Graphisoft Park SE

Interim Management Report – Fourth Quarter 2009

February 15, 2010

GRAPHISOFTPARK

Financial highlights:

IFRS, unaudited, amounts in thousand EUR

	3 months ended		12 months ended	
	December 31, 2008	December 31, 2009	December 31, 2008	December 31, 2009
Revenue	**1,646**	**1,732**	**6,503**	**6,840**
Operating expenses	(375)	(274)	(968)	(1,076)
Other income (expense)	16	7	16	78
EBITDA	**1,287**	**1,465**	**5,551**	**5,842**
Depreciation and amortization	(636)	(906)	(2,566)	(3,268)
Operating profit	**651**	**559**	**2,985**	**2,574**
Net interest expense	(197)	(439)	(985)	(1,940)
Operating profit and net interest*	**454**	**120**	**2,000**	**634**
Exchange rate differences	(3,362)	44	(1,261)	(662)
Profit before tax	**(2,908)**	**164**	**739**	**(28)**
Income taxes	594	383	(208)	(76)
Profit for the period	**(2,314)**	**547**	**531**	**(104)**
EBITDA margin (%)	**78.2**	**84.6**	**85.4**	**85.4**
Operating profit margin (%)	**39.6**	**32.3**	**45.9**	**37.6**
Assets total	**85,066**	**79,861**	**85,066**	**79,861**
Investment properties	**64,061**	**68,339**	**64,061**	**68,339**
Bank loans	**56,888**	**55,441**	**56,888**	**55,441**
Net debt	**41,043**	**45,575**	**41,043**	**45,575**
Number of employees (closing)	**14**	**12**	**14**	**12**
HUF/EUR (opening)	243.17	270.36	253.35	264.78
HUF/EUR (closing)	264.78	270.84	264.78	270.84
HUF/EUR (average)	262.35	270.90	251.25	280.58

* The presentation currency of Graphisoft Park Group is the EUR. Because the office rental agreements are denominated in EUR, and because the EUR loan liability of the Company increased substantially in 2008, the functional currency of Graphisoft Park Kft. has been changed from the HUF to the EUR as of January 1, 2009. This change has considerably reduced the effect of the exchange rate fluctuation, because no exchange rate differences arise with respect to our EUR-based financial assets and liabilities, particularly bank loans. However, the Company is exposed to exchange rate risk on its HUF-based financial assets, particularly its cash reserves, and its liabilities. In order to better reflect the actual performance of the reporting period and to enhance comparability with other periods, we present profit before tax without the effect of exchange rate fluctuation ('operating profit and net interest').

