

GRAPHISOFT PARK SE
Half-year Report – First Half 2015
August 5, 2015



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 55,000 m2 office, laboratory and educational space with current occupancy level standing at 96%. To this end we have started the planning of additional 8,000 m2 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. This in turn necessitates the demolition of the adjacent smaller buildings and storage facilities (roughly 2,000 m2 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 Jégtörő Street, which has developed into a busy artery in the past years.

Financial results have progressed as forecasted: we have achieved a 1,585 thousand euros net profit over 4.83 million euros revenues in the first half of 2015, compared to the respective figures of 1,004 thousand euros net profit over 3.93 million euros revenue in the first half 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.

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 16 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

	3 months ended		6 months ended	
	June 30,	June 30,	June 30,	June 30,
	2014	2015	2014	2015
Revenue	1,969	2,398	3,930	4,827
Operating expense	(332)	(343)	(516)	(524)
Other income (expense)	40	84	69	149
EBITDA	1,677	2,139	3,483	4,452
Depreciation and amortization	(953)	(1,047)	(1,890)	(2,082)
Operating profit	724	1,092	1,593	2,370
Net interest expense	(305)	(329)	(630)	(662)
Exchange rate differences	(3)	32	54	183
Profit before tax	416	795	1,017	1,891
Income tax expense	14	(134)	(13)	(306)
Profit for the period*	430	661	1,004	1,585
EBITDA margin (%)	85.2	89.2	88.6	92.2
Operating profit margin (%)	36.8	45.5	40.5	49.1

	December 31, 2014	June 30, 2015
Investment property at book value	63,151	61,487
Investment property at fair value**	156,920	156,920
Net asset value at book value	22,308	21,888
Net asset value at fair value	116,176	117,321
Number of ordinary shares outstanding (thousands)***	10,083	10,083
Net asset value at fair value per share (euro)	11.5	11,6

* Without the one-time write-offs to be accounted for in the third quarter due to demolitions related to developments starting in 2015.

** 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, and book values 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 half of 2015,
- Utilization, occupancy,
- Development activities,
- Other key issues,
- Forecast for the year 2015.

Financial results for the first half of 2015

Changes in the results for the first half of 2015 compared to the 2014 bases occurred by the effects of the following main factors:

- **Revenue** (2015: 4,827 thousand euros; 2014: 3,930 thousand euros) rose by 897 thousand euros, or 23%. The growth in occupancy rate increased revenue by 13% and rental income coming from developments completed in the monument and the southern development areas increased it by a further 10% (see details in the „Utilization, occupancy“ and „Development activities“ sections below).
- **Operating expense** (2015: 524 thousand euros; 2014: 516 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: 149 thousand euros; 2014: 69 thousand euros) net amount is 80 thousand euros higher than the base last year.
- **Depreciation** (2015: 2,082 thousand euros; 2014: 1,890 thousand euros) increased by 192 thousand euros, or 10% due to developments capitalized during the previous year (see details in the “Development activities” section below).
- **EBITDA** (2015: 4,452 thousand euros; 2014: 3,483 thousand euros) grew by 969 thousand euros, or 28%, while **operating profit** (2015: 2,370 thousand euros; 2014: 1,593 thousand euros) rose by 777 thousand euros, or 49% compared to the previous year due to the factors mentioned above.
- **Net interest expense** (2015: 662 thousand euros; 2014: 630 thousand euros) increased by 32 thousand euros or 5% due to the following factors. Even though the actual interest expense incurred fell by 52 thousand euros as a result of lower loan interest rates and loan liability, the interest payment of 62 thousand euros capitalized on construction in progress in the base period made interest payment accounted as expense rise by 10 thousand euros. Interest income dropped also by 22 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: 183 thousand euros; 2014: 54 thousand euros) worked out favorably, by 129 thousand euros in 2015 than in 2014. 2015 gains are attributable mostly to cash reserves held partly in US dollars strengthening significantly against the euro (nearly 2 million USD, 145 thousand euros not realized exchange rate gain).
- **Income tax expense** (2015: 306 thousand euros; 2014: 13 thousand euros) is 293 thousand euros higher than in the previous year. The growth in revenue and profit before tax increased calculated corporate and local business tax by 110 thousand euros, while 2014 corporate income tax was lowered by a specific tax base decreasing item (monument renovation tax credit) by 183 thousand euros.



