GRAPHISOFT PARK SE

Interim Management Report – Fourth Quarter 2012

February 18, 2013

GRAPHISOFTPARK

Financial highlights

IFRS, consolidated, thousand EUR

	3 months ended		12 months ended	
	December 31, 2011	December 31, 2012	December 31, 2011	December 31, 2012
Revenue	**2,059**	**1,981**	**8,039**	**8,285**
Operating expense	(179)	(254)	(773)	(967)
Other income (expense)	19	66	86	135
EBITDA	**1,899**	**1,793**	**7,352**	**7,453**
Depreciation and amortization	(936)	(963)	(3,700)	(3,717)
Operating profit	**963**	**830**	**3,652**	**3,736**
Net interest expense	(467)	(337)	(1,996)	(1,593)
Exchange rate differences	(80)	(3)	(60)	14
Profit before tax	**416**	**490**	**1,596**	**2,157**
Income tax expense	9	(61)	(155)	(313)
Profit for the period	**425**	**429**	**1,441**	**1,844**
EBITDA margin (%)	**92.2**	**90.5**	**91.5**	**90.0**
Operating profit margin (%)	**46.8**	**41.9**	**45.4**	**45.1**

	December 31, 2011	December 31, 2012
Assets total	**72,979**	**71,893**
Investment property at cost*	**63,926**	**62,254**
Bank loans	**51,988**	**49,870**
Net debt	**44,648**	**41,908**

* 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 2011 (www.graphisoftpark.com), updated valuation will be published in the Annual Report for 2012, to be published in March, 2013.

Dear Shareholders,

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

- Financial results for the year 2012,
- Utilization, occupancy,
- Development activities,
- Other key issues,
- Legal proceedings,
- Forecast for the year 2013.

Financial results for the year 2012

The Company closed the year of 2012 with revenues of 8,285 thousand euros, EBITDA of 7,453 thousand euros, and a net profit of 1,844 thousand euros.

- **Revenue** (8,285 thousand euros, Q1: 2,106 thousand euros, Q2: 2,129 thousand euros, Q3: 2,069 thousand euros; Q4: 1,981 thousand euros) increased 3.1% in 2012 compared to 2011. Rental fees from new lease contracts increased revenue by 439 thousand euros, that is 5.5%, however the cancellation of the lease contract with AMRI Hungary Zrt. and the subsequent loss in rental fees decreased it by 193 thousand euros, 2.4% in 2012 (see details in the “Utilization, occupancy” and “Legal proceedings” sections below).

- **Operating expense** (832 thousand euros, Q1: 134 thousand euros, Q2: 269 thousand euros, Q3: 241 thousand euros; Q4: 188 thousand euros) increased 21% in 2012 compared to 2011. This increase is attributable to expenses (152 thousand euros in 2012) related to legal proceedings commenced against AMRI Hungary Zrt. (see details in the “Legal proceedings” section). Apart from the costs of the legal proceedings, operating expenses actually remained on the same level as in the previous year, because increased employee related expenses (higher bonuses were paid than last year) were balanced by savings in property related expenses (smaller vacant area meant less operating expenses and utility costs to be covered by us), and savings achieved on the other operating expenses line.

- **Depreciation** (3,717 thousand euros, Q1: 911 thousand euros, Q2: 914 thousand euros, Q3: 929 thousand euros; Q4: 963 thousand euros) increased 1% in 2012 compared to 2011.

- **EBITDA** (7,453 thousand euros, Q1: 1,972 thousand euros, Q2: 1,860 thousand euros, Q3: 1,828 thousand euros; Q4: 1,793 thousand euros) increased 1% and **operating profit** (3,736 thousand euros, Q1: 1,061 thousand euros, Q2: 946 thousand euros, Q3: 899 thousand euros; Q4:830 thousand euros) increased 2% compared to the previous year.

- **Net interest expense** (1,593 thousand euros, Q1: 444 thousand euros, Q2: 433 thousand euros, Q3: 379 thousand euros; Q4: 337 thousand euros) decreased 20% in 2012 compared to 2011 due to decreasing interest expenses (by 315 thousand euros) and increasing interest income (by 88 thousand euros). Financial results are further improved by the more favorable exchange rate differences than in 2011 (74 thousand euros).

- **Income tax expense** (2012: 313 thousand euros, 2011: 155 thousand euros) is significantly higher than previous year primarily because corporate income tax was lowered by a one-off item (revaluation related to the merger of subsidiaries) in 2011.

