

Graphisoft Park SE

Interim Management Report – First Quarter 2009

May 15, 2009





Financial highlights:

	IFRS	IFRS	Change %
	Q1 2008 thousand EUR	Q1 2009 thousand EUR	
Revenue	1,569	1,597	1.8
Operating expenses	(172)	(159)	(7.6)
EBITDA	1,397	1,438	2.9
Depreciation and amortization	(623)	(610)	(2.1)
Other income (expense)	-	23	-
Operating profit	774	851	9.9
Net interest	(157)	(411)	161.8
Exchange rate differences	(319)	(1,044)	227.3
Profit before tax	298	(604)	-
Income taxes	(89)	(126)	41.6
Profit for the quarter	209	(730)	-
EBITDA margin (%)	89.0	90.0	1.1
Operating profit margin (%)	49.3	53.3	8.0
Assets total	66,979	82,846	23.7
Investment properties	46,396	64,324	38.6
Bank loans	41,584	56,566	36.0
Net debt	23,292	43,653	87.4
Number of employees (closing)	11	14	27.3
HUF/EUR (opening)	253.35	264.78	4.5
HUF/EUR (closing)	259.36	309.22	19.2
HUF/EUR (average)	259.30	294.57	13.6

The presentation currency of Graphisoft Park Group is the EUR. The functional currency of Graphisoft Park Kft. changed from the HUF to the EUR as of January 1, 2009.



Dear Shareholders,

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

- Development activities
- Rental results
- Financial results
- Other key information

Development Activities

The core of the development activities of Graphisoft Park SE during the past more than one year focused on the construction of office and laboratory facilities of Building H. Construction on this building began in December 2007. The building's gross area is approximately 33,000 m², whose rentable area is composed of 12,800 m² office and lab space, 2,400 m² storage space, and a three-level underground garage with a total area of 12,300 m², providing parking spaces for 440 cars. Construction was completed in April of 2009 and we received the occupancy permit on the building on April 15.

According to the original plans, one wing of the building (Hx, with 6,500 m²) is office space, while the other two wings (Hy and Hz, totaling 6,300 m²) function is office and laboratory. Due to the expansion plans of a tenant, we completed the Hz wing to meet specific office and biotechnological laboratory requirements. Construction was completed according to schedule; the tenant has equipped the laboratory spaces with the necessary equipment. After successfully securing the necessary licences and approvals of the professional authorities permits, we turned the Hz laboratory and building over to the tenant on April 1, 2009.

During the month of May, the tenant will finish moving from Building D into Building Hz. After this, we will begin renovation and redesign of the emptied office and laboratory spaces in Building D. Meanwhile, we have already signed contracts for leasing these spaces.

Since we have not signed any lease agreements yet for the rest of the space in Building H, we have built up the non-leased space only to the extent necessary to apply for official permits. The office spaces are now completed; we will undertake additional projects only to meet concrete requirements by a tenant. Once a new tenant signs a lease, we will be able to finish construction according to the tenant's specifications within two months. Although licences and approvals have been obtained for the entire building as a whole, we are operating the currently unoccupied Hx and Hy wings only to the extent necessary to maintain their condition, in the interest of minimizing operating costs.

In other development activities, we continue to upgrade the existing office buildings, including, for example, installation of sun shade technology, façade repair, reduction of energy and water consumption, and modernization of the existing systems. These tasks serve both to maintain the buildings and to improve their chances for leasing in the future. In particular, we are now installing sun shades on the exterior of the GD building, and have begun renovating and modernizing the restaurant, leading to a significant increase in its capacity.

The territory of 7.5 hectares, purchased in October 2008, includes monument buildings that served as the management headquarters of the Gas Works. The monument buildings, when we acquired them, were in extraordinarily bad repair, so we immediately began maintenance activities to protect their condition. In addition, we have started to survey the condition of the utilities and perform the hook-ups necessary for the occupied buildings to be fully functional. We have also signed an agreement with the Budapest Historical Museum regarding archaeological expertise and supervision, which will determine the archaeological tasks associated with the land area under development.



Rental Results

With the completion of Building H, the parks available office and laboratory space grew from 33,000 m² to 45.000 m²; concurrently, the earlier 92% occupancy rate fell to 75%, due to Building H's current occupancy rate of 25%.

In light of newly signed or extended lease agreements during the first quarter, our 2009 revenue forecasts appear to have been well-founded, but for the time being we do not expect a significant improvement in the occupancy rate.