- **Net profit** (2015: 1,585 thousand euros; 2014: 1,004 thousand euros) rose by 581 thousand euros, that is 58% in 2015 compared to 2014 because of the following factors: (1) operating profit rose by 777 thousand euros, or 49% because of the growth in rentable area and occupancy rate, (2) financial results improved by 97 thousand euros, or 17% due to favorable exchange rate differences, and finally (3) income tax expense was higher by 293 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
Occupancy (%):	80%	81%	90%	95%	96%	96%
Area (m2):	46,800	46,800	55,000	55,000	55,000	55,000

As demonstrated in the table above, rentable space in the Park grew by 8,200 m2 (5,200 m2 renovated and repurposed for education historical buildings and 3,000 m2 dormitory), while occupancy rose from 80% to 95%, which increased an additional 1% by the first half of 2015.

By renting over 10,000 m2 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 m2 new office premises over several phases starting from 2017. With the necessary demolition and refurbishment works rentable office space in the Park will temporarily shrink by 2,000 m2 from the summer of 2015, therefore the net planned expansion is 6,000 m2. This means that occupancy levels in the Park will be at an effective 100% until the delivery of the first phase (expected in the first quarter of 2017), with no free rentable area in that period.

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 m2 of office and laboratory space have been developed and occupied on the core 8.5 hectares of Graphisoft Park.

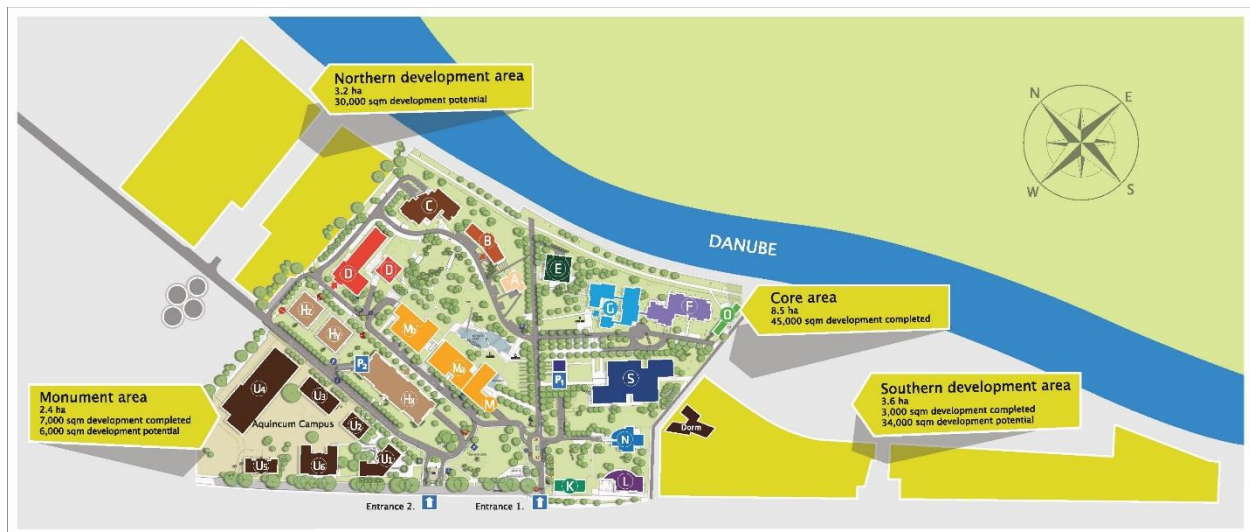
In relation to the 2015 April renewal of the SAP lease (see “Utilization, occupancy” section for details), we have undertaken to construct a new wing of 5,500 m2 directly adjacent to SAP’s main building (marked S on the map below). Out of the total area of the new wing SAP will occupy 2,500 m2 which will allow a much more efficient placement than operating in multiple buildings as of currently. The remaining 3,000 m2 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 m2 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 requires the demolition of older buildings and sections with less economical uses of space (marked N and L on the map below), which temporarily reduces rentable space by 2,000 m2.



