

# GRAPHISOFT PARK SE

Interim Management Report – Third Quarter 2015

November 4, 2015



GRAPHISOFT PARK – ENTRANCE – JUNE 2017

VISUALIZATION

GRAPHISOFTPARK





## Dear Shareholders,

The most important development in the first half of 2015 is the renewal of the Parks' largest tenant's, SAP's lease contract, which warrants the continued extension of the existing 53,000 m<sup>2</sup> office, laboratory and educational space with current occupancy level standing at 97%. To this end we have started the planning of additional 8,000 m<sup>2</sup> of office space and an underground parking facility for more than 300 vehicles, with the first phase to be delivered by the beginning of 2017. The primary aim of the new developments is to provide SAP after its significant expansion last year with the most optimal and economical home in the Park, instead of scattering its divisions in many buildings, while paying utmost respect to its green and sustainable values equally important for SAP and Graphisoft Park alike. In order to achieve optimal utilization for the SAP building delivered in 2006, most of the new developments will be taking place in the integrally connecting new wing with 5,500 m<sup>2</sup>, of which SAP will occupy 2,500 m<sup>2</sup>. The remaining 3,000 m<sup>2</sup> will partly serve the needs of new tenants and partly remains available to satisfy SAP's requested potential future growth options.



In addition to this we are planning to build another building with 2,500 m<sup>2</sup> floor space optimized for the needs of smaller companies and start-ups.



This in turn necessitated the demolition of the adjacent smaller buildings and storage facilities (roughly 2,000 m<sup>2</sup> altogether), which at the current occupancy levels of the Park may be deemed less economical uses of land. All of these will allow the creation of a much more imposing façade towards Ángel Sanz-Briz (former Jégtörő) Street, which has developed into a busy artery in the past years.





Financial results have progressed as forecasted: we have achieved a 2,237 thousand euros net profit over 7.15 million euros revenues in the first three quarters of 2015, compared to the respective figures of 1,659 thousand euros net profit over 6.05 million euros revenue in the first three quarters of 2014. For the entire year of 2015 we are expecting a 12% increase in revenues compared to 2014 at 9.5 million euros and a similar 12% increase in net profit at 2.7 million euros, which will be lowered by a one-time writing-off of 500 thousand euros for all the necessary demolition and refurbishment works. For the year of 2016 we are expecting revenues to remain nearly at 2015 level at 9.4 million euros and net profit to stay the same as last year at 2.7 million euros. Growth in revenues and net profit is expected after the completion of the new developments in 2017.



These results were made possible by the continually improving occupancy rates and not changing the rent levels, cornerstones of the Park's quality and profitability; consciously not competing with the artificially low, therefore unsustainable rates on Budapest's overcrowded office market. All this proves that our concept for the "micro-silicon-valley" articulated some 17 years ago was right, targeting a well-defined market – Hungarian and international technology companies pursuing innovation in our case – and focusing real estate developments to their needs is working. The key to success in their fields is attracting talent. We are aiming to contribute to this with quality and environment conscious architecture, in a uniquely quiet setting on the green banks of the river Danube surrounded by the Park's state-of-the art renovated industrial monument buildings preserving the marvelous ambiance of the old Óbuda Gas Works. Our achievements prove that the leading companies in the technology field appreciate this; therefore we are continuing the development along the lines of the same concept.

Bojár Gábor  
Chairman of Board of Directors

Kocsány János  
Chief Executive Officer



## Financial highlights

IFRS, consolidated, thousand EUR

### Results\*:

	3 months ended		9 months ended	
	Sept. 30,	Sept. 30,	Sept. 30,	Sept. 30,
	2014	2015	2014	2015
<b>A) Results from ordinary activities:</b>				
<b>Revenue</b>	<b>2,124</b>	<b>2,318</b>	<b>6,054</b>	<b>7,145</b>
Operating expense	(183)	(186)	(699)	(710)
Other income (expense)	45	28	114	177
<b>EBITDA</b>	<b>1,986</b>	<b>2,160</b>	<b>5,469</b>	<b>6,612</b>
Depreciation and amortization	(1,093)	(1,059)	(2,983)	(3,141)
<b>Operating profit</b>	<b>893</b>	<b>1,101</b>	<b>2,486</b>	<b>3,471</b>
Net interest expense	(313)	(325)	(943)	(987)
Exchange rate differences	116	(16)	170	167
<b>Profit before tax</b>	<b>696</b>	<b>760</b>	<b>1,713</b>	<b>2,651</b>
Income tax expense	(41)	(108)	(54)	(414)
<b>Profit for the period</b>	<b>655</b>	<b>652</b>	<b>1,659</b>	<b>2,237</b>
<b>B) Other results (one-time write-off):</b>				
Income tax expense	-	(535)	-	(535)
Other income (expense)	-	53	-	53
<b>Loss for the period</b>	<b>-</b>	<b>(482)</b>	<b>-</b>	<b>(482)</b>
<b>A+B) Profit for the period</b>	<b>655</b>	<b>170</b>	<b>1,659</b>	<b>1,755</b>

\* New developments began in Graphisoft Park in 2015, which will result in the construction of 8,000 m2 new office space by 2017. The construction of the new buildings requires the demolition of older buildings (marked N, L and K). Demolition works started in the third quarter of 2015 and accordingly net book value of buildings demolished marked N and L has been written off. Building K is expected to be demolished in the first quarter of 2016. On this page results of the Company are presented in "Results from ordinary activities" / "Other results" breakdown. The "Other results" section solely includes the result of one-time write-offs accounted for due to demolitions of buildings. Periodic comparative analyses in this business report are prepared using "Results from ordinary activities", which do not include the one-time items.



## Financial highlights

IFRS, consolidated, thousand EUR

### Asset value:

	December 31, 2014	September 30, 2015
<b>Investment property at book value</b>	<b>63,151</b>	<b>60,250</b>
<b>Investment property at fair value*</b>	<b>156,920</b>	<b>149,920</b>
<b>Net asset value at book value</b>	<b>22,308</b>	<b>22,059</b>
<b>Net asset value at fair value*</b>	<b>116,176</b>	<b>111,729</b>
Number of ordinary shares outstanding (thousands)**	10,083	10,083
<b>Net asset value at fair value per share (euro)</b>	<b>11.5</b>	<b>11.1</b>

\* Investment properties are shown in the financial statements of the Company at historical cost. Investment property fair value estimates are published annually. The latest valuation is disclosed in the Annual Report for 2014. In determining net asset fair value for the actual period the results of the most recent property valuations are used with investment property, as adjusted by the effect of changes in rentable space (demolitions, remodeling). Book values as of the balance sheet date are used for other assets and liabilities.