- **Net profit** (1,844 thousand euros, Q1: 506 thousand euros, Q2: 434 thousand euros, Q3: 475 thousand euros, Q4: 429 thousand euros) grew 28%, by 403 thousand euros in 2012 compared to 2011 because of the following factors: (1) even though the rise in operating profit (84 thousand euros, 2%) was modest (attributable to the 193 thousand euros loss in revenue, and the 152 thousand euros costs of legal proceedings following the termination of the lease contract of AMRI), (2) financial results improved significantly (by 477 thousand euros, 23%) primarily as a result of lower interest expenses, and finally (3) income tax expense was 158 thousand euros higher than the base from last year reduced by a one-off item.

Utilization, occupancy

Occupancy rate of Graphisoft Park's completed 46,000 m2 rentable office and laboratory space developed as follows (at the end of the quarter):

2011 Q1	2011 Q2	2011 Q3	2011 Q4	2012 Q1	2012 Q2	2012 Q3	2012 Q4
84%	85%	85%	85%	87%	88%	81%	81%

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 to 81% from 88%.

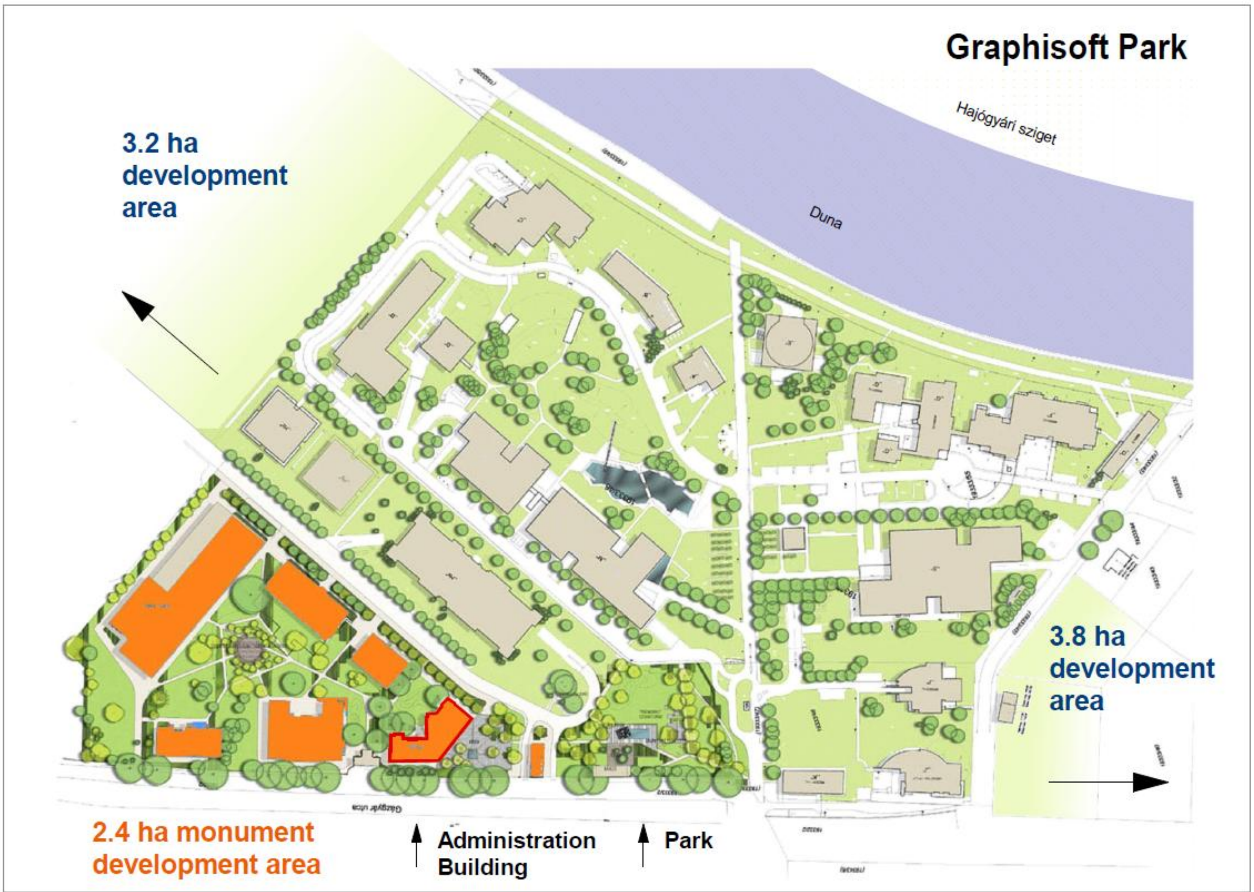
In the first quarter of 2012, a lease agreement has been renewed and extended with one tenant increasing the occupancy rate of the Park by 3% in 2013.

In January 2012, Microsoft whose contract was due to expire in July 2012 has extended its lease by 5 years. Nearly 4,000 m2 of office space was affected in the lease extension.