The planned total cost of development activities - including the construction of about 8,000 m² 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.

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.



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 m² 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 m² 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 m² 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 m² 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 m² 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 m² 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 (see details below),
- 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

Cleaning up of the residual soil and ground water pollution from the gasification use of the area until 1986

The agency order long due for the environmental cleaning up of the polluted area has become legally binding and enforceable on July 18, 2015. The area affected is situated north of the core area and the educational campus within the bounds of the northern development area. The completion deadline for the necessary soil replacement works is November 30, 2017. The expected start date is in the first quarter of 2016. The deadline for the subsequent ground water treatment is April 30, 2019. The responsible party for the clean up, the Capital City Gas Works, has presented cleanup plans highly responsive and respectful to the interests and priorities of Graphisoft Park's tenants and the inhabitants of the surrounding neighborhoods.

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 (in total of the Spring semester now ended and confirmed enrollments for the Fall semester to begin later this year). 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 (based on enrollment data from the Spring semester now ended and confirmed enrollments for the Fall semester). This supports the long term sustainability of the educational venture (of which Graphisoft Park owns a 10% share), making the 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 year 2015

Our forecast for the year 2015 is summarized in the following table, based on signed and valid lease agreements with the current occupancy rate of 96% (see details in caption “Utilization, occupancy”; without one-off write-offs to be accounted for due to demolitions related to developments starting in 2015.):

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

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 calculate with any exchange rate differences. Thus, financial results are expected to decrease by 200 thousand euros 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 May 6, 2015.

Due to the effect of the demolition of older buildings and sections in relation to the developments in the core area beginning in 2015 (see “Utilization, occupancy” section) a one-time 500 thousand euros write-off has 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 the one-off items.



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

Budapest, August 5, 2015

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer



GRAPHISOFT PARK SE

HALF-YEAR REPORT

for the half-year ended June 30, 2015

in accordance with International Financial Reporting Standards (IFRS)

(consolidated, unaudited)

Budapest, August 5, 2015

Hajba Róbert
Chief Financial Officer

Kocsány János
Chief Executive Officer

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GRAPHISOFT PARK SE
CONSOLIDATED BALANCE SHEET

AS OF JUNE 30, 2015

(all amounts in thousands of euros unless otherwise stated)

	Notes	December 31, 2014	June 30, 2015
Cash and cash equivalents	3	4,822	4,389
Trade receivables	4	275	600
Current tax receivable	5	107	49
Other current assets	6	154	99
Current assets		5,358	5,137
Investment property	7	63,151	61,487
Other tangible assets	7	276	295
Investments	8	100	100
Deferred tax asset	9	23	30
Non-current assets		63,550	61,912
TOTAL ASSETS		68,908	67,049
Short-term loans	10	2,935	2,982
Trade payables	11	534	562
Current tax liability	5	191	240
Other short-term liabilities	12	1,361	1,163
Current liabilities		5,021	4,947
Long-term loans	10	41,377	39,872
Deferred tax liability	9	202	342
Non-current liabilities		41,579	40,214
TOTAL LIABILITIES		46,600	45,161
Share capital	1.3	250	250
Retained earnings		25,953	25,534
Treasury shares	20	(962)	(962)
Accumulated translation difference		(2,933)	(2,934)
Shareholders' equity		22,308	21,888
TOTAL LIABILITIES & EQUITY		68,908	67,049

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF INCOME
FOR THE HALF-YEAR ENDED JUNE 30, 2015
(all amounts in thousands of euros unless otherwise stated)