\*\* Treasury shares possessed by the Company and employee shares are excluded when net asset value at fair value per share is determined.



## Management Report

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

- Financial results for the first nine months of 2015,
- Utilization, occupancy,
- Development activities,
- Other key issues,
- Forecast for the years 2015 and 2016.

### Financial results for the first nine months of 2015

Changes in the results for 2015 (“Results from ordinary activities”, see details in “Financial highlights” on previous pages) compared to the 2014 bases occurred by the effects of the following main factors:

- **Revenue** (2015: 7,145 thousand euros; 2014: 6,054 thousand euros) rose by 1,091 thousand euros, or 18%. The growth in occupancy rate increased revenue by 9% and rental income coming from developments completed in the monument and the southern development areas increased it by a further 9% (see details in the „Utilization, occupancy” and „Development activities” sections below).
- **Operating expense** (2015: 710 thousand euros; 2014: 699 thousand euros) did not change substantially compared to the previous year. Slight increase in property related and employee related expenses was offset by the decrease in other operating expense.
- **Other income** (2015: 177 thousand euros; 2014: 114 thousand euros) net amount is 63 thousand euros higher than the base last year.
- **Depreciation** (2015: 3,141 thousand euros; 2014: 2,983 thousand euros) increased by 158 thousand euros, or 5% due to developments capitalized during the previous year (see details in the “Development activities” section below).
- **EBITDA** (2015: 6,612 thousand euros; 2014: 5,469 thousand euros) grew by 1,143 thousand euros, or 21%, while **operating profit** (2015: 3,471 thousand euros; 2014: 2,486 thousand euros) rose by 985 thousand euros, or 40% compared to the previous year due to the factors mentioned above.
- **Net interest expense** (2015: 987 thousand euros; 2014: 943 thousand euros) increased by 44 thousand euros or 5% due to the following factors. Even though the actual interest expense incurred fell by 81 thousand euros as a result of lower loan interest rates and loan liability, the interest payment of 94 thousand euros capitalized on construction in progress in the base period made interest payment accounted as expense rise by 13 thousand euros. Interest income dropped also by 31 thousand euros due to the lower interest rates on deposits and because of the depleting effect of last year’s large developments on the cash reserves.
- **Exchange rate gain** (2015: 167 thousand euros; 2014: 170 thousand euros) worked out similarly favorably in both years. 2015 gains are attributable mostly to cash reserves held partly in US dollars strengthening significantly against the euro in 2014 and 2015 (nearly 2 million USD, in 2015 132 thousand euros, in 2014 120 thousand euros not realized exchange rate gain).
- **Income tax expense** (2015: 414 thousand euros; 2014: 54 thousand euros) is 360 thousand euros higher than in the previous year. The growth in revenue and profit before tax increased calculated corporate and local business tax by 128 thousand euros, while corporate income tax was lowered by a tax base decreasing item related to monument renovation by 262 thousand euros in 2014, and by a tax credit related to support of culture by 30 thousand euros in 2015.



- **Net profit** (2015: 2,237 thousand euros; 2014: 1,659 thousand euros) rose by 578 thousand euros, that is 35% in 2015 compared to 2014 because of the following factors: (1) operating profit rose by 985 thousand euros, or 40% because of the growth in rentable area and occupancy rate, (2) financial results fell by 47 thousand euros, or 6% due to the increase in net interest expense, and finally (3) income tax expense was higher by 360 thousand euros than the base last year due to the higher tax base and the drop of a tax-base decreasing item.

### Utilization, occupancy

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

Period:	2014 Q1	2014 Q2	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3
<b>Occupancy (%):</b>	<b>80%</b>	<b>81%</b>	<b>90%</b>	<b>95%</b>	<b>96%</b>	<b>96%</b>	<b>97%</b>
Area (m2):	46,800	46,800	55,000	55,000	55,000	55,000	53,000

As demonstrated in the table above, rentable space in the Park grew by 8,200 m<sup>2</sup> (5,200 m<sup>2</sup> renovated and repurposed for education historical buildings and 3,000 m<sup>2</sup> dormitory), while occupancy rose from 80% to 95% in 2014, which increased an additional 1% by the first half of 2015.

By renting over 10,000 m<sup>2</sup> of office space, Graphisoft Park's largest tenant, SAP Magyarország Kft. has renewed its lease in April 2015, originally expiring in the end of 2016. In relation to the extension of the lease period, new developments will begin in 2015 (see "Development activities" section for details), which will result in the gradual construction of 8,000 m<sup>2</sup> new office premises over several phases in 2017. With the necessary demolition and refurbishment works rentable office space in the Park temporarily shrank by 2,000 m<sup>2</sup> from September 2015, therefore the net planned expansion is 6,000 m<sup>2</sup>.

Occupancy of Graphisoft Park's present 53,000 m<sup>2</sup> rentable office, laboratory and educational space stays at 97% at the time of writing this report and is expected to be at an effective 100% from the beginning of 2016 due to leases concluded for remaining vacant spaces. This means that until the delivery of the first phase of the new developments there will be free rentable area only if any of current tenants decides not to extend the lease after expiration.

### Development activities

The total area of Graphisoft Park is nearly 18 hectares covering the office park located in the core area, the campus formed in the monument area, and development areas north and south of these as well.

#### *Office park*

Over the past 17 years 45,000 m<sup>2</sup> of office and laboratory space have been developed and occupied on the core 8.5 hectares of Graphisoft Park.

In relation to the 2015 April renewal of the SAP lease (see "Utilization, occupancy" section for details), we have undertaken to construct a new wing of 5,500 m<sup>2</sup> directly adjacent to SAP's main building (marked S on the map below). Out of the total area of the new wing SAP will occupy 2,500 m<sup>2</sup> which will allow a much more efficient placement than operating in multiple buildings as of currently. The remaining 3,000 m<sup>2</sup> will partly serve the needs of new tenants and partly remains available to satisfy SAP's requested potential future growth options. In addition to this development we are planning to build another building with 2,500 m<sup>2</sup> floor space optimized for the needs of smaller companies and start-ups. With the new constructions as well as with the refurbishment of older sections, we are committing to even more environmentally conscious and sustainable architectural solutions.