Consequently, with the rendition of the space occupied by AMRI, Graphisoft Park's 88% occupancy rate in the dropped to 81% by September 2012, then grew to 84% by January 2013, based on the new leases concluded.

Development activities

The total area of Graphisoft Park is nearly 18 hectares. Over the past 15 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 gross floor area in the monument area can be utilized after renovation. Out of this approximately 10,000 m2 total rentable net internal area can be developed, of which 1,000 m2 was renovated in 2011.



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 800 thousand euros in 2012, and are expected at 400 thousand euros in 2013.

The renovation works of buildings 57 and 58 in the **monument development area** began in April, 2012. The completed buildings will provide 1,400 m2 of rentable office space. The planned total cost of renovation is 2.5 million euros (of which 1.2 million euros occurred in 2012) including the ground works for public utilities and landscaping.

The monument development area will be used primarily for educational purposes. In the fall of 2013 the Aquincum Institute of Technology (AIT), operating in building “D” since 2010, will move there. On the day of closing this report, the Articles of Agreement was signed with the International Business School (IBS) to conduct its educational operation there starting in the fall of 2014. For this end we have undertaken to renovate further two buildings in the monument development area with a combined 4,000 m2 usable floor area (buildings 61 and 63), and to deliver spaces suitable for the needs of state-of-the-art education. The program also encompasses the construction and setting-up of a new cafeteria and dormitory, and the related landscaping and public utility works. The realization of the entire program is expected to cost 7 million euros, nearly half of which will occur in 2013 and the rest in 2014.

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 26, 2012, the Annual General Meeting of Graphisoft Park SE approved dividend distribution of 35 forints per share (totaling 355,341 thousand forints, which is 1,237 thousand euros on the exchange rate of April 26, 2012). The starting date for dividend payments was June 4, 2012. 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 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, Oberlin and Bryn Mawr colleges among them. At the time of writing this report, the 2013 Spring semester is in progress with students from further new institutions to AIT, such as Yale, Rochester, Wesleyan and Tufts universities, Mt. Holyoke, St. Olaf and Hampshire 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 30 North American universities and colleges 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 is likely to grow in 2013, and after IBS moving in in 2014, the total usable floor area rented for educational purposes is expected to be close to 5,000 m2.

Legal proceedings

AMRI Hungary Zrt. went under voluntary winding up on July 19, 2012. With regards to the winding up procedure, Graphisoft Park terminated the lease effective on August 31, 2012 in accordance with its terms. AMRI's filing for winding up triggered the acceleration clause in the lease contract between AMRI Hungary Zrt. and Graphisoft Park making the entire remaining lease fee of 4,783 thousand euros for 79 months due at once.

Graphisoft Park has filed suit with the Arbitration Court attached to the Hungarian Chamber of Commerce and Industry against AMRI Hungary Zrt. to recover its claims arising out of the termination of its lease agreement. Filing suit was necessary because AMRI Hungary Zrt. and its parent Albany Molecular Research Inc (Albany - USA) refused to honor their contractual obligation to fulfill Graphisoft Park's claim. The net amount of the filed claim is 4.443 thousand euros. The claim consists of lease fee for the remaining 79 months at time of termination, estimated costs of removing AMRI owned special equipment installed in the building (which cannot be utilized by Graphisoft Park) and unpaid lease fee and operating expense for August, 2012; minus expected net revenue derived from the subsequent reutilization of the premises. Net revenue consists of expected lease revenues from new tenants (assuming linearly increasing occupancy after the office transformation period); minus the amortization of the investment in the office transformation and operating expenses for unrented spaces for the 79 months period remaining at the time of termination.

Parallel to the proceedings in front of the arbitration court AMRI Hungary Zrt. has filed suit with the Budapest Metropolitan Court, in order to have its self-financed specialized equipment declared "appendage" and subsequently gain ownership in the property. After several months of fruitless searches Graphisoft Park was unable to identify possible tenants who would undertake the utilization of AMRI's sophisticated and extremely expensive equipment, therefore Graphisoft Park had to request the removal of the equipment in accordance with the relevant terms of the lease contract. AMRI refused to honor this request up until the time of closing this report. The outcome and the date of closing the legal dispute cannot be reliably estimated at the time of closing this report.

In accordance with our previous reports, and not altering our conservative estimation methods, in our forecasts 1) any revenues from recovery will not be considered until the final settlement of the claim – this is because the time of settling the case and the actual amount of recovery cannot be estimated reliably –, however, 2) all actual and expected legal and other expenses related to realizing the claim will be considered in the forecasts, even though those are expected to be recovered at the closing of the case. The exact extent of the effects of this case on revenues can only be determined once the case is closed, therefore, revenues expected from the proceedings will not be included in the forecasts until the closing of the case.