	Notes	3 months ended		6 months ended	
		June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Property rental revenue	13	1,969	2,398	3,930	4,827
Revenue		1,969	2,398	3,930	4,827
Property related expense	14	(18)	(18)	(30)	(34)
Employee related expense	14	(222)	(244)	(330)	(340)
Other operating expense	14	(92)	(81)	(156)	(150)
Depreciation and amortization	14, 7	(953)	(1,047)	(1,890)	(2,082)
Operating expense		(1,285)	(1,390)	(2,406)	(2,606)
Other income	15	40	84	69	149
OPERATING PROFIT		724	1,092	1,593	2,370
Interest income	16	21	5	37	15
Interest expense	16	(326)	(334)	(667)	(677)
Exchange rate difference	17	(3)	32	54	183
Financial expense		(308)	(297)	(576)	(479)
PROFIT BEFORE TAX		416	795	1,017	1,891
Income tax expense	18	14	(134)	(13)	(306)
PROFIT FOR THE PERIOD		430	661	1,004	1,585
Attributable to equity holders of the parent		430	661	1,004	1,585
Basic earnings per share (EUR)	19	0.04	0.07	0.10	0.16
Diluted earnings per share (EUR)	19	0.04	0.07	0.10	0.16

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
 FOR THE HALF-YEAR ENDED JUNE 30, 2015
 (all amounts in thousands of euros unless otherwise stated)

	Notes	3 months ended		6 months ended	
		June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Profit for the period		430	661	1,004	1,585
Translation difference*		2	(3)	(2)	(1)
Other comprehensive income**		2	(3)	(2)	(1)
COMPREHENSIVE INCOME		432	658	1,002	1,584
Attributable to equity holders of the parent		432	658	1,002	1,584

* 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 HALF-YEAR ENDED JUNE 30, 2015
 (all amounts in thousands of euros unless otherwise stated)

	Share capital	Retained earnings	Treasury shares*	Accum. translation difference	Total equity
December 31, 2013	213	26,552	(784)	(2,931)	23,050
Profit for the period	-	1,004	-	-	1,004
Translation difference	-	-	-	(2)	(2)
Purchase of treasury shares	-	-	(178)	-	(178)
Dividend	-	(2,965)	-	-	(2,965)
June 30, 2014	213	24,591	(962)	(2,933)	20,909
December 31, 2014	250	25,953	(962)	(2,933)	22,308
Profit for the period	-	1,585	-	-	1,585
Translation difference	-	-	-	(1)	(1)
Dividend	-	(2,004)	-	-	(2,004)
June 30, 2015	250	25,534	(962)	(2,934)	21,888

* Treasury share details are disclosed in Note 20.

GRAPHISOFT PARK SE
CONSOLIDATED STATEMENT OF CASH FLOWS
 FOR THE HALF-YEAR ENDED JUNE 30, 2015
 (all amounts in thousands of euros unless otherwise stated)

	3 months ended		6 months ended	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
OPERATING ACTIVITIES				
Income before tax	416	795	1,017	1,891
Depreciation and amortization	953	1,047	1,890	2,082
Gain on sale of tangible assets	-	(3)	-	(3)
Interest expense	326	334	667	677
Interest income	(21)	(5)	(37)	(15)
Unrealized foreign exchange (gains) / losses	(18)	(20)	(42)	14
Changes in working capital:				
(Increase) / decrease in receivables and other current assets	88	(200)	197	(267)
Increase in inventory	(7)	-	(2)	-
Increase / (decrease) in liabilities	204	(322)	88	(335)
Corporate income tax paid	(30)	(10)	(128)	(133)
Net cash from operating activities	1,911	1,616	3,650	3,911
INVESTING ACTIVITIES				
Purchase of tangible assets and intangibles	(1,957)	(237)	(3,089)	(391)
Sale of tangible assets	-	6	-	6
Interest paid - capitalized	(35)	-	(62)	-
Sale of investment	-	-	7	-
Interest received	15	7	20	30
Net cash used in investing activities	(1,977)	(224)	(3,124)	(355)
FINANCING ACTIVITIES				
Loan repayments	(705)	(732)	(1,405)	(1,458)
Interest paid	(329)	(347)	(691)	(662)
Purchase of treasury shares	(178)	-	(178)	-
Dividend paid	(2,994)	(2,002)	(2,994)	(2,002)
Net cash used in financing activities	(4,206)	(3,081)	(5,268)	(4,122)
Decrease in cash and cash equivalents	(4,272)	(1,689)	(4,742)	(566)
Cash and cash equivalents at beginning of period	9,713	6,102	10,160	4,822
Exchange rate gain / (loss) on cash and cash equivalents	14	(24)	37	133
Cash and cash equivalents at end of period	5,455	4,389	5,455	4,389

GRAPHISOFT PARK SE
NOTES TO THE HALF-YEAR REPORT
FOR THE HALF-YEAR ENDED JUNE 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 15 on June 30, 2015.