In addition to the refurbishment of the existing S building, the construction of the new wing and the new start-up and service building requires the demolition of older buildings and sections with less economical uses of space (marked N, L and K on the map below), which temporarily reduces rentable space by 2,000 m<sup>2</sup>. Demolition works



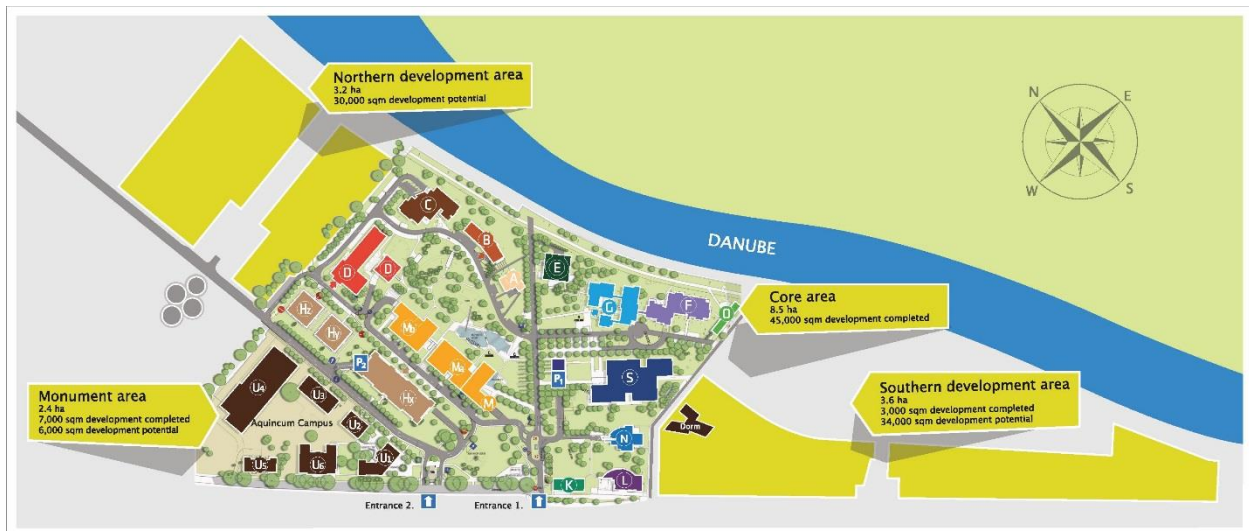


started in September 2015 and buildings marked N and L have been demolished by the time of writing this report. Building K is expected to be demolished in the first quarter of 2016.

The planned total cost of development activities - including the construction of about 8,000 m<sup>2</sup> new office space and a three level underground parking facility for 300 vehicles, the upgrading of the existing S building, with the necessary works for public utilities and landscaping - is approximately 18 million euros, out of which 1 million euros is expected to occur in 2015.

Advanced negotiations are going on with a Hungarian lender regarding the financing of the project at the time of writing this report. The planned loan facility amount is 16.5 million euros. The loan agreement is expected to be concluded in November, 2015.

Further investments in the core area are focused on meeting the needs of tenants by remodeling and renovation of office space and by infrastructure development. Costs of these activities are expected at 500 thousand euros total in 2015, out of which 407 thousand euros were spent in the first three quarters of 2015.



### *Campus*

The renovation works on buildings of the 2.4 hectares monument area began in 2010. The wholly renovated management headquarters building of the former Gasworks (marked U1 on the map above) with a nearly 1,000 m<sup>2</sup> net floor area was completed in 2011. The next building renovated was the old forge of the Gasworks, which was repurposed as an educational facility with an 850 m<sup>2</sup> net floor area. At the completion of the works in the third quarter of 2013, the Aquincum Institute of Technology moved into the building marked U3 on the map above (see details in the “Realization of the education function” section).

In 2013 the International Business School (IBS) contracted us to accommodate its relocated educational operations in Graphisoft Park. For this end, additional three buildings (marked U2, U5 and U6 on the map above) with a total net floor space of 5,200 m<sup>2</sup> were repurposed into state of the art educational facilities and were handed over in July 2014. By now the monument area houses a university campus of 7,000 m<sup>2</sup> net floor area for nearly 1,000 students.

The renovation of the last and largest building in the monument area, the former purifier building marked U4 on the map above, will start when actual tenant interest is shown in the building. The building U4 along with the attached land is considered to be development area until renovation starts.



In relation to the educational development project the construction of a new restaurant and a new cafe was completed on campus, alongside the construction of a dormitory building of 3,000 m<sup>2</sup> for 85 persons on the southern development area (rights side on the map above), which started operation in September 2014 with a 100% occupancy rate.

#### *Development areas*

The 7 hectares of free development areas in Graphisoft Park (the southern development area, the northern development area and parts of the monument area) allow for the development of a combined total of 70,000 m<sup>2</sup> leasable office space.

In the southern and northern 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 on roughly half of the southern development area. Land development costs amounted to 3.2 million euros to date.

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.

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

- residual environmental hazard from the prior gasification activity,
- regulations protecting landmark buildings limit the land's usability,
- potential flood risk due to the location on the Danube waterfront, which is to be reckoned with for the increasing water level fluctuation, despite the old Gasworks rampart protecting the area even during the historical high floods of 2013.



## Other key issues

### *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 constituents of AIT's student body come from the most excellent Universities of the United States on their study abroad semester. AIT provides high-level education in small classes for selected students from BME as well, for whom tuition is waived. The personal relations developing with the North American students may prove to be invaluable assets for their later careers. AIT's curriculum uniquely blends IT education in line with Graphisoft Park's professional orientation with business studies. 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.

AIT was launched with a summer pilot program in 2010 concluding three years of preparation. The curriculum was finalized after gathering the feedbacks from students and faculty and drawing the conclusions from the pilot program. 9 semesters have been concluded since the pilot program, with 140 students in 2015. To this date a total of 50 North American universities and colleges have sent students to participate in AIT's program and recognized its BME accredited credits. The most well-known universities among these are Harvard, Yale, MIT, Princeton, Brown, Cornell, Columbia, Dartmouth, UPenn, Rochester and Tufts (including all the prestigious schools of the Ivy League), and some of the famous colleges, such as Williams, Carleton, Harvey Mudd and Pomona. A significant proportion of the students remain in Hungary after the spring semesters for a 1 or 2 months internship with the best Hungarian IT companies (Graphisoft, Prezi, LogMeIn, Ustream, etc). These students return home with great impressions and spread the news of the Hungarian IT industry in the world. Some of them are coming back to Hungary after obtaining their diplomas to gain permanent employment with these companies.