The summary of the effects of the termination of AMRI Hungary's leasehold on the results for 2012 and 2013 is as follows:

(million euros)	**2012 actual**	**2013 forecast**
Rental revenue decrease (2012: 4 months; 2013: 12 months)	-0.20	-0.6
Operating expenses in vacant areas (building Hz)	-	-0.1
Costs of the legal proceedings	-0.15	-0.4
Net profit change	**-0.35**	**-1.1**

Forecast for the year 2013

2012 actual net profit is 150 thousand euros higher than forecasted in the previous quarterly report at 1.7 million euros, mainly because of the savings achieved on the operating expense and income tax expense lines.

The forecast for 2013 net profit remains at the 1.7 million euros level predicted in the in the last quarterly report. With regards to the refinancing of bank loans in December, 2012 under better than expected interest terms, the forecast for net interest expense was lowered by 200 thousand euros, and the 2013 corporate income tax expectations were also lowered by 100 thousand euros, however, we are expecting higher than previously forecasted legal expenses.

Our forecast for 2013 is summarized in the following table, based exclusively on signed, valid lease agreements, with the current occupancy rate of 84% (the first three columns show 2011 and 2012 actual results, and 2013 plans as published in the previous quarterly report):

(million euros)	**2011 actual**	**2012 actual**	**2013 plan**	**2013 forecast**
Rental revenue	8.04	8.28	8.1	8.1
Operating expense	- 0.69	-0.83	-0.9	-1.2
EBITDA	**7.35**	**7.45**	**7.2**	**6.9**
Depreciation and amortization	- 3.70	-3.71	-3.7	-3.7
Operating profit	**3.65**	**3.74**	**3.5**	**3.2**
Net interest expense	- 2.00	-1.60	-1.4	-1.2
Exchange rate difference	-0.06	0.01	-	-
Income tax expense	- 0.15	-0.31	-0.4	-0.3
Net profit	**1.44**	**1.84**	**1.7**	**1.7**

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.

- We are expecting an average of 5% increase in operating expenses, corrected with the expenses occurred and expected to occur in relation to the termination of AMRI's lease contract (2012: 150 thousand euros; 2013: 500 thousand euros).

- 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 and income tax expense are expected to remain on the 2012 levels.

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. Loosing 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 significantly affecting results are changes in the EUR/HUF exchange rate, the EURIBOR interest rate and the regulatory, especially tax, environment.

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, February 18, 2013

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE

QUARTERLY REPORT

for the quarter ended December 31, 2012

in accordance with International Financial Reporting Standards (IFRS)

(unaudited)

Budapest, February 18, 2013

Hajba Róbert Chief Financial Officer	Kocsány János Chief Executive Officer

GRAPHISOFT PARK SE
QUARTERLY REPORT
DECEMBER 31, 2012

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GRAPHISOFT PARK SE
CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2012
(all amounts in thousands EUR unless otherwise stated)

	Notes	December 31, 2011	December 31, 2012
Cash and cash equivalents	3	3,777	6,186
Securities	4	3,798	2,024
Trade receivables	5	381	422
Current tax receivable	6	169	99
Other current assets	7	450	581
Current assets		**8,575**	**9,312**
Investment property	8	63,926	62,254
Other tangible assets	8	221	199
Intangible assets	8	-	1
Investments	9	100	100
Deferred tax asset	10	157	27
Non-current assets		**64,404**	**62,581**
TOTAL ASSETS		**72,979**	**71,893**
Short-term loans	11	2,064	2,723
Trade payables	12	426	367
Current tax liability	6	159	121
Other short-term liabilities	13	807	878
Current liabilities		**3,456**	**4,089**
Long-term loans	11	49,924	47,147
Deferred tax liability	10	-	11
Non-current liabilities		**49,924**	**47,158**
TOTAL LIABILITIES		**53,380**	**51,247**
Share capital		213	213
Retained earnings		23,332	23,939
Valuation reserve	4, 10	(339)	96
Treasury shares	21	(669)	(669)
Accumulated translation difference		(2,938)	(2,933)
Shareholders' equity		**19,599**	**20,646**
TOTAL LIABILITIES & EQUITY		**72,979**	**71,893**

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF INCOME
FOR THE QUARTER ENDED DECEMBER 31, 2012
(all amounts in thousands EUR unless otherwise stated)