1.2. Properties

The total area of Graphisoft Park is nearly 18 hectares. Over the past 17 years, 55,000 m² 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 m² of office space.

The real estate is categorized as follows:

Area	Property
Core area	modern office park spreading over 8.5 hectares of land, comprising 9 office buildings with over 45,000 m ² office and laboratory space, 1 storage warehouse with supporting office space, 2 restaurants and 1 service building
Monument area	2.4 hectares of land comprising 10,000 m ² of total rentable net internal area of the monument buildings, out of which 7,000 m ² has been renovated
Development areas	6.8 hectares of development land, on which a 3,000 m ² floor area dormitory has been constructed

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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		June 30, 2015	
	Shares (pcs)	Share (%)	Shares (pcs)	Share (%)
ORDINARY SHARES:	10,631,674	85.00	10,631,674	85.00
Directors and management	3,511,538	28.09	3,511,538	28.09
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	6,000	0.05
Shareholders over 5% share	2,802,189	22.40	2,797,771	22.37
Tari István Gábor*****	1,074,329	8.59	1,074,329	8.59
Concorde Alapkezelő Zrt.	1,727,860	13.81	1,723,442	13.78
Other shareholders	3,768,871	30.12	3,773,289	30.15
Treasury shares*	549,076	4.39	549,076	4.39
EMPLOYEE SHARES**:	1,876,167	15.00	1,876,167	15.00
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
SHARES TOTAL:	12,507,841	100.00	12,507,841	100.00

* 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 in a market transaction at Budapest Stock Exchange. Due to this purchase, number of ordinary shares possessed by the CFO rose to 7,500.

***** Shareholder holding more than 5% of total shares, Tari István Gábor passed away on March 16, 2015.

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1.4. 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, 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:

	3 months ended		6 months ended	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
EUR/HUF opening:	307.06	299.14	296.91	314.89
EUR/HUF closing:	310.19	315.04	310.19	315.04
EUR/HUF average:	307.69	306.11	306.94	307.45

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3. Cash and cash equivalents

	December 31, 2014	June 30, 2015
Cash in hand	1	1
Cash at banks	4,821	4,388
Cash and bank	4,822	4,389

4. Trade receivables

	December 31, 2014	June 30, 2015
Trade receivables	275	600
Provision for doubtful debts	-	-
Trade receivables	275	600

Trade receivables are on 8-30 day payment terms.

5. Current tax receivables and liabilities

	December 31, 2014	June 30, 2015
Current tax receivables	107	49
Current tax liabilities	(191)	240
Current tax liability, net	(84)	191

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6. Other current assets

	December 31, 2014	June 30, 2015
Accrued income	105	69
Prepaid expense	44	30
Other receivables	5	-
Other current assets	154	99

7. Tangible and intangible assets – book values

	December 31, 2014	June 30, 2015
Investment property	63,151	61,487
Other tangible assets	276	295
Tangible and intangible assets (net)	63,427	61,782

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The table shows movements of investment property during the period:

	Land and buildings	Construction in progress	Investment property
Net value:			
December 31, 2014	61,997	1,154	63,151
Gross value:			
December 31, 2014	93,612	1,154	94,766
Additions	-	379	379
Capitalizations	358	(358)	-
June 30, 2015	93,970	1,175	95,145
Depreciation:			
December 31, 2014	31,615	-	31,615
Additions	2,043	-	2,043
June 30, 2015	33,658	-	33,658
Net value:			
June 30, 2015	60,312	1,175	61,487

Additions in construction in progress of 379 thousand EUR comprise the following:

- developments in the monument area and the southern development area (23 thousand EUR),
- developments in the core area (356 thousand EUR).