Since 2013 fall, AIT is operating in its permanent location, in one of the former industrial buildings renovated and repurposed exemplarily to suit educational functions.

With the renovation of another three buildings in the monument area in July, 2014, and with the International Business School's (IBS) moved in, the university campus in the former Gasworks with over 1,000 students is complete. The inauguration ceremony of the new educational facilities named "Aquincum Campus" took place on September 5, 2014, with the participation of István Tarlós, mayor of Budapest and Balázs Bús, mayor of the third district.





Tuition collected from the North American students reached the level needed for long term operation in 2014, which is set to rise further in 2015. This supports the long term sustainability of the educational venture (of which Graphisoft Park owns a 10% share), making the Park an even more attractive destination.

*Creating the Startup ecosystem*

The demand for floor space generated by lively evolving Startup companies has already been a driving force behind Graphisoft Park's expansion. Graphisoft Park supports the startup companies by leasing office and laboratory space, and by providing pro bono business development advice from Gábor Bojár, founder of Graphisoft, Graphisoft Park and AIT-Budapest.

*Dividend*

On April 23, 2015, the Annual General Meeting of Graphisoft Park SE approved dividend distribution of 60 forints per ordinary share and 20 forints per employee share (totaling 642,479 thousand forints, which is 2,128 thousand euros on the exchange rate of April 23, 2015). Starting date for dividend payments was May 28, 2015. The Company paid out the dividends to the shareholders identified by shareholder's registration.



### Forecast for the years 2015 and 2016

Our forecast for the years 2015 and 2016 is summarized in the following table, based on signed and valid lease agreements with the current occupancy rate of 97% (nearly 100% from the beginning of 2016; see details in caption "Utilization, occupancy"; without one-off write-offs to be accounted for due to demolitions related to developments started in 2015.):

<b>(million euros)</b>	<b>2014 actual</b>	<b>2015 forecast</b>	<b>2016 plan</b>
<b>Rental revenue</b>	<b>8.47</b>	<b>9.5</b>	<b>9.4</b>
Operating expense	-0.93	-0.9	-1.0
Other income, net	0.21	0.2	0.2
<b>EBITDA</b>	<b>7.75</b>	<b>8.8</b>	<b>8.6</b>
Depreciation	-4.08	-4.2	-4.1
<b>Operating profit</b>	<b>3.67</b>	<b>4.6</b>	<b>4.5</b>
Net interest expense	-1.29	-1.3	-1.2
Exchange rate difference	0.22	-	-
<b>Profit before tax</b>	<b>2.60</b>	<b>3.3</b>	<b>3.3</b>
Income tax expense	-0.20	-0.6	-0.6
<b>Net profit</b>	<b>2.40</b>	<b>2.7</b>	<b>2.7</b>

#### *Forecast for the year 2015*

Change in results for 2015 compared to 2014 bases is the impact of the following main factors:

- Rental income is expected to rise by 1 million euros in 2015 compared to 2014 due to the significant increase in rental space available and better occupancy rates (see "Utilization, occupancy" and "Development activities" sections for details).
- Operating expenses are expected to remain on 2014 levels throughout 2015. Depreciation and amortization will expectedly exceed 2014 amount by 100 thousand euros (as combined result of additional depreciation of new developments capitalized in 2014 and ending depreciation of old assets). Combined total cost of operation therefore is expected to exceed base by 100 thousand euros.
- Interest expense is expected to stay at the 2014 level in 2015, and we do not make estimates on exchange rates for the duration or the end of future periods and accordingly we do not calculate exchange rate differences into our forecast. For all this, financial results are expected to decrease by 200 thousand euros (by the actual amount of exchange rate gain in 2014) in 2015 compared to 2014.
- Corporate and local business tax expense is expected to increase by nearly 150 thousand euros in 2015 due to the substantial growth of revenues and profit before tax. In addition, we do not calculate with renovation of monument buildings and thus the related tax decreasing effect (monument renovation tax credit, 263 thousand euros in 2014) in 2015. Therefore, income tax expense is expected to rise by 400 thousand euros in 2015 compared to 2014.

Due to all the above, for 2015 we are expecting 2.7 million euros net profit, 300 thousand euros higher compared to the previous year. Our current forecast corresponds with our recent forecast published in our previous quarterly report on August 5, 2015.

Due to the effect of the demolition of older buildings (buildings marked N and L) in relation to the developments in the core area beginning in 2015 (see "Utilization, occupancy" section) a one-time 500 thousand euros write-off had to be accounted for in the third quarter, therefore besides our forecast for net profit from ordinary activities in 2015 at 2.7 million euros, the total net profit is expected at 2.2 million euros including this one-off item.



*Forecast for the year 2016*

Change in results for 2016 compared to 2015 bases is the impact of the following main factors:

- Rental income is expected to decrease by 100 thousand euros in 2016. Drop in revenues due to temporary decrease in rentable area (due to demolitions and refurbishments) will only partly offset by the rise in occupancy rate (see “Utilization, occupancy” and “Development activities” sections for details).
- Operating expenses are expected to increase by 100 thousand euros in 2016 compared to 2015. Employee related expenses will grow by approximately 15% thousand euros because the development program started in 2015 (see details in “Development activities” section) required expanding the engineering staff. Property related and other expenses are expected to stay at last year’s level. Depreciation and amortization will be lower than the 2015 base by approximately 100 thousand euros (due to ending depreciation of old assets). Combined total cost of operation therefore is expected to stay at the base period level.
- Interest expense is expected to decrease by 100 thousand euros in 2016 compared to 2015 due to continuing repayment of existing loan obligations. (Interest amounts payable after the loan borrowed to finance the new project will be accounted for as part of the construction in progress until the end of the realization of the development, and so these do not increase the interest expense). We do not make estimates on exchange rates for the duration or the end of future periods and accordingly we do not calculate exchange rate differences into our forecast. For all this, financial results are expected to improve by 100 thousand euros compared to the base of 2015.
- Income tax expense is expected to remain at the 2015 level in 2016, considering that revenues and net profits are expected to come out nearly the same in these two years.

Due to all the above, for 2016 we are expecting 2.7 million euros net profit, same as in 2015.