	Notes	3 months ended		12 months ended	
		Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012
Property rental revenue	14	2,059	1,981	8,039	8,285
Revenue		**2,059**	**1,981**	**8,039**	**8,285**
Property related expense	15	(18)	(27)	(91)	(69)
Employee related expense	15	(99)	(139)	(415)	(510)
Other operating expense	15	(62)	(88)	(267)	(388)
Depreciation and amortization	15, 8	(936)	(963)	(3,700)	(3,717)
Operating expense		**(1,115)**	**(1,217)**	**(4,473)**	**(4,684)**
Other income (expense)	16	19	66	86	135
OPERATING PROFIT		**963**	**830**	**3,652**	**3,736**
Interest income	17	110	151	396	484
Interest expense	17	(577)	(488)	(2,392)	(2,077)
Exchange rate difference	18	(80)	(3)	(60)	14
Financial expense		**(547)**	**(340)**	**(2,056)**	**(1,579)**
PROFIT BEFORE TAX		**416**	**490**	**1,596**	**2,157**
Income tax expense	19	9	(61)	(155)	(313)
PROFIT FOR THE PERIOD		**425**	**429**	**1,441**	**1,844**
Attributable to equity holders of the parent		425	429	1,441	1,844
Basic earnings per share (EUR)	20	0.04	0.04	0.14	0.18
Diluted earnings per share (EUR)	20	0.04	0.04	0.14	0.18

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED DECEMBER 31, 2012
(all amounts in thousands EUR unless otherwise stated)

	Notes	3 months ended		12 months ended	
		Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012
Profit for the period		**425**	**429**	**1,441**	**1,884**
Valuation reserve	4, 10	(155)	(38)	(339)	435
Translation difference		(1,021)	(1)	(1,863)	5
Other comprehensive income		**(1,176)**	**(39)**	**(2,202)**	**440**
COMPREHENSIVE INCOME		**(751)**	**390**	**(761)**	**2,284**
Attributable to equity holders of the parent		(751)	390	(761)	2,284

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, 2012
(all amounts in thousands EUR unless otherwise stated)

	Share capital	Retained earnings	Valuation reserve	Treasury shares	Accum. translation difference	Total equity
December 31, 2010	**213**	**22,856**	**-**	**-**	**(1,075)**	**21,994**
Profit for the period	-	1,441	-	-	-	**1,441**
Translation difference	-	-	(339)	-	-	**(339)**
Valuation reserve	-	-	-	-	(1,863)	**(1,863)**
Purchase of treasury shares	-	-	-	(1,358)	-	**(1,358)**
Sale of treasury shares	-	21	-	689	-	**710**
Dividend	-	(986)	-	-	-	**(986)**
December 31, 2011	**213**	**23,332**	**(339)**	**(669)**	**(2,938)**	**19,599**
Profit for the period	-	1,844	-	-	-	**1,844**
Valuation reserve	-	-	435	-	-	**435**
Translation difference	-	-	-	-	5	**5**
Dividend	-	(1,237)	-	-	-	**(1,237)**
December 31, 2012	**213**	**23,939**	**96**	**(669)**	**(2,933)**	**20,646**

The accompanying notes form an integral part of the report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED DECEMBER 31, 2012
(all amounts in thousands EUR unless otherwise stated)

	3 months ended		12 months ended	
	Dec. 31, 2011	Dec. 31, 2012	Dec. 31, 2011	Dec. 31, 2012
OPERATING ACTIVITIES				
Income before tax	416	490	1,596	2,157
Depreciation and amortization	936	963	3,700	3,717
Interest expense	577	488	2,392	2,077
Interest income	(110)	(151)	(396)	(484)
Unrealized foreign exchange (gains) / losses	43	(6)	2	27
Changes in working capital:				
(Increase) / decrease in receivables and other current assets	422	160	228	(28)
Decrease in inventory	8	-	-	-
Increase / (decrease) in payables and accruals	(275)	152	(27)	(160)
Corporate income tax paid	(39)	(15)	(220)	(226)
Net cash from operating activities	**1,978**	**2,081**	**7,275**	**7,080**
INVESTING ACTIVITES				
Purchase of tangible assets and intangibles	(426)	(975)	(2,615)	(1,952)
Interest paid (capitalized)	(5)	(18)	(43)	(73)
Purchase of securities	-	-	(4,075)	-
Sale of securities	-	2,264	8,000	2,264
Interest received	25	186	411	464
Net cash from (used in) investing activities	**(406)**	**1,457**	**1,678**	**703**
FINANCING ACTIVITIES				
Loan repayments	(489)	(546)	(1,843)	(2,118)
Interest paid	(584)	(559)	(2,435)	(2,087)
Purchase of treasury shares	(1,358)	-	(1,358)	-
Sale of treasury shares	710	-	710	-
Dividend paid	-	-	(950)	(1,167)
Net cash used in financing activities	**(1,721)**	**(1,105)**	**(5,876)**	**(5,372)**
Increase / (decrease) in cash and cash equivalents	(149)	2,433	3,077	2,411
Cash and cash equivalents at beginning of period	3,919	3,755	723	3,777
Exchange rate gain / (loss) on cash and cash equivalents	7	(2)	(23)	(2)
Cash and cash equivalents at end of period	**3,777**	**6,186**	**3,777**	**6,186**

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

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 12 on December 31, 2012.

