 financial data cleaned of the legal expenses.
- Other income increased by 4,451% to 2,045 thousand euros. This was caused practically by the one-off compensation related to the out of court settlement with AMRI and the relevant legal expenses. Without these items other income would have decreased by 22% from 69 thousand to 54 thousand euros.
- **Depreciation** increased by 2% compared to the previous year to 2,801 thousand euros due to the constructions (development, remodeling and renovation of office space) completed on the buildings of the core area in 2012.
- **EBITDA** increased by 30% to 7,337 thousand euros and **operating profit** increased by 56% to 4,536 thousand euros compared to the previous year due to above mentioned factors and the one-off compensation related to the out of court settlement with AMRI (see details in the “Legal proceedings” section). Without this latter item EBITDA would have decreased by 7% to 5,346 thousand euros, operating profit would have decreased by 16% to 2,545 thousand euros.
- **Net interest expense** decreased by 25% compared to the previous year to 947 thousand euros due to decreasing interest expenses (by 476 thousand euros) and decreasing interest income (by 167 thousand euros).



- **Income tax expense** increased from 252 thousand euros to 418 thousand euros. The tax raising effect of the above mentioned one-off compensation was reduced by the decrease of net revenue and profit before tax, and the corporate tax in 2013 was lowered by a one-off item related to renovation works on the buildings of the monument area (66 thousand euros). “Pro Forma” results without the AMRI compensation and related expenses would have caused an income tax burden of 219 thousand euros.
- The Company realized a **net profit** of 3.109 thousand euros in the first three quarters of 2013, which is higher by 1.694 thousand euros (that is 120%) compared to the previous year because of the following factors: (1) operating profit increased significantly (1.630 thousand euros, 56%) attributable partly to the one-off compensation, and partly – with a negative sign - to the 386 thousand euros decrease in net revenues related to the termination of the AMRI lease contract and legal expenses 225 thousand euros higher compared to 2012, (2) financial results improved significantly (by 230 thousand euros, 19%) primarily as a result of lower interest expenses, and finally (3) income tax expense was 166 thousand euros higher than the base from last year.

Without the one-off compensation income and the related legal expenses the Company would have realized a net profit of 1,317 thousand euros compared to previous year (1,519 thousand euros, without legal expenses).

This would have meant a 13% decrease due to following factors: operating income would have decreased by 16%, that is 477 thousand euros attributable to the termination of the AMRI lease contract and the rising operating expenses (especially personnel related expenses). Income tax expense would have decreased by 17%, that is 45 thousand euros to 219 thousand euros. Net interest expense would have been the same as indicated above.

Utilization, occupancy

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

2012 Q1	2012 Q2	2012 Q3	2012 Q4	2013 Q1	2013 Q2	2013 Q3
87%	88%	81%	81%	84%	84%	84%

By the termination of AMRI Hungary Zrt’s leasehold in September 2012 (see details below and in the “Legal proceedings” section) the occupancy rate in Graphisoft Park has decreased from 88%, to 81% and then grew to 84% by January 2013, based on the new leases concluded.