Due to the effect of the demolition of an older building (building K) in relation to the developments in the core area beginning in 2015 (see “Utilization, occupancy” section) a one-time 100 thousand euros write-off have to be accounted for in the first quarter of 2016, therefore besides our forecast for net profit from ordinary activities in 2016 at 2.7 million euros, the total net profit is expected at 2.6 million euros including this one-off item.

Forecasts published here are based 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 not 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.

It is our intention to maintain the price structure designed to match the high value services provided by Graphisoft Park in order to be able to preserve the level of service provided in the long run. As the current office rental market in Budapest is in the state of oversupply, very low prices can be observed at some places, with which Graphisoft Park has no intention to compete, losing some tenants for this is a probable but not likely factor to be reckoned with.

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. In this forecast we calculate with a 310 HUF/EUR exchange rate, EURIBOR of 0.1% and an inflation rate of 0% and unchanged legal and taxation 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, November 4, 2015

Hajba Róbert  
Chief Financial Officer

Kocsány János  
Chief Executive Officer





# GRAPHISOFT PARK SE

## QUARTERLY REPORT

**for the quarter ended September 30, 2015**

in accordance with International Financial Reporting Standards (IFRS)

(consolidated, unaudited)

Budapest, November 4, 2015

A handwritten signature in blue ink that reads "Hajba Róbert".

Hajba Róbert  
Chief Financial Officer

A handwritten signature in blue ink that reads "Kocsány János".

Kocsány János  
Chief Executive Officer

**GRAPHISOFT PARK SE**  
**QUARTERLY REPORT**  
SEPTEMBER 30, 2015

**CONTENTS:**

	<b>Page(s)</b>
<b>Consolidated Balance Sheet</b>	<b>3</b>
<b>Consolidated Statement of Income</b>	<b>4</b>
<b>Consolidated Statement of Comprehensive Income</b>	<b>5</b>
<b>Consolidated Statement of Changes in Shareholders' Equity</b>	<b>6</b>
<b>Consolidated Statement of Cash Flows</b>	<b>7</b>
<b>Notes to the Quarterly Report</b>	<b>8-20</b>

**GRAPHISOFT PARK SE**  
**CONSOLIDATED BALANCE SHEET**

AS OF SEPTEMBER 30, 2015

(all amounts in thousands of euros unless otherwise stated)

	Notes	December 31, 2014	September 30, 2015
Cash and cash equivalents	3	4,822	5,763
Trade receivables	4	275	497
Current tax receivable	5	107	79
Other current assets	6	154	170
<b>Current assets</b>		<b>5,358</b>	<b>6,509</b>
Investment property	7	63,151	60,250
Other tangible assets	7	276	269
Investments	8	100	100
Deferred tax asset	9	23	27
<b>Non-current assets</b>		<b>63,550</b>	<b>60,646</b>
<b>TOTAL ASSETS</b>		<b>68,908</b>	<b>67,155</b>
Short-term loans	10	2,935	3,028
Trade payables	11	534	421
Current tax liability	5	191	267
Other short-term liabilities	12	1,361	1,937
<b>Current liabilities</b>		<b>5,021</b>	<b>5,653</b>
Long-term loans	10	41,377	39,086
Deferred tax liability	9	202	357
<b>Non-current liabilities</b>		<b>41,579</b>	<b>39,443</b>
<b>TOTAL LIABILITIES</b>		<b>46,600</b>	<b>45,096</b>
Share capital	1.3	250	250
Retained earnings		25,953	25,704
Treasury shares	20	(962)	(962)
Accumulated translation difference		(2,933)	(2,933)
<b>Shareholders' equity</b>		<b>22,308</b>	<b>22,059</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>		<b>68,908</b>	<b>67,155</b>

**GRAPHISOFT PARK SE**  
**CONSOLIDATED STATEMENT OF INCOME**  
 FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
 (all amounts in thousands of euros unless otherwise stated)

	Notes	3 months ended		9 months ended	
		Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015
Property rental revenue	13	2,124	2,318	6,054	7,145
<b>Revenue</b>		<b>2,124</b>	<b>2,318</b>	<b>6,054</b>	<b>7,145</b>
Property related expense	14	-	(14)	(30)	(48)
Employee related expense	14	(104)	(109)	(434)	(449)
Other operating expense	14	(79)	(63)	(235)	(213)
Depreciation and amortization	14, 7	(1,093)	(1,059)	(2,983)	(3,141)
<b>Operating expense</b>		<b>(1,276)</b>	<b>(1,245)</b>	<b>(3,682)</b>	<b>(3,851)</b>
Other income	15	45	(507)	114	(358)
<b>OPERATING PROFIT</b>		<b>893</b>	<b>566</b>	<b>2,486</b>	<b>2,936</b>
Interest income	16	12	3	49	18
Interest expense	16	(325)	(328)	(992)	(1,005)
Exchange rate difference	17	116	(16)	170	167
<b>Financial expense</b>		<b>(197)</b>	<b>(341)</b>	<b>(773)</b>	<b>(820)</b>
<b>PROFIT BEFORE TAX</b>		<b>696</b>	<b>225</b>	<b>1,713</b>	<b>2,116</b>
Income tax expense	18	(41)	(55)	(54)	(361)
<b>PROFIT FOR THE PERIOD</b>		<b>655</b>	<b>170</b>	<b>1,659</b>	<b>1,755</b>
Attributable to equity holders of the parent		655	170	1,659	1,755
Basic earnings per share (EUR)	19	0.06	0.02	0.16	0.17
Diluted earnings per share (EUR)	19	0.06	0.02	0.16	0.17

**GRAPHISOFT PARK SE**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
 FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
 (all amounts in thousands of euros unless otherwise stated)

	Notes	3 months ended		9 months ended	
		Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015
<b>Profit for the period</b>		<b>655</b>	<b>170</b>	<b>1,659</b>	<b>1,755</b>
Translation difference*		-	1	(2)	-
<b>Other comprehensive income**</b>		<b>-</b>	<b>1</b>	<b>(2)</b>	<b>-</b>
<b>COMPREHENSIVE INCOME</b>		<b>655</b>	<b>171</b>	<b>1,657</b>	<b>1,755</b>
Attributable to equity holders of the parent		655	171	1,657	1,755

\* Translation difference of subsidiaries with functional currency other than euro.

\*\* Net other comprehensive income to be reclassified to profit or loss in subsequent periods.