1.2. Properties

The total area of Graphisoft Park is nearly 18 hectares. Over the past 15 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 10,000 m2 of total 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 over 45,000 m2 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 m2 of total rentable net internal area of the monument buildings, out of which 1,000 m2 was renovated in 2011 and the renovation of further 1,400 m2 has begun in 2012
Development areas	7.0 hectares of free development land

(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
Gáthy Tibor	Member	April 26, 2012	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 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:

		December 31, 2011		December 31, 2012	
Name	**Title**	**Shares (pcs)**	**Share (%)**	**Shares (pcs)**	**Share (%)**
Directors and management		**4,074,464**	**38.33**	**4,076,864**	**38.35**
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	160,000	1.50
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
Hajba Róbert	CFO	3,000	0.03	5,400	0.05
Szűcs Tibor	MD*	1,500	0.01	1,500	0.01
Shareholders over 5% share		**2,265,744**	**21.31**	**2,255,835**	**21.21**
Tari István Gábor		1,074,329	10.10	1,074,329	10.10
Concorde Alapkezelő Zrt.		1,191,415	11.21	1,181,506	11.11
Other shareholders		**3,812,390**	**35.85**	**3,819,899**	**35.93**
Treasury shares**		**479,076**	**4.51**	**479,076**	**4.51**
Total		**10,631,674**	**100.00**	**10,631,674**	**100.00**

* Graphisoft Park Services Kft.
** Treasury share details are disclosed in Note 21.

(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 2011), with the following differences:

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

Exchange rates used were as follows:

	3 months ended		12 months ended	
	Dec. 31, 2011	**Dec. 31, 2012**	**Dec. 31, 2011**	**Dec. 31, 2012**
EUR/HUF opening:	292.12	283.71	278.75	311.13
EUR/HUF closing:	311.13	291.29	311.13	291.29
EUR/HUF average:	303.63	283.11	279.21	289.42

(all amounts in thousands EUR unless otherwise stated)

3. Cash and cash equivalents

	December 31, 2011	December 31, 2012
Cash in hand	1	1
Cash at banks	3,776	6,185
Cash and bank	**3,777**	**6,186**

4. Securities

	December 31, 2011	December 31, 2012
Bonds	3,798	2,024
Securities (available-for-sale financial assets)	**3,798**	**2,024**

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.

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) is accounted for as financial income.

Valuation of the bonds is disclosed in the following table:

	December 31, 2011	December 31, 2012
Net purchase price (31.08.2011)	4,075	1,811
Accrued interest	99	106
Valuation difference	(376)	107
Bonds (at fair value)	**3,798**	**2,024**

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.

(all amounts in thousands EUR unless otherwise stated)

5. Trade receivables

	December 31, 2011	December 31, 2012
Trade receivables	381	422
Provision for doubtful debts	-	-
Trade receivables	**381**	**422**

6. Current tax receivables and liabilities

	December 31, 2011	December 31, 2012
Current tax receivables	169	99
Current tax liabilities	(159)	(121)
Current tax receivable (liability) – net	**10**	**(22)**

7. Other current assets

	December 31, 2011	December 31, 2012
Accrued income	7	50
Prepaid expense	8	43
Other receivables	435	488
Other current assets	**450**	**581**

(all amounts in thousands EUR unless otherwise stated)

8. Tangible and intangible assets – book values

	December 31, 2011	**December 31, 2012**
Investment property	63,926	62,254
Other tangible assets	221	199
Intangible assets	-	1
Tangible and intangible assets (net)	**64,147**	**62,454**

The table shows movements of investment property during the period:

	Land and buildings	Construction in progress	**Investment property**
Net value:			
December 31, 2011	61,587	2,339	**63,926**
Gross value:			
December 31, 2011	81,914	2,339	**84,253**
Reclassification	21	-	**21**
Additions	-	1,978	**1,978**
Capitalizations	796	(796)	**-**
Translation difference	-	-	**-**
December 31, 2012	82,731	3,521	**86,252**
Depreciation:			
December 31, 2011	20,327	-	**20,327**
Additions	3,671	-	**3,671**
Translation difference	-	-	**-**
December 31, 2012	23,998	-	**23,998**
Net value:			
December 31, 2012	58,733	3,521	**62,254**

Additions in construction in progress at 1,978 thousand EUR comprise the following:

- development activities in the buildings of the Monument development area (927 thousand EUR),
- development activities in the buildings of the Core area (697 thousand EUR) and
- development of infrastructure and public utilities (354 thousand EUR).