Financial Results

With revenues of 1,597 thousand EUR, the Company closed the first quarter with an operating profit of 851 thousand EUR, which corresponds to our expectations.

Net financial expense of the first quarter amounted to 1,455 thousand EUR, composed of the following items:

- Net interest expenses of 411 thousand EUR, consisting of the interest expense on bank loans, amounting to 712 thousand EUR, decreased by interest income of 301 thousand EUR, stemming primarily from HUF cash reserves.
- Exchange rate losses of 1,044 thousand EUR, due largely to the revaluation using the exchange rate at the close of the first quarter: an extremely high rate of 309.22 HUF/EUR.

For 2009, the Company continues to project rental revenues of 7.2 million EUR. This projection takes into consideration revenues from newly leased spaces after the completion of Building H. However, no significant rise in net profits – calculated without exchange rate differences - is expected, since the depreciation costs of Building H as a whole, combined with the growing cost of debt will offset all the expected rental revenue increase in 2009.

From 2009, with the change of the functional currency of Graphisoft Park Kft. from the HUF to the EUR, no exchange rate difference arises on EUR loans, but the Company continues to be exposed to exchange rate differences arising on HUF-based financial assets and liabilities. Given the current ever-changing HUF/EUR exchange rate, it is not possible to provide reliable forecast on financial profit and net profit for the year at present.

A detailed report on the Company's financial position and performance is to be found in the quarterly report, part of the interim management report.

Other Key Information

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

The cooperation also covers the issue of the parties coordinated appearance on the market and joint marketing activities.

On April 21, 2009, the Company acquired 10% share in the Aquincum Institute of Technology Kft.



Forward-looking statements - This Interim Management Report contains forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore you should not place undue reliance on them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement.

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

Budapest, May 15, 2009

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer



GRAPHISOFT PARK SE

QUARTERLY REPORT

for the quarter ended March 31, 2009

in accordance with International Financial Reporting Standards (IFRS)

(unaudited)

Budapest, May 15, 2009

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer

GRAPHISOFT PARK SE
QUARTERLY REPORT
MARCH 31, 2009

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

	March 31, 2008	March 31, 2009	<i>Change</i> <i>(%)</i>
CURRENT ASSETS			
Cash and cash equivalents	18,722	14,717	<i>(21.4)</i>
Trade receivables	500	297	<i>(40.6)</i>
Inventories	-	2,282	-
Current tax receivable	238	360	<i>51.3</i>
Other current assets	961	615	<i>(36.0)</i>
Current assets	20,421	18,271	<i>(10.5)</i>
NON CURRENT ASSETS			
Investment property	46,396	64,324	<i>38.6</i>
Other tangible assets	159	130	<i>(18.2)</i>
Intangible assets	3	34	<i>1033.3</i>
Deferred tax asset	-	87	-
Non-current assets	46,558	64,575	<i>38.7</i>
TOTAL ASSETS	66,979	82,846	<i>23.7</i>
CURRENT LIABILITIES			
Short-term loans	884	1,451	<i>64.1</i>
Trade payables	1,576	1,824	<i>15.7</i>
Current tax liability	14	174	<i>1142.9</i>
Other short-term liabilities	484	3,360	<i>594.2</i>
Current liabilities	2,958	6,809	<i>130.2</i>
NON CURRENT LIABILITIES			
Long-term loans	40,700	55,115	<i>35.4</i>
Deferred tax liability	55	-	-
Non-current liabilities	40,755	55,115	<i>35.2</i>
TOTAL LIABILITIES	43,713	61,924	<i>41.7</i>
SHAREHOLDERS' EQUITY			
Share capital	213	213	-
Retained earnings	23,291	22,883	<i>(1.8)</i>
Accumulated translation difference	(238)	(2,174)	<i>813.4</i>
Shareholders' equity	23,266	20,922	<i>(10.1)</i>
TOTAL LIABILITIES & EQUITY	66,979	82,846	<i>23.7</i>

The accompanying notes form an integral part of the quarterly report.