**GRAPHISOFT PARK SE**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
(all amounts in thousands of euros unless otherwise stated)

	Share capital	Retained earnings	Treasury shares*	Accum. translation difference	Total equity
<b>December 31, 2013</b>	<b>213</b>	<b>26,552</b>	<b>(784)</b>	<b>(2,931)</b>	<b>23,050</b>
Profit for the period	-	1,659	-	-	1,659
Translation difference	-	-	-	(2)	(2)
Purchase of treasury shares	-	-	(178)	-	(178)
Dividend	-	(2,965)	-	-	(2,965)
<b>September 30, 2014</b>	<b>213</b>	<b>25,246</b>	<b>(962)</b>	<b>(2,933)</b>	<b>21,564</b>
<b>December 31, 2014</b>	<b>250</b>	<b>25,953</b>	<b>(962)</b>	<b>(2,933)</b>	<b>22,308</b>
Profit for the period	-	1,755	-	-	1,755
Translation difference	-	-	-	-	-
Dividend	-	(2,004)	-	-	(2,004)
<b>September 30, 2015</b>	<b>250</b>	<b>25,704</b>	<b>(962)</b>	<b>(2,933)</b>	<b>22,059</b>

\* Treasury share details are disclosed in Note 20.

**GRAPHISOFT PARK SE**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
(all amounts in thousands of euros unless otherwise stated)

	3 months ended		9 months ended	
	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015
<b>OPERATING ACTIVITIES</b>				
Income before tax	696	225	1,713	2,116
Depreciation and amortization	1,093	1,059	2,983	3,141
Gain on sale of tangible assets	-	(2)	-	(5)
Disposal of tangible assets	-	535	-	535
Interest expense	325	328	992	1,005
Interest income	(12)	(3)	(49)	(18)
Unrealized foreign exchange (gains) / losses	21	23	(21)	37
Changes in working capital:				
(Increase) / decrease in receivables and other current assets	(334)	70	(137)	(197)
Increase in inventory	-	-	(2)	-
Increase in liabilities	494	661	582	326
Corporate income tax paid	(120)	(115)	(248)	(248)
<b>Net cash from operating activities</b>	<b>2,163</b>	<b>2,781</b>	<b>5,813</b>	<b>6,692</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of tangible assets and intangibles	(1,610)	(366)	(4,699)	(757)
Sale of tangible assets	-	13	-	19
Interest paid - capitalized	(32)	-	(94)	-
Sale of investment	-	-	7	-
Interest received	22	3	42	33
<b>Net cash used in investing activities</b>	<b>(1,620)</b>	<b>(350)</b>	<b>(4,744)</b>	<b>(705)</b>
<b>FINANCING ACTIVITIES</b>				
Loan repayments	(712)	(740)	(2,117)	(2,198)
Interest paid	(325)	(316)	(1,016)	(978)
Purchase of treasury shares	-	-	(178)	-
Dividend paid	-	-	(2,994)	(2,002)
<b>Net cash used in financing activities</b>	<b>(1,037)</b>	<b>(1,056)</b>	<b>(6,305)</b>	<b>(5,178)</b>
Increase / (decrease) in cash and cash equivalents	(494)	1,375	(5,236)	809
Cash and cash equivalents at beginning of period	5,455	4,389	10,160	4,822
Exchange rate gain / (loss) on cash and cash equivalents	96	(1)	133	132
<b>Cash and cash equivalents at end of period</b>	<b>5,057</b>	<b>5,763</b>	<b>5,057</b>	<b>5,763</b>

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
(all amounts in thousands of euros 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 16 on September 30, 2015.

**1.2. Properties**

The total area of Graphisoft Park is nearly 18 hectares. Over the past 17 years, 53,000 m<sup>2</sup> of office, laboratory and educational space have been developed and occupied by tenants. The remaining area provides the opportunity to develop an additional 70,000 m<sup>2</sup> of office space.

The real estate is categorized as follows:

<b>Area</b>	<b>Property</b>
Core area	modern office park spreading over 8.5 hectares of land, comprising 43,000 m <sup>2</sup> office and laboratory space
Monument area	2.4 hectares of land comprising 10,000 m <sup>2</sup> of total rentable net internal area of the monument buildings, out of which 7,000 m <sup>2</sup> has been renovated
Development areas	6.8 hectares of development land, on which a 3,000 m <sup>2</sup> floor area dormitory has been constructed



**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
(all amounts in thousands of euros unless otherwise stated)

**1.3. Stock information**

Graphisoft Park SE's share capital consists of 10,631,674 class "A" ordinary shares of 0.02 euro face value, each representing equal and identical rights, and 1,876,167 class "B" employee shares of 0.02 euro face value.

Ordinary shares of the Company are publicly traded at Budapest Stock Exchange from August 28, 2006. The share ownership structure is the following according to the Company's shareholder records:

Shareholder	December 31, 2014		September 30, 2015	
	Shares (pcs)	Share (%)	Shares (pcs)	Share (%)
<b>ORDINARY SHARES:</b>	<b>10,631,674</b>	<b>85.00</b>	<b>10,631,674</b>	<b>85.00</b>
<b>Directors and management</b>	<b>3,511,538</b>	<b>28.09</b>	<b>3,513,038</b>	<b>28.10</b>
Bojár Gábor - Chairman of the BoD	3,185,125	25.47	3,185,125	25.47
Dr. Kálmán János - Member of the BoD	13,500	0.11	13,500	0.11
Szigeti András - Member of the BoD	126,000	1.01	126,000	1.01
Kocsány János - Member of the BoD, CEO***	180,913	1.45	180,913	1.45
Hajba Róbert - CFO****	6,000	0.05	7,500	0.06
<b>Shareholders over 5% share</b>	<b>2,802,189</b>	<b>22.40</b>	<b>1,642,844</b>	<b>13.13</b>
Tari István Gábor*****	1,074,329	8.59	-	-
Concorde Alapkezelő Zrt.	1,727,860	13.81	1,642,844	13.13
<b>Other shareholders</b>	<b>3,768,871</b>	<b>30.12</b>	<b>4,926,716</b>	<b>39.38</b>
<b>Treasury shares*</b>	<b>549,076</b>	<b>4.39</b>	<b>549,076</b>	<b>4.39</b>
<b>EMPLOYEE SHARES**:</b>	<b>1,876,167</b>	<b>15.00</b>	<b>1,876,167</b>	<b>15.00</b>
Kocsány János - Member of the BoD, CEO	1,250,778	10.00	1,250,778	10.00
Hajba Róbert - CFO	625,389	5.00	625,389	5.00
<b>SHARES TOTAL:</b>	<b>12,507,841</b>	<b>100.00</b>	<b>12,507,841</b>	<b>100.00</b>

\* Treasury shares possessed by the Company do not pay dividend and bear no voting rights. For details, see Note 20.