(all amounts in thousands EUR unless otherwise stated)

Capitalizations in the value of 796 thousand EUR comprise the following:

- development activities completed in the buildings of the Core area (701 thousand EUR) and
- completed infrastructure and public utilities development (95 thousand EUR).

Construction in progress totaling 3,521 thousand EUR comprises the cost of the Monument development area's buildings to be renovated or under renovation.

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

9. Investments

	December 31, 2011	December 31, 2012
AIT-Budapest Kft.	100	100
Investments	**100**	**100**

The Company acquired a 10 % ownership share (100 thousand EUR) in AIT-Budapest Aquincum Institute of Technology Kft in 2009.

10. Deferred tax

	December 31, 2011	December 31, 2012
Development reserve	(163)	(274)
Depreciation	22	22
Securities*	37	(11)
Loss carried forward	261	279
Deferred tax asset – net	**157**	**16**

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

(all amounts in thousands EUR unless otherwise stated)

11. Loans

	December 31, 2011	December 31, 2012
Short-term	2,064	2,723
Long-term	49,924	47,147
Loans	**51,988**	**49,870**

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.

12. Trade payables

	December 31, 2011	December 31, 2012
Trade payables - domestic	426	367
Trade payables	**426**	**367**

13. Other short-term liabilities

	December 31, 2011	December 31, 2012
Amounts due to employees	24	32
Deposits from tenants	434	507
Other payables and accruals	349	339
Other short-term liabilities	**807**	**878**

(all amounts in thousands EUR unless otherwise stated)

14. Revenue

	3 months ended		12 months ended	
	Dec. 31, 2011	**Dec. 31, 2012**	**Dec. 31, 2011**	**Dec. 31, 2012**
Property rental	2,059	1,981	8,039	8,285
Revenue	**2,059**	**1,981**	**8,039**	**8,285**

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

15. Operating expense

	3 months ended		12 months ended	
	Dec. 31, 2011	**Dec. 31, 2012**	**Dec. 31, 2011**	**Dec. 31, 2012**
Property related expense	18	27	91	69
Employee related expense	99	139	415	510
Other operating expense	62	88	267	388
Depreciation and amortization	936	963	3,700	3,717
Operating expense	**1,115**	**1,217**	**4,473**	**4,684**

Other operating expense consists of the following items:

	3 months ended		12 months ended	
	Dec. 31, 2011	**Dec. 31, 2012**	**Dec. 31, 2011**	**Dec. 31, 2012**
Office and telecommunication	4	3	12	13
Legal and administration	28	53	127	261
Marketing	13	13	38	52
Other	17	19	90	62
Other operating expense	**62**	**88**	**267**	**388**

(all amounts in thousands EUR unless otherwise stated)

16. Other income (expense)

	3 months ended		12 months ended	
	Dec. 31, 2011	**Dec. 31, 2012**	**Dec. 31, 2011**	**Dec. 31, 2012**
Income from recharged construction expenses	57	68	205	173
Recharged construction expenses	(41)	(60)	(174)	(160)
Income from recharged operation expenses	773	822	2,887	3,040
Recharged operation expenses	(781)	(774)	(2,838)	(2,903)
Others	11	10	6	(15)
Other income (expense)	**19**	**66**	**86**	**135**

17. Interest

	3 months ended		12 months ended	
	Dec. 31, 2011	**Dec. 31, 2012**	**Dec. 31, 2011**	**Dec. 31, 2012**
Interest received	110	151	396	484
Interest income	**110**	**151**	**396**	**484**
Interest paid on loans	(573)	(503)	(2,413)	(2,129)
Other interest paid	(9)	(4)	(22)	(21)
Borrowing cost capitalized	5	19	43	73
Interest expense	**(577)**	**(488)**	**(2,392)**	**(2,077)**
Net interest expense	**(467)**	**(337)**	**(1,996)**	**(1,593)**

(all amounts in thousands EUR unless otherwise stated)

18. Exchange rate difference

	3 months ended		12 months ended	
	Dec. 31, 2011	**Dec. 31, 2012**	**Dec. 31, 2011**	**Dec. 31, 2012**
Exchange rate gain (loss) realized	(44)	(7)	(35)	43
Exchange rate gain (loss) not realized	(36)	4	(25)	(29)
Exchange rate gain (loss)	**(80)**	**(3)**	**(60)**	**14**

19. Income tax

	3 months ended		12 months ended	
	Dec. 31, 2011	**Dec. 31, 2012**	**Dec. 31, 2011**	**Dec. 31, 2012**
Current income tax	(49)	(57)	(199)	(219)
Deferred income tax	58	(4)	44	(94)
Income tax expense	**9**	**(61)**	**(155)**	**(313)**