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

	March 31, 2008	March 31, 2009	<i>Change</i> <i>(%)</i>
Property rental revenues	1,569	1,597	1.8
Revenue	1,569	1,597	1.8
Services recharged	(15)	(18)	20.0
Employee related expenses	(80)	(97)	21.3
Depreciation and amortisation	(623)	(610)	(2.1)
Other operating expenses	(77)	(44)	(42.9)
Operating expenses	(795)	(769)	(3.3)
Other income (expense)	-	23	-
OPERATING PROFIT	774	851	9.9
Interest income	156	301	92.9
Interest expense	(313)	(712)	127.5
Exchange rate difference	(319)	(1,044)	227.3
Financial expense	(476)	(1,455)	205.7
PROFIT BEFORE TAX	298	(604)	-
Income tax expense	(89)	(126)	41.6
PROFIT FOR THE YEAR	209	(730)	-
Attributable to equity holders of the parent	209	(730)	-
Basic earnings per share (EUR)	0.02	(0.07)	-
Diluted earnings per share (EUR)	0.02	(0.07)	-

The accompanying notes form an integral part of the quarterly report.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE QUARTER ENDED MARCH 31, 2009
(all amounts in thousands EUR unless otherwise stated)

	Share capital	Treasury shares	Retained earnings	Accumulated translation difference	Total equity
January 1, 2008	<u>213</u>	<u>-</u>	<u>23,082</u>	<u>251</u>	<u>23,546</u>
Profit for the year	-	-	209	-	209
Dividend	-	-	-	-	-
Translation difference	-	-	-	(489)	(489)
March 31, 2008	<u>213</u>	<u>-</u>	<u>23,291</u>	<u>(238)</u>	<u>23,266</u>
January 1, 2009	<u>213</u>	<u>-</u>	<u>23,613</u>	<u>(630)</u>	<u>23,196</u>
Profit for the year	-	-	(730)	-	(730)
Dividend	-	-	-	-	-
Translation difference	-	-	-	(1,544)	(1,544)
March 31, 2009	<u>213</u>	<u>-</u>	<u>22,883</u>	<u>(2,174)</u>	<u>20,922</u>

The accompanying notes form an integral part of the quarterly report.

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

	March 31, 2008	March 31, 2009
OPERATING ACTIVITIES		
Income before tax	305	(604)
Depreciation and amortization	623	610
Interest expense	313	712
Interest income	(156)	(301)
Unrealized foreign exchange losses	325	749
Changes in working capital:		
Decrease / (increase) in accounts receivable and other current assets	(823)	(90)
Decrease / (increase) in inventory	-	(1,293)
(Decrease) / increase in accounts payable and accruals	27	1,138
Corporate income tax paid	(126)	(117)
Net cash from operating activities	488	804
INVESTING ACTIVITIES		
Purchase of investment property, other tangible assets and intangibles	(1,868)	(2,580)
Interest paid (capitalized)	(67)	(53)
Proceeds on disposal of other tangible assets	4	-
Interest received	146	333
Net cash used in investing activities	(1,785)	(2,300)
FINANCING ACTIVITIES		
Proceeds from receipt of loans	19,000	-
Loan repayments	(154)	(322)
Interest paid	(404)	(764)
Net cash from (used in) financing activities	18,442	(1,086)
Increase in cash and cash equivalents	17,145	(2,582)
Cash and cash equivalents at beginning of year	994	18,528
Exchange differences on cash and cash equivalents	583	(1,229)
Cash and cash equivalents at end of year	18,722	14,717

The accompanying notes form an integral part of the quarterly report.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE QUARTER ENDED MARCH 31, 2009
(all amounts in thousand EUR unless otherwise stated)

1. General information

1.1. Business activities, organization

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

1.1.1. Property operation into a separate company

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

1.1.2. Optimization of capital structure

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

1.2. Governance

On April 28, 2009, Graphisoft Park SE's Annual General Meeting reelected the members and chairman of Board of Directors.

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

The Audit Committee (AC) continues to be composed of the three non-executive directors of the Board.

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

1.3. Shares and shareholders

Graphisoft Park SE shares have been publicly traded on the Budapest Stock Exchange since August 28, 2006. The Company's share capital is 212,633 EUR, which consists of 10,631,674 Series "A" stock with a face value of 0,02 EUR each. The Company has 227,514 of treasury shares. Treasury shares are not entitled to dividend.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE QUARTER ENDED MARCH 31, 2009
(all amounts in thousand EUR unless otherwise stated)