Dear Shareholders,

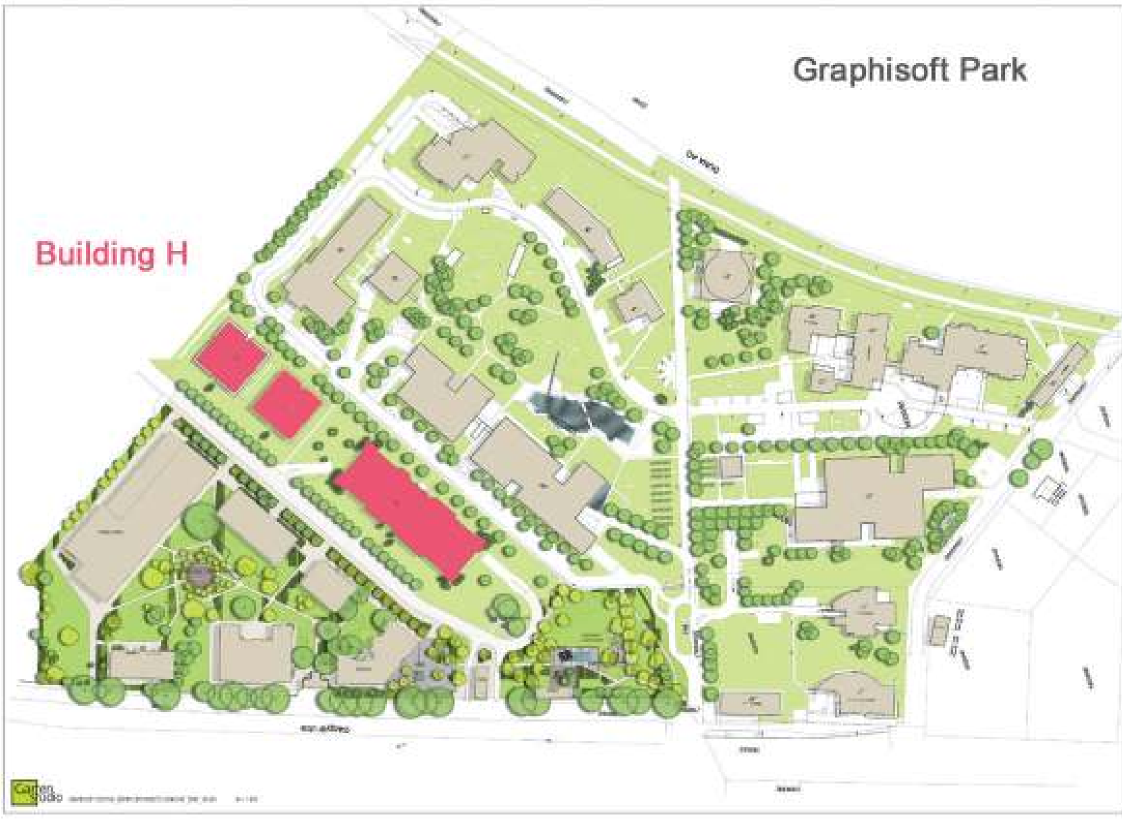
In this business report, Graphisoft Park SE presents the progress made toward its goals in four areas:

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

Development Activities

Building H and other developments

The core of the development activities of the Company during the past two years focused on the construction of office and laboratory facilities of Building H. Construction on this building began in December 2007. The building's gross area is approximately 33,000 m2, which is composed of 12,800 m2 rentable office and laboratory space, 2,400 m2 storage space, and a three-level underground garage providing parking spaces for 440 cars. Construction was completed in April of 2009 and we received the occupancy permit on the building on April 15.



The first wing of the building (Hx, with 6,500 m2) is office space, while the other two wings (Hy and Hz, totaling 6,300 m2) function as office and laboratory.

Two of our existing tenants, the US based biotech company AMRI and the Hungarian nanotechnology company Thales, required substantial expansion of their laboratories. From the beginning, the Hz building has been designed to meet AMRI's specifications. Construction was completed according to schedule;

AMRI has installed its laboratory equipment, and after successfully securing the necessary licenses and approvals from the relevant authorities, we turned the Hz building over to AMRI on April 1, 2009. After AMRI vacated its earlier premises in Building D, we renovated Building D according to the specification of Thales, who moved in on August 1, 2009.

Parallel with the new developments, we continued upgrading the existing office buildings, including, for example, installation of sun shade technology, façade repair, reduction of energy and water consumption, and modernization of the existing systems. These tasks serve both to maintain the buildings and to improve their attractiveness for leasing in the future. In particular, we renovated and modernized the central restaurant and two other restaurants, leading to a significant increase in their capacity, and installed sun shades on the exterior of Building GD.

In the fourth quarter of 2009, based on agreements with six new tenants, approximately 1,000 m2 of office space was designed in accordance with the tenants' specifications.

Preparatory tasks on the land acquired in 2008 and 2009

A total of 9.5 hectares of land were purchased in October 2008 and September 2009, providing the opportunity to develop additional usable areas of about 80,000 m2 in total.

These land parcels include monument buildings that served as the management headquarters of the Gas Works. The monument buildings, when we acquired them, were in extraordinarily bad repair, so we immediately began maintenance activities to protect their condition, and continued these throughout the year. We surveyed the condition of the utilities and performed the hook-ups needed to ensure utilities services for the buildings.

In addition, on this development land, we have begun archeological excavation work, the dismantling of the old and outdated utility systems, the design of detailed schematic plans for the area, and the planning of the new utilities network, in consultation with the public utilities companies.