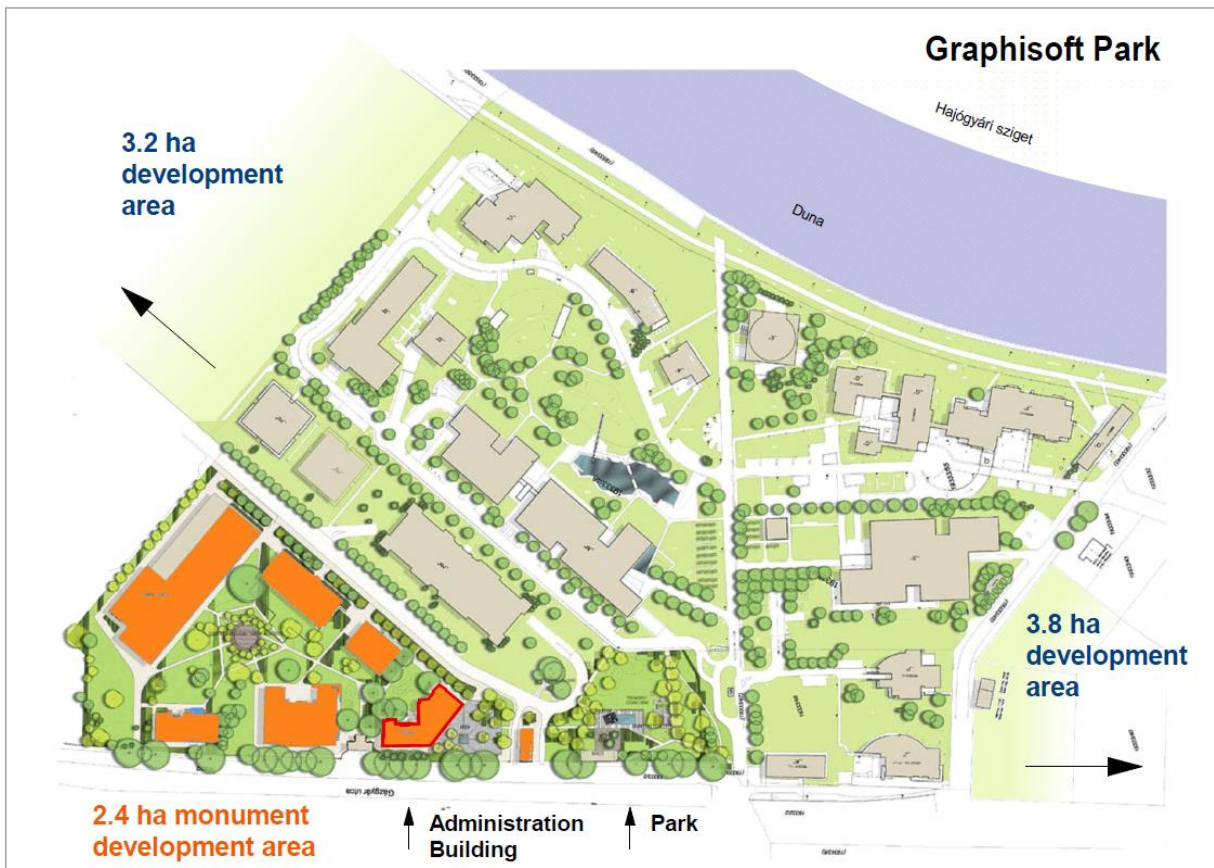
One of Graphisoft Park’s tenants, Ustream Hungary Kft. is moving to a downtown location on 1 January 2014. If no new lease is signed by then the occupancy rate will decrease to around 80% in January 2014.



Development activities

The total area of Graphisoft Park is nearly 18 hectares. Over the past 15 years 46,000 m² of office and laboratory space covering 8.5 hectares have been developed and occupied by tenants. 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 gross floor space in the monument area can be utilized after renovation, which is expected to yield a total of 10,000 m² floor space there, of which 1,000 m² had been already renovated and in use since 2011, 850 m² in 2013 and renovation of further 5,000 m² has been started. In the fall of 2013 850m² of renovated office space was delivered to AIT in the Campus area.





Development of the **core area** of Graphisoft Park is completed. Investments such as development, remodeling and renovation of office space and infrastructure development continue there to meet the needs of existing and new tenants. The expenditures for these activities amounted to 290 thousand euros in the first three quarters of 2013 and 400 thousand euros total expenditure is forecasted for the entire year of 2013.

The renovation works of buildings in the **monument development area** began in 2010. The planned total cost of renovation is 10.7 million euros including the ground works for public utilities and landscaping. A total of 1.2 million euros occurred in the years 2010 and 2011, further 1.2 million in 2012, and 3 million euros are planned in 2013, of which 1,054 thousand was actually incurred in the first three quarters of the year. The remaining 5.3 million euros will occur in 2014.

The monument development area will be used primarily for educational purposes. In the fall of 2013 the Aquincum Institute of Technology (AIT) moved in there from building “D”, where it had been operating since 2010. In March 2013, an Agreement with the International Business School (IBS) was signed to move its educational operation there starting from the fall of 2014. For this end we have undertaken to renovate buildings in the monument development area with a combined 5,850 m² usable floor area to deliver state-of-the-art educational spaces.

The program also includes the construction and setting-up of a new cafeteria and dormitory, the related cost are included in the 10.7 million euros

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 IBS project includes the construction of a new dormitory for 85 persons, the Company is contracted to deliver the building the same time as the educational building, in July 2013. Construction works of the 3,000 m² building will start in November in the southern development area.