\*\* Class „B” employee shares bear different (reduced) rights to dividend at the proportion of one third of their face value, and are governed by the provisions of the Articles of Association and the Management Share Ownership Plan.

\*\*\* Held in common by Kocsány János and a close family member.

\*\*\*\* CFO of the Company, Hajba Róbert, purchased 1,500 ordinary shares on July 1, 2015 at a price of 2,255 HUF per share and further 1,500 ones on September 29, 2015 at a price of 2,318 HUF per share in market transactions at Budapest Stock Exchange. The latter transaction was accounted for and recorded in the register of shares in the fourth quarter of 2015.

\*\*\*\*\* Shareholder holding more than 5% of total shares, Tari István Gábor passed away on March 16, 2015. The probate proceeding ended in the third quarter of 2015, Tari István Gábor's name was deleted from the register of shares and the new shareholders were registered in the register of shares.

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
 FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
 (all amounts in thousands of euros unless otherwise stated)

**1.4. Governance**

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

<b>Name</b>	<b>Position</b>	<b>From</b>	<b>Until</b>
Bojár Gábor	Chairman	August 21, 2006	May 31, 2018
Dr. Kálmán János	Member	August 21, 2006	May 31, 2018
Kocsány János	Member	April 28, 2011	May 31, 2018
Dr. Martin-Hajdu György	Member	July 21, 2014	May 31, 2018
Szigeti András	Member	July 21, 2014	May 31, 2018

The Audit Committee comprises of 3 independent members of the Board: Dr. Kálmán János (chairman), Dr. Martin-Hajdu György and Szigeti András. The Chief Executive Officer of Graphisoft Park SE is Kocsány János.

**2. Accounting policies**

The accounting policies adopted are consistent with those of the previous financial year (see in Notes to the Consolidated Financial Statements 2014), 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 are as follows:

	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>Sept. 30, 2014</b>	<b>Sept. 30, 2015</b>	<b>Sept. 30, 2014</b>	<b>Sept. 30, 2015</b>
EUR/HUF opening:	307.19	315.04	296.91	314.89
EUR/HUF closing:	310.36	313.32	310.36	313.32
EUR/HUF average:	312.24	312.04	308.76	309.01

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
 FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
 (all amounts in thousands of euros unless otherwise stated)

**3. Cash and cash equivalents**

	December 31, 2014	September 30, 2015
Cash in hand	1	1
Cash at banks	4,821	5,762
<b>Cash and bank</b>	<b>4,822</b>	<b>5,763</b>

**4. Trade receivables**

	December 31, 2014	September 30, 2015
Trade receivables	275	497
Provision for doubtful debts	-	-
<b>Trade receivables</b>	<b>275</b>	<b>497</b>

Trade receivables are on 8-30 day payment terms.

**5. Current tax receivables and liabilities**

	December 31, 2014	September 30, 2015
Current tax receivables	107	79
Current tax liabilities	(191)	(267)
<b>Current tax liability, net</b>	<b>(84)</b>	<b>(188)</b>

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
 FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
 (all amounts in thousands of euros unless otherwise stated)

**6. Other current assets**

	December 31, 2014	September 30, 2015
Accrued income	105	61
Prepaid expense	44	109
Other receivables	5	-
<b>Other current assets</b>	<b>154</b>	<b>170</b>

**7. Tangible and intangible assets – book values**

	December 31, 2014	September 30, 2015
Investment property	63,151	60,250
Other tangible assets	276	269
<b>Tangible and intangible assets (net)</b>	<b>63,427</b>	<b>60,519</b>

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
(all amounts in thousands of euros unless otherwise stated)

The table shows movements of investment property during the period:

	Land and buildings	Construction in progress	Investment property
<b>Net value:</b>			
<b>December 31, 2014</b>	61,997	1,154	<b>63,151</b>
<b>Gross value:</b>			
December 31, 2014	93,612	1,154	<b>94,766</b>
Additions	-	718	<b>718</b>
Capitalizations	473	(473)	-
Disposals	(1,363)	-	<b>(1,363)</b>
<b>September 30, 2015</b>	92,722	1,399	<b>94,121</b>
<b>Depreciation:</b>			
December 31, 2014	31,615	-	<b>31,615</b>
Additions	3,084	-	<b>3,084</b>
Disposals	(828)	-	<b>(828)</b>
<b>September 30, 2015</b>	33,871	-	<b>33,871</b>
<b>Net value:</b>			
<b>September 30, 2015</b>	58,851	1,399	<b>60,250</b>

Additions in construction in progress of 718 thousand EUR comprise the following:

- developments in the monument area and the southern development area (73 thousand EUR),
- new developments (238 thousand euros) and other developments (407 thousand euros) in the core area.

Capitalizations in the value of 473 thousand EUR comprise the following:

- developments completed in the monument area and the southern development area (69 thousand EUR),
- other developments completed in the core area (404 thousand EUR).

Construction in progress totaling 1,399 thousand EUR comprises the cost of the monument area's buildings to be renovated (1,145 thousand EUR), the cost of new developments (251 thousand EUR) and renovation and remodeling activities (3 thousand euros) taking place in the core area.

The Company capitalized no interest expense on construction in progress in the first three quarters of 2015 (94 thousand EUR in the first three quarters of 2014).

New developments began in Graphisoft Park in 2015, which will result in the construction of 8,000 m<sup>2</sup> new office space by 2017. The construction of the new buildings required the demolition of older building. Demolition works started in the third quarter of 2015 and accordingly net book value of buildings demolished marked N and L (535 thousand euros) has been written off.

Investment property **fair value** estimates are disclosed annually, in the Annual Report.

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
(all amounts in thousands of euros unless otherwise stated)

**8. Investments**

	December 31, 2014	September 30, 2015
AIT-Budapest Aquincum Institute of Technology Kft.	100	100
<b>Investments</b>	<b>100</b>	<b>100</b>

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

**9. Deferred taxes**

	December 31, 2014	September 30, 2015
Development reserve	(537)	(642)
Depreciation	22	22
Loss carried forward	336	290
<b>Deferred tax liability, net</b>	<b>(179)</b>	<b>(330)</b>

**10. Loans**

	December 31, 2014	September 30, 2015
Short-term	2,935	3,028
Long-term	41,377	39,086
<b>Loans</b>	<b>44,312</b>	<b>42,114</b>

The total original capital amount of the 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.