Together with the experts of the Budapest Historical Museum, we made significant archeological excavations on 3.5 hectares, on the southern part of the newly purchased land area. By the time winter weather set in, approximately 40% of the territory had been excavated; the project will continue in Spring.

Our goal is to ensure that as soon as a new development need arises, we will be able to quote the shortest possible deadline to our potential tenants.

The main risk factors and limitations associated with this land remain as follows:

- no valid zoning plan is in effect,
- a moratorium on modifications is in effect,
- significant risk of environmental pollution.

Rental Results

With the growing needs of AMRI and Thales, the total laboratory and office space occupied by these two tenants has increased to nearly 6,000 m2, from the total of approximately 3,000 m2 previously.

With the completion of Building H in April, the Park's available office and laboratory space grew from 33,000 m2 to 45,000 m2. Since only the Hz building has been rented out of the total new office space, the earlier 92% occupancy rate has fallen to 75%.

In July 2009, one of our major clients extended its lease for an additional five years, under the existing conditions.

In the fourth quarter of 2009, we signed agreements with six new tenants for the lease of 1,000 m2 of office space. As a result, the occupancy rate grew to 77% by year's end.

Although some analysts are forecasting an end to the general financial crisis, the situation of the Budapest real estate market deteriorated further during the fourth quarter; the vacancy rate for office space reached 22%. In light of this situation, we do not expect any near-term or significant improvement in the occupancy rate.

Financial Results

Results for the year 2009

With revenues of 6,840 thousand EUR and 5,842 thousand EUR EBIDTA, the Company closed the year with an operating profit of 2,574 thousand EUR, which corresponds to our forecast.

Net financial expense of the year 2009 amounted to 2,602 thousand EUR, composed of the following items:

- net interest expense of 1,940 thousand EUR, consisting of interest expense on bank loans, amounting to 2,745 thousand EUR, decreased by interest income of 805 thousand EUR,

- exchange rate losses of 662 thousand EUR.

Profit before tax calculated without exchange rate differences (operating profit and net interest) for the year 2009 is 634 thousand EUR. This amount represents a decrease in comparison with the previous year's results of 2,000 thousand EUR, due to the following factors:

- rental revenue increase from Building Hz: + 0.4 million EUR,
- additional depreciation of Building H: – 0.8 million EUR,
- increased interest expense of bank loans: – 0.4 million EUR,
- decreasing interest income on cash reserves: – 0.6 million EUR.

Beginning in 2009, with the change of the functional currency of Graphisoft Park Kft. from the HUF to the EUR, no exchange rate difference arises on the Company's EUR-based financial assets and liabilities, particularly its bank loans (55,4 million EUR). At the same time, the Company continues to be exposed (though to a much lesser extent than before this change) to exchange rate risk arising on HUF-based financial assets, particularly its cash reserves, and liabilities.

In view of the highly volatile EUR/HUF exchange rate developments over the year, the Company decided, as a way to further reduce its exposure, to transfer its cash reserves (held for the purposes of future developments) into EUR. Since this transaction used an EUR/HUF exchange rate that was higher (that is, a weaker HUF) than the book rate, the Company incurred a one-time exchange rate loss and also forfeited the higher interest income earned on HUF reserves. However, this step has significantly reduced the Company's exposure to exchange rate fluctuations for the future.

Forecast for 2010

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

- 7.1 (6.84) million EUR rental revenue,
- 6.1 (5.84) million EUR EBITDA,
- 3.7 (3.27) million EUR depreciation and amortization,
- 2.1 (1.94) million EUR net interest expense,
- 0.3 (0.63) million EUR operating profit and net interest,
- 0.2 (0.08) million EUR income tax expense,
- 0.1 (- 0.1) million EUR net profit for the year.

In view of the steps taken to reduce the Company's exposure to exchange rate fluctuations, it is likely that we will be able to prevent net profits from becoming negative. However, if the 77% occupancy rate seen at the end of 2009 does not improve, then the expected 0.3 million EUR increase in income will not be able to offset the continued depreciation of Building H over the course of the year, nor will it offset the increased interest expenses of the new developments; moreover, interest income is expected to decrease in future.