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 23, 2013, the Annual General Meeting of Graphisoft Park SE approved dividend distribution of 40 forints per share (totaling 406,104 thousand forints, which is 1.351 thousand euros on the exchange rate of April 23, 2013). The starting date for dividend payments was June 4, 2013. 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 the Aquincum Institute of Technology (AIT) to create and run international higher education functions in the Park. AIT does this in close cooperation with the Faculty of Electrical Engineering and Informatics of the Budapest University of Technology and Economics (BME) operating as an independent contractor, running a 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 and Smith) at Graphisoft Park. The first regular semester started in February 2011, hosting students from many more excellent North-American universities (Skidmore, Swarthmore and Pomona). In the Fall semester of 2011 AIT received students from Carleton College and the University of Washington. The array of AIT's partner universities extended further in 2012, with Harvard University, Dartmouth, Grinnell, Macalester and Oberlin colleges among them. Students from further new institutions arrived to the 2013 Spring semester, such as Yale, Rochester, Wesleyan and Tufts universities, Mt. Holyoke, St. Olaf and Hampshire colleges. In the present fall semester 2013 we received students from the MIT, Brown, Puget Sound, Vassar, Worcester and Amherst universities and colleges. Besides catering to international students, AIT provides high-level education in small classes for selected students from BME as well, for whom tuition has been waived. To them, the personal relations with the foreign students may prove to be invaluable assets for their careers further on. AIT's curriculum uniquely blends IT education in line with Graphisoft Park's professional orientation with business instructions. This is complemented by courses highlighting the riches of Hungarian culture (language, literature, film, music and architecture) tailored for the needs of the international students. To this date a total of 35 North American universities and colleges (among them almost every prestigious universities of the so called "Ivy League") have sent students to participate in the program and recognized the credits issued by AIT with BME's accreditation.

From the fall of 2014, after IBS will have moved in, over 1,000 students are expected to be pursuing their studies in Graphisoft Park's higher education campus.

AIT leased 550 m² of space for educational purposes in 2012, which number has grown to 850 m² in the fall of 2013, and after IBS moving in in 2014, the total usable floor area rented for educational purposes is expected to be 5,850 m².

Legal proceedings

As indicated in the previous reports Graphisoft Park tenant AMRI Hungary Zrt. went under voluntary winding up on July 23, 2012, which led to the termination of the lease on August 31, 2012 in accordance with its terms. After this both parties initiated legal proceedings at different forums in Hungary and in the United States. The parties had come to an out-of-court settlement agreement terminating all ongoing procedures on August 27, 2013.



Forecast for the years 2013 and 2014

Our forecast for 2013 is summarized in the following table, based exclusively on signed, valid lease agreements and the effects of the settlement agreement indicated above with the current occupancy rate of 84% (80% in 2014[†]). The first two columns show 2011 and 2012 actual results. In order to make 2014 figures comparable we present the Pro Forma 2012 and expected 2013 figures as well:

(million euros)	2011 actual	2012 actual	2012 pro forma	2013 forecast	2013 pro forma forecast	2014 plan
Rental revenue	8.04	8.28	8.28	8.1	8.1	8.1
Operating expense and other, extraordinary income	- 0.69	-0.83	-0.71	1.1	-0.9	-0.9
EBITDA	7.35	7.45	7.57	9.2	7.2	7.2
Depreciation and amortization	- 3.70	-3.71	-3.71	-3.8	-3.8	-3.8
Operating profit	3.65	3.74	3.86	5.4	3.4	3.4
Net interest expense	- 2.00	-1.60	-1.60	-1.2	-1.2	-1.2
Exchange rate difference	-0.06	0.01	0.01	-	-	-
Income tax expense	- 0.15	-0.31	-0.32	-0.3	-0.1	-0.2
Net profit	1.44	1.84	1.95	3.9	2.1	2.0

Change in results for 2013 compared to 2012 bases is the impact of the following main factors:

- Because of the loss in rental fees derived from building Hz (previously leased by AMRI) rental revenues are to drop by a further 400 thousand euros (2012: 200 thousand euros; 2013: 600 thousand euros loss), but it is set to increase by 200 thousand euros through the renewed and new lease contracts concluded in 2012, therefore a total of 200 thousand euros decrease is expected in rental revenues for 2013.
- Without the effect of the one-off AMRI compensation received and the legal expenses related to it we are expecting an average of 25% increase in operating expenses. Development activities starting this year (see details in section „Development activities“ below) made changes necessary in the engineering personnel causing an increase in personnel related expenses.
- Interest expenses are expected to decrease by 600 thousand euros in 2013 compared to 2012, which is attributable mainly to the refinancing a significant portion of our bank loans with much more favorable terms in December, 2012. Interest income is expected to drop by nearly 200 euros because of the decrease in bank interest rates and yields, and because the 2012 base was raised higher by a one-off item of selling a portion of our bonds held as financial investments at a gain of 84 thousand euros.
- Depreciation is expected to remain on the 2012 level.
- Income tax expense is expected to decrease due to tax relief for constructions and renovation works on the buildings of the monument area.

[†] Although IBS International Business School, a new tenant will lease 4,000 m2 from September 2014, that will be located in the new campus in the monument development area, where AIT – Budapest Kft. will be resident, too. Therefore –and because the 550 m2 AIT has occupied, will be empty- the occupancy rate will not change after the inauguration of the campus.



Main factors affecting 2014 results:

- After the expiration of its lease, USTREAM Hungary Kft. did not decide to renew it. This decrease in rental revenues will be compensated by the new contracts concluded in 2013, primarily by the rent paid by IBS International Business School moving in in September 2014.
- Without the effect of the one-off AMRI compensation received and the legal expenses related to it we are expecting an average of 5% increase in operating expenses.
- Net interest expenses are expected to be the same as in 2013, because as constructions progress less interest income is realized on smaller cash reserves, which is offset by the decrease in interest expenses paid.
- Buildings in the monument development area will be capitalized in 2013 and 2014, therefore the depreciation charge will increase.

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 contracts on one hand, as we will account for the scenario of current tenants not prolonging their leases after expiration on the other, only in case they have given notice by the closing date of our business report. At present this is the case with Ustream, as we already mentioned it in the "Utilization, occupancy" section. Ustream Hungary Kft. will move to a downtown office building from January 2014, as soon as its lease contract expires. We have taken this fact into account when preparing our forecast.

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. At the same time, we would like to emphasize that in the 15 year history of Graphisoft Park Ustream Hungary Kft. has been the one and only tenant that did not prolong its contract on expiration, despite its successful business. The root cause of this decision was not the rental fee but the fact that the business activity of Ustream is connected to the ecosystem evolved in the center of Budapest.

Occupancy rates therefore, which are the primary factor in determining revenue forecasts, may significantly differ favorably or unfavorably from the forecasted values.

Other factors significantly affecting results are changes in the EUR/HUF exchange rate, the EURIBOR interest rate and the regulatory environment with special regards to the tax regulations.



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

Budapest, November 6, 2013

Glück Éva
Chief Financial Officer

Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE

QUARTERLY REPORT

for the quarter ended September 30, 2013

in accordance with International Financial Reporting Standards (IFRS)

(unaudited)

Budapest, November 6, 2013



Glück Éva
Chief Financial Officer



Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE
QUARTERLY REPORT
SEPTEMBER 30, 2013

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GRAPHISOFT PARK SE
CONSOLIDATED BALANCE SHEET

AS OF SEPTEMBER 30, 2013

(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2012	September 30, 2013
Cash and cash equivalents	3	6,186	8,372
Securities	4	2,024	2,042
Trade receivables	5	422	354
Inventories	6	-	1
Current tax receivable	7	99	63
Other current assets	8	581	274
Current assets		9,312	11,106
Investment property	9	62,254	60,950
Other tangible assets	9	199	209
Intangible assets	9	1	-
Investments	10	100	107
Deferred tax asset	11	27	33
Non-current assets		62,581	61,299
TOTAL ASSETS		71,893	72,405
Short-term loans	12	2,723	2,782
Trade payables	13	367	569
Current tax liability	7	121	248
Other short-term liabilities	14	878	1,166
Current liabilities		4,089	4,765
Long-term loans	12	47,147	45,054
	11	11	184
Non-current liabilities		47,158	45,238
TOTAL LIABILITIES		51,247	50,003
Share capital		213	213
Retained earnings		23,939	25,697
Valuation reserve	4, 11	96	90
Treasury shares	22	(669)	(669)
Accumulated translation difference		(2,933)	(2,929)
Shareholders' equity		20,646	22,402
TOTAL LIABILITIES & EQUITY		71,893	72,405