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

(all amounts in thousands EUR unless otherwise stated)

20. Earnings per share

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

	3 months ended		12 months ended	
	Dec. 31, 2011	**Dec. 31, 2012**	**Dec. 31, 2011**	**Dec. 31, 2012**
Net profit attributable to equity holders	425	429	1,441	1,844
Weighted average number of ordinary shares	10,224,456	10,152,598	10,359,613	10,152,598
Basic earnings per share (EUR)	**0.04**	**0.04**	**0.14**	**0.18**
Weighted average number of ordinary shares	10,224,456	10,152,598	10,359,613	10,152,598
Diluted earnings per share (EUR)	**0.04**	**0.04**	**0.14**	**0.18**

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

21. Treasury shares

Graphisoft Park SE treasury share details are as follows:

	December 31, 2011	**December 31, 2012**
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**

22. Commitments, contingencies

Termination of leasehold, legal proceedings

AMRI Hungary Zrt. went under voluntary winding up on July 19, 2012. With regards to the winding up procedure, Graphisoft Park terminated the lease effective on August 31, 2012 in accordance with its terms. AMRI's filing for winding up triggered the acceleration clause in the lease contract between AMRI Hungary Zrt. and Graphisoft Park making the entire remaining lease fee of 4,783 thousand euros for 79 months due at once.

Graphisoft Park has filed suit with the Arbitration Court attached to the Hungarian Chamber of Commerce and Industry against AMRI Hungary Zrt. „under voluntary winding up" to recover its claims arising out of the termination of its lease agreement. Filing suit was necessary because AMRI Hungary Zrt. „under voluntary winding up" and its parent Albany Molecular Research Inc (Albany - USA) refused to honor their contractual obligation to fulfill Graphisoft Park's claim. The net amount of the filed claim is 4.443 thousand euros. The claim consists of lease fee for the remaining 79 months at time of termination, estimated costs of removing AMRI owned special equipment installed in the building (which cannot be utilized by Graphisoft Park) and unpaid lease fee and operating expense for August, 2012; minus expected net revenue derived from the subsequent reutilization of the premises. Net revenue consists of expected lease revenues from new tenants (assuming linearly increasing occupancy after the office transformation period); minus the amortization of the investment in the office transformation and operating expenses for unrented spaces for the 79 months period remaining at the time of termination.

Parallel to the proceedings in front of the arbitration court AMRI Hungary Zrt. „under voluntary winding up" has filed suit with the Budapest Metropolitan Court, in order to have its self-financed specialized equipment declared "appendage" and subsequently gain ownership in the property. After several months of fruitless searches Graphisoft Park was unable to identify possible tenants who would undertake the utilization of AMRI's sophisticated and extremely expensive equipment, therefore Graphisoft Park had to request the removal of the equipment in accordance with the relevant terms of the lease contract. AMRI refused to honor this request up until the time of closing this report.

Until the closing of the case (1) any revenues from recovery will not be considered in our forecast – this is because the time of settling the case and the actual amount of recovery cannot be estimated reliably –, however, (2) all actual and expected expenses related to realizing the claim will be considered in the forecasts, even though those are expected to be recovered at the closing of the case.

The Company had a total of 574 thousand EUR receivables on record against AMRI Hungary Zrt. „under voluntary winding up" on December 31, 2012 accounted for in the period preceding the termination of the lease contract on August 31, 2012, out of which

- 92 thousand EUR is under trade receivables, which is unpaid rent and operating expense for August, 2012, and
- 482 thousand EUR is under other receivables, which was recorded in the 41 month period preceding the August 31, 2012 termination, and consists of the difference between lease fees recorded according to the accounting policies of the Company (straight-line throughout the lease period) and lease fees invoiced according to the terms of the lease contract (increasing throughout the lease period).

The 574 thousand EUR amount is part of the 4,443 thousand EUR total claim filed in court. An impairment loss will be recognized for receivables recorded in case its realization becomes uncertain.

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 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 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.

23. Approval of financial statements, dividend

Following the recommendation of the Board of Directors, the Annual General Meeting on April 26, 2012, approved the 2011 consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS) showing a balance sheet total of 72,979 thousand EUR and a profit for the year of 1,441 thousand EUR. Together with the approval of the consolidated financial statements for issue, the Annual General Meeting approved dividend distribution of 35 HUF per share, 355,341 thousand HUF in total (1,237 thousand EUR on the exchange rate of April 26, 2012). The starting date for dividend payments was June 4, 2012. The Company paid out the dividends to the shareholders identified by shareholder's registration.

24. 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, 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.*