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: rental rates for office space, the EUR/HUF exchange rate, EURIBOR and BUBOR interest rate levels, and the legal/regulatory environment.

Other Key Issues

Aquincum Institute of Technology cooperation and investment

In April 2009, in accordance with its project to develop the properties acquired in 2008 (the 'Universitas' properties) for educational purposes, the Company signed a cooperation agreement with Aquincum Institute of Technology Kft (AIT). According to this agreement, the real estate development project (creating a university campus) is the responsibility of Graphisoft Park, while organizing the educational program and operating the university are the responsibility of AIT. Once the educational program begins, AIT will pay a market-rate rent to the Company 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.

On April 21, 2009, the Company acquired a 10% share in AIT. The value of this share is 30 million HUF (100 thousand EUR at the exchange rate on the date of the transaction).

Additional land acquisition

In September 2008, the Company made a contractual commitment to purchase 2 hectares of land adjacent to Graphisoft Park. The Company paid the purchase price and obtained the ownership of the land on September 7, 2009. The cost of this land was 630 million HUF (2,331 thousand EUR), which includes the purchase price, the related duty and incidental costs directly associated with the purchase.

The main risk factors and limitations associated with this land are as follows:

- the land is affected by significant environmental pollution,
- regulations protecting the landmark "Generator House" limit the land's usability.

Forward-looking statements *- This Interim Management Report contains forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.*

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

Budapest, February 15, 2010

Hajba Róbert	Kocsány János
Chief Financial Officer	Chief Executive Officer

GRAPHISOFT PARK SE

QUARTERLY REPORT

for the quarter ended December 31, 2009

in accordance with International Financial Reporting Standards (IFRS)

(unaudited)

Budapest, February 15, 2010

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE
QUARTERLY REPORT
DECEMBER 31, 2009

CONTENTS:

GRAPHISOFT PARK SE
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2009
(all amounts in thousands EUR unless otherwise stated)

	December 31, 2008	September 30, 2009	December 31, 2009
Cash and cash equivalents	18,528	1,922	1,688
Securities	-	8,022	8,022
Trade receivables	394	408	444
Inventories	989	5	7
Current tax receivable	303	628	544
Other current assets	530	457	347
Current assets	**20,744**	**11,442**	**11,052**
Investment property	64,061	68,748	68,339
Other tangible assets	141	182	178
Intangible assets	37	27	23
Investments	-	100	100
Deferred tax asset	83	65	169
Non-current assets	**64,322**	**69,122**	**68,809**
TOTAL ASSETS	**85,066**	**80,564**	**79,861**
Short-term loans	1,265	1,577	1,600
Trade payables	1,218	846	688
Current tax liability	55	175	160
Other short-term liabilities	3,709	941	507
Current liabilities	**6,247**	**3,539**	**2,955**
Long-term loans	55,623	54,256	53,841
Deferred tax liability	-	206	-
Non-current liabilities	**55,623**	**54,462**	**53,841**
TOTAL LIABILITIES	**61,870**	**58,001**	**56,796**
Share capital	213	213	213
Retained earnings	23,613	22,964	23,511
Accumulated translation difference	(630)	(614)	(659)
Shareholders' equity	**23,196**	**22,563**	**23,065**
TOTAL LIABILITIES & EQUITY	**85,066**	**80,564**	**79,861**

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF INCOME
FOR THE QUARTER ENDED DECEMBER 31, 2009
(all amounts in thousands EUR unless otherwise stated)