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
(all amounts in thousands EUR unless otherwise stated)

	Notes	3 months ended		9 months ended	
		September 30, 2012	September 30, 2013	September 30, 2012	September 30, 2013
Property rental revenue	15	2,069	2,017	6,304	6,072
Revenue		2,069	2,017	6,304	6,072
Property related expense	16	(7)	(68)	(42)	(139)
Employee related expense	16	(93)	(88)	(371)	(444)
Other operating expense	16	(167)	193	(300)	(197)
Depreciation and amortization	16, 9	(929)	(932)	(2,754)	(2,801)
Operating expense		(1,196)	(895)	(3,467)	(3,581)
Other income	17	26	1,982	69	2,045
OPERATING PROFIT		899	3,104	2,906	4,536
Interest income	18	104	57	333	166
Interest expense	18	(483)	(364)	(1,589)	(1,113)
Exchange rate difference	19	(1)	(15)	17	(62)
Financial expense		(380)	(322)	(1,239)	(1,009)
PROFIT BEFORE TAX		519	2,782	1,667	3,527
Income tax expense	20	(44)	(271)	(252)	(418)
PROFIT FOR THE PERIOD		475	2,511	1,415	3,109
Attributable to equity holders of the parent		475	2,511	1,415	3,109
Basic earnings per share (EUR)	21	0.05	0.24	0.14	0.30
Diluted earnings per share (EUR)	21	0.05	0.24	0.14	0.30

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE QUARTER ENDED SEPTEMBER 30, 2013
 (all amounts in thousands EUR unless otherwise stated)

	Notes	3 months ended		9 months ended	
		September 30, 2012	September 30 2013	September 30 2012	September 30 2013
Profit for the period		475	2,511	1,415	3,109
Valuation difference on securities	4, 11	289	16	526	(6)
Deferred tax effect of valuation difference on securities		(29)	(2)	(53)	-
Translation difference		-	2	6	4
Other comprehensive income		260	16	479	(2)
COMPREHENSIVE INCOME		735	2,527	1,894	3,107
Attributable to equity holders of the parent		735	2,527	1,894	3,107

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, 2013
(all amounts in thousands EUR unless otherwise stated)

	Share capital	Retained earnings	Valuation reserve	Treasury shares	Accum'd. translation difference	Total equity
December 31, 2011	213	23,332	(339)	(669)	(2,938)	19,599
Profit for the period	-	1,415	-	-	-	1,415
Valuation reserve	-	-	473	-	-	473
Translation difference	-	-	-	-	6	6
Dividend	-	(1,237)	-	-	-	(1,237)
September 30, 2012	213	23,510	134	(669)	(2,932)	20,256
December 31, 2012	213	23,939	96	(669)	(2,933)	20,646
Profit for the period	-	3,109	-	-	-	3,109
Valuation reserve	-	-	(6)	-	-	(6)
Translation difference	-	-	-	-	4	4
Dividend	-	(1,351)	-	-	-	(1,351)
September 30, 2013	213	25,697	90	(669)	(2,929)	22,402

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
(all amounts in thousands EUR unless otherwise stated)