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
 FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
 (all amounts in thousands of euros unless otherwise stated)

**11. Trade payables**

	December 31, 2014	September 30, 2015
Trade payables - domestic	534	421
<b>Trade payables</b>	<b>534</b>	<b>421</b>

**12. Other short-term liabilities**

	December 31, 2014	September 30, 2015
Amounts due to employees	38	40
Deposits from tenants	600	624
Other payables and accruals	723	1,273
<b>Other short-term liabilities</b>	<b>1,361</b>	<b>1,937</b>

**13. Revenue**

	3 months ended		9 months ended	
	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015
Property rental	2,124	2,318	6,054	7,145
<b>Revenue</b>	<b>2,124</b>	<b>2,318</b>	<b>6,054</b>	<b>7,145</b>

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

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
(all amounts in thousands of euros unless otherwise stated)

**14. Operating expense**

	3 months ended		9 months ended	
	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015
Property related expense	-	14	30	48
Employee related expense	104	109	434	449
Other operating expense	79	63	235	213
Depreciation and amortization	1,093	1,059	2,983	3,141
<b>Operating expense</b>	<b>1,276</b>	<b>1,245</b>	<b>3,682</b>	<b>3,851</b>

Other operating expense consists of the following items:

	3 months ended		9 months ended	
	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015
Office and telecommunication	4	3	10	10
Legal and administration	27	30	105	109
Marketing	7	8	25	24
Other	41	22	95	70
<b>Other operating expense</b>	<b>79</b>	<b>63</b>	<b>235</b>	<b>213</b>



**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
(all amounts in thousands of euros unless otherwise stated)

**15. Other income (expense)**

	3 months ended		9 months ended	
	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015
Income from recharged construction expenses	181	40	216	125
Recharged construction expenses	(170)	(34)	(188)	(101)
Income from recharged operation expenses	668	788	2,021	2,539
Recharged operation expenses	(620)	(742)	(1,927)	(2,391)
Disposal of tangible assets*	-	(535)	-	(535)
Others	(14)	(24)	(8)	5
<b>Other income (expense)</b>	<b>45</b>	<b>(507)</b>	<b>114</b>	<b>(358)</b>

\* New developments began in Graphisoft Park in 2015, which will result in the construction of 8,000 m2 new office space by 2017. The construction of the new buildings required the demolition of older building. Demolition works started in the third quarter of 2015 and accordingly net book value of buildings demolished marked N and L has been written off.

**16. Interest**

	3 months ended		9 months ended	
	Sept, 30, 2014	Sept, 30, 2015	Sept, 30, 2014	Sept, 30, 2015
Interest received	12	3	49	18
<b>Interest income</b>	<b>12</b>	<b>3</b>	<b>49</b>	<b>18</b>
Interest paid on loans	(355)	(327)	(1,079)	(1,001)
Other interest paid	(2)	(1)	(7)	(4)
Borrowing cost capitalized	32	-	94	-
<b>Interest expense</b>	<b>(325)</b>	<b>(328)</b>	<b>(992)</b>	<b>(1,005)</b>
<b>Net interest expense</b>	<b>(313)</b>	<b>(325)</b>	<b>(943)</b>	<b>(987)</b>

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
(all amounts in thousands of euros unless otherwise stated)

**17. Exchange rate difference**

	3 months ended		9 months ended	
	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015
Exchange rate gain (loss) realized	41	8	16	72
Exchange rate gain (loss) not realized	75	(24)	154	95
<b>Exchange rate gain</b>	<b>116</b>	<b>(16)</b>	<b>170</b>	<b>167</b>

**18. Income taxes**

	3 months ended		9 months ended	
	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015
Current income tax	(71)	(37)	(181)	(210)
Deferred income tax	14	(18)	127	(151)
<b>Income tax expense</b>	<b>(57)</b>	<b>(55)</b>	<b>(54)</b>	<b>(361)</b>

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

**GRAPHISOFT PARK SE**  
**NOTES TO THE QUARTERLY REPORT**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015  
(all amounts in thousands of euros unless otherwise stated)

**19. Earnings per share**

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

	3 months ended		9 months ended	
	Sept. 30, 2014	Sept. 30, 2015	Sept. 30, 2014	Sept. 30, 2015
Net profit attributable to equity holders	655	170	1,659	1,755
Weighted average number of ordinary shares	10,082,598	10,082,598	10,101,939	10,082,598
<b>Basic earnings per share (EUR)</b>	<b>0.06</b>	<b>0.02</b>	<b>0.16</b>	<b>0.17</b>
Weighted average number of ordinary shares	10,082,598	10,082,598	10,101,939	10,082,598
<b>Diluted earnings per share (EUR)</b>	<b>0.06</b>	<b>0.02</b>	<b>0.16</b>	<b>0.17</b>

Treasury shares possessed by the Company and employee shares are excluded when the earnings per share value is determined.

Share ownerships details are disclosed in Note 1.3.

**20. Treasury shares**

Graphisoft Park SE treasury share details are as follows:

	December 31, 2014	September 30, 2015
Number of shares	549,076	549,076
Face value per share (EUR)	0.02	0.02
Total face value (EUR)	10,982	10,982
<b>Treasury shares (at historical cost)</b>	<b>962</b>	<b>962</b>

## **21. Commitments, contingencies**

### **Development for education purposes**

The Group has a contractual commitment to develop 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 approval of the zoning plan for the area and the execution of the plot division. The zoning plan has been approved, the plot division may take several years to be carried out. The university campus was completed and handed over in September 2014. The educational program started in 2010 extended further with the International Business School (IBS) moving in.

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. in 2009. 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 responsibilities 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.

## **22. Approval of financial statements**

Following the recommendation of the Board of Directors, the Annual General Meeting on April 23, 2015 approved the 2014 consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (IFRS) showing a balance sheet total of 68,908 thousand EUR and a profit for the year of 2,403 thousand EUR. Together with the approval of the consolidated financial statements for issue, the Annual General Meeting approved dividend distribution of 60 HUF per ordinary share, 20 HUF per employee share, 642,479 thousand HUF in total (2,128 thousand EUR on the exchange rate of April 23, 2015). The starting date for dividend payments was May 28, 2015. The Company paid out the dividends to the shareholders identified by shareholder's registration.

## **23. 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.*