	3 months ended		12 months ended	
	December 31, 2008	**December 31, 2009**	**December 31, 2008**	**December 31, 2009**
Property rental revenues	1,646	1,732	6,503	6,840
Revenue	**1,646**	**1,732**	**6,503**	**6,840**
Property related expenses	(28)	(43)	(74)	(169)
Employee related expenses	(118)	(106)	(391)	(460)
Other operating expenses	(229)	(125)	(503)	(447)
Depreciation and amortization	(636)	(906)	(2,566)	(3,268)
Operating expenses	**(1,011)**	**(1,180)**	**(3,534)**	**(4,344)**
Other income (expense)	16	7	16	78
OPERATING PROFIT	**651**	**559**	**2,985**	**2,574**
Interest income	392	210	1,148	805
Interest expense	(589)	(649)	(2,133)	(2,745)
Exchange rate difference	(3,362)	44	(1,261)	(662)
Financial expense	**(3,559)**	**(395)**	**(2,246)**	**(2,602)**
PROFIT BEFORE TAX	**(2,908)**	**164**	**739**	**(28)**
Income tax expense	594	383	(208)	(76)
PROFIT FOR THE YEAR	**(2,314)**	**547**	**531**	**(104)**
Attributable to equity holders of the parent	(2,314)	547	531	(104)
Basic earnings per share (EUR)	(0.22)	0.05	0.05	(0.01)
Diluted earnings per share (EUR)	(0.22)	0.05	0.05	(0.01)

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED DECEMBER 31, 2009
(all amounts in thousands EUR unless otherwise stated)

	3 months ended		12 months ended	
	December 31, 2008	**December 31, 2009**	**December 31, 2008**	**December 31, 2009**
Profit for the year	**(2,314)**	**547**	**531**	**(104)**
Translation difference	(2,013)	(45)	(881)	(29)
Other comprehensive income	**(2,013)**	**(45)**	**(881)**	**(29)**
COMPREHENSIVE INCOME	**(4,327)**	**502**	**(350)**	**(133)**

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, 2009
(all amounts in thousands EUR unless otherwise stated)

	Share capital	Treasury shares	Retained earnings	Accumulated translation difference	Total equity
January 1, 2008	**213**	**-**	**23,082**	**251**	**23,546**
Profit for the year	-	-	2,845	-	**2,845**
Other compr. income	-	-	-	1,132	**1,132**
Share-based payment	-	-	-	-	**-**
September 30, 2008	**213**	**-**	**25,927**	**1,383**	**27,523**
Profit for the year	-	-	(2,314)	-	**(2,314)**
Other compr. income	-	-	-	(2,013)	**(2,013)**
Share-based payment	-	-	-	-	**-**
December 31, 2008	**213**	**-**	**23,613**	**(630)**	**23,196**
January 1, 2009	**213**	**-**	**23,613**	**(630)**	**23,196**
Profit for the year	-	-	(651)	-	**(651)**
Other compr. income	-	-	-	16	**16**
Share-based payment	-	-	2		**2**
September 30, 2009	**213**	**-**	**22,964**	**(614)**	**22,563**
Profit for the year	-	-	547	-	**547**
Other compr. income	-	-	-	(45)	**(45)**
Share-based payment	-	-	-	-	**-**
December 31, 2009	**213**	**-**	**23,511**	**(659)**	**23,065**

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED DECEMBER 31, 2009
(all amounts in thousands EUR unless otherwise stated)