	3 months ended		9 months ended	
	September 30, 2012	September 30, 2013	September 30, 2012	September 30, 2013
OPERATING ACTIVITIES				
Income before tax	519	2,782	1,667	3,527
Depreciation and amortization	929	932	2,754	2,801
Interest expense	483	364	1,589	1,113
Interest income	(104)	(57)	(333)	(166)
Unrealized foreign exchange (gains) / losses	10	(19)	33	(15)
Changes in working capital:				
(Increase) / decrease in receivables and other current assets	29	335	(188)	418
Increase in inventory	9	(1)	-	(1)
Increase in payables and accruals	(446)	189	(312)	430
Corporate income tax paid	(124)	(94)	(211)	(203)
Net cash from operating activities	1,305	4,431	4,999	7,904
INVESTING ACTIVITIES				
Purchase of tangible assets and intangibles	(525)	(721)	(977)	(1,212)
Interest paid (capitalized)	(55)	(24)	(55)	(66)
Purchase of investment	-	(7)	-	(7)
Interest received	221	94	278	111
Net cash used in investing activities	(359)	(658)	(754)	(1,174)
FINANCING ACTIVITIES				
Loan repayments	(536)	(683)	(1,572)	(2,034)
Interest paid	(428)	(362)	(1,528)	(1,108)
Dividend paid	-	-	(1,167)	(1,385)
Net cash used in financing activities	(964)	(1,045)	(4,267)	(4,527)
Decrease in cash and cash equivalents	(18)	2,728	(22)	2,203
Cash and cash equivalents at beginning of period	3,768	5,660	3,777	6,186
Exchange rate loss /(gain) on cash and cash equivalents	5	(16)	-	(17)
Cash and cash equivalents at end of period	3,755	8,372	3,755	8,372

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE QUARTER ENDED SEPTEMBER 30, 2013
(all amounts in thousands EUR unless otherwise stated)

1. General information

1.1. Business activities

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

Graphisoft Park SE and subsidiaries are incorporated under the laws of Hungary. Court registration number of Graphisoft Park SE is CG 01-20-000002. Registered address of the Group is H-1031 Budapest, Záhony utca 7., Hungary. Headcount was 14 on September 30, 2013.

1.2. Properties

The total area of Graphisoft Park is nearly 18 hectares. Over the past 15 years, 46,000 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 further 10,000 m² of rentable net internal area comprising the monument area, after renovation.

The real estate is categorized as follows:

Area	Property
Core area	modern business park spreading over 8.5 hectares of land, comprising 9 office buildings with 46,000 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 10,000 m ² of total rentable net internal area of the monument buildings, out of which 1,000 m ² was renovated in 2011 and the renovation of further 1,400 m ² has begun in 2012 and 4,450 m ² in 2013.
Development areas	7.0 hectares of free development land

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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, 2015
Hornung Péter	Member	August 21, 2006	May 31, 2015
Gáthy Tibor	Member	April 26, 2012	May 31, 2015
Dr. Kálmán János	Member	August 21, 2006	May 31, 2015
Kocsány János	Member	April 28, 2011	May 31, 2015

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

1.4. Stock information

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

Name	Title	December 31, 2012		September 30, 2013	
		Shares (pcs)	Share (%)	Shares (pcs)	Share (%)
Directors and management		4,076,864	38.35	4,039,964	38.00
Bojár Gábor	BD Chairman	3,185,125	29.96	3,185,125	29.96
Hornung Péter	BD Member	530,426	5.00	530,426	5.00
Gáthy Tibor	BD Member	160,000	1.50	130,000	1.21
Dr. Kálmán János	BD Member	13,500	0.13	13,500	0.13
Kocsány János	BD Member, CEO	180,913	1.70	180,913	1.70
Szűcs Tibor	MD**	1,500	0.01		
Hajba Róbert	CFO*	5,400	0.05		
Shareholders over 5% share		2,255,835	21.21	2,679,584	25.20
Tari István Gábor		1,074,329	10.10	1,074,329	10.10
Concorde Alapkezelő Zrt.		1,181,506	11.11	1,605,255	15.10
Other shareholders		3,819,899	35.93	3,433,050	32.29
Treasury shares***		479,076	4.51	479,076	4.51
Total		10,631,674	100.00	10,631,674	100.00

* From May 1, 2013 CFO of the Company is Éva Glück, who does not own any shares of the Company

** From August 21, 2013 MD of Graphisoft Park Services Kft. is Zsuzsa Pálfalvi, who does not own any shares of the Company

*** Treasury share details are disclosed in Note 21.

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2. Accounting policies

The accounting policies adopted are consistent with those of the previous financial year (see in Notes to the Consolidated Financial Statements 2012), 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	
	September 30,	September 30,	September 30,	September 30,
	2012	2013	2012	2013
EUR/HUF opening:	288.22	295.16	311.13	291.29
EUR/HUF closing:	283.71	298.48	283.71	298.48
EUR/HUF average:	283.08	297.88	291.36	296.70

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3. Cash and cash equivalents

	December 31, 2012	September 30, 2013
Cash in hand	1	1
Cash at banks	6,185	8,371
Cash and bank	6,186	8,372

4. Securities

	December 31, 2012	September 30, 2013
Bonds	2,024	2,042
Securities (available-for-sale financial assets)	2,024	2,042

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

The Company had purchased bonds of total face value of 4,500 thousand EUR in August 2011, and sold a total of 2,500 thousand EUR face value bonds in October 2012. The difference between the selling price (2,440 thousand EUR) and the book value (2,356 thousand EUR) was accounted for as financial income in 2012.