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

Name	Title	March 31, 2008		March 31, 2009	
		Shares (pcs)	Share (%)	Shares (pcs)	Share (%)
Directors and management		3,353,895	31.55	3,898,114	36.67
Bojár Gábor	BD Chairman	2,709,969	25.49	3,185,125	29.96
Hornung Péter	BD Member	530,426	5.00	530,426	5.00
Dr. Kálmán János	BD Member	13,500	0.13	13,500	0.13
Kocsány János	CEO	100,000	0.94	168,913	1.59
Szűcs Tibor	GM*	0	0.00	150	0.00
Shareholders over 5% share		1,887,691	17.76	1,919,227	18.05
Tari István Gábor		1,074,329	10.10	1,074,329	10.10
Concorde Alapkezelő Zrt.		813,362	7.65	844,896	7.95
Other shareholders		5,162,574	48.56	4,586,819	43.14
Treasury shares		227,514	2.14	227,514	2.14
Total		10,631,674	100.00	10,631,674	100.00

* Graphisoft Park Services Kft.

2. Accounting policies

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

Balance sheet exchange rates used were 309.22 HUF/EUR on March 31, 2009, and 259.36 HUF/EUR on March 31, 2008. The average exchange rate was 294.57 HUF/EUR and 259.30 HUF/EUR for the first quarters of 2009 and 2008, respectively.

3. Income statement

3.1. Revenue

During the first quarter, no significant change occurred in the occupancy rate of the real estate (~ 92%). Rental revenues of 1,597 thousand EUR is approximately 3% less than planned for the quarter, due to the weak (and weakening) exchange rate of the HUF.

3.2. Operating expenses

Operating expenses (769 thousand EUR) remained below the planned expenses and also below those of the first quarter of 2008. Besides the effect of cost-saving measures, this is due to the weak exchange rate of the HUF during this quarter (expenses are incurred in HUF).

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE QUARTER ENDED MARCH 31, 2009
(all amounts in thousand EUR unless otherwise stated)

3.3. EBITDA, operating profit

EBITDA (1,437 thousand EUR) and the operating profit (851 thousand EUR) are in accordance with plans. During the first quarter, the EBITDA margin reached 90%, while the operating profit margin exceeded 50%.

3.4. Financial expense

Net financial expense of the first quarter amounted to 1,455 thousand EUR, composed of the following items:

- Net interest expenses of 411 thousand EUR, consisting of the interest expense on bank loans, amounting to 712 thousand EUR, decreased by interest income of 301 thousand EUR, stemming primarily from HUF cash reserves.
- Exchange rate losses of 1,044 thousand EUR, due largely to the revaluation using the exchange rate at the close of the first quarter: an extremely high rate of 309.22 HUF/EUR.

From 2009, with the change of the functional currency of Graphisoft Park Kft. from the HUF to the EUR, no exchange rate difference arises on EUR loans, but the Company continues to be exposed to exchange rate differences arising on HUF-based financial assets and liabilities.

4. Balance sheet

4.1. Cash and cash equivalents

The Company's cash reserves at the end of the quarter totaled 14,717 thousand EUR, a decrease of 4,005 thousand EUR for the quarter. The components of changes in cash are detailed in the statement of cash flows.

4.2. Trade receivables

Trade receivables totaled 297 thousand EUR at the end of the quarter, a lower than average amount. At the end of the quarter, the Company had no significant overdue receivables.

4.3. Inventories

Inventories of 2,282 thousand EUR include expenses to be recharged to one of the tenants. The total amount of rechargeable expenses is covered by advances received from the tenant, which are shown at other short-term liabilities. This transaction was completed in April 2009.

4.4. Investment properties

The status of investment properties has changed in the period as follows:

	January 1, 2009	Additions	Depreciation	Translation difference	March 31, 2009
Investment properties	64,061	2,364	(600)	(1,501)	64,324

4.5. Loans

The Company's loans of 56,566 thousand EUR consist solely of loans from the Westdeutsche Immobilien Bank AG. In the first quarter, the Company repaid 322 thousand EUR and did not withdraw any additional loans.

GRAPHISOFT PARK SE
NOTES TO THE QUARTERLY REPORT
FOR THE QUARTER ENDED MARCH 31, 2009
(all amounts in thousand EUR unless otherwise stated)

4.6. Trade payables

Trade payables grew to a relatively high amount (1,824 thousand EUR) due to billings associated with the completion of Building H. At the end of the quarter, the Company had no overdue payables, and continues to meet its obligations in a timely manner.

5. Events after the balance sheet date

5.1. AIT cooperation and ownership share

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

On April 21, 2009, the Company acquired 10% share in the Aquincum Institute of Technology Kft. The value of the share is 30 million HUF.

5.2. Approval of 2008 financial statements

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