	3 months ended		12 months ended	
	Dec. 31, 2008	**Dec. 31, 2009**	**Dec. 31, 2008**	**Dec. 31, 2009**
OPERATING ACTIVITIES				
Income before tax	(2,908)	164	739	(28)
Depreciation and amortization	636	906	2,566	3,268
(Gain) on sale of other tangible assets	(2)	-	(2)	-
Interest expense	589	649	2,133	2,745
Interest income	(392)	(210)	(1,148)	(805)
Change in provision for bad debts	-	7	-	10
Unrealized foreign exchange losses (gains)	3,259	(147)	1,224	(28)
Changes in working capital:				
Decrease / (increase) in accounts receivable and other current assets	892	(73)	(87)	(347)
Decrease / (increase) in inventory	(989)	(2)	(989)	982
(Decrease) / increase in accounts payable and accruals	(1,339)	(1,066)	1,495	(1,182)
Corporate income tax paid	(192)	(9)	(553)	(287)
Net cash from operating activities	**(446)**	**219**	**5,378**	**4,328**
INVESTING ACTIVITES				
Purchase of investment property, other tangible assets and intangibles	(12,112)	(14)	(20,988)	(9,607)
Interest paid (capitalized)	(55)	-	(215)	(56)
Proceeds on disposal of other tangible assets	1	-	5	-
Purchase of investment	-	-	-	(100)
Purchase of securities	-	-	-	(8,022)
Interest received	327	133	1,082	776
Net cash used in investing activities	**(11,839)**	**119**	**(20,116)**	**(17,009)**
FINANCING ACTIVITIES				
Proceeds from receipt of loans	16,000	-	35,000	-
Loan repayments	(246)	(392)	(836)	(1,447)
Interest paid	(507)	(531)	(2,017)	(2,688)
Net cash from (used in) financing activities	**15,247**	**(923)**	**32,147**	**(4,135)**
Increase in cash and cash equivalents	2,962	(585)	17,409	(16,816)
Cash and cash equivalents at beginning of year	14,509	1,922	994	18,528
Exchange differences on cash and cash equivalents	1,057	351	125	(24)
Cash and cash equivalents at end of year	**18,528**	**1,688**	**18,528**	**1,688**

The accompanying notes form an integral part of the report.

(all amounts in thousands EUR unless otherwise stated)

1. General information

1.1. Business activities, organization

The business goals and activities of the Graphisoft Park Group - that is, real estate development and management - remain unchanged. During the year, the following changes in organization and structure took place within the Group:

1.1.1. Property operation into a separate company

On January 1, 2009, Graphisoft Park Services Kft. took over complete responsibility for property operation tasks from Graphisoft Park Kft. Thus, the property operation became organizationally separate from the real estate development and management activities. The primary goal of this reorganization is to increase the transparency in accounting for tenant-related transactions. In our consolidated statements, the operating results of Graphisoft Park Services Kft. are shown at other income (expense), net.

1.1.2. Optimization of capital structure

On March 2, 2009, two developments occurred: (1) Graphisoft Park SE increased the share capital of Graphisoft Park Kft. from 64 million HUF to 500 million HUF; and (2) Graphisoft Park Kft. increased the share capital of Graphisoft Park Universitas Kft. from 1,000 million HUF to 3,400 million HUF. The purpose of these internal capital increases was to optimize the capital and financing structure.

On September 7, 2009, Graphisoft Park Kft. increased the share capital of GP3 Kft. from 1 million HUF to 700 million HUF. This capital increase provided funding to GP 3 Kft. to enable the purchase of 2 hectares of land adjacent to Graphisoft Park.

1.2. Governance

On April 28, 2009, Graphisoft Park SE's Annual General Meeting reelected the members and the chairman of Board of Directors. The Audit Committee (AC) continues to be composed of the three non-executive directors of the Board.

Name	Position	From	Until
Bojár Gábor	Chairman	August 21, 2006	May 31, 2011
Hornung Péter	Member	August 21, 2006	May 31, 2011
Moskovits Péter Tamás	Member (AC member)	April 30, 2008	May 31, 2011
Vásárhelyi István	Member (AC member)	August 21, 2006	May 31, 2011
Dr. Kálmán János	Member (AC chairman)	August 21, 2006	May 31, 2011

The Board extended the term of János Kocsány, Chief Executive Officer of Graphisoft Park SE, until June 15, 2012.

1.3. Approval of 2008 financial statements

Following the recommendation of the Board of Directors, the Annual General Meeting on April 28, 2009, approved the 2008 consolidated financial statements of Graphisoft Park SE prepared in accordance with International Financial Reporting Standards (IFRS) showing a balance sheet total of 85,066 thousand EUR and a profit for the year of 531 thousand EUR, and also approved the 2008 financial statements of Graphisoft Park SE prepared in accordance with Hungarian Accounting Standards (HAS) showing a balance sheet total 5,928,927 EUR and a profit for the year of 164,162 EUR. The Company does not pay dividends out of profits for the year 2008.