Valuation of the bonds is disclosed in the following table:

	December 31, 2012	September 30, 2013
Net purchase price (31.08.2011)	1,811	1,811
Accrued interest	106	130
Valuation difference	107	101
Bonds (at fair value)	2,024	2,042

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.

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5. Trade receivables

	December 31, 2012	September 30, 2013
Trade receivables	422	354
Provision for doubtful debts	-	-
Trade receivables	422	354

Trade receivables are on 8-30 day payment terms.

6. Inventories

	December 31, 2012	September 30, 2013
Expenses to be recharged	-	1
Inventories	-	1

7. Current tax receivables and liabilities

	December 31, 2012	September 30, 2013
Current tax receivables	99	63
Current tax liabilities	(121)	(248)
Current tax receivable / (liability) – net	(22)	(185)

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8. Other current assets

	December 31, 2012	September 30, 2013
Accrued income	50	159
Prepaid expense	43	93
Other receivables	488	22
Other current assets	581	274

9. Tangible and intangible assets – book values

	December 31, 2012	September 30, 2013
Investment property	62,254	60,950
Other tangible assets	199	209
Intangible assets	1	-
Tangible and intangible assets (net)	62,454	61,159

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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, 2012	58,733	3,521	62,254
Gross value:			
December 31, 2012	82,731	3,521	86,252
Additions	-	1,449	1,449
Capitalizations	292	(292)	-
Translation difference	-	-	-
September 30, 2013	83,023	4,678	87,701
Depreciation:			
December 31, 2012	23,998	-	23,998
Additions	2,753	-	2,753
Translation difference	-	-	-
September 30, 2013	26,751	-	26,751
Net value:			
September 30, 2013	56,272	4,678	60,950

Additions in construction in progress at 1,449 thousand EUR comprise development activities in the buildings of the Core area (290 thousand EUR) in the buildings of the Monument development area (1,159 thousand EUR).

Capitalizations in the value of 292 thousand EUR comprise the following:

- development activities completed in the buildings of the Core area (282 thousand EUR) and
- completed infrastructure and public utilities development (10 thousand EUR).

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

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10. Investments

	December 31, 2012	September 30, 2013
AIT-Budapest Kft.	100	100
Aquincumi Technológiai Inkubátor Zrt.	-	7
Investments	100	107

The Company acquired a 10 % ownership share in AIT-Budapest Aquincum Institute of Technology Kft in 2009. In 2013 the Company acquires a 10% ownership share in Aquincumi Technológiai Inkubátor Zrt.

11. Deferred tax

	December 31, 2012	September 30, 2013
Development reserve	(274)	(350)
Depreciation	22	22
Securities*	(11)	(10)
Loss carried forward	279	187
Deferred tax asset	16	(151)

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

12. Loans

	December 31, 2012	September 30, 2013
Short-term	2,723	2,782
Long-term	47,147	45,054
Loans	49,870	47,836

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.

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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.

13. Trade payables

	December 31, 2012	September 30, 2013
Trade payables - domestic	367	569
Trade payables	367	569

14. Other short-term liabilities

	December 31, 2012	September 30, 2013
Amounts due to employees	32	31
Deposits from tenants	507	665
Other payables and accruals	339	470
Other short-term liabilities	878	1,166

15. Revenue

	3 months ended		9 months ended	
	September 30, 2012	September 30, 2013	September 30, 2012	September 30, 2013
Property rental	2,069	2,017	6,304	6,072
Revenue	2,069	2,017	6,304	6,072

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	
	September 30, 2012	September 30, 2013	September 30, 2012	September 30, 2013
Property related expense	7	68	42	139
Employee related expense	93	88	371	444
Other operating expense ³	167	(193)	300	197
Depreciation and amortization	929	932	2,754	2,801
Operating expense	1,196	895	3,467	3,581