Capitalizations in the value of 358 thousand EUR comprise the following:

- developments completed in the monument area and the southern development area (23 thousand EUR),
- developments completed in the core area (335 thousand EUR).

Construction in progress totaling 1,175 thousand EUR comprises the cost of the monument area's buildings to be renovated (1.141 thousand EUR), and the cost of development activities taking place in the core area (34 thousand EUR).

The Company capitalized no interest expense on construction in progress in the first half of 2015 (62 thousand EUR in the first half of 2014).

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

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8. Investments

	December 31, 2014	June 30, 2015
AIT-Budapest Aquincum Institute of Technology Kft.	100	100
Investments	100	100

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	June 30, 2015
Development reserve	(537)	(630)
Depreciation	22	22
Loss carried forward	336	296
Deferred tax liability, net	(179)	(312)

10. Loans

	December 31, 2014	June 30, 2015
Short-term	2,935	2,982
Long-term	41,377	39,872
Loans	44,312	42,854

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.

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11. Trade payables

	December 31, 2014	June 30, 2015
Trade payables - domestic	534	562
Trade payables	534	562

12. Other short-term liabilities

	December 31, 2014	June 30, 2015
Amounts due to employees	38	37
Deposits from tenants	600	609
Other payables and accruals	723	517
Other short-term liabilities	1,361	1,163

13. Revenue

	3 months ended		6 months ended	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Property rental	1,969	2,398	3,930	4,827
Revenue	1,969	2,398	3,930	4,827

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

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14. Operating expense

	3 months ended		6 months ended	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Property related expense	18	18	30	34
Employee related expense	222	244	330	340
Other operating expense	92	81	156	150
Depreciation and amortization	953	1,047	1,890	2,082
Operating expense	1,285	1,390	2,406	2,606

Other operating expense consists of the following items:

	3 months ended		6 months ended	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Office and telecommunication	2	3	6	7
Legal and administration	51	44	78	79
Marketing	9	8	18	16
Other	30	26	54	48
Other operating expense	92	81	156	150

15. Other income (expense)

	3 months ended		6 months ended	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Income from recharged construction expenses	22	52	35	85
Recharged construction expenses	(9)	(41)	(18)	(67)
Income from recharged operation expenses	661	851	1,353	1,751
Recharged operation expenses	(638)	(800)	(1,307)	(1,649)
Others	4	22	6	29
Other income (expense)	40	84	69	149

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16. Interest

	3 months ended		6 months ended	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Interest received	21	5	37	15
Interest income	21	5	37	15
Interest paid on loans	(359)	(333)	(724)	(674)
Other interest paid	(2)	(1)	(5)	(3)
Borrowing cost capitalized	35	-	62	-
Interest expense	(326)	(334)	(667)	(677)
Net interest expense	(305)	(329)	(630)	(662)

17. Exchange rate difference

	3 months ended		6 months ended	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Exchange rate gain (loss) realized	21	36	(25)	64
Exchange rate gain (loss) not realized	(18)	(4)	79	119
Exchange rate gain	(3)	32	54	183

18. Income taxes

	3 months ended		6 months ended	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Current income tax	(71)	(85)	(126)	(173)
Deferred income tax	85	(49)	113	(133)
Income tax expense	14	(134)	(13)	(306)

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

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NOTES TO THE HALF-YEAR REPORT
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19. Earnings per share

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

	3 months ended		6 months ended	
	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015
Net profit attributable to equity holders	430	661	1,004	1,585
Weighted average number of ordinary shares	10,101,060	10,082,598	10,111,769	10,082,598
Basic earnings per share (EUR)	0.04	0.07	0.10	0.16
Weighted average number of ordinary shares	10,101,060	10,082,598	10,111,769	10,082,598
Diluted earnings per share (EUR)	0.04	0.07	0.10	0.16

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	June 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
Treasury shares (at historical cost)	962	962

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