(all amounts in thousands EUR unless otherwise stated)

1.4. Shares and shareholders

Graphisoft Park SE shares have been publicly traded on the Budapest Stock Exchange since August 28, 2006. The Company's share capital is 212,633 EUR, which consists of 10,631,674 Series 'A' stock with a face value of 0,02 EUR each. The Company has 226,514 of treasury shares. Treasury shares are not entitled to dividend.

The ownership structure was as follows at the end of the quarter:

		December 31, 2008		December 31, 2009	
Name	**Title**	**Shares (pcs)**	**Share (%)**	**Shares (pcs)**	**Share (%)**
Directors and management		**3,897,964**	**36.68**	**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
Szűcs Tibor	GM*	-	0.00	150	0.00
Hajba Róbert	CFO	-	0.00	1,000	0.01
Shareholders over 5% share		**1,980,003**	**18.62**	**1,992,122**	**18.73**
Tari István Gábor		1,074,329	10.10	1,074,329	10.10
Concorde Alapkezelő Zrt.		905,674	8.52	917,793	8.63
Other shareholders		**4,526,193**	**42.56**	**4,513,924**	**42.45**
Treasury shares		**227,514**	**2.14**	**226,514**	**2.13**
Total		**10,631,674**	**100.00**	**10,631,674**	**100.00**

* Graphisoft Park Services Kft.

The number of treasury shares decreased by 1,000, a one-off reward provided to the CFO of the Company in April, 2009.

2. Accounting policies

The accounting principles and methods used in this report are identical to those presented and used in the accounting policy of the 2008 audited consolidated financial statements, with the difference that as of January 1, 2009, Graphisoft Park Kft's functional currency has been changed from the HUF to the EUR.

Balance sheet exchange rates used were 270,84 EUR/HUF on December 31, 2009, and 264,78 EUR/HUF on December 31, 2008. The average exchange rate was 280,58 EUR/HUF and 251,25 EUR/HUF for 2009 and 2008, respectively.

3. Income statement

3.1. Revenue

In 2009, the Company realized rental revenue of 6,840 thousand EUR, of which 1,732 thousand EUR was realized in the fourth quarter. Rental revenue for the year 2009 increased by 5.2% compared over 2008 (6,503 thousand EUR). The growth mainly reflects additional revenues from the leased spaces of Building H (388 thousand EUR).

During the fourth quarter, the real estate occupancy rate increased by 2%, to 77%.

3.2. Operating expenses

In 2009, the Company realized operating expenses of 4,344 thousand EUR, of which 1,180 thousand EUR was realized in the fourth quarter. Operating expenses for 2009 increased by 22.9% over 2008 (3,534 thousand EUR). The increase is due to additional depreciation (753 thousand EUR) of Building H after its completion, maintenance expenses for Universitas properties and unleased areas of Building H (169 thousand EUR), and other one-off marketing costs and bonuses (60 thousand EUR) related to the submission of a successful bid and to the successful completion of Building H, within budget and on deadline. Leaving aside these factors, operating expenses for 2009 were reduced compared to the previous year.

3.3. Other income (expense)

The other income (expense) item of 78 thousand EUR consists of the following: recharged operation expenses and related incomes (88 thousand EUR profit), recharged construction expenses and related incomes (32 thousand EUR profit), expenses of a tax audit of previous years' activities (31 thousand EUR), and various other income and expenses (losses of 11 thousand EUR).

3.4. EBITDA, operating profit

In 2009, EBITDA (5,842 thousand EUR) increased by 5.2% compared to previous year (5,551 thousand EUR), while the operating profit (2,574 thousand EUR) decreased by 13.8% compared to last year (2,985 thousand EUR). The reason for this decrease is the amortization costs of Building H, which is, at present, not being used to capacity.

EBITDA margin is 85.4%, operating profit margin is 37.6% in 2009 (85.4% and 45.9% in 2008).

3.5. Financial expense

Net financial expense for the year 2009 amounted to 2,602 thousand EUR, composed of the following items:

- net interest expense of 1,940 thousand EUR, consisting of interest expense on bank loans, amounting to 2,745 thousand EUR, decreased by interest income of 805 thousand EUR,

- exchange rate losses of 662 thousand EUR.