Other operating expense consists of the following items:

	3 months ended		9 months ended	
	September 30, 2012	September 30, 2013	September 30, 2012	September 30, 2013
Office and telecommunication	5	4	10	10
Legal and administration	134	(226)	208	92
Marketing	14	14	39	40
Other	14	15	43	55
Other operating expense	167	(193)	300	197

³ 2012 data includes legal fees connected the AMRI law suit. Also in the first two quarters of 2013 these expenses were reported as other operating expenses. In this report we reclassify them to other income/expenses as we report the one-off AMRI compensation income in the same line.

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17. Other income (expense)

	3 months ended		9 months ended	
	September 30, 2012	September 30, 2013	September 30, 2012	September 30, 2013
Income from recharged construction expenses	60	91	105	139
Recharged construction expenses	(59)	(77)	(100)	(121)
Income from recharged operation expenses	698	615	2.218	2.200
Recharged operation expenses	(655)	(618)	(2.129)	(2.145)
Others	(18)	1,971	(25)	1,972
Other income (expense)	26	1,982	69	2.045

18. Interest

	3 months ended		9 months ended	
	September 30, 2012	September 30, 2013	September 30, 2012	September 30, 2013
Interest received	104	57	333	166
Interest income	104	57	333	166
Interest paid on loans	(531)	(384)	(1,626)	(1,165)
Other interest paid	(6)	(4)	(17)	(14)
Borrowing cost capitalized	54	24	54	66
Interest expense	(483)	(364)	(1,589)	(1,113)
Net interest expense	(379)	(307)	(1,256)	(947)

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19. Exchange rate difference

	3 months ended		9 months ended	
	September 30, 2012	September 30, 2013	September 30, 2012	September 30, 2013
Exchange rate gain realized	4	8	50	19
Exchange rate gain (loss) not realized	(5)	7	(33)	43
Exchange rate gain	(1)	15	17	62

20. Income tax

	3 months ended		9 months ended	
	September 30, 2012	September 30, 2013	September 30, 2012	September 30, 2013
Current income tax	(54)	(144)	(162)	(251)
Deferred income tax	10	(127)	(90)	(167)
Income tax expense	(44)	(271)	(252)	(418)

Applicable tax rates are: corporate income tax 10%, local business tax 2%.

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21. Earnings per share

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

	3 months ended		9 months ended	
	September 30, 2012	September 30, 2013	September 30, 2012	September 30, 2013
Net profit attributable to equity holders	475	2,511	1,415	3,109
Weighted average number of ordinary shares	10,152,598	10,152,598	10,152,598	10,152,598
Basic earnings per share (EUR)	0.05	0.24	0.14	0.30
Weighted average number of ordinary shares	10,152,598	10,152,598	10,152,598	10,152,598
Diluted earnings per share (EUR)	0.05	0.24	0.14	0.306

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

22. Treasury shares

Graphisoft Park SE treasury share details are as follows:

	December 31, 2012	September 30, 2013
Number of shares	479,076	479,076
Face value per share (EUR)	0.02	0.02
Total face value (EUR)	9,582	9,582
Treasury shares (at historical cost)	669	669

23. Commitments, contingencies

Legal proceedings

As indicated in the previous reports Graphisoft Park tenant AMRI Hungary Zrt. went under voluntary winding up on July 23, 2012, which led to the termination of the lease on August 31, 2012 in accordance with its terms. After this both parties initiated legal proceedings at different forums in Hungary and in the United States. The parties had come to an out-of-court settlement agreement terminating all ongoing procedures on August 27, 2013.

Development for education purposes

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

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

24. Approval of financial statements, dividend

Following the recommendation of the Board of Directors, the Annual General Meeting on April 23 2013, approved the 2012 consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS) showing a balance sheet total of 71,839 thousand EUR and a profit for the year of 1,844 thousand EUR. Together with the approval of the consolidated financial statements for issue, the Annual General Meeting approved dividend distribution of 40 HUF per share, 406,104 thousand HUF in total (1,351 thousand EUR on the exchange rate of April 23, 2013). The starting date for dividend payments was June 4, 2013. The Company paid out the dividends to the shareholders identified by shareholder's registration.

25. Declaration

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