Beginning in 2009, with the change of the functional currency of Graphisoft Park Kft. from the HUF to the EUR, no exchange rate difference arises on the Company's EUR-based financial assets and liabilities, particularly its bank loans. At the same time, the Company continues to be exposed to exchange rate risk arising on HUF-based financial assets, particularly its cash reserves, and liabilities.

Exchange rate losses in 2009 essentially stem from the exchange of HUF cash reserves for EUR at an EUR/HUF exchange rate that was higher (that is, a weaker HUF) than the book rate. However, this transaction has significantly reduced the Company's exposure to exchange rate fluctuations.

(all amounts in thousands EUR unless otherwise stated)

4. Balance sheet

4.1. Cash and cash equivalents

Cash and cash equivalents totaled 1,688 thousand EUR, a decrease of 16,840 thousand EUR over the year. The components of changes in cash are detailed in the statement of cash flows.

4.2. Securities

The Company's securities include bonds purchased in the amount of 8,022 thousand EUR during the third quarter.

4.3. Trade receivables

Trade receivables totaled 444 thousand EUR at year's end, a higher amount than at the end of last year (394 thousand EUR), and higher than at the end of the third quarter (408 thousand EUR). At the end of the fourth quarter, the Company had no significant overdue receivables.

4.4. Inventories

Inventories of 7 thousand EUR include only expenses to be recharged to subcontractors.

4.5. Investment properties

The book value of investment properties has changed as follows:

Net book value as at December 31, 2008:	**64,061**
Additions:	7,586
Depreciation:	(3,207)
Translation difference:	(101)
Net book value on December 31, 2009:	**68,339**

Increase in property value consists of the following items: completion of Building H and other property developments in the Park (3,626 thousand EUR), excavation and preparation works on the land purchased in 2008 (1,532 thousand EUR) and the purchase, excavation and preparation of additional property (2,428 thousand EUR).

In 2009, the Company capitalized properties (Building H and other developments) in the value of 16,819 thousand EUR. The depreciation of properties exceeds the previous year's amount (2,498 thousand EUR) by 709 thousand EUR.

Our estimate of the fair market value of the real estate will be published in the consolidated financial statements for 2009.

4.6. Investments

On April 21, 2009, the Company acquired a 10% share in Aquincum Institute of Technology Kft (AIT). The value of this share is 30 million HUF (100 thousand EUR at the exchange rate on the date of the transaction).

In April 2009, in accordance with its project to develop the properties acquired in 2008 (the 'Universitas' properties) for educational purposes, the Company signed a cooperation agreement with AIT. According to this agreement, the real estate development project (creating a university campus) is the responsibility of Graphisoft Park, while organizing the educational program and operating the university are the responsibility of AIT. Once the educational program begins, AIT will pay a market-rate rent to the Company 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.

4.7. Loans

The Company's loans of 55,441 thousand EUR consist solely of loans from the Westdeutsche Immobilien Bank AG. In 2009, the Company repaid 1,447 thousand EUR and did not draw any additional loans.

4.8. Trade payables

By the end of the year, with the completion of work on Building H, trade payables decreased to 688 thousand EUR. At the end of the period, the Company had no overdue payables, and continues to meet its obligations in a timely manner.

5. Other information

5.1. Additional land acquisition

In September 2008, the Company made a contractual commitment to purchase 2 hectares of land adjacent to Graphisoft Park. The Company paid the purchase price and obtained the ownership of the land on September 7, 2009. The cost of this land was 630 million HUF (2,331 thousand EUR), which includes the purchase price, the related duty and incidental costs directly associated with the purchase.

The main risk factors and limitations associated with this land are as follows:

- the land is affected by significant environmental pollution,
- regulations protecting the landmark "Generator House" limit the land's usability.

5.2. Rental contracts

In July 2009, one of our major clients extended its lease for an additional five years, under the existing conditions.

In the fourth quarter of 2009, we signed lease agreements with six new tenants for the lease of approximately 1,000 m2 of office space.